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PROCEEDINGS AND DEBATES OF THE 93^{d} CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Friday, December 13, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Prepare ye the way of the Lord, make straight in the desert a highway for our God.—Isaiah 43: 3.

Almighty and Eternal God, whose light shines in the darkness and whose love surrounds us all our days, reveal to us Thy presence as we pray and make known Thy judgment in all we do and say and think.

Amid the movements of this present day help us to see Thy spirit at work and give us the strength to work worthily in Thy wholesome ways. May we prepare for Thy way among men by following the precepts of our faith—repenting of our sins, speaking the truth at all times, and living the life of love; to the glory of Thy holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii chapter of the National Railway Historical Society, Inc.;

H.R. 7072. An act to allow advance payment of subscription charges for pulbications for official use prepared for auditory as well as visual usage;

H.R. 7077. An act to provide for the establishment of the Cuyahoga Valley National Recreation Area;

H.R. 15818. An act to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission; and

H.R. 16424. An act to establish a Commission on Federal Paperwork.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5773. An act to establish the Canaveral National Seashore in the State of Florida, and for other purposes;

H.R. 8958. An act to amend the Federal Property and Administrative Services Act of 1949 to provide for the disposal of certain excess and surplus Federal property to the Secretary of the Interior for the benefit of any group, band, or tribe of Indians;

H.R. 10212. An act to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital," and for other purposes;

H.R. 13296. An act to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce; and

H.R. 14718. An act to discontinue or modify certain reporting requirements of law.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3394) entitled "An act to amend the Foreign Assistance Act of 1961, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. CHURCH, Mr. SYMINGTON, Mr. HUMPHREY, Mr. AIKEN, Mr. CASE, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2807. An act to name the Federal building, U.S. post office, U.S. courthouse, in Brunswick, Ga., as the "Frank M. Scarlett Federal Building";

S. 4004. An act to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council;

S. 4006. An act to designate the Paul H. Douglas Federal Building; and

S. 4079. An act to provide assistance for unemployed persons through public service employment programs and special unemployment benefits.

INTRODUCTION OF LEGISLATION TO IMPOSE PIPELINE TAX ON CANADIAN OIL

(Mr. MATHIS of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MATHIS of Georgia. Mr. Speaker, on Wednesday of this week I introduced legislation (H.R. 17616) which would direct the President to impose a pipeline transit tax, or duty, on Canadian oil transported across the United States, through American pipelines, back into Canada.

Quite frankly, Mr. Speaker, I would admit this act to be in direct retaliation for the excise tax on Canadian oil which is being imported into this country for domestic consumption. As most Members of this House know, Canada imposed this arbitrary tax some time ago.

Prime Minister Trudeau recently informed President Ford that Canada is now planning to phase out all exports of her oil into this country by 1982, with reductions annually until that time.

We have always enjoyed friendly relations with our neighbor to the north, and I have always desired to have these friendly relations continued, but I also feel that it is the duty of this body to insure that our country shall not suffer because of unjust taxation by another country. Also, I want our State Department to know that there is some concern and some readiness to fight fire with fire in this body.

Mr. Speaker, I plan to introduce this legislation early in the next Congress, and I welcome the support of the present Members of this House and of any new Members coming into the House and ask them to join me as cosponsors of this legislation.

CONCERN FOR THE POOR AND HELPLESS IN THE DISTRICT OF COLUMBIA

(Mr. PEYSER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PEYSER. Mr. Speaker, next Thursday, December 19, we in the House are going to be given the opportunity to show our real concern for the poor and helpless right here in the District of Columbia.

At that time, Mr. Speaker, we, as Members of the House, and our staffs hopefully are going to contribute canned food to Project Survival.

I would like to tell the Members of the House that this is food that will be distributed by the various churches here in the District of Columbia to the poor and needy.

The Speaker of the House CARL ALBERT, together with the majority leader (Mr. O'NEILL) and the minority leader (Mr. RHODES), have enthusiastically endorsed this program, and have urged Members and their staffs to actively participate.

You will be receiving "dear colleague" letters from the gentleman from Michigan (Mr. DIGGS) and myself, and your staffs will also be receiving letters. We certainly hope that the Congress can show its concern right here in Washington for the people who surround us who are in need in a very tangible way of bringing in food goods to the steps of the Capitol next Thursday at 11:45, when we can present them to Project Survival.

AMENDING NATIONAL HOUSING ACT TO CLARIFY AUTHORITY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RESPECTING INSURANCE OF PUBLIC DEPOSITS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 263) amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 263

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 405 of the National Housing Act (12 U.S.C. 1728) is amended—

(1) by inserting after "this subsection" in the second sentence of subsection (a) thereof a common and the following: "subsection (d) of this section,";

(2) by striking out "this subchapter" in subsection (d) and inserting in lieu thereof "this title";

(3) by inserting immediately after "or of the Virgin Islands" in subsection (d)(1)(iv) a comma and the following: "or of any territory or possession of the United States"; and

(4) by striking out "or the Virgin Islands" in subsection (d)(1)(iv) and inserting in lieu thereof a comma and the following: "the Virgin Islands, or any such territory or possession".

SEC. 2. The first sentence of section 302 (b)(1) of the National Housing Act (12 U.S.C. 1717(b)(1)) is amended by striking out "to a public agency" and inserting in lieu thereof "or guaranteed".

SEC. 3. The first sentence of section 7(a) of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended by striking "twelve", "four", and "one-half" and inserting in lieu thereof "fourteen", "six", and "three-fourths", respectively.

SEC. 4. Public Law 93–127 is amended by adding at the end thereof the following new section:

"SEC. 6. Nothing in this Act prohibits the Secretary of the Treasury, when he deems it necessary to assure an adequate supply of coins to meet the national needs, from continuing the minting for issuance during calendar year 1975 of dollar, half-dollar, and quarter-dollar coins bearing the design and coinage date provided for in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324).".

SEC. 5. The first sentence of section 4 of Public Law 93–127 is amended by striking out "July 4, 1975, for issuance on and after such date" and inserting in lieu thereof "July 4, 1976, for issuance on and after July 4, 1975".

SEC. 6. Section 8a of the Federal Home Loan Bank Act (12 U.S.C. 1428a) is hereby amended by striking the first sentence thereof and inserting in lieu thereof the following: "There is hereby created a Federal Savings and Loan Advisory Council, which shall continue to exist as long as the Board biannually determines, as a matter of formal record, after consultation with the Director of the Office of Management and Budget, with timely notice in the Federal Register, to be in the public interest in connection with the performance of duties imposed on the Council by law. The Council shall, in all other respects, be subject to the provisions of the Federal Advisory Committee Act. The Council shall consist of one member for each Federal Home Loan Bank district to be elected annually by the board of directors of the Federal Home Loan Bank in such district and twelve members to be appointed annually by the Board to represent the public interest.".

Mr. PATMAN. Mr. Speaker, this joint resolution contains several sections, none of which in my opinion are controversial.

The ranking minority member of the committee, the Honorable Mr. WIDNALL, with whom I have checked and a number of other members of the committee on both sides of the aisle have no objection to this legislation. Very briefly this resolution would correct some technical inadequacies in legislation already passed and in one instance extends the time period of an existing law which I will explain in a moment.

Specifically these technical corrections are as follows:

First. When the Congress authorized the FSLIC to insure public accounts we failed to include Guam in the definitional section of the areas in which the FSLIC could insure public accounts. This would correct that omission;

Second. In the same legislation when the FSLIC was authorized to insure public accounts we failed to give the Corporation definitional authority for defining public accounts. This resolution would give that authority;

Third. The resolution would increase the number of members of the Board of Directors from 12 to 14 enabling the Board to appoint six public interest directors instead of four; and

Fourth. Under the medical facilities construction and modernization amendments HEW is authorized to make loans and guarantees to private agencies for modernization or construction of hospitals. The FNMA is authorized to purchase the mortgages covering loans made to public agencies but is not authorized to purchase such loans from nonprofit agencies. This legislation would give FNMA authority to purchase mortgages made to private nonprofit corporations.

The two other provisions contained in the resolution are as follows:

Public Law 93–127 requires of all dollar, half dollar, and quarter dollar coins minted for issuance on or after July 4, 1975, and until such time as the Secretary of the Treasury may determine shall bear a design to be emblematic of the Bicentennial of the United States. It further provides that the coins in these three denominations issued between July 4, 1975, and January 1977, shall bear "1776–1976" in lieu of the regular date of the coinage. We have been advised by the mint that an unexpected surge in coinage demand throughout the Nation during the last year has made it impossible for the mint to strike the number of coins necessary for the Bicentennial within the time allotted in Public Law 93–127. This resolution gives the mint an additional time period of 1 year within which to mint such coins.

Last the resolution would authorize the continuation of the life of the FSLIC Advisory Council.

Mr. Speaker, this resolution is largely technical in nature. There is no objection that I know of from any member of the Banking and Currency Committee and the administration is in support of this resolution which yesterday passed the other body unanimously.

Mr. ANNUNZIO. Mr. Speaker, I rise in strong support of Senate Joint Resolution 263. I am particularly interested in section 2 of the resolution. That section contains a technical amendment to existing law, but it is nevertheless a very important amendment for the people of the city of Chicago and for the St. Mary of Nazareth Hospital which is located in the congressional district that I had the honor of representing in the Congress for a number of years.

Over the recent Thanksgiving Day weekend Sister Stella Louise, president of St. Mary's, contacted me and told me of the problems that the hospital was having with the financing of its new center and it was suggested that the problem might be resolved if the Federal National Mortgage Association, FNMA, were authorized to buy the loan. I know of the work that the St. Mary of Nazareth Hospital Center has been doing over the years.

The hospital is located in a mixed low-income residential neighborhood about 2 miles west of the downtown area. Under construction is a 485 bed facility to replace the existing structure which no longer meets local code requirements.

It is and will be a full service hospital including mental health facilities, emergency room, and poison control center, a nursing school, nuclear medicine facility and the only outpatient facility in the community.

Over 700,000 people live in the area served by the hospital and within the area live about one-fourth of the city's labor force. Three out of four families in the area earn less than $10,000 a year.

Four neighborhoods which are served by the hospital rank the highest in the city in diseases of mothers and infants and infant deaths in these neighborhoods are the highest in the city. The Chicago Board of Health has made studies which show that people in the community served by the hospital are exposed to the highest concentration of communicable and preventable diseases.

The community has no State, city, or private facility which offers a comprehensive community mental health care program, nor does the community have any facility for the detection and prevention of diseases in the embryonic stages. Moreover, the community must replace about 1,000 general use hospital beds now housed in aging and obsolete facilities.

Knowing very well, Mr. Speaker, the situation facing the hospital, as soon as I got back to Washington I contacted the top officials of FNMA who told me that the company had no authority to buy the loan. The FNMA officials explained that under existing law it could buy a hospital loan insured by the Federal Housing Authority and/or it could buy a hospital loan made by HEW to a public agency, but it had no authority to buy a loan either made or guaranteed by HEW if the borrower were other than a public agency.

Working jointly with the junior Senator from Illinois, Mr. STEVENSON, I asked FNMA to draft an amendment that would permit the company to buy the loan. It is that amendment which is now embodied in section 2 of the joint resolution before us for our consideration.

This amendment does not in any way affect the present authority of HEW under existing law; it does give FNMA the authority to buy a hospital loan made or guaranted by HEW where the borrower is a nonprofit corporation.

This additional grant of authority does not involve the commitment or the expenditure of any federal moneys.

Finally, Mr. Speaker, I must say a word of appreciation for the efforts of those who have worked with me in this endeavor, and I assure you and my colleagues that all of those people in the city of Chicago who will be benefited by this project will be most appreciative of your actions here today.

Mrs. SULLIVAN. Mr. Speaker, as chairman of the Subcommittee on Consumer Affairs, which has jurisdiction in the Committee on Banking and Currency over coinage matters, I join in urging passage of Senate Joint Resolution 263, particularly sections 4 and 5 which amend Public Law 93-127 dealing with special Bicentennial coinage for the celebration of our Nation's 200th anniversary.

These provisions are completely noncontroversial and were urgently requested by the Secretary of the Treasury in a letter to the Speaker on November 20. The amendments are necessary in order to enable the Bureau of the Mint to produce the billions of coins needed for daily commerce and also turn out special dollar, half dollar, and quarter dollar coins previously authorized by Congress and bearing designs commemorating the Bicentennial of the American Revolution.

If the House version of the Bicentennial coinage bill had been enacted last year, this legislation would not be necessary. But the Senate added a requirement last year that 60 million of the Bicentennial coins had to be made of 40 percent silver, as premium priced collector items. Moreover, the Senate bill required that all of these special silver coins had to be produced by July 4, 1975, when the Bicentennial year begins. The House conferees strenuously opposed this provision, but the best we could do in conference was to reduce to 45 million the number of silver Bicentennial coins which had to be ready by July 4, 1975. We pointed out to our Senate counterparts that there was a serious question as to whether the Mint could actually produce that many silver coins by the July 4, 1975, deadline while still turning out sufficient quantities of circulating coins, and also noted that until the public placed its orders for special silver coin sets there was no indication that 60 million, or even 45 million of the silver coins, would be needed to meet demand. Nevertheless, the Senate conferees were adamant and finally prevailed on this issue.

And now, of course, it turns out that the House was correct right along in our estimate of the problem. The Senate has acknowledged that by passing sections 4 and 5 of Senate Joint Resolution 263. Section 5 provides for an extension of 1 year in the deadline for manufacture of the 45 million silver Bicentennial coins—to July 4, 1976. The Director of the Bureau of the Mint, Mrs. Mary Brooks, has advised the Subcommittee on Consumer Affairs that it will be impossible for her Bureau to turn out the 45 million special silver coins in the period the present law requires, although she hopes to have 12 million to 15 million of them ready by July 4 of the coming year, and could turn out the remaining 30 million or so by the following Fourth of July, 1976.

Orders are now being taken for these special silver numistmatic coins in sets of three each—a dollar coin, a half dollar, and a quarter—at prices of $15 per set for the proof version and $9 per set for the uncirculated variety. We have no way of knowing how mank sets will actually be ordered, but undoubtedly many Americans will want to purchase one or more sets as mementos of the Bicentennial. Under present law, at least 15 million of the three-coin sets must be available for purchase, and up to 20 million sets can be made altogether if necessary to meet demand. Section 5 does not change that situation but merely establishes a more practical deadline for meeting the silver coin production requirements set in the Senate version of the legislation last year, by extending the time period of 1 year.

CONTINUATION OF REGULAR COINAGE

Section 4 of Senate Joint Resolution 263, also noncontroversial, would permit the Treasury to continue minting the regular cupro-nickel dollars, half-dollar and quarter-dollar coins, bearing current designs, throughout 1975 if necessary to assure adequate supplies of circulating coins next year. Under existing law, all coins of these three denominations minted for issuance after July 4, 1975, must bear Bicentennial designs on their reverse side and the date 1776–1976 on the obverse.

But the Treasury has been unable, because of extraordinary and unprecedented demand for circulating coins during the past year, to get far enough ahead of coinage demand to stockpile coins in order to make sure there is no temporary coin shortage after July 4 when the designs are to change. Hence, if many people choose to save the cupro-nickel Bicentennial dollars, half dollars, and quarters as mementoes when they first come into circulation next July, there could easily be a serious coin shortage. Therefore, this legislation permits the simultaneous manufacture, if necessary, during the last half of 1975 of both the regular design dollars, half dollars, and quarters and the cupro-nickel Bicentennial coins, rather than shutting off the production of the regular design coins by mid year. But during all of 1976, and for such time thereafter as the Secretary of the Treasury may determine, all dollar, half dollar and quarter-dollar coins produced by the mint will bear the Bicentennial designs.

Mr. Speaker, sections 4 and 5 of Senate Joint Resolution 263 provide a reasonable and practical solution of the problem of assuring adequate circulating coinage next year. When Congress acceded to the wishes of the Nation's coin collectors last year to authorize special coins commemorating the Bicentennial, it was with the clear understanding that there would still have to be sufficient coins in circulation to prevent coin shortages for the business firms of the country. And that must always remain our first concern when it comes to the striking of coins for numismatic purposes.

It is no one's fault that sufficient regular coins cannot be stockpiled in advance of next July 4 to assure adequate supplies on hand in case the cupro-nickel Bicentennial coins are widely saved as collector pieces. Business needs for coins during the past year have expanded by 50 percent—mostly for pennies but for other denominations as well, and the mint's production facilities have been taxed to the utmost. I ask that the House meet this challenge by passing Senate Joint Resolution 263.

DEPARTMENT OF THE TREASURY,
Washington, D.C., November 25, 1974.

Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs of the Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR LEONOR: Last Wednesday, on November 20, we discussed in your office an amendment to the Bicentennial Coinage Act proposed by the Department that would go a long way in assuring an adequate supply of circulating coinage during the coming Bicentennial period. Specifically, the bill, which was transmitted by Secretary Simon to both Houses of Congress on that day, would grant the Secretary stand-by authority to continue the production of circulating quarters, half-dollars and dollars with the regular coinage design and date throughout calendar year 1975 and would also eliminate the current statutory requirement that the Mint produce 45 million Bicentennial silver-clad coins prior to July 4, 1975. During our conversation, you asked me to elaborate further on the need for eliminating that statutory deadline from the current law, as would be done by section 2 of the proposed bill.

As I am sure you recall, the provision requiring the Secretary to mint at least 45 million silver-clad Bicentennial coins prior to July 4, 1975, for issuance after that date in proof and uncirculated form, was added by the Senate when it considered the Bicentennial coinage legislation in the summer of 1973. At that time, and when the conferees agreed to that provision several months later, I was reasonably certain that the Mint's production schedule would permit us to comply with the deadline imposed on us. However, none of us could foresee then the unexpected surge in coinage demand that would take place during the next twelve months. Since October of last year to the present, the demand for circulating coinage has increased by almost fifty percent. This, of course, has required that all our production capacity be devoted to the production of current circulating coinage, without leaving us any excess capability of manufacturing a substantial quantity of circulating or numismatic Bicentennial coins in advance of the issue date.

We have already contracted for the purchase of almost two-thirds of the silver-clad blanks required for the manufacture of 45 million proof and uncirculated coins, and we intend to begin producing the coins in January 1975. According to our present plans, we will produce between 12 to 15 million silver-clad coins by July 4, 1975. However, the Mint simply has no present capacity that would enable us to produce the remaining 30 or so million silver coins by that date. What the proposed legislation would do is to permit us to manufacture the remaining balance of the silver coins—about 30 million—during the subsequent nine to twelve months. In short, by removing the current statutory deadline from the law, the Mint would be able to produce the 45 million Bicentennial silver-clad coins at least by July 1976, without impairing its ability to produce circulating coinage.

I believe this legislation is urgently needed to assure an uninterrupted flow of coins for the Nation's commerce and trade. I very much appreciate whatever support you may provide for this bill.

Sincerely yours,

MARY BROOKS,
Director of the Mint.

Mr. ROSTENKOWSKI. Mr. Speaker, I join with my colleague from Illinois in strongly urging the adoption of Senate Joint Resolution 263. As my good friend has so ably explained, section 302(b)(1) of the National Housing Act (FNMA Charter Act) authorizes FNMA to purchase loans made to public hospitals under part B, title VI of the Public Health Service Act of 1970. There is no comparable authority for FNMA to purchase insured loans made to private, nonprofit hospitals under authority of the same 1970 act. Since both public and private nonprofit hospitals are federally aided under the same act, they should be afforded equitable treatment in relation to mortgage assistance by the FNMA.

Section 2 of Senate Joint Resolution 263 would amend section 302(b)(1) of the National Housing Act so as to authorize the same authority for FNMA to purchase insured or guaranteed loans of private nonprofit hospitals made under the Public Health Service Act and thereby provide equity in the treatment of public and private nonprofit hospitals.

One of the hospitals that would benefit directly from this change in language is St. Mary of Nazareth Hospital of Chicago.

It is estimated that there will be no cost to FNMA as a result of the grant of this additional authority and I therefore strongly urge the adoption of this resolution.

Mr. BARRETT. Mr. Speaker, I add my support to Senate Joint Resolution 263. The resolution makes several technical amendments to laws which were enacted in this Congress. It also provides for an extension of time during which the Bureau of the Mint may produce special Bicentennial coins.

Section 2 authorizes FNMA to purchase mortgage loans made or guaranteed by HEW under the Public Health Services Act to private nonprofit hospitals.

The need for this legislation has been fully explained and the particular immediate need for section 2 has been most ably set forth by the gentlemen from Illinois (Mr. ANNUNZIO and Mr. ROSTENKOWSKI).

I strongly urge the adoption of Senate Joint Resolution 263 so that it can be sent to the President and signed into law.

The Senate joint resolution was ordered to be read a third time, and was read the third time, and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TO EXTEND FOR 2 YEARS AUTHORIZATIONS FOR STRIKING MEDALS COMMEMORATING 100TH ANNIVERSARY OF CABLE CAR IN SAN FRANCISCO AND JIM THORPE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 17556) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 17556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the first section of the Act entitled, "An Act to authorize the striking of medals in commemoration of the one hundredth anniversary of the cable car in San Francisco" (Public Law 93–114), approved October 1, 1973, is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1976".

SEC. 2. Section 4 of the Act entitled "An Act to provide for the striking of medals in commemoration of Jim Thorpe" (Public Law 93–132), approved October 19, 1973, is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1976".

SEC. 3. The last sentence of the first section of the Act entitled "An Act to provide for the striking of medals commemorating the International Exposition on Environment at Spokane, Washington, in 1974", approved December 29, 1973 (Public Law 93–221), is amended by striking out "December 31, 1974" and inserting in lieu thereof "March 31, 1975".

SEC. 4. (a) Except with respect to medals in commemoration of the bicentennial of the American Revolution authorized to be struck by Public Law 92–228 (approved February 15, 1972), no national medals made for public sale under authority of any law of the United States shall contain any gold without the express, prior approval, by law, of the Congress of the United States.

(b) Any person who violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

Mrs. SULLIVAN. Mr. Speaker, this is a completely noncontroversial measure incorporating separate bills introduced by Representatives JOHN L. BURTON, PHILLIP BURTON, and PETE STARK for the San Francisco cable car medals; by Congressman HAPPY CAMP for the Jim Thorpe medals; and including an amendment to an act sponsored by Congressman TOM FOLEY for medals for the International Exposition on the Environment (Expo '74) at Spokane, Wash.

There is no cost to the Federal Government involved in the production of these medals. The legislation is made necessary by the fact that the Bureau of the Mint has been so swamped with work in turning out record quantities of pennies and other coins needed for general circulation that it would be impossible for the mint to complete by the statutory deadline at the end of this month the production of all of the commemorative national medals authorized by Congress last year under the three acts H.R. 17556 would extend.

The deadline for the cable car and Jim Thorpe medals would be extended 2 years, from December 31, 1974 to December 31, 1976. This is done in recognition of the fact that Bicentennial coinage demands upon the mint will be heavy. The deadline for production of Expo '74 medals would be extended 3 months, from December 31, 1974, to March 31, 1975. The Tresaury joins in recommending passage of these extensions.

One section of this bill makes clear that no national medals made for nonprofit sponsoring organizations and intended for public sale can contain gold without express approval by Congress. Until the next Congress can review the issue of allowing gold to be used in commemorative national medals made for non-Federal organizations, the only national medals which would be permitted to contain gold and be offered for public sale would be any such medals issued by the official U.S. Government agency established to direct the observance of our Nation's 200th birthday, the American Revolution Bicentennial Administration.

As chairman of the Subcommittee of the House Committee on Banking and Currency which has jurisdiction over such legislation, I urge that H.R. 17556 be passed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks on the subject of the bill just passed, and that all Members may have 5 legislative days in which to revise and extend their remarks on the same subject.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON S. 425, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1496 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1496

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, and all points of order against the conference report are hereby waived. After the adoption of the conference report on the bill S. 425, it shall be in order in the House for the Member who had called up the conference report to offer a concurrent resolution authorizing and directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 425.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 682]

Addabbo
Anderson, Ill.
Archer
Ashley
Badillo
Bafalis
Beard
Bergland
Blatnik
Brasco
Brooks
Brotzman
Burke, Calif.
Burton, John
Carey, N.Y.
Carney, Ohio
Chisholm
Clancy
Clark
Conyers
Corman
Culver
Davis, Ga.
Dellums
Diggs
Dingell
Donohue
Drinan
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Fisher
Ford
Fraser
Gettys
Goldwater
Grasso
Gray
Green, Oreg.
Griffiths
Grover
Gubser
Guyer
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hébert
Heckler, Mass.
Heinz
Hillis
Hogan
Holifield
Horton
Howard
Hudnut
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kuykendall
Kyros
Landrum
Lehman
Lent
Litton
Long, La.
Luken
McClory
McCloskey
McSpadden
Macdonald
Madigan
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mills
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moorhead, Pa.
Nichols
O'Hara
Owens
Pickle
Pike
Podell
Powell, Ohio
Quie
Quillen
Rarick
Reid
Rhodes
Robison, N.Y.
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rousselot
Runnels
Ruth
Sandman
Shipley
Shoup
Shuster
Snyder
Stanton,
  James V.
Steed
Steele
Stephens
Symington
Thompson, N.J.
Thornton
Towell, Nev.
Ullman
Vander Jagt
Veysey
Waldie
Ware
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson,
  Charles, Tex.
Wright
Wyatt
Wydler
Wyman
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.

The SPEAKER. On this rollcall 294 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 620, ESTABLISHING ADDITIONAL ASSISTANT SECRETARY OF THE INTERIOR FOR INDIAN AFFAIRS

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 620) to establish within the Department of the Interior an additional Assistant Secretary of the Interior for Indian Affairs, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. MEEDS, STEPHENS, JONES of Oklahoma, LUJAN, and YOUNG of Alaska.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 5063

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow night to file a conference report on the bill H.R. 5063.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON S. 425, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1496 provides for a waiver of all points of order against the conference report on S. 425, Surface Mining Control and Reclamation Act of 1974.

The reason that the rule is necessary on a conference report is that the conferees went beyond the rules of the House in a couple of instances, and this is the only way in which final action can be taken on this very important matter at this stage of this session of Congress.

I believe the Members of the House are aware that S. 425 has passed both the House and Senate, and this is the conference report. There is, I suspect, opposition to the rule, but I propose to reserve the balance of my time at this time.

Mr. LATTA. Mr. Speaker, I voted for this bill when it left this House. I want to preserve our environment and favor reasonable strip mine controls. However, I am opposed to this rule, and the conference report which it makes in order. This is not the way to legislate and we should not be a party to it.

The rule waives all points of order against the conference report. This waiver is unnecessarily broad. If there is to be a waiver at all, it should be more clearly limited. According to the testimony presented before the Rules Committee, the conferees in at least two major areas put material into the conference report which was in neither the House nor the Senate bill. First, the conference report establishes a program for the reclamation of abandoned mined lands to be financed by a fee of 35 cents per ton on surface mined coal. No such fee was in either the House or the Senate bill. Second, the conference report contains certain employee protection provisions which were in neither the House nor the Senate bill.

Mr. Speaker, by waiving points of order in this rule, we are in effect allowing a new tax to be put on the production of coal. Mr. Speaker, under the Rules of the House, taxing provisions should be written in Ways and Means Committee, not the Committee on Interior and Insular Affairs. By adopting this rule, we will be accepting these new tax provisions which were added in conference without being considered by the Ways and Means Committee.

In addition, the rule makes in order a concurrent resolution authorizing corrections in the enrollment of the bill. Apparently some 87 corrections are required in order to put this conference report in workable form.

Besides being opposed to the rule, I am also opposed to the substance of the conference report, Mr. Speaker.

Most of us, I think, are willing to support legislation establishing reasonable and effective reclamation and environmental protection requirements for mining activities. But, this conference report goes far beyond what is reasonable.

Briefly, the bill could impair our ability to meet the national energy requirements through needless restrictions on coal production and through creation of ambiguous and overly complex regulatory requirements. According to Department of Interior estimates based on today's prices, this conference report may reduce current production by 14 to 38 million tons, and 1980 production by 18 to 105 million tons, as a result of small mine closures and spoil placement restrictions alone.

When this conference report was before the Rules Committee, a supporter of the legislation cited Ohio as an example of a State which had recently enacted strip mining controls without suffering production losses. The gentleman even claimed that production had increased in Ohio following the introduction of strip mining controls. The strip mining production figures would seem to dispute this. Figures provided by Mr. P. C. Woodruff, administrative assistant in the division of reclamation for the State of Ohio, indicate that before surface mining controls went into effect, Ohio produced 35,180,794 short tons of coal from surface mines in 1971. On April 10, 1972, the Ohio surface mining controls went into effect. That same year the production of surface mined coal in Ohio dropped to 33,196,456 short tons. Then in 1973, the first full year under the new controls, production dropped approximately 5 million additional tons to 28,371,431 tons.

Moreover, Mr. Speaker, the number of surface mining operations in Ohio dropped from 195 in 1972 to 104 in 1973, the first year that the Ohio law was in effect.

Therefore, Mr. Speaker, I do not believe we can ignore these figures and base our decisions on unsubstantiated statements that the passage of this bill will increase production.

In conclusion, I wish to advise the House that the President has just informed Mr. RHODES that he will veto the strip mining bill. Basically, the President cited the following reasons:

First. Enactment of this measure will represent a substantial loss of energy;

Second. Unemployment will be increased;

Third. Budget outlays would be increased; and

Fourth. It would raise prices, an extremely inflationary impact.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, this controversial conference report on S. 425, the strip mining bill, failed to pass under Suspension of the Rules last Monday by a vote of 212 to 150. Because it failed to get a two-third's vote, it was scheduled in the Committee on Rules.

I strongly oppose the rule granted on this conference report. First of all, this rule, reported by a vote of 9 to 4 with 1 answering present, waives all points of order against the conference report, which is a complete mockery of the Rules of the House of Representatives.

As I understand the situation, the conferees violated clause 3, of rule XXVIII, by going outside the scope of the conference in at least two areas. First, the conference settled the issue of funding for the proposed program to reclaim abandoned strip mined lands by approval of a minimal fee to be imposed on coal. Such a fee was not included in either the Senate bill or the House amendment and in reality becomes an additional tax on coal, a tax imposed by a committee without any such authority. Second, the conference modified provisions dealing with employee protection, in such a way that they went beyond the scope of the conference. If this were the only rule violated, then why were we asked to waive all points of order? I am opposed to waiving any points of order in this instance, but if we had to waive points of order, why could we not have been more specific?

During the hearings before the Committee on Rules, there seemed to be quite a bit of confusion. As the gentleman from Ohio stated, we were told that production had risen in Ohio in the past several years, and then we were shown figures to the contrary, during the next day of consideration of the bill.

Mr. Speaker, the rule also provides that a Member who had called up the conference report may offer a concurrent resolution authorizing and directing the Secretary of the Senate to make corrections in the enrollment of S. 425.

Mr. Speaker, Members who want to preserve the rules of the House, maintain independence from the other body, and desire to legislate in an orderly fashion should oppose this closed rule that waives all points of order.

Mr. Speaker, I urge defeat of this rule and call for a "no" vote.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Speaker, I rise in opposition to the adoption of this rule because the waiver it contains would prevent every Member of this body from carrying out his duties as a responsible legislator.

It is one thing for us to overlook minor infractions of the rules of the House and to waive points of order on these minor infractions. We do this quite frequently to avoid wasting our time on petty nitpicking that serves no public good and adds nothing to the quality of legislation. If that were the case here—if we were talking about waiving points of order on a few minor technicalities—I would have no objection and would urge my colleagues to adopt the rule and get on with the debate on the merits of this conference report.

But it is quite another thing, Mr. Speaker, for us to overlook and condone a committee's total disregard for the rules of this House. This is not a case of sweeping a minor speck of dust under the rug of a waiver. There is no waiver large enough or broad enough to hide what they are trying to hide here today.

Let me tell you what they are trying to sweep under the rug. Take a look at what you are being asked to condone, and ask yourself if you want to be a party to the setting of this kind of precedent.

Rule 28, clause 3, reads as follows:

> Whenever a disagreement to an amendment in the nature of a substitute has been committed to a conference committee it shall be in order for the Managers on the part of the House to propose a substitute which is a germane modification of the matter in disagreement, *but their report shall not include matter not committed to the conference committee by either House.*

This is the basic rule of conference. It establishes the outer limits of the conference committee's bargaining authority. It is intended to tie the conferees of each House firmly to the matter contained in the bills they bring to the conference table. It prohibits them from adding new matter and it prevents them legislation and bringing it to the floor from writing an entirely new piece of as a conference report.

To enforce this rule, Cannon's Procedure states unequivocally as follows:

> A conference report is subject to a point of order if the conferees have changed the text agreed to by both Houses.

That language is clear and brooks no argument. It does not establish a privilege that can be granted one day and withheld the next. It establishes the right of every Member of this House to challenge with a point of order the report of any conference committee that oversteps the legal limits of its bargaining authority.

Rule 28, clause 3, establishes the jurisdiction and power of conferees, and the point of order is the only enforcement mechanism we have to prevent a conference committee from usurping jurisdiction and power not specifically granted it by the House.

We have before us today the exact situation covered by rule 28, clause 3. The conference committee on S. 425 did not limit itself to the matter committed to it by each House. It threw out the matter commited to it and substituted an entirely new bill, containing very important and substantive matter that was in neither the House version nor the Senate version of S. 425. As a matter of fact, it added a 35-cent tax that had been voted upon and rejected by this House. And it added an entirely new section that the Members of this House have neither considered nor debated nor agreed upon nor, in the case of most Members, even seen before today.

The violation of rule 28, clause 3, is clear and unavoidable. The conferees grossly exceeded their jurisdiction and authority, and they have brought us a report that flies in the face of the basic rule of conference.

Having done this, and faced with a point of order rightfully lodged against this report, the conferees then went to the Rules Committee and talked that committee into granting them a rule that prohibits this House from enforcing its own rule. The waiver in this rule strips us of the rights given us by the rules of the House and asks us to place our stamp of approval on this blatant usurpation of power by the conferees.

Mr. Speaker, in this year of Watergate we have seen far too much misuse of power and far too much coverup of that misuse by public officials. This body spent months of painstaking investigation into every detail of that misuse of power by that executive branch. And we soundly condemned both the misuse of power and its coverup. Yet we are asked today, by accepting this rule, to condone for the legislative branch what we have condemned in the executive.

This waiver constitutes the most cynical kind of coverup. It establishes a precedent that none of us should want to live with. Surely this body cannot—surely my colleagues will not—permit our own rules to be disregarded—"waived" if you please—while passing legislation that calls for strict conformance to the law on the part of others?

I urge my colleagues to reject this coverup, whether or not they agree with the bill itself. Let the report come to this floor with clean hands, to rise or fall on its own merits. But do not deny the Members of this body their right to examine and question the legality, under the House rules, of its genesis.

I submit that this report comes to us with the conference committee as the committee of origin, and that committee does not have jurisdiction as a committee of origin for new legislation. Yet this waiver grants to the conference committee the right to originate new legislation and bring it to the floor with the same standing as proper legislation that has gone through the legitimate committee process.

I ask my colleagues to join me in rejecting this gag rule and in demanding that this conference report be held up to the light of day and considered properly under our rules.

Mr. LATTA. Mr. Speaker, I yield 2

minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I rise in strong support of the rule waiving points of order.

Mr. Speaker, the conference report is a balanced approach to coal surface mining regulation. It sets minimum Federal standards to be implemented and enforced primarily by the States. The bill, under intense scrutiny from many interests from the start, was drafted in the spirit of compromise. As a general statement, the committee rejected the more extreme suggestions from both the environmentalists and the industry in favor of legislation which we believe will enable this country to double its coal production in 10 years.

Just a word about the need to waive points of order. One point of order related to the provision creating the fund to reclaim abandoned mined land. The House bill contained the provision suggested by my colleague from Pennsylvania (Mr. McDADE). This provision called for the creation of a fund with a guaranteed income of $200 million per year to be obtained from appropriated funds or, in the event that the money was not so appropriated, from revenues from oil and gas royalties from the Outer Continental Shelf. The Senate bill contained a flat, one-time authorization of $80 million. Now, practically no one we heard from felt that they could support the House provision. The administration was against it, environmentalists were against it. And, most importantly, the Senators could not find it acceptable. However, the Senate bill provision made no guarantee that any money would ever be spent to clean up abandoned lands. We were at loggerheads. The conferees decided to return to a concept in the bill as reported to the House from the Interior Committee, namely, a small tax or fee on a per ton basis. This decision was made in the spirit of compromise and seems to me to be fair in light of the need to do something about abandoned mined lands and the unacceptability to the conferees of either the Senate or House versions.

The House and Senate conferees also modified language which was identical in both bills relating to programs to help individuals unemployed as a result of the implementation of the legislation. Both bills contained an unbelievably broad provision which created no fewer than six new programs to pay rent, mortgage payments, guarantee nutritious food, and so forth, to anyone even remotely related to the coal industry. Inclusion of such an inflationary and unnecessary provision in the conference report would have cried out for a veto of the legislation. So the conferees got together with the administration and hammered out a much more modest proposal which tells the President to use existing programs to take care of any unemployment which might be caused by this bill. Again a compromise was reached.

Mr. Speaker, this House has voted overwhelmingly in favor of this legislation several times before today. Let us pass this rule, debate the conference report and make our final decision on this legislation.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I think it is a well-known fact that I am opposed to the bill, but I will not debate the bill at this point because we are here to debate the rule that was granted to bring this bill before the House.

The rule that was granted by the Committee on Rules waived points of order. It seems to me that this would certainly disturb the members of the Committee on Ways and Means upon whose jurisdiction we have infringed. We had a total change in this bill in the conference committee as to how we were going to fund the reclamation. We changed from taking some of the proceeds from the offshore oil to a severance tax, clearly the jurisdiction of the Committee on Ways and Means.

During that conference the gentleman from Arizona (Mr. STEIGER) raised the point of order, pointed it out to the Committee on Rules and informed them that he wished to bring it before the Committee on Rules, which indeed we did.

So, whether you are for or against the bill really does not make much difference. I am perfectly willing to debate the bill, but I will not vote for a rule that waives the rules of this House. It would seem to me that the members of the Committee on Ways and Means and the other Members of this body who wish to retain certain jurisdictions within their committees would vote "no" on this rule.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman from Ohio. I too would like to point out a few of the more intensive arguments and dramatic events that led up to this waiver of all points of order.

The request to waive all points of order was made on the basis that these were merely procedural points of order. I would advise the House, as I advised the conference on October 7, when I pointed out these two points of order which ought to be raised. I advised them in writing and I advised the Committee on Rules. I did so in the hope that the conference would possibly adjust the language in both these sections so as to conform to the rules of the House.

I must confess that my ability to persuade or, in fact, do much of anything, met with but minimal success during the conference. I must also advise you that this conference met, it seemed like, for a minimum of 300 days, but at least 2 months, anyway.

I will advise the House that in addition to the two points of order that I raised in writing there are in addition five points of order that must be addressed in sections 507, 508 a and b, 512 and 515. I think perhaps the most offensive of all is the fact that there is so much about this bill that is so wrong.

Specifically, they could have corrected the 87 errors, for example, that you will hear more about before the afternoon is over. All of these could have been corrected if the waiver of points of order had not been in the rule, if the conference had had to meet again to correct the points of order, and then corrected the 87 procedural points.

The fact is that this bill is going to be vetoed. It is going to be vetoed for a variety of reasons that you will all hear more about later on. But perhaps the single most valid reason for opposing the rule now, and I know this will meet with the complete approval of my friend, the gentleman from Arizona (Mr. UDALL), would be that we could return this to conference to correct the points of order at issue and then, at the same time, we could answer the administration's eight objections which they had raised sometime in early October, and which the committee of conference never once addressed; the eight objections raised by Secretary Morton were never even considered by the conference committee or in the subsequent 11 meetings. I will simply tell the House that this rule is a bad rule because it waives points of order on a conference report that requires remedy under the rules of the House. For that reason alone, the rule deserves a "No" vote.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is entitled to close the debate. He desires that the minority use its time. The gentleman has 7 minutes; does he desire to use any of it?

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. ZION).

Mr. ZION. Mr. Speaker, the conference report we are being asked to approve today has as one of its basic premises the idea that States are not capable of controlling effectively the environmental problems associated with the surface mining of coal. A few years back that premise probably would have been correct, but I submit that it is of doubtful validity now.

I do not know how many of my colleagues have seen the draft regulations prepared by the Department of the Interior for the implementation of this legislation, should it be enacted into law. These draft regulations are 97 pages long. Keep in mind that these draft regulations were prepared before the conferees reached final agreement on this bill, so that they do not at this time contain the Department's proposed regulations for dealing with the surface owner consent provisions of the bill.

These draft regulations contain citations showing the source of the regulation proposed. In many instances the proposed regulation or definition is taken straight from the bill we are considering today, and in many other instances the proposed regulation comes from other Federal agencies—the Mining Enforcement and Safety Administration, or the Forest Service.

But in numerous other instances these draft regulations cite existing State laws and/or regulations for the proposed Federal regulation. There are presently 32 State laws dealing with the regulation of surface mining operations and reclamation of the land. I believe the newest State law is the New York law, but many of these State laws have been on the books for many years. It is my understanding that as many as 25 of these existing laws have either been enacted or up-dated since 1970.

All of these State laws deal with the particular problems that the particular State has, and the State laws vary according to the climatic, geologic, geographic, and chemical and other conditions peculiar to that particular State. These State laws can and do work, and this is evidenced by the times the draft Federal regulations refer to the various State laws already operating.

Mr. Speaker, one of the great problems that we in the Congress have always had in attempting to enact national legislation is to assure that the legislation is broad enough to take into account the differences in each State, and yet specific enough to solve the problem we are trying to solve. This Nation is so diverse in its climate, its geography, its geology, and in its chemical and physical properties that it is exceedingly difficult to enact legislation that takes all of these factors into account.

This legislation does not, in my opinion, adequately take these factors into account. Rather, it attempts to enact a uniform standard to cover any and all of the diversities of the States, and then tells the States that they must meet these standards or face a Federal takeover. It is doubtful, Mr. Speaker, that a single Federal standard would appropriately cover all of the Federal lands in the United States which contain coal deposits, much less all the State lands.

The States that have enacted surface mining laws have done so in recognition of the fact that surface mining activities must be controlled, and in recognition of the particular and peculiar circumstances present in each State. I doubt very seriously that a single Federal law can adequately recognize these particular and peculiar circumstances with the same degree of precision that the State laws do, and I therefore am opposed to this conference report.

Mr. LATTA. Mr. Speaker, I should like to inquire of the gentleman from Missouri whether he is the only speaker remaining on his side.

Mr. BOLLING. That is correct.

Mr. LATTA. Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, this is a rule entirely within the rules of the House. This has been a bill that has been fought about as bitterly as any bill that I have ever seen. The House has had plenty of opportunity to consider it. If I remember correctly, in July the bill was on the floor for about 6 days, and when all the dust had settled, the Members voted 291 to 81 to pass the bill.

This conference report came up on Monday. A substantial majority of the Members of the House, 212 to 150, voted to pass the conference report knowing full well what was in it. It seems to me quite obvious that this is another step in the bitter opposition to the substance of the bill.

I urge the adoption of the resolution.

Mr. Speaker, I move the previous question on the resolution, and I urge the Members to vote for the rule.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 198, nays 129, answered "present" 1, not voting 106, as follows:

[Roll No. 683]

YEAS—198

Abzug
Adams
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
Badillo
Bennett
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carter
Casey, Tex.
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Daniels, Dominick V.
Danielson
Delaney
Dellums
Denholm
Dent
Diggs
Dingell
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Foley
Ford
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Green, Pa.
Gude
Gunter
Haley
Hamilton
Hanley
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Hicks
Holifield
Holtzman
Hungate
Johnson, Pa.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Leggett
Long, Md.
McCloskey
McCormack
McDade
McFall
McKay
Madden
Madigan
Mallary
Martin, N.C.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, N.Y.
Moakley
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Obey
O'Neill
Owens
Patten
Pepper
Perkins
Peyser
Pike
Preyer
Price, Ill.
Pritchard
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shuster
Sikes
Sisk
Smith, Iowa
Smith, N.Y.
Stark
Steelman
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson, N.J.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
White
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wolff
Yates
Yatron
Young, Ga.
Zablocki

NAYS—129

Abdnor
Alexander
Archer
Arends
Armstrong
Ashbrook
Baker
Barrett
Bauman
Bell
Bevill
Blackburn
Bray
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Camp
Cederberg
Chamberlain
Clausen, Don H.
Clawson, Del
Cochran
Collier
Collins, Tex.
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dorn
Downing
Duncan
du Pont
Erlenborn
Flowers
Flynt
Forsythe
Frey
Froehlich
Gonzalez
Goodling
Gray
Gross
Hammerschmidt
Hanrahan
Harsha
Hinshaw
Holt
Hosmer
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Kazen
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lott
Lujan
McCollister
McEwen
Mahon
Martin, Nebr.
Mayne
Michel
Milford
Miller
Mollohan
Montgomery
Moorhead, Calif.
Murtha
Myers
Nelsen
Nix
O'Brien
Parris
Passman
Patman
Pettis
Poage
Railsback
Randall
Roberts
Robinson, Va.
Satterfield
Scherle
Sebelius
Shriver
Skubitz
Slack
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Symms
Talcott
Taylor, Mo.
Teague
Thone
Towell, Nev.
Treen
Waggonner
Wampler
Whitten
Winn
Wylie
Young, Alaska
Young, S.C.
Zion
Zwach

ANSWERED "PRESENT"—1

Breaux

NOT VOTING—106

Addabbo
Anderson, Ill.
Annunzio
Bafalis
Beard
Bergland
Brasco
Brooks
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Carney, Ohio
Clancy
Clark
Culver
Davis, Ga.
Donohue
Edwards, Ala.
Eshleman
Fisher
Frelinghuysen
Gettys
Goldwater
Grasso
Green, Oreg.
Griffiths
Grover
Gubser
Guyer
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Heinz
Hillis
Hogan
Horton
Howard
Hudnut
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kuykendall
Kyros
Landrum
Lehman
Lent
Litton
Long, La.
Luken
McClory
McKinney
McSpadden
Macdonald
Mann
Maraziti
Mathias, Calif.
Mills
Minshall, Ohio
Mitchell, Md.
Mizell
Moorhead, Pa.
Nichols
O'Hara
Pickle
Podell
Powell, Ohio
Price, Tex.
Quie
Quillen
Rangel
Rarick
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Runnels
Ruth
Sandman
Shipley
Shoup
Staggers
Stanton, James V.
Steed
Steele
Stephens
Thomson, Wis.
Thornton
Vander Jagt
Veysey
Ware
Whitehurst
Wiggins
Williams
Wilson, Charles, Tex.
Wright
Wyatt
Wydler
Wyman
Young, Fla.
Young, Ill.
Young, Tex.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Hébert against.

Mr. Annunzio for, with Mrs. Hansen of Washington against.

Mr. Staggers for, with Mr. Rarick against.

Mr. Carney of Ohio for, with Mr. Runnels against.

Mr. Horton for, with Mr. Steed against.

Mr. McClory for, with Mr. Thornton against.

Mr. Moorhead of Pennsylvania for, with Mr. Young of Texas against.

Mr. Howard for, with Mr. Quillen against.

Mr. Nichols for, with Mr. Price of Texas against.

Mr. Shipley for, with Mr. Beard against.

Mr. Harrington for, with Mr. Rousselot against.

Mr. Lehman for, with Mr. Gubser against.

Mr. Macdonald for, with Mr. Wyman against.

Mr. Brooks for, with Mr. Wyatt against.

Mr. John L. Burton for, with Mr. Broyhill of Virginia against.

Mrs. Heckler of Massachusetts for, with Mr. Fisher against.

Mr. Maraziti for, with Mr. Mills against.

Mr. Carey of New York for, with Mr. Clancy against.

Mr. Bafalis for, with Mr. Gettys against.

Mr. Litton for, with Mr. Goldwater against.

Mr. McKinney for, with Mr. Hudnut against.

Mr. Mann for, with Mr. Jones of Tennessee against.

Mr. Long of Louisiana for, with Mr. Kuykendall against.

Mr. Young of Florida for, with Mr. Powell of Ohio against.

Mr. Mitchell of Maryland for, with Mr. Quie against.

Mr. Lent for, with Mr. Ruth against.

Mr. Hastings for, with Mr. Shoup against.

Mr. Wydler for, with Mr. Stephens against.

Mr. O'Hara for, with Mr. Thomson of Wisconsin against.

Mr. Vander Jagt for, with Mr. Ware against.

Mr. James V. Stanton for, with Mr. Whitehurst against.

Mr. Charles Wilson of Texas for, with Mr. Wiggins against.

Mr. Rangel for, with Mr. Williams against.

Until further notice:

Mr. Bergland with Mr. Anderson of Illinois.

Mr. Clark with Mr. Edwards of Alabama.

Mr. Davis of Georgia with Mr. Hansen of Idaho.

Mr. Donohue with Mr. Mizell.

Mrs. Grasso with Mr. Luken.

Mr. Hanna with Mr. Grover.

Mr. Jones of North Carolina with Mr. Sandman.

Mrs. Green of Oregon with Mr. Eshleman.

Mr. Kyros with Mr. McSpadden.

Mr. Landrum with Mr. Steele.

Mrs. Griffiths with Mr. Brotzman.

Mr. Pickle with Mr. Wydler.

Mr. Culver with Mr. Frelinghuysen.

Mr. Rooney of New York with Mr. Young of Illinois.

Mr. Guyer with Mr. Young of Texas.

Mr. Heinz with Mr. Hogan.

Mr. Hillis with Mr. Roncallo of New York.

Mr. Wright with Mr. Minshall of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 425, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I call up the conference report on the Senate bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 5, 1974.)

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Speaker, reserving the right to object, and I may or may not object. How long does the gentleman estimate that it might take to read the conference report?

Mr. UDALL. If the gentleman will yield, I would think we have 20 or 30 minutes worth of reading here if the gentleman denies my unanimous consent request.

Mr. HOSMER. Would the conference report be read as it is written, or would it be read including the 88 or 188, or whatever it is, corrections that have to be made in this thing?

Mr. UDALL. If the gentleman will yield, it is my understanding that the report will be read as it is printed.

Mr. HOSMER. Then the mystery of these corrections will be left to the future, after we are called upon to vote on the acceptance of the conference report; is that correct?

Mr. UDALL. There are a number of purely clerical and technical errors made by the Printing Office, and I will seek recognition under the rule.

Mr. HOSMER. It is my understanding from the statement made by the gentleman from Arizona (Mr. STEIGER), and also from my own examination of the matter, that these corrections are not merely perfunctory and far more of import than the gentleman from Arizona (Mr. UDALL) would indicate.

They are quite substantial in nature, and, therefore, I would hope at least that during the explanation given by the gentleman from Arizona (Mr. UDALL) this mystery might be dispelled by a run down of the list of these errors. It would give us an idea of what they are before we are called upon to vote. We ought to know what is in the conference report before being called on to vote on it.

I withdraw my reservation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that, in connection with the debate on this conference report, all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 2 minutes to the ranking minority member of the Committee on Interior and Insular Affairs, the gentleman from California (Mr. HOSMER).

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I have asked the gentleman to yield as a result of the statement just made by the gentleman from Arizona. The gentleman said that in Pennsylvania, Ohio, and perhaps some other States, coal production was increasing.

This is not true as far as the State of Ohio is concerned, and I have the Ohio production figures in my hand which indicate a sizable reduction between 1971 and 1973.

If the gentleman from Arizona has information contrary to the information provided me by the Division of Reclamation of the State of Ohio, I think we should have those facts and have them now.

Mr. HOSMER. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I ask the House to reject this bill. In doing so, I state that nobody wants to scar up the land by strip mining, and it does not have to be scarred up to get to this energy resource that we need to power the Nation. It might take legislation to prevent that scarring, but it requires the right kind of legislation. It certainly does not warrant legislation which, while regulating mining, at one and the same time prevents access to the energy needed to run this country.

That is what this bill does. That is why this bill is not a reasonable bill. It is an unreasonable bill. That is why this bill is not a balanced bill, as claimed by the gentleman from Arizona (Mr. UDALL), but an unbalanced bill. Contrary to what he states, it is not the forces of evil that are opposing this bill; it is the forces of enlightenment who oppose this bill, as the President of the United States does. He states that he will veto it for several reasons.

One is because enactment of this measure would represent a substantial loss in energy.

Enactment of this measure also would unconscionably increase unemployment in this country.

Enactment of this measure would unconscionably increase budget outlays to support a gigantic regulatory bureaucracy.

Enactment of this unbalanced and unreasonable bill would raise prices and have an extremely inflationary impact, and that is another reason why it should be rejected.

These are four good reasons why this conference report should be defeated. This House can do much better than the shoddy job that has been done with this particular legislation.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. HAYS), a major cosponsor of this legislation in this Congress and the last.

Mr. HAYS. Mr. Speaker, I think I know something about strip mining. In fact, I would not be here today if it were not for this bill.

I want to tell the Members that the strip mine operators are becoming millionaires so fast that they have to put on extra accountants to figure out how many millions they made last month.

I am not just saying that. I know some

of them. Some of them are my friends, and they will tell people that laughingly.

They are selling coal in my district that they can take off the top of the hills. It is not more than 18- or 20-feet deep. If anyone took a scuttleful of it and put it on a hot, open fire, it would put the fire out. That is how good it is. It has about 800 Btu's compared to good coal, which has 1,400. They are getting for that coal, which costs them about $3 a ton to recover, $35.

This bill would not increase the price of coal a dollar a ton.

What about the American Electric Power Co.? It serves my district and a good deal of Ohio. It is running ads in the Washington Post and the New York Times at $20,000 a day saying that they cannot clean up the air, that there is no technology for it. But I have told many people that this is not the truth.

The Louisville Power & Light Co. is using the technology that is working. In England when they used to have smogs and hundreds of people would die as a result of the smog, which was a combination of fog and smoke, they passed a tough law. As a result, one can go to London today and not see any dust coming out of chimneys because they have enforced the law.

The technology is here. The only thing is that the AEP is making so much money and soaking the consumer so much that they have become so greedy that they think they are bigger than the U.S. Government.

That is what it amounts to. Every time they run a $20,000 ad in one of the slick paper magazines, which has not a thing to do with the cost of producing electricity, they add it on to the consumer's bill.

There are one or two things in this bill I do not like.

I do not like this business of taxing deep coal to pay for what these strippers have done.

I see some of my friends from Ohio. They know we have one stripper from Ohio, and I do not mind mentioning his name, Oakley Collins. He was a State senator for years, and he is in the house of representatives. He stole 75 acres from the Wayne National Forest, stole it, moved in on it, and took the coal and claimed he did not know he was not on his own property. And he never served a day, and he did not even get fined. He is typical of some of the kinds of people we are dealing with. I have a lot of friends who are operators. The vice president of one of the biggest and only independent coal companies left in the Big Ten is a dear friend of mine. He knows and I know, and everybody knows that we should not tax deep coal to pay for what these strippers are doing. But I can tell you that I know what they are doing to eastern Ohio; they are devastating it. And my dear friend, the gentleman from Ohio (Mr. LATTA) from the northwestern part of Ohio——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Ohio.

Mr. HAYS. That gentleman may think that it will not affect his district, but I can say to him that his district will be paying the taxes to pay for the welfare and to pay for what has happened down in my district because it is all part of Ohio.

We have a law in Ohio, and it is working pretty well. Some of these operators who did not put a wheelbarrow full of dirt back before, and who left the high walls, and who put the topsoil down at the bottom of the pit and put the subsoil on the top, are now putting the ground back again because of the Ohio law, putting the subsoil in the pit, storing the topsoil, and then putting it back and planting grass on it. They say it is some of the best assets that they have.

I talked to a fellow only yesterday who wants to buy my farm. If I told you what he offered me for it you would not believe me.

And he said:

> You know, all these years I have been an idiot. Since I have to reclaim this land my company has more assets in salable land than we do in coal because we are reclaiming the land, and I have hundreds of cattle on it, and I am building buildings, and I am selling off some parts now and then, not right now. I won't sell any.

I offered him $20,000 for 20 acres, and that was what he paid for it, and he took out a million dollars' worth of coal. And they put it back together, and I needed the land. He said:

> I will let you use it for $1 a year, but I do not want to sell it, because I don't want to add to my income tax. It is too big now. I want to wait until some time in the future when my income tax is lower.

I told this friend of mine yesterday, I said:

> You had better take this bill today and the President had better sign it, because, if you do not, you are going to get a bill in the next Congress that makes this look like no bill at all.

We are not asking these people to do anything unreasonable. They are doing it in Ohio, and they are finding out that it is beneficial to them, and it is beneficial to the whole country.

I would hope that this bill would pass by such a majority that the President would want to talk to some of us who know the problem firsthand before he talks about vetoing it.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I fought this report when it came from the conference for a very distinct and, I think, reasonable base. Deep coal mines should not be taxed at all in this bill.

Insofar as that part of the legislation dealing with reclamation is concerned, I would hope that what I read in the bill is not there, and that all of the money will be spent on the lands that have been strip mined, and on the orphan lands that have been left ravaged by stripping long ago. But I understand there is a possibility that it may be spent in any of the 50 States. If this is true, of course, I will try my best to introduce legislation to eliminate that feature.

But I want to tell all of the Members something: It would be better to take this bill even if some portions of it do not please us. Certainly the deep mine tax does not please me because I know that if the deep mines had not kept running when coal was selling for a little more than it cost to mine it, we would not have been able to do as much as we are doing toward the energy crunch.

Strip mining will not be able to meet the demand without the deep coal, because the coal that we need most, when all of the energy problems are resolved, is the metallurgical coal that is deep down in the bowels of the Earth. This coal should not pay the price. We will have to pay a greater price if we allow the new strip mines to go in and create again the conditions that we have had to overcome in Pennsylvania. I would have hoped that this Congress could have taken the Pennsylvania bill, because it is the result of many years of trial and error, but it could not take it and it would not take it, so I will have to support this better than nothing legislation.

I am saying, for those of my friends who have asked me to let it be known on the floor where I was going to stand on the bill, I will vote for this report. I do it with a sad heart, because actually it is going to hurt my high-cost State in the long run.

The SPEAKER. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. DENT. I thank the gentleman for yielding.

I just want to tell my colleagues that they are opening a new mine in the district right next to mine, in the district of Congressman MORGAN. It will be about 2 years in opening. They are going to produce what is left of a few remaining sources of metallurgical coal. Every pound of that coal has already been sold to Canada. We are importing coal from down in South Africa; we are exporting to Canada. Canada is closing its doors to the United States on their natural resources in order to save their own oil for their needs in future years.

I would suggest to the Members of this Congress who are members on the Committee on the Interior: Please stop this export before we start it, because we will have no metallurgical coal for our industry in future years unless we reserve our coal as the Canadians are reserving their oil.

Mr. SKUBITZ. Mr. Speaker, this bill is before us under a rule that does not permit the submission and consideration of amendments. We have been warned by the gentleman from Ohio (Mr. LATTA) that our minority leader (Mr. RHODES) has been advised by the White House that President Ford will veto the bill in its present form. Since this body will adjourn on December 20, it appears that by the adoption of the rule—which I did not support—any action we take now is doomed to failure—since this body will not be given an opportunity to express its will on a veto. How foolish can we get?

I want to commend the gentleman from Pennsylvania (Mr. DENT) for his remarks. Certainly it makes no sense to levy a reclamation fee on these operators who mine by deep shaft method. This is a surface mining bill and those who ravish the land should be required to restore it to productive use in accordance with sound reclamation practices—but this bill goes far beyond that. The President is right when he says this could result in adding to our energy shortage. Make no mistake about it, under the domination of conservationists who place restoration of the environment to its original condition as paramount—many operators will be forced to close their operations.

It is with grave reservations that I shall vote for the bill—just as I did when it was before this body. However, if the President should veto it, there will be no moaning or gnashing of teeth insofar as I am concerned. In less than 1 month, we will be back in session, and the new Congress can then get down to the business of trying to resolve the differences that now exist. And out of it will come a bill that will protect the environment and yet give us the coal so badly needed.

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from Idaho (Mr. SYMMS) such time as he may consume.

Mr. SYMMS. Mr. Speaker, S. 425, the Surface Mining Control and Reclamation Act, has received a great deal of publicity lately, much of which would lead one to believe that unless passed, the wholesale destruction of our environment will take place before our very eyes at the hands of the mining industry. It is time to put the real issues of this legislation in proper perspective, to separate myth from reality and to recognize what is really at stake here.

Proponents of this measure suggest that unless passed, the Western United States will one day become another Appalachia. This contention is simply not borne out by the facts. Comparing the West with Appalachia is like comparing apples with oranges. The problems which the Appalachian region presently faces are largely due to a much higher annual rainfall—and consequently much stronger erosionary forces—than exists in the West. Furthermore, a number of Western States, including Wyoming and Montana, have demonstrated the ability to effectively deal with the strip mining question on the State level, without the need for this kind of drastic Federal intervention. There is no reason to believe that other States cannot do the same.

No reasonable person is against the establishment of safeguards to insure that surface mining companies conduct their operations with the fewest avoidable ill effects on the environment. Everyone agrees that strip mined lands should be reclaimed to the maximum degree realistically attainable. S. 425, however, has left the realm of the reasonable and entered the area of the near impossible. If passed and strictly enforced, this measure will have the ultimate effect of seriously restricting coal production in America at a time when national energy independence has become not only a desirability but also a necessity.

Mr. Speaker, any reasonable bill would recognize that due to the diversity in climate, terrain, and other physical conditions in different mining localities, it is unrealistic and unfeasible to enforce uniform surface mining standards throughout the Nation. Any reasonable bill would reflect the reality that it is oftentimes impossible to preserve the exact same hydrological conditions in an area after mining as existed before. Any reasonable bill would note the near impossibility of backfilling mined-over areas to the original contour, especially when there is a shallow overburden and a thick coal seam to be removed. Any reasonable bill would recognize that in many areas it is impossible to guarantee absolutely no downslope spoil. Yes, any reasonable bill would—but not S. 425.

What this all boils down to is that this measure, as it now stands, quite simply will prohibit surface mining companies from extracting coal in many areas of the country where coal is most abundant. When one considers that by present projections America will need to produce an estimated three times the amount of coal by 1985 as it is producing today, it is easy to see how readily an energy crisis can be created by legislative fiat. What also becomes very apparent are the ways in which excessive Government intervention can destroy natural competition within an industry. Consider, for instance, the unbelievable amount of data which companies would be required to provide before receiving their mining permits, including geologic and hydrologic information, core drillings, maps, laboratory analysis and much more. So burdensome and expensive would these requirements be, that the small operator would likely be driven out of business with only the large monopolies remaining. Moreover, while S. 425 may seem to pertain to only coal mining now, it is a foot in the door for regulation of other mining as well. If we continue to regiment our society by setting up more and more bureaucracies, the flow of capital needed to maintain our standard of living will be drastically cut. Already our GNP has been slowed by lagging productivity, and this bill will only worsen the situation and make the energy crisis more difficult. It is just not fair to punish the productive capacity of this Nation for the purpose of social goals which are vague, ill-defined and take no cognizance of our energy needs.

Mr. Speaker, passage of the Surface Mining Control and Reclamation Act by this body would be a tragic mistake for two reasons. First, this legislation would be destined to severely hamper the extraction of the coal reserves necessary to meet the increasing energy needs of our Nation. But moreover, such passage would stem from a very legitimate yet misguided concern over a genuine environmental problem. If that concern had only been tempered by more sober and balanced reasoning, we could have ended up with a constructive and altogether acceptable bill both from the economic and environmental standpoints.

Almost no one is against the establishment of guidelines which will guarantee the least damage to the environment by surface mining operations. No reasonable person would suggest that strip mined lands should not be reclaimed to the fullest degree possible. Of course they should. It can be argued that the individual States should more properly assume the responsibility of setting these kinds of regulations than the Federal Government, and I would agree. Yet under the circumstances, it was no longer a question of whether or not Congress will act, it was simply a matter of how it will act. Coal mining companies are in fact anxious for Congress to expedite the matter so that they can once again move ahead without the haunting specter of unknown but inevitable Government regulations hanging over their heads. They are, in other words, unwilling to enter into a game in which the rules are about to be changed, until they know what the changes will be.

Mr. Speaker, the problem with S. 425 is that it is not so much regulatory as it is prohibitory in both spirit and purpose. Most experts plainly admit that, if plainly enforced, this legislation will construct a Federal wall around our Nation's coal resources so thick with prohibitions that many areas rich in coal deposits will be marked "off limits" to mining altogether. When one considers our ever-expanding energy needs, it is not difficult to envision the disastrous potential of this bill.

This exceedingly strict measure is a classic example of congressional overreaction to a legitimate but two-sided question, whereby proponents perceived one side of the issue while largely ignoring the other. Soon the bill's advocates in the news media were falsely labeling all opposition to the bill as a "sellout" to the big mining interests. In reality, it is S. 425 which deserves the criticism, for it will sell out the interests of every energy consumer in this Nation to a handful of irresponsible environmentalist zealots and ultimately will only aggravate and perpetuate our energy ills.

Our Nation's ability to meet its upcoming energy needs rests heavily upon the accessibility of American coal reserves. S. 425 is so strict that it flies right in the face of this reality. It would sacrifice the future well-being of our citizens upon the altar of uncompromising environmentalist extremism. Depending on how this body acts on this measure, Americans will know once and for all whether we are really concerned about the energy problems our country faces.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. KETCHUM), a member of the conference committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I will certainly yield to my friend, the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Do I understand there are 87 errors of one kind or another in this conference report?

Mr. KETCHUM. That is my understanding.

Mr. GROSS. If the gentleman will yield further, where was the conference report written—in the dark?

Mr. KETCHUM. There were times, I will say to my friend, the gentleman from Iowa, during the 70-some-odd hours' duration of that conference that I totally agree with the gentleman that most of this bill was written in the dark.

If it passes, we are all going to be living in the dark.

Mr. Speaker, I shall not use my 4 minutes. We have debated this bill for almost 2 years in the committee.

As I stated the other day, we spent 6 days of acrimonious and bitter debate during the course of the bill's movement through the House, as I indicated, some 70 hours of conference.

And then there was the little attempt to run it all through the Members by placing it on suspension.

The gentleman from Arizona (Mr. UDALL) has indicated that, for some reason or another, if we do not agree with him we are not on the side of right and good and everything we all want for this country. It just seems to me that those of us who have honest disagreements on this bill should have our day.

It has been indicated to the Members that there have been all sorts of attempts to delay this bill. Let me say to the body that during the period of conference there was never an attempt on the part of the House conferees, and that includes the chairman of the conference, to delay in any way this bill's coming from the conference. The reason it took so long is that Members of the other body could not agree on one of the most important aspects of this bill, and that is the right of surface owners.

I am a farmer myself and I certainly would side with those individuals in our Western States who hold steadfastly to their land, but if the Members read this conference report and what we put in it they will see we gave the world away. The farmers are going to come out like bandits on this deal.

I do not think we have unduly delayed the bill. I pointed out during the debate the other day why I believe this bill and its contents will successfully lock up all Federal coal for the next 5 to 6 years, and I will not bore the Members with a repetition of that statement. It is in the RECORD. But I implore the Members to read the bill and to read the conference report because I will say to my colleagues that two-thirds of the Members in this House do not even know what is in the bill.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Speaker, perhaps the House wonders what Montana has at stake in this bill. According to the Bureau of Mines statistics there are 106 billion tons of recoverable coal lying under Montana's land and that is about one-quarter of the Nation's total coal reserves. The Bureau of Mines also lists more than 40 billion tons of that coal as strippable. We have a great amount of federally owned coal under the land in Montana and also a great amount of Indiana-owned coal. We need this Federal bill.

I know that the threat of a Presidential veto has been bandied about here for the past several weeks.

Industry is divided on the bill. The National Coal Association opposes the bill. Yet members of that association such as Peabody and Westmoreland are busily engaged in strip mining in Montana, and they abide by the regulations that are imposed upon them by the State law of Montana, and the standards that are outlined in Montana and required by Montana law include requirements similar to those in this bill. Amax, another member of the coal association, is engaged in mining south of our borders and would like to get into Montana to strip mine coal under these requirements. The American Gas Association has worked diligently to pass a strong bill and they inform me they are satisfied with this bill as it now stands. If the President vetos this bill, I believe four results would follow a veto of the bill. First, there would be further delay of environmental protection for land in those areas of the country that are left unprotected by State laws.

Second, there would be a continued delay in development of federally owned coal that is not now under lease and has the written consent of the surface owner.

Third, a veto would mean a further delay of the development of Indian-owned coal. This bill gives assistance to Indian tribes to develop coal mining plans for their land on their reservations. For western Indian tribes with vast quantities of coal, this bill is the first step for them, for Indian reservations are not regulated by State laws on strip mining.

Then finally a veto will result in the new Congress enacting another bill, another law, that I believe would be a great deal stronger from environmental protection standards and, thus, more objectionable to the coal industry. If the industry wants a veto which gets all these results, then they deserve what they will receive. If the industry wants a balanced bill, as I think they do, then I hope they advise the President not to veto the bill and accept it as it is. Each vote here is needed also to guide the President's thinking on this. A vote for the bill says do not veto; a vote against the bill encourages the veto.

I urge all of the House to support the bill.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE), a member of the committee and a member of the conference committee.

Mr. RUPPE. Mr. Speaker, I rise in support of the conference report and call upon the Congress here today, to give a very strong vote of support to this important legislation. We did just that in the past. It was not too many weeks ago when legislation passed the House by 291 votes to 81 votes.

Since that time the conference committee has brought out a very balanced, in my opinion, a very balanced piece of legislation between what was drawn up in the House and in the Senate. As a result of that work, the conference developed a conference report that was supported 14 to 4 by the individuals in attendance.

Again, just a few days ago, the House worked its will in this compromise piece of legislation and voted for the legislation by 212 to 150 votes.

Mr. Speaker, I believe that we should have today the same strong affirmation of this legislation that we have had in the past; but most of all, I think we in the House should not be fearful of making a clear determination of this legislation.

It has been suggested, and unfortunately, I believe, that the President will veto the legislation that we have before us; but let me say that the various agencies and departments of Government are divided. None of them have really had strong leadership on this legislation.

I believe that Members on the floor and Members who have voted before have studied the bill and know what is in it and have the right to make a final determination as to whether this legislation is, indeed, good for the country or not.

Let us look at it from the agencies and their attitude toward this legislation. We do not know, frankly, what the attitude of Mr. Zarb is. This gentleman would be the new head of the Federal Energy Administration; but we do know in the past few days the staff of the Federal Energy Administration has supported the legislation and would make a positive recommendation to support the legislation, albeit it has to be understood that the Federal Energy Administration has no official position on the bill before us today. Unofficially, I can say that the staff itself has made a favorable recommendation.

Also, on a personal basis, Mr. Sawhill, who has been the head of the Federal Energy Administration, has indicated that he personally supports the legislation and would like to see it enacted into law.

It is unfortunate that the Department of the Interior has indicated there are some eight objections they have to this legislation. Let me say, however, Mr. Morton himself has not come to any decision. He may come to one this afternoon, but as of yesterday he had no official position on the legislation.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. If my good friend from Michigan would yield, would it be correct to say that when the FEA or the Department of the Interior takes "no official position" this represents a magnum and quantum leap forward? The administration has done everything possible to weaken this bill. So when they come around to a neutral position they are in effect moving forward.

Mr. RUPPE. There is a great deal of division, obviously, within the agencies regarding the pros and cons, the merits and demerits of the legislation; but in view of the fact that the agencies' heads are unable to make up their own minds, I believe we, the Congress, have every right to assert national leadership.

I believe we should take the responsibility and act if they cannot do so.

I would like to point out that in the letter of the Department of the Interior outlining some eight objections to this legislation, there is one objection which refers to enforcement language.

I can only point out that the objection to the enforcement language is a little surprising at this particular time, since the very language in the legislation was put there by me at the request of the Department of the Interior.

We have worked long and hard in the committee of conference on this legislation, and I believe the Members of the House here should work their own will and make a decision, particularly in view of the fact that the Federal agencies involved are simply incapable or unwilling to do the job.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I just want to take one moment to pay tribute to the gentleman in the well. I do not know of anyone involved with this bill who has been under more pressure and who has had a more difficult and challenging task in our committee than the gentleman from Michigan. Feeling as strongly as he does in favor of some kind of sound strip mining legislation, Mr. Speaker, and having been under continual pressure from the administration and industry, he has acquitted himself with great skill and integrity.

Mr. RUPPE. Mr. Speaker, I appreciate the remarks of the gentleman from Arizona.

I would like to say that support for the legislation has been bipartisan with support from both sides of the aisle.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I take this time to pose two questions for the managers of the conference report in order to clarify the impact of the surface owner protection provisions of section 716 on Indian real property interests.

This section attempts to give private surface owners some protection and rights with respect to the development of Federal coal underlying such private lands. Subsection (1) of that section provides that the provisions of the section shall not apply to Indian lands.

There are many cases where the surface estate of former Indian lands have passed into private, non-Indian ownership with a reservation of the mineral interest to the tribe or individual Indian. Legal title to this mineral estate is held by the United States in trust for the tribe or individual Indian.

My understanding is that subsection (1) was added to make clear that "Federal coal" was not to be construed to mean coal resources held in trust by the United States for Indians. I ask if this was the intent of the conferees on the bill?

Mr. UDALL. Yes. It is my understanding that subsection (1) was added for the sole purpose of making it clear that the section is not to apply to coal deposits, title to which is held in trust by the United States for the benefit of an Indian tribe or individual.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Speaker, this debate today marks the third time we have debated this bill on the House floor this year, so I will not take the time to recite the various provisions of this bill. I would like to say that there have been honest differences of opinion expressed during debate. I respect those differences, and would like to say to the Members present that this is not a radical bill. Two extreme viewpoints were expressed in the committee. We had legislation presented which would completely prohibit surface mining of coal, and the other was to permit business as usual.

What the committee has brought forth here to the floor today is a centrist bill, one which will permit us to mine coal but which will also require responsibility on the part of those charged with mining the coal.

I hope the legislation will be seen in that light, not only that it is a reasonable bill which requires environmental responsibility, but it is a bill under which coal can be mined. We do not mine a great deal of coal in Texas—I have none in my district—but I personally consulted officials in the State of Pennsylvania and visited the only mining operation in the State of Texas to see if we could mine coal under this legislation. Coal can be mined under this legislation and I hope my colleagues will see the wisdom of adopting the legislation today.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to yield 2 minutes to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Speaker, I rise in opposition to this conference report. We have heard what will happen in Ohio if this legislation is passed, and we have heard about someone allegedly stealing coal. Of course, this bill has nothing to do with this. This bill has no criminal provisions in it whatsoever, and I do not know why we are getting into all of these far fetched areas, but I do want to point out why I am opposed to this bill, which I can do very briefly, I think.

In my congressional district, we have about half the coal mining in Alabama, and we have a large coal mining area. My father was a coal miner. I am very familiar with the coal mining industry. These operations I am talking about are not owned by any major oil companies. They are small operators. I have their names and addresses, if any Member wants them. I have been informed that Alabama has 47 operators that will close if this bill passes. They are not those that are owned by the big oil companies. They are simply small operators, and they do not have the sophisticated staff such as engineers, full-time lawyers, and professional help that this legislation is going to require.

We hear some say this bill will increase the cost of production. It is obvious this bill is going to pass, and I just want to say this to the Members: When the Members' constituents get their utility bills and they ask about the increased cost, the utility companies are going to tell them to go and see their Congressman, because he voted for this bill which forced the utility to increase the cost to the consumer.

We all know we are for reclamation, and we are not talking about that.

If the Members say they voted for this bill because we are going to get a worse bill next year and the Members tell the consumer they voted for this bill because someone up in Ohio was stealing coal, I do not believe the consumer will accept this explanation.

I do not think we ought to let these smokescreens enter into this. This bill will unnecessarily increase the cost of coal and unnecessarily decrease the production of coal that is needed to help solve our energy crisis.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. REGULA) a member of the committee.

Mr. REGULA. Mr. Speaker, I rise in support of the conference report. The opponents of coal surface mining legislation have been basing their opposition on three basic arguments, one based on energy supplies, another on costs, and a third on the fact that State laws exist already to regulate coal surface mining.

First of all, it is said that at a time when we need to increase energy supplies, we should not be raising environmental restrictions such as those contained in S. 425 on coal production.

My answer to this is that the coal industry in Ohio has labored under environmental standards effective in the middle of 1972 almost identical to those contained in this bill and while production has been reduced during the transition period there are many other factors affecting production including the impact of the clean air standards on the use of high sulfur coal such as is mined in many areas of Ohio. Surface mined coal in Ohio in 1973 totaled 28,371,431 tons compared to 33,196,456 tons mined in 1972; 35,180,795 tons in 1971; 35,754,384 tons in 1970; 30,792,280 tons in 1969; 30,486,026 tons in 1968; 29,103,851 tons in 1967; 28,238,583 tons in 1966, and 26,247,566 tons in 1965.

Second, it is said this legislation will result in increased costs to consumers. Here we have to weigh the benefits against the costs.

The citizens of my State are already paying to save the land.

I might point out that coal is a nonrenewable resource, whereas land is used as a renewable resource in terms of recreation and in terms of food, and it is absolutely essential that this asset be preserved for the future by quality reclamation.

Third, finally it is said that the States already have laws on coal surface mining, hence there is no need for this legislation. This is not quite accurate. I say this even though I come from a State where the law on coal surface mining is one of the best in the Nation.

Why do we need Federal standards? First, not all States have been as effective as Ohio in controlling coal surface mining. Second, the coal industry is a national one; coal from the West is already burned in Eastern States, coal from Appalachia is burned in the Midwest, and so on. Certain national guidelines are essential over the long run to be sure that we do not create a graveyard in one section of the country in order to satisfy the energy needs of another area.

Also, I think it important that the mine operators know what the future reclamation rules are going to be, if we are to get the capital investment necessary for the development of this much-needed energy resource.

Mr. Speaker, it has been well pointed out by several of my colleagues that if we fail to act today, this body will be considering a bill next year, and in the meantime, unfortunately, in my judgment, failure to resolve the problem will stifle the production and development of new coal resources.

I would also add, in terms of the reclamation tax, that I am going to introduce a bill next week to provide a credit for all State reclamation or severance taxes paid against the reclamation tax contained in this bill. This will stimulate States to solve their own reclamation problems and to take their own orphaned lands and develop them in the highest and best way in order to serve the needs of the residents of those States.

Mr. Speaker, I ask my colleagues to join with me in an aye vote on this legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma (Mr. CAMP), a member of the committee.

Mr. CAMP. Mr. Speaker, I wish to point out to the ladies and gentlemen of this great body that I have been on the committee that has been hearing this legislation now for 4 years.

The thing that bothered me when I first went over the legislation was that this legislation nationalizes the strip mining business in the United States, and that will be the result brought about by this legislation.

We heard the gentleman from Ohio (Mr. HAYS), the gentleman from Pennsylvania (Mr. DENT), and the gentleman from Montana (Mr. MELCHER) talk about their State laws, the laws they have at the present time, and that they are doing a good job.

Why do we not let the States control this? Why do we not let them write the rules and regulations as to how they should strip mine in their own States instead of having someone in Washington trying to write the rules and regulations that will govern the State of Montana and the State of Pennsylvania when it is impossible for them to do it on an equitable basis because of the topography of the land?

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. CAMP. In just a moment. Let me proceed.

Mr. Speaker, any time we take away from the States their rights to write the laws to govern the operations concerning anything within their States, I do not think it is right, and I think that is what we are doing in this particular piece of legislation.

If we would write the law providing that we would give the Department of the Interior the right to write the rules and regulations on Government land, fine, but let us not tie up the States and tie their hands and have those people who are strip miners in that area be forced to live under rules and regulations that come out of Washington, D.C.

Mr. Speaker, I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. VIGORITO), a member of the committee on conference.

Mr. VIGORITO. Mr. Speaker, I rise in support of this legislation.

This legislation is long overdue. It is very well to say, "Let the States do it," but it is a fact that most States are not doing much to protect their topsoil and their land.

When we look at our resources, we must agree that our land is the most important resource we have.

Mr. Speaker, I come from the State of Pennsylvania, and we have there probably the best legislation on surface mining and strip mining in the country.

We do not need it in Pennsylvania because we have a good law, but I am still going to vote for this legislation because we need it on a national level.

The only way to get the States to comply with a good strip mining law is by having it on a national level.

Mr. Speaker, I am asking every one of my colleagues to support this legislation.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, reference has been made to the fact that I sponsored legislation which is "extremist" in nature. I plead guilty to being an extremist in my determination to protect the land, to protect the water, and to protect the people against the exploitation of strip mining.

As we meet and debate this bill today, 600 additional acres of land are being ripped up each and every day by the strip mining of coal.

Mr. Speaker, one of the real difficulties the committee faced in bringing out this legislation was the repeated, insistent, and constant pressure of the White House, the Federal Energy Administration, the Department of the Interior, and other executive branch agencies and officials, who tried repeatedly to weaken this bill. I know of no instance, and I would like any member of this committee to tell me of any instance, where the administration or its representatives came up here to try to strengthen this bill. They were always up here to try to weaken the provisions of the bill. They wrote letters, they made telephone calls, they breathed down the neck of the Members, they pressured the staff—all in the interests of watering down and weakening this bill.

Mr. UDALL. Mr. Speaker, will the gentleman from West Virginia yield on that point?

Mr. HECHLER of West Virginia. I yield to the gentleman from Arizona.

Mr. UDALL. The gentleman has not agreed on the approach to this problem, but I want to concur in what he has said.

It has been a pretty shabby performance, by and large, by this administration over the past 2 years. They have tried hundreds of times to weaken the bill. I do not know of a single communication saying that this bill ought to be strengthened.

Mr. HECHLER of West Virginia. Mr. Speaker, I thank the gentleman from Arizona.

I think it is a disgrace that the administration would attack strip mining legislation as inflationary when the same administration has done nothing about the skyrocketing coal prices, coal profits, and higher electric bills. The taxpayers who pay the salaries of public officials have a right to expect those officials to represent the public interest. Yet these administration officials have been joining ranks with and lobbying as hard or harder than the coal industry lobbyists against strong, effective and meaningful legislation.

While President Ford and his predecessor have repeatedly uttered platitudes about the need for strip mining legislation, their henchmen have been here on Capitol Hill daily fighting to water down and eliminate what few teeth the regulatory legislation had.

From the outset, the administration lobbyists have carried the water for the coal and utility lobbyists in pressing for the minimum amount of Federal standards of any meaningful nature, and the maximum amount of weak State standards. They have also been up on Capitol Hill lobbying for weakened reclamation standards, weakened citizen suit protection, opposing written consent of the surface owner of Federal coal, and they have been playing a ridiculous numbers game in overestimating the amount of coal tonnage they fear will be lost by the weak legislation.

In letters of February 6, May 29, and November 19, 1974, Secretary of the Interior Morton strongly attacked the idea of written consent of surface owners. For example on February 6, Morton stated that—

> Federal alteration of those rights invades the proper sphere of State power and is largely extraneous to the bill's purpose of assuring that surface mined land is completely and promptly reclaimed.

On May 29, he characterized it as "unwarranted Federal shifting of rights which are more properly a matter of State law." This in the face of the infamous form deed in Kentucky which has resulted in many innocent people seeing their ancestral homes destroyed by the strippers. Unfortunately, the lobbying has taken its toll. Written consent in situations involving privately owned coal was dropped from the bill in conference. Written consent barely survived the conference in cases of federally owned coal. Secretary Morton's letter of November 29 even attached this provision.

A second example of tremendous importance to Appalachia involves coal waste dams. The tragic disaster of February 26, 1972 at Buffalo Creek occurred when 125 people were killed when a coal slag pile collapsed and inundated the entire valley. Yet the administration stated that "there is no justification for prohibiting the use of mine waste and tailings for construction of impoundments" in their February 6 letter. This attack resulted in a watering down of the provision so that use of coal waste was no longer prohibited. Yet, this was not enough for the administration. What remained after the weakening of the provision was a requirement that the safety standards of Public Law 89-566 be applied to existing and future coal waste impoundments. The Department of Interior in its first draft of regulations to be adopted pursuant to the act completely ignored this statutory language. No standards were to be applied to existing waste dams. This gives us a taste of what we can expect when it comes to the Interior Department's effort in drafting the regulation.

A further example points up the monumental problems we face in trying to get meaningful results from this bill. On November 11, 1974, Ken Brown of the Interior Department circulated a memo to the staff of the Interior Committee supposedly detailing technical changes needed to make the bill more accurate from a legal standpoint. Surreptitiously included with these technical changes was the suggestion that citizen suits not be permitted against the Interior Department on the issue of whether the regulations issued were in line with the bill as drafted by Congress. Fortunately, the committee staff was not fooled.

Another example of the crucial role played by the public's representatives at the Department of Interior deserves mention. One of the most valuable provisions of the bill is the reclamation fee designed to provide funding for the reclamation of the 2 million acres of previously strip mined lands. Yet from the outset, the administration has opposed the idea. Assistant Secretary Whitaker argued in his testimony that reclamation of abandoned lands should be carried out by allowing operators to restrip the previously mined areas and then reclaim them. When this argument failed to take hold, the administration concentrated its attacks on the methods of raising the required funds. On February 6, they attacked the Seiberling amendment which would have provided large amounts of money through a $2.50-per-ton tax on strip mining and a 25-cents-per-ton tax on deep mining. Interior stated:

> The fee will unreasonably raise current coal costs and penalize current coal consumers for damages caused by other operations.

Then after the Seiberling amendment was successfully gutted, on November 19, 1974, Secretary Morton wrote to the conferees to attack the much milder 35-cents-per-ton tax as magnifying "any general inflationary trend" and leading to "windfall profits to private landowners could also develop into a massive Federal land purchase program and be used for extraneous purposes, such as hospitals, public facilities, and disaster assistance in addition to reclamation."

As a crowning touch, Morton attacked the entire strip mining bill as contributing "materially to inflation by imposing unnecessary governmental and private costs."

Is regulation of strip mining inflationary? Coal prices alone have jumped from $20 per ton last year to as high as $70 per ton in recent months. Coal company profits are up 181 percent. Instead of really fighting inflation by shutting off coal exports and clamping down on coal prices, the Ford administration is using "inflation" to cloak their efforts to destroy strip mining legislation. It is no wonder we are faced with such tremendous economic problems when the Ford administration has chosen to follow its predecessor's policy of protecting the profits of the energy giants instead of protecting the land and the people.

Although I voted for the rule to bring this conference report out for debate, I cannot for this conference report.

Mr. SEIBERLING. Mr. Speaker, will the gentleman from West Virginia yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I would simply like to commend the gentleman in the well for being the first person to focus the attention of the Congress and the country on the fact that this is a national problem. While his bill is not the bill before us, I think we owe him a debt of gratitude.

Mr. HECHLER of West Virginia. We are going to get to my bill before too many years have passed. I intend to keep fighting for the phasing out of strip mining, so we can turn to where the vast preponderance of our energy supplies are available—through deep mined coal. If the President vetoes this bill and Congress fails to override the veto, I am confident that a Congress which is closer and more responsive to the people will produce a far stronger piece of legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I take this time to say that the Committee on Rules attempts to get the facts when bills are presented to us.

Right now, as I stand here, I am beginning to wonder whether or not we still have the facts on Ohio's strip-mining production. I happen to be one who supports the Ohio law, and I supported this legislation when it passed the House originally.

The gentleman from Ohio (Mr. REGULA) just made the statement that since the Ohio law passed, production in Ohio had increased. The good gentleman from Arizona (Mr. UDALL) implied the same thing. However, I think that before we vote on this legislation, we ought to know where this information is coming from. If it is coming from outside Ohio, we ought to know it.

Has the gentleman from Ohio further information?

Mr. SEIBERLING. If the gentleman will yield, yes, I have the same information from the same source, I believe, that the gentleman cited a little earlier.

I would like to cite one other source and show how they fit together. From the Bureau of Mines, we have figures as follows: In the first 6 months of 1972, U.S. coal production was 306 million tons. In the first 6 months of 1973 it was 291 million tons. In the first 6 months of 1974 it was 312 million tons.

In other words, for the first 6 months, it dropped 15 million tons between 1972 and 1973, and it went up 21 million tons between 1973 and 1974.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STEIGER of Arizona. I yield 1 additional minute to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, let me say to my friend, the gentleman from Ohio (Mr. SEIBERLING) if the gentleman has different annual figures on Ohio's production, then let us have them.

Mr. SEIBERLING. All right. Here are the figures for Ohio as furnished by Mr. Woodruff of the Ohio Division of Reclamation: surface and augur mined coal in first 6 months of 1972, 18 million tons; 1973, 14 million tons, a decrease of 4 million tons; 1974, 16,285,000 tons, an increase of 2 million tons. So what we have is the fact that coal production, both countrywide and in Ohio, went down in 1973 and up, in 1974 which seems to indicate——

Mr. LATTA. I refuse to yield.

Mr. SEIBERLING (continuing). That the Ohio law did not affect strip mined coal production.

Mr. LATTA. I refuse to yield.

Let me simply say that it seems we are trying to confuse the issue here. The figures we have from P. C. Woodruff of the Division of Reclamation are the annual figures gathered by the State of Ohio, and they are precisely: 1971—dealing with strip mining—35,180,794 tons; strip mining, 1972, 33,196,456 tons; and, 1973, strip mining, 28,371,431 tons. Our Ohio law dates from April 10, 1972. Hence, Members can draw their own conclusion.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. UDALL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, if I may simply complete the picture, the reason I picked the first 6 months, figures is because we do not yet have the full yearly figures for 1974. However, the Ohio figures closely follow the national figures.

And, furthermore, the strip-mining law did not take effect until the second half of 1972.

When we see the same pattern in Ohio as we find nationwide, a decrease, and then an increase, there is no basis for saying that the Ohio law resulted in a decrease in production. As the gentleman from Arizona (Mr. UDALL) said, Ohio production is now increasing.

Three years ago I visited the strip-mining areas of Ohio with Governor Gilligan, and at that time the president of the Hanna Coal Co., which operates one of the biggest strip mines in Ohio, said that if the bill passed which later became the Ohio law, the mine we were looking at would go out of business. Yet, within a matter of weeks after the law passed, the very same president of the very same coal company was asking for a permit to expand its mine.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, as to employment, here is what the figures from the Ohio Department of Industrial Relations show:

In 1972, the average number of employees employed in mining in Ohio was 7,862, and in 1973, the average monthly mining employment was 7,921. So, employment in Ohio mines actually increased after the strip-mining law took effect.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Speaker, when this legislation came to the House floor it did not treat all the coal mining sections of the country equally, but it was amended and corrected, and now the reclamation fee is uniform, regardless of the section of the country the coal comes from. The 25-cent-a-ton reclamation fee on underground coal and 35-cent-a-ton fee on strip mined coal will be used to repair past damage, and also to provide facilities in developing coal areas.

This means that a small farmer whose pasture and cornfield and stream have been ruined by debris shoved down the side of a mountain can get his place repaired, and once again raise some food, and a few animals, to support his family.

It means that small rural roads now being destroyed by huge coal trucks in the mining counties can be brought up to standards which will support the trucks, and give the people a way to get in and out of the area.

I would hope that when this bill becomes law, and it is going to become law sooner or later, that it will be enforced fairly. I do not want to see anyone put out of business, especially when coal is the only business in many counties. But responsible people can make it work well for everyone, and we are going to need people acting responsibly, working together reasonably, with consideration and understanding.

I would also want to see this bill enforced in such a way that we preserve our great grazing and farming areas in the west as an agricultural resource, and not torn up for low Btu lignite, because it is obvious that those western plains cannot be reclaimed. Stripping will not work there.

The coal must come from the major eastern fields.

Mr. Speaker, there is another aspect of this issue which is of crucial importance. We are going to have to move this country into full scale, commercial coal liquefaction and coal gasification—we should be doing that right now. It is the best answer to the energy crisis—the crisis that is a major cause of the recession we are suffering from.

We will need billions of tons of coal, and we have it in the ground. Let us get it out the right way, and this legislation will make sure we do it the right way.

Mr. STEIGER of Arizona. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the President of the United States is going to veto this particular measure for five rather narrow reasons. I say "rather narrow" because I think there are at least 8 or 10 more equally good ones, although perhaps more specific in nature. There is no doubt that the enactment of this legislation will result in a lost supply of coal. That is an absolute fact.

What appears to be at argument is the amount of that loss, and, clearly, that is in the eye of the beholder. There have been a great many claims here about the tonnage that will be lost. I do not know anybody who can honestly and adequately predict what will be lost. The FEA evaluation of the facts state that it will make impossible the achievement of Operation Independence by the target date. That is one of the first reasons why the President is going to veto this bill.

The second reason is that unemployment will be increased. That is not a breach. Not only do the national independent coal operators claim that, but the Library of Congress claims that. The Library of Congress says that if this measure is enacted into law, a minimum of 10,000 people are going to be put out of work.

Do the Members want to sit here—particularly my friend on the other side of the aisle who professes a great affection for those people who labor long and hard at an hourly rate in this country—and say that they, by a stroke of their pens, or a nod of their heads, are willing to put 10,000 people out of work, supporting a piece of legislation that not a single one of them has read, with but four exceptions whom I see on the floor? There are only four people whom I see on the floor who have read this bill.

The problem is that we are supporting a concept. We are supporting an idea that we do not want to see the Earth surface disturbed in such a manner that it cannot be restored. I think that is a very worthy effort.

This bill will not do that. We have already heard from Ohio, Pennsylvania, Montana, and Alabama that the States are doing a good job. I agree. I think there may be variance in quality. The fact that there will be a varying of quality in the enforcement of the intent in the States, I stipulate to. Some States will do a better job than others. I guarantee the Federal Government will do the sorriest job of all, because the price for the Federal Government enforcement of any regulations is inevitably an excess—an excess of regulation, and excess of lost tonnage, and an excess of unemployment.

The President is going to veto this bill because it is inflationary. It is not shocking for him to say that. It is completely honest for him to say that. This bill will short us in coal and requires us to replace the lost coal with imported oil and the cost will be increased. We here do not have to try to absorb that; it is going to be the man who will have a small rise in his utility bill and who will feel it pinching his budget who is going to feel it, and not those of us who sit here comfortably in this Chamber.

One of the favorite arguments against this, and I have heard this since time, since we have been on this bill, which is since time, is if we do not pass this bill this year we will get a worse bill next year. There is one factual reason why that is not possible. There could not be a worse piece of legislation than this one. That is not a jest. That is an honest impression which was conveyed to the President.

I tell the Members that this bill has been so patched on and so botched up and so written and rewritten by our zealous staff—and so zealous one might say Messianic, if one were so inclined, and I would not say that but one might say that. But the fact is that the staff's zeal to absolutely purify the surface mining practices in this country has led them into competition with each other, and they went into competition with each other in some instances in this bill. But the bottom line is that as a result of the zeal of this great staff—and it is a great staff and I think there are about 150 of them—we have here a bill produced by a staff not a single member of which has ever hauled a single ton of coal anywhere in the world.

The gentleman from Arizona (Mr. Udall) has viewed with horror the coal barons stalking through the Halls of Congress. I tell the Members I am glad some of the coal companies got up their courage in their hands and sent someone here who knew something about coal so we could get some real information. No, they are not on our staff, but who is more entitled to defend their points of view than those whose livelihood depends on this legislation? I wish they would be more candid and would tell us in public what they have told us in private what this bill will do.

As far as stalking the Halls of Congress, I have seen some of the loveliest children stalking these Halls on this bill than at any time since I have been in Congress, and I am glad the environmentalists understand the process of marketing and they are now using these nubile and attractive young ladies to convey their message. I think they are nubile. This negative reaction I hear is obviously because some of the Members have bad taste.

The fact is that these are well-meaning people who see the problem, just as the gentleman from Kentucky sees the problem, and sees it well and sees it better than I do because I have not lived with it, as have the gentleman from Ohio (Mr. Hays) and the gentleman from West Virginia. These people are genuinely concerned with the problem and they think because they have the problem this must be the answer.

I tell them now as kindly as I can that this is not the answer. The answer is to have them pass their own State laws as quickly as possible and as strongly as possible and enforce them, and to have a Federal law which says if they cannot reclaim they cannot mine. That is a good law, and then require them to put up a bond to make sure they do that.

The SPEAKER. The time of the gentleman has expired.

Mr. STEIGER of Arizona. I regret that my time has run out and I know the Members regret it too.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO of Wyoming. Mr. Speaker, I recognize what a difficult act I have to follow. It has been a long time since my vaudeville days.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Montana (Mr. Melcher).

Mr. MELCHER. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the gentleman from

Arizona (Mr. UDALL), the subcommittee chairman, to answer a question for me.

How does the requirement that coal deposits subject to section 716 be offered for lease by competitive bidding after the surface owner gives his consent affect existing Federal prospecting permits on such coal deposits?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, I would reply that whether the holder of a Federal coal prospecting permit has an interest which vests him with a right to a coal lease is a matter of interpretation of the Mineral Leasing Act of 1920 and other applicable laws. However, if the permittee does have a property right, it is not the intention of the conferees to deprive him of it. Section 716(i) specifically states that nothing in section 716 is to be construed as increasing or diminishing any property rights held by the United States or by any other landowner.

Mr. RONCALIO of Wyoming. Mr. Speaker, I understand that at 3 o'clock today the President of the United States will tell the public why this bill should be vetoed.

I regret that decision. I think it is wrong. The public will be as opposed to the President's act as it has been in the last three bills he vetoed.

I would like to hope—Christmas notwithstanding—we do not adjourn sine die, so that if we keep in session 2 or 3 days, after Christmas, we could have a vote to override the veto. Nothing is more important to the country than to override this veto and pass this legislation.

Mr. UDALL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, it is very sad for me to hear of this threatened veto, because the President, I think, is surrendering and selling out to some of the most greedy and backward sources in commerce and industry that it would be possible to find.

It is a sellout of the people of this country and of the land. It is a sellout of good conservationists. Republicans like Russell Train and John Sawhill. It is a sellout of the gentleman from Michigan (Mr. RUPPE), the gentleman from Texas (Mr. STEELMAN), and the gentleman from Ohio (Mr. REGULA), and all the other good members of our committee who helped us produce a balanced bill. If the President is really going to veto it, I ask him to send it back next week before we go home so we can consider it and find out who it is in this House who wants to save our land from those who would ravage it for a few extra dollars. The President does not have to sit on it. The spirit of the Constitution is that he can send it back, so that if two-thirds of the House and Senate want it to become law, it will become law.

Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Speaker, I, too, am extremely distressed to hear that the President has decided to veto this bill. It was my hope that as a result of many, many painful months of deliberation, both in our committee and on the floor and in conference, that the major objections of the administration would have been met by the very deep compromises which I feel we made to the legislation.

The bill before the House is not as strong as the bill upon which this House voted by a margin of almost 78 percent of the total membership who voted.

The western Governors have a great deal at stake in this legislation. Nine of them have indicated their complete unanimous support of this legislation. It would seem to me that our President should take this into consideration, because what we have at stake is not really the restoration of lands that have been ravaged in the East already, not the lands that are to be mined in the East, because there we have strong laws, as has been indicated in Ohio and Pennsylvania; but the people out West who have not yet been protected, these are the people that this bill is so essential for today. So I am deeply disappointed. I am even more disappointed to learn the reasons, as indicated by the gentleman from Arizona (Mr. STEIGER) attributed to the President. Loss of supply, the President says, is a major reason for vetoing this bill. There have been such monumental errors in the estimates that the administration has given to the committee and to the Congress; initially we were told that the loss of coal supply to the country if this bill passes would be as large as 187 million tons. Only 1 month after that report was issued, Mr. Sawhill came to the Congress and said those figures were incorrect. He said the estimates should be something between 20 and 60 million tons.

Then recently the Secretary of the Interior came forward with estimates of 14 to 38 million tons, which is less than 2 percent of the total national coal production, if these figures are, in fact, true. But given this past history we have no basis for giving any reliance to these latest figures.

Our own belief in the committees is that there would not be any loss whatsoever. This has been the experience of the State of Ohio. This has been the experience of the State of Pennsylvania.

And what about inflation? Where has been the protection of the small consumers in this country when the price of coal has gone up in some cases as much as 1,000 percent? The administration has done nothing. Yet we have been quibbling over 3 cents a month in the consumers electric bill. If the administration was sincerely interested in the reduction of costs to the consumer, they should have done something to the price of coal that has gone up 1,000 percent. That is the issue.

What about unemployment? The figures quoted from the Library of Congress are purely hypothetical. You know, these intellectuals like to deal in hypotheticals to illustrate a point. It was purely illustrative. It has no bearing to fact. We on the committee say there would be no unemployment whatsoever attributable to this bill. Instead my personal belief is that with the new reclamation work required there will be more people employed.

I urge the passage of this conference report.

Mr. McCLORY. Mr. Speaker, I rise in support of this conference report on the Surface Mining Control and Reclamation Act of 1974, and I want to commend the conferees for their perseverance in returning with a good bill which can be enacted into law this year. The American public—environmentalists and coal producers alike—have already had to wait far too long for the Congress to set a reasonable national policy in this important area.

Mr. Speaker, for over 1 year now the American people have been waiting for the Federal Government to develop and implement a comprehensive national energy policy. After our experience with this legislation, I doubt if anyone of us will underestimate the tremendous complexity of this task. What is especially significant about this conference report is that it represents a consensus about what the national policy will be in the important area of coal production through the strip mining process. All sides have been listened to, and the full range of diverse views have been taken into account. Above all, we realize that it was in the national interest to enact reasonable legislation to regulate this area. The result, as it always must be, is a compromise which is not completely satisfactory to anyone; but it is a good, workable conference report, and it deserves the support of all the Members of the House.

Mr. Speaker, with the oil embargo of last winter still fresh in our minds, we all now realize that our coal reserves are an extremely valuable national resource. The strip mining process has provided us with a relatively inexpensive source of energy, at a time when there are critical shortages in areas other than coal. This legislation will encourage controlled growth of national coal production without exacting an intolerable cost in ruination of our environment. This conference report can stimulate the production of coal as a cheap energy source, while requiring that the strip-mined land be reclaimed to its approximate original condition.

In short, Mr. Speaker, this conference report sets a coherent and workable national energy policy insofar as coal production through the strip mining process is concerned. I commend my colleagues for their conscientious work in this important area, and I hope that we can continue to move forward together in the 94th Congress to formulate national policy in the other energy production areas in the best interests of all the American people. I urge support for this conference report.

Mr. BLACKBURN. Mr. Speaker, after thumbing through the conference report on S. 425, the Surface Mining Control and Reclamation Act of 1974, I have asked myself "Where is this Nation headed?" We hear talk every day in this Chamber about what should be done to solve the energy crisis, but what kind of legislation is presented to us? Legislation that will further intensify the energy shortage—I am speaking of this surface mining legislation.

We have had legislation to authorize expensive studies, at taxpayers' expense, of the causes of the energy shortage. We have had legislation to reorganize the Government agencies related to energy. We have had legislation to authorize expensive studies in "exotic energy forms," again at taxpayers' expense. None of these will add 1 Btu to this Nation's energy supply this winter. On the contrary, this bill will remove millions of Btu's for this Nation's energy supply—just how much is the subject of some speculation since the impact of so many of the provisions of the bill cannot be easily quantified. But, there can be little doubt that the impact on lost production will be significant.

Mr. Speaker, legislation which results in any reduction in coal production at this time is not in the national interest. This legislation goes in the wrong direction—it restricts coal production when it should be encouraging coal production.

I caution my colleagues against an emotional vote on this legislation.

The Middle Eastern and other oil supplies to fuel our industries and heat and light our homes are up for grabs.

Hardly a day passes that some foreign source of raw materials does not announce a new nationalization of natural resources discovered, developed, and marketed by U.S. funds.

The Organization of Petroleum Exporting Countries, already one of the world's most potent economic forces, is meeting this week in Vienna.

Decisions there are bound to do two things: raise the price of oil to U.S. consumers and expropriate even further U.S. investments.

In the face of this growing dependence on oil over which the United States has no control whatsoever, it seems foolhardy to approve legislation which will restrict expansion of domestic coal production, our main source of energy completely within our own control.

When will this Congress take some action to encourage and increase production of coal—the one energy source generally recognized as the short-term answer to our energy woes? How many more plants must be shut down and how many more people must be laid off their jobs before Congress gets the message that the time for positive action has not only arrived, but has long since passed?

We are asked to approve a measure that is admittedly going to increase the cost of electrical energy, steel, and many other commodities and products. Its inflationary ripple effect cannot now be accurately forecasted nor fully appreciated—but it is known that it will be substantial. Is it the purpose of this Congress to feed the fires of inflation? It would appear to be so if this legislation is approved.

Mr. Speaker, I cannot and will not be a party to the destruction of this Nation's economy, and I am opposed to the adoption of this conference report.

Mr. FORD. Mr. Speaker, I rise in support of the Surface Mining Control Act. Although I personally favor much stronger legislation to regulate strip mining, I am supporting this measure before us today because it is the best we can realistically expect to pass as long as the White House continues its opposition. This urgently needed legislation is the result of 3 long years of work. Although it is opposed by the White House and special interest groups, it is supported by the AFL–CIO, the UAW, the United Mine Workers, League of Women Voters, and all of the major environmental groups.

This legislation establishes, a Federal-State program to regulate all strip mining and reclamation, with primary responsibility vested in the States. It sets forth detailed environmental protection controls, requires reclamation of mined lands, and establishes a fee-funded program for the reclamation of existing abandoned mines. It prohibits strip mining in certain designated areas, provides for public participation in the development and enforcement of programs, and provides protections for the rights of surface owners.

Another very important feature of the bill is that it offers assistance to provide cash benefits to any worker who loses his job in the coal mining industry as a direct result of the administration of the act, and who is not eligible or has exhausted his right to unemployment assistance.

Mr. Speaker, this bill is vitally needed because estimates show that strip mining is costing Americans $35 million a year in lost recreational resources and an unmeasurable amount in ruined land which carries deep and permanent scars. Currently, strip mining operations affect at least 1,000 acres per week.

In the past there has been little effort on the part of coal operators to restore strip mined land to its previous levels of productive capability. Moreover, many States have failed in efforts to develop strong strip mine reclamation standards. Now that the coal industry has begun to shift its operations to the West, where there are some 32 billion tons of strippable coal, there is an urgent need for effective Federal regulation that will end the environmental degradation caused by strip mining without disrupting development of vital coal reserves.

I would like to point out to my colleagues that engineering studies and current mining and reclamation practices employed in coal mines show that the environmental standards can be met in most instances with little or no increase in coal production costs; and a Library of Congress economic impact study includes that the environmental standards and reclamation fee should not result in increased consumer energy costs.

Mr. Speaker, I believe the coal industry in its narrowminded stubborn opposition to this bill, is suffering from "tunnel vision." I urge my colleagues from both sides of the aisle who are truly interested in protecting what is left of our precious environment to disregard the opposition of both the White House and the coal industry and vote for the adoption of the Surface Mining and Control Act.

Mr. DORN. Mr. Speaker, the Nation is caught in the grips of both an energy crisis and an economic crisis. The conference report now before the House would make both worse. This is simply not the time to pass legislation that would add to our fuel shortage and add to inflation. This so-called Surface Mining Control and Reclamation Act has some desirable provisions. However, it would reduce coal production, leading to drastically higher electric bills for the consumer and increased reliance on foreign energy sources. Some estimates are that the bill would mean an increase of 55 percent in consumer electric bills.

Mr. Speaker, the consumer is already hard hit by spiralling utility bills, and the consumer would be the main victim should this bill be enacted. We must bear in mind that it would be a disaster to the environment should there be power shortages and blackouts. The single greatest threat to environmental improvement in our nonmetropolitan areas is the specter of energy shortage and power blackouts. Yes, in urban areas, too, with unemployment, poverty, disease, and curtailed heat and electricity. Adequate electric power is absolutely essential to impoving the home environment of our people throughout the Nation. Make no mistake about it; we are in a fuel crisis and will be for the foreseeable future. We simply must balance jobs, the economy and our power needs against the claims of those who are overreacting to this type of mining. Of course we want restoration and environmental improvement in areas subject to strip mining. This is a goal we must pursue. However this is simply not the right bill nor the right time. With energy both expensive and scarce, we should not pass legislation that would reduce coal production one-half, make the situation worse. Mr. Speaker, I will oppose this conference report as I did the bill when brought up under suspension of the rule. This is no way to consider legislation of this magnitude in an atmosphere of rush and last minute railroading. Should it pass, the President should veto it.

Mr. DON H. CLAUSEN. Mr. Speaker, I take this opportunity to speak briefly on the Surface Mining Act that is before us at this time.

I voted for the bill in the Interior Committee, on the floor eariler this year, and I will vote for the conference report again today. I am of the opinion that it is absolutely essential that we provide the means whereby we can insist upon the full and complete reclamation of mined lands and prevent mining of those lands, which, for one reason or another cannot be reclaimed.

However, I do object to the attempts that have been made to bring the bill to the floor under a closed rule. It is for this reason I believe we should consider it under our regular and usual parliamentary rules and procedures.

Mr. UDALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MAKING CORRECTIONS TO S. 425

Mr. UDALL. Mr. Speaker, under the provisions of House Resolution 1496, I call up the concurrent resolution (H. Con. Res. 692) authorizing and directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 425.

The Clerk read the concurrent resolution as follows:

H. Con. Res. 692

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, the Secretary of the Senate shall make the following corrections:

(1) In the first sentence of section 301(a) of the bill, strike out "1975." and insert in lieu thereof "1975,"; and immediately after "university" strike out "at" and insert in lieu thereof "in".

(2) In section 301(a)(3) of the bill, strike out the semicolon immediately after "public college"; and strike out the semicolon immediately after "herein" and insert in lieu thereof a period.

(3) In section 302 of the bill, designate the undesignated paragraph following subsection (d) as subsection (e).

(4) In section 304 of the bill, designate the first undesignated paragraph as subsection (a); designate the second undesignated paragraph as subsection (b); and designate the third undesignated paragraph as subsection (c).

(5) In section 306(c) of the bill, immediately after "Revised" insert "Statutes".

(6) In section 309(a)(5) of the bill, strike out "Survay" and insert in lieu thereof "Survey".

(7) In section 309(c) of the bill, strike out "reecive" and insert in lieu thereof "receive".

(8) In section 403 of the bill, strike out "only land" and insert in lieu thereof "only lands".

(9) In section 404(d) of the bill, strike out "tenant under an agreement" and insert in lieu thereof "tenants under an agreement".

(10) In section 404(e) of the bill, strike out "occupied" and insert in lieu thereof "occupier".

(11) In section 405(a)(3) of the bill, strike out "the the fair" and insert in lieu thereof "be the fair".

(12) In section 405(a)(6) of the bill, immediately after "knowledge" and immediately after "development" strike out "of" and insert in lieu thereof in each such place "or".

(13) In section 405(a)(7) of the bill, strike out "this unreclaimed" and insert in lieu thereof "their unreclaimed".

(14) In the second sentence of section 405(a)(8) of the bill, strike out "rse" and insert in lieu thereof "use".

(15) In section 405(b)(1) of the bill, strike out "persons, dislocated" and insert in lieu thereof "persons dislocated".

(16) In section 501(B) of the bill, strike out "Agenccy" and insert in lieu thereof "Agency".

(17) In section 502(f)(2) of the bill, strike out "(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in viola-" and insert in lieu thereof the following:

"(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in viola-".

(18) In section 503(a) of the bill, immediately after "surface" insert "coal" in paragraphs (1), (2), (4), and (6).

(19) In section 503(c) of the bill, strike out the colon immediately after "thereof" and insert in lieu thereof a period.

(20) In section 503(d) of the bill, strike out "State Program" both times it appears and insert in lieu thereof "State program", and strike out "Section" and insert in lieu thereof "section".

(21) In section 504(a)(1) of the bill, immediately after "surface" insert "coal".

(22) In the second sentence of the matter following paragraph (3) in section 504(a) of the bill, immediately after "surface" insert "coal".

(23) In the third sentence of section 504(f) of the bill, strike out "the Act" both times it appears and insert in lieu thereof in each such place "this Act".

(24) In section 507(b)(5) of the bill, strike out "fact" and insert in lieu thereof "facts".

(25) In section 507(b)(13) of the bill, strike out "(a)" and insert in lieu thereof "(A)"; strike out "(b)" and insert in lieu thereof "(B)"; and strike out the semicolon after "application" and insert in lieu thereof a period.

(26) In section 507(b)(16) of the bill, strike out the comma immediately after the parenthetical phrase.

(27) In section 508(a)(2)(A) of the bill, immediately after "mining;" insert "and".

(28) In the third sentence of section 509(a) of the bill, strike out "regulator" and insert "regulatory".

(29) In section 509(b) of the bill, immediately after "surface" insert "coal".

(30) In the first sentence of section 510(c) of the bill, strike out "coal surface mining" and insert in lieu thereof "surface coal mining".

(31) In section 515(b)(3) of the bill, strike out "statability" and insert in lieu thereof "stability"; strike out "Act:" and insert in lieu thereof "Act):"; strike out "deposit;" and insert in lieu thereof "deposit,"; and strike out "consider all acid-forming" and insert in lieu thereof "cover all acid-forming".

(32) In section 515(b)(4) of the bill, immediately before "mining" insert "surface coal".

(33) In section 515(b)(7) of the bill, immediately after "surface" insert "coal".

(34) In section 515(b)(8)(B) of the bill, immediately after "83-566" insert "(16 U.S.C. 1006)".

(35) In section 505(b)(10)(B) of the bill, immediately after "surface" insert "coal".

(36) In section 515(b)(10)(F) of the bill, strike out the period after "prescribe" and insert in lieu thereof a semicolon.

(37) In section 515(b)(15) of the bill, strike out the semicolon after "regulatory authority" and insert in lieu thereof a comma.

(38) In section 515(b)(16) of the bill, immediately after "surface" insert "coal".

(39) In section 515(b)(17) of the bill, immediately after "insure" insert "that".

(40) In section 515(c)(2) of the bill, strike out "subparagraphs" and insert in lieu thereof "paragraphs".

(41) In section 515(c)(3)(C)(iv) of the bill, strike out "suported" and insert in lieu thereof "supported".

(42) In section 515(c)(3)(F) of the bill, immediately after "surface" insert "coal".

(43) In section 515(d)(1) of the bill, immediately after "performing surface" insert "coal"; and immediately after "new surface" insert "coal".

(44) In section 516(b)(6) of the bill, strike out "regarded" and insert in lieu thereof "regraded".

(45) In section 516(b)(9)(B) of the bill, immediately after "conducting" insert "surface coal".

(46) In section 517(b)(1)(E) of the bill, immediately after "surface" insert "coal".

(47) In section 517(b)(3)(A) of the bill, strike out "to entry to, upon, or through any surface" and insert in lieu thereof "of entry to, upon, or through any surface coal".

(48) In section 517(c)(1) of the bill, immediately after "surface" insert "coal".

(49) In section 517(d) of the bill, immediately after "surface" each time it appears insert "coal".

(50) In the second sentence of section 519(a) of the bill, immediately after "surface" insert "coal".

(51) In the last sentence of section 519(a) of the bill, immediately after "surface" insert "coal".

(52) In section 519(c)(3) of the bill, immediately after "surface" insert "coal".

(53) In section 519(e) of the bill, immediately after "surface" insert "coal".

(54) In the second sentence of section 519(f) of the bill, immediately after "surface" insert "coal".

(55) In the first sentence of section 519(g) of the bill, immediately after "surface" insert "coal".

(56) In section 520(c)(1) of the bill, immediately after "surface" insert "coal".

(57) In section 520(f) of the bill, strike out "plan or reclamation" and insert in lieu thereof "plan of reclamation".

(58) In the first sentence of section 521(a)(1) of the bill, immediately after "person," strike out "the"; and in that same sentence immediately after "such violation" strike out "exhists" and insert in lieu thereof "exists".

(59) In the last sentence of the second paragraph in section 521(a)(3) of the bill, immediately before "abated" insert "authorized representative determines that the violation has been".

(60) In section 521(a)(4) of the bill, immediately before "the permittee's failure" insert "the permit should not be suspended or revoked. Upon".

(61) In section 522(e) of the bill, immediately after "valid existing rights" strike out "to" and insert in lieu thereof "no".

(62) In section 523(b) of the bill, immediately after "surface" both times it appears therein, insert "coal".

(63) In the first sentence of section 523(c) of the bill, strike out "Staates" and insert in lieu thereof "States"; and in the same sentence immediately after "surface" insert "coal".

(64) In the last sentence of section 523(c) of the bill, immediately after "surface" insert "coal".

(65) In section 523(d) of the bill, immediately after "surface" insert "coal".

(66) In the first sentence of section 526(a)(2) of the bill, immediately before "United States" insert "the".

(67) In the third sentence of section 526(a)(2) of the bill, strike out "section penalties" and insert in lieu thereof "the penalty section".

(68) In section 526(e) of the bill, strike out "approval" and insert in lieu thereof "approved".

(69) In section 528 of the bill, strike out "(a)"; and strike out "land owner" and insert in lieu thereof "land owned".

(70) At the end of section 529 of the bill, insert the following:

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

(71) In section 601(b) of the bill, strike out "(a)" immediately after "if" and insert in lieu thereof "(1)"; and strike out "(b)" immediately after "or" and insert in lieu thereof "(2)".

(72) In section 701 of the bill, immediately after "For the" strike out "purpose" and insert in lieu thereof "purposes".

(73) In section 701(5)(A) of the bill, insert a comma immediately after "auger"; and strike out "section 530" and insert in lieu thereof "section 512".

(74) In section 701(11) of the bill, immediately after "surface" insert "coal".

(75) In section 701(14) of the bill, immediately after "surface" and insert "coal".

(76) In section 701(18) of the bill, immediately after "surface" insert "coal".

(77) In section 701(21) of the bill, strike out "'Fund'" and insert in lieu thereof "'fund'".

(78) In section 702(a) (7) of the bill, immediately after "Act of" insert "1934".

(79) In section 702(b) of the bill, immediately after "surface" insert "coal".

(80) In the last sentence of section 703(b) of the bill, strike out "subparagraph" and insert in lieu thereof "subsection".

(81) In section 703(c) of the bill, strike out "applicant," and insert in lieu thereof "the applicant"; and strike out the comma immediately after the parenthetical phrase in that subsection.

(82) In section 704 of the bill, strike out "Section 114" and insert in lieu thereof "Section 1114".

(83) In section 705(b) (2) of the bill, immediately after "surface" each time it appears insert "coal".

(84) In section 707(a) of the bill, immediately after "surface" each time it appears insert "coal".

(85) In section 708(b) (2) (A) (iii) (II) of the bill, immediately after "by the State" insert "in".

(86) In section 712(b) of the bill, strike out "reported" and insert in lieu thereof "report".

(87) In section 712(g) of the bill, strike out "715(a)" and insert in lieu thereof "714(a)".

(88) In section 717(1) of the bill, strike out "and" immediately after the semicolon.

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the concurrent resolution, and that it be printed in the Record.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Arizona?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORTS

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file reports on the following:

S. 2125, S. 194, S. 3615, S. 3489, S. 3574 and S. 3518.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

NATIONAL HEALTH POLICY, PLANNING, AND RESOURCES DEVELOPMENT ACT OF 1974

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1411 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1411

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16204) to amend the Public Health Service Act to assure the development of a national health policy and of effective area and State health planning and resources development programs. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, as far as I know, there is no controversy at all on this rule, and I know of very little controversy on the bill.

Therefore, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, this rule, House Resolution 1411 provides for 1 hour of general debate on H.R. 16204, National Health Policy, Planning, and Resources Development Act of 1974, and that the bill shall be open to all germane amendments.

H.R. 16204 adds two new titles to the Public Health Service Act.

In new title XIV, a National Council for Health Policy is established in HEW, made up of 15 members appointed by the Secretary to staggered 6-year terms. The Council is to recommend a national health policy with goals based on specified national health priorities. It is to have guidelines for health resources and services and shall conduct studies regarding policies and goals, and analyze causes of inflation in the cost of health services. This title also creates a system of health systems agencies—HSA's—that is to be responsible for areawide health planning and development. It also provides for assistance to each State government in the development of a State health planning and development agency, selected by the Governor of each State and designated by the Secretary. The State agency is to be advised by a statewide health coordinating council—SHCC—which prepares an annual State health plan.

Title XV revises and extends the existing State medical facilities construction authority—Hill-Burton. And, provides funds to HSA's for use in developing health resources which will implement their plans.

The committee estimates the cost for fiscal 1975–77 to be $1,173,000.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16204) to amend the Public Health Service Act to assure the development of a national health policy and of effective area and State health planning and resources development programs.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16204, with Mr. Fuqua in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes and the gentleman from Kentucky (Mr. Carter) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 16204, the National Health Policy, Planning and Resources Development Act of 1974.

Mr. Chairman, H.R. 16204, the National Health Policy, Planning and Resources Development Act of 1974, revises and extends expiring authorities for health planning and resources development programs. These authorities, which expired at the end of June of this year, include the authorities for the comprehensive health planning program—or CHP—regional medical program—or RMP—medical facilities construction program, or Hill-Burton, and the experimental health services delivery systems program. The legislation will combine the best features of these existing programs into a single new system of Federal, State and areawide health planning and resources development. This new system would be authorized for 3 years, 1975 through 1977, with a total authorization for all of the programs of $1.173 billion. Note that the authorization in 1973 for the programs which this legislation would replace was $747.5 million for a single year. Thus, one can see that, large as the total may appear, we have succeeded in cutting back the authorizations for these programs to what we think is a reasonable and appropriate level.

The principal features of the legislation include the establishment of a National Council for Health Policy, setting up of a national system of areawide health systems agencies and State health planning and development agencies, and revisions of the medical facilities construction program, known as the Hill-Burton program. The National Council for Health Policy responds to the frequent criticism heard by our committee that we lack a coherent statement of health policy which will guide our Federal, State and local health efforts. The National Council would use national health priorities specified in the legislation to develop a statement of recommended health goals and a health policy in response to this criticism.

The health systems agencies and State health planning and development agencies funded under the legislation would be responsible at the State and areawide levels for improving the health of our people through the creation of a healthful environment and increasing accessibility, acceptability, continuity and quality of health services. Great care has been given in the legislation to assuring that these agencies are appropriately funded and staffed to do their job competently and that they will have the necessary authority to implement their plans. The Secretary of HEW is given a special responsibility for both providing assistance to them in doing their job and evaluating them to make sure that they do it well.

The Hill-Burton program is modestly revised and extended by the legislation to relate it more closely to the State and areawide planning programs which I just described, to simplify the formula by which assistance under the program is distributed among the States, and to focus that assistance on our most pressing needs for construction of medical facilities—modernization of facilities, construction of new outpatient facilities, construction of new inpatient facilities in areas of rapid recent population growth, and conversion of existing facilities to new uses.

The bill before us allows for a transition between the current program and the new program. Appropriations are authorized to continue to fund comprehensive health planning (a) and (b) agencies, experimental health services delivery systems, and regional medical programs until the new agencies are in place.

It must be emphasized that the current agencies should devote their efforts and energies to implementation of the new program. The authorization of funds is not intended to simply continue the current programs until June 1976. The Secretary should therefore, in making new grants to these agencies, insure that necessary conditions are imposed to achieve a smooth transition.

This is good legislation which is cosponsored by all members of our Subcommittee on Public Health and Environment and was reported from the subcommittee unanimously and from the full committee by a voice vote. While the administration has expressed a few reservations about it, it has an unusual degree of support from the administration and in fact is very similar in many respects to their own excellent legislative proposal.

Health care in our country is now our third largest industry, commanding over 7 percent of our gross national product and over $100 billion a year. The imminent enactment of national health insurance promises to increase these costs as it increases the demand for services which are already in many places scarce and unavailable. I think that the investment of $1 billion in the next 3 years in the effective planning and development of our system is a small price to pay for achieving the goal of making high quality services available both before and after the enactment of national health insurance to all of our people. This is good legislation and I urge your support for it.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 16204, the Health Policy, Planning and Development Act of 1974.

It is imperative that our Nation have the necessary mechanism for effective, efficient planning in the health delivery field.

This bill is the product of long, thoughtful deliberation in the Public Health Subcommittee and in the full Commerce Committee. Among the benefits of this measure are provisions for much needed consumer representation on the State health coordinating councils, and provisions for effective combination of both planning and development in a single body with shared representation of providers, professionals and consumers.

This measure is important and timely. It is a step in the right direction.

Naturally, as with all landmark legislation, there is controversy. I am hopeful that amendments will come before this body and be carefully considered by this House. I urge my good colleagues to act favorably upon this important measure after having given each revision careful consideration.

HEALTH PLANNING BILL

The legislation has two major parts; it creates new sections 14 and 15 of the Public Health Service Act.

Part A of title XIV creates a new Council for Health Policy in HEW. The Council will have 15 members on 6-year terms, set national health goals, recommend distribution, organization, and supply of health services, analyze health policy.

The Council is to consult with councils on lower level in performing its function.

Part B of title XIV creates health systems agencies.

The Governors will designate the HSA's which must include at least one highly specialized medical center. Within each, the Secretary will designate the private nonprofit agency to act as planning body.

The Governor's designation is subject to review by the Secretary.

HSA's are to gather data, formulate plans, and other appropriate planning activities. See page 37 of report.

Part C of title XIV: State Health Coordinating Council, SHCC, composition is from the HSA's suggestions with a majority of consumers.

SHCC is to serve as the designated agency for the State, and is to review the need for facilities, and administer the State health facilities plan.

SHCC's are to submit a report expressing needs for the State on a yearly basis.

Remainder of title XIV is of general provisions applicable for the above. Among them are: Assure ample technical assistance; require reviews of the performance of the HSA's by the Secretary at least every 3 years; assist in modernization of the Hill-Burton program.

Parts A, B, C, and D in title XV revise the Hill-Burton program to relate activities much more closely to the planning programs.

Uses of funds for construction are focused upon—

One, modernization of existing health facilities. Priority for modernization is given those facilities serving densely populated areas, or need modernization in order to comply with requirements for accreditation.

Two, construction of new outpatient facilities, particularly to those facilities serving rural areas.

Three, construction in areas which the secretary deems have experienced a great deal of population growth. There is a limit for this provision to one-third of funds provided States in yearly construction grants.

Four, conversion of existing medical facilities to provide for new health services.

A community's need is to be established prior to funds having been committed.

Part E of title XV: The Committee on Interstate and Foreign Commerce makes available to HSA's funds in the form of an annual grant. Amount of grant based upon community population. Funds are to be used as seed moneys and not for construction.

Projects undertaken with the funds will attempt to satisfy the communities' needs and will support once they are operational.

Reasoning for awarding funds to one agency is the savings in cost for administration of a completely separate program, and the assurance that the money will be used for purposes consistent with the intent of the bill.

The legislation is intended to begin at the end of fiscal year 1976 in order to make the transistion for existing agencies easier, and give as much as 2 years for the establishment of new agencies.

Include the following:

AUTHORIZATIONS FOR FISCAL YEARS 1975–77 OF H.R. 16204

	1975	1976	1977	Tota
TITLE XIV				
HSA planning grants	60	90	125	275
State health planning and development agencies planning grants	25	35	50	110
Centers for medical planning	5	8	10	23
Subtotal	80	133	185	408
TITLE XV				
State medical facilities development, sec. 1513	125	150	175	450
Medical facilities loan fund,[1] see note	14	13	13	40
Area health service development fund	25	100	150	275
Subtotal	164	263	338	765
Total	254	396	523	1,173

[1] $40,000,000 in the aggregate for 3 yrs for capitalization of a loan fund. Divided among the 3 yrs for distribution among the totals.

Mr. ROGERS. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas (Mr. ROY).

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Arkansas (Mr. ALEXANDER) for the purposes of clarifying portions of this bill.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding.

First, Mr. Chairman, I intend, under the 5-minute rule, to offer an amendment to the bill.

My amendment will read as follows:

Page 13, insert between line 3 and line 4 the following new paragraph:

"The boundaries of a health service area shall be established so that, in the planning and development of health services to be offered within the health service area, any

> economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas shall be established so as to recognize the differences in health planning and health services development needs of nonmetropolitan and metropolitan areas."

Mr. Chairman, there are a number of points concerning section 1411(A)(1)(2) and (3) of H.R. 16204 on which I would very much appreciate the gentleman providing clarification. My concern in raising these points is the failure of the bill to define a number of terms which are used to establish the criteria which the health services area boundaries must meet.

In view of the circumstances in Arkansas with which I am familiar, it would appear, at this point, that this section fails to insure fair and equitable treatment for nonmetropolitan areas—the countryside or rural areas.

I do not believe that this is the intention of the committee. But, it is the committee's intention, as stated on page 53 of its report, that the Department of Health, Education, and Welfare shall define a least two of the troublesome terms. In the past HEW has demonstrated little understanding of or dedication to dealing with the needs and problems of countryside or rural areas.

Section 1411(A)(1) of the bill requires that in a health service area are available a comprehensive range of health services. And section 1411(A)(2) of the bill requires that to the extent practicable, the area shall include at least one center for the provision of highly specialized health services. There is no definition of either of these requirements.

Section 1411(A)(3) establishes population minimums of 500,000 for health service areas, with three exceptions. The first exception would allow States with less than a population of 500,000 to have a health service area. The second exception allows a health service area to have less than 500,000 residents in "unusual circumstances" but not less than 200,000. And, the third exception would permit health service areas of less than 200,000 population.

I recognize and support the contention that there are diseconomies in health service areas which are designed for too small or too large a population. At the same time, I am sharply aware of the almost inevitable failure which faces a health service area in which planning must be done for a geographic area which is far too large to allow the planners and advisers to be able to begin to know and understand the specific needs of the communities which comprise the area.

It should be pointed out here that there are 26 States in the Nation which have populations of less than 3 million. Four of the 26 have less than 500,000 residents. They are Alaska, Nevada, Vermont and Wyoming. With the exception of Vermont, all of these States encompass more than 90,000 square miles of territory. There are nine of these 26 States with fewer than 1 million residents. Five of these nine have more than 30,000 square miles of territory. Of the 13 States with between 1 million and 3 million population, 12 encompass more than 50,000 square miles of territory.

There exist within these and other States serious traveltime, geographic, and economic barriers to the kind of interregional relationships which would appear to be required in health service areas.

I no more favor an arbitrary use of criteria which would establish the square miles of territory to be encompassed in a health service area than I do one that specifies that 500,000 population be used as the basic size criterion for a health service area.

I make the points concerning the amount of territory encompassed by these States and the traveltime, economic, and geographic barriers which exist to emphasize that it is vital that major consideration be given factors other than population and range of services available in the establishment of boundaries of health service areas.

It would appear that section 1411 (A) (B) (ii) and (iii) should reasonably be used to allow the establishment of health service areas of less than 500,000 population for regions where to do otherwise would impose unacceptable travel time, geographic and/or economic obstacles to receipt of health services offered in the area.

Now, let me turn to section 1411 (a) (1) and (2). The lack of definition of the phrases in these provisions specifying the kind of health services to be available within a "health services area" troubles me greatly.

Do the phrases "Comprehensive range of health services" and "one center for provision of highly specialized health services" mean that each "health service area" must contain the facilities and health manpower for providing such services as cardiovascular surgery, neurosurgery, burn treatment centers, kidney dialysis, complete inpatient physical and psychological rehabilitation centers, and/or schools for training physicians? If this is true then these provisions can, and likely will be, used to enforce requirements that almost every health service area shall have a minimum of 500,000 residents regardless of the travel time, economic and geographic barriers to receipt of health services which may be involved.

I would point out that 21 States have only one medical school. And, only 12.5 percent of the medical specialists, 16.7 percent of the surgical specialists, and 12.5 percent of the other specialists practice outside the Nation's standard metropolitan statistical areas.

It would seem entirely reasonable and rational that health service areas containing a comprehensive range of primary and secondary health services, and possibly, a limited range of tertiary services could properly be established with one of their health resource development objectives being increasing the range of tertiary services offered, and with the recognition that it will continue to be rational to expect establishment of some tertiary services to be very long-term goals.

Would the gentleman comment on the points which I have raised concerning the population and range of health services and facilities criteria which I have raised?

Mr. ROY. Mr. Chairman, I thank the gentleman from Arkansas for raising the points which he has. As a Representative of a heavily rural district I certainly share his concern, and that of other colleagues from similar districts, that the needs, problems, and interests of rural areas be taken into account in the establishment of health service areas. As a member of the subcommittee which drafted this legislation I can assure my colleagues that there is no intention that the problems of rural residents receive anything other than fair and equitable treatment.

I would point out that the development of health resources in rural areas is at the top of the list of national health priorities contained in section 1403 of this bill.

Nevertheless, the issues addressed by the gentleman are valid ones and were carefully considered in the Subcommittee on Public Health and Environment. Still, I believe that it is important that the clarification which has been requested of the intent of the phrases used in the criteria provisions in section 1411 (a) be made at this time.

While the committee is serious about the use of 500,000 as the minimum population for health service areas, it is well within reason that the exception provided for in section 1411 (A)(B) (ii) and (iii) allowing for health service areas with populations of 200,000 be applied when necessary to overcome travel time, geographic and/or economic barriers to receipt of health services in nonmetropolitan areas. These barriers and the difficulties they create for residents of health service areas should be carefully considered in the formulation of the boundaries of health service areas.

As the committee noted in its report, it is as possible for too much territory to be included in a health service area as it is for too little.

Now let me move to the question of the health services to be included in a health service area. The committee considers it to be most important that a comprehensive range of health services be available within the health service area where practicable. At the same time, we agree with the gentleman that health service areas established under the exception provided for in section 1411 (A) (B) (ii) and (iii) would not necessarily contain a comprehensive range of tertiary health services if additional such services are available in nearby health service areas.

Mr. Chairman, I yield back the remainder of my time.

Mr. CARTER. Mr. Chairman, on this very subject the distinguished gentlemen were talking about, the Committee already has such planning areas set up under this bill, tailored so that in exceptional cases health service areas could be much lower than those which are stated here and could fit, in fact, the areas such as the gentleman from Arkansas was talking about.

I was pleased to hear the colloquy from the other side, but those of us who were on the Committee saw to the tailoring of the legislation in this manner.

Mr. Chairman, I reserve the remainder of my time.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. Rogers).

Mr. ROGERS. Mr. Chairman, I rise in support of H.R. 16204, the National Health Policy, Planning, and Resources Development Act of 1974. This legislation is sponsored by myself, the gentleman from West Virginia, and all of my fellow members of the Subcommittee on Public Health and Environment of our Committee on Interstate and Foreign Commerce.

It revises and extends for 3 years through 1977 legislative authorities which expired at the end of June of this year for existing federally assisted health planning programs including comprehensive health planning, the regional medical program, Hill-Burton hospital construction, and the experimental health services delivery systems program.

Work on this legislation began in 1973 when I joined with Congressman Roy and Congressman Hastings in preparing the first proposal for the revision of these authorities, H.R. 12053.

Additional proposals were introduced in the beginning of 1974, including H.R. 13995 and a similar bill by the administration, H.R. 13472. Extensive hearings were held on the legislation in March, April, and May of this year, and it was the subject of lengthy open markup sessions in July.

The proposed legislation creates a single new program of State and areawide health planning and development which will combine the best features of the existing programs. Thus, in order to aid your understanding of it, I would like to begin by reviewing briefly the salient features of the history of the three major programs which are concerned.

The Comprehensive Health Planning and Public Health Services Amendments of 1966—Public Law 89-749—authorized a 2-year program of Federal support for comprehensive health planning and public health services. The public health service parts of this act are not the subject of the present legislation, having been considered earlier this year.

The comprehensive health planning—CHP—authority was recommended by President Johnson to provide a coherent response to some of the existing shortcomings of Federal, State, and local health planning efforts at the time. It was an outgrowth of the enactment in 1964 of legislative authority for areawide health facilities planning councils. The legislation responded to the criticism of that program that planning for health facilities without planning for health manpower, services or other programs and activities which affected people's health would inevitably lead to a bias of our resources toward expensive health facilities.

Thus, the comprehensive health planning agencies envisioned by the legislation were given a broad mandate to plan for all parts of our physical, work, or personal environment which affected health. Further, the agencies were given the authority to study the needs of their own communities and devote their planning efforts to priorities which would respond to those needs rather than an arbitrary part of the health system—such as health facilities.

The original legislative authority contained three principal parts which are the concern of the proposed legislation:

First. Authorization of formula grants to States for the support of State comprehensive health planning programs. The legislation provided for a State health planning council to advise the designated State agency, and the council membership was to be broadly representative of public and private health organizations throughout the State with a majority of the membership representing consumers of health services;

Second. Authority for project grants to public or private nonprofit organizations to assist in paying the costs of operating areawide comprehensive health planning agencies. These agencies were to prepare regional or local plans for the coordination and development of existing and new health services, facilities, and manpower; and

Third. Authority for project grants to public or private nonprofit institutions or organizations for training, studies, and demonstrations intended to develop improved comprehensive health planning.

The comprehensive health planning authority has been amended several times since 1966; however, in 1972 the role of the State comprehensive health planning agencies was strengthened by the Social Security Amendments of 1972—Public Law 92-603.

These amendments added section 1122 to the Social Security Act. It provides the health-care facilities and HMO's would not be reimbursed by medicare, medicaid, or the maternal and child health programs for depreciation, interest or return on equity capital relating to capital expenditures that were determined by designated State planning agencies—which in most States is the 314(a) agency—to be inconsistent with standards, criteria or plans developed by the State agencies.

This important provision related expenditures under medicare and medicaid to State health planning for the first time by assuring, in effect, that medicare and medicaid would not support the construction of unneeded health care facilities. It was clear in the legislative history of this provision that States should use recommendations from areawide agencies to assist them in the implementation of this provision.

The important concept embodied in this legislation, that health financing should be closely related to health planning, has subsequently been reflected in almost all major proposals for national health insurance through a series of devices intended to assure that national health insurance does not pay for costly services which the planning process determines are unneeded.

I would like to point out that the ultimate objectives of the original program were to promote the development of a healthful environment and a health care system in which quality health services would be available, accessible, and affordable for all persons. Despite the many changes made by H.R. 16204, these objectives are continued in the proposed legislation. The means are changed, but the objectives are the same.

REGIONAL MEDICAL PROGRAMS

The initial regional medical program—RMP—legislative authority grew out of the report of the President's Commission on Heart Disease, Cancer, and Stroke, published in December, 1964. Enactment of the Heart Disease, Cancer, and Stroke Amendments of 1965—Public Law 89-239—adding title IX to the Public Health Service Act, came on October 6, 1965. The legislation responded to the report's recommendation calling for the establishment of a national network of regional centers, local diagnostic and treatment stations, and medical complexes designed to unite the worlds of scientific research, medical education, and medical care.

The 1970 amendments to RMP—Public Law 91-515—while retaining an expanded categorical disease focus by adding coverage of kidney diseases, made a number of program changes. These included a new emphasis on primary care, the linking of primary to secondary and tertiary care, renewed emphasis on regionalization of health care resources, new construction authority, and a call for better use of health manpower especially in underserved areas. A requirement was added that areawide CHP agencies be afforded the opportunity to review and comment on RMP grant proposals affecting their planning areas.

The initial concept of the regional medical programs was to provide a vehicle by which scientific knowledge about the diagnosis and treatment of heart disease, cancer, stroke, and related diseases, could be transferred to providers of health services in order to improve the quality of care provided to patients with those diseases. The program activities supported by RMP in the first several years and to some extent the local RMP structures and staffs themselves reflected this initial concept and mission.

A significant portion of the funds in the early years went to the support of programs and projects intended to make the best in modern medical care readily accessible to people suffering from or threatened by heart disease, cancer, and stroke.

New emphases reflecting HEW's national health priorities for 1970 were contained in the legislative extension in October 1970.

These new priorities included improved access to care, especially primary care for all Americans, with special emphasis on underserved inner-city and rural areas.

These developments coupled with an increase in funds in fiscal year 1972 resulted in a marked redirection in RMP activities. This redirection took the general form of:

A movement from a categorical to a more comprehensive focus;

A growing concern with primary and ambulatory services in addition to that for secondary and tertiary inpatient care;

A decreased interest in high technology projects and increased interest in projects aimed at dealing with problems of health services delivery and the delivery system; and,

Expansion of health manpower projects intended to improve the use, productivity, and distribution of manpower.

The reorientation of the program emphasis can be observed in the shift in types of medical institutions and services supported and in the percentage of program activity in each area. Examples of increasing allocations in specific program areas include:

In fiscal year 1970, over 80 percent of RMP projects were disease focused, categorical in nature, and only 17 percent of the projects were of a comprehensive or multicategorical nature. Two years later in 1972 nearly one-half—45 percent—were of a comprehensive or multicategorical nature, and the percentage of projects focused on a single categorical disease had dropped correspondingly—83 percent to 55 percent.

This redirection of RMP had the effect of making it substantially more redundant than had previously been the case with the comprehensive health planning program. As it developed a mission more and more similar to that of CHP, it became more and more a source of development funds and activities for implementing the plans of the CHP programs.

However, the fact that it remained a separate entity continued to cause confusion and inefficiency through the need to maintain separate, occasionally competing bureaucracies under each program. Thus finally a decision was made to combine the activities of the two programs into a single one.

In order to bring together planning and implementation activities, H.R. 16204 has replaced existing regional medical program authority with a development fund to be administered by the local health planning agencies in accordance with their perception of the health needs of the area.

MEDICAL FACILITIES CONSTRUCTION PROGRAM (HILL-BURTON)

Congressional interest in effective health planning and resources development began with the enactment of the Hill-Burton program in 1946. To identify and meet some of the deficiencies in the supply and distribution of health facilities, Congress enacted and President Truman approved in 1946 the Hospital Survey and Construction Act. This act authorized grants to the States for:

First. Surveying State needs and developing State plans for the construction of public and voluntary nonprofit hospitals and public health centers; and,

Second. Assisting in constructing and equipping such facilities.

Not only did this program provide funds for the construction of needed new hospitals but it clearly contemplated that the States which received those funds would use them in accordance with a planning process by which the States would be surveyed with respect to their need for an existing supply of medical facilities, and plans drawn based on these surveys which would use the available funds to fill unmet needs.

Little change in this Federal effort occurred until 1964 when the Hill-Burton Act was modified by the addition of legislative authority for the funding of regional, or areawide, voluntary health facilities planning agencies—sometimes called "318 agencies" after the section number of the legislative authority in the Public Health Service Act. This new authority rapidly led to the funding in many major metropolitan areas of nonprofit private corporations governed by boards of community leaders and health care providers which sought to plan for their whole community the development of needed hospitals and other health care facilities.

In 1970, Congress enacted the Medical Facilities Construction and Modernization Amendments of 1970—Public Law 91-296. It authorized new appropriations for construction and modernization of health facilities and supplemented the grant program by a program of loans and loan guarantees.

The 1970 amendments made several important changes in the operation and administration of the Hill-Burton program. They provided for assistance in the construction of neighborhood health centers, assignment of priority to areas of relatively small financial resources and rural communities, and establishment of priorities for outpatient facilities providing comprehensive health care, training in the health or allied health professions and treatment for alcholism.

The original enactment of Hill-Burton was based on a recognition of the need for an increase in the capacity of the Nation's health facilities. In 1946, while the eight States with the highest per-capita income had four beds per 1,000 population, there were only 2.5 beds per 1,000 population in the eight States with the lowest per-capita income. Today, this imbalance has been corrected and, indeed, the general hospitals in the lowest income States are newer facilities on the average.

The need for additional hospital beds in the Nation has virtually disappeared. State plan data reflecting the status of facilities as of January, 1974, indicate that there are 20,000 surplus hospital beds in the Nation. A recent report by a respected research group indicates a projected surplus of over 67,000 beds for 1975.

However, it should be noted that despite these aggregate surpluses, a number of States still report a shortage of facilities and beds. This is particularly true in areas which have experienced rapid recent population shifts or growth.

However, there is still tremendous need for modernization of existing facilities. According to the latest Hill-Burton State plans, more than 167,000 general hospital beds and nearly 233,000 long-term care beds need to be modernized. About 2,800 public health centers, outpatient facilities, and rehabilitation facilities need modernization.

Of a $20 billion estimated total backlog in health facility needs, $13 billion is needed for modernization, two-thirds of the total backlog. Looked at another way, over one-third of our country's general hospitals and long-term care facilities have reached the point that they need to be remodeled or replaced.

Moreover, there is a continuing and growing need for outpatient facilities. In the last two decades there has been an explosive growth in hospitals' outpatient activities. In 1953, there were two outpatient visits for every inpatient admission. By 1972, with 153,465,000 outpatient visits and 31,035,931 admissions this ratio had increased to 5 to 1. In 1953, over 60 percent of the community hospitals reported outpatient services; by 1972, this number had increased to 90 percent.

In addition, data from 1955 to 1970 indicate that emergency visits have increased by 312 percent and that outpatient clinic attendance went up by nearly 5 percent. Together, their rates of growth average 11 percent annually.

In terms of the use of available services, community hospitals reported almost 134 million ambulatory visits in 1970, or 662 per 1,000 civilian population. By 1973, the rate of outpatient visits had risen to over 800 per 1,000 population. From 1967 through 1970, there was essentially no net change in the number of community hospitals or in the number that provide ambulatory services.

It is evident that the Nation needs strong and effective health planning. Many parts of the country presently lack adequate physician services and, in some cases, hospital beds to provide needed care to their populations. In some areas through a lack of effective planning and control over facilities development, excesses of costly hospitals and nursing homes have developed.

Even where reasonable amounts of health resources are available, they are often inaccessible at night or on weekends or operating in an entirely uncoordinated manner. Health care costs are rising at rates which well exceed those of the general economy.

The existing programs—comprehensive health planning, regional medical programs, and Hill-Burton—have all made a variety of very important and impressive contributions to their own communities and to our knowledge of how to achieve effective health planning. Only through these programs and their efforts have we learned the true extent of the problems to which they respond and how a more effective program might be designed.

Thus, the new programs enacted by H.R. 16204 build upon the existing programs: their strengths have been emphasized and continued, an attempt has been made to avoid their deficiencies, and it is hoped that the invaluable resources which they have developed through their governing boards and staffs will become the core of the new programs.

Having reviewed the history of the existing programs, I would like to start by summarizing the major provisions of the proposed legislation.

SUMMARY OF PROVISIONS OF PROPOSED LEGISLATION

The legislation has two principal parts. The first, a new title XIV in the Public Health Service—PHS—Act, revises and combines the existing health planning programs. The second, a new title XV in the PHS Act, revises existing programs for the development of health resources. Part A of the new title XIV will establish the National Council for Health Policy mentioned above. Part B of the new title creates a system of health systems agencies—HAS's—responsible for areawide health planning and development throughout the country. Part C of the title provides assistance to State governments in the development and funding of State health planning and development agencies. Part D contains general provisions applicable to the above programs. Parts A, B, C, and D of the new title XV revise the existing medical facilities construction programs—Hill-Burton—and relate their activities much more closely than is presently the case to the planning programs created by new title XIV. Part E of the new title XV would provide funds to the HSA's for their use in development of health resources which will implement their plans.

The legislation also contains congressional findings, a variety of miscellaneous and transitional provisions, and sections dealing with advisory committees in HEW and reports to Congress required under health programs in the committee's jurisdiction.

The new programs created by the proposed legislation will commence during the present fiscal year and will overlap with the authorities for the existing programs: CHP, RMP, Hill-Burton, and experimental health services delivery systems. The Secretary of HEW will be responsible for assisting the existing programs during their combination and transition into the new programs, except in those parts of the country where existing programs have not been funded or cannot qualify under the requirements of the proposed law. Tables of authorizations for both the proposed new programs and the existing ones for purposes of comparison are to be found at the end of this summary.

The National Council for Health Policy is to be established in HEW on a permanent basis with 15 members appointed by the Secretary to staggered 6-year terms—section 1401 of new title XIV. It will be responsible for developing and recommending a national health policy including quantifiable statements of national health goals—section 1402—based upon national health priorities specified in the legislation—section 1403.

It will also: Recommend guidelines for the supply, distribution and organization of health resources and services; conduct studies and analyses concerning the national health policy and health goals; assess the status of the health of the American people; evaluate the implications of advances in medical research; and analyze factors causing inflation in the cost of health services—section 1402.

The Council is required to consult with planning agencies and others in the performance of its responsibilities and to submit annual reports on the results of its work.

In creating a system of health systems agencies, the Governors of the States will first be asked to designate throughout the country health service areas for planning and development purposes—section 1411. The Secretary is authorized to revise such designations only where they are inconsistent with requirements specified in the legislation and will be responsible for publishing them in the Federal Register. The area designation process in the bill includes provisions which insure that all interested parties have an opportunity to participate. It is our intent that the procedure in the bill will be followed by the respective Governors and by the Federal Government and that the provisions of OMB circular A-95 will not apply to the designation of health service areas.

In each health service area, the Secretary will then, with the approval of the Governor of the appropriate State, designate a private nonprofit corporation as the HSA responsible for health planning in that area—section 1415.

The legislation specifies minimum criteria for the legal structure, staff, governing body, and functioning of the HSA's—sections 1412 and 1413. They will generally be responsible for preparing and implementing plans designed to improve the health of the residents of their health service area and to increase the accessibility, acceptability, continuity, and quality of health services in the area—section 1413.

In performing these responsibilities, the HSA's are required to: Gather suitable data; prepare health systems plans and annual implementation plans; provide either technical or limited financial assistance to people seeking to implement the provisions of the plans; coordinate activities with PSRO's, and other appropriate planning and regulatory entities; review and approve or disapprove proposed Federal project grants for health programs within the area; assist States in the performance of capital expenditure reviews under the Social Security Act; assist States in reviewing as to need both new and existing health services offered in the area; and annually recommend to State medical facilities construction projects for the area—section 1413.

Procedures and criteria for use by HSA's and the States in their performing of reviews required by the legislation are specified in the bill—section 1432.

The Secretary will also designate an agency of State government chosen by the Governor in each State as its State health planning and development agency—section 1421. In order to be designated the State agency will have to prepare and submit to the Secretary an approvable administrative program for carrying out its functions—section 1422. It must also create and be advised by a Statewide Health Coordinating Council—SHCC—whose composition and responsibilities are specified in the proposed legislation including requirements that the SHCC: Have two-thirds of its members appointed by the States HSA's and a majority of consumers; prepare and revise as necessary an annual State health plan made up of the health systems plans of the State's HSA's; review the budgets and applications for assistance of HSA's for the Secretary; advise the State agency of the State on the performance of its functions; and review and approve or disapprove State plans for formula grants to the State for health programs in this committee's jurisdiction—section 1424.

The required functions of the State agency are specified and include: Conducting the State's health planning activities; assisting the SHCC in fulfilling its responsibilities; serving either as the designated agency under section 1122 of the Social Security Act or administering a State certificate-of-need program of comparable scope; reviewing both new and existing institutional health services and making findings as to the need for them; and preparing and administering the State medical facilities plan required by new title XV—section 1423.

The legislation contains other provisions intended to: Require that States prohibit health insurers from paying for, and health facilities from collecting for, capital depreciation costs associated with delivering services in unneeded health facilities constructed after designation of planning agencies in each State, section 1421(d); assures that HEW provides ample technical assistance to health planning agencies, section 1433, and require the funding of at least five centers for the study and development of health planning, section 1434; require detailed reviews by the Secretary of the performance of HSA's and State agencies at least every 3 years, and conditioning the availability of development funds for the agencies upon their successful completion of such reviews, section 1435; modernize the legislative authority for medical facilities construction, Hill-Burton; limit assistance under it to projects for modernization of medical facilities, construction of new outpatient facilities, construction of new inpatient facilities only in areas of recent rapid population growth and conversion of existing facilities to new uses, section 1501; and assure that assistance under Hill-Burton is used in a manner consistent with health plans.

TABLE I.—NEW OBLIGATIONAL AUTHORITY FOR FISCAL YEARS 1975-77 UNDER H.R. 16204

[In millions of dollars]

	Fiscal year—			
	1975	1976	1977	Total
Title XIV:				
Health systems agency planning grants, sec. 1416	60	90	125	275
State health planning and development agency planning grants, sec. 1425	25	35	50	110
Centers for health planning, sec. 1434	5	8	10	23
Subtotal	90	133	185	408
Title XV:				
State medical facilities development, sec. 1513	125	150	175	450
Medical facilities loan fund, sec. 1520	[1] 14	[1] 13	[1] 13	40
Area health services development fund, sec. 1540	25	100	150	275
Subtotal	164	263	338	765
Total	254	396	523	1,173

[1] $40,000,000 in the aggregate for 3 years for capitalization of a loan fund. Divided among the 3 years for distribution among the totals.

The total authorizations can be compared to the totals for the programs, which will be combined by H.R. 16204, comprehensive health planning, Hill-Burton and regional medical programs, authorized in fiscal years 1973 and 1974 and shown in the following summary table:

TABLE 2.—COMPARABLE OBLIGATIONAL AUTHORITY FOR FISCAL YEARS 1973-74 UNDER EXISTING LAW

[In millions of dollars]

	Fiscal year—	
	1973	1974
State health planning, sec. 314(a)	20.0	10.0
Areawide health planning, sec. 314(b)	40.0	25.1
Medical facilities, construction, Hill-Burton, title VI	437.5	197.2
Regional medical programs, title IX	250.0	159.0
Total	747.5	391.3

This proposed legislation was written to reflect several principles which the experience of the present health planning programs had made evident and which the committee felt should be reflected in any new proposal. These include:

First. Planning should be done by organizations which represent and incorporate the interests of consumers of health services, providers of health services, and concerned public and private agencies and organizations.

Second. In order to be effective, health planning must be adequately financed.

Third. Effective planning requires a strong emphasis on the implementation of plans and implementation requires that planning agencies have authority with which to implement their plans.

Fourth. The generation of new health resources should be closely tied to health planning.

Fifth. If health planning is to be done, it must be good health planning.

Sixth. Effective Federal, State and areawide health planning will be possible only if the Federal Government itself engages in health planning.

Seventh. If health planning is actually to improve people's health, it must not be limited just to planning for medical care.

Through a variety of specific means, we have attempted to reflect each of these principles in the new bill and how this has been done is outlined in the committee report.

The proposed legislation would authorize new programs for 3 fiscal years, 1975 through 1977. It authorizes a total appropriation for the 3 years of just over $1.1 billion. In the first year, 1975, it authorizes $254 million, which can be compared favorably with an authorization for the comparable programs in 1973 of $748 million and an appropriation in 1974 of $391 million.

Our country's health care expenditures have now exceeded $100 billion a year, and it is our firm belief that spending only one-third of 1 percent of this on effective health planning and development will save far more than it costs.

Finally, I would like to point out that, as you all know, the enactment of a program of national health insurance is only just around the corner. In 1966 when medicare and medicaid were first enacted, no efforts were made to prepare for their impact. I think that this legislation will be viewed by history as an attempt on our part to place an effective mechanism for planning and organizing health resources in use at the State and areawide level prior to the enactment of national health insurance. This is an intelligent and vitally important step and I therefore urge your support for this legislation.

Mr. Chairman, I yield back the remainder of my time.

Mr. NELSEN. Mr. Chairman, I know of no bill that has had a more thorough examination than has this one. I discussed it with officials down at HEW, and they like the bill. They feel we need a bill like this. There may be some differences of opinion as to dollar figures for some phases of amendments that may be offered, but by and large the feeling is that we must have a bill like this.

As far as the comprehensive health programs and the regional medical programs, I think it is obvious nationwide that there has been competition as to which one is going to be predominant in the health delivery system. The feeling of the committee was that these two groups should really become a part of the planning group within States so none of them would be denied a voice, that they should be working together rather than separately. That certainly would be to the advantage and it would be much more efficient.

I might add that I will have an amendment dealing with the formula of Hill-Burton, having in mind that under the provisions as presently in law we have an allocation for every State and in many cases some of those States are not drawing the funds because the States have met their needs. Therefore it takes a huge amount of money on a formula basis, and that could be cut in half and we would still have more money for the places where help is needed. I have not done an extensive campaign for the amendment but I do feel it should be offered and discussed and some of the material I have will be inserted in the RECORD.

I only want to mention that in the program I once administered, the REA program, we had a formula and every State had a dollar figure in the bank. Finally when the electrification had reached its peak and every State had been accommodated to meet the needs, we found a formula was a hindrance rather than a help, because sometimes extensively larger amounts were needed in a certain area which we could not give because of the formula. So we took the formula out of the operation and inserted a grant program, and it took less money and was much better for the program.

I think the same thing will be true in the Hill-Burton formula, because at this time we have more hospital beds than we need. We need improvement in the facilities we have. In some of the poorer communities they do not find it possible to operate as they should because they cannot make the front end money, as we say, available to meet the matching funds.

Mr. Chairman, I yield to the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I was interested in the colloquy with the gentleman from Kansas on the rural health centers. I am afraid we did not cooper it down quite well enough. I would like to ask the chairman a question.

As I read H.R. 16204, it is my understanding that the State Governors are to designate health service areas for planning and development. These areas must be geographically rational—with populations ranging from 500,000 to 3 million except in unusual circumstances. Furthermore, each service area must contain a comprehensive range of health services, including at least one highly specialized center.

Specifically, section 1411 lays down the standards for the health service areas. On page 12 of the bill, lines 16 to 18, it states that health service areas may be less than "200,000 in highly unusual circumstances—as determined by the Secretary."

Mr. Chairman, I have the privilege of representing probably the most rural State in the Nation. We have 600,000 people. As the Members can imagine, most people have to travel long distances in order to get from one town to the other. The four biggest cities—Fargo, Grand Forks, Bismarck, and Minot—are anywhere from 80 to over 200 miles apart. There is no mass transit system available that exists in many urban areas. In addition, there is no alternative mode of transportation, besides the automobile, readily available for the people in need of health care. To have just one health service area, whether it be in the middle of the State, or in one of the two largest cities on the eastern border of our State, would severely penalize the majority of our State's citizens. In order to serve our State properly, we need at least four service areas. Otherwise the personnel and money cannot be justified when we consider the service-benefit ratio.

My question is this: Is it the intention of the committee that the phrase "highly unusual circumstances" would apply to areas such as North Dakota so that we would have four health service areas for our State and be able effectively to serve these people, instead of having to discriminate against them just because they live in rural America?

I would appreciate it if the chairman of the committee could speak to that.

Mr. STAGGERS. Mr. Chairman, does the gentleman from Kentucky wish to answer the question? I yield to the gentleman for that purpose.

Mr. CARTER. Mr. Chairman, I thank the gentleman for yielding. I would state this is the purpose of my amendment, and the purpose is to make the bill conform to areas such as the gentleman has mentioned and even smaller areas.

Mr. ANDREWS of North Dakota. Mr. Chairman, will this be in the bill, that we will offer this type of service?

Mr. STAGGERS. It will be pretty hard to say what will happen in the gentleman's State but this is the general idea. We will accept the amendment offered by the gentleman from Arkansas which will help the rural areas, but even more than that there is money in the bill now to help pay people's travel so that they can attend meetings even when great distances are involved.

Mr. ANDREWS of North Dakota. So that we could have four health areas, if the areas happened to be 200 or 300 miles apart, rather than have people drive 450 miles from one end of the State to the other?

Mr. STAGGERS. That will be determined by HEW.

Mr. ANDREWS of North Dakota. And it will be possible under the amendment to do that?

Mr. STAGGERS. I think as far as I can understand, that is correct if the requirements of section 1411 are met by each.

Mr. ANDREWS of North Dakota. I appreciate that comment.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I rise in support of this legislation. As a member of the subcommittee, I believe that our subcommittee went a long way toward developing a realistic approach to a problem that had to be put at rest. I rise at this moment, however, to address a question to the chairman of the subcommittee with respect to the report language found on page 79. Paragraph No. (5) on page 79 is a paragraph having to do with periodic review. The last sentence states:

> The committee did indicate its intent to consider requiring such a sanction at a later date.

This language follows other language pointing out that although periodic review for the purpose of proving or establishing a need and possible elimination of services as a result is included in the bill there are no sanctions in the bill as drafted.

I recognize, as the chairman does, that this Congress cannot bind a future one, any more than this subcommittee can bind a future subcommittee; but since the language is in the report, I would like to ask the gentleman if he could explain what the precise purpose of it might be.

Mr. ROGERS. Mr. Chairman, as the gentleman says, one Congress cannot bind another. I think, with adoption of the amendments that the gentleman will submit here very shortly, it will become very clear that there is no sanction in the bill. And as I said, this Congress cannot bind another Congress.

Mr. SATTERFIELD. Mr. Chairman, am I correct in saying, too, that it is proper to assume that this language does not mean that at some future date specific attention will be brought to this subject or that it will be given any priority over any other consideration we will entertain 3 years from now when we consider this measure again?

Mr. ROGERS. The gentleman is correct. We would be considering the whole legislation.

Mr. SATTERFIELD. Based on the first answer of the gentleman, am I safe in assuming if we should eliminate the question of establishing the need, and if we should eliminate the threat of a bureaucratic mechanism that might eliminate health services or health institutions; that the report language to which I have referred would become superfluous and of no consequence?

Mr. ROGERS. Yes; that last statement is correct.

Mr. NELSEN. Mr. Chairman, I was going to engage the gentleman from Virginia (Mr. SATTERFIELD) in a little colloquy relating to his amendment.

I do not believe it was ever the intention of the committee to require recertification. I think it is a matter of semantics. I do admit that in some of the report language it might give that impression; so I think the colloquy here would be merely to point out that we were only seeking information as to progress, but in no way to require recertification.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. SATTERFIELD. I would like to state that at the proper time I will offer an amendment which will deal with those provisions to which I referred and which I assume, on the basis of this colloquy, will make this language superfluous and of no consequence.

Mr. NELSEN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Chairman, I rise in support of H.R. 16204. I want particularly to compliment the chairman of our subcommittee, the gentleman from Florida (Mr. ROGERS); the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS); the ranking minority member, the gentleman from Minnesota (Mr. NELSEN), and the other members of the Health Subcommittee for the excellent work they have done in bringing to the House floor a very complicated, but I think a consistent bill.

Mr. Chairman, the National Health Policy, Planning, and Resources Development Act of 1974 is a giant legislative step on the road to developing a sound national health insurance system. In fact, this legislation is probably the most critical health bill to come before the 93d Congress. Its mandate is the rapid development of "health systems planning agencies" in all parts of the Nation to be charged with the job of effective health planning and the promotion and the promotion of needed health services, manpower, and facilities.

I am pleased that the Health Subcommittee has incorporated in this bill my amendment to the Federal Hill-Burton hospital construction program, a revision I believe is another solid step toward assuring all Americans easy access to basic health care. My proposal provides for the use of Hill-Burton funds to establish small, community-based and operated general health care clinics. These clinics, located in neighborhoods close to the homes of those in need of their services, would allow people to receive basic health care, such as physical exams or minor remedial care, without waiting weeks or months for an appointment, traveling long distances to a doctor's office, or suffering the inconvenience and long delays of hospital emergency rooms.

I believe the time has passed when we can justify using taxpayers' dollars to build medical Taj Mahals while neglecting the health needs of our citizens in their homes and communities. While my amendment would not prohibit the construction or remodeling of new or existing hospitals where need exists, it would provide greater flexibility in the Hill-Burton program, thereby allowing more effective and humane health care.

Simply stated, it would encourage the remodeling and equipping of existing facilities not now used for health care so they could be used to provide general purpose health services to a medically underserved population. It is designed to help organizations such as the Southwest Pittsburgh Senior Citizens Group which has sought to organize such a clinic in their own community. After a local church agreed to provide space in its basement, the senior citizens discovered that there is simply no program available to help renovate and equip that facility as a clinic.

My proposal is designed to assist such self-help groups. Its intent is modest—to provide, for instance, for the renovation of a rented storefront or church basement for use as an evening clinic in a community lacking such routine services. It does so by allowing Hill-Burton funds to be used for grants covering 100 percent of the first $6,000 in costs and two-thirds of the next $21,000 in expenses. As long as the total grant for the project does not exceed $20,000, Hill-Burton's rigid modernization and equipment standards and other cumbersome regulations originally intended for giant hospitals and elaborate clinics would be waived.

My proposal would bring health care to the people rather than forcing people to run an obstacle course to get health care. It would cut through redtape and help people help themselves get quality health care near their own homes. And it would do so, not by another massive Federal program that merely throws money at a problem, but through a simple revision in the provision and popular Hill-Burton hospital construction program.

I urge all Members to support this sensible modification by voting for H.R. 16204, the National Health Policy, Planning, and Resources Development Act of 1974.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I want to congratulate the distinguished chairman of the full committee and the distinguished chairman of the subcommittee for the sense of cooperation and the fine job they have done in bringing this bill out.

I will have one amendment which I think will be agreed to, which would remove the requirement that Indian tribes and tribal organizations would have to submit their plans to a planning agency for review and approval, but could apply directly to the Secretary.

Another amendment which I have thought about would be to set aside a certain amount of funds for both planning and construction for Indian tribal organizations, recognizing the unique and special relationship of Indians to the Federal Government, and recognizing the many decisions of the Supreme Court, the many pieces of legislation brought out by this Congress.

However, I would like to ask the chairman of the subcommittee if it is the intention of this Congress and of the committee that a substantial amount of fund be used for planning and construction of health needs for Indian tribal organizations in this country.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, I will be glad to say that it certainly is the intention of the committee that an appropriate amount go for this purpose. There is a great need for planning and construction funds for tribal organizations and we anticipate fair treatment. The committee will monitor the execution of the provision mentioned by the gentleman, if the gentleman's amendment is adopted, to assure that Indian tribal organizations receive their fair share of funds.

Mr. JONES of Oklahoma. Mr. Chairman, I particularly appreciate that response of the chairman of the subcommittee, and particularly that this program will be monitored, because at the present time the Indian tribal organizations of America simply are not getting a fair treatment in the use of planning and construction funds for such necessary items as nursing homes, of which there are only three on Indian tribal lands today; for detoxication centers, mental health centers and other hospital construction. So, I do appreciate that response.

Mr. NELSEN. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I would like to ask the distinguished gentleman from Florida a question, if I might.

On page 12 of this legislation, there was some question about how small these health service areas could be. Actually, I believe the ideal situation is perhaps 500,000. They do not break up SMA's, or statistical metropolitan areas, but under unusual circumstances they can conform to smaller areas of population. Is that not correct?

Mr. ROGERS. The gentleman is certainly correct, and took a very active role in making sure that was in the legislation. It is the intent of the committee that this be done. We prefer, where possible, to have 500,000 so that an adequate staff could be assembled to do a proper job, but the gentleman is imminently correct.

Mr. CARTER. I can certainly understand how it would be better, because in such cases in larger areas of population we could very well have a medical center within that area. That, I feel, is one of the principal reasons for the larger area.

Mr. ROGERS. The gentleman is correct.

Mr. CARTER. I thank the distinguished gentleman for his answer.

Mr. STAGGERS. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. PREYER), a member of the subcommittee.

Mr. PREYER. Mr. Chairman, I rise in strong support of the bill. At the proper time, I will offer an amendment changing the definition of "provider" in this bill to provide that direct providers such as physicians, and hospital administrators are given adequate representation on the advisory councils. I believe that amendment will be acceptable to the committee.

I want to compliment the chairman of the subcommittee, and the chairman of our full committee for all they have done on this bill; and I particularly want to remark about the contribution of four gentlemen on the committee who will not be with us next year, the gentleman from Minnesota (Mr. NELSEN), the gentleman from Kansas (Mr. ROY), the gentleman from Maine (Mr. KYROS), and the genteleman from Indiana (Mr. HUDNUT) for all they have done, not only on this bill but for the health of Americans generally in this country. We will miss their wit and their intelligence and their wisdom very much in the coming year.

Mr. STAGGERS. Mr. Chairman, I would just like to echo what the gentleman from North Carolina had to say about our two distinguished colleagues who are leaving the committee, the gentleman from Kansas (Mr. ROY) and the gentleman from Minnesota (Mr. NELSEN). I do not believe we could find two finer gentlemen in the House of Representatives and two more able gentlemen in legislating for the benefit of all Americans, and I know they are going to be missed, not only in the subcommittee, but in the full committee. We wish them well along life's journey.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I will be happy to yield to the gentleman.

Mr. ROGERS. Mr. Chairman, I would like to join in those remarks about these two outstanding members of the committee, and I want to commend the gentleman from Maine (Mr. KYROS), and the gentleman from Indiana (Mr. HUDNUT), as well.

I want to commend the gentleman from Kansas (Mr. ROY) and the gentleman from Minnesota (Mr. NELSEN) on the way they have treated this legislation.

Mr. CARTER. Mr. Chairman, will the gentleman yield further?

Mr. STAGGERS. Yes, I yield to the gentleman.

Mr. CARTER. We are going to miss the ranking member on this side, who is a great legislator, and we will also miss the distinguished lawyer and physician from Kansas, Dr. ROY, the distinguished gentleman from Indiana, Rev. Mr. HUDNUT, and the distinguished gentleman from Maine, Mr. KYROS.

I thank the distinguished gentlemen.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from Kentucky.

We will also miss two more members who are going off this subcommittee who have worked very assiduously and hard and who have contributed much to the health programs: the gentleman from Maine (Mr. KYROS) and the gentleman from Indiana (Mr. HUDNUT); two very fine gentlemen who have worked hard with us this Congress. I just do not believe we could have found 11 men of the caliber of the men who have worked on this subcommittee, if we handpicked them out of the Congress and brought them together. The work they have done to help alleviate the pain, the fears, and the trouble of America is commendable. I would like to thank each one of them.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman.

Mr. MOSS. Mr. Chairman, I would also like to pay tribute to the members of this subcommittee who are leaving. I think they have all performed excellent service. But I want to pay particular tribute to the ranking minority member (Mr. NELSEN). I recall back about 20 years ago when we first encountered each other. He was serving in the administration of the then President Eisenhower, and I was serving upon a subcommittee on the Committee on Government Operations. Prolonged service on the Committee on Interstate and Foreign Commerce has led me to appreciate that the gentleman is in fact a very distinguished, a very dedicated, and an unusually capable Member of this House, and he will be sorely missed.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from California.

Mr. Chairman, we single these men out because they are leaving, but I could say, very frankly, that each member of the committee is and has been a very outstanding legislator. With that, I have no further requests for time.

Mr. BINGHAM. Mr. Chairman, I welcome this opportunity to express my support for H.R. 16204, the National Health Policy, Planning, and Resources Development Act of 1974. The purpose of this legislation is to replace a number of existing programs, including comprehensive health planning, regional medical and Hill-Burton programs, with a carefully coordinated, uniform system of health planning agencies.

Health programs and planning are now hobbled by gaps in coverage, lack of coordination, duplication of services, and inefficient use of health personnel. In New York City, for example, health has been hampered by disorganization and lack of leadership among the four citywide health planning or coordinating organizations—the Health and Hospital Planning Council of Southern New York, the New York City Comprehensive Health Planning Agency, the health planning units in both the New York City Health Services Administration and the City Planning Commission, and the regional medical program—and the hospitals, government, insurance and financing interests.

Bronx County itself has six area planning boards, four of which are still in the organizational stages of health planning despite the fact that the original health planning legislation became law nearly 10 years ago. Even the two boards that have organized as effective, working units, giving consumers an active role in health planning, are threatened with extinction. New York City in its current budget crisis can no longer afford to provide funding, and Federal funding, without passage of this legislation, will be terminated in July 1975.

The purpose of the legislation we are considering today is to combine the best features of existing programs and to plan regional health programs which would seek to make high-quality health care accessible to everyone.

H.R. 16204 would accomplish this purpose in the following ways:

First, it would establish a National Council for Health Policy in the Department of Health, Education, and Welfare with responsibility to develop and recommend a national health policy including national health goals and priorities.

Second, it would establish a nationwide system of private, nonprofit health systems agencies—HSA—which would replace existing areawide health planning agencies. Each HSA would be responsible for providing effective health planning; promoting the development—within its own health service area—of health services, manpower and facilities which meet identified needs; reducing inefficiencies; and implementing its health plans of that agency. Moreover, the HSA's would be responsible for restraining increases in the cost of providing health services.

Third, it would create State health planning and development agencies designated by the Governors to perform health planning and development functions at the State level. The new State agencies would undertake the functions currently performed by the State health planning and Hill-Burton agencies. The State agency would be advised by a statewide health coordinating council with members appointed by the Governor and the HSA's.

Fourth, the bill would create a new program to replace the existing Hill-Burton health facilities construction program. The new program of health resources development would emphasize modernization of existing facilities, construction of new outpatient facilities and conversion of existing medical facilities to provide new health services.

Fifth, the bill would establish a program of development grants for area health services. These grants would provide planning funds for individual projects designed to implement a portion of the HSA areawide health programs.

Sixth, this legislation would create at least five centers for health planning—consisting of public or private nonprofit entities—authorized by the Secretary of HEW to provide technical assistance to HSA and State agencies and to conduct research, studies, and analyses of health planning approaches and methodologies.

Finally, H.R. 16204 would authorize existing areawide health planning agencies—including regional medical programs—to continue to obligate funds until June 30, 1976 or until a health systems agency has been designated for that specific area.

The authorizations provided for in H.R. 16204 are as follows:

[Millions of dollars]

	1975	1976	1977
Health systems agencies	60	90	125
State health planning and development agencies	25	35	50
Centers for health planning	5	8	10
Health facilities construction:			
Grants to States	125	150	175
Capitalization of loan and loan guarantee fund	(1)	(1)	(1)
Area health services development funds	25	100	150
Transition funds for existing areawide health planning programs and regional medical programs	(2)	(2)	(2)

[1] Aggregate of $40,000,000.
[2] Such sums as may be necessary.

Because of the complexity and sweeping nature of this legislation, I cannot comment on all the interesting and controversial features of the bill. I can only single out a few significant features which are of concern to various State and local health service organizations.

The bill before us would provide that HSA's be made up of private nonprofit organizations, while the Senate version states that HSA's could be private nonprofit or public agencies under local government control. Congressman Moss' amendment is similar to that portion of the Senate bill in that it would allow public agencies made up of already elected officials serving in other capacities to participate in local health planning. Inasmuch as representative bodies composed of elected officials have shown themselves well equipped to make health planning decisions that benefit the entire community, I favor the position allowing public agencies to become HSA's and will support the Moss amendment.

This legislation would require that each HSA comprise a majority of consumers. The remainder of the members would be providers of health care—physicians, dentists, nurses and other health professionals, health care institutions, health care insurers, health professional schools, and the allied health professions. I think it is important that the consumer have an effective voice in the health planning program.

The bill would also require that standard metropolitan statistical areas—SMSA's—not be divided among HSA's, unless the Governor of each State in which an SMSA is located determines, with approval of the Secretary of HEW, that a health service area should contain only part of the SMSA. The New York SMSA is the Nation's largest and not only includes the five counties of the city but also Nassau, Suffolk, Westchester, Rockland, and Bergen—an area of almost 13 million people. In my view an HSA of this size would be impractical and smaller HSA's should probably be established at the borough level in New York City. I am advised that the latter result could be achieved by action of the Governors of New Jersey and New York with approval of the Secretary.

Finally, this bill would set a ceiling of $75,000 on each development grant administered by the HSA's. While I understand the importance of marshaling financial support for health programs from the local communities served by HSA's, those communities where new programs are most desperately needed are poverty areas that can hardly afford to bear the cost of expensive health service programs. The Senate version does not place such a limit on these grants, and I would hope that the House will accept the Senate position on this issue.

It is obvious from the scale of this health planning proposal that we will need intelligent, responsive men and women to administer this program, whether they be consumers, health providers, or elected officials.

I urge my colleagues to support this legislation before us today, not simply because of the pressing need for effective health planning, but also because such planning is a vitally necessary precursor of any new program of national health insurance. The implementation of this health planning proposal can help provide the framework for a rational, national program of health care which will hopefully be enacted by the 94th Congress.

Mr. ROY. Mr. Chairman, this is a good bill for many reasons.

First of all, it takes the experience and best features of three existing Federal programs, comprehensive health planning, regional medical programs, and Federal hospital construction—Hill-Burton. The legislation will provide for the more efficient planning of health care services and facilities, it will provide technical assistance and cooperation by health system agencies to assure the development of new services and facilities that are needed, often desperately, by our underserviced rural and inner city areas, and it continues the provision of Federal moneys for the modernization of health care institutions, outpatient clinics, and new facilities where made necessary by increasing population growth.

Second, the bill provides for competent agencies to study local and regional needs and to develop an annual implementation plan and a longer range health systems plan for the region. The areas are to be of adequate size for primary, secondary, and tertiary care facilities and services. The amount of Federal money authorized will be adequate to hire competent professionals and staffs of sufficient size. The agency governing body will be representative of the people and all concerned parties in the area.

Third, competent planning will avoid duplication of facilities and services and underutilization of facilities of service. It is estimated that there are now 61,000 excess hospital beds costing more than $1 billion a year.

Fourth, the proper implementation of this legislation will make health care more available to the underserved residents of rural and inner city areas by channeling resources to those areas.

Finally, and of utmost importance to me, this legislation provides for local planning and State approval and political responsibility for the coordination of local planning done by local people. It keeps the Federal Government out of local and State decisionmaking. It discharges a Federal responsibility for the local areas and State government to be able to do good health care service and facility planning and development.

Moreover, the legislation promotes good quality health care services by providing the mechanism for good planning and development without interfering in the patient's choice of physician, choice of institution, or choice of health care delivery system. Nor in any way does the legislation impinge on the independent judgment-making process of the health professional. Extensive consultation and hearings from health case professionals were sought in order to assure this limited State and Federal role.

National health insurance is said to be inevitable. Cost containment is said to be mandatory. The best way to contain the ever-increasing costs of health care services is by good health planning that makes certain that proper facilities, and services are available to all of our people in order that each American may receive necessary services in appropriate facilities—but that we as a nation and as families and individuals do not pay for idle hospital beds and expensive underutilized—and therefore often services of poor quality due to infrequency of use—services.

I urge the passage of this bill as a huge step forward in the assurance of accountability by institutions which provide health care services.

Mr. MATSUNAGA. Mr. Chairman, H.R. 16204, the Health Planning and Development Act which is now before us, would provide a coordinated method and approach for delivering health care services. This bill, which replaces three expiring programs, comprehensive health planning, regional medical programs, and Hill-Burton, builds upon the foundations which have been established by earlier legislation.

We are all aware and, I believe, justly proud of the accomplishments which have been achieved under these programs. Hill-Burton, which is now more than 25 years old, is responsible for the existence of health and medical care facilities in communities which would otherwise have had no hope of having them. Comprehensive health planning, or the partnership for health, has opened the health services system to the participation of grassroots consumers. We have all benefited from this activity. And, the regional medical programs have influenced responses to local needs with the development of new services.

However, these programs have been operating separately, and often at cross-purposes with each other. Therefore, the accomplishments which might have been achieved are less than those which actually have been. The legislation before us today would remedy some of the organizational problems which have discouraged the actualization of the fullest benefits of the programs.

By establishing local planning bodies—the health systems agencies—in communities which are of suitable size for good planning, and mandating these organizations to develop coordinated plans for services and facilities, the communications shortcomings of the former diversity of programs are eliminated. The planning bodies which are to be set up will service a specific group of people who live in geographically contiguous areas—usually with at least 500,000 people in each area, but under unusual circumstances—such as in island States—with less. This is a designation that is sufficiently large to assure good planning, and adequately small to allow full participation.

Furthermore, there will be a State agency that is designated to review all programs and determine their need in accordance with the specified plans. This may allow the elimination or control of the many expensive and unnecessary services which have proliferated wastefully. Greater authority to regulate would be desirable, but the bill before us provides an adequate basis for persuasion.

The major new application of this bill would be that for the first time a national health policy would be specified and an organization would be established to coordinate this policy. By stating the congressional intent to find innovative and creative solutions to the problems which face the health care delivery system, H.R. 16204 makes a most essential contribution to the resolution of these problems.

If for no other reason, the establishment of the National Council for Health Policy justifies our support for the enactment of this measure.

Mr. HASTINGS. Mr. Chairman, I am delighted that the House has been able to act today on H.R. 16204, the National Health Policy, Planning, and Resources Development Act of 1974.

As you know, I have long stated the necessity of this legislation, and in fact I feel it is the most important piece of health care legislation to be considered by the 93d Congress.

The bill, in combining the current comprehensive health planning, regional medical, and Hill-Burton programs, creates an effective mechanism for National, State, and local health planning and resources development.

You may recall that these programs were continued for 1 year by my legislation, the Health Programs Extension Act of 1973—Public Law 93-45. This extension was enacted to allow us sufficient time for study of the existing programs. Extensive hearings were held and after much discussion the subcommittee unanimously reported out H.R. 16204 to the full committee. After additional debate the bill was reported favorably by a large majority. The bill has bipartisan support as well as backing by important health organizations. Its adoption without amendment is urged by the American Association for Comprehensive Health Planning, the Health Insurance Association of America, the Blue Cross Association and Blue Shield. In addition, general support with a few specific reservations has been offered by the Department of Health, Education, and Welfare, the American Public Health Association, and the American Hospital Association. Particularly helpful and impressive in developing this legislation has been the support of the administration, which is clearly committed to the enactment of health planning legislation in this Congress.

It should be noted that the authorization level in the bill is substantially below the appropriations in fiscal year 1974 for the current programs.

The bill has generated some controversy because of its substantial impact on the health care industry, which will expend over 100 billion consumer dollars in 1974. But it is a good bill and its implementation is essential if we are to deal with the upcoming reality of national health insurance and improve the availability and quality of health care.

Also, the current authorizations expired this past June so that the action taken by the House today is essential to provide for effective health planning in the United States.

I hope that our minor differences with the Senate version—S. 2994, which incidentally passed that body 65 to 18—can be resolved quickly, so that next week we can approve the agreement and send the legislation to the President for signature before the adjournment of the 93d Congress.

Ms. ABZUG. Mr. Chairman, I rise in support of this bill. I recognize and appreciate the difficult work that has gone into it. This bill succeeds the partnership in health legislation which for the first time gave consumers of health care a majority voice on local health planning boards that were created by that act. This was a significant achievement, since it recognized that the direct consumers of health care have the greatest interest in getting good health care for the least money. And those, indeed, are the two problems addressed by this legislation: the delivery of good health care to all our people, and holding down spiralling health costs which have reached astronomical levels, especially in our large cities.

This legislation recognizes that the two problems are inextricably intertwined, that while the high costs of health services does prevent many citizens from obtaining the care they need, a significant portion of our total expenditures on health services are wasted on unused hospital beds and needless duplication of services.

The problems resulting from lack of planning affect both urban and rural areas. Many rural locales are underserviced in terms of basic medical needs, in addition to not having access to specialized treatment. Some of our metropolitan areas have concentrations of specialists, but lack adequate facilities for outpatient treatment and ambulatory care. In several sections of New York City health care dollars are soaked up by an excessive number of nursing homes, while at the same time there are severe inadequacies in providing for supervision of released mental patients in domiciliary care facilties.

These problems need to be attacked by rational comprehensive planning on a regional basis, and this bill provides the means for such planning.

The problems addressed by this bill require urgent attention, and can be traced precisely to lack of planning and failure to develop coherent national health policy. Such planning will enable us to take medical care into the least accessible rural communities, and will help us in the large cities to mitigate the cruel paradox that, with concentrations of medical specialists and sophisticated health care facilities, there are urban neighborhoods with shockingly high infant mortality rates and extremely high incidence of serious disease.

I have had extensive experience with the operation of community involvement in health planning based on several effective "sub area" health planning councils in my district. "Sub area" health planning councils, as provided for in this act, are formed when the regional health planning agency covers too large an area to permit the detailed planning called for in this legislation, and which is needed to have a real effect on both the adequacy of health care services and their cost. New York City is a good example of the urban side of this situation. A citywide health planning agency is required for such citywide issues as the Municipal Hospital System's basic planning, and the ambulatory services program whereby our voluntary hospitals are helped to provide ambulatory care throughout the city. At the same time, the program by program, institution by institution, neighborhood by neighborhood health planning envisioned by this bill can only be accomplished by sub-area health planning councils. This permits an efficient local treatment of local problems and citywide treatment of citywide problems.

It has been our experience that, on a local level, the usual antagonism between consumers and health providers is minimized, and health planning is done in the best interests of all parties involved. This bill provides the framework for consumers and institutional providers to work together in recognition that the way to attack these problems, the way to improve the quality and delivery of health care while containing rising costs, is through rational, comprehensive planning. I urge its passage.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Health Policy, Planning, and Resources Development Act of 1974".

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"Sec. 1540. Area health services development funds."
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FINDINGS

SEC. 2. (a) The Congress makes the following findings:

(1) The achievement of equal access to quality health care at a reasonable cost is a priority of the Federal Government.

(2) The massive infusion of Federal funds into the existing health care system has contributed to inflationary increases in the cost of health care and failed to produce an adequate supply or distribution of health resources, and consequently has not made possible equal access for everyone to such resources.

(3) The many and increasing responses to these problems by the public sector (Federal, State, and local) and the private sector have not resulted in a comprehensive, rational approach to the present—

(A) lack of uniformly effective methods of delivering health care;

(B) maldistribution of health care facilities and manpower; and

(C) increasing cost of health care.

(4) Increases in the cost of health care, particularly of hospital stays, have been uncontrollable and inflationary, and there are presently inadequate incentives for the use of appropriate alternative levels of health care, and for the substitution of ambulatory and intermediate care for inpatient hospital care.

(5) Since the health care provider is one of the most important participants in any health care delivery system, health policy must address the legitimate needs and concerns of the provider if it is to achieve meaningful results; and, thus, it is imperative that the provider be encouraged to play an active role in developing health policy at all levels.

(6) Large segments of the public are lacking in basic knowledge regarding proper personal health care and methods for effective use of available health services.

(b) In recognition of the magnitude of the problems described in subsection (a) and the urgency placed on their solution, it is the purpose of this Act to facilitate the development of recommendations for a national health policy, to augment areawide and State planning for health services, manpower, and facilities, and to authorize financial assistance for the development of resources to further that policy.

REVISION OF HEALTH PLANNING PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XIV—NATIONAL HEALTH POLICY AND HEALTH SYSTEMS PLANNING

"PART A—NATIONAL COUNCIL FOR HEALTH POLICY

"ESTABLISHMENT OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1401. (a) The Secretary shall establish a National Council for Health Policy (hereinafter in this title referred to as the 'Council').

"(b)(1) The Council shall be composed of fifteen members who shall be appointed by the Secretary. The members shall be persons who, as a result of their training, experience, or attainments, are exceptionally well qualified to assist in carrying out the functions of the Council. Not less than five of the members shall be persons who are not providers of health care and not more than three shall be officers or employees of the Federal Government. Not more than eight members of the Council shall be of the same political party.

"(2) The term of office of a member of the Council shall be six years, except that—

"(A) of the members first appointed to the Council, five shall be appointed for terms of two years and five shall be appointed for terms of four years, as designated by the Secretary at the time of appointment; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

A member may serve after the expiration of his term until his successor has taken office.

"(3) The Chairman of the Council shall be selected by the members from among their number. The term of office of the Chairman of the Council shall be the lesser of three years or the period remaining in his term of office as a member of the Council.

"(c)(1) Except as provided in paragraph (2), the members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveling) during which they are engaged in the actual performance of duties vested in the Council.

"(2) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Council.

"(3) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(d) The Council may appoint, fix the pay of, and prescribe the functions of, such personnel including attorneys, as are necessary to carry out its functions. In addition, the Council may procure the services of experts and consultants as authorized by section 3109 of title 5, United States Code, but without regard to the last sentence of such section.

"(e) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply to the Council.

"FUNCTIONS OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1402. (a) The Council shall be responsible for the following:

"(1) Developing and recommending a national health policy which shall include a quantifiable statement of national health goals developed after appropriate consideration of the priorities set forth in section 1403.

"(2) Recommending guidelines respecting the appropriate supply, distribution, and organization of health resources and services, including health education services.

"(3) Conducting studies and analyses concerning—

"(A) the recommended national health policy developed under paragraph (1); and

"(B) alternative means of achieving the goals included in the recommended national health policy, including such means as programs of housing, environmental controls, education, nutrition and accident prevention and other means which do not include the direct provision of health care services.

"(4) Assessing the status of the health of the American people, existing and proposed Federal and other health programs, and the need for particular health resources and services, including health education services.

"(5) Evaluating the implications of advances in biomedical research, health services research, and medical technology for the health care delivery system.

"(6) Analysis of the essential factors which cause inflation in the cost of health services and a determination of means of containing such inflation.

In carrying out its responsibilities under this subsection the Council shall consult with and solicit the views of the health systems agencies designated under part B, State health planning and development agencies designated under part C, and Statewide Health Coordinating Councils, and of associations and specialty societies representing medical and other health care providers.

"(b) The Council shall submit annually to the President, the Congress, and the public, a comprehensive report specifying the results of the activities undertaken by the Council to meet its responsibilities under subsection (a).

"NATIONAL HEALTH PRIORITIES

"SEC. 1403. The Congress finds that the following deserve priority consideration in the formulation of a national health policy and in the development and operation of Federal, State, and area health planning and resources development programs:

"(1) The provision of primary care services for medically underserved populations, especially those who are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices, especially those whose services are appropriately coordinated or integrated with institutional health services.

"(4) The training and increased utilization of physician assistants, especially nurse clinicians.

"(5) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The adoption of uniform cost accounting, simplified reimbursement, and utilization and reporting systems and improved management procedures for health service institutions.

"(9) The development of effective methods for educating the general public on proper personal health care and methods for effective use of available health services.

"PART B—HEALTH SYSTEMS AGENCIES

"HEALTH SERVICE AREAS

"SEC. 1411. (a) There shall be established, in accordance with this section, health service areas throughout the United States with respect to which health systems agencies shall be designated under section 1415. Each health service area shall meet the following requirements:

"(1) The area shall be a rational geographic region within which there are available a comprehensive range of health services, and which is of a character suitable for the effective planning and development of health services.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services.

"(3) The area, upon its establishment, shall have a population of not less than five hundred thousand or more than three million; except that—

"(A) the population of an area may be more than three million if the area includes a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million, and

"(B) the population of an area may—

"(i) be less than five hundred thousand if the area comprises an entire State which has a population of less than five hundred thousand, or

"(ii) be less than—

"(I) five hundred thousand (but not less than two hundred thousand) in unusual circumstances (as determined by the Secretary), or

"(II) two hundred thousand in highly unusual circumstances (as determined by the Secretary),

if the Governor of each State in which the area is located determines, with the approval of the Secretary, that the area meets the other requirements of this subsection.

"(4) To the maximum extent feasible, the boundaries of the area shall be appropriately coordinated with the boundaries of areas designated under section 1152 of the Social Security Act for Professional Standards Review Organizations, existing regional planning areas, and State planning and administrative areas.

Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which a standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of this subsection a health service area should contain only part of the standard metropolitan statistical area, then such statistical area shall not be required to be entirely within the boundaries of such health service area.

"(b) (1) Within thirty days following the date of the enactment of this title, the Secretary shall simultaneously give to the Governor of each State written notice of the initiation of proceedings to establish health service areas throughout the United States. Each notice shall contain the following:

"(A) A statement of the requirement (in subsection (a)) of the establishment of health service areas throughout the United States.

"(B) A statement of the criteria prescribed by subsection (a) for health service areas and the procedures prescribed by this subsection for the designation of health service area boundaries.

"(C) A request that the Governor receiving the notice (i) designate the boundaries of health service areas within his State, and, where appropriate and in cooperation with the Governors of adjoining States, designate the boundaries within his State of health service areas located both in his State and in adjoining States, and (ii) submit (in such form and manner as the Secretary shall specify) to the Secretary, within ninety days of the receipt of the notice, such boundary designations together with comments, submitted by the entities referred to in paragraph (2), with respect to such designations.

At the time such notice is given under this paragraph to each Governor, the Secretary shall publish as a notice in the Federal Register a statement of the giving of his notice to the Governors and the criteria and procedures contained in such notice.

"(2) Each State's Governor shall in the development of boundaries for health service areas consult with and solicit the views of the chief executive officer or agency of the political subdivisions within the State, the State agency which administers or supervises the administration of the State's health planning functions under a State plan approved under section 314(a), each entity within the State which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b), and each regional medical program established in the State under title IX.

"(3) (A) Within one hundred and fifty days of the date on which notice was given to the Governors, the Secretary shall publish as a notice in the Federal Register the health service area boundary designations. The boundaries for health service areas submitted by the Governors shall, except as otherwise provided in subparagraph (B), constitute upon their publication in the Federal Register the boundaries for such health service areas.

"(B) (i) If the Secretary determines that a boundary submitted to him for a health service area does not meet the requirements of subsection (a), he shall, after consultation with the Governor who submitted such boundary, make such revision in the boundary for such area (and as necessary, in the boundaries for adjoining health service areas) as may be necessary to meet such requirements and publish such revised boundary (or boundaries); and the revised boundary (or boundaries) shall upon publication in the Federal Register constitute the boundary (or boundaries) for such health service area (or areas). The Secretary shall notify the Governor of each State in which is located a health service area whose boundary is revised under this clause of the boundary revision and the reasons for such revision.

"(ii) In the case of areas of the United States not included within the boundaries for health service areas submitted to the Secretary as requested under the notice under paragraph (1), the Secretary shall establish and publish in the Federal Register health service area boundaries which include such areas. The Secretary shall notify the Governor of each State in which is located a health service area the boundary for which is established under this clause of the boundaries established. In carrying out the requirement of this clause, the Secretary may make such revisions in boundaries submitted under subparagraph (A) as he determines are necessary to meet the requirement of subsection (a) for the establishment of health service areas throughout the United States.

"(4) The Governor of a State may, after consultation with the entities referred to in paragraph (2), and appropriate designated health systems agencies and the Statewide Health Coordinating Council, submit to the Secretary revised boundaries for one or more health service areas established within the State. A submission of revised boundaries shall include the comments concerning the revision made by the entities consulted in making the revision. If the Secretary determines that the revised boundaries meet the requirements of subsection (a), the revised boundaries shall be published as a notice in the Federal Register by the Secretary and shall take effect upon such publication. If the Secretary makes a determination that the revised boundaries do not meet such requirements, he shall notify the Governor of the State, who submitted the revision with respect to which the determination was made, of the determination and the bases for it.

"HEALTH SYSTEMS AGENCIES

"Sec. 1412. (a) Definition.—For purposes of this title, the term 'health systems agency' means a nonprofit private corporation which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 1413. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 1413.

"(b)(1) Legal Structure.—A health systems agency for a health service area shall (A) be incorporated in the State in which the largest part of the population of its health service area resides, and (B) not be a subsidiary of, or otherwise controlled by, any other private corporation or other legal entity.

"(2) Staff.—

"(A) Expertise.—A health systems agency shall have a staff which provides the agency with expertise in at least the following: (i) Administration, (ii) the gathering and analysis of data, (iii) planning, and (iv) health manpower, facilities, and services.

"(B) Size and employment.—The size of the professional staff of any health systems agency shall be not less than five, except that if the quotient of the population (rounded to the next highest one hundred thousand) of the health service area which the agency serves divided by one hundred thousand is greater than five, the minimum size of the professional staff shall be the lesser of (i) such quotient, or (ii) twenty-five. The members of the staff shall be selected, paid, promoted, and discharged in accordance with such system as the agency may establish, except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health service area for similar positions in other public or private planning or health service entities.

"(3) Governing Body.—

"(A) In general.—Each health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (C), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action (other than the establishment and revision of the plans referred to in subparagraph (B)(iii)) as the governing body is authorized to take.

"(B) Responsibilities.—The governing body—

"(i) shall be responsible for the internal affairs of the health systems agency, including matters relating to the staff of the agency, the agency's budget, and procedures objectives which will achieve the goals of and criteria (developed and published pursuant to section 1432) applicable to its functions under subsections (e), (f), and (g) of section 1413;

"(ii) shall be responsible for the establishment of the health systems plan and annual implementation plan required by section 1413(b);

"(iii) shall be responsible for the approval of grants and contracts made and entered into under section 1413(c)(3);

"(iv) shall (I) issue an annual report concerning the activities of the agency, (II) include in that report the health systems plan and annual implementation plan developed by the agency, and a listing of the agency's income, expenditures, assets, and liabilities, and (III) make the report readily available to the residents of the health service area and the various communications media serving such area;

"(v) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(vi) shall meet at least once in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets at least twice in that year; and

"(vii) shall (I) conduct its business meetings in public, (II) give adequate notice to the public of such meetings, and (III) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this subclause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code.

A quorum for a governing body (and its executive committee (if any)) shall be a majority of its members.

"(C) Composition.—Of the members of the governing body and executive committee (if any) of a health systems agency—

"(i) a number of members equal to one-half the total number of members plus one shall be residents of the health service area served by the agency who are consumers of health care and who are not providers of health care and who are broadly representative of the social, economic, linguistic and racial populations, geographic areas of the health service area, and major purchasers of health care; and

"(ii) the remainder of the members shall be residents of the health service area served by the agency who are providers of health care and who represent (I) physicians (particularly practicing physicians), dentists, nurses, and other health professionals, (II) health care institutions (particularly hospitals, long-term care facilities, and health maintenance organizations), (III) health care insurers, (IV) health professional schools, and (V) the allied health professions.

The membership of the governing body and executive committee (if any) of any agency shall include (either through consumer or provider members) public elected officials and other representatives of governmental authorities in the agency's health service area, and representatives of public and private agencies in the area concerned with health.

"(4) Other Requirements.—Each health system agency shall—

"(A) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(B) provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title and section 1540; and

"(C) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records pertinent to the disposition of amounts received from the Secretary under this title and section 1540.

"(c) Subarea Councils.—A health systems agency may establish subarea advisory councils representing parts of the agencies' health service area to advise the governing body of the agency on the performance of its functions. The composition of a subarea advisory council shall conform to the requirements of subsection (b)(3)(C).

"FUNCTIONS OF HEALTH SYSTEMS AGENCIES

"Sec. 1413. (a) For the purpose of—

"(1) improving the health of residents of a health service area,

"(2) increasing the accessibility, acceptability, continuity, and quality of the health services provided them, and

"(3) restraining increases in the cost of providing them health services,

each health systems agency shall have as its primary responsibility the provision of effective health planning for its health service area and the promotion of the development within the area of health services, manpower, and facilities which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibility, a health systems agency shall carry out the functions described in subsections (b) through (g) of this section.

"(b) In providing health planning and resources development for its health service area, a health systems agency shall perform the following functions:

"(1) The agency shall assemble and analyze data concerning—

"(A) the status (and its determinants) of the health of the residents of its health service area,

"(B) the status of the health care delivery system in the area and the use of that system by the residents of the area,

"(C) the effect the area's health care delivery system has on the health of the residents of the area, and

"(D) the area's health resources, including health services, manpower, and facilities.

In carrying out this paragraph, the agency shall to the maximum extent practicable use existing data (including data developed under Federal health programs) and coordinate its activities with the cooperative system provided for under section 306(e).

"(2) The agency shall, after appropriate consideration of the recommended national health policy developed under section 1402(a)(1), the priorities set forth in section 1403, and the data developed pursuant to paragraph (1), establish, annually review, and amend as necessary a health systems plan (hereinafter in this title referred to as the 'HSP') which shall be a detailed statement of goals (A) describing a healthful environment and health systems in the area which, when developed, will assure that quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (B) which are responsive to the unique needs and resources of teh area; and (C) which take into accout the National Council for Health Policy recommendations (developed under section 1402(a)(2)) respecting supply, distribution, and organization of health resources and services.

"(3) The agency shall establish, annually review, and amend as necessary an annual implementation plan (hereinafter in this title referred to as the 'AIP') which describes the HSP and priorities among the objectives. In establishing the AIP, the agency shall give priority to those objectives which will maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of attaining such objectives to their benefits, and which are fitted to the special needs of the area.

"(4) The agency shall develop and publish specific plans and projects for achieving the objectives established in the AIP.

"(c) A health systems agency shall implement its HSP and AIP, and in implementing the plans it shall perform at least the following functions:

"(1) The agency shall seek, to the extent practicable, to implement its HSP and AIP with the assistance of individuals and public and private entities in its health service area.

"(2) The agency may provide, in accordance with the priorities established in the AIP, technical assistance to individuals and public and private entities for the development of projects and programs which the agency determines are necessary to achieve the health systems described in the HSP, including assistance in meeting the requirements of the agency prescribed under section 1432(b).

"(3) The agency shall, in accordance with the priorities established in the AIP, make grants to public and nonprofit private entities and enter into contracts with individuals and public and nonprofit private entities to assist them in planning and developing projects and programs which the agency determines are necessary for the achievement of the health systems described in the HSP. Such grants and contracts shall be made from the Area Health Services Development Fund of the agency established with funds provided under grants made under section 1540. No grants or contracts under this subsection may be used (A) for the support of an established program, (B) to pay the costs incurred by an entity or individual in the delivery of health services, or (C) for the cost of construction or modernization of medical facilities. No single grant or contract made or entered into under this paragraph may exceed $75,000 or be available for obligation beyond the one year period beginning on the date the grant or contract was made or entered into. If an individual or entity receives a grant or contract under this paragraph for a project or program, such individual or entity may receive only one more such grant or contract for such project or program.

"(d) Each health systems agency shall coordinate its activities with—

"(1) each Professional Standards Review Organization (designated under section 1152 of the Social Security Act),

"(2) entities referred to in paragraphs (1) and (2) of section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 and regional and local entities the views of which are required to be considered under regulations prescribed under section 403 of the Intergovernmental Cooperation Act of 1968 to carry out section 401(b) of such Act,

"(3) other appropriate general or special purpose regional planning or administrative agencies, and

"(4) any other appropriate entity,

in the health system agency's health service area. The agency shall, as appropriate, secure data from them for use in the agency's planning and development activities, enter into agreements with them which will assure that actions taken by such entities which alter the area's health system will be taken in a manner which is consistent with the HSP and the AIP in effect for the area, and, to the extent practicable, provide technical assistance to such entities.

"(e) Each health systems agency shall review and approve or disapprove each proposed use within its health service area of Federal funds appropriated under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (other than funds appropriated for allotments to States under such Acts) for grants or contracts for the development, expansion, or support of health services, manpower, and facilities. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a health systems agency sixty days to make the review required by such sentence. If an agency disapproves a proposed use in its health service area of Federal funds described in the first sentence, the Secretary may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Secretary may give the appropriate State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Secretary its comments on the decision. The Secretary, after taking into consideration the State Agency's comments (if any) may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.

"(f) To assist State health planning and development agencies in carrying out their functions under paragraphs (3) and (4) of section 1423(a) each health systems agency shall review and make recommendations to the appropriate State health planning and development agency respecting the need for new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed in the health service area of such health systems agency.

"(g)(1) Except as provided in paragraph (2), each health systems agency shall review on a periodic basis (but at least every five years) all institutional health services offered in the health service area of the agency and shall make recommendations to the State health planning and development agency designated under section 1421 for each State in which the health systems agency's health service area is located respecting the need in the area for such services. If the designated State agency determines that there does not exist a need for a particular institutional health service, the health systems agency for the health service area in which such service is offered shall work with the provider of such service, the designated State agency, and other appropriate individuals and entities for the improvement or elimination (as the health systems agency determines appropriate) of such service.

"(2) A health systems agency shall complete its initial review of existing institutional health services and health care facilities within three years after the date of the agency's designation under section 1415(c).

"(h) Each health systems agency shall annually recommend to the State health planning and development agency designated for each State in which the health systems agency's health service area is located (1) projects for the modernization, construction, and conversion of medical facilities in the agency's health service area which projects will achieve the HSP and AIP of the health systems agency, and (2) priorities among such projects.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH SYSTEMS AGENCIES

"SEC. 1414. The Secretary may provide all necessary technical and other nonfinancial assistance (including the preparation of prototype plans of organization and operation) to nonprofit private entities (including entities presently receiving financial assistance under section 314(b) or title IX or as experimental health service delivery systems under section 304) which—

"(1) express a desire to be designated as health system agencies, and

"(2) the Secretary determines have a potential to meet the requirements of a health systems agency specified in sections 1412 and 1413,

to assist such entities in developing applications to be submitted to the Secretary under section 1415 and otherwise in preparing to meet the requirements of this part for designation as a health systems agency.

"DESIGNATION OF HEALTH SYSTEMS AGENCIES

"SEC. 1415. (a) At the earliest practicable date after the establishment under section 1411 of health service areas, the Secretary shall enter into agreements in accordance with this section for the designation of health systems agencies for such areas.

"(b)(1) The Secretary may enter into agreements with entities under which the entities would be designated as the health systems agencies for health service areas on a conditional basis with a view to determining their ability to meet the requirements of section 1412(b), and their capacity to perform the functions prescribed by section 1413.

"(2) During any period of conditional designation (which may not exceed 24 months), the Secretary may require that the entity conditionally designated meet only such of the requirements of section 1412(b) and perform only such of the functions prescribed by section 1413 as he determines such entity to be capable of meeting and performing. The number and type of such requirements and functions shall, during the period of conditional designation, be progressively increased as the entity conditionally designated becomes capable of added responsibility so that, by the end of such period, the agency may be considered for designation under subsection (c).

"(3) Any agreement under which any entity is conditionally designated as a health systems agency may be terminated by such entity upon ninety days' notice to the Secretary or by the Secretary upon ninety days notice to such entity.

"(4) The Secretary may not enter into an agreement with any entity under paragraph (1) for conditional designation as a health systems agency for a health service area until—

"(A) the entity has submitted an application for such designation which contains assurances satisfactory to the Secretary that upon completion of the period of conditional designation the applicant will be organized and operated in the manner described in section 1412 (b) and will be qualified to perform the functions prescribed by section 1413;

"(B) a plan for the orderly assumption and implementation of the functions of a health systems agency has been received from the applicant and approved by the Secretary; and

"(C) the Governor of each State in which such health service area is located approves such designation of such entity.

In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and each regional medical program established in such area under title IX.

"(c)(1) The Secretary shall enter into an agreement with an entity for its designation as a health systems agency if, on the basis of an application under paragraph (2) (and, in the case of an entity conditionally designated, on the basis of its performance during a period of conditional designation under subsection (b) as a health systems agency for a health service area), the Secretary determines that such entity is capable of fulfilling, in a satisfactory manner, the requirements and functions of a health systems agency. Any such agreement under this subsection with an entity may be renewed in accordance with paragraph (3), shall contain such provisions respecting the requirements of sections 1412(b) and 1413 and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe, and shall be for a term of twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the entity as the Secretary may by regulation prescribe, if the Secretary determines that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(2) The Secretary may not enter into an agreement with any entity under paragraph (1) for designation as a health systems agency for a health service area unless the entity has submitted an application to the Secretary for designation as a health systems agency, and the Governor of each State in which the area is located approves such designation of such entity. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 1412(b) and is qualified to perform or is performing the functions prescribed by section 1413. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (A) each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and (B) each regional medical program established in such area under title IX.

"(3) An agreement under this subsection for the designation of a health systems agency may be renewed by the Secretary for a period not to exceed twelve months if upon review (as provided in section 1435) of the agency's operation and performance of its functions and he determines that it has fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1413 and continues to meet the requirements of section 1412(b).

"(d) If a designation under subsection (b) or (c) of a health systems agency for a health services area is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b) or (c) (as the Secretary determines appropriate), enter into a designation agreement with another entity to be the health systems agency for such area.

"PLANNING GRANTS

"SEC. 1416. (a) The Secretary shall make in each fiscal year a grant to each health systems agency with which there is in effect a designation agreement under subsection (b) or (c) of section 1415. A grant under this subsection shall be made on such conditions as the Secretary determines is appropriate, shall be used by a health systems agency for compensation of agency personnel, collection of data, planning, and the performance of the functions of the agency, and shall be available for obligation during the period for which its designation agreement is entered into or renewed (as the case may be). A health systems agency may use funds under a grant under this subsection to make payments under contracts with other entities to assist the health systems agency in the performance of its functions; but it shall not use funds under such a grant to make payments under a grant or contract with another entity for the development or delivery of health services or resources.

"(b)(1) The amount of any grant under subsection (a) to a health systems agency designated under section 1415(b) shall be determined by the Secretary. The amount of any grant under subsection (a) to any health systems agency designated under section 1415(c) shall be the lesser of—

"(A) the product of $0.50 and the population of the health service area for which the agency is designated, or

"(B) $1,500,000,

unless the agency would receive a greater amount under paragraph (2) or (3).

"(2)(A) If the application of a health systems agency for such a grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph (B) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(i) the amount determined under paragraph (1), and

"(ii) the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health service area for which the agency is designated.

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall be funds—

"(i) not more than 5 per centum of which are contributed to the agency by any one private contributor and no more than one-third of which are contributed to the agency by any one public contributor, and

"(ii) which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(3) The amount of a grant under subsection (a) to a health systems agency designated under section 1415(c) may not be less than $150,000.

"(c)(1) For the purpose of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, $90,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

"(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health systems agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant for that fiscal year to each health systems agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for that fiscal year bears to the total amount required to make grants to all health systems agencies in accordance with the applicable provision of subsection (b).

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"DESIGNATION OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 1421. (a) For the purpose of the performance within each State of the health planning and development functions prescribed by section 1423, the Secretary shall enter into and renew agreements (described in subsection (b)) for the designation of a State health planning and development agency for each State other than a State for which the Secretary may not under subsection (d) enter into, continue in effect, or renew such an agreement.

"(b)(1) A designation agreement under subsection (a) is an agreement with the Governor of a State for the designation of an agency (selected by the Governor) of the government of that State as the State health planning and development agency (hereinafter in this part referred to as the 'State Agency') to administer the State administrative program prescribed by section 1422 and to carry out the State's health planning and development functions prescribed by section 1423 The Secretary may not enter into such an agreement with the Governor of a State unless—

"(A) there has been submitted by the State a State administrative program which has been approved by the Secretary,

"(B) an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the agency selected by the Governor for designation as the State Agency has the authority and resources to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423, and

"(C) in the case of an agreement entered into under paragraph (3), there has been established for the State a Statewide Health Coordinating Council meeting the requirements of section 1424.

"(2)(A) The agreement entered into with a Governor of a State under subsection (a) may provide for the designation of a State Agency on a conditional basis with a view to determining the capacity of the designated State Agency to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423. The Secretary shall require as a condition to the entering into of such an agreement that the Governor submit on behalf of the agency to be designated a plan for the agency's orderly assumption and implementation of such functions.

"(B) The period of an agreement described in subparagraph (A) may not exceed twenty-four months. During such period the Secretary may require that the designated State Agency perform only such of the functions of a State Agency prescribed by section 1423 as he determines it is capable of performing. The number and type of such function shall, during such period, be progressively increased as the designated State Agency becomes capable of added responsibility, so that by the end of such period the designated State Agency may be considered for designation under paragraph (3).

"(C) Any agreement with a Governor of a State entered into under subparagraph (A) may be terminated by the Governor upon ninety days' notice to the Secretary or by the Secretary upon ninety days' notice to the Governor.

"(3) If, on the basis of an application for designation as a State Agency (and, in the case of an agency conditionally designated under paragraph (2), on the basis of its performance under an agreement with a Governor of a State entered into under such paragraph), the Secretary determines that the agency is capable of fulfilling, in a satisfactory manner, the responsibilities of a State Agency, he shall enter into an agreement with the Governor of the State designating the agency as the State Agency for the State. No such agreement may be made unless an application therefor is submitted to, and approved by, the Secretary. Any such agreement shall be for a term of twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the Governor at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the Governor as the Secretary may by regulation prescribe, if the Secretary determines that the designated State Agency is not complying with or effectively carrying out the provisions of such agreement.

An agreement under this paragraph shall contain such provisions as the Secretary may require to assure that the requirements of this part respecting State Agencies are complied with.

"(4) An agreement entered into under paragraph (3) for the designation of a State agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that it has fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed and if the applicable State administrative program continues to meet the requirements of section 1422.

"(c) If a designation agreement with the Governor of a State entered into under subsection (b)(2) or (b)(3) is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b)(2), or (b)(3) (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency.

"(d) The Secretary may not enter into, continue in effect, or renew an agreement for the designation of a State Agency for a State (other than a State which administers a certificate of need program meeting the requirements of section 1423(a)(3)) after the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421(b)(3) and at which legislation to enable the State to comply with the requirements of paragraphs (1) and (2) of this subsection may be enacted unless—

"(1) the State does not permit the issuance, modification, or renewal of any policy or contract of individual or group—

"(A) accident, health, or accident and health insurance, or

"(B) hospital or medical service benefits, unless such policy or contract provides that benefits payable under such policy or contract to or on behalf of an individual for the provision within the State of institutional health services by a health care facility or a health maintenance organization shall be reduced by an amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) of the health care facility or health maintenance organization made in connection with the institutional health service unless the service was found by the State agency of the State under section 1423 (a)(4) to be needed; and

"(2) the State does not permit any health care facility or health maintenance organization within the State to charge (or otherwise collect) for depreciation, interest on borrowed funds, a return of equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) for the provision of an institutional health service which was found by the State agency of the State under section 1423(a)(4) to be not needed.

"STATE ADMINISTRATION PROGRAM

"SEC. 1422. (a) A State administrative program (hereinafter in this section referred to as the 'State Program') is a program for the performance within the State by its State Agency of the functions prescribed by section 1423. The Secretary may not approve a State Program for a State unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the Governor of the State at such time and in such detail, and contains or is accompanied by such information, as the Secretary deems necessary; and

"(3) has been submitted to the Secretary only after the Governor of the State has afforded to the general public of the State a reasonable opportunity for a presentation of views on the State Program.

"(b) The State Program of a State must—

"(1) provide for the performance within the State (after the designation of a State Agency and in accordance with the designation agreement) of the functions prescribed by section 1423 and specify the State Agency of the State as the sole agency for the performance of such functions (except as provided in subsection (b) of such section) and for the administration of the State Program;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions and the State Program in accordance with this part and contains a current budget for the operation of the State Agency;

"(3) provide for adequate consultation with, and authority for the Statewide Health Coordinating Council (prescribed by section 1424) in carrying out such functions and the State Program;

"(4)(A) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the performance of such functions and the State Program, and require the State Agency to have a professional staff for planning and a professional staff for development, which staffs shall each be headed by a Director (who in the case of the Director of the planning staff shall be appointed with the advice and consent of the Statewide Health Coordinating Council) and shall be of such size and meet such qualifications as the Secretary may prescribe;

"(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91–648), but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(5) require the State Agency to perform its functions in accordance with procedures and criteria established and published by it, which procedures and criteria shall conform to the requirements of section 1432;

"(6) require the State Agency to (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this clause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code;

"(7) provide for the coordination (in accordance with regulations of the Secretary) with the cooperative system provided for under section 306(e) of the activities of the State Agency for the collection, retrieval, analysis, reporting, and publication of statistical and other information related to health and health care;

"(8) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the performance by the State Agency of its functions and of their economic effectiveness;

"(9) provide that the State Agency will from time to time, and in any event not less often than annually, review the State Program and submit to the Secretary required modifications;

"(10) require the State Agency to make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(11) require the State Agency to provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title;

"(12) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records of the State Agency pertinent to the disposition of amounts received from the Secretary under this title; and

"(13) provide that if the State Agency makes a decision in the performance of a function under paragraph (3), (4), (5), or (6) of section 1423(a) or under title XV which is inconsistent with a recommendation made under subsection (f), (g), or (h) of section 1413 by a health systems agency within the State—

"(A) such decision (and the record upon which it was made) shall, upon request of the health systems agency, be reviewed by an agency of the State (other than the State health planning and development agency) designated by the Governor, and

"(B) the decision of the reviewing agency shall for purposes of this title and title XV be considered the decision of the State health planning and development agency.

"(c) The Secretary shall approve any State Program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each State Program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH PLANNING AND DEVELOPMENT FUNCTIONS

"SEC. 1423. (a) Each State Agency of a State designated under section 1421(b)(3) shall, except as authorized under subsection (b), perform within the State the following functions:

"(1) Conduct the health planning activities of the State and implement those parts of the State health plan (under section 1424(c)(2)) and the plans of the health systems agencies within the State which relate to the government of the State.

"(2) Assist the Statewide Health Coordinating Council of the State in the preparation, review, and revision of the State health plan referred to in section 1424(c)(2), in the review of the State medical facilities plan required under section 1503, and in the performance of its functions generally.

"(3) Either (A) serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act, or (B) administer a State certificate of need program which applies to new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed within the State and which is satisfactory to the Secretary. In performing its functions under the paragraph the State Agency shall consider recommendations made by health systems agencies under section 1413(f).

"(4) After consideration of recommendations submitted by health systems agencies under section 1413(f) respecting new institutional health services proposed to be offered within the State, make findings as to the need for such services.

"(5) Review on a periodic basis (but not less often than every five years) all institutional health services being offered in the State and after consideration of recommendations submitted by health systems agencies under section 1413(g) respecting the need for such services make findings respecting the continued need for such services.

"(6) Prepare and administer the State medical facilities plan required by section 1503 and administer in the State the assistance provided under title XV under such plan.

"(b)(1) Any function described in subsection (a) may be performed by another agency of the State government (A) upon request of the Governor setting forth unusual circumstances requiring the performance of such function by such other agency; and (B) under an agreement with the State Agency satisfactory to the Secretary.

"(2) The requirement of paragraph (3) of subsection (a) shall not apply to a State Agency of a State which elects (in such manner as the Secretary shall prescribe) to not have its State Agency serve as the designated planning agency for purposes of section 1122 of the Social Security Act and which does not have a certificate of need program which meets the requirements of clause (B) of such paragraph until the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421 (b)(3) and at which legislation to comply with the certificate of need program requirement of clause (B) of such paragraph may be enacted.

"(3) A State Agency shall complete its findings with respect to the need for any existing institutional health service within one year after the date a health systems agency has made its recommendation under section 1413(g) with respect to the need for such service or facility.

"(c) If a State Agency makes a decision in carrying out a function described in paragraph (3), (4), (5), or (6) of subsection (a) which is not consistent wtih the goals of the applicable HSP or the priorities of the applicable AIP, the State Agency shall submit to the appropriate health systems agency a detailed statement of the reasons for the inconsistency.

"STATEWIDE HEALTH COORDINATING COUNCIL

"SEC. 1424. (a) A State health planning and development agency designated under section 1421 shall be advised by a Statewide Health Coordinating Council (hereinafter in this section referred to as the 'SHCC') which (1) is organized in the manner described by subsection (b), and (2) performs the functions listed in subsection (c).

"(b)(1) A SHCC shall be composed in the following manner:

"(A)(i) A SHCC shall have no fewer than sixteen representatives selected by the health systems agencies within the State.

"(ii) Each health systems agency within the State shall be entitled to the same number of representatives on the SHCC.

"(iii) Each health systems agency shall be entitled to at least two representatives on the SHCC.

"(iv) Of the representatives of each health systems agency on the SHCC, one-half shall be consumers of health care who are not providers of health care, and one-half shall be providers of health care.

"(B) The Governor of the State may appoint such persons (including State officials, public elected officials, and other representatives of governmental authorities within the State) to serve on the SHCC as he deems appropriate; except that (i) the number of persons appointed to the SHCC by the Governor may not exceed one-third of the total membership of the SHCC, and (ii) a majority of the persons appointed by the Governor shall be consumers of health care who are not also providers of health care.

"(2) The SHCC shall select from among its members a chairman.

"(3) The SHCC shall conduct all of its business meetings in public, and shall meet at least once in each calendar quarter of a year.

"(c) A SHCC shall perform the following functions:

"(1) Review annually and coordinate the HSP and AIP of each health systems agency within the State and report to the Secretary, for purposes of his review and under section 1435(c), its comments on such HSP and AIP.

"(2) Prepare and review and revise as necessary (but at least annually) a State health plan which shall be made up of the HSP's of the health systems agencies within the State. Such plan may, as found necessary by the SHCC, contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide health needs.

"(3) Review annually the budget of each such health systems agency and report to the Secretary, for purposes of his review under section 1435(a), its comments on such budget.

"(4) Review applications submitted by such health systems agencies for grants under sections 1416 and 1540 and report to the Secretary its comments on such applications.

"(5) Advise the State Agency of the State generally on the performance of its functions.

"(6) Review annually and approve or disapprove any State plan and any application (and any revision of a State plan or application) submitted to the Secretary as a condition to the receipt of any funds under allotments made to States under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a SHCC sixty days to make the review required by such sentence. If a SHCC disapproves such a State plan or application, the Secretary may not make Federal funds available under such State plan or application until he has made, upon request of the Governor of the State which submitted such plan or application or another agency of such State, a review of the SHCC decision. If after such review the Secretary decides to make such funds available shall be submitted to the SHCC and shall contain a detailed statement of the reasons for the decision.

"GRANTS FOR STATE HEALTH PLANNING AND DEVELOPMENT

"SEC. 1425. (a) The Secretary may make grants to State health planning and development agencies designated under subsection (b)(2) or (b)(3) of section 1421 to assist them in meeting the costs of their operation. Any grant made under this subsection to a State Agency shall be available for obligation only during the period for which its designation agreement is entered into or renewed. The amount of any grant made under this subsection shall be determined by the Secretary, except that no grant to a designated State Agency may exceed 75 per centum of its operation costs (as determined under regulations of the Secretary) during the period for which the grant is available for obligation.

"(b) Grants made under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe.

"(c) For the purpose of making payments under grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977.

"PART D—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 1431. For purposes of this title:

"(1) The term 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) The term 'Governor' means the chief executive of a State or his designee.

"(3) The term 'provider of health care' means an individual—

"(A) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii) or (iii) of subparagraph (B), or

"(B) who receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(i) Fees or other compensation for the provision of, research into the provision of, or instruction in the provision of, health services.

"(ii) Entities engaged in such provision, research, or instruction.

"(iii) Producing or supplying, or from entities engaged in producing or supplying, drugs or other articles for individuals or entities engaged in the provision of, research into the provision of, or instruction in the provision of, health services.

"(5) the term 'institutional health services' means the health services provided through health care facilities and health maintenance organizations (as such facilities and organizations are defined in regulations prescribed under section 1122 of the Social Security Act); and (B) the term 'health care facilities' means the health care facilities referred to in clause (A).

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH SYSTEM CHANGES

"SEC. 1432. (a) In conducting reviews pursuant to subsections (e), (f), and (g) of section 1413 or in conducting any other reviews of proposed or existing health services, each health systems agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 1423, a State health planning and development agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the State Agency in accordance with regulations of the Secretary. Procedures and criteria for reviews by health systems agenceis and States agencies may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(b) Each health systems agency and State health planning and development agency shall include in the procedures required by subsection (a) at least the following:

"(1) Written notification to affected persons of the beginning of a review.

"(2) Schedules for reviews which provide that no review shall, to the extent practicable, take longer than ninety days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to a review to submit to the agency or State Agency (in such form and manner as the agency or State Agency shall prescribe and publish) such information as the agency or State Agency may require concerning the subject of such review.

"(4) Submission of applications (subject to review by a health systems agency or a State Agency) made under this Act or other provisions of law for Federal financial assistance for health services to the health systems agency or State Agency at such time and in such manner as it may require.

"(5) Submission of periodic reports by providers of health services and other persons subject to agency or State Agency review respecting the development of proposals subject to review.

"(6) Notification of providers of health services and other persons subject to agency or State Agency review of the status of the agency or State Agency review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(7) Provision for public hearings in the course of agency or State Agency review if requested by persons directly affected by the review; and provision for public hearings, for good cause shown, respecting agency and State Agency decisions.

"(8) Preparation and publication of regular reports by the agency and State Agency of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and State Agency (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(9) Access by the general public to all applications reviewed by the agency and State Agency and to all other written materials pertinent to any agency or State Agency review except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this paragraph as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5, United States Code.

"(10) In the case of construction projects, submission to the agency and State Agency by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and State Agency of the scope and nature of the projects at the earliest possible opportunity in the course of planning of such construction projects.

"(c) Criteria required by subsection (a) for health systems agency and State Agency review shall include consideration of at least the following:

"(1) The relationship of the health services being reviewed to the applicable HSP and AIP.

"(2) The relationship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly, or more effective methods of providing such services.

"(5) The relationship of services reviewed to the existing health care system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided, the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(7) The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service area in which the entity is located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, specialty centers, and such other entities as the Secretary may by regulation prescribe.

"(8) The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

"(9) In the case of a construction project—

"(A) the costs and methods of the proposed construction, and

"(B) the probable impact of the construction project reviewed on the costs of providing health services by the person proposing such construction project.

"TECHNICAL ASSISTANCE FOR HEALTH SYETEMS AGENCIES AND STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1433. (a) The Secretary shall provide (directly or through grants or contracts, or both) to designated health systems agencies and State Agencies (1) assistance in developing their health plans and approaches to planning various types of health services, (2) technical materials, including methodologies, policies, and standards appropriate for use in health planning, and (3) other technical assistance as may be necessary in order that such agencies may properly perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1)(A) Specification of the minimum data needed to determine the health status of the residents of a health service area and the determinants of such status.

"(B) Specification of the minimum data needed to determine the status of the health resources and services of a health service area.

"(C) Specification of the minimum data needed to describe the use of health resources and services within a health service area.

"(2) Planning approaches, methodologies, policies, and standards which shall be consistent with the guidelines recommended by the National Council for Health Policy under section 1402 for appropriate planning and development of health resources and services, and which shall cover the priorities listed in section 1403.

"(3) Guidelines for the organization and operation of health systems agencies and State Agencies including guidelines for—

"(A) the structure of a health system agency, consistent with section 1412(b), and of a State Agency, consistent with section 1422;

"(B) the conduct of the planning and development processes;

"(C) the performance of health systems agency functions in accordance with section 1413; and

"(D) the performance of State Agency functions in accordance with section 1423.

"(c) In order to facilitate the exchange of information concerning health services, health resources, and health planning and resources development practice and methodology, the Secretary shall establish a national health planning information center to support the health planning and resources development programs of health systems agencies, State Agencies, and other entities concerned with health planning and resources development; to provide access to current information on health planning and resources development; and to provide information for use in the analysis of issues and problems related to health planning and resources development.

"CENTERS FOR HEALTH PLANNING

"SEC. 1434. (a) For the purposes of assisting the Secretary in carrying out this title, providing such technical and consulting assistance as health systems agencies and State Agencies may from time to time require, conducting research, studies and analyses of health planning and resources development, and developing health planning approaches, methodologies, policies, and standards, the Secretary shall by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and developing new centers, and operating existing and new centers, for multidisciplinary health planning development and assistance. To the extent practicable, the Secretary shall provide assistance under this section so that at least five such centers will be in operation by June 30, 1976.

"(b)(1) No grant or contract may be made under this section for planning or developing a center unless the Secretary determines that when it is operational it will meet the requirements listed in paragraph (2) and no grant or contract may be made under this section for operation of a center unless the center meets such requirements.

"(2) The requirements referred to in paragraph (1) are as follows:

"(A) There shall be a full-time director of the center who possesses a demonstrated capacity for substantial accomplishment and leadership in the field of health planning and resources development, and there shall be such additional professional staff as may be appropriate.

"(B) The staff of the center shall represent a diversity of relevant disciplines.

"(C) Such additional requirements as the Secretary may by regulation prescribe.

"(c) Centers assisted under this section (1) may enter into arrangements with health systems agencies and State Agencies for the provision of such services as may be appropriate and necessary in assisting the agencies and State Agencies in performing their functions under section 1413 or 1423, respectively, and (2) shall use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies such planning approaches, methodologies, policies and standards as they develop.

"(d) For the purpose of making payments pursuant to grants and contracts under subsection (a) there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977.

"REVIEW BY THE SECRETARY

"SEC. 1435. (a) The Secretary shall review and approve or disapprove the annual budget of each designated health systems agency and State Agency. In making such review and approval or disapproval the Secretary shall consider the comments of Statewide Health Coordinating Councils submitted under section 1424(c)(3).

"(b) The Secretary shall prescribe performance standards covering the structure, operation, and performance of the functions of each designated health systems agency and State Agency, and he shall establish a reporting system based on the performance standards that allows for continuous review of the structure, operation, and performance of the functions of such agencies.

"(c) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated health systems agency to determine—

"(1) the adequacy of the HSP of the agency for meeting the needs of the residents of the area for a healthful environment and for accessible, acceptable and continuous quality health care at reasonable costs, and the effectiveness of the AIP in achieving the system described in the HSP;

"(2) if the structure, operation, and performance of the functions of the agency meet the requirements of sections 1412(b) and 1413;

"(3) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health service area for which the agency is designated;

"(4) the professional credentials and competence of the staff of the agency;

"(5) the appropriateness of the data assembled pursuant to section 1413(b)(1) and the quality of the analyses of such data;

"(6) the extent to which technical and financial assistance from the agency have been utilized in an effective manner to achieve the goals and objectives of the HSP and the AIP; and

"(7) the extent to which it may be demonstrated that—

"(A) the health of the residents in the agency's health service area has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in such area has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"(d) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated State Agency to determine—

"(1) the adequacy of the State health plan of the Statewide Health Coordinating Council prepared under section 1424(c)(2) in meeting the needs of the residents of the State for a healthful environment and for accessible, acceptable, and continuous quality health care at reasonable costs;

"(2) if the structure, operation, and performance of the functions of the State Agency meet the requirements of sections 1422 and 1423;

"(3) the extent to which the Statewide Health Coordinating Council has a membership meeting, and has performed in a manner consistent with the requirements of section 1424;

"(4) the professional credentials and competence of the staff of the State Agency;

"(5) the extent to which financial assistance provided under parts A, B, or C of title XV by the State Agency under section 1423 (a) has been used in an effective manner to achieve the State's health plan under section 1424(c)(2); and

"(6) the extent to which it may be demonstrated that—

"(A) the health of the residents of the State has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in the State has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"SPECIAL PROVISIONS FOR THE VIRGIN ISLANDS, GUAM, THE TRUST TERRITORIES OF THE PACIFIC ISLANDS, AND AMERICAN SAMOA

"SEC. 1436. The Virgin Islands, Guam, the Trust Territories of the Pacific Islands, and American Samoa shall each be considered a State for purposes of this title, except that—

"(1) no health service areas shall be established within them,

"(2) no health systems agencies shall be designated for them,

"(3) the State health planning and development agency designated for each of them under section 1421 shall, in addition to the functions prescribed by section 1423, perform the functions prescribed by section 1413 and shall be eligible to receive grants authorized by section 1540, and

"(4) the chief executive officer of each of them shall appoint the Statewide Health Coordinating Council prescribed by section 1424 in accordance with regulations of the Secretary."

REVISION OF HEALTH RESOURCES DEVELOPMENT PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 4. The Public Health Service Act, as amended by section 3, is amended by adding after title XIV the following new title:

"TITLE XV—HEALTH RESOURCES DEVELOPMENT

"PART A—PURPOSE, STATE PLAN, AND PROJECT APPROVAL

"PURPOSE

"SEC. 1501. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) modernization of medical facilities;

"(2) construction of new outpatient medical facilities;

"(3) construction of new inpatient medical facilities in areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth; and

"(4) conversion of existing medical facilities for the provision of new health services.

"GENERAL REGULATIONS

"SEC. 1502. (a) The Secretary, with the approval of the Federal Hospital Council, shall by regulations—

"(1) prescribe the general manner in which the State Agency of each State shall determine for the State medical facilities plan under section 1503 the priority among projects within the State for which assistance is available under this title, based on the relative need of different areas within the State for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas, and

"(D) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under this title general standards of construction, modernization, and equipment for medical facilities of different classes and in different types of location;

"(3) prescribe criteria for determining needs for medical facility beds and needs for medical facilities, and for developing plans for the distribution of such beds and facilities;

"(4) prescribe criteria for determining the extent to which existing medical facilities are in need of modernization; and

"(5) require each State medical facilities plan under section 1503 to provide for adequate medical facilities for all persons residing in the State and adequate facilities to furnish needed health services for persons unable to pay therefor.

"(b) The Secretary may also require that a State Agency of a State secure from an applicant under this title for assistance for a medical facility project assurances satisfactory to the Agency that—

"(1) the facility will be made available to all persons residing in its service area who have a need for the services provided (or to be provided) through it, and

"(2) unless the Agency determines the applicant lacks adequate financial resources, there will be made available through the facility to persons unable to pay therefor a reasonable volume of the services with respect to which assistance under this title is applied for,

before the Agency may recommend such project for the Secretary's approval.

"STATE MEDICAL FACILITIES PLAN

"SEC. 1503. (a) Before an application for assistance under this title for a medical facility project described in section 1501 may be approved, the State Agency of the State in which such project is located must have submitted to the Secretary and had approved by him a State medical facilities plan. To be approved by the Secretary a State medical facilities plan for a State must—

"(1) prescribe that the State Agency of the State shall administer or supervise the administration of the plan and contain evidence satisfactory to the Secretary that the State Agency has the authority to carry out the plan in conformity with this title;

"(2) prescribe that the Statewide Health Coordinating Council of the State shall advise and consult with the State Agency in carrying out the plan;

"(3) be consistent with the State health plan developed pursuant to section 1424(c) (2);

"(4) set forth, in accordance with criteria established in regulations prescribed under section 1502(a), and on the basis of a statewide inventory of existing medical facilities, a survey of need and the plans of health systems agencies within the State—

"(A) the number and type of medical facility beds and medical facilities needed to provide adequate inpatient care to people residing in the State, and a plan for the distribution of such beds and facilities in health service areas throughout the State,

"(B) the number and type of outpatient and other medical facilities needed to provide adequate public health services and outpatient care to people residing in the State, and a plan for the distribution of such facilities in health service areas throughout the State, and

"(C) the extent to which existing medical facilities in the State are in need of modernization or conversion to new uses;

"(5) set forth a program for the State for assistance under this title for projects described in section 1501, which program shall indicate the type of assistance which should be made available to each project and shall conform to the assessment of need set forth pursuant to paragraph (4) and regulations promulgated under section 1502(a);

"(6) set forth (in accordance with regulations promulgated under section 1502(a)) priorities for the provision of assistance under this title for projects in the program set forth pursuant to paragraph (4);

"(7) provide minimum requirements (to be fixed in the discretion of the State Agency) for the maintenance and operation of facilities which receive assistance under this title, and provide for enforcement of such standards;

"(8) provide for affording to every applicant for assistance for a medical facilities project under this title an opportunity for a hearing before the State Agency; and

"(9) provide that the State Agency will from time to time, but not less often than annually, review the plan and submit to the Secretary any modifications thereof which it considers necessary.

"(b) The Secretary shall approve any State medical facilities plan and any modification thereof which complies with the provisions of subsection (a) if the State Agency, as determined under the review made under section 1435(d), is organized and operated in the manner prescribed by section 1422 and is carrying out its functions under section 1423 in a manner satisfactory to the Secretary. If any such plan or modification thereof shall have been disapproved by the Secretary for failure to comply with subsection (a), the Federal Hospital Council shall, upon request of the State Agency, afford it an opportunity for hearing. If such Council determines that the plan or modification complies with the provisions of such subsection, the Secretary shall thereupon approve such plan or modification.

"APPROVAL OF PROJECTS

"SEC. 1504. (a) For each project described in section 1501 included within a State's State medical facilities plan approved under section 1503 there shall be submitted to the Secretary, through the State's State Agency, an application. The applicant under such an application may be a State, a political subdivision of a State or any other public entity, or a private nonprofit entity. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b) (1) Except as authorized under paragraph (2), an application for any project shall set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) a description of the site of such project;

"(C) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1502(a);

"(D) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(E) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed;

"(F) the type of assistance being sought under this title for the project;

"(G) a certification by the State Agency of the Federal share for the project; and

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, 40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act, and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) (A) The Secretary may waive—

"(i) the requirements of subparagraph (C) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1502(a) (2), and

"(ii) the requirement of subparagraph (D) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B).

"(B) A project referred to in paragraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined under title XIII or as designated by a health systems agency, and

"(ii) for which the applicant seeks (I) not more than $20,000 from the allotments made under part B to the State in which it is located, or (II) a loan under part C the principal amount of which does not exceed $20,000.

"(c) The Secretary shall approve an application submitted under subsection (b) if—

"(1) in the case of a project to be assisted from an allotment made under part B, there are sufficient funds in such allotment to pay the Federal share of the project,

"(2) the Secretary finds that—

"(A) the application (i) is in conformity with the State medical facilities plan approved under section 1503, (ii) has been approved and recommended by the State Agency, (iii) is for a project which is entitled to priority over other projects within the State as determined in accordance with the approved State medical facilities plan, (iv) contains reasonable assurances as to title, financial support, and payment of prevailing rates of wages, and (v) contains an assurance satisfactory to the Secretary that in the operation of the medical facility for which the application is submitted there will be compliance with the State medical facilities plan requirement prescribed pursuant to section 1502(a) (5); and

"(B) the plans and specifications for the project meet the requirements of the regulations prescribed pursuant to section 1502(a).

"(d) No application shall be disapproved until the Secretary has afforded the State Agency an opportunity for a hearing.

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"PART B—ALLOTMENTS

"ALLOTMENTS

"SEC. 1510. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make from sums appropriated for such fiscal year under section 1513 allotments among the States on the basis of the population, the financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b) (1) The allotment to any State (other than Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands) for any fiscal year shall be not less than $1,000,000; and the allotment to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall not be less than $500,000 each.

"(2) Notwithstanding paragraph (1), if the amount appropriated under section 1513 for any fiscal year is less than the amount required to provide allotments in accordance with paragraph (1), the amount of the allotment to any State for such fiscal year shall be an amount which bears the same ratio to the amount prescribed for such State by paragraph (1) as the amount appropriated for such fiscal year bears to the amount of appropriations needed to make allotments to all the States in accordance with paragraph (1).

"(c) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"PAYMENTS FROM ALLOTMENTS

"SEC. 1511. (a) If with respect to any medical facility project approved under section 1504 the State Agency certifies (upon the basis of inspection by it) to the Secretary that, in accordance with approved plans and specifications, work has been performed upon the project or purchases have been made for it and that payment from the applicable allotment of the State in which the project is located is due for the project, the Secretary shall, except as provided in subsection (b), make such payment to the State.

"(b) The Secretary is authorized to not make payments to a State pursuant to subsection (a) in the following circumstances:

"(1) If such State is not authorized by law to make payments for an approved medical facility project from the payment to be made by the Secretary pursuant to subsection (a), or if the State so requests, the Secretary shall make the payment from the State allotment directly to the applicant for such project.

"(2) If the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 1512, payment by the Secretary may, after he has given the State Agency notice and opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing.

In no event may the total of payments made under subsection (a) with respect to any project exceed an amount equal to the Federal share of such project.

"(b) In case an amendment to an approved application is approved as provided in section 1504 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(c) In any fiscal year not more than one-third of the amount of a State's allotment available for obligation in that fiscal year may be obligated for projects in the State for construction of new facilities for the provision of inpatient health care to persons residing in areas of the State which have experienced recent rapid population growth.

"WITHHOLDING OF PAYMENTS FROM ALLOTMENTS

"SEC. 1512. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Agency concerned finds—

"(1) that the State Agency is not complying substantially with the provisions required by section 1503 to be included in its State medical facilities plan,

"(2) that any assurance required to be given in an application filed under section 1504 is not being or cannot be carried out, or

"(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 1504,

the Secretary may take the action authorized by subsection (b).

"(b) (1) Upon a finding described in subsection (a) and after notice to the State Agency concerned, the Secretary may—

"(A) withhold from all projects within the State with respect to which the finding was made further payments from the State's allotment under section 1510, or

"(B) withhold from the specific projects with respect to which the finding was made further payments from the applicable State allotment under section 1510.

"(2) Payments may be withheld, in whole or in part, under paragraph (1)—

"(A) until the basis for the finding upon which the withholding was made no longer exists, or

"(B) if corrective action to make such finding inapplicable cannot be made, until the State concerned repays or arranges for the repayment of Federal funds paid under this part for projects which because of the findings are not entitled to such funds.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1513. There are authorized to be appropriated for allotments under section 1510 $125,000,000 for the fiscal year ending June 30, 1975, $150,000,000 for the fiscal year ending June 30, 1976, and $175,000,000 for the fiscal year ending June 30, 1977.

"PART C—LOANS AND LOAN GUARANTEES

"AUTHORITY FOR LOANS AND LOAN GUARANTEES

"SEC. 1520. (a) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, make loans from the fund established under section 1522(d) to pay the Federal share of projects approved under section 1504.

"(b) (1) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to nonprofit private entities for medical facilities projects, and

"(ii) the Federal Financing Bank for its loans to nonprofit private entities for such projects,

payment of principal and interest on such loans if applications for assistance for such projects under this title have been approved under section 1504.

"(2) In the case of a guarantee of any loan to a nonprofit private entity under this title, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under this title shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(c) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriation Acts.

"(d) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

"ALLOCATION AMONG THE STATES

"SEC. 1521. (a) For each fiscal year, the total amount of principal of—

"(1) loans to nonprofit private entities which may be guaranteed, or

"(2) loans which may be directly made, under this part shall be allotted by the Secretary among the States, in accordance with regulations, on the basis of the population, financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1522. (a) (1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

"(2) (A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved.

"(b) (1) The Secretary may not approve a loan under this part unless—

"(A) the Secretary is reasonably satisfied that the applicant under the project for which the loan would be made will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this part shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing, on the date the loan is made, with respect to loans guaranteed under this part, minus 3 per centum per annum, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reasons of the failure of a borrower to make payments of principal of and interest on a loan made under this part, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c) (1) The Secretary may from time to time, but with due regard to the financial interests of the United States, sell loans made by him under this part.

"(2) The Secretary may agree, prior to his sale of any such loan, to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or as otherwise appropriate. Any such agreement may (A) provide that the Secretary shall act as agent of any such purchaser for the purpose of collecting from the borrower to which such loan was made and paying over to such purchaser, any payments of principal and interest payable by the borrower under such loan; and (B) provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this paragraph.

"(3) After any loan under this part to a public entity has been sold and guaranteed under this subsection, interest paid on such loan which is received by the purchaser thereof (or his successor in interest) shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(4) Amounts received by the Secretary as proceeds from the sale of loans under this subsection shall be deposited in the fund established under subsection (d).

"(d) (1) There is established in the Treasury a loan and loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

"(A) to enable him to make loans under this part,

"(B) to enable him to discharge his responsibilities under loan guarantees issued by him under this part,

"(C) for payment of interest under section 1520(b) (2) on loans guaranteed under this part,

"(D) for repurchase of loans under subsection (c) (2) (B), and

"(E) for payment of interest on loans which are sold and guaranteed.

There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Secretary in connection with loans and loan guarantees under this part and other property or assets derived by him from his operations respecting such loans and loan guarantees, including any money derived from the sale of assets.

"(2) If at any time the sums in the funds are insufficient to enable the Secretary—

"(A) to make payments of interest under section 1520(b)(2),

"(B) to otherwise comply with guarantees under this part of loans to nonprofit private entities,

"(C) in the case of a loan which was made, sold, and guaranteed under this part, to make to the purchaser of such loan payments of principal and interest on such loan after default by the entity to which the loan was made, or

"(D) to repurchase loans under subsection (c)(2)(B), and

"(E) for payment of interest on loans which are sold and guaranteed.

he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e)(1) The assets, commitments, obligations, and outstanding balances of the loan guarantee and loan fund established in the Treasury by section 626 shall be transferred to the fund established by subsection (d) of this section.

"(2) To provide additional capitalization for the fund established under subsection (d) there is authorized to be appropriated to the fund $40,000,000 in the aggregate for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

"PART D—GENERAL PROVISIONS

"JUDICIAL REVIEW

"SEC. 1530. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 1504, the State Agency through which such application was submitted, or

"(2) any State is dissatisfied with the Secretary's action under section 1512, such State, may appeal to the United States court of appeals for the circuit in which such State Agency or State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affrm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the Court, operate as a stay of the Secretary's action.

"RECOVERY

"SEC. 1531. If any facility constructed, modernized, or converted with funds provided under this title is, at any time within twenty years after the completion of such construction, modernization, or conversion with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 1504, or (B) which is not approved as a transferee by the State Agency of the State in which such facility is located, or its successor; or

"(2) not used as a medical facility, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of such facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction, modernization, or conversion of such project or projects. Such right of recovery shall not constitute a lien upon such facility prior to judgment.

"FEDERAL HOSPITAL COUNCIL

"SEC. 1532. (a) In administering this title, the Secretary shall consult with a Federal Hospital council consisting of the Secretary, who shall serve as Chairman ex officio, and twelve members appointed by him. Six of the twelve appointed members shall be persons who are outstanding in the fields of health planning and resources development and fields pertaining to medical facilities, three of such members shall be authorities in matters relating to the operation of hospitals or other medical facilities, one of such members shall be an authority in matters relating to the mentally retarded, one of such members shall be an authority in matters relating to mental health, and six members shall be appointed to represent the consumers of health services provided by medical facilities and shall be persons familiar with the need for such services in urban or rural areas.

"(b) Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. An appointed member shall not be eligible to serve continuously for more than two terms (whether beginning before or after the date of the enactment of this section) but shall be eligible for reappointment if he has not served immediately preceding his reappointment.

"(c) The Council shall meet as frequently as the Secretary deems necessary, but not less than once each year. Upon request by three or more members, it shall be the duty of the Secretary to call a meeting of the Council.

"(d) The Council is authorized to appoint such special advisory or technical committees as may be useful in carrying out its functions.

"(e) The Council shall supersede the existing Federal Hospital Council appointed under section 641 and the appointed members of the Federal Hospital Council serving on the date of the enactment of this title shall serve as additional members of the Council appointed under this section for the duration of their terms then existing, or for such shorter time as the Secretary may prescribe.

"(f) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply with respect to the Council under this section.

"STATE CONTROL OF OPERATIONS

"SEC. 1533. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility with respect to which any funds have been or may be expended under this title.

"DEFINITIONS

"SEC. 1534. For the purposes of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(2) The term 'Federal share' means the proportion of the cost of a medical facilities project which the State Agency determines the Federal Government will provide under allotment payments or a loan or loan guarantee under this title, except that—

"(A) in the case of a modernization project—

"(i) described in section 1504(b)(2)(B), and

"(ii) the application for which received a waiver under section 1504(b)(2)(A),

the proportion of the cost of such project to be paid by the Federal Government under allotment payments or a loan may not exceed $20,000 and may not exceed 100 per centum of the first $6,000 of the cost of such project and 66⅔ per centum of the next $21,000 of such cost,

"(B) in the case of a project (other than a project described in subparagraph (A)) to be assisted from an allotment made under part B, the proportion of the cost of such project to be paid by the Federal Government may not exceed 66⅔, and

"(C) in the case of a project (other than a project described in subparagraph (A)) to be assisted with a loan or loan guarantee made under part C, the principal amount of the loan directly made or guaranteed for such project, when added to any other assistance provided the project under this title, may not exceed 90 per centum of the cost of such project.

"(3) The term 'hospital' includes general, tuberculosis, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, facilities related to programs for home health services, self-care units, and central service facilities, operated in connection with hospitals, and also includes education or training facilities for health professional personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.

"(4) The term 'public health center' means a publicly owned facility for the provision of public health services, including related publicly owned facilities such as laboratories, clinics, and administrative offices operated in connection with such a facility.

"(5) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(6) The term 'outpatient medical facility' means a medical facility (located in or apart from a hospital) for the diagnosis or diagnosis and treatment of ambulatory patients (including ambulatory inpatients)—

"(A) which is operated in connection with a hospital,

"(B) in which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State, or in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State; or

"(C) which offers to patients not requiring hospitalization the services of licensed physicians in various medical specialties, and which provides to its patients a reasonably full range of diagnostic and treatment services.

"(7) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of—

"(A) medical evaluation and services, and

"(B) psychological, social, or vocational evaluation and services,

under competent professional supervision, and in the case of which the major portion of the required evaluation and services is furnished within the facility; and either the facility is operated in connection with a hospital, or all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(8) The term 'facility for long-term care' means a facility (including a skilled nursing or intermediate care facility) providing inpatient care for convalescent or chronic disease patients who require skilled nursing or intermediate care and related medical services—

"(A) which is a hospital (other than a hospital primarily for the care and treatment of mentally ill or tuberculous patients) or is operated in connection with a hospital, or

"(B) in which such care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(9) The term 'construction' means construction of new buildings and initial equipment of such buildings and, in any case in which it will help to provide a service not previously provided in the community, equipment of any buildings; including architects' fees, but excluding the cost of offsite improvements and, except with respect to public health centers, the cost of the acquisition of land.

"(10) The term 'cost' as applied to construction, modernization, or conversion means the amount found by the Secretary to be necessary for construction, modernization, or conversion, respectively, under a project.

"(11) The term 'modernization' includes alteration, major repair (to the extent permitted by regulations), remodeling, replacement, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

"(12) The term 'title,' when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than twenty-five years' undisturbed use and possession for the purposes of construction or modernization and operation of the project.

"(13) The term 'medical facility' means a hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, or other facility (as may be designated by the Secretary) for the provision of health care to ambulatory patients.

"(14) The term 'State Agency' means the State health planning and development agency of a State designated under title XIV.

"FINANCIAL STATEMENTS

"SEC. 1535. In the case of any facility for which an allotment payment, loan, or loan guarantee has been made under this title, the applicant for such payment, loan, or loan guarantee (or, if appropriate, such other person as the Secretary may prescribe) shall file at least annually with the State Agency for the State in which the facility is located a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility, and

"(2) the costs to the facility of providing health services in the facility and the charges made by the facility for providing such services.

during the period with respect to which the statement is filed.

"PART E—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 1540. (a) The Secretary shall make in each fiscal year a grant to each health system agency—

"(1) with which there is in effect a designation agreement under section 1415(b),

"(2) which has in effect an HSP and AIP reviewed by the Statewide Health Coordinating Council, and

"(3) which, as determined under the review made under section 1435(c), is organized and operated in the manner prescribed by section 1412(b) and is performing its functions under section 1413 in a manner satisfactory to the Secretary,

to enable the agency to establish and maintain an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 1413(c)(3).

"(b)(1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health service area for which the health systems agency is designated, the average family income of the area, and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health systems agency for any fiscal year may not exceed the product of $1 and the population of the health service area for which such agency is designated.

"(c) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $100,000,000 for the fiscal year ending June 30, 1976, and $150,000,000 for the fiscal year ending June 30, 1977."

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

SEC. 5. (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 314(a) of the Public Health Service Act, except that no grant made to a State with funds appropriated under this paragraph shall be available for obligation beyond (A) the date on which a State health planning and development agency is designated for such State under section 1421 of such Act, or (B) June 30, 1976.

(2) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 304 of the Public Health Service Act for experimental health services delivery systems, section 314(b) of such Act, and title IX of such Act, except that no grant made with funds appropriated under this paragraph shall be available for obligation beyond (A) December 31, 1975, or (B) the date on which a health systems agency has been designated under section 1415 of such Act for a health service area which includes the area of the entity for which a grant is made under such section 304, 314(b), or title IX.

(b) Any State which has in the fiscal year ending June 30, 1975, or the next fiscal year funds available for obligation from its allotments under part A of title VI of the Public Health Service Act may in such fiscal year use for the proper and efficient administration during such year of its State plan approved under such part an amount of such funds which does not exceed 4 per centum of such funds or $100,000, whichever is less.

(c) A reference in any law or regulation—

(1) to the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act shall in the case of a State for which a State health planning and development agency has been designated under section 1421 of such Act be considered a reference to the State agency designated under such section 1421;

(2) to an agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act shall if all or part of the area covered by such plan or plans is within a health service area established under section 1411 of the Public Health Service Act be considered a reference to the health systems agency designated under section 1415 of such Act for such health service area; and

(3) to a regional medical program assisted under title IX of the Public Health Service Act shall if the program is located in a State for which a State health planning and development agency has been designated under section 1421 of the Public Health Service Act be considered a reference to such State agency.

(d) Section 316 of the Public Health Service Act is repealed.

ADVISORY COMMITTEES

SEC. 6. (a) An advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall terminate at such time as may be specifically prescribed by an Act of Congress enacted after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare shall report, within one year after the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the purpose and use of each advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and (2) his recommendations respecting the termination of each such advisory committee.

AGENCY REPORTS

SEC. 7. The Secretary of Health, Education, and Welfare shall report, within one year of the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the identity of each report required to be made by the Secretary under the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to the Congress (or any committee thereof), (2) the provision of such Acts which requires each such report, (3) the purpose of each such report, and (4) the due date for each such report. The report of the Secretary under this section may include such recommendations as he considers appropriate for termination or consolidation of any such reporting requirements.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 7, line 17, insert a comma after "personnel".

Page 29, line 6, strike out "the State Agency's" and insert in lieu thereof "such State agency's".

Page 29, line 7, insert a comma before "may".

Page 31, line 11, strike out "system" and insert in lieu thereof "systems".

Page 43, line 14, insert "(B)" after "(3)".

Page 46, line 6, strike out "contains" and insert in lieu thereof "contain".

Page 48, strike out the period at the end of line 14 and insert in lieu thereof a semicolon.

Page 49, strike out the period at the end of line 2 and insert in lieu thereof a comma.

Page 51, strike out "the" at the end of line 3 and insert in lieu thereof "this".

Page 51, strike out line 25 and all that follows down through line 2 on page 52 and insert in lieu thereof "upon request of the Governor under an agreement with the".

Page 54, strike out "and" at the beginning of line 19.

Page 55, line 19, strike out "comprehensive" and insert in lieu thereof "Comprehensive".

Page 58, line 10, strike out "(5)" and insert in lieu thereof "(4)".

Page 67, insert at the end of line 13 the following: Information submitted to the Secretary by a health systems agency or a State Agency in connection with the Secretary's review under this subsection shall be made available by the Secretary, upon request, to the appropriate committees (and their subcommittees) of the Congress.

Page 71, insert close quotation marks at the end of line 8.

Page 82, line 20, insert "be" after "may".

Page 84, line 8, strike out "(b)" and insert in lieu thereof "(c)".

Page 84, line 14, strike out "(c)" and insert in lieu thereof "(d)".

Page 94, line 12, strike out "for payment" and insert in lieu thereof "to make payments".

Page 106, strike out the period at the end of line 4 and insert in lieu thereof a comma.

Page 108, strike out "December 31, 1975" in line 13 and insert in lieu thereof "June 30, 1976".

Mr. STAGGERS (during the reading). Mr. Chairman, I will suggest that all of these amendments be considered en bloc, since there are so many of them and it would take a considerable period of time to read them. Most of them have to do with just minor changes, changing a comma or a period.

Therefore, Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The committee amendments were agreed to.

AMENDMENTS OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer several amendments, and I ask unanimous consent, inasmuch as they all relate to the same subject, that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Moss: Page 17, beginning in line 9, strike out "a nonprofit private corporation" and insert "an entity".

Page 17, strike out lines 16 through 21 and insert in lieu thereof the following:

"(b) (1) LEGAL STRUCTURE.—A health systems agency for a health service area shall be—

"(A) a nonprofit private corporation (or similar legal mechanism such as a public benefit corporation) incorporated in the State in which the largest part of the population of the health service area resides and which is not a subsidiary of, or otherwise controlled by, any other private or public corporation or other legal entity;

"(B) a public regional planning body if it has a governing board composed of a majority of elected officials of units of general local government and if its planning area is identical to the health service area; or

"(C) a single unit of general local government if the area of the jurisdiction of that unit is identical to the health service area.

Page 18, line 18, strike out "Each health systems agency" and insert in lieu thereof the following:

The governing body of a health systems agency which is a public regional planning body or unit of general local government shall be the governing body of that regional planning body or single unit of general government, whichever is applicable. Any other health systems agency

Page 20, line 25, after "agency" insert the following: "which is a nonprofit private corporation or similar legal mechanism".

Page 22, after line 19 insert the following:

"(5) (A) ADVISORY COMMITTEE.—The governing body of a health systems agency which is a public regional planning body or a unit of general local government shall have an advisory health council (i) which shall advise the governing body with respect to the agency's organization, operations under this section, and the performance of its functions under section 1413, and (ii) the composition of which shall conform to the requirements of subsection (b),(3)(C).

"(B) If a governing body of a health systems agency which has an advisory health council described in subsparagraph (A)—

"(i) adopts a health systems plan or annual implementation plan under section 1413(b),

"(ii) makes a grant or enters into a contract under section 1413(c) (3),

"(iii) approves or disapproves under section 1413(e) a proposed use of Federal funds, or

"(iv) makes a recommendation under subsection (f), (g), or (h) of section 1413, and its advisory health council has made a recommendation to it for action differing from that taken by the governing body, the governing body shall make public the recommendation of the advisory health council, together with the governing body's reasons for taking such different action, and shall when reporting its actions to the Secretary or the State health planinng and development agency or the Statewide Health Coordinating Council, as the case may be include such recommendations.

Mr. MOSS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. Mr. Chairman, these are amendments which have been discussed rather widely. I think every Member of this body has heard from the Conference of Governors, from the National Association of Counties, and from the National League of Cities, among other groups. The amendments are offered to provide a public alternative to the private health systems agencies created by this bill.

It is my understanding that these amendments are now acceptable to the committee, and I will ask the gentleman from Florida (Mr. ROGERS) if that is the case, that the amendments are agreed to by the committee.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, the answer is "yes."

Mr. MOSS. With that understanding, Mr. Chairman, unless there are questions, I will yield back the balance of my time.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I thank the gentleman for yielding.

Do these amendments take care of the objections of the Area Council of Governors?

Mr. MOSS. They do indeed.

Mr. KAZEN. Mr. Chairman, I thank the gentleman.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, as the gentleman knows, I plan to offer an amendment to his amendment, which I understand has been cleared all around, and when my amendment is added to his amendments, it will still leave the gentleman's amendments, as amended, acceptable to the committee.

Is that the gentleman's understanding?

Mr. MOSS. Mr. Chairman, that is my understanding, and I will ask the chairman of the subcommittee, the gentleman from Florida (Mr. Rogers), to confirm that fact.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, the gentleman is correct. It would not change the gentleman's amendments nor their acceptability.

Mr. MOSS. Mr. Chairman, I would suggest, in the interest of orderly procedure, that the gentleman's amendment to the amendments be reported at this point, and I would yield for that purpose.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, do the gentleman's amendments, in allowing now an alternative, change the membership requirement content in the committee-reported bill?

Mr. MOSS. These amendments offer an alternative. The responsibility for health planning can be vested in local governing bodies or regional bodies composed of public officials.

Mr. STEIGER of Wisconsin. Mr. Chairman, if the gentleman will yield further, thus the gentleman is saying—and the gentleman from Florida might confirm what I have missed—that if a local government agency composed of elected officials is eligible under the Moss amendments, and that alternative is acceptable, the membership of that body is to be composed identically as the membership of the present regional organization; that is, it can be?

Mr. STEIGER of Wisconsin. If it does not comply, if the regional organization does not comply, and we go with the nonprofit organization, then the membership requirements of the committee bill would hold; is my understanding correct?

Mr. MOSS. That is my understanding.

Mr. STEIGER of Wisconsin. I thank the gentleman.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Is my understanding correct, that the so-called public institution approach or public council approach would receive, as the private, nonprofit organizations would, under this legislation the preponderance or totality of their funding from the Federal Government?

Mr. MOSS. That would be my understanding. What we are providing is an alternative entity to undertake the duties which would be granted to the nonprofit organizations under the bill as reported.

Mr. HEINZ. If the gentleman will yield for a further inquiry, would it, therefore, be accurate to say that we will be funding these public bodies directly from the Federal Government, the public governing body's health council, directly from the Federal Government to the extent of 100 percent of the funds?

Mr. MOSS. To the same extent and in the same manner that the bill would fund a nonprofit body undertaking similar obligations.

Mr. HEINZ. I thank the gentleman.

AMENDMENT OFFERED BY MR. FRASER TO THE AMENDMENTS OFFERED BY MR. MOSS

Mr. FRASER. Mr. Chairman, I offer an amendment to the amendments.

The Clerk read as follows:

> Amendment offered by Mr. Fraser to the amendments offered by Mr. Moss: In the subsection (b)(1)(B) proposed to be inserted on page 17 insert after "units of general local government" the following: "or it is authorized by State law (in effect before the date of enactment of this subsection) to carry out health planning and review functions such as those described in section 1413".

Mr. FRASER. Mr. Chairman, this amendment is intended to take care of a particular problem in Minnesota.

Our metropolitan health board in the Twin Cities, which undertakes health planning and review, is a subsidiary unit of the metropolitan council, an agency with broad authority to coordinate metropolitanwide programs in our seven-county region. The council whose 15 members are appointed by the Governor of Minnesota, is the only agency of its type in the country.

The present health board has been in existence since 1970. It has 25 members, of whom 15 members must be consumers and 5 must be providers representing hospitals, nursing homes, health care establishments, licensed medical doctors, and other health professionals.

This amendment is designed to permit the metropolitan council and its health board to continue to be responsible for health planning and review for the Minneapolis-St. Paul metropolitan area. The amendment will apply only to the State of Minnesota, and we have submitted it in advance.

Mr. STAGGERS. Mr. Chairman, would the gentleman yield?

Mr. FRASER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. After reading the amendment, I think it certainly is a good amendment.

I want to congratulate the gentleman for protecting his area, which this does; and I also want to congratulate the originator of the first amendment, the gentleman from California (Mr. Moss), because this takes care of a situation which affects all America. There was a lot of complaint about it, and the two amendments, I think, work together.

Therefore, I would be willing, as I am sure all the Members on this side would, to support the amendment of the gentleman from California (Mr. Moss), as amended by the amendment of the gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. I thank the chairman very much.

Mr. ROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have heard from Mr. Moss that it would be desirable to amend H.R. 16204 and allow for the sponsorship of health systems agencies—HSA's—by councils of governments.

In response to this suggestion, I would like to make four points. First, the bill, as currently drafted, requires participation on the board by public elected officials and other representatives of governmental authority; the question raised by Mr. Moss' amendment is not participation, it is control. Second, under the CHP program, agencies controlled by councils of government have been "development" oriented and have contributed to the escalation of the cost of health services. Third, under the CHP program, council of government sponsored agencies have not been able to hire adequate staffs. Fourth, in the United States, health services, in contrast to sewer, highway, and public transportation services, is a private sector industry. A publicly controlled agency, without representatives on the board from the private sector, is thus inappropriate for health services.

There is a clear requirement in the bill, as drafted, for participation by public elected officials. The question posed by Mr. Moss' amendment is not participation by local officials and other representatives of Government authority, but is in fact control of the health planning and resource development activities. The bill, as written, requires in section 1412 (b)(3)(C), on page 21, line 20:

> The membership of the governing body and executive committee (if any) of an agency shall include (either through consumer or provider members) public elected officials and other representatives if governmental authorities in the agency's health service area . . .

So the question is in fact not one of participation, but is one of control.

The second point which needs to be made with respect to this amendment is that the experience under the CHP program is that public sponsored agencies are "development," and not "health services," oriented. The track record in this area is unequivocal. Case after case may be cited in which in the interest of cost containment and quality health care, new facilities were approved by public agencies which should not have been approved. Greensboro, N.C.; Atlanta, Ga.; St. Paul, Minn.; Jonesboro, Ark.; and more recently Montgomery County, Md., may all be cited as instances of public sponsored agencies pushing development of unneeded health facilities in their area.

There are now more than 61,000 excess hospital beds in the Nation. The GAO reports:

There are 38,000 excess obstetric beds in the Nation;

There are almost 9,000 excess pediatric beds nationwide;

Ninety-seven percent of hospitals with open heart surgery capacity perform fewer than four procedures per week, the minimum number for efficient, quality services.

The need in the health services industry is not for more construction, more development. It is, in fact, for closure of beds, consolidation of services. Councils of government are development oriented. They are inclined to promote more industry, to increase the number of jobs. This is understandable and proper. It is a reasonable approach to the development of sewers, highways, and other services. But in the health services area, this is unequivocally inflationary.

The third point with respect to the public agency amendment is that the experience in the CHP program is that such agencies are generally unable to pay salaries sufficient to hire competent staff. At the present time, salaries paid in the private sector of the health services industry—by hospitals, Blue Cross organizations, medical schools—are relatively high. In a health planning agency located in a council of government, salaries have usually been pegged to salaries paid by other sectors in the council of government, not to salaries paid in the health services industry. In such instance, CHP agencies located in councils of government have not been able to pay salaries competitive with private sector health institutions. If we are to control the 22-percent rate of inflation in the hospital industry, the best people available must be involved in health planning. We can be assured that in most instances a health planning agency sponsored by a council of government will not pay salaries adequate to attract the best people from the private sector institutions.

The final point which needs to be made with respect to this amendment is that the health services industry is a private sector industry; 85 percent of health services are provided by institutions in the private sector. This is in dramatic contrast to the public sector domination of sewers, highways, and mass transportation. In a private sector industry, it is appropriate that a planning and development program involve private sector providers at the highest level. Agencies would be allowed under Mr. Moss' amendment to have no providers on the board of the local health services agency, unless such an individual happened to be on the board of the COG. To give an agency the authority H.R. 16204 gives to health service agencies—and which must necessarily be given to health services agencies—and then involve no providers on the board, can only lead to undesirable results.

Mr. Chairman, in conclusion, let me reiterate that the present draft of H.R. 16204 requires participation by individuals from local government. The question raised by the Moss amendment is not participation, it is control. Our experience with public agency control of health planning programs is that they are development oriented and, therefore, inflationary. It is that such agencies are by and large unable to hire the competent staff which will be necessary for the effective administration of this program. And the final point is that in a private sector industry, a private sector planning and development program is appropriate. Mr. Moss' amendment would allow health planning agencies which would have no health providers on the board of the key local agency.

For these reasons, it is my hope that the Governors, and thereafter the Secretary of Health, Education, and Welfare, will recommend and accept as health systems agencies only those public agencies which have by their previous performances proved that they are, first, not merely development oriented but also systems oriented; second, can attract competent professionals and pay adequate salaries; and third, have sought and given thorough consideration to the recommendation of health care providers from the private sector. Few existing public agencies can meet these criteria. Where the geographic and demographic requirements plainly indicated by the language of the legislation.

Mr. NELSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am inclined to add my comments to those of the distinguished gentleman from Kansas (Mr. Roy), because it was the feeling of our committee that oftentimes you get these delivery systems mired down in a little local politics. And where there may be areas where this would be of benefit, there are some areas where some hazards are involved.

The advisory committee set up in this bill will be made up of providers and professional medical people. We felt some change might be of benefit to the entire delivery system, but I do want to comment about my colleague, the gentleman from Minnesota, that the group the gentleman refers to is regarded as an expert group in that field.

So it is pretty hard to know just how to draw it where some factors of the delivery system are overlooked.

But I also want to add that in legislation compromise is important, so it was the feeling of some of us that some of these concerns that have been expressed here probably could be accommodated without any dire damage to this bill. So I would agree with the gentleman from Kansas (Mr. Roy) that I have reservations, but I do feel that perhaps that under the circumstances the amendments that have been offered should be accepted.

Mr. ROY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Kansas.

Mr. ROY. Mr. Chairman, may I say that my experience in talking to people throughout the Nation is that many of these public agencies have done a good job, while others have done a very poor job, for some of the reasons that were mentioned by the gentleman from Minnesota, and for reasons that I mentioned before. So that I would again like to express my hope that the Governors and the Secretary of Health, Education, and Welfare will take this into very careful consideration at the time they approve the health system and the public agencies for any given area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Fraser) to the amendments offered by the gentleman from California (Mr. Moss).

The amendment to the amendments was agreed to.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Moss), as amended.

The amendments, as amended, were agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murphy of New York: Add to line 8, page 37, Section 1416(b)(1): "If the Secretary designates a health services area with more than 3 million people, as authorized under Sec. 1411(a)(3)(A), then the amount allowed as a maximum grant under this section shall be increased by the same ratio as 3 million is to the actual population of the health services areas as approved by the Secretary."

Mr. MURPHY of New York. Mr. Chairman, this is a simple amendment. It is really a technical amendment to the Health Planning and Development Act. My concern is the funding limitations for health planning systems created under the bill. Section 1411 limits a health service area to 3 million population, unless the Secretary approves a waiver of that limitation in order to include an entire standard metropolitan statistical area, such as New York City, possibly the bay area, possibly Los Angeles, and possibly the Chicago area.

The health problems of these old urban areas certainly are well known to this committee, and the committee well knows my support of medicine in rural areas. They know that as a member of the rural caucus I have a 100-percent voting record in support of the rural areas. I certainly supported the remarks of my colleague, the gentleman from North Dakota. They know that in our city we have not been able to build a voluntary hospital in over 30 years. They know that the city administration had to get rid of its own hospitals and push them out into the Hospital Corporation.

We well know the tremendous concentration of aged with the incident health problems in our cities. We know the great mobility through metropolitan problems. We well know the programs, the thrust for national health insurance. I think that the planning moneys are very important, and I think that as we analyze it, we realize that to properly plan for an area, say, as big as 8½ million people, we certainly must have some relaxation and understanding of this funding.

Section 1416(b)(1) sets a funding maximum of $1½ million for a normal grant to a health systems agency. This limitation is arrived at by multiplying the maximum population of 3 million by 50 cents per individual. It seems only logical that if the Secretary can waive the 3 million population requirement, the funding limitation should, accordingly, increase in the same proportion as the population of the health system agency.

I certainly hope that the committee will favorably consider this modest amendment to a bill that contains almost $2 billion in health services. I think that this is closed-end, and the maximum increase could possibly be $3 or $4 million.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, section 1416(b) places a limit of $1.5 million on the basic planning grant to any health systems agency, even though the grant is otherwise calculated at 50 cents per capita. In an area such as New York City, where a metropolitan health planning agency is required, this is only 40 percent of what would be provided under straight capitation. This 40 percent is probably adequate for staffing and running the central planning office of the metropolitan health planning agency, since this agency should not, and cannot do detailed local health planning. Our experience in New York City has been that the metropolitan agency is totally unable to deal with local programs, institution or neighborhood health planning. Unless the responsibility for these functions is placed in the subarea councils, it would not be done at all.

Health planning is not cheaper wholesale. Where a metropolitan or other large health planning agency is required, a two-tier system is also required. Our experience shows that proper support of subarea councils costs at least 30 cents per capita. The bill provides for the two-tier system, recognizing that is essential, but fails to provide the means to accomplish the goals it is supposed to achieve. This amendment is all the more important because it is precisely in the large metropolitan areas that the greatest need for detailed health planning exists.

Even with the maximum Federal matching funds, the total Federal funds available to New York City, for instance, is still less than the basic 50 cents per capita that the bill itself finds to be a needed rate in other areas. Furthermore, it was exactly the difficulty of obtaining local funds that led the committee to conclude that a flat Federal grant was necessary to insure that basic health planning, which will ultimately save more Federal money than local money, is actually done. In short, a higher maximum is needed. To provide otherwise is a false economy.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment. I do so very reluctantly, because the gentleman from New York is a very valuable member of our committee and is well versed on every subject, I am sure, which comes before the committee. I might point out that while the bill has a maximum on the grant an area can receive without Federal funds, there is no maximum on the amount of local planning money we will match with Federal funds, nor on the development or hospital construction funds which might go to New York City. He mentioned that a hospital in New York is badly in need of repair and is 30 years old. There is no maximum on the amount of money that can be spent on that. We have a maximum only on unmatched planning funds.

That is the only place we have it. We feel that the planning funds should be distributed across America in an equitable way. We also feel that some economies of scale are achieved as the areas and grants get larger and thus that a maximum was appropriate. If we did not have a maximum, one city might get all the money and no one else would. We do not think this is right. We have said in our bill they can get as much of the available money for building a hospital as they need. There is no maximum set on it. Thus, there is no maximum set on repairing the old hospital the gentleman was talking about. But there is a maximum set on new unmatched planning funds. We put this precaution into the bill and it is only for unmatched planning funds. For that reason I would have to oppose reluctantly the amendment offered by the gentleman.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, I would point out we are not talking about one hospital. We are talking about a system of 80 hospitals. We are talking about 50 million people who are virtually confined by State laws and the maximums within this law as it would apply to these five counties to an inadequate amount of money. We run into a special problem in our city. It is an area where the planning dollar is diluted by the high cost of living in the area.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, I agree with the chairman, the gentleman from West Virginia (Mr. STAGGERS), wholeheartedly that this is not an appropriate amendment for the House to approve. This maximum applies simply to the grant that is given in Federal money without local matching. We have provided a maximum for that so all areas can get some.

I think the gentleman from New York would be interested to know that, if they raise local funds for planning, we will match it and that there is no limitation on that. This will help to meet his problem and they would qualify for the maximum basic grant without matching. But a maximum is set to allow the moneys to go to other areas.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield further, what the gentleman from Florida does in opposing this amendment is to make the New York citizens second-class citizens. He gives only 15 cents per capita to New York citizens whereas the rest of the Nation gets 50 cents. I frankly do not understand that.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield further, we would give anybody up to $1.5 million. They can get up to $1.5 million with no local matching. Over that if they raise local or State funds the Federal Government will match it, so it is not an inequitable situation at all. Everyone is qualified to get up to the maximum amount in a nonmatched grant so this will apply countrywide. Everybody will be treated equally under the bill. If the gentleman has greater needs in his area he can raise local and State funds and we will match.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield further, everybody outside Los Angeles and New York will be treated equally and these two metropolitan areas actually will be discriminated against.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was rejected.

AMENDMENTS OFFERED BY MR. SATTERFIELD

Mr. SATTERFIELD. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. SATTERFIELD: Page 30, line 5, strike out "the need in the area for" and insert "the appropriateness in the area of".

Page 30, strike out line 6 and all that follows down through and including line 13.

Page 51, strike out lines 16 through 18 and insert in lieu thereof the following: "under section 1413(g) respecting the appropriateness of such services and make public its findings for the purpose of informing the providers of such services what voluntary remedial measures may be advisable."

Page 52, strike out "need for" in lines 19 and 22 and insert in lieu thereof "appropriateness of".

Mr. SATTERFIELD. Mr. Chairman, I ask unanimous consent that my amendments, appearing to apply to more than one section, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SATTERFIELD. Mr. Chairman, the provisions which I seek to amend would direct each health systems agency, that is the agency having primary planning responsibility in local health service areas, to review on a periodic basis, at least every 5 years, all institutional health services in its area.

The health systems agency is then required to make recommendations to the State health planning and development agency respecting the need in the area for such services.

If the State agency determines that a need for a particular institutional health service does not exist the health systems agency is directed to work with the provider of the service, the State agency and the appropriate individuals for the elimination of such service.

Thus while direct recertification of need is not specifically required by the bill, the same result is achieved.

Under the amendment which I have offered, the health systems agencies would periodically review institutional health services not with regard to current need but with regard to appropriateness of that service.

The findings of the State agency would be confined to the question of appropriateness of a health service instead of its current need, and its findings would be made public for the purpose of informing the providers of such service what voluntary remedial measures may be advisable.

The direction given to health systems agencies by the bill as written, to work with the providers, the State agency and others to improve or eliminate such services, is deleted.

I believe a good case can be made for initial certification of new institutional services. For only through good planning at the outset and realistic appraisal of needs can wasteful projects be prevented. However, once a facility is approved there should be no further doubt as to continued governmental approval in terms of its anticipated longevity. Periodic review as to continuing need fails to achieve that objective.

The direction contained in this bill to periodically restudy the need for facilities when coupled with an explicit recognition of the need for possible elimination has the effect of holding an ax over the head of every health care institution in this country from the day its construction is approved to the day that the demolition crew gets the go-ahead. The fact that the ax may never fall cannot eliminate the perpetual fear that it might. Such a fear is more than an emotional burden: it is also a financial burden.

The possibility that a service or a whole institution might be eliminated will make long-term financing of that service or institution much more expensive if not altogether impossible.

These provisions would add a new risk to the decision to invest in long-term hospital bonds or other long-term loans over and above those normal risks already factored into the existing interest structure for they introduce a bureaucratic mechanism for closing down institutions which are found to be no longer needed. That new risk is a serious one which must be compensated for through the offer of higher rates of interest in order to attract capital.

Because of our present financial crisis the most practical and widely used method of financing health care facilities in this country is through the sale of bonds. It would be short-sighted for us to pass a measure, such as the one before us, without considering its effect on the sale of these bonds.

For purposes of estimating the possible consequences of these provisions in the bill, Paine, Webber, Jackson & Curtis, a New York stock brokerage house, has made computer computations estimating that a drop of even one grade in bond ratings would necessitate an interest rise of three-eighths of 1 percent, Paine Webber calculated the additional interest cost on 25-year bonds sold to raise $10 million of construction capital—an average undertaking. The estimated additional cost precipitated by these provisions would be $800,000 for that one issue alone.

This is a bill designed to improve planning. Under its terms we should reasonably expect our planners to make responsible and valid decisions on the projected need for any new facility. Their projections must be reliable enough—and final enough—to insure that the financial risk of building the facility is worth taking.

If such a decision is not possible then the proper solution should be not to approve the facility in the first instance.

There are additional aspects of the matter which merit consideration.

First, the objectionable provisions of this bill to which I have addressed my remarks, apply with equal force to existing facilities and could severely depreciate or destroy existing investments which were made in good faith by individuals who can least afford a loss in the value of their investments;

Second, the provisions will seriously curtail the availability of private capital for renovation of existing facilities, a need which far exceeds the need for new facilities; and

Third, the higher cost of private capital for construction or renovation if and when it can be obtained will ultimately be passed on to the health consumer in terms of higher costs of health services. That will produce a result which is contrary to the basic thrust of this bill.

The amendment which I have offered will cure the objections to which I have referred and I ask for your favorable vote.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, after considering the amendments on this side, we will be amenable to agreeing to the amendments.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I would be happy to add the same point of view on this side. We think the amendments are good and we support them.

Mr. SATTERFIELD. Mr. Chairman, in view of that and the discussion we had earlier, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Virginia (Mr. Satterfield).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ALEXANDER

Mr. ALEXANDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Alexander: Page 13, insert between line 3 and line 4 the following new paragraph:

"The boundaries of a health service area shall be established so that, in the planning and development of health services to be offered within the health service area, any economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas shall be established so as to recognize the differences in health planning and health services development needs of nonmetropolitan and metropolitan areas."

Mr. ALEXANDER. Mr. Chairman, this is the amendment to which I referred in my colloquy with the gentleman from Kansas (Mr. Roy) during general debate.

Mr. Chairman, I rise at this time to offer an amendment to section 1411(A) of H.R. 16204, the National Health Policy, Planning and Resources Development Act of 1974. It is my intent in offering this amendment to help assure that fair and equitable treatment is given nonmetropolitan—countryside or rural—areas.

It is my belief that this language is essential to this bill to make indisputably clear congressional intent that health service areas are to be so established that the needs, problems, and interests of nonmetropolitan areas—rural areas—are properly addressed.

The primary objective of regional multijurisdiction efforts in metropolitan areas is to coordinate diverse and often overlapping efforts to deal with such problems as poor health services. However, in nonmetropolitan areas the objective of health services such as are proposed in this bill must be more directed toward pulling enough resources together to get anything going at all.

It is the intention of this amendment, therefore, that Federal assistance for the health service areas created under this bill recognize the differences between the health planning and development efforts needed in nonmetropolitan and metropolitan areas.

A principal objective of health planning and resource development in nonmetropolitan areas must be to increase accessibility to health care by development of health care resources in geographically isolated or sparsely populated areas.

A generally accepted criteria for the establishment of multijurisdictional planning areas in rural or countryside areas is that the individuals living any place in the area should be able to commute to, in no more than an hour, a place of employment in the center of the area. The matter of geographic and time accessibility to health care services must be taken into account in establishing a health services area under the provisions of this act.

In other words, the health service area must be designed so that it will function effectively with, and support, the existing social, economic, and governmental systems of the community. In order to do this, the health services areas created under this act must coincide with, or not be in conflict with, the established economic trade areas.

Failure to do this could seriously jeopardize the essential participation of those in the area and their acceptance of a health planning effort. This would be particularly true in event a countryside—or rural—nonmetropolitan area could only participate as part of a "balance of state" approach to planning in nonmetropolitan areas if it is forced to mix the different kinds of objectives for planning in nonmetropolitan and metropolitan areas.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, we have read the amendment and have agreed that it is pertinent to the bill and we agree to it.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I have a similar situation in southern Illinois. I think this is a good amendment. I commend the gentleman for offering it.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I would like to ask the chairman of the subcommittee a question. During hearings on this bill, I appeared and asked the question as to the size of a community less than 500,000. Just for the purpose of establishing legislative history, is this or is this not taken care of in the bill?

Mr. ROGERS. Yes. It is taken care of in the bill and we have done that. I think also in this amendment it is clarified.

Mr. KETCHUM. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I find the amendment also serves a need in the State of Washington. I appreciate the fact that the gentleman has submitted this amendment and I congratulate the committee for accepting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas (Mr. ALEXANDER).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. PREYER

Mr. PREYER. Mr. Chairman, I offer a series of amendments and I ask unanimous consent that my amendments be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. PREYER: Page 57, strike out line 17 and all that follows down through and including line 9 on page 58, and insert in lieu thereof the following:

"(3) The term 'provider' of health care' means an individual—

"(A) who is a direct provider of health care in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

"(B) who is an indirect provider of health care in that the individual—

"(i) holds a fiduciary position with, or has a fiduciary interest in, any entity described in subclause (II) or (IV) of clause (ii);

"(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(I) Fees or other compensation for research into or instruction in the provision of health care.

"(II) Entities engaged in the provision of health care or in such research or instruction.

"(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provisions of health care.

"(IV) Entities engaged in producing drugs or such other articles.

"(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or

"(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

Page 21, insert before "The" in line 20 the following: Not less than one-third of the providers of health care who are members of the governing body or executive committee of a health systems agency shall be direct providers of health care (as described in section 1431(3)).

Page 54, insert after line 10 the following:

"(C) Not less than one-third of the providers of health care who are members of a SHCC shall be direct providers of health care (as described in section 1431(3)).

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PREYER. Mr. Chairman, I offer these amendments to H.R. 16204 which are intended to insure that direct providers of health care are adequately represented on the governing bodies of the health systems agencies and on the Statewide Health Coordinating Councils.

It has been a matter of some concern that those who are most directly involved in the day-to-day provision of health care to individuals and in the administration of health care facilities might be underrepresented on these bodies. Certainly this was not the committee's intention. The report notes that the governing body of an HSA should "adequately and equitably represent the area's population and health care providers," and it seems apparent that this could be accomplished only through substantial representation of direct providers of health care.

Nevertheless, in order to be clearer and more explicit on this point, the present amendment would redefine "provider"—for the purpose of this legislation only—by distinguishing between "direct" and "indirect" providers of health care, and it would mandate that the number of direct providers of health care be no less than one-third of the total number of providers on each of the bodies in question.

Basically, a direct provider would be defined as one whose "primary current activity" is the provision of health care to individuals or the administration of health care facilities or institutions, while the indirect provider would be one involved in various other specified ways with the health industry. It is assumed that an individual coming under the definition of "direct provider" would be so classified. Thus, for example, health professional schools, which under the proposed legislation would have to be represented on the governing body of the HSA, could be represented by either a direct or an indirect provider.

I would like to emphasize two points regarding the amendment. First, it would not increase the total number of providers on the governing body of the HSA or on the Statewide Health Coordinating Council; it would merely assure that a fair and reasonable proportion of those providers—at least one-third—be direct providers of health care. Second, it would neither include as a provider any whom the committee intended to exclude, nor exclude any the committee intended to include.

Mr. Chairman, I feel that this amendment is necessary to alleviate legitimate concerns that direct providers of health care might not be adequately or equitably represented. In addition, I feel it is consistent with the composition of these bodies as envisioned by the committee, and I urge adoption of the amendment.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I think the gentleman has a good point. We certainly ought to have some of the experts on the boards. I would be willing to accept the amendments on this side.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, on this side of the aisle we likewise have the same point of view.

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Carolina (Mr. PREYER).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. NELSEN

Mr. NELSEN. Mr. Chairman, I offer amendments, and I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. NELSEN: Page 71, line 24, strike out "through allotments under part B" and insert in lieu thereof "through project grants under part B".

Page 72, line 11, strike out "with the approval of" and insert in lieu thereof "after consultation with".

Page 72, strike out lines 23 through 25 and insert in lieu thereof the following:

"(B) to projects to enable medical facilities—

"(i) located in urban areas with medically underserved populations,

"(ii) which have experienced high occupancy rates, and

"(iii) which are in serious need of modernization,

to comply with applicable requirements of licensing, certifying, or accrediting entities,".

Page 79, line 25, strike out "the allotments made" and insert in lieu thereof "grants".

Page 80, strike out lines 6 through 8, and insert in lieu thereof the following:

"(1) in the case of a project to be assisted by a project grant made under part B, there are sufficient funds appropriated under such part to make such grant;

Page 80, line 24, strike out "and"; page 81, strike out the period at the end of line 2 and insert in lieu thereof "; and"; and insert after line 2 on that page the following:

"(B) the application contains assurances that the State Agency has determined that the applicant making the application would not be able to complete the project for which the application is submitted without the assistance applied for.

Page 81, strike out line 9 and all that follows down through and including line 2 on page 86 and insert in lieu thereof the following:

"PART B—PROJECT GRANTS

"PROJECT GRANTS

"SEC. 1510. (a) From sums appropriated under section 1513 the Secretary may make grants for projects described in section 1501 for which applications have been approved under section 1504. The amount of any grant made under this section for a project shall be the Federal share of the project as specified in the application for the grant.

"(b) In any fiscal year not more than 15 per centum of the sums appropriated under section 1513 may be obligated for grants in that fiscal year for the construction of new medical facilities.

Page 86, beginning in line 4, strike out

"SEC. 1513. There are authorized to be appropriated for allotments

and insert in lieu thereof the following:

"SEC. 1511. There are authorized to be appropriated for grants

Page 96, strike out lines 3 through 11 and insert in lieu thereof the following:

"SEC. 1530. If the Secretary refuses to approve an application for a project submitted under section 1504, the State Agency through which such application was submitted may appeal to the United States court of appeals for the circuit in which such State Agency is located, by filing a

Page 100, beginning in line 22, strike out thereof "a grant".

Page 101, line 5, strike out "allotment payments" and insert in lieu thereof "a grant".

Page 101, strike out lines 9 through 11 and insert in lieu thereof the following:

"(B) in the case of a project (other than a project described in subparagraph (A)) to be assisted from a grant made under part B, the proportion of the cost

Page 105, beginning in line 18, strike out "an allotment payment" and insert in lieu thereof "a grant"; and in line 20 on that page strike out "payment" and insert in lieu thereof "grant".

Mr. NELSEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. NELSEN. Mr. Chairman, I rise to speak in support of the position that H.R. 16204 should be amended so as to reflect more appropriately the needs of the day and to provide for more specific targeting of the health care facilities funds to be made available under the provisions of this bill.

The amendment I am proposing would replace the extension to the Hill-Burton formula grant program as contained in H.R. 16204 with a program of project grants administered directly by the Secretary of the Department of Health, Education, and Welfare.

It is important to explain why I feel the Hill-Burton program has already accomplished its objectives and should, accordingly, be replaced with a program more targeted to today's needs.

The original enactment of Hill-Burton was based in the desire to increase the number of and to better distribute hospital beds. In 1946, while the eight States with the highest income had 4 beds per 1,000 population, there were only 2.5 beds per 1,000 population in the eight States with the lowest income. Today, this imbalance has been corrected and, indeed, the facilities in the poorer States are, on the average, newer facilities. Today the need is not for additional beds and hospitals but for the modernization, including replacement of existing hospitals and for increased ambulatory care facilities.

According to a report by Dr. Paul Ellwood, best known for his HMO strategy, hospital beds needed in 1980 will be 70,000 less than we have today—comparing a projected need for 843,000 beds in 1980 with our current supply of 912,000 hospital beds.

Under the existing program, Hill-Burton funds were distributed within States according to priorities set forth in the original statute. From 1948 to 1970 priority was given to rural areas. When this priority was initially established it was generally recognized that rural areas had the greatest shortage of hospital beds. Thus, since the beginning of the program, Hill-Burton funds have been concentrated in communities with populations between 5,000 and 250,000. Correspondingly, hospitals in communities of over 250,000 have received a disproportionately small share of Hill-Burton funds.

As of September 1974, 11,515 grant projects had been approved for the construction or modernization of more than 6,558 public and voluntary nonprofit facilities serving 3,973 communities throughout the country. Some 496,158 inpatient beds were provided for hospitals and nursing homes. The total cost of these projects was $14.6 billion, of which the Hill-Burton funds were $4.1 billion. The matching funds of $10.5 billion were provided for the most part by nongovernmental sources and in some cases by State and local governmental sources.

Under the new Hill-Burton loan and loan guarantee programs, for which final regulations went into effect in January 1972, loan guarantees with interest subsidies may be made to private nonprofit agencies and direct loans to public agencies to aid in modernizing or constructing health care facilities. Some 255 loan guarantees and direct loans, totaling $1,039 million, had been approved through June 1974. The legislative authorization provides that loans totaling $1.5 billion may be guaranteed over the 4-year period covered by the statute.

While there is no longer need for the broad scope of Federal assistance provided in the past, there are hospitals and other health facilities operating with serious structural and safety problems because they are unable to finance necessary modernization expenditures. These health facilities are located most often in poorer communities, both rural and inner city. Most lack the required down payment for acquiring a loan.

In addition, many do not generate sufficient cash flows to pay off a sizable loan. In addition, negative cash flows often result in those hospitals when the patient population served has inadequate insurance coverage. The lower rate of reimbursement paid by medicaid for outpatient services also weakens the financial position of inner-city hospitals. Since the Hill-Burton program has no financial needs tests, the facilities receiving Hill-Burton assistance have in large measure been those where a need exists and where the front-end money and cash flow were sufficient to meet the Federal financial requirements.

However, because of the front-end equity and cash flow problems, there are urban and rural pockets of serious facility needs where the facilities are unable to avail themselves of Hill-Burton assistance.

The continuation of any type of formula grant program intended to correct this problem is an unnecessarily expensive approach because it could require unacceptably large appropriations in order to reach needy areas that exist in many States.

In December 1973, HEW conducted a nationwide survey of State Hill-Burton agencies to determine the number and distribution of short-term, nonprofit, general hospitals that did not meet structural and safety standards for at least 25 percent of their beds. All hospitals identified as needing modernization had to have over 10 beds, have been recommended by the areawide comprehensive health planning (b) agency for modernization and believe to be unable to generate the necessary funds for capital improvements because of insufficient patient payments.

The study found 341 hospitals with serious defects. In examining the distribution of the hospitals these tended to be concentrated in rural and urban poverty areas. This is not surprising since, as I have already explained, there is an inconsistency between the Federal objectives for health facilities for the Nation as a whole and the inability of the Hill-Burton program, as presently structured, to target assistance on facilities in greatest need and the further aggravation of the problem due to the inability of such institutions to accumulate adequate capital set-aside funds from operating income.

Imbalances between revenues and expenses can result when there is inefficient management or when a substantial portion of the patient population served has inadequate or no insurance coverage. Data from the Social Security Administration and the American Hospital Association, which spans the years 1968–72, showed 20 to 25 percent of short-term hospitals annually had expenses exceeding revenues and almost 10 percent of a Social Security Administration sample of hospitals had negative cash flow in 1968.

Until the implementation of some form

of national health insurance a number of facilities will have insufficient cash flows. Some of these may need modernization. In the interim period, however, I believe a highly selective form of targeted assistance is desirable until the advent of comprehensive health insurance. Therefore, I favor a limited program of grant assistance, targeted to institutions where the need is greatest.

In conclusion, let me repeat that those of us who support this amendment believe that the Federal Government should serve only as a last resort of financing hospital modernization. Accordingly, in order to obtain assistance, an applicant must certify to its inability to obtain a loan for the project unless the grant is awarded; and in the case of public hospitals, to present evidence as to the inability of the State or locality served to finance the project without the grant. We believe that only an approach such as this will assure that scarce Federal funds are targeted to those instances in which they will do the most good. We, therefore, strongly urge that this House accept this amendment.

I include the following:

MEDICAL FACILITIES CONSTRUCTION—UNOBLIGATED BALANCE OF 1974 APPROPRIATION AS OF JUNE 30, 1974

	Allocation	Obligation through June 30, 1974	Unobligated balance as of June 30, 1974
Total	187, 340, 000	2, 676, 420	184, 663, 580
Alabama	$3, 697, 003	$100, 000	$3, 597, 003
Alaska	1, 200, 000	40, 700	1, 159, 300
Arizona	1, 823, 737	0	1, 823, 737
Arkansas	2, 291, 278	0	2, 291, 278
California	11, 090, 322	0	11, 090, 322
Colorado	2, 080, 243	95, 003	1, 985, 240
Connecticut	2, 003, 803	50, 500	1, 953, 303
Delaware	1, 200, 000	0	1, 200, 000
District of Columbia	1, 200, 000	0	1, 200, 000
Florida	$6, 160, 708	$2, 091	$6, 158, 617
Georgia	4, 226, 374	114, 034	4, 112, 340
Hawaii	1, 200, 000	0	1, 200, 000
Idaho	1, 316, 370	27, 000	1, 289, 370
Illinois	6, 832, 057	100, 000	6, 732, 057
Indiana	4, 393, 293	82, 510	4, 310, 783
Iowa	2, 852, 476	0	2, 852, 476
Kansas	2, 181, 413	0	2, 181, 413
Kentucky	3, 318, 342	0	3, 318, 342
Louisiana	4, 139, 541	0	4, 139, 541
Maine	1, 434, 181	306, 762	1, 127, 419
Maryland	2, 414, 141	0	2, 414, 141
Massachusetts	4, 493, 664	67, 770	4, 425, 894
Michigan	5, 988, 158	50, 000	5, 938, 158
Minnesota	3, 416, 119	70, 215	3, 345, 904
Mississippi	2, 733, 049	0	2, 733, 049
Missouri	4, 299, 857	0	4, 299, 857
Montana	1, 274, 003	18, 102	1, 255, 901
Nebraska	1, 487, 418	11, 614	1, 475, 804
Nevada	1, 200, 000	0	1, 200, 000
New Hampshire	1, 274, 530	0	1, 274, 530
New Jersey	5, 472, 665	0	5, 472, 665
New Mexico	1, 481, 497	0	1, 481, 497
New York	11, 080, 035	191, 530	10, 888, 505
North Carolina	5, 392, 718	380, 169	5, 012, 549
North Dakota	1, 266, 701	0	1, 266, 701
Ohio	7, 424, 070	100, 000	7, 324, 070
Oklahoma	2, 744, 563	0	2, 744, 563
Oregon	1, 926, 310	0	1, 926, 310
Pennsylvania	10, 499, 806	0	10, 499, 806
Rhode Island	1, 290, 977	0	1, 290, 977
South Carolina	3, 013, 366	105, 000	2, 908, 366
South Dakota	1, 286, 306	0	1, 286, 306
Tennessee	4, 409, 712	0	4, 409, 712
Texas	10, 746, 903	100, 000	10, 646, 903
Utah	1, 480, 181	0	1, 480, 181
Vermont	1, 200, 000	12, 000	1, 188, 000
Virginia	4, 155, 467	0	4, 155, 467
Washington	2, 515, 603	1, 892	2, 513, 711
West Virginia	2, 384, 244	0	2, 384, 244
Wisconsin	3, 713, 547	0	3, 713, 547
Wyoming	1, 200, 000	358, 451	841, 549
American Samoa	750, 000	0	750, 000
Guam	750, 000	0	750, 000
Puerto Rico	4, 533, 249	0	4, 533, 249
Trust Territory	750, 000	0	750, 000
Virgin Islands	750, 000	0	750, 000
1 percent evaluation	1, 900, 000	291, 077	1, 608, 923

Note: On the average, there is approximately a one and a half year interval between initial approval of a project and the obligation of funds. This is primarily due to the long leadtime necessary for construction projects. Funds for this appropriation were not allocated to the States until February 1974.

Unused loans and loan guarantees authorized by fiscal year 1971–72 appropriations

Fiscal year 1971 apropriation:	
New Mexico	$909, 315
Washington	961
Total	910, 276
Fiscal year 1972 appropriation:	
California	2, 167, 734
Ohio	2, 412, 280
New York	1, 500
Total	[1] 4, 581, 514

[1] Preliminary estimate.

Source: Program Planning and Evaluation Branch, Division of Facilities Utilization, Health Resources Administration, July 23, 1974.

HILL-BURTON GRANT TRANSFERS BETWEEN STATES, FISCAL YEAR 1970–72 APPROPRIATIONS

STATE, GRANT AMOUNT AND CATEGORY, AND DESCRIPTION

Fiscal year 1970 appropriation

North Dakota: $32,983; rehabilitation; Received from South Dakota.

South Dakota: $32,983; rehabilitation; Transferred to North Dakota.

Fiscal year 1971 appropriation

Colorado: $35,810; rehabilitation; Received from Wyoming.

Wyoming: $35,810; rehabilitation; Transferred to Colorado.

Kentucky: $450,000; hospitals and health centers; Received from West Virginia.

West Virginia: $265,590; long-term care; $184,410; rehabilitation; Transferred to Kentucky.

Fiscal year 1972 appropriation

None to Date.

Source: Program Planning and Evaluation Branch, Division of Facilities Utilization, Health Resources Administration, July 23, 1974.

HILL-BURTON GRANT ALLOCATIONS AND FINAL ADJUSTMENTS FOR FISCAL YEARS 1966 THROUGH 1971

Fiscal year of allotment	Original allotment	Final adjusted allotment	Reverted funds	Percent obligated
Total, 1966–71	$1, 406, 820, 000	$1, 404, 557, 118	$2, 262, 882	99. 83
1966	258, 500, 000	258, 047, 592	452, 408	99. 82
1967	270, 000, 000	269, 129, 283	870, 717	99. 68
1968	267, 200, 000	267, 038, 377	161, 623	99. 94
1969	267, 200, 000	267, 094, 563	105, 437	99. 96
1970	172, 200, 000	171, 527, 877	672, 123	99. 61
1971	171, 720, 000	171, 719, 426	574	99. 99

Note.—Final data not yet available on fiscal year 1972 funds which expired June 30, 1974.

Source: Program Planning and Evaluation Branch, Division of Facilities Utilization, Health Resources Administration, July 23, 1974.

HILL-BURTON GRANT ALLOCATIONS AND OBLIGATIONS FOR FISCAL YEARS 1971 THROUGH 1974, AS OF MAR. 31, 1974

Year and category of funds	Total allocation	Amount			Percent obligated
		Obligated	Reverted	Balance	
1971:					
Hospital and PHC's	$25, 503, 348	$25, 503, 348			100. 00
Long-term care facilities	17, 751, 331	17, 751, 331			100. 00
Outpatient facilities	49, 345, 604	49, 345, 604			100. 00
Rehabilitation facilities	13, 659, 802	13, 659, 802			100. 00
Modernization	65, 459, 915	65, 459, 341	$574		99. 99
Total	171, 720, 000	171, 719, 426	574		99. 99
1972:					
Hospital and PHC's	45, 671, 358	35, 649, 986		$10, 074, 705	78. 06
Long-term care facilities	15, 084, 849	10, 730, 817		4, 072, 548	71. 14
Outpatient facilities	53, 588, 008	33, 335, 952		20, 199, 416	62. 21
Rehabilitation facilities	14, 330, 931	9, 291, 083		4, 598, 625	64. 83
Modernization	66, 224, 854	46, 758, 168		20, 188, 700	70. 61
Total	[1] 194, 900, 000	135, 766, 006		59, 133, 994	69. 66
1973:					
Hospital and PHC's	$41, 084, 358			$41, 084, 358	0
Long-term care facilities	20, 865, 820			20, 865, 820	0
Outpatient facilities	69, 324, 527			69, 324, 527	0
Rehabilitation facilities	14, 825, 658			14, 825, 658	0
Modernization	51, 099, 637	$80, 000		51, 019, 637	.16
Total	[2] 197, 200, 000	80, 000		197, 120, 000	.04
1974:					
Hospital and PHC's	37, 430, 000	285, 535		37, 144, 465	.76
Long-term care facilities	19, 760, 000			19, 760, 000	0
Outpatient facilities	66, 500, 000			66, 500, 000	0
Rehabilitation facilities	14, 250, 000			14, 250, 000	0
Modernization	47, 500, 000	2, 093, 160		45, 406, 840	4. 40
Total	[2] 185, 440, 000	2, 378, 695		183, 061, 305	1. 28

[1] Fiscal year 1972 funds are available for obligation until June 30, 1974.

[2] Fiscal years 1973 and 1974 funds (except modernization) were not available to the States for obligation until January 1974.

Source: Program Planning and Evaluation Branch, Division of Facilities Utilization (Hill-Burton), June 5, 1974.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendments.

Although I have deep respect for the gentleman, I would say we have had the Hill-Burton Act since 1946. It has worked well in our States. The planning money in the legislation is given to the States, and for the Federal Government to come along and say where the construction money is going to be I do not think would be very cohesive at all. We have enough Federal bureaucracy now telling each community what they shall do, and I do not believe we ought to have more as this would require.

The fact is, we have about done away with all new hospital construction, really, under Hill-Burton. What we do principally is to modernize existing facilities, and who knows more about that than the States? The Federal Government cannot be sending somebody out all across America and saying, "This needs modernizing," or something else needs modernizing. We also include the building of new outpatient facilities and the building of new hospitals in areas with rapidly growing populations, and converting existing facilities to new uses. So it is not the same program that we have been using for years, that we just say we are going to build a new hospital here or there. We are leaving it up to the States, in the planning agency, to say where this money shall be spent. I just cannot conceive of leaving the planning up to the State and having the Federal Government come in and say, "You are going to do this," or something else, after the State has done the planning. We are not building new hospitals at all, with one exception, and that is in areas with rapidly growing populations. I would, thus, very reluctantly oppose the amendments. I do not believe it should be in the bill at this time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Minnesota (Mr. NELSEN).

The amendments were rejected.

AMENDMENTS OFFERED BY MR. ROY

Mr. ROY. Mr. Chairman, I offer several amendments, and I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ROY: Page 21, insert after the period in line 26 the following: "The membership of the governing body and executive committee (if any) of an agency shall include a percentage of individuals who reside in nonmetropolitan areas equal to the percentage of residents of the area who reside in nonmetropolitan areas."

Page 38, line 13, strike out "$150,000" and insert in lieu thereof "$175,000".

Page 39, strike out the period in line 6 and insert a semicolon and the following: "except that the amount of any grant to a health systems agency for any fiscal year shall not be less than $175,000, unless the amount appropriated for that fiscal year under paragraph (1) is less than the amount required to make such a grant to each health systems agency."

Page 34, line 11, strike out "a term of twelve months" and insert in lieu thereof "a term of not to exceed twelve months".

Page 36, beginning in line 13, strike out "during the period" and insert in lieu thereof "for a period not to exceed the period".

Page 42, line 5, strike out "term of twelve months" and insert "term of not to exceed twelve months".

Page 56, line 19, strike out "during the period" and insert in lieu thereof "for a period not to exceed the period".

Mr. ROY (during the reading). Mr Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROY. Mr. Chairman, these are amendments which have been discussed with both the majority and minority sides, and I understand they are acceptable to both sides.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from West Virginia.

Mr. STAGGERS. The gentleman is correct. As I understand it, the amendments are technical in nature, and they are completely acceptable to this side of the aisle. I think the amendments do help the bill and make it a better bill.

I will say that we will accept them on this side.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kansas (Mr. ROY).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. JONES OF OKLAHOMA

Mr. JONES of Oklahoma. Mr. Chairman, I offer several amendments, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. JONES of Oklahoma: Page 28, strike out the period at the end of line 17 and insert a semicolon and the following: "except that, in the case of a proposed use of such Federal funds within the health service area of a health systems agency by an Indian tribe or inter-tribal Indian organization, including but not limited to Area and National Health Boards, for any program or project which will be located within or will specifically serve a federally-recognized Indian reservation or within trusts or restricted Indian-owned land areas, or which will serve a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act), a health systems agency shall only review and comment on such proposed use."

Page 29, insert at the end of line 13 the following new sentences: "Each health systems agency shall provide each Indian tribe or inter-tribal Indian organization which is located within the agency's health service area information respecting the availability of the Federal funds described in the first sentence of this subsection."

Page 39, insert after line 6 the following new subsection:

"(d) The Secretary may make grants directly to Indian tribes and inter-tribal Indian organizations to enable them to conduct effective and coordinated health planning for federally-recognized Indian reservations and for trusts or restricted Indian-owned land areas and Native villages in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act). To the extent practicable, such planning shall be carried out in the manner prescribed by section 1413"

Page 107, strike out the closing quotation mark at the end of line 20 and insert after that line the following new subsection:

"(e) The Secretary shall make in each fiscal year a grant to each Indian tribe and inter-tribal Indian organization which received in such fiscal year a grant under section 1416(d). A grant under this subsection shall be used by such tribe or organization to make grants to public and nonprofit private entities and to enter into contracts with individuals and public and nonprofit private entities to assist such entities in planning and developing programs and projects in a federally-recognized Indian reservation or in trusts or restricted Indian-owned land areas or Native villages in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act) which the tribe or organization determines are necessary for the achievement of the health systems planned by it for such reservation or village."

Page 86, insert after line 8 the following new section:

"SPECIAL PROVISIONS FOR AMERICAN INDIANS

"SEC. 1514. (a) The Secretary may make grants directly to Indian tribes and inter-tribal Indian organizations to assist such tribes and organizations in meeting the costs of projects for the construction and modernization of public or nonprofit private outpatient or other health facilities, including alcoholism treatment centers, nursing homes, facilities for the care of the elderly and mental health treatment facilities, in federally-recognized Indian reservations and in trusts or restricted Indian-owned land areas or Native villages in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act).

"(b)(1) The amount of any grant made under this section for any project shall be determined by the Secretary, under such rules and regulations as he shall adopt, and may cover up to 100 per centum of the costs of the project.

"(2) No grant for any project may be made under this section unless an application therefor has been submitted to the Secretary and approved by him. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe, including assurances that preference shall be given to the employment of Indians and Indian business organizations in the construction or modernization of facilities for which funds are provided under subsection (a)."

Mr. JONES of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JONES of Oklahoma. Mr. Chairman, these amendments have been discussed during general debate. I believe they are agreed to by both the majority and the minority sides of the committee.

What the amendments do is to allow Indian tribal organizations to apply directly to the Secretary for planning or construction grants or funds without having to go for approval through the local planning agencies. The local planning agencies would be allowed to review the applications, but the Indian tribes themselves could apply directly to the Secretary.

All this does is to confirm present law which says that Indian tribes have a special relationship with the U.S. Government and it confirms the legislative enactments of Congress which also give the Indian tribes of America a special status.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the distinguished chairman of the committee.

Mr. STAGGERS. Mr. Chairman, I think the gentleman, in offering his amendments, has set forth a very fine sentiment, and certainly, since he represents some of the Indian tribes, I think these are good amendments and that we should accept them.

We will accept the amendments on this side of the aisle.

Mr. JONES of Oklahoma. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oklahoma (Mr. JONES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STEIGER OF WISCONSIN

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Wisconsin: Page 25, insert after line 20 the following: "Before establishing, or putting into effect an amendment to, an HSP or AIP, a health systems agency shall conduct public hearings throughout its health service area on the proposed HSP or AIP or amendment to the agency's HSP or AIP and shall give interested persons an opportunity to submit their views orally and in writing. Not less than thirty days prior to such hearings, the agency shall publish in at least two newspapers of general circulation throughout its health service area a notice of its consideration of the proposed plan or amendment, the time and place of the hearings, the place at which interested persons may consult the plan or amendment in advance of the hearings, and the place and period during which to submit written comments to the agency on the plan or amendment."

Mr. STEIGER of Wisconsin. Mr. Chairman, this amendment attempts to deal, I hope, effectively with what I see is a problem. I do hope that the committee will find it possible to accept the amendment.

The concept of the health service agencies that are created under this legislation makes it possible for those agencies to develop this plan and then, after the plan is in place, the decisions that are made on what happens within a community are supposed to be considered as a part of what was in the plan. But what I see is a discrepancy in the way the bill is drafted is this: That there is no real opportunity for those within a community to comment upon the plan which will then govern what happens within the community.

It is for that reason the amendment is offered. It will simply require hearings and notice of hearings throughout the areas served by the agency so that any who are interested may offer oral or written comments and so that there can in fact be a full chance for people at the local level to have the opportunity to have an input concerning that plan which governs what happens to health care facilities within their area.

I do not think it is onerous. I do not think it imposes a hardship. I do think it would more readily enable those at the local level to make sure that they had the chance to know what the plan was all about, what it meant to their area, and how they might best respond to it when the process is undertaken.

Therefore, Mr. Chairman, I would ask that the amendment be accepted by the committee, and I urge the committee to vote for this amendment.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment, though very reluctantly.

The gentleman has a good intention in his amendment, but I would like to say to the gentleman that the bill now requires that plans be developed in public, with everybody participating. The gentleman's amendment would add an extra period of months to our process and is redundant with what is already in the bill because we make it very clear that all these plans are to be made in public and that everyone is to be able to participate.

Thus, this amendment would just require that there be extra hearings for the public to have an input already required.

We think that in some communities there might never be developed a community planning effort and the thing will not be put in operation at all were this amendment to carry.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I appreciate the gentleman's being willing to yield.

I regret his opposing the amendment.

I ask this: What happens in an area where it is a large territory, and the planning agency is located in, let us say, Duluth, Minn., and it covers the area of all of northern Minnesota? How does anyone in local areas 200, 300, 400, or 500 miles from Duluth, Minn., or from Green Bay, Wis., have a chance, even if the plan is developed in public, to have an input? How are they going to know when those plans are being drawn up? How are they going to have some access to the process of the development of the plan?

Mr. STAGGERS. The areas the gentleman is talking about will have to be represented on the governing body of the agency, and there may also be subarea councils that will reach out into these remote areas and will represent them.

For that reason, I say again, to have a public hearing and to try to bring these people in could work a hardship and could take months.

We think that with the subarea councils and with these areas represented on the councils, it would be much quicker, much more efficient, and would get things done that we could not do if we had to go out in a bureaucratic type of operation and try to get them done in any other way.

Mr. ROY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I will be very happy to yield to the gentleman from Kansas.

Mr. ROY. One of the amendments adopted this afternoon states that the membership of the governing body and of the executive agency will include a percentage of individuals who reside in the nonmetropolitan areas to the percentage of the area's population residing in such areas. This gives some assurance that these people will be represented in the agency and on the board.

I share with the gentleman from Wisconsin the wish that, indeed, the people in the remote areas should know specifically and precisely what is going on at all times in order that they may make an adequate input. As the gentleman indicates, if they do not know this, it might not be to their benefit, but, indeed, to their detriment.

THE CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. STEIGER).

The amendment was rejected.

AMENDMENTS OFFERED BY MR. STEIGER OF WISCONSIN

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer a number of amendments and ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. STEIGER of Wisconsin: Page 21, strike out lines 1 and 2 and insert in lieu thereof the following:

"(i) one-third of the members shall be".

Page 21, strike out lines 9 and 10 and insert in lieu thereof the following:

"(ii) one-third of the members shall be".

Page 21, strike out the period at the end of line 19 and insert in lieu thereof "; and", and strike out lines 20 through 26 on that page and insert in lieu thereof the following:

"(iii) one-third of the members shall be public elected officials of governmental authorities in the agency's health service area."

Mr. STEIGER of Wisconsin (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, this amendment, which is available on the subcommittee desk, is one which I suspected was a lot more controversial than the amendment I just offered, and that I thought won by a voice vote, but the Chair's ears always hear better than mine.

This would require that the membership on the agency would be one-third consumers, one-third providers, and one-third governmental officials from the area to be served.

While we have adopted the Moss amendment, and I think that the Moss amendment is a significant improvement because it does allow State and local areas an alternative, let me voice my very serious reservations about the concept of what, it seems to me, is a self-perpetuating, totally nonaccountable body that makes some very profound decisions insofar as health care at the local levels is concerned.

I know that the city of Sheboygan is not atypical of the cities across the United States. We have a matter going on now between two hospitals there—not a fight, but because the two hospitals have offered plans, the health planning agency is engaged in some discussion and decisions as to what to accept or reject. There are some very deep feelings in the city of Sheboygan, and that is the reason that I have offered the earlier amendment, that it made sense that the health agencies get out of one city and get out into the other areas.

How are they selected? By themselves. Who do they represent? Basically they represent themselves.

In spite of the requirement that they have some providers, and 50 percent plus one that are to be "consumers," but at no point, in my judgment, the way the bill is drafted, is there any effective, meaningful accountability. How do the people in the city of Sheboygan have a voice in terms of the kind of impact that is made on what goes on in those two hospitals in their city? The two hospitals that have existed side by side effectively and well with the lowest rates of any hospital in the State of Wisconsin, for decades. That is a long time, and that means that there is a deep attachment to those hospitals.

So that while I am very sympathetic with the objectives of health planning and resource development, and I think it is especially encouraging that action is being taken to consolidate Federal health planning and construction programs in an effort to remove what I think is the confusion of purpose that has plagued the several programs involved in this reorganization.

There remains one basic weakness, and that basic weakness is the lack of accountability to the public, and in particular to the communities encompassed by an areawide health planning agency. The agencies are supposed to be private, nonprofit groups with a majority of members being consumers. The Moss amendment does offer an alternative, but I am disturbed by the fact that if you did not take the offer of the alternative under the Moss amendment, the agency is to be governed by a private, unelected—that is, self-appointed board.

I think, while it is true that the legislation before us does provide some guidelines to provide truly representative consumers, and I support that aspect of the bill, I feel that the construction of the board still lacks the idea of accountability to communities within a wider area. That is the reason I offer this amendment, knowing that it will not be accepted by the committee, but because I could not in good conscience let this chance go without raising this issue, and without asking if the committee will not, at some point if not now, consider some more accountability insofar as the impact at the local level is concerned, for those who have an abiding interest in what happens in their city. That is what this Nation needs, and that is what this amendment tries to overcome, and I urge support for the amendment.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin (Mr. STEIGER). I understand the motives of the gentleman from Wisconsin, but I think the issues he has discussed already have been handled through the Moss amendment, which has been adopted. This amendment allows an alternative to the concept of private entities. Local governments can participate as health systems agencies in appropriate circumstances.

Furthermore, the problems the gentleman mentions are addressed in an amendment that the gentleman from North Carolina (Mr. PREYER) offered which requires that one-third of the members of advisory boards shall be providers.

The way to get local input is to insure that consumers and providers from areas are represented on these boards, and that is exactly what the bill now provides.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Wisconsin (Mr. STEIGER).

The amendments were rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA

Mr. CHARLES H. WILSON of California. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. CHARLES H. WILSON of California: Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Health Programs Extension Act of 1974".

TITLE I—AMENDMENTS TO PUBLIC HEALTH SERVICE ACT REFERENCES TO ACT

SEC. 101. Whenever in this title an amendment is expresed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

COMPREHENSIVE HEALTH PLANNING

SEC. 102. (a)(1) Section 314(a)(1) is amended (A) by striking out "and" after "1973," and (B) by inserting after "1974" the following: ", and $10,000,000 for the fiscal year ending June 30, 1975".

(2) Section 314(b)(1)(A) is amended (A) by striking out "and" after "1973," and (B) by inserting after "1974" the following: ", and $25,100,000 for the fiscal year ending June 30, 1975".

(b) The first sentence of section 314(b)(1)(A) is amended by striking out "and ending June 30, 1974" and inserting in lieu thereof "and ending June 30, 1975".

HILL-BURTON PROGRAMS

SEC. 103. (a)(1) Section 601(a) is amended to read as follows:

"(a) for the fiscal year ending June 30, 1975—

"(1) $20,800,000 for grants for the construction of public or other nonprofit facilities for long-term care;

"(2) $70,000,000 for grants for the construction of public or other nonprofit outpatient facilities;

"(3) $15,000,000 for grants for the construction of public or other nonprofit rehabilitation facilities;".

(2) Section 601(b) is amended (A) by striking out "and" afer "1973," and (B) by inserting after "1974" the following ", and $41,400,000 for the fiscal year ending June 30, 1975".

(3) Section 601(c) is amended (A) by striking out "and" after "1973," and (B) by inserting after "1974" the following: ", and $50,000,000 for the fiscal year ending June 30, 1975".

(b)(1) Section 621(a) is amended by striking out "through June 30 1974" in paragraphs (1) and (2) and inserting in lieu thereof "through June 30, 1975".

(2) Section 625(2) is amended by striking out "for each of the fiscal years ending June 30, 1973, and June 30, 1974" and inserting in lieu thereof "for each of the fiscal year ending June 30, 1973, June 30, 1974, and June 30, 1975".

REGIONAL MEDICAL PROGRAMS

SEC. 104. Section 901(a) is amended (1) by striking out "and" after "1973," and (2) by inserting after "1984" the following: ", and $159,000,000 for the fiscal year ending June 30, 1975".

TITLE II—MISCELLANEOUS

MISCELLANEOUS

SEC. 201. Section 601 of the Medical Facilities Construction and Modernization Amendments of 1970 is amended by striking out "1974" and inserting in lieu thereof "1975".

Mr. CHARLES H. WILSON of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read. It has been printed in the RECORD already.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present.

The Chair announces pursuant to clause 2, rule XXIII, that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. GRAY). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair had recognized the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am offering an amendment to the bill, H.R. 16204, in the nature of a substitute, which if adopted, would extend the comprehensive health planning, regional medical programs, and Hill-Burton authorities for the remainder of this current fiscal year.

Since I realize that the comprehensive health program, the regional medical program, and the Hill-Burton program authorities have expired, the only legitimate concern for the Congress at this late date in the session should be the extension of these programs alone.

Judging by the number of amendments to improve this bill, and the honest differences of opinion as to the substantive form such a final bill should take, I would strongly offer a solution to my colleagues: that they simply adopt this substitute amendment to continue the authorities for these three programs already in existence. I believe this to be a prudent and appropriate action for the House to take, and one that would enable us to study more carefully the complex problem before us in the 94th Congress.

While the acceptance of the amendment by Congressman Moss: would remove the strong objections to the bill by a number of groups such as the League of Cities, Conference of Mayors, and the National Governors Conference which have previously opposed the bill as reported by the House Interstate and Commerce Committee, I feel a number of groups are still opposed to the final bill, and are not that enthusiastic about its passage. The Moss amendment only makes the final bill a little less objectionable.

Even with the Moss amendment, the bill has problems. It is opposed in the medical community by such groups as the following: 49 out of 53 regional medical programs, the comprehensive health planning B agency administrators, the California Hospital Association, the California Medical Association, and the American Medical Association.

Let me offer, Mr. Chairman, a number of other objections to this piece of legislation.

First, in addition to being a vehicle for planning, this bill would create an inappropriate mechanism for the regulation of institutional health care delivery.

Second, it demonstrates a public utility approach to health care delivery.

Third, the bill vests excessive control in the Secretary of HEW.

Fourth, the bill creates a planning process that seems to me to be overly complex and certainly burdensome. It is highly possible that the enactment of this bill into law would, indeed, hinder the development of appropriate health services and facilities within a community.

Fifth, the effect of this bill is to coerce the States into adopting a process of regulating all new institutional health services.

Sixth, there is no basis in experience to justify this form of control and regulation.

Seventh, H.R. 16204 is a very uneconomical bill. I do not say expensive, because I think that health planning in this country is important, should be adequately funded. But H.R. 16204 says that health service areas shall be created to include populations of 500,000 to 3 million population, each, but in highly unusual circumstances could go down far below that population with no specific minimum set in the bill.

There are now, according to the House report on H.R. 16204 some 218 area-wide comprehensive health planning groups. Under the bill, this could grow to as many as 300 to 500.

Section 1412(b)(2)(A) of the bill puts the professional staff at a minimum of five persons. That would mean a minimum staff costs at today's prices of at least $75,000. Larger agencies will, of course, have larger staffs, as the bill itself states. So the minimum cost of this bill in administration alone, is $22.5 million per year and probably much more since that is a minimum figure.

And eighth, there is a fundamental problem with this bill. After all of its planning is accomplished, after all its regulation is imposed, there is no specific mechanism for improving the health care delivery system. Under this bill, the improvement function is carried out by contract.

There is no on-going organization with the sole purpose of health systems development work.

We already have before us the example of the Securities and Exchange Commission and the Interstate Commerce Commission of how impossible it is to use strictly regulatory approaches to preserve and develop a productive industry that meets the people's needs. Regulation alone cannot do it. It takes a specific development organization.

Regional medical programs have performed this well. Despite all of the administration's attacks on regional medical programs, they have never given us a departmental evaluation. A request went to HEW only 2 weeks ago for such an evaluation. We were told that none existed. It is on this type of factual basis that this bill was prepared. It wipes out one of the most productive agencies for change that we have in medicine. RMP's were the agencies which put Vietnam war medicine to work in the civilian area, demonstrating that it would work at home. This won approval in the Congress for an extensive emergency health systems bill and the system is now handsomely funded by this Congress. The same for intensive cardiac care units. The techniques and knowledge were there, but the latest therapies for heart attack victims were not being widely used.

RMP's put health professionals to work to convince the great bulk of American medicine to get behind intensive cardiac care units which are now found in almost every city in the country. Tens of thousands of lives of persons in the age groups above 40 years old, the usual heart attack victims, have been saved as a result of this RMP work.

This bill would eliminate this important set of organizations and replace it with a straight and, I might say very costly, contract program.

Mr. Chairman, I would like to now present my observations on the background of this bill.

H.R. 16204, the National Health Policy, Planning and Resources Development Act of 1974, is a well-motivated piece of legislation that seeks to simplify the complex problem of health planning.

Unfortunately, it fails in its purpose. Instead of simplifying, it complicates. What it would accomplish in its effort to bring order into the health planning process would be at the expense of flexibility and at the cost of excessive constraints.

The bill establishes in its initial section five distinct planning units, all of which have a say on the planning activity of any area. These elements are: First, the office of the Secretary of HEW; second, the National Council for Health Policy; third, the State Health Planning and Development Agency; fourth, the Statewide Health Coordinating Council; and fifth, the health services agency.

In theory, these elements are interdependent. But let us not be mistaken about it: the real authority is vested in the Secretary of HEW, whose power would permeate the planning functions called for in the bill.

Among other authority, the Secretary would be required to enter into contracts only—repeat, only—with those area and State agencies which functioned entirely to his satisfaction. This would include the discharge of their obligations to review and determine the need for not only new institutional health services, but also all such existing services.

In order for a State to receive any planning assistance, its State program would require the Secretary's prior approval, and it would be left to the Secretary to establish the criteria upon which his approval would depend.

States would be required to enact legislation to meet the regulatory and other requirements of the bill.

Originally, Mr. Chairman, this bill contained a number of proposed controls that can only be described as of public utility type. Typical was a provision to vest rate setting authority in the States.

The bill before us no longer contains this ill-advised feature. But still establishes a controlled planning system more suitable to the regulation of public utilities than of health services and facilities.

We in California have always placed high priority and emphasis on strengthening comprehensive health planning and developing a capability for effective State and local health planning. H.R. 16204 authorizes the continuation of comprehensive health program only until such time as the separate States act to meet the requirements of the bill; but in any case would terminate the comprehensive health program by June 30, 1976.

The same is true of the regional medical program. This program has been especially helpful to us in California for it has enabled us to utilize, on a cooperative basis, the knowledge, techniques and people available in what we view as the sophisticated health communities with which our State is blessed.

Yet, the regional medical program like the comprehensive health program would be terminated no later than June 30, 1976.

H.R. 16204 is an earnest effort to provide some agreement on how to revise and improve these programs. As such I give my friends who have worked so hard to draft this legislation an E for effort. But while I share their goal, I cannot agree with this mechanism for attaining it. And I do not think that the 93d Congress should move hastily in this area simply for motion's sake. I urge my friends not to confuse action with progress. I therefore urge my colleagues to vote for my substitute amendment.

May I say, I want to commend the chairman of the Subcommittee on Health and the Interstate and Foreign Commerce Committee for the outstanding job he has done through the years. I have long supported his efforts to provide research authority for diabetes research and cancer research and for the many great medical programs he has brought to the floor of the House and the great job he has done.

As we have watched the operation here this afternoon, in spite of the long time that has been spent on this bill, the long hearings that have been held, we have eventually written the bill on the floor of the House this afternoon.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment. I can hardly believe that the gentleman, who is a great legislator and a great friend of mine, the gentleman from California, would offer this amendment seriously, because I know he is a great gentleman and has always worked for the good of America.

Very briefly, I would just like to say that this amendment should not be adopted, and there are many, many reasons why not. The gentleman mentions that there have been a lot of hearings, which there have been, in regard to the bill. There have been 8 days of hearings, three weeks of subcommittee markup—and these were all open—and three days of full committee markups. An extension would be opposed by the administration. A simple extension would be too expensive. The bill as it now is written cuts back a great deal on the costs of the three programs we are now considering, and, if this amendment is adopted, it would add $100 million for this coming year, because that is what we are cutting out of the present authorizations. We just do not think that the House would want to do this. We do not think the country would want to do it.

There was some opposition to the bill when it first started, and we have tried to meet every one of those objections because all of them were legitimate. We do not ever write a perfect bill. I have never known that to have been done, but we have tried to work out anything we thought was wrong with the bill and take most of the objections out.

Were the gentleman's amendment adopted, we should have to go to conference now with the Senate and they have a far more objectionable bill than this one. If we accept this amendment and go to conference, then we would not have the comprehensive, down to earth, workable bill we have here to go to conference with, and would probably have to accept most of their provisions. I do not think we will do so. We will come out with our bill when we get through.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I think it would be a very serious mistake, in view of the very thorough and careful study given by this committee to the pending legislation, to accept this amendment. They have been most reasonable in reviewing objections and have modified this bill so that I believe that it meets the needs.

I think those needs are very real, and that we should adopt it and not adopt the substitute which merely postpones for a year on the grounds of a need for further study when, in fact, the bill represents a very high degree of very competent study.

Mr. STAGGERS. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman.

Mr. NELSEN. Mr. Chairman, I just want to comment that I concur in the statement made by our good friend, Mr. STAGGERS.

I am opposed to the amendment.

Mr. STAGGERS. Mr. Chairman, our obligation has always been in America to press on, if we do anything, not only in health, but in every other way. This amendment would take us back another year. We need to proceed. These programs are so important to Americans. This bill is supported by HEW, with small exceptions, the American Hospital Association, Blue Cross-Blue Shield, the Health Insurance Association of America, and the health planning agencies of the land.

We cannot afford to go back. America must go forward.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman for yielding.

I have the friendliest feelings for the gentleman from California. I want to say that this amendment should be rejected. The committee brought out a bill that has been agreed upon. We have met all of the objections. To go back and say we are going to have a simple extension would cost, as the Chairman has said, in this year, when we are trying to watch costs, $137 million more. This amendment should be rejected.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. CHARLES H. WILSON).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment in the nature of a substitute was rejected.

The CHAIRMAN pro tempore. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 16204) to amend the Public Health Service Act to assure the development of a national health policy and of effective area and State health planning and resources development programs, pursuant to House Resolution 1411, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Was the gentleman on his feet?

Mr. ASHBROOK. I certainly was, Mr. Speaker.

The SPEAKER. The Chair will take the gentleman's word.

Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 236, nays 79, answered "present" 1, not voting 118, as follows:

[Roll No. 684]

YEAS—236

Abdnor
Abzug
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Broomfield
Brown, Ohio
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, Phillip
Camp
Carter
Cederberg
Chamberlain
Chappell
Chisholm
Clausen, Don H.
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Dorn
Drinan
Dulski
Duncan
Eckhardt
Edwards, Calif.
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe

Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Gaydos
Gettys
Gibbons
Gilman
Ginn
Green, Pa.
Gubser
Gude
Gunter
Haley
Hamilton
Hanley
Harsha
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hogan
Holifield
Holtzman
Hosmer
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kemp
King
Koch
Leggett
Lent
Long, Md.
Lujan
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Mallary
Mann
Martin, N.C.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nix
Obey
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pike
Preyer
Price, Ill.
Pritchard
Quie
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, Pa.
Rosenthal
Roush
Roy
Roybal
Ruppe
Ryan
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shoup
Skubitz
Slack
Smith, N.Y.
Staggers
Stark
Steelman
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Wampler
Whalen
Whitten
Widnall
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zion
Zwach

NAYS—79

Anderson, Calif.
Archer
Arends
Ashbrook
Baker
Bauman
Blackburn
Brinkley
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey, Tex.
Clawson, Del
Collier
Collins, Tex.
Conlan
Crane
de la Garza
Dennis
Derwinski
Devine
Dickinson
Froehlich
Goodling
Gray
Hammerschmidt
Hanrahan
Hinshaw
Holt
Huber
Hunt
Hutchinson
Jarman
Kazen
Ketchum
Lagomarsino
Landgrebe
Latta
Lott
Madigan
Mahon
Martin, Nebr.
Mayne
Michel
Milford
Miller
Montgomery
Moorhead, Calif.
O'Brien
Pettis
Poage
Price, Tex.
Railsback
Regula
Roberts
Rose
Sebelius
Shriver
Shuster
Spence
Steed
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, Mo.
Teague
Towell, Nev.
Treen
Waggonner
Walsh
White
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Young, Tex.

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—118

Addabbo
Anderson, Ill.
Armstrong
Bafalis
Beard
Bergland
Brasco
Bray
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Burton, John
Carey, N.Y.
Carney, Ohio
Clancy
Clark
Clay
Cleveland
Cotter
Coughlin
Culver
Davis, Ga.
Donohue
Downing
du Pont
Edwards, Ala.
Eilberg
Eshleman
Fuqua
Giaimo
Goldwater
Grasso
Green, Oreg.
Griffiths
Gross
Grover
Guyer
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Hillis
Horton
Howard
Hudnut
Ichord
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Kluczynski
Kuykendall
Kyros
Landrum
Lehman
Litton
Long, La.
Luken
McClory
McSpadden
Macdonald
Maraziti
Mathias, Calif.
Melcher
Mills
Minshall, Ohio
Myers
Nichols
O'Hara
Parris
Passman
Peyser
Pickle
Podell
Powell, Ohio
Quillen
Rarick
Rhodes
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rostenkowski
Rousselot
Runnels
Ruth
St Germain
Sandman
Schneebeli
Shipley
Sikes
Sisk
Smith, Iowa
Snyder
Stanton, J. William
Stanton, James V.
Steele
Stephens
Thornton
Tiernan
Vander Jagt
Veysey
Ware
Whitehurst
Wiggins
Williams
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Wyman
Young, Fla.
Young, Ill.
Young, S.C.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Hébert against.

Mr. John L. Burton for, with Mr. Passman against.

Mr. Pickle for, with Mr. Rarick against.

Mr. Nichols for, with Mr. Melcher against.

Mr. Hastings for, with Mr. Bray against.

Mr. Horton for, with Mr. Powell of Ohio against.

Mr. du Pont for, with Mr. Guyer against.

Mr. Vander Jagt for, with Mr. Clancy against.

Mrs. Heckler of Massachusetts for, and Mr. Rousselot against.

Until further notice:

Mr. Eilberg with Mr. Culver.

Mr. Sikes with Mr. Davis of Georgia.

Mr. Howard with Mrs. Grasso.

Mr. Harrington with Mr. Rooney of New York.

Mr. Runnels with Mrs. Green of Oregon.

Mr. Bergland with Mrs. Griffiths.

Mr. Wolff with Mr. Hanna.

Mr. Macdonald with Mr. Brown of California.

Mr. O'Hara with Mrs. Hansen of Washington.

Mr. Brooks with Mr. Kyros.

Mr. James V. Stanton with Mr. Luken.

Mr. Thornton with Mr. McSpadden.

Mr. Wright with Mr. Mills.

Mr. Giaimo with Mr. Grover.

Mr. Downing with Mr. Beard.

Mr. Charles Wilson of Texas with Mr. Hansen of Idaho.

Mr. Donohue with Mr. Kuykendall.

Mr. Cotter with Mr. Bafalis.

Mr. Clay with Mr. Maraziti.

Mr. Kluczynski with Mr. Brotzman.

Mr. Ichord with Mr. Hudnut.

Mr. Shipley with Mr. Mathias of California.

Mr. Sisk with Mr. Myers.

Mr. Jones of Tennessee with Mr. Edwards of Alabama.

Mr. Landrum with Mr. Quillen.

Mr. Stephens with Mr. McClory.

Mr. Jones of North Carolina with Mr. Brown of Michigan.

Mr. Lehman with Mr. Johnson of Pennsylvania.

Mr. Long of Louisiana with Mr. Roncallo of New York.

Mr. Litton with Mr. Eshleman.

Mr. Rostenkowski with Mr. Ruth.

Mr. Roncalio of Wyoming with Mr. Cleveland.

Mr. St Germain with Mr. Minshall of Ohio.

Mr. Anderson of Illinois with Mr. Parris.

Mr. Carey of New York with Mr. Goldwater.

Mr. Carney of Ohio with Mr. Sandman.

Mr. Smith of Iowa with Mr. Schneebeli.

Mr. Snyder with Mr. Steele.

Mr. J. William Stanton with Mr. Tiernan.

Mr. Whitehurst with Mr. Veysey.

Mr. Coughlin with Mr. Ware.

Mr. Hillis with Mr. Wiggins.

Mr. Wydler with Mr. Williams.

Mr. Young of Florida with Mr. Wyatt.

Mr. Peyser with Mr. Wyman.

Mr. Young of South Carolina with Mr. Young of Illinois.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from Speaker's table the Senate bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2994

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Planning and Development and Health Facilities Assistance Act of 1974".

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Sec. 302. Agency reports.

TITLE IV—RADIATION HEALTH AND SAFETY

Sec. 401. Short title.
Sec. 402. Declaration of purpose.
Sec. 403. Amendment of Public Health Service Act respecting radiation health and safety.

TITLE I—NATIONAL HEALTH PLANNING AND DEVELOPMENT

REVISION OF HEALTH PLANNING PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 101. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—NATIONAL HEALTH PLANNING AND DEVELOPMENT

"PART A—NATIONAL GUIDELINES FOR HEALTH PLANNING

"NATIONAL GUIDELINES FOR HEALTH PLANNING

"SEC. 1401. (a) The Secretary shall, within one year after the date of enactment of this title, issue guidelines concerning national health planning policy, by promulgation of a rule under section 553 of title 5, United States Code. The Secretary may, from time to time, as he deems appropriate, revise the guidelines in accordance with the preceding sentence.

"(b) The Secretary shall include in the guidelines issued under subsection (a) the following:

"(1) Standards respecting the appropriate supply, distribution, and organization of health resources, and

"(2) A statement of national health planning goals developed after consideration of the priorities, set forth in section 1402, which goals, to the maximum extent practicable, shall be expressed in quantitative terms.

"(c) In issuing guidelines under subsection (a) the Secretary shall consult with and solicit recommendations and comments from the health planning agencies designated under part C, the statewide health coordinating councils established under part C, and the National Advisory Council on Health Planning and Development established by section 1403.

"NATIONAL HEALTH PRIORITIES

"SEC. 1402. The Congress finds that the following deserve priority consideration in the formulation of national health planning goals and in the development and operation of Federal, State, and area health planning and resources development programs:

"(1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices (especially those whose services are appropriately coordinated or integrated with institutional health services) health maintenance organizations, and other organized systems for the provision of health care.

"(4) The training and increased utilization of physician extenders.

"(5) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The promotion of activities for the prevention of disease, including study of nutritional and environmental factors affecting health and provision of preventive health care services.

"(9) The adoption of uniform cost accounting, simplified reimbursement, and utilization reporting systems and improved management procedures for health service institutions.

"(10) The development of effective methods of educating the general public concerning proper personal (including preventive) health care and methods for effective use of available health services.

"NATIONAL ADVISORY COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

"SEC. 1403. (a) There is established in the Department of Health, Education, and Welfare an advisory council to be known as the National Advisory Council on Health Planning and Development (hereinafter in this section referred to as the 'Council'). The Council shall advise, consult with, and make recommendations to the Secretary with respect to the development of national guidelines under section 1401.

"(b)(1) The Council shall be composed of twelve members. The Chief Medical Director of the Veteran's Administration, the Assistant Secretary for Health and Environment of the Department of Defense, and the Assistant Secretary for Health of the Department of Health, Education, and Welfare shall be nonvoting ex officio members of the Council. The remaining members shall be appointed by the Secretary and shall be persons who, as a result of their training, experience, or attainments, are exceptionally well qualified to assist in carrying out the functions of the Council. Of the voting members, not less than four shall be persons who are not providers of health services, not more than three shall be officers or employees of the Federal Government and not less than three shall be members of governing bodies of health planning agencies designated under part B. Not more than five of the voting members of the Council shall be of the same political party.

"(2) The term of office of voting members of the Council shall be six years, except that—

"(A) of the members first appointed to the Council, three shall be appointed for terms of two years and three shall be appointed for terms of four years, as designated by the Secretary at the time of appointment; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

A member may serve after the expiration of his term until his successor has taken office.

"(3) The chairman of the Council shall be selected by the voting members from among their number. The term of office of the chairman of the Council shall be the lesser of three years or the period remaining in his term of office as a member of the Council.

"(c)(1) Except as provided in paragraph (2), the members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

"(2) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Council.

"(3) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

"(d) The Council may appoint, fix the pay of, and prescribe the functions of such personnel as are necessary to carry out its functions. In addition, the Council may procure the services of experts and consultants as authorized by section 3109 of title 5, United States Code, but without regard to the last sentence of such section.

"(e) The provisions of section 14(a) of the Federal Advisory Committee Act shall not apply with respect to the Council.

"PART B—HEALTH PLANNING AGENCIES

"HEALTH AREAS

"SEC. 1411. (a) There shall be established, in accordance with this section, health areas throughout the United States with respect to which health planning agencies shall be designated under section 1415. Each health area shall, in accordance with regulations of the Secretary, meet the following requirements:

"(1) The area shall be a geographic region appropriate for the effective planning and development of health services, determined on the basis of factors including population and the availability of resources to provide all necessary health services for residents of the area.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services.

"(3) The boundaries of an area may not cross State boundaries, except that an area may comprise a geographic region which crosses State boundaries if it is determined that such a region is a more appropriate region for the effective planning and development of health services or if necessary to comply with the requirements of paragraph (4).

"(4) the boundaries of an area may not cross the boundaries of a standard metropolitan statistical area (as designated by the Office of Management and Budget) unless the Secretary waives such requirement.

"(5) Notwithstanding the provisions of paragraphs (1) through (4), the boundaries of areas shall follow the boundaries of areas for which have been developed comprehensive regional, metropolitan area, or other local area plans referred to in section 314(b), unless the Governor of any State in which such area is located, upon a finding that another area is a more appropriate region for the effective planning and development of health services, waives such requirements. If the requirement of this paragraph is waived, health areas shall be established in accordance with paragraphs (1) through (4).

"(b)(1) Within one hundred and twenty days following the date of enactment of this title, the Secretary shall simultaneously give to the Governor of each State written notice of the initiation of proceedings to establish health areas throughout the United States. Each notice shall contain the following:

"(A) A statement of the requirement (in subsection (a)) of the establishment of health areas thoughout the United States.

"(B) A statement of the criteria prescribed by subsection (a) for health areas and the procedures prescribed by this subsection for the designation of health area boundaries.

"(C) A request that the Governor receiving the notice (i) designate the boundaries of health areas within his State, and, where appropriate and in cooperation with the Governors of adjoining States, designate the boundaries within his State of health areas located both in his State and in adjoining States, and (ii) submit (in such form and manner as the Secretary shall specify) to the Secretary, within ninety days of the receipt of the notice, such boundary designations together with comments, submitted by the entities referred to in paragraph (2), with respect to such designations.

At the time such notice is given under this paragraph to each Governor, the Secretary shall publish as a notice in the Federal Register a statement of the giving of his notice to the Governors and the criteria and procedures contained in such notice.

"(2) Each State's Governor shall in the development of boundaries for health areas consult with and solicit the views of the chief executive officer or agency of the political subdivisions within the State, the State agency which administers or supervises the administration of the State's health planning functions under a State plan approved under section 314(a), each entity within the State which has developed a comprehensive regional, metropolitan area or other local area plan or plans referred to in section 314(b), and each regional medical program established in the State under title IX.

"(3) (A) Within one hundred and twenty days of the date on which notice was given to the Governors, the Secretary shall publish in the Federal Register the health area boundary designations and provide interested persons an opportunity to comment thereon. The boundaries for health areas submitted by the Governors shall, except as otherwise provided in subparagraph (B), constitute upon their publication in the Federal Register the boundaries for such health areas.

"(B)(i) If the Secretary determines, after reviewing the comments submitted pursuant to subparagraph (A), that a boundary submitted to him for a health area does not meet the requirements of subsection (a), he shall, after consultation with the Governor who submitted such boundary, make such revision in the boundary for such area (and as necessary, in the boundaries for adjoining health areas) as may be necessary to meet such requirements and publish such revised boundary (or boundaries); and the revised boundary (or boundaries) shall upon publication in the Federal Register constitute the boundary (or boundaries) for such health area (or areas). The Secretary shall notify the Governor of each State in which is located a health area whose boundary is revised under this clause of the boundary revision and the reasons for such revision.

"(ii) In the case of areas of the United States not included within the boundaries for health areas submitted to the Secretary as requested under the notice under paragraph (1), the Secretary shall publish in the Federal Register health area boundaries which include such areas, provide interested persons an opportunity to comment thereon, and shall, thereafter, establish boundaries for such areas. The Secretary shall notify the Governor of each State in which is located a health area the boundary for which is established under this clause of the boundaries established. In carrying out the requirement of this clause, the Secretary may make such revisions in boundaries submitted under subparagraph (A) as he determines are necessary to meet the requirements of subsection (a) for the establishment of health areas throughout the United States.

"(iii) The Secretary shall complete all revisions and establishment of health areas under this subparagraph within one year after the date of enactment of this title.

"(4) The Secretary shall review on a continuing basis and at the request of any Governor or designated health planning agency the appropriateness of the boundaries of the health areas established under paragraph (3) and, if he determines that a boundary for a health area no longer meets the requirements of subsection (a), he may revise the boundaries in accordance with the procedures prescribed by paragraph (3)(B)(ii). If the Secretary acts on his own initiative to revise the boundaries of any health area, he shall consult with the Governor of the appropriate State or States, the entities referred to in paragraph (2), the appropriate health planning agency or agencies designated under part B and the appropriate Statewide Health Coordinating Council established under part C. A request for boundary revision shall be made only after consultation with the Governor of the appropriate State or States, the entities referred to in paragraph (2), the appropriate designated health planning agencies, and the appropriate established Statewide Health Coordinating Council and shall include the comments concerning the revision made by the entities consulted in requesting the revision.

"HEALTH PLANNING AGENCIES

"Sec. 1412. (a) Definition.—For purposes of this title, the term 'health planning agency' means a public entity or nonprofit private corporation which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 1413. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 1413.

"(b) Legal Structure.—(1) A health planning agency for a health area shall—

"(A) if it is a private corporation, (i) be incorporated in the State in which the largest part of the population of its health area resides, (ii) not be a subsidiary of, or otherwise controlled by, any other public or private entity, and (iii) not engage in activities other than performance of the functions described in this title,

"(B) if it is a public entity, (i) provide, in addition to the governing body of the parent entity (if any), for a governing body for health planning established in accordance with paragraph (4), which body shall have exclusive authority to perform the functions described in section 1413, and (ii) have a planning area identical to the health area established under this part which it serves, and

"(C) not be an educational institution or operate such an institution.

"(2) Notwithstanding the provisions of paragraphs (1)(B)(i) and (4) (A) and (C), a public entity which has received a project grant for the development of a comprehensive regional, metropolitan area, or other local area plan under section 314(b) may be a health planning agency for a health area if the Governor of the State in which such area is located certifies that such entity has performed its health planning functions in a satisfactory manner. No such entity may be a health planning agency unless it meets the requirements of section 314(b).

"(3) Staff.—

"(A) Expertise.—A health planning agency shall have a staff which provides the agency with expertise in at least the following: (i) the gathering and analysis of data, (ii) health planning, and (iii) development and utilization of health resources. The functions of planning and of development of health resources shall be conducted by separate staffs with skills appropriate to each function.

"(B) Size and employment.—A health planning agency shall have a single director. The size of the professional staff of any health planning agency shall be not less than five, except that if the quotient of the population (rounded to the next highest one hundred thousand) of the health area which the agency serves divided by one hundred thousand is greater than five, the minimum size of the professional staff shall be the lesser of (i) such quotient or (ii) twenty-five. The members of the staff shall be selected, paid, promoted, and discharged in accordance with such systems as the agency may establish except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health area for similar positions in public or private health service entities. A health planning agency may employ consultants and may contract with individuals or groups for the provision of services where necessary to perform its functions. Such consultants and other individuals and groups shall be compensated in accordance with standards established by regulations of the Secretary.

"(4) Governing Body.—

"(A) In general.—Each health planning agency shall have a governing body composed in accordance with subparagraph (C), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (C), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action (other than the establishment and revision of the plans referred to in subparagraph (B) (ii)) as the governing body is authorized to take.

"(B) RESPONSIBILITIES.—The governing body—

"(i) shall be responsible for the internal affairs of the health planning agency, including matters relating to the staff of the agency, the agency's budget, and procedures and criteria (developed and published pursuant to section 1432) applicable to its functions under subsections (e), (f), (g), (h), and (i) of section 1413;

"(ii) shall be responsible for the establishment of the long-range goal plan and short-term priorities plan required by section 1413(b);

"(iii) shall be responsible for the approval of all actions taken pursuant to subsections (e), (f), (g), (h), and (i) of section 1413;

"(iv) shall be responsible for the approval of grants and contracts made and entered into under section 1413(c)(3);

"(v) shall (I) issue an annual report concerning the activities of the agency, (II) include in that report the long-range goal plan and short-term priorities plan developed by the agency, and a listing of the agency's income, expenditures, assets, and liabilities, and (III) make the report readily available to the residents of the health area and the various communications media serving such area;

"(vi) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(vii) shall meet at least once in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets at least twice in that year; and

"(viii) shall (I) conduct its business meetings in public, (II) give adequate notice to the public of such meetings, and (III) make its records and data available, upon request, to the public.

The governing body (and executive committee (if any)) of a health planning agency shall act only by vote of a majority of its members present and voting at a meeting called upon adequate notice to all of its members and at which a quorum is in attendance. A quorum for a governing body and executive committee shall be not less than one-half of its members.

"(C) COMPOSITION.—

"(i) A majority (but not more than 60 per centum) of the members of the governing body and the executive committee (if any) of a health planning agency shall be residents of the health area served by the agency who are consumers of health services, who are not (nor have within the twelve months preceding appointment been) providers of health services or holders of public elected or appointed offices in governmental authorities in the health area, and who are broadly representative of the social, economic, linguistic, and racial populations and geographic areas of the health area.

"(ii) The remainder of the members of such governing body and executive committee shall be residents of the health area served by the agency who (I) hold public elective or appointive offices which are broadly representative of the governmental authorities in the health area, or (II) are providers of health services chosen in accordance with division (iii).

"(iii) Providers of health services shall be broadly representative of—

"(I) health professions personnel (including allied health personnel and public and community health personnel);

"(II) the health institutions (including public and private hospitals, health maintenance organizations, extended care facilities and health education institutions) located in such health area and the employees of such institutions not described in subclause (I): *Provided*, That the governing body and executive committee of any health planning agency serving an area in which there is located one or more qualified health maintenance organizations (within the meaning of section 1310) shall include at least one member who is representative of such organizations; and

"(III) health care insurers.

A governing body and executive committee of any health planning agency serving an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration shall include, as an ex officio member, an individual whom the Administrator of Veterans' Affairs shall have designated for such purpose.

"(iv) If, in the exercise of its functions, a governing body or executive committee appoints a subcommittee of its members or an advisory group, it shall, to the extent practicable, make its appointments to any such subcommittee or group in such a manner as to provide the representation on such subcommittee or group described in this subparagraph.

"(5) INDIVIDUAL LIABILITY.—No individual who, as a member or employee of a health planning agency, shall, by reason of his performance of any duty, function, or activity required of, or authorized to be undertaken by, an agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof), provided he has acted within the scope of such duty, function, or activity, has exercised due care, and has acted, with respect to that performance, without malice toward any person affected by it.

"(6) PRIVATE CONTRIBUTIONS.—No health planning agency shall accept from any individual or private entity which has a financial, fiduciary, or other direct interest in the development, expansion, or support of health resources any funds or other contributions of facilities or services.

"(7) OTHER REQUIREMENTS.—Each health planning agency shall—

"(A) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(B) provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title; and

"(C) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records pertinent to the disposition of amounts received from the Secretary under this title.

"(c) SUBAREA COUNCILS.—A health planning agency may establish subarea advisory councils representing parts of the agencies' health area to advise the governing body of the agency on the performance of its functions. The composition of a subarea advisory council shall conform to the requirements of subsection (b)(4)(C).

"FUNCTIONS OF HEALTH PLANNING AGENCIES

"SEC. 1413. (a) For the purpose of—

"(1) improving the health of residents of a health area,

"(2) increasing the accessibility (including overcoming geographic, architectural, and transportation barriers), acceptability, continuity, and quality of the health services provided them,

"(3) restraining increases in the cost of providing them health services, and

"(4) preventing unnecessary duplication of health resources,

each health planning agency shall have as its primary responsibility the provision of effective health planning for its health area and the promotion of the development within the area of health resources which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibility, a health planning agency shall carry out the functions described in subsections (b) through (i) of this section.

"(b)(1) In providing health planning and resources development for its health area, a health planning agency shall perform the following functions:

"(A) The agency shall assemble and analyze data describing—

"(i) the status (and its determinants) of the health of the residents of its health area,

"(ii) the number, type, and location of the area's health resources,

"(iii) the patterns of utlization of the area's health resources,

"(iv) the effect the area's health delivery system has on the residents of the area, and

"(v) the environmental and occupational exposure factors affecting immediate and long-term health conditions.

In carrying out this paragraph, the agency shall to the maximum extent practicable use existing data (including data developed under Federal health programs) and coordinate its activities with the cooperative system provided for under section 306(e).

"(B) The agency shall, after appropriate consideration of the recommended national guidelines for health planning issued by the Secretary under section 1401, the priorities set forth in section 1402, and the data developed pursuant to subparagraph (A), establish, annually review, and amend as necessary a long-range goal plan (hereinafter in this title referred to as the 'LGP') which shall be a detailed statement of goals (i) to achieve a healthful environment and health delivery system in the area which, when developed, will prevent unnecessary duplication of health resources and assure that high quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (ii) which is responsive to the unique needs and resources of the area; and (iii) which takes into account and is consistent with the national guidelines for health planning issued by the Secretary under section 1401.

"(C) The agency shall establish, annually review, and amend as necessary a short-term priorities plan (hereinafter in this title referred to as the 'SSP') which describes objectives which will achieve the goals of the LGP and priorities among the objectives. In establishing the SPP, the agency shall give priority to those objectives which will maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of attaining such objectives to their benefits, and which are fitted to the special needs of the area.

"(D) The agency shall develop and publish specific plans and projects for achieving the objectives established in the SPP.

"(2) The Secretary is authorized, upon the petition of any interested person or upon his own initiative, to review any LGP or SPP of any health planning agency, as originally established, or as revised in accordance with the State health plans prepared pursuant to section 1425(e)(1). In conducting such review the Secretary shall consult with the appropriate Statewide Health Coordinating Council. Upon a finding that such LGP or SPP is not consistent with the purposes of this title, the Secretary shall require modification of such LGP or SPP to correct such inconsistency and such LGP or SPP shall be implemented in accordance with such modification.

"(c) A health planning agency shall implement its LGP and SPP, and in implementing the plans it shall perform at least the following functions:

"(1) The agency shall seek, to the extent practicable, to implement its LGP and SPP with the assistance of individuals and public and private entities in its health area.

"(2) The agency may provide, in accordance with the priorities established in the SPP, technical assistance to individuals and public and private entities in the area for the development of projects and programs which the agency determines are necessary to achieve the health delivery system described in the LGP, including assistance in meeting the requirements of the agency prescribed under section 1432(b).

"(3) The agency shall, in accordance with the priorities established in the SPP, make grants to public and nonprofit private entities and enter into contracts with individuals and public and nonprofit private entities in the area to assist them in planning and developing projects and programs for the development of health resources to improve the organization, coordination, or accessibility of health services which the agency determines are necessary for the achievement of the health delivery system described in the LGP. Such grants and contracts shall be made from the Area Health Services Development Fund of the agency established with funds provided under grants made under section 1417. No grant or contract under this subsection may be used to pay the costs of construction or modernization of medical facilities. No single grant or contract made or entered into under this paragraph may be available for obligation beyond the one year period beginning on the date the grant or contract was made or entered into. If an individual or entity receives a grant or contract under this paragraph for a project or program, such individual or entity may receive only two more such grants or contracts for such project or program.

"(d) Each health planning agency shall coordinate its activities with—

(1) each Professional Standards Review Organization (designated under section 1152 of the Social Security Act),

(2) entities referred to in paragraphs (1) and (2) of section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 and regional and local entities the views of which are required to be considered under regulations prescribed under section 403 of the Intergovernmental Cooperation Act of 1968 to carry out section 401(b) of such Act,

(3) State health entities, and

(4) any other appropriate entity,

in the health planning agency's health area. The agency shall, as appropriate, secure data from them for use in the agency's planning and development activities, enter into agreements with them which will assure that actions taken by such entities which alter the area's health delivery system will be taken in a manner which is consistent with the LGP and the SPP in effect for the area, and, to the extent practicable, provide technical assistance to such entities.

(e) (1) Each health planning agency shall review and, in accordance with its LGP and SPP, recommend for approval or disapproval each proposed use within its health area of Federal funds appropriated under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (other than funds described in paragraph (4)) for grants, contracts, loans, or loan guarantees for the development, expansion, or support of health resources.

(2) The agency shall consider each application for Federal funds for a use described in paragraph (1) and shall forward such application, along with its recommendation and a detailed statement of reasons therefor to the Secretary and the appropriate State health planning and development agency (hereinafter in this part referred to as the State Agency). Notwithstanding any other provision of this Act or any other Act referred to in paragraph (1), the Secretary shall allow a health planning agency sixty days to make the review required by such paragraph.

(3) If an agency disapproves a proposed use in its health area of Federal funds described in paragraph (1), the Secretary may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of any agency recommendation, the Secretary shall give the appropriate State Agency an opportunity to consider the recommendation of the health planning agency and to submit to the Secretary its comments on the recommendation. The Secretary, after taking into consideration the State Agency's comments (if any) may make such Federal funds available for such use, notwithstanding the recommendation of the health planning agency. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health planning agency and State Agency and shall contain a detailed statement of the reasons for the decision.

"(4) The provisions of paragraph (1) shall not apply to any use of funds—

"(A) referred to in subsection (f), or

"(B) appropriated for grants or contracts under title IV, VII, or VIII of this Act, except that where such grants and contracts are made, entered into, or used to support the delivery of health services they shall be subject to the provisions of paragraph (1).

"(f) (1) Each health planning agency shall review and, in accordance with its LGP and SPP, recommend for approval or disapproval each proposed use within its health area of Federal funds appropriated under the Acts referred to in subsection (e) which are made available by a State, pursuant to an allotment to such State under such Acts, for grants and contracts for the development, expansion, or support of health resources.

"(2) The agency shall consider each application for funds for a use described in paragraph (1) and shall forward such application, along with its recommendation and a detailed statement of reasons therefore to the appropriate State Agency. Such State Agency shall follow the procedures prescribed by paragraphs (2) and (3) of subsection (e).

"(g) To assist State Agencies in carrying out their functions under paragraph (3) of section 1423(a) each health planning agency shall review and, in accordance with its LGP and SPP, make recommendations to the appropriate State Agency respecting the need for new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed in the health area of such health planning agency. Such review shall be conducted prior to the time such services, facilities, and organizations are offered or developed or substantial expenditures are undertaken in preparation for such offering or development.

"(h) (1) Except as provided in paragraphs (2) and (3), each health planning agency shall review on a periodic basis (but at least every five years) all institutional health services offered and health care facilities and health maintenance organizations located in the health area of the agency and shall make recommendations to the State Agency designated under section 1421 for each State in which the health planning agency's health area is located respecting the need in the area for such services, facilities, and organizations. If the designated State Agency determines that there does not exist a need for a particular institutional health service, health care facility, or health maintenance organization, the health planning agency for the health area in which such service is offered or facility or organization located shall work with the provider of such service or with such facility or organization, the designated State Agency, and other appropriate individuals and entities for the improvement or elimination (as the State Agency and health planning agency determine appropriate) of such service.

"(2) A health planning agency shall complete its initial review of existing institutional health services, health care facilities, and health maintenance organizations within three years after the date of the agency's designation under section 1415(c).

"(3) The review required under paragraph (1) of section 1413 or paragraph (4) of section 1423(a) shall not apply to facilities or services subject to review under section 1122 of the Social Security Act, or subject to a certificate of need program enacted by a State prior to the enactment of this section which the Secretary determines substantially meets the requirements of section 1122 of the Social Security Act or subject to a certificate of need issued pursuant to section 1423(a) (3) (B).

"(i) Each health planning agency shall annually recommend to the State Agency designated for each State in which the health planning agency's health area is located (1) projects for the construction and modernization of health facilities in the agency's health area which projects will achieve the LGP and SPP of the health planning agency, and (2) priorities among such projects.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH PLANNING AGENCIES

"SEC. 1414. The Secretary may provide all necessary technical and other nonfinancial assistance (including the preparation of prototype plans of organization and operation) to public or nonprofit private entities (including entities which have received financial assistance for the fiscal year ending June 30, 1974 under section 314(b) or title IX or as experimental health service delivery systems under section 304) which—

"(1) express a desire to be designated as health planning agencies, and

"(2) the Secretary determines have a potential to meet the requirements of a health planning agency specified in sections 1412 and 1413,

to assist such entities in developing applications to be submitted to the Secretary under section 1415 and otherwise in preparing to meet the requirements of this part for designation as a health planning agency.

"DESIGNATION OF HEALTH PLANNING AGENCIES

"SEC. 1415. (a) At the earliest practicable date after the establishment under section 1411 of health areas (but not later than eighteen months after the date of enactment of this title) the Secretary shall enter into agreements in accordance with this section for the designation of health planning agencies for such areas.

"(b) (1) The Secretary may enter into agreements with entities under which the entities would be designated as the health planning agencies for health areas on a conditional basis with a view to determining their ability to meet the requirements of section 1412(b), and their capacity to perform the functions prescribed by section 1413.

"(2) During any period of conditional designation (which may not exceed 24 months), the Secretary may require that the entity conditionally designated meet only such of the requirements of section 1412(b) and perform only such of the functions prescribed by section 1413 as he determines such entity to be capable of meeting and performing. The number and type of such requirements and functions shall, during the period of conditional designation, be progressively increased as the entity conditionally designated becomes capable of added responsibility so that, by the end of such period, the agency may be considered for designation under subsection (c).

"(3) Any agreement under which any entity is conditionally designated as a health planning agency may be terminated by such entity upon ninety days notice to the Secretary or by the Secretary upon ninety days notice to such entity.

"(4) The Secretary may not enter into an agreement with any entity under paragraph (1) for conditional designation as a health planning agency for a health area until—

"(A) the entity has submitted an application for such designation which contains assurances satisfactory to the Secretary that upon completion of the period of conditional designation the applicant will be organized and operated in the manner described in section 1412 (b) and will be qualified to perform the functions prescribed by section 1413;

"(B) a plan for the orderly assumption and implementation of the functions of a health planning agency has been received from the applicant and approved by the Secretary; and

"(C) the Secretary has consulted with the Governor of each State in which such health area is located and such other State and local officials as he may deem appropriate, with respect to such designation.

In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by each entity which has developed a plan referred to in section 314(b) for all or part of the health area with respect to which the application was submitted, and each regional medical program established in such area under title IX.

"(c)(1) The Secretary shall enter into an agreement with an entity for its designation as a health planning agency if, on the basis of an application under paragraph (2) (and, in the case of an entity conditionally designated, on the basis of its performance during a period of conditional designation under subsection (b) as a health planning agency for a health area), the Secretary determines that such entity is capable of fulfilling, in a satisfactory manner, the requirements and functions of a health planning agency. Any such agreement under this subsection with an entity may be renewed in accordance with paragraph (3), shall contain such provisions respecting the requirements of sections 1412 (b) and 1413 and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe, and shall be for a term of twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, upon his determination after providing the agency with notice and opportunity for hearing in accordance with section 554 of title 5, United States Code, that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(2) The Secretary may not enter into an agreement with any entity under paragraph (1) for designation as a health planning agency for a health area unless the entity has submitted an application to the Secretary for designation as a health planning agency, and the Secretary has consulted with the Governor of each State in which the area is located and such other State and local officials as he may deem appropriate, with respect to such designation. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 1412(b) and is qualified to perform or is performing in a satisfactory manner the functions prescribed by section 1413. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (A) each entity which has developed a plan referred to in section 314(b) for all or part of the health area with respect to which the application was submitted, and (B) each regional medical program established in such area under title IX.

"(3) An agreement under this subsection for the designation of a health planning agency may be renewed by the Secretary for a period not to exceed twelve months if upon review of the agency's operation and performance of its functions he determines that it has fulfilled, in a satisfactory manner, the functions of a health planning agency prescribed by section 1413 and continues to meet the requirements of section 1412(b).

"(d) If a designation under subsection (b) or (c) of a health planning agency for a health area is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b) or (c) (as the Secretary determines appropriate), enter into a designation agreement with another entity to be the health planning agency for such area.

"PLANNING GRANTS

"SEC. 1416. (a) The Secretary shall make in each fiscal year a grant to each health planning agency with which there is in effect a designation agreement under subsection (b) or (c) of section 1415. A grant under this subsection shall be made on such conditions as the Secretary determines to be appropriate, shall be used by a health planning agency for compensation of agency personnel, collection of data, planning, and the performance of other functions of the agency, and shall be available for obligation during the period for which its designation agreement is entered into or renewed (as the case may be). A health planning agency may use funds under a grant under this subsection to make payments under contracts with other entities to assist the health planning agency in the performance of its functions; but it shall not use funds under such a grant to make payments under a grant or contract with another entity for the development or support of health resources.

"(b)(1) The amount of any grant under subsection (a) to a health planning agency designated under section 1415(b) shall be determined by the Secretary. The amount of any grant under subsection (a) to any health planning agency designated under section 1415(c) shall be the product of $0.50 and the population of the health area for which the agency is designated, unless the agency would receive a greater amount under paragraph (2) or (3).

"(2)(A) Of the application of a health planning agency for such a grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph B for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(i) the amount determined under paragraph (1), and

"(ii) the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health area for which the agency is designated.

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall not include any funds contributed to the agency by any individual or private entity which has a financial, fiduciary, or other direct interest in the development, expansion, or support of health resources.

"(3) The amount of a grant under subsection (a) to a health planning agency designated under section 1415(c) may not be less than $220,000.

"(c)(1) For the purpose of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, $90,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

"(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health planning agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant for that fiscal year to each health planning agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for the fiscal year bears to the total amount required to make grants to all health planning agencies in accordance with the applicable provision of subsection (b).

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 1417. (a) The Secretary shall make in each fiscal year a grant to each health planning agency—

"(1) with which there is in effect a designation agreement under section 1415 (b) or (c),

"(2) which has in effect an LGP and SPP reviewed by the Statewide Health Coordinating Council, and

"(3) which is organized and operated in the manner prescribed by section 1412(b) and is performing its functions under section 1413 in a manner satisfactory to the Secretary,

to enable the agency to establish and maintain an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 1413(c)(3).

"(b)(1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health area for which the health planning agency is designated, the average family income of the area and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health planning agency for any fiscal year may not exceed the product of $1 and the population of the health area for which such agency is designated.

"(c) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $75,000,000 for the fiscal year ending June 30, 1976, and $120,000,000 for the fiscal year ending June 30, 1977.

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"DESIGNATION OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1421. (a) For the purpose of the performance within each State of the health planning and development functions prescribed by section 1423, the Secretary shall enter into and renew agreements (described in subsection (b)) for the designation of a State health planning and development agency for each State other than a State for which the Secretary may not under subsection (d) enter into, continue in effect, or renew such an agreement.

"(b)(1) A designation agreement under subsection (a) is an agreement with the Governor of a State for the designation of an agency (selected by the Governor) of the government of that State as the State health planning and development agency (hereinafter in this part referred to as the 'State Agency') to administer the State administrative program prescribed by section 1422 and to carry out the State's health planning and development functions prescribed by section 1423. The Secretary may not enter into such an agreement with the Governor of a State unless—

"(A) there has been submitted by the State a State administrative program which has been approved by the Secretary;

"(B) an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the agency selected by the Governor for designation as the State Agency has the authority and resources to administer the State administrative program of the State and to effectively carry out the health planning and development functions prescribed by section 1423, and

"(C) in the case of an agreement entered into under paragraph (3), there has been established for the State a Statewide Health Coordinating Council meeting the requirements of section 1425.

"(2)(A) The agreement entered into with a Governor of a State under subsection (a) may provide for the designation of a State Agency on a conditional basis with a view to determining the capacity of the designated State Agency to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423. The Secretary shall require as a condition to the entering into of such an agreement that the Governor submit on behalf of the agency to be designated a plan, satisfactory to the Secretary, for the agency's orderly assumption and implementation of such functions.

"(B) The period of an agreement described in subparagraph (A) may not exceed twenty-four months. During such period the Secretary may require that the designated State Agency perform only such of the functions of a State Agency prescribed by section 1423 as he determines it is capable of performing. The number and type of such functions shall, during such period, be progressively increased as the designated State Agency becomes capable of added responsibility, so that by the end of such period the designated State Agency may be considered for designation under paragraph (3).

"(C) Any agreement with a Governor of a State entered into under subparagraph (A) may be terminated by the Governor upon ninety days' notice to the Secretary or by the Secretary upon ninety days' notice to the Governor.

"(3) If, on the basis of an application for designation as a State Agency (and, in the case of an agency conditionally designated under paragraph (2), on the basis of its performance under an agreement with a Governor of a State entered into under such paragraph), the Secretary determines that the agency is capable of fulfilling in a satisfactory manner, the responsibilities of a State Agency, he shall enter into an agreement with the Governor of the State designating the agency as the State Agency for the State. No such agreement may be made unless an application therefor is submitted to, and approved by, the Secretary. Any such agreement shall be for a term of twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the Governor at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, upon his determination, after providing notice and opportunity for hearing in accordance with section 554 of title 5, United States Code, that the designated State Agency is not complying with or effectively carrying out the provisions of such agreement.

An agreement under this paragraph shall contain such provisions as the Secretary may require to assure that the requirements of this part respecting State Agencies are complied with.

"(4) An agreement entered into under paragraph (3) for the designation of a State Agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that it has fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed and if the applicable State administrative program continues to meet the requirements of section 1422.

"(c) If a designation agreement with the Governor of a State entered into under subsection (b)(2) or (b)(3) is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b)(2), or (b)(3) (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency which will comply with and effectively carry out the provisions of such agreement.

"(d) If, upon the expiration of the fourth fiscal year which begins after the calendar year in which the National Health Planning and Development and Health Facilities Assistance Act of 1974 is enacted, a designation agreement for a State is not in effect under this section the Secretary shall forthwith order that no further Federal funds appropriated for any program under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 for the development, expansion or support of health resources shall be made available for use in such State.

"STATE ADMINISTRATIVE PROGRAM

"SEC. 1422. (a) A State administrative program (hereinafter in this section referred to as the 'State Program') is a program for the performance within the State by its State Agency of the functions prescribed by section 1423. The Secretary may not approve a State Program for a State unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the Governor of the State at such time and in such detail, and contains or is accompanied by such information as the Secretary deems necessary; and

"(3) has been submitted to the Secretary only after the Governor of the State has afforded to the general public of the State a reasonable opportunity for a presentation of views on the State Program.

"(b) The State Program of a State must—

"(1) provide for the performance within the State (after the designation of a State Agency and in accordance with the designation agreement) of the functions prescribed by section 1423, in a manner satisfactory to the Secretary and in a manner consistent with the guidelines issued by the Secretary pursuant to section 1401, and specify the State Agency of the State as the sole agency for the performance of such functions (except as provided in subsection (b) of such section) and for the administration of the State Program;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions and the State Program in accordance with this part and contain a current budget for the operation of the State Agency;

"(3) provide for adequate consultation with, and authority for, the Statewide Health Coordinating Council (prescribed by section 1425), in carrying out such functions and the State Program;

"(4) (A) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the performance of such functions and the State Program, and require the State Agency to have a professional staff for planning and a professional staff for development;

"(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91–648), but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(5) require the State Agency to perform its functions in accordance with procedures and criteria established and published by it, which procedures and criteria shall conform to the requirements of section 1432;

"(6) require the State Agency to (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public;

"(7)(A) provide for the coordination (in accordance with regulations of the Secretary) with the cooperative system provided for under section 306(e) of the activities of the State Agency for the collection, retrieval, analysis, reporting, and publication of statistical and other information related to health and health care, and (B) require providers of health services doing business in the State to make statistical and other reports of such information to such State Agency;

"(8) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the performance by the State Agency of its functions and of their economic effectiveness;

"(9) provide that the State Agency will from time to time, and in any event not less often than annually, review the State Program and submit to the Secretary required modifications;

"(10) require the State Agency to make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(11) require the State Agency to provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title;

"(12) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records of the State Agency pertinent to the disposition of amounts received from the Secretary under this title; and

"(13) provide that if the State Agency makes a decision in the performance of a function under paragraph (3) or (4) of section 1423(a) which is inconsistent with a recommendation made under subsection (g), (h), or (i) of section 1413 by a health planning agency within the State—

"(A) such decision (and the record upon which it was made) shall, upon request of the health planning agency, be reviewed, under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies, by an agency of the State (other than the State health planning and development agency) designated by the Governor, and

"(B) the decision of the reviewing agency shall be considered the decision of the State health planning and development agency.

"(c) The Secretary shall approve any State Program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each State Program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH PLANNING AND DEVELOPMENT FUNCTIONS

"SEC. 1423. (a) Each State Agency of a State designated under section 1421 (b) (3) shall, except as authorized under subsection (b), perform within the State the following functions:

"(1) Prepare and review and revise as necessary (but at least annually) a preliminary long-range State health plan which shall be made up of the LGP's of the health planning agencies within the State and a preliminary short-term State health plan which shall be made up of the SPP's of such agencies. Such preliminary plans may, as found necessary by the State Agency, contain such revisions of such LPG's and SPP's to achieve their appropriate coordination or to deal more effectively with statewide health needs. Such preliminary plans shall be submitted to the Statewide Health Coordinating Council of the State for approval or disapproval and for use in developing the State health plans referred to in section 1425 (e) (1).

"(2) Assist the Statewide Health Coordinating Council of the State in the performance of its functions generally.

"(3) (A) Serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act if the State has made an agreement pursuant to such section, and (B) administer a State certificate of need program which applies to new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed within the State and which is satisfactory to the Secretary. Such program shall (i) provide for review and determination of need prior to the time such services, facilities, and organizations are offered or developed or substantial expenditures are undertaken in preparation for such offering or development, and (ii) provide that only those services, facilities, and organizations found to be needed shall be offered or developed in the State. In performing its functions under this paragraph the State Agency shall consider recommendations made by health planning agencies under section 1413(g).

"(4) Review on a periodic basis (but not less often than every five years) all institutional health services being offered and health care facilities and health maintenance organizations located in the State and after consideration of recommendations submitted by health planning agencies under section 1413(h) respecting the need for such services, facilities, and organizations make findings respecting the continued need for such services, facilities, and organizations. With respect to any service, facility, or organization found not to be needed the State Agency will assist the appropriate health planning agency in improving or eliminating such service, facility, or organization as authorized by section 1413(h). A State Agency shall complete its findings with respect to the need for any existing institutional health service, health care facility, or health maintenance organization within one year after the date a health planning agency has made its recommendation under section 1413(h) with respect to the need for such service facility, or organization.

"(b) (1) Any function described in subsection (a) may be performed by another agency of the State government, upon request of the Governor, under an agreement with the State Agency satisfactory to the Secretary.

"(2) The requirement of paragraph (3) (B) of subsection (a) shall not apply to a State Agency until the expiration of the first regular session of the legislature of such State which begins after the date of enactment of this title.

"(c) If a State Agency makes a decision in carrying out a function described in paragraph (3) or (4) of subsection (a) which is not consistent with the applicable LGP or SPP, the State Agency shall submit to the appropriate health planning agency and to the Secretary a detailed statement of the reasons for the inconsistency.

"GRANTS FOR REGULATION OR ESTABLISHMENT OF RATES FOR HEALTH SERVICES

"SEC. 1424. (a) The Secretary is authorized to enter into and renew agreements with designated State health planning and development agencies for the regulation or establishment of rates for the payment or reimbursement for those engaged in the delivery of health services, as defined in regulations of the Secretary, within the State.

"(b) Any agreement entered into under this section shall—

"(1) provide for the performance within the State of the functions prescribed by subsection (a) and specify the State Agency of the State as the sole agency for the performance of such functions, except that such functions may be performed by another agency of the State government, upon request of the Governor, under an agreement with the State Agency satisfactory to the Secretary;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions in accordance with this section and contain a current budget for the performance of such functions by the State Agency;

"(3) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibility in the performance of such functions, and require the State Agency to have a professional staff for rate regulation, which staff shall be headed by a Director;

"(4) provide for such methods of administration as found by the Secretary to be necessary for the proper and efficient administration of such functions, including methods relating to the establishment and maintenance of personnel standards, as described in section 1422(b) (4) (B);

"(5) require the State Agency to perform its functions in accordance with procedures established and published by it, which procedures shall conform to the requirements of section 1432;

"(6) comply with the requirements prescribed by paragraphs (6) through (12) of section 1422(b) with respect to the functions prescribed by subsection (a); and

"(7) provide for the establishment of a procedure under which the State Agency will obtain the recommendation of the appropriate health planning agency prior to conducting a review of the rates charged or proposed to be charged for services.

Any such agreement shall contain such additional provisions as the Secretary may require to assure that the requirements of this section are complied with.

"(c) (1) The Secretary may not enter into an agreement with a State Agency unless an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the State Agency has the authority and resources to carry out the functions prescribed by subsection (a).

"(2) If, on the basis of an application for an agreement under this section, the Secretary determines that the State Agency is capable of performing, in a satisfactory manner, the functions prescribed by subsection (a), he shall enter into such agreement for a period of twelve months.

"(3) An agreement entered into under this section with a State Agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that the State Agency has performed in a satisfactory manner, the functions prescribed by subsection (a).

"(d) (1) The sums appropriated under subsection (g) shall be allotted, for each fiscal year, among the State Agencies that, under subsection (a), have entered into an agreement with the Secretary that is in effect for such fiscal year. The allotment shall be, under the Secretary's regulations, in accordance with the populations of the respective States served by State Agencies eligible therefor, and the costs of performing the functions to be undertaken by the State Agencies under their agreements.

"(2) The amount of any allotment to a State Agency under paragraph (1), for any fiscal year, that the Secretary determines will not be required by the State Agency, during the period for which it is available, for the purposes for which allotted shall be available for reallotment by the Secretary from time to time, on such date or dates as he may fix, to other State Agencies which have entered into an agreement with the Secretary that is in effect for such fiscal year with respect to which such a determination has not been made, in proportion to the original allotments to such State Agencies under paragraph (1) for such fiscal year, but with such proportionate amount for any of such other State Agencies being reduced to the extent it exceeds the sum the Secretary estimates such State Agency needs and will be able to use during that period; and the total of those reductions shall be similarly reallotted among the State Agencies whose proportionate amounts were not so reduced. Any amount so reallotted to a State Agency for sums appropriated under subsection (g) for a fiscal year shall be deemed part of its allotment under paragraph (1) for the fiscal year.

"(3) From each State Agency's allotment for a fiscal year under this subsection, the Secretary shall from time to time pay to the State Agency the amount of its expenditures incurred during that year under the agreement entered into under this subsection, but no payment shall be made unless such agreement is then in effect. The Secretary shall make these payments on the basis of estimates of those expenditures, or in anticipation of those expenditures based upon his estimate of the sums the State Agency will need in order to perform the functions undertaken under the agreement, but with such adjustments as may be necessary to payments or overpayments.

"(e) Any agreement entered into under this section shall be for a term of twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(1) by the State Agency at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(2) by the Secretary, upon his determination, after providing notice and opportunity for hearing in accordance with section 554 of title 5, United States Code, that the State Agency is not complying with or effectively carrying out the provisions of such agreement.

"(f) The Secretary shall issue regulations regarding the performance of the functions prescribed by subsection (a). In issuing such regulations the Secretary shall consider the manner in which the State Agency should perform such functions including whether the State Agency should—

"(1) permit those engaged in the delivery of health services to retain savings accruing to them from effective management and cost control,

"(2) create incentives at each point in the delivery of health services for utilization of the most economical modes of services feasible.

"(3) document the need for and cost implications of each new service for which a determination of reimbursement rates is sought, and

"(4) employ for each type or class of person engaged in the delivery of health services—

"(A) a unit for determining the reimbursement rates, and

"(B) a base for determining rates of change in the reimbursement rates,

which unit and base are satisfactory to the Secretary.

"(g) There are authorized to be appropriated, for the purposes of this section, $10,000,000 for the fiscal year ending June 30, 1975, $15,000,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977.

"STATEWIDE HEALTH COORDINATING COUNCILS

"Sec. 1425. (a) A State health planning and development agency designated under section 1421 shall be advised by a Statewide Health Coordinating Council (hereinafter in this section referred to as the 'SHCC') which (1) is organized in the manner described by subsection (c), and (2) performs the functions listed in subsection (e).

"(b) (1) Each health planning agency designated to serve a health area that falls, in whole or in part, within the boundaries of one or more States shall participate in the SHCC for each such State.

"(2) (A) Each health planning agency which participates in an SHCC for any State shall assume, for each fiscal year, its share of the costs of operation of the SHC in excess of those defrayed under subparagraph (B). The share of each such agency shall bear the same proportion to such costs as the amounts the Secretary has awarded to the agency under section 1416 (with respect to the portion of its health area which falls within such State) for that year bear to the aggregate amounts awarded under such section to all agencies participating in such SHCC.

"(B) In the case of any SHCC for any State which, in any year, includes members appointed by the Governor of such State pursuant to subsection (c) (1) (B) the State shall contribute to the SHCC to assist in meeting its costs of operation an amount equal to 40 per centum of such costs for such year.

"(3) Each health planning agency which participates in an SHCC shall (A) make available its LGP and SPP for each year for integration into the State health plans under subsection (e) (1) and (B) make such revisions in its LGP and SPP as required to be consistent with such State plans.

"(c) (1) A SHCC shall be composed in the following manner:

"(A) (i) A SHCC for any State shall have no fewer than sixteen representatives appointed by the Governor of such State from lists of at least five nominees submitted to the Governor by each of the health planning agencies designated for health areas which fall, in whole or in part, within the State.

"(ii) Each health planning agency within the State shall be entitled to the same number of representatives on the SHCC.

"(iii) Each health planning agency shall be entitled to at least two representatives on the SHCC.

"(iv) Where the governing body of any of the health planning agencies represented on the SHCC includes a member representative of health maintenance organizations the SHCC shall include a member representative of such organizations.

"(v) Where two or more hospitals or other health care facilities of the Veterans' Administration are located in a State, the SHCC shall, in addition to the appointed members, include, as an ex officio member, an individual whom the Administrator of Veterans' Affairs shall have designated as a representative of such facilities.

"(B) The Governor of the State may appoint such persons (including State officials, public elected and appointed officials, and other representatives of governmental authorities within the State) to serve on the SHCC as he deems appropriate; except that the number of persons appointed to the SHCC by the Governor under this subparagraph may not exceed 40 per centum of the total membership of the SHCC.

"(C) A majority of the members of a SHCC shall be consumers of health services who are not providers of health services or holders of public elective or appointive offices.

"(2) The SHCC shall select from among its members a chairman.

"(d) The SHCC shall—

"(1) (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public;

"(2) meet at least once in each calendar quarter of a year;

"(3) act only by a vote of a majority of its members present and voting at a meeting called upon adequate notice to all of its members and at which a quorum of not less than one-half of its members is in attendance;

"(4) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports; and

"(5) in preparing and revising the State health plans under subsection (e) (1), follow the procedures prescribed by section 1432(a).

"(e) A SHCC shall perform the following functions:

"(1) Taking into account the preliminary State health plans prepared by the State Agency in accordance with section 1423(a) (1), prepare and review and revise as necessary (but at least annually) a long-range State health plan which shall be made up of the LGP's of the health planning agencies within the State and a short-term State health plan which shall be made up of the SPP's of such agencies. Such plans may, as found necessary by the SHCC, contain such revisions of such LGP's and SPP's to achieve their appropriate coordination or to deal more effectively with statewide health needs.

"(2) Review annually the budget of each such health planning agency and report to the Secretary, for purposes of his review under section 1434(a), its comments on such budget.

"(3) Review applications submitted by such health planning agencies for grants under sections 1416 and 1417 and report to the Secretary its comments on such applications.

"(4) Advise the State Agency of the State generally on the performance of its functions.

"(5) Review annually and approve or disapprove any State plan and any application (and any revision of a State plan or application) submitted to the Secretary as a condition to the receipt of any funds under allotments made to States under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Notwithstanding any other provision of any Act referred to in the preceding sentence, the Secretary shall allow a SHCC sixty days to make the review required by such sentence. If a SHCC disapproves such a State plan or application, the Secretary may not make Federal funds available under such State plan or application until he has made, upon request of the Governor of the State which submitted such plan or application or another agency of such State, a review of the SHCC decision. If after such review the Secretary decides to make such funds available, the decision by the Secretary to make such funds available shall be submitted to the SHCC and shall contain a detailed statement of the reasons for the decision.

"(6) Advise and consult with the State Agency in carrying out the State health facilities plan referred to in section 602.

"ASSISTANCE FOR STATE HEALTH PLANNING AND DEVELOPMENT

"Sec. 1426. (a) (1) From the sums appropriated under subsection (c) for each fiscal year the State health planning and development agencies designated under subsection (b) (2) or (b) (3) of section 1421 shall be entitled to allotments to assist in meeting the costs of performing the functions prescribed by section 1423 which shall be determined, in accordance with regulations, on the basis of the population and the per capita income of the respective States. Notwithstanding the provisions of the preceding sentence, no allotment to any State Agency for any fiscal year shall be less than 1 per centum of the sum appropriated for such fiscal year pursuant to subsection (c). Any such allotment to a State Agency for a fiscal year shall remain available for obligation by the State Agency, in accordance with the provisions of this subsection only during the period for which its designation agreement is entered into or renewed.

"(2) The amount of any allotment to a State Agency under paragraph (1) for any fiscal year which the Secretary determines will not be required by the State Agency, during the period for which it is available, for the purposes for which allotted, shall be available for reallotment by the Secretary from time to time, on such date or dates as he may fix, to other State Agencies with respect to which such determination has not been made, in proportion to the original allotments to such State Agencies under paragraph (1) for such fiscal year, but with such proportionate amount for any of such other State Agencies being reduced to the extent it exceeds the sum the Secretary estimates such State Agency needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the State Agencies whose proportionate amounts were not so reduced. Any amount so reallotted to a State Agency from funds appropriated pursuant to this paragraph for a fiscal year shall be deemed part of its allotment under paragraph (1) for such fiscal year.

"(b)(1) From each State Agency's allotment for a fiscal year under subsection (a), the State Agency shall from time to time be paid the Federal share of the costs incurred during that year in performing the functions prescribed by section 1423. Such payments shall be made on the basis of estimates by the Secretary of the sums the State Agency will need in order to perform such functions, but with such adjustments as may be necessary to take account of previously made underpayments or overpayments. The 'Federal share' for any State Agency for purposes of this subsection shall be such part, not exceeding 90 per centum, of the cost of the performance of such functions as the Secretary may determine.

"(2) Payments under paragraph (1) shall be made on such terms and conditions as the Secretary may prescribe. No payment may be made under paragraph (1) unless the Secretary (A) determines that the Federal funds to be paid will be used to supplement State funds that would in the absence of such Federal funds be used for the purposes for which such Federal funds would be paid and will in no event supplant such State funds and (B) receives satisfactory assurances that the State Agency will expend in performing the functions prescribed by section 1423 during the fiscal year for which the payment is sought, an amount of funds from non-Federal sources which is at least as great as the average amount of funds expended by States for which such State Agency has been designated for such purposes (excluding expenditures of a nonrecurring nature) in the three years immediately preceding the fiscal year for which such payment is sought.

"(c) For purposes of making allotments to States under subsection (a) to assist in meeting the costs of performing the functions prescribed by section 1423 there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $25,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for the fiscal year ending June 30, 1977.

"(d) The Secretary shall provide to any State Agencies engaged in the performance of the functions prescribed by section 1423 such technical assistance as may be necessary in order that such State Agencies may properly perform such functions.

"PART D—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 1431. For purposes of this title:

"(1) The term 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) The term 'Governor' means the chief executive officer of a State or his designee.

"(3) The term 'provider of health services' means an individual—

"(A) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii), (iii), or (iv) of subparagraph (B), or

"(B) who receives (either directly or through his spouse) more than one-tenth of his gross national income from any one or combination of the following:

"(i) Fees or other compensation for the provision of, research into the provision of, or instruction in the provision of, health services.

"(ii) Financial interests in entities engaged in such provision, research, or instruction.

"(iii) Producing or supplying, or from financial interests in entities engaged in producing or supplying, drugs or other articles for individuals or in entities engaged in the provision of, research into the provision of, or instruction in the provision of, health services.

"(iv) Financial interests in entities engaged in indemnifying the provision of health services.

"(4)(A) the term 'institutional health services' means the health services provided through health care facilities and health maintenance organizations (as such facilities and organizations are defined in regulations prescribed under section 1122 of the Social Security Act); and (B) the term 'health care facilities' means the health care facilities referred to in clause (A).

"(5) the term 'health resources' includes health services, health professions personnel, and health facilities, except that such term does not include Christian Science sanatoriums operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts.

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH DELIVERY SYSTEM CHANGES

"SEC. 1432. (a) Prior to establishment of any long-range goal plan or short-term priorities plan under section 1413(b)(1)(B) and (C), each health planning agency shall conduct a public hearing on the plan as proposed and shall give interested persons an opportunity to submit their views orally and in writing. No less than thirty days prior to such hearing, such agency shall publish in at least two newspapers of general circulation throughout its health area a notice of its consideration of the proposed plan, the time and place of the hearing, the place at which interested persons may consult the plan in advance of the hearing, and the place and period during which to direct written comment to the agency on the plan.

"(b) In conducting reviews pursuant to subsections (e), (f), (g), and (h) of section 1413 or in conducting any other reviews, each health planning agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria (appropriate to carry out the purposes of this title) developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 1423, a State health planning and development agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria (appropriate to carry out the purposes of this title) developed and published by the State Agency in accordance with regulations of the Secretary. Procedures and criteria for reviews by health planning agencies and State health planning and development agencies may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(c) Each health planning agency and State health planning and development agency shall include in the procedures required by subsection (b) at least the following:

"(1) Written notification to affected persons of the beginning of a review.

"(2) Schedules for reviews which provide that no review shall, to the extent practicable, take longer than ninety days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to a review to submit to the agency or State Agency (in such form and manner as the agency or State Agency shall prescribe and publish) such information as the agency or State Agency may require concerning the subject of such review.

"(4) Submission of applications (subject to review by a health planning agency or a State Agency) made under this Act or other provisions of law for Federal financial assistance for health services to the health planning agency or State Agency at such time and in such manner as it may require.

"(5) Submission of periodic reports by those engaged in the delivery of health services and other persons subject to agency or State Agency review respecting the development of proposals subject to review.

"(6) Provision for written findings which state the basis for any final decision or recommendation made by the agency or State Agency.

"(7) Notification of providers of health services and other persons subject to agency or State Agency review of the status of the agency or State Agency review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(8) Provision for public hearings in the course of agency or State Agency review if requested by interested persons; and provision for public hearings, for good cause shown, respecting agency and State Agency decisions.

"(9) Preparation and publication of regular reports by the agency and State Agency of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and State Agency (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(10) Access by the general public to all applications reviewed by the agency and State Agency and to all other written materials pertinent to any agency or State Agency review.

"(11) In the case of construction projects, submission to the agency and State Agency by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and State Agency of the scope and nature of the projects at the earliest possible opportunity in the course of planning of such construction projects.

"(d) Criteria required by subsection (b) for health planning agency and State Agency review shall include consideration of at least the following:

"(1) The relationship of the health services being reviewed to the applicable LGP and SPP.

"(2) The relationship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly, or more effective methods of providing such services.

"(5) The relationship of services reviewed to the existing health delivery system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided, the availability of resources (including health professions personnel, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(7) The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health area in which the entity is located or in adjacent health areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, specialty centers, and such other entities as the Secretary may by regulation prescribe.

"(8) The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

"(9) In the case of a construction project—

"(A) the costs and methods of the proposed construction, and

"(B) the probable impact of the construction project reviewed on the costs of providing health services by the person proposing such construction project.

"TECHNICAL ASSISTANCE FOR HEALTH PLANNING AGENCIES AND STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1433. (a) The Secretary shall provide (directly or through grants or contracts, or both) to designated health planning agencies and, upon request, to State Agencies (1) assistance in developing their health plans and approaches to planning various types of health services, (2) technical materials, including methodologies, policies, and standards appropriate for use in health planning, and (3) other technical assistance as may be necessary in order that such agencies may properly perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1) (A) Specification of the minimum data needed to determine the health status of the residents of a health area and the determinants of such status, including specification for data which describe mortality and morbidity by age, sex, race, residence, economic status, and occupation the etiologies of mortality and morbidity, and the environmental and occupational exposure factors affecting health conditions.

"(B) Specification of the minimum data needed to determine the status of the health resources of a health area, including specification for data which describe health care facilities by size, types of services provided, location, and operating costs, which describe health professions personnel by type, specialty, supply, location, and mode of practice and which describe health services by type and location.

"(C) Specification of the minimum data needed to describe the use of health resources within a health area, including the use by various population groups, including groups based on age, sex, race residence, economic status, and occupation.

"(2) Planning approaches, methodologies, policies, and standards which shall be consistent with the guidelines established by the Secretary under section 1401 for appropriate planning and development of health resources, and which shall cover the priorities listed in section 1402.

"(3) Guidelines for the organization and operation of health planning agencies and State Agencies including guidelines for—

"(A) the structure of a health planning agency, consistent with section 1412(b), and of a State Agency, consistent with section 1422;

"(B) the conduct of the planning and development processes;

"(C) the performance of health planning agency functions in accordance with section 1413; and

"(D) the performance of State Agency functions in accordance with section 1423.

"(c) The Secretary shall establish the following within one year of the date of enactment of this title:

"(1) A uniform system for calculating the aggregate cost of operation and the aggregate volume of services provided by health services institutions as defined by the Secretary in regulations. Such system shall provide for the calculation of the aggregate volume to be based on:

"(A) The number of patient days;

"(B) The number of patient admissions;

"(C) The number of out-patient visits; and

"(D) Other relevant factors as determined by the Secretary.

"(2) A uniform system for cost accounting and calculating the volume of services provided by health services institutions. Such system shall:

"(A) Include the establishment of specific cost centers and, where appropriate, subcost centers.

"(B) Include the designation of an appropriate volume factor for each cost center.

"(C) Provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health services institutions), and different sizes of such types of institutions.

"(3) A uniform system for calculating rates to be charged to health insurers and other health institutions payors by health service institutions. Such system shall:

"(A) Be based on an all-inclusive rate for various categories of patients (including, but not limited to individuals receiving medical, surgical, pediatric, obstetric, and psychiatric institutional health services).

"(B) Provide that such rates reflect the true cost of providing services to each such category of patients. The system shall provide that revenues derived from patients in one category shall not be used to support the provision of services to patients in any other category.

"(C) Provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health service institutions) and different sizes of such types of institutions.

"(D) Provide that differences in rates to various classes of purchasers (including health insurers, direct service payors, and other health institution payors) be based on justified and documented differences in the costs of operation of health service institutions made possible by the actions of such purchasers.

"(4) A classification system for health services institutions. Such classification system shall quantitatively describe and group health services institutions of the various types. Factors included in such classification system shall include:

"(A) the number of beds operated by an institution;

"(B) the geographic location of an institution;

"(C) the operation of a postgraduate physician training program by an institution; and

"(D) the complexity of services provided by an institution.

"(5) A uniform system for the reporting by health services institutions of:

"(A) The aggregate cost of operation and the aggregate volume of services, as calculated in accordance with the system established by the Secretary under paragraph (1).

"(B) The costs and volume of services at various cost centers, and subcost centers, as calculated in accordance with the system established by the Secretary under paragraph (2); and

"(C) Rates, by category of patient and class of purchaser, as calculated in accordance with the system established by the Secretary under paragraph (3).

Such system shall provide for an appropriate application of such system in the different types of institutions (including hospitals, nursing homes, and other types of health services institutions) and different sizes of such institutions.

"REVIEW BY THE SECRETARY

"SEC. 1434. (a) The Secretary may review and approve or disapprove the annual budget of each designated health planning agency. In making such review for approval or disapproval the Secretary shall consider the comments of Statewide Health Coordinating Councils submitted under section 1425(e) (2).

"(b) The Secretary shall prescribe performance standards covering the structure, operation, and performance of the functions of each designated health planning agency and State Agency and he shall establish a reporting system based on the performance standards that allows for continuous review of the structure, operation, and performance of the functions of such agencies.

"(c) The Secretary may review in detail at least every three years the structure, operation, and performance of the functions of each designated health planning agency to determine—

"(1) the adequacy of the LGP of the agency for meeting the needs of the residents of the area for a healthful environment and for accessible, acceptable and continuous high quality health care at reasonable costs, and the effectiveness of the SPP in achieving the health delivery system described in the LGP;

"(2) the extent to which the LGP, SPP, and other plans and projects of the agency take account of, and are consistent with the guidelines issued by the Secretary pursuant to section 1401;

"(3) if the structure, operation, and performance of the functions of the agency meet the requirements of sections 1412(b) and 1413;

"(4) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health service area for which the agency is designated;

"(5) the professional credentials and competence of the staff of the agency;

"(6) the appropriateness of the data assembled pursuant to section 1413(b) (1) (A) and the quality of the analyses of such data;

"(7) the extent to which technical and financial assistance from the agency have been utilized in an effective manner to achieve the goals and objectives of the LGP and the SPP;

"(8) the extent to which the agency is participating in the appropriate Statewide Health Coordinating Council or Councils under section 1425(b) and is revising its LGP and SPP in accordance with the Statewide health plans developed pursuant to section 1425(e) (1); and

"(9) the extent to which it may be quantifiably demonstrated that—

"(A) the accessibility, acceptability, continuity, and quality of health care in such area has been improved;

"(B) increases in costs of the provision of health care have been restrained; and

"(C) unnecessary duplications of health resources in such area have been prevented.

"(d) The Secretary may review in detail at least every three years the structure, operation, and performance of the functions of each designated State Agency to determine—

"(1) the adequacy of the State health plan of the Statewide Health Coordinating Council developed under section 1425(e) (1) in meeting the needs of the residents of the State for a healthful environment and for accessible, acceptable, and continuous high quality health care at reasonable costs;

"(2) if the structure, operation, and performance of the functions of the State Agency meet the requirements of sections 1422 and 1423;

"(3) the extent to which the Statewide Health Coordinating Council has a membership meeting, and has performed in a manner consistent with, the requirements of section 1425;

"(4) the professional credentials and competence of the staff of the State Agency;

"(5) the extent to which the State Agency has performed the functions prescribed by section 1423(a) in an effective manner to achieve the State's health plan under section 1425(e) (1) and in a manner consistent with the guidelines issued by the Secretary pursuant to section 1401; and

"(6) the extent to which it may be demonstrated that—

"(A) the accessibility, acceptability, continuity, and quality of health care in the State has been improved;

"(B) increases in costs of the provision of health care have been restrained; and

"(C) unnecessary duplications of health resources have been prevented."

"SPECIAL PROVISIONS FOR THE VIRGIN ISLANDS, GUAM, THE TRUST TERRITORIES OF THE PACIFIC ISLANDS, AND AMERICAN SAMOA

"SEC. 1435. The Virgin Islands, Guam, the Trust Territories of the Pacific Islands, and American Samoa shall each be considered a State for purposes of this title, except that—

"(1) no health areas shall be established within them,

"(2) no health planning agencies shall be designated for them,

"(3) the State health planning and development agency designated for each of them under section 1421 shall, in addition to the functions prescribed by section 1423, perform the functions prescribed by section 1413 and shall be eligible to receive grants authorized by sections 1416 and 1417, and

"(4) the chief executive officer of each of them shall appoint the Statewide Health Coordinating Council prescribed by section 1425 in accordance with regulations of the Secretary.

"WAIVER AUTHORITY

"SEC. 1436. (a) At the request of the Governor of a State applying for a waiver under this section, the Secretary shall waive the requirements of sections 1411 and 1412, if he finds that a State applying for assistance under this title or under title VI—

"(1) has no county or municipal public health institutions or departments, and

"(2) has, prior to the date of enactment of this section, maintained a health planning system which substantially complies with the purposes of this title.

"(b) A State receiving a waiver under subsection (a) of this section and otherwise meeting the requirements of this title shall be eligible for assistance authorized by this title."

TITLE II—ASSISTANCE FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

REVISION OF HEALTH FACILITIES PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 201. Title V of the Public Health Service Act (42 U.S.C. 291 et seq.) is amended to read as follows:

"TITLE VI—ASSISTANCE FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"PART A—PURPOSE, STATE ALLOTMENTS, STATE PLAN

"DECLARATION OF PURPOSE

"SEC. 600. It is the purpose of this title to provide assistance, through allotments under this part and grants, loans and loan guarantees under part B, for such projects for—

"(1) construction or modernization of public or other nonprofit outpatient facilities, and

"(2) modernization of public or other nonprofit health facilities which will serve medically underserved populations or populations which, without the modernization of such facilities, would be designated medically underserved populations,

as may be necessary, in conjunction with existing facilities, to furnish adequate health care services to all people throughout the United States.

"STATE ALLOTMENTS

"SEC. 601. (a) For the purpose of providing assistance to projects described in section 600, each State shall be entitled to receive, for each fiscal year, an allotment from the sums appropriated for such fiscal year under section 625, bearing the same ratio to the sums appropriated for such year under such section as the product of—

"(1) the population of such State, and

"(2) the square of the allotment percentage applicable to such State,

bears to the sum of the corresponding products for all of the States.

"(b) (1) The allotment to any State (other than Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands) for any fiscal year shall be not less than $1,000,000; and the allotment to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall be not less than $500,000 each.

"(2) Notwithstanding paragraph (1), if the amount appropriated under section 625 for any fiscal year is less than the amount required to provide allotments in accordance with paragraph (1), the amount of the allotment to any State for such fiscal year shall be an amount which bears the same ratio to the amount prescribed for such State by paragraph (1) as the amount appropriated for such fiscal year bears to the amount of appropriations needed to make allotments to all the States in accordance with paragraph (1).

"(c) For the purposes of this part—

"(1) The 'allotment percentage' for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands shall be 75 per centum.

"(2) The allotment percentage shall be determined by the Secretary between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of each of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce, and the States shall be notified promptly thereof. Such determination shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such determination.

"(3) The population of the several States shall be determined on the basis of the latest figures certified by the Department of Commerce.

"(4) The term 'United States' means (but only for purposes of paragraphs (1) and (2)) the fifty States and the District of Columbia.

"(d) Any sum allotted to a State for a fiscal year under this section and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the sums allotted to such State for such purposes for such next two fiscal years.

"STATE HEALTH FACILITIES PLAN

"SEC. 602. (a) Before an application for assistance under this part for a health facility project described in section 600 may be approved, the State Agency of the State in which such project is located must have submitted to the Secretary and had approved by him a State health facilities plan. To be approved by the Secretary a State heatlh facilities plan for a State must—

"(1) prescribe that the State Agency of the State shall administer or supervise the administration of the plan and contain evidence satisfactory to the Secretary that the State Agency has the authority to carry out the plan in conformity with this title;

"(2) prescribe that the Statewide Health Coordinating Council of the State shall advise and consult with the State Agency in carrying out the plan;

"(3) be approved by the Statewide Health Coordinating Council as consistent with the State health plans developed pursuant to section 1425(e)(1);

"(4) set forth, in accordance with criteria established in regulations prescribed under section 620 and on the basis of a statewide inventory of health facilities, a survey of need, and the plans of the health planning agencies within the State—

"(A) the number and type of outpatient health facilities needed to provide adequate outpatient care to people residing in the State, and a plan for the distribution of such facilities in health areas throughout the State, and

"(B) the extent to which existing health facilities in the State are in need of modernization;

"(5) set forth a program for the State for assistance under this part for projects described in section 600, which program shall indicate the type of assistance which shall be made available to each project and shall conform to the assessment of need set forth pursuant to paragraph (4) and regulations promulgated pursuant to section 620;

"(6) set forth (in accordance with regulations promulgated under section 620) priorities for the provision of assistance under this part for projects in the program set forth pursuant to paragraph (4);

"(7) provide minimum requirements (to be fixed at the discretion of the State Agency) for the maintenance and operation of facilities which receive assistance under this part, and provide for enforcement of such requirements;

"(8) provide for affording to every applicant for assistance for a health facilities project under this part an opportunity for a hearing before the State Agency; and

"(9) provide that the State Agency will from time to time, but not less often than annually, review the plan and submit to the Secretary any modifications thereof which it considers necessary.

"(b) The Secretary shall approve any State health facilities plan and any modification thereof which complies with the provisions of subsection (a) if the State Agency, as determined under the review made under section 1434(d), is organized and operated in the manner prescribed by section 1422 and is carrying out its functions under section 1423 in a manner satisfactory to the Secretary. If any such plan or modification thereof shall have been disapproved by the Secretary for failure to comply with subsection (a), the Secretary shall, upon request of the State Agency, afford it an opportunity for hearing.

"APPROVAL OF PROJECTS

"SEC. 603. (a) For each project described in section 600 included within a State's State health facilities plan approved under section 602 there shall be submitted to the Secretary, through the State's State Agency, an application. The applicant under such an application may be a State, a political subdivision of a State, or any other public entity, or a private nonprofit entity. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b) An application for any project shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor, in accordance with regulations promulgated under section 620;

"(3) a certification by the State Agency of the Federal share for the project;

"(4) in the case of a construction project, reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in the entity which is to operate the facility on completion of the project;

"(5) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed: *Provided,* That, for the continued maintenance and operation of an outpatient facility which is located in an area determined by the Secretary to be an urban or rural poverty area and which is providing services to the poor in such area, Federal assistance provided directly to such facility or through benefits accorded individuals served at such facility shall be counted as financial support in meeting this requirement;

"(6) adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work in the project will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 376c);

"(7) in the case of any application for a project for modernization of any health facility (except an outpatient facility), reasonable assurance that when the project is completed the facility will serve a medically underserved population or a population which without the modernization of such facility, would be designated as a medically underserved population;

"(8) in the case of any application of any nonprofit private entity for a project for the construction or modernization of any outpatient facility, reasonable assurance that the services of a general hospital will be available to patients of such facility who are in need of hospital care;

"(9) in the case of a modernization project for a health facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and in the case of any project for construction of an outpatient facility, a finding by the State Agency of a continued need for such services, and in the case of any project for construction of an outpatient facility, a finding by the State Agency of the need for the new health services to be provided through the facility upon completion of the project; and

"(10) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed or modernized will be made available to all persons residing or employed in the area served by the facility and (ii) there will be made available in the facility or portion thereof to be constructed or modernized a reasonable volume of services to persons unable to pay therefor. The Secretary shall, in determining the reasonableness of the volume of services provided, take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(c) The Secretary shall approve an application submitted under subsection (a) for a project to be assisted from an allotment made under this part if—

"(1) there are sufficient funds in such allotment to pay the Federal share of the project, and

"(2) the Secretary finds that—

"(A) the application (i) is in conformity with the State health facilities plan approved under section 602, (ii) has been approved and recommended by the State Agency, (iii) is for a project which is entitled to priority over other projects within the State as determined in accordance with the approved State health facilities plan, and (iv) contains such reasonable assurances as described in subsection (b), and

"(B) the plans and specifications are in accord with the regulations promulgated under section 620.

"(d) No application shall be disapproved until the Secretary has afforded the State Agency an opportunity for a hearing.

"(e) Each application under this part shall be reviewed by a health planning agency in accordance with section 1413(f).

"(f) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"PAYMENT FROM ALLOTMENTS

"SEC. 604. (a) If with respect to any health facility project approved under section 603 the State Agency certifies (upon the basis of inspection by it) to the Secretary that, in accordance with approved plans and specifications, work has been performed upon the project or purchases have been made for it and that payment from the applicable allotment of the State in which the project is located is due for the project, the Secretary shall, except as provided in subsection (b), make such payment to the State.

"(b) The Secretary is authorized to not make payments to a State pursuant to subsection (a) in the following circumstances:

"(1) If such State is not authorized by law to make payments for an approved health facility project from the payment to be made by the Secretary pursuant to subsection (a), or if the State so requests, the Secretary shall make the payment from the State allotment directly to the applicant for such project.

"(2) If the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occured requiring action pursuant to section 621 payment by the Secretary may, after he has given the State agency notice and opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing.

In no event may the total of payments made under subsection (a) with respect to any project exceed an amount equal to the Federal share of such project.

"(c) In case an amendment to an approved application is approved as provided in section 603 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"PART B—GRANTS, LOANS, AND LOAN GUARANTEES

"GRANTS FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"SEC. 610. (a) The Secretary is authorized to make grants to any public or private nonprofit entity to assist such entity in meeting the costs of any project for the (1) construction or modernization of a public or other nonprofit outpatient facility or (2) modernization of a public or other nonprofit health facility which will serve a medically underserved population or a population which, without the modernization of such facility, would be designated a medically underserved population.

"(b) The amount of any grant made under this section shall be determined by the Secretary, but no such grant shall exceed 75 per centum of the costs of such project, except that any grant for a project for the construction or modernization of a facility to be located in an area determined by the Secretary to be an urban or rural poverty area may cover up to 100 per centum of such costs.

"(c) Payments under grants made under this section shall be made by way of reimbursement and on such terms and conditions and in such installments as the Secretary many determine.

"LOANS AND LOAN GUARANTEES FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"SEC. 611. (a) In order to assist public and other nonprofit entities in meeting the costs of projects for the—

"(1) construction or modernization of public or other nonprofit outpatient facilities and

"(2) modernization of public or other nonprofit health facilities which will serve medically underserved populations or populations which without the modernization of such facilities would be designated medically underserved populations,

the Secretary is authorized to make loans to such entities for such projects and guarantee to non-Federal lenders or the Federal Financing Bank payment of principal of and interest on loans made by such lenders to nonprofit private entities for such projects.

"(b)(1) No loan guarantee under this part with respect to any construction or modernization project may apply to so much of the principal amount thereof as, when added to the amount of any grant or loan under this part with respect to such project, exceeds 90 per centum of the costs of such project, except that any loan guarantee for a project for the construction or modernization of a facility to be located in an area determined by the Secretary to be an urban or rural poverty area may, when added to the amount of any such grant or loan, cover up to 100 per centum of such costs.

"(2) No loan under this part with respect to any construction or modernization project may be made in an amount which, when added to the amount of any grant under this part with respect to such project, exceeds 90 per centum of the costs of such project, except that any loan for a project for the construction or modernization of a facility to be located in an area determined by the Secretary to be an urban or rural poverty area may, when added to the amount of any such grant, cover up to 100 per centum of such costs.

"(c) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as will promote efficiency and economy thereof.

"PRIORITIES

"SEC. 612. In making grants and loans, and in guranteeing loans under this part the Secretary shall give priority to projects based upon the relative need of various populations and in various areas lacking adequate facilities of the several types for which assistance is available under this part, giving special consideration—

"(1) in the case of projects for construction or modernization of outpatient facilities, to any outpatient facility that will be located in, and provide services for, residents of an area determined by the Secretary to be a rural or urban poverty area;

"(2) to projects designed to (A) eliminate or prevent imminent safety hazard or defined by Federal, State, or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation standards; and

"(3) in the case of projects for modernization of facilities, to facilities serving densely populated areas.

"CONDITIONS FOR APPROVAL OF APPLICATIONS

"SEC. 613. (a) No grant, loan, or loan guarantee for any project may be made under this part unless an application therefor has been submitted to the Secretary and approved by him. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(b) Each application under this section shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor, in accordance with regulations promulgated under section 620;

"(3) a certification of the total cost of such project and the amount of the grant or loan which is sought under this part or the amount of the loan for which a guarantee is sought under this part;

"(4) in the case of a construction project, reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in the entity which is to operate the facility on completion of the project;

"(5) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed: *Provided*, That, for the continued maintenance and operation of an outpatient facility which is located in an area determined by the Secretary to be an urban or rural poverty area and which is providing services to the poor in such area, Federal assistance provided directly to such facility or through benefits accorded individuals served at such facility shall be counted as financial support in meeting this requirement;

"(6) adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on the project will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c);

"(7) in the case of any application for any grant, loan, or loan guarantee for modernization of any facility (except an outpatient facility), reasonable assurance that when the project is completed the facility will serve a medically underserved population or a population which, without the modernization of such facility, would be designated as a medically underserved population;

"(8) in the case of any application of any nonprofit private entity for any grant, loan, or loan guarantee for construction or modernization of any outpatient facility, reasonable assurance that the services of a general hospital will be available to patients of such facility who are in need of hospital care; and

"(9) reasonable assurance that at all times after such application is approved (A) the facility or portion thereof to be constructed or modernized will be made available to all persons residing or employed in the area served by the facility, and (B) there will be made available in the facility or portion thereof to be constructed or modernized a reasonable volume of services to persons unable to pay therefor. The Secretary shall, in determining the reasonableness of the volume of services provided, take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(c) The Secretary shall not approve any application submitted in accordance with subsections (a) and (b) for a project for construction or modernization of a health facility unless the Secretary finds—

"(1) that the application contains such reasonable assurances as described in subsection (b);

"(2) that the plans and specifications are in accordance with the regulations promulgated under section 620; and

"(3) in the case of any direct loan or loan for which a guarantee is sought, that (A) the applicant will be able to make payments of principal and interest thereon when due, and (B) the terms, conditions, maturity, security (if any), and schedule and amounts of repayment with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accordance with regulations and with section 614.

"(d) Each application under this part shall be reviewed by a health planning agency in accordance with section 1413(e).

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"GENERAL PROVISIONS RELATING TO LOANS AND LOAN GUARANTEES

"Sec. 614. (a) (1) Any loan to any public entity or nonprofit private entity under this part shall require such entity to pay interest thereon at a rate comparable to the current rate of interest prevailing on the date such loan is made with respect to loans to nonprofit private entities which are guaranteed under this part for modernization or construction of similar facilities in the same or similar areas, minus an amount equal to the lesser of (i) one-half of such current rate of interest and (ii) 4½ per centum per annum.

"(2) (A) The Secretary shall from time to time, but with due regard to the financial interests of the United States, sell loans made under this part either on the private market or to the Federal National Mortgage Association in accordance with section 302 of the Federal National Mortgage Association Charter Act or to the Federal Financing Bank.

"(B) Any loan so sold shall be sold for an amount which is equal (or approximately equal) to the amount of the unpaid principal of such loans as of time of sale.

"(3) (A) The Secretary is authorized to enter into an agreement with the purchaser of any loan sold under this part under which the Secretary agrees—

"(i) to guarantee to such purchaser (and any successor in interest to such purchaser) payments of the principal and interest payable under such loan, and

"(ii) to pay as an interest subsidy to such purchaser (and any successor in interest of such purchaser) amounts which, when added to the amount of interest payable on such loan, are equivalent to a reasonable rate of interest on such loan as determined by the Secretary after taking into account the range of prevailing interest rates in the private market on similar loans and the risks assumed by the United States.

"(B) Any such agreement—

"(i) may provide that the Secretary shall act as agent of any such purchaser, for the purpose of collecting from the entity to which such loan was made and paying over to such purchaser any payments of principal and interest payable by such entity under such loan;

"(ii) may provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement;

"(iii) shall provide that, in the event of any default by the entity to which such loan was made in payment of principal or interest due on such loan, the Secretary shall, upon notification to the purchaser (or with respect thereto) by paying to the purchaser), have the option to close out such loan and any obligations of the Secretary with respect thereto) by paying to the purchaser (or his successor in interest) the total amount of outstanding principal and interest due thereon at the time of such notification; and

"(iv) shall provide that, in the event such loan is closed out as provided in clause (iii), or in the event of any other loss incurred by the Secretary by reason of the failure of such entity to make payments of principal or interest on such loan, the Secretary shall be subrogated to all rights of such purchaser for recovery of such loss from such entity.

"(4) The Secretary may, for good cause, waive any right of recovery which he has against an entity by reason of the failure of such entity to make payments of principal or interest on a loan made to such entity under this part, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(5) After any loan to an entity under this part has been sold and guaranteed, interest paid on such loan and any interest subsidy paid by the Secretary with respect to such loan which is received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

"(6) Amounts received by the Secretary as proceeds from the sale of loans under this section shall be deposited in the loan fund established by section 615, and shall be available to the Secretary for the making of further loans under this part in accordance with the provisions of such section.

"(b) (1) No guarantee under this part of a loan made to any nonprofit private entity shall be approved if the rate of interest payable on such loans exceeds such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

"(2) In the case of a guarantee under this part of any loan made to a nonprofit private entity, the Secretary shall pay to the holder of such loan and for and on behalf of such entity amounts sufficient to reduce the net effective interest rate otherwise payable on such loan by an amount equal to the lesser of (i) one-half of such interest rate and (ii) 4½ per centum per annum. Each holder of a loan which is guaranteed under this part shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(3) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payments made pursuant to such guarantee unless the Secretary for good cause waives such right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(4) Guarantees of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purpose of this part will be achieved, and to the extent permitted by paragraph (5), any terms and conditions applicable to a loan guarantee under this part may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(5) Any guarantee of a loan made by the Secretary pursuant to this part shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, unless such applicant or such person engaged in fraud or misrepresentation in applying for, making or contracting to make such loan.

"(c) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this part may not exceed such limitations as may be specified in appropriations Acts.

"LOANS AND LOAN GUARANTEE FUND

"SEC. 615. (a)(1) There is hereby established in the Treasury a loan and loan guarantee fund (hereinafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriations Acts, (A) to enable him to make loans under this part, (B) to enable him to discharge his responsibilities under guarantees issued by him under this part, (C) for payment of interest on the loans which are guaranteed and loans which are sold and guaranteed under this part, and (D) for repurchase by him of direct loans made under this part which have been sold and guaranteed. There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to provide capital required for the fund. There shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other moneys, property, or assets derived by him from his operations under this part, including any moneys derived from the sale of assets.

"(2) Of the moneys in the fund, there shall be available to the Secretary for the purpose of making direct loans only such sums as shall have been appropriated for such purpose or sums received by the Secretary from the sale of such loans.

"(b) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this part, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act, as amended (31 U.S.C. 744), and the purposes for which securities may be issued under that Act, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such funds.

"PART C—GENERAL PROVISIONS

"REGULATIONS

"SEC. 620. The Secretary shall by regulation—

"(a) prescribe criteria for determining needs for health facilities for which assistance is available under this title;

"(b) prescribe criteria for determining the extent to which existing facilities are in need of modernization;

"(c) prescribe general standards of construction, modernization, and equipment for facilities of various classes and in various types of locations;

"(d) prescribe the general manner in which the State agency of each State shall determine for the State health facilities plan the priority among projects within the State for which assistance is available under part A, based on the relative needs of different areas within the State for such projects and giving special consideration—

"(1) in the case of projects for construction or modernization or outpatient facilities, to any outpatient facility that will be located in, and provide services for, residents of an area determined by the Secretary to be a rural or urban poverty area;

"(2) to projects designed to (i) eliminate or prevent imminent safety hazard as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards; and

"(3) in the case of projects for modernization of facilities, to facilities serving densely populated areas;

"(e) require each State health facilities plan under this section to provide for adequate health facilities to furnish needed health services for persons unable to pay therefor; and

"(f) prescribe the general manner in which each entity which receives or has received financial assistance under this title shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances. Such regulations shall require each such entity to submit periodically to the Secretary reports which specify data and information which reasonably support compliance. No entity shall be excused from such requirement.

"WITHHOLDING OF PAYMENTS AND OTHER ACTIONS

"SEC. 621. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Agency or entity concerned finds—

"(1) that the State Agency is not complying substantially with the provisions required by section 602 to be included in its State health facilities plan,

"(2) that any assurance required to be given in an application filed under section 603 or 613 is not being or cannot be carried out, or

"(3) that there is a failure to carry out plans and specifications approved by the Secretary under section 603 or 613,

the Secretary may take the action authorized by subsection (b).

"(b)(1) Upon a finding described in subsection (a) and after notice as required by such subsection, the Secretary shall—

"(A) withhold from all projects within the State with respect to which the finding was made further payments from the State's allotment under section 601, or

"(B) withhold from the specific projects with respect to which the finding was made further payments.

"(2) Payments may be withheld, in whole or in part, under paragraph (1)—

"(A) until the basis for the finding upon which the withholding was made no longer exists, or

"(B) if corrective action to make such finding inapplicable cannot be made, until the entity or State concerned repays or arranges for the repayment of Federal funds paid under this part for projects which because of the finding are not entitled to such funds.

"(c)(1) The Secretary is directed, in the administration of this title, to establish a permanent office within the Department of Health, Education, and Welfare which shall be responsible for and have the authority to investigate and ascertain, on a periodic basis, with respect to each entity which is receiving or has received financial assistance under title VI of this Act, the extent of compliance by such entity with the assurances required to be made at the time such assistance was received. The Secretary, through such office, shall investigate on his own initiative (on a periodic basis) and upon the complaint of any interested person filed with such office.

"(2) If the Secretary finds that any such entity has failed to demonstrate compliance with such assurances, in accordance with regulations promulgated pursuant to section 620(f), the Secretary shall forthwith (A) take action in accordance with subsection (b), or (B) effect compliance by any other means authorized by law, including an administrative hearing held in accordance with the requirements of section 554 of title 5, United States Code, or legal actions by way of specific performance or otherwise: *Provided*, That no action shall be taken pursuant to clause (B) until the Secretary has advised such entity of the failure to comply with such assurances and has determined that compliance cannot be secured by voluntary means.

"(3) An appropriate action to effectuate compliance with such assurances may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary in accordance with paragraph (1) and (A) the Secretary has dismissed such complaint, or (B) the Secretary has failed to act on such complaint by holding an administrative hearing or bringing a legal action within six months after the date on which such complaint was filed.

"JUDICIAL REVIEW

"SEC. 622. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 603, the State Agency through which such application was submitted,

"(2) any State is dissatisfied with the Secretary's action under section 621, such State, or

"(3) any entity will be adversely affected by the Secretary's action under section 621, such entity

may appeal to the United States court of appeals for the circuit in which such State Agency, State or entity is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the Court, operate as a stay of the Secretary's action.

"RECOVERY

"SEC. 623. (a) If any facility with respect to which funds have been paid under this title shall, at any time within twenty years after completion of construction or modernization—

"(1) be sold or transferred to any person, agency, organization—

"(A) which is not qualified to file an application under this title, or

"(B) which is not approved as a transferee by the Secretary, or

"(2) cease to be a public or other nonprofit facility, unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from this obligation,

the United States shall be entitled to recover from either the transferor or the transferee (or in the case of a facility which has ceased to be public or nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of the facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of construction or modernization under such project or projects. Such right shall not constitute a lien upon said facility prior to judgment.

"(b) The Secretary may waive the requirements of subsection (a) with respect to a facility in any State—

"(1)(A) in a case where the amounts which, were it not for this subsection, would be recovered, are applied to the development, expansion, or support of another health facility located in such State, and

"(B) such other health facility has been approved by the Statewide Health Coordinating Council for such State as consistent with the State health plans developed pursuant to section 1425(e)(1), or

"(2) if the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner.

In no case shall the moneys to which this subsection applies exceed 90 per centum of the total costs of the project. The provisions of this subsection shall apply with respect to transfers occurring after the date of enactment of this section and within one year before such date.

"RECORDS AND AUDITS

"SEC. 624. (a)(1) Each entity receiving Federal assistance under this title shall keep such records as the Secretary shall prescribe including records which fully disclose the amount and disposition by such entity of the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such entities which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the assistance referred to in paragraph (1).

"(b) Each such entity shall file at least annually with the Secretary a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility constructed or modernized with such assistance, and

"(2) the costs to such facility of providing health services in such facility, and the charges made for such services, during the period with respect to which the statement is filed.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 625. (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the succeeding two fiscal years $125,000,000 for allotments under part A and grants under part B.

"(2) Of the sums appropriated under this subsection, 50 per centum shall be used for allotments under part A and 50 per centum shall be used for grants under part B.

"(b) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the succeeding two fiscal years such sums as may be necessary to make direct loans and guarantee loans under part B.

"TECHNICAL ASSISTANCE

"SEC. 626. The Secretary shall provide (either through the Department of Health, Education, and Welfare or by contract) all necessary technical and other nonfinancial assistance to any public or other nonprofit entity which is eligible to apply for assistance under this title to assist such entity in developing applications to be submitted to the Secretary under sections 603 or 613. The Secretary shall make every effort to inform eligible applicants of the availability of assistance under this title.

"DEFINITIONS

"SEC. 627. For the purposes of this title—

"(1) The term 'construction' includes construction of new buildings, acquisition of initial equipment (including medical transportation facilities) for buildings constructed with assistance under this title, and acquisition of equipment for any building in any case in which it will help to provide outpatient services not previously provided in the area served through such buildings.

"(2) The term 'modernization' includes the alteration, expansion, major repair (to the extent permitted by the Secretary by regulations), remodeling, replacement, and renovation of existing buildings including initial equipment thereof), and replacement of obsolete equipment of existing buildings.

"(3) The term 'health facility' means (A) a facility which provides to patients services of licensed physicians and a reasonably full range of diagnostic and treatment services or (B) a rehabilitation facility.

"(4) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of—

"(A) medical evaluation and services, and

"(B) psychological, social, or vocational evaluation and services,

under competent professional supervision, and in the case of which—

"(C) the major portion of the required evaluation and services is furnished within the facility, and

"(D) either (i) the facility is operated in connection with a hospital, or (ii) all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(5) The term 'outpatient facility' means a health facility which offers a reasonably full range of diagnostic and treatment services, which services do not include bed and board.

"(6) The term 'cost' as applied to construction or modernization means the amount found by the Secretary to be necessary for construction and modernization respectively, under a project, except that such term does not include any amount found by the Secretary to be attributable to expansion of the bed capacity of any facility.

"(7) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territories of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(8) The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of health facilities or a population group designated by the Secretary as having a shortage of such facilities.

"(9) The term 'title', when used with reference to a site for a project, means a fee simple or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure undisturbed use and possession for the purpose of construction or modernization and operation of the project for a period of (A) not less than twenty years in the case of a grant under this title, or (B) the term of repayment of a loan made directly or guaranteed in the case of such loan or guarantee under this title.

"(10) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(11)(A) The term 'Federal share' with respect to any project means the proportion of the cost of such project to be paid by the Federal Government under this title.

"(B) With respect to any project in any State for which a grant is made from an allotment under section 601, the Federal share shall be the amount determined by the State Agency, but not more than 66⅔ per centum or the State's allotment percentage, whichever is the lower, except that, if the State's allotment percentage is lower than 50 per centum, such allotment percentage shall be deemed to be 50 per centum for purposes of this paragraph.

"(C) Prior to the approval of the first project in a State during any fiscal year the State Agency shall give the Secretary written notification of the maximum Federal share established pursuant to subparagraph (B) for projects in such State to be approved by the Secretary during such fiscal year and the method for determining the actual Federal share to be paid with respect to such projects; and such maximum Federal share and such method of determination for projects in such State approved during such fiscal year shall not be changed after such approval.

"(D) Notwithstanding the provisions of subparagraphs (B) and (C), the Federal share shall, at the option of the State Agency, be equal to the per centum provided under such subparagraphs plus an incentive per centum (which when combined with the per centum provided under such subparagraphs shall not exceed 100 per centum) specified by the State Agency in the case of (i) projects that will provide services primarily for persons in an area determined by the Secretary to be a rural or urban poverty area, and (ii) projects that offer potential for reducing health care costs through interfacility cooperation, or through the construction or modernization of freestanding outpatient facilities.

"(12) The term 'State Agency' means the State health planning and development agency of a State designated under title XIV.

"(13) The Secretary may not determine that an area is an urban or rural poverty area unless—

"(A) such area contains one or more subareas which are characterized as subareas of poverty;

"(B) the population of such subarea or subareas constitute a substantial portion of the population of such urban or rural area; and

"(C) the grant, in connection with which such determination is made will be used in a manner which will serve the needs of the individuals residing or employed in such subarea or subareas.".

TITLE III—MISCELLANEOUS PROVISIONS

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

SEC. 301. (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 314(a) of the Public Health Service Act, except that no grant made to a State with funds appropriated under this paragraph shall be available for obligation beyond (A) the date on which a State health planning and development agency is designated for such State under section 1421 of such Act, or (B) June 30, 1976.

(2) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 304 of the Public Health Service Act for experimental health services delivery systems, section 314(b) of such Act, and title IX of such Act except that no grant made with funds appropriated under this paragraph shall be available for obligation beyond (A) June 30, 1976, or (B) the date on which a health planning agency has been designated under section 1415 of such Act for a health area which includes the area of the entity for which a grant is made under such section 304, 314(b) or title IX.

(b) A reference in any law or regulation—

(1) to the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act shall in the case of a State for which a State health planning and development agency has been designated under section 1421 of such Act be considered a reference to such State agency designated under such section 1421;

(2) to an agency or organization which has developed a comprehensive regional, metropolitan area, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act shall if all or part of the area covered by such plan or plans is within a health area established under section 1411 of the Public Health Service Act be considered a reference to the health planning agency designated under section 1415 of such Act for such health area; and

(3) to a regional medical program assisted under title IX of the Public Health Service Act shall if the program is located in a State for which a State health planning and development agency has been designated under section 1421 of the Public Health Service Act be considered a reference to such State agency.

(c) Section 316 of the Public Health Service Act is repealed.

(d) The assets, commitments, obligations, and outstanding balances of the loan guarantee and loan fund established in the Treasury by section 626 of the Public Health Service Act, as in effect prior to the date of enactment of this Act, shall be transferred to the loan and loan guarantee fund established by section 615 of the Public Health Service Act.

AGENCY REPORTS

SEC. 302. The Secretary of Health, Education, and Welfare shall report, within one year of the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the identity of each report required to be made by the Secretary under the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to the Congress (or any committee thereof), (2) the provision of such Acts which requires each such report, (3) the purpose of each such report, and (4) the due date for each such report. The report of the Secretary under this section may include such recommendations as he considers appropriate for termination or consolidation of any such reporting requirements.

TITLE IV—RADIATION HEALTH AND SAFETY

SHORT TITLE

SEC. 401. This title may be cited as the "Radiation Health and Safety Act of 1974".

DECLARATION OF PURPOSE

SEC. 402. It is the purpose of this title to—

(a) provide for the protection of public health from the potential adverse effects of unnecessary consumer-patient radiation exposure by assuring efficacious consumer-patient radiologic services;

(b) assure adequate training of radiologic technologists by providing for the establishment of criteria and minimum standards for the accreditation of schools training radiologic technologists;

(c) provide for the establishment of criteria and minimum standards for the licensure of radiologic technologists; and

(d) provide for establishment of programs for the accreditation of education institutions training radiologic technologists and of State programs for the licensure of radiologic technologists, with authority for the Secretary to take necessary action in the absence of State action.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT RESPECTING RADIATION HEALTH AND SAFETY

SEC. 403. Part F of title III of the Public Health Service Act is amended by inserting after subpart 3 the following new subpart:

"Subpart 4.—Radiologic Technologists

DECLARATION OF PURPOSE

"SEC. 360G. The Congress finds and declares—

"(a) that, consistent with the recommendations of the National Council on Radiation Protection and Measurement and the International Commission on Radiological Protection, it is in the national interest and in the interest of public health and safety to minimize exposure of the public to potentially hazardous radiation from all sources;

"(b) while the operation and the use of radiologic equipment and methods is essential in modern medicine, even the most advanced radiologic equipment and procedures will not adequately protect the health and safety of either the consumer-patient subjected to radiologic procedures or the individuals performing such radiologic procedures, including the progency, unless the individuals performing radiologic procedures are fully qualified by reason of training and experience in the operation of radiologic equipment or in the performance of radiologic procedures so as to avoid unnecessary consumer-patient and operator exposure to unnecessary radiation and to assure efficacious consumer-patient radiologic services;

"(c) that it is in the overall public health interest to have an adequate and continuing supply of well-trained radiologic technologists and that any person who operates radiologic equipment or administers radiologic equipment or administers radiologic procedures to consumer-patients should be required to demonstrate competence by training, experience, and examination;

"(d) that the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation from all sources is the primary responsibility of State and local government, within minimum criteria and standards established by the Federal Government; and

"(e) that, consistent with the recommendations of (1) the National Advisory Committee on Radiation to the Surgeon General in 1966, (2) the Secretary's Task Force on Environmental Health and Related Problems in June 1967, (3) the Surgeon General's Medical X-ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in October 1967, (4) the 1970 report of the Secretary to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, (5) the National Academy of Sciences-National Research Council's Advisory Committee on the Biological Effects of Ionizing Radiations in November 1972, and (6) the Conference of Radiation Control Program Directors in May 1974, it is in the national interest and in the interest of public health and safety to provide for mandatory licensure of persons administering potentially hazardous radiation to consumer-patients.

"RECOMMENDED CRITERIA AND STANDARDS

"SEC. 360H. (a) The Secretary shall, as soon as practicable but not later than one year after the date of enactment of this subpart, develop and issue criteria and minimum standards for the accreditation of education institutions conducting programs for the training of radiologic technologists and for use in the accreditation of education institutions conducting programs for the training of medical and dental practitioners, dental hygienists, and dental assistants. Such criteria and standards shall be published in the Federal Register.

"(b)(1) The Secretary shall, as soon as practicable, but not later than one year after the date of enactment of this subpart, develop and issue to the States criteria and minimum standards for licensure of radiologic technologists, and provide such other advice and assistance to the States as he deems necessary for the effective implementation of this subpart. Such criteria and minimum standards shall distinguish between the following categories of specialization: senior radiologic technologists, medical radiologic technologists, dental radiologic technologists, radiation therapy technologists, nuclear medicine technologists, photoroentgen technician, and technologist-in-training. The Secretary may provide in such criteria and minimum standards that graduation from an educational institution for the training of radiologic technologists accredited pursuant to this subpart satisfies the requirements for a provisional license as a technologist-in-training conditioned on licensure within one year in one or more categories of specialization. Such criteria and standards shall be published in the Federal Register. The Secretary may designate other categories of specialization or levels of competence for the purpose of licensure if he finds that such additional categories are required to assure adequate protection of public health from unnecessary radiation exposure or to assure efficacious consumer-patient radiologic services.

"(2) The Secretary shall, concurrent with the development and issuance of criteria and standards under paragraph (1) of this section, review and evaluate any voluntary certification programs in existence on the date of enactment of this subpart, and he shall, based on such review and evaluation, determine whether such programs meet the criteria and standards issued pursuant to this section. If he is satisfied that a program meets such criteria and standards he shall, within one year thereafter, license those individuals who have been certified under such programs in the appropriate categories of specialization established pursuant to paragraph (1) of this subsection.

"(c) In establishing criteria and minimum standards under this section the Secretary shall consult with the Environmental Protection Agency, State health departments, and appropriate professional organizations.

"(d) The Secretary shall give to the States such other advice and assistance as will foster enactment and enforcement of appropriate laws and standards. Such advice and assistance may include model laws and training curriculums, and training aids.

"(e) The Secretary shall, from time to time, revise the criteria and standards issued by him pursuant to this subpart.

"ACCREDITATION AND LICENSURE

"SEC. 360I. (a) The training and licensure of radiologic technologists who intend to apply radiation to humans for diagnostic or therapeutic purposes in any State or States shall be subject to the provisions of this subpart.

"(b) Consistent with the policy declaration of this subpart, State and local government shall be encouraged to minimize exposures of the public to potentially hazardous radiation from all sources and shall not be displaced by Federal action except as otherwise provided under subsection (c) or (d).

"(c) Upon issuance of the criteria and minimum standards pursuant to section 360H for the accreditation of educational institutions, the Governor of a State may file with the Secretary a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum, the standards of accreditation of educational institutions issued by the Secretary. If, after two years, a State fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for the accreditation of educational institutions shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(d) Upon application of a Governor, the Secretary may grant an extension under subsection (c) for not more than two years if after review the Secretary determines that good faith efforts have been made by the State and reasonable assurance is provided that an effective program to implement the purposes of this subpart will be provided by the State within the period of the extension.

"(e)(1) After receiving any criteria and minimum standards issued pursuant to section 360H for the licensure of radiologic technologists, the Governor of a State may file a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum the standards for licensure of radiologic technologists issued by the Secretary. If, after two years, a Governor fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for licensure of radiologic technologists shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(2) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and criteria promulgated pursuant to this subpart, established standards for the accreditation or licensure of radiologic technologists, such State shall be deemed to be in compliance with this section unless the Secretary determines, after notice and hearing, that the standards of such State do not meet the minimum standards prescribed by the Secretary pursuant to this section or the conditions for approval of a State program set forth in paragraph (1) of this subsection.

"(f) The Secretary may authorize appropriate professional organizations to provide accreditation and licensing under this section if he determines that such organization will adhere to the criteria and minimum standards issued pursuant to section 360H. For the purposes of accreditation, the Secretary shall, to the maximum extent practicable, consistent with the purposes of this subpart, utilize organizations recognized by the Commissioner of Education for such purposes.

"(g) The Secretary may make grants to States or professional organizations designated pursuant to subsection (f) of this section in an amount up to two-thirds of the first year and one-third of the second year costs of planning, developing, or establishing programs to carry out the purposes of this subpart.

"(h) The Secretary may make grants to educational institutions under title VII of this Act to carry out the purposes of this subpart.

"(i) The Secretary shall annually review programs established pursuant to this subpart and shall suspend the effectiveness of any standards or regulations as to accreditation or as to licensure with respect to any State or certified professional licensing organization designated pursuant to subsection (f) when he determines that the program of any State or organization is inconsistent with the purposes of this subpart or with revised criteria and minimum standards issued pursuant to subsection 360H(e).

"PROHIBITED ACTS

"SEC. 360J. (a) Upon the effective date of regulations and standards established pursuant to the subpart, it shall be unlawful for an individual to apply potentially hazardous radiation to humans for diagnostic or therapeutic purposes unless he is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or holds a valid radiologic technologist license issued in accordance with standards promulgated pursuant to section 360H, except, for a licensed photo-roentgen technologist or a licensed technologist-in-training who must be under the supervision of a radiologist or a more specialized radiologic technologist as provided for in section 360H.

"(b) The district courts of the United States shall have jurisdiction, for cause shown, to restrain violations of this section. The district courts of the United States shall also have jurisdiction in accordance with section 1355 of title 28 of the United States Code to enforce the provisions of this section.

"(c)(1) Any violation of this subsection by an individual applying potentially hazardous radiation to human beings for diagnostic or therapeutic purposes shall be subject to a civil penalty of not more than $1,000. For the purposes of this section, any such violation shall be with respect to each act or omission made unlawful by this section.

"(2) Any such civil penalty may on application be remitted or mitigated by the Secretary. In determining the amount of such penalty, or whether it should be remitted or mitigated and in what amount, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be deducted from any sums owing by the United States to the person charged.

"(d) Actions under this section may be brought in the district court of the United States for the district wherein any act or omission or transaction constituting the violation occurred, or in such court for the district where the defendant is found or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

"(e) Nothing in this subpart shall be construed as requiring the Secretary to report for the institution of proceedings minor violations of this subpart whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(f) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law."

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike all after the enacting clause of S. 2994 and insert in lieu thereof the provisions of H.R. 16204 as passed as follows:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Health Policy, Planning, and Resources Development Act of 1974".

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Sec. 2. Findings.
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"TITLE XIV—NATIONAL HEALTH POLICY AND HEALTH PLANNING

"PART A—NATIONAL COUNCIL FOR HEALTH POLICY

"Sec. 1401. Establishment of National Council for Health Policy.
"Sec. 1402. Functions of National Council for Health Policy.
"Sec. 1403. National health priorities.

"PART B—HEALTH SYSTEMS AGENCIES

"Sec. 1411. Health service areas.
"Sec. 1412. Health systems agencies.
"Sec. 1413. Functions of health systems agencies.
"Sec. 1414. Assistance to entities desiring to be designated as health systems agencies.
"Sec. 1415. Designation of health systems agencies.
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"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"Sec. 1421. Designation of State health planning and development agencies.
"Sec. 1422. State administrative program.
"Sec. 1423. State health planning and development functions.
"Sec. 1424. Statewide Health Coordinating Council.
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"PART D—GENERAL PROVISIONS

"Sec. 1431. Definitions.
"Sec. 1432. Procedures and criteria for reviews of proposed health system changes.
"Sec. 1433. Technical assistance for health systems agencies and State health planning and development agencies.

"Sec. 1434. Centers for health planning.
"Sec. 1435. Review by the Secretary
"Sec. 1436. Special provisions for the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa."
Sec. 4. Revision of health resources development programs under the Public Health Service Act.

"TITLE XV—HEALTH RESOURCES DEVELOPMENT

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"PART B—ALLOTMENTS

"Sec. 1510. Allotments.
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"Sec. 1513. Authorization of appropriations.
"Sec. 1514. Special provisions for American Indians.

"PART C—LOANS AND LOAN GUARANTEES

"Sec. 1520. Authority for loans and loan guarantees.
"Sec. 1521. Allocation among States.
"Sec. 1522. General provisions relating to loan guarantees and loans.

"PART D—GENERAL PROVISIONS

"Sec. 1530. Judicial review
"Sec. 1531. Recovery.
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"PART E—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"Sec. 1540. Area health services development funds."
Sec. 5. Miscellaneous and transitional provisions.
Sec. 6. Advisory committees.
Sec. 7. Agency reports.

FINDINGS

SEC. 2. (a) The Congress makes the following findings:

(1) The achievement of equal access to quality health care at a reasonable cost is a priority of the Federal Government.

(2) The massive infusion of Federal funds into the existing health care system has contributed to inflationary increases in the cost of health care and failed to produce an adequate supply or distribution of health resources, and consequently has not made possible equal access for everyone to such resources.

(3) The many and increasing responses to these problems by the public sector (Federal, State, and local) and the private sector have not resulted in a comprehensive, rational approach to the present—

(A) lack of uniformly effective methods of delivering health care;

(B) maldistribtuion of health care facilities and manpower; and

(C) increasing cost of health care.

(4) Increases in the cost of health care, particularly of hospital stays, have been uncontrollable and inflationary, and there are presently inadequate incentives for the use of appropriate alternative levels of health care, and for the substitution of ambulatory and intermediate care for inpatient hospital care.

(5) Since the health care provider is one of the most important participants in any health care delivery system, health policy must address the legitimate needs and concerns of the provider if it is to achieve meaningful results; and, thus, it is imperative that the provider be encouraged to play an active role in developing health policy at all levels.

(6) Large segments of the public are lacking in basic knowledge regarding proper personal health care and methods for effective use of available health services.

(b) In recognition of the magnitude of the problems described in subsection (a) and the urgency placed on their solution, it is the purpose of this Act to facilitate the development of recommendations for a national health policy, to augment areawide and State planning for health services, manpower, and facilities, and to authorize financial assistance for the development of resources to further that policy.

REVISION OF HEALTH PLANNING PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XIV—NATIONAL HEALTH POLICY AND HEALTH SYSTEMS PLANNING

"PART A—NATIONAL COUNCIL FOR HEALTH POLICY

"ESTABLISHMENT OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1401. (a) The Secretary shall establish a National Council for Health Policy (hereinafter in this title referred to as the 'Council').

"(b)(1) The Council shall be composed of fifteen members who shall be appointed by the Secretary. The members shall be persons who, as a result of their training, experience, or attainments, are exceptionally well qualified to assist in carrying out functions of the Council. Not less than five of the members shall be persons who are not providers of health care and not more than three shall be officers or employees of the Federal Government. Not more than eight members of the Council shall be of the same political party.

"(2) The term of office of a member of the Council shall be six years, except that—

"(A) of the members first appointed to the Council, five shall be appointed for terms of two years and five shall be appointed for terms of four years, as designated by the Secretary at the time of appointment; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

A member may serve after the expiration of his term until his successor has taken office.

"(3) The Chairman of the Council shall be selected by the members from among their number. The term of office of the Chairman of the Council shall be the lesser of three years or the period remaining in his term of office as a member of the Council.

"(c)(1) Except as provided in paragraph (2), the members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

"(2) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Council.

"(3) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(d) The Council may appoint, fix the pay of, and prescribe the functions of, such personnel, including attorneys, as are necessary to carry out its functions. In addition, the Council may procure the services of experts and consultants as authorized by section 3109 of title 5, United States Code, but without regard to the last sentence of such section.

"(e) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply to the Council.

"FUNCTIONS OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1402. (a) The Council shall be responsible for the following:

"(1) Developing and recommending a national health policy which shall include a quantifiable statement of national health goals developed after appropriate consideration of the priorities set forth in section 1403.

"(2) Recommending guidelines respecting the appropriate supply, distribution, and organization of health resources and services, including health education services.

"(3) Conducting studies and analyses concerning—

"(A) the recommended national health policy developed under paragraph (1); and

"(B) alternative means of achieving the goals included in the recommended national health policy, including such means as programs of housing, environmental controls, education, nutrition and accident prevention and other means which do not include the direct provision of health care services.

"(4) Assessing the status of the health of the American people, existing and proposed Federal and other health programs, and the need for particular health resources and services, including health education services.

"(5) Evaluating the implications of advances in biomedical research, health services research, and medical technology for the health care delivery system.

"(6) Analysis of the essential factors which cause inflation in the cost of health services and a determination of means of containing such inflation.

In carrying out its responsibilities under this subsection the Council shall consult with and solicit the views of the health systems agencies designated under part B, State health planning and development agencies designated under part C, and Statewide Health Coordinating Councils, and of associations and specialty societies representing medical and other health care providers.

"(b) The Council shall submit annually to the President, the Congress, and the public, a comprehensive report specifying the results of the activities undertaken by the Council to meet its responsibilities under subsection (a).

"NATIONAL HEALTH PRIORITIES

"SEC. 1403. The Congress finds that the following deserve priority consideration in the formulation of a national health policy and in the development and operation of Federal, State, and area health planning and resources development programs:

"(1) The provision of primary care services for medically underserved populations, especially those who are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices, especially those whose services are appropriately coordinated or integrated with institutional health services.

"(4) The training and increased utilization of physician assistants, especially nurse clinicians.

"(5) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The adoption of uniform cost accounting, simplified reimbursement, and utilization and reporting systems and improved management procedures for health service institutions.

"(9) The development of effective methods for educating the general public on proper personal health care and methods for effective use of available health services.

"Part B—Health Systems Agencies

"HEALTH SERVICE AREAS

"Sec. 1411. (a) There shall be established, in accordance with this section, health service areas throughout the United States with respect to which health systems agencies shall be designated under section 1415. Each health service area shall meet the following requirements:

"(1) The area shall be a rational geographic region within which there are available a comprehensive range of health services, and which is of a character suitable for the effective planning and development of health services.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services.

"(3) The area, upon its establishment, shall have a population of not less than five hundred thousand or more than three million; except that—

"(A) the population of an area may be more than three million if the area includes a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million, and

"(B) the population of an area may—

"(i) be less than five hundred thousand if the area comprises an entire State which has a population of less than five hundred thousand, or

"(ii) be less than—

"(I) five hundred thousand (but not less than two hundred thousand) in unusual circumstances (as determined by the Secretary), or

"(II) two hundred thousand in highly unusual circumstances (as determined by the Secretary),

if the Governor of each State in which the area is located determines, with the approval of the Secretary, that the area meets the other requirements of this subsection.

"(4) To the maximum extent feasible, the boundaries of the area shall be appropriately coordinated with the boundaries of areas designated under section 1152 of the Social Security Act for Professional Standards Review Organizations, existing regional planning areas, and State planning and administrative areas.

The boundaries of a health service area shall be established so that, in the planning and development of health services to be offered within the health service area, any economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas shall be established so as to recognize the differences in health planning and health services development needs of nonmetropolitan and metropolitan areas. Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which a standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of this subsection a health service area should contain only part of the standard metropolitan statistical area, then such statistical area shall not be required to be entirely within the boundaries of such health service area.

"(b)(1) Within thirty days following the date of the enactment of this title, the Secretary shall simultaneously give to the Governor of each State written notice of the initiation of proceedings to establish health service areas throughout the United States. Each notice shall contain the following:

"(9) A statement of the requirement (in subsection (a)) of the establishment of health service areas throughout the United States.

"(B) A statement of the criteria prescribed by subsection (a) for health service areas and the procedures prescribed by this subsection for the designation of health service area boundaries.

"(C) A request that the Governor receiving the notice (i) designate the boundaries of health service areas within his State, and, where appropriate and in cooperation with the Governors of adjoining States, designate the boundaries within his State of health service areas located both in his State and in adjoining States, and (ii) submit (in such form and manner as the Secretary shall specify) to the Secretary, within ninety days of the receipt of the notice, such boundary designations together with comments, submitted by the entities referred to in paragraph (2), with respect to such designations.

At the time such notice is given under this paragraph to each Governor, the Secretary shall publish as a notice in the Federal Register a statement of the giving of his notice to the Governors and the criteria and procedures contained in such notice.

"(2) Each State's Governor shall in the development of boundaries for health service areas consult with and solicit the views of the chief executive officer or agency of the political subdivisions within the State, the State agency which administers or supervises the administration of the State's health planning functions under a State plan approved under section 314(a), each entity within the State which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b), and each regional medical program established in the State under title IX.

"(3)(A) Within one hundred and fifty days of the date on which notice was given to the Governors, the Secretary shall publish as a notice in the Federal Register the health service area boundary designations. The boundaries for health service areas submitted by the Governors shall, except as otherwise provided in subparagraph (B), constitute upon their publication in the Federal Register the boundaries for such health service areas.

"(B)(i) If the Secretary determines that a boundary submitted to him for a health service area does not meet the requirements of subsection (a), he shall, after consultation with the Governor who submitted such boundary, make such revision in the boundary for such area (and as necessary, in the boundaries for adjoining health service areas) as may be necessary to meet such requirements and publish such revised boundary (or boundaries); and the revised boundary (or boundaries) shall upon publication in the Federal Register constitute the boundary (or boundaries) for such health service area (or areas). The Secretary shall notify the Governor of each State in which is located a health service area whose boundary is revised under this clause of the boundary revision and the reasons for such revision.

"(ii) In the case of areas of the United States not included within the boundaries for health service areas submitted to the Secretary as requested under the notice under paragraph (1), the Secretary shall establish and publish in the Federal Register health service area boundaries which include such areas. The Secretary shall notify the Governor of each State in which is located a health service area the boundary for which is established under this clause of the boundaries established. In carrying out the requirement of this clause, the Secretary may make such revisions in boundaries submitted under subparagraph (A) as he determines are necessary to meet the requirement of subsection (a) for the establishment of health service areas throughout the United States.

"(4) The Governor of a State may, after consultation with the entities referred to in paragraph (2), and appropriate designated health systems agencies and the Statewide Health Coordinating Council, submit to the Secretary revised boundaries for one or more health service areas established within the State. A submission of revised boundaries shall include the comments concerning the revision made by the entities consulted in making the revision. If the Secretary determines that the revised boundaries meet the requirements of subsection (a), the revised boundaries shall be published as a notice in the Federal Register by the Secretary and shall take effect upon such publication. If the Secretary makes a determination that the revised boundaries do not meet such requirements, he shall notify the Governor of the State, who submitted the revision with respect to which the determination was made, of the determination and the bases for it.

"HEALTH SYSTEMS AGENCIES

"Sec. 1412. (a) Definition.—For purposes of this title, the term 'health systems agency' means an entity which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 1413. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 1413.

"(b)(1) Legal Structure.—A health systems agency for a health service area shall be—

"(A) a nonprofit private corporation (or similar legal mechanism such as a public benefit corporation) incorporated in the State in which the largest part of the population of the health service area resides and which is not a subsidiary of, or otherwise controlled by, any other private or public corporation or other legal entity;

"(B) a public regional planning body if it has a governing board composed of a majority of elected officials of units of general local government or it is authorized by State law (in effect before the date of enactment of this subsection) to carry out health planning and review functions such as those described in section 1413 and if its planning area is identical to the health service area; or

"(C) a single unit of general local government if the area of the jurisdiction of that unit is identical to the health service area.

"(A) Expertise.—A health systems agency shall have a staff which provides the agency with expertise in at least the following: (i) Administration, (ii) the gathering and analysis of data, (iii) planning, and (iv) health manpower, facilities, and services.

"(B) Size and employment.—The size of the professional staff of any health systems agency shall be not less than five, except that if the quotient of the population (rounded to the next highest one hundred thousand) of the health service area which the agency serves divided by one hundred thousand is greater than five, the minimum size of the professional staff shall be the lesser of (i) such quotient, or (ii) twenty-five. The members of the staff shall be selected, paid, promoted, and discharged in accordance with such system as the agency may establish, except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health service area for similar positions in other public or private planning or health service entities.

"(3) GOVERNING BODY.—

"(A) IN GENERAL.—The governing body of a health systems agency which is a public regional planning body or unit of general local government shall be the governing body of that regional planning body or single unit of general government, whichever is applicable. Any other health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (C), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action (other than the establishment and revision of the plans referred to in subparagraph (B) (ii)) as the governing body is authorized to take.

"(B) RESPONSIBILITIES.—The governing body—

"(i) shall be responsible for the internal affairs of the health systems agency, including matters relating to the staff of the agency, the agency's budget, and procedures and criteria (developed and published pursuant to section 1432) applicable to its functions under subsections (e), (f), and (g) of section 1413;

"(ii) shall be responsible for the establishment of the health systems plan and annual implementation plan required by section 1413(b);

"(iii) shall be responsible for the approval of grants and contracts made and entered into under section 1413(c)(3);

"(iv) shall (I) issue an annual report concerning the activities of the agency, (II) include in that report the health systems plan and annual implementation plan developed by the agency, and a listing of the agency's income, expenditures, assets, and liabilities and (III) make the report readily available to the residents of the health service area and the various communications media serving such area;

"(v) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(vi) shall meet at least once in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets at least twice in that year; and

"(vii) shall (I) conduct its business meetings in public, (II) give adequate notice to the public of such meetings, and (III) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this subclause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code.

A quorum for a governing body (and its executive committee (if any)) shall be a majority of its members.

"(C) COMPOSITION.—Of the members of the governing body and executive committee (if any) of a health systems agency which is a nonprofit private corporation or similar legal mechanism—

"(i) a number of members equal to one-half the total number of members plus one shall be residents of the health service area served by the agency who are consumers of health care and who are not providers of health care and who are broadly representative of the social, economic, linguistic and racial populations, geographic areas of the health service area, and major purchasers of health care; and

"(ii) the remainder of the members shall be residents of the health service area served by the agency (I) physicians (particularly practicing physicians), dentists, nurses, and other health professionals, (II) health care institutions (particularly hospitals, long-term care facilities, and health maintenance organizations), (III) health care insurers, (IV) health professional schools, and (V) the allied health professions.

Not less than one-third of the providers of health care who are members of the governing body or executive committee of a health systems agency shall be direct providers of health care (as described in section 1431(3)). The membership of the governing body and executive committee (if any) of an agency shall include (either through consumer or provider members) public elected officials and other representatives of govenmental authorities in the agency's health service area, and representatives of governmental authorities in the area concerned with health. The membership of the governing body and executive committee (if any) of an agency shall include a percentage of individuals who reside in nonmetropolitan areas equal to the percentage of residents of the area who reside in nonmetropolitan areas.

"(4) OTHER REQUIREMENTS.—Each health system agency shall—

"(A) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(B) provide for fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title and section 1540; and

"(C) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records pertinent to the disposition of amounts received from the Secretary under this title and section 1540.

"(5)(A) ADVISORY COMMITTEE.—The governing body of a health systems agency which is a public regional planning body or a unit of general local government shall have an advisory health council (i) which shall advise the governing body with respect to the agency's organization, operations under this section, and the performance of its functions under section 1413, and (ii) the composition of which shall conform to the requirements of subsection (b)(3)(C).

"(B) If a governing body of a health systems agency which has an advisory health council described in subparagraph (A)—

"(i) adopts a health systems plan or annual implementation plan under section 1413 (b),

"(ii) makes a grant or enters into a contract under section 1413(c)(3),

"(iii) approves or disapproves under section 1413(e) a proposed use of Federal funds, or

"(iv) makes a recommendation under subsection (f), (g), or (h) of section 1413,

and its advisory health council has made a recommendation to it for action differing from that taken by the governing body, the governing body shall make public the recommendation of the advisory health council, together with the governing body's reasons for taking such different action, and shall when reporting its actions to the Secretary or the State health planning and development agency or the Statewide Health Coordinating Council, as the case may be, include such recommendations.

"(c) SUBAREA COUNCILS.—A health systems agency may establish subarea advisory councils representing parts of the agencies' health service area to advise the governing body of the agency on the performance of its functions. The composition of a subarea advisory council shall conform to the requirements of subsection (b)(3)(C).

"FUNCTIONS OF HEALTH SYSTEMS AGENCIES

"SEC. 1413. (a) For the purpose of—

"(1) improving the health of residents of a health service area,

"(2) increasing the accessibility, acceptability, continuity, and quality of the health services provided them, and

"(3) restraining increases in the cost of providing them health services,

each health systems agency shall have as its primary responsibility the provision of effective health planning for its health service area and the promotion of the development within the area of health services, manpower, and facilities which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibility, a health systems agency shall carry out the functions described in subsections (b) through (g) of this section.

"(b) In providing health planning and resources development for its health service area, a health systems agency shall perform the following functions:

"(1) The agency shall assemble and analyze data concerning—

"(A) the status (and its determinants) of the health of the residents of its health service area,

"(B) the status of the health care delivery system in the area and the use of that system by the residents of the area,

"(C) the effect the area's health care delivery system has on the health of the residents of the area, and

"(D) the area's health resources, including health services, manpower, and facilities.

In carrying out this paragraph, the agency shall to the maximum extent practicable use existing data (including data developed under Federal health programs) and coordinate its activities with the cooperative system provided for under section 306(e).

"(2) The agency shall, after appropriate consideration of the recommended national health policy developed under section 1402 (a)(1), the priorities set forth in section 1403, and the data developed pursuant to paragraph (1), establish, annually review, and amend as necessary a health systems plan (hereinafter in this title referred to as the 'HSP') which shall be a detailed statement of goals (A) describing a healthful environment and health systems in the area which, when developed, will assure that quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (B) which are responsive to the unique needs and resources of the area; and (C) which take into account the National Council for Health Policy recommendations (developed under section 1402(a)(2)) respecting supply, distribution, and organization of health resources and services.

"(3) The agency shall establish, annually review, and amend as necessary an annual implementation plan (hereinafter in this title referred to as the 'AIP') which describes objectives which will achieve the goals of the HSP and priorities among the objectives. In establishing the AIP, the agency shall give priority to those objectives which will maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of attaining such objectives to their benefits, and which are fitted to the special needs of the area.

"(4) The agency shall develop and publish specific plans and projects for achieving the objectives established in the AIP.

"(c) A health systems agency shall implement its HSP and AIP, and in implementing the plans it shall perform at least the following functions:

"(1) The agency shall seek, to the extent practicable, to implement its HSP and AIP with the assistance of individuals and public and private entities in its health service area.

"(2) The agency may provide, in accordance with the priorities established in the AIP, technical assistance to individuals and public and private entities for the development of projects and programs which the agency determines are necessary to achieve the health systems described in the HSP, including assistance in meeting the requirements of the agency prescribed under section 1432(b).

"(3) The agency shall, in accordance with the priorities established in the AIP, make grants to public and nonprofit private entities and enter into contracts with individuals and public and nonprofit private entities to assist them in planning and developing projects and programs which the agency determines are necessary for the achievement of the health systems described in the HSP. Such grants and contracts shall be made from the Area Health Services Development Fund of the agency established with funds provided under grants made under section 1540. No grants or contract under this subsection may be used (A) for the support of an established program, (B) to pay the costs incurred by an entity or individual in the delivery of health services, or (C) for the cost of construction or modernization of medical facilities. No single grant or contract made or entered into under this paragraph may exceed $75,000 or be available for obligation beyond the one year period beginning on the date the grant or contract was made or entered into. If an individual or entity receives a grant or contract under this paragraph for a project or program, such individual or entity may receive only one more such grant or contract for such project or program.

"(d) Each health systems agency shall coordinate its activities with—

"(1) each Professional Standards Review Organization (designated under section 1152 of the Social Security Act),

"(2) entities referred to in paragraphs (1) and (2) of section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 and regional and local entities the views of which are required to be considered under regulations prescribed under section 403 of the Intergovernmental Cooperation Act of 1968 to carry out section 401(b) of such Act,

"(3) other appropriate general or special purpose regional planning or administrative agencies, and

"(4) any other appropriate entity, in the health system agency's health service area. The agency shall, as appropriate, secure data from them for use in the agency's planning and development activities, enter into agreements with them which will assure that actions taken by such entities which alter the area's health system will be taken in a manner which is consistent with the HSP and the AIP in effect for the area, and, to the extent practicable, provide technical assistance to such entities.

"(e) Each health systems agency shall review and approve or disapprove each proposed use within its health service area of Federal funds appropriated under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (other than funds appropriated for allotments to States under such Acts) for grants or contracts for the development, expansion, or support of health services, manpower, and facilities except that, in the case of a proposed use of such Federal funds within the health service area of a health systems agency by an Indian tribe or inter-tribal Indian organization for any program or project which will be located within or will specifically serve—

"(1) a federally-recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act),

a health systems agency shall only review and comment on such proposed use. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a health systems agency sixty days to make the review required by such sentence. If an agency disapproves a proposed use in its health service area of Federal funds described in the first sentence, the Secretary may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Secretary may give the appropriate State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Secretary its comments on the decision. The Secretary, after taking into consideration *such State agency's* comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision. Each health systems agency shall provide each Indian tribe or inter-tribal Indian organization which is located within the agency's health service area information respecting the availability of the Federal funds described in the first sentence of this subsection.

"(f) To assist State health planning and development agencies in carrying out their functions under paragraphs (3) and (4) of section 1423(a) each health systems agency shall review and make recommendations to the appropriate State health planning and development agency respecting the need for new institutional health services, health care functions under paragraphs (3) and (4) of facilities, and health maintenance organizations proposed to be offered or developed in the health service area of such health systems agency.

"(g)(1) Except as provided in paragraph (2), each health systems agency shall review on a periodic basis (but at least every five years) all institutional health services offered in the health service area of the agency and shall make recommendations to the State health planning and development agency designated under section 1421 for each State in which the health systems agency's health service area is located respecting the appropriateness in the area of such services.

"(2) A health systems agency shall complete its initial review of existing institutional health services and health care facilities within three years after the date of the agency's designation under section 1415(c).

"(h) Each health systems agency shall annually recommend to the State health planning and development agency designated for each State in which the health systems agency's health service area is located (1) projects for the modernization, construction, and conversion of medical facilities in the agency's health service area which projects will achieve the HSP and AIP of the health systems agency, and (2) priorities among such projects.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH SYSTEMS AGENCIES

"SEC. 1414. The Secretary may provide all necessary technical and other nonfinancial assistance (including the preparation of prototype plans of organization and operation) to nonprofit private entities (including entities presently receiving financial assistance under section 314(b) or title IX or as experimental health service delivery systems under section 304) which—

"(1) express a desire to be designated as health systems agencies, and

"(2) the Secretary determines have a potential to meet the requirements of a health systems agency specified in sections 1412 and 1413,

to assist such entities in developing applications to be submitted to the Secretary under section 1415 and otherwise in preparing to meet the requirements of this part for designation as a health systems agency.

"DESIGNATION OF HEALTH SYSTEMS AGENCIES

"SEC. 1415. (a) At the earliest practicable date after the establishment under section 1411 of health service areas, the Secretary shall enter into agreements in accordance with this section for the designation of health systems agencies for such areas.

"(b)(1) The Secretary may enter into agreements with entities under which the entities would be designated as the health systems agencies for health service areas on a conditional basis with a view of determining their ability to meet the requirements of section 1412(b), and their capacity to perform the functions prescribed by section 1413.

"(2) During any period of conditional designation (which may not exceed 24 months), the Secretary may require that the entity conditionally designated meet only such of the requirements of section 1412(b) and perform only such of the functions prescribed by section 1413 as he determines such entity to be capable of meeting and performing. The number and type of such requirements and functions shall, during the period of conditional designation, be progressively increased as the entity conditionally designated becomes capable of added responsibility so that, by the end of such period, the agency may be considered for designation under subsection (c).

"(3) Any agreement under which any entity is conditionally designated as a health systems agency may be terminated by such entity upon ninety days notice to the Secretary or by the Secretary upon ninety days notice to such entity.

"(4) The Secretary may not enter into an agreement with any entity under paragraph (1) for conditional designation as a health systems agency for a health service area until—

"(A) the entity has submitted an application for such designation which contains assurances satisfactory to the Secretary that upon completion of the period of conditional designation the applicant will be organized and operated in the manner described in section 1412(b) and will be qualified to perform the functions prescribed by section 1413;

"(B) a plan for the orderly assumption and implementation of the functions of a health systems agency has been received from the applicant and approved by the Secretary; and

"(C) the Governor of each State in which such health service area is located approves such designation of such entity.

In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and each regional medical program established in such area under title IX

"(c) (1) The Secretary shall enter into an agreement with an entity for its designation as a health systems agency if, on the basis of an application under paragraph (2) (and, in the case of an entity conditionally designated, on the basis of its performance during a period of conditional designation under subsection (b) as a health systems agency for a health service area), the Secretary determines that such entity is capable of fulfilling, in a satisfactory manner, the requirements and functions of a health systems agency. Any such agreement under this subsection with an entity may be renewed in accordance with paragraph (3), shall contain such provisions respecting the requirements of sections 1412(b) and 1413 and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe, and shall be for a term of not to exceed twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the entity as the Secretary may by regulation prescribe, if the Secretary determines that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(2) The Secretary may not enter into an agreement with any entity under paragraph (1) for designation as a health systems agency for a health service area unless the entity has submitted an application to the Secretary for designation as a health systems agency, and the Governor of each State in which the area is located approves such designation of such entity. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 1412(b) and is qualified to perform or is performing the functions prescribed by section 1413. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (A) each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and (B) each regional medical program established in such area under title IX.

"(3) An agreement under this subsection for the designation of a health systems agency may be renewed by the Secretary for a period not to exceed twelve months if upon review (as provided in section 1435) of the agency's operation and performance of its functions and he determines that it has fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1413 and continues to meet the requirements of section 1412(b).

"(d) If a designation under subsection (b) or (c) of a health systems agency for a health services area is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b) or (c) (as the Secretary determines appropriate), enter into a designation agreement with another entity to be the health systems agency for such area.

"PLANNING GRANTS

"SEC. 1416. (a) The Secretary shall make in each fiscal year a grant to each health systems agency with which there is in effect a designation agreement under subsection (b) or (c) of section 1415. A grant under this subsection shall be made on such conditions as the Secretary determines is appropriate, shall be used by a health systems agency for compensation of agency personnel, collection of data, planning, and the performance of the functions of the agency, and shall be available for obligation for a period not to exceed the period for which its designation agreement is entered into or renewed (as the case may be). A health systems agency may use funds under a grant under this subsection to make payments under contracts with other entities to assist the health systems agency in the performance of its functions; but it shall not use funds under such a grant to make payments under a grant or contract with another entity for the development or delivery of health services or resources.

"(b) (1) The amount of any grant under subsection (a) to a health systems agency designated under section 1415(b) shall be determined by the Secretary. The amount of any grant under subsection (a) to any health systems agency designated under section 1415(c) shall be the lesser of—

"(A) the product of $0.50 and the population of the health service area for which the agency is designated, or

"(B) $1,500,000,

unless the agency would receive a greater amount under paragraph (2) or (3).

"(2) (A) If the application of a health systems agency for such a grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph (B) for the purposes for which such grant may be made, the amount of such grant shall be the the sum of—

"(i) the amount determined under paragraph (1), and

"(ii) the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health service area for which the agency is designated.

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall be funds—

"(i) not more than 5 per centum of which are contributed to the agency by any one private contributor and no more than one-third of which are contributed to the agency by and one public contributor, and

"(ii) which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(3) The amount of a grant under subsection (a) to a health system agency designated under section 1415(c) may not be less than $175,000.

"(c) (1) For the purposes of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, $90,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

"(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health systems agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant for that fiscal year to each health systems agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for that fiscal year bears to the total amount required to make grants to all health systems agencies in accordance with the applicable provision of subsection (b); except that the amount of any grant to a health systems agency for any fiscal year shall not be less than $175,000, unless the amount appropriated for that fiscal year under paragraph (1) is less than the amount required to make such a grant to each health systems agency.

"(d) The Secretary may make grants directly to Indian tribes and inter-tribal Indian organizations (including Area and National Indian Health Boards) to enable them to conduct effective and coordinated health planning for—

"(1) federally-recognized Indian reservations,

"(2) land areas in Oklahoma which are held in trust by the United States for Indians or which are restricted Indian-owned land areas, and

"(3) Native villages in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act).

To the extent practicable, such planning shall be carried out in the manner prescribed by section 1413.

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"DESIGNATION OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1421. (a) For the purpose of the performance within each State of the health planning and development functions prescribed by section 1423, the Secretary shall enter into and renew agreements (described in subsection (b)) for the designation of a State health planning and development agency for each State other than a State for which the Secretary may not under subsection (d) enter into, continue in effect, or renew such an agreement.

"(b) (1) A designation agreement under subsection (a) is an agreement with the Governor of a State for the designation of an agency (selected by the Governor) of the government of that State as the State health planning and development agency (hereinafter in this part referred to as the 'State Agency') to administer the State administrative program prescribed by section 1422 and to carry out the State's health planning and development functions prescribed by section 1423. The Secretary may not enter into such an agreement with the Governor of a State unless—

"(A) there has been submitted by the State a State administrative program which has been approved by the Secretary,

"(B) an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the agency selected by the Governor for designation as the State Agency has the authority and resources to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423, and

"(C) in the case of an agreement entered into under paragraph (3), there has been established for the State a Statewide Health Coordinating Council meeting the requirements of section 1424.

"(2) (A) The agreement entered into with a Governor of a State under subsection (a) may provide for the designation of a State Agency on a conditional basis with a view to determining the capacity of the designated State Agency to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423. The Secretary shall require as a condition to the entering into of such an agreement that the Governor submit on behalf of the agency to be designated a plan for the agency's orderly assumption and implementation of such functions.

"(B) The period of an agreement described in subparagraph (A) may not exceed twenty-four months. During such period the Secretary may require that the designated State Agency perform only such of the functions of a State Agency prescribed by section 1423 as he determines it is capable of performing. The number and type of such functions shall, during such period, be progressively increased as the designated State Agency becomes capable of added responsibility, so that by the end of such period the designated State Agency may be considered for designation under paragraph (3).

"(C) Any agreement with a Governor of a State entered into under subparagraph (A) may be terminated by the Governor upon ninety days' notice to the Secretary or by the Secretary upon ninety days' notice to the Governor.

"(3) If, on the basis of an application for designation as a State Agency (and, in the case of an agency conditionally designated under paragraph (2), on the basis of its performance under an agreement with a Governor of a State entered into under such paragraph), the Secretary determines that the agency is capable of fulfilling, in a satisfactory manner, the responsibilities of a State Agency, he shall enter into an agreement with the Governor of the State designating the agency as the State Agency for the State. No such agreement may be made unless an application therefor is submitted to, and approved by, the Secretary. Any such agreement shall be for a term of not to exceed twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the Governor at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the Governor as the Secretary may by regulation prescribe, if the Secretary determines that the designated State Agency is not complying with or effectively carrying out the provisions of such agreement.

An agreement under this paragraph shall contain such provisions as the Secretary may require to assure that the requirements of this part respecting State Agencies are complied with.

"(4) An agreement entered into under paragraph (3) for the designation of a State Agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that it has fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed and if the applicable State administrative program continues to meet the requirements of section 1422.

"(c) If a designation agreement with the Governor of a State entered into under subsection (b)(2) or (b)(3) is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b)(2), or (b)(3) (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency.

"(d) The Secretary may not enter into, continue in effect, or renew an agreement for the designation of a State Agency for a State (other than a State which administers a certificate of need program meeting the requirements of section 1423(a)(3)(B)) after the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421(b)(3) and at which legislation to enable the State to comply with the requirements of paragraphs (1) and (2) of this subsection may be enacted unless—

"(1) the State does not permit the issuance, modification, or renewal of any policy or contract of individual or group—

"(A) accident, health, or accident and health insurance, or

"(B) hospital or medical service benefits, unless such policy or contract provides that benefits payable under such policy or contract to or on behalf of an individual for the provision within the State of institutional health services by a health care facility or a health maintenance organization shall be reduced by an amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) of the health care facility or health maintenance organization made in connection with the institutional health service unless the service was found by the State agency of the State under section 1423(a)(4) to be needed; and

"(2) the State does not permit any health care facility or health maintenance organization within the State to charge (or otherwise collect) for depreciation, interest on borrowed funds, a return of equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) for the provision of an institutional health service which was found by the State agency of the State under section 1423(a)(4) to be not needed.

"STATE ADMINISTRATIVE PROGRAM

"SEC. 1422. (a) A State administrative program (hereinafter in this section referred to as the 'State Program') is a program for the performance within the State by its State Agency of the functions prescribed by section 1423. The Secretary may not approve a State Program for a State unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the Governor of the State at such time and in such detail, and contains or is accompanied by such information, as the Secretary deems necessary; and

"(3) has been submitted to the Secretary only after the Governor of the State has afforded to the general public of the State a reasonable opportunity for a presentation of views on the State Program.

"(b) The State Program of a State must—

"(1) provide for the performance within the State (after the designation of a State Agency and in accordance with the designation agreement) of the functions prescribed by section 1423 and specify the State Agency of the State as the sole agency for the performance of such functions (except as provided in subsection (b) of such section) and for the administration of the State Program;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions and the State Program in accordance with this part and contain a current budget for the operation of the State Agency;

"(3) provide for adequate consultation with, and authority for, the Statewide Health Coordinating Council (prescribed by section 1424), in carrying out such functions and the State Program;

"(4)(A) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the performance of such functions and the State Program, and require the State Agency to have a professional staff for planning and a professional staff for development, which staffs shall each be headed by a Director (who in the case of the Director of the planning staff shall be appointed with the advice and concent of the Statewide Health Coordinating Council) and shall be of such size and meet such qualifications as the Secretary may prescribe;

"(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91–648), but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(5) require the State Agency to perform its functions in accordance with procedures and criteria established and published by it, which procedures and criteria shall conform to the requirements of section 1432;

"(6) require the State Agency to (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this clause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code;

"(7) provide for the coordination (in accordance with regulations of the Secretary) with the cooperative system provided for under section 306(e) of the activities of the State Agency for the collection, retrieval, analysis, reporting, and publication of statistical and other information related to health and health care;

"(8) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the performance by the State Agency of its functions and of their economic effectiveness;

"(9) provide that the State Agency will from time to time, and in any event not less often than annually, review the State Program and submit to the Secretary required modifications;

"(10) require the State Agency to make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(11) require the State Agency to provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title;

"(12) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records of the State Agency pertinent to the disposition of amounts received from the Secretary under this title; and

"(13) provide that if the State Agency makes a decision in the performance of a function under paragraph (3), (4), (5), or (6) of section 1423(a) or under title XV which is inconsistent with a recommendation made under subsection (f), (g), or (h) of section 1413 by a health systems agency within the State—

"(A) such decision (and the record upon which it was made) shall, upon request of the health systems agency, be reviewed by an agency of the State (other than the State health planning and development agency) designated by the Governor, and

"(B) the decision of the reviewing agency shall for purposes of this title and title XV be considered the decision of the State health planning and development agency.

"(c) The Secretary shall approve any State Program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each State Program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH PLANNING AND DEVELOPMENT FUNCTIONS

"Sec. 1423. (a) Each State Agency of a State designated under section 1421(b)(3) shall, except as authorized under subsection (b), perform within the State the following functions:

"(1) Conduct the health planning activities of the State and implement those parts of the State health plan (under section 1424(c)(2)) and the plans of the health systems agencies within the State which relate to the government of the State.

"(2) Assist the Statewide Health Coordinating Council of the State in the preparation, review, and revision of the State health plan referred to in section 1424(c)(2), in the review of the State medical facilities plan required under section 1503, and in the performance of its functions generally.

"(3) Either (A) serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act, or (B) administer a State certificate of need program which applies to new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed within the State and which is satisfactory to the Secretary. In performing its functions under this paragraph the State Agency shall consider recommendations made by health systems agencies under section 1413(f).

"(4) After consideration of recommendations submitted by health systems agencies under section 1413(f) respecting new institutional health services proposed to be offered within the State, make findings as to the need for such services.

"(5) Review on a periodic basis (but not less often than every five years) all institutional health services being offered in the State and after consideration of recommendations submitted by health systems agencies under section 1413(g) respecting the appropriateness of such services and make public its findings for the purpose of informing the providers of such services what voluntary remedial measures may be advisable.

"(6) Prepare and administer the State medical facilities plan required by section 1503 and administer in the State the assistance provided under title XV under such plan.

"(b)(1) Any function described in subsection (a) may be performed by another agency of the State government upon request of the Governor under an agreement with the State Agency satisfactory to the Secretary.

"(2) The requirement of paragraph (3) of subsection (a) shall not apply to a State Agency of a State which elects (in such manner as the Secretary shall prescribe) to not have its State Agency serve as the designated planning agency for purposes of section 1122 of the Social Security Act and which does not have a certificate of need program which meets the requirements of clause (B) of such paragraph until the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421(b)(3) and at which legislation to comply with the certificate of need program requirement of clause (B) of such paragraph may be enacted.

"(3) A State Agency shall complete its findings with respect to the appropriateness of any existing institutional health service within one year after the date a health systems agency has made its recommendation under section 1413(g) with respect to the appropriateness of such service or facility.

"(c) If a State Agency makes a decision in carrying out a function described in paragraph (3), (4), (5), or (6) of subsection (a) which is not consistent with the goals of the applicable HSP or the priorities of the applicable AIP, the State Agency shall submit to the appropriate health systems agency a detailed statement of the reasons for the inconsistency.

"STATEWIDE HEALTH COORDINATING COUNCIL

"Sec. 1424. (a) A State health planning and development agency designated under section 1421 shall be advised by a Statewide Health Coordinating Council (hereinafter in this section referred to as the 'SFCC') which (1) is organized in the manner described by subsection (b), and (2) performs the functions listed in subsection (c).

"(b)(1) An SHCC shall be composed in the following manner:

"(A)(i) An SHCC shall have no fewer than sixteen representatives selected by the health systems agencies within the State.

"(ii) Each health system agency within the State shall be entitled to the same number of representatives on the SHCC.

"(iii) Each health systems agency shall be entitled to at least two representatives on the SHCC.

"(iv) Of the representatives of each health systems agency on the SHCC, one-half shall be consumers of health care who are not providers of health care, and one-half shall be providers of health care.

"(B) The Governor of the State may appoint such persons (including State officials, public elected officials, and other representatives of governmental authorities within the State) to serve on the SHCC as he deems appropriate; except that (i) the number of persons appointed to the SHCC by the Governor may not exceed one-third of the total membership of the SHCC, and (ii) a majority of the persons appointed by the Governor shall be consumers of health care who are not also providers of health care.

"(C) Not less than one-third of the providers of health care who are members of an SHCC shall be direct providers of health care (as described in section 1431(3)).

"(2) The SHCC shall select from among its members a chairman.

"(3) The SHCC shall conduct all of its business meetings in public, and shall meet at least once in each calendar quarter of a year.

"(c) An SHCC shall perform the following functions:

"(1) Review annually and coordinate the HSP and AIP of each health systems agency within the State and report to the Secretary, for purposes of his review under section 1435(c), its comments on such HSP and AIP.

"(2) Prepare and review and revise as necessary (but at least annually) a State health plan which shall be made up of the HSP's of the health systems agencies within the State. Such plan may, as found necessary by the SHCC, contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide health needs.

"(3) Review annually the budget of each such health systems agency and report to the Secretary, for purposes of his review under section 1435(a), its comments on such budget.

"(4) Review applications submitted by such health systems agencies for grants under sections 1416 and 1540 and report to the Secretary its comments on such applications.

"(5) Advise the State agency of the State generally on the performance of its functions.

"(6) Review annually and approve or disapprove any State plan and any application (and any revision of a State plan or application) submitted to the Secretary as a condition to the receipt of any funds under allotments made to States under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a SHCC sixty days to make the review required by such sentence. If a SHCC disapproves such a State plan or application, the Secretary may not make Federal funds available under such State plan or application until he has made, upon request of the Governor of the State which submitted such plan or application or other agency of such State, a review of the SHCC decision. If after such review the Secretary decides to make such funds available, the decision by the Secretary to make such funds available shall be submitted to the SHCC and shall contain a detailed statement of the reasons for the decision.

"GRANTS FOR STATE HEALTH PLANNING AND DEVELOPMENT

"Sec. 1425. (a) The Secretary may make grants to State health planning and development agencies designated under subsection (b)(2) or (b)(3) of section 1421 to assist them in meeting the costs of their operation. Any grant made under this subsection to a State agency shall be available for obligation only for a period not to exceed the period for which its designation agreement is entered into or renewed. The amount of any grant made under this subsection shall be determined by the Secretary, except that no grant to a designated State agency may exceed 75 per centum of its operation costs (as determined under regulations of the Secretary) during the period for which the grant is available for obligation.

"(b) Grants made under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe.

"(c) For the purpose of making payments under grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000.000 for the fiscal year ending June 30, 1977.

"Part D—General Provisions

"DEFINITIONS

"Sec. 1431. For purposes of this title:

"(1) The term 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) The term 'Governor' means the chief executive officer of a State or his designee.

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

"(B) who is an indirect provider of health care in that the individual—

"(i) holds a fiduciary position with, or has a fiduciary interest in, any entity described in subclause (II) or (IV) of clause (ii);

"(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(I) Fees or other compensation for research into or instruction in the provision of health care.

"(II) Entities engaged in the provision of health care or in such research or instruction.

"(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care.

"(IV) Entities engaged in producing drugs or such other articles.

"(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or

"(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

(4) (A) the term "institutional health services' means the health services provided through health care facilities and health maintenance organizations (as such facilities and organizations are defined in regulations prescribed under section 1122 of the Social Security Act); and (B) the term 'health care facilities' means the health care facilities referred to in clause (A).

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH SYSTEM CHANGES

"SEC. 1432. (a) In conducting reviews pursuant to subsections (e), (f), and (g) of section 1413 or in conducting any other reviews of proposed or existing health services, each health systems agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 1423, a State health planning and development agency shall (except to the extent approved by the Secretary) follow procedures, *and apply* criteria, developed and published by the State Agency in accordance with regulations of the Secretary. Proceedures and criteria for reviews by health systems agencies and State agencies may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(b) Each health systems agency and State health planning and development agency shall include in the procedures required by subsection (a) at least the following:

"(1) Written notification to affected persons of the beginning of a review.

"(2) Schedules for reviews which provide that no review shall, to the extent practicable, take longer than ninety days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to a review to submit to the agency or State Agency (in such form and manner as the agency or State Agency shall prescribe and publish) such information as the agency or State Agency may require concerning the subject of such review.

"(4) Submission of applications (subject to review by a health systems agency or a State Agency) made under this Act or other provisions of law for Federal financial assistance for health services to the health systems agency or State Agency at such time and in such manner as it mây require.

"(5) Submission of periodic reports by providers of health services and other persons subject to agency or State Agency review respecting the development of proposals subject to review.

"(6) Notification of providers of health services and other persons subject to agency or State Agency review of the status of the agency or State Agency review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(7) Provision for public hearings in the course of agency or State Agency review if requested by persons directly affected by the review; and provision for public hearings, for good cause shown, respecting agency and State Agency decisions.

"(8) Preparation and publication of regular reports by the agency and State Agency of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and State Agency (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(9) Access by the general public to all applications reviewed by the agency and State Agency and to all other written materials pertinent to any agency or State Agency review, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this paragraph as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5, United States Code.

"(10) In the case of construction projects, submission to the agency and State Agency by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and State Agency of the scope and nature of the projects at the earliest possible opportunity in the course of planning of such construction projects.

"(c) Criteria required by subsection (a) for health systems agency and State Agency review shall include consideration of at least the following:

"(1) The relationship of the health services being reviewed to the applicable HSP and AIP.

"(2) The relatonship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly, or more effective methods of providing such services.

"(5) The relationship of services reviewed to the existing health care system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided, the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(7) The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service area in which the entity is located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, specialty centers, and such other entities as the Secretary may by regulation prescrbe.

"(8) The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

"(9) In the case of a construction project—

"(A) the costs and methods of the proposed construction, and

"(B) the probable impact of the construction project reviewed on the costs of providing health services by the person proposing such construction project.

"TECHNICAL ASSISTANCE FOR HEALTH SYSTEMS AGENCIES AND STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1433. (a) The Secretary shall provide (directly or through grants or contracts, or both) to designated health systems agencies and State Agencies (1) assistance in developing their health plans and approaches to planning various types of health services, (2) technical materials, including methodologies, policies, and standards appropriate for use in health planning, and (3) other technical assistance as may be necessary in order that such agencies may properly perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1) (A) Specification of the minimum data needed to determine the health status of the residents of a health service area and the determinants of such status.

"(B) Specification of the minimum data needed to determine the status of the health resources and services of a health service area.

"(C) Specification of the minimum data needed to describe the use of health resources and services within a health service area.

"(2) Planning approaches, methodologies, policies, and standards which shall be consistent with the guidelines recommended by the National Council for Health Policy under section 1402 for appropriate planning and development of health resources and services, and which shall cover the priorities listed in section 1403.

"(3) Guidelines for the organization and operation of health systems agencies and State Agencies including guidelines for—

"(A) the structure of a health systems agency, consistent with section 1412(b), and of a State Agency, consistent with section 1422;

"(B) the conduct of the planning and development processes;

"(C) the performance of health systems agency functions in accordance with section 1413; and

"(D) the performance of State Agency functions in accordance with section 1423.

"(c) In order to facilitate the exchange of information concerning health services, health resources, and health planning and resources development practice and methodology, the Secretary shall establish a national health planning information center to support the health planning and resources development programs of health systems agencies, State Agencies, and other entities concerned with health planning and resources development; to provide access to current information on health planning and resources development; and to provide information for use in the analysis of issues and problems related to health planning and resources development.

"CENTERS FOR HEALTH PLANNING

"SEC. 1434. (a) For the purposes of assisting the Secretary in carrying out this title, providing such technical and consulting assistance as health systems agencies and State Agencies may from time to time require, conducting research, studies and analyses of health planning and resources development.

and developing health planning approaches, methodologies, policies, and standards, the Secretary shall by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and developing new centers, and operating existing and new centers, for multidisciplinary health planning development and assistance. To the extent practicable, the Secretary shall provide assistance under this section so that at least five such centers will be in operation by June 30, 1976.

"(b) No grant or contract may be made under this section for planning or developing a center unless the Secretary determines that when it is operational it will meet the requirements listed in paragraph (2) and no grant or contract may be made under this section for operation of a center unless the center meets such requirements.

"(2) The requirements referred to in paragraph (1) are as follows:

"(A) There shall be a full-time director of the center who possesses a demonstrated capacity for substantial accomplishment and leadership in the field of health planning and resources development, and there shall be such additional professional staff as may be appropriate.

"(B) The staff of the center shall represent a diversity of relevant disciplines.

"(C) Such additional requirements as the Secretary may by regulation prescribe.

"(c) Centers assisted under this section (1) may enter into arrangements with health systems agencies and State Agencies for the provision of such services as may be appropriate and necessary in assisting the agencies and State Agencies in performing their functions under section 1413 or 1423, respectively, and (2) shall use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies such planning approaches, methodologies, policies and standards as they develop.

"(d) For the purpose of making payments pursuant to grants and contracts under subsection (a) there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977.

"REVIEW BY THE SECRETARY

"SEC. 1435. (a) The Secretary shall review and approve or disapprove the annual budget of each designated health systems agency and State Agency. In making such review and approval or disapproval the Secretary shall consider the comments of Statewide Health Coordinating Councils submitted under section 1424(c)(3). Information submitted to the Secretary by a health systems agency or a State Agency in connection with the Secretary's review under this subsection shall be made available by the Secretary, upon request, to the appropriate committees (and their subcommittees) of the Congress.

"(b) The Secretary shall prescribe performance standards covering the structure, operation, and performance of the functions of each designated health systems agency and State Agency, and he shall establish a reporting system based on the performance standards that allows for continuous review of the structure, operation, and performance of the functions of such agencies.

"(c) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated health systems agency to determine—

"(1) the adequacy of the HSP of the agency for meeting the needs of the residents of the area for a healthful environment and for accessible, acceptable and continuous quality health care at reasonable costs, and the effectiveness of the AIP in achieving the system described in the HSP;

"(2) if the structure, operation, and performance of the functions of the agency meet the requirements of sections 1412(b) and 1413;

"(3) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health service area for which the agency is designated;

"(4) the professional credentials and competence of the staff of the agency;

"(5) the appropriateness of the data assembled pursuant to section 1413(b)(1) and the quality of the analyses of such data;

"(6) the extent to which technical and financial assistance from the agency have been utilized in an effective manner to achieve the goals and objectives of the HSP and the AIP; and

"(7) the extent to which it may be demonstrated that—

"(A) the health of the residents in the agency's health service area has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in such area has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"(d) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated State Agency to determine—

"(1) the adequacy of the State health plan of the Statewide Health Coordination Council prepared under section 1424(c)(2) in meeting the needs of the residents of the State for a healthful environment and for accessible, acceptable, and continuous quality health care at reasonable costs;

"(2) if the structure, operation, and performance of the functions of the State Agency meet the requirements of sections 1422 and 1423;

"(3) the extent to which the Statewide Health Coordinating Council has a membership meeting, and has performed in a manner consistent with, the requirements of section 1424;

"(4) the professional credentials and competence of the staff of the State Agency;

"(5) the extent to which financial assistance provided under parts A, B, or C of title XV by the State Agency under section 1423 (a) has been used in an effective manner to achieve the State's health plan under section 1424(c)(2); and

"(6) the extent to which it may be demonstrated that—

"(A) the health of the residents of the State has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in the State has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"SPECIAL PROVISIONS FOR THE VIRGIN ISLANDS, GUAM, THE TRUST TERRITORIES OF THE PACIFIC ISLANDS, AND AMERICAN SAMOA

"SEC. 1436. The Virgin Islands, Guam, the Trust Territories of the Pacific Islands, and American Samoa shall each be considered a State for purposes of this title, except that—

"(1) no health service areas shall be established within them,

"(2) no health systems agencies shall be designated for them,

"(3) the State health planning and development agency designated for each of them under section 1421 shall, in addition to the functions prescribed by section 1423, perform the functions prescribed by section 1413 and shall be eligible to receive grants authorized by section 1540, and

"(4) the chief executive officer of each of them shall appoint the Statewide Health Coordinating Council prescribed by section 1424 in accordance with regulations of the Secretary."

REVISION OF HEALTH RESOURCES DEVELOPMENT PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 4. The Public Health Service Act, as amended by section 3, is amended by adding after title XIV the following new title:

"TITLE XV—HEALTH RESOURCES DEVELOPMENT

"PART A—PURPOSE, STATE PLAN, AND PROJECT APPROVAL

"PURPOSE

"SEC. 1501. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) modernization of medical facilities;

"(2) construction of new outpatient medical facilities;

"(3) construction of new inpatient medical facilities in areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth; and

"(4) conversion of existing medical facilities for the provision of new health services.

"GENERAL REGULATIONS

"SEC. 1502. (a) The Secretary, with the approval of the Federal Hospital Council, shall by regulations—

"(1) prescribe the general manner in which the State Agency of each State shall determine for the State medical facilities plan under section 1503 the priority among projects within the State for which assistance is available under this title, based on the relative need of different areas within the State for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas, and

"(D) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under this title general standards of construction, modernization, and equipment for medical facilities of different classes and in different types of location;

"(3) prescribe criteria for determining needs for medical facility beds and needs for medical facilities, and for developing plans for the distribution of such beds and facilities;

"(4) prescribe criteria for determining the extent to which existing medical facilities are in need of modernization; and

"(5) require each State medical facilities plan under section 1503 to provide for adequate medical facilities for all persons residing in the State and adequate facilities to furnish needed health services for persons unable to pay therefor.

"(b) The Secretary may also require that a State Agency of a State secure from an applicant under this title for assistance for a medical facility project assurances satisfactory to the Agency that—

"(1) the facility will be made available to all persons residing in its service area who have a need for the services provided (or to be provided) through it, and

"(2) unless the Agency determines the applicant lacks adequate financial resources, there will be made available through the facility to persons unable to pay therefor a reasonable volume of the services with respect to which assistance under this title is applied for,

before the Agency may recommend such project for the Secretary's approval.

"STATE MEDICAL FACILITIES PLAN

"Sec. 1503. (a) Before an application for assistance under this title for a medical facility project described in section 1501 may be approved, the State Agency of the State in which such project is located must have submitted to the Secretary and had approved by him a State medical facilities plan. To be approved by the Secretary a State medical facilities plan for a State must—

"(1) prescribe that the State Agency of the State shall administer or supervise the administration of the plan and contain evidence satisfactory to the Secretary that the State Agency has the authority to carry out the plan in conformity with this title;

"(2) prescribe that the Statewide Health Coordinating Council of the State shall advise and consult with the State Agency in carrying out the plan;

"(3) be consistent with the State health plan developed pursuant to section 1424 (c)(2);

"(4) set forth, in accordance with criteria established in regulations prescribed under section 1502(a), and on the basis of a statewide inventory of existing medical facilities, a survey of need and the plans of health systems agencies within the State—

"(A) the number and type of medical facility beds and medical facilities needed to provide adequate inpatient care to people residing in the State, and a plan for the distribution of such beds and facilities in health service areas throughout the State,

"(B) the number and type of outpatient and other medical facilities needed to provide adequate public health services and outpatient care to people residing in the State, and a plan for the distribution of such facilities in health service areas throughout the State, and

"(C) the extent to which existing medical facilities in the State are in need of modernization or conversion to new uses;

"(5) set forth a program for the State for assistance under this title for projects described in section 1501, which program shall indicate the type of assistance which should be made available to each project and shall conform to the assessment of need set forth pursuant to paragraph (4) and regulations promulgated under section 1502(a);

"(6) set forth (in accordance with regulations promulgated under section 1502(a)) priorities for the provision of assistance under this title for projects in the program set forth pursuant to paragraph (4);

"(7) provide minimum requirements (to be fixed in the discretion of the State Agency) for the maintenance and operation of facilities which receive assistance under this title, and provide for enforcement of such standards;

"(8) provide for affording to every applicant for assistance for a medical facilities project under this title an opportunity for a hearing before the State Agency; and

"(9) provide that the State Agency will from time to time, but not less often than annually, review the plan and submit to the Secretary any modifications thereof which it considers necessary.

"(b) The Secretary shall approve any State medical facilities plan and any modification thereof which complies with the provisions of subsection (a) if the State Agency, as determined under the review made under section 1435(d), is organized and operated in the manner prescribed by section 1422 and is carrying out its functions under section 1423 in a manner satisfactory to the Secretary. If any such plan or modification thereof shall have been disapproved by the Secretary for failure to comply with subsection (a), the Federal Hospital Council shall, upon request of the State Agency, afford it an opportunity for hearing. If such Council determines that the plan or modification complies with the provisions of such subsection, the Secretary shall thereupon approve such plan or modification.

"APPROVAL OF PROJECTS

"Sec. 1504. (a) For each project described in section 1501 included within a State's State medical facilities plan approved under section 1503 there shall be submitted to the Secretary, through the State's State Agency, an application. The applicant under such an application may be a State, a political subdivision of a State or any other public entity, or a private nonprofit entity. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) Except as authorized under paragraph (2), an application for any project shall set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) a description of the site of such project;

"(C) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1502(a);

"(D) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(E) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed;

"(F) the type of assistance being sought under this title for the project;

"(G) a certification by the State Agency of the Federal share for the project; and

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and function set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (C) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1502(a)(2), and

"(ii) the requirement of subparagraph (D) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B).

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined under title XIII or as designated by a health systems agency, and

"(ii) for which the applicant seeks (I) not more than $20,000 from the allotments made under part B to the State in which it is located, or (II) a loan under part C the principal amount of which does not exceed $20,000.

"(c) The Secretary shall approve an application submitted under subsection (b) if—

"(1) in the case of a project to be assisted from an allotment made under part B, there are sufficient funds in such allotment to pay the Federal share of the project,

"(2) the Secretary finds that—

"(A) the application (i) is in conformity with the State medical facilities plan approved under section 1503, (ii) has been approved and recommended by the State Agency, (iii) is for a project which is entitled to priority over other projects within the State as determined in accordance with the approved State medical facilities plan, (iv) contains reasonable assurances as to title, financial support, and payment of prevailing rates of wages, and (v) contains an assurance satisfactory to the Secretary that in the operation of the medical facility for which the application is submitted there will be compliance with the State medical facilities plan requirement prescribed pursuant to section 1502(a)(5); and

"(B) the plans and specifications for the project meet the requirements of the regulations prescribed pursuant to section 1502(a).

"(d) No application shall be disapproved until the Secretary has afforded the State Agency an opportunity for a hearing.

"(e) Amendment of any approved application shall be subject to approval in the same manner as a original application.

"PART B—ALLOTMENTS

"ALLOTMENTS

"Sec. 1510. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make from sums appropriated for such fiscal year under section 1513 allotments among the States on the basis of the population, the financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures cerified by the Secretary of Commerce.

"(b) (1) Th allotment to any State (other than Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands) for any fiscal year shall be not less than $1,000,000; and the allotment to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall be not less than $500,000 each.

"(2) Notwithstanding paragraph (1), if the amount appropriated under section 1513 for any fiscal year is less than the amount required to provide allotments in accordance with paragraph (1), the amount of the allotment to any State for such fiscal year shall be an amount which bears the same ratio to the amount prescribed for such State by paragraph (1) as the amount appropriated for such fiscal year bears to the amount of appropriations needed to make allotments to all the States in accordance with paragraph (1).

"(c) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"PAYMENTS FROM ALLOTMENTS

"SEC. 1511. (a) If with respect to any medical facility project approved under section 1504 the State Agency certifies (upon the basis of inspection by it) to the Secretary that, in accordance with approved plans and specifications, work has been performed upon the project or purchases have been made for it and that payment from the applicable allotment of the State in which the project is located is due for the project, the Secretary shall, except as provided in subsection (b), make such payment to the State.

"(b) The Secretary is authorized to not make payments to a State pursuant to subsection (a) in the following circumstances:

"(1) If such State is not authorized by law to make payments for an approved medical facility project from the payment to be made by the Secretary pursuant to subsection (a), or if the State so requests, the Secretary shall make the payment from the State allotment directly to the applicant for such project.

"(2) If the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 1512, payment by the Secretary may, after he has given the State Agency notice and opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing.

In no event may the total of payments made under subsection (a) with respect to any project exceed an amount equal to the Federal share of such project.

"(c) In case an amendment to an approved application is approved as provided in section 1504 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(d) In any fiscal year not more than one-third of the amount of a State's allotment available for obligation in that fiscal year may be obligated for projects in the State for construction of new facilities for the provision of inpatient health care to persons residing in areas of the State which have experienced recent rapid population growth.

"WITHHOLDING OF PAYMENTS FROM ALLOTMENTS

"SEC. 1512. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Agency concerned finds—

"(1) that the State Agency is not complying substantially with the provisions required by section 1503 to be included in its State medical facilities plan,

"(2) that any assurance required to be given in an application filed under section 1504 is not being or cannot be carried out, or

"(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 1504,

the Secretary may take the action authorized by subsection (b).

"(b)(1) Upon a finding described in subsection (a) and after notice to the State Agency concerned, the Secretary may—

"(A) withhold from all projects within the State with respect to which the finding was made further payments from the State's allotment under section 1510, or

"(B) withhold from the specific projects with respect to which the finding was made further payments from the applicable State allotment under section 1510.

"(2) Payments may be withheld, in whole or in part, under paragraph (1)—

"(A) until the basis for the finding upon which the withholding was made no longer exists, or

"(B) if corrective action to make such finding inapplicable cannot be made, until the State concerned repays or arranges for the repayment of Federal funds paid under this part for projects which because of the finding are not entitled to such funds.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1513. There are authorized to be appropriated for allotments under section 1510 $125,000,000 for the fiscal year ending June 30, 1975, $150,000,000 for the fiscal year ending June 30, 1976, and $175,000,000 for the fiscal year ending June 30, 1977.

"SPECIAL PROVISIONS FOR AMERICAN INDIANS

"SEC. 1514. (a) The Secretary may make grants directly to Indian tribes and intertribal Indian organizations to assist such tribes and organizations in meeting the costs of projects for the construction and modernization of public or nonprofit private outpatient or other health facilities, including alcoholism treatment centers, nursing homes, facilities for the care of the elderly, and mental health treatment facilities, which are in or will specifically serve—

"(1) a federally-recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act).

"(b)(1) The amount of any grant made under this section for any project shall be determined by the Secretary, under such rules and regulations as he shall adopt, and may cover up to 100 per centum of the costs of the project.

"(2) No grant for any project may be made under this section unless an application therefor has been submitted to the Secretary and approved by him. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe, including assurances that preference shall be given to the employment of Indians and Indian business organizations in the construction or modernization of facilities for which funds are provided under subsection (a).

"PART C—LOANS AND LOAN GUARANTEES

"AUTHORITY FOR LOANS AND LOAN GUARANTEES

"SEC. 1520. (a) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, make loans from the fund established under section 1522(d) to pay the Federal share of projects approved under section 1504.

"(b)(1) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to nonprofit private entities for medical facilities projects, and

"(ii) the Federal Financing Bank for its loans to nonprofit private entities for such projects,

payment of principal and interest on such loans if applications for assistance for such projects under this title have been approved under section 1504.

"(2) In the case of a guarantee of any loan to a nonprofit private entity under this title, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under this title shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(c) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriations Acts.

"(d) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

"ALLOCATION AMONG THE STATES

"SEC. 1521. (a) For each fiscal year, the total amount of principal of—

"(1) loans to nonprofit private entities which may be guaranteed, or

"(2) loans which may be directly made,

under this part shall be allotted by the Secretary among the States, in accordance with regulations, on the basis of the population, financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1522. (a)(1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

"(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantee of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved.

"(b) (1) The Secretary may not approve a loan under this part unless—

"(A) the Secretary is reasonably satisfied that the applicant under the project for which the loan would be made will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this part shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing, on the date the loan is made, with respect to loans guaranteed under this part, minus 3 per centum per annum, and (E) be subject to such other terms and conditions (including provisions for recovery in case *of default*), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reasons of the failure of a borrower to make payments of principal of and interest on a loan made under this part, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c) (1) The Secretary may from time to time, but with due regard to the financial interests of the United States, sell loans made by him under this part.

"(2) The Secretary may agree, prior to his sale of any such loan; to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or as otherwise appropriate. Any such agreement may (A) provide that the Secretary shall act as agent of any such purchaser for the purpose of collecting from the borrower to which such loan was made and paying over to such purchaser, any payments of principal and interest payable by the borrower under such loan; and (B) provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this paragraph.

"(3) After any loan under this part to a public entity has been sold and guaranteed under this subsection, interest paid on such loan which is received by the purchaser thereof (or his successor in interest) shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(4) Amounts received by the Secretary as proceeds from the sale of loans under this subsection shall be deposited in the fund established under subsection (d).

"(d) (1) There is established in the Treasury a loan and loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

"(A) to enable him to make loans under this part,

"(B) to enable him to discharge his responsibilities under loan guarantees issued by him under this part,

"(C) for payment of interest under section 1520(b) (2) on loans guaranteed under this part,

"(D) for repurchase of loans under subsection (c) (2) (B), and

"(E) for payment of interest on loans which are sold and guaranteed.

There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Secretary in connection with loans and loan guarantees under this part and other property or assets derived by him from his operations respecting such loans and loan guarantees, including any money derived from the sale of assets.

"(2) If at any time the sums in the funds are insufficient to enable the Secretary—

"(A) to make payments of interest under section 1520(b) (2),

"(B) to otherwise comply with guarantees under this part of loans to nonprofit private entities,

"(C) in the case of a loan which was made, sold, and guaranteed under this part, to make to the purchaser of such loan payments of principal and interest on such loan after default by the entity to which the loan was made, or

"(D) to repurchase loans under subsection (c) (2) (B), and

"(E) to make payments of interest on loans which are sold and guaranteed,

he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e) (1) The assets, commitments, obligations, and outstanding balances of the loan guarantee and loan fund established in the Treasury by section 626 shall be transferred to the fund established by subsection (d) of this section.

"(2) To provide additional capitalization for the fund established under subsection (d) there is authorized to be appropriated to the fund $40,000,000 in the aggregate for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

"PART D—GENERAL PROVISIONS

"JUDICIAL REVIEW

"SEC. 1530. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 1504, the State Agency through which such application was submitted, or

"(2) any State is dissatisfied with the Secretary's action under section 1512, such State,

may appeal to the United States court of appeals for the circuit in which such State Agency or State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28 United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not unless so specifically ordered by the Court, operate as a stay of the Secretary's action.

"RECOVERY

"SEC. 1531. If any facility constructed, modernized, or converted with funds provided under this title is, at any time within twenty years after the completion of such construction, modernization, or conversion with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 1504, or (B) which is not approved as a transferee by the State Agency of the State in which such facility is located, or its successor; or

"(2) not used as a medical facility, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of such facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction, modernization, or conversion of such project or projects. Such right of recovery shall not constitute a lien upon such facility prior to judgment.

"FEDERAL HOSPITAL COUNCIL

"SEC. 1532. (a) In administering this title, the Secretary shall consult with a Federal Hospital Council consisting of the Secretary, who shall serve as Chairman ex officio, and twelve members appointed by him. Six of the twelve appointed members shall be persons who are outstanding in the fields of health planning and resources development and fields pertaining to medical facilities, three of such members shall be authorities in matters relating to the operation of hospitals or other medical facilities, one of such members shall be an authority in matters relating to the mentally retarded, one of such members shall be an authority in matters relating to mental health, and six members shall be appointed to represent the consumers of health services provided by medical facilities and shall be persons familiar with the need for such services in urban or rural areas.

"(b) Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. An appointed member shall not be eligible to serve continuously for more than two terms (whether beginning before or after the date of the enactment of this section) but shall be eligible for reappointment if he has not served immediately preceding his reappointment.

"(c) The Council shall meet as frequently as the Secretary deems necessary, but not less than once each year. Upon request by three or more members, it shall be the duty of the Secretary to call a meeting of the Council.

"(d) The Council is authorized to appoint such special advisory or technical committees as may be useful in carrying out its functions.

"(e) The Council shall supersede the existing Federal Hospital Council appointed under section 641 and the appointed members of the Federal Hospital Council serving on the date of the enactment of this title shall serve as additional members of the Council appointed under this section for the duration of their terms then existing, or for such shorter time as the Secretary may prescribe.

"(f) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply with respect to the Council under this section.

"STATE CONTROL OF OPERATIONS

"SEC. 1533. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility with respect to which any funds have been or may be expended under this title.

"DEFINITIONS

"SEC. 1534. For the purposes of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(2) The term 'Federal share' means the proportion of the cost of a medical facilities project which the State Agency determines the Federal Government will provide under allotment payments or a loan or loan guarantee under this title, except that—

"(A) in the case of a modernization project—

"(i) described in section 1504(b)(2)(B), and

"(ii) the application for which received a waiver under section 1504(b)(2)(A),

the proportion of the cost of such project to be paid by the Federal Government under allotment payments or a loan may not exceed $20,000 and may not exceed 100 per centum of the first $6,000 of the cost of such project and 66⅔ per centum of the next $21,000 of such cost,

"(B) in the case of a project (other than a project described in subparagraph (A)) to be assisted from an allotment made under part B, the proportion of the cost of such project to be paid by the Federal Government may not exceed 66⅔, and

"(C) in the case of a project (other than a project described in subparagraph (A)) to be assisted with a loan or loan guarantee made under part C, the principal amount of the loan directly made or guaranteed for such project, when added to any other assistance provided the project under this title, may not exceed 90 per centum of the cost of such project.

"(3) The term 'hospital' includes general, tuberculosis, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, facilities related to programs for home health services, self-care units, and central service facilities, operated in connection with hospitals, and also includes education or training facilities for health professional personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.

"(4) The term 'public health center' means a publicly owned facility for the provision of public health services, including related publicly owned facilities such as laboratories, clinics, and administrative offices operated in connection with such a facility.

"(5) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(6) The term 'outpatient medical facility' means a medical facility (located in or apart from a hospital) for the diagnosis or diagnosis and treatment of ambulatory patients (including ambulatory inpatients)—

"(A) which is operated in connection with a hospital,

"(B) in which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State, or in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State; or

"(C) which offers to patients not requiring hospitalization the services of licensed physicians in various medical specialties, and which provides to its patients a reasonably full-range of diagnostic and treatment services.

"(7) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of—

"(A) medical evaluation and services, and

"(B) psychological, social, or vocational evaluation and services,

under competent professional supervision, and in the case of which the major portion of the required evaluation and services is furnished within the facility; and either the facility is operated in connection with a hospital, or all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(8) The term 'facility for long-term care' means a facility (including a skilled nursing or intermediate care facility) providing inpatient care for convalescent or chronic disease patients who require skilled nursing or intermediate care and related medical services—

"(A) which is a hospital (other than a hospital primarily for the care and treatment of mentally ill or tuberculous patients) or is operated in connection with a hospital, or

"(B) in which such care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(9) The term 'construction' means construction of new buildings and initial equipment of such buildings and, in any case in which it will help to provide a service not previously provided in the community, equipment of any buildings; including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land.

"(10) The term 'cost' as applied to construction, modernization, or conversion means the amount found by the Secretary to be necessary for construction, modernization, or conversion, respectively, under a project.

"(11) The term 'modernization' includes alteration, major repair (to the extent permitted by regulations), remodeling, replacement, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

"(12) The term 'title,' when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than twenty-five years' undisturbed use and possession for the purpose of construction or modernization and operation of the project.

"(13) The term 'medical facility' means a hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, or other facility (as may be designated by the Secretary) for the provision of health care to ambulatory patients.

"(14) The term 'State Agency' means the State health planning and development agency of a State designated under title XIV.

"FINANCIAL STATEMENTS

"SEC. 1535. In the case of any facility for which an allotment payment, loan, or loan guarantee has been made under this title, the applicant for such payment, loan, or loan guarantee (or, if appropriate, such other person as the Secretary may prescribe) shall file at least annually with the State Agency for the State in which the facility is located a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility, and

"(2) the costs to the facility of providing health services in the facility and the charges made by the facility for providing such services,

during the period with respect to which the statement is filed.

"PART E—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 1540. (a) The Secretary shall make in each fiscal year a grant to each health systems agency—

"(1) with which there is in effect a designation agreement under section 1415(b),

"(2) which has in effect an HSP and AIP reviewed by the Statewide Health Coordinating Council, and

"(3) which, as determined under the review made under section 1435(c), is organized and operated in the manner prescribed by section 1412(b) and is performing its functions under section 1413 in a manner satisfactory to the Secretary,

to enable the agency to establish and maintain an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 1413(c)(3).

"(b)(1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health service area for which the health systems agency is designated, the average family income of the area, and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health systems agency for any fiscal year may not exceed the product of $1 and the population of the health service area for which such agency is designated.

"(c) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $100,000,000 for the fiscal year ending June 30, 1976, and $150,000,000 for the fiscal year ending June 30, 1977.

"(e) The Secretary shall make in each fiscal year a grant to each Indian tribe and inter-tribal Indian organization which received in such fiscal year a grant under section 1416(d). A grant under this subsection shall be used by such tribe or organization to make grants to public and nonprofit private entities and to enter into contracts with individuals and public and nonprofit private entities to assist such entities in planning and developing programs and projects located within or which will specifically serve—

"(1) a federally-recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act),

which programs and projects the tribe or organization determines are necessary for the achievement of the health systems planned by it for such reservation, land area, or village."

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

Sec. 5. (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 314(a) of the Public Health Service Act, except that no grant made to a State with funds appropriated under this paragraph shall be available for obligation beyond (A) the date on which a State health planning and development agency is designated for such State under section 1421 of such Act, or (B) June 30, 1976.

(2) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 304 of the Public Health Service Act for experimental health services delivery systems, section 314(b) of such Act, and title IX of such Act, except that no grant made with funds appropriated under this paragraph shall be available for obligation beyond (A) June 30, 1976, or (B) the date on which a health systems agency has been designated under section 1415 of such Act for a health service area which includes the area of the entity for which a grant is made under such section 304, 314(b), or title IX.

(b) Any State which has in the fiscal year ending June 30, 1975, or the next fiscal year funds available for obligation from its allotments under part A of title VI of the Public Health Service Act may in such fiscal year use for the proper and efficient administration during such year of its State plan approved under such part an amount of such funds which does not exceed 4 per centum of such funds or $100,000, whichever is less.

(c) A reference in any law or regulation—

(1) to the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act shall in the case of a State for which a State health planning and development agency has been designated under section 1421 of such Act be considered a reference to the State agency designated under such section 1421;

(2) to an agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act shall if all or part of the area covered by such plan or plans is within a health service area established under section 1411 of the Public Health Service Act be considered a reference to the health systems agency designated under section 1415 of such Act for such health service area; and

(3) to a regional medical program assisted under title IX of the Public Health Service Act shall if the program is located in a State for which a State health planning and development agency has been designated under section 1421 of the Public Health Service Act be considered a reference to such State agency.

(d) Section 316 of the Public Health Service Act is repealed.

ADVISORY COMMITTEES

Sec. 6. (a) An advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall terminate at such time as may be specifically prescribed by an Act of Congress enacted after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare shall report, within one year after the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the purpose and use of each advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and (2) his recommendations respecting the termination of each such advisory committee.

AGENCY REPORTS

Sec. 7. The Secretary of Health, Education, and Welfare shall report, within one year of the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the identity of each report required to be made by the Secretary under the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to the Congress (or any committee thereof), (2) the provision of such Acts which requires each such report, (3) the purpose of each such report, and (4) the due date for each such report. The report of the Secretary under this section may include such recommendations as he considers appropriate for termination or consolidation of any such reporting requirements.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 16204) was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 14266, TO AMEND FEDERAL AVIATION ACT OF 1958

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1484 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1484

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14266) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, and all points of order against section 3 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 14266, it shall be in order in the House to take from the Speaker's table the bill S. 3481 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 14266 as passed by the House.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Nebraska (Mr. Martin), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1484 provides for an open rule with 1 hour of general debate on H.R. 14266, a bill to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation.

House Resolution 1484 provides that all points of order against section 3 of the bill for failure to comply with the provisions of clause 4, rule XXI, of the Rules of the House of Representatives (prohibiting appropriations in a legislative bill) are waived.

House Resolution 1484 also provides that after the passage of H.R. 14266, it shall be in order in the House to take from the Speaker's table the bill S. 3481 and to move to strike out all after the enacting clause of S. 3481 and insert in lieu thereof the provisions contained in H.R. 14266 as passed by the House.

H.R. 14266 provides relief to U.S. air carriers operating in international air transportation from discriminatory and unfair competitive practices which they have been subjected to in their competition with foreign air carriers. H.R. 14266 requires that air transportation of Government-financed passengers and property be on U.S. carriers. The bill specifically precludes any ticket agent from charging or collecting a compensation for air transportation which is different from the currently effective tariff for such transportation.

Mr. Speaker, I urge the adoption of House Resolution 1484 in order that we may discuss, debate, and pass H.R. 14266.

Mr. Speaker, I yield to the gentleman from Nebraska.

Mr. **MARTIN** of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Florida has explained, House Resolution 1484 provides for an open rule with 1 hour of debate on H.R. 14266, to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation. The American carriers such as TWA and Pan American are discriminated against in competitive situations with foreign airlines in regard to landing charges and several other areas. This bill attempts to correct these inequities wherever they exist.

Mr. Speaker, I support the rule and reserve the balance of my time.

Mr. **PEPPER**. Mr. Speaker, I have no requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND FEDERAL AVIATION ACT OF 1958

Mr. **STAGGERS**. Mr. Speaker, I call up the bill (H.R. 14266) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 14266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Air Transportation Fair Competitive Practices Act of 1974".

DECLARATION OF POLICY

SEC. 2. (a) United States air carriers operating in foreign air transportation perform services of vital importance to the foreign commerce of the United States including its balance of payments, to the Postal Service, and to the national defense. Such carriers have become subject to a variety of discriminatory and unfair competitive practices in their competition with foreign air carriers. The Department of State, the Department of the Treasury, the Department of Transportation, the Civil Aeronautics Board, and other departments or agencies, therefore, each shall keep under review, to the extent of their respective functions, all forms of discrimination or unfair competitive practices to which United States air carriers are subject in providing foreign air transportation services and each shall take all appropriate actions within its jurisdiction to eliminate such forms of discrimination or unfair competitive practices found to exist.

(b) Each of these departments and agencies of Government shall request from Congress such additional legislation as may be deemed necessary at any time it is determined there is inadequate legal authority for dealing with any form of discrimination or unfair competitive practice found to exist.

(c) The Civil Aeronautics Board shall report annually to Congress on the actions that have been taken under subsection (a) and on the continuing program to eliminate discriminations and unfair competitive practices faced by United States carriers in foreign air transportation. The Secretaries of State, Treasury, and Transportation shall furnish to the Civil Aeronautics Board such information as may be necessary to prepare the report required by this subsection.

INTERNATIONAL USER CHARGES

SEC. 3. The International Aviation Facilities Act (49 U.S.C. 1151–1160) is amended by redesignating section 11 as section 12 and by inserting immediately after section 10 the following new section:

"SEC. 11. The Secretary of Transportation shall survey the charges made to air carriers by foreign governments or other foreign entities for the use of airport property or airway property in foreign air transportation. If the Secretary of Transportation determines at any time that such charges unreasonably exceed comparable charges for furnishing such airport property or airway property in the United States or are otherwise discriminatory, he shall submit a report on such cases promptly to the Secretary of State and the Civil Aeronautics Board, and the Secretary of State, in collaboration with the Civil Aeronautics Board, shall promptly undertake negotiations with the foreign country involved to reduce such charges or eliminate such discriminations. If within a reasonable period such charges are not reduced or such discriminations eliminated through negotiations, the Secretary of State shall promptly report such instances to the Secretary of Transportation who shall determine compensating charges equal to such excessive or discriminatory charges. Such compensating charges shall, with the approval of the Secretary of State, be imposed on the foreign air carrier or carriers of the country concerned by the Secretary of the Treasury as a condition to acceptance of the general declaration at the time of landing or take-off of aircraft of such foreign air carrier or carriers. The amounts so collected shall accrue to an account established for that purpose by the Secretary of the Treasury. Payments shall be made from that account to air carriers in such amounts as shall be certified by the Secretary of Transportation in accordance with such regulations as he shall adopt to compensate such air carriers for excessive or discriminatory charges paid by them to the foreign countries involved.".

RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION

SEC. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended to read as follows:

"PAYMENTS TO FOREIGN AIR CARRIERS

"(h) In any case where air transportation is performed between the United States and any foreign country, both by aircraft owned or operated by one or more air carriers holding a certificate under this title and by aircraft owned or operated by one or more foreign air carriers, (1) the Postmaster General shall not pay to or for the account of any such foreign air carrier a rate of compensation for transporting mail by aircraft between the United States and such foreign country, which, in his opinion, will result (over such reasonable period as the Postmaster General may determine, taking account of exchange fluctuations and other factors) in such foreign air carrier receiving a higher rate of compensation for transporting such mail than such foreign country pays to air carriers for transporting its mail by aircraft between such foreign country and the United States, or receiving a higher rate of compensation for transporting such mail than a rate determined by the Postmaster General to be comparable to the rate such foreign country pays to air carriers for transporting its mail by aircraft between such foreign country and intermediate country on the route of such air carrier between such foreign country and the United States, and (2) the Board shall not fix and determine for any air carrier a rate of compensation for transporting mail by aircraft between the United States and such foreign country which is lower than the rate of compensation payable by the Postmaster General to or for the account of any such foreign air carrier when such carrier transports such mail between the United States and such foreign country. Nothing in this subsection shall be deemed to authorize the Board to fix and determine for any air carrier a rate of compensation for transporting United States military mail higher than the rates set for such mail without regard to the provisions of this subsection.".

TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY

SEC. 5. (a) Title XI of the Federal Aviation Act of 1958 (49 U.S.C. 1501–1513) is amended by the addition of the following new section:

"TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY

"SEC. 1114. Whenever any executive department or other agency or instrumentality of the United States shall procure, contract for, or otherwise obtain for its own account or in furtherance of the purposes or pursuant to the terms of any contract, agreement, or other special arrangement made or entered into under which payment is made by the United States or payment is made from funds appropriated, owned, controlled, granted, or conditionally granted or utilized by or otherwise established for the account of the United States, or shall furnish to or for the account of any foreign nation, or any international agency, or other organization, of whatever nationality, without provisions for reimbursement, any transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided by air carriers holding certificates under section 401 of this Act to the extent authorized by such certificates or by regulations or exemption of the Civil Aeronautics Board and to the extent service by such carriers is available. The Comptroller General of the United States shall disallow any expenditure from appropriated funds for payment for such personnel or cargo transportation on an air carrier not holding a certificate under section 401 of this Act in the absence of satisfactory proof of the necessity therefor. Nothing in this section shall prevent the application to such traffic of the antidiscrimination provisions of this Act.".

PROMOTION OF TRAVEL ON UNITED STATES CARRIERS IN FOREIGN AIR TRANSPORTATION

SEC. 6. Section 2 of the International Travel Act of 1961 (22 U.S.C. 2122) is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

"(6) encourage to the maximum extent feasible travel to and from the United States on United States carriers.".

COMMITTEE AMENDMENTS

The **SPEAKER**. The Clerk will report the first committee amendment.

Mr. **STAGGERS**. Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD and considered en bloc.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

Committee amendments:

1. On the first page, line 6, strike out "Declaration of Policy" and insert in lieu thereof "Discriminatory and Unfair Competitive Practices".

2. On page 3, beginning in line 6, strike out "section 11 as section 12" and insert in lieu thereof "sections 11 and 12 as sections 12 and 13, respectively,".

3. On page 4, strike out line 16 and all that follows down through line 5 on page 6, and insert in lieu thereof the following:

RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION

SEC. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by inserting "(1)" immediately after "(h)", and by adding at the end thereof the following new paragraphs:

"(2) The Secretary of State and the Postmaster General each shall take all necessary and appropriate actions to assure that the rates paid for the transportation of mail pursuant to the Universal Postal Union Convention shall not be higher than the actual cost of transportation of the mail (including a reasonable rate of return on investment). The Secretary of State and the Postmaster General shall oppose any present or proposed Universal Postal Union rates which are higher than the actual costs of the transportation.

"(3) The Civil Aeronautics Board shall act expeditiously on any proposed changes in rates for the transportation of mail by aircraft in foreign or overseas air transportation. Pending final action on any rate proposals contained in Civil Aeronautics Board docket 26487, the Board shall, by December 31, 1974, establish temporary rates based on the best available estimates of the actual cost of transporting the mail, including, but not limited to, the cost of fuel and a reasonable rate of return on investment. In establishing rates under this paragraph the Board shall take into consideration rates paid on the date of the enactment of this paragraph for transportation of mail pursuant to the Universal Postal Union Convention as ratified by the United States Government.".

4. On page 7, line 11, immediately after "Sec. 5." insert "(a)".

5. On page 7, line 12, strike out "1501–1513" and insert in lieu thereof "1501 and the following".

6. On page 7, line 13, strike out "the addition of the" and insert in lieu thereof "adding at the end thereof the".

7. On page 7, strike out lines 15 and 16 and insert in lieu thereof "Transportation of Government-Financed Passengers and Property".

8. On page 7, line 19, strike out "1114" and insert in lieu thereof "1117".

9. On page 8, immediately after line 22, insert the following:

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following new item:

"SEC. 1117. TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY.".

10. On page 9, immediately after line 12, insert the following:

OBSERVANCE OF TARIFFS BY TICKET AGENTS

SEC. 7. (a) The first sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended to read as follows: "No air carrier or foreign air carrier or any ticket agent shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in then currently effective tariffs of such air carrier or foreign air carrier; and no air carrier or foreign air carrier or ticket agent shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Board to be specified in such tariffs, except those specified therein.".

(b) The first sentence of section 407(e) of such Act (49 U.S.C. 1377(e)), relating to inspection of accounts and property, is amended to read as follows: "The Board shall at all times have access to all lands, buildings, and equipment of any air carrier or foreign air carrier and to all accounts, records, and memorandums, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers, foreign air carriers, or ticket agents and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memorandums.".

The committee amendments were agreed to.

Mr. **STAGGERS**. Mr. Speaker, this bill deals with the financial problems of U.S. air carriers in their competition with foreign carriers.

It directs the executive branch to take necessary actions to eliminate discrimination against U.S. carriers.

If these actions are not successful, U.S. charges on foreign carriers will be increased and the funds used to reimburse U.S. carriers for excessive foreign charges. Landing fees are one example of excessive foreign charges.

The bill also directs the appropriate executive agencies to take necessary actions to raise the rate paid U.S. carriers for transporting international mail and, at the same time, reduce the rate paid foreign carriers for the same service. This will improve the position of U.S. carriers in their competition with foreign carriers.

Presently, the rates are about $1.18 per ton-mile for foreign carriers and less than 40 cents for U.S. carriers.

Finally, the bill requires the appropriate executive agencies to hire U.S. carriers for all Government-financed traffic, and to encourage all international travelers to fly on U.S. carriers.

Some examples of excessive landing fees follow:

EXAMPLES OF EXCESSIVE LANDING FEES

CHARGES AT U.S. AIRPORTS	
For Boeing 747:	
New York	$291
Chicago	328
San Francisco	237
Miami	118
For Boeing 707:	
New York	134
Chicago	144
San Francisco	90
Miami	45
CHARGES AT FOREIGN AIRPORTS	
For Boeing 747:	
London	840
Paris	1,180
Sidney	4,200
Tokyo	1,215
For Boeing 707:	
London	384
Paris	502
Sidney	1,965
Tokyo	500

Mr. **SHOUP**. Mr. Speaker, I rise in support of H.R. 14266, the International Air Transportation Fair Competitive Practices Act. This is a rather involved title for a fairly simple and straightforward bill whose purpose is to correct some basic problems that have long existed in the international air transportation system.

The bill has several provisions which the chairman has described in detail. As he has indicated, one of the most important purposes of H.R. 14266 is to correct the various discriminatory or unfair competitive practices and the discriminatory user charges to which our air carriers have been subject in their overseas operations.

One provision of the bill encourages the use of U.S. carriers by our citizens. This provision could be quite meaningful in terms of added revenue to our international carriers. The Department of Commerce has stated that in 1973 only 47 percent of the Americans flying scheduled flights to Europe flew on U.S. carriers. According to the Department, if the U.S. carriers' share of these passengers had been 50 percent, their added revenues would have amounted to $28 million.

Another provision of the bill would give the CAB the additional authority it needs to deal with illegal rebating by travel agents.

The most controversial provision in this bill is that dealing with international airmail rates. The bill as originally introduced would have provided that our U.S. international carriers receive the UPU rate. This would have meant an additional charge of about $90 million or more per year to be incurred by our Postal Service and to be paid for either by the taxpayer through appropriations from the Treasury or by the user of airmail services by significant additional charges on postage rates for airmail letters and packages.

Most foreign carriers receive the UPU rate for carrying the mail of their own country as well as for carrying the mail of other countries. While U.S. air carriers do receive the UPU rate for carrying a relatively small amount of mail of other countries, they receive much lower CAB rates for carrying U.S. mail in foreign air transportation. One result of this inequity is that U.S. air carriers are competitively disadvantaged in foreign air transportation by receiving much lower rates for the carriage of one major category of traffic than those received by their foreign competitors. Whereas, in the carriage of freight and passengers, all carriers receive generally the same rates, U.S. carriers are forced to carry mail at much lower rates than their foreign competitors.

In order to alleviate this competitive disadvantage, the committee has recommended two actions in section 4 of the proposed bill. The committee's version of section 4 directs the appropriate Government agencies to negotiate the UPU rates downward. Pending such action, however, the CAB is mandated to consider the UPU rates before approval of new rates for U.S. air carriers in foreign air transportation. Our carriers should not suffer this competitive disadvantage in the interim.

It was my intent in adding the provision that the CAB must consider UPU rates, that our carriers would receive rates in closer proximity to the UPU rates pending international action to reduce those rates.

The temporary rate increases proposed in CAB Order 74–11–47 indicate awareness on the part of the CAB of the inadequacy of U.S. postal rates. However, it is quite apparent from reading the record of proceedings that the inequity between UPU rates and U.S. postal rates was not considered.

Adoption of the committee amendment to section 4 will necessitate additional hearings by the CAB on this matter. Such action is fully justified.

It is obvious that the mandated date of December 31, 1974, is not now realistic. I will at the appropriate time amend the date to read January 31, 1975. I urge support of this most important legislation.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SHOUP. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I wonder if I could address a couple of questions to the gentleman. A few of us are concerned, there are so many areas in our foreign policy, there is a tendency to see the situation where it works against American interests; but rather than be tough with the other countries, we just subsidize our own.

I want to help Pan Am, but I also want to make sure that our policy is directed toward making other countries under a reciprocal arrangement pay precisely what they make us pay. Is this what we are doing here? Are we, in effect, saying that if it costs $4,000 for Pan Am to land in Australia, but it only costs an Australian airline $237, are we going to make them pay the difference or are we going to make the Australians pay more to land in our country?

Mr. SHOUP. Mr. Speaker, recognizing the fact that we cannot tell Australia how much it will cost them, any more than they can tell us in this country how much they will pay, the responsible agencies are directed to point up any inequities which exist in the assessing of landing fees in foreign countries.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield further?

Mr. SHOUP. I yield to the gentleman.

Mr. ASHBROOK. I would say we can tell a foreign country what it costs to land in our country. I agree we cannot tell Australia that $4,200 is too much, but we can tell them how much it costs to touch down in our country.

Mr. SHOUP. In answer to the gentleman, there is a specific agreement in IATA, which states that a country cannot charge higher landing fees for foreign owned flights than they can for domestic owned flights.

So that there is no problem existing between charging more for our flights landing in Australia than Australia charges for their own flights landing there.

Mr. ASHBROOK. It is a little complicated. What will be the practical effect should this bill pass?

Mr. SHOUP. The effect would be more equity among the various countries for landing fees. It definitely will assist us.

Mr. ASHBROOK. Will we renegotiate with these countries?

Mr. SHOUP. Yes, most definitely. It is mandated.

Mr. ASHBROOK. But in the meantime, will we be paying, in effect, a taxpayer's subsidy to airlines who are being affected adversely?

Mr. SHOUP. No. No subsidy is involved.

Mr. ASHBROOK. I thank the gentleman.

Mr. SHOUP. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Speaker, I rise in support of this much needed legislation. The financial problems faced by Pan Am, TWA and other U.S. flag carriers are due in no small part to circumstances outside the control of the Federal Government, such as spiraling fuel costs and a reduction in international air travel. However, most of the circumstances are not only within the control of the Federal Government but are actually the direct result of U.S. Government action. Or to put it more correctly—inaction.

H.R. 14266 simply corrects a situation which should have been corrected long ago. As it was reported, H.R. 14266 directs all departments and agencies to eliminate discriminatory and unfair competitive practices against U.S. flag carriers in the international air transport industry; it requires the Department of Transportation to survey user charges made to our carriers by foreign governments and to take steps to correct the inequities which do exist; it encourages the promotion of "Fly U.S." programs, in other words, travel to and from the United States on U.S. air carriers.

Given the current state of our economy, we all should be concerned about the plight of our international air transportation industry. Pan Am, for example, currently has 33,000 employees. Failure to enact this legislation will most certainly mean the end of Pan Am as we know it, and the effect on most of its employees will be either unemployment or severe dislocation. It will also mean the almost certain end of U.S. participation in the international air transportation industry.

Mr. Speaker, this bill does not represent a subsidy for anyone. It is simply equity. At the appropriate time I will be supporting an amendment to be offered by my colleague from New York (Mr. MURPHY) which will further strengthen the bill. I urge my colleagues to support this bill, which will provide long overdue equity for our U.S. flag carriers, in recognition of their contributions to the American economy.

Mr. MURPHY of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Amendment offered by Mr. MURPHY of New York: Page 7, line 8, strike out the quotation marks and the period following the quotation marks and immediately after line 8, insert the following:

"(4) And, until such time as the Universal Postal Union air mail rates are revised in accordance with the directive of the preceding paragraph, the Board shall not fix and determine for air carriers final rates of compensation for transporting mail in foreign air transportation which are lower than the rates of compensation paid by the Postmaster General to or for the account of foreign air carriers for transporting mail in foreign air transportation.".

Mr. MURPHY of New York. Mr. Speaker, I wish to propose the attached amendment to H.R. 14266 in the interest of equity and fair treatment for our international airlines. It is a matter of grave concern that the Postal Service pays foreign-flag airlines more than it pays our own U.S.-flag carriers for performing the same service.

As you know, the Postal Service has elected to pay foreign-flag airlines at rates established by the Universal Postal Union for overseas airmail, while our airlines receive mail pay established by the Civil Aeronautics Board according to different standards and at levels only about one-sixth the rate for foreign carriers.

This amendment would correct that situation in a way that I believe to be consistent with sound fiscal policy. It would simply require the Postal Service to pay U.S.-flag airlines the same UPU rates as it now pays to foreign carriers for U.S. overseas airmail. It would not be a subsidy and it would not require consumers to pay higher airmail postage.

Contrary to statements by the Postal Service, payment of UPU rates to our own airlines does not constitute a subsidy in any sense of the word. To begin with, the Postal Service collects far more international airmail revenue than it pays out to airlines for carrying this type of mail. It retains a disproportionately large amount for its own account, an amount far above the true handling costs incurred by the Postal Service for overseas airmail.

Last year, for example, the Postal Service took in some $239 million in international airmail revenues. It paid out only $37 million, or 15 percent, to United States and foreign airlines for transportation of this airmail. That left 85 percent, or $202 million, to cover Postal Service handling costs.

What were those costs? Here is how the Postal Service describes them, and I leave it to my colleagues to determine who's getting subsidy.

The Postal Service says overseas airmail revenues must pay not only transportation costs incurred on outgoing mail, but also:

All mail processing costs for that mail;

The cost of processing and delivering foreign-origin mail after receipt by the Postal Service, for which no postage is collected;

The substantial excess of incoming surface mail over outgoing surface mail, because, says the Postal Service, foreign nationals are less affluent than Americans and use surface mail to a greater extent.

Continuing this strange argument, the Postal Service also says that "international mail service is less self-sufficient than most other mail services." And that it is "common knowledge that overall the Postal Service operates in a deficit position."

One hardly knows where to begin to analyze these propositions. If international mail service is only less self-sufficient than other services, apparently it is nonetheless self-sufficient to one degree or another. And if the Postal Service operates in an overall deficit position, it cannot be due to international airmail. In fact, international airmail must be reducing the overall deficit.

As for the cost of surface mail used by foreigners of less affluence than Americans, there never should have been a time when U.S. airlines were forced to pay the expense of surface mail out of airmail revenues. Certainly they should not be expected to do so now. And if the Postal Service collects no postage for delivering foreign-origin mail in this country, there are avenues of remedy it can pursue other than to divert airmail revenues.

Another aspect on which the Postal Service has apparently avoided comment is the matter of international airmail which transits the United States, as in the case of a letter en route from Paris, France to Lima, Peru via New York. If a U.S.-flag airline provides transportation along this route, it is paid at the lower CAB mail rate. The Postal Service, however, collects its revenues at the higher UPU rate. It pockets the difference, even though the ground handling in the United States may involve only the movement between airlines at the same airport.

Two conclusions are inescapable in this situation, I am convinced. One is that the Postal Service is using overseas airmail revenues to cover the cost of incoming overseas surface mail and other loosely defined expenses that have no business on the airmail ledger. The other is that if the Postal Service is running a deficit operation, it is not because of international airmail, which by its own admission is self-sufficient.

I mentioned earlier that the Postal Service last year wound up with $202 million to cover overseas airmail handling costs after transportation outlays to United States and foreign airlines. I wish I could tell you exactly how much of that $202 million really went to cover airmail handling costs, but the Postal Service claims its bookkeeping procedures won't permit it to pass along that information. The balance went for bulk subsidy.

So let us do a little arithmetic on our own. Returning to the UPU rate issue, what would have happened if our own airlines had received the same airmail payment last year as did the foreign airlines? Adoption of UPU rates would have increased payments to U.S. airlines to $105 million, or 44 percent of total overseas airmail revenues. This would still have left $134 million, or 56 percent of total revenues to defray Postal Service handling costs.

The annual reports of the Postmaster General show that in the 7 years 1967 through 1973, international airmail postal revenues increased 117 percent while payments to airlines rose only 27.5 percent. Thus, payments to air carriers fell from 26 percent of revenue in 1967 to 15 percent of revenue last year, at which point the Postal Service was netting more than $200 million after all payments to airlines, almost twice its total revenues of $110 million in 1967.

I would remind you that rates established by the Universal Postal Union are the result of agreement among the 152 member nations in that Union. UPU congresses meet every 5 years to set rates, using a cost-based compensatory rate formula derived from figures covering the broad spectrum of international airlines. This formula takes into account cost and service-related factors covering mail priority, special handling and service development.

The only element not directly cost-related is a value of service allowance, a traditional factor in ratemaking which reflects the comparative advantages and service benefits of the transport of mail by air over other modes of transport. The Interstate Commerce Commission, for example, has ruled that both cost and value of service must be considered as well as other elements in entering into a rate.

Current UPU rates have been in effect since July 1971. They do not reflect worldwide inflation since then, nor do they reflect the threefold increase in fuel prices during the past year. There will be no opportunity to establish more realistic rates until 1979.

The United States has belonged to the UPU, an autonomous arm of the United Nations, since its inception in 1875. Any suggestion that the road to parity for U.S.-flag airlines lies in the U.S. Government trying to prevail on UPU to revise its own ratemaking formula in the image of our Civil Aeronautics Board is impractical and untimely. This argument presumes that one nation could impose its will on 144 others. It also overlooks the fact that nothing of this nature could possibly be accomplished for another 5 years, until the next UPU Congress.

The U.S. postal user currently pays either 21 cents or 26 cents per half ounce, depending on area, to send a letter abroad. Of this, 3.15 or 3.9 cents, respectively, goes for actual carriage of mail by the airlines, with the Postal Service retaining the balance. As I have demonstrated, this balance covers a multitude of costs other than airmail and the consumer doesn't need to be asked for another penny.

I would like to include a communication from Mr. Andrew Biemiller, director of legislation for the AFL–CIO.

I also include a study of UPU airmail rate revenues to U.S.-flag carriers in comparison with CAB rate proposals:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., December 4, 1974.

Hon. JOHN M. MURPHY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This week the House will consider the bill, H.R. 14266, entitled "The International Fair Competitive Practices Act." By removing several competitive disadvantages which threaten the financial stability of U.S. air carriers, particularly Pan American Airlines, this legislation is designed to re-establish the competitive equality between U.S. and foreign airlines. While the AFL–CIO strongly supports this legislation, we are concerned that the bill fails to address existing inequity in the payment of international mail rates. In order that U.S. air carriers maintain the same competitive posture now enjoyed in cargo and passenger rates, we urge your support for the adoption of the amendment to be offered by Representative John Murphy (D-N.Y.) which would guarantee that the U.S. international airlines receive the same rate paid to foreign air carriers for the shipment of international mail.

The AFL–CIO views this legislation as vital to the economic health of an important domestic industry which employs over 50,000 workers and contributes $4 billion annually to our balance of payments. Organized labor has seen too many U.S. industries and far too many American jobs sacrificed for the sake of so-called open competition and free trade. At a time of general economic instability, perilously high unemployment, a state of depression in the auto and housing industries, two vital cogs in our economic way of life, and serious ongoing deficiencies in our balance of payments, the nation can ill affort to lose still another essential economic entity.

For these reasons we strongly urge your support for the Murphy amendment as well as your vote for passage of H.R. 14266.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

UPU airmail rates would yield U.S.-flag air carriers $67,750,000 a year more than the higher CAB rates proposed on November 11, 1974 (Order 74–11–47)

Total *Ton Miles* of U.S. Civilian International Mail in Fiscal 1974 which would have taken the UPU Rates:

Atlantic	49, 494, 000
Pacific (excluding Guam and other U.S. Territories mail to which UPU rates would not apply)	24, 482, 000
Latin America	12, 215, 000
Total	86, 191, 000

Split of These Ton Miles Between Letter and Other Mail at USPS Percentages:

Letter (LC) mail at 52.5%	45, 250, 275
Other (AO/CP) mail at 47.5%	40, 940, 725
Total	86, 191, 000

Computation of Payments to U.S. Carriers at UPU Rates:

Letter Mail at $1.73 a ton mile	$78, 282, 976
Other Mail at 57.7 cents a ton mile	23, 622, 798
Total	$101, 905, 774

Average UPU Rate Per Ton Mile, $1.18

Less Payments to U.S. Flag Carriers at New CAB Rates Proposed on 11-11-74 (Order 74-11-47):

Atlantic: 49,494,000 ton miles × 40.63 cents (32 cents plus 26.96%)	$20, 109, 412
Pacific: 24,482,000 ton miles × 33.12 cents (28.8 cents plus 14.96%)	8, 108, 438
Latin America: 12,215,000 ton miles × 48.62 cents (32.5 cents plus 49.56 percent)	5, 938, 933
Total	34, 156, 783

Average CAB rate per ton mile (only one-third the UPU rate of $1.18), 39.63 cents.

Additional Revenue to U.S. Flag Carriers at UPU Rates ($101,905,774 minus $34,156,783), $67,748,991.

SUMMARY

The new temporary mail rates just proposed by CAB in Order 74–11–47 for the Atlantic, Pacific and Latin America—when applied to the 86,191,000 ton miles of U.S. civilian international mail in fiscal 1974 that would have taken the UPU rates—will yield total revenues of only $34,156,783 a year or 39.63 cents a ton mile, which is only one-third of what the UPU rates would yield, namely, $101,905,774 a year or $1.18 a ton mile.

Pan Am's temporary mail rate petition—when applied to the "UPU" ton miles—would have yielded $44,418,363 a year or 51.53 cents.

The CAB's proposed rates are $10,261,580 a year and 11.90 cents a ton mile less than what we requested.

[In cents]

	Rate requested by Pan Am	Rate proposed by CAB	Difference
Atlantic	50. 35	40. 63	−9. 72
Pacific	50. 39	33. 12	−17. 27
Latin America	58. 63	48. 62	−10. 01
Composite rate per "UPU" ton-mile	51. 53	39. 63	−11. 90

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman.

Mr. HUNT. Do I understand that the U.S. Government pays foreign airlines more money than it pays our own airlines to transport mail?

Mr. MURPHY of New York. Precisely. On an international air flight from Paris to Lima, Peru, the United States would pay the foreign carrier the UPU rate of $1.18 and the American carrier 35 cents and pocket the rest and subsidize some other deficit postal operation.

Mr. HUNT. I thank the gentleman.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to my colleague from New York.

Mr. BINGHAM. I thank the gentleman for yielding. I would like to commend the gentleman for his work and leadership, and I rise in enthusiastic support for the amendment.

Mr. STAGGERS. Mr. Speaker, I rise for two purposes. First, to see if we could set a time on this amendment and all other amendments thereto and that we vote on this amendment and all other amendments thereto on the bill at 5:30.

I ask unanimous consent that all debate on this amendment and all amendments to the bill stop at 5:30 and that we vote on the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. DINGELL. Mr. Speaker, reserving the right to object——

Mr. DERWINSKI. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

How many more amendments are there?

Mr. STAGGERS. I know of one more.

Mr. DERWINSKI. Mr. Speaker, may I have the attention of the gentleman from West Virginia for a minute?

In all fairness, we have just heard the well-intended but very emotional and somewhat misdirected statement in support of the amendment. I would, at least, like to have a full 5 minutes to wipe the record clean, if I might, and then after that we can entertain a motion to quit.

The SPEAKER. The Chair will recognize the gentleman from Illinois (Mr. DERWINSKI) for 5 minutes.

Mr. DINGELL. Mr. Speaker, I have a reservation of a right to object which was duly made. I do not want any of the Members around here to think I have withdrawn it.

The SPEAKER. The Chair will state that the gentleman's rights will be protected. We are still on the other amendment.

The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI) for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, I appreciate the pressures which have been built up behind what is obviously an emotional feeling for Pan American and American-flag carriers, but I will ask the Members for patience as I explain what we are doing with this amendment and why it should be soundly rejected.

Mr. Speaker, let me point out that this is not the proper legislative vehicle to cure the problems of Pan American or any other American airline. Let me give the Members some quick statistics.

First of all, of the U.S. mail carried abroad, 98.7 percent is carried by American-flag carriers. The largest single percentage of that is carried by Pan American, which carries 40.7 percent.

The U.S. Postal Service uses foreign carriers only when there is not any practical service available from any U.S. carrier.

Now, built into the United Postal Union rates which this amendment would require that our Postal Service pay are built-in subsidies which foreign governments channel into their flag carriers, most of which are government-controlled, socialistic operations. The foreign governments use United Postal Union rates to add to the subsidy of their own flag carriers.

Our flag carriers carry at rates negotiated by the Postal Service. They are carrying, at a profit, a substantial volume under a mutually beneficial business arrangement. As a matter of fact, just recently Pan American at its initiative has requested an adjustment far under the UPU rates for Pan American to carry mail from Hong Kong to points in Centra' and South America, because it is a lucrative business arrangement for Pan American.

What we are trying to do is use this vehicle to help one company which is supposedly in dire straits, but in the process, here is what we may do: We may drive up the cost of international airmail to American users. We will probably force a greater use of foreign-flag carriers of necessity by the U.S. Postal Service, because if they cannot negotiate a practical rate with U.S.-flag carriers and there is a far more convenient foreign-flag route available, they are required by law to move the mail in the earliest practical manner consistent with value.

So what we have here is this: If we remove the negotiating arrangement that the U.S. Postal Service has with a U.S.-flag carrier, we actually put U.S.-flag carriers at a disadvantage with foreign-flag carriers because of the frequency of flights, specifically to many of their capital cities.

Mr. Speaker, what this amendment really does is, it starts to distort the very purpose for which it is offered. It will wind up costing U.S.-flag carriers volume.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Speaker, what the gentleman is saying is basically right. Here is what the Secretary of Transportation said to our committee. He said:

> We will not pay the United States-flag carrier the same as we pay a foreign-flag carrier. We will take the mail off the American line and put it on the foreign lines.

That would further subsidize them. He further threatened to put his own airplanes in to carry the American mail, in direct competition with American free enterprise.

Mr. DERWINSKI. Mr. Speaker, that is again a well-intended distortion of the facts.

The fact is that in the UPU rates which are applied, to which the gentleman's amendment would apply, there are built-in subsidies. The rate is not a competitive rate; it is not a practical rate for postal services. It is a rate intended to channel into foreign-flag carriers an additional subsidy over and above what they are regularly receiving from other sources.

As far as I know, there is not a single American carrier that is objecting to the volume of mail it receives from the U.S. Postal Service at the cost for which it carries it.

I wish to reemphasize that 98.7 percent of U.S.-generated air mail is carried by U.S.-flag carriers. In addition to Pan American, we have Braniff, Flying Tiger, Continental, United, Western, and others. They are all happy with their contracts. It is a good deal between them and the U.S. Postal Service.

The gentleman from New York acknowledged the weakness of his amendment which is that when one takes away this competitive situation by forcing through this amendment, he forces a good part of U.S. mail into foreign-flag routes.

More significantly, however, payment of the UPU rates would result in a subsidy to U.S.-flag carriers outside the provisions of existing law. If the U.S.-flag carriers need a subsidy or financial support above fair and reasonable rate returns, the Federal Aviation Act, section 406 (b) and (c), provides legal and available avenues to provide subsidies to continue their operations "in the national interest." Any such subsidy should be paid from appropriated funds—not from additional revenue generated by artificially higher postal rates.

We might add that as a result of current CAB activity, the proposed amendment is not necessary to help U.S. carriers. As of November 11, the CAB has already begun proceedings to increase international airmail rates of transportation from 15 percent to 50 percent retroactive to last March 8. To cite just one example, approval of these increases would provide an additional $11.5 million to Pan American.

Should this bill be enacted with the subject amendment, the Postal Service would be required by law to recover the added costs reflected by payment of UPU rates, by increasing international airmail rates of postage. The Postal Service estimates that the current 21-cent rate would go to approximately 27 cents and the current 26-cent rate to approximately 35 cents.

Requiring UPU rates would be simply passing on the costs of subsidizing private airlines to the public users of international airmail in complete disregard of existing provisions of law providing the means for payment of subsidies to these carriers from appropriated funds.

Mr. JARMAN. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, passage of H.R. 14266 and Mr. MURPHY's amendment is needed to correct an inequity and discriminatory practice by the U.S. Government in applying a double standard in setting mail rates for U.S. air carriers and foreign air carriers in the transportation of U.S. mails.

The Universal Postal Union, UPU, an international body of most all postal administrations of the world, meets in plenary session every 5 years and establishes the rules of procedure for the exchange of mails between members. One of the rules of procedure is the rate established for the settlement of airmail accounts between members which, with few exceptions, is the rate that airlines of the member countries receive from their own postal administrations for the carriage of both national and nonnational mail. The provisions of these plenary sessions—Congresses of the UPU—are approved and ratified by the Postmaster General of the United States Postal Service and the President of the United States. The rate approved is the rate that the U.S. Postal Service uses to pay its accounts for foreign air carriers for the transportation of U.S. international airmail, and which U.S. air carriers receive from other countries for the carriage of their mail.

The U.S. Civil Aeronautics Board, CAB, through the provisions of 49 United States Code, establishes the rates for the carriage of U.S. air carriers.

At this juncture the discrimination begins—The Civil Aeronautics Board uses a set of standards reflecting solely on the cost factor of U.S. airlines while the UPU uses the similar factor of cost for all airlines of the world. It is quite an understandable factor that the results of a fair and reasonable rate could be different in each instance.

In the instance of the CAB rate, the U.S. air carriers, the Postmaster General and the CAB meet, discuss, and set a rate. In the instance of the UPU, ICAO, IATA, and the member countries follow a similar procedure. There are those who view, and claim, that the UPU rate is a subsidy rate because it is higher than the CAB rate. They have yet to produce a single shred of evidence to support the contention that UPU has considered any factor as subsidy in setting the rate. The Postal Service, which maintains records of all UPU proceedings, has not produced such evidence because it is not true. Even if the statements were true, are we to condone payments of a subsidy by the U.S. Postal Service to a foreign corporation while denying the same to a U.S. corporation?

In the field of passenger fares and cargo rates, the airlines through IATA set identical rates for all carriers—United States and foreign—and in both directions, which is approved by the CAB. In summary, a user of the service pays the same in either direction or on any airline. Why must mail be different with the penalty being placed on the American air carriers?

Secretary Brinegar on September 18 spoke of correcting overseas discrimination by foreign countries against U.S. air carriers, yet he failed to support correcting discrimination in mail payments in the United States. There is no supporting argument anywhere that American air carriers should be singled out to be discriminated against in the field of mail while in passengers and cargo there exists equity and fairness for the user and the airline performing the service.

The Universal Postal Union Congresses provide authority to collect from the user, as is done in other countries of the world, sufficient postage to pay for the cost of the air service. There is, therefore, no need for an appropriation by Congress to cover the additional cost of paying UPU rates to U.S. air carriers, thereby terminating the present inequity and discrimination.

I urge your support for Mr. Murphy's amendment to the International Fair Competitive Practices Act, H.R. 14266.

Mr. DULSKI. Mr. Speaker, I rise in full support of the amendment offered by the gentleman from New York to establish equitable mail transportation rates for U.S.-flag airlines, as well as the bill under consideration.

I think it is important to get on the record the difference between equity and subsidy, particularly as it relates to the issue of mail rates and in view of some rather startling statements by the Civil Aeronautics Board and the Postal Service.

It is surprising to have the Postal Service assert that the airmail rates fixed by the 145-nation Universal Postal Union are subsidy rates, considering that our Government approved and ratified the UPU actions establishing these rates. Our Government has paid millions to foreign-flag carriers under such rates, while withholding the same rates from our own airlines for the same service. If the Postal Service maintains the UPU rate includes a subsidy, and since they willingly approved such rates, they must necessarily be approving a subsidy by us to foreign-flag carriers.

I am not aware of any record in the UPU proceeding where any one of the factors comprising the UPU rate was considered a subsidy. The claims that UPU rates must contain subsidy simply because they are higher than CAB rates ignore the formula used by UPU. UPU mail rates, like most international rates, are fixed for a broad class of carriers. They are based on costs supplied by the International Air Transport Association and the International Civil Aviation Organization for a whole spectrum of international air carriers. UPU rates also include cost and other ratemaking elements such as allowances for mail priority, special handling, service development, and value of service.

The fact that UPU reaches a higher rate level than CAB by making different and additional cost allowances does not constitute a subsidy but only a different way of determining cost. Nor does UPU's allowance for value of service involve a subsidy, since this is a traditional element considered in fixing compensatory rates.

Postal ratepayers would not be subsidizing U.S.-flag carriers if the CAB established the UPU rates for the carriage of U.S. overseas airmail, nor would increased postal rates be necessary as a result of such action. Last year, the Postal Service collected $239 million in overseas airmal but paid out only $37 million to airlines for transportation. The difference, gentlemen, includes a healthy profit for the Postal Service.

Payment of UPU rates would increase the $37 million to $105 million, leaving a total of 56 percent for defrayal of Postal Service handling charges.

As for the Civil Aeronautics Board, this agency has based its position on UPU mail rates on a misstatement of fact. The CAB believes that UPU rates are higher than the individual rates set by most nations, including the United States, for their own flag carriers. The fact is that most other nations do pay their own carriers the UPU mail rate while the United States does not.

On this mistaken belief, the CAB asserts that there is no reason to believe that U.S. carriers are subjected to any measurable disadvantage by the higher mail pay that goes to foreign carriers for U.S. overseas mail.

Mr. Speaker, it appears that there is some confusion about UPU mail rates among the very departments of Government that should be most familiar with them. This situation is all the more puzzling, considering that the issue of UPU rates is hardly new. In fact, in the case of Pan Am, it was raised by that company as long ago as 1949.

The amendment proposed by the gentleman from New York gives Congress the opportunity to correct a blatantly inequitable situation that has existed for many years. I urge the adoption of this amendment.

Mr. DEVINE. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, I will not take the full 5 minutes. I am just rising in opposition to the amendment for this reason: As the Members all know, Pan Am is in serious trouble. They sought a subsidy. The Congress in its wisdom decided not to give them a subsidy, but to go on this competitive legislation which, I would say, is good legislation. But this amendment does, by indirection, what we have agreed not to do directly, and that is to grant a subsidy. If this amendment is adopted it will cost the Post Office Division $100 million a year, and of that amount Pan Am will get $40 million a year, and TWA will get $20 million a year.

So if a Member is in favor of giving them a subsidy, then he should vote for the amendment; if a Member is opposed to a subsidy, then vote against the amendment and vote for the bill.

Mr. SHOUP. Mr. Speaker, I rise in opposition to the amendment, and I move to strike the requisite number of words.

Mr. Speaker, I think there are a few things that should be cleared up as my colleague, the gentleman from Illinois, stated a moment ago. The subcommittee did not agree that this was a good amendment, it was rather the compromise that came out that was what was agreed on as the best approach to the problem.

The other point I would like to make, and it has been mentioned several times here, is about the UPU rates that were ratified by this Congress.

Mr. Speaker, there was no rate ratified because the UPU convention only set a maximum amount that could be charged by any of the signatories. So all this Congress ratified was a maximum rate, not a specific rate as such.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. SHOUP. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I would like to call this report to the attention of the gentleman, and this is from the annual report of the Postmaster General, that the actual cost of carrying international airmail is $32 million, and the actual revenue is $239 million, meaning that the Post Office gets a $202-million profit from international airmail.

Why should our international carriers pay for the postal deficit in this country? This is their own report. And for the year of 1973 it actually cost them $37 million to send it out, but they had revenue of $239 million, which is an actual profit of $202 million.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SHOUP. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I feel as many Members do here. I know, speaking for myself, it is rare to come to this floor and not have a pretty good idea how I am going to vote on something, but here is an amendment that I do not feel that way about.

I listened to my good friend, the gentleman from Illinois, and he just about had me convinced until he got to the point where he said something that kind of throws me a little bit. He said, if this were to pass, it would not do any good, because at that point we would put our mail over into other airlines rather than to pay American airlines the increased amount.

I thought that was what I understood him to say.

Mr. SHOUP. The gentleman from Illinois was very specific in saying that there are regulations at the present time that require the carrying of mail by domestic lines if there is available service.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. SHOUP. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

The gentleman is right. The point is that under the law the U.S. Postal Service is required to place its mail on the first flight for postal value purposes. They do not do it now because they negotiated a practical rate between themselves and U.S.-flag carriers, so that 98.7 percent of our mail is carried on American-flag carriers. If this amendment passes, the U.S. Postal Service would have to divert a substantial portion of mail to foreign-flag carriers; they would have no choice.

Mr. ASHBROOK. If the gentleman will yield further, again I do not quite understand that. The gentleman said there is a law now and that they are not obeying the law, but if this amendment is passed, they will obey the law. Is that what the gentleman is saying?

Mr. DERWINSKI. If the gentleman will yield, no, no. The difference is in the rates, because they can negotiate with all of our flag carriers that have any stops abroad. They negotiate with them and they give them preference in carrying the mail. The value to them includes this negotiated lower rate.

Mr. ASHBROOK. So that is not violating the law?

Mr. DERWINSKI. No; it is not violating the law, because the law provides that we use the first carrier of postal value, and a lower cost value is legal postal service. But once the lower rate is not an element in deliberately using U.S. airlines, they have no choice but to use the first flights available, which more often than not may be foreign-flag carriers, because there are so many more of them.

Mr. ASHBROOK. All right. I guess what we are saying is that if the amendment before us offered by the gentleman from New York is adopted, we would lose mail on our domestic carriers which are in international travel, or the law would have to be changed.

Mr. DERWINSKI. If the gentleman will yield further, no; I say if we adopt the amendment offered by the gentleman from New York, a higher percentage of our mail must be then diverted to foreign-flag carriers. We start to substantially subsidize foreign-flag carriers.

The SPEAKER. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The question was taken; and on a division (demanded by Mr. DERWINSKI) there were—ayes 78, noes 21.

Mr. DERWINSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were yeas 154, nays 131, answered "present" 2, not voting 147, as follows:

[Roll No. 685]

YEAS—154

Abzug
Anderson, Calif.
Andrews, N. Dak.
Arends
Badillo
Barrett
Bennett
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Breaux
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, Phillip
Byron
Casey, Tex.
Cederberg
Chisholm
Clausen, Don H.
Collins, Ill.
Conte
Corman
Cronin
Danielson
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Diggs
Dorn
Drinan
Dulski
Eckhardt
Edwards, Calif.
Esch
Evins, Tenn.
Fascell
Flood
Ford
Fraser
Frelinghuysen
Frey
Fulton
Gaydos
Gettys
Gibbons

Gilman
Gray
Gubser
Haley
Hammerschmidt
Hanrahan
Hawkins
Hays
Hicks
Hogan
Holifield
Holtzman
Hungate
Jarman
Johnson, Calif.
Jones, Okla.
Jordan
Karth
Koch
Landgrebe
Leggett
Lent
McCloskey
McCormack
McDade
McEwen
McFall
McKinney
Madden
Madigan
Mahon
Mann
Matsunaga
Mayne
Meeds
Mezvinsky
Milford
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
Obey
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Pike
Price, Ill.
Randall
Rangel
Reid
Reuss
Riegle
Robison, N.Y.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Roy
Ryan
Sarasin
Sarbanes
Schroeder
Seiberling
Shriver
Skubitz
Slack
Staggers
Stark
Steed
Steiger, Ariz.
Stratton
Stubblefield
Stuckey
Studds
Symington
Thompson, N.J.
Traxler
Ullman
Vander Veen
Vigorito
Waldie
White
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Young, Ga.
Young, Tex.
Zablocki

NAYS—131

Abdnor
Adams
Annunzio
Ashbrook
Ashley
Aspin
Baker
Bauman
Bevill
Blackburn
Bowen
Breckinridge
Broomfield
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Chamberlain
Clawson, Del
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conyers
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dingell
Duncan
Erlenborn
Evans, Colo.
Findley
Fish
Fisher
Flynt
Foley
Forsythe
Fountain
Frenzel
Froehlich
Ginn
Gonzalez
Goodling
Gross
Gude
Gunter
Hamilton
Harsha
Hechler, W. Va.
Heinz
Henderson
Hinshaw
Holt
Hosmer
Huber
Hunt
Hutchinson
Kastenmeier
Kazen
Kemp
Ketchum
Lagomarsino
Long, Md.
Lott
Lujan
McCollister
McKay
Mallary
Martin, N.C.
Mathis, Ga.
Mazzoli
Michel
Miller
Mink
Mizell
Montgomery
Moorhead, Calif.
Mosher
Moss
Nelsen
Poage
Preyer
Price, Tex.
Pritchard
Quie
Railsback
Rees
Regula
Rinaldo
Roberts
Robinson, Va.
Rose
Ruppe
Satterfield
Scherle
Shoup
Shuster
Smith, N.Y.
Spence
Steelman
Sullivan
Symms
Talcott
Taylor, N.C.
Thomson, Wis.
Thone
Towell, Nev.
Treen
Udall
Van Deerlin
Vanik
Wampler
Whalen
Whitten
Wylie
Yates
Young, Alaska
Zion
Zwach

ANSWERED "PRESENT"—2

Archer
Sebelius

NOT VOTING—147

Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Armstrong
Bafalis
Beard
Bell
Bergland
Blatnik
Brasco
Bray
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Burton, John
Camp
Carey, N.Y.
Carney, Ohio
Chappell
Clancy
Clark
Clay
Cleveland
Cotter
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Donohue
Downing
du Pont
Edwards, Ala.
Eilberg
Eshleman
Flowers
Fuqua
Giaimo
Goldwater
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Guyer
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Helstoski
Hillis
Horton
Howard
Hudnut
Ichord
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
King
Kluczynski
Kuykendall
Kyros
Landrum
Latta
Lehman
Litton
Long, La.
Luken
McClory
McSpadden
Macdonald
Maraziti
Martin, Nebr.
Mathias, Calif.
Melcher
Metcalfe
Mills
Minish
Minshall, Ohio
Mitchell, Md.
Murtha
Myers
Nichols
O'Brien
O'Hara
Parris
Passman
Peyser
Pickle
Podell
Powell, Ohio
Quillen
Rarick
Rhodes
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruth
St Germain
Sandman
Schneebeli
Shipley
Sikes
Sisk
Smith, Iowa
Snyder
Stanton, J. William
Stanton, James V.
Steele
Steiger, Wis.
Stephens
Stokes
Taylor, Mo.
Teague
Thornton
Tiernan
Vander Jagt
Veysey
Waggonner
Walsh
Ware
Whitehurst
Wiggins
Williams
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Wyman
Yatron
Young, Fla.
Young, Ill.
Young, S.C.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 10, after line 18, insert the following:

PROHIBITION AGAINST SOLICITATION OR ACCEPTANCE OF REBATES BY SHIPPERS OF AIR FREIGHT

SEC. 8. (a) Section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof the following new paragraph:

"(2) No shipper, consignor, consignee, forwarder, broker, or other person, or any director, officer, agent or employee thereof, shall knowingly pay, directly or indirectly, by any device or means, any greater or less or different compensation for air transportation of property, or for any service in connection therewith, than the rates, fares, and charges specified in currently effective tariffs applicable to such air transportation; and no such person shall, in any manner or by any device, directly or indirectly, through any agent or broker, or otherwise, knowingly, solicit, accept, or receive a refund or remittance of any portion of the rates, fares, or charges so specified, or knowingly solicit, accept, or receive any privilege, favor, or facility, with respect to matters required by the Board to be specified in such tariffs, except those specified therein.".

(b) Section 902(d) of such Act (49 U.S.C. 1472(d)), relating to granting rebates, is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) Any person who, in any manner or by any device, knowingly and willfully solicits, accepts, or receives a refund or remittance of any portion of the rates, fares, or charges lawfully in effect for the air transportation of property, or for any service in connection therewith, or knowingly solicits, accepts, or receives any privilege, favor, or facility, with respect to matters required by the Board to be specified in currently effective tariffs applicable to the air transportation of property, shall be fined not less than $100, nor more than $5,000, for each offense.".

(c) The subsection heading of subsection (d) of such section 902 is amended to read as follows:

"GRANTING OR RECEIVING REBATES".

(d) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by striking out

"(d) Granting rebates."

and inserting in lieu thereof

"(d) Granting or receiving rebates.".

Mr. DINGELL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Mr. Speaker, I will be most pleased to yield to my good friend and colleague, the chairman of the committee.

Mr. STAGGERS. Mr. Speaker, we have examined the amendment on this side. We think it is a fair amendment, and we are going to accept it on this side.

Mr. SHOUP. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, who is handling the bill on the other side, the gentleman from Montana (Mr. SHOUP).

Mr. SHOUP. Mr. Speaker, the amendment has been examined on this side of the aisle and we have no objection to it.

The SPEAKER. Without objection, the previous question is ordered on the amendment.

There was no objection.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was agreed to.

Mr. STAGGERS. Mr. Speaker, I move to strike the requisite number of words.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, much attention has been focused in recent weeks on the plight of our two largest international airlines, Pan AM and TWA. Particularly in the case of Pan Am, inequities practiced by foreign airlines and their governments have wrought havoc on a U.S.-flag airline. In addition, Pan Am has no domestic routes on the U.S. mainland with which to offset sharply spiraling overseas fuel costs and, more importantly, the decline in international traffic being experienced by all airlines with overseas routes.

A number of arguments have been raised, comparing the Pan Am/TWA situation with that of Penn Central or Lockheed. And still others have suggested that U.S.-flag system routes be divided up among our domestic airlines. Gentlemen, I have come upon some facts which will, I believe, demonstrate the worth of the U.S.-flag system as a national asset that must be preserved.

It is important to note that despite uneconomical fares on the North Atlantic, Pan Am was more than holding its own until the fuel crisis hit. There are far too many charter, promotional and other low-fare tariffs designed to fill airline seats even at rates below cost. For years, U.S. domestic fares have been set at higher levels than international tariffs.

What this means is that in 1973, for example, Pan Am received an average of 1 cent less than the U.S. domestic trunk airlines for each mile it flew a passenger. The U.S. domestic trunks received 6.38 cents per mile per passenger, while Pan Am received 5.38 cents. Incidentally, some of the regional carriers now receiving Government subsidy are at the same time getting 9 and 10 cents per mile from their passengers.

When you carry millions of passengers a year, a difference of 1 cent represents a very substantial sum. If Pan Am had received the domestic fare level in 1973, it would have had an increase of revenues of $195 million, and would have transformed an $18 million net loss into more than $175 million of profit. If Pan Am had received the domestic fare level that existed in 1971, 1972, and 1973, in that 3-year period, the airline would have had a revenue increase of $169 million.

Regarding the profitability of many U.S. trunklines at present, suppose we reverse the situation. In 1973 the U.S. trunks made a combined profit of $195 million. If they had received Pan Am's fare level, the U.S. domestic trunks would have had a combined loss of $735 million—a financial disaster of unimaginable proportions.

It is imperative that we in Congress recognize the importance to the American people of the U.S.-flag system—that we acknowledge the vital role that they play in our national economy and defense, and more important, that we act on the fair competitive practices legislation and the Murphy amendment as one means of preserving the service which they offer to the American public. In the absence of a cash subsidy, this legislation would restore some measure of equity and parity to the U.S.-flag system, which must compete with subsidized foreign airlines.

Mr. CASEY of Texas. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. CASEY of Texas. Mr. Speaker, I believe we have ample evidence of the inequity in mail pay for U.S.-flag airlines and I strongly urge support for Mr. MURPHY's amendment to H.R. 14266.

I am concerned, however, at the apparent lack of understanding of international postage rates by the Federal agency charged by this Congress with the fate of the U.S.-flag airline system. In a memorandum distributed by the Civil Aeronautics Board to anyone who inquires about the situation of Pan American World Airways, the CAB says there is no reason "to believe that U.S. carriers are subjected to any measurable disadvantage" by the difference in rates paid by the United States to them and to foreign flag airlines.

This conclusion is obviously based on the CAB's mistaken belief that most other nations, like the United States, pay their own flag carriers mail rates lower than those set by the Universal Postal Union.

The CAB states that—

> The UPU rate is higher than the individual rates set by most nations, including the United States, for their own flag carriers.

The fact, however, is that most other nations do pay their own carriers the UPU mail rate.

The International Air Transport Association reports that while UPU rates apply directly to the mail that does not originate in the carrier's own country, in practice the majority of postal administrations also base rates for their nation's mail on UPU levels. IATA estimates that between 70 and 80 percent of the world's civil airmail is carried at UPU rates.

This disparity in mail rates makes clear the justification and the need for U.S.-flag airlines to be paid UPU rates for carrying U.S. mail, just as foreign competitors are paid for carrying the same mail.

If we are to maintain the world competitive position of the United States in air transportation, our airlines must be placed on an equal footing with foreign competitors.

I am also surprised that the U.S. Postal Service is asserting that UPU rates are subsidy rates, simply because they are higher than those set by the CAB. I do not believe the facts will bear out the contention that postal users will be subsidizing U.S.-flag carriers at UPU rates. Nor would increased postal rates for overseas mail be necessary if the CAB adopts the UPU rates. In 1973, the U.S. international airmail postage revenue was $239 million, of which only $37 million, or 15 percent, was paid to air carriers for transportation.

Payment of UPU rates would increase the $37 million to $105 million, raising payments to air carriers to 44 percent of the $239 million total. That would leave 56 percent of the total to pay for Postal Service handling charges, an amount which should be more than adequate.

I therefore, Mr. Speaker, urge that the House adopt Mr. MURPHY's sound amendment so that we can place our Nation's international air carriers in a fair competitive position with foreign carriers.

Mr. DON H. CLAUSEN. Mr. Speaker, as a cosponsor of this legislation I rise in support of it.

Following very intense discussions with representatives of Pan Am, TWA and others, I joined in cosponsoring this legislation in an effort to respond to the rapidly deteriorating financial condition of the air carrier industry.

The purpose of this bill is to eliminate the discriminatory and unfair competitive practices imposed on the industry. The complete elimination of these inequities requires the payment of equal rates for the transport of international mail and I therefore support the amendment being offered by my colleague from New York (Mr. MURPHY).

However, I would be less than candid if I did not say that I am concerned about the rumors being circulated that addition of the Murphy amendment will jeopardize passage of the legislation because it has been reported that the Senate does not favor inclusion of the UPU rate adjustment.

Nevertheless, I still feel compelled to cast my vote in favor of the amendment and the bill as a means of sending a signal to the CAB, the State Department, and the Postal Service that they should completely reevaluate this postal rate structure and the allocation commitment to our flag carriers. They should not have to carry the full burden of these inequities.

Mr. ADDABBO. Mr. Speaker, I rise in support of H.R. 14266, the International Air Transportation Practices Act. This legislation is a sound measure designed to alleviate problems encountered by U.S. air carriers operating in foreign countries. The chairman and members of the House Interstate and Foreign Commerce Committee should be commended for their hard work in response to these problems.

The bill before the House directs the Department of State, Treasury, Transportation, and the Civil Aeronautics Board to take steps to eliminate discriminatory practices and unfair competitive practices against U.S. carriers. Congress will receive an annual report from the CAB on such practices. We have heard a great deal in recent months about inadequate compensation for the carriage of mail, underutilization of U.S. air carriers and ticketing practices of a number of travel agents.

The legislation now under consideration would also authorize the Department of Transportation to negotiate reduced user charges and if unsuccessful, to impose equal charges on foreign air carriers operating in our country with the approval of the Department of State.

H.R. 14266 also directs the Postmaster General and the Secretary of State to take action to limit the rates paid for mail transportation pursuant to the Universal Postal Union Convention to the actual costs plus a reasonable rate of return on investment. Temporary rates must be established by December 31, 1974 pending final CAB action in this area.

In this area I support an amendment to be offered by my colleague from New York, Hon. JOHN MURPHY, to require the Postal Service to pay the same rate to U.S.-flag carriers that it pays to foreign carriers for the transport of international mail. The Murphy amendment will add to the general attempt of H.R. 14266 to end discriminatory practices in international transportation. The amendment will also make it impossible for our own postal system to compound an already unfair situation concerning competitive rates for mail transportation.

Mr. Speaker, there are a number of

other important features of this legislation, including a requirement that Government-financed passengers and property travel on U.S. carriers. These provisions such as another section of the bill prohibiting rebates on airline ticket sales to travel agents, will go a long way toward solving the anticompetitive problems faced by our domestic airlines in foreign markets.

I support H.R. 14266 and the Murphy amendment on rates for international mail shipments and urge my colleagues in the House to vote for the bill and the amendment.

The SPEAKER. Without objection, the previous question is ordered on the bill.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. BAUMAN. Mr. Speaker, I withdraw my objection to the vote on the ground that a quorum is not present and my point of order that a quorum is not present.

Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 221, nays 54, answered "present" 2, not voting 157, as follows:

[Roll No. 686]

YEAS—221

Abzug
Adams
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bennett
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clausen, Don H.
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corman
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Dickinson
Diggs
Dingell
Dorn
Drinan
Dulski
Eckhardt
Edwards, Calif.
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Froehlich
Fulton
Gaydos
Gettys
Gibbons
Gilman
Ginn
Gonzalez
Gray
Gubser
Gunter
Haley
Hamilton
Hammerschmidt
Hanrahan
Hawkins
Hays
Henderson
Hicks
Hinshaw
Hogan
Holtzman
Huber
Hungate
Hutchinson
Jarman
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kazen
Ketchum
Leggett
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mann
Mathis, Ga.
Matsunaga
Meeds
Mezvinsky
Milford
Mink
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, N.Y.
Natcher
Nedzi
Obey
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pike
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roy
Ryan
Sarasin
Sarbanes
Satterfield
Schroeder
Seiberling
Shriver
Skubitz
Slack
Smith, N.Y.
Spence
Staggers
Stark
Steed
Steelman
Steiger, Ariz.
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waldie
Wampler
White
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Yates
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zion

NAYS—54

Abdnor
Ashbrook
Bauman
Broomfield
Brown, Ohio
Broyhill, N.C.
Buchanan
Burleson, Tex.
Carter
Clawson, Del
Cochran
Conable
Conlan
Crane
Davis, Wis.
Dennis
Derwinski
Devine
Duncan
Frenzel
Goodling
Gross
Gude
Harsha
Hechler, W. Va.
Heinz
Holt
Hosmer
Hunt
Kastenmeier
Kemp
Lagomarsino
McCollister
Mallary
Martin, N.C.
Mayne
Mazzoli
Michel
Miller
Mizell
Montgomery
Mosher
Poage
Price, Tex.
Regula
Ruppe
Scherle
Shoup
Shuster
Van Deerlin
Whalen
Whitten
Wylie
Zwach

ANSWERED "PRESENT"—2

Archer
Sebelius

NOT VOTING—157

Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Armstrong
Bafalis
Baker
Barrett
Beard
Bell
Bergland
Biaggi
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Burton, John
Camp
Carey, N.Y.
Carney, Ohio
Chappell
Clancy
Clark
Clay
Cleveland
Cotter
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Donohue
Downing
du Pont
Edwards, Ala.
Eilberg
Eshleman
Flowers
Frey
Fuqua
Giaimo
Goldwater
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Guyer
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Helstoski
Hillis
Holifield
Horton
Howard
Hudnut
Ichord
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
King
Kluczynski
Koch
Kuykendall
Kyros
Landgrebe
Landrum
Latta
Lehman
Lent
Litton
Long, La.
Luken
McClory
McSpadden
Macdonald
Maraziti
Martin, Nebr.
Mathias, Calif.
Melcher
Metcalfe
Mills
Minish
Minshall, Ohio
Mitchell, Md.
Murphy, Ill.
Murtha
Myers
Nelsen
Nichols
Nix
O'Brien
O'Hara
Parris
Peyser
Pickle
Podell
Powell, Ohio
Quillen
Rarick
Rhodes
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruth
St Germain
Sandman
Schneebeli
Shipley
Sikes
Sisk
Smith, Iowa
Snyder
Stanton, J. William
Stanton, James V.
Steele
Steiger, Wis.
Stephens
Stokes
Taylor, Mo.
Teague
Thornton
Tiernan
Vander Jagt
Veysey
Waggonner
Walsh
Ware
Whitehurst
Wiggins
Williams
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Wyman
Yatron
Young, Fla.
Young, Ill.
Young, S.C.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Clark.

Mr. Rostenkowski with Mr. Culver.

Mr. Howard with Mr. Davis of Georgia.

Mr. Cotter with Mr. Rooney of New York.

Mr. Dominick V. Daniels wth Mr. Donohue.

Mr. Macdonald with Mrs. Grasso.

Mr. James V. Stanton with Mrs. Green of Oregon.

Mr. Teague with Mrs. Griffiths.

Mr. Hébert with Mr. Hanna.

Mr. Waggonner with Mr. Hansen of Idaho.

Mr. O'Hara with Mr. Holifield.

Mr. Nix with Mr. King.

Mr. Nichols with Mr. Johnson of Pennsylvania.

Mr. Barrett with Mr. Hudnut.

Mr. Biaggi with Mr. Camp.

Mr. Brooks with Mr. Brotzman.

Mr. John L. Burton with Mr. Bray.

Mr. Carney of Ohio with Mr. Beard.

Mr. Chappell with Mr. Hillis.

Mr. Kluczynski with Mr. Tiernan.

Mr. Koch with Mr. Horton.

Mr. Landrum with Mr. Anderson of Illinois.

Mr. Metcalfe with Mrs. Hansen of Washington.

Mr. Minish with Mr. Coughlin.

Mr. Giaimo with Mr. Bafalis.

Mr. Fuqua with Mr. Grover.

Mr. Eilberg with Mr. Clancy.

Mr. Flowers with Mr. Baker.

Mr. Jones of North Carolina with Mr. Goldwater.

Mr. Brown of California with Mr. Cleveland.

Mr. Helstoski with Mr. Frey.

Mr. Roe with Mr. Bell.

Mr. Roush with Mr. Guyer.

Mr. Roybal with Mr. Hastings.

Mr. Shipley with Mr. Brown of Michigan.

Mr. Sikes with Mr. Eshleman.

Mr. Green of Pennsylvania with Mr. du Pont.

Mr. Alexander with Mr. Luken.

Mr. Andrews of North Carolina with Mr. Maraziti.

Mr. Bergland with Mr. Edwards of Alabama.

Mr. Hanley with Mr. Kuykendall.

Mr. Breckinridge with Mr. Landgrebe.

Mr. Downing with Mr. Martin of Nebraska.

Mr. Mitchell of Maryland with Mr. Carey of New York.

Mr. Long of Louisiana with Mr. Mathias of California.

Mr. Stephens with Mr. Nelsen.

Mr. Brinkley with Mr. Latta.

Mr. St Germain with Mr. Mills.

Mr. Stokes with Mr. Murphy of Illinois.

Mr. Litton with Mr. Ware.

Mr. Sisk with Mr. McClory.

Mr. Clay with Mr. Kyros.

Mr. Thornton with Mr. Steiger of Wisconsin.

Mr. Lehman with Mr. Minshall of Ohio.

Mr. Pickle with Mr. Lent.

Mr. Murtha with Mr. Snyder.

Mr. Harrington with Mr. O'Brien.

Mr. Ichord with Mr. McSpadden.

Mr. Jones of Tennessee with Mr. Parris.

Mr. Melcher with Mr. Quillen.

Mr. Smith of Iowa with Mr. Powell of Ohio.

Mr. Runnels with Mr. Rarick.

Mr. Rousselot with Mr. Myers.

Mr. J. William Stanton with Mr. Roncallo of New York.

Mr. Taylor of Missouri with Mr. Ruth.

Mrs. Heckler of Massachusetts with Mr. Peyser.

Mr. Vander Jagt with Mr. Sandman.

Mr. Walsh with Mr. Steele.

Mr. Breaux with Mr. Veysey.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3481) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill

The **SPEAKER.** Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of S. 3481 and to insert in lieu thereof the provisions of H.R. 14266, as passed, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Air Transportation Fair Competitive Practices Act of 1974".

DISCRIMINATORY AND UNFAIR COMPETITIVE PRACTICES

SEC. 2. (a) United States air carriers operating in foreign air transportation perform services of vital importance to the foreign commerce of the United States including its balance of payments, to the Postal Service, and to the national defense. Such carriers have become subject to a variety of discriminatory and unfair competitive practices in their competition with foreign air carriers. The Department of State, the Department of the Treasury, the Department of Transportation, the Civil Aeronautics Board, and other departments or agencies, therefore, each shall keep under review, to the extent of their respective functions, all forms of discrimination or unfair competitive practices to which United States air carriers are subject in providing foreign air transportation services and each shall take all appropriate actions within its jurisdiction to eliminate such forms of discrimination or unfair competitive practices found to exist.

(b) Each of these departments and agencies of Government shall request from Congress such additional legislation as may be deemed necessary at any time it is determined there is inadequate legal authority for dealing with any form of discrimination or unfair competitive practice found to exist.

(c) The Civil Aeronautics Board shall report annually to Congress on the actions that have been taken under subsection (a) and on the continuing program to eliminate discriminations and unfair competitive practices faced by United States carriers in foreign air transportation. The Secretaries of State, Treasury, and Transportation shall furnish to Civil Aeronautics Board such information as may be necessary to prepare the reports required by this subsection.

INTERNATIONAL USER CHARGES

SEC. 3. The International Aviation Facilities Act (49 U.S.C. 1151–1160) is amended by redesignating sections 11 and 12 as sections 12 and 13, respectively, and by inserting immediately after section 10 the following new section:

"SEC. 11. The Secretary of Transportation shall survey the charges made to air carriers by foreign governments or other foreign entities for the use of airport property or airway property in foreign air transportation. If the Secretary of Transportation determines at any time that such charges unreasonably exceed comparable charges for furnishing such airport property or airway property in the United States or are otherwise discriminatory, he shall submit a report on such cases promptly to the Secretary of State and the Civil Aeronautics Board, and the Secretary of State, in collaboration with the Civil Aeronautics Board, shall promptly undertake negotiations with the foreign country involved to reduce such charges or eliminate such discriminations. If within a reasonable period such charges are not reduced or such discriminations eliminated through negotiations, the Secretary of State shall promptly report such instances to the Secretary of Transportation who shall determine compensating charges equal to such excessive or discriminatory charges. Such compensating charges shall, with the approval of the Secretary of State, be imposed on the foreign air carrier or carriers of the country concerned by the Secretary of the Treasury as a condition to acceptance of the general declaration at the time of landing or takeoff of aircraft of such foreign air carrier or carriers. The amounts so collected shall accrue to an account established for that purpose by the Secretary of the Treasury. Payments shall be made from that account to air carriers in such amounts as shall be certified by the Secretary of Transportation in accordance with such regulations as he shall adopt to compensate such air carriers for excessive or discriminatory charges paid by them to the foreign countries involved.".

RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION

SEC. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by inserting "(1)" immediately after "(h)", and by adding at the end thereof the following new paragraphs:

"(2) The Secretary of State and the Postmaster General each shall take all necessary and appropriate actions to assure that the rates paid for the transportation of mail pursuant to the Universal Postal Union Convention shall not be higher than the actual cost of transportation of the mail (including a reasonable rate of return on investment). The Secretary of State and the Postmaster General shall oppose any present or proposed Universal Postal Union rates which are higher than the actual costs of the transportation.

"(3) The Civil Aeronautics Board shall act expeditiously on any proposed changes in rates for the transportation of mail by aircraft in foreign or overseas air transportation. Pending final action on any rate proposals contained in Civil Aeronautics Board docket 26487, the Board shall, by December 31, 1974, establish temporary rates based on the best available estimates of the actual cost of transporting the mail, including, but not limited to, the cost of fuel and a reasonable rate of return investment. In establishing rates under this paragraph the Board shall take into consideration rates paid on the date of the enactment of this paragraph for transportation of mail pursuant to the Universal Postal Union Convention as ratified by the United States Government.

"(4) And, until such time as the Universal Postal Union air mail rates are revised in accordance with the directive of the preceding paragraph, the Board shall not fix and determine for air carriers final rates of compensation for transporting mail in foreign air transportation which are lower than the rates of compensation paid by the Postmaster General to or for the account of foreign air carriers for transporting mail in foreign air transportation.".

TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY

SEC. 5. (a) Title XI of the Federal Aviation Act of 1958 (49 U.S.C. 1501 and the following) is amended by adding at the end thereof the following new section:

"TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY

"SEC. 1117. Whenever any executive department or other agency or instrumentality of the United States shall procure, contract for, or otherwise obtain for its own account or in furtherance of the purposes or pursuant to the terms of any contract, agreement, or other special arrangement made or entered into under which payment is made by the United States or payment is made from funds appropriated, owned, controlled, granted, or conditionally granted or utilized by or otherwise established for the account of the United States, or shall furnish to or for the account of any foreign nation, or any international agency, or other organization, of whatever nationality, without provisions for reimbursement, any transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided by air carriers holding certificates under section 401 of this Act to the extent authorized by such certificates or by regulations or exemption of the Civil Aeronautics Board and to the extent service by such carriers is available. The Comptroller General of the United States shall disallow any expenditure from appropriated funds for payment for such personnel or cargo transportation on an air carrier not holding a certificate under section 401 of this Act in the absence of satisfactory proof of the necessity therefor. Nothing in this section shall prevent the application to such traffic of the antidiscrimination provisions of this Act.".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following new item:

"Sec. 1117. Transportation of Government-financed passengers and property.".

PROMOTION OF TRAVEL ON UNITED STATES CARRIERS IN FOREIGN AIR TRANSPORTATION

SEC. 6. Section 2 of the International Travel Act of 1961 (22 U.S.C. 2122) is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

"(6) encourage to the maximum extent feasible travel to and from the United States on United States carriers.".

OBSERVANCE OF TARIFFS BY TICKET AGENTS

SEC. 7. (a) The first sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended to read as follows: "No air carrier or foreign air carrier or any ticket agent shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in then currently effective tariffs of such air carrier or foreign air carrier; and no air carrier or foreign air carrier or ticket agent shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Board to be specified in such tariffs, except those specified therein.".

(b) The first sentence of section 407(e) of such Act (49 U.S.C. 1377(e)), relating to inspection of accounts and property, is amended to read as follows: "The Board shall at all times have access to all lands, buildings, and equipment of any air carrier or foreign air carrier and to all accounts, records, and memorandums, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers, foreign air carriers, or ticket agents and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memorandums.".

PROHIBITION AGAINST SOLICITATION OR ACCEPTANCE OF REBATES BY SHIPPERS OF AIR FREIGHT

Sec. 8. (a) Section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof the following new paragraph:

"(2) No shipper, consignor, consignee, forwarder, broker, or other person, or any director, officer, agent or employee thereof, shall knowingly pay, directly or indirectly, by any device or means, any greater or less or different compensation for air transportation of property, or for any service in connection therewith, than the rates, fares, and charges specified in currently effective tariffs applicable to such air transportation; and no such person shall, in any manner or by any device, *directly* or indirectly, through any agent or broker, or otherwise, knowingly solicit, accept, or receive a refund or remittance of any portion of the rates, fares, or charges so specified, or knowingly solicit, accept, or receive any privilege, favor, or facility, with respect to matters required by the Board to be specified in such tariffs, except those specified therein.".

(b) Section 902(d) of such Act (49 U.S.C. 1472(d)), relating to granting rebates, is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) Any person who, in any manner or by any device, knowingly and willfully solicits, accepts, or receives a refund or remittance of any portion of the rates, fares, or charges lawfully in effect for the air transportation of property, or for any service in connection therewith, or knowingly solicits, accepts, or receives any privilege, favor, or facility, with respect to matters required by the Board to be specified in currently effective tariffs applicable to the air transportation of property, shall be fined not less than $100, nor more than $5,000, for each offense.".

(c) The subsection heading of subsection (d) of such section 902 is amended to read as follows:

"GRANTING OR RECEIVING REBATES"

(d) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by striking out

"(d) Granting rebates."

and inserting in lieu thereof

"(d) Granting or receiving rebates.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 14266) was laid on the table.

FURTHER MESSAGES FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10212. An act to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital", and for other purposes;

H.R. 13296. An act to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce; and

H.R. 16596. An act to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 16596) entitled "An act to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Nelson, Mr. Williams, Mr. Randolph, Mr. Kennedy, Mr. Mondale, Mr. Cranston, Mr. Hughes, Mr. Hathaway, Mr. Javits, Mr. Dominick, Mr. Schweiker, Mr. Taft, and Mr. Beall to be the conferees on the part of the Senate.

CONFERENCE REPORT ON H.R. 15223, THE FEDERAL RAILROAD SAFETY ACT

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 15223) an act to amend the Federal Railroad Safety Act of 1970, and the Hazardous Materials Transportation Control Act of 1970, to authorize additional appropriations, and for other purposes:

Conference Report (H. Rept. No. 93-1589)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the House bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Transportation Safety Act of 1974".

TITLE I—HAZARDOUS MATERIALS

SHORT TITLE

Sec. 101. This title may be cited as the "Hazardous Materials Transportation Act".

DECLARATION OF POLICY

Sec. 102. It is declared to be the policy of Congress in this title to improve the regulatory and enforcement authority of the Secretary of Transportation to protect the Nation adequately against the risks to life and property which are inherent in the transportation of hazardous materials in commerce.

DEFINITIONS

Sec. 103. As used in this title, the term—

(1) "commerce" means trade, traffic, commerce, or transportation, within the jurisdiction of the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A);

(2) "hazardous material" means a substance or material in a quantity and form which may pose an unreasonable risk to health and safety or property when transported in commerce;

(3) "Secretary" means the Secretary of Transportation, or his delegate;

(4) "serious harm" means death, serious illness, or severe personal injury;

(5) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, or Guam;

(6) "transports" or "transportation" means any movement of property by any mode, and any loading, unloading, or storage incidental thereto; and

(7) "United States" means all of the States.

DESIGNATION OF HAZARDOUS MATERIALS

Sec. 104. Upon a finding by the Secretary, in his discretion, that the transportation of a particular quantity and form of material in commerce may pose an unreasonable risk to health and safety or property, he shall designate such quantity and form of material or group or class of such materials as a hazardous material. The materials so designated may include, but are not limited to, explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and compressed gases.

REGULATIONS GOVERNING TRANSPORTATION OF HAZARDOUS MATERIALS

Sec. 105. (a) General.—The Secretary may issue, in accordance with the provisions of section 553 of title 5, United States Code, including an opportunity for informal oral presentation, regulations for the safe transportation in commerce of hazardous materials. Such regulations shall be applicable to any person who transports, or causes to be transported or shipped, a hazardous material, or who manufactures, fabricates, marks, maintains, reconditions, repairs, or tests a package or container which is represented, marked, certified, or sold by such person for use in the transportation in commerce of certain hazardous materials. Such regulations may govern any safety aspect of the transportation of hazardous materials which the Secretary deems necessary or appropriate, including, but not limited to, the packing, repacking, handling, labeling, marking, placarding, and routing (other than with respect to pipelines) of hazardous materials, and the manufacture, fabrication, marking, maintenance, reconditioning, repairing, or testing of a package or container which is represented, marked, certified, or sold by such person for use in the transportation of certain hazardous materials.

(b) Cooperation.—In addition to other applicable requirements, the Secretary shall consult and cooperate with representatives of the Interstate Commerce Commission and shall consider any relevant suggestions made by such Commission, before issuing any regulation with respect to the routing of hazardous materials. Such Commission shall, to the extent of its lawful authority, take such action as is necessary or appropriate to implement any such regulation.

(c) REPRESENTATION.—No person shall, by marking or otherwise, represent that a container or package for the transportation of hazardous materials is safe, certified, or in compliance with the requirements of this Act, unless it meets the requirements of all applicable regulations issued under this Act.

HANDLING OF HAZARDOUS MATERIALS

SEC. 106. (a) CRITERIA.—The Secretary is authorized to establish criteria for handling hazardous materials. Such criteria may include, but need not be limited to, a minimum number of personnel; a minimum level of training and qualification for such personnel; type and frequency of inspection; equipment to be used for detection, warning, and control of risks posed by such materials; specifications regarding the use of equipment and facilities used in the handling and transportation of such materials; and a system of monitoring safety assurance procedures for the transportation of such materials. The Secretary may revise such criteria as required.

(b) REGISTRATION.—Each person who transports or causes to be transported or shipped in commerce hazardous materials or who manufactures, fabricates, marks, maintains, reconditions, repairs, or tests packages or containers which are represented, marked, certified, or sold by such person for use in the transportation in commerce of certain hazardous materials (designated by the Secretary) may be required by the Secretary to prepare and submit to the Secretary a registration statement not more often than once every 2 years. Such a registration statement shall include, but need not be limited to, such person's name; principal place of business; the location of each activity handling such hazardous materials; a complete list of all such hazardous materials handled; and an averment that such person is in compliance with all applicable criteria established under subsection (a) of this section. The Secretary shall by regulation prescribe the form of any such statement and the information required to be included. The Secretary shall make any registration statement filed pursuant to this subsection available for inspection by any person, without charge, except that nothing in this sentence shall be deemed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(c) REQUIREMENT.—No person required to file a registration statement under subsection (b) of this section may transport or cause to be transported or shipped extremely hazardous materials, or manufacture, fabricate, mark, maintain, recondition, repair, or test packages or containers for use in the transportation of extremely hazardous materials, unless he has on file a registration statement.

EXEMPTIONS

SEC. 107. (a) GENERAL.—The Secretary, in accordance with procedures prescribed by regulation, is authorized to issue or renew, to any person subject to the requirements of this title, an exemption from the provisions of this title, and from regulations issued under section 105 of this title, if such person transports or causes to be transported or shipped hazardous materials in a manner so as to achieve a level of safety (1) which is equal to or exceeds that level of safety which would be required in the absence of such exemption, or (2) which would be consistent with the public interest and the policy of this title in the event there is no existing level of safety established. The maximum period of an exemption issued or renewed under this section shall not exceed 2 years, but any such exemption may be renewed upon application to the Secretary. Each person applying for such an exemption or renewal shall, upon application, provide a safety analysis as prescribed by the Secretary to justify the grant of such exemption. A notice of an application for issuance or renewal of such exemption shall be published in the Federal Register. The Secretary shall afford access to any such safety analysis and an opportunity for public comment on any such application, except that nothing in this sentence shall be deemed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(b) VESSELS.—The Secretary shall exclude, in whole or in part from any applicable provisions and regulations under this title, in whole or in part, any vessel which is excepted from the application of section 201 of the Ports and Waterways Safety Act of 1972 by paragraph (2) of such section (46 U.S.C. 391a(2)), or any other vessel regulated under such Act, to the extent of such regulation.

(c) FIREARMS AND AMMUNITION.—Nothing in this title, or in any regulation issued under this title, shall be construed to prohibit or regulate the transportation by an individual, for personal use, of any firearm (as defined in paragraph (4) of section 232 of title 18, United States Code) or any ammunition therefor, or to prohibit any transportation of firearms or ammunition in commerce.

(d) EMERGENCY EXEMPTION AUTHORITY.—Except when the Secretary determines an emergency exists, exemptions or renewals granted pursuant to this section shall be the only means by which a person subject to the requirements of this title may be exempted from or relieved of the obligation to meet any requirements imposed under this title.

TRANSPORTATION OF RADIOACTIVE MATERIALS ON PASSENGER-CARRYING AIRCRAFT

SEC. 108. (a) GENERAL.—Within 120 days after the date of enactment of this section, the Secretary shall issue regulations, in accordance with this section and pursuant to section 105 of this title, with respect to the transportation of radioactive materials on any passenger-carrying aircraft in air commerce, as defined in section 101(4) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301(4)). Such regulations shall prohibit any transportation of radioactive materials on any such aircraft unless the radioactive materials involved are intended for use in, or incident to, research, or medical diagnosis or treatment, so long as such materials as prepared for and during transportation do not pose an unreasonable hazard to health and safety. The Secretary shall further establish effective procedures for monitoring and enforcing the provisions of such regulations.

(b) DEFINITION.—As used in this section, "radioactive materials" means any materials or combination of materials which spontaneously emit ionizing radiation. The term does not include materials in which (1) the estimated specific actvity is not greater than 0.002 microcuries per gram of material; and (2) the radiation is distributed in an essentially uniform manner.

POWERS AND DUTIES OF THE SECRETARY

SEC. 109. (a) GENERAL.—The Secretary is authorized, to the extent necessary to carry out his responsibilities under this title, to conduct investigations, make reports, issue subpenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct, directly or indirectly, research, development, demonstration, and training activities. The Secretary is further authorized, after notice and an opportunity for a hearing, to issue orders directing compliance with this title, or regulations issued under this title, the district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.

(b) RECORDS.—Each person subject to requirements under this title shall establish and maintain such records, make such reports, and provide such information as the Secretary shall by order or regulation prescribe, and shall submit such reports and shall make such records and information available as the Secretary may request.

(c) INSPECTION.—The Secretary may authorize any officer, employee, or agent to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties relate to—

(1) the manufacture, fabrication, marking, maintenance, reconditioning, repair, testing, or distribution of packages or containers for use by any person in the transportation of hazardous materials in commerce; or

(2) the transportation or shipment by any person of hazardous materials in commerce.

Any such officer, employee, or agent shall, upon request, display proper credentials.

(d) FACILITIES AND DUTIES.—The Secretary shall—

(1) establish and maintain facilities and technical staff sufficient to provide, within the Federal government, the capability of evaluating risks connected with the transportation of hazardous materials and materials alleged to be hazardous;

(2) establish and maintain a central reporting system and data center so as to be able to provide the law-enforcement and firefighting personnel of communities, and other interested persons and government officers, with technical and other information and advice for meeting emergencies connected with the transportation of hazardous materials; and

(3) conduct a continuing review of all aspects of the transportation of hazardous materials in order to determine and to be able to recommend appropriate steps to assure the safe transportation of hazardous materials.

(e) ANNUAL REPORT.—The Secretary shall prepare and submit to the President for transmittal to the Congress on or before May 1 of each year a comprehensive report on the transportation of hazardous materials during the preceding calendar year. Such report shall include, but need not be limited to—

(1) a thorough statistical compilation of any accidents and casualties involving the transportation of hazardous materials;

(2) a list and summary of applicable Federal regulations, criteria, orders, and exemptions in effect;

(3) a summary of the basis for any exemptions granted or maintained;

(4) an evaluation of the effectiveness of enforcement activities and the degree of voluntary compliance with applicable regulations;

(5) a summary of outstanding problems confronting the administration of this title, in order of priority; and

(6) such recommendations for additional legislation as are deemed necessary or appropriate.

PENALTIES

SEC. 110. (a) CIVIL.—(1) Any person (except an employee who acts without knowledge) who is determined by the Secretary, after notice and an opportunity for a hearing, to have knowingly committed an act which is a violation of a provision of this title or of a regulation issued under this title, shall be liable to the United States for a civil penalty. Whoever knowingly commits an act which is a violation of any regulation, applicable to any person who transports or causes to be transported or shipped hazardous materials, shall be subject to a civil penalty of not more than $10,000 for each violation, and if any such violation is a continuing one, each day of violation constitutes a separate offense. Whoever knowingly commits an act which is a violation of any regulation applicable to any person who manufactures, fabricates, marks, maintains, reconditions, repairs, or tests a package or container which is represented, marked, certified, or sold by such person for use in the transportation in commerce of hazardous materials shall be subject to a civil penalty of not more than $10,000 for each violation. The amount of any such penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) Such civil penalty may be recovered in any action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Secretary. The amount of such penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(b) CRIMINAL.—A person is guilty of an offense if he willfully violates a provision of this title or a regulation issued under this title. *Upon conviction*, such person shall be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

SPECIFIC RELIEF

SEC. 111. (a) GENERAL.—The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of a provision of this title, or an order or regulation issued under this title. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(b) IMMINENT HAZARD.—If the Secretary has reason to believe that an imminent hazard exists, he may petition an appropriate district court of the United States, or upon his request the Attorney General shall so petition, for an order suspending or restricting the transportation of the hazardous material responsible for such imminent hazard, or for such other order as is necessary to eliminate or ameliorate such imminent hazard. As used in this subsection, an "imminent hazard" exists if there is substantial likelihood that serious harm will occur prior to the completion of an administrative hearing or other formal proceeding initiated to abate the risk of such harm.

RELATIONSHIP TO OTHER LAWS

SEC. 112. (a) GENERAL.—Except as provided in subsection (b) of this section, any requirement, of a State or political subdivision thereof, which is inconsistent with any requirement set forth in this title, or in a regulation issued under this title, is preempted.

(b) STATE LAWS.—Any requirement, of a State or political subdivision thereof, which is not consistent with any requirement set forth in this title, or in a regulation issued under this title, is not preempted if, upon the application of an appropriate State agency, the Secretary determines, in accordance with procedures to be prescribed by regulation, that such requirement (1) affords an equal or greater level of protection to the public than is afforded by the requirements of this title or regulations issued under this title and (2) does not unreasonably burden commerce. Such requirement shall not be preempted to the extent specified in such determination by the Secretary for so long as such State or political subdivision thereof continues to administer and enforce effectively such requirement.

(c) OTHER FEDERAL LAWS.—The provisions of this title shall not apply to pipelines which are subject to regulation under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671 et seq.) or to pipelines which are subject to regulation under chapter 39 of title 18, United States Code.

CONFORMING AMENDMENTS

SEC. 113. (a) Section 4472 of title 52 of the Revised Statutes of the United States, as amended (46 U.S.C. 170) is amended—

(1) by inserting, in the first sentence of paragraph (14) thereof, "criminal" before the word "penalty" and "or imprisoned not more than 5 years, or both" before the phrase "for each violation"; and

(2) by adding at the end thereof the following new paragraph:

"(17) (A) Any person (except an employee who acts without knowledge) who is determined by the Secretary, after notice and an opportunity for a hearing, to have knowingly committed an act which is a violation of any provision of this section, or of any regulation issued under this section, shall be liable to the United States for a civil penalty of not more than $10,000 for each day of each violation. The amount of such civil penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(B) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States, in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Secretary. The amount of such penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.".

(b) Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)(1)) is amended—

(1) by inserting immediately before the period at the end of the first sentence thereof and inserting in lieu thereof: ", except that the amount of such civil penalty shall not exceed $10,000 for each such violation which relates to the transportation of hazardous materials."; and

(2) by deleting in the second sentence thereof ": *Provided*, That this" and inserting in lieu thereof the following: ". The amount of any such civil penalty which relates to the transportation of hazardous materials shall be assessed by the Secretary, or his delegate, upon written notice upon a finding of violation by the Secretary, after notice and an opportunity for a hearing. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require. This".

(c) Section 902(h) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(h)) is amended to read as follows:

"HAZARDOUS MATERIALS

"(h) (1) In carrying out his responsibilities under this Act, the Secretary of Transportation may exercise the authority vested in him by section 105 of the Hazardous Materials Transportation Act to provide by regulation for the safe transportation of hazardous materials by air.

"(2) A person is guilty of an offense if he willfully delivers or causes to be delivered to an air carrier or to the operator of a civil aircraft for transportation in air commerce, or if he recklessly causes the transportation in air commerce of, any shipment, baggage, or other property which contains a hazardous material, in violation of any rule, regulation, or requirement with respect to the transportation of hazardous materials issued by the Secretary of Transportation under this Act. Upon conviction, such person shall be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

"(3) Nothing in this subsection shall be construed to prohibit or regulate the transportation by any individual, for personal use, of any firearm (as defined in paragraph (4) of section 232 of title 18, United States Code) or any ammunition therefor.".

(d) Section 6(c)(1) of the Department of Transportation Act (49 U.S.C. 1655(c)(1)) is amended by inserting in the first sentence thereof after "aviation safety" and before "as set forth in" the following: "(other than those relating to the transportation, packaging, marking, or description of hazardous materials)".

(e) (1) Section 6(f)(3)(A) of the Department of Transportation Act (49 U.S.C. 1655 (f)(3)(A)) is amended by striking out the period at the end thereof and by inserting in lieu thereof "(other than subsection (e) (4)).".

(2) Section 6(f)(3)(B) of the Department of Transportation Act (49 U.S.C. 1655(f)(3) (B)) is amended by striking out the period at the end thereof and by inserting in lieu thereof "(other than subsection (e)(4)).".

(f) Subsection (6) of section 4472 of the Revised Statutes, as amended (46 U.S.C. 170 (6)), is amended—

(1) in paragraph (a) thereof, by striking out "inflammable" each place it appears and inserting in lieu thereof at each such place "flammable"; by inserting before "liquids" the following: "or combustible"; and by deleting the colon and the proviso in its entirety and by inserting in lieu thereof a period and the following two new sentences: "The provisions of this subsection shall apply to the transportation, carriage, conveyance, storage, stowing, or use on board any passenger vessel of any barrel, drum, or other package containing any flammable or combustible liquid which has a lower flash point than that which is defined as safe pursuant to regulations establishing the defining flash-point criteria for flammable and combustible liquids. Such regulations shall be prescribed, and revised as necessary, by the Secretary of Transportation.".

(2) in paragraph (b) thereof, by striking out in clause (iv) thereof "inflammable liquids" and inserting in lieu thereof "flammable or combustible liquids".

(g) The Hazardous Materials Transportation Control Act of 1970 (Pub. L. 91-458, title III: 48 U.S.C. 1761-1762) is repealed.

EFFECTIVE DATE

SEC. 114. (a) Except as provided in this section, the provisions of this title shall take effect on the date of enactment.

(b) (1) Except as provided in section 108 of this title or paragraph (2) of this subsection, any order, determination, rule, regulation, permit, contract, certificate, license, or privilege issued, granted, or otherwise authorized or allowed, prior to the date of enactment of this title, pursuant to any provision of law amended or repealed by this title, shall continue in effect according to its terms or until repealed, terminated, withdrawn, amended, or modified by the Secretary or a court of competent jurisdiction.

(2) The Secretary shall take all steps necessary to bring orders, determinations, rules, and regulations into conformity with the purposes and provisions of this title as soon as practicable, but in any event no permits, contracts, certificates, licenses, or privileges granted prior to the date of enactment of this title, or renewed or extended thereafter, shall be of any effect more than 2 years after the date of enactment of this title, unless there is full compliance with the purposes and provisions of this Act and regulations thereunder.

(c) Proceedings pending upon the date of enactment of this title shall not be affected by the provisions of this title and shall be completed as if this title had not been enacted, unless the Secretary makes a determination that the public health and safety otherwise require.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 115. There is authorized to be appropriated for the purposes of this title, not to exceed $7,000,000 for the fiscal year ending June 30, 1975.

TITLE II—RAIL SAFETY

SHORT TITLE

SEC. 201. This title may be cited as the "Rail Safety Improvement Act of 1974".

DECLARATION OF POLICY

SEC. 202. The Congress finds that more effective realization of the purposes of the Federal Railroad Safety Act of 1970 requires that Act to be amended to mandate comprehensive analysis and evaluation of the rail safety program, to increase the amount and percentage of available resources for inspection, investigation, and enforcement, and to increase the enforcement powers of the Secretary of Transportation.

COMPREHENSIVE RAILROAD SAFETY REPORT

SEC. 203. Section 211 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 440) is amended by adding at the end thereof the following new subsection:

"(c) SPECIAL REPORT.—The Secretary shall prepare and submit to the President and the Congress, not later than March 17, 1976, a comprehensive railroad safety report. Such report shall—

"(1) contain a description of the areas of railroad safety with respect to which Federal safety standards issued under this Act are in effect (as of June 30, 1975);

"(2) identify any area of railroad safety with respect to which Federal safety standards have been proposed but have not been issued under this Act (as of June 30, 1975);

"(3) identify any area of railroad safety with respect to which Federal safety standards have not been issued under this Act (as of June 30, 1975);

"(4) identify alternative and more cost-effective methods for inspection and enforcement of Federal safety standards, including mechanical and electronic inspection, and contain an evaluation of problems involved in implementing such alternatives, with specific attention to the need for cooperation with the railroad industry;

"(5) identify the areas of railroad safety listed in accordance with paragraphs (1) through (3) of this subsection which involve, or which may involve, State participation under section 206 of this Act;

"(6) contain a description of the railroad safety program which is in effect or planned in each State (as of June 30, 1975), including—

"(A) State program development:

"(B) State plans to participate in program areas listed in accordance with paragraph (1) of this subsection, which are not covered by a State certification or agreement;

"(C) State interest in participating in each program area listed in accordance with paragraphs (2) and (3) of this subsection, following issuance of the applicable safety standards;

"(D) annual projections of each State agency's needs for personnel, equipment, and activities reasonably required to carry out its State program during each fiscal year from 1976 through 1980 together with estimates of the annual costs thereof separately stated as to projections under subparagraphs (B) and (C) of this paragraph;

"(E) the sources from which the State expects to draw the funds to finance such programs; and

"(F) the amount of State funds and of Federal financial assistance needed during each such fiscal year, by category;

"(7) contain a detailed analysis of (A) the number of safety inspectors needed (by industry and Government respectively) to maintain an adequate and reasonable railroad safety program and record; (B) the minimum training and other qualifications needed for each such inspector; (C) the present and projected availability of such personnel in comparison to the need therefor; (D) the salary levels of such personnel in relation to salary levels for comparable positions in industry, State governments, and the Federal Government;

"(8) evaluate alternative methods of allotting Federal funds among the States applying for Federal financial assistance, including recommendations, if needed, for a formula for such apportionment;

"(9) contain a discussion of other problems affecting cooperation among the States that relate to effective participation of State agencies in the nationwide railroad safety program; and

"(10) contain recommendations for any additional Federal and State legislation needed to further realization of the objectives of this Act.

Such report shall be prepared by the Secretary, directly or indirectly, after research, examination, study, and consultation with the national associations representing railroad employee unions, railroad management, cooperating State agencies, the national organization of State commissions, universities, and other persons having special expertise or experience with respect to railroad safety. Such report shall include, in an appendix, a statement of the views of the national associations representing railroad employee unions, of the carriers, and of the national organization of State commissions with respect to the content of such report in its final form.".

ACCIDENT REPORTS

SEC. 204. (a) Section 209(b) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(b)) is amended by inserting after "for violation thereof" and before "in such amount" the following: "or for violation of section 2 of the Act of May 6, 1910 (45 U.S.C. 39)".

(b) Section 2 of the Act of May 6, 1910 (45 U.S.C. 39) is amended by adding at the end thereof the following new sentence: "In lieu of the foregoing, any such carrier may be required to pay a civil penalty pursuant to subsections (b) and (c) of section 209 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(b))."

AUTHORIZATION FOR APPROPRIATIONS

SEC. 205. Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"(a) There are authorized to be appropriated to carry out the provisions of this Act not to exceed $35,000,000 for the fiscal year ending June 30, 1975.

"(b) Subject to the provisions of subsection (c), amounts appropriated under subsection (a) of this section shall be available for expenditure as follows:

"(1) Not to exceed $18,000,000 for the Office of Safety, including salaries and expenses for up to 350 safety inspectors and up to 80 clerical personnel.

"(2) Not to exceed $3,500,000 to carry out the provisions of section 206(d) of this Act.

"(3) Not to exceed $3,500,000 for the Federal Railroad Administration, for salaries and expenses not otherwise provided for.

"(4) Not to exceed $10,000,000 for conducting research and development activities under this Act.

"(c) The aggregate of amounts obligated and expended in fiscal year 1975 for conducting research and development activities under this act shall not exceed the aggregate of amounts expended in such fiscal year for the investigation and enforcement of railroad safety rules, regulations, orders, and standards prescribed or in effect under this Act.".

ENFORCEMENT

SEC. 206. Section 208(a) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 437 (a)) is amended by adding at the end thereof the following new sentence: "The Secretary is further authorized to issue orders directing compliance with this Act or with any railroad safety rule, regulation, order, or standard issued under this Act; the district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.".

TITLE III—INDEPENDENT SAFETY BOARD

SHORT TITLE

SEC. 301. This title may be cited as the "Independent Safety Board Act of 1974".

FINDINGS

SEC. 302. The Congress finds and declares:

(1) The National Transportation Safety Board was established by statute in 1966 (Public Law 89-670; 80 Stat. 935) as an independent Government agency, located within the Department of Transportation, to promote transportation safety by conducting independent accident investigations and by formulating safety improvement recommendations.

(2) Proper conduct of the responsibilities assigned to this Board requires rigorous investigation of accidents involving transportation modes regulated by other agencies of Government; demands continual review, appraisal, and assessment of the operating practices and regulations of all such agencies; and calls for the making of conclusions and recommendations that may be critical or adverse to any such agency or its officials. No Federal agency can properly perform such functions unless it is totally separate and independent from any other department, bureau, commission, or agency of the United States.

NATIONAL TRANSPORTATION SAFETY BOARD

SEC. 303. (a) ESTABLISHMENT.—The National Transportation Safety Board (hereafter in this title referred to as the "Board"), previously established within the Department of Transportation, shall be an independent agency of the United States, in accordance with this section, on and after April 1, 1975.

(b) ORGANIZATION:—(1) The Board shall consist of five members, including a Chairman. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. No more than three members of the Board shall be of the same political party. At any given time, no less than two members of the Board shall be individuals who have been appointed upon the basis of technical qualification and professional or management standing in the field of accident reconstruction, safety engineering, or transportation safety.

(2) The terms of office of members of the Board shall be 5 years, except as otherwise provided in this paragraph. Any individual appointed to fill a vacancy occurring on the Board prior to the expiration of the term of office for which his predecessor was appointed shall be appointed for the remainder of that term. Upon the expiration of his term of office, a member shall continue to serve until his successor is appointed and shall have qualified. Individuals serving as members of the National Transportation Safety Board on the date of enactment of this title shall continue to serve as members of the Board until the expiration of their then current term of office. Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(3) On or before January 1, 1976 (and thereafter as required), the President shall—

(A) designate, by and with the advice and consent of the Senate, an individual to serve as the Chairman of the Board (hereafter in this title referred to as the "Chairman"); and

(B) an individual to serve as Vice Chairman.

The Chairman and Vice Chairman each shall serve for a term of 2 years. The Chairman shall be the chief executive officer of the Board and shall exercise the executive and administrative functions of the Board with respect to the appointment and supervision of personnel employed by the Board; the distribution of business among such personnel and among any administrative units of the Board; and the use and expenditure of funds. The Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman or in case of a vacancy in the office of Chairman. The Chairman or acting Chairman shall be governed by the general policies established by the Board, including any decisions, findings, determinations, rules, regulations, and formal resolutions.

(4) Three members of the Board shall constitute a quorum for the transaction of any function of the Board.

(5) The Board shall establish and maintain distinct and appropriately staffed bureaus, divisions, or offices to investigate and report on accidents involving each of the following modes of transportation: (A) aviation; (B) highway and motor vehicle; (C) railroad and tracked vehicle; and (D) pipeline. The Board shall, in addition, establish and maintain any other such office as is needed, including an office to investigate and report on the safe transportation of hazardous materials.

(c) GENERAL.—(1) The General Services Administration shall furnish the Board with such offices, equipment, supplies, and services as it is authorized to furnish to any other agency or instrumentality of the United States.

(2) The Board shall have a seal which shall be judicially recognized.

(3) Subject to the civil service and classification laws, the Board is authorized to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as shall be necessary to carry out its powers and duties under this title.

GENERAL PROVISIONS

SEC. 304. (a) DUTIES OF BOARD.—The Board shall—

(1) investigate or cause to be investigated (in such detail as it shall prescribe), and determine the facts, conditions, and circumstances and the cause or probable cause or causes of any—

(A) aircraft accident which is within the scope of the functions, powers, and duties transferred from the Civil Aeronautics Board under section 6(d) of the Department of Transportation Act (49 U.S.C. 1655(d)) pursuant to title VII of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1441);

(B) highway accident, including any railroad grade crossing accident, that it selects in cooperation with the States;

(C) railroad accident in which there is a fatality, substantial property damage, or which involves a passenger train;

(D) pipeline accident in which there is a fatality or substantial property damage;

(E) major marine casualty, except one involving only public vessels, occurring on the navigable waters or territorial seas of the United States, or involving a vessel of the United States, in accordance with regulations to be prescribed jointly by the Board and the Secretary of the department in which the Coast Guard is operating. Nothing in this subparagraph shall be construed to eliminate or diminish any responsibility under any other Federal statute of the Secretary of the department in which the Coast Guard is operating: *Provided,* That any marine accident involving a public vessel and any other vessel shall be investigated and the facts, conditions, and circumstances, and the cause or probable cause determined and made available to the public by either the Board or the Secretary of the Department in which the Coast Guard is operating; and

(F) other accident which occurs in connection with the transportation of people or property which, in the judgment of the Board, is catastrophic, involves problems of a recurring character, or would otherwise carry out the policy of this title.

The Board may request the Secretary of Transportation (hereafter in this title referred to as the "Secretary") to make investigations with regard to such accidents and to report to the Board the facts, conditions, and circumstances thereof (except in accidents where misfeasance or nonfeasance by the Federal Government is alleged), and the Secretary or his designees are authorized to make such investigations. Thereafter, the Board, utilizing such reports, shall make its determination of cause or probable cause under this paragraph;

(2) report in writing on the facts, conditions and circumstances of each accident investigated pursuant to paragraph (1) of this subsection and cause such reports to be made available to the public at reasonable cost and to cause notice of the issuance and availability of such reports to be published in the Federal Register;

(3) issue periodic reports to the Congress, Federal, State, and local agencies concerned with transportation safety, and other interested persons recommending and advocating meaningful responses to reduce the likelihood of recurrence of transportation accidents similar to those investigated by the Board and proposing corrective steps to make the transportation of persons as safe and free from risk of injury as is possible, including steps to minimize human injuries from transportation accidents;

(4) initiate and conduct special studies and special investigations on matters pertaining to safety in transportation including human injury avoidance;

(5) assess and reassess techniques and methods of accident investigation and prepare and publish from time to time recommended procedures for accident investigations;

(6) establish by regulation requirements binding on persons reporting accidents subject to the Board's investigatory jurisdiction under this subsection;

(7) evaluate, assess the effectiveness, and publish the findings of the Board with respect to the transportation safety consciousness and efficacy in preventing accidents of other Government agencies;

(8) evaluate the adequacy of safeguards and procedures concerning the transportation of hazardous materials and the performance of other Government agencies charged with assuring the safe transportation of such materials; and

(9) review on appeal (A) the suspension, amendment, modification, revocation, or denial of any operating certificate or license issued by the Secretary of Transportation under sections 602, 609, or 611(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1422, 1429, or 1431(c)); and (B) the decisions of the Commandant of the Coast Guard, on appeals from the orders of any administrative law judge revoking, suspending, or denying a license, certificate, document, or register in proceedings under section 4450 of the Revised Statutes of the United States (46 U.S.C. 239); the Act of July 15, 1954 (46 U.S.C. 239 (a) and (b)); or section 4 of the Great Lakes Pilotage Act (46 U.S.C. 216(b)).

(b) POWERS OF BOARD.—(1) The Board, or upon the authority of the Board, any member thereof, any administrative law judge employed by or assigned to the Board, or any officer or employee duly designated by the Chairman, may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such evidence as the Board or such officer or employee deems advisable. Subpenas shall be issued under the signature of the Chairman, or his delegate, and may be served by any person designated by the Chairman. Witnesses summoned to appear before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production of evidence may be required from any place in the United States to any designated place of such hearing in the United States.

(2) Any employee of the Board, upon presenting appropriate credentials and a written notice of inspection authority, is authorized to enter any property wherein a transportation accident has occurred or wreckage from any such accident is located and do all things therein necessary for a proper investigation. The employee may inspect, at reasonable times, records, files, papers, processes, controls, and facilities relevant to the investigation of such accident. Each inspection shall be commenced and completed with reasonable promptness and the results of such inspection made available.

(3) In case of contumacy or refusal to obey a subpoena, an order, or an inspection notice of the Board, or of any duly designated employee thereof, by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such district court shall, upon the request of the Board, have jurisdiction to issue to such person an order requiring such person to comply forthwith. Failure to obey such an order is punishable by such court as a contempt of court.

(4) The Board is authorized to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the functions and the duties of the Board under this title, with any government entity or any person.

(5) The Board is authorized to obtain, and shall be furnished, with or without reimbursement, a copy of the report of the autopsy performed by State or local officials on any person who dies as a result of having been involved in a transportation accident within the jurisdiction of the Board and, if necessary, the Board may order the autopsy or seek other tests of such persons as may

be necessary to the investigation of the accident: *Provided,* That to the extent consistent with the need of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed.

(6) The Board is authorized to (A) use, on a reimbursable basis or otherwise, when appropriate, available services, equipment, personnel, and facilities of the Department of Transportation and of other civilian or military agencies and instrumentalities of the Federal Government; (B) confer with employees and use available services, records, and facilities of State, municipal, or local governments and agencies; (C) employ experts and consultants in accordance with section 3109 of title 5, United States Code; (D) appoint one or more advisory committees composed of qualified private citizens or officials of Federal, State, and local governments as it deems necessary or appropriate, in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I); (E) accept voluntary and uncompensated services notwithstanding any other provision of law; (F) accept gifts or donations of money, or property (real, personal, mixed, tangible, or intangible); and (G) enter into contracts with public or private nonprofit entities for the conduct of studies related to any of its functions.

(7) Whenever the Board submits or transmits any budget estimate, budget request, supplemental budget estimate, or other budget information, legislative recommendation, prepared testimony for congressional hearings, or comment on legislation to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Board to submit its budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

(8) The Board is empowered to designate representatives to serve or assist on such committees as the Chairman determines to be necessary or appropriate to maintain effective liaison with other Federal agencies, and with State and local government agencies, and with independent standard-setting bodies carrying out programs and activities related to transportation safety.

(9) The Board, or an employee of the Board duly designated by the Chairman, may conduct an inquiry to secure data with respect to any matter pertinent to transportation safety, upon publication of notice of such inquiry in the Federal Register; and may require, by special or general orders, Federal, State, and local government agencies and persons engaged in the transportation of people or property in commerce to submit written reports and answers to such requests and questions as are propounded with respect to any matter pertinent to any function of the Board. Such reports and answers shall be submitted to the Board or to such employee within such reasonable period of time and in such form as the Board may determine. Copies thereof shall be made available for inspection by the public.

(10) establish such rules and regulations as may be necessary to the exercise of its functions.

(c) USE OF REPORTS AS EVIDENCE.—No part of any report of the Board, relating to any accident or the investigation thereof, shall be admitted as evidence or used in any suit or action for damages growing out of any matter mentioned in such report or reports.

(d) JUDICIAL REVIEW.—Any order, affirmative or negative, issued by the Board under this title shall be subject to review by the appropriate court of appeals of the United States or the United States Court of Appeals for the District of Columbia, upon petition filed within 60 days after the entry of such order, by any person disclosing a substantial interest in such order. Such review shall be conducted in accordance with the provisions of chapter 7 of title 5, United States Code.

ANNUAL REPORT

SEC. 305. The Board shall report to the Congress on July 1 of each year. Such report shall include, but need not be limited to—

(1) a statistical and analytical summary of the transportation accident investigations conducted and reviewed by the Board during the preceding calendar year;

(2) a survey and summary, in such detail as the Board deems advisable, of the recommendations made by the Board to reduce the likelihood of recurrence of such accidents together with the observed response to each such recommendation:

(3) an appraisal in detail of the accident investigation and accident prevention activities of other government agencies charged by Federal or State law with responsibility in this field; and

(4) a biennial appraisal and evaluation and review, and recommendations for legislative and administrative action and change, with regard to transportation safety.

PUBLIC ACCESS TO INFORMATION

SEC. 306. (a) GENERAL.—Copies of any communication, document, investigation, or other report, or information received or sent by the Board, or any member or employee of the Board, shall be made available to the public upon identifiable request, and at reasonable cost, unless such information may not be publicly released pursuant to subsection (b) of this section. Nothing contained in this section shall be deemed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(b) EXCEPTION.—The Board shall not disclose information obtained under this title which concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information may be disclosed in a manner designed to preserve confidentiality—

(1) upon request, to other Federal Government departments and agencies for official use;

(2) upon request, to any committee of Congress having jurisdiction over the subject matter to which the information relates;

(3) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceedings; and

(4) to the public in order to protect health and safety, after notice to any interested person to whom the information pertains and an opportunity for such person to comment in writing, or orally in closed session, on such proposed disclosure (if the delay resulting from such notice and opportunity for comment would not be detrimental to health and safety).

RESPONSE TO BOARD RECOMMENDATIONS

SEC. 307. Whenever the Board submits a recommendation regarding transportation safety to the Secretary, he shall respond to each such recommendation formally and in writing not later than 90 days after receipt thereof. The response to the Board by the Secretary shall indicate his intention to—

(1) initiate and conduct procedures for adopting such recommendation in full, pursuant to a proposed timetable, a copy of which shall be included;

(2) initiate and conduct procedures for adopting such recommendation in part, pursuant to a proposed timetable, a copy of which shall be included. Such response shall set forth in detail the reasons for the refusal to proceed as to the remainder of such recommendation; or

(3) refuse to initiate or conduct procedures for adopting such recommendation. Such response shall set forth in detail the reasons for such refusal.

The Board shall cause notice of the issuance of each such recommendation and of each receipt of a response thereto to be published in the Federal Register, and shall make copies available to the public at reasonable cost.

CONFORMING AMENDMENTS

SEC. 308. The Department of Transportation Act is amended—

(1) by deleting section 5 (49 U.S.C. 1654);

(2) by amending section 4(c) thereof (49 U.S.C. 1653(c)) by deleting "or the National Transportation Safety Board" in the first sentence thereof; and by deleting in the second sentence thereof ", the Administrators, or the National Transportation Safety Board." and by inserting in lieu thereof "or the Administrators."; and

(3) by amending section 4(d) thereof (49 U.S.C. 1653(d) by deleting ", the Administrators, and the National Transportation Safety Board" and by inserting in lieu thereof "and the Administrators".

AUTHORIZATION OF APPROPRIATIONS

SEC. 309. There are authorized to be appropriated for the purposes of this Act not to exceed $12,000,000 for the fiscal year ending June 30, 1975; and $12,000,000 for the fiscal year ending June 30, 1976, such sums to remain available until expended.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the House bill.

HARLEY O. STAGGERS,
JOHN JARMAN,
JOHN D. DINGELL,
SAMUEL L. DEVINE,
DICK SHOUP,
Managers on the Part of the House.
WARREN MAGNUSON,
VANCE HARTKE,
HOWARD W. CANNON,
TED STEVENS,
J. GLENN BEALL, JR.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendments struck out all of the House bill after the enacting clause and inserted a substitute text and provided a new title for the House bill, and the House disagreed to the Senate amendments.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill, with an amendment which is a substitute for both the text of the House bill and the Senate amendment to the text of the House bill, and also recede from its disagreement to the Senate amendment to the title of the House bill.

The differences between the text of the House bill, the Senate amendment thereto, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—HAZARDOUS MATERIALS TRANSPORTATION

Extremely hazardous material classification

House Bill

No provision.

Senate Amendment

The Senate amendment authorized the Secretary of Transportation, in his discretion, to designate certain hazardous materials as "extremely hazardous materials", if they pose a risk of catastrophic harm and an accident giving rise to such risk is foreseeable or if they pose a risk of serious harm and there is a significant likelihood of an accident giving rise to such risk occurring. The designation as extremely hazardous would have triggered a mandatory registration program applicable to persons who transported or handled such materials.

Conference Substitute

The conference substitute omits this provision of the Senate amendment.

Registration program

House Bill

No provision.

Senate Amendment

The Senate amendment would require the Secretary to establish and maintain a mandatory registration program with respect to extremely hazardous materials. Each person who transports or causes to be transported or shipped in commerce extremely hazardous materials and each person who manufactures, fabricates, marks, maintains, reconditions, repairs, or tests packages or containers for the transportation in commerce of certain extremely hazardous materials was required to submit a registration statement to the Secretary before December 31 of every odd-numbered year. The registration statement, in addition to formal statements of business name and location, would include an averment by the registrant that he is in compliance with any criteria established by the Secretary for the handling of extremely hazardous materials. The Secretary would be authorized to revoke or suspend the registration statement of any registrant who failed to act in conformity with those criteria.

Conference Substitute

The conference substitute permits the Secretary, as part of his hazardous materials transportation program, to require a registration statement as in the Senate amendment, but not more often than once every two years. The Secretary is not authorized to revoke or suspend any registration statement which is filed.

Transportation of radioactive materials on passenger aircraft

House Bill

No specific provision.

Senate Amendment

The Senate amendment required the Secretary to issue regulations regarding the transportation of radioactive materials on any passenger-carrying aircraft. These regulations were required to prohibit any such transportation unless the radioactive materials involved are intended for use in, or incident to, research, or medical diagnosis or treatment and are packaged in such a way that they do not pose an unreasonable hazard to health and safety. The term radioactive materials is defined to exclude from this prohibition materials which emit less than 0.002 microcuries per gram of materials.

Conference Substitute

The conferees adopted the provision of the Senate amendment on this issue, except that the period of time within which regulations must be issued was extended to 120 days.

Authority of the Secretary in the courts

House Bill

Wherever action in the courts was authorized, it was the Attorney General who was authorized to appear on behalf of the Secretary, without limitation on his independent discretion. The Secretary was not authorized to appear on his own behalf.

Senate Amendment

Wherever action in the courts was authorized, the Secretary may appear on his own behalf or, at his request, the Attorney General was authorized to appear on behalf of the Secretary.

Conference Substitute

The conference substitute is the position taken in the House bill with one exception. The Attorney General is to represent the Secretary of Transportation in all matters in court, except that in the case of an imminent hazard the Secretary may himself initiate and conduct proceedings (or he may request the Attorney General to do so and the Attorney General shall so proceed).

Penalties

House Bill

The House bill provided for the imposition of civil penalties (1) on carriers and shippers in a maximum amount of $2,000 for each violation of an applicable regulation, except that if the violation by the carrier or shipper is a continuing one each day of violation shall be considered a separate offense, and (2) in a maximum amount of $10,000 for each violation of a regulation applicable to the manufacture, fabrication, marking, maintenance, reconditioning, repair, testing, and distribution of packages or containers that may be used for the transportation of hazardous materials. Such civil penalties were to be recovered in an action brought by the Attorney General in Federal district court, with authority in the Secretary to compromise the amount.

Senate Amendment

The Senate amendment provided for the imposition of civil penalties on any person (except an employee who acts without knowledge) who violates a provision of the Act or a regulation issued under it in a maximum amount of $10,000 for each violation, except that each day of a continuing violation was a separate violation. The violation and civil penalty were to be determined and assessed by the Secretary, in accordance with listed criteria. A person against whom such a penalty was assessed may obtain review in the appropriate court of appeals of the United States; the determinations of the Secretary were to be set aside if found to be unsupported by substantial evidence. The Secretary has authority to compromise the amount. If any person failed to pay an assessment of a civil penalty, the Secretary (or at his request the Attorney General) recovered such amount after the penalty order had become final and unappealable or after the court of appeals had entered final judgment in favor of the Secretary. The Senate amendment further made it a crime, punishable by a $25,000 fine or 5 years imprisonment, to knowingly violate a provision of the Act or a regulation thereunder.

Conference Substitute

The conference substitute—

(1) Adopts the House provision as to the maximum penalty amounts, with a distinction between the civil liability of those who transport and ship hazardous materials and those who manufacture etc. packages and containers for use in such transportation and shipment, except that the maximum penalty per carrier or shipper violation is also to be $10,000;

(2) Adopts the Senate amendment as to the criteria or factors to be taken into account by the Secretary in determining the amount of a civil penalty.

(3) Adopts the House provision as to enforcement with an affirmative obligation on the Government to recover such penalty in an appropriate district court of the United States;

(4) Provides that a civil penalty may be imposed only upon proof that the defendant knowingly committed the act which constitutes the violation (it is not necessary to show that he knew the act constituted a violation) and only after the Secretary affords such person notice and an opportunity for an administrative hearing; and

(5) Adopts the Senate provision as to criminal penalties except that the term "knowingly" is changed to "willfully."

Regulations governing transportation of hazardous materials

House Bill

The House bill authorized the Secretary of Transportation to prescribe regulations in order to assure safe transportation of hazardous materials in interstate and foreign commerce. The regulations may cover any aspect of the transportation of such materials as the Secretary deems necessary or appropriate and shall include, but are not limited to, regulations covering the packing, handling, labeling, marking, placarding, and routing of hazardous materials.

Senate Amendment

The Secretary was authorized to issue regulations for the safe transportation in commerce of hazardous materials. Such regulations would have been applicable to any person who transported or caused to be transported or shipped a hazardous material, or who manufactured, etc., a package or container which is represented, marked, certified, or otherwise expected by such person to be used in the transportation in commerce of certain hazardous materials. Such regulations may cover any safety aspect of the transportation of hazardous materials which the Secretary deems necessary or appropriate, including, but not limited to, the packing, repacking, handling, labeling, marking, placarding and routing of hazardous materials. The Secretary was further mandated to consult and cooperate with the ICC before issuing such regulations.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment. While the regulations are applicable "to any person" who transports or causes to be transported hazardous materials, the conferees intend that the requirements apply to commercial, rather than personal, transportation. Additionally, while the Secretary may prescribe routing regulations for hazardous materials transportation, such regulations may not be promulgated with respect to pipelines. Finally, conferees clarified the provision of the Senate amendment with respect to I.C.C. cooperation to require the Interstate Commerce Commission, to the extent of its lawful authority, to take such steps as are necessary to implement such regulations with respect to the routing of hazardous materials.

Citizen's civil actions

House Bill

No provision.

Senate Amendment

Subject to exclusions, prerequisites, and notice requirements, a citizen was authorized to sue for equitable relief against any person alleged to be in violation of the Act or an order or regulation issued thereunder.

Conference substitute

The conference substitute omits this provision of the Senate amendment.

Citizens petitions

House Bill

No provision.

Senate Amendment

The Senate amendment authorized any interested person to petition the Secretary to commence a proceeding to designate a particular material as hazardous or extremely hazardous or to issue, amend, or revoke an order or regulation with respect thereto. If the Secretary failed to consider the petition or denied it within 120 days, the petitioner could seek a court order directing the Secretary to initiate a proceeding to take the action requested; such an order was to be issued if the court was satisfied by a preponderance of the evidence that the failure of the Secretary to act exposed the petitioner or other persons to an unreasonable risk of harm arising out of the transportation of the nature, quantity, and form of material which was the subject of the petition.

Conference substitute

The conferees accepted the House position and omit the Senate provision.

The conference substitute omits the provision of the Senate amendment. The conferees agreed, however, that the respective committees should monitor the procedures of the Office of Hazardous Materials with respect to petitions filed under the Administrative Procedure Act to insure that the Office is responsive thereto.

Relationship to other laws

House Bill

The House bill authorized the Secretary to issue regulations to assure the safe transportation of hazardous materials in interstate and foreign commerce. This authority did not extend to any such transportation which is solely between points in the same State.

Senate Amendment

The Senate amendment authorized the Secretary to issue regulations for the safe transportation of hazardous materials in commerce. The term commerce was defined to include commerce "in . . . any State". The Senate amendment further provided for the preemption of any requirement of a State or political subdivision which is inconsistent with any requirement of, or regulation under, this legislation, except that such State or political subdivision may seek to apply its own statute or regulation where they afford an equal or greater level of protection and they do not burden interstate commerce.

Conference Substitute

The conference substitute adopts the House definition of commerce, amended to include activity "which affects" interstate commerce as well as the types of commerce enumerated therein. The conference substitute adopts the Senate provision on preemption, except that provision is added specifically excluding from the authority granted by this Act the transportation of firearms and ammunition for personal use.

The Senate amendment with regard to the regulation of hazardous materials would have applied to all modes of transportation. The conferees agreed, however, that to prevent duplication of effort, the provisions of this title shall not apply to pipelines which are subject to regulation under the Natural Gas Pipeline Safety Act of 1968 as to pipelines which are subject to regulation under Chapter 39 of title 18, United States Code.

Conforming amendments to statutes applicable to the Coast Guard

House Bill

No provision.

Senate Amendment

The Senate amendment modified the penalty provisions of the section of law regulating the carriage of explosives or other dangerous articles on vessels by authorizing a sentence of imprisonment upon conviction of knowing violation and by authorizing civil penalties. The Senate amendment also amended the same section to the Coast Guard to prescribe regulations for and regulate the carriage of "combustible" as well as flammable materials, and to prescribe the defining flash-point criteria therefor.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment.

Transportation of explosives by rail

House Bill

The Secretary was required to issue regulations governing the transportation of explosives by rail. Such regulations shall have required (subject to possible suspension by the Secretary when conditions of national necessity so warrant) the use of railroad cars with roller bearing and either composition brakeshoes or spark shields; the use of spacer cars not containing hazardous materials in between railroad cars carrying explosives, or an equivalent linear separation of explosives as the Secretary finds necessary or prudent; and periodic inspection of railroad cars in use and to be used to carry explosives.

Senate Amendment

No specific provision.

Conference Substitute

The conference substitute omits the provision of the House bill in view of the fact that the Secretary of Transportation promulgated regulations, effective November 19, 1974, to protect against the hazards of transporting explosives by rail.

Protection of I.C.C. Officers

House Bill

No provision.

Senate Amendment

The Senate amendment modified 18 U.S.C. 1114 to deter those who would use force against representatives of the principal surface transportation regulatory agency by adding officers and employees of the Interstate Commerce Commission to the list of Federal officials whom it is a Federal crime to assault or kill.

Conference Substitute

The conference substitute omits this provision of the Senate amendment.

Mandatory delegation of enforcement responsibility by secretary to modal administrators

House Bill

The House bill required the Secretary to delegate to the Federal Railroad Administrator, Federal Aviation Administrator, and to the Federal Highway Administrator, all functions, powers, and duties with respect to the enforcement of regulations pertaining to the transportation of explosives and other dangerous articles. The House bill also authorized the Secretary to delegate to the modal administrators such other functions, powers, and duties pertaining to the transportation of explosives and other dangerous articles as the Secretary may deem appropriate.

Senate Amendment

No provision.

Conference Substitute

The conference substitute omits the House provision.

TITLE II—RAIL SAFETY

Declaration of policy

House Bill

No provision.

Senate Amendment

The Senate amendment provided that the Congress found that more effective realization of the purposes of the Federal Railroad Safety Act of 1970 requires that Act to be amended to mandate comprehensive analysis and evaluation of the rail safety program, to increase the amount and percentage of available resources for inspection, investigation, and enforcement, to increase the enforcement powers of the Secretary of Transportation, and to authorize citizens safety petitions.

Conference Substitute

The conference substitute adopted the Senate amendment except the reference to citizen's safety petitions was deleted.

Comprehensive railroad safety report

House Bill

The House bill required the Secretary of Transportation to prepare and submit to the President for transmittal to the Congress by March 17, 1976 a report which shall contain (1) a description of the areas of railroad safety for which Federal safety standards have been issued under authority of the Federal Railroad Safety Act of 1970 and which are enforced as of June 30, 1975; (2) identification of any area of railroad safety for which Federal railroad safety standards have not been issued under authority of the Federal Railroad Safety Act of 1970 as of June 30, 1975; (3) identification of the aforementioned areas of railroad safety which involve State participation under Section 206 of the Federal Railroad Safety Act of 1970; (4) a description of the railroad safety program underway or planned in each State as of June 30, 1975; (5) a discussion of the number and qualification of personnel for service as safety inspectors by the industry, and by the Federal and State governments, needed for reasonable safety program performance; (6) an evaluation of alternative methods of allotting Federal funds among the States that desire Federal assistance, including recommendations, if needed, for a statutory formula for apportioning Federal funds; (7) a discussion of other problems affecting cooperation among the States and relate to effective participation of State agencies in the nationwide railroad safety program; and (8) recommendations for additional Federal and State legislation needed to further the objectives of the Federal Railroad Safety Act of 1970. The House bill further provided that the report shall be prepared by the Secretary after consultation with the national associations representing railroad employee unions, the carriers, the cooperating State agencies, and the national organization of State commissions. Finally, their report shall include a statement of the views of the national associations representing railroad employee unions, of the carriers, and of the national organization of State commissions on the content of the report as prepared in final form.

Senate Amendment

Like the House bill, the Senate amendment required the Secretary to prepare a comprehensive rail safety report. However, the Senate amendment required the Secretary to prepare and submit such reports to the President and the Congress, concurrently.

The contents of the report as required by the Senate amendment were similar to that required by the House bill with the following two additions: First, the Secretary shall identify any area of railroad safety with respect to which Federal railroad safety standards have been proposed but have not been issued under this Act (as of June 30, 1975). Second, the Secretary shall identify alternative and more cost effective methods for inspection and enforcement of Federal safety standards and evaluate the problems involved in implementing such alternatives. Additionally, the report shall be prepared by the Secretary directly or indirectly, after research, examination, study and consultation with the national association representing railroad employee unions, railroad management, cooperating State agencies, the national organization of State commissions, universities, and other persons having special expertise or experience with respect to railroad safety. Finally, the report shall include an appendix composed of statements of the views of the national associations representing railroad employee unions, carriers, and the national organization of State commissions with respect to the content of such report in its final form.

Conference Substitute

The conference substitute adopted the Senate amendment.

Accident reports

House Bill

The House bill amended Section 2 of the Accident Reports Act of 1910 (45 U.S.C. 39) to extend to the Secretary of Transportation the right to assess a civil penalty in lieu of the criminal penalty contained in the Act of 1910. The Secretary was authorized to assess a civil penalty in an amount not less than $250 nor more than $2,500 for each violation, as the Secretary deemed reasonable.

Senate Amendment

Like the House bill, the Senate amendment provided for the assessment of civil penalties for violation of the Accident Report Act (the Act of May 6, 1910) (45 U.S.C. 39). The amendment provided that the civil penalties provision of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(b)) shall apply to violations of the reporting requirements of the Accident Reports Act.

Conference Substitute

The conference substitute adopted the Senate amendment.

Authorization for appropriations

House Bill

The House bill amended Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) to provide for authorization of $35,000,000 for appropriations for the fiscal year ending June 30, 1975 to carry out the purposes of the Act.

The authorization of $35 million was further limited by the following guidelines: First, not more than $18 million shall be available for expenditure by the Office of Safety, including salaries and expenses for up to 350 safety inspectors and up to 80 clerical personnel. Second, not more than $3.5 million shall be available to carry out Section 206(d) of the Federal Railroad Safety Act of 1970, relating to Federal grants to carry out state safety programs. Third, not more than $3.5 million shall be available for salaries and expenses of the Federal Railroad Administration, not otherwise provided for in the Act. Fourth, not more than $10 million shall be available for conducting research and development activities under the Act. Finally, the House bill provided that the aggregate of amounts obligated and expended in fiscal year 1975 for conducting research and development activities under the Act shall not exceed the aggregate of amounts expended in such fiscal year for the investigation and enforcement of Federal safety rules, regulations, orders and standards prescribed or in effect under the Act.

Senate Amendment

The Senate amendment included an authorization for appropriations identical to that contained in the House bill with one exception. The Senate bill did not contain the provision prohibiting the aggregate of amounts obligated and expended in fiscal year 1975 for conducting research and development to exceed the aggregate of such amounts for the investigation and enforcement of railroad safety rules, regulations, orders, and standards.

Conference Substitute

The conference substitute adopted the language of the House bill.

Enforcement

House Bill

No provision.

Senate Amendment

The Senate amendment would change section 208(a) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 437(a)) to authorize the Secretary to issue cease and desist orders to direct the termination of actions, or omissions to act, in violation of the Act or of any railroad safety, rule, regulation, order, or standard issued thereunder. It would further give the district courts of the United States jurisdiction to enforce such orders by appropriate means.

Conference Substitute

The conference substitute adopted the Senate amendment with a minor conforming amendment allowing the Secretary to issue orders to direct compliance with the Federal Railroad Safety Act or rules, regulations, orders, or standards issued thereunder.

Rail safety petitions

House Bill

No provision.

Senate Amendment

The Senate amendment amended Section 208 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 437) by providing for a new subsection relating to rail safety petitions. Under the provision, any interested person, including a safety organization or governmental entity could petition the Secretary to commence a proceeding for the issuance, amendment, or revocation of any railroad safety rule, regulation, order or standard under the Act.

Upon the receipt of a petition, the Secretary was given 120 days within which to respond. During such period, if he responded affirmatively, he would commence an action to develop and promulgate a rule to respond to the petition. If the Secretary denied the petition or failed to respond within the 120 day period, the petitioner could commence a civil action in an appropriate district court of the United States to compel the Secretary to initiate a proceeding to take the action requested.

If the petitioner could demonstrate to the satisfaction of the Court, by a preponderance of the evidence in a de novo proceeding, that there is a substantial risk of personal injury or property damage and that the failure of the Secretary to grant the petition exposes the petitioner or other persons to a risk of such harm, then the Court could order the Secretary to initiate the action requested by the petitioner.

Conference Substitute

The conference substitute omits the Senate amendment.

Rail improvement amendments

House Bill

No provision.

Senate Amendment

The Senate amendment would amend the Regional Rail Reorganization Act of 1973 (87 Stat. 985), with various technical and conforming amendments.

Conference Substitute

The conference substitute omits this provision of the Senate amendment because it has already been enacted into law as Public Law 93-488.

TITLE III—INDEPENDENT SAFETY BOARD

Short title

Findings

House Bill

No provision.

Senate Amendment

The Senate amendment found that although the National Transportation Safety Board was established in 1966 (49 U.S.C. 1654) as an independent governmental agency, its current position as a subordinate agency within the Department of Transportation undercuts its ability to effectively perform the functions it was designed to perform. Because many of its investigations involve other government agencies and because some of its conclusions may involve severe criticism of such agencies, the Senate amendment concluded that if it were this agency would best serve the Nation and fulfill its role as a totally separate and independent agency.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment.

National transportation safety board

House Bill

No provision.

Senate Amendment

The Senate amendment established the National Transportation Safety Board as an independent agency of the United States as of April 1, 1975. The Board consisted of five members appointed by the President, by and with the advice and consent of the Senate. No more than three members of the Board were to be of the same political party and such members were to be appointed upon the basis of technical qualifications and professional standing in the field of accident reconstruction, safety engineering, or transportation safety. The terms of office of the members of the Board were to be five years. The Senate amendment further provided that the present members of the Board shall continue to serve until the expiration of their current terms of office.

Under the Senate amendment, on or before April 1, 1975, and thereafter as required, the President would designate, with the advice and consent of the Senate, a person to serve as Chairman of the National Transportation Safety Board and any other person to serve as Vice Chairman. Both were to serve as Chairman and Vice Chairman throughout their respective terms. The Chairman was designated as the chief executive officer of the Board and would exercise executive and administrative functions of the Board.

Additionally, the Board was mandated to establish and maintain distinct and appropriately staffed bureaus, divisions, or offices to investigate and report on accidents involving the five modes of transportation: aviation, marine and maritime, highway and motor vehicle, railroad and tracked vehicle, and pipeline. The Board also was mandated to establish and maintain an office to oversee efforts to insure the safe transportation of hazardous materials.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment with several modifications. Two members of the Board shall be individuals who have been appointed on the basis of technical qualification and professional or management standing in the field of accident reconstruction, safety engineering, or transportation safety.

Second, the conferees agreed that the President shall designate a member of the Board to serve as new Chairman on or before January 1, 1976 and thereafter as required. In so doing, the term of office of the current Chairman would not be cut short. This provision, coupled with the provision which appeared in the Senate amendment allowing present members of the Board to continue to serve until the expiration of their current terms of office, in effect will "grandfather" the positions of the current Chairman and Board members at least until the expiration of their current term.

Third, the conferees further agreed that the Chairman and Vice Chairman once so designated, would serve in those positions for a term of two years. After two years, the President could reappoint the Chairman and Vice Chairman to serve additional two year terms. The designation of the Chairman would be subject to the advice and consent of the Senate.

Fourth, the conferees agreed not to require the Board to establish and maintain a separate bureau, division, or office for the purpose of investigating and reporting marine and maritime accidents. By adopting such a provision, the conferees do not intend that the new Board should not be involved in the investigation of marine and maritime accidents. The conferees however, intend that the National Transportation Safety Board continue the role it currently plays in the investigation of marine and maritime accidents.

General provisions

House Bill

No provision.

Senate Amendment

The Senate amendment set out in detail the duties, responsibilities, and powers of the Board.

The Board was required to investigate and determine the facts, conditions, and circumstances, and the cause or probable cause or causes of: (1) certain aircraft accidents; (2) marine casualties (excluding those involving only public vessels) which occur on the navigable or territorial waters of the United States or which involved a vessel of United States registry, whenever the Board found such an investigation would tend to promote safety of life at sea and be in the public interest; (3) accidents involving a motor carrier in which there was a fatality or property damage in excess of $75,000; (4) highway accidents, including railroad grade crossing accidents that it selected in cooperation with the States; (5) railroad accidents in which there was a fatality or property damage in excess of $500,000; (6) pipeline accidents in which there was a fatality or property damage in excess of $100,000; and (7) other accidents which occurred in connection with the transportation of people or property which, in the judgment of the Board, was catastrophic, involved problems of a recurring character, or would otherwise carry out the policy of this Act.

The Board was empowered to request the Secretary of Transportation to make investigations of the facts, conditions, and circumstances of accidents. The Board, thereafter, utilizing such investigations, would then make the determination of the probable cause of the accident. However, if there was an initial indication of government misfeasance or nonfeasance, the Board itself was required to conduct the investigation with regard to the accident.

In addition, the Senate amendment provided that the Board shall report in writing on the facts, conditions, and circumstances of each accident investigated and cause such reports to be made available to the public at reasonable cost. Other duties of the Board included (1) the issuance of periodic reports to Congress, federal, state, and local agencies concerned with transportation safety, and other interested persons regarding transportation safety; (2) the advocacy of the cause of safety and transportation; (3) the initiation and conduct of special studies and investigations pertaining to transportation safety and human injury avoidance; (4) the assessment of techniques and methods of accident investigation; (5) the establishment by regulation of requirements binding on persons reporting accidents subject to the Board's investigatory jurisdiction; (6) the evaluation of the transportation safety consciousness and efficacy in preventing accidents of other government agencies; (7) the evaluation of the adequacy of safeguards and procedures concerning the transportation of hazardous materials and the performance of other government agencies charged with assuring the safe transportation of such materials; and (8) the review on appeal of the (A) suspension, amendment, modification, revocation, or denial of any operating certificate of license issued by the Secrrtary of Transportation under Section 602, 609 or 611(c)) of the Federal Aviation Act of 1958 and (B) the decisions of the Commandant of the Coast Guard, on appeals from the orders of any administrative law judge revoking, suspending or denying a license, certificate, document, or register in proceedings under section 4450 of the Revised Statutes, the act of July 15, 1954, or Section 4 of the Great Lakes Pilotage Act.

Subsection (6) of section 304 of the Senate amendment further defined the powers of the Board. It provided that the Board, and any employees it designates, may hold hearings, issue subpenas, administer oaths, and require the production of information for the purpose of carrying out the Act. The Board and its authorized employees were also authorized to enter property where accidents have occurred to inspect the appropriate materials, records, equipment and facilities. Upon request, a federal court could back up the Board's power with an appropriate order. Any violation of such an order would involve a contempt of court. The Board was also authorized to enter such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the functions and duties of the Board. The Board was also authorized to obtain autopsies of victims of accidents occurring within its jurisdiction.

The Senate amendment further empowered the Board to issue regulations as needed to carry out its task. If an interested person filed an objection to a proposed regulation and requested a public hearing, such a hearing must have been held prior to adopting any final regulation. Other powers granted to the Board included the authority to (1) use on a reimbursable basis or otherwise, available services, equipment, personnel, and facilities of the Department of Transportation and of other civilian or military agencies or instrumentalities of the federal government; (2) confer with employees and use available services, records, and facilities of State, municipal, or local governments and agencies; (3) employ experts and consultants in accordance with section 3109 of Title 5, U.S.C.; (4) appoint one or more advisory committees as is necessary; (5) accept voluntary and uncompensated services; (6) accept gifts or donations of money or property; and (7) enter into contracts with public or private non-profit entities for the conduct of studies related to any of its functions.

The Senate amendment provides for joint submission of budget requests and recommendations and empowers the Board to designate representatives to serve or assist on such committees as the Chairman deemed necessary and to conduct inquiries to secure data necessary to carry out its functions.

With regard to the use of Board reports as evidence, subsection (c) of section 304 of the Senate amendment provided that no part of any such reports relating to any accident or the investigation thereof shall be admitted as evidence or used in any suit or action for damages growing out of any matter mentioned in such report or reports. Finally, subsection (d) provided that any order issued by the Board under this Act shall be subject to review by the appropriate court of appeals of the United States.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment with the following modifications:

First, the conferees substituted a new provision outlining the nature of marine accidents which the Board shall investigate. This modification was made in deference to the Merchant Marine and Fisheries Committee of the House which has jurisdiction over the Coast Guard. The new section provides that the Board shall investigate or cause to be investigated, and determine cause or probable cause of a major marine casualty, except as involving only public vessels, occurring on the navigable waters or territorial seas of the United States or involving a vessel of the United States, in accordance with regulations to be prescribed jointly by the Board and the Secretary of the department in which the Coast Guard is operating. This section should not be construed to eliminate or diminish any responsibility under any other Federal statute of such Secretary. Finally, where there is a marine casualty involving a public vessel and any other vessel, such casualty shall be investigated, the cause or probable cause determined, and the report made available to the public by either the Board or the Coast Guard.

The conferees intend the Board to continue the role it has always played in the investigation of marine casualties; this new legislation is not intended to modify that role. Under both the language which was deleted in the Senate amendment and the new language in the conference substitute, an agency of the Federal Government will now be required to investigate and report publicly on a marine casualty which involves a public vessel and a non public vessel.

Second, the conference substitute provides new criteria which define the type of accidents in the other modes which the Board shall investigate. With regard to motor carrier, railroad, and pipeline accidents, the conferees deleted the reference to property damage in terms of dollars. With regard to railroad and pipeline accidents, the Board shall investigate those accidents where there is "a fatality or substantial property damage". With regard to motor carrier accidents, the Board shall investigate those accidents that it selects in cooperation with the States.

The Board's record of investigating aviation accidents has, in general, been outstanding, and the conferees do not intend that the Board relax its efforts in this area. Rather, additional resources should be sought and utilized in the investigation of more accidents involving the surface modes—particularly railroads and pipelines.

Third, the conferees agreed to clarify the Board's authority to establish regulations to carry out its duties under the Act. Under the language contained in the Senate amendment, there was some confusion as to whether the Board would have regulatory authority. To clarify this, the conferees have deleted the language that was in the Seante amendment and replaced it with language which is in the existing section 5 of the Department of Transportation Act. This language provides that "the Board shall . . . establish such rules and regulations as may be necessary to the exercise of its functions."

Fourth, a change was made in the simultaneous budget submission provision. As changed, an office or agency of the United States may request (but not compel) the Board to submit its budget estimates, information, requests, testimony or comments prior to the submission of such recommendations, estimates, information, testimony or comments to the Congress.

Safety advocacy

House Bill

No provision.

Senate Amendment

The Senate amendment would have created a new role for the National Transportation Safety Board—that of Safety Advocate. Under the provision, the Board was authorized to intervene as a party in rulemaking and similar proceedings conducted by other Federal agencies, when it appeared in the judgment of the Board, that such proceedings may substantially affect aviation, maritime, motor vehicle, railroad, or pipeline safety. The Board was to be governed by the rules governing regular parties intervening in such proceedings, except that where no rules authorized intervention, the Board was afforded an opportunity to present facts and arguments to responsible officials in an orderly manner. The provision additionally allowed intervention in State proceedings where the proceedings may affect transportation safety and where the Board's participation had been requested by the State Governor, the State safety agency, or the State entity conducting the proceeding.

Conference Substitute

The conference substitute omits this provision of the Senate amendment. The conferees do not intend by this deletion to alter any authority of the NTSB to participate in rulemaking proceedings of the various transportation safety agencies.

ANNUAL REPORT

House Bill

No provision.

Senate Amendment

The Senate amendment required the Board to report to Congress on its activities on July 1 of each year. The report shall include (a) a statistical and analytical summary of transportation accidents investigated and reviewed by the Board; (b) a survey and summary of the Board's recommendations; (c) a summary of the activity of the Board in advocating the cause of safety in transportation; (d) an appraisal in detail of the accident investigation and accident prevention activities of other government agencies; (e) a biennial appraisal and critical evaluation and review including recommendations for legislative and administrative action and change with respect to aviation accident investigation and safety, marine accident investigation and safety; highway and motor vehicle accident investigation and safety, railroad accident investigation and safety, pipeline accident investigation and safety, and hazardous materials transportation and safety advocacy activities.

Conference Substitute

The conference substitute adopts the report provisions of the Senate amendment with technical and conforming modifications to reflect the substantive provisions of the law as reported by the conferees.

Public access to information

House Bill

No provision.

Senate Amendment

The Senate amendment provided that copies of any communication, document, investigation, or other report, or information received or sent by the Board or any member or employee thereof, shall be made available to the public upon identifiable request, and at reasonable cost. Nothing contained in the information provisions of the Senate amendment shall be deemed to require the release of any information described by 5 U.S.C. 552(b), or which is otherwise protected by loss in exposure to the public. Additionally, the information may not be publicly released if it concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information may be disclosed in a manner to preserve the confidentiality of such information without impairing the proceedings to other Federal Government departments and agencies for official use; (2) upon request, to any Committee of Congress having jurisdiction over the subject matter to which the information relates; (3) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceedings; or (4) to the public in order to protect health and safety after notice and opportunities or comments in writing.

Conference Substitute

The conference substitute adopts the provision of the Senate amendment with minor drafting modifications.

Conforming amendments

House Bill

No provisions.

Senate Amendment

The Senate amendment deleted Section 5 of the Department of Transportation Act which defined the existing authority of the National Transportation Safety Board. In addition, it made several other technical amendments in Section 4 of that Act.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment.

Response to Board's recommendation

House Bill

No provisions.

Senate Amendment

The Senate amendment provided that whenever the Board submitted any recommendation regarding transportation safety to the Secretary of Transportation, the Secretary shall respond to such recommendation formally and in writing not later than sixty days after receipt thereof. The Secretary could adopt the recommendation in whole, in part, or not at all. However, to the extent to which he indicated that he would not adopt a recommendation, he was required to state his reasons therefor. To the extent that he had decided to adopt the recommendation, then he would be required to provide a proposed time-table for adopting the recommendation.

Conference Substitute

The conference substitute adopts the provision of the Senate amendment with one modification. Rather than requiring the Secretary to respond within sixty days of the date of receipt of the recommendation, the conferees extended that period to ninety days.

Authorization of appropriations

House Bill

No provisions.

Senate Amendment

The Senate amendment authorized to be appropriated for the purposes of this Act not to exceed $14 million for the fiscal year ending June 30, 1975; $16 million for the fiscal year ending June 30, 1976; and $18 million for the fiscal year ending June 30, 1977.

Conference Substitute

The conference substitute authorized to be appropriated for the purposes of this Act, such sums as are necessary, not to exceed $12 million for the fiscal year ending June 30, 1975, and $12 million for the fiscal year ending June 30, 1976, such sums to remain available until expended.

HARLEY O. STAGGERS,
JOHN JARMAN,
JOHN D. DINGELL,
SAMUEL L. DEVINE,
DICK SHOUP,
Managers on the Part of the House.
WARREN MAGNUSON,
VANCE HARTKE,
HOWARD W. CANNON,
TED STEVENS,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills H.R. 16204 and H.R. 14266.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

RESIGNATION FROM AND APPOINTMENT TO JOINT COMMITTEE ON ATOMIC ENERGY

The SPEAKER laid before the House the following resignation from the Joint Committee on Atomic Energy:

DECEMBER 13, 1974.

Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation as of today, December 13, 1974, from the Joint Committee on Atomic Energy.

Sincerely yours,

CHET HOLIFIELD.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of 42 United States Code, section 2251, the Chair appoints as a member of the Joint Committee on Atomic Energy the gentleman from California, (Mr. MOSS) to fill the vacancy, and the Senate will be notified of the action of the House.

APPOINTMENT OF CONFEREES ON H.R. 16596, COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, DOMINICK V. DANIELS, GAYDOS, MEEDS, QUIE, ESCH, and STEIGER of Wisconsin.

RESIGNATION AND APPOINTMENT AS CONFEREE ON H.R. 5356, TOXIC SUBSTANCES CONTROL ACT

The SPEAKER laid before the House the following resignation from a committee:

DECEMBER 12, 1974.

Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Due to the demands upon my time as I leave the House and vacate my office, I am resigning as a member of the House-Senate Conference Committee on S. 426 (H.R. 5356), the Toxic Substances Control Act.

After months of labor on the legislation I regretfully offer this resignation.

With warm personal regards.

Sincerely,

JOHN H. WARE.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Illinois (Mr. YOUNG) to fill the vacancy, and the Senate will be notified of the action of the House.

LEGISLATIVE PROGRAM FOR WEEK OF DECEMBER 16, 1974

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time in order to have the majority leader advise us of all the business we have for next week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the whip notice for the week of December 16 is as follows:

On Monday we will have the Consent Calendar and suspensions.

Suspensions are in order every day until the end of the session.

Under suspensions we will have a House resolution making conference reports in order on day reported;

S. 1283, energy research and development conference report;

H.R. 17504, American Film Institute Act;

H.R. 17382, establishment of an American Folklife Center in the Library of Congress;

H.R. 2933, improve quality of filberts;

S. 1901, relating to construction of mint buildings;

S. 3934, Federal-Aid Highway Amendments of 1974;

S. 4073, to extend certain authorizations under the Federal Water Pollution Control Act;

H.R. 17558, relating to the St. Lawrence Seaway Development Corporation;

Senate Joint Resolution 224, authorizing the President to proclaim January 1975 as "March of Dimes Defects Prevention Month";

S. 4013, amend act incorporating American Legion; and

H.R. 17311, procedures for certain protective services of the Secret Service.

Mr. Speaker, the votes on the suspensions will be postponed until the end of the suspensions.

Then we will have:

H.R. 15263, Rice Act, under an open rule with 2 hours of debate;

H.R. 17481, Harry S. Truman Memorial Scholarship Act, under an open rule, with 1 hour of debate; and

H.R. 6668, State lotteries, under an open rule, with 1 hour of debate.

On Tuesday and Wednesday we will have the Private Calendar and suspensions. The suspensions are:

S. 1083, to amend certain provisions of Federal law relating to explosives;

S. 663, judicial review of decisions of Interstate Commerce Commission;

H.R. 16215, to amend the Coastal Zone Management Act of 1972;

S. 3943, agricultural conservation time extension;

S. 3289, Kaniksu National Forest land transfer;

H.R. 15320, Sabine River Authority exemption;

H.R. 11343, national fuels and energy conservation policy;

H.R. 17346, additional historic properties;

S. 1017, Indian participation in Government and education;

H.R. 10491, forest reserves land leasing;

H.R. 12690, Lower St. Croix Act amendment; and

S. 3976, to remove the expiration date for a limited copyright in sound recordings.

Then we will have:

The joint resolution on continuing appropriations for fiscal year 1975;

H.R. 17409, speedy trials, under an open rule with 1 hour of debate; and

S. 1868, Rhodesian chrome, under an open rule with 2 hours of debate.

On Thursday and the balance of the week we will have the House resolution on the nomination of Nelson A. Rockefeller to be Vice President of the United States, subject to a rule being granted.

Mr. Speaker, conference reports may be brought up at any time.

Any further program will be announced later.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I see no listing of the "foreign giveaway appropriation bill." Are we passing an authorization bill, or are we going to quit this session by passing an authorization and not an appropriation?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, we have announced that conference reports may be brought up at any time.

Mr. GROSS. There can be no conference report. We have not even considered an appropriation bill.

Mr. O'NEILL. The foreign aid authorization bill will have a conference report. If the conference report on that does not come back, of course, it would mean a continuing resolution.

Mr. GROSS. Then the distinguished majority leader is saying that if the conference report comes back and that conference report is adopted and sent to the White House, the President, being enthusiastic on foreign aid, would sign it without any trouble. Then, I guess, we will have an appropriation bill. Is that correct?

Mr. O'NEILL. Well, that has not been decided as yet, but I would have to say to the gentleman, I would go along with such an anticipation.

Mr. GROSS. Then we would have an appropriation?

Mr. O'NEILL. That would be the normal policy. The gentleman from Texas (Mr. MAHON) is not here at the present time, but I would presume that if the foreign aid bill comes out of conference and is adopted by this House and by the Senate and sent to the President, then we would be in a position to have the Foreign Aid bill; but that is a long bit of anticipation.

Mr. GROSS. Well, of course, the gentleman from Iowa will not be surprised if, in the continuing resolution, the foreign aid appropriations is there somewhere. I just wondered whether or not the next Congress will pass a give-away bill for foreign aid.

Mr. O'NEILL. Knowing the gentleman's tremendous knowledge as a member of the Foreign Affairs Committee, he can anticipate that likelihood as well as anyone else.

Mr. GROSS. I would simply like to have at least one more opportunity to vote against an appropriation for foreign aid. That is my only interest in this matter.

Mr. O'NEILL. Does the gentleman mean the Ford foreign aid bill?

Mr. GROSS. Well, yes; that is a good title for it.

Let me ask the gentleman why the vote on the nomination of Mr. Rockefeller is put over until the last dog is hung, or whatever we want to call it?

Mr. O'NEILL. Well, we have to wait under the rules, as the gentleman knows. It was reported yesterday and it takes 3 days and, consequently, it will not be before the Committee on Rules until Tuesday or Wednesday. We are following the rules of the House along the line the gentleman has often suggested and it is anticipated that the bill will be up on Thursday.

Mr. GROSS. I thank the gentleman.

Mr. O'NEILL. Just one moment. This may be the last opportunity for the gentleman from Iowa (Mr. GROSS) to express his wishes to the Members of the House. Is there anything else the gentleman wants to bring up?

Mr. GROSS. My last opportunity to do what?

Mr. O'NEILL. Well, to engage in these dialogs; we have grown to enjoy them and I am really going to miss them. Most significantly though, I am going to miss the gentleman from Iowa, who has kept us all on our toes for more than 25 years. No member of this House has been more dedicated, more hard-working, more honorable, or more sincere than the distinguished gentleman from Iowa.

Mr. GROSS. I hope for those that want to be with their families at Christmas and not have to decorate a tree here that this legislative announcement will be the last.

Mr. O'NEILL. I want to say that I have deeply appreciated the gentleman's comments.

Mr. GROSS. I thank the gentleman. That is certainly reciprocated.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts (Mr. O'Neill).

There was no objection.

Mr. ARENDS. Mr. Speaker, if the gentleman from Massachusetts will yield further, this reminds me that this is the last time I will be asking the majority leader what the program will be for next week. I might say it has been a pleasure to do business with the gentleman.

Mr. O'NEILL. I thank the gentleman for his business. I wish we could relate the story of the two fellows under the bar. If we were not in the House, I would ask the gentleman to proceed with the story.

Mr. Speaker, while the House is in such an expansive mood, I ask unanimous consent that starting Tuesday next that the House meet at 10 o'clock for the remainder of the week.

Mr. *BAUMAN*. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

ADJOURNMENT TO MONDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from *Massachusetts?*

There was no objection.

REQUEST FOR SPECIAL ORDER ON RETIRING MEMBERS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that at the conclusion of legislative business on Monday, December 16, 1974, and following the special orders of Mr. Michel and Mr. O'Brien, of Illinois, I may be permitted to address the House for 1 hour for the purpose of permitting all Members to pay tribute to those of our colleagues who are retiring at the end of the 93d Congress.

After consultation with the minority leader and with the gentleman from Illinois (Mr. Michel) it seemed appropriate that Members have an opportunity to pay tribute to the many retiring Members on both sides of the aisle, to immediately follow the remarks to be made on the retirement of the beloved minority whip, the gentleman from Illinois (Mr. Arends).

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MONTEBELLO USES RENEWAL SHARING FUNDS WISELY

(Mr. DANIELSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, as we are approaching the expiration date of the general revenue sharing program, which is scheduled to run through December 31, 1976, I would like to call to the attention of my colleagues the experiences one of the fine cities in my district has had through participation in this program.

The city of Montebello has been able to meet pressing needs in the community through the use of revenue sharing funds. I have received a letter from Mayor Phillip M. Ramos illustrating the instances where wise use of revenue sharing funds afforded the city the realization of public facilities. It is my hope that the experiences of such fine cities as Montebello may be taken into consideration when Congress considers the extension of the general revenue sharing program. Mayor Ramos' letter reads as follows:

City of Montebello, Calif.,
November 19, 1974.

Hon. George E. Danielson,
Senate Office Building,
Washington, D.C.

Dear Congressman Danielson: Our City Council supports the reenactment of the general Revenue Sharing Program. We are of the opinion that this Program is one of the most efficient and effective vehicles for employing federal dollars to meet local problems. Since local agencies deal directly with local problems, we feel they can best identify the needs in their communities, and the Revenue Sharing Program has enabled them to meet these needs. Needs, that in most cases, without revenue sharing funds, would not have been met.

In Montebello, over one million dollars of revenue sharing funds have been committed to park development and improvement. The City was not only below federal standards in this area, but our citizens had expressed the need for new and improved parks. The City was unable to finance the needed improvements itself, and the Revenue Sharing Program is the only reason we have been able to take action in this area.

Montebello has also committed revenue sharing funds to provide a site in the City through which the County of Los Angeles will provide pediatric health care services. This action was taken after it was brought to our attention that an area within our City had the highest infant death rate in all of Los Angeles County. The County was unable to fund this center totally and after negotiations with them, we agreed to provide a facility if they would staff it. Once again, the City was able to meet a pressing need through the use of revenue sharing funds.

These uses of revenue sharing funds are clear examples of how this City is expending federal dollars to provide needed services on the local level. We feel this is an extremely efficient means by which the Federal Government can help to meet the pressing needs of the people on a local level, and would urge your active and public support of the reenactment of the Revenue Sharing Program.

Very truly yours,

Phillip M. Ramos,
Mayor.

POLITICS AND THE WINDFALL PROFITS BILL

(Mr. FRENZEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, yesterday the Rules Committee defeated the oil windfall profits bill that would, according to this morning's Post, have "wiped out the oil depletion allowance, raised oil industry taxes more than $3 billion and given two-thirds of the money back to about 40 million low- and middle-income families."

The Rules Committee vote should be very instructive to the American people, because it tells a dramatic story about a political party and its promises. For well over a year these Halls and the press have been filled with noisy Democratic indictments of the enormous, unfair profits that oil companies were wringing from the oppressed low-income people of our country. They were filled also with the promises of wonderful things Democrats, individually and collectively, would do to slay the oil dragon and rescue the low-income maiden.

One year ago, then-President Nixon and then-Secretary Schultz proposed an emergency oil windfall profits tax. One of the great committees of this House wrestled with that proposal and brought out a bill. The bill has languished in the hands of the Democratic leadership of this House for 3 months before being presented to the Rules Committee yesterday.

I remember—I wonder if the people do, too—that this is no ordinary committee. Instead of the normal 60 percent Democrat majority, it has 67 percent. It is the declared haven of "reliable Democrats" and has been described by the Washington Post as a "liberal sieve." It is the tool of the Speaker, himself, and speaks for the Democrat majority as does no other committee.

There may be an excuse. Instead of political duplicity, the failure of the oil windfall tax bill may be due to simple ineptitude. The people will take great comfort in the thought that their congressional majority may occasionally mean what it says, but, on those occasions, it lacks the ability to do what it says it wants to do.

There may be another excuse. The House Democrats could not pass the bill because Senate Democrats would kill it. That will be another great source of comfort to the people. The Senate is the echo chamber from which the most strident antioil sounds have emanated. Does that mean that the great Senate energy and tax experts do not mean what they say? Or does it mean that the reason we have not put a dime's worth of energy policy on the statute books is because the great Senate energy and tax experts do not have a dime's worth of leadership within their own majority party?

The public has a wonderful choice here—false promises or simple ineptitude. Isn't it wonderful that we will have a two-thirds Democrat majority next year? Hooray for reform.

SHOULD WE TAKE ANOTHER INCREASE IN OIL PRICE?

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, I was shocked to learn this afternoon of the price increase of imported oil decreed by the OPEC nations. This action constitutes a further and, perhaps not final, ugly assault on the nations of the free world.

There apparently is no hope of negotiation or compromise in this climate of destructive greed. Congress and the President must find a way to respond to this kind of blackmail before we run out of ransom with which to release oil for our essential needs.

CRITICISM OF DR. DUPONT

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I read with interest and considerable distress an article in today's New York Times quoting Dr. Robert DuPont, Director of the National Institute on Drug Abuse. Dr. DuPont belatedly confirms what urban law enforcement officials have said for some time—that the incidence of heroin addiction and related drug abuse has not declined and that we can expect an upswing in the coming year.

Dr. DuPont pointed to the new heroin distribution system as the key factor behind the increase while assuring us that all developments are being closely monitored by his agency and other Federal officials. Without disclosing the details of his agency's planned response, the good doctor tells us:

> We have a major program underway which combines a supply reduction-demand reduction strategy.

I only wish Dr. DuPont's interest in the quality and effectiveness of the 328 drug treatment programs his agency funds at a cost of $104 million equalled his intrigue with the heroin trafficking and the social costs of drug abuse. Only yesterday I received a response from Dr. DuPont to an earlier inquiry of mine in which I asked NIDA to evaluate the efficacy of the various federally subsidized drug treatment programs in New York City.

My request was a result of a dispute now underway in New York City between directors of the drug treatment programs and the city agency responsible for program oversight, the addiction services administration. The addiction services administration has criticized the programs' operations and in some instances threatened to cut off funding; in turn, the programs' directors have charged that the criticisms are unfair, inaccurate, and the result of an incompetent city administrator. I do not have the expertise to evaluate the counter-criticism—and this is why by letter of November 1, 1974, I requested that Dr. DuPont's office conduct a thorough evaluation of the drug treatment programs and the city administering agency.

But, by letter of December 10, Dr. DuPont rejected my request. He claims that he lacks the power to evaluate the success of the very programs his Agency funds. What is more disturbing is his apparent lack of recognition or interest in the critical importance of continuing evaluation by the NIDA of drug treatment modalities. The Agency spends millions of dollars on the programs but does little to be sure that the funded programs are doing a good job. More than bookkeeping audits are needed.

While it is helpful to have Dr. DuPont's information on narcotics importation, the responsibility for this problem lies with the law enforcement agencies. What we need from Dr. DuPont and NIDA is closer monitoring of the drug treatment programs. The energies of this office are needed on the urban home front where our knowledge of the cost effectiveness of drug treatment programs is almost primitive.

It is all well and good for us to periodically assess the progress in our national fight against the illegal entry of narcotics into this country. But we are sadly mistaken if we think we can invest millions of dollars in drug treatment programs without periodically taking a penetrating and demanding look at the effectiveness of our efforts, as measured by detoxification and a return to productive social endeavors.

Dr. DuPont can start us down this road by immediately assigning NIDA personnel to New York City to evaluate both the efficacy of drug treatment programs under his jurisdiction and the effectiveness and competence of the city's drug agency, addiction services administration.

Mr. Speaker, for the information of my colleagues I am submitting the text of my original letter to Dr. DuPont and his response:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., October 29, 1974.
Dr. ROBERT DUPONT,
Director, National Institute of Drug Abuse, Rockville, Md.

DEAR DR. DUPONT: I would like to bring to your attention a very important matter requiring some immediate response on the part of your Department, which administers the millions of dollars going into drug addict treatment programs. I believe that in the State of New York we are spending a combined total of City, State and Federal monies of $118 million on various addiction programs ranging from the methadone maintenance to drug free. At the present time there is a major battle underway between many of the programs assisted by public funding and Administrator Jerome Hornblass of the Addiction Services Agency of the City of New York. As someone who is very concerned with the quality of these programs and their oversight, I am taking a great interest in this matter.

Some of the programs receiving public funds have been criticized by the Administrator. The program officers so criticized believe the criticisms to be unfair, inaccurate and the result of an incompetent City Administrator. On the other hand, the Administrator takes the position that many of the programs have been incompetently administered by the private agencies, and feels their objections are without merit and based upon his refusal to refund certain programs at the same level as in past years because of a failure to correct deficiencies disclosed by his audits. Frankly, I don't have the expertise to evaluate the counter criticisms but I do know that there is an enormous federal involvement in our State's drug treatment programs amounting to $298 million.

I understand that your office does have adequate fiscal auditing of various programs but that is not what is in question at this time. The kind of auditing required is that of program evaluation. I believe it to be essential that your office conduct an evaluation of the efficacy of these various programs receiving public funding. Simultaneously, I would ask that you conduct an evaluation of the efficiency and competence of A.S.A. and its procedures vis a vis those private agencies receiving federal funds.

This is a matter of great urgency for various private agencies whose funding is now in danger of partial termination by A.S.A. because of disputes between the program directors and the Administrator. Therefore, I would hope that you would assign appropriate staff to make this evaluation as expeditiously as possible.

I am enclosing material provided me by the Ad Hoc Committee of Drug Treatment Programs which includes directors of the following programs: Daytop Village, Elmcor, Logos, Odyssey House, Phoenix House, Project Return, Reality House, Samaritan and Veritas.

I do not have the A.S.A. evaluations of these programs but I'm certain they would be available to you at your request.

I look forward to hearing from you at your earliest convenience on this matter.

Sincerely,

EDWARD I. KOCH.

NATIONAL INSTITUTE ON DRUG ABUSE,
Rockville, Md., December 10, 1974.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of November 1 asking that we evaluate allegations of public distortions within the New York City drug treatment community and specifically the actions of the Addiction Services Agency.

The National Institute on Drug Abuse has neither the legislative mandate nor sufficient staff to investigate and determine the accuracy of the allegations. We do think it is within our responsibility to attempt to help all segments of the drug abuse treatment endeavors to maximize their energies on behalf of assisting patients. Public discord does not enhance our efforts or our effectiveness.

To achieve this we have been meeting with all levels of the service system from the Single State Agency, in this case the Drug Abuse Control Commission, through the private non-profit community based programs. Following an initial meeting in New York City on November 3–4–5–6, 1974, we have scheduled followup sessions for January 6, 1975 and beyond.

We cannot address all complaints which have been aired. It is our intention to establish open and direct working relationships with all segments of the treatment community to enable us all to work together productively.

To date our involvement in this process has been accepted by all parties. It is hoped that our mutual concern with the needs of people who abuse drugs will enable us to successfully use this process for the good of the field and its clients.

We appreciate your concern with this difficult situation. Please be assured of our continued and earnest efforts to achieve a useful solution.

Sincerely yours,
ROBERT L. DUPONT, M.D.,
Director.

LOTTERY AMENDMENTS NEEDED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, the lottery bill reported by the House Judiciary Committee is commendable in that it at least removes a few of the archaic restrictions which hamper the operation of legal lotteries. But the bill is not broad enough to eliminate even basic problems.

The committee bill will permit only newspapers published within a State which operates a lottery to print lottery information. For example, this narrow language will prohibit the Washington Post or the Star-News from carrying advertisements or other information concerning the Maryland lottery, as they currently illegally do, because they are printed in the District of Columbia, a nonlottery State for the purposes of the bill.

It would permit the New York Times to print information concerning the New York lottery, but would deny out-of-state papers with New York distribution that privilege. That scene would be repeated time and again across the country. The St. Louis Post-Dispatch and Globe Democrat could not publish Illinois lottery material, despite their large Illinois circulation.

Other activities would also be prohibited, necessitating perhaps judicial action against various States. The State of Connecticut has been using a business reply permit issued by the U.S. Postal Service in the operation of its lottery. Connecticut lottery material which is in my possession was received in Illinois. The Postmaster General's office has informed me that this use is "probable violation of 18 U.S.C. 1302."

The minimum improvement which should be made in the bill is an amendment to permit media and the Postal Service anywhere in the Nation to carry information about a lottery which is conducted by a State.

Still better would be an amendment which would accord the same status to any lottery—private as well as public—which is legal within a State.

I see no justification to giving preferential treatment to a lottery just because it is conducted by a State government, as contrasted with a church or service club.

Finally, I wish to express my objection to the action of State governments in establishing lotteries as a way to raise public revenue. In my view this is a poor way to finance government. However, where lotteries are legal the absurdity should be ended under which the lottery cannot use normal means of communication.

During House consideration of the bill, I will offer these amendments:

AMENDMENTS TO H.R. 6668

Page 1, strike out line 6 and insert in lieu thereof the following:

"§ 1307. Lotteries which are lawful in the State in which they are conducted.".

Page 2, line 1, after the word "lottery", strike out all that follows down through and including line 7, and insert in lieu thereof the following: "which is lawful in the State in which it is conducted and which is (1) contained in any newspaper of general circulation, or (2) broadcast by a radio or television station in any State."

Page 2, beginning on line 8 and ending on line 9, strike out "to addresses within a State".

Page 2, line 11, after the word "lottery" strike out all that follows down through and including line 12, and insert in lieu thereof the following: "which is lawful in State in which it is conducted.".

Page 2, strike out the material following line 24, and insert in lieu thereof the following:

"1307. Lotteries which are lawful in the State in which they are conducted.".

Page 3, beginning on line 10 and ending on line 11, strike out "published in a State".

Page 3, line 4, beginning immediately after "use" strike out all that follows down through and including line 5 and insert in lieu thereof the following: "in a lottery which is legal in the State in which it is conducted."

Page 3, beginning on line 12, and ending on line 13, strike out "conducted by that State acting under the authority of State law," and insert in lieu thereof the following: "which is legal in the State in which it is conducted,".

Page 3, beginning on line 14 and ending on line 15, strike out "within that State to addresses within that State".

Amend the title so as to read as follows:

To amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries which are lawful.

ROCKEFELLER NOMINATION SHOWS PRESS BIAS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, if there ever was a classic example of managed news and press bias, the nomination of Nelson Rockefeller as Vice President and the so-called public airing of the candidate illustrates it to the "*n*th" degree. Compared to the scrutiny in the press of other nominees in other situations, you can only wonder. In the 1964 Goldwater race, the press was irresponsible in many ways. They even gave wide coverage to a so-called psychiatric report of a doctor who had never even met or interviewed the Arizona Senator. You could fill this record with examples of their "quest for the truth" of the past decade which strangely enough ends up being rather one sided against conservatives and favorable to their pet liberals.

In the cases of Nixon, Agnew, Haynsworth, and Carswell the press looked upon every belch as a possible lead worthy of follow up. Not so with Nelson Rockefeller. There are so many conflicts of interest, so many questionable activities, so many examples of privileged treatment which have not been followed through by the one-eyed press. Looking out of their liberal eye at Nelson Rockefeller, they retreat into the comfortable argument "oh well, he is just too rich to ever do anything like that" or "he does not need to personally enrich himself" or the other stereotyped kiss off arguments we have heard.

Anyone else receiving the draft board treatment he received would have been labeled for life by the media. Anyone engaging in the self-interest deals that the Rockefellers have over the years would be hooted into oblivion. Just take one area that smells and needs further investigation. My point is that anyone else would have been subjected to a different press scrutiny if the facts added up in this way:

On January 27, 1960, David Rockefeller addressed a letter to his brother Nelson, as Governor of New York State, Robert B. Meyner, as Governor of the State of New Jersey and Robert F. Wagner, as mayor of the city of New York. He urged the building of a World Trade Center in lower Manhattan by the Port of New York Authority. A copy of the letter which is appendix A was published in an official brochure promoting the World Trade Center.

As I understand the facts in piecing them together, in order to guarantee the building of this edifice, the State of New York agreed to place official State agencies totaling 8,000 employees in the new complex. This was, in fact, done. The October 26, 1971, issue of the New York Post—appendix B—reported that 48 floors of the South Tower of the 110-story World Trade Center had been rented by the State of New York. The State agreed to pay $16,000,000 a year for 40 years for the rental. After 40 years, the State would pay only the maintenance which, at present prices, would total $8,000,000 a year. As the result of this, the three office buildings owned by the State of New York in New York City are not being utilized; 270 Broadway has been almost emptied of State offices. The Motor Vehicle Bureau is the only agency left at 80 Center Street, the rest of the building is empty. The brand new State Office Building in Harlem is totally empty as it was allegedly built with safety violations that prevent its use. This building was a previous Rockefeller edifice and cost the taxpayers a considerable amount of money and displaced many business.

The World Trade Center is owned by the Port of New York Authority, but financed by bonds issued to the public. The January 19, 1966, issue of Frontier News, a local paper in Manhattan—appendix C—charged that the Trade Center was, "designed primarily for private gain to its bondholders of which David Rockefeller is prominently mentioned." Although I did not have time to develop evidence that David Rockefeller or the Chase Manhattan Bank held port authority bonds specifically related to the World Trade Center, I was able to obtain the port authority annual report for 1973 which shows that in December 1973, the port authority borrowed a total of $100,000,000 from 14 banks including the Chase Manhattan. This loan to be repaid in six annual installments. Page 60 appears as appendix D. The same report identifies William J. Ronan as having been appointed to the port authority board by Governor Rockefeller in 1967 and reappointed in 1971. In 1972, Ronan was elected vice chairman of the port authority board. Page 47—appendix E. Ronan, as you will remember, was the recipient of considerable Rockefeller generosity.

During the confirmation hearings, a representative of the National Lawyers Guild made reference to this possible conflict of interest. As she had no supporting evidence, she was taken to task by the members of the Judiciary Committee. The enclosed material, while not conclusive evidence of conflict of interest, does raise serious questions. For example: If the interests of the Chase Manhattan Bank were more important than those of the taxpayers of the State of New York who have to foot the additional bills for the rental of more than half of the South Tower of the World Trade Center? What would Nelson Rockefeller's attitude be as Vice President when the Chase Manhattan Bank advocates business deals with the Soviet Union that export American jobs and raise prices for the American consumer?

More than any personal question of Rockefeller, however, these facts do clearly show that a Goldwater, Haynsworth, Carswell, or Nixon would receive different press treatment if it were one of them and their brother involved in dealings of this type. Where is the one-eyed national media?

(APPENDIX A)

To: The Honorable Nelson A. Rockefeller, Governor of the State of New York, The Honorable Robert B. Meyner, Governor of the State of New Jersey, and The Honorable Robert F. Wagner, Mayor of the City of New York.

In its First Report, submitted to the Mayor of the City of New York on October 14, 1958, the Downtown-Lower Manhattan Association proposed a broad redevelopment program for downtown New York in the area extending south to the Battery from Canal Street, west of Broadway, and from Chambers Street and the Brooklyn Bridge, east of Broadway. The favorable reception accorded that report and the developments stemming from it have encouraged us to continue our studies in an effort to make definitive and constructive proposals for the comprehensive program.

The Port of New York is a primary source of commerce and business which underlies the prosperity of the whole Port District of New York and northern New Jersey. With the aid of Skidmore, Owings and Merrill, who also served as planning consultants for our First Report, a proposal has been developed which we believe will assure the continued preminence of the whole Port District and at the same time help to meet a growing need in the broad field of expanding and highly competitive international commerce. A report outlining the basic pattern of this proposal together with illustrative and schematic renderings of one plan by which a redevelopment project might be implemented, is submitted for your consideration.

In the Port Compact of 1921 the States of New York and New Jersey pledged "faithful cooperation in the future planning and development of the Port of New York." In that Treaty they agreed that "a better coordination of the facilities of commerce in, about and through the Port of New York, will result in great economies, benefiting the nation, as well as the States of New York and New Jersey." Under this Treaty the two States created The Port of New York Authority which went forward with the development of marine and inland terminals, airports, bridges and tunnels on a regional basis. The two States have thus joined forces for the promotion and continued development of the flow of their commerce, the import and export trade that is the foundation of business and jobs on both sides of the Hudson River.

The Port of New York Authority thus has the prime responsibility for the promotion and development of the commerce of the Port of New York. Therefore, we recommend that this established bi-state agency be requested to make further intensive and detailed studies and to bring together the agencies of government and business whose coordinated effort and participation is essential to the development of a World Trade Center. The objective of such studies would be the submission of recommendations for the planning, financing, and activation of a World Trade Center within the Port District.

In transmitting this report, the Downtown-Lower Manhattan Association is prepared to be of further help in any way you may deem appropriate.

Yours very sincerely,
DAVID ROCKEFELLER, *Chairman.*
JOHN D. BUTT, *President.*

January 27, 1960.

(APPENDIX B)

[From the New York Post, Oct. 26, 1971]

ROCKY AND THE CENTER: WHO'S AHEAD?

(By Andy Soltis)

The long-debated, off-again, on-again consolidation of the state's major city offices in the two tower superscrapers is not that simple.

"New York will be getting modern facilities in one of the world's finest new buildings," said a state spokesman. "The state will improve efficiency and cut down on expenses like communication. The space is needed and the price is right."

"The state needs more office space like you need a hole in your head," said labor leader Theodore Kheel, a longtime foe of the Trade Center. "Here's a public agency created to promote world trade that ends up building offices for New York and competing unfairly with private business."

"It's a case of the state renting to the state," said Harry B. Helmsley of Helmsley-Spear, Inc., one of the city's largest realty firms.

"Moving into the Trade Center isn't a great coup. I suppose they are saving money by consolidating offices. But they are also giving up properties that the state now rents for much less," said Helmsley, another Trade Center foe.

Despite the opposition, the Trade Center move appear certain. Beginning in February and continuing through December, the state will shift about 8,000 employes from 50 leased offices around the city to the $650 million complex in Lower Manhattan. The last of the movers will be Governor Rockefeller, who will occupy the 85th floor of the South Tower.

The Trade Center, due to be completed next year, is being built by the Port Authority, a public agency whose officers are chosen by the governors of New York and New Jersey.

Annual cost, including maintenance for 2 million square feet in the Trade Center, will be a little less than $8 a foot for the first 40 years, or a total price tag of $16 million a year.

According to the Office of General Services, the state's housekeeping agency, this is a bargain. Two years ago OGS scouted the commercial rental market in Lower Manhattan and was quoted office space at from $3 to $13 a foot. The average was $9.35 for 2 million feet.

"A private outfit can't rent for $8 a square foot and make money," says David Baldwin, president of the Charles F. Noyes realty firm, a major contractor. "Just to make a one dollar profit to build a building for the state and rent the space they want, you would have to charge at least $11."

Four years ago Controller Levitt commissioned an engineering consultant firm, Madigan-Hyland, Inc., to compare the various schemes for maintaining the state's offices in the city.

Some offices would be intentionally decentralized around the five boroughs because they provide neighborhood services as employment centers or mental health clinics. This accounts for more than a million square feet in more than 100 offices around town.

Madigan-Hyland concluded that if all offices were kept where they were now (except for the phasing out of the vintage 80 Centre St. office and renovation of the 270 Broadway office) the state would be spending a million dollars a year less than if the main offices were moved into the Trade Center.

ENDORSE CENTER

But the report endorsed the Trade Center move because of the terms of the State's 99-year contract. After 40 years, the state will pay only for maintenance and upkeep. Currently that comes to about $4 a square foot or half the total cost to the taxpayers. In other words, the state may be paying only half the cost of office rental four decades from now.

"We can't tell what maintenance costs will be in 40 years but we figure that we'll be saving a lot in the long run," a state official said.

Does the state need all this space? In addition to the 2 million square feet in the Trade Center, the state will keep both 270 Broadway and 80 Centre St., which it owns, plus the 260,000 square feet of the Harlem office building under construction.

"We anticipate that state services will increase in the coming decades and that we'll need every inch. The demand for services increases every year," is the state's reply.

If anybody is the loser in this move, it is the real estate industry and the city taxpayer.

"The office rental market has been severely aggravated by the addition of the Trade Center's 10 million feet," Helmsley said. "Without that 10 million feet we would have a normal situation. But the Trade Center is the straw that breaks the camel's back."

In short, Lower Manhattan is glutted with office space going for prices higher than the Trade Center is offering. The Trade Center can offer its room more cheaply because it is funded by tax-free, low-interest bonds. It amounts to "a $50 million a year indirect subsidy," said Kheel, who wants the Trade Center sold or leased to private industry.

The other savings come in taxes. Because of its Port Authority ownership, the Trade Center is exempt from most of $28 million in real estate taxes that the property would call for if privately owned. The Port Authority is paying $6.5 million a year in lieu of taxes. City officials would like to renegotiate the in-lieu payments but so far have had no success.

(APPENDIX C)

[From the Frontier News, Jan. 19, 1966]

TRADE CENTER OR "RAID" CENTER?

(By George Tremberger)

RAID ON CITY TAX STRUCTURE!

In its own periodic report, released last week, the Port Authority bragged about its wealth and income which has shown an increase of over $37,500,000 during the past two years. If and when this agency constructs its so-called "World Trade Center"—a public purpose project for private gain—they have "reportedly" offered in lieu of taxes—1.7 million of dollars to New York City.

Match this against $5,000,000 in taxes being collected annually in this 13-block area, and by adding up the total "minus" income of this $5,000,000 which the P.A. won't have to pay over the next 50 years ($165,000,000.), we have a modern day case of "highway robbery".

This tax loss will hurt the vital tax structure of New York City and it is truly unfortunate that those who can pay taxes readily circumvent their civic responsibility.

RAID ON ADJACENT OFFICE SPACE!

Real Estate statistics reveal a shortage of tenants in existing New York office space. This serious problem will be doubled if the P.A. erects its two 110-story monstrous edifices. Good substantial buildings in the area will eventually become slum buildings because of loss of tenants. This will hurt the tax structure further.

AID ON SMALL BUSINESSES!

300 successful Businessmen, many of whom have been located there for over 25 years, will be either forced out of business or else will be "re-located" in areas where it could take years to re-build a new clientele. P. A. has offered a "pittance" of 6 months rental as a form of consideration. Several of these businesses gross $250,000 and upwards to millions of dollars annually.

WHAT GOOD IS 6 MONTHS RENT?

Nothing has been offered to these businessmen by the Port Authority for "good will" built up over the years, nor do Port officials realize the loss in business which these businessmen have already had to contend with—during the past 3½ years.

This downtown section is known as "Radio Row"—a flourishing area for consumers all over the world. The feeling on the part of their customers now is: "Who wants to buy equipment from a concern which may not be in business within the year's guarantee time offered on most equipment?" Consequently, business has been off for the past 3½ years and it is a wonder that any of the businessmen have been able to survive this far. (Many of the businessmen are struggling to stay open—with the help of emergency bank loans.)

RAID ON SUPREME COURT "STAY" RULING!

New York City was shocked when Mike Quill tore up a court injunction in the recent transit strike.

By padlocking doors and harassing various tenants in the area, after Supreme Court Judge Brietel issued a stay order, Port Authority officials parallel Mike Quill's actions. They ignore the recent court ruling further by informing tenants that demolition of the area will begin at the end of January, 1966. Again the Port Authority flouts the law by making no allowances for expected Court of Appeals or Supreme Court appeals.

RAID ON NEW YORK STATE AGENCIES!

1,900,000 square feet of office space has been set aside for New York State offices. This tenancy was not submitted in the previous Court of Appeals review. Also, the 1960 space allocations were never presented to the State Legislature.

When Governor Rockefeller made his announcement on January 14, 1964 the newspapers of New York City reported, not only the furor, but the almost universal surprise, expressed by various members of the Legislature. ("New York Times" included.)

RAID ON U.S. CUSTOMS DEPARTMENT

The present site of the Customs Building at Bowling Green is the most desirable spot for the Customs' operation in New York City. The cost of erecting a new building and maintaining the same is less than the exorbitant rent being pledged to the P.A. by G.S.A. ($90,000,000 in public funds.)

Based on its own intensive investigation in Washington, D.C., Frontier News learned of the obvious shenanigan which brought approval of the proposed rental via the House Public Works Committee. It was passed in a hastily called "executive session"—with the help of Port Authority lobbying. THE FULL HOUSE PUBLIC WORKS COMMITTEE MEMBERS WERE UNAWARE OF THIS $90,000,000 OUTLAY!

RAID ON BANK BUDGETS

It has been reported that various New York City banks—not doing World Trade Center business—have been offered ground floor space—but with the proviso that they are required to also rent space on the upper floors. THIS IS CONSIDERABLE PAYOFF RENTAL FOR CHOICE LOCATION and in the final analysis, it is the bank depositor who underwrites this unnecessary expense.

RAID ON CITY PLANNING

The City Planning Commission, under Chairman William Ballard, Jr., has absolutely no files on the planned Port Authority World Trade Center project—even though city streets are involved and city property such as a firehouse etc. Yet, the City Planning group is supposed to be concerned with all developments. How come?

Isn't the area involved—filled-in land? What do the test borings reveal? Won't it be too costly to erect those 2 buildings in this site?

RAID ON THE U.S. CONSTITUTION

As Justice Breitel pointed out in the Courtesy-Path Case, the proper time to consider the constitutionality of any action is when it is actually being taken. THE TIME HAS NOW COME IN THE MATTER OF THE PROPOSED WORLD TRADE CENTER.

The facts placed before the Courts RAISE ISSUE AS TO whether the action now being taken by P.A. (condemnation for the purpose disclosed in its avowed plans) is UNCONSTITUTIONAL in that it is not in accordance with the statute authorizing the creation of a World Trade Center in New York City.

Specifically, in that the action is being undertaken primarily for the purpose of raising revenue and relocating State agencies and Port Authority departments, which is not the primary purpose of the statute. This is a serious constitutional question because the Court of Appeals did not approve any plans of the Port Authority in the Courtesy-Path case. Also, the issue is not merely whether there has been a substantial change in the plans of the Port Authority, but whether any plans of the Authority have ever been primarily for the purpose set forth in the statute. The Port Authority's argument that there is no substantial change between their 1962 plans and their present plans serves only to emphasize the Authority's lack of good faith and credibility. The Port Authority's argument on the eligibility of State and Authority tenancies elevates the technical and subordinate rules of statutory construction over the cardinal rule of seeking out the intent of the legislation.

[From the Frontier News, Jan. 19, 1966]

PORT AUTHORITY POISED TO REENACT POWER PLAY—EXECUTED IN BOSTON

(By John Adams)

All one has to do is read the January, 1966 Reader's Digest article entitled "The Great Boston Power Play", by William Hines of the Washington Star and one will learn how the Port of New York Authority intends to "power play" its own World Trade Center scheme. Although the New York "land-grab", in a highly commercialized section of lower Manhattan, has been temporarily "stayed" by N.Y. State Supreme Court Justice Charles B. Breitel until January 21st, the bi-state Authority has relentlessly increased its deliberate psychological warfare in their determined effort to ruthlessly destroy hundreds of innocent law-abiding, tax-paying businessmen.

Port officials have padlocked hotel doors and have initiated various means of intimidation and harassment to tenants of long-standing in the area. The P.A. has also propagandized the section so thoroughly—they have been able to convince a few businessmen that wrecking crews will start demolishing in the area, on or about January 30, 1966—in spite of what the Appellate Court rules! Aided by the recent transit strike which completely paralyzed the 13-block area, about a dozen businesses have had to give up, relocating where tension is not so great.

The Port Authority does not even intend to give Mayor Lindsay a chance to review the matter of seizing a massive block of real estate property, relatively tax-free. Taxes are of paramount importance to the New City Administration and the proposed Port Authority Trade Center project represents a serious major loss in vital tax revenue.

The Port group headed by Austin Tobin intends to ignore the six (6) Bills (see inside section) filed by the N.Y. State Committee on Affairs of the City of New York, Mr. Tobin did not even bother to attend these extensive hearings held in October and November in 1965. These bills are aimed at curbing the powers of the Port Authority. If they are passed in this legislative session, they could stop the unnecessary erection of the P.A. Trade Center, designed primarily for private gain to its bond-holders of which David Rockefeller is prominently mentioned. Since his brother, Governor Rockefeller has the power of veto, these bills are not expected to pass.

A move is underway to submit these same bills to the New Jersey State legislature. Also, various members of Congress are being asked to pass resolutions calling for a complete review of the compact approved in 1921 since there are deviations from the original concept. However, the power play routine worked so successfully in Boston is being re-enacted locally. The difference between the Boston situation and the N.Y. Port's World Trade Center proposal is that the Boston situation rules out private gain. From here on in, the Port Authority, commonly referred to as the Octopus, moves arrogantly ahead, defying everyone. They are obviously under the misapprehension that they are above the law of the land—which they are not. Their attitude is simply:

Judge Brietel's "stay" be damned!
The Appellate Court be damned!
The Court of Appeals be damned!
The U.S. Supreme Court be damned!
Mayor Lindsay be damned!
Senator Mackell be damned!
New York's Legislature be damned!
New Jersey's Legislature be damned!
Congress-(both houses)-be damned!
President Johnson be damned!
300 local businessmen be damned!

Does anyone, anywhere, question this open policy, as expressed in the Port Authority's arrogant and defiant attitude?

(APPENDIX D)

[Excerpt page 60]

In December 1973, a total of $100,000,000 was borrowed from fourteen banks, under a loan, which is to be repaid in six annual installments with the final maturity due December 20, 1979. The loan is evidenced by notes which bear interest at the rate of 5.45% per annum. The banks participating in the loan are First National City Bank; The Chase Manhattan Bank, N.A.; Manufacturers Hanover Trust Company; Chemical Bank; Midlantic National Bank; Marine Midland Bank-New York; Irving Trust Company; Fidelity Union Trust Company; The Bank of New York; United States Trust Company of New York; The County Trust Company; Peoples Trust of New Jersey; Franklin National Bank; and The Bank of Tokyo Trust Company. These notes are special obligations of the Authority, the principal and interest of which are payable from monies available in the Consolidated Bond Reserve Fund. Neither the loan nor the interest thereon is secured by or payable from the General Reserve Fund.

(Appendix E)

[Excerpt from page 47]

Commissioner William J. Ronan of New York was unanimously elected to be Vice Chairman at a regular meeting of the Board on June 1, 1972.

Vice Chairman Ronan was appointed to the Board by Governor Rockefeller in 1967, upon the resignation of Bayard F. Pope, for the term to 1971. He was reappointed by Governor Rockefeller in 1971.

AMERICAN FOLKLIFE PRESERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I would like to take this opportunity to urge immediate passage of a bill I have sponsored, H.R. 17382, the American Folklife Preservation Act. Over 200 House Members have introduced this legislation, and I have been encouraged. The bill also has the support of more than 50 Senators, and the endorsement of numerous private citizens, professional folklorists, and organizations such as the American Library Association and the American Folklife Society. It was also unanimously reported by the Committee on House Administration.

Briefly stated, the purpose of our bill is to establish an American Folklife Center in the Library of Congress. Since the Library is the basis for library services throughout the country, authorizing the Library to develop, promote, and implement a program of support for American folklife will insure the advancement of folklife in library services generally.

At a time when we are preparing for our Bicentennial, I can think of no more appropriate contribution by the Congress than to preserve our country's folklife. We have always respected and fostered cultural differences among the American people, recognizing the importance of their values and beliefs upon the strength of our country. I am convinced it is in our best interests to preserve American folklife arts and traditions, and hope H.R. 17382 will be enacted without delay.

THE DISMISSAL OF MICHAEL FROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes.

Mr. CONTE. Mr. Speaker, I rise to express my dismay and outrage about the censorship and dismissal of Michael Frome, one of the Nation's foremost conservation writers.

For the past 6 years, Mike Frome wrote an outstanding monthly column on conservation issues for Field and Stream magazine. Last month he was fired, and I believe it was for political reasons.

Mike Frome was fired because he created too much heat in the kitchen for the media barons at the Columbia Broadcasting System, which is Field and Stream magazine's corporate parent. Because he occasionally dared to attack those politicians who control legislation and committees important to CBS, Mike Frome was censored, censured—and finally dismissed.

Mike Frome is a hard-hitting journalist who started the idea of rating Congressmen on their conservation voting records just before election day. Fearlessly, yet responsibly, he attacked the influential along with the inept. When he tagged influential members with "poor" or "marginal" ratings, he caused headaches for CBS. Many politicians complained. Subsequently, Frome's column started to encounter editorial hurdles. He was given less space and some controversial statements were toned down or stricken entirely.

By this year, Mike Frome had been thoroughly censored. A column he submitted in June 1973, concerning dubious transactions between the Bureau of Land Management and real estate developers in New Mexico who were intent on procuring public lands, was killed by the magazine editors, who evidently felt pressure from above. Then the editors also spiked Mike Frome's plans to print a 1974 version of his "rate your candidate" column.

It is intolerable that CBS, which prides itself as a national symbol and defender of the principles of free speech and free press, can get away with firing Mike Frome because he exercised these principles.

Mr. Speaker, I have great respect for the CBS news organization. It is a pillar of integrity and consistency in the structure of our national media. It is a pity that its newsroom policies cannot rule the entire corporate conglomerate.

With the dismissal of Mike Frome, the media barons have tarnished the CBS halo. It appears that when the chips were down, the public interest was sacrificed to the corporation's self-interest. If so, then the firing of Mike Frome must be interpreted as a selfish and hypocritical act.

I note that when CBS was under intense pressure from the Nixon administration to transfer White House reporter Dan Rather, it did not cave in. CBS stood up against that assault, which included the threat of license renewal challenges and antitrust suits. That took courage.

Unfortunately, CBS apparently does not have the courage to withstand political pressure against another employee, a less visible, muckraking magazine columnist. Such inconsistency when revered principles of our democracy are at stake is a source of great disappointment.

The first amendment was intended to preserve and foster a marketplace of ideas. It was not designed to serve as a protective shield for corporate pabulum.

THE UNITED STATES AND VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 30 minutes.

Mr. BLACKBURN. Mr. Speaker, in recent well concerted activities by the pro-Hanoi lobby in our Nation's Capitol, and in some elements of the media some gross distortions have been advanced. Some of these distortions are related to the nature of the Government of the Republic of Vietnam, to the number of so-called political prisoners in Vietnam, censorship of the press, corruption, and persecution of political opposition. Critics of assistance for the Republic of Vietnam refuse to face the realities of their position. At a time of the Paris peace accord and withdrawal of American Armed Forces from Vietnam our Government through Dr. Kissinger made a definite commitment to the people of the Republic of Vietnam and its Government that the United States would continue to provide sufficient aid necessary for their defense and survival from the Communist threat.

Critics of that assistance talk of cease-fire violations by both sides and place the responsibility for it on the Government in Saigon. Yet, the major violations are committed by the Communist regular army from the North and a few thousand Communist irregulars from the South. The North Vietnamese Communists have considerably increased their troop strength in the South since the cease fire. At the time of the Paris peace agreement, they had 160,000 regular troops on the territory of the Republic of Vietnam. As of August 1974, their total troop strength is approximately 270,000.

The North Vietnamese Communists have attacked South Vietnam cities, destroyed schools and massacred children, destroyed hospitals, and whole villages, abducted tens of thousands of civilians, refused to allow the International Commission for Control and Supervision to investigate treaty violations in Communist zones, and failed to designate points of entry to permit inspection of incoming military supplies, all as required by the Paris peace accords.

They have deployed 700 Soviet-made tanks and built a pipeline into the environs of Saigon to keep Hanoi's trucks and tanks refueled.

In addition to 1,600 antiaircraft guns, many of which are radar directed, they have introduced into South Vietnam 35 regular North Vietnamese Army units equipped with SA–2 missile launches and the hand-held SA–7 missiles.

Over the last year, the North Vietnamese Communists have made strenuous efforts to build up their lines of communication into the South. Road and airfields have been constructed in areas controlled by Hanoi's army.

In his most recent report to the Secretary of Defense, James R. Schlesinger, Maj. Gen. John Murray, recently retired U.S. defense attaché in Saigon states:

> North Vietnam troops have had 2 years to build up their supply of arms. Their ammunition stockpiles are up. Today, without question, Hanoi has by far the strongest best-positioned and best-supporting military machine it has ever fielded in South Vietnam.

North Vietnamese Communists have 120,000 tons of supplies stockpiled in the northern half of the Republic of Vietnam and another 40,000 tons stocked away in the South of the country.

Each of these violates explicit provisions of the Paris peace agreement. No comparable violation can be legitimately charged against the Republic of Vietnam.

Second, those who work for the collapse of South Vietnam say that more aid means throwing good money after bad since South Vietnam cannot survive anyway. But, these are the same critics who predicted the Government would collapse as soon as American troops left in March of 1973. If they block aid long enough, maybe they can force their prophecies to come true.

Third, anti-Vietnam lobbyists say they do not want an antidemocratic regime. While the Government of South Vietnam is not a model of liberal democracy, it looks very good indeed when compared with North Vietnam, which is a Communist totalitarian dictatorship. Two brief comparisons may illustrate the point.

In South Vietnam, there are 16 Vietnamese language newspapers of which 13 are classified either as "independent" or "opposition" papers. There is some censorship in the name of national security, which is understandable when considering the fact that the country is in a state of war. Nonetheless, reading the Saigon press suggests that newspapers can and do regularly, and sometimes vigorously, criticize the Government and its policies.

Opposition candidates can compete and win elections in South Vietnam held as constitutionally scheduled. President Thieu's supporters did not control a majority in the Senate from 1967 to 1973. A mere 40 of the 119 candidates seeking reelection to the lower house in 1971 were returned by the voters. The 1971 presidential election was uncontested only because both Nguyen Cao Ky and Duong Van "Big" Ming chose to withdraw after having qualified for the race. In most recent provincial elections in Quang Tri Province, the opposition gained majority representation in the local administration.

The contrast in North Vietnam is clear. All newspapers are owned and controlled by the Government and predictably, are favorable to it. All candidates for the National Assembly must be approved by the Communist Party. In the four elections that have been held at irregular intervals since 1946, not a single member of the National Assembly has ever been defeated.

The continued loyalty of the military—at all levels—to the South Vietnamese Government, the increased support by the peasant masses—roughly a million of whom have gained title to their lands since 1970, and the decline of urban opposition testify to the preference of South Vietnamese voters for their democracy, whatever its shortcomings, rather than Communist control by the north.

The most current political activities in the Republic of Vietnam include demonstrations by the opposition and leadership among the Catholics. Such activities certify two important facts:

One; that peaceful demonstration and constitutionally guaranteed political actions can be freely carried out.

Two; the majority of those demonstrating—the Catholic anticorruption movement under the leadership of Father Tran Huu Thanh—state that the purpose of their movement is to eliminate elements of corruption in order to improve the efficiency of the nation's anti-Communist struggle.

To reduce the military, economic and humanitarian assistance to South Vietnam is to encourage the aggression by the Communist dictatorship of the north, to support adequate aid is to at least make the continued development of democracy possible.

ROCKEFELLER'S LEGAL MEMORANDA CHALLENGED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, after carefully reviewing the record of the confirmation hearings before the Senate Rules Committee and the House Committee on the Judiciary, one is forced to draw a most unfortunate conclusion: neither committee challenged the legal theories set forth in the legal memoranda, documents, or testimony submitted on behalf of the nominee. These materials do not vindicate the former Governor. Quite the contrary, they contain numerous fallacies and misinterpretations of the pertinent law. I have previously presented material setting forth the prima facie case for Mr. Rockefeller's apparent violations of law. I insert at this point in the RECORD additional material demonstrating the need for a thorough and complete examination of Mr. Rockefeller's apparent violations of law:

The individuals who received loans from Nelson Rockefeller were all receiving regular public salaries at the time and were in no way demonstrable "hardship" cases—not a legal defense in any event. In several instances facts already on the public record indicate that the money received from Mr. Rockefeller at the time of the loaning of it was put to immediate work for the beneficiary. Mr. Rockefeller's characterization of these loans as helping people to meet pressing personal needs and responsibilities may be the defense he would present to a court, but the benefits conferred constitute the violation of a statute and demand that a prosecutorial investigation be commenced. This is all the more apparent when the question of intent is examined.

INTENT TO VIOLATE SECTION 200.30

Mr. Rockefeller, in testimony before the Senate Rules Committee on November 14, 1974, insisted that intent was required to violate the gratuities law and that he lacked the requisite intent. At one point he stated, responding to a question from Senator ROBERT C. BYRD:

> And that is a legal question and you're a lawyer and I'm not, but I had reasonably good lawyers and I signed this law (Section 200.30) knowing what I had done and there was no question in my mind.

Senator ROBERT C. BYRD was incorrect in stating that no intent is required to violate the gratuities statute. The term "knowingly" is the second level of so-called "culpable mental states" defined in New York penal law at S. 15.05. Under New York law, any voluntary commission of a crime requires some degree of intent.

Mr. Rockefeller's knowledge of the law does not establish that he could possess no intent to break the law; it could mean that he took greater pains to mask the violations alleged. To understand this requires some examination of the kind of intent involved in section 200.30 and general principles governing criminal responsibility.

In general, one is said to have a criminal state of mind or "mens rea" if he intentionally does the act which the law forbids—here the law presumes intent. In addition, the offender must have some foresight of the probable effect of his conduct. The existence of specific intent must be proved only for certain crimes; in those not requiring specific intent, the intent to violate is presumed from the commission of the proscribed act.

New York's interpretation of its gratuity statute—section 200.30—has depended heavily on Federal case law interpreting the Federal gratuity law; 18 U.S.C. 201(f), United States against Irwin is the leading Federal case. Irwin at 354 F. 2d 192, 196 states that section 201(f) covers the situation where "except for the element of specific intent to influence an official act or induce a public official to do or omit to do an act in violation of his lawful duty." It continues:

> The inequity of the procuring of public officials, . . . intentional or unintentional, is so fatally destructive to good government that a statute designed to remove the temptation for a public official to give preferment to one member of the public over another, by prohibiting all gifts "for or because of any official act" is a reasonable and proper means of insuring the integrity, fairness and impartiality of the administration of the law; at 196.

The LaPietra case in New York echoed this concept, which is very close to one of strict liability, in holding that there need not be a possibility or probability of preferential treatment to have a violation of the statute.

Irwin goes on to state that those sections of 18 U.S.C. 201 involving bribery—sections b, c, d, and e—carry a higher penalty and thus require specific intent for conviction. But 201(f) (g) (h) (i) require no proof of specific intent and consequently carry lesser penalties. Stated another way, the Irwin rule is that 201(f) requires "that the defendant committed the act prohibited knowingly and purposefully and not through accident, misunderstanding, inadvertence or other innocent reasons." (196) The Government must still prove that the act was committed with a conscious state of mind—this is an essential element—but the threshold of intent required for violation of 201(f) is relatively low.

In *United States* v. *Deutsch*, 451 F. 2d 98 (1971), the court held that the Government does not have to show intent to influence to prove an offense under 18 U.S.C. 201(f) (1964) which makes it a crime to give a public official something of value "for and because of any act performed or to be performed."

> The paying of compensation is an evil in itself, even though the payor does not corruptly intend to influence the affiliated person's acts, for it tends to bring about preferential treatment in favor of the payor which can easily injure the beneficiaries of investments companies."

In another case, United States against Bristol, the court held that the defendant's good faith belief that he was not violating the law—a belief that was alledgedly reinforced by some advice of counsel—"would be no defense to a malum prohibitum crime that does not require a specific intent." 473 F. 2d 439 (1973).

While intent and motive are not the same, motive may be shown to find out whether an accused did the act with criminal intent. Further, the motive does not necessarily have to be a bad one. An act prohibited and made punishable by law is none the less a crime even if the defendant was actuated by a good motive; 7 Black 572.

Thus, motive is the purpose for which an accused does something; intent is his will to do the act with consciousness. The existence or absence of a motive which might lead to the violation of a statute may be considered by the trier of fact on the question of whether the defendant committed the crime. But when it is clearly established that the law was violated, with whatever state of mind is required for the mens rea of the particular offense, the requisites of criminal guilt are present, even if no motive can be shown.

Mr. Rockefeller's motive, as he stated under oath and again in his legal memorandum of 11-10-74, was as follows:

> His overriding and consistent motivations were friendship and assistance in situations of need . . ." (p. 2, Memorandum).

Yet in a letter filed February 21, 1973 with the New York Secretary of State under disclosure requirements of section 74(3-j) of the New York Public Officers law, Mr. Rockefeller certified that he had a financial interest of $10,000 or more subject to the jurisdiction of New York regulatory agencies in the following areas: International Telephone and Telegraph Corp.; New York State Housing Finance Agency, bonds; New York State Power Authority, bonds; Port of New York Authority, bonds.

These bonds were held in trusts for Mr. Rockefeller and accordingly he disclaimed any power or control over their "purchase, sale or distribution." Other sources indicate that one Rockefeller trust held 1,000,000 shares of Port of New York Authority bonds valued at $339,500. Dr. William J. Ronan noted in his testimony before the Senate Rules Committee that he was appointed by Governor Wilson to the Board of the New York State Power Authority on May 16, 1974, a position he continues to hold and from which he could easily aid his previous benefactor. The coincidence of large cash gifts from Mr. Rockefeller to Mr. Ronan, coupled with the strategic public posts he holds at the former Governor's appointment and the continuing Rockefeller trust holdings in two agencies in which Dr. Ronan occupies key policy positions—would, in all modesty, appear to be a prima facie violation of both gratuity and conflict of interest statutes, were a thorough investigation to be made.

It has also been reported that Dr. William J. Ronan chaired a meeting of the Port Authority on May 9, 1974 during a period when Mr. Rockefeller has testified that Ronan was not a public official. This discrepancy should be viewed in relation to Mr. Rockefeller's contention that Dr. Ronan was not a public official when the former Governor forgave his loans to Dr. Ronan, making them outright gifts.

Motive is not the same as intent. Even if Mr. Rockefeller's motive was altruistic, the way in which he provided funds for public officials after he signed the law in 1967 may provide some index of an intent to circumvent the law he had signed. Of the nine persons named earlier, six—Ronan, Murphy, Morrow, Marshall, Logue, and Borella—received loans but none of them were cancelled until they left the State payroll. Logue's loans have not been forgiven as he remains an officer of a State instrumentality. The memo seeks to explain the cash payments to Logue as agreed upon prior to his starting work, which flies in the face of definition of public servant as including a "person . . . designated to become a public servant." (S. 10.00(15)). Three persons, all members of the Governor's personal staff, received outright cash benefits while on the public payroll—Whitman, Kresky, and Danzig. It is perhaps noteworthy that Messrs. Ronan, Murphy, and Logue in the first category above are also the only three recipients of Rockefeller money who headed independent, statutory agencies having general legal accountability to the public—in so many words, these were anything but members of the Governor's household staff. The memorandum of November 19, 1974, seeks to characterize all recipients of his funds members of his staff and contends that "they served at his pleasure and could be dismissed at his instance."

This novel theory seeks to accomplish two fallacies. The first is that men who held statutory positions were the equivalent, in terms of public accountability, to members of the Governor's personal immediate staff. The administrative relation between a Governor and a statutory commission head or public authority is, hopefully, still subject to legal constraints very much unlike this vision of an imperial hierarchy.

The second and perhaps more serious fallacy is the subtle notion that a Governor cannot himself possess as a citizen interests which might either presently or in the future be subject to decisions of State officials to whom he gave loans and/or gifts. In fact, as the discussion of bonds held by trusts of which he was the life beneficiary shows, he had interests of sufficient financial importance that he deemed it wise to report them under section 74 of the Public Officers Law.

To sum up regarding intent, Mr. Rockefeller's publicly stated defenses as to his good motives seem to miss the point of whether he possessed the consciousness of his own acts at the time he violated the statute—section 200.30—which is the test of intent required. His assertion that since he signed the laws he could not possibly have criminal intent is possibly the most damaging admission he could make, as it shows that he cannot claim mistake as to the law should he be prosecuted. From the discussion above, it is apparent that Mr. Rockefeller possessed some State-regulated interests or enjoyed a beneficial interest in them while he was Governor of New York, that he continues to have such interests after returning to private life, and that one or more of the persons who received money from him within the statutory period remain in positions which might benefit his material interests.

Section 73(5) of the Public Officers law. The definitions section would appear to exempt Edward Logue as well as personal members of the Governor's staff from the conflict of interest laws. The Library of Congress in its memo on New York Conflict of Interest Laws, November 15, 1974, found that the original Metropolitan Commuter Transportation Authority Act, chapter 324 of 1965 session laws, specifically includes that agency as a public "State agency" for purposes of sections 73 and 74 of the public officers law, so William Ronan falls within the class of possible improper recipients.

Rockefeller's November 19, 1974 memorandum repeatedly states that it cannot be "reasonably inferred" that the gifts or loans were intended to influence or reward any public official. This question would appear to be one for the trier of fact, as it is under S. 200.30 of the Penal Code, discussed above. The inference might very reasonably be drawn when looking at Ronan's and Murphy's current positions, Rockefeller's role, in placing them where they are, and his trust interests regulated by those very agencies.

One trust lists the following housing finance agency bonds; 600,000 shares, hospital and nursing home bonds, value $597,120; 100,000 shares urban rental bonds, value $199,520; 300,000 shares nonprofit housing project, value $298,-

560; 900,000 shares, hospital and nursing home valued at $637,020.

A second trust lists a total of 200,000 shares of hospital and nursing home bonds valued, in the aggregate, at $153,840. Joseph H. Murphy received a $20,000 loan without interest from Mr. Rockefeller in November 1967 when Murphy then directed the State Taxation and Finance Commission; in December, 1970 that loan was cancelled. From July 1969 to the present he has been the Chairman of the Housing Finance Agency. While there appears to be no language in title 42.1 of the private housing finance law which explicitly places officers of that agency within the coverage of section 73(5) of the public officers law, its charter—Housing Finance Agency—describes it as a "corporate governmental agency" created by state law. An examination of its powers and purposes, as in the case of the Urban Development Corporation, would at the minimum show its role as an instrumentality of State government. Whether this would be sufficient to bring its officers under *the* conflict of interest laws will require judicial determination.

The penalty for violation of section 73(5) is a misdemeanor. As in the case of the penal statutes considered above, a showing of "knowing" intent must be made. It may be assumed that the standards for conviction are essentially the same as for section 200.30.

Statute of limitations for prosecution of public officials. Section 30.10 of the New York Criminal Procedure Law—Law 1970, chapter 996, S. 1 effective September 1, 1971—provides that a prosecution for a misdemeanor must be commenced within 2 years after the commission thereof, (2)(c). However, subsection 3(b) adds a special statute of limitations for public servants:

> 3. (b) A prosecution for any offense involving misconduct in public office by a public servant may be commenced at any time during the defendant's service in such office or within 5 years after the termination of such services; provided, however, that in no event *shall the* period of limitation be extended by more than 5 years beyond the period otherwise applicable under subdivision two.

In effect this means a maximum of 7 years from the commission of the misdemeanors enumerated under the statutes reviewed in this memorandum in which to initiate prosecution. If the violation is deemed to have occurred at the time the benefit was confirmed, that is, when Mr. Rockefeller's money first provided gain and advantage for the recipient, the applicable time periods are as follows:

FOR SECTION 200.30

Whitman transaction—July 10, 1977.

Ronan transaction—October 16, 1976.

Murphy transaction—November 3, 1974, no longer prosecutable.

Morrow transaction—December 17, 1980.

Marshall (1st) transaction—January 12, 1975.

Logue gift transaction—July 1, 1975–August 26, 1975.

Logue loan transaction—(1st) May 5, 1976.

Kresky gift transaction—October 31, 1979.

Danzig gift (1st)—June 30, 1976.

Borella loan transaction—November 26, 1975.

FOR SECTION 73(5) PUBLIC OFFICERS LAW

Ronan transaction—October 16, 1976.

Murphy transaction—barred as noted above.

Logue transaction—same as above dates for 200.30.

In conclusion, it should be noted that separate prosecutions could occur for each stated offense, each instance of benefit conferred, which would considerably extend the possible period within which prosecution could occur. Of possible importance to Members of Congress considering Mr. Rockefeller's confirmation is the possibility that a second sitting Vice President might face, during his term of office, investigation and prosecution for crimes committed prior to his accession to the Vice Presidency.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. ASHLEY. Mr. Speaker, I was not present during the first four votes taken in the House of Representatives on December 12, because I was en route from Toledo after attending the funeral of Judge Geraldine Macelwane, a good and dear friend of mine for many years.

Had I been present for rollcall No. 675—on agreement to the conference report on H.R. 16901, the agriculture-environmental and consumer protection fiscal year 1975 appropriations bill—I would have voted "yea."

Had I been present for rollcall No. 676—a motion on the conference report to H.R. 16901 that the House insist on its disagreement to Senate amendment No. 8 which would strike section 510:

> No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax, limit, or otherwise regulate parking facilities.

I would have voted "nay."

Had I been present for rollcall No. 677—on passage of H.R. 17597, to provide a program of emergency unemployment compensation—I would have voted "yea."

Had I been present for rollcall No. 678—on agreement to the rule for consideration of H.R. 16596, the proposed Emergency Jobs Act of 1974—I would have voted "yea."

REPEAL OF THE BYRD AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, next week the House will be voting on a matter of great importance to United States-African relations. We will act to bring the United States into compliance with United Nations sanctions against the regime of Prime Minister Ian D. Smith in Rhodesia.

I submit now for the information of my colleagues the following article which appeared in the Journal of Commerce of Friday, December 13, written by Peter Leach. I commend it to the Members of the House for their study before this measure comes before us:

KEY VOTE DUE IN HOUSE ON UNITED STATES-RHODESIA TRADE

(By Peter T. Leach)

The agreement announced Wednesday in Salisbury ending the black African nationalists' guerilla war in Rhodesia will intensify international economic pressures on the white minority government to reach a political settlement with the country's vast black majority, according to diplomatic sources in Washington.

One of the most immediate moves to increase the economic pressure against the regime of Prime Minister Ian D. Smith is a vote today or Monday in the U.S. House of Representatives on a bill repealing the Byrd Amendment which allows the import of certain strategic raw materials from Rhodesia.

ALREADY PASSED BY SENATE

The repeal bill, which has already passed the Senate and the House Rules Committee, is strongly supported by the Ford Administration, which believes it essential as a means of ensuring U.S. access to these same raw materials once a fully representative government is chosen to succeed the Smith regime.

The State Department believes the U.S. will risk losing future supplies of Rhodesian ferrochromium, ferromanganese, asbestos and nickel if a future black government decides the current U.S. imports of these strategic minerals were a means of supporting the Smith regime.

The Byrd Amendment, which was named after its chief sponsor, Sen. Harry Byrd, D-Va., was passed in 1971 to allow the U.S. to bend the United Nations economic sanctions against Rhodesia enough to import these raw materials. The amendment was passed by a coalition of Republicans and conservative Democrats who deemed it preferable to import chrome ore from the white minority government than from the Soviet Union at double the Rhodesian price.

Since the Byrd Amendment was passed, the U.S. has imported more than $50 million worth of Rhodesian ores, but only about 4 per cent of the U.S. supply of imported chrome is being imported from Rhodesia. The Soviet Union and South Africa remain the largest suppliers of U.S. chrome ore.

The U.N. economic sanctions against Rhodesia were imposed when Rhodesia made its Unilateral Declaration of Independence (UDI) from Great Britain in 1965 and have remained in effect for 10 years during which a minority of 240,000 white settlers has ruled a population of 5.7 million mostly black Africans.

The key U.S. vote on shutting off purchases of the only goods it imports from Rhodesia comes at a time when the Smith regime is moving toward a political settlement with the country's black African nationalists and the black-ruled countries surrounding it.

But official sources both here and in Rhodesia warn against any expectation that the U.N. economic sanctions will soon be lifted. Before the ban on trade with Rhodesia can be lifted, official sources say, Rhodesia will have to work out a political settlement that is acceptable to African nationalists and to Great Britain, which was the sponsor of the U.N. sanctions.

Most observers think the Smith regime's move toward a more moderate stance on governing the country was forced by the external realities that threaten Rhodesia's communications lifeline. Rhodesia depends on neighboring Mozambique and its port of Beira for much of its external trade.

With the Portuguese withdrawal and the emergence of a partially black government in Mozambique, Mr. Smith evidently began to fear Rhodesia's outlet to the sea could be broken.

AGREE ON CEASE-FIRE

Mr. Smith announced in a national broadcast Wednesday that his government and the black nationalists have agreed upon a ceasefire to end the prolonged fighting on the northern frontier. The announcement followed his release of two African nationalist leaders, who had been held in detention in Rhodesia since UDI 10 years ago.

The two nationalists, the Rev. Ndabaningi Sithole, leader of the Zimbabwe African National Union (ZANU); and Joshua Nkomo, president of the Zimbabwe African People's Union (ZAPU) were allowed to attend talks in Lusaka in neighboring Zambia with other black African leaders that led to the agreement on the ceasefire.

South Africa, which has remained Rhodesia's one ally throughout the years of UN sanctions, has been instrumental in pushing the warring sides in Rhodesia into an agreement. Prime Minister John Vorster has made two secret trips into Africa in the past two months for talks with African leaders.

Within an hour of Mr. Smith's statement Wednesday, Mr. Vorster said South Africa would withdraw its 2,000-man police force from Rhodesia's borders as soon as it has confirmation hostilities have ended.

U.S. Government sources think the ceasefire will pave the way for an initial settlement allowing black participation in the Rhodesian Government, a participation that will slowly increase to allow full majority rule. Once majority rule is achieved, they said, the UN sanctions will quickly be lifted.

The political shape of the future Rhodesian Government is relatively unknown, although most observers think the government will probably reflect the strongly nationalist ideologies of its African neighbors.

All observers agree, however, that the country will be renamed Zimbabwe after the native African civilization that ruled the region before the arrival of white colonists.

With the lifting of the UN sanctions, U.S. exporters will be free once again to sell goods into the Rhodesian market. Traders observe that the market will undoubtedly have changed a great deal in the 10 years of sanctions, since it has had to become increasingly self-sufficient in such goods as clothing, food, and mining supplies, which were once the staple of U.S. exports to Rhodesia.

Based on an analysis of 1965 trade statistics from the period before UDI, one trade specialist figures the U.S. will be able to sell the future African country substantial quantities of mining machinery, agricultural equipment, motor vehicles, aircraft, power generating equipment, spare parts and office machinery.

RESOLUTIONS DISAPPROVING ENERGY RESEARCH AND DEVELOPMENT DEFERRALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Price) is recognized for 5 minutes.

Mr. PRICE of Illinois. Mr. Speaker, yesterday I announced before this body my intent to seek the disapproval of the House of Representatives to a number of deferrals of energy research and development efforts. The President transmitted these deferrals to the Congress as part of his rescission and deferral message of November 26. In my opinion, these proposed actions are penny wise and pound foolish. The reductions involved could not possibly have an impact on inflation sufficient to justify the extent to which they will weaken the program to develop energy sources to meet the Nation's present and anticipated crises.

The Joint Committee on Atomic Energy met today to consider the 14 deferrals for the Atomic Energy Commission. We determined that 6 of the 14 deferrals appeared reasonable, but that 8 of the deferrals, all related to energy research and development, would have serious impacts on these energy programs. I have today introduced, with the full support of the committee, resolutions disapproving these deferrals. It is my hope that despite the short time remaining before adjournment, this House will act to insure that these important efforts do not fall victim to an arbitrary budget goal.

Yesterday, I entered in the Record a copy of an Atomic Energy Commission letter describing the impact of each proposed deferral. I repeat my recommendation that each Member examine that letter carefully. In addition, I wish now to explain the compelling reasons why each of the deferrals should be disapproved.

D 75–111: $8 million—Liquid metal fast breeder reactor research and development: This deferral would result in delay in development work on LMFBR technology needed for the Clinch River demonstration plant. The result would be a stretchout of the schedule for Clinch River—and additional costs due to inflation. The deferral of funds for this program is inconsistent with the administration's selection of the breeder reactor as the Nation's highest priority energy research and development program.

D 75–112: $6.7 million—Gas cooled fast reactor—GCFR—and gas cooled direct cycle work: The deferral of $2.7 million for the GCFR would delay the experimental program by 3 months and result in termination of 20 design team personnel. The work that would be affected is core design and associated engineering, including termination of fuels and material work at General Atomic and delay of materials and cladding work and safety experiments at Argonne and General Atomic. The deferral of $4 million for gas-cooled direct cycle work would cause a delay of 6 months in component design and safety studies for the reactor plant and the helium component test facility—HCTF. Twenty people would be terminated. Also affected would be design of the 1,500° F. fossil fired helium heater, an essential component of HCTF, which cannot now be started in fiscal year 1975 if this money is deferred. These deferrals would seriously hamper the development of these important alternatives for energy production.

D 75–113: $2.7 million—Physical research: This deferral would delay the startup of a number of planned efforts in fundamental research areas which have broad application to energy generation, storage, transmission, and conservation. Ongoing research efforts would also be reduced. The hiring of 100 scientists, engineers, technicians, and support personnel would be delayed. The major research areas that would be affected include high temperature materials applicable to fusion, MHD, the LMFBR, and several fossil fuel concepts; superconductivity; radiation effects on materials; corrosion and catalysis research; combustion processes; and geosciences. In addition, the startup of the Clinton P. Anderson Meson Physics Facility—LAMPF—following a major shutdown, would be delayed by 1 month, to August 1975. This facility, when operated, will be involved in medical research, including cancer research. The research efforts in the molecular and materials sciences areas will provide basic information that is essential for the fossil, nuclear, solar, and geothermal energy programs of the newly established Energy Research and Development Administration.

D 75–114: $8 million—Controlled thermonuclear research: The three categories of the CTR program—confinement systems, development and technology, and research—have been programmatically established to insure a synergistic outcome from integrating individual results. This deferral would result in delays of up to 6 months and cost increases of up to $1 million on various components of the CTR program. These delays can be expected to impact throughout the program and significantly retard its progress.

D 75–116: $4.7 million—Weapons program—Laser Fusion: This deferral would delay contracting with industrial and research organizations to develop basic information on various aspects of this program. It would also delay the high energy laser facility at Los Alamos by about a year, thereby introducing an unacceptable delay in the entire program.

D 75–117: $12 million—Nuclear materials—CIP and CUP: This deferral would stretch out the work on improving and upgrading the existing gaseous diffusion plants. This would result in a onetime loss of one-half million units of separative work from these plants with a value of $27 million in 1981 revenues. The justification for moving forward with this program has been repeatedly stated by the Joint Committee and accepted by the Congress. This reduction will be counterproductive in that it will inevitably result in increased total costs for the CIP/CUP efforts due to inflationary increases.

D 75–119: $10 million—Fast flux test facility—FFTF: This deferral of funds for the FFTF could result in further schedule slippage for this facility—which is needed for testing fuels and materials for the advanced reactors. It is also a key element for developing fast breeder components and systems—such as pumps and valves. Any reduction in support of the FFTF is inconsistent with the administration's selection of the breeder reactor as the Nation's highest priority energy R. & D. program.

D 75-121: $12.1 million—High temperature gas reactor fuel reprocessing facility, Idaho, and high temperature gas reactor fuel refabrication plant, ORNL, Tenn.: The deferral of $9.6 million for the reprocessing facility could cause a 4-month delay in title I and II design. The deferral of $2.5 million for the refabrication facility could cause a similar delay in title I and II design. The Commission wrote to the committee on September 16, 1974 stating—

> These two projects represent much more complex processes and systems than had been conceived in earlier assessments. Thus the conceptual design will take longer, the $30 million estimate for the reprocessing facility has increased to $70 million, and the $10 million estimate for the refabrication facility has increased to $45 million.

The committee recognizes that the Commission may not be in a position to obligate the full amount of the current authority this year. Thus a partial deferral of these funds would have been acceptable. But this proposal goes too deep, in that it provides for deferral of funds that may be needed. These facilities must go forward if the high temperature gas reactor is to be a viable system.

These projects have all been carefully reviewed by the Joint Committee. It is our judgment that the retreat from the commitment to a serious effort on the energy program that these deferrals would amount to would be an unfortunate mistake. This House has it in its power to keep the administration moving on the energy problem. I hope that we will do so.

ISRAEL'S RIGHT OF SELF-DEFENSE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am certain that Members have received mailgrams from the National Association of Arab Americans as I have calling for a cutoff of aid to Israel because it is using American weapons in pursuit of terrorists who have been given sanctuary in Lebanon.

With the thought it will be of interest to Members of the House, I am appending my response:

CONGRESS OF THE UNITED STATES,
Washington, D.C., December 19, 1974.
RICHARD C. SHADYAC,
President, National Association of Arab Americans, 1028 Connecticut Avenue, N.W., Suite 723A, Washington, D.C.

DEAR MR. SHADYAC: I have your mailgram. We are not in accord.

Section 4 of the Foreign Military Sales Act allows for the use of American sold weapons in defense of the country. There is no question, since the PLO has admitted it, that that organization allowed to function in Lebanon has perpetrated and continues to perform terrorist acts in Israel. Reprisal by Israel is an exercise of the right of self-defense.

Sincerely yours,

EDWARD I. KOCH.

PERSONAL EXPLANATION

(Mr. MOAKLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MOAKLEY. Mr. Speaker, I was necessarily absent during the legislative day of December 12. I therefore place in the RECORD at this point a table indicating how I would have voted on each rollcall taken:

Rollcall No.	Subject	Vote
675	To adopt the conference report on H.R. 16901, agriculture, environmental and consumer protection appropriation.	Yes.
676	To insist on House language in H.R. 16901, prohibiting EPA from regulating or taxing parking.	Yes.
677	To suspend the rules and pass H.R. 17597, the Emergency Unemployment Compensation Act of 1974.	Yes.
678	To adopt H. Res. 1493, the rule providing for the consideration of H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974.	Yes.
679	On final passage, H.R. 16596	Yes.
680	To suspend the rules and pass H.R. 17084, Health Manpower Act of 1974.	Yes.
681	On final passage, S.J. Res. 40 authorizing a White House Conference on Library and Information Services in 1977.	Yes.

A BILL TO ESTABLISH THE RECONSTRUCTION FINANCE CORPORATION

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I submit herewith the text of H.R. 17619, to establish the Reconstruction Finance Corp. to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing:

H.R. 17619

A bill to establish the Reconstruction Finance Corporation to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, and is hereby created, a body corporate with the name "Reconstruction Finance Corporation" (herein called the Corporation). That the principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the Board of Directors. This Act may be cited as the "Reconstruction Finance Corporation Act of 1974".

SEC. 2. The Corporation shall have capital stock of $2,000,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the Board of Directors of the Corporation.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000,000 for the purpose of making payments upon such subscription when called.

SEC. 3. The management of the Corporation shall be vested in a Board of Directors consisting of the Secretary of the Treasury, or, in his absence, the Under Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, who shall be members ex officio, and four other persons appointed by the President by and with the advice and consent of the Senate. Of the seven members of the Board of Directors, not more than four shall be members of any one political party and not more than one shall be appointed from any one Federal Reserve district. Each Director shall devote his time not otherwise required by the business of the United States principally to the business of the Corporation. Before entering upon his duties, each of the Directors so appointed and each officer of the Corporation shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other Act shall be construed to prevent the appointment and compensation as an employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof. The terms of the Directors appointed by the President of the United States shall be two years and run from the date of the enactment hereof and until their successors are appointed and qualified. Whenever a vacancy shall occur among the Directors so appointed, the person appointed to fill such a vacancy shall hold office for the unexpired portion of the term of the Director whose place he is selected to fill. The Directors of the Corporation appointed as hereinbefore shall receive salaries at the rate of $42,500 per annum. No Director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the deliberation upon or in the determination of any question affecting his personal interests, or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

SEC. 4. The Corporation shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its Board of Directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its Chairman and Vice-Chairman, together with provision for such committees and the functions thereof as the Board of Directors may deem necessary for facilitating its business under this Act. The Board of Directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

SEC. 5. (a) To aid in financing agriculture, commerce, and industry, the Corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this Act as it may determine, to any business concern—

(1) to enable such business concern to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials; or

(2) to supply such business concern with working capital; or

(3) to aid such business concern in the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest.

For purposes of the Act, the term business concern shall mean any individual, corporation, company, association, firm, partnership, society, or other entity which is—

(1) engaged in the manufacture or production of goods or services in the United States; or

(2) a bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, live stock credit corporation, or other financial institution, organized under the laws of any State or of the United States.

(b) No loan may be made under subsection (a) to any business concern unless such business concern is otherwise unable to obtain such a loan on reasonable terms.

(c) No loan may be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require. To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) Each such loan made under subsection (a) may be made for a period not exceeding ten years, and the Corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond twelve years from the date upon which such loan was made originally.

(e) Each such loan made under subsection (a) shall bear interest at a rate equal to the current average yield (as certified by the Secretary of the Treasury to the Corporation) on all outstanding obligations of the United States as of the last day of the month immediately preceding the month in which the loan is made. Each such loan shall be made on such other conditions and terms, as the Corporation may require.

(f) All loans made under the foregoing provisions shall be fully and adequately secured. The Corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the Corporation may approve: *Provided*, That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or the liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section or section 6 to any one business concern and its subsidiary or affiliated business concerns exceed at any one time 5 per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the Corporation authorized to be outstanding when the capital stock is fully subscribed.

(g) No loan, loan guarantee, or advancement shall be made by the Corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to the adoption of this Act.

(h) No fee or commission shall be paid by any applicant for a loan or loan guarantee under the provisions of this Act in connection with any such application or any loan or loan guarantee made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful.

SEC. 6. (a) To assist any business concern—

(1) to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials; or

(2) to obtain working capital; or

(3) to meet the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest;

the Corporation may guarantee the payment when due of the principal of and interest on a loan made to such business concern by a non-Federal lender. The Corporation may make a commitment to make such a guarantee prior to the making of the loan with respect to which the guarantee is to be made.

(b) Each such loan guarantee may be made for a period not exceeding ten years.

(c) A loan guarantee may not be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require, and the Corporation has approved such application. The Corporation may not approve such an application unless it determines that the terms, condition, and security (if any), and the schedule and amount of repayments with respect to the loan are sufficient to protect the financial interest of the Corporation and are otherwise reasonable, including a determination that the rate of interest on such loan does not exceed such rate as the Corporation determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans. The Corporation may not approve such an application unless it determines that the loan would not be available to the applicant on reasonable terms and conditions without the guarantee provided under subsection (a).

To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) The Corporation shall be entitled to recover from an applicant for a loan guarantee under subsection (a) the amount of any payment made by the Corporation pursuant to such guarantee upon the failure of the applicant to pay when due the principal of and interest on the loan with respect to which the guarantee was made, unless the Corporation for good cause waives the right of recovery; and the Corporation shall be subrogated to all of the rights under such loan of the recipient of such payment.

(e) Any loan guarantee by the Corporation under subsection (a) shall be incontestable (1) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (2) as to any person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(f) Guarantees of loans under subsection (a) shall be subject to such further conditions and terms as the Corporation may require to carry out the purposes of this Act.

(9) The aggregate of the principal amounts of the loans outstanding at any time with respect to which guarantees have been made under this section shall not exceed $2,000,000,000.

SEC. 7. (a) To assist any business concern—

(1) to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials; or

(2) to obtain working capital; or

(3) to meet the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest;

the Corporation may, with the approval of the President, subscribe for common or preferred stock in such business concern or purchase the legally issued capital notes or debentures of such business concern. Nothing in this section shall be construed to authorize the Corporation to subscribe to stock in any State bank or trust company if under the laws of the State in which said State bank or trust company is located the holders of such stock are not exempt from double liability.

(b) The Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the common or preferred stock, capital notes, or debentures of any business concern acquired by the Corporation pursuant to this section.

(c) The amount of notes, bonds, debentures, and other obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

SEC. 8. All moneys of the Corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Corporation or in any Federal Reserve bank, or may, by authorization of the Board of Directors of the Corporation, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the Corporation, and the Corporation may reimburse such Federal Reserve bank for their services in the manner as may be agreed upon. The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Reconstruction Finance Corporation in the general performance of its powers conferred by this Act.

SEC. 9. In order to enable the Corporation to carry out the provisions of this Act, the Treasury Department, the Comptroller of the Currency, the Federal Reserve Board, the Federal Reserve banks, the Interstate Commerce Commission, the Internal Revenue Service, and all other executive departments, agencies, boards, commissions, and independent establishments of the Federal Government, are hereby authorized, under such conditions as they may prescribe, to make available to the Corporation, in confidence, such reports, records, or other information as they may have available relating to the condition of business concerns with respect to which the Corporation has had or contemplates having transactions under this

Act, or relating to individuals, associations, partnerships, or corporations whose obligations are offered to or held by the Corporation as security for loans to business concerns under this Act, and to make through their examiners or other employees for the confidential use of the Corporation, examinations of such business concerns.

Every applicant for a loan or a loan guarantee *under this Act* shall, as a condition precedent thereto, consent to such examinations as the Corporation may require for the purposes of this Act and that reports of examinations by constituted authorities may be furnished by such authorities to the Corporation upon request therefor.

Sec. 10. The Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than three times its subscribed capital, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than twelve years from their respective dates of issue, to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the Corporation: *Provided*, That the Corporation, with the approval of the Secretary of the Treasury, may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its Board of Directors: *Provided*, That the aggregate of all obligations issued under this section shall not exceed three times the amount of the subscribed capital stock. Such obligations may be issued in payment of any loan authorized by this Act or may be offered for sale at such price or prices as the Corporation may determine with the approval of the Secretary of the Treasury. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations.

The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, or under any other general bond-issuing authority granted, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, or under any other general bond-issuing authority granted, are extended to include any purchases of the Corporation's obligations hereunder. The Secretary of the Treasury may; at any time, sell any of the obligations of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States. Such obligations shall not be eligible for discount or purchase by any Federal Reserve bank.

Sec. 10. Any and all notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

Sec. 12. In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other obligations.

Sec. 13. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it. Obligations of the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

Sec. 14. The Corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans and loan guarantees made to each borrower and the number of borrowers and amount borrowed by States. The statement shall show the assets and liabilities of the Corporation, and the first report shall be made on January 1, 1975, and quarterly thereafter. It shall also show the names and compensation of all persons employed by the Corporation whose compensation exceeds $1,500 per month.

Sec. 15. (a) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) The report of each such independent audit shall be included in the appropriate quarterly report submitted to Congress under section 13 of this Act. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities and surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

Sec. 16. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the Corporation, or (2) passes, utters or publishes, or attempts to pass, utter or publish, any false, forged or counterfeited note, debenture, bond or other obligation, or coupon, purporting to have been issued by the Corporation, knowing the same to be false, forged or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, or (4) passes, utters or publishes, or attempts to pass, utter or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, or any person who willfully violates any other provision of this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether beloning to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or, without being duly authorized, draws any order or issues, puts forth or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money profit, property or benefit through any transaction, loan, commission, contract, or any other act of the Corporation, or (4) gives any unauthorized information concerning any future action or plan of the Corporation which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the Corporation, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(d) No individual, association, partnership, or corporation shall use the words "Reconstruction Finance Corporation" or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $1,000 or imprisonment not exceeding one year, or both.

(c) The provisions of the United States Code, title 18, chapter 11, sections 201 through 218, inclusive, and title 18, chapter 23, sections 431 through 433, inclusive, are extended to apply to contracts or agreements with the Corporation under this Act, which for the purposes hereof shall be held to include loans, loan guarantees, advances, discounts, and rediscounts; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

Sec. 17. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall not be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

STATEMENT ON H.R. 16994 AND OTHER MEANS OF AIDING THE HOUSING INDUSTRY

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I am pleased that the leadership has referred H.R. 16994 to the Rules Committee so that the members can consider giving the bill a rule permitting some amendments to eliminate the bill's problems. This is far preferable to considering the legislation under a procedure which would permit no amendments, and I hope the committee will approve the rule. I say this because I believe there are serious imperfections in the bill which will prevent it from accomplishing its purpose of aiding the homebuilding industry and which will create tax inequities at the same time.

My concerns about H.R. 16994 are in three areas. First, while the bill purports to benefit builders and homebuyers by channeling funds into savings and loans and other institutions that make housing loans, in fact it does not restrict the tax exemption only to such institutions, but rather makes it available to all, thereby also providing further funds for other kinds of loans. While I am prepared to help build homes, I am not prepared to help build casinos in the Caribbean or swimming pools. Some effort must be made to limit the use of this newly available money.

Second, the use of a deduction creates serious tax inequities. All deductions are worth more to people in higher tax brackets, but this bill compounds that inequity by allowing the deduction for high rate certificates as well as passbook accounts. These certificates are purchased primarily by people in high income brackets, and this bill would compound even further their rate of return. When one contrasts this with the fact that 38 percent of U.S. families—primarily lower income families—do not even have a savings account, one can see where the real advantage in this bill lies. In an apt example, the Wall Street Journal points out that a well-to-do couple would easily have a $19,000 savings account to give them the full exemption of $1,000, saving them $700 in taxes, since they are in the top 70 percent bracket. However, the average American couple, having only $1,200 in savings and being in the 19 percent bracket, would save only $11.97 in taxes, hardly an equitable tax break. In this case an amendment to convert the deduction to a tax credit would be one way to help eliminate the inequities.

Third, while most observers agree the bill would probably lead to the construction of 300,000 new housing units by putting some $3.5 billion into the market on a one-time basis as people shift their savings to take advantage of the tax break, this must be offset against an annual $2 billion revenue loss to the Government which would continue indefinitely. In addition, other costs must be added in. Funds shifted to thrift institutions would move out of Government securities, increasing the cost of money to the Government, raising interest rates, increasing the budget deficit and adding inflationary pressures. Since the benefits are largely one-time, so should the deduction be one-time.

I believe there are better ways to accomplish the objective of H.R. 16994 as presently drawn. For example:

First. One useful approach lies in the bill I introduced on December 3 (H.R. 17548) to create a revolving mortgage purchase plan wherein the Government would buy older low-rated mortgages from thrift institutions, putting new money into the system for new loans. Later, when monetary conditions have changed, the loans would be repurchased by the institutions.

Second. A second alternative is the educational savings plan which I have joined in sponsoring. This bill would provide a tax credit for savings for a child's education. As a credit it answers the equity objections raised against deductions. Since the credit depends on new deposits annually, it would not be a one-time thing. The eligible institutions are more restricted than in H.R. 16994, and the estimates of its effect on housing are about the same.

Thus there are several pending proposals which pose viable alternatives to H.R. 16994. It is also possible that H.R. 16994 can be amended to make it a more practical and equitable vehicle for helping the housing industry, and I hope the Rules Committee will permit that to happen. Action is desperately needed in this area, but that does not mean we should pass anything just so we can say that we have acted. It is the responsibility of the Congress to pass something which will work and which will be fair. The two proposals mentioned above meet those criteria, and it may be possible to change H.R. 16994 to meet them as well.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Adams of Washington, for December 16 through December 19, 1974, for medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Price of Illinois, for 60 minutes on Monday, December 16, 1974.

Mr. McFall, for 1 hour, on December 16, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Cochran) to revise and extend their remarks and include extraneous material:)

Mr. Schneebeli, for 60 minutes, on December 16, 1974.

Mr. Findley, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Conte, for 5 minutes, today.

Mr. Blackburn, for 30 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous material:)

Mr. Metcalfe, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Ms. Abzug, for 15 minutes, today.

Mr. Ashley, for 5 minutes, today.

Mr. Mathis of Georgia, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Dent, for 5 minutes, today.

Mr. Price of Illinois, for 5 minutes, today.

Mr. Moss, for 60 minutes, on December 18, 1974.

Mr. Henderson, for 60 minutes, on December 18, 1974.

Mr. Koch, for 60 minutes, on December 18, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Pepper and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $695.

Mr. Skubitz to revise and extend his remarks immediately following Mr. Dent on conference report on S. 425 today.

Mr. Hechler of West Virginia, during debate on conference report on S. 425 and to include extraneous material.

(The following Members (at the request of Mr. Cochran) and to include extraneous matter:)

Mr. Quie.

Mr. Hanrahan in two instances.

Mrs. Heckler of Massachusetts.

Mr. Armstrong.

Mr. Biester.

Mr. Lott.

Mr. Symms.

Mr. Ashbrook in four instances.

Mr. Sarasin.

Mr. Ketchum in two instances.

Mr. Derwinski in two instances.

Mr. Forsythe.

Mr. Hosmer in two instances.

Mr. Hunt.

Mr. Railsback in five instances.

Mr. Cronin.

Mr. Cohen.

Mr. Gilman.

Mr. Mizell.

(The following Members (at the request of Mr. VANDER VEEN) and to include extraneous material:)

Mr. HELSTOSKI.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. MOSS.

Mr. EDWARDS of California.

Mr. ICHORD.

Mr. STARK.

Mr. DRINAN.

Mr. WON PAT.

Mr. PATTEN.

Mr. ROE.

Mr. GAYDOS.

Mr. FORD in two instances.

Mr. SYMINGTON.

Ms. HOLTZMAN.

Mr. RONCALIO of Wyoming.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2807. An act to name the Federal building, United States post office, United States courthouse, in Brunswick, Georgia, as the "Frank M. Scarlett Federal Building"; to the Committee on Public Works.

S. 4004. An act to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council; to the Committee on Banking and Currency.

S. 4006. An act to designate the Paul H. Douglas Federal Building; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii Chapter of the National Railway Historical Society, Incorporated;

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage;

H.R. 7077. An act to provide for the establishment of the Cuyahoga Valley National Recreation Area; and

H.R. 16424. An act to establish a Commission on Federal-Paperwork.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on December 12, 1974 present to the President, for his approval, bills of the House of the following titles:

H.R. 10337. An act to provide for final settlement of the conflicting rights and interests of the Hopi and Navajo Tribes to and in lands lying within the joint use area of the reservation established by the Executive order of December 16, 1882, and lands lying within the reservation created by the act of June 14, 1934, and for other purposes; and

H.R. 17505. An act to rescind certain budget authority recommended in the messages of the President of September 20, 1974 (H. Doc. 93-361), October 4, 1974 (H. Doc. 93-385) and November 13, 1974 (H. Doc. 93-387), transmitted pursuant to section 1012 of the Impoundment Control Act of 1974.

ADJOURNMENT

Mr. VANDER VEEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.) under its previous order, the House adjourned until Monday, December 16, 1974, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs, H.R. 3605. A bill to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma; with amendment (Rept. No. 93-1583). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5057. A bill to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Okla.; with amendment (Rept. No. 93-1584). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 9219. A bill to declare that the United States hold certain land in trust for the Absentee Shawnee Tribe of Indians of Oklahoma; with amendment (Rept. No. 93-1585). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11890. A bill to declare that the United States hold certain lands in trust for the Citizen Band of Potawatomi Indians of Oklahoma; with amendment (Rept. No. 93-1586). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 16215. A bill to amend the Coastal Zone Management Act of 1972, to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes; with amendment (Rept No. 93-1587). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Select Committee on Small Business. Small Business Opportunities in Outdoor Recreation and Tourism (Rept. No. 93-1588). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on H.R. 15223 (Rept. No. 93-1589). Ordered to be printed.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 17346. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; with amendment (Rept. No. 93-1590). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 194. An act to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands (Rept. No. 93-1591). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 2125. An act to amend the act of June 9, 1906, entitled "An act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended (Rept. No. 93-1592). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3489. An act to authorize exchange of lands adjacent to the Teton National Forest in Wyoming, and for other purposes (Rept. No. 93-1593). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada (Rept. No. 93-1594). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3574. An act to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz. (Rept. No. 93-1595). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo. (Rept. No. 93-1596). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 17629. A bill to amend title 38 of the United States Code in order to entitle veterans with service-connected disabilities rated as total to domestic and overseas travel on military aircraft on a space-available basis; to the Committee on Veterans' Affairs.

By Mr. DENT (for himself, Mr. CARNEY of Ohio, Mr. CHAPPELL, and Mr. EILBERG):

H.R. 17630. A bill to provide an income tax credit for savings for the payment of postsecondary educational expenses; to the Committee on Ways and Means.

By Mr. FRENZEL (for himself and Mr. STEELMAN):

H.R. 17631. A bill to establish a Joint Committee on Intelligence Oversight; to the Committee on Rules.

By Mr. VANIK (for himself and Mr. GUDE):

H.R. 17632. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on every new automobile with respect to its fuel consumption rate, to provide for public disclosure of the fuel consumption rate of every automobile, to provide funding to develop more efficient automobile engines, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. BELL, Mr. LAGOMARSINO, Mr. VAN DEERLIN, Mr. HAWKINS, Mr. BOB WILSON, Mr. REES, and Mr. STARK):

H.R. 17633. A bill to amend the Coastal Zone Management Act of 1972, to provide for Federal-State cooperation in oil drilling activities which may affect the coastal zone of a State prior to final approval of a State's coastal zone management program; to the Committee on Merchant Marine and Fisheries.

By Mr. BROYHILL of North Carolina (for himself and Mr. MCCOLLISTER):

H. Res. 1497. Resolution to require that the fixing or adjusting of certain allowances of Members of the House of Representatives by the Committee on House Administration be approved by the House of Representatives; to the Committee on House Administration.

By Mr. PRICE of Illinois:

H. Res. 1498. Resolution disapproving the deferral of certain budget authority (D 75-111) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1499. Resolution disapproving the deferral of certain budget authority (D 75-112) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1500. Resolution disapproving the deferral of certain budget authority (D 75-113) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1501. Resolution disapproving the deferral of certain budget authority (D 75-114) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1502. Resolution disapproving the deferral of certain budget authority (D 75-116) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1503. Resolution disapproving the deferral of certain budget authority (D 75-117) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1504. Resolution disapproving the deferral of certain budget authority (D 75-119) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 1505. Resolution disapproving the deferral of certain budget authority (D 75-121) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. COHEN:

H. Res. 1506. Resolution providing for the consideration of the bill (S. 1988) to extend U.S. jurisdiction over certain ocean areas to protect fish, and domestic fishing industry; to the Committee on Rules.

By Mr. LEGGETT:

H. Res. 1507. Resolution disapproving the deferral of budget authority relating to the Sacramento River Division of the Central Valley Project (Bureau of Reclamation) which is proposed by the President in his special message of October 31, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. WHALEN (for himself, Mr. BROWN of Michigan, Mr. DON H. CLAUSEN, Mr. FORD, Mr. JARMAN, Mr. JONES of Oklahoma, Mr. MADIGAN, Mr. MARTIN of North Carolina, Mr. MCSPADDEN, Mr. PRICE of Illinois, Mr. RUPPE, Mr. STEED, Mr. WHITEHURST, and Mr. CHARLES H. WILSON of California):

H. Res. 1508. Resolution expressing the sense of the House of Representatives with regard to the desirability of a postseason football game between the University of Oklahoma and the University of Michigan, the net proceeds of which would be donated to the American Cancer Society for cancer research; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. MINK introduced a bill (H.R. 17634) to authorize Col. Charles Dolan, U.S. Air Force Reserve, to receive credit for certain activities of benefit to the United States in determining his entitlement to and amount of retired pay for nonregular service in the Armed Forces, which was referred to the Committee on the Judiciary.

SENATE—*Friday, December 13, 1974*

The Senate met at 9 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who rulest from on high, rule over us who serve in this place.

We thank Thee for the prophets' hope, the angels' song, and for the birth in Bethlehem. Help us amid the busy pace of daily duty to keep our hearts from becoming busy inns with no room for Thy coming. While we work may we work in the spirit of Him who was with the Father from the beginning, and comes again to share our common humanity. Possessed of His spirit, may we go to our tasks to honor Thy name and serve the Nation.

We pray in the Great Redeemer's name. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, December 12, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR SUBMISSION OF CLOTURE MOTION ON CONFERENCE REPORT ON THE TRADE REFORM ACT OF 1974, H.R. 10710

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it may be in order at any time to submit a cloture motion on the conference report on the Trade Reform Act of 1974, after such conference report is ready for submission.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SHEILA J. PHELPS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1251, which has been cleared on both sides of the aisle.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3668) for the relief of Sheila J. Phelps.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 5, strike out "$4,599.18" and insert "$2,749.98," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sheila J. Phelps, the sum of $2,749.98 in full settlement of all her claims against the United States for reimbursement for the loss of household goods and personal effects which were destroyed by fire on October 4, 1973, while stored in a warehouse at the expense of the United States. The payment of such sum shall be in addition to any amount paid to the said Sheila J. Phelps for such losses under the Military Personnel and Civilian Employees' Claims Act of 1964.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agency or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that extracts from the committee report, if such there be, be printed in the RECORD, in explanation of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (Rept. No. 93-1321), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE AMENDMENT

The purpose of the amendment is to amend the bill to conform with the recommendations of the Department of the Air Force.

PURPOSE OF THE BILL AS AMENDED

The purpose of S. 3668, as amended, is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Shelia J. Phelps, widow of Senior Master Sergeant Durward Albert Phelps, who resides at 4, Limerick Close, Ipswich, IPI 5LR, Suffolk, England, the sum of $2,749.98, in full settlement of all her claims against the United States. In connection with his retirement for physical disability from the United States Air Force, the household goods and unaccompanied baggage of Senior Master Sergeant Durward Albert Phelps were shipped from Ramstein Air Base, Germany, to Royal Air Force, Bentwaters, England. Storage in transit for 90 days at destination was authorized. The property was located in Boardman's Warehouse, Ipswich, England, when the warehouse was destroyed by fire on October 4, 1973. All of the household goods and personal effects belonging to Sergeant Phelps, his wife, and five young children, ages 6 months through 15 years, were destroyed.

STATEMENT

The facts of the case as contained in the departmental report are as follows:

On October 23, 1973, Sergeant Durward Phelps presented a claim to the Air Force at Royal Air Force Bentwaters in the amount of $18,605.45. On November 1, 1973, a partial payment of $1,000.00, was made to him to relieve the hardship he was undergoing. The file was then forwarded to Claims Division, Office of the Staff Judge Advocate, United States Air Forces in Europe, where further investigation as to the values of some of the items claimed was being conducted when that office was notified that the claimant had died of a heart attack on February 1, 1974. A second partial payment was made to the claimant's widow, Shelia J. Phelps, on February 11, 1974, and the file was forwarded to Claims Division, Office of The Judge Advocate General, Headquarters, United States Air Force, where the final payment of $5,000.00 was made to the widow on February 25, 1974. In this regard, because of limited settlement authority outside of Headquarters, U.S. Air Force, the maximum of $5,000.00 partial payment was the extent of the authority delegated to the field. This claim was cognizable and payable under the Military Personnel and Civilian Employee's Claims Act (31 U.S.C. 240–243) in the maximum amount payable under this law, $10,000.00.

The Air Force determined that the extent of the loss was $14,599.18, based on the payment of the increased replacement costs less depreciation. Of this sum she has recovered $10,000.00, leaving an uncompensated balance of $4,599.18. Initially the Air Force thought that no reduction in this figure could be obtained by a claim against the carrier. Accordingly on March 21, 1974, the Claims Division of the Department of the Air Force advised Mrs. Phelps, in response to her inquiry, regarding further compensation that her uncompensated loss was $4,599.18, and that the only way for her to get the remainder was through a private relief bill.

It was later discovered that the claimant's goods were shipped via Government Bill of Lading on which the carrier has liability until the shipment is delivered to the member. In response to the Air Force demand, the carrier, Scheffler & Company, Hamburg, Germany, sent a check for $1,849.20 (net weight 6,164 pounds at $0.30 per pound). The carrier's check was deposited to the appropriation out of which Mrs. Phelps' claim was paid and a Treasurer's check will be sent to Mrs. Phelps by the Air Force in the near future.

There are strong equitable and legal reasons for relief to Mrs. Phelps. The subject of this private relief is a widow with five children to raise; because of her residence in a foreign country she has no base exchange or commissary privileges as do widows and other dependents of deceased service members in the United States; and she has had to replace, or possibly only partially replace, household goods on a greatly inflated overseas market. Moreover, Sergeant Phelps served his country honorably for over 26 years. Accordingly, the Department of the Air Force strongly supports legislative relief for Mrs. Phelps in the amount of $2,749.98.

In agreement with the department, the Committee recommends the bill favorably.

SELMER AMUNDSON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action taken on H.R. 3538, a bill for the relief of Selmer Amundson, be vitiated; that the bill be returned to second reading; that an amendment which I shall offer be adopted; that the bill be advanced to third reading and passed; and that a motion to reconsider be laid on the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I offer the amendment for Mr. METCALF, on behalf of himself and Mr. MANSFIELD.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in the bill, insert the following new section:

SEC. —. Section 218 (p)(1) of the Social Security Act is amended by inserting "Montana," immediately after "Maryland,".

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to and, as amended, the bill is passed; and the motion to reconsider is laid on the table.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Conant.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

FEDERAL ENERGY ADMINISTRATION

The assistant legislative clerk read the nomination of Melvin A. Conant, of New York, to be an Assistant Administrator of the Federal Energy Administration.

The Senate proceeded to consider the nomination.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

VITIATION OF ORDER FOR RECOGNITION OF MR. TOWER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. TOWER be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 9:30 a.m., with statements therein limited to 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR SUBMISSION OF CLOTURE MOTION ON THE EXPORT-IMPORT BANK ACT CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time on any day during the remainder of this session to file a cloture motion on the Export-Import Bank Act conference report.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

VACATION OF ORDER FOR THE SENATE TO CONVENE AT 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for convening tomorrow at 9 a.m. be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IN THE AFTERMATH OF THE CHILEAN AFFAIR

Mr. CHURCH. Mr. President, Sir Walter Scott's famous line of poetry—"Oh what a tangled web we weave when first we practice to deceive"—expresses perhaps the least that can be said about the consequences of the CIA's involvement in the "destabilization" of Chile. If the tangled web of suspicion, distrust, and hostility which that policy has generated against our country were the only results of our interference in the internal affairs of Chile, it would be bad enough. We would stand condemned for attempting to subvert the elected government of another country and twice condemned for expressing, not remorse, but a pragmatic justification of the covert operation on the astonishing grounds that the Communists behave the same way. And indeed, we are so condemned and it is tragic. But there is more.

It is now becoming increasingly clear that our policy of covert intervention in Chile is likely to have just the opposite effect of the one intended; namely, preventing the spread of Marxist influence in Latin America at the expense of our own. In years ahead, historians are likely to note that our intrusion succeeded in abating rather than increasing the very influence we wished to sustain.

I offer as exhibit A the ejection of our Peace Corps volunteers from Peru. Every effort has been made by three administrations to maintain the Peace Corps as an instrument of America's humanitarian concern, and to keep it free from any connection with political machinations abroad. While suspicions to the contrary have sometimes been expressed, to my mind no convincing evidence has yet been uncovered that the Peace Corps has ever been involved in the gathering of intelligence, or in any covert action conducted by the CIA in any foreign country. On the contrary, all the evidence points to the Peace Corps as a people-to-people program enabling dedicated American citizens to help developing countries without regard to politics.

Why, then, is the Peace Corps being expelled from Peru? While the Peruvian Government has understandably placed the decision on other grounds, it is clear that it struck at the Peace Corps as a way to send a message to the United States concerning the threat it feels from our presence. Since they could not find the CIA and kick it out, the military government of Peru fastened on the Peace Corps instead.

All the evidence indicates that the Peace Corps was doing useful and important work in Peru, as elsewhere. I had the privilege recently to discuss its work in Peru with two dedicated and skilled Peace Corps volunteers from Moscow, Idaho: David and Susan Tharp. David was helping to survey an area of Peru soon to be a national park, while Susan was teaching elementary schoolchildren the fundamentals of vegetable gardening.

They told me the ministries for which they and their fellow volunteers were working—ministries such as health, agriculture, and interior—were well satisfied with their work and sad to see them go. The decision was made by those in the Peruvian Government concerned with internal security.

So the Peace Corps must leave. One wonders how many governments will choose a similar course, picking on the most visible representatives of the United States out of frustration at being unable to identify the most clandestine.

The final irony in this exhibit is that the military government of Peru is increasingly turning to Cuba for technical assistance and cultural bonds. Incredibly, Peru is seeking out Castro's government, regarding it as less subversive than our own. Cuban Communists are apparently more acceptable than our own Peace Corps volunteers, when it comes to Peruvian concerns about internal security. We have truly come full circle since the days we successfully branded Castro an outlaw more than a decade ago, by charging him with attempts to subvert and overthrow established governments throughout the hemisphere.

The ouster of the Peace Corps is certainly but one, and probably one of the less significant prices we shall pay for our misguided attempt to subvert the elected Government of Chile. No doubt there are more subtle and profound consequences yet to be discovered. This one episode is but the tip of the iceberg.

The recent report of the Inter-American Commission on Human Rights of the Organization of American States revealing the repressions and tortures still going on in Chile, can only add fuel to the indignation against the United States, for it is natural to implicate the United States with the actions of a government we appear to have fostered, even though such a government may have been furthest from our intentions.

Recently, I received a letter from another Idahoan who had served in the Peace Corps, in this case in Chile itself. Reviewing with great warmth and affection his years in Chile where he learned to respect the sense of democracy and fair play inherent in Chilean society, Steve Rogers of Boise, wrote of how—

> He watched with mounting horror and pain as the reports came in documenting the barbarities of the new regime.

I agreed with Steve where he wrote:

> Ironically, I have no doubt that in the long run the CIA's action will actually bring about the very situation it was trying to prevent.

So the tangled web we weave entraps us. And given such revelations as the Chilean affair, the imagination is set free to assume the United States is involved in every shady deal on God's Earth. No doubt we are blameless for most of what befalls other governments and the alleged presence of the CIA serves as a convenient scapegoat for internal ills. But who knows? Given a boldfaced affirmation by our President that the Chilean intervention was proper, who can blame others for thinking the worst of us?

I wish, therefore, Mr. President, to sound the alarm and to make clear to the administration my belief that covert actions by the CIA like that which transpired in Chile, are as counterproductive as they are immoral. Those who think only in geopolitical terms can take no more comfort in our policy than those who think in terms humanitarian. In the end we will still reap bitter fruit from the bitter seeds we sow.

PRIVILEGE OF THE FLOOR

Mr. METZENBAUM. Mr. President, I ask unanimous consent that during the debate on the Conant nomination, floor privileges be extended to Mr. John Esposito, Mr. Vic French, and Mr. Gerald Gereau.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:45 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, with amendments in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate numbered 2, 4, 7, 8, 9, 10, and 11 to the bill (H.R. 10834) to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes; that the House agrees to the amendments of the Senate numbered 1 and 3, each with an amendment in which it requests the concurrence of the Senate; and that the House disagrees to the amendments of the Senate numbered 5 and 6.

The message also announced that the House has passed the following bill and agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H.R. 17597. An act to provide a program of emergency unemployment compensation.

H. Con. Res. 654. A concurrent resolution authorizing the reprinting of ten thousand copies for use of the Committee on the Judiciary of House Document 93–339.

H. Con. Res. 675. A concurrrent resolution providing for the printing as a House document of the Constitution of the United States—pocket-size edition.

H. Con. Res. 679. A concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence.

H. Con. Res. 680. A concurrent resolution to provide for the printing as a House document of the proceedings at the commemoration ceremony in honor of the 200th anniversary of the First Continental Congress.

H. Con. Res. 683. A concurrent resolution authorizing the printing of proceedings unveiling the portrait of the Honorable Leonor K. Sullivan.

At 3:45 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The message also announced that the House *has passed* the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the concurrent resolution (H. Con. Res. 692) directing the Secretary of the Senate to make corrections in the enrollment of S. 425, in which it requests the concurrence of the Senate.

At 6 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (H.R. 17085) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, as amended, in which it requests the concurrence of the Senate.

The message also announced that the House has passed without amendment the joint resolution (S.J. Res. 263) amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 620) to establish within the Department of the Interior an additional Assistant Secretary of the Interior for Indian Affairs, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Meeds, Mr. Stephens, Mr. Jones of Oklahoma, Mr. Lujan, and Mr. Young of Alaska were appointed managers of the conference on the part of the House.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii chapter of the National Railway Historical Society, Inc.

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage;

H.R. 7077. An act to provide for the establishment of the Cuyahoga Valley National Recreation Area; and

H.R. 16424. An act to establish a Commission on Federal Paperwork.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate the following letters, which were referred as indicated:

Report of the Export-Import Bank

A letter from the President of the Export-Import Bank of the United States reporting, pursuant to law, on loan, guarantee, and insurance transactions supported by Eximbank to Yugoslavia, Romania, the Union of Soviet Socialist Republics, and Poland during September 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

Publication of the Federal Power Commission

A letter from the Chairman of the Federal Power Commission transmitting a publication entitled "Practices and Standards: Opportunities for Energy Conservation Task Force Report" (with an accompanying publication). Referred to the Committee on Commerce.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report concerning grants approved by the Department financed wholly with Federal funds (with an accompanying report). Referred to the Committee on Finance.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Independent Research and Development Allocations Should Not Absorb Costs of Commercial Development Work" (with an accompanying report). Referred to the Committee on Government Operations.

Teacher Corps Projects

A letter from the Under Secretary of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document transmitted to the Federal Register entitled "Teacher Corps Projects: Notice of Proposed Criteria for Selection of Applications" (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Commerce, with amendments:

H.R. 12427. An act to amend section 510 of the Merchant Marine Act, 1936 (Rept. 93–1346).

By Mr. EAGLETON, from the Committee on the District of Columbia, with amendments:

H.R. 16925. An act to make technical amendments to the Act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes (Rept. No. 93–1348).

By Mr. EAGLETON, from the Committee on the District of Columbia, with an amendment:

H.R. 17450. An act to provide a People's Counsel for the Public Service Commission in the District of Columbia, and for other purposes (Rept. No. 93–1349).

By Mr. PERCY, from the Committee on Government Operations, without amendment:

H.R. 10397. An act to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes (Rept. No. 93–1350).

TRANSPORTATION SAFETY ACT OF 1974—CONFERENCE REPORT (REPT. NO. 93–1347)

Mr. HARTKE submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. Fulbright) from the Committee on Foreign Relations, with a reservation:

Executive J, 91st Congress, 2d session. The Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, or Other Gases, and of Bacteriological Methods of Warfare (Exec. Report No. 93–35).

By Mr. ROBERT C. BYRD (for Mr. Fulbright), from the Committee on Foreign Relations, without reservation:

Executive Q, 92d Congress, 2d session. The Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons, and on Their Destruction, opened for signature at Washington, London and Moscow on April 10, 1972 (Exec. Report No. 93–36).

Executive D, 93d Congress, 2d session. The amended text to article VII of the Convention on Facilitation of International Maritime Traffic, 1965, adopted by the Intergovernmental Maritime Consultative Organization—IMCO—at London on November 19, 1973 (Exec. Report No. 93–37).

Executive H, 93d Congress, 2d session. Consular convention between the United States of America and the People's Republic of Bulgaria, along with an agreed memorandum and a related exchange of letters, signed at Sofia on April 15, 1974 (Exec. Report No. 93–38).

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Terance A. Todman, of the Virgin Islands, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Sidney Weintraub, of New Jersey, to be an Assistant Administrator of the Agency for International Development.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HARTKE. Mr. President, as in executive session, and from the Committee on Commerce, I report favorably sundry nominations in the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of December 4, 1974, at the end of the Senate proceedings.)

ENROLLED BILL SIGNED

The enrolled bill (H.R. 11013) to designate certain lands in the Farallon National Wildlife Refuge, Calif., as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes, having been previously signed by the Speaker of the House of Representatives, today was signed by the Acting President pro tempore (Mr. Metcalf).

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following House concurrent resolutions were referred to the Committee on Rules and Administration:

H. Con. Res. 654. A concurrent resolution authorizing the reprinting of 10,000 copies for use of the Committee on the Judiciary of House Document 93-339.

H. Con. Res. 675. A concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition).

H. Con. Res. 679. A concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence.

H. Con. Res. 680. A concurrent resolution to provide for the printing as a House document of the proceedings at the commemoration ceremony in honor of the 200th anniversary of the First Continental Congress.

H. Con. Res. 683. A concurrent resolution authorizing the printing of proceedings unveiling the portrait of the Honorable Leonor K. Sullivan.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HARTKE:

S. 4233. A bill to establish a fuel stamp program to assist elderly and low-income households to meet the rising cost of fuel used in home heating and cooking. Referred to the Committee on Labor and Public Welfare.

By Mr. BROOKE:

S. 4234. A bill to increase the Federal excise tax on gasoline, to terminate the Highway Trust Fund, and to provide a refundable tax credit with respect to the increased tax paid on not more than 700 gallons of gasoline purchased each year. Referred to the Committee on Finance.

S. 4235. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on every new automobile with respect to its weight, and for other purposes. Referred to the Committee on Finance.

By Mr. STEVENSON:

S. 4236. A bill to delay for 6 months the purchase and ownership of gold by citizens of the United States. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (by request):

S. 4237. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to assess civil penalties. Referred to the Committee on Commerce.

By Mr. WILLIAMS (for himself, Mr. Abourezk, Mr. Bayh, Mr. Beall, Mr. Burdick, Mr. Case, Mr. Church, Mr. Cranston, Mr. Gravel, Mr. Hart, Mr. Hatfield, Mr. Hathaway, Mr. Hollings, Mr. Humphrey, Mr. Magnuson, Mr. Mathias, Mr. McGee, Mr. McIntyre, Mr. Metcalf, Mr. Nelson, Mr. Pell, and Mr. Weicker):

S. 4238. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment. Referred to the Committee on Commerce.

By Mr. KENNEDY (for himself, Mr. Fong, Mr. Humphrey, Mr. Case, Mr. McGee, Mr. Inouye, and Mr. Mathias):

S. 4239. A bill to provide international disaster relief assistance. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARTKE:

S. 4233. A bill to establish a fuel stamp program to assist elderly and low-income households to meet the rising cost of fuel used in home heating and cooking. Referred to the Committee on Labor and Public Welfare.

THE HARTKE FUEL STAMP ACT

Mr. HARTKE. Mr. President, I am introducing legislation designed to meet the critical need of the poor and the elderly for assistance to purchase essential fuel supplies. The Fuel Stamp Act will provide direct relief to those families most immediately affected by the present economic crisis by insuring their continued ability to obtain sufficient fuel for heating and cooking this winter. The general health and welfare of the Nation demands that the Congress act to insulate our most vulnerable citizens from the shocks that have rocked our economy during the last 2 years.

There is no need to review in depth the litany of economic woes that have beset us. We are experiencing an inflation unmatched in severity in living memory, coupled with a deepening recession that promises to be surpassed only by the Great Depression of the 1930's. The intersection and tandem operation of these two supposedly antithetical economic tendencies has created a unique and frightening crisis.

Of the many factors contributing to the imbalance of our economy, the quadrupled price of foreign-produced oil is the most apparent. It will take time to adjust to this new and apparently irreversible change in the price of our most basic raw material. While I am confident that our economy is strong enough and resilient enough to make the necessary adjustments, my immediate concern is for those groups within our society who now lack the resources to provide for their most elemental needs.

The upward movement in the price of home heating oil has been inexorable.

In August 1972, the consumer paid 19.5 cents a gallon; by January 1974, that figure had risen by almost 10 cents to 29 cents a gallon; by January 1974, that price of heating oil, according to Federal Energy Administration sources, stands at an astounding 36.3 cents per gallon. This represents an increase of 54 percent over the last 2 years. For families on fixed incomes, living on social security, receiving welfare assistance, or collecting unemployment compensation—a category that is growing daily—fuel purchases have become an insupportable financial burden. A modest but well-constructed three-bedroom brick home with relatively good insulation could cost anywhere from $65 to $85 a month to heat. And that figure excludes fuel for hot water, cooking, and electricity.

Some Americans will be forced by these high prices to make choices between adequate heating, sufficient clothing, or a healthy and substantial diet. Food and shelter are basic human necessities. The Congress simply cannot allow a larger number of citizens to be denied, through no fault of their own, basic human needs; to do so would be unconscionable.

We must put this problem in perspective. This is the wealthiest nation in human history. Scores of individuals receive incomes that exceed what is necessary to provide the most comfortable existence imaginable. In the face of imminent hunger and cold, the argument that we cannot afford to assist our less fortunate citizens is unacceptable. We must. If funds are not available, they must be made available by revamping our tax laws to insure that every individual and corporate entity pays a fair percentage of the costs necessary to maintain our society.

The legislation I am introducing is not a panacea that will cure our many social ills. It is a supplementary assistance program which only treats the symptoms of the disease, not its cause. Our ultimate goal must be the creation of a society where measures such as these will be unnecessary; a society in which every individual has the opportunity to achieve for himself and his family a decent, meaningful life. That goal is some distance down the road; in the meantime, we must provide emergency assistance.

This Fuel Stamp Act will help the elderly and the disadvantaged meet their immediate, pressing need for heating and cooking fuel. To minimize the administrative difficulties inherent in any national program, the legislation has been drafted to link into the food stamp program. By utilizing those structures, the time-consuming process of developing a new set of procedures is avoided.

For example, criteria for household eligibility are basically identical to those of the food stamp program. A family which has been certified to receive food stamps is automatically eligible to receive fuel stamps. This relieves both the agencies and the recipients of the burden of recertification. Since the legislation stipulates that the same State agency should be responsible for both programs, the individual is spared the necessity of trudging from one office to another and will be able to pick up food and fuel stamps during the same visit. Under the present circumstances, this aspect of the legislation is critical since it will enable those in need to receive assistance this winter.

Provision has also been made to assist those whose increased fuel costs are reflected indirectly in the form of higher rents. Much of the potential clientele of of this program live in apartments and rooms that include heat and cooking in the rental charge. If the landlord raises rents to cover his increased fuel costs, the fuel stamp recipient can use the stamps to defray this increase. Naturally, certain safeguards have been incorporated to deal with possible abuses.

Not all parts of the country are affected equally by spiraling fuel costs. The Secretary of the Department of Health, Education, and Welfare is authorized by this bill to take regional differences into account, and to provide assistance to participating States in accordance with that determination. Also, States wishing to participate are required to demonstrate that they are instituting or have instituted adequate and reasonable statewide plans for energy conservation.

Mr. President, I would urge my colleagues in the Senate not only to act upon this urgently needed legislation, but to do so with alacrity. As we debate, winter descends. Congress cannot allow the elderly and the poor to suffer the consequences of Government inaction. Unless we extend a helping hand, this will indeed be for many thousands the "winter of our discontent."

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fuel Stamp Act of 1974".

SEC. 2. The Congress hereby finds that, because of the substantial rise in the cost of all types of fuel commonly used for home heating and cooking, many households are experiencing considerable economic hardship which may seriously affect their health and well-being. It is the intent of Congress to establish a fuel stamp program to alleviate this hardship.

SEC. 3. As used in this Act, the term—

(1) "Secretary" means the Secretary of Health, Education, and Welfare;

(2) "coupon" and "stamp" refer to any certificate issued through the appropriate agency pursuant to the provisions of this Act;

(3) "household" means a group of related individuals, or unrelated individuals over the age of 60, who are not residing in any State or Federal institution, but are living as one economic unit. Such term also includes an individual living alone who is not residing in any such institution;

(4) "landlord" means any individual or corporate entity who rents lodgings to households on a regular basis of one week or more, whether or not the landlord resides on the premises, but only if the cost of fuel for the purposes of heating and cooking is normally included in the rental charge for such lodging; and

(5) "State" means each of the several States of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

SEC. 4. The Secretary is authorized to enter into agreements with each of the several States pursuant to which such State shall be authorized to establish a fuel stamp program under which eligible households will be provided with financial assistance in the purchase of fuel for domestic heating and cooking.

SEC. 5. Under such programs, eligible households will be provided with coupons, redeemable at face value by the Treasury of the United States, with which to purchase, from authorized retail suppliers of fuel, fuel adequate for normal heating and cooking, or to defray legitimate increases in rental charges as provided by section 13 of this Act, as determined by the appropriate State agency.

SEC. 6. The fuel stamp program shall be administered by participating States in conjunction with the Secretary, and the cost of administering the program will be borne by the participating States, except that the Secretary shall oversee the program in the several States.

SEC. 7. The Secretary is authorized to provide, without reimbursement, fuel stamps to participating States in sufficient quantity to carry out the purposes of this Act.

SEC. 8. The Secretary is authorized to make a determination, on the basis of regional differences in the cost of fuel and the nature of climatic conditions, which States have the greatest need for fuel stamps and, pursuant to that determination, allocate fuel stamps in accordance with those criteria.

SEC. 9. The Secretary shall issue such regulations as he deems necessary or appropriate to carry out the purposes of this Act.

SEC. 10. The criteria for eligibility under this Act shall, except to the extent otherwise provided by this Act, be the same as those of the Food Stamp Act of 1964, as amended. Households that meet the requirements of this Act and such criteria in the Food Stamp Act of 1964 will be eligible for assistance under this Act, their participation or non-participation in the Food Stamp Program notwithstanding.

SEC. 11. Coupons or stamps shall be printed in such denominations as may be determined by the Secretary to be necessary, and they shall be issued under any program established pursuant to this Act only to households which have been duly certified under such program as eligible to participate in the fuel stamp program.

SEC. 12. Any State desiring to participate in the fuel stamp program shall petition the Secretary and provide, for his approval, a plan. Such plan shall contain a fuel stamp program in accordance with this Act and evidence sufficient to indicate that such State has instituted State-wide fuel conservation efforts. Such program shall contain provisions assuring that the benefits of the program shall be available to eligible citizens residing in all its political subdivisions.

SEC. 13. Any landlord who accepts any part of his rental charges in fuel stamps, as provided under any fuel stamp program established pursuant to this Act, shall, as a condition of such acceptance, agree that, if he increases rents, he will:

(1) increase rents only in accordance with those costs which he actually incurs for heating, lighting, and cooking;

(2) increase rents only in accordance with actual increases in other operating costs;

(3) submit his increases to review upon the request of the appropriate State agency, pursuant to this Act; and

(4) use as a base period in computing increases in fuel costs the average price of such fuels during the months of November and December of 1973.

SEC. 14. Whoever knowingly uses, transfers, acquires, or possesses coupons issued pursuant to this Act in any manner not authorized by this Act or the regulations issued pursuant thereto shall, if such coupons are of the value of $100 or more, be fined not more than $10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than $100, shall be fined not more than $5,000 or imprisoned for not more than one year, or both.

SEC. 15. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. BROOKE:

S. 4234. A bill to increase the Federal excise tax on gasoline, to terminate the highway trust fund, and to provide a refundable tax credit with respect to the increased tax paid on not more than 700 gallons of gasoline purchased each year. Referred to the Committee on Finance.

MANDATORY ENERGY CONSERVATION INITIATIVES

Mr. BROOKE. Mr. President, it has been 1 year since the Arab oil embargo underscored the urgent need for this country to develop a national energy policy. Yet the American people still wait for such a policy. To be sure there is a great deal of talk about energy policy. But that is all—just talk. And meanwhile the Nation drifts toward economic and energy chaos.

To redress this situation, I offer today a first step in what I hope will be a series of actions designed to fashion a coherent energy policy: a 20-cent increase in the Federal tax on gasoline; a graduated tax upon automobile weight; an end to the highway trust fund; and a mechanism to refund much of the increased revenues to those citizens who have been hit hardest by our economic vicissitudes, those who earn less than $15,000 per year.

It is with no joy that I offer these initiatives, for they entail hardship, sacrifice, and dislocation. But I see no alternative to this kind of tough, mandatory action. And the facts, I think, bear me out.

Our energy situation is critical and it worsens with each passing day. Future energy supplies are plagued with long leadtimes, skyrocketing costs, and complex environmental and social obstacles, and therefore cannot be readily increased. Existing energy supplies continue to dwindle. The result is a frightening reliance on foreign nations for this country's lifeblood.

The situation clearly compels conservation. We must conserve our present energy sources until more bountiful supplies can be unlocked and—hopefully—brought into the marketplace at a reasonable price. And since we are a "country that runs on oil," it is primarily oil that must be conserved.

Presently we rely upon oil to meet 50 percent of our energy requirements. Each day we consume some 17 million barrels. But our weathered domestic oil industry can only deliver 63 percent of this amount; hence, we are forced to contract abroad for the remaining 37 percent.

As my colleagues well remember, there was a time when foreign oil was a boon to this country—particularly for those of us in New England. For cheaper than domestic oil, it offered our fledgling independent network of oilmen the ways and means to compete with the domestic giants. But what once was a bargain is now a burden. Foreign oil costs as much as twice the U.S. equivalent. And this is raising havoc with our consumers, with our balance of payments, and indeed with the entire economic structure of the developed nations.

I need not recount for my colleagues the extreme problems posed by continued reliance on this foreign oil. Federal Reserve Board Chairman Arthur Burns, Secretary of State Henry Kissinger, and the President himself have all dipped necessarily into doomsday type language to describe them. Said Burns:

> The alternative of drift, I fear, may lead to a permanent decline of our Nation's economic and political power in a very troubled world

Said the President:

> It is difficult to talk about energy without using doomsday language.

Said Kissinger:

> The complex, fragile structure of global economic cooperation required to sustain national economic growth stands in danger of being shattered.

Yet despite these admonitions we are still bereft of any proposals as to what to do. We see the dangers, but have no answers.

The legislation I introduce today is intended to fill this void. It offers what I believe to be the most sensible, equitable approach to curing our paralysis and forging a rational energy policy. It will entail sacrifice, but such is required if we are to free ourselves from the perils that belie reliance on foreign oil.

If we are agreed on these perils—and I think we are—then we must find a way to immediately reduce our oil consumption. And this inevitably leads us to gasoline. Gasoline is all but a national opiate. Of the 17 million barrels of oil we consume each day, nearly 7 million wind up as gasoline.

This enormous consumptive level is necessary to satiate the needs of our private automobile. In 1972 alone nearly 75 billion gallons were required to fulfill the needs of over 100 million cars traveling over 1.2 trillion miles. Even more astounding is the fact that most of this travel was done alone as a means to get either to work or retail outlets.

Left to itself, the situation will only worsen. Currently 8 of every 10 American households own at least one car; 3 in 10 own at least two cars, and 1 in 10 own three cars or more. Moreover, some 10,000 new drivers are licensed each day just as a net total of 10,000 cars are added to our environment.

We are hooked on the automobile and the habit spreads despite the many problems it now presents for our society.

It is nearly impossible to overstate America's love affair with the automobile. It has so dominated our society that, as the distinguished scholar and former Ambassador George Kennan pointed out—

> It has lent a terrible element of fragility to our civilization, placing us in a situation where our life would break down completely if anything ever interfered with the oil supply.

But it may just be that the luxuries offered by the private automobile are something we can no longer afford. As our oil resources dwindle, a social question arises as to whether we should squander them on the extravagance of a private transportation system. Oil after all can be used to make anything from food to fertilizer. Do we want to waste such a precious resource on our huge armada of autos?

The brief against the auto is telling. Only the airplane is a less efficient user of energy. Yet the auto accounts for 85 percent of all intercity travel and a whopping 95 percent of all intracity transportation. Rail and bus service, while four times as efficient, represent a meager 4 percent of intercity transport, and we all know the state of intracity mass transit. Here in this city there are some 1.2 million vehicle trips each day across the district's boundaries. Such is our attachment to this mode of transport.

The time has come to face the music. The automobile is the prime manifestation of waste and neglect which has dragged this Nation into its present energy crisis. If we are to recover our energy balance, then we must take swift, mandatory action to curb the waste incurred through its use.

Increasing the Federal tax on gasoline is the necessary first step in this effort. It has several advantages. It would cut our oil demand in the short-run by close to a million barrels a day. This would improve our balance-of-payments picture by as much as $3.6 billion per year. It would reduce our long-run demand for gasoline by as much as 22 percent. It would add some $17 billion to the Treasury's general fund, thereby eliminating the need for such proposals as the President's surtax that was made earlier but is now abandoned. Much of this increased revenue could then be put toward the task of providing for those most burdened by our current economic woes.

In addition to these crucial energy and economic benefits, there will be attendant environmental and social benefits of less automobile driving. When one remembers that as many as 4,000 deaths and 4 million illness-restricted days per year might be attributed to automobile emissions, these attendant benefits are by no means irrelevant.

But, as with any new direction in social policy, there are several specific difficulties. We already know that 81 percent of the American people would prefer that the gas tax be left untouched. This, in and of itself, poses a very great problem. But I am confident that the Congress can provide the leadership necessary to inform the public on the merits of this case and thus turn this large percentage completely around.

Second, the tax will inevitably cause the Consumer Price Index to rise, even if every penny of the increased revenues could be redistributed evenly. This then will put further pressures on future wage demands.

Third, there is the very grave problem of unemployment in the auto industry. There can be no doubt that a further increase in the price of gasoline would hit Detroit hard at a time when the industry is already reeling from its worst recession in 15 years. But I submit that the same difficulties will be visited upon the industry if alternative conservation plans are adopted or, conversely if nothing at all is adopted. I would also point out that the distinguished chairmen of the boards of Ford and General Motors have spoken favorably of a gas tax.

Finally, and most troublesome, is the possible regressive tendency of the tax. This has caused me a great deal of anxiety, for I know only too well of the burden which both inflation and recession now place upon our citizenry. To add unnecessarily to this burden would be both cruel and unconscionable. But I feel secure in the knowledge that sufficient mechanisms exist to combat any latent regressiveness. I would not consider introducing this bill if I felt otherwise.

Careful review of the evidence suggests that the tax is far less regressive than many assume. I would ask my colleagues to consider, for example, the fact that gasoline purchases represent 2.4 percent of a family budget of $10,941 whereas similar purchases are only 2 percent of a family budget of $7,214. Or the fact that the poor in this country spend roughly $101 per year on gasoline or 26 percent of their energy budget whereas wealthier families spend $533 per year or 38 percent of their energy budget. Or the fact that miles driven to work increase as income increases. Or the fact that while 50 percent of the Nation's poor own no car at all, 79 percent of the Nation's well-to-do own two cars or more. Or the fact that the poor account for only 9 percent of all cars owned in this Nation and only 5 percent of all gasoline purchases despite the fact that they account for 17 percent of all households. The facts are clear: the more money one has, the more he or she is likely to drive.

The following charts should give my colleagues a rough idea of the effect of a 20-cent increase in the gasoline tax. Table I indicates the burden borne by each income group while table II indicates the estimated amount of tax paid by the average household.

Table I

(20-cent tax increase)

Adjusted gross income:	(*Billions*)
$0–$3,000	$0.5
$3,000–$5,000	.6
$5,000–$7,000	1.1
$7,000–$10,000	1.8
$10,000–$15,000	2.9
$15,000–$20,000	2.4
$20,000–$50,000	2.5
$50,000–$100,000	.2

Table II

(20-cent tax increase)

Money income:	
$5,000	$126
7,500	194
10,000	231
15,000	258
25,000	293

Despite the empirical evidence to suggest that the tax may not be as regressive as some fear, there is no denying that it will cause sacrifice among all Americans. That is its design. But to help those less able to endure these sacrifices, I have coupled the tax increases with a mechanism to compensate, through tax credits, those individuals who earn up to $12,000 per year, and those families who earn up to $15,000 per year.

The way this system works is really quite simple. Each individual taxpayer who earns $12,000 or less will be allowed a 20-cent per gallon credit on all gasoline purchases up to $140. In the case of a married couple filing jointly, the figure would be $280 and the income level would be raised to $15,000. This exempts some 700 gallons per person, or using 13 miles-per-gallon as the average auto efficiency rate, 9,100 miles of driving.

At the $1,000 level, the average American household is expected to balance increased expenditures with the credit. It is estimated that the increased expenditures will be $280, which would be offset by the accompanying credit. Below that level, the credit will be more than adequate to compensate for increased gasoline costs. The only requirement would be that a citizen itemize the gallonage consumed so that the appropriate amount can be credited to his tax.

Now, there are two problems. The first concerns the men and women who, like the travelling salesman, rely heavily on the automobile for a living. Under my proposal a choice will have to be made between utilizing available business deductions or filing for the tax credit. For those who do not qualify, the existing business deductions will have to suffice.

The second problem relates to those outside the reach of the income tax system. This is admittedly a terribly difficult problem. To deal with it I propose that the Treasury initiate a program to extend the credit to those who otherwise would not file an income tax form. Under this plan, people would go to the appropriate office and, with the help of Internal Revenue Service personnel, file an abbreviated 1040 form which will have a provision for the tax credit. Upon filling out the form and producing proper proof of vehicle ownership, those entitled to credit will receive the appropriate amount in check form from the Treasury. Certainly much will depend on the success of the Treasury and the IRS in publicizing the availability of this credit to eligible citizens, but I believe that the system can and will work fairly and equitably.

Mr. President, I firmly believe that the relative merits as I have discussed them argue persuasively for an increased gasoline tax. And the case is further strengthened by the lack of alternatives. Indeed, only gasoline rationing can be considered a reasonable alternative and unfortunately it suffers from a number of drawbacks. It will be difficult to establish and manage. It is easily susceptible to political pressures which in themselves could lead to gross inequities. It possesses some of the regressive tendencies of the gasoline tax in that it will cut into the leisure travel of low income citizens and hurt those with large cars—and this without any of the attendant economic benefits supplied by the gas tax.

But most importantly rationing is nothing more than a short-term solution to what is definitely a long-term problem. It betrays its affinity to the kind of crisis/solution syndrome which has transfixed so much of our current politics. If ever we are to free ourselves from this debilitating, haphazard approach to public policy, now is the time. The situation clearly dictates a long-term solution through a long-term energy policy. A permanent increase in the gasoline tax offers an appropriate first step in such a policy.

However, more is needed. And today I have included two additional initiatives which are necessary if we are to forge a meaningful conservation policy.

First, I advocate an end to the Highway Trust Fund. Not only is this desirable from a procedural standpoint since all revenues generated by gasoline taxes must now go directly into the fund; but, from the even more important standpoint of social policy, the proliferation of highway construction is contrary to the needs manifested by our energy problems. Highway construction is simply no longer a high priority item for this country. If future moneys are needed for highway construction—and I assume they will be—then I say let the case be made before the Public Works and Appropriations Committees and let them compete actively with other social programs such as health care, defense, education, veterans' benefits and mass transit, to name but a few.

Second, I advocate a progressively stringent tax on automobile weight to be borne by that auto's manufacturer or importer. Such a step is necessary to ensure that the growing trend toward producing smaller cars becomes the norm among all auto manufacturers. For it is time to see our large cars—the very symbols of our voracious energy appetite—for what they truly are: a cost too expensive for this Nation to bear.

In discussing the correlation between fuel economy and automobile weight, the Environmental Protection Agency has stated that "vehicle weight is the single most important factor affecting passenger car fuel economy." A 5,000-pound car, reports EPA, "demonstrates 50 percent lower fuel economy than a 2,500-pound vehicle." If energy conservation is our goal, then clearly production and purchase of the large auto must be discouraged. And here again, I believe the tax mechanism offers the best method of achieving this goal. The tax I propose should, when coupled with the gas tax, provide automakers with sufficient incentive to produce lighter, more effective automobiles. It would be administered in two phases. The first phase—from July 1, 1976 to June 30, 1980—would leave untaxed automobiles weighing less than 2,500 pounds while levying progressively stiffer taxes on all higher weight classes. The second phase—from July 1, 1980 onward—would again leave the smallest cars untaxed while increasing the severity of all other taxes. For instance, after 1980 any car weighing more than 5,000 pounds would be subject to a tax of $1,200.

Mr. President, rhetoric is a politician's stock-in-trade. But no amount of rhetoric can bring home the need for tough, mandatory energy conservation steps. Our energy, economic and environmental policies cry out for them. But these cries fall on deaf ears. The Congress, paralyzed by opinion polls, steadfastly refuses to act. And the Nation lies adrift—motionless, aimless, purposeless.

The challenge is clearly ours. We must rise to meet it. We must lead. Inform. Inspire.

The legislation I introduce today is offered in this spirit. It will jar; it will jolt; it will inconvenience.

It will not be popular. Nothing will that further burdens an already heavily burdened citizenry. But if others have a better approach, let them come forth. Let them put their proposals before the people and let us debate them on their merits. This is our responsibility. We must insure that our citizenry understands fully the seriousness of our energy crisis and what can be done about it. Only then can they make the informed decisions that are so desperately needed.

By Mr. STEVENSON:

S. 4236. A bill to delay for 6 months the purchase and ownership of gold by citizens of the United States. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. STEVENSON. Mr. President, I introduce a bill to postpone for 6 months the date on which U.S. citizens can purchase, hold, sell, or otherwise deal in gold without restriction. Currently, such restrictions are due to end on December 31, 1974, but it is clear that unrestricted private ownership of gold at this time poses grave dangers for the Nation's economy, its financial institutions, and individual investors.

The prevailing mood in the country today is one of economic uncertainty. Continuing unprecedented inflation, declining economic activity, and the failure of economic leadership from the White House have taken a serious toll of consumer and investor confidence. In this climate, the opportunity to hold gold could well induce massive purchases of gold starting January 1 and a diversion of savings and investment funds from productive to speculative activity.

Already there is mounting evidence of

an intense interest in gold among speculators, dealers, and ordinary private citizens. Banks, brokerage houses, and even department stores are reported to be gearing up for the onslaught—and the profits to be made. But a sudden flight to gold could weaken the economy still further, exacerbate inflation, cause still higher interest rates, produce crippling financial losses, and undermine the stability of the Nation's financial institutions.

At the moment, it is impossible to forecast with certainty the extent to which Americans will want to buy gold. But the respected Chairman of the Federal Reserve Board, Arthur Burns, is reported to believe that gold purchases during the first few months of 1975 could amount to as much as $5 billion with serious adverse consequences for the U.S. economy. It is this prospect that undoubtedly led the administration to announce a sale of 2 million ounces of gold from the U.S. Treasury early next year and prompted the Federal Reserve Board to go on record as favoring a 6-months' delay in the date for holding gold.

One of the most crucial problems confronting the economy today is the critical shortage, and high cost, of funds for housing, transportation, utilities, and new industrial plant and equipment. Resources to satisfy these needs can come only from savings and investment. But the money to buy gold will cause a withdrawal of funds from savings accounts, common stocks, municipal and industrial bonds, and other investment vehicles. The result will be still higher interest rates, lower stock prices, and continuing depression in the housing market, and increasing cost burdens for local governments, business, utilities, and others which rely on private investment funds to meet growing capital needs.

In addition, private trading in gold at this time poses problems for the value of the dollar. Any surge of demand in the United States will undoubtedly have to be satisfied from foreign sources, unless the Treasury stands ready to meet demand by disposing of more of its gold holdings than presently planned. The consequence will be a further drain of dollars abroad and a depreciation in the value of the dollar against other currencies. And as the dollar depreciates, the cost of imports will rise and contribute further to domestic inflation.

Adverse consequences for the economy as a whole will be compounded by problems for the Nation's financial institutions. Many are already experiencing severe strains from inflation, foreign currency dealings, and accumulations of volatile short-term deposits. Participation in highly volatile and speculative gold trading will exacerbate the strains still further.

So great are the dangers, that the Federal Home Loan Bank Board has issued a flat prohibition on dealings in gold by federally chartered savings and loan associations. But the Home Loan Bank Board is powerless at present to prevent State-chartered savings and loans from dealing in gold although the dangers for such institutions are equally great.

The Comptroller of the Currency is likewise powerless to prevent national bank dealings in gold. In a recent illuminating release it pointed out some of the adjustments which will have to be made:

Accounting procedures, for example, will have to be revised to reflect the rapidly changing value of gold on hand. Personnel will have to be trained in order to offer gold services. Lending policies will have to be reviewed to deal with problems of valuing gold held as collateral and establising proper loan to collateral ratios. Public relations problems could result if a bank establishes a gold sales program without making arrangements for repurchase. But if repurchase is to be made, provisions must be made to insure the purity of the repurchased gold.

The Comptroller's great concern is reflected in the following warning to banks under his jurisdiction:

> Trading in gold for the bank's own account should be limited and the risks to the bank fully explored prior to any undertaking.
>
> Because of the volatility in the price of gold, inventories other than to meet the reasonable needs of the bank's customers will be reviewed by this Office to determine if such investment constitutes an unsafe or unsound banking practice.

Echoing this same concern is the following warning made by the Federal Reserve Board to each State bank member:

> During [the past 41 years], private individuals and banks have had *negligible* experience with gold. Gold is not legal tender. Rather, it is a highly *speculative* commodity, subject to widely fluctuating prices. In light of these circumstances, State member banks will *wish to proceed cautiously*, should they decide to provide gold related services to customers. (Italic supplied.)

There are other problems as well. The start of private trading in gold could induce massive fluctuations in price. Annual gold production is small. A sudden surge in demand will produce rapid price increases. The chief beneficiaries at first will be the Union of South Africa and the Soviet Union, which together account for over 80 percent of annual world production. Moreover, since gold, unlike other commodities, has little intrinsic value, its price will be largely determined by speculation. And speculators profit from wide swings in price, leaving ordinary private citizens exposed to the danger of massive financial losses.

Concern for investor exposure is reflected in an unusual release recently issued jointly by the SEC, the President's Consumer Affairs Office, the Justice Department, the Federal Trade Commission, and the U.S. Postal Inspection Service. In that release, it was suggested that those purchasing or investing in gold should:

> 1. Be wary of unsolicited correspondence or calls from strangers offering to sell you gold or gold investments;
>
> 2. Be skeptical of promises of spectacular profits;
>
> 3. Resist pressures to make hurried, uninformed investment decisions;
>
> 4. Be suspicious of claims of new, secret or exotic processes to extract gold;
>
> 5. Seek independent advice from a person you trust and who is knowledgeable;
>
> 6. Consider the risks in relation to your own financial position and needs;
>
> 7. Find out if the company has registered with the SEC or state securities agency;
>
> 8. Attempt to determine the seller's markup (or how much it cost the seller to purchase the gold);
>
> 9. Ascertain what costs, in addition to the quoted price of gold, are involved. For example, you may be required to pay a refining charge, assay fees, commissions, shipping and storage fees, insurance costs and sales tax;
>
> 10. Demand a written guarantee concerning weight and fineness (pureness). Some gold bears a refiner's mark assaying its weight and fineness; however, *there are no Federal standards*. (Emphasis supplied.)
>
> 11. Attempt to make your purchases through local reputable firms. (Firms including the term "Exchange" in their name should not be assumed to constitute an association or group of firms which provide a public market for buyers and sellers);
>
> 12. Obtain in writing the terms of your purchase, for example, when and how the gold will be delivered and stored, including what security precautions will be taken to insure that your gold is not shaved or that counterfeit gold is not substituted;
>
> 13. Ask whether the gold will be segregated and stored in your name (not the seller's or supplier's). Make sure you receive a written receipt showing that the requisite amount of gold is being stored for your account by a reputable concern; and
>
> 14. Ask whether there will be a ready market for the gold in the form being offered to you. You may have to pay to have your gold reassayed, recast into a different shape, size and/or transported to a distant market before you can sell it.

Such hortatory admonitions reflect the paucity of Government preparation for the transition to wide-scale private gold trading. Significantly, the administration notes that several fraudulent gold schemes have already arisen, including false mining claims, the offering of large quantities of foreign gold through ownership shares in offshore banks, the issuance of low purity gold coins, and solicitations for investment in worthless "secret" processes to extract gold from worthless ore.

Already, the Justice Department has started an effort to prosecute what the administration admits is a "growing number of frauds" involving gold, but unfortunately for investors who get burned, the most effective remedy the administration offers is that "if you believe that you may have been the victim of a fraud, you should consult your attorney to determine what steps to take to assert and protect your rights." The degree to which the individual investor is on his own is made clear by the administration's consoling statement that—

> Although the agencies (of the Federal Government) cannot intervene in your behalf or offer legal representation to obtain redress of your individual rights, your complaint may prevent others from being defrauded.

Once an investor survives the pitfalls of purchase, his problems may not be over. Storage will be risky and perhaps costly. Adequate security will be difficult to establish. Trading will be complicated by the need for an assay on each transaction. New forms of ownership such as mutual gold funds or gold certificates may appear, but the risks associated with such trading will leave investors in a highly vulnerable position.

In the face of these risks and dangers, it is apparent that the country is unprepared for the transition. Gold trading will start next January, unless delayed, in a regulatory vacuum and at the worst possible time for the economy.

Mr. President, I do not call for a permanent prohibition on private gold ownership. I merely ask for a delay. The Federal Reserve Board's outspoken statement of the dangers and its call for a breathing spell should be heeded.

Time is needed in order to devise safeguards for financial institutions, the trading public, and the international currency markets, and to prevent a massive and destabilizing transfer of funds from productive to speculative activities. Delay would provide time to ease the transition, identify the potential problems, devise solutions, and cool the current inflationary spiral in preparation for an orderly transition.

By Mr. MAGNUSON (by request):

S. 4237. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to assess civil penalties. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill, to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to assess civil penalties, and ask consent that the letter of transmittal, statement of need, and text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C., August 8, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Civil Aeronautics Board recommends to the Congress for its consideration the enclosed draft of a proposed bill "To amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to assess civil penalties."

The Board has been advised by the Office of Management and Budget that there is no objection to the transmission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

WHITNEY GILLILAND,
Acting Chairman.

STATEMENT OF PURPOSE AND NEED FOR A DRAFT BILL TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO AUTHORIZE THE CIVIL AERONAUTICS BOARD TO ASSESS CIVIL PENALTIES

Legislation is needed that will permit the Board to impose civil penalties for violations of the economic regulatory provisions of the Federal Aviation Act, or Board regulations thereunder. The Act now provides that any person violating such provision of the Act or the Board's regulations shall be subject to a civil penalty. The Act also authorizes the Board to compromise any civil penalty action. However, the penalties themselves can only be imposed by a U.S. district court in a penalty proceeding instituted there and this procedure has seriously compromised the Board's ability to ensure compliance with the requirements of the laws which it has the responsibility to enforce.

The general matter of the power of administrative agencies to impose civil penalties has been the subject of study and consideration by the Administrative Conference of the United States. By Recommendation 72-6, adopted on December 14, 1972, the Conference characterized the increased use of civil money penalties as "an important and salutary trend" and urged administrative agencies to consider asking Congress for authority to impose civil money penalties. The Conference observed that this authority would help alleviate the already critical overburdening of the Federal courts by removing controversies which involved little precedential significance and only small sums of money. Moreover, it would give an agency a more flexible yet potent and speedy tool in administering its statutory responsibilities. And, finally, it would place before the agency (instead of a district court) the resolution of disputed issues which require specialized knowledge and expertise, and allow for greater consistency of outcome than is likely to result from district court adjudications.

The requirement that the Board rely on de novo court proceedings for the imposition of civil penalties for violation of the Federal Aviation Act hampers the Board's ability to ensure compliance with existing law and may result in both unnecessary duplication of effort and delay. To begin with, parties charged with violations of the Act or the Board's Regulations know that only the most serious and easily proven cases are likely to go to trial, and that local U.S. attorneys may feel compelled to settle cases under terms less than advantageous to the Government. This, in turn, affects the decisions of the Board's Bureau of Enforcement with respect to the kinds of violations to prosecute, and reduces the utility of the compromise authority that section 901 now gives the Board. Similarly, a systematic program of enforcement is rendered more difficult. Equally important, a serious duplication of effort results because of the inability of the Board to adjudicate a civil penalty at the same time that it processes the underlying violation looking toward the imposition of an administrative remedy, such as a cease and desist order. Alternatively, collection proceedings may be protracted in those cases in which a court initially defers to the primary jurisdiction of the Board for the resolution of issues within the Board's expertise.

The approach provided for in the draft bill will eliminate the need for a de novo district court penalty suit as now required and will enable the Board to relate the amount of the penalty directly to the nature and circumstances of the violation. Such a procedure should, in many instances, reduce the total litigation expenses to both the Government and private parties while preserving the safeguards of justice through the reviewability of Board decisions in the U.S. Courts of Appeal.

The administration of the Federal Aviation Act, and the Board's Regulations thereunder, are uniquely suitable to the administrative (rather than judicial) imposition of civil penalties. During the first decade or so of the Board's experience with its authority to compromise civil penalties (through Fiscal Year 1975), the Board accepted compromise settlements on a wide variety of aviation-related violations, including the improper handling of accounting entries, the misclassification of commodities and the overcollection of rates from customers, improper overflights, unauthorized free transportation in exchange for advertising, flight layovers in excess of the 45 minute limitation, failure to distribute denied boarding compensation, and the maintenance of control and interlocking relationships in violation of the Act.

These matters are more suited to the specialized knowledge of the Board than they are to adjudication by a judge and jury. The eventual compromise settlements in the Board cases ranged from a low of $500 to a high of $87,000, and almost 60 percent of all claims involved a compromise settlement of $5,500 or less. Claims of this general size should not burden the already strained resources of the U.S. attorneys and the Federal district courts. Finally, almost all cases involve respondents who routinely come within the Board's regulatory jurisdiction (18 of the 23 respondents who were parties to a civil penalty compromise in Fiscal 1973 were direct air carriers, and others were indirect carriers) and are fully familiar with, and are often the beneficiary of, the Board's processes.

The draft legislation would empower the Board, upon notice and hearing, to order the payment of civil penalties in accordance with the amount now fixed by statute. The legislation specifies that a Board order assessing a penalty would be subject to review only by the United States Courts of Appeal as provided by Section 1006 of the Act. While judicial review might, in any event, be so restricted under existing principles of law, this provision is inserted to avoid any uncertainties on this point in light of the present provision of the statute affording a right to a jury trial in collection proceedings and to reflect the recommendation of the Administrative Conference that "legislation providing for the administrative imposition of civil money penalties should specify that final agency determinations cannot be subject to collateral attack in later 'collection proceedings.'"

The proposed amendment would empower the Board to issue an order assessing civil penalties in controverted cases. Similarly, the Board would retain its existing right to issue orders which include a civil penalty as part of a settlement or other consent disposition of a proceeding. In either case, failure to pay a penalty ordered by the Board would subject the person involved to an action in a U.S. district court for recovery of amounts owed to the United States, but it is highly doubtful that eventual resort to district court collection procedures would be necessary. Such collection suit would, in any event, be a far simpler process than the de novo trial of law and fact now required; as the report of the Administrative Conference stated, the Department of Justice would ordinarily proceed by motion for summary judgment and the Department has indicated that such proceedings "would present no significant difficulty. . . ."

Finally, it may be noted that the Federal Aviation Act of 1958 empowered the Civil Aeronautics Board to compromise civil penalties for violation of Title VII of the Act (aircraft accident investigation). This function was transferred to the Secretary of Transportation by section 6(d) of the Department of Transportation Act, and retransferred by the same section to the National Transportation Safety Board. The attached draft legislation reflects this change.

S. 4237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(a)(2) of the Federal Aviation Act (49 U.S.C. 1471(a)(2)) is amended to read as follows:

"(2) The Civil Aeronautics Board may, by order entered after notice and hearing, assess the civil penalty provided in paragraph (1) for violations of title IV, or any rule, regulation, or order issued thereunder, or under section 1002(1), or any term, condition, or limitation of any permit or certificate issued under title IV, and judicial review of such order may be obtained only as provided by Section 1006 of this Act. Any civil penalty may be compromised by the Secretary of Transportation in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, or by the National Transportation Safety Board in the case of violations of title VII, or any rule, regulation or order issued thereunder, or by the Postmaster General in the case of regulations issued by him. The amount of such penalty when finally determined, or fixed by order of the Civil Aeronautics Board, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged."

Sec. 2. Section 903(b)(1) of such Act (49 U.S.C. 1473(b)(1)) is amended to read as follows:

"(1) Any civil penalty imposed or assessed under this Act may be collected by proceedings in personam against the person subject to the penalty and, in case the penalty is a lien, by proceedings in rem against the aircraft, or by either method alone. Such proceedings shall conform as nearly as may be to civil suits in admiralty, except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds $20, and the facts so tried shall not be reexamined other than in accordance with the rules of the common law: *Provided however,* That with respect to proceedings to collect civil penalties assessed by the Civil Aeronautics Board, the validity and appropriateness of the final orders of the Board assessing the penalties shall not be subject to review. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty."

Sec. 3. Section 903(b)(2) of such Act (49 U.S.C. 1473(b)(2)) is amended to read as follows:

"(2) Any aircraft subject to such lien may be summarily seized by and placed in the custody of such persons as the Civil Aeronautics Board, the National Transportation Safety Board, or Secretary of Transportation may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Civil Aeronautics Board, the National Transportation Safety Board, or Secretary of Transportation of his failure to so act."

Sec. 4. Section 903(b)(3) of such Act (49 U.S.C. 1473(b)(3)) is amended to read as follows:

"(3) The aircraft shall be released from such custody upon payment of the penalty or the amount agreed upon in compromise; or seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings; or deposit of a bond in such amount and with such sureties as the Civil Aeronautics Board, the National Transportation Safety Board, or Secretary of Transportation may prescribe, conditioned upon the payment of the penalty or the amount agreed upon in compromise."

By Mr. WILLIAMS (for himself, Mr. Abourezk, Mr. Bayh, Mr. Beall, Mr. Burdick, Mr. Case, Mr. Church, Mr. Cranston, Mr. Gravel, Mr. Hart, Mr. Hatfield, Mr. Hathaway, Mr. Hollings, Mr. Humphrey, Mr. Magnuson, Mr. Mathias, Mr. McGee, Mr. McIntyre, Mr. Metcalf, Mr. Nelson, Mr. Pell, and Mr. Weicker):

S. 4238. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment. Referred to the Committee on Commerce.

ANTI-DOG FIGHTING ACT

Mr. WILLIAMS. Mr. President, in the past 3 months since I introduced S. 3985, the Anti-Dog Fighting Act, at least seven similar bills have been introduced by my colleagues in both Houses of Congress. Some of these bills are identical to S. 3985. Others would change its scope to include all animals, forbid other activities associated with dog fighting and its promotion, increase the penalty for violation, and delegate powers of regulation and enforcement to the Department of Agriculture. I believe that some of the recommendations which have been made would add significantly to the potential effectiveness of my bill.

Representatives of humane organizations and State and local law enforcement officers bolstered the case for Federal action and made their own recommendations for appropriate legislation in testimony at hearings before the House Agriculture Subcommittee on Livestock and Grains and the National Gambling Commission. For my own information, I have informally solicited the views and suggestions of concerned Federal agencies and humane groups.

I have decided to introduce a new bill, which will strengthen S. 3985. It takes into account these varying viewpoints and seeks the most direct means at the disposal of the Federal Government for ending the senseless cruelty involved in dog fighting.

Because of the abhorrent nature of dog fighting, the findings in this bill have been stated in stronger terms. Not only does the activity adversely affect commerce, but this inhumane treatment of animals is also declared to be contrary to the public policy of the United States and repugnant to ordinary decency. I believe this language places our legislative intent in its proper context.

I have incorporated new provisions as prohibited acts to increase the possibilities of intercepting all those involved in dog fighting. Many of these provisions were proposed by my good friend and colleague Senator Magnuson in his bill, S. 4065. By forbidding activities preparatory to a dog fight such as the breeding, training, sale or offering for sale of dogs intended to be used for fighting, the manufacture and sale of equipment, the contribution of a locale, and the use of the mails for promotional purposes, we could prevent fights or at least severely restrict them. For example, it would be nearly impossible to organize a "convention" if promoters were not allowed to advertise through the mails. The broad language of S. 3985 which prohibits the promotion of dog fighting has been clarified by specifically banning the use of the mails and all other communications systems including telephone, telegraph, radio, and television for the purpose of furthering dog fighting. Since the secrecy surrounding dog fights virtually excludes the presence of innocent bystanders, I have included attendance of a dog fight as a prohibited act. This will remove any doubt as to the intent of the term "participate in," which was used in S. 3985.

Considering the frequently high level of betting involved, the maximum fine has been raised substantialy, from $1,000 to $25,000. This is more in proportion to the profits reaped by well-organized promoters, while allowing discretion to the judge to weigh the gravity of a particular case. Of equal importance, in my opinion, is a new provision for forfeiture of dogs and equipment. Since these instruments and victims of the crime are of considerable value to their owners and vital to the sport, their impoundment and confiscation could be as effective in forcing dog fighting out of existence as a stiff fine or prison term. Furthermore, section 2 would specifically authorize the Postal Service to seize and dispose of promotional materials and equipment sent through the mails.

There has been considerable debate as to the appropriate means of enforcing this legislation. Several of the bills introduced would include it as an amendment to the Animal Welfare Act, delegating enforcement to the Department of Agriculture. While dog fighting does involve animal welfare, it does not seem to come within the traditional purview of USDA inspectors who are veterinarians with no police power. Since dog fights are totally clandestine events, undercover agents are required to penetrate the well-guarded circles of enthusiasts. Then, a carefully executed massive police raid is needed to interrupt a dog fight in progress and arrest the participants who sometimes number in the hundreds. Therefore, this activity more appropriately belongs under title 18 of the U.S. Criminal Code, with enforcement delegated to the Department of Justice. This agency is already equipped to carry out raids and has the mechanism necessary for prosecuting violators. Since dog fights involve other criminal activities, and are often held under the protection of armed guards, it is essential that enforcement agents be armed and have the power of arrest and confiscation.

It is my conviction that the Federal Government should extend its finite resources only into areas in which a clear case can be made for its intervention. I believe that dog fighting meets this criterion. The chilling films of dog fights shown in the House subcommittee hearings, and accounts which have appeared in newspapers across the country, leave no doubt as to the cruelty to animals and brutalization of human beings involved in the activity. Legislation to prohibit dog fighting would also inhibit peripheral activities which are already violations of Federal law. It would provide another weapon in the existing legislative arsenal against gambling, prostitution, and drug traffic, all of which flourish at dog fight conventions.

Despite the fact that laws in 39 States specifically prohibit dog fighting and the remaining States would probably include it under general anticruelty statutes, there is convincing evidence that the practice is growing. The chief investigator for the American Dog Owners Association testified that over the past 30 years dog fights have spread to virtually every section of the United States, have increased in frequency, attract a growing number of spectators, involve an increasingly higher level of illegal peripheral activity, and now support three periodical publications.

Recent press reports of raids on dog fights do indicate that there is some enforcement on the State level. It is my intention that Federal legislation will bolster and certainly not preempt such enforcement by State authorities.

However, many State laws relating to dog fighting are ambiguous and some are not enforced. When they are, fines are often minimal, and local humane officers who are generally charged with enforcing these statutes are simply not equipped to deal with the criminal element involved in dog fighting. Furthermore, dog fighting has increasingly become an interstate activity, with spectators, dogs, equipment and promotional materials crossing State lines. Such extensive use of interstate commerce for promotion of and participation in dog fights is clearly against the public policy of the United States and, in my opinion, requires Federal control.

A similar case has not been made for the fighting of other animals. While I will certainly support any effort to insure the humane treatment of animals, I am not convinced that the inclusion of all animals in my bill will further this objective. I am apprehensive that such an amendment would weaken rather than strengthen legislation against dog fighting.

The term "animal" is ambiguous and if construed very broadly could elicit unintended opposition thus needlessly delaying passage. There is a question in my mind as to whether hounds used for fox hunting might not come within the scope of such legislation. Furthermore, defining animals as mammals is so inclusive that it could conceivably apply to humans, thus outlawing prize fighting. While many people would not mourn the demise of fox hunting and prize fighting, I do not believe we should allow these issues to delay needlessly the passage of anti-dog fighting legislation.

Broadening the bill to include all animals might diffuse our efforts and make enforcement more difficult. Ambiguous language could possibly serve as a justification for inaction by Federal authorities.

Therefore, I have tried to keep my bill as precise as possible, with a view to early passage and immediate action against those who profit from the cruelty to animals which dog fighting entails. Overwhelming public support for this goal has been expressed in the hundreds of letters and petitions I have received from all over the country. Twenty-one of my distinguished colleagues join with me today in introducing a bill which I believe would provide the most effective legislative weapon against dog fighting.

Mr. President, I ask unanimous consent that the text of the bill be inserted at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 48. Protection of dogs.

"(a) As used in this section, the term 'commerce' means commerce between a point in any State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) and any point outside thereof, or between points within the same State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) but through any place outside thereof, or within the District of Columbia, or from any foreign country to any point within the United States.

"(b) The Congress hereby finds (1) that the practice of promoting, instigating, or otherwise conducting, for purposes of sport, wagering, or entertainment, any exhibition, show, or other program involving a fight between dogs, including dogs bred or trained for that purpose, is cruel and inhumane treatment of such animals; contrary to the public policy of the United States; and is repugnant to ordinary decency; and (2) that the movement of such dogs in commerce adversely affects and burdens such commerce.

"(c) It shall be unlawful for any person to sell or offer for sale, ship, transport, or otherwise move, or deliver or receive for movement, in commerce, any dog which such persons knows or has reason to know has been bred or trained to fight other dogs for purposes of sport, wagering, or entertainment.

"(d) It shall be unlawful for any person to ship, transport, or otherwise move, or deliver or receive for movement, in commerce, any dog which such person knows or has reason to know is being so shipped, transported, moved, delivered, or received in order to utilize such dog, for purposes of sport, wagering, or entertainment, in any show, exhibition, program or activity featuring or otherwise involving a fight between that dog and another dog.

"(e) It shall be unlawful for any person to knowingly promote, conduct, carry on, attend, or participate in, for purposes of sport, wagering, or entertainment, any show, exhibition, program or other activity involving a fight between one or more dogs, including a dog bred or trained for that purpose, if any one or more of such dogs was moved to such show, exhibition, program, or activity in commerce.

"(f) It shall be unlawful for any person to breed or train, for sale, shipment, transport, delivery, or movement, in commerce, any dog which such person knows or has reason to know, will be utilized for purposes of sport, wagering, or entertainment in any show, exhibition, program, or activity featuring or otherwise involving a fight between that dog and another dog.

"(g) It shall be unlawful for any person to sell or offer for sale, ship, transport, or otherwise move, or deliver or receive for movement, any equipment or device which such person knows or has reason to know will be utilized in connection with any show, exhibition, program, or activity featuring or otherwise involving a fight between two or more dogs for purposes of sport, wagering, or entertainment.

"(h) It shall be unlawful for any person to manufacture for sale, shipment, transportation, delivery, or movement, in commerce, any equipment or device which such person knows or has reason to know is intended for use in any show, exhibition, program, or other activity featuring or otherwise involving a fight between two or more dogs for purposes of sport, wagering, or entertainment.

"(i) It shall be unlawful for any person to make available any site, structure, or facility, whether enclosed or not, which such person knows or has reason to know is intended to be used for the purpose of conducting any show, exhibition, program, or other activity involving a fight between two or more dogs, if one or more of such dogs or such site, structure, or facility, or part thereof, was moved in commerce.

"(j) It shall be unlawful for any person to knowingly use the mail service of the United States Postal Service, or any telephone, telegraph, radio or television, for the purpose of promoting or in any other manner furthering any show, exhibition, program, or activity featuring or otherwise involving a fight between two or more dogs for purposes of sport, wagering, or entertainment.

"(k) Any person who violates any provision of this section shall be punished by a fine of not more than $25,000 or imprisonment for not more than one year, or both, and such dogs, equipment, and devices involved in any such violation shall be forfeited.".

Sec. 2. Section 3001(a) of title 39, United States Code, is amended by inserting immediately after "section" the following: "48(j),".

Sec. 3. The analysis of chapter 3 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"48. Protection of dogs.".

By Mr. KENNEDY (for himself, Mr. Fong, Mr. Humphrey, Mr. Case, Mr. McGee, Mr. Inouye, and Mr. Mathias):

S. 4239. A bill to provide international disaster relief assistance. Referred to the Committee on Foreign Relations.

INTERNATIONAL DISASTER RELIEF ACT

Mr. KENNEDY. Mr. President, I am pleased to introduce today, on behalf of my distinguished colleague, Senator Fong, the ranking minority member of the Subcommittee on Refugees, as well as on behalf of Senators Humphrey, McGee, Case, Inouye, and Mathias, a bill to authorize appropriations this fiscal year for international disaster relief assistance.

This legislation embodies the essential provisions of the amendment I offered to the Foreign Assistance Act, which was adopted by the Senate in its first consideration of the foreign aid bill in October, and accepted by the Foreign Relations Committee in its reconsideration of the bill this past month. However, during debate on the bill last week, questions were raised over the funding provisions of my amendment, section 20 of the bill, and I agreed, with the distinguished manager of the bill, Senator Humphrey, to delete that section of the bill in favor of a revised funding authority under a separate bill.

Mr. President, the bill I am introducing today authorizes a separate, line-item appropriation of $100,000,000 for emergency international disaster relief assistance for this fiscal year—rather than utilizing available funds under AID's scheduled loan repayments, in contrast to my earlier amendment. The authorizing language, however, remains precise, to insure that the funds appropriated are utilized solely for the humanitarian purposes established in the act. Particular reference is made to this year's human disasters in Bangladesh, Cyprus, Africa, and Honduras.

Mr. President, this bill continues the long record of Congress and the American people in responding to humanitarian emergencies. Just last year the Congress acted to meet famine needs in Africa, and the emergency relief requirements in Pakistan and Nicaragua, by enacting the Foreign Disaster Assistance Act. And last year, during consideration of the foreign aid bill, the Congress enacted section 639B, which provided substantial famine and disaster relief to the African Sahel for the first time. Thus, this bill is a logical extension of these acts by Congress, and it continues our country's record of concern for our fellow man.

The funds authorized in the bill will supplement modest funds which have been authorized and appropriated for some of the humanitarian needs outlined in the bill. However, the record will show that most, if not all, of these funds have already been obligated or programed. Mr. President, I ask unanimous consent that a table illustrating the status of recent funding for international disaster assistance be printed at this point in the Record.

STATUS OF RECENT FUNDING FOR INTERNATIONAL DISASTER RELIEF

[In millions of U.S. dollars]

Fiscal year 1975 funding	Available now	Programed	Obligated	Remaining
1. Cyprus	[1] 10.5	10.5	10.5	0
2. Bangladesh	[2] 8.0	8.0	8.0	0
Flood relief				
Old refugee relief (fiscal year 1972–73)	300.0	300.0	300.0	(3)(4)
3. Sahel	85.0	85.0	11.0	(5)

[1] $3,200,000 from the contingency fund; $7,300,000 under the continuing resolution.

[2] $3,700,000 contingency fund; $4,100,000 under the continuing resolution.

[3] $65,300,000 undisbursed but obligated.

[4] The special fund for Bangladesh has been obligated in its entirety. Consequently, although it has not been entirely disbursed, the money has been legally committed by the U.S. Government and cannot be used for other purposes without creating serious legal and political problems.

[5] The $85,000,000 for the Sahel has been made available only for short term relief. The funds available in the International Disaster Relief Act could be available for both short term and longer term reconstruction assistance. There is no specific authorization for this kind of activity in existing law.

More importantly, Mr. President, this bill also contains a provision to meet unanticipated humanitarian disasters, to supplement AID's extremely inadequate contingency fund.

For example, who could have anticipated this last summer, when the Foreign Aid bill was originally drafted, and this past autumn when the Senate first began debate on it, that the situation in Cyprus would emerge as such an urgent and continuing humanitarian crisis, for which inadequate funding would be available. Some $10 million has been allocated from other sources and from the nearly exhausted contingency fund to help meet humanitarian needs on Cyprus—but no funds have been proposed or will be readily available after December beyond this $10 million. And who in the Senate is prepared to say today that the humanitarian crisis in Cyprus will end by December?

And in the case of Africa and Bangladesh, programs proposed by AID in its congressional presentation were, I believe, inadequate to meet the need and continuing needs in these areas, and fail to anticipate unforeseen needs. This was clearly established in hearings before the Subcommittee on Refugees. On August 20 the subcommittee held another in a series of hearings on humanitarian problems in these areas, and it was clear to me that AID requests for funds, and the programs they had proposed to Congress, were inadequate in the face of the famine needs of these nations. This bill will provide a necessary supplement to the contingency fund, and to the already planned humanitarian programs in these countries.

Mr. President, there can be no question today as to the need for these funds. The current crisis in Cyprus, the hurricane in Honduras, the massive flooding and food needs in Bangladesh, and the continuing drought and famine in Africa, represent the latest links in the chain of ravaged populations which have circled the globe in recent years, and for which AID has made inadequate requests. Such humanitarian emergencies have always brought forth an immediate response from the American people—in fulfillment of our Nation's longstanding leadership in helping, to the extent we can, all people in need.

I hope the appropriate committees of Congress will expeditiously consider this bill, which, in essence, has already been considered and adopted by the Senate. And I hope we can act upon it before the end of this session.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Disaster Relief Act of 1974".

POLICY

Sec. 2. The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters abroad is an important expression of the humanitarian concern and tradition of the American people, affirms the willingness of the United States to provide assistance for the humanitarian relief, rehabilitation, and reconstruction of peoples and countries affected by such disasters. Such humanitarian assistance both symbolizes the concern of the United States for the welfare of people in need throughout the world, but also constitutes an important element in the foreign relations of the United States in its efforts to contribute to a stable international peace.

GENERAL AUTHORITY

Sec. 3. Notwithstanding any other provision of law, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief, rehabilitation, and reconstruction in the case of disasters that require large scale relief and rehabilitation efforts which cannot be met adequately with the funds available for obligation for disaster relief under the Foreign Assistance Act of 1961, as amended.

APPLICABILITY OF FOREIGN ASSISTANCE ACT PROVISIONS

Sec. 4. Except as otherwise specifically provided, or as is inconsistent with the provisions of this Act, the provisions of part I of the Foreign Assistance Act of 1961 shall apply to the provisions of this Act.

INTERNATIONALIZATION OF ASSISTANCE

Sec. 5. Assistance made available under this Act shall be distributed to the maximum extent practicable under the auspices and direction of the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, or private voluntary agencies.

REPORTING REQUIREMENTS

Sec. 6. Not later than six months after the date of enactment of this Act, and at the end of each six month period thereafter, the President shall transmit to the Speaker of the House of Representatives, and the Committee on Appropriations and the Committee on Foreign Relations of the Senate a report describing fully and completely the disposition and use of funds made available by this Act, the steps he has taken to carry out the provisions of section 5 of this Act, and the extent to which assistance made available under this Act is being distributed under the auspices and direction of the organizations, institutions, and agencies described in such section.

AUTHORIZATION

Sec. 7. To carry out the purposes of this Act, there are authorized to be appropriated to the President, in addition to funds which may otherwise be available for such purposes, for fiscal year 1975 not to exceed $100,000,000, to assist in meeting the international relief, rehabilitation, and reconstruction needs caused by the massive flooding and food shortages in the People's Republic of Bangladesh the civil and international strife in the Republic of Cyprus, the drought and famine conditions in the nations of Africa, the hurricane damage in Honduras, and for such other international disasters that require large scale humanitarian assistance. Such assistance is authorized to remain available until expended.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4082

At the request of Mr. Mondale, the Senator from South Dakota (Mr. Abourezk), the Senator from Maryland (Mr. Beall), the Senator from Massachusetts (Mr. Brooke), the Senator from Missouri (Mr. Eagleton), the Senator from Massachusetts (Mr. Kennedy), the Senator from Utah (Mr. Moss), the Senator from New Mexico (Mr. Montoya), the Senator from Rhode Island (Mr. Pell), and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 4082, the Social Services Amendments of 1974.

S. 4139

At the request of Mr. Cranston, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of S. 4139, a bill to amend chapter 34 of title 38, United States Code, to extend the basic educational assistance eligibility for veterans under chapter 34 and for certain dependents under chapter 35 from 36 to 45 months.

S. 4207

At the request of Mr. Ribicoff, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 4207, the Emergency Unemployment Compensation Act of 1974.

S. 4212

At the request of Mr. Percy, the Senator from Maryland (Mr. Mathias), the Senator from New Mexico (Mr. Domenici), and the Senator from Louisiana (Mr. Johnston) were added as cosponsors of S. 4212, a bill to reorganize the executive branch to establish a national center for productivity and work quality; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry and government efforts to improve national productivity and work quality; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes.

SENATE RESOLUTION 449—SUBMISSION OF A RESOLUTION RELATING TO THE PRESENT FOOD EMERGENCY

(Referred to the Committee on Foreign Relations.)

FOOD HEARINGS AND THE NEED FOR A FOOD COORDINATOR

Mr. HUMPHREY. Mr. President, on December 12 I chaired joint hearings of the Subcommittees on Foreign Agriculture Policy and Agricultural Production, Marketing and Stabilization of Prices, of the Senate Committee on Agriculture and Forestry.

Unfortunately, the administration witness, Assistant Secretary Yeutter, did not have a prepared statement, but I have asked that additional materials be prepared to be included in the testimony.

In my own statement, I indicated the conditions being faced by our farmers and the large numbers which are being forced out of production.

The administration, while conceding the seriousness of the situation, does not appear willing to take any steps to deal with the situation.

I have introduced legislation, S. 4206, to help stave off the liquidation of dairy farmers. Other bills have been introduced to restore some stability in the beef, hog, and poultry markets.

We also will have intensive hearings early next year to review the need for changes in our agriculture legislation.

In my statement I also indicated my intention to introduce a resolution calling for the establishment of a coordinated followup effort to the World Food Conference.

A number of very useful and important resolutions were accepted at the World Food Conference, but we have to do our part if we expect any action to follow.

We need to have someone to plan and followup on implementation.

Ambassador Edwin Martin, who had a small office to coordinate U.S. preparations for the World Food Conference, is about to retire. The expectation is that his office will phase out, and the World Food Conference followup work will be given to various departments and agencies.

We need to have a high-level coordinated effort if we want to see the conference program become a reality. For this reason, I am today introducing a resolution calling upon the President to appoint a high-level coordinator of efforts by the U.S. Government in response to world hunger problems.

I have not had an opportunity to solicit cosponsorships for this resolution, but I am pleased that Senator HATFIELD has joined me in sponsoring this legislation. I urge my colleagues to also join in cosponsoring.

Mr. President, I ask unanimous consent that the text of my resolution to establish a high-level food coordinator be included at this point in the RECORD. I also ask unanimous consent that my statement at the December 12 hearings on the U.S. food situation and foreign aid needs be included at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. RES. 449

Whereas the World Food Conference has made a good beginning in terms of outlining a sound longrange program to deal with the world hunger problem; and

Whereas many areas of the World face critical food shortages which is likely to mean starvation and malnutrition for up to

Whereas many of the World Food Conference initiatives are likely to fail if the various responsibilities are scattered throughout the government; and

Whereas it is in the self-interest of the United States to work with other countries to relieve starvation and hunger, which are the breeding ground for economic and political instability; and

Whereas the American people have a long and proud tradition of acting to combat famine and to relieve the needs of hungry people at home and abroad; and

Whereas the dimensions of the present crisis call for an immediate coordinated response on the part of the U.S. and other governments over and above what has been forthcoming in the past: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that—

(1) while the various Departments and Agencies of the United States Government will have the major operational role in the implementation of the World Food Conference Resolutions, a special coordinator be appointed by the President to deal with both the short and the long-term hunger problem;

(2) the coordinator will work with the Secretary of State, and the Secretary of Agriculture, the Agency for International Development and other Departments and Agencies as required;

(3) the coordinator will give priority attention to food aid requirements and availabilities and make recommendations concerning needs, availabilities and funding sources;

(4) the coordinator will develop a long-term program to implement the resolutions of the World Food Conference in conjunction with other Departments and Agencies;

(5) the coordinator should periodically provide to the American people reports on progress and plans relating to the world hunger problem;

SEC. 2. It is further declared to be the sense of the Senate that the coordinator work closely with the appropriate committees of the Congress and report to the Congress at regular intervals on the progress in dealing with the world food problem.

SEC. 3. The Secretary of the Senate is directed to transmit copies of this resolution to the President, the Secretary of State, and the Secretary of Agriculture.

REMARKS BY SENATOR HUBERT H. HUMPHREY

THE U.S. FOOD SITUATION AND FOREIGN AID NEEDS

Today we are faced with one of history's cruelest ironies. On one hand we have people facing starvation throughout the world, while our farmers are fighting for their own survival.

Estimates of the severity of the crisis abroad vary, but one figure used is 10,000 deaths per week. It is hard to provide a firm estimate because of related deaths through disease and malnutrition, and the difficulty in collecting accurate information.

In the last two years, the developing countries have had to face a tripling and quadrupling in the costs of imported food and the fertilizer and fuel needed to produce additional food.

Until 1972, the developing countries did a commendable job in expanding food production and staying ahead of population increases. Since 1950 they increased total grain production by 78 per cent in comparison with 64 per cent for the developed countries.

In 1972 the world's food production dropped by 33 million tons, the first time that there has been an absolute drop in 20 years. An increase of about 28 million tons is needed each year to meet population increases and the world's rising standards of living.

Reduced agricultural production changes in food policy in the Soviet Union and rising standards of living in the more affluent countries in recent years have served to wipe out a substantial grain reserve held largely by Canada and the United States. This reserve provided a stable agricultural economy with prices often actually below the cost of production for consumers.

Between 1961 and 1972 we maintained a grain reserve of roughly 120 to 140 million metric tons. In addition, some 60 to 70 million acres of land were held from production.

Today, for all practical purposes, we have no reserve, and all of our land has been put into production.

On a world basis, we reached a three-week food supply in the spring of 1974. Because of reduced 1974 harvests in North America, it is expected that what little world reserves we have will grow even tighter in the next half-year.

Meanwhile, our own farmers have been facing horrendous increases in production costs which are driving thousands out of business.

Over 3,000 dairy farmers have been forced out of production this past year in both Minnesota and Wisconsin. Dairy farmers in these states estimate that they are losing over $2.00 per each hundred pounds of milk they produce.

Prices for milk have not kept up with costs of twine, hay, fertilizer and machinery. Some of these items have increased by as much as 300 or 400 per cent in the last year.

Beef producers are facing mass liquidations as feed and other costs have gone up while the sale prices for cattle have gone down by about 25 per cent in the last year.

The size of our pig crops for this fall and spring combined will be the smallest in nearly 47 years. Poultry supplies in 1975 will likely be some 10 per cent below 1974 levels.

The domestic and international issues are clearly joined at this hearing today: How do we respond to the problem of world hunger? And how do we keep our farmers in business so that they can make their necessary contribution to the United States, and the world's food needs?

The answer is that we must take a hard look at our own agricultural policies and priorities. We have operated for a long time without a national food policy, banking all the while on good weather, luck, and continued abundance.

Rhetoric is no substitute for a policy. Further study simply puts off the hard decisions a little longer.

On the international level, we have to consider both the short and the long term needs and possibilities.

Secretary Kissinger sounded the right theme of interdependence at the World Food Conference when he concluded in his opening speech:

"Our responsibility is clear.

"Let the nations gathered here resolve to confront the challenge, not each other.

"Let us agree that the scale and severity of the task require a collaborative effort unprecedented in history.

"And let us make global cooperation in food a model for our response to other challenges of an interdependent world—energy, inflation, population, protection of the environment."

To date, we have not really taken up this challenge. Our government has been debating internally whether it should provide $800 million, $1 billion, or $1.4 billion in food aid during the current fiscal year.

And should we increase our food aid to meet the humanitarian needs? Present plans are to ship more than two-thirds of our entire P.L. 800 program for political rather than humanitarian purposes. It is quite clear that our government would prefer to play ivory tower politics with our food assistance than be disturbed in terms of responding to the world food needs.

It also is evident that the Administration would rather talk about long-range solutions rather than face the need of responding to the millions of people facing starvation and malnutrition.

The same negative leadership which has allowed our domestic agricultural economy to deteriorate has been most reluctant to provide strong leadership on the world food front.

In spite of this reluctance, we must provide leadership on both fronts. The Congress, farmers and concerned citizens must support the effort.

First, we need to enact legislation to provide our farmers a fair return through increased price supports and government purchases.

Second, we should urge our government to find ways of increasing its food aid commitment beyond present plans in concert with other nations.

The needs are likely to grow by spring time. To date, we have been extremely reluctant even to indicate that we are concerned and are negotiating seriously with other nations.

Third, we need to make a serious effort to follow up the work of the World Food Conference with respect to the longer-range solutions to the world food needs.

If we today faced a military confrontation of the same dimensions as the food crisis, we would respond on a crash basis.

We have no difficulty in understanding and responding to a military security challenge, but food security is not yet understood as a serious need and requirement.

Instead, we seem weary and unwilling to use our imagination to respond. There are many things which we could do if we appreciated the dimension of the world security threat and had the will to act.

We have ample supplies of wheat, rice, meat and non-fat dry milk which we could and should utilize.

The developing countries must be urged and assisted in trying to get ahead of their basic food and population survival struggle.

To follow-up on the World Food Conference, I am today introducing a resolution calling on the Administration to establish a high level Food Coordinator.

This person would build on the very effective work of Ambassador Edwin Martin in preparing for and participating in the World Food Conference.

It would be unfortunate to allow the Rome initiatives to slip through our fingers by scattering the work throughout the bureaucracy.

This person also would have to deal with the immediate food aid need which the government has tried to ignore.

I call upon my colleagues and all concerned Americans to support this initiative.

The time to respond is growing short. I would be the first to point out the past generosity of our citizens.

But today we face a new battle, and we need new ideas and above all a renewed dedication.

I ask you all to join me in this effort.

AMENDMENTS SUBMITTED FOR PRINTING

TRADE REFORM ACT OF 1974—H.R. 10710

AMENDMENTS NOS. 2063 AND 2064

(Ordered to be printed and to lie on the table.)

Mr. RIBICOFF submitted two amendments intended to be proposed by him to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

AMENDMENTS NOS. 2066 THROUGH 2070

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, I send to the desk five amendments to H.R. 10710. The Trade Reform Act.

I ask unanimous consent that these amendments be considered as having been read to meet the requirements of rule XXII, should cloture be invoked in connection with H.R. 10710.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. These amendments are quite simple. The first would state specifically that small business interests should be represented adequately on the trade negotiation advisory committees. The Finance Committee's report asks on page 102 that "special consideration be given to consultation with those representing the interests of small business". I applaud the committee on that statement. However, particularly in view of complaints I have received that the advisory committees set up thus far do not include sufficient small business representation, I believe that there should be specific statutory language to this effect.

The second and third amendment involve concepts taken from the Trade Adjustment Assistance Act (S. 1156), which was introduced in 1972 and again last year by the Senator from Illinois (Senator PERCY) and me.

The second amendment requires that the President's "Annual Report on the Trade Agreements Program" include a list of the import relief measures such as tariffs and quotas which are presently in effect, and an estimate of the effects of each such measure on American consumers. In particular, both consumers and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices, and by how much. Present U.S. import barriers are already estimated to cost American consumers about $10 billion annually in higher prices.

Provision of this information regularly should not result in a denial of needed import relief, but it should foster closer monitoring of the import relief program.

The third amendment would allow the President to terminate import relief prior to the end of the 5-year period, or the 3-year extension of that period, if he finds that such termination would be in the national interest. He could only take such action after taking into account the results of an international trade commission investigation, which must include a hearing at which interested persons can produce evidence and express their views. He would also have to seek the advice of the Secretaries of Labor and Commerce prior to the finding, and to notify Congress of his decision and the reasons for it 30 days before the termination would take effect.

I am proposing that amendment because I do not believe that import relief should be considered an absolute right for the 5 years after it has been granted. Sheltered industries should use the time to adjust to import competition. If, for example, the sheltered industry is increasing its prices excessively without making an appreciable effort to improve its competitive situation, the President should be able to terminate import relief prematurely.

The fourth amendment would prohibit the granting of tariff preferences to India until that country fulfills her international obligation to enforce arbitral awards made against her and in favor of U.S. citizens or corporations. As I intend to explain more fully, it has come to my attention that even though India is a contracting party to the United Nations convention on the recognition and enforcement of foreign arbitral awards, the awards which have been assessed legitimately against India have not been collectable. The result has been considerable financial loss for some American citizens.

The fifth amendment applies the same condition as the fourth amendment to the granting of tariff preferences to any developing country, rather than India specifically.

I ask unanimous consent that the amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2066

On page 61, line 8, after the word "agriculture," insert the following: "small business,".

On page 62, line 5, after "interests", insert the following: "(including small business interests)".

On page 62, line 16 after "interests", insert the following: "(including small business interests)".

On page 69, line 1, after "agriculture," insert the following: "small business,"."

AMENDMENT NO. 2067

On page 98, at the end of line 23, insert the following:

"Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on consumers (including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

AMENDMENT No. 2068

On page 123, between lines 3 and 4, insert the following new paragraph:

"(4) Any import relief provided pursuant to this section may be reduced or terminated by the President if he determines, after taking into account the advice received from the Tariff Commission under subsection (i) (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest. The President shall submit to Congress a notification of any such determination, and an explanation of his reasons therefor, at least 30 days before such reduction or termination takes effect.

On page 123, line 11, strike out "(4)" and insert in lieu thereof "(5)".

AMENDMENT No. 2069

On page 270, at the end of line 15, insert the following:

"In addition, the President shall not designate India a beneficiary developing country under this section until its Courts and other governmental instrumentalities act in good faith in recognizing as binding and in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

AMENDMENT No. 2070

On page 270, line 8, strike "and".

On page 270, line 15, strike the period and insert in lieu thereof the following: "; and".

On page 270, between lines 15 and 16, insert the following new paragraph:

"(7) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

STANDBY ENERGY EMERGENCY AUTHORITY ACT—S. 3267

AMENDMENT NO. 2077

(Ordered to be printed and to lie on the table.)

Mr. WEICKER. Mr. President, I am submitting an amendment that would mandate the President to include in his report to Congress on the reduction of oil imports, required under section 202 of the Energy Authorities Act, a plan for the reduction in oil imports by at least a million barrels per day. My amendment does not change the nature of the report required under section 202, other than establishing a minimal goal for a reduction in oil imports. The President would be responsible for enumerating the various means, legislative and otherwise, of achieving the minimal goal of a million barrels per day reduction in oil imports.

The President, in his economic message of October 8, 1974, endorsed the goal of reducing the amount of oil imported into the United States by a million barrels a day by the end of 1975. I think that both the President and the Congress must now work together to achieve this goal.

I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2077—INTENDED TO BE PROPOSED TO AMENDMENT No. 2006

On page 48 of the amendment, beginning with line 6, strike out all through line 17.

On page 48 of the amendment, line 18, strike out "(d)" and insert "(c)".

On page 48 of the amendment, line 19, strike out "system-".

On page 48 of the amendment, line 20, strike out "atically".

On page 49 of the amendment, line 7, beginning with the comma, strike out all through the period on line 10 and insert in lieu thereof the following: "into the United States by at least one million barrels a day by the end of 1975."

On page 51 of the amendment, beginning with line 24, strike out all through line 5 on page 52.

On page 52 of the amendment, line 6, strike out "(13)" and insert "(12)". On page 52 of the amendment, line 12, immediately after "of" insert "at least".

On page 51 of the amendment, line 23, immediately after the semicolon, insert "and".

AMENDMENT NO. 2078

(Ordered to be printed and to lie on the table.)

Mr. HUGH SCOTT. Mr. President, recently I introduced S. 4162, the Energy Disaster Assistance Act of 1974. It provides for coordinated Federal and State efforts during a time of designated energy emergency or energy disaster.

Today I wish to offer a slightly modified form of S. 4162 as a new title to S. 3267, a bill to provide standby emergency authority to assure that the essential energy needs of the United States are met.

My amendment is a good complement to Senator JACKSON's proposal. It provides for a coordinated Federal response in a short term emergency problem, while S. 3267 as now written sets up more long range solutions.

Mr. President, I ask unanimous consent that this amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2078

On page 163, line 22, insert the following:

TITLE III—PROGRAM FOR FEDERAL ASSISTANCE IN ENERGY EMERGENCIES AND ENERGY DISASTERS

DEFINITIONS

SEC. 301. As used in this title

(1) "energy emergency" means a shortage of or a price level of energy supplies which the President or the head of the appropriate Federal agency determines has caused or is threatening to cause an inability to meet essential energy needs in any geographic area;

(2) "energy disaster" means an energy emergency determined by the President to be of such severity and duration as to cause or threaten to cause a danger to the public health or safety in any geographic area; and

(3) "energy supplies" means any source of energy used for heating, cooling, lighting, transportation, or the generation of electricity.

PROCEDURE

SEC. 302. A request for a determination that an energy emergency or energy disaster exists in any area shall be made by the Governor of the State in which the affected area is located to the President or to the Federal agency designated by the President for the purpose of this Act, after consultation with the Energy Resources Council. Such a request shall be based upon the Governor's finding that the shortage or price of energy materials is of such severity and magnitude that effective response is beyond the capability of the State and local governments affected. Such a request shall contain such information as the President or the appropriate agency head prescribes.

FEDERAL ASSISTANCE

SEC. 303 (a) In the interest of providing maximum delivery of Federal assistance under this Act, the President or appropriate agency head shall coordinate the activities of all Federal agencies providing energy emergency or disaster assistance. The President may direct any Federal agency with or without reimbursement to utilize Federal personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local energy disaster or emergency efforts. The President may prescribe such rules and regulations as may be necessary to carry out the provisions of this Act and he may delegate any authority conferred by this Act to such Federal agency as he may deem to be appropriate, after consultation with the Energy Resources Council.

(b)(1)(A) In the case of an energy emergency determined under section 301 (1), the President or the appropriate agency head may exercise the authority conferred by section 6 with respect to the affected area for such period of time as the President or that agency head determines but not to exceed a period of ninety days.

(B) In the case of an energy disaster determined under section 301(2), the President may exercise or authorize the exercise of the authority conferred by section 306 for such period as the President determines but not to exceed a period of ninety days.

(2) Prior to the expiration of the ninety-day period referred to in paragraph (1), the Governor of the State in which the affected area is located may request the President or the appropriate agency head to issue an order continuing the energy emergency or energy disaster for an additional period not to exceed thirty days. Prior to the expiration of any such thirty-day period, the Governor may request the President or the appropriate agency head to issue an order continuing the emergency or disaster for an additional period not to exceed thirty days.

COORDINATION

SEC. 304 (a) Upon a determination of an energy emergency or disaster, the President shall appoint a Federal coordinating officer to operate in the affected area. The Federal coordinating officer, in cooperation with the State coordinating officer, shall make an initial appraisal of the types of relief most urgently needed, establish such field offices as may be necessary, and take such other action authorized under this Act or any other provision of law as may be necessary to assist State and local officials in obtaining the assistance necessary.

(b) Upon the determination of an energy emergency or disaster, the President or the appropriate agency head shall notify the Governor of the determination and request the Governor to designate a State coordinating officer to carry out the provisions of this section.

ENERGY EMERGENCY RELIEF

SEC. 305. (a) During any energy emergency determined in accordance with the provisions of this Act, the President or the appropriate agency head is authorized—

(1) by order, to direct the delivery of energy supplies to the affected area;

(2) by order or regulation, to allocate energy supplies among distributors thereof in the affected area and to establish priorities for allocation of energy supplies to categories of end users;

(3) to establish an energy conservation program in the affected area;

(4) to make emergency energy loans to individuals, families, and public or nonprofit organizations performing essential public services to assist them in securing the financial resources to acquire a basic level of energy supplies during the period of the energy emergency or disaster, and to cancel not to exceed 75 per centum of the principal amount of any such loan where necessary to avoid extreme hardship; and

(5) to furnish technical assistance and make loans to reestablish disrupted sources of energy supplies or to establish new sources of energy supplies in the affected area.

Any loan made under the provisions of clause (4) of the preceding sentence shall be repayable within the one-year period beginning on the date of the loan. Any loan made pursuant to clause (5) of the first sentence of this subsection shall be repayable within the three-year period beginning on the date of the loan.

(b) Any loan made under the provisions of subsection (a) shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the loan, except that no interest shall accrue or be paid with respect to any part of the principal of such loan which is canceled. For the purpose of making loans under this section, the head of the appropriate agency may issue to the Secretary of the Treasury obligations in an aggregate amount sufficient to carry out the purposes of this section. Any such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation. The Secretary of the Treasury is authorized and directed to purchase any obligation issued under this subsection and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any security issued under the Second Liberty Bond Act, and the purpose for which securities may be issued under the Second Liberty Bond Act are extended to include any purchase of obligations hereunder.

(c) During any period when the President or any agency head exercises the authority conferred by this section with respect to any area, the provisions of the Clean Air Act relating to stationary source fuel or emission limitations may be suspended with respect to such area by order of the President or that agency head.

ENERGY DISASTER RELIEF

SEC. 306. (a) During any energy disaster determined in accordance with the provisions of this Act, the President or the appropriate agency head with the approval of the President is authorized—

(1) by order, to direct the head of any Federal agency to terminate any contract for the procurement of energy supplies or to suspend performance under any such contract where such action is necessary in order to provide additional energy supplies in the affected area;

(2) to establish price ceilings at all levels for one or more types of energy supplies; and

(3) to impose compulsory energy conservation programs.

(b) During any energy disaster determined under this Act, the President or the appropriate agency head is authorized to enter into and carry out such contracts or other obligations on behalf of the United States as may be necessary.

(c) In addition to the authority conferred by section 305 and this section, during any energy disaster the President may exercise the authority conferred by sections 305, 306, 407, and 408 of the Disaster Relief Act of 1974 in the affected area and for the purpose of the exercise of such authority an energy disaster determined under the provisions of this Act shall be deemed to be a major disaster determined by the President under the Disaster Relief Act of 1974.

AUTHORIZATION OF APPROPRIATIONS

SEC. 307. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, December 19, 1974, at 9:00 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

John T. Elfvin, of New York, to be U.S. district judge for the western district of New York, vice John O. Henderson, deceased.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Benjamin F. Butler, of New York, to be U.S. marshal for the eastern district of New York for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, December 19, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, December 19, 1974, at 9:00 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Henry Bramwell, of New York, to be U.S. district judge for the eastern district of New York, vice John R. Bartels, retired.

Ellsworth A. Van Graafeiland, of New York, to be U.S. circuit judge for the second circuit, vice Henry J. Friendly, retired.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

ADDITIONAL STATEMENTS

LITTLF LEAGUE BAN ONLY FOR YOUNGEST PLAYERS

Mr. FONG. Mr. President, on December 2, I called the attention of the Senate to press accounts indicating that the board of directors of the Little League Baseball voted that the next Little League "world series" will be limited to American teams, thus banning all foreign teams from participation in this championship baseball event. In the interest of maintaining the traditional American sportsmanship and international good will and understanding, I wrote to Mr. Peter J. McGovern of Little League Baseball in Williamsport, Pa., inquiring whether there is any possibility that the board of directors, of which he is chairman, would reconsider their decision.

I have now received a reply from Mr. McGovern, which clarifies the entire situation. The board of directors' decision was not to ban all world series international competition for Little League teams. The ban was only for children in the 12-year-or-under age bracket and was invoked to protect the health of these preadolescents and to correct inequities in the program worldwide. Little League had been advised that such competition could result in harm unless great care were exerted to prevent pressures on these young children.

Mr. McGovern assured me, however, that the world series play for the senior division, age 13 through 15, and the big league division, age 16 through 18, will continue on an international basis. International tournament play for children of 12 and under will be held at regional level.

Mr. McGovern assured me the board of directors was not motivated by the fact that foreign teams had won the world series in recent years. He also said the league will continue its research on structuring the program for youngsters 12 years old and younger, to put it on "a more intelligible and equitable plane."

Meantime, he said, the board of directors will take every step in their means to maintain the right standards that have distinguished the Little League program over the past many years.

Mr. President, I ask unanimous consent that both my letter to Mr. McGovern and his reply thereto be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Little League Baseball,
Williamsport, Pa., December 4, 1974.

Hon. Hiram L. Fong,
U.S. Senate,
Washington, D.C.

Dear Senator Fong: We are greatly appreciative of your taking the time and interest to write and inquire in your letter of December 2, 1974 regarding the much publicized decision by the Board of Directors of Little League Baseball to de-emphasize the Little League Division of our program, that is the segment devoted to participant children of 12 and under.

Much misinformation has resulted from our two paragraph announcement to the local Williamsport paper that World Series play for the time being would be devoted to entries of Senior Division age, 13 through 15, and to Big League Division age, 16 through 18, in Little League International Tournaments that will be held at Fort Lauderdale, Florida, and in Gary, Indiana, next August. The action to restrict International Tournament play for children of 12 and under pertains only to the basic tournament at regional level which will be held in the Far East and in Canada and in Latin America and in Europe. The boys will play Little League Baseball in all of these sectors as they have in the past and will establish championship play at regional levels. This year, for instance, the Far Eastern Regional Tournament championships will be decided in Taipei.

It is regrettable that the media equated the decision of the Board with barring Taiwan from playing at Williamsport. The Board of Directors of Little League includes, among other highly representative Directors, an outstanding child psychiatrist, a former president of the American Association of Health, Physical Education and Recreation, a doctor of physical education from Syracuse, and a renowned physiologist, as well as a recently deceased dean of physical education at the University of Oregon. The action was not taken with any reference to barring "foreign" teams, but to try to adjust serious inequities at the level of the 12 and under program world-wide.

Little League, now in its 36th year, is a non-profit, charitable program which functions under volunteer leadership. It has enjoyed unbelievable public acceptance from millions of parents who had sufficient faith in the program that they permitted their children to participate in communities around the world. It normally represents a summer of fun and play for youngsters during the school vacation periods. Basically it is a leadership program which uses the competitive game of baseball as a vehicle to teach discipline, teamwork, the respect for rules, and loyalty under the code of universal sportsmanship. It is a deficit program that has never asked nor received the benefit of tax dollars; and I might add at this particular moment, it is facing, realistically, a deficit from last year's operation of $167,000.00

What the Board actually did was this: after studying the situation in the area of 12-year-old children participating in competitive athletics and having been cautioned again and again by school and recreational officials that such competition could result in harm unless great care were exerted to prevent pressures, the Board of Directors, which had studied the International Tournament of these pre-adolescent boys, came to the conclusion that unless they acted at once the whole Little League program could conceivably go over the cliff together because of gross negligence in correcting inequities. Within recent years, the International Tournament for children 12 and under had become a contest to see which nation could drill their sub-adolescent participants on nationalistic terms to a greater degree of baseball skills at any cost. The Board knew that violations of rules were taking place, but stood fast in the hopes that the game of baseball and the international spirit of bringing children from many nations together for a week with subsequent visits to the nation's capital might, in the normal course of our experience, correct itself. With sensitivity to the impact of such an announcement and sincere belief that the time had come to reassess and start over again, the Board took its action to delimit the international competition for these youngsters to regional play.

In these austere times, Little League Baseball has many problems to face, including the aforementioned deficit which came about from a violent attack on Little League Baseball by Women's Liberation groups in which the program was forced to defend itself until such time as it could take action to change under the terms of its Federal Incorporation. This action was taken in the spring by Little League Baseball on its own volition in an appeal to the Congress to amend the Incorporation in order to admit girls. In the interim period, Little League found itself engaged in simultaneous litigation in 22 states where Civil Rightists, drowning any recognition of constitutional rights, attacked the program in abominable fashion and almost put it out of existence.

Changes occur in Little League Baseball continuously and I can assure you that the motivation of the Board of Directors was not taken "because some of these teams had won the world's championship, defeating the U.S. teams in the process." Taiwan has won the world's championship in Senior Division Little League World Series three times and last year, in the first appearance, Taiwan won the world's championship of the Big League Division of Little League Baseball in Fort Lauderdale for boys 16 through 18. Since Little League Baseball operates in 30 countries of the world, you may understand to readjust the mechanism of such a huge structure cannot be accomplished by waving a wand or moving overnight. The whole program for the 12 and under group has been researched and will continue to be researched until it can be put on a more intelligible and equitable plane, at which time it may well be re-established. How long this takes in our austere condition we could not say at this time.

Realizing the privilege we have of receiving a letter from you in terms of friendly interest and counsel, we must apologize for taking advantage of your graciousness to send so detailed and lengthy a response. We acknowledge there are many things to accomplish in Little League Baseball to maintain the tremendous service aspects and international friendships that it may continue to foster and to obviate, as it has for so many years, the misunderstandings and prejudicial concepts of which children can be relieved at tender age if there is a chance to come together, even for so short a period. We wish we could do more and do it more quickly, but you have our assurance that we will take every step in our means to maintain the high standards that have distinguished the Little League program over the past many years and which has made it a well regarded household word throughout the world.

Kindest regards to you and your colleagues in the United States Senate during these confusing and perturbing days.

Respectfully,

P. J. McGovern,
Chairman.

December 2, 1974.

Mr. Peter J. McGovern,
Little League Baseball,
Williamsport, Pa.

Dear Mr. McGovern: I am writing to inquire whether there is any possibility that the Board of Directors of Little League Baseball would reconsider their decision to bar all foreign teams from competing in the "World Series" sponsored by your League.

While "World Series" is indeed a misnomer as applied to the annual play-offs between the leading teams of the National and the American Leagues in professional baseball here in America, the Little League had given real meaning to the term by inviting outstanding boys' teams from other nations to participate.

While I am not privy to the reasons the Board decided to bar boys' teams from abroad, I would certainly hope that it was not because some of these teams had won the world championship, defeating U.S. teams in the process. To retaliate because a non-U.S. team excelled would seem to negate the idea of good sportsmanship, one of the Little League's most worthy objectives.

We know that competition spurs athletes to greater attainments. We know that athletes can learn a great deal from others who are outstanding in sports. We know that high standards are essential to stimulating and maintaining interest in athletic prowess. As long as each team competing obeys the Little League rules and regulations, there should be no objection to whatever team wins, regardless of origin.

For many years, international competition in sports has been a means of creating good will and understanding and of overcoming chauvinistic prejudice among peoples and nations. What better level to foster international friendship than at the Little League age, before misconceptions and ignorance harden into unreasoning dogma.

It does seem a shame that, for whatever reason, the Little League World Series will be limited only to teams from the United States.

With kind regards and aloha,

Sincerely yours,

Hiram L. Fong.

THE SUGAR CRISIS

Mr. INOUYE. Mr. President, I have followed closely recent action on the House side to do something about the sugar crisis we are in. I am sure I am not alone in my concern, as I have observed in the Record the concern of many Members of this Chamber as expressed to them by their constituents. Our constituency is at a loss to understand just what has happened to skyrocket the price of sugar in the U.S. market during the calendar year 1974.

I note from the New York Times of December 12 that the House Agriculture Committee agreed as of December 11 not to seek an extension of the Federal Sugar Act in this session of Congress. The reason put forth by Chairman W. R. Poage was, I believe, a realistic one, namely, that he just did not think it could pass in this session. Mr. Poage is also quoted as saying:

> That although the law will not expire until later this month, the market already has been adversely affected by the House action.
>
> The sugar from foreign countries isn't coming in like it did last year. Some of our largest foreign suppliers aren't meeting their fourth-quarter quotas because, in January, they no longer will have a guaranteed share of the United States market.

I am informed that certain Members of the House have emphasized and reemphasized that the Sugar Act is dead. The assertion has been emphasized so much that the inference is that it is not only dead but buried for all time.

I, for one, want to go on record before we close this 2d session of the 93d Congress that, in my judgment, the Sugar Act is not dead. Its burial in this Congress may have been attempted by the House but come 1975 and the 94th Congress, the Sugar Act must and will be reenacted; maybe in a different form from that now on the statute books, but in fairness to the American consumers, the American producers and the foreign countries on whom we are forced to depend for supplies to supplement domestic production, the 94th Congress should, in my judgment, move promptly to relieve the feeling of despair and hopelessness that surrounds particularly the U.S. consumers today.

No, Mr. President, in my opinion, the Sugar Act is not dead. My native State is not alone by any means in having a stake in the future of sugar legislation. The sugar industry is extremely important to Hawaii. It is also important to 23 Western States that grow beets and 3 continental cane producing States.

I hope others in this Chamber will join me in serving notice on those Members of the House who are anxious to act as pallbearers to a dead act that their wait will be in vain and time and circumstances will force, in my judgment, the majority of the House membership to change their tune come 1975.

I repeat I daresay there is not a Member of this body that has not received word from their constituents of their concern as to what has happened to the price of sugar. Let us relieve them of their anxiety and do it promptly in the next session of Congress which will convene the middle of next month with many important and grave issues to be acted on and I hope that sugar legislation will be among the items at the top of the list for prompt consideration.

DEFENSE DEPARTMENT REDUCTIONS IN THE FISCAL YEAR 1975 BUDGET

Mr. **THURMOND.** Mr. President, on November 25, 1974 President Ford submitted to the Congress a number of anti-inflation spending cuts which would bring about reductions of approximately $4.6 billion in fiscal year 1975 appropriations. These reductions would be brought about by new legislation, executive order and rescission actions. The President is to be commended for his efforts to pare from the programs approved by the Congress any expenditures which are not necessary or could be delayed. Such an action is necessary and the recommendations of the President should be quickly and carefully considered by the Congress.

However, Mr. President, the intent of my remarks today is not only to commend the President for his efforts but rather to take exception with regard to those particular programs which he has designated for action and which apply to the Department of Defense.

Of the $4.6 billion included in the President's request, about $503 million would be cut from Department of Defense funds during the remaining months of fiscal year 1975.

The percent applied to the Defense Department takes into account the fact that the Congress had earlier reduced from the Defense request approximately $2.5 billion. Since the Defense share of the budget amounts to approximately 27 percent, President Ford reasoned that the additional reductions proposed by him should center more on other parts of the budget which were not cut by the Congress but in most cases increased. This is a proper approach and one which I applaud.

However, when one looks at the $503 million to be reduced from the Defense Department budget, it is noted that of that figure 35 percent of the total is placed on the reserve components. Even more shocking is that of the 35 percent, the Army and Air National Guard are bearing 32 percent of the 35 percent. This is far too heavy an assessment on one segment of our defense structure and makes the administration total force policy appear to be meaningless.

It is my opinion that the Congress will look with disfavor on this request but unfortunately much damage could be done prior to a final decision by our legislative branch. This will result because the administration plans to stop funding for the programs in the rescission proposal this will start a spiral downward in Guard strength and impact unfavorably on the aircraft production lines of the Air Guard designated A–7D aircraft.

The Defense Department seems to forget that the Reserve components constitute the most economical defense capability for a rapidly shrinking defense dollar. For instance, in the Army Guard we are maintaining eight divisions which could be called to active duty at any time, although we are paying these men only 4 days' pay per month for inactive duty training. We are getting more for our defense dollar through this program than the majority of other programs of which I am aware.

As regards the A–7D, if the funds are halted, as the administration proposes, and the Congress refuses to go along with the administration request, then when the funding is resumed, additional costs as high as $7 million will be needed.

Of particular note in the Reserve cuts is the situation faced by the Naval Reserve. The rescission calls for appropriation cuts which would force the Naval Reserve strength well below the 117,000 authorized and funded by the Congress. It is estimated the Naval Reserve strength could be forced to as low as 100,000 and, of course, the majority of these reductions would come from fleet-trained enlisted personnel now serving in the Naval Reserve. It would be a serious mistake to force these men out of the Reserve program when the high cost of defense requires better use of our dollars and such could be easily achieved in the Reserve program.

Frankly, it appears the Defense Department has recommended to the administration that the additional cuts be taken in the very areas in which the Congress has exercised its initiative. For instance, the Congress provided authorizations and funding for the more responsible levels of Reserve component manning. It also added to the budget the A–7D's and the F–111 bombers, both of which are included in the anti-inflation cuts.

Mr. President, the reductions in the force levels of the Air and Army Guard, the Naval Reserve and the Army Reserve, would be a mistake of considerable dimension. We have spent millions recruiting individuals into these Reserve forces. These efforts will have to be halted and possibly some who wish to remain in this program could be forced out.

Mr. President, this is not a total force policy. This is a total force disaster. I urge the Congress to refuse this request and the administration to continue this funding until the Congress has acted one way or the other.

CONSTITUTIONAL RIGHTS SUBCOMMITTEE RELEASES REPORTS ON THE SPECIAL STAFF OF INTERNAL REVENUE SERVICE

Mr. **ERVIN.** Mr. President, the staff of the Judiciary Subcommittee on Constitutional Rights has concluded an intensive, 18-month inquiry into the political intelligence arm of the Internal Revenue Service, the now-defunct Special Service Staff. Today I announce the publication of the subcommittee's report of that investigation. Entitled "Political Intelligence in the Internal Revenue Service: The Special Service Staff," the report is, to my mind, the most significant chapter to date in the gradually unraveling story of political misuse of the tax-collecting power.

My colleagues will remember that the Watergate investigations uncovered White House attempts to have the IRS use the powers at its disposal against certain individuals and organizations for political purposes, or to assist those whom the White House favored. It was shown that the White House often sought information from tax files, and, apparently as often, the Internal Revenue Service complied with those requests.

In the course of all this, a special unit was formed within IRS tasked with the responsibility of collecting information on so-called radicals on the off chance that they might be in violation of the tax laws. This unit was the Special Service Staff, created in July of 1969. It operated until the summer of 1973 when the Commissioner of IRS announced, after the existence of the unit had become widely publicized, that it would be disbanded.

By that time, however, both the Joint Committee on Internal Revenue Taxation and the Constitutional Rights Subcommittee were investigating various aspects of the charges that the Internal Revenue tax laws were being selectively enforced for partisan political purposes.

The joint committee focused on the so-called "enemies lists" and made a staff report of its investigation on December 20, 1973. A brief section of that report was devoted to the Special Service Staff. However, the joint committee was not able to obtain access to the unit's files prior to writing the report. Its analysis of the Special Service Staff operations was limited.

The Constitutional Rights staff was in the midst of its own investigation when the joint committee report was published. By that point, the subcommittee had obtained considerable information not reflected in the joint committee's report, and was seeking for itself that which the joint committee had not had—access to the Special Service Staff files. Thus, the subcommittee decided to continue pursuing its own investigative course. The joint committee advised that it had no objections.

In early 1974, the staff intensified its inquiries to the Internal Revenue Service, and repeatedly sought access to the Special Service Staff files. After considerable wrangling, which I will go into later, staff attorneys representing the majority and minority, were given access to the files. Over a 3-week period last summer, they inspected a sampling of 380 out of the roughly 11,000 files which had been maintained by the Special Service Staff on selected individuals and organizations.

The access to the files distinguishes the report being released today from earlier investigations. The subcommittee's report represents the first systematic attempt outside the IRS to describe the operations and functions of the Special Service Staff, based on actual examination of its files. I would also add, Mr. President, this report encompasses all of the latest documentary evidence regarding the Special Service Staff.

As you know, within the past several weeks the IRS has made public over 100 documents pertaining to the Special Service Staff in response to a Freedom of Information Act request made 13 months previously. Only a few of these documents had previously been given to the subcommittee by the IRS.

I intend to delve into these developments later, but here I only wish to point out for those who may be interested in the report that it contains every pertinent document—even the most recent ones—which have come to light in the course of the staff's investigation.

FINDINGS

Since the report represents the work of the staff, rather than the personal views of the subcommittee members, no formal statement of findings or recommendations was felt appropriate. As an individual Senator, however, I do not feel so constrained.

First of all, I think the report makes clear that the Special Service Staff was created to identify individuals and organizations for possible tax actions solely on the basis of their political activities. To my mind, this in itself was a serious misuse of the tax power, regardless of how many individuals and organizations were eventually subjected to adverse tax consequences.

The report shows that those so-called activists identified by the Special Service Staff were not selected because their tax returns indicated possible tax liability or the basis for the loss of tax-exempt status, but solely because their names had appeared in a newspaper or an FBI report. The fact that one's lawful political activity could subject him to special scrutiny by the IRS is contrary to the first amendment guarantee of uninhibited political expression.

Moreover, it raises the important question of whether the IRS exceeded its statutory authority in collecting information on such a wide-ranging scale. Section 7601 of the Internal Revenue Code allows the IRS to "inquire after" persons who "might be liable" taxes. But I think it absurd to argue that anyone who takes an active political role thereby incurs a "potential liability" for taxes.

Second, the report indicates that the IRS created the Special Service Staff on its own initiative. Both the White House and at least one congressional committee in 1969 had shown interest in what the IRS was doing to enforce the tax laws against radicals who appeared to be successfully avoiding them. However, the staff uncovered no direct evidence that either Congress, the White House, or any external source ordered the formation of a political intelligence unit by IRS. Apparently, the interest expressed by Congress and the White House was interpreted within the IRS as a request for action. The documents show that on July 1, 1969, Tom Charles Huston at the White House called the IRS to inquire what the IRS was doing about "ideological organizations." According to the memorandum of the conversation, no specific orders were communicated; however, on July 2, 1969, a meeting was held at IRS to set up a Special Service Staff. One IRS official wrote on July 24, 1969, soon after the creation of the staff, that:

> From a strictly revenue standpoint, we may have little reason for establishing this committee or for expending the time and effort which may be necessary, but we must do it. We have gotten too much adverse publicity about exempt organizations. . . .

Third, it is clear that the Special Service Staff, as originally conceived, was intended to be a "secret" unit within IRS. While its existence must have been known to the White House and several executive branch agencies, no public mention of it was made until mid-1972, almost 3 years after it had begun operation.

Such secrecy can only breed bad government. Without public knowledge, public concern and public pressure, there can be no effective oversight. The consequences are obvious. I do not think the Founding Fathers ever contemplated the Government's business being conducted in the shadows.

Fourth, the staff report describes the Special Service Staff as having operated on a "catch-as-catch-can" basis. The documentary evidence cited bears this out. Despite a 1970 pronouncement by former Commissioner Randolph Thrower that its purpose was to collect information on "all activist groups," there seemed to be no systematic attempt by the Special Service Staff to identify all such groups. Files were simply begun when the staff happened to encounter the name of an "activist" group or individual in the media or in intelligence reports obtained from other agencies such as the FBI, the Internal Security Division of the Justice Department, or the Defense Department. I think it is important for us to note, furthermore, that these were often well-established, middle-of-the-road groups and individuals. According to a partial list printed several weeks ago in the New York Times, the National Urban League, the Americans for Democratic Action, the National Council of Churches, the National Welfare Rights Organization, and the National Student Association were all subjects of Special Service Staff files. It is obvious from this that when the Special Service Staff undertook to create files on "political activists," it did not limit itself to those with illegal or even narrowly held aims.

Fifth, the staff report that information from the Special Service Staff was conveyed to other Government agencies outside the IRS itself. In particular, the report shows that the Internal Security Division of the Justice Department was the frequent recipient of information for its so-called national security cases. Much of it was tax-return information.

Finally, the staff report indicates that the Special Service Staff did not have a particularly significant impact on IRS operations. While it did maintain files on some 3,000 organizations and some 8,000 individuals, the Special Service Staff referred comparatively few of these cases to the field. Moreover, relatively few of these referrals in the end yielded additional revenues.

I point this out because in every political intelligence operation the subcommittee has investigated—in the Army, in the White House, or in the IRS—there has been little produced that relates to the legitimate work of the agency involved. I remember that the former Secretary of the Army described his own department's political surveillance operations as "a damn waste of time." From what the Special Service Staff accomplished, its operation is deserving of the same criticism.

I am hopeful, then, that even if future agency heads forget the Constitution, they will at least remember this practical lesson. Justifying political surveillance in terms of more efficient performance is what we North Carolinians call hogwash.

THE PYLE CASE

The staff report mentions no names. In accordance with our established policy, we identify no individual or organization which has been the subject of Special Service Staff surveillance in order to protect their privacy. I might add parenthetically that the IRS itself has not been nearly as cautious in protecting the identity of these taxpayers. In the materials they have made public, the names of individuals and organizations have not been stricken.

The one name on the Special Service Staff list, which the staff felt required special attention was the name of Christopher H. Pyle. Mr. Pyle had been instrumental in the subcommittee's previous investigation of military surveillance and, indeed, is still listed as a subcommittee consultant. The staff immediately contacted Mr. Pyle who informed the subcommittee that he had no objections to the subcommittee's identifying him as the subject of a Special Service Staff file or describing the details of his case.

The staff discovered that the Special Service Staff had begun a file on Mr. Pyle in 1970, the same year that he wrote an article exposing an extensive Army surveillance operation in the United States and the same year he began work for the subcommittee. It is at least plausible that the file had been begun on Pyle solely as a consequence of these actions.

The subcommittee staff asked Mr. Pyle if he had, in fact, been the subject of any adverse tax action subsequent to 1970. He replied that his tax return for 1970 had indeed been audited, but that the IRS had determined that he was due a small refund.

The staff report is guarded in the conclusions it draws from this episode. It does state, however, that Mr. Pyle, a graduate student at the time, reports he had very little income for the year 1970. Still, his return was selected for audit in the same year he became known for his exposé of military surveillance.

If, indeed, the audit did ensue as a result of a Special Service Staff referral, I think this is a rather egregious case of using the Internal Revenue Service for political purposes. Mr. Pyle, now a professor at the John Jay College of Criminal Justice in New York, could hardly be called a political activist, much less a "radical." He was a former Army captain who considered it his duty to expose an unconstitutional and pervasive domestic intelligence operation to the public and the Congress. In doing so, he performed a great service for the subcommittee and for the American people. I think it would be a travesty for him to have been subjected to special scrutiny by the IRS as a result of his efforts.

THE INVESTIGATION

As all of my colleagues are well aware, the difficulties the Congress encounters in wresting embarrassing information out of an executive agency at times seem to dwarf the troubles the biblical camel must encounter in passing through the eye of a needle. It matters not that the events under investigation took place in the past under officials that have long since left. The usual response to a congressional request for information which is potentially embarrassing is to draw the wagons around the agency and prepare for a siege. Only the most persistent and irresistible forays by the Congress bring results.

This investigation of the Special Service Staff was no different. It is true that the IRS ultimately produced a considerable amount of documentation regarding Special Service Staff operations. It is also true that the IRS did eventually allow counsel for the subcommittee to examine the files of the intelligence unit. But all of this occurred only after months of haggling, and threats from the subcommittee to use its subpena powers to obtain the information it sought. Even at this, recent events create the suspicion that further information is being withheld.

Only 4 weeks ago, the IRS made public 41 documents regarding Special Service Staff operations in response to a Freedom of Information Act request made by Ralph Nader's Tax Reform Research Group. The subcommittee was already in possession of most of these documents. Yet there were eight which the subcommittee had not received, despite the fact that 5 months earlier the staff had been assured that it had received everything it could be permitted under the disclosure statutes.

I might add that while the IRS was obviously aware of the subcommittee's pending inquiry, it did not at that time furnish us with the eight additional documents which we had not been given previously, which went to the Nader group.

Even more disconcerting is the fact that on December 3, 1974, when this report was in its final stages of printing, the staff received a telephone call from a wire service reporter informing it that the IRS had just made available to him 61 new documents regarding the origin of the Special Service Staff. Upon examination of these, it was apparent that most had never before been made available to the subcommittee.

The staff immediately contacted the IRS to request copies of the documents and to seek an explanation as to why the documents were not made available to the subcommittee. It was told that since the documents predated the Special Service Staff, they were not contained in the Special Service Staff files to which the subcommittee had had access. Instead, it was explained, they were found in the files of the Audit Division during a search which had taken place on November 20, 21 and 22, 1974. Once again, however, there was no explanation of why the documents had not been transmitted to the subcommittee at the time they were discovered.

Still another intriguing development appeared in a newsstory which went out over the Associated Press wire on December 8. Commenting on the most recently released IRS documents, the story concludes:

> There remains a potentially critical gap in the document series because files that might show what role the White House played at the IRS apparently have been destroyed.

Although the subcommittee had noted this gap in Special Service Staff files and had on several occasions attempted to probe the relationship between the Special Service Staff and the White House, this was the first the subcommittee had heard that IRS files showing White House involvement may have been destroyed. If this is true, I think such action would represent a serious breach of trust on the part of the Internal Revenue Service, which must have realized they were pertinent to this and other ongoing inquiries. Indeed, in 1973 and again in 1974 the IRS was admonished not to destroy or dispose of any of its records pending the completion of the Watergate investigation and the subcommittee's investigation of the Special Service Staff. Perhaps even more serious, interference with a congressional investigation is a violation of 18 U.S.C. 1505. This is unquestionably a matter which requires further investigation.

Summing up, then, while the IRS has furnished the subcommittee with a great deal of information, its behavior shows considerable reluctance and a somewhat cavalier attitude toward congressional inquiries. The staff is still not persuaded that the IRS has released all of the information in its possession and recent disclosures have not alleviated these doubts.

CONCLUSIONS

Mr. President, the subcommittee staff was precluded by its lack of authority to examine tax-related information from tracing the consequences of Special Service Staff actions to their ultimate resolution by the Internal Revenue Service.

I am pleased to report, however, that the Joint Committee on Internal Revenue Taxation, which does have this authority, is now in the midst of tracing each of the 380 Special Service Staff files examined by the subcommittee staff to determine what, if any, adverse tax actions ensued as a result of Special Service Staff referrals. The staff of the joint committee has informed me that it plans to issue a further report of its findings.

I applaud their action, Mr. President. I think it is essential to the conclusion of this inquiry.

Before these recent episodes, Mr. President, I had always had the highest regard for the Internal Revenue Service. I found it to be an agency which heretofore displayed only the highest standards of efficiency and integrity. I hope, therefore, that the creation of the Special Service Staff was an aberration, a singularly poor response to what the IRS perceived to be a peculiar situation confronting the agency in the late 1960's. Yet, regardless of what "peculiar situations" may have existed, that does not, after all, justify an erosion of constitutional guarantees. I am continually reminded of the admonition of Justice David Davis in the century-old case of *Ex Parte Milligan:*

> The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men at all times under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government.

The creation of the Special Service Staff can therefore not be excused by an "exigency of government." Its purpose was to identify political activists for special scrutiny under the tax laws. It could thus have led only to the suppression of political expression, a result which cannot be squared with the first amendment.

While the staff makes no recommendations in its report, I think it obvious that legislation is called for to insure that another Special Service Staff is not set up in the future. I hope, therefore, this report will serve as an impetus for further legislative activity. I think more is needed if we are to restore the confidence of the American people, which, understandably has been shaken.

The staff report being released today, Mr. President, can be obtained from the Subcommittee on Constitutional Rights, room 102–B, Russell Senate Office Building, or from the Government Printing Office at a cost of $3.55.

THE GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, critics of the Genocide Convention have expressed the concern that ratification of this treaty would make a wide range of activities subject to punishment under international law.

This simply is not true.

Article II of the convention defines genocide as any of the following acts committed with intent to destroy, in whole or in part, a national, ethnic, racial, or religious group, as such:

First, killing members of the group;

Second, causing serious bodily or mental harm to members of the group;

Third, deliberately inflicting upon the group conditions of life calculated to bring about its physical destruction in whole or in part;

Fourth, imposing measures intended to prevent births within the group; and,

Fifth, forcibly transferring children of the group to another group.

The Senate Foreign Relations Committee noted the narrowness of this construction when they enumerated those concerns which are not covered by the Genocide Convention:

It does not alter the rules of warfare or the obligations of parties to the Geneva Conventions on the treatment of prisoners and the protection of civilians in time of war.

It does not apply to discrimination, racial slurs and insults and the like.

It does not apply to voluntary population control measures.

It does not apply to past events.

However depressing such events may be, they do not constitute genocide under the terms of the Genocide Convention or the understandings attached to it by the Foreign Relations Committee.

Mr. President, we must renew our dedication to human rights and ratify the Genocide Convention promptly.

PHILADELPHIA MARITIME MUSEUM MOVES TO NEW QUARTERS

Mr. **HUGH SCOTT**. Mr. President, for 13 years we Philadelphians have been proud of the Philadelphia Maritime Museum for its innovative and interesting displays and exhibits. Now, it is moving to its first permanent quarters on Chestnut Street, quarters which the museum will own. This is a big step and I think it deserves recognition. I ask unanimous consent that an editorial from the Philadelphia Inquirer be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A New Maritime Museum

It is hard to believe that the Philadelphia Maritime Museum is only 13 years old, for in that short time it has not only won a solid place for itself in this city of museums but has become recognized as one of America's important maritime museums.

Tonight it takes a major step forward when Navy Secretary J. William Middendorf 2nd cuts the ribbon to open new quarters—the first the museum itself has owned—at 321 Chestnut st.

The story the museum has to tell is, of course, as old as the sea itself. But it is told in imaginative, contemporary exhibits which—in the words of one visiting museum authority—"convey a neat, clean and shipshape atmosphere which, after all, is the picture one should have of a maritime museum."

In addition to its exhibits, which include a large collection of paintings, the museum conducts teaching and research programs, maintains a reference library of more than 6,000 volumes, and keeps its own sailing ship, the Gazel Primeiro, afloat at Pier 15. It manages all this, furthermore, with private funds from contributions and memberships; no tax money goes to its support.

Our congratulations and thanks, then, to all the dedicated sea buffs who are responsible, starting with J. Welles Henderson, the attorney who founded the museum in 1961, and Dr. R. Bruce Inverarity, the museum director. The new institution they are opening tonight is a credit to their labors and a splendid addition to Philadelphia.

ADVANCES IN SMALL BUSINESS LIAISON WITH THE INTERNAL REVENUE SERVICE

Mr. **BIBLE**. Mr. President, it is my pleasure to note that substantial progress has been made in improving relations between Internal Revenue Service and the small business community of 12 million enterprises in this country.

In August 1973, I reviewed in remarks before the Senate the sponsorship by the Select Committee on Small Business of liaison meetings between a group of small business and professional organizations. The committee's annual reports for 1973 and 1974 bring this story up to date.

In summary, 3 years ago, as chairman of the committee, I invited a number of small business associations and tax, accounting, and other small business groups to Washington to conduct a revision of the "Tax Guide for Small Business," which is the most widely circulated tax publication in the small business field. As a matter of interest, the Guide was first issued as a print of the Senate Select Committee on Small Business in 1956.

The careful review by the seven organizations which responded, some 15 years later, constituted the first comprehensive revision of this publication by experts outside of the IRS.

The next year the number of groups participating expanded to 11 and the subject matter considered was broadened to include the distribution of the Tax Guide and other IRS publications—such as the Business Tax Kit; practices concerning use of employment identification numbers; and the impact of tax forms and audit procedures on small business.

During 1973, for example, the organizations concerned submitted about 155 suggestions for improving the Tax Guide, more than half of which were adopted. As a result of changes of this magnitude, from year to year, the Guide has now been substantially revised in both substance and style. The group also recommended that the Tax Guide be distributed free of charge to new small firms on the same basis as the Farmers' Tax Guide.

In 1974, the group again expanded to encompass 17 small business and professional associations, including additional regional organizations and areas of special small business expertise, such as retailing, pension forms, and subchapter S corporation problems. In addition, task groups were formed to examine in depth such areas as—

First. Format and distribution of IRS small business publications;

Second. Possible annualization of the IRS form 941;

Third. Interstate taxation and its effects on small business;

Fourth. Pension forms and legislation; and

Fifth. Audit activities and their effects on small firms.

ROLE OF COMMISSIONER ALEXANDER

Throughout this process, the Commissioner of the Internal Revenue, Mr. Donald C. Alexander, has been most sympathetic to these efforts and to the aspirations of the small business community.

Mr. Alexander personally supervised the revision of the Small Business Tax Kit, reviewing every form that also will be included in the future.

He has permitted the group to meet in the Commissioner's conference room at IRS, and to use the facilities of the Service as well as to meet with its key personnel. Mr. Burke Willsey, the Commissioner's personal assistant, became the coordinator of the entire effort.

On October 22, IRS announced the Commissioners' decision that the Small Business Tax Guide for 1975 will be distributed free of charge on the basis of one per customer—bulk sales will be charged a nominal amount. As committee chairman, I recently received a gracious letter advising us in the Senate of this decision which the Commissioner regards as "another significant step we have taken to achieve our mutual objectives."

My letter of November 4 expresses our real appreciation for these actions and our "commendation and high regard for the able and conscientious way" in which we feel Mr. Alexander is administering the IRS, particularly to the 97½ percent of business taxpayers which are classified as small businesses.

Mr. President, this exchange of letters is of interest, and I ask unanimous consent that the letters be printed in the Record following my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **BIBLE**. Mr. President, my letter also noted Commissioner Alexander's willingness to accord recognition to the problem of the small business community on an ongoing basis, by constituting from among the small business constituency Small Business Advisory Committee to the Commissioner to carry on the work that has been thus begun, and to provide a forum where small business executives and their representatives from around the country can sit down to discuss their special problems face-to-face.

It is my feeling that such an advisory body could provide a direct link with nearly a million small businesses and opportunities for access to millions of others. As part of this letter, I also transmitted the names of association executives and experts from many fields who have contributed to the success of the committee's liaison efforts over the years, and whose time and efforts have made these accomplishments possible. I also believe that it is appropriate at this time to recognize the work of the committee's professional staff under the direction of its staff director and general counsel, Chester H. Smith, and the particularly capable technical expertise of Mr. Herbert Spira, whose initiative and abilities in the tax field have done much to bring liaison effort to the present state of its maturity.

COMMITTEE ACCOMPLISHMENTS IN THE TAX FIELD

It was my feeling that this work was worth while and I so stated in August of 1973 in the following terms:

> To the extent that such a constructive relationship can be fostered by our committee . . . for the benefit of new, small and independent business firms, I feel this will be a considerable achievement. Innumerable problems and frustrations can be avoided and the functioning of our tax and business systems can both be made more efficient.

On the threshold of leaving the Senate, it is gratifying to know that the Commissioner of the Internal Revenue Service feels that—

> The exchange of ideas with (the liaison group organized by our committee) has helped immeasurably to insure that the Service fulfills its responsibility to provide reliable guidance to (small business) taxpayers.

I also take some pride in the fact that nearly one quarter of the proposals in the comprehensive small business tax simplification and reform bill which I first introduced in 1970 were accepted by the Ways and Means Committee as part of the omnibus tax reform measure.

I will be able to look back upon my service as chairman of the Select Committee with additional satisfaction knowing of the prospect that some meaningful small business tax legislation will be enacted and that the liaison between the small business community and IRS will be continued.

EXHIBIT 1

DEPARTMENT OF THE TREASURY,
Washington, D.C., November 26, 1974.

Hon. ALAN BIBLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BIBLE: On several prior occasions we have exchanged correspondence about IRS Publication 334, Tax Guide for Small Business. As Chairman of the Select Committee on Small Business, you organized a group of business representatives and people from professional societies who made substantial contributions to the annual revisions of Tax Guide. The exchange of ideas with that group has helped immeasurably to assure that the Service fulfills its responsibility to provide reliable guidance to taxpayers.

Now I can advise you of another significant step we have taken to achieve our mutual objectives. This year, for the first time, Tax Guide may be obtained without charge at most IRS offices. Most taxpayers engaged in small business should find all the tax information they need in that one book. If they need more they may select from a long list of other publications that are also available free of charge.

I want to thank you again for your continuing contributions toward making the Tax Guide an outstanding publication. We are gratified by the favorable comments on earlier editions and can assure you we will continue our efforts to provide high quality service.

With kind regards,

Sincerely,

DONALD C. ALEXANDER,
Commissioner.

U.S. SENATE,
Washington, D.C., November 4, 1974.

Hon. DONALD C. ALEXANDER,
Commissioner, Internal Revenue Service,
Washington, D.C.

DEAR MR. COMMISSIONER: We very much appreciate the decisions which you have taken this year in response to the initiatives and problems of the small business community in its relationships with the Federal tax system.

We believe that your willingness to constitute a Small Business Advisory Committee will bring substantial benefits to the Internal Revenue Service through a continuing access to millions of taxpayers, as well as the special and varied expertise which its task groups and panels can bring to bear on more technical matters.

In addition, your personal labors in simplifying the Business Tax Kit, and your decision to have the Small Business Tax Guide distributed freely in 1975 should have salutary effects upon the millions of taxpayers who are and in the future will become "small business."

I would like at this time to express my commendation and high regard for the able and conscientious way in which you are administering the Internal Revenue Service, particularly as to this substantial part of the taxpaying public. Our Committee wishes to continue to cooperate in every way possible to assist in these matters.

For your possible use in constituting your Advisory Committee, we are pleased to attach, pursuant to the suggestions of your staff, a list of the presiding officers and participating experts of the associations which have, over the past three years, made up the liaison effort to IRS which has been under the auspices of our Committee. Also attached is a supplementary list of organizations concentrating their efforts in the socially and economically disadvantaged fields, and which have been working with the Committee in the past on other projects.

Please accept my best wishes.

Cordially,

ALAN BIBLE,
Chairman.

LIST OF ORGANIZATIONS AND PERSONS PARTICIPATING IN 1974 LIAISON MEETINGS WITH INTERNAL REVENUE SERVICE

1. American Bar Association:

Kenelm L. Shirk, Jr., Esq., Subcommittee Chairman, General Income Tax Problems Committee (Tax Section), P.O. Box 1552, Lancaster, Pa. 17604, 717/394–7247.

Norman Schwartz, Esq., Committee on Subchapter S (Tax Section), % Cohen & Uretz, 1730 M Street NW., Washington, D.C. 20036, 202–293–4740

Charles M. Noone, Vice Chairman, Small Business Committee (Corp. Sec.), % McCarty & Noone, 1225 Connecticut Avenue NW., Washington, D.C. 20036, 202/223–6680.

2. American Institute of Certified Public Accountants:

Joel M. Forster, Director, Division of Federal Taxation, AICPA, 1620 I Street NW., Washington, D.C. 20006, 202/872–8190.

Malcolm I. Mintz, Chairman, Tax Forms Advisory Group, AICPA, % Seidman & Seidman, 1200 18th Street NW., Washington, D.C. 20036, 202/293–1570.

3. American Retail Federation:

Eugene A. Keeney, President, 1616 H Street NW., Washington, D.C. 20006, 202/783–7971.

4. American Society of Pension Actuaries:

John Faux, Vice President, ASPA, 66 Milton Road, Rye, N.Y. 10580, 914/967–4380.

Howard Johnson, President (after Jan. 1, 1975), % Howard Johnson & Associates, 207 E. Edgar Street, Seattle, Wash. 98102.

Fred R. Kissling, Jr., President (until Dec. 31, 1974), 98 Dennis Drive, Lexington, Ky. 40503.

5. Council of Smaller Enterprises:

Edward H. Richard, Chairman, Council of Smaller Enterprises, (Greater Cleveland Growth Assn.), 690 Union Commerce Bldg., Cleveland, Ohio 44115.

K. Michael Benz, Executive Director, 216/621–3300.

Vincent Panicki, CPA, Chairman, Accounting Dept., John Carroll University, 20700 North Park Blvd., University Heights, Ohio 44118.

6. CPA Associates:

Christopher Seidel, Exec. Dir., 666 Fifth Avenue, New York, N.Y. 10019. 212 765–6790.

Harry M. Linowes, CPA, c/o Leopold & Linowes, 1120 Connecticut Ave., N.W., Washington, D.C. 20036. 202/833–2280.

7. Federal Bar Association:

John J. Yurow, Esq., Taxation Committee, FBA, c/o Arent, Fox, Kintner, Plotkin & Kahn, 1815 H St., N.W., Washington, D.C. 20006.

8. Independent Business Association of Wisconsin:

Bruno J. Mauer, President, c/o Rickert Industrial Supply, 2942 North 117th, Wauwatosa, Wisc. 53226.

Jerry Huss, CPA, 10900 West Bluemound Rd., Brookfield, Wisc. 53226.

William J. Tetzlaff, Executive Secretary, 11050 West Bluemound Rd., Brookfield, Wisc. 53226. 414/258–7055.

9. International Franchise Association:

Jerry Opack, Exec. Vice President, 7315 Wisconsin Ave., N.W., Washington, D.C. 20014, 301/652–6270.

Collin B. Weshke, Staff Member.

10. National Association of Small Business Investment Companies:

Walter B. Stults, Exec. Vice President, 512 Washington Building, Washington, D.C. 20005, 202/638–3411.

Charles M. Noone, General Counsel, c/o McCarty & Noone, 1225 Conn. Ave., N.W., Washington, D.C. 20036, 202/223–6680.

11. National Federation of Independent Business:

Frederick L. Williford, Director of Government Affairs, NFIB, 920–22 Washington Bldg., Washington, D.C. 20005, 202/737–3523.

Ted Kuchenriter, Treasurer, NFIB, 150 West 20th Ave., San Mateo, Calif. 94403.

Bruce Fielding, Member, Board of Trustees, NFIB, c/o Certified Public Accountants, 1043 Stierlin Rd., Suite 201, Mountain View, Calif., 94040, 415/961–5520.

Llewellyn Gerson, Government Affairs Representative, NFIB, 920–22 Washington Bldg., Washington, D.C. 20005.

12. National Small Business Association:

Kenneth Anderson, President, NSBA, 1225–19th St., N.W., Washington, D.C. 20036, 202/296–7400.

John Lewis, Exec. Vice President-Secretary, NSBA, 1225–19th St., N.W., Washington, D.C., 20036, 202/296–7400.

Senga A. Howat, Research Associate, NSBA, 1225–19th St., N.W., Washington, D.C. 20036, 202/296–7400.

John Mendenhall, Consultant to NSBA, c/o Arthur Anderson & Co., 815 Conn. Ave., N.W., Washington, D.C. 20006, 202/785–9510.

13. National Society of Public Accountants:

Phyllis Borghese, Director, Education and Research, NSPA, 1717 Pa. Ave., NW., Washington, D.C. 20006, 202/298–9040.

Stanley H. Stearman, Exec. Vice President, NSPA, 1717 Pa. Ave., NW., Suite 1200, Washington, D.C. 20006, 202/298–9040.

Minar Shirk, CPA Chairman, Federal Taxation Committee, P.O. Box 866, Chandler, Ariz. 85224, 602/963–8869.

14. Printing Industries of America, Inc.:

Shane MacCarthy, Director of Government Affairs, PIA, 1730 N. Lynn St., Arlington, Va. 22209.

15. Smaller Business Association of New England, Inc.:

Daniel F. Slade, President, 69 Hickory Dr., Waltham, Mass. 02154.

Edward H. Pendergast, CPA, Pendergast, Creelman & Hill, 236 Lewis Wharf, Boston, Mass. 02110, 617/723–3030.

Lewis A. Shattuck, Exec. Vice President, 69 Hickory Dr., Waltham, Mass. 02154, 617/890–9070.

John M. McGowan, CPA, Peat, Marwick, Mitchell & Co., 40 Westminster St., Providence, R.I. 02903, 401/421–6600.

16. Smaller Manufacturers Council (Pittsburgh):

A. Warne Boyce, President, Chamber of Commerce Bldg., Pittsburgh, Pa. 15219, 412/391–1622.

Anthony P. Rossi, Accountant, P.O. Box 6, Parnassus Station, North Kensington, Pa. 15068, 412/335–5544.

Leo R. McDonough, Exec. Vice President, SMC, Chamber of Commerce Bldg., Pittsburgh, Pa. 15219.

17. Toledo Small Business Association:

F. W. Halbert, Exec. Director, TSBA, 218 Huron St., Toledo, Ohio 43604, 419/255–1725.

James J. King, C.P.A., Buckenmeyer & King, Spitzer Bldg., Toledo, Ohio 43604, 419/242–8432.

GOVERNMENT REPRESENTATIVES

Small Business Administration

Hon. Thomas S. Kleppe, Administrator.

Attn: Stephen Klein, Chief Counsel for Advocacy, Office of Interagency Affairs, Office of General Counsel, SBA, 1441 L St., N.W., Washington, D.C. 20416.

Bruce Goodpasture, Acting Head, Education Division, Office of Management Assistance, SBA, 1441 L St., N.W., Washington, D.C. 20416.

Internal Revenue Service

Burke W. Willsey, Assistant to the Commissioner.

William A. Hagemann, Chief, Technical Publications Branch.

Erwin H. Schuler, Chief, Tax Forms Development Branch.

Lee S. Sadler, Distribution Manager, Publishing Services Branch.

Singleton B. Wolfe, Director, Audit Division.

Philip Rothchild, Assistant Director, Public Affairs Division.

ORGANIZATIONS OF MINORITY BUSINESSES

National Business League

Burkeley G. Burrell, President, 4324 Georgia Avenue NW., Washington, D.C. 20011, 202/726–6200.

National Association of Black Manufacturers

Theodore A. Adams, Jr., Executive Director, National Association of Black Manuf., 1625 Eye St. NW., Suite 918, Washington, D.C. 20036, 202/785–5133.

American Association of Minority Enterprise Small Business Investment Companies

Walter W. Durham, President, MESBIC Financial Corp. of Dallas, P.O. Box 6228, Dallas, Texas 75222, 214/637–0445.

THE DEMOCRATIC PROGRAM

Mr. GOLDWATER. Mr. President, the recent miniconvention in Kansas City held by the Democratic Party produced some rather interesting results, but one of them is just another indication of the futility of that party when it comes to discovering how our economic system works. The eight-point economic program they adopted does not have one single point in it, but it does include every known panacea that has been tried in the history of the world to cure economic illness. They totally disregard the fact that none of these panaceas ever worked or will work. They are evidently guided by the thought that the Roosevelt programs in the 1930's ended the depression, and I would remind them that there is one man who lived and worked through that depression and we were still in a heavy depression right up until the time that it was certain we were going to go to war. In other words, war ended that depression.

I would suggest to the Democrat Party and to my own party, the Republican Party, that we allow the free enterprise system a chance to work, that we turn back the operations to the marketplace and get the Government out of the hair of business just as much as it can be done. I ask unanimous consent that an interesting editorial appearing in the December 10, 1974, Wall Street Journal be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE DEMOCRATIC PROGRAM

The eight-point economic program adopted by the Democratic Party at its Kansas City convention invites at least one word of commendation. It has forced us to realize how imaginative and effective, by comparison, is President Ford's WIN button as a means of dealing with the nation's economic problems.

We assume that those who drafted the program intended for it to be taken seriously as a blueprint for national policy, by the economically literate as well as the economically illiterate. But we can find very little that anyone could take seriously, other than out of a sense of horror that a national party in 1974 would merely resurrect the discredited panaceas of the 1930s. The program could only have been conceived by a committee of party hacks sitting around trying to imagine what Franklin Roosevelt, John Maynard Keynes and Henry Wallace might have proposed.

They recommend a public-service jobs program in which the unemployed worker does not even have to look for a job in the private sector before becoming eligible for a government rake or shovel. "To assist faltering businesses," they would revive the Reconstruction Finance Corporation to channel credit subsidies to the worthy. The Federal Reserve and other federal lending agencies are invited to allocate credit away from "speculative ventures" to "productive enterprises." Taxes for lower and middle income people will be lowered by closing "tax loopholes." Two birds are slain with one stone by ending "those tax incentives that encourage multinational corporations to export American jobs and capital."

To fight inflation, the Democrats reach back to World War II, with a few creative twists. "We support an across-the-board system of economic controls, including prices, wages, executive compensation, profits and rents. Provision should be made for wage catch-up and price rollbacks." And to insure that the controls are administered equitably, authority should not be given to the Republican President, but to a special council managed by Congress, which would vest it with "whatever monitoring and enforcement procedures are necessary." Gasoline should be rationed.

All this is rather pitiful. The Democratic Party, which once prided itself on being a magnet for the nation's intellectual elite, can do no better than return to the fetal position of the Roosevelt coalition. All that's missing is a Blue Eagle and a plan to pack the Supreme Court with appointees of the Democratic Study Group.

But why should any parts of this program work now, when they did not work when FDR tried them? After eight years of Rooseveltian experiments with CCCs and RFCs, the U.S. economy was in no better shape than when the mess was inherited from Herbert Hoover. Nor did wage and price controls work much better in wartime, when administered by 300,000 bureaucrats, than they did when President Nixon tried them in peacetime. The program the Democrats now propose could not even be contemplated without also sealing off the U.S. economy from global trade. Otherwise all internal investment would grind to a halt, with capital fleeing abroad and with inventories exported at artificial prices.

The prescriptions of Kansas City are precisely the ones the British have followed in driving their economy into the ground. Sixty percent of all Britain's economic activity is managed in one way or another through the government, and the private sector continues to function only out of habitat. There is no incentive to produce when what is produced is taxed away. If there is hope in the U.K., it is because the Labor Party has lately shown some small signs of turning away from the caricatured Keynesianism that has dominated British thinking—moving away from "incomes policies" and relenting on government taxation of the private sector.

The only other good thing about the Democratic package is that at the moment there is little chance the economy will be burdened with much of it. Congressional Democrats and organized labor went along with it at the convention only to preserve the appearance of party unity. "We aren't quite ready for all this yet," said George Mahon, chairman of the House Appropriations Committee. If the day ever comes when they are ready for all this, there will not be much left of the U.S. economy.

THE FOOD STAMP PROGRAM

Mr. HUMPHREY. Mr. President, on December 12 the Washington Post carried an outstanding editorial on the food stamp program entitled, "Hunger and Politics."

The article deals with the food stamp program and the insensitive way it has been handled by the Department of Agriculture.

On October 11, Judge Miles Lord, of Minneapolis, rendered a decision that the USDA had not followed the intent of Congress, in failing to conduct an "outreach" program to get eligible households to participate in the food stamp program.

The judge in his verdict said:

> The Secretary's response to the Congressional directive, when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do.

As a result of the court decision, the Department was directed to utilize these funds and not in effect impound them.

The New York Times on December 13 featured an editorial, "Let Them Eat," which describes the latest administration effort to cut the budget of the food stamp program.

All the program participants, except those who receive stamps free, will be required to pay the maximum amount—30 percent of their net income on food stamps.

This increase, estimated at 8 percent on average, will hit thousands of people already hard hit by inflation and rising unemployment.

The estimated savings of $325 million for fiscal 1975 is another unfortunate example of the administration's misguided priorities. We will need to make certain that, in the future, the administration is forced to take the needs of the poor and the elderly into account rather than making them the first victims of economic change.

I hear a great deal about the need for people to sacrifice and the need for economic "adjustments." Unfortunately, the cuts in the food stamp budget are just one example of the kinds of adjustments being forced onto the poor.

Mr. President, I wish to call these two editorials to the attention of my colleagues, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

HUNGER AND POLITICS

Ever since it was a pilot program in the 1960s, the food stamp program has been dogged by politics. The very first post-war programs to feed surplus farm commodities to hungry school children were conceived out of the political and economic imperatives of the farm belt, and not out of any national altruism with respect to the poor. It took long hearings in the Senate in the late days of the last decade before the administration and Congress could bestir themselves to do something to meet the crying needs of 30 million Americans for the basic foodstuffs to stay alive. When Congress ordained that the food stamp program should grow to meet that need, the problems grew with it. There have been many villains in this sad piece, most of them acting out of motives that were reasonable from their own perspectives, but not from those of the poor or even of the nation as a whole.

Early this autumn, U.S. District Court Judge Miles W. Lord of Minneapolis had occasion to criticize the handling of the food stamp program in a case that illustrates the problems that occur when the poor bear the brunt of bad policy implementation. The case before Judge Lord (Bennett v. Butz), turned on the question of whether the Department of Agriculture was conducting the food stamp program as Congress intended. The act called for an "outreach" program that would "insure the participation of eligible households." Judge Lord, after hearing what Agriculture had to say in its defense about the fact that only half of those eligible are receiving aid, said of Secretary Earl Butz: "The secretary's response to the congressional directive, when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do."

In short, Mr. Butz took his time getting regulations out to the states and counties spelling out how the poor were to be reached with the news that food stamps are available. This aspect of the legislation, known in the jargon of social service as "outreach," requires that Agriculture make every effort to inform all eligible persons of the existence of the program and how to make use of it. After Mr. Butz filed his regulations, the states sent back descriptions of their "outreach" programs that Judge Lord was later to find uniformly inadequate. Sadly, Secretary Butz had made no such prior finding of his own.

This dismal record goes on, but the point is plain enough. Mr. Butz, in the view of Judge Lord, failed in his obligation under the law. Furthermore, the judge found that this recalcitrance contributed to the fact that many of those eligible were not receiving the assistance Congress intended them to have. And the court said the "conclusion is inescapable that . . . the purposes of the food stamp program had not been fulfilled during fiscal 1973." As a result, Judge Lord said, "many millions" of Americans eligible for food stamp assistance didn't receive it. That failure to obey the law saved the government $280 million that should have been spent, considering the demonstrable need. The court concluded that Mr. Butz had effectively—and illegally—impounded those funds by withholding them from use, contrary to the intent of Congress. Judge Lord ordered that the funds be spent. "To do less," he said, "would be to allow the Secretary to disregard the rule of law."

In fairness to Mr. Butz, he is not alone. The history of the public policy in the feeding of the hungry of America is replete with examples of the inaction of previous secretaries of agriculture in other administrations. Indeed, it is not a problem confined to the executive branch. The House Appropriations subcommittee on agriculture has a sorry record of obstructionism in the field of feeding the hungry. The chairman of that subcommittee once freely acknowledged sending out FBI agents—assigned to him for entirely different purposes—to find out who the groups were that insisted there were hungry people in the United States. The oversight by the House Agriculture Committee of the way the Department has conducted this program leaves much to be desired.

Conceivably, relief is in sight. The House Agriculture Committee will have about a dozen vacancies when the new Congress convenes. The new class of freshmen congressmen has collectively declared itself determined to make things work better; one way they could begin would be to try to see to it that able progressive candidates are found to fill the openings on the Agriculture Committee. In the past, urban liberals have been shameful in the agility with which they have shunned the Agriculture Committee. Apparently, they have taken the view that there is no "glamor" and no "action" in working with the problems of the nation's farmers. Nothing could be further from the truth. The Agriculture Committee, if it were so disposed, could help to make the lives of millions of the poor—urban and rural—a little fuller. We do not hold that food stamps are the best solution to hunger in America. We would much prefer an income maintenance system that assisted people while leaving their dignity intact. But that is for a later day. The food stamp program abuses are occurring now, as Judge Lord pointed out. It is not too much to hope that the next Congress will take up where the court left off by straightening out a program that now stands as a disgrace to decency and the rule of law.

LET THEM EAT!

When President Ford unveiled his proposed anti-inflation budget cuts, his press secretary said that he was calling on all Americans to "share the burden and divide the misery." When it came to paring the food stamp program, however, the President advanced a plan, possibly designed by Marie Antoinette, which increases the burdens of America's poor and compounds their misery.

All program participants except those who receive stamps free would be required to pay the maximum amount—30 per cent of their net income—to purchase food stamps. For 95 per cent of the people in the program, this means an increase in the amount they will pay with absolutely no increase in the amount of benefits to be received. It also insures that the poor will continue to spend a disproportionately higher portion of their incomes for food than the rest of the society, a situation which the food stamp program was designed to ameliorate.

The over-all 8 per cent average increase in the cost of stamps will be devastating at all income levels and for all family sizes participating in the program. The prices of the foods which impoverished people consume have increased even more rapidly than the prices of foodstuffs generally because of the stronger and more constant demand for the meaner staples. Meanwhile, other costs have also skyrocketed, particularly those for fuel and utilities. Thus the choices among necessities, cruel for the poor before Mr. Ford decided to conscript them in his fight against inflation, will become excruciating if his plan goes into effect.

For one- and two-person households—among them, a large percentage of the elderly poor—the proposal will constitute draconian punishment for the simple transgression of being old and poor in America. It will push people out of the program by making the price of food stamps for many such households higher than benefit levels or so close to them that it will no longer be worthwhile to continue to participate. The pushout factor could raise the government's "savings" over the course of a full fiscal year to almost a billion dollars, close to a quarter of the total cost of the entire food stamp program.

Apparently the President doesn't quite grasp what he is doing to poor people. When, at a recent news conference, he was discussing the equity with which his budget cuts were spread around, he said that the Administration would "require certain individuals . . . who wanted food stamps, to pay slightly more in order to qualify for food stamps."

What is "slightly more" to the President translates in the real world of a poor person living alone to an increase in food expenditures ranging from 35 to 100 per cent. Since the President seems to have no clear idea of the misery he is inflicting by extracting cruel and disproportionate contributions to his inflation fight from the mouths of America's hungriest people, it is up to the Congress to prevent this ghoulish bit of budgetmaking from going into effect.

A VIEW OF CONGRESS

Mr. BUCKLEY. Mr. President, I offer the following verse from the December 20, 1974, issue of National Review for contemplation over the holidays:

HOLD THAT LINE

The prime is down to 10 percent
  While bonds have just begun to bend.
Disintermediation's spent,
  And mortgage money's on the mend.
If Ford can play the running back
  Stiff-arming every caterwaul . . .
But Congress will be coming back
  And very likely blow it all.

RETIREMENT OF DR. FLOYD M. RIDDICK

Mr. MOSS. Mr. President, Dr. Floyd M. Riddick has retired as Parliamentarian of the Senate after a long and distinguished career in that position. I believe he is one of the best parliamentarians that any legislative body could have. He was careful and thoughtful in his rulings; he was always accommodating and willing to discuss parliamentary matters and to help any Member with any problem that he had. But most of all, he had an encyclopedic memory of the precedents and the rules of the Senate.

Although he has retired, I am pleased

that he is acting as a consultant and functioning very much as he did before during these last days of the 93d Congress. It is my understanding that he will continue to serve with the Rules Committee in an advisory capacity next year.

I know that all Members of the Senate wish him well and value his friendship, just as do I. However, I claim a special relationship with Floyd Riddick—*I knew him* here in Washington about 40 years ago and I also stood up with him at his wedding when he married his charming wife, Margot, a girl from Salt Lake City. Floyd and Margot have been a wonderful couple during their long married life and are most deserving of a lessening of the pressures that have been bearing down on Dr. Riddick with the full responsibility of the Parliamentarian. I wish them both continued good health and happiness and time to enjoy that wonderful farm that they have in Tidewater Virginia.

CONFERENCE REPORT ON AGRICULTURE APPROPRIATIONS ACT, 1975

Mr. BAYH. Mr. President, yesterday there was a meeting at the White House involving the President, his top economic aides, the Governor of Michigan, and high level executives from both management and labor, which resulted in a considerable amount of official weeping about the current situation of the automobile industry.

As the Senate will recall, when the agriculture appropriations bill passed the Senate it included an amendment I offered that would have permitted the Government to purchase approximately 15,000 cars by raising the current limitation on the purchase price of sedans and station wagons. This would have provided a useful shot in the arm for our ailing automobile industry.

I regret that my amendment was not approved by the conferees on this bill. I believe this critical relief would have been obtained if those who were crying those crocodile tears at the White House yesterday *would* have substituted action for words. The administration failed to expedite an urgent request from the General Services Administration for an increase in these price limitations dating back to October 25. Instead of hard action, the Office of Management and Budget dallied with the request of GSA so that the other body was not able to schedule the necessary hearings and evaluate this need during this session of Congress. Now this urgent matter must go over until next year because the administration has once again reacted with too little too late.

For the information of the Senate, I ask unanimous consent to have printed in the RECORD a letter I received from the General Services Administration regarding the urgent need for an increase in the price limitations on the purchase of vehicles by the Government; a need that the administration has not pursued vigorously in light of our serious economic problems.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., December 5, 1974.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: As we have discussed with members of your staff, the General Services Administration is experiencing difficulty in procuring passenger motor vehicles under present statutory price limitations.

With continuing developments in the safety and environmental fields and generally rising prices throughout the economy, the present specific price limitation ($2,100 for sedans and $2,400 for station wagons) is unworkable. Unless the limitation is increased, we will be unable to make purchases of passenger motor vehicles to meet the needs of Federal agencies.

The last revision to the statutory limitation was granted in Fiscal Year 1972. The Department of Labor Wholesale Price Index covering passenger cars shows a price increase of 10.9 percent from July 1971 to July 1974. This increase, coupled with additional increases announced by automobile manufacturers of 1975 model vehicles, has resulted in a total increase of approximately 25 percent on compact cars, the type of vehicles which Executive departments and establishments are required to purchase. The inadequacy of the present limitation is further compounded by the cost of Government-mandated items which have been added to the basic vehicles since July 1971.

The four major automobile manufacturers have advised us that current statutory price limitations are unrealistic, and they foresee no possibility of selling vehicles to the Government in FY 1975 under these limitations. This contention is illustrated by the fact that in October and November 1974, we were unsuccessful in five attempts to procure passenger-carrying vehicles under the present price limitation.

We have urgent requirements on hand for approximately 7,500 passenger vehicles, and additional requisitions are expected shortly from the Department of Defense. Total FY 1975 requirements are estimated at 15,800 vehicles. Unless the limitation is revised and contracts awarded by April 1975, manufacturers will be unable to fill our orders as they will be involved in production of the next year's models. Further, the current economic condition in the automotive industry would be stimulated, even though on a small scale, by awarding contracts for these vehicles now, and it is anticipated that quick delivery of the vehicles could be made at this time.

We appreciate this opportunity to discuss the importance of raising the present statutory limitation with you and hope that some action can be taken which will enable us to fill the needs of Federal agencies for passenger vehicles in FY 1975. If you have any questions or if we can provide any further information, please let us know.

Sincerely,

M. J. TIMBERS,
Commissioner.

USING LOCAL PUBLIC WORKS JOBS TO RELIEVE UNEMPLOYMENT

Mr. STENNIS. Mr. President, the Special Employment Assistance Act of 1974 was passed by the Senate on Thursday, December 12, after a very short period of debate. The cost of the programs authorized by the bill is $8 billion. Another bill, already passed by the House, will add an additional $1 billion, making the total costs $9 billion.

This bill grew to such magnitude that I voted against it. These costs are unconscionable. There was no consideration given to where the money is to come from. The Nation is already operating at a large deficit, and we already have been told that the budget for fiscal year 1976, which will soon be submitted, will again be unbalanced, by many billions of dollars. The Government simply cannot continue to spend tremendous sums which it does not have, and feed the fires of inflation. We are beginning to see the first signs of a slowdown in the monthly rate of inflation. They are faint signs, but hopeful. Now is not the time to be printing and issuing billions of dollars that are backed up by nothing more than IOU's. This simply makes each dollar in circulation worth less, in terms of goods, and increases inflation.

I believe in work instead of welfare, and I favor legislation that will provide jobs for those who need them and want them—"good faith" unemployment, so to speak. I would not want to see any kind of a "make-work," WPA program, for there are too many constructive things that need doing, across the Nation.

Frankly, I have some reservations about how some of the money might be spent under the public service employment concept, unless there are safeguards established. I am afraid that there will be jobs created that are not needed, simply to get people on the payroll. I would advocate that the program be oriented toward a program of local public works projects. Community public works projects can be accomplished under the existing legislation, but experience to date indicates that this is only one of the many ways in which this money will be used to create jobs.

It seems to me that if large sums are to be put in this program, there should be something constructive to point to when it is over. Jobs on the public payroll can be created for a year or two, and abolished when the unemployment rate recedes, and leave no mark behind them—no accomplishments. I would like to see the money put into the Nation's capital investments, where it will give a return in terms of community enhancements—where it will have effects on future prosperity and the tax rolls.

I advocate a large, long-range plan of local public works as a means of providing employment. Every community has such projects that need doing and would provide permanent improvements. They can be used to better community health conditions, by improving water supply or sanitation, or clearing out and draining creek bottoms. They can develop parks, lakes, reservoirs, and recreation projects; be used to combat pollution and clean up the environment; and to provide essential public facilities at the local level that will stimulate prosperity as well as take care of environmental and health problems.

Many such projects can be undertaken with minimal investment in materials. Also where a community or county project is already contemplated, the work can be expanded by using the local funds for materials and the public service job money for the payrolls. General revenue sharing funds are available also, for the materials cost of such projects. Essential public facilities can be provided at the local level that will stimulate prosperity in the long run as well as employment in the immediate present.

Such a program would provide work for those who are looking for employment. It would provide useful work for those who are on welfare but are able to work. It would develop and protect our natural resources and environment for the benefit of generations to come. And over a long period it would stimulate each local economy, providing a growing tax base and increased payrolls, all to the benefit of future regional and national prosperity.

Mr. President, a substantial program of public service jobs appears to be necessary. I advocate that it be strongly oriented toward local public works projects, so that the money becomes a part of the Nation's capital investment, for prosperity in the future.

The authorizing legislation that has been passed permits such projects but does not emphasize them. The amounts authorized in the bill are unconscionably large. They are, however, subject to future reconsideration when the money is appropriated. Hearings will be held, and facts established, and hopefully some consideration will be given to where the money is to come from. Assistance is needed for those who are seeking work, but at the same time, highly inflationary measures must be avoided, in the public interest.

N. E. "RED" BROWN

Mr. THURMOND. Mr. President, last night, in Columbia, S.C., members of the American Legion from throughout South Carolina gathered to honor immediate past national vice commander of the American Legion, N. E. "Red" Brown.

If it had not been for pressing business in the Senate as we seek to wind up this session, I would have been in Columbia at the ceremony.

"Red" Brown has held many positions of confidence in civic, professional, fraternal, and religious endeavors. He has brought great honor to the community, the State, and the Nation to which he is so dedicated. He is an outstanding leader and a great American patriot. I value his friendship highly.

Mr. President, the news account in the South Carolina Legionnaire which announced the ceremony honoring Mr. Brown contains a biographical sketch and account of his distinguished career.

Mr. President, I ask unanimous consent that the news account from the South Carolina Legionnaire, November 1974, be printed in the RECORD.

There being no objection, the news account was ordered to be printed in the RECORD, as follows:

POST 6, SOUTH CAROLINA LEGION TO HONOR N. E. "RED" BROWN, DECEMBER 12

The Department of South Carolina and Richland Post 6 of The American Legion will honor Immediate Past National Vice Commander N.E. (Red) Brown at the regular meeting of Richland Post 6 on Thursday December 12, it has been announced by Department Commander David C. Bryan and Post 6 Commander Charles Smith.

Legionnaire Brown, who has served The American Legion in many capacities at the Post, State and National levels, served as National Vice Commander for 1973–1974. He was department commander in 1959–1960 and was alternate national executive committeeman from 1965 to 1973. He also served a term as district commander and was chairman of the building committee when the present department headquarters building was constructed. He has also served on many post, department and national committees and was named vice chairman of the National Foreign Relations Council at the recent meeting of the Nation Executive Committee by National Commander James Waggonseller. Mr. Brown is also a Life Member of Richland Post 6, and a member and past Chef de Gare of 40 & 8 Voiture 1025.

Mr. Brown has been very active in many civic and professional groups. He is a past president of the Carolina Advertising Executives Association, a past president of the Columbia Merchants Association, a member and past president of the Columbia Lions Club, past president of the Greate Columbia Chamber of Commerce and a past director and charter member of the Columbia Sales Executive Club.

He is also a past director of the Columbia Advertising Club and was the recipient of the club's "Printers Ink Silver Medal" advertising award in 1962, and past chairman of the Downtown Council.

The committee for the affair honoring Past Vice Commander Brown includes S. L. Latimer, Jr., chairman; E. Roy Stone, Jr., vice chairman; Post 6 Commander Charles W. Smith; Past National Vice Commander A. Layman Harman and A. B. Fennell.

The committee stressed the fact that the event would be a part of the regular meeting of Post 6 on Thursday, December 12, at Post 6 Home. All members of Post 6 and other friends of Commander and Mrs. Brown are invited to attend the affair. It is anticipated that friends and associates of Commander Brown from the Columbia area, as well as Legionnaires from throughout the state, will wish to participate.

Friends of Commander Brown wishing to make reservations for the affair should contact Jerry Schohn at Richland Post 6, telephone 254-2759. Post 6 members will be furnished reservation information along with the Post 6 Newsletter for December.

Mr. Brown is a member of Washington Street Methodist Church, a past chairman of the Church Official Board and served on the church board of trustees in 1973. He is listed in "Who's Who in Advertising" and in "Who's Who in the South and Southeast."

Mr. Brown has been associated with the James L. Tapp Company since his return from military service in World War II. During World War II, he served in the Air Branch of the U.S. Navy, mostly in the Pacific Theater and participated in the campaign for the liberation of the Philippines. He returned to civilian life in 1945 with the permanent rank of Lieutenant in the Navy. Prior to World War II, he was vice president and business manager of the Columbia Record newspaper.

A native of Lynchburg, Mr. Brown attended the Timmonsville public schools and was graduated from Furman University. He is married to the former Miss Lula Dell Snyder of Spartanburg. The Browns have one daughter, Frances.

BANK TRUST DEPARTMENTS

Mr. PROXMIRE. Mr. President, in recent years the assets under the management of bank trust departments have grown to exceed $250 billion. This represents an enormous concentration of economic power in the hands of a relatively small number of commercial banks. A number of students of the banking industry have questioned whether there is an inherent and unavoidable conflict between the trust business and commercial banking. One of the most perceptive critics of bank trust departments has been Prof. Roy A. Schotland of the Georgetown University Law School. In a recent speech delivered to the American Bankers Association, Professor Schotland outlined several of the emerging issues with respect to the operation of trust departments. I ask unanimous consent to print Mr. Schotland's speech in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE TRUST INDUSTRY AND SOCIAL RESPONSIBILITY

(By Roy A. Schotland)

It is a pleasure to be here, and an honor to be on so distinguished a panel. Whenever I'm invited to join a panel, I think of Learned Hand, who was not only a great judge but also an outstanding conversationalist, and who once was asked what would be his imaginary perfect day. He replied:

"I would begin with a good breakfast and then lead my polo team to a brilliant victory. (I've never played polo.)

"After lunch, I would act as captain of a football team and score the winning touchdown. (I've never played football.)

"That evening, I would have an excellent dinner with fine wines at which all the great sages of history would be present—people such as Aristotle, Confucious, Burke and so forth.

"We would all sit around after dinner and there would be great conversation. Sometime in the middle of the evening, a voice would speak out and say: 'Shut up Voltaire! I want to hear Learned Hand' ".

Since I am not an outstanding conversationalist, I'll try simply to be clear. "Social responsibility" is a broad umbrella, and first I would like to put aside matters which I believe have been all but beaten to death. Then I will suggest that one of the cliches of these days, Back to Basics, applies to social responsibility fully as much as elsewhere. I will submit that the basics, in social responsibility, are for trustmen to be ethical, professional, and fiduciary. I will advocate several actions which at very least will, I hope, stir thought. Indeed, food for thought, as Governor Henry Wallich pointed out recently, is about all one can get from the financial scene these days.

At all points I seek to emphasize the special social responsibilities of trustmen. Everyone has charitable, legal and ethical obligations, but surely my role today is not to talk about the United Fund or Rule 10(b)-5, but rather about social responsibilities which apply with special force to the trust industry.

I want to put aside, after one brief point, the question of "clean" portfolios, carefully screened to minimize holdings in corporations which have substantial problems of pollution or fair employment or fair advertising, or investment in South Africa and so forth. Now there are situations where a stock has "social aspects" that do require consideration. For example, if you're running a labor union's pension fund, do you buy shares of a major southern textile company which has been a leader in resisting unionization? Whatever your answer, how can a fiduciary responsibly avoid the "social" considerations there? On the other hand, in the normal course of securities analysis, I submit that the promoters of social responsibility—including persons familiar with the realities of investment management—are not being realistic when they blithely urge portfolio managers to "go pick clean stocks". How can even a top-flight securities analyst determine, if he wants to buy some steel stocks, whether Bethlehem or Inland or US

Steel is deficient with respect to their fair employment practices? Until routinized reporting services exist so that analysts can learn quickly and thoroughly how companies compare on matters like fair employment, I submit that it is virtually spinning wheels to talk of clean portfolios.

But will any of you join me in trying to bring such routinized reporting into existence? When I proposed this three years ago, one of the most highly respected mutual fund managements said, "Yes, let's look into this," but the ABA simply said that after full consideration, they'd concluded it was too "difficult, if not impossible". We cannot rely on government enforcement alone to resolve such wide-spread problems as fair employment and pollution. Moreover, are you prepared to say that there will be little impact on earnings when companies are saddled with hurry-up affirmative hiring at executive levels?

A second matter I would like to put aside with a few brief points is voting proxies. This is another area that has been filled with more exhortation than useful comment. For example, an article in the current Banker's Magazine, on public interest investments by banks, gave five bits of advice, three of which are that "most businessmen are not malevolent," "investors should be modest about their capacity to reach balanced judgments concerning moral corporate behavior," and "investors should be careful of arrogance". Now I have a lot of respect for the Boy Scout Manual in its place, but I also respect the complexity and concreteness of the problems which trustmen must resolve with a finite amount of resources, so I put to you these concrete points about voting proxies;

First: The Wall Street Rule is poppycock: you may be absolutely right to be in love with a stock, but it may simultaneously be true that, for example, the management are being much too generous to themselves in a special compensation plan. In such a case it would be wrong to sell the stock, but also wrong to vote for the management proposal.

Second: If you agree with me that the Wall Street Rule is not an answer but a cop-out, then several steps follow. One is to adopt some standing policies on issues that recur; thus, I know that there are trust departments represented here today who have adopted a flat policy of opposing management on special compensation proposals.

Third: Another step, for stockholder proposals on corporate reform and corporate responsibility, is to recognize the important differences between proposals calling on the corporation to disclose, and proposals which would restrict business judgment. I can fully understand institutional investors' judgment that it is up to the portfolio company's Board, not the investor, to decide whether Gulf should be in Angola, or whether Union Carbide should close a plant causing unusual pollution problems. But why haven't institutional investors been readier to support appropriate disclosure of such matters, or of minority hiring (such as Eastern Gas & Fuel does in detail) or employee safety (such as Mead Corp. does in detail). Institutional investors may well be right to withhold support from stockholder efforts to bottle up operating company management, but shouldn't institutional investors have a policy of readiness to help keep managements from bottling up the message about their activities?

Fourth: To decide on particular stockholder proposals, banks should consider appointing a reasonably representative advisory committee of persons outside the bank, who have the relevant backgrounds and are willing to go into the stockholder proposals enough to assure full consideration. An alternative is to get the analyses of the Investor Responsibility Research Center in Washington (with which I have no connection), a group begun by a number of non-profit institutional investors for just these purposes.

Last: On voting, has the trust department thoroughly canvassed the possibilities for treating the voting of stock in its own bank? Perhaps I've overlooked something already done, but wouldn't it be useful for the ABA Trust Division to promulgate guidelines noting the various problems that have arisen in voting own-bank-stock, and suggesting procedures?

Well then, back to basics: the responsibilities to be ethical, professional, and fiduciary.

By "ethics", I mean the obligations to make the bank and the system of which it is a part, work well. Rather than trying to define ethics in functional terms of what one does for charity or employee relations, let me submit six goals or standards of conduct which, I believe, are the marks of banks and bankers to whom one would point with pride. Each of these goals or standards is itself enough for lengthy consideration, so I will merely illustrate sketchily what I mean by them. Then I will raise a few questions about how well banks and trustmen have been doing along some of these lines.

The six goals or standards are lawfulness, fairness, efficiency, responsiveness, progressiveness, and integrity of statement. Of course a banker utterly committed to being lawful, or fair or progressive, would still have many problems in applying these apple-pie and motherhood goals in concrete situations. Indeed, if I try to say in a moment what is not fair or lawful banking, I can say nothing you can't readily fill in for yourselves, except to note points which are obvious but too often forgotten: lawfulness includes trying to abide not only by banking and trust laws but also by securities laws, equal employment laws, and even antitrust laws. And fairness includes advertising, disclosure and nondiscrimination.

Efficiency is not just a matter of profit but also a matter of ethics, of obligation, in any regulated industry in which the public interest is substantially implicated and in which members of the industry are in any significant ways shielded from competition.

Responsiveness is an obligation because the central role and pervasive impact of bankers in their communities makes it almost uniquely important that they be sensitive to the communities' needs and desires, and that sensitivity is only autocratic paternalism unless it is continuously shaped by the community and not merely by the banker or by the banker and a few other businessmen.

Progressiveness is an obligation which, I fear, is met least well. Progressiveness is not merely frosting on the cake: If people in a system work honestly and efficiently by the rules of the system and try diligently to consider the needs and wishes of others in the system but do not give a top priority to watching for ways in which the system is not working well, ways in which the system must adjust to meet economic or technological or social changes, then that system's fate is doom or severely wasteful and injurious losses. The question is whether the obligation of progressiveness is met and problems are coped with before they become severe, or whether we fail to give adequate attention to needs until they reach the screaming or crying level.

Unless we give fully as high a priority to change as we give to lawfulness and efficiency, we will find on the one hand that many strands in our legal, regulatory web are blocking wise and efficient business conduct because of vanished problems or fears of earlier times—as Governor Bucher pointed out this morning with respect to Glass-Steagall—while on the other hand we may lack protection against new evils. Similarly, one generation's efficiencies will become the plodding antiquities of the next generation.

The last obligation I put to you is "integrity of statement," a label which I know is without "elegance of statement." I use this label because I want to embrace several characteristics: honesty obviously, but also realism and meaningfulness. Perhaps I should call this "Honesty plus freedom from humbug." The most recent Waterloo for integrity of statement was the series of economic "summit" conferences: as Congressman Tom Foley said, everyone wanted to tighten everyone else's belt. How different, how much more productive would the summits have been, if our President had followed the urging of economist Henry Kaufman of Salomon Brothers, who wanted every summit speaker who represented any organized group to be limited to speaking only on what his group was willing to sacrifice.

To come back to bankers: Consider Chairman William Moore of Bankers Trust, who last month spoke at length against Senator Bentsen's bill to limit concentration in the management of pension assets, saying first that since Bankers Trust doesn't exceed the proposed holdings limits, the bill won't change anything. He thereby flatly ignored data showing that other of the largest trust departments do exceed the limits already. More importantly, he concealed that the major impact of the bill would be to deflect new funds from the biggest five or perhaps ten trust departments to regionals and other middle-range banks. And having said that the bill won't change anything, he proceeded to argue how harmful it would be. He reminds me of the ancient law school hypothetical illustrating what we call "alternative pleading": A defendant who was sued for failure to return a pot he had borrowed, answered as follows: "I never borrowed it, also it was worthless when I borrowed it, also I already returned it." Chairman Moore did make an excellent criticism of one section of the bill; but although he criticized the Congress for not getting knowledgeable enough inputs, he hasn't bothered to get his one useful criticism to the people working on the bill. Last, he applauded his bank for making public "detailed information" with respect to its 50 largest holdings, but ignored the fact that Bankers Trust did not give the Senate Finance Committee important data which 22 of the other top 25 departments did give, and Bankers Trust thereby withheld data showing instances in which it *did* exceed the holdings figures under inquiry, let alone the further fact that his "detailed information" is skeletal compared with the truly exemplary disclosure which is now routine at the Morgan and Citibank.

For my last example of "integrity of statement," with emphasis on realism, I refer you to many trust officers during, say, 1968 to 1972, who represented that they could deliver investment performance coming near 15% per year. I know we need occasional down markets to wring out speculative excesses, but is it unreasonable to expect that bank trust departments have the strength, and the quality of people and sufficiently sophisticated clients, that they of all investment managers do not need a down market to be realistic enough and forthright enough to give more weight to what history tells us, and less weight to an adolescent eagerness to believe in magic? It was unethical because it was demonstrably unrealistic to be so optimistic as to believe in 15% growth. And I'm being restrained in calling it unethical: last month the head of pension investments for Champion International, H. Scott Snead, told the annual Wiesenberger financial services seminar that money managers "seem to be mesmerized by a spirit of sustained optimism no matter how dismal the dimensions of the actual plight confronting us. . . . Just look at the portfolio of any pension fund . . . The predominant disposition to hold on to securities smacks of the pathological".

May I go on a moment's tangent to say how much I hope that I'll have the opportunity to learn whether many of you are optimistic? I'm not trying to find out how many pathological cases we have here, but rather I sincerely want to share perspectives. I have never been a doomsday type, but I find it hard to be optimistic about the financial scene, and even about the world, these days. The drastic events in oil, food and slump-inflation, combine to put us in a wholly new era—one must go back to great watershed times, like 1945, or the 1930's or 1910–14, to get perspective on how great are the changes confronting us. We are seeing the most sudden world shift in wealth in at least a few thousand years. We are seeing the first lowering of the standard of living in American since the 1930's, and far worse abroad. We are in the most acute capital shortage of the 20th century, and will be for at least five years and probably much longer. Long-standing democracies are imperiled. President Giscard said recently that we're not sure where we're going, but if we were, we would see it is disaster. I'm not saying Armageddon is here, but isn't it a time for surgical directness on such ultimate basics as how to even conserve capital, and how to conserve a competitive system in an open society?

Senator Russell Long says that democracy is like a raft—you won't sink, but you always have your feet wet. I'm afraid we're getting too wet for comfort.

As I see it, the ethical obligation of progressiveness, and the obligations of professionalism, go in the same direction. I take it I need not enlarge here on why trustmen are not mere businessmen, but professionals. Either the ordinary businessman's obligation to progress, or your special obligation as a trustman, certainly takes one beyond simply working to get more business into one's own shop, and to an obligation to try to make the system work better.

Isn't the fundamental purpose of the trust business the management of savings? Don't trustmen presume, rightly, to a special expertise about capital markets and how to marshal savings? I am entirely in favor of new methods and new vehicles which increase efficiencies for savers, such as the banks' new automatic monthly investment plans. I applaud the new money market funds, and in the same vein I very much hope that Congress can be persuaded that the Supreme Court was wrong in *ICI* v. *Camp*, and that banks should be able to offer commingled agency accounts. I did not know that Governor Bucher would address himself to this matter this morning; not only do I agree, but do so from the perspective of one who has been working over several years on conflicts of interests. We have conflicts in the management of mutual funds and we therefore have erected a set of regulatory safeguards. To the extent that there may be significant conflicts in commingled agency accounts, appropriate safeguards, not prohibition, are the answer.

Yet I question whether trustmen and others in investment management are meeting their full obligation. Commingled agency accounts and money market funds are valuable steps forward, but essentially their impact is merely to draw savings from one vehicle to another. Do you think you have the expertise and resources to help us find ways to increase the total amount of savings? Don't you think you have an obligation, as professionals, to do something more than scrap over who gets how much of a static pie?

I have two questions and two suggestions. First, are you satisfied that if it is possible to increase the total amount of savings, it can be done without any governmental steps, such as tax incentives? Second, are you satisfied that enough thought and work are being given to whether it is possible to increase the aggregate amount of savings, and if so how? The one point which I would most like to leave with you today is this: The trust industry has a social responsibility to bring its expertise and perspectives to bear by conducting and promoting research looking toward new ideas for private or government action. I am not saying give to the college of your choice, and I am not confusing the role of our strongest banks and of the ABA, with the role of the universities. I am encouraged by a splendid speech by the Nortrust's economist Robert Dederick, president of the National Association of Business Economists. He said that business economists are not forecasting the future very well, because they don't know much about the present, and that they don't know much about the present because they're not making much of an effort, and so he called for a substantial increase in original research, to be promoted by his association. I for one am not satisfied if the ABA or your bank gives support to some academics. I want you people, with your first-hand understanding and perspectives, to realize that you're not meeting your obligations by merely giving executives' time to local charities and other efforts which any able businessman can do, while you entirely ignore the contribution that you can make out of your own expertise. Two examples.

Governor Robert Holland recently spoke about "Savings: An Old-Fashioned Virtue in a New-Fangled World." He noted the historical work by economists which shows that how much people save is a constant depending on how much they earn. He noted also the theoretical work suggesting that changes in interest rates will not affect the amount of savings. Still, he said that despite those studies, he believes tht the aggregate amount of savings can be raised by high interest rates. I am confident that he is right and the studies are wrong; I am even more confident that we need more economists at work on this.

The historical studies have serious data vulnerabilities. The theoretical studies are also seriously vulnerable in that they examined only savings vehicles like long-term bonds, which have not been used by individuals other than the most sophisticated. Also, they did not examine periods with sharp increases in interest rates. There are further reasons to doubt the economists' dogma about savings being a constant depending on income. First, today's financial scene contains so much which is fundamentally new. Second, higher interest rates are only one of the ways to induce more saving; changes in tax treatment have caused innumerable other changes in economic behavior, and could change savings habits too. Third, to the extent that we promote savings by individuals, we reduce current consumption and inflation. Last, if you agree that we have begun a period of capital shortage—Walter Wriston to the contrary notwithstanding—mustn't you agree that we should be working on ways to marshal more savings, wholly apart from the difficult problems of how those savings are invested?

Are you aware of just how poor is the American record for saving, in terms of total savings as a proportion of after-tax personal income? Since 1960, our rate is below Britain's, is only ⅔ of the rate of France, just over half of the rate in Germany and would you believe, only about 40% of the rate in Japan? Of course there are many reasons for differences in propensity to save, from the economy's relative level of maturity, to pension arrangements, to social psychology, but isn't it clear from these relative figures alone just how much we are a consumption economy, spending today on gadgets and tinsel rather than investing for stability and security tomorrow?

You all know well how much new money is expected to flow into Keogh and IRA accounts because of the new pension law. Of course much of that money will not be new savings, but merely a shift from other vehicles. Some believe that such tax changes even reduce the total amount saved, but we don't know, and unless you get to work on matters like this, it'll be five or ten years before the question is examined.

People save for only a few reasons. Home purchase is one, which we encourage with favorable tax treatment. Retirement is another, which we also encourage with favorable tax treatment. Only the fortunate are able to save much for passing on to the next generation. But all except the very rich and the poor save for their children's education. You're probably well aware that the rise in education costs is rivaled only by hospital costs, but at the same time, the lower middle income and the middle-income groups which are being squeezed by slump-flation and are the source of the bulk of the consumers of higher education, are expected to pay their own way.

I propose that Congress give favorable tax treatment, along modified Keogh Plan lines, for savings for higher education. A taxpayer should be able to put aside about $500 per child per year for about 16 years in a Keogh-type investment vehicle, and then draw the funds out with alternative year tax treatment such as is familiar in several trust settings. This tax benefit should not be available to high-income levels, say above $50,000 where it is unlikely that the tax shelter would produce any net increase in saving, and its availability should be gradually reduced as the income level moves from, say, $25,000 to $50,000. I am pleased that Senator Bentsen likes the basic idea enough to have held a press conference two weeks ago announcing he will introduce a bill, but unfortunately he wants to confine the investment vehicle to thrift institutions, and he wants to limit the amount to total annual savings of only $250 per dependent, with a tax credit of $50. I fear that the economically unwise limitation to thrifts, and the minimal tax benefit, make the plan unlikely to be fruitful. (On the other hand, the Treasury estimates that 15,000,000 returns would take advantage of this credit. A Massachusetts member of the Ways and Means Committee has had a bill in for three Congresses along lines such as I propose, but I'm afraid the Member isn't serious about the bill since he has not even followed up by securing a Treasury revenue loss estimate, and since the only testimony on the bill has been a few pages from one insurance executive from the Member's state.

Neither is the Treasury Department serious about whether they could do anything to promote savings. In July, in response to an inquiry by the Senate Finance Committee about other nations' tax incentives for savings, Treasury responded with one item about Germany, another about Japan, and then washed their hands of the matter by acknowledging that they have not looked any further. It is truly astonishing that they don't know about the unique, unprecedented savings incentives in Brazil, which have been so successful that they have even had the side effect of increasing willingness to pay taxes.

You could help greatly, at the banks with relevant personnel, and at the ABA, and by pushing Treasury and Capitol Hill to realize that there is a capital shortage and that unless we give more attention to the capital shortage we will be unable to realize the hopes for solving our other shortages.

A second subject on which you have expertise and an important perspective, but where again I question whether the trust industry is meeting its professional responsibility of even doing right by itself, is the regulatory arena. Mr. Lowrie may say I'm all wrong, but I submit that one of the major efforts of the coming Congress, and perhaps coming years, is going to be to take steps against bigness and against concentration. We've already seen substantial effort in these directions, including this week the House's passing the first amendments in years to strengthen the antitrust laws, and a much-expanded budget for antitrust enforcement, and now examination of regulatory impediments to competition. This thrust will increase not only because of honest concern about these issues, but because our economic facts of life will not permit very much in the way of new spending programs, so if you were trying to build a record of achievement, wouldn't you turn to attacking bigness and concentration? The economic facts are also such that it will be much less difficult than heretofore, to press such attacks.

As Carter Golembe said last year in a letter entitled "The Calm Passes for Bank Trust Departments," the trust industry is "highly concentrated." He said that even after consideration of economies of scale, "the degree of concentration still seems impressive." As I pointed out on a TV program last May when Ray Myers and I were on opposite sides, only six trust departments—all in New York City—are managing 30% of the assets. Worse yet, those six are managing 40% of all trust-managed pension money. Now I put to you that whether or not there ought to be statutory limits on concentration of holdings in one company by one pension fund manager, there is considerable reason to believe that such legislation will pass, and soon. Don't you have an obligation, as well as self-interest, to see to it that the Congressional Committees get more from trust people than, "Don't do it."

One morning last winter I testified for this bill and was followed by three witnesses against it, Samuel Callaway, George Linqua, and Howard Hallengren. I wish you would look at the differences between those three witnesses' statements. The Morgan came in with a tiny rhetorical statement which said only "Don't pass this bill, the free market works." Citibank came in equally opposed, but with substantial analytical memos and data trying to make their case. But clearly the most useful testimony was the First of Chicago's, because Hallengren not only offered what he thought would be a better way of solving the problems concerning the Committee, but he also presented detailed technical comments on problems in the bill which he opposed, in case the committee did not buy his alternative.

Last summer, shortly after it became clear that Senator Proxmire would be the next Chairman of the Senate Banking Committee, he made one of his series of speeches on "What's Right with America", this one on "What's Right in Banking". When he got to the ABA, Proxmire said: "Most of the bankers I have met seem to be sensible and reasonable men. I wish I could say the same for officials of the ABA who testify at Congressional hearings. Almost without exception, the ABA has opposed every piece of progressive legislation affecting the banking industry. It opposed the enactment of the Federal Reserve Act in 1913; it opposed Federal Deposit Insurance in 1933; it opposed the Truth in Lending Act; it opposed the Fair Credit Reporting Act; and until most recently it opposed the Fair Credit Billing Act. But since this is a positive speech, let us not dwell excessively on the past mistakes of the ABA. At the risk of being labeled a fatuous optimist, I say there is even hope for the ABA. There are encouraging signs that the ABA is gradually, but grudgingly, emerging into the 20th Century."

I think approaches like Hallengren's are clearly more fruitful for all concerned, and I I think ABA staff and officials today see that.

Are you giving adequate attention to the likely legislative efforts to change trust department relations with their banks? When I asked a group of major trustmen what real obstacle they saw to splitting off trust departments, they said "The capital base, we rely on the bank's considerable capital." But they couldn't explain to me why insurance wouldn't work better than heavy capitalizations, nor could they explain how Scudder Stevens, with tiny capitalization, has been able to manage over $7 billion or Loomis Sayles over $6 billion. And I didn't get around to asking how their banks can simultaneously be thundering at the Fed to stop worrying about capital adequacy, and on the other hand be urging that what capital they do have is performing a crucial function rarely even considered in measuring capital adequacy. There are other aspects of split-off or spin-off which need attention but haven't gotton it. If splits were mandated, would the industry become yet more concentrated, or would deconcentration occur? Wouldn't we get either more concentration or else risk seeing much less vast pools of assets? What would be the impact of severing banks and trust sides in light of their counter-cyclical nature? If only spin-offs occur, how much must be done beyond shuffling legal forms if any substantive advance is to be made?

Aren't these problems worth your attention? Is Congressional testimony the best place to begin airing the problem?

As to the last of the basics, fiduciary obligations, time keeps me from giving more than a list of concerns.

Walter Wriston recently said, "the social audit was the girl at last year's ball." Contrast his attitude with the Bank of America's. The B. of A. is troubled by the way business has repeatedly been reacting rather than initiating, repeatedly having to cope with new regulatory burdens because business leaders hadn't solved the problems, or even tried. At B. of A., public policy involvement is not merely a matter of image and communication. Do you, like they, have a Board-level public policy committee trying to foresee and handle forthcoming problems? Do you, like they, have a related staff working committee of functional department heads, ranked at the same level as the committees on money-management, loan policy, and trust investments? Do you, like B. of A. and unlike Wriston, conduct a periodic "social audit" of key emerging public policy issues, with analyses of the issue and of the status of B. of A. operations on each such issue? Do you publish, as B. of A. does, any reports on such matters?

If I were in a trust department, I'd want such internal steps, and apart from the research and legislative matters I've already noted, I'd have high on my list three pressing questions for fiduciaries. First, is your treatment of uninvested cash from trust accounts fully in line with a fiduciary's obligation? The Citizen & Southern trust department report is blunt:

"Traditionally, some trust departments have justified their existence as bank functions by pointing to the revenue produced by deposit of these uninvested funds in their parent banks.

"When it comes to using assets entrusted to us, we see our primary obligation as being to our customers, rather than to our commercial banks' deposit objectives. As a result, we depend entirely on fees derived from our services to provide our income."

While C. & S. vehicles smaller departments might not find feasible, Providence National Bank has a joint venture with Loeb Rhoades, "Temp Fund", designed to permit smaller trust departments to keep uninvested cash productive for the beneficiaries; and of course other external vehicles exist, so that, to quote a very distinguished former bank supervisor, "it is almost inexcusable for a bank to hold trust funds uninvested even for short periods of time." Last summer, Chalkley Hambleton said that "within the coming decade cash balances will evaporate for three technical operational reasons". Am I alone in being struck by his silence regarding an over-riding non-technical reason: High interest rates mean a general rising awareness of the value of idle cash, and that rising awareness will—if I may so put it—remind fiduciaries that the agreed-upon fee is the only compensation they are entitled to from trust accounts, unless there is full and meaningful disclosure to all beneficiaries about any extra "skim".

Second, how do you allocate timing of orders as between big, competitive pension accounts, and small individual trust accounts? You're trustees for them all—indeed, often only agent for the bigger and more sophisticated accounts. Do you have fair allocation treatment, and at least proper disclosure of your treatment?

Last, have you analyzed other conflicts of interest not only with your own commercial side, but also among your accounts? National banks, starting with data on the current quarter, will in March be disclosing publicly their holdings and their trades. In the past, people have predicted at times that trust departments would be hit by a rash of law suits, but no rash ever broke out. In spite of that history, I don't see how departments which have not taken reasonable and thorough steps to "conflict-proof" themselves, will avoid suits and liabilities once imaginative lawyers start looking at the trading disclosures. I know a major trust department in which the key committee deciding which stocks are on the approved list, is composed about equally of trust and commercial side officers. That bank is sitting on a time-bomb.

Governor Bucher ended a talk one year ago, urging that trust departments be spun-off as holding company subsidiaries, by pointing to what such a step would accomplish, and saying modestly, "This is a worthy objective indeed." I hope that some of the objectives I urge today, have some worth. The essence of my point was put best by Elihu Root:

"Politics is a practical experience of self-government, and somebody has to attend to it if we are to have self-government."

As a North Carolina banker said recently, if you are not that somebody, then that somebody will be somebody else.

ENERGY POLICY AND THE SKI INDUSTRY

Mr. HUGH SCOTT. Mr. President, in the winter, Pennsylvania's Pocono Mountains serve as the Commonwealth's ski capital. The energy crisis and possible governmental policies affecting the ski industry will have a tremendous impact in the Poconos, and I wish to elaborate on this a bit more for my colleagues.

As a result of the oil embargo, there were so-called spot shortages of petroleum products in the United States. The result, as we all too vividly remember, was long gas lines in the northeastern part of the country. Instead of the shortages being shared, they were largely localized, and the effect on eastern ski areas was catastrophic. Quite a few went into bankruptcy last summer and many more, previously in reasonably healthy financial condition, are presently in a precarious situation. A limitation on oil imports is one option that is being considered by the Congress and the President to curb fuel consumption and, while I am undecided as to my own view on this, such a limitation would have an undesirable effect on the ski industry unless it were accompanied by other measures which would tend to distribute the burden more equitably throughout the country.

A second result of the embargo was the closing of gas stations on Sundays. This option would be particularly distressing for the entire tourism industry and obviously destructive on ski areas, which operate during a relatively short season. Interestingly, I am informed by officials of Discover America Travel Organizations, which has compiled statistics on the subject, that a relatively small amount of gas is used by people who travel more than 50 miles at a time. The major gasoline usage is obviously by commuters, shoppers, and others. A ban on Sunday gas sales would not cut down on this use in any way. It would, however, operate in a discriminatory fashion against industries which completely depend for their livelihood on people being allowed to drive on weekends.

There are more than 50 ski areas in Pennsylvania, many of them in a precarious position because of the gravity of last year's energy shortage and its ban on Sunday gas sales. Many other industries, particularly in the Pocono Mountains, are directly affected by the success or failure of these ski areas. I recognize that the industry is not a large one, but it nonetheless serves an important function in the economy of Pennsylvania and of other northeastern States.

Mr. President, I hope that the Congress and the President consider all of these factors in arriving at an equitable energy policy. Laws and regulations issued pursuant to these laws should not unnecessarily discriminate against this industry and against other industries which depend in large part upon it.

OFFSHORE DRILLING PROPOSAL

Mr. WILLIAMS. Mr. President, I am appalled at reports that the Interior Department intends to speed up proposed drilling operations off the Atlantic coast. The Interior Department appears intent on proceeding in a way that is economically and environmentally unsound. In addition, it is acting in a manner that will encourage intense public suspicion and resistance.

As the Interior Department rushes to lease offshore drilling sites, New Jersey and several other States are designing their coastal zone management programs, the environmental impact study on the issue has yet to be evaluated, and we are awaiting a case study for the Office of Technology Assessment that will consider the on-shore effects of offshore drilling on New Jersey and Delaware. We have very little data to evaluate what the environmental threat actually is from the proposals being made.

We must proceed to meet our serious energy shortage with great care as well as speed. I find it inconceivable that we are proceeding to lease as fast as possible, but we do not even know what is being leased. Precipitous action may destroy the environment, and it will not even produce any energy in the next few years when we most critically need it. It will only divert our efforts from producing energy that has been discovered and is subject to immediate development.

There is such a great shortage of drilling equipment and steel that already oil companies are planning to delay the time period for offshore oil production an extra 5 years. Care in the drilling of our offshore frontier areas may be as much of a sound business judgment as it is a sound environmental decision.

The proposed acceleration of leasing seems to be an attempt to avoid shoreline controls which are now being established in the coastal States. Several States are making admirable progress in setting up protections under the Coastal Zone Management Act passed by Congress in 1972. A drastic speedup in leasing would come in the worst possible time. Now the States are aware of the possible impact of offshore drilling, but they have not yet prepared to cope with it. A reasonable amount of effort must be put into improving the quality of information available to the Government and the oil companies. The additional information is critical to the important decisions we will be making in the next few years.

Congress must be prepared to insist that certain principles be acknowledged before proceeding with lease development.

The coastal States must be consulted and any action taken must be coordinated with their coastal zone management programs in both the creation and the implementation of the leasing program. Any leasing program should include an ability to meet the manpower and technical requirements of the Interior Department and the capital equipment and manpower needs of the industries.

Before any expanded leasing begins we must have substantial evidence that the leasing program is environmentally sound, in the public interest and will insure a fair economic return to the Federal Government.

Finally, any leasing program must be presented as an integral part of a comprehensive national energy policy.

Any other approach would be environmentally, economically, politically, and socially reckless.

ANNE L. KALLAND RETIRES

Mr. GOLDWATER. Mr. President, after 21 years, 10 months, and 5 days of devoted service, Mrs. Anne L. Kalland will retire from the Senate on December 31 of this year.

For the past 2 years Anne Kalland has been the clerical assistant for the minority of the Aeronautics and Space Sciences Committee, where she enjoys the respect of everyone.

Anne Kalland has demonstrated to a great degree those qualities that represent the Senate staff at its best. She is loyal, dedicated, and trustworthy. Over the years, she has developed many admirers in the Senate.

Anne Kalland has earned the right to retire. I know her numerous well wishers hope that she has many years of doing the things she wants to do. All I can say is well done and the best of luck.

SECRETARY BUTZ' LACK OF GOOD JUDGMENT

Mr. HARTKE. Mr. President, the Chicago Tribune of December 12 carried an article which I think is important to bring to the attention of the Senate. It concerns the Secretary of Agriculture, Mr. Butz.

The first sentence of the article reads:

> Secretary of Agriculture Earl Butz has to go.

Mr. President, I came to that conclusion long ago. I opposed the original appointment of Mr. Butz, and I have called for his resignation repeatedly.

The article describes Mr. Butz' disgraceful performance at the World Food Conference in Rome, and illustrates his repeated lack of good judgment in his now infamous comments.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Dec. 12, 1974]

BUTZ NEEDS TO LEARN CHARITY

(By Andrew Greeley)

Secretary of Agriculture Earl Butz has to go.

His recent performance at the World Food Conference in Rome was a disgrace. First he urged President Ford to promise more food for the hungry of the world. Then he repudiated the request when it became clear that Ford was not going to go along with the suggestion.

Finally in a dazzling display of hypocrisy, he criticized the Democratic senators who had signed the telegram requesting more food as plain politics—when he had been a cosigner himself.

If you're Nixon's secretary of Agriculture trying desperately to hold your job, there is apparently nothing you won't sink to.

When he got home Butz continued his campaign to make everyone proud to be an American. He urged us not to cut down on our food to help the starving; and expressed confidence that we wouldn't because Americans "get such a thrill out of eating."

What a marvelous pre-Thanksgiving Day message to a nation that suffers from chronic obesity. It now seems to be some kind of patriotic responsibility to gorge ourselves with food. That's the American way.

To round things off, our sure-footed farm advocate apparently decided he had to match Gen. Brown's antisemitic remarks with a crude and vulgar comment about the Pope's sex life.

This is the man who represents the United States as an expert on food when a substantial segment of the world is faced with starvation. It really makes you proud to be an American, doesn't it?

I don't give much of a hoot about what the rest of the world says. The archangel Raphael could be our secretary of Agriculture and it wouldn't affect anti-Americanism much.

But I do care about our own self-respect; and to have a cheap, coarse clown as our secretary of Agriculture when people are starving to death is a national disgrace.

The problems of world agricultural economics are complex—as this column has repeatedly insisted. It would appear that a modification of American eating habits would have little short-range impact on the present problem.

Unless the money we saved from eating less was spent on buying food for other people, a curtailment of our consumption would mean not less famine but less food production. And if Ford isn't going to purchase the food and send it abroad, we must give our dollars to private agencies who will; otherwise our sacrifices might make matters worse instead of better.

It is also true that more food production in all countries and better population control efforts are the ultimate solution. A change in eating patterns would have only some impact in the middle run, none in the long run program.

But when all these things are said, most Americans still want to do something to help those who are hungry. We feel the need to sacrifice and send our money to those who can transform it into food because we cannot live with ourselves unless we do try to help.

We sacrifice because we have to.

It is not unreasonable to expect from our leaders both a sense of urgency and dignity in the face of world disaster. Nor does it seem un-American to ask our leaders to encourage us to do something to help the hungry besides getting a "thrill" out of eating.

Butz and his boss profoundly misunderstand the temper of the American people. We are eager to help, to be generous, to sacrifice. We feel that we have to do something—even if everything we do has only limited impact.

We want leaders who will encourage us to compassion and nobility. We have always wanted to help whoever needs help. We still do. Political leadership which sells short the generosity of the American people does not belong in office.

And most Americans find profoundly revolting vulgar little men who make cheap jokes when little children are starving to death.

Ford had better get rid of such people quickly.

INNOVATIONS IN STATE GOVERNMENT

Mr. HUMPHREY. Mr. President, I have a continuing interest in reforms in government operations at all levels—national, State, and local—and am always pleased to hear of innovative solutions to the omnipresent problem of government responsiveness to people.

I commend to the attention of my colleagues articles excerpted from the National Governor's Conference publication, "Innovations in State Government" dated June 1974. These articles describe the efforts of four great States—Connecticut, Ohio, South Dakota, and New York—to tailor their organization and operating procedures to better benefit the taxpayer.

In Connecticut, the Governor established a State information bureau to eliminate what he termed the "communications curtain" which often develops between citizens and their government.

Ohio's newly established department of transportation developed an action plan. This plan included an interdisciplinary approach to highway planning and divided the State into 12 regions so that rural as well as urban needs would be better met. Regional plans complemented the statewide plan, and citizen involvement before the fact rather than after was the key.

Although South Dakota's reorganization of the executive branch in 1973 was not new in itself, the process was unique in that it was accomplished by a single executive order after a bipartisan citizen commission made recommendations to improve its manageability, responsiveness, and accountability. Over 130 separate executive agencies were consolidated into 16 principal departments each of which included a multimember citizen board.

New York is looking into the quality welfare and education, its two largest areas of spending. Streamlined procedures, and new measures stressing compassion for the needy while eliminating the ineligibles, have shown considerable success in holding down welfare spending while making the best possible use of drastically curtailed Federal funds for supportive services. A threefold effort to evaluate public education in the State is also underway.

In the words of the article about New York:

> Every citizen should feel that his tax dollar is being put to good use, that government programs provide only needed services and provide them efficiently and effectively, and that he is a partner in public enterprises being run for his benefit.

These are fine examples of efforts to do just that.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

RELATING GOVERNMENT DIRECTLY TO CITIZENS—CONNECTICUT'S STATE INFORMATION BUREAU SERVICES CITIZEN INQUIRES ON A DIRECT HOOKUP

(By Thomas J. Meskill, Governor of Connecticut)

As part of a continuing coordinated program to bring state government closer to the people of Connecticut, I began work in May of 1973 to establish the Governor's State Information Bureau. The purpose of having an Information Bureau was to eliminate the "communications curtain" which had developed between private citizens and Connecticut's state government.

The Information Bureau sought to bring state government closer to the people by bringing together in one setting experts from 26 state departments who could provide answers to questions, resolve problems, handle complaints, and provide in-depth follow-up service. Also these individuals provide, via one toll-free number, a source of information concerning state publications and services.

After much planning, the State Information Bureau opened for business on the morning of July 2, 1973. I went over to the Bureau myself to answer many calls which came in to the Bureau that first day. Since then I have returned to the Bureau on several occasions to answer phone calls because they provide good samples of what Connecticut people are thinking about and what problems they are asking state government to resolve.

SERVICING THE CALLS

When people call the State Information Bureau, the initial call is received by one of three screeners who determines which of the 26 department representatives should appropriately handle the question. Then the screener transfers the call to the representative who hears the question or comment. The representative completes the call in one of three ways—by providing an instant answer or delayed answer himself, or by referring the question to the parent agency when extended service is required.

Approximately 70 percent of the calls are completed instantly through the expertise of the state department representatives assigned to the Information Bureau. These calls include such questions as information on the capital gains tax and the state sales tax which the Tax Department representative handles, or unemployment compensation, minimum wage and hour questions which the Labor Department representative handles.

In other cases the Information Bureau representative does the research to find the answer to the question and then calls the citizen back himself with the answer. This might be someone speaking with a representative from the Motor Vehicle Department requesting the date the car registration was cancelled or markers returned to satisfy a request from their insurance company. The representative calls the department, obtains the information, and then calls the person back.

Finally, some calls need a service to be performed, such as an investigator from the Department of Environmental Protection being sent out to follow-up on a complaint about a smokestack emitting black smoke and polluting the air. The wheels are set in motion by the Bureau representative to effect the service required and then followed up by him to see that it was accomplished.

The goal is one-stop service—not bucking from one agency to another—not being transferred and having the call lost—not having the individual constituent spend his day on the telephone dialing, dialing and redialing.

The phone service involves a single, statewide, toll-free number—1-800-842-2220—which can accommodate up to five calls at one time from citizens around the state. Local residents in the Greater Hartford area call 566-2760 to reach the Bureau for information. This number can also accommodate five calls at one time. There are additional lines for representatives of the Bureau to use in obtaining needed information when working on delayed-response calls.

SPECIAL SERVICES

The Governor's State Information Bureau also provides some special services. A teletype (TTY) machine is available to accept calls from deaf citizens. When such a call is available by the screeners, a long beep is heard. The telephone receiver is then hooked up to the TTY. A message is typed by the caller and simultaneously received on the Information Bureau TTY. A message is immediately typed back to the caller from the Bureau; thus a two-way conversation is achieved and typed immediately. Also, a Spanish-speaking interpreter is available to assist Spanish-speaking callers who may dial the Information Bureau number.

A recording device which receives messages is in operation after-hours, on weekends and on holidays. Messages are taken off the machine the next working day, and the appropriate Information Bureau representative then returns the call.

Beyond being a service agency which provides information and helps to solve problems, the Governor's State Information Bureau is also a gathering place for public opinion. I have steadily encouraged citizens to express their opinions on different issues through the Information Bureau. This kind of communication is then followed up as required.

For example, if a taxpayer calls the Bureau and says that he would support the repeal of a given tax in the Governor's budget message, the Bureau takes that individual's name and number and forwards it to my office so that I can review and consider this opinion and then acknowledge the view which this citizen has transmitted to the Bureau. This is part of the process of bringing government closer to the people and allowing public officials to have the broadest spectrum of opinion relating to the functions of their offices.

OPERATIONAL ORGANIZATION

The Governor's State Information Bureau is open for business from 8:30 a.m. to 4:30 p.m. each working day. A full-time director is responsible for coordinating everyday activities, along with the three telephone screeners and the 26 agency representatives. Agencies now represented at the Bureau include Agriculture, Banking, Children and Youth Services, Commerce, Commission on the Deaf, Community Affairs, Consumer Protection, Education, Environmental Protection, Health, Higher Education, Human Rights, Insurance, Labor, Library, Mental Health, Military, Motor Vehicle, Personnel, Public Works, Real Estate, Special Revenue, State Police, Tax, Transportation, and Welfare. Other agencies not represented at the Bureau nevertheless do have a liaison with the Bureau so that information can be provided promptly in order to continue the good service that is promised.

During the first weeks of operation the average number of phone calls from Connecticut residents was approximately 200. Today, the number has increased to over 600. This information service is now becoming an important part of state government because literally thousands of Connecticut citizens have used it. To date, it is estimated that just over 75,000 people have called the Information Bureau.

Regularly I receive reports as to how the service is being implemented. The excellent record of the Information Bureau is in large part attributable, it seems to me, to the professionalism and dedication of the state employees who staff the Bureau. These career state employees who have been assigned to the Information Bureau make it a success because they know how to deal with problems and answer questions. Through their efforts, state government is taking a giant step forward toward fast, efficient service to the people. We are making it possible for Connecticut's citizens to communicate regularly with their government on a one-to-one basis and get results and information.

Statistics compiled at the Bureau show that major state agencies that affect most residents, such as Tax, Labor, and Consumer Protection, handled the most calls. Other agencies that relate to a more specialized field received but a quarter of that number, yet their importance to the respective caller cannot, of course, be minimized. Questions and complaints received run the gamut from the most basic to the very complex. Services are provided for out-of-state residents moving to Connecticut, such as those seeking information relative to reciprocal agreements between Connecticut and other states—in one case, with New Jersey regarding professional licenses, for example.

Overall evaluation of the entire operation of the Governor's State Information Bureau is now underway to determine the feasibility of expanding the service to twenty-four hours a day and to continue to streamline the services so that the success of the Bureau can be continued in the future as our goals of bringing government closer to the people are implemented.

The goal is open government, easily reachable and responsible to citizens who have a "right to know" about and understand how to get the services of their state government.

ACTION PLANNING FOR TRANSPORTATION—OHIO STARTS THE PROCESS WITH PROFESSIONAL TEAMWORK AND CITIZEN PARTICIPATION

(By John J. Gilligan, Governor of Ohio)

One of the more innovative efforts recently made in Ohio's state government has been the development of the Department of Transportation's Action Plan. Of particular interest is the extent to which citizens have been involved in the development of that Plan. This effort demonstrates that increased citizen participation in systems planning can be both desirable and achievable.

THE ACTION PLAN

In transportation, Ohio is involved simultaneously in numerous tasks that involve an action plan and systems planning. For years, Ohio has engaged in systems planning on a regional basis in its 14 urban transportation studies. Only Texas has produced more studies.

In more recent activities, a new perspective emerged as a result of legislation passed in 1972 by the Ohio General Assembly. This legislation, which I signed with enthusiasm and hope, created an Ohio Department of Transportation (ODOT). The legislation required the newly created Department to engage in comprehensive, continuing, multimodal transportation planning on a statewide basis. In addition, the legislation required that ODOT report to the General Assembly by the last half of 1974 making recommendations as to funding and sources of revenue for *all* modes of transportation.

Ohio is just getting started in statewide systems planning; hence our first statewide plan will be developed by sketch planning rather than by a more sophisticated process. However, a comprehensive process to be employed in future years will be established. Statewide systems planning in Ohio will consist of an extension of the planning performed at the regional level, and of integrating those plans with planning for the rest of the State. All planning will be on a common denominator, with a common horizon year, following common guidelines developed by the Action Plan process.

The first statewide effort of Ohio's Department of Transportation was the development of its Action Plan. The method by which the Action Plan was created and the type of plan developed will have a great deal to do with insuring that Action Plan essentials will adhere to Ohio's systems planning.

The first step in creating an Action Plan was to engage a consulting team with diverse interdisciplinary expertise. The consultants and ODOT personnel worked as a team rather than in the traditional role by which consultants are normally utilized. Working as a team at public meetings they were not even introduced as either members of the central office or as consultants. With this approach, they dispensed with many formalities and unnecessary hierarchy. And working as a team, they were highly professional and qualified—attacking projects on a new and innovative approach. Personnel from the Ohio Division Office of the Federal Highway Administration (FHWA) also worked as team members.

This procedure had several advantages. (1) It allowed ODOT to work with the speed necessary to meet deadlines even though it got off to a late start due to the organization of the new department. (2) It helped train personnel that are later to administer the Action Plan. (3) It reduced the formalities that are sometimes necessary with consultants in submitting reports and waiting for comments. (4) It reduced surprises from and increased cooperation with FHWA. (5) It also had the effect of establishing an esprit de corps and enthusiasm not often found on a highway project.

From the beginning, the basic requirements set forth in the Action Plan guidelines were used as building blocks. These requirements include:

(1) an interdisciplinary approach in planning and design;

(2) involvement of other agencies and the public;

(3) consideration of social, economic and environmental factors; and

(4) consideration of alternatives.

This approach served to get those concerned in the planning process committed to give them a sense of ownership in the document they must later follow, to reduce fears of new procedures and, very importantly, to get those same people working together effectively on statewide systems planning at the completion of the Action Plan.

The basic vehicle for involvement was the workshop type of meeting. The process began with a series of workshops with key personnel from ODOT's central office and 12 district offices. The approach was to have them identify constraints in present attitudes, procedures and organization, to give adequate consideration to social, economic and environmental factors, and to prepare for involvement of the public in early planning and design phases of project development. The next step was to have *them* design methods to overcome the apparent constraints.

INTERDISCIPLINARY WORKSHOPS

The next phase was an expansion of the workshops of the planning agencies and then to the public. A total of more than 100 workshops were conducted. The objective again was to get people to identify what they saw as deficiencies in the present system and to indicate how they would like to be involved and to help design a process to provide for it.

An interdisciplinary approach was used in that the staff consisted of engineers, transportation and urban planners, architects, ecologists, economists, sociologists, behavioral scientists and lawyers. In addition, the expertise of as many as 20 state agencies in the State of Ohio was involved in the progress. For example, the Ohio Environmental Protection Agency, the Departments of Natural Resources, Health, Economic and Community Development, the Ohio Historical Society, in addition to citizen organizations, environmental groups and private citizens, participated—all were included.

The building block to include social, economic and environmental factors will insure that these elements will be considered in the development of the Action Plan. The expertise of the many disciplines of our consultants and staff and of the urban transportation studies was utilized. Ohio plans to develop the social, economic and environmental input in a most specific manner. New staff will be added in those social, economic and environmental areas where technical experts are needed. The process has already begun through the action plan itself, expansion of ODOT's Bureau of Environmental Affairs, and the separation of the Planning Staff in field offices from that of design.

The last major building block of the Action Plan is the consideration of alternatives. In the beginning many alternatives were proposed. These were widely discussed and presented to other agencies within the State, to the citizen advisory groups of the urban transportation studies, and were distributed and made public throughout the state by the District Offices. With a constant stream of alternatives in the beginning, the Action Plan was slowly narrowed down to one which ODOT feels very confident will work without much change in the present implementation year.

CITIZEN PARTICIPATION

In the development of the Action Plan, an attempt was made to utilize citizen involvement in somewhat the same manner as citizens would later be involved in carrying out the Action Plan. This had the advantage of training people right from the start. It also afforded the advantage of starting to do what is desired in the future and being able to test it out at the same time.

It is in the area of citizen involvement *that perhaps the* State of Ohio is the most unique in the country, at least in transportation. Recognizing that it is difficult or impossible effectively to involve citizens throughout the state from ODOT's central office in Columbus, the prime responsibility for citizen involvement on the local level was assigned to its twelve District Offices. This, of course, presented problems because Ohio is a very urban state and yet there are areas that are very rural. The types and methods of participation in an urban area differ greatly from those in a very rural area. The approach therefore was to let each of the twelve districts involve people in the formation of an Area Implementation Plan, each in its own way. A plan for each area was thus developed by each area, for each area's use in involving citizens in that area. As a result of this procedure, the Action Plan consists of a statewide plan within which are 11 different area implementation plans (two *districts* are combined) that complement and work with the statewide plan.

RELATING ACTION PLAN TO SYSTEMS PLANNING

An Action Plan in itself will not assure consideration of citizen participation and social, economic and environmental factors in systems planning. The passage of the Federal-Aid Highway Act of 1962 was only a beginning in systems planning; it did not assure consideration of all significant factors. Even the Federal Highway Administration's regulations on urban transportation planning issued in 1969 by the Bureau of Public Roads did not assure consideration of citizen participation and social, economic and environmental factors, though both elements were included in the regulations. Nor has passage of the National Environmental Policy Act of 1969 and all the court litigation that has followed given us positive assurances.

Three basic constraints to the implementation of a transportation system plan are seen: (1) opposition to individual elements of the plan by segments of the community directly affected (usually doesn't surface until a corridor hearing is held on a specific project); (2) social, economic, and environmental considerations (in the past not usually adequately addressed prior to the location phase for an individual project); and (3) the difficulty in financing. Obviously, the first two constraints indicate the necessity for community input in the systems planning phase *before* an overall transportation system is decided upon. The corridor hearing phase for individual elements is too late as evidenced by stubs going nowhere representing uncompleted segments of many of our urban freeway systems which may never become a reality.

In our statewide systems planning effort, the transportation plans of each of the 14 urban areas will be re-evaluated in light of these three basic constraints. The Action Plan, of course, is the process by which that can be done in a visible and meaningful manner.

The manner in which the Action Plan in Ohio was developed is a significant step toward assured success. The urban transportation studies were involved right from the beginning in the development of Ohio's Action Plan. This gave their authors ownership in the development of the Plan; it is theirs and thus they are more likely to follow it. The plan prompted early thinking of deficiencies that might develop; thus, the participants learned and experienced the Action Plan techniques right from the start.

Besides the urban transportation studies, others involved in systems planning were influenced. **The rural District Offices were taking** a significant step forward in being introduced to systems planning; several of ODOT's Districts for the first time were forced to think about systems planning as they worked on their Area Implementation Plans. The District Offices in turn influenced other planning agencies, regional and county planning commissions, that were involved with the Area Implementation Plans.

BEYOND THE ACTION PLAN

Thus the manner in which Ohio's Plan was created and the Plan itself go a long way to influence consideration of social, economic and environmental factors and of citizen participation in systems planning. But that is not enough. In order to obtain citizen participation in statewide systems planning, two things are being done which are not in the Action Plan but parallel the Action Plan process. These include a statewide series of public hearings and the formation of six modal advisory groups.

Along with his four deputy directors and representatives of the consulting team, the Director of Transportation is conducting eleven public hearings covering the entire state. These hearings provide the opportunity for citizens and public officials to voice their concerns, views and recommendations in regard to transportation needs, modal emphasis, and revenue sources. The testimony is transcribed and will be made a part of ODOT's report to the General Assembly as documentation of the attitudes of the constituency. Eight hearings have been conducted to date and the results are very pleasing.

A second statewide application of the Action Plan process is the formation of six modal advisory groups with special interests who will convene on a monthly basis in workshop type meetings. The interests included are:

(1) highways, terminals and parking;
(2) public mass transit;
(3) aviation;
(4) water transportation;
(5) railroad freight, pipelines, and other transmission systems; and
(6) tranportation planning.

This will provide an opportunity for those who historically have had a direct interest in transportation in Ohio to offer alternatives that should be considered in the development of a statewide transportation plan.

The significant point that should be emphasized with these two examples of statewide systems applications is that people are being involved before the fact rather than after the fact. They are not being asked to reach conclusions or to make decisions or to judge proposals; however, they are given a chance to identify alternatives that should be considered in the statewide planning process.

Another element that cannot be ignored is the availability of funds to develop a balanced transportation system and to reduce or eliminate adverse social, economic and environmental impacts. New funds also will be needed to implement the Action Plan because there is no doubt that with many projects, more time, effort and money may be needed for planning and design. Also the final approved plan may not be the least costly solution in light of the social, economic and environmental trade-offs that may be necessary.

The greatest criticism to be made of the systems planning that has been done in Ohio in the past is that it is oriented more to the process than to the product—an academic exercise rather than a realistic plan for satisfying the transportation needs of the future within the constraints that have been mentioned previously. The one thing that all engaged in systems planning must remember is that they are not planning for planners; they are planning for people. Ohio firmly believes that the Action Plan is the process by which this can be accomplished.

REORGANIZING THE EXECUTIVE BRANCH—SOUTH DAKOTA BECOMES THE FIRST STATE TO RESTRUCTURE DEPARTMENTAL ORGANIZATION BY ONE EXECUTIVE ORDER

(By Richard F. Kneip, Governor of South Dakota)

The reorganization of the executive branch of state government is not an entirely new and innovative process among the states. Executive branch reform has been proceeding, in one form or another, among the states with a relatively high degree of success since the middle 1960s. South Dakota, however, added an innovative adjunct to the reorganization process when, in 1973, it became the first and only state in the Union to restructure its executive branch totally by the use of a single executive order of the Governor.

THE CONSTITUTIONAL MANDATE

This was accomplished pursuant to the provisions of a newly adopted Executive Article of the South Dakota Constitution which mandated that the executive branch of state government be structured into not more than twenty-five principal departments by July 1, 1974. It granted to the Governor the authority to provide for this reorganization by executive order, subject to a veto by the majority of the members-elect of either house of the Legislature. Such executive orders had to be submitted to the Legislature within five days after it convened and become effective within ninety days of submission, unless sooner vetoed. This constitutional article was approved by approximately 65 percent of the voters in the November 7, 1972, general election.

Accordingly, on January 22, 1973, I submitted to the South Dakota Legislature the Executive Reorganization Order of 1973 which provided for the consolidation of over 130 previously separate statutory agencies of state government into sixteen principal departments. A veto of this order was not actively considered by either house of the Legislature and it thus became effective, with the force of law, on July 1, 1973. Prior to July 1, an executive order was promulgated transferring some thirty administratively created agencies to the sixteen departments.

ORGANIZATIONAL DISARRAY

As is apparent from the foregoing discussion, the executive branch of South Dakota was organized (or perhaps, more appropriately, disorganized) in a manner similar to many other states prior to reorganization. There existed a large number of small, narrowly focused agences all accountable, to a degree, to the Governor. Generally these agencies were headed by multimember boards and commissions appointed by the Governor to serve rather long and staggered terms. A variety of methods was utilized to restrict the authority of the Governor to appoint and remove the members of these commissions.

This form of organization carried with it the normal pitfalls which, I believe, must plague all Governors who must operate within such a structure. It impeded the ability of the Governor to administer, manage and direct the operations of the executive branch effectively, to implement the programs upon which he was elected by the people. It also fostered inefficiency and waste, but most importantly, it effectively prohibited the bureaucracy from being accountable to the people through the Governor, the elected representative of the people.

Early in my first term as Governor of South Dakota, I resolved to improve the ability of government to respond to the problems facing the state and to improve its responsiveness and accountability to the public. I therefore created a bipartisan Citizens Commission on Executive Reorganization and charged the Commission with the task of studying the executive branch and formulating recommendations to improve its manageability, responsiveness and accountability. The recommendations of this Commission formed the basic plan of organization presented to the Legislature in the Executive Reorganization Order of 1973.

REORGANIZATION PLAN

The plan of organization presented in that executive order consisted of sixteen principal departments, fourteen of which are major program departments. Each of these departments is organized around a major area of governmental service and is headed by a Secretary appointed by the Governor, with the advice and consent of the Senate, to serve at the pleasure of the Governor. Attached to each department is a multi-member citizen board or series of boards to exercise varying degrees of policy-making, regulatory and advisory powers. The Secretary of each department, with the exception of the Secretary of Education and Cultural Affairs, is responsible for the administration and management of the department to include such functions as planning, organization, staffing, programming and budgeting. The Secretary of Education and Cultural Affairs acts as a coordinating authority with respect to all educational and cultural affairs programs to include elementary and secondary education, vocational education, higher education, cultural preservation and fine arts. The actual administration of these programs rests with a series of citizen boards within the department.

Of the remaining departments, the Office of Executive Management is headed by the Governor and consists of four staff bureaus—Administration, Finance and Management, Personnel, and Planning—each of which is headed by a Commissioner appointed and removable by the Governor. The Cement Commission, also appointed and removable by the Governor, constitutes the sixteenth department and is responsible for the operation of the state-owned cement plant and cement works.

This structure contains obvious advantages over that existing in South Dakota prior to 1973. The problems facing the state can now be confronted from a comprehensive viewpoint and on the basis of all relevant factors bearing on the resolution of problems facing the state. Also a potential for improved efficiency and effectiveness in government has been created; the inter-relationships existing among programs are more easily discernible, thus allowing priorities to be established. Above all, the Governor can now manage and direct the workings of the executive branch to implement the programs for which he was elected; the executive branch is thereby more responsive to the needs and desires of the people and can be held accountable by the public through the electoral process.

UNIQUENESS OF THE REORGANIZATION PROCESS

As stated previously, the process of executive reorganization is not new to the states. Similarly, some of the methods used to bring about executive reorganization in South Dakota are not entirely innovative. A number of states have referred a constitutional amendment to the voters which, when approved, provided a limit on the number of separate departments which could exist in the executive branch. This not only requires reorganization of some nature, but can, and did in South Dakota, provide a public mandate for restructuring the executive branch. But seldom if ever has this measure been coupled with a constitutional provision, as it was in South Dakota, authorizing the Governor to propose reorganization measures by executive order.

Other states have utilized an advisory commission to study the executive branch and formulate recommendations for its restructuring. However, the South Dakota experience with this format was unique in that the Citizens Commission on Executive Reorganization did not have members acting as representatives of state agencies. The only persons associated with state government were the legislative members of the commission and faculty members from the institutions of higher education chosen not because of this association, but because of their expertise in administration, management and government. It was also a bipartisan group. It is my considered opinion that the effectiveness of this group and the quality of the plan they recommended was enhanced by the objectivity this group could bring to their study by virtue of not being closely associated with state government.

Although the utilization of these two techniques in executive reorganization is not novel, the success and comprehensive nature of the reorganization effort in South Dakota should serve to attest to their effectiveness when utilized together.

The truly innovative feature of the South Dakota executive reorganization effort is that it was accomplished through the use of a single executive order of the Governor. The use of this procedure for accomplishing reorganization holds several significant advantages which Governors should consider if they contemplate undertaking a program for the modernization of state government structure and operations.

OPTIONS IN THE PROCESS

First, it should be noted that, after the approval of the constitutional amendment referred to above, there were four basic options available for presenting a reorganization plan to the Legislature in 1973: (1) a single executive order, (2) a series of executive orders each containing provisions for a department or group of departments, (3) a single legislative bill, or (4) a series of legislative bills each containing provisions for a department or series of departments.

The primary advantage offered by this procedure is that opposition to the reorganization can be focused, to a large degree, on the overall concept of reorganization as opposed to subjecting each detail of the plan to possible changes, many of which may not have been fully considered in the normal legislative process. While the option before the Legislature was either to accept the order or veto it in its entirety, a method of amendment was available to legislators through the use of legislative bills which would become effective one day after the effective date of the order. This procedure, while allowing legislative alterations in the plan, insured that each amendment to the plan would be formally and more completely considered by both houses of the Legislature. The constitutional amendment mandating executive reorganization and the proposal of the reorganization plan in a single executive order assisted in containing the focus of the opposition to the overall concept of reorganization and thereby greatly enhanced the acceptance of the plan.

CONSISTENCY AND COMPREHENSIVENESS

The use of a single executive order as the format for proposing executive reorganization also helped to maintain the theoretical consistency of the plan which was eventually adopted. The plan or organization in South Dakota contains many of the fundamental principles of classical organization propounded by such theorists as A. E. Buck and Luther Gulick. The Governor's span of control is limited to a relatively small number of departments organized around broad goals, and the head of each department is directly responsible and accountable to the Governor. Citizen boards and commissions, an invaluable component of state government, are generally limited to nonadministrative functions, functions for which they are much better suited. Because the plan was proposed in a single document, this plan or organization and its relative theoretical consistency was readily apparent and the discussion could then be focused on the merits of this pattern of organization rather than discussing the merits with respect to each proposed department or each agency involved in reorganization. While these classical principles are a means to a broader end, that of manageability and accountability in the executive branch, it was extremely important that those principles were apparent and the discussion could be centered on the merits of those principles.

The comprehensiveness of the reorganization effort in South Dakota is especially worthy of note. The entire executive branch was reorganized in a single phase operation. Several states have reorganized parts of the executive branch at a time while others have first enacted a "shell structure" for major departments with detailed implementation following a year later. Only a small number of states have undergone total reorganization in a one-phase effort, as did South Dakota.

This comprehensive approach to reorganization also holds advantages for Governors to consider in evaluating a reorganization program. Once again, this approach assists in focusing the discussion on the plan to the concept of reorganization because of the shortened time-frame in which the reorganization plan is being deliberated. Any temporary disruption of governmental services which might be caused by reorganization can be confined. In essence, the discussion can be turned from whether or not reorganization will take place to how best implement the reorganized structure more quickly.

A final aspect of the South Dakota reorganization program is the manner in which the plan was implemented. We arranged a program wherein private corporations loaned business executives to the State of South Dakota to assist in implementing the reorganized structure and solving management problems selected by the new department secretaries. The program lasted approximately four months and resulted in over one work-year of time being contributed, at no cost to the state, and over 200 recommendations for the improvement of the management processes of South Dakota state government.

While other states, notably Minnesota and Connecticut, have participated in similar ventures, these programs generally contained many recommendations for restructuring the executive branch. In South Dakota complete attention could be devoted to *implementing* a new structure with which we were generally satisfied and in realizing fully the management improvements inherent in that new structure. The work of the Loaned Executive Program has been of inestimable value in helping to realize more completely the benefits contained in the reorganized structure of the executive branch.

In summary, while neither executive branch reorganization nor the methods utilized in South Dakota are wholly new, there are certain factors in the South Dakota experience which I feel were important to the success of reorganization and should be considered by other Governors if they consider undertaking reorganization. Many benefits of reorganization have accurred in the first months of operation under the new structure and more will arise as we continue. It is my firm belief that, if state government is to be fully effective in handling the issues before it and continue to be a vital and significant factor in our federal system, it must modernize its structure, preferably in as comprehensive and straightforward a manner as possible. Toward that end, the South Dakota experience may have useful signals for the future of state government.

Public Accountability by Performance Review—New York State Reforms Welfare and Education Systems by Evaluating Services

(By Malcolm Wilson, Governor of New York)

In New York, state government is trying to do a better job of accounting to its citizens for the quality of state operations. It is taking a critical look at its two largest areas of spending—welfare and education—and at the sizable bureaucracies that manage this spending. The state is seeking new ways to control programs so entrenched that they have become caked with custom, insulated, and isolated from the taxpayers who support them.

The state has approached this task in a variety of ways, but central to them all is the belief that responsibility for effective program performance cannot be diffused to the point where no one stands accountable to the people as a whole. Administration by passive oversight is being turned into aggressive, cost-conscious management, ultimately responsible to a single person, the Chief Executive. Logically, therefore, the Governor himself has been instrumental in calling into service knowledgeable monitors, from outside the agencies in question, to distinguish between the programmatic forest and the bureaucratic trees, to point to hidden weaknesses, and recommend changes that must be made.

STATE WELFARE REFORM

The success of this new emphasis on performance review is best illustrated by the reforms that have taken place in the state's welfare program over the past few years.

In 1971 New York found itself in severe fiscal difficulties. Not the least of its problems was a welfare system where caseloads and costs were rising at unprecedented rates. Over a ten-year span, the number of persons receiving cash assistance had tripled, soaring from a monthly average of 540,000 in 1961 to 1.7 million in 1971. Total costs were increasing at an annual average rate of almost 25 percent. The addition of the Medicaid program in 1966 further exacerbated these trends, and by 1971 the public was in full outcry against what it termed "give-away" programs and "sell-outs to free-loaders."

In the absence of meaningful reform at the federal level, New York decided to undertake a massive reform program of its own, within the constraints of federal law and regulations. It wanted to create a wholly new atmosphere in and around the entire system, in local social services departments as well as its own state agency, which would stress compassion for the needy and yet eliminate the ineligibles. In 1971 the Governor asked for, and received, authority to do the following:

1. Transfer to his office the power to appoint the State Commissioner of Social Services, a responsibility formerly vested in an independent citizen board.
2. Tighten welfare and Medicaid eligibility procedures, with a new requirement that all welfare recipients carry photographic identification.
3. Require all employable welfare recipients to pick up their checks at State Employment Service offices and accept any available job or job-training slot.
4. Require employable recipients lacking a job opportunity in the private sector to be referred to community agencies for work assignments.
5. Create an Office of Welfare Inspector General, independent of the Social Services Department, to investigate all reported instances of fraud and improper activity within the welfare system.

REORGANIZATION AND ITS EFFECTS

At the same time that these new measures were being put into effect, a thorough reorganization of the State Department, of Social Services was begun. The agency has now been restructured into three main divisions: Income Maintenance, Medical Assistance, and Supportive Services. Each division is directly responsible to the Commissioner, and thus to the Governor, for the management of its program. Providing staff services are two wholly new offices, the Office of Audit and Quality Control and the Office of Management Planning and Data Processing. The first identifies local agency problems, the second provides the technical help needed to resolve them.

Staff for these new groups has been recruited from management teams throughout the country and charged with streamlining procedures and heightening efficiencies wherever possible.

Where does the New York welfare system stand today? A few facts should indicate the success of the steps taken thus far:

Despite inflation and a return to meeting the full standard of need, total welfare spending during the current fiscal year should reflect no more than a 7 percent increase over the preceding year, a far cry from the 25 percent figure of a few years ago.

Literally thousands of investigations by the Welfare Inspector General of alleged cases of fraud have resulted in annual savings of some $7 million through terminated cases, and have worked wonders in restoring public confidence in the system.

A Social Service Information System has been developed to chronicle the details of social services delivery to help ensure the best possible use of drastically curtailed federal funds for such important supportive services as day care, foster care, homemaker services, and senior citizen programs.

Significant savings in the Medicaid program have been achieved by identifying absent fathers whose group health insurance benefits can be utilized to provide sickness benefits for welfare recipients.

New York State looks to the day when it will have sole responsibility for the administration of both welfare and Medicaid and will be able to establish the statewide computerized central eligibility register that will significantly reduce the incidence of fraud. In the meantime, it is continuing to build up its performance audit capability by deploying audit staff to local agencies to help solve management problems on the spot and ensure that newly regained citizen trust in the welfare system is not misplaced.

PERFORMANCE REVIEW OF EDUCATION

Heartened by its success in opening the way to a better welfare system, New York State is now studying its myriad programs of support for public education and asking itself if the best possible value is being received from its annual outpouring of taxpayer dollars. Total spending for public education in the state during the current year is expected to exceed $6 billion, and more than $2.5 billion of this will be paid by the state directly to its local school districts.

To ensure better use of this tremendous sum, the state is making a threefold effort.

First, it established, just last year in the Executive Chamber, a special Office of Education Performance Review to make on-the-spot studies of such concerns as reading performance, teacher absences, and school lunch practices.

Second, funds were given to the State Education Department for the 1973–74 state fiscal year to establish an Elementary and Secondary Statewide Evaluation Plan, including a review of the available test information from local school districts, development of basic competency examinations in reading and mathematics for secondary school students, and a computerized instructional reporting and evaluation system utilizing local district pupil, program, and personnel files.

Third, an informal task force representing the Governor's Office, both houses of the Legislature, the Budget Division, the State Education Department, and the Board of Regents (overseer of all education in the state) began meeting regularly in July 1973 to try to reach a common position on clearly needed adjustments in the outmoded formulas now governing the apportionment of these billions in state aid.

It is too early to predict the eventual success of this triple thrust. It is an auspicious omen, however, that the New York State Congress of Parents and Teachers has volunteered to join in future studies planned by the office of Education Performance Review, while a county School Boards Association has offered to serve as a testing ground for specific investigations.

This is the essential end product of public accountability: that state government work actively with its local counterparts, its consumer groups and private interests to achieve ends desired by all. Every citizen should feel that his tax dollar is being put to good use, that government programs provide only needed services and provide them efficiently and effectively, and that he is a partner in public enterprises being run for his benefit. By openly conceding the need to improve many of its programs and practices, New York State is restoring its taxpayers' confidence and thus its own strength as a force for social good.

COMMUNITY SERVICES ACT OF 1974

Mr. TAFT. Mr. President, as ranking minority member of the Senate Labor Subcommittee on Employment, Poverty, and Migratory Labor, I am supporting S. 4178, "The Head Start, Economic Opportunity and Partnership Act of 1974." I voted to report this bill favorably because it is my firm belief that the committee-reported bill is the best possible compromise between the positions of those who urge that OEO be transferred to HEW and those who support the continuation of a separate independent agency for Federal antipoverty programs. It also accommodates the administration's approach by enabling the President to reorganize OEO programs in either HEW or the Department of Commerce, should he determine that this reorganization is in the Nation's best interest.

Under the compromise measure, OEO would continue to administer Community Action, community economic development, and related efforts through October 1, 1975. This is consistent with the present situation. Over the course of the past recent years, most of the other programs formerly handled by OEO, such as program Head Start and the migratory labor programs, have been successfully delegated to other agencies and departments within the Federal Government. Thus, we have seen a diminution in the functioning of the Office of Economic Opportunity concerning some of its programs, for reasons of economy and efficiency in operations.

The committee's bill transfers legislative authority for the Head Start program to HEW and extends that authority to fiscal 1977, as generally requested by the administration. In doing this, the committee has recognized in the law that delegation of operating authority from the Director of the Office of Economic

Opportunity to the Secretary of Health, Education, and Welfare, which took place in 1969. I want to stress that this statutory transfer is not intended to change the Head Start program as focusing upon a local community-based child development program with maximum parental involvement. I believe the continuation of this emphasis is necessary in order for Head Start to continue on a successful course.

S. 4178 provides that OEO would become a separate agency within the executive branch of Government, called the Community Services Administration, on October 1, 1975. However, after June 30, 1975, the President may submit to Congress a reorganization plan—which may be disapproved by resolution of either House within 60 days after submission—which plan shall provide:

One. For the transfer of the Community Services Administration to the Department of Health, Education, and Welfare with certain requirements as to coverage and economy;

Two. For the transfer to the Department of Commerce of the functions of the Community Services Administration with regard to community economic development under title VII, with certain requirements pertaining to autonomy; and

Three. For an effective date for the transfers not earlier than 60 days after the last date on which the reorganization plans could be disapproved by either House.

I believe this is a workable plan for the continuation of the OEO concept. It is my feeling that regardless of where the Office of Economic Opportunity will be located, it must remain the nucleus for the Federal antipoverty effort. I say this because OEO has demonstrated its value as an innovator and has shown its ability to evaluate the actions of existing Federal departments in terms of their impact upon the poor. With a fairly objective eye. It has created innovative social services programs for the poor as well as improving the delivery of such services.

To further highlight the need for the continuation of a Federal antipoverty program, the influences of soaring inflation, with its attendant rising costs of goods and services has severely affected the poor. Hence, the problem of poverty in this country is still with us and by all predictions is not likely to subside within the near future. Recognizing this situation, I do not believe that this is an appropriate time for the Federal Government to abandon its commitment to the poverty program. It is in the best interests of our country to proceed with an ongoing national concern about the fate of the poor. At the same time, we must not lose sight that a federally sponsored program must contain realistic programs which contribute positively to the community as well as to those served.

Along this same line of thought, the committee bill protects the local initiative or community action programs which have been the center of OEO poverty efforts from the statute's beginning. Unfortunately, these programs have also generated considerable controversy concerning their effectiveness. I think it is fair to say that some of the programs within the community action agencies have not lived up to their expectations, but on the whole, I believe they do perform a valuable service to State and local communities. Some of those that did not perform well were not totally at fault. In many jurisdictions they were unable to coordinate programs for the poor because of unclear or contrary Federal guidelines or shifting Federal instructions. I am concerned that a growth in the fragmentation of programs for the poor will result in weakening their effectiveness as well as the effectiveness of all programs generated to alleviate poverty. I am hopeful that whatever will be the ultimate framework for the continuation of OEO programs, there will be injected the necessary Federal leadership to avoid this unfortunate problem.

S. 4178 also contains other positive programs which will carry forth the great goals of the creation of the Economic Opportunity Act. The bill adds the following new programs and authorities:

New special emphasis programs for emergency energy conservation; summer youth recreation; and urban housing demonstrations.

These programs are worthwhile endeavors. For example, in the case of summer youth recreation, recreation opportunities for disadvantaged youths can be the best preventative program for delinquency and crime. Unfortunately the House bill does not authorize continuation of an RSP program.

The bill also revises title VII, community economic development, to include new elements establishing a community economic development resource committee, to insure other Federal assistance, providing long-term loans to community development corporations, and otherwise insuring greater resources. The bill also establishes a new authority for demonstration "community partnership agreements" and a provision for establishment of an intergovernmental advisory council on community services.

These programs would be administered by OEO, or in accordance with a presidential reorganization plan, by HEW, or in the case of community economic development programs, by the Department of Commerce.

In summary, I believe S. 4178 represents a good piece of legislation which will further the goals of the Economic Opportunity Act. I am very pleased that revenue sharing and other policy initiatives are gradually shifting responsibility for the administration and operation of social service programs from the Federal level to State and local governments. In the long run, the local community control approach is preferable in areas such as community action agencies. The scope and complexity of these community action programs will require local governments to expand their expertise in the planning and coordination of social services. In this respect local governments have to recognize their eventual responsibility for control over these local programs. It would be wise for them to learn from State economic opportunity offices and community action agencies which have extensive experience in these areas and can provide a valuable guidance and assistance.

Mr. KENNEDY. Mr. President, I rise in support of the Senate version of H.R. 14449, the OEO extension bill.

This measure will extend the Economic Opportunity Act of 1964 for 3 years and will insure the continuing independence of the Office of Economic Opportunity at least through October 1 of next year.

I joined with Senator JAVITS, Senator JOHNSTON, and Senator DOLE and other Senators in introducing S. 3798 earlier this year to extend OEO and to formally establish an independent agency as a successor to OEO. Although we were forced to compromise in committee knowing of the administration position, the bill now before us still preserves the independence of OEO and assures that Congress will have an opportunity to veto any attempt by the administration to stymie the creation of an independent agency next October 1.

We have seen the work of OEO over the past decade. We have seen the people who have moved from poverty into positions of leadership in their communities. And we have seen the innovations which have provided better services to all Americans.

It was not HEW that developed the neighborhood health centers. It was not the Justice Department that developed legal services. It was not the Commerce Department that developed the whole concept of community economic development corporations.

The reason these programs were generated was because we had a specific agency in Government that was concerned solely with the problems of the poor. That flair for innovation stems from the concentration on the needs of the poor.

If community action agencies were submerged within the Department of Health, Education, and Welfare, where the Secretary has written to indicate his opposition to their having an independent status, they surely will lose their capacity to innovate and experiment. Similarly, it makes little sense to submerge them within the Department of Commerce within a subdivision whose concerns reflect only one element of community economic development. Minority business development is one of the elements of community economic development. But it does not include the social services, educational programs, outreach programs, manpower training or community participation which are so vital to the rehabilitation of poverty communities.

What we have seen from community economic development in Bedford Stuyvesant as one example is that people who have been excluded from participation in the processes of government can work near miracles when given the responsibility and the opportunity.

Perhaps the best recent example of the

need for the poor to have voice speaking for their special needs was the President's proposal to cut the Federal budget.

He proposed making food stamps more expensive. He called for making medicare patients pay larger shares of the bill. He called for cutbacks in major health and education programs.

An absorption of OEO within the HEW and Commerce bureaucracies would underline the lack of Federal concern for the poor which has characterized the previous administration and, at least in these recent proposals, this administration as well.

I have opposed the administration's efforts over the past several years to abolish the Federal antipoverty effort. I have opposed the step of ending the independence of the Federal antipoverty agency. And I believe this measure represents an intelligent and reasonable Federal policy.

It is a policy that is supported by all of the antipoverty organizations. It is a program that is supported by the Governor of my own State and by mayors throughout the State.

The bill also authorizes a new emergency energy conservation services program to sponsor special conservation activities for the poor. And it endorses a new mutual program of community action between existing CAP agencies and State and city governments.

It also continues and expands, senior opportunities and services, consumer action and cooperative services, design and planning assistance programs, native Americans programs, the youth sports program, the migrant program, Head Start and Followthrough and research and demonstrations activities.

I strongly urge its adoption.

"SENIOR OPPORTUNITIES AND SERVICES"

Mr. President, as a member of the Senate Committee on Aging. I am especially heartened that the Head Start, Economic Opportunity, and Community Partnership Act which I have cosponsored provides a 3-year extension of the senior opportunities and services program.

Over the years the value and worth of SOS has been demonstrated time and time again.

Services under this program have enabled many older Americans to continue living independently in their own homes—where most elderly persons would prefer to be—rather than being institutionalized at a much higher public cost.

But the benefits under SOS have been even more far reaching. The program, for example, has succeeded in improving the conditions of the elderly poor in many other ways, including economical, psychological, nutritional, medical, and others.

In my judgment, SOS has been one of the most successful antipoverty programs. It has generated 40 cents in local resources for every Federal dollar spent—the largest non-Federal share of any OEO program.

It has also received high marks by independent evaluators.

One such evaluation found that SOS is an effective means for identifying and and meeting the needs of the elderly poor.

Other major findings in that study included:

SOS programs have a low unit cost per beneficiary.

Service opportunities in these projects have produced significant improvements in the aged's sense of dignity, as well as their physical and emotional well-being.

Older Americans participate more actively in special programs designed for their needs.

SOS projects are enthusiastically accepted by local governments and attract a more generous measure of community support than other types of programs.

These programs have provided urgently needed outreach and referral services for the major public assistance programs.

Finally, I am also pleased that the committee bill recommends increased funding to implement SOS.

The evidence is very clear and convincing that SOS is an extraordinarily successful program for the aged poor.

And, it should be continued and expanded.

Mr. TUNNEY. Mr. President, in 1964 this country embarked on a national war on poverty, and our goal was nothing short of total victory. Our battle on poverty, undertaken through the Office of Economic Opportunity, is not over; and the legislation which we are considering here today will breathe new life into a critically needed program that has been on the verge of dissolution for far too long. We must reconfirm the commitment of Congress and this nation to eradicate poverty in America. We have learned a great deal during these 10 years—let us not waste this—let us utilize the knowledge we have gained and move ahead.

The legislation before us offers the opportunity for an independent poverty agency. I cosponsored a bill introduced by my colleagues, Senators JAVITS and KENNEDY, which would have established an independent agency. That proposal was dropped in favor of the bill before us. I am pleased, nevertheless, that this legislation provides for the continuation of the Office of Economic Opportunity until October 1, 1975, and that the Congress will again be given the chance to reaffirm its commitment to an independent agency should the President submit a reorganization plan to transfer OEO's functions to the jurisdiction of existing Federal department.

I am also pleased that this bill includes my amendment to strengthen representation services for the elderly. This amendment evolved from hearings I chaired this year on the subject of representation. On June 14 I chaired a hearing in Los Angeles, in my capacity as chairman of the Judiciary Sucommittee on Representation of Citizen Interests and member of the Senate Special Committee on Aging, on improving legal representation for older Americans. Additionally, on July 23 I investigated the area of paralegal assistance through a hearing of my Judiciary subcommittee.

Specifically, my amendment would authorize funding to establish and strengthen counseling and representation services for the elderly poor under the senior opportunities and service program. Additionally, grants would be authorized to higher educational institutions, public agencies, and nonprofit private organizations to: Train paraprofessionals to provide counseling, representation, information, and referral services for the aged poor; and develop training materials for these programs. The elderly's need for competent representation and counseling services is perhaps more intense than any other age group in our society today. Typically they find themselves involved in complicated and baffling encounters with Federal programs, and quite frequently are denied precious benefits because they are uninformed. But with effective paraprofessional services, the aged poor can be more assured that they do, in fact, benefit from programs designed to assist them. This is only fair and just. My amendment would help to implement this objective and make it more of a reality today.

Mr. JACKSON. Mr. President, today the Senate will vote on final passage of the Community Action Agency or OEO bill. I would like to express my strong support for this legislation which authorizes the expenditure of approximately $5.2 billion over 3 years as part of the Nation's antipoverty program.

The need for an effective antipoverty program is undiminished from what it was in the 1960's. Indeed, the combination of raging inflation and spiraling recession which grips the Nation's economy makes continuation and revitalization of the economic opportunity and community action programs more important than ever.

In the 1960's the Nation made a solemn commitment to help low-income Americans help themselves to solve the problems of poverty. The economic opportunity program was successful in the 1960's in mobilizing governmental and private action at the Federal, State and local level toward a goal of developing the skills and utilizing untapped human resources through providing job training, housing assistance, drug rehabilitation, health services, educational programs for disadvantaged youngsters, transportation and a variety of other essential services. Gradually this program has been integrated into the framework of local governmental agencies so that the States and local governments can use the program as an effective tool in alleviating the miseries of poverty and acting as an advocate for the poor in relation to other agencies and institutions.

During the past 6 years, however, there has been a consistent effort by the administration to gut the antipoverty program. Over this period the vitality of the OEO has been dissipated as key staff personnel from the national down to the local level became discouraged and disillusioned by the efforts of the administration and drifted away from the program. In 1973 an OEO director was appointed for the express purpose of completely dismantling the agency and ending the Nation's commitment to an antipoverty program altogether.

Now is the time when the Congress and the administration have a responsibility and an opportunity to begin a revitalized antipoverty program which once again will attract talented and enthusiastic people from all across the Nation to participate in the effort to alleviate the burden of poverty.

Such an effort is particularly appropriate under today's economic conditions because it is the poor who are being dealt the harshest blow by inflation and recession. Food, housing, and fuel costs together constitute 82 percent of the rapid increase in the cost of living. These essentials of life also represent a 40 percent larger share of the family budget of low-income families than of the average family. Thus, the burden of inflation falls with a vengeance on low-income families. These families cannot cushion the blow of inflation because their entire budget is already committed to essentials. As the committee report noted:

> The poor have little flexibility in adjusting to real income losses . . . If the price of low-grade cuts of beef rises, there are no lower cuts to substitute.

On the employment side, the spiraling recession hits the poor first and hardest. Unemployment in the Nation's poverty areas is running at about 14 percent or over twice the national average. This is the highest rate in 13 years, and there is no end in sight. While inflation takes the biggest bite out of the limited income of the poor, recession further reduces family income due to unemployment.

Now more than ever in this period of economic hardship it is important that the Federal Government tell the disadvantaged of America that we will not abandon our efforts to work to eliminate the burden of poverty in America. Now more than ever it is important to make a renewed commitment to a revitalized community action antipoverty program.

I would just like to add one thing to my remarks. I was very pleased that the committee singled out for special praise in its report on S. 4178 the veterans outreach program that has been operated out of discretionary funds by OEO for 3 years. I have a special interest in this program, and I was very dismayed earlier this year when OMB Director Roy Ash indicated in a letter to me that Federal support for it would be terminated.

In response to Mr. Ash's refusal to support this program, I offered an amendment to the OEO bill to require that this program be continued. I am pleased that because of my amendment and the committee's support for it, the OEO has tentatively agreed to continue the "outreach" program for disadvantaged Vietnam-era veterans who are turned off by traditional agencies or by "the system." I believe that this program is a perfect example of how the community action program can reach out and help low income and disadvantaged Americans in a way that no other agency of government is capable of doing.

I expect that the community action program will receive the overwhelming support of my colleagues in the Senate, and I wish to state for the record that I intend to continue to lend my support to the worthy objectives of this program.

Mr. DOLE. Mr. President, before we proceed to final passage on the legislation before us, I would like to make a few brief comments regarding my assessment of the measure.

I was, of course, one of the sponsors of the principal bill giving rise to S. 4178—the provisions of which have since been substituted for the original language of H.R. 14449. It is for that reason I believe we have a good proposal which deserves a strong affirmative vote.

It is important, too, that we do send our bill to conference with a substantial margin of approval, for we will be competing there with some influential voices who advocate quite a different approach to extending the various programs involved here. That is, while we would have these social service activities continue under a new Community Services and Community Economic Development Administration, the House-passed version seeks to obscure them under the bureaucratic umbrella of HEW.

Now I want to point out that this is a very crucial difference which must be resolved in our favor if we are to rid the old OEO-related programs of the dollar-soaking administrative problems which have made them so unpopular among the more conservative-oriented of us. Moreover, I would be less than candid if I did not forthrightly acknowledge that my own interest in this legislation may well be contingent upon its retention of the independent agency concept.

I say this because I really do not feel that we are going to witness any constructive—and I might add, essential—changes in the Economic Opportunity Act implementation procedure unless we have an autonomous supervisory organization which can deal directly with the local units of operation. In particular, I have seen what great accomplishments the community action agencies in my own State of Kansas have been able to make—mostly through their own initiative—and I do not want to see that progress impeded by unnecessary levels of administrative redtape so characteristic of the HEW infrastructure.

I would hope that both the House conferees—and especially the President—will recognize this as well and act accordingly. I also urge the administration—which has expressed some objection to our Senate bill—to keep in mind that the social problems which are addressed by this legislation are not going to go away, or sufficiently subside, without Federal assistance.

I have come to grips with this reality myself, and reconciled my previous negative observations about the thrust of the antipoverty effort on that basis. While I am not totally pleased with everything about H.R. 14449, as amended, I do believe that on balance it represents the course which we must take in order to instill new motivation and new direction into the State and local action networks.

I think I should say, also, that in spite of the subject matter involved in, and the labels attached to, this legislation, I do not view it as essentially liberal in scope. Rather, I consider it both objective and fair to categorize it as a moderate and reasonable endeavor to responsibly contribute to the well-being of the less fortunate in our Nation.

With that, Mr. President let me reiterate my uncompromising support for the independent agency implementation of this bill. The universality of commitment to that philosophy, among those charged with carrying out its provisions, is reflected in the more than 500 testimonial letters I have personally received from CAP directors across the country—and enthusiasm such as that cannot go unnoticed.

Again, I believe we have a workable and worthwhile measure before us, and I sincerely hope we can succeed in pressing for its expedient enactment. To that end, I urge my colleagues to join me in sending a message of overwhelming approval.

Mr. BUCKLEY. Mr. President, the legislation which authorizes the continuation of the Office of Economic Opportunity and the establishment of an Independent Community Services Administration constitutes an insistence by the Congress of the United States that the community action programs continues under the control and auspices of the Federal Government. What is clear about this debate and H.R. 14449 is that we are not debating the value of community action agencies; nor are we debating Community Action's value as a symbol of interest by the Government in minorities and their upward mobility. We are not debating their value because it is a practical impossibility for the Federal Government to make an informed determination of the value of community action as a national project. The Federal Government is just too far removed to be a dependable judge of performance. Consequently, the natural tendency and actual practice of the present mechanism is to continue the status quo even if a more promising alternative might be available.

In addition, most would agree that the results of the program depend largely upon the individual capabilities, imagination, and attitudes of any given CAP project. The history of some, even many, of the CAA's has not been encouraging. Some have functioned as vehicles of empire building for the sole purpose of attracting other Federal grants; others have gotten deep into political activity. However, the performance of some should not obscure the performance of others which have emphasized training, education, job placement, and community involvement as the means to get people into the functioning of our economic system. There are a number of such programs in New York State, for example, that are now operating with great effectiveness and in a spirit or close cooperation with local officials.

The point is that passage of H.R. 14449 mandates the continuation of erratic,

Interestingly, when the CAP approach was first developed it was an important part of the plan that the Federal part of CAP funding would be temporary. Ini- uneven performance. It does this by minimizing the role of local government in structuring and reviewing the performance of a local CAP agency.

tial OEO planners believed that if the CAP agency could not depend upon local government to continue the funding, then it was questionable whether the experiment was actually worth the expenditure. That plan represented a statement of faith in local government, as well as an understanding of the importance of accountability. Unfortunately, many of those most committed to continued Federal orientation are those who hold the view because they do not wish to be part of the local situation. They want to depend upon national funding and therefore have a federally mandated independence which is corrosive of the idea that the people in their democratically elected Government should have a maximum control of local public functions.

It is for this reason that I say we are not debating the value of CAP agencies. The alternative approach of Federal revenue sharing, which I have supported from the outset, would allow for local determination of the style and objectives of their own CAP's. There is no reason why the Federal Government should make those decisions. They can and *should* be made by the people, at the level of government over which they have the most direct influence.

It is indeed unfortunate that the Senate committee sat so long on this legislation. The House of Representatives faced the issue some time ago. But now the Senate in its rush to adjourn is being asked to consider comprehensive legislation which authorizes much more than the continuation of OEO. There is really no reason for the Congress of the United States to conduct its business in such a manner. If the Congress is going to have to be in session 12 months a year, it could at least eliminate these harried sessions in which Members are forced to vote without sufficient time to study the legislation.

Mr. President, I know that a number of the programs contained in this legislation, such as Head Start, Follow Through, senior opportunities and services, and emergency food and medical services, may be valuable. But it is not responsible to enact complex legislation on faith without adequate examination just because some of its provisions are exemplary. It is for this reason and the fact that H.R. 14449 constitutes a rejection of local government by failing to rely upon Federal revenue sharing as the means to further continue CAP projects, I am forced to vote against this bill.

CONTINUING NECESSARY POVERTY PROGRAMS

Mr. **CRANSTON**. Mr. President, I rise to urge the Senate to give its full support to the pending measure, the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

I congratulate the distinguished Senator from Wisconsin (Mr. Nelson) for his vigorous efforts in developing this important legislation. As chairman of the Labor and Public Welfare Committee's Subcommittee on Employment, Poverty, and Migratory Labor, on which I serve, Senator Nelson has brought the members of the committee together behind this comprehensive, yet compromise, measure. The leadership and skill of Senator Nelson and that of the distinguished Senator from New York (Mr. Javits) and the chairman of the Labor and Public Welfare Committee (Mr. Williams) were instrumental in directing the subcommittee's difficult task, which required the consideration of several alternatives for extending programs under the Economic Opportunity Act of 1964.

INTRODUCTION

Mr. President, last week's revelation that this Nation is experiencing its highest unemployment rate in 13 years was only the most recent indication of the severity of the economic situation confronting us right now. More than 6 million people are out of work; the prices of necessities, such as food, housing, and medical care continue to soar, and most distressing—there is no relief in sight.

Our worsening economy is creating grave difficulties for all Americans, but there is no question that among those being most severely and most devastatingly affected are, according to some estimates, as many as 34 million poor people, who represent 15.9 percent of this Nation's population. Of further serious consequence, is the fact that our depressed economic situation threatens to push many more Americans below the poverty level.

Mr. President, I believe it is in this context that we must consider S. 4178, the measure before us today. The situation described above demands our attention and clearly necessitates the continuation of the many valuable programs operated under the Economic Opportunity Act of 1964.

Although I recognize the wisdom of redesigning or even ending programs that do not live up to their promises. I believe that successful antipoverty programs, such as Community Action and Head Start, must be maintained with the strength and vitality necessary to meet effectively the essential needs of the poor.

Community action agencies, in particular, have been at the very heart of the war on poverty in providing poor people with the opportunity to begin to help themselves. Head Start and Follow Through also have been most effective in providing comprehensive health, education, nutrition, social, and other services to economically disadvantaged children and their families.

Mr. President, providing for the needs of poor people is a responsibility we must meet. At the August inaugural hearings of the Senate Committee on the Budget, on which I am privileged to serve, we heard testimony from two impressive authorities, who often have conflicting views: the Honorable Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System; and Prof. Walter W. Heller, of the University of Minnesota, former Chairman of the Council of Economic Advisers. Although much of their testimony focused on whether or not there was a need for significant cuts in the fiscal year 1975 budget for Federal Government spending, they, in essence, both agreed that there was a special need to compensate those persons most severely affected by our Nation's economic situation. Chairman Burns said there was a great need for compensatory increases in Federal spending for certain programs, and he went on to say we must "ameliorate" the impact which inflation has already had on certain groups in our society.

Professor Heller, who probably would define this group of inflation victims more broadly than Chairman Burns, made the same point and termed such "amelioration" as "reparations" for the sacrifices and hardships which these groups of individuals have experienced at the hands of our devastating inflation rate.

Mr. President, poor people are among those who have suffered the most, and now, more than ever, poverty programs must be expanded and strengthened to meet their needs.

MAJOR PROVISIONS OF THE REPORTED BILL

Mr. President, although I favored an outright continuation of the existing Office of Economic Opportunity structure, the bill we have reported will place responsibility for proposing a transfer to the Department of Health, Education, and Welfare on the President—subject to disapproval by either House of Congress—and will insure an extension of OEO's independent status for about another year.

This measure provides for the continuation of programs presently authorized under the Economic Opportunity Act of 1964, as amended including the community action program, and establishes a Community Services Administration to administer these programs as the successor agency to the Office of Economic Opportunity. The independent OEO status would be continued until October 1, 1975, although at any time after June 30, 1975, the President may submit a reorganization plan to transfer—not earlier than October 1, 1975—community action programs to HEW, and community economic development programs to the Department of Commerce. Either House of Congress could disapprove such a reorganization plan within 60 days and if the President does not submit such a plan or Congress disapproves it, OEO would become the Community Services Administration, which would be an independent agency in the Federal Government.

The bill further provides legislative authority for Head Start, Follow Through, Native American, and research programs in HEW, and retains an 80 percent Federal, 20 percent local share of costs, which are the same proportions that the Economic Opportunity Act currently requires of community action programs. The bill also contains a provision I authored, in section 1102(d) of the new title XI, which earmarks, out of all funds allocated for research, demonstration, and pilot projects, 25 percent of these funds to be made available for community action programs to carry out such projects. This is designed to give these CAP agencies some versatile funds with which they can implement new designs and directions in antipoverty programs.

BRIEF DESCRIPTION OF PROGRAMS

Mr. President, in addition to Community Action, Head Start, and Follow Through, I particularly am gratified that a number of important programs would be continued by this measure.

DESIGN AND PLANNING ASSISTANCE

Community-based design and planning organizations would continue to receive financial assistance for technical assistance and professional architectural and related services. This is a special provision—section 226—which I authored in the Economic Opportunity Amendments of 1972, Public Law 92-424.

CONSUMER ACTION AND COOPERATIVE PROGRAMS

This program was designed to aid low-income individuals and groups in enforcing consumer rights, and to protect such individuals and groups against unfair or discriminatory trade and commercial practices by providing assistance with the development and operation of consumer action, advocacy, and cooperative programs, credit resources development programs, consumer protection, and education programs. These programs—under section 228 which I also authored in Public Law 92-424—will also be continued under the committee bill.

SENIOR OPPORTUNITIES AND SERVICES

This program is designed to meet some of the special, unmet needs of elderly persons, particularly health, employment, housing, consumer, and welfare.

RESEARCH AND DEMONSTRATION

In addition to seeking information concerning the causes of poverty, research activities provide for the development of workable models and innovative programs that help Federal, State, and local agencies to meet the needs of the poor. As I stated earlier, Mr. President, I proposed and the committee agreed, that 25 percent of these funds should be provided to CAP programs to carry out R. & D. and pilot experimental programs.

NATIONAL SUMMER YOUTH SPORTS PROGRAMS

As the Senate author of the amendment which provided for this section 227 program—also in Public Law 92-424—I particularly am pleased that the committee report contains a detailed discussion of this important program designed to aid disadvantaged youth.

Mr. President, I ask unanimous consent that the appropriate sections of pages 13 and 14 of the committee report, as well as my correspondence with the Secretary of Health, Education, and Welfare concerning this program (deleting certain attachments), be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL SUMMER YOUTH SPORTS PROGRAM

Section 227 of the current law provides for the operation of an annual Youth Recreation and Sports Program for disadvantaged youth to be concentrated in the summer months and continued throughout the year with a strong poverty orientation in the program. The 1971 legislation named the program the "Youth Recreation and Sports Program" to reflect a new year-round program requirement of enrichment and cultural activities in addition to the physical fitness instruction and sports competition component of the program.

The program is popularly known as the "National Summer Youth Sports Program" and this legislation so renames the program. It received Federal financial assistance in the amount of $3 million annually during the summers of 1969, 1970, and 1971 through the Economic Opportunity Act's section 232 research and demonstration authority. Since the program model proved successful, OEO had intended to phase out its support, expecting the program to launch out on its own. But the Committee was informed that the program would have been discontinued in the absence of Federal financial support. Therefore, the Economic Opportunity Amendments of 1972 added section 227 to the Economic Opportunity Act.

Section 227 further provided a mechanism for bringing together community residents, disadvantaged participants, and collegiate personnel, in planning and operating the program, and required that program participants and local residents have a significant role in such planning and operation.

The Committee has been impressed with the record of the program in providing meaningful activities and assistance to disadvantaged youth, and in providing employment opportunities to residents of the target community. The program has been delegated each year to the President's Council on Physical Fitness and Sports in HEW, which has contracted with the National Collegiate Athletic Association to serve as the focal point for the individual colleges and universities participating in the program. Having these institutions and their members involved in such a program has led to the development of meaningful ties between colleges and their surrounding communities and residents, especially low-income residents, and contributes meaningfully to the welfare and development of participating disadvantaged youngsters.

Although the section became law on September 19, 1972, with the signing of P.L. 92-242, the program continued to be funded under section 232 authority until the summer of 1974, when, for the first time, the funds were obligated under section 227. Again, however, as during 1972 and 1973, only $3 million was allocated to the program in FY 1974.

In approving section 227 during the 1972 consideration of the Economic Opportunity Act, the Committee expressed the belief that up to $6,000,000 annually could be effectively used for the purpose of continuing, improving, and expanding the program on a year-round basis. The Committee regrets that only $3 million has been made available since that time, and feels that the sum of $6,000,000 should be allocated in the next fiscal year, providing certain deficiencies are corrected as follows: (1) the program guidelines should more clearly reflect the objective of enabling members of the poverty community to participate in the planning and operation of the program; and (2) the statutory requirement of year-round activities must be clearly set forth in the regulations and carried out (the Committee notes that such activities are merely "encouraged" in the present guidelines).

The Committee has changed the name of the section 227 program to "National Youth Sports Program" in order to avoid confusion with the special emphasis ("Summer Youth Recreation") program established by a new paragraph (13) added to section 222(a) of the Economic Opportunity Act of 1964, as amended, by section 10(a) of the reported bill.

COMMITTEE ON LABOR
AND PUBLIC WELFARE,
Washington, D.C., August 15, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: As you know, the Committee on Labor and Public Welfare is currently considering legislation to amend and provide reauthorization for the Economic Opportunity Act of 1964. Among the items in which I am particularly interested is section 227 added to the law by P.L. 92-424 which requires the Director to conduct a youth recreation and sports program, and which is carried out by HEW under an April 1974, Memorandum of Agreement between you and former O.E.O. Director Alvin J. Arnett.

Several years ago, during our consideration of legislation which was to become P.L. 92-424, I authored the amendment which provided for the section 227 program. I am therefore interested, as we move to consider reauthorization, in receiving a complete and detailed report on its implementation.

In providing statutory authority for this program, I was concerned that its impact be expanded beyond the "National Summer Youth Sports Program"—with the emphasis on summer play—as operated through OEO's Research and Demonstration authority for the years 1969-1971. For this reason I presented an amendment which changed the name of the program to "Youth Recreation and Sports Program" and required year-round enrichment and counseling activities. The bases for this amendment were the recommendations in O.E.O.'s evaluation report on the program. In requesting the implementation report on this section, I would like to know specifically why the former title of the program was never changed in accordance with the legislation. I would also like to be provided with specific examples of the extent and the kind of enrichment and counseling services which are made available to the participating youngsters throughout the school year, particularly in programs operating in California. In this connection, I note that in subsections (a) and (c) (3) of section 227, "continuing related activities throughout the year" are required, yet your April Memorandum of Agreement with O.E.O. and your 1974 Guidelines provide only that year-round contacts rather than activities "are encouraged". This seems a plain violation of statutory requirements.

Subsection 227(b) requires the participation of participating youths and the surrounding poverty community in program planning and operation. Would you please provide me with specific examples, particularly in California, of how this subsection is being implemented. . . . This requirement seems to be reflected under part III of the Memorandum of Understanding but appears nowhere I can find in your Guidelines. I would appreciate your explaining this omission, as well as the omission from the Guidelines of the program objective set forth in part II (I) of the Memorandum ("enabling the contractor and institutions of higher education or other qualified organizations active in the field located conveniently to such areas of poverty and the students and personnel of such institutions or organizations active in the field to participate more fully in the community life and in solutions of community problems").

I would also like to be provided with a list of the participating institutions; the number of youngsters in the program this year, the number of boys and the number of girls; the number of student instructors, again broken down into male and female; a breakdown of the salaries received by all program personnel; a report on the extent of volunteer participation in the program; and any pertinent data or guideline material which you think would be helpful to me and the Committee in reviewing the program's progress in the past two years of operation.

Finally, I would appreciate an overall analysis of the effect of the section 227 legislation on the program, with an emphasis on how the program has changed since the enactment of P.L. 92-424.

I would appreciate your urgent attention to this matter, and do apologize for making such an extensive request at such a late date.

Sincerely,

ALAN CRANSTON.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., November 14, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in further response to your letter of August 15 in which you requested a report on the youth sports program which is operated by this Department under the terms of a Memorandum of Agreement between the Director of OEO and me. You expressed special interest in the effect upon the program of section 227 of the Economic Opportunity Act, which was added to the law by P.L. 92-424.

Prior to the passage of P.L. 92-424, the Director of OEO had delegated to me his authority, pursuant to section 222(a) of the Economic Opportunity Act, to conduct a "National Summer Youth Sports Program" in 1972 and 1973 (Enclosure A). There was not, at that time, any delegation of authority deriving from section 227, and this Department therefore continued to operate a summer sports program under OEO's Special Programs authority.

On May 3, 1974, the Director of OEO did make a delegation of authority, pursuant to section 227, for the conduct of a youth sports program (Enclosure B). The delegation stated that the program would be known as "the Youth Recreation and Sports Program" or "the National Summer Youth Sports Program." Since the program had operated under the latter title for five years, the project officer felt that confusion would be avoided by retaining it.

As you know, when the Congress approved section 227, it strongly recommended that OEO make available $4.5 million for the conduct of the youth sports program in 1974. However, OEO provided only $3 million for the 1974 program, which is the amount that had been provided in each of the program's first five years.

In the absence of increased funding, it was apparent that any diversion of funds to year-round programming would necessitate the elimination of several projects or a sharp reduction in the number of young people served. The project officer made the decision to maintain the summer program at previous levels, and this decision was concurred in by OEO's Office of Special Programs. I recognize that this action ignored statutory requirements, and steps have been taken to assure that it will not be repeated.

In practice, all 105 of the youth programs do provide some kind of year-round programming, but they do so largely at their own expense. At a minimum, this programming consists of free admissions for enrollees to athletic events, plus occasional, informal "rap," basketball and swimming sessions. Enclosure C consists of specific examples of the kind of year-round programming envisioned by section 227.

Instructions to institutions concerning their responsibilities for coordination with community agencies and residents is handled by directive from the National Collegiate Athletic Association office. Each institution is required to apprise the mayor of the target community of its plans and to solicit his suggestions. No application is approved until the mayor has indicated, in writing, his awareness and approval of the program. Specific examples of additional steps taken will be found in Enclosure D.

In reference to the question raised by your letter in the second paragraph on page 2, this statement is found in part II(C) of the 1974 guidelines: "To enable the institutions and their personnel to participate more fully in community life and in the solution of community problems."

Additional information accompanying this leter includes a list of participating institutions, complete with enrollment and other figures (Enclosure E); a breakdown of staff members and enrollees by sex (Enclosure F); a random sample of salary and wage schedules, including some from California (Enclosure G); an institution-by-institution breakdown of program expenditures for 1973 (Enclosure H); and an indication of the outside support received by one California program (Enclosure I).

The sports program utilizes volunteers in noninstructional, group supervision roles. The situation at Laney College in Oakland, California, is representative of volunteer participation. Laney has eight volunteer workers, all of whom are parents of enrollees. The volunteers are utilized as supervisors on buses, on field trips, in locker rooms, and at meal time. Laney also has 10 College Work-Study students who are used as program aides. The University of New Mexico invites seven parents for each program day. These parents visit all program facilities and talk to the program staff, and they also are used as bus, cafeteria and locker room monitors.

Since the sports program has operated for only four months under section 227, and since no Federal funds have been made available to participating institutions for the purpose of conducting year-around programs, I am unable to offer a realistic appraisal of the section's effect on the program.

If I can be of further assistance please don't hesitate to let me know.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Enclosures.

DELEGATION OF AUTHORITY REGARDING THE NATIONAL SUMMER YOUTH SPORTS PROGRAM

1. Pursuant to section 602(d) of the Economic Opportunity Act of 1964, as amended (hereinafter the "Act"), I hereby delegate to the Secretary of Health, Education and Welfare (hereinafter the "Secretary") such authority pursuant to section 222(a) of the Act as may be necessary for the purpose of carrying out a program during 1972 and 1973 to provide sports instruction and competition, supplemental health and nutrition services, and an awareness of career and educational opportunities to disadvantaged youth living in areas of concentrated poverty. The program shall be known as the "National Summer Youth Sports Program." The Director of the Office of Economic Opportunity (hereinafter the "Director") shall transfer to the Secretary such funds as the Director and the Secretary agree are necessary to finance this program.

2. In connection with the foregoing delegation, I further delegate to the Secretary authority under section 225(b) to provide a separate allotment, assuring an equitable distribution of funds reflecting the relative incidence in each State of the needs to which this program is directed, of the funds transferred to him for this program.

3. I further delegate to the Secretary such authority under sections 242, 244(2), 602, and 610-1(c) of the Act as may be necessary and appropriate in order to carry out his functions under this delegation.

4. The powers hereby delegated shall be exercised in accordance with the provisions of the Economic Opportunity Act and with such memoranda of understanding as may be entered into between the Secretary and the Director.

5. All operating information, evaluation reports and other data concerning the program administered under this delegation shall be freely exchanged between the Department of Health, Education and Welfare and the Office of Economic Opportunity pursuant to sections 60(d) and 633 of the Act.

6. The powers hereby delegated may be redelegated by the Secretary with or without authority for further redelegation. The Director shall be advised of all such redelegations.

Dated May 5, 1972.

1974 NATIONAL SUMMER YOUTH SPORTS PROGRAM

The program makes available to many American youths important experiences which they are unable to secure through their own means. Good facilities are utilized to provide supervised sports training and competition on an unprecedented scale. Program participants acquire valuable skills and health knowledge and are acquainted with career and educational opportunities. Principal partners in this effort are selected institutions of higher education, the National Collegiate Athletic Association and the President's Council on Physical Fitness and Sports. The combination of Federal funds and college resources offers leaders in education and athletics an opportunity and a challenge to perform a needed service which they are uniquely qualified to provide.

I. TITLE

The 1974 National Summer Youth Sports Program (NSYSP '74).

II. OBJECTIVES

A. To expand opportunities for disadvantaged youths to engage in competitive sports and benefit from sports skills instruction.

B. To help young people learn good health practices and become better citizens, and to acquaint them with career and education opportunities by utilizing the personnel and facilities of higher education.

C. To enable the institutions and their personnel to participate more fully in community life and in the solution of community problems.

D. To provide a combination of employment and on-the-job training in sports instruction and administration.

E. To serve the major metropolitan centers of the United States and other needful areas, within the limits of program resources.

III. PROGRAM DETAILS

A. Participating institutions

1. Eligibility: Selected institutions of higher education which are qualified to serve needful, disadvantaged areas (even though the institutions may not be located in such areas) are eligible to participate.

2. Facilities: Institutions must provide facilities (pools, gymnasiums, playing fields, tracks, etc.) and non-expendable equipment (mats, gymnastics apparatus, hurdles, etc.) at no cost to the program. Institutions may utilize facilities other than their own, provided such use is arranged at no cost to the program.

B. Participating youth

1. Status: At least 90 percent of the participants in each project shall meet the criteria set forth in the Office of Economic Opportunity Poverty Guidelines. However, the institution need not establish a special screening system if 90 percent of the participants are recruited or referred by the local

Community Action Agency, or by a similar agency whose primary focus is on the poor. An acceptable alternative is for 90 percent of the participants to be selected on the basis of residency within a target area designated for this purpose by the local Community Action Agency.

2. Age: 10 to 18 years old, inclusive, as of June 1, 1974. If individuals outside this age range are enrolled in a project, they are not to be included in NSYSP '74 budget or attendance figures. For youths of legal working age (16 years and over), experience indicates that evening activity sessions are most likely to prove successful.

3. Sex: All projects must include both boys and girls.

C. Project size

A minimum average daily attendance of 200 is required; greater numbers are desired as facilities and staff permit. If attendance consistently falls below the projected figure, replacements must be enrolled promptly to fulfill contractual obligations, and the Project Administrator shall inform the National Program Director of steps being taken to restore an effective project.

D. Project duration

Minimum project length is five weeks, five days a week, or six weeks, four days a week. No project may operate less than four days a week or more than six days a week. NSYSP funding will be provided for no more than 30 program days; projects desiring to operate for longer periods should seek other public or private funding.

A project day may be divided into two or more sessions, provided the projected average daily attendance figure is met by the combined attendance at these sessions.

Projects will operate between June 3 and August 30, inclusive, and must provide each enrollee an average of at least two hours of sports activity per day, exclusive of time required for travel, meals, enrichment program, dressing in and dressing out.

Projects must be continuous and must involve substantially the same youths for the full term of operation.

Up to three days of a project may be utilized for enrollment, medical screenings, orientation and staff briefings, although it is strongly urged that these activities be completed prior to the actual project starting date.

Institutions are encouraged to maintain year-round contact with enrollees. At least one contact per month is recommended. These contacts could be planned activities, such as field trips, cultural events, athletic contests, recreational sports, counseling sessions, etc.

E. Content

1. Activities: Institutions must provide instruction and competition in at least four of these sports: swimming, gymnastics, basketball, volleyball, track and field, soccer, tennis, badminton, touch or flag football, wrestling or one other sport suitable to local interest and available facilities. Emphasis on swimming, tennis and other lifetime sports with significant fitness value is strongly encouraged.

Every project must offer at least three activities suitable for participation by girls. Modern dance and several of the sports listed above are acceptable.

Baseball may be approved by the National Program Director under special conditions but is strongly discouraged on these grounds: (a) it is relatively expensive in terms of time, space and expendable equipment; (b) its fitness content is relatively low; and (c) it is intensively promoted and sponsored by other programs.

2. Enrichment Program: Each project must devote a minimum of three (3) hours per week, per enrollee, to drug abuse education; to instruction concerning job responsibilities and education and career opportunities; and to activities designed to promote sound health and nutrition practices. Special efforts should be made to involve respesentatives of academic disciplines, other institutional resources, private business and community agencies in this phase of the project.

3. Nutrition: A daily meal must be provided for each enrollee. Cafeteria meals are preferred, and the minimum requirement is a sandwich, milk and fruit. If you are receiving assistance from the United States Department of Agriculture, you must abide by USDA minimum requirements for the assistance program or the programs involved. When staff members take their meals with enrollees and utilize this time for discussion and counseling, their meals may be included in the project budget.

F. Enrollment

All youths must be enrolled and their names and addresses recorded. There shall be no fees or incidental charges.

G. Equipment and supplies

Each enrollee should supply his own personal gear; e.g., gym shoes and shorts. If an enrollee is unable to provide such equipment, the institution should strive to supply it for him. It is suggested that community and social agencies and local businesses be asked to assist in this regard.

H. Medical services

1. Screening: Each enrollee must be examined prior to participation in the program. The procedure shall include examination of eyes, ears, nose, throat, teeth, heart and lungs, plus checks for ruptures, hernias and obvious orthopedic defects.

A youth should be excluded from a project only if participation would aggravate an existing injury or defect, or constitute a threat to his life or health.

2. Treatment: Medical treatment of injuries and illnesses occurring during the program is required, and such services shall be provided on the same basis as they are provided to enrolled students of the institution.

3. Referral: A youth's family and the appropriate health agency must be informed of any health problem discovered during the screening process or during the course of the project.

4. Followup: When a health problem is discovered, the institution shall pursue the matter until the problem receives proper treatment, or until all reasonable opportunities for such treatment have been exhausted.

Institutional responsibility for pre-existing medical problems, or for problems unrelated to NSYSP participation, ends with the conclusion of the project.

I. Staff

Each staff shall have a nucleus of trained professionals, such as coaches, physical education instructors and intramural supervisors, to be assisted by student-athletes and others competent to supervise youth sports activities. A full-time Liaison Officer shall be employed to assist in such tasks as recruiting, medical referral and followup, record-keeping, counseling and community relations. The Liaison Officer shall devote a significant portion of his time to identifying films, hand out materials, teaching aids, community resources, etc., to assure an interesting and informative Enrichment Program.

Each project should attempt to recruit a staff sensitive to the needs and problems of its enrollees. The staff should reflect, as closely as possible, the racial makeup of the participants and should take into consideration the proportion of boys and girls in the project.

The Project Administrator may delegate authority for day-to-day project supervision to an Activity Director, but he shall retain responsibility for project performance and compliance with the contract.

The project shall provide maximum feasible employment opportunities in all staff categories for qualified poor residents of the target area who meet Office of Economic Opportunity poverty guidelines regarding family income. We encourage institutions to employ trained professionals who reside or work within the target area in the program, but their employment does not fulfill the goal of attempting to provide employment opportunities for disadvantaged residents of the target area.

J. Insurance

The following insurance coverage is mandatory for all institutions: $7,500 per person for accidental death and dismemberment, and up to a maximum of $6,000 per person for accident medical expense plus third party liability and property damage insurance to protect the participants, the staff, the subcontractor and the NCAA to a maximum for bodily injury of $100,000 per person, $300,000 per occurrence, and for property damage to $100,000 per occurrence ($100 deductible on third party liability and property damage insurance). Arrangements have been made by the NCAA to purchase this comprehensive coverage from an insurance company, but for an institution to be covered it must enroll in the plan by completing the enrollment form furnished by the insurance company. The cost, which is outlined on the enrollment form, is as follows: A. Accident-Medical Insurance, four cents per participant per day; B. Public Liability Insurance:

Number of Participants:	*Premium*
1–100	$100
101–200	125
201–400	150
401–500	175
501–600	200
601–1000	225

An institution may enroll in both of the above Plans, or in *only* the Accident-Medical Plan, but may *not* enroll in the Public Liability unless also enrolled in the Accident-Medical Plan.

Institutions may purchase insurance locally, provided they can obtain equal or superior coverage at the same or lower cost. If insurance is obtained individually by an institution, it must be submitted to the NCAA national office for written approval; and if it is found that the insurance does not meet the above minimum standards, the institution will be enrolled in the NCAA approved plan and the costs of individually obtained insurance will be disallowed.

Insurance enrollment forms will be enclosed with each Application for Participation in the NSYSP.

K. Cooperation with community

The Project Administrator shall familiarize the Mayor and the Community Action Agency and other public and private organizations whose major focus is on programs for the disadvantaged with his project plans and shall exert every effort to coordinate such plans with other local programs in a way which will maximize the effectiveness of the project. After NSYSP Administrative Committee preliminary approval of an Application for Participation, but prior to final approval and allocation of funds, the institution shall obtain written approval of its project signed by the Mayor of the Community being served. A copy of such approval shall be provided to the NCAA prior to final action on the application.

L. Application and reporting procedures

1. Interested institutions shall complete, in detail, the Application for Participation form. Applications must contain items such

as projected average daily attendance, budget request, and proposed program content, facilities, staff schedule, etc.

2. Applications are to be submitted to the NCAA, U.S. Highway & Nall Avenue, Box 1906, Shawnee Mission, Kansas 66222, for consideration and action by the NSYSP Administrative Committee.

3. Participating institutions are required to submit three detailed reports, one at the mid-point of the project and the other two reports following the close of the project. These reports shall be made on prescribed forms and shall be forwarded to the NCAA.

4. Every institution must file all reports on time. Final payment will not be made until all reports have been received and approved.

IV. PROGRAM ORGANIZATION AND STRUCTURE

A. Parties

United States Government: Office of Economic Opportunity (OEO) and the President's Council on Physical Fitness and Sports (PCPFS).

Universities and Colleges: The National Collegiate Athletic Association (NCAA).

B. Responsibilities

PCPFS: Over-all program approval and supervision. Administrative management processes (e.g., funding procurement, contract development and letting) and all other functions required at the U.S. Government level.

NCAA: Program direction and control, including selection of institutions, approval of proposed projects, responsibility for program detail and project execution of its member and non-member supplementary institutions.

C. Key Personnel

1. William Exum, Head, Department of Health, Physical Education and Athletics, Kentucky State University, Frankfort, Kentucky, Chairman, NSYSP Administrative Committee.

2. V. L. Nicholson, Director of Information, PCPFS; Federal Project Officer for the NSYSP.

3. James H. Wilkinson, Controller, NCAA: NSYSP National Program Director and Secretary to the Administrative Committee. Direct all inquiries regarding Guidelines to James H. Wilkinson.

D. Operating relationships

1. NCAA is prime contractor to PCPFS for program; the participating institutions are responsible to the NCAA.

2. PCPFS and NCAA jointly shall dvelop guidelines and criteria which allow for various approaches to be used at local level as conditions warrant.

3. NCAA certifies the total program's adherence to PCPFS.

4. PCPFS and NCAA monitor program separately and jointly; NCAA responsible for adjustments, re-direction, etc., of individual projects, as indicated to it by PCPFS or as NCAA itself directs.

5. NCAA renders interim and final report per requirements established by PCPFS, assists in closing total program evaluation.

V. PROGRAM FINANCIAL MANAGEMENT

A. Contractual

The United States Government (PCPFS) and the NCAA are parties to a formal contract, of a cost sharing, cost reimbursable type.

B. Funding nature and level

1. Pooled resources basis, a combination of in-kind and financial. Each institution provides not less than 20 per cent and the U.S. Government the remainder of total project cost. Subject to the 20 per cent requirement, the share of each party (institutions and federal) will vary according to project content and institutional facilities involved.

2. Selected institutions shall provide their facilities, basic equipment needs and a Project Administrator (e.g., athletic director or assistant athletic director).

3. The United States Government shall provide financial resources to cover direct costs incurred in the conduct of each project such as reasonable fees for coaching and supervisory personnel, transportation of enrollees, meals, insurance, medical expenses, clean-up and necessary repair of facilities (if damage directly related to project), and expendable supplies and equipment purchased for the project.

No indirect costs or overhead charges will be paid.

4. The NCAA will provide all of its services, including the National Program Director, without any charge against the program.

5. Actual contract amount per institution shall be based upon number of youth, project content and length, and supporting services provided.

C. Funding administration

1. The NCAA will be awarded a contract with the United States Government and will subcontract with designated institutions whose budgets have been approved by the NSYSP Administrative Committee in accordance with the foregoing guidelines. The NCAA shall make payments to the participating institutions in such amounts and at such intervals as shall be determined by the NCAA and the PCPFS.

2. PCPFS has the role of contract monitor to the NCAA. PCPFS monitors program performance, exercises general supervision of contract and executes closing fund disbursement upon conclusion of post-program audit.

VI. OTHER PROGRAM RESOURCES

A. United States Government

1. College work-study program enrollees may be made available by the individual institutions to work in the program. Their costs, however, are not chargeable to this program.

2. United States Department of Agriculture—Food Assistance Program.

3. For additional resources, *see Planning and Operations Guide.*

B. National Collegiate Athletic Association

1. Its full resources will be brought to bear to develop and stimulate a continuing, successful program.

2. The NCAA (in cooperation with PCPFS) will urge private sector, on both national and local levels, to support the program. Private sector support might include such resources as transportation, equipment and supplies, volunteer labor, incentives and awards materials.

Mr. CRANSTON. Mr. President, the Secretary's response to my letter is somewhat reassuring with respect to the program's compliance in the future with all of section 227's requirements—especially year-round activities.

CONCLUSION

Mr. President, in closing I would like to stress that the poverty programs discussed above, and others contained in the reported bill, have demonstrated their effectiveness in helping to meet the needs of the poor. In "An Analysis of the Economic Impact of a Community Action Agency," prepared by the Technical Assistance Division of the California State Office of Economic Opportunity, the introduction states—

> Because bad news makes news, the positive and vital contributions made by Community Action Agencies may have been lost or have gone virtually unnoticed.

I can assure you, Mr. President, the contribution of poverty programs do not go unnoticed by one very large group of people—the tens of millions of poor people, who would have no measure of relief at all, if these programs did not exist.

The antipoverty program does not, Mr. President, come anywhere near meeting all our concerns and all our responsibilities toward helping poor persons improve their lives and opportunities. But it is an important sysmbol of our resolution to continue to fight—and hopefully win— the war on poverty, and I believe we are morally obliged to keep it going—to keep faith with the poor—by passing this reasonable measure. In truth, we should be doing much, much more.

EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. The hour of 9:30 a.m. having arrived, the Senate will now go into executive session to consider the nomination of Melvin A. Conant, of New York, to be an Assistant Administrator of the Federal Energy Administration.

NOMINATION OF MELVIN A. CONANT TO BE AN ASSISTANT ADMINISTRATOR OF THE FEDERAL ENERGY ADMINISTRATION

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be equally divided between Mr. METZENBAUM and the assistant Republican leader or his designees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I relinquish my time to the Senator from Arizona.

The ACTING PRESIDENT pro tempore. Does the Senator from Arizona desire to yield time?

Mr. FANNIN. Mr. President, if the Senator from Ohio will permit me to make a unanimous-consent request, Mr. President, I ask unanimous consent that Mr. Fred Craft, Harrison Leosch, Dave Stang, Margadale Shute, and Joe Jenckes be permitted the privileges of the floor during debate on this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. METZENBAUM. Yes.

Mr. HANSEN. Mr. President, I ask unanimous consent that a member of my staff, Nolan McKean, be granted the privileges of the floor during the debate on this confirmation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. I thank my colleague very much.

ORDER OF BUSINESS—SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for 30 seconds?

Mr. METZENBAUM. Yes.

Mr. ROBERT C. BYRD. Mr. President, I simply want to state, as in legislative session, that the vitiating of the morning hour at 9 o'clock tomorrow does not mean that the Senate will not be in session tomorrow. It will be in session and votes will occur.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, as a member of the Interior Committee, which held 2 days of hearings on the nomination of Melvin A. Conant, I am acutely aware of the difficulty of the problem now before the Senate. On the one hand, we have no reason to question Mr. Conant's ability or integrity. On the other hand, there are important questions of principle involved. Senators Jackson, Church, Abourezk, Haskell, and Nelson, opposed this nomination in committee.

These questions are larger than any single man, and I think they deserve the consideration of the entire Senate.

As you know, the President withdrew the nomination of Andrew Gibson as FEA Administrator. There is some difference between the case of Mr. Conant and Mr. Gibson, but it is a difference of degree, not of principle. Mr. Gibson accepted a severance arrangement when he resigned as president of the Interstate Oil Transportation Corp. which will pay him $880,000 over a period of years.

Mr. Conant received a "100 percent discretionary" severance payment of $90,000 when he left Exxon Corp., where he had been a vice president immediately before coming to government.

One of the major questions raised by this nomination is who is going to run the FEA—only those who come from the oil industry, or those who are uncommitted, unrelated, and under no suspicion as being biased in favor of the petroleum industry? Since coming to the Government in January, Mr. Conant has appointed as his chief deputy a former Mobil Oil Co. executive. He has hired as senior assistants two other men who came directly from the oil industry. I do not contend that the FEA should employ no one from the oil industry. I do believe, however, that those whose main professional experience has been in the oil industry should not dominate the making of Federal energy policy.

Mr. President, the second question posed by this nomination concerns the credibility of the Federal Government. We will be asking the American people in the years ahead to support difficult decisions concerning energy policy. Can we expect the support we need, the support of the American people we need so much when one of the highest ranking policy officials of FEA would be under a cloud of suspicion by reason of his having accepted a $90,000 severance payment from the Exxon Corp.?

Now I would like to discuss with you the testimony and evidence as presented to the Senate Interior Committee.

First, Mr. President, we learned during the confirmation hearings that the Exxon policy of paying bonuses to executives who leave for Federal service is not a fixed policy at all. Some get it. Some do not. It is completely discretionary with the company. On September 23, the Interior Committee heard the testimony of J. J. Moore, senior adviser for executive compensation at Exxon. Reading from the transcript of the September 23 hearing:

> Question. "Is that discretionary? I thought that was an established policy."
>
> Mr. Moore. "No, it is completely discretionary."
>
> Question. "So, the entire payment when a man leaves Exxon to go into government is one hundred percent discretionary?"
>
> Mr. Moore. "One hundred percent "

The September 23 hearing also brought out the fact that severance payment was not made to a senior Exxon executive who departed for Government service without first advising Exxon that he intended to do so. This senior executive had been completely in charge of Exxon's operations in the Caribbean area, had worked for the company for approximately 19 years, and had performed well in their service. But because he failed to ask or to advise the company in advance he received not one penny in severance pay.

Now looking further at this severance payment and the implications of it in the Conant case, the testimony of Mr. Moore clearly indicated that the severance payment would have been withheld, would not have been paid, if Mr. Conant had expressed disagreement with Exxon's policies. Again reading from the September 23 transcript:

> Question. "Let me ask you, then, a hypothetical question. Let's assume that Mr. Conant in leaving your employ had made it quite clear that he was in total disagreement with the policies of Exxon. Would you have still had the same compassion, would he still have received the . . . bonus? Has that happened to you where you had people leave who didn't agree with the company . . .?"
>
> Mr. Moore. "I would say in that situation the payment would not be made."

Third, Mr. President, the testimony of Mr. Conant was clear that he might not have taken the Government position if he had not received the $90,000 severance payment from Exxon. The following exchange occurred at the September 23 hearings:

> *Question.* "Mr. Conant, if you wouldn't have been able to get that clearance so that you could accept the $90,000, would you have still accepted the position with the FEA?"
>
> Mr. Conant. "I can't say that for sure."
>
> *Question.* "What you are saying is that if you hadn't received this $90,000 bonus, you might not have joined the Government?"
>
> Mr. Conant. "Right."

Fourth, Mr. President, our hearings revealed that the Justice Department has concluded that, while no criminal liability is involved, serious questions exist about the propriety of the severance payment.

In a written opinion of August 7, the Department said: "We do have reservations concerning technical compliance with 18 U.S.C. 209(a) in this instance"—18 U.S.C. 209, the section of our code, prohibits the supplementation of the salary of a Government employee. In that same opinion, it was urged, "That the entire matter be laid before the appropriate Senate committee for its consideration."

And the last line of the opinion—that is the opinion from the Attorney General's office—summarizes the entire thrust of my opposition to the confirmation of Mr. Conant. It reads:

> It must be remembered that the Government has an obligation not only to avoid violations of the conflict of interest laws but also to prevent situations having the appearance of conflict of interest.

Mary C. Lawton, Deputy Assistant Attorney General, Office of Legal Counsel, author of the Department's opinion just quoted, subsequently testified in person before the Interior Committee on December 2, and that testimony is very relevant to the issue before us.

> Ms. Lawton. "Were we asked before the payment was made, we would have suggested that he not take it."
>
> *Question.* "You would have suggested that he not take it?"
>
> Ms. Lawton. "We would have suggested that, yes, sir."
>
> *Question.* "You feel because he had already accepted it, therefore, in your opinion it was legal, although if you had been asked prior to his accepting it, you would have provided a different opinion?"
>
> Ms. Lawton. "No, Senator, not at all. We feel it was extremely troublesome; lay it all out before the Senate and let the Senate decide. We did not say it was all right."
>
> *Question.* "You did not say it was all right?"
>
> Ms. Lawton. "We did not say it was all right."

Fifth, Mr. President, Mr. Conant was asked several times during the hearings about his career plans after he leaves Federal service. Mr. Conant has not been willing to assure the Senate that he will not return to Exxon or the energy industry. It should be noted that Mr. Sawhill, the former FEA Administrator, assured the Senate at the time of his confirmation hearings that he would not take a position in the oil industry at any time in the future. Mr. Zarb, the new FEA Administrator, when he appeared before the Interior Committee just the other day and since confirmed as the new FEA Administrator, has pledged that he will not accept an oil industry position for at least 1 year after leaving Government. That is not the posture of Mr. Conant.

Mr. PASTORE. Will the Senator yield for a question?

Mr. METZENBAUM. I yield to the Senator.

Mr. PASTORE. I mean, was it explained why the severance pay was necessary at all?

This man was not being fired, he was not being laid off. Was this not a choice that he himself was making?

Mr. METZENBAUM. Yes; the answer is "Yes."

Mr. PASTORE. Well, now, why the severance pay, why this bonus from a company with which he was employed. Was that explained?

Mr. METZENBAUM. According to Exxon, they paid in order to relieve economic hardship, which I believe violates exactly the spirit of 18 U.S.C. 209, which prohibits supplementation.

Mr. PASTORE. Well, does not that make the man beholden to the industry?

Mr. METZENBAUM. That is exactly the point of my opposition.

Mr. PASTORE. Does he receive a pension or has that been waived?

Mr. METZENBAUM. Such pension

rights as he has are not waived, they were vested rights and——

Mr. PASTORE. In other words, vested rights, but the fact still remains he is collecting this money from some plan inaugurated by Exxon Co., is that true?

Mr. METZENBAUM. He took his rights out when he left.

Mr. PASTORE. Does the Senator mean they were incorporated in the severance pay?

Mr. METZENBAUM. No; the pension part was not included in the severance that time.

I believe he may be entitled to a modest pension still; I am not certain of the answer to that.

Mr. PASTORE. In other words, he is being paid off by this company on a pension that was more or less instituted by the company itself.

Mr. METZENBAUM. He is being paid off more than a pension, by far. The $90,000 represented all kinds of rights they claimed he might have received in the future. Even the appreciation of stock was included, and the determination of the amount was totally discretionary with the company.

They sat down in committee meetings and said, "Here, we are going to give this to you."

Mr. Conant then said that he would take that and told us if he had not received it, he might not have taken the FEA job.

The Senator from Rhode Island's point is very apt. This certainly makes him, in my opinion, very beholden.

Mr. PASTORE. The thing that bothers me is, after all, we have 210 million Americans and a tremendous amount of talent in this country, and why this administration has to always look to the industry that has to be regulated for the people who are going to do the regulating, I cannot understand.

To me, that is an out-and-out conflict of interest inimical to the public interest.

Mr. FANNIN. Mr. President——

Mr. METZENBAUM. Mr. President, I assume this is not on my time?

The ACTING PRESIDENT pro tempore. Yes, 30 seconds or so.

Mr. FANNIN. Mr. President, will the distinguished Senator from Ohio yield just for a clarification on my time to the question of the distinguished Senator from Rhode Island?

I would just want to say that this is within the termination program of Exxon, and if the Senator would permit me to just read:

> When an employee is granted a Public Service Leave of Absence or Termination, the Company will pay a lump sum to the employee, prior to the absence or termination as the case may be, in consideration of his past service. The amount of the lump sum shall be one-quarter of a month's pay (or such larger fraction as may be recommended by the Employee Relations Department Management) per completed year of credited Company service, but in no event more than twenty-four months' pay.

Now, I will in my statement try to cover thoroughly that Mr. Conant did not initiate this at all from the standpoint of the work with the Federal Government, he was solicited, and I will try to cover the question in the distinguished Senator's mind.

Mr. PASTORE. Will the Senator deny that depending upon the sum that was agreed upon has a great deal to do as to the relationship he now has with the company?

If he got a very satisfactory settlement, he is going to be very kind to the company, and the company knows that. The company knew where he was going, the company knew he was going to a Federal position to supervise the company, and they gave him 90,000 bucks to make sure he would do the right thing in the future, and we are no better off here than with Gibson.

Mr. FANNIN. I would like to just cover that, if I could. It is entirely different, and the company does not even like this, as far as that is concerned. They did not promote that, and the circumstances are entirely different.

I do not know whether the Senator is interested in listening to the comparison or not.

Mr. PASTORE. I am, I am. I am right here. I have no ear trouble.

Mr. FANNIN. The Senator is always willing to cooperate, and I appreciate that very much. But the circumstances of the agreement on Gibson did not include Government approval.

With the Conant case it did. Conant did not have this understanding until after he had come to the Government and after he had had an understanding that this was satisfactory. The attorneys at the FEA, their legal counsel, went through this thoroughly. The employees sought and recieved Government approval, and also that of Secretary Simon, before accepting the termination payment.

Number 2, Mr. Gibson was paid $880,000 he had received during a 10-year period, including during any Government employment. It is entirely different. The $90,000 received by Conant was received in a single lump sum before coming to the Government. So there was a complete termination.

Mr. PASTORE. If the Senator will yield, according to the letter deposited on my desk, it says that the Justice Department has concluded that while no criminal liability is involved, serious questions exist about the propriety of the severance payment. This is the Justice Department.

Mr. FANNIN. That was one person in the Justice Department; I grant you that. I do not think that, if a thorough investigation were made, this was any type of decision by the Justice Department.

Third, on Gibson, the employment for approximately 1 year, all he had before receiving termination payments was 1 year. Employment for Conant was for more than 12 years before he received termination payment.

With Gibson there was continuing financial interest in the company involved during the period of entitlement to payments. So this is entirely different. The termination with Conant is complete. The payment made is a process of severing all financial arrangements with Exxon.

With Gibson, the payments made are part of an ad hoc agreement with a particular employee. This is certainly not true of the payment with Conant. Payments were made pursuant to a longstanding plan applicable to all Exxon employees. I think that we have a completely different matter for consideration.

With Gibson, there was no Federal legal review of the proposed payment. As I stated before, in Conant's case, there was a legal review of payment by FEO, then FEA, and the Department of Justice.

I trust that the Senator will take that into consideration. I appreciate his patience in listening to me. I thank the Senator from Rhode Island.

Mr. METZENBAUM. Mr. President, may I assume that the time of the colloquy which just took place was on the Senator from Arizona?

Mr. PASTORE. That is correct.

The ACTING PRESIDENT pro tempore. The Senator from Ohio is correct.

Mr. METZENBAUM. With regard to the legal opinion that was talked about, the legal opinion that the Senator from Arizona referred to was prepared actually in the offices of the Exxon Corp. They then turned it over to the FEA attorney and they asked for Mr. Simon to sign such a letter. The opinion had no substance.

Mr. FANNIN. Would the Senator furnish any information in that regard? I have other information that that is totally wrong, that that is not the case at all.

Mr. METZENBAUM. The Senator from Ohio stands corrected.

Mr. FANNIN. There was a letter, but that is all. It certainly was not prepared.

Mr. METZENBAUM. But there was a letter——

Mr. FANNIN. Well, letters go back and forth. But I think it is wrong for the Senator to make the statement he made.

Mr. METZENBAUM. Will the Senator from Arizona agree that it was the letter that was signed by Mr. Simon that was prepared in Exxon's office and then returned to Exxon? Is that correct?

Mr. FANNIN. That is correct.

Mr. METZENBAUM. As long as we have the facts correct.

Let me further respond to the comment of the Senator from Arizona relative to this being a longstanding policy of Exxon. There was a policy providing for one-quarter of a month's payment for each year up to a maximum of 24 months, and it could not be less than one quarter. That was the policy.

When we inquired of Mr. Moore relative to that policy, Mr. Moore said that in spite of that policy, that merely provided for the parameters and that they could have paid him nothing at all; all the policy did was provide for a maximum.

Mr. FANNIN. There is no argument on that, but the policy had been in operation approximately 30 years.

Mr. METZENBAUM. It is a policy without any fixed aspect to it. It is a policy that says, we shall give to you, Mr. Conant—I do not care to yield at this time.

Mr. FANNIN. It was discretionary. Let me just say to the Senator, I realize it is discretionary.

Mr. METZENBAUM. Let me point out that if Mr. Conant had indicated he did not agree with their policies, he would not have received it. If Mr. Conant had not come to them, and asked their advice and consent as Mr. Trowbridge failed to do, he would not have received it. There may have been other reasons. But they paid it to Conant because they were satisfied that Conant was the kind of man they wanted to be regulating this industry.

Mr. President, we must ask ourselves why a giant corporation like Exxon pays such severance bonuses at all. I checked with 15 major oil companies in this country. Thirteen of them said, and the evidence is in the record, that they would have paid him no severance bonus and they had no policy for paying severance bonuses when a man left to go into Federal employment.

We know that payments are not made to all departing executives, or even to all executives leaving for Government service. They are given as a matter of corporate generosity on a case-by-case basis. Does not the natural feeling of gratitude which the former employee would feel, in effect, enhance and extend the influence of Exxon in Government? I think it does and I think that this is precisely the reason why Exxon makes such gifts.

Mr. President, I know that FEA needs people who understand the complexities of the energy industry. At the same time, I feel very strongly that we can find knowledgeable administrators who are not encumbered by questionable financial arrangements with corporations they will be regulating.

Without casting aspersions on Mr. Conant's personal integrity, I urge the Senate to reject this nomination. I urge rejection on the basis of a principle which transcends any single man—that the Government must avoid the appearance and reality of anything but the most impartial application of our laws.

Mr. President, I am pleased to report here that a number of organizations and individuals feel the same way, that this man's confirmation should be rejected. These organizations, which are concerned with the environment, with consumer affairs, with labor issues and law reform, have all urged, either by written communication or by oral presentation to the committee, that the nomination be rejected.

In alphabetical order they are:

AFL–CIO, Americans for Democratic Action, Center for Science in the Public Interest, Common Cause, Consumer Federation of America, Corporate Accountability Research Group, Environmental Action, Environmental Policy Center, Friends of the Earth, Arthur Miller, National Law Center, George Washington University, Ralph Nader, United Auto Workers, United Mine Workers.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Ohio has 10 minutes remaining.

Mr. METZENBAUM. I thank the Chair.

I yield 5 minutes to the distinguished Senator from South Dakota (Mr. ABOUREZK).

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 5 minutes.

Mr. ABOUREZK. Mr. President, first of all, I should like to commend Senator METZENBAUM, from Ohio, for the diligent work that he has put into the Conant nomination. I have sat with him in committee and in meetings in an effort to try to bring forth to the Senate and to the public what I believe, along with Senator METZENBAUM, are the pitfalls of nominating someone who has received this kind of lump-sum payment from a private company, to go into an agency which will regulate the company which made the payment. To me, as with Senator METZENBAUM, it is not a question of the competence or the integrity of Melvin Conant. I believe he has both competency and integrity. What he does not have is either accountability to the publice, once he is confirmed, as an elected official might, nor does he have, as any human does not have, the strength to withstand some kind of subconscious obligation to the company which made that payment to him.

I think it would be a tragic mistake for the Senate to confirm anybody who is placed in that position of having to deal with an industry from which he came and from which he received that kind of a money payment, and with a potential of returning to that industry when he finds that his Government service might be drawing to an end. The minute he feels that he wants to get out of Government or that he will be released from Government, there is no question in my mind that, being a human being, the quality of decisions that he will make with regard to the oil industry will, of necessity, be softened as a result of his knowledge that that is the industry in which he will have to seek employment when he is done.

I urge that the Senate reject Mr. Conant's nomination on those grounds.

I thank the Senator for yielding.

Mr. FANNIN. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. ALLEN). The Senator has 19 minutes.

Mr. FANNIN. Mr. President, it is my opinion that President Ford's nomination of Melvin A. Conant to be Assistant Administrator for International Affairs of the Federal Energy Administration is one of the best and most responsible sub-Cabinet-level nominations which we have considered. It is therefore unfortunate that this nomination has raised a controversy.

Mr. President, I want to put the background of that controversy in perspective. Mr. Conant has had a distinguished career in the academic and thereafter in the business world for 13 years prior to his employment by the Federal Energy Office a year ago this month, he was employed by Exxon Corp. He rose to be its director of international affairs, a high level executive position in which, at the conclusion of his service, he was receiving almost $80,000 per annum in total compensation, including salary, bonuses, and stock options. Toward the end of his Exxon service, considering the urgencies facing the United States in international energy matters, Mr. Conant was not entirely satisfied that the major oil companies, including his own, were acting at all times in the best interest of the United States. He was, therefore, receptive when approached by the administration with an offer of the equivalent of a level IV executive branch position, although acceptance of the same would reduce his income from the approximately $80,000 he was then earning to the Government's $38,000.

Exxon had a 30-year-old policy of making termination payments to employees who left the company for public service positions of any kind, whether to local, State, or Federal Government, foundations, or institutions of learning. These termination payments were discretionary with the company, but when made, were in the nature of extra bonuses in payment for past service.

Shortly after he was approached by the administration, Mr. Conant was advised of this company policy—of which he had no prior knowledge—and discussed the possibility of his receiving such a payment with the senior personnel officers of Exxon. At this point, the question of the propriety of his receiving such payment immediately before going into Federal Government service was raised. Both Exxon and Mr. Conant took immediate steps to determine this question before such payment was either offered or accepted.

The matter was submitted to the Federal Energy Office. Legal advice from that agency was obtained. The White House was notified. Upon advice of counsel, the present Secretary of the Treasury, William Simon, who was then Deputy Secretary of the Treasury as well as Director of the Federal Energy Office, wrote Exxon stating that the acceptance of such a termination payment would constitute no conflict of interest and was acceptable to the agency. This determination was conveyed to Mr. Conant. Then, and not until then, he accepted the proffered payment of $90,000.

Mr. President, the Exxon termination payment policy was essentially that such a payment would be a minimum of 1 week's pay for each year of company service, and could range from there to not more than twice the annual salary of the recipient. As I have mentioned, Mr. Conant's total remuneration from Exxon at the time of his termination was close to $80,000 per year. His base salary was at the annual rate of $57,500. It is thus clear that the payment to him of $90,000 fell well within both the minimum and maximum limits of the Exxon policy.

All of the facts and all of the implications surrounding this payment were thoroughly examined by the committee in its extended hearings on Mr. Conant's nomination and were further clarified by correspondence which appears in the RECORD. The Interior Committee has on two occasions forwarded Mr. Conant's nomination to the floor.

Mr. President, the Senate should also know that every Senator who has examined into this matter, including those opposed to Mr. Conant's confirmation by the committee, have placed on record their statements. These statements are unanimous that Mr. Conant's personal character, his competence, his moral sensitivity, his skill and expertise in his field, his honesty and candor, are all beyond question. The criticism of his nomination is solely directed to his prior connection with the oil industry, his acceptance of the termination payment, and his refusal to promise not to return to the industry.

Mr. President, how often do we receive a nomination which carries with it unanimous confidence in the character and ability of the nominee? Not very often.

Mr. President, how are we, as a government, to obtain the service of competent and dedicated people if we are to subject them to new and unknown standards on an ad hoc basis as they appear before us? How are we to explain to such candidates that a legal determination by the administration that a set of circumstances which does not constitute a conflict of interest is no guarantee of their acceptance by this body? Few self-respecting capable people will be willing to accept such conditions to Federal employment and regardless of which administration may be in power, the public interest will suffer.

Mr. President, I submit that the nomination of Mr. Conant should be unanimously confirmed by the Senate.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Ohio has 6 minutes.

Mr. METZENBAUM. Mr. President, I agree with much of what the distinguished Senator from Arizona has said, particularly when he talks about the integrity and character of Mr. Conant. But, as I stated previously, that is not the issue.

With respect to the matter of the legal opinion, I should like to address myself to that, because we are talking about two different legal opinions. I addressed myself originally to the legal opinion of the Department of Justice. Now let us talk about the legal opinion that was obtained prior to Mr. Conant coming with the Government. I will read the entire legal opinion on that subject. This comes from Mr. James R. Haynes, Acting Deputy General Counsel of the FEA:

> I have examined the draft of the proposed letter from Exxon to Mr. Conant, and the suggested letter from the FEO. I find no conflict of interest regarding Mr. Conant's employment with the FEO and his previous employment with Exxon.
>
> Exxon has stated in the proposed draft letter that all participation by Mr. Conant with the corporation will terminate and neither party will have any obligations to the other. Additionally, there is no obligation or commitment on the part of the corporation to offer employment to Mr. Conant or on his part to accept employment if tendered.

Now I read what I consider to be the crux of that legal opinion:

> The only possible area of contention, public relations wise, is the $90,000 paid to Mr. Conant. This payment is valid and will cause no problems as long as it is part of a past agreement and/or Exxon policy and not established for this particular case.
>
> JAMES R. HAYNES,
> *Acting Deputy General Counsel.*

Mr. President, I point out to the Members of the Senate that that opinion is based upon a false premise. It is not a part of a past agreement. It is not a part of Exxon policy. The Exxon policy is a flexible, amorphous kind of thing. It is a policy when they want to pay it to those in whom they have confidence, to those they think will be beholden to them, but not to those who leave the company and say that they disagree with Exxon policy, and not to those who leave their company for any other reason that does not meet with the approval of Exxon. It is not a fixed Exxon policy; it is not a past agreement; and the legal opinion that was rendered at that time is totally inapplicable by reason of the fact that it is based upon a false premise.

I say to the Senate that despite the fact that this is a decent human being, the issues presented in this case are whether or not the FEA is going to be controlled by the oil companies of this Nation, and whether or not the people of this country can be expected to comply with FEA energy policy when they have a question in their own minds as to the credibility, as to the integrity, and as to whether or not the oil companies are setting those policies or they are being made for the benefit of all the people of America.

I believe it imperative that this nomination be rejected if we are to restore credibility to this Government.

Mr. FANNIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 15 minutes. The Senator from Ohio has 2 minutes.

Mr. FANNIN. Mr. President, I understand the sincerity of the distinguished Senator from Ohio, but I believe he is wrong. He is wrong because he is asking for a new rule to be applied to one man. He wants to do something that has never been done before. I refer to the letter he read from, from the Department of Justice. On page 2 of that letter, the following paragraph appears:

> On the basis of the facts represented to us (Mr. Conant received his payment pursuant to a longstanding Exxon policy embodied in a formal document entitled "Public Service Leave of Absence and Termination Policy."

I think it is very clear, Mr. President, that this gentleman, according to everyone who has discussed the matter, whether it be on the floor of the Senate or in the hearing room, has the expertise, the qualifications, the honesty and integrity, and is beyond reproach, and that he is an excellent selection. Mr. President, I would hope we would consider that he is making a great sacrifice to serve his country, and on that basis I think it is very narrow for us to consider discriminating against this one man, who followed every procedure possible to be sure he was doing what was right.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. FANNIN. I am very pleased to yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank my colleague from Arizona for his courtesy in giving me the opportunity to make some observations. I think in order to put this whole debate in perspective, it would be useful to reflect upon what has happened in this country in the last several years.

We have become caught up in an energy crisis. The use of power around the world has increased more than arithmetically; it has increased geometrically. In the United States, for each one hour of work undertaken by an individual on the farms and ranches in America, we consume 1.2 gallons of fuel. This is an energy-intensive nation. We use nearly one-third of the world's total energy supply. Jobs are dependent upon it. Employment rises and falls depending upon its ready availability or the scarcity thereof. And what is true in America is true throughout the world.

It is true also that we have lost the abundance of energy that we once took for granted as commonplace in America, and we know, having learned the hard way, that we are dependent upon foreign sources of supply.

Several things have happened to exacerbate this dependency upon others throughout the world. America devalued the dollar, and that single action in itself resulted in a sharp escalation in profits for the international oil companies. We have had trouble in the Middle East, and the Arab countries, finding the policies of the United States of America not to their liking, chose last winter to place an embargo upon exports of oil to the rest of the world, and particularly to those nations that were, in their judgment, siding with the Israelis rather than with the Arabs.

There was an escalation in profits because of the devaluation of the dollar, and because the Arab countries chose to increase the price of crude oil, as they were able to do, being the most significant suppliers with exportable surpluses, as is the case.

Add those facts to the domestic difficulties we are having in this country today with unemployment and inflation, and add to that the very important advocacy role that the media have taken in making the oil industry the bad boys of American industry today, and you start to comprehend why it is possible for people to become as inflamed as many are over anyone who has had anything to do with the oil industry.

I say this not to point the finger of blame at anyone, but rather to help people understand the sadness that envelopes me in seeing questioned the suitability of a person as eminently qualified as Melvin Conant is, a person who has his expertise and experience, who would bring to this Government the ability to make meaningful responses to the tough, complicated questions that confront America these days, as we are trying to seek ways to minimize our dependency upon foreign countries which are exporting oil to this country and at the same time to see what can be done to increase our self-sufficiency.

Melvin Conant is uniquely qualified by any test one can make to help America out.

But because we have whipped up such a frenzy of emotion, making it appear as though everyone who has ever had anything to do with the oil industry is bad, there is some question as to what action the Senate may take on this confirmation. I hope for the good of America that we will make the right choice.

I would like to quote one or two sentences from the testimony that was given by Dr. Paul Fye, the president of the Woods Hole Oceanographic Institute at Cape Cod, Mass. I say that because, insofar as I know, Mr. President, two of the persons whose names appear on this letter may have been at the hearings. But to my knowledge, at least while I was there, they were not there. I think it is also fair to say that when the vote was taken on reporting out the nomination of Dr. Conant, their votes were cast by proxy. I do not say they were never present at those hearings. I do say to my recollection they were not there while I was.

I think it may be relevant and useful to make one or two observations that constitute part of Dr. Fye's testimony. It seems to me that here is a great American, a distinguished patriot, who is saying some things that America would do well to consider in making a judgment now as to whether Dr. Conant should be confirmed.

Dr. Fye says that he has known Mel Conant for a long time. He is a friend and trustee of the Woods Hole Oceanographic Institution. Dr. Fye says:

> I strongly endorse his nomination. There is no doubt in my mind that his appointment would be beneficial to the Nation, particularly during the present situation in which knowledgeable and skilled administrators are so vitally important to the successful operation of the Federal Energy Administration.

The distinguished Senator from Rhode Island earlier asked whether the administration could come up with anybody, excepting oil people, to try to administer the Federal Energy Administration?

I submit, Mr. President, that Frank Zarb has been nominated; he has been confirmed by the Senate; he is the top man. I do not think there is very much in Frank Zarb's background to give credence to the charge that was made by my good friend, the distinguished Senator from Rhode Island. And yet at the same time I hope we are big enough and we are smart enough to understand good sense and wisdom in calling upon people who know something about the problem and something about the industry that we are trying to regulate and administer.

I can say as a member of the Interior and Insular Affairs Committee that if we want to come up with all of the wrong answers, then I think that the course that has been suggested by some is indeed proper.

I do not believe that we are going to have more oil and gas produced in this country by rolling the price of domestic oil and gas back, as some advocate; indeed, as has been advocated by the chairman of the Committee on Interior and Insular Affairs.

I do not believe it makes sense to try to take away the incentive that the domestic industry now has, or the foreign industry now has, if we want to make more fuel available throughout all the world.

This is not a time to discourage this industry when we do not have enough to go around already.

In 1950 there were over 20,000 independent oil men working at the tough and expensive business of finding more oil and gas in the United States. Fifteen years later more than half of them were out of business. They were out of business for one very simple but basic reason: There were better ways of making money than to stay in the independent oil and gas business in the United States.

If we want to understand this problem, if we want to compete with the Arab countries, if we want to compete on an equal footing with Great Britain, France, Italy, West Germany, Japan, Australia—any country, name it—then I say let us call upon our best brains to do that job.

Now Conant is one of the best brains we have.

Dr. Fye continues:

> Mr. Conant has served on various trustee committees over the years. In all of these assignments Mr. Conant demonstrated on numerous occasions his ability to analyze problems and render opinions of an independent nature which were in the best interests of our institutions. He did not permit his connections with other organizations, such as his employer, or other philanthropic organizations with which he was intimately concerned, to influence his judgment regarding matters of our institutions. There is simply no question in my mind when he acts as a representative of the Federal Energy Administration he will do so with only the best interest of the Nation in mind.

Mel Conant has been criticized because he chose not to tell the members of the Interior and Insular Affairs Committee that he would promise never again to go to work for the oil industry.

He pointed out that he is not a man of means. He would need to work, and when this job was completed he would need to find employment.

I think it attests to his personal honesty and integrity that he had the courage to say precisely what he did. Rather than to condemn him for it, I am proud that we have that kind of a man up for confirmation now.

Mr. President, I ask unanimous consent to have printed in the RECORD an abstract of FEA employment showing that on November 30, 1974, out of a total of 3,390 employees, only 76, or less than 2.3 percent, had oil company experience, and only 13, or 0.3 percent, came directly to FEA from the oil industry. Does this look like oil industry domination of the agency? I submit it does not.

There being no objection, the abstract was ordered to be printed in the RECORD, as follows:

ABSTRACT OF FEDERAL ENERGY ADMINISTRATION EMPLOYMENT—EMPLOYEES WITH PETROLEUM INDUSTRY EXPERIENCE

	Total	Presidential appointees and nominees	Supergrades and equivalent	GS-13—15 and equivalent
All FEA personnel	3, 390	10	89	875
FEA personnel with oil company experience	76	2	6	63
FEA personnel employed directly from oil companies	13	1	1	11

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Ohio has 2 additional minutes.

Mr. FANNIN. I did not understand the Chair.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Washington (Mr. JACKSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF HENRY M. JACKSON

As my colleagues on the Interior Committee know, it was with reluctance that I opposed the nomination of Melvin A. Conant to be Assistant Administrator of the Federal Energy Administration for International Energy Affairs.

For some twelve years prior to joining the Federal Energy Office earlier this year, Mr. Conant had worked for the Exxon Corporation. From 1963 to 1973, he was Senior Government Relations Counsellor for Europe, the Middle East and Asia, concerned with developments in political and national security fields likely to affect the regional and worldwide operation and planning of Exxon.

At the time he left Exxon, Mr. Conant received a discretionary $90,000 payment under Exxon's Public Service Leave and Termination Policy. This sum was computed on the basis of one month's pay per year of service, plus payment for loss of stock options and anticipated bonus awards and moving expenses.

In essence, the opposition to Mr. Conant stems from the view that it is not in the public interest to have a man long associated with a major oil company serving in a top policy post at the Federal Energy Administration. Specifically, his opponents argue that Mr. Conant's acceptance of a $90,000 severance payment from Exxon—which the company was not obligated to pay—coupled with the possibility that he might return to work for Exxon or another oil company after government service, creates either the appearance or the reality of a conflict of interest which makes his appointment undesirable.

It seems fair to say that, aside from the Exxon relationship, Mr. Conant's personal background and qualifications for the FEA post are not in question. His academic qualifications, his work at the National War College and the Council on Foreign Relations, and his extensive international experience with Exxon give him an unusual background for dealing with international energy issues.

With respect to his work at FEA over the past year, John Sawhill has written the Committee that "Mr. Conant has carried out a variety of responsibilities at the FEA under exceedingly demanding circumstances and has consistently demonstrated a remarkable degree of insight, independence and good judgment."

The question remains, however, as to whether Mr. Conant's relationship with Exxon disqualifies him from serving as Assistant Administrator for International Energy Affairs.

The narrow issue is whether the termination payment by Exxon to Mr. Conant constitutes a conflict of interest under Federal law, specifically the provisions of 18 U.S.C. 209(a), which prohibit supplementing the salaries of Federal officials. This issue was reviewed by the then General Counsel to FEO prior to Mr. Conant's entry into Federal service in January 1974. The Counsel's opinion was that it did not. This issue was again addressed in a July 19, 1974 letter by the FEA General Counsel requesting the views of the Attorney General. The FEA General Counsel also concluded that the facts presented did not violate the provisions of 18 USC 209(a).

The Justice Department, in its response of August 7, 1974, recognized that 18 USC 209 (a) is a criminal statute and agreed with the FEA General Counsel that no violation of the statute had occurred. That position was reaffirmed in testimony before the Committee. Indeed, in light of the fact that the payment was not made until assurances were received from Federal officials that it would not violate the statute, no other conclusion could be sustained.

The Justice Department did indicate some concern that the termination payment could be construed by some as a form of income supplementation. Clearly, however, the criminal statute has not been violated and the question may well be asked whether the statute has any further applicability once that determination has been made. The termination payment is, of course, a factor to be considered in evaluating Mr. Conant's overall relationship with Exxon.

The Senate is ultimately left with the question of whether Mr. Conant's prior association with Exxon, and his possible return to oil industry employment, constitutes sufficient grounds for rejecting his nomination. Put another way, the issue presented is whether a person who is otherwise qualified should be confirmed to serve in an important policy making position in a Federal agency having regulatory responsibilities over the industry and the company which the person served prior to his appointment?

Personally, I do not believe that past associations or prior employment with the petroleum industry automatically disqualify anyone from serving in a Federal energy post. Obviously, it is essential that all agencies of government avoid the actuality or the appearance of conflict of interest if government is to maintain the confidence of and its credibility with the American people. This is particularly true of the FEA because of its important responsibilities in regulating the oil industry. It is also important that we secure competent, knowledgeable individuals to formulate and administer national energy programs and we should not foreclose the option of selecting those who may have prior industry experience.

In Mr. Conant's case, my decision to oppose his nomination was determined by his unwillingness to agree not to return to Exxon after leaving government service. In my view, his unwillingness to make that kind of commitment after receiving a substantial termination payment created the appearance of a conflict of interest which should be avoided in a sensitive agency like the FEA.

Whatever decision the Senate makes on this nomination, the Conant case has dramatized the need for new guidelines which will make it clear what kinds of appointment from industry to FEA posts will meet with Congressional approval. It has dramatized the need for more precise conflict of interest standards and more effective administration of existing conflict of interest statutes. Both in the interest of fairness to the individuals involved and the objective of achieving a high level of competence in top energy posts, I have instructed the Interior Committee staff to prepare legislation on this subject for the next Congress.

Mr. METZENBAUM. Referring specifically to the statement of the distinguished Senator from Wyoming, I would like to say that the very point he is making, having to do with the petroleum industry and its impact on our economy, is the major reason why I believe we cannot afford to have Mr. Conant in this position.

The petroleum industry has had soaring profits. But more important even than their soaring profits is the fact that they have moved into the control position of alternative sources of energy. That is going to be one of the major questions facing the Federal Energy Administration during the next several years.

In the past 11 years the petroleum companies have picked up 20 percent of the coal companies in this country. At this moment, the petroleum companies own in excess of 80 percent of our uranium resources.

At this moment they have moved into the field of solar energy. At this moment, on the whole question of natural gas, the 14 major gas producing companies are to be found in the 15 major oil producing companies.

Mr. President, because I believe we need people only responsive to the public and not responsive to the oil industry, I feel it imperative that the nomination of Melvin Conant as Assistant Administrator for the Federal Energy Administration should be rejected.

Mr. ROTH. Mr. President, the nomination of Mr. Conant as Assistant Administrator of the Federal Energy Administration does raise some very difficult issues of Government credibility.

I have seen no information that in any way raises questions about Mr. Conant's ability or personel integrity. However, the nomination does raise reservations in my mind because at a time when the country is going to have to make some very critical and controversial energy decisions, it is essential to have men in Government making these decisions whose independence from any industry or vested interest is beyond doubt. From my conversations with constituents in Delaware, I know that people are especially mistrustful of Government leadership in the energy area.

Critical energy decisions will provide debate, and this debate should be on the merits of the decisions themselves. We cannot afford to be diverted by extraneous issues involving the men who make the decisions.

Mr. Conant's severance pay of $90,000 by Exxon and his unwillingness to rule out a possible immediate return to Exxon should be resign his job with the FEA do, in my judgment, make him liable to public criticism and charges of conflict of interest.

Consequently, I believe it would be in the best interests of all—Government, public, and the industries involved—if another man were nominated to this post.

The PRESIDING OFFICER. All time on the nomination has expired.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into legislative session.

TRADE REFORM ACT OF 1974

The PRESIDING OFFICER. The Chair lays before the Senate H.R. 10710, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this motion is limited to 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on this cloture motion be equally divided between Mr. Long—and I am trying to think of someone who will oppose the cloture motion—suppose I give the time to Mr. Hartke in opposition to the cloture motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Long I yield to the distinguished Senator from Connecticut (Mr. Ribicoff) such time as he may desire.

ORDER FOR AMENDMENT TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

I am submitting two amendments to the Trade Reform Act of 1974 (H.R. 10710).

I ask unanimous consent that these amendments be treated as though they were presented and read in order to comply with the reading requirements of the second paragraph of rule XXII, if cloture is invoked on the bill, or any amendment thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I am pleased that the distinguished Senator from Indiana is on the floor. There is often a great deal of difference in the Finance Committee on many provisions that come before the committee on health, social security, unemployment compensation, and taxes. However, when it comes to trade, there seems to be a practical unanimity among all the members as to protect American industry and American labor. As a result we have, in my opinion, considerably strengthened the House bill.

Several years ago in a report to the Senate Finance Committee, I observed that ecopolitics would replace geopolitics as the prime concern of international relations.

The events since then have borne out this trend. There have been major changes in the structure of the world economy. New economic powers have emerged. New words and phrases such as petrodollars and recycling have entered our vocabulary. The economic balance between nations has shifted dramatically.

Most obvious is the severe strain placed on the world's monetary and trading systems as once strong nations of the West are faced with national bankruptcies, while small natural resource rich countries ponder what to do with all their wealth.

After years of relegating international economics to a low status, the administration and the Congress have begun to recognize this new reality and are attempting to reorder our economic and foreign affairs priorities to meet the challenges ahead.

The trade bill before us today is the result of many months of arduous labor by the committee and its staff. It was drafted with the future in mind and is not wedded to outdated slogans or methods. Its goal is the safeguarding of the American economy through the establishment of fair trade practices worldwide.

The distinguished chairman of the Finance Committee, Mr. LONG, has described in detail the provisions of the Trade Reform Act of 1974. I would, however, like to comment on two aspects of this bill—first, the increased role Congress must play in developing and implementing our Nation's trade policies, and second, the new safeguards built into it for American business and labor.

In the past the role of Congress in trade has been limited to the enactment of periodic changes in our trade laws. With these powers in hand, Presidents have negotiated agreements with virtually no congressional input or review.

In fact, for too many years our trade negotiators—lulled, perhaps, by a feeling of American economic invincibility—bargained with our trading partners as if they were trying to see how much advantage they could give away without Congress making too much of a fuss. While the German, Japanese, and French economies boomed, and flooded our markets with their goods, not enough was done to cushion the impact on American businesses and workers or to gain equal competitive market access for American goods.

Because of the tremendous effect trade agreements have on the American economy, the Finance Committee believes that the Executive no longer has the sole authority in negotiations. It is vitally important that, if the United States is to have a consistent trade policy, Congress must play a major and continuing role. This bill strikes the appropriate balance of providing the President with necessary authority to enter into trade agreements while preserving the constitutional role of the Congress "to regulate commerce with foreign nations."

Under title I of the bill the President would be authorized to enter into trade agreements to eliminate nontariff barriers which impede U.S. exports of goods and services and which are injurious to the U.S. economy.

However, before formally entering any such agreement, the House and the Senate would have to be notified in advance, and all such agreements would have to be submitted to Congress. Both Houses would have to approve the agreement by majority vote before they could become the law of the land. A procedure has been established in the bill to insure that no agreement can be held up in committee and the full House and Senate will have an opportunity to vote on every agreement.

In the past, trade negotiations have resulted in agreements which effectively neutralized or even negated existing laws or administrative requirements. The International Antidumping Code is an example. For that reason, the bill before us today requires that any new trade agreement entered into by the President which would change domestic Federal law or materially change administrative regulations has to be approved by the Congress before it could take effect. To do otherwise would be to reverse the constitutional roles of the legislative and executive branches and would be an abrogation of our legislative responsibilities.

In addition, both Houses must approve by concurrent resolution the extension of trade benefits under future trade agreements negotiated with nonmarket countries. Further, either House may veto the extension of benefits to nonmarket nations which have entered into trade agreements prior to the passage of this bill.

These provisions are not designed to cripple or hamper the Executive's ability to negotiate with foreign nations. They were drafted in recognition of the fact that the President and the Congress must work together to protect American economic interests. Congress has too often allowed trade negotiations to be carried out by the executive branch and acquiesced in their agreements without properly reviewing the real results.

The bill we consider today strengthens the ability of the Congress to monitor and shape U.S. trade policy during the negotiating process and provides procedures for positive approval of nontariff barrier agreements and congressional overrides of certain Executive actions.

For example, the Congress will now be able to override decisions by the President to provide import relief other than that recommended by the International Trade Commission—the renamed Tariff Commission—and decisions by the President to retaliate against foreign nations discriminating against the United States on a most-favored-nation basis rather than against the specific offending country.

Title III of the bill makes major procedural as well as substantive changes in the countervailing duty law, the antidumping law and other statutes dealing with unfair foreign trade practices. These changes are designed to speed up investigations of subsidized imports, price discrimination, and other unfair practices such as patent infringement.

If the President at a future date decides to suspend the imposition of countervailing duties, he would have to report that decision to the Congress. If either the House or the Senate determines that such a suspension would injure U.S. interests it can, by a simple majority, override the decision and require the administration to immediately impose the duties.

We should not, however, limit ourselves to simply waiting for final agreements. In order to assure adequate congressional oversight over the complex and lengthy negotiating process, five Members of the House and five of the Senate will act as advisers to the U.S. delegation.

Another important reform contained in this bill is the creation of several new negotiating objectives. In the past the main thrust of our negotiations has been to open up markets for American products. However, in recent years the political and economic climate around the world has changed and we can no longer rely on a steady stream of raw materials from overseas to our manufacturers. For that reason, this bill establishes as a principal negotiating objective trade agreements with nations which supply essential materials to the United States and which the United States could not otherwise easily obtain or produce itself.

With the increasingly critical supply problem in mind the committee also decided that trade preferences would be denied any nation which entered into a cartel withholding supplies of vital materials or changing monopolistic prices which created serious economic problems. The provision would apply specifically to members of OPEC and to any other nation which took similar action in the future. A member of such a cartel could, however, qualify for preferential treatment by entering into an agreement assuring the United States of access to essential articles at reasonable prices.

The bill also establishes, as principal negotiating objectives; first, the goal of obtaining equivalent market opportunities, within appropriate sectors of manufacturing, services and agriculture, for the commerce of the United States and, second, to obtain an international safeguard procedure designed to permit the use of temporary devices to ease the adjustments inevitably brought about by the increases in world trade and investment.

In addition to extending the scope of our negotiating objectives, we have also enlarged the number and types of industries to be covered in our negotiations.

Our past negotiating goals have been the protection of our agricultural and manufacturing sectors and the establishment of markets for their products. In the last few decades, however, service industries have gained an increasing portion of our economy and our exports. Until now they were rarely, if ever, the subject of trade negotiations. Foreign discrimination against our insurance, banking, air transport, and other service industries can, nevertheless, be just as damaging to our economy as trade barriers on manufactured or agricultural goods. For that reason the definition of "commerce" in this bill has been expanded to include "service," thus putting our negotiators and their foreign counterparts on notice that the international treatment of our service industries is now the subject of great concern to the Congress and the Nation.

In addition to the reforms of our negotiating process, this bill also provides new opportunities and safeguards for American business and labor.

Just as the Congress has been ignored in earlier negotiations, so have the managers and workers of the industries under discussion. Too often the beneficiaries and victims of trade negotiations have learned where they stand only after the negotiations had been completed. It is important not only for the affected industries to be aware of what is going on at the bargaining table, but equally important for our negotiators to have the best information available. As a result the bill establishes three new types of advisory committees to enable business, agriculture, and labor to provide advice and information to our negotiators on a formal and continuing basis.

In order to assure fair treatment for American industry and workers the bill contains several new provisions designed to eliminate redtape and insure business a strong voice in proceedings which might affect them. These include:

A complaint procedure where interested parties could petition the special representative for trade negotiations to conduct a review with public hearings of alleged unfair trade practices and policies;

Americans will have an equal right to appear at hearings that affect their business;

Before entering into a proposed trade agreement, the President would have to make public a list of the articles under study;

In seeking import relief, the criteria for determining injury has been relaxed;

Import relief is now mandated where a finding of injury is made;

American business and industry will be able to obtain judicial review of negative anti-dumping decision; and

New stricter time limits will be placed on complaints. Too often in the past irreparable harm took place while a case was tied up in redtape.

There will be times when domestic industries are adversely affected by imports. Twelve years ago the Congress created a program of adjustment assistance to help such firms and their employees. Unfortunately, the program became meaningless because of restrictive procedures and never produced significant results.

The committee has, therefore, made major reforms in our industry and workers assistance programs and, with the strong support of the chairman, adopted a suggestion of mine to create a new community adjustment assistance program.

The basic change in the worker and firms assistance programs is the liberalization of the triggering mechanism.

The eligibility requirements for qualifying for adjustment assistance has been significantly relaxed. Most important, petitioners will no longer have to establish a causal link between tariff concessions and increased imports. Increased imports, no matter what their cause, will only have to contribute importantly to the difficulties, experienced by workers and firms.

These changes, plus the elimination of needless redtape and the speeding up of processing, will hopefully lead to more speedy and effective relief. For example, in the case of workers, not only will eligibility tests be eased, but the levels of benefits will be increased and new programs instituted to help workers find new employment.

Finally, the bill creates a new program to help whole communities damaged by import competition. Experience has shown us that when a community relies heavily on one industry, the deterioration and even collapse of that industry can result in the economic deterioration of the community.

Once an area is determined to be "trade impacted," it would be eligible for a variety of developmental assistance including direct grants. The Secretary of Commerce will be able to offer guaranteed loans to industries capable of creating new, long-term job opportunities and willing to settle in the area.

If a company is determined to relocate outside the United States, the bill requires it to assume certain responsibilities toward their employees displaced by foreign competitors. These include:

First. Advance notice of at least 60 days to the employees to be laid off;

Second. The same advance notice to the Secretary of Labor and the Secretary of Commerce explaining the reasons why the relocation is necessary;

Third. Utilization of economic adjustment assistance to which such firm is entitled under this bill;

Fourth. Offering alternative employment opportunities in other facilities within the United States and, finally

Fifth. Providing material assistance in the relocation of these workers to other communities in which employment opportunities exist.

Mr. President, I wish to commend the chairman and the other members of this committee for the diligent work they put forth in developing a good bill with adequate safeguards to protect American labor, communities, and industries while directing the President to negotiate for fairer and freer trade principles and practices for all the nations of the world.

It is vitally important that the Congress adopt it before we adjourn. I would also like to commend the Finance Committee staff and in particular Chief Economist Bob Best who put in long hard hours helping the committee develop this important bill.

This Nation can no longer afford to stand by and open its markets while other nations protect their economy by discriminating against U.S. trade and production. The bill before us today would enable the President to strike surely and swiftly against unfair trade practices such as injurious price discrimination, subsidies and patent infringement. The goal of this trade bill is to foster the development of a mutually fair trade system beneficial to the United States and the nation with whom we trade.

I ask unanimous consent that a list showing the highlights of safeguards in the bill and a list showing the increased role for campus be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL PARTICIPATION AND OVERSIGHT

Congress must approve:

All Trade agreements (for which authority has not been specifically delegated) which change domestic law or administrative rulemaking. § 121(c)

Granting of Trade and commercial benefits to non-market economies under new bilateral Trade agreements. § 4025

Congress may veto:

Extension of Trade and commercial (credit guarantees) benefits to any non-market country, including USSR, § 407

President's refusal to provide adequate import relief to industries injured by imports. § 203(c) (1)

Presidential waiver of countervailing duties, § 515(e)

Congress Oversight:

Five Senate and five House members to be official advisors given full access to negotiations. § 161

Full staff participation in negotiations, to keep Committees informed. § 161

HIGHLIGHTS OF SAFEGUARDS IN TRADE BILL

1. Expands definition of "commerce" to include services thus placing insurance, banking, air carriers and others under purview of the Act and subject of negotiation. § 601(10)

2. Establishes Advisory Committees so business and labor can have a voice in developing and monitoring negotiating policy. § 135

3. Makes "access to supplies" a negotiating objective, thus helping insure a continual supply of raw materials to American industry. § 108

4. Establishes complaint procedure so industry and others can petition the Special Representative for Trade Negotiations to conduct a review, with public hearings, of alleged unfair trade practices. § 193(d) (2)

5. Allows U.S. interests to have an equal and automatic right to appear at hearings under Anti-Dumping Act. House bill would only give foreign manufacturers and importers such a right. § 201(d)

6. President would have to make public a list of articles being considered by trade negotiations.

7. The criteria for determining injury from imports to a domestic industry has been relaxed. The Causal link between trade agreement concession and injury has been eliminated and increased imports need only be "a substantial cause" rather than "the major cause" of actual or threatened injury. § 251

8. If injury from imports are found, then the President is mandated to implement import relief or provide adjustment assistance (if the Commission finds that is a viable alternative). President retains flexibility as to type of relief, but loses past option of providing no relief. § 202

9. Domestic producers given right to judicial review of negative price discrimination determinations, just as foreign producers have right to judicial review of positive price discrimination determinations.

10. For the first time, time limits and procedures are established to assure a final determination and action on countervailing duties. § 331 Also, American interests have the right to judicial review of negative countervailing duty determinations.

Mr. RIBICOFF. Again, may I point out there has been unanimity on the committee under the leadership of the chairman to assure that this bill has been carefully devised to protect American interests, American industry, and American labor.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield myself 5 minutes.

The issue in this is not whether or not the Finance Committee is unanimous in its approval of this measure; the issue in this debate is not whether or not the bill is a good bill or a bad bill. The issue in this debate simply is that we have the remarkable situation in which a cloture motion to close off debate of the Senate was filed before there was any debate, before there was any discussion, before there was any opportunity to review the so-called trade reform bill.

Now, repeatedly we have heard the President—this one and the prior President—say that the trade bill is the most important piece of legislation to be debated during the session of Congress. Secretary of State Kissinger, just recently in an appearance before the Finance Committee on December 3, reiterated that same position.

However, despite the overwhelming importance of this legislation to the United States and to the world, we are being asked to limit debate to 1 hour for each Senator. This is a remarkable procedure, unprecedented in the history of the Senate.

Now, frankly, no one is under any misapprehension that I have serious questions about this bill. But that is not the real issue involved. I have introduced six amendments to this bill. There are many other amendments at the desk. There is the so-called Jackson compromise which, I daresay, at this moment is completely misunderstood. These important amendments should generate a lot of discussion if, for no other reason, than to be sure the legislative history on this measure is very clear.

I do not believe that even one of my amendments could really be adequately considered in 1 hour. But here we are, the entire bill is going to be disposed of with each Senator having only 1 hour to discuss it.

One of the results of the cloture motion, as I said, is not alone to limit debate, but also as it deals with the question of germaneness.

I have proposed three amendments to this bill which would amend the Internal Revenue Code.

Under the very strict interpretation which has been imposed by the Parliamentarian, these amendments will be considered to be out of order. Whether they are technically germane or not, Mr. President, is an issue which probably can be decided by the Parliamentarian, can be decided by the Senate. But there is no question whatsoever that my amendments concern tax provisions which affect income earned abroad by United States multinational corporations.

Mr. RIBICOFF. Mr. President, I wonder if the Senator would yield at that point?

Mr. HARTKE. I would be glad to yield as long as it is not on my time.

Mr. RIBICOFF. I wanted to commend the Senator for those amendments, and to say they are important and necessary for this country.

At the proper time the Senator may be assured of my complete support to see that these amendments are agreed to, and I commend the Senator for taking the lead in these proposals.

The only difficulty is that if the amendments were adopted now they would not become law, and neither would the trade bill become law.

Mr. HARTKE. I hear what the Senator from Connecticut says, but I want to go ahead and make this point.

The fact is that they have said they are not germane in the technical sense. Yet I think to anyone who knows anything about the legal framework within which our foreign trade occurs, they are definitely germane, and how can we really reach such amendments which the Senator says he is in favor of—and I thank him for endorsing it with us—without having them discussed?

It seems to me a little strange that I hear everyone talking on the floor of the Senate that the President insists that he has to have this bill, that the President insists these amendments not be put onto the bill, but I want to call attention to the fact that when the President submitted his recommendation for a trade bill, he included in it these very same proposals.

Now, how can we say on one hand the President was right in his idea of germaneness and say on the other hand that the Senate now says no, it is not germane?

Mr. President, the administration's proposal would eliminate tax deferral in cases where:

First. Corporations are making new or additional investments in countries that grant tax holidays or other tax inducements to private industry.

or:

Second. Where corporations are making new or additional investments in manufacturing for U.S. markets—test is 25 percent of gross receipts—in countries subjecting those corporations to effective tax rates significantly lower than the U.S. corporate income tax rate.

In other words, the President has said that these tax proposals are germane to the trade legislation, but the Senate says they are not. The Senate says that the President says now that he does not want the tax proposals.

Now the Senate says that we will cut them out because they will effectively destroy the trade bill.

Mr. RIBICOFF. I think we have a very practical problem and that is that once you open the door of the trade bill to the Senator's proposal, it will have many other amendments that are nongermane, which means the effective killing of the trade bill without having achieved what the Senator from Indiana desires, tax reform in many instances, and I do believe—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. Mr. President, is the time being divided here?

The PRESIDING OFFICER. Yes; the Senator from Indiana has control.

Mr. HARTKE. I know there is sufficient time. I would be glad to do it, but there is a very limited time going into this matter.

I do want to talk about some other matters and I would hope the time of the person addressing the Senator from Indiana would be deducted from the other side. Otherwise, I will feel compelled not to yield.

The PRESIDING OFFICER. To both sides.

Mr. HARTKE. Mr. President, I yield myself another 5 minutes.

Let me point out, some people are talking about the fact that the President says, "I need this trade bill to create more jobs."

Now, if anyone reads title II of the bill, he will see immediately that there is a recognition that there is going to be a decrease of at least 100,000 jobs by the Finance Committee's own report.

Everyone really believes that is low. There is $335 million which is allocated to go ahead and pay for the number of people who are going to be unemployed.

Let me point out that the bill very specifically says that that $335 million additional payment to those people who are thrown out of work because of this trade bill, that that $335 million is up and above any amounts paid to any employee who is thrown out of work, who receives unemployment compensation from his State, this is an additional adjustment assistance, an additional unemployment compensation.

In addition to that, it is recognized it is going to put businesses out of work. The sum of $25 million which everyone recognizes is insignificant in the totality of the amount of money. But recognized also that this is a first-step approval of the fact that no matter what we have, if there is a finding that a business has been put out of existence as a result of trade negotiations, then the U.S. Government has to pick up the tab. There is an additional $100 million set aside in guaranteed loans which everyone feels is too small, that it properly should be in the neighborhood of $500 million in the first year alone.

Another item, the Canadian free trade zone. One has to remember, from the report, under Canadian free trade zone, which is in the bill by virtue of an amendment by the Senator from Indiana, I am in favor of creating a free trade zone with Canada, but the fact of it is that even in this report it is recognized that the Canadian automobile agreement, which is another amendment I have at the desk, is not reciprocal free trade at the moment. This is an agreement by the Finance Committee, not by the Senator from Indiana. I have been opposed to that agreement since its very inception when it was put into effect at the ranch when President Johnson hoped he could get Canada to come into the Vietnam war by giving away part of our automobile business.

But when Chrysler closed down all their plants except one in St. Louis, they increased their production in the Chrysler plants in Canada, which were there by virtue of the automobile agreement.

That should be debated. It is certainly an item which could have a long debate.

Title 4, the Jackson-Ribicoff-Javits compromise. I just daresay there is not a Member of the Senate who understands exactly what this does.

I am willing to say very simply that it does nothing.

It is a propaganda vehicle. All it says, we hope and pray. The President has already said he wants to go ahead and trade with Russia, and I am not saying anything against that, by this speech I made March 7, 1974. To see that item delayed by this bill, which is the truth, is also an item which should be really understood by those people, because when I asked Secretary Kissinger in the exchange of letters between Senator JACKSON and himself, when he said it is understood that the telephone, telegraph, and letters will be free to move, I said, who is that understood with, and Secretary Kissinger said, "It is not understood with me, you better ask Senator JACKSON."

That is the type of understanding that is in this exchange of letters.

All I am saying—I am not arguing the merits of the situation—I am just laying out the fact that there are items on this bill which need be discussed.

Now, everyone says all of a sudden we have to have a trade bill; it is urgent we have it before Christmas 1974; it is urgent it be done in this Congress.

We have not had trade legislation since June 1, 1967. No great urgency was explored by President Johnson, President Nixon, or President Ford. All of a sudden we come down at the last of this time and see the propaganda machine, the multinationals, cranking out, "Go ahead, give us this trade bill, but do not make us pay the bill or our fair share of taxes."

At the OECD meetings with Senator FANNIN of Arizona, who is here on the floor——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself 5 minutes more.

We were there. Negotiations were going on with Mr. Eberle, the trade negotiator, the ambassador for trade in the United States, we were discussing the issues and there was no prohibition on doing what needs be done.

The problem is that the Constitution of the United States of America gives plenary power to regulate commerce and foreign trade to the U.S. Congress and not to the President. As in this report again, this is the greatest delegation of constitutional authority ever given the President of the United States, yet we set only 1 hour of debate on the greatest delegation of authority to the President, when everyone says that Congress should reinstitute its congressional authority, we move immediately under the pressure of the gun, under pressure of a cloture petition.

Now, I am not saying these people are insincere. I think they are misinformed.

It is recognized by the President that oil is one of the big problems we have, yet I would like to go ahead and eliminate foreign depletion on oil, which is a dead giveaway. Why should we provide money to foreign corporations when even during the middle of the oil crisis Aramco, which is Saudi Arabia, and the multinational oil corporations of the United States, joined in the embargo in oil against the United States, even to the extent they would not even provide fuel for the 6th Fleet in the Mediterranean Sea.

That is what we are dealing with here.

Now, the report again goes back to the fact that they admit that manufacturing employment in the United States has declined relatively since the 1962 Trade Act went into effect.

What we are really saying here, in effect, what we are trying to get over is that this should not be the subject of mild debate. I am not asking people to agree with me. I am asking them at least to give this country an opportunity to have a fair discussion and not be taken down this roller coaster with the big advertising agencies and everyone else going ahead and trying to steamroller the United States into action simply on the basis of the fact that it is time for Christmas, we have to go home, and the President is going to be upset.

As I have repeatedly said, in the New Yorker magazine of December 2 and December 9, there are two articles by Richard Barnet and Ronald Muller. They deal very effectively—and unfortunately, for the proponents of this trade bill—very disastrously with the trade policy of the United States.

What is their real, final conclusion in these rather lengthy detailed decisions? They say, very simply, that the heart of the problem is excessive power, and a self-improved limitation on power is not characteristic of human institutions.

What are they talking about? They are talking simply about the fact that, as far as these big corporations are concerned, they no longer are within the confines of the control of the U.S. Government or any other government in the world. The fact is that since 1959—I am reading now from the New Yorker magazine, which points out that since 1959, the year that marked the big push toward the globalization of U.S. business, the U.S. unemployment rate has been running 2½ times that of its trading partners.

What are we really talking about here on employment? We are talking about the Hartke-Burke bill, which I have said is the forerunner of any trade bill ever put out, introduced in the last Congress, introduced in this Congress. What does the New Yorker magazine have to say about this so-called concept of free trade which is being shown throughout the world as something which is holy writ? Here is something from the New Yorker magazine:

> Corporate opponents of the Hartke-Burke bill like to emphasize the mandatory quota it would impose on imports, and say the measure would turn the clock back to before 1934, when the United States first embarked on a program of progressive liberalization in trade—

And here is the crowning statement:

> In the intervening years, free trade has become part of the holy writ of the American consensus, and thus the corporations, in their crusade for understanding, have little difficulty in portraying Meany as an antediluvian standing in the path of progress. (The fact that the U.A.W. also attacks the measure as protectionist helps their case.) But at the heart of the bill are tax provisions, and these are harder to attack with lofty arguments about how free-trading corporations stop depressions and wars.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself an additional 5 minutes.

At the heart of the bill are the tax provisions, which this cloture motion absolutely determines are not germane.

> The A.F.L.-C.I.O. estimates that the tax incentives provided for United States corporations operating overseas amount to a three-billion-dollar subsidy, U.S. Oil Week notes that eighteen major oil companies paid a combined tax of six hundred and eighty-three million dollars on combined income of ten billion two hundred million dollars—an effective tax rate of six and seven-tenths percent.

The most lowly paid individual in the United States of America pays 14 percent tax.

All I am saying to this Congress is that at least we ought to have an hour to debate that issue. If they want to turn down the trade bill, they may do so. I do not come here without having had a discussion on the issue. I come here simply to debate the issue, not to have all of these items thrown into the wastebasket.

The article goes on to say:

> The Hartke-Burke bill would substantially reduce the tax credit by treating the taxes paid to a foreign government as a deduction against taxable income rather than as a deduction against taxes, and would eliminate the tax-deferral provisions of present law, bringing the tax burden of corporations operating abroad more in line with that of citizens, corporate and otherwise, who elect to stay at home.

So this is a giveaway bill. We are going to give away more jobs, more taxes, and do it under the guise of cloture debate, so that the American people will not have a chance to know who is doing what.

Further from the New Yorker:

> For the corporations, it would be a very expensive reform, but one hard to oppose effectively in a country so concerned with high and unequal taxes that the term "taxpayer revolt" is becoming a political cliche. Another provision of the Hartke-Burke bill is a grant of Presidential power to prohibit the export of capital and technology, presumably to prevent American corporations from setting up China or Brazil as an arch-competitor in the next generation, as they helped to set Japan up in the last. The U.A.W. also wants a licensing requirement for capital and technology exports. In June of 1974, the U.A.W. constitutional convention passed a resolution that said:
>
> Licenses should be issued only when the investment can be shown to be in the interests of the people of the United States and should require corporations to conform to a code of good behavior in relation to the foreign workers whom they employ. Full protection against loss of wages or fringe benefits should be guaranteed to any American workers whose jobs or incomes might be adversely affected by foreign investment.

Now, as we move through this debate, it becomes quite obvious that there are a lot of things which are going to go untouched and that the biggest tax loophole in the United States is going to continue. Just yesterday, the House of Representatives killed the tax reform bill. I do not know many Senators on this floor who are going to vote for cloture are the same people who will be making the most outstanding, the most self-righteous speeches on how they want tax reform.

I should be willing to limit debate on the tax measures. I am not arguing on that, if they want to limit the debate on that. But to say that we are going to declare that they are not even going to be debated is a matter which I find is going to be contradictory in the minds of some of these people. It reminds me of the horse riding off in both directions at the same time.

As the New Yorker points out, the trade bill is vitally concerned with employment. The President said so and, in the New Yorker magazine, on page 122, it says:

> The whole subject of the employment impact of global corporations—whether they increase or reduce employment possibilities for American workers—is a matter of intense political debate.

Here again, I think the article itself concludes that there is not any question that the multinational corporations are not contributing to employment in the United States. That is the conclusion of the writers of this article, and I do not think that they are on the payrolls of any of the multinational corporations. It is a very outstanding piece of work.

Then they talk about the battle of the studies. That is, the studies which have been made upon the question of the impact on employment by these multinanational corporations. This is the very heart of every discussion on the trade bill. Yet those are not going to be discussed in this debate, simply because a cloture petition is being filed.

The first big wave of foreign investment from 1958 to 1967—let me point out, that was during the period in which the last Trade Expansion Act was in effect. I went down that road. I was a cosponsor of that measure. Contrary to public opinion, the Kennedy round was merely a propaganda victory, and there was no substantial progress made at that time. According to the New Yorker magazine:

> The first big wave of foreign investment, from 1958 to 1967, established American-owned corporate subsidiaries abroad to export products back to the United States; it affected such industries as shoes, textiles, electronics assembly, and leather. Factories in this country began to close down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 9 additional minutes.

Mr. HARTKE. Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, as I stated previously, the purpose of asking for cloture on this measure is really not to limit debate, although that may be necessary if this bill is to be passed. We would be willing, if cloture is voted, to support a unanimous-consent request to give additional time to any Senator having a legitimate need to discuss a germane amendment, provided that those opposed to it would have additional time to respond to it, as is usually the case in unanimous-consent agreements. There is no problem there in finding enough time to discuss germane amendments. The problem is that if the Senate is to debate and vote on nongermane amendments, there is no possibility that this bill can become law.

Some of those representing the great labor organizations of this Nation have been making the argument to Senators that they should vote against cloture on this bill because the Senate might stultify itself by overruling its own Parliamentarian, doing violence to its traditions and its precedents, and proceeding to rule that some amendment—which, under all precedents, and which on the advice of the Parliamentarian, would not be germane—would nevertheless be germane, and thus add amendments for the deregulation of natural gas, and a great number of other nongermane amendments, to this bill.

Mr. President, I assure the Senate that this Senator will never be a party to doing anything of that sort. So far as this Senator is concerned, he would be willing to abide by the decision of the Parliamentarian any time cloture is voted on a bill and to stay within the precedents, which provide a very severe germaneness rule. I urge every other Senator to do the same.

If anybody has any doubt about it, I would be happy to relieve the minds of my colleagues by signing a statement assuring them that we expect to abide by the precedents of the Senate and the advice of the Parliamentarian on matters of germaneness.

I think we should spell out what some of these amendments are, to show some that are not germane and some that are.

We have amendment No. 1999, by Mr. Hart, the oil company divestiture amendment. It may be a good amendment. I sponsored one like it during this Congress. But it is not germane to this bill.

Amendment No. 2000, by Mr. Jackson, Mr. Ribicoff, and Mr. Javits, with respect to freedom of immigration, would amend a provision already in the bill, and in my judgment it is germane. I believe consent has already been given that it will be regarded as germane, in any event. That is one on which we will vote.

Amendment No. 2007, by Mr. Moss, provides for no-fault insurance and a Consumer Protection Agency. It is not germane. I think the Senate would stultify itself and do great injustice to its precedents if Senators try to overrule the Chair by saying that the amendment is germane.

Amendment No. 2008, by Mr. Moss, the Natural Gas Act amendment. Mr. Buckley planned also to offer a natural gas amendment. I discussed this matter with Mr. Buckley, and he fully agrees and understands that if cloture is voted on this bill, a natural gas amendment will not be germane to it. I think Mr. Moss would also agree that a vote to invoke rule XXII would mean that amendment No. 2008 would not be in order.

Amendment No. 2009, by Mr. Moss, a deduction for energy-conserving improvements of taxpayers' residences, is not germane to the bill. Perhaps it is a very good amendment, but it is not germane.

Amendment No. 2010, by Mr. Stevenson, oil price controls and Natural Gas Act amendments. This may be a good amendment, but it is not germane to the bill. It would not be in order if cloture is voted. Senators who vote for cloture should feel satisfied in their minds that the amendment would not be in order. These amendments should not be added to this bill, and that is why we seek cloture.

Amendment No. 2012, by Mr. Domenici, prohibits Government credits to countries not supplying agricultural production information. This appears to amend a provision in the bill involving extension of most-favored-nation treatment and apparently would be germane, although I would be happy to abide by the advice of the Parliamentarian.

Amendment 2014, by Mr. Hartke, to repeal the Canadian auto agreement. That may be a close point, and I would be willing to abide by the Parliamentarian's advice; but I am inclined to think that the amendment probably is germane to the bill, because the bill does relate to trade agreements and to negotiating trade agreements with Canada. I would be willing to abide by the Parliamentarian's advice on that.

Amendment No. 2015, by Mr. Hartke, foreign source oil and gas and percentage depletion. I believe this is the amendment he would like to offer as soon as he can. I think it is probably a good amendment, but it is not germane to the bill. There is nothing in this bill that reduces or increases percentage depletion on oil, and nothing in the bill amends the Internal Revenue Code insofar as foreign source income is concerned. So the amendment would not be germane.

Amendment No. 2016, by Mr. Hartke, refers to the United States-Canada trade agreement. I am not sufficiently familiar with that part of the amendment, and I do not know whether it would be germane. But amendment 2016 includes the provisions of amendment 2015 which relate to foreign source oil income, and that part of the amendment would not be germane to the bill.

Amendment No. 2017, by Mr. Hartke, taxation of foreign oil-related income, would not be germane.

Amendment No. 2018, by Mr. Hartke, is the same as above, and therefore would not be germane. Amendment No. 2019 is the same as amendment No. 2014.

Amendment No. 2022, by Mr. Helms and Mr. Thurmond, freedom to visit and emigrate to join a close relative in the United States, is germane to a matter that is already in the bill and could be voted on.

Amendment 2026, by Mr. Harry F. Byrd, Jr., limitation on all Government credits to Russia. The Senator has two amendments along that line. One is clearly germane, and as to the other there might be some doubt. They both seek to achieve the same purpose, and I think the Senator would be satisfied if one were withdrawn.

Amendment 2028, by Mr. CHURCH, employee impact statement in connection with trade agreements. We believe that *would be* germane.

Amendment 2029, by Mr. CHURCH, information on international operations of multinational corporations. I have some doubts about that. I would like the Parliamentarian's advice on it.

Amendment 2032, by Mr. HASKELL, Mr. CHURCH, and Mr. HARTKE, taxation of foreign oil and gas income, would not be germane, and I have so explained to Mr. HASKELL.

Amendment 2033, by Mr. CHURCH, Mr. HARTKE, and Mr. HASKELL, current U.S. taxation of earnings of controlled foreign corporations; elimination of Western Hemisphere trade corporations; termination of DISC; and termination of preferential treatment of dividends of less developed country corporations. All those are amendments to the Internal Revenue Code, and they would not be germane.

Amendment No. 2036, by Mr. SCHWEIKER, private sector representation at negotiations, would be germane.

Amendment No. 2037, by Mr. SCHWEIKER, homogeneous nontariff barrier trade agreements, is germane.

Amendment 2038, by Mr. SCHWEIKER, prior notification of trade agreements affecting U.S. consumer, employee, and environmental standards, would be germane.

Amendment 2040, by Mr. HARTKE, trade agreements affecting consumer, health, labor, taxation, and other interests, would be germane.

Amendment 2041, tariff schedule items 806.30 and 807.00, we believe to be germane.

Amendment 2042, by Mr. HARTKE, general quotas on imports, we think is germane.

Amendment 2044, by Mr. PASTORE and Mr. HUMPHREY, exclusion of certain product categories from preferences under title V, would be germane.

Amendment 2045, by Mr. ROBERT C. BYRD, application for relocation allowances, would be germane.

Amendment 2046, Mr. ROBERT C. BYRD, application for job search allowances, would be germane.

Amendment 2047, by Mr. LONG, would be germane.

Amendment 2048, by Mr. LONG, compensation of special trade representative and deputy special trade representatives, would be germane.

Amendment 2049, by Mr. LONG, Mr. HARRY F. BYRD, JR., and Mr. ROTH, review and control of East-West trade, would be germane.

Amendment 2050, by Mr. LONG, community adjustment assistance loan guarantees, would be germane.

Amendment 2051, by Mr. LONG, review by American manufacturers of negative countervailing duty and antidumping determinations, would be germane.

Amendment 2052, by Mr. MONDALE, exceptions to Communist country exclusion from the generalized system of preferences, would be germane.

Amendment 2053, by Mr. McINTYRE, exception to tariff-reducing authority, would be germane.

Amendment 2054, by Mr. HATHAWAY, Mr. KENNEDY, and Mr. McINTYRE, repeal of discretion to waive countervailing duties during negotiations, would be germane.

Amendment 2055, by Mr. HATHAWAY, Mr. McINTYRE, and Mr. SYMINGTON, countervailing duty petitions filed prior to December 1, 1974, would be germane.

Amendment 2056, by Mr. SCHWEIKER, repeal of generalized preferences for less-developed countries, we believe would be germane.

Amendment 2058, by Mr. COTTON, exclusion of import-sensitive textile and footwear products from preferences under title V, would be germane.

Amendment 2060, by Mr. DOLE, making sector negotiation objective consistent with overall negotiating objective, would be germane.

Mr. President, if cloture is voted on this bill, we believe it offers us the opportunity and a good chance, on behalf of all these sponsors, to enact the amendments we consider germane.

We think that if cloture is not voted on the bill, none of these amendments have any chance at all, the bill will not become law, and none of the amendments will become law. I believe that the overwhelming majority of Senators feel that we should pass a trade bill; I know the Finance Committee by unanimous vote thought so. But we will not be able to do it unless we can limit ourselves to germaneness, because otherwise, in debate over matters like the Consumer Protection Agency, no-fault insurance, oil and gas pricing, percentage depletion, deregulation of natural gas—so far the Genocide Treaty has not been brought in here, but I am sure it will if this bill is thrown open to practically all amendments; and I have no doubt, Mr. President, that there will be an antiabortion amendment offered on this measure, too, before we are through, if we are not able to limit ourselves to a rule of germaneness.

The Senate has the opportunity to pass this bill. It can vote for a measure on which this body has labored this year, and the House of Representatives worked on last year. The Senate Finance Committee put in 9 months of hard work on this bill. The Senate, by trying to make this measure into a Christmas tree bill, will not only be performing an exercise in futility, but I believe will bring upon itself much criticism and a considerable degree of scorn.

The President has made many recommendations that have not passed either House, or been cleared by both Houses.

We have had long struggles on tax reform proposals which have been offered to debt limit bills, and various and sundry proposals offered to other measures during this Congress, which have failed to achieve their purpose, because there is very substantial opposition to them. To try to add all of that on, in these closing days of Congress, means the whole thing will go down the drain.

So, Mr. President, I hope very much that the Senate will be allowed to legislate on this item, and to bring it to a vote.

While it is true that there has not been a great deal of debate on this matter, the trade bill has been the pending business of the Senate since December 5. So this has been the pending business, and anyone who wanted to could come in and make himself a speech on the trade bill for the last week or so. I admit that with the pressure of other business he might have had to make his speech early in the morning or late in the afternoon, but at any rate the bill and committee report have been available to be read by all Senators and the public and the press of this Nation, to weigh and to consider, along with the other information available to us. So Senators have not been denied an opportunity to be heard. They could have made all the speeches they wanted to up to now, and they will have additional opportunities, if we are to pass the bill at all.

Otherwise, if we are not able to get cloture on this bill, it will not make any difference what Senators say in their speeches, so that even the 1 hour they will have available to them would be a waste of time, because the bill will not pass.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GRAVEL). The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining.

Mr. LONG. I yield 5 minutes to the Senator from Minnesota, and then 1 minute to the Senator from New York.

Mr. MONDALE. Mr. President, the Committee on Finance, under the able leadership of the distinguished Senator from Louisiana has labored for several months on the development of the trade bill which is now pending. Many of us participated day after day for hours, seeking to respond to the legitimate needs and concerns of Americans from all walks of life. We drew heavily on the work of the House of Representatives, which had earlier passed this bill.

I think it is a good bill. It is not necessarily a perfect bill, but it is one which would permit this Nation to commence, at long last, its role of leadership in what we hope will be the soon-to-commence multilateral trade negotiations.

Everyone here knows that the Western industrialized economies are in disarray. Inflation, unemployment, spiraling energy costs, and the rest, have sent a shock wave through Western civilized society, to the point that these economies and these societies are threatened in terms of their very survival.

There is much that we should do. One of the essential steps that this country must take is a leadership role in trying to develop rational, civilized, intelligent ground rules for the conduct of trade, for the imposition of tariffs, for the application or the nonapplication of nontariff barriers, and all of these issues are enormously complex and will take a good deal of time. It is essential that those talks begin, that the participants engage in this long-needed dialog, and that we reach toward a new agreement that will permit the kind of trade and commercial relationships essential for our own economy, for our workers and employees, for our businesses, for our financial institutions, and for agriculture, and the rest.

We think this measure is a good beginning, and we now are at the moment of truth. We have just a few days remaining in this session. If we are unable to adopt this measure, it means that we may well have to begin all over again in the next Congress.

Mr. President, I rise in support of the pending bill and of the motion for cloture. I hope that it will be promptly approved.

There should be no lengthy debate on the Trade Reform Act. The principal issue before the Senate is too clearly drawn. It is drawn not along narrow partisan lines, nor along the lines that divide one interest group from another. For the overriding question we must decide is whether the United States will continue to exercise the leadership required of a great nation as we enter the final quarter of this century.

America has played a unique role in world affairs during the postwar era. We have exercised our substantial influence not simply to gain short-term advantage, but rather to enhance the long-range prosperity of our country and that of our allies abroad. We have not been blind to our own interests. But we have recognized that our own economic security depends upon an open, healthy, and stable world economy. It is this understanding that prompted U.S. initiative to build more effective international economic institutions in the GATT and the International Monetary Fund.

Since 1970 our economy and those of our partners in the world trading system have entered a period of turbulence unknown since the 1930's. Unprecedented rates of inflation, mounting worldwide unemployment, and the massive payments deficits afflicting oil consuming countries have placed enormous strains on the GATT member nations.

In the face of this deepening turmoil, there is a growing temptation for nations to turn inward, to seek solutions to problems of inflation, unemployment, and payments deficits by erecting new barriers to trade. This tendency is perhaps best reflected in the problems with our trade relations with Canada. Recent actions by both the Canadian and U.S. Governments, concerning imports of beef and exports of petroleum, raise the possibility of a serious trade war.

Protectionism is no solution to the economic problems we face. A highly industrialized country like the United States would suffer greatly if the doors to international commerce were closed. Export markets provide jobs for more than 3 million people and over 7.7 percent of the U.S. workforce engaged in manufacturing. We are dependent upon imports for many raw materials, like manganese, tin, zinc, tungsten, aluminum, nickel, and chromium, that are critical to the production of steel and other industrial products required by our domestic economy.

Policies predicated upon a beggar thy neighbor attitude also inevitably lead to political confrontations that might irreparably damage the possibility for cooperation on the critical issue of oil.

Our ability to bring pressure upon the oil cartel to modify policies that are not just painful, but ruinous to the world economic system, depends directly upon our ability to enlist the cooperation of other oil consuming countries.

And it is clear that we will never convince our allies of our own commitment to cooperation unless we take the first step of passing a trade bill.

At this critical moment, all eyes are on the United States. Our rejection of enabling legislation to permit collective trade talks would inevitably be interpreted as a signal that we have forsaken the path of international cooperation. Such action would give ammunition to those in other countries who advocate economic nationalism, and it would surely give hope to OPEC that years may elapse before the United States and Europe will be able to formulate a common response to the most difficult of all trade problems—the oil crisis.

In the face of the overwhelming necessity for world economic cooperation, only the most compelling arguments ought to detain the Senate from the task of passing the trade bill.

At one point the issue of emigration from the Soviet Union and other Communist countries raised just such an argument. However, as a result of the agreement reached in Washington last October, the need for passage of the trade bill with the Jackson amendment and waiver becomes even more critical.

In a recent visit to the Soviet Union, I discussed this issue extensively with the Soviet leaders and with the Soviet Jews who have been hoping to emigrate, many of them for many years. It was abundantly clear, particularly from the standpoint of the Jewish leaders, that passage of this trade bill is regarded with hope as a means to help realize their hopes of emigration.

When the Jackson amendment is raised, I should like to discuss at greater length the details of the agreement in relation to specific cases of individuals who are hoping to emigrate. At this time I should like to add only that I was quite pleased and satisfied by the breakthrough on this important issue of human rights; and I think we must now assure that the agreement is implemented by passing the trade bill.

Various individuals have suggested that for domestic economic reasons the trade bill should not be approved by the Congress.

Let us look at the impact of the trade bill on our domestic economy. Many serious questions have been raised about the impact of expanded trade on working men and women. In its consideration of the Trade Reform Act, the Finance Committee carefully weighed the impact of this legislation on jobs, particularly in the manufacturing sector of our economy. The committee was especially concerned about the declining share of our workforce engaged in manufacturing.

Nonetheless, despite increased imports since 1960, employment in manufacturing has increased on an absolute basis from 16.8 million jobs to roughly 20 million jobs through the first half of 1973. Statistics suggest that to a large extent increased productivity among production workers compared with service-oriented employment, rather than imports, have been responsible for the changing composition of our workforce.

Although fears have been voiced that the Trade Reform Act might pose a threat to jobs, the evidence shows that the opposite is true—that increased trade will result in more jobs and better and more highly paid jobs. Liberalization of trade barriers could permit us to take advantage of the competitive advantage which we enjoy in telecommunications, computer technology, aeronautics, petrochemicals, and similar industries which are both labor intensive and highly skilled.

In 1974 alone, rising U.S. trade surpluses in products such as nonelectrical machinery, aircraft, computers and basic chemicals have contributed more than $16 billion to our balance of trade account—$5 billion more than in 1973—creating jobs for American workers and helping to strengthen the value of the dollar. Even in many areas where the United States has suffered from declining trade balances in recent years, including textiles, clothing, footwear, consumer electronics, and steel products, performance in 1974 improved over that of 1973.

Unfortunately, at the time that the Trade Reform Act was first proposed, the United States was experiencing disastrous trade deficits as a result of overvaluation of the dollar in relation to foreign currencies. Thus, from an average rate of growth in imports of 7.3 percent in 1960–65, the United States absorbed a 13.3-percent increase in imports between 1965 and 1970. By 1972, imports had soared to an incredible 21.9-percent rate of growth.

Two devaluations of the dollar have helped to alleviate this problem. Our trade balance has improved significantly despite a disastrous $18 billion increase in the cost of imported oil. In fact, on a CIF basis, in 1974 the United States is now running a $3.4 billion surplus in trade in manufactured products. We are running an $11.5 billion surplus in agricultural products.

To be certain there are many serious trade problems that must be corrected if the United States is to enjoy the full benefits of a more open trading system. Other countries have used a variety of devices including variable levies, export subsidies, import equalization fees, border taxes, cartels, discriminatory government procurement practices, import quotas, and other methods to shelter their own economies while seeking greater access to U.S. markets. These practices have in many cases sharply limited the competitive opportunities of U.S. business abroad. But our failure to pass trade legislation would not eliminate discriminatory treatment of U.S. goods in overseas markets. On the contrary it would in all probability lead to greater inequities as other nations follow our example by turning inward.

No major sector of our economy—certainly not workers—would benefit by Senate action to close off the avenue of negotiation for settlement of our trade difficulties.

What of consumers? In a December 8

editorial, the Washington Post properly noted that the Trade Reform Act is the most important consumer bill of the year. To the consumer trade offers a means to increase the variety and to lower the cost of items he buys. Increased competition can stimulate domestic industries to lower selling prices or to adjust output to meet changing consumer needs and preferences.

American businesses benefit from liberalized trade by gaining greater access to overseas markets and to supplies of raw materials and semimanufactures required for domestic production processes. In 1974 exports added $96 billion to our gross national product, up from $38 billion just 5 years ago. In the State of Minnesota alone, more than 800 companies are actively engaged in international trade, adding $1 billion to the State's income from manufacturing and creating 12,000 jobs that are totally dependent upon exports.

Finally, trade is essential to the livelihood of the American farmer. According to the Bureau of Labor Statistics, trade accounted for 12.6 percent of total private employment in agriculture in 1972. U.S. exports of agricultural products this year are running at an annual rate of $21.9 billion, compared with $17.7 billion in 1973 and $9.4 billion in 1972. The State of Minnesota, which is one of the leading agricultural exporters in the United States, earned $1.2 billion as a result of agricultural export sales in fiscal 1974.

Turning to provisions of the bill itself, the pending measure—like its counterpart in the House—provides the authority for the U.S. negotiators to seek agreements which would lower tariff and nontariff barriers to trade. But as a result of several amendments which I offered in the Finance Committee, the Senate bill would go beyond the House version to address the critical issue of assuring not simply access to markets, but also access to supplies of raw materials required by the United States.

Over the past 2 years we have seen an alarming trend toward the formation and use of producer cartels to artificially increase the price of raw materials. The dangers in this movement are readily seen in the economic chaos generated by OPEC. Last December I warned that the example set by the Arab States could easily be followed by monopoly producers of other vital raw materials. Since then, we have seen disturbing evidence of this prediction's coming true.

Bauxite producers have combined to create the International Bauxite Association, setting the stage for Jamaica to press for a 600-percent increase in its earnings.

Through the International Council of Copper Exporting Countries, copper exporters are now pressing for greater control of the market.

Phosphate producers have achieved a threefold increase in prices, and members of the International Tin Agreement are seeking a 50-percent increase in the floor price for tin.

Coffee producers are starting to dominate markets, and other commodity producers may soon join the stampede toward cartelization.

In an era marked by spreading shortages of food and raw materials, there is a high likelihood for success of efforts to drive prices higher by limiting production of critical commodities.

And as Ambassador Eberle told the Joint Economic Committee the other day, the existing GATT articles are "virtually worthless" in attempting to deal with collusion among raw materials suppliers.

Although the GATT articles contain provisions relating to the use of export embargoes, these provisions are riddled with loopholes and have not been enforced. In fact, the major thrust of the GATT has been toward import restrictions; and until now little attention has been paid to the critical issue of supply access.

My amendments, which are incorporated in titles I and III of the Trade Reform Act, are designed to make access to supplies a negotiating objective of equal importance to access to markets. This goal is articulated in chapter I of the bill under General Negotiating Authority and also in chapter II, Reform of the GATT. Under the latter section, the President would be directed to seek to strengthen the GATT articles to include rules and precedures governing the imposition of export controls, the denial of fair and equitable access to supplies, and effective consultation procedures. In addition, the President would be directed to seek the adoption of multilateral procedures and sanctions with respect to countries that deny equitable access to supplies of raw materials, food, and manufactured products.

To increase the President's leverage in bargaining with countries that deny supplies to the United States, he would be given explicit authority under title III to retaliate against offending nations. This authority could be used unilaterally until such time as multilateral mechanisms to respond to unreasonable export embargoes are adopted by the GATT. But the ability of the United States or any other GATT member nation to bring pressure upon commodity cartels would obviously depend upon our ability to act in concert with our trading partners under mutually agreed upon rules and procedures.

In a paper entitled "Completing the GATT," released several weeks ago by the National Planning Association, C. Fred Bergsten, of the Brookings Institution, proposed a number of specific objectives that might be incorporated in the U.S. negotiating position. I would hope that our negotiators would draw upon these recommendations and others that have been offered to make the most effective possible use of the authorities granted under the supply access amendments.

In two other respects I believe the Senate bill offers a significant improvement over that adopted by the House of Representatives. The first such area is the question of addressing dislocations which occur as industries adjust to increased competition. Although the TRA places emphasis on avoiding market disruption and providing sufficient time for U.S. industries to adjust to competition, some temporary dislocation is inevitable. To deal with these problems, the Finance Committee adopted amendments, offered by Senator Nelson, to the adjustment assistance title of the act. Under these amendments, which I was privileged to cosponsor, the benefit levels for workers were liberalized to provide a maximum of 70 percent of a worker's average weekly wage up to 100 percent of the average weekly wage in manufacturing for a full 52 weeks. Workers over age 60 or those enrolled in approved training programs could receive benefits for an additional 26 weeks. In addition, the bill establishes for the first time a program of adjustment assistance for communities, including aid in the creation of Trade Impacted Area Councils, technical assistance under the Public Works and Economic Development Act, and a special program of loan guarantees to stimulate new investment in trade impacted communities.

Second, I should like to call attention to a special problem in agriculture. The United States has for many years maintained a system of import quotas on agricultural products which are covered by domestic price support systems. These quotas are not simply a trade matter, but also an integral part of domestic price support and food policies.

Over the past 2 years administration recommendations and actions have suggested the possibility of a trade off between U.S. concessions on dairy imports in exchange for European concessions on other agricultural products. Despite repeated denials, Executive actions in maintaining price supports at or even below the minimum level required by law, in invoking emergency authority to expand dairy imports above established quota levels, and in refusing until forced by threat of a court order to countervail against heavily subsidized dairy imports suggested that key elements of the proposed policy might already be gaining adoption.

As a result of these actions, the U.S. dairy industry is facing disastrous losses. As many as 5,000 dairy farmers in Minnesota have been forced out of business since the beginning of this year. Aside from the ruinous impact of administration policies upon the dairy farmer, such policies could lead to severe shortages and sharply higher prices for consumers in the months ahead.

To guard against such a possibility, Senator Nelson and I sought in committee and were given assurances that any change in the current program of quotas under section 22 pursuant to a trade agreement—whether such a change could be implemented administratively or required an amendment to current law—would be brought back to the Congress for affirmative approval under the procedures set forth in section 102 of the act. Furthermore, Senator Nelson and I were assured in a letter from Ambassador Harald B. Malmgren, dated October 2, 1974, that—

> The Special Trade Representative's Office would not recommend any changes in quotas in connection with trade policy without prior consultation with you and with representatives of the dairy industry, whatever the elements of such a settlement insofar as they affect dairy farmers.

A parallel concern of dairy farmers and many other U.S. industries is the problem of export subsidies. If subsidized imports of articles covered by domestic price support programs are permitted to enter the United States, even when traditional quotas are strictly enforced, but especially when quotas are expanded under emergency proclamation authority, not only is the American farmer subject to unfair competition, but the U.S. Government is also placed in the position of being forced to buy domestic products that are displaced by imports in order to maintain price support levels.

The dairy industry offers a case in point. During the first quarter of 1974, the United States imported 29 million pounds of cheese from the Common Market. Most of this cheese carried a subsidy approaching 32 cents per pound. As a result of unfair competition, U.S. cheese producers lost their traditional markets, the domestic price of cheese fell below support levels, and the U.S. Government was forced to buy cheese to maintain the support level.

The present law on countervailing duties is clear and mandatory. Nevertheless, because there is no effective time limit for investigations, it has only rarely been enforced. The House bill sought to correct this problem by directing that investigations be completed within 1 year from the date that the question is presented to the Secretary. Nonetheless, a loophole still remained since years of delay could take place before the question officially reached the Secretary. In addition, the House bill opened up two new loopholes by giving the administration virtually unlimited discretion over whether to countervail against products covered by quotas and over whether to countervail against any products during the 4 years of the negotiations.

To meet these objections, the Finance Committee, therefore, adopted several amendments, which Senator **Nelson** and I proposed, to strike the permanent discretion over whether to countervail when quantitative restrictions are in effect, to tighten the time period for investigations, and to strictly limit administration discretion during he negoiations. These amendments would require that the Secretary countervail unless two conditions are met: First, that adequate steps have been taken to reduce substantially or eliminate the adverse effect of the subsidy, and second, that there is a reasonable prospect that successful trade agreements will be reached to reduce and eliminate barriers to trade and to countervail would seriously jeapordize the satisfactory completion of the negotiations. Any decision not to countervail would be subject to veto by either House of Congress, resulting in the mandatory imposition of countervailing duties.

At the request of Senator **Nelson** and me, the Department of the Treasury provided an explanation of how these amendments would be applied in the case of the dairy industry. We were informed that Treasury would proceed immediately under the countervailing duty law should the EC reinstate export payments on dairy products and that any attempt to avoid or delay the imposition of countervailing duties by the mere subterfuge of substituting one incentive program for another would be treated as though these payments had been resumed. In this event a final determination on the payment of subsidies could be made within 14 days.

While these and other amendments have greatly strengthened the trade bill, there are however several weaknesses in the Senate version which I hope can be corrected in conference with the House.

I am concerned, for example, that the Senate bill requires that the President provide import relief in the form of higher tariffs, quotas or orderly marketing agreements when there is a finding of injury to U.S. firms whether or not the overall national interest of our country would be jeopardized by such action. I would hope that some discretion might be provided by the conferees.

Second, the Senate committee adopted an amendment to the countervailing duty section of the act, which would preclude any discretion whatsoever after the first 2 years of the negotiations. I would hope that this limited discretion would be extended to 4 years, provided all other major aspects of the Senate bill concerning countervailing duties and section 22 import quotas are retained in conference.

Third, I am most concerned about an amendment that was included in title IV of the trade bill concerning most favored national status for Czechoslovakia. This provision would seek to force Czechoslovakia to pay all property claims resulting from postwar nationalization of property at an unprecedented rate of 100 cents on the dollar before the CSSR would be eligible for most-favored-nation status or for the return of Czech gold confiscated by the Nazi regime during World War II. The United States has not demanded 100 percent restitution from any other Communist government; we have, in fact, signed similar claims settlements with Poland at 39 cents on the dollar and with Romania for 37 cents on the dollar. Nor have Britain or France demanded 100 percent payment from Czechoslovakia. The Czech Government has negotiated an agreement with the Department of State which would provide for a payment level of 41 percent, which compares favorably with other agreements we have negotiated and is more favorable than those signed by our allies. Advocates of the amendment have argued that it will force the Prague Government to negotiate a better agreement. Nevertheless, unless the amendment is dropped or greatly modified in conference a more likely result would be the loss of trade opportunities totaling from $300 million to $1.5 billion in the next few years.

Finally, the Finance Committee adopted several, in my opinion, regretable amendments to title V of the Trade Reform Act. Title V establishes a generalized system of preferences for developing countries. While the amount of trade expected to take place under title V is terribly modest, this program is symbolic of U.S. willingness to assist in promoting economic development and diversification in developing nations. Unfortunately, the committee decided to attach amendments which would deny preferences to many countries in Latin America and Africa.

These amendments would also preclude any Communist country from receiving preferences. This trade bill marks a step forward in our relations with the nonmarket economies. But it has the unfortunate aspect of denying generalized system of preferences for Romania and Yugoslavia, along with other Communist countries. At one point in the history of this bill, there was an exception for Romania and Yugoslavia recognizing their more independent foreign policy and, in the case of Yugoslavia, the more humane domestic structure as well. That exception is now missing from this bill.

I regard this as a serious error on our part. The Soviet Union has, for more than a generation, been seeking to enforce discipline and control over these two countries along with the rest of Eastern Europe. And we are only playing into their hands by forcing them all into the same category. I have, therefore, prepared an amendment to provide that Romania and Yugoslavia be exempted from the prohibition on GSP, which I hope to raise later on during the debate on the bill. I do not intend to take much of the Senate's time on this amendment.

The Senate trade bill is not a perfect bill. In a number of areas in addition to those I have mentioned, I believe that this measure could be improved. Nevertheless, I recognize the greater urgency of getting this measure through the Senate and into conference before the clock runs out. With only a few days remaining there is no time for delay.

The cloture motion would preclude lengthy debate on a number of amendments which have been offered relating to deregulation of natural gas and the taxation of foreign earnings of U.S. corporations. The proposal for natural gas deregulation is, in my opinion, a disastrous amendment that could take $10 billion a year from the pockets of consumers to line the pockets of the big oil companies. On the other hand, I have a great deal of sympathy with the intent of amendments to close tax loopholes that enable U.S. businesses to escape without paying their fair share of taxes and in some cases may encourage U.S. industries to relocate overseas. However, I do have serious questions about whether the amendments are technically sound and adequate to achieve the purposes for which they were introduced. And beyond these doubts, I recognize, as sponsors of the natural gas amendment must recognize, that the amendments will never survive the determined opposition they will meet in the waning days of the 93d Congress. They will only succeed in killing the trade bill.

I, for one, believe that we cannot afford to let the trade bill die. The international economic outlook is simply too grave and the need for reform of our trading system too urgent to allow shortsighted arguments or narrow self-interest to kill this essential legislation. The decision we make on the trade bill is more than a domestic economic decision although it is clear that our economy would benefit from its passage. It may prove to be the most important foreign policy decision of the 93d Congress.

Cordell Hull, the father of our trade agreements program, once warned:

> **If goods cannot cross borders, armies will.**

While this prophecy may sound alarmist, in my judgment there can be no doubt that the political consequences of allowing our trading system to deteriorate would be harmful in the extreme to our hopes for renewed cooperation with Europe, with Japan, and with the developing world. And unquestionably, the failure to strengthen our trade relationship with the Soviet Union and other Communist countries, as envisioned in the Trade Reform Act, would both undermine progress in détente to date and threaten the prospects for the future.

Negotiation offers no instant answers to the oil crisis and to the problems of inflation and unemployment. But negotiation does offer the hope that through slow and painstaking effort, detached from the political arena, our country and other trading nations can achieve mutually acceptable solutions to the relatively minor economic problems that divide us and can build the basis for cooperation to resolve the bigger issues upon which our common fate depends.

I ask unanimous consent that Mr. Saylor of the staff of the Committee on Agriculture and Forestry be permitted to remain on the floor during the remainder of the consideration of H.R. 10710, including any and all rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I want to endorse the statements of the distinguished Finance Committee chairman, Mr. Long, about the need to observe faithfully the rules on germaneness, should the cloture motion be adopted.

I also want to relieve him of one of his concerns as to a nongermane amendment.

Yesterday afternoon, I introduced an amendment to the standby emergency energy bill (S. 3267) that calls for the deregulation of new natural gas. As this is an appropriate vehicle for legislation that would terminate FPC jurisdiction over the wellhead price of gas that is not currently committed to interstate pipelines—there being no single action better designed to forestall an energy emergency—I have advised the leadership that I will not call up my gas deregulation amendment to the trade bill, and that I will vote for cloture.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. Mr. President, we are not talking about whether this is a good bill or a bad bill. The Senator from Minnesota, if he cares to listen, would be reminded of something he said on television when he was still a candidate for President, when he appeared on Issues and Answers. They asked him what they were going to do about Federal tax problems, and the answer of the Senator was that we should tax the multinational oil companies.

Mr. MONDALE. Will the Senator yield?

Mr. HARTKE. I wondered whether he surrendered that position or a discussion of that issue at this time.

Mr. MONDALE. Will the Senator yield?

Mr. HARTKE. I yield 30 seconds. I only have 8 minutes.

Mr. MONDALE. I agree completely, as I said just a moment ago. The multinational oil companies, with the use of the foreign tax credit, and what Douglas used to call the golden gimick, because virtually untaxed from the standpoint of the Federal income tax. I want to see that changed.

What I have said is in the light of the crucial nature of this bill, I do not think we should bring it up right now. I think we should bring it up early next year when an essential tax bill must be raised.

Mr. HARTKE. I just want to remind the Senator of what he said. He said only relevant amendments. That is the issue here. I am not bringing irrelevant amendments up in this bill. The question really is the question of a technical determination of germaneness. Even the President of the United States, when he put this bill in, said to us very simply that he wanted these tax measures considered as part of the trade bill. The fact of it is that the Senator from Minnesota says this was enormously complex, long needed, and he, himself, has put in extended remarks. What is happening here is very simple. There will be a limitation of this debate, very simply put, into 1 hour for each Senator. That is 100 hours. This bill has been under consideration for 2 years, under consideration for 17,520 hours. They have been considering this bill for that long. But now each Senator is limited to 1 hour to discuss a bill that has gone that far.

The Senator from Louisiana, the chairman of the Finance Committee, took 15 minutes of his time on debate to read the list of 42 amendments which are pending. If you take the time which a Senator has and devoted it to all those 42 amendments, a Senator would have about 1 minute and 15 seconds to discuss every amendment. This is preposterous, absolutely irresponsible.

Yesterday I tried to discuss this issue. The Senator from Louisiana said that we could have debated the issue. But you could not offer an amendment, because there was a technical amendment at the desk presented by the Senator from Louisiana, perfectly within his rights, but perfectly within the realm of preventing any type of meaningful action taking place in the Chamber of the Senate.

This bill has 293 pages in it. The report has 311 pages. There are seven volumes of the hearings on this measure, which are almost a foot and a half high.

There is the question involved in the Jackson amendment alone, which I favor, by the way. I am not opposed to it. They say that immigration is germane, but taxation of a foreign corporation is not germane.

Well, I agree that deregulation of natural gas is not relevant, but I want to point out that no amendment that I have placed on the desk, or most of those others——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself an additional 2 minutes.

Most of the amendments at the desk are relevant. This is not an attempt to close debate. I do not think the issue is really germaneness. I think the more vital issue for this Senate is the question where you have a cloture motion filed before the debate began on one of the most complex, controversial, important issues that this Congress has ever faced.

They say they are afraid of a Christmas tree bill. They had better be afraid of going ahead and rushing down the path of disaster. I would say to you that if debate is limited under the cloture motion, in the words of Macbeth, all the perfume of Arabia will not wash that blood from your hands.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. HARTKE. Mr. President, yesterday I was going to discuss three amendments which are going to be ruled nongermane. I would hope that in the rush of the final days of this Congress, before this issue is closed, I would have the opportunity eventually to discuss these amendments. Even though they will be ruled nongermane, and on which I know there is no possibility of overruling the Chair, I still think it is important that those matters be considered.

Let me refer to former Secretary of the Treasury John Connally, when he was before the Finance Committee on hearings on this about a year and a half ago. I asked him this specific question: "Under the tax laws of the United States, is it more advantageous for a corporation to invest in the United States, in Indiana, for example, than in India?"

He said, "That all depends."

I said, "What does it depend upon?"

He said, "It depends on how you look upon it."

I said, "Let me just ask you: Everything else being equal, if you just look at the tax laws, is it more advantageous to build in Indiana or in India?"

He said to build in India.

We have in this bill, for example, another measure, the so-called Mexican situation. I believe I will have a chance to discuss this amendment on the floor. I hope they will not rule that matter nongermane.

This is a very technical question of what has happened to the industries which have been set up on the border. That amendment certainly would take longer than any 1 hour to debate. It is not in the bill. The problem is not eliminated in the bill. This runaway operation is still being continued.

No discussion has been had, and no decision has been made, concerning the fact that the labor, for example, in Hong Kong, which is being utilized by the same multinational corporation, is child labor, 12 years old, working 6 days a week, earning less than $1 a day.

I think that some of these things ought to be discussed at a time in which unemployment is skyrocketing throughout this Nation, at a time when inflation is absolutely one of the main concerns. We see here a headlong rush not to go ahead and pass a trade bill, but a headlong rush to cut off meaningful debate on a very complex issue, to cut off any opportunity for having a discussion of one of the most important matters on the agenda.

Let me point out that if this trade bill becomes law, it is the law for the next 5 years. If the history of negotiations by the administration follows the pattern of the past, it will not be the commercial, the economic, the jobs in the United States that will have first priority by those negotiators representing the administration; it will be the State Department, using the power of trade negotiations for political purposes. We have all to long seen that that results in disaster.

SUPPORT CLOTURE

Mr. DOLE. Mr. President, after having worked on the Trade Reform Act for many months in the Senate Finance Committee, it is my conviction that this legislation is tremendously beneficial to my State of Kansas and to the Nation as a whole. It is my hope that we can invoke cloture today to move this legislation forward toward passage of the bill in the 93d Congress.

KEY TO AGRICULTURE

Agricultural exports are vitally important to many people in the State of Kansas. There are an estimated 110,000 people employed on Kansas farms, both family and hired. These workers produced over $4.4 billion worth of agricultural products for sale in 1973, fifth largest in the United States. For the year ending June 30, 1974, it is estimated that over $1 billion worth of farm goods were shipped overseas from Kansas which is about one-fourth of the State's production.

In terms of total U.S. agricultural exports, Kansas ranks fourth among the States. Moreover, Kansas is first in our most important farm export commodity—wheat. The United States traditionally exports over half of the wheat it produces, and in recent years the amount has moved closer to three-fourths. In addition, Kansas is also in the top 10 exporting States in feed grains and such animal products as tallow, lard, and hides.

We talked in the agriculture committee yesterday about the need to expand livestock exports. This legislation will facilitate that expansion.

The benefit from these farm exports to the people who produce them is direct and obvious. Between fiscal years 1971 and 1973 when total U.S. farm exports rose from $7.8 billion to $12.9 billion, Kansas moved from the sixth largest exporting State to the fourth. At the same time, total farm cash receipts rose from $2.2 billion in the State to $4.4 billion—calendar year data. More importantly, however, is the fact that average net farm income in Kansas increased from $7,585 in calendar year 1971 to $17,234 in calendar year 1973. Comparable figures for 1974 are not yet available except for total U.S. agricultural exports which jumped another $8.4 billion to $21.3 billion in fiscal 1974.

NONFARM JOBS CREATED

Although not as evident, farm exports also benefit people working in agriculture-related industries and businesses. One out of every five jobs in private employment is related to agriculture in some way, whether in storing, transporting, processing, merchandising, or providing goods and services to the producers. Farm exports play a particularly important role in the nonfarm sector. For example, every $1 increase in exports of feed grains, wheat, rice, and oilseeds creates another 90 cents of output in areas such as transportation, financing, warehousing, and in farm supplies.

Thus, the increase in farm exports produced in Kansas from $301 million in 1971 to $1.2 billion in 1974 can be said to have increased output in other areas by another $800 million. Of the estimated 450,000 people employed in areas directly related to farm exports in the United States, 27,000 are dependent on exports from Kansas.

GOOD FOR WORKING PEOPLE

Industry in Kansas is growing. Expansion of our exports will encourage the growth of industry in Kansas. That means more jobs for working people. Kansans are hard-working people. It is my feeling that this legislation will open up more jobs for people in Kansas than we have ever had in the past and that this measure will also help reduce inflation that working people are struggling to contend with now.

In 1972, Kansas-manufactured exports reached a value of $280.9 million. At least 6,400 Kansans are employed in manufacturing for export. This is only the number of those directly involved in manufacturing and does not include the number which is normally several times greater of those involved in handling, processing, documenting and financing.

Kansas is presently ranked 28th among the States in importance of export employment in manufacturing establishments, and 29th in value of manufacturing for export.

We are growing in this area and I fully expect to see Kansas rising sharply on this list of States. We already have many enterprises involved in multimillion-dollar exports of transportation equipment, machinery, food products and chemicals. This legislation will improve that picture.

PROTECTION FOR WORKERS AND BUSINESS

A most important aspect of this legislation is the extensive provision we have made for relief from imports.' We have provided for assistance to workers, farms and entire communities that may be forced to adjust to import competition. We have tightened the requirements for antidumping actions and countervailing duties.

I have heard some concern that these measures are not adequate. The Congress, of course, retains the right to change the law and improve the programs if in fact these fears are realized. Many of these safeguards have not existed in the past and the trade reform act represents a new and potentially advantageous approach to world trade.

OFFSET OIL IMPORTS

An important facet of this bill is the impact it will have on holding down inflation. The high cost of oil has been a major contributing factor to the lagging economy we have been struggling with. The expansion of exports we hope to achieve under this legislation will be very effective in helping to hold down the rate of inflation we have been experiencing. Expanded exports of manufactured products will be important in this regard but from this point of view, Kansas agricultural exports, are especially important to offsetting the increased oil bill.

In fiscal year 1974, agricultural exports reached a record level of over $21 billion. That meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first 10 months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill increased by over $12 billion this year over last and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973 our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year has kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is why I am supporting this legislation today.

EMIGRATION AMENDMENT

The time it has taken to resolve differences within the Senate on this most important piece of legislation is unfortunate, but at the same time it is a testament to the fact that this country will not subordinate its concern with basic human rights to expediency.

As a cosponsor of the amendment which would deny most-favored-nation status to those countries which restrict emigration of certain peoples arbitrarily, I am, of course, pleased and gratified that an agreement has been worked out and the controversy diminished.

The success in resolving this problem has made the bill we consider here today a better bill, that will better serve our own interests, serve to ease the plight of citizens elsewhere whose fundamental freedoms have been denied, and assert, once again, in a very particular and specific way, America's traditional concern for the rights of individuals.

So, Mr. President, I feel that the trade bill is a good piece of legislation. It is tremendously important to our vital world trading position. The alternative, as Secretary Kissinger pointed out in response to my questioning at our recent hearings, would be disaster for our trade positions. I hope we can invoke cloture today and move promptly toward final passage of this bill.

Mr. FANNIN. Mr. President, I am pleased to see that the Senate of the United States finally is considering trade legislation which, if enacted, will assist materially in reforming our international economic system.

The world has changed dramatically from the one we knew in the 1950's and 1960's and it is essential that we design our international trade policies in line with current realities.

The leadership and support of the United States has been in the forefront of developing our present multilateral trade and payment system. Barriers to trade and capital movements have been reduced gradually and the world has experienced unprecedented economic growth through the 1960's.

At the beginning of this decade it became clear that our trading, payment and investment systems were not capable of meeting the increased demands placed on them by the increased flow of trade. We in the Finance Committee attempted to deal with this problem in 1970 and since that time we have been active in formulating an economic policy to meet current requirements. Recent shortages in agricultural products, petroleum and other items have underscored the needs for legislation to implement a foreign economic policy to meet the problems of this decade.

In July 1971, a report submitted to the President by the Commission on International Trade and Investment Policy stated in part:

> We face critical choices. The welfare of our people—perhaps even the prospects for world peace, stability, and development—will depend on the wisdom and the realism with which we and other countries adapt to the changed circumstances of the seventies.
>
> The next few years will determine:
>
> Whether our people can enjoy the benefits of open channels of trade and investment while coping with the real human problems of adjusting to rapid economic change;
>
> Whether the world will drift down the road of economic nationalism and regional blocs or will pursue the goal of an open world economy.
>
> Whether the European Community and Japan will accept responsibilities commensurate with their economic power;
>
> Whether we can evolve with our trading partners a sound international monetary system reconciling domestic and international economic objectives;
>
> Whether developed and developing countries can mobilize the will and resources to cope with global problems of poverty, population, employment, and environmental deterioration;
>
> Whether we can seize new opportunities for improved political and economic relations with the Communist world.
>
> To meet these challenges, the United States must develop new policies that serve our national interest—a national interest which comprehends a prosperous and congenial world.

Mr. President, these observations are even more pertinent today than they were in 1971.

The Trade Reform Act of 1974 is designed to meet these challenges in four ways:

One, the bill gives authority for multinational negotiations toward the elimination and reduction of tariff and nontariff barriers to trade;

Two, we are providing authority to protect U.S. products in world markets. It is a basic tenet that for trade to be free it also must be fair;

Three, we have provided the means of assisting those workers and firms that could be injured from a surge of imports and also have protected those firms that could be injured by unfair import practices; and

Four, the bill will allow us to take advantage of new trade opportunities with all countries and institute a system of generalized tariff preferences for less developed countries.

Mr. President, the Trade Reform Act of 1974 is an excellent vehicle for accomplishing our goals in the world economy and I am hopeful that my colleagues will act in a prompt and responsible manner on this vital legislation.

Mr. **MUSKIE**. Mr. President, I must vote against the cloture motion on H.R. 10710, the Trade Reform Act. The act may be the most far-reaching economic and foreign policy legislation to be considered by the 93d Congress. If enacted, it would give the President broad authority to negotiate world trade agreements, to trade with Communist countries, to give preferences to imports from less developed countries, and to manage this country's balance-of-payments deficits and surpluses. This is, indeed, a broad grant of authority and if enacted, this bill would give the President this authority for 5 years.

Yet there has been virtually no debate on this legislation on the floor of the Senate. And I feel that a measure which has such broad implications not only for specific industries which face severe import competition, but for the American economy as a whole, and for American foreign policy, should have the benefit of a full and fair Senate debate.

In failing to give a measure of this significance the attention it deserves in a last-minute rush to adjournment we run a very real risk of substituting the judgment of others for our own.

Yet this cloture petition was filed before the debate had really begun.

Accordingly, I do not feel that I can support a cloture petition at this time.

Mr. President, this legislation is 293 printed pages. The report of the Finance Committee is itself more than 300 pages.

Both represent an enormous amount of hard work and persistent effort on the part of the committee, and I think Senator LONG and his committee deserve our commendation.

But not all of us have been as intimately involved in the committee process. In considering legislation of this magnitude, we need to know:

First. How this legislation will affect sectors of the American economy which suffer from vigorous—and often unfair—import competition, or from international competition for our limited supply of raw materials.

Second. What kinds of safeguards for those industries are contained in the present bill; whether these safeguards need to be modified or strengthened; and whether we need to do more to counter the human costs which would result from the changed nature of international trade contemplated by this bill.

Third. What possibilities there are for international arrangements that would place meaningful restraints on imports over the next several years.

It would be easy for us to examine the printed words in this document, heft its weight, and say, yes, this is a fine piece of legislation.

But we must remind ourselves of the costs in human terms.

For example, Mr. President, the shoe industry, which has traditionally been the largest employer in my home State of Maine, is already crippled by an increasing flood of imports, and has been unable to obtain relief through existing laws and procedures.

Five years ago, net imports—imports less exports—of nonrubber footwear totaled 175 million pairs valued at $330 million. In 1970, net imports totaled 240 million pairs valued at $560 million. And by 1973, net imports had increased to 316 million pairs valued at close to $1 billion.

Even these statistics do not describe the costs to a family which has for generations given its labor to the local shoe shop, perhaps the town's only industry, which now faces extinction. When an industry like that dies, a town can die with it, and a family can break apart.

We must be conscious of the consequences of our action on this legislation. We must consider carefully all its costs. And we must do what we can to minimize those costs.

Yet we in the Senate are being asked today to go ahead with legislation that potentially increases the threat to many U.S. industries without our being able to consider fully whether remedial action is necessary.

I cannot support doing this. I believe this bill must be considered more fully than filing cloture today would permit. So I must vote "No."

Mr. **BAYH**. Mr. President, I shall vote against invoking cloture. I do so not on the merits of the various issues at the heart of the Trade Reform Act, but because of what I consider to be an alarming and growing tendency in the Senate to abuse the basic procedures upon which the formulation and enactment of meaningful legislation must rest.

These procedures revolve around the concept of full and adequate debate. The Trade Reform Act, one of the most far-reaching and economically vital pieces of legislation this Congress has considered, was the subject of a petition for cloture filed before we had completed one full day's debate on the provisions of the bill itself, let alone considered any relevant amendments.

How can the Senate be expected to responsibly vote on such a major piece of legislation when debate has been limited before it has even begun?

I expressed this same concern 1 week ago when the Senate was urged to act on the Export-Import Bank conference report without the opportunity to fully debate the significant deletions made by the conference in the Senate-passed provisions of the bill. The first cloture petition on the conference report was filed before there had been 2 hours of debate.

Fortunately the Senate in that instance concurred in my judgment of the irresponsibility of such an action, and twice voted against cloture of the Eximbank conference report.

As one who is basically opposed to the use of unlimited debate in this body to frustrate the will of the majority, I find myself today equally in opposition to the actions of the Senate which seem to represent the other extreme—to cut off debate on a piece of major legislation before the Senate can possibly be expected to examine the merits of that legislation. Last night, we reached the ultimate extension of this abuse of procedure, by contemplating the approval of a conference report on the Eximbank—a report that was the product of a private agreement—before the report had even been printed, let alone made available for study by the Members of the Senate.

In light of this growing trend toward procedural abuse, I will cast my vote against this particular cloture petition on the Trade Reform Act. I cannot support a motion which would not only precipitously cut off debate but would abrogate any unanimous-consent agreements that had been negotiated by a number of Senators on amendments to the trade bill. The subject of several of these amendments involved the crucial issue of tax reform. Amendments involving foreign tax policies—of obvious relevance to both our foreign trade policies and the impact of such policies on unemployment and other aspects of our domestic economy—cannot even be debated under the terms of this cloture petition.

Mr. President, we have yet to pass any meaningful tax reform in this Congress. Yesterday, the House defeated a major tax reform package even before it came to the floor. Today, the Senate, if it revokes cloture, will preclude even debating meaningful tax reform measures. Given the worsening state of both our domestic economy as well as our foreign trade balance, I think this is tragic.

I realize that the leadership on the trade bill felt that the deletion of any procedurally nongermane amendments, such as tax reform, was necessary in light of the lack of time which we have left in this session to consider the trade bill.

But I would point out to the Senate that the amount of time that we have to consider this legislation is not the result of delaying tactics by those in opposition to the bill, but can be attributed to a number of factors, including the length of time it took the administration to be able to negotiate the Soviet emigration question.

It concerns me greatly, Mr. President, that if cloture is invoked, we will now be asked to consider a crucially important piece of legislation, involving many complicated issues, within the next day or two, and then, sometime within the remaining 7 legislative days of this Congress, to digest and to evaluate the changes which will result in this legislation as a result of conference.

There are a number of important differences between the House and Senate versions of this legislation—the Senate provision of community adjustment assistance, the stronger import relief provisions of the Senate bill, the added restriction on the generalized tariff preference in the Senate version, and most importantly, the stronger Senate congressional oversight provisions.

But what concerns me most, Mr. President, is that we may lose a number of these strengthening provisions in conference, and rather than having adequate time to review what will surely be a lengthy conference agreement, we will be asked to give our consent based on the assumption that the conference has resulted in a compromise which reflects the best policy.

In conclusion, I would like to stress once again, that I did not make the decision to vote against cloture on the basis of the policy issues in question but because I feel the Senate can no longer continue to abuse the very procedures upon which our legislative process rests.

I believe that if the question of trade reform is as important as we have been led to believe—and I believe it is—then it merits adequate debate.

ORDER FOR AMENDMENT TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all germane amendments to the trade bill that are now at the desk be considered as having met the reading requirements under rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill H.R. 10710, an act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Russell B. Long, Robert C. Byrd, Wallace F. Bennett, Hugh Scott, Alan Cranston, Joseph R. Biden, Jr., Hubert H. Humphrey, Walter D. Hathaway, John O. Pastore, Jacob K. Javits, Henry M. Jackson.

Walter F. Mondale, Jennings Randolph, Mike Gravel, Frank E. Moss, Abraham Ribicoff, Gaylord Nelson, Dick Clark, Sam Nunn, George D. Aiken, John Tower.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 531 Leg.]

Aiken
Allen
Beall
Buckley
Byrd, Robert C.
Cranston
Curtis
Domenici
Eagleton
Goldwater
Gravel
Griffin
Gurney
Hartke
Long
McIntyre
Mondale
Pastore
Ribicoff
Scott, Hugh
Taft
Tunney

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Bennett
Bible
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Cook
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Hansen
Hart
Haskell
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Metzenbaum
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from New Mexico (Mr. MONTOYA), the Senator from Texas (Mr. BENTSEN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and a fair world economic system, to stimulate the economic growth of the United States, and for other purposes, shall be brought to a close?

The yeas and the nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. GRAVEL). Will the Senate be in order and the Senators conduct themselves with proper decorum, take their seats, and take their conversations to the cloakroom?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, my viewpoint on the cloture motion is as follows: I may vote for or against the trade bill, but I do not want the Senate to be unable to work its will on this bill.

Both the Senate and the House hope to adjourn by the close of business next Friday, December 20, but if the Congress is unable to reach a final disposition of this bill one way or the other by the close of business next Friday, I am of the opinion that we will have to continue in session beyond that date or we will be called back into session to act on this bill one way or another.

So I would hope, in order to shorten the misery for all of us, that Senators, if they can, vote for cloture, they will do so now rather than delay.

We are going to have a cloture vote every day until this matter is disposed of or until it becomes obvious that a minority of one-third plus one in the Senate is going to stand indefinitely to prevent the majority from working its will.

Now, I respect the compunctions of any Senator who is opposed to voting for cloture. I respect that viewpoint. But for those who can vote for cloture, my hope would be that we do not delay it, and that we vote now, because this bill—once it is passed—is still going to have to go to conference and it is possible that we would be forced to have another cloture effort then.

I thank the Senators for this time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. GRAVEL). The Senate will be in order so that the Senators may hear their names being called.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order? This is a very significant rollcall and Senators will want to listen to their names as they are called.

The PRESIDING OFFICER. The Senate will be in order. The Chair agrees with the statement that it is a very serious rollcall, and I am sure that all the Members will want to hear their names as they are being called.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senators will please clear the well and take their seats, refraining from conversing on the floor. The clerk will suspend until the Senators have cleared the well and conversation has ceased.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, I hope the Chair will preserve order throughout the calling of the names.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. BIDEN). The Senators will please refrain from conversing. Many Senators are interested in how they are recorded as voting.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The yeas and nays resulted—yeas 71, nays 19, as follows:

[No. 532 Leg.]

YEAS—71

Aiken
Baker
Bartlett
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Hansen
Haskell
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—19

Abourezk
Allen
Bayh
Bible
Cannon
Case
Chiles
Eastland
Ervin
Gurney
Hart
Hartke
McClellan
McClure
Metcalf
Muskie
Proxmire
Schweiker
Stennis

NOT VOTING—10

Bellmon
Bentsen
Cotton
Hatfield
Huddleston
Hughes
Johnston
Mansfield
Mathias
Montoya

The PRESIDING OFFICER. On this vote, there are 71 yeas and the nays are 19. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to.

ORDER OF BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, there will be three consecutive 10-minute rollcall votes. The first will be on the passage of the OEO bill, the Community Services Act of 1974; the second will be on the nomination of Mr. Conant, and the third will be on the Veterans Housing Act of 1974.

COMMUNITY SERVICES ACT OF 1974

The PRESIDING OFFICER. Under the previous order, following the vote on the cloture motion, the Senate will now proceed to vote on passage of H.R. 14449, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Texas (Mr. BENTSEN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 75, nays 15, as follows:

[No. 533 Leg.]

YEAS—75

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Eastland
Fong
Fulbright
Gravel
Griffin
Hart
Hartke
Haskell
Hathaway
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—15

Bartlett
Bennett
Buckley
Curtis
Dominick
Ervin
Fannin
Goldwater
Gurney
Hansen
Helms
McClure
Scott, William L.
Thurmond
Tower

NOT VOTING—10

Bellmon
Bentsen
Cotton
Hatfield
Huddleston
Hughes
Johnston
Mansfield
Mathias
Montoya

So the bill (H.R. 14449) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the title under H.R. 14449 be amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

An Act to provide for the extension of Headstart, community action, community economic development, and other programs under the Economic Opportunity Act of 1964, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes.

Mr. NELSON. Mr. President, I move that the Senate insist upon its amendments to H.R. 14449 and request a conference with the House of Representatives thereon, and, that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. Nelson, Mr. Williams, Mr. Randolph, Mr. Kennedy, Mr. Mondale, Mr. Cranston, Mr. Hughes, Mr. Hathaway, Mr. Javits, Mr. Dominick, Mr. Schweiker, Mr. Taft, and Mr. Beall conferees on the part of the Senate.

EXECUTIVE SESSION—NOMINATION OF MELVIN A. CONANT

The PRESIDING OFFICER. Under the previous order, the Senate will now return to executive session and proceed to vote on the question, Will the Senate advise and consent to the nomination of Melvin A. Conant to be an Assistant Administrator of the Federal Energy Administration?

Mr. PASTORE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. What is the vote on?

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Melvin A. Conant to be an Assistant Administrator of the Federal Energy Administration?

Mr. TALMADGE. I thank the Chair. I did not hear the announcement before because of disorder in the Senate.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Kentucky (Mr. Huddleston), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Johnston), and the Senator from New Mexico (Mr. Montoya) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from New Hampshire (Mr. Cotton), the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 55, nays 35, as follows:

[No. 534 Exec.]

YEAS—55

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bible
Brock
Brooke
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Cook
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hartke
Helms
Hruska
Javits
Long
McClellan
McClure
Metcalf
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—35

Abourezk
Bayh
Biden
Burdick
Cannon
Chiles
Church
Clark
Cranston
Eagleton
Hart
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Magnuson
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Proxmire
Roth
Schweiker
Symington
Tunney
Williams

NOT VOTING—10

Bellmon
Bentsen
Cotton
Hatfield
Huddleston
Hughes
Johnston
Mansfield
Mathias
Montoya

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS HOUSING ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session and proceed to vote on the passage of H.R. 15912, as amended by the language of S. 3883, as amended, as a substitute for the House bill.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes.

The Senate resumed the consideration of the bill.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I think I should say while we have a good attendance of Senators, that immediately following this fourth back-to-back vote—this vote will be on the veterans home loan bill—the Senate then will proceed on the trade bill for the rest of the day to the exclusion of all other business, unless there is unanimous consent to proceed to something else.

If the trade bill is not completed today, the Senate will be on the trade bill tomorrow.

There will be rollcall votes this afternoon, and there will be rollcall votes tomorrow.

ORDER TO VACATE CLOTURE VOTE ON TRADE REFORM ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, at the present time, two cloture votes are scheduled for tomorrow. I ask unanimous consent that the cloture vote which would otherwise have occurred tomorrow on the trade bill be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS HOUSING ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes.

Mr. ROBERT C. BYRD. I understand that the yeas and nays have not been ordered on this bill. If anybody wants the yeas and the nays, they can ask for them, otherwise it will be a voice vote.

Mr. PASTORE. Mr. President, I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and the nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Kentucky (Mr. Huddleston), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Johnston), and the Senator from New Mexico (Mr. Montoya) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from New Hampshire (Mr. Cotton), the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

[No. 535 Leg.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—10

Bellmon
Bentsen
Cotton
Hatfield
Huddleston
Hughes
Johnston
Mansfield
Mathias
Montoya

So the bill (H.R. 15912) was passed.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate companion bill S. 3883 now be indefinitely postponed.

The PRESIDING OFFICER (Mr. Biden). Without objections, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes so that certain nominations on the calendar be considered.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The assistant legislative clerk read the nomination of Rear Adm. Howard E. Greer for admiral.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. PELL. Mr. President, the confirmation of Dr. Dixy Lee Ray as Assistant Secretary of State to head up the Bureau of Oceans and International Environmental and Scientific Affairs is a most welcome event.

I applaud the choice of Dr. Ray, an outstanding woman of achievement, for this key new position in Government.

To it, she will bring a wealth of experience, knowledge, and an innovative, inquiring spirit. We all know the contribution she has already made in Government as Chairman of the Atomic Energy Commission.

For me, her confirmation will mark the culmination of a long effort on my part to achieve in the Department of State the more efficient coordination of and increased status for the functions that I call the new dimension of diplomacy. My first proposals for the new Bureau fell on indifferent ears. It was only when, my suggestions having been ignored by both Democratic and Republican administrations, I introduced and secured congressional passage of a provision in the State Department authorization bill of 1973 calling for the establishment of the Bureau, that the project came to be realized. The Bureau is unique, therefore, for having been established by legislative fiat, and it should receive particular consideration because of this fact. I recognize that our action in doing this is akin to killing an ant with a sledgehammer, but the intransigence and lack of receptivity of the executive branch to the ideas of Congress left me no alternative.

My proposal for the Bureau stemmed particularly from the growing importance of the oceans for mankind's well-being. If exploited equitably and conservingly, the fisheries and mineral resources of the sea will serve to flourish and supply generations of mankind. The role of the products of the sea cannot be underestimated as an expanding world population increases the pressure upon the limited resources of the land. Dr. Ray's profession as a marine biologist will serve her in good stead in this key area of her responsibilities. I trust that both the Department and she would remember that, just as this Bureau is unique in the Department in having been created by legislative act, so the oceans should be the central interest and fulcrum around which the new Bureau should revolve.

Having created the new Bureau, the Congress will follow its development and activities with parental interest. I know that my colleagues join me in wishing Dr. Ray all success in her pioneering and creative tasks.

ROUTINE NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Air Force, Army, Navy, and Marine Corps, placed on the Secretary's desk.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. JAVITS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. In light of the cloture vote having succeeded, it should be clarified by the Chair that no Senator may speak more than 1 hour and the time will be strictly kept. No dilatory motion or amendment, no amendments not germane will be in order. We shall continue on this as the unfinished business to the exclusion of all other business until the trade bill is disposed of.

The pending question is on the amendments of the Senator from Louisiana.

Without objection, they will be considered en bloc.

Mr. LONG. Mr. President, I ask first that Rod Solomon of Senator Taft's staff be permitted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I have been advised by the Parliamentarian that the amendment I have pending is germane.

I would like to ask the Chair, in the opinion of the Chair, is that germane to the bill?

The PRESIDING OFFICER. It is germane.

Mr. LONG. Mr. President, I believe we can make a lot of progress on this bill if Senators do not insist on rollcall votes when they are not aware the amendment has any opposition.

I hope we can vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the Long amendment.

The amendment was agreed to.

Mr. JAVITS. Will the Senator allow me to make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. I did not hear the Senator make his amendment original text.

Mr. LONG. They are all original text.

AMENDMENT NO. 2044

Mr. PASTORE. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PASTORE) proposes an Amendment No. 2044.

The amendment is as follows:

On page 275, between lines 17 and 18, insert the following:

(c)(1) The President may not designate any article as an eligible article under subsection (a) if such article is within one of the following categories of import-sensitive articles:

(A) textile and apparel articles which are subject to textile agreements,

(B) watches,

(C) import-sensitive electronic articles,

(D) import-sensitive steel articles,

(E) footware articles specified in items 700.05 through 700.27, 700.29 through 700.53, 700.55.23 through 700.55.75, and 700.60 through 700.80 of the Tariff Schedules of the United States,

(F) home-manufactured and manufactured glass products, and

(G) any other articles which the President determines to be import-sensitive in the context of the Generalized System of Preferences.

On page 275, line 18, strike out "(c)" and insert in lieu thereof "(2)".

Mr. PASTORE. Mr. President, this is an amendment being sponsored by myself and Senator HUMPHREY. It codifies into the law a commitment made by the administration with reference to certain exclusions from generalized systems.

I have taken this up with the manager of the bill. He informs me that he is amenable to it, and I cannot pursue it any further than this.

Mr. LONG. What the Senator said is correct. I support the amendment.

Mr. JAVITS. Mr. President, I yield myself 1 minute. I think we ought to know what it is about, not a blind alley.

Mr. PASTORE. All right, take page 224 of the hearings.

Mr. LONG. The committee report.

Mr. PASTORE. The committee report, and we read a letter from Mr. Eberle where he says:

In response to questions concerning this Administration's commitment to such exclusions, I reaffirm the intention of the Executive Branch to exclude from tariff preferences textile and apparel products which are subject to textile agreements, footwear products, watches, certain steel products and other items which may be considered import-sensitive in the context of generalized preferences.

It is all spelled out there. That is what this amendment does.

Mr. HUMPHREY. Mr. President, I am a joint sponsor with Senator PASTORE of amendment No. 2044 to the trade bill, H.R. 10710. I strongly urge its adoption to help assure adequate protections for America's workers.

While the principle of this bill of expanding trade on a reciprocal basis is most desirable, we need to be responsive workers and industries.

We would be remiss in our duty if we blindly followed any economic or trade dogma without regard to how our workers and industries are being affected in the real world.

I support this amendment in order to make it clear that we are determined to protect American jobs and industries.

The PRESIDING OFFICER. The question is on agreeing to the Pastore amendment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent there be printed in the RECORD at this point an explanation of what is meant by footwear.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

PART 1.—FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS

Item	Stat. suffix	Articles	Units of quantity	Rates of duty	
				1	2

Subpart A.—Footwear

Subpart A headnotes:

1. This subpart covers boots, shoes, slippers, sandals, moccasins, slipper socks (socks with applied soles of leather or other material), scuffs, overshoes, rubbers, arctics, galoshes, and all allied footwear (including athletic or sporting boots and shoes) of whatever material composed, and by whatever method constructed, all the foregoing designed for human wear except—

(i) footwear with permanently attached skates or snowshoes (see part 5D of this schedule),

(ii) hosiery (see part 6C of schedule 3), and

(iii) infants' knit footwear (see part 6F of schedule 3).

2. For the purposes of the subpart—

(a) the term "huaraches" (item 700.05) means a type of leather-soled sandal having a woven-leather upper laced to the insole, with the insole machine-stitched to to outsole, and having a heel which is nailed on;

(b) the term "McKay-sewed footwear" (item 700.10) means footwear the soles of which are sewed to the upper by means of a McKay chainstitch, with the stitching passing through the outside, upper, lining, and insole;

(c) the term "moccasins" (item 700.15) means footwear of the American Indian handicraft type, having no line of demarcation between the soles and the uppers;

(d) the term "welt footwear" (items 700.25 through 700.29) means footwear constructed with a welt, which extends around the edge of the tread portion of the sole, and in which the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole of which is sewed or cemented to the welt;

(e) the term "slippers" (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto;

(f) the term "footwear for men, youths, and boys" (item 700.35) covers footwear of American youths' size 11½ and larger for male and does not include footwear commonly worn by both sexes; and

(g) the term "fibers" means unspun fibrous vegetable material, vegetable fibers, wool, silk, or other animal fibers, man-made fibers, paper yarns, or any combination thereof.

3. (a) For the purposes of items 700.51 through 700.55, the rubber or plastics forming the exterior surface area specified, if supported by fabric or other material, must coat or fill the supporting material with a quantity of rubber or plastics sufficient to visibly and significantly affect the surface otherwise than by change in color, whether or not the color has been changed thereby.

(b) Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, or like or similar articles manufactured or produced in the United States.

Subpart A statistical headnote:

1. For the purposes of this subpart—

(a) the term "athletic footwear" covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games, or sports;

(b) the term "work footwear" covers footwear having outsoles ¼ inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle;

(c) the term "soled 'moccasins'" covers footwear in which the vamp extends completely under the foot, whether or not seamed, forming both the bottom and the sides to which an outsole is attached;

(d) the term "cement footwear" covers footwear in which the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing, but not including footwear having vulcanized soles or injection molded soles;

(e) the term "soft sole footwear" covers footwear in which the upper and the tread sole are sewn together in such manner that both are folded inward with their outer surfaces in contact inside the footwear at the seam;

(f) the term "casual footwear" covers footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot;

(g) the term "boots" covers footwear (other than footwear of oxford height) designed to be worn next to the sock rather than over the shoe;

(h) the term "footwear for men" covers footwear of American men's size 6 and larger for males, and does not include footwear commonly worn by both sexes;

(i) the term "footwear for youths and boys" covers footwear of American youths' size 11½ and larger but not as large as American men's size 6, and does not include footwear commonly worn by both sexes;

(j) the term "footwear for women" covers footwear of American women's size 4 and larger, whether for females or of types commonly worn by both sexes;

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)—Continued

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS—Continued

PART 1.—FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS—Continued

Item	Stat. suffix	Articles	Units of quantity	Rates of duty 1	Rates of duty 2
		(k) the term "footwear for misses" covers footwear of American misses' size 12½ and larger but not as large as American women's size 4, whether for females or of types commonly worn by both sexes;			
		(l) the term "footwear for children" covers footwear of American children's size 8½ and larger but not as large as the footwear described in statistical headnotes (i) and (k);			
		(m) the term "footwear for infants" covers all footwear not included in the foregoing statistical headnotes (h), (i), (j), (k), and (l); and			
		(n) the term "oxford height" covers footwear the upper of which does not extend above the ankle.			
		Footwear, of leather (except footwear with uppers of fibers):			
700.05	00	Huaraches	Prs	20% ad val.	20% ad val.
700.10	00	McKay-sewed footwear	Prs	10% ad val.	30% ad val.
700.15	00	Moccasins	Prs	10% ad val.	20% ad val.
700.20		Turn or turned footwear		2.5% ad val.	10% ad val.
	20	For men, youths, and boys	Prs.		
7	45	For women	Prs.		
7	50	For misses	Prs.		
	60	For children and infants	Prs.		
		Welt footwear:			
700.25	00	Valued not over $2 per pair	Prs	17% ad val.	20% ad val.
700.26		Valued over $2 but not over $5 per pair		17¢ per pair.	20% ad val.
	10	Work footwear	Prs.		
		Other:			
	30	For men	Prs.		
	50	Other	Prs.		
700.27		Valued over $5 but not over $6.80 per pair		5% ad val.	20% ad val.
	18	Work footwear	Prs.		
		Other:			
	38	For men	Prs.		
	48	Other	Prs.		
		Valued over $6.80 per pair:			
700.28	00	Ski boots	Prs	Free.	20% ad val.
700.29		Other		5% ad val.	20% ad val.
	20	Athletic footwear other than ski boots	Prs.		
	40	Work footwear	Prs.		
		Other:			
	60	For men	Prs.		
	80	Other	Prs.		
700.30	00	Footwear with molded soles laced to uppers	Prs	5% ad. val	20% ad val.
700.32	00	Slippers	Prs	5% ad val	20% ad val.
		Other:			
700.35		For men, youths, and boys		8.5% ad val	20% ad val.
		Athletic footwear:			
	05	Ski boots	Prs		
	15	Other athletic footwear	Prs		
		Work footwear:			
7	27	For men	Prs		
7	29	For youths and boys	Prs		
		Soled "moccasins":			
	30	For men	Prs		
	35	For youths and boys	Prs		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	40	For men	Prs		
	45	For youths and boys	Prs		
		Cement footwear:			
	50	For men	Prs		
	55	For youths and boys	Prs		
		Other:			
	75	For men	Prs		
	80	For youths and boys	Prs		
		For other persons:			
700.41	7	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe		10% ad cal	20% ad val.
7	10	For women	Prs		
7	20	For misses	Prs		
7	30	For children	Prs		
7	40	For infants	Prs		
		Other:			
700.43		Valued not over $2.50 per pair		15% ad val.	20% ad val.
	05	Athletic footwear	Prs.		
		Casual footwear:			
	10	For women	Prs.		
	15	Other	Prs.		
		Soled "moccasins":			
	20	For women	Prs.		
	25	Other	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women	Prs.		
	35	Other	Prs.		
		Cement footwear:			
	40	For women	Prs.		
	45	For misses	Prs.		
	50	For children	Prs.		
	55	For infants	Prs.		
		Other:			
	60	For women	Prs.		
	65	For misses	Prs.		
	70	For children	Prs.		
	75	For infants	Prs.		
700.45		Valued over $2.50 per pair		10% ad val.	20% ad val.
	05	Athletic footwear	Prs.		
		Casual footwear:			
	10	For women	Prs.		
	15	Other	Prs.		
		Soled "moccasins":			
	20	For women	Prs.		
	25	Other	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women	Prs.		
	35	Other	Prs.		
		Cement footwear:			
	40	For women	Prs.		
	45	For misses	Prs.		
	50	For children	Prs.		
	55	For infants	Prs.		

Item	Stat. suffix	Articles	Units of quantity	Rates of duty	
				1	2
		Other:			
	60	For women	Prs.		
	65	For misses	Prs.		
	70	For children	Prs.		
	75	For infants	Prs.		
		Footwear (whether or not described elsewhere in this subpart) which is over 50 percent by weight of rubber or plastics or over 50 percent by weight of fibers and rubber or plastics with at least 10 percent by weight being rubber or plastics:			
		Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching):			
700.51	00	Having soles and uppers of which over 90 percent of the exterior surface area is polyvinyl chloride, whether or not supported or lined with polyvinyl chloride but not otherwise supported or lined	Prs	12.5% ad val.	25% ad.val.
700.52	00	Footwear (except footwear provided for in item 700.51), the uppers of which do not extend above the ankle, designed for use without closures, whether or not supported or lined	Prs	25% ad. val.	50% ad val.
700.53		Other		37.5% ad val.	75% ad val.
	20	Boots	Prs.		
	40	Other	Prs.		
		Other footwear (except footwear having uppers of which over 50 percent of the exterior surface area is leather):			
700.55		Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing-like band applied or molded at the sole and overlapping the upper)		6% ad val.	35% ad val.
	20	Zoris (thonged sandals)	Prs.		
	23	Soft sole footwear	Prs.		
		Footwear having supported vinyl uppers:			
7	37	For men	Prs.		
7	39	For youths and boys	Prs.		
7	47	For women	Prs.		
7	49	For misses	Prs.		
7	57	For children	Prs.		
7	59	For infants	Prs.		
		Other:			
7	77	For men	Prs.		
7	79	For youths and boys	Prs.		
7	81	For women	Prs.		
7	83	For misses	Prs.		
7	85	For children	Prs.		
7	87	For infants	Prs.		
700.60		Other		20% ad val.	35% ad val.
		Like or similar to U.S. footwear:			
		Oxford height:			
	05	For men, youths, and boys	Prs.		
	15	For women and misses	Prs.		
	25	For children and infants	Prs.		
	30	Other	Prs.		
		Not like or similar to U.S. footwear:			
		Oxford height:			
	35	For men, youths, and boys	Prs.		
	45	For women and misses	Prs.		
	55	For children and infants	Prs.		
	60	Other	Prs.		
		Footwear, with uppers of fibers:			
		With soles of leather:			
700.66		Valued not over $2.50 per pair		15% ad val.	35% ad val.
	20	Slipper socks	Prs.		
		Other:			
	40	For men, youths, and boys	Prs.		
	60	Other	Prs.		
700.68		Valued over $2.50 per pair		10% ad val.	35% ad val.
	20	Slipper socks	Prs.		
		Other:			
	40	For men, youths, and boys	Prs.		
	60	Other	Prs.		
		With soles of material other than leather:			
700.70		With uppers of vegetable fibers		7.5% ad val.	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		
700.75	7	With soles and uppers of wool felt		7% ad val	35% ad val.
7	10	For men	Prs.		
7	20	For youths and boys	Prs.		
7	30	For women	Prs.		
7	40	For misses	Prs.		
7	50	For children	Prs.		
7	60	For infants	Prs.		
700.80		Other		12.5% ad val	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		
		Other footwear:			
700.83	7	Of wood		8% ad val	33⅓% ad val.
7	10	For men	Prs.		
7	20	For youths and boys	Prs.		
7	30	For women	Prs.		
7	40	For misses	Prs.		
7	50	For children	Prs.		
7	60	For infants	Prs.		
700.85		Other		12.5% ad val.	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		

Subpart B.—Headwear and Hat Braids

Subpart B headnote:

1. For the purposes of this subpart—

(a) the term "headwear" includes hats, caps, berets, bonnets, hoods, and all other head coverings, of whatever material composed (including bodies, forms, plateaux, manchons, and shapes for headwear), designed for human wear, except infants' knit headwear, but does not include mufflers, scarves, shawls, mantillas, veils, and similar articles; hair nets; hair ornaments; or wigs and similar articles; and

(b) the term "caps" (items 702.15 and 702.20) means headwear without a brim but with a shade or visor in front

Mr. ROBERT C. BYRD. Mr. President, on my time, will the distinguished senior Senator from Rhode Island yield to me for a question?

Mr. PASTORE. Yes.

Mr. ROBERT C. BYRD. Does the amendment offered by the able Senator from Rhode Island (Mr. PASTORE) include semi-manufactured and manufactured glass products as I requested of him in our discussion yesterday?

Mr. PASTORE. Yes, because I consider it to be in the same category as the others.

Mr. ROBERT C. BYRD. I thank my distinguished friend from Rhode Island.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I yield myself another minute.

Mr. President, may I ask Senator LONG whether Senator JACKSON's amendment was supposed to come at this point?

Mr. RIBICOFF. The Senator intended to call it up, but I do not see Senator JACKSON on the floor.

I think in all due respect, I prefer Senator JACKSON to call up his own amendment.

Mr. JAVITS. Will the Senator indulge us to get a quorum?

Mr. LONG. Well, we had an amendment by Senator BYRD of Virginia which I promised to call up as soon as I could. I suggest we call that up. I ask that Senator BYRD of Virginia be notified his amendment is before the Senate.

It deals with the $300 million limit on the Eximbank already agreed to in similar legislation.

I ask that amendment be laid before the Senate. It is No. 2027.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. . LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Reform Act of 1974, the Export-Import Bank of the United States shall not approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000, without prior congressional approval.

Mr. LONG. Mr. President, Congress has already done the same thing with regard to the Eximbank bill and I think we could do no less on this. Senator BYRD might want to speak on it.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I yield myself 1 minute to ask a question.

I did not hear the Senator from Louisiana's explanation as to the fact that this had been done somewhere else or something like that.

AMENDMENT NO. 2026

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the amendment No. 2027 be withdrawn and ask that amendment No. 2026 be called up and reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. . LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Reform Act of 1974, no agency of the Government of the United States shall approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000 without prior congressional approval.

Mr. HARRY F. BYRD, JR. I yield to the Senator from New York.

Mr. JAVITS. Now, Mr. President, I just wonder, the Senator from Louisiana (Mr. LONG) said this had been done somewhere else. I would like to know where and what it is all about.

Mr. HARRY F. BYRD, JR. Mr. President, a similar amendment has been approved by the Senate several times on the Export-Import Bank bill. Also, the Senate-House conferees agreed on a similar amendment in the conference report.

Mr. JAVITS. Which is now before us, the current one?

Mr. HARRY F. BYRD, JR. Yes, which is now before us.

Mr. JAVITS. I am perfectly willing to accept the Senator's representation, but I want to be sure we understand each other.

There is a pending conference report on Eximbank which is subject to a cloture vote tomorrow.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. JAVITS. That report contains this amendment?

Mr. HARRY F. BYRD, JR. It contains a similar amendment.

Mr. JAVITS. It would be impossible for the Senator from New York to compare when standing here on one foot, so I will accept Senator BYRD's statement that it is not only unknown, under some broad interpretation somewhere, but it does the same thing.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. JAVITS. May I ask the Senator one other question? Has the Senator ascertained whether this amendment is germane under the bill?

Mr. HARRY F. BYRD, JR. Yes, the Senator from Virginia has consulted with the Parliamentarian. The Parliamentarian expresses the view that it is germane under the bill.

Mr. JAVITS. One last question: Has the Senator consulted with Senator STEVENSON to find out whether its inclusion in this bill in any way will complicate or be adverse to the approval of the conference report which is now before the Senate?

Mr. HARRY F. BYRD, JR. I must say that the Senator from Virginia has not consulted with the Senator from Illinois.

Mr. JAVITS. May I make this suggestion? We all deal with each other in this way. I shall not stand in the way of its adoption, but I do hope that in fairness to all of us, the Senator will consult with Senator STEVENSON and, if there is any reason for anybody reversing his field, the Senator from Virginia will come back and tell us about it.

Mr. HARRY F. BYRD, JR. I think it is an excellent suggestion. I have consulted with the Senator from Utah. He has not made a finding as to what he will be able to do in regard to this amendment. If he decides that he prefers that it not be adopted at this point, I shall then move to reconsider the vote and leave it up to the Senator to decide.

Mr. JAVITS. I thank the Senator, but I think he should touch those bases.

Mr. HARRY F. BYRD, JR. I have consulted with the Senator from Utah. If he objects to this procedure, I shall ask unanimous consent to take the amendment down and let the Senator vote.

Mr. JAVITS. And it will be similar with Senator STEVENSON?

Mr. HARRY F. BYRD, JR. Meanwhile, I shall consult with the Senator from Illinois. I am glad that the Senator from New York made that suggestion.

Mr. President, I move the adoption of amendment No. 2027.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

What is the will of the Senate?

AMENDMENT NO. 2022

Mr. HELMS. Mr. President, I call up my amendment No. 2022, of which the distinguished Senator from South Carolina (Mr. THURMOND) is a cosponsor, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2022

On page 264, after line 18, insert the following:

"SEC. 409. FREEDOM TO VISIT, AND TO EMIGRATE TO JOIN, A VERY CLOSE RELATIVE IN THE UNITED STATES.

"(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) denies its citizens the right or opportunity to visit, or to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother, or sister;

"(2) imposes more than a nominal tax on the visas or other documents required for a visit or emigration described in paragraph (1); or

"(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to make a visit or to emigrate as described in paragraph (1),

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

"(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to visit close relatives in the United States or to emigrate to the United States to join them. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.".

On page 261, lines 2 and 6, strike out "402 (b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409 (b)".

On page 263, line 17, after the period insert the following: "Clause (A) shall not apply with respect to a report submitted under section 409(b)."

On page 90, line 17, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

Mr. HELMS. Mr. President, I have discussed this matter with the distinguished manager of the bill, the Senator from Louisiana (Mr. LONG), and with the Senator from Utah (Mr. BENNETT), and I believe they are prepared to accept it.

Mr. President, my amendment No. 2022 is intended to encourage the free emigration of all people in nonmarket economy countries who wish to be reunited with their families in the United States. Its purpose is to make it possible for very close relatives—a spouse, parent, child, brother, or sister—of those living in the United States to apply for emigration without harassment and without paying excessive fees or taxes and receive exit permits.

This amendment supplements the "Freedom of Emigration" section, section 402, without amending that section. It is a completely new section of title IV.

This amendment is necessary because no evidence has been presented to date that the negotiations which have been ongoing with regard to emigration apply to all ethnic, racial, and religious groups without discrimination. If I am correct, it was the understanding of the Finance Committee that section 402 did apply to all groups. Such a statement appears in the committee report of November 26, 1974, page 206.

But Secretary of State Kissinger indicated to the members of the committee in hearings on December 3, 1974, that while the principle of the so-called Jackson-Vanik amendment applied to all groups in theory, the actual practice to date had confined the negotiations to increased Jewish emigration from the Soviet Union. He indicated this at least six times.

Mr. President, I ask unanimous consent that a chart I have prepared with the appropriate quotations from the report and from Dr. Kissinger's responses on December 3 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I yield myself 2 minutes. I should like to ask the Senator some questions about this amendment.

Is this ultimately a replacement of the original Jackson amendment?

Mr. HELMS. I think, in light of the questions that the Senator may ask, I should proceed with the rest of the statement. I thought a copy had been sent to the Senator's desk.

A further problem is that the Jackson-Vanik language includes provisions related to most-favored-nation status, and for that reason, Poland and Yugoslavia are excluded from the benefits of the "Freedom of Emigration" section, inasmuch as those two countries already have MFN status. Yugoslavia's emigration policies are considerably more liberal than most nonmarket economy countries, but those of Poland remain restrictive.

Thus, even though the Jackson-Vanik language in theory applies to all groups, and in practice has been restricted to increased Jewish emigration, it will not help Polish Jews who are seeking to emigrate, and of course, it will not help other Poles either.

My amendment deals only with credits, credit guarantees, and investment guarantees. It does not deal with MFN and, therefore, applies to the extension of such trade practices to Poland and Yugoslavia. Under my amendment, Yugoslavia in all likelihood would already qualify for such credits and guarantees if the President made the proper finding. With Poland, however, emigration policies would have to improve before the President could make such a finding in good conscience.

Mr. President, I am pleased that the Jackson-Vanik language has proved so efficacious even when it was only a threat and not actually yet approved as part of the law. The understanding which Secretary Kissinger says he has achieved with the Soviet Union is a great accomplishment, and an enormous contribution to human rights. The so-called waiver provision which Senator JACKSON is proposing to amend his own language will keep the threat of withdrawal dangling before the Soviets so that this understanding will not be jeopardized.

Nevertheless, I think it is the clear intention of Congress, and the will of the American people, that such benefits should apply without discrimination to all peoples, including all Jews. This is part of the great American tradition, the heritage which we must pass down to our children.

Now, I understand that the negotiations are continuing, and are to be conducted with other nonmarket economy countries as well. But what is likely to be the negotiating posture of the Soviet Union at this point? The most likely response is for the Soviet negotiators to say: "We have already made our concessions, we are increasing Jewish emigration, and we are not going to speak to you about other ethnic groups. Moreover, your Congress has accepted this understanding; your Secretary of State has fully reported to them on our agreement. We will not give more."

I realize that in a negotiating situation, one cannot always get everything that one wants. I have, therefore, restricted my proposal so as to limit it to the most pressing concern of the American people, the reuniting of separated families in the United States with their very close relatives in nonmarket economy countries. I think that the right of emigration should be universal, but I realize that our powers of persuasion at this point might be limited.

The quid pro quo, therefore, is limited to American credits for American families. It is an appeal that we cannot and must not resist.

If we allow section 402 to stand as reported, or even as amended by the Jackson waiver, doubt will exist in the legislative history that the Senate expected a thoroughgoing prosecution of the negotiations. The implication will be that the negotiations as they have proceeded are acceptable. Thus the Helms amendment will complement section 402, because it will give new hope to American families, particularly those with relatives in Poland, that they can be reunited.

The Soviet negotiators cannot raise any objections to the Helms amendment. They have already accepted the principle of negotiations for emigration tied to trade benefits. The pool of persons to whom the Soviet authorities would have to allow emigration privileges would be considerably restricted, and they would find it more reasonable to have the benefits of U.S. trade associated with the principle of reuniting American families.

Moreover, as many Senators are aware, the Conference on Security and Cooperation in Europe has been meeting in Geneva, and only a few days ago has come to a draft agreement with the Soviets on strengthening East-West contacts, including the issue of family reunification. I understand that a text was provisionally registered on December 3, to ease considerably the existing practices on the reuniting of divided families. I think we may conclude, therefore, that the Soviets can have no objection to including the same issue in the Trade Reform Act, since the principle has already been accepted.

We must assume that the Soviets intend to abide by this principle. By putting it in the Trade Reform Act, however, we will have a fall-back position in case something should go wrong. The provisional agreement has not yet been finalized. By putting some strength behind our diplomacy, we will be supporting those in the bureaucracies and party structures of nonmarket economy countries who have been supporting increased East-West contact. We cannot let them down.

EXHIBIT 1

WHY THE HELMS AMENDMENT IS NEEDED

The Senate Finance Committee believed that the Jackson-Vanik Amendment applied to all citizens of all non-market economy countries:

"It is the Committee's understanding that the 'Freedom of Emigration' amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). Accordingly, each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal." Report of the *Committee on Finance*, November 26, 1974, p. 206.

But Secretary Kissinger indicated to the members of the committee on December 3, 1974 that—

"The Compromise which I have put before the Committee takes great care to maintain the distinctions that we have tried to elaborate while hopefully producing a positive outcome of what we are attempting to achieve, namely, increased Jewish emigration."

"These documents do not specifically refer to those of the Jewish faith, but I think it is a reasonable extrapolation from the Record that this was the predominant concern."

"There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has been the primary focus of the conversations."

"No, there is nothing in that exchange of correspondence (that relates to an emigration matter for a country such as Hungary)."

Secretary Kissinger's response to Senator Byrd's inquiry of whether the agreement between the U.S. and the Soviet Union applies to all citizens of Russia or just to the Jewish citizenry: "Well, we were talking about Jewish emigration."

"But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S."

The Helms amendment will encourage the free emigration of all people in non-market economy countries who wish to be reunited with their families in the United States.

WHAT DOES THE HELMS AMENDMENT TO THE TRADE REFORM ACT DO?

1. What countries come under the Helms Amendment?

A. All nonmarket economy countries in Title IV.

2. Does the Helms Amendment affect MFN status?

A. No. The Helms Amendment affects only credits, credit guarantees, and investment guarantees.

3. What does the Helms Amendment do?

A. The Helms Amendment gives a special break to very close relatives of U.S. residents—spouse, parent, child, brother, or sister—to reunite their families.

4. How does the Helms Amendment affect the so-called Jackson Amendment to Section 402 of the Trade Reform Act?

A. The Helms Amendment has no effect on Section 402, with or without the Jackson Amendment. The Helms Amendment is a new section of Title IV, to be numbered Section 409.

5. What is the principal difference between the Helms Amendment and the "Freedom of Emigration" amendment?

A. Section 402, the "Freedom of Emigration" section applies to a large volume of persons, but in practical effect the negotiations have been limited to a narrow group, namely Jews who wish to emigrate from the Soviet Union to Israel. The Helms Amendment applies to a restricted volume of persons, namely, very close relatives of U.S. citizens, but would affect a broad range of nationalities and ethnic groups without discrimination.

6. Does Section 402, the "Freedom of Emigration" section, apply to Poland and Yugoslavia?

A. No, "Freedom of Emigration" does not apply to Poland and Yugoslavia because they are listed under rate column number 1 of the Tariff Schedules of the U.S. (See Sect. 402(c), p. 247 of H.R. 10710), and therefore already have MFN status.

7. Does the Helms Amendment apply to Poland and Yugoslavia?

A. The Helms Amendment applies to all nonmarket economy countries without discrimination, including Poland and Yugoslavia. At the present time, Poland restricts emigration; Yugoslavia has much more liberal policies.

8. Would the Helms Amendment affect Poland's MFN status?

A. No. The Helms Amendment affects only credits and guarantees.

9. Does the Helms Amendment interfere in the internal policy of other countries?

A. No. It simply regulates the U.S. policy with regard to U.S. government participation in credits and guarantees. We have long had restrictions on such participation for various economic, diplomatic and humanitarian reasons.

10. What additional benefits does the Helms Amendment provide to American Jewish families?

A. The Helms Amendment applies to their close relatives in Poland who are not assisted by the Jackson-Vanik Amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier, of my staff, be permitted the privilege of the floor during the discussion of this amendment.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, the thing that concerns me about this amendment is that there is nothing in the Jackson amendment which relates to Jews. It applies to everybody, and it applies to nonmarket economies, and it has a very important and very carefully architected set of provisions respecting how these particular requirements may be waived.

Also, the Jackson amendment applies, as does this one, to the various kinds of investment other than MFN.

Finally, the Jackson amendment also applies to a reuniting of families. Indeed, it purports to be a generic amendment applying to all kinds of emigration, not only emigration to reunite families.

The thing that concerns me, as one of the cosponsors of the Jackson amendment, is whether we would be adopting here, in the Helms amendment, an amendment which simply contradicts what has been so laboriously done, though it took 2 years to work out the Jackson amendment when it was the principal aspect of what has brought the trade bill to the possibility of action now. It might not be acted on even now.

I am deeply concerned that the amendment which has been proposed simply goes back to the old Jackson amendment, with no thought or concern whatever for the job which has been done.

So I ask the Senator why it is that the Jackson amendment will not cover exactly what he has in mind. I wish the Senator would point out where in any way the Jackson amendment is confined to Jews. Indeed, I was one of the negotiators, and that was never in contemplation. It applies to everyone. Or where the Jackson amendment is simply limited to most-favored-nation treatment, because, as I understood it, it related to all the range of trade relationships which are possible between the two countries.

I do not think we can just swallow this, which may be a camel, without knowing a little more about it, especially in view of the enormous labor which went into the negotiation and consummation of the language in detail of the Jackson amendment as it now appears before the Senate.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. JAVITS. I yield myself 1 additional minute.

As I read the Helms amendment, it is confined to reunion of families, though I must say that is a pretty broad net, and it is fine—I am all for it—but it is essentially the original Jackson amendment, confined to the reunion of families and may very well, therefore, nullify the whole effort we have made which is included in amendment No. 2000.

I would greatly appreciate it if Senator HELMS could explain to us why that is or is not so.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I say to the distinguished Senator from New York that the Committee on Finance obviously believed that the Jackson amendment applied to all citizens in all nonmarket economy countries, because it was clearly stated:

> It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). Accordingly, each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal.

All we seek to do is to back up this assumption, this belief, of the Committee on Finance.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the distinguished Senator from North Carolina and am pleased to cosponsor this effort to extend basic rights and freedoms to peoples around the globe. Adoption of this amendment will clearly indicate that the United States will not compromise its commitment to freedom merely for economic gains.

The purpose of this amendment is a very noble one. It would extend and supplement the Jackson-Vanik amendment to the trade bill, which is aimed mainly at insuring the rights of Jewish persons to emigrate from the Soviet Union. In a similar vein, this amendment would insure that citizens of all nonmarket economy countries which have formal trade agreements with the United States will have the freedom to visit relatives outside their country or join them permanently through emigration.

The Helms amendment is broader than the Jackson-Vanik amendment in the scope of its application and would have additional benefits for American citizens. It would apply to all nonmarket economy countries which trade with the United States—not just the Soviet Union. Furthermore, it is not limited to any particular ethnic class of people. Thus, it would benefit Poles, Hungarians, and citizens of other Communist countries, as well as

Soviet Jews, who might desire to visit or permanently join relatives in the United States. American citizens deserve the opportunity to actively maintain family ties with relatives in other countries, and this amendment will be helpful toward that end.

Mr. President, I have always felt that this great Nation was the bastion of freedom for the world. I believe this Congress should go on record as being determined to maintain that kind of worldwide image. This amendment will do much to further this objective. It is certainly germane to this trade reform bill, and I urge that it be made a part of this landmark legislation.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. Will the Senator use his own time?

Mr. RIBICOFF. On my time.

Mr. President, I have listened to the colloquy, and I think there is some misunderstanding. I believe that what the Senator from North Carolina is proposing is done in complete good faith to take care of unusual situations.

In view of the confusion, I wonder whether the Senator from North Carolina would agree to temporarily lay his amendment aside until there would be an opportunity for Senator Javits and myself and the Senator from North Carolina to go over the language, to make sure that in no way it undercuts the Jackson amendment but implements the Jackson amendment. Under these circumstances, we might be able to straighten it out.

Mr. HELMS. I will be glad to do that, Mr. President.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to amendment.

Mr. HELMS. Mr. President, I believe the Chair stated that the amendment is withdrawn.

Mr. JAVITS. Temporarily laid aside.

The PRESIDING OFFICER. The Chair did state that, and that is the Chair's understanding, but the Senator from North Carolina is entitled to call up the amendment at any time he wishes.

Mr. HELMS. Very well.

AMENDMENT NO. 2063

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 61, line 8, immediately after "service industries", insert "retailers,".

Mr. RIBICOFF. Mr. President, this amendment has been discussed in the Committee on Finance and is really in the nature of a committee amendment. It is agreeable to the managers of the bill. This amendment includes representatives of the American retail industry in the private sector committees which will advise the special representative for trade negotiations.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2064

Mr. RIBICOFF. Mr. President, I have another amendment at the desk which I call up. I have cleared it with the Parliamentarian as to its germaneness.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

Amend Section 201(b)(3) by adding the following subparagraph:

"(C) May, in the case of a domestic producer located in a major geographic area of the United States and serving a market in that area, treat as part of such domestic industry only that segment of the producer located in such geographic area."

Amend Section 203 by adding the following subsection:

"(k) Actions by the President pursuant to this section may be taken without regard to the provisions of Section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States."

Amend Section 203(g)(2) by striking line 21, page 121, beginning with the words "In addition," through line 3, page 122, and substituting the following:

"In addition, in order to carry out any agreement concluded under subsection (a)(4), (a)(5), or (e)(2) with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement."

Mr. RIBICOFF. Mr. President, I have discussed this amendment with the manager of the bill, and it is acceptable to him. The amendment amends title II of the bill so that it further defines the concept of "industry" for the purpose of the escape clause.

This provision would make clear that the International Trade Commission may, in the exercise of its discretionary authority, under the escape clause, treat as the domestic industry the industry located in a major geographic market area and serving a market in that area.

For example, if a problem of importation of shoes came about, having a major impact on the New England area but not having an impact on the shoe industry in St. Louis or Kansas City, the Commission could take this into account in the escape clause.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 2 minutes.

On behalf of the Senator from Washington (Mr. Jackson) I ask unanimous consent that the following staff members have the privilege of the floor during the consideration of this measure: Dorothy Fosdick, Richard Perle, Tina Silber, and Charles Horner.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2045

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 142, line 11, immediately before "after", insert "before or".

Mr. ROBERT C. BYRD. Mr. President, the present language of section 238(c)(2) provides that a relocation allowance may be paid to an adversely affected worker only after the filing of an application. However, if a worker relocates immediately after he becomes adversely affected under this chapter, but before he has been certified as eligible to apply for adjustment assistance, he is not eligible for relocation allowances. This has the effect of penalizing the adversely affected worker who acts to obtain suitable employment elsewhere prior to filing his application for such allowance.

The amendment I am proposing, if adopted, would eliminate this harsh result, providing that a relocation may occur prior to or subsequent to filing an application for relocation allowance.

I have discussed this amendment with the distinguished manager of the bill, and I understand he is willing to accept it. It has also been cleared with the ranking Republican Member.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

AMENDMENT NO. 2046

Mr. ROBERT C. BYRD. Mr. President, I have another amendment at the desk; I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Robert C. Byrd's amendment (No. 2046) is as follows:

On page 141, line 6, strike out the period and insert in lieu thereof the following: "or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period of time after the conclusion of such training period".

Mr. ROBERT C. BYRD. My second amendment would liberalize section 237(b)(3) of the committee-reported bill which relates to job search allowances for workers.

The present language of section 237(b)(3) of the committee-reported bill to a period ending 1 year after total separation. However, in view of the fact that the overall eligibility period is 3 years, and training may take longer than a year, the 1-year limitation in section (3) seems too short. A worker enrolled in job training would be denied job search allowances if his training were for more than 1 year after his last total separation, and he did not file an application within this period.

My amendment, if adopted, would allow an adversely affected worker to apply for job search allowances within a reasonable period after the conclusion of such training. I believe that consideration should be given to lengthening the eligibility period so that it is more consistent with the general 3-year eligibility period for readjustment allowances under this chapter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Louisiana and the Senator from Utah.

Mr. BENNETT. Mr. President, may I ask that when these amendments are reported, they be reported by number? We are trying to follow them, and are unable to do so. All those amendments that do have a number.

The PRESIDING OFFICER (Mr. Nunn). The Chair is informed that some of the amendments, having been submitted this morning, do not have numbers, but the clerk will state the numbers of those that do have.

Mr. DOMENICI. Mr. President, it has been some time since Congress last acted on trade legislation. In fact, the last major trade bill to become law was the Trade Expansion Act of 1962. Authority from that act expired in 1967—some 7 years ago. Although President Johnson in the Trade Expansion Act of 1968 and President Nixon in the Trade Act of 1970 attempted to secure more negotiating authority, both were unsuccessful.

The trade bill being discussed today would give the President broad authority to negotiate world trade agreements; to provide relief to workers, industries, and communities adversely affected in our own country by imports; to trade with Communist countries; to give preferences to imports from developing countries; and to deal with balance-of-payments deficits and surpluses.

Not since World War II has this Nation faced such serious economic problems. At home, we are confronted with the highest rate of inflation since 1947 coupled with the highest rate of unemployment since 1961. Current predictions suggest that by mid-1975, we will be experiencing the highest rate of unemployment since the great depression.

The international economy is equally troubled. Although we are large and self-sufficient in many ways, we cannot ignore the importance or the impact of the international economy. Even during the 1930's, a time when we were much less tied to the world economy, the highly protectionist Smoot-Hawley tariff exacerbated the already debilitating effects of the great depression.

Since our last time of economic troubles, our ties with the world economy have multiplied. U.S.-based multinational corporations are heavily invested in almost every market economy in the world. The advent of the multinational bank and the growth of the Eurodollar market have made us increasingly subject to fluctuations in the world money markets. During the post-World War II period, international trade has flourished. With that growth has come increasing American dependence on foreign sources of certain basic raw materials—chrome, platinum, tin, bauxite, and oil.

In the midst of all this uncertainty, the President has relatively few tools that he can use. Many circumstances are beyond our control, but the President has traditionally been able to move forward on the international trade front. But even here, the President finds himself virtually without authority.

Make no mistake about the degree of turmoil in the international economy. The seeds for change were sown in the very makeup of the postwar economy. As part of its effort to reconstruct Europe and Japan, the United States consciously set rules of international trade that favored the then-devastated industrial countries. Although not specifically constructed for dollar dependence, the international monetary system quickly grew to depend on the dollar for the kind of international liquidity that permitted growth in world trade and investment.

Pressured by continued balance of payments deficits and a steadily eroding surplus on the merchandise trade account, President Nixon finally acted in 1971. The dollar was effectively devalued and convertibility to gold was ended. Further devaluations and currency adjustments followed.

International negotiations, however, were well along toward creating a new financial system when the industrial world was stunned by rapidly rising oil prices. The cost of oil worsened the problems of worldwide inflation and confronted the world with an unprecedented flow of currencies. Estimates of the 1974 net income of the OPEC countries range as high as $55 to $60 billion. With that much money available for investment, financial markets are understandably apprehensive.

The success of the OPEC countries has also acted as a beacon for other, third world, raw material producers. For example, of particular concern to the United States has been the International Bauxite Association. Founded in early March of 1974, the IBA membership accounts for some 63 percent of world bauxite production.

The IBA has not yet taken concerted action to follow the OPEC lead. Jamaica, however, was quick to seek greater revenues from bauxite production as well as increased participation in the industry itself. Jamaica is a major producer of bauxite ore and supplies some 60 percent of U.S. bauxite imports. All the major American aluminum producers—Alcoa, Reynolds, and Kaiser—operate in Jamaica as does Alcan of Canada.

Although domestic American production of alumina-bearing ores may be a viable longrun substitute, existing dependency coupled with major capital investments in Jamaica forced the companies to go along. The result has been higher prices for American consumers and a sharp reminder that the terms of raw material trade may be turning against the United States.

In the midst of such uncertainty in international trade and finance, there is a desperate need for United States to resume her post-World War II leadership of the non-Communist industrialized world. Trade agreements alone will not be panacea, but they will help prevent a ruinous trade war that could turn a recession into a real depression. The President must be well armed both to open up new trade opportunities and to prevent unfair competition from harming the American economy.

President Ford recently reminded us in a speech urging the speedy passage of this trade bill that "these times call for positive, constructive American leadership." These are times for decisive actions. America dare not, cannot, turn her back on the world economy. Beyond the ugly political price that a depression in Europe might bring, we are now too dependent, too inextricably linked with the world economy to chose any other course. Passage of new trade negotiating authority is a must if America is to move securely and confidently into the economic future.

AMENDMENT NO. 2012

Mr. President, I call up my amendment No. 2012, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici) proposes an amendment numbered 2012.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Domenici's amendment (No. 2012) is as follows:

On page 264, after line 18, insert the following:

"Sec. 409. Furnishing of Information on Agricultural Commodities.

"(a) On or after the date of the enactment of this Act, products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) has failed to enter into an agreement with the United States providing for a mutual exchange on a regular basis of information, including forward estimates, on production, consumption, demand, and trade of major agricultural commodities; or

"(2) is not fulfilling an agreement described in paragraph (1),

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1) or (2).

"(b) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1) or (2) of subsection (a). Such report with respect to such country shall include information as to the nature and scope of the agreement described in paragraph (1) of subsection (a) with such country and the implementation of such agreement by such country and the United States. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such commercial agreement is in effect.

"(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.".

On page 90, line 17, strike out "'402(b)' (b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 90, line 17, strike out "'402(b)' or '403(b)'" and insert "'402(b)', '403(b)', or '409(b)'".

Mr. DOMENICI. Mr. President, I submit this amendment in behalf of myself, Senator BARTLETT, and Senator HUMPHREY. I might say for my colleagues they might want to speak a few moments on it, so if they have not arrived when I have finished, I would ask for an opportunity to get them to the floor as soon as possible. I do not intend to delay, but I would like to have them given a few moments to get here to speak on it.

Mr. President, amendment No. 2012, which I am offering today to the Trade Reform Act, would prohibit the granting of most-favored-nation treatment, Government-backed credits, or commercial agreements to any nonmarket economy country which:

First, fails to enter into an agreement with the United States providing for a mutual exchange on a regular basis of information, including forward estimates, on production, consumption, demand, and trade of major agricultural commodities; or

Second, fails to fulfill an agreement of the type I have described above.

This amendment would be prospective only and would not apply to nonmarket economy countries which have already been granted most-favored-nation treatment.

This amendment would also require the President to submit a report to Congress indicating that any nonmarket economy country seeking most-favored-nation treatment is not in violation of either of the two provisions which I have previously mentioned.

This amendment is offered as a result of a resolution recently passed at the World Food Conference in Rome, Italy. The resolution to which I refer calls for the establishment of a worldwide food information and early warning system. This resolution was proposed by the Food and Agriculture Organization of the United Nations to establish a centralized method for collecting worldwide facts on the types and quantities of crops planted, exports and imports of agricultural commodities, changes in the weather and expected crop yields.

For many years the FAO has operated a system of regular reporting by member governments as part of its commodity market intelligence system services and for its statistical publications. The early warning system for food shortages was established in 1968 and since then FAO and world food program field staff send in monthly data from over 70 countries.

However, in spite of all these activities, the existing supply of this type of information at the international level does not permit timely identification of many of the crop shortfalls which it should be possible to predict. If all nations would cooperate in this system—including the Soviet Union and China, which treat agricultural information as state secrets—approaching shortages can be identified early and food-relief missions could avoid the delays which have lead to thousands of deaths in previous situations of this type.

In light of all this, we must also recognize the significance of newly emerged markets, Russia and the People's Republic of China in particular, appearing as big customers for U.S. farm products almost overnight. Russian purchases from the United States increased fivefold in 1973. U.S. farm exports to China jumped from a level of nothing in 1972 to $210 million in 1973 and then quadrupled in 1974.

The Soviet Union can have a heavy impact on our markets because of wide fluctuations in its own markets and because of its State-controlled buying operations. Western analysts have noted that buying decisions of State-controlled trading agencies are less subject to changes in prices and supplies than are those of private traders.

In June of 1973, the United States and the Soviet Union signed an agreement providing for cooperation in the field of agriculture. The wording in my amendment which specifies the type of information to be exchanged is taken directly from that original agreement.

In May of this year the United States-U.S.S.R. Joint Working Group on Agricultural Economic Research and Information agreed to broaden the scope of their exchange program. The plan of work included proposals for eight U.S. teams to visit the Soviet Union in 1974 and about the same number in 1975. The Soviets proposed sending a total of seven teams to the United States by the end of 1975.

However, in August a team of experts who had gone to the Soviet Union to gather information on that country's 1974 grain crop, was called home by the U.S. Government, because Moscow rejected most of its travel itinerary. Although this amendment will apply to all nonmarket countries, with respect to the Soviet Union we would simply be demanding that they comply with an agreement which they have already entered into.

As we are all aware, the 1973 agreement did not prevent recent secret trading by the Soviets which led to White House action that first blocked and then cut back two large purchases of grain.

The capacity of the United States and other governments to contend with food shortages, particularly in cooperation with each other, depends to a large extent on the availability of accurate information describing the current and prospective crop and food situation. The majority of countries participating in the World Food Conference agreed that if we are to solve the many problems involved in food production and distribution, the availability of this type of information is an essential first step. I think it is only proper the United States require the exchange of this type of pertinent data before granting special privileges to any nonmarket economy country.

I would like everyone to note that the wording of my amendment which specifies the type of information to be exchanged is taken directly from the original agreement executed by the United States and the U.S.S.R. For those who will wonder whether we are placing a mandate upon those countries which they could not comply with, or which might greatly interfere with détente, I call to their attention that there already is such an agreement, which the U.S.S.R. and the United States have signed.

The point of it is that we must now accede to their failure to live up to it to the extent that they can supply such information, and then we proceed from them to any other countries in the world which could have a significant impact on the food market.

It appears to me that since the United States and Canada have a completely open set of facts, such a provision would be in order.

One final comment with reference to the amendment, Mr. President. This would once and for all, if implemented, eliminate the speculation in the minds of the American consumers as to whether or not huge acquisitions of farm products produced in America by other countries are made in a bona fide manner, because of their need, and it would eliminate speculation that they are playing with our commodities market. I am firmly convinced that this can be implemented, and that it would be a giant stride toward accomplishing what the world wants. The information would be furnished to us, and thus be as public as ours, and until a world system is set up, I believe the second best thing we can get is for the United States to have the information under a bona fide agreement.

I reserve the remainder of my time.

Mr. BARTLETT. Mr. President, I am pleased the managers of the trade bill have agreed to accept Senator DOMENICI's amendment, which will facilitate and insure a greater exchange of agricultural statistics and data among the food-producing nations of the world.

The production of food and the feeding of hungry people is too important for any country to attempt to play politics with these production figures.

Until now, the Soviet Union has handled their agricultural information with secrecy which would do credit to the Manhattan project.

Under Senator DOMENICI's bill, of which I am pleased to be a cosponsor, no country which refuses to furnish the

United States, on a mutual basis crop estimates, production, consumption, demand and trade figures, will be eligible for most-favored-nation status.

At the recent World Food Conference in Rome, Russia assured us they were ready to begin an era of openness on this vital information. I hope they are to be believed. Senator Domenici's amendment will insure that they cannot take advantage of American trade concessions and on the other hand refuse to cooperate.

For years American agriculture information has been available for all the world to see. It is time for Russia to join the 20th century.

Mr. HUMPHREY. Mr. President, I join in sponsoring amendment No. 2012 to the trade bill, H.R. 10710.

The amendment would forbid granting most-favored-nation status, Government-backed credits, or commercial agreements to any nonmarket nation which, first, fails to enter into an agreement with the United States for the mutual exchange on a regular basis of basic argricultural information such as forward estimates, consumption, demand and trade, and second, fails to live up to an agreement as outline above.

The World Food Conference in Rome passed a resolution in November recommending the establishment of a world agricultural information system.

The world food shortages and the threats of starvation mean that we vitally need such a system.

At a time when there was plenty of food and we had ample reserves, it was easy to be casual. That day is past. We now need sound information and on a timely basis.

This amendment will facilitate the exchange of such information, and it is needed without delay.

Mr. LONG. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. BROCK. Mr. President, I ask unanimous consent that Mr. John Backer, of my staff, have the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so desired.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is the time for a quorum call counted against the time of a Senator?

The PRESIDING OFFICER. The Chair is informed that a quorum call is not considered debate, but if unduly called for, it could be charged against the time.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2000

Mr. JACKSON. Mr. President, I call up my amendment No. 2000, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. Jackson) for himself, Mr. Ribicoff, and Mr. Javits, proposes an amendment, No. 2000.

The amendment is as follows:

On page 247, line 15, strike out "(c)" and insert "(e)", and after line 14, insert the following:

"(c)(1) During the 18-month period beginning on the date of the enactment of this Act, the President is authorized to waive by Executive order the application of subsection (a) and (b) with respect to any country, if he reports to the Congress that—

"(A) he has determined that such waiver will substantially promote the objectives of this section; and

"(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

"(2) During any period subsequent to the 18-month period referred to in paragraph (1), the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if the waiver authority granted by this subsection continues to apply to such country pursuant to subsection (d), and if he reports to the Congress that—

"(A) he has determined that such waiver will substantially promote the objectives of this section; and

"(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

"(3) A waiver with respect to any country shall terminate on the day after the waiver authority granted by this subsection ceases to be effective with respect to such country pursuant to subsection (d). The President may, at any time, terminate by Executive order any waiver granted under this subsection.

"(d)(1) If the President determines that the extension of the waiver authority granted by subsection (c)(1) will substantially promote the objectives of this section, he may recommend to the Congress that such authority be extended for a period of 12 months. Any such recommendation shall—

"(A) be made not later than 30 days before the expiration of such authority;

"(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

"(C) include, for each country with respect to which a waiver granted under subsection (c)(1) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

"(2) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), such authority shall continue in effect with respect to any country for a period of 12 months following the end of the 18-month period referred to in subsection (c)(1), if, before the end of such 18-month period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by the House and the Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

"(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c)(1) shall cease to be effective with respect to all countries at the end of such 18-month period;

"(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period; or

"(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period.

"(3) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 18-month period referred to in subsection (c)(1) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (2) does not apply, such authority shall continue in effect for a period of 60 days following the end of such 18-month period with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2)), and shall continue in effect for a period of 12 months following the end of such 18-month period with respect to any such country if, before the end of such 60-day period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 60-day period, a concurrent resolution approving the extension of such authority is not adopted by the House and Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

"(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c)(1) shall cease to be effective with respect to all countries on the date of the vote on the question of final passage by the House which votes last;

"(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period; or

"(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period.

"(4) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 60-day period referred to in paragraph (3) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (3) does not apply, such authority shall continue in effect until the end of the 12-month period following the end of the 18-month period referred to in subsection (c) (1) with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2) or subparagraph (B) or (C) of paragraph (3)), unless before the end of the 45-day period following such 60-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority with respect to such country.

"(5) If the waiver authority granted by subsection (c) has been extended under paragraph (3) or (4) for any country for the 12-month period referred to in such paragraphs, and the President determines that the further extension of such authority will substantially promote the objectives of this section, he may recommend further extensions of such authority for successive 12-month periods. Any such recommendation shall—

"(A) be made not later than 30 days before the expiration of such authority;

"(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

"(C) include, for each country with respect to which a waiver granted under subsection (c) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination. If the President recommends the further extension of such authority, such authority shall continue in effect until the end of the 12-month period following the end of the previous 12-month extension with respect to any country (except for any country with respect to which such authority has not been extended under this subsection), unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.".

On page 75, line 9, strike out "section 152" and insert "sections 152 and 153".

On page 75, line 19, strike out "section 152 (a)" and insert "sections 152(a) and 153 (a)".

On page 94, after line 14, insert the following:

"SEC. 153. RESOLUTIONS RELATING TO EXTENSION OF WAIVER AUTHORITY UNDER SECTION 402.

"(a) CONTENTS OF RESOLUTIONS.—For purposes of this section, the term 'resolution' means only—

"(1) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress approves the extension of the authority contained in section 402(c) (1) of the Trade Reform Act of 1974 recommended by the President to the Congress on ———, except with respect to ———.', with the first blank space being filled with the appropriate date and the second blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the except clause being omitted if there is no such country; and

"(2) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the ——— does not approve the extension of the authority contained in section 402(c) of the Trade Reform Act of 1974 recommended by the President to the Congress on ——— with respect to ———.', with the first blank space being filled with the name of the resolving House, the second blank space being filled with the appropriate date, and the third blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the with-respect-to clause being omitted if the extension of the authority is not approved with respect to any country.

"(b) APPLICATION OF RULES OF SECTION 152; EXCEPTIONS.

"(1) Except as provided in this section, the provisions of section 152 shall apply to resolutions described in subsection (a).

"(2) In applying section 152(c)(1), all calendar days shall be counted, and, in the case of a resolution related to section 402 (d)(4), 20 calendar days shall be substituted for 30 days.

"(3) That part of section 152(d)(2) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). Debate in the House of Representatives on any amendment to a resolution shall be limited to not more than one hour which shall be equally divided between those favoring and those opposing the amendment. A motion in the House to further limit debate on an amendment to a resolution is not debatable.

"(4) That part of section 152(e)(4) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with respect to clause, in the case of a resolution described in subsection (a)(2). The time limit on debate on a resolution in the Senate under section 152(e)(2) shall include all amendments to a resolution. Debate in the Senate on any amendment to a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or his designee. The majority leader and minority leader may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any amendment. A motion in the Senate to further limit debate on an amendment to a resolution is not debatable.

"(c) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a resolution with respect to a recommendation of the President under section 402(d) (other than a resolution described in subsection (a)(1) received from the other House), if that House has adopted a resolution with respect to the same recommendation.".

On page 94, line 15, strike out "153" and insert "154".

On page 94, line 18, after "302(a)," insert "402(d),".

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. JACKSON. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that if there is a rollcall vote on the Jackson amendment, it not occur before the hour of 2:15 today.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, it has been 2 years since I first offered an amendment to the trade bill conditioning eligibility for trade concessions on respect for the right to emigrate.

Mr. President, after a long and often difficult road, I am pleased that an agreement has been reached on emigration from the Soviet Union that should do much to advance the cause of human rights—to reaffirm on the part of the American people the commitment to individual liberty that has made this nation a symbol to men and women everywhere.

I believe that we have reached a fair and productive compromise. We have agreed upon an unprecedented measure to bring the blessings of liberty to those brave men and women who have asked only for the chance to find freedom in a new land. We have acted on behalf of those of all faiths, of all religions—on behalf of artists and dancers, workers and students, the educated and the unskilled.

The agreement we have reached, which is contained in an exchange of letters between myself and the Secretary of State and printed in the Senate Finance Committee report on the trade bill, should signal an end by the U.S.S.R to punitive actions against persons wishing to emigrate. It provides that no unreasonable impediments will be placed in the way of persons wishing to emigrate. It stipulates that applications for emigration will be processed in order without discrimination on the basis of race, religion, national origin, professional status, or place of residence. It promises sympathetic and expeditious processing of hardship cases.

It provides that persons imprisoned, who, prior to their imprisonment, expressed an interest in emigrating will be given prompt consideration for emigration upon their release; and it states that sympathetic consideration may be given to the early release of these unfortunate persons.

The agreement is based on, and the Secretary's letter conveys, the assumption that the rate of emigration from the U.S.S.R. will begin to rise promptly from the 1973 level—and that it will continue to rise to correspond to the number of applicants. And as my letter to the Secretary states:

> We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance.

If the agreement is implemented in good faith, the actual number will exceed 60,000 per annum since there is abundant evidence of a current backlog in excess of 130,000, new applications are submitted daily, and the agreement calls for the number to rise to correspond to the number of applicants.

The agreement provides that the Soviet leadership will give "sympathetic consideration and response" in the event that we have indications that these criteria and practices are not being applied.

In reaching this agreement, negotiated over the last several months, we have developed a set of guidelines appropriate for the purpose of determining whether eligibility for trade benefits extended to the U.S.S.R. should be continued beyond an initial period of 18 months. The understandings and interpretations, contained in my letter to the Secretary of State, have been accepted by the President as among the considerations to be applied by the President in assessing performance under this agreement. The two letters taken together are a tribute to the perseverance of my fellow Senators and Congressmen and the spirit of cooperation on this issue that we have enjoyed from the first days of the Ford presidency.

Mr. President, the trade bill that is now before the Senate incorporates language in title IV that places a number of restrictions on the extension of most-favored-nation treatment to nonmarket economies. Moreover, title IV as passed by the House and reported out of the Senate Finance Committee restricts the participation of nonmarket economies in programs of the Government of the United States that extend credits, credit guarantees, or investment guarantees. In the case both of credit programs and the extension of most-favored-nation treatment, title IV sets a simple standard: a recipient nonmarket economy must not deny its citizens the right or the opportunity to emigrate, nor can it impose more than nominal taxes, fees, levies, or fines on persons who wish to emigrate, or as a condition for obtaining an exit visa.

I describe the standard in title IV as simple, because there are no qualifying words or phrases that would authorize the President to extend MFN or credits to any nonmarket economy that denies a citizen the opportunity to emigrate or that imposes more than nominal charges in connection with emigration. I believe it is clear—and clearly understood in both the Congress and the executive branch—that under the provisions of title IV as passed by the House and affirmed by the Senate Finance Committee, no nonmarket economy covered by title IV could at present qualify for MFN or credits.

I believe, Mr. President, that it is important to understand the nature of the freedom of emigration language of title IV as passed by the House for two reasons: First, the restrictions in title IV have been incorporated in the trade bill now before us with respect to any country that does not qualify for a waiver of those restrictions under the conditions set forth in an amendment I propose to offer to title IV, amendment No. 2000. And, second, the freedom of emigration restrictions in title IV will continue to limit the authority of the President if the Congress, according to the procedures set forth in amendment No. 2000, should vote to discontinue any waiver authority it might choose initially to enact.

HISTORY OF THE AMENDMENT

The amendment was first introduced in the Senate—with 76 cosponsors—on October 4, 1972, in connection with the East-West Trade Relations Act, a measure which would have granted the President the authority to grant MFN tariff treatment to nonmarket economy countries not yet enjoying the privilege. Following the Soviet-American trade agreement of October 18, 1972, the administration decided to seek this authority in title IV of the omnibus trade reform legislation—then designated H.R. 6767—introduced in the House of Representatives. My colleagues will recall that, on April 10, 1973, the amendment was then reintroduced in the Senate, to be taken up whenever the Senate acted on the trade bill. I would like at this point to include for the RECORD the names of the 78 Senate cosponsors of the Jackson amendment:

COSPONSORS OF JACKSON AMENDMENT ON EAST-WEST TRADE AND FREEDOM OF EMIGRATION

(Introduced to the Trade Reform Act on April 10, 1973)

Mr. Jackson, Mr. Ribicoff, Mr. Magnuson, Mr. Javits, Mr. Buckley, Mr. Gurney, Mr. Bayh, Mr. Hollings, Mr. Humphrey, Mr. Dole, Mr. Packwood, Mr. Percy, Mr. Kennedy, Mr. Tunney, Mr. Williams, Mr. Roth, Mr. Hugh Scott, Mr. Taft, Mr. Allen, Mr. Baker.

Mr. Beall, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Brooke, Mr. Harry F. Byrd, Jr., Mr. Robert C. Byrd, Mr. Cannon, Mr. Case, Mr. Chiles, Mr. Church, Mr. Clark, Mr. Cook, Mr. Cotton, Mr. Cranston, Mr. Domenici, Mr. Dominick, Mr. Eagleton, Mr. Fannin.

Mr. Fong, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Haskell, Mr. Helms, Mr. Huddleston, Mr. Hughes, Mr. Inouye, Mr. Johnston, Mr. Long, Mr. McClellan, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Mathias, Mr. Metzenbaum, Mr. Mondale.

Mr. Montoya, Mr. Muskie, Mr. Nunn, Mr. Pastore, Mr. Pell, Mr. Proxmire, Mr. Randolph, Mr. Schweiker, Mr. Sparkman, Mr. Stennis, Mr. Stevens, Mr. Stevenson, Mr. Symington, Mr. Talmadge, Mr. Thurmond, Mr. Tower, Mr. Weicker, Mr. Young.

A companion measure, with Congressman CHARLES A. VANIK, of Ohio, as the principal cosponsor, was introduced in the House of Representatives.

There can be no question, Mr. President, about the intent of the Congress in its subsequent deliberations concerning title IV. The House-passed language was approved December 11, 1973, by a vote of 319 to 80, a clear and decisive result. I believe that when the history of this congressional initiative comes to be written, the cosponsors of this legislation will be able to look with satisfaction upon their determined and principled fidelity to our own highest values and the practical effectiveness of invoking the legislative process to uphold and defend these values where they have been threatened.

As my colleagues know, the administration flatly opposed, and organized an abortive but prolonged effort to defeat, the freedom of emigration restrictions now incorporated in the bill before us. The wide gulf that separated the Congress from the administration on the issue of how best to encourage freer emigration from the Soviet Union and other nonmarket economies began to narrow early this year when the administration reconciled itself to the need for compromise. By that time more than a year had been lost during which the repeated and articulated willingness of the congressional sponsors of the freedom of emigration amendment to discuss alternatives to a lengthening impasse had been greeted, not by negotiation, but by confrontation.

Only after a change in administration policy that resulted in the first reluctant approaches from the administration early this year did negotiations aimed at the reconciliation reflected in amendment No. 2000 get underway. Early this year I put forward a proposal setting forth the general outlines along which a compromise aimed at breaking the deadlock between the two branches of Government might be negotiated. At each subsequent exchange the congressional sponsors of the freedom of emigration amendment made every effort to expedite the agreement that was ultimately reached on October 18, 1974—more than 2 years after the Jackson amendment was originally proposed and more than 6 months after the first submission to the administration of my proposal to reconcile our differences.

THE OCTOBER 18 EXCHANGE OF LETTERS

With this background, I wish to comment on my exchange of letters with Secretary of State Kissinger—an exchange finalized, after detailed negotiation, on October 18, 1974.

The two letters that constitute this exchange are integrally related to each other. The agreement between the administration and the Congress contained in these letters can neither be understood nor interpreted by reference to either letter alone. At every stage of the deliberations that produced the compromise of October 18 the subject matter of the two letters was under consideration. The agreed text of these letters was developed in concert after much give-and-take on both sides. I emphasize this point because the Congress, at the end of the 18-month waiver of the freedom of emigration restrictions contained in title IV, will have to consider whether Soviet performance pursuant to the undertakings and interpretations in these letters warrants a further extension of the President's authority to waive sections (a) and (b) of section 402. Moreover, I believe it is essential if we are to make the sort of progress toward the objective of free emigration that is envisioned in this exchange that the Soviets understand the basis upon which the Congress will evaluate the implementation of the agreement of October 18.

Broadly speaking, Mr. President, the letter written by Secretary of State Kissinger on behalf of the administration conveys assurances that he has received from Secretary Brezhnev, Foreign Minister Gromyko, and Ambassador Dobrynin as to the criteria and practices that will henceforth govern emigration from the Soviet Union. As Secretary Kissinger has pointed out, these assurances do not take the form of a formal agreement between the United States and the Soviet Union. But the assurances in Secretary Kissinger's letter are no less solemn, no less binding, and no less significant, because of the form in which they have been conveyed from Soviet representatives to President Ford and Secretary Kissinger and from President Ford and Secretary Kissinger to the Congress.

The assurances conveyed in Secretary Kissinger's letter are broad and inclusive. Thus, our Government has been assured that punitive actions against individuals seeking to emigrate from the U.S.S.R. will "not be permitted by the Government of the U.S.S.R." Included among the punitive actions that will not be permitted are "various kinds of intimidation or reprisal," among which three examples are specifically indicated: the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination. Clearly these three examples do not begin to exhaust the list of past or potential punitive actions. The use of the term "various kinds of intimidation or reprisal" makes it plain that all such devices aimed at discouraging individuals from emigrating through punitive means will not be permitted.

"INTIMIDATION AND REPRISAL"

In order to identify further what is intended under the heading of "various kinds of intimidation or reprisal," my letter to Secretary Kissinger of October 18, 1974, includes the following passage:

> It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

This paragraph was incorporated in the exchange of letters because punitive conscription and trumped-up criminal proceedings have frequently been employed as "punitive actions," within the meaning of the phrase in Secretary Kissinger's letter, to discourage or prevent emigration. Without this understanding as a part of our correspondence—as well as the several others in my letter—I could not have consented to offer amendment No. 2000.

There is, however, an important distinction to be drawn between Secretary Kissinger's letter to me and mine to him; it is this: The Soviet authorities limited their specific assurances to those contained in Secretary Kissinger's letter to me. The interpretations of those assurances in my letter to Secretary Kissinger, while integral to the compromise and firmly rooted in the language in Secretary Kissinger's letter, are in the form of an agreement between the administration and the Congress. They will form the basis on which Congress will exercise its review authority and on which the administration will base its representations to the Soviets in the course of implementing the agreement and its recommendations to the Congress for any further waiver of the provisions of sections (a) and (b) of Section 402.

One could well argue, Mr. President, that the interpretations and understandings in my letter to Secretary Kissinger are, in several instances, redundant—clearly punitive conscription constitutes "punitive action" and punitive action is clearly ruled out by Secretary Kissinger's letter to me. The same might be said of the bringing of criminal actions against persons wishing to emigrate as a consequence of their effort to emigrate. The second paragraph of my letter to Secretary Kissinger is an elaboration of the substance of the understanding therein; I felt it desirable, in several instances, to add a measure of specificity to the exchange of letters so as to minimize the likelihood of disagreement between the Congress and the administration at some future date. There is no question, Mr. President, that the action taken against Alexander Feldman in sentencing him to jail last year was utterly inconsistent with the understanding we have achieved and with the assurances conveyed in Secretary Kissinger's letter as well as my letter of response. I cite this as one example because it is so blatant, and because it is precisely the sort of behavior to which I have reference in the second paragraph of my letter.

"NATIONAL SECURITY"

Mr. President, there is an additional point in my letter to Secretary Kissinger that warrants special attention. This point has to do with the interpretation of the fifth paragraph of Secretary Kissinger's letter in which he writes:

> . . . we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

In order to interpret this provision it is necessary to refer to paragraph four of Secretary Kissinger's letter and to paragraph four of my letter. Paragraph four of Secretary Kissinger's letter states that—

> No unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration . . . including [obstacles] frequently employed in the past.

Among the obstacles "frequently employed in the past" is the denial of visa applications on the grounds of national security. Paragraph four of my letter seeks to make this clear and explicit:

> . . . we understand that the special regulations to be applied to persons who have had access to *genuinely sensitive classified information* will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

It is clear that Congress and the administration have agreed that "national security" will not be employed as an obstacle, an excuse, a subterfuge to circumvent the provision against unreasonable impediments, and we have agreed that the criterion to be applied in judging this is "access to genuinely sensitive classified material." In no event would "national security" justify detaining for more than 3 years a person who has had access even to "genuinely sensitive classified material" after the date on which he was last exposed to such sensitive and classified information. Without this understanding no compromise would have been possible, because the excuse of national security has become the most common device by which applications to emigrate are denied. I know that my colleagues would wish to have this clearly stated prior to any vote to affirm the grant of waiver authority in amendment No. 2000.

THE ISSUE OF NUMBERS

Although I referred earlier to the issue of the number of visas that we expect to flow from this agreement, there has been sufficient confusion in the press on this matter to justify some further comment. The basic understanding on numbers of visas is contained in paragraph nine of Secretary Kissinger's letter. According to paragraph 9:

> The rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

Thus we anticipate both an immediate increase to the 1973 rate of around 35,000 per year followed, with the implementation of the practices and procedures set forth in Secretary Kissinger's letter and my response, by a continuing increase until the number of visas corresponds to the number of applicants. In other words, as we move into implementation of the agreement, we would expect that if there are 75,000 applicants there will be 75,000 visas, if there are 100,000 applicants there will be 100,000 visas, and so on. The number of visas can thus be determined only by the number of applicants.

THE DIMENSIONS OF CONGRESSIONAL CONCERN

In reporting the trade legislation for the Senate's consideration, the Committee on Finance stated the following:

> It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country).

This proper explanation of the purposes of the amendment is underscored in Secretary Kissinger's letter to me, in which he conveys the Soviet assurance that—

> Applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

The report of the Finance Committee also states:

> Each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal.

This expectation is given the force of law in amndment No. 2000, where it is expressly provided that the waiver authority can be used only after the President has received the appropriate assurances. The only country which has thus far conveyed such assurances is the Soviet Union. It is obvious therefore that, before the President can waive the provisions of sections (a) and (b) of section 402 and grant MFN tariff treatment and eligibility for U.S. Government credits or credit guarantees to any other nonmarket economy country, understandings—appropriately comparable to those reached with the Soviet Union—must be mutually agreed upon.

The following cases represent but a fraction of the number of individuals directly affected by title IV of the trade legislation. The circumstances and background of these individuals are diverse indeed, but whatever their national and religious heritage, whatever moves them to seek to emigrate, they are affected equally by what Congress and the administration have done—and will continue to do—to realize the objectives of title IV:

Stanislav Karnitsky, who married an American citizen in Moscow in June 1974, is being frustrated by Soviet authorities in his efforts to make application to emigrate. His wife, a resident of my home state of Washington, is expecting their first child in three months and is anxious to have her husband with her.

Vitaly Rubin, a 51-year old Soviet specialist in ancient Chinese philosophy, was forced to leave his teaching post, as was his wife, when they applied to emigrate. During the almost three years since Rubin first applied, he has been threatened with prosecution, and harassed by the KB. Rubin still lives in constant jeopardy.

Nicholas Rosko, a Massachusetts-born American citizen who was taken to Russia as an infant in the 1920's by his Russian immigrant parents, has been unable to secure permission from the Soviet government to return to the United States with his wife and child. His American brother and other relatives in the United States have stepped up their efforts in his behalf over the past three years, but without success.

Felicija Valanciene of Vilnius, Lithuania, was separated from her husband during World War II under tragic circumstances. Her husband, Kostas Paulius, made his way to the United States and has been an American citizen since 1956. They have not given up their efforts to be reunited in the United States despite the repeated refusals of Soviet authorities to grant Mrs. Valenciene an exit visa. As Mr. Paulius wrote to me in a recent letter, "we still have many dreams."

Dr. Isaac Poltinnikov, a well-known ophthalmologist, his, wife, and daughter, applied to emigrate to Israel more than two years ago. Since applying he has been deprived of his pension, and his wife and daughter have been imprisoned for a time. The family is still in Novosibirsk, unable to obtain an exit visa.

Marija Jurgutiene, a Lithuanian woman who is seeking exit permission for herself and her 11-year-old daughter to join her husband in the United States, has been forced to give up her employment as a librarian and has been warned by Soviet authorities that she will receive a six-year prison term if she persists in her requests to emigrate. Her husband, formerly a professor at the State Conservatory of Music in Vilnius, Lithuania, escaped to the West in May 1974 and is now a resident of Chicago.

Mark Azbel, a 42-year old physicist, applied to emigrate to Israel two years ago. He was then forced to resign his research post and forfeit his salary; his writings have been banned from Soviet scientific journals and his books withdrawn from Soviet libraries. Professor Azbel has been invited to teach at the University of Washington. He still awaits approval of his application to leave the USSR.

Secretary Kissinger explained in his recent testimony to the Senate Committee on Finance that with respect to the Eastern European countries, our Government has already entered into discussions with Romania with a view toward securing assurances which would qualify Romania for the conditional waiver under amendment No. 2000. I would like to stress that in addition to several thousand Romanian Jews who are known to wish to emigrate to Israel, there are many other Romanians who are also waiting for permission to emigrate to Western nations, and among them several hundred who are seeking to be reunited with families in the United States. One such case involves Karin and Jacqueline-Zoe Mironescu of Bucharest, the wife and 8-year-old daughter of Stefan Mironescu, an employee of the American National Red Cross who came to the United States in 1972 and is a permanent resident. Despite numerous efforts on behalf of his family—including representations by the American National Red Cross—the Romanian Government is still refusing to grant them exit permits. Mr. Mironescu began a hunger strike in Washington, D.C., earlier this week. Another particular hardship case concerns the Massong family in Timisoara, Romania, who have been seeking in vain to join their American relatives here for 3 years. New representations have been made to the Romanian Government in their behalf in light of a serious illness in their American family, but so far in vain.

THE QUESTION OF GOOD FAITH

Mr. President, this agreement, which I believe to be a great step forward in the enduring struggle for human rights, can only operate in the interest of improved United States-Soviet relations if it is implemented in good faith. I pray that this will prove to be the case. Obviously the opportunities for bad-faith circumvention are numerous. No agreement can be drafted to prevent the maneuverings associated with bad faith.

If the Soviets fail to live up to the letter and the spirit of this agreement the basis of trust and confidence that is essential to the whole range of our relations will be destroyed. We will be watching closely—not just at the days and weeks preceding the expiration of the 18-month waiver, but day by day from this moment on. Violations of the spirit or the letter of this agreement in the early days cannot be compensated for with belated compliance later. The record of the whole period will be before the Senate 18 months from now.

AMENDMENT NO. 2000

Mr. President, consistent with the understanding that has been achieved. I call up my amendment No. 2000. This amendment, which permits section (a) and (b) of section 402 to be waived under certain conditions, has the following principal features:

Beginning with the date of enactment of the bill, the President has authority to waive requiremens of Section 402 for 18 months for any country after he has received assurances that the emigration practices of that country will lead substantially to the achievement of the objectives of section 402. It is understood that the President will inform the Congress of his expectations, based on the assurances received, of how the emigration practices of that country will, during the period of the waiver, lead substantially to the achievement of the objectives of section 402.

Eighteen months after the date of enactment of the bill, the waiver may be renewed upon the adoption of a concurrent resolution extending the authority for 1 year. If an extension is desired, a request shall be made by the President no later than 30 days prior to expiration of the 18-month period.

In the event that the Congress has not voted on a resolution of approval by the end of the 18-month period, the waiver authority will be extended for up to 60 days after the end of the 18-month period to permit the Congress additional time to act on the concurrent resolution. If the vote on the resolution of approval fails in both Houses, the waiver authority expires.

In the event that Congress within 60 days after the expiration of the 18-month period does not adopt or disapprove a concurrent resolution on the issue of extending the authority, the authority will nevertheless continue in force unless either House of Congress—within 45 calendar days of the expiration of the 60-day period—passes a simple resolution of disapproval of the continuation of the waiver authority.

The waiver may be further extended by Executive order at 1-year intervals upon a Presidential determination and report to Congress that such extension will substantially promote the objectives of section 402, provided that neither House of Congress—within 60 calendar days of the issuance of the Executive order—adopts a resolution of disapproval of the extension.

The statutory language permits the concurrent resolution or the simple resolution of disapproval to exclude one or more countries from the extensions of the waiver authority. Resolutions may be amended to include or exclude any particular country.

Finally, any extension of waiver authority will not apply to any country which has been excluded in a concurrent resolution or in a resolution of either House.

Mr. President, I cannot conclude my remarks without first expressing my deep appreciation to the 78 Members of the U.S. Senate who cosponsored the amendment. May I just say that their support played an invaluable part in the negotiating process which, I think, will be historic if the Russians show good faith and if they comply.

Mr. President, I want to single out two Senators, the senior Senator from Connecticut (Mr. RIBICOFF) and the senior Senator from New York (Mr. JAVITS), who participated in the negotiations over a long period of time with the Secretary of State and, finally, with President Ford. Their help meant the difference, in my judgment, in working out the kind of agreement that is now before the Senate. Their counsel, their advice, their support was, as I said, invaluable.

Over on the House side Congressman VANIK showed great and effective leadership. His task was the pioneering task in the Ways and Means Committee and then again on the floor of the House of Representatives.

Through his able leadership, with the support of other of our colleagues in the House, the House was able to pass the amendment by an overwhelming margin, which made our task in the Senate a lot easier.

So I want to acknowledge the support, the tremendous support, of my two colleagues in the Senate, and the able Congressman from Ohio, Mr. CHARLES VANIK, a member of the Ways and Means Committee, for his role in the House of Representatives.

Now, Mr. President, I would like to include in the RECORD the exchange of letters, dated October 18, 1974, between myself and Secretary of State Henry A. Kissinger.

In addition, I would like to include an open letter to Congress by Andrei Sakharov which had been placed in the RECORD earlier but should be placed in the RECORD again at this point. It was dated September 14, 1973. It was and is a courageous and historic statement.

I would then like to include a statement to the Finance Committee by Hans J. Morgenthau in connection with his appearance before that committee, a statement on most-favored-nation status by Bishop James S. Rausch, general secretary of the U.S. Catholic Conference, and a series of editorials. I ask unanimous consent to include this material in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCHANGE OF LETTERS BETWEEN SECRETARY KISSINGER AND SENATOR JACKSON

OCTOBER 18, 1974.

DEAR SENATOR JACKSON: I am writing to you, as the sponsor of the Jackson Amendment, in regard to the Trade Bill (H.R. 10710) which is currently before the Senate and in whose early passage the administration is deeply interested. As you know, Title IV of that bill, as it emerged from the House, is not acceptable to the administration. At the same time, the administration respects the objectives with regard to emigration from the U.S.S.R. that are sought by means of the stipulations in Title IV, even if it cannot accept the means employed. It respects in particular your own leadership in this field.

To advance the purposes we share both with regard to passage of the trade bill and to emigration from the U.S.S.R., and on the basis of discussions that have been conducted with Soviet representatives, I should like on behalf of the administration to inform you that we have been assured that the following criteria and practices will henceforth govern emigration from the U.S.S.R.

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet laws and regulations and will therefore not be permitted by the government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination.

Second, no unreasonable or unlawful impediments will be placed in a way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Finally, it will be our assumption that with the application of the criteria, practices, and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

I understand that you and your associates have, in addition, certain understandings incorporated in a letter dated today respecting the foregoing criteria and practices which will henceforth govern emigration from the U.S.S.R. which you wish the President to accept as appropriate guidelines to determine whether the purposes sought through Title IV of the trade bill and further specified in our exchange of correspondence in regard to the emigration practices of non-market economy countries are being fulfilled. You have submitted this letter to me and I wish to advise you on behalf of the President that the understandings in your letter will be among the considerations to be applied by the President in exercising the authority provided for in Sec. 402[1] of Title IV of the trade bill.

I believe that the contents of this letter represent a good basis, consistent with our shared purposes, for proceeding with an acceptable formulation of Title IV of the trade bill, including procedures for periodic review, so that normal trading relations may go forward for the mutual benefit of the U.S. and the U.S.S.R.

Best regards,

HENRY A. KISSINGER.

OCTOBER 18, 1974.

DEAR MR. SECRETARY: Thank you for your letter of Oct. 18 which I have now had an opportunity to review. Subject to the further understandings and interpretations outlined in this letter, I agree that we have achieved a suitable basis upon which to modify Title IV by incorporating within it a provision that would enable the President to waive subsections designated (a) and (b) in Sec. 402 of Title IV as passed by the House in circumstances that would substantially promote the objectives of Title IV.

It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

Second, we understand that among the unreasonable impediments that will no longer be placed in the way of persons seeking to emigrate is the requirement that adult applicants receive the permission of their parents or other relatives.

Third, we understand that the special regulations to be applied to persons who have had access to genuinely sensitive classified information will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

Fourth, we understand that the actual number of emigrants would rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants, and may therefore exceed 60,000 per annum. We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance. Until such time as the actual number of emigrants corresponds to the number of applicants the benchmark figure will not include categories of persons *whose emigration* has been the subject of discussion between Soviet officials and other European governments.

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[1] Statutory language authorizing the President to waive the restrictions in Title IV of the Trade Bill under certain conditions will be added as a new (and as yet undesignated) subsection.

In agreeing to provide discretionary authority to waive the provisions of subsections designated (a) and (b) and Sec. 402 of Title IV as passed by the House, we share your anticipation of good faith in the implementation of the assurances contained in your letter of Oct. 18 and the understandings conveyed by this letter. In particular, with respect to paragraphs three and four of your letter we wish it to be understood that the enumeration of types of punitive action and unreasonable impediments is not and cannot be considered comprehensive or complete, and that nothing in this exchange of correspondence shall be construed as permitting types of punitive action or unreasonable impediments not enumerated therein.

Finally, in order adequately to verify compliance with the standard set forth in these letters, we understand that communication by telephone, telegraph and post will be permitted.

Sincerely yours,

HENRY M. JACKSON.

Open Letter to the Congress of the United States From Andrei Sakharov

MOSCOW, SEPTEMBER 14, 1973.

At a time when the Congress is debating fundamental issues of foreign policy, I consider it my duty to express my view on one such issue—protection of the right to freedom of residence within the country of one's choice. That right was proclaimed by the United Nations in 1948 in the Universal Declaration of Human Rights.

If every nation is entitled to choose the political system under which it wishes to live, this is true all the more of every individual person. A country whose citizens are deprived of this minimal right is not free even if there were not a single citizen who would want to exercise that right.

But, as you know, there are tens of thousands of citizens in the Soviet Union—Jews, Germans, Russians, Ukrainians, Lithuanians, Armenians, Estonians, Latvians, Turks and members of other ethnic groups—who want to leave the country and who have been seeking to exercise that right for years and for decades at the cost of endless difficulty and humiliation.

You know that prisons, labor camps and mental hospitals are full of people who have sought to exercise this legitimate right.

You surely know the name of the Lithuanian, Simas A. Kudirka, who was handed over to the Soviet authorities by an American vessel, as well as the names of the defendants in the tragic 1970 hijacking trial in Leningrad. You know about the victims of the Berlin Wall.

There are many more lesser known victims. Remember them, too!

For decades the Soviet Union has been developing under conditions of an intolerable isolation, bringing with it the ugliest consequences. Even a partial preservation of those conditions would be highly perilous for all mankind, for international confidence and detente.

In view of the foregoing, I am appealing to the Congress of the United States to give its support to the Jackson Amendment, which represents in my view and in the view of its sponsors an attempt to protect the right of emigration of citizens in countries that are entering into new and friendlier relations with the United States.

The Jackson Amendment is made even more significant by the fact that the world is only just entering on a new course of detente and it is therefore essential that the proper direction be followed at the outset. This is a fundamental issue, extending far beyond the question of emigration.

Those who believe that the Jackson Amendment is likely to undermine anyone's personal or governmental prestige are wrong. Its provisions are minimal and not demeaning.

It should be no surprise that the democratic process can add its corrective to the actions of public figures who negotiate without admitting the possibility of such an amendment. The amendment does not represent interference in the internal affairs of socialist countries, but simply a defense of international law, without which there can be no mutual trust.

Adoption of the amendment therefore cannot be a threat to Soviet-American relations. All the more, it would not imperil international detente.

There is a particular silliness in objections to the amendment that are founded on the alleged fear that its adoption would lead to outbursts of anti-semitism in the U.S.S.R. and hinder the emigration of Jews.

Here you have total confusion, either deliberate or based on ignorance about the U.S.S.R. It is as if the emigration issue affected only Jews. As if the situation of those Jews who have vainly sought to emigrate to Israel was not already tragic enough and would become even more hopeless if it were to depend on the democratic attitudes and on the humanity of OVIR [the Soviet visa agency]. As if the techniques of "quiet diplomacy" could help anyone, beyond a few individuals in Moscow and some other cities.

The abandonment of a policy of principle would be a betrayal of the thousands of Jews and non-Jews who want to emigrate, of the hundreds in camps and mental hospitals, of the victims of the Berlin Wall.

Such a denial would lead to stronger repressions on ideological grounds. It would be tantamount to total capitulation of democratic principles in face of blackmail, deceit and violence. The consequences of such a capitulation for international confidence, detente and the entire future of mankind are difficult to predict.

I express the hope that the Congress of the United States, reflecting the will and the traditional love of freedom of the American people, will realize its historical responsibility before mankind and will find the strength to rise above temporary partisan considerations of commercialism and prestige.

I hope that the Congress will support the Jackson Amendment.

(signed) A. SAKHAROV.

September 14, 1973.

Statement to the Finance Committee of the U.S. Senate

(By Hans J. Morgenthau, Leonard Davis Distinguished Professor of Political Science, City College of the City University of New York, Chairman, Academic Committee on Soviet Jewry, April 10, 1974)

A rational consideration of trade between the United States and the Soviet Union must start from the premise that from the very beginning of its history the Soviet Union has regarded foreign trade as being inseperable from foreign policy. It has regarded foreign trade as a weapon of Soviet foreign policy. As Lenin put it in 1921:

"The capitalists of the entire world, and their governments, in the rush of conquering Soviet markets, will *close* their eyes to the above mentioned realities, and will thus become blind deaf mutes. They will open credits which will serve as a support for the Communist Party in their countries and will provide us with essential materials and technology thus restoring our military industries, essential for our future victorious attacks on our suppliers. Speaking otherwise, they will be working to prepare their own suicides."

In 1952, Stalin voiced his confidence in the profit motive of Western businessmen as an instrument through which the Soviet Union would be made strong enough for its final triumph. Khrushchev was equally explicit in 1957. What I said in my testimony before the Senate Foreign Relations Committee in February, 1965, applies today:

"The leaders of the Soviet Union have consistently laid the greatest stress upon the expansion of foreign trade. They have not tried to emphasize what foreign trade can do for private profits and international peace. They have consistently shown a particular interest in whole industrial plants rather than manufactured goods. But the Russian leaders are not Manchester liberals. They have wanted foreign trade not for the commercial purposes our businessmen want it for, but in order to gain the political strength necessary to achieve the universal triumph of Communism. . . . I am not arguing here against Western trade with Communist nations per se. I am only arguing in favor of the proposition that foreign trade has a different meaning for Communist nations than it has for us. Trade with Communist nations is a political act which has political consequences. It is folly to trade, or for that matter to refuse to trade, with Communist nations without concern for these political consequences.

There is, therefore, nothing extraordinary in making benefits in foreign trade dependent upon political concessions on the part of nations whose foreign trade policies serve political processes altogether. Such a linkage is dictated by common sense unless we want to make sure that Lenin's, Stalin's, and Khrushchev's expectations come true. The only legitimate question to be asked concerns the expediency of the political conditions proposed in the so-called Jackson amendment.

The expediency of the Jackson Amendment has been attacked before this committee on three major grounds; that it increases the risk of nuclear war, that it may cause the complete cessation of Jewish emigration from the Soviet Union, and that it tries to interfere with the domestic affairs of the Soviet Union. These arguments are astonishing both in themselves and in view of their eminent source.

It can be taken as common knowledge that nuclear war between the two superpowers has been avoided not by virtue of what a particular diplomatic maneuver accomplished or avoided but because of the nuclear balance of power between the United States and the Soviet Union and because of the remarkable self-restraint with which both superpowers have managed conflicts between them.

The second argument assumes that the emigration policy of the Soviet Union is a mere reflection of United States foreign policy. There is no evidence for such an assumption. It is of course true that the Soviet government is most sensitive to foreign and particularly American, opinion and that it will therefore try to avoid antagonizing that opinion unless it feels it must heed overriding interests to the contrary. Based upon that argument, a case could indeed be made in support of the Jackson Amendment, whose message of disapproval is unmistakable. However, determining the Soviet emigration policy are of course considerations of domestic policy, the most important of which is that the Soviet Union does not mind getting rid of certain categories of troublemakers and unreliable elements and supposedly unreliable elements regardless of what the United States does or does not do.

The Jackson Amendment does not seek a change in the domestic regime of the Soviet Union. It does not try to introduce, for instance, parliamentary democracy or freedom of speech into the Soviet system. Rather it attempts to give the Soviet Union an incentive to comply with certain fundamental requirements recognized by the Soviet Union itself as legally binding and which have become one of the tests of civilized government.

International peace and order are a function of the balance of power—that is, of an approximately equal distribution of power among several nations or a combination of nations, preventing any one of them from gaining the upper hand over the others. It is this approximate, tenuous equilibrium that provides whatever peace and order exists in the world of nation-states.

But, the equilibrium does not operate mechanically, as the "balance" metaphor would seem to indicate. Rather, it requires a consensus among the nations involved in favor of the maintenance—or, if it should be disturbed, of the restoration—of the balance of power. In other words, the dynamics of the arrangement are embedded in a moral framework without which, in the long run, it cannot operate. The participants must give their moral approval, in theory and more importantly in practice, to the principles of the balance of power itself in order to make it work.

What makes certain domestic policies of the Soviet government a matter of vital concern to the outside world is its refusal to become part of a moral consensus that is the lifeblood for the balance of power, and which would make genuine detente not only possible but well-nigh inevitable. Were the Soviet Union part of such a system, one would indeed not need to care on political grounds about how autocratic and despotic its government might be. But as long as the Soviet Union remains outside such a system, at best indifferent and at worst hostile to it, the rest of the world has a vital interest in certain of its domestic policies. If the Kremlin abated its present totalitarian practices by allowing its people a modicum of freedom of movement, it would be taking the first step toward joining and in a sense re-creating a system that would itself be a manifestation of detente and provide the moral framework for the balance of power.

Thus our interest in the totalitarian excesses of the Soviet government is not unwarranted meddling in the affairs of another sovereign nation in a misguided spirit of liberal reform. Nor does it solely express a humanitarian concern or serve to placate public opinion at home. Foremost, it is at the service of the basic interest which the United States and the Soviet Union have in common: survival in the nuclear age through a viable balance of power and genuine detente.

SEPTEMBER 4, 1974.

STATEMENT REGARDING MOST-FAVORED-NATION STATUS

(Bishop James S. Rausch, General Secretary, United States Catholic Conference)

The June 15, 1973 Congressional testimony by the United States Catholic Conference on U.S. overseas trade acknowledged the need for Congress to address "a host of thorny economic issues," including "the new openings of East-West trade and the related question of most-favored-nation status." The purpose of this statement is to develop the USCC position on this thorny issue.

The recent moves by the United States and the Soviet Union to improve and normalize relations between them may make a significant contribution to a peaceful future. It is expected that the projected exchanges in commercial, scientific and cultural affairs will contribute significantly to the erosion of hostilities between the two nations. Any such action by two powerful "antagonists" has a favorable impact on the total world community.

In addition, however, such overtures will also have impact on the internal affairs of the United States and the Soviet Union as is always the case between trading nations. Because of the magnitude of U.S. involvement globally, our impact on the affairs of other nations is especially great. The United States is obliged to consider the use of power carefully, pursuing her own interests always in the context of the international common good.

As the American Bishops pointed out in their recent Resolution of the Twenty-fifth Anniversary of the Universal Declaration of Human Rights:

"Internationally, the pervasiveness of American power creates a responsibility of using that power in the service of human rights. The link between our economic assistance and regions which untilize torture, deny legal protection to citizens and detain political prisoners without due process is a question of conscience for our government and for each of us as citizens in a democracy."

Consistent with this position, the United States Catholic Conference supported the reestablishment by the United States of the UN approved sanctions against Rhodesian chrome ultimately to cause the white racist regime in Rhodesia to change its policies and guarantee the human rights of the blacks in that country.

By urging the adoption of such measures, it is not suggested that the United States must refashion the internal affairs of all the nations with whom we have relationships—the nation's actions must be appropriate to the conditions and the situation, and not merely be arbitrary, indiscriminate or punitive. By supporting such policies as are clearly intended to promote universal human rights, where these rights are blatantly denied, the United States acts responsibly in the world communty.

The current debate about granting most-favored-nation status to the Soviet Union must be examined in this light. The Soviet Union has a long record of alleged practices of repression of its citizens. Recent reports indicate an intensification of these practices, especially against members of Russia's academic, scientific and literary community. Continued efforts in Russia to restrict its citizens' contacts with foreigners are also disturbing.

Most dismaying is the Soviet Union's persistence in violating certain basic human rights which are clearly explicated in the Universal Declaration to which it was a ratifying nation. Specifically, Article 18 states that "everyone has the right to freedom of thought, conscience and religion; this includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance." Despite this declared guarantee, it is repeatedly alleged that in the Soviet Union "restrictions on religious worship are sternly enforced and violations are often subject to severe penalties" (USNWR 9-3-73). Similarly, the practice of religious freedom continues to be in serious jeopardy in many Eastern European countries.

In addition, Article 13 of the Universal Declaration states: "Everyone has the right to leave any country, including his own, and to return to his country." Here again, the Soviet record is appalling. Thousands of Jews, as well as non-Jews, desiring to emigrate are subjected to severe and arbitrary harassment. Such practices clearly violate the basic human rights of the person.

These violations of human rights by the Soviet Union have not gone unnoticed by the international community. A most significant dimension about the Universal Declaration of Human Rights is that by affirming these rights, each of the ratifying nations has made a public commitment not only to its own citizens, but also to the other ratifying nations as well.

We believe the political process of detente should be supported and fostered by all reasonable means. We even are prepared to urge some limited risks in support of the process. However, it should not be pursued in isolation from or to the exclusion of other elements of a humane and constructive foreign policy. Concern for human rights, within our own borders and in all areas of the globe where our power and presence have an impact is a crucial element in such a humane policy.

Consequently, we believe that our nation's commitment to the United Nations as well as to the Universal Declaration of Human Rights, requires that the United States officially express its dismay about the Soviet Union's disregard of these human rights. Further we believe it would be most inappropriate for the United States to enter into trade agreements with the Soviet Union which have the effect of promoting the transfer of merchandise between the two nations with a minimum of impediment, while at the same time it continues to place oppressive restrictions on the movement of persons across its border.

Given this continuing restriction of a basic human right as well as the well-known restrictions placed upon expressions of religious freedom in the Soviet Union and other Eastern European nations, we are urging support of the amendment to the trade bill to prohibited the most-favored-nation treatment and commercial and guarantee agreements to nations which impose excessive fees as a condition to emigration.

[From the San Francisco Examiner, Oct. 23, 1974]

LETTING RUSSIA'S PEOPLE DEPART

The Russian people may be long in learning about it but what promises to be a major advance in their rights as individuals has been won for them by two Americans—a Republican and a Democrat.

President Ford and Sen. Henry Jackson are the men primarily responsible for the Soviet Union's agreement to let its citizens—Jews and others—emigrate, if and when they wish. Further, the Soviet authorities promise not to harass those applying for exit visas.

Although there are apparently no agreed-upon official figures, Senator Jackson said Congress and the President expect at least 60,000 persons to emigrate each year.

In return, the United States will make trade with the Soviet Union easier.

The part of the international arrangement most likely to be followed to the letter is that concerning trade. It is beneficial to both countries and deals with concrete objects that can be seen, touched, weighed.

It will take longer to find out just how the Kremlin keeps the rest of the bargain. The Communist government has a long record of broken promises and treaties. History, in this case, raises some skeptical questions. But the Kremlin has put its international reputation on the line this time in a way that none but the ideologically blind can avoid judging, within and outside Russia.

It would be wrong to prejudge, however. The world will be waiting. And watching.

[From the Los Angeles Times, Oct. 20, 1974]

TRADE AND HUMANITARIANISM

There is every indication now that Congress will enact the omnibus trade bill by the end of this year, and that the legislation will contain the Jackson amendment calling for freer emigration from Communist countries. The result will be new negotiations involving billions of dollars in international commerce, and the opportunity for new lives for tens of thousands of persons.

It has taken two years of stubborn political bargaining to reach this point, in the course of which we have seen the unusual—perhaps unique—sight of an American secretary of state acting as middleman in negotiations not between two foreign powers but between the American Congress and a foreign sovereign state. It has been an arduous, troubled, often bitter process. But in the end it all fell together.

The Soviet Union will get what it so plainly wants and needs: an extension on credits for underwriting expanded trade with the United States, and the same chance for a lowering of trade barriers that other non-Communist countries have.

In return, it will make a concession that, as *late as the middle* of last week, Soviet leaders were publicly proclaiming would never be made: a change in its internal policies so as to permit expanded emigration and an end to the harassment of Soviet citizens who want to leave.

The Ford Administration will get what it wants a tool for improving relations with the Soviet Union, and broad authority for the President to renegotiate tariff agreement with other countries.

And Congress will get what it has insisted on, under the leadership of Sen. Henry M. Jackson (D-Wash.): an arrangement linking U.S. economic policy to the human rights of persons far removed from the borders of the United States.

There is no formal agreement on the implementation of the aims of the Jackson amendment, only a series of "understandings" between Congress and Secretary of State Kissinger, who transmitted the Soviet government's acceptance and assurances that it will hold up its part of the bargain. If the Russians fail to do so, the trade benefits given them can be canceled after 18 months.

The trade bill, which embraces far more than just expanded economic ties with Communist countries, is of major importance, and the delay in enacting it because of the deadlock over the Jackson amendment has been a cause of concern. But Jackson and his colleagues have stood fast in insisting that humanitarian considerations are important, too.

Their successful fight has been a reminder that while there must be economic interdependence in the world, there must be human interdependence as well.

[From the Watertown (Wis.) Times, Oct. 26, 1974]

SOVIET TRADE EMIGRATION PACT

Had the new Washington-Moscow agreement on Soviet emigration policies been in effect a couple of years ago, Valery and Galina Panov might have been spared their long ordeal. Under terms of this accord, there would have been a good chance for routine approval of the famed Kirov ballet dancers' application for permission to emigrate to Israel.

This is a measure of the significance of the deal whereby an initial minimum of 60,000 departure permits will be issued by Moscow in return for U.S. non-discriminatory tariff treatment. It is a quid pro quo worked out after a two-year effort under the leadership of Sen. Henry M. Jackson of Washington, who deserves great credit for his tenacity in seeing this through.

The agreement also is a measure of the Soviet Union's keen interest in enjoying the trade advantages of "most favored nation" status, Jackson and his allies in Congress had stymied this with amendments making free emigration a precondition for tariff concessions and Export-Import Bank credits. In effect, Moscow's desire for such concessions has forced it to agree to virtually ending its restrictive curbs on emigration.

One of the best things about the agreement is its bipartisan aura. Jackson emphasized this, praising President Ford and Secretary of State Henry A. Kissinger for their part in the negotiations.

The next step will be for Congress to enact the delayed trade measure. Concern naturally arises lest the agreement, which also applies to China and other Communist nations, create a hardship for U.S. industries and workers. A provision in the bill deals with this, giving the president broad authority to assure help for those hurt by foreign competition. Also, under an amendment offered by Jackson there will be an opportunity for review; after 18 months Congress can either approve or disapprove a one-year extension.

The outcome is gratifying. It serves the long-term national interest, and at the same time reaffirms our country's championing of basic human rights.

[From the Washington Star-News, Oct. 23, 1974]

AN HISTORIC UNDERSTANDING

There is unusual cause for satisfaction in the understanding reached between Soviet authorities and two branches of the American government on trade and emigration. The result should be speedy enactment of the administration's trade bill—stalled in Congress for two years because of opposition to Soviet emigration policies. It should also mean a much better break for some 230,000 Soviet Jews and others who have faced the most blatant official harassment in their efforts to leave the country.

Senator Jackson and his colleagues deserve great credit for their stubborn fight to liberalize Soviet emigration policies in return for trade concessions from this country. For most of the time, their efforts were stoutly resisted by the White House and State Department as futile or worse. As recently as last week, Soviet party boss Leonid Brezhnev was inveighing against "utterly irrelevant and unacceptable" attempts to interfere in the internal affairs of his country. In recent weeks, however, it has been clear that the Russians were prepared to make concessions. And Secretary of State Kissinger was successful in nailing down an understanding in talks with Soviet authorities here.

At the same time, one must point out that the only formal, written agreement that exists is between the administration and the Congressional leaders. In an exchange of letters with Senator Jackson, Kissinger spelled out his understanding of assurances he had received from the Russian representatives, promising an end to punitive action and other restrictions to emigration. In reply, Jackson added a few conditions of his own, including a figure of 60,000 emigration permits a year as a "minimum standard of initial compliance" by the Soviet authorities. On the Russian side, the agreement is entirely unofficial—and so far as is known, much less precise.

There is, to be sure, a safeguard against the Russians failing to live up to their end of the bargain. The granting of most-favored-nation status to the Soviet Union and other trade benefits is assured only for the first 18 months after passage of the trade measure. Thereafter it would be subject to yearly review by Congress, with the implicit threat that restrictions will be remiposed if the emigration policies are not liberalized as expected.

This is, in our view, a wise precaution. The commitments are vague enough on the Russian side that very little can be taken for granted. We share Senator Jackson's hope that the agreement does, in fact, represent "an historic understanding in the area of human rights" and a move toward genuine international détente. But that will depend on how this most unusual understanding works out in practice.

[From the Kansas City Star, Oct. 22, 1974]

EMIGRATION PACT A VICTORY FOR DECENCY—AND DÉTENTE

For two years Sen. Henry Jackson and his allies in the U.S. Senate and House held their ground doggedly against a frustrated Richard Nixon and an irritated Soviet leadership on the issue of freer emigration from the Soviet Union.

A major trade bill that contained, among other things, trading and credit concessions to the Soviets was stalled and then forced onto the shelf. The administration rebuked the legislators for frustrating its policies and denying the authority needed to revise commercial relations not only with the U.S.S.R. but Japan and Europe as well. The Kremlin growled ominously that American stubbornness on the emigration issue could wreck detente.

Many in this country, weaned on the long record of Soviet intransigence, believed that the effort to lower the Soviet exit bars, especially for the Jewish minority, was—however meritorious—a hopeless enterprise. By mid-1973, however, lopsided majorities in both the House and Senate had been won over to Senator Jackson's view. In their judgment the Russians wanted the liberalized trade terms in the most urgent way. And in a world where very little is free, they would sooner or later pay the price.

That judgment has now been vindicated by the agreement which Senator Jackson says assures the unobstructed exit of 60,000 or more Soviet citizens a year—nearly twice the number allowed to emigrate in any previous year. Under the pledge elicited from the Russians, harassment of those seeking exit permits—whether in the form of official *ad hoc* punishment—will be terminated. Emigration head taxes will remain suspended. And special effort will be made to expedite the processing of hardship cases.

Western observers estimate that, of more than 3 million Jews in the Soviet Union, only a fraction—perhaps 300,000—actively wish to migrate to Israel or the West. If that appraisal is correct, the wish of all of them could be fulfilled by the end of this decade.

The agreement provides that Congress may terminate its tariff and credit concessions any time after 18 months if, in its judgment the Soviets are not keeping their end of the emigration bargain. In the end there will be one irrefutable measure of that: The number of those who actually do exit, and the stories those emigrants tell of their treatment during the time their applications were being processed.

This should not be seen narrowly as a victory for the U.S. or a Soviet defeat. The Russians are hard bargainers: they understand the use of leverage, and in this instance the leverage belonged to the U.S. Congress. The real victory here is for the minority peoples themselves, and for a very important principle of human decency.

It is also, in its way, an encouraging milestone for detente itself. For in the attempt to date to build better relations with the Soviets, the general perception of many

Americans is that the U.S. has given more than it has gotten in return. In the long run, detente is likely to come to nothing except on a basis of true equity, with both sides prepared to yield. Here, for the first time on an issue of some sensitivity, the Kremlin leadership has demonstrated that readiness. It suggests that other useful compromises may, indeed, be possible.

[From the Lewiston (Maine) Journal, Oct. 21, 1974]

EMIGRATION PACT

In a remarkable handling of an important foreign affairs matter, announcement was made from the White House last week by Sen. Henry M. Jackson of an agreement worked out between the Soviet Union and the United States covering Russian emigration policy and U.S trade policy. The arrangement settled upon calls for an 18-month trial period.

Essentially the compact represents a swap. The Kremlin has agreed to permit a relaxed emigration policy whereby some 60,000 Soviet citizens would be permitted to leave the country. In exchange Moscow receives from the United States certain tariff concessions that will place Russia in a "most favored nation" status.

Senator Jackson has been a major opponent of granting the Soviet Union this status, basing his opposition to the refusal of the U.S.S.R. to permit its Jewish citizens to emigrate to Israel in any great number. While the Kremlin constantly has maintained its emigration policies were none of the business of the United States—and strictly objective reasoning would suggest they were not—Washington was in a position to require a bargain. Indeed, it was becoming increasingly clear the U.S. Congress would not find a relaxed trading arrangement with Russia acceptable until such time as Moscow modified its tight restrictions on emigration.

The Soviets evidently considered the prospect of increased trade with America sufficiently enticing to enter into the agreement announced by Jackson. Specifically Russia is expected to abide by six points on the matter of emigration. These have appeared in news accounts of the pact, so we shall not repeat them here. Jackson said he considered the six points to represent adequate safeguards.

Now the emigration agreement has been completed the Congress may be expected to enact a trade measure that will assure expanded trade between the Soviet Union and the United States. Previously Jackson and other prominent members of the Senate had prevented this legislation from passing through attaching to it a number of amendments that would have barred the kind of tariff concessions and Export-Import Bank credits necessary to enable enlarged commerce between the two countries.

In this instance the American Congress, with special credit due Jackson and Senators Jacob K. Javits, New York Republican, and Abraham Ribicoff, Connecticut Democrat, was directly instrumental in forcing the Russians to give in on the emigration issue.

[From the New Haven Register, Oct. 22, 1974]

SOVIET TRADE-EMIGRATION DEAL

The humanitarian possibilities, achieved through heartening bi-partisan cooperation, may yet justify the "historic step" claim made by Sen. Jackson as he announced the agreement aimed at ensuring free emigration from the Soviet Union.

The accord came about shortly after it appeared the Soviet Union had rejected it. A few days before the breakthrough, Soviet Party Secretary Brezhnev, in a tough speech, bluntly indicated an unbending attitude by the Soviet toward any linkage of trade with emigration rights.

Such are the complexities of dealing with the Kremlin leaders! What they say for home consumption to shore up the propaganda front could be far from actuality. Even as the agreement was announced in Washington, the Soviet Union had not yet acknowledged being a party to the deal.

Apparently the Kremlin is in no hurry to tell the Russian people that it is willing to liberalize its emigration policies in return for the granting of most-favored-nation trade status by the U.S. It is indeed surprising that the Soviet leadership is willing to go this far to secure trade benefits. The presumption is that the Soviet Union is under a certain amount of pressure because of urgent economic needs that cannot be filled under its State-controlled, rigid system.

While the need remains for hard bargaining in all phases of dealing with the Soviet Union, it would be uncreatively wary not to feel deep satisfaction over this development. The fact that Moscow is willing—for whatever reason—to make a concession to human rights is an upbeat development that will be appreciated throughout the world. The agreement will not only benefit the Jews who want to emigrate, but others in Russia.

The agreement is a triumph of patient negotiations, marked by bi-partisanship that has been so sadly lacking in U.S. foreign policy since before the Vietnam war. Forging the accord was Congress, the Ford Administration and the Soviet Union. It paves the way for congressional passage of major trade legislation and ends a two-year fight by Jackson and others who insisted upon the Soviet emigration concession before making the Kremlin the beneficiary of important economic advantages.

Symbolic of the bipartisan nature of this breakthrough effort was the fact that the Republican-controlled White House made no announcement of its own and all press releases were distributed there by the Democratic Sen. Jackson. The latter was given the use of the White House podium to unveil a six-point agreement outlined in an exchange of correspondence between him and Secretary of State Kissinger.

It took a great deal of cooperation by all political elements to arrive at the agreement. Results of negotiations with the Russians, always complicated and often secret, were continuously passed on by Kissinger to Senators Jackson, Javits and Ribicoff. We have witnessed, in this type of approach, the kind of rapport that has been lacking too often in foreign affairs between the legislative and executive branches of government.

The big question now is whether the Soviet Union will actually live up to the agreement in all aspects. The six points bar certain Soviet tricks—such as punitive action against those seeking to emigrate or the use of unreasonable impediments. It would seem that we have nothing to lose in this matter because if the Soviet leaders start copping out, we can withdraw the trade privileges. Sen. Jackson believes the safeguards are adequate.

Let's hope that this agreement is a sign that detente will result in significant concessions by the Soviet. Until now, the U.S. has been getting very little of real value.

[From the Arkansas Democrat, Oct. 24, 1974]

THE PRICES OF FREEDOM

After two years of what many regarded as an ill-advised mixing of moral and material issues, the U.S. has suddenly triumped in forcing a trade—for—emigration accord on the Soviet Union. International commerce has been made the unlikely instrument of human freedom in this oddest of diplomatic victories.

As all the world knows, we have forced the Russians to pledge free emigration, particularly of Jews, in exchange for our giving the Kremlin a coveted most-favored-nation trade status.

We are shining in the world's eyes as a nation willing to risk not only detente with an old enemy but also our own material interests by perservering in a moral stand on human rights—one dictated by a branch of government that is not even supposed to make foreign policy.

The victory is as instructive for future negotiations with Russia as it is surprising for doubters. It is as odd in its origins at it is unlikely in its principal architects. For it was the unyielding demands not of the White House or of Henry Kissinger but of Congress, preeminently Sen. Henry Jackson, that shaped the accord so many thought could never be.

Congress (with its power to make or unmake international accords) simply forced the role of go-between on Kissinger, who played broker between Sen. Jackson and the Kremlin.

Yet, the U.S. victory is not absolute. For the present we must be content with its shape; for the substance is a matter of Russian good-faith compliance as conditioned by our willingness to insist on that compliance. The Russian leaders do not even publicly acknowledge agreeing to something so packed with implications for human freedom far beyond the issue of Jewish emigration.

It is too much to hope they will honor free immigration except to the extent that it suits their desperate need for trade. We should have no illusions about tutoring them in humanitarianism or of their yielding on freedom beyond the point of ample material returns and their own concerns with keeping order. We know the history of treaties made with the Kremlin.

Freedom with them is simply a negotiable commodity—and freedom's limit will be the point where the volume of demands for emigration seems excessive.

Jews they will part with. Every Soviet Jew has the word "Jew" stamped on his papers—and on his passport if he leaves. The Kremlin visits no such indignity on others of its peoples, but neither is it likely to part with the others so amicably.

Still, as cheap as Jewish freedom is in Soviet eyes, the freedom that we buy for Jews and any others able to emigrate is the best proof of our own values that we can set before the world. The risks of this strange passage in diplomacy were worth taking—the benefits for humankind hopefully more than we can as yet assess.

Mr. **JACKSON.** I yield to the able Senator from Connecticut.

Mr. **RIBICOFF.** Before making a general comment, I would like to ask the distinguished Senator a question. Continuously it has been brought up in press reports, comments, and speeches that the Jackson amendment is intended only to help those people in the Soviet Union and other nonmarket countries of the Jewish faith. This is not true.

The Jackson amendment's entire thrust is to help people of all faiths, all creeds, and all ethnic backgrounds who find themselves unable to emigrate because of their personal beliefs or their philosophy. It is not confined to those people of the Jewish faith.

Mr. **JACKSON.** The Senator is correct.

I can best dramatize the answer to the question by saying that yesterday at noon I had Simas Kudirka in my office to thank me for my efforts in helping to get him out of the Soviet Union. Kudirka comes from Lithuania, he is a gentile, his religion is probably Catholic. It is a Catholic country.

I would point out, too, that two of the best-known names in connection with this struggle for freedom of emigration happen to be Andrei Sakharov, the noted Russian physicist, and Alexander Solzhenitsyn, both of whom are gentile.

Finally, the amendment itself is addressed to all human beings, regardless of their ethnic or religious origin.

In our exchange of letters we specifically insisted that visas be issued on a nondiscriminatory basis.

I am now quoting from the letter of October 18 addressed to me by Dr. Henry A. Kissinger. This is what he said:

> Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

I think that makes it as clear as anything can be and the language of the statutory amendment, of course, makes clear that it applies to all human beings.

Mr. RIBICOFF. Mr. President, while I do appreciate the generous comments made by the Senator from Washington concerning myself and the Senator from New York (Mr. JAVITS), I do want to take this opportunity to express my unstinted praise to the Senator from Washington for his leadership in this entire fight, and I tip my hat to him for his consistent stubbornness.

It is only because the Senator from Washington has been so persistent throughout these past 2 years that we find the Jackson amendment about to become part of the trade bill.

The Senator from Washington is a man who believes that freedom and liberty and justice are indivisible, and to deny freedom or justice to any man or woman anywhere in the world, irrespective of race, color, creed, and religion, is a denial of those rights right here at home.

During this entire period of time of 2 years, in the face of criticism from many quarters, despite weakening will in many quarters, the Senator from Washington has remained firm and consistent.

I want to take this opportunity, too, to pay great praise to the Senator from New York who through this entire 2-year period, with his wisdom and skill and understanding of the overall problems involved, not only in trade, foreign policy, but also in a sense of human decency, made such an outstanding contribution.

I want to take this opportunity, too, of extending great praise to President Ford.

For 2 years the Senator from Washington, Senator JAVITS and myself, through many, many conferences with members of the prior administration and the Secretary of State, it was impossible to get off dead center. But in the first meeting at the White House with President Ford, the President of the United States saw the objective of the Jackson amendment. He understood as a former Member of Congress what had to be done from a legislative point of view.

He put aside any pettiness or quibbling as to language that was being injected by the drafters in the State Department, and he understood the kind of relationship between the executive branch and the legislative branch necessary to work out the Jackson amendment.

The President of the United States added his voice to that of the Senator from Washington and the Senator from New York and myself in discussions with the leaders of the Soviet Union.

I want to take this opportunity to pay a special tribute to President Ford for his constructive contribution to making the Jackson amendment a reality.

This is a most significant day, and it is most significant and a great tribute to two great men, President Ford and Senator JACKSON.

The Secretary of State was faced with great difficulty. I appreciate the position of the Secretary of State in trying to achieve détente. He was patient; he was thoughtful and constructive.

I want to pay tribute to Secretary Kissinger for his contributions toward working out the impasse that had arisen with the Jackson amendments as originally introduced.

I want to conclude with this, Mr. President: while Senators are out in front and take much of the credit, all of us know, realistically, that we have to rely on the hard work of many members of our staff.

During these 2 years Mr. Richard Perle of the staff of Senator JACKSON, Peter Lakeland of the staff of Senator JAVITS, and Mr. Morris Amitay of my staff, worked hard in their research and in the legislative drafting. They were available 24 hours a day, as assistants to the three of us in working out the Jackson amendment.

Senator JACKSON, may I say to you, in the future of mankind, millions of people all over the world will owe their liberty and freedom to Senator HENRY M. JACKSON of the State of Washington.

Mr. JACKSON. Mr. President, may I just simply respond by expressing my appreciation for the generous comments of my friend from Connecticut?

Whatever stubbornness I was able to maintain when it was necessary came from the sustaining support of my two colleagues, the able Senator from Connecticut and the able Senator from New York.

I say that because their counsel and advice was invaluable.

I want to associate myself, too, with the remarks that my good friend from Connecticut made with reference to President Ford and Dr. Kissinger.

I think in all fairness, history should record that there was a turning point with the coming into the negotiations of Gerald Ford. He was of tremendous help. We were stalled, we were at dead center, and he played an invaluable role.

I had my differences with Dr. Kissinger, but he stayed with it and in the end we were able to reach the agreement, and that is the way negotiations are carried on.

I wish to express my deep appreciation to Dr. Kissinger during this long, difficult period of negotiations and discussions.

Mr. President, in all candor, it was the able staff of the three Senators, who did the job. They were led largely by Mr. Richard Perle, of my staff, but Morris Amitay, of Senator RIBICOFF's staff, and Mr. Lakeland, of Senator JAVITS' staff, and he, all worked together as a team. They made our task a lot easier, let us face it, and they provided the professional expertise that resulted in what we were able to do.

I yield to the distinguished Senator from Louisiana.

Mr. HARTKE. Will the Senator yield for 1 minute?

Mr. JACKSON. Yes.

Mr. HARTKE. I join in the tribute paid by the Senator from Connecticut to the Senator from Washington (Mr. JACKSON).

I also wish to point out that my opposition to this trade bill is in no way related to the original Jackson amendment nor the proposal now before the Senate. I endorse that 100 percent. Frankly, I had suggested something in practically the same vein in the March 7 meeting, when Secretary Kissinger was before the Committee on Finance. It is not difficult for me to endorse a proposal I have been in favor of for a long time.

Mr. JACKSON. I thank the senior Senator from Indiana for his comments. No one in the committee worked harder or was more supportive of the amendment, both in the committee and in the Senate, over the period that this matter was pending. I express my deep appreciation.

I yield now to the distinguished Senator from New York.

Mr. JAVITS. I thank my colleague.

I shall take my own time, since our time is limited. I yield myself 5 minutes.

Mr. President, the encomiums heaped upon Senator JACKSON are fully justified, as are the encomiums for our President, President Ford, and for Dr. Kissinger. For my part, Mr. President, I should like to pay a tribute to the principle which animated these discussions and to the triumph of politics which it represents.

The humanitarian principle which animated these discussions is that man does not live by bread alone. I have rarely seen that concept as vividly implemented as in this particular agreement. This effort began in the fall of 1972 when, at a great meeting in New York, I committed myself to this principle of meeting to protest the harassment and inhumanity being shown to Jews in the Soviet Union, who were harassed and persecuted, their only crime being that they wished to go to Israel to rejoin their families.

This whole concept was very deep in the heart of Senator JACKSON. He took it up and implemented it in what has now become the historic Jackson amendment. Mr. President, I know the cynicism which surrounds politicians, and I know the cynicism which surrounded the fact that this cause would be taken up because it was a popular political cause. But, Mr. President, the deep proof of whether it is politics or hardened principle in which we are acting is in how the matter was resolved.

There, the highest degree of statesmanship and understanding was devoted to getting a result rather than perpetuating an issue. To me, Mr. President, this is the crowning achievement of Senator JACKSON, that he could have simply—he certainly had the right side of this—carried on this issue for months and years to any point that he felt would do him the most political good. On the contrary, I found him the most responsive of anybody—including Senator RIBICOFF and myself—to bringing about the earliest possible determination that was consistent with achieving the results and the principles for which we have fought.

Mr. President, what has been achieved has been a great breakthrough, not alone in principle, but also in politics—for this reason: Mr. President, I believe that this agreement represents the single most important opening to the world which we have seen from the Soviet Union. The real essence of détente is whether or not there is enough trust in the willingness to engage in meaningful negotiations to justify a reliance, at least, upon the negotiating process. It seems to me that this opening to the world is in earnest, reasonably good faith, which the world will endeavor to use, which we, as a country, will endeavor to use, as a precedent for more and further agreement.

This does not mean any blind faith or blind trust. There are plenty of reasons for being hardheaded about what is agreed upon with the Soviet Union or any other Communist country. But, at least, it shows a disposition to negotiate to success, which is critically important in the days ahead in relation to détente, because of the profound humanitarian implications of these millions who felt abandoned in the Soviet Union, abandoned to harassment and repression and inhuman practices, which can only be conceived of in terms of a terrible and bloody anti-Semitic history in that very country, long before it became a Communist country and extending thereafter. Thus, it seems to us, represents a tremendous watershed of change in that regard.

Also, Mr. President, it is a tribute to the fact that Senators can work closely together. I have never seen an enterprise in which Senators worked with the intimacy, with the complete confidence in each other, and with a collaborative contribution by each which was indispensable to the final result. My personal satisfaction derives, I think, mainly from that, as well as from the deep humanitarian implications to the Jewish and other peoples inherent in this amendment.

Mr. President, I wish to emphasize the word "other" in what I have just said. This is especially pertinent to the amendment which Senator HELMS has called up and which has been temporarily laid aside.

It must be a real tribute to Senator HELMS and Senator THURMOND and those who would be with us, because we had that very, very much in mind. Although the plight of Soviet Jewery was very much before us all, and although the harassment and punishments had been mainly laid upon the backs of the Jewish people of the Soviet Union, my colleagues and I would never have dreamed of confining this agreement, either in substance or in form, to anything but all citizens of the Soviet Union. So it applies universally and without restraint or restriction of any kind or character.

Indeed, it will be the crowning achievement for this agreement if it can materially facilitate the exit of other than the Jews of the Soviet Union themselves, who have been the worst punished.

Mr. President, I should like to join with Senator RIBICOFF and Senator JACKSON in their tribute to the President, who showed himself openminded, highly conciliatory, and, indeed, was himself the author of a proposition that, "If we cannot agree upon a specific catechism of words, let us go with what we have and let the Secretary enter into it; the substance is most important, and I have a reliance upon the good faith of the three negotiating parties." Rarely have Senators been regarded by a President with such candor and such cordiality and such trust as was demonstrated in this case.

I am confident that it will not be misplaced, Mr. President, and that the President will be used, as he already has been, in this debate with the utmost fairness.

Mr. President, this agreement would not have been possible—we do not know and it is not necessary for us to know what is the understanding between the President and Secretary Brezhnev. But, Mr. President, I am confident that this agreement would never have been entered into did not the United States have certain reasonable assurances justifying the President's own undertakings in this matter to back it up. For that, Mr. President, we are deeply indebted to the brilliant negotiating skill and the tremendous standing which Dr. Kissinger has attained with his Soviet counterparts. That is a very critically indispensable ingredient of what went into the finality of this agreement.

Mr. President, one point needs to be made very clear of record in the debate, and it arises out of a statement which the President found it necessary to issue on October 21, 1974.

Mr. President, the President went out of his way to make it clear the guidelines and understandings which Senator JACKSON, on behalf of the three of us, proposed to apply when the renewal of the President's waiver authority is considered by Congress, that the administration had agreed only that, as he stated in the Secretary's letter:

> (They) will be among the considerations to be applied by the President in exercising the authority provided for in . . . the trade bill.

But as these assurances, which he felt we had for ourselves, were critically important to our decision, that this was the way to go, it was very necessary to make clear exactly what we had in mind. We made that clear when, in clarifying what we did have in mind, we said that the 60,000 figure in Senator JACKSON's letter is Congress benchmark of initial good faith performance by the Soviet Union in the matters of harassment and taxation against those who wish to leave.

So we expressed it as our view that the 60,000 per annual initial figure given for persons who have applied to emigrate and wish to leave Russia each year remains a solid one, because it is the benchmark which we would apply in the event that the President sought to extend the waiver beyond the first 18-month period.

That was a critically important test, that understanding by the parties of what had been agreed to. I believe that the fact that the agreements survived that test very successfully is a very important augury as to the good faith and—we all pray and hope—the success with which they will be greeted as they mature and develop.

Mr. President, I yield myself whatever additional time I need to complete my statement.

Senator JACKSON has already paid a very well-deserved and highly important tribute to the Senators and the Representatives who have combined under this banner. Not only did they get together in the first instance to endorse the basic principle of the Jackson amendment that it was a legitimate part of our policy that we are going to voluntarily and at our own free will trade with the Soviet Union, to include this determination of human rights and humanitarian opportunity for those who wish to leave the country—for proper reason to leave it—but also, they stayed together, notwithstanding the exigencies and the pressures of oil embargoes and oil shortages and tremendous international difficulties attributable to the vast increase in the oil price. Notwithstanding the fact that the Arabs played the political value of the so-called oil card to the hilt, the Senators and Representatives stayed together.

This is a great tribute, Mr. President, and a matter of tremendous hope for morality and reason and decency in this country and in this world. It is a tribute which I wish to reiterate time and time again. We cannot say it often enough, it is so much a part of the decency and the sense of caring and the sense of responsibility of human life shown at its best in this particular situation.

Finally, Mr. President, it is my belief—I say this to Senator JACKSON, because he certainly knows it—that millions of Americans, Jews and non-Jews alike, will feel as Senator RIBICOFF has just expressed—and I adopt every word of what he said—that this is truly an historic achievement for decency and human rights and the security of minorities; and the fact that the world will not, as it did in the Hitler days, avert its eyes, but does understand and will remember and will insist upon the fact that human decency must be observed as the prime consideration of all government and of all life.

It is one of the most precious experiences of my career to have been associated with Senator JACKSON and Senator RIBICOFF in this very great endeavor.

Mr. JACKSON. Mr. President, I just want to take one moment to again express my appreciation to the distinguished senior Senator from New York for the role he played in what we are about to finalize in the Senate today. I am deeply grateful.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. RIBICOFF. During the absence from the Chamber of the Senator from Washington, the Senator from North Carolina called up an amendment. He raised the problem of visitation, and he raised the problem of families reuniting. His amendment was temporarily put aside.

While the distinguished Senator from North Carolina and the distinguished Senator from Washington are in the Chamber, I wonder whether they could engage in a colloquy to indicate for the legislative history whether or not the Jackson amendment contemplates the inclusion of the questions raised by the Senator from North Carolina. I dislike making the Senator from North Carolina go through this again, but I think it is important for the legislative history for the Senator from North Carolina to raise this problem with the Senator from Washington, whose amendment is now being considered.

Mr. HELMS. I thank the distinguished Senator from Connecticut.

I am sure that the distinguished Senator from Washington realizes that I was an original cosponsor of his amendment. But my amendment goes beyond the Jackson amendment in certain respects because I feel it is imperative that the United States, as a matter of simple justice, take into account some tragic circumstances which I feel have been overlooked in the Jackson amendment.

For example, the amendment of the Senator from North Carolina requires non-market countries to grant to their citizens the right to visit close relatives in the United States. The amendment of the Senator from North Carolina covers Poland, which the amendment of the Senator from Washington does not, as I understand it. If I am incorrect on any of these points, I will be delighted for the distinguished Senator to correct me.

Mr. JACKSON. Mr. President, I want to praise the distinguished Senator from North Carolina for raising the specific issue of reuniting individuals in non-market economy countries with close relatives in the United States.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The Chair advises the Senator that the time is not transferable, except by unanimous consent.

Mr. JACKSON. Does the Senator from North Carolina have the floor?

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 45 minutes.

Mr. HELMS. I believe the rule permits the Senator to respond to my question on my time.

The PRESIDING OFFICER. If the Senator is asking a question, he can respond to that question.

Mr. JACKSON. That is what I am trying to do. It is a question the Senator from North Carolina raised about the amendment. I am trying to explain our amendment.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Is it not the situation that a specific time has been set for a vote on the amendment and that that is the time limitation?

The PRESIDING OFFICER. Not before 2:15.

Mr. JACKSON. Not before.

Mr. TAFT. A vote is scheduled for 2:15. Is that it?

The PRESIDING OFFICER. Not before 2:15.

The Senator from North Carolina is recognized.

Mr. JACKSON. In further response to my good friend's question, I know that he wants to be as specific as possible, and I want to achieve the same objective. The amendment that we have before us includes the reunification of families, much of what he has in mind.

I would point out that the western nations that have been participating in the conference on security and cooperation in Europe, which, as the Senator knows, is now in progress in Geneva, recently achieved success in gaining Soviet agreement on texts which will strengthen people-to-people East-West contacts, including family reunification.

In my judgment, the agreement that we achieved on Soviet emigration practices on October 18 provided a critical boost to western nations in their efforts to gain progress in the area of freedom of movement, and the junior Senator from North Carolina can take pride in this progress as a cosponsor of the pending amendment.

I am concerned that if the language of his amendment, insofar as it relates to visitation, is put in this bill, it might prejudice the agreement that we have already worked out. This has been worked out over a period of more than 2 years; and it is only the concern that I raise in connection with his amendment.

Mr. HELMS. I will say to the distinguished Senator from Washington that the Senator from North Carolina is confident that there is no contradiction or disagreement between our amendments. I will be happy for his and my amendments to be approved, and taken to conference. I trust the conference will retain both amendments, because there is an obvious need for both amendments.

Mr. JACKSON. Suppose we get together and discuss this matter after we vote on the pending amendment. I will be glad to discuss it further with the Senator at that time, and see if we can find a way of resolving it.

Mr. HELMS. Let me say that the distinguished Senator from Washington was not in the Chamber at the time I made my preliminary statement, and for his information I will repeat one paragraph: I said:

> Moreover, as many Senators are aware, the Conference on Security and Cooperation in Europe has been meeting in Geneva, and only a few days ago has come to a draft agreement with the Soviets on strengthening East-West contacts, including the issue of family reunification. I understand that a text was provisionally registered on December 3 to ease considerably the existing practices on the reuniting of divided families. I think we may conclude, therefore, that the Soviets can have no objection to including the same issue in the Trade Reform Act, since the principle has already been accepted. We must assume that the Soviets intend to abide by this principle. By putting it in the Trade Reform Act, however, we will have a fall-back position in case something should go wrong. The provisional agreement has not yet been finalized.

And I would especially emphasize this to the Senator from Washington:

> By putting some strength behind our diplomacy, we will be supporting those in the bureaucracies and party structures of nonmarket economy countries who have been supporting increased East-West contact. We cannot let them down.

Mr. President, I placed in the RECORD earlier, at the conclusion of my speech earlier this afternoon, several direct quotations by Secretary Kissinger contained in the hearings of December 3, 1974, and a statement from the report of the Committee on Finance of November 26, 1974, page 206.

On December 3, Secretary Kissinger indicated to the members of the committee:

> The Compromise which I have put before the Committee takes great care to maintain the distinctions that we have tried to elaborate while hopefully producing a positive outcome of what we are attempting to achieve, namely increased Jewish emigration.

Then again he said:

> There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has been the primary focus of the conversations.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my good friend.

Mr. JACKSON. Might I just say that the facts are, and my colleagues who joined me in those discussions would agree, that over and over again, the clear intent was and is that the statutory language and agreement applies to all human beings, regardless of their ethnic or religious background, and, as I responded earlier to a question by the Senator from Connecticut, the letter from the Secretary makes it clear that it is to be applied on a nondiscriminatory basis.

Mr. HELMS. May I ask the Senator if that letter was not prior to this December 3 testimony, however?

Mr. JACKSON. It was prior, yes. And we are in no way bound by material in that December 3 testimony that is inconsistent with the letters of October 18, 1974.

Mr. RIBICOFF. Mr. President, will the Senator yield at that point?

Mr. HELMS. I am delighted to yield.

Mr. RIBICOFF. If the Senator will look at page 206 of the Finance Committee's report, he will find set out the committee's understanding, as follows:

> It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country).

Mr. HELMS. Mr. President, I will say to the distinguished Senator that I put that in the RECORD. I am aware of it.

Mr. RIBICOFF. What I want to point out is that there was a colloquy in the Finance Committee, raised by one of the members, and I recall responding in the Finance Committee hearings, before which Secretary Kissinger testified, that it was my understanding that this did not apply just to people of Jewish background, but it applied to people of all races, colors, or religious beliefs, and that is why I was very anxious to have a colloquy to put into legislative history what is intended by the Senate of the United States, that the Amendment is not confined to people of Jewish faith.

May I point out further, in the letter to Senator JACKSON from Secretary Kissinger, the following:

> Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

Throughout the negotiations between Senator JACKSON, Senator JAVITS, and myself, we were most careful, and we repeated time and time again, that it was our intention not to have this merely confined to people of Jewish faith, but to include people of all religious and racial backgrounds.

So we are making legislative history here to indicate that in the agreements, existing and prospective, we are talking about all people, and not just Jews.

Mr. HELMS. The Senator from North Carolina clearly understands the sincerity of the Senator from Connecticut, and commends him. But in response to the inquiry of the Senator from Virginia (Mr. HARRY F. BYRD, JR) as to whether it applied to all citizens of Russia, or just Jewish citizens, Mr. Kissinger said:

> Well we were talking about Jewish immigration.

Then he said:

> These documents do not specifically refer to those of the Jewish faith, but I think it is a reasonable extrapolation from the RECORD that this was the predominant concern.

He added, in response to a question:

> No, there is nothing in that exchange of correspondence (that relates to an emigration matter for a country such as Hungary).
>
> But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S.

What we have here is the intent of Congress versus the reality of the negotiations as reported by Secretary Kissinger. I am heartened by the comments of the distinguished Senator from Connecticut, because obviously we are going down the same track. I believe we have an understanding and a desire which are identical. But I seek, through my amendment, to strengthen the negotiators' hands.

I seek to encourage agreement on narrow questions of reunited families, even if no broader agreement is reached. The Soviets have already indicated in Geneva that they are willing to agree to family reunification. I do not want to see this go by the board. I think it is too important to the lives of too many people who are being harassed and intimidated, and suffering even worse fates than that.

Mr. JAVITS. Will the Senator yield?

Mr. HELMS. I yield.

Mr. JAVITS. I simply wish to endorse the assurances given. Any legislative history and any interpretation must yield to the words of the statute. The statute states on page 246, lines 9 and 10, "denies its citizens the right or the opportunity to emigrate." That includes everything. It includes reunion of families and everything else.

Mr. HELMS. I think the Senator may want to check to see if it includes Poland. I believe he will find that it does not.

Mr. JAVITS. Poland already has the most-favored-nation treatment.

It relates not only to most-favored-nation treatment, but also to any program of the Government of the United States which extends credits, credit guarantees, or investment guarantees. Therefore, it would include every Communist country and in much more generic form than the Senator's amendment. There is a difference between the Senator's amendment and the Jackson amendment, but it is not in that area. The difference is visit.

I hope the Senator will understand that we have entered into an agreement. We have entered into an agreement. It is not to help us make an agreement. We have an agreement.

Before the Senator concludes his own views on his own amendment, he should read that agreement. It is right here. He should read it in great detail.

As Senator RIBICOFF said, it expressly rejects and denounces any idea of Jewish emigration as contrasted with any other emigration by the clause which he read. Just as this particular section I have read generically covers every kind of emigration, not just to reunite families.

Finally, I think the Senator should think through this question of visit, because that is a point which would transgress the agreement we have made. That is more than we have been able to work out. I am not arguing for or against it at the moment, except to ask the Senator to review that, particularly because it does represent an element which would negate the agreement we have entered into.

Mr. HELMS. I appreciate the Senator's comments, but I have indeed studied the agreement. I have already thought it through. It is my impression, and the Senator may wish to correct me if I am wrong—but I am not wrong—that the Soviets have already indicated in Geneva that they are willing to agree to family reunification. We ought to hold their feet to the fire. We have a chance here to strengthen the hand of our negotiators, and we ought to do it.

I am not satisfied, frankly, with the testimony of Secretary Kissinger on this matter, the hearings of December 3, or the responses of Dr. Kissinger to questions raised by the committee. I think we ought to nail this down, and now is the time to do it.

Mr. JAVITS. Will the Senator yield for one point?

Mr. HELMS. Yes, gladly.

Mr. JAVITS. You can reconcile what Secretary Kissinger said completely. In the first place, what he said cannot change the law which we passed. I have pointed out that that law is absolute and generic, whether reunion of families or not.

In addition, it is a fact that so much of the discussion, because there were these sensational cases of harassment and punishment, was built around the fact that this is the great pogrom, if you want to call it that, that had to be relieved. But that did not change the basic negotiation and its consummation which related to every kind of emigrant without any regard to race, religion, color, economic or ethnic origin, et cetera.

Mr. HELMS. Mr. President, in view of the development, let me say that I called up my amendment No. 2022 and, as a matter of courtesy I laid it aside so that we could have further discussion.

I would like to ask unanimous consent, Mr. President, if it is possible, and if it is proper, that immediately following the vote on the Jackson amendment we return to the Helms amendment No. 2022, which I laid aside as a matter of courtesy.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUCKLEY. Mr. President, I would like to join with my colleagues in expressing appreciation and gratitude for the extraordinary job done by the Senator from Washington and for his leadership, and also for the work done by the Senator from Connecticut and my senior colleague, in reaching a breakthrough with respect to utilizing the leverage that we have in the trade bill to open the doors of the Soviet Union and the other countries behind the Iron Curtain.

I am also glad that the colloquy we have just listened to, and the statements that have been volunteered earlier by the Senator from Connecticut, emphasize that this amendment applies to all within the Soviet Union, all people in Communist countries, irrespective of religious belief.

My own recent visit to Moscow, just a month ago, satisfies me that the Soviets are totally impartial in the way in which they distribute their harassment, their repression, their torture, their recrimination.

Not only do we have the well-known cases of the thousands of Jews who are seeking to emigrate to Israel, but I am in possession right now of a list of 6,000 heads of households of ethnic Germans that was presented to me by Dr. Andrei Sakharov. These Volga German families include more than 25,000 men, women, and children who have been seeking the right to emigrate. These happen to be simple people—farmers, miners. They have no state secrets, and they have not been the recipients of costly education. Yet they have been submitted to systematic harassment because they, too, had the temerity to ask to be allowed to leave. I was advised that more than 25 persons are in prison now because they helped compile this list.

In my discussions with Dr. Sakharov, and also with leaders of the dissident Jewish community in Moscow, it was confirmed that the harassments that have been focused on those who have the courage to apply for exit permits has been intensified and broadened since the publication of the exchange of letters between the distinguished Senator from Washington and Secretary Kissinger.

This harassment has taken the form of the disconnection of telephones, thereby cutting off vital means of communication not only within the Soviet Union but also to people in the West, but the loss of jobs, inprisonment on specious charges, and interrupted education.

Also, not only is the individual who is applying for an exit permit subjected to the thousand forms of retaliation available to a totalitarian state, but it is also extended to all those with whom he has come in contact—brothers, sisters, parents, cousins, even friends and employers.

In his letter to Secretary Kissinger, the Senator from Washington said the following:

> It is our understanding that the punitive actions, intimidations or reprisals that will not be permitted by the government of the USSR include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

I congratulate the Senator for describing so succinctly some of the principal tools that are employed. I want to emphasize the fact that we have seen an intensification of this kind of harassment since the publication of the letters just a few weeks ago.

The people I talked to showed one common concern, Jew and non-Jew alike. That is that the Soviets may intend, by these and other subtler techniques, to so dry up the source of applications that they will, under the compromise arrangement, enjoy for 18 months all of the benefits of trade with the United States, subsidized at the expense of the U.S. taxpayers, without in fact relaxing their restrictions on emigration. It is feared that 18 months hence, they will say, "We have had only 18,000 applications. We have let 18,000 people out.", and expect the statement to be taken at face value.

Now, what they wanted to know and what they were deeply concerned about because of these fears was whether or not we were establishing under these understandings any kind of mechanism that would monitor compliance on a day-by-day basis. They wanted to know whether it was the intention of the sponsors of this amendment to immediately move, in the event there should be good evidence that there had been violations, for a reimposition of restrictions on credits.

When they were expressing these concerns, I asked, as a practical matter, what means of verification might be available to the Congress. Would we have to rely on official channels, knowing how undependable they could be? I was advised that because of the courage of hundreds, literally hundreds, of individuals throughout the Soviet Union, that if we maintained the proper contacts with underground sources, we could have reasonably accurate numbers on applications; on harassment, if any; on whether or not the applications were being processed expeditiously, and so forth.

I suggested that perhaps, Congress might establish an informal mechanism for maintaining that kind of contact and surveillance, and I was told this would be not only an extraordinarily good idea but an idea that would so reassure the people concerned that it might give them the courage to withstand the increase harassment they expected to be visited upon them.

I would like to ask my friend, the Senator from Washington, whether or not he has in mind the setting up of a system to monitor this means of information outside of the channels offered by the State Department.

Mr. JACKSON. First, Mr. President, I shall respond to the question so that it will come out of the Senator's time. I am running out of time.

I want to take this opportunity to express my appreciation for the Senator's long, continuous support of the amendment from the very beginning and, may I say, very sincere support of the amendment at all times, and I am deeply grateful and in the Senator's debt for that support because, as always, he approaches these problems with great intellectual honesty, and that helps make the task of those of us who were more directly involved in the negotiations a lot easier.

I want to pay tribute to the junior Senator from New York for his role in all of this to bring about a bit of freedom. That is what we are talking about.

First, I have the same reservations as the distinguished Senator from New York about the dangers of noncompliance. I am approaching this problem realistically. I am approaching this problem in the hope that this can be a first step if we are to do something about making possible the freer flow of ideas and people across what have been almost impenetrable borders and, therefore, I am not surprised—I am not at all surprised—by the harassment that continues before this arrangement is in formal effect.

I think we must assume that we are going to have disputes about compliance. But I think our response must be an ever-continuing vigilance in seeing that it is enforced and, if it is not, to exercise our right to veto so that we do have the kind of leverage that is essential.

In the area of enforcement, I understand the State Department will set up a special division to deal with problems arising in connection with compliance or noncompliance. I would plan to introduce an amendment in the new Congress, once the legislation has become law, for an ad hoc subcommittee with a small staff to monitor, to maintain constant surveillance over, what we have agreed to; this would be handled, of course, on a bipartisan basis.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. BUCKLEY. Does the Senator contemplate that, in other words, it would not rely on the State Department to channel the information, but to obtain it independently?

Mr. JACKSON. Yes; it would be completely independent, and it would rely on all sources of information.

As the junior Senator from New York knows, there is an amazing flow of information out of the Soviet Union. It is incredible what these people have been able to do, policed as they are, by the KGB, with all its intricate devices to keep tabs on people. Yet we know that what happens in this body sometimes gets to them in a matter of hours when it is publicly disseminated, and that would be one of the indicators, may I say to the Senator of whether or not there is a step backward or a step forward.

If we find there is a breakdown in communications, then we will know that the agreement is not being implemented in good faith. To make the legislative history clear, let me read the final paragraph to Dr. Kissinger in my letter of October 18, 1974:

> Finally, in order adequately to verify compliance with the standards set forth in these letters, we understand that communication by telephone, telegraph, and post will be permitted.

I think that makes clear the attitude of the U.S. Senate, the 78 Senators who joined in this effort, and we shall approach it on the basis that it will need that ongoing day-to-day monitoring of what is going on.

I am delighted that the Senator from New York (Mr. BUCKLEY) raised these questions because I think they are questions that are absolutely essential to be answered in order to get the full legislative history of our understanding.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUCKLEY. Yes.

Mr. JAVITS. I would like to join with Senator JACKSON to pledge our every good faith action to see that in fact as well as in terms, that every single minority in the Soviet Union has the same feeling of confidence that this measure means to them as well as it means to the Jewish minority and, as the Senator has said on that score, in monitoring and oversight, and so forth, I would join in that as a sacred obligation.

Mr. BUCKLEY. Mr. President, I am delighted at these reassurances from the Senator from Washington and from my senior colleague.

I also am delighted that the Senator from Washington is thinking along the same lines I am as to the necessity for establishing such an entity to secure accurate information.

Mr. RIBICOFF. Mr. President, will the Senator yield for just a moment?

Mr. BUCKLEY. Yes.

Mr. RIBICOFF. May I say I would hope he would not press for another special ad hoc committee to do the investigating.

The Senate Permanent Investigating Committee, of which the distinguished Senator from Washington happens to be chairman, has an investigative staff with a lot of experience in that committee, and I see no reason why one of the functions of the Senate Permanent Investigating Committee could not be utilized in order to monitor this agreement with the Soviet Union, and I would hope it would be done that way.

Mr. JACKSON. I want to commend the Senator from Connecticut for making that suggestion. I think all we need to do is to authorize it in the resolution. The distinguished Senator from Connecticut will be the new chairman of the Government Operations Committee, and I would be glad to submit for the Permanent Investigating Committee an amendment of our authority so that it would explicitly include what the Senator from New York has suggested, and I think that would be an excellent suggestion.

Mr. RIBICOFF. The Senator from New York (Mr. JAVITS), the Senator from Washington (Mr. JACKSON), and I happen to be members of the Government Operations Committee, and the Senator can rest assured that we will use that committee constructively without setting up an additional committee.

Mr. BUCKLEY. I am delighted to hear this. I think the suggestion just made makes a great deal of sense.

I would hope, as a matter of courtesy, if nothing else, that the junior Senator from New York might be allowed to sit in on the proceedings.

Mr. President, I would like to ask the Senator from Washington another question, if I may, for purposes of clarification.

In his reply to my original question, the Senator from Washington explained that it was his intent that we proceed on a day-to-day basis, and if it was determined that the Soviets were not acting in good faith, then we could exercise our right of veto.

Now, that suggests that we would be waiting 18 months before taking action even in the face of flagrant abuses. Would he not feel that the Congress should act immediately upon evidence of a practice of harassment after we enact this legislation?

Mr. JACKSON. There are two points I wish to make. One is that in a personal discussion between the President of the United States and myself, the President gave his personal assurance—that if in this 18-month period there is a course of action that is in violation of the agreement, he would act himself to cut off MFN and credits.

May I observe, too, that due to the diligence of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) we have or will have a handle on credits in connection with the Export-Import Bank.

I believe a conference report is pending in which there is a limitation on the amount that can be made available in loans to the Soviet Union without further congressional authority.

In other words, there is a cutoff, $300 million, I believe is the limit, and it is in the bill.

I commend the Senator further because he acted independently on the Export-Import Bank bill, and I understand the amendment that was in the Export-Import Bank bill is also now in the trade bill, so that we do have an added safeguard against the possibilities referred to by the distinguished junior Senator from New York.

But I have the personal pledge of the President of the United States. It does not need to be in writing. He has given me his word, and I take him at his word. He is an honorable man, and I am confident that he will not hesitate to move during that 18-month period should the Soviets fail to implement the agreement in good faith.

Mr. BUCKLEY. I am delighted to have that knowledge and to know it will be in the RECORD.

As I understand it, then, if during the months of January and February the Soviets do, in fact, continue their present practice of harassment to discourage people from applying for exit permits, then the President will be prepared to terminate the credits?

Mr. JACKSON. Well, I would hope the bill would become law before the first of the year.

I would give the Russians a little bit of latitude, but I would not wait very long.

They have had a lot of lead time. They have known about this amendment for the last 2 years and they should be able to start at once.

So I would expect then, the moment this becomes law, that the basic conditions that have been laid down in the exchange of letters, in the statute, in the colloquies made on this floor which are part of the legislative history, will apply and that the Soviets will carry them out once the law is passed.

Mr. BUCKLEY. Mr. President, again I am delighted with the answer, but I would like to ask the Senator from Washington about one final concern of the people I spoke to so recently, namely, a concern over the 60,000 emigration figure.

Many told me that they felt that this might be converted into a ceiling whereas I was assured that in the Jewish community in Moscow alone, there were hundreds of thousands of people who would take advantage of any liberalization of Soviet policy with respect to emigration.

Is it my understanding that the intention of the 60,000 figure is merely to say that if emigration falls below that figure, there will be a presumption of noncompliance. On the other hand, if we have, through our surveillance and the information we gather, knowledge of, let us say, 200,000 people who have, in fact, applied for exit permits, we would expect 200,000 to be allowed out if they were not criminals?

Mr. JACKSON. The answer is, "Yes."

Let me read from my statement on that issue:

> The basic understanding on numbers of visas is contained in paragraph nine of Secretary Kissinger's letter. According to paragraph nine "the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants." Thus we anticipate both an immediate increase to the 1973 rate of around 35,000 per year followed, with the implementation of the practices and procedures set forth in Secretary Kissinger's letter and my response, by a continuing increase until the number of visas corresponds to the number of applicants. In other words, as we move into implementation of the agreement, we would expect that if there are 75,000 applicants there will be 75,000 visas, if there are 100,000 applicants there will be 100,000 visas, and so on. The number of visas can thus be determined only by the number of applicants.

This is not a quota system. In voting to approve amendment 2000, Senators can be confident that there is no quota.

Mr. BUCKLEY. Mr. President, I think this exchange will be tremendously reassuring to all those people now trapped within the Soviet Union who have expressed the fears that I related here today.

I am going to take the liberty after leaving this Chamber to contact the Voice of America and suggest that a synopsis of what we have said here be beamed to Russia.

Incidentally, one of the reassuring experiences I had when in Moscow, one of the few, I might add, is the fact that Voice of America is coming through with important, vitally important information. It is a lifeline and I hope that this body never loses sight of the real importance of its role.

Finally, Mr. President, I would like to say that if the Senator from Washington ever wonders if he misspent his time in the Senate of the United States, all he has to do to know that these years have been supremely worthwhile is to go to where I have been in the Soviet Union and hear the outpouring of gratitude for his work in their behalf.

Mr. JACKSON. Mr. President, I want to thank the distinguished Senator from New York for his kind comments.

I just want to say that this has been a long, difficult struggle, but I think that by perseverance we are making progress, even if it is a tiny bit.

I commend the Senator from New York for the way in which he has spoken out and on his trip to the Soviet Union in which he very courageously attempted, and I think quite effectively, to articulate the concerns, the deep concerns of the people who are seeking to leave the Soviet Union.

Mr. BUCKLEY. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, I congratulate the able Senator from Washington for the tremendous amount of work and time and effort which he has put into this extremely important matter. I congratulate, along with him, the able Senator from Connecticut (Mr. RIBICOFF) and the able Senator from New York (Mr. JAVITS) for their hard work and their skill. I am pleased to have been a cosponsor of the original Jackson amendment. I have a deep sympathy for the plight of those of Jewish faith in the Soviet Union. I likewise have a deep sympathy for those others in the Soviet Union of other nationalities and other religious beliefs who, likewise, are being harassed and oppressed.

I was very much encouraged by the statements made on the floor today, first by the Senator from Connecticut and then by the Senator from Washington and the Senator from New York, all pointing out that this proposal before the Senate today applies not just to individuals of one particular faith, but to all citizens of the Soviet Union who are undergoing harassment and oppression.

Mr. President, as I understand the parliamentary situation, the original Jackson-Vanik proposal is a part of the bill as reported by the Committee on Finance. It was approved by the House of Representatives and then by the Committee on Finance, and now is a part of the bill. The Senator from Washington has offered an amendment to the original Jackson proposal.

My only concern about the pending amendment offered by the Senator from Washington is that it does not provide a ceiling on credits that can be extended to the Soviet Union. As the Senator from Washington pointed out earlier, I think this matter is being taken care of. In the conference report on the Export-Import Bank bill, the conferees agreed to the Senate proposal that a $300 million ceiling be placed on loans and guarantees to the Soviet Union.

Also, the Senate earlier adopted amendment No. 2026 to this trade bill which likewise provides that, after the date of enactment of the Trade Reform Act of 1974, no agency of the Government of the United States shall approve any loans, guarantees, insurance or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300 million without prior congressional approval.

I yield to the Senator from Washington.

Mr. JACKSON. I commend the Senator from Virginia for his diligence, and I supported him in connection with the Export-Import Bank restriction.

Mr. HARRY F. BYRD, JR. The Senator certainly did.

Mr. JACKSON. I think he has rendered a great service in doing that, and now again in connection with this amendment.

I should like to make the legislative record clear that the amendment that we have up, previously adopted by the Committee on Finance, does not authorize any credit. We are merely allowing a prohibition to be waived.

The control on those credits has been properly safeguarded by the Byrd amendment, both in connection with the Export-Import Bank conference report and, again, in this specific bill.

Mr. HARRY F. BYRD, JR. That is correct, except that the Committee on Finance did not adopt the compromise proposal. That is the one that is before us today.

Mr. JACKSON. That is right. This amendment that is before us today is an amendment that gives the President specific latitude, with the safeguards to waive, under the conditions outlines in this amendment, restrictions relating to MFN and credits. But it does not authorize affirmatively—credit or anything of that kind.

The Senator has dealt with the credit problem very effectively with his amendment to this bill, which has already been adopted by the Senate, and, of course, in the Export-Import Bank conference report. So it is double-barreled, and I hope that the Byrd amendment will stay in conference when the conferees meet.

Mr. HARRY F. BYRD, JR. I thank the Senator from Washington.

Mr. JACKSON. Mr. President, I wish to say again that the distinguished senior Senator from Virginia was one of the original cosponsors of the amendment on the issue of emigration, and no one has been more faithful, more dedicated and more effective in advocating the effort that we are seeing culminated here, in this action on the floor today. I praise him for all that he has done, and for the fine way in which he has courageously spoken out.

Mr. HARRY F. BYRD, JR. I am very grateful to my friend from Washington. It was easy to do, because I believe very strongly that this is a humanitarian approach. I think, as many persons have charged, it is very unusual for one country to attempt to interfere in a purely domestic policy of another country. But the way I look at it is as follows: that other country—in this case Russia—wants something from the United States.

They want special concessions from the United States.

They want us to grant most-favored-nation tariff treatment to Russia.

They want access to long-term, taxpayer-subsidized, low-interest rates.

If we are going to give all of that, I submit that we have a right to ask for something in return. What is being asked in return is a humanitarian and compassionate nature. I am glad to have supported the original amendment, and I shall support the approach now suggested by the Senator from Washington, the Senator from Connecticut, and the Senator from New York.

Before taking my seat, I wish to comment on the trip to the Soviet Union taken by the junior Senator from New York (Mr. BUCKLEY). I was very much impressed with the way Senator BUCKLEY handled that trip. He did not spend his time with the leaders of government. Rather, he spent his time among the citizenry, among the Jewish people who had been oppressed and harassed, among the minority nationalities within the Soviet Union. He got, as a result, a first-hand insight into the problems facing them.

I think the Senator from New York (Mr. BUCKLEY) has rendered his fellow citizens a very important service.

Mr. President, I reserve the remainder of my time.

Mr. TAFT. Mr. President, at the outset, I commend the Senators from Washington and others in Congress, the President, the Secretary of State, and all who have participated in the effort to bring this amendment to fruition.

I have long supported the principle involved and have cosponsored the proposed legislation from the outset.

Not only is it a great breakthrough for the Jewish people of Russia, but also, it provides hope for minorities in captive nations everywhere.

The role of the United States is something all of us can be proud of. I have long been convinced that humanitarian considerations belong in our trade considerations and foreign policy. It should be noted with regard to the matter of trade that the U.N. Charter recognizes this principle as a vital element of human rights and that, indeed, in our Western history it goes back as far as the Magna Carta, if not before that.

Humanitarian considerations have been brought to bear already in individual cases, such as the Shapiro case, in which I was involved because a constituent of mine was involved, as well as a number of other individual cases. There have been other cases in which Members of the Senate and the House of Representatives have engaged, and others in which I have engaged. The pressures we bring to bear through public opinion and through our trade and foreign policy considerations have been helpful in the individual cases.

The breakthrough that has come with this amendment and the negotiations that have occurred with regard to it is that now we can work in a more general context. I am convinced that as it has worked—not perfectly, certainly, but at least as we have seen it work in some individual cases—it can work also on the general basis on which it is now proposed by this amendment.

I think it is an outstanding accomplishment and one of which all of us can be proud, particularly those who took the great leadership—the Senator from New York (Mr. JAVITS), the Senator from Connecticut (Mr. RIBICOFF), and others. We are greatly indebted to them for their leadership in this cause.

Mr. CURTIS. Mr. President, I ask unanimous consent that Mr. George Pritts, on the staff of the senior Senator from Arizona (Mr. FANNIN), may have the privilege of the floor during the discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I shall support the proposed legislation. I hope it is enacted completely and that we can complete all of it before Congress adjourns next week.

I also support the provisions that have been made to relieve the injustice in reference to the right of people to emigrate, particularly the Jewish people, from Russia.

Mr. President, I support the Helms amendment because I think that should be done. It would be a corollary to the Jackson amendment, but it would take nothing away. It would not interfere with the complete carrying out and execution of the Jackson amendment, but it goes a little further in providing human rights that mean so much to every true American.

Mr. President, I invite the attention of Senators to the hearings of December 3, 1974, page 63. This matter, out of which the Helms amendment arose, involved a witness who appeared before the Committee on Finance concerning his difficulties with being reunited with his son in Hungary. The son was left behind at age 12. All these years have gone by, and they have tried to visit him or to have him have the opportunity of joining his parents in this country, to no avail. The testimony introduced that day was so moving that on April 5, 1974, the Committee on Finance authorized the chairman of the committee, the Honorable Russell Long, to direct a letter to the Secretary of State. That letter is found on page 63 of the hearings. Mr. President, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

> On April 5 Mr. Szabolcs Mesterhazy appeared before the Committee on Finance and presented us with a courageous and stirring statement concerning his efforts to be reunited with his son currently living in Hungary. Mr. Mesterhazy and his family, except for his then 12-year-old son, escaped from Hungary in 1956. Since that time, the Government of Hungary has refused to permit the remaining son to emigrate from Hungary in order that he may be reunited with his family here in the United States.
>
> Mr. Mesterhazy has apparently asked the State Department to intercede with the Hungarian Government on behalf of his son. Such efforts have as yet been unsuccessful. I am writing you today on behalf of the Senate Finance Committee to ask you to take any steps feasible to intercede with the Government of Hungary in an attempt to obtain the right to emigrate for his son. Any efforts that you can undertake on behalf of Mr. Mesterhazy's son would be greatly appreciated.
>
> I would like to be informed on the attitude of the Hungarian Government on this matter before we go into executive session on the Trade Reform Act legislation.
>
> With every good wish, I am
>
> Sincerely,
>
> Russell B. Long,
> *Chairman.*

Mr. CURTIS. Mr. President, when the Committee on Finance met on December 3, I had previously notified Secretary Kissinger that I would inquire about the subject matter of this letter, involving the son of Mr. Szabolcs Mesterhazy, who had appeared before our committee. Up to that time, from April 5, no affirmative relief had been granted in this case.

I inquired of Secretary Kissinger about it, as follows:

> Secretary Kissinger. Senator, after the presentation from the committee, we addressed urgent inquiries to the Hungarian Government both in Washington and in Budapest. All I can tell you now is that we have been informed that this case is under urgent, high level review in Budapest by the authorities there.
>
> We will continue to use all the influence at our disposal and I believe that the expressions of concern by this committee will be of powerful assistance in pressing that case.
>
> Senator Curtis. It will have the support on the secretarial level?
>
> Secretary Kissinger. Full support on the secretarial level, and it has had full support.

I call attention to this particular question:

> Senator Curtis. Now, is there anything in the exchange of correspondence between Senator Jackson and yourself that relates to an emigration matter for a country such as Hungary?
>
> Secretary Kissinger. No; there is nothing in that exchange of correspondence. Of course, if title IV as it now stands becomes law, then, before MFN can be granted, some set of assurances will have to be worked out applicable to the specific conditions of the nonmarket economy country concerned. This would allow the President to give the Congress the same assurance with respect to that country that it has with respect to the Soviet Union.
>
> Senator Curtis. Is Hungary a market economy?
>
> Secretary Kissinger. No; Hungary would fall under the provision of this amendment. We have not had any discussions with Hungary on this subject. We have had some preliminary discussions with Romania.

Mr. President, I believe that the Jackson amendment should be amended. I am also of the opinion that even though the language is in general language, its interpretation grows out of the exchange of correspondence which did limit it to a particular country, although the language itself is broad.

It seems to me that the Helms amendment would not detract anything from the Jackson amendment, would not interfere with the understanding that has been entered into, and it would take care of cases such as the one presented to the Committee on Finance.

Mr. President, I hope we can take this amendment to conference; and if there is any matter that would detract in any way from the agreement that is worked out here, the conference could give attention to that.

I do not believe there is. I hope that the Helms amendment can be adopted, as well as the Jackson amendment.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield to the Senator from Connecticut.

Mr. RIBICOFF. For the purpose of the record, I want to point out that amendment No. 2000, submitted by the Senator from Washington (Mr. Jackson), on page 2, line 1, talking about the President, states:

> He has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

Since Hungary is a nonmarketing economy, Hungary would fall within the province of the Jackson amendment, and the failure of Hungary to allow the emigration of the persons mentioned by the Senator would deprive Hungary from MFN.

Mr. CURTIS. As I say, I cannot agree that the Helms amendment takes anything away from the Jackson amendment, and I think that it goes a little further, because we do have a matter of interpretation involved here, where we use general language, broad general language, but the history of it has shown, by the correspondence, that it is related to a more restricted area.

I am in favor of that. I am glad that it is in there. But I do hope that we can do full justice, from the standpoint of human rights, and also include the Helms amendment.

Mr. RIBICOFF. Let me respond to the Senator that I am sorry that Senator Helms is not on the floor. What bothers us about the Helms amendment is the insertion of the word "visit." If the Senator would delete the word "visit," I would recommend personally, and I think so would Senator Jackson and Senator Javits, the adoption of the amendment.

The reason why the word "visit" causes problems is that in all the negotiations that took place at every level, the word "visit' was never used. It could, therefore, be said that we were changing the terms of the secret negotiations.

If the Senator from North Carolina would delete the word "visit," I would be only too glad to recommend that we accept the Helms amendment, after the Jackson amendment is voted on.

Mr. CURTIS. That is something that the Senator from North Carolina will have to pass upon.

Mr. RIBICOFF. I am sorry that the Senator from North Carolina is not here. But in the event he fails to do so, the Senator from Washington will be constrained to move to table the Helms amendment. However, it would be my recommendation that if Senator Helms would delete just the word "visit," we could very easily accept the Helms amendment.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What amendment is now before the Senate?

The PRESIDING OFFICER. The Jackson amendment; and under a unanimous-consent agreement, the Helms amendment will be considered next.

Mr. CURTIS. Very well. I think it is best, then, that we resume afterward and I thank my distinguished friend from Connecticut for his spirit of cooperation.

Mr. President, with reference to the bill itself, I urge the speedy enactment of our trade bill. In any operation, there can only be one general; there can only be one quarterback. Upon the President of the United States falls the burden of negotiating with foreign countries, both as to foreign affairs in general and as to trade. The President of the United States has asked for this legislation, and I think that we should give his this tool.

But there are other reasons why I support this legislation. Nebraska is an important farm State. We are not the leader in wheat production, but we are one of the top States in wheat production. Only this week, the president of the

National Wheat Growers Association, Mr. Ray Davis of Potter, Nebr., appeared before the Senate Committee on Agriculture and Forestry and pointed out that we export 75 percent of the wheat produced in this country. We export a great deal of practically all other crops, not including sugar.

This is a very beneficial program. It provides food for those nations that want to receive it. It builds up our trade balances and our dollar balances. Furthermore, it has brought an element of prosperity to segments of agriculture that have never had it before.

Over a period of years, the agricultural people of our country have only enjoyed 80 percent of the prosperity or living standard of those people in our country who are nonfarm operators. Prior to the expansion of world trade that took place in the last couple of years, the price of wheat in western Nebraska was around $1 a bushel. With this export program on, it is selling for around $4.25. I realize there are people who think that should not be. But I would remind them that even at $5 a bushel, there is only 7 cents worth of wheat in a loaf of bread.

What America is suffering from now is not the high cost of farm products, but the high cost of their food program after the products leave the farm gate. As a matter of fact, some segments of our agricultural economy are in very bad straits. The livestock prices are disastrously low. Some of them are less than half what they were a year ago.

A part of the solution of these problems lies in the field of trade.

The European Common Market has denied the importation of meat and meat products. Japan has done about the same thing. As a result, the great meat producing country of Australia has found that the only place it can dump its product is in the United States, and that is one of the factors in depressing the price.

We need to give the President of the United States authority so that some of these things can be corrected, so that pressure can be brought upon the Common Market countries and others in order to establish fair trade on both sides of the transaction.

There may be some things that Congress itself must do, and I think we should assume that responsibility. As for this bill, I hope that it will move rapidly through the Senate, that the conference can come to an agreement, and that this trade bill can be laid before the President early next week.

Mr. RIBICOFF. Mr. President, will the Senator yield for a moment?

Mr. CURTIS. I yield.

Mr. RIBICOFF. Concerning the question whether the amendment would apply to Hungary, the staff has called my attention, on page 64 of the hearings, to the following colloquy:

> Senator CURTIS. Is Hungary a market economy?
>
> Secretary KISSINGER. No; Hungary would fall under the provisions of this amendment. We have not had any discussions with Hungary on this subject. We have had some preliminary discussions with Romania.

Therefore, Hungary comes within the amendment. I called that to the attention of the Senator, that section, because he had been very firm against it.

Mr. CURTIS. Mr. President, I think the Helms amendment will actually strengthen the Jackson amendment, and I hope it can be worked out.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I shall be very brief because I trust we are moving toward a vote on this momentous amendment.

I would not want to let the occasion pass without first commenting, as an original cosponsor of the so-called Jackson amendment, on the extraordinary work that has been done over the period of the past several years in moving us to the point where we can vote on this amendment which will move forward a piece of legislation that is the most momentous piece of legislation we have had to deal with in this Congress.

I would like to commend Senator JACKSON, Senator RIBICOFF, and Senator JAVITS who have provided such distinguished leadership on this particular issue.

Certainly, I think that President Ford and Secretary Kissinger have been directly involved all the way through the proceedings, President Ford, as a Member of the House and minority leader there, and then as President, and Secretary Kissinger in several different capacities.

We should also pay tribute to Bill Eberle, who has consistently and steadily helped move this legislation forward.

I think some of the names that are not now on the roster of Government, such as Secretary of Commerce Pete Peterson, should not be overlooked. He negotiated many hours and days in the Soviet Union to help bring about a trade bill with respect to opening up East-West trade that would be feasible, practical, and sound for both economies. Of course, he was representing the interests of the United States of America and he did extraordinarily well.

We should not overlook the fact that the Soviet Union has been pragmatic in this matter, and that the State of Israel has, I believe, demonstrated in its restraint that it never wanted to stand in the way of a trade bill, always hoping that human interest will be paramount and certainly given cognizance over economic interest.

In the balance, we have achieved an amendment that is good for this country and good for the cause of world trade.

I had the honor of testifying before the Senate Finance Committee this year. It marked the 20th year that I have testified before that committee on foreign economic trade matters. I believe that a policy that has moved this country and the world toward a more open trade policy has been good for this country and good for the world in general. It has helped break down barriers. It has opened up borders. It has made people more cognizant of each other. It has made the world more economically interdependent, which we hope moves us toward a world that is a more peaceful world in the future than we have experienced in the past.

We would all prefer trade to aid, both the giver and the recipient. This type of legislation, which carries forward a reciprocal trade agreement principle established in law in the early 1930's in this country, carried on under six Presidents and many different Congresses, is a major step in continuing that trade.

I had the pleasure of serving on the Banking and Currency Committee, as it was called at that time, with the distinguished Senator from Minnesota (Mr. MONDALE). I know that he shared my views. We worked together at that time to remove the blinders that America had had for so many years, in feeling that somehow or other we were strengthening America by resisting trade with Eastern Europe.

How foolish could we be? This is the one area we have been pre-eminent, the one area of American economic supremacy. The Yankee trader has been well known. Why, for so many years we relinquished those markets, left them unavailable for our own trade in agriculture or industry, and let the Western European countries and Japan have unopposed a very vast, growing market, why we would not be concerned with the fact that we can open up doors and open up minds, I still cannot comprehend or understand.

We have worked now toward a much more enlightened policy for this country and a more enlightened policy for the world.

This bill will take us a long step in that direction.

There has been a tremendous amount of dissension in the business community over trade legislation in the past, but I have seen that melt. I have never seen the business community quite as united in recognizing the importance of taking this next step now.

We do stand today as the only legislative body in the world that has not empowered its executive branch to move ahead and negotiate on trade that will open up new doors and new markets for us as well as benefit the American consumer.

Agriculture will benefit tremendously from this, but so will industry in general. How else, if we do not have a trade surplus, can we finance our foreign programs, whether they be in the area of military programs for our own direct defense, military assistance programs, or foreign aid programs?

As a delegate to the United Nations this fall I have seen the concern that many countries have had that once again America may be the one holding up trade negotiations. The vote today on cloture was a brilliant example of when this body wishes to work together it can move together in the national interest.

I commend our Finance Committee in the Senate and the House Ways and Means Committee for having moved us to the point where I trust, within the next 2 days, we will overwhelmingly have adopted once again a trade measure that will be good for the United States, good for the free world, and I think in the general interest not only of commerce and economics, but in the interest of world peace as well.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. I wonder if I might inquire of the sponsors of the Jackson amendment. I have a few clarifying questions I would like to ask of Senator RIBICOFF.

Is it my understanding that the Jackson amendment applies to the Soviet Union with respect to emigration of anybody?

Mr. RIBICOFF. Without question. Time and time again throughout the correspondence between Secretary Kissinger and Senator JACKSON and in the report of the Senate Finance Committee, it has been expressly and clearly stated that the Jackson amendment applies to people of all races, color, and creeds. Members of the Jewish faith are never specifically mentioned.

Mr. ABOUREZK. So if anyone wanted to emigrate from the Soviet Union and was denied that right to emigrate out of the Soviet Union by the Government of Russia, that would mean that Russia would be denied the most-favored-nation status?

Mr. RIBICOFF. That is correct.

Mr. ABOUREZK. So there is no discrimination there.

Is it also my understanding that the amendment was originally written and directed only toward Soviet Jews, and later changed when this kind of criticism came about?

Mr. RIBICOFF. No. To my knowledge, the Jackson amendment never at any time stated that it applied only to Soviet Jews. Some people have reported on the Jackson amendment as though it applied only to Soviet Jews, but in all our discussions, in all our drafting, it never was the intention of Senator JACKSON, Senator JAVITS, nor I or, to my understanding, of any the 79 cosponsors, that this amendment was confined to people of the Jewish faith.

Mr. ABOUREZK. I read some newspaper stories—I do not know whether they are true or not, and I do not even know whether the Senator from Connecticut can vouch for them one way or the other—that the original cosponsorship of the amendment was circulated by the American-Israel Political Action Committee, or whatever that AIPAC is, and the American Jewish Congress. Can the Senator comment on that?

Mr. RIBICOFF. To my knowledge—every Senator who cosponsored this can speak for himself—this amendment was circulated by a number of Senators, including Senator JACKSON, Senator JAVITS, and myself and, as most cosponsorships are circulated in the Senate, Senators will call up and say, "Put me on it," or "Don't put me on it."

Mr. ABOUREZK. I know I was in the House in 1972 and I was contacted by a representative from B'nai B'rith, and asked to cosponsor the amendment at that time. I am just curious to know if that was the case.

Mr. RIBICOFF. I cannot tell the Senator who asked anybody in the House to cosponsor this amendment because I had nothing to do with it in the House. But I believe that in the Senate it was done either by the Senators or members of their staffs, as usual with other members of the staffs who were contacted, or there was a roundrobin letter circulated to Members of the Senate asking for cosponsorship.

That is generally the custom, whether it had to do with the Jackson or any other amendment. I know that customarily a member of my staff will come in and say, "I received a letter from Senator so-and-so asking you to cosponsor his legislation."

To my knowledge, that is exactly how the Jackson amendment was circularized.

Mr. ABOUREZK. But the point I am trying to get at, I assume that B'nai B'rith or whoever else was doing all the lobbying on the Jackson amendment had originally intended that to apply only to Soviet Jewish emigration, and I do not know if the Senator is able to comment on that.

Mr. RIBICOFF. This I do not know. As an original cosponsor who worked very closely with Senator JACKSON and Senator JAVITS, in our discussion with President Ford, in our discussions with Secretary Kissinger, in our discussions with one another, in our representations to other Senators, and at hearings, we have been very explicit to point out that the Jackson amendment was not exclusive, that the Jackson amendment was not confined merely to emigrants of the Jewish faith, but was all-inclusive, and applied to people of all races, creeds, colors, or ethnic groups.

Mr. ABOUREZK. I would like to ask another question, if I might, of the Senator from Connecticut. The amendment is directed toward, I guess, what are known as nonmarket countries. That means Eastern bloc countries, if I am not mistaken.

Mr. RIBICOFF. Yes, nonmarket countries, which are, in effect, Communist countries.

Mr. ABOUREZK. Is there a reason why it was restricted to nonmarket countries?

Mr. RIBICOFF. It was originally drafted to be part of the trade bill in which MFN was sought, and the countries that did not have MFN were the Communist countries.

Mr. ABOUREZK. So a country such as Chile or Brazil does have MFN. I do not know, I am just asking if that is the case. Do they?

Mr. RIBICOFF. They have MFN, and I believe that Poland and Yugoslavia have MFN by previous legislation that was passed by Congress.

Mr. ABOUREZK. Is there a reason why this amendment and the sponsors of this amendment, those people who have supported it, have not tried to obtain free emigration from countries such as Chile and Brazil and some of the other countries where people are trying to get out of the country and are unable to do so in many cases?

Mr. RIBICOFF. Well, I would say that historically there has not been a complaint concerning Brazil and Chile about restrictive emigration policy.

Countries that restricted emigration were basically nonmarket or Communist countries. Other countries have not had these restrictions, so this amendment was addressed basically to the problem and not to a theory.

Mr. ABOUREZK. What of the many reports of people, of political prisoners, being held in prison in Chile, for example? The Organization of American States Human Rights Commission has just released a report—there have been many reports—that those people have been unable to emigrate from Chile because they are political prisoners. Why was not the amendment applied to those people, for example?

Mr. RIBICOFF. Well, I would say that people are imprisoned in every nation in the world.

Mr. ABOUREZK. I am talking about political prisoners.

Mr. RIBICOFF. Although we condemn what happens to individual prisoners, if we started to review every person who was in prison in every country in the world, it would be an impossibility.

Now, if it is a condemned injustice in Chile, I certainly would join with the distinguished Senator from South Dakota in such condemnation.

This amendment was originally drafted 2 years ago, and I do not see how we can take a general emigration policy and apply it to those people who have been incarcerated in jails and prisons all over the world.

Mr. ABOUREZK. I think there are problems of emigration in a great many countries in the world outside of the so-called nonmarket countries, and that this amendment does not address itself to that.

I was only curious to know why this amendment had not been directed toward all of those countries as well, because I know the Senator's commitment to human rights is equal to or greater than my own, and I somehow think that we in the Senate deplete it a little bit if we do not pay attention to everyone's human rights. And if we should only pay attention to the rights of just a small number of people, who deserve those rights, incidentally, I think we ought to allow totally free emigration of Soviet Jews or Soviet Georgians or Soviet anybody from the U.S.S.R. or any other country that is prohibiting that emigration.

The point I am trying to get at is the amendment—and I do not think there is any question about it—has been narrowly directed and narrowly construed in spite of the protestations that I have heard here today and, in a sense, it is kind of unfair that other people are not being provided the same kind of protection as the Jews of Soviet Russia.

I would like to direct another question.

Mr. McGEE. Mr. President, would the Senator be willing to yield a minute on this point?

Mr. ABOUREZK. Yes, go ahead.

Mr. McGEE. I just wanted to say to the Senator we have had this question arise in other categories. One has to have the basic philosophy of whether we prevent one step being taken that eventually can help to open up for others or whether we wait until everybody gets the consideration of it.

We have the question whether it is in pay considerations, whether it is in the loosening of restraints against particular minority groups moving around the world, whatever it is.

It would seem to me if we could make just a little bit of headway with the *Soviet Union*, that is a significant step forward.

Mr. RIBICOFF. May I read from Secretary Kissinger's letter to Senator JACKSON:

> Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin, and professional status of the applicant.

Senator JACKSON, in presenting this amendment, pointed out specific cases where Catholics were included, Protestants, and I know that there are many Muslims within the orbit of the Soviet Union who, I believe, would like to emigrate as well. It applies to anyone, and this was in our contemplation and specifically spelled out, as a result of the agreement of Secretary Kissinger to Senator JACKSON, as I have just read to the Senator.

Mr. ABOUREZK. I wonder, just directing a point here to the Senator from Wyoming, who said that we ought to take every little step possible, if the Senator from Wyoming would agree to support the amendment that I offered to the foreign aid bill last year, and will do it again next year, regarding the shutting off of foreign aid for political prisoners wherever they might be held under a certification and definition of political prisoners according to international definitions; if he is willing to take any step, I wonder if he would be kind enough to support that kind of an amendment?

Mr. McGEE. We support it where the relevance in the diplomatic hangup at the time would bear it out. A blanket one, it seems to me, has to be measured very carefully in each instance where it might be applied. It is convenient to apply it in some of the more popular places, and it is quickly forgotten in some of the areas where it may be needed more desperately.

I strangely heard no comments from those supporting the Senator's amendment to do anything relevant in regard to Uganda or in regard to Burundi or in regard to Ethiopia, and it is just that we take the popular crusade at the time and make a big generalization out of it. I think we have to carefully look at the merits of that in each area where it would be relevant and, in that regard, I would say yes.

Mr. ABOUREZK. The amendments I am referring to establish a procedure by which each case could be looked at separately because it provides for a certification by the President and the State Department as to whether or not political prisoners are being held in any country that receives aid from us.

So, therefore, it would fall into the purview of what the distinguished Senator from Wyoming has agreed to do. In that connection, would the Senator be willing to support it?

Mr. McGEE. I will look at it in time. As the Senator knows, we do not commit in the abstract. It depends on which bill it is on and its effect; the Senator knows that.

Mr. ABOUREZK. The Senator is willing to debate in the abstract, although he is not willing to commit in the abstract.

Mr. McGEE. I think it is illustrated by the Senator's rhetoric here this afternoon, as he is propounding to the Senator from Connecticut and the Senator from Washington on the particular attributes of this special category.

The point it seems to me that is most relevant is that we are all propagandized on these things, all lobbied on it by all groups. I get very constructive input into all this matter from the American Friends from the Middle East.

It is not as though this is one sided, fortunately. I hope we are big boys now and that, while we listen to lobbyists who have some input, we also have a capacity to sort it out and make our own decisions, and not be castigated for having taken a position that some regard as too popular or as too unpopular. It is this sort of thing.

Mr. ABOUREZK. Not castigated.

Mr. McGEE. As one of those who has been castigated, I would say I would be in a position to say yes. We have been accused of having been—if I may quote General Brown—we are really a bunch of simpletons here, victims of a lobbying outfit and we are not smart enough to see it.

The issue is what is best for the policy of the United States.

I did not mean to get into this.

Mr. ABOUREZK. I totally agree, the issue is what is in the best interest of the United States. I do not argue with that at all.

I do not know if General Brown did say that we were a bunch of simpletons. I disagree with that totally. I do not think we are. I think we do much better than that.

The Senator is not talking about anybody castigating today?

Mr. McGEE. Oh, no, nobody in the Senate would be guilty of that.

Mr. ABOUREZK. I wanted to clarify that.

Mr. McGEE. We are all subject to this on the national horizon, wherever we go.

Mr. HELMS. If the Senator will yield, I ask unanimous consent that Jim McClellan of my staff be accorded privileges of the floor during debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. I wonder if I might direct a further question to the sponsors of the Jackson amendment.

The complaints that have come in, as the Senator said, they responded to a complaint, I am certain the Senator heard a complaint that the Palestinian people have been denied the right to immigrate back into what was formerly Palestine, now called Israel.

I am curious to know why sponsors of the amendment have not included the rights of those people to be allowed to immigrate to the land they formerly lived in.

Mr. RIBICOFF. There happen to be 4,000 Jews that they would like to get out of Syria, but the Syrians will not let them out.

We are not disallowing aid to Syria because they will not allow 4,000 Jews to get out, for the reason that Syria is not a nonmarket country, just as Israel is not a nonmarket country.

This amendment was introduced because the administration was seeking in its trade bill most-favored-nation treatment for nonmarket countries.

So Senator JACKSON took the lead, and Senator JAVITS and myself assisted him, along with some 79 other Senators, to make sure the emigration of all peoples from nonmarket countries were made a condition for most-favored-nation treatment.

Now, as far as the problems of Palestinians wanting to come to Israel, that is a problem that is outside the purview of the Jackson amendment.

To my knowledge, Jordan, where the Palestinians then lived, did not have a problem. They are not denied MFN, Syria is not denied MFN, and Israel is not denied MFN. These countries already have MFN.

So, we addressed ourselves to those countries that do not have it, that is the scope of the amendment.

Mr. ABOUREZK. I think I understand that. I guess my question was directed to the sponsors as to why we could not accomplish that through this trade bill, through this amendment.

I, for one, would be willing to deny MFN on monetary aid to Syria or any other country that refused immigration. I am all for that. I would hope at the same time, however, that the sponsors of this amendment would agree to allow free emigration. For example, the Palestinians, a great many of whom were born in a land they cannot now return to, a great many of them.

Mr. RIBICOFF. I think the Senator is confusing emigration with immigration.

This country, too, has restrictions. We have a quota system.

The Senator is talking about why Israel does not allow immigration. The whole thrust of the Jackson amendment has to do with getting out, not getting in.

I do not know a single nation in the world that has unrestricted immigration. I think this is the confusion in the Senator's argument.

Mr. ABOUREZK. I guess the point I was trying to make here is that, as a matter of fairness, I would like to see total free immigration on the part of anybody's immigration, and in those cases where people were at least born in the land, immigration back to that land.

I personally would not want to restrict it to any one nation or any one class of people because I am, as is the Senator from Connecticut, I think, very much concerned with the human rights of anybody.

I want to thank the Senator very much for his response to my questions.

SOVIET EMIGRATION POLICIES

Mr. McGOVERN. Mr. President, the decision before the Senate today should be seen as one of historic proportions.

The sections of this bill dealing with emigration—and the agreements behind them—represent a landmark in the affirmation of certain universal human rights.

We have an obvious economic interest in extending the realm of free world trade, as this trade legislation provides. But if we are to sustain a posture of moral leadership in the world, then economic concerns cannot impair our attention to the most fundamental rights of humanity. That, I take it, is the underlying premise of this decision.

The history of this emigration language demonstrates a broad Senate determination that it shall be respected. In my view, the new waiver provision involves a change of procedure, but not of substance. Throughout the first 18 months, and every successive 18-month period, each interested party should be on notice that those of us who have been involved with this issue will be watching its operation with unrelenting care.

In the case of the Soviet Union, the record since the exchange of letters between Secretary Kissinger and Senator JACKSON has not been promising. There is substantial evidence of harassment of citizens who wish to emigrate—numerous cases of obstacles imaginatively designed to hide the truth to the outside world. A case of draft evasion, of criminal activity, or of an economic crime under Soviet law could well be no more than a procedure to thwart the will of someone who wants no more than to leave.

Once this law goes into effect, and if most-favored-nation status is granted to the Soviet Union through the waiver provision, I expect to see a marked change in that situation. For I believe Soviet officials must see that both the humanitarian and the commercial sections of this legislation reflect the best interests of the Soviet Union and of the United States.

Mr. CANNON. Mr. President, I strongly support the Jackson amendment to section 402 of the Trade Reform Act.

As reported by the committee, section 402 prohibits the President from concluding a commercial agreement with any nonmarket economy country which denies its citizens free emigration. The amendment I support, introduced by my colleague Senator JACKSON, would provide temporary authority to the President to waive section 402 provided certain conditions are satisfied.

Mr. President, as you know, since section 402 was incorporated movement has taken place with regard to the Soviet Union's expressed interest easing that country's emigration practices. As a result, through an exchange of letters, Secretary of State Kissinger and Senator JACKSON expressed the terms required for the waiver of section 402 as it pertains to the Soviet Union.

I think the waiver procedure is a good one; if it were adopted, the Soviet Union would be extended MFN immediately upon a submission by the President of a report that a waiver would promote the objectives of section 402. I will not go into here the features of the waiver authority because my colleague Senator JACKSON has ably done so; however, I will go into my concerns about the intent of the Soviet Union to comply with these considerations.

The Congress certainly expects to monitor the results of this waiver authority. The Congress expects that the Soviet Union will comply as per the letter exchange. In my view, at least, the means of harassment is not considered to be limited to just the forms described in the letter. There is strong evidence that various forms of harassment and persecution of citizens trying to emigrate are continuing. These reports of intimidation include continued communication cutoffs of those seeking to leave the Soviet Union and interference with letters to Soviet citizens from abroad.

The provisions under the amendment we are debating will give the Congress ample authority to review the results of the waiver, and the Congress will definitely use this authority.

Mr. President, I urge adoption of the amendment.

Mr. ROTH. Mr. President, I support the adoption of amendment 2000 to the Trade Act to waive the Jackson amendment for an initial period of 18 months in return for specific performance by the Soviet Union on freedom of emigration. This amendment is supported by those groups supporting the Jackson amendment.

The waiver is based on assurances given to Secretary of State Kissinger from the highest ranking Soviet leaders that restrictions on emigration and harassment of those wishing to emigrate will cease. As one of the initial 12 cosponsors of the Jackson amendment in the fall of 1972, I am very pleased that these assurances have been made and that, provided the Trade Act is adopted and Soviet performance is forthcoming, relief for Soviet Jewry and other minorities will be achieved. These assurances vindicate the belief of those of us who have contended that our economic leverage can and should be used for this humanitarian purpose.

During the period that the waiver is in effect, Soviet emigration policy will be closely monitored and if, at the end of the initial 18-month period, the President believes that the Soviets have lived up to their promises, he may request an extension. But in order for the extension to be granted, there must be an affirmative vote by the Congress. Under the Trade Act, the President may also suspend or terminate most-favored-nation tariff treatment at any time. As I indicated in remarks on October 2, I had an amendment drawn up that would have extended this same right of suspension or termination to the Congress. There is some feeling, however, that this amendment would be too rigorous and an attempt to press it might jeopardize the assurances that have already been given. In view of this, I have decided not to offer the amendment, although I believe it should be kept in mind in case Congress wishes to adopt it later, particularly after the initial waiver period is ended.

The performance expected of the Soviet Union is outlined in two letters exchanged between Senator JACKSON and Secretary Kissinger which are included in the report of the Finance Committee on the Trade Act. The Secretary's letter specifies, among other things, that punitive actions against individuals seeking to emigrate will not be permitted by the Soviet Government, that unreasonable and unlawful impediments will not be placed in the way of persons applying for emigration, that applications for emigration will be handled in order of receipt and on a nondiscriminatory basis, that persons in prison will be given for early release, and that the emigration tax will remain suspended. The Senator's letter specifies the understanding of the sponsors of the Jackson amendment that conscription and the bringing of criminal charges against the person desiring to emigrate or his family is included in the prohibited punitive actions, that the present requirement that adults must have the permission of their parents before their applications can be processed is an unreasonable impediment, that previous access to sensitive or classified information should not stand in the way of a person desiring to emigrate, and that the number of emigrants should reach and exceed 60,000 a year.

There is, of course, no way to enumerate in advance all the various punitive or unreasonable measures which could be used in the future to discourage applications for emigration.

Nor is there a formal government-to-government agreement on the measures which have been enumerated. But it should be crystal clear to the Soviet Union that when Congress considers any renewal of the waiver, Soviet performance will be judged against the standards set forth in both letters as if there were a formal agreement, and it will insist that the spirit of the agreement be honored. Some new punitive measure, not specifically mentioned in the exchange of letters, will not be considered legitimate just because it is not specifically covered by the assurances received.

These assurances will have to be carefully and closely monitored. At the present time there continue to be awful examples of harassment contrary to the spirit of the agreement. I am very concerned about the case of Mikhail Shtern, a Jewish doctor from the small Ukrainian city of Vinnetsa, who was imprisoned on trumped up charges after he had made an application to emigrate. The trial of Dr. Shtern began on December 11. Freedom to emigrate is a fundamental individual right, and I hope the Soviet Government reacts to Senate adoption of this waiver by permitting Dr. Shtern and the many others in his position to emigrate.

Mr. DOLE. Mr. President, the achievement of an agreement on the emigration amendment is of great satisfaction to me as a supporter of that provision. The President, Secretary of State Kissinger, and the Senators responsible for this provision are deserving of a tremendous amount of praise.

The time it has taken to resolve differences within the Senate on this most important piece of legislation is unfortunate, but at the same time it is a testament to the fact that this country will not subordinate its concern with basic human rights to expediency.

In the final hearings on the trade bill last Tuesday, Secretary of State Kissinger explained in great detail the negotiations with the Russians on this matter. It is my feeling that the President and the Secretary of State have worked out a relationship with the Soviet Government which will be meaningful to those intended as beneficiaries of this provision. At the same time, the relationship will permit the further development of peaceful contacts and intercourse between the two nations that will be significant for worldwide harmony.

The success in resolving this problem has made the bill we consider here today a better bill. That will better serve our own interests, serve to ease the plight of citizens elsewhere whose fundamental freedoms have been denied, and assert, once again, in a very particular and specific way, America's traditional concern for the rights of individuals.

So Mr. President, I am convinced that the trade bill is vital to the continued development of our world trading positions. I hope we can move forward toward the final passage of this bill.

Mr. BEALL. Mr. President, I am happy to join the distinguished Senator from Washington (Mr. JACKSON) in support of the vital issue of freedom of emigration which is an integral part of the Trade Reform Act of 1974.

I have been a cosponsor and active supporter of the Jackson amendment since its inception and I am delighted that the Finance Committee has incorporated this provision in its version of H.R. 10710. In the spring of 1973 the members of the Senate Commerce Committee visited the Soviet Union so as to ascertain, with greater accuracy, the potential of improving trade relations between our two countries. During a lengthy discussion with General Secretary Brezhnev I raised the issue of the right of emigration from the Soviet Union. At that time the education tax was still a very live issue as were other barriers erected by the Soviet Government to prevent the free emigration of their citizens, especially Soviet Jews. The General Secretary's initial reaction was one of hostility to my question which he deemed to be an intrusion into domestic Soviet policy. After his initial protest, he however proceeded to advise our group of the decision of his government to suspend indefinitely the education tax. He went on to quote statistics regarding the significant increase in the number of Jews who have been allowed to leave the Soviet Union in recent years.

Mr. President, I have no doubt in my mind that this rise in emigration of Soviet Jews was largely a response by the Kremlin to the continuing pressure and visibility this issue has received in the U.S. Congress.

I was pleased to note that Secretary Kissinger, in a letter to Senator JACKSON dated October 18, 1974, outlined seven criteria which will govern emigration from the Soviet Union. Mr. President, I ask unanimous consent that the portion of the letter containing these seven points be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet laws and regulations and will therefore not be permitted by the government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination.

Second, no unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Finally, it will be our assumption that with the application of the criteria, practices, and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

Mr. BEALL. Mr. President, throughout 1974 I have receved a steady flow of mail which brings to my attention individual cases of Soviet citizens who desire to leave their homeland. I have prepared excerpts from selected letters I have received which outline some of the difficulties individual Soviet citizens are having in their desire to emigrate from the Soviet Union and I would ask unanimous consent that this material be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM LETTERS INVOLVING SOVIET EMIGRATION CASES

From Alan Drattell, Chairman, Soviet Jewry Committee, Temple Emanuel, Kensington, Md.

Re Leonid Lotvin and family.

The husband is Leonid Lotvin; his wife is Irina Mondrus. They have a 16-year-old son, Mike. They live at Basseynaya 79—Apt. 83, Leningrad, USSR.

The Lotvins applied for a visa to emigrate to Israel nine months ago. They have heard nothing in that time from the Soviet government, and in a telephone conversation with them yesterday, they asked our help in appealing to their government to determine why they have not heard anything during this period and to ask for permission to leave.

It is hard for us to determine what actually does or does not help a Russian family in this position. Our committee at Temple Emanuel in Kensington, Md., feels that the aid you gave to the Igor Goldfarbs in Kiev played a role in the Soviets granting them permission to leave for Israel. Sometimes the Soviets just knowing that influential Americans are interested in a particular family can protect that family from harassment. Whatever you do in the Lotvins' behalf, we feel, will help.

From Carol Solomon, Gaithersburg Hebrew Congregation, Gaithersburg, Md.

Re Pieta Pinkhasov.

The 130 member families of the Gaithersburg Hebrew Congregation have adopted a Soviet Jewish prisoner named Pieta Pinkhasov, whose release and well being are of great concern to us. You, as a United States senator, can be very helpful to Mr. Pinkhasov, and we sincerely enlist your assistance.

Pieta Pinkhasov, a Russian Jew from Derbent, Dagestan, is serving a five year prison term in a labor camp, having been sentenced under unusual and secretive circumstances for a crime he did not commit. Pieta, his wife, and their six children aged two to fifteen had a visa and were ready to depart for Israel when Pieta was arrested on charges of a petty theft allegedly committed some years prior. Pieta had not stolen anything. That fact plus the timing of the arrest suggest that the arrest is part of a campaign harassing Jews planning to emigrate. Furthermore, the authorities told Pieta's family that if they stayed in Derbent, charges against Pieta would be dropped, which is judicial blackmail. Fortunately, Pieta's wife Yalta and their children were able to emigrate as planned. On September 20, 1973 they arrived in Israel expecting Pieta to follow after the trial. He has not. Instead he was given the maximum sentence possible without benefit of proper trial.

This is how you can help us. We would be most grateful if you would send Jewish holiday greetings to Pieta Pinkhasov on official stationery on the Jewish holidays. This would help Pieta in several ways. First, it would help raise his morale. Second, the authorities would treat him better knowing that a United States senator was concerned about his welfare. We would, of course, be very appreciative if you could aid us in pressuring for his release, but we understand the limited power of any United States official in this respect.

We thank you most sincerely for your attention. I am sure Pieta will be most heartened by your greetings.

From Mrs. Joseph Birnbaum, Chairman, "Prisoner of Conscience" Project, Baltimore Chapter Hadassah, Baltimore, Md.

Re Eduard Kuznetsov.

May I respectfully ask your attention in the following matter. The Baltimore Chapter of Hadassah, representing 7,000 Jewish women in Baltimore and 350,000 in the nation, has for some time been deeply troubled by the fate of Jews in Russia. We are particularly concerned about Mr. Eduard Kuznetsov, by profession an interpreter, who was first condemned to death in 1970. The sentence was later commuted to fifteen years in a Labor Camp. The camp is the notorious "Potma" prison, where for the first half of his sentence he is not allowed any visitors and only one food parcel and letter a year. Also, the caloric food allowance at the Potma prison is so small, that it falls far below the requirements of a person engaged in heavy labor. And all this just for the crime of wanting to emigrate to Israel! This is a specially sad case, since Mr. Kuznetsov's wife and her two brothers are also "prisoners of Conscience" held in Soviet jails. Mr. Eduard Kuznetsov's address is: U.S.S.R., R.S.F.S.R., Moskva, U.C.H.R 5110/Z H 4, Eduard Kuznetsov.

Events in Russia, such as lifting a little the right to emigrate, the commutation of sentences, the expulsion of dissidents, rather than their liquidation, prove that the U.S.S.R. is sensitive to pressure from abroad and to Western Public Opinion.

We, therefore, would appreciate it very much if you could use your good offices to effect the release of Mr. Kuznetsov and his emigration to Israel, or to at least relieve some of the inhumane conditions under which he is incarcerated."

From Jonathan D. Libber, Chairman, Social Actions Committee, University of Maryland, College Park, Md.

Re Lassal Kaminsky.

March 26, 1974 will be the forty-fourth birthday of Lassal Kaminsky. He has been imprisoned for the last three and a half years in a Soviet slave labor camp. The prison authorities have mistreated him and his situation is serious. It is the hope of my organization that some sort of resolution can be presented to Congress recognizing his birthday and supporting the other Prisoners of Conscience in the U.S.S.R.

Re Boris Rubinshtein and family.

From Esther Rubinstein, Potomac, Md.

I am writing concerning the plight of the family of Boris Rubinshtein of Leningrad. He is a Ph D of Physic-Mathematics, and was fired when he applied for an exit visa. His wife was demoted. They have been denied visas five times. Please write to Leonid Brezhnev and ask him to intervene in their behalf.

Thank you for your past assistance to the State of Israel and to Soviet Jewry. I hope you will continue to support Israel with all necessary political and military assistance. Thank you again.

Re Josif Mendelevich.

From Shaare Tefila Congregation, Silver Spring, Md.

We draw your attention to the inhuman treatment given to Josif Mendelevich in Soviet prison camps. He is a victim of the infamous Leningrad Trial of December 1970.

As a deeply observant Jew, he refuses to eat any foods in his subsistence 1200 calorie daily diet that are not kosher, although he is forced to work long hours at hard labor. Also, incoming food packages and visitation is almost non-existent, and his rights to send mail is severely limited.

Josif's family have been harassed and threatened with forced eviction from the U.S.S.R. because they protested the inhuman labor camp conditions he has been enduring.

We urge that you protest this inhuman treatment and register our complaints with the U.S.S.R.

From Mr. & Mrs. George Strum, Baltimore, Md.

Re Yury and Anna Berkovsky.

On July 29th we were happy to receive a letter from the Berkovskys—their first contact with us since their arrest last April 12th. Their letter naturally gave no information as to their current status, but we learned a most startling situation from the National Committee on Soviet Jewry:

Instead of a trial, for which they were both told they would definitely be convicted and sent to labor camps for 2 years, they were allowed to "confess" and serve their prison term in another inhumane way—Both would live in labor camps for 6 days of each week for the next 2 years, and one day each week they would be reunited in their own apartment with their little daughter, Rina. As parents of a 5 year old little girl, they agreed to this alternative.

We are truly appalled at the unjust suffering of this brave family, who have been struggling for freedom for over 2 years, since June 22, 1972.

From Max B. Heppner, Chairman, Committees for Soviet Jewry, Columbia & Howard County, Columbia, Md.

Re Dr. Ilia Glezer.

We would like to share with you our deep concern for the fate of Dr. Ilia Glezer, a Soviet scientist imprisoned for expressing his desire to emigrate to Israel. We ask most urgently that you include a special plea for him in your representations to the Soviet Union about mitigating the harassment of its citizens who wish to leave.

Dr. Glezer's condition is both worthy and pitiable. His worthiness is evident from his distinguished work on the morphology of the brain, which is studied by medical students the world over. His piteous condition is declared in letters that continue to arrive both in this country and in Israel.

Just prior to his arrest, he was (accidentally?) struck by a car. Previous harassment had caused him an ulcer. In prison, he developed a liver ailment, failing eyesight and, most recently, a severe edema in his hands and feet. He continues to be treated worse than other prisoners and to receive improper medical treatment.

Although he was charged with having "slandered the Soviet system," he never overtly challenged the authorities. There is no logic in singling him out for punishment. Yet at his "hearing" in 1972, he was sentenced to prison until Feb. 7, 1975, plus a further three-year term of banishment to Siberia. Even if Dr. Glezer survives prison, he is unlikely to survive the further punishment in Siberia.

We of the Columbia Jewish Congregation and the Jewish Council of Howard County urge immediate medical attention for Dr. Glezer, his prompt release, and prompt permission to leave for Israel. We appreciate that in this matter you speak for us all—citizens of Maryland as well as Connecticut, non-Jews as well as Jews. And you also speak for his anguished mother, who has written us directly to have you plead for her son. She sincerely believes that without your support, there is no hope.

From Sol Goldstein, Chairman, Baltimore Committee for Soviet Jewry, Baltimore, Md.

Re Mr. Goren and family.

This past summer a Soviet Jew, who is now a violinist with the Baltimore Symphony Orchestra, arrived in Baltimore without his wife and family because the Soviet Union refused to grant exit visas to his wife or to his two daughters. His name is Edward Goren and his wife is Sophia Belocerkovskaya. Mr. Goren is very anxious to have his wife and family join him in Baltimore where he has already begun to make a very real contribution.

I wonder if it may be possible for you to contact the State Department on behalf of Mr. Goren so that his wife and his two daughters, Irina, age 5 and Julia, age 3, can join him in America.

I am well aware of your past and present support of the Jackson Freedom of Emigration Act, and I am certain that you will want to make inquiry at the State Department in this matter concerning a resident of Baltimore and future citizen of the United States.

Mr. BEALL. Mr. President, in each of the cases that have been brought to my attention by my constituents, I have written to His Excellency Anatoly F. Dobrynin expressing my concern and that of my constituents for the safety of the above-mentioned individuals. I went on to ask the Soviet Ambassador to contact the appropriate officials in his government so as to ascertain and make available to me additional information on the status of each of the above-named Soviet citizens. To date, I have received only routine acknowledgments of my letters but I pursued the matter further in a letter to the Ambassador dated November 11, 1974, in which I stated that—

> I basically support improved trade relations between our two nations, but such a position becomes increasingly difficult to maintain when my constituents continue to bring cases such as this to my attention.

I might add that not all of the acts of repression in the U.S.S.R. are directed against Soviet Jews. Like most of my colleagues I have received a number of inquiry's on the plight of Valentyn Moroz. This 38-year-old Ukrainian intellectual is not seeking to leave the Soviet Union but would prefer instead to live in greater freedom in his homeland. Although section 402 of the Trade Reform Act would not directly help ease domestic repression in the Soviet Union, I do believe that the long-range impact of a freer emigration policy would make it increasingly difficult for the Soviet Union to continue to conduct its internal policy as they have in the past. Mr. President, I ask unanimous consent that several of the correspondence I have received relative to the status of the imprisoned Ukrainian intellectuals, Valentyn Moroz and Leonid Plyushch, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ORGANIZATION FOR THE DEFENSE OF
FOUR FREEDOMS FOR UKRAINE, INC.,
Baltimore, Md., June 22, 1974.

Hon. J. GLENN BEALL,
Old Senate Office Building,
Washington, D.C.

MY DEAR SENATOR BEALL: On behalf of Baltimore Branch of the Organization for the Defense of Four Freedoms for Ukraine, I take this opportunity to bring to your attention the urgent matter concerning Valentyn Moroz, Leonid Plyushch and many other Ukrainian intellectuals that are victims of Soviet jails, concentration camps and psychiatric wards. They have been arrested, tried and sentenced because they protested against discrimination of Ukrainian language, Russification of Ukrainian culture and the gross violations of human rights in Ukraine.

Ukrainian political prisoners are not criminals—they are patriots who love their country and are resisting the alien yoke of Communist Russia.

We appeal to you, in the name of justice and humanity, to join us in protest against the brutal violation of basic human rights by the Soviet government in Ukraine. We urge you to use your power and influence to save the lives of these brave Ukrainian intellectuals, and demand that these victims of Soviet Russian tyranny be released immediately.

When Alexandre Solzhenitsyn, author of the book The Gulag Archipelago, 1918–1956 in which he exposed the atrocities perpetrated by the Soviet regime, was released under pressure of the wave of indignation throughout the free world; when the impact of international opinion, the Kremlin has allowed many Jews to emigrate from the USSR, NOT ONE word has been spoken by that same free world about the violation of human and national rights by the Soviet regime in Ukraine.

Therefore, we ask you to voice your protest against the barbarous persecution of Ukrainian intellectuals and other patriots in Ukraine.

We feel that a continuation of our policy of detente without mentioning these violations of human rights, is equivalent to granting approval to these violations. For that reason we urge you to oppose economic and technical assistance to the USSR until Valentyn Moroz and other Ukrainian political prisoners, and prisoners of other nationalities in the USSR are released.

We are enclosing six lists of signatures in defense of lives of Valentyn Moroz, Leonid Plyushch and other Ukrainian intellectuals incarcerated in Soviet-Russian prisons and concentration camps and inhumanly mistreated and near death.

Thanking you for your kind consideration, we remain

Cordially yours,

KLEMENS BABIAK,
President.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA,
Baltimore, Md., October 23, 1974.

Hon. J. GLENN BEALL, Jr.,
Senator from Maryland,
Washington, D.C.

DEAR SIR: The members of the Executive Board, Baltimore Branch, Ukrainian Congress Committee of America, Inc., in behalf of the thousands of Americans of Ukrainian origin resident in Maryland, ask you to exercise the strongest influence you can to persuade President Ford and his executive assistants to seek humanization of the controls and practices affecting Ukrainian political prisoners and inmates of concentration camps and hospital mental wards.

Under programs furthering Russification, over 600 Ukrainian intellectuals, mostly young men and women, were arrested, tried secretly, and sentenced to harsh terms of imprisonment for "anti-Soviet agitation and propaganda." In reality, these men and women are being punished for criticizing the police terror and the violation of human rights as defined by the Universal Declaration of Human Rights by the U.N. and by the Soviet constitution.

Among the arrested are two intellectuals, Valentyn Moroz, 38-year-old Ukrainian historian, and Leonid Plyushch, 35-year-old Ukrainian mathematician, who are reported "near death" from starvation and administration of dangerous drugs. Since July 1, 1974, Valentyn Moroz has been on a hunger strike in Vladimir Prison. He has stated that he will "refuse food" until death, unless he is transferred to a concentration camp!

The Honorable Robert Taft, Jr., of Ohio introduced in the U.S. Senate a resolution (S. Res. 392), calling on the U.S. Government to express its concern for the "safety and freedom of Valentyn Moroz." We ask you to join Senator Taft as a co-sponsor of his resolution and to use the many powers of your office in ways that will release Valentyn Moroz from the 14-year sentence at hard labor and the beatings and tortures to which he has been subjected.

The Russian rulers are so fearful of the human craving for national, religious and cultural rights and freedoms that they behave irrationally and excessively, creating problems rather than solving them. During this period of detente, our government has embarked on a program of economic and technological aid to the Soviet Union. But much more important to the peoples of the Soviet Union and their rulers are the humanitarian fundamentals which are the mainstays of American diplomatic credentials, imprinted by two centuries of instructions in basic human rights from the American people. By Blending our traditional high regard for the inalienable rights of man into the detente of trade and mutual economic advantage, Americans will not only help Ukrainian intellectuals such as Moroz and Plyushch, but they will also add lustre to freedom everywhere—including America.

Respectfully yours,

ROHDAN SALAMACHA,
President.
STEPHEN BASARAB,
Secretary.

Mr. BEALL. Mr. President, in closing let me read into the RECORD a letter which I received from the Baltimore Committee for Soviet Jewry. This group expressed its desire to see the Congress play an active role in enforcing the provision of the Jackson amendment. I too am committed to the assertion of a strong congressional role in this process and I believe that the modified Jackson-Mills-Vanik amendment will achieve this objective:

BALTIMORE COMMITTEE FOR SOVIET JEWRY,
Baltimore, Md., September 24, 1972.

Senator J. GLENN BEALL, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: We deeply appreciate your past, unflagging support of Soviet Jewry, in particular the Jackson Amendment and the principle of free emigration.

It now appears very likely that the Ford administration, the Soviet government and the Senators who have backed the Jackson amendment will in the very near future agree on an acceptable basis for the trade bill.

It is our strong belief that there must be congressional, rather than presidential, safeguards on the ending of restrictive emigration and the harassment of those Jews who apply to leave. If, then, the Jackson amendment—after having been incorporated into the trade bill—is waived for a period of time by the President, we believe that the renewal of the waiver must be based on a full review of the situation by and a vote by Congress alone. For us, it is the legislative branch of government which must hold this power, not the executive.

We are hopeful that you will agree with this principle and that you will express this sentiment as soon as possible to President Ford so that there will be a legislative, rather than an executive, check on the trade bill.

Again, thank you so very much for your continuing support.

Sincerely yours,

SOL GOLDSTEIN,
Chairman.

Mr. TOWER. Mr. President, I welcome the emigration agreement worked out on October 18 and support the legislative provision introduced by Senators JACKSON, RIBICOFF, and JAVITS which allows a conditional waiver of the restrictions of the Jackson amendment.

It should go without saying that the Senate expects the Soviet Government to comply with the terms of the emigration agreement, as detailed in the letter exchange between Secretary Kissinger and Senator JACKSON, as a condition for congressional approval to renew U.S. trade benefits at the end of the 18-month initial waiver period. It is important to emphasize that, while the Kissinger letter may cover the totality of Soviet assurances received by the administration concerning Soviet emigration practices, the Senate expects that the administration will act on its commitment to include the points in the Jackson letter as criteria for determining Soviet eligibility for renewed trade benefits at the end of 18 months.

I wish to emphasize the point made in the letter agreement that, with application of the criteria for emigration practices and procedures outlined in the letters, the rate of emigration from the U.S.S.R. is expected to rise promptly from the 1973 level and continue to rise to correspond to the number of applications for exit visas. The Jackson letter sets as a minimum standard of initial compliance a benchmark of 60,000 visas to be issued during the first year. If harassment of would-be emigrants actually ceases, there is no question that at least 60,000 Soviet citizens can be expected to leave during the first year. There are currently more than 140,000 Soviet Jews alone who have fulfilled the prerequisite step for applying for a visa by having requested and received a written "invitation" to emigrate from a relative in Israel, but who have not yet been granted permission to leave the U.S.S.R. It is certain that many more would apply for exit visas if they were assured freedom from persecution by the Soviet authorities as retaliation against their application.

Soviet authorities repeatedly stated that fewer Jews are applying to leave and that this indicates a decreasing desire to emigrate. I am concerned about the methods Soviet authorities are reported to use to reduce the number of applicants so that they can make such claims.

Some of the newer methods reportedly being used by the authorities to reduce the number of applicants are evident in the city of Minsk. In Minsk, harassment of Soviet Jews is said to begin as soon as they receive the written invitation to emigrate from a relative abroad—that is, before they even have the opportuntiy to request formally the application documents. The authorities keep careful record of these invitations since they monitor all international mail. Many Jews who have received their invitation from a relative in Israel have subsequently been plagued by threatening calls from Soviet authorities aimed at intimidating them from making formal application to emigrate.

Other Jews have been fired from their jobs upon receiving the invitation. Still others are being pressured by Soviet authorities at their place of work to sign documents aimed at curbing emigration, in which the signatories promise not to apply for either exit visas or visas to visit abroad; not to visit foreign embassies in the U.S.S.R.; and to refrain from correspondence with anyone abroad and contact with foreign visitors.

Another way the authorities are said to cut down on the number of applicants for visas is by making the task of obtaining a visa extremely difficult. For example, in the city of Kishinev, the visa office is open only 3 days a week and its employees are encouraged to handle only a handful of cases each day. A backlog now exists in Kishinev of more than 1,500 families waiting to begin their application process. So, in effect, Soviet officials can say that few families from that city have applied for visas.

Many other forms of harassment and purposeful bureaucratic red-tape are used to decrease the number of applicants. It is important to note that an "applicant", according to official Soviet definition, is a term used only for someone who has managed to obtain all the various documents required and to complete every step in the incredibly intricate application procedure.

All these forms of harassment, all these purposeful difficulties placed in the path of a would-be applicant must cease in order for the Soviet Union to be in compliance with the recently signed emigration agreement. The Congress intends to remain vigilant during the year-and-a-half waiver period to assure that such compliance is achieved.

Mr. WILLIAMS. Mr. President, the emigration agreement worked out between Senators JACKSON, RIBICOFF, and JAVITS and Secretary Kissinger, based on Soviet assurances, is a highly commendable one. It contains the elements necessary to assure unhindered emigration from the Soviet Union which many in the Senate have continually stated is a mandatory prerequisite for the extension of most-favored-nation treatment and a continuance of U.S. credit to the Soviet Union. Compliance by the U.S.S.R. with the provisions of that agreement will be a significant step in furthering the implementation of basic, internationally recognized human rights, and strengthening the process toward a meaningful United States-Soviet détente which we all desire.

I wish to stress that, in extending the authority to the President to extend MFN and credits to the U.S.S.R., the Congress firmly expects compliance by the Soviet Union with the terms of the emigration agreement. Violations of that agreement will result in the certain termination by the Congress of trade benefits to the U.S.S.R. at the end of the 18-month "waiver period." We expect that compliance to be in effect throughout the full 18-month period, rather than, for instance, merely at the end of that period under the false expectation that the Congress will consider such sporadic compliance as sufficient to warrant an extension of U.S. trade benefits to the U.S.S.R. Over the past year, in response to expressed concerns by my constituents, I have written to Soviet officials concerning dozens of Soviet citizens denied permission to emigrate from the U.S.S.R. Some of those have been allowed to leave; the majority of them are still held in the Soviet Union. Some have been waiting up to 3 or 4 years for permission to leave. As a result of the implementation of the emigration agreement, which provides that "applications for emigration will be processed in order of receipt, including those previously filed," I expect those individuals still in the U.S.S.R. about whom I have inquired to be allowed to emigrate promptly.

I wish to emphasize that this agreement applies to all citizens of Eastern bloc nations which do not now have MFN status, and it is not limited to the issue of Soviet Jews. However, I have been particularly concerned about those Soviet citizens who are in prison as punishment for their efforts to emigrate to Israel. My grave concern for their welfare prompted me to "adopt"—that is, to agree to take a special interest in, the cases of "prisoners of conscience" Yosif Mendelevich and Mark Dymshitz.

The letter of agreement on emigration from Secretary Kissinger to Senator JACKSON states that—

> Persons imprisoned who, prior to imprisonment expressed an interest in emigration, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

I wish to emphasize the importance of sympathetic consideration being given by the Soviet Government to the early release of such prisoners.

THE PRISONERS OF CONSCIENCE

There are 37 Soviet "prisoners of conscience"—individuals imprisoned in labor camps as punishment for their efforts to emigrate to Israel. The condition and treatment of Soviet prisoners of conscience which has been deteriorating over the previous few months, has not improved since the emigration agreement was signed on October 18.

The hard working conditions, meager food and lack of medical attention in the labor camps have compelled prisoners Lev Yagman, Anatoly Altman, and Leib Knokh, to write their last will and testament, as they fear they will not be able to survive much longer. Altman was recently denied a parcel containing medication he needed very badly.

On October 30, prisoners in a number of Soviet labor camps staged a massive hunger strike to protest against inadequate food, denial of necessary medical treatment, and unsafe conditions under which they are forced to work.

Prisoners Izrail Zalmanson and Boris Penson are denied the visits from relatives to which they are entitled in accordance with the rules of the labor camps.

Although camp regulations specify that prisoners can receive an unlimited amount of mail, no prisoner is allowed to receive all his mail and some are permitted to receive none of it. Prisoner Boris Azernikov has been put into solitary confinement for 6 months for protesting nondelivery of his mail.

Another prisoner, Hillel Butman, has been placed in solitary confinement for a second time, at the whim of the labor camp administrators.

The only real "crime" of these 37 prisoners has been their efforts to emigrate to Israel. They should be released and allowed to leave for the country of their choice. The Soviet Government's actions in regard to these prisoners will be a true indicator of their earnestness in ending the harassment and persecution of those who wish to emigrate.

Mr. BAYH. Mr. President, as one who has supported strongly the unrelenting efforts of the able Senator from Washington (Mr. JACKSON) to prevent the granting of most-favored-nation trading status to the Soviet Union pending a change in the restrictive emigration policies of that country, I am pleased to be able to vote for the Senator's amendment.

We are all aware of the recently announced agreements reached by the Senator from Washington with the administration, and the administration with the Soviet Union, to break the prolonged stalemate over this issue. I congratulate the Senator for his success in assuring that in exchange for the United States providing the Soviet Union with most-favored-nation status that the Soviet Union has agreed to relax its inhumane limitations on emigration, which have proven a special burden on Jews desiring to move from the Soviet Union to Israel and other countries.

I would remind my colleagues that we have a responsibility to keep a vigilant eye on the Soviet Union, to make certain that it adheres to its part of the unwritten agreement between our two countries. While I have no reason to doubt the good faith of the Soviet Union in upholding its end of the agreement, I am also not content to rely solely on the good faith of the Soviets and therefore intend to keep myself fully apprised of emigration practices in the U.S.S.R.

Time and again in recent years I have spoken here on the floor of the Senate in opposition to the restrictive emigration policies of the Soviet Union and noted how that policy violated the terms of United Nations principles. Time and again I have pleaded with the Soviets, urging them to recognize how their policies did such damage to international understanding and bilateral relations between our two countries.

I hope sincerely that as we proceed to pass the Jackson amendment, implementing the long sought agreement on this subject, that it will never again be necessary to raise this issue on the floor of the Senate. I hope the Soviet Union, and every other country, will adhere to the principles of the U.N. and respect the fundamental human right of free emigration. But I will not hesitate, and trust my colleagues will not hesitate, to bring this issue before the Senate again if the terms of this agreement are not fully satisfied.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington (Mr. JACKSON). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa

(Mr. Hughes), the Senator from Louisiana (Mr. Johnston), the Senator from New Mexico (Mr. Montoya), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I further announce that, if present and voting, the Senator from Georgia (Mr. Talmadge) and the Senator from Montana (Mr. Mansfield) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from New Hampshire (Mr. Cotton), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

On this vote, the Senator from Oregon (Mr. Hatfield) is paired with the Senator from Arizona (Mr. Goldwater).

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 88, nays 0, as follows:

[No. 536 Leg.]

YEAS—88

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Bellmon
Bentsen
Cotton
Goldwater
Hatfield
Huddleston
Hughes
Johnston
Mansfield
Mathias
Montoya
Talmadge

So Mr. Jackson's amendment was agreed to.

Mr. JACKSON. Mr. President, the action of the Senate today is the culmination of a struggle for human rights that began some 27 months ago. Over the last 2 years countless Americans of diverse religious and national backgrounds and of differing political persuasions and occupations have worked long and hard to bring about the result that we are enacting today. Many thousands of my fellow citizens have expressed their support for the effort to associate freer trade with progress toward the freer movement of peoples between East and West. The American press has helped arouse the conscience of so many in the West by focusing on the human rights aspects of a genuine détente.

Above all, Mr. President, we have been sustained and inspired throughout a long and difficult struggle by the bravery and resourcefulness and dedication of those individuals who are standing up in the Soviet Union and other such countries to demand their fundamental human right to emigrate promised them in the Universal Declaration of Human Rights which was adopted unanimously 26 years ago this week.

Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized for the purpose of bringing up his amendment.

The Senate will be in order. Senators will take their seats. The Chair requests the cooperation of Senators.

Mr. HELMS. Mr. President, on the condition that I do not lose my right to the floor, I yield for a unanimous consent request to the Senator from New Jersey.

Mr. CASE. Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of the trade bill, a member of my staff, Vivian Lewis, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, will the Senator yield for a unanimous consent request?

Mr. HELMS. Mr. President, on the same condition, I yield to the Senator from New Hampshire, the Senator from Indiana, and the Senator from Wisconsin.

The PRESIDING OFFICER. Under the rules of the Senate, the Senator cannot yield without unanimous consent. The Chair will assume that the Senate gives unanimous consent, and the Senators will be recognized on their own time.

Mr. McINTYRE. Mr. President, I ask unanimous consent that a member of my staff, Miss Elizabeth Webber, be permitted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that Paula Stern, a member of my staff, be permitted the privilege of the floor during the course of the debate on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I make the same request with respect to Mrs. Dixon and Mr. Connaughton, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Charles Warren and Frank Ballance, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2022

Mr. HELMS. Mr. President, I think there has been sufficient discussion of my amendment, and I have been most gratified by the acceptance of it by the distinguished Senator from Connecticut, the distinguished Senator from New York, and the distinguished Senator from Washington, provided there be a slight modification of my amendment, which I must say I really do not desire. However, in the interest of not holding up the Senate and in the interest of receiving consideration for the bulk of the amendment, I shall ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I modify my amendment as follows:

On page 2, line 8, delete the words "to visit, or".

On page 3, line 7, delete the words "to visit close relatives in the United".

On line 8, delete the words "States or".

At the end of line 8, strike the words "them" and substitute therefor the words "close relatives".

Mr. JAVITS. Mr. President, there are two points missing which I am sure is through inadvertence.

One item is one page 2, line 12. The words "a visit or" should be stricken.

The other is on page 2, line 16, where the words "make a visit or to" should be stricken.

Mr. HELMS. Mr. President, will the Senator please repeat that?

Mr. JAVITS. On page 2, line 12, the words "a visitor or" should be stricken.

Mr. HELMS. Very well.

Mr. JAVITS. On page 2, line 16, the words "make a visit or to" should be stricken.

Mr. HELMS. I regret to impose on the Senator from New York, but would he repeat the last one?

Mr. JAVITS. On line 16 on page 2, in the middle of the line, delete the words "make a visit or to" so as to make it read "such citizen to emigrate".

Mr. HELMS. Very well. I send the modification to the desk.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. Helms' amendment (No. 2022), as modified, is as follows:

On page 264, after line 18, insert the following:

"Sec. 409. Freedom to Visit, and to Emigrate To Join, a Very Close Relative in the United States.

"(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) denies its citizens the right or opportunity to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother, or sister;

"(2) imposes more than a nominal tax on

the visas or other documents required for emigration described in paragraph (1); or

"(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate as described in paragraph (1), and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

"(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate to the United States to join close relatives. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such argreement is in effect.".

On page 261, lines 2 and 6, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 263, line 17, after the period insert the following: "Clause (A) shall not apply with respect to a report submitted under section 409(b)."

On page 90, line 17, strike out "'402 (b)' or '403(b)'" and insert "402(b)', '403(b)', or '409(b)'".

Mr. JACKSON. Mr. President, will the Senator yield at that point?

Mr. HELMS. I yield, gladly.

Mr. JACKSON. I just want to make the legislative record clear. I want the record to be clear that in the judgment of the author of the amendment that was just adopted by unanimous vote, the right to emigrate for that purpose is included. I do not want to create a legislative history here in which the opposite interpretation could occur. I support the modified amendment, but I am very much concerned that we do not create a legislative history that could do the reverse of what the Senator from North Carolina would want to do, and what I would want to do.

Mr. HELMS. I thank the Senator for his statement.

Mr. President, briefly, since we have covered this area earlier in the day, the amendment which I have offered differs from the amendment of the Senator from Washington (Mr. JACKSON) in one or two respects.

First of all, my amendment covers Poland which the amendment of the Senator from Washington does not.

My amendment provides for executive accountability, whereas my interpretation of the Jackson amendment, which I wholeheartedly supported as far as it goes, indicates to me that it is based on an assumption that the administration can and has already gained assurances of free emigration for all people. It gives the administration freedom of interpretation, which may or may not be important.

We know what assurances we have: We have absolutely no assurances, Mr. President, not even for the Soviet Jews, and I want to reiterate a statement made on December 3, 1974, by the Honorable Henry Kissinger, Secretary of State:

> But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S.

My amendment specifies very close relatives, which is a very specific category. It provides for a built-in monitoring system, because relatives in the United States would be able to keep Congress informed without waiting for organized groups or Senate committees to investigate. The potential pool of emigrants is a known category.

I would call to the attention of the Senate, that section 408 of title 4, provides that Czechoslovakia cannot get trade benefits until it pays "all principal amounts it owes to citizens and nationals of the United States in settlement of World War II claims."

The question comes to mind, Mr. President, if Czechoslovakia can be excluded until it does something for U.S. citizens, certainly other nations can be denied benefits until they do something for U.S. families. We have bent over backwards to protect the economic interests of U.S. citizens from Czechoslovakia. Why, for humanitarian reasons, can we not do it for all?

I do not have a large Polish constituency in North Carolina, but what I am doing, or trying to do, Mr. President, is to achieve justice for all on a nondiscriminatory basis, and I am sure that motivation is shared by others.

Mr. President, in conclusion I want to pay tribute to a single individual, a private citizen, who has worked unceasingly to bring the matters covered in this amendment to the attention of the Senate and the American people. I am referring to Szabolcs Julius Mesterhazy, an American citizen who came to this country after escaping from Hungary on a cold New Year's evening after the Hungarian uprising of 1956. Mr. Mesterhazy's wife and part of his family had preceded him across the border on Christmas. When his turn came, he had to follow; but a 12-year-old son, as luck would have it, was too sick for the dangerous 20-mile tramp between the lines of Communist troops. In those momentous decisions that often must be made in a minute's time, the son had to be left behind.

All these years, he has been trying to bring his son to join the rest of the family. Mr. Mesterhazy was a vigorous supporter of the Jackson-Vanik amendment. As a private citizen, he came at his own expense—and his means are modest—to testify before the Senate Finance Committee. His English is not perfect, but both the distinguished chairman of the committee (Mr. LONG) and the distinguished Senator from Georgia, Mr. TALMADGE, paid well-deserved tribute to his unusual sincerity and eloquence, and made great efforts through the State Department to get permission for his son to emigrate.

The results were not encouraging. The State Department reported from the Hungarian Government that his son was reluctant to come. It was the same old story: the duplicity of Communist bureaucracy. His son's own words, privately, and through other sources, attested to his willingness. But it emphasized the futility of mere negotiations without a stick to back up diplomacy in other words, the need for something beyond Jackson-Vanik with the waiver.

As a private citizen, he took the Senate on by storm. What many vast lobbies were unable to do, he has done. Indeed, it was Mr. Mesterhazy himself who brought the need for this amendment to my attention. His own case and that of his son graphically illustrate the human concerns that lie behind this measure. His dedication and devotion to this cause has brought about this one-man effort to convince the Senate of the need, not only for his own son, but for all disunited families. This is really a citizen's amendment; I disclaim credit for it. It rises above the ideological concerns and differing philosophies to unite all men of good will who abhor discrimination and oppression.

Mr. JAVITS. Mr. President, I yield myself 1 minute to say again, within this context, that the comments of Secretary Kissinger, in the first place, I do not believe changed the terms of the law, nor did he intend to, nor do his comments read that way; but as there was intensive discussion about the question of Jews in the Soviet Union, he naturally referred to that.

The law is clear and the purpose is clear, as stated by Senator JACKSON, and I see no possibility of confusion in the terms of the Jackson amendment, as adopted.

Mr. RIBICOFF. Mr. President, I commend the Senator from North Carolina. I know his concern. The Helms amendment will take care of people in situations like that of Mr. Mesterhazy's son, which has concerned the Senator from North Carolina, the Senator from South Carolina, and the Senator from Nebraska.

On behalf of the management, I am authorized to state that we will accept the amendment, and be more than willing to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2022, as modified) of the Senator from North Carolina.

The amendment, as modified, was agreed to.

AMENDMENT NO. 2041

Mr. HARTKE. Mr. President, I intend to call up amendment No. 2041, on the question of what are called items 807 and 806.30 of the U.S. Tariff Schedules. Before I discuss that in particular, I had left the floor earlier to visit with some people from the State of Indiana, including the mayor of Tell City, Ind., in the southern part of the State. I think our visit really illustrates what I was talking about before, when I stated some of the problems.

The mayor pointed out that unemployment in their city has reached 14 percent, and according to projections, by the end of the year it will be in the low twenties. The major supplier of employment in that area is a multinational corporation, and rather than expand in the city of Tell City, they have taken most of their other activities and gone overseas.

This just illustrates again what the activity is in regard to putting some type of financial restriction upon the people who are receiving special tax benefits, who invest overseas.

Mr. President, this seems to be a rather technical amendment. It deals with items 806.30 and 807 of the U.S. tariff law. The purpose of those items was to help sustain American independence, but their actual effect has been to help export U.S. jobs, expand production abroad for the U.S. market and add to America's worsening trade balance and eroded industrial base. They are merely extra breaks in U.S. tariff law for imports—benefits added to the foreign advantages of cheap labor, tax breaks, and subsidies for foreign production.

These provisions have rightly been called the "icing on the cake." As over $4 billion of toys, garments, auto parts, aircraft parts, and hundreds of other products flood the U.S. market, under these provisions no extra "icing" should be available in U.S. law. These provisions have not developed, as Congress intended, to help American trade. They have merely created more distortions in the U.S. economy and have aided the expansion of multinational firms in foreign countries. They should be repealed.

In everyday terms, the provisions sound fair. Item 807 provides that imports of products which have been assembled abroad from U.S. components will be charged a tariff only on the value added abroad. Item 806.30 provides that metal processed abroad will also get a similar tariff reduction for its "U.S. content" when reimported.

But in practice, the results have been serious for many types of U.S. production and jobs. Under item 807, parts of a bathing suit, for example, can be cut in the United States, shipped to Mexico for sewing and reimported—with tariff charged only on cost of the Mexican labor, where pay may be 70 cents an hour, just south of the U.S. border.

The same principle applies to many different industries. This area has attracted U.S. firms of every size in auto parts, aircraft parts, garments, electronics, toys, steel products, et cetera. In the 7 years, from 1967 to 1974, such imports from Mexico alone have grown from about $20 million to a predicted $1 billion this year. Mexican jobs have grown from an estimated 4,000 to an expected 112,000. And Mexico is just the closest and clearest example of the problem of U.S. trade in items 806.30 and item 807. Most other countries of the world are also entitled to use these items. Recently Haiti has become a fast-growing source of labor at $1.60 a day to assemble "U.S." exports. Many, like Mexico, have closed economies and require production of certain products in their country whenever their industrialization plans make it possible. Thus, over time, more and more of the production transfers to other countries. Eventually, the United States does not import the TV sets or auto parts under item 806.30 or item 807. It merely imports the entire finished product.

Defenders of the items insist that U.S. jobs are thus "protected" because otherwise the United States would not have any production. If this is true, the United States should have trade barriers like other countries—not encourage the export of new and old industries. While the Government has never bothered to trace the actual job losses, the evidence from San Francisco, Los Angeles, Philadelphia, Long Island, and many other cities and towns shows that the jobs of Americans have been and are being exported. United States labor loses at every part of this process—and foreign labor seldom benefits. As soon as wages rise in a low-wage country, those who use 807 or 806.30 often move to a lower wage area. Thus decent labor standards and living conditions are avoided everywhere.

As giant firms have been able to move rapidly from nation to nation, U.S. customs officials have been unable to keep up with the flood of trade. Attempts to enforce these provisions have led to charges that the "U.S." exports were really produced in some other country, that the production costs have been falsified and that other provisions of the law have not been followed by importers.

But even if the United States wanted to have such a complicated, technical administrative problem for over $4 billion worth of imports the results of these provisions have not benefited the United States. In order to qualify for the tariff break, the product must be reimported. Thus there is not a real "export," except of jobs and production facilities. This is not "free trade" but guided importing. With a trade deficit of about $8 to $10 billion expected next year, it seems unlikely that the United States can afford any extra advantages for foreign production to penetrate this market. Nor can other nations afford it, because the temporary "benefits" to the exploited labor abroad are gradually being reduced as the markets in the United States no longer can absorb even more production from the other countries of the world.

The repeal of items would not affect trade agreements or change all the advantages that now exist abroad to produce for export to the U.S. market, according to the Tariff Commission. They would merely remove the "icing on the cake"—the extra incentive to expand abroad, avoid U.S. taxes, avoid U.S. labor conditions but get the advantages of U.S. prices.

The repeal of these items would not put U.S. firms at a disadvantage compared with foreign firms. The Tariff Commission reported that no other country had an identical provision. As Japanese-based multinationals and European-based multinationals use this privilege in the U.S. market, it seems time to modernize the U.S. law by repealing these two outmoded provisions.

EXPANDS INDUSTRY ABROAD

The purpose of items 807 and 806.30 is supposedly to promote trade. But the result has been to promote investment and to spur the economies of the world where free trade is particularly not part of their beliefs. The one thing that is plentiful in the world is cheap labor. And items 807 and 806.30 start with cheap labor in many instances, though wage rates are usually lower than in the United States in other countries. And the labor must stay cheap, so that living standards do not rise too rapidly. See article on Singapore and Taiwan. See examples from article on U.S. labor and multinationals.

THE EXPORT OF JOBS

From large cities and small towns, America has exported jobs in a literal sense in the use of item 806.30 or item 807. The official U.S. Government Tariff Commission Statistics showed over 100,000 jobs abroad by 1970. That is the equivalent of one-tenth of 1 percent in the U.S. unemployment rate. Since then, the "trade" has expanded so fast that there are more than 200,000 jobs, even according to such estimates based on the "official" job estimates of the Tariff Commission.

But the realities of job losses are not statistics. They have to do with human beings in many parts of the United States who have been affected by this exodus. They have to do with human beings in other parts of the world. They have affected many different types of industry—from apparel to aerospace. They have affected large cities and small towns—in different parts of the United States.

Mattel Toy in Los Angeles—an adjustment assistance case—sent jobs to the Mexicali plant from Los Angeles where it now employs 2,700 workers, according to recent reports. See Wall Street Journal of Commerce Stories.

RCA operates all over the world, but it shut a Memphis, Tenn., plant about the time it moved to the Mexican border area. The jobs in Juarez were estimated at 3,000 to 6,000. The newest RCA plant in the United States was shut in 1970. RCA was expanding abroad, in Taiwan and in other countries, as well as in Mexico.

Lockheed Electronics Equipment was reported to be assembling aerospace equipment in Hong Kong, employing 700 workers at $2 a day in 1973.

The PRESIDING OFFICER. The Senator will suspend.

There is too much conversation, both by the staff and the Senators, throughout the Chamber. Would Senators please take their conversations to the cloakroom? Will Senators please take their seats?

Mr. HARTKE. General Instruments also has many foreign connections—its Chicopee, Mass., plant and its Tazewell, Va. plants closed, but it had some operations on the Mexican border.

We could go on through. There is not a State in the Union that has not been adversely affected.

All of these people have had their telephone calls this weekend from their manufacturers, insisting that this trade bill be passed. But you ought to listen to the workers who have been thrown out of work by this section alone. Those workers have no voice in this Congress. They have no voice in the Senate, to go ahead and have them protected in their jobs. They are going to the unemployment rolls. They are going to the welfare rolls.

THESE ITEMS ADD TO IMPORTS

Because "exported" parts of products must be returned to the United States as imports in order to qualify for the special tariff breaks, any product which is imported under item 807 is an extra import. The "export" in the form of parts was returned and therefore should not be counted as an export.

The imports have been increasing most rapidly from the lowest wage countries of the world. They have been increasing in ever more sophisticated equipment, as U.S. firms and foreign firms increasingly use these provisions to expand their global interconnected worldwide systems.

But just using the Department of Commerce data, imports have risen from $1 billion in 1967 to $4 billion in 1973. In the first 8 months of 1974, imports reached $3.7 billion. However, detailed data are available only from 1969 to 1973. These reported trends show:

In 1969, the United States imported a total of $1.8 billion under both items. In 1973, the United States imported a total of $4.2 billion. This is a rise of 130.6 percent. The so-called U.S. "content"—that is, the U.S. parts "exported" and returned as assembled products—has risen slightly less rapidly—128.3 percent. In the first 8 months of 1974, imports were up to $3.7 billion—27.9 percent higher than in the same period of 1973.

But the sharpest shift has been in the source of the imports. In 1969, 78.6 percent came from the developed countries and 21.4 percent from the less-developed countries. These percentages tell a part of a much bigger story:

In 1973, 69.1 percent were from developed and 35.9 percent from the less developed countries. Under item 807, 77.7 percent came from developed countries in 1969 and 22.3 percent from developing countries. In 1973, only 65.7 percent came from developed countries and 34.2 percent from developing countries. Under item 806.30, 86 percent of imports in 1969 came from developed countries and 13.9 percent from developing countries. In 1973, 49 percent came from developing countries.

These figures show a sharp shift—in the value of the trade reported. There is no reason to spur trade in special duty-free U.S. imports from developed countries—most of which have trade surpluses with the United States already. From developing countries, the initial export is in American jobs to the cheapest labor areas of the world in many cases. The latest example is Haiti, where only $8 million in imports accounted for a reported 20,000 Haitian jobs, at $1.60 a day. Thus the fact that there is a sharp increase in imported value from the developing countries means there is probably an even sharper increase in the export of jobs, because the labor rates in the areas of exploited, poverty stricken labor, add up to very small signs in the reported trade value. As imports begin to come in from Yugoslavia, it would be interesting to know how the value is reported—on what basis of labor costs.

But even when countries begin to send in sophisticated equipment under these items, their very low wages can disguise the size of the impact on the United States. Thus the Singapore export of labor-intensive item 807 and 806.30 production is made by labor in fully employed economy of 2.2 million people at wages about one-fifth of those in the United States, according to July 1974 Fortune the size of the nation—225 square miles. The population 2.2 million. But jobs have been exported to this fully employed economy—where labor is imported—as American "offshore" users of 807 and 806.30 have been principal participants among the 425 U.S. firms located there. See Fortune, July 1974. If labor rates increase, as they are expected to, Singapore like Taiwan will get rid of the labor-intensive production—as long as her own population is employed. Singapore exports under item 807 increased from $6.8 million in 1969 to $120.8 million in 1973. Not all of that increase is in labor rates or costs, as Singapore now has so much more sophisticated production that production of labor-intensive work no longer interests its managerial governing group.

THESE ITEMS REQUIRE HIGHER U.S. IMPORTS THAN EXPORTS

Since any export under these items must be returned to the United States in order to qualify for 806.30 and 807 treatment, there is always a surplus of the value of imports over the value of exports in 806.30 and 807 trade. Thus, by definition, they show a deficit in their trade balance.

By definition, also, jobs are exported and are included as part of the higher import value. Yet defenders of these items insist that jobs are kept in the United States that "otherwise" would have been shipped abroad. The proof of this claim has never been made; it depends on theory and theory alone. Meanwhile, the function of items 806.30 and 807 is to pile up a trade deficit in the products exchanged under these items—a built in incentive to depress U.S. exports and increase U.S. imports:

And that is precisely the way it has worked. As government and industry and academic studies pursue the theoretical view that "free trade" exists, what happens is that the U.S. trade balance declines, particularly in items 806.30 and item 807. Yet defenders of the item still talk about "helping" U.S. jobs and exports. By definition, jobs are exported and imports must be greater than exports. Otherwise there is no use to the provision at all.

Let us examine the facts—the record on how many imports and how many exports are reported in these items: In 1966, there were total imports of $953 million. This included $147.5 million in "exports" of components which came back as finished products and $805.5 million of foreign production imported and paying duty. Thus the trade deficit was $658 million in 1966. In 1973, there were total imports of $4.2 billion. Of this amount, $3.2 billion was imported foreign labor and production. And U.S. "exports" amounted to $1 billion. The defenders will tell you that U.S. exports have risen. But those "exports" had to be reimported. Even if they were not, the trade balance between the "exports" and "imports" had increased to minus $2.2 billion—an increase of 238.8 percent in the trade deficit. With help like that no nation could ever get into the black on its trade balance.

But those imports are used by multinational firms to export from the United States, it is claimed. If so, the United States should have shown a huge increase in its exports year after year. But that did not happen. U.S. exports have been in deficit in most of the 1970's and it was only in 1973 that the United States temporarily came into the black. Most experts attribute that to devaluation, DISC—an export subsidy; Eximbank—another subsidy; and the rise of industrial production abroad.

ADMINISTRATION OF THESE PROVISIONS IS DIFFICULT

With billions of dollars worth of production pouring into the United States, the technicalities of these provisions have proved difficult to enforce. The Treasury Department has improved its efforts to get a better compliance with the law, but the results appear to be mixed. Judging from the Wall Street Journal story of November 6, 1974, there has been a crackdown by customs. The report shows that a "crackdown by the Customs service, on companies—notably multinational companies—that allegedly underpaid or fail to pay duties on goods imported into the United States. But the Journal of Commerce reports that there has been a speedup of customs service on the Mexican border—with very little interference and an effort to speed business interchange.

But the Wall Street Journal story shows that fraud has even occurred in the reporting of labor costs in the world's low-cost areas.

Differences in reporting and differences in estimating costs are noted in both of these news stories. One thing is certain. The complicated provisions of items 806.30 and item 807 are making it difficult for the Government to have enough surveillance of very special kinds of avoidance of the rules. Yet those who oppose repeal of item 807 and 806.30 are always those who oppose any interference with free trade.

AMENDMENT NO. 2041

Therefore, Mr. President, I call up my amendment No. 2041 and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 119, beginning with line 23, strike out through line 4 on page 121 and insert in lieu thereof the following:

"(f)(1) For purposes of subsections (a) and (c), the suspension of the designation of any article as an eligible article for purposes of title V shall be treated as an increase in duty.

"(2) No proclamation which provides solely for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (c) unless the Commission, in addition to making an affirmative *determination* with respect to such article under section 201(b), determines in the course of its investigation under section 201 (b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the designation of the article as an eligible article for the purposes of title V.".

On page 192, between lines 17 and 18, insert the following:

"SEC. 284. REPEAL OF SPECIAL CLASSIFICATION PROVISIONS OF THE TARIFF SCHEDULES RELATING TO ARTICLES ASSEMBLED, REPAIRED, ALTERED, PROCESSED, OR OTHERWISE CHANGED IN CONDITION ABROAD.

"(a) Subpart B of part I of schedule 8 of the *Tariff* Schedules of the United States is amended by striking out item 806.30 and item 807.00.

"(b) The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse, for consumption on or after the 90th day after the date of enactment of this Act."

On page 192, line 18, strike "SEC. 284" and insert in lieu thereof "SEC. 285".

On page 192, line 19, strike "Chapters" and insert in lieu thereof the following "Except as provided in section 284, chapters".

Mr. FANNIN. Mr. President, I feel that if there is any item that has been mentioned so far which can be regarded as being detrimental to foreign trade it is this amendment. This is not only devastating to the jobs here in the United States of America but it is detrimental to the standpoint of the revenue to many companies that are able to stay here in the United States and operate here in the United States, because of their being able to work with the provisions of 806.30 and 807.00.

Mr. President, contrary to the views of the proponent of this amendment, items 806.30 and 807.00 create jobs rather than export them. This has been brought forth in hearings in the House of Representatives, and also in the discussions in the Senate Finance Committee.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. FANNIN. I yield but without losing my right to the floor.

H.R. 16596—EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

Mr. NELSON. Mr. President, I ask that the Chair lay before the Senate a message from the House.

The PRESIDING OFFICER. The Chair asks that the Senator request unanimous consent.

Mr. NELSON. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the Chair laid before the Senate H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974, which was read twice by its title.

Without objection, the Senate will proceed to its consideration.

Mr. NELSON. Mr. President, I move to strike out all after the enacting clause and insert in lieu thereof the text of S. 4079 as passed by the Senate yesterday.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to strike out all after the enacting clause and to substitute the text of the Senate bill (S. 4079) therefor.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 16596) was passed.

The title was amended so as to read: "A bill to provide assistance for unemployed persons through public service employment programs and special unemployment benefits."

Mr. NELSON. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. NELSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEIKER, Mr. TAFT, and Mr. BEALL conferees on the part of the Senate.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Mr. FANNIN. Mr. President, referring to the items 806.30 and 807.00, these items reflect what has long been U.S. practice to help both our industries and our employees by encouraging the use of U.S.-made parts and products which are processed or assembled outside of the United States by charging duty only on the value added in the foreign countries. If we eliminate these items the present U.S. content in such products will be reduced or eliminated. In the process we will subtract American jobs now involved in making the products which are shipped abroad. If these items are repealed manufacturers will be forced to reduce employment in this country in their U.S. operations.

Mr. President, this conclusion is supported by the U.S. Tariff Commission in their report entitled "Economic Factors Affecting the Use of Items 807.00 and 806.30." So, Mr. President, this is factual information and these items should not be considered hurriedly on the floor of the Senate, without hearings, without full information that certainly is not available and could not be given in the time that we have had.

Mr. President, the Commission found that the net effect of repeal would be both a $150 million to $200 million deterioration in the U.S. balance of trade, but also a net loss of jobs to the United States.

A study was made, Mr. President, we are talking about an item that should not be hurriedly considered. We are talking about something that should be given great attention.

Mr. President, semiconductor manufacturers, for example, have been generating a trade surplus well over $125 million a year. Further, semiconductors are building blocks for electronic products which U.S. companies are most successful in selling abroad.

Semiconductors represent from 15 to 25 percent of the cost of computers and, to a significant degree, are responsible for the U.S. leadership in computer technology.

So, Mr. President, we are talking about a very serious matter.

In 1972, these two industries contributed a favorable balance of trade of approximately $1 billion. Repeal of these provisions would cause a decline in U.S. production and U.S. employment.

Now, we could go to some of our States—in fact, I have had the experience in my own State of Arizona, which is typical of many border States.

After seeing the economically depressed border area come alive in the last 2 years through the border industrialization program, I wish to emphasize the support of my constituents in Arizona for the retention of tariff schedule 807.00. I am sure would have the support of constituents of many of the States represented in the Senate.

Jobs have developed in both Mexico and Arizona, because of the program. Approximately 3,500 new jobs have been created in Arizona in the past 3 years, in the small State of Arizona, and an estimated 3,250 jobs in the neighboring State of Sonora in northern Mexico, just across the border.

With this increase in jobs have come increased retail sales, growing bank deposits, and increased community prosperity.

Nogales, Ariz., has reported retail sales per person totaling $2,320 compared with $1,676 for the State.

Mr. President, we have a favorable balance o ftrade with Mexico. We have every reason to work with the leaders of Mexico to try to increase this balance of trade and to increase our trade programs with them.

Mexico is a heavy user of goods of U.S. origin, thus creating a share of jobs for U.S. citizens. The continuation of our tariff policy will assist our good neighbor policy with Mexico with our favorable balance of trade being maintained.

Mr. President, we have not had hearings, we have not done the work which is necessary to make the determinations that would be involved in voting upon this particular item.

I feel it would be very unfair, and certainly I feel that the administration should have a chance to speak on this subject, because of the negotiations that are going on between the President of Mexico and the President of the United States. I know that when we have met in conferences in interparliamentary conferences this has been a subject of great discussion. It is something that has been of tremendous benefit to both countries.

So I hope, Mr. President, that my colleagues will realize the serious matter involved and that they will vote down the amendment. For this amendment would create far greater problems than anyone realizes.

The comity with Mexico and the relationship that we have with the Latin American countries is a very serious proposition. So, Mr. President, I just hope that we can defeat this amendment.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Indiana (putting the question).

Mr. HARTKE's amendment was rejected.

AMENDMENTS NOS. 2054 AND 2055

Mr. **LONG**. Mr. President, the amendment proposed by Mr. HATHAWAY has been modified. In fact, there are two Senators' amendments, and I ask that they might be considered en bloc.

The **PRESIDING OFFICER**. Does the Senator ask unanimous consent to modify the amendment?

Mr. **LONG**. I ask unanimous consent that the amendment by the Senator from Maine be modified in that fashion.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The clerk will report both amendments.

The legislative clerk read as follows:

On page 22, line 25, strike the period and add the following:

", provided however, that the provisions of this paragraph shall not be applicable to import sensitive items, including, but not limited to, footwear."

On page 234, line 16, add the following:

"the final determination on complaints filed six months or more prior to the enactment of this Act shall be made not more than six months after the enactment of this Act."

Mr. **HATHAWAY** subsequently said: Mr. President, to begin, I want to commend the Senate Finance Committee and especially its chairman, Mr. LONG, for the admirable job they have done drafting a revised version of the Trade Reform Act of 1974. This major piece of legislation will have far-reaching effects to the promotion of trade on a worldwide scale and I think that the bill as reported out of the Finance Committee contains provisions which are a great improvement over provisions we have seen from the administration and the House.

However, I have some substantial problems with the sections dealing with countervailing duties, and I offer two amendments which I feel will materially improve this section. The first amendment, as modified, would prohibit the waiver of otherwise mandated countervailing duties in cases involving import sensitive items such as footwear.

The committee version of this bill strengthens the countervailing duty statute to insure that a determination will be made within a year's time on any petitions filed on countervailing duties. However, at the end of that year, under the terms of section 303(d) in the bill, the Secretary of the Treasury would not be required to actually impose those duties for whatever is left of a 2-year period from the date of enactment of this act.

The committee bill requires that the Secretary make a tentative finding within 6 months from the date the petition is filed. He has another 6 months, after he has made this initial determination, to negotiate some form of relief for the industry being adversely affected, or convince the country to stop this illegal practice. It seems to me that if after a full year of investigation and negotiation, the Treasury Department is unable to come to some form of agreement with an offending country, that country should not be allowed to continue its illegal practice or practices to the detriment of an import sensitive domestic industry for another substantial period of time. How long should we force a domestic industry to suffer when it is already established that a country is engaging in practices explicitly prohibited in the language of the countervailing duty statute?

I feel that we should not allow foreign governments who are admittedly engaging in illegal practices to get away with this sort of masquerade at the expense of one of our own already-suffering industries.

We lend respectability to such bounties and grants by allowing the system to operate at all, even during the period of negotiations. Further, proper enforcement of the countervailing duty law is more likely to lead to meaningful international agreements on export subsidies than nonenforcement, for the simple reason that there will be little inducement for those of our trading partners who engage in such subsidy practices to negotiate seriously.

For these reasons, my first amendment proposes that the 2-year discretionary authority in this section not be applicable in the case of import sensitive items such as footwear.

My second amendment deals with the problem of complaints filed at Treasury before the enactment of this act. Under the present bill, only those cases officially initiated at Treasury before enactment are subject to the time limitations in the bill. Unfortunately, there are no time limitations on complaints filed, but which have received no Treasury action. My amendment, as modified, would require Treasury to reach a final determination on all those complaints which were filed more than 6 months before the enactment of this act within 6 months after enactment.

I can appreciate that this amendment could cause some problems for Treasury with the 25 or 30 cases that have been filed which they have not yet acted upon. Since previous law or regulations provided no definition of "petition," the question will arise as to the adequacy of the complaints filed in the past as a basis for action.

While recognizing this problem, I feel that Treasury can gather whatever additional information is necessary to complete these previous filings which can then form the basis of action within 6 months.

The alternative to this amendment is that cases which have been filed—some as long as 3 or 4 years—and which have not been officially begun by Treasury can continue to be untouched indefinitely.

I understand that these two amendments are acceptable to the committee. I appreciate the cooperation of the distinguished committee chairman, Mr. LONG, and the ranking minority member, Mr. BENNETT, in the consideration and disposition of these amendments and again compliment them on the outstanding work they and their committee have done on this bill.

The **PRESIDING OFFICER**. The question is on agreeing to the amendments of the Senator from Maine (Mr. HATHAWAY), as modified, en bloc.

The amendments, as modified, were agreed to en bloc.

Mr. **McINTYRE**. Mr. President, I ask unanimous consent that I may be added as a cosponsor to the amendments just accepted which were offered by the distinguished Senator from Maine.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

AMENDMENT NO. 2053

Mr. **McINTYRE**. Mr. President, I call up my amendment No. 2053 now at the desk.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. McINTYRE) proposes an amendment, No. 2053.

The amendment is as follows:

On page 14, at the end of section 101, insert the following section:

(d) Notwithstanding other provisions of this Act, if imports of an article or grouping thereof exceed 33⅓ per centum of apparent domestic consumption during three of the preceding five calendar years, and if a domestic industry exists producing articles like or directly competitive with the imported articles, the President shall be precluded from making any reduction in tariffs, duties, or import restrictions on such articles unless the President makes an affirmative determination that such reductions would not injure or threaten to injure a domestic industry producing like or directly competitive with the imported article.

Mr. **McINTYRE**. Mr. President, I ask at this time unanimous consent that I may modify my amendment in the following manner. On line 2, delete the word "an" and substitute in its place "a manufactured".

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Will the Senator send the amendment to the desk?

Mr. McINTYRE. As modified.

The PRESIDING OFFICER. As modified.

Without objection, the amendment will be so modified.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the names of the following Senators may be added as cosponsors of the amendment: Mr. MUSKIE, Mr. EAGLETON, Mr. HATHAWAY, Mr. SYMINGTON, Mr. SCHWEIKER, and Mr. HARTKE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, this amendment attempts to assure that there will be maintained a minimal protection for those industries which at the present time are suffering a very high degree of import competition. It provides that if imports exceed 33⅓ percent of apparent domestic consumption during three of the last 5 calendar years in competition with comparable domestic products, the President shall be precluded from making reductions in tariffs, duties, or import restrictions on such articles.

I believe that this will provide a reasonable degree of protection for those industries which are presently suffering most heavily from import penetration of the domestic market.

The percentage level of penetration is very high. Relatively few products suffer such a high degree of competition and injury, and would thus be excluded from the President's discretionary authority. Therefore, this would not constitute unreasonable limitation on the authority of the President to negotiate. And adoption of this amendment would give some assurance to those industries already suffering serious losses that the protection they presently have would not be taken away.

Mr. President, let me speak for a few minutes about the serious problems caused by high levels of market penetration by foreign imports. The footwear industry in this country consists of aproximately 500 companies with about 800 plants located in 40 States. It now employs about 200,000 people directly in its manufacturing operations, with about 100,000 workers in allied supporting industries, such as the tanning industry.

In 1960, the import penetration for footwear was less than 5 percent. Today, 40 percent of our domestic market has now been taken over by the foreign importation of shoes and footwear.

The impact of this huge increase is predictable, but nonetheless painful: more than 43,000 jobs have been lost since 1960, and domestic production has dropped in 1974 to the lowest levels in more than 20 years.

There are three main reasons why imports account for an increasingly high percentage of domestic consumption. They are: The substantially lower wages paid workers abroad; high tariff levels and other import restrictions maintained by other importing countries; and the various types of subsidies extended by many foreign governments to assist their own domestic producers.

Most foreign manufacturers pay wage rates that would be illegal in the United States. Generally less than 50 percent of the U.S. wage level. In a labor-intensive industry like footwear, where labor costs make up as much as 45 percent of the manufacturing cost, this more than offsets higher productivity in this country. Moreover, the high tariff levels maintained by other countries serve to funnel foreign imports into the American market in greater volume. A number of countries do not permit footwear imports at all—or else have tariff levels so high that the effect is the same.

Now, in the face of these problems, Mr. President, our American footwear industry has asked, has begged, has implored again and again and again for help under our present laws.

Back in 1970, the hopes of the industry soared when the Nixon administration asked for an escape clause investigation.

The Tariff Commission, Mr. President, split down the middle on the question, two to two, leaving the decision to grant or withhold protection with Mr. Nixon himself.

Well, my fellow colleagues, the American shoe industry is still waiting for a decision.

Mr. MUSKIE. Will the Senator yield?

Mr. McINTYRE. I am happy to yield to my distinguished colleague from Maine.

Mr. MUSKIE. Mr. President, I compliment the distinguished Senator from New Hampshire for making the case that he is making.

I recall that in 1959 when I came to the Senate, I first became aware of the problems of the shoe industry in our part of the country.

The penetration of the American market by foreign importation was, as the Senator described, less than 5 percent. That penetration has now risen to the figure of 40 percent, to which he has referred.

I recall the debate on the trade bill of 1962. At that time, with the trend running against the domestic industry, we undertook to amend the provisions of the 1962 legislation in such a way that we would trigger the adjustment assistance provisions of that act as import competition rose. So an amendment was attached to the bill.

Yet in the 12 years that have passed, notwithstanding the fact that the penetration of the market has risen from 5 percent to 40 percent, the Tariff Commission has absolutely refused to recognize that this kind of penetration has resulted in the kind of injury which would trigger the adjustment assistance provisions of the 1962 act.

So those provisions, for all practical purposes, have been meaningless. So I join in my support the Senator's amendment today.

I compliment him on it and I compliment him for making the case which he is making.

Mr. McINTYRE. Mr. President, let me thank my colleague from Maine.

The distinguished Senator from Maine is well aware of the problems that the shoe industry has had over the many years that he has already been here in the Senate.

The Senator told me in a conversation before addressing this body that the level of the penetration of foreign imports at the time the Senator from Maine came here in 1958 was about 3 percent or 4 percent. Today in 1974, as we close out this year, it is 40 percent.

Now, Mr. President, let me cite some statistics from my own State of New Hampshire so that the tragedy of this situation is made more clear.

Mr. President, I have walked the streets of the small towns of New Hampshire and shaken the hands of shoe workers of some 25 or 30 years who told me they had lost their jobs. That is why I always get a little bit pitched up in a fever when I come down here to Washington and listen to the bureaucrats talk about unemployment with their charts and red marks zig-zagging down.

Unemployment is a human tragedy.

New Hampshire ranks seventh in footwear production. In the period between 1962 and 1973 the number of employees in footwear has declined from more than 18,000 to less than 10,000. In that same period, 41 plants have closed their doors; in the last 5 years alone, 27 plants have closed in my State.

This is in a State with a population, Mr. President, of about 800,000. I am sure that my colleagues from smaller States will appreciate the impact of these statistics. We know very well the catastrophe of the community whose only or principal industry closes and its workers are confronted with the choice of leaving lifelong homes, possible job retraining with the hope of another job, or going on the dole.

I do not have to spell this out, Mr. President. We know, all of us here know what this means, and I am sure that all of us would do everything we could to make sure that it would not happen in any community in our States. Mr. President, we have an opportunity, through this amendment that I am offering, to build that assurance into the trade reform bill.

I think that assurance ought to be clearly spelled out in this bill, and I want to explain why. I have been down this road before, many times. I remember how hard it is, how exasperating it is, to get an administration—any administration—to take positive action to protect import-devastated industries.

So this time, I wrote a letter to Mr. Eberle, the special trade representative. I asked him for firm assurances that the new authority that is contained in this trade reform bill would not be used to the further detriment of an industry already in trouble—already in serious trouble—because of imports.

I suggested to Mr. Eberle that the provisions of the bill might be used to help such an industry get back on its competitive feet through the negotiation of an orderly marketing agreement.

Mr. President, Mr. Eberle's response,

which I shall insert in the RECORD along with my letter to him, did indicate that the administration would not cut tariffs on footwear without first going through all the procedures required by the trade bill. While I appreciated hearing from Mr. Eberle, I have learned from hard experience that polite assurances are not enough.

Mr. President, I ask unanimous consent that my letter to Mr. Eberle, dated December 6, 1974, and his reply to me, dated December 11, 1974, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 6, 1974.

Hon. WILLIAM D. EBERLE,
Special Representative for Trade Negotiations, Old Executive Office Building, Washington, D.C.

DEAR AMBASSADOR EBERLE: I am very concerned over the future of the nonrubber footwear industry and the jobs of its 300,000 workers as a result of the adverse impact of imports on this industry. Jobs in this industry have steadily declined over the last several years as domestic production has fallen while imports have increased substantially. Imports of nonrubber footwear have captured a staggering 40 percent of the U.S. market. In my own state of New Hampshire footwear plants have closed and workers in those plants have been idled by imports. The Executive Branch has done virtually nothing to dampen the flood of these imports.

As the Senate begins consideration of the Trade Reform Act, I express my hope that provisions of this legislation will not result in further harm to the nonrubber footwear industry and its workers from additional import penetration, and that perhaps the industry and its workers may be benefited by the bill. It seems to me that several sections of the bill now pending before the Senate might be invoked by the Executive Branch to negotiate an intergovernmental arrangement on nonrubber footwear that would place meaningful restraints on these imports over the next several years. If this could be accomplished, the domestic industry would be able to face the future with renewed confidence, giving it an opportunity to improve its competitive position.

At the same time I am concerned that the tariff-cutting provisions of the trade bill, whether under Title I or Title V, if used to reduce tariffs on nonrubber footwear, would place this industry in further jeopardy. I should hope this would not be the case.

I would like to support the trade bill, but I cannot overemphasize to you that the Administration should take action to meet the problems of the domestic footwear industry arising out of disruptive imports. I would appreciate hearing from you before the Senate begins its consideration of the trade bill as to the intentions of the Executive Branch with regard to the two matters I have raised—an intergovernmental arrangement on nonrubber footwear and no tariff reductions without careful consideration of the effects on the nonrubber footwear industry.

Sincerely,

THOMAS J. MCINTYRE,
U.S. Senator.

DECEMBER 11, 1974.

DEAR SENATOR MCINTYRE: Thank you for your letter of December 6, 1974 regarding your concern over the future of the American nonrubber footwear industry, and the impact of imports upon that industry.

In particular, you expressed the hope that provisions of the Trade Reform Act, now pending before the Senate, would not result in further harm to this industry. I can assure you that this will not be the case. On the contrary, the Trade Reform Act is designed to provide more rapid and more effective relief than that available under present laws to firms and workers adversely affected by imports. It contains provisions which, if passed by Congress, will allow the Executive Branch to work out suitable remedies for disruptive imports, remedies which are appropriate to the particular difficulties of industries or workers concerned.

We recognize that the possibility of improved export performance by the nonrubber footwear industry is very limited, and that improvement in the economic outlook is not likely to be found in the next few years by liberalization of foreign markets for American footwear products. The tariff cutting provisions of the Trade Reform Act could, however, be of potential concern in the case of present U.S. import protection levels for nonrubber footwear. To ease some potential concerns in this area, we have already indicated that the provisions of Title V, authorizing the granting of preferential tariffs, would not be applied to footwear products. I reiterated this Administration commitment in my recent letter on this subject to Senator Russell B. Long on November 7, 1974, a copy of which is contained in the Senate Finance Committee Report on H.R. 10710 (page 224). As for the authority in Title I to cut tariffs to zero at the low end of the U.S. tariff structure (tariffs of 5 percent or under, as in the House version, or of 10 percent or under, as in the Senate version), it is not our intention to use this authority for products where the sensitivity to imports is obviously great. As for the general tariff cutting authority of a partial character, I cannot at this time give any assurance that partial tariff reductions would not be made but I can certainly assure you that such potential cuts would be weighed very, very carefully, would be subject to full consultation with advisers from the footwear industry, and their effects would be assessed against any other possible safeguard actions to moderate footwear imports which might by that time have been implemented under other provisions of the law.

In this latter connection, it seems to me that the escape clause provisions of the Trade Reform Act are ideally suited for use by the American nonrubber footwear industry. Indeed, the matter of escape clause action was never fully resolved under the old law, since the Tariff Commission reached a tie decision in 1971 without providing clear guidance to the Executive Branch. You will recall that the two Commissioners voting in the negative said that they could not find that the statutory criteria had been met, that increased imports were caused by tariff concessions. The proposed Trade Reform Act deletes this criterion. Thus, the import relief provisions would in this case apply to the nonrubber footwear industry, if the remaining, more easily satisfied statutory criteria are met. Given this history, if such escape clause procedures were undertaken under the new law, priority attention would be given the matter, and if the procedures suggested the need for import relief, you can be assured the Administration would move expeditiously to provide it. I can also assure you that in determining what form of relief would best deal with the industry's problem, particular attention will be given to the possibility of devising some suitable form of arrangement with the governments of other nations whose exports to us are determined to be significant causes of disruption to our nonrubber footwear industry.

I hope that my explanation in the letter serves to convince you that the Trade Reform Act would not only not harm the American nonrubber footwear industry, but would very likely prove of major benefit to that important industry. It is a law which we believe is available to all American firms and workers, and to all American agricultural interests, and indeed to all Americans. It is a law which we believe provides for fair and effective solutions to both export and import problems, in the context of our overall national interests.

Yours sincerely,

W. D. EBERLE.

Mr. McINTYRE. Mr. President, the American shoe industry has been getting polite assurances from the executive department for years and years. Unfortunately, that is all that the industry has been getting from the White House; no help, just polite handshakes and sympathy.

Now, Mr. President; let me make this clear: I understand very well that whenever far-reaching legislation is enacted, and this bill before us is such a piece of legislation, there will be some who may be hurt more than they are helped. I also understand, Mr. President, and appreciate that in the case of this trade bill, the Committee on Finance and all its members have worked very hard to improve the protective provisions of the existing law and the implementation of those provisions.

I want, here and now, Mr. President, to commend the chairman and the members of the Committee on Finance for their work. Nevertheless, I sincerely believe that the critical situation of those industries hardest hit by import penetration demands the further special attention of this Chamber. The amendment I offer constitutes a reasonable protection for such industries, and it will not frustrate the fundamental purposes of the bill.

Indeed, Mr. President, this amendment is consistent with and supportive of the laudable efforts of the committee to recognize the potential impact of more liberalized trade upon those industries sensitive to imports. I am acutely aware of how often in the past, New England has had to bear the burden of liberalized trade, so I cannot stand by now, Mr. President, despite the constraints of time and everything else that are converging on us as we approach our hoped-for sine die adjournment, without urging my colleagues, in the name of equity and compassion, to adopt the minimal safeguards in this amendment.

Mr. President, all this amendment says is that where imports of a manufactured article are already exceeding 33⅓ percent of apparent domestic consumption, where the imports already are coming in to that degree or more, the administration is precluded from making any reduction in tariffs, duties, or import restrictions on such articles—and we put in an escape valve for the President—unless he makes an affirmative determination that such reductions would not injure or threaten to injure a domestic industry producing articles like or directly competitive with the imported article.

Mr. President, I think it is a fair, decent amendment in the interest of a very important industry in my State, and an important industry in this country.

Mr. BENNETT. Mr. President, I rise

to oppose this amendment, for two reasons: First, it writes rigidity into the program. It is expected that the President will act to exclude sensitive articles, those in which substantial duty reductions would likely injure domestic firms and workers. This amendment was written to protect the one industry, the *shoe industry*. But there may be other conditions, which would not fit into this pattern, which would deprive other industries of the kind of protection that this industry is intended to get under the amendment.

We have before us an amendment to be offered by Mr. KENNEDY, which says any revisions necessary to establish an international agreement on footwear within the GATT, including the creation of regular and institutionalized mechanisms for the settlement of suits, and for a surveillance body to monitor all international shipments in footwear. That undoubtedly will be called up.

I do not think we can proceed two ways to handle this problem. It seems to me the proposed Kennedy amendment goes directly to the footwear problem, without creating a general pattern which might affect other industries adversely.

I have talked to the chairman of the committee and the manager of the bill. He tells me that if the Kennedy amendment is offered, he expects to accept it and take it to conference. Under the circumstances, I suggest to my colleagues in the Senate that we reject the McIntyre amendment and take the Kennedy amendment as a better solution of the problem.

Mr. KENNEDY. Mr. President, I rise in support to the amendment offered by the distinguished Senator from New Hampshire (Mr. MCINTYRE) to the Trade Reform Act. This amendment is a crucial one for the survival of an industry as old as New England, the footwear industry. I want to include in the RECORD at this point statistics on the number of plant closings in New England in the last several years. These grim statistics reveal that over 25,000 jobs in the shoe industry have been lost in New England in the last decade. Over 11,000 jobs in Massachusetts alone have been lost in this industry.

This amendment will insure that no further reduction in tariffs will be allowed in this or any other industry that has been so severely impacted by increasing imports in the last several years, unless the President determines that the industry will not be injured further.

I support this effort, and I also plan to call up an amendment authorizing the President to negotiate in the coming trade talks for an international agreement on footwear, including the creation of regular and institutionalized mechanisms for the settlement of disputes and of a surveillance body to monitor all international shipments in footwear.

On March 7, I asked the other members of the New England delegation to join with me in a letter to the President asking that an international agreement along the lines of the international textile agreement be undertaken for the shoe and leather industry. I wish to place this letter, and the response from the special trade representative in the RECORD at this point.

What the shoe industry needs and what 33 Members of the New England delegation requested is the establishment of procedures for international surveillance of the shoe trade to avoid disruption of the market, to spread the burden of increased imports more fairly and to minimize to the greatest extent possible the impact on jobs of increasing imports from developing nations. This same mechanism for international surveillance would insure that unfair trading practices in shoes and leather trade would be eliminated.

This amendment, in conjunction with the amendment offered by the Senator from New Hampshire (Mr. MCINTYRE) will insure thousands of shoe industry workers and their families a livelihood, and of equitable and fair trading practices through international cooperation and coordination.

I urge the Senate to affirm these amendments which will have such an important impact on so many workers and their families.

Mr. President, I ask unanimous consent to have printed in the RECORD certain documents relating to the footwear industry in New England.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMPLOYMENT AND PLANT CLOSINGS IN NEW ENGLAND STATES, 1962–73

EMPLOYMENT

[In thousands]

Year	Massachusetts	Maine	New Hampshire	Connecticut[1]	Total New England States
1962	38.1	21.1	18.2	[2]1.7	79.1
1963	35.0	21.8	17.8	1.6	76.2
1964	33.6	22.9	17.3	[2]1.5	75.3
1965	33.4	24.9	17.7	[2]1.5	77.5
1966	32.8	26.3	18.2	[2]1.4	78.7
1967	31.0	26.0	17.8	1.3	76.1
1968	30.3	26.9	17.7	[2]1.2	76.1
1969	27.1	24.5	15.8	[2]1.2	68.6
1970	24.0	22.1	13.8	1.0	60.9
1971	20.3	19.6	12.3	1.0	53.2
1972	19.5	16.7	12.0	.8	49.0
1973[3]	17.7	16.1	10.2	[2].6	44.6

[1] Employment figures are from Census of Manufacturers for 1963 and 1967 and County Business Patterns for 1971 and 1972.

[2] Estimated.

[3] Preliminary.

Source: U.S. Department of Labor BLS.

PLANT CLOSINGS, 1962–72 AND 1973 (9 MONTHS)

State	Plant closings	
	1962 to 1973	1968 to 1973
Massachusetts	146	76
Maine	36	29
New Hampshire	38	25
Connecticut	14	6
Total	234	136

Source: AFIA records, plant closings and openings.

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., January 30, 1974.

DEAR COLLEAGUE: I am enclosing for your consideration the draft of a letter to the President regarding the shoe industry.

We will have the opportunity to discuss the problems of the shoe and leather companies in New England during the New England Congressional Caucus meeting on February 27. In the meantime, you may wish to review this letter; and I look forward to your suggestions and comments.

As you know, a new international agreement went into effect on January 1 which will assist the textile industry. An innovative feature in this agreement is the establishment of an international surveillance body to review the trade practices in the textile industry. I am hopeful that such an arrangement could be effective to help begin the revitalization of our domestic shoe industry.

If you or your staff would like additional information, please contact M. Murtagh X54543. I look forward to meeting with you to discuss this and any other action which we might take as the New England delegation for the shoe workers and their families in New England.

Sincerely,

EDWARD M. KENNEDY.

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., March 7, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to urge immediate action to assist the New England shoe and leather industry. As you know, in the last decade over 25,000 workers in the shoe and leather industry in New England have lost their jobs as a result of plant operation cutbacks and closings.

Clearly it is in the interests of all Americans to insure that any one segment of the population does not bear undue hardship because of a liberalization of foreign trade. This principle has been recognized in many areas of U.S. trade and industry, notably in the area of textiles and clothing.

On January 1 of this year, a new international agreement went into effect that sets up procedures for the international surveillance of textile and apparel trade, in order to avoid disruption of markets, to minimize the impact on jobs, and to spread the burden of increased developing-country exports more fairly among the world's industrial nations.

We believe that action is also urgently needed with respect to trade in shoes. We therefore urge you to seek international agreement in this area to provide for similar international rules and procedures. We particularly need agreement to eliminate unfair trading practices in shoes and leather products, as these practices are found in some exporting countries.

An international agreement along these lines would be in the best interest of American workers and consumers, and we believe, in the long-term best interest of the world trading community.

Sincerely,

OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS,
Washington, D.C., May 13, 1974.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The President has asked me to write to you and the 33 other members of Congress who urged him in a letter of March 7 to negotiate an international agreement on shoes similar to the recently concluded international agreement on textiles in order to assist the shoe and leather industries of New England.

The Administration is keenly aware of the problems confronting the shoe and leather industries. I have met with representatives of the industry and have been in contact with them on a number of occasions and believe I understand their problems. However, because of both the difficulties involved in persuading other nations to participate in an arrangement on shoes similar to that on textiles and, more importantly, the legal questions raised in connection with voluntary restraints agreements by a recent court decision, it is inadvisable at this point to seek a solution to the problem of the shoe industry through a restraint agreement.

When the international agreement on textiles was negotiated, there was a shared concern among many major trading nations over the problems caused by imports of textiles, and therefore there was widespread international interest in developing rules for the conduct of trade in textiles. In the case of shoes, the United States is almost alone in having a very high level of imports relative to domestic production. As a result, there is not the same shared interest in a multilateral solution to the problem.

In addition to the practical problems involved in concluding any international restraint agreement on shoes, the recent decision of the U.S. District Court for the District of Columbia in *Consumers Union of U.S.* v. *Rogers* (decided January 8, 1973) on the antitrust implications of restraint agreements makes the conclusion of further restraint agreements inadvisable at the present time.

Because the international arrangement on textiles was negotiated under authority of Section 204 of the Agricultural Act of 1956, there was, in the case of textiles, a clear directive by Congress to restrain textile imports; that authority does not apply to shoes or any industrial product other than textiles. An agreement on shoes would have to be negotiated under the residual constitutional authority of the President to conclude an international agreement. Since there would be no Congressional directive with respect to shoes similar to that contained for textiles in the Agricultural Act of 1956, such an agreement could be subject to the United States antitrust laws. This is not to say that all voluntary restraint agreements need involve antitrust problems. The question in *Consumers Union v. Rogers* concerned an agreement with private enterprises. However until the applicable law is clarified, or until specific Congressional authorization of voluntary restraint agreements is given, relief through restraint agreements, even if negotiated with foreign governments, should, in our opinion, be discouraged.

The Administration hopes that, by passage of the Trade Reform Act of 1973, an *effective* framework will be established within which both American firms and workers, including those of the shoe and leather industries, will be able to adjust to import competition. Under existing law, adjustment assistance has been granted, since mid-1970, in 36 shoeworker cases, thus making an estimated 11,000 workers eligible for readjustment allowances. Nine firms in the footwear industry have been approved for adjustment assistance in the amount of $11.7 million. This assistance supports plans by such firms to improve their competitive position vis-a-vis foreign imports. By passage of the Trade Reform Act of 1973 the import relief (the temporary imposition of barriers to imports to prevent serious injury to an industry) and adjustment assistance to both firms and workers will be made more readily available and more effective than at present.

In connection with the import relief provisions of the Trade Reform Act, the Administration could support a modification of the provisions limiting the use of orderly marketing agreements after the appropriate escape clause determinations. In its trade bill presented to the Congress, the Administration asked for broad authority to handle import problems. In requesting such authority, we had very much in mind the complex problems posed by the shoe case. Specifically, the Trade Reform Act of 1973, as submitted by the Administration (H.R. 6767), contained express authorization for resort to orderly marketing agreements as a mechanism for import relief. The TRA, as now drafted (H.R. 10710), still authorizes the use of orderly marketing agreements for import relief purposes, but the flexibility afforded the President in their use has been restrained. The TRA now contains an order of preference among forms of import relief in which orderly marketing agreements are the least preferred and provides for Congressional veto of any such agreement.

In closing I want to emphasize that we share your concern over the shoe industry and will do what we can to assist it in overcoming its difficulties, but we feel that it is better to do this in the context of general laws and policies like those provided in the Trade Bill, H.R. 10710.

Sincerely,

(S) BILL
W. D. EBERLE,
Special Representative.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to have my staff member, Ed Kemp, on the floor during the remainder of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the administration strongly opposes this amendment. We on the committee feel we must oppose it. We have taken the Pastore amendment that would protect footwear. We have taken the Hathaway amendment that would protect footwear. We have already taken two amendments to protect footwear.

I shall propose, and Mr. BENNETT, as the ranking Republican member, is willing to cooperate in taking the Kennedy amendment to protect footwear. We had footwear protected five different ways in this bill when we reported it. So I think that everything that one can reasonably expect has been done.

This amendment, unfortunately, goes far beyond footwear. It says that there can be no negotiations on any item where the imports exceed 33⅓ percent. I do not know what might be involved. In my part of the country, a lot of sugarcane is produced. It would be patently ridiculous to negotiate to say that we could not bring more sugar into this country, with sugar selling at almost $1 a pound.

It seems to me, Mr. President, that this amendment goes altogether too far. There are a lot of problems that no one can anticipate here. I think we would do better to accept those things that we can accept, where we can cooperate, to help Senators with their problems.

Under this bill, any industry threatened by imports is entitled to have the President provide import relief in terms of tariff increases or quotas or orderly market arrangements.

So this bill actually provides additional help for industries threatened by imports, and I am sure that footwear would be one of those that could benefit under the bill as reported.

Mr. President, I feel that we are doing and will do everything we can to cooperate with the kind of problem the Senator has in mind. But this amendment, unfortunately, goes too far and goes beyond footwear. Neither I, as a member of the committee, nor the staff professionals can advise as to the entire reach of it.

Mr. MUSKIE. Mr. President, I have listened with interest to the discussion of the McIntyre amendment by the distinguished Senator from Utah and the distinguished Senator from Louisiana, the manager of the bill and the chairman of the committee.

I have looked at the Kennedy amendment, and I would be pleased if the managers of the bill would accept that amendment. However, I would like to make an additional point.

We have been promised this kind of relief in international negotiations for all of the 16 years I have been in the Senate. We have always found the State Department and those in charge of our negotiations with other nations very reluctant about entering into orderly marketing discussions, and when involved in such discussions, less than the ardent advocates that we would have to have to persuade other countries that we mean business.

Language such as that of the Kennedy amendment, notwithstanding its intent, has always resulted in having nothing but a cosmetic effect in terms of its impact upon our own negotiators and the impression the negotiators of other countries have of the sense of urgency of our negotiators.

As a matter of fact, I say to the distinguished chairman and the Senator from Utah that the 1962 trade bill undertook to inject the same kind of element into our trade policy—that is, a prod to the President and the State Department—to open up orderly marketing negotiations with other countries to provide relief in these kinds of cases. The fact is that those have never once been triggered under the 1962 act, notwithstanding the solid evidence of increased import penetration of our market over that period of time.

The penetration in 1960 was 5 percent. It is now 40 percent. Yet, the shoe industry has been unable to trigger the relief provisions of the 1962 act. Those relief provisions presumably included not only the adjustment assistance provisions, which are nothing more than burial expenses in the case of shoe plants in little Maine towns, but also they have failed to trigger the very kind of negotiations that the Kennedy amendment envisions, may I say, with all respect to the distinguished Senator from Louisiana.

We go through this exercise, we get these assurances, the law is passed, and then nothing happens.

(At this point, Mr. TUNNEY assumed the chair.)

Mr. LONG. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. LONG. The language of the 1962 act was such that it would not trigger protection for those people whom the Senator from Maine wishes to help. This bill is written with language that almost automatically would permit the kind of protection the Senator from Maine is seeking for those people.

Mr. MUSKIE. I ask the Senator this question: The curve since 1959 on the import penetration of our shoe market is clear and discernible. It is an acute curve upward—5 percent to 40 percent. Is the Senator telling me that if that curve continues, under the provisions of this act, the continuance of that curve should trigger the kind of relief we are talking about? In other words, would a 5 percent to 40 percent increase or something like it over a shorter period of time trigger this kind of relief?

Mr. LONG. Yes, I think that certainly would be the case. It is our guess that if the shoe industry would seek relief under the terms of this act, chances are 90 out of 100 that it would get relief.

Mr. MUSKIE. I appreciate that assurance. It is helpful to this Senator.

I should like to take a moment or two, since I do not expect to speak on this bill again, to dramatize the kind of situation we find in these little towns. I know that the Senator from Louisiana has his little towns, as well, in rural Louisiana.

I am old enough to remember quite an evolution in these rural areas. I can remember the day when they used to process garden vegetable crops and build prosperous little communities around them. Then the big production areas of the Midwest came into the picture, and that industry dried up.

We also had little woodworking plants in Maine which were built around our forests. Maine is about 85 percent forest-covered today, and it has been for a long time. So little wood-turning plants developed in the towns, producing toothpicks, clothespins, and a large variety of wooden products. Then the plastics industry came along, and foreign competition in plastics caused those little plants to dry up.

There were also towns at another time in history which produced textile products of one kind or another. But they dried up as a result of foreign imports and competition from the South.

So we have had two or three successive layers of economic development in these towns, and the shoe industry in many cases is the latest layer.

Now this layer is about to disappear. And if these plants die, what is to replace them?

I cannot envision a steel plant or an aluminum plant or a plant of ITT or a modern electronics plant of any kind moving into these little towns. They will have nothing. That is why I describe the economic adjustment provisions of the bill as nothing more than burial expenses. People get an additional 26 weeks of unemployment compensation. What do they do at the end of that time? If there is no one to borrow money to establish a new industry, what then?

Mr. LONG. In the first place, the old law, the 1962 law that authorized the Kennedy round provided that the injury had to be the result of the tariff concession. This bill says that if you can show injury as a result of increased imports, you are entitled to relief.

Furthermore, with reference to adjustment assistance, there are provisions which say that if an industry or plant closes—and the imports do not have to be the major cause; they need only be a substantial cause—if the increased imports are a substantial cause for the plant closing, workers are eligible for community assistance as well as adjustment assistance. A billion dollars in loan guarantees is authorized for community assistance.

So we have provided for a billion dollars to put little plants such as you describe back into operation, or to establish new production in the same community, hopefully in the same building or the same general plant where they had previously produced the commodity which was no longer being produced.

So there is a great deal in this measure to help with situations the Senator describes that was not in the 1962 Act.

I should think that many of the small communities in Maine or New England to which the Senator has made reference would be eligible for the community assistance.

Mr. MUSKIE. I appreciate the interest of the distinguished chairman in pointing out that difference.

With respect to the McIntyre amendment, part of it is designed to dramatize the kind of penetration or impact that has taken place as a result of an increasingly high level of imports in order to make the case for the kinds of assistance that are provided for in this act. For that reason, I compliment the distinguished Senator again.

Mr. McINTYRE. I would like to ask the Senator from Maine, Mr. President, does he know of any manufactured domestic article that suffers competition from foreign exports to the extent of 40 percent, presently, in this country?

Mr. MUSKIE. I do not. Now, I know of some articles that are no longer manufactured in this country, that once were, and which have disappeared from production because of the impact of imports. But I do not know of any now struggling.

Mr. McINTYRE. Those are the ones that have been buried.

Mr. MUSKIE. Those are the ones that have been buried already.

Mr. McINTYRE. Of course, there are a great many raw materials that come in here, but that affords many opportunities, and we are glad to have them.

I thank my colleague from Maine for his support on this amendment. I would like to ask the chairman of the Finance Committee, or the ranking Republican member, on page 99 of the report, the following statement is to be found, toward the top of the page:

> It is expected that the President would exclude sensitive articles—those in which substantial duty reductions would likely injure domestic firms and workers—from significant duty reductions under title I or from preferential treatment under title V. The Committee intends that such sensitive articles could include those which are being injured as a result of dumping, and those which have been traditionally reserved from trade negotiations.

I would like to address the question to the floor managers: What assurance can they give to the Senator from New Hampshire, as they already have discussed in part with the Senator from Maine, about the committee's understanding that articles such as footwear would not be included under section 101 negotiations, and that the committee would give its attention to this problem as the bill is implemented?

Mr. LONG. We feel that the language makes it clear that where there is a sensitive article, where the type of situation exists that the Senator has just described for footwear, they should not negotiate further agreements that would bring in more imports. Remember that such an agreement would still have to be agreed to here in the Senate, when they did try to bring it back.

Mr. McINTYRE. I am sure that the distinguished Senator from Louisiana has had a great deal more experience than I have, but my years here indicate that when I have an opportunity to discuss this with Tariff Commission members, I get all involved with the shoe import question, that imports are coming in because they have a better price, or a better style, or other better retail attraction.

I do not feel that the shoe industry has been treated fairly, and I think the amendment I have offered is not restrictive in any way. It has an escape valve for the President, if he can prove that if imports increase, no additional harm will be done to the industry.

Under these circumstances, I feel constrained to ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, may I just say that the footwear industry has a lot more protection under this bill than under existing law. The committee has protected the footwear industry in this bill five different ways. We have already taken two amendments on the floor, and we are going to take the Kennedy amendment providing additional protection. The footwear industry will be in much better shape, and have much more help and protection available to them than under existing law. I think, having done all that, that is about as much as this committee or the Senate or Congress ought to be asked to do on that subject.

Mr. McINTYRE. Mr. President, I am aware of the fact that the committee has worked to improve the existing law, but I am here to tell the rest of the Members of this body that it can take a lot more improvement. I hope none of the States here represented by distinguished Senators ever find themselves in a position where they are being invaded by up to 40 or 45 percent by a foreign manufactured article, and I hope they do not have the experience that we in New England have had when we went to the Tariff Commission. It made no difference whether it was a Democratic President, or a Republican President.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. RIBICOFF. I am very sympathetic to the position of the Senator from New Hampshire. I think it ought to be pointed out that the committee is deeply concerned with the lack of sympathy that had always been shown by the State Department, the executive branch, or the President.

There are provisions in this bill that any agreement that the President enters into must come back to the Congress of the United States for a vote of approval, which is not the case at the present time.

Furthermore, the U.S. International Trade Commission, which is the new name for the Tariff Commission, must make a finding on the impact of these agreements upon any American industry.

When they give this information to the President, if the President rejects the advice of the so-called Trade Commission, there is an opportunity for Congress, in overriding the position of the President, to adopt the position of the International Trade Commission. The International Trade Commission has been made much more completely independent of the President.

Furthermore, may I state to the Senator from New Hampshire that there is established an advisory group from Congress, five Senators and five Members of the House of Representatives, to act in an advisory capacity throughout these trade negotiations, to take into account the interests of the various sections of the country and the various problems in any of our respective States.

I would expect that the five Members from the Senate would be very sensitive to the problems of every region, including those of New England. It would be my hope that the chairman, in appointing the five Members to represent the Senate would take into account the various regions involved. I would hope that the chairman might consider me as one of the five, and believe me, if that were the case, I would be very sensitive to the problems of New England, the problems of New Hampshire, and the problems of Maine concerning the basic industries that we have involved in the foreign trade negotiations.

I have introduced heretofore an amendment which was accepted by the chairman which provides for regional impact, and I used specifically the example of shoes. If an agreement were made concerning shoes that might not have an overall impact upon the shoe industry in the United States, but would have a regional impact upon New England, then the International Trade Commission could take into account the regional impact on the New England shoe industry, even though there would not be an impact upon the shoe industry, for example, in Missouri.

So I think it should be kept in mind that the Finance Committee has written in safeguards throughout the bill which have not existed up to the present time.

On page 99, if the Senator will read the entire report concerning the International Trade Commission, he will see that we have expanded this protection. And may I suggest to the Senator from Maine that if the Senator will address himself to page 151 of the committee report, he will see that the committee has created a new program of assistance for communities suffering from the impact of trade such as those the Senator described in his colloquy with the Senator from New Hampshire.

As a matter of fact, we used as an example the displaced shoe worker of New England as the reason for assisting communities. It is unfortunate that there is such a lack of knowledge of the basic problems and the protections we have written into this bill, because many of the complaints about the trade bill refer to problems that have been in existence before this bill was written by the Finance Committee. This bill has been written in such a way as to reflect the deep concerns on both sides of the aisle of protecting American industry and American labor.

There is more protection in this bill than were ever in any trade bill to come before the Congress of the United States.

Mr. LONG. Mr. President, I strongly feel that the Senator from Connecticut should be one of the conferees and I will nominate him, in the event the bill passes and we have a conference. I hope the bill will pass and we will have a conference, and that the Senator will be a conferee.

Mr. McINTYRE. Mr. President, I thank the distinguished Senator from Connecticut for his soothing and hopefully helpful remarks.

When I go back to my State, I have to try to talk to a 57-year-old shoemaker who has been tossed out of his job in Newmarket, N.H. after working there for 28 years.

I tell him, "It is all right. We are going to retrain you. We are going to give you a lot of benefits and retrain you, and make a plumber out of you."

You should see the look on that man's face. The members of this body know very well that adjustment assistance can go only so far to make up for jobs lost to foreign competition.

Mr. President, I urge the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 35, nays 49, as follows:

[No. 537 Leg.]

YEAS—35

Abourezk
Allen
Bayh
Beall
Brock
Brooke
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Cranston
Dominick
Eagleton
Ervin
Gravel
Hartke
Hathaway
Hollings
Jackson
Kennedy
Magnuson
McClellan
McIntyre
Metcalf
Muskie
Pastore
Pell
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stevens
Symington

NAYS—49

Aiken
Baker
Bartlett
Bennett
Bible
Biden
Buckley
Burdick
Cannon
Church
Clark
Cook
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Griffin
Gurney
Hansen
Hart
Haskell
Helms
Hruska
Humphrey
Javits
Long
McClure
McGee
McGovern
Metzenbaum
Mondale
Moss
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Roth
Stafford
Stennis
Taft
Talmadge
Thurmond
Tunney
Williams
Young

NOT VOTING—16

Bellmon
Bentsen
Cotton
Fulbright
Goldwater
Hatfield
Huddleston
Hughes
Inouye
Johnston
Mansfield
Mathias
Montoya
Stevenson
Tower
Weicker

So Mr. MCINTYRE's amendment (No. 2053) was rejected.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I think Senators would appreciate very much if they could have any indication as to how long they might be here this evening. So I ask the acting majority leader if he might give us any guidance or enlightenment.

Mr. ROBERT C. BYRD. May we have order, Mr. President?

Mr. PASTORE. Mr. President, may we have order? Will the Senators please take their seats? This is quite important.

The PRESIDING OFFICER (Mr. TUNNEY). The Senators will take their seats and the aisles will be cleared.

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Senators as to how many amendments there are remaining which are expected to be called up?

Now, may I ask this question: How many Senators plan to insist on a rollcall vote on their amendments? There appear to be none.

If it is agreeable, then, with the manager of the bill and the ranking manager of the bill I would suggest that we complete action on this bill tonight.

Mr. LONG. Mr. President, there are several of these amendments I could recommend we take provided the sponsor would make a very short speech. [Laughter.]

Mr. ROBERT C. BYRD. Then, Mr. President, I think from the appearance of things that we ought to proceed and attempt to complete action tonight on this bill.

Mr. YOUNG. Mr. President, my staff has been planning for weeks a win or lose party tonight. I am in favor of this trade bill and, if needed, I will return for final passage.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2075

Mr. BEALL. Mr. President, I call up, on behalf of my colleague from Maryland (Mr. Mathias) and myself the amendment we introduced this morning, it is at the desk, and I ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland for himself and Senator Mathias proposes an amendment.

The amendment is as follows:

On page 292, after line 2, insert the following:

SEC. 611. APPLICATION OF AMERICAN SELLING PRICE VALUATION TO CERTAIN FOOTWEAR.

(a) Headnote 3 of the headnotes to schedule 7, part 1, subpart A of the Tariff Schedules of the United States is amended by adding at the end thereof the following:

"(c) Subject to the provisions of section 336(f) of this Act, imported footwear, the sole and heel of which constitute more than 50 percent by weight of the shoes, at least 10 percent of which is composed of rubber (as defined in headnote 2 of schedule 4, part 4, subpart B) shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States, and shall be classified in item 700.60.".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

On page 292, line 3, strike out "611" and insert "612".

On page 292, line 13, strike out "612" and insert "613".

Mr. BEALL. Mr. President, I yield myself such time as I may need.

Mr. LONG. Mr. President, a point of order. I have been advised by the Parliamentarian that this amendment is not germane. I ask the Chair if the Senator will state if it is germane.

Mr. BEALL. May I explain the amendment?

Mr. LONG. Yes, I withhold my point.

Mr. BEALL. Mr. President, this amendment, to the Trade Reform Act of 1974, will close a serious loophole which is threatening the continued existence of an important segment of our Nation's economy, the shoe industry. I am pleased to note that my distinguished colleague (Mr. Mathias) has joined as a cosponsor of this amendment.

Briefly, Mr. President, foreign producers have been able to bypass the American selling price on various types of rubber footwear by adding extraneous materials such as iron, lead, and so forth to the heals and soles. Under the ASP system if less than 50 percent of the weight of the item is cotton, rubber, or plastic, then the ASP does not apply. In other words, by weighing down the shoes with extraneous materials, the foreign producer is able to evade the American selling price and thus undercut our domestic manufactures. In 1972 the Customs Court in the case of *International Seaway Trading Corp.* v. *United States* (349 F. Supp. 1019), partially closed this loophole. Our amendment will complete this process and protect the American footwear industry and the American consumers from this unacceptable evasion of the American selling price.

One example would be the Westminster Corp., which was established in 1948. It became a multimillion dollar business which had five factories by 1972. Today only one remains in operation and its future is in doubt. In just a few years a viable firm, with good management and modern equipment, has been undercut by these questionable import practices.

In the last 3 months, at least 11 shoe factories in the Maryland-Pennsylvania area have closed and others are likely to close also if relief is not forthcoming.

This amendment protects the American footwear industry, its employees, and the American consumer from unfair competition which results from a circumvention of existing law.

Mr. President, I ask unanimous consent that the text of a letter I received from David London, chairman of the board of the Westminster Corp., be printed in the Record at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

THE WESTMINSTER CORP.,
Westminster, Md., November 26, 1974.

Senator **J. GLENN BEALL, JR.,**
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: As a member of the Board of Directors of American Footwear Industries Association I was in touch with the association office today. I was advised that some members of the association were in to see Mr. Dave Rust of your office and discussed amendments to the trade bill for your review. As per my past conversations with you and also correspondence you know what the domestic footwear manufacturing industry faces. After review of the amendments, copy of which was left in your office, I will appreciate your consideration concerning one or more of the amendments when the trade bill comes up before the Senate.

Our employment is now about 225, down from 850 people three years ago. As per our conversation our primary problem is Taiwan due to the type of shoe we make. The rest of the industry is also faced with low cost labor competition from Europe, South America and Asia. With the economy as it now is this is the time we need any help we can get.

Thank you for your consideration in the past. Looking forward to seeing you again in the near future.

Sincerely yours,

DAVID LONDON,
Chairman of the Board.

P.S. Enclosed two articles concerning requests for import quotas in other countries having the same problem as ours which I feel is the ultimate answer to our problem.

[From Weekly Footwear News]

BFMF URGES QUICK ACTION ON IMPORTS

The president of the BFMF, Mr. Peter Holmes, has written to the Secretary of State for Industry, urging the Government to take immediate action to help the industry on two fronts. Mr. Holmes' letter begins with these words: "I am writing to tell you of the serious problems now facing the British footwear manufacturing industry and to urge the Government, in the strongest possible terms, to take immediate steps to alleviate its position."

A survey of 105 footwear companies, employing 38,000 people, which was carried out in September showed that notwithstanding a 7 per cent reduction in deliveries over the first eight months of the year as compared with the corresponding period of 1973, orders on hand at the end of August were 34 per cent lower than at end-December last. At the time of the survey a third of the respondent companies had less than three full weeks' work in hand and 65 per cent of them had less than six weeks' work. Nearly 44 per cent of the labour force covered by the enquiry were on short time, the majority of them on a four-day week.

The recession now afflicting the industry is not to be blamed on a dramatic fall in retail sales of footwear, which have held up reasonably well in the second and third quarters of the year. The main causes are changes in distributors' stocking policies—the result of pressures from inflation and from the tightening up of the Price Code—and a further growth in imports, particularly of types which compete directly with UK manufacturers' ranges.

"It is against this background that the industry asks the Government to take action, as a matter of the greatest urgency, on two fronts. Firstly, we again appeal for positive steps to relieve us from unfair import competition. Secondly, we ask that measures be taken to ease the very serious financial strains created in the industry by the combination of falling demand on our factories with continuing, and frighteningly rapid, increases in costs."

As regards imports, the federation asked before the General Election for the imposition of quota controls on imports of leather-uppered footwear from Eastern Europe, pointing out that in introducing such controls Britain would be conforming to the practice of other EEC countries and to its own practice on rubber and canvas footwear. Since that approach was made a further month's import figures have been released, showing a further sharp worsening in what was already a very grave situation: during the period January-July more shoes (5.42 million pairs) were imported from Czechoslovakia, Poland and Rumania than in the whole of 1973 (5.38 million pairs). "These shoes enter this country at prices which clearly bear no relation to the cost of manufacture and it is quite outrageous in our view that there should be absolutely no check on their importation at a time when so much of the British industry is working short time.

'We also feel very strongly that there should be no increase next year—as proposed by the Commission—in the duty free quotas afforded to developing countries under the Community's GSP scheme. Moreover, we think it quite wrong that GSP treatment should continue to be afforded to countries which ban the export of raw hides, or which place quantitative restrictions on footwear imports from this country, or which impose exorbitant duties on such imports. Although the industry accepts that the Community has responsibilities towards the developing countries, we urge that all footwear from countries following any of these practices should bear the full rate of duty.

'The measures which we ask should be taken straightway would not damage that confidence, being aimed at easing the pressure on margins and at improving liquidity. They are:

(i) the elimination of the productivity deduction requirement from the Price Code:

the present provisions bear very heavily on this industry, in which wages and salaries represent 40 per cent of operating costs;

(ii) the exemption of stock appreciation from liability to Corporation Tax; a much larger than average proportion of this industry's assets (around 50 per cent) consists of stock and work in progress; and

(iii) the scrapping of the requirement in the 1974 Finance Act that companies should pay a surcharge of 50 per cent on their Advance Corporation Tax.'

Mr. BEALL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator MATHIAS.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MATHIAS

PROTECTING AMERICAN JOBS

I am pleased to join with Senator Beall in offering this amendment which is designed to ensure that the regulations which define the terms of fair trade properly safeguard the legitimate interests of thousands of American workers, manufacturers and consumers concerned with quality footwear produced in the United States.

The American shoe industry has suffered from foreign imports. To an unfortunate degree, this loss of jobs and produce and income has resulted from the inability of trade regulations to adequately come to terms with the realities of shoe manufacture. The amendment which Senator Beall and I offer today would ensure that future regulations are based on the hard facts of shoe manufacture.

This amendment is offered not to inhibit trade but to safeguard its future by ensuring its fairness. The amendment has been developed with the aid of persons with detailed knowledge of the economics of the shoe industry—persons who have seen thousands of Americans lose their jobs and means of livelihood due to foreign imports—persons who know that this loss of jobs will continue unless action is taken forthwith.

I commend my colleague from Maryland for his work on this amendment, and I commend its provisions to my colleagues from other states.

Mr. LONG. Mr. President, I suggest the Senator direct this amendment to the attention of the committee to be considered with some of the tariff bills yet to come before the Senate. It is not germane to this bill.

Mr. BEALL. I understand from the chairman it is his expectation there are other tariff bills coming before the Senate next week, and as far as he is concerned this amendment would be acceptable on one of those bills?

Mr. LONG. Well, it could be offered. I do not know the merits of it, Senator, but it certainly will be considered.

Mr. BEALL. I thank the Senator.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 2076

Mr. GRAVEL. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment, No. 2076. The amendment is as follows:

On page 264, designate the present language of section 408 as subsection "(a)" and add at the end thereof the following new subsection "(b)".

"(b) If Czechoslovakia continues to fail to pay at least the principal amount it owes on said awards, the United States District Court for the District of Columbia shall have jurisdiction in an appropriate action to determine whether Czechoslovakia owns the aforementioned gold held or controlled by the United States, and upon a finding that Czechoslovakia does own such gold and that the United States may take actions lawfully to utilize same to obtain payment of the outstanding awards in favor of its citizens, the court shall issue all orders and judgments necessary to enable the United States to proceed in that manner, to the highest available prices, and, after deduction of litigation fees and costs approved by the court, to transfer the balance of the liquidated proceeds to the Czechoslovakian Claims Fund in the Treasury of the United States for payment of said awards, any amount remaining in the Fund after payment of all such awards to be paid to Czechoslovakia in accordance with instructions provided by the Secretary of State."

Mr. GRAVEL. Mr. President, this amendment—if I could have the attention of the chairman—this amendment merely is language that goes to an amendment that was accepted, I believe unanimously, by the committee involving the granting of nonfavored-nation status to Czechoslovakia and on the rights and benefits that would go with that.

What this amendment would do would make a determination on a question, a determination to be made by the U.S. District Court for the District of Columbia, as to the ownership of the gold that we all infer belongs to Czechoslovakia and, as a result of that determination, that a process could be initiated to satisfy the individuals in this country who have had their interests nationalized in Czechoslovakia.

What this would do, it really permits an escape valve that does not exist in the amendment in the committee. Under this amendment, unless Czechoslovakia realizes their own best interests and moves to satisfy these claims, if they choose not to do that, or if they do not do that, they will be making a very severe mistake.

What we would do is alter the balance of proof that would provide a vehicle that that could happen, and as soon as it did, then Czechoslovakia would be entitled to most favored nation treatment and all of the rights that are conferred with that.

Mr. President, title IV of the Trade Reform Act of 1974, as reported by the Senate Finance Committee, provides that henceforth the United States should always insist on obtaining fair economic treatment for its citizens as a quid pro quo for the granting of most-favored-nation tariff treatment or other extremely valuable economic benefits to Communist nations.

More specifically, in the case of Czechoslovakia, section 408 of the bill provides that this particular Communist country, which has long owed thousands of U.S. citizens a total of $105 million for its expropriation of their properties during the period from 1947 to 1949, shall not be eligible for favorable U.S. tariff status, or for desirable U.S. grants, loans, or credits, or for the release of certain gold our Government has been holding since the late 1940's as security for the payment of that expropriation debt until Czechoslovakia first pays at least the principal amount it owes on the outstanding U.S. awards—$64 million.

Section 408 of the bill thus does not absolutely prohibit the granting of most-favored-nation status or other economic benefits to Czechoslovakia. On the contrary, its basic thesis is that, in fairness and justice, our Government should extend those benefits to Czechoslovakia only after that nation first pays at least the principal balance—$64 million—it has owed for decades on its outstanding $105 million expropriation debt to our citizens. Obviously, since the combined value of the benefits we are being asked to extend to Czechoslovakia vastly exceeds the $64 million price that nation must pay under the pending legislation in order to be eligible for those benefits, section 408 of the bill is eminently fair and reasonable to Czechoslovakia.

I sincerely hope, therefore, that Czechoslovakia will soon conclude that it is truly in its own best interests voluntarily to settle its long malingering expropriation debt to citizens of the United States in the manner provided by section 408. Certainly, such action would result in a fair, favorable solution for both sides of a controversy which has raged for 25 years, and it would open the door to East-West trade and economic relations that has been closed for almost three decades.

In any event, it is perfectly plain to those of us on the committee who studied this problem very carefully and who heard the State Department explain why it has not been resolved over the years through normal diplomatic channels, that the time has arrived when, if Czechoslovakia continues to fail to pay its debt voluntarily, the United States should find a fair and equitable solution for its citizens if other means for payment exist, either here in the United States or within the control of our own Government. Fortunately, such means do appear to exist and the purpose of my amendment to section 408 is to direct that same be utilized promptly if, as stated above, Czechoslovakia simply fails to respond to section 408 voluntarily.

The hearing record developed by the committee in support of section 408 demonstrates that the U.S. Government presently physically holds here in the United States approximately 9 tons of gold which apparently belong to Czechoslovakia. In addition, the U.S. Government, as a member of the so-called Tripartite Commission for the Restitution of Monetary Gold established under the Paris Reparations Agreement of 1946, controls another 9 to 10 tons of gold belonging to Czechoslovakia which are physically held by a bank in England. On the basis of current market prices, the gold held here in the United States is valued well in excess of $50 million, while the gold held in England, subject to U.S. control, has a similar valuation.

If this gold, held or controlled by the U.S. Government, belongs to Czechoslovakia, as appears to be the case, then certainly in an appropriate legal proceeding in a U.S. district court orders could be fashioned to direct the Federal officials who hold or control same either immediately to transfer it, or its liquidated proceeds, to the Czechoslovakian Claims Fund in the Treasury established pursuant to Public Law 85-604, or at least to pursue in complete good faith preliminary steps which might have to be taken lawfully to accomplish that transfer.

The State Department contends that such a transfer can be accomplished only with the consent of England and France which sit on the Tripartite Commission with the United States pursuant to the terms of the international agreement which created that Commission. The Senator from Alaska and other members of the Senate Finance Committee who considered this matter, as well as various experienced lawyers we have consulted, seriously doubt the correctness of that position. If Czechoslovakia owns the gold physically held by our Government here in the United States, and if Czechoslovakia is indebted to our citizens in a sum roughly equivalent to the value of that gold, then certainly the United States, in response to a valid court order of attachment, would have to surrender the debtor's gold to its creditors for application against the debt.

Indeed, in 1958, when Congress passed Public Law 85-604 creating the Czechoslovakian Claims Fund, no objection was raised to the provision of that statute which directed the Secretary of the Treasury to transfer liquidated proceeds of a steel mill belonging to Czechoslovakia which he was holding to the Czechoslovakian Claims Funds for distribution to U.S. citizens with expropriation awards against Czechoslovakia. Essentially, the same situation exists here with reference to the Czechoslovakian gold also physically held by our Government here in the United States. In this instance, the gold, which belongs to Czechoslovakia, is physically held by the United States and at best England and France are mere co-trustees of said gold with the United States. May not creditors seize gold belonging to a debtor-in-default which is held in trust without the consent of the trustees?

But, even assuming the State Department is correct and that consents to any such utilization must be obtained from England, France, or both, certainly it is within the power of a U.S. district court to order the Secretary of State to negotiate in complete good faith for such consents, and in the event such consents are obtained, to clear the way for immediate transfer of the Czechoslovakian gold to the Czechoslovakian Claims Fund created by Congress.

Consequently, the purpose of my amendment is to empower the U.S. District Court for the District of Columbia to adjudicate these issues in an appropriate action, and upon a finding that the gold held or controlled by our Government legally belongs to Czechoslovakia, to issue all orders necessary to accomplish the lawful transfer of the liquidated proceeds of that gold to the Czechoslovakian Claims Fund in the Treasury for payment to the U.S. awardholders. The amendment also provides that, notwithstanding any other provision of law, gold liquidated pursuant to any court order in this instance may be sold at either public or private sale, the purpose being to obtain the highest prices for same then prevailing in the marketplace.

Finally, the amendment provides that in the event any balance remains in the Czechoslovakian Claims Fund after payment of the $105 million awards in favor of our citizens, that balance will be paid to Czechoslovakia in accordance with instructions received from the Secretary of State. If the payments made to U.S. awardholders pursuant to this amendment equal the full principal amounts due on said awards, $64 million, then, of course, under subsection (a) of section 408, Czechoslovakia immediately becomes eligible for most-favored-nation status, as well as U.S. grants, loans, and credits.

Because the Foreign Claims Settlement Commission of the United States has already adjudicated the expropriation awards held by U.S. citizens against Czechoslovakia, it seems clear that nothing involved in this amendment or any litigation hereafter filed in the district court pursuant thereto, involves the so-called act of state doctrine which sometimes precludes courts in the United States from reviewing acts of a foreign government "done within its own territory." The matter referred to litigation by this amendment is not the legality or illegality of Czechoslovakia's expropriation within Czechoslovakia of U.S. property. That issue was settled, pursuant to Public Law 85-604, by the Foreign Claims Settlement Commission, and thus there is no need for further litigation of that matter at this time. Under my amendment, the sole matters remitted to the district court for resolution are the questions of whether Czechoslovakia owns the gold physically held by the U.S. Government in this country and the gold controlled by the United States in England, and if Czechoslovakia does own the said gold, what orders can be fashioned by the court lawfully to transfer the proceeds of that gold to the payment of U.S. citizen awardholders.

In any event, in order to obviate the claim that the "act of state doctrine" or some similar doctrine might possibly preclude U.S. district court jurisidiction over the last mentioned issues, the purpose of my amendment, in line with the recent decision of the U.S. Supreme Court in *First National City Bank* v. *Banco Nacional de Cuba*, 406 U.S. 759 (1972), is to grant congressional or political approval to the adjudication of these issues; and by expressly giving jurisdiction over same to the U.S. District Court for the District of Columbia, to make it clear that, after 25 years of diplomatic stalemate and total executive branch inability to obtain payment of the U.S. expropriation awards, the adjudication by the court of the very narrow issues here involved will in no respect frustrate or impede the Executive's conduct of our Nation's foreign relations.

In other words, after decades of frustrating delay and inaction, the time has finally arrived when the legislative branch of our Government should authorize and empower the judicial branch to seek to provide fair compensation for the U.S. citizens whose properties were confiscated by Czechoslovakia approximately 25 years ago. Patently, the executive branch has been completely unable to do so.

Mr. LONG. Will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. LONG. Mr. President, what the Senator's amendment says is that these Americans have a right to have their day in court to determine if this gold can be attached by the United States and to determine if they have rights on it as they say they do. This would give them their day in court before the district court and I assume, if either side is not satisfied, the decision could be appealed to the Supreme Court of the United States for a judicial determination of their rights on these payments to these American claimants.

Mr. GRAVEL. The chairman is distinctly accurate. I was trying to define it to the benefit of Czechoslovakia itself in case it did not do the right thing.

I hope the chairman will accept it.

Mr. LONG. I favor the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska (Mr. GRAVEL).

The amendment was agreed to.

AMENDMENT NO. 2036

Mr. SCHWEIKER. Mr. President, I cal up my amendment No. 2036 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an amendment No. 2036. The amendment is as follows:

On page 63, between lines 14 and 15, insert the following flush language: "Representatives from each committee established under subsection (c) shall participate directly in any negotiation of any trade agreement referred to in section 101 or 102 to the same extent as a representative of a comparable committee or sector participates in such negotiations on behalf of any foreign country or instrumentality.".

On page 69, beginning with line 5, strike out through line 8.

Mr. SCHWEIKER. Mr. President, I will be very brief. I have two amendments. This is the first one. I have discussed this with the committee, and I believe they seem favorable to them.

This amendment simply says that when our negotiators are in negotiations that they will have the same right to call on our sector advisory committees as their foreign counterparts do with their comparable committees.

I think it is only fair and proper we should give our people affected by trade negotiations the same kind of representation their foreign counterparts have.

Mr. LONG. Mr. President, I would be pleased as manager to urge the Senate to agree to the amendment so that we could take it to conference and see if we could persuade the House to agree upon it.

The PRESIDING OFFICER. The

question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. SCHWEIKER).

The amendment was agreed to.

AMENDMENT NO. 2038

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 2038.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an amendment, No. 2038. The amendment is as follows:

On page 20, line 20, immediately after "(b)", insert "(1)".

On page 21, between lines 8 and 9, insert the following:

"(2) Before the President enters into any negotiations for a trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall report separately to the Congress each subject matter area of United States law and administrative practice which he intends to affect under any trade agreement arising out of such negotiations. If such report states that the President intends to negotiate with respect to the subject matter area of consumer protection, employee health and safety, labor standards, or environmental standards, then the President may not enter into negotiations under this section with respect to such subject matter area unless the Congress approves such negotiations under the provisions of paragraph (3).

"(3) Negotiations may be entered into under this section with respect to each subject matter area described in paragraph (2) only if negotiation of such subject matter area is specifically approved by the Congress by the adoption of a negotiation approval resolution (described in section 151 (b))."

On page 75, line 19, immediately after the comma, insert the following: "negotiation approval resolutions described in subsection (b)(4),".

On page 77, between lines 9 and 10, insert the following:

"(4) The term 'negotiation approval resolution' means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress approves the negotiation of the following subject matter area of United States law and administrative practice as stated in the report transmitted by the President to the Congress on the first blank space filled with the subject matter area involved and the second blank space being filled with the appropriate date.".

On page 79, between lines 5 and 6, insert the following new paragraph:

"(3) On the day on which a proposed subject matter reported is transmitted to the House of Representatives and the Senate under section 102(b)(2), a negotiations approval resolution with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and the minority leader of the Senate. If either House is not in session on the day on which such a report is transmitted, the negotiation approval resolution with respect to such agreement shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The negotiation approval resolution introduced in the House shall be referred to the Committee on Ways and Means and the negotiation approval resolution introduced in the Senate shall be referred to the Committee on Finance.".

On page 79, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 79, line 18, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80 lines 5 and 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, line 14, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 81, line 15, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 81, line 20, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 1, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, lines 2 and 3, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 12, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 16, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 22, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, line 4, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, lines 18 and 19, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, line 24, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

Mr. SCHWEIKER. Mr. President, this requires prenotification of Congress prior to trade negotiations affecting laws that the Congress has already passed.

By this amendment, our rights as legislators are protected. It gives Congress an oversight role in seeing that the laws and regulations we have approved are not modified in trade negotiations, unless we are notified in advance and have an opportunity to approve the proposed negotiating authority.

Mr. LONG. Mr. President, this is consistent with the bill. I shall be pleased to vote for it, myself. I have discussed it with my colleagues, and they think the amendment has merit.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2071

Mr. McINTYRE. Mr. President, on behalf of the distinguished Senator from Massachusetts (Mr. KENNEDY) I call up his amendment No. 2071.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Mr. McINTYRE, in behalf of Mr. KENNEDY, proposes an amendment, No. 2071.

The amendment is as follows:

On page 33, line 10, strike out "and".

On page 33, line 14, strike out the period and insert ", and".

On page 33, after line 14, insert the following:

"(14) any revisions necessary to establish an international agreement on footwear, within the GATT, including the creation of regular and institutionalized mechanism for the settlement of disputes, and of a surveillance body to monitor all international shipments in footwear."

Mr. McINTYRE. Mr. President, a year ago, a successful international agreement on textiles was reached—a welcome achievement.

In March of this year a letter was sent to the President signed by 33 Members of Congress representing New England, to seek a similar international agreement on trade in footwear.

Fewer industries have suffered from increasing imports than the footwear industry. Twenty-five thousand jobs in the industry have been lost over the past decade in New England, more than 11,000 in Massachusetts alone.

This amendment will give specific authorization to the President to negotiate in the GATT for an international agreement on footwear.

Mr. President, I move the adoption of the amendment.

Mr. LONG. Mr. President, this is an amendment which I stated previously that we on the committee would urge the Senate to take. I hope that the Senate agrees to the amendment. I am happy to join with the Senator from New Hampshire in a mutual effort to assist his people who manufacture footwear.

Mr. McINTYRE. Mr. President, I thank the distinguished chairman of the committee on behalf of Senator KENNEDY and others for accepting this amendment.

I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2072

Mr. McINTYRE. Mr. President, I call up, in behalf of Mr. KENNEDY, amendment No. 2072 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 132, line 8, strike out "70 percent" and insert 75 percent".

Mr. McINTYRE. Mr. President, I ask modification of the amendment, that on line 2, the "80 percent" be changed to "75 percent."

The PRESIDING OFFICER. Is there objection to modifying the amendment?

The Chair hears none. It is so ordered. Will the Senator please send the modification to the desk?

Mr. HANSEN. Will the Senator yield for a unanimous-consent request while the modification is on its way to the desk?

Mr. McINTYRE. I am happy to yield.

Mr. HANSEN. Mr. President, I ask unanimous consent that my staff people, Noland McKean and Sonny Nixon, be on the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, the committee bill provides for 70 percent of the worker's average weekly wage. The principle is that no worker or sector of workers should suffer from the Government's decision to enter trade negotiations.

The amendment will increase benefit levels of adjustment assistance to 75 percent of the worker's average weekly wage, but not in excess of the average weekly manufacturing wage.

I move adoption of the amendment as modified.

Mr. LONG. Mr. President, in the spirit of compromise, we are willing to agree to the amendment. I shall vote for it.

Mr. McINTYRE. I thank the chairman, and move the adoption of the amendment as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

NELSON AMENDMENT

Mr. NELSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

> On page 264, between lines 18 and 19, insert the following new section,
>
> SEC. 410. WAIVER OF SECTION 409.
>
> During any period that a waiver is in effect with respect to any non-market economy country under section 402(c), that waiver shall also apply with respect to that country for the purpose of waiving the provisions of subsections (a) and (b) of section 409.

Mr. NELSON. Mr. President, the legislative counsel advises that the waiver provision of the Jackson amendment does not, in fact, apply to the amendment offered by the distinguished Senator from North Carolina (Mr. HELMS). It was everybody's intent, I am sure, that the same waiver amendment that applies to the Jackson amendment apply to the Helms amendment.

Mr. President, I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2052

Mr. MONDALE. Mr. President, I call up my amendment No. 2052.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 267, strike out lines 22 and 23 and insert the following:
>
> "(1) if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism;".

Mr. MONDALE. Mr. President, this amendment affects title V of the bill relating to the generalized system of tariff preferences. The bill in its present form would deny GSP to all Communist countries. My amendment would provide a limited exception to this rule, by providing for eligibility of countries that are contracting parties to the General Agreement on Tariffs and Trade and members of the International Monetary Fund, that also receive nondiscriminatory tariff treatment and are not dominated or controlled by international communism.

In my judgment it is unfortunate that the Senate Finance Committee adopted language barring GSP for Communist countries. In practice, there are only two countries this prohibition would affect—Romania and Yugoslavia. In earlier deliberations on the bill, the committee had made a tentative decision to exempt Romania and Yugoslavia from the prohibition—in recognition of their more independent foreign policy, and, in the case of Yugoslavia, the more humane domestic political and economic structure as well. That exception is now missing from this bill.

Mr. President, to deny the administration the authority to extend the generalized tariff preference system to Romania and Yugoslavia would adversely affect our commercial and economic interests in both countries with correspondingly negative political consequences. Such preferences are of high priority to the leaders of both countries both for commercial reasons and the recognition of them as LDC's, and also because they would lend support to the independent foreign policy of each country, an independence most concretely manifested by expanding trade with the West. To sustain these trade ties and to continue to import increasing quantities of capital goods from the United States, Yugoslavia, and Romania must be able to export their products to our market. In order to remain competitive, GSP is essential for this objective.

I shall not burden you with a recitation of a whole list of statistics. But I think it significant to note that two-way trade between the United States and Yugoslavia grew from $258 million in 1970 to $422 million in 1973 with a $48 million surplus for the United States in 1973. Even more dramatic increases in trade were registered between the United States and Romania during the same period—up from $79 million two-way exchange in 1970 to $171 million in 1973 and an anticipated exchange of $450 million in 1974. Once again, the trade balance was significantly in our favor by about 2 to 1.

The importance which these countries attach to economic relations with the United States was seen in President Tito's personal attendance at the groundbreaking ceremony several days ago for a $400 million-plus nuclear powerplant to be built by an American firm.

Mr. President, the sole beneficiaries of excluding Romania and Yugoslavia from the generalized system of tariff preferences would be those countries which oppose improvement in our relations with those two countries. Specifically, the Soviet Union stands ready to capitalize on any reversal of our efforts to draw Romania and Yugoslavia into free associations with the Western World.

Mr. President, I understnad that the administration supports this amendment, and it has very little significance to the trade bill in terms of the volume of imports it would permit.

These two nations, in my opinion, are trying to seek their own independent foreign policy, and not to accord them this status would be in the form of an insult. I hope that the floor manger can accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

AMENDMENT NO. 2060

Mr. DOLE. Mr. President, I call up my amendment No. 2060 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 25, line 10, delete the comma following the word "feasible" and insert therefor "and consistent with the provisions of section 103,".

Mr. DOLE. Mr. President, this amendment is designed to clear up an ambiguity in the bill. The existing language in sections 103 and 104 are contradictory in appearance. My amendment would resolve the apparent contradiction by simply requiring that section 104 be implemented in a manner "consistent with the provisions of section 103." I believe this amendment is in line with good drafting practice by keeping consistently among all provisions in the bill.

The ambiguity presently existing in the bill is especially relevant to trade negotiations on farm commodities. Exports of farm commodities have been one of the few bright spots in our foreign trade picture. Exports of farm commodities have made a very substantial contribution to keeping a relatively positive balance of trade which is so important for reducing the rate of inflation we are experiencing. Farm exports are vitally related to the well-being of our national economy. The amendment I am introducing would facilitate keeping farm exports at a level beneficial to the health and strength of our economy.

OFFSET OIL IMPORTS

In fiscal year 1974, agriculture exports reached a record level of over $21 billion. That meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first 10 months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill has increased by over $12 billion this year over last and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973, our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year have kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is why I am introducing this amendment today.

ADVANTAGE OF FREER TRADE

The basic objectives of the Trade Reform Act are set forth in section 2, the statement of purposes in the bill. These objectives can be attained only if the nations participating in the upcoming round of multinational trade negotiations are convinced that an international trading system based on comparative advantage offers maximum opportunities for obtaining economic benefits for the peoples of all nations. Under such a system, each country will export those industrial and agricultural commodities which it can produce efficiently and in volume and will receive from other countries those commodities which other countries have a comparative advantage in.

Adherence to this basic economic principle can result in an expansion of international trade that will be mutually advantageous to all nations.

SECTOR NEGOTIATIONS LIMITED

Expansion of agricultural exports offers our country its greatest opportunity to improve our balances of trade and payments and to meet the increased cost of imports of petroleum and other essential raw materials now in short supply. It is essential to our national interests that agriculture not be separated from industry during the upcoming negotiations.

There are few opportunities for gaining trade concessions on our agricultural exports by granting comparable concessions on our agricultural imports. There are several reasons for this.

First, we have already reduced most restrictions on our imports of foreign agricultural commodities. Because we have already lifted these restrictions, we have few opportunities to make concessions to other nations by further reducing restrictions on foreign imports. We have in effect given away most of our bargaining chips in this area already. Because we have few concessions left to give, negotiations limited strictly to the agricultural sector will hardly offer much promise of gaining expansion of agricultural exports that we so greatly need.

Second, we have no direct subsidies or rigid quantitative controls on commercial export shipments of agricultural commodities. While export subsidies might be beneficial to our farm commodity export position, all subsidies were phased out when farm exports increased last year. That means we have no trade distortions of these kinds to place on the negotiating table and this would be a further restriction to expanding our agriculture exports if our negotiators are restricted to a sector-by-sector negotiating basis.

Commercial exports of our agricultural commodities are confronted by foreign import barriers of great multiplicity and magnitude. The trade bill contains authority for the President to reduce these tariff and nontariff barriers. However, that can best be accomplished by negotiating on a multisector basis as opposed to a sector-by-sector basis.

Finally, our domestic agriculture possesses tremendous competitive strength in terms of ability to supply large quantities of many of the commodities in world trade. For our country, this is a national asset, but some countries, for political or other reasons, wish to remain largely self-sufficient in food production. This further increases the difficulty of expanding our agricultural exports. If restricted to a sector-by-sector approach, our negotiators will be less successful in overcoming these obstacles than if permitted to use a multisector approach.

The bill we reported out of the Senate Finance Committee provides many substantial improvements over the language in the House-passed bill. The Senate Finance Committee report further improves the intent of this language. However, ambiguity remains. On December 3, Ambassador Malmgren, Deputy Special Representative for Trade Negotiations, made it clear in a meeting with farm representatives that practically any manufacturing industry could be isolated for negotiations on a sector basis if it so desired. Such an interpretation of the law could result in negotiations on agriculture commodities being restricted to that sector alone. This could be disastrous for expansion of our agricultural exports and ultimately for the economy as a whole.

Section 103 provides flexibility for negotiation in order to expand agricultural trade in a meaningful manner. Yet section 104, immediately following, seems to contradict the previous section by requiring that negotiations be conducted to the extent feasible on a sector-by-sector basis. My amendment would insure that section 104 is consistent with section 103 by simply inserting the phrase "and consistent with the provisions of section 103." This minor change would insure that the provisions within the bill are consistent with each other.

The minor change in the bill that I am proposing should be noncontroversial. I hope we can accept this amendment to the Trade Reform Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

AMENDMENT NO. 2028

Mr. CHURCH. Mr. President, I send to the desk my Amendment No. 2028 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes amendment No. 2028.

The amendment is as follows:

On page 22, beginning with line 3, strike out through line 7 and insert in lieu thereof the following: "international trade, he shall submit such agreement, together with—

"(A) a draft of an implementing bill (described in section 151(b)) and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and

(B) an employment impact statement setting forth in detail, and substantiated with factual information, job losses and gains which may be expected as a result of such agreement, and

such agreement shall enter into".

On page 97, line 12 after the period, insert the following: "Such statement shall include an employment impact statement setting forth in detail job losses and gains which may be expected as a result of such agreement. To the maximum extent possible, the employment statement shall be substantiated with factual information.".

Mr. CHURCH. Mr. President, I strongly support the goals of the Trade Reform Act to reduce the barriers to free trade. While I believe that unrestricted world trade will ultimately be of great benefit to the American worker, I also recognize the responsibility of this Government, and of this Congress to insure that the transition from import controls to lower trade barriers does not, in the short run, unduly damage the employment situation.

As the bill now stands, Congress would have to consider trade agreements submitted for its approval by the executive branch, without having any prior assessment of the employment effects of those agreements. Yet employment effects are clearly a major factor in determining the relative merits of any trade agreement, especially at a time when this Nation's unemployment rate is 6½ percent and rising.

My amendment would require the executive branch to submit an assessment of the employment impact of any trade agreement at the time the agreement is submitted to Congress. Only with such information in hand can the Congress fulfill its responsibilities under the Trade Reform Act.

I hope that it is possible that the distinguished chairman may accept the amendment.

Mr. BENNETT. Mr. President, may I comment before the chairman replies?

I am in complete sympathy with the objective of this amendment. I do not think any amendment has a crystal ball. I do not think that it is possible to require the President to submit an employee impact statement in detail, substantiated with factual information, about job losses and gains which can be expected as a result of a change in the tariff. I recognize that the amendment, in a sense, is harmless, but I do not think—I assume that the chairman is going to take it, and I shall not object to that. I do feel that I had to make the point that this requires more or less of an impossible performance on the part of the President. I hope its sponsor does not expect too much practical result from it.

Mr. LONG. Mr. President, if the information regarding employment can be obtained, I am sure that it will be good to have it. It would be useful to Congress and to the Nation to have this information. If the requirements of the amendment are more than the administration can do, I would think that we might be able to moderate that in conference. I hope that they will take it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2029

Mr. CHURCH. Mr. President, I send amendment No. 2029 to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes amendment No. 2029.

The amendment is as follows:

On page 191, beginning with line 11, strike out through line 23 and insert in lieu thereof the following:

SEC. 282. TRADE MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain programs—

(1) to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States, and

(2) to systematically gather information about the international operations of each multinational corporation doing business in the United States including—

(A) the amount of total direct investment by such corporation in each foreign affiliate of such corporation by product line, amount of income received by such corporation from each such affiliate, the amount of consolidated net income of each such foreign affiliate, the amount of taxes actually paid by such corporation and by each such foreign affiliate with respect to foreign affiliate operations, and information about all mergers, acquisitions, liquidations, and investments in foreign countries involving such corporation;

(B) the gross sales by product line of such corporation and of each foreign affiliate of such corporation in each foreign country in which such affiliate is doing business, the dollar amount by product line of articles which such corporation imports from each foreign country and of articles which such corporation exports to each foreign country, the dollar amount of trade by product line which such corporation carries on with each such foreign affiliate,

(C) employment data showing the number of foreign employees of such corporation and of each foreign affiliate of such corporation by country and by the level of compensation of such employees,

(D) the dollar amount of research and development expenditures by such corporation in foreign countries by country and by activity, and

(E) the location and name of all branches of such corporation and each foreign affiliate of such corporation located in foreign countries, and the total assets, income, and a description of the product line of such branch and such affiliate.

A summary of the information gathered under subsections (a) and (b) shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.

Mr. CHURCH. Mr. President, section 282 of the Trade Reform Act provides that the Secretaries of Commerce and Labor should monitor imports into the United States. But the provisions of this section do not adequately take into consideration the fact that the nature and volume of U.S. trade is today largely determined by the investments in production facilities abroad made by U.S. multinational corporations. According to estimates made by the U.S. Tariff Commission in 1973, intracompany trade between U.S. based multinational corporations and their foreign affiliates accounts for fully a third of aggregate U.S. exports and imports. Nonaffiliate flows probably account for another large share of total U.S. trade. Unfortunately, there is no accurate measure of the true impact of multinational corporate activities on U.S. trade because no responsible government agency collects the data which could provide a precise answer.

As chairman of the Subcommittee on Multinational Corporations I have personally been frustrated by the lack of statistical information on multinational corporations and I fail to see how the Government can possibly develop a rational and cohesive policy on trade and many other matters without such data.

In my view, it is essential that the Government have access to precise and detailed information on a regular basis regarding the foreign acquisitions and mergers of U.S. corporations and particularly data on the trade and financial flows between parent companies and their foreign affiliates. The Secretary of Commerce undertook a very limited survey on U.S. multinational corporations in 1966 and 1970. This survey was widely criticized for its failure to gather data on intracompany relationships. The Secretary proposed to carry out a more ambitious survey in 1974, but other Government agencies questioned his legal authority to conduct such a survey and the idea has reportedly been abandoned.

My amendment would provide the legal authority—indeed, it would require the Secretaries of Commerce and Labor to collect extensive information on U.S. multinational corporations. The amendment also insures that the full range of data collected by these Departments will be available to all Members of Congress on request. This information will give both the executive branch and Congress a necessary tool in maximizing the benefits to be derived from the other provisions of the Trade Reform Act.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum supporting my argument in favor of the amendment.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 13, 1974.

MEMORANDUM

To: All Members, Subcommittee on Multinational Corporations.
From: The Staff.
Re The Department of Commerce Bench-Mark Survey of U.S. Foreign Direct Investment.

Experts in the field agree that there is a critical lack of comprehensive and reliable data on the operations of multinational corporations.

The only broad survey of U.S. multinational corporations is the Bureau of Economic Analysis (BEA) Department of Commerce 1966 bench-mark survey, "The Multinational Corporation: Studies of U.S. Foreign Direct Investment," with a limited sample up-date done in 1970. While this is the best data available, it is woefully inadequate: since the data base and the method of analysis used in the 1970 survey is not the same as for 1966, the data is of limited use for showing trends or changes in U.S. foreign investment over time; neither survey asks detailed questions about the relationship between parent companies and their foreign affiliates, although this is at the very core of the nature of multinational corporations; finally, since individual company data is confidential, and Commerce may not reveal it even to other government agencies including Congress, the published data is aggregated in such a way as to make any but the crudest conclusions about the behavior of U.S. multinational corporations impossible. (See attached sample.)

The Tariff Commission drew heavily on this Commerce data in its 1973 report to the Senate Finance Committee on the impact of multinational corporations on U.S. trade and employment, but states in the introduction to the report that the work of the Commission was hampered by "the limitation of resources including particularly the type and quality of available research materials." It complains that the 1966 and 1970 Commerce Department data was not comparable and that "certain significant data respecting foreign affiliates in which U.S. concerns hold less than a majority interest were unavailable, as were certain substantive data on the operations of subsidiary concerns of the foreign affiliates of U.S.-based MNC's. A notable gap relates to the lack of data respecting the imports of the foreign affiliates of U.S. concerns from third countries."

In addition, the Commission could only estimate the total employment by multinational corporations because the relevant figures have not been collected.

Four months ago, the Department of Commerce began to prepare the 1973 or 1974 bench-mark survey of U.S. foreign direct investment, along the same lines as the previous two studies. Results of this study could then be juxtaposed with the detailed study of foreign direct investment in the U.S. just initiated by Treasury. Before the questionnaires can be sent out, however, the BEA has to have the approval of the interdepartmental National Advisory Committee on International Monetary and Financial Policy (NAC) which consists of representatives of Commerce, Treasury, State Department, the Federal Reserve Board and the Export-Import Bank, with Treasury chairing.

The NAC, and specifically Treasury and the Federal Reserve, has now expressed serious doubts about the legal authority of Commerce to conduct such a survey, even though the legal mandate was deemed adequate in 1966 and 1970. The authority under which the previous surveys were done was the Bretton Woods Agreement by which the U.S. Government agrees to furnish the International Monetary Fund certain data, chiefly pertaining to the balance of payments, on a regular basis. The NAC has now decided to give the narrowest possible interpretation to this mandate and insist that 40 percent of the questions asked in previous MNC surveys be dropped.

The proposed deletions cover precisely those areas in which the earlier surveys were weakest. For example, any questions pertaining to company foreign income, number of employees abroad, trade, foreign licensing fees paid, taxes other than income taxes paid abroad, have all been crossed off. Moreover, the few questions relating to parent-affiliate ties which were included in the original questionnaire are to be eliminated altogether; companies will no longer have to provide data on intra-company trade by product and by country, nor on the distribution of individual affiliate sales to the home country, (the U.S.) as compared to the host country. Most shocking of all, the question about company expenditures for mining and petroleum exploration and development abroad has also been eliminated!

Although the NAC so far has met only at the staff level, under the Chairmanship of Jim Griffith of Treasury, a BEA official told us that it is clear from their adamantly negative stand that any attempt to raise the issue at the secretarial level would be futile. And even a 3 to 2 vote of the NAC in favor of sending out the questionnaire would not necessarily carry the day. A number of corporations have indicated that they would challenge the legality of the survey in the courts if the survey asks for more than balance of payments related data. BEA feels that it would be a waste of time and money to send out an abbreviated questionnaire. It is therefore likely to drop the matter for now and to ask for a stronger legislative mandate from the next Congress.

Every government recognizes the necessity of obtaining detailed and comprehensive statistics about key domestic sectors of the economy. Given the tremendous impact of multinational corporations on the economy and on U.S. foreign policy, the same standards should apply to U.S. foreign direct investment.

At the very least, the Subcommittee should notify the members of the NAC of its concern that a comprehensive survey of MNC's be carried out. If further legislation authorizes the Commerce Department to carry out such a survey, the Subcommittee should rightfully play a role in designing and processing this legislation.

TABLE 3N.—BALANCE SHEET AND INCOME ACCOUNT WITH SALES AND EMPLOYMENT DETAIL FOR 1966 OF MAJORITY-OWNED FOREIGN AFFILATES OF PETROLEUM PARENTS

[Millions of dollars; thousands of employees]

Item	All industries	Industry of foreign affiliate											
		Manufacturing								Other			
		Total	Food products	Chemicals and allied products	Primary and fabricated metals	Machinery	Transportation equipment	Other manufacturing	Petroleum	Total	Mining and smelting	Trade	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BALANCE SHEET ITEMS													
1. Total assets	24,131								21,901				
2. Of which: Net property, plant, and equipment	12,269								11,658				
3. Total liabilities	13,004								11,719				
4. Net worth	11,134								10,180				
INCOME ACCOUNT ITEMS													
5. Net sales of goods or services	26,436								23,564				
6. Other income	622								565				
7. Total income	27,058								26,253				
8. Depreciation, depletion and related charges	1,156								1,103				
9. Cost of employees and cost of goods or services sold	15,521								14,941				
10. Interest	255								219				
11. Taxes other than income taxes	4,637								4,621				
12. Other costs, excluding income tax	1,385								1,318				
13. Total costs and expenses	22,954								22,201				
14. Net income before income taxes (line 7 minus line 13)	4,104								4,452				
15. Income taxes	2,250								2,223				
16. Net income after income taxes	1,854								1,324				
DETAIL TO INCOME ACCOUNT: SALES DATA													
17. Local sales	18,473								17,921				
18. Of which: Sales to all affiliates of reporter	3,100								3,053				
19. Exports to United States	1,370												
20. Of which: Sales to reporter	1,074								1,067				
21. Exports to other countries	6,534												
22. Of which: Sales to all affiliates of reporter	4,990								4,938				
EMPLOYEES AND PAYROLL COSTS													
23. Number of employees	313								292				
24. Payroll costs of employees	1,559								1,474				

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[1] Finance and insurance affiliates were not required to file the detailed sales data in 1966 and, therefore, the detailed sales data exclude sales of these affiliates and the sum of lines, 17, 19, and 21 thus is not equal to line 5 in the income account.

[1] Source: U.S. Department of Commerce, Bureau of Economic Analysis, International Investment Division.

Mr. CHURCH. Mr. President, I hope that the distinguished chairman will accept the amendment.

Mr. LONG. Mr. President, it would be good to have the information, if we could get it, and I will cooperate to see if we can get it.

The PRESIDING OFFICER (Mr. Metzenbaum). The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2033

Mr. CHURCH. Mr. President, I send to the desk amendment No. 2033.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. Church) proposes amendment No. 2033.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE VII—AMENDMENTS TO INTERNAL REVENUE CODE

Sec. 701. Taxation of Earnings and Profits of Controlled Foreign Corporations.

(a) Part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to income from sources without the United States) is amended by inserting after subpart II thereof the following new subpart:

"Subpart I—Controlled Foreign Corporations

"Sec. 985. Amounts included in gross income of United States shareholders.
"Sec. 986. Definitions.
"Sec. 987. Rules for determining stock ownership.
"Sec. 988. Exclusion from gross income of previously taxed earnings and profits.
"Sec. 989. Adjustments to basis of stock in controlled foreign corporations and of other property.
"Sec. 990. Records and accounts of United States shareholders.

"Sec. 985. Amounts Included in Gross Income of United States Shareholders.

"(a) Amounts Included.—

"(1) In general.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation who owns (within the meaning of section 987(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) Pro rata share of earnings and profits.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 987 (a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the amount determined under subparagraph (A), as (ii) the part of such year described in subparagraph (A) (ii) during which such shareholder did not own (within the meaning of section 987(a)) such stock bears to the entire year.

"(b) Earnings and Profits.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m) (3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after the date of the enactment of the Trade Reform Act of 1974,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) Coordination With Election of a Foreign Investment Company To Distribute Income.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) Coordination With Foreign Personal Holding Company Provisions.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"Sec. 986. Definitions.

"(a) United States Shareholder Defined.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a United States person (as defined in section 957(d)) who owns (within the meaning of section 987(a)), or is considered as owning by applying the rules of ownership of section 987 (b), 1 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) Controlled Foreign Corporation Defined.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 987(a)), or is considered as owned by applying the rules of ownership of section 987 (b), by United States shareholders on any day during the taxable year of such foreign corporation.

"Sec. 987. Rules for Determining Stock Ownership.

"(a) Direct and Indirect Ownership.—

"(1) General rule.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) Stock ownership through foreign entities.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly of indirectly, by or for a foreign corporation or foreign estate (within the meaning of section 7701(a) (31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) Constructive Ownership.—For purposes of section 986, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any United States person as a United States shareholder within the meaning of section 986(a), or to treat a foreign corporation as a controlled foreign corporation under section 986(b), except that—

"(1) in applying paragraph (1) (A) of section 318(a), the stock owned by an unresident alien individual (other than a foreign trust or a foreign estate) shall not be considered as owned by a citizen or by a resident alien individual,

"(2) in applying subparagraphs (A), (B), and (C) of section 318(a) (2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote,

"(3) in applying subparagraph (C) of section 318(a) (2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C), and subparagraphs (A), (B), and (C) of section 318(a) (3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.

"Sec. 988. Exclusion From Gross Income of Previously Taxed Earnings and Profits.

"(a) Exclusion From Gross Income.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 987(a), to—

"(1) such shareholder (or any other United States person who acquires from any person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary or his delegate may by regulations prescribe), or

"(2) a trust (other than a foreign trust) or which

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary, be again included in the gross income of such United States shareholder (or of such United States person or of such trust).

"(b) Exclusion From Gross Income of Certain Foreign Subsidiaries.—For purposes of section 985(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when distributed through a chain of ownership described under section 987(a), be also included in the gross income of another controlled foreign corporation in such chain for purposes of the application of section 985(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary or his delegate may prescribe by regulations).

"(c) Allocation of Distributions.—For purposes of subsections (a) and (b), section 316)(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 985(a), and

"(2) then to other earnings and profits.

"(d) Distributions Excluded From Gross Income Not To Be Treated as Dividends.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"Sec. 989. Adjustments to Basis of Stock in Controlled Foreign Corporations and of Other Property.

"(a) Increase in Basis.—Under regulations prescribed by the Secretary or his delegate, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 987(a)(2) as owning stock of a controlled foreign corporation shall be increased by the amount required to be included in its gross income under section 985(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) Reduction in Basis.—

"(1) In general.—Under regulations prescribed by the Secretary or his delegate, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 988(a) shall be reduced by the amount so excluded.

"(2) Amount in excess of basis.—To the extent that an amount excluded from gross income under section 988(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"Sec. 990. Record. and Accounts of United States Shareholders.

"(a) Records and Accounts To Be Maintained.—The Secretary or his delegate may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) Two or More Persons Required To Maintain or Furnish the Same Records and Accounts With Respect to the Same Foreign Corporation.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary or his delegate may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons.".

(b) Technical and Conforming Amendments.—

(1) Section 864(c)(4)(D) of such Code is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958(b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote.".

(2) Section 951 of such Code is amended by adding at the end thereof the following:

"(e) Taxable Years Ending After Enactment of the Trade Reform Act of 1974.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii), or paragraph (1)(B) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after the date of the enactment of the Trade Reform Act of 1974.".

(3) Section 1016(a)(20) of such Code is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 990".

(4) Section 1246(a)(2)(B) of such Code is amended by inserting "or 985" after "section 951" and by inserting "or 988" after "section 959.".

(5) Section 1248(d)(1) of such Code is amended to read as follows:

"(1) Amounts included in gross income under section 951 or 985.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 985, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 988.".

(c) The table of subparts of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subpart I. Controlled foreign corporations.".

(d) Effective Date.—The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

Sec. 702. Elimination of Western Hemisphere Trade Corporation Provisions.

(a) Section 921 of the Internal Revenue Code of 1954 (relating to Western Hemisphere trade corporations) is amended by—

(1) inserting "(a)" before the first word of the text of that section, and

(2) adding at the end thereof the following new subsection:

"(b) No corporation shall be treated as a Western Hemisphere trade corporation for any taxable year beginning after the date of enactment of the Trade Reform Act of 1974.".

(b)(1) Section 170(b)(2) of such Code (relating to charitable deductions for corporations) is amended by striking out subparagraph (d).

(2) Section 172(d)(5) of such Code (relating to the net operating loss deduction) is amended by striking out "or under section 922 (relating to Western Hemisphere trade corporations)".

(3) Section 1503 of such Code (relating to consolidated returns) is amended by striking out subsection (b), and by deleting "(a) General Rule.—" from such section.

(4) Section 1562(b)(4) of such Code (relating to multiple surtax exemptions) is amended by—

(1) inserting "and" before "804(a)(3) (relating to deductions for partially tax-exempt utilities)" and

(2) striking out "and 922 (relating to special deduction for Western Hemisphere trade corporations)".

(c) The amendments made by this section apply to taxable years beginning after the date of enactment of this Act.

Sec. 703. Termination of Special Tax Treatment for Domestic International Sales Corporations

(a) Section 991 of the Internal Revenue Code of 1954 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974.".

(b) Section 992(a) of such Code (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974.".

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting the word "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) The amendments made by this section shall be applicable only with respect to decedents dying after the date of the enactment of this Act.

Sec. 704. Termination of Preferential Treatment of Dividends of Less Developed Country Corporations

Section 902 (relating to credit for corporate stockholder in foreign corporations) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) Treatment of Taxes Paid by Foreign Corporation.—For purposes of this subpart, a domestic corporation which owns at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year shall be deemd to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such foreign corporation to any foreign country or to any possession of the United States on or with respect to accumulated profits, which the amount of such dividends (determined without regard to section 78) bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid).".

(2) Subsection (b) (1) and (2) are amended to read as follows:

"(1) If the foreign corporation described in subsection (a) (hereinafter in this subsection referred to as the 'first foreign corporation') owns 10 percent or more of the voting stock of a second foreign corporation from which it receives dividends in any taxable year, it shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such second foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such second foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.

"(2) If such first foreign corporation owns 10 percent or more of the voting stock of a second foreign corporation which, in turn, owns 10 percent or more of the voting stock of a third foreign coropration from which the second foreign corporation receives dividends in any taxable year, the second foreign corporation shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid by such third foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such third foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.".

(3) Subsection (c) (1) is amended to read as follows:

"(1) ACCUMULATED PROFITS DEFINED.—For purposes of this section, the term 'accumulated profits' means, with respect to any foreign corporation, the amount of its gains, profits, or income computed without reduction by the amount of the income, war profits, and excess profits taxes imposed on or with respect to such profits or income by any foreign country or any possession of the United States. The Secretary or his delegate shall have full power to determine from the accumulated profits of what year or years such dividends were paid, treating dividends paid in the first 60 days of any year as having been paid from the accumulated profits of the preceding year or years (unless to his satisfaction shown otherwise), and in other respects treating dividends as having been paid from the most recently accumulated gains, profits, or earnings.

(4) Subsection (d) is repealed.

(5) Subsection (e) is redesignated as subsection (d).

Mr. CHURCH. Mr. President, for the information of the manager of the bill, this is an amendment that would make certain changes in the Internal Revenue Code which presently constitute powerful inducements for large corporations to invest abroad rather than at home.

The entire theory of this bill is that the economic well-being of the United States, along with that of the rest of the world, will be enhanced if trade barriers are reduced and international commerce thus stimulated. But the theory of free trade, with which I happen to concur, rests upon the proposition that decisions respecting investment at home or investment abroad, respecting whether or not a given company will manufacture goods here in the United States for export abroad, or whether the corporation will choose instead to build its manufacturing plant in a foreign land and ship the manufactured product back to the United States—such critical decisions, if the theory of free trade is to work, assume that the governments involved will play neutral roles. Indeed, the whole theory falters when governmental policy tilts these decisions in one direction or another, which in fact our own policy does today.

The number of concessions given to American-owned multinational corporations in the way of tax havens, tax deferrals, and special tax advantages, if they invest abroad, is legion.

This amendment would attempt to eliminate from the Internal Revenue Code the most conspicuous, the best known, of these concessions which tilt our policy heavily in favor of the migration of American capital, which, of course, inevitably entails the export of American jobs.

I am informed that the distinguished chairman will raise a point of order as to the germaneness of this amendment, and I am advised that the decisions of the Chair is binding, once rule XXII has been invoked. Nevertheless, I contend very strongly that nothing could be more germane to the theory of this bill than correcting those tax policies which greatly weigh the scales in favor of the outward migration of American capital and against its investment in our own domestic economy.

Until the scales are brought back into balance, until our own Government returns to a neutral role, so that these decisions can be made on undistorted economic grounds, the theory which upholds this bill is seriously impaired; and, indeed, the operation of the bill cannot possibly provide the benefits that many of us would otherwise anticipate.

Mr. President, throughout my career, I have espoused the traditional view that free trade and investment are in and of themselves desirable objectives; that they promote a more efficient allocation of economic resources from which all nations benefit; more specifically, that the American consumer and worker benefit not only from the maximization of exports, but also by having made available to them imports which are cheaper than domestic goods and that such cheap imports constitute a downward pressure on prices and are thus an important part of a policy designed to combat inflation. I have also believed that the only justification for protectionist measures is where there are overriding reasons of national security. I continue to believe that, on balance, we should seek to achieve the objectives set forth in this legislation: negotiations aimed at further reduction of world tariffs, reduction—or at least a halt to further increases—in the many nontariff barriers to trade such as special taxes or quotas or safety standards, and new trading rules for the world in such areas as export controls and assured access to supplies of raw materials.

However, this bill only comes to grips with half of the problem of opening the flow of trade to free market forces: it proposes to remove nontariff barriers and other obstacles to free trade, but fails to address the issue of the tremendous incentives to transfer U.S. production abroad which have been built into our tax laws.

So long as those incentives for U.S. multinational corporations to invest abroad are retained, any international trade agreement to mutually reduce tariff and nontariff barriers negotiated under the authority of this act is likely to result only in an increased influx of foreign goods into our markets, without any corresponding increase in the exports of U.S. products. Provisions such as the deferral of income earned abroad, special tax breaks for Western Hemisphere trade and less developed country corporations, will continue to make direct investment abroad far more lucrative than production here at home for the purpose of exporting, even in the absence of import barriers in other countries.

While the incentives to which I refer are mainly tax provisions, figures released by the Tariff Commission give ample proof of the direct effect this pro-foreign investment bias has had on U.S. trade. Trade of multinational corporations has been growing at a more rapid rate than the average rate of growth of imports and exports. For example, U.S. merchandise exports shipped to majority-owned affiliates of U.S.-based MNC's increased from $7.8 billion in 1966 to $13 billion in 1970, an average annual gain of 13.5 percent. U.S. imports from such affiliates, although smaller than exports, increased even more rapidly—from $5.8 billion in 1966 to $10.9 billion in 1970, an average annual gain of 17.2 percent. Because such trade flows grew more rapidly from 1966 to 1970 than did aggregate U.S. exports and imports—9.4 percent and 11.8 percent, respectively—they accounted for an increasing proportion of aggregate U.S. trade.

As the Tariff Commission further notes:

Although the surplus generated by U.S. trade with majority-owned affiliates of U.S.-based MNC's increased slightly from 1966 to 1970, the more rapid growth in imports raises the possibility that in the future such imports could even exceed exports to these affiliates.

We must recognize that the multinational corporations are now central to the entire trading picture.

After 2 years of intensive investigation by the Senate Foreign Relations Subcommittee on Multinational Corporations of which I am chairman, I am of the opinion that the pursuit of the worthy objectives of this legislation should be coupled with a reconsideration of present Government policies which favor investment abroad rather than here at home. For this bill is premised upon the proposition that Government policy is essentially neutral and thus investment is channeled in accordance with natural efficiencies.

But the central conclusion to which I have arrived, as a consequence of our hearings, is that U.S. Government policy is not neutral. We have so tilted public policy in favor of overseas rather than domestic investment that I sometimes wonder why any multinational corporation, given a choice, invests in the United States at all. It is this imbalance which much be corrected but which this bill does not at all address. So I think the time has come to signal to the American people and the world at large that we are intent not upon reverting to a sterile policy of beggar thy neighbor protectionism but upon correcting the imbalance of American policies that have promoted and stimulated overseas investment, at times, at the expense of domestic investment. This essentially modest goal of establishing a more neutral mix of policies with respect to incentives to invest at home or abroad must be a sine qua non of any trade bill.

Tax incentives for multinational corporations therefore cannot be separated from the issue of free trade which the bill now pending addresses. It is for this reason that I have proposed the following amendments to the Trade Reform Act of 1974 which would amend the Internal Revenue Code to eliminate those provisions of the code that relate to:

First. Tax deferral which permits the profits of foreign incorporated subsidiaries of U.S. corporations to enjoy a deferment of U.S. tax until remitted as dividends, a provision which, in effect, virtually amounts to a permanent exemption from U.S. tax and which costs the U.S. Treasury an estimated $900 million annually which otherwise would be paid in U.S. taxes;

Second. The Western Hemisphere Trading Corporation which provides a 14-percentage point reduction in such corporations U.S. tax liability, representing an annual tax preference worth some $115 million;

Third. Less-developed country corporations which are permitted to retain a variety of dubious tax preferences which were eliminated for other corporations in the 1962 Revenue Act, preferences which account for another estimated $50 million. Moreover, I am also proposing in this amendment elimination of the Domestic International Sales Corporation, DISC, which is a form of subsidy to exports now made obsolete by floating exchange rates.

DEFERRAL

In a paper presented to the Joint Economic Committee in 1972, Prof. Peggy Musgrave concluded that:

> The consequences of tax deferral are far reaching owing to the differentials between United States and foreign profits tax rates. Since profits earned by a foreign-incorporated subsidiary and held or reinvested abroad are subject only to the foreign rate of tax considerable tax advantage may be had by earning such income in relatively low tax jurisdictions. Thus, a U.S. corporation operating through a foreign-incorporated subsidiary in a country with, say, an effective tax rate of 30 percent has 70 cents out of every dollar for reinvestment purposes, whereas if the same investment had taken place in the United States only 52 cents of each dollar of profit would be available. So long as profits are kept abroad, and the foreign tax rate is below that in the United States, there is a tax incentive is to foreign investment through the deferral provision. Furthermore, the incentive is greater, the lower is the foreign rate, thus making for differential investment incentives among foreign countries.

As we learned in the course of our hearings, many developing countries grant incentives which insure that there is no effective rate of tax at all on the earnings of multinational corporations. This was the case with the Ford Motor Co. in Taiwan. Taiwan granted Ford a 5-year tax holiday to locate a Philco electronic facility in that country, along with accelerated depreciation, duty-free import of machinery, and exemption from export taxes. In Korea, our hearings showed that Motorolas' investment in that country was 100 percent tax free for 8 years.

In the course of our hearings, my distinguished colleague from Illinois, Senator PERCY, asked Mr. Stanford Ross, former Assistant Tax Legislative Counsel of the Treasury Department:

> Could you explain to the Subcommittee how an American company with an investment in Brazil can set up a paper company in the Bahamas and not pay taxes in either the United States or Brazil? What can we do to stop this practice?

Mr. Ross answered that "the real solution is to eliminate tax deferral."

Tax deferral thus permits U.S. corporations to pay no U.S. income taxes on the profits of their foreign subsidiaries until those profits are brought back home—which may be never. The effect of this provision is that if a U.S. corporation uses its foreign profit for reinvestment abroad, the foreign profit is not subject to U.S. taxation.

In the domestic economy, of course, all investment in new plant and equipment is normally financed from after-tax corporate income. It is generally considered an extraordinary and temporary measure for us to provide a 7- or 10-percent tax credit for new investment, in effect offering a temporary Government subsidy to stimulate a needed expansion of domestic capacity. The foreign operations of our multinationals, on the other hand, enjoy a permanent 100-percent U.S. tax writeoff for any new investment they can finance directly from their overseas profits.

As Professor Musgrave concluded:

> Deferral clearly introduces a non-neutral incentive to invest abroad and is difficult to defend on both equity and efficiency grounds.

John Nolan, formerly Deputy Assistant Secretary of the Treasury for Tax policy, told the President's Commission on International Trade and Investment:

> There is a clear-cut bias in our existing tax structure favoring the manufacturer of goods abroad through foreign subsidiaries as opposed to exporting, in order to benefit from the deferral of U.S. taxes.

In sum, tax deferral on foreign income offers tremendous advantages to U.S. corporations which invest abroad. It offers nothing to those which invest at home. It operates as an American subsidy to the overseas operations of U.S. companies.

LESS DEVELOPED COUNTRY AND WESTERN HEMISPHERE TRADE CORPORATION

In addition to the general problem of deferral this amendment eliminates the so-called Less Developed Country Holding Company and the Western Hemisphere Trade Corporation provisions of the Internal Revenue Code. Under section 922 of the code, certain U.S. corporations doing business in the Western Hemisphere are given a special deduction from taxable income. In effect, the provision amounts to a reduction of 14 percentage points in the U.S. corporation income tax rate. The apparent intent of the original—1942—legislation was to relieve U.S. investors in the Western Hemisphere from any competitive disadvantage resulting from the wartime U.S. corporate surtax. The annual revenue loss to the Treasury resulting from this provision is estimated to be $115 million.

World War II ended 29 years ago. It is time we ended this anachronism.

The Lesser Developed County Holding Company provision was created to soften the impact of the 1962 Revenue Act crack down on "tax haven" operations. Income earned in tax haven countries such as Panama, the Bahamas, Bermuda, Liberia, and the Netherlands Antilles was, after the reform legislation, treated as taxable in the year in which it was earned—that is to say not subject to the deferral rules. However, income earned in lesser developed countries was exempted from this rule and Panama and Liberia were denominated lesser developed countries. Further, the general rule that a profit on the sale of stock of foreign subsidiaries is treated as ordinary income does not apply to those holding companies. This enables ship owners wishing to repatriate their Liberian and Panamanian profits to receive capital gains treatment when the taxes are finally paid. They do this by reinvesting the earnings abroad and then selling the stock for a capital gain.

Corporations not interested in shipping have also taken advantage of the LDC Holding Company to avoid the "grossing up" for foreign source income. The gross up requirement was enacted to prevent corporations from claiming the foreign tax credit and taking a deduction for foreign taxes paid. When dividends are "grossed up" the foreign taxes paid must be added back to the total amount of income if a tax credit has been taken. LDC holding companies do not face this "gross up" requirement.

DISC

Finally, this amendment would eliminate the Domestic International Sales Corporation provision of the code. The DISC as it is called—is allowed to defer taxes on export earnings. The stated purpose of the DISC is clearly counter to the free trade thrust of the pending legislation. Since the devaluation of the dollar and the arrival of floating exchange rates, the rationale for the amendment is vitiated because floating exchange rates insure that American exports "stay competitive."

This year, U.S. taxpayers can expect the DISC to cost them $750,000,000 in lost tax revenue. The prime beneficiaries are the 100 largest corporations all of whom are in the export business and would stay in it with or without DISC.

And there are other objections—the DISC encourages and subsidizes the export of scarce commodities, it encourages sham transactions which permit domestic income to be shifted abroad, and it encourages U.S. companies to use the DISC money for foreign plants.

Mr. President, at the outset, I said I was for free trade and tax neutrality. In this amendment, therefore, I have sought to reach only the most egregious tax preferences for overseas investment for which I can see no continued justification at all. The amendment, is, consequently, modest in scope, significant in achieving estimated revenue savings in excess of $1 billion per annum, and, above all, evidences a congressional intent to finally come to grips with the imbalance in U.S. policy which favors overseas investment to the detriment of our own economy. I, therefore, urge its merit not as a panacea but merely a beginning in what I hope will be a continued and systematic Senate inventory and appraisal of international economic policies designed in past decades for past circumstances but which have little or no relevance to our present condition.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. PASTORE. Mr. President, much of the argument that has been raised by our distinguished colleague was raised by the Senator from Indiana. I must say that I agree with him wholeheartedly.

I hope that, at the proper time, under the proper circumstances, this entire matter will be pursued, possibly the minute we return in January. This is an important subject. I realize that it is not germane to this bill. After all, the trade bill is absolutely important, and we have been trying very hard to consummate it before we leave next week, and all of us should realize that.

I assure the Senator from Idaho that he is going to find the Senator from Rhode Island shoulder to shoulder with him in the pursuit of this matter.

Mr. CHURCH. Mr. President, I appreciate the statement. I cannot imagine having a more effective ally.

Mr. LONG. Mr. President, we will legislate in this area in the next Congress, and I hope we will legislate in this area early in the next Congress. There may even be a chance to do something in this area, in a less controversial way, before the conclusion of this Congress.

With respect to the precedents regarding cloture and unanimous consent requests, it is very clear that when Senators vote cloture upon themselves, there is an understanding implicit within that that they will vote on what is in the bill and only with regard to that which is germane to it in a very narrow sense.

For example, precedents support the position that if we had a provision in a tax bill that would reduce the depletion allowance on oil from 22 to 20 percent, and one wanted to add the word "coal" alongside "oil," even though those two words are side by side in the same section of the Internal Revenue Code, the Senator seeking to amend it would not be in order. He would be told that the bill would amend the depletion allowance on oil and it has nothing about coal, so he could not offer it.

That is so because when Senators vote for a cloture motion, they are entitled to know exactly what they are going to vote on, with as much precision as they can reasonably be anticipated to have. The narrow germaneness rule that exists has a tremendous number of precedents.

I have never witnessed an occasion when cloture has been imposed in the Senate that the Senate has declined to follow the advice of its Parliamentarian. I sought his advice, and he told me that this amendment would not be germane. I advised the Senate of the amendments I thought would not be germane, before we voted on cloture, so that Senators would know what to vote on. I advised them that these amendments were not germane.

I sympathize with what the Senator is trying to do. I applaud the statement by the Senator from Rhode Island (Mr. PASTORE). This proposal will be considered in the next Congress, and hopefully early in the next Congress, but it should not be on this bill.

I make the point of order that the amendment is not germane.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. Am I correctly informed that the ruling of the Chair is not debatable and not appealable under rule XXII?

The PRESIDING OFFICER (Mr. METZENBAUM). The Chair, for his own edification, can entertain debate, but under the circumstances the Chair does not feel it necessary to have edification. The Chair is advised by the Parliamentarian that the amendment is not germane; therefore, the Chair sustains the point of order.

AMENDMENT NO. 2066

Mr. TAFT. Mr. President, I call up my amendment No. 2066, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT's amendment (No. 2066) is as follows:

> On page 61, line 8, after the word "agriculture," insert the following: "small business,".
>
> On page 62, line 5, after "interests", insert the following: "(including small business interests)".
>
> On page 62, line 16, after "interests", insert the following: "(including small business interests)".
>
> On page 69, line 1, after "agriculture," insert the following: "small business,"."

Mr. TAFT. Mr. President, this amendment would state specifically that small business interests should be represented adequately on the Trade Negotiation Advisory Committees. The Finance Committee's report asks on page 102 that "special consideration be given to consultation with those representing the interests of small business." I applaud the committee on that statement, however, particularly in view of complaints I have received that the advisory committees set up thus far do not include sufficient small business representation, I believe that there should be specific statutory language to this effect, and that is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2066) of the Senator from Ohio.

The amendment was agreed to.

AMENDMENT NO. 2067

Mr. TAFT. Mr. President, I call up my amendment No. 2067, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Ohio (Mr. Taft) proposes an amendment numbered 2067.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT's amendment (No. 2067) is as follows:

> On page 98, at the end of line 23, insert the following:
>
> "Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on consumers including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

Mr. TAFT. Mr. President, this amendment is on file at the desk, and was, of course, before the request under rule XXII. I have had a request, however, from other Senators, I believe concurred in by the committee, to make a brief amendment to it, and I ask unanimous consent that my amendment may be amended as per the modification I now send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The legislative clerk read as follows:

> In the fourth line of the amendment, after the word "on", insert "employment in the United States and on".

Mr. TAFT. Mr. President, has the Chair ruled on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the amendment to the amendment? Without objection, the amendment will be so amended.

Mr. TAFT's amendment (No. 2067) as modified, is as follows:

> On page 98, at the end of line 23, insert the following:
>
> "Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on employment in the United States and on consumers (including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

Mr. TAFT. Mr. President, amendment No. 2067 requires that the President's annual report on the trade agreements program include a list of the import relief measures such as tariffs and quotas which are presently in effect, and an estimate of the effects of each measure on American consumers and as modified, American employment. In particular, consumers, workers, and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices and by how much, as well as the relief's employment effect. Present U.S. import barriers are already estimated to cost American consumers about $10 billion annually in higher prices. We should know what each barrier costs and what it is doing for American jobs.

Provision of this information regularly should not result in a denial of needed import relief, but it should foster closer monitoring of the import relief program.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PASTORE. Mr. President, I think this is a very good amendment. The reason for it is very simple. The President of the United States has said many times that he needs this trade measure in order to meet the unemployment crisis in the United States of America. I think at some points we ought to have the figure, and that is what this amendment would require; is that correct?

Mr. TAFT. The Senator is correct.

Mr. PASTORE. Let us find out the truth of the matter. I think this is a good amendment.

Mr. TAFT. I thank the Senator for his comments.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2067) of the Senator from Ohio, as amended.

The amendment, as amended, was agreed to.

AMENDMENT NO. 2070

Mr. TAFT. Mr. President, I call up my amendment No. 2070, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment No. 2070.

Mr. TAFT's amendment (No. 2070) is as follows:

On page 270, line 8, strike "and".

On page 270, line 15, strike the period and insert in lieu thereof the following: "; and".

On page 270, between lines 15 and 16, insert the following new paragraph:

"(7) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. I yield myself 1 minute.

Mr. President, this amendment would deny any country a tariff preference on goods it is sending to the United States if it fails to act in good faith to recognize as binding international arbitral awards rendered in favor of U.S. citizens or corporations. Its language is patterned after that of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

I am extremely concerned over the apparent refusal by the Indian Government to honor its contracts and to accept arbitral awards rendered in favor of Americans. I feel that this amendment would definitely apply to India. I am informed it may also apply to Jamaica and Guyana.

Despite its solemn agreements to refer disputes to arbitration, and its contracts to abide by decisions of arbitrators, the Indian Government has refused to honor awards made in favor of American parties, even in cases where the awards were rendered by highly qualified arbitrators of international standing. Instead, where such awards have been against it, the Indian Government has thrown them to its own courts for redetermination of the issues on the merits, thus defeating one of the fundamental purposes of arbitration—determination by an impartial tribunal.

Moreover, the Indian courts have been notoriously prejudiced against American parties. For example, in 1962 the Indian supreme court denied the stay of an Indian court action in spite of an agreement by the Indian party that it would arbitrate in New York. This case received adverse comment abroad and cast grave doubt on the enforceability of arbitration agreements and awards in India, at least where American parties were concerned. These doubts were confirmed 2 years later when the Bombay high court refused to recognize an arbitral award in favor of an American party and instead gave judgment to the Indian party.

This situation has not been improved by the accession of the United States to the U.N. Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1971. India is a contracting party to the convention and has accepted the benefits of the convention. However, India has circumvented application of the convention by requiring that the venue of all arbitrations to which it is a party be in India and then throwing any adverse award to its courts, which either reverse the decision on the merits, which is not permitted by the convention, or refuse to act with the result that the award never becomes final.

There has recently come to my attention a case involving an American contractor and the fertilizer corporation of India, an instrumentality of the Indian Government. A dispute arose over a contract calling for the construction of a chemical plant in India by the American company. The funds to build the plant were provided India by the Agency for International Development. After nearly 4 years of arbitration before a distinguished and highly qualified international tribunal, the U.S. company defeated claims made by the Indian Government and was given an award for the balance of the contract price which the Indian Government had previously refused to pay. Despite its expressed undertaking in the contract that any arbitration award would be final and binding, the Indian Government has now thrown the award to its own courts for redetermination on the merits.

I understand that the same parties have another arbitration pending under a contract for a second plant built with funds supplied to India by AID. Because of the Indian Government's policy that all agreements must provide for arbitration in India, the American contractor has been, and is now being, forced to spend hundreds of thousands of dollars traveling to India with lawyers and witnesses to present its cases to the arbitrators, all apparently with no practical chance of winning, since it seems apparent that the Indian Government will refuse to accept any award against it, but rather will have the award impeached by its own courts.

On the other hand, should the arbitrators make an award in favor of the Indian Government in the second case, there is little doubt that the Indians could successfully enforce the award against the American party in the United States. As I have mentioned, this country is a party to the U.N. Convention for the Enforcement of Foreign Arbitral Awards and American courts have consistently recognized our Nation's obligation under the convention by rigorously enforcing foreign arbitration agreements and awards against U.S. citizens.

It is also my understanding that a number of other countries and organizations have been having serious difficulty as a result of being involved in arbitration proceedings in India which they have won only to find that the arbitration awards have been referred to the Indian courts where no further progress in favor of the foreign party is possible.

I believe it is contrary to sound U.S. policy to give India or any other developing nation the favored treatment contemplated by the present legislation in the face of unwillingness to abide by solemn agreements to recognize as final and binding arbitration awards rendered in disputes between it and American parties.

On pages 268 and 269 of this legislation, preferential tariff treatment is already denied to any country which "has taken steps to repudiate or nullify an existing contract or agreement with a U.S. citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by U.S. citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned." This provision expands on and clarifies that principle. It is intended to apply to countries which actually submit to arbitration, then refuse to enforce arbitral awards against themselves and in favor of U.S. citizens or corporations.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2070) of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

Mr. TAFT. Mr. President, I yield the floor.

Mr. HARTKE. Mr. President, I do not intend to offer my amendments, but I think it is important that I at least refer to four amendments which I had intended to offer to this bill, which were precluded from being offered simply by the cloture motion.

The first would oppose the big tax loophole for multinational corporations involving tax credits. I ask unanimous consent that my statement concerning that amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS—TAX DEFERRAL

Our tax laws make an overseas investment by a U.S. corporation more profitable than one in the United States. A tax provision which contributes substantially to this situation is tax deferral.

Tax deferral permits U.S. corporations to pay no U.S. income taxes on the profits of their foreign subsidiaries until those profits are brought back home—which may be never. The effect of this provision is that if a U.S. corporation uses its foreign profit for reinvestment abroad, the foreign profit is not subject to U.S. taxation.

In the domestic economy, of course, all investment in new plant and equipment is normally financed from after-tax corporate income. It is generally considered an extraordinary and temporary measure for us to provide a seven or ten percent tax credit for new investment in effect offering a temporary government subsidy to stimulate a needed expansion of capacity. The foreign operations of "our" multinationals, on the other hand, enjoy a permanent one-hundred percent U.S. tax write-off for any new investment they can finance directly from their overseas profits.

This is an extremely valuable tax advantage as a simple hypothetical example can show. Let's assume there are two corporations, A and B. corporation A is located in the United States. Corporation B is located abroad where there is no income tax. Let's follow these two corporations through eight years of operations to see what effects U.S. tax deferral has on their profits.

In the first year, corporation A earns one dollar of profits. Because it is located in the United States it must pay corporate income taxes at the rate of forty-eight percent on that dollar. This leaves fifty-two cents for reinvestment. Let's say the corporation reinvests the entire fifty-two cents and can earn a ten percent rate of return on its investment. After eight years, corporation A's investment will be worth $1.11. The profit on this investment is fifty-nine cents on which twenty-eight cents of U.S. corporate income tax will be due. The net result of these transactions is a total net profit after taxes of eighty-three cents for corporation A.

Now let us look at corporation B undergoing similar transactions, but operating abroad. Corporation B also earns one dollar of profit in the first year. But, because corportation B owes no income taxes on that income it is able to reinvest the entire amount. In effect, the U.S. Government is making an interest free loan to corporation B for the duration of its investment. Of course, it is really the American taxpayers who foot the bill for this generosity.

After eight years at a ten percent rate of return, corporation B's investment will be worth $2.14. If corporation B now decides to return this profit to the United States, it will finally be subject to U.S. corporate income taxes. Of course, corporation B can reinvest this profit also and delay the tax still further if it wishes. But, assuming it brings the profits back home, the U.S. corporate income due will be $1.03. This leaves corporation B with a net profit after taxes of $1.11.

Mr. President, this is thirty-four percent higher than the profit Corporation A was able to earn on a similar investment operating in the United States. And, the only reason for this difference is that Corporation B could defer its United States tax liability.

Some will argue that this example is unrealistic because Corporation B pays no foreign income tax on its profits. Mr. President, there are many schemes and devices by which our corporations operating abroad can escape all or substantially all foreign taxes on its income. Foreign nations offer special tax inducements to corporations to entice them to locate in their country. In addition, the multinational corporations are extremely clever at channeling their income through low tax countries to minimize their tax payments.

Elaborate schemes for avoiding virtually all taxation on overseas income are occasionally discovered and brought to public attention by the press. The most recent example is an article in the Washington Post on November 30, 1974. The article exposes a scheme whereby the operators of 235 American-owned ships escape taxation on their income altogether by flying the Liberian flag. By owning their ships through Liberian subsidiaries, several U.S. corporations avoid paying any taxes on their shipping income. Liberia does not tax this income—it imposes only a minimal tonnage tax each year. The article quotes Mr. Herb Brand, president of the Transportation Institute, as saying the profits made by these shipping subsidiaries are tax exempt as long as they are reinvested abroad and not returned to American stockholders or to the parent corporation. As I have just explained in the example, this fact has tremendous advantages in the overall profitability of these overseas operations.

Mr. President, I ask unanimous consent that this article from the November 30 Washington Post entitled "D.C. Bank Operates Liberian Maritime Haven for Shippers" be included in the record at this point.

Mr. President, despite the ability of the multinational corporations to escape foreign taxation on their earnings, this is not a necessary condition for benefiting from the deferral of U.S. tax liability. All that is necessary is that the corporations' foreign earnings be subject to a lower tax rate than the U.S. corporate income tax rate of forty-eight percent. So long as this is true, there will be an interest free loan each year from the U.S. treasury to U.S. corporations operating abroad. For example, in the hypothetical example I used as an illustration a few moments ago, if corporation B, the company operating abroad, were subject to a thirty percent foreign tax rate on its income, its profits from the eight year operations I described would still be thirteen percent higher than the company doing business at home. Higher profits merely because of a U.S. tax advantage of doing business in other countries.

It is not difficult for a U.S. corporation to find a country for investment abroad which taxes its income at a rate lower than the U.S. corporate income tax. In 1968, the last year for which I have complete data, the average effective U.S. corporate income tax rate in the United States was 41.6 percent. On the other hand, the average effective foreign income tax rate on profits of foreign corporations owned fifty percent or more by U.S. corporations was thirty-seven percent. There are several countries where the average effective tax rate is below thirty-five percent.

Mr. President, I ask unanimous consent that a table I have showing average effective corporate income tax rates in the United States and abroad be entered in the record at this point as table 1.

TABLE 1.—COMPARISON OF AVERAGE CORPORATE INCOME TAX RATES IN 1968: ALL CORPORATIONS WITH INCOME SUBJECT TO TAX IN THE UNITED STATES AND U.S. CONTROLLED FOREIGN CORPORATIONS WITH POSITIVE EARNINGS AND PROFITS IN SELECTED FOREIGN COUNTRIES

[Dollar amounts in millions]

	(1) Income subject to tax	(2) Federal income tax	(3) Average tax rate (2) ÷ (3) (percent)
U.S. corporations with income subject to tax (excluding 1120-S)	$81, 405. 4	[1] 33, 871. 5	41. 6
	Earnings and profits before tax	Foreign income tax	Average tax rate (percent)
Foreign corporations with positive earnings and profits, owned 50 percent or more by U.S. corporations, total	8, 919. 5	3, 298. 7	37. 0
Canada	2, 479. 5	1, 108. 5	44. 7
Belgium	141. 4	48. 2	34. 1
France	373. 4	170. 1	45. 6
Germany	990. 2	410. 1	41. 4
Italy	236. 8	98. 4	41. 6
Netherlands	175. 2	57. 4	32. 8
Sweden	64. 2	26. 7	41. 6
Switzerland	290. 2	48. 7	16. 8
The United Kingdom	1, 189. 6	460. 6	38. 7
Mexico	232. 8	94. 3	40. 5
Argentina	148. 5	34. 2	23. 0
Brazil	221. 7	61. 1	27. 6
Venezuela	142. 5	40. 0	28. 1
Japan	143. 0	59. 0	41. 3
Philippines	81. 1	24. 0	29. 6
Australia	362. 5	145. 6	40. 2

[1] Excludes 10 percent surcharge.

Note: The Federal income tax figure represents tax liability on all income—domestic and foreign—subject to the U.S. tax after investment credit but before foreign tax credit. The figures on the foreign income taxes represent the income taxes paid by U.S. controlled foreign corporations to foreign governments only and do not include withholding taxes paid to foreign governments on dividends repatriated and additional taxes that may be paid to the Federal Government on earnings repatriated by these corporations.

Source: Tabulation by IRS of tax forms 2952, not yet published. U.S. data from "Statistics on Income 1968, Corporation Tax Returns."

Mr. President, after reviewing this and other evidence in her paper submitted to the Joint Economic Committee in 1972, Professor Peggy Musgrave of Northeastern University concluded:

"Turning now to tax deferral, the provision permits the profits of foreign incorporated subsidiaries of U.S. corporations to enjoy a deferment of U.S. tax until remitted as dividends. Since most earnings retained abroad are reinvested in fixed assets this virtually amounts to a permanent exemption from U.S. tax. It is estimated that in 1970 such subsidies paid nine hundred million dollars less in foreign profits taxes than they would have paid under U.S. tax rates. Deferral clearly introduces a non-neutral incentive to invest abroad and is difficult to defend on both equity and efficiency grounds."

So there you have it. The tax deferral provision, according to Professor Musgrave, is an incentive to invest abroad rather than here at home. So, in reality, the American taxpayer pays twice for this corporate subsidy. Once in higher tax payments to make up for the taxes not paid by the corporations on their foreign earnings. And the American taxpayer pays a second time in an even more painful and permanent way, through watching their jobs and technology be exported to other lands.

Mr. President, the cost of this tax subsidy in terms of American jobs, American capital and American technology exported to foreign lands is incalculable. The cost to the American taxpayer in terms of sacrificed tax revenue can be estimated, but the estimates are the subject of some controversy. Like many estimates, the answer depends on the assumptions made in the calculations. The estimate of additional revenue generated by the elimination of tax deferral by the staff of the Joint Committee on Internal Revenue taxation is four hundred millions dollars per year. Professor Musgrave in her testimony in 1972, indicated she thought the cost of tax deferral, under a more plausible set of assumptions, was closer to the nine hundred million dollar figure I cited earlier, and presumably would be even higher today.

In conclusion, tax deferral on foreign income offers tremendous advantages to U.S. corporations which invest abroad. It offers nothing to those which invest at home. It operates as an American subsidy to the overseas operations of U.S. companies. Through this device, we are, in effect, paying U.S. companies to invest abroad, to create jobs abroad, instead of at home.

Mr. President, I have said many times that I believe in free trade. I am not a perfectionist. But I believe in free trade on an equal basis. If an American company is considering making an investment, the decision to invest here or abroad should not be affected by the U.S. tax code or legal structure. But it is absurd when our tax system actually makes it more profitable to do the investing abroad than at home.

I think it is time we ended this absurdity by ending the deferral of U.S. tax liability on foreign earnings.

District of Columbia Bank Operates Liberian Maritime Haven for Shippers

(By Martha Hamilton)

A Washington-based financial corporation has for the past 18 years been acting as the governmental maritime administration for the western African nation of Liberia, running a system that saves American ships flying the Liberian flag millions of dollars a year in U.S. tax payments.

The U.S. Maritime Administration describes such ships as flying "flags of convenience." American flagship owners and the martime unions call them "runaways" that cost this nation lost dollars in income and taxes.

Fred T. Lininger, senior vice president of the International Bank, which runs the maritime operation, maintains that foreign-flag shipping results in lower costs to consumers through reduced shipping charges. Lininger is also the senior deputy commissioner of maritime affairs for Liberia..

International Bank, headquartered in the First National Bank of Washington building at 1701 Pennsylvania Ave. NW, acquired the International Trust Co. of Liberia in 1956, and operates it under a contract running until 1979. The contract may be extended.

Under the Liberian act creating the International Trust Co., the citizens of Liberia or its government will have an option to buy all capital stock in the corporation in the year 2028, 80 years after its founding.

Liberia, which has only a man-made port, Monrovia, built with U.S. funds at the end of World War II, set up its ship registration system in 1948, the year the International Trust Co. was founded to run it.

Since that time, according to American flag shippers and maritime unions, the major beneficiaries of the registration system have been American bulk shippers and oil, aluminum and steel companies. According to Herb Brand, president of the Transportation Institute, a research and promotion group for American flag shippers, 180 U.S.-owned tankers, 15 oil or ore carrying ships, 35 ore carriers and five other U.S.-owned vessels are registered in Liberia.

The vessels are generally owned by Liberian subsidiaries of American companies. As a result, according to Brand, profits made by the subsidiaries are tax exempt as long as they are re-invested abroad and not returned to American stockholders or the parent company.

Shipping companies operating in the U.S. are subject to a minimum corporate income tax of 48 per cent, said Brand. In contrast, he said, the Liberian government requires an initial registration fee of $1.20 per net registered ton plus an annual fee of 10 cents per ton, he said.

In addition, said Brand, the shippers do not have to comply with stringent U.S. Coast Guard safety requirements or pay wages required for American seamen. Foreign flag shipping means lost jobs for the U.S., lost taxes on that income, lost corporate taxes and injures the balance of payments, he said.

"I think the trouble with the oil companies and the other people who registered under foreign flags is that they have no loyalty," said Brand. "We can't have dollar patriotism. I think the time is now to review the whole multinational picture," he said.

International Bank's management of the maritime administration and enforcement of the maritime code is "geared as a service to Liberia," said Lininger. "But there are definite collateral benefits to the U.S. as well," he said.

"So much of American flag shipping is subsidized at the expense of the American taxpayer," he said. A 1970 program poured money into the shipbuilding industry through construction grants to shipyards. The government also subsidizes operating costs and requires certain government-financed shipments to be carried in American vessels.

Foreign-flag shipping "helps to keep down total costs," said Lininger. "If American business is going to involve itself in international business, it is going to have to compete in the international arena, not just in the American market," he said.

The U.S. corporation-run system is "the largest source of income for the government of Liberia," International Bank chairman and president George Olmstead said. Liberia, a country of 1.65 million people, has the world's largest merchant marine fleet.

"It pays a high per cent of the government's budget and extracts not any labor," Olmsted said. The maritime administration is run by about 100 persons working for International Trust Co., he said. About 80 per cent are Liberians the company has recruited and trained, he said. The Maritime Commissioner is Liberian.

"It's of obvious advantage to shipowners around the world," Olmsted said. "It saves a lot in taxes . . . and the shipowner has an honest administration and a stable economy under which to operate," he said.

He called Liberian maritime law, developed under the auspices of former U.S. Secretary of State Edward R. Stettinius Jr., "fair and workable." Liberian safety standards and wage requirements are second only to those of the U.S., he said.

"They shouldn't be permitted to do it," Talmage Simpkins, executive director of the AFL–CIO's maritime committee, said of the shippers who fly the Liberian flag. "They go out and avoid U.S. taxes and pay slave wages," he said, calling the merchant marine of Liberia "a figment of some lawyer's imagination."

The maritime operations account for a substantial portion of the income of the International Trust Co., which earned $1.634 million in 1973, according to documents on file at the Securities and Exchange Commission.

Another International Bank subsidiary, Financial General Bankshares, Inc., is the majority owner of First National Bank of Washington, the Union Trust Co. of D.C., the Alexandria National Bank of Northern Virginia, Clarendon Bank and Trust and Arlington Trust Co., SEC records show.

The corporations' activities also include insurance, investments and manufacturing.

Mr. HARTKE. The second amendment would have been designed to close the big tax loophole on foreign oil depletion. I ask unanimous consent that my statement on that amendment be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. Hartke

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS FOREIGN OIL DEPLETION

The percentage depletion allowance and the deduction for intangible drilling expenses are two more tax provisions used by the multinational oil companies to reduce their United States taxes on foreign income. As I explained in my statement on the tax credit amendment, this provision works hand in glove with the foreign tax credit to enable the multinational oil companies to earn tremendous profits and, at the same time, pay miniscule U.S. taxes.

Some of the statements I made in regard to foreign tax credit are also pertinent to a discussion of the percentage depletion allowance, so I should like to review them briefly.

In 1970, the multinational oil companies earned $1.085 billion on mining and oil operations abroad, but because of the tax loopholes these companies paid no U.S. tax on the income.

The Arabian-American Oil Company (Aramco), the huge oil-producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California and the Saudi Arabian Government had profits of $3.25 billion and paid no U.S. income taxes in 1973.

The study entitled "analysis of tax data of seven major oil companies" which my colleague from the State of Washington (Senator Jackson) reviewed on the floor of the Senate on December 2, revealed that: for each of the years 1968 through 1972 the seven companies reviewed in the study had an effective U.S. tax rate—that is the percentage of the net income actually paid in Federal income taxes—of five percent or less. However, for the same five years, these companies paid foreign taxes at an effective tax rate of between twenty percent and twenty-nine percent.

The study also shows clearly that the multinational oil companies pay far lower U.S. taxes than other corporations or than individual taxpayers. The average effective *tax rate on all* returns filed by individuals is fifteen percent of adjusted gross income. The average effective tax rate for one-hundred of our largest corporations is twenty-nine percent. And yet, the large multinational oil companies pay approximately five percent of their net income in U.S. taxes.

Senator Jackson in his remarks, concluded from this evidence that "the major oil corporations are not paying their fair share of taxes to the United States."

Mr. President, I wholeheartedly agree!

The study which Senator Jackson summarized on the floor analyzed the impact of the depletion allowance on the taxes paid by the multinational oil firms. The study says: "The percentage depletion deduction was clearly the most important of the provisions peculiar to the extractive industries in reducing the effective tax rate, accounting in the aggregate for about thirteen percentage points in 1972, reducing the aggregate effective tax rate to 9.84 percent, and reducing the seven companies' tax bills by approximately nine-hundred-ninety million dollars."

The report also reveals that the deduction for intangible drilling expenses further reduced the effective tax rate to 8.88 percent, saving the seven companies approximately seventy million dollars.

The percentage depletion allowance works in tandem with the foreign tax credit to reduce the U.S. tax on foreign oil income of the multinational oil companies. I would repeat the words of Senator Jackson, speaking before this body on December 2, when he said: "Remove percentage depletion on foreign production but retain the foreign tax credit and there would be very little revenue gain. Remove the foreign tax credit and retain the percentage depletion on foreign production and, again, little change in the overall taxes due in this country would result. Only if both percentage depletion and the ability to credit foreign taxes were removed would there be a large increase in taxes accruing to the benefit of the United States. . . . Special deductions available to oil companies have practically wiped out their tax liability domestically. There is an interrelationship between various deductions and credits benefiting the oil companies—specifically between percentage depletion and the foreign tax credit—and only an overall revision of tax benefits presently available will result in a substantially increased United States tax liability."

This point was also made by Professor Glenn Jenkins, of Harvard University, as he spoke before the subcommittee on multinational corporations. Professor Jenkins remarked: "In the event that these production taxes for crude oil were eliminated as a basis for generating foreign tax credits, then the percentage depletion allowance would be effective in decreasing by about fifty percent the United States taxable income reported in the producing areas. As large amounts of profits from downstream activities, such as refining, are recorded as profits in producing countries, the depletion allowance would also serve to eliminate a large part of these earnings from United States taxable income. Thus, if a deduction in creditable foreign taxes is to be effective, the percentage depletion allowance must be eliminated."

Estimates I have received from the staff of the Joint Committee on Internal Revenue Taxation indicate eliminating the percentage depletion allowance and the deduction for intangible drilling expenses for foreign production, coupled with the amendment to change the foreign tax credit to a deduction on foreign oil income, would increase U.S. tax revenue approximately one billion dollars.

On the other hand, eliminating the depletion allowance on foreign produced oil and gas without the elimination of the foreign tax credit provision would have a relatively minimal revenue impact. It would increase U.S. tax revenue by approximately forty million dollars. The primary advantage of taking this action individually would be that it would constitute a necessary first step toward greater tax fairness in regard to the multinational oil companies.

In conclusion, the percentage depletion allowance on foreign production of oil and gas allows the multinational oil companies to earn tremendous profits while at the same time paying very low U.S. taxes. Most U.S. taxpayers are suffering from hard economic times—suffering from severe recession and severe inflation simultaneously. Severe recession and severe inflation caused partially by the oil producing countries and the oil producing multinational companies. Yet, the United States follows policies which allow these companies to earn inflated profits while paying deflated taxes. We make it possible for these companies to pay gigantic amounts to the oil producing countries and virtually nothing to the United States. We follow policies which, in effect, subsidize investment abroad by U.S. companies. We make it more profitable to invest abroad—and export American capital, American technology, and American jobs—than to invest here at home.

Mr. President, I think it is time we ended these policies by adopting this amendment which would terminate the percentage depletion allowance and the deduction for intangible drilling expenses on foreign produced oil and gas.

Mr. HARTKE. The third amendment would have dealt with closing the tax loophole of multinational corporations on tax deferral. I ask unanimous consent that my statement on that amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS—TAX CREDITS

Our tax laws make an overseas investment more attractive than one in Indiana. For example, profits earned by a foreign subsidiary of an American firm are not taxed until they are repatriated. To the extent that the firm does pay taxes to a foreign government, these taxes count as a dollar-for-dollar credit against any Federal tax liability. Profits made in Indiana are taxed when earned. And taxes paid to the State of Indiana can only be taken as a deduction against gross income rather than as a Federal tax credit.

The result of these tax provisions is to make investment abroad more profitable than investment at home. We are, in effect, paying our corporations to leave.

John Nolan, formerly Deputy Assistant Secretary of the Treasury for tax policy, told the President's Commission on International Trade and Investment: "There is a clear-cut bias in our existing tax structure favoring the manufacture of goods abroad through foreign subsidiaries as opposed to exporting, in order to benefit from the deferral of U.S. taxes . . . the distortion in our tax system simply makes no sense at a time when the United States has substantial balance of payments deficits."

The result of the present tax provisions is that the American people and the U.S. Treasury pay the bill for economic losses to the U.S. economy due to the expansion of multinational corporations abroad. Because of these tax provisions, American taxpayers will continue to help subsidize the treasuries of foreign countries and the expansion of U.S.-based firms abroad.

These tax provisions allow U.S. corporations operating abroad to pay extremely low U.S. taxes on their foreign income. In 1970, the most recent year for which data are currently available, the total foreign-source income of American corporations amounted to $17.5 billion. Of this $17.5 billion, the U.S. Treasury collected only $900 million in taxes—an effective tax rate of 5.1 percent. Estimates I have received from the Joint Internal Revenue Taxation Committee staff indicate that total foreign source income of all U.S. corporations in 1974 will be more than three times as high, $53.6 billion. Yet U.S. taxes paid on this income grew less than twofold, to $1.7 billion. This represents an effective tax rate of 3.1 percent.

These discrepancies in tax rates have established a legal framework within which it is more profitable to operate overseas than in the United States. The tax law of the United States effectively offers positive dollar incentives (and what could be a more powerful stimulus to corporate managers?) for relocating the sources of corporate income outside the United States.

The tax provisions which are the most offensive in this regard are the foreign tax credit, especially as it applies to oil and gas income, the percentage depletion allowance on foreign mineral production, and the allowance of tax deferrals on foreign income.

One of the main reasons that the United States is now dependent upon the Arab world for our supplies of oil and gas is the increased profits realizable only abroad by the use of the foreign tax credit and deferral.

The multinational oil companies earned $1.085 billion on mining and oil operations abroad in 1970, but because of their use of these tax loopholes, these firms paid not one cent in U.S. taxes on that income.

The Arabian American Oil Company (ARAMCO), which is a huge oil producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California, and the Saudi Arabian Government, is the world's largest oil petroleum producer and the world's biggest money maker. In 1973, the company had profits after taxes of $3.25 billion. How much did the United States get from them in taxes? Not one penny of income tax and a meager $2.7 million in payroll taxes.

Recently we have been provided additional and more detailed information on the tax status of the multinational oil companies by my distinguished colleague from the State of Washington, Senator Jackson. On December 2, Senator Jackson summarized on the floor of the Senate the report of the permanent subcommittee on investigations entitled "analysis of tax data of seven major oil companies." The report analyzes the tax returns of seven major U.S. oil firms from 1968 through 1972.

Mr. President, because Senator Jackson's remarks are so important and astute on this topic, I should like to quote extensively from his remarks. He said, in part:

"The results of our examination are both startling and disturbing.

"For each of the years 1968 through 1972 the seven companies aggregated had an effective U.S. tax rate—that is the percentage of net income actually paid in Federal income taxes—of five percent or less. However, for the same five years, these companies paid foreign taxes at an effective tax rate of between twenty percent and twenty-nine percent."

The study identifies each individual company by random alphabetical letters to protect the confidentiality of their tax returns. Using this convention, Senator Jackson revealed how little the oil companies profits have benefitted the U.S. Treasury and how much they have contributed to the treasuries of the operating countries, as follows:

"Company E paid an overall effective income tax tax rate of 28.70 percent but only 1.32 percent went for U.S. taxes while 27.37 percent went for foreign income taxes.

"Company D paid an overall effective income tax rate of 27.90 percent but only 2.30 percent went for U.S. taxes while 25.59 percent went for foreign income taxes.

"Company C paid an overall effective income tax rate of 33.77 percent but only 2.32 percent went for U.S. taxes while 31.44 percent went for foreign income taxes.

"The dollar figures are even more convincing. In 1972, the pretax net income of the seven companies combined totaled $10.2 billion. They paid $2.9 billion in foreign "income taxes" and only $450 million in U.S. income taxes."

The report on which Senator Jackson based his remarks contained a table, table 1–B, which shows the aggregate amount of foreign and U.S. taxes paid by these seven oil firms from 1968 through 1972. The table reveals that foreign tax payments of these companies varied from 19.5 percent of foreign net income in 1968 to 28.7 percent of foreign net income in 1972. At the same time, U.S. tax payments of these corporations ranged from 2.6 percent of foreign net income to 5.4 percent.

Mr. President, I ask unanimous consent that the table to which I refer be printed in the record at this point.

TABLE 1.—B. AGGREGATE—7 COMPANIES

[Money amounts in thousands of dollars]

Year	Pretax net income[1]	Foreign income taxes[2]	U.S. income taxes[3]	Total U.S. and foreign income taxes	Effective rate		
					Foreign income taxes	U.S. income taxes	Total income taxes
1968	$7,576,607	$1,477,056	$294,018	$1,771,074	19.49	3.88	23.88
1969	8,161,889	1,623,103	208,500	1,831,603	19.89	2.55	22.44
1970	8,848,243	1,735,324	474,570	2,209,894	19.61	5.36	24.98
1971	9,460,257	2,522,981	467,467	2,990,488	26.67	4.94	31.61
1972	10,236,458	2,938,012	450,985	3,388,997	28.70	4.41	33.11

[1] Net income per book plus provision for Federal income taxes plus foreign creditable income taxes paid and deemed paid.

[2] Taxes paid and deemed paid.

[3] Regular plus minimum income tax.

Senator Jackson's conclusion from this evidence was particularly succinct:

"The United States Government, through its tax policy, has helped to finance the international oil cartel which now threatens to destroy our economic system."

Senator Jackson went on to compare the tax contributions of the multinational oil companies to the tax payments of the average family and the average U.S. corporation. From 1972 Internal Revenue Service statistics, he concluded the average effective tax rate on all returns filed by individuals was 13 percent of adjusted gross income. Considering corporate taxes, Senator Jackson revealed, "The average effective Federal corporate tax rate for 100 industrial corporations selected from the "Fortune 500" list was 29 percent."

From this comparison with U.S. taxes paid by the multinational oil companies of less than five percent each year, Senator Jackson drew his second conclusion:

"The major oil corporations are not paying their fair share of taxes to the United States."

The remarks of Professor Glenn Jenkins of Harvard University, before the Subcommittee on Multinational Corporations on January 30, 1974, are especially pertinent in analyzing the effect of the foreign tax credit on multinational oil companies. Professor Jenkins said:

"Although the foreign tax credit is a provision which applies to foreign earned income from any types of foreign investments, its impact in reducing United States tax liabilities is greatest in the cases of the petroleum and mining sectors. The petroleum industry has particularly benefited by the United States treasury's acceptance as creditable foreign taxes the artificially constructed income taxes which have been levied by major petroleum exporting countries."

"Instead of levying a large royalty or bonus payment to extract the economic rent from low-cost oil reserves, as would a domestic land owner in the United States, these countries have levied a tax as a percentage of the difference between a non-market posted price and a fixed per unit cost of production. These taxes are essentially a tax per barrel of oil produced and have little relationship to the profits generated by investments made in the production process. Yet they are allowed to be credited against United States tax liabilities. If instead a royalty or bonus payment had been levied, these payments could only be reduced from gross revenue as expenses."

Mr. President, the operation of the foreign tax credit, like the depletion allowance, creates perverse incentives for the oil industry. In the years after World War II, domestic involvement in foreign production increased considerably. With this increasing involvement, foreign governments placed growing pressure on the oil companies to increase their royalty payments.

To the oil companies, the advantage of claiming these increased payments as taxes rather than royalties was clear. A tax payment can be credited against a U.S. tax liability, where as a royalty payment must be treated as a deductible business expense when computing U.S. taxes. It was in the interest of the U.S. oil companies to persuade their host governments to enact income tax statutes to replace their royalty claims. In 1954, King Saud changed the royalty payments into a tax, as requested by the industry, so that the companies could benefit from the foreign tax credit.

The impact of the ruling has been to create an artificial incentive for investment abroad. Whereas the domestic producer must pay for mineral rights to land through royalty payments, which are treated as a business expense, the same payments by a foreign producer qualify as a tax credit.

Mr. President, there is an even more perverse aspect of the foreign tax credit in its application to multinational oil companies which I do not think has received sufficient attention. This is the fact that, because of the high "taxes" imposed on the companies by the operating countries, the companies accumulate vast amounts of excess foreign tax credits. These excess foreign tax credits may be carried backward two years or forward five to offset additional foreign taxable income. The very large accumulation of excess foreign tax credits by these corporations creates a strong tax incentive for the companies to enter into new massive investment programs abroad to generate new foreign income. This is the only way the excess tax credits can be used—to offset additional foreign income.

Professor Jenkins, whom I quoted a moment ago, also offered considerable testimony on this point which I should like to quote. He said:

"In every year since at least 1962, the aggregate value of the foreign tax credits available to the United States petroleum industry has been greater than the United States tax liability on its foreign income. In 1968 the excess foreign tax credits were equal to 32 percent of the total creditable foreign taxes and by 1971 the excess foreign tax credits equaled approximately fifty-five percent of the total foreign taxes paid. It is important to note that in 1968 over eighty-eight percent of the total foreign tax credits available to American petroleum corporations came from these quasi-income taxes levied by the petroleum producing countries, yet only twenty-eight percent of the net book value of the United States petroleum investments abroad were located in these areas. Thess taxes are now several times greater than the true corporation income that is generated by the investments located in these countries.

"The existence of large amounts of excess foreign tax credits, combined with the way in which the taxes are levied in the producing countries, provides an incentive for the American petroleum companies to shift income for tax purposes out of the consuming countries by transfer pricing to either the producing areas or tax haven countries. By doing this, they avoid paying the substantial income taxes that would be levied by the foreign consuming countries on the earnings of the investments located within their tax jurisdictions. This income can then be brought back to the United States along with some of the excess foreign tax credits from the producing countries to cancel out the United States income tax liability. By this procedure, investments made by the American petroleum companies in the foreign consuming countries, will often face a lower total tax bill (United States plus foreign tax) than would the identical investment if it were made in the United States. This has, in recent years, been one factor in making the construction of refineries and petrochemical plants in the United States relatively less attractive than in foreign countries.

"By 1971 approximately seventy percent of the net foreign assets of the American petroleum companies were associated with nonproduction activities such as refining, petrochemicals, tankers, marketing, and pipelines. During the five years from 1966 to 1971, these corporations have increased their net capital stocks in refineries and petrochemical plants located in foreign consuming countries by eighty-three percent and ninety-three percent respectively. In comparison, over this period the United States domestic net capital stocks in refining and petrochemicals have increased by only forty-four percent and twenty-five percent. In both cases, the absolute amounts of investment carried out by American companies in the foreign consuming countries were greater than that made in the United States."

Mr. President, the forward and backward carryover of surplus tax credits, together with the principle of consolidation, has the effect of virtually forcing U.S. multinational oil companies into increased overseas investment. This encouragement is particularly strong where U.S. firms pay a very large "tax" burden in certain lines of their overseas operations.

In effect, the "American" international petroleum companies are being handed huge tax-free profits in the form of surplus tax credits—but only if they can use them up against income from other foreign operations which have lower national tax rates. If these other foreign operations do not exist, then the company is under a very strong dollar incentive to create them with new investments before the expiration of the carryover period. This means the oil companies can have this tax free profit only by expanding their refining, shipping and marketing interests outside the United States or by expanding abroad in unrelated industries.

Even a rough estimate of the amount of overseas income which can be sheltered by these tax credits is staggering. According to the figures computed by Stanley Ruttenberg and Associates, the surplus tax credit on Arab oil was $0.54 per barrel in 1972 and $2.44 in January, 1974. On the basis of just the Arabian production of U.S. companies of 3.5 to 4 billion barrels in 1972, and about 5 billion barrels in 1974, the U.S. multinationals would have accumulated about $2 billion in excess tax credits for 1972, and $12 billion in 1974. This is the amount of overseas profit which can be earned absolutely free of United States taxation by these companies because of the foreign tax credit! When one takes these figures and estimates the amount of overseas sales and gross income which can be earned free of United States taxes because of the tax credit the results are astounding. The results depend on the foreign tax rate on the overseas earnings and on the profit rate of the companies involved, but the results must be stated in the terms of hundreds of billions of dollars. As an example, using the figure of $12 billion in excess foreign tax credits in 1974, if the oil companies invest in other foreign countries in operations which will produce a ten percent profit margin (based on gross income) and will be taxed by foreign countries at a rate of thirty percent, the excess foreign tax credits would shelter approximately $600 billion of foreign sales and gross income.

Mr. President, this figure is three times the total sales by all affiliates by all U.S. multinationals in all industries. We are giving the multinational oil companies tax credits on their foreign earnings much faster than they can even use them. The incentive for these companies to invest abroad, and earn this profit free of U.S. taxation, rather than invest here in the United States, is indeed gigantic.

Mr. President, the termination of the foreign tax credit would put domestic production in a more competitive position with foreign development. And this is exactly what this amendment will do. The U.S. Geological Survey states that there are still four hundred and forty billion barrels of producable and undiscovered oil in the United States. This is enough to meet America's need well into the next century. The shift of the foreign tax credit to a deduction as proposed in my measure might well have provided the impetus to domestic production which, by this time, would have made us dependent on no one for oil.

The revenue effects of this amendment alone are difficult to determine. This is because the foreign tax credit works hand in glove with other tax advantages used by the multinational oil companies. If I may once again quote from the speech on the floor of the Senate on December 2 by my colleague, Senator Jackson, he explained this point by saying:

"Our study shows, the impact of the foreign tax credit is far understated in relation to the percentage depletion deduction because the foreign tax credit is computed last. Remove percentage depletion on foreign production but retain the foreign tax credit and there would be very little revenue gain. Remove the foreign tax credit and retain the percentage depletion on foreign production and, again, little change in the overall taxes due in this country would result. Only if both percentage depletion and the ability to credit foreign taxes were removed would there be a large increase in taxes accruing to the benefit of the United States."

Senator Jackson went on to state what he termed lesson number three as follows:

"Lesson No. 3: Special deductions available to oil companies have practically wiped out their tax liability domestically. There is an interrelationship between various deductions and credits benefiting the oil companies—specifically between percentage depletion and the foreign tax credit—and only an overall revision of tax benefits presently available will result in a substantially increased United States tax liability."

Mr. President, I wholeheartedly agree with Mr. Jackson on this matter and this is why I am offering not one amendment, but several amendments to the trade bill. The second amendment I shall offer will have the effect of terminating the percentage depletion allowance on foreign produced oil and gas. These two amendments together would bring in about one billion dollars per year in additional U.S. taxes. Individually, this amendment which eliminates the foreign tax credit will have revenue implications primarily in the long run as the present large excess of foreign tax credits expires and can no longer be used to offset other foreign income.

In conclusion, the foreign tax credit allows multinational oil companies to earn gigantic profits and at the same time pay minuscule taxes to the United States. In the past year the profits of the major oil companies have increased at phenomenal rates, between twenty percent and two hundred sixty-nine percent—at a time when the rest of us are suffering from the worst recession simultaneously with the worst inflation we have seen in decades. Yet despite these huge profits these companies pay taxes to the United States at an effective tax rate of only about five percent!

The foreign tax credit also is a strong incentive for our oil corporation to invest abroad rather than at home. The enormous excess tax credits they generate are, in effect, subsidies from the United States Government for investment and production abroad. Subsidies for exporting American capital, American technology, and American jobs to foreign lands.

Mr. President, I think it is high time these absurdities be ended!

CANADIAN AUTO AGREEMENT MYTHS

Mr. HARTKE. Mr. President, the fourth amendment concerned Canadian automobile agreements. This amendment would have been germane, and I would have called it up. There are certain myths concerning this agreement which I think need to be explored. Under the circumstances, I feel there is not on the floor of the Senate now the type of vote which is necessary to make the corrections that are in the best interests of the United States and ultimately of Canada.

Mr. President, several years ago, the United States entered into an agreement with Canada called the Canadian Automobile Agreement. At the time that agreement was entered into, the announced purpose of the agreement was to provide for a rationalized automobile industry. This phrase was used to describe the goal of attaining essentially a North American free trade area for automobiles. Unfortunately, the agreement has fallen far short of accomplishing this.

The agreement provided for elimination of U.S. tariffs on Canadian-manufactured automobiles and parts which came into the United States. However, the Canadian tariff elimination on U.S.-manufactured automobiles and parts applies only to shipments to manufacturers in Canada. The result has been a very one-sided trade relationship.

At the time the agreement was made in 1965, the United States had a positive balance of trade in automobiles with Canada of over $500 million. That balance decreased each year thereafter. By 1969, the balance had decreased to less than $100 million, and in both 1970 and 1971, the balance was negative by almost $200 million. Since 1970 some improvement in our trade position in automobiles with Canada has occurred and a positive balance is expected this year. A large part of this improvement, however, appears to be the result of statistical manipulation. United States-Canadian automobile balance-of-trade figures are not computed the same as our other trade statistics. If we compute the figures the same way we do the calculations for other trade areas, the situation looks decidedly worse.

As a matter of fact, if we compute the data for United States-Canadian automobile trade the same as we compute other trade data the U.S. deficit in this trade amounts to over $1 billion in 1971 and 1972 and is only slightly smaller in 1973.

Mr. President, as support for this statement, I ask unanimous consent that table 12 from the eighth annual report of the President to Congress on the operation of the Automotive Trade Products Act of 1965 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 12.—U.S. AUTOMOTIVE TRADE, 1971–73[1]

[In millions of U.S. dollars]

Item	Trade with all countries			Trade with Canada[2]			Trade with all countries except Canada		
	1971	1972	1973	1971	1972	9737	1971	1972	1973
U.S. exports:									
Passenger cars	1,183.3	1,322.1	1,798.9	946.6	1,076.6	1,412.6	236.7	245.5	386.3
Trucks, buses, and chassis	686.0	760.2	944.4	324.0	443.3	536.9	362.0	316.9	407.5
Parts and accessories	2,739.2	3,240.3	3,815.9	2,017.2	2,443.6	2,802.2	722.0	796.7	1,013.7
Total	4,608.5	5,322.6	6,559.2	3,287.8	3,963.5	4,751.7	1,320.7	1,359.1	1,807.5
U.S. imports:									
Passenger cars	5,139.8	5,711.8	6,495.6	2,396.9	2,594.9	2,770.0	2,742.9	3,116.9	3,725.6
Trucks, buses, and chassis	854.6	1,128.2	1,290.8	721.1	850.6	951.3	133.5	277.6	338.5
Parts and accessories	1,786.0	2,197.9	2,739.9	1,355.1	1,628.0	1,955.7	430.9	569.9	784.2
Total	7,780.4	9,037.9	10,526.3	4,473.1	5,073.5	5,677.0	3,307.3	3,964.4	4,848.3
U.S. net exports (−)[3]	(3,171.9)	(3,715.3)	(3,967.1)	(1,185.3)	(1,110.0)	(925.3)	(1,986.6)	(2,605.3)	(3,040.8)

[1] The figures are not all inclusive inasmuch as some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available in U.S. foreign trade statistics. Exports and imports of tires and tubes are not included. Figures may not add to totals because of rounding.

[2] The purpose of this table is to compare U.S. automotive trade balances with Canada and with the rest of the world. Therefore, imports of automotive products newly identified by the Automotive Products Trade Act of 1965 (APTA) are not included because similar items are not identifiable in the statistics of imports from other countries. See table 14 for totals of these new APTA items from Canada.

[3] The net balance shown for U.S. automotive trade with Canada in the above table are the most representative figures possible on the basis of U.S. trade statistics. However, see discussion of United States-Canada automotive trade statistics in section II.

Source: Bureau of the Census.

Mr. HARTKE. Mr. President, the nature of our trade relationship with Canada is also revealing. As demonstrated in the table, the preponderance of U.S. auto exports to Canada is in parts. On the other hand, the greatest portion of Canadian exports to the United States is finished automobiles.

Almost twice as many finished cars are shipped from Canada to the United States as the other direction. To a large extent, therefore, the nature of our trade relationship with Canada is we ship parts up to Canada to be assembled into completed automobiles and then shipped back to the United States duty free.

This has been a very profitable arrangement for the big automobile producers. An article in the Washington Post in 1972 called attention to the fact that the big three U.S. auto producers own most of the car assembly and production plants in Canada. These auto companies do not want to see the Canadian auto agreement changed because it has been a very profitable arrangement for them.

The article also explains the blatant one-sidedness of the auto agreement by referring to the two "safeguards" that Canada negotiated. The first safeguard is that the ratio of total car production to total sales in Canada of United States-Canadian subsidiaries must remain at least at the level it was in 1964. The second safeguard relates to the value added in Canadian production and that in relation to total output it must remain as high as in 1964. These agreements were originally negotiated as "transitional" provisions but they are still part of the trade situation, and the Canadian Government refuses to negotiate their removal.

Mr. President, I ask unanimous consent that the Washington Post article entitled "Big 3 Win in Canadian Auto Pact" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG 3 WIN IN CANADIAN AUTO PACT

(By Claude Lemelin)

MONTREAL.—General Motors, Ford and Chrysler have repeatedly indicated to both the Nixon Administration and the Trudeau government in recent months that they are satisfied with the U.S.-Canada auto pact as it stands and do not wish to see it changed.

This was learned from Canadian sources in both Ottawa and Washington.

The auto pact, signed in 1965 by former President Lyndon B. Johnson and former Canadian Prime Minister Lester B. Pearson, provided for the integration of the industry's productive facilities in Canada and the United States

It is the major stumbling block in continuing trade talks between Ottawa and Washington, which broke down earlier this month after the Nixon Administration rejected a package deal approved by the Canadian government.

The Big Three own and control most car assembly and parts manufacturing plants in Canada. They have benefited enormously from the pact, which enabled them to raise the productivity of both labor and capital in their Canadian plants by lengthening runs and streamlining the product mix.

The profits of GM, Ford and Chrysler (which flow back to the U.S.) have soared since the pact came into force, Canadian officials claim. But in balance-of-payments terms, an American surplus turned into a deficit with Canada in automotive products.

Since 1971, Treasury Secretary John Connally has been pressing Canadian authorities to accept an upgrading of the auto pact into a full-fledged and unconditional free-trade agreement in automotive products between the two countries. But Ottawa has steadfastly refused. It is feared that such an arrangement soon would result in a severe contraction of production and employment in the Canadian car industry. Some Canadian officials even talk of an eventual concentration in the United States of production facilities now servicing both national markets.

In the course of bilateral negotiations conducted since Prime Minister Trudeau's White House meeting with President Nixon last December, however, Ottawa proposed a compromise whose nature has not been disclosed officially.

The Canadian secretary of state for external affairs, Mitchell Sharp, described this offer last week as "fair and reasonable." It allegedly included the suspension—but not the removal—of the two "safeguards" which Ottawa negotiated six years ago with the Big Three.

First, that the ratio of total car production to total sales in Canada of their Canadian subsidiaries remain at all times at least as high as in 1964.

Second, that their output's value added from Canadian sources in relation to total value of output (in effect, the proportion of work done in Canada on the finished vehicle) also remain as high as in the base year.

The U.S. Treasury has been urging the complete removal of the safeguards, plus extension of present duty-free arrangements to new motor vehicles not covered by the pact, as well as used cars. In addition, Washington has asked Ottawa to allow anyone—not only car manufacturers—to import automotive products from the United States free of duty.

Though formally a bilateral agreement between governments, the auto pact is in fact a tripartite arrangement among Washington, Ottawa and Detroit, since the Big Three exchanged seven year ago "letters of undertaking" with the Canadian government—with the blessing, at the time, of the Johnson Administration.

Being interested parties, General Motors, Ford and Chrysler therefore have been consulted frequently by both governments in recent months. And much to the annoyance of the Nixon Administration, they have refused to endorse publicly Secretary Connally's call for a revision of the auto pact.

Knowledge that the Detroit-based industry is less than keen on changes is a major reason why the Trudeau government has felt able to hold its own before Washington's onslaught.

Canadian officials claim that GM, Ford and Chrysler consider remaining restraints upon free auto trade between the two countries as essential to the maintenance of adequate profitability in their Canadian plants. The Big Three also have expressed fear that a stalemate between Ottawa and Washington might lead to a breakdown of the auto pact. This would cause major disruptions in planning and production.

Mr. HARTKE. Mr. President, the effect of this one-side, ill-advised agreement has not only been an erosion of the U.S. balance-of-trade position but also a loss of American jobs. Since 1965 employment in the American auto industry has increased by 12 percent; over the same period employment in the Canadian auto industry has increased by 33 percent.

Mr. President, I ask unanimous consent that tables 9 and 10 from the eighth annual report of the President, documenting these employment trends, be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 9.—TOTAL EMPLOYMENT IN THE U.S. AUTOMOTIVE PRODUCTS INDUSTRY BASED ON U.S. 1967 STANDARD INDUSTRIAL CLASSIFICATION (SIC), ANNUAL AVERAGE, 1965–73

[Thousands of employees]

Year	Total motor vehicles and equipment (SIC 371)	Motor vehicles (SIC 3711)	Passenger car bodies (SIC 3712)	Truck and bus bodies (SIC 3713)	Parts and accessories (SIC 3714)
Annual average:					
1965	842.7	352.9	66.4	34.5	362.8
1966	861.6	361.5	65.3	36.8	370.2
1967	815.8	341.0	60.0	37.0	351.7
1968	873.7	373.1	59.5	37.8	376.1
1969	911.4	392.9	56.9	40.3	390.8
1970	797.3	336.3	45.9	38.3	351.3
1971	842.1	371.5	51.3	37.3	358.9
1972	860.9	381.3	45.6	39.2	369.4
1973[1]	941.4	420.2	48.9	42.6	401.5

[1] Preliminary.

Source: Bureau of Labor Statistics.

TABLE 10.—TOTAL EMPLOYMENT IN CANADIAN AUTOMOTIVE PRODUCTS INDUSTRY BASED ON CANADIAN STANDARD INDUSTRIAL CLASSIFICATION (SIC), ANNUAL AVERAGES, 1965–73[1]

[In thousands of employees]

Year	Estimated employment[2]		
	Motor vehicles (SIC 323–5)	Assembling (SIC 323)	Parts and accessories (SIC 325)
Annual average:			
1965	81.9	41.9	34.8
1966	85.7	42.8	37.0
1967	84.1	40.7	37.1
1968	84.8	41.6	36.7
1969	92.1	44.5	39.7
1970	83.4	39.4	35.8
1971	93.5	43.1	40.6
1972	98.7	44.1	42.7
1973[3]	108.7	45.2	48.6

[1] Establishment with 20 or more workers.

[2] The employment figures in this table are estimates based on Statistics Canada's employment indexes. It is believed these are more accurate than the previous employment figures in table 10 which were based on somewhat less comprehensive data.

[3] Preliminary.

Source: Statistics Canada.

Mr. HARTKE. Mr. President, in 1972, my colleague, Senator GRIFFIN of Michigan, indicated that the Canadian automobile agreement had cost the State of Michigan and the country thousands of jobs. I myself introduced evidence that the auto agreement had cost at least 100,000 American jobs. And new evidence is forthcoming almost every day. Just last month, Chrysler announced layoffs that brought their total idled workers in the United States to 75,500, over 60 percent of their total work force. To date, the Chrysler production facilities in Canada are still going full tilt with only token layoffs at two plants.

In conclusion, the Canadian automobile agreement was originally hailed by its backers as the beginning of a North American free trade arrangement for autos. It has not turned out that way. The agreement grants preferential access to the U.S. auto market for autos or parts produced or assembled in Canada. But U.S. producers do not receive equal treatment. U.S. producers are limited to shipping their products to Canadian manufacturers. And their operations are subject to restrictive safeguards imposed by the Canadians.

The effect of this agreement has been disastrous for the United States. Our balance of payments in automobile trade with Canada, which once was strongly positive, has turned negative. In addition, we have lost thousands of jobs because of U.S. manufacturers, increased operations in Canada.

This agreement is just one more example of the United States using foreign trade to give foreign aid. But this practice is too expensive to tolerate, too expensive in terms of American trade balance, and too expensive in terms of American jobs. The agreement should be terminated.

The unfortunate part, as I said before, is that while American automobile workers are going to have a very dismal and dark Christmas, the total extent of automobile layoffs in Canada at this moment is less than 5,000. This was a giveaway, as I said, in 1965 by President Johnson to the Prime Minister of Canada, with an implied understanding that this giveaway of the American automobile industry would encourage Canada to participate in the war against Vietnam. It demonstrates the futility of trying to make public policy out of economic considerations.

That, in essence, is why I felt that this situation should be corrected. But recognizing the votes on the floor of the Senate, and recognizing the fact that most Senators are anxious to conclude this debate, I shall not pursue the amendment.

Mr. LONG. Mr. President, I have a number of amendments that I shall ask the Senate to consider. Some of these amendments are committee amendments, some are for myself, and some for other Senators.

AMENDMENT NO. 2048

I call up my amendment No. 2048, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an amendment No. 2048.

Mr. LONG. I ask unanimous consent that the reading of the amendment be waived. I shall explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG's amendment (No. 2048) is as follows:

On page 70, line 2, strike out "compensation and".

On page 70, between lines 14 and 15, insert the following new paragraph:

(3)(A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(13) Special Representative for Trade Negotiations."

(B) Section 5314 of such title is amended by adding at the end thereof the following new paragraph:

"(60) Deputy Special Representatives for Trade Negotiations (2)."

On page 101, line 22, strike out "(60)" and insert "(61)".

Mr. LONG. This amendment would cause the special trade representative to receive compensation at Cabinet level and it would have his two deputies at the level of a special trade representative. They would be raised to level 3 of the executive schedule.

The point is, Mr. President, that those who negotiate at this level will be negotiating at Cabinet level with those from other nations. In my judgment, our Nation's interest would best be served if the special representative for trade negotiations were speaking for this Nation as though he were a Cabinet officer rather than speaking for this Nation as an ambassador serving under a Cabinet officer.

I am confident this will help us achieve our purposes in this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BENNETT. Mr. President, I recognize that the committee generally is in support of this amendment. The thing that worries me about it is that if we, without too much consideration, can raise the head of a more or less independent agency to Cabinet level, we are going to have demands from all other heads of independent agencies that they should be raised to Cabinet level. It seems to me that the President should be the one who has the right to decide which of the people who work for him are Cabinet officers and which are to operate on different levels.

I have great faith in the ability of the present special trade representative. I think he will do a wonderful job. I think in terms of results he probably will be as effective as a member of the Cabinet, overall.

But I think we should be a little slow in moving to create what, in effect, is a breach in the previous pattern through which a lot of other heads of independent agencies may try to move in order to get Cabinet rank, if not actual Cabinet status, in the total pattern.

However reluctantly, I think I personally must vote against this proposal.

Mr. LONG. Mr. President, the committee agreed to this amendment. There was no objection. The Senator certainly can change his mind.

But, Mr. President, this man who is the special trade representative works in the White House. He works day by day sitting there with the other Cabinet officers when trade is involved. There is only one difference. He works for us as well as for the President. He is the representative of Congress, and we are entrusting powers through the President to him, rather than directly to him.

It is about time that we elevated someone else working for us, if we expect him to advance the interest of this Nation. I think we would be well advised to adopt this amendment.

We do not change his title to secretary. All we do is to elevate his pay to executive level 1 and give him a little additional dignity and stature so that he can speak a little more effectively for this Nation.

I think he can make a better deal in that capacity.

Mr. PASTORE. Will the Senator yield?

Mr. LONG. I yield.

Mr. PASTORE. My experience in the past is that it does not make any difference what the size of the country is at the negotiating table. What makes the difference is what your title is. Sometimes a minister will not talk to an ambassador because he does not think he is on the same level and same plane. Here is a man who is charged with cultivating international trade. That is what this bill is all about. Let us give him a status. Let us give him a status that will give him dignity, prestige, and influence at the negotiating table. That is what this amounts to.

Mr. BENNETT. We are not changing the title. We are only changing his pay. Whatever additional status he has would be internal, in my opinion, not external.

Mr. LONG. Mr. President, it also affects matters of protocol such as where he is going to sit at the dinner table when he is invited to an embassy, and things of that sort. It makes all the difference in the world.

I once handled a top pay bill for these Cabinet officers, the sub-Cabinet officers, and the independent agencies. The thing that shocked me in handling that bill when I was a freshman Senator was the fact that it made all the difference whether one man was paid more than another man, because it had to do with where they sit at the dinner table, whether they are invited out to dinner or not, and whether they are called this or called something else.

Having been all through that, Mr. President, I am satisfied that this is important. If you want this man to do the best that can be done for this country, he should not be working under the various Cabinet members; he ought to be working side by side with them.

He should not be working under the Secretary of Commerce; he ought to be working side by side with him. They ought to sit down with the President without him being inferior to those men. That is the purpose of the amendment.

I am sure it will help achieve our objective.

The PRESIDING OFFICER. The question is on agreeing to the amendment (putting the question).

Mr. LONG's amendment (No. 2048) was agreed to.

AMENDMENT NO. 2050

Mr. LONG. Mr. President, I call up my amendment No. 2050 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 178, beginning with line 7, strike out through line 14 and insert in lieu thereof the following:

"(d) The Secretary is authorized to guarantee loans for—

"(1) the acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, and

"(2) working,

made to private borrowers by private lending institutions in connection with projects in trade impacted areas subject to the same terms and conditions to which loan guarantees are subject under section 202 of the Public Works and Economic Development Act of 1965, including record and audit requirements and penalties, except that—".

Mr. LONG. This amendment is virtually a technical amendment. It simply says that with regard to loan guarantees for community assistance programs, it could be applied to plant facilities as well as the working capital. I know of no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

Mr. LONG's amendment (No. 2050) was agreed to.

AMENDMENT NO. 2051

Mr. LONG. Mr. President, I call up my amendment No. 2051, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes amendment No. 2051.

The amendment is as follows:

On page 216, line 15, beginning with "Within" strike out all through the period in line 22 and insert the following: "Within 30 days after a determination by the Secretary—

"(1) under section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, or

"(2) under section 303 of this Act that a bounty or grant is not being paid or bestowed,

an American manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination may file with the Secretary a written notice of a desire to contest such determination."

On page 217, line 20, after "value" insert ", or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed".

On page 218, line 17, after "proceeding." insert the following: "Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of all hearings held by the Secretary in the proceeding which resulted in such determination and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the Federal Register in connection with such proceeding.".

On page 231, line 13, strike out "and".

On page 231, line 15, after "any," insert "and the special duty described in section 202 of the Antidumping Act, 1921 (**hereinafter** in this section referred to as 'antidumping duties'), if any,".

On page 231, line 21, after "duties" insert "or antidumping duties".

On page 232, lines 1, 8, 10, and 22, after "duties" insert "or antidumping duties".

On page 232, line 11, after "duty" insert "and antidumping duty".

On page 232, line 18, after the period insert the following: "For antidumping duty purposes, the procedures set forth in section 201 of the Antidumping Act, 1921, shall apply.".

On page 233, lines 3, 7, and 15, after "duties" insert "or antidumping duties".

Mr. LONG. Mr. President, this amendment permits a manufacturer to review on an identical basis negative countervailing duty and antidumping determinations of the Secretary of the Treasury.

It is more or less a conforming amendment to carry out the intent of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question)

Mr. LONG's amendment (No. 2051) was agreed to.

AMENDMENT NO. 2049

Mr. LONG. Mr. President, I call up my amendment No. 2049, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

AMENDMENT NO. 2049

On page 79, between lines 5 and 6, insert the following new paragraph:

(3) On the day on which an East-West Foreign Trade Board determination report is transmitted to the House of Representatives and the Senate under section 410(c)(4), an export disapproval resolution, if required under section 410(d)(1), with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and the minority leader of the Senate. If either House is not in session on the day on which such a report is transmitted, the export disapproval resolution with respect to such agreement report shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The export disapproval resolution introduced in the House shall be referred to the Committee on Ways and Means and the export disapproval resolution introduced in the Senate shall be referred to the Committee on Finance.

On page 79, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 79, line 18, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution."

On page 80, lines 5 and 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 14, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 15, strike out "or ap*proval resolution*" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 20, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 1, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, lines 2 and 3, strike out "or approval *resolution*" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 12, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 16, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution."

On page 82, line 22, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 4, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

One page 83, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma, and the following: "approval resolution, or export disapproval resolution".

One page 83, lines 18 and 19, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 24, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 264, between lines 18 and 19, insert the following:

SEC. 409. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected under the East West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like, or directly competitive, articles in the United States.

SEC. 410. EAST-WEST FOREIGN TRADE BOARD.

(a)(1) There is established within the executive branch of the Government of the United States a board to be known as the East-West Foreign Trade Board (hereinafter referred to as the 'Board').

(2) The Board shall be composed of the Special Representative for Trade Negotiations, who shall serve as chairman, the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Interior, the Chairman of the Board of Governors of the Federal Reserve System, the President of the Export-Import Bank of the United States, the Chairman of the Federal Power Commission, the Administrator of the Energy Research Development Administration, and the Director of the National Science Foundation.

(3) Six members of the Board shall constitute a quorum.

(4) The Board shall have an official seal which shall be judicially noticed.

(5) The Chairman of the Board shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Board in accordance with the provisions of title 5, United States Code.

(6) The Board may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(7) In carrying out its responsibilities under this section, the Board shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of any agency of the United States. Each agency of the United States shall make available to the Board such personnel, facilities, and other assistance, with or without reimbursement, as the Board may request.

(b) The Board shall coordinate the policies and operations of all agencies of the United States which regulate or participate in trade with nonmarket economy countries or instrumentalities of such countries, including those agencies which provide credits or investment guarantees to such countries or instrumentalities. The Board shall also oversee the activities of persons within the United States who participate in trade with nonmarket economy countries or instrumentalities of such countries to encourage the expansion of such trade and to insure that such trade will promote the national interest of the United States.

(c)(1) Any agency of the United States which is involved in negotiations to provide credits or investment guarantees in an amount in excess of $5,000,000 to any nonmarket economy country or to any instrumentality of such a country, and any person who is involved in negotiations with respect to the export from the United States to such country or instrumentality of technology vital to the national security of the United States, shall file a report with the Board with respect to the provision of such credits or guarantees or the export of such technology, in the form and containing the information which the Board requires, not less than 90 days before such provision or such export.

(2) The Board shall provide an opportunity for interested parties to be heard, under the provisions of chapter 5 of title 5, United States Code, with respect to each report filed under the provisions of paragraph (1) and shall make a determination with respect to each report as to whether the proposed provision of credits and investment guarantees or export of technology will promote the national interests of the United States.

(3) No person may provide credits or investment insurance to any nonmarket economy country or to any instrumentality of such a country and no person may export technology to such a country or instrumentality if the Board determines under paragraph (2) that such provision or such export will not promote the national interest of the United States.

(4) Each determination by the Board under paragraph (2) shall be published in the Federal Register and shall be reported to the Congress. Such report shall include a statement of the impact of the provision of such credits or investment guarantees or the export of such technology on the national security of the United States, on the production in the United States of relevant articles, on employment in the United States in relevant industries, and on consumers in the United States.

(d)(1) If the Board determines under subsection (c) that the provision of credits or investment guarantees or the export of technology will promote the national interest of the United States, and if the dollar amount of such credits or guarantees exceeds $50,000,000, then no person may provide such credits or guarantees or export such technology if the Congress disapproves of such determination by the adoption of an export disapproval resolution (described in section 151(b)).

(2) For purposes of paragraph (1) and subsection (c)(1), if the total amount of credits and investment guarantees which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $50,000,000, or $5,000,000, as applicable, during a calendar year, then all subsequent provisions of credits or investment guarantees, in any amount, during such year shall be subject to Congressional disapproval under this subsection or shall be reported to the Board, as applicable.

(e) The East-West Foreign Trade Board shall submit to the Congress an annual report on trade between the United States and nonmarket economy countries. Such report shall include a review of the status of negotiations for bilateral trade agreements between the United States and such countries under title IV of this Act, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations from the promotion of East-West trade in the national interests of the United States.

On page 75, line 18, immediately after the comma, insert the following: "export disapproval resolution described in subsection (b)(4)".

On page 77, between lines 9 and 10, insert the following:

(4) The term "export disapproval resolution" means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress disapproves the determination of the East-West Foreign Trade Board with respect to the following proposed provision of credits or investment guarantees or export of technology as stated in the report transmitted by the Board to the Congress on ———. ", the first blank space being filled in with the proposed provision of credits or guarantees or export of technology involved and the second blank being filled in with the appropriate date.

Mr. **LONG**. Mr. President, this amendment establishes review and control by a joint cabinet board to be chaired by the Special Representative for Trade Negotiations of the agreements that are made with nonmarket countries.

What we are concerned about here,

Mr. President, is that the Soviet Union and other nonmarket countries will definitely want to acquire all the technology they can from the United States in these negotiations.

When a company like International Business Machines is negotiating with them, that company really has no way of knowing whether or not it is in the national interest to let those people have all the technology that IBM has. There ought to be somebody involved in this who can look at what the national interest is and the extent to which we might be giving away vital defense information, information essential to this country.

In addition to that, Mr. President, with regard to Government credits, very large export orders, or the grain deals, such as the grain deal that existed with the Soviet Union, we should not be caught in a situation again where a very large deal, such as the grain deal, was made without adequate information. That deal worked out very much to the detriment of the United States.

This amendment is very narrowly drawn. That is, it very closely restricts the trading with the eastern countries, the Soviet bloc, and assures us that we will know that these things are in the national interest.

If the Congress does not think it in the national interest, it reserves to both the House and Senate, to either House, the right to veto the deal if we do not think it is in the national interest.

It may be that we have drawn this too tightly, restricted trading, Mr. President. But, if so, I would be glad to modify it in conference to carry out the spirit as long as we can be sure that we are not going to be whipsawed the way we were in the Soviet grain deal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, the trade bill, H.R. 10710, arms the Executive with fully adequate authority to correct our deficit balance-of-payments position, to increase our exports, and to provide for orderly control of imports.

I am confident that Ambassador William D. Eberle, our Special Representative for Trade Negotiations, will use this authority to negotiate in the best interests of the United States.

My State has vast agricultural and industrial interests which will be affected by the upcoming multilateral trade negotiations. The textile and apparel industries, which employ thousands of Georgians, could be vitally affected. It was in this connection and at the request of several of my constituents in these industries that Ambassador Eberle and I exchanged letters. I ask unanimous consent that that correspondence be included in the RECORD at this point.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVEMBER 25, 1974.

Hon. WILLIAM D. EBERLE,
Special Representative for Trade Negotiations, Executive Office of the President, Washington, D.C.

DEAR MR. AMBASSADOR: Since the Committee on Finance ordered the trade bill reported to the Senate, several of my textile constituents have raised inquiries about the bill's possible impact on their industry. I want to respond to those inquiries and would appreciate your comments on these matters of great importance to my constituents and me.

One concern involves the GATT multifiber arrangement (MFA) governing international trade in textiles. I understand that the MFA has completely separate status under the GATT from any agreements which may be negotiated by the Administration under the authority granted by the trade bill. Is my understanding correct?

I understand that you intend to negotiate a prolongation of the MFA beyond its present expiration date because you and the Administration generally feel that the MFA and the bilateral agreements thereunder have proven to be a useful tool of international trade policy. Is my understanding correct?

I further understand that none of the powers granted to the President under the trade bill, whether with respect to nontariff barrier negotiations, import relief provisions, or others, applies to the present MFA structure. Is my understanding correct?

Another concern involves textile import duties. Your November 5 letter to Senator Russell B. Long reaffirms the Executive's intention to exclude textile and apparel products from any tariff preferences granted to developing countries. Can you give similar assurances with respect to general tariff cutting authority in view of the fact that imports under quota are now coming into the United States at market disruptive prices?

I would deeply appreciate having your response within the week if possible.

With best wishes and kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
Washington, November 29, 1974.

Hon. HERMAN E. TALMADGE,
U.S. Senate, Washington, D.C.

DEAR SENATOR TALMADGE: Thank you for your letter of November 25, 1974, in which you pose several questions about the Multilateral Arrangement Regarding International Trade in Textiles (known as the multifiber arrangement, or MFA).

As you may know, Secretary Dent and I met with leaders of the American textile industry, including officials of the American Textile Manufacturers Institute on November 22. In this meeting, most of the points raised in your letter were discussed, in view of the fact that the Executive Committee of the ATMI is planning to meet on December 3, to discuss matters relating to the Trade Reform Act.

Your first question relates to the position of the MFA with respect to negotiations to be conducted under the authority of the Trade Reform Act. I assure you that we do not intend that the effectiveness of the MFA, or of the bilateral agreements negotiated pursuant to the MFA, be adversely affected in any way in the forthcoming multilateral negotiations.

Second, you are correct that we consider the MFA to be a valuable continuing instrument of our international trade policy. Based on the present operation of the MFA, I consider that it would be in the public interest to negotiate an extension of the MFA beyond its expiration date.

Third, you asked whether the powers granted to the President under the trade bill could apply to the MFA. This question was not raised in my meeting with ATMI officials.

As you know, the trade bill reported by the Finance Committee is very comprehensive. It does not single out any particular industry for treatment more or less favorable than that granted other industries. It relies instead on the judgment of the United States negotiators, and the Congress and the President, advised by industry groups, the public, and the Tariff Commission.

No provision of the bill requires changes in the MFA, but the authorities do, as a strictly legal matter, apply to textile products subject to the agreement. For example, the existence of the MFA does not preclude a domestic producer from seeking relief from unfair or injurious imports. In addition, the nontariff barrier implementation procedures technically apply to the MFA (as to all other trade measures). However, there is no intention of renegotiating the MFA structure under the nontariff barrier authority.

Regarding the general tariff-cutting authority in the bill, Secretary Dent and I assured the textile industry representatives that no tariff cuts would be made without full and prior consultation with the industry.

I hope that you find these answers responsive.

With best wishes and kind personal regards.

Sincerely,

W. D. EBERLE.

Mr. McGEE. Mr. President, as the Senate considers the Trade Reform Act, I would hope we could dispatch with this vital piece of legislation in an expeditious manner.

Since passage of the Trade Reform Act by the House of Representatives in 1973, events have clearly demonstrated that access to necessary supplies of food, raw materials, and other goods, will merit the same attention in trade negotiations as that previously given to the traditional problem of access to markets.

The Senate Finance Committee has significantly revised the Trade Reform Act, as passed by the House, in order the better to address the problem of supply access.

While in Kansas City, Mo., for the Democratic Convention, I served on the panel hearing reports from delegates on America and its role in the international system. On Sunday, I delivered a report to the full convention on some of the conclusions reached by the delegates and panelists during the course of the seminar. I ask unanimous consent that my address to the convention be included at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICA AND ITS ROLE IN THE INTERNATIONAL SYSTEM

Long ago, H. G. Wells observed that "our true nationality is mankind." There isn't a simpler statement which could more adequately summarize the consensus of both the delegates and panelists who participated in the hearings on the American role in the international system. Never before in the history of mankind has the interdependence of people and nations been so obvious.

It is within this context that the basic nature of foreign policy problems have changed dramatically. The focal point of our foreign policy, up until now, has been on the political and diplomatic fronts of the Cold War. Yet, the newer international economic issues of energy, poverty, and inflation have replaced the older Cold War issues and approaches in world priorities. There was agreement that while it is necessary to hold the power-political structure of the world together, this structure cannot be maintained if we do not respond effectively to human needs and aspirations.

The Cold War was epitomized by the use of geo-political tools of the diplomat. With economic issues, there must be large-scale institutional cooperation and international collaboration, both of which can only result from patient consensus-building. In essence, the delegates and panelists agreed the United States could not remain riveted diplomatically and politically to the past without simultaneously addressing itself to the emerging new international economic realities. Unless, and until, the widening gap between the very rich and the very poor is narrowed, there can be no hope for peace in the world. The delegates and panelists were in complete accord this should be the new focus of U.S. Foreign Policy. Thus, as the Democratic Party continues the process of formulating viable policies to deal with inflation, unemployment, environmental pollution, urban and rural problems, this exercise becomes totally irrelevant if not taken within a global context. The domestic problems, and their resolution, are directly tied to the vagaries of an international economic system which is presently undergoing rapid and, oftentimes, frightening changes.

History does not allow us the luxury of sorting out our home-front problems in preference to international obligations and commitments. We must cope with both simultaneously. The delegates and panelists agreed we cannot separate our great domestic concerns from global problems which have contributed substantially to our domestic difficulties. Our domestic problems are inextricably interwoven with those of the world.

It was evident the delegates were cognizant of the world's problems and eager to participate in their resolution. It was equally evident that while there may be a growing isolationism within the United States as a whole, this attitude certainly was not reflected in the desires of the grassroots Democrats represented at the hearing. However, what was emphasized by these delegates was the need for a strong U.S. commitment to the world's poor in both economic development and food assistance. In assessing past U.S. policies, the delegates expressed their concern that the spread between the proportion of our resources allocated to military and non-military economic assistance activities be narrowed. Commensurate with this concern was the general agreement expressed for the phase-down in support for, and assistance to, oppressive governments.

In the area of food assistance, it was very apparent from the hearings that both President Ford and Agriculture Secretary Butz have seriously underestimated the willingness and commitment of the American people to meet the food needs of the starving millions in the world. While there is a basic commitment to use our food production capabilities for humanitarian purposes on a global scale, Americans do not wish to make sacrifices if such assistance is not shouldered equitably. Specific reference was made to the oil producing countries who, with their newly found wealth, had a special obligation to assist with the costs of feeding the world's hungry.

In essence, the delegates demonstrated a willingness to recognize that bread is an instrument of foreign policy. By the same token, the consensus was in favor of feeding starving people irrespective of their form of government or political ideology.

THE MIDDLE EAST

On the issue of the Middle East, there was a consensus that the independence of the State of Israel must continue to be a priority of U.S. foreign policy. While opinions expressed were diverse, there was broad agreement that progress toward a negotiated political settlement of the Palestinian question will permit Israel and her Arab neighbors to live at peace and to turn their energies to internal development.

ARMS CONTROL

While there was a general view that the Vladivostok Agreement setting a ceiling on nuclear arms proliferation was a plus, there remained general dissatisfaction that this was not enough. Top priority was given by delegates and panelists to an actual reduction in nuclear arms. Further concern was expressed over the proliferation of nations joining the so-called nuclear club. A demonstration of unilateral restraint on the part of the U.S. was called for by some of the delegates. There was a broad consensus that increasing the nation's nuclear overkill potential did not benefit anyone.

DÉTENTE

There was unanimous support for détente with the Soviet Union and the People's Republic of China, following as it did the many confrontations and crises of the postwar years. The delegates called for closer ties and broader international cooperation with both nations on a wide range of questions.

The delegates and panelists expressed their view that détente should be truly international in scope. In this connection, there was strong feeling that the time had come to move toward normalizing relations with Cuba. A continuation of past policies, it was feared, would tend to isolate the United States in the Western Hemisphere.

THE UNITED NATIONS

Deep concern was expressed over recent changes in the direction and policy within the United Nations. At the same time, a consensus emerged that the United Nations still represented an international focal point of hope in achieving a better understanding in the world.

GRASSROOTS PARTICIPATION IN THE FOREIGN POLICY PROCESS

The delegates expressed a strong desire for a greater input and participation in the surfacing of new foreign policy ideas and directions. This is a desirable product of the national dialogue launched by the Democratic Party and the panelists, in particular, applaud the initiative as a welcome and needed development.

CONCLUSION

Concern was expressed that by retreating behind our own shores, the United States had the most to lose if the world once again broke up into protectionist cartels. There was a recognition that the fears of protectionist groups were justified and understood. However, it was also recognized that we could ill-afford protectionism in a world rushing rapidly toward disaster.

In this context, concerns were expressed over the future of foreign assistance and international trade. The delegates and panelists agreed that foreign aid and trade were the pillars of a new and positive U.S. response to the needs of mankind.

It was appropriately noted that the United States, with only six percent of the world's population, is the major consumer of the globe's resources. In energy alone, we consume 30 percent of the world's supplies.

It was stressed that we face an international situation where, in the absence of substantial assistance from the rich nations, millions in Africa, Asia and Latin America are condemned to unacceptable levels of poverty. By the same token, the American economy demands a nearly limitless supply of raw materials to fuel its industry and create new jobs. The U.S. no longer has a sufficient supply of raw materials within its own borders. Therefore, this nation must look to these very nations as a source of its resource supplies.

That America has no alternative to an acceptance of international interdependence emerged as the simple—yet broad—conclusion of the delegates and panelists. It was agreed that the self interest of the U.S. and the well-being of mankind were synonymous and that it was no longer possible to turn our involvement in the world on and off to suit our particular domestic situation. The world is exploding in a convulsive series of human needs and aspirations. It was concluded that the American role in the international system was to respond quickly and effectively to these needs and aspirations. There is no question all of us recognized our dependence on each other—in this country—in the world. The most important result of this seminar was the recognition that the United States had to exercise a leadership role.

Let us implement these concerns expressed by the delegates of the Democratic Party.

Mr. McGEE. So, Mr. President, I would hope the Members of this body would exercise restraint and approach the Trade Reform Act with responsibility. In this connection, the Senate has ruled out of order all nongermane amendments. It is equally important that Senators refrain from introducing amending language sought by so many special interest groups.

The Trade Reform Act, as it is now written, will give the President the tools needed to establish a new international regime with respect to questions of supply shortages. He will have the necessary negotiating flexibility to reach agreement in supply access and the retaliatory authority needed to discourage unfair actions by foreign countries which effectively deny the United States fair and equitable access to supplies.

To attack this measure irresponsibly with amendments which are neither germaine nor appropriate is to court disaster for this Nation.

Mr. TAFT. Mr. President, I consider the Trade Reform Act to be one of the most important bills to come before the 93d Congress.

Passage of this bill will provide a basis for expansion and retention of American job opportunities, further efforts to reduce inflation caused by barriers to trade, and responsible international action to deal with the world economic crisis. Congressional inaction could lead to a shrinkage in world trade which would hurt workers and consumers alike, increase world tensions during a time of general economic instability, leave the United States without the legal power necessary to ensure that its industries are treated fairly in the world economy and considerably reduce the prospect that nations will undertake the cooperative efforts necessary to address the oil situation and other pressing economic problems.

The jobs over 3 million Americans are related directly to U.S. exports. This bill would foster increased export opportunities by allowing the President to negotiate for reduction or elimination of foreign tariffs, import quotas and other nontariff barriers which keep out American goods and services; allowing for negotiations to mitigate policies of discrimination against U.S. products, such as the common agricultural policy of the European Economic Community and the granting by certain developing countries of "reverse preferences" to some of our export competitors; allowing U.S. retaliation against unfair trade practices including unfair export competition in foreign markets; and help to open and expand large export markets in communist countries.

Export-related jobs are not the only American jobs which would be protected further by this bill. It provides much more effective relief than present law for workers whose jobs are jeopardized by increasing imports. Stronger powers are provided to combat unfair import competition in American markets. Negotiations to insure supplies of scarce raw materials such as petroleum and bauxite, which are necessary to keep American industries running at the highest possible capacity, are also authorized. All negotiations are tied much more closely than in the past to advice from the private sector, so that the negotiators will be made aware of the steps necessary to protect and expand American job opportunities.

These same negotiations should prove a valuable tool for alleviating domestic inflation. Import barriers presently cost American consumers more than $10 billion per year in higher prices. The reduction of these trade barriers, in return for equivalent reductions by our trading partners that will foster American exports, will result in lower priced goods and services for American consumers; increased domestic industrial competition; and a greater availability of goods and services in American markets. Any increases in these barriers, which are more likely if we do not pass this bill, would have the opposite effects.

Less tangibly but perhaps even more importantly, the provision of trade negotiating authority by this bill will improve the prospect for international cooperation, with America playing a leadership role. In these trying economic times, countries are tempted to turn inward by erecting economic barriers around their borders and pursuing policies which would bolster their economies temporarily at the expense of other countries. The result of such action could only be a deepening of the worldwide recessionary and inflationary tendencies; the results were disastrous the last time this happened in the 1930's. While it remains to be seen whether countries under today's economic stress can actually eliminate or reduce many trade barriers, active negotiations should at least help to fend off actions which would worsen the situation.

Furthermore, the old deficit crisis adds a whole new dimension to the need for international economic cooperation. Recognizing that the overwhelming need for energy conservation, oil-related deficit financing and a useful dialog with the oil exporting nations cannot be met by individual actions on the part of oil importing countries, Secretary Kissinger has proposed some very strong international cooperative actions to deal with the situation. Securing the necessary cooperation from the many oil importing nations with highly divergent interests will be extremely difficult in any event. If the hands of the United States are tied in the whole vastly important area of trade negotiations, however, the chances that America can exert the necessary leadership role will be diminished further.

The rest of the world has waited several years to start the trade negotiations. Given the present situation, it is essential that Congress not force the world to wait longer.

Of course, the delicate arrangements involving both liberalized Soviet emigration policies and normalization of commercial relations with the Soviets are also a part of this bill. If those arrangements fall apart, the consequences could be grave for Soviet citizens deserving to emigrate as well as for United States-Soviet relations generally.

It is unlikely that anyone who studies legislation of this length and magnitude would be satisfied with every provision. I am no exception and there are numerous provisions I would like to see rewritten. In view of the tight timetable, I shall limit my efforts to amend the bill on the Senate floor. I am hopeful that where possible, however, the concerns which I will now document will be addressed in the House-Senate conference.

In title I, which provides the President with the necessary trade negotiating authority, I am disappointed that the Finance Committee decided to drop the House section allowing the President to suspend import barriers when necessary to restrain inflation. During inflationary times, the President should certainly be able to suspend restrictive trade measures which augment the problem in cases where his action would not jeopardize domestic industries. In that regard, there was a House provision to insure that such Presidential action would not be taken in cases where material injury to American firms or workers seemed likely to result. I am hopeful that language can be found which satisfies the Finance Committee's objection concerning the House provision's vagueness, and that this type of authority can be included in the final bill.

Section 126 of title I would condition U.S. trade concessions to developed countries upon a Presidential finding that these countries have provided substantially equivalent concessions to the United States. This provision alters the historic principle of nondiscriminatory or "most favored nation" customs treatment, in which all countries receive standardized treatment. However, that principle already is being violated in many ways by many trading nations. Furthermore, I support wholeheartedly the provision's intent of insuring that no industrialized country will be able to receive a "free ride," by enjoying trade concessions without making concessions of its own.

At the same time, the flexibility of U.S. trade negotiators and the scope of the negotiations could be reduced severely and unnecessarily if this legislative intent is not effected flexibly enough. For example, it could undercut positive multilateral arrangements in which the United States makes concessions to one country but benefits, as part of the same package, from concessions made by a second country. The conferees should be able to improve the language so that the necessary flexibility is provided.

I am also concerned about the lack in title I of any specific statutory requirement for small business representation on the advisory committees for the trade negotiations. Small businesses have a vital interest in our trade policies which may be quite different in some cases from the interests of the industrial giants. For that reason, I am distressed by complaints I have received that the advisory committees set up thus far do not include sufficient small business representation. The Finance Committee's report does seem to ask that this situation be remedied, but more specific statutory language would be preferable.

The legislation gives the President the total discretion to reserve "sensitive articles" from the trade negotiations. This authority could be used in some very positive ways. For example, it could be used to exempt from the negotiations an article which is likely to be the subject of domestic legal action in the very near future, even though it is not subject to such action at that time. However, in view of the necessity for eliminating trade barriers where possible, it is important that the Executive not abuse this authority by reserving articles from the negotiations unnecessarily, perhaps in response to domestic special interest groups. The conferees may be able to improve the provision by spelling out more specifically the circumstances under which the reservations of sensitive articles from negotiations should be made.

I am pleased that title II of the bill before us, which provides relief for industries and workers threatened by increased imports, embodies some of the concepts proposed by Senator **Percy** and me in the Trade Adjustment Assistance Act (S. 1156). These concepts include liberalization of the "escape clause" criteria for imposing import restraining mechanisms, such as tariffs and quotas. Another such concept embodied in this bill is the strengthening of the domestic grant and loan adjustment assistance program to help firms, workers, and for the first time, communities, cope with increased imports.

The Finance Committee has liberalized the "escape clause" criteria for tariff increases, import quotas, and orderly marketing agreements to a slightly greater extent than I had proposed. The bill I introduced would have required, as a condition for this type of relief that increased imports be the primary cause of the industry's problems. This bill requires that imports be a substantial cause of such problems.

It is impossible to tell with certainty what effect this bill's import relief provisions which have in terms of importation of trade barriers by the United States. Close monitoring by Congress of the import relief provisions is essential, because the import relief program must strike an acceptable balance between U.S. worker interests, U.S. consumer interests, and the necessity for healthy economic relations with our trading partners.

Once the Tariff Commission makes a finding that an industry meets the test for escape clause relief, the President is directed by this bill to adopt measures which restrain the imports in question. The House bill would have given the President the discretion to decide whether to grant the import relief at that point. The House bill also specified an order of preference for the various types of import restraining measures, with which I agreed.

While I agree with the Finance Committee that the link in the House bill between a positive Tariff Commission finding and actual provision of import relief is too tenuous, I feel it would be beneficial to give the President some flexibility to refrain from implementing a Tariff Commission positive finding. The President may feel, for example, that particular import restraining measures at a particular time would be likely to be contrary to the national interest once he considers the negative effect on the U.S. position in the trade negotiations, the possibility of a deterioration in trade and other relations with the countries principally involved, the effects on consumers, and effects on the industries and workers in the United States who would have to sustain compensatory trade concessions. One way to improve the present provision would be to allow the President that flexibility, but to link a positive Tariff Commission finding with a presumed necessity for actual import restraining action. This could be done by allowing Congress to override promptly any Presidential decision not to take the suggested action. Of course, such an arrangement would also require a Presidential report to Congress explaining his basis for inaction.

The Finance Committee deleted a House provision which specifically would have allowed the President to reduce or terminate import relief, after seeking certain advice and upon determining that such a reduction of termination is in the national interest. The Finance Committee's bill could be interpreted to authorize this type of action implicitly, but I feel strongly that the necessary authority should be spelled out clearly in the statute. Import relief, although essential in some circumstances to help protect American jobs, generally is detrimental to our consumers and our efforts to secure open export markets. This statute must indicate clearly that it is a privilege given under certain conditions, rather than a right. More specifically, the relief should be used to provide industries impacted by imports a period of time to adjust to import competition. However, the President should be able to terminate import relief prematurely if, for example, the sheltered industry is increasing its prices excessively without making an appreciable effort to improve its competitive situation.

Along the same lines, I strongly believe that the President's report on the trade agreements program and on import relief and adjustment assistance should include an estimate of the cost to American consumers of each import relief action in effect. Our consumers and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices, and by how much. Provision of this information regularly should foster closer monitoring of the import relief program.

One of the fundamental purposes of the Percy-Taft trade bill was to make the domestic adjustment assistance program for workers. Firms and communities substantial and timely enough. We had hoped that this program could become, in some situations, an acceptable substitute for import restraining measures with more damaging domestic effects. The finance committee bill certainly improves the adjustment assistance program in that regard, as I have mentioned.

Of the several areas in which the Finance Committee bill's adjustment assistance program does not go as far as our bill, I am most concerned about its treatment of older workers. The Finance Committee bill would allow workers age 60 or older to receive an extra half year, or a total of 1½ years, of the trade readjustment allowance. Our bill, as a rule, would have continued this eligibility until the worker could receive social security.

The additional eligibility period in both bills is recognition of the particular reemployment problems that older workers are likely to have, but I am concerned that the Finance Committee bill treats this problem inadequately. Furthermore, the 60-year age requirement in both bills may be too high, because serious reemployment problems occur with somewhat younger workers. Of course, this problem and others dealing with workers who have been laid off must be considered in connection with the regular unemployment insurance program, as well as the special trade adjustment assistance program.

In title III, I am concerned about the requirement in section 321 that customs invoices submitted with imported merchandise contain information concerning all subsidies bestowed on the exportation or production of the article being imported, as well as its price in the country of exportation. It seems to me that these requirements may be difficult for importers to fulfill, particularly small businesses without extensive overseas contacts. The conference should explore the magnitude of this problem and delete the provision if the problem is more important than the likely benefits, as I suspect.

As a cosponsor of the Jackson amendment in title IV which ties the granting of nondiscriminatory customs treatment to the U.S.S.R. with a liberalization in that country's emigration policies, I am pleased with the arrangements concerning that issue which have been worked out thus far. I understand the foreign policy reasons why we have not demanded a signed agreement from the Soviets. Nevertheless, they should understand that if the Jackson amendment becomes law, I will join many other Members of Congress in following closely all the results of the agreement implemented and considering related future legislation accordingly.

Section 406 would allow the President to take action restraining imports from a Communist country whenever that country's imports are being or likely to be imported into the United States in such increased quantities to be a significant cause or threat of material injury to a domestic industry. This provision was added for Communist countries, rather than reliance on the escape clause relief and unfair trade practices sections of the bill to deal with any import problems, in recognition that Communist countries could manipulate exports to penetrate a particular market to a greater extent than countries with "market economies." I consider a provision along these lines to be essential. However, the House provisions' requirement that such imports be offered at prices substantially below those of comparable domestic articles would seem to differentiate between this particular problem and an unwarranted increase in general protectionism when imports from Communist countries are involved. This type of requirement should be added to the Senate bill's test for market disruption.

Two provisions of title IV, concerning cooperation on accounting of U.S. personnel missing in action in Southeast Asia and repayment by Czechoslovakia of post-World War II obligations to U.S. citizens, condition normal U.S. trade treatment upon specific unrelated political actions. Similarly, title V of the bill, which grants preferential tariff treatment to the imports of developing countries, contains several political conditions on such treatment. The conditions in that title in particular have been criticized heavily. The United States is the last developing country to fulfill a pledge to grant this preferential treatment and the only one to attach these types of conditions upon it.

Virtually all of these conditions express serious legitimate concerns about the actions of our potential trading partners. I definitely support some of them, such as the prohibition against granting preferential tariff treatment to OPEC countries. However, I urge the conferees to reexamine these conditions, in particular the ones concerning matters such as reimbursement by Czechoslovakia of post-World War II U.S. claims which do not relate directly to international trade, to determine whether the actions contemplated by this bill would contribute effectively to all the foreign and economic policy ends we are seeking.

Section 607 of the bill's miscellaneous title, added at the State Department's request, deserves additional attention. It would grant antitrust immunity to those parties who participated in the voluntary restraint agreements for steel of 1968 and 1972. These agreements limited the export of steel to the United States.

Although I have had some reservations about the informal role of the U.S. Government in securing the agreements, I can accept the committee's rationale that the proposed exemption is needed to protect foreign steel producers. These producers were led by our Government's participation in the negotiations to believe that the voluntary restraint arrangements would not violate U.S. law.

Nevertheless, whatever case there was at the time the arrangements were initiated for the informal role our Government played should disappear with the enactment of the Trade Reform Act. With trade negotiating authority restored to the executive and with much more realistic import relief provisions on the books, the executive ought to be able to provide sufficient import relief through the channels and standards Congress has defined. Informal initiatives which circumvent those channels and standards should not be necessary again.

Because I have dwelled at length on my concerns with the bill in the hopes that they can be remedied where possible, I should emphasize at this time that I believe the Finance Committee made many valuable and constructive changes in the House bill. I commend that committee for its work and for bringing the bill before us for debate.

I have been distressed that many in organized labor, both in Ohio and throughout the rest of the Nation, have expressed strong opposition to this bill. If I felt the bill would have the extremely detrimental effect on American jobs that many of those citizens are convinced it would have, I would have no choice other than to vote against the Trade Reform Act. However, I have already explained why I feel that the trade negotiating authority and authority to retaliate against unfair trade practices will help provide Americans with export-related jobs. I have also indicated my judgment that negotiating for access to the world's raw material supplies; authority for retaliation against unfair trade practices; and provision of liberalized criteria for import quotas, increased tariffs and loans and grants to help import-affected workers and industries; will guard domestic jobs more effectively than present law.

There is no question that there have been some results unfavorable to the United States as a result of past trade negotiations, and that past U.S. Government actions—or inaction—to provide import relief and to insure fair international competition have been insufficient. This time, however, the executive has the clear directive from Congress not to make the same mistakes again, with the laws needed to carry out that authority. We will be watching the administration closely in that regard. For example, I have no doubt that any trade deal concerning nontariff barriers in which the United States would make disproportionately large congressions will be rejected resoundingly by the Congress.

The need to retain and expand export-related jobs has a particular meaning for Ohio's work force. Ohio ranks first among the 50 States in the importance of export employment in manufacturing establishments and second in the value of manufacturing for export. Almost 67,000 Ohio jobs are in the manufacturing for export category. While it is true that our manufacturing trade balance was eroding steadily for many years, this situation has now turned around and the 1974 U.S. balance of trade in manufacturing is expected to show a $10 billion surplus. The importance of this figure certainly should not be overestimated, but it does provide a strong measure of hope that a continued expansion in international trade will be a major plus for America's work force even in the import-troubled manufacturing sector.

Ohio also produced agricultural exports worth almost $560 million in fiscal 1974, which accounted for more jobs in that sector.

I realize that several nongermane amendments will be offered to this bill. Because of the bill's importance, I may vote against amendments I would otherwise support if I feel that they would impede its passage. In particular, I believe that some reforms in the taxation of multinational corporations are appropriate and I realize that this is a subject closely tied to the matters addressed by the Trade Reform Act. However, it seems to me that attempts to add such tax provisions to this bill, in the last days of the session and without prior committee or House consideration, would be more likely to kill the trade bill than to result in important and constructive legislation.

The Trade Reform Act is "must" legislation, for this year. The Senate will be to blame for the setback to American workers, American consumers and our efforts to promote international cooperation in a troubled world if we do not treat the bill accordingly.

Mr. MONDALE. Mr. President, this is an historic day, not only for our relations with the other industrialized market economies of the world for whom this trade bill will provide a framework for greater cooperation in the face of economic adversity, but also for our relations with the Soviet Union and other nonmarket economies.

A key to growing economic cooperation between the United States and the Soviet Union has long been the question of emigration. I was quite pleased and satisfied by the agreement reached in Washington last October on this question.

In a recent visit to the Soviet Union, I discussed this issue extensively with the Soviet leaders and with Soviet Jews who had been hoping to emigrate, many of them for many years. It was abundantly clear, particularly from the standpoint of the Jewish leaders, that passage of this trade bill is an essential ingredient in their being able to realize their hopes of emigration.

I met with quite a number of potential Jewish emigrants. In particular, I talked with Viktor Polsky, Vladimir Slepak, Alexander Lerner, as well as others. All of these men are prominent scientists. And all of them have been turned down, often with the excuse that their work had something to do with security and that, therefore, they would not be permitted to emigrate.

The letter from Dr. Kissinger recognizes the legitimacy of withholding permission to emigrate on the grounds of security. This is understandable. But it must not be abused. And I am gratified that the letter makes it explicit that there should be no more than a 3-year waiting period for such cases and that a definite time period should be set for those who must wait for such security reasons.

The emigration agreement also contemplates that priority attention and expeditious treatment will be given to those who have waited for a long period of time. Mr. Slepak, with whom I spoke at length, has been waiting for many years and is now considered the potential emigrant who has been held back the longest. I hope he will get expeditious treatment. I also hope that Mr. Lerner will get expeditious treatment along with others who have been waiting for so long—many without jobs, to realize their dreams of emigrating to Israel.

I am also concerned about harassment which is continuing at this very moment. Even today, as we are considering this very important bill, Mikhail Shtern, a doctor in a small town in the Ukraine, is on trial on clearly trumped-up charges that he attempted to poison children under his care. The public prosecutor in his town said openly that he was being prosecuted because of his desire to emigrate to Israel. The KGB has made an enormous effort to find witnesses to testify against Dr. Shtern. But because of his great reputation in his hometown, no one has been willing to do so. Dr. Shtern faces the possibility of 20 years imprisonment on these charges and others which have been levied against him. I raised Dr. Shtern's case directly with the Soviet leaders, who said they would look into it. But so far, all they have managed to do is postpone the trial until this week, which is not only, as I said a moment ago, the week are considering the trade bill, but also it is the anniversary of the U.N. Declaration on Human Rights.

I am very concerned about this particular case. And I believe it points up the crucial issue of how we monitor this agreement. It must not be treated as a cosmetic agreement. I told Soviet leaders and, I want to emphasize for the RECORD today, Mr. President, the importance of Soviet compliance with the terms of the agreement and to end the harassment for those wishing to emigrate from the Soviet Union.

Mr. HUGH SCOTT. Mr. President, in view of our current debate on the trade bill, I have written to the President today urging that he make a "public statement of positive interest in potentially affected U.S. industries."

Mr. President, for the interest of my colleagues, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MINORITY LEADER,
Washington, D.C., December 13, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I agree with you that the Trade Reform Legislation should be first priority for the Congress in the final days of this session. I will work with the leadership to push for final action on the bill.

It has been suggested that further action by you could accelerate the process. Over the last several weeks I met with members of various labor organizations who are deeply concerned about possible dislocations in particular industries. Potential harm exists, for example, in our domestic textile and clothing industries, which are already hard pressed. This applies also to shoes, steel and other affected industries.

Under the legislation you will have power to choose products to be included and to determine instances where sensitive products can be excluded from the dropping of tariff and non-tariff barriers. An announcement from you that you will carefully assess the effects on American industries very susceptible to any tariff fluctuations might alleviate the dissatisfaction of our workers in these important industries. I know you cannot make commitments for specific action prior to passage of the legislation, but your public statement of positive interest in potentially affected U.S. industries would, I believe, tend to accelerate action in the Senate.

Please be assured I will continue to work for passage of the Trade Bill.

With best wishes.

Sincerely,

HUGH SCOTT,
Republican Leader.

Mr. MONDALE. Mr. President, I should like to ask the floor manager several questions relating to the countervailing duty section of the bill, and to any agreements which might be entered into regarding import quotas under section 22 of the Agricultural Adjustment Act.

The committee report states:

> The Committee also understands that existing administrative authority will not be used to implement any agreement resulting from trade negotiations entered into under this Act which affects the application of Section 22 of the Agricultural Act of 1933, as amended. It is further understood that any trade agreement which would alter or amend section 22 of the Agricultural Adjustment Act, or affect the application thereof, would have to be submitted to the Congress as would any other agreement under Section 102, and be approved by both Houses of Congress under the positive approval procedure before it could become effective as U.S. law or administrative practice.

I would just like to be absolutely clear on this point: that under the provisions of section 102 as adopted by the Finance Committee and defined by both the committee and the administration, any agreement which would affect agricultural import quotas would have to be submitted to the Congress for affirmative approval, whether or not the administration already has the authority to alter such quotas.

Mr. LONG. The Senator from Minnesota is correct on this point. The administration provided assurances to the committee that under section 102 any agreement affecting section 22 import quotas would be submitted to the Congress for affirmative approval. Furthermore, any agreement affecting any nontariff barriers negotiated under section 102 must be submitted to the Congress for approval by both Houses.

Mr. MONDALE. On another point, the Senator from Louisiana is familiar with the provisions of section 331 of the bill dealing with countervailing duties. In its consideration of this section the Finance Committee attempted to carefully circumscribe the very broad grant of discretion contained in the bill approved by the House of Representatives. The Senate did, however, approve a strictly limited form of discretion to be exercised during the first 2 years of the negotiation. The committee set forth two conditions which must be met—first, that adequate steps had been taken to reduce substantially or eliminate the adverse effect of the bounty or grant; and second, that there was a reasonable prospect that successful trade agreements would be entered into, under section 102, providing for the reduction or elimination of subsidies and other distortions of international trade, and that the imposition of duties would be likely to seriously jeopardize the satisfactory completion of the negotiations.

I believe that the committee intends that these provisions be interpreted literally, and that a minor reduction in the subsidies paid by an offending country would not meet the requirements of the act. Furthermore, even if the subsidy had been largely but not totally eliminated, the Finance Committee would have an opportunity to receive the arguments of the affected U.S. industry, and if that industry could present evidence to show that it was still being injured, could recommend that the Senate by majority vote force the imposition of countervailing duties. Am I correct in this understanding?

Mr. LONG. The Senator from Minnesota is absolutely correct in his interpretation. Either the Senate or the House of Representatives could overrule by a simple majority a decision by the Secretary of the Treasury not to countervail. It was not the committee's intention to hand the Secretary of the Treasury a blank check to countervail or not at will.

Now, there are several amendments pending which would further amend this section. I may want to vote for them. But I want to listen to the arguments on both sides. Maybe they have some merit.

Mr. MONDALE. I thank the Senator from Louisiana.

Mr. STEVENSON. Mr. President, I want to commend the distinguished chairman of the Finance Committee for his tireless efforts to develop and secure passage of the trade bill. As the distinguished chairman knows, the trade bill contains a number of provisions dealing with export controls and the extension of credits by the Export-Import Bank to nonmarket countries. Both are matters in which the Banking Committee has been deeply immersed over the past year and a half and which, of course, traditionally come within the Banking Committee's jurisdiction.

When the Banking Committee was considering export control legislation last summer, it agreed to defer consideration of provisions relating to the use of export controls for retaliatory purposes and instead to seek a referral of the trade bill for consideration of any export control matters which it might contain. The lateness of the session when the trade bill was reported, of course, made such a referral impossible without causing a delay in its consideration on the floor. In our desire to see speedy passage of the trade bill, no referral was sought. However, I would hope that the distinguished chairman of the Finance Committee would be willing to cooperate with the Banking Committee in any future consideration or review of agreements or other matters pertaining to export controls which may eventuate from passage of the trade bill.

With respect to the Export-Import Bank, the distinguished Senator from Louisiana knows that the Banking Committee has labored hard and long to develop an Export-Import Bank bill. That bill is now pending before this body. One of the most controversial issues we have considered in connection with that legislation is that of credits to the Soviet Union and other Communist countries. The trade bill, of course, conditions future credits to nonmarket countries on the making of certain findings by the President and approval by the Congress. At such times as such reports are made to the Congress, I would hope that the distinguished chairman of the Finance Committee would recognize the role of the Banking Committee in these matters and that both committees could cooperate in their consideration.

Mr. LONG. I recognize the jurisdiction of the Banking Committee in both of the matters you have mentioned and applaud the Banking Committee's efforts to deal with these difficult issues. I see no reason why the two committees cannot fully cooperate with one another in all matters pertaining to export controls and Export-Import Bank credits which arise pursuant to, or as a consequence of, matters contained in the trade bill. I intend to make every effort to see that such cooperation is achieved.

Mr. PACKWOOD. Mr. President, no life can be measured in terms of dollars and cents. Give me a cost estimate for a smile, a knowing nod, a warm hand held in the middle of a cold December. Price for me the worth of a returning father, a husband, a son, or a brother and then multiply that impossible figure by 1,200—the nearly 1,200 Americans listed as missing in action.

Mr. President, there can be no compensation for the families of our MIA's but one. There can be no measure of relief except accountability. Without exception, however, each and every time I have risen on the Senate floor to speak to this issue, the bottom line has invariably read, "No progress has been made." The Communists remain silent, stolid as a stone wall. What is holding them back? I simply do not understand it, particularly when all we seek is information. It could be contained on 50 written pages, but not a word, not a single word has been received.

If we are not convincing enough, if years of this Nation's heartache and concern is not reason enough, then we shall enlist others to wrest the whereabouts of our MIA's from their captors.

Money cannot fill the void in the lives of MIA families. We know that. But money translated to trade can speak to other nations of the world. By approving this bill, we will deny most-favored-nation status to any Communist nation that fails to cooperate with the United States to achieve a complete accounting of all American personnel who are missing in action in Southeast Asia. If in the past, reason has not prevailed with these nations in persuading them to communicate the necessity for accountability to their comrades, then let them now ponder the undesirable prospect of denied trade to their nation and people.

We must speak in every language at our disposal. We have tried reason; it is a foreign tongue to the Communists who remain silent. So now, let them hear our trading doors close and, before the last reverberation has a chance to echo, I hope, finally, the Communists will understand our resolve and respect our wishes.

Mr. MONDALE. Mr. President, I should like to discuss a particular provision in the trade bill, specifically section 104 dealing with sector bargaining.

Sections 103 and 104 of title I were adopted by the committee to give clear legislative direction to the special trade representative as to the U.S. negotiating objectives he should pursue.

Section 103 states the overall U.S. objective under sections 101 and 102: To obtain more open and equitable market access and the harmonization, elimination or reduction of trade barriers and distortions. I want to emphasize the word "harmonization" because I will refer to it later in these remarks. Section 103 also provides that, to the maximum extent feasible, the harmonization, elimination or reduction of agricultural trade barriers and distortions should be undertaken in conjunction with the harmonization, reduction, or elimination of industrial trade barriers and distortions. This provision was added by the committee on recognition of the concern of some agricultural interests that the forthcoming multilateral trade negotiations might concentrate so heavily on tariff and nontariff barriers and distortions in industrial and manufacturing sectors that inadequate attention would be given to negotiations on agricultural barriers and distortions.

Thus the term "in conjunction with" in section 103 means that the special representative should neither be deterred from an agricultural negotiation nor forced into what would amount in effect to two discrete negotiations—one for industry and one for agriculture. He must make a good faith effort to initiate and sustain negotiations in both areas, with the expectation that progress in one area could facilitate progress in the other.

It is important to note, however, that section 103 in no way requires that agricultural and industrial negotiations must be held or concluded simultaneously or that agreements in one are a condition precedent to agreements in the other. The committee considers it likely, and in fact, desirable, that a series of agreements affecting various products and commodities will be entered into at different times during the course of the negotiations, and section 103 in no way constrains such negotiating results.

Section 104 is the so-called product sector negotiation provision of the bill. It states a principal U.S. negotiating objective of equivalency of competitive opportunity for various product sectors of manufacturing and for the agricultural sector. It also states that to the extent feasible, and to the extent consistent with other U.S. negotiating objectives, negotiations shall be conducted on the basis of appropriate product sectors of manufacturing. Finally, section 104 requires the President, in certain circumstances, to report, at the time he submits to the Congress a proposed trade agreement, the extent to which the product sector negotiating objective has been achieved.

Section 104 recognizes the forthcoming multilateral trade negotiations, if they are to be effective in behalf of expanded world trade, must focus on a wide array of barriers to trade in given product sectors. Those barriers range variously from tariffs to classic nontariff barriers—such as quotas and preclusionary nationalistic or regional preferences—to distortive export aids and incentives. The committee thinks that one realistic way to try to break down a conglomeration of barriers is to negotiate within a sector context where the criterion of equivalent competitive opportunity can be genuinely tested by the particular circumstances of that sector.

Accordingly, section 104 directs the special representative to analyze a given product sector in terms of the aggregate barriers impacting the sector and to negotiate their elimination, reduction or harmonization toward the objective of equivalent competitive opportunity for U.S. goods in that sector, where use of the sector negotiation technique is appropriate, including those industries specified in the committee report.

The question then arises as to what the special representative should and can do if it is not feasible through negotiation to obtain elimination or reduction of trade barriers. In such cases, section 102 authorizes the special representative to "harmonize" those barriers. This means that he could withhold further U.S. concessions in trade sectors where U.S. products, on balance, are presently disadvantaged by foreign barriers. Taken together, sections 103 and 104 say that the special representative need not and, to the maximum extent consistent with other negotiating considerations, including the overall U.S. negotiating objective, should not give concessions in one product sector where the United States is already disadvantaged in order to gain concessions in other areas.

Section 104 should not, of course, be construed to limit the special representative's negotiating flexibility to obtain the best deals he can for the American economy. Two observations are pertinent to this point: First, not all sectors of U.S. manufacturing lend themselves to sector negotiations, and second, sector negotiations are not mandated and, conversely, cross-sectoral negotiations are not precluded.

Mr. PELL. Mr. President, I am strongly opposed to section 408 of the trade reform bill which denies Czechoslovakia MFN treatment and credits for purchasing American goods until that government settles American compensation claims at 100 cents on the dollar. The provision also holds up the return of 18 tons of Czech gold seized by the Nazis until this condition is met. The section is obviously intended to increase the level of payments which U.S. citizens would receive for property nationalized after World War II. I agree with the sponsors of the section that we should do all that we can to assure that our citizens receive adequate compensation for their property. I doubt, however, that passage of this particular provision would have that result. On the contrary, I only see it frustrating that objective.

The United States and Czechoslovakia reached a claims settlement last July. This is the second attempt following the rejection of an agreement initialed ad referendum in 1964. The present agreement calls for payments to U.S. claimants of approximately 42 cents on the dollar on the principal of their adjudicated claims. There would be an initial downpayment of $4 million with the balance—$16.5 million—spread over a 12-year period. An accelerator clause, however, could further reduce the payment period to 7 to 8 years.

This agreement is the most favorable settlement the United States has concluded with Eastern European countries in recent years. Even though it does not give U.S. claimants all they would like, it will permit payments to begin as soon as the agreement enters into force. Since many of the claimants are elderly persons, this is an important consideration. On the other hand, if the agreement falls through, payments would be further delayed.

The agreement has other benefits. Czechoslovakia would pay in full—100 cents on the dollar—its surplus property debts to the United States which amount to more than $7 million including principal and interest. These debts were incurred in the immediate postwar period. The Czechoslovak Government would also undertake to negotiate with U.S. holders of defaulted prewar bonds. These bonds were originally valued at $2.7 million.

Mr. President, by withholding Czech gold, it is the aim of section 408 to pressure the Czechoslovak Government to make a more favorable claims settlement. The gold is currently worth $100 million, and the Czechoslovaks might therefore be inclined to pay more to get the gold back.

It is also argued that we should just take the gold and sell it ourselves to pay off claimants.

Why can we not do that? First, the gold belongs to Czechoslovakia. Under an international agreement, the United States, the United Kingdom, and France act as custodians of the gold, but have no legal title to it. We have a specific international obligation to return it. By what legal authority could we simply seize the gold?

Second, we should recall that this gold was looted by the Nazis while Czechoslovakia was our ally. The Czechoslovak people, both Communists and non-Communists alike, attach great symbolic as well as monetary importance to the gold and would react most strongly if the United States were to use it as a bargaining level to extract further concessions. This explains why the Czechoslovaks have been willing to wait so long for its return, and it is my guess that they will wait as long as need be. Continuing to withhold the gold, therefore, is not likely to make the Czechs more amenable to new claims negotiations and can lead to a deterioration of our relations with Czechoslovakia.

I raised this issue with Secretary of State Kissinger when he appeared before the Senate Foreign Relations Committee on September 19. I said then that détente involves not only our relations with the Soviet Union, but also our relations with Eastern European countries. I considered the move to derail the agreement as inconsistent with the spirit of détente. The Secretary agreed and described section 408 as unfortunate and counterproductive.

I must agree. As I see it, acceptance of section 408 would set back our relations with Czechoslovakia just when they have begun to improve. In 1973, the United States signed a Consular Convention with Czechoslovakia and began the negotiations on the claims question.

It is hoped that the claims agreement will lead to further progress in other areas. We can, for example, look to a considerable expansion in profitable trade and contacts with Czechoslovakia. Section 408 threatens to reverse this favorable trend and weaken East-West détente with no real benefits accruing to the claimants.

Mr. President, I am not proposing an amendment to eliminate what I consider a flaw in the bill. I earnestly hope, however, that before final passage of the bill, section 408 will be struck from it.

Mr. PACKWOOD. Mr. President, I make the following remarks in reference to the Trade Reform Act of 1974:

I. WORLD TRADE AND OREGON

Expansion of world trade in general and of trade in agricultural products in particular are of increasing importance to the growth of Oregon's economy. The worldwide economic uncertainty facing the world today could result in substantial problems for the economy of the Nation and Oregon. Should other countries' economies suffer a serious slowdown, American exports can be expected to be reduced substantially.

Coupled with the credit crunch in this country which is causing severe cutbacks in Oregon's No. 1 industry, wood products, a reduction in opportunities for export of agricultural and manufactured products would place the State's economic well-being in real jeopardy. Agricultural demand appears to be high, but retains its potentially cyclical nature. Famine, a poor Soviet grain harvest, and a worldwide economic boom have combined to virtually empty America's graneries. In our increasingly interdependent world, the prosperity of Oregonians may be as closely tied to the weather in the Ukraine as it is to national monetary policy or local conditions. High demand for Oregon's agricultural and manufacturing output that is built on détente and a rapid rate of world growth is a tenuous situation at best.

All of this is to say that Orgeon and the Nation have a vital stake in preserving a world of open trade and financial stability. The Trade Reform Act of 1974 will furnish the President with ample authority and opportunity to bargain effectively with other nations to secure greater access for American and Oregonian agricultural and manufacturing output.

II. BEGGAR THY NEIGHBOR, BEGGAR THYSELF: THE LESSONS OF HISTORY

The power of an idea is always hard to measure. The once heretical notion that trade between nations made both nations stronger and richer has been two centuries fighting for acceptance. It is still not fully honored in many quarters. A subtler, even more important proposition—that competitive trade can lead to peace—has had an even harder journey from pen to popular thought.

Yet 20th century history is a textbook on the havoc economic policy can bring. The post World War I reparations pressures on Germany may have satisfied the demands of the victorious allies, but their implications for the German economy and society were simply ignored by the major policy makers. The Hoover administration in the United States closed the tap too quickly and too tightly on the money supply—precipitating the great crash at home and a worldwide depression.

In 1930, Congress compounded the economic difficulties by enacting the highly protectionist Smoot-Hawley Tariff. Foreign trade fell precipitously and America's share in that trade fell even further. The result was sharpening of depression both at home and abroad.

The impact of the Great Depression, heightened by a virtually universal turn toward protectionism, sent economic shock waves around the world. Small Brazilian towns were cast into economic penury. Stalin turned toward autarky and away from a seemingly chaotic capitalism. Germany was cast into even darker despair.

III. WORLD WAR II RECOVERY: THE HOUSE THAT TRADE BUILT

Following World War II, the United States was virtually the only industrial economy with her manufacturing plant intact. Victor and vanquished alike had suffered tremendous material losses.

Although the Soviet Union moved quickly to put Eastern Europe as well as herself beyond the ambit of western reconstruction, Western Europe and Japan were open to American initiative. The United States made increased trade one of the cornerstones of her policy.

In the late forties, there emerged a structure for world monetary stability and international trade. Balanced to allow European industry to recover and export, the general agreement on tariffs and trade—GATT—was established and has proved to be a remarkably successful instrument.

Throughout the decade of the 1950's and the 1960's international trade grew rapidly. In addition, there was an unprecedented flow of private foreign direct investment capital from the United States to the rest of the world, particularly to Europe. World GNP grew apace and the economies of Western Europe and Japan experienced a more than rapid recovery.

The original basis for American participation in GATT was the Reciprocal Trade Act of 1934. Renewed 11 times, the Reciprocal Trade Act steadily eroded the barriers to world trade. From 1934 to 1961, there was a 15-fold increase in the value of American trade. The Trade Expansion Act of 1962 marked a second major American initiative in world trade. Concluded in 1967, the Kennedy round of trade negotiations reduced tariffs covering some $40 billion in world trade.

By forcusing on world trade as a major instrument of foreign policy, the United States encouraged European and Japanese economic development to take full advantage of the economies of scale that were dictated. The success of reconstruction eased the dissolution of colonial empires and dampened the possibility of further military adventures.

IV. SOME SEEDS OF CHANGE

Few manmade structures are meant to endure forever—and such was the case with the post World War II economy. Based on fixed exchange rates, a strong dollar, and the dominance of the American economy, the very success of the system created serious strains.

First, the United States felt an almost continuous pressure to maintain a reasonable balance of payments posture while still being responsible for world liquidity. That spelled problems.

Second, the massive flows of capital and technology from the United States to Europe tended to erode the comparative advantage that the United States had enjoyed in a number of manufactured items.

Third, the GATT treaty itself failed to deal with a number of significant barriers to trade. Nontariff barriers were allowed to proliferate in a variety of forms. The GATT code permitted the rebate of direct taxes—such as sales taxes—on exports while forbidding the rebate of indirect taxes—such as income taxes. This particular system worked to the advantage of European exports where direct taxes were far more important than in the United States.

Fourth, the existence of fixed exchange rates made possible a number of distortions. Given the economic tools available to any nation state, an aversion to domestic inflation could lead to an exchange rate being seriously undervalued. The opposite seems to have occurred in the United States during the Vietnam era. A high rate of domestic inflation made American goods ever more costly—and imports that much more enticing.

Fifth, there was the emergence of large trading blocks. The European Economic Community precipitated a host of imitators around the world. Although the EEC and similar organizations may or may not decrease world trade—depending upon whether more trade is created within the organization than is diverted from nations outside the group—the potential for abuse is abundant. The United States, with its marked comparative advantage in agriculture, was bound to be affected by the Community's common agricultural policy—CAP.

The final upshot of these pressures was the so-called Nixon shock of 1971. Cutting the dollar free from a fixed rate of exchange, ending the convertibility of foreign currency into gold and imposing a temporary 10-percent duty surcharge on imports—the change in policies signaled the end to an era.

V. FREE TRADE—GONE FOREVER?

Does the end of the post World War II era also spell the end of free trade? The danger signs are all around us. Throughout the 1960's, protectionist sentiment grew rapidly in the United States. There were consistent cries for quotas on shoes, textiles, electronics, steel, and a host of other goods. AFL–CIO became a prime sponsor of the Hartke-Burke bill—a measure that would have imposed comprehensive import quotas on the American economy. In 1962, the AFL–CIO backed the Trade Expansion Act.

The Nixon administration followed the Nixon shock with restrictions on the export of soybeans last year. Although taken largely with an eye on the domestic price level, the action had rather serious international implications.

And then came the oil shock. America felt the impact in long gas lines, an extra jolt of inflation and the first negative trade balance in 20 months. But the rest of the industrialized world was far more vulnerable. Italy, caught on the verge of national bankruptcy, moved to restrict imports—from her Common Market partners. Britain is almost as badly off—and lacks any firm political leadership. France has broken out of the Common Market monetary accord and has decided to allow the franc to float downward. Japan may yet be forced to follow a similar tack.

Oil exporting countries will receive billions of dollars from the oil-consuming countries—only a small portion of which will return in the form of payments for imports. As balance-of-payments deficits emerge and increase, the possibility exists that countries will return to an export-or-die philosophy. Already Western European nations and Japan have been rushing to make bilateral trade arrangements for oil.

Current Treasury estimates put the total 1974 oil revenues of the OPEC countries at somewhere near $80 billion. This contrasts with $25 billion in 1973 and only $15 billion in 1972. A trebling of oil revenues in 1 year—a more than sixfold increase over 2 years. After subtracting the value of imports and adding on nonoil export earning of the oil-producing countries—OPEC—the Treasury estimates that the OPEC countries will have some $55 billion available for investments in 1974.

The impacts of this rise in prices are all around us. Rising prices and slowing economies in the industrialized nations. But disaster, possibly even famine, for the poorer developing countries that are hit by high fuel costs and high prices for petroleum-based fertilizer at the same time. Beyond these pressing problems looms a growing financial dilemma—what to do with all those "petrodollars."

From the earliest days of the energy crisis, the petrodollars began to trickle back to the industrialized world. They came as purchases of goods and services, bank deposits, acquisition of short-term securities, portfolio investments, and in some instances direct investments.

The varied nature of the OPEC countries has to some extent determined the pattern of each country's investments. Those with large, relatively poor populations—Indonesia, Iran, Venezuela—can be expected to tip their expenditures in the direction of immediate consumption and future economic development. Some of the richest in oil, Saudi Arabia, Kuwait, and Libya, have small populations and a limited capacity for short-term economic growth. Their earnings will be spent only partially on imports.

Overall, the normal processes of trade will absorb only a portion of the new oil earnings. The U.S. Treasury estimates that OPEC countries will import about $30 billion in goods and services during the course of 1974. Some of these purchases will be for immediate consumption, foodstuffs and the like; others will constitute investment for future economic growth.

Furthermore, the oil-producing countries have made a number of commitments to developing countries and such multilateral lending institutions as the World Bank. According to U.S. Treasury estimates, up to $15 billion may have been committed to these sources. The terms and timing of the commitments vary widely. Some are soft loans, others are grants, and still others entail the purchase of World Bank securities. Although exact figures cannot be obtained, the Treasury estimates that by August of 1974, about $3 billion had already been committed to development countries.

Despite the difficulty in getting exact figures, the basic threefold nature of the financial problem is clear for all to see. First, there is the sheer volume of funds involved, $80 billion in petrodollars in 1974 alone. That sum amounts to almost three-fourths of the book value of all the U.S. direct investments abroad—investments that have been made over the course of a half century.

Second, there is a tremendous imbalance in the flow of funds growing out of the need to recycle the petrodollars. The greater part of the goods and services purchased by OPEC countries is coming from the stronger of the industrialized countries. These same countries—the United States and Germany and to a lesser degree Japan, France, and the United Kingdom—will receive the bulk of OPEC investment funds. The rest of the world—the less stable industrialized countries—are faced with a choice of devastating cutbacks in oil consumption or rapidly escalating debt.

Third, there is the problem associated with the fact that petrodollars are largely invested in short-term deposits with banking institutions or on the Eurodollar market. A substantial portion of the petrodollars available for investment presently are going into demand deposits with a life of only a few months and it is not uncommon for large amounts of oil money to be deposited in a bank before closing in the afternoon and withdrawn the next morning. On the other hand, the borrowing needs of oil-consuming nations, particularly nations like Italy and many developing countries, are for long-term funds with a repayment schedule over a period of years.

This arrangement is tenuous, at best, and dangerously volatile, at worst. Means must be developed to encourage oil-producing nations to invest their surplus funds in longer-term instruments that will make it safer to recycle those investments for use as backing of long-term loans. Already, the United States has made an effort to encourage just such an approach to investment by the OPEC countries. Treasury is encouraging the OPEC countries to invest in long-term Government securities in particular. If these overtures prove successful, then we ought to pursue the possibility of other long-term investments by the oil countries.

Needless to say, some observers believe we are seeing the end of an era that brought a great deal of prosperity and at least a measure of peace to much of the world. I am not inclined to that view.

VI. POSITIVE MOVEMENTS CONTINUE

As this chaos swirls about us, I see some other, more positive signs to indicate that all is not lost.

The Common Market, although severely scarred by the worldwide scramble for oil supplies and financial imbalance, has remained substantially intact. Negotiations with the United States have continued and there was recently an accord lowering industrial tariffs in Europe in payment for the agricultural markets America lost when Great Britain joined the Common Market.

Also, there was the little-noticed, less-praised, stand-still agreement reached by the OECD countries earlier this year. The stand-still agreement is an accord to refrain from any special import restrictions or export subsidies for at least a year to give everyone a chance to get his bearings after the last few chaotic years the world has undergone in trade and investment. Particularly at this time, when we read blaring headlines about what this and that country is doing to better its position in international competition at the expense of its neighbors, the stand-still agreement is a clarion signal that all is not lost. The industrialized nations of the Western World still recognize that "beggar thy neighbor" is a policy of short-lived benefit and long-term disaster.

Another promising factor is seen in the overall growth of international trade in spite of the substantial disruptions that have occurred in recent years. Total exports of all countries last year increased by 37 percent over 1972 to a record $566 billion.

Obviously, a sizable portion of that increase is due solely to increases in the prices paid for the exports, but even the rise in constant dollars is impressive—13 percent—and is just about double the increase of the world's gross national product during the same period. Clearly, nations are practicing ever more closely the lesson of comparative advantage taught 2 centuries ago by Adam Smith in his "Wealth of Nations."

In short, nations are exporting increasingly large proportions of their production and importing ever larger portions of their goods for consumption. Such is the essence of free and open trade. The following table displays the rapid growth in world trade over the last several years:

WORLD TRADE

[In billions of U.S. dollars]

	1960	1965	1972
EXPORTS[1]			
Total	129.6	188.5	416.5
United States	20.6	27.5	49.8
European Community	42.3	64.7	154.9
Of which: United Kingdom	10.6	13.7	24.3
Japan	4.1	8.5	28.6
Other developed countries	19.5	29.0	66.9
Less developed countries	26.9	35.7	71.7
Communist countries	16.2	23.1	44.6
China	2.0	2.0	3.1
U.S.S.R	5.6	8.2	15.4
Other	8.6	12.9	26.1
IMPORTS[2]			
Total	135.8	198.7	431.2
United States	16.4	23.2	59.0
European Community	45.1	69.2	154.5
Of which: United Kingdom	13.0	16.1	27.9
Japan	4.5	8.2	23.5
Other developed countries	23.8	37.4	76.9
Less developed countries	29.6	37.6	71.4
Communist countries	16.4	23.1	45.9
China	2.0	1.8	2.8
U.S.S.R	5.6	8.1	16.0
Other	8.8	13.2	27.1

[1] Data are f.o.b.

[2] Data are c.i.f.

Source: Council on International Economic Policy.

Mr. PACKWOOD. And of even greater promise are the ongoing commercial negotiations between the United States and the Soviet Union. The vision of great promise that permeated our debate on East-West Trade in 1971 has, I fear, deteriorated to an alarming degree into a feeling of disillusionment that progress in our trading relations with Communist Countries has been so slow in developing. This disillusionment is coupled for the most part with a disenchantment over the general prospects for détente as a means by which political as well as economic relations between American and the Communist Countries can lead to a condition of relative calm and normalcy.

This nation has embarked upon a path leading to improved commercial relations between ourselves and the Communist Countries. For some time, the Senate has been considering legislation dealing with and the questions associated with East-West Trade. One of our principal concerns has been the manner in which we, as a nation, will continue to assist in the development of trade with all nations, including Communist nations.

I am increasingly concerned that there are some among us in this nation who would single out trade with Communist Countries to be retarded or, worse yet, stopped. Nothing could be more damaging than were we to fall victim to the siren song of those who would have us retreat from the paths of improved commercial relations with the Communist Countries.

The going is slow on this path—agonizingly so at times. Nevertheless, I am convinced the rewards of perseverance will in due course redound to the benefit of all people, at home and abroad.

VII. THE TRADE REFORM ACT OF 1973

Each of these promising signs is, however, little more than a line of sand-bags protecting the world against a rising river of protectionism—a river that is dammed up a few miles upstream because of the failure of the United States Congress to forge the anvil with which the United States can assist in the development of a better plowshare for world trade. I am speaking of the Trade Reform Act of 1974.

The House of Representatives has sent to the Senate a remarkably resilient and responsive piece of legislation. Its resilience will ensure that the executive has sufficient flexibility in the law to enter into the complex and demanding negotiations in GATT. It is responsive in the sense that it recognizes the need for the Congress to exercise a voice in the trade development process.

As approved by the House of Representatives last year, the Trade Reform Act of 1974 constitutes the first major trade legislation in over a decade. The measure would give the President broad authority to:

Reduce tariffs and other barriers to world trade.

Give American labor and industry increased protection from foreign competition and provide more generous benefits to workers made jobless by imports. Take sweeping and selective actions against unfair trade practices by foreign countries.

Impose temporary import surcharges or quotas to meet persistent balance-of-payments deficits. Ease quotas or lower duties temporarily to fight inflation or balance-of-payments surpluses.

Grant non-discriminatory (most-favored-nation) tariff treatment and Export-Import Bank credits and guarantees to the Soviet Union and other Communist Countries if the country allows freedom of emigration.

Give duty-free entry to exports of manufactured and selected other products from developing countries.

The House accepted the main thrust of the Administration's proposals embodied in H.R. 6767 and introduced in the Congress eight months earlier. However, it made three basic changes in the Administration's bill:

First, it reduced substantially the grant of unfeitered authority to the President.

Second, instead of phasing out the adjustment assistance provisions of the Trade Expansion Act of 1962 (TEA), the House strengthened these provisions.

Finally, the House insisted, over the Administration's strong objections, that non-discriminatory tariff treatment and government credits be denied the Soviets unless they allowed freedom of emigration.

Despite these changes, H.R. 10710, like the Administration's earlier proposals, reflects the philosophy that American interests—both economic and foreign policy objectives—are best served by the maintenance of an open world economy, an economy in which governmental barriers to trade and capital movements have been greatly reduced. Implicit in the argument is that if we do not move forward to open channels to world trade, we shall surely slide backwards toward greater protection, more economic nationalism, and an inward-looking regionalism especially in Europe.

The bill is also designed to meet the major concerns of U.S. labor, and, thereby, deflect support from legislation which would restrict imports by the imposition of quantitative restrictions.

Industries threatened by import competition would find it much easier to qualify for protection. The President would also have authority to restrict imports in order to assure fair treatment for U.S. exports. Finally, the bill would make it easy for workers to qualify for adjustment assistance and the level of such assistance would be increased.

Subsequent to our hearings on the legislation last Spring, the Senate Finance Committee has made several major changes in H.R. 10710, as it came over from the House. On balance, I believe these changes are helpful as they contribute to a further opening up of international trade. Some of the more important changes approved by the Committee are:

Further liberalization of the tariff-cutting authority of the President. The House bill contains the following tariff-cutting authority:

If existing duty is 5 percent or less, tariff may be cut up to 100%.

If existing duty is between 6 and 25 percent, tariff may be cut up to 60%.

If existing duty is more than 25 percent, tariff may be cut up to 75% (but not below 10%).

The Senate Finance Committee has agreed to liberalize this tariff-cutting authority as follows:

If existing duty is 10 percent or less, tariff may be cut up to 100%.

If existing duty is more than 10 percent, tariff may be cut up to 50%.

In 1972, 32% of all U.S. imports (by value) entered this country duty-free while 53% were subject to duties of 10% or less. Thus, if the full authority under the Committee's agreement were exercised, 85% of U.S. imports would become duty-free.

Expansion of the trade adjustment assistance program to communities that are adversely affected by increased imports through loss of manufacturing facilities. The Committee also made several changes in the employee and manufacturer adjustment assistance programs with an eye to making the transition to freer world trade less burdensome on those parties who are directly affected through loss of production opportunities.

The Committee has adopted a series of amendments directed at opening up access to supplies of raw materials, food, and manufactured products that are required for orderly economic growth and development. This marks a major addition to the focus of world trade that was precipitated by the Arab oil embargo last year. Nations are finally coming to realize that access to supplies can be as important as (in some cases, more important than) access to markets (which has been the historic focus of trade legislation among nations). The Committee's amendments direct the President to enter into negotiations to improve international rules governing access to supplies of food, raw materials, and manufactured products and to establish multilateral rules against the denial of equitable access to supplies of raw materials. The President is also given authority to join with other nations in reaching agreement on the means by which all nations might retaliate against any nation or group of nations that denies equitable access to such supplies.

The obvious importance of this aspect of international trade can be seen in the following table. The United States is dependent to a substantial degree on foreign supplies of many of the basic minerals needed just to keep our economy running not to mention to maintain growth and improvements in our citizens' standard of living. For six minerals, we are dependent on foreign sources for 90% or more of our consumption, and that dependence is growing regularly.

U.S. mineral imports as a share of consumption

	Percent
Asbestos	81
Bauxite and alumina	87
Chromium	100
Cobalt	*100
Copper	8
Iron ore	30
Lead	25
Manganese	*100
Mercury	*82
Nickel	*92
Platinum	93
Potassium	45
Tin	100
Tungsten	*56
Zinc	51

Source: Council on International Economic Policy, Data marked by asterisk are for 1973, all others are for 1972.

The Committee modified the procedure whereby nontariff barriers (NTBs) to trade could be modified or eliminated as a result of international agreement. The House bill would allow the President to negotiate changes in NTBs which would automatically take effect unless either House of Congress disapproved the agreement within 90 days. The Committee's bill seeks to ensure that Congress' role in the process (which entails the changing of existing laws and regulations) remains more potent. The Committee has agreed to a procedure which would require both Houses of Congress to affirmatively approve any NTB agreement, but also provides for a limited time frame within which the Congress must act. This is a good accommodation of the conflicting requirements of speedy action on and Congressional participation in NTB-reduction decisions.

Infinitely more important that the politics of trade, however, the Trade Reform Act is a vital stone in the foundation upon which we can continue to build a better, more prosperous, more peaceful world. I urge the Senate to adopt this legislation so this Nation can participate fully and freely with our trading partners in the GATT to continue our work toward the ultimate development of a world free of barriers to trade among nations.

I am convinced that this will, in turn, lead inexorably to a world more nearly free of political conflict and war, it is this legacy of peace and freedom among the nations of the world—both as to our economic and our political relations—that we must leave to future generations.

VIII. PROGRESS WILL BE OURS—IF WE ARE WILLING TO WORK

More than anything else, we cannot forget that healthy international trade depends upon a viable international financial system and a healthy dollar in particular. The United States must once again be willing to take the lead in efforts to restore order in the international community of industrial powers. In particular, we must set the example for others to follow by rearranging our own affairs and reestablishing order in our own economic house.

Neither I nor anyone else have pat solutions to the complex problems facing world trade and the international financial system. But to shrink away from our responsibilities simply because the solution is difficult and demanding is unworthy of us as Americans. We must start to work together on the hard choices that lie before us.

Weakness of leadership . . . lack of thought and work . . . failure to act . . . any one of these could easily spell hardship for America and the world and a harsh future for us all. To assert ourselves now . . . to be willing to assume the task of leadership . . . this is what is needed to right the vessel and enable us to steam ahead on our charted course toward an improved economic world for all nations and people.

Mr. TUNNEY. Mr. President, I am very pleased and proud that the Senate today has acted firm determination and speed to enact this most significant trade legislation. Many thanks and much credit is due the distinguished chairman of the Committee on Finance (Mr. Long) and the many members of that committee for bringing forth this vital legislation. The efforts of the Senator from Washington (Mr. Jackson) will long be remembered in the history of great civil libertarians. The Jackson amendment is truly an historic accomplishment.

Foreign trade is critical to the health of our economy. More than 3 million American jobs exist solely because we are able to sell our products in foreign markets. Millions of other Americans are able to work only because we are able to buy critical materials such as titanium, manganese and bauxite from foreign sources. Passage of this bill will help preserve the millions of jobs already dependent on foreign trade and create the additional new jobs which are so badly needed in the struggle against recession.

California has an especially vital interest in the growth of free trade. In 1972, Californians produced and sold abroad more than $2.9 billion worth of manufactured exports. My own State, which is one of the greatest farm States in the Nation, sold $1.2 billion worth of agricultural produce to foreign consumers during this same period. In transportation equipment, machinery manufacturing, electrical equipment and supplies, chemicals and many other industries, thousands of Californians are dependent upon foreign trade for their livelihoods. Trade is essential to our State, to our Nation, and to the development of peaceful relations with nations which might otherwise be hostile to our interests. The bill we are enacting tonight represents an historic step in the direction of reducing artificial trade barriers and encouraging the expansion of worldwide free markets. It is a great development and I am proud to have had the opportunity to participate in its occurrence.

This bill provides necessary new authorities to the President to protect our domestic economy against unfair trade practices by other nations, an important protection for our workers in this period of high unemployment.

Lastly, this bill contains language which will assure increased emigration of persons from the Soviet Union, and an end to harrassment of Jews and others who seek to exercise their right of emigration. This is a major accomplishment, a great step forward in international human rights. It will be most important for all of us, in the Congress, and in the public at large, to watch carefully how the emigration agreement is implemented. I will not hestate 18 months from now to oppose continued MFN treatment and trade credits for the U.S.S.R. if the emigration agreement outlined by Senator Jackson has been flouted. I very much hope this will not be the case, but I will be prepared for any eventuality. To this end, I have been in contact with Ambassador Dobrynin to suggest that I will be watching the Soviet handling of several specific emigration cases in which I have been involved, such as the case of Dr. Alexander Lunts. Easing of restrictions and granting of exit visas for the cases I have mentioned to the Ambassador will represent concrete evidence to me of a genuine change in attitude by the Soviet Government.

In summary, this trade bill will advance our economy, prevent a destructive trade war in this period of increasing international economic troubles, give new protections against unfair trade practices by foreign governments, and implement the Jackson amendment to allow free emigration from Communist countries. I am pleased to vote for passage of this vital legislation, and I commend my colleagues for their far-sighted action in bringing this bill to a rapid vote, and allowing its final passage in this Congress.

Mr. HUMPHREY. Mr. President, it should be clear that this Nation faces a serious economic crisis. But some may not be aware of the relationship between international economic order and our domestic problems.

The prosperity over the past three decades is a shared one.

The spirit of international economic cooperation resulted in a fivehold increase of goods moving in international trade over the two decades from 1950–1970.

This extraordinary growth of world commerce made possible a remarkable increase in the standard of living for citizens here and throughout the world.

Agricultural and industrial productivity, fueled by relatively open access to the world's resources and rapidly expanding markets, created new opportunities for domestic producers and millions of new jobs for American workers.

By last year the proportion of U.S. goods going into foreign markets had grown to almost 15 percent of total domestic production.

With the greatly increased ties to an international economy, the impact of changes abroad result in a pronounced and pervasive effect on jobs and economic activity here at home. Therefore, growth or stagnation of America's trade will have a marked influence on the health of our economy.

The action the Senate will take on the Trade Reform Act represents a most important test of political will.

Some important American leaders oppose trade legislation. The once solid support for trade liberalization has met with the defections of individuals impatient with our Government's lack of international economic leadership. Too often we have failed to adjust American trade policy to adequately protect the American worker and consumer from changed competitive conditions.

I am convinced that it is in the long-term interest of all Americans to continue international cooperation in trade and economic matters.

Our standard of living, our technological progress and our historically high level of employment can be protected only if we keep international commercial channels open.

The consequences of inaction on trade legislation are serious.

PROTECTIONISM

Over recent months we have seen the proliferation of national protectionist measures as countries, through import restrictions, have attempted to correct balance-of-payment strains resulting from increased energy costs.

Italy placed heavy bonding requirements on imports of key industrial and agricultural products.

Denmark has taken steps to curb imports through unilateral restriction.

Canada has placed quotas on importation of U.S. eggs and turkeys, and has banned the importation of most U.S. beef.

We have seen new problems confront our international trade order.

The oil embargo and monopolistic pricing of crude petroleum led us to recognize a most important challenge to open world trade—access to supplies.

And petroleum is not the only commodity for which producer cartels threaten to manipulate world supplies.

Certain Latin American countries have levied a dollar tax on each bunch of bananas they export.

Jamaica has served notice to the rest of the world that the price of its bauxite exports will rise 500 percent.

The copper producing countries are beginning to establish a cartel for the purpose of collective monopolization of the world's copper supply.

The consumers of the United States and world cannot stand idle while such trends continue unchecked.

AMERICAN DEPENDENCY

U.S. industry must depend on imports in large part, or in full for platinum, chromium, tin and cobalt. Four countries control more than 80 percent of the exportable supply of copper. Two countries are responsible for more than 70 percent of world tin exports. Four countries control over half of the world's supply of natural rubber; four process over half the world supply of bauxite.

Immediate action must be taken to secure international ground rules on access to supplies and sanctions which could be taken against countries refusing to play according to the rules. The authority and directive for our negotiators to seek just such agreements is contained in title I of the Trade Reform Act.

TRADE AND AGRICULTURE

American agriculture has much at stake in providing for open world markets.

One out of every eight farm jobs depends on exports. One out of every four acres harvested is sold abroad. We export more than two-thirds of our wheat crop, 20 percent of our feedgrains, half of our oilseeds, 40 percent of our cotton, and 60 percent of our rice.

This relatively high proportion of American agricultural production which goes into foreign markets means that our own producers can reach economies of scale which keep consumer prices at a reasonable level at home.

Furthermore, every dollar increase in exports of these agricultural commodities creates another 90 cents of output in the form of transportation, financing, warehousing, and the production of agricultural inputs such as fertilizer and machinery.

TRADE BARRIERS

Over recent years we have seen the proliferation of non-tariff barriers as the most important restriction damaging the competitiveness of U.S. goods in foreign markets.

Such barriers, which may take the form of quotas, subsidies, variable levies, health restrictions and production standards have become a most significant problem limiting export opportunities for American producers. Title I of the Trade Reform Act offers the necessary negotiating authority to reach agreements to control and eliminate non-tariff barriers to trade.

ADJUSTMENT ASSISTANCE

Title II of the Trade Reform Act provides for timely reform of our adjustment assistance programs for workers and firms injured by import competition. Present legislation has been largely ineffective in providing relief to those individuals and firms adversely affected by imports. The delay in determining eligibility, and the inadequate level and range of benefits available under current programs make our present legislation inadequate for the times.

The Trade Reform Act offers a strong and comprehensive program of adjustment assistance to address the deficiencies of current legislation.

SAFEGUARDS

I have long been concerned with the inadequacy of existing safeguards to protect the American worker and industry from import trade practices.

Title III of the Trade Reform Act provides the President with essential tools to retaliate against countries which impose unjustifiable or unreasonable restrictions on U.S. exports, subsidize their own exports entering our markets, or deny our consumers access to basic resources.

Unless the Trade Reform Act is passed by this Congress, American consumers, farmers, firms and workers will continue to be left without adequate protection from such practices.

The Trade Reform Act also authorizes the President to extend most-favored-nation status to those countries not currently enjoying non-discriminatory treatment. Title IV of the trade bill would permit the extension of MFN export credits and loan guarantees to the Soviet Union, China and other Communist nations to the extent that these countries respect basic humanitarian rights of free emigration.

The poor countries have benefited little from past rounds of trade negotiations. Between 1960 and 1973 their share of world trade dropped from 20.8 percent to 18.6 percent.

If these countries are to reach a level of self-sustaining economic growth, they must be afforded increased access to the developed country's markets.

The United States is the last industrialized country to implement a generalized scheme of tariff preferences for exports of developing countries. Title V of the trade bill would provide for U.S. participation in such an effort.

Under this section, the President could extend duty-free treatment to selected manufactures and semimanufactures of the less developed world within specific safeguards to protect American industry. I offered several refinements of the generalized preference scheme contained in the House-passed bill and am pleased that the Senate Finance Committee incorporated most of these provisions in the bill currently under consideration. Today I am joining with Senator PASTORE to strengthen the safeguards as they relate to import-sensitive items.

Enactment of the Trade Reform Act will bring this most useful scheme into operation.

We also have got to start talking with our trading partners to work out common approaches to balance-of-payments problems before the remnants of the international trade order are ripped apart under the strain of shortsighted self-interest.

It has been over a year since the multilateral trade negotiations were opened in Tokyo.

Yet these talks have been stalemated waiting for the U.S. negotiators to secure the necessary authority from the Congress.

The Trade Negotiating Committee is scheduled to meet again in January but unless the United States has negotiating authority at that time the whole round of trade talks is likely to fall apart.

The American economy cannot afford to have these multilateral trade talks fail. Unemployment has long since climbed above acceptable levels. If the proliferation of trade restriction continues unchecked, the jobs of thousands of additional Americans will become threatened.

The actions of the oil-producing countries have shaken industrial output throughout the world.

The trend toward manipulation of supplies of basic raw materials by producer cartels threatens new disruptions of U.S. industrial production. Inadequate U.S. laws to safeguard against import disruption have caused entire U.S. industries to be weakened or destroyed by highly subsidized foreign imports. Without the reforms of such safeguards as provided for in the Trade Reform Act, whole industrial and agricultural sectors, as well as their workers and communities will become vulnerable to cut-throat import competition.

The flow of goods, services, and capital between nations has reached a magnitude such that few nations, if any, can isolate themselves from the economic events elsewhere.

The strains of inflation and greatly increased prices of basic raw materials call for urgent international cooperation.

The well-being of the American economy demands that immediate attention be given to the problems confronting the international trade order.

The necessity for enacting the Trade Reform Act should be clear. It is an essential economic initiative with the potential for: Creating new jobs; upgrading workers' skills whose jobs have become obsolete; securing access to needed raw materials; maintaining stable prices.

I wish to insert several comments into the legislative record relating to sections 103 and 104 of the Trade Reform Act. These provisions state that the overall U.S. objective in the upcoming negotiating round is to achieve greater liberalization and equity in world trade. Also, a principal U.S. objective is to obtain access for U.S. products in foreign markets equal to that afforded foreign products in our own market. This latter objective is to be achieved, where feasible and where consistent with our overall economic interests, by negotiations on a product sector basis.

Now, I want to insure that we make it clear in the legislative history that our overall objective of liberalized trade conditions is paramount. Our sectoral negotiating objective must be consistent with this goal. In this regard, we intend that the sector negotiating approach be used in ways that our equivalent access objective can be attained and is consistent with maximizing the overall economic benefit of these negotiations to the United States. In some situations the sector approach will probably not achieve our goals of either liberalized trade or equivalent access. In other cases, this approach may be useful if it involves concessions undertaken across sectors as well as concessions within each sector.

The Congress intends that the President closely examine the sectoral and other techniques in order to achieve our basic objectives in this crucial round of trade talks.

I stand in support of expedient consideration and passage of the Trade Reform Act to insure the future health of the international economy, continued export opportunities for U.S. producers, supply and price stability for the consumer, and expansion of employment opportunities for the American worker.

Mr. HANSEN. Mr. President, the management of this bill has been nothing short of brilliant. I congratulate the chairman and ranking Republican—and staff—for their long hard work on this bill. It is not a perfect bill, but it is a good bill which will help American industry and American labor compete on a fair and equitable basis. In 1 or 2 years, those who oppose this bill may well realize that the bill worked. It provided them with relief they would not have otherwise received.

So I say, I am proud of this body and of this committee for the magnificent way in which they met their responsibilities to the Nation and the world.

Mr. NELSON. Mr. President, Congress has been deliberating for nearly 2 years on H.R. 10710, the Trade Reform Act. The Finance Committee has held hearings and executive markup since March of this year.

Now the year—and the 93d Congress—are coming to an end. Further delays on this bill could also spell the end of the trade bill, the consequences of which could be most grave.

NEED FOR BILL

This legislation deals with several thorny issues confronting us on both the domestic and international scene. To continue to ignore them could be disastrous for this country and for the economy worldwide.

First, this bill overhauls and updates the legal code of this Nation, in particular, the countervailing and antidumping duty statutes, in order to deal more responsively and responsibly with unfair trade practices of other nations which do damage to domestic industry and agriculture.

Second, it authorizes our representatives to the international forum, GATT—the General Agreement on Tariffs and Trade—to negotiate new, uniform rules of conduct for world trade.

Since this bill was first introduced 2 years ago, the world has undergone a dramatic economic shift. From a period of relative surplus in food and fuel, we have come to witness damaging shortages in many vital commodities. Significantly, some of these shortages have been man-made—contrived and manipulated by economic cartels.

In light of these new economic crises, American trade policy has also undergone a profound change. For the past 4 decades the major objective of trade negotiations had been to expand exports—to expand access to markets. Now, as hyperinflation, the oil cartel, and attempts to organize other commodity cartels have become major concerns, imports, or access to dependable supplies must receive equal attention with exports.

This trade bill grants the President authority to negotiate reduction of tariffs and nontariff barriers to trade—in other words, to deal with the traditional problem of access to markets. But the Finance Committee's reported bill goes even further by equipping U.S. negotiators to deal with the new priority of providing for access to supplies. This bill includes a negotiating mandate to enter into trade agreements to assure supplies of essential articles at reasonable prices, a negotiating mandate for new multinational rules against denial of equitable access to supplies of raw materials, retaliation authority, and authority not to grant tariff preferences to countries withholding supplies.

Because of the profound shift in world economy, and the bill's response to this issue, passage of H.R. 10710 is even more crucial today than it was 2 years ago.

Today, the world faces the worst global catastrophe since World War II. In economic terms, this is the greatest peacetime crisis since the 1930's. At that time, world trade contracted as governments—in a vain attempt to insulate themselves from worldwide depression—lapsed into beggar-thy-neighbor, economic nationalist policies. These included competitive devaluation, barter deals, trade and exchange restrictions, and export subsidies.

In the past several years, we have seen a return to some of these myopic policies. The most dramatic example is the Arab—or more correctly, oil producers exporting countries—OPEC—embargo last winter in the wake of the October Yom Kippur war. Shaken by the disastrous impact of this economic blackmail, other countries have also turned to drastic measures. Italy, for example, has placed a tax on imports. Japan, Canada, and others have imposed new trade barriers.

The United States is not immune from similar behavior. In fact, the the United States preceded the oil embargo with a soybean embargo of its own in July 1973. Right now the United States and her neighbor to the north, Canada, are engaged in a dangerous trade battle over import of beef and export of petroleum.

The temptation to resort to short-term measures to patch up long-range problems can sometimes be overwhelming, particularly when the world is without proper international rules of behavior. If we do not move forward now to establish these rules, the forces of regression may become irresistible. Indeed, since the tariff-cutting authority of the 1962 Trade Expansion Act expired on July 1, 1967, the President has had no authority to lower duties. Duties, however, can be raised. In short, without H.R. 10710, the only way U.S. trade restriction can move is upward. H.R. 10710 gives the President that carefully limited authority he needs to negotiate new trade agreements. Since 1967, the President has been without such authority.

Opening the channels of world trade has been a nonpartisan policy, supported by 19 Congresses and 7 Presidents since 1934. It should continue to be so. Once this bill passes, negotiations can begin again in earnest in Geneva in early 1975.

The need to negotiate internationally is predicated both on principle and on the practical fact that the United States cannot ignore its interdependency with other nations on this Earth. The United States cannot simply secede from world trade. In the past quarter century, trade has grown twice as fast as world production, making all nations more dependent on one another as markets and sources of supply. The United States produces and consumes more than one-quarter of world economic output. According to a recent Library of Congress report:

> The U.S. is so large a factor in the world economy that a significant portion of our exports is closely related to our imports—both tend to move together, up and down.

More than 3 million Americans owe their jobs to the exports and countless others derive their livelihood from imports.

The practical benefits of world trade are dramaticized by focusing on the State of Wisconsin, which ranks 13th among 50 States in employment in manufacturing establishments for exports. In terms of value of manufacturing for export, Wisconsin ranks 12th. The value of these exports amounted to $954.7 million, distributed among 336 companies in 14 separate industry groups in Wisconsin. The value of Wisconsin agricultural exports in 1974 was $185 million.

Rapidly expanding world trade then, has become a fact of modern economic life everywhere in this Nation. Its continued expansion is inevitable because of the increasing interdependence of national economies. Proteins, metals, oil, fibers, timber, and fertilizers are important to all economies, and no nation is self-sufficient in all of them.

WORKER ADJUSTMENT ASSISTANCE

However, we cannot escape the fact that some American workers lose their jobs when imports rise. Out of equity and fairness, Congress must therefore design a program to adequately protect those workers from the dislocations generated by expanded trade.

In short, we need free trade, Mr. President—but not at the expense of the American worker.

Accordingly, Mr. President, we have worked out in committee a modified version of the amendment introduced by my colleague Senator BENTSON and I, which gives this country for the first time a broad, equitable tool which will specifically protect trade-impacted American workers, without compromising our position as a world economic leader. Because of the current state of the economy and the need to spend large sums of money to expand our support for unemployed workers in other segments of that economy, this compromise does not contain all of the far-reaching provisions first suggested by Senator BENTSEN and I. It does, however, lock into the new law and further improve upon the major modifications to current law already made by the worker assistance provisions of the House-passed bill.

Under the new law as I expect it to pass the Senate, a displaced worker would be eligible for special readjustment assistance if his unemployment and that of others in his firm—along with his firm's decline in sales or production—is certified by the Secretary of Labor as having been contributed to by an increase in imports. A worker thus certified will be eligible for the following assistance:

A trade readjustment allowance would be added to his unemployment compensation to guarantee him 70 percent of his average weekly wage, up to a limit of 100 percent of the average weekly manufacturing wage, for up to 52 total weeks of import-related unemployment. This provision represents what I consider to be a long-overdue move toward national standards in providing adequate allowances to workers who are unemployed through no fault of their own.

On-the-job training and other training, including college training or training in a vocational school, would be authorized for trade-impacted workers, and $50 million is authorized to pay for such training. Workers enrolled in training programs would be eligible for up to an additional 6 months of readjustment allowance to enable them to take full advantage of retraining programs, and a worker who enrolls in a training program not within commuting distance of his home may be provided additional subsistence payments of $15 a day and transportation expenses of 12 cents per mile.

Job search allowances will also be available to displaced workers, equal to 80 percent of job search costs, up to a maximum of $500, and relocation allowances equal to 80 percent of such worker's moving expenses plus three times the worker's average weekly wage up to a maximum of $500.

In addition, trade-impacted workers over the age of 60, who can be expected to experience the greatest difficulty in finding new employment, would qualify for an additional half-year of trade readjustment allowance.

Finally, the provisions strengthen the law in a number of other days. They require the Secretary of Labor to publish his determinations of worker eligibility in the Federal Register, together with his reasons for making the determinations, and allow an injured worker or group of workers to appeal from the denial of such eligibility. They also require the Secretary to pass along to workers information he receives from the Tariff Commission regarding potential injury from increased imports, and give the Secretary subpena power to get all the information he needs to determine whether a worker's unemployment is due to increases of imports.

It is important for us to realize that our economy does make room for most trade-dislocated workers. Even if a rise in imports means less demand for one particular skill, the chances are excellent that a similar or related skill will be needed in another sector of our expanding economy. What is required, however, is a period of readjustment, during which the worker can be retrained and can take the time to locate another decent, satisfying job.

Even in good times, a period of readjustment will be necessary. Right now, with high unemployment, raging inflation, and a temporary economic recession all combining to bring pressures on the workplace, that period is sure to be longer, and the new job tougher to find. Privately funded assistance is simply insufficient to cope with the reemployment and retraining problems that arise in times like these.

Readjustment assistance for workers who lose their jobs due to import competition was first proposed in 1954 by Senator John Kennedy as an alternative to so-called escape clause import relief The escape clause is a relatively drastic measure by which U.S. industry is "protected" through devices like a sharp rise in tariffs or the imposition of quotas on the offending imports.

Escape clause measures are intended to give industries more time to adjust to import competition by restricting imports, but like most "protectionist" trade measure, they provoke retaliation by foreign countries against U.S. exports. Thus, the escape clause only "protects" American jobs in industries affected by imports at the expense of jobs in the export sector of our economy.

Adjustment assistance, on the other hand, is a strictly domestic measure with the potential to provide immediate and direct relief at the actual point of injury, while avoiding the foreign relations pitfalls of the "escape clause." It was therefore written into the law for the first time in the Trade Expansion Act of 1962.

Unfortunately, the adjustment assistance provisions of that act have proved to be weak and unworkable. Highly restrictive criteria, coupled with cumbersome petition and delivery procedures, made it difficult for workers to prove they were eligible for assistance or to receive that assistance speedily.

In Wisconsin, for example, not a single worker has been certified eligible for assistance, although imports have harmed our shoe and dairy industries, among others. So restrictively has the law been interpreted that between 1962 and 1969, not a single worker was found to be eligible—and since 1969 fewer than 45,000 have been certified, and only two-thirds of those workers have ever received benefits.

At a time when total manufactured imports have skyrocketed to $44 billion a year, the disappointment of the trade-impacted workers has been bitter indeed. As a result they now quite justifiably ask why we should expect them to continue to support a national policy of free trade which fails adequately to compensate them for their losses.

The worker assistance provisions of title II will improve the level, duration, and quality of worker adjustment assistance, and insure that it will be available to many more workers than it has in the past. More than 70,000 workers per year would be eligible, according to the most conservative estimates.

I am urging passage of this bill as it is written today because I believe it is important that America maintain her role of active leadership in world economic affairs. Since a trade bill like this comes before Congress just once every 10 years, I believe we must seize upon this opportunity to enact a meaningful program to protect the American worker.

DOMESTIC LAWS AGAINST FOREIGN UNFAIR TRADE PRACTICES

As I said in the beginning, this bill not only equips the United States for international negotiations, it also updates important U.S. statutes related to foreign trade.

Senator MONDALE and I took a great deal of interest in encouraging the Finance Committee to safeguard agriculture—in particular, the dairy industry—from unfair international trade practices. In Wisconsin alone, 3,788 dairy farmers went out of business between January 1973 and August 31, 1974; their economic difficulties from increasing operating costs are complicated by unfair trade practices.

Many of the farmers in my State have become quite concerned about trade discussions because of the so-called Flanigan plan. Simply stated, the Flanigan proposal is a suggestion that the American balance of trade be improved by allowing foreign nations to import large quantities of dairy products so that the United States can, in turn, sell them large quantities of other agricultural products in surplus.

Obviously, because Wisconsin is a paramount producer of manufacturing milk products, such a policy would fall hardest on the entire Wisconsin dairy scene.

While it is denied that such a policy is being implemented, many dairy industry spokesmen see evidence of it in the administration's past import and price support policies.

Thus, Finance Committee concern about agriculture has focused on two main issues: First, section 22 of the Agricultural Act of 1933, which is the shield of our agriculture price support system in this country and which is the necessary underpinning for healthy agricultural production in this Nation: and second, the proper administration of the countervailing duty law which protects all of American industry and agriculture from the unfair competition of export subsidies issued by foreign countries.

To dramatize the need for the Finance Committee action on countervail, let me give my colleagues some background history on the countervailing duty law. For years, European countries have dumped subsidized products in this country, seriously damaging the American dairy farmer.

Subsidizing exports is internationally recognized as an unfair trade practice. Here, in the United States, it puts U.S. dairy farmers in the grossly unfair position of having to compete against treasuries of foreign governments. Whereas, our farmers are more than capable of head-to-head competition with farmers of any other country, they simply cannot compete when the foreign farmers have their governments' resources at their disposal.

The old countervail law had provided that duties could be imposed on those foreign subsidized goods to prevent their unfair competition with domestic goods. But in practice, U.S. authorities avoided using the law. In 1973 alone, the Common Market paid more than $26 million in subsidies on dry milk, cheese, butter, and butter oil shipped into the United States. And yet, we did not countervail against the practice. This year 100 million pounds of cheese and 150 million pounds of dry milk, much of it heavily subsidized by foreign countries, were imported into the United States causing vast disruption in American dairy markets. And still we did not countervail. This situation was ludicrous.

The old law, which required the Secretary of the Treasury to impose countervailing duties on imported products which were subsidized, has atrophied from so little use. It has proven over the years to be totally inadequate and highly damaging to the U.S. dairy industry.

The amendments which Senator MONDALE and I advanced set up a new legal machinery to prevent this from happening in the future. In effect, it creates a new countervail duty law to replace the old law, which dates from the 1880's—although recodified in 1930.

The newly drafted Finance Committee countervail law, which I urge all my colleagues to support, requires the Secretary of the Treasury to complete his investigations of complaints of subsidization within 6 months. If subsidies are found to exist, the administration would be granted 6 months within which to persuade foreign governments to voluntarily drop their subsidies. If the negotiations are unsuccessful and the Secretary of the Treasury still does not countervail, then either House of Congress could force the assessment of duties. Moreover, no special discretion for the President is permitted in the case of items, like dairy products, which are subject to quotas.

On the question of quotas, let me point out that the committee has also inserted language in the report at the urging of Senator MONDALE and myself to clarify that the trade bill should not be construed in any way as an effort to nullify section 22 of the Agricultural Act, which is the basic authority to impose import quotas on products which are covered by domestic price supports.

Page 75 of the Senate Finance Committee report reads:

> The Committee also understands that existing administrative authority will not be used to implement any agreement resulting from trade negotiations entered into under this Act which affects the application of Section 22 of the Agricultural Act of 1933, as amended (7 U.S.C. 624). It is further understood that any trade agreement which could alter or amend section 22 of the Agricultural Adjustment Act, or affect the application thereof, would have to be submitted to the Congress, as would any other agreement under section 102, and be approved by both Houses of Congress under the positive approval procedure before it could become effective as U.S. law or administrative practice.

Finally, I would like to point out that the committee has seen fit to have included in the report two relevant letters sent to Senator MONDALE and myself. Assistant Secretary of Treasury James McDonald has spelled out administration assurances on administering the changes in the countervail law, particularly insofar as the European Community is concerned. Ambassador Harold Malmgren has detailed administration plans for future negotiation on international trade issues to alleviate difficulties burdening the dairy industry as a result of international unfair trade practices. These two letters are found on pages 189–91 of the report.

There are other important features of this bill which merit mention. Senator TALMADGE made an important contribution to this legislation by amending the House passed bill to require that all trade agreements that change any domestic law of the United States and for which advance authority has not been specifically delegated to the President must be approved by concurrent resolution of both Houses of Congress. This addition strikes a correct balance between the need to extend to the President's adequate authority to negotiate with our trading partners, on the one hand, and the proper constitutional role of Congress "to regulate commerce with foreign nations," on the other.

This provision also reflects a profound shift in public awareness concerning the proper grant of power to the President.

We have authorized negotiations to lower tariffs—which in this day and age constitute insignificant protection for American workmen. We have authorized negotiation to reduce so-called nontariff barriers, which have been used in some cases as protection for vulnerable industries. But as I said earlier, every one of these agreements will have to be reexamined and subject to approval by both Houses of Congress before this country officially embraces any such agreement.

Moreover, the committee bill provides for aid to industries firms, workers, and communities which might be injured by foreign competition, not necessarily because of this bill, but because of the very real threat of dubious activities of giant multinational corporations or because of the simple vagaries of international trade.

The liberalized provisions for worker adjustment assistance legislation need not be repeated. But I would like to call your attention to new provisions for import relief and to the new community assistance program, which aids trade-impacted communities to attract new industries.

TAXES

There will be amendments to this. Some should not be considered at this late hour to avoid killing the bill by delay. This is not necessarily the case, however, with reform of some of our tax code.

It will be asserted that tax reform should not be part of the Trade Reform Act of 1974 because there is not enough time, or that tax matters are too complex or not germane to this bill. This is nonsense. In fact, it is somewhat illogical to reform our whole international structure of trade without also reforming the tax laws that support and distort that trade.

The first step in achieving tax equity must be a more realistic taxing of the petroleum industry, but there also should be a fundamental and comprehensive reevaluation of our present tax system for foreign-source income. There are abuses in this area that cry out for reform. For example, the Domestic International Stales Corporation—DISC—provisions are totally unjustified tax windfall to predominantly large corporations. These provisions were enacted in 1971 in order to stimulate exports. Since then, however, two devaluations and the system of flexible exchange rates have fundamentally changed the U.S. and world trading system, giving a very substantial stimulus to U.S. exports. There is no evidence that the DISC provisions themselves have provided any extra stimulus to exports. Yet DISC will cost the Treasury $740 million in lost revenue in 1974, primarily in the form of subsidies to large, highly profitable corporations.

The foreign tax credit seems to be a legitimate means to prevent double taxation. It, however, has many leaks. First, by allowing multinational corporations to calculate their foreign tax credit, either on a per-country or overall limitation, it allows these companies to play a shell game with their tax obligation. They choose, frequently changing from one to the other, that limitation that allows them to shelter the greatest amount of their foreign income from U.S. taxes. Also, the foreign tax credit is singularly abused by international oil companies. These oil companies have been allowed to treat foreign royalties as taxes—unlike domestic royalties—and then to use alleged tax payments to shelter their foreign income in other countries. Treasury statistics indicate that in 1971, because of the foreign tax credit, U.S. oil companies were able to reduce their tax bill from $3.2 billion to $788 million, or more than 75 percent.

At the present time, American corporations do not have to pay taxes on the earnings of their controlled foreign subsidiaries until these earnings are brought home. Since most earnings retained abroad are reinvested in fixed assets, this virtually amounts to a permanent exemption from U.S. tax. This tax provision therefore gives U.S. corporations an artificial incentive to build plants in foreign countries and export American jobs. In 1961, President Kennedy proposed the repeal of this tax deferral, but his proposal did not pass Congress. There are also a series of minor tax provisions, such as the Western Hemisphere Trade Corporation provisions that give an unfair competitive advantage and lower tax rate for corporations operating abroad. There should be a wholesale repeal of these discriminatory and inequitable provisions.

These abuses have existed for too long. As I mentioned above, I sense in the new Congress a strong wind of change and it is my hope that this Congress will say to these loopholes, to paraphrase Oliver Cromwell: "You have been here too long for any good you have been doing. Depart, I say, let us have done with you. In the name of God, go."

If amendments to this trade bill are offered to reform some of the more onerous sections of the tax code, I intend to support such measure.

In closing, let me say that while we have discussed the possible catastrophic effects of letting each nation pursue its own economic self-interest without benefit of fair international codes of trade behavior, we should also not lose sight of the advantages of passage of the trade bill. Negotiations will advance the movement toward reducing barriers to trade, lowering prices here at home, and opening up export markets for products from American industry and agriculture.

Mr. ROBERT C. BYRD. Mr. President, I shall vote for the Trade Reform Act of 1974, which is presently pending before the Senate.

I have reached the decision to support this measure, only after carefully weighing all of the relevant factors. I reached the decision to support this measure primarily on the basis that it includes assistance to workers and to communities which are affected by imports, and it includes some safeguards which will prohibit trade negotiators from bargaining away viable American industries and businesses.

I have witnessed industries in my own State of West Virginia being hurt by imports, and I particularly refer now to the glass industry. Only recently a large glass manufacturing plant in Clarksburg ceased operations and this threw 1,200 workers out of jobs. Therefore, Mr. President, I have a very keen interest in any legislation, trade or otherwise, which could affect the glass or other industries in my State. I was successful in having three amendments adopted which I believe will be of help to industries and workers in West Virginia.

First, I want to mention that Mr. PASTORE modified his amendment to include my amendment to prohibit trade negotiators from extending generalized preferential treatment to other countries with regard to "semimanufactured and manufactured glass products." I took this action because under title V of the committee-reported bill, the President could designate duty-free import status to certain developing countries, and I want to insure that such duty-free status will not be extended to glass products, because such action could cause severe hardship to the glass industries in West Virginia.

In addition, I was successful in having two amendments included in the committee bill, both of which liberalized benefits for displaced workers.

My first amendment liberalizes section 238(c)(2) of the committee bill which relates to relocation allowances for workers. The committee language of section 238(c)(2) provided that a relocation allowance could be paid to an adversely affected worker only after the filing of an application. However, if a worker relocates immediately after he becomes adversely affected under this chapter, but before he has been certified as eligible to apply for adjustment assistance, he is not eligible for relocation allowances. This has the effect of penalizing the adversely affected worker who acts to obtain suitable employment prior to filing his application for such allowance. My amendment eliminates this harsh result and provides that a relocation may occur prior to, or subsequent to, filing an application for relocation allowance.

My second amendment liberalizes section 237(b)(3) of the committee reported bill, which relates to job search allowances for workers. The committee language of section 237(b)(3) limited job search allowances to a period ending 1 year after total separation. However, in view of the fact that the overall eligibility period is 3 years and training may take longer than a year, the 1-year limitation in section (3) seems too short. A worker enrolled in job training would be denied job search allowances if his training were for more than 1 year after his last total separation, and he did not file an application within this period. My amendment allows an adversely affected worker to apply for job search allowances within a reasonable period after the conclusion of such training.

This legislation includes new and expanded authorities to assist both workers and communities adversely affected by imports, and it makes it vastly less complicated to obtain a finding of adverse effect. Therefore, I primarily support this bill because it provides both safeguards to industries and methods to assist American workers and communities which they do not now have under existing law.

H.R. 10710 also requires the President to implement import relief after receiving from the Tariff Commission a determination that there is a serious injury, or threat of injury, to an industry in the United States. Existing legislation merely confers on the President the discretionary authority to take such action. This bill makes it mandatory that the President take action if the findings of the Tariff Commission are supportive of such an action.

The Senate version of H.R. 10710, contains a provision authored by Senator HARRY F. BYRD, JR., which limits to $300,000,000 the amount of credit which can be extended to the Soviet Union, without additional congressional approval. I am a cosponsor of that amendment.

Mr. President, I have heard support expressed by many individuals, groups and organizations in my State—including agricultural interests, the United Mine Workers of America and the steel industry.

Therefore, Mr. President, when I look

at this proposed legislation in its entirety, I believe that it will, in the long run, create more job opportunities within the United States as we expand our export trade with other nations, and it is essential that we strive to develop more exports to offset the large petrodollar drain on our balance of payments. If I felt that this bill would take jobs away from West Virginia, I certainly would not support it. However, I beileve the advantages contained in the bill will outweigh the objections; so I, therefore, intend to vote for the Trade Reform Act of 1974.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 10710) was read the third time.

Mr. HARTKE. Mr. President, I would like to just have a few minutes to speak. I think I have some time left.

I know it is 6:30 and everyone was talking about how long the debate was going to take on this measure.

First, let me point out that this trade bill—and I want to compliment the manager of the bill for doing a fine job—has been pushed through the Senate in record time. I think it is unfortunate because there were some steps taken here which I feel procedurally are going to be regretted for a long time. I do not think the Senate stood up very well in the light of democratic operation by cutting off debate before it began by insisting on germaneness in the technical fashion rather than relevance. But, after all, we still live under the rules, and we will abide by the rules.

The fact is that what the Senate has failed to realize, in my opinion, is that the world has changed, that this trade bill endorses the same type of unchanged policies which have been a failure in the past.

I would like to make a couple of points. First, this trade bill surrenders all our constitutional congressional authority to the executive. It was unnecessary in order to expand trade or even adopt the theory of free trade. It could all have been done without the surrender. But now another step in the surrender of Congress to the executive has been completed.

Second, it gives no assurance of relaxation of trade barriers.

Third, it continues the present erosion of the industrial base of the United States.

Fourth, it continues the policy of exporting American jobs.

Fifth, it continues the policy of exporting American capital.

Sixth, it continues the policy of exporting American technology.

Seventh, it has no new creative approach to an orderly world marketing agreement or any type of orderly approach toward world trade whatsoever.

Eighth, there is no showing that the executive needs additional authority beyond what he has at the present time.

Ninth, in the humanitarian vein, it continues the United States in the role of exploiting cheap foreign labor for our own selfish benefits.

I do not need to go into the fact that this was an opportunity to close some big tax loopholes. I mentioned those before. But tax reform is a nice conversation piece. However, it is not a matter which Congress as yet has been willing to meet head on.

In fact, this trade bill makes us again prisoner to the old political labels. A new approach or a new direction, as I said, is needed.

Frankly, our Nation, in its own survival, needs some new approaches. The President admits at this moment that he does not know what to do about the economic slide we are in. He is calling in people by the hundreds to advise him, to tell him what to do about the layoffs.

I would say that I have had as many telephone calls from business people who are complaining to me they do not know what to do to stay in business, as most of the Senators have had from businessmen who have been urging them to pass the trade bill.

I did present a new approach in the Hartke-Burke bill. After all, the purpose of law is to develop our potential for an improved quantity and quality of life. I say the intellectual and political talent is in the Senate to accomplish that noble purpose.

It is not my contention that this bill before the Senate today will destroy the country. It is not my contention that it is basically just a bad bill. But it is my belief that we cannot delay the changes which are necessary to adjust to a new world and to a changing world.

It is my belief that the present trade bill continues wornout economic philosophy, and it is an element which is driving us fast down the highway toward the destruction of the western economic system.

So I say adoption of this trade bill is going to leave a false impression.

In the haste of the Senate action we are going to leave mangled lives, disappointed mothers, and sad children.

It was my sad experience when I came to the U.S. Senate in 1959 to serve on the Committee on Unemployment Problems. During the time I have been here the need for that committee was discontinued. It was headed by former Senator Eugene McCarthy.

This trade bill is going to repeat though some of the agony and some of the statements that I heard when I went on more field hearings for that committee than any other Senator.

So I repeat to you the story which is in the CONGRESSIONAL RECORD, which I heard in Pikesville, Ky., given to us by the editor of the Pikesville newspaper when he explained the human problems and misery which come with unemployment, which this bill recognizes in its report and upon its face it is going to create. It recognizes at least hundreds of thousands of those people are going to be in that condition.

What was that story? That story was the father of eight children who had worked in a coal mine. He had worked in a coal mine his entire life. The coal mine closed down, just as many of these plants are going to close down, which is admitted in the report because there is economic adjustment assistance provided for in this report for those factories and those business places which are closed down.

The estimates in the Finance Committee are mere guesses, as every member of the Finance Committee admitted in executive session. But they thought by holding the amount down, holding it low, it would make the passage of the bill all the more attractive.

So when the coal mine closed down his first benefit was to receive unemployment compensation. In this case he will receive unemployment compensation, then adjustment assistance of 75 percent of his wages, as provided for by the McIntyre-Kennedy amendment. But after his adjustment assistance expires then he will go to welfare.

This man, as he did, went through his unemployment insurance, he went looking all up and down through the Midwest and through Kentucky and all up and down the Ohio Valley looking for a job.

They asked him what he could do. He said, "I can mine coal," just as many of these people can say when they are asked, "What do you do?" They can say, "I worked in a shoe factory"; "I worked in an electronics factory"; "I worked in an automobile factory"; "I worked in a television factory"; "I worked in a clock factory"; "I worked in a textile factory." They said, "I am sorry, we do not have any jobs like that left anymore. You see, they passed that trade bill and all those jobs have been shipped overseas."

This man had eight children, as I said. During the first part of December of 1957, he came back to his family of eight children and he wrote them a note. He said, "If I am dead, you will draw social security benefits," as this body well knows. The death benefits under social security are provided by this body.

He said, "If I am dead, you will draw social security benefits. I can no longer stand to see you suffer, so I am going to give you the best Christmas present that I know how to give," and he took a shotgun and killed himself.

Let me remind the Senate that when it puts its stamp of approval on this unemployment bill—and that is what it is—the Senate is going to create hundreds of thousands of identical situations where the agony, the anxiety, and the tragedy of not being able to take care of one's family becomes a reality.

So I just say I have done the best I could, and the only thing left for me to do is to cast my vote against this bill.

It is evident it is going to pass. As I said a moment ago, it is not going to change an awful lot. At least, we will remove one excuse from the President's arsenal of excuses as to why the country is having severe economic problems.

So when January and February come, when you see the people on the streets out of work, where you see them in Tell City, Ind., where they now have 14-percent unemployment, with an announced 20 percent by the end of the year, just remember you have added one more nail to that coffin of injustice.

VOTE VITIATED ON SCOTT AMENDMENT TO AMENDMENT NO. 17—H.R. 16900 SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute.

I ask unanimous consent that the vote which was to have occurred immediately upon the passage of this bill on the motion to invoke cloture on the Scott amendment to the amendment in disagreement, No. 17, of the supplemental appropriations, 1975, conference report, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST ROLLCALL VOTE TO BEGIN AT ABOUT 10:15 A.M. ON SATURDAY, DECEMBER 14, 1974

Mr. ROBERT C. BYRD. Mr. President, the first rollcall vote tomorrow will begin at about 10:15 a.m.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), the Senator from North Dakota (Mr. YOUNG), and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 77, nays 4, as follows:

[No. 538 Leg.]

YEAS—77

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Haskell
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Williams

NAYS—4

Abourezk
Hartke
McClure
Metcalf

NOT VOTING—19

Bellmon
Bentsen
Cotton
Eastland
Fulbright
Goldwater
Hatfield
Hathaway
Huddleston
Hughes
Javits
Johnston
Kennedy
Mansfield
Mathias
Montoya
Tower
Weicker
Young

So the bill (H.R. 10710), as amended, was passed.

Amend the title so as to read: "An Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate fair and free competition between the United States and foreign nations, to foster the economic growth of, and full employment in, the United States, and for other purposes."

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I have a series of motions to make.

Mr. President, I ask unanimous consent that the bill, H.R. 10710, be printed with the amendments of the Senate numbered, and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The PRESIDING OFFICER (Mr. WILLIAMS). Without objection, it is so ordered.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments to the bill, H.R. 10710, and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. MONDALE, Mr. BENNETT, Mr. FANNIN, and Mr. HANSEN conferees on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAMILY EDUCATION RIGHTS AND PRIVACY ACT OF 1974

Mr. McINTYRE. Mr. President, I have been informed that on the recently passed Family Educational Rights and Privacy Act of 1974, the Buckley amendment which became part of that has raised certain questions. The intent of the amendment was to allow openness of school records.

The language was written in haste and has raised serious questions in the minds of school officials.

The distinguished chairman of the Educational Subcommittee, the Senator from Rhode Island, is in the Chamber, and it is my desire to clarify this language.

It would be helpful to me and to many concerned school officials, however, to have a few points clarified to make sure my understanding of the changes is correct.

First, I notice that the proposed amendment deals with the problem of documents received prior to January 1, 1975, with an understanding of confidentiality and that it is specified that the rights of confidentiality as otherwise protected by law are not infringed by the act. This is an important change to protect the rights of people who wrote a letter, or a report with an understanding of confidentiality before the act came into existence. It is also important that common law privileges, such as doctor-patient and lawyer-client relations, are not violated. I would assume that in the interests of fairness, the proposed amendment means that confidential letters of recommendation and other confidential written statements received prior to January 1, 1975, need not be disclosed, provided that they are used only for the purposes for which they were written, and that the proposed amendment protects common law and statutory privileges of confidentiality.

Second, the proposed amendments define "education records" in order to make clear what documents and other material parents and students will have access to. I realize that it is difficult to draft a definition that applies to thousands of elementary and secondary schools and institutions of higher education, and I would hope that regulations would carry out the underlying intent of the basic definition. I would understand that intent to be that, except as provided in the definition, parents and students should have access to everything in institutional records maintained for each student in the normal course of business and used by the institution in making decisions that affect the life of the student.

Third, as I understand the act, it is designed to protect the rights of privacy of students and their parents and to give them access to documents that are used by the institution in making institutional decisions concerning a student. The act is not designed to require the retention of records or to require that institutions continue to retain and use records that have been used in the past. In fact, it could be said that the act's purposes are best achieved when fewer records are kept and used.

I would appreciate the Senator's telling me whether my understandings on these three points are correct.

Mr. PELL. Mr. President, I have listened carefully to the points raised by the Senator from New Hampshire and find that, as I read the proposed amendments, the points he has raised are correct.

Mr. McINTYRE. Mr. President, I am pleased that the able and distinguished Senators from Rhode Island and New York have met on this matter in order to make such changes as are necessary to insure that the intent of the legislation is fully understood.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES IN 1976

Mr. PELL. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 40.

The PRESIDING OFFICER (Mr. Williams) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, as follows:

Strike out all after the resolving clause, and insert: That (a) the President of the United States is authorized to call a White House Conference on Library and Information Services in 1977.

(b) (1) The purpose of the White House Conference on Library and Information Services (hereinafter referred to as the "Conference") shall be to develop recommendations for the further improvement of the Nation's libraries and information centers and their use by the public, in accordance with the policies set forth in the preamble to this joint resolution.

(2) The Conference shall be composed of, and bring together—

(A) representatives of local, statewide, regional, and national institutions, agencies, organizations, and associations which provide library and information services to the public;

(B) representatives of educational institutions, agencies, organizations, and associations (including professional and scholarly associations for the advancement of education and research);

(C) persons with special knowledge of, and special competence in, technology as it may be used for the improvement of library and information services; and

(D) representatives of Federal, State, and local governments, professional and lay people, and other members of the general public.

(c) (1) The Conference shall be planned and conducted under the direction of the National Commission on Libraries and Information Science (hereinafter referred to as the "Commission").

(2) In administering this joint resolution, the Commission shall—

(A) when appropriate, request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities;

(B) make technical and financial assistance (by grant, contract, or otherwise) available to the States to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference; and

(C) prepare and make available background materials for the use of delegates to the Conference and associated State conferences, and prepare and distribute such reports of the Conference and associated State conferences as may be appropriate.

(3) (A) Each Federal department and agency is authorized and directed to cooperate with, and provide assistance to, the Commission upon its request under clause (A) of paragraph (2); and, for that purpose, each Federal department and agency is authorized to provide personnel to the Commission. The Commission shall be deemed to be a part of any executive or military department of which a request is made under clause (A) of paragraph (2).

(B) The Librarian of Congress is authorized to detail personnel to the Commission, upon request, to enable the Commission to carry out its functions under this joint resolution.

(4) In carrying out the provisions of this joint resolution, the Commission is authorized to engage such personnel as may be necessary, without regard for the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard for chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(5) The Commission is authorized to publish and distribute for the Conference the reports authorized under this joint resolution.

(6) Members of the Conference may, while away from their homes or regular places of business and attending the Conference, be allowed travel expenses, including per diem in lieu of subsistence, as may be allowed under section 5703 of title 5, United States Code, for persons serving without pay. Such expenses may be paid by way of advances, reimbursement, or in installments as the Commission may determine.

(d) A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than one hundred and twenty days following the close of the Conference, which final report shall be made public and, within ninety days after its receipt by the President, transmitted to the Congress together with a statement of the President containing the President's recommendations with respect to such report.

(e) (1) There is hereby established a twenty-eight member advisory committee of the Conference composed of (A) at least three members of the Commission designated by the Chairman thereof; (B) five persons designated by the Speaker of the House of Representatives with no more than three being members of the House of Representatives; (C) five persons designated by the President pro tempore of the Senate with no more than three being members of the Senate; and (D) not more than fifteen persons appointed by the President. Such advisory committee shall assist and advise the Commission in planning and conducting the Conference. The Chairman of the Commission shall serve as Chairman of the Conference.

(2) The Chairman of the Commission is authorized, in his discretion, to establish, prescribe functions for, and appoint members to, such advisory and technical committees as may be necessary to assist and advise the Conference in carrying out its functions.

(3) Members of any committee established under this subsetcion who are not regular full-time officers or employees of the United States shall, while attending to the business of the Conference, be entitled to recieve compensation therefor at a rate fixed by the President but not exceeding the rate of pay specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Commission shall have authority to accept, on behalf of the Conference, in the name of the United States, grants, gifts, or bequests of money for immediate disbursement by the Commission in furtherance of the Conference. Such grants, gifts, or bequests offered the Commission, shall be paid by the donor or his representative to the Treasurer of the United States, whose receipts shall be their acquittance. The Treasurer of the United States shall enter such grants, gifts, and bequests in a special account to the credit of the Commission for the purposes of this joint resolution.

(g) For the purpose of this joint resolution, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(h) There are authorized to be appropriated without fiscal year limitations such sums, but not to exceed $3,000,000, as may be necessary to carry out this joint resolution. Such sums shall remain available for obligation until expended.

Amend the title so as to read: "Joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1977."

Mr. PELL. Mr. President, I move that the Senate concur in the House amendments with an amendment, and I send to the desk a substitute amendment.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The clerk will report the amendment.

The legislative clerk proceeded to read the amendment.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House of Representatives, insert the following:

That (a) the President of the United States is authorized to call a White House Conference on Library and Information Services in 1978.

(b) (1) The purpose of the White House Conference on Library and Information Services (hereinafter referred to as the "Conference") shall be to develop recommendations for the future improvement of the Nation's libraries and information centers and their use by the public, in accordance with the policies set forth in the preamble to this joint resolution.

(2) The conference shall be composed of, and bring together—

(A) representatives of local, statewide, regional, and national institutions, agencies, organizations, and associations which provide library and information services to the public;

(B) representatives of educational institutions, agencies, organizations, and associations (including professional and scholarly associations for the advancement of education and research):

(C) persons with special knowledge of, and special competence in, technology as it may be used for the improvement of library and *information services*; and

(D) representatives of the general public.

(c) (1) The conference shall be planned and conducted under the direction of the National Commission on Libraries and Information Science (hereinafter referred to as the "Commission").

(2) In administering this joint resolution, the Commission shall—

(A) when appropriate, request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities;

(B) make technical and financial assistance (by grant, contract, or otherwise) available to the States to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference; and

(C) prepare and make available background materials for the use of delegates to the Conference and associated State conferences, and prepare and distribute such reports of the Conference and associated State conferences as may be appropriate.

(3) (A) Each Federal department and agency is authorized and directed to cooperate with, and provide assistance to, the Commission upon its request under clause (A) of paragraph (2); and, for that purpose, each Federal department and agency is authorized to provide personnel to the Commission in accordance with section 3341 of title 5, United States Code. For the purposes of such section 3341 and this paragraph, the Commission shall be deemed to be a part of any executive or military department of which a request is made under clause (A) of paragraph (2).

(B) the Librarian of Congress is authorized to detail personnel to the Commission, upon request, to enable the Commission to carry out its functions under this joint resolution.

(4) In carrying out the provisions of this joint resolution, the Commission is authorized to engage such personnel as may be necessary, without regard for the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard for chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(5) The Commission is authorized to publish and distribute for the Conference the reports authorized under this joint resolution without regard for section 501 of title 44, United States Code.

(6) Members of the Conference may, while away from their homes or regular places of business and attending the Conference, be allowed travel expenses, including per diem in lieu of subsistence, as may be allowed under section 5703 of title 5, United States Code, for persons serving without pay. Such expenses may be paid by way of advances, reimbursement, or in installments as the Commission may determine.

(d) A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than one hundred and twenty days following the close of the Conference, which final report shall be made public and, within ninety days after its receipt by the President, transmitted to the Congress together with a statement of the President containing the President's recommendations with respect to such report.

(e) (1) There is hereby established a twenty-eight member advisory committee to the Conference composed of (A) at least three members of the Commission designated by the Chairman thereof; (B) two persons designated by the Speaker of the House of Representatives; (C) two persons designated by the President pro tempore of the Senate; and (D) not more than twenty-one persons appointed by the President. Such advisory committee shall assist and advise the Commission in planning and conducting the Conference. The Chairman of the Commission shall serve as Chairman of the Conference.

(2) The Chairman of the Commission is authorized, in his discretion, to establish, prescribe functions for, and appoint members to, such advisory and technical committees as may be neecssary to assist and advise the Conference in carrying out its functions.

(3) Members of any committee established under this subsection who are not regular full-time officers or employees of the United States shall, while attending to the business of the Conference, be entitled to receive compensation therefor at a rate fixed by the President but not exceeding the rate of pay specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Commission shall have authority to accept, on behalf of the Conference, in the name of the United States, grants, gifts, or bequests of money for immediate disbursement by the Commission in furtherance of the Conference. Such grants, gifts, or bequests offered the Commission, shall be paid by the donor or his representative to the Treasurer of the United States, whose receipts shall be their acquittance. The Treasurer of the United States shall enter such grants, gifts, and bequests in a special account to the credit of the Commission for the purposes of this joint resolution.

(g) For the purpose of this joint resolution, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(h) There are authorized to be appropriated without fiscal year limitations such sums, but not to exceed $10,000,000, as may be necessary to carry out this joint resolution. Such sums shall remain available for obligation until expended.

Amend the title so as to read: "A joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1978, and for other purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

Mr. BUCKLEY. Mr. President, I offer, on behalf of myself and the distinguished Senator from Rhode Island (Mr. Pell), an amendment to the amendment that has just been offered by Mr. Pell.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Buckley) proposes an amendment to the amendment of the Senator from Rhode Island.

Mr. ROBERT C. BYRD. Mr. President, what is the amendment? Has anyone asked that further reading be dispensed with?

Mr. BUCKLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment will be printed in the Record.

The amendment is as follows:

Sec. 2. (a) (1) (A) The first sentence of section 438(a) (1) of the General Education Provisions Act is amended by striking out "State and local educational agency, any institution of higher education, any community college, any school agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(B) Such first sentence is amended by striking out "attending any school of such agency, or attending such institution of higher education, community college, school, preschool, or other educational institution" and inserting in lieu thereof "who are or have been in attendance at a school of such agency or at such institution, as the case may be".

(C) The third sentence of such section is amended by striking out "recipient" and inserting in lieu thereof "educational agency or institution".

(D) Paragraph (1) of section 438(b) of such Act is amended by striking out "State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(E) Paragraph (2) of such section is amended by striking out "State and local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(F) Subsection (e) of section 438 of such Act is amended by striking out "unless the recipient of such funds" and inserting in lieu thereof "to any educational agency or institution unless such agency or institution".

(G) Section 438(a) of such Act is amended by inserting at the end thereof the following new pargaraph:

"(3) For the purposes of this section the term 'educational agency or institution' means any public or private agency or institution which is the recipient of funds under any applicable program.".

(2) (A) The first sentence of section 438 (a) (1) of such Act is amended by striking out "any and all official records, files, and data directly related to their children, including all material that is incorporated into each student's cumulative record folder, and intended for school use or to be available to parties outside the school or school system, and specifically including, but not necessarily limited to, identifying data, academic work completed, level of achievement (grades, standardized achievement test scores), attendance data, scores on standardized intelligence, aptitude, and psychological tests, interest inventory results, health data, family background information, teacher or counselor ratings and observations, and verified reports of serious or recurrent behavior patterns." and inserting in lieu thereof "the education records of their children.".

(B) (i) The second sentence of such section is amended by striking out "Where such records or data include" and inserting in lieu thereof "If any material or document in the education record of a student includes".

(ii) Such second sentence is amended by striking out "any student shall be entitled to receive, or be informed of, that part of such record or data as pertains to their child" and inserting in lieu thereof "one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material".

(C) The third sentence of such section is amended by striking out "their child's school records" and inserting in lieu thereof "the education records of their children".

(D) Section 438(b)(1) of such Act is amended by striking out "personally identifiable records or files (or personal information contained therein)" and inserting in lieu thereof "education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a))".

(E) Paragraph (2) of such section is amended by striking out "furnishing, in any form, any personally identifiable information contained in personal school records, to any persons other than those listed in subsection (b)(1)" and inserting in lieu thereof "releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection.".

(F) Section 438(a) of such Act is amended by adding at the end thereof the following new paragraphs:

"(4)(A) For the purposes of this section, the term 'education records' means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

"(i) contain information directly related to a student; and

"(ii) are maintained by an educational agency or institution or by a person acting for such agency or institution.

"(B) The term 'education records' does not include—

"(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

"(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b)(1), the records and documents of such law enforcement unit which (I) are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not made available to persons other than law enforcement officials of the same jurisdiction;

"(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

"(iv) records on a student who is 18 years of age or older, or is attending an institution of postsecondary education, which are created or maintained by a physician, psychiatrist, psychologist, or other recognized professional or para-professional acting in his professional or para-professional capacity, or assisting in that capacity, and which are created, maintained, or used only in connection with the provision of treatment to the student, and are not available to any one other than persons providing such treatment; provided, however, that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

"(C) Nothing in this section shall be construed to alter the confidentiality of communications otherwise protected by law as confidential.

"(5)(A) For the purposes of this section the term 'directory information' relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

"(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.".

(3) Section 438(a)(1) of such Act is amended by inserting "(A)" after section "Sec. 438. (a)(1)" and adding at the end thereof the following new subparagraph:

"(B) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of postsecondary education the following materials:

"(i) financial records of the parents of the student or any information contained therein;

"(ii) confidential letters and statements of recommendation, which were placed in 1975, if such letters or statements are not the education records prior to January 1, used for purposes other than those for which they were specifically intended;

"(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations—

"(I) respecting admission to any educational agency or institution,

"(II) respecting an application for employment, and

"(III) respecting the receipt of an honor or honorary recognition; and

"(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) in the case of recommendations described in clause (iii) of such subparagraph, such recommendations are used solely for the purpose for which they were specifically intended.".

(4)(A) Paragraph (2) of section 438(a) is amended by striking out that part thereof which precedes "to insure" and inserting in lieu thereof the following: "No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Secretary, to challenge the content of such student's education records, in order"

(B) Such paragraph (2) is amended by inserting before the period at the end thereof the following: "and to insert into such records a written explanation of the parents respecting the content of such records".

(5) Section 438(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) For the purposes of this section, the term 'student' includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.".

(6) Section 438(b)(1) of such Act is amended by striking out "and" at the end of clause (C), by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new clauses:

"(E) State and local officials or authorities to whom such information is specifically required to be reported or disclosed pursuant to State statute;

"(F) organizations of educational agencies or institutions for the purpose of developing, validating, and administering predictive tests, if such information will not permit the identification of any person by the organization receiving such information;

"(G) accrediting organizations in order to carry out their accrediting functions;

"(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

"(I) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.".

(7) Section 438(g) of such Act is amended by adding at the end thereof the following new sentence: "Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.".

(8)(A) Paragraph (1) of section 438(b) of such Act is amended by inserting "or practice" after "which has a policy".

(B) Clause (A) of section 438(b)(1) of such Act is amended by striking out "who" and inserting in lieu thereof ", who have been determined by such agency or institution to".

(C) Clause (B) of such section 438(b)(1) is amended by inserting "seeks or" after "student".

(D) Section 438(b)(3) of such Act is amended by striking out "after the data" down through "collected" and inserting in lieu thereof "by such officials or agencies".

(9) Paragraph (4)(A) of section 438(b) of such Act is amended to read as follows:

"(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.".

(10)(A) Clause (C) of section 438(b)(1) of such Act is amended by striking out "section 409 of this Act" and inserting in lieu thereof "section 408(c)".

(B) Section 438(g) of such Act is amended by striking out ", according to the procedures contained in section 434 and 437 of this Act".

(b) The amendments made by subsection (a) shall be effective, and retroactive to, November 19, 1974.

Mr. BUCKLEY. Mr. President, since the enactment in October of the Family Educational Rights and Privacy Act of

1974, the educational community has pointed to certain ambiguities that have been contained in the language and provisions—that because there was none of the normal legislative history, it means that HEW does not have an adequate record on the basis of which to develop the necessary regulations.

After consultation with the Senator from Rhode Island, we concluded that the most appropriate way to handle the situation would be to offer at this time the amendment I have just submitted to the desk on our joint behalf, which incorporates the necessary clarifications.

I also send to the desk at this time a statement that Senator PELL and I have agreed to, which provides a narrative and explanation of the meaning and intent of the various provisions of the amendment. I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT IN EXPLANATION OF BUCKLEY/PELL AMENDMENT

The Family Educational Rights and Privacy Act of 1974, section 513 of the Education Amendments of 1974, was signed into law by President Ford on August 21, 1974. Its provisions became effective ninety days after enactment, on November 19.

The purpose of the Act is two-fold—to assure parents of students, and students themselves if they are over the age of 18 or attending an institution or postsecondary education, access to their education records and to protect such individuals' rights to privacy by limiting the transferability of their records without their consent. The Secretary of Health, Education, and Welfare is charged with enforcement of the provisions of the Act, and failure to comply with its provisions can lead to withdrawal of Office of Education assistance to the educational agency or institution.

Since the passage of the Act, commonly referred to as the Buckley Amendment, after its principal sponsor, a number of ambiguities in its provisions have come to light. Since the language was offered as an amendment on the Senate floor, rather than having been the subject of Committee consideration, traditional legislative history materials such as hearings and Committee reports have not been available to serve as a guide to educational institutions, to students, and to the Department of Health, Education, and Welfare in carrying out their various responsibilities under the Act. The amendments being proposed are designed to remedy certain omissions in the provisions of existing law and to clarify other portions of the Act which have been the subject of extensive questioning and concern. It is the hope of the sponsors of these amendments that they provide a suitable response to the issues surrounding existing law which have been raised by parents, students, and institutions.

Existing law lists specifically, at several points in the Act, the institutions and agencies to which the provisions apply. However, these lists are not always identical, creating questions of the applicability of the Act to certain institutions under certain circumstances. The amendment, to standardize the Act's applicability, defines the term "educational agency or institution" as any public or private agency or institution which is the recipient of funds under any applicable program. This definition serves to clarify a number of issues. First, it makes uniform the Act's applicability under all its subsections, so that no question remains of a school's inclusion under one part of the Buckley Amendment but not under another. Second, by defining the term generically rather than specifically, the amendment eliminates the possibility that any agency or institution not meeting the specific definition might fall outside the Act's coverage. Finally, by explicitly limiting the definition to those institutions participating in applicable programs, the amendment makes it clear that the Family Educational Rights and Privacy Act applies only to Office of Education programs and those programs delegated to the Commissioner of Education for administration. The entire Buckley Amendment is an amendment to Part C of the General Education Provisions Act, which by its own terms applies only to the Office of Education. However, there has been some question as to whether the Amendment's provisions should be applied to other HEW education-related programs such as Headstart or the educational research programs of the National Institute of Education. As rewritten, the limited nature of the Act's coverage should be clear.

Under the Family Educational Rights and Privacy Act, a parent is given the right to challenge the contents of his child's records to insure that they are not inaccurate, misleading, or otherwise in violation of the student's privacy or other rights. This provision, section 438(a)(2) of the General Education Provisions Act, has raised a number of questions which these amendments seek to answer—1) who has the right to challenge, 2) what records are covered, and 3) what sort of proceeding should be undertaken.

First, these amendments clarify that the parent need not have a child still in attendance at the educational agency or institution at the time a hearing is sought in order to have the right to seek a hearing on the accuracy or appropriateness of material in his child's file. The Buckley Amendment does give parents the right to challenge the content of records once their children have left the school possessing the records in order to assure that records still maintained by the school which could subsequently become available to parties outside the school do not contain inaccurate or inappropriate material.

In addition, the material subject to challenge is defined generically as "education records," eliminating the long list of illustrative examples contained in existing law. "Education records" are described as those records, files, documents, and other materials directly related to a student which are maintained by a school or by one of its agents. This definition is a key element in the amendment. An individual should be able to know, review, and challenge all information—with certain limited exceptions—that an institution keeps on him, particularly when the institution may make important decisions affecting his future, or may transmit such personal information to parties outside the institution. This is especially true when the individual is a minor. Parents need access to such information in order to protect the interest of their child.

The amendment makes certain reasonable exceptions to the access by parents and students to school records. The private notes and other materials, such as a teacher's daily record book, created by individual school personnel (such as teachers, deans, doctors, etc.) as memory aids would not be available to parents or students, provided they are not revealed to another person, other than in the case of a substitute who performs another's duties for a temporary period.

The law enforcement records of a law enforcement unit associated with a school would be excluded if its personnel are not allowed access to a student's education records, and if its records on a student are used solely for law enforcement purposes and are only available to other law enforcement officials of the same jurisdiction.

The employment records of a person not attending a given school would not be available to him, even though he has been a student at another school, if they are used for other than employment purposes.

College students would not be able directly to inspect medical psychiatric, or similar records which are used solely in connection with treatment purposes and only available to recognized professionals or para-professionals in connection with such treatment. Such students would, however, be able to have a doctor or other professional of their choice inspect their records.

The amendment also notes that the law does not alter the confidentiality of communications otherwise protected by law.

The law is not specific concerning the format, procedure, or mechanism for the conduct of such a hearing at the local level. It is the intent of the sponsors of these amendments that again a rule of reason would be followed by those participants involved. Since the hearing is to be conducted at the local level, a detailed specification of procedures cannot be drawn that could possibly apply to each of the thousands of school districts and colleges across the nation. Each has a slightly different organizational structure and pattern of procedure. Obviously, the hearing mechanism must be adapted in each instance to conform to these individual differences. In some cases, a school district might wish to offer the parent a hearing at the district level; in other instances, disputes about the content of records might be better handled at the local school level. It is not the intent of the Amendment to burden schools with onerous hearing procedures.

The amendment is intended to require educational agencies and institutions to conform to fair information record-keeping practices. It is not intended to overturn established standards and procedures for the challenge of susbtantive decisions made by the institution. It is intended, however, to open the bases on which decisions are made to more scrutiny by the students, or their parents about whom decisions are being made, and to give them the opportunity to challenge and to correct—or at least enter an explanatory statement—inaccurate, misleading, or inappropriate information about them which may be in their files and which may contribute, or have contributed to an important decision made about them by the institution.

The law intends that parents have a full and fair opportunity to present evidence to show that their children's records contain inaccurate, misleading or otherwise inappropriate information. The hearing should be held and the institution's decision rendered within a reasonable period after the parent's request. There has been much concern that the right to a hearing will permit a parent or student to contest the grade given the student's performance in a course. That is not intended. It is intended only that there be procedures to challenge the accuracy of institutional records which record the grade which was actually given. Thus, the parents or student could seek to correct an improperly recorded grade, but could not through the hearing required pursuant to this law contest whether the teacher should have assigned a higher grade because the parents or student believe that the student was entitled to the higher grade.

On the other hand, if a child has been labeled mentally or otherwise retarded and put aside in a special class or school, parents would be able to review the materials in the record which led to this institutional decision, and perhaps seek professional assistance, to see whether these materials contain inaccurate information or erroneous evaluations about their child.

In general, it is intended that the parent would be shown the actual documents contained in the child's education records. However, under certain circumstances this might not be possible—where, for instance, it is impossible to separate information about one student from that about others. If a student's name is one in a long list of names, it would violate the others' right to privacy to have the entire list shown to that student's parents. In such a situation, the responsibility of the educational agency or institution is to make the information concerning the student known to the parent, without actually having to show him the document.

Existing law prohibits the furnishing of personally identifiable information contained in school records to other than a specific list of persons, primarily other school officials, without the written consent of the student's parents or that of the student when he becomes 18 or enters postsecondary education. A literal interpretation of this language has led school attorneys around the country to advise their clients no longer routinely to print football players' weights in athletic programs and to seek written consent of the cast of the school play that their names may be printed in the program. This narrow reading of the law is not what its author intended to achieve, and he so stated during the floor debate in May on the amendment.

Therefore, these amendments specifically provide that a school may safely provide what is termed "directory information"—such personal facts as name, address, and telephone number—to third parties without fear of having its Federal funds withdrawn. The institution providing such directory information would be required to give public notice of the information it planned to make available to the general public, and to allow parents time to notify the institution that any or all of that information should not be released. This would allow parents with unlisted telephone numbers, for example, to have the right to keep such numbers unlisted.

On the other hand, clarification of the definition of "directory information" can be significant in allowing the functioning of other programs. For example, under the Guaranteed Student Loan Program a student is allowed a nine-month grace period after his last date of attendance before he is required to begin repayment of his obligation. If a school cannot routinely inform the lender of the student's last date of attendance, the lender has no basis for calculating when he may begin to collect the loan. These amendments would avoid this problem by making such information available on a routine basis, without a requirement that the student give his consent.

Much concern has been expressed by institutions of higher education concerning the potential impact of the Buckley Amendment on a number of traditional institutional practices. For instance, letters of recommendation for admission are usually solicited under a promise that such letters will not be available to the student, to his parents, or to third parties not associated with the purpose of the recommendation. What is their status if they become part of a student's permanent official file? Also, in conjunction with an application for student financial aid, a parent may have to file a financial statement. Should a student be given the right to see such a statement? If a student has acquired rights under the Amendment, can an institution require or suggest that he waive those rights and preserve the confidentiality of its files? These amendments seek to answer these and other questions.

A number of exceptions to the blanket right to see and challenge education records are made for students attending institutions of postsecondary education. They shall not have the right, under the provisions of the Amendment, to see financial records of their parents. They shall not have the right to see confidential letters and statements of recommendation placed in education records prior to January 1, 1975, provided that they are not used for purposes other than those for which they were intended. And students may waive their rights of access to confidential recommendations in three areas—admissions, job placement, and receipt of awards. To protect students from wholesale abuse of such continued possibility of confidentiality, the amendments require that a student be notified of the names of all persons making confidential recommendations, if he does agree to waive his right of access. This notification would include not only those individuals suggested by the student as possible references, but also any others solicited by the institution or volunteering their comment.

With regard to letters of recommendation for a student in an institution of postsecondary education, two further clarifications are included. The use of confidential recommendations is limited solely to the purpose for which they were specifically intended. Such recommendations should not become a part of the student's on-going file and serve as a basis for continued official decision-making for purposes other than for which such letters were originally submitted. Second, the "student" to whom the right of access belongs is defined as any person concerning whom the educational agency maintains education records or personal information, but does not include anyone who has not been in attendance at such agency or institution. This means that the rejected applicant for admission is not given the right under the Buckley Amendment to see and challenge his letters of recommendation, nor does the amendment give him the right to challenge the institution's decision not to admit him. Such a right accrues only to the individual who actually attends the institution. For the purpose of this definition, a student who is only auditing a course, but on whom the institution maintains a personal file, would be included in the Amendment's coverage.

Section 438(b)(1) of existing law restricts transfer, without the consent of parents or students, of personally identifiable information concerning a student to other educational agencies or institutions, other school officials, auditors from the General Accounting Office and the Department of Health, Education, and Welfare, and in connection with the application for or receipt of student financial aid under certain specified conditions. It has become apparent in the last several months that these restrictions are too narrow and, if strictly applied, would seriously interfere in the operation of educational institutions. Therefore, after consultation with numerous educational representatives as well as students, the authors of these amendments have included a series of other potential recipients of student information, without the necessity of securing individual parents' consent.

First, these amendments permit the transmittal of personal information to State and local officials or authorities as required by State statute. It was not intended, in establishing a minimum Federal standard for record confidentiality and access, to preempt the States' authority in the field. Therefore, if a State law requires an educational official to transmit a specific piece of information about a student to State or local officials, or liberalizes a student's access to his own education records even farther than the Family Educational Rights and Privacy Act, such as in Maine, Idaho, and New Mexico, where the law permits students of any age to see their records, State law may be followed without securing a parent's specific consent. Of course, the provisions of the amendment do not affect whatever rights a student or his parents might have in civil proceedings, as in the case where confidentially-received material causes the student or his parents actionable damage.

Organizations such as the Educational Testing Service, the Law School Admissions Council, the College Entrance Examination Board, and the American Medical College Application Service, and others, develop and validate a number of tests which are used by institutions of higher education to predict the potential success of applicants for admission. These and other similar groups need student data in order to perform their function. The amendments would authorize release of such data to these organizations without individual parents' or students' consent, so long as the data are not personally identifiable to the individuals and organizations receiving such data.

Similarly, accrediting agencies form the basis for institutional eligibility to participate in a wide range of Federal assistance programs. In order to assess the quality of an institution's program and the strength of the institution itself, the agency must have access to certain confidential student data. The amendments would authorize such access to enable the accreditor to carry out its functions.

One concern that has been expressed about the working of existing law pertains to the transfer of all parental rights to information to the student about the latter's attaining the age of 18 or enrolling in postsecondary education. Colleges have been reluctant to send bills or grades of their students to the students' parents, for fear of violating the students' rights. The amendments proposed would make it clear that the parent of a dependent student, as defined for income tax purposes, would have a right to information about his child without the institution's having to seek the students' consent.

Finally, under certain emergency situations it may become necessary for an educational agency or institution to release personal information to protect the health or safety of the student or other students. In the case of the outbreak of an epidemic, it is unrealistic to expect an educational official to seek consent from every parent before a health warning can be issued. On the other hand, a blanket exception for "health or safety" could lead to unnecessary dissemination of personal information. Therefore, in order to assure that there are adequate safeguards on this exception, the amendments provided that the Secretary shall promulgate regulations to implement this subsection. It is expected that he will strictly limit the applicability of this exception.

Because of the concern that regionalizing the enforcement of the law may lead to multiple interpretations of it, and possibly work a hardship on parents, students, and institutions, the amendment authorizes that only activities involving the conduct of hearings by the Secretary's review board may be carried out in the regional offices of HEW.

The remainder of the amendment is purely technical in nature, correcting erroneous cross-references found in existing law which were created as a result of changes made in the bill on the floor of the Senate and in conference. The provisions of the amendment are retroactive to November 19, 1974, the date on which the Family Educational Rights and Privacy Act became effective.

With guidelines not yet published, the provisions of the Act, and its ramifications, have been the subject of much uncertainty, causing perplexity among school officials and frustrations among parents and students. It is the hope of the sponsors of this amendment that it will do much to clear up many of the unanswered questions, so that the substance of the provisions may be carried out in schools and colleges across the country as soon as possible, and so that parents and students may properly begin to exercise their rights under the law, and the protection of their privacy may be assured.

Mr. MONDALE. Mr. President, I am somewhat concerned as are Senator Williams and Senator Javits about the provision of this amendment that would permit students to waive their rights to confidentiality of or access to their records. Under the provisions of this amendment would a postsecondary institution be permitted to require, as a condition of application, acceptance, or any other service normally provided to students at the institution, that a student sign such a waiver?

Mr. PELL. There is nothing in the proposed language which would permit an institution to require such a waiver as a precondition of application, or any other service normally provided to students at the institution.

Mr. MONDALE. Would there be any conditions under which an institution could compel any of its students to sign such a waiver?

Mr. PELL. Under the proposed language an institution would be permitted to request such a waiver of applicants or students but would not be permitted to require that the student waive his rights to either the confidentiality of his records, or his access to those records as a precondition to enrollment or matriculation or any other service normally provided to students at the institution under any circumstances.

Mr. MONDALE. Could a postsecondary institution request a student, at time of application for admission, or any time thereafter, to sign a general waiver which would effectively waive the student's rights to examine any recommendations at any time in the future? For example, under the proposed language, confidential statements or recommendations are split into three classes: Recommendations for applications of admission, for employment, and for honors or awards. Would, then, a postsecondary institution have to request the waiver for each of those classes of recommendations at the appropriate time?

Mr. PELL. A postsecondary institution could not request a general waiver which would apply for all time, but would have to ask for a waiver at the appropriate time for each class of confidential statement or recommendation.

Mr. BUCKLEY. Mr. President, in the course of the past weeks, the Senator from Rhode Island and his staff and my staff and I have been in frequent contact about the questions and problems which have arisen regarding the act. We have discussed the problems with representatives of the various educational groups and institutions, student groups, and public interest organizations. We have received a great deal of valuable information and suggestions, and I believe we have succeeded, after many hours of working together, to incorporate them all in language that I believe will meet every legitimate question that has been raised about the proposed legislation.

At this time, I should like to take occasion to express my deep personal appreciation of the tremendous spirit of cooperation and understanding that has been extended to me by the distinguished chairman of the subcommittee and to express my appreciation for his enormous sense of fairness.

Mr. PELL. Mr. President, I thank the Senator from New York.

I fully support and am, indeed, the cosponsor of the series of amendments offered by Senator Buckley to the Family Educational Rights and Privacy Act. The Senator has introduced into the Record an agreed upon explanation of the amendments we have prepared which will serve as legislative history in interpreting the language of the amendments. I will, at a suitable point in the Record ask unanimous consent for the printing of a document which in a report on legislation would be termed a cordon print. It will show the changes in the existing law; what has been deleted and where the new language fits and how it will be read after adoption of these amendments.

I wish to thank Mr. Buckley for his most cooperative attitude over the past 2 months. Since the first week of October, I have been in contact with him numerous times over certain interpretations of the law.

There was some thought given to deferring the effective date of the law, but we, after numerous discussions decided on a series of amendments which will amend the law so that parents, students, and institutions could better interpret the provisions and exercise their rights under them.

Senator Buckley and I have spent many hours working over the specific language changes. These amendments are not intended to deal with every single issue which has been raised. I fully expect that as students and institutions attempt to deal with the amended law further questions could arise. The Subcommittee on Education could well have oversight hearings on this matter next year after the law has been in operation.

In any event, I again thank Senator Buckley for his actions on this matter.

I ask unanimous consent to have printed in the Record the document I have referred to.

There being no objection, the document was ordered to be printed in the Record, as follows:

Changes in Existing Law

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

Sec. 438. (a)(1) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *educational agency or institution* which has a policy of denying, or which effectively prevents, the parents of students [attending any school of such agency, or attending such institution of higher education, community college, school, preschool, or other educational institution,] *who are or have been in attendance at a school of such agency or at such institution, as the case may* be the right to inspect and review [any and all official records, files, and data directly related to their children, including all material that is incorporated into each student's cumulative record folder, and intended for school use or to be available to parties outside the school or school system, and specifically including, but not necessarily limited to, identifying data, academic work completed, level of achievement (grades, standardized achievement test scores,) attendance data, scores on standardized intelligence, aptitude, and psychological tests, interest inventory results, health data, family background information, teacher or counselor ratings and observations, and verified reports of serious or recurrent behavior patterns.] *the education records of their children.* [Where such records or data include] *If any material or document in the education record of a student includes* information on more than one student, the parents of [any student shall be entitled to receive, or be informed of, that part of such record or data as pertains to their child.] *one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material.* Each [recipient] *educational agency or institution* shall establish appropriate procedures for the granting of a request by parents for access to [their child's school records] *the education records of their children* within a reasonable period of time, but in no case more than forty-five days after the request has been made.

(B) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of postsecondary education the following materials:

(i) financial records of the parents of the student or any information contained therein;

(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations—

(I) respecting admission to any educational agency or institution,

(II) respecting an application for employment, and

(III) respecting the receipt of an honor or honorary recognition; and

(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) in the case of recommendations described in clause (iii) of such subparagraph, such recommendations are used solely for the purpose for which they were specifically intended.

(2) [Parents shall have an opportunity for a hearing to challenge the content of their child's school records.] *No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Secretary, to challenge the content of such student's education records, in order* to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy or other rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein *and to insert into such records a written explanation of the parents respecting the content of such records.*

(3) For the purposes of this section the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program.

(4)(A) For the purposes of this section, the

term "education records" means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

(i) contain information directly related to a student; and

(ii) are maintained by an educational agency or institution, or by a person acting for such agency or institution.

(B) The term "education records" does not include—

(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b)(1), the records and documents of such law enforcement unit which (I) are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not made available to persons other than law enforcement officials of the same jurisdiction;

(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

(iv) records on a student who is 18 years of age or older, or is attending an institution of postsecondary education, which are created or maintained by a physician, psychiatrist, psychologist, or other recognized professional or para-professional acting in his professional or para-professional capacity, or assisting in that capacity, and which are created, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment; provided, however, that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

(C) Nothing in this section shall be construed to alter the confidentiality of communications otherwise protected by law as confidential.

(5)(A) For the purposes of this section the term "directory information" relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.

(6) For the purposes of this section, the term "student" includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.

"(b)(1) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *educational agency or institution which has a policy or practice* of permitting the release of [personally identifiable records or files (or personal information contained therein)] *education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a))* of students without the written consent of their parents to any individual, agency, or organization, other than to the following—

(A) other school officials, including teachers within the educational institution or local educational agency [who], *who have been determined by such agency or institution to* have legitimate educational interests;

(B) officials of other schools or school systems in which the student *seeks or*, intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

(C) authorized representatives of (i) the Comptroller General of the United States, (ii) the Secretary, (iii) an administrative head of an education agency (as defined in section [409] 408(c) of this Act), or (iv) State educational authorities, under the conditions set forth in paragraph (3) of this subsection; and

(D) in connection with a student's application for, or receipt of, financial aid;

(E) State and local officials or authorities to which such information is specifically required to be reported or disclosed pursuant to State statute;

(F) organizations of educational agencies or institutions for the purpose of developing, validating, and administering predictive tests, if such information will not permit the identification of any person by the organization receiving such information;

(G) accrediting organizations in order to carry out their accrediting functions;

(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

(I) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

(2) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *education agency or institution* which has a policy or practice of [furnishing, in any form, any personally identifiable information contained in personal school records, to any present other than those listed in subsection (b)(1)] *releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection* unless—

(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

(B) such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena, upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency.

(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Secretary, (C) an administrative head of an education agency or (D) State educational authorities from having access to student or other records which may be necessary in connection with the audit and evaluation of Federally supported education program, or in connection with the enforcement of the Federal legal requirements which relate to such programs: *Provided*, That, except when collection of personally identifiable data is specifically authorized by Federal law, any data collected by such officials with respect to individual students shall not include information (including social security numbers) which would permit the personal identification of such students or their parents [after the data so obtained has been collected] *by such officials or agencies.*

[(4)(A) With respect to subsections (c)(1) and (c)(2) and (c)(3), all persons, agencies, or organizations desiring access to the records of a student shall be required to sign a written form which shall be kept permanently with the file of the student, but only for inspection by the parents or student, indicating specifically the legitimate educational or other interest that each person, agency, or organization has in seeking this information. Such form shall be available to parents and to the school official responsible for record maintenance as a means of auditing the operation of the system.]

(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.

(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student.

(c) The Secretary shall adopt appropriate regulations to protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Secretary or an administrative head of an education agency. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Secretary, or an administrative head of an education agency under an applicable program, unless such activities are authorized by law.

(d) For the purposes of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education the permission or consent required of and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

(e) No funds shall be made available under any applicable program [unless the recipient of such funds] to *any educational agency or institution unless such agency or institution* informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

(f) The Secretary, or an administrative head of an education agency, shall take appropriate actions to enforce provisions of this section and to deal with violations of this section, according to the provisions of this Act, except that action to terminate assistance may be taken only if the Secretary finds there has been a failure to comply with the provisions of this section, and he has determined that compliance cannot be secured by voluntary means.

(g) The Secretary shall establish or designate an office and review board within the Department of Health, Education, and Welfare for the purpose of investigating, processing, reviewing, and adjudicating violations of the provisions of this section and complaints which may be filed concerning alleged violations of this section [according to the procedures contained in sections 434 and 437 of this Act]. *Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.*

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York and the Senator from Rhode Island.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island to concur in the House amendment with an amendment.

The motion was agreed to.

Mr. PELL. Mr. President, I move that the Senate insist upon its amendments and ask for a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Williams) appointed Mr. Pell, Mr. Randolph, Mr. Williams, Mr. Kennedy, Mr. Mondale, Mr. Eagleton, Mr. Cranston, Mr. Hathaway, Mr. Dominick, Mr. Javits, Mr. Schweiker, Mr. Beall, and Mr. Stafford conferees on the part of the Senate.

SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16900) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER (Mr. Williams). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the amendment by the Senator from Pennsylvania (Mr. Scott) to House Amendment No. 17 to H.R. 16900, the Supplemental Appropriation Bill for 1975.

Pete Domenici, Robert Taft, Jr., Robert T. Stafford, Charles Percy, James B. Pearson, Jacob K. Javits, Hugh Scott, Clifford P. Case, Jennings Randolph, John O. Pastore, Warren G. Magnuson, Frank E. Moss, Claiborne Pell, Harrison A. Williams, Abraham Ribicoff, Frank Church, Quentin N. Burdick, Walter F. Mondale, Alan Cranston.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under rule XXII tomorrow customarily used for debate on the motion to invoke cloture, on the Scott amendment to the amendment in disagreement No. 17 of the Supplemental Appropriation conference report, be equally divided between the Senator from Alabama (Mr. Allen) and the Senator from Pennsylvania (Mr. Hugh Scott).

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER (Mr. Williams). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the adoption of the conference report on H.R. 15977, the Export-Import Bank Act Amendment.

Bob Packwood, John Tower, Edward W. Brooke, Paul J. Fannin, J. Glenn Beall, Adlai Stevenson, Thomas J. McIntyre, Walter F. Mondale, Dick Clark, Frank E. Moss, Lee Metcalf, Daniel Inouye, Gale W. McGee, Harrison A. Williams, Claiborne Pell, Edward Kennedy, Robert Stafford, Robert Taft, Jr., Charles W. Percy, Jacob K. Javits.

ORDER TO HOLD RESOLUTIONS ON DEFERRALS AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that two resolutions at the desk on deferrals, one by Mr. Bennett and one by Mr. Humphrey, be held at the desk for later disposition. I further request that the later disposition not be had without my having first been contacted.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Michigan (Mr. Hart) I ask unanimous consent that the Subcommittee on Administrative Practices of the Committee on the Judiciary be authorized to conduct hearings on amnesty on Wednesday and Thursday, December 18 and 19.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on the Judiciary be authorized to meet on Thursday, December 19, to consider various nominations, and that the Committee on the Budget be authorized to meet Tuesday, December 17, Wednesday, December 18, and Thursday, December 19, to consider the impact of the changing economy on appropriate fiscal policies.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet on Monday, December 16, to consider the nomination of Murray Saltzman to be a member of the Commission on Civil Rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the following measures on the calendar: Calendar Order No. 1248, Calendar Order No. 1264, Calendar Order No. 1266, Calendar Order No. 1267, Calendar Order No. 1270, and Calendar Order No. 1272.

The PRESIDING OFFICER. Without objection, it is ordered.

CHILDREN'S GIFT BELL MEMORIAL

The Senate proceeded to consider the joint resolution (S.J. Res. 212) to authorize the erection of a Children's Gift Bell and Memorial Tower in the District of Columbia, and for other purposes, which had been reported from the Committee on Public Works with an amendment to strike out all after the resolving clause and insert in lieu thereof:

That the American Freedom Train Foundation is authorized to erect a Children's Gift Bell memorial bell tower of appropriate design on public grounds in the District of Columbia or its environs, in honor of the bicentennial celebration of the signing of the Declaration of Independence.

Sec. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia, or its environs, upon which may be erected the memorial authorized in the first section of this Act: *Provided*, That if the site selected is on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the Mayor and City Council of the District of Columbia shall be obtained.

(b) The design and plans for such memorial bell tower shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission.

Sec. 3. The memorial authorized to be erected by the first section of this Act shall be erected without expense to the United States and shall be maintained by the Secretary of the Interior.

Sec. 4. The authority granted by the first section of this Act shall terminate three years after the date of enactment of this Act unless—

(a) the plans for the memorial are presented to and approved by the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission; and

(b) the Secretary of the Interior determines, before construction of the memorial begins, that sufficient funds are available to insure its completion without expense to the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower in the District of Columbia."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–1317), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

GENERAL STATEMENT

This resolution authorizes the Secretary of the Interior to accept the donation of the Children's Gift Bell, and Memorial Bell Tower, and their placement in the District of Columbia. The bell, planned as a double-sized replica of the Liberty Bell, will be financed by donations from young Americans. Once cast, the bell will be placed aboard the American Freedom Train to tour the continental 48 States during 1975. A list of the donors will be displayed on the Train, and this list subsequently will be placed at the memorial site. The sponsors of the bell, the American Freedom Train Foundation, plan to erect the bell tower and place the bell during the Bicentennial Year. It is intended as a reminder of the freedoms enjoyed by the American people.

PURPOSE

Senate Joint Resolution 212 as reported would authorize the American Freedom Train Foundation to erect in the District of Columbia, or its environs, a Children's Gift Bell and Memorial Bell Tower. The bell and tower would honor the Nation's Bicentennial celebration of the signing of the Declaration of Independence.

Section 2 of the resolution as reported provides that the design and location of the memorial be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission.

Section 3 provides that the bell and memorial be erected at no expense to the United States, except that maintenance shall be provided by the Secretary of the Interior.

Section 4 would terminate the authority to erect the tower contained in section 1, 3 years following the date of enactment of this resolution, unless plans have been approvided by the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission, and the Secretary determined that sufficient funds are available to assure completion of the memorial, at no expense to the United States.

COMMITTEE AMENDMENTS

As introduced, this resolution would have authorized the erection of this Memorial Bell Tower on the Grounds of the U.S. Capitol. The committee solicited the views of the Architect of the Capitol (see below). The architect pointed out the special character of the Capitol grounds, and recommended against such a precedent. In view of this opinion and those of committee members, the committee agreed to authorize location of the bell tower elsewhere in the District of Columbia. The Secretary of the Interior is the proper official to decide if such an appropriate site exists and where.

The committee also deleted section 5 of the resolution, as introduced. Under discretionary authority granted in the Coinage Act of 1965, the Secretary of the Treasury issued an order, effective April 18, 1974, to prohibit the melting, treating, or exporting of 1-cent coins. Section 5 would have authorized the melting of an estimated 350,000 pennies, donated by the children of America. This coinage would then be the material from which the bell would be cast. The current coin shortage and the rapid rise in copper prices appear to require the deletion of such authority to melt down pennies.

SHIPMENT AND TRAVEL ALLOWANCES TO MEMBERS OF UNIFORMED SERVICES

The bill (H.R. 16006) to amend sec. 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces and to amend ch. 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–1337), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Purpose of the Bill

The purpose of the bill is to:

(1) permit the Services to utilize surface transportation in combination with water transportation for the movement of privately owned vehicles;

(2) extend the transportation and travel entitlements of Section 554 of title 37, U.S. Code, to military personnel who are ill in addition to those who are dead, injured or missing:

(3) permit the Department of Defense to pay for the reshipment of privately owned vehicles mistakenly shipped to the wrong destination.

Provisions of the Bill

The bill authorizes the services to utilize surface transportation in combination with water transportation for moving privately owned vehicles of servicemen if the cost of this combination would not exceed the cost of direct water transportation between customary ports of embarkation and debarkation, and if the major portion of the distance in such combined transportation is on American-flag vessels. Current law (section 2634 of title 10, United States Code) provides that the shipment of the vehicles of servicemen, who execute a permanent change of station, can be accomplished at government expense only (1) on a vessel owned, leased or chartered by the United States, (2) by privately-owned American shipping services; or (3) by foreign-flag shipping services if American-flag services are not reasonably available.

For the purposes of this legislation, a "customary port" is considered to be one which is closest or most convenient to the member's duty station from or to which ocean transportation, either breakbulk or container, is available.

The bill also provides authority for the reshipment or transshipment of privately owned vehicles when an error in shipping has occurred, or when orders involving the permanent change of station have been canceled, revoked, or modified after receipt by the serviceman.

In addition, the bill extends the travel and transportation entitlements of section 554, title 37 U.S. Code to military personnel who are ill. Currently, such entitlements are available only to military personnel who are dead, injured or missing. This clears up an oversight in the law.

AUTHORITY TO USE SURFACE TRANSPORTATION UNDER BILL

Section 1 of the bill permits the services to recognize and benefit by recent innovations in maritime shipment techniques known as containerization. This process, which is used widely, provides for the cargo to be loaded into protective containers at the point of origin, then moved by any one of several different modes of transportation in combination with the sea portion of the journey. Presently, the military services may not contract with the carriers who utilize this process as it involves a degree of non-maritime movement, which cannot be paid for by the government under current law. It is intended that this additional authority will allow the services to benefit through increased competition and the resulting lowered rates, improved services and increased incentive for efficient services. This benefit will accrue without causing any additional cost in the movement of these vehicles, as well as avoiding any adverse impact on the U.S. maritime industry from this use of alternative modes of transportation by restricting the use of this authority to combinations of transportation involving American-flag services.

PAYMENT BY GOVERNMENT FOR MISTAKEN SHIPMENT OF PRIVATELY OWNED VEHICLES

Section 2 of the bill is meant to terminate a highly inequitable situation which occasionally arises in the movement of private vehicles owned by service men and women upon their permanent change of station. In the movement of these vehicles, situations occur in which the vehicle is simply shipped to an incorrect destination, or else shipped to a destination in accord with a serviceman's initial orders, which are thereafter canceled, revoked, or modified. When such an occasion arises, the Comptroller General (in Decision B–156892; March 4, 1966; 45 Comp. Gen. 544, 547) has determined that the present authority contained in section 2634 of title 10 does not allow this stranded vehicle to be reshipped or transshipped at government expense. Therefore, the serviceman himself must pay the cost of this reshipment or transshipment, although the problem was not of his own making. The frequency of such circumstances is just under 60 a year on the average. Section 2 of the bill specifically authorizes the reshipment and transshipment of these vehicles on such occasions.

ELIGIBILITY OF ILL PERSONNEL FOR CERTAIN TRAVEL ENTITLEMENTS

Section 3 and Section 4 of the bill provide the transportation and travel entitlements in section 554 of title 37, United States Code, to those military personnel who are incapacitated by illness on or after January 1, 1974. At present, these entitlements are available only to military personnel who are dead, injured, or absent for a period of more than 29 days in a missing status.

A recent Comptroller General opinion (Decision B–14571, 49 Comp. Gen. 101 (1969)) ruled that the present language in the law would not include those military personnel who have contracted an illness, even though it requires prolonged hospitalization and results in a similar degree of incapacitation as for those who are injured. This legislation, which is retroactive to January 1, 1974, rectifies this anomaly.

FISCAL DATA

H.R. 16006 requires no increase in Department of Defense budgetary requirements for this fiscal year or ensuing years. Financing would be absorbed within existing available resources. Section 1 of the bill will not result in any increased costs. The estimated cost of Section 2 is approximately $50,000 per year. The Department of Defense was unable to provide precise cost figures for sections 3 and 4 of the bill. These sections, however, will require no increase in the Department's budgetary requirements.

REDUCTIONS IN PAY RESULTING FROM EXECUTIVE ORDER 11777

The bill (H.R. 15067) to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777, was considered, ordered to a third reading, read the third time, and passed.

AWARD OF PURPLE HEART

The concurrent resolution (S. Con. Res. 44) relating to the awarding of the Purple Heart to members of the Armed Forces interred in the Tomb of the Unknowns at Arlington National Cemetery was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretaries of the military departments concerned should award the Purple Heart posthumously to the members of the Armed Forces of the United States interred in the Tomb of the Unknowns at Arlington National Cemetery, Virginia.

INCREASE THE NUMBER OF DEPUTY CHIEFS OF STAFF FOR THE ARMY STAFF

The bill (H.R. 14349) to amend sec. 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army Staff, was considered, ordered to a third reading, read the third time, and passed.

REIMBURSEMENT OF MEMORIAL SERVICE EXPENSES

The Senate proceeded to consider the bill (H.R. 12860) to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the Armed Forces whose remains are not recovered, which had been reported from the Committee on Armed Services with an amendment on page 2, line 5, to strike out "United States Code (The Missing Persons Act)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ADDITIONAL STATEMENTS

RETIREMENT OF J. FRED THOMPSON

Mr. DOMENICI. Mr. President, I rise today to commemorate the imminent retirement from the newspaper business of the Honorable J. Fred Thompson of Portales, N. Mex. I use the term, "honorable," because J. Fred is not only a newspaperman of the first order, but because he is now serving his second term as probate judge in his home county of Roosevelt County, N. Mex.

His is a remarkable story, one that if repeated by today's generation might lead to a better understanding of the world and people in it. J. Fred Thompson did not start off as a newspaperman, although his father was one in J. Fred's native city of Pueblo, Colo. J. Fred Thompson started out as a salesman for Aladdin Lamps, journeying throughout the Southwest on his sales trips.

He moved on to Nebraska after the magic went out of Aladdin Lamps. Nebraska saw J. Fred operate a hotel-restaurant and eventually rise to mayor of a small town in the Cornhusker State. J. Fred ultimately became public relations man for the wheatgrowers. In all of his jobs, J. Fred Thompson worked with people of different backgrounds and different beliefs. He learned a great deal about the diversity in the American grain that has made this Nation unique.

In 1966, J. Fred moved to Portales on the east side of New Mexico. Portales already had a fine newspaper, headed by Gordon Greaves, one of the most respected editors in the Southwest. But, J. Fred's unusual background, his wide experience with people, enabled him to bring another asset to the Portales News-Tribune. Soon, his "Reflections of a Displaced Nebraskan" column gained widespread public acceptance. His humor, his warmth, his ability to always see the kernel hidden among the chaff, and his absolute integrity make his column the highlight of the day for the paper's readers.

Along the way, J. Fred has learned to cook and dress fit to kill. He has not lost his political ability either—he ran for probate judge in Roosevelt County a few years back on the platform of "abolishing the office." He was elected. He ran for re-election—apparently on the same platform, J. Fred himself might write in his wry way—and won again. The office still has not been abolished, but that is probably because J. Fred has brought a new dimension to it.

It has not all been gravy for our displaced Nebraskan. During maneuvers of a National Guard unit in the State once, he fell off a tank and broke an expensive camera. It was the kind of event he has always celebrated in his humorous columns.

I will always remember one interview J. Fred did with one of my children during the height of one of my campaigns. It captured in just the right way the hardships of the campaign on one's family, but the excitement of it, too. It was typically perceptive, typically J. Fred Thompson.

Today I wish to salute this remarkable newsman as he heads for retirement from the newspaper business. Mr. President, I ask unanimous consent that two of J. Fred Thompson's columns from the Portales News-Tribune be printed in the Record.

Retirement, I know, will not mean an end to J. Fred Thompson's ability to draw a smile from the soberest of people, nor his warm understanding of people. He has been, and always will be, a credit to his profession and a vital positive force in his community.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Reflections of a Displaced Nebraskan

(By J. Fred Thompson)

Richard Nixon and I have something in common, aside from the fact that we both claim to be members of the Republican party, and neither of us knows for sure whether or not we are in good standing, dues paid and the secret handshake unchanged. We both have recently moved.

Although different circumstances compelled us to change our place of residence, we share many things in common in making this change of address. But there are differences, and similarities.

I moved in a borrowed pickup. Richard moved in a borrowed helicopter. He left a bigger house for a smaller one, with not quite as good a street address. I, too, moved into smaller quarters, and, like Nixon, I now live on the other side of the tracks.

Nixon stole the headlines of every newspaper in the country, I, too, got written up—in the credit bureau report.

And just as Nixon said in his farewell remarks, "There are bigger houses than this." I, too, must echo his words. There are bigger houses than the one I left. Nixon thanked his staff, when he left. The neighbors thanked me, when I left.

I don't have any way of knowing what the neighbors out in San Clemente are thinking or saying, but I know the day I moved into my new house I went over next door to get acquainted and borrow a cup of sugar and the guy was moving out. I tried to speak to him but all he would do was mumble something about "there goes the neighborhood."

I suppose the Nixons are getting the same treatment.

I am afraid that Nixon has a little better financial arrangement than I have, although I still have my job and Nixon is presently unemployed. But, I always say, money isn't everything—it's just a whale of a lot better than the next best thing.

Nixon, I guess, is the first president ever to resign. I am not going to resign for the simple reason that I would not be the first reporter ever to resign from the News-Tribune staff. And if I can't be the first, I am sure not going to quit just because Nixon did. After all that is riding coat-tails a little too far, and in the wrong direction.

Besides that, I have an idea that if Mrs. Nixon watches the want ad columns for the "help wanted" ads she can pick up a job for her husband without too much sweat. There must be something he can do.

But, enough of this chit-chat. Let me tell you about my new digs.

I have an ant hill in my back yard that came with the property that would make the Saint Louis zoo keepers jealous. This thing is not really an ant hill, that is an old expression that I just made up. This is a cliff dwelling.

The ants are about the size of a half-grown Boston bulldog, but more ferocious. They have signs posted around their property warning people to stay out. Everything is posted. No hunting. No fishing. No trespassing. They won't even let the mailman deliver mail. They will eat anything, and are especially fond of people.

I bought some stuff that said it was good for ants. It is. They are getting fatter and bigger all the time.

Like Nixon, I did get a little emotional when I moved out of the old house. It was the electric dishwasher that caused my unchecked flow of tears. Oh, how I hated to leave it.

I am now back to the dishrag and drainer method, and I am being very careful with my use of dishes. I can make a coffee cup last three meals, with careful and prompt rinsing, and I have only used one teaspoon this week.

I have a dandy stove and if I ever learn how to light it, I am going to quit shredded wheat and go to more sophisticated food. The house was recently remodeled, and I only wish I could get the same kind of a job done on me.

I didn't have any trouble with the utility people. I just changed my name and they all come right out and hooked up the water, lights, gas and telephone. They all said that I don't have a bad paying record. In fact they said I didn't have any record at all. No wonder. You should hear the name I gave them. The only trouble is, now I have to wait for the utility bills to come in so that I can learn how to spell my name.

Well, y'all come see me some time, you hear? Where? Hah! That's for me to know and you to find out. Besides I am seldom at home and you probably wouldn't catch me there anyhow. There is a back door.

DISPLACED NEBRASKAN

(By J. Fred Thompson)

This week's column will deal with bits and pieces of useless information that I have picked up here and there, knowledge that will never make you rich nor famous, but if any of it makes you smile—that's a brownie point for our side.

Aluminum beverage cans are now being returned for re-cycling at the rate of a billion-and-a-half a year, and that is a lot of suds. That is even more than I drink.

They tell an old story about a guy saying to W. C. Fields that he drank a pint of liquor a day. Fields snorted, "Heck! I spill more than that."

In Estonia they believe that if two women sneeze together they will have girls; if two men sneeze at the same time the kids will be boys. We are waiting for word from our man in Estonia to see what will happen if nobody sneezes, or if everybody sneezes.

In 1886, Steven Brodie jumped off the Brooklyn Bridge to win $200. For years to "do a Brodie, or a Steve Brodie" meant to take a dive or a fall. Incidentally, Brodie put on a pair of dry pants, went back up on the bridge and sold it three times to suckers that same afternoon for $100 cash each time. (At least that is what I heard.)

In Sumatra, tin, ivory and other materials may not be carried into a gold mine for fear the gold spirit will leave. Here in America we have the same rules at Fort Knox. You don't believe me? Try it sometime!

Legend has it that Roger Bacon had a head of brass in his home that could speak and even would prophesy. You couldn't blame Roger for having this piece of statuary, he was always trying to get ahead. Incidentally, Roger Bacon was an English scholastic philosopher and scientist; a Franciscan; and was called the Admirable Doctor. He didn't really take the head seriously, but it took a lot of brass just to own such a thing.

Some Scots believe that people who are born on Halloween have the gift of second-sight. Others think they have the gift of hindsight, and still others think they are just plain punkin-heads.

In Tahiti, it was once believed that if a centipede crawled over a sick person he would be cured. The centipede or the sick person?

In the 14th Century, rhinoceros horn shavings were considered a good cure for epilepsy. Some people just had a fit when they heard this nonsense.

Medieval legend talks of a monster who had no head, the eyes and mouth being placed elsewhere. Part of the fun of monster-catching in those days was to try and figure out where its eyes and mouth were.

In Morocco, it was thought that stale bread would cure stuttering. I've eaten a ton of the stuff and it just doesn't w-w-w-w-ork. Later I found out that you were just supposed to fill your mouth with it, and since your mouth would be full and you couldn't talk, it did stop stuttering.

The Romans believed that if one of their leaders drove a nail into the Capitol on Sept. 15, a pestilence could be stopped or averted. They only had two problems. Nails hadn't been invented yet, and the columns of the Capitol were stone, making it hard to drive a nail into one of them, unless it was a fingernail.

In India, ginseng roots are supposed to cure malaria, and American Indians thought that ginseng roots were good for stomachache. Sort of gets to the root of the trouble, huh? Neither use is approved by the members of the American Medical Association, according to a recent poll. The poll did show that 25,000 doctors quit smoking cigarettes, with only 24,000 returning to the habit.

Many people once prescribed horseradish as a cure for toothache. It really didn't cure toothache, but a mouthful of this liquid fire would make you forget your toothache, usually until the tooth dropped out. Or your breathing returned to normal.

Archery is the oldest sport known to man that can be discussed openly in a family newspaper. It pre-dates the wheel and axis. When some Redskin planted an arrow between the shoulders of a sneaky white-eyed settler, the settler failed to appreciate the sport, or its great antiquity. The only time it really hurt was when he laughed, so that was some comfort.

This seems to be about the nut crop for this issue. In the event that you find any of this hard to believe, don't blame me. I am on your side.

H.R. 5773, TO ESTABLISH THE CANAVERAL NATIONAL SEASHORE

Mr. MOSS. Mr. President, I support the basic objectives of the bill, H.R. 5773, which the Senate passed yesterday, to establish the Canaveral National Seashore that is designed to preserve the environment and to provide for recreational use of selected areas by the general public.

This bill would designate approximately 67,500 acres of Atlantic Ocean coastal real estate in central Florida as the Canaveral National Seashore and would include, among other parcels, some 41,000 acres previously acquired by or dedicated to the Government to support spacecraft launch activities of the National Aeronautics and Space Administration. Approximately 1,000 acres of the real estate in the custody of NASA would be transferred immediately to the National Park Service for use as a site for the to-be-constructed Spessard L. Holland Visitor Center. The remaining NASA acreage included within the Seashore boundary, about 40,000 acres, would remain under the control of the Administrator of NASA unless portions were to be declared excess by him in which event they would be transferred to the Secretary of the Interior.

In this connection, I believe it is important to note that essentially all of the real estate now controlled by NASA and falling within the Seashore boundary, as well as other areas of the Kennedy Space Center, has been a wildlife refuge in accordance with a 1963 written agreement between NASA and the Department of the Interior. This interagency agreement provides that all activities in the refuge areas will be conducted on a noninterference basis with the space program. H.R. 5773 would in essence continue this arrangement.

In the early 1960's, the Government acquired strategically located real estate in the central Florida area, now identified as the John F. Kennedy Space Center, to support the Nation's emerging space program. This Center has been the launch base for the establishment of U.S. supremacy in space flight, a goal achieved with the Apollo program. Over the years the Nation has invested more than $923 million in facilities at the Kennedy Space Center, not including additions now approved for construction. This investment is now committed to support the launch and landing operations of the space shuttle, the key element of an efficient, economical, flexible, and reuseable system to exploit our knowledge of and to maintain our leadership in space.

The original real estate acquisition for NASA for the Kennedy Space Center was based not only upon considerations such as public safety which requires buffer zones, but also upon the fact that we did not know, and still do not know, the potential of space and, therefore, the extent of future requirements for launch and landing operations. At this point in time, it is my judgment that the original real estate acquisitions were sensibly undertaken and that those areas not actively utilized for current activities have been administered in the public interest through the aforementioned agreement with the Fish and Wildlife Service of the Department of the Interior.

As I stated, I support the objectives of this bill and I think it is most fitting that the proposed visitor center be named after the late great Senator from the State of Florida, Spessard L. Holland. Certainly he was one of our foremost advocates of a strong national space program. However, against the background of the establishment of the Kennedy Space Center, its designated role as the prime shuttle launch and landing base supporting the next generation of space launch vehicles and the fact that we are not able to predict our needs over the long run, I believe I should voice a concern about the implication that arises from including a large portion of the NASA controlled real estate within the seashore boundary. This concern emanates from the impression one gains from reading the proposed legislation that NASA space launch and landing operations will not have any real impact on activities that may be sponsored by the National Park Service in the seashore—or at most a minimal impact. I suggest that we should not be misled and that we should not mislead others—we, at this time, just do not know what maintaining an effective space program may require. Accordingly, it may be necessary for the Administrator of NASA to exercise the prerogative reserved to him in section 5 of this bill to request the closing of facilities—including the proposed visitor center and State Road 402—or curtailment of activities on current NASA real estate incorporated within the seashore more frequently than one may recognize from a casual reading of this legislation. I hope this will not occur; nevertheless I believe it is only appropriate that we avoid any surprises as our program moves ahead.

In summary, Mr. President, I support this bill as I support many other measures directed toward environmental protection and resource conservation. I do think we should recognize that in this instance there is possibly a slight inconsistency between two very important Government objectives. It appears that both can be accommodated; nevertheless, in the event of a conflict at some time in the future because of activities which we are unable today to predict or foresee, I think we must remember that the Government did establish, and continues to recognize in this bill, the priority needs of NASA. Therefore, in such event, this priority should be recognized as one of long standing and not identified at some later date as an encroachment by NASA on other activities also endorsed by the Government.

PRAISE FOR THE AMERICAN FARMER

Mr. PERCY. Mr. President, the problems of food availability and food prices have been much in the news in recent months. Famine is endemic in many parts of the world and even in those areas not suffering from famine, food prices have increased considerably.

But these problems would have been far worse had it not been for the American farmer. Under the most incredible adverse circumstances in 1974 the American farmer still managed to produce crops, which although below hoped-for levels, are the envy of all other countries in the world. In spite of adverse weather conditions, the threat of export controls, rising costs and price fluctuations, American farmers did their maximum to produce. If American farmers can do this well in such a tough management year, then with any break at all on the weather in 1975 we should have bumper crops.

But to continue the outstanding record of American agriculture, government must continue to encourage farmers to produce. The last two years has seen a great deal of encouragement through the market system. Farmers have responded to monetary incentives and growing markets overseas. New young farmers are coming into agriculture.

In Illinois, farm organizations are quite encouraged by the inflow of young men and women into agriculture—based both on the prospects of earning a decent living and a natural desire to get back to the soil and closer to nature.

We in Government must not take actions to discourage this trend. We must pass trade legislation to insure good markets overseas for U.S. agricultural products. We must not impose export controls or even the threat of them which discourage farm production and which also lower prices.

If we do not discourage the American farmer through Government disincentives, I think the future is bright for American agriculture and indeed American agriculture is the only hope for ourselves and many peoples throughout the world of freedom from hunger.

THE "BEEF-IN"

Mr. McGOVERN. Mr. President, yesterday on the Mall, right outside the window of the Secretary of Agriculture's office, several hundred livestock producers and consumers gathered with 50 head of cattle to tell their Government a few facts.

The facts are simply these: Farmers and ranchers who raise livestock, pork, and poultry and produce milk and dairy products are losing heavily, while consumers are not seeing lower farm prices reflected in their retail stores.

The message of the "beef-in," sponsored by the Meat Promoters of South Dakota and Montana with the Consumer Federation of America, is of the increasingly serious nature of the economic crisis in our meat and dairy producing sector.

It was my pleasure to address the group, and to express my concern that not enough of us in the Government realize fully that the depression in livestock, dairy, and poultry prices is a grave threat to our Nation and our world.

If our Government continues to minimize the risks to the livestock industry, it gravely risks the health of our domestic economy and our hopes for stability and peace throughout the world.

So these must be our priorities:

We must not allow farmers and ranchers to be broken by high-input costs while big oil profiteers go unchecked.

We must not permit half a billion people to die for lack of food while meat and dairy prices continue to deflate for the producer and inflate for the consumer.

Our food situation is a powder keg. The administration appears content to back away even further. We are at or near a turning point for American agriculture. We can leave our farmers and ranchers at the mercy of a "market-oriented" agriculture which will crush them more often than it rewards them. Or we can take action which will restore stability. The only choice, it appears to me, is to seek stable prices that are fair to all.

The ways to do this are not hard to find. Chairman TALMADGE has assigned the highest priority to revision of the farm program when the Senate Agriculture Committee reconvenes early next year. We must use that opportunity to develop long-range solutions—increased price protection, development of a food reserve carefully separated from the commercial market, and improvements in our domestic and foreign food assistance and market development programs.

But bankruptcy courts will not wait for the thoughtful deliberations of Congress. We must act now on emergency measures. One is the bill which I have introduced, with seven cosponsors, to provide for the purchase of $1 to $2 billion in meat, to be donated through existing programs. This bill would remove from the market a significant part of the estimated 4 to 6 million head of surplus beef animals and, properly administered, an adequate share of the oversupply of pork, dairy, and poultry produce. It would likewise make high protein food available to those in need—at least a partial solution to the paradox of poverty at both ends of the protein food chain.

Mr. President, I ask unanimous consent to have printed in the RECORD a press release which describes the "beef-in," a copy of the program of today's events, and the statements of Carol Tucker Foreman of Consumer Federation of America and Bob Samuelson of the Meat Promoters of South Dakota.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CATTLEMEN-CONSUMERS CULMINATE 2,000-MILE "BEEF-IN" WITH D.C. RALLY

On Thursday, December 12, a truckload of 50 steers and a caravan of hundreds of cattlemen and consumers will arrive in Washington, D.C. at the end of a 2,000-mile journey from Bison, South Dakota.

Under the joint sponsorship of Consumer Federation of America and the Meat Promoters of South Dakota and Montana, the "Beef-In" is being held to educate the public about the gap between the low prices cattlemen are getting for meat and the high prices consumers are paying. The question we are posing is, "Who's getting fat, the middlemen or the steers?"

The "Beef-In" will culminate at a rally and press conference on the Mall at the Washington Monument at 12:00 noon on Thursday, December 12. Speakers will include Senators George McGovern and James Abourezk, Representatives Peter Peyser (R–NY), James Abdnor (R–SD), and Frank Denholm (D–SD), Carol Tucker Foreman, Executive Director of Consumer Federation of America and Bob Samuelson, Vice President of the Meat Promoters of South Dakota.

At the rally, a uniform package of ten feeder steers will be offered to Secretary of Agriculture Earl Butz so that he may run a feeding test and publish the results of cost vs. market value. At the same time, another ten steers will be given for a university-run feedlot to provide a public yardstick of costs.

The balance of the shipment will be given to the D.C. Department of Human Resources and Project, a group of Catholic, Protestant and Jewish Charities, for distribution as Christmas dinner to approximately 500 deserving families in the area. Mayor Walter Washington has been invited to accept the meat on behalf of the District's needy.

The steers will be slaughtered through the generosity of J. W. Treuth and Sons, Inc., of Baltimore, Maryland, and cut into consumer portions by local members of the Amalgamated Meatcutters and Butcher Workmen's Union at the Esskay Meat Packing Company of Baltimore. Each package will contain 10 pounds of meat, including roast, stew meat, and ground beef.

The "Beef-In" is one of the few positive things that have come out of the crisis situation in the animal protein industry. Instead of slaughtering baby calves, chickens and turkeys, the Meat Promoters of South Dakota and Montana and Consumer Federation of America decided to join together for an educational voyage across America to alert consumers to what the problems are and what actions to suggest to correct them.

This is part of a continuing program by CFA to emphasize that small farmers and consumers are faced with similar problems. Many of these problems will be emphasized in detail at CFA's Consumer Assembly, January 30-31, 1975, in Washington, D.C. CFA has invited farm leaders to join with consumer leaders in an attempt to examine and act on areas of mutual concern.

"BEEF-IN" FACT SHEET

DECEMBER 11, 1974

Forty-seven steers are currently relaxing and taking a bath at 12811 Clopper Road, Germantown, Maryland. The caravan participants are staying at the Washingtonian Motor Inn, Gaithersburg, Maryland.

DECEMBER 12, 1974

6:00 a.m.—Caravan (cattle truck, bus, pickups, cars) leaves Gaithersburg, Maryland, travels 70–S to Beltway South.

6:30 a.m.—Police escort meets caravan at entrance to George Washington Parkway, travels over 14th Street Bridge to Mall.

7:00 a.m.—Arrive at Mall. Cattle will be penned between 13th and 14th Street between Adams and Jefferson Drive (map enclosed).

7:30 a.m.—Unload cattle. (Cattle will be penned on Mall until 6:00 p.m.).

12:00 noon—Program:

Carol Tucker Foreman, Executive Director of Consumer Federation of America.

Bob Samuelson, Vice President of the Meat Promoters of South Dakota.

Presentation of Meat by Carol Tucker Foreman and Ann Brown, D.C. Consumer Affairs Committee to Mayor Walter Washington and representatives of "Project":

Rabbi Richard Sternberger.

Father John Mudd.

Rev. John F. Steinbrook.

Senator George McGovern (D-S.D.).

Senator James Abourezk (D-S.D.).

Rep. Peter Peyser (R-N.Y.).

Rep. James Abdnor (R-S.D.).

Rep. Frank Denholm (D-S.D.).

Representative of Amalgamated Meatcutters and Butcher Workmen of Baltimore.

Representative of Esskay Meat Packing Company, Baltimore, Maryland.

STATEMENT OF MEAT PROMOTERS OF SOUTH DAKOTA AND MONTANA AT BEEF-IN NEWS CONFERENCE, THURSDAY, DECEMBER 12, 1974

(Presented by Bob Samuelson of Faith, S.D., Vice President, Meat Promoters of South Dakota)

It's a long, long way from Bison, South Dakota, to Washington, D.C. It has required a great deal of work and sacrifice on the part of many, many people. We owe a debt of gratitude to ranchers and businessmen in South Dakota and Montana whose financial aid made this trip possible. We are also deeply indebted to the leadership and staff of the Consumer Federation of America for this assistance and, of course, to our own Leroy Schecher, Manager of Grand Electric Cooperative at Bison, and his wonderful staff.

The Meat Promoters of South Dakota came into existence on April 9, 1974, because the livestock industry was in serious financial difficulties. Since then, we have also seen the Meat Promoters of Montana organized, and they join us in this venture.

Together, we present the Secretary of Agriculture Earl Butz with the following requests.

1. The meat industry must be investigated from the farm to the supermarket to find out why the cost-price spread is so large.

2. The government must buy more meat for school lunch programs, for the armed forces, and for good programs for the needy.

3. We want a grading system based on what the consumer wants.

4. Our meat sales to foreign countries must be stepped up so their nutritional levels can be raised too.

5. We want a Meat Stamp Program for the poor, and we want the program financed by a duty on imported meats.

6. Imported meats must be stamped as such so the consumer knows what he's buying, and the same inspection requirements must be enforced as on domestic meats.

7. We want a reasonable price for our products so we can stay in business.

Much has been eloquently presented here concerning the significance of this day for producers and consumers. I stand in awe before the tremendous potential that a working relationship between producers and consumers presents.

However, let us enter into this new relationship with an open mind and an honest heart because we have old wounds to heal. Historically, by accident or by design, the producer and the consumer have been pitted against one another to the detriment of both. The consumer has been led to believe that the rancher has been getting rich charging exorbitant prices for his product, while the rancher has been told the consumer's only interest is in forcing down the price the rancher receives for his product.

Let us begin with the realization that the economic well-being of both consumer and producer are very closely related. For instance, if the present ratio between cost of production and income from sale of product continues, the family-type farm as we know it today will be forced out of business. If we lose the efficiency of the family farm, and the production of food and fiber in this country passes into fewer, more powerful economic hands, this loss of efficiency plus a monopolistic pricing structure could conceivably raise the consumer's food bill dramatically.

This means that there is less money left after food purchases to buy automobiles, refrigerators, television sets and all the other items whose manufacture provides the jobs so essential for the economic growth of this Nation. So in a very real sense, the economic strength of the family farm is very closely related to the economic well-being of the Nation.

Annually, farm operator families spend about 64 billion for the goods and services necessary to produce crops and livestock. In addition, we spend another 15.5 billion for the same things that city people buy. We are indeed "big spenders", but when we don't have it to spend, we cannot buy the products our factories produce. As a consequence, city people are out of work, and the whole economy suffers. So stability in the market place for both consumer and producer is a worthy goal.

Critics claim the difference between us is too great—that the goal is too lofty. However, scoffers ridiculed the Wright Brothers' concept of flight for man; they scoffed at the infant auto industry; they said man would never walk on the moon in the 1960's. But these are all accomplished facts because those involved were determined to achieve the goal they had set.

As producers, we realize we will not be able to support every position taken by Consumer Federation of America, and by the same token, we know CFA will be unable to support us on every issue. However, we feel a considerable area of agreement does exist between us, and that as we work together in that area of agreement, the areas of disagreement will diminish.

This, then, is the challenge the Meat Promoters of South Dakota and Montana would lay before us all. If we fail to accept it, if we fail to reason together in good faith, a way of life for thousands of rural Americans may very well go out of existence, and the lifestyle of all Americans will be seriously altered.

STATEMENT OF CAROL TUCKER FOREMAN, EXECUTIVE DIRECTOR, CONSUMER FEDERATION OF AMERICA

I am Carol Tucker Foreman, Executive Director of Consumer Federation of America, the nation's largest consumer organization. We are co-sponsors with the Meat Promoters of South Dakota and Montana of today's "Beef-In" which is an attempt to dramatize the common plight of cattlemen and consumers. With meat prices at all time highs in the supermarket, we're both going broke. Cattlemen can't afford to raise beef; consumers can't afford to buy it. Middlemen are getting rich.

Just about 140 years ago President Andrew Jackson said, "It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes . . . when the laws undertake to make the rich richer and the potent more powerful, the humble members of society have a right to complain of the injustice of their government." For the first time in many years, the humble members of society—the farmers and the consumers—have joined together to complain of the injustice of our government in not taking strong action to stop the rich and powerful food middlemen from running off with exorbitant profits, while most Americans struggle to stay even.

Members of Consumer Federation and the Meat Producers of South Dakota have come 2,000 miles from Bison, South Dakota to Washington, D.C. to ask our government to investigate:

Why, with meat prices at the farm level on a downward trend from September 1973 through July 1974, meat prices in the stores stayed up.

Why the farm-retail spread for this year is increasing 21%, the largest increase ever.

Why the largest meat processors are showing profit increases of 36%.

Why retail food profits are up about 48% after taxes.

Large corporations have increasingly been gaining control of the things we need to live everyday. The most blatant example of their power came during last year's energy crisis and now the same thing is happening in the food industry. In most food lines, such as cereal, canned goods, breads and meat, four large corporations control way over 50% of the market and make over 50% of the profits. This constitutes shared monopoly and these corporations act just like monopolies, with shared goals and strategies.

They are so powerful that they can begin to control supplies and set prices. It appears that they can lower prices in order to drive out small independent competitiors and thus gain more control over the market. Then they are able to raise their prices to consumers even further. Examples of overconcetration are seen in farm machinery, petrochemicals, fertilizers and other supplies needed on the farm. You can also see it in the supermarket industry. Reduction of concentration would save consumers billions of dollars.

Another major problem facing farmers and consumers is that of increasing vertical integration. It has happened in canned fruits and vegetables, where large corporations such as Del Monte not only pack the food, but grow it, label it and transport it. Now it is happening in the meat industry. Right now, Ralston Purina, the firm that integrated poultry production in the 1960's leaving thousands of chicken producers totally devastated is now engaged in hog integration. According to the *Des Moines Register*, Ralston Purina and Swift and Co. have done a feasibility study to plan the construction of a massive integrated hog factory with a million or more hogs on some 5,000 acres with production, slaughter, packaging and marketing all on the same site. You can be sure our food will not come to us more cheaply as a result.

We ask our government to act on the following consumer requests:

1. Reexamine all data that comes into the Department of Agriculture through the Agricultural Marketing Service, the Economic Research Service, the Statistical Reporting Service to determine if there is evidence of price fixing and other anti-competitive practices. If the data so indicates it should be turned over to the Department of Justice and the Federal Trade Commission for action.

2. Undertake a public information program to notify consumers when meat is down on the hoof so they can look for corresponding changes in the supermarket. The Department monitors farm prices for cattle. When they fall the Secretary should use public service radio and television time and purchase newspaper ads to notify consumers that wholesale prices have fallen or risen and changes in supermarket prices should be occurring.

3. Design a meat grading system based on consumer needs for nutritional information. They should immediately commission a scientific study to determine the best way of doing this.

4. Encourage the development of consumer-producer cooperatives. Grants should be made available to people who are trying to start direct buying cooperatives. This would eliminate middlemen and save consumers as much as 60 cents on their food dollar.

5. Provide producer and consumer representation in all policy decisions affecting the meat industry.

6. Prohibit vertical integration of the meat industry under the Packer and Stockyard Authority Act, and prohibit meat packers and processors from raising their own livestock.

For far too long, consumers and farmers have been played off against each other. The Department of Agriculture has not really listened to either of us. Secretary Butz, the so-called friend of the farmer has had time in the last year to travel around the country to address the Pacific Northwest Restaurant Convention, the International Food Service Manufacturers Association, the National Confectioners Association, the Advertising Council, the American Bakers Association and the Farm and Industrial Equipment Institute, but somehow he couldn't find the time to come out his own back door and speak to his own people here on the Mall.

By joining forces whenever and wherever possible, by listening to one another and trying to work out solutions for a common good, we believe farmers and consumers can make a voice loud enough to be heard and heeded. We believe the time has come for farmers and consumers to listen to one another, to try to seek solutions to our common problem of powerlessness, to join forces wherever and whenever possible. We think together our voice and *votes* will be strong enough to be heard and heeded.

SENATOR ALLEN'S PROPOSAL FOR REGULATORY AGENCIES REFORM

Mr. ERVIN. Mr. President, I am quite certain that most Members of the Congress would likely be most reluctant to admit that the legislative branch of the Federal Government has done a woefully inadequate job of exercising responsible oversight of the various Federal regulatory agencies, but the simple fact of the matter is that this is a painful truth. As a result, we have witnessed the growth of a giant Federal bureaucracy which has not only become too big and cumbersome in so many instances but also counterproductive to the economic well-being of our Nation. A day seldom passes when we do not learn of another instance where some Federal bureau has taken it upon itself to interfere with and intrude upon fields well beyond the authority vested in the bureau by some enabling statute; fields which are intimately related to the most sensitive phases of our society, economy, and governmental operations.

Recently the distinguished Senator from Alabama (Mr. Allen) introduced legislation to establish a National Commission on Regulatory Reform, which would look beyond the veil of Federal agency press releases and would run a cost-benefit study on major regulatory activities. Upon the completion of its review and evaluation on the activities of government regulation at the Federal level, the Commission would submit to the Congress its recommendations for legislative actions to reform the Federal regulatory process.

Mr. President, in the December 9, 1974, issue of one of the State of Alabama's most distinguished newspapers, the Decatur Daily, there appeared a lead editorial concerning the measure introduced by Senator Allen to establish a National Commission on Regulatory Reform. The editorial is most thought-provoking and I commend it to the Senate.

I ask unanimous consent to have the editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Senator Allen Has Better Idea on Consumer Group

Several months ago, efforts to establish a Consumer Protection Agency were successfully countered by Sen. James Allen of Alabama, among others. The reasons for this successful minority opposition are many, but some may need to be recalled.

The agency, as proposed at the time, would have established what would have amounted to nothing more than another bulky bureaucratic arm of government. In theory, the agency would have kept an eye on the federal agencies that are supposed to be helping the consumer anyway. It would have been sort of like hiring a second policeman to keep a gun pointed at the first policeman to be certain the first policeman maintained the law.

Clearly that's no answer to consumer problems before regulatory agencies. If we find a bad policeman, we get rid of him, and hire an honest one. And that's the same approach that must be taken with regulatory agencies. If these existing agencies are not doing their job, those responsible must be replaced and it doesn't require a permanent, independent agency to do it. That's why Sen. Allen and friends were able to defeat the Consumer Protection Agency bill.

But it's not like Sen. Allen to rip apart an obvious unworkable solution to a problem without substituting it with a solution that is workable. He has done that with the introduction of a bill that would establish a national commission—not a permanent bureaucratic agency—to find out where the problems exist in existing regulatory agencies and bring them to the attention of Congress.

The result would be reformation of these agencies to the extent that they once again—if they ever did—serve the interests of the majority of the people of the United States.

Here are some points in Sen. Allen's bill that make it much preferred as the vehicle to accomplish this end:

The commission would have an active life of no longer than three years. This it seems to us, is ample time to discover the policies of these agencies that act contrary to the intent of their establishment.

The commission would be composed of 15 members including the following: Three will be appointed by the president pro tempore of the Senate and three by the speaker of the House; three would be appointed from among personnel of federal agencies, other than regulatory agencies, six would be appointed by the President, two each from labor, business and a category we shall call the consumer.

After a year of existence and study the commission would present to Congress a report containing conclusions and recommendations on the regulatory agencies in general and specifically, economic costs, including inflationary impact upon the price of goods and services regulated, benefits of regulation, benefits to the nation as a whole by such regulation, the extent to what regulation should be continued, discontinued or modified to maintain maximum economic benefit at minimum economic cost to the nation and citizenry. It would report on the economic costs and benefits to consumers, to those who produce or sell goods or services in commerce and to taxpayers, on the collection of information by regulatory agencies from those who produce or sell goods or services in commerce.

A second report to Congress would be required after 18 months of existence and would include appropriate recommendations. A similar comprehensive report would be required after two years and the fourth report, after three years, would detail steps taken or under way to carry out the recommendations set forth in the other reports.

The commission would have the power of subpoena and have at its disposal any facilities and personnel deemed reasonably appropriate to carry out its responsibilities.

The Allen bill is clearly to be preferred over the establishment of a Consumer Protection Agency. There will not be that perpetuity of a permanent agency that consumes millions of dollars annually simply maintaining itself with little if any benefit for those it was designed to help. We rather doubt that such an agency would have ever been unencumbered enough to even begin the task of adequately representing the little consumer, the one who needs representation most.

There are appropriate regulatory agencies in existence now to serve the interests of the consumer. That's why they were established. The task now is to find why they are not working and get on with the business of getting them working.

The answer to that is Sen. Allen's bill to establish what will be known as the National Commission on Regulatory Reform—and as soon as possible.

SENATE GOP URGES TOUGH ECONOMY PLAN

Mr. HUGH SCOTT. Mr. President, an article in the Philadelphia Inquirer credits Senate Republicans with action to alleviate our current economic crisis. I believe this article will be of interest to Members on both sides of the aisle. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATE GOP URGES TOUGH ECONOMY PLAN

(By Saul Friedman)

WASHINGTON.—Impatient Senate Republicans, like their Democratic colleagues, moved out ahead of President Ford Wednesday with a series of proposals on the economy and the energy shortage.

The Senate Republican Conference, on the recommendation of a hastily assembled study committee, endorsed massive spending for the unemployed, mandatory energy conservation, new fuel taxes, tax reforms and, if necessary, wage and price controls imposed by Congress.

Because the Republicans were deeply divided between moderates and conservatives, most of the proposals were ambiguous, obscurely worded or heavily qualified.

Nevertheless, the Republicans, unhappy that the President has not taken the lead in proposing a tough program, made it clear to the White House that they were prepared to go their own way.

Last week, at the Democratic mid-term convention in Kansas City, congressional leaders, after meetings with their colleagues, proposed a tough anti-recession, anti-inflation program including wage, price, profit and rent controls.

The Republicans, in their "economic policy statement and initiatives, said the urgent needs of an economy marked by severe economic strains require urgent consideration and action."

Copies of the statement were sent to the White House just after members of the conference approved it. A source on the drafting committee said: "We expect the President to go along with many of the proposals. If he doesn't, they're going to be passed anyway."

Sen. John Tower, a conservative Texan, was chairman of the drafting committee, a significant fact in view of the liberal nature of some of the recommendations.

Highest priority was given to a $7-billion program to provide extended unemployment compensation and 500,000 public service jobs. The cost of the proposal would be about twice as high as the one requested by the President, matching the Democratic program endorsed in Kansas City and now on its way to passage by Congress.

Indeed, the Republicans went the Democrats one better and called for a $1-billion emergency fund for grants and loans to public and private groups to stimulate job opportunities in areas hardest hit by recession.

The Republican proposal assured almost unanimous support in Congress for a $4 billion-a-year public service employment measure, which probably will be considered by the House and Senate next week, although this is twice the amount the President asked, such broad support for the more costly bill will make it very difficult for Ford to veto.

Sources who took part in drafting the GOP statement said some members of the committee favored the use of taxes to reduce the use of energy, including a tax on gasoline.

But this was hedged in the statement, which encouraged prompt congressional consideration of a tax on excessive energy consumption, including the possibility of a variable tax rate based on units of energy used.

A drafting committee source said this meant a fuel tax for industry as well as a gas tax for the consumer. Even if Congress does not approve a gas tax, a tax on industry probably would be passed on to the consumer in higher prices.

Members of the committee sought to get a conference endorsement for deregulation of natural gas rates.

But the conference merely called for lifting of "such constraints as limit exploration and production of natural gas and other fossil fuels."

On the question of controls, the Republicans rejected various proposals to give the President stand-by authority to put the lid on wages and prices.

Like the Democrats, the Republicans endorsed tax reform "as a high priority" in the new Congress. But, also like the Democrats, they failed to be specific.

A STOCKMAN'S STORY

Mr. McGOVERN. Mr. President, the economic crisis that is driving livestock producers toward bankruptcy has been described to the Senate on many occasions.

Mr. Homer Ayres, of Sturgis, S. Dak., is one stockman who has experienced personally the ebbs and flows of the livestock and farm economy for many years.

Mr. Ayres has been in the forefront of efforts to restore economic justice to our farm marketing system, and he is an eloquent advocate of the interests of farm and ranch families everywhere.

I ask unanimous consent to print in the RECORD Mr. Ayres' article, "Cattle, Beef and Feed," which appeared in the December 1974 issue of U.S. Farm News.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CATTLE, BEEF AND FEED

(By Homer Ayres)

The biggest piece of bad news out of rural America is the near-terminal disease among livestock producers that is bringing them to the very door of bankruptcy. It is not just those who fatten cattle but also the men and women on the ranges who produce the young feeder cattle that when finished on grain for 150 days become the tasty steaks and roasts for the dinner tables. Slaughter steers are down below $40 per hundred weight, which is $10 to $20 below the break-even point for the feeder. The young range animals are around $40 below what the stockmen say is a survival price.

How long before the banks move in to "protect" their mortgages is a guess. What keeps banks from foreclosing mortgages today is the fact that they would not know what to do with the livestock. They are waiting for something to "turn up" which, might be like the prosperity around the corner Herbert Hoover talked about during the 1929 crash. He never reached the corner. Government-backed "soft loans" are no substitute for prices above cost of production.

The potential has existed for years for the present crackup because there never has been in this country a comprehensive land-food policy that would protect agriculture and its people from the ravages of the so-called "free market." Today the market is suffering from "manipulosis," as one cattle feeder put it. This disease has developed in direct proportion to the growth and consolidation of the supermarket food chains, now under fire across the country with antitrust civil actions and a cry for the Justice Department to bring the food chains to account with intensive investigations.

An antitrust case was won recently by a group of western ranchers against A & P, with the jury returning a verdict of $32,700,000 damages for conspiracy to fix prices. The jury allowed the plaintiffs 20 cents a pound live weight on stock sold during the period, 1964–67, times three. The case is still in court pending a motion by the plaintiffs to make the case a general class action.

Another such case was filed against Safeway and A & P by Sen. Loran Schmit, chairman of the Nebraska Ag Committee in the state Senate. This case is a class action in behalf of all Nebraska cattle feeders.

When Schmit testified before the U.S. Senate Commerce Sub-committee, June 24th he told the committee: "To fix prices when you control more than ¾ of the purchases of a perishable product is so horribly simple that it boggles the imagination to try to understand why the Justice Department has not seen, or has ignored, the problem this long."

Schmit explained that the "cycle" of livestock marketing, packing and retailing "ultimately results in this:" a small number of key retail chain outlets, because of their total dominance of the market through their purchasing power, are absolutely able to set the firm and indisputable ceiling prices they will pay for meat.

"And this figure, absolutely sets the price or price ceiling which they, the packers, can pay to feedlots or others for livestock. Therefore, through the relatively simple expedient of an agreed upon maximum which two or more major chain stores might agree to pay for their beef, these chains would, and do, undisputably control and manipulate the price of beef paid to the livestock producer."

The decision by a few livestock men to file a civil antitrust action against suspected supermarket chains for price fixing was made nearly seven years ago after the Federal Trade Commission and the Justice Department failed to act upon the pile of evidence unearthed by the national Commission on Food Marketing.

At the start of the hearings in 1965 the chains lowered their price spread on cattle $40 a head to present a relatively clean record to the committee. But after the investigation was squelched from within by a minority report headed by Sen. Hruska the spread widened bigger than ever. All the organizations that had been hot on the trail of the food chains, and their politicians, folded up except a few independent ranchers in Colorado, California, Wyoming, Montana and South Dakota, they went the civil action route as a last resort.

Of course a big contributing factor in the crackup is due to the easy acceptance by the old line livestock organizations of the Chamber of Commerce's theory that "only the strong survive," and that only the strong economically should survive, even though the sacred "market" was rigged by such as the Big Five packers or other elements.

The cry of "too many farmers" was heard across the land nearly from the time the very first agricultural legislation was enacted in the 1930's. Thus, the old-line ranch organizations helped the big boys on Wall Street undermine the parity support price program, and demanded in their conventions lower, sub-parity support prices on feed grain as a means by which they hope to make more on their cattle.

There are no bulging "Even Normal" grain bins now which can help fill the demands of a famine world. Feed grain is so high compared to the present price of cattle that feed lots refuse to replace their slaughtered cattle, and are waiting for some future bumper corn crop before they try it again. Or perhaps some drastic action by the Department of Justice, the "experts" who always come along to give livestock people the lowdown say the "short run" is bad but the "long run is good." But stockmen say if the short run kills them there will be no long run.

There are several misconceptions the public has today about cattle, grain, and grass. One is that all cattle can be fattened on grass alone, with no grain. Cattle will get fat for slughter on grass, but they can be marketed only in the late summer and fall. It only takes about from 2 to 3 pounds of grain for each pound of beef consumers eat, as most of the growth on cattle does come from grass and roughage. Nowadays it takes grain supplement for cattle herds during the winter, to save the grass on the ranges and the hay stacks for bad spells. This insures against heavy death loss with thin cattle, too thin to make it through to the new summer grass.

On the ranges, with the unheard of low prices, stock people are now culling their herds, and reducing them to match their hay and grass supplies. "My feeder calves will bring only enough to buy feed for the rest of the bunch this winter," one rancher told us. "Then, I'll have to borrow more money at the bank for taxes and running expenses." There is no guarantee of better prices for stock next year, nor a bumper hay and grass crop.

Actually the whole situation is now ideal for those "planners" who make blue prints for the future farms in rural America, which will be hooked up with computers and owned by international conglomerates, part of oil, sugar, steel, auto and what-have-you. They talk about only 2,000 to 6,000 farm-ranch units.

If the depression swamps the economy, one predicted by some that would make the one in the 1930's look like a pink tea, the country can well run very low on both livestock and feed grain, as it has with oil for the consumers. And prices will be high.

Always in rough times dozens of "experts" show up with cures for the social ills that lead farmers and ranchers up blind alleys. But not all follow. New ranch groups form, wanting solutions, and searching for a way of struggle. Such a group is the Independent Stockgrowers of America that took part in the discussions in 1967 that led to civil suits against the food chain stores.

Another is the new Meat Promoters in South Dakota and Montana. They plan to take a "uniform package of 10 feeder steers" to be offered Secretary of Agriculture Butz for an official feeding example if they publish the results, feeding costs, and market values before and after the test. If the USDA won't accept this responsibility, Meat Promoters and the Consumers Federation of America will put them in a private feedyard and give the public an accounting of the feeding example. The rest of the shipment will be given away to worthy charities for Christmas.

In the last analysis it will be the consumers who will determine the direction of agriculture, as they have the votes in Congress. Agriculture is a national problem concerning the necessities of human life. But it seems to be the role of the small groups of livestock people to show consumers that the problems of those on the land and those who eat the products are one and the same. What legislation is necessary needs to be passed. The Justice Department needs to come through immediately.

Getting back to beef, there is no surplus. Only about four days supply of fresh carcass beef exists any time. Beef moves through the stores on an average turnover of two days, from back door to consumer cart. Bread, milk and eggs move daily.

A steer slaughtered by a local locker plant and cut for the freezer costs about $60 plus the by-products. A steer sent down the line through regular channels, packer and retailer, costs the producer $250 to get it into the hands of the housewife. Consumers can figure out who gets the rip-off on the cattle producers.

CARGO PREFERENCE SHOULD BE DEFEATED

Mr. PERCY. Mr. President, next Wednesday at 3 P.M. the Senate is scheduled to vote on the cargo preference conference report. Excuse me if I do not call it the Energy Security Transportation Act, but the effect of the bill is so far removed from what the name implies that we had best just call it what it really is. I suppose we could call it the Boondoggle Act, or the Inflationary Catalyst Act. In fact, any of these names would be a fit description of this legislation.

Fortunately there has developed overwhelming opposition to this bill from many sources outside the Senate. It has come from newspapers of every political and philosophical leaning, from economists who represent a broad spectrum of economic theory, and from individual citizens who only recently learned of the terrific impact this legislation would have on an economy already swollen with inflation, and on family budgets already stripped to the bare bones.

Mr. President, we hear a lot of talk about wanting to get going on our economic problems, and about how we need to take the necessary and tough measures which are so vitally needed. Well, then, let this conference report be the litmus test of the sincerity of these speeches. Our constituents need look no further than this vote on Wednesday to see how serious their Senators are about the economic problems we face. Anyone who votes for the passage of this conference report will have to do a lot of explaining as to why the interests of the shipbuilders and maritime unions were placed above the interests of ordinary people.

It is no secret that enormous pressure has been put on many Senators who otherwise would have voted against this bill without giving it a second thought. All of the stops have been pulled on this, and the reason is simple. Enactment of this legislation will line the pockets of these very same special interests. They have a great deal at stake. Never mind the devastating effect on the economy and the consumer. Never mind the retaliation this legislation invites from other nations around the world. Never mind all of that. There are a lot of dollars at stake here. A lot of money has been spent in lobbying for this bill, but it is just a drop in the bucket when compared with the money this legislation will make for the maritime interests.

So let the attention of the country focus on the Senate next Wednesday afternoon. The result of that vote will tell this Nation a good deal about where the priorities of the Senate lie.

Mr. President, I ask unanimous consent that an editorial from yesterday's Chicago Daily News be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Shipping Bill Fit To Kill

There's still a chance that the U.S. Senate will block a boondoggle that is close to being inflicted on the nation, and it surely should. The threat lies in a bill (HR 8193) that would require at least 30 per cent of oil imports to be carried by 1977 in ships built in the United States and carrying the U.S. flag.

Pushed mainly by the maritime unions, the bill sailed easily through both houses of Congress earlier in the year, and a conference report clarifying minor differences has already passed the House. But the public has lately become more aware of the implications of the bill, and Senate opponents—including Charles H. Percy (R-Ill.)—have hopes of blocking it when it reaches the floor.

This measure would in one swoop increase the cost of imported oil—as if it weren't already overpriced by the oil-producers' cartel—force the construction of unneeded tankers, and violate U.S. treaties with other nations outlawing preferences for commercial cargoes. The American consumer would pay heavily, and inflation would get another boost.

The maritime unions have poured out campaign money freely to build support for their cause, and the original votes showed it, in the House, the vote was 266 to 136. The Illinois delegation split on party lines with two exceptions. All the Republicans voted against it except for Rep. Robert Hanrahan (3d District) who voted for. All the Democrats carried out their obligations to labor and voted for it except Rep. Sidney Yates (9th District), who exercised his usual independent judgment and voted against.

The Senate vote came up the day after the Labor Day recess, when absenteeism was high, and neither Illinois senator was present. But Percy was "announced against," and Sen. Adlai E. Stevenson was "paired for," meaning he canceled a vote against.

There is very little time left in this session of Congress. But there is time enough for last-minute mischief, should the opponents fail in their efforts to kill the bill. In that case, it would be up to President Ford to sign or veto, and he has not yet expressed an opinion. A veto for this inflationary boondoogle would be the only proper course if the President is to retain his credibility in guarding the economy. Sen. Norris Cotton (R-N.H.) put it well when he said: "If the President signs it, I will never listen to another word from him about inflation."

FOOD STAMP CUTS

Mr. McGOVERN. Mr. President, I would like to bring to the attention of my colleagues an editorial which appeared in today's New York Times.

The editorial which is entitled "Let Them Eat!" addresses the President's recent action cutting food stamp benefits.

If the proposed regulation change published last Friday becomes final there is no doubt in my mind that millions of Americans will face an immediate emergency situation. Ninety-five percent of the 15 million people now participating in the program face reductions in benefits averaging 33 percent. Those facing the largest reductions are those recipients with the lowest incomes, and the elderly. Many others will have their food stamp bonuses reduced to amounts so small there will no longer be any incentive to stand in the growing certification lines.

I am presently circulating to Senators, the attached letter and comment regarding this regulation change. It is a strong protest of this action and I urge my colleagues, if they have not already done so, to join with me in protesting this regulation change before it becomes final.

It is my firm intention to offer legislation at the earliest opportunity in the next session to prevent this arbitrary cut in food stamp benefits if this letter does not deter the proposed action.

I ask unanimous consent that the attached editorial and letter be printed in the Record.

There being no objection, the editorial and letter were ordered to be printed in the Record, as follows:

Let Them Eat!

When President Ford unveiled his proposed anti-inflation budget cuts, his press secretary said that he was calling on all Americans to "share the burden and divide the misery." When it came to paring the food stamp program, however, the President advanced a plan, possibly designed by Marie Antoinette, which increases the burdens of America's poor and compounds their misery.

All program participants except those who receive stamps free would be required to pay the maximum amount—30 per cent of their net income—to purchase food stamps. For 95 per cent of the people in the program, this means an increase in the amount they will pay with absolutely no increase in the amount of benefits to be received. It also insures that the poor will continue to spend a disproportionately higher portion of their incomes for food than the rest of the society, a situation which the food stamp program was designed to ameliorate.

The over-all 8 percent average increase in the cost of stamps will be devastating at all income levels and for all family sizes participating in the program. The prices of the foods which impoverished people consume have increased even more rapidly than the prices of foodstuffs generally because of the stronger and more constant demand for the meaner staples. Meanwhile, other costs have also skyrocketed, particularly those for fuel and utilities. Thus the choices among necessities, cruel for the poor before Mr. Ford decided to conscript them in his fight against inflation, will become excruciating if his plan goes into effect.

For one- and two-person households—among them, a large percentatge of the elderly poor—the proposal will constitute draconian punishment for the simple transgression of being old and poor in America. It will push people out of the program by making the price of food stamps for many such households higher than benefit levels or to close to them that it will no longer be worthwhile to continue to participate. The pushout factor could raise the government"s "savings" over the course of a full fiscal year to almost a billion dollars, close to a quarter of the total cost of the entire food stamp program.

Apparently the President doesn't quite grasp what he is doing to poor people. When, at a recent news conference, he was discussing the equity with which his budget cuts were spread around, he said that the Administration would "require certain individuals . . . who wanted food stamps, to pay slightly more in order to qualify for food stamps."

What is "slightly more" to the President translates in the real world of a poor person living alone to an increase in food expenditures ranging from 35 to 100 per cent. Since the President seems to have no clear idea of the misery he is inflicting by extracting cruel and disproportionate contributions to his inflation fight from the mouths of America's hungriest people, it is up to the Congress to prevent this ghoulish bit of budget-making from going into effect.

Select Committee on
Nutrition and Human Needs,
Washington, D.C., December 10, 1974.

Dear Colleague: The Administration has recently proposed an amendment to the food stamp regulations which would greatly increase the cost of the stamps to the elderly and those individuals in the lowest income brackets.

For example, an SSI recipient who receives $146 per month will pay January 1, $30 (20% of their income) for $46 in stamps. On March 1, under the proposed amendment that same person will pay $43 (30% of their income) for the same amount of stamps—receiving a mere $3 bonus. This effectively eliminates all elderly SSI recipients from the food stamp program.

There are many ways to fight inflation in this country. But cutting food stamp benefits to those least able to absorb the rapidly rising cost of food makes no sense at all.

Attached is a copy of a letter in opposition to the proposed regulation change.

Please contact Marshall Matz on X-7326 if you would like to lend your name to the letter.

Sincerely,

George McGovern,
Chairman.

Select Committee on
Nutrition and Human Needs,
Washington, D.C., December 9, 1974.

Re Notice FSP No. 1975-1.2.

Mr. Royal Shipp,
Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C.

Dear Sir: We would like to take this opportunity to express our opposition to the above-cited regulation amendment.

We do not feel that the percent of net income charged a food stamp recipient for their allotment should be increased over the percent charged January 1, 1975.

There are many ways to fight inflation in this country that make economic and social sense. But cutting the food stamp bonus and risking increased hunger to thousands of American families makes no sense at all.

It is even less logical when you look at who will be hurt first and hardest by these cuts. The proposal to cut the food stamps by 5325 million hits hardest those least capable of coping with inflation—the elderly, and the poorest of the poor.

The cost of stamps will increase 100 percent or more to many recipients, and elderly participants who receive SSI will no longer find any incentive to stand in the long food stamp certification lines. For example, an SSI recipient who receives $146 per month will pay on January 1, $30, (20 percent of their income) for $46 in stamps. On March 1, under the amendment that same person will pay $43 (30 percent of their income) for the same amount of stamps—receiving a $3.00 bonus.

The budget cutting comes at a time when the Nation's economic picture is dark. Estimates of unemployment in 1975 have risen, even from conservative experts, to 8 and 9 percent. Food prices in 1975, according to respected analysts, could rise another 15 to 20 percent.

The U.S. Department of Agriculture said that grain again will be in short supply next year, meaning more increases, and increases that will hit especially hard at those at the bottom of the economic ladder who are already eating plenty of cereal, beans, and rice.

In this time, the administration should be employing the food stamp program to act as a cushion for American workers and those who have helped build America, but are now out of the workforce because of age or disability. Instead, the administration is moving to take away protection in the most basic area of human need—food.

We strongly urge the Department to reconsider its position and withdraw the proposed amendment.

Sincerely,

George McGovern,
Chairman.

ALFRED E. SMITH MEMORIAL FOUNDATION

Mr. BUCKLEY. Mr. President, at this year's annual dinner of the Alfred E. Smith Memorial Foundation, its chairman, Hon. Charles H. Silver, delivered some remarks that are particularly apt for our times. Mr. Silver is one of New York City's most distinguished citizens. Among his many qualities is the ability to say a great deal with a deceptive simplicity. I ask unanimous consent that Mr. Silver's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Dinner at the Waldorf Astoria, for Alfred E. Smith Memorial Foundation, October 16, 1974, Charles H. Silver, Chairman

From time to time, I enjoy the pleasure of sharing the company of his eminence as we plan the program of these annual convocations of the conscience of mankind.

Tonight we assemble again at the cardinal's behest to honor the memory of democracy's happy warrior.

We are met to break bread together at the cross-roads of a most momentous year.

Our dais is graced by the presence of many distinguished citizens.

They share a common concern as rumblings of dissension and discontent rise on every side.

This is not new to our nation. Criticism is part of the formula of freedom.

It alerts us to danger and potential damage.

It enables us to prepare ourselves—to provide against future threats.

Ours is a good land and a great heritage.

We must return to the leadership which has survived the ages and kept alive the spark and flame of morality on the alters of our faith.

It is time for decent men to be strong and strong men to be decent as we mold the noble pattern of a new America.

It is time for a cleansing of souls and a communion of minds to restore the sanctity of our constitution and self-respect for our courts and public officials.

It is time to demand and secure new, inspired and farseeing leadership—to attain again the good grass roots stability—the moral fibre and strong community spirit the confidence in ourselves we so desperately need.

The spiritual influence of the church and synagogue can help us most.

Now, as never before, we must return to House of God—and the Eternal Creator who dwells within.

Let me quote the moving phrases of our cherished host who calls us together each year—that beloved prince of the church—inspired guardian of divine law and human welfare.

His eminence Terence Cardinal Cooke.

These are the words of the Cardinal:

"The clergy can act in the life of the neighborhood—not by displaying lavish prophecies and promises, but by raising confidence of the people and by helping set the stage for the exercise of their abilities . . . in education, in opportunities for employment, in the very critical area of personal safety.

All the elements of a community must be

brought together in creative relationships over which the people can exercise control to stem decay and to provide an environment for truly human living to serve them faithfully and courageously, guiding them in faith and love to the realization of their full potential."

These valid and timely comments of Cardinal Cooke can move us to spearhead a new crusade—to close the credibility gaps—to give new hope and trust and confidence to our troubled world.

And it is significant my dear friends, that the brilliant, dynamic central figure of much recent drama in the exciting theatre of international affairs is with us this evening.

He is, I believe, the most talked-about and written-about statesman of distinction in many decades.

His achievements in the quest for peace stir the imagination and spur the hopes of all mankind.

Our prayers go with him in all his endeavors and we look forward to hearing a message later on in our program from this Nation's esteemed Secretary of State . . .

The Honorable Dr. Henry Kissinger.

It is to our credit as a great commonwealth that, even though somewhat humbled in our pride, outraged in our most revered institutions and ravaged by the very ones in whom we placed our trust, we are not so much bowed in disgrace as we are bold in challenge and resolve.

This may be the worst of times—but it is also the best of times, because we are taking an inward oath that it will never happen again.

That is the extraordinary new nobility of our Nation.

We will no longer just coast along on empty words—eyes blind to evil.

We will strive to be worthy of all that we once were and can become again with the continued help of divine providence.

We will learn from our present crisis the strength and wisdom to deal with all future national emergencies.

We will provide the laws and safeguards to give us again a United States of America in which we are proud to make our home and rear our children.

Behind the headlines beneath the politics and intrigue—and

Beyond all the endless hours of courts and committees—this is what it is all about:

We want our country back—the way it was born—the way we lived in it and loved it.

The ultimate answer will not come from Washington.

It will not be settled in Congress or the press.

We will find it in our own hearts. Men and women like us made America.

We can remake it—in their image—and in God's.

We can—and with his help—we will.

A RENEWED EFFORT TO COMBAT POVERTY

Mr. HUMPHREY. Mr. President, I applaud the Senate's passage of legislation to continue for another 3 years invaluable antipoverty and community service programs. The bill reported by the Labor and Public Welfare Committee is a creative response to the needs of our Nation's poor.

In particular, the bill incorporates the three essential features that must be included in the legislation we ultimately enact.

These principles are:

The extension of the Economic Opportunity Act for at least 3 years,

The continuation of an independent Federal antipoverty agency, and

The retension, for all 3 years, of at least the existing Federal matching formula for community action agency programs at 80 percent of their total cost.

I was particularly pleased that this legislation, including these features, was reported with the strong bipartisan support of a unanimous committee. With such strength I am confident that our conferees will be in a strong position to argue for the retention of the crucial provisions of the bill we will pass today.

Mr. President, I am also pleased that this legislation incorporates an amendment which I offered regarding the rural development loan programs. It is crucial that this amendment, which assures that all of our rural loans programs will be administered by one agency, the Farmers Home Administration, be retained in conference.

It makes absolutely no sense to set up two parallel bureaucratic structures to administer loan programs in rural areas. This is costly duplication and confusing to our citizens.

Mr. President, we have all benefited from the programs now authorized by the Economic Opportunity Act. During the energy crisis, what agency other than community action was available to respond to the needs of the Nation's poor? Which agency has provided the most effective outreach for nutrition, health, housing, and job training programs over the last decade? What has contributed more to the social and political development of our low-income communities than the programs administered by OEO?

Community action agencies—CAA's—maintain the vital administrative structures for programs which now directly benefit over 10 million people each year. Indirectly these agencies' efforts nourish the life of our entire social and economic system.

For example, of 185,000 people currently employed by CAA's, 95,000 were poor and on welfare prior to their employment in the agencies. They now work at an average annual salary of $5,182. OEO estimates that each average salary generates approximately $13,000 at the community level.

In the face of our current economic crisis—a recession for the majority of our people but already a depression for the Nation's poor—we simply cannot afford to do anything other than continue OEO programs on a full-scale basis.

This is not the time to strip away from the poor their independent voice in our Government. HEW does not want the poverty program, and it could not operate in the participatory, flexible, responsive way that has characterized our CAA's and given them credibility with the people for whom they exist.

This is not the time to lay a heavier burden on the backs of the local organizations, telling them to pay a higher percentage of total program costs. In fact, the reverse is the case.

An inflation and depression which simultaneously have hit our poverty areas, make it ever more difficult to raise the local resources required to qualify for Federal funds. To raise the local share at this time, under today's economic conditions, could be the death knell for most of our local anti-poverty effort.

This is the time to buttress and reinforce the dike that protects those most vulnerable to the threatening tidal wave of economic danger, our Nation's poor. It is not the time to begin tearing down the dike.

I fully support the Senate bill. I urge the able managers of this legislation to bargain in conference from the position of bipartisan strength that they have. We must not be willing to compromise on the three essentials I have mentioned.

To compromise on these fundamentals, is merely to surrender in our war on poverty in a less obvious way. The national conscience should not be stained by a retreat from this crucial field of battle.

THE SHRIMP INDUSTRY

Mr. HOLLINGS. Mr. President, I would like to take this opportunity to point out one of the many facets of our food complex that is experiencing serious pricing problems; namely, the shrimp industry. In 1 year fuel prices to the shrimpers have doubled and other costs are increasing. Their fixed operating costs are rising, while shrimp prices paid to the boats have decreased as much as 60 percent in some sizes. Small shrimp that brought $1 per pound last year, now bring 40 cents per pound. All other sizes of shrimp are down from 30 to 50 percent. It seems that breading processors, brokers, packers, and retailers are taking this opportunity to make windfall profits and are not reducing prices to the consumer. This further hurts boat prices due to consumer resistance.

The shrimper's situation is depicted in a report prepared several months ago by the National Marine Fisheries Service of NOAA. The shrimp markets in the United States are experiencing significant price declines due largely to unusually large supplies and weakened demand and these declines in turn are leading to financial chaos, particularly among the shrimp fishermen. The problem is further aggravated by the likelihood of large imports from international markets.

I do not mind fair competition but as it is now, our Government has been subsidizing foreign imports by paying for their fleets and through foreign aid. We are paying for foreign shrimp to come and compete with our own shrimpers. On top of that, our shrimpers are having to pay outrageous prices for fuel and operating expenses and they are suffering.

I have contacted the Federal Energy Administration asking that they investigate the discrepancies in fuel prices. I have contacted the Justice Department and the Federal Trade Commission asking that they investigate possible price fixing practices. I have also contacted the Food and Drug Administration inquiring as to their regulations, inspections, and standards required of the frozen shrimp inventories which are created in large part by the foreign imports. As of this time, none of these actions has produced significant relief.

Now it is my understanding that the shrimpers might obtain relief through the revised and liberalized escape clause provisions of the Trade Reform Act. This escape clause is aimed at providing relief for an industry suffering serious injury, or the threat of serious injury, so that the industry can adjust to the freer international competition. The criteria for import relief under the bill would relax the present criteria by removing the "causal link" requirement that imports result in major part from trade agreement concessions and by requiring that increased imports need only be a "substantial cause," rather than "the major cause" of actual or threatened injury.

Under this act a petition for eligibility for relief may be filed with the International Trade Commission. The Commission will then conduct an investigation and make a recommendation to the President. If the Commission finds that imports were a substantial cause of serious injury, or the threat of serious injury to an industry, the President would be required to provide relief in the form of duty increases, tariff rate quotas, quantitative restrictions, orderly marketing agreements, or in some cases adjustment assistance. Also, if the Congress prefers the form of import relief proposed by the Commission to the relief provided by the President, a resolution can be passed by both Houses that would require implementation of the relief recommended by the Commission.

In conclusion, I would like to commend the Finance Committee for its fine work in making these necessary changes which may now be effective in aiding our suffering shrimping industry. Also, I should note that I have been informed by the special representatives for trade negotiations that they are exploring the conditions of domestic shrimpers in light of the new escape clause criteria.

HENRY FORD

Mr. PERCY. Mr. President, I have always admired Henry Ford and his willingness to put the needs of this Nation ahead of his own or his company's interest. The comments he made on December 9 before a meeting of newspaper executives bear out that point.

In his remarks, Mr. Ford pointed out a number of ways to revive the sagging economy and to reduce energy consumption. Mr. Ford again suggested an additional Federal tax on gasoline as a way of reducing consumption and increasing Federal revenues—a bold step for an automobile industry executive. I admire Mr. Ford's courage and his ability to look at the long range best interests of this country, not just at short-range parochial interests.

Mr. President, I ask unanimous consent that two articles of December 10, one from the New York Times and one from the Washington Post, describing Mr. Ford's remarks be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HENRY FORD ASKS U.S. PLAN TO AVERT ECONOMIC CRISIS

(By Robert Lindsey)

Henry Ford 2d, chairman of the Ford Motor Company, said yesterday that President Ford must quickly develop a decisive, "substantive" program of action to avert a prolonged and deepening national economic crisis.

"I'm not saying that the United States is heading for unavoidable disaster," Mr. Ford told a group of newspaper executives here. "But I am saying that we are not doing what we need to do to avoid potential disaster. Washington must take steps that will persuade the people that the nation still has control of its fate and is not drifting helpless into deeper and deeper trouble."

In a gloomy, impatient assessment of the national economic climate, Mr. Ford said that without "a decisive change in government policy," sales of new cars in this country next year could fall to 7.3 million, the lowest since 1962, and 36 per cent fewer than the 11.4 million sold last year.

Emphasizing that he felt recession, not inflation, had become the country's foremost problem, the auto executive listed seven steps that he asserted would help to bolster the sagging economy. The steps were:

An immediate but temporary loosening of Federal monetary policy, expanding from its present 3 per cent money supply growth rate to 6 per cent in order to restore consumer confidence and stimulate the economy. "The longer this step is delayed, the longer the recession will last," Mr. Ford asserted.

An across-the-board income tax reduction in 1975. "A 10 per cent reduction in withholding would increase disposable income by more than $1-billion a month," he said.

The Administration should consider creation of an agency similar to the Depression-era Reconstruction Finance Corporation "to make large amounts of capital available to industrial concerns, utilities, and banks" that cannot raise money now "because of the collapse of equity markets and shortages of loan funds."

Consumption of imported petroleum should be limited either with an additional Federal tax on gasoline—a step the auto executive has previously advocated—or a general excise tax on petroleum. He said the latter "might be more effective and equitable" and generate more income.

Unemployment compensation should be extended to 52 weeks from the present 39 week maximum and be financed by general Federal revenues.

New public employment programs should be initiated quickly, and "immediate release of the $20-billion of Federal grants and highway and waste treatment plant construction, deferred in September, deferred in September, would provide a badly needed increase for the construction industry."

The Administration should impose a five-year moratorium on pending Federal environmental and safety standards—a step particularly dear to the heart of Detroit.

Mr. Ford was wearing a blue sharkskin suit a blue tie, and a light-blue checked shirt with a white collar and a blue tie. As he made the remarks in a talk to members of the Newspaper Advertising Bureau Inc., an organization of newspaper publishers and executives, at the Americana Hotel.

"I do not believe that we must wait for catastrophe to strike before the American people will be willing to unite behind the plans and programs that are needed to solve their common problems," Mr. Ford said. "I believe that the Administration should come up with new substantive proposals now, and the Congress should act on them now. Decisive steps to restore consumer confidence and stimulate the economy are needed now. We need a tough and realistic national energy policy now. We need a new look at the tradeoffs between environmental improvement and economic viability, and we need it now."

His comments were the strongest he has directed publicly at the Administration of President Ford, a long-time close acquaintance. Although he did not mention the President directly during the talk. During a subsequent meeting with reporters, the auto Executive made it clear that he was disappointed with the President's performance.

Lee Iaocca, president of the Ford Motor Company, also spoke. He urged a moratorium on Federal auto antipollution and safety standards, estimated that they would add more than $840 to the sticker price of a compact Ford Pinto by 1978, reduce fuel consumption by 20 per cent or more, and "do hardly anything for public health and safety."

In the strongest effort so far by Detroit to use the energy crisis and the nation's economic problems as arguments to roll back the regulations, many of which the auto industry has long contended were unnecessary and too costly for the value returned, Mr. Iaocca said:

"There's nothing, believe me, we would like better than to avoid further increases in car prices and meet the President's target of a 40 percent improvement in the fuel economy of our cars. We've got to keep prices down and get fuel economy up just for the sake of our own sales and profits. But there's no way we can do either one if the 1978 model standards I've been talking about come into effect." The industry, he added, "is not crying wolf."

When the Ford Pinto was introduced in 1971 to compete with the Volkswagen, he said it was a lightweight $2,000 car. Inflation and already-mandated Federal safety standards and anti-pollution changes have brought the 1975 model to an average price of $3,390. If currently mandated standards for the 1978 models are kept in force, he added, "what started out as a $2,000, 2,000-pound economy car will be a $5,000, 3,000-pound car with much lower fuel economy." Inflation will have contributed $846 to the increase, he said.

In Mr. Ford's talk with reporters, he said he did not favor restoration of price controls, saying they would result in pressure to impose wage, interest and dividend controls. And he added that labor unions also did not want controls to return.

He said his company had budgeted $800-million for capital expenditures in 1975, about $120-million less than this year, but he added the $800-million figure would be trimmed unless the economy picked up.

Mr. Ford said that December auto sales looked "frightening"; that he favored a curtailment of his industry's traditional proliferation of new models and yearly styling changes, but that it would take time; that Ford was not contemplating any new auto price increases (an average of $1,000 over the past 15 months) had been a major factor in the industry's current slump. He denied that the auto industry was guilty of price fixing or other anti-competitive practices when asked about a recently announced Justice Department study of possible antitrust violations in the auto and other industries.

Although Mr. Ford asserted that continuation of current Federal anti-inflation policies would depress 1975 auto sales to only 7.3 million, he said sales could be as high as 9.5 million "if consumer confidence is restored and economic growth resumes by the middle of next year." The Ford Motor Company's own preliminary plans anticipate 1975 sales of 8.9 million cars and 2.6 million trucks, about the same as 1974.

HENRY FORD II ASKS 10 PERCENT CUT IN INCOME TAX

(By Philip Greer)

NEW YORK, December 9.—Henry Ford II called today for an immediate 10 per cent income tax cut and a temporary government program to support floundering businesses in order to stimulate the recession-bound economy.

Meeting with a group of newspaper executives, Ford said the current recession is "different from and more serious than other post-war recessions" and that "there is no reason to believe that we will have an economic upturn in 1975."

As its chairman was speaking, the Ford Motor Co. announced its capital spending for 1975 will be $100 million less than this year—a total of $800 million—instead of the $100 million increase originally planned. The company cited "the sharp decline in our profits, continuing cost increases and the uncertain sales outlook."

After Ford spoke, Ford Motor Co. president Lee Iacocca called for drastic changes in government safety and emission control standards in order to save gasoline, limit price increases and make cars more attractive to buyers.

In his talk here, Ford urged that the government establish "a lender of last resort" that would "make large amounts of capital available to industrial firms, utilities and banks which are unable to obtain badly needed financing today, even though their business is in sound condition, because of the collapse of the equity markets and shortages of loan funds."

He said the program should be modeled after the Reconstruction Finance Corp. of the 1930s and should "be liquidated as soon as capital market conditions permit."

Ford said later that "the government is already doing that with companies like Lockheed." He said he thought of the idea last Friday and was urged by his economic advisors not to mention it in his talk here.

The income tax cut, he said, should be applied to withholding taxes and remain in force only through 1975. It would increase disposable personal income by more than $1 billion a month, he said.

Among other anti-recession steps, Ford repeated his call for an increase in federal gasoline taxes, but said that an excise tax on petroleum "might be more effective and equitable, and it would certainly generate more revenue" for recession-fighting programs. He said that the money generated could be used for long-range research and development of unconventional energy sources once the need for anti-recession programs has passed.

No matter what the government does, Ford said, "It is too late to keep the automobile industry from having two poor sales years in a row for the first time since World War II." He predicted that world-wide car and truck sales will total 29.9 million units this year, down from 35.3 million in 1973.

In the U.S., he said, car sales are expected to sink to 8.9 million this year, down 22 per cent from a year ago and, "If there is no decisive change in government policy, car and truck sales in the U.S. could remain at the fourth-quarter rate of about 7.3 million and 2.2 million respectively, or drift even lower."

Saying that the auto industry has been in a recession for more than a year—and that "it is now approaching the dimensions of a depression"—Ford said that "neither our industry nor any other can be restored to health unless the country solves its problems."

He said that the U.S. standard of living is declining because of reduced productivity and that "as individuals and as a nation, we seem to have lost the willingness to work, to save and to invest in the future."

Ford criticized government environmental policies and said "we need a new look at the trade-offs between environmental improvement and economic viability, and we need it now."

Ford Motor Co. president Iacocca presented the company's arguments for changing and delaying federal automotive safety and emission standards. Against a background of four Ford Pintos, Iacocca said that the price of the car has gone up $1,010 since 1971 and predicted it will rise another $1,693 by 1978, unless inflation abates and the government postpones its ordered and projected safety and emission requirements.

Two of the cars shown to the executives were prototype 1978 Pinto models, one of them built according to federal standards and one with safety and emission features the company thinks would be best. According to Iacocca, the "federal" Pinto will cost $5,085 in 1978, while the "Ford" model will cost $4,215.

In particular, Iacocca criticized the requirement that cars be equipped with air bag safety systems and with heavier, more crash-resistant bumpers. He said that car buyers have paid $780 million since 1969 just for head restraints which, he said, "produce little safety benefit" and interfere with the driver's rear vision.

Emission control standards, the Ford president said, are reaching the point where they do not cut down on pollutants in proportion to the added costs.

Adopting the standards Ford supports, Iacocca said, would result in one-third better gasoline mileage—a savings of at least 20 billion barrels of oil a year.

FOOD FOR PEACE A TOOL OF INTERNATIONAL POLITICS

Mr. McGOVERN. Mr. President, the New Republic article that follows reports eloquently on our food aid program's continuing affront to humanity and justice. The article is further evidence of growing public awareness that the food-for-peace program has been transformed from a means of feeding the world's most needy into a tool of international politics.

A new report from the Department of Agriculture shows not only that the Ford administration declines to make a firm food aid commitment for this fiscal year, it shows that more than half the aid given so far in this fiscal year—826,000 tons of wheat and rice out of 1.5 million tons—will go to countries in which the United States has a heavy military-security interest.

It is a source of anger and sadness to me that the humanitarian concern for starving men and women and children is not given our first "political" priority.

On December 18, Senators HATFIELD, CLARK, JAVITS, HUMPHREY, PERCY, and I will sponsor an ad hoc hearing in the Dirksen Building Auditorium to examine the results of the World Food Conference. The failure of the United States to make an enlarged, firm commitment to the humanitarian goals of food aid will be among the issues considered. I urge all who can to attend.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD FOR WHOM?

Secretary Butz says that limited agricultural supplies and inflation preclude increasing the amount of US food for the world's hungry by a million tons, as recommended by Sens. Humphrey, Clark and McGovern. If that is true, which we doubt, why not reorder the priorities of our giving: to each according to his need?

Time magazine reports that "nearly half a billion people are suffering from some form of hunger; ten thousand of them die of starvation each week in Africa, Asia and Latin America." It is estimated that in Bangladesh, between 50,000 and 100,000 have died since August as a result of famine. The US has promised that country $53.5 million worth of food so far this fiscal year. By contrast the administration has contracted to send three times as much to Indochina ($82.4 million), Egypt ($68.1 million) and Chile ($17.1 million). This aid is officially designated as "security supporting assistance." In 1973 South Vietnam *exported* 50,000 metric tons of rice.

The Agency for International Development in its 1975 budget presentations to Congress notes that in Sahel "an estimated 100,000 people have died from drought-related causes and approximately six million people have been affected." And it says of Bangladesh, "it is estimated that one-half of the total population suffers from protein and caloric malnutrition [which] takes a tragic toll of life among the young." Sahel and Bangladesh combined this year got $120 million worth of US food. Four times that amount went to South Vietnam and Cambodia, primarily to generate local currencies to bolster the Thieu and Lon Nol war efforts. Food for Peace shipments to Indochina went up by 250 percent this year, food aid for Bangladesh went down from an original request to Congress of $66.3 million to $41.4 million. Cambodia's seven million people received nearly five times as much food aid as 75 million Bengalis.

99.8 percent of the Food for Peace delivered to South Vietnam came under "Title I," not "Title II"—humanitarian aid. That Title I food was placed on the open market, which did little for the destitute. Similarly in Cambodia, Title I food ($194.2 million in 1973) was imported by local Chinese merchants who paid the equivalent in local currency to the Lon Nol government for use in paying troops and meeting other war expenses. And despite that aid, a survey of one refugee camp in Cambodia found 31 percent of the children under six suffering from "severe malnutrition," and over 38 percent from "moderate malnutrition." Had the administration chosen to reroute the 752,009 tons of rice and wheat that went to Indochina last year to areas like Sahel or Bangladesh, or stockpiled them for possible emergencies, the food would have been sufficient to sustain four million people for a year at 500 grams a day per person.

Congress has been taking a look at this lopsided arrangement and there may be some changes. It has already limited the amount of fertilizer that may be shipped to South Vietnam to $85 million, and the Senate has put a ceiling of $125 million on Food for Peace shipments to South Vietnam. A group of former government officials, including former Assistant Secretary of Defense Paul Warnke, recently condemned excessive food shipments to Indochina and called on the President "to declare as national policy that henceforth humanitarian, not military or political considerations will determine priorities for the distribution of food aid." As matters now stand, however, 26.6 percent of the administration's Food for Peace budget is earmarked for Indochina.

A SOUND PRESCRIPTION FOR RESTORING THE HEALTH OF THE REPUBLICAN PARTY

Mr. PERCY. Mr. President, in the weeks since the November elections, many of us in the Republican Party have expressed our concern about the state of our party. We have recognized the plain facts that the health of the party is in question and we are asking ways to restore it to its former vigor. One of the most thoughtful and intelligent prescriptions for restoring the health of our party was developed by the Honorable Elliot L. Richardson in a December 3 speech to the Washington Press Club.

Mr. Richardson has not only been an outstanding member of our party but he has proved his versatility and his dedication to his country in a series of high-level Government positions here in Washington and in his home State of Massachusetts. I believe that his reflections on the future of Republicans are worthy of our attention Mr. President, and ask unanimous consent that they be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

RESTORING THE HEALTH OF THE REPUBLICAN PARTY

(By the Honorable Elliot L. Richardson)

Surely all would-be Republican party healers must at least agree on this: that, to put it euphemistically, the "New Republican Majority" must have fallen ill on the way to the polls; clearly the patient-party is not well. If there remains a political physician who is as yet unsure on this point, it must be for failure to have made a House call. Men of sober intelligence and concern can no longer pretend that there is serious question as to the illness; the question now is as to the means to restore health.

Practitioners of politics—if not their academic observers—know well that politics is not yet a science. Diagnosis and prescription are typically risky and frequently specious. But there is, nonetheless, an axiom here or there which provides useful guidance. One such is simply this: In general, elections reflect a look backward not forward. This is in some respects an unfortunate rule. It leads to what I often term "Maginot line" habits of would-be leadership—excessive attention to realities which have been overtaken by events. But it does at least provide a desirable incentive to incumbents: It suggests that they—or their party—will, in fact, be held accountable politically for their stewardship.

This simple—and largely reassuring—axiom of political accountability was exhibited dramatically in the recent Congressional elections. As most analysts agree, the elections were a retrospective judgment upon the quality of Presidential management. They were a vote on Presidential management of Watergate and of the national economy—and here there is disagreement only as to the proportional role of each.

Of course it was unfair, by and large, to hold Congressmen accountable for Presidential management. But the Congressional elections were the only available opportunity for a referendum on the Presidency—a referendum which a concerned electorate understandably did not wish to postpone for two years. The Congressional elections were a means of sending Washington a message—the only available electoral means, in fact.

It was unfair, similarly, to hold President Ford accountable for the action of his predecessor. On the other hand, President Ford in his first ninety days had not fully succeeded in giving the public confidence that he had no need of an electoral message. With regard to Watergate, the timing of the pardon was disconcerting. With regard to the economy, the summit did serve to suggest a healthy new openness; but it heightened attention to problems without providing any assurance that a coherent approach to their solution was in the process of being formulated. Form the citizens' perspective, this meant that, in spite of the change of leadership, the message still had to be sent. And it was.

The message was sent with sufficient force to insure that it would be unmistakable. And concerned Republicans are now—in one way or another—offering prescriptions for party renewal. Some prescribe "communication" campaigns aimed at imagined—but invisible—majorities. Others would formulate a campaign based on running against the Congress. Some would-be healers prescribe a turn to the "right"; others prescribe a turn to the "left." But turning left or right will not effect a cure. Indeed, all such formulations are mistakenly conceived. One is reminded of the physician in the cartoon who prescribes: "Take one of these every four hours. If pain persists see another doctor." And one wonders: Can the patient survive another dose of ill-conceived advice?

What voters want is performance. And—in accord with the axiom of retrospective accountability—what voters will judge is performance. The single most important variable affecting the health of the Republican party in 1976—the most important by far—is not likely to be talk of "left" or "right" or "middle" or even "old this" or "new that." The most important variable affecting the health of the Republican party is, to put the matter directly, the performance of the incumbent Republican President.

But having identified the key to recovery, one cannot leap to a favorable prognosis. For the President, these are—for any President these would be—very difficult times in which to perform well. It may be useful, however, to attempt to be clear about where the most significant difficulty does and does not lie.

Current fashion notwithstanding, it cannot in fairness be argued—at least not at this stage—that the principal difficulty lies in the existence of a "veto-proof" Congress. The written Constitution, habitual practice, practical necessity, and public expectation render inescapable the conclusion that the executive branch must be held primarily accountable for leadership in policy formulation. Only if the public is first convinced that the executive has managed this responsibility well, can the issue of Congressional responsiveness be joined. And even if Congressional responsiveness is viewed as problematical, the fact remains that the President enjoys a vast freedom of action which largely independent of the Congress. This is true to a very considerable extent in the exercise of initiative across the board through the power of appointment; in integrative policy formulation and management through the legitimate coordinative activities of the White House staff; in regulatory and administrative policymaking domestically through Cabinet agencies; and in the management of foreign policy generally. The much-discussed "Imperial Presidency" was hardly intended as a reference merely to such symbols of power as the epaulets of White House policemen. The "Imperial Presidency" involved much actual, as well as symbolic, power. And although there have been some dramatic symbolic changes of late, there remains the fact of continuing, vast, real Presidential power. This would be the case even after a sensible readjustment of the Executive-Legislative balance.

The President's difficulty does not derive from a lack of adequate power. Rather, it derives from the complexity of the substantive problems to which that power must, in one way or another, be applied.

Among these complex substantive problems, I would include the following five as especially important—and especially difficult. I enumerate them without intending to suggest a priority among them; they are themselves interrelated.

A first—and suddenly, to some, most obvious—problem is the problem of the economy in an increasing interdependent world. I shall return to this shortly.

A second is the problem of foreign policy in a world of rapidly changing realities. It is a world of decreasingly tense "superpower" relations—in large measure because of the progress in strategic arms limitation managed by Presidents Nixon and Ford. But it is also a world of increasingly fluid pragmatic alignments; a world of increasingly wide rich-poor disparities; a world in which the calculus of power is increasingly complicated by the rising potential of economic weaponry, nuclear proliferation and terrorist blackmail; a world in which the elements of this calculus extend increasingly beyond the traditional narrow range of international actors. It is a world in which problems, by virtue of their increasing complexity, lend themselves less and less well to intermittent, ad hoc crisis or summit intervention—a world in which the need for improved, ongoing institutional problem-solving mechanisms grows increasingly apparent.

A third problem is the problem of equality—or at least some greater degree of fairness—in a world of increasingly limited resources. Neither at home nor abroad have we learned to manage either the ethical or the practical issues of the distribution of resources. As population grows, as expectations rise, as disparities in the distribution of resources become more evident, as economic development is limited by ecological concern and practical necessity, the distributional issues become more difficult. The temptation is to put them aside. Yet if we do not soon develop a humane and orderly set of policies to cope with inequity, we will surely be led to the more painful order which emerges out of violent instability.

A fourth problem—less obvious, perhaps—is the problem of continuity in a world of increasingly rapid "post-industrial" change. It is the problem of preserving the best of our humanistic traditions in the face of the "dehumanizing" pressures of industrialization, bureaucratization, "bigness," institutional heavy-handedness, depersonalization. Without serious attention to continuity—to a selective conservatism in the context of necessary change—we will only feel the more a sense of alienation, of purposelessness, of community lost.

In this respect, I might note that the habits of the "news" media are to some extent both a symptom and a cause of discontinuity. We are supersaturated with information which is typically provided without an integrative framework or perspective—provided, rather, as a form of distractive entertainment. Our sense of proportion is lost.

Investigative journalists are our new historians. Television anchormen are our historical dramatists. Indeed, the continued application of the anachronistic labels "liberal" and "conservative"—the misguided focus on turnings "left" or "right" which earlier I lamented—is but a symptom of the extent to which a proper sense of history and proportion is removed from "coverage" of the news. The issues which once divided so-called "liberals" and "conservatives" have been largely overtaken by events. So far as they remain, they are now largely secondary to emergent issues—issues, for example, of confidence in our institutions, of rights to privacy, of respect for the individual in an increasingly homogenized society—issues for which the old divisive labels are neither appropriate nor helpful. It is hardly a constructive approach to the building of continuity when our political narrators—and, indeed, our political actors—are made to seem (or make themselves seem) like new dummies mouthing the lines of old ventriloquists.

A fifth problem is the problem of intelligibility in the face of increasing complexity. This is perhaps the least obvious of the problems here discussed. But it is fundamental, nonetheless. For if we cannot comprehend reality, we can hardly expect to govern it—or ourselves—in a manner that would serve us well. Yet complexity may be outpacing the growth in our capacities of comprehension. It is growing exponentially—as a multiplier of population and economic growth. Systems grow upon systems. The simplest of interventions have complex—and often unanticipated—effects. Getting from point A to point B, for all our technological advance, in many respects grows more difficult.

But however we may yearn for a lost simplicity, these are not the times for the Great Simplifier. Complex problems require complex understanding and, typically, complex solutions—solutions which are comprehensive in scope and strategic in their formulation and articulation. This is true not only for the problems identified here, but for virtually every significant problem facing our country today. It is true, in part, because of the inherent nature of modern problems—problems of many interconnected variables. It is true the more because people sense this interconnectedness and wish clearly to understand it in order to have confidence in the relevance and appropriateness of whatever actions are demanded. Without a sense of strategic confidence, an increasingly sophisticated public will, at best, remain skeptical.

It is a curious fact that one unintended consequence of Watergate seems to have been the loss of a sense of strategic comprehensiveness in our approach to major problems. Strategic thinking was a special strength of Richard Nixon's. In his first term—until the election campaign of 1972—he was remarkable for his appreciation of changing realities and for his formulation of strategies which were both adaptive and creative. In foreign policy, this was reflected in the Nixon Doctrine and in the "linkage" policies toward the Soviet Union and China. In domestic policy, it was reflected in his early formulation of the "income strategy" and the "New Federalism."

Realities have, of course, changed since the first Nixon term. And, though we need especially a sense of coherent and well-considered strategy, we seem, rather, to be engaged in occasional struggles to catch up—piecemeal. I doubt this will do.

In another context, I might elaborate with reference to each of the problem areas I have touched on. Here I shall touch briefly on only the most topical of these problems: the economy.

As it has now become commonplace to observe, we are experiencing an odd—to many, a baffling—combination of inflation and recession. The bafflement, as far as I am able to discern, derives primarly from a conceptual failure to distinguish demand problems and domestic problems from international problems. The fundamental reality not yet fully appreciated is that the current inflation problem is in its origin largely a special supply problem, not a general demand problem, and largely international, not domestic. Inflation in its present form, therefore, is not properly subject to treatment through conventional fiscal and monetary policies—these are better suited for treatment of aggregate domestic demand problems.

It is, of course, true that the inflation we are now experiencing was generated in part by fiscal and monetary policy—by excessive deficit financing in the period of the Vietnam war and by expansionary monetary policy particularly as late as 1972. But since 1972, monetary policy has been anti-inflationary. And, as the current recession would suggest, conventional counter-cyclical policy can still affect demand.

That inflation persists, however, is, as I have suggested, a phenomenon largely independent of general domestic demand policies. About sixty percent of the current inflation, it is estimated, can be accounted for by two special international supply problems—food and fuel. An anti-inflation strategy, then, must focus specifically on these. For the long term, it must be oriented toward expansion of supply. For the middle and long term, it must—through foreign policy—develop more stable arrangements for the international distribution of key commodities. For the immediate term, the most sensible available adaptation—given that supply cannot be promptly expanded—is a specifically focused adjustment of demand. The obviously preferable specific focus for adjustment of demand is automobile fuel. This focused adjustment of demand might best be effected through a gasoline tax or through a tax on high-consumption automobiles. And because the tax might fall inequitably upon the poor, it ought to be linked with tax and welfare reform—with the "income strategy" which has regrettably dropped from view since 1972.

Confidence in the economy is dangerously low. It is a time for clear, strategic policy: To counter inflation, a specifically tailored supply policy; to counter recession, conventional counter-cyclical fiscal and monetary policy; to counter inequity, a tax and welfare reform policy. This is not a time for laundry-list solutions.

The American people are more than ready for sophisticated approaches to problem-solving. Too often it has been assumed that the people are of lesser quality than, in fact, they are. Their sophistication and maturity were consistently underrated in the course of Watergate. It would be a mistake to underrate the people again.

Confidence in the integrity of government has to a considerable extent been restored. But the problem of confidence in the capacity of government remains to be addressed. People will respond favorably if complex realities are met with clear, conscious, coherent, and comprehensive strategies. But if not, the people will surely send another message.

For Republicans, the message of the moment is simply this: If the health of the party is to be restored, the health of the nation must be restored.

THE FOOD FOR PEACE PROGRAM

Mr. McGOVERN. Mr. President, it is clear that millions in India and Bangladesh will die of starvation in the next 6 to 9 months unless there is a massive effort by those nations that are blessed with the ability to provide assistance.

The United States, the world's largest food exporter, should be leading in this effort. Instead, the administration is talking about budget and "political" versus "humanitarian" use of food aid, but there is no action.

The World Food Conference in Rome last month offered hope that something would be done about starvation. However, Norman Borlaug, father of the Green Revolution, said of the conference: "nothing tangible was done."

The deaths in India and Bangladesh, Borlaug said, "are going to make the fatalities from starvation caused by the drought in the Sahara lands . . . look like very small numbers."

In the face of this, the United States should be increasing shipments to these areas under the food for peace program. Instead, we are shipping less food in the food for peace budget than we have in recent years, and the bulk of that food is going to "security" related countries.

You can be sure that if there were a war in India or Bangladesh in which the United States found it in its "national interest" to militarily aid one of the participants, there would now be mobilized a massive effort to deliver planes, tanks, guns—and food—at a cost of hundreds of millions, even billions of dollars.

Practically speaking, the Ford administration is now underestimating the potential for world chaos that can flow from mass starvation. Morally, it is underestimating the American nature. The American people have in the last few years witnessed an unprecedented corruption of the principles of compassion and honesty on which the country was built. They will not enjoy witnessing starvation over the next few months that they know their government had the power to reduce or prevent altogether.

The United States has flourished most when it has given most. We should consider this paradox most carefully now, while we still have time.

I ask for unanimous consent that the attached articles be printed in their entirety in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Dec. 11, 1974]

FOOD AND SECURITY

From all accounts, the Administration's decision on the level and purposes of this country's food assistance program for the coming year is finally to be made this week. Along with budgetary questions affecting aid levels, there is a debate within the Administration which, roughly stated, is between those who want American food aid to be used for political purposes and those who want it to be used for humanitarian purposes.

There are a number of factors looming in the background. First, there is the specter of mass starvation in South Asia this crop year. Then there are traditional United States foreign policy interests—particularly the goal of moving toward peace in the Middle East. There is also the newer foreign policy issue concerning the nature of American participation in a world in which scarcity and interdependence are larger factors than at any time in American history. Finally, there is the growing question of the role which the newly rich oil producing (OPEC) countries intend to play, particularly in countries where their pricing policies have contributed significantly to the impending disaster.

While the OPEC countries have committed $8.4 billion to foreign assistance, with $2.1 billion going to those nations most seriously affected by the inflated oil prices, their aid still matches neither the need of the food-short countries nor the resources of OPEC, which could easily meet the total cost of filling the South Asian food gap.

In Washington, the question need not—indeed should not—turn on an either/or choice between foreign policy and humanitarian considerations. The real issue is whether in an extraordinary crisis calling for a high measure of American leadership and compassion, the priorities of the National Security Council should fully control the decision or whether they should be greatly tempered by the human imperatives which have moved so many Americans so deeply.

The United States has the wealth and the President has the power to direct food assistance toward both the highest priority humanitarian problems and to the highest priority political issues. The American people would probably be willing to pay the price for keeping political commitments but they would find it difficult to watch starvation in South Asia or central Africa while knowing that their government gave less than it could because it had political commitments elsewhere.

The United States cannot fail to assume

its appropriate share of the task of staving off world hunger. As the Marshall Plan amply demonstrated, generosity can serve the cause of security.

Borlaug Predicts Wide Starvation

SANTIAGO, CHILE, December 10.—The agronomist Norman E. Borlaug, winner of the 1970 Nobel Peace Prize, says that millions will die from hunger during the coming months and that the recent World Food Conference in Rome did nothing to prevent their starvation.

"It was nonsense and you can quote me," Dr. Borlaug said in an interview. Nothing tangible was done, it was just talk. I spent three days before the meeting began to help draw up general suggestions and there were very few of us with dirt underneath our fingernails. I left before the conference began because I knew what was going to happen." The food conference, attended by representatives of 123 nations, ended Nov. 17 after drafting a long-term campaign against hunger and creating a new agency, the World Food Council.

Dr. Borlaug, whose work in developing new strains of high-yield wheat won him the Nobel Prize and fame as the father of the Green Revolution, said millions would die in the next eight to nine months in such countries as India and Bangladesh.

WORST SINCE WORLD WAR II

He called the food crisis the worst since World War II and added: "The deaths in those countries are going to make the fatalities from starvation caused by drought in the Sahara lands over the last couple of years look like very small numbers."

There is no official count on the number of deaths in the Sahara region, but unofficial estimates have put it in the tens of thousands.

Dr. Borlaug, who was in Chile to advise on ways to improve wheat yields, said the hunger crisis in such densely populated countries as India and Bangladesh was so acute that is was doubtful whether the richer nations, even if they agreed on an emergency plan, could overcome logistical problems in shipping sufficient quantities of grains.

"Right now, for example," he said, "the Rome food conference discussed the idea of cutting down on meat 10 per cent. But how the hell do you get it over there?

"So for the immediate future governments are going to have to buy that additional grain and move it. But you can't move that much food that fast."

SURPLUSES DISAPPEAR

Dr. Borlaug said the crisis had its roots in heavy food production outside Europe during World War II. After the war, when the countries of Europe began producing food again, surpluses glutted world grain markets, and governments subsidized farmers to produce less.

But simultaneously, he said, the world had a population boom and people ate more with better standards of living. By 1971 most food-exporting countries felt they had adequate stocks to meet emergencies but not too much to burden taxpayers, Dr. Borlaug said. They were proved wrong by winter kills of wheat in the Soviet Union and drought in China, Australia, Bangladesh, and India, he said.

"It was not enough so that previous world reserves of 28 million metric tons were depleted almost overnight and prices exploded," he said. The 1973 crops generally made up for the previous year's losses but not enough to build up reserves.

"There is no reserve of grains of any magnitude in the world today," he said, "and to give you a benchmark to go by, annual global consumption of grain in some 1.2 billion metric tons. That's enough to build a highway around the earth's equator 55 feet wide and six feet deep. But unlike macadam, which lasts for 30 years, this road has to be rebuilt every year.

"And every year, the world's population increases by about 76 million people. So this requires 28 million to 30 million metric tons of more grain every year."

NATIONAL INSTITUTE OF CORRECTIONS IS LAUNCHED

Mr. HRUSKA. Mr. President, the Juvenile Justice and Delinquency Prevention Act of 1974 which was enacted on September 7, 1974, as Public Law 93–415, provided, among other things, for the establishment of a National Institute of Corrections.

The idea of such an institute is not new. It has been the subject of much discussion and review in correctional circles for many years.

For the past several years, serious efforts have been made to promote innovation and reform in corrections. In 1971, a National Conference of Corrections was held at Williamsburg, Va. This conference, attended by nearly 450 participants, focused on many issues, including the need for a national center or academy in the field of corrections.

Following the Williamsburg meeting, the Bureau of Prisons and the Law Enforcement Assistance Administration formed a broadly representative ad hoc advisory committee which recommended to the Attorney General the establishment of a permanent Advisory Panel. The Attorney General acted promptly to organize this group whose mandate it was, among other things, to suggest what form a new center or academy should take.

Present members of the Advisory Panel are Mr. Peter B. Bensinger, executive director of the Chicago Crime Commission; Norman A. Carlson, Director of the Bureau of Prisons; Dr. Charles L. Clapp, Commissioner of the Interstate Commerce Commission; Bennett Cooper, commissioner of the Ohio Department of Corrections; Mrs. Edna L. Goodrich, superintendent of the Purdy Treatment Center for Women in Washington State; Dr. Stephen Horn, president of California State University; Robert J. Kutak, an attorney from Omaha, Nebr.; Prof. Norval Morris, professor of law at the University of Chicago; Rev. Elmer J. C. Prenzlow, Jr., of Milwaukee, Wis.; Judge Morrell Sharp, of Seattle, Wash.; Maurice H. Sigler, Chairman of the U.S. Board of Parole; Richard W. Velde, Administrator of the Law Enforcement Assistance Administration; and John A. Wallace, who is presently affiliated with the U.N. development program in Colombo, Sri Lanka, Ceylon.

Mr. President, I have introduced two bills, one each in the 92d and 93d Congress, to establish a National Institute of Corrections within the Department of Justice. Both measures were intended to further that "milestone in correctional history" predicted at Williamsburg. I am pleased that the institute created in Public Law 93–415 contains many essential features of the organization I proposed.

It is my firm belief, Mr. President, that the establishment of this institute will one day be viewed by all those concerned with corrections as truly a monumental step by Government in restructuring not only the means, but the ends, of reintegrating offenders into society.

The Advisory Panel which played such an important role in the development of the new institute has recently made a report to the Attorney General on its activities during the past several years. It is an accounting of this distinguished group's stewardship. I recommend this document to my colleagues as very worthwhile reading.

I ask unanimous consent, Mr. President, that the report and accompanying letter of transmittal to Attorney General Saxbe from Robert J. Kutak, Chairman of the Advisory Panel, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL INSTITUTE OF CORRECTIONS,
Washington, D.C., December 3, 1974.
Hon. WILLIAM B. SAXBE,
Attorney General of the United States,
U.S. Department of Justice, Washington, D.C.

DEAR ATTORNEY GENERAL SAXBE: It has been my privilege to serve for the past two and a half years as Chairman of the Advisory Panel to the National Institute of Corrections. As this Institute has now been established on a statutory basis, it is appropriate for the Advisory Panel to report to you on the work it has done to carry out the charge of providing a national center for correctional learning.

The accompanying report sets forth the steps that were taken to develop the National Institute from an idea to a reality and thereby make possible more professional training of the highest quality at all levels of corrections. It is a record of accomplishment of which the Department of Justice can be proud as the clients of corrections will surely be its direct beneficiaries. I would like to note in that regard that the Institute, in its formulative period, could not have succeeded as it has, however, without the strong support and personal commitment of Messrs. Norman A. Carlson, Richard W. Velde and Charles L. Clapp, its original coordinators.

The members of the Advisory Panel look forward to an early and energetic implementation of the legislation and to the further accomplishments that can be expected from the National Institute of Corrections in the years to come.

ROBERT J. KUTAK,
Chairman.

NATIONAL INSTITUTE OF CORRECTIONS REPORT OF ADVISORY PANEL TO ATTORNEY GENERAL WILLIAM B. SAXBE

INTRODUCTION

Although authorization for the National Institute of Corrections was added to the Juvenile Justice and Delinquency Prevention Act of 1974 by the Senate Judiciary Committee during its consideration of the bill, this action did not represent the sudden emergence of a new idea. The establishment of an institute of this kind had been discussed in correctional circles for many years, and recent developments culminated in a planned effort to lay a solid groundwork for its creation.

The field of corrections has always been deplorably fragmented, not only in its organizational structure under which thousands of probation offices and jails and scores of prison systems have operated in relative isolation, but also in its basic philosophies, techniques and methods. It has never been a recognizable discipline. The components of corrections too often have been weak and ineffective. Probation typically has represented little more than a suspended sentence, the jails with their characteristically disgraceful conditions have probably created more criminals than they have corrected, and the prison systems have been wracked with tension, disorder and worse. The entire field has not only lacked public, legislative and financial support, it has lacked leadership. In a society where the pace of change steadily accelerates, the field of corrections has been a notable example of cultural lag—it remains little better than it was in the Nineteenth Century.

It was with this background in mind, with the recognition that corrections must be professionalized if it is ever to attain any degree of effectiveness, and with the realization that some mechanism must be developed to organize and coordinate a concerted effort to begin resolving the many problems and deficiencies of corrections that in the 1950's the idea of a national Academy of Corrections began to take form. Legislation to this effect was introduced into several successive Congresses, but failed largely due to the concern of a few state correctional professionals who feared federal domination.

Interest in the establishment of a national Academy of Corrections was reawakened by a series of events beginning in 1969:

The leadership of the Law Enforcement Assistance Administration in 1969 assured the field of corrections steadily increasing financial support for innovation and reform;

The President of the United States, in November 1969, issued a public statement of administration policy calling for a national drive to improve federal, state and local correctional systems and institutions;

In December 1969, the President authorized the appointment of a White House Task Force on Prisoner Rehabilitation, which within a few months issued a report analyzing the shortcomings of the corrections field and suggesting remedial courses of action;

In September 1971, the riot and consequent great loss of life at New York State's Attica Prison shocked the public into a renewed awareness of the ills of the nation's prisons and correctional systems; and

The President, in 1971, directed the Attorney General to convene a National Conference of Corrections, the first ever held; it met in December at Williamsburg, Virginia.

WILLIAMSBURG CONFERENCE

The 450 participants in the Williamsburg Conference represented a cross-section of American corrections and interested citizens—correctional administrators and line personnel, judges, lawyers, policemen, legislators, public interest groups, minority groups and laymen from various walks of life. The agenda focused on the issues, problems and deficiencies handicapping progress in the corrections field, and in line with the President's charge to the Conference, was organized to obtain specific recommendations of the participants as to courses of action. Attica was still fresh in the minds of participants, and there was no disagreement as to the pressing need for basic and thorough-going reforms in the country's corrections system.

The Attorney General of the United States, in a plenary session of the Conference, introduced for the consideration of the participants a proposal for the establishment of an Academy of Corrections. He had in mind a national center that would:

Encourage the development of a body of correctional knowledge, coordinate research, conduct executive seminars and formulate correctional policy recommendations;

Cover the entire range of correctional disciplines—from newly recruited personnel to top management;

Provide a forum and exchange for the discussion and evaluation of advanced ideas in corrections; and

Bring about the long-delayed and long-neglected professionalism of the field.

The Attorney General's proposal was examined in all of the workshops of the Conference. The participants discussed such questions as: Would the proposed center be modeled after such existing academies as the FBI Academy? How would it be financed? Where should it be placed in the structure of the government? What would be its relationship with university programs in the area of criminal justice? Would it be centrally located or would it be a regional operation?

While the participants disagreed on some details they eagerly developed the Attorney General's briefly defined proposal. The recommendations for a proposed Academy included three general categories: (1) ideology; (2) purposes; and (3) structures. A reasonable degree of consensus was achieved on the following considerations:

1. A National Advisory Committee should be established to study the proposed role of the Academy and to recommend its structure. To recognize the intended nature of the criminal justice system it was suggested that the Committee be broadly representative of criminal justice agencies and related organizations.

2. The scope of activities assigned to the Academy should also reflect continuity in the police, courts and corrections components of the criminal justice "system" and the dependence of each upon the other for the efficient performance of their missions.

3. State and local government should be full-fledged partners with the federal government in the design and operation of the Academy. This issue colored all discussions of the proposal, and the views of the participants were most emphatic in this respect.

4. Existing educational and training programs should be used by the Academy. Collaborative relationships should be developed with universities and with correctional agencies already operating training programs or capable of operating such programs. The Academy should not attempt to duplicate such resources. In developing cooperative relationships and promoting the acceptance of credibility of the Academy, such resources were preferable to an in-house capability.

5. The Academy should develop training curricula, models and standards for all levels and types of correctional agencies. At the outset, particular priority should be given to the development of leadership and planning capabilities in such agencies.

6. The Academy should serve as a standard-setting agency for all types of correctional activities, and offer related technical assistance.

7. The Academy should coordinate the efforts of other federal agencies—the Bureau of Prisons, the Law Enforcement Assistance Administration, the Department of Health, Education and Welfare, and others—which operate programs intended to assist the states and localities in improving their corrections services.

8. As for structure, the predominant feeling was that the Academy should not be a self-contained physical entity of "bricks and mortar," but a consortium of resources operated on a highly flexible and responsive basis. This concept would involve more people, marshal more strength and resources, and have more impact in bringing about the professionalism of corrections than a monolithic central "building" or collection of buildings.

In presenting his suggestion, the Attorney General directed the Bureau of Prisons and the Law Enforcement Assistance Administration to explore with state and local corrections people what further steps might be taken with respect to the Academy. Following the Williamsburg meeting, the two agencies formed a broadly representative Ad Hoc Advisory Committee, which met in Dallas, Texas, in February 1972.

ADVISORY COMMITTEE FINDINGS

The Committee first considered four specific issues: (1) functions of the Academy; (2) administrative organization; (3) location; and (4) funding. While initially there were some conflicting opinions, the Committee eventually developed near unanimity in its recommendation.

Functions of the Academy

It was the feeling of the Committee that the functions of management development and personnel training were inherent in the basic concept of the Academy. These functions, if they were to have a significant impact on correctional reform, would have to be based on a foundation of research and development affecting all components of corrections. This foundation would also lead logically to a primary role in the development of correctional policy recommendations for the consideration of client agencies. With this background of activity, the Academy would also be able to provide expertise for the development of standards and goals in corrections, and would therefore be able to refine and update the work of the National Advisory Commission on Criminal Justice Standards and Goals in the area of corrections. Finally, on the basis of all the foregoing functions, the Academy would be the most appropriate and qualified source of technical assistance to federal, state and local correctional agencies. Because of the wide scope of these functions, the Committee recommended that the Academy be gradually phase into operation following this sequence of development.

Administrative Organization

The Committee recomemnded that the Academy operate under a board of directors appointed by the Attorney General. This would be an interdisciplinary board of 15 individuals who were highly qualified in their fields. Besides various representatives of the criminal justice system and the public, it would include one representative each from the Law Enforcement Assistance Administration and the Bureau of Prisons. It would have the responsibility of selecting a director for the Academy, formulating policy, and obtaining and providing advice. Its goal was to develop a prestigious Academy operation whose wide scope of activities would be an influential force and a focal point in correctional reform.

Location

The Committee agreed with the recommendation of the National Corrections Conference that the Academy should be a decentralized operation using existing programs and facilities, drawing heavily upon the academic community. The director and core staff would be established at one of the decentralized locations. No funds would be sought for the construction of permanent buildings.

Funding

The Committee assumed, on the basis of realities, that the funding would come chiefly from the federal government—initially from a combination of such agencies as the Law Enforcement Assistance Administration, the Department of Labor, and the Department of Health, Education and Welfare. The Committee felt that ultimately the Academy would have to be supported by a line item budget appropriation for an appropriate federal agency or bureau. To get the Academy under way administratively, the Committee recommended that the Law Enforcement Assistance Administration make a discretionary grant of $400,000.

At the same February 1972 meeting, the Ad Hoc Advisory Committee also took up a number of general issues. One of these was the target groups of the Academy's activities. Here the Committee concluded that these should include institutional treatment teams, policemen, judges, prosecutors and defense counsel, educators, lay organizations; in sum, all groups whose work affects or impinges significantly upon corrections. It was proposed that a systematic effort should be made to determine the goals to be achieved with each group and to identify common requirements among them to which the Academy should address itself. The Academy should emphasize conceptual themes rather than development of mundane skills. It should direct itself to such broad areas of criminal justice as leadership and management training, decision making, interdisciplinary relationships, cultural understandings, community involvement, attitudinal change, use of sub-professionals, career ladders, systematic reinforcement of innovation, and minority recruitment.

Another issue discussed was research and development. The Committee recommended that the Academy operate a clearinghouse to collect, collate, summarize and organize correctional research and development information, including the compilation of a bibliography.

Importantly, it should identify gaps in correctional knowledge and persuade and support others in undertaking research to fill these gaps. The Academy should also publish the results of research and circulate information to encourage the discussion of major correctional policy issues. These findings should also be incorporated into training models and programs.

The Committee also explored the issue of the Academy's relationships with outside professional and correctional agencies in the development of correctional policy recommendations. This issue was brought up by the suggestion that the primary work ought to be done by these agencies independent of the Academy and then channeled first to the Law Enforcement Assistance Administration and then to the Academy for promulgation. However, the Committee concluded that the initiative should rest wtih the Academy, which would consult directly with the Academy groups and operating correctional agencies. The product would be communicated to client agencies and personnel through such means as seminars, training packages and technical assistance.

Finally, the Committee recommended that it was essential for the Academy to develop realistic techniques for evaluating its own programs and to develop models for others to use in the evaluation of their own programs. Such evaluation has been traditionally neglected in corrections or conducted with a self-serving objective that deprived such efforts of validity.

The Committee concluded its existence with the recommendation to its sponsoring agencies, the Law Enforcement Assistance Administration and the Bureau of Prisons, that the impetus now associated with the establishment of the Academy should be preserved by prompt action to get it under way.

The Attorney General acted expeditiously, and appointed a more permanent Advisory Panel, substantially following the organizational recommendations of the Committee. The membership of this Panel is listed in Appendix A. Eight of the fourteen members appointed had been members of the Committee, thus providing a continuum in the planning of the Academy. The Attorney General also charged the Panel and the Academy with the responsibility for developing and implementing two pilot seminars for the management executives as soon as arrangements could be made.

ADVISORY PANEL

The Panel began its work promptly, meeting first at the University of Chicago in April 1972. The purposes of this meeting were twofold: (1) to examine the progress that the newly formed staff had made in preparing two Summer Institutes for Criminal Justice Executives; and (2) to offer specific guidance to the staff in organizing and focusing the activities of the Academy.

Committee staff reported to the Panel that two special consultants to the Academy (one, the special assistant to the Director of the Bureau of Prisons, and the other, a staff member of the Technical Assistance Division of the Law Enforcement Assistance Administration), with the aid of Academy staff, had made a national survey of universities which were judged capable of conducting top level management training for criminal justice executives—the two pilot seminars scheduled for the summer of 1972. The Panel endorsed the selection of two of these universities. Both—the University of Chicago and California State University, Long Beach—were selected to inaugurate the work of the Academy because they most clearly met the criteria sought by the Panel: (1) they were notable centers of learning; (2) they had strong faculties in both criminal justice and management; (3) they possessed available facilities that would work with large training groups; (4) they could easily enlist national figures in criminal justice and management to supplement their faculties; and (5) they had easy access to talents in their other departments which would meet the corollary training needs of the Academy.

The Panel had other recommendations to make to the staff concerning the operation of the two Summer Institutes for Criminal Justice Executives:

To achieve any important effect from the training, top administrators had to be involved in the training itself, or their support had to be obtained for the objectives and content of the training to be given their subordinates. Therefore, for the initial effort, the participants in the training should be selected from the highest officials possible, and the administrators of the agencies from which the participants were chosen should be invited to a two or three day orientation session during the Institutes;

The Institutes should adopt an interdisciplinary approach, with nonuniversity experts in related and relevant fields used as instructors in some of the sessions; and

The curriculum should focus on the area of change in corrections: identifying it, influencing it and managing it.

Inasmuch as the Panel was intended to advise the staff only until such time as the Academy could be formally established and a permanent board of directors appointed, the Panel discussed its relationship to the Academy staff. It concluded that it would: (1) assist the staff in organizing the two Summer Institutes; (2) apply its interdisciplinary skills and experience to staff issues; and (3) lay the foundation for the Academy's ultimate structure and goals.

Consistent with conclusions reached by the Williamsburg Conference and the Ad Hoc Advisory Committee, the Panel determined that the Academy's functions would include: (1) assessing training programs and innovative correctional developments occurring throughout the country; (2) disseminating significant correctional knowledge through the operation of a clearinghouse; and (3) monitoring the activities of host organizations selected for training and research purposes.

The Panel was dissatisfied with the term "Academy." The members felt that the term implied a large training site with permanent buildings and a fixed curriculum. It was therefore not consistent with the concept that had been agreed upon by the Williamsburg Conference and the Ad Hoc Advisory Committee. They suggested that the proposed center be named the National Institute of Corrections. The suggestion eventually became a reality, and will be used from here on in this report.

The members of the Panel also agreed that it was their individual and collective responsibility to formulate a precise statement as to what the philosophy of the Institute should be, and with this statement as a base, to set forth a consistent summary of its legitimate functions and activities. The development of a concept paper was assigned to one of the Panel members, Professor Norval Morris, with other Panel members furnishing input.

CONCEPT PAPER

The Advisory Panel's concept of the National Institute of Corrections was based on three fundamental assumptions:

1. There is a severe shortage of trained manpower in corrections—particularly at the managerial, executive and policy-making levels.

2. There is a damaging paucity of established knowledge in corrections.

3. There is not yet a profession of corrections.

In the view of the Panel, it would be the purpose of the National Institute of Corrections to invalidate these assumptions. To accomplish this purpose, overcoming the effects of some 200 years of public and official neglect of corrections, would require a relatively long period of time—at least a generation.

For the purposes of the Institute, the paper defined corrections to mean the community's official reactions to the convicted offender. Again for the purpose of the Institute, the paper embraced within the scope of corrections all prisons and institutions for convicted offenders, all community-based corrections programs, and the organizations dealing with these prisons, institutions and programs. Included within the foregoing would be sentencing and parole, classification, institutional regimes and community treatment programs, release and revocation procedures, and all aspects of jailing those awaiting trial.

The paper called for an interdisciplinary, collaborative effort by all the agencies, organizations and associations which impact in the field of criminal justice. An extract from the paper states this theme most effectively:

"It is of paramount importance that the National Institute of Corrections has no narrow trade-school orientation. It must train the future managers and leaders of corrections, but it will do this effectively only if it attracts the interest and collaboration of a much wider range of professional and academic interests than only correctional practitioners themselves. There are judges, lawyers, politicians, criminal justice system planners, police, as well as wide categories of academic social scientists who are interested in correctional problems, correctional standards, correctional training and correctional research. They must all, in different ways, be brought into a collaborative relationship with the Institute in its central mission of providing correctional leadership."

In view of the Panel, as reflected in the paper, the National Institute of Corrections would be encompassed by one overreaching goal: the development of a more efficient, more humane correctional system which will contribute to the public safety by reducing recidivism. Subordinate and supporting goals would include:

Developing a larger sense of professionalism in corrections;

Drawing other professional groups into closer relationships with correctional planning and practice;

Keeping the community at large informed and involved in the activities of corrections; and

Establishing close working relationships with national and state correctional agencies.

Of the five main functions the paper outlined for the Institute—training, standards, research, publications and alumni support—training would constitute a central focus. Priority targets of the training effort would be middle management, correctional training personnel, correctional researchers, correctional personnel addressing new or evolving programs, senior policy-making personnel, university and college criminal justice teachers, administrators and personnel officers. Vital to this effort would be an evaluation component to provide the information necessary to determine the effectiveness of a particular program in achieving its goals and objectives.

The research function of the Institute would be prerequisite to a purposeful training operation, serving as a germination ground for training programs. Although other government research agencies tend to concentrate on larger issues in criminal justice, the Institute would emphasize, to quote from the paper, "the many problems surrounding the determination of which correctional methods are effective with which categories of offenders at what cost and with what social consequences." While a small portion of this research would be conducted by the Institute, most of it would be brokered in existing, established organizations. As with all other Institute functions, close coordination with other corrections and corrections-related organizations would be sought.

The Institute would publish its own work products—programs and program materials, research reports, evaluation models and policy studies—as well as those of other agencies around the country. It would also provide abstracting and clearinghouse services and publish a newsletter.

The paper endorsed the recommendation of the Ad Hoc Advisory Committee that the Institute be an appropriate agency for periodic revision of the correctional standards produced by the National Advisory Commission on Criminal Justice Standards and Goals. It could also measure and evaluate the extent to which operating correctional agencies have achieved these standards and to recommend ways of improving this performance.

THE SUMMER INSTITUTES

As directed by the Attorney General, the Institute staff and Advisory Panel scheduled two pilot seminars for management executives for the summer of 1972. With California State University, Long Beach, selected to draw its clientele from the western part of the country, and the University of Chicago from the eastern part, work also got underway on the design of the course structure and content. It was determined that the theme of both seminars would be correctional change and that the seminars would serve these purposes:

Examine the dynamics of the criminal justice system with a select group of criminal justice executives;

Teach these executives techniques for managing change within the system;

Provide a model for the Institute's role of identifying and coordinating criminal justice resources;

Test various innovative teaching methods; and

Examine techniques for identifying potential criminal justice leaders.

Each program would be conducted in three phases: (1) a three-week residential phase that would provide the participants with training in "change" management, with an overview of the criminal justice system; (2) a field work phase that would serve as an opportunity for the participants to apply their training in the environment of their own agencies; and (3) a follow-up, one-week seminar that would be conducted six months after the summer program and that would be used to reexamine and evaluate the participants' success in applying their newly acquired skills.

The agendas for each of the two programs would thus combine management techniques instruction with relevant criminal justice topics.

The Institute staff then circulated information concerning the Summer Institutes to criminal justice agencies around the country. Although the time was short, the Institutes were to be conducted in prime vacation time, and three weeks is a long time for executives to be away from their jobs, nonetheless 202 applications were received. From these, 40 applicants were selected for each of the two Institutes.

The first phase of the University of Chicago Institute was held from July 9 to 29, 1972, and the first phase of the California State University, Long Beach, Institute from August 20 to September 8, 1972.

Chicago participants

Thirty-five men and 5 women representing 24 states and the District of Columbia attended the University of Chicago Institute. Twenty-three represented state agencies, 7 represented city agencies, 7 represented county agencies, and 2 represented federal agencies. They had an average of 12.7 years of experience in the criminal justice system, with a range of 1 to 32 years. Their average age was 40, with a range from 27 to 54. All but 2 had completed 4 years of college, with such majors as forestry, art, psychology, sociology and business administration. Twenty-four held advanced degrees, primarily in social work, but also in sociology, psychology, police administration and education. Three participants had law degrees.

Fifteen of the Chicago participants served juvenile systems, 10 served adult systems, and 12 served both systems. In the group, there were 19 institution administrators, 10 probation administrators, 1 parole board member, 2 police administrators and 4 community program managers.

Long Beach participants

Thirty-three men and 5 women, representing 19 states and the District of Columbia, attended the California State University, Long Beach, Institute. Nineteen represented state agencies, 11 represented county agencies, 6 represented city agencies, and 2 represented federal agencies—a mix roughly comparable to that at Chicago. They had an average of 13.6 years of criminal justice experience, with a range from 1½ to 33 years. Their average age was 41, with a range from 26 to 58. All but 4 had completed 4 years of college, and 12 had advanced degrees. College majors were predominantly in the social and behavioral sciences, with a small number of education, French, public administration and business administration degrees. The group included 19 institution administrators, 10 probation administrators, 2 community program managers, 1 parole board member, 1 metropolitan police manager, and 1 judge.

Follow-up phase

The concluding seminars of the Institutes were held at Long Beach from April 29 to May 4, 1973, and at Chicago from May 12 to 16, 1973. The goals of both were to: (1) learn the successes and failures of the work projects; (2) sharpen skills developed in the initial residential phases of the programs; and (3) obtain training recommendations for future National Institute programs. The participants were asked for their evaluations of the pilot programs, and staff inquired into the effect of the training on their attitudes and performance in their organizations.

For the field work phase of the Institutes, the Chicago participants chose such actual projects involving their parent organizations as the following:

Development of a training program aimed at reducing citizen complaints against police officers;

Implementation of computer services for probation work operations;

Establishing juvenile counseling centers in high delinquency areas; and

Use of volunteers in probation work.

The reports submitted at the follow-up seminar indicated that two-thirds of the participants made an effort to carry out these projects, more than half of the participants had registered some "concrete achievement", while less than a third had dropped their projects.

A large range of questions were given to the participants in the evaluation section of the program, and the responses were extremely varied. In the Long Beach program, the nearest consensus was reached on 3 items: (1) 80 percent of the participants thought that they should be directly involved in setting the goals of the National Institute; (2) a significant proportion felt that there should be more concentration on management styles and on more input from participants; and (3) 100% wanted to be kept informed about the activities of the National Institute.

Immediately prior to the final seminar, the participants' supervisors were sent a questionnaire concerning the effect of the Summer Institutes in bringing about changes in the participants' attitude and organizational behavior. Most of the responses reported more or less constructive change.

EXPANSION OF ACTIVITIES

Following the completion of the pilot Summer Institutes, the Advisory Panel continued to meet periodically with the National Institute staff. The Panel initially recommended an expansion of the Institute's training activities—particularly for executives, agency trainers, middle-management, researchers and specialty skills, as well as on-site training for correctional personnel. The staff worked with colleges, universities, private corporations and correctional agencies in developing a number of proposals for the Panel's review and consideration.

Of those projects approved by the Panel and funded by the Law Enforcement Assistance Administration, 6 have been completed:

1. *Criminal Justice Executive Institute.* This project was modeled after the pilot Summer Institutes, but given more structure and modified in the light of previous experience. The project was assigned to the University of Southern California, and involved 40 criminal justice managers.

2. *Training the Trainers.* Five regional training institutes involving 125 trainers were conducted by the California Youth Authority, with the agendas covering training needs assessment, instruction techniques, curriculum design and evaluation. The program also included a component under which the participants applied their acquired skills and knowledge by designing and presenting a training program in their parent agencies.

3. *Interpersonal Communication Training Skills.* The University of Georgia directed a project to develop the capability of 40 participants to deliver correctional counselor training in their parent agencies. The residential training was interspersed with periodic actual work situations to apply to the job as quickly, early and fully as possible what was learned in the training situations. The concept and program had been previously tested in the Federal Prison System.

4. *Middle Management Institute.* The Western Interstate Commission for Higher Education conducted 3 regional institutes in the midwestern and southwestern states for middle level managers in criminal justice agencies. This training was designed to improve decision-making and problem-solving skills, planning, goal setting, and communications and related managerial skills.

A significant second phase of this project brought organizational development resources to bear on three criminal justice agencies for a period of one year—a large jail system, a state correctional system, and a correctional institution service. The experience with and evaluation of this project are intended to serve as a guide and model for other systems planning to adopt organizational development methods.

5. *Institute for Criminal Justice Educa-*

tors. The State University of New York at Albany brought together 23 university and college criminal justice faculty members. The agenda centered about the development of a corrections curriculum and a discussion of major issues in criminal justice.

6. *Evaluation Project.* The South Carolina Department of Corrections contracted with a management consultant firm to provide management by objectives training to 80 of the Department's managers. The objective was to develop, within the entire Department, the capability of managing its programs to work toward previously defined objectives and to evaluate the performance of the Department on the basis of the progress made. The National Institute provided funds for a comprehensive evaluation of this project, and the results have been made available to other correctional systems contemplating the adoption of the management by objectives technology.

The Advisory Panel continued to meet periodically during 1973 and 1974 and, among other things, reviewed a number of project proposals for National Institute sponsorship and Law Enforcement Assistance Administration funding. Five of these, with Panel approval and Law Enforcement Assistance Administration grants, have gotten underway, but are not yet completed:

1. *Community Resources Management Team.* This project is an outgrowth of the corrections report of the National Advisory Commission on Criminal Justice Standards and Goals, with its emphasis upon the development of community-based programs. It is intended to provide a method for marshaling, organizing and delivering to parolees and probationers services that are available in the community. Under the direction of the Western Interstate Commission for Higher Education, 10 teams are scheduled for 14 days of residential training, accompanied by actual application of the training, between sessions and assistance on-site in their home agencies in applying the techniques learned. This project, if successful, would have significance for correctional systems throughout the country.

2. *Labor Relations and Conflict Resolution in Corrections.* The National Center for Dispute Settlement will develop knowledge and skills in the use of negotiation, arbitration, grievance handling and mediation techniques, for use with both employees and correctional clients.

3. *Team Planning.* The Professional Institute of the American Management Association will bring together 5 teams of correctional decision-makers in the state of Missouri to train them in planning (assessment of current status, development of specific objectives, identification of alternatives available to reach objectives, data needed for decision-making, time frames for action, and the long-range administration of the process).

4. *Executive Institute.* The University of Southern California will provide trainees with an intensive graduate school managerial experience.

5. *Executive Institute.* Training similar to the above will be conducted by the Wharton School of the University of Pennsylvania.

The Advisory Panel approved and referred to the Law Enforcement Assistance Administration for further evaluation and funding 5 additional projects:

1. *Treatment Technologies for Corrections.* It is proposed that the University of Miami provide correctional trainees with instruction in transactional analysis, positive reinforcement, and facilitative counseling.

2. *Community Residential Treatment Center.* It is proposed that the University of Minnesota will provide correctional trainees with instruction in the development and operation of community residential treatment centers for offenders.

3. *Community Residential Treatment Center.* This is a project similar to the foregoing proposed for St. Louis University.

4. *Organizational Development Consultant.* It is proposed that the University of Colorado provide highly qualified consultants and well-designed curriculum to further organizational development capabilities of correctional agencies.

5. *Clearinghouse for Offender Literacy.* It is proposed that the American Bar Association's Commission on Correctional Facilities and Services prepare line correctional educators to recruit and train private citizens and selected offender volunteers as tutors capable of working on a one-to-one relationship with offenders who are deficient in their reading capabilities.

Two additional projects have been approved by the Advisory Panel and are being prepared by National Institute staff for submission to the Law Enforcement Assistance Administration:

1. *Adult Education in Corrections.* It is proposed that the University of Hawaii train correctional personnel in planning, implementing and evaluating educational programs in correctional settings. Offender education models will be designed by the participants, with partial or total implementation of the models by the parent agencies.

2. *Parole Institutes.* The State University of New York at Albany proposes to update the knowledge and skills of parole board members and hearing officers.

At the time of this report, marking the conclusion of the work of the Advisory Panel as a result of legislation establishing the National Institute of Corrections on a statutory basis, 11 other projects were in various stages of development:

Continuation of correctional counselor training project;

Development of technical assistance training team for six-state region;

Morale development program;

Line officer treatment team development;

Establishment of state training center;

Food service training;

Probation officer training;

Residential community centers for offenders;

Parole hearing training;

Training of volunteers; and

The University as a community correctional resource.

LEGISLATION ESTABLISHING NATIONAL INSTITUTE OF CORRECTIONS

During the course of its work over a period of 2½ years, the Advisory Panel worked on successive drafts of legislation that would place the National Institute of Corrections on a statutory and permanent basis. During consideration of the Juvenile Justice and Delinquency Prevention Act of 1974 by the Senate Judiciary Committee, the bill was amended to incorporate provisions for the National Institute of Corrections substantially as drafted by the Advisory Panel. This amendment was passed by the Senate, agreed to by the Conference Committee, and was enacted by the House and Senate in August 1974. It was signed by the President on September 7, 1974.

The chief provisions of the bill are as follows:

1. It establishes the National Institute of Corrections in the Bureau of Prisons. The Senate Judiciary Committee pointed out in its report that the traditional "antifederal" objections by some at the state level to this placement would be overcome by other provisions.

2. The Institute would be under the supervision of an advisory board of 16 members composed of 6 federal officials serving ex officio, 5 correctional practitioners and 5 from the private sector.

3. The Institute would be managed by a director, who would be appointed by the Attorney General after consultation with the Advisory Board. The Senate report reflected the expectation that the Board would canvass the nation to identify among the various correctional agencies and educational institutions the best qualified candidates. Similarly, the report points out that the staff, faculty and other personnel of the Institute would be selected to represent as widely as possible a range of educational institutions and state and local correctional agencies, to avoid the development of an in-house federal character to the Institute, which the Senate Judiciary Committee felt would handicap the credibility or acceptance of the Institute.

4. The scope of the Institute's authorized activities would include:

a. Receive and make grants;

b. Serve as a clearinghouse and information center for corrections;

c. Provide consultant services to federal, state and local criminal justice agencies;

d. Assist federal, state and local agencies and private organizations in developing and implementing improved corrections programs;

e. Conduct seminars, workshops and training programs for all types of criminal justice personnel associated with the rehabilitation of offenders;

f. Develop technical training teams to assist state and local agencies in organizing and conducting training programs;

g. Conduct, encourage and coordinate correctional research;

h. Formulate and disseminate correctional policy, goals and standards;

i. Conduct programs evaluating the effectiveness of new correctional approaches, techniques, systems, programs and devices;

j. Use the statistics, data, program reports and data of federal agencies;

k. Use the personnel, facilities and equipment of other federal agencies on a reimbursable basis;

l. Use the assistance, services, records and facilities of state and local governments or other public or private agencies;

m. Enter into contracts with public or private agencies, organizations or individuals; and

n. Obtain the services of experts and consultants.

The Senate report commented concerning the foregoing:

"The projected scope of activities, covering both adult and juvenile offenders and the full range of correctional problems, programs and needs—with due emphasis on community corrections as opposed to institutional corrections—would establish the Institute as the focal point for a long-belated national drive to bring about vitally needed improvements and reform in corrections. At present, such efforts are scattered, uncoordinated, and carried out in a largely piecemeal and token fashion. The Institute would help immeasurably in bringing organization, direction, and public and official recognition and support such efforts. Its coordinating role would also assist in eliminating the duplication and waste of public and private funds that now often attend correctional reform—particularly in the area of research."

CONCLUSION

The process of establishing the National Institute of Corrections has been brought to this point by the Advisory Panel and a staff of 4 members. Positions, salaries and operating expenses averaging $150,000 per year have been provided by the Bureau of Prisons. The Law Enforcement Assistance Administration has provided an additional reimbursement for salaries of $50,000 per year. The Law Enforcement Assistance Administration also contributed $1.7 million the first year and $2.3 million the second year for the support of the pilot programs sponsored by the National Institute.

The Advisory Panel strongly endorses the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974 authorizing the National Institute of Corrections. If these provisions are carried out as prescribed in the legislation, the Advisory Panel is convinced, as the Senate Judiciary Committee was, that the National Institute of Corrections "can provide the needed coordination, stimulus and leadership . . . to transform corrections into a system that is capable of performing the functions that it is supposed to." The Advisory Panel believes that in view of the magnitude of the problem, the appropriation of whatever funds are required would be a sound investment in the public safety and interest.

Appendix A—List of Members of the Advisory Panel.

Appendix B—List of Grants approved by the Advisory panel and funded by the Law Enforcement Assistance Administration.

APPENDIX A: NATIONAL INSTITUTE OF CORRECTIONS

Advisory Panel

Mr. Peter B. Bensinger, Executive Director, Chicago Crime Commission, 79 W. Monroe Street, Room 605, Chicago, Illinois 60603, 312-467-9480.

Mr. Norman A. Carlson, Director, Bureau of Prisons, 320 First Street, N.W., Washington, D.C. 20534, 202-739-2226.

Dr. Charles L. Clapp, Commissioner, Interstate Commerce Commission, 12th & Constitution Avenue, N.W., Room 3229, Washington, D.C. 20423, 202-343-6934.

Mr. Bennett Cooper, Commissioner, Ohio Department of Corrections, 1944 Morse Road, Columbus, Ohio 43229, 614-466-2215.

Mrs. Edna L. Goodrich, Superintendent, Purdy Treatment Center for Women, Gig Harbor, Washington 98335, 206-858-9101.

Dr. Stephen Horn, President, California State University, Long Beach, California 90840, 213-498-4121.

Mr. Robert J. Kutak, Attorney, Kutak, Rock, Cohen, Campbell, Garfinkle & Woodward, 600 Woodmen Tower, Omaha, Nebraska 68102, 402-346-6000.

Professor Norval Morris, Professor of Law & Criminology, University of Chicago, Chicago, Illinois 60637, 312-753-2435.

Reverend Elmer J. C. Prenzlow, Jr., Campus Chaplain, 2223 E. Kenwood Boulevard, Post Office Box 5588, Milwaukee, Wisconsin 53211, 414-962-2470.

Judge Morrell Sharp, United States District Court, 410 United States Courthouse, Seattle, Washington 98104, 206-442-4424.

Mr. Maurice H. Sigler, Chairman, United States Board of Parole, 320 First Street, N.W., Washington, D.C. 20534, 202-739-2871.

Mr. Richard W. Velde, Administrator, Law Enforcement Assistance Administration, 633 Indiana Avenue, N.W., Room 1352, Washington, D.C. 20004, 202-386-6245.

Mr. John A. Wallace, Temporary address: United Nations Development Program, Gramme, Post Office Box 1505, Colombo 7, Sri Lanka (Ceylon).

GRANTEE AND SUBJECT OF GRANT

University of Chicago, Center for Continuing Education, 1307 E. 60th Street, Chicago, Ill. 60637: Executive Institute for Criminal Justice Executives.

Amount of grant: $155,331.
Participants: 40.
Status of grant: completed.

California State Unversity, Long Beach, Center for Criminal Justice, 6101 E. 7th Street, Long Beach, Calif. 90840: Executive Institute for Criminal Justice Executives.

Amount of grant: $150,614.
Participants: 40.
Status of grant: completed.

University of Southern California, Center for the Administration of Justice, School of Public Administration, Los Angeles, Calif. 90007: Executive Institute for Criminal Justice Executives.

Amount of grant: $148,740.
Participants: 40.
Status of grant: completed.
Amount of grant: $125,000.

Executive Institute. Continuation of the first program.

Participants: 40.
Status of grant: active.

Western Interstate Commission for Higher Education, P.O. Box P. Boulder, Colo. 80302: Mid-Level Manager Institutes and Organization Development Project.

Amount of $190,000.
Participants: 150.
Status of grant: active, last 90 days for evaluation purposes.

Community Resources Management Team.

Amount of grant: $152,000.
Participants: 50-60.
Status of grant: active.

California Youth Authority, 714 P Street, Sacramento, Calif. 95814: Training for Correctional Trainers.

Amount of grant: $220,000.
Participants: 150.
Status of grant: residential training is complete. Final evaluation writing being done.

GRANTEE AND SUBJECT OF GRANT

University of Georgia, Institute of Government, Corrections Division, Athens, Georgia 30602: Interpersonal communications, skills/trainer development.

Amount of grant: $159,000.
Participants: 45.
Status of grant: Completed.

South Carolina Department of Corrections, P.O. Box 766, 4444 Broad River Rd., Columbia, S.C. 29202: Evaluation of a system-wide MBO effort.

Amount of grant: $25,000.
Participants: 0.
Status of grant: Active.

State University of New York, Albany, School of Criminal Justice, Albany, N.Y. 12222: Workshop for correctional educators.

Amount of grant: $80,000.
Participants: 23.
Status of grant: Completed.

University of Pennsylvania, Wharton School of Finance, Commerce Management and Behavioral Science Center, 3733 Spruce Street, Vance Hall, 4th Floor, Philadelphia, Pa. 19104: Executive institute.

Amount of grant: $111,555.
Participants: 40.
Status of grant: Active.

American Management Association, Professional Institute, P.O. Box 88, Hamilton, N.Y. 13346: Comprehensive planning in corrections.

Amount of grant: $71,000.
Participants: 70.
Status of grant: Active.

National Center for Dispute Settlement, 1212 16th St., N.W., Washington, D.C. 20036: Labor relations and conflict resolution in corrections.

Amount of grant: $124,000.
Participants: 150.
Status of grant: Active.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD AND SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the leaders have been recognized or their designees, that I be recognized for not to exceed 15 minutes, and then I be followed by Mr. GRIFFIN for not to exceed 15 minutes, after which the 1 hour, under rule XXII, in relation to the motion to invoke cloture on the amendment by Mr. SCOTT to the amendment in disagreement No. 17 on the conference report of the supplemental appropriation bill, then begin running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Two Senators have asked that they be recognized for 15 minutes each. I have obtained the time for myself and Mr. GRIFFIN in order that their requests will be honored. If they see in the RECORD in the morning that their names are not listed, they can be assured that they will have 15 minutes each.

ORDER FOR RECOGNITION OF SENATOR BROCK IN PLACE OF SENATOR ROBERT C. BYRD ON MONDAY, DECEMBER 16, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask that the name of Mr. BROCK be substituted for my name in the order for recognition on Monday.

ORDER FOR RECOGNITION OF SENATOR BROCK AND SENATOR GRIFFIN TRANSFERRED TO MONDAY, DECEMBER 16, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. BROCK and Mr. GRIFFIN on tomorrow be transferred to Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 425

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—I think this has been cleared on both sides of the aisle—that at such time as the conference report on the surface mining bill is called up—and it will likely be Monday—that there be a 30-minute time limitation on discussion of that conference report, to be equally divided between the acting majority leader and the Republican leader or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I withdraw that request.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow, as well as I can foresee it, is as follows:

The Senate will convene at the hour of 9 o'clock a.m. After the leaders or their designees have been recognized under the standing order, the 1 hour of debate under rule XXII, preceding the vote on the motion to invoke cloture, will begin running.

At approximately 10 a.m., the clerk will call the roll to establish a quorum. After a quorum has been established—I would say presumably about 10:45 a.m., give or take a little, it being a Saturday—the automatic rollcall vote will occur on the motion to invoke cloture.

If that motion carries, then the Senate will proceed with action on the Scott amendment to the exclusion of all other business until that matter is disposed of, at which time, if that matter is disposed of tomorrow, there will then be immediately another live quorum call, to be followed immediately by a mandatory rollcall vote on the motion to invoke cloture on the Export-Import Bank amendment conference report. What happens thereafter would depend upon the outcome of that vote.

If, on the other hand, the motion to invoke cloture on the Scott amendment fails, there will immediately be an automatic quorum call to establish the presence of a quorum, and upon the establishment of a quorum, without further ado, the Senate would proceed immediately to vote by automatic rollcall on the motion to invoke cloture on the Export-Import Bank amendment conference report.

Mr. ALLEN. Reserving the right to object, did I understand the distinguished acting majority leader to make any provision for debate on the Export-Import Bank matter?

Mr. ROBERT C. BYRD. No. I am glad the distinguished Senator called that to my attention.

I ask unanimous consent—well, there will be no debate on that.

Mr. ALLEN. There would be 1 hour, would there not?

Mr. ROBERT C. BYRD. No; because the Senate would have been in session well over an hour prior to the quorum call preceding the vote on the motion to invoke cloture on the Export-Import Bank amendment conference report.

Mr. ALLEN. I recognize that, but the precedent has always been for 1 hour of debate, and sometimes it is set way up in the day.

Mr. ROBERT C. BYRD. Not in the circumstance I have outlined. The precedent has not been always to that effect, may I say most respectfully to the Senator. By custom it has been done, but only by unanimous consent.

Mr. ALLEN. I certainly defer to the acting majority leader.

Mr. GRIFFIN. Will the acting majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. Although I do not know how I will vote, personally, I feel constrained to join with the Senator from Alabama in not only calling attention to that, but in suggesting that I think there will be some Members on both sides of the aisle who will not be very happy if there is not time for debate, at least a half hour, but I would hope maybe 1 hour. It is a very controversial measure.

Mr. ROBERT C. BYRD. Mr. President, I certainly have no objection to such debate. I was simply stating how the rule would operate on tomorrow. I have no objection. That appears to be the desire——

Mr. GRIFFIN. A half hour, perhaps?

Mr. ROBERT C. BYRD. Yes.

Would that be agreeable?

Mr. ALLEN. Why not a full hour? There are several who want to speak.

Mr. ROBERT C. BYRD. It being a Saturday, and the matter having been fully discussed last evening—I will not object to 1 hour if the Senators want it, but I think that a half hour would be ample.

Mr. GRIFFIN. I think maybe that would be satisfactory, at least on this side.

Mr. ALLEN. Very well. I have no objection.

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent that if the motion to invoke cloture on the Eximbank conference report is reached tomorrow, there be one-half hour debate prior to the establishment of a quorum preceding the vote on such motion, that half-hour to be equally divided between Mr. PROXMIRE in opposition and Mr. STEVENSON as the proponent.

Would that be satisfactory?

Mr. ALLEN. Yes.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 7:31 p.m., the Senate adjourned until tomorrow, Saturday, December 14, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate December 13, 1974:

DEPARTMENT OF STATE

Thomas J. Scotes, of Maryland, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Yemen Arab Republic.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Thomas G. Cody, of Maryland, to be an Assistant Secretary of Housing and Urban Development (new position).

William I. Greener, Jr., of Virginia, to be an Assistant Secretary of Housing and Urban Development (new position).

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13, 1974:

FEDERAL ENERGY ADMINISTRATION

Melvin A. Conant, of New York, to be an Assistant Administrator of the Federal Energy Administration.

DEPARTMENT OF STATE

Leonard F. Walentynowicz, of New York, to be Administrator, Bureau of Security and Consular Affairs, Department of State.

Richard B. Parker, of Kansas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

Dixy Lee Ray, of Washington, to be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Henry Augustine Miley, Jr., [redacted] Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

*Lt. Gen. Bernard William Rogers, [redacted] Army of the United States (major general, U.S. Army).

*Lt. Gen. John Joseph Hennessey, [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of Title 10, United States Code, Section 3962:

To be lieutenant general

Lt. Gen. Welborn Griffin Dolvin, [redacted] Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Harold G. Moore, [redacted] U.S. Army.

IN THE NAVY

Real Adm. Howard E. Greer, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

Air Force nominations beginning John C. Akin, to be colonel, and ending Teresa M. Goldner, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Air Force nominations beginning Clark E. Aamodt, to be colonel, and ending John Y. Sadanaga, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Air Force nominations beginning Maj. Samuel E. Alexander, to be lieutenant colonel, and ending Maj. Charles D. Kennedy, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Air Force nominations beginning Harry S. Hopton, to be captain, and ending Joan D. Ford, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 26, 1974.

Air Force nominations beginning William L. Aanstad, to be captain, and ending Peter R. Nash, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on November 26, 1974.

IN THE ARMY

Army nominations beginning James H. Aarestad, to be colonel, and ending Laurence Wood, Jr., to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Army nominations beginning John O. Herstad, to be lieutenant colonel, Regular Army, and colonel, Army of the United States, and ending Larry M. Wortzel, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Army nominations beginning Jack H. Abraham, to be colonel, and ending George F. Smith, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Army nominations beginning Edward Abercrombie, to be colonel, and ending Dennis R. Ruth, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on December 2, 1974.

IN THE NAVY

Navy nominations beginning David T. Armstrong, to be ensign, and ending Joseph Dominic Matarazzo, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Navy nominations beginning Robert K. McAlexander, to be ensign, and ending Dr. Donald Wayne Marsh, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Navy nominations beginning Peter Abbott, to be commander, and ending Marjorie Ann Yoeman, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

Navy nominations beginning Robert Frank Biehl, to be captain, and ending Alice Kolene Williams, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

IN THE MARINE CORPS

Marine Corps nominations beginning Patricia A. Hook, to be lieutenant colonel, and ending William F. Zook, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 18, 1974.

The nomination of John W. Sullivan, U.S. Marine Corps, to be lieutenant colonel, which nomination was received by the Senate and appeared in the Congressional Record on November 18, 1974.

The nomination of Stephen G. Harrison, U.S. Marine Corps, to be second lieutenant, which nomination was received by the Senate and appeared in the Congressional Record on November 18, 1974.

EXTENSIONS OF REMARKS

JOINT CONGRESSIONAL-ADMINISTRATIVE EFFORT TO COMBAT ECONOMIC PROBLEMS AGAIN STRESSED BY COUGHLIN

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. COUGHLIN. Mr. Speaker, earlier this week, as you will recall, I sent letters to you and to the President urging a joint emergency effort by the Congress and the administration to meet head on the problems of inflation and unemployment.

At a time when more than 6 million Americans are out of work and the Government has asked for sacrifice on the part of the public sector—sacrifice which will most seriously affect low- and middle-income groups—I think it is unconscionable that we should put off action on inflation and unemployment until mid-January while we recess in between.

This is a season of good will. I feel we should extend that good will to those people who are most in need. We should delay our own plans and help those who need help most—and perhaps by doing so, we can make Christmas a little brighter for all Americans.

Although recently, statements have been made to the effect that we are not in an economic crisis, I am totally convinced that the problems of inflation and unemployment are compelling enough to warrant immediate and responsible action. Like many others, I am opposed to hasty, knee-jerk decisions which might not provide the needed remedies to combat these menaces. However, these are not new problems. They are ones which economists, the administration, and the Congress have been concerned with for some time. Many proposals and arguments on the issue have been heard. The problem is that no action has been taken—and we need action now.

As I stated in my letters to the President and to you, Mr. Speaker, I feel it is imperative that joint meetings be held now to decide on a course of action by considering proposals which have been made, and to hold legislative sessions as soon as possible to act on specific recommendations. While I recognize that the economy cannot be straightened out overnight, I believe that some constructive steps must be taken now. These steps would demonstrate to the American people that we in Washington are, in fact, seriously concerned and are not merely paying lipservice to these problems. I urge my colleagues to join me in sacrificing our time to help others, and I enclose the texts of my letters to the President and the Speaker in order that all might more clearly understand my intentions:

DECEMBER 9, 1974.

Hon. GERALD R. FORD,
The President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge an emergency effort by the Administration and the Congress to meet head-on the problems of unemployment and inflation—*now*. I have sent a similar letter to Speaker Albert, a copy of which is enclosed.

With more than 6 million Americans out of work—one in every 16 in the work force—the highest unemployment in 13 years—all facing a bleak Christmas—now is not the time for the Administration to put off action until January. I and most of my colleagues are, I am sure, ready to stay in session through Christmas, New Year's and until we can give help to the needy—*now*.

With worldwide inflation out of control and millions of Americans being broken by the costs of food, fuel and rent, *now* is *not* the time for partisan moves or to say "we will act on this in January." I propose urgent around-the-clock meetings between the Administration and Congressional Leadership to negotiate a course of action and legislative sessions to act on it—*now*.

Both your Administration and the Democratic Party's recent Convention have made general proposals which must be defined together and acted upon—*now*. The urgent areas in which both the Administration and the Democratic Party have suggested legislation include:

Controls on wages, prices, profits and rents in some or all areas of the economy.

Extended unemployment compensation and expanded public service job programs for unemployed,

Tax reform including relief for low- and middle-income families, mandatory taxes for high incomes, curbs on windfall profits and exports of capital, and tax incentives for investment in productivity,

Energy allocation, conservation and rationing measures to prevent a mid-winter crisis,

Credit allocation and stimulation measures to encourage home building and other vital applications while discouraging less important investment,

Curtailments in other less important Government expenditures to resist the expansion of inflation.

While this list is not comprehensive, your Administration has the obligation to respond to the proposals of the Democratic Leadership—*now*—and the Democratic Leadership of Congress has the obligation to consider your proposals—*now*.

I am as upset with the Democratic Leadership's decision to adjourn until "next year" as I am with the Administration's travels and proposals to move "next year." To someone unemployed or an elderly or limited income person crushed by astronomic expenses, this is not a happy holiday season.

In the greatest economic crisis of our era, I want to spend my holiday helping the people I was elected to serve—*now*.

Cordially,

LAWRENCE COUGHLIN.

DECEMBER 9, 1974.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am writing to urge an emergency effort by the Congress and the President to meet head-on the problems of unemployment and inflation—now. I have sent a similar letter to President Ford, a copy of which is enclosed.

With more than 6 million Americans out of work—one in every 16 in the work force—the highest unemployment in 13 years—all facing a bleak Christmas—*now* is *not* the time for Congress to merrily adjourn until mid-January. I and most of my colleagues are, I am sure, ready to stay in session through Christmas, New Year's and until we can give help to the needy—*now*.

With worldwide inflation out of control and millions of Americans being broken by the costs of food, fuel and rent, *now* is *not* the time for partisan moves or to say "we will act on this in January." I propose urgent around-the-clock meetings between the Administration and Congressional Leadership to negotiate a course of action and legislative sessions to act on it—*now*.

Both President Ford's Administration and the Democratic Party's recent Convention have made general proposals which must be defined together and acted upon—*now*. The urgent areas in which both the Administration and the Democratic Party have suggested legislation include:

Controls on wages, prices, profits and rents in some or all areas of the economy,

Extended unemployment compensation and expanded public service job programs for unemployed,

Tax reform including relief for low- and middle-income families, mandatory taxes for high incomes, curbs on windfall profits and exports of capital, and tax incentives for investment in productivity, Energy allocation, conservation and rationing measures to prevent a mid-winter crisis,

Credit allocation and stimulation measures to encourage home building and other vital applications while discouraging less important investment,

Curtailments in other less important Government expenditures to resist the expansion of inflation.

While this list is not comprehensive, the Congress has the obligation to consider the President's proposals—now—and the President has the obligation to respond to the proposals of the Democratic Leadership—*now*.

I am as upset with the Administration's travels and proposals to move "next year" as I am with the Democratic Leadership's decision to adjourn until "next year." To someone unemployed or an elderly or limited income person crushed by astronomic expenses, this is not a happy holiday season.

In the greatest economic crisis of our era, I want to spend my holiday helping the people I was elected to serve—*now*.

Cordially,

LAWRENCE COUGHLIN.

CHINESE COMMUNISTS ATTACK FREE PRESS: STATE DEPARTMENT ACQUIESCES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. ASHBROOK. Mr. Speaker, once again the Chinese Communists have threatened freedom of the press in the United States.

The latest incident was the cancellation of a press viewing of an archaeological exhibit from mainland China. The Red Chinese objected to invitations issued to journalists from the Republic of China on Taiwan, Israel, South Korea, and South Africa. The result was the cancellation of a press briefing and viewing of the exhibit.

The State Department spokesman Paul J. Hare stated.

> The Chinese felt strongly they did not wish a preview unless there could be selective invitations.

There were no selective invitations and the result was no press viewing. It seems that the Chinese Communists want something and the State Department cannot back down too fast.

Last year the New York Times was threatened with no news bureau in Peking if they did not stop accepting pro-Free China advertisements. As bad as that newspaper is it did not buckle to the Chinese Communist pressure. I only wish that our State Department had as much backbone in this latest incident as the New York Times showed a year ago.

At this point I include in the RECORD press clippings detailing the recent threat and also last year's incident:

[From the Washington Post, Dec. 10, 1974]

CHINESE CANCEL ART PREVIEW

(By Paul Richard)

For reasons of ideology, rather than esthetics, Chinese representatives in Washington early this morning canceled today's long-awaited press viewing of America's first governmental exhibition of artifacts from China's ancient past.

At issue was an invitation extended by the National Gallery of Art to all members of the Washington press corps, foreign and domestic. The Chinese particularly objected to invitations issued to journalists from Taiwan, South Korea, South Africa and Israel.

The National Gallery, with a grant from IBM, has built a "museum within a museum" to house the exhibition which was to be unveiled today, initially at a 10 a.m. press preview, and this evening at a black-tie dinner hosted by Paul Mellon, president of the National Gallery of Art.

A spokesman for First Lady Betty Ford, who has been expected to attend the dinner, said early this morning that the White House was unaware of the preview cancellation and that Mrs. Ford's plans were unchanged.

Shortly after midnight—and after consultation with the State Department—the gallery issued the following announcement:

"The press viewing of the exhibition of 'Archeological Finds of the People's Republic of China' will not be held today as planned because the Liaison Office of the People's Republic of China could not agree to such a preview unless assurances could be given by the National Gallery of Art that certain foreign press representatives would not be admitted. The National Gallery of Art was unable to give their assurances because to do so would have been contrary to its policy for such occasions."

The gallery officials who issued the statement said the "certain foreign press representatives" referred to were journalists from Taiwan, South Korea, South Africa, and Israel, countries with which the Chinese are at odds.

"We are defending—literally—the rights of the freedom of the press," the gallery official said.

The Chinese apparently selected the four countries for political and ideological reasons. Taiwan, the seat of Chiang Kai-shek's Republic of China, is obviously in disfavor, and the Chinese have traditionally been backers of North Korea over the South Korean regime of President Chung Hee Park. The Chinese recently voted to suspend South Africa from the U.N. General Assembly, and voted against Israel in allowing observer status to the Palestinian Liberation Organization.

The Chinese exhibition, which includes 385 objects dating from about 600,000 years B.C. to the 14th century A.D., has already opened, without incident, in Paris, London, Stockholm, Vienna and Toronto. It is due to open to the general public here on Friday.

Though all members of the press, as well as numerous gallery workers, have so far been denied access to the temporary exhibition—the largest ever mounted by the National Gallery of Art—gallery officials say the ban was issued "for reasons of convenience" by the gallery itself. Director J. Carter Brown has described the Chinese curators as "charming" and other gallery employes have said that the Chinese have voiced delight with the exhibition's Washington installation.

Some gallery workers have hinted, however, at certain "sensitivities" shown by the Chinese officials responsible for the show.

Since it arrived, the show has been shepherded by traveling curators and representatives of the Chinese Liaison Office here. Five additional representatives arrived last Friday after a 26-hour flight from Peking.

Though the gallery began planning for the show in earnest more than a year ago, intergovernmental accords permitting its exhibition here were signed in Peking only six weeks ago. State Department officials cited indemnification problems, the wordings of the labels, and other "technical difficulties" in discussing the delay.

One gallery employee says that the shading of Taiwan on certain maps displayed was among the points at issue.

National Gallery installers, who received the objects to be shown less than two weeks ago, had rushed to prepare the exhibition for this morning's press preview.

The show is scheduled to remain on view here until March 30. Following another U.S. showing in Kansas City, the works, all of which have been unearthed since the revolution of 1948, are to be returned to Peking.

[From the New York Times, May 17, 1973]

CHINA ASKS THE TIMES TO BAR PRO-TAIWAN ADS, BUT PAPER REFUSES

The Chinese Government protested strongly and formally to The New York Times yesterday against the paper's acceptance of political advertisements from anti-Peking Chinese groups and the Chiang Kai-shek Government on Taiwan. The Times was asked by the Peking Government not to accept such advertisements in the future.

Although the protest did not say so directly, it was indicated that The Times would not be allowed to open a bureau in Peking unless it agreed to refuse such advertisements.

The Times replied that it regarded freedom of political advertising as an essential part of freedom of the press and that it would not change its policy.

Like many other United States press organizations, The Times has had a long-standing application for permission from the Chinese to open a Peking bureau. It has received no reply.

Several times in the last year Chinese diplomats have told The Times unofficially that Peking objects strongly to The Times' acceptance of political advertisements from anti-Peking Chinese groups and from Taiwan. Each time the paper reiterated its stand, and it kept requesting permission to open a bureau.

REQUEST FOR A VISIT

On Tuesday Chou Nan, counselor to the Chinese mission to the United Nations, telephoned The Times and asked A. M. Rosenthal, managing editor, to visit him the next day.

Previously the discussion between The Times and the Chinese about a bureau and The Times' advertising policy had been handled for The Times by Seymour Topping, assistant managing editor, who is a former foreign correspondent in China. Mr. Topping repeatedly told the Chinese that The Times would not change its policy of accepting political advertisements whether it agreed with their content or not.

Until yesterday the discussions had been relatively informal. But when Mr. Rosenthal went to the Chinese mission to the United Nations, he was told by Mr. Chou that he had been "instructed by my Government" to say that acceptance of advertisements by The Times from "reactionary" Chinese was an "unfriendly act," that it was against the improvement of understanding between the Chinese and American peoples, and that it was not in the best interests of the exchange of newsmen between the two countries.

Mr. Chou produced as an example an advertisement printed in The Times on May 10, from the Chinese Consolidated Benevolent Association of New York, opposing the establishment of a Peking liaison office in Washington. A similar office, headed by David K. E. Bruce, has been opened by the United States in Peking.

The Chinese diplomat made it plain yesterday that he was protesting not simply against that advertisement but also against others placed in The Times by similar Chinese groups and Taiwan. Mr. Chou did not present a written statement.

Mr. Chou asked Mr. Rosenthal to report the oral statement to The Times's management and then asked if he had made himself entirely clear. Mr. Rosenthal replied that Mr. Chou had.

TIMES POLICY EXPLAINED

Mr. Rosenthal then stated The Times' position on political advertisements. He said that The Times regarded freedom of the press as essential to American society and considered that freedom of political advertising was an integral element in a free press. He said that those who owned the press had the obligation to permit representatives of all political opinions and organizations to state their views in advertisements whether newspapers agreed with them or not.

The managing editor said that The Times frequently ran political advertisements with which it did not agree, including advertisements attacking The Times and advertisements from Communist Governments, such as that of North Korea.

Mr. Rosenthal added that this traditional Times policy had been carefully thought out, had been discussed in relation to previous complaints from Peking, could not be changed without damaging a free press and therefore would not be changed. Mr. Chou replied that he was not moved by the explanation and that The Times could change its policy if it wanted to.

A POINTED QUESTION

At that point Mr. Rosenthal said: "Since I am not a diplomat I can ask a straight question. Does that mean you will not allow us to open a bureau in Peking?"

Mr. Chou said that he had nothing to add to his formal oral statement and then smiled and said, "You can draw your own conclusions."

During the conversation Mr. Chou also said that he did not care for some of The Times' editorials and for the material in some of The Times' dispatches from Taiwan.

Last year Arthur Ochs Sulzberger, publisher of The Times, wrote about the advertising policy in a letter to some readers:

"We try to screen out product advertising which is in bad taste or which makes false claims, but when the advertising is by way of advocating a point of view, we feel we must accept it even when we regard that point of view as unreasonable, ill-founded or just downright silly. To do otherwise would be to cast ourselves in the role of censor and would belie our belief in the free interchange of ideas.

ACCORD WITH KISSINGER

"When it comes to applying this general policy to advertising of a political or ideological nature, we make an effort to insure that the contents of the advertisement meet our standards of good taste, are not offensive to religious beliefs and, to the extent possible, that there is support for statements that purport to be purely factual."

Under an agreement reached with Chinese officials last February by Henry A. Kissinger, President Nixon's adviser on national security, it was arranged that negotiations on the broadening of contracts between China and the United States would take place after the opening of the liaison offices in Peking and in Washington. Those contacts were to include arrangements for the establishment of offices of news organizations in the two countries.

American journalists were readmitted to China on April 11, 1971, after being excluded for 22 years, to cover the visit of an American table-tennis team. American newsmen have visited the Chinese maintained in increasing numbers since then and after the visit of President Nixon in February, 1972. No American news organization now has a resident correspondent in China.

Six correspondents of The New York Times have been among those granted visas. They were Tillman-Durdin, Mr. Topping, James Reston, Max Frankel, who won a Pulitzer Prize for his reporting, and John M. Lee and Harrison E. Salisbury; the latter two left China early last July, Visa requests for Times correspondents have gone unanswered since.

OTHER PAPERS PRINTED ADS

Spokesmen for other publications that have printed similar advertisements from anti-Peking Chinese groups said yesterday that they had received no complaints from the Peking Government.

On May 10 both The Daily News and The Washington Post published advertisements opposing the establishment of a Peking liaison office in Washington. The advertisement in The News was identical with the one cited by Mr. Chou as an example of an "unfriendly act" by The Times, and the advertisement in The Post was similar.

Howard Simons, The Post's managing editor, said that the Chinese mission had made no suggestion that The Post's application to open a news bureau in Peking would be adversely affected by the advertisement. "If they did, we'd say we're sorry, but American newspapers don't work that way," Mr. Simons said.

AUSTIN NOTEBOOK

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. PICKLE. Mr. Speaker, one of the chief functions that President Lyndon Johnson envisaged for the LBJ Library was for it to be a forum to focus on the critical issues of the day. Symposia have been held to coincide with the opening of Presidential papers on a specific subject, such as civil rights, education, and urban problems.

Recently the library held a very timely conclave on the most crucial issue facing the world today—the energy and its relation to the environment. Some of the leading scholars, scientists, and thinkers gathered to discuss these very difficult questions that we must come to grips with quickly. Some of the illustrious participants included the English economist and author, Barbara Ward—Lady Jackson; Mr. W. Donham Crawford, president of Edison Electric Institute; Prof. Roger Revelle, Center for Population Studies; Mr. Gerald Piel, publisher of the Scientific American; Mr. Rufus Miles, Jr., former Assistant Secretary of HEW; Dr. Barry Commoner, Washington University—St. Louis; Mr. Jules Bergman, science editor, ABC; Dr. Dixy Lee Ray, chief of the Atomic Energy Commission; Mr. Kerryn King, senior vice president, Texaco; Mr. Russell Train, head of the Environmental Protection Agency; Prof. William Drummond, University of Texas, Austin; director of the Center for Energy Studies; U.S. Representative Mike McCormack, a research scientist and chairman of the House Science Committee's Subcommittee on Energy; Dr. James W. McKie, Dean, College of Social and Behavioral Sciences, University of Texas, Austin; Mr. Maurice Strong, executive director, United Nations environment program; Mr. Charles Schultze, Brookings Institute; Prof. William E. Cooper, Michigan State University; and Dr. Allen Kneese, a native of Fredericksburg, Tex., a distinguished resources economist at the University of New Mexico.

uttered at this union of intellectuals

Naturally some of the wisest words were from the former First Lady, Lady Bird Johnson.

Mrs. Johnson focused on these problems as they affect us in our daily lives.

There was an excellent article which appeared in the Williamson County Sun which detailed some of the conference highlights. The article was written by a veteran Texas journalist, Stuart Long, who operates Long News Service in Austin, Tex.

I insert Mr. Long's article in the Record as follows:

Austin Notebook

(By Stuart Long)

Austin.—Those of us who write almost daily on the news outcroppings of the energy crisis have been only dimly aware of the real depth of the problem, compared to a dazzling array of thinkers brought to the Lyndon B. Johnson Library for a symposium on the future of the environment as it is bent and twisted by the massive use of energy to power the world's machines.

Many of the experts were frank to admit that prospects are indeed very gloomy and that this generation's grandchildren can expect a darker, slower world because the 20th Century will have used up all the fossil fuels.

Such renowned scholars as Barbara Ward, the British economist, put the situation in blunt and plain language. "We are in grave trouble," she said. The last 25 have been years of great productivity, good weather, economic growth and cheap oil and gas to fuel a burgeoning economy and a way of life, she recalled. But now the world is faced with shortages of natural resources, wild inflation, starvation in many countries, population growth and an inability of technology to maintain that high rate of economic speed.

Rufus E. Miles, Jr., who was an assistant secretary of health, education and welfare under six different secretaries, posed it in even more troublesome terms. He suggested that it is possible that the world has become so interdependent, and so intertwined and politically confused, that it may be completely impossible to get things back together again.

The problem, as Miles sees it, is that the economists and other social scientists have ignored politics. They must be put back together and puzzled out as a unit, because politics is the only way to solve the big problems of economics .

Dean James W. McKie of the University of Texas at Austin College of Social and Behavioral Sciences hit a low note when he used the declining water supply of the High Plains of West Texas as an illustration.

People in that area can continue to mine water, and when it runs out and the High Plains returns to dry-land farming and ranching, they can leave, he said. But the people of the world are using up resources that cannot be replaced in the same way West Texans are using water, but there is no place to go when they run out. McKie said that technology has always pulled people out of their economic problems, but now "we are betting the fate of future generations on technology, and technology does not know what to do in this situation."

The people of the United States are the biggest resource-users of all, speaker after speaker pointed out. We scorn mass transportation in Texas because we are wedded to the two- and three-car garage and the 300 horsepower engine, 70 mile-per-hour driving and the 72-degree air-conditioning, the full garbage can and the thick steaks, half of which are left on the plate.

A display in the lobby demonstrated how wasteful we have become. Browning-Ferris had built a complete, carpeted suite of offices from trash which cost city government money to haul away and bury. Glass, paper, metal, old beer bottles and mattresses, discarded auto pistons and nylon fibers were reconstituted into chairs, rugs, desks, lamps, tables and ash trays.

Allen Kneese, a native of Fredericksburg who has become a renowned resource economist, suggested that severance taxes on minerals would encourage people to recycle waste. The techniques were out in the hall for listeners to see. But few Texas cities are mining the waste heaps they haul to the country and bury, to save and re-use the copper, tin, steel and nylon people toss away.

Two women at the conference produced the main glimpses of light showing the way out of this gloom. Miss Ward (who is really Lady Jackson), called for "creative restraint", saying that the next 18 months are the most important. "Avoid waste, recycle—let nothing go to waste," she advised every citizen.

Mrs. Lyndon B. Johnson, hostess for the symposium, summed it up at the close this way:

"So, what is the effect of a meeting like this on a plain citizen like me? You are sending me away thinking—what can I do? And if I can't do anything about 'plutonium safeguards' or 'capital outlays into the billions'—I can eat less, conserve lights and gasoline, encourage responsible public figures.' And perhaps I—and many of us—can be ready to live with the change you all speak of. And I can keep right on being a part of those citizen action groups—there are lots of them across the country—that take a look at their home towns, and begin to plant street trees, create a downtown mini-park, turn a waterfront into a place of recreation and beauty—and enjoy working with their neighbors while they do it."

H. R. GROSS

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. McCOLLISTER. Mr. Speaker, every Member of this body and the American public generally appreciates a Congressman who does his homework and honestly speaks his mind on the issues before the House. The public recognizes and honors a man who will courageously speak out even as a lonely minority of one.

The taxpayers have been well served during the past 13 Congresses by just such a man. Known by the general public as the watchdog of the Treasury, H. R. Gross will always be remembered by those who served with him for his biting humor and respected for his thorough preparation for legislative debate.

We cannot measure H. R.'s contributions solely by the billions of dollars he has saved the taxpayers, although that prodigious sum alone would distinguish his tenure in the House. He has, in addition, made every one of us who serve with him a better legislator. He has made us more aware of the danger of sloppy legislation and less tolerant of waste in Government spending. As we all bend to the task of finding those billions of dollars which we will need to trim to reduce our budget deficit to combat inflation, we will cetrainly miss H. R. Gross.

In an age of uncertain morals and shifting standards of socially acceptable behavior, H. R. Gross has also been a steadfast champion of his solid set of values, earning admiration from those who share those values and respect from those who do not. In a deliberative body marked by the wide diversity of constituencies represented in the House, no greater tribute can be paid to any Member than that this colleagues of every ideological stripe and geographical region hold him in high regard despite their regular differences, even frustrations, with his activities.

H. R. Gross has fulfilled an indispensable role in the House and he leaves giant's shoes to be filled.

U.N. "BLOWS" A BIG ONE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. DERWINSKI. Mr. Speaker, during yesterday's debate on the foreign aid bill, there was a great deal of discussion over the unfortunate developments at the United Nations over the granting of participation rights in the General Assembly sessions of that world body to the Palestine Liberation Organization. As I consistently emphasized to the Members, this is certainly a major blunder by the majority of the members of the United Nations.

This point is very effectively made by an article of December 1, by Alex R. Seith, who is a regular columnist in the Suburbanite Economist:

U.N "BLOWS" A BIG ONE

(By Alex R. Seith)

Funny how "bad" ideas start sounding good. A few years ago, there was a popular bumper sticker demanding: "Get the U.S. out of the U.N. and get the U.N. out of the U.S."

Those who thought America should quit the United Nations and expel its headquarters from New York were written off as isolationist "nuts." The UN was hailed in many metropolitan newspapers as one of the world's most important international institutions. It was, we were told, a bastion of "peace."

Lately, the UN's former defenders are having second thoughts. They are not quite ready to jump to the conclusion that America should formally denounce the Organization and force it to take up business elsewhere. But they do think the UN's role in world affairs and America's role in the UN both deserve a new "hard look."

This current critical review of the United Nations was sparked by the irresponsible action of the UN General Assembly in giving a hero's welcome to Yasir Arafat, head of the Palestine Liberation Organization. The PLO is an umbrella name for scores of Palestinian groups with conflicting means but a common goal: an end to the State of Israel in its present form.

Terror has been the tool of key branches of the PLO. Its Black Septembrists committed murder at the 1972 Olympic games. Its "commandoes" have raided villages and slaughtered civilians. Its claim for "liberation" shows no concern for the liberty of others when PLO operatives seize innocent hostages, bomb offices in distant countries and blow up multi-million international aircraft with the glee of pyromaniacs committing arson.

At its founding, when the UN was seen as "the last best hope of mankind," it had an apparently glorious future: To gather the legitimate governments of every nation in a "universal" organization where all could work for peace.

By putting Arafat on its podium, the U.N. General Assembly breached the fundamental principles of its charter. Arafat does not represent a government but an organization which proclaims its desire to overthrow a government. He has no claim to the "legitimacy" member nations are supposed to possess. And the PLO's actions stand in stark contrast to the U.N.'s promise of "peace."

Reflecting on the elevation of the PLO to the General Assembly's supposed "podium of peace," one Chicago writer asked the inevitable question. Will the UN confer equal honors upon other organizations like the Communist Viet Cong in South Vietnam, the Montoneros Guerrillas who have terrorized Argentina, the Armed Forces of Puerto Rican Revolution and the Revolutionary Army of the People in Mexico?

Some apologists for the UN's wrongful glorification of Arafat attempt to offer the excuse that the world organization is committed to fulfillment of the Universal Declaration of Human Rights. That declaration calls for protection and preservation of the freedoms of people everywhere regardless of the form of government they live under. So, say the apologists, the welcome given Arafat was merely an expression of the UN's concern for the rights of Palestinians who once lived in what is now Israel.

But the argument won't wash. Nearly everyone agrees that Palestinians should be given the opportunity to live a better life than what many of them have experienced in refugee camps for the past 25 years. But that does require acceptance of Arafat's demand for destruction of the present State of Israel.

During that quarter century, unknown numbers of Palestinians would have gladly moved from their camps in the Gaza Strip or the West Bank of the Jordan to many of the 20 Arab nations in the Mid East. But their emigration was largely blocked by Arab governments which wanted to worsen, not improve, the life of the Palestinians. These governments hoped to heighten the anguish of the Palestinians and produce precisely what has now occurred.

One need not be Jewish—and I am not—nor an unquestioning supporter of Israel, to be critical of what the UN has done for and with the PLO. After the UN has honored one gun-toting leader of terrorists for attacking a member in good standing, who will be next? Last week I put that question to a UN ambassador representing one of its most respected member nations. He could only shake his head in shame. And until the UN rights its ways, he will not be alone.

TRIBUTE TO H. R. GROSS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. ANDERSON of California. Mr. Speaker, I join with my colleagues on both sides of the aisle in saying farewell to H.R. Gross.

During my years in Congress, I have been continually amazed at H.R.'s ability to dig out examples—both large and small—of unnecessary and wasteful use of the taxpayers' money. His keen eye for detail and his diligence in getting the facts and forcing the rest of us to sit up and listen to those acts will be sorely missed in the House of Representatives. He has truly been the "fiscal conscience" of the House—a role which will be hard to fill.

But H. R. Gross could not have been so effective without his brilliant wit and great sense of humor. I certainly would like to have a copy of the "Quotations from Mr. Gross" to remember him by—but not printed at Government expense, of course.

Mrs. Anderson and I both hope that H. R. and his lovely wife Hazel will enjoy their well-deserved retirement, and many years of good health and happiness.

THE GOOD WORK OF H. R. GROSS

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. SIKES. Mr. Speaker, for 26 years, H. R. Gross has helped to keep this body on its toes. Now that his days in this House are drawing to a close, by his own choosing, I want to join with my colleagues in paying tribute to this gentleman from Iowa who has posed more incisive questions on how and why the taxpayers' money is spent than perhaps any other person in our history.

H. R. came to the Congress with the right idea. He once told a friend that he didn't set out to make friends or rise to a position of power. Instead, he said, he abandoned all those notions because he said he knew he could not make friends or influence people and still do those things he felt he had to do.

In this statement, I disagree with my good friend. Exactly the opposite is true. By doing those things he felt he had to do, H. R. Gross did rise to power and he did win friends. He did it by diligent service to his constituents and by devotion to our Nation. He did it by occasionally shaming the rest of the Congress into doing what was right and by forcing us all—at times against our will—to stick with debate here on the floor into the late night or early morning hours until the job was done and a decision had been made.

Yes; H. R. Gross has both power and friends.

If anyone were to compile the complete voting record of this statesman from Iowa, it would be discovered that, had the Congress listened to him, there would be no deficit and no national debt. On the other hand, had he not been here to pose inquiry after inquiry into the content, cost, and purpose of expenditures, we might well be bankrupt. Here also we are in his debt.

Very often, my good friend was a voice alone in this Congress. But he never wavered from his convictions. He never hesitated to stand against all odds alone.

As his days with us draw to a close, I rejoice in the fact that H. R. Gross now will have the time to enjoy his wife and his children and his grandchildren, but I view with some trepidation the void he leaves which will not soon be filled in this Chamber.

It has been a good thing for Congress to hear the voice of H.R. Gross probing, delving, asking, seeking for the truth. The voice of conscience which he has been to the House will not leave the House when he retires. His influence will long be remembered and his work appreciated.

MORE TRUE FACTS ABOUT VITAMIN-MINERAL LEGISLATION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. ROGERS. Mr. Speaker, the House Subcommittee on Public Health and Environment has reported out a bill—the Kyros bill, H.R. 16317—which provides for the right of the individual to continue to freely purchase vitamins and minerals in tablet, capsule, and liquid form, and yet protects the public from unsafe and fraudulently labeled and advertised products. The Kyros bill does not classify vitamins and minerals as prescription drugs, nor does it regulate them in a manner that would increase their cost to the consumer. In fact, the Kyros bill's full labeling and ingredient disclosure provisions will assist the consumer in determining which comparable brands of vitamins and minerals he can purchase at the lowest available prices.

Members have probably received form letters which have been circulated by Clinton R. Miller urging support for the Hosmer-Proxmire bill and opposing the Kyros bill. The bill that is termed the Hosmer-Proxmire bill is an industry oriented bill. The bill we have proposed in the House, the Kyros bill, is a consumer bill. I think it is regrettable that certain individuals have been misrepresenting, distorting, and emotionalizing this serious and complex issue in order to try to pass a bill backed by certain irresponsible members of the health foods industry. Mr. Miller has indicated that the Kyros bill, which the House subcommittee supported, is an "American medical association bill." This is false. The AMA testified before the subcommittee against any bills such as the Kyros bill which would limit FDA's regulatory authority over vitamins.

This industry-backed Hosmer-Proxmire bill does not provide for adequate protection of the public safety. Many safeguards which the consumer now has under existing law would be nullified if the Hosmer-Proxmire bill were enacted. For example, under the provisions of the Hosmer-Proxmire bill:

First, the Delaney anticancer clause would be revoked for special dietary foods.

Second, the Government would be prohibited from issuing safety regulations for special dietary foods and food supplements to protect persons with allergies, pregnant and lactating women, small children and infants; and

Third, the burden of proving safety of a product before it is marketed would shift from industry to the Government under the provisions of the Hosmer-Proxmire bill, so that injuries and deaths would have to occur before the Government could step in to protect the public.

The Hosmer-Proxmire bill's overly broad coverage would not only have the effect of eliminating consumer safety and antifraud laws for vitamins and minerals; it would also override existing consumer protection provisions of law with respect to other foods. Regulations requiring that milk, bread, flour, breakfast cereals, and many other foods contain minimum amounts of vitamins and minerals for nutritional value, if they are labeled and advertised as "fortified" or "wholesomely nutritious" would be nullified. Moreover, the Hosmer-Proxmire bill does not require all ingredients of food and dietary supplements to be listed on their labels to inform consumers of what they are purchasing, and it does not allow FDA to protect the consumer of these products from false advertising.

On the other hand, the consumer-oriented Kyros bill, which has been reported out of the House Public Health and Environment Subcommittee, would:

First, prohibit FDA from eliminating the consumer's right to freely purchase vitamins and minerals;

Second, prohibit FDA from classifying vitamins and minerals as drugs solely on the basis of their potency;

Third, protect pregnant and lactating women, infants and small children, and the public from cancer-causing and other unsafe food and dietary supplement products;

Fourth, provide for continued protection of the public from fraud by allowing the Government to require minimum nutritional standards for such foods as milk, bread, flour, and cereals when they are represented as fortified or nutritious; and

Fifth, provide for additional protection of the public from false advertising and require truthful and informative labeling of all ingredients in food and dietary supplemental products.

The American Association of Retired Persons, the National Retired Teachers Association, the Nader-backed Health Research Group, and many other senior citizen, consumer, and health organizations strongly oppose the Hosmer-Proxmire bill as an anticonsumer bill and prefer the Kyros bill as reported out of my subcommittee in the House.

I agree that there is a need for legislation to protect an individual's freedom to purchase vitamins and minerals, and the Kyros bill protects this right without sacrificing public safety.

In addition to information I inserted in the Congressional Record on Tuesday, December 10, 1974—pages 38786–38787—and information our colleague, Mr. Kyros, inserted in October 16, 1974—pages 36007–36008—I would like to insert additional information for use of Members. I am inserting herewith a letter from the Legislative Counsel of the American Association of Retired Persons, National Retired Teachers Association and a letter from the Nader-backed Health Research Group of Public Citizens setting forth the consumer views on the Proxmire-Hosmer and Kyros vitamin bills.

National Retired Teachers Association,
American Association of Retired Persons,

October 25, 1974.

Hon. Paul G. Rogers,
Chairman, Subcommittee on Public Health and Environment, Rayburn House Office Building, Washington, D.C.

Dear Congressman Rogers: A legislative objective of our Associations, which is vital to the health needs of the nation's elderly, and of the seven million members of the National Retired Teachers Association and American Association of Retired Persons, reads as follows:

"We urge vigorous enforcement of federal food and drug laws to protect consumers from harmful or potentially harmful substances, including food additives and nutrients."

With this position in mind, our Associations vigorously oppose legislation that narrows, rather than expands, the authority of the Food and Drug Administration to regulate fully potentially hazardous substances. We believe the Proxmire bill, S. 2801, can only obstruct the FDA's responsibility to protect the public health. Our Associations call upon you, as a Member of Congress with exceptional expertise in the health area, to support a mounting campaign in the House of Representatives against the adoption of this inimical measure.

There is no question in our mind that S. 2801 turns its back on consumers' concerns for safety, efficacy, and honest labeling and advertising of vitamin and mineral products. That in itself is bad enough. But worse yet, S. 2801 makes it more difficult for the FDA to properly regulate the dietary health food industry, the very industry that is often accused of deceiving consumers with unsubstantiated health claims and unbridled promotion of its products.

Our Associations believe the U.S. Court of Appeals for the Second Circuit acted wisely and equitably in broadly sustaining the FDA's dietary supplement regulations. The court ruling was protective of consumer interest and, in our opinion, should not be interfered with by *any* Congressional action.

However, if the House feels compelled to legislate on this matter, we hope it will choose the Kyros bill, H.R. 16317, over the dangerous Proxmire bill. At least the compromise legislation introduced by Congressman Kyros has the consumer-oriented advantages of reinforcing the FDA's concern for safety and granting that agency concurrent jurisdiction over the advertising of health food products with the Federal Trade Commission.

The nation's elderly, who are most often the targets of today's "snake oil" purveyors, will appreciate the assistance of you and your colleagues.

With best wishes.

Sincerely,

CYRIL F. BRICKFIELD,
Legislative Counsel.

PUBLIC CITIZEN,
October 24, 1974.

Representative PAUL G. ROGERS,
Chairman, House Subcommittee on Public Health and Environment, Rayburn Office Building, Washington, D.C.

DEAR CONGRESSMAN ROGERS: The *Proxmire-Hosmer Vitamin Bill*, a subject of much public interest, is being promoted by an alleged consumer organization, the National Health Federation. However, the Proxmire-Hosmer Bill takes an *industry position*, rather than a consumer position:

1. The Proxmire-Hosmer Bill permits untested or dangerous food additives to be put into food for special dietary uses (foods sold for weight reduction, low salt foods, foods sold for infants and pregnant women, for example). Industry has always fought for free use of food additives; consumer groups have always asked for strong government control of chemical additives because they may be harmful to health.

2. The Proxmire-Hosmer Bill permits sale of vitamins for unproven medical "cures." The drug industry has always fought for license to market their products without scientific evidence to substantiate their promotional claims. Consumer groups, on the other hand, have demanded that the manufacturer either prove his product works to cure a disease, or stop selling it for that purpose.

3. The Proxmire-Hosmer Bill says that the government cannot limit vitamin sales for safety reasons unless the product is injurious at amounts ordinarily consumed. This standard of proof before the government can act is just the kind of standard industry always seeks, since the standard requires proof of actual human injury at the exact amount of the pill or food. Consumer groups, on the other hand, always want the government to require a wide margin of safety, and always want the government to act against the manufacturer on the basis of animal studies to *prevent* human injury.

We believe that vitamin pills should be tested for safety just like other consumer products. Just because a vitamin is "natural" doesn't mean it is safe in large amounts. Monosodium glutamate is a "natural" substance too, yet in high doses it retards the development of infants. The industry always wants excuses not to test for safety, but consumer groups always want safety tests because their own health may be at stake.

In short, we believe that the Proxmire-Hosmer Bill is inconsistent with the principles the consumer movement has struggled for for many decades.

If you feel you must vote for some vitamin bill this session, we hope you will choose to support the Kyros Bill, a bill which inflicts far less damage to consumer principles than the hazardous Proxmire-Hosmer Bill.

Yours truly,

ANITA JOHNSON, Esq.

TRIBUTE TO CONGRESSMAN BOB HANRAHAN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. McCLORY. Mr. Speaker, among the Members who are departing at the close of the 93d Congress is our able and respected colleague, ROBERT P. HANRAHAN of the Third District of Illinois.

Mr. Speaker, although BOB HANRAHAN has served during only the 93d Congress, he has brought to this body substantial talents as a lawmaker, and a reputation for hard work and dedicated service as a public official.

Mr. Speaker, Congressman BOB HANRAHAN has, through his public life and his private conduct, exemplified the kind of responsible and honorable service which contributes to public respect for the Congress of the United States. Mr. Speaker, when Congressman BOB HANRAHAN and his wife, Barbara, arrived in Washington in January, 1973, my wife, Doris, was assigned to extend hospitality and assistance to Mrs. Barbara Hanrahan, as a so-called congressional sister. This connection helped to strengthen the ties between BOB and Barbara Hanrahan and my wife, Doris, and me.

Mr. Speaker, having observed Congressman BOB HANRAHAN in his congressional work, I can attest to the high quality of his service to the Third District of Illinois, and to the Nation. I am confident that his public service is not at an end, but there will be found many outlets for his tremendous talents, and his high motivation to aid his fellow man.

Mr. Speaker, my wife, Doris, is pleased to join with me in this expression of respect to Congressman BOB HANRAHAN, and to wish both BOB and Barbara Hanrahan many of the rewards of a healthful and useful life together.

IN HONOR OF E. B. WHITTEN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. BRADEMAS. Mr. Speaker, on December 4, leaders of the program to rehabilitate handicapped persons held a dinner honoring E. B. Whitten on the occasion of his retirement.

Mr. Whitten, who for over a quarter of a century served as the executive director of the National Rehabilitation Association, has long been one of the outstanding leaders in our society in the effect to help make life better for millions of disabled Americans.

Mr. Speaker, one of the many speakers paying tribute to E. B. Whitten that evening was another pioneer of the rehabilitation effort, Joseph Hunt, former U.S. Commissioner of Vocational Rehabilitation, and I include what Mr. Hunt called his "salute to an old friend and comrade-in-arms" at this point in the RECORD:

REMARKS BY JOSEPH HUNT, FORMER U.S. COMMISSIONER OF VOCATIONAL REHABILITATION

(At the dinner honoring Mr. E. B. Whitten, executive director of the National Rehabilitation Association, December 4, 1974, Washington, D.C.)

I must say first I am greatly honored to be given this opportunity to salute an old friend and comrade-in-arms as his retirement draws near.

I know nothing about his plans for relaxation. This will be a new field for him and I suggest he explore its possibilities with diligence. Several years ago, our mutual friend, Robert Ball, Commissioner of Social Security, at that time, received a letter from an eligible beneficiary, who was treasurer of a fraternal organization in Allentown, Pennsylvania, reporting a change in his work status. It said: "My age, after 102 years of active life, has now convinced me that the time has come for some relaxation."

I salute also Ethel Whitten, who during these years has encouraged her husband in his difficult work which so often required that he travel throughout the country building, organizing, persuading, teaching and carrying forth the good news of rehabilitation services.

I salute Betty Jo Whitten who was inspired by her parents to enter the field of rehabilitation. She is a speech pathologist and teaches at Wake Forest University.

MR. WHITTEN COMES TO WASHINGTON

I first met our honored guest early in 1948, I believe. He had been invited to attend, as a guest, not as a participant, a special in-house meeting in the Social Security Building (now HEW). Since the budget situation at that time was difficult and politically sensitive, I said to this small group at one point: "I want to say to you unofficially that members of the House Appropriations Committee are very much concerned about the trends in our program." Suddenly a piercing voice from the sidelines spoke: "Mr. Hunt, I need to know when you speak officially and when unofficially so I can plan my work here in Washington."

It was the voice of our honored guest. And do you know from then on he developed a style of speaking out anywhere, any time—a style which he followed for 25 years with vigor, enthusiasm and effectiveness. While he graciously observed the basic tenents of civility, he seemed to believe that Protocol was a word you could find among the P's in the dictionary but that it wasn't of much use to the working man.

So—Let history record for all time in that great dramatic moment—Mr. Elton B. Whitten comes to Washington.

When Mary Switzer became director of rehabilitation a close relationship developed among OVR, NRA and the States Council under some excellent directors. In fact, the relationship became so close it was difficult at times to keep the policies, decisions and plans properly synchronized. In those days I often thought about the story of the telephone operator in a small town who got a daily call asking for the correct time. Finally, one day, she asked the customer why he consulted her each day. The man replied: "I have to be very careful to get the exact time because I blow the town whistle at noon." "My goodness," the operator gasped, "I always set my clock by your whistle."

GROWTH OF REHABILITATION PROGRAM

There is no need to report tonight the litany of achievements which came from this relationship. The record shows the fiscal growth of the program from $23 million in 1952 to $680 million in 1975—an unprecedented leap forward through several kinds of national administrations.

This happening, of course, has its own historic line:

1. The 1954 Vocational Rehabilitation Act, a piece of landmark legislation, which authorized large appropriations and a research and training program.

2. The 1965 Act which continued the 1954 provisions and authorized special provisions for construction of facilities.

3. The 1968 Act which broke open the existing barriers to the establishment of facilities and introduced large groups of disadvantaged citizens to the historic rehabilitation program. It also established a national commission on architectural barriers.

4. The 1972 Act vetoed twice by President Nixon; and

5. The Rehabilitation Act Amendments of 1974, vetoed by President Ford but passed over his veto by a vote of 398 to 7 in the House, an unprecedented margin, and 90 to 1 in the Senate. This Act authorizes an expenditure of Federal Funds of over three-fourths of one billion dollars to improve the lives of the handicapped.

LEADERS OF THE REHABILITATION MOVEMENT

These were exciting years. There were crises as well as triumphs. I feel that even this brief litany brings back to Mr. Whitten and many here the names of illustrious figures in the Congress who played a significant role in this tremendous program development: The late John Fogarty of Rhode Island, Lister Hill of Alabama, Melvin Laird of Wisconsin, Robert Michel of Illinois, Daniel Flood of Pennsylvania, Edith Green of Oregon, Samuel McConnell of Pennsylvania, Dominick Daniels of New Jersey, Carl Perkins of Kentucky, Jennings Randolph of West Virginia and John Brademas of Indiana. Many others in the Congress actively joined with these leaders to plan broad programs for the handicapped as an expression of Federal responsibility.

And other leaders not in the Congress: Mary Switzer, Peter Salmon, John Twiname, Nelson Rockefeller, Howard Rusk, Henry Kessler, Frank Krusen, Oveta Culp Hobby, Marion Folsom, Arthur Flemming, Abraham Ribicoff, Anthony Celebreeze, John Gardner, Wilbur Cohen and Elliot Richardson.

NATIONAL REHABILITATION ASSOCIATION

When Mr. Whitten took office in 1948, the National Rehabilitation Association was relatively small. He was the first and only Executive Director. Many believed the Association had then a provincial, parochial outlook. Today, however, under his leadership it is an organization of 38,000 members with seven divisions, active associations in every part of the country and a competent Washington staff. It has become a unique community of many professions, planning and working together to serve the growing needs of a national society. The goal now is to serve better our handicapped people and many disadvantaged and distressed groups formerly thought of as not only ineligible for service but categorized as somebody else's responsibility. Mr. Whitten's vision and leadership have done much to broaden the Association's horizons and to encourage the fashioning of new ways of reaching out to thousands of formerly neglected citizens who need our services.

SOCIAL LEGISLATION OF THE 1960'S

The turbulence of the 1960's, which brought the Vietnamese War and many tragic demonstrations and deaths also brought forth much social legislation—Civil Rights, Mental illness and Mental retardation, our own 1965 and 1968 Acts, Social Security expansion, a national system of social services, manpower program reorganizations and expansion, the War on Poverty, the CAP and Model Cities programs and Urban Renewal—all of which called for new thinking in the rehabilitation movement and challenged us to explore new depths in our philosophy and services, and to seize opportunities for entering new but related fields of service. There were critics in the manpower and social service programs who believed that rehabilitation was too narrow, too self-contained, living in the past, going out of style, tied up in professional knots and could not survive the tremendous challenges of the developing social needs—that it should be picked up and meshed into one of the new programs.

History has given these critics an appropriate response.

Dr. John Bennett, Columbia University's eminent philosopher has written that "a community is, indeed, fortunate when it has within it enough moral sensitivity . . . so that there are broadly an uneasy conscience, a willingness to accept change in spite of sacrifice of advantage. I have observed over the years the growth of the rehabilitation professional community to a state of willingness to open its mind and technical resources to all plans and processes which might enhance the lives of disabled and distressed people. Notable examples are the VR–OASDI and VR–Public Assistance programs. There are others.

E. B. WHITTEN'S LEADERSHIP

Mr. Whitten's leadership has not only penetrated the membership of his own Association but as well a variety of voluntary agencies whose missions are related to NRA's. His knowledge, his strength of personality, his credibility, his courage and openness, high ethical standards, trust in and sensitivity to our ultimate goal have put the stamp of leadership on the National Rehabilitation Association. This leadership must not be allowed to diminish or to be compromised for as John Gardner puts it "we are witnessing changes so profound and far reaching that the mind can hardly grasp all the implications." At a meeting with President Ford and the Economic Policy Board, before the President left for Japan Mr. Roy Ash laid out figures showing that if the average 9 percent rates of growth in payments to individuals remains unchanged through the year 2000, federal and state, local budgets will account for about two-thirds of the gross national product. This is a gigantic issue for macroeconomic policy and some basic decisions have to be made soon. Implications for the rehabilitation movement may be serious. We must be alert to the direction of things during the remainder of the 70's.

Justice Holmes once said: "I find the great thing in this world is not so much where we stand as in what direction we are moving. We must sail sometimes with the wind and sometimes against it, but we must sail, and not drift, not lie at anchor."

And no one has stated the essential criterion of opportunity better than the Greek poet Alcaeus, who more than 2500 years ago told his people:

"Not houses finely roofed nor the stones of walls well-builded, nay nor canals and dockyards, make the city, but men able to use their opportunity."

We are honoring this kind of man tonight.

BEEF ON THE MALL

HON. FRANK E. DENHOLM

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. DENHOLM. Mr. Speaker, those that do not have—care much. Those that have much—do not care. So it is—and so it has always been and so some believe it shall ever be—except storm clouds gathered are signs for action before the coming of the sunshine.

Sunshine on the Mall at 7 a.m. this morning cast shadows of beautiful beef 2,000 miles from home resting on the green in front of the office of the Honorable Earl L. Butz, Secretary of the U.S. Department of Agriculture. Cowboys with big hats moved quietly about in the dawn in watch of the animals were the herds of a flock. The animals were the fruit of their labors—and the animals like the men came from the farms and ranches of the prairies of South Dakota.

Mr. Speaker, those men were proud of their animals—and I was proud of those men. They came out of necessity—they came to quietly tell of their hurt and of their sadness. They came to understand and to be understood.

Producers of food and fiber do not understand why costs of production should be doubled and tripled simultaneously with marketing conditions that have reduced sale receipts to them by one-half and while consumers continue to pay almost historically high prices for the end product born in the pastures of the prairies.

The current farm-retail price level spread is 56.4 cents per pound and that is the barometer of an economic situation that means consumers can scarcely pay more and producers can not continue the source of supply of essential food for all.

Mr. Speaker, the cost-price ratio on the farms and ranches is past the stage of recession—it is worse than unemployment for it is work without pay that begets debt than can not be paid.

The sale of breeding stock for slaughter is like burning factories of production without employees. Both are wrong for our country. Both are an economic loss for us all. Personnel and policies must be changed that economic clouds of disaster shall not gather.

The purchasing power of people can not be destroyed if farms and factories are to succeed.

Farms and factories we need and that is why there was "beef on the mall" today.

I am hopeful that the Secretary of Agriculture will not further disagree and that he will execute the acts of this Congress in good faith in the interest of our country.

JUSTICE IN MEXICO—IV

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. STARK. Mr. Speaker, I call your attention to the fourth story in the Los Angeles Times series regarding Americans arrested and incarcerated in Mexico. The first three parts appear on pages 38797, 38981, and 39256 of the CONGRESSIONAL RECORD from December 10 and 11. The article follows:

UNITED STATES LIMITED IN ACTION FOR PRISONERS ABROAD—STATE DEPARTMENT SAYS IT SENT NOTE TO MEXICO AND SEES SIGNS OF IMPROVEMENT

(By Paul Houston)

WASHINGTON.—After receiving numerous reports of brutality and extortion against American prisoners in Mexican custody, the U.S. State Department sent a protest note to the Mexican government last July.

The note asked for a "full investigation" of the "allegations in inhumane treatment of American prisoners" and suggest that "corrective measures" be taken if necessary.

That note and several others have not been answered formally, Joseph Livornese, acting director of the department's Office of Special Consular Affairs, said Wednesday. "But recent actions of the Mexican government would indicate they are paying attention" to the notes, he said.

He cited fewer drug arrests of Americans at the Mexico City airport in recent weeks. About 125 Americans have been arrested at the airport in transit from South America to the United States.

Livornese and other American officials claim that U.S. embassies are limited in what they are able to do for Americans arrested in foreign countries.

"Our hands are kind of tied," said Eugene Krizek, a congressional liaison officer for the State Department, who has handled many inquiries from congressmen on the issue. "I think the best we can do is make sure they (prisoners) have got good legal representation and, if they are mistreated, to scream like hell to the authorities."

Rep. Fortney H. (Pete) Stark (D-Calif.), who has collected complaints from more than 100 Americans held captive in Mexico, thinks the State Department can do more.

In a letter to Secretary of State Henry A. Kissinger this week he charged that the U.S. Embassy in Mexico City has not moved aggressively to protect the rights of American prisoners.

Stark urged Kissinger to set up the kind of legal assistance program run by the Defense Department, which makes a maximum effort to see that American servicemen arrested in foreign lands are tried in the United States.

Livornese, reviewing State Department policy in an interview, said that through various treaties and agreements the United States has established the right to be informed when a foreign government arrests an American citizen.

U.S. officials then insist on access to the prisoner, Livornese said, although authorities in some areas try to delay it for long periods, saying an investigation is under way.

"In a good many cases the American citizen does not even want to see the consular official or to notify his family or friends," Livornese said.

Consular officials try to determine what the charges are, but Livornese said that State Department regulations prohibit them from acting as attorneys. The officials explain what the prisoner's rights are and what the embassy can or cannot do for the prisoner.

"We always go in with a list of attorneys who are nationals of the country in question," Livornese continued. "We've had experience with them, but we say quite clearly that we can't vouch for their reliability. If the prisoners are overcharged or not taken care of properly, the attorney is taken off the list."

Livornese said that one thing the embassy rides herd on is a prompt trial. "In some countries, unfortunately, people can sit in jail a number of months, even a year or so, without being brought to trial," he said.

Consular officials contact family members or friends to take care of legal expenses. In cases of destitution, legal aid societies are contacted in countries that have them.

"We visit prisoners periodically wherever possible," Livornese said. "We try to help out in cases where a man is cold and needs blankets, or wants magazines or toothpaste. Believe it or not, getting some prisoners American toilet paper is quite important."

As for dealing with complaints of mistreatment, Livornese said, "If the person needs medical assistance, we go to the prison authorities and try to see that a doctor is provided.

"If quite a number say they have been mistreated, and there are indications it is true, we protest officially."

A recent State Department paper on the situation in Mexico stated that "the prisoner's attorney has the right and duty to protest both to the court and to the embassy or consular post any discrimination against or mistreatment of Americans. Such an allegation is investigated promptly and thoroughly."

"As might be expected," the paper continued, "consular investigation of complaints of discrimination and/or ill treatment can reveal a highly confused situation.

"In some instances, it has been confirmed that a complaint was made solely as a means of attracting attention and thus hoping for more lenient treatment."

The paper also said that American consular officials had observed that Americans in Mexican prisons "usually have things a bit better than Mexican prisoners. The Americans usually have more money and can purchase special privileges. In addition, experience indicates that prison officials sincerely try to accommodate American prisoners and to meet consular requests related to their welfare."

Krizek said the Defense Department operates a comprehensive legal assistance program for American military prisoners in foreign countries because "military personnel are wards of the military." The State Department does not have a similar program, he indicated, because there is a more distant relationship between embassies and American civilians who are arrested.

WHAT PRICE DÉTENTE?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. RARICK. Mr. Speaker, despite the fact that unemployment in the United States is rising almost as fast as the inflation rate, the Federal Government and big business are promoting policies which will throw even more Americans into the welfare lines.

Already 230,000 auto workers out of a total work force of 750,000 are out of work or on notice. Other industries which supply the materials for car and truck manufacturing—such as steel, glass, and rubber—are experiencing similar layoffs.

In the midst of this headlong plunge into a depression, which may be as devastating as that of the 1930's, our Government leaders continue to spend millions of dollars to subsidize Russian industry at taxpayers' expense. The Export-Import Bank, which gets its money from your taxes, during the past year alone lent the Soviet Union $469,000,000, most of this at 6 percent interest.

The largest single Eximbank loan to the Russians, $153,950,000, went to finance their prestigious new multibillion-dollar Kama River truck project—the largest truck and engine factory in the world, which at full capacity would turn out 150,000 trucks and 250,000 diesel engines in a year. If the Soviets reach their 1976 target opening date, we can expect even more American industrial workers to be unemployed when these vehicles begin competing on the world market with those of U.S. manufacturers.

In addition to the Government subsidy, 65 U.S. companies have invested around $400 million in the project. The Rockefeller family's Chase Manhattan Bank is financing $86.4 million of the plant. Other are investing heavily in diverse areas of Soviet technology, all to the disadvantage of the American workingman and stockholder.

Western technology is the single most important factor in the growth of the Soviet economic system. Several years ago Stalin himself admitted:

> About two-thirds of all large industrial enterprises in the U.S.S.R. have been built with U.S. materials or technological assistance.

It was Ford who built the first large Soviet truck factory at Gorki in the 1920's; General Electric constructed the massive hydroelectric dam on the Dnieper River; the McKee Corp. erected the world's largest iron and steel plant at Magmitogorsk. Plans now call for as many as 1,000 Western specialists and technicians to participate in the Kama River operation, which is being propagandized as a joining of Soviet needs and manpower with foreign skills. The list is disgracefully long of U.S. companies more interested in building the economy of the Soviet Union, self-acknowledged enemy of this country, than they are in bolstering a sagging U.S. economy.

Trade with the Russians is a one-way street and we are headed in the wrong direction. There are no economic benefits ahead in this situation for our country. The Soviets, however, remain free to pursue their basic political objectives of achieving world conquest by whatever means necessary.

Despite all the problems here at home, our national leaders continue a reckless sellout of the American worker and taxpayer. Unfortunately, the national leaders who direct the policies of this country have never bothered to ask the 230,000 unemployed auto workers, or anyone else for that matter, how they feel about spending their tax money to finance a competitive foreign automotive industry employing slave labor. Perhaps they should.

At what price détente?

AMBASSADOR POPPER IN CHILE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1974

Mr. HAMILTON. Mr. Speaker, on September 27, 1974, the New York Times carried an article which said that Secretary of State Henry Kissinger rebuked the U.S. Ambassador to Chile, David H. Popper, for his efforts to discuss torture and other human rights issues during military aid discussions with Chilean leaders.

I wrote to the Department of State concerning the accuracy of this report for if it was true, it could have serious implications for foreign aid and on efforts by many Members of Congress to try to attach a greater concern for human rights issues to our dealings with all states around the world.

Since *early* October, I have exchanged three letters with the Department of State but have not received an answer to my question. I regret that the replies tended to treat my inquiry like a press question and that no attempt was made to level with this Congressman.

The article and exchanges of letters with the State Department follow:

KISSINGER SAID TO REBUKE U.S. AMBASSADOR TO CHILE

(By Seymour M. Hersh)

WASHINGTON, September 26.—Secretary of State Kissinger rebuked David H. Popper, the United States Ambassador to Chile, after Mr. Popper had discussed torture and other human rights issues during a meeting on military aid with Chilean officials, Administration sources said today.

Mr. Kissinger's action has provoked a bitter dispute among officials in the Bureau of Inter-American Affairs at the State Department, some of whom say that his rebuke was a demonstration of the Administration's unwillingness to press fully the human rights issue with the junta now ruling Chile.

Sources close to Mr. Kissinger insist, however, that the Secretary's complaint was based only on his objection to Mr. Popper's efforts to link unrelated issues such as human rights and military aid in high-level diplomatic talks.

KISSINGER ANGER REPORTED

In recounting the incident, the sources said that Mr. Kissinger reacted angrily after having learned from a State Department cablegram that Mr. Popper had initiated a discussion of human rights during a meeting on military aid in Santiago last July 22 with Oscar Bonilla, the Chilean Minister of Defense. Also present at the meeting was Secretary of the Army Howard H. Callaway, then visiting Chile.

"Tell Popper to cut out the political science lectures," the sources said Mr. Kissinger scrawled over the cable, a step that led to a formally drafted State Department letter of complaint to Mr. Popper, a career diplomat.

The Ambassador and others in the United States mission in Santiago were "amazed" and angered by the Kissinger rebuke, the sources said, as were some officials in the Bureau of Inter-American Affairs of the State Department.

Mr. Kissinger could not be reached to discuss the issue but high-level State Department officials subsequently confirmed the gist *of his* written comment to the Ambassador. The officials, who were familiar with Mr. Kissinger's involvement, explained that the Secretary only was complaining about Mr. Popper's attempt to link proposals for additional military aid to Chile to the human rights issue.

QUESTION OF BEHAVIOR

"It was more a question of how Ambassadors are to behave," another official said. "We can't have an Ambassador going into a meeting with the Defense Minister for one issue and discussing something else."

The official sources said that Mr. Kissinger had privately urged Ambassador Popper on at least three occasions in the last year to raise the human rights issue with the appropriate officials in the Chilean Government.

Other Administration sources, however, characterized the State Department's explanation as misleading.

"That's the name of the game," one Administration official said. "You tell these guys that if they want something—like more arms, they've got to behave."

"It's not only perfectly appropriate to raise the issue during meetings about other matters," the official added, "but the legislation requires that you must keep the human rights issue right up in the junta's face, particularly when you're talking about aid matters."

The official was referring to amendments in the 1973 foreign aid bill that called on the Nixon Administration to request that the Chilean Government "protect the human rights of all individuals." The amendment also linked the granting of aid money to Chilean guarantees of safe conduct for refugees and the humane treatment of political prisoners.

The military junta that overthrew President Salvador Allende Gossens in a bloody coup last year has been criticized as making systematic use of torture and imprisonment. In a report made public earlier this month, Amnesty International, a private agency, charged that torture of 6,000 to 10,000 political prisoners was continuing. The London-based organization said it was regularly receiving reports that prisoners were being subjected to beatings, electric shocks and psychological torture.

JUNTA REACTS TO PRESSURE

In recent weeks, the junta—responding to worldwide pressure—has announced that it was willing to free most of its political prisoners if the Soviet Union and Cuba did the same. No such releases have taken place.

Liberal members of the Senate and House are opposed on humanitarian grounds to The Ford Administration's pending aid request of more than $80 million for Chile. The Senate Foreign Relations Committee already has set a $65 million aid limit on the Administration's proposal with the House Foreign Affairs Committee yet to act. And a number of amendments are still pending that would sharply reduce the economic aid and eliminate all military aid to the junta.

It was in the face of this threat that a number of Administration officials expressed anger at Mr. Kissinger's directive to Mr. Popper.

"It came as a shock," one official recalled "because we've been trying to tell everybody that what could sink the aid program in Chile and for all of Latin America are the actions of the junta."

"The aid proposals this year just aren't going to fly if these people don't change their public image on human rights."

"Popper's been doing a pretty good job in telling them privately that this isn't going to work, that it isn't going to sit well with Congress," the source said. "Maybe they didn't like it, but they're not supposed to like everything the American Ambassador tells them."

FEWER COMPLAINTS NOW

Since receiving the rebuke, sources said, Mr. Popper has quency and intensity of his private complaints to Chilean leaders about human rights.

"There used to be a cable a week on the issue," one official said, "telling us how he was complaining" to [Gen. Augusto Pinochet, the Chilean President]. "I don't see that he's doing it any more," he added.

Other reliable sources said that Mr. Popper had been distressed by the letter of complaint, which was forwarded to him by Jack B. Kubisch, the former Assistant Secretary of State for Inter-American Affairs, who now is Ambassador to Greece.

The sources said Mr. Popper had told members of his staff in Santiago that he had been "gigged" by Mr. Kissinger and had expressed surprise that the complaint was over his human-rights efforts. He told his staff, the sources said, that he had expected to be criticized for his public efforts to support the Junta.

In testimony July 23 before the Senate Judiciary Subcommittee on refugees, Harry W. Shlaudeman, Deputy Assistant Secretary for Inter-American Affairs, said the Administration was aware of the allegations of torture in Chile but had concluded that such actions did not represent "a systematic or deliberate policy on the part of the Chilean Government."

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., October 1, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to inquire concerning the accuracy of a report which appeared in the September 27, 1974 *New York Times.*

In that issue, there was a report that you rebuked the United States Ambassador to Chile for his efforts to discuss torture and other human rights issues during military aid discussions with Chilean leaders.

As you know, human rights violations in many states receiving United States assistance have been a matter of concern to many members of the Committee on Foreign Affairs, and reports such as that appearing in the Times, if essentially accurate, could have a bearing on foreign aid legislation.

I trust that the Department will be able to answer this inquiry before Congress recesses on October 11, 1974.

With best wishes.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C., October 15, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of October 1 cerning an article which appeared in the New York Times of September 27 which concerned human rights in Chile.

As you know, human rights have long been a major concern of U.S. foreign policy. That concern has been expressed on countless occasions when human rights have been threatened in various parts of the world. Our views on this subject are a matter of public record, as manifested in our support for human rights initiatives in various international forums and in our encouragement of the activities of such respected international bodies as the International Committee of the Red Cross and the Inter-American Human Rights Commission.

In the case of Chile, our views on human rights are well known to the highest authorities of that government. On a number of occasions the Department has instructed our Ambassador in Chile to express these views. You can be assured that our private discussions with the Chilean authorities have faithfully reflected our public position. We believe, furthermore, that our continuing, unpublicized efforts are having a beneficial effect.

Finally, we have expressly instructed our ambassadors in various countries, including Chile, to bring to the attention of the local authorities the relationship perceived by the Congress between human rights issues and U.S. assistance programs as it finds expression in Section 32 of the Foreign Assistance Act.

I hope you will call on me if we can be of further assistance.

Cordially,

Linwood Holton,
Assistant Secretary for Congressional Relations.

Committee of Foreign Affairs,
Washington, D.C., October 17, 1974.
Hon. Linwood Holton,
Assistant Secretary of State for Congressional Relations, Washington, D.C.

Dear Mr. Holton: Thank you for your reply of October 15, 1974 to my letter of October 1 concerning Chile.

Unfortunately, your reply, while addressing the general subject of human rights in Chile, does not answer the question I asked. That is, is the report which appeared in the September 27, 1974 New York Times concerning a rebuke of Ambassador Popper essentially accurate?

I would appreciate an answer to this question.

With best regards.

Sincerely yours,

Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia.

Department of State,
Washington, D.C., November 11, 1974.
Hon. Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia Committee on Foreign Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of October 17 with further reference to our policy with regard to human rights in Chile.

As I stated in my letter to you of October 15, our Ambassador to Chile has received numerous instructions to bring to the attention of the appropriate Chilean authorities our views on human rights. We have consistently encouraged and supported his efforts to keep the Chilean Government alert to the importance we and the Congress attach to their observance.

With respect to the New York Times story, there was no communication with Ambassador Popper on any issue arising from his and Army Secretary Callaway's July 22 conversations with the Defense Minister of Chile. There was an internal exchange on an earlier occasion, but I would note in this regard that while we are wary of appearing to lecture other nations about how to structure their political systems, we would never reprimand any of our ambassadors for reflecting this country's genuine and longstanding concern about human rights.

I hope you will call on me again if I can be of further assistance.

Cordially,

Linwood Holton,
Assistant Secretary for Congressional Relations.

November 15, 1974.
Hon. Linwood Holton,
Assistant Secretary of State for Congressional Relations, Department of State, Washington, D.C.

Dear Governor Holton: Thank you for your reply of November 11, 1974 to my letter of October 17 concerning Chile.

Your letter raises two more questions which I would like you to answer. First, are you labeling the *New York Times* story of September 27, 1974 false? And second, you indicate in your reply that there "was an internal exchange on an earlier occasion." I would like to know the nature and substance of that exchange, the precise circumstances surrounding it, and the persons involved in the exchange.

I appreciate your consideration of this additional matter.

With best regards.

Sincerely yours,

Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia.

Department of State,
Washington, D.C., December 6, 1974.
Hon. Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia Committee on Foreign Affairs, House of Representatives, Washington, D.C.

Dear Mr. Hamilton: Thank you for your letter of November 15 with further reference to our policy with respect to human rights in Chile.

The Department has already expressed its views publicly on the disclosure of the "internal State Department exchange" to which you have referred, and we do not feel that any further discussion of this subject would be productive. Nor do we wish to characterize the *New York Times* story of September 27. However, I can assure you that the Department is continuing its efforts to keep the Chilean Government alert to the importance we and the Congress attach to the observance of human rights everywhere. Ambassador Popper has received numerous instructions to this effect and we have consistently encouraged and supported his efforts to carry them out.

I hope you will call on me again if I can be of further assistance.

Cordially,

Linwood Holton,
Assistant Secretary for Congressional Relations.

SENATE—*Saturday, December 14, 1974*

The Senate met at 9 a.m. and was called to order by Hon. Ernest F. Hollings, a Senator from the State of South Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, grant that whatever happens in this Chamber on this day, we, Thy servants, may be kept under the shelter of Thy grace. If we have hard problems to solve, help us to ask for Thy light upon them, that we may see the way clearly. If we have difficult tasks to perform, help us to seek Thy strength that we may do that which we could not do ourselves. If we have temptations, help us to remember the One who was tempted as we are tempted, but yielded not, and is now ready to help others who are tempted. As we exert extra efforts, may we produce extraordinary results so that when we come to the day's end we may have no regrets. Bring us to the rest and worship of the Advent Sabbath, that we may rejoice in the light which shines from Bethlehem. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., December 14, 1974.
To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Ernest F. Hollings, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HOLLINGS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, December 13, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk proceeded to read nominations in the Department of State.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—COAST GUARD

The assistant legislative clerk proceeded to read sundry nominations in the Coast Guard which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations and that the President also be notified of the confirmation of the nominations earlier this week.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

COLLEGE FOR CONGRESSMEN

Mr. HUGH SCOTT. Mr. President, I see that some of the new Members of Congress are going to Harvard before they go to Congress. This suggests a new campaign slogan: "If you elect me to Congress, I'll go to Harvard." I do not know the appeal of the slogan. I am in favor of education.

In all seriousness, I think this opportunity is a good one. The members of both parties who are going to go to Harvard for a crash course in how to legislate should be commended. It is very much to their credit that they are taking this time to learn something about legislation. As one who has been here a while, I think there is nothing which beats on-the-job training.

I believe that those Members of the Senate and the House who are already here will always be willing to help the new Members, generous in their advice when solicited—and possibly at times when unsolicited. This is the tradition of both bodies of Congress.

I am glad that another fringe benefit has been added to membership, and I suggest that other universities begin to compete, so that a candidate for Congress can say, "If you give me a chance to serve, I'll go to Harvard"—or Yale or Wisconsin or Columbia or Berkeley or whatever; and the voters, in their delight at the prospect of having an educated Congressman, are likely to be impressed.

AN END AND A BEGINNING

Mr. HUGH SCOTT. Mr. President, this week, we are marking an end and a beginning: hopefully the end of the session in which this body has certainly labored very hard and has produced a good amount of substantive legislation, in which work has been done in cooperation, and we will leave for a sufficient time to enable a period of refreshment to be enjoyed prior to our return for what certainly will be a long and laborious session; a beginning, because it is the season of Advent and of Hanukkah. Therefore, we are thinking in terms of the newness of existence, of the challenges which contemplation of the Advent offers us. I hope that from the ending we will take satisfaction and in the beginning, hope.

SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

The Senate resumed consideration of the conference report on the bill (H.R. 16900) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 1 hour of debate before the vote on cloture on the Scott amendment to House amendment No. 17. The time is to be equally divided between and controlled by the distinguished Senator from Alabama (Mr. ALLEN) and the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT).

Who yields time?

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, I favor the supplemental appropriations bill, and my efforts and the efforts of those who are opposing the Scott amendment are directed toward saving this bill. I feel that if the Scott amendment is adopted, this measure will have to go back to the House and in all likelihood back to conference. The House having voted twice in favor of the Holt amendment, or a modification of the Holt amendment in the second instance, it is entirely likely that the conferees will be adamant and that they will not give in and yield to the language of the Scott amendment.

Mr. President, while we have before the Senate at this time amendment No. 17 in disagreement, the entire conference report and all the other amendments are, in effect, still before the Senate; because even though the conference report has been adopted, and even though all the other amendments of the Senate have been agreed to or are part of the conference report, yet, they are in a state of suspended animation until some agreement is reached on amendment No. 17 in disagreement.

As long as the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT) insists on having his amendment acted upon, that is delaying the passage of this supplemental appropriations bill, appropriating some $8 billion to the various agencies of Government, including more than $4 billion to the public schools of this Nation.

Mr. President, the situation presented here is entirely opposite from the situation presented on the cloture motion yesterday with regard to the trade bill. There, a cloture motion and the imposition of cloture served to expedite the passage of the bill. But, Mr. President, the situation is entirely different here, because a cloture vote, a vote for cloture, endangers the passage of the bill, and a vote for cloture will delay the passage of the bill.

Mr. President, it would be possible in the matter of just a few seconds, less than a minute, to pass this bill if the amendment of the Senator from Pennsylvania (Mr. HUGH SCOTT) should be withdrawn. Then the Senate would be allowed to act on, not my motion, but the motion of the distinguished Senator from Arkansas (Mr. MCCLELLAN), chairman of the Senate Committee on Appropriations, the floor manager of the bill, chairman of the conference, who made a motion, as instructed by the conference, that the Senate concur in the action of the House modifying and reinserting the language of the Holt amendment.

Mr. President, even though amendments that come back for action in connection with a conference report are referred to as amendments in technical disagreement, actually, they are not in substantive disagreement. They are not in basic disagreement, because agreement has been reached, but, because of rules of germaneness on the part of the House, they are not able to agree to the language and put it in the conference report. So what they do is what they did in this case, agree on what was to be done, and prepare the blueprint for action by the House and action by the Senate to resolve the differences.

Mr. President, there were 16 members of the conference committee representing the Senate. Fourteen of them signed the report recommending that the Senate concur in the action of the House. But this matter was agreed to by the conferees, and if we can defeat the cloture motion today, I should feel that the Senator from Pennsylvania, rather than run further risk of defeating this bill by insisting on his amendment, would withdraw the amendment and let the motion of the Senator from Arkansas (Mr. MCCLELLAN) come to a vote.

The Senator from Alabama is not preventing a vote on the one motion that will send this bill to the President. That is the motion of the Senator from Arkansas. The Senator from Alabama is for that motion. He wants to see it passed, and if we can defeat this cloture motion today, I hope that sometime during the day, the distinguished Senator from Pennsylvania will recede from his position of insisting on action on his amendment and allow the Senate to vote on the motion of the Senator from Arkansas.

Mr. HUGH SCOTT. Will the distinguished Senator from Alabama yield?

The ACTING PRESIDENT pro tempore. The Senator from Alabama has consumed 7 minutes.

Mr. ALLEN. Then I shall be delighted to yield on the time of the Senator from Pennsylvania.

Mr. HUGH SCOTT. If the Senator needs time, he may use my time. I simply rise to make a point.

While the Senator from Alabama states that the supplemental is being delayed by the amendment——

Mr. ALLEN. That is correct.

Mr. HUGH SCOTT. I point out that the supplemental is being delayed by the opposition of the Senator from Alabama to the amendment, because the amendments, if not opposed, could pass in a matter of a few minutes. The right of each side to offer an amendment is unquestioned. The right of debate is unquestioned. The Senator from Alabama is exercising his rights, but the Senator from Pennsylvania has used virtually no time on the amendment, and does not intend to use much time. He is so confident of the rectitude of his position that he does not feel that a further extension of remarks would be necessarily contributory to the processes of ratiocination involved in our consideration.

Mr. ROBERT C. BYRD. Mr. President, I enjoy listening to these learned discussions, but I should like to be able to understand them.

Mr. HUGH SCOTT. I do appreciate that, but the Senator——

Mr. ALLEN. It might be difficult to understand what the distinguished Senator from Pennsylvania is trying to get across. I find it somewhat difficult.

Mr. HUGH SCOTT. I wished to show to both Senators, that I never indulge in obfuscation. Logorrhea, yes, perhaps; obfuscation, no.

Mr. ALLEN. I thank the distinguished Senator for his comments, but the Senator from Alabama does not object to the Senator from Pennsylvania offering his amendment. He recognizes that right, but still, the Senator from Alabama has the right to draw his conclusions as to the effect of this amendment.

The Senator from Alabama pointed out that if the Senator from Pennsylvania would withdraw his amendment, we could send this bill to the President in a matter of 4 or 5 seconds. But if the Senator prevails in seeking the adoption of his amendment and it gets adopted, the bill has a very uncertain fate, because it has to go back to the House, which has acted on this very same question two times, contrary to the position of the Senator from Pennsylvania, and there is no assurance whatsoever that agreement can be reached with the House.

The Senator from Alabama is pointing out further that until agreement is reached on amendment No. 17, all of the action that the Senate has taken up to this point with respect to the bill will be nullified, because the conference report and all of its amendments are in a state of suspended animation, waiting on the Senator from Pennsylvania to withdraw his amendment so that we can act upon the motion of the Senator from Arkansas, the chairman of the Committee on Appropriations and the chairman of the conference. That is what it will take to send the bill to the President today.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HUGH SCOTT. Mr. President, does the Senator from Massachusetts wish time at this point?

Mr. BROOKE. No.

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for the quorum call be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I yield myself 7 minutes.

The ACTING PRESIDENT pro tempore. Without objection, the order for the quorum call will be rescinded, and the Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, the Holt amendment, which the House of Representatives is insisting on and which was agreed to in conference, was recommended to the two bodies—the modification of the Holt amendment, that is—was recommended by the conferees from the House and the conferees from the Senate, and now the House has taken action approving that language, and all that remains is for the Senate to concur in the action of the House of Representatives, and that will constitute passage of the bill.

Mr. President, there has been a lot of argument here on the Senate floor that what the Holt amendment seeks to do is not to stop forced mass busing of schoolchildren, that the Holt amendment is not an antibusing measure. In the debate which took place on the floor of the House of Representatives, Mrs. GREEN made inquiry, as shown in the debate on December 4, appearing at page 38185 of the RECORD:

> What is the Holt amendment? First, the Holt amendment is an effective antibusing amendment.

Mrs. GREEN also said:

> I do not consider the Holt amendment as either destructive or evil or an abomination as previous speakers have suggested; and I am in agreement with those who just spoke, that we have passed in this House innumerable antibusing amendments; on one occasion we even instructed the House conferees three times not to abandon the House position on antibusing; in spite of the instructions on those three different occasions, the conference report came back watered down so that the antibusing amendment was absolutely meaningless and there were loopholes that anyone could drive 1,000 schoolbuses through.

The distinguished Senator from Massachusetts (Mr. BROOKE), in argument earlier this week, talked about this being something having to do with integration by sex, and that the rights of women were involved here. Let us see what Mrs. GREEN says about that:

> As you know, I believe forced busing has accelerated the deterioration of quality education in many schools. As I said, this is an antibusing amendment. The overwhelming majority of the American people are opposed to busing because it has not accomplished anything. Now HEW claims to have authority to say that we are going to integrate classes on the basis of sex. For heaven's sake, let us have some commonsense in the administration of the legislation that we enact. I would hope that we would overwhelmingly support the Holt amendment.

Now, Mr. President, let us consider the language that has the distinguished Senator from Pennsylvania so worked up that he has offered an amendment and is insisting on it, to the detriment of the likelihood of the passage of this bill.

After making appropriations of more than $4 billion to the schools, this amendment No. 17 ends with this language:

> *Provided further,* That none of the funds contained herein shall be used to carry out section 821 of Public Law 93–380 [to compel any school system, as a condition for receiving grants and other benefits from the appropriations above, to classify teachers or students by race, religion, sex, or national origin, or to assign teachers or students to schools, classes, or courses for reasons of race, religion, sex, or national origin].

All it says, then, is that HEW cannot say to a school system, "You are eligible for a grant from the Federal Government to give quality education to the pupils in your school system, but you are not going to get that grant unless you classify teachers or students by race, religion, sex, or national origin."

Why should they have that authority, to withhold funds to force local school systems to make such a classification, or—and here is the busing feature—to force the local system to assign teachers or students to schools, classes, or courses for reasons of race, religion, sex, or national origin?

If students are assigned by race—which HEW seeks to force local systems to do—and they assign pupils to schools far from their neighborhoods, how are they going to get there except by busing? That is what makes this Holt amendment an antibusing amendment.

Mr. President, to say that HEW cannot see to it that quality education, equal opportunity for an education, is afforded all of our children unless they have power to withhold funds to club local systems into submission into taking action that HEW thinks that they should take, let me ask how often has this withholding of funds taken place in areas outside of the South?

Well, there was a recent study, as shown by the CONGRESSIONAL RECORD, page 30422, a recent study by the Center for National Policy Review, and it is pointed out that since 1965 there has been only one instance where Federal funds were withheld from local school systems in an area outside of the South—only one instance.

Well, if they could not find a use for it in areas outside of the South but one time, and it does not say what they were trying to get them to do—it might not even have been in this area, and that was in a small Detroit suburb, Ferndale, Mich., the only place outside the South HEW has ever withheld funds, according to the Center for National Policy Review—and if this is just an implement to club Southern school districts into submission, I do not see that that is equal application of the law.

Mr. Weinberger has had some strange things to say about why segregation continues in areas outside of the South, whereas it has been wiped out, to all intents and purposes, in the South. He said in the North:

> Federal civil rights enforcers often can achieve better results by convincing local school boards to design plans with necessary public support than be going in with a blunderbus taking away their Federal funds—

This is in the North—

> And put them in a frame of mind and attitude in which they would make no effort to try to comply with the law.

This same item that I am reading from here, quoting Mr. Weinberger, comments, according to a government policy research organization:

> The Office of Civil Rights, Department of HEW, has generally failed to use its powers to require desegregation in Northern and Western school districts.

Why does it say that that is the case? Why have they not forced desegregation of schools outside of the South?

This is a direct quote from Mr. Weinberger, according to the Philadelphia Inquirer, I might say to the distinguished Senator from Pennsylvania, commenting on or reporting Mr. Weinberger's statement. This is Mr. Weinberger, the head of HEW, speaking:

> I think we have to face the fact that we are dealing with a very fierce public opposition to desegregation in many Northern cities.

That is the reason why they do not have——

The ACTING PRESIDENT pro tempore. The Senator's 7 minutes have expired.

Mr. ALLEN. I yield myself an additional 3 minutes.

That is the reason they do not have

any desegregation in areas outside of the South. People do not want it. It makes them mad, and they cannot run the risk of making people mad in areas outside the South.

Well, here they want a tool apparently for use only in the South, because withholding of Federal funds has taken place, as I have stated, according to this study, on only one occasion in an area outside of the South.

So, Mr. President, I think the time has come to have equal application of *our laws*, and not to have a provision that HEW enforces in the South and does not enforce in areas outside of the South.

Mr. President, I hope that cloture will not be invoked. I feel that a vote of "no" on the cloture motion is a vote for expediting the passage of this bill. It is a vote that will move in the direction of a uniform policy by HEW throughout the country.

I might say to those Members of the Senate who are seeking to continue to give HEW this power to withhold funds in the South that almost every school system that I know of in the South is already under a court order to segregate. So the very aims that HEW would achieve by withholding funds are already required under court order, and the question is fast becoming a moot question in the South. But in years to come, it is not going to be a moot question in areas outside the South, because somewhere down the line the Federal courts and HEW are going to start desegregating schools in the Northern and Western States.

So, as was stated in a conference out in Topeka, Kans., just a few weeks ago celebrating the 20th anniversary of the Brown against Board of Education decision, this conference, as shown by a newspaper clipping from the Birmingham News, inserted in the Record of December 3, 1974, appearing at page 37765——

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes have expired.

Mr. ALLEN. I yield myself 2 more minutes.

The result of that conference, attended by representatives from 32 States, the conclusion was:

> The South is getting a passing grade—indeed, high marks, in some instances—but the North is flunking the test of school desegregation.
>
> "Miss Simmons"—who is connected with the NAACP—said "The North did not believe that the 1954 decision applied to it, and Northerners have been acting on that premise."

I think that is the premise on which many are operating who are seeking to scuttle the Holt amendment with the Scott amendment, that the 1954 decision did not apply in areas outside the South. But I believe people are waking up. The people in Michigan, the people in Boston, the people in Denver are waking up to the fact that this rule of law obtains throughout the country, and since this power of HEW to withhold funds from school systems to force them to comply with some dictate of HEW is a policy that has not been followed in the North—in only one instance, in a small community—so why have it here as an implement to use in the South?

I say again that if we want to pass this bill, if we want to pass it today, there is a possibility by voting "no" against cloture, to prevent the invoking of cloture, if the distinguished Senator from Pennsylvania would then withdraw his amendment, we would concur in the motion of the Senator from Arkansas (Mr. McClellan) and we can send this bill to the President today and, hopefully, obtain his signature at an early time.

Mr. HUGH SCOTT. Mr. President, I yield myself such time as I may require.

I fear if the record is left in this state that those who read it will wonder what we are talking about. My amendment simply says, it adds the phrase, "except as may be necessary to enforce nondiscrimination provisions of Federal law."

What does that mean?

It means we will abide by the law. It means we would enforce nondiscrimination provisions in Federal law. It means we are against discrimination. It means we recognize the rule of law, and it does not mean anything else.

As the distinguished Senator from Alabama has said, the question is largely moot.

In most of the South and in most of the Southern States, court orders apply. This has never been equitable and I am the first to admit it. I admitted it during the debate and in colloquy with the distinguished Senator from Mississippi (Mr. Stennis).

The particular evils of segregation largely flourish as far as school systems are concerned in the North.

The fanning of the flames of hatred is particularly noted in the big industrial cities of the North, in Detroit, in Boston, and in other cities.

We are aware of the fact that the attempt to avoid discrimination has been met, on the part of many people in the North, with the feeling that this was a Southern question.

It was not. It ought not to be so regarded. It is not.

But if the question is largely moot in the South, why does the Senator from Alabama fear the effect of the amendment since the purpose of the amendment is to make sure that discrimination is abolished everywhere, and if it exists largely outside of the South, why not help us do whatever is necessary to abolish the discrimination?

I can thoroughly sympathize with the feelings of the Senator from Alabama that it is, in itself, discriminatory for the Federal Government to have regarded this as a Southern question. It always was discriminatory. But I assure the Senator that all we are trying to do is make sure that the right to enforce nondiscrimination on the basis of Federal law may be applied equally and everywhere.

Mr. ALLEN. Will the Senator yield for a moment?

Mr. HUGH SCOTT. I am glad to yield to the Senator.

Mr. ALLEN. The Senator asks, I assume, an actual question rather than just a rhetorical question as to why the Senator from Alabama would be concerned.

Well, the Senator from Alabama does not want to see HEW have this power anywhere to club local school districts into submission. So he wants to protect the entire country, he wants the policy to be uniform throughout the country.

It is not only a Southern question, but a national question, as well.

Mr. HUGH SCOTT. Well, I do thank the distinguished Senator.

My wording in the amendment would apply anyplace and should apply anyplace.

Mr. BROOKE. Will the Senator yield?

Mr. HUGH SCOTT. I yield the floor, I understand that the Senator from Massachusetts wishes to be recognized.

Mr. BROOKE. I thank my distinguished leader.

Mr. President, I have on my desk a letter from the National Caucus on the Black Aged, Inc., which was written December 12, 1974, addressed to Hon. Mark O. Hatfield. It is from the office of Senator Hugh Scott, the Republican leader.

The letter reads:

> A portion of Amendment 17 of the Labor-HEW Supplemental Appropriations bill—which has come to be known as the Holt Amendment—threatens a return to racially segregated education in America.
>
> This fact alone would be reason enough to oppose the Holt Amendment. However, we at the National Caucus on the Black Aged, Inc., foresee other problems as well.
>
> The language of the Holt Amendment refers to "school systems." Although Representative Holt's office indicated that the Amendment was not designed to affect post-secondary education, we are not reassured.
>
> The National Caucus on the Black Aged, Inc., represents a constituency which depends upon qualified black professionals to render services to this nation's almost two million aged blacks. The language of the Holt Amendment is sufficiently ambiguous so that the recruiting and training of qualified blacks in the nation's institutions of higher learning could also be threatened.
>
> Both Dr. Arthur S. Flemming, Chairman of the U.S. Commission on Civil Rights, and Caspar Weinberger, Secretary, Department of Health, Education and Welfare, in their letters to Senator James Eastland and Senator Warren Magnuson, respectively, expressed the fear that the language of the Holt Amendment would render inoperative Title VI of the Civil Rights Act of 1964, and Title IX of the Education Amendments of 1972.
>
> The economic situation has already taken, and continues to take, its toll on black Americans. We urge you not to allow an already abhorrent situation to become worse by threatening the educational opportunities and the civil rights of the country's minorities.
>
> We are encouraged by the actions of those Senators who have voted against the Allen Amendment, the Helms-Thurmond Amendment and the Beall Amendment.
>
> We urge you to vote tomorrow in favor of cloture and for the Scott-Mansfield Amendment without further amendment.

Now, Mr. President, I ask unanimous consent that the entire letter may be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE NATIONAL CAUCUS ON
THE BLACK AGED, INC.,
Philadelphia, Pa., December 12, 1974.
Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: A portion of Amendment 17 of the Labor-HEW Supplemental Appropriations bill—which has come to be known as the Holt Amendment—threatens a return to racially segregated education in America.

This fact alone would be reason enough to oppose the Holt Amendment. However, we at the National Caucus on the Black Aged, Inc., foresee other problems as well.

The language of the Holt Amendment refers to "school systems." Although Representative Holt's office indicated that the Amendment was not designed to affect post-secondary education, we are not reassured.

The National Caucus on the Black Aged, Inc., represents a constituency which depends upon qualified black professionals to render services to this nation's almost two million aged blacks. The language of the Holt Amendment is sufficiently ambiguous so that the recruiting and training of qualified blacks in the nation's institutions of higher learning could also be threatened.

Both Dr. Arthur S. Flemming, Chairman of the U.S. Commission on Civil Rights, and Caspar Weinberger, Secretary, Department of Health, Education, and Welfare, in their letters to Senator James Eastland and Senator Warren Magnuson, respectively, expressed the fear that the language of the Holt Amendment would render inoperative Title VI of the Civil Rights Act of 1964, and Title IX of the Education Amendments of 1972.

The economic situation has already taken, and continues to take, its toll on black Americans. We urge you not to allow an already abhorrent situation to become worse by threatening the educational opportunities and the civil rights of the country's minorities.

We are encouraged by the actions of those Senators who have voted against the Allen Amendment, the Helms-Thurmond Amendment and the Beall Amendment.

We urge you to vote tomorrow in favor of cloture and for the Scott-Mansfield Amendment without further amendment.

Sincerely,

STEVEN R. BAER,
Director, Legislative Division for Hobart C. Jackson, Chairman, National Caucus on the Black Aged, Inc.

Mr. BROOKE. Mr. President, my distinguished colleague from Alabama has made two points.

The first is that the Holt amendment is an antibusing amendment; and he has quoted me as saying that it is not an antibusing amendment. But I reiterate my position, Mr. President; this is not an antibusing amendment.

We are concerned here with the ability of the Federal Government to enforce title VI of the Civil Rights Act of 1964 and title IX of the Education Amendments of 1972.

We are concerned with the enforcement of the fundamental civil rights laws of our country—not busing. The Federal courts order busing to overcome the effects of State-imposed segregation. And we are not talking about the courts here.

We are talking about HEW's authority, pursuant to title VI and title IX, to enforce our civil rights laws. This amendment goes far beyond anything that the distinguished Senator from Alabama has said, far beyond anything that Representative HOLT has said about Anne Arundel County.

This is a national problem. It is a problem affecting equal educational opportunities for minorities throughout this Nation, and equal educational opportunities for women throughout this Nation.

Now, the second point that the Senator from Alabama has made is that title VI affects only the South. He said that the law ought to apply to the North and to the East and to the West as well as to the South, and I cannot agree with him more wholeheartedly.

I have said the same thing to the Senator in debate on the floor, and to Senator HELM and to Senator BEALL. And I firmly believe it. I do not believe we ought to establish and enforce one standard upon the South and another upon the North.

I compliment the Senator for raising this issue. I have complimented the South on what it has done, for in many instances the South has accomplished far more than the North has in the desegregation of public schools.

I am embarrassed again by what is happening in my own city of Boston, in my own State of Massachusetts, as compared to what has been happening in Alabama, the Senator's own State, and in Georgia and Mississippi and other States in the South.

So I agree with the Senator wholeheartedly that we ought to have this law apply equally across this Nation and not restrict it to the South.

Now, Mr. President, I would like to discuss what the Senate has already done in this matter.

No. 1, on November 19, we had the Helms amendment before the Senate for the first time. The Helms amendment was identical at that time to the Holt amendment which had been introduced in the House of Representatives and passed by the House of Representatives.

We voted on it after a very lengthy debate. I think the Senator from Alabama engaged in that debate. I know I engaged in that debate, together with the Senator from North Carolina (Mr. HELMS).

The Senate knew what it was voting on. It was a very well organized and executed debate. I think all the facts were brought to the forefront.

The Senate voted, and the Senate voted 43 to 36 to reject the Helms amendment.

Then we on Wednesday, December 11, after a supposed compromise, we returned to the Holt amendment. We had a time agreement of 2 hours of debate on the motion made by the distinguished Senator from Alabama (Mr. ALLEN) to table the Scott-Mansfield amendment to the Holt amendment.

We voted on the Allen tabling motion after a lengthy debate between the distinguished Senator from Alabama and myself. And the Senate defeated the tabling motion by the overwhelming margin of 60 to 33. It could have been reasonably expected at that time to proceed with and vote on the Scott-Mansfield language. But a Helms amendment to the Scott-Mansfield had already been introduced. The Helms amendment would have substantially altered the Scott-Mansfield language.

I believed, and I think obviously and ultimately the Senate believed, that the Helms amendment would have taken us back practically to the Holt amendment.

After a 30 minute debate on that between Senator HELMS and myself, the Senate voted once again. The vote was 58 to 37 to reject the Helms amendment. So this was the third time that the U.S. Senate had voted on this matter. The Senate had voted clearly and, I think, without question, as to what its feelings were and how strongly it felt about the language contained in the Holt and the Helms amendments.

Then after we had practically spent a whole legislative day on the question, we had our fourth vote, and third of the day, at approximately 6 o'clock in the evening.

It was on an amendment by Senator BEALL, after a 30-minute debate between Senator BEALL and myself.

The Senate rejected the Beall amendment by a vote of 62 to 30, the largest vote we have had on this issue.

So obviously, Mr. President, the Senate has demonstrated its will and its determination. It has voted on four different occasions to reject the Holt amendment or variations of the Holt amendment.

Now we have before us the Scott-Mansfield language. In order to get a vote up and down on it, we have to go through a vote on cloture.

The distinguished Senator from Alabama has said today that all we had to do to end this debate was to have Senator SCOTT withdraw his amendment. Then we could concur in this amendment on disagreement and send this supplemental appropriations bill to the President of the United States for his signature.

In effect, he said that Senator SCOTT was delaying a Senate vote on the matter. I respectfully submit to my distinguished colleague that it is not Senator SCOTT—and the Senator from Alabama knows it is not Senator SCOTT—who is delaying this bill, but it is the distinguished Senator from Alabama who is delaying it, because the distinguished Senator from Alabama does not want the Senate to vote on the Scott-Mansfield language.

Why? Because he knows that the Senate has already indicated that it would support the Scott-Mansfield language and send it back to the House of Representatives, saying to the House of Representatives, "This is where the U.S. Senate stands, and it stands firmly and clearly. It has voted four times. The Senate will not accept the Holt language."

I think it is a good day, not only for the U.S. Senate, not only for Anne Arundel County, but also for the Nation, that the Senate believes that, and that the Senate has said that.

So I hope, Mr. President, that when the vote is taken today, there will be sufficient votes to invoke cloture on this matter. I am sorry it had to be done on a Saturday morning because many Senators had made arrangements to do other things, to go elsewhere, and did not know that this vote would come up.

I hope, however, that there will be sufficient votes in the Senate to obtain a two-thirds vote so that we will have cloture and we can get on with the Senate's business and adopt the Scott-Mansfield language.

there be no doubt that we will file another cloture motion, and another if nec-

But if we do not, Mr. President, let

essary. And even if we have to stay here until the next Congress, we will not accept the Holt language.

So I urge my colleagues to vote today, to vote clearly, and to give us the two-thirds majority that we need in order to bring about cloture.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ALLEN. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Alabama has 8 minutes remaining.

Mr. ALLEN. I yield myself such time as I may require.

Mr. President, I appreciate the remarks of the distinguished Senator from Massachusetts (Mr. BROOKE) as to the attitude of the people of the South, and the accomplishments of the people in the South in the area of school desegregation. The statistics show it—it is open to the world—that the South has complied with the edicts of the Supreme Court, the edicts of HEW, and we have desegregated our scshools in the South.

We do feel that we should have a uniform school policy. I am delighted that the distinguished Senator from Massachusetts supports a uniform school policy.

Mr. BROOKE. Will the Senator yield at that point?

Mr. ALLEN. Yes.

Mr. BROOKE. There is one statement I would like to make along those lines.

One thing further I would like to say about the South in comparison to the North—and my distinguished colleague from South Carolina is presiding now—and that is the distinction that may be made between the actions of the North as compared to the actions of the South. The South has fought for what it believed in. It believes in antibusing, and in the past it has believed in the separation of races, in segregation, and in some instances discrimination.

But when a law has been passed, when Congress has acted and the President has signed the law, the South has obeyed the law. They will contest the law, but they will obey that law and work within the law.

In the North, on the other hand, we are getting disobedience of the law. We have had hypocrisy in the North. We have had many instances where people in the North have stated: "Well, all the problems are really in the South and not in the North." They have pointed the finger at the South.

But when the problems of desegregation occur in the North, and they have to live with the law, then they have sometimes disobeyed that law. A prime example of this is what we are seeing—and I am embarrassed to say this—in my own capital city in the great Commonwealth of Massachusetts, which says it is the cradle of liberty and the hub of the universe.

I believe the South has a point, and I am the first to admit it. I wanted to point out that distinction.

Mr. ALLEN. I thank the distinguished Senator from Massachusetts for his comment. I appreciate his statement, and I appreciate the things he has had to say about the attitude of Southern people. I have always found the distinguished Senator from Massachusetts to be most reasonable as we discuss these problems that affect our Nation.

Mr. President, my contention is that there is no valid reason for empowering HEW with the right to withhold educational grants that may be sorely needed by local systems to force local systems to take certain actions with respect to the assignment of students and the assignment of teachers.

The distinguished Senator from Massachusetts spoke about recordkeeping. I might say that that was dropped in the conference.

He has told of the adamant position of the Senate. The House position is just as adamant.

I might say that the conferees, in an effort to compromise this issue, cut the Holt amendment half in two. They kept only the provisions saying they could not withhold funds to force assignment of teachers and students, or classify teachers or students by race, religion, sex, or national origin.

The Holt amendment, as introduced and as originally passed, went on to say further they could not require them to maintain and prepare any records, files, reports, or statistics pertaining to the race, religion, sex, or national origin of teachers or students. The prohibition relating to classification of students and teachers was left intact. But this provision about the keeping of statistics was dropped in the conference, in an effort to compose the differences between the two Houses. The compromise that was reached by the conference was endorsed by 14 of the 16 conferees on the part of the Senate.

So our conferees come back and tell us that this is the best settlement that can be obtained with the House conferees, and they recommend the acceptance of half a Holt amendment, half a loaf being better than none. And that is what is left in the bill.

So, in the interest of comity between the two bodies of Congress, it would seem that the time has now come for the Senate to recede in this area. The House has already accepted only half of what it originally enacted. Why, then, could not the Senate accept the half that remains?

If we do defeat the cloture motion today and we are able to defeat the Scott amendment, or if the Senator from Pennsylvania withdraws it in the interest of the speedy passage of the bill, we can send this important bill, which will mean so much to our schools, so much to many areas of governmental operations, to the President for his signature.

What is the alternative to that? The invoking of cloture, the passage of the Scott amendment. What happens then? It goes back to the House of Representatives for, I assume, a further conference; and if the members of the House conference are as adamant as is the distinguished Senator from Massachusetts, we will not have any bill.

So the best way, it seems to me, is to defeat the cloture motion, accept the motion offered by the distinguished Senator from Arkansas (Mr. McCLELLAN), to concur in the action of the House, cutting the Holt amendment in two, and leaving, certainly less objectionable as viewed by the proponents of the Scott amendment, half of the amendment.

I feel that both portions of the Holt amendment should have been retained, but I am not asking to add the other half of the Holt amendment to this amendment. I am willing to accept the compromise offered by the conferees.

So a vote of "no" on the cloture motion is a vote for speedy passage of the bill. It is a vote to back up the action of the Senate conferees who, by a vote of 14 to 2, ratified the half of the Holt amendment remaining.

I hope that the Senate will reject the cloture motion.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. BROOKE. Mr. President, the Senator from Alabama and I have discussed the merits of the Holt amendment and what the effects of that amendment would be across the Nation. But there are some practical matters which I think, in the closing moments of this debate, should be brought to the attention of the Senate, and they involve the parliamentary situation.

First, and it has been mentioned before, the Holt amendment is legislation on an appropriation bill. For this reason alone, the Senate should reject the Holt amendment.

Second, there is a sense of urgency, in that we are in the closing days of the 93d Congress; and it has been suggested that we will conclude our legislative matters by the close of business on Friday, December 20.

If we do not get cloture today, it means that we will have a vote on another cloture motion—which has already been filed, this being another legislative day—on Monday. If we do not get cloture on Monday, we will have yet another cloture motion, which means that after the legislative day of Monday, we will have a vote on Tuesday. If we do get cloture today and we can vote on the Scott-Mansfield language, this matter will go back to the House of Representatives immediately.

The Senator has said that the House will never accept it. But I do want to point out that the last vote in the House was 212 to 176, which is an improvement over the first vote the House had on this issue. There has been a shift in the sentiment and in the voting in the House, which indicates that the House is moving further away from the Holt language.

Third, statements have been made to the effect that the President will veto the supplemental appropriations bill. If that is going to be the case, it seems to me that we would want to get this matter decided by the Senate, sent to the House of Representatives, and if the House agrees, sent to the President as soon as possible. If the President is going to veto it, not for this reason, but for money reasons, the bill will then come back to us, and we will have some legislative days left in which to work out some compromise with the President, because this is important legislation. Many people are awaiting the money that will be appropriated under this supplemental appropriations bill. Many programs are dependent upon it.

So we do have, in short, some very practical reasons for voting for cloture this morning and getting on with an up-and-down vote on the Scott-Mansfield language.

I think that the distinguished Senator from Alabama is absolutely within his rights to debate this matter just as fully as he has. He has done an outstanding job with what I think is a bad case, but I am sure he thinks it is a good case, as he thinks my case is bad. Now that the Senate has had it fully debated, he should be ready and willing to have an up-and-down vote on the Scott-Mansfield language and let us get this very important legislation on its way, so that it can be resolved ultimately and we can have a supplemental appropriations bill passed.

Mr. President, I do not have any more to say on the matter. If the Senator from Alabama has a question or if he has something further to say on my remaining time, I will be more than pleased to yield that time to him. If he does not, Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that request,

Mr. BROOKE. Yes.

Mr. BEALL. Mr. President, this debate presents many of us with a dilemma. On the one hand, it is agreed that the adoption of the Holt amendment would repeal the civil rights acts. The vast majority of our citizens support the civil rights acts and are proud of the progress that this Nation has made to remove discrimination from our society.

On the other hand, many of us believe, and the majority of our citizens oppose certain actions on the part of HEW—and the courts—such as forced busing, and the kind of abuse and harassment that Anne Arundel County has been subject to.

Now, this Congress, we are told, is on the brink of repealing the civil rights laws and obliterating a decade of progress in civil rights.

I believe the Holt amendment goes too far; but I also believe that HEW has been going too far.

If, as it is claimed that the Holt amendment would repeal the Civil Rights Act, it would indicate that one House has voted just that. This should be a warning to the proponents of civil rights that reason and reasonable approaches must be fashioned.

While some believe that the opposition to busing stems from racial prejudices, I do not accept that view.

While obviously some who oppose busing harbor racial prejudices, I believe this is not the case for the vast majority of our citizens.

To illustrate this point, it is my understanding that in Montgomery County, Md., public hearings were recently held regarding a proposal that would bus students from the upper part of the county to the lower county rather than construct new schools in the upper county. The testimony was overwhelmingly opposed to busing students to the lower county and for neighborhood schools near their community.

Mr. President, poll after poll has revealed strong public opposition to busing. This opposition to busing has remained in Gallup's words "surprisingly constant." The latest Gallup poll showed that 72 percent oppose busing to achieve racial integration and only 18 percent favoring such busing. Of course, other surveys show the public favors integration.

Similarly, a poll taken of the merit scholars, the Nation's outstanding high school students, indicated they share the adult community's opposition to busing. In response to the question: "Would you move into an integrated neighborhood?", 90 percent said "yes"; and only 7 percent replied in the negative.

Then, in response to the question, "Do you favor busing of children to achieve integrated school system?", 68 percent said "no"; 26 percent replied in the affirmative.

Polls have also revealed that the black community is also very divided on this issue, although busing is narrowly favored in the black community.

It could be that the public, as is often the case, is ahead of the Congress on this issue. Yet, one can understand the frustrations and feelings of the public on the busing issue.

Most oppose and yet they cannot get a reversal of busing decisions. Even the proponents of busing seem to recognize busing as not a very satisfactory solution, but believe there is no alternative.

One can also understand the feelings of minority citizens who naturally want the best possible education for their children and knowing that in many cases they are not receiving it now.

Congress must do what to date has not been done; namely, find the alternative and alternatives which is sound educationally and which will be supported by the public.

On Monday the Education Subcommittee held hearing on a bill introduced by Senator CHILES, S. 503, Neighborhood School Act.

I commend Senator CHILES for his initiative and I am hopeful that the dialog begun will be a high priority matter in the next Congress. It is amazing to this Senator that on education bills and appropriation bills, funding our education programs we spend all the time debating busing issues.

I believe this issue has so inflamed and divided our country and diverted our attention from improving education that we should consider establishing a national commission to examine the busing issue and alternatives that might focus and unite our country in a concerted effort to remove educational deficiencies and improve education for all of our children.

Mr. BIDEN. Mr. President, during the last several days the Senate has occupied itself with the merits and demerits of busing to achieve school desegregation. This came about because of the so-called Holt amendment included in Senate-House agreement on a 1975 fiscal year supplemental appropriations bill (H.R. 16900) that we are considering today.

The Holt amendment would have prohibited Federal funds from being withheld from any public school system as a means of compelling the assignment of teachers or students to specific schools on grounds of race, religion, sex, or national origin. In turn, Scott-Mansfield amendment was offered that largely offset the intent of the Holt amendment.

Mr. President, although I have never supported busing as a remedy for our education problems, for the most part I have voted against legislation designed to take away the power of the courts to use busing as one of its remedies to eliminate de jure segregation. But, as I talk to my constituents and read accounts of the troubles in many cities—including most recently Boston—and reflect upon the matter, I have become more and more disenchanted with busing as a remedy even in the single instance stated above. And I shall tell why.

The solidifying of my antibusing feelings reminds me in a general way of Winston Churchill's retort when once asked if it were true that he often had to eat his own words: "Very often," replied Churchill. "And, on the whole, I've found them a rather wholesome diet!"

Mr. President, it is increasingly apparent that busing is a dire step. I have always believed that busing should be undertaken only under extreme circumstances—and even then I would have serious doubts about its effectiveness—about the impact upon students who are assembled in classrooms not to be bused but to be educated.

As a result of this attitude, I had intended to offer an amendment to the Scott-Mansfield amendment. My amendment would have said, in effect, that no agency but a court of competent jurisdiction could order busing for de-jure reasons.

The text of my amendment, as drafted, read:

> No funds appropriated by this Act may be used (i.e. by the Department of Health, Education and Welfare) for assigning students to schools because of race.

However, I decided not to introduce the amendment at this time for several reasons:

First, the vehicle for my amendment would have been an appropriaions bill providing billions of dollars for many worthwhile activities. There are exceptions to any rule, but generally I prefer not to introduce or support a legislative amendment to an appropriation bill;

Second, there were, after consultation with the Parliamentarian and Legislative Counsel's Office, procedural problems involving my amendment, which, in technical terms, would have an amendment in the second degree to the Scott-Mansfield amendment.

Third, my amendment would have been debated in the Senate in the concluding days of this 93d Congress—which is an atmosphere not conducive to reasoned discussion;

Fourth, there obviously had been no committee hearing on my amendment. It does not always apply, but generally I prefer that the full range of discussion, within a legislative committee and in the Senate Chamber, take place on an amendment; and

Fifth, I did not have an opportunity to discuss the purpose of my amendment with constituents and organizations in Delaware who would be opposed to it or supportive of it. I have tried, I think successfully, to notify constituents well in advance of positions I might take on a variety of issues—positions to which they would object. In this way, there is an opportunity for these constituents to discuss with me their views—fully and frankly.

These were the five principal reasons that deterred me from introducing this amendment in the last few days of this Congress.

However, I do plan to introduce such an amendment in the form of a bill early next year after the new, the 94th Congress, convenes in January. I will ask that hearings be held on the bill. If hearings are not held on my bill after an appropriate lapse of time, I shall feel free to undertake to have the bill added to some bill or other that is before the full Senate.

To summarize, Mr. President, I have become dissuaded that busing accomplishes what it purports to achieve—equal education opportunities for all young Americans, Busing, it seems to me, is a dubious triumph of technique over substance. By and large our children's education suffers and our energies are diverted from finding formulas and ways of achieving the goal of fair and open and equal opportunities for all in our schools. My commitment to this goal is unshaken; my resolve to help bring about equal education opportunities is firm and unyielding. I simply am objecting to a reliance upon one means—one that is becoming discredited it seems to me—to achieve a laudable goal.

The PRESIDING OFFICER (Mr. MCINTYRE). All time has expired.

The time for debate having expired, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment by the Senator from Pennsylvania (Mr. Scott) to House amendment No. 17 to H.R. 16900, the Supplemental Appropriation Bill for 1975.

Alan Cranston, Jacob Javits, Robert T. Stafford, Robert Taft, Jr., Howard M. Metzenbaum, Quentin N. Burdick, Gaylord Nelson, Ted Stevens, Abraham Ribicoff, Floyd K. Haskell, Pete V. Domenici, Clifford P. Case, Bob Packwood, James Abourezk, Harrison A. Williams, Jr., and Henry M. Jackson.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 539 Leg.]

Aiken
Allen
Brooke
Byrd, Robert C.
Cranston
Griffin
Haskell
Magnuson
McGee
McIntyre
Muskie
Packwood
Pastore
Pearson
Proxmire
Schweiker

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Buckley
Burdick
Cannon
Case
Clark
Curtis
Dole
Domenici
Dominick
Eagleton
Ervin
Fannin
Fong
Fulbright
Gravel
Gurney
Hansen
Hart
Hartke
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Long
Mathias
McClellan
McClure
McGovern
Metcalf
Metzenbaum
Mondale
Moss
Nelson
Nunn
Pell
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico (Mr. MONTOYA), the Senator from Idaho (Mr. CHURCH), and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the amendment submitted by the Senator from Pennsylvania (Mr. HUGH SCOTT) to the House amendment to Senate amendment No. 17 to the report of the committee of conference of the two Houses on the bill (H.R. 16900) making supplemental appropriations for 1975, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate. Time is running and the sooner we dispose of this vote, the sooner we will conclude the session today.

The PRESIDING OFFICER. The Senators will either take their seats or retire to the cloakroom to carry on their conversations. This is an important vote.

The clerk will resume the calling of the roll.

The legislative clerk resumed the call of the roll.

Mr. NELSON. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order. Senators will clear the well, please.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that if present and voting, the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), and the Senator from Maine (Mr. HATHAWAY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Texas (Mr. TOWER). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Texas would vote "nay."

The yeas and nays resulted—yeas 56 nays 27, as follows:

[No. 540 Leg.]

YEAS—56

Abourezk
Aiken
Baker
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Domenici
Dominick
Eagleton
Fong
Gravel
Griffin
Hart
Hartke
Haskell
Hruska
Humphrey
Inouye
Jackson
Javits
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—27

Allen
Bartlett
Bennett
Bible
Brock
Buckley
Cannon
Curtis
Dole
Ervin
Fannin
Fulbright
Gurney
Hansen
Helms

Hollings
Long
McClellan
McClure
Nunn
Roth
Scott,
William L.
Sparkman
Stennis
Talmadge
Thurmond
Young

NOT VOTING—17

Bellmon
Byrd,
Harry F., Jr.
Chiles
Church
Cook
Cotton
Eastland
Goldwater
Hatfield
Hathaway
Huddleston
Hughes
Johnston
Kennedy
Mansfield
Montoya
Tower

The PRESIDING OFFICER. On this vote, there are 56 yeas and 27 nays. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to.

In light of the cloture vote having succeeded, it should be clarified by the Chair that no Senator may speak more than 1 hour, and the time will be strictly kept, no dilatory motion or amendment, no amendments not germane will be in order.

We shall continue on this as the unfinished business to the exclusion of all other business until the amendment of the Senator from Pennsylvania (Mr. HUGH SCOTT) to the supplemental appropriation bill is disposed of.

The question before the Senate is on the motion to concur in the amendment of the House to the amendment of the Senate, No. 17, with an amendment by the Senator from Pennsylvania (Mr. HUGH SCOTT).

Mr. PASTORE. Vote.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, may we have order?

The PRESIDING OFFICER. Will those Senators having discussions please retire to the cloakroom so the clerk can call the roll and the Senators can reply?

Mr. NELSON. I think the Chair should speak more loudly. Some of the Senators have their hearing aids turned off.

The PRESIDING OFFICER. The Senator from Wisconsin was correct.

The Senate will be in order.

Mr. PASTORE. Mr. President, I cannot understand it. When the Chair orders people to take their seats, they just keep strolling around. Can they just take their seats and let us have our business done with?

The PRESIDING OFFICER. I agree with the distinguished Senator.

The Senators will please take their seats or go out and read the Washington Post, or whatever they want to read.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Idaho (Mr. CHURCH) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Montana (Mr. MANSFIELD), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), and the Senator from Maine (Mr. HATHAWAY) would each vote "yea."

I further announce that, if present and voting, the Senator from Mississippi (Mr. EASTLAND) and the Senator from Indiana (Mr. HARTKE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Texas (Mr. TOWER).

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Texas would vote "nay."

The yeas and nays resulted—yeas 55, nays 27, as follows:

[No. 541 Leg.]

YEAS—55

Abourezk
Aiken
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Cannon
Case
Clark
Cranston
Domenici
Dominick
Eagleton
Fong
Gravel
Hart
Haskell
Hollings
Humphrey
Inouye
Jackson
Javits
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—27

Allen
Bartlett
Bennett
Buckley
Byrd, Robert C.
Curtis
Dole
Ervin
Fannin
Fulbright
Griffin
Gurney
Hansen
Helms
Hruska
Long
McClellan
McClure
Nunn
Randolph
Roth
Scott,
William L.
Sparkman
Stennis
Talmadge
Thurmond
Young

NOT VOTING—18

Bellmon
Byrd,
Harry F., Jr.
Chiles
Church
Cook
Cotton
Eastland
Goldwater
Hartke
Hatfield
Hathaway
Huddleston
Hughes
Johnston
Kennedy
Mansfield
Montoya
Tower

So the motion to concur in the amendment of the House to the amendment of the Senate, No. 17, with an amendment by the Senator from Pennsylvania (Mr. HUGH SCOTT) was agreed to.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. METZENBAUM). The Senate will be in order.

ANNOUNCEMENT OF POSITION ON A VOTE—H.R. 10710

Mr. ROBERT C. BYRD. Mr. President, through an administrative error yesterday, the senior Senator from Mississippi (Mr. EASTLAND) who was necessarily absent, was not recorded as having a position on H.R. 10710, the Trade Reform Act of 1974.

I announce that if present and voting, Mr. EASTLAND would have voted "yea."

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, there will now be 30 minutes of debate on the motion to invoke cloture on the conference report on the amendment of the Export-Import Bank Act.

Following that 30 minutes of debate, the clerk will call the roll to establish the presence of a quorum, after which a rollcall vote will occur on the motion to invoke cloture.

Therefore, at about 11:45 a.m. today, the rollcall vote will begin.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HUGH SCOTT. Can the Senator advise us on this matter: If cloture shall be ordered, we will then proceed with debate on the Eximbank, and amendments might be offered?

Mr. ROBERT C. BYRD. I do not know about amendments, but certainly we would proceed with the debate.

Mr. HUGH SCOTT. Could there be votes?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Under the previous order, the Senate will now begin one-half hour of debate before the vote is taken on invoking cloture on the conference report on H.R. 15977, the time to be equally divided between and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Illinois (Mr. STEVENSON).

Who yields time?

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time run equally against both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I yield myself 5 minutes.

Mr. President, this is an unusual vote we have today. It is not because we are opposed to coming to a decision on this matter; it is because we feel very strongly, those of us who are opposed to cloture at this time, that the present conference report is inadequate and the conferees should go back to conference. The one way we can accomplish that, in my view, is to turn the cloture motion.

If we succeed in turning it down, I think there is an excellent chance that we can get agreement which will be much closer to the position taken by the Senate and much fairer.

Mr. President, this conference report, when it went to conference before and was settled and taken to the floor of the House, was characterized by Wright Patman, the chairman of the House Committee on Banking and Currency, as the most complete and total surrender he had ever seen by the Senate to the House in the 45 years he has served in the House of Representatives. I think that was the case. The Senate seemed to believe that, because they sent the conferees back to conference. One concession, one substantial concession, was made, but in general, the position taken by the Senate was still rejected. The most important provisions, in my view, that were in the Senate bill were rejected once again.

Mr. President, I think that the fundamental objection to this bill is that it provides a preference, a particular discriminating preference, for exporters. Exporters have an advantage over farmers, over homebuyers, over small business, over anyone else in the economy. They are outside the budget.

The Export-Import Bank uses billions of dollars of Federal funds. It receives money at a lower-than-market rate, and it lends money at a substantially lower-than-market rate. It is not in the budget because, if it were in the budget, it would mean the exporters would not have an advantage.

This is important legislation. It takes the Export-Import Bank, which is already a big lending operation, and turns it into a bigger operation by increasing its lending authority 25 percent, from $20 billion to $25 billion. That is all right, but Congress cannot and should not let a Government-owned bank, with a lending authority of $25 billion, operate without congressional oversight.

The conference report before us today does not give Congress adequate oversight authority over the Export-Import Bank.

This legislation extends Eximbank's authority for 4 more years. It will be 4 more years—I think we should keep that in mind—4 more years before we have another chance to examine the Bank in full detail and make substantial changes in its basic law. We cannot wait 4 more years to bring a $25 billion lending operation under full congressional control. We should not abdicate our responsibility to see that the Bank acts in the national interest for 4 more years. We must do it now.

As I have stated at some length on the Senate floor, I do not believe we should pass this legislation until we act affirmatively to put the Export-Import Bank back in the Federal budget. Restoring the Bank to the budget is the most far-reaching and effective way of establishing congressional control of the Bank and making it act responsibly and in the national interest.

Mr. President, the Senate has indicated its intent on the budget issue. The Senate has acted on several occasions to put the Export-Import Bank back in the budget.

In the Congressional Budget Act, the Senate voted to put Eximbank back in the budget, along with several other agencies which have been similarly exempted from the budget by provisions of law.

Indeed, the Export-Import Bank was in the budget until 1971. The Senate recognized that the concept of congressional budget control would not have any meaning so long as major agencies lending out billions of dollars of Federal Government money were outside of the budget. The Eximbank is the largest of these agencies, and it currently runs an effective budget deficit of $1.6 billion—slated to rise to over $3 billion by fiscal year 1978. By putting it out of the budget, we pretend that $3 billion does not exist.

The Senate put the Bank back in the budget in the budget control bill; the House rejected this provision in conference, so we ended up simply with a requirement to study this question on a continuing basis.

In a time of inflation and increased concern for fiscal responsibility, in a time of tight money and high interest rates, when every other borrower is put to the test because it is so hard to pay those high interest rates, so hard to get the funds, exporters are given this special consideration for no justifiable reason.

In its consideration of this Export-Import Bank Act extension, the Senate voted once again to put the Bank back in the budget—on a rollcall vote of 41 to 32. The Senate said it wanted to start now to put teeth in the Congressional Budget Act; it wanted to act now while the opportunity was before it to close this largest loophole in our budget process.

The House threw out this budget amendment in conference.

The Senate rejected the first conference report on the Eximbank extension because it failed to contain all the major restrictions which the Senate had placed on the Bank's authority. The Senate sent this bill back to conference, with instructions to the conferees to insist—I repeat, insist—on the Senate bill.

The conferees sent the Senate a second conference report which still did not reflect the intent of the Senate. It contained only a couple of concessions to the Senate's concerns, and once again it threw out the budget amendment wholesale. The House conferees were adamant; the Senate conferees failed to stand firm—despite the efforts of the distinguished Senator from Illinois (Mr. Stevenson), who has guided this bill through the Senate, who did a good job in my view, in the conference.

Now is the time. We have this bill before us. This is the year that Congress has recognized its real responsibility to insure the integrity of the budget process, to carve out an effective role for Congress in achieving fiscal responsibility. Now is the time when we see clearly that we cannot allow ruinous inflationary trends to continue unchecked; we cannot turn our backs on the need to carefully scrutinize Federal spending in all forms.

Mr. President, I urge my colleagues to vote against cloture and to continue debate on the Export-Import Bank Act legislation to get a bill acceptable to the Senate.

I am convinced that if we can do this, we shall be in a strong position to send this conference report back to the conferees and get the kind of agreement we should have.

Mr. President, I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, as the author of most of the reforms and restraints to which the Senator from Wisconsin has referred, I, of course, share with him many of the concerns which he has expressed about this conference report. However, the issue before the Senate is not the conference report. The issue before the Senate is whether the Senate will have an opportunity to vote on the conference report.

The conference report itself reflects a great deal of progress. We started in this session of Congress from zero. There were no congressional restraints over the Eximbank, no provisions in the law for congressional review, and there had not been a congressional examination of the Eximbank and its activities for many, many years. This conference report reflects not only many reforms, but also a concession by the House conferees to the Senate position on at least half the issues which were in dispute between the House and the Senate. It also reflects concession by the House conferees on most of the principal issues in dispute between the House and the Senate.

It includes a new requirement that will require prenotification to Congress of all of Eximbank transactions involving an Eximbank commitment of $60 million anywhere in the world, with an opportunity for Congress, again by affirmative action, to disapprove.

It also requires, as a result of the amendment offered by Senator Church on the Senate floor, notification to Congress of any proposed Eximbank participation in a fossil fuel energy project in the Soviet Union, if that participation would cost more than $25 million, again with an opportunity for disapproval by Congress.

What is more, Mr. President, it also includes a subceiling of $300 million for additional credits to the Soviet Union. The only point at which the conferees have failed to sustain the Senate position was on the amendment offered by the

Senator from Wisconsin, the amendment which placed the budget of the Eximbank into the budget of the Federal Government.

That, Mr. President, is a matter which the Budget Committees of Congress will be addressing within the next year, and it is expected that the Budget Committees, after studying the matter, will make recommendations upon which Congress can act within a year. That matter will, therefore, be back before Congress in the near future. And what is more, Mr. President, since we reduced by $5 billion the authorization sought by the Bank, the Bank itself will in all likelihood be back before Congress seeking additional authorizations, first for loans to the Soviet Union, but also for loans and other transactions everywhere else in the world, within a year or at most 2 years. At that point all these matters can again be reviewed by Congress.

In summary, it was a good conference. On balance, the Senate position has prevailed. The Senate position reflects the first major reforms in a very long time, and the first provision ever for congressional review of Bank activities.

What is more, Mr. President, the issue now is whether the Senate will have an opportunity to vote on this conference report, not on the merits of the conference report. The subject of the Export-Import Bank and its activities has been before the Senate on six or seven occasions in the last year. It has come up in four continuing resolutions, which have kept the Bank alive. It came up when the Senate bill was passed, and also on other occasions. It has been fully debated, and the issues are not difficult to decide.

The hour is late in this session of Congress. No one gains by continuing the Bank in its present state of limbo. I submit, Mr. President, that the time has come to vote up or down on the conference report. Consequently, I urge my colleagues to support this motion for cloture.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Nevada.

Mr. CANNON. Mr. President, I agree with the Senator from Wisconsin. I hope that we will not impose cloture on this bill.

In fiscal year 1974 the Eximbank loaned $3.9 billion in direct loans. The interest rates for these loans were an outrageously low 6 and 7 percent. During the same period Americans were paying nearly twice that rate. The prime rate had skyrocketed to 12 percent. The disparity between these low-interest subsidies that the Bank allows and the prime rate have not been adjusted, even while the American economy suffered setback after setback. How long will we allow the Bank to continue subsidizing foreign businesses while our own businesses suffer at home?

The Bank answers that these cutrate loans are necessary to allow American exporters to meet foreign competition. Yet, Mr. President, I ask: What price must we pay? The plain fact is that 96 percent of our exports are made without Eximbank loans.

These cutrate loans are not of importance in maintaining our national export level. The majority of our small exporters never even get these loans. Where and to whom are these exports made? Nearly a third of all Eximbank direct loans go to finance the sale of American aircraft despite the fact that the United States is the sole leader in aircraft design and manufacturing. The argument put forth by the Bank that there is competition does not hold up under close scrutiny. The United States is the only nation capable of providing the needed service and design functions required for these aircraft. Competition is nearly nonexistent.

These low-interest loans have yet another dimension. The U.S.-flag international carriers compete for traffic between the United States and foreign countries with 59 foreign carriers.

We are all aware of the extremely serious financial situation of the major U.S. airlines. Because of the Eximbank, competitive inequality exists between United States and foreign carriers. This inequality is the great difference in interest rates granted by the Bank to foreign carriers.

Under the present law, the Eximbank assists foreign carriers who are in direct competition with U.S.-flag carriers in the financing of their aircraft acquisitions. Interest rates made available to the foreign carriers by the Eximbank are lower than those the U.S.-flag carriers are able to obtain in the commercial market. In order to finance the enormous outlays required for the purchase of aircraft, U.S. companies must pay top interest rates in the U.S. money market. The rate presently available from the Eximbank, however, which includes the guarantee to private lenders is now set at 7 percent and 8 percent.

In the 17 years ending with fiscal year 1973, the Bank extended credit for the export of aircraft amounting to $4.7 billion. In 1973, credits for aircraft financing accounted for 28.6 percent of the total credits extended by the bank. These loans and guarantees represent a total aircraft sales value of approximately $9.4 billion.

The major foreign airlines of the world have taken advantage of the excellent financing available from the Eximbank. United States and foreign flag carriers alike have found that these U.S.-built aircraft best answer their needs for serving the traveling public. The activity continues today despite the troubled state of our air transportation industry.

Mr. President, we have heard a lot about the booming economy in Japan. Yet Japan Air Lines, the principal competitor of U.S. airlines in the Pacific, appears to have received by far the largest amount of Eximbank loans among the foreign airlines. From 1956 through fiscal 1972 Japan Air Lines had received 19 Eximbank loans totaling $287.7 million to assist in acquiring purchases of U.S. manufactured aircraft. These loans cover sales of approximately $839 million. For the 5-year period ending in fiscal 1972, Eximbank loans to Japan Air Lines amounted to approximately $200 million, supporting aircraft purchases of about $500 million. These credits for an airline whose country's balance of trade payments relations with the United States was in a very favorable position indicate the substantial desirability to foreign carriers of not using the open market to obtain financing of aircraft purchases.

Mr. President, I could go on and on. Another example of the use by major foreign air carriers' use of Eximbank financing involves the recent sale of 747's to British Airways—BOAC. In August of 1973 BOAC obtained a direct loan of $21,380,000 or 40 percent of the U.S. cost of this aircraft. Additional private financing of $13.3 million or 25 percent of the total was made available by private British financial sources and $7,980,000 or 15 percent by a New York bank. BOAC made a cash payment of $10,640,000. The rate of interest to be applied to the Eximbank portion of the financing was 6 percent and repayment scheduled to be in 10 semiannual installments beginning in May of 1979. The repayment to Eximbank was to follow after the other debts incurred in the transaction have been repaid. It is interesting to note that British Airways has purchased a total of 15 747's, all of which have been financed with Eximbank's assistance. And there are many, many other examples involving countries where we are direct and heavy competitors in this business.

I hope my colleagues will not vote for cloture, that this bill will go back to conference, and that we will get some reasonable restrictions that the Senate made it clear we intended to get when the bill was before us last.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, will the Senator from Illinois yield me 5 minutes?

Mr. STEVENSON. I yield 5 minutes to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, the Senator from Illinois put it very well. We have not discussed this morning, nor earlier this week, nor for the past 3 months, on the subject of the Export-Import Bank, a single new issue. We have extended the life of the bank four times, and every time we came here to consider an extension, we talked about the same thing: Should the bank be in the budget or should it not be in the budget? Should Congress act as a senior loan review committee, and ratify all energy projects and other projects, or should we not? We have had votes in the Senate and gone to conference. We turned down one conference report, we went back and got some changes, and we are back here, and there still is not a new fact being discussed.

If those Senators who are opposed to the Export-Import Bank want to continue to oppose it, let us get to a vote on the merits, turn down the conference report, and kill the bank. Let us at least invoke cloture and take the 100 hours we have to talk about whether these loans should be subsidized.

They are not substantially different

from a variety of other subsidized loan projects the Government involves itself in, though it is true the others are domestic. The purpose is to encourage exports; not at a loss, the bank has to recover its money. But there is no point to going back to conference and arguing again about whether or not the bank should be in or out of the overall budget. The Senator from Maine is going to review that and all the other budgets, and give us some recommendation as to whether it ought to be in or out.

I am asking now that the Senate act like a Senate, and give us a chance to vote on the merits of an issue that has been debated, debated, and debated over and over and over for the past 6 months on this floor, until there is not a new word left to be said pro or con by anyone on this subject.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield a minute and a half to the Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. Mr. President, passage of cloture means passage of this bill. Passage of this bill will open the way for one, perhaps two, gigantic projects within the Soviet Union for the development of natural gas in liquefied form which will be paid for by American capital.

The risk of these projects would be borne by the Government of the United States. Any profit from these projects will be enjoyed by three or four great multinational corporations, and we will be fastened into a high price for natural gas for the next 25 years as related to the temporary high levels of crude prices today.

Furthermore, we would become, our coast areas east and west would become, dependent upon the Soviet Union for between 10 and 15 percent of energy supplies in the field of natural gas.

I hope we will not go forward with such projects without demanding congressional approval. Right now we make the decision which closes the door for further opportunity for Congress to protect the vital interests of the American people in this regard.

Therefore, I hope that the Senate will vote against cloture.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I yield 1 minute to the Senator from Vermont (Mr. AIKEN).

Mr. AIKEN. Mr. President, contrary to my usual practice, I shall vote for cloture on this bill because passage of it means so much not only to the people of my State but to the whole of the United States.

I do not know how many exporting businesses are affected by it, but I have heard very vigorously from two, the industrial manufacturers, particularly the machine tool industry, and the dairy industry. We are now exporting almost every month millions of dollars' worth of high-grade cattle, largely Holsteins and Hereford but, nevertheless, other breeds are included also.

They are mostly shipped by air, so I am sure that this industry is contributing to the people who operate the airlines as well. I believe only one country requires them to go by boat.

These exporters, the dairy industry, I might say, and the machine tool industry depend very largely upon the Eximbank for their continued and increasing exports to other countries.

So I feel that if this Eximbank now fails we are bound to see a considerable increase in unemployment, particularly in our industrial plants which make machines and machine tools and the parts that are necessary to keep the machines in repair.

The PRESIDING OFFICER. Who yields time? The Senator from Pennsylvania has 1½ minutes remaining. The Senator from Illinois' time has expired.

Mr. SCHWEIKER. Mr. President, I yield myself the remaining time.

Mr. President, in the brief time remaining I just want to point out that in the last 18 months we have had four separate indications of a pending Soviet energy deal. In spite of the denials that no such deal exists, here is a House report of June 10, 1973, outlining two proposed deals for Yakutsk and North Star of nearly $10 to $12 billion; that was 18 months ago.

Then more recently we have a story in the Washington Post of October 11 of this year "Soviets and Gulf Oil Sign Agreement," a second indication of this great, big iceberg that everybody denies exists, which we are so far not willing to ban in the conference reoprt. That is what the issue is all about

Then a third report here in the Washington Star-News of November 23, 1974, "Siberian Gas Pact." This indicates that the deal is very alive and well.

Then only this week, in response to my distinguished colleague, the Senator from Oregon, who says there is nothing new, there is a new story in the Washington Post saying the Japanese have signed a proposal that would, in essence, commit us to an energy deal for $100 million; a $3 billion project, and it is contingent on Eximbank financing.

It could not be a clearer signal that we are going to send 7 percent money to the Soviet Union to buy natural gas for Japan and maybe ourselves—if they do not cut us off.

I cannot think of a better reason to oppose this conference report and to vote against the cloture motion than this.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the adoption of the conference report on H.R. 15977, the Export-Import Bank Act Amendment.

Bob Packwood, Adlai E. Stevenson III, Robert C. Byrd, Alan Cranston, John V. Tunney, John Tower, Warren G. Magnuson, Robert P. Griffin, Paul J. Fannin, Clifford P. Case, Hiriam L. Fong, Hugh Scott, Jacob K. Javits, Lee Metcalf, Dick Clark, and Claiborne Pell.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 542 Leg.]

Aiken
Allen
Baker
Beall
Biden
Burdick
Byrd, Robert C.
Cannon
Case
Church
Cook
Domenici
Dominick
Hart
Inouye
McClellan
McGee
McIntyre
Metzenbaum
Muskie
Packwood
Pastore
Pearson
Percy
Proxmire
Schweiker
Sparkman
Stennis
Stevenson
Thurmond
Tunney
Williams

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Bayh
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Clark
Cranston
Curtis
Dole
Eagleton
Ervin
Fannin
Fong
Fulbright
Gravel
Griffin
Gurney
Hansen
Haskell
Helms
Hollings
Hruska
Humphrey
Jackson
Javits
Long
Magnuson
Mathias
McClure
McGovern
Metcalf
Mondale
Moss
Nelson
Nunn
Pell
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Stafford
Stevens
Symington
Taft
Talmadge
Weicker
Young

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the adoption of the conference report on H.R. 15977, the Export-Import Bank Act amendment, shall be brought to a close?

The yeas and nays are mandatory under the rules.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico

(Mr. MONTOYA), and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Texas (Mr. TOWER) would each vote "yea."

The yeas and nays resulted—yeas 49, nays 35, as follows:

[No. 543 Leg.]

YEAS—49

Aiken
Baker
Beall
Bennett
Bentsen
Biden
Brock
Brooke
Buckley
Byrd, Robert C.
Clark
Cook
Cranston
Curtis
Domenici
Fannin
Fong
Fulbright
Griffin
Hansen
Hart
Hruska
Humphrey
Inouye
Javits
Magnuson
Mathias
McGee
McGovern
Metzenbaum
Mondale
Moss
Muskie
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Roth
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Thurmond
Tunney
Weicker
Williams

NAYS—35

Abourezk
Allen
Bartlett
Bayh
Bible
Burdick
Cannon
Case
Church
Dole
Dominick
Eagleton
Ervin
Gravel
Gurney
Haskell
Helms
Hollings
Jackson
Long
McClellan
McClure
McIntyre
Metcalf
Nelson
Nunn
Proxmire
Ribicoff
Schweiker
Scott, William L.
Sparkman
Stennis
Symington
Talmadge
Young

NOT VOTING—16

Bellmon
Byrd, Harry F., Jr.
Chiles
Cotton
Eastland
Goldwater
Hartke
Hatfield
Hathaway
Huddleston
Hughes
Johnston
Kennedy
Mansfield
Montoya
Tower

The PRESIDING OFFICER (Mr. BIDEN). On this vote there are 49 yeas and 35 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is not agreed to.

Mr. SCHWEIKER. Mr. President, I move to recommit the conference report.

We know that the time is late on this bill. We do not intend to hold the Members any longer. I think the Senate has expressed its will. We do not intend to debate this motion.

Mr. PROXMIRE. Mr. President, if the Senator will yield on that, let me say that what we are trying to do in recommitting the conference report is not to kill the Export-Import Bank but to give the conferees an opportunity to work out a fair compromise for the Senate.

We have documented this again and again, pointing out that the House has said that this is the greatest, most overwhelming victory they have ever had on any conference report.

Under the circumstances, I would hope that we would send this matter back to conference for one more try. I think many of us are very anxious to get an agreement on the Eximbank with which we can live.

So I do hope the Senate can vote properly on this and send it back to conference, and give us one more crack at it.

Mr. STEVENSON. Mr. President, in the last conference, the House went more than half way with the Senate. We have done as well as we can do in this conference. I urge the Members to vote against the motion to recommit. There will be another effort made to invoke cloture on Monday. If that effort then fails, that will be the time to consider a motion to recommit, or what action should be taken in order to keep the Eximbank alive.

Mr. President, I ask for the yeas and nays on this.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The Senators cannot hear their names being called, nor can the clerk hear the responses. The Senators will please refrain from conversing in the Chamber.

The clerk may proceed.

The legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask that we have order in the Senate.

The PRESIDING OFFICER. The Senate will please come to order so that the Senators may be aware of how they are recorded. The Senators will please refrain from conversing in the Chamber.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico (Mr. MONTOYA), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) and the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 41, nays 43, as follows:

[No. 544 Leg.]

YEAS—41

Abourezk
Allen
Bartlett
Bayh
Bible
Biden
Buckley
Burdick
Cannon
Case
Church
Dole
Domenici
Dominick
Eagleton
Ervin
Gravel
Gurney
Haskell
Helms
Hollings
Jackson
Long
Magnuson
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Nelson
Nunn
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, William L.
Stennis
Symington
Talmadge

NAYS—43

Aiken
Baker
Beall
Bennett
Bentsen
Brock
Brooke
Byrd, Robert C.
Clark
Cook
Cranston
Curtis
Fannin
Fong
Fulbright
Griffin
Hansen
Hart
Hruska
Humphrey
Inouye
Javits
Mathias
McGee
Mondale
Moss
Muskie
Packwood
Pastore
Pearson
Percy
Roth
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Thurmond
Tunney
Weicker
Williams
Young

NOT VOTING—16

Bellmon
Byrd, Harry F., Jr.
Chiles
Cotton
Eastland
Goldwater
Hartke
Hatfield
Hathaway
Huddleston
Hughes
Johnston
Kennedy
Mansfield
Montoya
Tower

So the motion to recommit was rejected.

Mr. ROBERT C. BYRD. Mr. President I ask that the Senator from Nevada (Mr. BIBLE) be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BIBLE. I thank the Senator from West Virginia.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The Senator may proceed.

GOLDEN GATE NATIONAL RECREATION AREA, CALIF.

Mr. BIBLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 10834.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill **10834**, which was read as follows:

Resolved, That the House agree to the amendments of the Senate numbered 2, 4, 7, 8, 9, 10, and 11 to the bill (H.R. 10834) entitled "An Act to amend the Act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, California, and for other purposes."

In lieu of the matter proposed to be inserted by the said amendment, insert: 003-G,

Resolved, That the House agree to the amendment of the Senate numbered 3 to the aforesaid bill with the following amendment:

In lieu of the matter stricken and inserted by said amendment, insert: approximately 265 acres, including approximately 30 acres known as South Ridge Lands: *Provided*, That the Secretary is authorized to acquire such interest as he deemed reasonably necessary to preserve the scenic quality of the 9.47 acres designated for scenic protection,

Resolved, That the House disagree to the amendments of the Senate numbered 5 and 6 to the aforesaid bill.

Mr. BIBLE. Mr. President, the House accepted most of the amendments offered on this bill by the Senate. However, the bill's sponsor, Mr. BURTON, insists on amendments numbered 5 and 6 and has agreed to amendments numbered 1 and 3 with amendments.

In order to avoid a conference, I move that the Senate concur in the amendments of the House to amendments numbered 1 and 3, and that the Senate recede from its amendments numbered 5 and 6.

This has been cleared on both sides of the aisle.

The motion was agreed to.

Mr. BIBLE. Mr. President, I yield the floor.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a cloture motion, and ask that it be stated.

The PRESIDING OFFICER (Mr. BIDEN). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the adoption of the conference report on H.R. 15977, the Export-Import Bank Act Amendment.

Edward W. Brooke, Hugh Scott, Robert P. Griffin, John O. Pastore, James B. Pearson, Bob Packwood, Alan Cranston, Thomas J. McIntyre, Gale W. McGee, Daniel K. Inouye, Frank E. Moss, Floyd K. Haskell, Robert Taft, Jr., Robert T. Stafford, Jacob K. Javits, Adlai E. Stevenson, Lee Metcalf, and Walter F. Mondale.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I am told that the military construction authorization conference report is ready to be submitted, and that it will not require more than 10 or 15 minutes, in all likelihood. At the moment, while we are awaiting the papers on that conference report, I ask unanimous consent that the Senate proceed, for not more than 10 minutes, to the consideration of Calendar Order No. 1200.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS FOR INQUIRIES AND INVESTIGATIONS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

The Senate proceeded to consider the resolution (S. Res. 389) authorizing supplemental expenditures by the Committee on Government Operations for inquiries and investigations by the Permanent Subcommittee on Investigations, which had been reported from the Committee on Government Operations with amendments, in line 4, to strike "$2,184,000" and insert "$2,168,000" in lieu thereof; in line 6, to strike "$1,121,000" and insert "$1,105,000" in lieu thereof; and in line 8, to strike "$2,204,000" and insert "$2,188,000" in lieu thereof, so as to make the resolution read:

Resolved, That S. Res. 269,, Ninety-third Congress, agreed to March 1, 1974, is further amended as follows:

(1) In section 3 strike out "$2,099,000" and insert in lieu thereof "$2,168,000".

(2) In section 4(a) strike out "$1,036,000" and insert in lieu thereof "$1,105,000".

(3) In section 10 strike out "$2,119,000" and insert in lieu thereof "$2,188,000".

PRIVILEGE OF THE FLOOR

Mr. PERCY. Mr. President, I ask unanimous consent that Howard Feldman, majority counsel for the permanent Subcommittee on Investigations of the Committee on Government Operations, be permitted access to the floor during the consideration of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I have an amendment which I send to the desk and ask the clerk to state.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

(1) In section 3 strike out "$2,168,000" and insert in lieu thereof "$2,176,000".

(2) In section 4(a) strike out "$1,105,000" and insert in lieu thereof "$1,113,000".

(3) In section 10 strike out "$2,188,000" and insert in lieu thereof "$2,196,000".

Mr. PERCY. The purpose of this amendment is simply to increase the amount previously agreed to by the Committee on Rules and Administration by $8,000.

Mr. JACKSON. Mr. President, I am prepared to accept the amendment.

Mr. PERCY. Mr. President, I move that the committee amendments be considered and agreed to en bloc, and the resolution, as this agreed to, be treated as original text.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. PERCY. Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to Mr. PERCY's amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution (S. Res. 389), as amended, was agreed to as follows:

S. RES. 389

Resolved, That S. Res. 269, Ninety-third Congress, agreed to March 1, 1974, is further amended as follows:

(1) In section 3 strike out $2,099,000" and insert in lieu thereof "$2,176,000".

(2) In section 4(a) strike out "$1,036,000" and insert in lieu thereof "$1,113,000".

(3) In section 10 strike out "$2,119,000" and insert in lieu thereof "$2,196,000".

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, the Senate is about to proceed with the consideration of the conference report on the military construction authorization bill. I understand it will not take over 10 or 15 or 20 minutes, so, if Senators will stay around, there could be a request for a rollcall vote on that bill. I do not know that there will be, but Senators should stay around.

Once that conference report is disposed of, I would not then expect any other rollcall votes today.

Mr. STENNIS. Mr. President, may we have order so that the Senator from Missouri may be heard?

MILITARY CONSTRUCTION AUTHORIZATION ACT—CONFERENCE REPORT

Mr. SYMINGTON. Mr. President, I submit a report of the committee of conference on H.R. 16136, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 16136) to authorize certain construction at military installations, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 10, 1974, at p. 38799.)

The **PRESIDING OFFICER.** The Senate will be in order.

The Senator from Missouri.

Mr. **SYMINGTON.** Mr. President, I move the adoption of the conference report on the military construction authorization bill for fiscal year 1975, and, in connection therewith, I have a brief statement.

The report was signed by all the conferees of the House and Senate, and has been agreed to by the House.

The bill as agreed to will provide new construction authority in the amount of $2,984,378,000, which is $294,002,000 below the departmental request, for a net reduction of about 9 percent.

There were approximately 130 items to be reconciled by the conference committee. The new authority agreed upon is about $43.5 million below the amount approved by the Senate and approximately $48.6 million above the amount approved by the House of Representatives. It can therefore be seen that the monetary differences between the two Houses was quite evenly divided.

All items in conference were settled with one exception. This exception being the proposed expansion of the naval facility on the British-owned island of Diego Garcia in the Indian Ocean.

Since I believe this matter is familiar to the membership, I will refer only briefly to the background.

You will recall, Mr. President, that the Navy's proposal to expand the naval communications station at Diego Garcia into a support station to accommodate a carrier task force first came before the Congress earlier this year as a part of the supplemental authorization bill for fiscal year 1974. The matter was deferred for consideration with the fiscal year 1975 military construction authorization bill.

Consistent with the Department's original request, the House of Representatives included in the fiscal year 1975 authorization bill $29 million for the Navy and granted an Air Force request of $3.3 million for the desired expansion at Diego Garcia.

The Senate-passed bill provided $14.8 million for a first increment of the proposed Navy construction, and $3.3 million for Air Force contingency facilities. Recognizing that the defense and foreign policy implications of the construction at Diego Garcia are much broader than the $32.3 million request would suggest, it was felt the matter should be reevaluated by the new administration. It was further believed that there should be an opportunity for full debate on the expansion at Diego Garcia as a policy matter.

In light of this, there was included in the Senate bill a provision to preclude the obligation of any of the funds authorized for the expansion until the United States had advised the Congress in writing that he had evaluated all military and foreign policy implications regarding the need for these facilities, and had certified that this construction is essential to the national interest. Such certification would be submitted to the Congress and approved by both Houses of the Congress.

You will recall, Mr. President, that this particular provision was strongly supported by the Senate, as indicated by a vote of 83 to 0.

The House conferees readily acceded to the Senate figure, since the Navy did not request restoration of the funds withheld by the Senate. There was, however, opposition by the House conferees to the Senate language provision, they arguing that it would allow legislation by inaction, and insisting that some language be used that would permit either House of Congress to prohibit the obligation of funds for Diego Garcia by a resolution of disapproval of that House.

I am pleased to inform the Senate that language was worked out that satisfies the House and accomplishes the purpose intended by the Senate.

This provision provides that none of the funds authorized to be appropriated under this act for the construction at Diego Garcia could be obligated until certain specified conditions are met. These require that the President certify to the Congress in writing an evaluation by him of the need for, and the essentiality of, these facilities. Further, 60 days of continuous session of Congress—and this could not be more important from the standpoint of the chairman of the subcommittee, myself—must have expired following the certification—with the further condition that within that 60-day period either the House or the Senate may pass a resolution of disapproval for the project, thereby precluding obligation of any funds authorized pursuant to this act for the project.

Language was also included which in substance precludes parliamentary tactics aimed at delaying a vote on the Senate floor regarding a resolution of disapproval.

Mr. President, I believe I can assure you there will be an opportunity for full debate of this matter on the floor of the Senate and that it will be put to a proper vote.

I would add to that, Mr. President, I would not have signed the conference report if I had not been assured by the distinguished chairman of the full committee, the Senator from Mississippi, and the ranking member on the other side of the aisle, the distinguished Senator from South Carolina, as well as the other members of the conference on the Senate side, that there would not be an effort to filibuster this matter and it would be discussed in detail on the Senate floor.

Under these circumstances, I agreed to sign the report, and the language is included which in substance precludes any parliamentary tactics.

I emphasize this because I realize that without such language, it could well never be discussed the way that I assured the majority leader before he left, that it would be discussed on the floor of the Senate.

Mr. President, I believe, as I assure the Chair and the Senate today, that there will be an open and full debate on this matter on the floor of the Senate and that it will be put to a proper vote.

Under these circumstances, I recommend that the bill be passed.

I would like to thank the distinguished chairman of the full committee for his invariable courtesy and understanding even though we do not agree on this particular matter. I would also like to thank the ranking minority member for his invariable courtesy as we discussed this matter on the same basis.

Mr. **PELL.** Mr. President, I would like to express my own delight that, at least, more than half the loaf with regard to the amendment concerning Diego Garcia has remained in this provision.

I am disappointed, naturally, that the situation is being turned around so that it does not require an affirmative vote by the Senate in order to go ahead, but merely there should not be a negative vote in order for it to go ahead, but I know the Senator from Missouri did his darndest to preserve the Senate position. I know the Senator from Mississippi did his best to preserve the Senate position. I am glad we have as much as we have.

I think the explanation the Senator from Missouri gave was very important, particularly concerning that no parliamentary tactics be used to delay vote on it since the 60-day period would have expired.

I want to express again my own thought that this expansion in Diego Garcia is wrong and counterproductive, but I recognize that the Senator from Missouri is well aware of that position.

Mr. **SYMINGTON.** I thank my able friend from Rhode Island for his contribution to this matter.

Mr. **MATHIAS.** Will the Senator yield for a question?

Mr. **SYMINGTON.** I am glad to yield to the distinguished Senator from Maryland.

Mr. **MATHIAS.** I am very much interested in the explanation given by the distinguished Senator from Missouri and I have been reassured by his own personal confidence in the arrangements that have been made, particularly by his assurances on the question of any parliamentary maneuver which might prevent the Senate from working its will at an appropriate time.

However, this further question: Is it the very clear understanding of the Senator that the Department of Defense is prepared to honor that 60-day waiting period and that there will be no attempt to anticipate the action of the Congress before the expiration of that time?

Mr. **SYMINGTON.** Let me say to the able Senator from Maryland that I do not know of any way that the Department of Defense could circumvent the agreement made by, to the best of my knowledge, all the conferees in the Senate who were present that they would guarantee that this matter would come up for discussion on the floor of the Senate before it was passed.

I have, in turn, been questioned about this rather sharply by members of the Senate Appropriations Committee and I have made them that assurance. And because of the fact that we all have great respect for the integrity of the chairman of the full committee, I see no way that the Pentagon building could circumvent this decision.

Mr. **STENNIS.** The Senator is right.

Mr. **MATHIAS.** Well, I am very glad to have that understanding and have it reinforced by the Senator from Missouri, and have it reinforced, as it has been by the distinguished Senator from Mississippi.

Mr. STENNIS. If the Senator will yield, on that very point only, as one who was strongly in favor of Diego Garcia being built into a stronger reservoir and coaling station, as I called it in the old days, I do not think there is a chance for anyone anywhere, in or out of the Department of Defense, to circumvent the provisions that have been put in this bill.

I, therefore, support the Senator from Missouri fully. I thank him and commend him, at the same time, for his work on the bill, including this provision here.

Mr. MATHIAS. I thank both the Senator from Missouri and the Senator from Mississippi.

Mr. SYMINGTON. I thank the able Senator, and I thank my distinguished chairman from Mississippi for his kind remarks.

I would like to give, as usual, great credit to the gentleman on the staff, Mr. Gordon Nease, who worked out the details of this bill and was also involved in the compromise obtained.

Mr. THURMOND. Mr. President, I rise in support of the conference report on the fiscal year 1975 military construction authorization bill as reported to the Senate by the distinguished senior Senator from Missouri, Mr. SYMINGTON.

The conferees agreed to a new adjusted authorization in the amount of $2,984,378,000. The agreed upon total is approximately $34 million below that approved by the Senate.

When viewed against the administration's request, the final total agreed upon by the conferees reduces the Department of Defense figures by $294 million. This agreed upon total should be adequate to meet the high priority items in the military construction requirements document. While it is not all that the services might want, it is a good compromise between the bill as approved by the two legislative bodies.

Mr. President, one of the most important items in the fiscal year 1975 bill involved support facilities to Diego Garcia, a tiny British-owned island in the Indian Ocean.

Last spring the administration requested in the fiscal year 1974 supplemental bill $32 million to upgrade the port and airfield facilities on this island. At that time the House approved this request, but because of the Senate's desire for closer study of the Diego Garcia program, our committee agreed to defer it for action in the fiscal year 1975 program.

As a result, the Senate Armed Services Committee reduced the expansion to a level of spending in the amount of $18.1 million, while the House once again approved the full amount. Of the $18.1 million allowed by the Senate, approximately $14.8 million was scheduled to expand Navy facilities, and about $3.3 million was scheduled to expand Air Force facilities.

In the conference the House was adamant in allowing the full sum, but after extensive discussions the conferees agreed upon the Senate sum of $18.1 million, with other provisos.

These provisos primarily involved:

First. Requirement of the President to certify in writing to the Congress that the need of the new facilities on Diego Garcia had been evaluated by him and are essential to the national interest.

Second. Further, 60 days of continuous session of Congress must have expired following the certification with the further condition that within that 60-day period either the House or the Senate may pass a resolution of disapproval for the project, thereby precluding obligation of any funds.

Third. At the insistence of the Senate conferees, additional language was added to the conference report which provides in substance that parliamentary tactics aimed at delaying a vote on the Senate floor regarding a resolution of disapproval will be precluded.

Mr. President, frankly, I would have favored less restrictions on expansion of the Diego Garcia facility. However, it is my feeling that the conference agreement does provide either House an opportunity to further express its views if they choose to do so.

Presently the limited facilities on Diego Garcia will not support any significant naval presence in the Indian Ocean should such a deployment become necessary in the future. As a result of the Middle East war, our Government found it necessary to deploy to the Indian Ocean a carrier task force in addition to the small fleet representation already there. Supply lines for this commitment stretched all the way back to the Pacific Ocean in the Far East, and made this operation costly and less effective than would be the case had Diego Garcia been expanded.

With the opening of the Suez Canal and the continued necessity of keeping our sealanes operating, it is my strong opinion that this limited expansion of facilities in the Indian Ocean will serve the best interests of our Nation and peace in the world.

Just recently, the Secretary of the Navy, the Honorable J. William Middendorf II, visited the Middle East. He noted that at the time of his visit the Soviets had 39 ships deployed in the Indian Ocean—I repeat, 39 ships—Persian Gulf and Red Sea. These deployments were along our sealanes of communication to the vital oil producing nations of the Middle East.

This is but one example of why we need to increase our facilities on Diego Garcia. There are no plans to escalate our deployments in that area of the world, but should actions by other countries require such a deployment, we should be prepared to respond quickly and effectively to protect our own interest and help insure peace throughout the world.

Mr. President, I urge prompt approval of this conference report as reported by our distinguished conference chairman, the senior Senator from Missouri. As always, he conducted this conference in the objective and efficient way in which he accomplishes everything he undertakes.

Before closing I would also like to commend the distinguished chairman of the Senate Armed Services Committee, whose leadership was instrumental in bringing the conference to an agreement on the difficult Diego Garcia issue.

Beside my thanks to the other conferees, I would like to especially thank those on my side of the aisle, Senators JOHN TOWER and PETER DOMINICK.

Mr. President, I would also like to express my deep appreciation to the Senate staff member who so efficiently handled these matters, Mr. Gordon Nease.

Mr. ROTH. Mr. President, I am pleased that the House-Senate conferees accepted my amendment to the Military Construction Act to prohibit the installation of central air-conditioning in all military housing in Hawaii.

According to a study by the General Accounting Office, this amendment will save the taxpayers $100 million in installation costs and millions more in maintenance costs over the next few years. It is consistent with our energy conservation programs.

Hawaii has a well-deserved reputation for its climatic conditions which are close to ideal. The National Oceanic and Atmosphere Administration reports that because of the cooling effects of trade winds, summers in Hawaii are "warm but not hot, so that air-conditioning is a luxury rather than a necessity." Central air-conditioning is rarely found in private housing in our 50th State. Hawaii has never been regarded as a hardship post for our military. Some time ago, however, Defense officials in Washington—not in Hawaii—decided to require central air-conditioning on all new military housing, even though the three military services, which have had long experience in Hawaii, objected that this was unnecessary and expensive. When a questionnaire was sent to military personnel serving in Hawaii, an overwhelming majority responded that air-conditioning was unnecessary.

It seems hard to convince some people that tax dollars do not grow on trees. Central air-conditioning in Hawaii is the kind of luxury—both in terms of the budget and in terms of energy consumption—that the Nation simply cannot afford. Although this amendment effects but a small reduction in our overall Federal budget and defense budget, I hope that it will have a larger impact by indicating to our bureaucracy that Congress is serious about limiting Government spending to necessities.

The PRESIDING OFFICER. The question is on agreeing to the conference report. [Putting the question.]

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ORDER AUTHORIZING THE SENATE FINANCE COMMITTEE TO MEET DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Finance Committee may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1265, Calendar Order No. 1268, Calendar Order No. 1275, and Calendar Order No. 1276.

RETIRED PAY TO CERTAIN RESERVISTS

The Senate proceeded to consider the bill (S. 3283) to amend ch. 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes, which had been reported from the Committee on Armed Services with amendments, on page 1, in line 7, strike out "Armed Force" and insert "armed force".

On page 2, in line 9, strike out "the date designated by proclamation of the President or concurrent resolution of the Congress" and insert "March 28, 1973", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 67 of title 10, United States Code, is amended as follows:

(1) Section 1331(c) is amended to read as follows:

"(c) No person who before August 16, 1945, was a Reserve of an *armed force,* or a member of the Army without component or other category covered by section 1332(a)(1) of this title except a regular component, is eligible for retired pay under this chapter unless he performed—

"(1) active duty after April 5, 1917, and before November 12, 1918, or after September 8, 1940, and before January 1, 1947;

"(2) active duty (other than for training) after June 26, 1950, and before July 28, 1953, after August 13, 1961, and before May 31, 1963, or after August 4, 1964, and before *March 28, 1973;* or

"(3) at least twenty years of service (computed under section 1332 of this title) after August 15, 1945."

(2) Section 1332(b) is amended by adding the following new clause after clause (7):

"(8) Service before August 16, 1945, if eligibility for retired pay is based on section 1331(c)(3) of this title.".

(3) Section 1333 is amended—

(A) by striking out "For" and inserting in place thereof "(a) Except as provided in subsection (b), for"; and

(B) by adding the following new subsection:

"(b) Service before August 16, 1945, may not be counted under subsection (a), if eligibility for retired pay is based on section 1331(c)(3) of this title.".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT CREDIT FOR NONREGULAR SERVICE

The bill (H.R. 5056) to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code, was considered, ordered to a third reading, read the time, and passed.

SALARY INCREASES FOR DISTRICT OF COLUMBIA POLICE, FIREMEN, AND TEACHERS

The Senate proceeded to consider the bill (H.R. 16925) to make technical amendments to the act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 7, beginning with line 15, strike out:

(g) Section 426(i) of that Act is amended by striking out "(D.C. Code, secs. 47–2404, 47–24143)" and inserting in lieu thereof "(D.C. Code, secs. 47–2403, 47–2413)".

and insert:

(g) Section 426(i) of that Act is amended by deleting "sections 3 and 14 of title IX of the Act of August 17, 1937 (D.C. Code, sec. 47–2404, 47–24143)" and inserting in lieu thereof "sections 3 and 4 of title IX of the Act of August 17, 1937 (D.C. Code, secs. 47–2403, 47–2404)".

On page 9, in line 22, strike out "47 2061.14(a)(8)" and insert "47–2610.14(a)(8)".

On page 10, in line 2, strike out "(D.C. Code, sec. 47 301)" and insert "(D.C. Code, secs. 47–301, 47–601)".

On page 10, at the end of line 8, insert "of title IX".

On page 10, in line 9, strike out "(D.C. Code, sec. 47 709)" and insert "(D.C. Code secs. 47–708, 47–709)".

On page 11, beginning with line 1, insert:

Sec. 12. The second sentence of section 301(a) of the District of Columbia Campaign Finance Reform and Conflict of Interest Act is amended to read as follows: "The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, appointments to the Office of Director, including vacancies therein, shall be made by the Mayor, with the advice and consent of the Council. The Director shall serve for a term of four years, subject to removal for cause by the Commissioner or the Mayor, as the case may be, and may be reappointed for a like term or terms, with the advice and consent of the Council, except that in the case of the Director serving as such on January 1, 1975, such Director's term shall terminate upon the expiration of June 1, 1979, unless sooner so removed for cause. Any appointment to fill a vacancy in the Office of Director shall be for the unexpired portion of the term.".

Sec. 13. (a) Section 5(e) of the District of Columbia Election Act (D.C. Code, sec. 1–1105) is amended by adding at the end thereof the following new sentences: "The Board, at the request of the Director of Campaign Finance, shall provide such employees, subject to the compensation provisions of this subsection, as requested to carry out the powers and duties of the Director. Employees so assigned to the Director shall, while so assigned, be under the direction and control of the Director.".

(b) Section 5 of such Act is further amended by adding at the end thereof the following new subsection:

"(g) The Board shall prescribe such regulations as may be necessary to insure that all persons responsible for the proper administration of this Act maintain a position of strict impartiality and refrain from any activity which would imply support of or opposition to (1) a candidate or group of candidates for office in the District of Columbia, or (2) any political party or political committee. As used in this subsection, the terms 'office', 'political party', and 'political committee' shall have the same meaning as that prescribed in section 102 of the District of Columbia Campaign Finance Reform and Conflict of Interest Act".

Sec. 14. (a) Section 306(b)(2) of the Act of August 14, 1974, is amended by deleting "chapter 5 of title 5, United States Code" and inserting "the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1501 et seq.)".

(b) Section 601(c) of the Act of August 14, 1974, is amended by inserting immediately before the period at the end thereof a comma and the following: "except for political contributions publicly reported pursuant to section 206 of this Act and transactions made in the ordinary course of business of the person offering or giving the thing of value".

Sec. 15. (a) Section 431(a) of the District of Columbia Real Property Tax Revision Act of 1974 is amended by deleting "historic property" and inserting in lieu thereof "historic buildings".

(b) Section 431(b) of such Act is amended by deleting "historic property" and inserting "historic buildings".

(c) Section 432 of such Act is amended by deleting "property" wherever it appears therein and inserting in lieu thereof "buildings".

(d) Section 433 of such Act is amended to read as follows:

"Sec. 433. To be eligible for historic property tax relief, real property must be a historic building designated by the Joint Committee on Landmarks of the National Capital and, in addition, must be approved by the Commissioner under section 434.".

(e) Section 434 of such Act is amended to read as follows:

"Sec. 434. The Council may provide that the owners of historic buildings which have been so designated by the Joint Committee on Landmarks of the National Capital may enter into agreements with the government of the District of Columbia for periods of at least twenty years which will assure the continued maintenance of historic buildings in return for property tax relief. Such a provision shall, as a condition for tax relief. Such a provision shall, as a condition for tax relief, require reasonable assurance that such buildings will be used and properly maintained and such other conditions as the Council finds to be necessary to encourage the preservation of historic buildings. The Council shall also provide for the recovery of back taxes, with interest, which would have been due and payable in the absence of the exemption, if the conditions for such exemption are not fulfilled.".

Sec. 16. Section 4(a) of the Act entitled "An Act to amend the Controlled Substances Act to extend for three fiscal years the authorization of appropriations for the administration and enforcement of that Act", approved October 26, 1974 (Public Law 93–481), is amended by striking out "chapter 6" and inserting in lieu thereof "chapter 5".

Sec. 17. Section 493(b) of the Act of Delows:

"(b) Paragraph 97(a) of section 8 of the Act of March 4, 1913 (making appropriations for the government of the District of Columbia) (D.C. Code, sec. 43–201), is amended as follows:

"(1) The first sentence of such paragraph is amended to read as follows: 'The Public Service Commission of the District of Columbia shall be composed of three commissioners appointed by the Mayor, by and with the advice and consent of the Council, except that the members (other than the Commissioner of the District of Columbia) serving as commissioners of such Commission on January 1, 1975, by virtue of their appointment by the President, by and with the advice and consent of the Senate, shall continue to serve until the expiration of the terms for which they were so appointed. The member first appointed by the Mayor, by and with the advice and consent of the Council, on or after January 2, 1975, shall serve until June 30, 1978.'.

"(2) The third sentence of such paragraph is repealed.

"(3) The sixth sentence of such paragraph is amended to read as follows: 'No Commissioner shall, during his term of office, hold any other public office.'.

"(4) The seventh sentence of such paragraph is amended by deleting "The Commissioners of the District of Columbia' and inserting in lieu thereof 'The Mayor'.

"(5) The eighth sentence of such paragraph is amended to read as follows: 'No person shall be eligible to the office of Commissioner of the Public Service Commission of the District of Columbia who has not been a bona fide resident of the District of Columbia for a period of at least three years next preceding his appointment or who has voted or claimed residence elsewhere during such period'.".

Sec. 18. (a) Section 103(a) of the Act of September 3, 1974 (77 Stat. 1036), relating to police and firemen's compensation, is amended by deleting "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(b) Section 103(a) of such Act is further amended by adding at the end thereof the following:

"(d) The amendment made by paragraph (4) of section 101 shall take effect on and after the first day of the first pay period beginning on or after June 1, 1974.".

Sec. 19. Section 122 of the Act of September 3, 1974 (relating to police and firemen's compensation), is amended by adding at the end thereof the following new subsection:

"(d) In addition to the members and alternates of the Board designated by subsection (a) of this section, in all cases of retirement, disability, or other relief involving a member of the Executive Protective Service or a member of the United States Secret Service, who contribute to the Policemen and Firemen's Relief Fund of the District of Columbia, a member and alternate of the Executive Protective Service or a member and alternate of the United States Secret Service, as designated by the Director, United States Secret Service, as appropriate shall sit as a member of the Police and Firemen's Retirement and Relief Board.".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PEOPLE'S COUNSEL FOR PUBLIC SERVICE COMMISSION IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 17450) to provide a People's Counsel for the Public Service Commission in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike all after the enacting clause and insert:

That (a) there is hereby established within the Public Service Commission of the District of Columbia, established by section 8 of the Act of March 4, 1913, as amended (D.C. Code, sec. 43–201), an office to be known as the "Office of the People's Counsel".

(b) There shall be at the head of such office the People's Counsel who shall be appointed by the Commissioner of the District of Columbia, by and with the advice and consent of the District of Columbia Council, and who shall serve for a term of three years. Appointments to the position of People's Counsel shall be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The People's Counsel shall be entitled to receive compensation at the maximum rate as may be established from time to time for GS–16 of the General Schedule under section 5332 of title 5 of the United States Code. No person shall be appointed to the position of People's Counsel unless that person is admitted to practice before the District of Columbia Court of Appeals. Before entering upon the duties of such office, the People's Counsel shall take and subscribe the same oaths as that required by the Commissioners of the Commission, including an oath or affirmation before the Clerk of the Superior Court of the District of Columbia that he is not pecuniarily interested, voluntarily or involuntarily, directly or indirectly, in any public utility in the District of Columbia.

(c) The People's Counsel is authorized to employ and fix the compensation of such employees, including attorneys, as are necessary to perform the functions vested in him by this Act, and prescribe their authority and duties.

(d) The People's Counsel—

(1) shall represent and appear for the people of the District of Columbia at hearings of the Commission and in judicial proceedings involving the interests of users of the products of or services furnished by public utilities under the jurisdiction of the Commission;

(2) may represent and appear for petitioners appearing before the Commission for the purpose of complaining in matters of rates or services;

(3) may investigate the services given by, the rates charged by, and the valuation of the properties of, the public utilities under the jurisdiction of the Commission; and

(4) is authorized to develop means to otherwise assure that the interest of users of the products of or services furnished by public utilities under the jurisdiction of the Commission are adequately represented in the course of proceedings before the Commission, including public information dissemination, consultative services, and technical assistance.

Sec. 2. Paragraph 42 of section 8 of the Act of March 4, 1913 (making appropriations for the government of the District of Columbia) (D.C. Code, sec. 43–412), is amended as follows:

(a) The first sentence of such paragraph 42 is amended to read as follows: "The expenses of the Office of the People's Counsel, of any investigation, valuation, revaluation, or proceeding of any nature by the Public Service Commission of or concerning any public utility operating in the District of Columbia, and all expenses of any litigation, including appeals, arising from any such investigation, valuation, revaluation, or proceeding, or from any order or action of the Commission, shall be borne by the public utility investigated, valued, revalued, or otherwise affected as a special franchise tax in addition to all other taxes imposed by law, and such expenses with interest at 6 per centum per annum may be charged to operating expenses and amortized over such period as the Commission shall deem proper and be allowed for in the rates to be charged by such utility.".

(b) The second sentence of such paragraph 42 is amended by inserting "; or certified by the People's Counsel with respect to his expenses" immediately before the period at the end of that sentence.

(c) The third sentence of such paragraph 42 is amended by inserting "and the People's Counsel, combined" immediately after "Commission".

Sec. 3. For the fiscal year ending June 30, 1975, there is authorized to be appropriated such sum, not to exceed $50,000, as may be necessary to carry out the purposes of this Act. For the fiscal year ending June 30, 1976, and each fiscal year thereafter, there are authorized to be appropriated such sums, not to exceed $100,000 in any one fiscal year, as may be necessary to carry out the purposes of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1263.

NAVAL AND MARINE MUSEUM IN CHARLESTON, S.C.

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 121) relating to the establishment of the naval and marine museum in Charleston, S.C., which had been reported from the Committee on Armed Services with an amendment to the preamble in the last "whereas" clause, strike out "Naion's" and insert "Nation's".

The resolution was agreed to.

The preamble, as amended, was agreed to.

The resolution with its preamble reads as follows:

Whereas the State of South Carolina has an old and historic naval and maritime heritage; and

Whereas the State of South Carolina has created the Patriots Point Development Authority for the purpose of establishing a naval and maritime museum in the city of Charleston, South Carolina, and

Whereas the Patriots Point Development Authority has been advised by the Department of the Navy that the Navy will donate the aircraft carrier United States ship Yorktown to the authority for use in the naval and maritime museum; and

Whereas the establishment of this special museum is a timely project in view of the increasing importance of the seas to the economy and security of the United States; and

Whereas the museum will stimulate and further the knowledge of naval and maritime history, customs, and traditions, and increase the appreciation of the importance of naval air and sea power to the security and economy of the United States; and

Whereas this museum will serve to generate or increase the patriotism in the youth of this Nation, and stimulate in some of them the desire for a career in public service, and particularly the naval and maritime service; and

Whereas the naval and maritime museum can make a significant contribution toward the efforts to achieve an all-volunteer military service, through the promotion of pride and interest in the naval and maritime heritage of this country; and

Whereas this museum, in addition to preserving our naval and maritime heritage, will make a major contribution to the Nation's bicentennial anniversary in 1976: Now, therefore, be it

Resolved, by the Senate (the House of Representatives concurring), That the Congress hereby expresses its approval and encouragement with respect to the establishment by the State of South Carolina, of the naval and maritime museum in the city of Charleston, South Carolina, and recognizes the historical importance of such museum and the patriotic purpose it is intended to serve.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the resolution was adopted.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TUESDAY, DECEMBER 17, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, the orders for the recognition of Senators be as follows after the two leaders or their designees have been recognized under the standing order: Mr. HOLLINGS, 10 minutes; Mr. BARTLETT, 10 minutes; Mr. DOMENICI, 10 minutes; Mr. NUNN, 10 minutes; Mr. CHILES, 10 minutes; Mr. COOK, 10 minutes; and Mr. DOMINICK, 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT— S. 425

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the surface mining conference report, with the understanding that it will be called up on Monday, there be a time limitation of 30 minutes to be equally divided between the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 452—TO PERMIT RADIO, TELEVISION, AND PHOTOGRAPHIC COVERAGE OF THE SWEARING-IN CEREMONY OF THE VICE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. SCOTT of Pennsylvania and myself I send to the desk a resoltuion and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Resolved, That if the swearing-in ceremony of the Vice President of the United States is held in the Senate Chamber, permission is hereby granted to permit broadcast by radio and television of such ceremony, and that Rule IV of the Rules and Regulations of the Senate wing of the United States Capitol be accordingly suspended in this instance for the purpose of photography.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution was agreed to.

NO ROLLCALL VOTES ON MONDAY, DECEMBER 16, 1974, PRIOR TO THE HOUR OF 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on Monday prior to the hour of 1:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ONE-HALF HOUR DEBATE ON CLOTURE MOTION ON H.R. 15977, AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under rule XXII on motions to invoke cloture in the instance of the motion relating to the Eximbank amendment conference report be reduced to one-half hour.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TIME FOR DEBATE TO START RUNNING AT 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the one-half hour for debate under rule XXII on the motion to invoke cloture on the Eximbank amendment conference report begin running on Monday at the hour of 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that that one-half hour be divided between Mr. PROXMIRE and Mr. STEVENSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES PRIOR TO VOTE ON CLOTURE MOTION—H.R. 15977, AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes ordered prior to the vote on the motion to invoke cloture on Monday follow back to back in sequence as they are ordered immediately after the vote on the motion to invoke cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TIME ON S. 425 TO START RUNNING ON MONDAY AT 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the surface mining conference report begin running on Monday next at the hour of 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

TIME LIMITATION AGREEMENT ON S. 1283—ENERGY RESEARCH CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the energy research conference report there be a 30-minute time limitation to be equally divided between Mr. JACKSON and Mr. FANNIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time begin running on the energy research conference report at the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to vacate the request clocking in the energy research conference report at 12 noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That measure will not have reached the Senate from the other body at that time, but I ask unanimous consent it be in order at any time during the afternoon of Monday to call up the energy research conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT ON H.R. 8193—CARGO PREFERENCE CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the cargo preference conference report there be a 1-hour limitation to be equally divided between Mr. COTTON and Mr. MAGNUSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the cargo preference conference report begin running at the hour of 3:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF WALTER LIPPMANN

Mr. MATHIAS. Mr. President, I have learned today of the death of Mr. Walter Lippmann, the distinguished journalist and newspaperman whose work dominated the scene of American journalism for half a century.

It would be impossible, in a short space of time, to compress all of the facets of Mr. Lippmann's career as a newspaperman into one short definition or description, but I think we do get certain impressions from the work of a man such as Mr. Lippmann.

My impression is that of an American, deeply dedicated to the concept of democracy, deeply committed to making democracy work, and believing very sincerely in the ability of the American people to govern their own destinies.

I recall so well a column that he wrote during World War II in which he praised Prime Minister Churchill because Churchill had the kind of faith in the people and belief in democracy that he undertook to entrust the people with bad news.

This, to Walter Lippmann, was the kind of hallmark of a man who really understood representative democratic government.

Mr. Lippmann himself as a newspaperman was constantly aware of his responsibility to give the American public the news, good or bad.

It was a high order of journalism. It is not often equaled. But I hope it will continue to be one of the aspirations of the American press, which is such an integral part of our whole political-social system, to reach the same levels of competence and professionalism that was exemplified by the work of Walter Lippmann.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. HOLLINGS) laid before the Senate a message from the President of the United States submitting the nomination of William B. Saxbe, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S.J. Res. 227. A joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans (Rept. No. 93–1351).

H.R. 8864. An act to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys (Rept. No. 93–1352).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S.J. Res. 41. A joint resolution to authorize the President to issue annually a proclamation designating March of each year as "Youth Art Month" (Rept. No. 93–1353).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 3530. A bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act (Rept. No. 93–1354).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 11796. A bill to provide for the duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii (Rept. No. 93–1355).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 17045. A bill to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States (Rept. No. 93–1356).

ENROLLED BILLS SIGNED

The ACTING PRESIDENT pro tempore (Mr. HOLLINGS) today signed the following enrolled bills which had been previously signed by the Speaker of the House of Representatives:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii chapter of the National Railway Historical Society, Inc.;

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage;

H.R. 7077. An act to provide for the establishment of the Cuyahoga Valley National Recreation Area; and

H.R. 16424. An act to establish a Commission on Federal Paperwork.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOMENICI:

S. 4240. A bill to achieve fuel economy for motor vehicles, to establish standards and requirements of motor vehicle fuel economy, to assure compliance with such standards, and for other purposes. Referred to the Committee on Commerce.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 4241. A bill to amend the act of March 30, 1904 (33 Stat. 154) granting certain lands to the city of Port Angeles, Wash. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 4240. A bill to achieve fuel economy for motor vehicles, to establish standards and requirements of motor vehicle fuel economy, to assure compliance with such standards, and for other purposes. Referred to the Committee on Commerce.

Mr. DOMENICI. Mr. President, as the 93d Congress draws to an end, one of the most significant and far-reaching problems facing this Nation is a continuing energy shortage. This Nation must address itself to the first full scale impact and implications of our less-than-adequate energy ethic. The harder we have looked at the alternatives the more we are forced to fall back on the choice of energy conservation. If we are candid as to the prospects for expanding our energy supply, and if we are candid as to our hopes of reducing imports of oil, then we have no choice but to achieve major cuts in consumption through energy conservation. The bill I introduce today is designed to facilitate this objective for one of the major and most wasteful forms of energy usage—the automobile.

Tremendous progress could be achieved in automobile fuel economy with very modest sacrifice in cost of automobiles and little, if any, delay in air pollution emission standards. A recent joint study by the Eenvironmental Protection Agency and the Department of Transportation evidences the improvements achieveable before 1985.

In addition, many bills and several hearings have been held on automobile fuel economy. In short, the pros and cons of insuring substantial fuel economy have been well aired in the Congress. I am convinced of the need for prompt legislation to ensure that the responsible agencies and automobile manufacturers move as expeditiously as possible to create a firm program for achieving substantial increases in automobile fuel economy.

The bill I have introduced is designed to assure flexibility for the automobile manufacturer while assuring that firm commitments to increased fuel economy, subject to regulatory oversight, become reality.

A voluntary method of achieving greater fuel economy is the heart of this bill. I realize that there are other bills under consideration dealing with the same vital problem of energy conservation and auto fuel economy. The bill I present today has Federal regulatory provisions, but is unique by providing emphasis on voluntary compliance while still insuring the same beneficial result of providing substantial fuel economy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Vehicle Fuel Economy Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) each day the United States uses approximately six million barrels of oil more than it produces from domestic sources and in the absence of effective conservation measures oil imports will need to grow in volume;

(2) the need to import increasing volumes of oil from foreign nations makes the Nation prey to arbitrary and exorbitant price fixing by petroleum exporting countries and vulnerable to unreasonable foreign policy pressures and economic chaos from production reductions and embargoes by such countries;

(3) oil-exporting nations acting in concert have raised the price of oil approximately 300 per centum during the past year, causing the United States to suffer enormous deficits in its international balance of payments and contributing to the highest rate of inflation in the decades as the increased cost of fuel is passed on to commerce, industry, and the American consumer;

(4) for these reasons, it is an urgent necessity for the United States to reduce the quantities of crude oil and refined petroleum products which it imports; and

(5) automobiles are the single largest and most significant user of petroleum products, but the amount of oil required for automobile transportation should be able to be reduced by more than one million barrels a day through technologically feasible improvements in automobile fuel economy.

(b) It is therefore declared to be the purpose of Congress in this Act to—

(1) encourage the manufacture of automobiles which reduce the amount of fuel consumed per mile traveled without reducing safety, damageability, or environmental standards; and

(2) increase the industrywide average fuel economy for automobiles to achieve at least a 40 per centum improvement in such average by 1980 over the model year 1974 figure and a 65 per centum improvement in such average by 1985 over the model year 1974.

DEFINITIONS

SEC. 3. (a) When used in this Act—

(1) "Fuel" means any material or substance capable of serving as a source of energy for a motor vehicle, including, but not limited to, gasoline, diesel oil, kerosene, natural gas, and propane.

(2) "Fuel economy" means the average number of miles traveled by a motor vehicle per unit of fuel consumed, as determined in accordance with test procedures established by the Administrator.

(3) "Industrywide average fuel economy" means the weighted average fuel economy of all new motor vehicles sold or expected to be sold in all States in a given model year.

(4) "Weighted average fuel economy" means the average fuel economy of a class or classes of new motor vehicles or new motor vehicle engines produced for introduction into commerce or (in the case of any person, except as provided in regulation of the Administrator) imported into the United States by a manufacturer during a specific time period, as determined by considering the total quantity of fuel which would be consumed per unit of distance traveled, assuming an equal distance travelled by each vehicle, by all vehicles in such class.

(5) "Model" means a motor vehicle of particular brand name, body dimensions, style, engine, and drive train.

(6) "Administrator" means the Administrator of the Environmental Protection Agency.

(7) "Secretary" means the Secretary of the Department of Transportation.

(b) Any other terms used in this Act which are defined in the Clean Air Act (42 U.S.C. 1857 et seq.) shall have the same meaning as in such Act.

FUEL ECONOMY STANDARDS

SEC. 4. (a) The Secretary shall by regulation promulgated pursuant to section 553 of title 5, United States Code, prescribe (and from time to time revise) in accordance with the provisions of this section such minimum average fuel economy standards for any class or classes of new motor vehicles or new motor vehicle engines as in his judgment are necessary to assure the efficient utilization of fuels by such motor vehicles or engines.

(b) Regulations established by the Secretary under this section shall be designed to achieve to the maximum extent practicable and feasible, weighted average fuel economy standards for new light duty motor vehicles manufactured during model year 1980, which are an increase of at least 40 per centum of industrywide average fuel economy, and for new light duty motor vehicles manufactured during model year 1985, which are an increase of at least 65 per centum of industrywide average fuel economy, over the industrywide average fuel economy for new light duty motor vehicles manufactured in the 1974 model year.

(c) Any regulation prescribed under this section (and any revision thereof) shall take into consideration the available technology, the period necessary to permit the development and application of the requisite technology, giving appropriate consideration to the cost of compliance, the economic impact of compliance, the natural resource impact of compliance, and the impact on regulations applicable to the emission of air pollutants from any class or classes of new motor vehicles or new motor vehicle engines established under title II of the Clean Air Act and any applicable safety standards, within such period. In establishing such standards the Secretary shall consult with the Administrator, the Administrator of the Federal Energy Administration, the Secretary of the Treasury, and the Administrator of the Energy Research and Development Administration.

(d) Regulations under this section shall be applicable to new light duty motor vehicles manufactured during model year 1977 and thereafter, and with respect to model year 1977 shall be promulgated not later than 270 days after the date of enactment of this Act.

COMPLIANCE

SEC. 5. (a) If a manufacturer voluntarily achieves the average weighted fuel economy goal established under section 4, the provisions of this section and section 10 are inapplicable to such manufacturer. Achievement of the average weighted fuel economy of any class of new motor vehicles sold by a manufacturer during any model year shall be determined by the Secretary.

(b) Compliance with the standards established under section 4 shall be determined by the Secretary with respect to each class of new motor vehicles or new motor vehicle engines on the basis of the demonstrated fuel economy, as determined by the Administrator, for each model within such class and the total number of each of such models sold by a manufacturer during a model year.

(c) If the Secretary determines that the average weighted fuel economy of any class of new motor vehicles sold by a manufacturer during any model year fails to meet the standards established under section 4 with respect to such class, such manufacturer shall be in violaion of such sandard.

TESTS

SEC. 6. In order to determine whether new motor vehicles or new motor vehicle engines being manufactured by a manufacturer conform with regulations pursuant to this Act, the Secretary is authorized to test or require testing by such manufacturers of such vehicles or engines. Such tests may be conducted by the Secretary directly, or the manufacturer may be required to perform such tests in accordance with terms and conditions specified by the Secretary.

INFORMATION AND DATA

SEC. 7. (a) The Secretary and the Administrator may require manufacturers of new motor vehicles and new motor vehicle engines to submit in such form, in such manner, and at such time as he may require, information and data as to sales and fuel economy of new motor vehicles and new motor vehicle engines manufactured or proposed to be manufactured, and such other information and data that he may require to ascertain compliance with the requirements of this Act.

(b) Information and data under this section may be required with respect to models and subclasses of motor vehicles as prescribed by regulation.

WARRANTY

SEC. 8. On and after the effective date of any regulation prescribed under this section, the manufacturer of a new motor vehicle or new motor vehicle engine to which such regulations apply, shall warrant to the ultimate purchaser and each subsequent purchaser that such new motor vehicle or motor vehicle engine is designed, built, and equipped so as to conform to the regulations for its useful life as determined by the Secretary. The warranty shall remain in effect provided that the vehicle or engine is maintained and operated in accordance with instructions provided by the manufacturer.

LABELING

SEC. 9. The manufacturer shall cause to be affixed on each new motor vehicle subject to regulation under this Act a label in a prominent place indicating in an easily legible and readable form the fuel economy applicable to that motor vehicle as determined through testing required by or performed under this Act or under title II of the Clear Air Act, and such other information relating to that motor vehicle's fuel economy as the Secretary may require.

SUSPENSION

SEC. 10. (a) Whenever the Secretary determines in accordance with regulations that a subclass or model of new motor vehicles, manufactured, or proposed to be manufactured, fails or will fail to achieve the fuel economy reported by the manufacturer for purposes of determining the weighted average fuel economy for all new motor vehicles anticipated to be sold by the manufacturer during the model year; or if the Secretary determines that the sales for any subclass or model are or will be substantially different than those reported by the manufacturer for the purposes of determining the weighted average fuel economy for all new motor vehicles anticipated to be sold by the manufacturer during the model year, he shall inform the manufacturer of such determination and shall recommend to the manufacturer that corrective action as he determines may be necessary to achieve the standards established under section 4. Such corrective action may include requirements to curtail or suspend sales of models the fuel economy of which falls below the weighted average fuel economy standard under section 4.

(b) If the manufacturer fails to take corrective action necessary to achieve compliance with section 4 within the time required by the Secretary as determined in a proceeding in accordance with section 554 of title 5, United States Code, the Secretary may order the curtailment or suspension of sales of any models manufactured by such manufacturer until such time as the manufacturer demonstrates to the satisfaction of the Secretary that it will meet the standards under section 4.

(c) If the manufacturer fails to comply with an order issued by the Secretary within the time required by such order, the Secretary may commence a civil action for appropriate relief, including permanent or temporary injunction. Any such action brought under this section may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business. Such court shall have jurisdiction to restrain violation of the Secretary's order and to compel compliance.

CONFORMING AMENDMENTS

SEC. 11. The Clean Air Act is amended as follows:

(a) section 203(a)(2) is amended by adding after the phrase "section 208" the following: "or under section 7 of the Motor Vehicle Fuel Economy Act of 1974";

(b) section 203(a)(4)(A) is amended by adding after the phrase "section 207(c)(3)" the following phrase "and section 9 of the Motor Vehicle Fuel Economy Act of 1974"; and

(c) section 206(c) is amended by adding after the phrase "enforcement of this section" the phrase "and of any regulation under the Motor Vehicle Fuel Economy Act of 1974."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4206

At the request of Mr. HUMPHREY, the Senator from Wisconsin (Mr. NELSON) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 4206, to provide the price support for milk at not less than 90 percent of the parity price therefor, and for other purposes.

SENATE RESOLUTION 450—SUBMISSION OF A RESOLUTION DISAPPROVING THE DEFERRAL OF CERTAIN BUDGET AUTHORITY

(Ordered held at the desk.)

Mr. BENNETT. Mr. President, deferral D–75–115 pertains to the Atomic Energy Commission's biomedical and environmental research program. Specifically the proposal would defer budget authority of $4 million currently authorized and appropriated for the Commission's artificial heart program. It should be noted that the backup information furnished to the President's deferral message states that the proposed deferral would result in "a close out of AEC's effort to develop a nuclear power source for an artificial heart." I do not wish to engage in argument concerning the use of words but in this particular proposed deferral, a more discriptive word would have been "termination."

The termination of this program in my view would be a serious mistake. This is an ongoing program that has been successfully carried out thus far, meeting its established milestones and objectives in a timely fashion. The biological portion of this program is being carried out at the University of Utah by one of the most distinguished medical investigators in our country, Dr. William Kolff. Dr. Kolff, among many other fine accomplishments, is the inventor of the artificial kidney.

The artificial heart under development would be implantable in the human body totally replacing the heart organ. With modification, it could be also used as a heart assist device; for example, in the case of a damaged ventricle. One of the reasons that this particular artificial heart program has been so successful is that the Atomic Energy Commission and its contractors, Westinghouse Astronuclear Laboratory and the University of Utah, have utilized a totally intgerated engineering systems approach. Early bench models have been tested and run successfully. Modifications of these models have been implanted in experimental animals and sustained life with no untoward biological effect. The researchers and the experimental teams are currently modifying their initial product to bring about reduction in weight and volume and to increase the efficiency of the pumping mechanism.

I urge the Senate to act favorably on the subject resolution, not only because this is an important research program which has been well executed, but also because it is nearing the most exciting stage of the development. To be sure, there are other ongoing efforts to produce a workable artificial heart under the stewardship of other Federal agencies. It should be pointed out, however, that when the Joint Committee on Atomic Energy, of which I am a member, reviewed the AEC's authorization request for this money as recently as the spring of this year, Commission witnesses testified that they closely coordinate their work with the National Heart and Lung Institute and constantly seek their opinion on the conduct of the program to assure that there is no unnecessary duplication among the various programs. Of course, the utilization of a heart pump is primarily a question of physiological compatibility but it should be recognized that the development of the heat source, the mechanical pump, and the operation of the mechanical portion of the substitute heart requires a special engineering approach.

This particular heart device is operated by the heat derived from a small capsule utilizing plutonium of the same kind used in nuclear cardiac pacemakers which are already in use throughout the country. The competence of the AEC and its contractors to successfully develop nuclear power systems such as the cardiac pacemaker, and the SNAP devices now operating on the Moon and aboard Jupiter-Saturn Pioneer flybys has been well demonstrated. The present program schedule calls for completion of the development of a human implantable artificial heart by December of 1976. With this goal so close at hand, it would seem to me foolhardy to abandon this effort and disband this team of investigators who had done so well and should be encouraged, rather than prevented, from making this significant contribution to science and to mankind.

I urge adoption of the resolution.

The resolution is as follows:

S. RES. 450

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–115, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

SENATE RESOLUTION 451—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

(Ordered held at the desk.)

SENATE MUST DISAPPROVE 50 PERCENT IMPOUNDMENT OF SECTION 701 PLANNING FUND

Mr. HUMPHREY. Mr. President, today I have introduced for myself and Senators MATHIAS, MAGNUSON, MCGEE, JAVITS, DOMENICI, TUNNEY, CRANSTON, STAFFORD, MONDALE, HATHAWAY, KENNEDY, and BIDEN, Senate Resolution disapproving the President's proposed deferral of $50 million in HUD sec. 701 comprehensive planning grants. If allowed to stand, this deferral would mean a reduction of 50 percent from the level of funding appropriated by the Congress for this purpose.

Mr. President, to permit this deferral will result in the gutting of an important ongoing program that is relied upon by thousands of communities, urban and rural, all over this country. This would be a severe injustice and would have a devastating impact. The $50 million budget savings to be gained by this proposed impoundment of appropriated funds is a perfect example of a "penny wise and pound foolish" decision.

The 701 comprehensive planning and management program has, since its enactment as part of the Housing Act of 1954, served as a continuing source of Federal assistance for comprehensive planning by States, counties, cities and regional organizations. It is the only Federal program which allows recipients to plan in a comprehensive manner.

Over the years, the Congress has enacted a number of functional planning programs for transportation, water pollution control, economic development, health, and the like. Something, however, is needed to tie all of these narrowly focused planning programs together to allow for planning in a coordinated, comprehensive manner—in a manner that will be most productive, getting the most bang for the taxpayers' buck. It is a budget saving program in the real sense.

The 701 is a national program for all sizes and types of communities from the largest cities, counties, and States to the smallest Indian reservation. As with most Federal programs, however, it has suffered from a demand greater than the amount of money available.

In fiscal year 1972, Congress recognized that the program needed additional funds to meet this demand. Through a supplemental appropriation, it added $50 million to the $50 million already appropriated as part of the regular HUD appropriations bill, bringing the program level to $100 million. The Congress again appropriated $100 million for fiscal year 1973. For fiscal year 1974, the appropriation was cut by 25 percent because, in the view of the House Appropriations Committee, HUD was not spending the money fast enough. What this has meant, however, is that recipients have had to cut their programs by 25 percent across the board. The Congress recognized the adverse impact this cut was having and restored funding for section 701 to $100 million for fiscal year 1975.

Amendments to the 701 statute enacted as part of the Housing and Community Development Act of 1974 mandate that all 701 recipients include as a part of their comprehensive plan, a land use and housing element. These are entirely new requirements. They will place an additional demand on recipients and, because they are federally mandated, Federal assistance should be provided to assist in their development. We should be increasing funding for 701, and not forcing it to fight for its very life.

The act also authorizes urban counties to apply directly to HUD for 701 assistance, rather than to the States as at present. This will create an additional demand on 701 for the current fiscal year.

And yet, with all the additional demands on 701, as well as the adverse effect which inflation has on static funding levels, the administration is intending to cut the program in half. Such a cut is grossly unfair to current, as well as potential applicants for 701 funds.

It is a matter of grave concern to me that this country's commitment to urban and rural planning, as a conscious process of government at every level, seems to be weakening, despite the fact that crises resulting from unplanned growth and development are deepening throughout the United States.

In terms of numbers of dollars expended by this country in community development and housing assistance, the comprehensive planning and management assistance program, 701, has been relatively small. Over the years, increasing demands have been made of this relatively static program, and it has not kept pace with either the growth of demand for planning funds or the intensification of urban and rural problems with which planning is concerned.

The number of eligible recipients of these small amounts of comprehensive planning and management funds has continuously increased over the years, far out-reaching funds available for even past clients. And this situation is exacerbated every time the administration recommends the usage of 701 as a replacement for additionally legislated new planning assistance programs—for example, rural development planning, coastal zone planning, disaster assistance, et cetera.

Society has begun to demand a voice in the decisions affecting its environment. At the same time, society has demanded that proper consideration be given to the economic and social development of this Nation. Planning, therefore, is crucially necessary, if we are going to seriously address ourselves to the many varied programs being proposed for the orderly growth of our communities.

From a congressional point of view, the existence of planning requirements as a condition to Federal financial assistance makes eminent good sense. Planning requirements are a form of insurance designed to protect and make most useful the Federal participation in local projects, whether through categorical grants, block grants, or even revenue sharing. Planning requirements simply say "these things that we are helping to finance must fit together in a thought through manner and be of long range benefit." Planning assistance works toward the same ends.

The problem is not to reduce planning requirements or planning assistance, but rather to relate them directly and within the framework of the American political decisionmaking system. Therefore, one of the major reasons for expanding the comprehensive planning program rather than cutting it in half as the President proposes, is to assist State and local governments in protecting the investment the Federal Government makes in the wide variety of Federal programs.

The 701 comprehensive planning assistance program has had broad successful applications across this country, and I do not believe its track record of accomplishment warrants the proposed gutting. 701 has become a "glue" mechanism to coordinate all functional or more specialized planning and program development.

It has provided a coordinative management framework. It helps produce policy and decisionmaking documents and tools. It has served as a measure for community values. It has worked as a checkpoint of accomplishment, and served as an administrative tool for short term decision making and long range policy and goal formulation.

As I stated earlier, the 701 comprehensive planning assistance program has served all levels of government. It has supported the Federal review process, assisted States, counties, and cities of all sizes. It has fostered regional cooperation throughout the country both on a metropolitan and nonmetropolitan basis. It has funded economic development districts and Indian tribal planning councils.

The 25 percent cutback in 701 funds for fiscal year 1974 caused much concern among the various clients and in many cases the reduction in funds has seriously diminished projects, reduced staffs and hampered the evolution of vital decision-making related programs. The impact of this reduced funding created hardships and severe restrictions for many local governments in their efforts to develop effective ongoing planning policy processes. There is an increasing emphasis being placed on comprehensive planning as a major solver, yet at the same time this increased emphasis seems to be directly in contradiction with the reduction in Federal funds for comprehensive planning.

Mr. President, the turmoil created by last year's cut, substantial as it was, still pale to insignificance in comparison with what will happen to planning efforts all over this country, if the administration has its way and impounds these 701 funds.

Mr. President, I find it rather amazing that while the White House is slashing the 701 program, HEW is, in yesterday's Federal Register, promulgating urgent regulations to keep the 701 program functioning. The HEW proposal says—

> It is imperative that these amendments be operative as soon as possible to avoid severe hardships for grantees whose program years have expired or will expire shortly.

This is incredible. While the White House slashes at 701 with its sword, HEW urgently prepares new regulations for a program that the President would virtually kill off.

Mr. President, we must strongly register the objection of Congress to this thoughtless attempt to cut the budget at all costs. The momentum toward more and better comprehensive planning of public activity, building over the 20 years since 701 was enacted in 1954, will be reversed, wiped out, unless we act now to restore this vital program to the level of funding which we approved and which the administration requested a few short months ago. I urge all of my colleagues to join me in passing this resolution.

Mr. President, I ask unanimous consent that the text of this resolution be printed at this point in the Record.

Mr. President, I also ask unanimous consent that a summary, entitled "Initial Impact of President Ford's Deferral of HUD 701 Planning Assistance", be printed at this point in the Record. I also ask unanimous consent that a table, entitled "Comprehensive Planning Assistance Program," which gives a State by State breakdown of the 701 program, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. Res. 451

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the comprehensive planning grants program under section 701 of the Housing Act of 1954 (numbered D75-107), set forth in the special message transmitted by the President to the Congress on November 26, 1974, under section 1013 of the Impoundment Control Act of 1974.

Initial Impact of President Ford's Deferral of HUD 701 Planning Assistance

President Ford's deferral of $50 million of $100 million appropriated by Congress for FY 75 would have these immediate impacts.

On December 31, 1974—Grants for 53 agencies expire in the amount of $9,166,000 including: 4 states, 25 areawide, and 24 large cities.

On January 31, 1975—Additional grants will expire for seven additional agencies in the amount of $946,000 including: 1 state, 2 areawides, and 4 cities.

On February 28, 1975—Grants will expire on another five agencies in amount of $349,000 including: 4 areawides, and 1 large city.

In summary, by February 28, 1975, HUD 701 grants will expire for 65 agencies in the amount of $10,461,000. The proposed cut will range from at least 30 percent to as high as 60 percent for some of these agencies, or $3,120,000 to $6,240,000.

This initial and immediate impact underlies the urgency of congressional consideration of the proposed HUD 701 deferral during this session of Congress.

In making this point, it should also be noted that if Congress does not act on the President's deferral by June 30, 1975, over 878 agencies will be affected who received the full FY 74 appropriation of $75 million. The overall impact on all agencies receiving 701 grants by June 30, 1975, will be cuts in their existing funding of at least $25 million.

COMPREHENSIVE PLANNING ASSISTANCE PROGRAM, NET APPROVALS BY TYPE OF AREA ASSISTED, FISCAL YEAR 1974

Region and State	Statewide	LA/CDS	Nonmetro	Metro	Large city	Indians	Disaster	Federal impact	Historic pres.	Total
Region I:										
Connecticut	130,000	223,200	155,550	329,450	237,900					1,076,100
Maine	126,000	35,000	149,000	58,000	41,000	40,000				449,000
Massachusetts	559,100	385,400	70,000	525,000	632,000			50,000	25,000	2,246,500
New Hampshire	85,000	15,000	180,000	50,000	30,000					360,000
Rhode Island	162,600	225,000			38,000					425,600
Vermont	90,000		230,000							320,000
Total	1,152,700	883,600	784,550	962,450	978,900	40,000		50,000	25,000	4,877,200
Region II:										
New Jersey	423,500	543,500		38,000	726,000			30,000	25,000	1,786,000
New York	466,698	1,124,391	130,419	1,592,131	2,029,500	35,000				5,378,13
Puerto Rico	622,708	50,000			115,000			75,000		862,70
Virgin Islands	190,000									190,000
Total	1,702,906	1,717,891	130,419	1,630,131	2,870,500	35,000		105,000	25,000	8,216,84
Region III:										
Delaware	222,925	51,947		59,128	79,000					413,000
District of Columbia				753,000	355,000					1,108,000
Maryland	408,900	387,950	23,800	518,400	233,725					1,572,775
Pennsylvania	235,000	656,576	113,424	1,161,978	1,300,800					3,467,778
Virginia	46,919	60,000	258,981	625,725	556,367			20,000		1,567,992
West Virginia	545,400			163,900	70,700					580,000
Total	1,259,144	1,156,473	396,205	3,282,131	2,595,592			20,000		8,709,545
Region IV:										
Alabama	548,123	244,322	184,997	463,058	134,195		65,000			1,639,695
Florida	659,351	402,796	64,713	1,038,000	657,000	67,800	50,000			2,939,660
Georgia	488,143	520,335	304,522	608,412	252,500		50,000			2,223,912
Kentucky	300,000	323,000	265,000	342,000	254,500		83,129			1,567,629
Mississippi	176,459	277,553	258,573	240,000	19,500	23,600	75,000			1,070,685
North Carolina	496,000	637,000	297,500	541,500	285,000	23,600				2,280,600
South Carolina	385,500	252,500	158,000	219,500	150,500					1,166,000
Tennessee	414,000	394,000	209,000	322,000	229,500		40,000	17,000		1,625,500
Total	3,467,576	3,051,506	1,742,305	3,774,470	1,982,695	115,000	363,129	17,000		14,513,681
Region V:										
Illinois	606,000	500,603	199,326	1,160,000	921,130				25,000	3,412,059
Indiana	310,000	160,000	150,000	382,307	492,600		40,000			1,534,907
Michigan	485,000	300,000	216,000	881,770	686,590	10,000				2,579,360
Minnesota	230,000	160,000	177,674	372,000	262,000	40,000				1,241,674
Ohio	1,000,405	207,000	161,000	1,389,200	686,000		72,000			3,515,605
Wisconsin	265,737	130,500	140,453	480,453	344,185	60,000				1,421,777
Total	2,897,142	1,458,103	1,044,453	4,666,179	3,392,505	110,000	112,000		25,000	13,705,382
Region VI:										
Arkansas	377,200	236,000	173,200	265,182	126,000					1,177,582
Louisiana	456,587	303,700	145,000	354,709	367,604	20,000				1,647,600
New Mexico	346,800	183,500	211,800	159,300	76,400					977,800
Oklahoma	318,900	219,100	182,700	216,400	188,100	52,734				1,177,934
Texas	878,100	692,200	94,800	1,872,600	1,305,300					4,843,000
Total	2,377,587	1,634,500	807,500	2,868,191	2,063,404	72,734				9,823,916

Region and State	Statewide	LA/CDS	Nonmetro	Metro	Large city	Indians	Disaster	Federal impact	Historic pres.	Total
Region VII:										
Iowa	345, 634	100, 551	162, 256	229, 488	171, 725					1, 009, 654
Kansas	242, 500	125, 000	156, 600	130, 750	110, 000	10, 800		90, 000		865, 550
Missouri	374, 442	151, 900	371, 000	762, 152	347, 000					2, 006, 494
Nebraska	169, 249	103, 426	94, 191	445, 500	28, 500	20, 000				860, 866
Total	1, 131, 825	480, 877	783, 947	1, 567, 890	657, 225	30, 800		90, 000		4, 742, 564
Region VIII:										
Colorado	228, 000	285, 000	124, 300	478, 190	353, 680					1, 469, 170
Montana	338, 475	91, 875	59, 650	33, 000	33, 000	160, 000				716, 000
North Dakota	74, 850	90, 703	196, 344	4, 000	15, 732	40, 000				421, 629
South Dakota	126, 923	73, 022	205, 651	50, 000	32, 076	176, 250				663, 922
Utah	264, 800	17, 733	35, 467	143, 883	173, 146					635, 029
Wyoming	52, 011	36, 710	122, 677							211, 398
Total	1, 085, 059	595, 043	744, 089	709, 073	607, 634	376, 250				4, 117, 148
Region IX:										
Arizona	288, 000	135, 000	45, 000	120, 000	170, 000	195, 000				953, 000
California	970, 000	309, 000	175, 000	2, 113, 000	2, 163, 000	150, 000			25, 000	5, 905, 000
Hawaii	270, 000	80, 000			75, 000					425, 000
Nevada	105, 000	85, 000	6, 000	72, 000	45, 000	60, 000				373, 000
Samoa	60, 000									60, 000
New Mexico						123, 824				123, 824
Total	1, 693, 000	609, 000	225, 000	2, 305, 000	2, 453, 000	528, 824			25, 000	7, 839, 824
Region X:										
Alaska	144, 000	55, 250	56, 750	76, 000		80, 000				412, 000
Idaho	266, 000	26, 000	127, 000	60, 000	26, 000	75, 000	29, 000			609, 000
Oregon	318, 400	255, 600	130, 000	332, 000	196, 000	40, 000	21, 620			1, 293, 620
Washington	280, 514	259, 000	20, 000	276, 000	316, 000	132, 500	66, 000	59, 000		1, 409, 014
Total	1, 008, 914	595, 850	333, 750	744, 000	538, 000	527, 500	116, 620	59, 000		3, 723, 634
National total	17, 775, 853	12, 182, 843	6, 993, 218	22, 509, 515	18, 139, 455	1, 636, 108	591, 749	341, 000	100, 000	80, 269, 741

ADDITIONAL STATEMENTS

FEDERAL POWER COMMISSION ACTIONS THREATEN 1975 U.S. FOOD SUPPLY

Mr. TALMADGE. Mr. President, on October 8, 1974, President Ford, in his economic address before the Congress, stated the following with respect to the urgency of maximizing food production in the United States in 1975:

> To halt higher food prices we must produce more food. And I call upon every farmer to produce the full capacity, and I say to you and to the farmers, they've done a magnificent job in the past and we should be eternally grateful. . . . I also assure America's farmers here and now that I will allocate all the fuel and ask authority to allocate all the fertilizer they need to do this essential job.

Mr. President, while these statements and commitments were made by no less than the President of the United States himself, it is now apparent that fulfillment of those commitments made by the President will not be attained unless prompt legislative action is taken to reverse recent actions taken by the Federal Power Commission.

On December 10, 1974, the Federal Power Commission issued an order denying stay of an earlier order it issued denying emergency relief to the Cherokee, Ala., plant of United States Steel's agri-chemical division for natural gas, an essential feedstock in the production of nitrogen fertilizer, which in turn, is absolutely essential to the production of corn, wheat, rice, and other U.S. farm commodities. Without nitrogen fertilizer, production of corn, wheat, and rice during 1975, will be reduced substantially, possibly by as much as 30 percent. And given the fact that existing reserve supplies of corn and wheat at the end of this marketing year are expected to be the lowest they have been in over 20 years, nobody, especially any governmental agency, should be permitted to jeopardize maximum production of these essential food commodities this next crop year.

The action taken on December 10, 1974, by the Federal Power Commission, in refusing to provide emergency supplies of natural gas to the Cherokee, Ala., fertilizer plant, has now reduced that particular nitrogen plant's production output to 35 percent of capacity, or by 10,000 tons a month. A monthly reduction of this amount is equivalent to a loss of almost 17 million bushels of corn production per month.

Farmers throughout both Southeastern and the Midwestern regions of our Nation will be adversely affected by this loss in nitrogen fertilizer production. This Cherokee, Ala., plant supplies nitrogen fertilizer to farmers throughout both regions. Unless action is taken promptly to restore this particular plant to full production, thousands of farmers in Georgia, Alabama, Iowa, Illinois, and the other States of these regions will be faced with even lower supplies of nitrogen fertilizer next spring than they already have been told to expect.

Mr. President, even more disturbing to me about FPC's recent denial of emergency relief to this Alabama fertilizer plant, are policy positions articulated by the Commission in its November 26 and December 10 orders regarding this particular case.

In its November 26 order, the Commission stated:

> In support of its petition, North Alabama (gas district) relies on evidence that ammonia (nitrogen) fertilizer is a socially useful product and is in short supply. While that may well be true, such general, nonspecific evidence is not a proper basis for grant of extraordinary relief to an individual petitioner, particularly where the petitioner has not shown that the curtailed customer (U.S. Steel) has endured or will suffer any unique or unusually severe hardships as a result of curtailment and our refusal to make an extraordinary exception.

Mr. President, the concern that I and others share over the loss of nitrogen fertilizer production at this critical time in our Nation's history, has no relationship whatsoever to "any unique or unusually severe hardships" that might be created for United States Steel as a result of the Commission refusal to provide emergency gas relief to its Alabama fertilizer plant. I think it very safe to conclude that a complete showdown of this particular plant would have no material effect on the financial solvency of United States steel. That is not the issue here: the issue rather is the loss of nitrogen fertilizer supplies—whether supplied by United States steel or anybody else. The availability of nitrogen fertilizer to American farm producers next spring is absolutely essential if they are to produce the amounts of corn, wheat, rice and other food commodities needed by U.S. consumers and others during 1975–76.

And then in its December 10 order, the Federal Power Commission had to say about the importance of fertilizer products relative to other products where natural gas is employed in their production:

> Essentially, North Alabama (gas district) asks that we single out Ag-Chem (U.S. steel's Cherokee nitrogen fertilizer plant) for extraordinary relief to the detriment of TETCO's (Texas Eastern Transmission Company) other customers, based on the social utility of Ag-Chem's end product rather than on Ag-Chem's end use of natural gas. If we grant this request, we then create the possibly insolvable problem of determining where to equitably draw the line when similar requests are made by other segments of the food industry or the producers of other socially useful products.

Mr. President, such a statement by the Commission not only represents a complete 180 degree reversal of the policy pursued by the Commission this last year in granting emergency relief petitions filed by fertilizer producers, but suggests that no preference at all will likely now be given to similar petitions that may be filed by such fertilizer producers during these remaining 1974–75 winter months.

If the Commission continues to pursue such a policy, Mr. President, millions of Americans and people throughout the world that depend upon us for their food supplies, will learn only too quickly next *year how* "socially useful" fertilizer products are—but unfortunately too late to recover the lost food production that will result from reduced fertilizer supplies for 1975 crops.

Mr. President, should anyone think that the curtailment of natural gas for United States Steel's Alabama plant is an exception, I wish to make clear here today that it is not:

Felmont Oil Corp. operates an ammonia—nitrogen—fertilizer plant in Olean, N.Y. This particular plant supplies 61 percent of the nitrogen fertilizer material marketed by Agway, the largest farm supply cooperative now serving the Northeastern States of our Nation. Agway, in turn, supplies over 23 percent of all nitrogen fertilizer purchased by farmers in these Northeastern States.

This particular plant is now operating under threat of natural gas curtailment by its interstate supplier, Columbia Transmission Pipeline Co.

Another plant operated by the Farmer's Chemical Association in Tunis, N.C., has been operating under threat of natural gas curtailment since November 1, 1974. This particular plant supplies over 30 percent of all nitrogenous fertilizer material for four Southern States, including Georgia, and several other States outside the South. And while I learned today that it now appears a settlement has been reached to avoid a natural gas curtailment of this particular plant for the time being, the general threat of curtailment will remain for this plant throughout the winter months based upon the severity of winter temperatures and higher than expected consumption of gas for home heating use. In addition, I have been informed, that FCA now plans to stop construction of a new 1,200-ton-a-day nitrogen plant, due to its inability to secure additional supplies of natural gas needed for its operation.

Mr. President, it is obvious to me that Congress can no longer permit Mr. Nassikas, Chairman of the Federal Power Commission and his fellow Commissioners, to play "natural gas decontrol politics" with our Nation's future food supply. And that is exactly what the Commission is now doing, in my judgment.

While I continue to try to keep an open mind on the question of decontrolling natural gas prices, it is a national policy issue which I believe Congress should be permitted the opportunity to consider separately. The high pressure tactics now being pursued by the Federal Power Commission, and by the administration in concert with the petroleum industry, is not going to bring about a satisfactory resolution of this matter during this Congress, in my judgment.

Rather, I urge the President, his Federal Energy Administration advisers, and the Federal Power Commission to join with me in providing emergency relief to those producers of essential products such as fertilizer and farm chemicals during the balance of this winter season. I am convinced that the so-called priority system articulated by the Federal Power Commission in its order 467 B, is totally inadequate to insure that next year's food production in the United States will not be jeopardized. The Senate of the United States, twice this past year, in its passage of Senate Resolutions 289 and 391 made it abundantly clear, in my judgment, that it considers the production of fertilizer and farm chemicals more "socially desirable" than other products manufactured that depend upon natural gas for their production. In Senate Resolution 391, which the Senate adopted on September 9, 1974, the Federal Power Commission was specifically asked to take immediate steps to provide the highest possible priority in the allocation of natural gas supplies for existing and expanded production of fertilizer, farm chemicals, and other agricultural uses of natural gas.

Now that it is all too apparent that the Federal Power Commission does not intend to carry out the intent and desire of the Senate, I have introduced a bill, S. 4216, which would legislatively mandate such priorities. Twenty-three other Senators have joined with me in cosponsoring this bill.

However, due to lateness in this session of Congress, it now appears that no action can be completed on this measure between now and adjournment. Therefore, I have asked the Senate Commerce and Interior Committees to consider amending S. 3267, the standby Energy Authorities Act to provide a 6-month emergency priority to fertilizer and farm chemical producers so that adequate supplies of these essential farm input products can be assured for use and application in connection with 1975 crop production.

Mr. President, I ask unanimous consent to have printed in the Record a draft of the text of this amendment, which I hope can be enacted into law before Congress adjourns.

There being no objection, the draft amendment was ordered to be printed in the Record, as follows:

Natural Gas for Essential Agricultural Purposes

"Sec. . For a period of six months after the date of enactment of this section, notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall within 5 days of application, grant applications for emergency relief to prevent interruption or curtailment of natural gas used as a raw material feedstock or process fuel, for which there is no substitute except propane, in the production of fertilizer and essential agricultural chemicals in existing plants to the extent required to prevent the impairment of production of fertilizer and essential agricultural chemicals except to the extent that any such amounts are required to maintain natural gas service to existing residential and small commercial users.

WASHINGTON POST CALLS DEFEAT OF HELMS BILL "DISMAYING"

Mr. HELMS. Mr. President, this morning's Washington Post carries an editorial entitled "A Dismaying Defeat for North Carolina," about the killing of the New River bill in the House. As many Senators are aware, this bill, which passed the Senate 49 to 19 after a vigorous debate, has been pigeonholed through parliamentary maneuvering in the House Rules Committee.

While I agree fully that this is a dismaying defeat for North Carolina, I think that a better title would be "A Dismaying Defeat for the Country," since the real losers will ultimately be all of our citizens. While the concerns of the citizens of North Carolina are perhaps more immediate and more pressing, the country will be losing an irreplaceable natural resource, one that has been substantially unchanged for literally millions of years.

I am fully sensitive to the needs for power development in the United States; at the same time a project such as this has to be balanced against the benefits which will be destroyed and the benefits which will be gained. In less than 20 years, this project, if built, will be past its peak of operating efficiency. The historic rights of private property ownership, stretching back nearly 300 years, will be abolished. A great natural resource will disappear for future generations.

All that I can say at this point is that we tried as hard as we could in the Senate. I want to pay special tribute to my distinguished senior colleague from North Carolina (Mr. Ervin), who graciously cosponsored my bill, and then took to the floor with an energetic and sustained argument on its behalf. I also want to compliment the entire North Carolina delegation, and especially Congressman Mizell, who was the chief sponsor of the measure in the House. Their work on this bill was truly dedicated, even though in the end it was frustrated by the maneuvering which is described so well in the Post editorial.

Mr. President, I ask unanimous consent that the Post editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Dismaying Defeat for North Carolina

Last Wednesday afternoon, several members of the North Carolina congressional delegation came before the House Rules Committee to speak on behalf of legislation that would protect the New River. This scenic and unspoiled waterway in northwestern North Carolina is said by geologists to be the world's second oldest river, preceded only by the Nile. The river has been threatened for a number of years by plans of the Appalachian Power Company, a subsidiary of American Electric Power, to build two dams in a $430 million hydroelectric project. Sen. Sam J. Ervin Jr. and Rep. Wilmer Mizell were among those asking the Rules members not to hold up legislation that would permit government officials to study the possibility of the New

River becoming part of the National Wild and Scenic River System.

Such a request appeared reasonable—merely asking Rules to allow the House to vote on a study. To the dismay of the North Carolinians, the committee voted 13 to 2 to "defer action' a term meaning the bill was dead. Once again, the Rules Committee reverted to its obstructionist ways by arbitrarily frustrating the legislative process. In the discussions about the bill nothing was mentioned about procedural matters, presumably the main jurisdiction of the Rules Committee. Instead, the members took it upon themselves to argue the merits of the legislation.

Actually, it was clear that the New River bill was a sound piece of legislation. It had the support of both the Interior Department and the Environmental Protection Agency. It had passed the Senate 49 to 19 and was approved by the House Interior Committee. Most important, the bill had strong support among the 3,000 persons whose farms and homes in the river's valley would be submerged. Several North Carolina newspapers waged editorial campaigns to keep the power company out, but the industry's aggresive lobby was putting pressure on the Rules Committee right into the afternoon of the fatal 13 to 2 vote.

It is no consolidation to the citizens along the New River whose croplands and pastures now appear to be lost to Appalachian Power, but the Rules Committee has a long and bleak record of killing off bills it doesn't like. Before the Rules vote, Assistant Secretary of the Interior Nathaniel P. Reed said the bill was threatened by "old school, outdated backroom monkey business." This was an allusion to the mischief of committee chairman Ray J. Madden (D-Ind.), who was holding the New River bill hostage until the Interior Committee voted out a bill to expand the Indiana Dunes National Lakeshore in Mr. Madden's home state.

The combination of Mr. Madden's intransigence and the lobbying of the power companies proved too much. A chance exists that the river still may be saved by a victory in federal court; the state and two North Carolina counties are challenging the Federal Power Commission on a procedural matter when the FPC issued the license for the dam. Until a decision is made by the courts, it stands that Congress has once again been mocked by a committee of 15 that acts like a government within a government.

GENEVA PROTOCOL

Mr. HUMPHREY. Mr. President, on December 12, the Committee on Foreign Relations took an historic step in voting unanimously to report out the Geneva protocol of 1925. The protocol, although originally proposed by the United States, was once refused by the Senate, then lingered 20 years without action, was returned to the White House and, following its resubmission in 1969, required almost 5 years to reach the floor.

Manifestly, the course of the protocol has not been an easy one. The compromise proposal offered by the administration was difficult to accept. Although we have long wanted the United States to become a party to the protocol, we insisted on finding a way to do this without undermining its broad scope. I believe we have done so.

The issues involved in acting on the protocol were analyzed by the Washington Post in an unusually perceptive and cogent editorial entitled "Against Chemical Warfare." I have an idea that the Post summed up the feeling of many Members when it observed that "to ask for a more perfect treaty is, then, to sign away virtually all chances for any treaty at all."

Mr. President, I ask unanimous consent that the text of the Post editorial be printed in the Record at the conclusion of these remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Dec. 12, 1974]

AGAINST CHEMICAL WARFARE

The administration's new compromise position on riot control agents and herbicides has made it very difficult for the Senate to continue refusing to ratify the Geneva Protocol that comes up in the Foreign Relations Committee today. The Protocol, a treaty first drafted in 1925 in revulsion against the use of poison gases in World War I, failed of American ratification then but was revived a few years ago in reaction to American use of chemicals in Vietnam. In asking the Senate to ratify, however, Mr. Nixon attached an "understanding"—which the committee found unacceptable—that riot control gases and herbicides would be excluded from the treaty ban because they are not "lethal" or "incapacitating." Mr. Ford has now reaffirmed that "understanding"; this was evidently done to keep the Joint Chiefs aboard. But he has renounced "as a matter of national policy" the first use of chemicals in war, with certain exceptions. He has renounced, that is, the *practices* of indiscriminate defoliation and widespread military use of CS (riot control) gas, while asserting that in *principle* no wrong was done in employing them.

Now, a strong case can be made that maintaining the American "understanding" will license other states to make their own unilateral and weakening interpretations of the treaty, and that renouncing chemical usages only "as a matter of national policy" would open the way for later changes of national policy whose effect would be to weaken the treaty. Those are the "worst-case" possibilities that trouble some of the persons most ardently in favor of an unconditional ban. At the same time, the closest students of the politics of the Geneva Protocol believe that the Joint Chiefs agreed to this version of the treaty only on the basis that it would be ratified without change. The Chiefs apparently feel they have gone as far as they can in accepting a change that will be used by some Pentagon critics to stigmatize the military's use of chemicals in Vietnam and to prevent the military from using chemicals in the future. That the Chiefs have the political influence to block the treaty is apparent. To ask for a more perfect treaty is, then, to sign away virtually all chances for any treaty at all and—what may be worse—to weaken the antichemical warfare coalition inside the government in its continuing effort, of which the treaty is only one part, to tighten the controls and shrink the budget of this particular branch of the military.

In addition, one must consider the five specific permitted uses of chemicals, which are identified in the administration's new compromise position—uses which the United States would reserve under the treaty. Applying herbicides to clear vegetation around immediate defensive perimeters is one such usage. The other four involve the use of riot control agents in "defensive military modes to save lives"; in actual riot control circumstances; "in situations where civilian casualties can be reduced or avoided," in rescue missions; and "in rear echelon areas outside the combat zone to protect convoys." Though the list seems a bit long, there need be no particular problem here. It is helpful to identify these specific permitted uses, if only to add balance to a discussion too often dominated by indiscriminate attacks against *any* use of "gas," a horror word. Moreover, by the testimony of international lawyers, virtually all of these special uses would be permitted even under a treaty carrying a categorical ban on the first use of chemicals "in war," a phrase of legal art. These special uses also happen to cover just about all situations in which riot control gases might be used at home.

We understand the principles and risks that give pause to conscientious senators. But we lean (and not without a twinge) toward accepting the compromise the administration has offered the legislature. It seems to us worthwhile to gather the available benefits and to attempt to increase them over a time, rather than to reject the offered deal and tempt either the opposition of the Chiefs or the fatigue of those on the other side of the argument.

Meanwhile, we trust the committee will report out a pending companion treaty, the Biological Warfare Convention. This treaty formalizes Mr. Nixon's earlier unilateral renunciation of germ warfare. Its ratification would enable the United States, at this crucial moment when the treaty needs an international push, to throw its political and moral weight against any contemplation by other states of a loathsome form of war.

TRADE REFORM ACT OF 1974

Mr. HOLLINGS. Mr. President, I have supported cloture in order to insure that the Trade Reform Act does not become this year's "Christmas Tree." However, I have serious reservations about the bill's scope and effect.

First, I do not feel that the bill goes far enough in that it does not remove the present tax incentives that encourage multinational firms to build and expand abroad. While cloture prevents the consideration of such amendments because they are not germane, it is my feeling that the first order of business is the enactment of a sound Trade Reform Act. It was apparent that were cloture not to be invoked, the bill would become burdened with a myriad of unrelated proposals and would likely fall by the weight of those proposals. However, the present tax treatment of multinational corporations is improper. It is incumbent upon the new Congress to move quickly and decisively to change those tax provisions which encourage American businesses to move abroad and to keep their profits abroad.

My second concern relates to the present contents of this bill and can be addressed even though cloture has been invoked. In the fact of unemployment which is likely to exceed 6.5 percent the present provisions of this bill will work to accelerate the exportation of American jobs. Lookings at our employment picture today, there are 333,000 fewer manufacturing production jobs than there were 1 year ago, 199,000 fewer construction jobs, and 12,000 fewer transportation and public utilities jobs. This bill in its present form increases the incentives which encourage American firms to expand abroad to take advantage of cheap labor in the developing countries knowing their products can return to the United States at little or no extra cost.

Why should we allow the coffers of the multinational corporations to be enriched at the expense of our citizens' jobs? I am told that when there was a move in the committee to delete those provisions from title V of the bill, overnight the committee was flooded with telegrams from over 70 developing nations protesting such a deletion. I wonder how developing countries from around the world learned so quickly of the committee's deliberations.

The bill's response to the argument of job exportation is "adjustment assistance" which is just a form of unemployment compensation for workers and their firms. American workers do not want welfare, they want jobs. American business does not want loan guarantees, it wants a stable domestic economy in which to function.

The bill in its present form does not adequately protect American jobs and technology. Certainly, I seek to improve our international trading position, but we must do so in a way that also builds a healthy domestic economy. I am hopeful that during our consideration of this bill we can modify it so as to protect our vital industries, provide to our workers a fair chance to compete and still meet our international trade objectives.

ENACTMENT OF THE TRADE REFORM ACT IN THE 93D CONGRESS

Mr. JAVITS. Mr. President, the United States and most other nations today face their most serious economic challenge of the postwar period. Problems of energy, food, inflation, and recession pose unprecedented threats to employment and incomes, jeopardize international economic cooperation, and threaten to weaken political and security relationships. Unless we approach these problems constructively, and in conjunction with our principal trading partners, we and the world may soon face a crisis of major proportions.

These times call for positive and constructive American leadership. As the President of the United States stated on December 3, the United States cannot afford to drift in a sea of uncertainty when its highest economic interests call for decisive action. We cannot delay or do nothing when each passing week and month causes further stress on our economy and the global economy. We cannot claim leadership of the free world if we do not influence—with practical policies, conviction, and a sense of purpose—greater economic cooperation.

We must act to restore healthy growth to our economy. We must also play an active role in restoring health to the international economy. Although the United States is economically stronger and more self-sufficient than most countries, we must be under no illusion that we can go it alone. A deteriorating international situation would adversely affect the many millions of Americans whose jobs depend on exports or imports. It would be harmful to our political and security interests. And it would bring untold hardships to our friends and allies.

The importance of trade in our history goes back as far as the Boston Tea Party. While this famous historical event is best remembered for establishing the principle of no taxation without representation—it was also a trade matter. Disputes over trade and tariffs remained as key political issues throughout the early independence period and as we moved into the 19th century. It is often forgotten that the North-South conflict over tariffs, with the industrialized North favoring high protective tariffs on manufactures and the South low duties on manufacturing items, was an important contributing factor increasing tensions before the outbreak of the Civil War.

Following this tragic war, trade and tariff again remained as a key political issue and Presidential positions on trade matters influenced many and even decided a few elections. In the early 20th century, the passage of the restrictive Payne-Aldrich tariff which was signed into law by President Taft, even led to a split in the Republican Party and the formation of the Progressive Party in 1912—factors which led to Woodrow Wilson's sweeping victory. President Wilson quickly secured the passage of legislation revising our highly restrictive tariff structure and in his second term harassment of our shipping contributed to the American entrance into the First World War.

The next major signpost in our trade history occurred in 1922 when the Congress, reacting to some unfavorable economic conditions at home, passed restrictive tariff legislation. The error in passing this restrictive tariff act was compounded by the passage of the infamous Smoot-Hawley tariff in 1930. This bill passed the House in May 1929, and Senate consideration of the bill was well underway when the stock market crashed in October. The arguments which carried the day, and we hear echoes of these arguments even today, was that higher tariffs, by keeping out foreign goods, would create more jobs for workers and bigger profits for industry. The warning of other countries that they would retaliate went unheeded and as they retaliated international trade, production, and employment sharply declined. These factors deepened and prolonged the great depression of the 1930's. Between 1929 and 1933, the value of U.S. exports fell by almost 70 percent and the U.S. share of world exports fell from 16 percent in 1929 to 11 in 1933 and unemployment approached the 16 million mark.

To conclude this necessarily brief historical summary—the modern era of our trade relations began with Cordell Hull's reciprocal trade agreements program which resulted from the passage of the trade relations began with Cordell Hull's of these policies in this act carry over until the present day. Generally, these bipartisan outward-looking trade and tariff programs contributed to the enormous growth and prosperity of our Nation and of the international economic system over the past 40 years. The passage of the trade bill yesterday will allow the United States to build on this foundation and equip us with the tools with which to reform the structure and to meet the new trade problems and challenges of today.

We need to establish a framework now within which we can seek mutually beneficial solutions which take into account the changes which have taken place and the probability that new developments will occur at a rapid rate.

Without these negotiations, it is my feeling that the world could take a step toward possibly destructive bilateral economic relations and increasing bilateral disputes. Such disputes probably would not be limited to nations, but would extend to defensive regional blocs. There is growing evidence that beggar-thy-neighbor policies are already increasingly attractive.

On the other hand, multilateral trade negotiations which will commence upon passage of the Trade Reform Act would establish an ongoing forum allowing for give-and-take negotiations on the key trade disputes between nations.

The trade negotiations in turn would tie into the tremendous range of issues being negotiated in different forums. There is an interdependence in all these negotiations and negotiations leading to an improved system to manage trade will play an important part in the overall movement away from confrontation and toward an era of negotiation.

Let me turn now from the historical perspective and treat two major themes. The first theme is the importance of trade to our domestic economy and to American jobs. The second theme is the importance of trade to our foreign policy.

In 1973, the last full year in which figures are available, U.S. exports and imports accounted for $140 billion. In the first 9 months of this year, our two-way trade reached $144 billion with imports running $3 billion ahead of exports. This flow of goods is of enormous importance to our economy. This reemerging trade deficit has received much attention—and it is a matter of concern—but press analysis has seldom gone into the composition of our imports. Of every $500 worth of imports approximately $200 are natural resources or products of natural resources which are in limited supply in the United States. Included in this group would be petroleum, minerals, metal ores, forestry products such as lumber and wood pulp and fertilizers. If coffee, sugar, and cocoa are added to the list of natural resource-based imports, our total imports of such products would be $29 billion in the first 9 months of 1974 out of total imports of $73 billion. These imports then are products necessary for the functioning of our economy and without them our economy and our diet would be poorer. Our economy presently cannot run without substantial amounts of imported petroleum and imports of petroleum and petroleum products totaled some $17 billion in the first 9 months of this year. The unacceptable high price of these petroleum imports are causing our economy and the world economy serious problems—but our only short-term alternative is to reduce consumption. Self-sufficiency is a long way down the road.

Imports of other manufactured products also serve as a brake on inflationary pressures and expand the choices available to consumer.

Turning to our exports, let me point out that our trade balance in technologically intensive goods grew from $10.6 billion in all of 1973 to $13.2 billion in the first 9 months of this year. There are jobs in these statistics and jobs are involved in all our export activities. As we consider trade legislation then, let us reflect on job creation as well as upon the well-publicized job losses due to imports. In my judgment, the balance in terms of jobs is highly favorable. But consideration must be given to those who are adversely affected by trade. The Trade Reform Act makes provision for a meaningful adjustment assistance program, as well as provide for the authority to impose duties and quotas on imports that are injuring domestic industries. I have consistently advocated adequate adjustment assistance programs and concur with the complaint of organized labor that the adjustment assistance programs of the Trade Expansion Act of 1962 often provided only burial insurance 6 years after the funeral. Also, much greater responsibility to their employees should be taken by companies shifting production abroad than they assume now.

A second major reason for the trade bill is its relationship to the intricate web of political, security, and economic ties binding the nations of the world together.

Solutions to major economic problems and the building of cooperation and détente will be furthered by trade negotiations. The various aspects of our foreign policy are as interdependent as the world they address. The very important progress toward a sharing of international responsibility for the well-being of the world economy and for maintenance of a stable peace will be enhanced if the United States participates constructively in multilateral trade negotiations and takes advantage of authority in the bill to deal with special interests relating to developing and Communist countries.

Our relations with Europe, Canada, and Japan—whose cooperation is necessary to deal with major problems of food and energy, to build an improved international monetary system, and to maintain a strong system of security—will benefit from negotiations to resolve present trade issues and to find new ways of resolving those which will inevitably arise from time to time. And American labor, business, and consumers will benefit from the expanded trade which will result. Relations with developing countries, on which we are increasingly reliant for raw materials and other commodities, will be enhanced if we meet our commitment to provide generalized tariff preferences and avoid encumbering them with highly objectionable restrictions; and our economy will gain from the contribution which preferences can make to the prosperity and market growth of these nations. Our policy of détente will be furthered—and with prospects for cooperation in troubled areas of the world—if we have the necessary authority to negotiate most-favored-nation arrangements; and we will benefit from the potential trade opportunities which will accrue from improved economic ties with Communist countries.

Many nations have worked hard over the past 2 years to bring about multilateral trade negotiations. In large part, this was in response to a strong American desire for an improved international trading system, a desire voiced by both the executive branch and the Congress. The prospects now look good but we should still remember that failure finally to enact the trade bill would be seen as a major reversal of the earlier American desire to cooperate internationally, and as evidence of lack of American credibility. Faced with this reversal, other countries would be less able to hold off protectionist pressures. The argument that countries should forego unilateral actions because multilateral solutions could be achieved in trade negotiations would no longer carry much weight. The consequences for the international trading system and for our economy would be tragic. Trade conflicts would add a further destabilizing force in a world already suffering from the profound impact of other serious economic ills. And the spillover to political and security arrangements would further worsen the situation.

We, among all nations, have the ability to play a constructive leadership role. If this trade bill—on which so much effort has been spent—fails by any chance to become law, we will have lost an opportunity which we are unlikely to have again in the near future. A chance for major world economic progress will have passed us by. A chance to do what is necessary—to improve the international trade system—will have been lost. The world will suffer. We will suffer.

Finally, I am particularly gratified that together with Senator JACKSON and Senator RIBICOFF, we have successfully proved that trade concessions to the Soviet Union can be equated with the human rights issue of Soviet emigration policies. We have achieved a historically significant advance in this regard.

SENATOR MOSS' LETTER TO PRESIDENT FORD

Mr. HUMPHREY. Mr. President, several days ago 71 Members of this body wrote to the President expressing our views on the clear and present danger the PLO presents to American efforts to negotiate a lasting peace in the Middle East. The signators of the letter also expressed their firm support for the continuation of strong American efforts to aid the State of Israel.

My friend and colleague from Utah (Mr. MOSS) recently wrote the President expressing his strong commitment to Israel and his fundamental agreement with the statement of his colleagues concerning our condemnation of UNESCO's decision to withhold assistance to Israel.

I believe that Senator Moss' letter deserves the attention of his Senate colleagues as an excellent statement of views which certainly are shared by a majority of Members of Congress and the American people.

Mr. President, I ask unanimous consent that Senator Moss' letter to President Ford be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 12, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Recent procedure in the United Nations General Assembly prompts me to again confirm my commitment to the right of Israel to remain a separate and independent State. The General Assembly's vote to limit the right of Israel to reply in debate to the Palestine Liberation Organization is a deplorable departure from the underlying policy and intent of the United Nations. Unless a complete hearing of all sides of the issue is allowed we can only anticipate a final resolution on the battlefield.

Additionally, I agree with the statement of my Senate colleagues, that "the decision by UNESCO to withhold assistance to Israel is a shameful example of the transformation of that international humanitarian organization into a political weapon." I urge you to reaffirm the commitment of this Nation to the principles upon which the United Nations was founded, and to assert the United States' position in the General Assembly when that body departs from those principles.

The events in the General Assembly and at the Rabat conference emphasize the need for this Nation to initiate greater effort to bring peace to the Middle East through negotiation. We must not falter in our total commitment to the continuing existence of Israel. However, we cannot let that commitment cloud our vision; we must remain fully cognizant of all of the disputes and exert every effort to aid in their peaceful settlement.

In following the course of negotiation we should never become subject to threats of physical terrorism or economic retaliation. This Nation must reiterate its refusal to recognize those who employ or espouse such tactics. I urge you to reaffirm our continued support of Israel against any aggressor who would rely on such activities or reprisals as a means to their end.

I also urge you to take immediate steps to initiate and extend a united effort by this Nation and its allies to aid in re-establishing negotiations to bring a peaceful settlement to the Middle East, and especially to resolve the Palestinian question. A lack of urgency on the part of the World Community to find a solution to the Palestinian refugee problem has persisted for 25 years. Failure to make progress enabled Arafat to arise and, stunningly, to gain Arab sanction at Rabat to represent the Palestinians. This was a great setback. Israel and all nations must press on for a solution. To temporize or stall longer will lead to further deterioration of the situation. Your efforts toward this purpose will be in the best interests of this Nation and the World Community.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

CRITICAL TIME FOR THE UNITED NATIONS

Mr. HUMPHREY. Mr. President, the gravest problems we face today are international problems. Inflation is an international problem. The shortage of food and the high cost of fuel are international problems. Ever-increasing defense expenditures are a world problem. The need to protect our fragile environment is a world problem. We need a strong and effective United Nations to deal with these problems.

Yet, at this critical time the United Nations has been seriously weakened by a series of actions taken by the 29th General Assembly. As Ambassador Scali pointed out on December 6 in his speech before the General Assembly, the U.N.'s greatest strength has always lain in its bridging the difference between states. To be at all effective, the United Nations must always be a conciliatory body, a place where nations can negotiate settlements of their differences.

Yet on several key issues over the past months, the U.N. General Assembly has become instead an arena for confrontation. It has taken sides on international disputes rather than seeking to negotiate settlements. To the winners by majority vote have gone the few diplomatic "spoils" the General Assembly has to confer: Yasir Arafat was welcomed with the protocol reserved for heads of member states; the Palestinian Liberation Organization was granted permanent observer status; and the right of the Palestinians to independence "in Palestine" was recognized. Israel, on the other hand, lost by majority vote $24,000 in aid from UNESCO.

But the real loser has been the United Nations. For the General Assembly can do little to enforce its resolutions, especially if they violate the interests of a significant minority. It is an advisory body to sovereign nations—and its power goes only so far as its ability to work out agreements with which member states will willingly comply. By taking sides in an international conflict, the General Assembly loses much of its leverage over the parties involved, and loses much of its credibility and support among other countries as well.

This country has always been a supporter of majority rule—but never of majority rule without minority rights. Unfortunately, in this General Assembly the minorities have lost their right to speak. South Africa has been suspended from the session. Israel's right to speak during the Middle East debate was curtailed. As a December 13 editorial in the New York Times pointed out, the United States shares some of the blame for this "tyranny of the majority." When the United States controlled the Assembly's majority in the 1950's, we used our power to push through resolutions against the Soviet Union and to keep the People's Republic of China out of the United Nations. We must now recognize that these were mistakes if we are to be heard in our arguments that the United Nations must be inclusive rather than exclusive. We must demonstrate in our actions the strength of our commitment to an effective United Nations. We cannot simply condemn the resolutions that are passed. We must propose sound alternatives that reflect our conviction that the United Nations should be a conciliatory body.

The actions of the 29th General Assembly—the suspension of South Africa, the curtailment of Israel's right to speak, the support for the PLO's claims—violated the rules by which the United Nations must function and the spirit of the United Nations Charter itself. Both the major powers and the smaller countries must now recognize that these actions have weakened the United Nations—and that a strong U.N. is in everyone's interest.

Mr. President, I ask unanimous consent that Ambassador Scali's December 6 speech before the General Assembly and the New York Times editorial of December 13, "Erosion of the U.N.," be printed in the RECOORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 13, 1974]

EROSION OF THE U.N.

The twenty-ninth United Nations General Assembly will wind up a tumultous session next week with several "firsts"—all of them damaging for the organization and probably for the cause of international peace and security as well.

There is nothing new in the spectacle of one-sided resolutions rammed through by the automatic Afro-Asian-Arab majority with hypocritical help from the Communist regimes—though at this session these resolutions may have been more numerous and more irrelevant than usual. What was alarmingly new about Assembly No. 29 was the zest with which the majority, aided by the most capricious presiding officer in its history, disregarded the rules by which any such body must function and violated the spirit, if not always precisely the letter, of the United Nations Charter in a vain effort to work its will.

Thus, after they had been blocked by American, British and French vetoes in the Security Council in their drive to expel South Africa, the militant African states simply had Assembly President Abdelaziz Bouteflika of Algeria decree South Africa's suspension from this session—and mustered their usual majority to back his ruling. This circumvention clearly violated the intent of Article 5 of the U.N. Charter to leave the ultimate suspension power with the Security Council.

The African trade-off for Arab votes against South Africa helped deliver the majorities that produced the other dubious "firsts" of this Assembly; the welcome for Yasir Arafat with the protocol reserved for heads of member states, the granting of permanent U.N. observer status to his Palestine Liberation Organization, the recognition of the right of the Palestinians to independence and sovereignty "in Palestine," meaning in Israel, and the curb on Israel's right to speak during the Middle East debate.

The United Nations Educational, Scientific and Cultural Organization, usually immune from political influences, was also affected. A majority of UNESCO's general conference in Paris last month condemned Israel for "altering the historical features of Jerusalem," cut off a modest $24,000 in aid—far less than Israel contributes—and excluded Israel from UNESCO's European grouping without admitting her to any other region.

In major Assembly addresses, American Ambassador John A. Scali and colleagues from Britain, France, West Germany, Italy, Belgium, Denmark and even neutral Sweden have warned that passage of unrealistic, one-sided resolutions which cannot be carried out serves only to undermine the credibility of the United Nations and to erode the already-precarious financial support for its operations. Credibility is also damaged when the General Assembly's Legal Committee, under Arab pressures, blithely decides to postpone for another year any consideration of proposals for United Nations action against international terrorism, an abomination from which not one of the 138 member states is immune.

The angry responses by some third world delegates to Mr. Scali's warnings of erosion of support for the U.N. by the American people do contain some truth. When the United States controlled the Assembly's majority in the 1950's, it often rammed through unrealistic resolutions designed to keep the Soviet Union in the dock. The United States also proposed the Uniting for Peace resolution of 1950, aimed at by-passing a Security Council that was often blocked by Soviet vetoes. Washington was also a late convert to the idea of universal U.N. membership, as illustrated by its long fight to exclude the People's Republic of China.

Admittedly, Ambassador Scali's "tyranny of the majority" analysis in the present Assembly would have been more effective if he had conceded that American-led majorities in the very different Assembly of twenty years ago also served at times to discredit the U.N. But no past American high-handedness can excuse the illegal suspension of a founding member, the recognition bestowed on a terrorist group pledged to the destruction of a member or the limitation on Israel's right to defend itself in Assembly debate.

It ought to be a prime objective of those whose security depends—whose very survival might one day depend—on the United Nations to avoid emulating past examples of misbehavior that could only enfeeble the organization. For it is the smaller, poorer, weaker states that provide the bulk of that automatic Assembly majority and it is precisely these states that need a healthy, functioning, relevant United Nations most of all.

These states especially should try to look beyond the intoxication of their irrelevant "victories" in Assembly ballots to the larger, more compelling issue. That issue is nothing less than the survival of the United Nations.

[From the New York Times, Dec. 7, 1974]

THE TEXT OF THE ADDRESS BY SCALI BEFORE THE UNITED NATIONS GENERAL ASSEMBLY

UNITED NATIONS, N.Y., December 6.—Following is the text of the speech by John A. Scali, the United States representative, to the General Assembly today:

Last year the United States delegation sought to call attention to a trend which we believed threatened the United Nations' potential as an instrument for international cooperation. We were deeply concerned then over the growing tendency of this organization to adopt one-sided, unrealistic resolutions that cannot be implemented.

Today, more than a year later, my delegation feels that we must return to this subject because this trend has not only continued, but accelerated. Added to this, there is now a new threat—an arbitrary disregard of United Nations rules, even of its Charter. What my delegation spoke of 12 months ago as a potential threat to this organization unhappily has become today a clear and present danger.

The United States Government has already made clear from this rostrum its concern over a number of Assembly decisions taken during the Sixth Special Session last spring, and during the current session. These decisions have dealt with some of the most important, the most controversial, and the most vexing issues of our day: the global economic crisis, the turmoil in the Middle East, and the injustice in Southern Africa. I will not today discuss again our main concerns with each of these decision. Rather, I wish to take this opportunity to discuss the more general question of how self-centered actions endanger the future of this organization.

The United Nations, and this Assembly in particular, can walk one of two paths. The Assembly can seek to represent the views of the numerical majority of the day, or it can try to act as a spokesman of a more general global opinion. To do the first is easy. To do the second is infinitely more difficult. But, if we look ahead, it is infinitely more useful.

There is certainly nothing wrong with like-minded groups of nations giving voice to the views they hold in common. However, organizations other than the United Nations exist for that purpose. Thus, there are organizations of African states, of Asian states, of Arab states, of European states, and of American states. There are groups of industrialized nations, of developing nations, of Western and Eastern nations, and of non-aligned nations. Each of the organizations exists to promote the views of its membership.

A DISTINCTION IS MADE

The United Nations, however, exists not to serve one or more of these special interest groups while remaining insensitive to the others. The challenge of the United Nations is to meld and reflect the views of all of them. The only victories with meaning are those which are victories for us all.

The General Assembly fulfills its true function when it reconciles opposing views and seeks to bridge the differences among its member states. The most meaningful test of whether the Assembly has succeeded in this task is not whether a majority can be mobilized behind any single draft resolution, but whether those states whose cooperation is vital to implement a decision will support it in fact. A better world can only be constructed on negotiation and compromise, not on confrontation which inevitably sows the seeds of new conflicts. In the words of our Charter, the United Nations is "to be a center for harmonizing the actions of nations in the attainment of these common ends."

No observer should be misled by the coincidental similarities between the General Assembly and a legislature. A legislature passes laws. The General Assembly passes resolutions, which are in most cases advisory in nature. The resolutions are sometimes adopted by Assembly majorities which represent only a small fraction of the people of the world, its wealth, or its territory. Sometimes they brutally disregard the sensitivity of the minority.

Because the General Assembly is an advisory body on matters of world policy, the pursuit of mathematical majorities can be a particularly sterile form of international activity. Sovereign nations, and the other international organs which the Assembly advises through its resolutions, sometimes accept and sometimes reject that advice. Often they do not ask how many nations voted for a resolution, but who those nations were, what they represented, and what they advocated.

Members of the United Nations are endowed with sovereign equality. That is, they are equally entitled to their independence, to their rights under the Charter. They are not equal in size, in population, or in wealth. They have different capabilities, and, therefore, different responsibilities, as the Charter makes clear.

Similarly, because the majority can directly affect only the internal administration of this organization, it is the United Nations itself which suffers most when a majority, in pursuit of an objective it believes overriding, forgets that responsibility must bear a reasonable relationship to capability and to authority.

Each time this Assembly adopts a resolution which it knows will not be implemented, it damages the credibility of the United Nations. Each time that this Assembly makes a decision which a significant minority of members regard as unfair or one-sided, it further erodes vital support for the United Nations among that minority. But the minority which is so often offended may in fact be a practical majority, in terms of its capacity to support this organization and implement its decisions.

OTHER NEGATIVE EFFECTS CITED

Unenforceable, one-sided resolutions destroy the authority of the United Nations. Far more serious, however, they encourage disrespect for the Charter, and for the traditions of our organization.

No organization can function without an agreed-upon framework of rules and regulations. This framework for this organization was built in the light of painful lessons learned from the disastrous failure of its predecessor, the League of Nations. Thus, the United Nations Charter was designed to insure that the important decisions of this organization reflected real power relationships, and that decisions, once adopted, could be enforced.

One of the principal aims of the United Nations, expressed in the Preamble of its Charter, is "to practice tolerance and live together in peace with one another as good neighbors." The promise the American people and the peoples of the other founding nations made to each other—not as a matter of law, but as a matter of solemn moral and political obligation—was to live up to the Charter and the duly made rules unless or until they were modified in an orderly, constitutional manner.

The function of all parliaments is to provide expression to the majority will. Yet, when the rule of the majority becomes the tyranny of the majority, the minority will cease to respect or obey it, and the parliament will cease to function. Every majority must recognize that its authority does not extend beyond the point, where the minority becomes so outraged that it is no longer willing to maintain the convenant which binds them.

My countrymen have made a great investment in this world organization over the years—as host country, as the leading financial contributor, and as a conscientious participant in its debates and negotiations and operational programs. Americans have loyally continued these efforts in a spirit of good faith and tolerance, knowing that there would be words spoken which we did not always like and resolutions adopted which we could not always support.

As the 29th General Assembly draws to a close, however, many Americans are questioning their belief in the United Nations. They are deeply disturbed.

During this 29th General Assembly, resolutions have been passed which uncritically endorse the most for-reaching claims of one side in dangerous international disputes. With this has come a sharply increased tendency in this Assembly to disregard its normal procedures to benefit the side which enjoys the favor of the majority, and to silence, and even exclude, the representatives of member states whose policies the majority condemns. In the wake of some of the examples of this Assembly, the General Conference of UNESCO has strayed down the same path with the predictable consequences of adverse reaction against the United Nations. Innocent bystanders such as UNICEF already have been affected.

"PAPER TRIUMPHS" DEPLORED

We are all aware that true compromise is difficult and time-consuming, while bloc voting is fast and easy. But real progress on contentious issues must be earned. Paper triumphs are, in the end, expensive even for the victors. The cost is borne, first of all, by the United Nations as an institution, and, in the end, by all of us. Our achievements cannot be measured in paper.

A strong and vital United Nations is important to every member state, and actions which weaken it weaken us all, particularly the smaller and the developing nations. Their security is particularly dependent on a collective response to aggression. Their prosperity particularly depends on access to an open and expanding international economy. Their ability to project their influence in the world is particularly enhanced by membership in international bodies such as the United Nations.

In calling attention to the dangerous trends, I wish also to call attention to the successes of the United Nations during the last year.

United Nations members overcame many differences at the World Population Conference and the World Food Conference. There was also progress at the Law of the Sea Conference. There was agreement on programs encouraging states to maintain a population which they can feed, and feed the population which they maintain. As a result of these United Nations conferences, the world community has at last begun to grapple with the two fundamental issues which are central to any meaningful attempt to provide a better life for most of mankind.

In the Middle East a unique combination of multilateral and bilateral diplomacy has succeeded in halting last year's war and in separating the combatants. With goodwill and cooperation, the Security Council has renewed the mandate for the peace forces, allowing time for a step-by-step negotiating process to bear fruit. My Government believes that this negotiating process continues to hold the best hope in more than a quarter of a century for a just and lasting peace in that area.

GAINS ON CYPRUS NOTED

On Cyprus, the Security Council, the Assembly and our Secretary General have all contributed to progress toward peace and reconciliation. Much remains to be done, but movement toward peace has been encouraged.

Perhaps the United Nations' most overlooked success of the past year resulted from the mission of the Secretary General's representative, Mr. Weckmann-Munos. This effort, which was undertaken at the request of the Security Council, succeeded in mediating a particularly dangerous border dispute between Iran and Iraq. This example of how to prevent small conflict from blowing up into a much bigger war must rank among the United Nations' finest, if least heralded, achievements.

Thus, despite the disturbing trend toward the sterile pursuit of empty majorities, recent United Nations achievements demonstrate that this organization can still operate in the real world in the interests of all its members. Unfortunately, failure and controversy are threatening to overshadow the record of successes. Its lapses are long remembered and remain a source of lasting grievance for those who feel wronged.

Before concluding my remarks, I would like to say a few words, not as the United States representative to this organization, but as an American who has believed deeply in the United Nations since 1945 when, as a young reporter just returned from the war, I observed the birth of this organization.

I must tell you that recent decisions of this Assembly, and of other United Nations bodies, have deeply affected public opinion in my country. The American people are deeply disturbed by decisions to exclude member states, and to restrict their participation in discussions of matters of vital concern to them. They are concerned by moves to convert humanitarian and cultural programs into tools of political reprisal. Neither the American public nor the American Congress believe that such actions can be reconciled with the spirit or letter of the United Nations Charter. They do not believe that these decisions are in accord with the purposes for which this organization was founded. They believe the United Nations, in its forums, must show the same understanding, fair play and responsibility which its resolutions ask of individual members.

My country cannot participate effectively in the United Nations without the support of the American people, and of the American Congress. For years they have provided that support generously. But I must tell you honestly that this support is eroding—in our Congress and among our people. Some of the foremost American champions of this organization are deeply distressed at the trend of recent events.

A majority of our Congress and our people are still committed to achieving peaceful solutions to the issues which confront this organization, in the Middle East, in South Africa, and elsewhere. They are still committed to building a more just world economic order. But the trends and decisions of the past few months are causing many to reflect and reassess what our role should be.

IRRELEVANCY WARNED OF

I have not come to the General Assembly today to suggest that the American people are going to turn away from the United Nations. I believe that World War II taught Americans the tragic cost of standing aside from an organized international effort to bring international law and justice to bear on world problems. But, like every nation, we must from time to time reassess our priorities, review our commitments, and redirect our energies. In the months ahead, I will do all in my power to persuade my countrymen that the United Nations can return to the path the Charter has laid out and that it can continue to serve the interests of all of its members.

If the United Nations ceases to work for the benefit of all of its members, it will become increasingly irrelevant. It will fade into the shadow world of rhetoric, abandoning its important role in the real world of negotiation and compromise.

We must join to prevent this. The reasons for which this world organization was founded remain as valid and as compelling today as they were in 1945. If anything, there is added reason: the specters of nuclear holocaust, world depression, mass famine, over-population and a permanently ravaged environment.

If we are to succeed, we must now renew our commitment to the central principles of tolerance and harmony upon which the United Nations Charter was built. We must redouble our efforts to use this organization as the world's ultimate instrument for compromise and negotiation.

I pledge my nation to these efforts.

MEDICARE CUTBACKS AND THE UNIFIED BUDGET

Mr. CHURCH. Mr. President, our double digit inflation during the past year demands immediate attention in the highest councils of Government.

And to my way of thinking, Federal spending must be reduced sharply. But at the same time, the budget knife must be applied prudently and sensibly.

For this reason, I was shocked by administration plans, once again, to thrust the aged and disabled into the front ranks as inflation fighters.

The revised budget, which was recently submitted to the Congress, proposes to saddle older and disabled Americans with new and burdensome medical costs in the name of fighting inflation for the rest of us.

The new proposals are euphemistically called "medicare cost-sharing" provisions. But these measures would add nearly $425 million to the medical and hospital bills of the elderly and disabled during fiscal year 1975.

I was disturbed also because these proposals reveal a willingness to play fast and loose with the concept of contributory social insurance—our social security system.

What does this proposal amount to? It amounts to a major reduction in the protection furnished people under the contributory hospital insurance program but no decrease in the contributions to be paid for the protection. Thus, the "savings" can be used to give the appearance of a reduction in the budget deficit.

At best, this is a serious misunderstanding of the nature of contributory social insurance. At worst, it is dishonest.

If protection under the hospital insurance program were to be reduced—a proposition I strongly oppose—it would be only fair to reduce the contributions for the protection.

Therefore, this is solely a maneuver to present a better general budget picture than in fact exists. What would happen if this proposal were to be adopted is that the excess collections from hospital insurance—excess because of the reduction in the protection furnished—would be borrowed by the Treasury for general purposes and bonds in a like amount issued to the hospital insurance trust fund. This is no way to "balance the budget."

There is no deficit in hospital insurance financing. In fact, the program is overfinanced for many, many years into the future.

THE ADMINISTRATION PROPOSAL

Under present law, a medicare beneficiary pays an $84 deductible when admitted to a hospital and then pays nothing else until the 61st day.

But the administration plan would change this drastically.

First, it would add a coinsurance payment equal to 10 percent of charges above $84. Assume that an older American was hospitalized for 30 days at a $100 a day—for a total hospital bill of $3,000. If the administration's proposal became law, the medicare beneficiary would pay $375.60 under this example, compared with $84 under present law.

Second, the administration proposal would increase the annual deductible for the part B supplementary medical insurance program from $60 to $67, effective this coming January. Thereafter, the deductible would rise proportionately with social security percentage increases. The effect of this measure would be to partly offset social security cost-of-living increases on into the future.

The administration does have one good proposal in its recommendations on medicare. They propose to set a ceiling on the amount paid by a medicare patient—$750 for a spell of illness under the hospital insurance program and $750 per calendar year under part B. But these amounts would also rise in proportion to the percentage increases in social security benefits.

The net impact is that social security beneficiaries would suffer a reduction in purchasing power to cover their other needs.

PROTECTING THE SOCIAL SECURITY PROGRAM—S. 3143

This recent proposal by the administration underscores the importance of separating the transactions of the social security and medicare programs from the unified budget. It is because the separately financed programs of social security and hospital insurance are lumped in with other Government operations that the administration is tempted to make these unsound proposals and to deliberately create surpluses in the hospital insurance program as a way of appearing to balance the overall budget. This should be stopped.

Until the fiscal year 1969 budget, the financial transactions of the social security system were—except for purposes of economic analysis—kept entirely separate from the general revenue income and expenditures. This is the way it should be.

Mr. President, I am pleased that there are already 50 Senators sponsoring my proposal—the Social Security Administration Act, S. 3143—to separate the transactions of the social security trust funds from the unified budget.

Additionally, this bill would reestablish the Social Security Administration as an autonomous agency outside the Department of Health, Education, and Welfare. This new agency would be under the direction of a three-member governing board appointed by the President with the advice and consent of the Senate.

An independent agency, I strongly believe, would help to emphasize the essential difference between contributory social insurance programs and other operations of the Government.

Social security and the hospital insurance program are self-financed programs, paid for by workers and their employers, and the self-employed. Benefits are based upon past earnings and contributions, and they constitute a special commitment by the Federal Government—a compact with the contributors. The Federal Government stands in the position of a trustee for those who have built up rights under social security and medicare and has no business considering reductions in the protection which people have been promised. If the differences between the contributory social security program and the general programs of Government are not carefully maintained, we run the risk of great disillusionment on the part of the 100 million contributors to the social security and medicare programs. It is high time that the administration stop playing politics with the social security and medicare trust funds.

Mr. President, I ask unanimous consent that a listing of the cosponsors of S. 3143 be printed in the Record. With such strong support, I am hopeful that this measure can soon be enacted into law.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SPONSORS OF S. 3143

Mr. Church, Mr. Allen, Mr. Gravel, Mr. Tunney, Mr. Haskell, Mr. Ribicoff, Mr. Biden, Mr. Chiles, Mr. Gurney, Mr. Inouye.

Mr. Stevenson, Mr. Hartke, Mr. Bayh, Mr. Clark, Mr. Huddleston, Mr. Mathias, Mr. Kennedy, Mr. Brooke, Mr. Hart, Mr. Mondale.

Mr. Humphrey, Mr. Eastland, Mr. Eagleton, Mr. Metcalf, Mr. Bible, Mr. Cannon, Mr. McIntyre, Mr. Williams, Mr. Case, Mr. Montoya.

Mr. Domenici, Mr. Javits, Mr. Young, Mr. Burdick, Mr. Metzenbaum, Mr. Hatfield, Mr. Scott (Pa.), Mr. Schweiker, Mr. Pastore, Mr. Hollings.

Mr. McGovern, Mr. Abourezk, Mr. Brock, Mr. Moss, Mr. Stafford, Mr. Magnuson, Mr. Jackson, Mr. Randolph, Mr. Nelson, Mr. McGee.

MINNESOTA AGRICULTURE REPORTS ON THE WORLD FOOD CONFERENCE

Mr. HUMPHREY. Mr. President, a very comprehensive report on the World Food Conference was prepared by Milton Hakel, editor of the Minnesota Farmers Union. This special report was included in the November 21 issue of the Minnesota Farmers Union paper, Minnesota Agriculture.

I commend Mr. Hakel for his outstanding report which covers the major inputs of the conference. Mr. Hakel was in Rome throughout the conference from November 5–16, and his report gives us a comprehensive summary of the events and recommendations of the conference.

Mr. President, I ask unanimous consent that the major articles of this issue of Minnesota Agriculture be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minnesota Agriculture, Nov. 21, 1974]

THE BALANCE SHEET ON THE U.N. WORLD FOOD CONFERENCE: A SOLID BEGINNING—NOW EVERYTHING, INCLUDING LIVES, DEPENDS ON FOLLOW THROUGH

(By Milton D. Hakel)

There were both achievements and disappointments in the UN World Food Conference which closed Saturday evening in the Palazzo dei Congressi in Rome, Italy. The achievements outweighed the disappointments, in this observer's opinion.

But, as with any United Nations meeting, the long-term effect is what the member governments do with the recommendations which were developed.

Without a question, it was a solid beginning.

Among the concrete developments were:

1. Agreement on the establishment of an "umbrella" unit, to be known as the World Food Council, to coordinate food planning and activities within the family of UN agencies, and to report through the Economic and Social Commission to the UN itself.

2. Establishment of a food information "early warning system" to monitor crop conditions and supplies to head off possible disaster situations. The inadequacy of existing machinery is shown in that the Sahelian drouth disaster was not discovered by the world generally until it had persisted for four years and then it took one year before appreciable aid was delivered.

3. Creation of an international fund for agricultural development. The U.S. has agreed to participate in this effort which will raise the present $1.5 billion in development aid to $5 billion a year in 1980.

4. Creation of an internationally coordinated system of nationally held food reserves.

5. Establishment of a three-year emergency food aid program, projected at 10 million tons of grain each year. The U.S. has accepted this goal in principle, although it refused to make an immediate "down payment" with a pledge such as suggested by a bi-partisan group of U.S. Senators on the American delegation.

6. Proposed that nations divert 10% of their arms spending to useful humanitarian objectives.

7. Development of a special fertilizer program to assist developing countries in obtaining adequate supplies at reasonable costs.

There were several less tangible developments:

1. The gravity of the food crisis has been demonstrated. Secretary of Agriculture Earl L. Butz is probably the only remaining person who is unconvinced about its urgency.

2. Agriculture is better appreciated in both industrial and developing worlds—and by many people who never have had to take an interest before.

3. The need for remunerative farm income—essential as an incentive for abundant production—was driven home solidly by speaker after speaker and surely now should have entered the consciousness of many, many policy makers of the nations of the world.

4. Hundreds of people who never knew that farmers of the world have a global organization now know that the International Federation of Agricultural Producers (IFAP) exists. Not only exists, but has substantive ideas and a sense of responsibility about finding solutions to the world food crisis.

The total effect cannot help being constructive, despite the disappointment with the negative conduct of the official U.S. delegation.

From here on, the American people can take an interest in seeing that there is a follow-through. They can propel the U.S. back into the leadership role where by nature and inclination we belong.

FOOD TODAY, TOMORROW, AND THEN WHAT?

As far as Americans are concerned, we have reached this rather precarious situation because we are without a truly comprehensive national food policy in this country.

Policy-making officials in the U.S. Department of Agriculture have been telling Congress and the people that it is wrong for the government to plan, to set food production goals, to give farmers incentives to produce, to adjust their prices and income in line with costs or to create and maintain publicly-held food reserves so that shortages can be avoided. We are told to leave everything to the "market system."

But, many Americans are not convinced that the "market system" is serving us very well. They are convinced it is no longer good enough to leave everything to chance.

The lack of an enlightened national food policy impaired the ability of the American delegation to give positive leadership at the World Food Conference in Rome.

America needs a comprehensive new farm and food policy—for the sake of its own citizens, and to give substantive support to the goals set by the World Food Conference.

From here on, everything, including the lives of people now existing on the brink of starvation, depend on the follow-through.

Since it is mainly the productivity of American farms that stands between the world and hunger, the follow-through begins with Americans and their farm policy at home.

ABOUT THIS FOOD CONFERENCE REPORT

(By Milton D. Hakel)

In the World Food Conference, there were always three official meetings going on at one time—a plenary session and two or three major committee meetings. In addition there were numerous meetings of non-governmental participants, news briefing, seminars, and so on.

No one person would have been able to cover all the fronts.

Neither did this observer.

In fairness, we should acknowledge that without exceptionally good work done by the FAO press corps in producing, within a few hours, summaries providing the highlights of many of the national statements, it would not have been possible for this or many other correspondents to do a comprehensive job of reporting.

Likewise, the conference's unofficial newspaper, "PAN" did a service in alerting the media to stories which might otherwise have missed attention.

The photographs appearing in this special report are largely the work of the FAO photographic staff. The pictures on pages 8, 9, and 10 are by the Rome firm of Ocelli Photographers. The pictures on Dick Gregory and Hubert Humphrey are by London pro Joe Danzig.

Where editorial opinions are expressed, they represent the reaction of this editor and in no way reflect the opinion of the World Food Conference or the UN FAO.

UN'S 1974 WORLD FOOD CONFERENCE MAY HAVE MADE GREATEST FOOD POLICY DECISIONS IN 3000 YEARS

There have been food conference and food policy decisions before.

The greatest of all probably dates back to about 1200 B.C., when Joseph persuaded the Pharaoh of Egypt to accumulate grain in the plenteous years to safeguard the people's needs in the lean years.

Nearly 2,960 years later the idea of accumulating in the bountiful years to provide protection against lean years was certainly in the minds of Roosevelt Administration planners when they developed the "ever-normal granary" concept in farm legislation.

Global food discussions began to be held early in the 1900's with the formation of the International Institute of Agriculture. Near the end of World War II, with the coming of the UN, world leaders including some such as NFU's Jim Patton foresaw the need both for an agricultural agency in the UN and a farmers' organization. So, the UN Food and Agriculture (FAO) organization was conceived at the Hot Springs Conference in 1943. FAO was formed in 1945, shortly thereafter, the International Federation of Agricultural Producers (IFAP) was established.

Attention was devoted to world agricultural problems and the effort was undoubtedly of value.

In 1963, the first World Food Congress was held in Washington, D.C., and it decided that:

"The persistence of hunger and malnutrition is unacceptable morally and socially and incompatible with the dignity of human beings.

"That the elimination of hunger is a primary task of all men and women, who must recognize their duties as well as their rights as members of the human race."

The Washington World Food Congress urged that conferences be held every few years to review the world situation.

The Second World Food Congress was held at The Hague, the Netherlands in June, 1970. Its "final declaration" said:

"Food is the first need of every human being—a fundamental human right. But for hundreds of millions throughout the world that need is not met and that right is denied. This is intolerable.

"Victory depends on a massive effort by the entire world community. It is not enough to think only of food. The total development of every man, woman and child is at stake."

So, we have arrived at this point in history and despite the well-intentioned efforts of the past, the food situation of millions of people has suddenly become worse. That is why another food conference was held. This time, it was at a different level, at the ministerial level with policy making officials not previously involved in food and hunger discussions taking part in the development of answers.

United States Prepared To Join in Commitment in Fight on Hunger: Kissinger's 5-Point Plan Aimed at Doubling World Food Output in 25 Years

U.S. Secretary of State Henry Kissinger has proposed a comprehensive five-point program of co-operative world-wide action designed to more than double world food production in the next quarter century.

Addressing more than 100 national delegations on the opening day of the United Nations World Food Conference, he set as targets: increased production by both food exporters and developing countries, improved means for food distribution and financing, better food quality, and ensuring security against food emergencies. To accomplish these goals, he proposed a trio of new international co-ordinating groups: The Exporters Planning Group, the Food Production and Investment Coordinating Group, and the Reserves Coordinating Group. He spelled out increased levels of U.S. support for these initiatives.

Secretary Kissinger prefaced his specific proposals with the warning that "now there are fundamental questions about our capacity to meet even our most basic needs. We must act now and we must act together to regain control over our shared destiny."

Secretary Kissinger told delegates that he had been instructed by President Ford to declare that his country regarded "our good fortune and strength in the field of food as a global trust." The United States would make a major effort to match its capacity to the challenge.

"All nations," said Dr. Kissinger, "are linked to a single economic system. Preoccupation with narrow advantage is foredoomed . . . bound to lead to sterile confrontations. Food has become a central element of the international economy."

Dr. Kissinger believed that major exporting nations must rapidly expand their potential and seek to ensure dependable long-term growth of their supplies "unless we are to doom the world to chronic famine."

He said that the United States was prepared to join with other major exporters "in a common commitment" to raise production to make the necessary investment, and to begin rebuilding reserves. Immediately after the Conference, he said, the United States proposed to convene a group of major exporters, which he described as an "Export Planning Group" to shape a concrete program to achieve . . . mid-1980's. As a result, an expanded flow of food aid would be necessary. While re-affirming the U.S. intention to increase its food aid contribution during the current fiscal year, Dr. Kissinger declared that the oil exporting nations have "a special responsibility in this regard."

"Many of them," he said, "have income far in excess of that needed to balance their international payments or to finance their economic development. The continuing massive transfer of wealth and the resulting impetus to worldwide inflation have shattered the ability of the developing countries to purchase food, fertilizer and other goods.

For these reasons, said Dr. Kissinger, the United States recommends that the traditional donors and the new financial powers participating in a Coordinating Group for Food Production and Investment might form a sub-committee on food financing to negotiate what minimum quantity of food they would be prepared to finance for transfer to food-deficit countries over the next three years.

Acknowledging that even these measures might not be sufficient in the longer term, especially if estimates of the 1985 food gap proved too conservative, Dr. Kissinger proposed that the Development Committee, recently set by the Governors of the World Bank and International Monetary Fund, should undertake an urgent study of whether existing sources of financing will meet expected import requirements of the developing countries. "If these sources are not sufficient," he said, "the means must be found to supplement them."

Another proposal was for a Global Nutrition Surveillance System to be established by the World Health Organization, the Food and Agriculture Organization and UNICEF.

Midwest Senators Step Into U.S. Leadership Vacuum at World Conference

Several Americans appalled by the lack of positive moral leadership in the U.S. delegation to the World Food Conference, some American non-governmental participants, were about to send a distress call—"Henry Kissinger Come Back," earlier this week.

It appeared that the official delegation was content to let the time run out on the meeting and to take up the tough problems of emergency food aid, development aid and trade reform in some other contexts or settings.

Thus, the food aid commitments might be left to a November 29th meeting, the trade questions to next year's GATT negotiations, and development aid pledges delayed until the world had seen the color of the OPEC money.

But, just at the low point of the U.S. image, three Midwest Senators have stepped into the breach with dramatic ideas to assure the world that America does care.

U.S. Senator Dick Clark of Iowa took the leadership in a bipartisan effort to win White House approval of an additional one million tons of aid.

U.S. Senator George McGovern, one of those who put together the World Food Programme in the early 1960's and served as the first U.S. Food for Peace Director, launched a campaign yesterday to persuade nations to divert 10 per cent of their military and defense spending into useful humanitarian programs.

U.S. Senator Hubert Humphrey of Minnesota in an appearance yesterday before the non-governmental participants, pledged he would be relentless in his efforts to persuade the U.S. to rebuild its food reserves.

"The U.S. must take its place as one country among many—that is, to rejoin the human race," Humphrey said. "I hope the President will take the opportunity to become a world leader and reestablish the true meaning of American democracy in the hearts and minds of men."

"PAN," an unofficial conference newspaper published daily here by voluntary agencies, hailed the Humphrey initiative today, praising him for being specific where Americans have earlier been vague, and wishing that Humphrey had made the principal American statement at this conference.

"Things could have been very different," said PAN, if Humphrey had been the top spokesman for American policy.

A proposal for a 10 per cent cut in world military spending in order to make money available to deal with the food crisis, was made by Senator George McGovern yesterday.

The proposal, which follows closely USSR suggestions, was endorsed by U.S. Senators Dick Clark and Hubert Humphrey. If it is accepted by the governments of the world, some $20 billion would be freed for food programs.

Senator McGovern also suggested that the oil producing countries should add another $7 billion, equal to 10 per cent of their new annual oil income.

Senator George McGovern suggested the oil money and arms-budget savings, totalling a massive $27 billion, should be turned over each year to an International Food Authority.

"This would give us the means of ending hunger on this planet," he said.

His proposed new food authority would have seven aims:

Price protection and safeguards for farmers.

Research and development for better seeds, pesticides, planting, harvesting and storage.

Construction and distribution of fertilizer plants.

Harnessing and conserving water for rural farming and irrigation.

Developing food services.

Developing nutritional standards and education and providing special food programs for infants, mothers and old people.

Disseminating information and materials.

In a highly charged statement that won applause, Senator McGovern said it was not likely that foreign aid would be increased in the present difficult political climate.

Money would have to be found by altering priorities within the present budget.

He said that the world could not solve the problem of hunger without better stewardship over resources. For 30 years resources had been wasted on preparations for war he said.

The world had been fighting the wrong war with the wrong weapons and the wrong sense of values. The two superpowers had devoted much of their national budgets to arms spending.

Total world spending on weapons was $200 billion a year but now hard choices had to be made about priorities.

To Meet Impending Spread of Famine, Hunger—Rebuilding of Stocks, Orderly Management Are Essential, Boerma Declares

Warning that there was real danger of food supplies becoming inadequate to meet major emergencies that could rise in months ahead, especially in developing countries with low stocks and inadequate foreign exchange, Dr. Boerma proposed to the Conference that the main grain-exporting countries should set aside sufficient quantities to meet potential needs of the hardest-hit countries.

He expressed the hope that international arangements could be made during the Conference for orderly management of available cereal supplies and for financing urgent imports where necessary.

Dr. Boerma also appealed for further commitments by individual governments to support the FAO International Fertilizer Supply Scheme established last July. He underlined the need for international co-ordination of investment "to even out the fertilizer cycle."

"The world needs new fertilizer capacity on a large scale," he said, "but it also needs to avoid the disastrous swings from shortage to surplus and back again to shortage which are the root of our present difficulties".

Dr. Boerma called for the Conference to build up a world food policy on the basis of work already done by FAO, its sister agencies, and the Preparatory Committee of the Conference.

Such a policy, including nutrition, he said, should be an integral part of a world development policy, which he believed would grow out of the work already done or underway on the Second Development Decade and the New International Economic Order espoused by the United Nations Special General Assembly on Raw Materials and Development last spring.

There was general agreement, Dr. Boerma said, that the main element of a world food policy must be a massive drive for increased production in developing countries. However, such efforts would have to be complemented by vastly strengthened measures for world food security. Dr. Boerma appealed to the Conference to give its collective support to his proposal for an International Undertaking on World Food Security.

On food aid, Dr. Boerma called for a firm commitment to provide at least 10 million tons of grain a year, a substantial part of which should be channelled through the World Food Program in order to complement bilateral action and to ensure equitable distribution.

Referring to institutional arrangements for follow-up action Dr. Boerma said he was confident that both FRO's governing bodies and its Secretariat would welcome "Any evolution that permits the Organization as a whole to respond more strongly and effectively to the needs of our time.

"FAO," he said, "is a dynamic and not a static organization."

Worry More About Production, Than About Distribution, Butz Advises World Session

The number one responsibility of the World Food Conference is to move the world to higher levels of food production, Secretary of Agriculture Earl L. Butz said.

"We're here to talk about what to do with more food, not less food," he said.

"Even in this year of short supplies, and budget restraints, the United States expects that total programming under its Public Law 480 (Food for Peace) program will exceed the value level of last year," Butz said.

As to food reserves, Mr. Butz cautioned that "the best assurance of food security is increased production. We cannot conjure a reserve out of something we don't have. To look away a part of current short food supplies in order that the future might be more secure would call for less consumption this year, higher food prices, and more inflation."

The United States thus favors an internationally coordinated but nationally held system of food reserves, he said.

"We will cooperate in reasonable international efforts to sustain food reserves of a magnitue that would perpetually depress prices, destroy farmer incentives, mask the deficiencies in national production efforts, or substitute government subsidies for commercial trade," he added.

If a food reserve system is to succeed, Mr. Butz said, "it requires a free exchange of adequate production, stocks, and trade information. In fact, such an exchange is essential to the whole objective of improved food security in the world."

Citing another aspect of the agricultural information gap, the U.S. Secretary of Agriculture said: "We must improve our methods of forecasting world crop yields, measuring global harvest, and monitoring national food needs and utilization. The United States stands ready to make such information readily available, and to share freely the techniques of information gathering and forecasting."

Must Have Monitoring System To Prevent Drift Into New Food Crisis, Says Waldheim

One of the most important results which could emerge from the World Food Conference would be the creation of an international monitoring procedure, UN Secretary-General Kurt Waldheim said in his address to the opening session.

Waldheim called for a coherent, efficient and equitable global strategy.

"We have the collective means through the UN, to do this," he said. "And I believe that we now have the political will to do it."

Waldheim listed these essential steps:

A key element in our mid-term and long-term strategies must be to increase food production in the developing countries. To do this will require imaginative political leadership, and the decision to place agriculture as a major national priority. This will require greater investments in all aspects of food production, including credit facilities for small farmers, better marketing arrangements, and policies which provide the greatest incentives to food producers.

Development assistance for agriculture, now running at $1.5 billion per annum must rise to at least $5 billion per annum over the next five years.

There must be a substantial increase in the production of fertilizers and pesticides at reasonable prices.

The existing network of nine International Agriculture Research Centers must be consolidated financially, and be placed on a long-term, secure financial basis, and be supported by greatly expanded regional and national programmes.

The United Nations family of organizations must be actively involved in meeting these new challenges and themselves may have to alter their priorities and programmes.

It is essential to build up world food reserves, both to stabilize price and to provide emergency relief in particular cases.

International trade policies that offer more stable markets for foodstuffs, thereby assisting those developing countries who are dependent upon them for the bulk of their export earnings, must be established.

Let Us Not Be Prisoners of the Past, But Servants of Future, Marei Urges—Crucial Question Confronting the Conference: Can We Avert Disaster of Starvation Around World

All countries must share the responsibility of tackling the world food crisis, Sayed A. Marei, director-general of the U.N. World Food Conference, said in his keynote address.

Marei, once a farmer himself in his native Egypt, before becoming agricultural minister, said the basic question confronting the history-making meeting was whether man's capacity to feed himself could be assured and the disaster of starvation be averted.

The director-general, who will return to Egypt to become president of its parliament after the conference, made these specific observations on goals of the session:

FOOD PRODUCTION

The need for an increased flow of resources to the developing countries for this purpose had been emphasized by the Preparatory Committee. "Many of these countries are now in a serious economic crisis which not only threatens their future but the future of the world as a whole."

FOOD AID

It was unacceptable that food aid should be used as an instrument of foreign policy. "The most crying need of the hour is to depoliticize food aid and to rehumanize it."

On the other hand, it should not be regarded as a charitable handout but as aid for development.

FOLLOW-UP

There must be an effective follow-up to the conference resolutions, "otherwise our efforts would be in vain and such resolutions meaningless." The Third Preparatory Committee had recognized the need for an overall, high-level mechanism and this, given specific functions, should lead the U.N.'s efforts in this field.

A two-fold and fundamental change was required in stagnant rural economies: a far greater investment in the development of resources and the adoption of appropriate technologies. Also, he added, "we need to mobilize the human resources which the developing countries have in abundance. It is only thus that a present liability can become a future asset."

The Third World had to adopt the policies necessary for a major increase in food production. And as for the advanced nations: "The current difficulties facing the rich countries cannot be ignored, but the rich are still very rich and hold the key to many doors that can be unlocked."

Marei called for the "depoliticizing of food aid" and the "humanizing of it."

"We have arrived at a new watershed of history. The future of our species depends upon which road we take from here. Let us resolve not to be prisoners of the past but to be servants of the future," he concluded.

Should Divert Part of Arms Spending to Development Aid, He Recommends—World Has Not Reached Limits of Food Production, Russian Spokesman Insists

Since only half of the world's arable land is now in food production, the world has not by any means reached the limits of its productive capacity, Nicholas Rodionov, Vice Minister of Foreign Affairs of Soviet Russia said.

"There should be no reason for pessimism," he said. "The world's land resources could support a population of 30 to 40 billion."

Rodionov said the solution of the current world food crisis is dependent on peace and security and on specific measures relating to disarmament. Referring to more than $250,000 million a year spent on aramaments, Mr. Rodionov said "this undermines any confidence nations could have in each other."

He suggested that monies saved from a reduction in arms spending of 10 per cent, by members of the UN Security Council, as is now proposed in a UN General Assembly resolution, could be applied to agricultural development in poorer countries.

The Soviet delegate stressed that an adequate food supply could not be achieved without "radical changes in agrarian relationships."

"The acute need for agrarian reform is now recognized," Mr. Rodionov declared, "but it is not always implemented . . . The land should go to those who cultivate it."

Mr. Rodionov reported that his government was spending 30,000 million rubles to develop new agricultural land in the Soviet Union's so-called "non-black" soil zone.

He expressed the conviction that the world had not yet reached its limits of productivity and that there was no reason for pessimism.

"The world has enough arable land to feed 30 billion to 40 billion people," he said. To attribute the food shortage to a population explosion "appears to be an intentional attempt to veil the real causes which are in the economic and political fields."

Mr. Rodionov cited some 250 aid projects which his government was supporting in agriculture and related industries in developing countries and said that the Soviet Union would continue to help developing countries in increasing food production in the future.

He suggested that efforts to increase food production "should lean heavily on regional and subregional levels of cooperation."

Canada Pledges Million Tons of Food Aid

Canada, speaking through Allan J. McEachen, secretary of state for external affairs, accepted the minimum target of 10 million tons of food grain a year as food aid and committed itself to supplying an average of one million tons each year for three years.

Canada also pledged the immediate allocation of fifty million dollars in development assistance to help relieve the acute distress in the world.

If world food security is to become a reality, it will require assurances to producers of "stable expectations of a financial return."

Canada will continue to support in the GATT negotiations a general liberalization of trade in food products, emphasizing that *this will best* come through an international grains arrangement. He noted that Canada has endorsed a grains undertaking.

McEachen said that "hunger must be tackled today at every level—at the family, village, province, country, region as well as global level for no unit of society bears a greater responsibility than others."

Australia Boosts World Food Security Reserve Proposal

Senator K. S. Wriedt, minister of agriculture for Australia, pledged that his country would cooperate and contribute to a "new strategy designed to rid the world of hunger and malnutrition," both at this conference and in all the actions which flow from it.

Australia *fully* endorses the emphasis being placed on the expansion of aid to stimulate food production in the developing nations, and specifically the Sri Lanka proposal for a world fertilizer fund.

Wriedt said that Australia places high importance upon a world food reserve, despite the complexities and difficulties involved.

"We see it as imperative that ways be found of providing for the world some security cover for its food supplies," Wriedt continued.

A world food security proposal should include an improved food information and early warning system, an international system of national food reserves, and expanded and better coordinated flows of food aid, he indicated.

He said that Australia has not waited for the holding of the conference to do what it can. With Canada, he said, Australia has accepted its proportionate share of a ten million ton target for world food aid.

Anti-Famine Plan Depends on Farmers, Munro Contends

Many of the proposals to improve world agricultural production embodied in the World Food Conference "action plan" have tentatively received the support of international farm producers' organization leader Mr. Charles Munro. President of the International Federation of Agricultural Producers, Mr. Munro told the plenary session of the Rome conference that the main points of the action programme were in line with long-held IFAP policies.

"The proposals on world food security—the operation of grain stocks for emergency use—bear an almost uncanny resemblance in broad outline to proposals of IFAP published in December 1972," said Mr. Munro at the November 8 plenary session.

"The main difference however is that we are convinced that food buffer stocks can only be operated effectively within international marketing agreements."

Leaders of farm cooperatives and other producer organizations of the IFAP, from over 50 countries emphasized Mr. Munro, had long ago worked out the need for buffer stocks of food and commodity trading agreements which would guarantee supplies to consumers, support producers' incomes and help fight inflation. The IFAP also long ago decided that the other main points of the action programme—establishment of an international food information system and the stepping up of aid to local food producers in developing countries—were essential to solution of the world food problem.

"The leaders of the world's farmers have not suddenly discovered that there is a world food problem," Mr. Munro emphasized. "Nor have we suddenly become aware that more attention needs to be given to the rural sector in developing countries or that a clearer perception of the place and role of agriculture in the national economy is an essential element in a rational food policy."

The IFAP, said Mr. Munro, has over the years put forward many constructive policies to deal with nearly every item on the Rome conference agenda.

The IFAP President pointed out that though agricultural producers throughout the world—the Federation includes as many farmer organizations in developing countries as in developed countries—have managed to agree on the need for these policies, there has as yet been no similar agreement among governments.

"Agricultural producers, who have managed to agree on consistent policies on world food production and the management of international food supplies since they first began to collaborate 30 years ago, are distressed at the almost total lack of parallel progress among governments," Mr. Munro told the Conference.

Commodity market agreements including an international stockpile system are vital for the consumer in the poor countries of the world and are the only way of achieving a balance between demand and supply.

"When the prices of essential foodstuffs rise beyond the reach of the purchasing power of the poor and needy—including poor countries in terms of foreign exchange," argued Mr. Munro, "this creates as great an emergency as earthquakes, or droughts, or civil strife."

The result of the continued lack of any international policy of food supply management will be that the most needy will be deprived to the point of starving to death, while the less needy and the rich will always be able to satisfy their appetites. No amount of emergency food aid can be a substitute for better management of the world's food resources.

Although cereal producers were pleased with current levels of cereal prices, stated Mr. Munro, most would prefer more security and stability to the recent cycles of "bust and boom."

"The world's farmers are ready to follow the lead which we hope this Conference will give and pledge their support and advice, as they have done already many times in the past, in the crusade for a decent life to all the peoples of the United Nations."

Earlier at a press conference, Munro had charged that there has been a complete lack of recognition of the importance of farmers in solving the world food problem in the organization of the World Food Conference.

The IFAP view is that too much importance is given to the views of politicians, civil servants, agricultural researchers, economists, big business, and other "experts" and too little to the views of farmers.

"It is not politicians, or researchers or economists, or professors who produce food but only farmers," said the IFAP President.

"It is the decisions of the world's farmers and the farmers alone which will affect supplies of food in the future," said Mr. Munro.

Only a New Economic Order Will Enable Impoverished Nations To Develop

The food problems of the developing countries are the result of plunder and control by the superpowers, Hao Shung-Shih, vice minister of agriculture and forestry of the People's Republic of China, declared and the remedy is the establishment of a new economic order.

"Activities of the superpowers have enabled them to make superprofits and prevent the developing countries from developing their own economic potential," he said.

"Then they use the Malthusian theory to blame the poor countries' problems on population—this is putting the blame on the victim."

The Chinese official urged the listeners to reject such "absurdities."

"The first thing to do is to redirect the plunder, colonialism and control, to establish a new economic order with self-sufficiency as the goal," he declared.

He charged that one of the superpowers, allegedly the U.S., over the past years has dumped vast quantities of food into the developing countries, discouraging their agricultural efforts and making them dependent.

The Chinese Vice-Minister said that China now had ensured its supply of the basic means of subsistence, stable food prices and adequate food for everyone. This was unprecedented in Chinese history and proved that "revolution plus production can solve the problem of feeding the population."

The main purpose of China's food imports was to change some food varieties and China's food imports and her food exports in the past three years had been about equal in value. "We have never engaged in any speculation in food," he declared.

"What we have achieved now is only a preliminary solution to the problem of feeding the Chinese people. Our contribution to solving the world food problem is yet very small. It is our hope that, along with the development of our industry and agriculture, we shall be able gradually to change this state of affairs."

On issues of trade, Mr. Chung-Shih declared that China supported the "reasonable demand" of the developing countries for improved trade terms, removal of the developed countries' tariff barriers, expansion of sales markets and the fixing of fair prices. China also supported the transfer of agricultural technology from developed countries but it should be "practical, effective, economical and convenient for use."

On food aid, the developed countries should shoulder the main responsibility, he said, but any aid "must be based on strict respect for the sovereignty of the recipient and must not be accompanied by any conditions or the extortion of any special privileges or excessive profits." His country supported "the full right of the developing countries . . . to take part in all decision-making on food."

Food Aid Must Not Be Used as Weapon, Egyptian Cautions

The Minister of Agriculture and Land Reclamation of Egypt, Dr. M. A. Adbel Akher, praised the Conference secretariat for speaking "boldly and clearly, with practical solutions to the problem." He supported generally the proposals for world food security, increased food production in developing countries, the FAO scheme for aiding the developing countries in fertilizer and pesticide supply and production and plans for intensified agricultural research and development of land and water resources.

But, he said, "the momentum which has led to the holding of this conference will be lost, probably for ever, if the world does not have the machinery by which it can monitor and follow up the findings reached by the conference."

The question of food aid, he said, was of "paramount importance" to developing countries and should be set at the level of 10 to 15 million tons of grain annually. But such aid should not be used as an "economic weapon"—a "violation of the humanitarian and international concept" of aid.

He urged support for secretariat proposals to increase the level of external aid to developing countries' agriculture from $1.5 billion annually to $5 billion.

To monitor the use of this aid flow he proposed a new commission with representatives of all international agencies concerned with aid and trade together with representatives of some developed countries, "developing countries whose economy is basically agricultural and financially able countries."

World Can No Longer Cultivate Luxury Surrounded by Poverty, Echeverria Warns

In an impassioned address to the conference, President Luis Echeverria of Mexico called for a solidarity of purpose to avert tragedy for humanity.

"We are living through a decisive moment," President Echeverria said. "This period is not limited simply by the tragic frontier between affluence and poverty. The destiny of mankind is at stake."

The present chaotic condition of markets, prices and raw materials could not be attributed to the Third World. It had been determined and brought about by the inability of the great industrial nations to "submit their production model to a system of international solidarity, shared development and interdependence based on equity and justice."

Underdevelopment, like inflation, was the specific result of a socio-economic and political degradation that affects numerous aspects of global affairs. Third World countries had exported at "starvation prices" their products to make the industries of the rich nations profitable. Devaluations and protectionist mechanisms by the United States and the European Common Market had ruined or impeded the development of the world's agricultural societies.

Mexico had proposed a World Food and Agricultural Research Bank and a World Food Plan to designate crop areas, make collective action possible, establish bases for regulating use of fertilizers, seeds and water and guide agricultural education toward new crops and techniques of protein development.

The Mexican president spoke of the irrationality of the balance between the dominant urban areas and the peripheral agricultural areas. This contributed to the "intolerable panorama of poverty" stemming principally from "those who foster waste and those who cultivate luxury surrounded by poverty.

"Unfortunately, this also occurs specifically within the area of certain oligarchies in Third World countries."

Mexico called for governments regaining the initiative in international dealings from transitional corporations and assuming responsibility for government-to-government purchasing to eliminate intermediaries.

There was need for a critical awareness that the breakdown of a civilization could not be mended by a piecemeal approach to individual problems which were, in fact, integrated and homologous symptoms of a world crisis within the system as a whole. It was still possible, however, for the world to react effectively to problems that have become permanent rather than transitory dilemmas.

What Went Wrong With Development Strategy?—Our National Priorities, Says Romulo

Making a rigorous self-examination of problems and handicaps within the developing countries, General Carlos P. Romulo, secretary of foreign affairs of the Republic of the Philippines, declared that the industrial countries do not understand since "they have been rich so long they have forgotten what it is like to be poor."

"In their national experience, there is no memory of a time when a peasant's wealth and security were measured by the number of his children," he explained.

"If they believe that it is all our own fault, that we should have more to eat if we had less to feed, such an attitude should be recognized as ignorance of social and historical realities," he contended.

Asking the developing countries' representatives, "what went wrong—where did we take the wrong turning?" Romulo said "there must be something terribly and disastrously wrong with our objectives and priorities which after 25 or even 30 years of independence and development have led to this sorry pass—this crisis of world hunger."

"What went wrong as we were driven by our desire to develop our own economies was our understanding and appreciation of priorities and the economic, social and political realities," he said.

While the Philippines have sought industrialization, he said, "there is no substitute for food. You can have as many factories as you want, mills, markets, gold and oil, but if your people do not have enough to eat, then you are in deep trouble."

"It is no use, it is indeed shameful and degrading" to wait for the developed countries to come to the rescue every time "we come to the brink of starvation," he said. Of course, when millions were faced with misery, offers of assistance must be welcomed, as demonstrations of human solidarity. But "we are not helpless—we must help ourselves," he said.

He described self-help efforts of the Philippines and the program of its "New Society" which was anchored on land reform, easy credits for farmers, extension of technology, financing, development of infra-structure and irrigation systems, market supports and nutrition projects.

"However, we are not out of the woods yet," he added, "a typhoon, like the one that devastated a principal food growing region of my country only a few months ago, can wreak havoc on the best laid plans."

"A thought has just occurred to me—which, I must confess, is rather unusual. We are, after all, meeting in Rome, the city of the Popes. As those of you who are Roman Catholics know, when a Pope dies, and a new successor of Saint Peter must be chosen, the cardinal-electors are confined in rather uncomfortable quarters and given less and less to eat and drink with each passing day to compel them to arrive at a quick decision. Now, why don't we adopt this Vatican tradition? Let us agree to be confined in this hall until we can reach decisions on how to alleviate famine in the world and guard against its recurrence in the future. In the meantime we would be fed only the average daily ration of an Asian or an African peasant. I saw from an English language Roman newspaper two days ago that the restaurant here was preparing two tons of pasta and several hundred kilos of meat to feed delegates. There must be a lesson for us in this somewhere. Let us be given to eat every day of our confinement only what Asian and African peasants eat. Otherwise—and this is an even more radical proposal—let us just eat our own words. I am sure this will speed up the proceedings of this conference," Romulo said.

"But I should like to appeal to the representatives, to my colleagues, from other developing countries to consider where we may have gone wrong. What has happened to us? Why are our people starving? What can we do about it?" he asked.

"I offer this answer, for what it may be worth, to my colleagues from the developing countries. Quite simply, it seems to me, we must learn to use our own resources.

"Let us look to our own resources.

"The resources that all of us in the developing countries have.

"Land. Our own land.

"And water. Our own water.

"And above all, our people. Our own people. Ourselves. And the will of the people, what we are now wont to call political will.

"I can speak only for my own country, and perhaps in a larger sense for Southeast Asia; I am not familiar with social structures in other parts of the world," he continued.

"But I think I can say that in the Philippines and Southeast Asia, our principal resource is the people.

"It is our people, not machines as in advanced technological societies, who are important, who are essential. It is the people whom we must enlist in the fight for survival," he insisted.

400,000 Tons of Grain Needed in Bangladesh Between Now and January

Spokesmen for Bangladesh have indicated that about 40 shiploads or about 400,000 tons of grain are needed between now and January to avert starvation.

We are living the food crisis every day in our country, Abdus Samad Azad, minister for agriculture in Bangladesh, declared to the conference.

"Newly emerged from colonial exploitation and political subjugation, we find ourselves confronted with equally monstrous shortages of food and shelter," Azad said.

He described himself as gratified to note that the world has come to realize the enormity of the problem and that both the haves and have-nots have gotten together in a collective search for the solutions of this problem now threatening the survival of millions of human beings.

Azad acknowledged that Bangladesh has already received valuable assistance, but termed it insufficient because "the needs are so wide-ranging, urgent and critical."

He endorsed the measures being considered by the conference for a world food security system and an international agricultural development of fertilizer production.

Food Short India Urges Creation of World Food Council

India favors establishment of a "Food Security Council" to oversee world food policy, with powers comparable to the UN Security Council, India's minister of agriculture and irrigation, announced.

Dr. Jagjivan Ram said the Boerma plan for a world food security system deserves full support.

Dr. Ram said that the developing countries have been damaged by distortion of their agriculture under past colonial rule and later by trade and tariff policies designed to deprive them of proper income through their exports.

Run-away inflation has aggravated the difficulties of the poor countries even further, he said. "This has explosive social portents which the world community can ignore only at its peril."

"Developed nations have a duty to help and whatever is done should not be regarded as charity, but as deferred compensation for what has been done in the past," he insisted.

DELAWARE—SMALL, BUT IMPRESSIVE

Mr. BIDEN. Mr. President, like all Senators in this Chamber, I am unabashedly proud of my home State. I was, therefore, delighted when Fortune magazine, in its November issue, included a complete section devoted exclusively to the attributes of the State of Delaware.

Although small in size, Delaware has been able to achieve an atmosphere of pleasant living for its citizens which I believe to be unique. It is the proper blend of old and new, city and country, economic growth without wanton destruction of natural surroundings.

As one portion of the article states:

> Delaware today is a state on the move—welcoming new industrial development but at the same time determined to preserve the quality of life characteristic of the past.

This balance allows northern Delaware, with its rolling hills, and southern Delaware, with its farms and beaches, to be a haven in the megalopolis of the East. At the same time Wilmington, the State's major city, is a direct link with the largest commercial and industrial centers of the country.

In recent years Delaware has grown considerably as more and more people discover its outstanding qualities. The Fortune article illustrates very well the reasons why both individuals and businesses have come to regard Delaware as an excellent place to call home. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

DELAWARE

Little Delaware—49th in size among the states, 47th in population—has always played a mighty part in building the nation's prosperity. The American industrial age began in Delaware when her millers harnessed the swift-flowing Brandywine to grind their grain. Delaware earned her title as the First State by being first to ratify the Constitution. Then Eleuthère Irénée du Pont came from France to build his powder works and laid the foundation for the great industry that made Wilmington the chemical capital of the world. It was Delaware, too, that first legislated modern corporation laws—now so widely imitated—that led 346 of the thousand largest companies in the U.S. to incorporate here. Today, as yesterday, Delaware welcomes new industry and maintains an atmosphere in which business can thrive and grow. In the following pages, Delaware invites businessmen to consider the opportunities that the state offers—a good place to work and live at the hub of the 70,000,000 person megalopolis with unparalleled road, rail, sea, and air connections to serve the world's richest market.

Delaware today is a state on the move—welcoming new industrial development but at the same time determined to preserve the quality of life characteristic of the past. Though they may differ about details, Delaware citizens see no contradictions in these two goals and look to the future to see both realized.

An important step in this direction was taken this year when Governor Sherman W. Tribbitt appointed a Delaware Tomorrow *Commission*, representative of all segments of the state to review the state's policy and devise a strategy for future economic development.

Wilmington, under its 32-year-old Mayor Thomas C. Maloney, is already moving toward its goal: the renovation and re-invigoration of the city. Ground has already been broken for a new $23 million city center, new shopping malls are under construction, and the city's famous landmark, the opera house, is being restored as a cultural center. For investors interested in the development of new and old commercial properties, Wilmington is offering attractive tax abatements.

Meanwhile Delaware invites corporate executives to investigate the advantages that the state offers which have always made Delaware a good place to do business without the help of subsidies or special incentives.

First, of course, is Delaware's strategic location. A 350-mile circle centered on Wilmington includes all of the major population centers from Boston, Massachusetts to Raleigh, North Carolina and as far west as Cleveland, Ohio. The state's network of fine roads integrated with the national super highway system makes possible overnight delivery from any point in the state.

Equally good rail freight connections are available via the Penn-Central, Baltimore & Ohio, and Reading railroad systems. For the busy executive, Washington is one hour and New York just two hours by the Amtrak Metroliners.

Consider, too, the superb facilities offered by the port of Wilmington, located at the mouth of the Christina River as its confluence with the Delaware. This year-round fresh water harbor is only 70 miles from the Atlantic sea lanes; the deep water channel of Delaware Bay and the 40-foot low water depth of the port make it available to the largest ocean carriers. The port has long served Delaware industries; it is also an import center for fruits and frozen meats. This year it acquired an important new client when Fiat of Italy chose to make it the distribution center for the Atlantic seaboard; it is estimated that 52 thousand vehicles will be imported this year. The Fiats are driven ashore from freighters and fitted at the dockside with extra equipment for delivery to dealers. The automobile trade flows in a different direction as Chrysler trucks and cars assembled in Delaware are shipped overseas. The port is equipped to handle an extraordinary range of imports and exports. Last year it was chosen as embarkation point for the shipment of four 105-ton locomotives destined for Africa because of the 110-ton lifting capacity of its dockside crane.

Delaware is close to 2 major airports. Wilmington is nearer to Philadelphia's International Airport than most metropolitan centers are to their airports. Baltimore's Friendship Airport is equally convenient to southern Delaware. The Dover Air Force Base is the largest military freight airport in the nation.

The Greater Wilmington Airport, operated by New Castle County, has runways capable of serving all but the largest jumbo jets; it serves an increasing traffic in private aircraft and air freight. It offers excellent possibilities for expansion in freight and charter operations. Perhaps even more important are the attractive sites available for air related industries; the Boeing company has recently moved into the Greater Wilmington Airport.

Despite the fact that Delaware has long been a major industrial center, such is the balance between city and countryside that land for new industry continues to be available at moderate prices. New Castle County, which is traditionally the site of industry, presently lists for sale more than 3830 acres zoned industrial.

Kent County, which includes the capital, Dover, was and still is primarily agricultural; it is now increasingly sought out by new industry. Within the past year the PPG Industries Inc., after surveying sites in other states and making a checklist of the advantages offered by Delaware, chose a location near Dover and has under construction a multimillion dollar factory.

Sussex, Delaware's ocean-front county, has experienced enormous development in the past few years and is now the center of the tourist and recreation industry, now second only to manufacturing in economic importance. Fenwick, Bethany, and Rehoboth Beaches are sometimes called "the nation's summer capital" because of the influx of government officials from Washington.

While not widely publicized, Delaware since 1961 has offered assistance to new industry through an increasingly liberalized industrial revenue bond program. This financing is available for land acquisition, construction, and expansion of existing facilities. More than $124,000,000 has been made available to 39 companies.

Delaware does not offer new industries tax incentives, but the state believes its corporation taxes are moderate and comparable or better than neighboring states. Unlike most states, Delaware has neither a sales nor a use tax. The standard corporation rate is 7.2 percent and the state does not tax personal property, goods in the process of manufacturing, inventories, raw materials, or any processing equipment. The real estate taxes vary from municipality to municipality, but a prospective homeowner may be interested in this example: in the town of Greenville on the outskirts of Wilmington, one of the most desirable residential areas in the state, an $80,000 home would be taxed at 70% of its fair market value at the rate of $6.95 per thousand. To that would be added a school tax of $12.87 per thousand for a total of $1,110. In other less opulent areas the taxes would be much lower.

Yes, Delaware does have a personal income tax; in the $20,000 to $100,000 bracket it begins at 7.2% and rises to 12.9%; the top bracket—over $100,000 a year—is taxed at 19.8%. Significant to the taxpayer is, of course, the fact that state taxes are deductible from the federal tax.

Ever since a Virginia sea captain was blown off course in 1609 and discovered a strange bay that he named after his colony's governor, Lord De La Warr, newcomers have found a good living in Delaware. The Dutch were the first settlers, then a tiny band of Swedes who built a church that still stands—the oldest Protestant house of worship in America. When the British took over by force of arms, government was handed over to William Penn, who annexed what he called "the lower colonies" to his own new colony.

Then in 1776 "the lower colonies" declared their independence of Pennsylvania and the British Crown and raised a regiment of 4,000 that fought in every important revolutionary battle from Long Island to Yorktown. Delaware was in the forefront of the states pressing for "a more perfect union" and was first to ratify the new constitution.

"The first state" was already playing an economic role out of all proportion to its size even before ratification of the Constitution; in 1735 Oliver Evans of Newport, Delaware had revolutionized the milling industry with his automatic grinding machinery and the mills along the Brandywine were shipping 300,000 bushels of flour—an astounding production at that time. The climate of industry along the Brandywine seemed to encourage expansion and innovation; soon after du Pont arrived from France to build his powder works the first paper machine in America was erected nearby. Post civil war the successors to Evans and du Pont have continued to contribute to the nation's prosperity by demonstrating similar gifts for innovation and enterprise.

History has given Delaware citizens a unique sense of place and of the past; it is preserved in such a unique living monument as the town of New Castle, which is virtually unchanged from the eighteenth century. Or in the capital, Dover, where new buildings to house a modern government have been constructed on a campus setting in a style consistent with an eighteenth century capital. Again it is reflected in the magnificent grounds and mansion of Winterthur and also in the Hagley Museum—devoted to Delaware's industrial past.

With a moderate climate that spares residents the rigors of a New England winter and the enervating heat of the Deep South, Delaware is ideal for work or play. Most Delaware residents live within easy commuting distance of their work. The finest recreational areas are just as readily available. Three miles from the center of Wilmington is a magnificent open, rolling countryside; ardent golfers can find there a dozen superb courses less than half an hour from the office. The state's ocean beaches are within an hour's drive from the most distant point in the state. For the outdoorsman there is boating, clamming, fishing, and hunting. Throughout the winter months there is a professional theatre season in Wilmington with touring companies from Broadway; the Delaware Symphony Orchestra, a professional organization, gives concerts state-wide and makes its home in the Opera House now being restored. The state's proximity to New York and Philadelphia offers other opportunities for cultural enrichment. But perhaps the best testimony to the good life in Delaware is the large proportion of executives who continue to live here in retirement.

For many years Delaware's education system—public, parochial and private schools—has been among the best in the nation. It includes three four-year institutions of higher learning—the University of Delaware, Wilmington College, and Delaware State College—three junior colleges, and four industrial and vocational institutions. Special assistance is offered to new industry by the state's vocational institutions. Recently when the Sussex Carpet Co. began construction of a new factory, the Delaware Technical and Community College coincidently began a training program to equip prospective employees with the required skills. Del-Tech has done similar work for the National Cash Register Co. The University of Delaware's division of technical services is prepared to assist businesses, small and medium-sized, that do not maintain full-time research department.

Out of this school system has developed a well educated and responsive work force; the median years of education completed by Delaware citizens over 25 is 12.1. Delaware has more college graduates percentagewise than the nation as a whole (13.1% vs. 11.0%). Delaware is a predominantly young community; the median age is 26.9 [vs. the national median 28.1] and the racial balance has remained more or less constant showing a change of less than 0.1 percent in the past decade.

Creating a climate favorable to companies incorporating in Delaware has been a longstanding policy; this has made "a Delaware corporation" a byword around the world. More than 73,000 corporations have been chartered in the state, including more than half of the 100 largest U.S. companies.

The Delaware Legislature, which first enacted realistic laws to reflect modern trends in business practice, has also been alert to revise and liberalize the legislation in order to adjust to changing times.

Other states have now followed Delaware's example by enacting legislation modeled after this state. However, Delaware still holds a distinct advantage. "It is not only a matter of favorable corporate laws," says J. H. Tyler McConnell a lawyer with a background in industry who is now President of the Delaware Trust Company, "it is the established body of case law and precedents that support the law. Our chancery court has an envied reputation for fairness and consistency that inspires confidence."

Though perhaps less well known, Delaware's banking laws also help to maintain the favorable business climate. The banks operate state wide and are the depository for large corporate funds from outside as well as from inside the state. Executives residing outside the state may be interested in the beneficial terms for trusts that have emphasized the fiduciary role of Delaware banks. Without going into the technicalities, Delaware is a favorable site for non-residents in which to hold property in trust. The Delaware trust companies operate under "the prudent man rule," which does not restrict the fiduciary to state approved investments. The Wilmington Trust Company, the state's biggest bank, is one of the very largest in the nation in value of assets held in personal trust accounts.

From pre-colonial days, manufacturing has been a major factor in Delaware's economy; today Delaware's factories add more than a billion and a half dollars in value by their output. This enables Delaware citizens to enjoy a high standard of living; the per capita income is $3,700 in the latest government figures (1969), eleventh highest in the U.S. and $300 above the national median.

The great chemical industry that has always been so closely identified with Delaware no longer centers its production in this state; the large companies have now expanded world-wide. Nevertheless Delaware is still "the capital" because headquarters and research are still located in this state. Two of the largest U.S. corporations—Dupont and Hercules—remain the largest employers in the state; a foreign-owned competitor, ICI-America, also maintains its headquarters and research facility outside Wilmington.

Meanwhile Delaware's industry continues to diversify. One company, which ranks third on the Fortune 500 list in Delaware, and originated here, is NVF Inc. It traces its lineage from Thomas Marshall who first built a saw and paper mill near Yorklyn, Delaware and the headquarters remain there. His heirs followed in the state's tradition of research and innovation as they moved the company—now publicly owned and listed on the New York exchange—from lumber and paper into the production of such specialized products as vulcanized fibers, laminated and reinforced plastics, printed circuitry, correspondence and art papers, and materials handling containers. A major NVF subsidiary, Sharonsteel, is the 14th largest steel producer in the U.S.

The list of made-in-Delaware products continues to expand. General Motors and Chrysler have automobile assembly plants here; the paper industry has moved far from its traditional lines as NVF has demonstrated; the Scott Paper Co. is expanding its operations in Kent county. The National Cash Register Co. is building office machines. The astronaut space suits were made in Delaware. Other products produced here include clothing, dental supplies, batteries—and this list is far from complete.

Complementing Delaware's manufacturing is the state's flourishing agriculture with an output exceeding $200 million a year. The prime product is broilers for the great megalopolitan market; in this highly integrated industry the farmers role is primarily the feeding of the growing chickens. Everything else from incubation to the supply of feed, the icing and shipping of the parts is taken care of by the broiler companies now truly an industry in itself. The state's entire production of corn and soy beans is consumed by its poultry. But the state has long had a fine reputation as a producer of fine fruits, vegetables and fresh-market potatoes. Among the nationally-known companies to establish frozen and canned food processing plants here are General Foods, Green Giant and Libby. Incidentally, the nation's largest pickle factory is in Delaware.

Delaware is fully aware of the intense competition for new industry—from other states and many foreign countries. Yet the state believes that in its strategic location, in the quality of its labor force, and in its possibilities for good living Delaware offers advantages that will weigh heavily in its favor in the independent judgment of the corporate executive. Governor Tribbitt invites companies seriously interested in locating in Delaware to write him personally, at The Governor's Office, Dover, and pledges that the full resources of his office, and those of the Division of Economic Development under Secretary John D. Daniello, will follow through at every level: state, county, and municipal.

Delaware believes that after careful investigation the facts will persuade you to choose this state for your next investment.

THE TRADE REFORM ACT OF 1974

Mr. BAYH. Mr. President, last night the Senate voted overwhelmingly to pass the Trade Reform Act of 1974. Although I voted for final passage, my decision was not reached easily. There were many provisions in the bill which believe could have been improved, some very significantly. There were also many important areas to which the bill failed to address itself at all.

In addition, Mr. President, I was concerned about the hurried manner in which we were forced to consider this major piece of legislation. Certainly, such an important bill merits the thorough and thoughtful study of every Member of this body.

But despite my reservations, I believed that the positive aspects of the bill outweighed the negatives, and with the majority of my colleagues I voted for its passage.

The momentous economic problems that have confronted the world during the last year have underscored the need for economic cooperation with our allies and trading partners. A country cannot expect to find prosperity by addressing itself to domestic economic ills without due consideration for the fundamentally interdependent nature of the world economy.

International trade is, of course, the cornerstone of international economics and I have no doubt in my mind that American industry, technology, and labor will acquit themselves well in the international trading system if that system provides for equity and fairness. Unfortunately, in recent years we have seen a decline in international cooperation, and the United States has been subject to increased discrimination and unfair trade practices. For this reason, it it is essential that we now pursue negotiations to guarantee equity in the trading system.

The Trade Reform Act authorizes the President to negotiate and enter tariff and nontariff agreements which will be fair to the United States. It provides him with the authority to take action against discrimination and unfair trade practices such as dumping and governmental subsidies of exports. It will, in short, enable the President to insist that the rules of the game are fair. And this, I believe, is essential for the economy of our Nation.

Further, if tariff barriers to U.S. goods are reduced around the world, and there is true equality in trading rules, there will be an increase in the U.S. share of world trade with consequent domestic economic growth and increased job opportunities. New trade agreements will also provide an orderly marketing mechanism for agricultural products.

It was for these very important reasons that I voted for the trade reform bill, Mr. President, but as I indicated in opening, I voted with some considerable misgivings.

Unquestionably increased imports will cause economic dislocations here at home. Though the bill provides for aid to communities, firms, and workers who are injured as a result of imports, it does not come to grips adequately with the tough problems of economic dislocation. The aid provided is simply a payment. It could be classified as a handout or a dole, and a dole by its very nature is temporary. The bill does not provide for retraining or relocation. Nor does it address itself to the difficult question of how we can provide truly effective relief for the older worker who has spent his life in a particular industry. Can that man be retrained? Can he be expected to move to a new community to find employment for his few remaining working years?

Mr. President, these effects of liberalized trade agreements and the issues they raise deeply trouble me, and I believe that they require increased study and though. I am certain that we can come up with better solutions than those provided in this bill. Fortunately, we have ample time to enact supplementary legislation to meet these problems before the impact of new trade negotiations is felt.

I was also concerned by provisions of the bill which establish generalized preferences for imports from certain developing countries. It would seem to me, Mr. President, that these provisions as presently drafted opened a large loophole for the multinational corporations, the parties which need such preference the least. I am concerned about the possibility that multinationals will relocate in underdeveloped nations to take advantage of cheap labor and then export their products back to the United States duty free. But lack of time for adequate debate kept us from exploring this area, and our only choice was to individually resolve to closely monitor these preferenced imports and take such remedial action as may be necessary in the future. I am in favor of assisting the developing nations in their economic growth, but I am not in favor of exporting American jobs.

I think it would have made good sense, Mr. President, to allow Congress to approve each and every nontariff agreement on an individual basis, rather than as a package of agreements as provided for by the bill. I have little doubt that we will see a package which is mostly good, *but partially* defective, and find ourselves unable to do anything about those faulty provisions. Yet, again, we found that time did not permit exploration of such details.

In sum, Mr. President, the bill we passed last night was good, but far from perfect. However, I would like to emphasize that I believe the bill we passed is much more preferable to the bill that passed the House of Representatives. The Senate bill has many advantages—stronger congressional review and oversight provisions; a program for adjustment aid to communities as well as firms and workers; mandatory, rather than discretionary, import relief once certain criteria are met; and provisions to deal with dumping by multinational corporations—to name just a few.

It is essential that the Senate conferees who will be working with Members of the House on their legislation stand fast and protect the improvements this body has made in the bill. Once a compromise is reached on this matter, there will be no time for debate. There will be no time to send the agreement back to conference. The action of the conference will for all practical purposes be final, and under these circumstances I urge our conferees not to weaken further a bill already weak in certain respects.

ORDER FOR CONSIDERATION OF H.R. 17468, MILITARY CONSTRUCTION APPROPRIATION BILL, ON MONDAY, DECEMBER 16, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unamimous consent that immediately after the orders for the recognition of two Senators on Monday, the Senate proceed to the consideration of the military construction appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 9 A.M. MONDAY, DECEMBER 16, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES IN 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action taken yesterday on Senate Joint Resolution 40 be vacated; that the bill be returned to the calendar; that third reading of the bill be vacated; that no amendments to the amendment by Mr. BUCKLEY be in order.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, in essence, what does this mean in reference to this bill?

Mr. ROBERT C. BYRD. This means that the bill would be put back on the calendar. It would be on second reading. It would be open to further amendment once it is called up, with one exception: the Buckley amendment, which was agreed to when the bill was passed yesterday, would not be affected by this action and would be fully protected, so that no amendments to the Buckley amendment would be in order.

Mr. CURTIS. Has this matter been cleared with the leadership?

Mr. ROBERT C. BYRD. It has been cleared with the leadership on the other side of the aisle.

Mr. CURTIS. And has it cleared with Mr. BUCKLEY?

Mr. ROBERT C. BYRD. Mr. BUCKLEY is fully protected in this.

Mr. CURTIS. Unless the bill fails to pass.

Mr. ROBERT C. BYRD. It is up to the leadership on the other side.

Mr. President, the Senator raises a pertinent question. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROCK). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn.

ORDER FOR ADJOURNMENT TO MONDAY, DECEMBER 16, 1974, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock on Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair, with the understanding that the recess not extend beyond the hour of 4 p.m. today.

The motion was agreed to, and at 2:25 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:29 p.m., when called to order by the Presiding Officer (Mr. HANSEN).

AUTHORITY FOR THE COMMITTEE ON FINANCE TO HAVE UNTIL MIDNIGHT TONIGHT TO SUBMIT TWO REPORTS

Mr. LONG. Mr. President, I ask unanimous consent that the Committee on Finance have until midnight tonight to file reports on H.R. 17045 and H.R. 11706.

The PRESIDIN OFFICER. Without objection, it is so ordered.

H.R. 421—AMENDMENT OF TARIFF SCHEDULES—CLOTURE MOTION

Mr. LONG. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER (Mr. HANSEN). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the committee substitute for H.R. 421.

Russell B. Long, Herman E. Talmadge, Robert Dole, Claiborne Pell, Frank E. Moss, Hugh Scott, Walter F. Mondale, Lloyd Bentsen; Bob Packwood, Wallace F. Bennett, Carl T. Curtis, Paul J. Fannin, Clifford P. Hansen, Robert P. Griffin, Robert C. Byrd, Adlai Stevenson.

H.R. 17045—THE SOCIAL SERVICES AMENDMENTS OF 1974—CLOTURE MOTION

Mr. LONG. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER (Mr. HANSEN). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the Committee substitute amendment to H.R. 17045.

Russell B. Long, Herman E. Talmadge, Hugh Scott, Abraham Ribicoff, Mike Gravel, Frank E. Moss, Walter F. Mondale, Lloyd Bentsen;

Robert P. Griffin, Wallace F. Bennett, Carl T. Curtis, Paul J. Fannin, Clifford P. Hansen, Robert Dole, Bob Packwood, Claiborne Pell.

Mr. LONG. Mr. President, for the information of Senators and other persons interested, I think I should explain that the purpose of filing these two cloture motions is that we feel it would be derelict of this Congress to go home without passing social services legislation, either that recommended by the House or that recommended by the Senate, one version being House passed and the other being Senate passed.

The provisions that permit the States to continue as they are in the social services program expire at the end of this year, and many persons could face a loss of these very essential social services if some permanent type of legislation is not passed.

The Senator from Minnesota (Mr. MONDALE) has been extremely active in this field and, for that matter, so have all Senators, in trying to see that poor people are not adversely affected by the difference of opinions that exists among Senators as to what kind of social services legislation should be enacted.

There is no doubt about the fact that the social services should be there. It is just a matter of how should the regulations be drawn, how broad or how narrow. We have fought this battle many times, debated it many times, and we hope to resolve it in a way that would be useful to all.

But if we call the social services bill up this late in the session, with there being so many worthwhile social security proposals that have been adopted by the Senate, it stands to reason the fate of this measure could be the same as that which we feared for the trade bill, that it would be so loaded down with controversial amendments or so many of them in number that the bill would never become law.

Mr. President, we added to the social services bill a child support proposal which is favored by the administration, as I understand it, and which was also passed without a dissenting vote here in the Senate, and after having been unanimously reported by the Senate Finance Committee. We also added a proposal which has been passed by a very large vote twice in the Senate, the so-called work bonus or the tax credit for low-income working families. We believe if a tax relief is to be given for anyone, we ought to start with those who need it the most.

That has been recommended to the Senate and to the House, both as a tax measure and also as a social security measure. Whichever way you look at it, we think it is good legislation, and the Senate has twice voted by overwhelming votes, and we would like to have the House at least consider it, and we hope very much that the House will agree to this. But I would assume that they will probably ask for a conference, and we will work out whatever would seem to be the best judgment of those available on the social services aspect because there are a number of differences between the House bill and the Senate bill.

We have then proceeded to lift from the House tax reform proposals certain measures which, so far as we could determine in the Committee on Finance, have no opposition; that is, so far as we know there is no member of the Senate Finance Committee who opposes any of these provisions, and we are not aware of any Member of the U.S. Senate who opposes any of these provisions. But we are not mindreaders. It may well be that there are one or two Senators who oppose one or two of these proposals, but we are confident that what we are recommending would have the support of the overwhelming majority of all Senators on each point.

Again, the reason why we seek to invoke cloture is that a bill of this sort can then attract so many additional amendments, some of which have not been the subject of the hearings but which have been approved at one time or another by the Senate or by the House, or amendments which have a great deal of logic to recommend them, that the bill will then be accused of being a Christmas tree bill. It may be accused of that anyhow because there are about seven amendments on it, but I think that would be rather unfair. As the floor manager of the original Christmas tree bill, I think we had about 100 amendments on that one. We would hope that these few provisions could be passed because they have merit, they are important to the economy, and we have restrained ourselves in not recommending many other very fine provisions that the House recommended in their bill.

We limited ourselves in the committee to what we believed to be a rule of unanimity. We feel that if 17 members of the Finance Committee which, I believe, I might be pardoned for having a little pride in, contains some of the best conservatives, the best liberals, the best moderates in the Senate and if we can find no one who can object to it or find no one who has any objection to it, the Senate would agree to it. But the Senate very much needs a rule of relevance, and we believe we need that rule of relevance otherwise these proposals are not likely to become law.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. I listened to the distinguished Senator very carefully, and he addressed his remarks only to one of the measures, the social services legislation. Am I mistaken? What was the other?

Mr. LONG. We proposed the tax amendment to be added to a tariff measure involving upholstery regulators, H.R. 421. That deals with upholstery regulators, and it is a noncontroversial bill, and we hope that the amendment will be noncontroversial.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further?

Mr. LONG. Yes.

Mr. ROBERT C. BYRD. By introducing cloture motions today this would mean that on Tuesday next, after 1 hour of the session, the clerk will call the roll for a quorum and there would then be a vote, a rollcall vote, on the motion to invoke cloture. Is this the plan of the Senator, to have one or both measures on Tuesday next?

Mr. LONG. Well, having filed a motion to comply with the rules, it will be my thought that we would leave our fate in the hands of the very able and competent leadership of the Senator from West Virginia (Mr. ROBERT C. BYRD).

He has had great success in the last several days in moving these unanimous-consent requests back and forth and around and arranging time when the Senate can vote, and the Senate has cooperated with him, as I think it should, and I would think that while it would appear that Tuesday at 12 o'clock would be the proper time, the Senate will accept the judgment of his leadership as to whatever would be the best time to vote.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further?

Mr. LONG. Yes.

Mr. ROBERT C. BYRD. May I ask the Chair which of the two cloture motions was offered first?

The PRESIDING OFFICER (Mr. GRIFFIN). The motion with respect to H.R. 421.

Mr. LONG. I would like to ask unanimous consent that the Chair reverse the order, because I believe the Senate, if it is going to follow this precedure, would be more likely to do so with regard to the social services proposal.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. If the Senator will yield further, without objection, I just want to be sure what the circumstances will be on next Tuesday so that I can properly alert Senators and properly arrange the program. Will the Chair identify the measure on which the first cloture vote will occur?

The PRESIDING OFFICER (Mr. GRIFFIN). The cloture vote on Tuesday, the first vote would come on the committee substitute to H.R. 17045.

Mr. ROBERT C. BYRD. 17045.

The PRESIDING OFFICER. Which is the social services bill.

Mr. ROBERT C. BYRD. Very well.

And after cloture is invoked on that measure, if cloture is invoked, the Senate then would proceed, without debate to establish a quorum and then vote on the motion to invoke cloture on the second measure, and would the Chair identify that one?

The PRESIDING OFFICER. That would be the committee substitute for H.R. 421, but if the Senator from West Virginia would permit the Chair reminds Senators that a cloture motion has already been filed on the conference report on H.R. 15977, the Export-Import Bank Amendment Act, which would come in ahead of these two.

Mr. ROBERT C. BYRD. Yes.

May I say for the information of Senators, I am advised that, as of now, it does not appear that the Senate will be voting on Tuesday on a cloture motion with respect to the Export-Import Bank conference report, but I thank the Chair for reminding us of that vote which is, as of now, scheduled.

Very well, then, as I understand it, on Tuesday next, the first cloture petition deals with the so-called social services legislation, am I correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. The second deals with the committee substitute for H.R. 421, am I correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. LONG. I thank the Senator.

Mr. MONDALE. Will the Senator yield?

Mr. LONG. Yes.

Mr. MONDALE. I would like to comment briefly, if I might, on the social services action by the committee today.

For some months, I have been working with the representatives of the National Governors Conference, the American Public Welfare Association, the AFL-CIO and UAW, representatives of the administration and Secretary of Health, Education, and Welfare, and many other groups interested in the administration of the program known as the social services program.

The result of our joint efforts was a consensus measure which I introduced in the Senate as S. 4082 and a companion measure introduced in the House and adopted by the House, which I believe to be a very strong and well-advised resolution of the many disputes and differences bearing on that program.

I would hope that in conference we might strengthen the Senate-passed version in at least four respects, to reflect the consensus reflected in S. 4082.

First, adding limits on eligibility; second, strengthening the process of State planning; third, repealing the so-called 90–10 rule which proves to be, I think, a very artificial rule with so many exemptions as to be meaningless, and substituting it with the requirement that 50 percent of the funds go to persons currently eligible for SSI, AFDC, medicaid, or their immediate families; and that we add provisions for certain prohibited activities, and establishing standards for child day care including the Federal interagency day care requirements of 1968.

I think we have to be mindful of the fact that we have only a few days remaining in this session of this Congress and that unless we act expeditiously there is a chance that the social services regulations that we have been operating under will expire and it could be several months into the next session before we could act.

In light of that reality and the limitation of time, it seems to make sense to readopt the measure which the Senate had earlier adopted and then take that matter to conference with the House for resolution.

I think the committee in asking simply for the readoption of a measure we had already adopted this Congress dramatically, if not entirely, eliminates objections on the Senate floor, prompts its adoption, and hopefully will permit the invocation of cloture.

For that reason, although I regret that the provisions of S. 4082 were not adopted by the committee, I signed the cloture petition. I am hopeful we can move expeditiously to the adoption of the Senate Finance Committee recommended measure and go to conference for a resolution, and I would hope along the lines I have mentioned.

Mr. FANNIN. Will the Senator yield?

The PRESIDING OFFICER (Mr. HANSEN). The Senator from Arizona.

Mr. FANNIN. Mr. President, I want to pay tribute to the distinguished chairman of our Finance Committee who is so dedicated to obtain the needed legislation at this late hour and has been willing to work diligently with the members of the Finance Committee to come up with some compromise in some cases, but at all times taking into consideration the need that we have to pass legislation that will be very helpful in both our social services program, as well as in other programs that are so essential to carrying through some of the obligations we have as Members of this body.

He has been willing, and has certainly very capably taken this leadership at personal sacrifice, and I feel that he is certainly deserving of great credit for this activity.

I am very pleased that we have arrived at these conclusions that have been expressed on the floor this afternoon and I feel very confident we can go forward and accomplish some of the objectives the distinguished chairman just mentioned throughout the year. But circumstances, because of the tremendous amount of legislation he has handled, have made it very difficult to obtain the legislation at an earlier date. By his action he has simply permitted the Members of the Senate to work their will on this legislation.

Mr. LONG. I thank the distinguished Senator.

Mr. President, it has been a real pleasure and a privilege to work with the Senator from Arizona and the Senator from Wyoming, who I see in the chair at this moment, on the Senate Finance Committee.

Each of them has been most considerate of their colleagues in trying to do that which they felt in good conscience and in the national interest they should promote.

They have gone the extra mile to permit some of us to advance our legislative suggestions and at the same time they have insisted that we follow the tradition of knowing what we are doing and that we proceed with care unless we bring to the Senate some proposal that thorough study might prove to be unwise.

I really think we are extremely fortunate in both the Democratic and Republican members of the Committee on Finance, that they will work together and try to cooperate with one another. So far as I know, no member is unreasonable in insisting that everything be his way or that we pass all his legislative suggestions or otherwise he would refuse to permit the committee to act on some measure where everyone else would agree it was a good proposal.

That is about the kind of situation we have here, Mr. President.

So far as I know, there is nothing in the tax measure we are proposing that had any particular impact in the State of Louisiana.

I know very well there will be dismay in some quarters by people who do have some interest in things in the State which I have the honor to represent, that we voted through a measure to take care of some situations where we believe almost unanimous support can be generated and we are unable to do the same thing for some measure involving them, which I am sure the Senate would be willing to do if we were in a position to act as we do in ordinary legislative session.

We are now in a situation where every day that goes by we need nearer and nearer 100 percent unanimous consent to do anything.

I said it before, and the best way I know how to explain it is that toward the end of the ballgame in a Congress, the defense has all the advantages and those who want to get something done find it more and more difficult to pass a bill that can muster a majority vote, because there are some equally sincere and dedicated people on the other side.

I thank the Senator.

ORDER OR ROLLCALL VOTE ON CLOTURE MOTION ON TRADE REFORM ACT CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if, on either next Thursday or Friday a cloture motion should be presented with respect to the trade bill conference report, a rollcall vote occur on such motion to invoke cloture on Friday after not to exceed 3 hours of debate, and the usual quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO WITHDRAW CLOTURE MOTION ON SUPPLEMENTAL APPROPRIATIONS CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to withdraw the motion to invoke cloture on the supplemental appropriations conference report.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, after the leaders or their designees have been recognized under the standing order on Monday, Mr. BROCK will be recognized for not to exceed 15 minutes, after which Mr. GRIFFIN will be recognized for not to exceed 15 minutes, after which the Senate will proceed to take up the military construction appropriation bill.

Rollcall votes may be ordered on amendments thereto, and on passage of that bill, but if such are ordered, no votes will occur on Monday prior to the hour of 1:30 p.m.

At the hour of 12:30 p.m. on Monday, the Senate will proceed to the consideration of the surface mining conference report. There is a 30-minute time limitation on that conference report. A rollcall vote will probably be ordered on the adoption of the conference report, but such vote would not occur until after the hour of 1:30 p.m., if such vote is ordered.

At the hour of 1 p.m., the Senate will proceed to the consideration of the motion to invoke cloture on the Eximbank amendments conference report. There will be one-half hour of debate, after which, at the hour of 1:30 p.m., the Chair will ask the clerk to establish the presence of a quorum. After the establishment of a quorum has been announced, or at about 1:45 p.m., the Senate will proceed to vote on the motion to invoke cloture.

ORDER THAT ALL ROLLCALL VOTES ORDERED PRIOR TO 1 P.M. ON MONDAY FOLLOW THE VOTE ON THE MOTION TO INVOKE CLOTURE

I ask unanimous consent, Mr. President, that regardless of the outcome of the vote on that motion to invoke cloture, any rollcall votes on amendments to the military construction bill, or the passage of that bill, or on the adoption of the surface mining conference report, or any other rollcall votes that may have been ordered prior to the hour of 1 o'clock p.m., then occur, in the sequence of their having been ordered, back to back, immediately following the vote on the motion to invoke cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So, Mr. President, several rollcall votes could occur back to back following the vote on the motion to invoke cloture, which vote will occur at about 1:45 p.m.

ORDER FOR 10-MINUTE LIMITATION ON BACK-TO-BACK ROLLCALL VOTES ON MONDAY

I ask unanimous consent that any back-to-back votes following that initial vote on the motion to invoke cloture be 10-minute rollcalls, with the warning bell to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. After the disposition of those votes, what happens remains unclear at this time, because it will depend upon the outcome of the vote on the motion to invoke cloture on the Eximbank conference report. But in any event, at the hour of 3:30 p.m., under the order previously entered, the Senate will proceed to the consideration of the cargo preference conference report, under a time limitation of 1 hour.

ORDER FOR THE CONSIDERATION OF THE CARGO PREFERENCE CONFERENCE REPORT AT 3:30 P.M. MONDAY

I ask unanimous consent that that be the order, regardless of what happens on the cloture vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I further ask unanimous consent that a vote on the adoption of the cargo preference conference report occur at the expiration of the 1 hour of debate on that conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want it understood that it is not the intention to preclude a motion to table the cargo preference report at the close of the 1 hour of debate.

The PRESIDING OFFICER. That will be a part of the order.

Mr. ROBERT C. BYRD. And it has been agreed to?

The PRESIDING OFFICER. Without objection, it is agreed to.

ADJOURNMENT UNTIL 10 A.M., MONDAY, DECEMBER 16, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. on Monday next.

The motion was agreed to; and at 4 p.m. the Senate adjourned until Monday, December 16, 1974, at 10 a.m.

NOMINATION

Executive nomination received by the Senate December 14, 1974:

DEPARTMENT OF STATE

William B. Saxbe, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India vice Daniel P. Moynihan.

CONFIRMATION

Executive nominations confirmed by the Senate December 14, 1974:

DEPARTMENT OF STATE

Terence A. Todman, of the Virgin Islands, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Sidney Weintraub, of New Jersey, to be an Assistant Administrator of the Agency for International Development.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE COAST GUARD

Coast Guard nominations beginning Earl D. Johnson, to be commander, and ending Albert C. Muccilli, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 4, 1974.

HOUSE OF REPRESENTATIVES—*Saturday, December 14, 1974*

The House was not in session today. Its next meeting will be held on Monday, December 16, 1974, at 12 o'clock noon.

CONFERENCE REPORT ON H.R. 5463

Mr. HUNGATE (pursuant to an order of the House on December 13, 1974) submitted the following conference report and statement on the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

CONFERENCE REPORT (H. REPT. NO. 93–1597)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 15, 16, 17, 18, 19, 20, 30, 31, 33, 35, 39, 42, 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 21, 22, 23, 24, 25, 36, 37, 38, 41, 43, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "(5) Other exceptions."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

At the end of the matter proposed to be inserted by the Senate amendment insert the following:

"This rule shall not take effect until August 1, 1975, and shall be superseded by any amendment to the Federal Rules of Criminal Procedure which is inconsistent with this rule, and which takes effect after the date of the enactment of the Act establishing these Federal Rules of Evidence."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(1) was punishable by death or imprisonment in excess of one year under the law under which he was convicted, and the court determines that the probative value of admitting this evidence outweighs its prejudicial effect to the defendant, or (2) involved

dishonesty or false statement, regardless of the punishment"

And the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

At the end of the matter proposed to be inserted by the Senate amendment insert the following:

"However, evidence of a conviction more than 10 years old as calculated herein, is not admissible unless the proponent gives to the adverse party sufficient advance written notice of intent to use such evidence to provide the adverse party with a fair opportunity to contest the use of such evidence."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

Strike out the period at the end of Senate amendment numbered 28 and insert in lieu thereof the following:

"and insert in lieu thereof the following: 'and was given under oath subject to the penalty of perjury at a trial, hearing, or other proceeding, or in a deposition.' "

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment, insert the following: "or".

And the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

Strike out the period at the end of the Senate amendment numbered 32, and insert in lieu thereof the following:

"and insert in lieu thereof the following: 'The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.' "

And the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

At the end of the matter proposed to be inserted by the Senate amendment insert the following:

"However, a statement may not be admitted under this exception unless the proponent of it makes known to the adverse party sufficiently in advance of the trial or hearing to provide the adverse party with a fair opportunity to prepare to meet it, his intention to offer the statement and the particulars of it, including the name and address of the declarant."

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(5) Other exceptions.—A statement not specifically covered by any of the foregoing exceptions but having equivalent circumstantial guarantees of trustworthiness, if the court determines that (A) the statement is offered as evidence of a material fact; (B) the statement is more probative on the point for which it is offered than any other evidence which the proponent can procure through reasonable efforts; and (C) the general purposes of these rules and the interests of justice will best be served by admission of the statement into evidence. However, a statement may not be admitted under this exception unless the proponent of it makes known to the adverse party sufficiently in advance of the trial or hearing to provide the adverse party with a fair opportunity to prepare to meet it, his intention to offer the statement and the particulars of it, including the name and address of the declarant."

And the Senate agree to the same.

William L. Hungate,
Bob Kastenmeier,
Don Edwards,
Henry P. Smith III,
David W. Dennis,
Managers on the Part of the House.

James O. Eastland,
John L. McClellan,
P. A. Hart,
Sam J. Ervin, Jr.,
Quentin Burdick,
Roman L. Hruska,
Strom Thurmond,
Hugh L. Scott,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House and Senate conferees met twice to discuss the differences in the Senate and House versions of H.R. 5463. The first meeting took place in the afternoon of Wednesday, December 11, 1974, and the second took place in the afternoon of Thursday, December 12, 1974.

The Senate made 44 amendments to the House bill, seven of which are of a technical or conforming nature. Of these seven, the Conference adopts 5, the Senate recedes from 1, and the Conference adopts one of the technical amendments with an amendment.

The more significant differences in the House and Senate versions of the bill were resolved as follows:

RULE 103. RULINGS ON EVIDENCE

The House bill contains the word "judge". The Senate amendment substitutes the word "court" in order to conform with usage elsewhere in the House bill.

The Conference adopts the Senate amendment.

RULE 301. PRESUMPTIONS IN GENERAL IN CIVIL ACTIONS AND PROCEEDINGS

The House bill provides that a presumption in civil actions and proceedings shifts to the party against whom it is directed the burden of going forward with evidence to meet or rebut it. Even though evidence contradicting the presumption is offered, a presumption is considered sufficient evidence of the presumed fact to be considered by the jury. The Senate amendment provides that a presumption shifts to the party against whom it is directed the burden of going forward with evidence to meet or rebut the presumption but it does not shift to that party the burden of persuasion on the existence of the presumed fact.

Under the Senate amendment, a presumption is sufficient to get a party past an adverse party's motion to dismiss made at the end of his case-in-chief. If the adverse party offers no evidence contradicting the presumed fact, the court will instruct the jury that if it finds the basic facts, it may presume the existence of the presumed fact. If the adverse party does offer evidence contradicting the presumed fact, the court cannot instruct the jury that it may *presume* the existence of the presumed fact from proof of the basic facts. The court may, however, instruct the jury that it may infer the existence of the presumed fact from proof of the basic facts.

The Conference adopts the Senate amendment.

RULE 405. METHODS OF PROVING CHARACTER

The Senate makes two language changes in the nature of conforming amendments. The Conference adopts the Senate amendments.

RULE 408. COMPROMISE AND OFFERS TO COMPROMISE

The House bill provides that evidence of admissions of liability or opinions given during compromise negotiations is not admissible, but that evidence of facts disclosed during compromise negotiations is not inadmissible by virtue of having been first disclosed in the compromise negotiations. The Senate amendment provides that evidence of conduct or statements made in compromise negotiations is not admissible. The Senate amendment also provides that the rule does not require the exclusion of any evidence otherwise discoverable merely because it is presented in the course of compromise negotiations.

The House bill was drafted to meet the objection of executive agencies that under the rule as proposed by the Surpeme Court, a party could present a fact during compromise negotiations and thereby prevent an opposing party from offering evidence of that fact at trial even though such evidence was obtained from independent sources. The Senate amendment expressly precludes this result.

The Conference adopts the Senate amendment.

RULE 410. OFFER TO PLEAD GUILTY; NOLO CONTENDERE; WITHDRAWN PLEA OF GUILTY

The House bill provides that evidence of a guilty or nolo contendere plea, of an offer of either plea, or of statements made in connection with such pleas or offers of such pleas, is inadmissible in any civil or criminal action, case or proceeding against the person making such plea or offer. The Senate amendment makes the rule inapplicable to a voluntary and reliable statement made in court on the record where the statement is offered in a subsequent prosecution of the declarant for perjury or false statement.

The issues raised by Rule 410 are also raised by proposed Rule 11(e)(6) of the Federal Rules of Criminal Procedure presently pending before Congress. This proposed rule, which deals with the admissibility of pleas of guilty or nolo contendere, offers to make such pleas, and statements made in connection with such pleas, was promulgated by the Supreme Court on April 22, 1974, and in the absence of congressional action will become effective on August 1, 1975. The conferees intend to make no change in the presently-existing case law until that date, leaving the courts free to develop rules in this area on a case-by-case basis.

The Conferees further determined that the issues presented by the use of guilty and nolo contendere pleas, offers of such pleas, and statements made in connection with such pleas or offers, can be explored in greater detail during Congressional consideration of Rule 11(e) (6) of the Federal Rules of Criminal Procedure. The Conferees believe, therefore, that it is best to defer its effective date until August 1, 1975. The Conferees intend that Rule 410 would be superseded by any subsequent Federal Rule of Criminal Procedure or Act of Congress with which it is inconsistent, if the Federal Rule of Criminal Procedure or Act of Congress takes effect or becomes law after the date of the enactment of the act establishing the rules of evidence.

The conference adopts the Senate amendment with an amendment that expresses the above intentions.

RULE 501. GENERAL RULE [OF PRIVILEGE]

Rule 501 deals with the privilege of a witness not to testify. Both the House and Senate bills provide that federal privilege law applies in criminal cases. In civil actions and proceedings, the House bill provides that state privilege law applies "to an element of a claim or defense as to which State law supplies the rule of decision." The Senate bill provides that "in civil actions and proceedings arising under 28 U.S.C. § 1332 or 28 U.S.C. § 1335, or between citizens of different States and removed under 28 U.S.C. § 1441(b) the privilege of a witness, person, government, State or political subdivision thereof is determined in accordance with State law, unless with respect to the particular claim or defense, Federal law supplies the rule of decision."

The wording of the House and Senate bills differs in the treatment of civil actions and proceedings. The rule in the House bill applies to evidence that relates to "an element of a claim or defense." If an item of proof tends to support or defeat a claim or defense, or an element of a claim or defense, and if state law supplies the rule of decision for that claim or defense, then state privilege law applies to that item of proof.

Under the provision in the House bill, therefore, state privilege law will usually apply in diversity cases. There may be diversity cases, however, where a claim or defense is based upon federal law. In such instances, federal privilege law will apply to evidence relevant to the federal claim or defense. See *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173 (1942).

In nondiversity jurisdiction civil cases, federal privilege law will generally apply. In those situations where a federal court adopts or incorporates state law to fill interstices or gaps in federal statutory phrases, the court generally will apply federal privilege law. As Justice Jackson has said:

"A federal court sitting in a non-diversity case such as this does not sit as a local tribunal. In some cases it may see fit for special reasons to give the law of a particular state highly persuasive or even controlling effect, but in the last analysis its decision turns upon the law of the United States, not that of any state." *D'Oench, Duhme & Co.* v. *Federal Deposit Insurance Corp.*, 315 U.S. 447, 471 (1942) (Jackson, J., concurring). When a federal court chooses to absorb state law, it is applying the state law as a matter of federal common law. Thus, state law does not supply the rule of decision (even though the federal court may apply a rule derived from state decisions), and state privilege law would not apply. See C. A. Wright, *Federal Courts* 251–252 (2d ed. 1970); *Holmberg* v. *Armbrecht*, 327 U.S. 392 (1946); *DeSylva* v. *Ballentine*, 351 U.S. 570, 581 (1956); 9 Wright & Miller, *Federal Rules and Procedure* § 2408.

In civil actions and proceedings, where the rule of decision as to a claim or defense or as to an element of a claim or defense is supplied by state law, the House provision requires that state privilege law apply.

The Conference adopts the House provision.

RULE 601. GENERAL RULE OF COMPETENCY

Rule 601 deals with competency of witnesses. Both the House and Senate bills provide that federal competency law applies in criminal cases. In civil actions and proceedings, the House bill provides that state competency law applies "to an element of a claim or defense as to which State law supplies the rule of decision." The Senate bill provides that "in civil actions and proceedings arising under 28 U.S.C. § 1332 or 28 U.S.C. § 1335, or between citizens of different States and removed under 28 U.S.C. § 1441(b) the competency of a witness, person, government, State or political subdivision thereof is determined in accordance with State law, unless with respect to the particular claim or defense. Federal law supplies the rule of decision."

The wording of the House and Senate bills differs in the treatment of civil actions and proceedings. The rule in the House bill applies to evidence that relates to "an element of a claim or defense." If an item of proof tends to support or defeat a claim or defense, or an element of a claim or defense, and if state law supplies the rule of decision for that claim or defense, then state competency law applies to that item of proof.

For reasons similar to those underlying its action on Rule 501, the Conference adopts the House provision.

RULE 606. COMPETENCY OF JUROR AS WITNESS

Rule 606(b) deals with juror testimony in an inquiry into the validity of a verdict or indictment. The House bill provides that a juror cannot testify about his mental processes or about the effect of anything upon his or another juror's mind as influencing him to assent to or dissent from a verdict or indictment. Thus, the House bill allows a juror to testify about objective matters occurring during the jury's deliberation, such as the misconduct of another juror or the reaching of a quotient verdict. The Senate bill does not permit juror testimony about any matter or statement occurring during the course of the jury's deliberations. The Senate bill does provide, however, that a juror may testify on the question whether extraneous prejudicial information was improperly brought to the jury's attention and on the question whether any outside influence was improperly brought to bear on any juror.

The Conference adopts the Senate amendment. The Conferees believe that jurors should be encouraged to be conscientious in promptly reporting to the court misconduct that occurs during jury deliberations.

RULE 608. EVIDENCE OF CHARACTER AND CONDUCT OF WITNESS

The Senate amendment adds the words "opinion or" to conform the first sentence of the rule with the remainder of the rule.

The Conference adopts the Senate amendment.

RULE 609. IMPEACHMENT BY EVIDENCE OF CONVICTION OF CRIME

Rule 609 defines when a party may use evidence of a prior conviction in order to impeach a witness. The Senate amendments make changes in two subsections of Rule 609.

A. Rule 609(a)—General rule

The House bill provides that the credibility of a witness can be attacked by proof of prior conviction of a crime only if the crime involves dishonesty or false statement. The Senate amendment provides that a witness's credibility may be attacked if the crime (1) was punishable by death or imprisonment in excess of one year under the law under which he was convicted or (2) involves dishonesty or false statement, regardless of the punishment.

The Conference adopts the Senate amendment with an amendment. The Conference amendment provides that the credibility of a witness, whether a defendant or someone else, may be attacked by proof of a prior conviction but only if the crime: (1) was punishable by death or imprisonment in excess of one year under the law under which he was convicted and the court determines outweighs its prejudicial effect to the de- that the probative value of the conviction fendant; or (2) involved dishonesty or false statement regardless of the punishment.

By the phrase "dishonesty and false statement" the Conference means crimes such as perjury or subornation of perjury, false statement, criminal fraud, embezzlement, or false pretense, or any other offense in the nature of crimen falsi, the commission of which involves some element of deceit, untruthfulness, or falsification bearing on the accused's propensity to testify truthfully.

The admission of prior convictions involving dishonesty and false statement is not within the discretion of the Court. Such convictions are peculiarly probative of credibility and, under this rule, are always to be admitted. Thus, judicial discretion granted with respect to the admissibility of other prior convictions is not applicable to those involving dishonesty or false statement.

With regard to the discretionary standard established by paragraph (1) of rule 609(a), the Conference determined that the prejudicial effect to be weighed against the probative value of the conviction is specifically the prejudicial effect *to the defendant*. The danger of prejudice to a witness other than the defendant (such as injury to the witness's reputation in his community) was considered and rejected by the Conference as an element to be weighed in determining admissibility. It was the judgment of the Conference that the danger of prejudice to a nondefendant witness is outweighed by the need for the trier of fact to have as much relevant evidence on the issue of credibility as possible. Such evidence should only be excluded where it presents a danger of improperly influencing the outcome of the trial by persuading the trier of fact to convict the defendant on the basis of his prior criminal record.

B. Rule 609(b)—Time limit

The House bill provides in subsection (b) that evidence of conviction of a crime may not be used for impeachment purposes under subsection (a) if more than ten years have elapsed since the date of the conviction or the date the witness was released from confinement imposed for the conviction, whichever is later. The Senate amendment permits the use of convictions older than ten years, if the court determines, in the interests of justice, that the probative value of the convictions, supported by specific facts and circumstances, substantially outweighs its prejudicial effect.

The Conference adopts the Senate amendment with an amendment requiring notice by a party that he intends to request that the court allow him to use a conviction older than ten years. The Conferees anticipate that a written notice, in order to give the adversary a fair opportunity to contest the use of the evidence, will ordinarily include such information as the date of the conviction, the jurisdiction, and the offense or statute involved. In order to eliminate the possibility that the flexibility of this provision may impair the ability of a party-opponent to prepare for trial, the Conferees intend that the notice provision operate to avoid surprise.

RULE 801. DEFINITIONS

Rule 801 supplies some basic defintions for the rules of evidence that deal with hearsay. Rule 801(d)(1) defines certain statements as not hearsay. The Senate amendments make two changes in it.

A. Rule 801(d)(1)(A)

The House bill provides that a statement is not hearsay if the declarant testifies and is subject to cross-examination concerning the statement and if the statement is inconsistent with his testimony and was given under oath subject to cross-examination and subject to the penalty of perjury at a trial or hearing or in a deposition. The Senate amendment drops the requirement that the prior statement be given under oath subject to cross-examination and subject to the penalty of perjury at a trial or hearing or in a deposition.

The Conference adopts the Senate amendment with an amendment, so that the rule now requires that the prior inconsistent statement be given under oath subject to the penalty of perjury at a trial, hearing, or other proceeding, or in a deposition. The rule as adopted covers statements before a grand jury. Prior inconsistent statements may, of course, be used for impeaching the credibility of a witness. When the prior inconsistent statement is one made by a defendant in a criminal case, it is covered by Rule 801(d) (2).

B. Rule 801(d) (1) (C)

The House bill provides that a statement is not hearsay if the declarant testifies and is subject to cross-examination concerning the statement and the statement is one of identification of a person made after perceiving him. The Senate amendment eliminated this provision.

The Conference adopts the Senate amendment.

RULE 803. HEARSAY EXCEPTIONS; AVAILABILITY OF DECLARANT IMMATERIAL

Rule 803 defines when hearsay statements are admissible in evidence even though the declarant is available as a witness. The Senate amendments make three changes in this rule.

A. Rule 803(6)—Records of regularly conducted activity

The House bill provides in subsection (6) that records of a regularly conducted "business" activity qualify for admission into evidence as an exception to the hearsay rule. "Business" is defined as including "business, profession, occupation and calling of every kind." The Senate amendment drops the requirement that the records be those of a "business" activity and eliminates the definition of "business." The Senate amendment provides that records are admissible if they are records of a regularly conducted "activity."

The Conference adopts the House provision that the records must be those of a regularly conducted "business" activity. The Conferees changed the definition of "business" contained in the House provision in order to make it clear that the records of institutions and associations like schools, churches and hospitals are admissible under this provision. The records of public schools and hospitals are also covered by Rule 803(8), which deals with public records and reports.

B. Rule 803(8)—Public records and reports

The Senate amendment adds language, not contained in the House bill, that refers to another rule that was added by the Senate in another amendment (Rule 804(b) (5)—Criminal law enforcement records and reports):

In view of its action on Rules 804(b) (5) (Criminal law enforcement records and reports), the Conference does not adopt the Senate amendment and restores the bill to the House version.

C. Rule 803(24)—Other exceptions

The Senate amendment adds a new sub-*section, (24)*, which makes admissible a hearsay statement not specifically covered by any of the previous twenty-three subsections, if the statement has equivalent circumstantial another amendment (Rule 804(b) (5)—Criminal law enforcement records and reports).

In view of its action on Rule 804(b) (5) the statement is more probative on the point for which it is offered than any other evidence the proponent can procure through reasonable efforts; and (C) the general purposes of these rules and the interests of justice will best be served by admission of the statement into evidence.

The House bill eliminated a similar, but broader, provision because of the conviction that such a provision injected too much uncertainty into the law of evidence regarding hearsay and impaired the ability of a litigant to prepare adequately for trial.

The Conference adopts the Senate amendment with an amendment that provides that a party intending to request the court to use a statement under this provision must notify any adverse party of this intention as well as of the particulars of the statement, including the name and address of the declarant. This notice must be given sufficiently in advance of the trial or hearing to provide any adverse party with a fair opportunity to prepare to contest the use of the statement.

RULE 804. HEARSAY EXCEPTIONS: DECLARANT UNAVAILABLE

Rule 804 defines what hearsay statements are admissible in evidence if the declarant is unavailable as a witness. The Senate amendments make four changes in the rule.

A. Rule 804(a) (5)—Definition of unavailability

Subsection (a) defines the term "unavailability as a witness". The House bill provides in subsection (a) (5) that the party who desires to use the statement must be unable to procure the declarant's attendance by process or other reasonable means. In the case of dying declarations, statements against interest and statements of personal or family history, the House bill requires that the proponent must also be unable to procure the declarant's *testimony* (such as by deposition or interrogatories) by process or other reasonable means. The Senate amendment eliminates this latter provision.

The Conference adopts the provision contained in the House bill.

B. Rule 804(b) (3)—Statement against interest

The Senate amendment to subsection (b) (3) provides that a statement is against interest and not excluded by the hearsay rule when the declarant is unavailable as a witness, if the statement tends to subject a person to civil or criminal liability or renders invalid a claim by him against another. The House bill did not refer specifically to civil liability and to rendering invalid a claim against another. The Senate amendment also deletes from the House bill the provision that subsection (b) (3) does not apply to a statement or confession, made by a codefendant or another, which implicates the accused and the person who made the statement, when that statement or confession is offered against the accused in a criminal case.

The Conference adopts the Senate amendment. The Conferees intend to include within the purview of this rule, statements subjecting a person to civil liability and statements rendering claims invalid. The Conferees agree to delete the provision regarding statements by a codefendant, thereby reflecting the general approach in the Rules of Evidence to avoid attempting to codify constitutional evidentiary principles.

C. Rule 804(b) (5)—Criminal law enforcement records and reports

The Senate amendment adds a new hearsay exception, not contained in the House bill, which provides that certain law enforcement records are admissible if the officer-declarant is unavailable to testify or be present because of (1) death or physical or mental illness or infirmity or (2) absence from the proceeding and the proponent of the statement has been unable to procure his attendance by process or other reasonable means.

The Conference does not adopt the Senate amendment, preferring instead to leave the bill in the House version, which contained no such provision.

D. Rule 804(b) (6)—Other exceptions

The Senate amendment adds a new subsection, (b) (6), which makes admissible a hearsay statement not specifically covered by any of the five previous subsections, if the statement has equivalent circumstantial guarantees of trustworthiness and if the court determines that (A) the statement is offered as evidence of a material fact; (B) the statement is more probative on the point for which it is offered than any other evidence the proponent can procure through reasonable efforts; and (C) the general purposes of these rules and the interests of justice will best be served by admission of the statement into evidence.

The House bill eliminated a similar, but broader, provision because of the conviction that such a provision injected too much uncertainty into the law of evidence regarding hearsay and impaired the ability of a litigant to prepare adequately for trial.

The Conference adopts the Senate amendment with an amendment that renumbers this subsection and provides that a party intending to request the court to use a statement under this provision must notify any adverse party of this intention as well as of the particulars of the statement, including the name and address of the declarant. This notice must be given sufficiently in advance of the trial or hearing to provide any adverse party with a fair opportunity to prepare to contest the use of the statement.

RULE 806. ATTACKING AND SUPPORTING CREDIBILITY OF DECLARANT

The Senate amendment permits an attack upon the credibility of the declarant of a statement if the statement is one by a person authorized by a party-opponent to make a statement concerning the subject, one by an agent of a party-opponent, or one by a coconspirator of the party-opponent, as these statements are defined in Rules 801(d) (2) (C), (D) and (E). The House bill has no such provision.

The Conference adopts the Senate amendment. The Senate amendment conforms the rule to present practice.

SECTION 2. ENABLING ACT

Section 2 of the bill adds a new section to title 28 of the United States Code that establishes a procedure for amending the rules of evidence in the future. The House bill provides that the Supreme Court may promulgate amendments, and these amendments become effective 180 days after being reported to Congress. However, any amendment that creates, abolishes or modifies a rule of privilege does not become effective until approved by Act of Congress. The Senate amendments changed the length of time that must elapse before an amendment becomes effective to 365 days. The Senate amendments also added language, not contained in the House provision, that (1) either House can defer the effective date of a proposed amendment to a later date or until approved by Act of Congress and (2) an Act of Congress can amend any rule of evidence, whether proposed or in effect. Finally, the Senate amendments struck the provision requiring that amendments creating, abolishing or modifying a privilege be approved by Act of Congress.

The Conference adopts the House provision on the time period (180 days) and the House provision requiring that an amendment creating, abolishing or modifying a rule of privilege cannot become effective until approved by Act of Congress. The Conference adopts the Senate amendment providing that either House can defer the effective date of an amendment to the rules of evidence and that any rule, either proposed or in effect, can be amended by Act of Congress. In making these changes in the enabling Act, Conference recognizes the continuing role of the Supreme Court in promulgating rules of evidence.

William L. Hungate,
Bob Kastenmeier,
Don Edwards,
Henry P. Smith III,
David W. Dennis,
Managers on the Part of the House.

James O. Eastland,
John L. McClellan,
P. A. Hart,
Sam J. Ervin, Jr.,
Quentin Burdick,
Roman L. Hruska,
Strom Thurmond,
Hugh P. Scott,
Managers on the Part of the Senate.

EXTENSIONS OF REMARKS

MICHIGAN SCLC OPPOSES FORCED BUSING

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, December 13, 1974

Mr. GRIFFIN. Mr. President, forced busing of school children solely for the purpose of achieving an artificial racial balance, continues to be a deeply divisive issue in Michigan and throughout the country.

It divides blacks as well as other groups in the community. That was underscored recently when the Michigan chapter of the Southern Christian Leadership Conference, the civil rights organization founded by the late Dr. Martin Luther King, Jr., registered strong opposition to busing for Detroit. As reported in the Detroit News, Dr. Claud R. Young, SCLC's Midwest vice president and a cousin of Detroit's black mayor, Coleman Young, warned that court-ordered busing in Detroit "could destroy the whole city."

This stance contrasts sharply with the position of the NAACP which is pressing hard in Federal courts for a new order to require busing in Detroit only, now that the Supreme Court has refused to require cross-district busing.

Dr. Young stated:

> We do not feel that integrating the schools without raising the (educational) standards is going to help us.

According to the News:

> Dr. Young said the busing issue is adding to racial polarization and ill feeling because of economic conditions and auto plant layoffs. He said it is causing migration by both white and black families.

He said:

> Busing should be put on the back burner.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

NAACP Is Upset by Call To Drop School Busing

(By Chester Bulgier)

Detroit NAACP officials have expressed dismay at a demand by another influential civil rights organization that the idea of school bussing for integration be dropped.

The Michigan chapter of the Southern Christian Leadership Conference (SCLC) has warned that court-ordered bussing in Detroit "could destroy the whole city."

Dr. Claud R. Young, SCLC vice-president in charge of the Midwest region, said he was speaking for the Michigan chapter of the organization, which was founded by the late Dr. Martin Luther King and which took a leading role in the battle against racial segregation in the South.

"What would happen here would make the recent violence in Boston over court-ordered school bussing look like a warm-up," he said in an interview.

"We have enough first-hand information about racial polarization, resentment over unemployment and the extent of arms in Detroit to know that we simply could not stand that extent of violent physical confrontation."

Dr. Young, a cousin of Detroit Mayor Young, said any money now set aside to implement a Detroit-only bussing plan should be diverted to improve vocational training in Detroit public schools.

Mayor Young said he agreed with his cousin "100 percent."

The mayor said he believes the fundamental problem for Detroit schools is that they receive only 50 percent of the amount of per-pupil dollar support received by suburban schools.

"That in essence is the problem, and that problem cannot be solved by bussing," Mayor Young said.

Mayor Young said he would seek to prevent disturbances if bussing were implemented. "There will be no Boston here if I can help it," he said.

The NAACP is pushing for implementation of a Detroit-only bussing plan after failing in its fight—carried all the way to the U.S. Supreme Court—to obtain cross-district bussing throughout the tricounty area.

The high court last July rejected the NAACP plan to integrate Detroit and 53 predominantly or exclusively white suburban school districts by bussing students across district lines.

The case was referred back to Federal Court in Detroit, which must draft a plan for Detroit-only school integration.

"We are extremely disappointed in the SCLC position," said Joe Madison, Detroit NAACP executive director, "particularly in view of SCLC's long history of fighting segregation on both local and national levels."

Madison said he also expressed the view of Dr. Jesse Goodwin, chairman of the NAACP's education committee.

"We think they are just wrong," Madison said.

He agreed "there may be some truth" to fears that bussing may cause racial violence in Detroit worse than Boston's.

"I have had some threats on my life in connection with this already," he said.

But he said violence is caused by fear based on ignorance.

"What we should be about in Detroit is to eliminate ignorance about school desegregation," Madison said. "If you do that, you eliminate fear, and if you eliminate fear you eliminate violence."

Madison also said the SCLC stand "has very little leverage" because the matter is in the courts.

"The Supreme Court has ruled that Detroit is guilty of segregation in its public schools and that it must desegregate immediately," he said.

"Any discussion of eliminating plans for desegregation is useless, because you can't just ignore a decision by the Supreme Court."

Dr. Young said it is impossible to achieve racial balance in the Detroit school system alone because 71.6 percent of its pupils are black.

"The SCLC is still strongly integrationist, but we're trying to look at this as a practical matter," he said.

"We do not feel that integrating the schools without raising the standards is going to help us.

"The reason we supported bussing in the past was it would force us to upgrade our schools and achieve quality education for our children. But the NAACP has lost the original concept, which was quality education."

Dr. Young said the business issue is adding to racial polarization and ill feeling because of economic conditions and auto plant layoffs. He said it is causing migration by both white and black families.

Achieving racial balance without crossing school district lines is already impossible," he said.

"With this hanging over our heads, we cannot move forward on some of the issues we need to move on to turn this city around.

"Bussing should be put on the back burner."

Instead, Dr. Young said, SCLC is calling on state and federal officials to allocate funds to bring all schools up to standard.

"We're calling on the state of Michigan to revamp its vocational program so that people living in inner cities, minorities and the poor will be prepared to make a living for themselves at the age of 18," he said.

Dr. Young said public schools also should offer college preparatory courses for those who want to continue their education.

Madison strongly denied that the NAACP has abandoned the concept of quality education.

"That's still our No. 1 goal," he said. "But as long as segregation exists, equality is impossible. The Supreme Court has said this."

Madison said NAACP lawyers are seeking a multidistrict bussing plan which would be acceptable to the Supreme Court.

"So we regard the Detroit-only plan as just an interim plan anyway. Meanwhile, we have to deal with it where it's at. And what we have to do now is to see that this desegregation plan is implemented as effectively as possible," he said.

"We're not talking about racial balance. What we're talking about is true integration—the sharing of responsibility, power and resources and equally distributing these to all children in the city of Detroit."

WHAT IS THE STATE OF THE NAVY?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. CRANE. Mr. Speaker, most Americans unfortunately are unaware of the real nature of the Nation's current defense posture. They believe, incorrectly, that the United States is still the most powerful nation in the world and, more particularly, that our naval forces are superior to those of any other nation.

In recent years, our defense position has been permitted to deteriorate. Operating on the false assumption of U.S. superiority, the Congress and the executive have together made serious cuts in funds for research and development of new weapons. Today, many urge further cuts in order to improve our economic situation, ignoring the very real danger to our world position.

The most recent issue of "Jane's Fighting Ships" refers to the U.S. Navy as that of "the other superpower," clearly indicates that the Soviet Union has achieved superiority in naval forces, and declares that—

> Of those countries to whom a navy is today essential, the United States is one of the foremost, and the U.S. Navy is probably also in the van of navies subjected to misinformed, illogical and irrational attacks on it by some of those who depend on it the most.

The president of the Navy League of the United States, in his message in the

November 1974, issue of Sea Power, the league's official publication, ask the question: "What is the State of the Navy?" His answer paints a picture which most Americans will find disturbing.

This report notes that—

> We . . . know that the Navy has been almost halved in size since the end of the Vietnam War, in a calculated gamble to rid it of obsolescent ships and to provide funds to rebuild. We also know that Vietnam left the Navy with the largest backlog of required overhauls in its history, and nowhere near *enough time* and money have been provided since then for those overhauls to have been accomplished. We are aware that few, if any, ships under construction are on schedule, and that some of those now being built will be over two years late when they finally join the fleet. . . . The research and development picture is also discouraging. The "fleet of tomorrow" sought so eagerly, and spoken of so glowingly . . . still is a long, long way off.

Only if we understand the negative picture of today's naval preparedness will we be willing to take the necessary steps to reverse this regressive trend. In order to provide further information about this situation, I wish to share with my colleagues the President's message from the November 1974 issue of Sea Power and insert it into the RECORD at this time:

QUESTION: WHAT IS THE STATE OF THE NAVY?

In recent weeks, we have seen so many claims and counterclaims on the subject of the strength of the U.S. Navy that we have become confused over the true status of that force which plays such a unique role in the maintenance of our freedoms. Jane's Fighting Ships, a prestigious publication long respected for its research and its commentary about the world's navies, without actually stating in so many words that the Soviet Navy is foremost in the world, clearly indicates this view in a detailed analysis of what the Soviets have accomplished in building up their fleet. Jane's refers to our Navy as "the other superpower" and also interestingly observes, "Of those countries to whom a navy is today essential, the United States is one of the foremost, and the U.S. Navy is probably also in the van of navies subjected to misinformed, illogical and irrational attacks on it by some of those who depend on it the most.

Not too many days passed before one of the nation's most distinguished legislators, and one who has long been regarded as strongly pro-military, Senator John C. Stennis of Mississippi, in a speech on the floor of the Senate said that speculation about inferiority of U.S. naval strength is "false" and could encourage the Soviet Navy "to react recklessly or belligerently." He added that, on a navy-to-navy basis, the Soviet Navy does not match the capability of the U.S. Navy, and that the U.S. fleet should be able to fulfill its missions except under "the most adverse and extreme circumstances"—such as a massive land-based air attack without adequate air support. His remarks generally were taken as being in vigorous opposition to the views of Admiral Elmo Zumwalt, who completed a four-year term as Chief of Naval Operations on July 1 and who has averred that the Soviet Navy is indeed superior to our own.

Following on the heels of the rather surprising Stennis speech came news releases from the offices of the services' most vociferous critics, Senator William Proxmire and Congressman Les Aspin, both of whom resorted to statistics to "prove" that the U.S. Navy is not only much stronger but also younger than the Soviet fleet, while also taking advantage of the opportunity to fire a few pot shots at the admirals who have been seeking to modernize and rebuild our fleet. Unfortunately, the data used failed to include, among other items, information on weaponry, ship construction rates in both countries, expenditures for research and development, and funds allocated to hardware, factors that must be considered in evaluating any navy; for that reason, the statistical onslaught did little more than add to the confusion.

Then the Wall Street Journal chimed in with a report that "Navy officials get word from top Pentagon civilians to stop talking openly about U.S. seapower weaknesses. Secretary Schlesinger and colleagues feel the comparison with Russia is nowhere near as dire as some admirals make out."

While we were pondering the impact of this statement, there came a spate of news stories from the Pentagon that inflation is eating away at the Navy's shipbuilding program and that the Navy is now going to get much less than it hoped for with the funds allocated for the program. Then came a chilling charge by the outspoken and acerbic Admiral Hyman Rickover that the existing ships of the Navy are in the worst condition they have been in in the last 50 years.

On the basis of these conflicting and disturbing remarks, we begin to wonder just what kind of shape the Navy really is in. We do know that the Navy has been almost halved in size since the end of the Vietnam War, in a calculated gamble to rid it of obsolescent ships and to provide funds to rebuild. We know also that Vietnam left the Navy with the largest backlog of required overhauls in its history, and nowhere near enough time and money have been provided since then for those overhauls to have been accomplished. We are aware that few, if any, ships under construction are on schedule, and that some of those now being built will be over two years late when they finally join the fleet. We know that some ships authorized by Congress two years ago still are not under contract to be built, and that the Navy has encountered heavy going in its search for shipbuilders to build them. And we have heard much of late of the running battle between the Navy and almost all private shipyards, almost all of whom contend vigorously that the Navy's approach to shipbuilding is antiquated, cumbersome, bureaucratic, too prone to changes and designed to keep builders' profits so low as to make it undesirable for them to build Navy ships.

The research-and-development picture also is discouraging. The "fleet of tomorrow" sought so eagerly, and spoken of so glowingly, by Admiral Zumwalt still is a long, long way off. The sea control ship for which he pushed so hard still is on the drawing board, with Congress blocking the expenditure of funds for its construction. It now appears unlikely it will ever sail the seas in the form originally envisioned. The surface effects ship, one which would appear to offer great promise, still has not gotten a green light for production. Hydrofoil development and production still are agonizingly slow, and Congress cut more than half of the new patrol frigate program.

Operationally, a number of experts agree that a major deficiency exists in surface-missile capability, and that we are far behind the Soviets in this most important sector of naval warfare. The authoritative Jane's also tells us that one of our newest additions to the fleet, the SPRUANCE-class destroyers, ships as large as WWII cruisers, will be outclassed by Soviet ships of the same tonnage in all aspects except ASW operations and the possession of gas turbine engines. This is a depressing view of brand new ships.

LET'S NOT FORGET GENERAL BROWN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. DRINAN. Mr. Speaker, in the recent past I wrote to the Secretary of Defense requesting some explanation of the incredible remarks of Gen. George S. Brown, the Chairman of the Joint Chiefs of Staff.

I reproduce here the letter which I have received from John M. Maury of the office of Assistant Secretary of Defense. I attach also the five last paragraphs referred to by Mr. Maury of the address given by General Brown.

I reproduce these two items, not to suggest that General Brown's explanation is very satisfactory, but simply to put on the record the reaction of the Pentagon and General Brown to an incident which should not be forgotten. The material follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., December 2, 1974.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: The Secretary of Defense has asked that I respond to your letter of November 22 in which you requested comment upon your recommendation, as published in the November 19 Congressional Record, of the resignation or removal of General Brown.

As you are already aware of the statement issued by General Brown on the matter, I will not repeat it. Subsequently, however, General Brown did address the subject on November 25 before the Comstock Club of Sacramento. A copy of his speech is enclosed for your information and I call your attention to the last five paragraphs. Be assured that no one regrets the self-admittedly unfounded remarks more than General Brown.

Both the President and the Secretary have discussed this matter with General Brown. He continues to have their confidence. The President, as you will recall, stated:

"General Brown has been an excellent Air Force officer; he has been an excellent Chairman of the Joint Chiefs of Staff. He has made a mistake; he has recognized it. He is going to continue as the Chairman of the Joint Chiefs of Staff."

The Secretary of Defense fully endorses the President's remarks regarding General Brown. Secretary Schlesinger appreciates your concern and your taking the time to advise him of it.

Sincerely,

JOHN M. MAURY.

In response to a question from a student on a very complex and difficult subject, I provided an unthinking shorthand answer. In an all too casual fashion, I used inaccurate words, poorly chosen at random, without knowledge of their emotional impact. I meant no affront. In fact, those present felt none. On every possible occasion, I have expressed my concern at having unintentionally offended my fellow Americans, not merely Americans of Jewish faith.

More than anything else, I am both awed and appalled by the divisiveness this incident has caused. I understand the upset and dismay that have been expressed. I have received some letters of support of a type I totally reject as alien to America and alien to me. Polarization of our society is contrary to our traditions and clearly not in the best interests of the Nation.

There are two lessons that I have learned. First, I have learned a good deal about the corporate structure of banks and newspapers, and, in addition, I have learned that the strategic direction of the Armed Forces in the defense of America is my forte and is a full-time job. With this in mind, I intend to avoid even the appearance of dealing with anything else.

One final word—in light of those offending remarks. In three wars, I have been shot at in an effort to serve and protect freedom of religion and freedom of speech. I feel we must now get on with the serious business of maintaining the strength of America—not for strength's sake, but in order to preserve these fundamental American freedoms. I assure you that I intend to continue in that effort.

Thank you.

H. R. GROSS: PERSISTENT, INFORMED, AND ON THE JOB

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. THONE. Mr. Speaker, American author Edward Eggleston wrote, "Persistent people begin their success where others end in failure."

Thus, it is not derogatory but laudatory to report that the gentleman from Iowa has been defeated more often than any other Member in efforts to reduce Federal spending. HAROLD ROYCE GROSS has been undaunted by his defeats. He has persisted. As a result, on many other occasions he has succeeded in reducing the rate at which this body is adding to our national debt. Americans have been spared billions and billions of dollars in taxes because of the persistent efforts of H. R. GROSS.

I share the view of the gentleman from Iowa that America is being endangered because of the ever-faster growing national debt. Not every Member shares that opinion. One conviction that I am certain we all hold in common, however, is the importance of passing legislation that is technically sound, free from error and worded so that it will accomplish its objectives. This body has been greatly aided toward that objective through the efforts of the gentleman from Iowa. No other Member of the House of Representatives, in my opinion, does a more conscientious job of studying every bill that comes to the floor than H. R. GROSS. He has saved this body from embarrassment on many occasions because he was thoroughly informed of the content of proposed legislation.

No Member is more faithful than the gentleman from Iowa in being present on the floor when legislation is being considered. Because he is always on hand, he can point out to the House both its technical errors and its errors in judgment.

The House needs an H. R. GROSS. He will be sorely missed in this body. No one person can fill the shoes of the gentleman from Iowa. Hopefully, three or four Members will take over the valuable functions now being performed by H. R. GROSS, who has been persistent, informed and on the job.

OIL AND WATER WILL NOT MIX

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. EDWARDS of California. Mr. Speaker, Journalist Gil Bailey of the San Jose Mercury observes that "Oil and Water Will Not Mix" in the winter 1974–75 issue of Cry California. The conclusions of this fine article are that Project Independence may have sobering effects on our environment, our food production, our transportation systems, and our water supply.

The article is as follows:

OIL AND WATER WILL NOT MIX: PROJECT INDEPENDENCE

(By Gil Bailey)

If it is true that coming events cast their shadows before, the American people should recognize that the Ford Administration's "Project Independence" for national energy self-sufficiency carries the threat of national and international disaster.

The warnings are clear. Of dubious validity on several counts, Project Independence is also in direct conflict with the need to increase the nation's production of food. Further, it can only add momentum to the inflationary trend of the economy. The impact of Project Independence on future food supply is probably its least realized danger. Unless the program is based on conservation of energy and closely related to plans for increased food production, neither aim can be accomplished and the physical environment may be irreversibly impaired in the process.

Late last month, a subcommittee of the House Committee on Agriculture warned that without intensified food production and a change in population patterns, starvation may be the consequence in many areas of the world. The impending food crisis, the report added, "will have the potential to affect everyone from every walk of life and hit with more impact than the energy crisis of 1973–74."

The report further pointed out that "shortages of land, water, fertilizer, and energy could aggravate the crises, with the United States in the midst of the situation . . . Americans cannot afford to sit idly by thinking that this problem does not affect us."

The National Academy of Sciences, in a bulletin entitled *The Rehabilitation Potential of Western Coal Mines*, has noted: "Until recently, it has been tacitly assumed that the unappropriated water in the coal region would be used for some combination of irrigation, wildlife management, and municipal and industrial purposes. In 1973, the use of this water became, as far as government reports are concerned, more importantly directed towards energy conversion . . . Such a sharp reversal in government policy came about with little or no public awareness."

Here are other harbingers:

From *Energy Use and Outlook*, prepared by the Economic Research Service of the U.S. Department of Agriculture: "In the Rocky Mountains and Northern Great Plains, energy development—coal and oil shale—can have high water requirements. Depending on the type of energy development—coal gasification or thermal electric generation—water needs in energy development would equal the amount [needed] to irrigate 150,000 to 300,000 acres for intensive crop production annually. The value of the water for energy development may be so high that farmers cannot bid for it for agricultural uses. If so, irrigated agriculture in the area will decline, as will food production."

Duncan Warren, director of the Lewis and Clark Resource Conservation and Development Project in North Dakota, where thousands of acres are being leased for strip mining, was quoted in the *New York Times* magazine: "But how about a food crisis? That's going to hit us hard in a few years. Maybe a few hundred thousand acres right here isn't going to make much difference. But if this happens everywhere in the West, what happens to food production? We don't have the population out here in the West to get a real good impact politically on the Legislature or on Congress. And where the population is, they want energy, at least for right now."

And from *A Time To Choose: America's Energy Future*, a Ford Foundation study: "By cutting the growth rate in energy consumption, the United States can balance its energy budget, safeguard the environment and protect the independence of its foreign policy."

With the forced resignation of John Sawhill as Federal Energy Administrator in late October, however, it became clear that the Administration will have no real conservation program. Sawhill had emphasized the necessity for conservation as an essential element in the effort to reduce the nation's dependence on foreign oil. Instead, when Interior Secretary Rogers C. B. Morton won the bureaucratic struggle for control, he immediately proclaimed his own stand in a speech entitled, "Coal is the Answer."

Although the secretary later denied that the Administration has no interest in conservation, the nation is nevertheless proceeding with a single-purpose program for energy production, despite numerous warnings coming also from informed members of Congress, the Central Intelligence Agency, the President's Council on Environmental Quality, and the Environmental Protection Agency.

If Project Independence were to proceed as presently designed, let's see what the future might hold . . .

WASHINGTON.—The year is 1990 and Project Independence is a reality.

A commercial airliner takes off from Dulles International Airport and climbs swiftly. Although it is still daylight, the sky is eerily dark. Little can be seen of the ground below, the capitol dome, or the Potomac River a few miles away. Smoke, heavy and black from the coal-fired power plants, and heavy auto emissions have combined to cast a pall over the area. The pall is not confined to the capital city. It covers most of the metropolitan East Coast, the great megalopolis that stretches down the Atlantic seaboard.

The smog, of course, has destroyed more than esthetic values. The rate of lung cancer has risen in urban regions, as has the death rate from heart disease. Respiratory problems are much more serious, and doctors advise those with heart or lung problems to leave the vicinity, as in the 1960s and 1970s they advised patients with similar ailments to move from the Los Angeles region. There are other side effects. Paint peels off homes located downwind from the power plants. Soot collects on everything and there is no longer such a thing, fashion or no fashion, as a white shirt.

Finally above the dark layer, the plane swings west on its flight across what has often been called "America's Heartland," where the "amber waves of grain" provided not only sustenance for the nation, but a surplus for export. Here, also, there are huge clouds of smoke formed, as in the East, by the mixture of auto exhausts and emissions from coal-fired plants. Chicago and Gary are invisible, as later are the twin cities of Minneapolis and St. Paul, and St. Louis.

Over St. Louis, another phenomenon is glimpsed only dimly. The Missouri River is no longer "wide." It is reduced to a thin stream, most of its waters having been preempted for the oil-shale and coal-gas plants upstream. Barges can no longer navigate the river, which puts an additional burden on the rail and highway transport systems. But then, there is less to be carried from the Dakotas and the mountain states, for the same demands that dried up the Missouri—water for coal, lignite and oil shale—have also reduced the water available for cropland irrigation.

Farther west, the plane crosses the Colorado River, now also a small and black stream. Its waters too have been turned over to the ever-increasing demand for energy. Already over-extended in 1974, the Colorado now is truly a dead river. The salt and acid content of its lower basin is so great that no farmer wishes its waters to wash his fields, and the cost of desalting the river is prohibitive.

The pilot is more than usually careful on this leg of the trip because weather-modification projects in the Upper Colorado River Basin have had unpredicted climatic effects in the Rocky Mountain and Plains states.

The jet lands at San Francisco after flying over Yosemite Valley. The valley is now filling with water, the culmination of a project similar to San Francisco's Hetch Hetchy which many years ago inundated another scenic valley to supply water for the city of San Francisco. Farther north, huge machines bore giant tunnels to divert Columbia River waters to the Colorado basin, against the outraged protests of Oregon and Washington.

Had the plane been scheduled to land in Los Angeles, its passengers would have observed a skeletal, thinly populated city. The decline was caused by many factors. Introduction of oil and high-sulfur coal to fuel its power plants contributed heavily to the severe smog of 1979. Massive spills from offshore oil fields ruined the beaches and destroyed marine life. The final blow was the shrunken supply of water, which gradually strangled this once basically desert area converted to a metropolis only through the importation of water. The disappearance of their water came as a great shock to the millions who lived here but were unaware of the precarious balance of the natural resources on which the richness of the area depended. The lush fields of the Imperial, Coachella and Gila valleys have meanwhile been destroyed by salt-laden irrigation water, and the diversion of water from the San Joaquin and Sacramento valleys in a desperate effort to save Los Angeles has sharply reduced agricultural production there.

The plane's passengers disembark at San Francisco and buy newspapers at $1.50 for 12 pages. They read of the continuing border wars with Mexico, sparked partly by United States efforts to control Mexico's off-shore oil fields, and also by the accumulated impurities in the Colorado River which destroy Mexican cropland.

San Francisco, too, is smog-bound, and respiratory disease has increased sharply because of the use of coal in power plants. A trip to Monterey and Carmel is no longer a pleasure. The sea otter, once a friendly and diverting sight in Monterey Bay, is extinct, victim of oil spills and other man-caused disruptions of the marine environment. There are serious problems caused by radiation leaks from nuclear plants along the coast and inland.

California markets, once filled with fresh produce, are nearly empty because of the curtailment of agriculture brought on by the need for energy. International demands for food aggravate the domestic situation. Several hungry but nuclear-equipped nations back demands for American produce with clear threat of holocaust.

If the present formulation of Project Independence becomes a reality, the consequences may not be far wide of the scenario just outlined, although the exact year may not be 1990.

The President appears to be guided by a single yardstick—the continuation of an unlimited growth economy. The problems facing the nation, however, cannot be solved simply by conventional projections of future energy demands in the United States based on past rates of consumption. Future needs must be tailored to the unavoidable limitations of finite resources.

Unfortunately, there is no national planning body such as suggested by Russell Train, administrator of the Environmental Protection Agency, to evaluate conflicting demands on resources and seek equitable allocation. Train pointed out in the previous issue of *Cry California:*

"There is probably no more compelling evidence of the need for a permanent mechanism for long-range analysis and evaluation than the multitude of interdepartmental task forces, committees and commissions that in recent years have appeared and disappeared, flourished and faded, as the crises that led to their creation have come and gone . . . What we need, in fact, is a mechanism that will produce the kinds of information, analysis and evaluation of issues that will enable us to understand the long-term impact and implications of the decisions we must take."

In light of these comments, it seems worthwhile to review the origins of Project Independence. It was conceived as a public-relations gesture, in what turned out to be the final months of the Nixon Administration, to appease a public bewildered over the sudden fuel crisis and angry at waiting in line for hours for gasoline. A simple example will illustrate the lack of forethought with which the plan was conceived. When former Colorado Governor John Love held the position of "energy czar," reporters met with him in the old Executive Office Building. Love trotted out the usual figures showing that oil shale and coal could save the nation. A reporter asked about water requirements and he replied, "We haven't thought about that." Yet it takes three barrels of water to produce one barrel of oil from shale, and many of the oil-shale deposits are in water-short areas of Colorado.

Other adverse factors being ignored include:

Loss of agricultural production as water and land are preempted for energy.

Lowering standards of air and water quality, with the accompanying danger to public health.

Increasingly inflated costs of developing net energy. (It takes energy to produce energy.)

Among a series of studies on the water needed for energy production, a report covering the Upper Colorado River Basin has been completed. The conflict over water allocation and use, arising from the need to produce food and energy in ever-increasing amounts, is highlighted in a section of the report which opens a discussion of the "crunch" in water supplies:

"It is apparent that the legal right to utilize water will be, perhaps, the most important factor in the consideration of the question of water for energy development in the Upper Colorado Basin."

The Colorado is a classic case. Hardly a drop of the river now flows freely to the sea. Almost all is used and reused for irrigation, power production and municipal and industrial purposes. Water rights—the legal rights to use the water of the river—are distributed among seven states, including California, and Mexico. These commitments far exceed the actual flow of the river. As a result, there is a great deal of "paper water," of no use for drinking but a great use in court. Approximately 17 million acre-feet of water rights are allocated (an acre foot of water is the amount that would be required to cover one acre a foot deep) for a river which produces only 13.5 million acre-feet of water annually. Even though there is normally a real surplus of water in the upper basin, that surplus is eventually used up in the lower basin for agriculture in the Gila, Imperial and Coachella valleys and for the multiple needs of the Greater Los Angeles Metropolitan Area along with those of Mexico.

Thus, if we can rely on estimates by the Department of the Interior that additional water needed for energy by the year 2000 will total 874,000 acre-feet per year for little more than prototype programs in the states of Wyoming, Colorado, Utah, New Mexico and Arizona, or on the Western States Water Council's calculation that the same need will be 821,000 acre-feet in 1990, we can be sure the extra water will be taken from the mouths of many.

There are two problems with the Colorado River: Besides the absolute supply of water, there is its salt content. As the Colorado winds south, it picks up salts, and the salinity increases with each water use and discharge. At present, Mexico, which is entitled to 1.5 million acre-feet per year from the river, complains strongly about the salt content of the water because it severely damages their crops. As a result, the United States has agreed to build a huge desalinization plant to cleanse the river before it goes across the border.

According to the report, "Although salinity is considered the most serious water-quality problem, energy development poses potential problems of added municipal wastes, industrial wastes, dissolved oxygen content, temperature, heavy metals, toxic materials and bacteria."

Like politics and misery, competition for water can make strange bedfellows. The Metropolitan Water District of Southern California, locally known as "Met," which serves the megalopolis of greater Los Angeles, has not often found itself on the side of environmentalists. Yet in Washington, D.C., a Met spokesman recently sent a reporter an article from *Environment* magazine, entitled "Wringing Out the West: Remember the Missouri and the Colorado?" With the article was a note saying, "Don't know whether you have seen this—thought it might be helpful." The article affirmed the deep concern of Met over energy development based on Colorado River waters.

Spokesmen for Met stress the salinity problem, rather than absolute shortages, because the district believes it can replace quantity deficiencies with water from Northern California. If this were done, the further drain on the Sacramento-San Joaquin Delta, San Francisco Bay, and the irrigation system for farmlands of the Sacramento and San Joaquin valleys would intensify pressures for development of all possible sites, not excluding Yosemite Valley.

If unchecked, such energy demand could spark a new drive to tap the waters of the Columbia.

Disturbing as the long-term projections are—long term meaning ten or more years—the implications of the current prototype projects are equally unsettling. Already the energy companies are taking over agricultural water rights in the Upper Colorado, and new reservoirs and pipelines, at half a billion dollars a crack, are being planned. In addition, the federal Bureau of Reclamation is talking quietly of adding at least 500,000—and perhaps 1.5 million—acre-feet of water to the basin through cloud seeding. Experimental projects are under way.

The Colorado is not the only river under pressure. Consider the case of the Missouri. That river and its basin provide the only significant sources of water for Montana and portions of North Dakota and Wyoming, now used primarily for irrigation and navigation. The Bureau of Reclamation has estimated that the Yellowstone, one of the tributaries of the Missouri, which now flows all but unchecked the length of Montana, could annually provide 2.6 million acre-feet of water for energy development. Energy developers have already requested 3.3 million acre-feet. The average flow of the Yellowstone is 9.4 million acre-feet each year, just 3.7 million more than would be required for current uses and projected energy uses combined.

The Northern Plains Resources Council has said that "diversions of this scale [by energy companies] would critically threaten the efficiencies of present pumping and diversion facilities and would eliminate any further development of irrigable lands."

The *Environment* article made a further point: "Officials of the Missouri River transport lines operating east of the 98th meridian are understandably nervous about water uses further west that might leave their boats high and dry. As Gibbs [Phil Gibbs of the U.S. Bureau of Reclamation] points out, there is the potential for nearly choking off the lower Missouri by legally diverting water for human activities between the headwaters in Montana and the Iowa border."

The situation could result in reopening long-standing controversies over water rights. At present there is a fragile truce, but the proposed federal government policy threatens to upset that delicate balance. In particular, the government is considering making official claim to its own rights for water originating on or traveling through federal lands. Such rights might supersede those granted by states. In addition, several Indian nations are preparing claims of their own, striking terror in the hearts of current users.

Water is, of course, but one of the resources which will be exploited and perhaps even exhausted by demands for unlimited energy.

Land is also the object of strenuous competition, particularly in areas where huge coal and oil-shale deposits lie. The strip-mining bill is once more mired in House-Senate conference committee, and while there may still be legislation to protect the land from unrestricted strip-mining, no such safe-guards exist at this writing.

While a good portion of the coal and oil-shale deposits are under relatively unproductive land, this is by no means true of all. In agriculturally rich North Dakota, for example, there are huge deposits of lignite quite readily available for stripping. An estimated 600,000 acres of farmland have already been leased by energy companies. Lignite is low-grade coal which is commonly burned to produce natural gas, a process requiring great quantities of water.

Although the companies contend they will reclaim all the land mined, that land would be out of production during stripping and for the period of replacement and revegetation. Also, there is no guarantee that it is possible to restore the soil to its former quality. There may well be more public relations than science in the energy companies' largely untested claims of complete reclamation.

So far North Dakota, along with most of the Western states, has taken a "show me" attitude towards energy development. Not so strangely, the enthusiasm for such activity increases in direct proportion to the distance from a development. Most will benefit distant areas—Los Angeles, for example—while bringing hitherto unknown pollution and social problems to the relatively stable and clean Western farm states.

However, the economics of the situation dictate that in the end, many farmers cannot afford to refuse the persistent offers of the energy companies. Typically, a square mile of this farmland will gross an estimated $50,000 per year, according to the *New York Times*. The same property could yield an estimated $1.12 million in energy royalties.

In the Dakotas, as well as elsewhere, the search for energy is in direct competition with the need for increasing food supplies, and the United States no longer produces a real surplus of food to the degree that it can meet rising export demands and help balance the trade deficit, or even keep down American food prices. Experts on the Senate Agriculture Committee point out that almost all the nation's Class I agricultural land is now in production. There is no land left in the land bank, and every acre of land or allocation of water removed from agricultural uses decreases the nation's ability to grow food.

The CIA briefed Congressmen recently on the world food situation, noting the dangers of famine overseas and the possibilities of acute problems in China and the Soviet Union if the predicted colder weather cycle develops. The CIA bluntly said the United States can regain world leadership if it has the crops for export, but will face "potential risks" from the powerful nations of the world if the food isn't available. Such risks might of course include nuclear confrontation.

Another question raised by Project Independence—at least as it is now contemplated—is its effect on the economy. The current inflation derives in part from pressures built up by the Vietnam War. The Russian wheat deal, increasing many basic costs, and the huge and abrupt boost in oil prices created the current peaks. The increasing cost of "net" energy production, as envisioned in Project Independence, will further aggravate inflation. There is no cheap energy left. For example, Detroit Edison has contracted for 180 million tons of Montana coal at a cost of $1 billion, and the cost of transportation will add an additional $2 billion. Oil from oil shale will be more costly than oil from the ground. Natural gas from lignite will be more costly than natural gas from the ground. Oil from Alaska will be more costly than oil from Texas, oil from off-shore rigs will be more costly than oil from on-shore rigs.

The energy developed by Project Independence will be more costly in another way. It is possible to expend more energy in development and transport than is ultimately realized. It should be determined whether the net energy gained is worth the price paid to produce it. No one has figured the BTU (British Thermal Unit) cost-benefit ratio of many of the proposed energy developments.

Finally, coal, the so-called basic fuel in Project Independence, is the dirtiest of all fuels. The lethal smogs of Damora, Pennsylvania, and London were caused by the burning of coal. It is questionable whether coal can be burned cleanly, and it is certain that additional coal plants will create more pollution. Indeed, the coal industry is pressing for an easing of air-pollution standards because of the energy crisis and may well win its case

To summarize Project Independence, it simply won't work. There are logical alternatives, including the simplest and most workable of all—conservation of energy by reducing the rate of consumption and concentrating on development of less destructive sources of supply.

In Washington, energy conservation is strongly supported by Train of EPA, Russell Peterson of the President's Council on Environmental Quality and a number of Congressmen. Peterson advocates a "half and half" program—half development and half conservation. (Of course, no one *speaks* against conservation any more. Energy policy, however, is a different matter.)

Senator Alan Cranston (Democrat, California) and Representative Morris Udall (Democrat, Arizona), together with Senator Henry Jackson (Democrat, Washington) and others have consistently advocated a balanced program of conservation and development.

Cranston proposed that the President exert the "full power and persuasion of the federal government to cut the annual rise in the rate of fuel consumption in the U.S. by 50 percent." He said Americans can save at least 340,000 barrels of oil a day, noting that "at current inflated prices, that comes to nearly $4 million a day." Cranston has also suggested specifics to make such a program effective, including a graduated tax on autos, based on weight, thus related to consumption of gas.

Udall stresses prudent resource management, commenting: "There is only one new real source of energy and that is to conserve energy." As the man who has worked hardest to pass a strong strip mining control bill, Udall has faced the problem head on.

As noted earlier, the Ford Foundation report warns that a number of things must be done to achieve a reduction in the national consumption of energy. These include:

Adopt minimum fuel-economy performance standards for new cars, to achieve an average of at least 20 miles per gallon by 1985.

Encourage more efficient space heating and cooling. This includes making credit easily available for energy-saving investments in existing buildings; setting higher Federal Housing Administration standards for insulation and heating and cooling systems; upgrading building codes and providing technical assistance to builders.

Design government programs to encourage technological innovation for saving energy. This includes shifting federal research-and-development funding toward energy conservation technology.

Set prices to reflect the full costs of producing energy—this is especially important for the promotion of energy-saving in industry. This means eliminating energy industry subsidies; abolishing promotional discounts for big electricity users; levying pollution taxes to supplement pollution-control regulation; and building oil stockpiles financed by tariffs on imported oil.

Even at a two-percent annual growth rate, energy supplies will need to be 28 percent larger in 1985 than in 1973. Yet the slowdown from present growth rates would mean that from now until 1985, the nation could meet demand without resorting to developments that risk grave environmental damage or serious foreign-policy confrontations.

Until 1985, new supplies could come from discoveries of oil and gas onshore, plus offshore production in the Gulf of Mexico; secondary and tertiary recovery from existing oil and gas wells; coal from deep mines and surface mines where the land can be reclaimed; and electric power plants already in some stage of construction. For this period, at least, it would not be necessary to embark on large-scale development of Western coal and shale where reclamation is chancy or impossible. Nor would massive new commitments to nuclear power, increased oil imports, or offshore oil development in so far undisturbed areas (Atlantic, Pacific and Gulf of Alaska) be required.

The study concludes that if historical growth patterns are followed it would mean "very aggressive development of all energy sources." There would be "little scope to pick and choose among sources of supply, no matter what economic, foreign policy or environmental problems might arise."

Yet this is the course taken thus far because of failure to realize the consequences of Project Independence or, in fact, of any single-purpose approach to the complex problems we face in company with the rest of the world.

To plan by slogan is a dangerous exercise in self-deception. In an interdependent world which must find a way to live in harmony, Project Independence invites chaos. It is not too late to consider all of the factors involved—food supply, inflation, foreign policy and pollution—and plan comprehensively from a base of resource conservation.

SIMAS KUDIRKA—THE SAILOR IS NOW HOME BUT THIS TIME IT IS *FOR REAL*

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. HANRAHAN. Mr. Speaker, after 4 long years of hard labor in a Siberian concentration camp, Simas Kudirka, the Lithuanian sailor who attempted to jump ship and defect to the U.S.S. Coast Guard cutter *Vigilant* off Martha's Vineyard, on November 23, 1970, is now home and safe in the United States of America.

My staff—Betty Burger, caseworker and my executive assistant, Sandy Burke—and I along with hundreds of Lithuanian-American groups, especially, Dr. and Mrs. Roland Paegle, Mr. and Mrs. Romus Kezys, and Dr. and Mrs. Kezys Bobelis, began our exhaustive 2-year crusade to free Simas Kudirka from a 10-year hard labor sentence in a Siberian concentration camp.

Through the great assistance of the U.S. State Department and the personal intervention by President Gerald R. Ford with Soviet Communist Party Chief Leonid Brezhnev, Simas Kudirka, the sailor, is now home, but this time it is for real.

I wish to insert an article which appeared in the Washington Post for the interest of my colleagues.

HOME IS THE SAILOR, THIS TIME FOR REAL

(By Jean M. White)

Simas Kudirka, who survived one of this country's less glorious moments with untarnished belief in America, was put to another stern test yesterday.

In a *crowded*, noisy Capitol reception room, the Lithuanian sailor, who tried to jump ship to freedom, went through the ordeal of a hero's welcome, shaking hands, smiling, understanding little of what was said, sweating in a stifling room, often more than a little confused. And yet he still could say that he was happy to be in America.

There have been worse moments for Kudirka.

Four years ago he jumped aboard an American Coast Guard vessel tied to a Russian fishing trawler off the New England coast during a talk about fishing rights. Kudirka asked refuge in the United States, but Coast Guard officers allowed Russian sailors to beat him and drag him back to the Soviet ship.

The 44-year-old Lithuanian then served four years of a 10-year sentence in a Siberian concentration camp. He was freed in September after his mother's baptismal certificate was found in a Brooklyn, N.Y., Roman Catholic Church to give her son claim to American citizenship.

Looking across the crowded reception room yesterday, a trifle ill at ease in his new blue suit, Kudirka said forcefully.

"I do this if it will help the people left behind. I am no hero. I know people back there who have been in labor camps for 25 years for nothing . . . I only wish those beautiful people in that beautiful country wouldn't have to live in a land of concentration camps."

An interpreter was needed to translate the words. But no interpreter is needed to translate Kudirka's emotions, hand clasp, and piercing blue eyes when he challenges:

"I'd like to send at least one American over there to ask for a document of human rights. They took away four of my human rights.

"We're very emotional people," he concluded, grasping a hand and not letting go until he was through.

Kudirka's aborted jump to freedom resulted in a House Foreign Affairs Subcommittee report and the early retirement of two Coast Guard officers, who were faced with courts-martial.

When Kudirka jumped aboard the Coast Guard cutter off Martha's Vineyard in 1970 and asked for political asylum, he had no idea that he could claim American citizenship, he recalled yesterday.

It was only when word came out of Lithuania that Kudirka's mother, Maria Sulskis, had been born and baptized in America that the break came for Kudirka, serving the 10-year term of forced labor for treason.

What turned into a detective hunt for the proof of American birth—with the State Department carefully checking the ink to rule out forgery—started with a letter from Lithuania to an old friend of Mrs. Sulskis.

"The letter to Maria Achenbach, who had known Mrs. Sulskis in Lithuania, said that Simas' mother 'was born in the United States like yourself.' We didn't know the name of the church where she was baptized, but we got hold of a Catholic priests' association and checked where the priest, whose name we knew, had been assigned. It was St. Mary the Angels in Brooklyn," related Glazina Paegle.

Kudirka, his wife, his mother, son, and daughter, have been living with the Paegles in Locust, N.J., where the Lithuanian sailor is close to the water of a nearby bay.

"The morning after he arrived," Mrs. Paegle said, "he went out in a motor boat with my husband. He was amazed there were no guards along the seacoast, no checkpoints."

Once the baptism certificate of Kudirka's mother was found, the State Department declared her an American citizen earlier this year, opening the way for her son to claim citizenship by choice. Mrs. Sulskis was born in Brooklyn in 1906 and, at the age of 6, taken back to Lithuania, where she lived until she joined her son's family to return to her homeland.

Rep. Robert Hanrahan (R-Ill.), who was co-host with New York Sen. James Buckley and Illinois Sen. Charles Percy at the Capitol reception yesterday, said President Ford had intervened personally with Soviet Communist Party Chief Leonid Brezhnev to free Kudirka on his claim of American citizenship.

"The State Department checked carefully," Hanrahan said. "They even checked the ink on the mother's baptismal certificate. You remember that forged map that fooled Yale University a while back."

Kudirka arrived in the United States on Nov. 5—Election Day.

"Unfortunately, I was in Chicago so it didn't help me in the election," Rep. Hanrahan noted wryly. His Third Illinois District includes suburban and city wards in Chicago with a sizable number of constituents with Baltic blood.

Kudirka, who had picked up some English as radio operator on his ship, is adding to his vocabulary. Yesterday, holding a silver plate given him by the House of Representatives, he pointed to the insignia of the eagle when asked about his two lapel pins: the American flag and the Lithuanian national symbol of a knight.

"Like the eagle—American eagle," he said, pointing to his Lithuanian symbol.

Mrs. Sulskis, a stolid woman with a big smile, told—through an interpreter—of being harried in her small village after her son's arrest.

She said that a woman's organization to which she had belonged for 20 years dropped her suddenly, the interpreter explained, adding: "She wishes she had brought some smoked bacon with her, although she isn't supposed to eat it."

For Kudirka, the long wait for freedom is over. But at the reception yesterday beginning his fight to get his wife and 11-year-old daughter to this country. Aloyzas Jurgutis escaped to Italy while on an excursion to Yugoslavia and arrived here in September. After his defection, his wife lost her job and none of his letters has been answered.

"Please help me if you can," Jurgutis said in halting English.

HON. H. R. GROSS

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. ARENDS. Mr. Speaker, although not tall in stature, one of the real giants of the Congress is leaving for a well-earned retirement. These Halls will not be the same next year without H. R. GROSS. In the last 26 years he has become one of the legendary personalities of Capitol Hill. Visitors from all parts of the country looking down on this Chamber from the gallery invariably ask, "Which one is H. R. Gross?"

Yes, H. R. GROSS has been more than a Representative from the State of Iowa. In his self-styled role as "watchdog of the Treasury" he has built up a devoted national constituency. Citizens from all 50 States who believe in sound government and fiscal integrity have come to admire the tenacious resolve of this man in his pursuit of responsible legislation.

The other day someone facetiously remarked that when those two great liberals—GROSS and ARENDS—retire, perhaps something can be done about Federal spending. The incongruity of casting H. R. in the role of liberal naturally brought forth a good laugh in the cloakroom. But in many ways that really count, he is just that.

Certainly no Member of Congress, past or present, has been more liberal and generous in giving of his time and talent to serve his constituents and his country.

Certainly no Member of Congress, past or present, has been more liberal and conscientious in his efforts to preserve and promote the principles upon which this Republic was founded.

Certainly no Member of Congress, past or present, has been more liberal in sharing his vast knowledge of the legislative and parliamentary process.

Yes, H. R. GROSS throughout his 13 terms in the Congress has been liberal in ways that count—just as he has been conservative in way that count. Labels have never been important to him. What mattered most was the welfare of the country and how it is affected by what we do here. He has been one of our most effective legislators. Countless measures bear his unique imprint.

I feel privileged, indeed, to have had the opportunity to serve with H. R. these past 26 years and to have been included in his circle of friends. I join with all my colleagues on both sides of the aisle in saluting his outstanding record as he retires to private life, and I extend my best wishes to him and his charming wife Hazel, for good health and abundant happiness in the years ahead.

THE ARGONNE

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. HUNT. Mr. Speaker, a short time ago E. Sheldon Graeff, of Stratford, N.J., presented me with a beautiful poem entitled "The Argonne." It is an emotional piece and, at this time of year, as we approach the Christmas season, it would be well for each of us to remember and read this stirring reminder of things gone by. It was my intent to publish this poem on Veterans Day, but due to the pressure of business I withheld it and on the advice of my good wife decided to publish it just prior to Christmas Day.

Mr. Graeff is a gentleman of considerable note and is an outstanding member of the community of Stratford, N.J. His contributions to mankind will long be remembered. Mr. Graeff's poem follows:

THE ARGONNE

God created a forest sublime,
Of stately trees twixt spruce and pine;
Their needles fill a quiet glen,
On a rock-strewn slope hid the "Black Bear" den.

Soft streaks of sunlight beam,
And sparkle on a mountain stream;
The top most limbs to the blue skies tower,
And gently shade the woodland flower.

When his wondrous work was done,
Man called it "The Argonne";
This place on Earth so picturesque,
Now a blackened skeleton so grotesque.

Where once was heard the whip-poor-will,
Now rings with cries of man's urge to kill;
From the "Lost Battalion" a pigeon flew,
A sniper's shot it's feathers askew.

The crystal stream where one's thirst could quench,
Runs red with blood stink and stench;
The fragrant smell of wooded air,
Now polluted with burning flesh and hair.

Charred boughs smouldering in the moss beneath,
Lies a Captain's sword still in it's sheath;
From a thicket bolts a frightened stag,
And bounds o'er a blazing flag.

In the shattering crash of shot and shell,
Brave men endured the fires of "Hell";
Mid the thunderous roar of "Big Bertha's" din,
A soldier prays from his soul within.

Both friend and foe lie side by side,
To be free men in battle died;
And far up in the darkened sky,
One could hear the Buzzards' cry.

Were their deaths to be in vain?
Or were men to march to war again?
There are some still here but most are gone,
Who still remember "The Argonne."

A WALK ON THE SOUTH SIDE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. GAYDOS. Mr. Speaker, for those of my colleagues who would relish a taste of "old world" atmosphere in the course of modern-day living. I call their attention to the following article which describes the South Side of the city of Pittsburgh.

Written by Margie Carlin and published by the South Side Chamber of Commerce, the article accurately describes the mixture of old and new in the community today. Mr. Speaker, I invite my colleagues to enjoy "A Walk on the South Side":

A WALK ON THE SOUTH SIDE

(By Margie Carlin)

It isn't true that you need a passport to cross the 10th Street Bridge into the South Side, but sometimes visitors get that impression.

South Side is one of Pittsburgh's oldest neighborhoods and perhaps the one most insulated against change.

The Old World atmosphere persists, and you still can hear greetings in Czech, Hungarian, Ukrainian, Serb, Polish or some other Middle European tongue.

Kiszki, kielbasa, holubki and pieroghis (sausages, stuffed cabbages and stuffed dumplings) are standard fare, and the old style bakeries offer special Slavic breads and cakes at holiday times.

Much of the social life still revolves around the area's nationality churches—among them, St. Mary's Russian Orthodox, St. Josaphat's and St. Adalbert's (Polish), St. Peter's (German), St. Matthew's (Slovak), St. John the Baptist Ukranian Church and the oldest church in the area, St. Michael's, founded in 1848 by German immigrants.

South Siders also group in clubs for drinking and socializing, among them Serbian, Slovak and Ukrainian. The Polish Falcons even offer a small museum about Polish history in their building at 97 S. 18th St.

South Siders call the level two-mile stretch along the Monongahela River the "flats" and its narrow streets are lined with Pittsburgh's greatest concentration of preserved 19th-century houses and churches.

The area was settled by workers from the British Isles and Germany, who came during the last century to work in the mills and factories along the river.

They built the sturdy brick row houses along Sarah, Jane and the other streets and ways on the South Side, and in the style of the period, trimmed the structures with carved window frames, door lintels, brackets and other fanciful details.

The area was fortunate when the second wave of immigrants took over. After the original settlers became a little more affluent and moved to the suburbs, the houses were bought by Slavs. These people brought with them habits of thrift and cleanliness, and thanks to these virtues, the South Side has remained safe from the wrecking ball.

The village was founded in 1811 by Dr. and Mrs. Nathaniel Bedford, and called Birmingham after Bedford's English home town. It became South Side after annexation to the city in 1873.

The land originally had been deeded to Jane Bedford's father, John Ormsby, for Revolutionary War service.

The original plan included Carson Street—named for a Philadelphia sea captain friend of the Bedfords—and at one time, the street was the major road linking Pittsburgh with Washington, Pa., and the great National Road.

Today, it still is a major artery, and every day, an endless stream of traffic pounds its way along the narrow street. City planners, restoration specialists and just plain South Siders would like the heavy traffic rerouted, but so far, any bypass is tangled in bureaucracy.

Carson Street, of course, is the key to any significant restoration of the area. For years, members of the South Side Chamber of Commerce, Citizens Council and the Pittsburgh History and Landmarks Foundation (PHLF) have been dreaming great dreams about old Birmingham—as they like to refer to the area.

They see South Side as a potential Georgetown, Society Hill or Beacon Hill, once the dilapidated boardedup buildings, tawdry plastic store fronts, sidewalk litter and other evidences of inner-city decay are removed from the 20-block-long business section.

"We almost had a couple high-rises a few years ago, but it fell through," she said. "This was made for the future of the South Side. If the older people could move into apartments, it would open up housing for young couples, and we'd have new blood here."

She said that the older South Siders had been eager to move into modern apartments near their familiar shopping and churches.

HOUSES HARD TO FIND

"Houses for rent or sale on the South Side are practically nonexistent. You just try to find one. If a house does open up, it's sold almost right away to a friend or relative."

One of the lucky "outlanders" who has found a nest right on East Carson Street is Mrs. Laura Pence. She moved into the area three years ago from a pleasant suburban home in Carnegie.

"My friends all thought I'd lost my mind," she says, "because this place was in such awful shape."

Mrs. Pence bought a three-story building and apartment house at 1813 E. Carson as an investment, and a smaller house in the rear for herself.

"I liked the old, undeveloped feeling of the South Side, and I toured all kinds of city neighborhoods before I made up my mind. This place was so rundown, that a friend told me he'd do me a big favor and burn it down—but I'm lucky he didn't. I just *love* the convenience of living here. Besides, it's a well-built place. You should see the cellar and joists in this place—just fantastic."

Mrs. Pence sold her car, and now enjoys shopping at nearby markets on foot. She thinks city living will be on the upswing again, and feels South Side might become even a fashionable place to live.

Making the South Side "fashionable"—keeping its architectural beauty intact while moving the business district and housing into swinging contemporary times—is a major concern to South Side leaders.

GERALD M. "JAY" CHERRY

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mrs. MINK. Mr. Speaker, the untimely passing of Jay Cherry at the end of October this year comes as a great loss to the many people here on the Hill and in the executive branch who had the opportunity and good fortune to work with him and make his acquaintance.

Jay Cherry had served with the Federal Education Impact Aid program from 1952, when he came to Washington from Nebraska, and had been its Director since 1968. His program helps school districts compensate for the presence of tax-exempt Federal lands and the burden of providing free public education to 2.5 million children of military and civilian Federal employees. It also, among many other things, restores or replaces school facilities destroyed or damaged in natural disasters. As anyone who knows the legislation can testify, there are few aid-to-education programs of greater administrative complexity than this one Jay administered.

His mastery of the program and his energies in carrying it out were extraordinary. But what was perhaps even more memorable to those of us who knew him were his absolutely unflagging good nature, balance, and good sense under pressure. He was the kind of administrator for whom the taxpayers could well be thankful, and a first-rate human being as well, Self-effacing. Highly effective. *A gentleman* whose passing brings sorrow to us all. We join together in extending our heartfelt sympathy to his wife, Fern; their son, Gerald L.; and two granddaughters, Diana Elizabeth and Alexandra Caroline,

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KIWANIS CLUB OF TAUNTON CELEBRATES 50 YEARS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, the members of the Kiwanis Club of Taunton, Mass., gathered together in Swansea to celebrate their 50th anniversary on December 8.

For 50 years the outstanding members of the Kiwanis Club of Taunton have dedicated themselves to service projects for the entire community. Their continuous endeavors to improve community life through the spirit of good fellowship deserves national recognition.

I am submitting to the RECORD some segments of the history of the Taunton Kiwanis and a list of the 1974 membership roster:

A BRIEF HISTORY OF TAUNTON KIWANIS CLUB, 1925–74

Early in February, 1925, the readers of the Taunton Daily Gazette were interested in the headlines that cried for their attention. The tragedy of Floyd Collins who was entombed in a sand cave in the bleak hills of Kentucky was a gripping story. Night after night the newspaper described the heroic efforts to reach the young man trapped some sixty feet below the surface until finally, after nearly three weeks of struggling to reach his body, the same men who had toiled for days shoveled back dirt and rocks into the shaft they had dug and made it the grave of Floyd Collins.

During that first week in February another front-page story told of a band of independent Seventh Day Adventists called Rowenites who assembled in Patchogue, Long Island, and prayed together in preparation for the millenium that was expected to take place at midnight on February 6. To make ready for the hour when they would be transported to heaven, this little group of believers got rid of all their worldly goods and dressed in their Sunday best to await the crack of doom. The prediction of the Rowenites never came to be, and, in a day or so, it was no longer news for the press.

There was, however, an event that took place in Taunton in February that, while it may not have been of national import, it was the beginning of an organization that would exert a lasting influence on the community. The story of this event appeared on the last page of the Taunton Daily Gazette on February 5, 1925. It stated that "the Taunton Kiwanis Club started with a bang! when in the presence of two hundred visiting Kiwanians, Rotarians, and Lions and other invited guests it received its charter and became a part of an international organization."

Plans for the new club started during the year 1925, when a group of civic-minded men met in the office of John W. Robertson on School Street to start a service club. About a dozen men worked hard to organize what was to become the Kiwanis Club of Taunton. The first luncheon meetings were in the old Taunton Inn on the northerly side of the Green. A nominating committee prepared a slate of officers, and the necessary steps were taken to form a permanent organization. Then, on February 4, 1925, Charter night was observed in Odd Fellows Hall on Court Street, and the Taunton Kiwanis Club became a part of Kiwanis International. Taunton was the 50th club to be formed in the United States.

Let us look at the record to find out what the Kiwanis Club had done during their first quarter of a century to live up to its motto, "We Build."

The Milk Fund was started in 1927.

Concerts by the High School Band and Girls Glee Club and Grammar School Chorus brought attention to what the young people were accomplishing in the field of music.

An annual award to the winner of the Grammar School Baseball League stimulated sports competition.

Bus loads of children were sent to summer camp.

Scholarships were awarded high school graduates to help them further their education.

Money was furnished to support 4–H Club projects.

Kiddies Day honored the young children of the city.

Funds were raised for underprivileged children.

A Tag Day for the Infantile Paralysis Fund.

Joint activities with the community in civic projects.

This included an aviation sign on top of the freight depot.

This list is not complete, but it does indicate some of the good work done by the men of Kiwanis.

As stated above, the club motto is "We Build", and with that in mind the directors over the years have spent many hours devising ways and means of raising money to support the many activities of the club. The fund-raising methods include Tag Days, entertainments, sporting events, gumball dispensers, fair booths, Christmas trees and sportsman shows.

The first Tag Day was on February 19, 1934, when Tauntonians were given the opportunity of contributing to the Kiwanis Milk Fund. A group of fifty school students, under the direction of Miss Margaret Tufts, Dean of Girls at Taunton High School, distributed the tags and collected $133.52—not a great sum by today's standards, but it was an auspicious start. In the years that followed the amounts increased markedly.

The Milk Fund was the first Kiwanis activity to serve the underprivileged child, and it dates back to a meeting of the Directors on April 4, 1927, when Dr. Frank Murphy, School Physican, and Mrs. Thomas E. Dunn, School Nurse, described health conditions among school children and the special need for milk in the diet of children. The Directors immediately voted to donate free milk to the needy children in any two schools selected by Dr. Murphy. It was not long after this meeting that Kiwanis was distributing more than 50,000 bottles of milk annually. The milk project is perhaps the best-known service of Kiwanis to the underprivileged child, and it certainly was a great help during the depression years. For example, in 1932 the treasurer of Kiwanis paid out $1,313.76 for milk given free to the needy children.

A great deal of the work done by Kiwanis is a result of the activities of committees. From time to time membership on these committees change, and sometimes the name and function of the committee itself changed; but one Kiwanian ideal that does not change is the interest it has in our youth. From the very beginning of Kiwanis in Taunton the needs of youth have been recognized, and something has been done about it by the Taunton club.

The first object of Kiwanis as stated in the constitution that was adopted here in Taunton fifty years ago gave primacy to the human and spiritual values of life. It still is the first objective, and Taunton Kiwanis will continue to build on that sound foundation.

Taunton Kiwanians have accomplished much during the past fifty years. The club has been the source of many good works that have benefited the entire community. There remains, however, much more to be done and many challenges to be met. Be assured that Kiwanis will do what is needed in the spirit of good fellowship. We are confident that the next fifty years will see the building of a bigger and better community as a result of the efforts of this dedicated service club—Taunton Kiwanis.

ROSTER OF 1974 MEMBERSHIP

William L. Williams, Jr., President.
Frank W. Carroll, First Vice-President.
David E. Latham, Second Vice-President.
Lincoln Davison, Treasurer.
Lawrence E. Ross, Secretary.
David E. Latham, Assistant Secretary.
Robert L. Cammarata, Immediate Past President.
Rev. Samuel J. Riggs, Chaplain.

Directors

Paul M. Berry, William J. Brelsford, Robert E. Costello, Edwin F. Devine, Jr., William R. Drummond, Donald T. Lachapelle, Edward T. McCaffery, Fred M. Whitehouse, and Charles J. Williams.

Members

Theodore Aleixo, Bertram J. Antine, Edward J. Almeida, Jr., Normand L. Belanger, Dr. William H. Bennett, Paul M. Berry, Dr. Fred R. Blumenthal, William J. Brelsford, Michael J. Brennan, Robert L. Cammarata, Frank W. Carroll, L. Robert Clift, Manuel Costa, Robert E. Costello, Henry G. Crapo, David Dahlroos, Richard W. Davidson, Lincoln Davison, John H. DeSilvia, Edwin F. Devine, Jr., T. Howard Donahue, William L. Donle, Joseph W. Dooley, Manuel J. Drummond, William R. Drummond, Manuel J. Gallego, Harold H. Galligan, John Glazebrook, Ralph M. Handren, David E. Hoxie, and David R. Hutchinson.

Joseph W. Kirker, Donald T. Lachapelle, David E. Latham, P. Frank Leddy, Edward T. McCaffery, John G. Nelson, Dr. William H. Niedner, John F. Parker, Philip R. Perra, George M. Powers, Jr., Joseph G. Quill, Albert F. Richmond, Charles J. Rocheleau, Lawrence E. Ross, Charles E. Rouleau, Wilfred V. Saint, Arthur J. Shaw, Alfred P. Silva, Stephen J. Stepanaitis, Richard J. Tobin, Leslie A. Wheeler, Fred M. Whitehouse, Charles J. Williams, and William L. Williams.

Honorary members

Rev. Samuel J. Riggs, Warren L. Ide, Michael F. Strojny, and R. Darrell Lambert.

RULES COMMITTEE VOTES TO DEFER ACTION ON STUDY OF RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. MIZELL. Mr. Speaker, on Wednesday of this week, the House Rules Committee voted to kill legislation I have proposed to study the ancient and beautiful New River on the North Carolina-Virginia border, to see if it qualifies for the permanent protection of the National Wild and Scenic Rivers Act.

By a vote of 13 to 2, the Rules Committee voted to defer action on the bill, despite the fact that the committee knew full well their deliberate inaction spelled doom for the river and for the people who live on its banks.

Failure to pass this bill will allow the Appalachian Power Co. to construct a massive power project that will destroy the river, which has flowed free and clear for 100 million years, and flood 38,000 acres of scenic and fertile farmland.

Harry Reasoner, the very distinguished and thoughtful co-anchorman of the ABC Evening News, had an editorial comment last night on the Rules Committee's decision, and I believe it is important that every Member of this House pay attention to what Mr. Reasoner had to say.

Following is the text of his commentary:

As we reported earlier, the House Rules Committee today voted to block action this session on a major tax bill.

That commitee has been busy indeed, tidying things up so that Congress can take its first really long vacation in almost two months, and an action it took yesterday may tell even more about its dedication to the public weal.

Yesterday, it voted 13–2 to prevent the full House from considering a bill to save a river on the Virginia-North Carolina border. The bill that the House won't see would prevent the damming, for a private power plant, of one of the few remaining wild and clean rivers in the east.

I don't pretend to be an expert on the case, and I am sure that as in most stories, there are two sides. But both North Carolina's Senators—one Democratic, one conservative Republican—were against the dam. The State of North Carolina is formally against the dam. Secretary of the Interior Morton is against the dam. So the evidence in favor of at least giving the House a look at it would seem to be overwhelming.

And the evidence that we still have the same old Congress, responsive to the citizens in public statements but to special interests in the quiet of committee rooms, that evidence would seem to be overwhelming, too.

Only two of the thirteen members who voted to bury the bill won't be back for the next session. This is one of those stories where the men who make the decision usually do so pretty anonymously. Even the New York Times, which has strongly supported the bill editorially, did not list the thirteen men who voted so arrogantly and so mysteriously.

I think this may be a case where a lot of people would like to know their names, so that credit may be given where and if it is due.

The two representatives who voted to let the House look at the measure are Chairman Ray Madden of Indiana and Democrat Richard Bolling of Missouri.

The eight Democrats who voted to kill the bill are James Delaney of New York, B. F. Sisk of California, John Young of Texas, Claude Pepper of Florida, Spark Matsunaga of Hawaii, Morgan Murphy of Illinois, Gillis Long of Louisiana, and Clem McSpadden of Oklahoma. All five Republicans voted to kill. They are Dave Martin of Nebraska, John Anderson of Illinois, James Quillen of Tennessee, Delbert Latta of Ohio, and Del Clawson of California.

Nice work, gentlemen.

To Mr. Reasoner's very telling comments, I would add only the following: About 3,000 God-fearing, hard-working people petitioned the Congress to hear their case and consider their plight before the swift hand of destruction could come down on their river and their homes. Their plea fell on deaf ears.

Is this really the people's House? If so, which people?

FIRST SAVINGS CELEBRATES 50TH ANNIVERSARY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. PATTEN. Mr. Speaker, I have some good news. I attended the 50th anniversary of the First Savings and Loan Association located in New Brunswick, N.J. Their deposits are 10 times what they were 10 years ago. I was with life-long friends, and I heard Louis Friedberg who was the dean of the 50 years tell how happy the group was.

I am delighted to share this speech with my colleagues because this organization bought millions of dollars worth of mortgages from our New Jersey Community Affairs Department which has made a good showing for new housing:

LADIES AND GENTLEMEN AND HONORED GUESTS: Thinking back over the last 50 years of my life, I have come to appreciate what the building and loan business and the savings and loan business has meant to the United States, and in particular, I think of the impact upon New Brunswick, New Jersey certainly in 1924, we, the Property Owners Building and Loan, were not a major or even significant influence upon the economy of this little community on the banks of the Raritan.

Phil Brenner, Arnold Rosenthal, Sam Hoddeson, Harold Bruskin, Emil Klein and myself, were aware that homeownership on the part of our citizens was important. We believed that this could only be accomplished through the combined efforts of the citizens of New Brunswick.

Through serial plans we were able to achieve a measure of success not readily appreciated by the multitudes of today. Through the years of trials and tribulations, the depression, the post-war period, the days of our early insurance of accounts, our little association survived and worked for the benefits of New Brunswick, Middlesex County and its environs.

The efforts of men like Arnold Rosenthal, Philip Brenner, Terry Brenner, Harold Bruskin, Emil Klein, myself and the balance of the charter members, were not always appreciated, but these men spoke their minds regardless of the consequences. These men strongly quarreled over the virtues of merger, federal insurance of accounts and even such a mundane question as to a ground floor location for our savings and loan association. Finally, a meeting of minds was accomplished. At this point, the association qualified for insurance and the property owners building and loan and the Middlesex County building and loan merged under the leadership of George H. Gordon. From this humble beginning of $1,200,000, the association obtained the services of George H. Towers as executive vice president and over the next 14 years, the association prospered, and opened a branch in North Brunswick, and a branch office in Edison Township. The performance of both offices supported the directors' belief in the development of the Middlesex County area. At this point with the acquisition of the Edison office, the association acquired the valued services of Wallace Steinberg, Bill Foley and the men of the uniform savings and loan.

After opening this office in Edison, Mr. Towers retired to Florida and the association engaged LeRoy R. Terry as president. Shortly thereafter, the Security Building and Loan was acquired by First Savings and Loan. This advent produced a new office in Somerset. The Somerset office further redeemed the board's thinking in the expansion within their own immediate region. The board has subsequently looked to new and greater fields as New Jersey has moved New Brunswick from the Hub city to the Hub state.

With the advent of increased commercial activity in the Middlesex area, the board intensified its efforts in this region and has sought new markets to deliver the know-how of First Savings to a larger and more sophisticated market.

Because of the dedication of the men who had belief in First Savings, I would ask that you all rise for a moment of silent prayer for those men who have given to our association and who are no longer with us. (pause)

Thank you ladies and gentlemen for your moment of remembrance and to you who will be here when we celebrate our 100th anniversary, please remember the humble beginning of our association.

I want to thank all of the board of directors for their wonderful cooperation while I was president. I also want to thank the president, officers and all personnel for their faithful service in helping to make this celebration possible.

May God bless you, one and all.—LOUIS FRIEDBURG.

THE RETIREMENT FROM CONGRESS OF H. R. GROSS

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. McFALL. Mr. Speaker, it is a privilege to join my colleagues in expressing appreciation for the gentleman from Iowa (Mr. GROSS). For 26 years, H. R. has served as a watchdog of the U.S. Treasury. During this time, with the constant help of his wife, Hazel, H. R. has tirelessly studied all legislation. He has combined the "who, what, when, where, why" of his journalistic experience with a "how much" perspective as a citizen, enforcing that sense of proportion during House deliberations and particularly during the consideration of spending measures. As a Member of Congress, he pursued even more vigorously and effectively that scrutiny of public affairs and the exercise of fiscal responsibility that he had championed during his long service as a radio news broadcaster at home in Iowa.

The gentleman has been a lifelong advocate of financial responsibility by the Federal Government and a consistent opponent and seeker out of wasteful Federal spending and practices. Not the least of his criticism has been extended to unwarranted trips abroad by Members of Congress. H. R. himself has not been out of the country since World War I when he served with the American Expeditionary Forces in Europe. The gentleman also served with General Pershing during the Mexican border dispute just before U.S. entry into the war. That qualifies him for one of the Nation's most exclusive veterans' groups with only 445 members.

It is therefore fitting—and perhaps with just a touch of retribution—that some friends in the House are giving the Grosses a trip to Paris—a "junket" that I hope Hazel and H. R. will thoroughly enjoy.

It is a profound tribute to H. R.—a measure of his stature—that even those whom he has opposed on legislation admire him and like him. Personally, I have enjoyed my floor exchanges with H. R.

I remember how impressed I was, when I first came to Congress, with the stern-visaged man who fired off one disconcerting question after another at floor managers who became increasingly uncomfortable under the barrage. It was a formidable and—to a new Member—even intimidating performance.

But I kept looking at him and studying him, and finally I figured it out. So one day, I said to the gentleman—as he fixed me with a penetrating stare worthy of a representative of the Hawkeye State:

> "I know what it is. You always appear very stern and hold your face so stiff. But your eyes give you away. You can't stop them from sparkling. You hold your features so stiff to keep from smiling and showing what a good time you're having. But you can't control your eyes."

When I confronted him with that, his face opened into a huge sunflower of a smile and he burst into a huge laugh. I had found out his secret. And over the years, I have discovered what a wonderful sense of humor H. R. really has. He loves to hear good stories, and he loves to tell them. Despite that stiff exterior, he is one of the most congenial Members of the House. His wit makes debates not only challenging and informative but often humorous. He has made interesting even annoucements of the schedule and recesses.

As H.R. leaves the House, the floor will be less challenging and bills less well examined. Few House colleagues would neglect their homework, knowing they would have to face the gentleman's sharp inquiry on the floor the next day.

The taxpayers most of all will miss him. Certainly, Congress as an institution and the Nation are the poorer for his departure. All these years, H. R. has been the conscience of the Congress. He has earned his place in the history of this post-World War II era as a voice for constancy and responsibility in a period of unprecedented and sometimes unsettling change. Throughout it all, he has been a force for stability and prudence and uncommon good sense.

Perhaps one of the highest compliments I can pay my friend from Iowa is to say that his sense of purpose, his integrity, his high moral principles, and his wry, good humor have never changed. Few of us have escaped the sting of his pointed inquiry; fewer still would not agree that their legislation has been the better for it.

The gentleman from Iowa never forgot the mandate of the people who 13 times elected him to the Congress. He exemplified the highest concepts of the public trust with which the people have invested him. He is all that the people can expect of their Congressmen.

Now he has chosen to leave the office. I cannot imagine that his retirement could be anything but active and productive, and as acute as ever. I extend my friend my congratulations on his long and exemplary career in public service and wish him and his wife, Hazel, the very best in whatever they may choose to do.

SENATOR STENNIS' WASHINGTON REPORT

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. LOTT. Mr. Speaker, those of us in Mississippi have learned over the years that my colleague and friend, Senator JOHN STENNIS, speaks with authority. His recent "Washington Report" to the people of our great State of Mississippi is typical of his insight.

I call this report to our attention, because I think it is a sensible and clear-thinking analysis of our Nation's problems. I highly recommend its contents to my colleagues in the House and hope that we heed its message:

SENATOR STENNIS' WASHINGTON REPORT

NOVEMBER 27, 1974.

DEAR FRIEND: During the latter part of October and early November, I literally traveled to the four corners of Mississippi, visited in 21 counties and talked with hundreds of Mississippians. It is always both enjoyable and stimulating to return home, and this visit was especially so.

I return to Mississippi as often as possible to keep in touch with the people at home and determine first-hand face-to-face what the problems are and what the people consider as the possible solutions.

No matter what particular set of circumstances anyone metioned to me during my trip they all went back to one basic topic. The people are deeply concerned about this economic upheaval that is absolutely destroying the ability to plan ahead and the high cost of living which is beyond all reason.

The economy is slowing down. Jobs are being lost. Prices are out of proportion and the people are expecting the Congress and the President to do something about it. I was greatly encouraged to learn that the people understand that there is no magic wand that can be waved to cure all these evils. However, this understanding is certainly no excuse for further delay.

I have warned about inflation and tried to do something about it for years but I came back to Washington more determined to make an all-out effort to get the Congress—both the House and the Senate, both Republicans and Democrats—lined up to work together to do something about this raging high cost of living.

This is not a political question. This is a matter of survival for our people and our economy. I found that the people are willing to do their part. It is now up to the Congress and the President to take immediate steps to solve these problems.

COOPERATIVE EFFORT SOUGHT

During my tour of Mississippi, I realized more clearly that we simply must dig deeper to get all the facts about the real reasons for these galloping high prices.

People would ask me: "What are the facts?" When I could not tell them all the facts they would look at me in disbelief. Unless we in Congress develop these facts and let the people know, the Congress will fall even further in the esteem of those who elect the members.

I am convinced that neither the Congress nor the President can solve these problems alone. For this reason, I have proposed a joint effort by both the Legislative and Executive branches of the federal government to conduct an in-depth investigation into all phases of the economy.

I first made this proposal in a resolution to the Democratic Caucus on November 21. It was unanimously adopted. Later I made the proposal on the floor of the Senate.

The purpose of this recommendation is to bring the Congress and the President together, first on the facts, then together on questions of policy and finally on legislation. This will be a search for the full facts on all major aspects of the economy for use by the Congress, by the President and by the public at large.

I would propose that the investigation dig deeply into several specific areas:

(1) *Raw Material/Retail Price Spread*. A perfect example of this situation that has a tremendous impact in Mississippi is the difference between the cost of beef on the hoof and a pound of beef on the grocery shelf. In the past few months that spread has been as high as 56¢ per pound. At the present price of beef on the hoof, many cattlemen cannot even make enough money to pay for their feed, much less the other costs they must recover. If the farmer doesn't start getting a larger part of that spread, he is going to be out of business and the public is going to be out of beef. At the same time the housewife is having to pay record high prices. We simply must know why!

(2) *Possible Price-fixing Conspiracies*. There is a serious question in the public's mind as to whether or not conspiracies have played any part in the tremendous escalation of prices of some common items in the market place. Although I don't charge, at this time, that such conspiracies do exist, I believe that an in-depth study will disclose at least the probability of some anti-trust violations. Certainly, hearings should be held as to the conditions that create monopolies, whether there is evidence of conspiracy or not.

President Ford said in his October economic message to Congress that he would seek vigorous enforcement of anti-trust laws. The Attorney General has supported this approach and I urge prompt prosecution of any offenders.

(3) *Impact of Foreign Trade*. With ever rising prices and continued projections of possible shortages, we must fully explore the effects of import and export policies on domestic prices, commodity trading and foreign participation in these matters and the operation of corporations in many different countries. There is much suspicion in the public's mind about these effects.

(4) *Multiple Pricing Policies*. One area of great concern to everyone who shops at the

grocery store and other retail outlets is the re-pricing of items already on the shelf. It is not at all uncommon for housewives to be able to peel as many as five or six price labels off the same product. Each sticker carries a higher price than the preceding one.

Various explanations have been heard about averaging stocks on hand with new shipments, but the fact remains that this is a subject of public suspicion and all the facts need developing.

SUGAR PRICES MUST COME DOWN

The prices our citizens are having to pay for sugar are an outrage. Although there is considerable disagreement about what exactly caused these tremendous increases, there is no disagreement that the consumers are the helpless victims of circumstances beyond their control and they are entitled to prompt relief.

There is a strong and growing demand for sugar worldwide which has been accelerated by the increased world population and the enlarged purchasing power of the peoples of many nations of the world. In each of the past four years, sugar consumption has outstripped production on a world wide basis.

In this regard, I have urged the U.S. Attorney General to fully investigate the possibility of anti-trust violations and he has announced that such an investigation is underway. I sincerely hope that the Department of Justice will leave no stone unturned in this matter.

This year there have been crop failures in many areas. There has been speculation that unlawful manipulation of the previously unregulated commodities market played a significant role. This commodity exchange was brought under regulation by a bill signed into law on October 23, 1974. Although inflation has played a major role, it seems that some of the sugar companies are reaping profits far beyond what is considered fair and reasonable.

The Council on Wage and Price Stability has started hearings into the sugar situation and a House Agriculture Subcommittee has hearings scheduled for next week. I urge both groups to make their reports as soon as possible so that necessary actions may be enacted.

In the long run the only solution to the rising cost of sugar will be to increase both production and refining capacity in the United States. Normally we produce 55 percent of the sugar we use. This year we will import over half of the sugar necessary to meet our demands. The booming worldwide demand for sugar has pushed the world price up and we are having to pay the additional amount on imports.

I am sure that domestic producers will recognize the need to increase production and respond accordingly. Likewise, I am not convinced that the present confusion over the high price of sugar will continue much longer. However, I am convinced that there are too many unknowns remaining about the current situation, including the role of the speculators in the commodity market. Some of them may be in for a rude awakening when all the facts are developed. I will certainly continue my efforts to secure a full and complete investigation.

Sincerely your friend,

John C. Stennis,
U.S. Senator.

SOME OF OUR FREEWAYS ARE MISSING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. EDWARDS of California. Mr. Speaker. Joseph C. Houghteling is a former member of the California Highway Commission and currently serves on the San Francisco Bay Area Conservation and Development Commission and the Metropolitan Transportation Commission. The following article by him takes a very interesting look at what is happening to our freeway system as we change our priorities to public transportation systems:

The End of an Era—Some of Our Freeways Are Missing

(By Joseph C. Houghteling)

There may be those who think this title a bit overblown, something the mid-1920s *New York Graphic* might have displayed in type intended only for the announcement of Doomsday. Actually, it's modest. Of equal validity would be "California's Missing Five Billion Dollars," an eye-catcher that would gain attention even in these days of high crimes and misdemeanors.

For as beauty is truth and truth, beauty, freeways and dollars are interchangeable. In the heyday of freeway building during the 25 years after World War II, having dollars was having freeways. Indeed, for ardent admirers of the Santa Monica and the Embarcadero, the Long Beach and the Nimitz, there was even the beauty-truth relationship; the beauty of freeways was the truth that they facilitated the growth that made California first among the then 48 states.

In the mid-1960s, when I was on the California Highway Commission, it was believed with justification that there was a perpetual-motion money machine in the back room. This marvelous mechanism cranked out gas-tax revenues that constructed freeways that promoted higher consumption of gasoline that generated more gas-tax revenues to construct more freeways *ad infinitum*. Platoons of surveyors were dotting California's landscape with straight-lined markers, presaging the construction to follow.

During that time, the public issues, disputes, hearings and delegation presentations to the Highway Commission concerned freeway-route adoptions. In 1965 alone, 158 miles of new freeway alignments appeared on California's map. Once the routes were adopted, attention turned to the highway budget that inevitably would transform the line on the map into concrete, asphalt, and opening-day ceremonies.

Communities petitioned and received the blessings of prompt adoption of freeway routes, regardless of the fiscal fact that construction was a task reserved for the next generation. But the early positioning of routes allowed local development planning to proceed, using freeway and interchange locations as base lines; the promise of future freeways became the reality for immediate decisions. Subdivisions, industrial plants and shopping centers came into being long before the freeway; to doubt its ultimate construction was to question tomorrow's sunrise.

Well, the sun continues to rise, but the marvelous perpetual-motion money machine is gone, taking with it, perhaps permanently, many if not most of the freeways of the future. Who took the machine? Certainly the Arabs or stagflation, or both, depending on which economist you believe, are major dismantlers.

Gas taxes for highway purposes are based on gallonage, not price—seven cents per gallon for the state, four cents for the "feds." Thus as gasoline consumption has been lessened by shortages and higher costs, the endless sequence of new freeways resulting in new highway revenues has been broken on the income side.

Even with admittedly "many large unknowns in the future," a presentation given the Highway Commission in August estimated 26 percent (about $350 million) less in total resources annually available for all highway purposes over the next several years than was forecast in 1972.

Not only is gas usage an income factor, but changing allocations from highway trust funds have been significant. Even before the present jolt of gasoline constraints and stagflation, the amounts of funding available for freeway construction have been eroding. On the federal level, interstate and urban highway funds now also go for transit capital outlay; on the state level, Proposition 5, passed by California voters in June, allows diversion of up to 25 percent, again to transit capital outlay.

Lest antifreeway adherents be overly pleased by the "missing freeways," let there be the caution that their disappearance means more than fewer miles of concrete. For the marvelous perpetual-motion money machine has also been a source of funding, and is looked to for further funding, for the alternate mobility offered by public transit.

Were the income squeeze and uncertainties not enough, freeway construction costs are rising at an angle that would challenge an experienced alpinist. In the first three months of 1974, the construction dollar's value eroded 32 cents. Over an even longer span, assuming a larger view of the past tells more of the future, the California construction index is one of the growth shocks of our time. When I left the Highway Commission on January 1, 1967, the index was at 100; seven and a half years later, on May 31, 1974, it was at 219.

What this had already done to freeway planning and construction can more than be imagined. Early in 1973, it was estimated that $7.8 billion would be available for construction of projects in the state highway program over the eight years beginning July 1, 1975.

Then last May, a new forecast, revised in the light of intervening events, showed only $3.9 billion would be available for the same period. As if this reduced amount were not bad enough news for the Highway Commission to bear, the added second factor of inflation lowered the estimate to only $2.7 billion worth of actual construction during the eight years.

By most measures, $2.7 billion is a considerable sum, unless it was once expected to be $7.8 billion. The $5-billion difference is what made the freeways disappear; missing money means missing freeways.

Unlike the ancient emperor who decapitated the bearer of bad tidings, the Highway Commission has confined itself to lopping off adopted freeway routes. Since unpleasant chores are best performed under the mantle of an agreeable name, the process is called "recycling," a term used more happily in the environmentalist jargon.

One of the significant recyclings does have a cheerful environmental tone. Lake Tahoe's westside freeway, Route 89, has been through the process—the adopted line has been rescinded and the acquired rights-of-way offered for sale. For many, this action recalls the long, heated arguments of the early 1960s over the route's missing link in the unique Emerald Bay area. With Route 89 freeway adoptions to both the north and south of the D. L. Bliss and Emerald Bay state parks, the debate centered on the lower bridge route versus the upper hillside location, with a tunnel sometimes thrown in as a diversion.

Few thought then the Route 89 freeway might never be built. A highway engineer predicted at a 1961 Tahoe hearing that it would be constructed sometime after the next five years; that wasn't a definite time, of course, but it was far from saying "never."

Eligible for the recycling process, like Route 89, is any freeway-route adoption for which it is unlikely construction funds will be found in the next two decades. As of August this year, the commission was considering 20 present freeway-route adoptions for recycling, the "bottomline" of the process being disadoption. These represent 177 miles of freeway, mostly rural, which if constructed would cost $770 million at current projections.

In addition, there are 70 more unfinanced freeway-route alignments in the present 20-year Highway Program Guide. These are in limbo, still shown as adopted lines on the planning maps, but lacking any foreseeable funding. As with most future freeways in urban areas, their fate is tied to transportation planning in the various regions of California, where regional plans are to become part of the State Transportation Plan directed by Assembled Bill 69 of 1972.

A note in passing—"disadoption" by the commission is different from legislative action removing a route from California's Freeway and Expressway System, although the end reality is quite similar.

Responding mostly to local concerns, and usually with considerable local publicity, legislative bills have removed various routes from the F&E category. Route 1 along the Los Angeles coast was once to be a freeway; it's now in the more humble highway system in most areas. Two proposed freeways, the causes of San Francisco's "granddaddy" freeway revolt of the mid-sixties, are gone from the higher status, the sub ends of the city's Embarcadero and Central freeways being monuments to this change.

Some indication of earlier legislative ambitions is that there are 12,333 miles authorized in the California F&E system. As of 1974, only 4,394 miles, a little more than a third, have been constructed or are in future budgets.

Returning to what the Highway Commission is now doing, it's useful to know the biography of one unconstructed freeway route. Unlike the attention given when the legislature removes a route from the freeway system, there seems less general awareness of the consequences of the financial squeeze on construction funds, even though it's all on the public record. Neither recycled nor financed in the foreseeable future is a major section of Santa Clara County's Route 85. Part of the route is a real-life freeway, connecting Bayshore, Route 101, with Junipero Serra, Interstate 280, and going a little farther before spilling traffic onto a city street.

The 19-mile unfinished portion, known locally as "The West Valley Freeway," passes through Cupertino, Saratoga, Los Gatos and San Jose before rejoining Route 101 south of San Jose. The alignment was adopted by the Highway Commission in 1956 with little controversy; most of the mileage went through open land, the enormous growth of Santa Clara County just then beginning.

The freeway was conceived as a westerly bypass of San Jose, giving mobility between largely residential areas and employment centers to the north and south. Few of the homes and plants existed in 1956; the adoption of the route, though, stimulated their construction as part of the golden future envisioned for the "Valley of Heart's Delight," even matching Los Angeles!

Once the line was there, the story of Route 85 turns to funding, and it's an Horatio Alger tale in reverse. In the eight-year projected Planning Program the Highway Commission adopts annually as a construction schedule, Route 85 first made a cameo appearance in 1965, listed for construction "after 1970–71."

In 1967, there was some firming: one mile was scheduled for 1971–72; two miles for 1974–75; the balance "after 1974–75." In 1970, backward went the financing: two miles were to be built in 1974–75; 16 miles "after 1978–79;" and foretelling an ominous future, one mile was left out completely.

These changes were largely influenced by higher priorities given to other projects, especially completion of the interstate freeways in the area. Once Route 85 lost its place, however, the present funding bind had a maximum impact; by 1974, all portions were left out of the Planning Program except for two miles "sometimes after 1982–83."

Looking beyond the eight-year plan, the less definite 20-year Highway Program Guide suggests Route 85, once to be an eight-lane freeway, should be "rescoped" downward. There might be a five-mile, four- to six-lane freeway at the south end, connecting Route 101 with the still-to-be-built Route 87, the Guadalupe Freeway. The rest of the 14 miles might become just a four-lane expressway, a roadway design considerably more limited in size and capacity than a freeway.

The source of funding for even this "rescoped" Route 85 isn't resolved. For its part, Santa Clara County proposes to use some of its federal aid urban-road funds for the next three years to "protect the corridor" against private building within the aligment. Such local action will most likely keep Route 85 from being recycled, at least long enough for alternate plans to be considered. Since the county's development presupposed construction of the freeway, a need for mobility still exists along the line. To meet it, there is the concept that an expressway plus a transit mode will perform what once was to be the function of the noblest expression of the highway engineer's art, an eight-lane freeway.

What happened to Tahoe's westside freeway and what is happening along Santa Clara County's Route 85 are not exceptional; ask not for which freeway the commission recycles—it may be for yours, anywhere in California.

MICRONESIA AND THE DOD: A COSTLY LIAISON?

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. WON PAT. Mr. Speaker, in the November 27, 1974, issue of the prestigious publication, the New York Times, a most thought-provoking article on U.S. intentions in Micronesia written by two gentlemen, Donald F. McHenry and Ernest C. Downs from the Carnegie Endowment for International Peace, pointed out that few Americans are aware that this country is about to make its first territorial acquisition in the Pacific since 1898. Nor, are we aware, for the most part, that a direct consequence of this acquisition may place America on the hook for as much as $2 billion.

The principle thrust of their well-written piece is to question whether Congress really understands what is transpiring 9,000 miles from its hallowed halls.

The administration is deeply committed toward the establishment of a multi-billion-dollar military installation in the Marianas. In exchange for these bases we have pledged to bring the estimated 15,000 residents of the Northern Mariana Islands permanently into the American political embrace. Our interest is not so much one of a sociological or moral concern: Rather, it is the desire to expand our strategic base of operations and thus prevents these islands from falling under the influence of nations less friendly toward us.

What the residents of these islands will gain is U.S. citizenship and access to substantial Federal funds. What we get, is a major new military base 100 miles from Guam on the Island of Tinian. The remainder of Micronesia, the Caroline and Marshall Islands, with their 85,000 some residents, will be offered a less binding tie with America, more money, and within 15 years, independence after they have signed a mutual security pact with the United States.

Since the Spanish first came to our part of the world 400 years ago, Guam and its sister islands in Micronesia have been tossed and turned in the political winds, never knowing under whose flag we would land. First came Spain, then Germany, then Britain, America and then Japan, not necessarily in that order.

For the most part, Guam has been exceedingly fortunate as we have been under American rule since 1898. But for the most part of Micronesia the picture has not been so peaceful. After World War I, Japan moved in only to be kicked out by 1945. Since that time, we have administered Micronesia under a UN Friendship agreement. But they also need funds to develop and for the most part that money came from the United States.

In my previous comments on this subject, I have supported the efforts of my fellow Micronesians to improve their status. It is time that this country acted to resolve this last remaining question of sovereignty left over from World War II. I also support adequate funding by Congress to permit these people to improve their condition and, for the people of the Northern Marianas, most of them whom are ethnically and culturally related to the people of Guam, I welcome their efforts to acquire U.S. citizenship as we did in 1950.

Messrs. McHenry and Downs, however, question the propriety of this country expending huge sums at this time to build another military base so close to the major facilities on Guam. After Guam's tragic lesson in World War II, when we were invaded and conquered, I will always support a sound defense posture for this country but, can we truly afford and justify at this critical time, the expenditure of an estimated $300 millions for yet another military base when we are cutting back on our funding of vital programs here at home?

Closely coupled with the question of expenditures is the methodology used in acquiring the Northern Marianas. As I have previously mentioned, Guam is a part of the Mariana Islands. When we were acquired by the United States, Guam was, unfortunately, forcefully separated from its sister islands and to this day the United States has made no effort at all to reunite us after 76 years. Even during the most recent round of discussions between United States and Saipan representatives, the matter of making the Marianas one family again was never broached.

Obviously, there is no way to be certain that unification would work out to everyone's mutual benefit. But, if the Federal Government will not assume responsibility for such action, then I shall be certain to bring it to the attention of my colleagues in Congress when and if Commonwealth status for the Northern Marianas is considered.

What we intend to do in Micronesia and how much we intend to spend in the process is a matter of great interest for all taxpayers. I therefore urge my colleagues to give this crucial issue increasing attention in the months to come. In this context, I also urge that Messrs. McHenry and Downs' article entitled "Forcing Congress Hand on Micronesia" be read and I insert it in the RECORD at this time.

MICRONESIA AND DOD: A COSTLY LIAISON

(By Donald F. McHenry and Ernest C. Downs)

WASHINGTON.—Sometimes a little problem raises a large issue. This is the case with current Administration requests to increase authorized spending in Micronesia from $60 million to $75 million in 1975 and $80 million in 1976. These requests amount to a back-door attempt to force Congress's hand ahead of time on the larger, sensitive issue of the United States' formal relationship to Micronesia, the western Pacific island group the United States has administered as a United Nations trust since 1947.

Few people are aware that after five years of negotiations the United States is close to its first territorial acquisition since 1900. The result will be new long-term financial and defense commitments and the establishment of a major new military base. Such major steps should involve public debate, but the Administration's strategy seeks to avoid controversy by asking Congress to approve the major implementing provisions of the negotiated agreement before Congress considers the agreement itself.

The sums requested, small now, will lead to major United States investments of as much as $2 billion.

Under the final agreements, the people of the new Mariana Islands commonwealth would become United States citizens, and Tinian, the second largest island in the group, would be the site of the base. On these points the current budget requests attempt to anticipate future Congressional approval by calling for $1.5 million to aid in the transition of the Marianas to a new United States-owned territory with commonwealth status.

The rest of Micronesia, the Marshall and Caroline chains, are to gain "qualified sovereignty" allowing them to control internal affairs but delegating to the United States complete control of defense and virtually complete control of foreign affairs. Fifteen years later, after signing a mutual security pact with the United States, the Micronesians could declare independence.

But for the request on the Marianas Congress might be justified in not focusing on Administration plans until asked to approve the agreements. Whatever the area's future political status, the capital-improvement funds are desperately needed. The United States has a long-overdue obligation as trustee to provide basic improvements, and their provision now would in no way prejudice future status.

But Congress cannot provide transition funds for the Marianas without taking a position on the major issues facing the area. One is whether the Marianas should be allowed to break away from Micronesia and possibly encourage other separatist movements, which already exist in the Palau and Marshall Islands.

Approval of the Marianas transition would put the United States Congress in direct conflict with the territory-wide legislature, which has opposed United States negotiations with the Marianas and likened separate negotiations to a United States policy of divide and rule.

By far the major issue is the unexamined premise underlying United States policy that Micronesia is essential to United States security interests. This premise is advanced as justification for new long-term economic, political and military commitments. But even if the area is essential, does it follow that America needs to construct, particularly in a time of economic stringency, a major multimillion-dollar military base? If so, why did the House Appropriations Committee express doubt that construction could be justified given the present United States defense posture in Asia?

Finally, Congress needs to consider the stakes for the Micronesians, whose location seems to be the only commodity on which they can rely to finance plans for economic development. The proposed agreements may best reconcile conflicting Micronesia and American interests. But Congress ought to insure that that is so and that Micronesia's trustee has not made its own interests overriding.

A resolution of Micronesia's future political status is long overdue. Continued United States trusteeship is an anachronism and would be so even if the United States record of trusteeship had not been dismal. It may be that detailed Congressional examination would result in approval of the tentative agreements. But the Administration's approach avoids such an examination. If the Micronesia bills are passed without debate, Congress will find itself in the embarrassing position of being asked to approve agreements whose implementation it has already approved.

JUSTICE IN MEXICO—V

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. STARK. Mr. Speaker, since Monday, December 9, the Los Angeles Times has been running a series of stories on what is happening to Americans arrested and incarcerated in Mexico. The articles have been horrifying. The conduct of the U.S. Embassy personnel in Mexico City, and of Drug Enforcement Agency officials in Washington and Mexico has been despicable and inexcusable. In their efforts to combat trafficking in narcotics these Government officials have allowed the rights of Americans to be ignored, they have failed to assist families and friends in this country, they have even failed to warn these families of extortion rackets and dishonorable attorneys.

Mr. Speaker, I vigorously support international efforts to reduce and hopefully one day eliminate the flow of narcotics throughout the world. As a Member of the House Special Subcommittee on International Narcotics Traffic I have committed myself to this goal. It is possible that many of the Americans arrested in Mexico were guilty of violating the law. In those cases I believe they should be held accountable to the judicial system in either this country or Mexico.

The issue here, however, is not drugs. The issue is the role of the U.S. Embassy in assisting and insuring that Americans in Mexico, or any other foreign country, receive justice.

Today's article from the Times may bring this point home. The families who have suffered the agony and despair of facing the Mexican system of "justice" without the assistance or cooperation of their own Government's Embassy tell the story better than I can. These are normal, average American families. We are not dealing with the Mafia, we are not dealing with an organized drug ring. We are dealing with families like our own.

I would also like to take this opportunity to thank the Los Angeles Times. Their series is courageous, well documented, and timely. The Times assigned four of their best reporters to this investigation and their combined, coordinated effort may well be the first step in insuring justice for the hundreds of Americans involved. Jack Nelson, Paul Houston, Stanley Meisler, and Frank Del Olmo may not become household words for their efforts, but I am sure there are, in fact, many households where these men and their work is most appreciated—those homes where this tragic story carries a most personal message:

[From the Los Angeles Times]

MEXICAN DRUG BUSTS: THE FAMILIES ALSO PAY

(By Frank Del Olmo)

For Mrs. Jane Smith of Granada Hills, the nightmare began on an otherwise routine Friday morning last February with a tersely worded telegram to her home.

It stated that her son Jim—whom she thought was on a skiing trip—had been arrested in Mexico City two days earlier "for numerous charges involving narcotics violations."

It directed Mrs. Smith (not the real name) to contact two attorneys, Jorge Aviles of Mexico City and Daniel Davis of Los Angeles, for more information. She telephoned Davis and a meeting was arranged for the next evening in Davis' downtown office.

"From Friday to Saturday you can imagine how the tension built," her husband recalled in an interview.

"We went to one of those tall buildings downtown where Davis had this big, impressive office," he said.

"Aviles was there," Smith said. "He said they wanted us to come up with $3,000—just like that, cold turkey."

Aviles, Smith recalled, "was exceptionally polite and as business-like as any lawyer could be, but what he told us scared the living daylights out of us."

Aviles told the Smiths their son had been arrested at the Mexico City airport with a small amount of cocaine in his possession and had been charged with a variety of offenses under Mexico's stiff drug laws.

Now he faced a long term in Mexico's tough prisons, unless he received immediate legal assistance.

The entire deal to free their son would cost $25,000, Aviles told the Smiths. The $3,000 he wanted immediately would serve as a retainer and cover initial expenses when Aviles returned to Mexico in two days.

A young friend of their son attended the meeting with the Smiths and he cautioned them to delay paying the attorney until he could check with another lawyer.

The Smiths left the meeting shaken, promising to contact Aviles before he left for Mexico.

They never contacted either attorney again, however, because "we finally decided that we just didn't have $25,000, so what good would the $3,000 do?" Mrs. Smith said.

Jorge Aviles is one of a corps of Mexican attorneys who have been paid thousands of dollars by anguished relatives and friends of American citizens imprisoned in Mexico on narcotics charges.

U.S. Embassy officials credit Aviles with helping free one American prisoner in Mexico in 1973, and possibly three others. The freed prisoner's case was apparently the first drug-related case handled by Aviles.

After the Smiths decided not to deal with Aviles, they were able to make contact with their son and began to experience a common form of extortion faced by many families with relatives in Mexican prisons.

One of their son's first requests from Mexico City's Lecumberri Prison was for $1,500 which he had to pay in order to keep from being beaten by fellow inmates and to avoid being assigned to harsh, unpleasant work details.

The Smiths sent the money. They have sent $100 every month since then so their son can pay for his room and board in jail.

Both the payment of extortion fees and monthly "rent" are common practices in Mexican prisons. However, they are new to the 528 U.S. citizens imprisoned there, and also more expensive for them than for Mexican prisoners.

The Smiths' story is one of about 100 such cases compiled by staff members of Rep. Fortney H. Stark (D-Calif.), a member of the House special subcommittee on international narcotics traffic.

Of the 100 cases in Stark's files, more than 50 families of prisoners claim they have experienced extortion in Mexican jails or attempted manipulation by Mexican attorneys. About 40 of the cases involve California families.

The Times interviewed a dozen families in Southern California and the San Francisco Bay area about their experiences in trying to help relatives in Mexican prisons. Most of them are middle-class families with well-educated children.

While a few insist that their relatives are innocent, most will admit they were wrong—and certainly very stupid—to have tried to smuggle drugs, regardless of how small the amount involved.

The stories these families relate are appallingly similar.

All complain about the lack of concern on the part of the U.S. Embassy, the high-pressure techniques of Mexican attorneys and the heavy-handed methods used by Mexican criminals to extort money from the imprisoned Americans.

"I realize now how stupid we were," said an Oakland woman who lost $6,000 to one attorney. "But we didn't know what else to do, who to turn to or who to ask for help."

Mexican attorneys have been known to demand up to $45,000 to represent U.S. citizens. Some of the money is ostensibly for legal costs, and some will be passed along to prison authorities to pay for better living quarters and conditions for the prisoners.

High legal fees are often the rule in Mexico.

The extortion fees demanded by prison kingpins range from $800 to $2,000 for the initial payment, and usually $100 to $300 a month thereafter.

The families of imprisoned Americans say the U.S. embassy in Mexico has been almost useless in helping them deal with the complexities and quirks of the Mexican legal system.

All the embassy does, some said, is provide a list of lawyers to all prisoners.

That list includes a disclaimer indicating that the embassy "assumes no responsibility for the professional ability or integrity of the persons or firms" listed.

It is only fair to point out that some Mexican attorneys have assisted U.S. prisoners in that country, working in the best interests of their clients.

An official of the U.S. Drug Enforcement Administration, which has encouraged and assisted the Mexican government in the crackdown which has led to many of the recent arrests of Americans in that country, agreed that American prisoners are "a fountain of money" for certain Mexican lawyers.

The official told The Times of a case in which a DEA informant was inadvertently arrested by Mexican authorities and his parents paid $13,000 to a Mexican attorney before the informant was eventually freed.

One well-to-do Los Angeles woman who went to Mexico with personal references to prominent corporate and criminal attorneys was told by many of them that "it would hurt their reputations" to become involved in her daughter's case.

Like many of these families, the Oakland woman—let us call her Mrs. Jones—first learned of her son's arrest not from the U.S. embassy, but through a collect call from attorney Aviles, the same man who contacted the Smith family in Los Angeles.

According to the Joneses, Aviles told them their son would go to prison for 60 years without his services and asked for money. Aviles was turned down initially but over the next three days—a holiday weekend—he called three more times telling the Joneses their son was facing a major court appearance without counsel.

In one of the calls, Aviles called an American to the phone, identifying him as Dan Root, a consular officer at the U.S. embassy in Mexico. The American recommended Aviles to the family as a reputable lawyer. (Root has since denied making any such call.)

The Joneses said they finally sent $6,000 to Aviles and did not hear from him again.

But this family's experience did have one positive effect. The apparent involvement of the American who identified himself as consular official Root led Mrs. Jones to write to her congressman about the incident. Her congressman is Fortney Stark.

A staff member for Stark said that at first Mrs. Jones' letter was handled as "an individual case, an inquiry from a single constituent that would be answered individually."

But in July of this year, Stark's aide read newspaper reports about a hunger strike by Americans held prisoner in Lecumberri Prison.

He "began to wonder if there might be a pattern here, so we started looking further into it."

His inquiries eventually turned up the names of half a dozen families with experiences similar to the Joneses.

One person he contacted was Mrs. Juanita Carter of Hawthorne, whose son had been in prison since October, 1973, and who told Stark's aide she also had a brief unpleasant encounter with Aviles.

Mrs. Carter first learned of her son's arrest through collect telephone calls from several attorneys in Mexico City all "saying for me to come to Mexico and to bring as much money as possible."

Mrs. Carter told The Times she went to Mexico hoping to find an attorney for her son and was surprised to be met at the airport by a lawyer she never had heard of before named Jorge Aviles.

Aviles accompanied Mrs. Carter to Lecumberri the next day and after she visited her son, offered to represent him. Mrs. Carter said he asked for $1,400 to pay her son's initial extortion fee.

She wrote Aviles $1,400 worth of travelers checks on the spot.

But two days later, just before leaving Mexico, she was called in her hotel room by the "mayor" of the prison dormitory where her son was kept.

(The "mayor" is an inmate appointed by prison authorities to supervise the dormitory. It is assumed the mayor pays for his job by sharing whatever he can extort from his fellow prisoners with the authorities.)

The mayor said no extortion fee had been paid, and according to Mrs. Carter he threatened to have her son killed if it was not paid before she left.

Angry and fearful, Mrs. Carter went to Aviles' home in Mexico City's suburbs and, accompanied by a heavy-set Mexican cab driver, demanded her money back.

Mrs. Carter said he returned it—less $370—and warned her that "he had powerful friends at the American embassy and that my son would suffer greatly."

Mrs. Carter has returned to Mexico periodically since that first visit. It was during a visit in June that she decided "someone had to start some communication among the families of the kids down there."

"Nobody was helping us," she said. "I thought maybe we could at least help each other."

On that visit she began to compile a list of names and addresses of the families of the American prisoners and began corresponding with many of them.

As a result, when Stark's staff made contact with Mrs. Carter, her unofficial organization of families proved to be the key element in firmly establishing the pattern of abuse and manipulation of the families of the imprisoned Americans.

In their interviews with The Times, some of the California families who have cooperated with Stark offered a variety of vignettes which illustrate their disillusioning experiences with the Mexican legal system.

An Orange County woman on her first visit with a son in Lecumberri met briefly with the mayor of the dormitory where her son is confined. The mayor lives in a carpeted cell complete with a stereo set.

The woman still has a copy of the blank check she wrote for the man in the amount of $1,500, the initial extortion fee. It was cashed at a Mexican bank by someone who sloppily printed C-A-S-H in the blank space.

Another Orange County woman went to visit her husband in Lecumberri accompanied by a Mexican friend and another woman with an imprisoned relative who was represented by attorney Aviles. The young woman's friend had a brief conversation with Aviles and later warned her against dealing with him.

Her friend said "Aviles admitted he could do little for the Americans in prison there. But if the gringos were willing to pay him to try, he'd take what he could from them," according to the woman.

—A West Los Angeles woman recalled how she and her husband, a doctor, sent a color television set to a close friend who is a prisoner. It was to be a gift to a commanding officer at the prison in the hope of winning better treatment for the prisoner.

"We never heard what happened to it, or to the money we have sent," she said. "I swear, it's like dropping it all down a fell."

—An Orange County couple recalled a meeting with Aviles and Davis last February, not unlike the meeting the attorneys had with the Smith family.

The couple said Davis contacted them first and said their son had been arrested in Mexico and "was facing torture and 25 to 40 years imprisonment and said his cousin, Mr. Aviles, could help him."

Davis arranged a meeting between the prisoners' parents—we will call them Mr. and Mrs. Brown—and Aviles that weekend in a Marina del Rey hotel. There, Aviles requested $20,000 to represent their son, with a $10,000 retainer. He said he already had paid $2,500 to get their son better treatment in prison.

During the meeting, according to the Browns, Aviles placed a telephone call to the prison and had the Browns' son called to the phone. The young man, who apparently was familiar with Aviles' reputation among the American prisoners in Mexico, warned his parents against dealing with him.

Brown later agreed to pay Aviles only $2,500 he said he had paid out in extortion money. It turned out that Aviles apparently had paid no money at all. The Browns said they later had to send $500 to the mayor of the dormitory where their son remains confined.

The Browns' story illustrates the strange role played by Los Angeles attorney Daniel Davis in at least four cases where Aviles is mentioned by families who have contacted Rep. Stark.

The 28-year-old attorney was admitted to practice by the California Bar Assn. last year He worked for a time with a prestigious local law firm but is no longer associated with it.

A distant cousin of Aviles, Davis declined to discuss in any detail his dealings with the Mexican attorney when contacted by The Times.

Davis said he has been informed by the State Bar that it is investigating his involvement with Aviles. He said he preferred to tell his story to the State Bar first "since they are my professional and ethical monitors."

Davis said he has nothing to hide because "the problems (in dealing with Aviles) were things I could not control."

One family interviewed by The Times credited Davis with making an apparently sincere but unsuccessful effort to recover their money from Aviles.

They said Davis expressed to them doubts as to Aviles' honesty and personal qualms over having become involved with the Mexican attorney.

Aviles himself emerges as a rather contradictory character from what little can be gleaned about him in interviews with people who have dealt with him.

One prisoner represented by Aviles described him as "by all outward appearances a very respectable man" with a wife and son, who lives in a comfortable home in a fashionable Mexico City suburb.

"He really believes most Americans arrested down there are working for the Mafia and he has a right to get his share of the action," the young man said of Aviles.

Aviles has been unavailable for comment since a civil suit charging fraud was filed against him in Mexico City by the parents of an American prisoner. The U.S. embassy assisted them in the lawsuit.

Aviles is mentioned in 23 of the 100 files compiled by Stark on U.S. citizens imprisoned in Mexico on narcotics charges. Other Mexican attorneys are also mentioned in many of the files.

How many families have dealt with attorneys like Aviles has yet to be determined.

Mrs. Carter said that another attorney recently planted a rumor among the American prisoners that, for a flat fee of $30,000, he can not only win their freedom but have their arrest records destroyed.

"I'm truly afraid there are still families out there that think they can buy their kids out of prison," she said.

TRIBUTE TO H. R. GROSS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. SARASIN. Mr. Speaker, I wish to take this opportunity to join with my many colleagues in the House in paying tribute to Congressman H. R. Gross of Iowa on the occasion of his retirement from this body.

While I have only had the privilege of serving with Mr. Gross for a small part of of his 26 years in the House, I consider myself indeed fortunate to have had the chance to know first had this outstanding American. His reputation will endure and new Members of the 94th and succeeding Congresses will look to the mark he leaves on history, but they will be the poorer for not having had the opportunity to serve with him.

The remarks always entered into the Record by Members from both sides of the aisle are abundant proof of the tremendous respect and affection H. R. Gross has earned in his long tenure. Even those of us who have served only briefly with this outstanding legislator have profited greatly from the association and should be better equipped to carry out the duties for having been exposed to the example of H. R. Gross.

We are not witnessing the poignant occision of the retirement of a champion at the height of his prowess, for H. R. Gross is truly a champion. Since his first election to the House in 1948, he has been a champion of the best interests of the country.

While he has often been on the losing side in his efforts, he has always had the attention of his colleagues. Through the use of incisive analysis, enlightening humor, and most of all, common sense, Mr. Gross has always contributed more than his share to debate in the House. His departure will leave a tremendous void in the Congress and he will be sorely missed, not only by his colleagues, but by the beleagured taxpayer he labored so long and hard to protect.

While my words can add little to the tributes of the many Members who had known H.R. personally far longer that I, there is one observation which perhaps can be made best by a freshman Member: Legends are often diminished by exposure to their source, but personal exposure to H. R. Gross only serves to enhance the legendary quality of his service to his people and his country.

GEORGE LEWIS ALLISON, SR.

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. HOSMER. Mr. Speaker, there is, I think, no finer title than that of "professional," whether the profession be brick laying, law, medicine or newspapering. Today I would like to honor a man, George Lewis Allison, Sr., who earned that title of "professional" and imparted that professionalism to his sons and to hundreds of newspapermen and women during his 38-year newspaper career.

Mr. Allison, who died December 6, 1974, of cancer in a Long Beach hospital, was until 5 months ago news editor of the Long Beach Press-Telegram. In that job he worked fiercely and in his own way joyously to produce each day a newspaper better than the day before. The effort to improve the quality of the newspapers on which he worked was Mr. Allison's personal trademark.

His colleagues in a moving editorial have paid tribute to George Lewis "Lew" Allison, Sr. in words far better than mine but before asking that editorial be reprinted in this Record, I would like to add to it one item not mentioned. The editorial relates how Lew Allison responded to the news of the assassination of John Kennedy and produced the best account of that dreadful event published in the Los Angeles area. The editorial is accurate if incomplete when it mentions that "the publisher and all the brass" gathered in the wire room to read the fast moving bulletins. It is incomplete in that it does not mention the first step taken by Mr. Allison who told the publisher and the brass in no uncertain words "to get out" for there was work to be done and they were in the way. They did, and as he did every working day of his 38-year career, Mr. Allison produced the best newspaper possible.

Mr. Speaker, I insert the December 8, 1974 editorial of the Long Beach Independent Press-Telegram in this Record:

A Good Newspaperman

Until five months ago, when his doctor told him he had only a short time to live, George Lewis Allison Sr. was news editor, which is to say midwife, for the Press-Telegram.

Except when he wrote an outdoor column or a story about fishing on Northern California's Shasta Lake, no article in the Press-Telegram had his name on it, but the entire paper bore Lew Allison's signature. He was proud of it, but he was never wholly pleased by it, even after he had pushed reporters, city editors, copy editors, wire services and printers in a daily chase to catch and correct every error, every hint of bias, every story that had been superseded by some late news. There was no day when Lew Allison was not peeved that his newspaper had not been perfect.

"You'd come to him with a story that sparkled," a reporter mused the other day. "All the quality of a Hemingway. Done in two minutes. 'What took you so long?' Lew would say. In 20 years he never told me a story of mine was good. But sometimes I knew he liked something I wrote—because he didn't say anything."

Why, then, did the reporter add: "I love him"? Perhaps because Lew Allison gave everyone around the feeling they were joined with him in an important enterprise. He cared about news, about the language, about people, about newspapers. He could be as passionate about whether Harry S. Truman's middle initial took a period—it was his firm opinion that it did—as he was about seeing that Richard Nixon and George McGovern got a fair shake in the news columns.

His decisions were unerring and swift. "When President Kennedy was assassinated," a colleague recalls, "the news broke right on deadline and the publisher and all the brass were in the newsroom wondering what we should do. It was Lew who told them. He told them to take the adds off pages 2, 3 and 4. He planned a picture page. He laid out the whole paper right there for them."

In the composing room that day, Lew Allison, reading the type upside down and backward because there was no time for proofs, wrote headlines and put the pages together, so that his paper was the first one in the Los Angeles area to have the complete story in readers' hands.

He came from a newspaper family. His father had published a small paper in Mesa, Ariz., a paper on which Lew Allison got his start more than a decade after his father had relinquished ownership. Lew's brother Bob was sports editor of the Phoenix Gazette. Lew Allison transmitted his love of journalism—a word he never used—to his children, although none can tell you exactly how he did it.

His oldest son, Larry, is managing editor of the Independent, Press-Telegram. Lew Allison Jr. is Midwest news director—and former Vietnam bureau chief—for the National Broadcasting Company. Jack Allison is a reporter for a Salt Lake City television station. Brian Allison worked part-time as a San Francisco Examiner copy editor while in college. Mike Allison will be a newsman after his graduation from UCLA. Only Lew Allison's daughter Helene did not ever work as a journalist. She is a teacher. But then her father was a teacher, too, as all fine editors are.

Lew Allison was a realistic man. When his doctor told him death was near, he took the doctor's word, just as he expected reporters, copy editors and publishers to take his word when he spoke on a matter within his professional competence. He went fishing one last time at Shasta Lake. He went to football games. When his strength began to fail, he read. The last book he borrowed from a friend was Gay Talese's *The Kingdom and the Power*, which is about the New York Times.

He hadn't finished it when death came Friday evening. No matter. No book about newspapers had anything important to teach Lew Allison. He was what old hands in the business call "a good newspaperman." Being one is a craft and an art, and Lew Allison pursued his craft and art with unfailing mastery.

A DAY IN THE LIFE OF A VISITING NURSE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. MURPHY of New York. Mr. Speaker, today, H.R. 17085, the Nurse Training Act of 1974, will be considered by the full House of Representatives. This legislation provides for an extension of assistance programs for nurse training, under the Public Health Service Act, and I fully support this vital legislation.

One of the continuing concerns of this Congress is how we can see that adequate health services are available to all people who need them and yet hold down health care costs.

We are seeing an increasing emphasis on home health services, caring for people in their homes, whenever possible, as an alternative to institutional care.

The registered nurse is the central figure in providing health services to people in their homes. Some people probably would not be getting any health care at all if it were not for these visiting nurses.

A recent article in the Washington Post takes us through a typical day in the life of a visiting nurse in the District of Columbia. It illustrates the kind of training and education the nurse needs for this role and it also shows the dedication that is required. We need more nurses like the one described here. I insert the complete text of the article, "The Visiting Nurse: Healing and Feeling Pain in Homes Where Time Moves Slowly" in the RECORD:

THE VISITING NURSE: HEALING AND FEELING PAIN IN HOMES WHERE TIME MOVES SLOWLY

(By Emily Fisher)

Marylyn Mason, in navy blue nurse's uniform unblemished by detail, hair squared back by a barrette and face pinched by the fall chill, is part of the morning's crispness. She has a long-boned basketball player's gait, a tiny overbite and lisps. She is 26 but looks like a schoolgirl in a pinafore. Only the black shoes, losing their heels and, split at the sideseams, tell of wear. She has worn them daily for the two years she's been with the Visiting Nurse Association (VNA).

10 a.m.—A street in the center of the Adams-Morgan area between Harvard and R Streets, 16th and Connecticut. A mix of faded affluence, incipient slum and renovation, its population, much of it Spanish-speaking, is heavily transient—moving in, moving out, as one building is condemned, one is renovated. The sidewalk is clotted at intervals with remnants of a lifetime's possessions.

"How ya doing?" Marylyn Mason greets a drunk sprawled in the sun on the sidewalk. "How ya doing?" as she picks her way through teen-agers pitching pennies on the steps. "How ya doing?" to two large young men in leather lounging in the doorway's shadows. They eye her askance, head to toe, then smile as recognition comes.

And again, once inside the patient's apartment, "How ya doing?"

The six shapes there, murky in the room's stale light, seem at first oblivious to her coming. A woman with a withered foot rests chin on cane; a man leans heavily upon a crutch; another mechanically sharpens a knife; a foot taps, a spool of tobacco spittle hangs. All are aged, all wear overcoats though the room is heated well into the 80s. All stares are fixed as if toward some transcendental point.

Cardboard boxes function as furniture. The walls are bare but for a "Home Beneficial Life" calendar and stains that stray down the door panels. It looks like a room waiting to be moved—no television, no radio, no telephone.

"'Bout this time" someone wheezes, the first human sound.

And as if on cue, the patient rises to have a skin ulcer dressed. He is recovering from a stroke, he can't weigh more than 80 pounds and his body is all knobs. "Well people in this world just don't know how blessed they are," he says. And he inches on his cane, first to fetch the nurse a chair, then to the lone bed, where he sits, hands demure on his lap.

"Mr. J, show me the exercises you've learned," says the nurse.

"I go like this . . ." Mr. J moves an uncertain hand toward his face, then drops it as his face goes blank. And Marylyn Mason—as she has done scores of times before—guides the hand through the exercise it needs, up, down, crosswise. Briskly, she takes his blood pressure, temperature, pulse, sterilizes equipment, changes his dressing, checks cupboard and refrigerator to make sure that the food supply is adequate, disturbing nothing of the room's clutter. ("That's private," she says later.) J never drops his eyes from her face.

"Did you eat anything today?" she asks. His speech is garbled, most would find it unintelligible. "Potatoes, you say? You should eat fruit, too. You have it in a can, you say?"

"Sure," he answers every question with quick nods aimed to please. "You should do your food shopping with Willie—he eats fruit." "Sure." "You go out?" "Sure." "Much?" "Sure. Went across the street yesterday." "You go out alone?" "Sure." (Later Marylyn would express doubt that J really does do all that. She *knows* he can't manage it physically, and she worries.)

"I can move my leg, sure," he says and flaps his arms like bellows. "Thirty-five times I do it."

"Wow. Great," Marylyn cheers him. 'That's the way to go." (Later she would doubt this feat as well.)

After about an hour and a half of this, after J's ulcer is dressed, medical instructions for the next two days given and recited—repeat after me, she had bid him—just when Marylyn reaches for her black bag, J discovers whole new nests of pains. There in his chin, now here in his foot, the back, too, and the arm. "Now Mr. J, I'm coming back Thursday, remember?" The pains are forgotten. "Yeah, that's right," he nods to himself. And the room, as the nurse leaves, returns to a silence broken only by the clock's patient ticking.

Noon Adams-Morgan—A street of vacant and boarded up storefronts is deserted in the midday sun, and wind scatters pop tops and cigarette butts like confetti across the sidewalk. The visit is to an old and skeletal man, bedridden years ago by lateral sclerosis. Sores cap bones outlined sharply behind his skin, and almost all the nerves of his body have decayed. His muscular strength has left him, but his mind is still agile.

He would die were he left alone, but a Mrs. D, triple his size, two-thirds his age and no relation to him, lives with him. It is a devotion few fully fathom. "He's a three-shift job, I'll tell you," she says. "And I'm not getting anything from his people but hell." You should go out more, the nurse tells her, we'll see about getting you a home health aide. But Mrs. D, for all her complaints, is resistant to the suggestion. She gets out, she says, to the store, the laundromat, too.

"You're free," Marylyn Mason says. "Do what you want to."

"I *do* do that," says Mrs. D. "I got nowhere to go." Then after a bit, "You know, you hear a lot 'bout how someone like Mr. H here needs nursing home kind of care."

"But if you can handle him here, like you're doing . . ." says Marylyn. "It's for the two of you to decide. And if you're happy with the decision, that's all that's important."

There is no urgent medical need here. Mrs. D takes care of that. But there are, says Marylyn, other needs that bear watching. She couldn't do all that Mrs. D does, she says—it would leave her well-nigh dead, and Mrs. D gets no outside support.

"I'm the sick one today," says Mrs. D, and arches her back as if to wrench out a pain. "Who's sick?" Marylyn stiffens. "Oh, it's my arthritis acting up." Marylyn changes the subject. The arthritis, he says later, may be more in the mind than limbs, but she will in any case check Mrs. D's medical history.

This room, like the last, is tropical in temperature. The ceiling's plaster is cracked and every spare space crowded; a blessing Jesus, two Bibles but no other books, a plastic-coated portrait of John F. Kennedy, paper flowers, pillows, pill bottles, a TV that is rarely turned off. The patient's eyes swing like pendulums after the nurse's every movement.

"What's on TV?" she asks Mrs. D.

"I don't know, something like blackjack." And then she drifts: "I heard that Liz Taylor and Burton are gonna break up. Hmmm. They found that Hearst girl yet? I believe she's dead, brainwashed, too. Oh, sakes. Them that's in unemployment that's able to work just don't want to. You just gotta be patient." It is a running theme of her talk. "The doctor, he's busy, awful busy. You can't find them these days that makes housecalls. You just gotta be patient." H lets out a groaning aaahh; tears run down his cheeks. He has just wet his bedclothes and both women spring to change him. Then a rubdown, bath, feeding, turning him this way and that.

"I tell you, what a day, sliding his butt around, turning him over and over, getting these old joints to move," says Mrs. D, cuddling's H's head in the cup of her hand.

"Mrs. D," says Mason, "That's just great. Wow. That's the way." Mrs. D. goes somber, studies her feet. "Why thank you dear," and sets about fussing with H's pillow, sheets, bibs. And Marylyn, no less a whirlwind, continues her check-check-checking—food supply, air, gas outlets, exercises, popping each query with a grin and plucking laughs from the air.

"Mrs. D, I'm going to go now—you're doing just great."

"Onnnhhh," rises from the bed. "Oh, my arthritis," from Mrs. D She cuts her cry short to catch the phone. "Yes, I'm fine . . ." She motions goodbye to the nurse. "Nothing. No, I'm just setting here in front of the TV."

As Marylyn closes the door, Mrs. D is holding H's hand, both turned to the TV, he with the grimace that is as much of a smile as he can manage.

"We (the VNA) will carry him until he dies," Says Marylyn. And Mrs D? No one yet can say.

2 p.m., Chevy Chase—The lawn out front is as groomed as a golf green, and inside is the accumulation of a long and comfortable life—oaken furniture new with the century, delftware and eggshell porcelain on a sideboard, photographs of a bloomer clad childhood. The patient, at 94, has watched one sister enter a nursing home. Dreading that for herself, she stays here with her daughter, alone during the day while the daughter writes copy for the National Geographic.

A small line furrows Marylyn Mason's brow. The visit was to be brief—R's orders call only for a bi-weekly injection of B–12 for macrostic anemia—but R stretches the time with chatter. It is sort of self-peptalk, launched off the bat. "Somebody asked me if I told Dr. K about this pain I got. Boy, you should have been here to see it. My arm swelled up so it looked like the Green Giant's. And I said no, pshaw an old arthritic like me can't tell about all her pains. They're going on all the time."

She winks, and as Marylyn sticks the thermometer in, she screws up her eyes, clown-face, but doesn't stop the patter: "Why, I bet I could beat the tail off most folks my age. I tell you, 20 years ago I was playing basketball. And I was 70 then. Hmph." She seems not to notice the shot Marylyn administers—just pats her hair and winks. "But that's all water under the bridge."

She is tiny, with colorless eyes, a perky drawl and skin that swings in folds when she moves, which she does in hyper, spiky gestures. She has dressed for the visit in rust-toned cashmere shirtdress and matching organdy scarf; even the hair tint matches.

The B-12 has been injected, but R is rambling through her past, spewing it out in disordered patches. "You know, my Annie (daughter) was such a sunny sweetheart. If she hadn't been here when they took Nan (the sister) away . . . I remember I told her to go ahead and write and darned if she didn't turn bent and horn-rimmed like him (her husband?)."

She hopscotches through time as she speaks, eyes fastened on the nurse. "Annie pounds on everything she can touch, the little devil. She wriggles out of her diaper before you can say scoot, and then, heck, it's cute, she leaves a nice wet mess behind the drapes."

Marylyn tries to curb the flood: "How's the heat here?"

But R talks as if a dam had broken somewhere in her head. She talks even while trailing the nurse on her safety check through the house.

"Hey, you already told me that," Marylyn butts in. For a second R looks crestfallen, "Well, I guess I've told you so many things . . ." Then revs up again: "But I'd say I do purty good for 94. Yes siree, 20 years ago I was playing basketball." Marylyn moves for her bag, R trips suddenly over her cane, then makes herself small against the wall, a naughty kid caught, and shame-faced.

"Mrs. R," Marylyn grasps her. "Will you listen to me? You're not steady—you need another person here." Stubborn, R clamps her jaws tight, NO. Marylyn warns again, and again, before R begins to yield. "I won't fall, I promise, I won't bcause I know I got to be steady."

"I'm going to talk to your daughter," threatens Marylyn.

"Don't," clowning again, "she'll kill me."

They compromise—R will use her cane.

"Take care," calls Marylyn from her car.

"I've lived long enough," says R, and pivots quickly on the cane so that the nurse will see.

(The clinical physician referral had indicated that Homemaker Health Aid Service was pending for R, but when Marylyn had called the hospital to verify this, she found that the patient's family had failed to contact the hospital, and that no Homemaker aide had been assigned. She would try again.)

"What a cool lady," says Marylyn. "But you've got to be so careful. On the surface she's the liveliest person in the world, but beneath that pride, that whatever, is someone very shaky." A smile hangs thoughtful on her face till R is safely up the steps.

3:30 p.m.—It is the day's last visit, back to Adams-Morgan and boarded up and broken windows, trash-littered streets and more liquor stores than markets.

It is also to be the day's toughest: an old incontinent woman was referred to the VNA and Marylyn, on her first visit a week ago, discovered that her 17-year-old daughter was as much in need of care. She had just given birth by Caesarean section; neither has any source of income; both sleep squeezed in one bed in a room, otherwise empty except for a TV and a crib.

Marylyn stops at a payphone on the street to verify medical orders with the VNA's Public Health liaison at Freedmen's Hospital. She phones the Adams-Morgan clinic, a community link with Children's Hospital, about registering the family to receive supplemental foods, and she checks in with the VNA.

The line in Marylyn's brow has deepened and her shoulders slump. Inside, four flights up to the patient's apartment, no one answers her ring. And the only sounds in the minutes that pass are a cough that reverberates from below, a radio whining up from the pavement outside, sounds of heels clapping on the steps that fade, then die. "It's Mrs. Mason, the nurse," she yells at the keyhole. The hall reeks of old urine. "Mrs. R?"

Finally the door opens, heat rushes out. It must be 95 inside—the oven has been left on and the thermostat turned to top temperature; blood from a cut is running down the woman's leg, and a kitten is locked screaming in a closet. The woman starts to fall and Marylyn grabs her, but the woman fights her off. As the nurse races to turn off the stove, to release the kitten, the woman lunges for a corner and nuzzles her face into the wall. "Ye, ye, ye," she moans.

The daughter isn't there (she was supposed to stay with the mother), the apartments down the hall are all empty, and the woman is disoriented. She ignores Marylyn's questions—about how she cut herself, who left the stove on, who locked up the kitten, how long has she been alone. She cradles her stomach, hunches against the wall. Her speech, when it comes, is incoherent. "Don' know, don' know," she sings. Monosyllables spill out in monotone, then a wall rises, "Lord have mercy." She slurps the water Marylyn brings her, forgets it; the water not swallowed drips in puddles at her feet, Only her fingers move, curling and uncurling.

The daughter, all in skin-tight red, arms coddling a baby wrapped in a dishtowel, peeks through the door. She spots the nurse and edges, shy, toward the closet as if to hide there. She balks when Marylyn spies her, and turns sullen in answer, "I fed her, I did. She's okay. So what if she pees on herself? I can't sit home all day." "Yes, no, don't know," voice dull and eyes glazed.

(The daughter cannot understand the mental deterioration setting in here, says Marylyn later, and it leaves her feeling powerless, walled in.)

It is when Marylyn asks her what she will name the baby that the first smile flashes. "Juanita." Marylyn leaps to hold the smile—"It's just great the way you fixed the crib" (blankets knotted between the slats so the child wouldn't fall out). "I gave her a bath, too," says M. and holds the baby up for the nurse's inspection. At which point Marylyn becomes a talking encyclopedia of childcare know-how—how to feed, wash, sleeping habits, signs of sickness.

A lesson in temperature-taking causes problems. As Mason inserts the thermometer in the baby's rectum and the baby winces, forewarning the scream to come, M beats the baby to it: "You're *hurting her.*" She snatches the child. But when the nurse's hand guides hers—Marylyn tells her she must—M finds that it isn't after all, that difficult. Reading the thermometer is, however. It is clear, as M twirls the glass rod like a baton, that she cannot count. And that 98.6 has no more meaning for her than the baby.

Learning to read numbers may come, though, as it has for so many of Marylyn Mason's patients. First there are other basics to be mastered, the Caesarean incision to heal, an income to be secured. For now, Marylyn tells her how nice she looks, how perfect the baby is, and together they chat about what clothes to buy the child.

Meanwhile the evening sun lights the room in gold. The old one curls and uncurls her fingers, the kitten plays tug of war with the blinds.

Footnote: Marylyn has done a great deal of background legwork on this case. Concerned by the family's lack of income, she has contacted the VNA's social worker, who in turn called the hospital that referred the case. Marylyn learned that the daughter had applied for public assistance three months ago. Why it never came is unclear: perhaps the application was lost; more probably the daughter did not make the post-application contacts she was supposed to, perhaps because she failed to understand instructions "The red tape involved is enormous, confusing to anyone," she says. "But what counts most is teaching the patient how to get through it." With Marylyn's help, the daughter does.

Her days are often like this, says Marylyn. The illnesses change, as do the faces, the settings, the lives she moves into. But the other needs—social, emotional, psychiatric, the hunger and the aloneness—does not. And she seems to step always into places where time passes somehow more slowly.

It is now close to 5 p.m., and Marylyn has come back to the VNA offices to consult a social worker about her last case. Not safe, that old one, she says. She meets with her supervisor to talk about new problems she has spotted. She picks up new cases ("admissions" they are called), studies medical histories, doctors' orders, schedules visits. There is more paperwork, more calls: to a clinic, hospital or doctor, to Family and Children's Services or senior centers in the city, to the Homemaker Health Aide Service or Public Health or the Sanitation Department—and to the social worker who in turn will call a food stamp aide program, the Welfare Department, Protective Services.

Later Marylyn will go to her Spanish class at George Washington University—so she can better treat her Spanish-speaking patients in Adams-Morgan. Then she'll go home, where her husband, 29 and a law student, will cook and both will do the housework, perhaps do some shopping or go to a movie. Maybe both will study.

Marylyn Mason doesn't know how long she'll stay with the VNA. But she will not, "not on your life," she says, go back to a hospital—too many patients, too few on staff, not enough time—to talk, to make contact. Too often fixing, she says, not healing.

CONGRATULATIONS TO MRS. EILEEN TAYLOR

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. KETCHUM. Mr. Speaker, I rise today to express my best wishes and heartiest congratulations to Mrs. Eileen Taylor on the occasion of her birthday.

A lifelong resident of San Luis Obispo in California, Mrs. Taylor is a friend of many years standing. Eileen's contributions to public and political life are numerous, including her present service as vice chairman of the Central Division of Republican Women. She has also served as vice chairman of the San Luis Obispo County Republican Central Committee, and was a charter member of the Santa Lucia, Calif., Republican Women. Coworkers know Eileen can be counted upon to get a job done, and to give every task her best. She is also extremely active in the Arroyo Grande, Calif., Women's Club.

Married to Edwin Taylor, president of the Western Growers Association, Eileen has three children—John and Joan Taylor and Mrs. Vicky Edmondson. She always finds time in her busy schedule to enjoy her five grandchildren.

I could go on at great length about Eileen's talents, and her service to her community, her government, and her family. Like all of her friends, I take great pride in knowing her, and have the utmost respect for her accomplishments. I know that my colleagues here in the House will join me in extending happiest birthday wishes to this fine woman.

KEY VOTE ON UNITED STATES-RHODESIA TRADE DUE IN HOUSE

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. BIESTER. Mr. Speaker, events in recent days in southern Africa have only heightened the importance attached to passage of S. 1868 repealing the Byrd amendment which allows importation of Rhodesian chrome against U.N. sanctions. Our vote on this measure, now scheduled for early next week, could not come at a more opportune time at which to make our position on this matter abundantly clear.

The Journal of Commerce today ran an article on what is happening in Rhodesia and the ramifications of our vote next week. The article follows:

TODAY OR MONDAY—KEY VOTE DUE IN HOUSE ON UNITED STATES-RHODESIA TRADE

(By Peter T. Leach)

Journal of Commerce Staff

The agreement announced Wednesday in Salisbury ending the black African nationalists' guerilla war in Rhodesia will intensify international economic pressures on the white minority government to reach a political settlement with the country's vast black majority, according to diplomatic sources in Washington.

One of the most immediate moves to increase the economic pressure against the regime of Prime Minister Ian D. Smith is a vote today or Monday in the U.S. House of Representatives on a bill repealing the Byrd Amendment which allows the import of certain strategic raw materials from Rhodesia.

ALREADY PASSED BY SENATE

The repeal bill, which has already passed the Senate and the House Rules Committee, is strongly supported by the Ford Administration, which believes it essential as a means of ensuring U.S. access to these same raw materials once a fully representative government is chosen to succeed the Smith regime.

The State Department believes the U.S. will risk losing future supplies of Rhodesian ferrochromium, ferromanganese, asbestos and nickel if a future black government decides the current U.S. imports of these strategic minerals were a means of supporting the Smith regime.

The Byrd Amendment, which was named after its chief sponsor, Sen. Harry Byrd, D-Va., was passed in 1971 to allow the U.S. to bend the United Nations economic sanctions against Rhodesia enough to import these raw materials. The amendment was passed by a coalition of Republicans and conservative Democrats who deemed it preferable to import chrome ore from the white minority government than from the Soviet Union at double the Rhodesian price.

Since the Byrd Amendment was passed, the U.S. has imported more than $50 million worth of Rhodesian ores, but only about 4 percent of the U.S. supply of imported chrome is being imported from Rhodesia. The Soviet Union and South Africa remain the largest suppliers of U.S. chrome ore.

The U.N. economic sanctions against Rhodesia were imposed when Rhodesia made its Unilateral Declaration of Independence (UDI) from Great Britain in 1965 and have remained in effect for 10 years during which a minority of 240,000 white settlers has ruled a population of 5.7 million mostly black Africans.

The key U.S. vote on shutting off purchases of the only goods it imports from Rhodesia comes at a time when the Smith regime is moving toward a political settlement with the country's black African nationalists and the black-ruled countries surrounding it.

But official sources both here and in Rhodesia warn against any expectation that the U.N. economic sanctions will soon be lifted. Before the ban on trade with Rhodesia can be lifted, official sources say, Rhodesia will have to work out a political settlement that is acceptable to African nationalists and to Great Britain, which was the sponsor of the U.N. sanctions.

Most observers think the Smith regime's move toward a more moderate stance on governing the country was forced by the external realities that threaten Rhodesia's communications lifeline. Rhodesia depends on neighboring Mozambique and its port of Beira for much of its external trade.

With the Portuguese withdrawal and the emergence of a partially black government in Mozambique, Mr. Smith evidently began to fear Rhodesia's outlet to the sea could be broken.

AGREE ON CEASEFIRE

Mr. Smith announced in a national broadcast Wednesday that his government and the black nationalists have agreed upon a ceasefire to end the prolonged fighting on the northern frontier. The announcement followed his release of two African nationalist leaders, who had been held in detention in Rhodesia since UDI 10 years ago.

The two nationalists, the Rev. Ndabaningi Sithole, leader of the Zimbabwe African National Union (ZANU); and Joshua Nkomo, president of the Zimbabwe African People's Union (ZAPU) were allowed to attend talks in Lusaka in neighboring Zambia with other black African leaders that led to the agreement on the ceasefire.

South Africa, which has remained Rhodesia's one ally throughout the years of UN sanctions, has been instrumental in pushing the warring sides in Rhodesia into an agreement. Prime Minister John Vorster has made two secret trips into Africa in the past two months for talks with African leaders.

Within an hour of Mr. Smith's statement Wednesday, Mr. Vorster said South Africa would withdraw its 2,000-man police force from Rhodesia's borders as soon as it has confirmation hostilities have ended.

U.S. Government sources think the ceasefire will pave the way for an initial settlement allowing black participation in the Rhodesian Government, a participation that will slowly increase to allow full majority rule. Once majority rule is achieved, they said, the UN sanctions will quickly be lifted.

The political shape of the future Rhodesian Government is relatively unknown, although most observers think the government will probably reflect the strongly nationalist ideologies of its African neighbors.

All observers agree, however, that the country will be renamed Zimbabwe after the native African civilization that ruled this region before the arrival of white colonists.

With the lifting of the UN sanction, U.S. exporters will be free once again to sell goods into the Rhodesian market. Traders observe that the market will undoubtfully have changed a great deal in the 10 years of sanctions, since it has had to become increasingly self-sufficient in such goods as clothing, food, and mining supplies, which were once the staple of U.S. exports to Rhodesia.

Based on an analysis of 1965 trade statistics from the period before UDI, one trade specialist figures the U.S. will be able to sell the future African country substantial quantities of mining machinery, agricultural equipment, motor vehicles, aircraft, power generating equipment, spare parts and office machinery.

ANDOVER SQUEAKS BY SALEM IN 21 TO 20 OVERTIME THRILLER

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. CRONIN. Mr. Speaker, this past Saturday, I had the privilege of watching my hometown high school football team win the super bowl at Boston University's Nickerson Field. Of all the football games I have ever seen—be they high school, collegiate, or professional—I have never seen a more exciting game as this one. The performance of each and every one of these young men, most of them playing for the first time on the astroturf, was incredible. The courageous performance of quarterback Jeff Winters who time after time, despite serious injuries to his arm and ankle, was able to spark the team to make the necessary gains; a key tackle by John McDonald in the final moments; and the final point after kick by Peter Reilly were outstanding.

When quarterback Winters was forced by his injuries to leave the game, he was replaced by Mike McCormick and Bill Alexander. It was a pass from Alexander to Glenn Verrette that allowed Andover to tie the game in overtime. Many of these young men were responsible in key instances for the overall team effort that produced the victory: Mark Farnham's touchdown with 11 seconds to go; Bill Kenney's recovery of the fumble to set up the tie; brilliant defensive plays by John Drivas, Russell Tassinari, Dan Billings, Ralph Borelli, the two Fabiani brothers—Steve, who had to leave the game with a knee injury, and John—Dave Tallini, Jerry Stabile, and also many others who proved that there are still young men in America who understand the value of winning and who combine in a team effort no matter what the odds to give their best.

Mr. Speaker, I would like to insert an article from the Lawrence Eagle Tribune about this exciting game and add my congratulations and, I am sure, those of the House of Representatives for this outstanding performance.

The article follows:

ANDOVER SQUEAKS BY SALEM IN 21 TO 20 OVERTIME THRILLER

Andover High's Golden Warriors came busting back from the brink of an overtime defeat today to post a 21–20 Super Bowl victory over Salem High at E.U.

The Golden Warriors, who, like Salem, came into the game with a perfect 10–0 record, had tied it at 14–14 in the waning moments of regulation play.

In the latter session Salem scored first to lead 20–14 before Andover finally made its last dramatic rush to victory.

Andover High missed three golden first-half scoring opportunities and Salem High took an 8–7 half-time lead in the Eastern Massachusetts Division 2 Schoolboy Super Bowl game this morning at Boston University's Nickerson Field.

Andover kicked off to open the game and took possession on the Salem 31-yard line when Paul Rindone recovered a Salem fumble on the kick-off. Andover could not move the ball, however, and was forced to punt.

Later in the first period from the nine-yard line three Andover players gained no yardage and Peter Reilly was wide with a 25-yard field goal attempt.

Andover finally took a 7–0 lead on a 26-yard touchdown pass from Jeff Winters to Glenn Verrette with 1.07 left in the first period. Peter Reilly kicked the point.

Salem took the lead midway through the second period after Mark Dubile intercepted a Winters pass at the Salem 15 and returned it to the Andover 36. Two plays later, Salem's Chuck Razney took a pitchout and went 28 yards to score. The two-point conversion pass was good from Quarterback Bill Pinto to his brother, Steve.

SUPPORT OF MARCH OF DIMES BIRTH DEFECTS JOINT RESOLUTION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. SYMINGTON. Mr. Speaker, I rise in support of the March of Dimes' Birth Defects joint resolution which I sponsored with my colleagues PAUL ROGERS of Florida, Dr. TIM LEE CARTER of Kentucky, and JOHN SEIBERLING of Ohio.

My special thanks go to House Judiciary Subcommittee Chairman, DON EDWARDS of California whose leadership and hard work have made action on this joint resolution possible during this 93d Congress.

The joint resolution, which has already been approved by the Senate, would establish January 1975 as "March of Dimes' Birth Defects Month." As a member of the House Health Subcommittee, I know birth defects are a major health problem affecting 250,000 American infants each year. One in every 14 births or approximately 700 babies each day are born with some type of defect or handicap.

More tragically, birth defects cause more than 129,000 deaths a year according to a 10-year study by University of Florida medical researchers. Birth defects are implicated in more than half the deaths of preschool children and are responsible for the deaths of almost 40 percent of elementary age young people.

This joint resolution is a measure of the kind of Fedtral interest and attention which is needed so research, treatment, and counseling of all those affected by birth defects can go forward. For the information of my colleagues and the public, I insert the highlights of my remarks of June 28, 1974, on sponsorship of this joint resolution be made part of the House discussion of this needed measure:

REMARKS OF HON. JAMES W. SYMINGTON

PROGRAMS FOR PREVENTION OF BIRTH DEFECTS

Every child should enter the world undamaged by defects, events that take place during pregnancy. Statistics prove that a program of prevention is a necessity.

Programs of prevention require great emphasis on prenatal care. The National Foundation/March of Dimes through its more than 2,300 chapters covering every county in the United States, has initiated numerous programs at the local level to see that expectant mothers receive adequate prenatal care. Working with all elements of the community, prenatal care projects have been established that now help bring medical services and health education to families in an increasing number of localities. The National Foundation helped initiate nationwide programs such as "Operation Stork," "Better Infant Births," and "Stork Nests" in conjunction with other volunteer groups. It has cosponsored prenatal care clinics with hospitals and public health departments in inner city and rural areas. Beside adequate medical care, the prenatal care programs stress the importance of nutrition to mothers both before and during pregnancy and to the newborn.

Congress has also responded to these problems through the passage of the maternal and child health services provisions of the Social Security Act. This act has resulted in the establishment of 61 maternity and infant projects in 34 States and 8 intensive care projects for high risk infants. The National Foundation/March of Dimes programs have acted as referrals to these projects.

In addition, Congress has established the special supplemental food program for women, infants, and children—(WIC program)—under section 17 of the Child Nutrition Act of 1966. The National/March of Dimes has been working closely wth the Department of Agriculture and the local communities to implement this program and to develop appropriate systems of evaluation.

Next year, our House Health Subcommittee with the bipartisan leadership of Paul Rogers and Dr. Tim Lee Carter will continue its support of Public Health Service Act research funds for work into the causes and treatment of birth defects as part of the total Federal medical research effort.

The National Foundation/March of Dimes makes extensive grants each year for research into the underlying causes of birth defects and also into the best methods of diagnosis and treatment. The internationally famous Salk Institute for research has been built and largely supported by March of Dimes funds.

The National Foundation/March of Dimes sponsors a network of medical service programs throughout the country. Through these programs children with birth defects receive diagnosis and treatment by teams of medical experts. More than half of the programs also provide genetic counseling. At others, high risk pregnancies are monitored and intensive care is given to critically ill newborns. These programs are administered by hospital medical centers.

EDUCATION AND PUBLIC INFORMATION

The education and training of professionals to provide the broad range of services required is another goal. The National Foundation/March of Dimes provides leadership in this area with symposia to educate family practitioners in genetics and courses for nurses in intensive care of critically ill newborns as examples. Fellowships are awarded to outstanding investigators and clinicians and scholarships are made available in the health specialties. Of particular importance is the dissemination of knowledge about birth defects and their treatment through the publication of original articles and reprints, the distribution of audiovisual films on genetics and the publication of a "Birth Defects Atlas and Compendium" as a resource tool for doctors.

Of equal importance is the dissemination of knowledge to the public and especially to the prospective mother. The National Foundation/March of Dimes volunteers throughout the country carry the word in person and through hundreds of thousands of pamphlets and booklets to all parts of the community. Prospective mothers must know the importance of early and regular medical attention in pregnancy and why it is her best safeguard in reducing the risk of maternal complications and hazards to her unborn baby.

FOCUSING ON THE NEED

In the crusade against birth defects, it is necessary for the people of the United States to consider fully the nationwide problem and its effect on present and future generations. By authorizing the President to designate January of 1975 as "March of Dimes Birth Defects Prevention Month" will be the vehicle through which information about education, nutrition, and prevention of birth defects is transmitted to the public. I urge my colleagues to support this resolution.

ROAD TO DÉTENTE MUST BE BASED ON COMMON DECENCY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. CRANE. Mr. Speaker, there has been much legitimate criticism of the policy of détente which has been implemented during the past period of American foreign policy.

The New York Times, for example, has noted that—

> No one is going to oppose the ideal of Soviet-American détente . . . The issue is whether the pursuit of détente is being wisely conducted, with proper regard for fundamental interests and full realization of pitfalls as well as rewards.

The Times' conclusion is that—

> The danger of détente as it has been pursued . . . is that the United States may get an eloquently expressed design for interrelationships, while the Russians get a new generation of computers. Compounding this imbalance, principles of behavior—however solemnly agreed—can be readily revoked; technological knowledge once disclosed can never be withdrawn.

Recently, George Meany, head of the AFL–CIO, stated in testimony before the

Senate Foreign Relations Committee that the policy of détente with the Soviet Union was "one-sided appeasement." While détente has produced a "silly euphoria" in the West, Mr. Meany said, it is viewed with cold calculation in the Soviet Union which, he pointed out, sees it as based on U.S. weakness, as a means of intensifying ideological warfare, as a means of undermining NATO, and as a means of attaining ultimate military superiority over the West.

An important analysis of the current *détente policy* has been written by Isaac Don Levine, a man whose long and eminent career in journalism, spans more than half a century. Mr. Levine, himself a native of Russia, covered the Russian Revolution as a reporter for the New York Herald Tribune, and has been a keen observer of Soviet affairs ever since.

Mr. Levine expresses the view that—

> All experience with expanding totalitarian powers, from Mussolini's Fascism, Hitler's National Socialism and Stalin's Communist imperialism, has shown that a workable accord with such a regime can be achieved only on the basis of superiority of force enjoyed by the free world.

Yielding ground to such a power, Mr. Levine declares:

> In the expectation of gaining favor with it or cementing a true friendship is a sure invitation to aggression, as little Finland learned in November 1939 when she yielded to Soviet pressure to withdraw her troops from the border zone. On November 30, the Soviet forces attacked Finland and bombed Helsinki. . . .

Unfortunately, our détente policy seems to be one which has shown little concern for national strength. Mr. Levine states that to ignore history's lessons—

> Is to expose the very life of a free society to mortal danger. The United States took to that road in the course of the protracted SALT negotiations initiated in Helsinki and Vienna by the Nixon Administration and then virtually stalemated for years until the spring of 1972 when President Nixon made his well publicized journey to Moscow which resulted in the SALT treaty. . . . It is now a matter of common knowledge that under these suddenly improvised pacts the President conceded to the Soviets a steep increase of land-based ballistic missiles to the number of 1,618 as against 1,054 for the U.S. and an even more awesome advance in submarine nuclear missiles.

Mr. Levine concludes that—

> The road to a genuine détente in our relations with Russia can only be found by a free world leadership convinced, in the words of Orwell, "that human society must be based on common decency."

I wish to share with my colleagues the article by Isaac Don Levine which originally appeared in the Strategic Review and was reprinted in the October 5, 1974, issue of Human Events, and insert it into the Record at this time:

ROAD TO DÉTENTE MUST BE BASED ON COMMON DECENCY

(By Isaac Don Levine)

From President Franklin D. Roosevelt to former President Richard Nixon, the United States has vigorously pursued a grand design for an era of peace premised on the cooperation of the Soviet government.

U.S. hopes have repeatedly been dashed by the hostility of Soviet responses, but the basic design has not been abandoned. SALT I and the October War reveal how far the United States has gone and how costly its pursuit of peace can be. Presidents should forswear summit negotiations and meet there only to sign previously agreed-to documents.

Disarmament should take the place where belligerency reigns—in the Middle East and Southeast Asia. Oil wealth should be committed to the development of blighted lands. And cooperation in trade should be extended only to countries in which labor is not enslaved.

The principles of freedom should be voiced vigorously in all forums. There can be no true détente except on the basis of common decency.

The grand design for an era of peace sketched and promoted by Roosevelt and Harry Hopkins over 40 years ago, and recently refurbished and pursued with renewed vigor under the label of détente by Nixon and Henry Kissinger, is now undergoing its acid and final test.

President Nixon's histronic hajj to Mao Tse-tung's red Mecca was carried out in the spirit and tradition of FDR's pilgrimages to Soviet-occupied Teheran and to Yalta for his long-coveted meetings with Stalin. And although the framework of this latest model of a durable world peace has not yet been completed, it is already creaking at every joint.

It is scarcely necessary to recapitulate here the score of well-known occasions when the United States went far out to chase the *fata morgana* of an enduring settlement with the Kremlin.

From Nov. 16, 1933, when Roosevelt and Maxim Litvinov signed the accord which extended recognition to the Soviet dictatorship, to our own days, the air has been reverberating with the familiar tunes of the grand design.

And what did that design promise to the American people and to the rest of the free world? Peace in our lifetime. Lucrative trade to the merchants. High profits to the financiers. Increased employment to industry and labor. Liberalization of the despotic system within the Soviet Union.

The rationale for seeking an understanding with the Communist outcasts was sounded by FDR in his groundbreaking message of Oct. 10, 1933, to the head of the Soviet government, proposing to put an end to the "present abnormal relations between the 125 million people of the United States and the 160 million people of Russia."

Since then, this keynote has been struck again and again by American policy-makers and replayed as a stirring novelty by President Nixon when he ushered in his ping-pong diplomacy.

It is a theme which evokes the noble ideal of the brotherhood of man and it is imbedded in at least four outstanding instruments of the grand design: the Roosevelt-Litvinov recognition agreement and the subsequent Consulate Treaty, the Atlantic Charter of Aug. 14, 1941, subscribed to by the USSR, in the Declaration of the United Nations of Jan. 1, 1942, and the Teheran Declaration of Dec. 1, 1943.

These pacts, to which the Soviet government is a solemn party, contain pledges to uphold and practice the principles without which normal relations among civilized nations are impossible.

The pledges included, under the aegis of a common dedication to peace and the enactment of measures of disarmament to ease "the crushing burden of armaments," assurances that "all men in all the lands may live out their lives in freedom from fear and want," permitting "all men to traverse the high seas and oceans without hindrance," securing "the elimination of tyranny and slavery, oppression and intolerance" and aiming "to preserve human rights and justice in their own land as well as in other lands."

By living up to these contractual conditions, the freedom of emigration and the untrammelled flow of news and ideas among the people of all countries would be guaranteed. Reinforcing these undertakings is the covenant of the United Nations dedicated, among other things, to faith in "fundamental human rights."

While the world press and other organs of public opinion were debating the pros and cons of the looming crisis for the détente policy, the New York *Times* in a dispatch from Moscow dated April 12, 1974, reported an incident which in itself posed no threat to world peace, but which nevertheless goes to the very heart of the problem of how to build an enduring understanding between the West and the Kremlin. The report read in part:

"Soviet policemen today grabbed and marched off a middle-aged Russian couple who tried to enter the American Embassy, then drove them away in an unmarked black sedan, apparently for interrogation.

"The noontime incident, witnessed by a handful of bystanders that included some American diplomats and their wives, was the latest in an apparent new effort by Soviet authorities to restrict access to the embassy.

"Yesterday, two Soviet nationals were taken into custody by policemen when they sought to enter the embassy's consular section to discuss prospects for joining relatives in the United States.

"Both were carrying written invitations from the embassy, which has taken to issuing such letters to help Soviet visitors get past the policemen on duty outside.

"The two were physically intercepted. . . . According to eyewitnesses, two policemen hustled them roughly off in the rain to a warming shack on a side street under the supervision of the senior police officer on duty.

"Several diplomats who rushed out heard shouts and screams from inside the shack. They could not confirm whether the would-be visitors were beaten by the police, as was initially reported."

No serious student of Soviet affairs will doubt that the incident in Moscow occurred on orders from the highest authorities.

Did Washington issue a clear warning against any further violation of the elemenary code of conduct among civilized governments which might involve a rupture of diplomatic relations between the two powers?

Quite the contrary. Secretary Kissinger had spelled out his stand unmistakably during the tempestuous deportation of Nobel Prize-winner Alexsander Solzhenitsyn which caused a worldwide revulsion. Dr. Kissinger then publicly conceded that the Kremlin action was a matter of internal Soviet politics.

Without even a remote allusion to Moscow's various pledges in international pacts to observe "fundamental human rights," the secretary of state virtually assured the Brezhnev junta that its domestic barbarites would "in no way be standing in the way of détente."

President Nixon, a few days before the "ugly" Moscow incident, had urged then German Chancellor Willy Brandt, in a meeting in Paris, to "be a little nicer to the Russians."

Would it be so far from reality to suggest that the state of mind of the Nixon White House encouraged the Kremlin, because of the adverse developments for the Soviets in the Middle East, to renew its old bullying tactics by intensifying its siege of the U.S. Embassy in Moscow?

If Solzhenitsyn had compiled a volume recording the cases of affronts, scurrilities, injuries and other instances of uncivilized conduct inflicted upon the United States by the Soviet rulers during the past 40 years—a volume which the State Department could easily fill with massive evidence—he would probably sum it all up in one of his characteristic comments as follows:

"Dig up the precedents from the courts of Genghis Khan and Ivan the Terrible and you will have the bones of the Communist doctrine of coexistence."

It is, however, to Alexsander Solzhenitsyn and nuclear scientist Andrei Sakharov that we owe a great debt for exposing the theory of Soviet diplomacy which the Kremlin demonstrated in Moscow in front of the U.S. Embassy.

Those two valorous Russian spokesmen were the first in our generation to raise their voices and warn the West that without observing fundamental human rights, no lasting modus vivendi with the the totalitarian regime is attainable.

Responsible American and European statesmen took up their cry. Sen. Edward M. Kennedy (D.-Mass.), in his conference with Leonid Brezhnev in the Kremlin on April 21, joined it when he obliquely raised the issue of "the free emigration of peoples," not as a high international obligation, but in the form of a plea for "magnanimous action" on the part of the Soviets that would promote the "condition needed for our own progress in controlling nuclear arms."

The record cited here should suffice to formulate the precondition of a workable relationship with the Soviet oligarchy which would command credibility in the courts of world opinion:

A decent mutual regard for all members of the family nations, with the unswerving observation of solemn pledges guaranteeing unobstructed intercourse among ciitzens of all countries, are indispensable to an enduring structure of peace.

All experience with expanding totalitarian powers, from Mussolini's Fascism, Hitler's National Socialism and Stalin's Communist imperialism, has shown that a workable accord with such a regime can be achieved only on the basis of superiority of force enjoyed by the free world.

To assure a viable peace, this superiority must rest on a force in being, wielded with restraint, without resort to bullying, to exercises in violence, to threats, blackmail or other forms of extreme pressure.

As all totalitarian rulers are deeply ridden with fear, usually rooted in the illegitimacy of their governments, it is not surprising that common to them all are bluster and aggression. The history of our times has demonstrated that equality is not a workable principle in dealing with a modern out-and-out dictatorship.

Yielding an inch to such a power in the expectation of gaining favor with it or cementing a true friendship is a sure invitation to aggression, as little Finland learned in November 1939, when she yielded to Soviet pressure to withdraw her troops from the border zone. On November 30, the Soviet forces attacked Finland and bombed Helsinki, which led to Russia's expulsion from the League of Nations two weeks later.

To ignore this experience is to expose the very life of a free society to mortal danger. The United States took to that road in the course of the protracted SALT negotiations initiated in Helsinki and Vienna by the Nixon Administration and then virtually stalemated for years until the spring of 1972 when President Nixon made his well-publicized journey to Moscow which resulted in the SALT treaty and interim agreement.

It is now a matter on common knowledge that under these suddenly improvised pacts the President conceded to the Soviets a steep increase of land-based intercontinental ballistic missiles to the number of 1,618 as against 1,054 for the United States and an even more awesome advantage in submarine nuclear missiles.

It was claimed in explanation of this concession that the U.S. superiority in numbers of MIRV warheads offset the Soviet superiority in missiles; though our representatives knew that Soviet MIRVs would soon dispel this advantage.

What has never been authoritatively divulged to the American people are the considerations of political expediency which led our diplomacy to make such a major concession to the Kremlin. It was widely proclaimed that the next round in the negotitaions, SALT II, would lead to a substantial reduction of nuclear arms on both sides.

However, sober observers warned at the time that the great concession to the Soviets would boomerang and, instead of meeting Washington halfway in an accord for curbing offensive weapons, Moscow would take our sacrifice as a sign of weakness and seek further advantages.

In March 1974, during Secretary Kissinger's mission to the Kremlin to pave the way for the President's trip to Moscow in June, Brezhnev made his unyielding position clear.

And the following month the Soviet army was testing in Syria, under actual war conditions against Israel, its latest model missiles with multiple warheads, according to the Beirut *Al Moharrer*, which revealed that these missiles "could fire between three and seven warheads." Another paper, *Al Safir*, described the new weapons as "SAM 9s, among the most sophisticated surface-to-air missiles in the Soviet arsenal."

What does this mean to the security of the United States? A rapid escalation of the nuclear arms race brought about by a diplomatic game of short-sighted diplomacy. In the face of the blank wall behind which the Soviet leadership has taken its stand on the top critical issues involved in SALT II, it is not too late to redress some of our lost ground.

Would a return to the time-honored principle of conduct among heads of state, consonant with the status of the United States in the ranks of world powers, not be a salubrious riposte to Moscow's increasing appetite and intransigence? Such a breakthrough in reverse is now called for.

Thirty-six years ago, before Solzhenitsyn's message rang out around the globe, George Orwell foresaw the ultimate evolution of the Soviet state and dedicated himself to the promotion "of intellectual decency, which has been responsible for all true progress for centuries past, and without which the very continuance of civilized life is by no means certain."

The road to a genuine détente in our relations with Russia can only be found by a free world leadership convinced, in the words of Orwell, "that human society must be based on common decency."

OUR NATION SALUTES THE PREAKNESS VOLUNTEER FIRE CO. NO. 4, WAYNE, N.J., ON ITS GOLDEN 50TH ANNIVERSARY CELEBRATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to call to the attention of you and our colleagues here in the Congress a most historic celebration that is taking place in my Eighth Congressional District, State of New Jersey, and request that you join with me in extending greetings and felicitations to the officers and members of the Preakness Volunteer Fire Co. No. 4, on its observance of 50 years of selfless dedication and exemplary service in safeguarding and protecting the people and property of our community, State, and Nation.

May I commend to you the following public safety officers and ladies auxiliary of Preakness Volunteer Fire Co. No. 4, who continue to carry on the sterling tradition of the firefighters of America, second to none, with distinction and honor:

LINE OFFICERS

The Honorable: Robert Daniels, Chief; Phil Teresi, Assistant Chief; George Karamanol, Captain; Robert Kuiken, 1st Lieutenant; Walter Johnson, 2d Lieutenant.

FORMER CHIEFS

Robert Gordon; James Jarvis; John Kooreman; and Matt Perkins, Sr.

EXECUTIVE OFFICERS

Robert Gordon, President; John Babitz; David Herman, Sr.; John Kooreman; and Chuck Neidlein.

FIREMEN

Charlie Bogert; Bob Chetirkin; Tom Duncan; Jerry Elia; Greg Froehner; Brian Hamilton; Mike Jaco.

Nick Kuipers; John Nee; Matt Perkins, Jr.; Walter Riker; Dan Shuler; Wayne Shell; Bob Smith; Charlie Valt; and John Wozniak.

THE LADIES AUXILIARY

Dale Wielenga, President; Gayle Babitz; Evelyn Duncan; Marilyn Elia; Louise Gordon; Virginia Gross.

Amy Hillwong; Barbara Johnson; Mary Kuiper; Mary Mechan; Viola Muller; Barbara Nee; and Loys Neidlein.

Harriet Perkins; Jenny Perkins; Ellen Ridgway; Jenny Ridgway; Betty Schuler; Jean Simon; and Marie Terica.

To acquaint you with the early beginnings of the Preakness Volunteer Fire Co. No. 4 and its progress over this past half-century, with your permission, Mr. Speaker, I would like to insert at this point in our historical journal of Congress, the story of this most distinguished fire company which was presented to me and other guests at the 50th Firemen's Anniversary Ball held at the Wayne Manor on November 30, 1974, in celebration of this historical occasion. The statement of its history is as follows:

East Preakness School No. 6 Was Once Preakness Co. 4 Headquarters

When Nick Cassidy's barn on Ratzer Road in East Preakness burned down and the spectacular blaze destroyed all the livestock in it, the residents of that extremely rural section of Wayne decided it was time to do something to fortify their fire protection.

Thus it was, early in 1924, that Preakness Volunteer Fire Company Number 4 was formed. The first meeting was held in the home of the late Passaic County Freeholder, James Ratcliffe, father of Jack Ratcliffe, who served Wayne as committeeman for almost a quarter of a century and grandfather of Robert Ratcliffe, presently president of Wayne's Board of Education.

The Company's first fire-fighting force was comprised of 12 volunteers. Their meeting headquarters was old East Preakness School No. 6 which stood on the site now occupied by Giannone's Service Station on Ratzer Road. The new Company's first fire engine was a Day Elder and it was housed in the late Harry Tintle's Garage on the corner of Ratzer Road and Hamburg Turnpike. Tintle, it will be recalled, also served as township committeeman for more than 20 years.

The ground on which the present firehouse stands was purchased from Frank Torbet, Sr., "for a song". It was due to the generosity of three area families that the company was able to meet its financial commitments. They were Hobart, Gaede and Mills families. This is the same Hobart who was Vice President of the United States. The Gaede (Gaede's Hill is named after them) owned a prosperous silk mill in Paterson while the Mills family owned and operated the well known Mills Wholesale Hardware business in Paterson. It should also be noted that Paterson State College is now on the site of the *Hobart Estate* which was bequeathed to the State for that purpose.

The original firehouse was completed in 1925. A large addition was completed in 1953. A third addition was completed in 1973. The 35 active members under Fire Chief Robert Daniels now operate two pumpers, one truck plus an auxiliary wagon and the chief's car.

The township at the time the fire company was formed was largely rural. Its schools were for the most part two room buildings. There were six such schools. One was in what later became the municipal building and American Legion building; the second, Lower Preakness, stood on the site of the present Anthony Wayne Junior High School; the third, in Upper Preakness, was on the site of the present modern school and is now a library; the fourth was the Pompton Falls School on Hamburg Turnpike, near the North Jersey Butchers; Number 5 was at Black Oak Ridge Road and Ratzer Road and Number 6, as has been stated, was Earl Preakness School on Ratzer Road.

Although there has been a population and building explosion in Wayne and the population has jumped from under 5,000 at the time Preakness 4 was formed to more than 60,000 now, 50 years later, one similar fire problem exists . . . distance. That is why Preakness Volunteer Fire Company No. 4 believes in buying, maintaining and operating extremely fast and mobile equipment designed to cope with fire hazards of a community which is essentially residential and in which even new industry has preferred to build, for the most part, one story structures.

Mr. Speaker, we are all proud of the dedicated men of the public safety corps throughout our country and today I seek this congressional recognition of the firefighting volunteers of our community in tribute to their outstanding contribution to the history of our Nation and the safety and well-being of our people. Our Nation does indeed salute the members and families of the Preakness Volunteer Fire Co. No. 4 with deepest appreciation for their outstanding public service to mankind.

SCHOOLS, PARENTS, AND TEXTBOOKS

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. QUIE. Mr. Speaker, in recent weeks there has been a great deal said and written about the school textbook controversy. One of the most recent speeches on the subject was by U.S. Commissioner of Education Terrel Bell in a December 2 meeting of the Association of American Publishers. Because the Commissioner's speech created so much interest in the press, I am inserting the full text of that address so that my colleagues may have the opportunity to read his actual remarks in full context:

The speech follows:

SCHOOLS, PARENTS, AND TEXTBOOKS

(By Terrel H. Bell)

As I look around and see how many publishing houses are represented here today, I feel somewhat like Dorothy and her friends confronting the Wizard. Remember that vast hall, those flashing lights, the booming voice, all those symbols of absolute spine-tingling authority?

I could be similarly intimidated by this audience, because you are the wizards, the power structure of the children's trade and textbook industry. The member companies of AAP's School Division produce more than 80 percent of all instructional materials used in the Nation's schools, and other AAP divisions increase the total to 90 percent or more.

But I am not intimidated by all this because, first, I know that you are accomplished professionals doing your best to give educators the materials they need and want; and, second, I know that after a few scary passages Dorothy and her friends came out all right.

You have a tremendous job to do, and you do it very well. To turn a profit, even to stay in business, you have to sell enough school officials in 50 States and some 17,000 school districts on the quality and relevance of your products. That alone requires you to keep up with changes in teaching methods, subject matter, and social attitudes, not to mention changes necessitated by legislation on civil rights, women's rights, and other matters by Congress and the State legislatures and by court decisions.

Yet I believe you have a responsibility above and beyond your responsibility to your stockholders to produce books, films, and other materials that schools will buy. This larger responsibility is to parents and students and communities. It has to do with the school as an institution that must be responsive to the community that supports it. It has to do with the wishes of parents who entrust the education of impressionable young children to teachers they scarcely know, or don't know at all, whose values may differ somewhat from their own. It has to do with the subjects you select for books and other materials and how these subjects are handled.

The *Wizard of Oz*, corny as it may seem to TV-oriented young people today has always struck me as about the right combination of suspense, which naturally appeals to children, and the happy ending that takes the edge off the spooky parts. This children's classic is a far cry from some of the current juvenile literature that appears to emphasize violence—and obscenity—and moral judgments that run counter to tradition—all in the name of keeping up with the real world.

What is really taught in a story about a boy who drowns a favorite family cat to make his parents love him more? What is really conveyed to children when they are asked to debate the pros and cons of stealing, the implication being that sometimes it is all right to steal? To be relevant do high schools really need to offer a story about a hundred-dollar whore? Assuming that there are great concepts to be taught in the stories about prostitutes, stealing, and drowning cats, do we need to dwell so much on the sordid details?

In recent weeks such books and films have provoked literally violent reactions from parents. Certainly I deplore this violence. It is no solution. But there are fundamental issues involved. I would like to comment on some of these issues and talk about the content and selection of instructional materials and about where I think the responsibilities of publishers and educators and parents begin and end.

I think we all need to go back to the basic question: What is the purpose of the American education system and how can instructural materials be used more effectively to fulfill that purpose?

There are the obvious and immediate answers. Clearly, a primary function of education is to give children and young people the skills—from the Three Rs up—to function in a complex, highly technical society. Beyond that is the need to broaden their intellectual horizons and enhance their problem solving abilities.

But America has always asked more of its schools and colleges. Many of you remember the children's books written by Abraham Rosenbach in the 1930s. Dr. Rosenbach made a profound observation about juvenile literature. He said that subjects dealt with in children's books, more than in any other class of literature, reflect the attitudes of the generation that produces the books. By implication, these attitudes cover the range of social concerns—politics, religion, ethics, race relations, boy-girl relations, work, family, country, and individual goals and aspirations. School books, in other words, are a distillation of the values and attitudes that one generation wants to pass on to the next.

With the Nation's Bicentennial approaching, we are increasingly conscious of our heritage and our beginnings, and in historical perspective I think Dr. Rosenbach's theory holds up well.

Children in the Massachusetts Bay Colony were taught to read in order to read the Bible and further their religious education. Writing and arithmetic had much lower orders of priority. This conscious decision by parents was undoubtedly based on strong conviction—increased, no doubt, by the hardships the colonists were enduring to give their children a new start in a new land.

Similarly, McGuffey's famous readers stressed the values that Americans in the late 1800s wanted to instill in their children—patriotism, integrity, honesty, industry, temperance, courage, and politeness. These readers sold 120 million copies. While McGuffey's selections from great literature would seem stilted by today's standards, there was certainly nothing wrong with the values they taught. We could use more emphasis on some of those values today.

I do not mean to imply that parents today expect the same things from the education system that parents did in colonial America or the Victorian period. Actually, they expect far more. Parents are better educated, more widely traveled, and—thanks largely to television—more aware of the world than parents of any previous generation. So are students. Publishers must be aware of this sophistication. At the same time, they must recognize that we have compulsory attendance laws and that children are the captive audience of the schools. Parents have a right to expect that the schools, in their teaching approaches and selection of instructional materials, will support the values and standards that their children are taught at home. And if the schools cannot support those values they must at least avoid deliberate destruction of them.

One of the real problems in the production and selection of instructional materials is that parents and communities differ so widely in what they consider appropriate. We are probably the world's most polyglot nation, with many subcultures increasingly interested in maintaining or re-establishing their identity in the larger society. We come from many socio-economic backgrounds. We have many divergent religious viewpoints. Our positions on politics and education and other things that matter run the gamut from ultra-conservative to ultra-liberal.

Your companies are doing a fine job in responding to the needs of these various subcultures and communities. You are beginning to offer materials that reflect the rich cultural heritage and values of our Native American, Spanish speaking, and other minority populations. You are also beginning to get a handle on the sex stereotype problem, getting the girls out of the kitchen and the boys out of the treehouse—or at least letting the girls join them.

Certainly, these new materials need to include an introduction to the problems and pitfalls that children are likely to encounter as they grow up. Learning about the adult world is fundamental to the learning process itself. Surely this can be done without resorting to explicit violence, or explicit sex, or four-letter words. Most of the mass media are still pretty careful, rightly I think, about controlling the use of obscene language in TV and radio programing and in printed materials that reach into millions of American homes. (There are some exceptions, of course.) And I am happy to see that violence on television is not quite so gory as it used to be.

True, some people say that children are still exposed to more violence on television in a single evening than they are likely to encounter at school in a whole term. This may be true, but it is not the issue. What children are exposed to in the home is totally the responsibility of their parents. Parental judgments may vary a great deal, and what children are allowed to watch on TV will reflect these judgments. But when parents send their children to school they delegate some of this authority to school administrators and teachers. These professionals should in turn respect the broad spectrum of parental attitudes represented by the children in their classrooms.

Let me turn now to the question of academic freedom and the implied threat of academic censorship that some people may read into what I have said.

I recognize that much of the world's great literature is full of violent scenes and situations. As a teenager, I shuddered as I read the closing pages of *A Tale of Two Cities* . . . Madame Defarge knitting as the tumbrils rolled up to the guillotine.

It was high drama. Madame symbolized the Reign of Terror. But overriding her glee at the fall of the French aristocracy was the nobility of the sacrifice being made by Sydney Carton as he mounted the scaffold. Violence served as the vehicle to say some powerful things about love and honor and trust and responsibility. There are basic human values, and they are the forces that make great books great. I am not sure they are present to the extent they should be in some of the current literature purchased by schools for classroom and library use.

As scholars prepare new textbooks and other materials, as you publish them and schools select them, I hope everyone involved will keep in mind the idea behind an anecdote I heard the other day.

Following some dispute or other, Johnny poked his classmate Robert in the nose. Naturally, the teacher chastised Johnny for this action, and Johnny replied: "It's a free country. I know my rights."

"Well, yes," the teacher said, "you have rights, the same rights your classmates have and every American has. But your rights end where Robert's nose begins."

I think this little story says some important things. In writing textbooks and other materials for school use, scholars do have the right, indeed the obligation, to present new knowledge and to comment on social changes in ways that will stimulate and motivate students, excite their curiosity, and make them to learn. Teachers have both the right and obligation to use these materials in ways that will enhance the learning program. Indeed, teachers are getting to be very creative in developing supplementary materials to illustrate and expand on textbook themes, and this creatively should be encouraged.

But I feel strongly that the scholar's freedom of choice and the teacher's freedom of choice must have the approval and support of most parents. I do not suggest that we seek to win approval of all parents, for that would not be attainable—but schools without parental support and approval are headed for failure. Without having books and materials that are so namby-pamby they avoid all controversy, we must seek published materials that do not insult the values of most parents. Where there is basic conflict, no one really wins, and children suffer. However, parents have the ultimate responsibility for the upbringing of their children, and their desires should take precedence. The school's authority ends where it infringes on this parental right.

I say these things knowing that parents, being human, can also be dead wrong, at least in the opinion of some educators and other members of society. I know that parents can have religious convictions or moral convictions that differ from those of the school people. And every society has at least a few holdouts against legal and established institutions. Nevertheless, of whatever ethnic background or philosophical persuasion, most parents are responsible arbiters of their children's best interests. We must pay more attention to their values and seek their advice more frequently.

So I think the children's book publishing industry, and the schools, need to chart a middle course between the scholar's legitimate claim to academic freedom in presenting new knowledge and social commentary on the one hand, and the legitimate expectations of parents that schools will respect their moral and ethical values on the other.

Fortunately, some of the newer instructional approaches will help to dehorn the dilemma in time. Certainly, wider use of individualized instruction for each child will give his or her parents the opportunity to rule out an objectionable book or film without affecting other children.

What the present controversy comes down to, I believe, is a growing concern on the part of parents that they have lost control over their children's education and therefore over their children's future.

You can do much to restore that confidence. We need instructional programs, for instance, that teach the principles of modern mathematics but also show pupils how to add and subtract. Parents are uptight about this one. We need programs that incorporate the career education concept into academic studies so that young people will know where they are heading when they leave school or college for the world of work. We need good literature that will appeal to children without relying too much on blood and guts and street language for their own sake. We need films and other materials that are realistic about the world we live in yet make young people want to be a part of it.

For impressionable young minds, it is easy to document and decry the world's evils. It is more difficult to end on an upbeat note that gives youngsters something to hang on to. Young people need faith and hope and confidence in the future. They need a yellow brick road. And I don't see much wrong with a rainbow either.

GETTING THE BIGGEST BANG FOR THE BUCK

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Ms. HOLTZMAN. Mr. Speaker, President Ford's feeble effort against inflation consists primarily of an attack on Government spending for human needs, and leaves our bloated military budget untouched. Not only is this approach ineffective, but it places the heaviest burden on those who have suffiered most from inflation—the elderly, the poor, and those living on fixed incomes.

We must reorder our priorities to focus on the country's domestic needs: on the economy, employment, education, health, housing, and the environment. We must consider each proposed Government expenditure, not only in terms of how much it adds to the Federal budget, but in terms of what else might be bought with those funds.

The following table prepared by Prof. Seymour Melman illustrates this choice dramatically by showing the cost in domestic programs of various military expenditures. I commend this table—which appeared in the New York Times on December 4, 1974—to my colleagues in the hope that they will join me in trying to direct Government efforts to the real problems and needs of our constituents.

The table follows:

GETTING THE BIGGEST BANG FOR THE BUCK . . .

(By Seymour Melman)

Following is a list of some civilian and military trade-offs adapted from the book "The Permanent War Economy." The author is professor of industrial engineering at Columbia University and national co-chairman of SANE.

66 low-cost houses equals $1 million equals 1 Huey helicopter.

Unfunded housing assistance in Arkansas equals $100 million equals 1 DD-963 destroyer.

257 apartments in New York City equals $9 million equals 1 Navy A6–E Intruder plane.

Impounded Federal housing funds, 1972 equals $130 million equals 8 F–14 aircraft.

Vetoed Environmental Protection Agency plan to depollute the Great Lakes equals $141 million equals 1973 request for new airborne nuclear-war command post.

1973 unfunded Housing and Urban Development water and sewer requests equals $4 billion equals cost excess on F-111 aircraft.

National water-pollution abatement, 1970–75 equals $38 billion equals cost excess for 45 weapons systems.

National solid-waste-treatment program equals $43.5 billion equals B-1 bomber program.

Total environment cleanup equals $105.2 billion equals new weapons systems in development or procurement.

1 high school in Oregon equals $6.25 million equals amount paid by 1 Oregon county to support military.

Unfunded program to upgrade rural American life equals $300 million equals 5 C–5A aircraft.

Unfunded 1973 rural health care equals $22 million equals 50 per cent of Lockheed Cheyenne helicopter funding increase, 1973.

Child-nutrition programs funding cut equals $69 million equals 2 DE–1052 destroyer escorts.

Special Milk Program funding equals $1 million equals 1 Main Battle Tank.

Health, Education, and Welfare public assistance cut, 1973, equals $567 million equals 3 nuclear attack submarines.

To bring all poor Americans above poverty line, 1971, equals $11.4 billion equals B–1 bomber program, low estimate.

To eliminate hunger in America equals $4.5 billion equals C–5A aircraft program.

Vetoed child-care program equals $2.1 billion equals development excess on B–1 bomber program.

Philadelphia 1971 schools deficit equals $40 million equals 1 B–1 bomber.

Reopening New York Public Library weekends and holidays equals $900,000 equals 1-year operation 6 Huey helicopters.

For each of 250 communities, 3 equipped schools; also, 1-year salaries for 35,714 teachers equals $6 billion equals 6,000 aircraft lost in Indochina by October, 1969.

Graduate fellowship funding cut, 1973, equals $175 million equals 1 nuclear aircraft carrier.

New Orleans unfunded urban development, 1973, equals $94 million equals 2 months' Laos bombing.

1972 housing funds impounded equals $50 million equals 3 F-14 aircraft ($57.6 million).

1973 Newark needs for urban renewal equals $125 million equals 4 DE-1052 destroyer escorts.

1973 cities' needs to rebuild blighted areas equals $3 billion equals 1 nuclear aircraft carrier, equipped, and escorts.

1971 Detroit city deficit equals $303 million equals 3 F-15 fighters ($27 million).

1972 Federal health budget deficiency equals $2.3 billion equals overruns on C-5A aircraft and Main Battle Tank.

1972-73 cut in Federal mental-health budgets equals $65 million equals 1 C-5A aircraft ($60 million).

1972-73 funds reduction for training health personnel equals $140.9 million equals 1 DE-1052 destroyer escort, and 1 DD-963 destroyer ($134 million).

1973 unfunded medical school construction equals $250 million equals cost excess on M-60 Sheridan tank.

MOTHER ELIZABETH SETON

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. DENT. Mr. Speaker, yesterday Pope Paul VI announced the confirmation of the sainthood of Mother Elizabeth Seton, the first native-born American to be so named. Her canonization will be formalized on September 14, 1975 as part of the Church's holy year celebrations.

As an American Roman Catholic I am proud of Mother Seton, but I feel I have an even greater reason to exult in her sainthood; for back home in my district in Pennsylvania there is a small women's liberal arts college, known as Seton Hill, that has, for more than 100 years, been a marvelous religious, cultural and community-minded commemoration of all that projected Elizabeth Seton to sainthood.

Elizabeth Ann Bayley was born in New York City on August 28, 1774, just 2 years before this great country achieved its independence. She married William Seton at the age of 19, and they had five children. Seton, however, died of tuberculosis in 1803, leaving his family penniless in Italy, where they had traveled for his health. Elizabeth had been born and reared in the Episcopal Church, but partially because of the friendship of a Roman Catholic family in Italy she became interested in the Catholic faith, and she converted 2 years later.

Returning from Italy to America, Elizabeth Seton began teaching school in Baltimore in order to support her young family. Several years later she opened what was to prove to be the first Catholic free school in the United States, providing the seed and the philosophy for the parochial school system in this country. In fact, Mother Seton's endeavors at Emmitsburg, Md., led to the formation of the Sisters of Charity, the first religious order for women in the United States. That order now numbers some 8,000 members. Elizabeth Ann Seton died in 1821, and in 1963 she was beatified by Pope John XXIII.

I like to feel that I am particularly lucky because I live in the shadow of Seton Hill College. Everyone at home has, at one time or another, felt the effects of the important work that the Sisters of Charity are involved in, continuously. Many thousands of children in the parochial school systems of my district have received, from the Sisters of Charity, not only a quality education, but also an impetus toward the goals that Elizabeth Seton found important. Throughout the years the opinions and ideas of members of the Sisters of Charity have been valued in our community affairs. And Seton Hill has long been held as a shining example of the importance of the women's college in cultural and philosophical endeavors. Elizabeth Seton began a tradition that has amply served and benefited the people of the 21st District and in her sainthood she will at last be properly revered and respected for the great and holy woman that she was.

INFLATION IS REAL SOURCE OF UNEMPLOYMENT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. KETCHUM. Mr. Speaker, I am very concerned about the rising unemployment rate, and the painful fact that more than 6 million Americans do not have jobs. But the bill which passed this House yesterday, the Emergency Jobs Act of 1974, will not cure the underlying causes of unemployment, and will indeed only serve to worsen our economic problems. For that reason, I consider the bill unwise and voted against it.

Inflation is the real source of the current unemployment, and a return to a livable inflation rate would bring about a corresponding drop in unemployment figures. I believe there is a widespread consensus that inflation will never be brought under control until Federal spending is brought into line with Federal income. Yet, here we have a bill costing billions of dollars, with no explanation of where the funds to pay for it will come from. So we simply added to the already outrageous Federal deficit, and did considerably more to worsen inflation.

There are two ways in which our citizens could pay for all these new jobs. We could obtain additional revenue by raising taxes. I think most of my colleagues realize the folly of that course. But if we do not come up with increased taxes, the people will pay anyway, with a hidden tax—a higher rate of inflation and another jump in the cost of living. So, whatever short-term benefits this bill may provide for a few, it will invariably make things worse for everyone in the long run.

We do not even know how much this bill will cost us. The Senate has been considerably more generous than the House on this matter, and I anticipate that the conference report will recommend expenditures greatly in excess of what we approved yesterday.

What we need to do here, is to enact a type of bill that encourages the private sector to hire more people, to add to their training programs, and to stimulate economic growth. More government spending is not going to make unemployment go away; it never has. What it will do, is perpetuate the kind of fiscal irresponsibility that has become all too common in this Congress, and aggravate our economic woes.

I, therefore, regret the passage of this bill, and hope Congress will undertake some long-term solutions to our problems.

HON. H. R. GROSS

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. BEVILL. Mr. Speaker, I am pleased to have this opportunity to join my colleagues today in paying tribute to Congressman H. R. GROSS, of Iowa, who is retiring at the end of the 93d Congress.

I have known Congressman GROSS for a number of years now and in my judgment he is one of the most able Members to serve in the U.S. House of Representatives.

As we all know so well, Congressman GROSS has focused much of his attention on the need to reduce Federal spending. In my judgment, he has contributed a great deal toward maintaining a sensible approach to funding various programs. He has rendered a real service to the people of this Nation.

His consistent questioning of the need for new spending programs and his constant prodding into why more money is needed for established programs has led to a substantial savings for American taxpayers.

His unrelenting efforts to eliminate all unnecessary spending have, at times, made him the subject of derision by many who opposed him. But he has maintained an unwavering position and been true to his beliefs.

Most often called a conservative H. R. GROSS has been called many other things by his detractors. But this has only reinforced his determination to see that the House retains some fiscal sanity. And even among his detractors he is regarded as one who always has the courage to stand by his convictions.

His work in the Congress has given ample evidence of his devotion to duty and love of country. If other Members had more often followed his lead in fiscal matters, in my view we would not be in our present economic situation.

In his departure from public life, the Nation, the State of Iowa and his own district will lose a valuable public servant whose place will be hard to fill.

It is my earnest hope that the coming years of retirement for Congressman GROSS will be filled with good fortune and happiness.

OUR PRISONS ARE POWDER KEGS

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. ICHORD. Mr. Speaker, in 1973, the House Committee on Internal Security conducted a wide-ranging inquiry into the exploitation of prison unrest by extremist groups seeking to enlist prisoners in revolutionary movements.

Our committee investigation, especially as it concentrated on conditions in New York, Ohio, and California, marked the first public ventilation of a growing problem in our correctional institutions.

The Reader's Digest, in October of this year, has summed up many of our findings and brought the subject even more up to date in an article by Nathan Adams which I recommend to my colleagues by inserting it at this point in the RECORD. I agree with the quote therein from the top FBI official, "Somebody better wake up before it's too late."

The article follows:

OUR PRISONS ARE POWDER KEGS

(By Nathan M. Adams)

On the morning of May 31, 1973, two inmate-spokesmen for Black Muslim convicts at Pennsylvania's Holmesburg Prison were granted a "grievance hearing" with Warden Patrick Curran and his deputy, Robert Fromhold. No sooner was the meeting under way than the inmates lunged at the officials. Curran and Fromhold were dead within seconds, each stabbed repeatedly with daggers fashioned from table knives. Investigators called it a preplanned, cold-blooded murder. However, such criminals are hailed as heroes and "political prisoners" by both radical inmates and outside extremist groups.

Police and FBI agents in Ohio are monitoring the activities of an extremist group—including former Weathermen—which last year almost succeeded in breaking out a dozen inmates from the Southern Ohio Correctional Institute. The plan called for taking the convicts to a hideout in the hills of West Virginia, where they would undergo training in urban guerrilla warfare. Meanwhile, attacks on the prison staff by militant inmates have increased dramatically. And radical "prison-reform" groups have forced state corrections officials to relax discipline to the extent that one inmate group has been permitted to hold military maneuvers togged out in combat boots and berets.

Early last March, a letter intercepted by California corrections investigators disclosed a chilling plot to free several of the state's most dangerous convicts. Terrorists of the Symbionese Liberation Army planned to hijack a busload of schoolchildren who were dependents of guards at Folsom Prison. Until the inmates were released, the letter made clear, the hostages were to be beheaded, one a day. Strict new security provisions were immediately enacted, and the plot failed.

STATE OF SIEGE

These shocking incidents are typical of what is happening today in America's prisons. Indeed, extremists have been so successful in their assaults on our antiquated and unwieldy correctional system, and so effective at intimidating administrators and organizing inmates, that they hold many of the nation's 350 federal and state institutions in a state of near siege. "There is not a major prison in this country," reports a top FBI official, "where revolutionaries are not recruiting inmates. Somebody better wake up before it's too late."

How do the agitators do it? For one thing, they now have near-total access to convicts—thanks to a series of recent federal-court decisions relaxing curbs on inmate-mail censorship and visitation privileges. In most of our large prisons, extremists have enlisted more than ten percent of the inmates, forming them into revolutionary cadres which control the majority of convicts through muscle and intimidation.

The arithmetic of the potential danger is frightening. Authorities estimate that 94 percent of the quarter-million or more offenders presently incarcerated in state and federal institutions will be returned to society within five years. Prison officials agree with radical organizers that thousands of them could emerge as hardened political terrorists. "A ticking time bomb," reports the House Committee on Internal Security, which has probed the situation throughout the country.

LOCKDOWN

California, with the nation's largest inmate population (23,800), has been singled out by radicals as a prime target—with devastating results. In the past four years, 92 convicts have been murdered there, and 265 guards assaulted; 11 of the latter were stabbed to death. The last, Officer Jerry Sanders, was reportedly clubbed and stabbed by two black militants on November 27, 1973, at the Deue Vocational Institution.

Sanders' murder was the final straw for California's Director of Corrections Raymond Procunier. Investigators learned that prison revolutionaries were planning to kill a guard a week. Two days after Sanders' death, Procunier ordered the wardens of four of the state's penal institutions to confine all inmates to their cells in a "lockdown." Once this was done, prison officials classified and isolated extremist inmates.

The tactic worked—temporarily. From December 1973 through last March, the assault rate fell 63 percent. But radicals' criticism of the crackdown has been strong. Militant organizers even publicized a plan to stage a public execution of Director Procunier.

"What is happening here," says Procunier, "is a highly organized attempt to destroy our system of correctional justice. These agitators mean to bring anarchy to the prisons, and, through them, to the streets of our cities. It is an explosive situation."

A look behind the scenes at San Quentin tells why. Originally built in 1852, "Q," as it is known to inmates, has been enlarged and today confines 3500 of the state's most dangerous convicts. Inmates are shoehorned together as many as eight to a cell. Their days are spent aimlessly, wandering the corridors of the four main cellblocks or basking in the sun of the exercise yard. They have only time on their hands—and nothing to do with it.

Under such conditions, it is little wonder that San Quentin is the most violent institution in the United States. Last year, 54 "Q" inmates were stabbed. Narcotics there are almost as easy to come by as they are on the street. Homosexual rape is a daily occurrence. So, too, is revolution. The comic books and girlie magazines once popular with convicts have long since been replaced by the works of Marx and Mao, Che Guevara and Eldridge Cleaver. San Quentin administrators estimate that 85 percent of the magazines and newspapers subscribed to by inmates advocate revolution. In fear of provoking legal action, censors withhold only the most inflammatory literature. Yet what is denied militants through mail inspection reaches them by other means.

Last year, a virulent pamphlet on urban guerrilla warfare was smuggled into San Quentin, reproduced on a mimeograph machine and widely distributed among inmates before guards seized it. A sample of the lesson plan: "Kidnaping is important to the release of political prisoners. Harm to the victim should not be entertained until it has become obvious that demands will not be met. At such a time he should be executed at once. His face should be disfigured by small-arms fire and pictures of the results sent to the newspapers and television stations across the country."

A NATIONAL PATTERN

While California's experience with prison disruption and radical organizers has been the most severe, prisons in other states are increasingly coming under attack. On June 22, 1973, inmates of the State Penitentiary at Florence, Ariz., went on a rampage of destruction. Before state police brought the riot under control, two corrections officers had been killed.

Five weeks later, the Oklahoma State Prison at McAlester exploded in violence, "Let's go!" convicts screamed. "This is a revolution!" Three inmates, reluctant to join in the riot were murdered. Only days later, it was the turn of the Federal Prison at Leavenworth, Kan., where militants rioted and a guard was killed.

Why are these disturbances plaguing our correctional system? And who or what is behind them?

To begin with, the U.S. prison system is, in the words of one warden, "the most violent system in the civilized world, and the most in need of urgent reform." In New York State, four of the seven state prisons were built before the turn of the century—one, incredibly, in 1816. Three of the four penitentiaries in Illinois date back to the 19th century.

Nor is age the only factor. In most American prisons— and in local jails, too—prisoners are squeezed together cheek by jowl in conditions that approach the subhuman. Young, first-time offenders, shoveled into overcrowded cells with hardened criminals, are easy prey for homosexual rapists. (A recently paroled mobster promised to shoot his own son before he'd see him incarcerated in an American prison.) Prisons are frequently understaffed, and their guards and administrators poorly trained. Classification of inmates is too often nonexistent.

LEGAL ACCOMPLICES

But if our corrections system has fallen victim to official neglect and public apathy, it has not escaped the attention of others who see in it a unique opportunity to sow the seeds of unrest. FBI and corrections administrators single out the radical National Lawyers Guild (NLG) as perhaps the most important leader of revolutionary prison movements. An organization of activist attorneys formed in 1936, the Guild has grown to 4000 members nationwide. In the past, it was a powerful force in the fight for black civil rights in the deep South. However, in the last decade the leadership has become increasingly radical, and today includes outspoken revolutionaries. Its lawyers have figured prominently in prison disturbances from coast to coast.

In February 1971, the Guild's National Executive Board received a staff report calling for the political organizing of inmates. "The prison work is crucial," said the report, "for only lawyers have relatively free access to jails and penitentiaries. We must see that access is used carefully . . . in providing legal support for prison militancy and organizing." A year later, one militant faction submitted a prison position report stating: "Prisoners are the revolutionary vanguard of our struggle. When prisoners come out, they will lead us in the streets."

One of the most radical Guild chapters in the nation, with a membership of no fewer than 600 practicing attorneys and legal assistants, is located in San Francisco. While Guild officials deny any illegal activity, some evidence has appeared to the contrary. One reported example of the Guild's work; In July 1973, Lee Arthur Smith, a recently paroled inmate at the California Men's Colony at San Luis Obispo, told a Congressional committee, under oath, that he had been ordered by a fellow NLG organizer inside the prison to assault a guard to gain attention for a prisoners' strike. Indeed, he testified, before the assault the planning for the strike was submitted to outside NLG contacts who approved and set a time and date. Badly beaten, the guard survived.

Nor are radical lawyers the only organizers of prison movements in the United States. Vietnam Veterans Against the War (VVAW) has founded a splinter group specifically to concentrate on politicizing inmates. Called the Winter Soldier Organization, it recently staged widespread demonstrations in support of the Leavenworth inmates indicted as a result of the 1973 riots in which the guard was killed. Then there is the National Prisoners' Reform Association, based in Rhode Island, which has managed to organize inmates in nearly every New England penal institution. From March through May 1973, the Association's organizers simply took over Walpole Prison outside Boston. Inmates who refused to join in were stabbed and beaten. In the three months that the Association controlled the institution, prison administrators reported nearly 50 convicts were knifed or badly beaten by Association thugs.

FACING THE SHAME

With the great majority of convicts in U.S. institutions due for parole in the next five years, what can be done to counteract the revolutionary menace? At a minimum, authorities agree, progress must be made, and soon, in the following three areas:

At present, only a handful of penal institutions have investigators trained to recognize the activities of revolutionary organizers. Thus, prison officials are often unaware of what is going on until a prison erupts. The Law Enforcement Assistance Administration is currently spending $113 million to assist states in running prison programs. Clearly, some of these funds should be used to train investigators.

Despite mounting evidence, state bar associations have refused to take disciplinary action against extremist attorneys. The American Bar Association itself should launch an immediate investigation of the links between prison revolutionaries and outside groups like the Guild.

Finally, the public must be made to recognize the shame of its prisons. New prisons must be built, much smaller than current institutions, where regular inmates can be kept separate from violent offenders and agitators. State and federal governments must begin to make badly needed reforms in such areas as medical care, job-training, rehabilitation and work-release programs. This is not a matter of coddling criminals. It is, instead, the satisfaction of basic human needs.

Time and again, warnings about the state of our prisons have fallen on deaf ears. The time to act is now, before it is too late.

THE ECONOMIC SUMMIT AND THE FUTURE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. HELSTOSKI. Mr. Speaker, today I would like to share with my colleagues a position paper prepared by Nasrollah S. Fatemi, director of the Graduate Institute of International Studies, at Fairleigh Dickinson University, which is located in Teaneck, N.J. The paper is entitled "The Economic Summit and the Future," and was prepared by Mr. Fatemi after he attended the recent Economic Summit Conference in Washington.

In his paper, Mr. Fatemi offers many perceptive observations and insights concerning the problems which plague our economy. Copies of his comments already have been sent to President Ford and White House Economic Adviser William Seidman, and today I would like to take this opportunity to share his remarks with my colleagues. The paper follows:

THE ECONOMIC SUMMIT AND THE FUTURE

(By Nasrollah S. Fatemi)

To find a solution to the present economic crisis—soaring inflation, serious recession, high interest rates, and productivity slump, we need major changes in the way in which economic, monetary, and fiscal policies are made in Washington. For three decades the policy makers in Washington have paid attention only to the symptoms of economic problems while continuing policies and practices that have failed to alleviate the critical situation. We have been bandaging wounds which need "radical surgery."

Real improvement—a stable, productive, prosperous economy—will elude us unless the Administration and the Congress, management, labor and consumers are willing to recognize the causes of the present crisis and meet the challenge with courage, boldness, creativity, and pragmatism.

Basically the present situation was caused by the belief both here and abroad that the economic and financial resources of the United States were inexhaustible. This notion, shared and encouraged by successive post-war administrations, encouraged us to spend more than $250 billion on foreign and military expenditures, plus $150 billion on the longest and the second most expensive war in the history of the United States.

Lack of attention to our fiscal and monetary policy, and the belief that the country can spend $400 billion on foreign wars and giveway projects without some control over wages, prices, interest, and credits, has produced in five years close to a $100 billion budget deficit; an $80 billion deficit in balance of payments and, or the first time in eighty years, a balance-of-trade deficit.

As inflation, recession, and unemployment developed, immense effort was being spent on a deceptive public relations campaign to convince the country that "the economic bliss of a generation of peace" was around the corner. Successive economic promises of the past five years have done nothing but apply "time-frames" to ever-worsening domestic conditions. Scapegoats, domestic and foreign, have been sought, identified, and blamed, but inflationary and recessionary drives have accelerated. Why?

1. Strong, steady, honest and courageous leadership was lacking in both the Johnson and Nixon Administrations.

This country needed effective wage, price, profit, interest, and credit controls in 1967. If, at that time, we had understood that it was impossible to spend $30 billion a year on the war and continue business as usual, most of the present problems could have been avoided. It is tempting for some to point out that Nixon's Wage and Price Control policy failed, forgetting that when it was initiated in 1971, it was a case of too little and too late. Controls cannot be effective if profits, interest, credits, and commodities are exempt from restraints. Furthermore, what was the use of locking the barn door after the horse had been stolen? By 1971, inflation was already in full swing, the cost of living having risen 21 percent in four years. And then the wheat deal with the Soviet Union not only deprived the United States of a vital food reserve but caused the price of wheat to quadruple throughout the world.

2. The wrong monetary remedy was applied to fiscal policy. The purpose of the Federal Reserve Bank is to sustain a stable monetary system, beneficial to the economic development of the country and to the welfare of the people. During the past five years those who make our monetary policy have failed either to evaluate the situation correctly or to help the economy.

A part of the present "inflation, recession, and associated financial crises is rooted in perverse monetary and fiscal policies. Monetary policy is good or bad depending on whether or not the Federal Reserve System uses its power with moderation; soundly, sensibly, and in the public interest."

Since 1970 most of the monetary policies of the Federal Reserve System have been confused, fluctuating, and political rather than economic in nature. They have resulted in financial disruption and an unprecedented rise in interest rates. In eight years we have had alternating cycles of too rapid and too slow monetary growth, resulting in financial disintegration, sharp increases in interest rates, drying up of long-term credit, and the collapse of the stock market.

From January 1967 to December 1968, and from January to December 1972, the Federal Reserve System increased money supply faster than the Joint Economic Committee's 6 percent per year upper-limit guideline. In 1967, 1969, 1970, and 1973-4, money supply growth was kept under 2 percent. Each money cycle was accompanied by over-heating, high interest rates, financial crisis, and finally recession.

Events of the last eight years suggest that there is a great need for financial reform and possibly for the accountability of the Federal Reserve System to the House Banking Committee. While the Federal Reserve can directly control the reserve base with some accuracy, it cannot evaluate or exert direct guidance on the long-term economic planning of the country. "In some ways, the nation's economy can be viewed as a giant ocean liner and its policy instruments as controls. The controls are set broadly to bring the ship to its destination and, though there may be adjustments for currents or storms, the course is not changed from hour to hour—nor is any captain foolish enough to think that he can turn the ship around sharply, as if it were a speedboat." Future economic planning should not depend on a volatile interest rate policy. How can industry, agriculture, and consumers fight inflation, if the Federal Reserve in three years allows a 300 percent increase in interest rates?

Dr. Andrew Brimmer, a former member of the Federal Reserve Board, has admitted that the agency miscalculated economic trends in the country. Many participants at the Summit Economic conference conceded that there have been serious errors of judgment by the Federal Reserve—errors that have created high interest rates, restricted economic growth, and as a result have contributed to the present inflation. What the Federal Reserve directors have not contemplated is that usually the high rates of interest are a sure guarantee for continuing inflation.

3. Neither the Administration nor the Federal Reserve had a plan to cope with the sudden demand for American agricultural and industrial goods all over the world.

Before 1967, there was a demand for American food and industrial goods, but very few countries could afford them. The Vietnam War, the increase in purchasing power of the Western European countries, the Soviet Union and Japan created both inflation and demand for raw materials. Many developing nations seized on this opportunity to demand a fair price for their undervalued raw materials. This process was intensified by the expansion of a consumer's market and by the rapid depletion of basic raw materials. In the short span of three years the price of gold, copper, cotton, rice, wheat, bauxite, silver, sugar, soybeans and petroleum was increased by 200 percent and in some cases 400 percent. For the first time in history 500 million people from Indonesia to Venezuela have realized an annual income of $150 billion. This sudden increase of affluence has created a great demand for American agricultural and industrial goods.

Unfortunately, even at this late date, the President's advisers do not realize that they are confronted not with one enemy but three: inflation, recession and a shortage of all kinds of raw materials. As a result of this three-fold problem, financial planning for the next five years must be designed not only to fight inflation but to ease credits and provide low interest rates for the expansion of American agricultural and industrial production which will pay for the imports of raw materials and meet domestic needs. Cuts in government spending—assuming they take place must come in the form of cutting foreign aid and military expenditures abroad.

The rate of unemployment may or may not be affected by the public service employment program, depending on how it is funded. If it is funded by diverting government expenditures from other sectors, there will be little net effect on the unemployment rate. In the long run, the solution to unemployment is expansion of production, increase in productivity and competition in international markets.

The September labor force statistics are bleak: the last time 5.3 million people were without work was sometime in 1941. Reflecting the slump in housing, the jobless rate for construction workers is now the highest in four years. As to the labor force in general, more people are working part-time involuntarily than at anytime since early 1961.

So far the suggestions, recommendations and decisions made in Washington do not indicate that the administration has a plan to remedy the nation's financial maladies or to confront the greatest economic challenge ever faced by this country.

4. In the area of international trade and investment, an exceptional transition is developing in favor of the United States. Some of the changes in trade stem from major currency realignments in developing nations which are in the market for cash purchase of American goods.

The volume of world trade increased by some 12 percent between 1972 and 1973, compared with 9 percent in the previous year. Since the middle of 1973, there has been a greater demand by the developing nations for agricultural and industrial goods, but a tapering of expansion in American industry and agriculture has failed to satisfy the needs of the eager customers. As a result, limited supplies in an expanding market have contributed to the rise in prices. Very few people have paid attention to the fact that the current high rate of interest, recession and limitations of supply have been the major contributing factors to the upward pressure on prices.

5. The Economic Summit meeting showed that there can be many approaches to the problem of inflation. It is true that leadership and planning must come from the administration in Washington; however, the private sector can join in the fight too. One important factor is productivity. According to all data available, in the key manufacturing sector, output per man-hour has not risen at all for more than a year, while the cost of labor has risen 10 percent over the past 14 months. Although average hours worked have fallen one percent during this period, hourly pay has climbed even faster—nearly 11 percent. All this has been translated into higher labor costs. Labor costs per unit of output in manufacturing have risen nearly 11 percent since June, 1973. If we want to succeed in our three-fold war, the cooperation of labor in both planning and increase in productivity is essential.

6. Economic indicators at this juncture show that we have reached the peak of inflation. The gross national product, adjusted for inflation, has dropped through the year 1974. During the summer there was a substantial decline in business inventory building, as well as a worsening of our foreign trade balance because we have not enough products to export at this time. During recent quarters businessmen have had much difficulty keeping inventories at desired levels. Shortages and bottlenecks have caused stockbuilding to drop far below intended levels. In the fourth quarter of last year, business inventories were rising at a $29 billion annual rate. This growth declined to $13.5 billion by midyear; now it is down to $5.8 billion. Consumer spending picked up in the third quarter, but jobless and interest rate increases have undermined confidence in a rapid economic recovery.

Business spending on new plants and equipment fell last quarter. In real terms the level of capital goods outlays is no higher today than it was a year ago. The big corporations concede that they need more capital for expansion, but this will come only when the interest rate drops to 7 or 8 percent. Several surveys of businessmen's capital spending intentions show that for 1975 American industrialists would like to spend from 10 to 15 percent more on new productive facilities.

The 1975 investment programs, aimed at correcting supply shortages in the basic material industries, should be encouraged, so that new capacity will develop steadily and, by restoring a better supply-demand balance, help to bring down the artificially high prices of many materials. This program can succeed if, at the same time that interest rates decline, agricultural production increases.

It certainly will not be possible to solve present economic problems by adhering to the "old-time religion" or by retaining the advisers who have been directly or indirectly responsible for the present crisis. I respectfully recommend the following suggestions:

(1) It is essential that President Ford continue his policy of consultation and establish a permanent economic planning committee composed of economists, businessmen, labor and consumers. Their job should be to study economic trends both at home and abroad and prepare immediate and long-term plans for the President and the Congress.

(2) There should be a full disclosure on economic policy making. The Federal Reserve must coordinate its activity with the general economic planning approved by the Congress and executed by the President. It has to cease its up and down "rollercoaster" policy on money supply. The nation needs moderate expansion of money supply, reasonable interest rates, and stable long-term growth consistent with the real economic expansion of the country.

(3) The establishment of a direct loan program for housing should be accomplished through the establishment of a development bank. The loans could be at low interest—not to exceed the discount rate established by the Federal Reserve.

(4) Tax incentives for agricultural and industrial expansion should be carefully studied. The immediate removal of all economic laws which hinder industrial and agricultural production is essential to the recovery of the economy. Many of our problems can be traced to the crippling effects of bureaucracy and diminished public confidence in the ability and integrity of the administration. The new council on wage and price stability and the commission on productivity must be strengthened and utilized.

(5) Our export and import policies must be re-examined. Included in this evaluation should be a review of policies toward investments by foreign corporations in the United States and toward the operations of American-based multinational corporations and banks. In this new policy, we must cooperate with other nations in establishing, on the one hand, principles of accountability for multinational corporations and, on the other hand, policies designed to protect their operations from arbitrary seizure or nationalization by the host countries.

For many years I have advocated the establishment of an international bank for stabilization of the prices of raw materials and industrial goods. The future of the developed and the developing nations depend on a new program and pact based on mutual trust, mutual interest and a fair and stable price for both raw materials and industrial products. The world is ready for a new but fair deal which would put an end to the exploitation of the developing nations and provide the developed nations with stable prices for their raw materials. It is wrong to blame the oil producing countries for raising the price of oil while in the United States during the last 3 years the price of wheat has gone up 300 percent, soybean 400 percent, sugar 500 percent, cotton 300 percent, and industrial goods 200 percent.

Developing countries should be convinced that they cannot exist without the technology, managerial skills, capital investment and agricultural and industrial products of the developed nations, and the developed nations must admit that without the cooperation of the developing nations and a systematic effort to bring together all the nations of the world in the search of solutions there could be no end to starvation, poverty, inflation, unemployment and recession.

Therefore, I believe that the United States today is faced with the greatest challenge in the history of this nation. It is my earnest hope that we can meet this great challenge with courage, confidence, humility and compassion.

PITY THE MAILMAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. DERWINSKI. Mr. Speaker, as we enter into the Christmas season which also coincides with the advent of winter weather, we too often take for granted the occupational hazards facing mailmen as they cover their mail routes. This point is very effectively made in an editorial of December 8, in the Homewood-Flossmoor Star Tribune serving West Cook County, Ill.

By working my way through college as a post office clerk-carrier, I can certainly attest to the practical emphasis of this very timely editorial:

[From the Homewood-Flossmoor (Ill.) Star-Tribune, Dec. 8, 1974]

Winter has its own unique brand of beauty, to be sure, but it also poses special problems for some people.

Among those who are understandably apprehensive about winter weather are individuals with jobs that require them to get around a great deal on foot, such as mailmen. Snow and ice make their job more difficult.

Last winter, according to area U.S. Postal Service officials, a number of mailmen were injured, several seriously, in falls on icy or snow-covered sidewalks.

Failure to keep sidewalks and other approaches to homes and places of business clear of such hazards can delay or even force suspension of mail delivery for an indefinite period. On rural mail routes, responsibility for clearing the area around roadside mailboxes rests with the boxholder, not the Postal Service. Mailmen are not rquired to leave their vehicles to make deliveries.

And now, with the holidays approaching, the volume of mail arriving at post offices is mounting daily. Keeping one's sidewalks free of ice and snow will be a big help in getting the mail delivered on time. Needless to say, mailmen will be grateful for the favor.

P.S.: So will the Star-Tribune carrier on the route!

PRICE-ANDERSON ACT SHOULD BE EXTENDED FOR SHORT PHASE-OUT PERIOD

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, I hope that upon our return next month we will lose no time in the drafting and passage of Price-Anderson extension and revision permitting the insurance industry to organize effective and needed total coverage for all liabilities incident to the construction and operation of nuclear electric stations.

I regret that President Ford saw fit to veto the Price-Anderson Act passed last month by the Congress. In my opinion, it was a satisfactory fusion of the interests of those who wanted a 20-year extension and the modern view of, in my opinion, the larger majority of the American people that felt it was mandatory that the nuclear industry must insure itself if it is to be believed that it is now safe enough to carry on into the nuclear electric power expansion age.

I happen to believe that we have no route to go but to encourage nuclear power generation. I have defended it in all groups, including sessions of as many as a thousand of Ralph Nader's critical mass 1974 nuclear moratorium advocates.

I believe nuclear power generation is safe, is acceptable, and should be continued. But it will need, in my opinion, a responsible Price-Anderson extension for the interim period so that the private sector of insurance companies can begin coverage of pooled liability as for aircraft and fields where an occasional accident results in catastrophic damage and loss.

Nuclear power generation has an unsurpassable safety record, and the Government, by serving as guarantor for only a few more years will enable the energy companies, both public and private, to complete the funding for their own insurance reserves, at which point the Government coverage will expire.

It is my hope that the Joint Committee on Atomic Energy will lose no time with the introduction of this legislation at the outset of the 94th Congress.

RICHARDSON REMARKS WERE PERCEPTIVE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. COHEN. Mr. Speaker, I would like to call the attention of my colleagues to a very perceptive and lucid speech given recently before the Washington Press Club by Elliot L. Richardson. With customary acuity, Mr. Richardson has located and defined a number of the problems confronting our people and our Government and, in the process, I believe, has suggested remedies that deserve the most serious consideration.

Because I know my colleagues will be interested in Mr. Richardson's remarks, I insert a copy of his speech in the RECORD at this point:

RESTORING THE HEALTH OF THE REPUBLICAN PARTY

(By Elliot Richardson)

Surely all would-be Republican party healers must at least agree on this: that, to put it euphemistically, the "New Republican Majority" must have fallen ill on the way to the polls; clearly the patient-party is not well. If there remains a political physician who is as yet unsure on this point, it must be for failure to have made a House call. Men of sober intelligence and concern can no longer pretend that there is serious question as to the illness; the question now is as to the means to restore health.

Practitioners of politics—if not their academic observers—know well that politics is not yet a science. Diagnosis and prescription are typically risky and frequently specious. But there is, nonetheless, an axiom here or there which provides useful guidance. One such is simply this: In general, elections reflect a look backward not forward. This is in some respects an unfortunate rule. It leads to what I often term "Maginot line" habits of would-be leadership—excessive attention to realities which have been overtaken by events. But it does at least provide a desirable incentive to incumbents: It suggests that they—or their party—will, in fact, be held accountable politically for their stewardship.

This simple—and largely reassuring—axiom of political accountability was exhibited dramatically in the recent Congressional elections. As most analysts agree, the elections were a retrospective judgment upon the quality of Presidential management. They were a vote on Presidential management of Watergate and of the national economy—and here there is disagreement only as to the proportional role of each.

Of course it was unfair, by and large, to hold Congressmen accountable for Presidential management. But the Congressional elections were the only available opportunity for a referendum on the Presidency—a referendum which a concerned electorate understandably did not wish to postpone for two years. The Congressional elections were a means of sending Washington a message—the only available electoral means, in fact.

It was unfair, similarly, to hold President Ford accountable for the actions of his predecessor. On the other hand, President Ford in his first ninety days had not fully succeeded in giving the public confidence that he had no need of an electoral message. With regard to Watergate, the timing of the pardon was disconcerting. With regard to the economy, the summit did serve to suggest a healthy new openness; but it heightened attention to problems without providing any assurance that a coherent approach to their solution was in the process of being formulated. From the citizens' perspective, this meant that, in spite of the change of leadership, the message still had to be sent. And it was.

The message was sent with sufficient force to insure that it would be unmistakable. And concerned Republicans are now—in one way or another—offering prescriptions for party renewal. Some prescribe "communication" campaigns aimed at imagined—but invisible—majorities. Others would formulate a campaign based on running against the Congress. Some would-be healers prescribe a turn to the "right"; others prescribe a turn to the "left." But turning left or right will not effect a cure. Indeed, all such formulations are mistakenly conceived. One is reminded of the physician in the cartoon who prescribes: "Take one of these every four hours. If pain persists, see another doctor." And one wonders: Can the patient survive another dose of ill-conceived advice?

What voters want is performance. And—in accord with the axiom of retrospective accountability—what voters will judge is performance. The single most important variable affecting the health of the Republican party in 1976—the most important by far—is not likely to be talk of "left" or "right" or "middle" or even "old this" or "new that." The most important variable affecting the health of the Republican party is, to put the matter directly, the performance of the incumbent Republican President.

But having identified the key to recovery, one cannot leap to a favorable prognosis. For the President, these are—for any President these would be—very difficult times in which to perform well. It may be useful, however, to attempt to be clear about where the most significant difficulty does and does not lie.

Current fashion notwithstanding, it cannot in fairness be argued—at least not at this stage—that the principal difficulty lies in the written Constitution, habitual practice, practical necessity, and public expectation render inescapable the conclusion that the executive branch must be held primarily accountable for leadership in policy formulation. Only if the public is first convinced that the executive has managed this responsibility well, can the issue of Congressional responsiveness be joined. And even if Congressional responsiveness is viewed as problematical, the fact remains that the President enjoys a vast freedom of action which is largely independent of the Congress. This is true to a very considerable extent in the exercise of initiative across the board through the power of appointment; in integrative policy formulation and management through the legitimate coordinative activities of the White House staff; in regulatory and administrative policymaking domestically through Cabinet agencies; and in the management of foreign policy generally. The much-discussed "Imperial Presidency" was hardly intended as a reference merely to such symbols of power as the epaulets of White House policemen. The "Imperial Presidency" involved much actual, as well as symbolic, power. And although there have been some dramatic symbolic changes of late, there remains the fact of continuing, vast, real Presidential power. This would be the case even after a sensible readjustment of the Executive-Legislative balance.

The President's difficulty does not derive from a lack of adequate power. Rather, it derives from the complexity of the substantive problems to which the power must, in one way or another, be applied.

Among these complex substantive problems, I would include the following five as especially important—and especially difficult. I enumerate them without intending to suggest a priority among them; they are themselves interrelated.

A first—and certainly, to tome, most obvious—problem is the problem of the economy in an increasingly interdependent world. I shall return to this shortly.

A second is the problem of foreign policy in a world of rapidly changing realities. It is a world of decreasingly tense "super-power" relations—in large measure because of the progress in strategic arms limitation managed by Presidents Nixon and Ford. But it is also a world of increasingly fluid pragmatic alignments; a world of increasingly wide rich-poor disparities; a world in which the calculus of power is increasingly complicated by the rising potential of economic weaponry, nuclear proliferation and terrorist blackmail; a world in which the elements of this calculus extend increasingly beyond the traditional narrow range of international actors. It is a world in which problems, by virtue of their increasing complexity, lend themselves less and less well to intermittent, ad hoc crisis or summit intervention—a world in which the need for improved, ongoing *institutional* problem-solving mechanisms grows increasingly apparent.

A third problem is the problem of equality—or at least some greater degree of fairness—in a world of increasingly limited resources. Neither at home nor abroad have we learned to manage either the ethical or the practical issues of the distribution of resources. As population grows, as expectations rise, as disparities in the distribution of resources become more evident, as economic development is limited by ecological concern and practical necessity, the distributional issues become more difficult. The temptation is to put them aside. Yet if we do not soon develop a humane and orderly set of policies to cope with inequity, we will surely be led to the more painful order which emerges out of violent instability.

A fourth problem—less obvious, perhaps—is the problem of continuity in a world of increasingly rapid "post-industrial" change. It is the problem of preserving the best of our humanistic traditions in the face of the "dehumanizing" pressures of industrialization, bureaucratization, "bigness," institutional heavy-handedness, depersonalization. Without serious attention to continuity—to a selective conservatism in the context of necessary change—we will only feel the more a sense of alienation, of purposelessness, of community lost.

In this respect, I might note that the habits of the "news" media are to some extent both a symptom and a cause of discontinuity. We are supersaturated with information which is typically provided without an integrative framework or perspective—provided, rather, as a form of distractive entertainment. Our sense of proportion is lost. Investigative journalists are our new historians.

Television anchormen are our historical dramatists. Indeed, the continued application of the anachronistic labels "liberal" and "conservative"—the misguided focus on turnings "left" or "right'" which earlier I lamented—is but a symptom of the extent to which a proper sense of history and proportion is removed from "coverage" of the news. The issues which once divided so-called "liberals" and "conservatives" have been largely overtaken by events. So far as they remain, they are now largely secondary to emergent issues, for example, of confidence in our institutions, of rights to privacy, of respect for the individual in an increasingly homogenized society—issues for which the old divisive labels are neither appropriate nor helpful. It is hardly a constructive approach to the building of continuity when our political narrators—and, indeed, our political actors—are made to seem (or make themselves seem) like new dummies mouthing the lines of old ventriloquists.

A fifth problem is the problem of intelligibility in the face of increasing complexity. This is perhaps the least obvious of the problems here discussed. But it is fundamental, nonetheless. For if we cannot comprehend reality, we can hardly expect to govern it—or ourselves—in a manner that would serve us well. Yet complexity may be outpacing the growth in our capacities of comprehension. It is growing exponentially—as a multiplier of population and economic growth. Systems grow upon systems. The simplest of interventions have complex—and often unanticipated—effects. Getting from point A to point B, for all our technological advance, in many respects grows more difficult.

But however we may yearn for a lost simplicity, these are not the times for the Great Simplifier. Complex problems understanding and, typically, complex solutions—solutions which are comprehensive in scope and strategic in their formulation and articulation. This is true not only for the problems identified here, but for virtually every significant problem facing our country today. It is true, in part, because of the inherent nature of modern problems—problems of many interconnected variables. It is true the more because people sense this interconnectedness and wish clearly to understand it in order to have confidence in the relevance and appropriateness of whatever actions are demanded. Without a sense of strategic confidence, an increasingly sophisticated public will, at best, remain skeptical.

It is a curious fact that one unintended consequence of Watergate seems to have been the loss of a sense of strategic comprehensiveness in our approach to major problems. Strategic thinking was a special strength of Richard Nixon's. In his first term—until the election campaign of 1972—he was remarkable for his appreciation of changing realities and for his formulation of strategies which were both adaptive and creative. In foreign policy, this was reflected in the Nixon doctrine and in the "linkage" policies toward the Soviet Union and China. In domestic policy, it was reflected in his early formulation of the "income strategy" and the "New Federalism."

Realities have, of course, changed since the first Nixon term. And, though we need especially a sense of coherent and well-considered strategy, we seem, rather, to be engaged in occasional struggles to catch up—piecemeal. I doubt this will do.

In another context, I might elaborate with reference to each of the problem areas I have touched on. Here I shall touch briefly on only the most topical of these problems; the economy.

As it has now become commonplace to observe, we are experiencing an odd—to many, a baffling—combination of inflation and recession. The bafflement, as far as I am able to discern, derives primarily from a conceptual failure to distinguish demand problems from supply problems and domestic problems from international problems. The fundamental reality not yet fully appreciated is that the current inflation problem is in its origin largely a special supply problem, not a general demand problem, and largely international, not domestic. Inflation in its present form, therefore, is not properly subject to treatment through conventional fiscal and monetary policies—these are better suited for treatment of aggregate domestic demand problems.

It is, of course, true that the inflation we are now experiencing was generated in part by fiscal and monetary policy—by excessive deficit financing in the period of the Vietnam war and by expansionary monetary policy particularly as late as 1972. But since 1972, monetary policy has been anti-inflationary. And, as the current recession would suggest, conventional counter-cyclical policy can still affect demand.

That inflation persists, however, is, as I have suggested, a phenomenon largely independent of general domestic demand policies. About sixty percent of the current inflation, it is estimated, can be accounted for by two special international supply problems—food and fuel. An anti-inflation strategy, then, must focus specifically on these. For the long term, it must be oriented toward expansion of supply. For the middle and long term, it must—through foreign policy—develop more stable arrangements for the international distribution of key commodities. For the immediate term, the most sensible available adaptation—given that supply cannot be promptly expanded—is a specifically focused adjustment of demand. The obviously preferable specific focus for adjustment of demand is automobile fuel. This focused adjustment of demand might best be effected through a gasoline tax or through a tax on high-consumption automobiles. And because the tax might fall inequitably upon the poor, it ought to be linked with tax and welfare reform—with the "income strategy" which has regrettably dropped from view since 1972

A first—and certainly, to some, most obvilow. It is a time for clear, strategic policy: To counter inflation, a specifically tailored supply policy; to counter recession, conventional counter-cyclical fiscal and monetary policy; to counter inequity, a tax and welfare reform policy. This is not a time for laundry-list solutions.

The American people are more than ready for sophisticated approaches to problem-solving. Too often it has been assumed that the people are of lesser quality than, in fact, they are. Their sophistication and maturity were consistently underrated in the course of Watergate. It would be a mistake to underrate the people again.

Confidence in the economy is dangerously has to a considerable extent been restored. But the problem of confidence in the *capacity* of government remains to be addressed. People will respond favorably if complex realities are met with clear, conscious, coherent, and comprehensive strategies. But if not, the people will surely send another message.

For Republicans, the message of the moment is simply this: If the health of the party is to be restored, the health of the nation must be restored.

INDEPENDENT AMERICAN FILM INSTITUTE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. BELL. Mr. Speaker, representing a district and constituency that are dependent on the film industry, I strongly believe in the intent and purpose of this bill—the creation of an independent American Film Institute to be under the direction of a board of trustees made up of representatives from the Federal legislative and executive branches of Government and the private sector.

Although the youngest of arts, film has become the most popular and important medium of today—not only in this country, but also throughout the world.

We, in America, have substantially and uniquely contributed to this valuable art form, and the time has come for the Federal Government to grant film its place among the great art forms of the world.

The American Film Institute would be responsible for preserving, expanding, recognizing, and developing films and programs of film study.

Since its establishment in 1967, the institute has preserved over 12,000 films, established a Center for Advanced Film Studies in Los Angeles, and opened the American Film Institute Theatre in the John F. Kennedy Center for the Performing Arts.

Such a firm commitment reestablishes the fact that, as an independent agency, the American Film Institute will prosper and greatly contribute to the global cultural community.

In urging my colleagues to accept this measure, I would like to quote a close friend and former constituent, Mr. Charlton Heston, actor and present chairman of the American Film Institute:

> We have only begun to see what film can do to enrich the lives and expand the opportunities for the American people . . . all the people. It will write the poetry of our time, and build bridges for us as well, to all the world.

DESTROY-TO-REVIVE FANTASY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Ms. HOLTZMAN. Mr. Speaker, The Nation bears the dual burdens of inflation and recession. Prices continue to rise at record rates and it is estimated that unemployment may pass 8 percent next summer.

In the face of this economic chaos, President Ford seeks to press on the country half-baked remedies left over from the administration of Richard Nixon and Herbert Hoover. I commend to my colleagues the article by Sidney E. Weintraub, a University of Pennsylvania professor, who offers some provocative thoughts about, in his words, the President's "destroy-to-revive" economic policy. While we may not agree with all that Professor Weintraub says, his ideas are useful because they break with the past and offer new approaches to the problems we face.

The article follows:

THE DESTROY-TO-REVIVE ECONOMIC FANTASY

(By Sidney E. Weintraub)

PHILADELPHIA.—The Democratic party can forget Herbert Hoover: President Ford promises a fresher identification with economic shambles. With a crumbling economy, Prosperity Around the Corner buttons may yet replace WIN.

Economic discussion has become spurious, with an eerie air of history repeating itself. A half century ago, the British "Treasury view" held that Government borrowing would siphon off funds destined for private enterprise, as if the moneys came from a stagnant pool.

Secretary of the Treasury William E. Simon has exhumed this myth, elevating it as a profound insight. What has not been explained is how more savings can enter the capital markets when incomes, the source of savings, are vanishing through unemployment.

An illusion is also being perpetrated that the budget can be significantly cut when prices jump by over 10 per cent a year. Merely to maintain existing programs will cost about $30 billion more.

Our Treasury people have not discovered that prices fell in the early Roosevelt years despite huge 50 percent deficits. Flaying Government largesse makes virtuous political copy, but budget-balancing will not end the modern inflation.

Beyond these conceptual confusions at the Treasury, any appraisal of current Administration policy must conclude that it is madly inept: production falling, unemployment rising, prices surging. The Administration has gone far to make it the worst of times.

There is a claim that we must deflate—that we must tighten money and cut expenditures to compress inflation. There is the shallow pretense that inflation, and the Administration's pseudo-remedies, began yesterday rather than five years ago.

Can unemployment and falling production whip inflation? Hitherto, we have been taught that to subdue inflation requires more production. It is a callous policy farce to throw people out of work wittingly, and slow production, in order to hire them back at a later date to speed output.

Destroy-to-revise is a warped caricature of economic doctrine and strategy. Our housing deficiencies, the appalling state of our cities, and our woeful public transportation hardly signal a lack of useful work to perform.

If high-level employment and output are desirable next spring or next fall, why not now? Why are they meritorious for the future and an extravagance now?

The conventional rationalization of this absurd exercise in economic yoyoism is that it will stop inflation. By keeping money tight, creating a recession, and extending human misery, inflation is supposed to fade away. To prevent the inflation evil, we must inject the unemployment and lost-production virus.

It may yet dawn on the Administration, as well as the Democratic majorities in Congress, that regardless of the employment-unemployment level, inflation becomes inevitable so long as money incomes per employe mount faster than production.

Over the last year productivity has been falling by about 3 percent. Employe compensation has advanced by about 11 percent. How money income per employe—wages, salaries, interest, rents, dividends—can climb with productivity dropping, without the difference erupting in inflation, is the supreme economic feat on which silence reigns, by the Administration, Congress, labor unions, and advocates of tight money hocus-pocus as an inflation weapon.

Increases in employe money incomes along with declining labor productivity promise to perpetuate double-digit inflation. What monetary policy can do about it, besides creating unemployment and inviting a depression tailspin, is dubious.

If the Federal Reserve could prevent inflation it would long ago have succeeded, with the authorities grabbing off the kudos.

The last six years provide cumulating evidence that monetary policy can destroy the housing industry and lift unemployment without ushering in stable prices. What failed for Richard M. Nixon will not WIN for President Ford despite the learn-nothing ideology of Secretary Simon.

Restoring the economy will require moderation in money-income expansion, involving a new look at incomes policy covering wages, salaries and executive pay, as well as a tax cut and monetary easing at the Federal Reserve.

Should we not consider a handout to the auto industry? This may be cheaper than to watch it delay before building more functional vehicles. While Detroit writhes, the economy suffers.

IT IS TIME TO CUT TAXES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. HANRAHAN. Mr. Speaker, Mr. Robert A. Mundell, a Canadian economist, believes inflation and unemployment are separate problems. In order to curtail these problems, we must enforce tight money and a $30 billion tax cut. For my colleagues' information, I wish to insert the following Wall Street Journal article which further explains Professor Mundell's prescription to beat inflation and unemployment:

IT IS TIME TO CUT TAXES

(By Jude Wanniski)

Robert A. Mundell, a Canadian economist now at Columbia University, does not believe the United States can Whip Inflation Now and climb out of the deepening recession by harking to either the classical economic advice of tight money and balanced budgets or to the neo-Keynesian nostrum of easier money, public-service employment and wage-and-price controls.

The correct prescription, says Professor Mundell, is a $30 billion tax cut and the temporary halting of open-market operations by the Federal Reserve to assure monetary restraint.

Furthermore, asserts the placid professor, whose voice in conversations rarely rises above a whisper—if this medicine is not taken soon, there will be by mid-1975 more than seven million or even eight million Americans unemployed, an inflation rate perhaps double the consensus prediction of 7% per annum, and a huge budget deficit arising from the recession-level tax revenues and widespread company and household bankruptcies.

Professor Mundell's prescription is obviously not part of mainstream thinking in the United States, but it bears consideration for no other reason than the 42-year-old Canadian's standing and reputation among international economists. "He's the most creative, innovative international economist I know of," says Harold B. Van Cleveland, vice president and economist at First National City Bank. Sir Roy Harrod, J. M. Keynes' biographer has toasted him as one of the "greatest economists in the world." And Lord Robbins, chairman of the court of governors of the London School of Economics, said of him at the Bologna conference on global inflation in 1971: "Bob—and here I lay down a sociological law—is seldom wrong. And even when you disagree with him, you must disagree with your hat in the hand."

The heart of the current problem, Mr. Mundell believes, lies in the international arena. Inflation is, and has been for several years, a global phenomenon. The collapse of discipline of the balance of payments has unleashed a wave of inflation on the world. He believes that the eventual solution must involve not only control of the dollar supply produced in the United States, but regulation of the Eurodollar market, the restabilization of gold and a return to the fixed system. With Professor Arthur B. Laffer of the University of Chicago, he has worked out an economic model to deal with this problem.

To deal with the immediate crisis of simultaneous inflation and recession, though, Professor Mundell departs from the traditional belief that monetary and fiscal policies should always be working in the same direction. He believes that inflation and unemployment are separable problems and that to combat them distinct policy instruments are required. He believes that tight money should be used to combat the inflation, while expansive fiscal policies—preferably through lower taxes—can be used to combat the recession in a way that also works against inflation.

A CAUSE OF INFLATION

He argues that monetary expansion no longer works as a means of stimulating production; it simply causes inflation. To some degree and for short periods it may have been a reasonably good anti-cyclical weapon during the best years of the Bretton Woods system. But now, in the regime of floating exchange rates, monetary stimulation by the Fed not only increases wage demands, but is immediately perceived by the foreign-exchange markets, causing depreciation of the dollar and an automatic increase in the price of imports. This raises costs and aggravates inflation directly. It also raises wages and thus quickly shows up in the Cost of Living Index.

To eliminate at least this cause of inflation, he says the Fed should temporarily halt open-market purchases of government securities, the traditional means through which it increases the basic money supply. The thrust of demand expansion must come from fiscal stimuli, and when the U.S. economy responds to that stimulus, growth in the real money supply can come about through a resumption in open-market purchases. At the same time, the reviving U.S. economy would draw money from Europe and the Middle East and thus protect the U.S. balance of payments. Something else would occur as the economy's growth responds to the fiscal stimulus while monetary growth is checked. The dollar would appreciate against foreign currencies, which means the U.S. would then be able to buy a greater share of the world's goods and services with the same number of dollars

Real economic growth would be stimulated by the big tax cut on both personal and corporate incomes. He would adjust income-tax brackets across the board and index them to correct for future inflation, as is now the practice in Canada, and he would get the corporate tax bite down closer to Canada's 40%.

"The level of U.S. taxes has become a drag on economic growth in the United States," he says. "The national economy is being choked by taxes—asphyxiated. Taxes have increased even while output has fallen, because of the inflation. The unemployment has created vast segments of excess capacity greater than the size of the entire Belgian economy. If you could put the sub-economy to work, you would not only eliminate the social and economic costs of unemployment, you would increase aggregate supply sufficiently to reduce inflation. It is simply absurd to argue that increasing unemployment will stop inflation. To stop inflation you need more goods, not less."

As it is, he believes U.S. policymakers are unwittingly creating a larger sub-economy of the unemployed guaranteed to reduce aggregate supply, and thereby aggravate inflation. A $30 billion tax cut implies a large initial federal deficit. But if taxes are not cut now, the size of the unemployed sub-economy will expand. Tax revenues of state, local and federal governments will decline. At the same time their outlays for unemployment relief and welfare will expand. Combined government deficits might even exceed the amount implied by a tax cut. But what's worse, the nation would be no closer to turning the economy around.

He disagrees with both the Keynesians and the classical economists on the economic effects of a tax cut. "The Keynesians only look at its effect on demand and have always considered it inflationary," he says. "They neglect the financing side, aggregate supply and inventory effects.

"The classical economists are only concerned about the 'crowding-out' effect," by which he means the effect of deficit financing on the private capital markets, i.e., government financing needs crowd out private borrowing that would otherwise go into capital expansion. "Both of these extreme views do not see that there is a middle position."

A tax cut not only increases demand, but increases the incentive to produce. "The government budget recycles tax dollars into the spending stream through expenditures, but in so doing it reduces the incentive to produce and lowers total production. After all, if total taxes and expenditures become confiscatory, all economic activity will cease and the government tax bite would be 100% of nothing." With lower taxes, it is more attractive to invest and more attractive to work; demand is increased but so is supply.

So too with the "crowding-out" effect, an argument against tax cuts that was popular in the 1920s. The government sale of bonds to finance a tax cut indeed crowds private borrowers out of the capital market. This is only one effect, he says. Four other things occur. Because capital and labor are the main recipients of the proceeds of the government bond sale that finances the tax cut, they are in effect receiving as a gift $30 billion they would otherwise have to borrow. In this sense, they are happily crowded out of the credit market.

Secondly, the finance required for the tax cut would be less than what would be needed if the recession is allowed to deepen. Third, Professor Mundell believes the size of the credit pool would automatically expand as the prospect of real economic growth engendered by the tax cut allows a recovery of real savings. That is, dollar holders will have a higher incentive to invest in capital goods the larger and more rapid is the recovery from the recession. The fourth effect is that the bond-sale method of financing the tax cut will draw money from abroad.

HELPING CAPITAL FLOWS

The international effects of a tax cut are particularly important, he asserts. With announcement of a major tax cut, the capital market would instantly perceive that it is more profitable to do business in the United States than the rest of the world. Capital that is now flowing out would remain; foreign capital going elsewhere would come in. The increased real economic growth would mean the U.S. would run a sizable trade deficit as the U.S. would keep more of what it produces and buy more goods from abroad. Offsetting this in the short run would be an inventory effect caused by tighter monetary conditions; the expectation of slower inflation would cause a reduction in optimal inventory levels.

There would be balance-of-payments equilibrium, he says, because the capital flows would cover any residual trade deficit until market opportunities were arbitrated worldwide. The U.S. tax cut would help to pull the whole industrial world out of its slump, he maintains.

In a real sense, he sees the $30 billion tax cut as a future public's investment in the current private, productive sector of the economy that is now unutilized. He argues that the unemployed sub-economy would respond not only by producing goods and services sufficient to repay the bonds, but would meanwhile sustain itself with output and would not have to be carried by the government dole. Six months from now, perhaps $30 billion of that potential output will have been irretrievably lost and the economy will be in much worse shape than it is right now.

As he sees it, there is not now any self-corrective economic force acting to pull the economy out of its inflationary nosedive. At present there is no control of international reserves and even the value of gold gets indexed with inflation. "Inflation itself breeds even more money which in turn breeds more inflation." There was self-correction to an economic slump during the days of the gold-exchange standard, when deflation raised the purchasing power of gold, and self-correction to inflation when inflation reduced gold's purchasing power. There is none of this today in a world of floating exchange rates, he says. The nation's economic problems feed on themselves.

"They feed on themselves through the effects of inflation on the progressive income-tax schedules and through the negative multiplier effects thus generated," says Professor Mundell. "They feed on themselves through the ever-increasing percentage increases in wages needed to maintain workers' purchasing power. And they feed on themselves through the international escalation of world money supplies that has taken place since the breakdown of the gold-exchange standard. The $30 billion tax cut is needed immediately to arrest the world slump, and if it is delayed by even one month, the figure required will be higher."

WCBS–TV SUPPORTS CALL FOR BILINGUAL EDUCATION HEARINGS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. BADILLO. Mr. Speaker, a few weeks ago I requested authorization for oversight hearings by the General Education Subcommittee of the Education and Labor Committee into allegations by Albert Shanker, president of the United Federation of Teachers in New York City, of widespread abuse in the city's bilingual education programs.

Mr. Shanker charged in a New York Times article that unqualified teachers are being hired for the program, that children are being enrolled in bilingual classes whether they need such instruction or not and against their parents' wishes, and that bilingual programs are replacing other specialized educational offerings in some schools.

Shanker's charges are so serious as to threaten to undermine public support for this necessary educational effort, and I am convinced that hearings must be held at the earliest possible date to provide a forum for the airing of these charges. If such allegations are indeed found to be true, then we must immediately correct any practices not in accord with the intent of Congress in providing Federal support for bilingual education. If the charges are not verifiable, then they must be discontinued so that this important program to help children of limited English-speaking ability may proceed with full impact and with the widespread public support it deserves.

Mr. Speaker, we have been clearly put on notice that abuses may exist in a program that the Congress extended and funded this year. Our responsibility to ascertain the facts is clear, and I believe that we must move quickly to dispel any unwarranted suspicions or, alternately, to make whatever improvements we might find necessary in the interest of the best education for youngsters in the schools of New York City.

I am pleased to be joined in this endeavor by the editorial director of WCBS–TV in New York City who has seconded my request for hearings. The text of the editorial follows:

BILINGUAL BATTLE

(Presented by Peter Kohler)

There is a lot of controversy and confusion surrounding the idea of bilingual education.

Basically, the idea is to help children overcome language barriers. If a child can't understand English, bilingual education teaches him some subjects in the language he understands, be it Spanish, Chinese, or Greek. At the same time, though, bilingual education must mean teaching the child English, the language you must speak and understand to function in America.

Some people fear, though, that bilingual programs will neglect English instruction, and become a divisive force. These fears were hightended by Albert Shanker, president of The *American* Federation of Teachers. Recently, Mr. Shanker charged that bilingual programs in New York City were hiring teachers who could speak little or no English at all. And he also suggested that non-hispanic teachers who were well qualified were losing their jobs to less qualified hispanic teachers.

The Shanker charges brought an anrgy reply from New York City Congressman Herman Badillo, who called the statements inflammatory and unfounded.

We agree with Congressman Badillo that the charges may have raised unnecessary fears, because Mr. Shanker failed to document his statements. But the issues Mr. Shanker raised are serious indeed.

The whole idea behind bilingual education would be violated if teachers in the program could not speak English. And while bilingual programs provide a good opportunity to hire teachers from hispanic backgrounds and other ethnic groups, bilingual teachers should be hired on the basis of their language skills and ability to teach the subject matter, not on basis of their ethnic background.

If Mr. Shanker and others have evidence about flaws in these fast-expanding bilingual programs, let's get the facts out and act on them. We agree with Congressman Badillo that the House Committee on Education and Labor should hold hearings in New York City to get at the truth.

Reasonable people can act on facts, not on fears.

DISMANTLING MA BELL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. DERWINSKI. Mr. Speaker, in my judgment, the suit against A.T. & T. opposes the effective and efficient service rendered to the American public, by Ma Bell.

Therefore, I was especially pleased to see the outstanding editorial that appeared in the Life newspaper chain, serving suburban Cook County, on December 1, which very appropriately addresses this issue. The article follows:

DISMANTLING MA BELL

Hundreds of small telephone companies are still operating in this country. Some of them have a central office, usually in a home, and service may not be of the best because storms have caused destruction of telephone lines, so hook-ups may be in part along a barbed wire fence. Most of these archaic systems are in small towns of 5,000 or less population.

American Telephone and Telegraph Co., affectionately known as Ma Bell, put together a network of the larger telephone companies in some states and in some cases included several states in its effort to provide a better service.

Ma Bell provided a uniform system of its subsidiaries, maintained that system through a competent repair service, operated Western Electric Co. as its manufacturing arm to provide its main source of equipment at reasonable prices, and created Bell Telephone Laboratories to develop the most modern and sophisticated equipment possible.

The success of Ma Bell has made this country's telephone service the best in the world. Either by dialing or the more modern Touchtone, a telephone user can reach points all over the world in less time than it used to take to give a central operator a number and then be connected to a local call.

The penalty for success in providing subscribers with the best telephonic communication is the attempt by the U.S. attorney general's office to file an anti-trust suit which seeks divestiture by Ma Bell of its Western Electric affiliate and possibly breaking up the manufacturing arm into two companies, splitting off the Long Lines Department, and opens the door for seeking to have Bell Labs become a separate corporate entity.

Though the case may not come to trial for five years, the first effect of the legal action was Ma Bell's cancellation of a $600 million bond offering last week with the funds scheduled to be part of a $10 billion expenditure next year for further improvement of its system.

At a time when hundreds of thousands are out of work because of the recession or strikes, the federal government steps in with an anti-trust suit to halt the efforts of Ma Bell to provide work for thousands of people.

With inflation driving prices up, the government doesn't want Ma Bell to take adantage of the manufacturing efficiency of Western Electric, which has proven that it can provide products at 70 per cent of what it costs to buy from competitors in the field.

The Hawthorne Works, which has just expanded and improved its cable-making plant in Cicero, is now supplying this item at 77 percent of what it would cost from other suppliers, some of which ship copper to Japan to be fabricated with the loss of more jobs in America.

This community and the state of Illinois have a lot at stake in the attempt to dismantle Ma Bell. Western Electric has 32,000 employees in its Illinois plants. There are 16,000 of them employed at the Hawthorne Works and half of these are from Berwyn and Cicero.

Then there are the side effects. Illinois Bell, an A.T. & T. affiliate, purchases $265,000,000 of its requirements annually them Western Electric, purchases that would cost $400,000,000 if bought from competitors. WE purchases various items from 5,300 Illinois suppliers, 80 of them from Cicero sources alone.

At what point will Ma Bell and its affiliates no longer be a "trust" that needs to be busted? Will the bureaucratic anti-business nincompoops be satisfied with the present objective? Or will they keep up the dismantling process until the phone companies number into the thousands with the loss of efficiency while costs keep rising?

Oil companies, nearly drowning in their swollen profits, are gobbling up unrelated businesses of major proportions. Huge conglomerates have assembled holding of major industries without restraint. Even a Federal Communications inquiry pays tribute to Western Electric efficiency in a survey report involving a telephone rate inquiry. Maybe it's time for Congress to step in and call a halt to Ma Bell's proposed dismantling.

WITH CHARITY FOR FEW

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Ms. HOLTZMAN. Mr. Speaker, I commend to the attention of my colleagues a column by Anthony Lewis on the catch-22 aspects of President Ford's amnesty plan. Mr. Lewis describes with insight and eloquence the unfair, discriminatory and, indeed, cruelly absurd situation confronting Vietnam deserters and draft evaders under the President's ill-conceived plan.

The column, which appeared in the New York Times on December 12, 1974, follows:

WITH CHARITY FOR FEW

(By Anthony Lewis)

WASHINGTON—Joe Smith avoided the draft during the Vietnam war but does not know whether he technically broke the law or, if he did, whether the Government has any case against him. He is living a quiet life in Indiana now, but he worries that some day he could be prosecuted. If he does face that, he might rather take up President Ford's clemency program. So he decides to ask the Justice Department what his status is.

The department finds that he was never indicted or made the subject of an active investigation. But having been alerted by Joe Smith's question, it looks into his record at Selective Service. If the investigation turns up a case now, the department will proceed against him.

The Smith story is of course a fictional example, but it precisely reflects the Justice Department's policy under the clemency program. It is Catch-22 in action. The man who does not know whether he is in jeopardy puts himself in it by asking.

Moreover, the President's program is due to expire on Jan. 31. The man newly in jeopardy must decide before then whether to accept the "clemency" of up to two years' alternate service, or risk prosecution thereafter. And he must do so without having any real hearing to decide whether he violated the law in the first place.

All this is an acute example of the anomalies and contradictions that hobble President Ford's clemency program. It is not generally realized that there are three quite distinct operations in the program. They seem to be administered with distinct attitudes.

The Presidential Clemency Board, under the chairmanship of former Senator Charles E. Goodell, deals only with men who have already been punished—as deserters or draft evaders. The board keeps all information in confidence, and no one who approaches it can end up any worse off. Its function is to recommned conditional or absolute pardons.

The Defense Department handles the cases of military personnel who went AWOL and were never caught or punished. It has a final list of 12,500 such men and will tell anyone whether he is on the list without his risking being added to it. A man can wipe out his fear of capture and punishment by coming in and, in a day, getting an undesirable discharge. Of the 12,500, some 2,200 have so far come in.

The Justice Department deals with civilian draft evaders. It is authorized to drop all threats of prosecution against anyone who comes in and accepts alternate service of up to two years. Only 131 men have, so far.

Justice evidently recognizes the value of some repose and finality in the unhappy area of draft offenses. It has instructed its prosecutors, the United States attorneys around the country, to prune their files of all draft cases except those clearly justifying prosecution. It also has a list—of about 4,000 men under indictment and another 2,200 who are the subject of active investigations.

But the list is not final. In the words of a department lawyer working on the clemency program, Bruce Fine, "the fact that your name is not on the list is no guarantee. The list is not a final determinant of all those who may be required to do alternate service"—or be prosecuted.

Mr. Fine saw nothing wrong with this approach. "I'm not terribly sympathetic to someone who escaped prosecution by accident," he said. Our feeling is that somebody ought not to get what amounts to unconditional amnesty merely because he has not been detected."

In that comment Mr. Fine inadvertently exposed the fallacy in the whole Ford clemency program. That is the notion that a fundamentally inequitable situation can be cured by ad hoc decisions for or against a few men.

There never was any equity in the way the law treated those who did not want to fight in Vietnam. By far the largest number got off legally, by luck or because they had better advice or were more articulate or were rich enough to go to college. Of those not legally exempted, many slipped quietly through the system. Only a few became declared fugitives. Among those caught, punishments differed widely.

There is no way to provide equal justice now for all those who avoided service and were treated so differently—or for those who fought, suffered and died. Nor are those Americans who committed crimes of war against the Vietnamese going to be brought to justice. No law will satisfy our sense of equity. All we can hope is to put the trauma behind us. That is the case for a genuine amnesty.

So few persons have responded to the clemency program that Mr. Ford will doubtless have to consider some further action after Jan. 31. His instinct has been right on this issue. This time he should recognize that complicated schemes to balance irreconcilable interests will prolong the agony of Vietnam. The purpose can only be what another President said after our most terrible war until Vietnam: "To bind up the nation's wounds."

CAN WE SAVE FREE ENTERPRISE?

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. ARMSTRONG. Mr. Speaker, America's free enterprise system is being destroyed. Sadly, a lot of people who ought to be fighting to save it are seemingly ignoring the threat.

Our national economy is already hamstrung with illogical regulations. Signs of more pernicious dangers are becoming increasingly obvious.

For a long time, most of us have dismissed calls for economic regimentation, nationalization, punitive taxation and other anti-free-enterprise proposals as ravings of the lunatic fringe. But now such measures are often advocated by supposedly responsible elements of the media, academia and the Congress.

How can this be happening to America?

This Nation's free economic system is a marvel. It has made possible material abundance beyond the dreams of earlier ages and peoples in less fortunate lands.

Throughout most of our history, free economic institutions have been recognized as underpinning of our free society, the bulwarks of other freedoms—religious, political, intellectual—that are the very essence of the American dream.

But over the years, we have gotten out of the habit of defending free enterprise. And our leaders are now ill-prepared to cope with the increasing clamor of anti-free-enterprise propaganda.

The misguided advocates of economic regimentation do not seem to realize the consequences of their schemes will be an economic catastrophe, signs of which are already evident. Nor do they apparently perceive the loss of economic freedom is almost certain to be followed by the loss of other cherished liberties.

Day after day, new proposals seek to restrict free market, control prices, wages, profits, business practices, and competition or to impose other forms of regimentation, reduce incentives for production, establish punitive tax policy or outright nationalization, proposals which ought to be greeted with howls of outrage are allowed to pass with scarcely a murmur of dissent—indeed, almost with an air of weary resignation—even by those who should know better.

So the antibusiness bias of Government, academic and the media is growing steadily worse. But still only a few voices are raised to defend free economic institutions, to explain why profits are good for everyone including customers and workers as well as managers and owners, the role of prices in allocating resources and fine tuning supply and demand, the fantastic economic efficiency of free enterprise and the failure of central planning and regimentation wherever it has been tried, the inseparable relationship between economic freedom and other civil rights, and other issues desperately in need of forceful advocacy.

In an era when the defense of economic freedom is so timid, it is heartening to read an article of such clarity and power as Henry Hazlitt's essay "Can We Keep Free Enterprise?"

Mr. Hazlitt, a noted economist, author, and editor, is well known to readers of the New York Times, Wall Street Journal, Newsweek, the Freeman, and National Review, among some of the many publications for which he has frequently written. He is also the author of several books and is widely recognized for his economic expertise.

In the following article, Mr. Hazlitt says some things sorely in need of saying. I am grateful he has made his arguments with such precision and style:

CAN WE KEEP FREE ENTERPRISE?

(By Henry Hazlitt)

Nine-tenths of what is written today on economic questions is either an implied or explicit attack on capitalism. The attacks are occasionally answered. But none of the answers, even when they are heard, are ever accepted as conclusive. The attacks keep coming, keep multiplying. You cannot pick up your daily newspaper without encountering half a dozen. The sporadic answers are lost in the torrent of accusation. The charges or implied charges outnumber the rebuttals ten to one.

What is wrong? Does capitalism, after all, have an indefensible case? Have its champions been not only hopelessly outnumbered but hopelessly outargued? We can hardly think so if we recall only a few of the great minds that have undertaken the task of defense, directly or indirectly, in the past—Hume, Adam Smith, Ricardo, Malthus, Bastiat, Senior, Boehm-Bawerk, John Bates Clark; or of the fine minds that have undertaken it in our day—Ludwig von Mises, F. A. Hayek, Milton Friedman, Murray Rothbard, Hans Sennholz, Israel Kirzner, David McCord Wright, and so many others.

What, then, is wrong? I venture to suggest that no defense of capitalism, no matter how brilliant or thorough, will ever be generally accepted as definitive. The attacks on capitalism stem from at least five main impulses or propensities, all of which will probably be with us permanently, because they seem to be inherent in our nature. They are: (1) genuine compassion at the sight of individual misfortune; (2) impatience for a cure; (3) envy; (4) the propensity to think only of the intended or immediate results of any proposed government intervention and to overlook the secondary or long-term results ;and (5) the propensity to compare any actual state of affairs, and its inevitable defects, with some hypothetical ideal.

These five drives or tendencies blend and overlap. Let us look at them in order, beginning with compassion. Most of us, at the sight of extreme poverty, are moved to want to do something to relieve it—or to get others to relieve it. And we are so impatient to see the poverty relieved as soon as possible that, no matter how forbidding the dimensions of the problem, we are tempted to think it will yield to some simple, direct, and easy solution.

THE ROLE OF ENVY

Let us look now at the role of envy. Few of us are completely free from it. It seems to be part of man's nature never to be satified as long as he sees other people better off than himself. Few of us, moreover, are willing to accept the better fortune of others as the result of greater effort or gifts on their part. We are more likely to attribute it at best to "luck" if not to "the system." In any case, the pressure to pull down the rich seems stronger and more persistent in most democracies than the prompting to raise the poor.

Envy reveals itself daily in political speeches and in our laws. It plays a definite role in the popularity of the graduated income tax, which is firmly established in nearly every country today, though it violates every canon of equity. As J. R. McCulloch put it in the 1830's: "The moment you abandon the cardinal principle of exacting from all individuals the same proportion of their income or of their property, you are at sea without rudder or compass, and there is no amount of injustice or folly you may not commit."

McCulloch's prediction has been borne out by events. Historically, almost every time there has been a revision of income-tax rates the progression has become steeper. When the graduated income tax was first adopted in the United States in 1913, the top rate was 7 percent. Some thirty years later it had risen to 91 percent. In Great Britain the top rate went from 8¼ to 97½ percent in a similar period. It has been repeatedly demonstrated that the confiscatory rates yield negligible revenues. The reduction of real income that they cause is certainly greater than the revenue they yield. In brief, they have hurt even the taxpayers in the lower brackets.

Yet envy has played a crucial role in keeping the progressive income tax. The bulk of the taxpayers accept far higher rates of taxation than they would if the rates were uniform; for the taxpayers in each tax bracket console themselves with the though that their wealthier neighbors must be paying a far higher rate. Thus though about two-thirds (65.5 percent) of the income tax is paid (1969) by those with adjusted gross incomes of $20,000 or less, there is an almost universal illusion that the real burden of the tax is falling on the very rich.

But perhaps the greatest reason why governments again and again abandon the principles of free enterprise is mere shortsightedness. They attempt to cure some supposed economic evil directly by some simple measure, and completely fail to foresee or even to ask what the secondary or long-term consequences of that measure will be.

TAMPERING WITH MONEY

From time immemorial, whenever governments have felt that their country was insufficiently wealthy, or when trade was stagnant or unemployment rife, the theory has arisen that the fundamental trouble was a "shortage of money." After the invention of the printing press, when a government could stamp a slip of paper with any denomination or issue notes without limit, any imaginable increase in the money supply became possible.

What was not understood was that any stimulative effect was temporary, and purchased at excessive costs. If the boom was obtained by an overexpansion of bank credit, it was bound to be followed by a recession or crisis when the new credit was paid off. If the boom was obtained by printing more government fiat money, it temporarily made some people richer only at the cost of making other people (in real terms) poorer.

When the supply of money is increased the purchasing power of each unit must correspondingly fall. In the long run, nothing whatever is gained by increasing the issuance of paper money. Prices of goods tend, other things equal, to rise proportionately with the increase in money supply. If the stock of money is doubled, it can in the long run purchase no more goods and services than the smaller stock of money would have done.

And yet the government of nearly every country in the world today is busily increasing the issuance of paper money, partly if not entirely because of its belief that it is "relieving the shortage of money" and "promoting faster economic growth." This illusion is intensified by the habit of counting the currency unit as if its purchasing power were constant. In 1971 there was a great outburst of hurrahs because the GNP (gross national product) had at last surpassed the magic figure of a trillion dollars. (It reached $1,046 billion.) It was forgotten that if the putative GNP of 1971 had been stated in terms of dollars at their purchasing power in 1958 this 1971 GNP would have come to $740 billion, and if stated in terms of the dollar's purchasing power in 1939 would have come to only $320 billion.

Yet monetary expansion is everywhere today—in every country and in the International Monetary Fund with its SDR's—the official policy. Its inevitable effect is rising prices. But rising prices are not popular. Therefore governments forbid prices to rise.

And this price control has the enormous political advantage of deflecting attention away from the government's own responsibility for creating inflation, and by implication puts the blame for rising prices on the greed of producers and sellers.

PRICE CONTROL

The record of price controls goes as far back as human history. They were imposed by the Pharaohs of ancient Egypt. They were decreed by Hammurabi, king of Babylon, in the eighteenth century B. C. They were tried in ancient Athens.

In 301 A. D., the Roman Emperor Diocletian issued his famous edict fixing prices for nearly eight hundred different items, and punishing violation with death. Out of fear, nothing was offered for sale and the scarcity grew far worse. After a dozen years and many executions, the law was repealed.

In Britain, Henry III tried to regulate the price of wheat and bread in 1202. Antwerp enacted price-fixing in 1585, a measure which some historians believe brought about its downfall. Price-fixing laws enforced by the guillotine were also imposed during the French Revolution, though the soaring prices were caused by the revolutionary government's own policy in issuing enormous amounts of paper currency.

Yet from all this dismal history the governments of today have learned absolutely nothing. They continue to overissue paper money to stimulate employment and "economic growth"; and then they vainly try to prevent the inevitable soaring prices with ukases ordering everybody to hold prices down.

HARMFUL INTERVENTION

But though price-fixing laws are always futile, this does not mean that they are harmless. They can do immensely more economic damage than the inflation itself. They are harmful in proportion as the legal price-ceilings are below what unhampered market prices would be, in proportion to the length of time the price controls remain in effect, and in proportion to the strictness with which they are enforced.

For if the legal price for any commodity, whether it is bread or shoes, is held by edict substantially below what the free market price would be, the low fixed price must over-encourage the demand for it, discourage its production, and bring about a shortage. The profit margin in making or selling it will be too small as compared with the profit margin in producing or selling something else.

In addition to causing scarcities of some commodities, and bottlenecks in output, price control must eventually distort and unbalance the whole structure of production. For not only the absolute quantities, but the proportions in which the tens of thousands of different goods and services are produced, are determined in a free market by the relative supply and demand, the relative money prices, and the relative costs of production of commodities. A, B, C, and N. Market prices have work to do. They are signals to both producers and consumers. They tell where the shortages and surpluses are. They tell which commodities are going to be more profitable to produce and which less. To remove or destroy or forbid these signals must discoordinate and discourage production.

SELECTIVE CONTROLS—NO STOPPING PLACE

General price controls are comparatively rare. Governments more often prefer to put a ceiling on one particular price. A favorite scapegoat since World War I has been the rent of apartments and houses.

Rent controls, once imposed, are sometimes continued for a generation or more. When they are imposed, as they nearly always are, in a period of inflation, the frozen rents year by year become less and less realistic. The long-term effect is that the landlords have neither the incentive nor the funds to keep the rental apartments or houses in decent repair, let alone to improve them. Losses often force owners to abandon their properties entirely. Private builders, fearing the same fate, hesitate to erect new rental housing. Slums proliferate, a shortage of housing develops, and the majority of tenants, in whose supposed interest the rent control was imposed in the first place, become worse off than ever.

Perhaps the oldest and most widespread form of price control in the world is control of interest rates. In ancient China, India, and Rome, and nearly everywhere throughout the Middle Ages, all interest was called "usury," and prohibited altogether. This made economic progress all but impossible. Later, the taking of interest was permitted, but fixed legal ceilings were imposed. These held back economic progress but did not, like total prohibition, prevent it entirely.

Yet political hostility to higher-than-customary interest rates never ceases. Today, bureaucrats combat such "exorbitant" rates more often by denunciation than by edict. The favorite government method today for keeping interest rates down is to have the monetary managers flood the market with new loanable funds. This may succeed for a time, but the long-run effect of over-issuance of money and credit is to arouse fears among businessmen that inflation and rising prices will continue. So lenders, to protect themselves against an expected fall in the future purchasing power of their dollars, add a "price premium." This makes the gross market rate of interest higher than ever.

The propensity of politicians to learn nothing about economics is illustrated once again in the laws governing foreign trade. The classical economists of the eighteenth century utterly demolished the arguments for protectionism. They showed that the long-run effect of protective tariffs and other barriers could only be to make production more inefficient, to make consumers pay more and to slow down economic progress. Yet protectionism is nearly as rampant as it was before 1776, when *The Wealth of Nations* was published.

THE CONQUEST OF POVERTY

In the same way, all the popular political measures to reduce or relieve poverty are more distinguished for their age than for their effectiveness.

The major effect of minimum-wage laws is to create unemployment, chiefly among the unskilled workers that the law is designed to help. We cannot make a worker's services worth a given amount by making it illegal for anyone to offer him less. We merely deprive him of the right to earn the amount that his abilities and opportunities would permit him to earn, while we deprive the community of the moderate services he is capable of rendering. We drive him on relief.

And by driving more people on relief by minimum-wage laws on the one hand, while on the other hand enticing more and more people to get on relief by constantly increasing the amounts we offer them, we encourage the runaway growth of relief rolls. Now, as a way to "cure" this growth, reformers come forward to propose a guaranteed annual income or a "negative income tax." The distinguishing feature of these handouts is that they are to be given automatically, without a means test, and regardless of whether or not the recipient chooses to work. The result could only be enormously to increase the number of idle, and correspondingly to increase the tax burden on those who work. We can always have as much unemployment as we are willing to pay for.

At bottom, almost every government "anti-poverty" measure in history has consisted of seizing part of the earnings or savings of Peter to support Paul. Its inevitable long-run result is to undermine the incentives of both Peter and Paul to work or to save.

What is overlooked in all these government interventions is the miracle of the market—the amazing way in which free enterprise maximizes the incentives to production, to work, innovation, efficiency, saving, and investment, and graduates both its penalties and rewards with such accuracy as to tend to bring about the production of the tens of thousands of wanted goods and services in the proportions in which they are most demanded by consumers. Only free private enterprise, in fact, can solve what economists call this problem of economic calculation.

THE PROBLEM OF CALCULATION

Socialism is incapable of solving the problem. The bureaucratic managers of nationalized industries may be conscientious, God-fearing men; but as they have no fear of suffering personal losses through error or inefficiency, and no hope of gain personal profits through cost-cutting or daring innovation, they are bound, at least, to become safe routineers, and to tolerate a torpid inefficiency

But this is the smallest part of the problem. For a complete socialism would be without the guide of the market, without the guide of money prices or of costs in terms of money. The bureaucratic managers of the socialist economy would not know which items they were producing at a social profit and which at a social loss. Nor would they know how much to try to produce of each item or service, or how to make sure that the production of tens of thousands of different commodities was synchronized or coordinated. They could, of course (as they sometimes have), assign arbitrary prices to raw materials and to the various finished items. But they would still not know how much or whether the bookkeeping profits or losses shown reflected real profits or losses. In short, they would be unable to solve the problem of economic calculation. They would be working in the dark.

The directors of a socialist economy would have to fix wages arbitrarily, and if these did not draw the right number of competent workers into making the various things the directors wanted produced, and in the quantities they wanted them to be produced, they would have to use coercion, forcibly assign workers to particular jobs, and direct the economy from the center, in a military kind of organization. The militarization and regimentation of work is what, in fact, Cuba, Russia, and Red China have resorted to.

RISING EXPECTATION

We come finally to the fifth reason that I offered at the beginning for the chronic hostility to free enterprise. This is the tendency to compare actual state of affairs, and its inevitable defects, with some hypothetical ideal; to compare whatever is with some imagined paradise that might be. In spite of the prodigious and accelerative advances that a dominantly private enterprise economy has made in the last two centuries, and even in the last two decades, these advances can always be shown to have fallen short of some imaginable state of affairs that might be even better.

It may be true, for example, that money wages in the United States have increased fivefold, and even after all allowance has been made for rising living costs, that real wages have more than doubled in the last generation. But why haven't they tripled? It may be true that the number of the "poor", by the Federal bureaucrats' yardstick, fell from 20 percent of the population in 1962 (when the estimate was first made) to 13 percent in 1970. But why should there be any poor people left at all? It may be true that the employees of the corporations already get seven-eighths of the entire sum available for distribution between them and the stockholders. But why don't the workers get the whole of it? And so on and so on.

The very success of the system has encouraged constantly rising expectations and demands—expectations and demands that keep racing ahead of what even the best imaginable system could achieve.

The struggle to secure what we now know as capitalism—i.e., unhampered markets and private ownership of the means of production—was long and arduous. It has proved an inestimable boon to mankind. Yet if this system is to be saved from willful destruction, the task of the incredibly few who seem to understand how and why it works is endless. They cannot afford to rest their case on any defense of free enterprise, or any exposure of socialism or other false remedies, that they or their predecessors may have made in the past. There have been some magnificent defenses over the past two centuries, from Adam Smith to Bastiat, and from Boehm-Bawerk to Mises and Hayek. But they are not enough. Every day capitalism faces some new accusation, or one that parades as new.

ETERNAL VIGILANCE—TRUTH NEEDS REPEATING

In brief, ignorance, shortsightedness, envy, impatience, good intentions, and a utopian idealism combine to engender an endless barrage of charges against "the system"—which means aaginst free enterprise. And so the return fire, if free enterprise is to be preserved, must also be endless.

I find I have only been applying to one particular field and exhortation that Goethe once applied to all fields of knowledge. In 1828 he wrote in a letter to Eckermann:

"The truth must be repeated again and again, because error is constantly being preached round about us. And not only by isolated individuals, but by the majority. In the newspapers and encyclopedias, in the schools and universities, everywhere error is dominant, securely and comfortably ensconced in public opinion which is on its side."

Yet above all in political and economic thought today, the need to keep repeating the truth has assumed an unprecedented urgency. What is under constant and mounting attack is capitalism—which means free enterprise—which means economic freedom—which means, in fact, the whole of human freedom. For as Alexander Hamilton warned: "Power over a man's subsistence is power over his will."

What is threatened, in fact, is no less than our present civilization itself; for it is capitalism that has made possible the enormous advances not only in providing the necessities and amenities of life, but in science, technology, and knowledge of all kinds, upon which that civilization rests.

All those who understand this have the duty to explain and defend the system. And to do so, if necessary, over and over again.

This duty does not fall exclusively on professional economists. It falls on each of us who realizes the untold benefits of free enterprise and the present threat of its destruction to expound his convictions within the sphere of his own influence, as well as to support others who are expounding like convictions. Each of us is as free to practice what he preaches as to preach what he practices. The opportunity is as great as the challenge.

THE CONFIRMATION OF NELSON ROCKEFELLER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. SYMMS. Mr. Speaker, next week we are expecting to vote on the confirmation of Nelson Rockefeller as Vice President of the United States. I and several of my colleagues have grave reservations as to the suitability of Mr. Rockefeller for this high office. My opposition to Rockefeller is based on his record as Governor of New York and his general philosophy of government.

At the request of several other members and myself the Republican Steering Committee prepared a paper on the Rockefeller record and his views on government. I would like to commend the fine job done by the steering committee on this paper and the research work they do on behalf of conservative Republican Congressmen.

It is my hope, Mr. Speaker, that my colleagues will take some of these points seriously as they prepare to vote on this nomination. Therefore, I would like at this time, to read this paper into the RECORD.

Mr. Speaker, I might add that the Republican Steering Committee as an organization does not take positions on issues and this research is not to be interpreted as a view held by all members of Republican Steering Committee.

SEVEN REASONS WHY MANY CONSERVATIVES OPPOSE THE CONFIRMATION OF NELSON ROCKEFELLER AS VICE PRESIDENT OF THE UNITED STATES

INTRODUCTION

The American Presidency—the engine of our government—is now in a unique position. For the first time in our history we have a President who was not elected by the people. For the first time in over 150 years we have a President who was not chosen as a candidate for either President or Vice President at the national convention of one of the major political parties.

Former President Nixon did have the wisdom of choosing as his Vice President under the 25th Amendment a man who at least was elected to the leadership of his party's Representatives in the Congress and who did and does enjoy the confidence of the great majority of our people. If the Republican party controlled the House of Representatives, Mr. Ford would have been the Speaker of the House and therefore would have become President if the 25th Amendment had not been ratified. In the case of President Ford therefore we do not have too great a departure from tradition.

The nomination of Nelson Rockefeller to the Vice Presidency, however, is necessarily the source of much more concern. The former governor of New York was an active candidate for the nomination of his party for the Presidency three times and three times he was decisively defeated for that nomination by the elected delegates of Republican voters. In all his many years of active politics, Rockefeller has been identified with one wing—a minority wing—of his party. He is regarded as a liberal Republican and has never had the confidence of the majority wing of the Republican Party, the conservative wing.

A large number of Republicans, perhaps a majority, as well as many independents and Democrats do not have confidence in Nelson Rockefeller and do not believe that he should now receive at the hands of one man the national office that he could never win at the hands of the people . . . despite many expensively-financed attempts.

These conservative Republicans oppose Rockefeller's confirmation for at least seven major reasons.

I. LACK OF POPULAR SUPPORT

In the latest Harris poll, taken in November only 39% of the American people approve of Rockefeller's nomination. 43% are opposed and 18% are not sure. The drop in Rockefeller's public standing since the beginning of the Congressional hearings is apparently due to public concern over two major issues.

According to that Harris poll, 47% of the American people believe there would be a conflict of interest if he were confirmed as Vice President because of his family's financial holdings and investments. 34% disagree with this view and 19% are not sure; 54% in the Harris poll do not believe that it was all right for him to give $2 million as gifts and loans to people he appointed to high office. 28% believe it was all right and 18% are unsure.

In the unique situation in which we now find ourselves (having a non-elected President who replaced a man forced to resign from the Vice Presidency and then who went on to succeed another man who was also forced to resign from the Presidency) it is vital, if public confidence in our political institutions is to be restored, that our newly appointed Vice President be a man (or woman) who has the full and unquestioned support of the great majority of the American people. If Nelson Rockefeller at this time had the confidence of only 55% of the people it would be an undesirable situation; the fact that he apparently has the support of barely 40% of the people makes his position untenable.

According to another poll conducted by the American Conservative Union, Rockefeller's support among people who regard themselves as conservative is practically nonexistent. Only 11% of the 3000 ACU members *polled said they* favored the nomination. Since conservatives make up the largest part of what is still the major conservative party in this country, it seems difficult to justify the nomination of a man who totally lacks support in the majority wing of his own party.

II. CONFLICT OF INTEREST

Although wealth (no more than poverty) should exclude no one from political office, Nelson Rockefeller is one of the very few Americans whose financial interest are so widespread that there is no conceivable way that conflicts of interests can be avoided. If, for instance, Rockefeller derived his wealth from one major source, such as automobile manufacturing, everyone would know this fact and any political judgments he made as Vice President or President which affected automobile manufacturing would be fully and fairly criticized by the press and public. Obviously, he would have to lean over backwards to avoid the appearance of favoring the Rockefeller Motor Corporation and that problem would then solve itself. The Rockefeller family holdings are so vast and so diversified, however, that there is practically no major part of our economy where Nelson Rockefeller does not have a financial interest.

The Rockefeller interests, directly and indirectly control between 8 and 10 million shares of Exxon, have a "substantial presence" in Mobil Oil, own all the preferred stock of Eastern Airlines, and hold at least 700,000 shares of the Chase Manhattan Bank which has branches in most countries of the world. In addition the Chase Bank through its own trust department, holds the largest single blocks of shares in United Airlines, Northwest Airlines, and Atlantic Richfield Oil, plus sizeable chunks of AT&T, IBM, Sperry Rand, Motorola, ITT, and so on.

As Senator Jesse Helms recently put it, "There is no way in which he can perform the duties of Vice President, or President, without laying himself open to the charge that his actions are tainted by the outlook or interests of the Rockefeller family dynasty. If the people had an opportunity to judge him in an election, the people could decide whether such a consideration should be decisive. But there is no way that he can take office under the 25th Amendment without that event appearing to confirm the hypothesis that the Rockefeller interests control the Nation, including the Congress. It is not fair to Mr. Rockefeller to put him in such an untenable position."

III. GIFTS TO PUBLIC OFFICIALS

In his testimony before the Senate Rules Committee, Rockefeller admitted that he gave gifts totaling some $2 million to 18 public officials over a period of several years. Several of the public servants were employed by the State of New York at the time. There is a New York state law which prohibits gifts of more than $25 in value to state employees for the purpose of "influencing them in the performance of their professional duties."

Again, although there is no specific evidence that these very substantial gifts were intended to be bribes to insure the performance of particular acts that these officials otherwise would not have performed, there is no doubt that this pattern of philanthropic behaviour has caused uneasiness in the minds of many people. 54% of the people polled by Harris, as we have seen, disapproved of this conduct.

Rockefeller has shown in this behavior a basically cavalier attitude toward the law of his own state. Because he doubtless believed that he had no improper intentions he took it upon himself to ignore a very clear law against giving gifts of any appreciable value to state public servants.

In effect, while Governor, he decided by himself to pay certain favored state officials higher salaries than the people of New York wished them to be paid. It is a well-established principle in all democracies that the legislature, the people's representatives, must control the purse-strings of government. By unilaterally changing the official salary scale, at the very minimum, he usurped an important power of another branch of government.

Rockefeller himself has essentially admitted that this policy was wrong since he has promised he will not give valuable gifts (with the exception of ordinary Christmas presents, etc.) to any federal employee if he is confirmed as Vice President.

As Senator Jesse Helms has recently remarked on the floor of the Senate, "It is now plain that Mr. Rockefeller conducted a governorship in which the restraints of law and custom were subordinated to his personal style of governing. It is for New Yorkers to decide whether his policies were wise; it is for the rest of us to decide whether his style ought to be transferred to the Federal executive offices."

IV. EXCEPTIONALLY HIGH TAXES AND RISING DEBT IN NEW YORK STATE

Aside from matters of conflicting financial interests and possible personal financial impropriety, the Congress should carefully consider Rockefeller's public record as Governor of New York before voting on his confirmation.

It is not only logical but necessary to evaluate that record before passing judgment on his fitness for the Vice Presidency or Presidency. Many people believe it would be a profound mistake to elevate a man who has so over-taxed his own state as to cause it to lose businesses and jobs at an alarming rate. Obviously, if he could pursue such a high tax policy in New York he could well try to impose yet higher levies on the Nation as a whole should he become President.

The record here is very clear. In his years as Governor of New York Rockefeller increased the cost of state government by an almost unbelievable 400%.

From 1959 through Fiscal 1974, New York State's budget went up from Democratic Governor Harriman's relatively frugal $1.9 billion to nearly $9 billion. Under Rockefeller's money-devouring administration, state taxes were imposed or increased at least every other year: in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. During his time in office, the maximum rates on the state income tax more than doubled, from 7 percent to 15 percent. Over the same period, the state gasoline tax went up from 4 to 8 cents a gallon, the cigarette tax from 3 to 15 cents per pack. A 4 percent state sales tax was imposed. In 15 years, the taxload of hard-pressed New Yorkers early quintupled. According to the Citizens Public Expenditure Survey, Inc., taxpayers in New York State are today the most overburdened in the U.S.

The bonded indebtedness of New York also increased 600% under Rockefeller. It is ironical that Rockefeller would have driven the state even deeper in debt were it not for the restraining influence of the State Comptroller, Arthur Levitt, a Democrat. Levitt has said, "Rockefeller and his staff fashioned devices whereby debt was imposed on the people without their vote. This was done despite the fact that the state constitution forbids the assumption of debt or guarantee of debt without the vote of the people."

The question naturally arises, will Rockefeller as Vice President or President be as cavalier with the laws and Constitution of the United States as he was with the Constitution of New York?

Levitt, in an interview with the American Conservative Union Union (*Battleline,* August 1974, p. 3), went on to comment that he disagreed strongly with Rockefeller's passion for building more and more buildings and thus pushing the state more and more into debt. "My feeling was," he said, "that with the rising inflation that began to be evident in 1966, 1967 and 1968 that it was improvident to embark upon huge spending programs beyond the capacity of our taxpayers to pay, expenditures involving huge borrowings, incurring debt that would extend many, many years into the future." Rockefeller maintained that since costs were increasing every year, it was wise to build now and thus escape higher costs in the future.

Of course, as Levitt has said, "This is the very essence, the very language and philosophy of inflation. My argument with him," Levitt went on to say, "was that although this might be appropriate for the private sector, even though I'd question its morality, for government to do this is a betrayal of the people."

Rockefeller's policy of tax and tax, spend and spend and elect and elect was popular with certain powerful vested interest groups which benefited (or thought they benefited) from inflation and debt. The construction unions, in particular, have long been pillars of Rockefeller's empire in New York State. For 15 years he ruled New York by forging an alliance of certain sectors of big business and big labor at the expense of the average taxpayer.

President Ford has said that our number one domestic problem is inflation, now running at about 12% a year. It is reported that, if Rockefeller is confirmed, the President will assign him the task of presiding over the administration's war on inflation. In view of Rockefeller's almost incredible record as a champion inflationist in New York, this would be tantamount to appointing the village arsonist fire chief.

V. LESS AND LESS JOBS AND MORE AND MORE WELFARE

As a direct result of Rockefeller's financially improvident policies in his home state, New York State lost 400,000 jobs during the years of his governorship. New York's share of the nation's manufacturing declined significantly during those years (from 11.2% to 9.2%). Many national companies moved to other parts of the country; thousands of businesses have fled across the Hudson to New Jersey since the cost of doing business in New York has become prohibitive for many industries.

At the same time the welfare rolls have grown larger each year until, in New York City alone, one out of every six persons is now a welfare client.

VI. WORLD FEDERALISM

Congressman John Ashbrook has recently pointed out that Rockefeller has long been an advocate of world federalism and that it would be less than desirable to have as a President of the United States a man who believes in submerging the sovereignty of the American nation under some form of world government. "I find it somewhat ironic," Rep. Ashbrook has said, "that—as our country is preparing for its 200th birthday celebration—a man would be nominated as Vice President who believes the nation state is an anachronism and who espouses the principles of international federalism."

VII. TAXPAYER-GUARANTEED LOANS TO COMMUNIST COUNTRIES

Rockefeller has also long been a proponent of trade with Communist nations, preferably subsidized by loans to Communist governments guaranteed by American taxpayers. Of all the questionable purposes for which our tax dollars are spent, surely one of the least excusable is to finance the shipping of U.S. technology and industrial plants to the Soviet Union—and this is a policy Rockefeller has favored for years.

CONCLUSION

As Congresswoman Marjorie Holt has put it, "It's a safe bet that a large majority of Republicans are unhappy with the choice of Nelson Rockefeller for the vice presidency. The party rejected his presidential ambitions in three past national conventions. I am unhappy with the choice, not only because it ignores the will of most Republican voters, but also because it fails to reflect the conservative mandate expressed by the American voters in the 1972 elections. President Ford is working so hard for consensus politics that he is risking an early alienation of conservative voters."

Congressman Steve Symms focused on the misgivings of many conservatives when he recently summed up his reasons for opposing Nelson Rockefeller's nomination. "Nelson Rockefeller," he said, "represents—in the mind's eye of most Americans—big government, big business, big labor, high taxes, the centralization of power and abrogation of liberty, which were all part of the Great Society, New Deal, paternalistic government approach which was soundly rejected at the polls in 1968 and 1972."

THE DEMOCRATIC PROGRAM FOR THE ECONOMY IS A RECIPE FOR SHORTAGES AND A RETURN TO CONTROLS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. KEMP. Mr. Speaker, yesterday this House unwisely reacted to the shortage of investment capital in this country by passing a $2 billion emergency public employment bill which can only be paid for through higher taxes or increased inflation.

It was said in debate that this was an important feature of the eight-point program for our faltering economy, formulated at the Democrat's Kansas City convention.

I would like to point out to my colleagues, both Republican and Democrat, who still believe in free enterprise, that the last part of the eight-point program is across-the-board wage and price controls. Have we not learned our lesson from the beef freeze?

As the Wall Street Journal correctly summed it up, all this is rather pitiful. It seems the Democratic Party can do no better than return to the New Deal prescriptions which not only did nothing to end the depression, but which, when followed by Britain, drove the economy of that Nation into nationalization of over 60 percent of the industry.

What is even more pitiful is the support the Democrats are getting from Republicans who should know better, and who at one time helped our party stand for free market economics and the incentive system of private enterprise.

As we add more workers to the public payroll have we forgotten that one out of every six Americans in the labor force today works for the Government and as the debts and deficits pile up, the growth of the public sector further erodes the capital necessary to truly stimulate our economy and provide more jobs and better wages for American workers.

At this point, Mr. Speaker, I include for the RECORD the following editorials:

THE DEMOCRATIC PROGRAM

The eight-point economic program adopted by the Democratic Party at its Kansas City convention invites at least one word of commendation. It has forced us to realize how imaginative and effective, by comparison, is President Ford's WIN button as a means of dealing with the nation's economic problems.

We assume that those who drafted the program intended for it to be taken seriously as a blueprint for national policy, by the economically literate as well as economically illiterate. But we can find very little that anyone could take seriously, other than out of a sense of horror that a national party in 1974 would merely resurrect the discredited panaceas of the 1930s. The program could only have been conceived by a committee of party hacks sitting around trying to imagine what Franklin Roosevelt, John Maynard Keynes and Henry Wallace might have proposed.

They recommend a public-service jobs program in which the unemployed worker does not even have to look for a job in the private sector before becoming eligible for a government rake or shovel. "To assist faltering businesses," they would revive the Reconstruction Finance Corporation to channel credit subsidies to the worthy. The Federal Reserve and other federal lending agencies are invited to allocate credit away from "speculative ventures" to "productive enterprises." Taxes for lower middle income people will be lowered by closing "tax loopholes." Two birds are slain with one stone by ending "those tax incentives that encourage multinational corporations to export American jobs and capital."

To fight inflation, the Democrats reach back to World War II, with a few creative twists. "We support an across-the-board system of economic controls, including prices, wages, executive compensation, profits and rents. Provision should be made for wage catch-up and price rollbacks." And to insure that the controls are administered equitably, authority should not be given to the Republican President, but to a special council managed by Congress, which would vest it with "whatever monitoring and enforcement procedures are necessary." Gasoline should be rationed.

All this is rather pitiful. The Democratic Party, which once prided itself on being a magnet for the nation's intellectual elite, can do no better than return to the fetal position of the Roosevelt coalition. All that's missing is a Blue Eagle and a plan to pack the Supreme Court with appointees of the Democratic Study Group.

But why should any parts of this program work now, when they did not work when FDR tried them? After eight years of Rooseveltian experiments with CCCs and RFCs, the U.S. economy was in no better shape than when the mess was inherited from Herbert Hoover. Nor did wage and price controls work much better in wartime, when administered by 300,000 bureaucrats,than they did when President Nixon tried them in peacetime. The program the Democrats now propose could not even be contemplated without also sealing off the U.S. economy from global trade. Otherwise all internal investment would grind to a halt, with capital fleeing abroad and with inventories exported at artificial prices.

The prescriptions of Kansas City are precisely the ones the British have followed in driving their economy into the ground. Sixty percent of all Britain's economic activity is managed in one way or another through the government, and the private sector continues to function only out of habit. There is no incentive to produce when what is produced is taxed away. If there is hope in the U.K., it is because the Labor Party has lately shown some small signs of turning away from the caricatured Keynesianism that has dominated British thinking—moving away from "incomes policies" and relenting on government taxation of the private sector.

The only other good thing about the Democratic package is that at the moment there is little chance the economy will be burdened with much of it. Congressional Democrats and organized labor went along with it at the convention only to preserve the appearance of party unity. "We aren't quite ready for all this yet," said George Mahon, chairman of the House Appropriations Committee. If the day ever comes when they are ready for all this, there will not be much left of the U.S. economy.

ANALYZING SOVIET POLICY TOWARD THE WEST

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. ASHBROOK. Mr. Speaker, with the recent announcement by President Ford on arms agreements with the Soviet Union, I think that it is important to understand Soviet policy toward Western Europe. The Soviet view of the two power blocs in Europe—their own and that of the United States and its allies—is an important consideration for American policymakers.

As Gerhard Wettig has written:

> Soviet representatives have always stubbornly insisted, especially during negotiations, that the reality which is to serve as a point of departure can only lie within the framework of Soviet ideas. . . . Soviet design, on the basis of Soviet power, decides what can become reality. It is up to the Atlantic and neutral States to bring into play their own design on the basis of their own power in order to determine the shaping of political reality, and not leave the decision on the structure of East-West relations to the U.S.S.R. alone.

In regard to this view, which I think is correct, it is also important to remember the composition of what Wettig refers to as "the framework of Soviet ideas." Gerhart Niemeyer has explicated what this means. Dr. Neimeyer has stated:

> Communists regard the present not as a status quo to be preserved, but as a period of transition in the revolutionary struggle

for a Socialist future. . . . The Communists are oriented toward a future which in no way resembles that of present-day democratic politics. . . . Their orientation toward the future causes the Communists to think not in terms of desirable solutions for present-day living, but rather in terms of an endless accumulation of power for the Party.

It is a serious mistake for any Western policymaker to neglect these fundamental insights into the nature of Soviet policy toward the West.

Too often free societies view the Soviet or Communist Chinese systems as simply other governments and societies with some type of goals as their own. This is both false and dangerous. False because the Soviets as explained before have a completely different outlook toward existence than do free countries. And dangerous because the misreading of Soviet intentions lead to Western policies which do not meet the Communist threat.

At this point I include in the Record an article *from* Osteuropa entitled "Soviet Policy Toward Western Europe":

Soviet Policy Towards Western Europe

(By Gerhard Wettig)

The Soviet attitude to cultural exchange is inextricably linked with Soviet ideas about how countries belonging to the two power blocs in Europe are to coexist. The two levels of international coexistence and social struggle are strictly separated in both definition and practice. But closer examination reveals that one and the same policy operates on both levels and that the two sectors are only differentiated for reasons of convenience. Two separate methods of procedure have been adopted. They are based on the desire to avoid risks and the endeavour to maintain opportunities and, in the final reckoning, revolve around the same objectives.

Both theoretical statements about the sort of relations between "socialism" and "capitalism" and the Soviet Union's practical proposals at the European Security Conference reveal Moscow's desire to fix definite rules of procedure for the relationship between the two power blocs. Soviet propaganda stamps the defamatory cold war tag on all rival concepts which would lead to other rules of procedure in East-West relations. This invective is also directed against ideas of understanding, reconciliation or rapprochement between the two camps. The Soviet side also makes use of the argument that any type of reciprocal relations which appears undesir*able to the USSR is* at variance with "reality". Soviet representatives have always stubbornly insisted, especially during negotiations, that the reality which is to serve as a point of departure can only lie within the framework of Soviet ideas. The logic behind this standpoint is that Soviet design, on the basis of Soviet power, decides what can become reality. It is up to the Atlantic and neutral States to bring into play their own design on the basis of their own power in order to determine the shaping of political reality and not leave the decision on the structure of East-West relations to the USSR alone.

When the Soviet side wishes to fix specific rules of procedure for its relationship with the West, this is meant to result in the establishment of specific conditions applying to the increasing process of exchange between the two camps—for material cooperation and for the political struggle along with resulting contacts and communication. The conditions aimed for are naturally adapted to Moscow's requirements and wishes. Among these requirements and wishes is the declared aim that the Western class enemy should be gradually outstripped and vanquished. It is therefore a question of establishing within the East-West relationship conditions granting the USSR and its camp a maximum of advantages and opportunities and a minimum of disadvantages and risks in the clash with countries possessing different systems. The States of Western Europe in particular are to be impeded as far as possible from asserting themselves politically against the Soviet side.

The nature of the conditions the Soviet Union would like to see established reveals the decisive problems. The Soviet concept of coexistence only permits a peaceful relationship between States while a militant relationship must prevail between societies. It is the declared assumption of Soviet political leaders that concentrating the clash on the social level will involve a maximum of disadvantages and risks for the Western side. Unlike the area over which the Soviet Union enjoys hegemony, the Western nations do not possess organisations on the social level which would combine and mobilise economic, cultural and ideological potential under the aspect of the East-West struggle on the social level or even guarantee a coordinated articulation of interests toward a third party. The pluralistic structure of State and society in the West offers a large number of targets for specific coordinated influence and divisive efforts on the East's part. From the Soviet viewpoint, this is a decisive factor of weakness which will be fully exploitable in a period of coexistence and detente.

STRENGTH FACTOR

But the West's pluralistic structure can also contain a factor of strength. As Moscow too clearly recognises, the manifold opportunities of economic and intellectual development in Western nations exert a powerful attraction on people everywhere, not least in Eastern Europe. Even where Western "seduction" is not effective, the Russians see the danger of the basic confrontation between East and West fading and of tendencies developing within their own camp for the other side's case to be considered. Western State and social systems could meet more understanding and tolerance, it is thought. Once the elimination of capitalism is no longer the aim of humanity, communism's international historic mission would be betrayed. At the same time, if this ideology's claim to represent universal liberty were to cease, there would be doubts about the justification for a strict system of Soviet domination which negates the opportunities of man's economic and spiritual development in order to carry through an ideology expressed in absolute terms.

Soviet leaders seek to neutralise the attractiveness of the Western pluralism of ideas and the Western pluralist model by all peaceful and violent means. Military intervention in Czechoslovakia after this country embarked upon a course of reform communism and the Police State's repression of the Soviet dissidents are striking examples. State security forces have the responsibility of deciding the battle on the social level within the Soviet sphere of dominion or, if possible, not allowing it to break out in the first place. Action by social organisations—such as the coordinated ideological campaigns by communist party apparatuses in the Warsaw Pact States—have no more than an auxiliary function. The social struggle is therefore a State matter wherever State power is controlled by the Soviet leadership and its stalwarts.

RUSSIAN CHANGE OF HEART

That was clearly revealed in connection with the European Security Conference when the non-communist States began to call for a somewhat freer exchange of persons, information and ideas between East and West. At first the Soviet Union was unwilling to discuss even the possibility of any social opening, that is to say a reduction of the protective barriers erected by the State in the East. Eventually the Soviet Union expressed its readiness to accept an item on the agenda to this effect but has since insisted with unerring consistency that the Eastern European States should be granted unlimited control over every detail of the exchange procedure, which is to be closely restricted, painstakingly directed and robbed of all political effect from them very outset. State coercion is to inhibit all movement in Eastern European society. At the same time however Moscow claims the right to assert its political influence on Western society without restriction. The Western States are to renounce unilaterally the use of force in the social struggle. As repeatedly stressed on the Soviet side, these conditions should lead to political changes being possible only in Western societies. There should only be a question therefore of the West conforming unilaterally to "socialist models".

The Soviet concept of coexistence promises peace, that is the elimination of hostility and violence, in the sphere of international relations. Relations between States belonging to the Soviet sphere of influence are however excluded from the very outset by the pointer to the commandments of "socialist internationalism," in particular the Brezhnev Doctrine. Any member of the "socialist community" which does not act in complete agreement with the Soviet leadership in both foreign and domestic policy must expect sanctions on the part of the USSR and its allies which may culminate in the use of armed force. Occasional Soviet statements about the struggle against "peaceful counterrevolution" within the Warsaw Pact sphere justifying the risk of military conflict with NATO also indicate a reservation as regards the renunciation of force in East-West relations. Finally, the theory that the principle of peaceful coexistence does not apply to relations between colonialists and colonised, justifies when necessary Soviet support of parties in civil or colonial wars in the Western world. In specific circumstances, military force can therefore be a means by which the Soviet leadership weakens Western States or groups of States.

SUICIDAL VENTURE

As long as there is reciprocal second-strike capability, the military balance of power between the two major powers makes direct conflict between them and their allies a "suicidal venture", as a Soviet writer recently stated. An armed East-West conflict bringing States into confrontation with one another as consolidated units and therefore providing the basic conditions for the possible use of nuclear capacities is therefore to be avoided. But that does not mean that Soviet military power no longer has any function in international relations. "Not even in a period of detente are the socialist States willing to dispense with a sober appraisal of the balance of power." "A realistic approach to the question of the power balance" is seen as "necessary security for firm and lasting peaceful coexistence".

The USSR and its allies cannot of course "gullibly place their trust in their opponents in the class struggle", in other words the Western countries. The Soviet leadership therefore continues its programme of nuclear and conventional rearmament, especially in sectors where the Russians are superior and the West is reducing its capability. As a result of these endeavours, a "balance of power favourable to socialism" has now developed, it is stated in Moscow. This verdict is based primarily on the state of affairs in Europe. According to Soviet theories, the Western States are forced by their relative weakness to agree to the Soviet Union's ideas more than in the past.

The military superiority achieved is considered and employed as a factor of political strength. It can therefore be understood why the Soviet leadership, even though it is not considering military employment of its forces in the foreseebale future, is continuing to increase its armanents and opposes the fixing of a balanced military relationship between East and West. At the strategic arms limitation talks (Salt) the Soviet side is trying to maintain and expand the quantitative lead it was granted as a result of its one-time qualitative inferiority, even though it has now caught up technologically. During talks on a mutual and balanced reduction of forces (MBFR) the Soviet negotiators are trying to make their Western partners agree to an arrangement which would increase the East's qualitative superiority in Europe. The official argument states that the balance of power favouring the East should not be reserved. From the Soviet view-point only increasing military superiority on the part of the East provides a guarantee that opposing forces will be kept in check and its own aims achieved by peaceful means.

SOVIET PROPOSAL

The Soviet proposal for multilateral renunciation of the use of threat of force between States of different systems indicates that military strength is not to be made politically effective by means of unqualified coercion. But military strength can also help influence international relations in different fashion. A power which possesses the ability to exert irresistible force in a specific sector and at the same time reveals its desire to push through its objectives against inferior countries will not generally need to make any express threat to emphasise its wishes. Those countries which need to fear possible armed conflict will probably consider it the lesser evil to step down in time and as a precaution eliminate any factor that could result in the outbreak of hostilities. This situation could arise in relations between the USSR and the States of Western Europe if the Eastern bloc was able to increase its qualitative military superiority in Europe or if it found itself in a position of power without a counterbalance due to possible estrangement between Western Europe and the United States. In this case it would be more than probable that Western European governments would see themselves forced to conform more and more to Moscow's wishes even though they might not be expressly faced by threats of force.

The Soviet side is evidently aiming at a development of this type. Even today Moscow's propaganda towards the West occasionally employs military superiority as an argument why European countries outside the Warsaw Pact should agree with Soviet ideas. The Western Europeans in particular are called upon to abandon the concept of deterrence and the preservation of military balance and cease the "confrontation" resulting from the existence of the Atlantic Pact. Western attempts to offer military opposition to the USSR in Europe are hopeless from the very outset in view of Soviet strength, propagandists claim. At the same time this policy leads to risks of instability and war which are untenable for Western Europe. As a way out of this situation it is suggested that the countries of Europe should found their security on the Soviet Union's renunciation of force and promise to preserve peace as the Soviet Union is the only power with sufficient military means to keep such promises. This concept of a hegemonial security guarantee for Europe would be furthered if a system of European liaison were to institutionalise political relations to the USSR for the continent's Western-oriented countries.

This is the way the Soviet leadership would like its proposals on "European security" to be considered. The USSR's foreign policy experts have long claimed that a system of collective security must be established in Europe. A network of Pan-European structures would therefore be superimposed on the alliances and partnerships currently existing on the West and gradually take over the security and economic functions of these Western groupings. Nato, the Western European Union and the European Community would therefore lose the basis of their existence. At the same time Moscow looks upon the Warsaw Pact organisation as an instrument that will increase in importance as the process of detente progresses. The Pan-European agency for security and cooperation aimed for by the Soviet side at the current European Security Conference would determine and strengthen Western Europe's reorientation to an alliance with the USSR.

MISLEADING BASIC ASSUMPTIONS

A system of collective security is a basically dubious method of preserving peace. According to the basic idea behind this scheme, any member State attacked would always be able to rely on the support of other members. Accordingly, any victim of an act of aggression should have an overwhelming majority of the powers and superior power on its side. Therefore, the argument runs, the possible aggressor could not hope for success and would consequently be deterred from using force from the very outset. That is the theory. In practice, it is quite different, as the League of Nations experience revealed. Two basic assumptions are revealed to be misleading on closer examination. In a case of crisis, it is not clear to everyone who the aggressor is nor are States committed to support the country attacked willing to sacrifice their own interests. If a State has more ties with the aggressor than the country attacked, it will at most remain neutral.

Even those countries which advocate support in principle will first of all calculate the risks of action. As the roles of attacker and attacked are not always obvious, or at least exposed to propagandist distortion, a violation of commitments entered into can always be represented as conforming to the agreement by stressing the right facts.

Additional problems arise if the scheme of collective security in Europe is to guarantee peace between East and West. Among the European States the Soviet Union would possess military superiority and this state of affairs would still remain if the other powers combined. In these circumstances the Soviet Union would automatically assume the role of a protector and hegemonial power over all of Europe, it would not need to make allowances for other States in its actions and would at the same time become the decisive power in cases of dispute arising in other sectors. In the case of conflicts between Western and Eastern countries, it would have to be assumed the criterion used in defining the aggressor would be based on the Russians' ideological theory that "socialist States" cannot be guilty of causing the outbreak of armed hostilities in view of their social structure. The existence of the "socialist community" as an active alliance strictly regimented by the USSR (and based ideologically on what has become known as the Brezhnev doctrine) rules out varying action on the part of Warsaw Pact States in case of conflict from the very beginning. But a system of collective security in Europe would tend to weaken and eventually end the USA's security commitment.

AIM OF SOVIET COEXISTENCE

The envisaged security system would be an ideal means of achieving the gradual transition from "capitalism" to "socialism" that is an aim of Soviet coexistence. This would create a state of affairs on the European continent which would only allow the USSR and its allies to use military force in the pursuance of its aims. As a result, the Western nations of Europe would depend on Soviet goodwill and would therefore have to accept unreservedly Soviet conditions for the social struggle between East and West. The already existing one-sidedness of success prospects on both sides—the largely riskless chances of intervention on the one side and hopeless defence risks on the other—could then be perfected and guaranteed.

One of the demands raised by the East in connection with the European Security Conference indicates the course that would be taken. Western governments, it is stated, should no longer use the excuse of Western freedom of opinion to shirk their responsibility for ensuring that the only influence emanating from their countries are in accordance with peace and morality. In other words, Western governments are expected to exercise censorship in their societies with the aim of preserving the States of the Soviet camp from the Western influences which are undesirable to the drafters of Soviet policy. In the event of Soviet hegemony over Western Europe it could be forecast without difficulty that Western governments would be requested to ensure that Eastern Europe was shielded against Western ideology and that pro-Soviet communist forces in Western societies should be guaranteed ideal operating conditions.

It is probably no coincidence that Soviet statements always contain reminders that "peaceful coexistence" and the rules of procedure governing this will have to be "imposed" on imperialism. Finally, the representatives of the Western system will be forced to accept the prospect of increasing suppression without being able to take countermeasures.

SOVIET POWER OPPORTUNITIES

The extent to which these Soviet ideas of "peaceful coexistince" materialise depend on the opportunities the state and the conduct of Western groupings offer the spread of Soviet power. The Soviet leadership is completely aware of this fact. It is always seeking to derive the maximum of advantage but is also willing to accept more balanced arrangements when the aim in sight has proved unattainable after long and stubborn efforts. Admittedly, the current crisis in the Atlantic alliance, Western European integration, Western self-assertion and democratic liberal awareness does not make Soviet modesty appear appropriate. Moscow therefore believes that there are good prospects for a programme of coexistence demanding from Western countries an unreserved social opening for enemy attacks, a far-reaching dismantling of instruments of military power and general confidence in the peaceful and harmless nature of Soviet policy, while prescribing for the Warsaw Pact countries strict measures to ward off Western influence, continuing consolidation of their military positions in Europe and a complete prevention of "misplaced confidence" in the West.

Current Soviet arguments skillfully take advantage of the West's weaknesses. Significantly, the theory of possible military inferiority on the Eastern side with which certain groups like to play down conceivable dangers from the East and encourage unilateral Western disarmament is not accepted. The existence of a large Soviet military force is not to be supplanted from the minds of the Western public in case the USSR's political proposals lose some of their weight. Instead, as Michail Voslenski recently wrote, Western deliberations must be based on the premise that Soviet military power is "not a threat to other countries but a factor in the preservation of peace". In other words, military superiority is not to be considered as alarming when it is in Soviet hands. Western Europe is to base its future security on this assurance. Michail Voslenski interprets signs of political disorientation in Western societies as proof that "this realisation" is beginning to be accepted in the West as well. It cannot be deemed possible, he adds rhetorically, that the Western Europeans were more worked up about bans on Sunday driving than the growing precariousness of the security situation, if there was such a thing. "What rational human being would consider such a schizophrenic attitude of whole nations and States to be possible!" No—Western conduct could only be interpreted as evidence of "confidence in the peaceful intentions of the USSR". At the same time this is meant to display irrefutably the harmlessness of Soviet policy.

MILITANT NATURE OF RELATIONS

But Soviet commentators and politicians consider it quite certain that relations with the West will also have to be of a militant nature even if the conflict has to be restrained in certain aspects because of the risks existing and the USSR displays great interest in many of the West's economic and technological achievements.

During all practical cooperation resulting from Soviet needs, the Eastern camp's relationship with the West must therefore be determined by the awareness of an insurmountable antithesis and unrelenting militancy if "socialism" is not to give itself up. A large number of institutions deriving the justification for their existence from ideology are continually converting this ideological maxim into political action. Whenever Soviet interests demand measures of cooperation or a pragmatic renunciation of confrontation, these ideological tribunals have to subject this action to strict examination of the possible effects of this collaboration. The practical conditions and theoretical interpretation set out serve the aim of giving colloboration with representatives of the West the function of purely pragmatic conduct without any indication of partnership. The ideological and institutional structures of the Soviet camp aim at neutralising the politically psychological effect that could result from detente and cooperation between East and West so that the guiding light of militancy against the West can be upheld uncontested under conditions involving a renunciation of Cold War.

ELIMINATION OF WESTERN SYSTEM

The idea that the Western countries' system must be eliminated is an important determining factor in Moscow's long-term political considerations. This gives rise in particular to moral justification of a code of conduct which uninhibited pursues the East's own advantage and aims relentlessly at the elimination of other power blocs. As the East's own aims of dominion are coupled with its claim to ideological supremacy, the clash with the West appears as a bitter "struggle" or even "war", and never as "rivalry". In other words, the East is unwilling to recognize any rules which would grant the opponent a rise to advantages and opportunities and accordingly tend to restrict its own freedom of manoeuvre. It is more a question of refusing the other side as many advantages and opportunities as possible and at the same time warding off all risks and disadvantages which threaten one's own side. The more onesidedly the rules of battle favour one's own camp the better. An attitude of this type does not necessarily exclude the use of force. After all, it would appear to favour the opponent unjustifiably if the East were not to seize the certain chance resulting from the use of arms in a specific situation. Soviet adherence to a basically anti-Western attitude is therefore no basis for coexistence that would really be peaceful.

Coexistence between East and West is still burdened by political tension and the risk of the direct or indirect use of force. The factors inhibiting the use of military force result from the situation and not from a basic desire for peace. There is therefore only a guarantee of continued peace and detente if both sides continue to possess the political and military arsenals to convince the other side of the impracticability of uninhibited force as a means of resolving conflicts and if sufficiently balanced conditions of political confrontation within the societies arise so that the Sovet leadership no longer derives any advantage from its militancy and in the longer term displays interest in an East-West relationship based on tolerance and understanding.

THE FEMALE EQUATION

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mrs. MINK. Mr. Speaker, I would like to call to the attention of the Members the following excellent article which appeared in the November issue of the American Education magazine written by Kathryn G. Heath who is Assistant for Special Studies in the U.S. Office of Education:

THE FEMALE EQUATION

(By Kathryn G. Heath)

Sixteen years before *A Vindication of the Rights of Woman* by Mary Wollstonecraft was published in England, a Colonial woman on the other side of the Atlantic wrote a prophetic letter to a delegate to the Continental Congress in Philadelphia. The date was March 31, 1776—midway between the New Year's Day publication of Thomas Paine's *Common Sense* and the signing of the Declaration of Independence.

The author of the letter was Abigail Adams, wife of one future President and mother of another, who had learned to read and write without benefit of the formal schooling usually reserved for her peers of the opposite sex. Its recipient was her husband, whom she admonished:

"*. . . in the new Code of Laws which I suppose it will be necessary for you to make I desire you would Remember the Ladies, and be more generous and favourable to them than your ancestors. . . . If particular care and attention is not paid to the Ladies we are determined to foment a Rebellion, and will not hold ourselves bound by any Laws in which we have no voice or Representation. . . .*"

A century later, however, and for almost a century after that, educational opportunities as well as laws remained considerably less than "generous and favourable" as far as "the Ladies" were concerned. Even so, there were some indications along the way that men might be forced one day to face the female equation.

An early sign arose in 1819 when Emma Willard issued *An Address to the Public; Particularly to the Members of the Legislature of New York Proposing a Plan for Improving Female Education*. A Magna Carta for the higher schooling of women, the plan called for public endowment of an institution that would offer systematized instruction having educational substance. The legislature proved apathetic but the citizens of the town of Troy came to her aid, and the Troy Female Seminary she founded in 1821 led to others. For example, Catharine Beecher, an early advocate of domestic science, opened a school in Hartford in 1822 and later the Western Female Institute in Cincinnati. An activist in what she termed "securing professional advantages of education for my sex equal to those bestowed on men," she sought to arouse the public to endow still other institutions for the liberal education of women.

In 1882, a different approach to the encouragement of female education began to unfold. Sarah Josepha Buell Hale, a writer who had been tutored by her Dartmouth brother, began to publish the new *Ladies Magazine*. Two years later Louis A. Godey started *The Lady's Book*, and in 1837—a landmark year as it developed—bought out his competition and ensconced Mrs. Hale as literary editor. Her work quickly gained a national reputation for Godey. One of her never-ending purposes and certainly her favorite reform effort was the education of females to become more than hearthside hostesses. Step by step through the years she campaigned for high schools for girls, promoted the idea of normal schools and colleges for women, even outrageously urged medical education for women at a time when such training was regarded as plainly inappropriate for "delicate souls." The conclusion of her editorial career of nearly a half a century marked the beginning of the upsurge in higher education opportunities for women throughout the land.

Far-reaching events other than the influence of *The Lady's Book* made 1837 a historic year for women. That was the year for realization of the dream and crystallization of the career of Mary Lyon, who wanted young women to have the chance to attend a seminary of superior academic quality at an inferior price. Against almost interminable discouragements, she raised funds through private philanthropy for a distinguished institution that offered its first instruction in 1837 and, in time, became Mount Holyoke College. That year also saw the inauguration of co-education at the college level, and three of the first four women for the four-year course received their B.A. degrees in 1841 from Oberlin Collegiate Institute.

Their matriculation proved, however, to be something less than a recognition of the principle of equality of educational opportunity for the two sexes, for they were barred from the study of Greek or Latin on the ground that the "rigors of these languages" were too great for the "female mind." Moreover, a gross disparity in timing was involved. The decision to establish the institution soon known as Harvard College was made in 1636, and the first class of "English and Indian youth"—meaning males—was admitted two years later. By contrast, 199 years were to pass before the first door was opened to baccalaureate degrees for women. And for that matter, it took another half century before Harvard's coordinate sister, Radcliffe College, offered instruction resulting in conferral (in 1894) of the first baccalaureate degree on a "Cliffie."

In any case, the early decades of the 19th century did at least see the first steps toward introducing women to organized secondary and postsecondary education, tentative though that introduction may have been. In addition, an alternative to privately financed education for women also had begun to emerge. A State law enacted in 1827 required towns of a certain size in Massachusetts to employ a master to offer "instruction of utility" to young lads, and towns of a larger size to broaden that instruction to include such subjects as Greek and Latin. To get their money's worth, these towns sometimes allowed girls to fill empty places in the classes. A more subtle but in the long run more significant development also occurred in Massachusetts in the form of laws enacted between 1827 and 1834 that required tax support for public schools and declared them free to pupils.

Ultimately this concept of universal tax-supported schooling was to give a dramatic new dimension to the principle of equality set forth in the Declaration of Independence, but that time was not at hand in 1840. Witness the Sixth Decennial Census conducted that year. At the instigation of Henry Barnard of Connecticut (later to be the first U.S. Commissioner of Education), statistics about schooling were included for the first time. Women, however, like blacks and Indians, were not considered in the enumeration of citizens over the age of 20 who could neither read nor write.

Similarly, women abolitionists were excluded from delegate participation in a World Anti-Slavery Convention held in London in 1841, even when they represented antislavery groups composed entirely of females. For two of the women thus excluded, that action was the last straw. Said Elizabeth Cady Stanton to her friend Lucretia Mott. "When we return home, we must hold a convention and form a society to advance the rights of women." The result was the first women's rights conference the Nation had ever seen, convened in 1848 at Seneca Falls, New York.

And so it was that three quarters of a century after Abigail Adams made her prediction, the rebellion surfaced. The history of mankind, the delegates declared in their overriding "sentiment," is "a history of repeated injuries and unsurpations on the part of man toward woman, having in direct object the establishment of an absolute tyranny over her." Buttressing this "sentiment" were 15 "facts" which they submitted "to a candid world." The one on education declared: "He had denied her the facilities for obtaining a thorough education, all colleges being closed to her." This statement was almost but not quite true. College doors already had opened to women, but by so small a crack that the 300 men and women at the Seneca Falls Conference evidently had not yet noticed it.

In any case the Abigail Adams rebellion had been launched, though numerous other developments proved to be necessary before it achieved substance or even significant recognition.

One such development occurred in 1862 while the Nation's Civil War was raging. President Lincoln signed the Morrill Act as the first of a series of Federal laws providing grants of land and other support for establishment and maintenance of what became known as the "Land-Grant" institutions of higher learning. None of these laws contained provisions specifically discriminating against females. Nevertheless, initial practice in the States often barred women from admission, and even after that situation began to be eased they were either excluded or else denied anything approaching equal access to programs in certain fields—forestry, law, and medicine, for example—on grounds that these were not "women's fields" or that women would not put into productive use the expensive training involved.

Still, the Land-Grant institutions did open up wider opportunities for women—not only in these institutions but in an array of private institutions of higher learning, including many women's colleges established primarily in the East. As Mary Woolley put it during her Mount Holyoke College presidency, the era of expansion from about 1875 until the first World War was marked "by an advance in the education of women such as the world has never seen." Moreover, with the incentive thus established to prepare more students for higher education, schools below collegiate level began to be created at an accelerated rate, and females were the incidental beneficiaries.

Meanwhile, the Civil War brought a fresh examination of Congressional power under the Constitution to "provide for the common Defense and general Welfare of the United States." There ensued a new exploration of the scope of power at Federal level and of those areas—education was one—involving concerns and issues that transcend State lines. One consequence was a memorial to the Congress resulting in legislation enacted March 2, 1867, and establishing what was to become the U.S. Office of Education. It was created, according to language in the law, to "aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country."

Henry Barnard, the first Commissioner of Education, immediately developed a Plan of Publication calling for a series of studies of what he saw as some of the major educational issues confronting the Nation. One was entitled "Female Education, with an account of different seminaries for females in this country and in Europe." The subtitle was a telling clue to women's contemporary educational and employmnet status. Seminaries were at a lower level than colleges, and those seminaries open to women did not offer training in such "men's fields" as the ministry, law, medicine, agriculture, and the mechanical arts.

Shortly thereafter (in June of 1867) the Commissioner issued a Circular Respecting Female Education, seeking current information from leaders in education at home and abroad. Though the leaders were men, Commissioner Barnard's initiative was of no small moment to the women's rights movement. This particular request inaugurated the Federal practice of routinely collecting, analyzing, and disseminating data on the educational status of girls and women. It also established the foothold for Federal action in the evolution that was to make the national Government a partner, albeit an often reluctant one, in the rebellion Abigail Adams had foreseen and the Seneca Falls Conference had launched.

One such development occurred in 1909 with the convening of the first in a series of White House Conferences on Children and Youth. Out of that initial meeting came, in 1912, the establishment of the Children's Bureau, whose work in getting States to outlaw child labor served to supplement an Office of Education drive to encourage compulsory school attendance throughout the land, with girls again being incidental beneficieries in both cases. Seven years later the Secretary of War, impressed by the contributions of local women's groups in meeting the Nation's needs in 1917–18, authorized some special funds to stimulate attendance at a conference held in St. Louis in 1919 which resulted in the founding of The National Federation of Business and Professional Women's Clubs. Indignant over the prevalent attitude that the education of girls was less important than that of boys, the Federation mounted as one of its early programs a nationwide campaign, carried out through State and local clubs with the cooperation of leaders in education, to encourage girls to stay in school beyond the eighth grade.

The following year, 1920, brought some landmark advances in the drive for women's rights, again with action at the Federal level. June 5 marked the establishment of the Women's Bureau in the Department of Labor, with responsibility for formulating standards and policies to promote the welfare of wage-earning women. Its early studies made official what women already knew: Regardless of how much education they had, they occupied the low rungs on the employment ladder. Then on August 26 came the addition to the Constitution of the 19th Amendment, enfranchising women nationwide—72 years after such action had been called for at the Seneca Falls Conference and 50 years after the antislavery 15th Amendment recognized the right to vote for "citizens of the United States" (a term that did not extend to females, as Susan B. Anthony demonstrated when she was arrested and convicted for trying to enter a polling booth in 1872).

Momentous though the 19th Amendment was, the celebration of that breakthrough was considerably dimmed by the fact that women as individuals still were excluded by the Supreme Court from coverage by the 14th Amendment, adopted in 1868 and prohibiting "persons" (interpreted as males) from being denied "due process of law" and "equal protection of the laws." A case in point was that of Myra Bradwell in 1872. Though she had duly been educated in law, an Illinois statute was used to deny her the right to practice. The United States Supreme Court upheld the State law and refused to apply the 14th Amendment in her case, though it did so in employment suits involving males, including alien men. It was, in fact, not until 1971, in *Reed* v. *Reed*, that the Court began to change its stance.

Winning the right to vote was nevertheless a major victory for women, but it was one of the last they were to claim at the national level until World War II. They continued, of course, to make progress on their own. Despite accumulating evidence that females were treated as second-class citizens by the schools and colleges, when war clouds broke over the horizon in 1939 the United States could claim the lion's share of the best educated women in the world. In the military and in civilian capacities ranging from Rosie the Riveter to entrepreneur, they won the Nation's respect. But not to the extent, as individual leaders and various women's groups insistently pointed out, that they were treated on an equitable basis with men. In education, for example, male faculty members received far higher salaries than their female counterparts, men overwhelmingly dominated the ranks of school administrators, countless women were snubbed by professional schools.

Winds of change finally began to blow with the establishment in 1961 of the President's Commission on the Status of Women and a followup drive by The National Federation of Business and Professional Women's Clubs to organize similar commissions at the State level, a move that ultimately resulted in formation of the Interstate Association of Commissions on the Status of Women. It was not until March of 1963, however, that the modern women's liberation movement was launched by the publication of The Feminine Mystique, a book that established Betty Friedan as the Thomas Paine of the rebellion Abigail Adams had called for nearly two centuries earlier.

This call to action was followed in October by American Women, the report of the President's Commission and the first effort to produce a composite picture of the status of women for purposes of national policy-making. The report called, for example, for a drastic revision of the structure of education so as to provide for "practicable and accessible opportunities, developed with regard for the needs of women, to complete elementary and secondary school and to continue education beyond high school . . ." Less than a month later President Kennedy established an Interdepartmental Committee and a Citizen's Advisory Council on the Status of Women, and not by coincidence Congress shortly thereafter authorized the Economic Opportunity Act of 1964 and for continuing education in the Higher Education Act of 1965.

Such advances were accompanied, however, by a noteworthy setback involving the Civil Rights Act of 1964. As women leaders were quick to point out, though this controversial legislation was strong in prohibiting discrimination in public education on the basis of race, color, religion, or national origin, it was silent on sex discrimination. Thus, they said, educational institutions could and did continue to discriminate against girls and women in admissions, the right to take particular courses, and opportunities for scholarships and fellowships. Moreover, women performing educational duties in educational institutions were exempted from coverage under the equal employment opportunity provisions of the law, thus affirming such existing practices as lower pay for women than for men, fewer opportunities for promotion, and poorer fringe benefits. These injuries were in turn compounded, the women felt, when the related Executive Order 11246—issued the next year—ignored sex discrimination under thousands of Federal contracts with schools and colleges and under federally assisted construction contracts.

Number 11246 was destined to become one of the more noted of the Executive Orders that are issued from time to time, for it attracted the particular attention of the various new activist groups that were coming into being. One of these was the National Organization for Women, more familiarly known as NOW. Founded in October of 1966. NOW was the first of what soon became an array of vigorous organizations established to fight for women's rights, and its members promptly selected Executive Order 11246 as a primary target. Lobbying their case with the Department of Justice, the Civil Service Commission, the Citizens' Advisory Council on the Status of Women, and the White House itself, they were able just 12 months later to point with considerable satisfaction to Executive Order 11375, which amended its predecessor by adding a prohibition of discrimination by sex.

That was no small victory, for the revised Order was the first (and for a time the only) Federal mandate bearing on the situation. Although some observers initially may have seen this administrative fiat as little more than a palliative to some irate females, its potential was to be made clear by another of the new activist groups—the Women's Equity Action League (WEAL). Organized in November of 1968, WEAL jolted academe 14 months later by starting to file specific and class action charges against hundreds of institutions of higher learning in virtually every section of the Nation, accusing them of discrimination by sex and relying on the amended Order. In the following year, and again relying on the revised Order as its authority, came another sweeping attack, this time by the newly established Professional Women's Caucus, organized to cut across the professions and thus assure a spectrum of expertise in activities aimed at opening up educational and professional opportunities for girls and women. Charges by the Caucus were directed at all law schools having Federal contracts. In total, more than 2,500 accredited institutions of higher learning found themselves under class action charges.

Thus did the drive for women's rights gain momentum, leading to a number of additional advances at the Federal level. In mid-1970 the Department of Health, Education, and Welfare's Office of Civil Rights notified its regional directors that "investigations of sex discrimination must be a part of all compliance review, and . . . all affirmative action plans in the future must address themselves to overcoming matters of sex discrimination."

Meanwhile, encouraged by Republican Congresswomen, President Nixon in 1969 had appointed a Task Force on Women's Rights and Responsibilities. Out of the recommendations contained in its subsequent report—*A Matter of Simple Justice*—came such developments as the appointment of the first woman counselor to the President and the establishment of an Office of Women's Programs in the White House; extension of the jurisdiction of the Commission on Civil Rights to include sex discrimination; additions to equal pay provisions of the Fair Labor Standards Act of 1938 to cover executive, administrative, and professional employees, including teachers; and establishment of a Women's Program Staff in the Office of Education. Also sparked by the report were establishment of the Secretary's Advisory Committee on Women's Rights and Responsibilities and appointment of a task force in the Office of Education to examine and advise on the impact on women of programs administered by the Department as a whole and the Office of Education in particular.

By application of such administrative pressure, the women's rights movement was achieving change. but the pace was frustratingly glacial. It was time, the women's groups and their supporters determined, to renew their efforts along that most characteristically American route to redress of grievances—through legislation. Thus as the Nation entered its bicentennial decade, a concentrated drive was launched to achieve through new legislation the equity that the inertia of custom and tradition denied.

Among the landmark Federal legislation enacted thereafter was an amendment to the Public Health Service Act adopted in November of 1971 which forced some 1,400 schools and training centers in medical and other health fields to open their doors as wide to women as to men—as a condition for further Federal financial assistance. Beyond its more visible impact, this legislative breakthrough brought home what was quickly recognized as a guiding principle. As Carnegie Corporation President Alan Pifer put it, "Without the threat of coercion it seems unlikely higher education would have budged an inch on this issue. Certainly it had every chance to do so and failed."

Then an organized lobbying blitzkrieg in the 92nd Congress by women's groups and their supporters proved successful—after 49 years of struggle—in winning endorsement by both houses of the Congress of a joint resolution proposing an Equal Rights Amendment to the Constitution. "Equality of rights under the law," it declares, "shall not be denied or abridged by the United States or by any State on account of sex." Final action on the resolution calling for the amendment, which now is in the hands of the States for the necessary 38 ratifications, came on March 22, 1972.

Two days later the Equal Employment Opportunity Act of 1972 broadened the purview of the Civil Rights Act of 1964 to include persons (a word that now at last includes women) employed by States and their political subdivisions and those employed in educational activities in private as well as public educational institutions.

Three months after that came the Education Amendments of 1972, a far-reaching act that included a legal blockbuster on behalf of girls and women. With specified exceptions, it declared, "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance." Since the great majority of schools and colleges do in fact receive such assistance, and want to continue doing so, the recently proposed Federal regulations for carrying out this act charts a level of change not far from revolutionary.

From these major legislative advances—and from other legislative action that is filling in the gaps, from an array of court decisions and consent decrees, and from the vigorous campaign to win ratification of the Equal Rights Amendment—come the signs that the female equation will one day be brought into balance. That day may not be just around the corner. Nevertheless, as the Nation prepares to celebrate its 200th anniversary, it is reasonable to expect that the rebellion which Abigail Adams sought to foment in 1776—like the one her husband then was engaged in—will be crowned with success.

REBATES ON AIR FREIGHT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. DINGELL. Mr. Speaker, the amendment bans solicitation or acceptance of rebates by shippers of airfreight. At this time the giving thereof is illegal. But foreign-flag carriers with fair regularity offer financial incentives, rebates, and so forth, to American shippers.

Other statutes relating to other carriers on land and water now prohibit this practice, but CAB has no power to halt this practice, soliciting and accepting rebates by American suppliers.

The amendment I offer conforms the law relating to air carriers and air shippers to the law now in effect as to other modes of transportation.

In effect, the amendment would add the provisions of H.R. 17047, introduced earlier by me, to the legislation before us.

Pursuant to permission granted, I insert into the RECORD a letter from the Civil Aeronautics Board in support of the provisions of H.R. 17047 and so the provisions of the amendment, which explains the need for, and the working of the amendment. The letter follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C., December 13, 1974.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the Board's views on H.R. 17047, a bill "To amend the Federal Aviation Act of 1958 to prohibit the solicitation or acceptance of rebates by shippers of property in air transportation, and for other purposes."

Section 403(b) of the Federal Aviation Act (49 U.S.C. 1373(b)) prohibits air carriers and foreign air carriers from granting rebates, and carriers engaging in such practices are subject to criminal penalties under section 902(d) of the Act (49 U.S.C. 1472(d)).

H.R. 17047 would amend section 403(b) so as to prohibit shippers of property in air transportation and certain other specified persons from soliciting or accepting rebates. Persons violating the prohibitions would be subject to the section 902(d) penalties.

Rebating is a serious problem for a number of reasons. One is that it enables some shippers to obtain advantages that others do not enjoy. Another is that rebating can have material and detrimental effects on the financial health of the carriers, and ultimately on the air transportation system. The Congress itself has recognized the serious difficulties that rebating can cause by forbidding the carriers to engage in the practice and by imposing criminal penalties on them for violations.

Shippers of property by rail, motor and water carriers are made subject to penalties by various provisions of the Interstate Commerce Act (49 U.S.C. 1) and the Elkins Act (49 U.S.C. 41(3)) for soliciting or accepting rebates. In addition, shoppers by ocean carriers are subject to penalties under the Shipping Act, 1916 (46 U.S.C. 815) for engaging in similar practices. The Board understands that inclusion of these statutory prohibitions has operated as a deterrent against shippers seeking rebates.

In view of the foregoing, the Board supports the enactment of H.R. 17047.

Sincerely,

ROBERT D. TIMM,
Chairman.

FARM BUREAU PRESIDENT WARNS AGAINST NEW GOVERNMENT BUREAUCRACY, BLASTS OSHA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 13, 1974

Mr. ASHBROOK. Mr. Speaker, I was very impressed with a recent speech by William Kuhfuss, president of the American Farm Bureau Federation. In an address to the National Association of Independent Insurers, Kuhfuss warned that the creation of new Government bureaucracies such as the Consumer Protection Agency could result in new highs in the cost of living. Kuhfuss stated:

Every new government agency swells the already bloated federal payrolls, puts a new burden on the taxpayer, and adds to the cost of doing business. These increased business costs are passed on to the consumer in higher prices.

Kuhfuss also had strong criticism for one bureaucracy that is already in existence—the Occupational Safety and Health Administration—OSHA. He pointed out that some OSHA regulations demonstrate a lack of practical knowledge of farming operations. Although OSHA regulations waste many hours, they achieve little in safety. Kuhfuss went on to say:

> Farmer, who constitute only 4.4 percent of the U.S. population, have had an almost impossible job in challenging some of OSHA's unrealistic regulations which have handicapped agricultural producers in meeting record food needs. Farmers and ranchers have taken many hours from their production jobs to appear at OSHA public hearings. Proposed regulations on some mandatory safety requirements on farm machinery, for example, reveal considerable lack of knowledge of the practical applications involved in farm operations. Of equal importance is the waste of time, manpower, and resources in relation to the achievement of increased safety.

I agree wholeheartedly with Kuhfuss' sentiments. I had doubts about OSHA when it was first proposed and I voted against its final passage in the House.

My doubts have certainly been confirmed. Farmers and businessmen are being forced to comply with more and more OSHA regulations—regulations that are difficult and costly to meet.

It is time that Congress moved to cut bureaucratic redtape. Rather than creating additional Government bureaucracies, Congress should thoroughly review the ones that are already in existence.

Following is an article on Kuhfuss' speech from the November 25 edition of the Farm Bureau News:

KUHFUSS WARNS—LEGISLATIVE PROPOSALS FOR NEW CONGRESS COULD CAUSE NEW HIGHS IN LIVING COSTS

The cost of living could climb to new highs under federal legislation scheduled to be introduced in the 1975 session of Congress, a national farm leader warns.

The warning came from William J. Kuhfuss, president of the American Farm Bureau Federation, in an address to the 29th annual meeting of the National Association of Independent Insurers.

"Consumers should be alert to legislation which would establish a new super government bureaucracy to be imposed on top of all existing federal agencies, intervening in all regulatory activities of each agency, saddling business with new red tape, and adding to the cost of their operations," Kuhfuss said.

"Every new government agency swells the already bloated federal payrolls, puts a new burden on the taxpayer, and adds to the cost of doing business. These increased business costs are passed on to the consumer in higher prices."

Kuhfuss said that the legislation set for introduction in the 1975 Congress calls for the establishment of a Consumer Protection Agency. Such a bill was killed September 19 in the Senate with Senator Sam Ervin of North Carolina leading the opposition. Senator Ervin's retirement places Senator Abraham Ribicoff of Connecticut as chairman of the Senate's Government Operations Committee. Senator Ribicoff was the author of the original Consumer Protection Agency bill.

"Some might think that Farm Bureau is not interested in consumer legislation because farmers are not thought of as consumers. This is a common misunderstanding. Modern farm families are not only consumers of food, housing, clothing, and other goods and services necessary for family living, but they are also major consumers of industrial products used in farm production. Farmers buy one-fourth of all the trucks produced in America, 10 percent of the U.S. petroleum output, and five percent of the nation's steel products.

"Farm Bureau believes that government standards of quality, safety, health, and labeling have an important role in protecting consumers and we already have a wide range of more than 45 federal regulatory agencies operating in this and other areas of public concern.

"Such a list, to name a few, would include the Food and Drug Administration, Federal Trade Commission, Interstate Commerce Commission, Federal Power Commission, Securities and Exchange Commission, Commodity Futures Trading Commission, Packers and Stockyards Administration, Federal Communications Commission, and many others. To keep up with all federal regulations and proposals, the government issues a Federal Register almost daily that sometimes runs to 100 pages and requires a team of lawyers to interpret.

"If these agencies are not doing a job for consumers, as some proponents of the Consumer Agency legislation contend, it is hardly likely that creation of another 'super agency' will be of much practical value except to provide more government jobs and more income for lawyers.

"It is difficult to estimate how much proliferation of new regulatory agencies—such as the Environmental Protection Agency and the Occupational Safety and Health Administration—has slowed the U.S. economy, both industrial and agricultural, and has added to the cost of everything from cars to food. The top example of the inconvenience and increased cost imposed on the driving public was the ignition interlock safety belts on cars. Congress exhibited good common sense in revoking this regulation because of the united and militant resistance to 'Big Brother' dictation. But how many other orders arbitrarily imposed on consumers can gain sufficient support to achieve revocation?

"Farmers, who constitute only 4.4 percent of the U.S. population, have had an almost impossible job in challenging some of OSHA's unrealistic regulations which have handicapped agricultural producers in meeting record food needs. Farmers and ranchers have taken many hours from their production jobs to appear at OSHA public hearings. Proposed regulations on some mandatory safety requirements on farm machinery, for example, reveal considerable lack of knowledge of the practical applications involved in farm operations. Of equal importance is the waste of time, manpower, and resources in relation to the achievement of increased safety.

"Agricultural producers know from experience the tremendous cost of government bureaucracy. For some 40 years, farmers and ranchers were subject to the self-defeating controls of a federal farm program that put a ceiling on market prices and opportunities and cost taxpayers billions of dollars. Today, agricultural producers are relatively free of such controls only to discover new problems created by federal regulatory agencies," Kuhfuss said.

The farm leader said he favored the proposed study by the Administration of the inflationary effects of the federal regulatory agency operations such as Interstate Commerce Commission regulations on transportation.

"There is merit in such a study and I would hope it is started as soon as possible. At the same time I would hope that the new Congress will cooperate in cutting government spending and balancing the budget," Kuhfuss said.

On no-fault insurance legislation, Kuhfuss reported that Farm Bureau favors the continuation of state, as opposed to federal, regulation of the automobile insurance industry.

"In AFBF's statement this past July before the House Interior Subcommittee on Commerce and Finance, it was made clear that Farm Bureau does not oppose the concept of no-fault," Kuhfuss said.

Discussing the availability of adequate crop insurance to farmers and ranchers, Kuhfuss said that the Farm Bureau has recommended that the federal crop insurance be converted to a reinsurance program.

"Our policy states that such a program be sound actuarily, and premiums should be adequate to include reasonable charges for administrative expense.

SENATE—*Monday, December 16, 1974*

The Senate met at 10 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, as we undertake the tasks of a new week, we beseech Thee to support us in all wise endeavors for this Nation. Give us the courage to change the things that can be changed, the serenity to accept the things that cannot be changed and the wisdom to know the difference.

While we toil through Advent days, may we be star-led to the ancient stable and the manger where truth became incarnate. May we follow the example of the wise men of old and hear again the timeless refrain: "The government shall be upon His shoulder: and His name shall be called Wonderful, Counselor, the Mighty God, the Everlasting Father, the Prince of Peace." Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, December 14, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce be authorized to meet today to consider the House-passed version of S. 1149, the Surface Transportation Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the calendar under rule VII be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1274 through 1279.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

The bill (H.R. 10397) to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–1350), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE AND EXPLANATION

The purpose of H.R. 10397 is to provide authorization for appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People through December 30, 1974.

The Committee reports this bill favorably with the understanding that amendments will be offered on the floor of the Senate (1) to extend the authorization of the Cabinet Committee to June 30, 1975, (2) to delete the provisions of the bill providing for regional offices, and (3) to reduce the amount authorized to be appropriated from $1.5 million to $1 million, of which $500,000 will be available for the remainder of fiscal year 1975. The Committee intends to conduct hearings early in 1975 on the broader question of how best to represent the interests of minority groups within the Executive branch of the Government.

Public Law 91–181 established the Cabinet Committee on December 30, 1969 (42 U.S.C. Sec. 4301 et seq.) for a period of five years. Public Law 92–122, which was approved August 16, 1971, extended appropriations for two fiscal years beyond the initial one and one-half year period. The Cabinet Committee's funding authorization expired on June 30, 1973. It has been operating on the basis of continuing resolutions.

H.R. 10397 would authorize the necessary appropriations to continue the Cabinet Committee.

BACKGROUND

In 1969 the Cabinet Committee on Opportunities for Spanish-Speaking People replaced the Interagency Committee on Mexican-American Affairs, established in June of 1967 by a Presidential memorandum.

The purpose of the Cabinet Committee on Opportunities for Spanish-Speaking People is to aid Spanish-Speaking and Spanish-surnamed Americans in coping with problems relating to housing, employment, education, and health care, as well as to insure that Federal programs are responsive to their needs.

The statute provided that the Chairman of the Cabinet Committee be appointed by the President and confirmed by the Senate. The committee is made up of four agency heads and seven cabinet officials.

Under Section 3 of the 1969 Act, the responsibilities of the Cabinet Committee are twofold:

First, to act in an advising capacity to Federal departments and agencies in assuring cooperation with the needs of the Spanish-speaking and Spanish-surnamed.

Second, to keep Federal departments and agencies informed on special policies and plans intended to highlight the plight of the Spanish-speaking and the Spanish-surnamed.

The 1969 Act also called for research studies and technical assistance projects through State and local municipalities and the private sector when warranted.

The 1969 Act established an Advisory Council to report on matters requested by the Chairman. The Advisory Council consists of nine members, representing a cross section of the Spanish-speaking community.

H.R. 10397 amends the enabling legislation (Public Law 91–181) in the following respects:

It extends the Cabinet Committee's funding authorization for the remaining one and one-half years of its tenure, to December 30, 1974.

It requires that regional offices be established and that at least 50 percent of salaries of Cabinet Committee employees be expended through these offices. It assigns the Cabinet Committee the added function of assisting Spanish-Speaking groups and individuals in securing their participation in various benefits and assistance programs.

H.R. 10397 bans partisan political activity by the Chairman and employees of the Cabinet Committee. There have been numerous complaints received that indicated that the Cabinet Committee had been used for partisan political purposes during the 1972 election campaigns. The Chairman of the Cabinet Committee was the recipient of a memorandum from the Committee to Reelect the President, which designated him as the primary presidential surrogate to the Spanish-speaking community and indicated strategies for political appeals.

The bill makes the Cabinet Committee a more effective instrument by broadening its membership to include the Secretary of Defense, the Secretary of Transportation and the Administrator of Veterans Affairs. Recognizing that sub-cabinet officials are more intimately familiar with the problems that concern the Cabinet Committee and are able to give more time to its work, the bill provides that the department and agency heads comprising the Cabinet Committee designate representatives to constitute a working group, who are required to meet at least six times a year. The full Cabinet Committee will be required to meet semi-annually.

The Advisory Council now provided by law would be made more effective by expanding its membership so as to become more representative of the Spanish-speaking community. H.R. 10397 enables the Council to identify matters of concern of the Spanish-speaking people rather than merely subjects upon which the Chairman has requested their advice.

HEARINGS

Hearings on the operations of the Cabinet Committee on Opportunities for Spanish-Speaking People were held in the House Government Operations Committee, on July 23 and September 12, 1973, by the Subcommittee on Legislation and Military Operations.

Two bills, H.R. 10356 and H.R. 10397, were introduced to authorize appropriations for the Cabinet Committee through December 30, 1974. H.R. 10397 was reported out of the committee by a unanimous vote.

COST ESTIMATE

The bill provides a ceiling of $1.5 million in the appropriations which may be authorized for the Cabinet Committee on Opportunities for Spanish-Speaking People. Of this amount, $750,000 will be available in fiscal year 1975.

AMERICA'S HOSPITALIZED VETERANS

The joint resolution (S.J. Res. 227) designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas eight hundred thousand hospitalized American veterans are served in one hundred and seventy-seven Veterans' Administration hospitals annually; and

Whereas certain organizations sponsor throughout each year for these veterans a series of programs, celebrity visits, and special activities for paralyzed veterans, and formally call the Nation's attention to these special Americans; and

Whereas these servicemen and servicewomen deserve an annual recognition from the citizens through the United States for the sacrifices they made to help keep America a free country: Now, therefore, be it

Resolved by the Senate and House of Representative of the United States of America in Congress assembled. That Monday, February 10, 1975, be designated as a day to honor America's hospitalized veterans for the sacrifices they have made to keep our Nation free, that in all Veterans' Administration hospitals in the United States this day be appropriately recognized as a salute to America's hospitalized veterans, and, furthermore, that the President of the United States, the Chief Justice of the Supreme Court, the Attorney General of the United States, and the Governors of all the States be individually informed of this resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–1351), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the Joint Resolution is to designate Monday, February 10, 1975, as a day of salute to America's hospitalized veterans.

STATEMENT

This resolution was introduced on July 22, 1974, by Senator Hugh Scott, the distinguished Senate Minority Leader, and cosponsored by Senator Mike Mansfield, the distinguished Senate majority leader.

There are thousands of veterans who use and are confined to Veterans Administration hospitals throughout the country. Many injured servicemen from the Vietnam conflict and earlier military encounters are continually being treated in those facilities.

On February 12, 1974, No Greater Love, a group whose membership includes many distinguished Americans, organized a visiting program to these hospitals. The committee has been advised that activities held on that day produced very positive results in promoting the morale and spirits of those who are confined for medical attention. Other veterans organizations have conducted and supported similar programs in recent years.

A SALUTE TO AMERICA'S HOSPITALIZED VETERANS

Mr. HUGH SCOTT. Mr. President, I am gratified that Senate Joint Resolution 227, a joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans, has been adopted by the Senate. This day will have great meaning for our many hospitalized veterans, many who may think that we have forgotten them, many who think that we no longer care. February 10 will give us an opportunity to express our appreciation to these fine men for the many sacrifices they made to keep the United States free.

An organization named "No Greater Love" has been the brainchild behind this salute. Last year on February 12, the first anniversary of the release of the first group of POW's, No Greater Love sponsored the first salute to hospitalized veterans. It was extremely successful, consisting of visits by prominent Americans and special activities for paralyzed veterans. We anticipate an even more successful event this year.

I feel strongly that this year's salute is an important tribute to these hospitalized veterans. Let us pray, however, that by February 1976 such a tribute will no longer be necessary.

LITTLE LEAGUE BASEBALL FOR GIRLS

The bill (H.R. 8864) to amend the act to incorporate Little League baseball to provide that the league shall be open to girls as well as to boys, was considered, ordered to a third reading, read the third time, and passed.

YOUTH ART MONTH

The Senate proceeded to consider the joint resolution (S.J. Res. 41) to authorize the President to issue annually a proclamation designating March of each year as "Youth Art Month," which had been reported from the Committee on the Judiciary with amendments.

On page 2, in line 4, strike out "annually";

On page 2, in line 5, strike out "of each year" and insert a comma and "1975,".

The amendments were agreed to.

The joint resolution (S.J. Res. 41) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. Res. 41

Whereas children are our most priceless asset; and

Whereas childhood is the time to develop interests, skills, and aptitudes that will last a lifetime; and

Whereas, through meaningful school art activities, children develop initiative, self-expression, creative ability, self-evaluation, discipline, and a heightened appreciation of beauty; and

Whereas the importance of art in education is recognized as being necessary for the full development of all children; and

Whereas participation in school art programs develops perceptive qualities and sensitivity, thus producing a more enlightened citizenry; and

Whereas Youth Art Month has been observed nationally since 1961 and has gained wide acceptance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of March 1975, as "Youth Art Month", and calling upon the people of the United States and interested groups and organizations to become involved in and give their support to quality school art programs for children and youth.

The title was amended so as to read "To authorize the President to issue a proclamation designating March 1975 as 'Youth Art Month'."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93-1353), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

AMENDMENTS

On page 2, line 4, delete the word "annually".

On page 2, line 5, delete "of each year" and insert in lieu thereof ", 1975,".

Amend the title to read "To authorize the President to issue a proclamation designating March 1975, as Youth Art Month'."

PURPOSE OF THE AMENDMENTS

The purpose of the amendments is to make the joint resolution nonrecurring.

Purpose

The purpose of the joint resolution as amended is to authorize and direct the President to issue a proclamation desigating March, 1975 as "Youth Art Month".

STATEMENT

This resolution was introduced by Senator Gale McGee on January 29, 1973. Senator Clifford Hansen joined as a cosponsor of this measure.

Many organizations have sponsored in recent years a celebration to promote art education in our schools throughout the nation.

The Committee notes that the study and understanding of art can help to improve the development of children.

The Committee believes that passage of this resolution will emphasize the importance of art participation among our youth and may ultimately result in a more enlighted citizenry.

Accordingly, the Committee recommends favorable consideration of Senate Joint Resolution 41.

AUTHORIZATION FOR MOTION TO RECONSIDER VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider, en bloc, the votes by which the various bills and resolutions have been passed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider, en bloc, the votes by which the various bills and resolutions have been passed.

Mr. HUGH SCOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

A CHRISTMAS WISH

Mr. HUGH SCOTT. Mr. President, perhaps we have received our wisdom for the week from the Chaplain's prayer this morning.

The assistant minority leader and I were discussing it; and if I may speak for him, I believe we both feel that the advice is good: to seek to change those things which can be changed, to accept those things which cannot be changed, and the wisdom to know the difference.

I respectfully suggest that our conferees on various bills take this advice to heart; that if we are going to end our session in good order before Christmas, we will need some give and take among conferees; that we will need some tolerance and some understanding that one's opinions cannot always prevail against those equally held by others; that a spirit of compromise and undertaking to achieve, a willingness to work together, and a determination to legislate wisely could well be borne in mind during the present week.

If that spirit prevails, we can leave in time to enjoy with our families the meaning of Christmas and the blessings, material, and spiritual, that flow from it.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I am glad to yield.

ORDER FOR TIME ALLOTTED TO SENATOR GRIFFIN TO BE YIELDED TO SENATOR BROCK

Mr. GRIFFIN. Mr. President, a special order has been reserved in my name. I ask unanimous consent that such part as he may require be yielded at the appropriate time to the Senator from Tennessee (Mr. Brock).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I yield.

S. 4178, COMMUNITY SERVICES ACT, 1974, INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in view of the fact that the House companion bill has already been passed by the Senate and sent to conference, that Calendar No. 1226, S. 4178, Community Services Act, 1974, be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. Brock) is recognized for not to exceed 15 minutes; and under the unanimous-consent agreement, the Senator from Tennessee has 15 minutes additional, from the time allotted to the Senator from Michigan.

OIL ECONOMICS

Mr. BROCK. Mr. President, 33 years ago this month the United States suffered the shock of a surprise military attack on Pearl Harbor. Just over 1 year ago, the oil-consuming nations suffered what might be described as "economic Pearl Harbor" by way of the takeover of foreign companies' petroleum rights, abrogation of contracts, and the illegal oil embargo.

Had a national gang of criminals assaulted communities and citizens across this land, taking $50 million a day, the the reaction of our people would have been swift and sure. Yet, because this oil cartel conducted an act of economic aggression rather than one based upon the gun, our response has been one of indecision and inaction.

And the transfer of wealth continues unabated. Over $50 million leaves this Nation every day of every week of every month. Worldwide the amount drained from the savings, productivity and investment potential of the people is over $300 million a day.

This is not paper money. This wealth was created and earned through the sweat of mind and muscle over the entire course of our history. Nor is it being paid by the politically suspect oil giants or the inordinately wealthy. Every citizen is paying his daily share of ransom from an increasingly limited supply of his own earnings.

Even if we are successful—as I believe we can and must be—in coping with domestic economic threats, the oil crisis has taught us that the United States is inextricably linked to the world economy. There, Japan and certain European industrial countries are in even greater difficulty; and nonindustrial nations—except, of course, for the newly oil rich—face mass starvation in the worst cases, and slow strangulation in the best. As if this were not enough, the entire global financial and monetary system has been subjected to stresses capable of tearing it apart. Here, too, part of the remedy must consist of facing the facts—and their implications which are political, legal, and strategic, as well purely economic.

There is much talk in international circles about the need to avoid a "confrontation" with the oil-producing countries. This apparently rests on the belief that fairminded solutions ought to be obtainable which would provide the consumer access at reasonable prices to the oil on which their economies depend and, at the same time, satisfy the legitimate interests of the producers. A year has gone by, and no such solution is yet in sight. This also overlooks the fact that the consumer has already been "confronted" with fait accompli—one which has resulted in the transfer of enormous economic power—which can be used to buy technology and military power as well as political influence—to the oil producers.

For the sake of the entire world, as well as for ourselves, we need a clear national policy aimed either at bringing oil prices down to some reasonable level by negotiation, or breaking up the cartel, or, mobilizing all available power in the consuming countries to limit—and ultimately eliminate—our dependence on this one source of supply.

One problem stems from the sizeable public suspicion that the oil crisis was artifically created by the oil companies, whose highly publicized profits tend to support such views. In fact, what has happened is that the oil companies as well as their consumers are victims of actions by a small group of countries to which they and their investments have become hostages, in part, because of lack of forceful action by the consuming governments concerned. And now the oil companies face an even more sinister squeeze, since the leverage of the OPEC bloc is being used to try to prevent Western oil companies from developing alternative sources. The petroleum minister of the United Arab Emirates was quoted recently as complaining that—

> These profits are being used by them (the oil companies) to find alternative sources for our oil . . . this we will not accept.

Countries which threaten renewed embargoes if the consumers seek to unite their purchasing power to offset the cartel, and which also seek to impede development of sources elsewhere, are obviously bent on amassing and retaining unprecedented and unearned world power.

While it can be argued that if we let them get away with it we deserve what we get, I do not believe the American people, however slow to anger they may be, will so allow it once they understand what is really involved.

OPEC nations claim that their oil has been underpriced for some time, and that Western countries have been taking advantage of their relative weakness. While I do not accept this argument, even if it has merit, two wrongs do not make a right. We should remember that it was the United States which placed its decisive weight against reestablishment of colonial regimes after World War II, the United States which consistently sought to aid the less-developed world.

With regard to oil, it is in fact the capital, technology, and management of the consumer nations which have given petroleum its economic value by developing both the demand and the supply. In both the moral and the legal sense, the consumers' rights on the basis of contracts and agreements—which have been unilaterally torn up in case after case—are as strong as the rights of someone who builds a house on someone else's property. If the letter, in violation of the lease, seeks to deny access to parts of it or constantly to raise the rent, he could be haled before any court in the world.

While directed at support for the Arabs in the conflict with Israel, the oil embargo was the instrument which produced shortages and allowed prices to be escalated to their present unreasonable level. That embargo was a violation not only of United Nations' resolutions, to which most OPEC countries have subscribed, but also of GATT, and what might be called the common law of international economic relations. Given the predilection of so many nations to twit the nose of big rich Uncle Sam—knowing our famous tolerance—perhaps we should review our own options, and rethink those statutory limits which inhibit the use of economic weapons. I would be particularly interested in a study to determine if continued adherence to the most-favored-nations doctrine is, in fact, in our national interest. It is hard to deny that this doctrine does limit our ability to respond to abuse by one or more nations.

Apart from the moral, legal, and historical arguments which can be made about the causes of the petroeconomic crisis, there is a more basic question of its effects. Americans have given some $150 billion in foreign economic and military aid since World War II. The very purposes of that aid are now in danger.

To the extent those purposes were humanitarian, they stand to be frustrated by the starvation which the petroeconomic crisis has added to other agricultural crises. How do you sustain life on an average income of 30 cents a day? What hope can you have when that 30 cents is destined to fall even lower each year?

To the extent that the purposes involved maintaining national independence, what was saved from communism or anarchy may be lost to the third world's dependence on the fourth—the oil producers.

Far more is at stake, therefore, than just the U.S. economy. Industrial countries may have to share either the advances of new technology or the savings from any reduction in oil prices with the resource-poor nations—who both desperately need funds and can spend them promptly on goods and services.

To cope with this unprecedented economic threat from abroad, we are going to have to mobilize our resources, not only at home, but with our allies in Europe and Japan. Secretary Kissinger's recent proposals in Chicago, backed up by the International Energy Agency under OECD auspices, are essential first steps. But because of their greater dependence on foreign oil, these countries are going to be reluctant to act unless they are sure of America's own will and leadership.

Can we in fact provide that leadership, given our economic malaise? We are signatories of an agreement with the consuming nations, an agreement authored and sponsored in large part by this Government. It provides that future cartel limitations on all exports by OPEC countries will be met by sharing and mutual support among the consuming countries. It is fair to ask, What would we share? Particularly in the instance of another embargo, we simply could not sustain the industrial world—nor would our people allow us to try, at the price of destroying our own economy.

There has been talk of a new Marshall plan on the part of this Nation to help our allies in such a time of trouble. The question is, Where do we get the resources? Twenty billion dollars a year now leaves our shores for oil purchases. Another $2 billion for foreign aid and humanitarian purposes, and an equal amount for other essential commodity purchases. Is it honest to leave the impression wtih our hard-pressed friends in Europe and Asia that we have the capacity to salvage their economies, whose collective size exceed our own? I do not really think so. We need something more.

That something more is direct, effective action and leadership. And if we are to provide world leadership, we must first put our own house in order.

For a combination of reasons, popularly elected leadership does lack popular confidence throughout the globe. In such circumstances, people of all walks of life sense the danger and cry silently for someone to take some action, any action, which they can support. The last phrase is the key—"which they can support." The American people will support their Government, if they sense its commitment to decisive and effective action, even if that action requires considerable personal sacrifice on their part. With such support the odds of a particular course of action being successful are massively increased. Without it, even if a more rational course is pursued, the results are predoomed.

If this premise is valid, permit me a few moments to survey our domestic difficulty and suggest some alternatives.

First of all, it would be economically as well as politically wrong to ascribe all of our present troubles to the actions of oil producing nations. Certainly they pulled the trigger. But it would not have been so devastating had not all the conditions been there to make the consuming world ripe for the plucking.

By the time of the embargo, the entire world was in the grip of virulent inflationary pressures caused largely by excessive governmental as well as private consumption in relation to production and capital formation. We have to admit that the crisis of capital formation with which this Nation is faced is largely of our own making. We simply have not encouraged an adequate degree of personal savings for far too many years.

But although one can stress either the internal or the external dimensions of our problem, the point is the two are linked together. They add up to the fact that we are in deep trouble.

The first step in recovery then is to recognize the fact of that trouble and to muster the national will to overcome. In 1941, we were also in trouble; but then we were able to mobilize our determination and our resources with leadership from both the President and the Congress on a bipartisan basis. Today, by contrast, we appear to feel that we can still afford the luxury of business and politics as usual.

I remember only too well an earlier President a few years ago reassuring us that we could have "guns and butter." Well we could not then, and we cannot now. Perhaps it is time someone told the American people that the cost of oil imports has virtually reached the cost of our involvement in Vietnam. It is that big. If some of us feared for our economic well-being then, can we remain silent now?

We may have to embrace, at least for a limited period, steps which none of us, least of all myself, would normally regard as desirable. If, for example, inflation, excessive energy consumption, and recession cannot be dealt with in an economy where the market mechanism is distorted by unprecedented pressures, then we may have to face up to the fact that taxes on energy consumption and imported commodities, minimum price guarantees to induce development of new energy sources—incidentally, we do have such guarantees now on farm commodities—limitation on oil imports and the like may be a lesser evil.

Uncertainty and fear feed on themselves; and they tend to breed selfishness rather than cooperation, desperation rather than wisdom, and paralysis rather than action.

Senators and Representatives can make speeches and they can work in close partnership with the Executive; and, of course, only they can enact laws. But even collectively they do not possess the resources to analyze the problems in depth in terms of myriad and complex facts and to develop the operational details of the necessary remedies. They cannot exercise the initiative in foreign affairs, nor command the apparatus of Government, nor act as Commander in Chief—only the President can do so. Most significant of all, Members of Congress lack a national constituency. Only the White House can provide the perspective of—and hence the leadership for—the entire country. In my judgment, the people are waiting for and will respond to its leadership—if it is forthcoming.

Let me now outline the approach which, in my judgment, must be taken. The first step is a recognition that our economic problems are neither temporary nor of a magnitude which we have ever experienced before. A second step, possible only in light of that recognition, is a "declaration of national economic emergency" lasting, let us say, for up to 2 years. The third step, or rather series of steps, is to develop and implement a coherent and consistent long-range international strategy concerning oil prices and our energy needs. The fourth step, closely related to the third, is to develop the tools needed both to bring inflation under reasonable control and at the same time, to prevent the recession becoming a depression and to move gradually back to sustainable growth in real terms.

The last named objective is both complex and difficult. For we must simultaneously reflate a depressed economy—which means, in effect, feeding the engine more fuel—while at the same time applying anti-inflation brakes. The implicit conflict may exceed the conventional wisdom based on past experience with recessionary and inflationary cycles, for they tended to occur at different times rather than simultaneously; but it should not be beyond the bounds of our collective wisdom and economic skills to devise a strategy which can do both. What is certain, is that it will not be painless. While methods can be developed to cushion the shock in particular industries, regions, and skill categories, the medicine will still have a bitter taste; but it can hardly be more unpleasant than letting the twin diseases run their course.

Because the direct actions of Government necessary to limit the effects of unemployment, restore construction and homebuilding and the like , and soften the human impact of inflation have been well debated and generally accepted, I should like to limit my remarks to the needs of the private sector. Here there are a number of things which are indispensable if we are to bring inflation and recession under control.

First, there must be a determined national effort to increase capital formation, savings, and productivity, while consumption must not be permitted to exceed productivity levels. To allow savings—capital formation—we must reduce nonproductive governmental expenditures. According to Federal Reserve statistics, Federal expenditures in 1929 accounted for less than 3 percent of the dollar value of our total national output, and expenditures at all levels of government—Federal, State, and local—amounted to about 10 percent of the gross national product. By 1950, the share of national output absorbed by Government had risen to 23 percent. Since that time, governmental involvement in the economy has increased further; last year, Federal expenditures alone accounted for 22 percent of our national output, and the combined expenditures of all governmental units, for 35 percent.

We simply do not leave enough earnings in the hands of the American people to allow them the option of deferring a portion of today's consumption in order to save for tomorrow's needs. How can people save when Government takes 35 cents of every dollar they earn, and inflation takes another 10 cents in purchasing power. What is left? Barely enough to stay even, and not that for those in lower income or retirement groups.

As Dr. Arthur Burns pointed out a few months ago:

> We have tried to meet the need for better schooling of the young, for upgrading the skills of the labor force, for expanding the production of low-income housing, for improving the Nation's health, for ending urban blight, for purifying our water and air, and for other national objectives, by constantly excogitating new programs and getting the Treasury to finance them on a liberal scale before they have been tested.
>
> The result has been a piling up of one

social program on another, so that they now literally number in the hundreds and practically defy understanding. Not a little of our taxpayers' money is being spent on activities of slight value, or on laudable activities that are conducted ineffectively.

Second, we must step up the rate of business investment. Anybody who has taken a course in freshmen economics knows that investments in the long run must come out of savings. The rate of U.S. savings in recent years was only half of the German and one-third of *the Japanese* rate, with the result that the bulk of our investments domestically and abroad was financed with manufactured money.

Third, we need responsible antitrust action. No one, business or labor should be exempt from the objective of antitrust law—consumer protection through competition.

Fourth, we should carefully examine our out-of-date regulatory procedures, and eliminate all inflationary biases and anticompetitive practices arising from them. And, fifth, we should encourage foreign trade by promptly enacting the Trade Reform Act of 1974, because the competitive pressures from imports will encourage responsible wage and price behavior at home.

Finally, and most importantly, almost everyone agrees that a cut in oil imports is the only way to reduce our dependence on OPEC oil and put downward pressure on prices, as well as reduce the balance-of-payments outflow. This necessarily involves a reduction in consumption, as well as the maximum possible domestic production. Whether this is best done by the previously described steps or other devices need not be debated here. What is clear is that voluntary restraint plus hope—which appears to be our present policy—will not suffice. Again, we must reconcile ourselves to the fact that whatever has to be done will not be painless.

Thus we come back to the one essential, leadership—no matter whether the web of problems is approached internationally or domestically.

The average American may not be a financial expert on petrodollar flows nor a specialist on the economics of energy. But he does understand both inflation and recession. He also knows what blackmail and extortion are. And he will not tolerate starvation imposed by the greed of others. If he is given both an explanation of the emergency and inspired leadership in surmounting it, he will respond magnificently, accepting whatever sacrifices may be involved as he has proved on several occasions in this century.

One last cautionary note. Military action is fraught with thermonuclear danger for all of us in a shrinking world. Yet despite our own understanding of the risks, it lurks in a future embargo with its resulting social, political, and eonomic consequences. The best way to avoid the possibility of such action on the part of any other nation is to show the world our determination: by tightening our belts, reducing our oil dependence, and mobilizing the economic assets we do have—food, technology, and productivity, for example—for a "two front" war.

Again, then, we must put our own house in order, dealing with the public enemies of inflation and recession at home. Until they are resolved, our ability to truly lead is severely limited.

If we act now, not sometime in the next Congress, but before 1974 is out, then I am confident that America can go on to celebrate its 200th birthday in a peaceful world with resumed economic growth and enhanced international cooperation. If we fail to do so, then the Founding Fathers might well accuse us of making the Bicentennial Celebration merely a "wake" for the American dream which they bequeathed to us.

Mr. DOMENICI. Mr. President, I would like to compliment the distinguished junior Senator from Tennessee (Mr. Brock) for his extremely thoughtful and thought-provoking remarks to this body this morning on the subject of "oil economics." It is my opinion that his statement outlines the problem and its consequences and recommends corrective action in as intelligent and rational a manner as I have seen.

There can be no doubt that the spiraling price of oil is the main single ingredient in the world's dual problems of an energy shortage and crippling inflation. I have often said in this forum that we as a nation, and indeed, the free world, must come to grips with the oil pricing tactics of the oil cartel before the economy of the entire world is damaged beyond recovery.

I am particularly impressed with my distinguished colleague's proposal that we give formal recognition to what must by now be obvious—that we are truly in a "national economic emergency." Any "declaration" of that sad circumstance or attempts to improve the situation would be doomed to failure unless the contribution of oil economics is thoroughly understood and appropriately dealt with.

For my own part, I am about ready to declare much more than the national economic emergency my good friend proposes. I am about ready to tell those oil-exporting nations who are effectively holding up the rest of the world that we will henceforth get along without their oil, now and forever.

I would declare for the time necessary to develop alternatives, we will take whatever measures are required to get by without their high-priced oil.

I would declare that those conservation measures necessary to achieve that reduction in energy consumption will be undertaken just as if we were at war—which in a way is quite true.

I fully realize that this kind of conservation effort would be a gigantic undertaking, requiring cooperation, dedication and sacrifice by all our citizens in all aspects of their lives and livelihoods. As difficult as it would be to achieve, I am convinced that with the prospect of energy independence as the ultimate goal, and faced with the continuing ravages of exorbitant foreign oil pricing, Americans would respond to this challenge as they have done so magnificently in the past.

I would further declare, Mr. President, that we would undertake a crash program of expanding our own petroleum resources and developing other energy alternatives to petroleum. We would make no secret that the oil-consuming nations of the world would be encouraged to join us in these development efforts and that any such developments would be freely shared with them. I envision that those countries with oil they can sell at any price now might someday wind up with oil they cannot give away, a prospect very pleasing to contemplate in view of their unbelievably selfish and shortsighted attitude of greed.

So, Mr. President, I join my distinguished colleague in his remarks and I pledge my assistance in all our efforts to remove from our necks the brutal heel of oil economics.

Mr. BROCK. Mr. President, I now yield to the Senator from Oklahoma.

Mr. BARTLETT. I thank my distinguished friend, the Senator from Tennessee. I wish to compliment him on a very fine address. I am sorry that there are not more of our colleagues here, who would find it very fascinating and very challenging because the challenge to the leadership of this body is a real challenge today that must be met to satisfy the desires of people in this country.

Mr. BROCK. I thank the Senator.

RALPH NADER: NATURAL GAS DEREGULATION

Mr. BARTLETT. Mr. President, on November 10, 1974, a column by Ralph Nader entitled "Natural Gas Fight" appeared in the Washington Star-News. In this column, Mr. Nader failed to address forthrightly the natural gas deregulation issue. His arguments were based on incorrect information and faulty logic, and he did not recognize the urgency of solving the natural gas problem. Such blatant misinformation is a disservice to our American citizens.

Mr. Nader implied that the natural gas industry "has grown mightily" under Federal Power Commission regulation because natural gas now supplies about one-third of the total U.S. energy consumption. His logic is turned around.

Natural gas consumption has grown partly because of FPC regulation and not because of a healthy natural gas producing industry. Since 1954 when wellhead price regulation first began, interstate natural gas prices have been held at unrealistically low levels. This encouraged the consumption of natural gas at the expense of other fuel sources such as oil, coal, and nuclear power.

At the same time, and because of the artificially low price, the natural gas industry gradually lost its capability to replenish this supply. In the late 1950's an average of 858 exploratory gas wells were drilled per year in the United States, declining to a low in 1971 of less than 440. Because of low profits during the sixties, the number of independent producers of oil and gas decreased from over 20,000 to about 10,000. During the years 1956–60 about 20 trillion cubic feet of new gas each year were discovered, and in 1973 only 6.5 trillion cubic feet were found.

Mr. Nader said that in 1970 the industry spoke of reserves 70 times annual consumption. I question Mr. Nader's statement since highly publicized sources from Government and industry have consistently shown there was a 12-year supply of proved reserves in the country in 1970. Since then, however, proved reserves have dropped to an 11-year supply. This contrasts with the 22-year supply we had in 1954, the year price controls first began. Clearly, we are using more gas than we are finding.

Mr. Nader said that decontrol of natural gas will cost the consumer an additional $10 billion a year. There is simply no basis for this. The Buckley amendment applies to new gas and to gas under expiring contracts. Thus, the additional cost of higher priced gas will gradually be rolled in with the gas already flowing under existing contracts, which will remain under FPC control.

Chairman John Nassikas of the Federal Power Commission noted that the $10 billion estimate of the impact of the Buckley amendment is "grossly exaggerated and misleading." The Federal Energy Administration confirms this statement.

Mr. Nader charged a "false shortage," that gas is being withheld from the market. Because of charges like this, the FPC conducted a reservoir-by-reservoir study of shut-in gas reserves off Louisiana and Texas. Of the estimated 8 trillion cubic feet of shut-in reserves, only 4.7 trillion cubic feet are proved reserves with the rest requiring additional drilling to confirm their presence. Sixty percent of the proved reserves are already committed or dedicated to the market. The remaining 40 percent, 1.9 trillion cubic feet, are scattered over 91 leases in the Gulf of Mexico. Developing many of these small fields would be totally unprofitable with the present interstate gas price.

The important point is that the total of all this gas scattered around the Gulf of Mexico is only a few weeks' usage in the United States. Thus, having a few trillion cubic feet of shut-in gas at any time is neither a solution to the natural gas shortage nor a significant problem, but just a part of the gas development process.

Mr. Nader argued that recent increases in oil prices have not brought about increased supplies. His implication is that natural gas decontrol will not generate additional supplies. The current free market price for intrastate natural gas and "new" domestic oil has increased drilling in 1974 by 32 percent over 1972. It takes but a moment's reflection to see that the process of exploration and production takes years, not months—so more price incentive is needed, not less.

Mr. Nader alluded to "monopoly" in the natural gas producing industry. But the FPC has refuted his charge, saying:

> After careful analysis we have concluded that workable competition exists in the natural gas producing industry.

With the exception of the few economists to which Mr. Nader referred, this position is upheld by many academic authorities and by the preponderance of evidence presented at numerous congressional committee hearings.

Because I am from Oklahoma, a producing State, I am in a position to hear comments from small gas producers about monopolistic practices. But I have never heard such charges. The one thing I have heard, however, is that Government controls of price severely impair their ability to stay in business.

Mr. Nader's column was noticeably lacking in the most important aspect of the natural gas issue—the effect of failure to deregulate the price of new natural gas.

According to the FPC, curtailments of natural gas this winter are anticipated to be 107 percent greater than last winter. The consumer suffers because of inadequate supply, and each year the supply dwindles. This year plant shutdowns are anticipated. But eventually a continuation of the shortage will hit even the household use of natural gas.

In talking about the inflationary impact of natural gas deregulation, Mr. Nader should ask what the cost of alternate sources would be because of the shortage of natural gas. Oil, coal, LNG from Algeria, and synthetic gas from coal or petroleum liquids are possible alternates. But all of these alternatives, when available, will cost much more than the unregulated price of natural gas.

Decontrol of new gas and gas sold under expired contracts would not cause a drastic increase in price to the consumer, is far less costly than alternate sources, and will help assure a more abundant supply of natural gas in the future. We must deregulate the price of new natural gas now.

Mr. Nader's scare tactics, based on inaccurate information and conclusions, tend to perpetuate our dependence on high cost and unreliable imported oil and to delay the solution of our natural gas shortage.

I yield the remainder of my time to the Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The time of Senator GRIFFIN is still 4 minutes.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that there be a period for the transaction of routine morning business not to extend beyond the hour of 10:45 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana (Mr. BAYH) be recognized for not to exceed 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES IN 1976

Mr. BAYH. Mr. President, I am about to propose a rather complicated unanimous-consent agreement.

Mr. President, I ask unanimous consent that the Senate reconsider its action of December 13, 1974, on Senate Joint Resolution 40, including the asking for a conference, the appointing of conferees, and the agreeing to the House amendment with amendment, and that amendments by the Senator from Indiana (Mr. BAYH) and the Senator from Michigan (Mr. GRIFFIN) be added as a part of the Senate amendment without changing any other part of the Senate amendment previously agreed to, and that as thus amended the Senate concur in the House amendment with this amendment and ask for a conference with the House on the disagreeing votes of the two Houses on said bill and that the same conferees be reappointed.

I send the amendments to the desk.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment proposed by Mr. BAYH for himself and Senators TALMADGE, PELL, ALLEN, and BUCKLEY is as follows:

At the appropriate place insert the following new section:

SEC. . (a) Section 901(a) of the Education Amendments of 1972 is amended by striking out "and" at the end of clause (4) thereof and by striking out the period at the end of clause (5) thereof and inserting in lieu thereof "; and", and by inserting at the end thereof the following new clause:

"(6) this section shall not apply to membership practices—

"(A) of a social fraternity or social sorority which is exempt from taxation under section 501(a) of the Internal Revenue Code of 1954, the active membership of which consists primarily of students in attendance at an institution of higher education, or

"(B) of voluntary youth service organizations, including but not limited to, YMCA's, YWCA's, Girl Scouts, Boy Scouts, Campfire Girls, which are so exempt, the membership of which has traditionally been limited to persons of one sex and principally to persons of less than 19 years of age.".

(b) The provisions of the amendments made by subsection (a) shall be effective on, and retroactive to, July 1, 1972.

The amendment proposed by Mr. GRIFFIN on behalf of himself and Mr. BUCKLEY is as follows:

At the appropriate place insert the following new section:

"SEC. . Payments authorized under the Medicare Program, pursuant to Part A of title

XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), for the benefit of eligible persons who receive care in any nursing home, hospital, extended care facility or other institution operated by a fraternal organization shall not be deemed to be federal financial assistance for purposes of any other federal law."

Mr. BAYH. Mr. President, over 3 years ago, I introduced an amendment on the floor of the Senate which became the basis for title IX of the Education Amendments of 1972. Under title IX discrimination against students and teachers on the basis of sex was prohibited in all federally assisted educational programs. The key provision of title IX reads:

> No person in the United States shall, on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance . . .

The purpose of title IX was to provide the long overdue legal framework to outlaw sex discrimination throughout our Nation's system of higher education. The need for title IX arose when the Congress neglected to include sex among those categories of invidious discrimination in federally assisted programs outlawed by title VI of the Civil Rights Act of 1964. Indeed, title VI of the Civil Rights Act of 1964 expressly provided that:

> Nothing in this Title shall prohibit classification and assignment for reasons other than race, color, religion or national origin.

In order to correct this inequity, in federally assisted education programs, the Congress overwhelmingly approved title IX of the Education Amendments of 1972. The result of this action was to once and for all ban sex-based quotas for admissions to colleges and universities, to mandate equality of opportunity in scholarship aid, and to make available equal access to course offerings and curriculum for members of both sexes.

In deliberating this legislation, the Congress included a number of exemptions to the coverage of title IX, with specific regard to admissions practices of recipient institutions. Among those institutions specifically exempted from the admissions requirements of title IX were: any educational institution which is controlled by a religious organization if the application of title IX would be inconsistent with the religious tenets of such an organization; an educational institution whose primary purpose is the training of individuals for the military, and any public institution of undergraduate and higher education which is an institution that traditionally and continually from its establishment has had a policy of admitting only students of one sex. Also exempted from title IX's admissions requirements, are recipient preschools, elementary and secondary, and all private undergraduate institutions. While title IX does exempt all these various educational institutions from admissions requirements, all educational institutions without exception, must treat their faculty and students once they have been admitted without discrimination.

Because of the enormity of the impact of title IX on the schools throughout the Nation, the Department of Health, Education, and Welfare has taken over 2 years to promulgate the regulations necessary to enforce the provisions of title IX. I understand the Department is now reviewing over 9,000 comments that it has received on its proposed regulations.

While I think the Department deserves a great deal of praise for the amount of time and effort that went into formulating these regulations, I was distressed to see that under the proposed regulations, the Department was planning to apply title IX restrictions to a number of organizations which have no legitimate bearing on the original intent of title IX—that intent being the removal of sex discrimination in our Nation's schools.

It was brought to my attention that under the proposed guidelines, the traditional practice of many colleges and universities whereby social fraternities and sororities receive relatively low rent for housing facilities was in jeopardy due to the title IX restriction on educational institutions giving any substantial support to any organization which discriminates on the basis of sex.

Greek organizations—both fraternities and sororities—were understandably alarmed about this declaration of policy. Most of these fraternal organizations could not continue to exist without this kind of indirect financial assistance from colleges and universities.

As the author and prime Senate sponsor of title IX, I know that it was not my intent, and I do not believe that it was the intent of the Congress that title IX be extended to organizations such as social fraternities and sororities. Because of my concern in this matter, I corresponded with Secretary Weinberger to see if the Department would not reconsider their position on such organizations. Secretary Weinberger responded that the Department would have no objection to providing the Department was given the proper legislative authorization to do so.

Therefore, on November 18, I introduced S. 4163, a bill to grant an exemption from title IX for fraternities and sororities. I was pleased to have a number of cosponsors to this original bill. Senators TALMADGE, TOWER, FANNIN, HANSEN, and BURDICK.

Since I introduced S. 4163, it was brought to my attention that the Department of Health, Education, and Welfare was also planning to extend title IX to youth service organizations such as the boy scouts and girl scouts, YMCA, YWCA, or the Campfire Girls. Title IX would be extended to these organizations based upon the fact that they receive direct Federal funds for various educational programs. Again, I feel the Department has gone far beyond the original intent of the Congress in passing title IX by extending its provisions to cover such organizations.

Therefore, in order that the Department can turn its time and energy to those legitimate aspects of title IX which are in great need of its time and attention, I am proposing an amendment, along with Senators TALMADGE and PELL, which would provide a specific exemption to the admissions requirements of title IX for social fraternities and sororities and for youth service organizations such as the Boy Scouts and Girl Scouts, and intended to include YMCA's, YWCA's, and other such organizations.

Under the provisions of this amendment, social fraternities and sororities would be granted a specific exemption from the admissions requirements of title IX. I think it is important to point out that this exemption covers only social Greek organizations; it does not apply to professional fraternities or societies whose admissions practices might have a discriminatory effect upon the future career opportunities of a woman.

My amendment would also provide an exemption for youth service organizations whose membership has been traditionally open to members of one sex, and has been principally limited to only those under 19. Therefore it would not apply to organizations such as the Little League, a primarily recreational group, or to the Jaycees, an organization whose membership consists primarily of those over 19. It would apply to the Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, and Boys Clubs, and Girls Clubs.

I think it is important, Mr. President, to point out that both exemptions granted under this amendment would apply only to the admissions portion of title IX. Benefits and employment practices of such organizations would still be subject to regulation by title IX.

Mr. President, this is a straightforward and noncontroversial amendment. It will enable HEW to cencentrate its efforts in the enforcement of title IX in those areas where sex discrimination has held back many qualified women from achieving equality of educational opportunity. Surely, Mr. President, with the wealth of abuses in sex discrimination currently in practice throughout our educational system, it is time to turn our attention to discriminatory practices in employment, in scholarship aid, in course offerings and curriculum, and in athletic opportunities toward which title IX was originally intended.

I ask unanimous consent that my letter of October 3, 1974, to the Secretary of HEW and his response of November 8, 1974, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., October 3, 1974.

Hon. CASPAR WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: I would like to take this opportunity to express to you some serious concern that I have regarding the Department of Health, Education and Welfare's proposed regulations pursuant to Title IX of the Education Amendments of 1972.

As the author and prime sponsor of Title IX in the Senate, I was pleased to see that the majority of the regulations promulgated by HEW are addressed to the underlying purpose of the authorizing legislation, the elimination of sex discrimination in our institutions of higher learning.

However, I was distressed to learn that there is some possibility that HEW may apply Title IX regulations to fraternities and sororities, social organizations which have no bearing on the fight to achieve equal educational opportunity for both sexes. It is my understanding that because various fraternities and sororities have traditionally had rent free or low lease arrangements with colleges and universities, they may be termed in violation of Title IX. Without such minimal financial aid, many of these fraternities and sororities would not survive. Without the existence of such organizations, already financially overburdened colleges and universities will have to provide additional housing for those students who have been displaced from fraternities and sororities.

I would like to state at this point that there was certainly no intention on my part, or on the part of the Congress, to apply Title IX restrictions to Greek organizations, organizations which are primarily social in nature and which serve no educational or professional purpose. While there is no mention of the application of Title IX to Greek organizations in the legislative history of the authorizing legislation, the specific Congressional exemption of traditionally single sex schools demonstrates that the Congress had no desire to penalize such institutions.

Fraternities and sororities have been a tradition in the country for over 200 years. Greek organizations, much like the single-sex college, must not be destroyed in misdirected effort to apply Title IX.

Sex discrimination remains a serious problem for today's colleges and universities. The regulations promulgated under Title IX by the Department of Health, Education and Welfare go a long way toward eliminating such invidious practices as admissions quotas and unequal benefits based on sex. It was these practices toward which Title IX was directed, not toward the elimination of our nation's Greek tradition.

Please advise me what more I can do to put the legislative intent of Title IX in perspective relative to fraternities and sororities.

Thank you for considering this request.

Sincerely,

BIRCH BAYH,
U.S. Senator.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., November 8, 1974.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: Thank you for your letter of October 3 expressing concern about how the Department's proposed regulation to implement Title IX of the Education Amendments of 1972 will affect fraternities and sororities at federally funded colleges and universities. As you know, Title IX generally prohibits discrimination by sex in federally assisted education programs. I apologize for the delay in responding.

Section 86.31 (b) (7) of the proposed regulation would prohibit a recipient of Federal funds from assisting another party which discriminates on the basis of sex in serving students of the recipient.

As outlined in the enclosed copy of the proposed regulation at page 22229, the substantiality of the college's assistance to the fraternity and the degree to which the fraternity's activities are an integral part of the education program offered by a recipient are the key factors to be considered by the Department in determining Title IX applicability. The regulation clearly would not apply to or affect fraternal organizations which do not derive any support from the federally assisted education institution and which do not perform services for the institution.

All of the above is required by the statute according to advice I have received from our General Counsel—advice which, of course, I must follow.

There has been some concern about the applicability of Title IX of Section 1975 (c) (a) (6) of the Civil Rights Act of 1964 (42 U.S.C.) which also is listed under Title V of the Act, Section 104 (a) (6) as published by the Government Printing Office. It states:

"Nothing in this or any Act shall be construed as authorizing the Commission, its Advisory Commitees, or any person under its supervision or control to inquire into or investigate any membership practices or internal operations of any fraternal organization, any college or university fraternity or sorority, any private club or any religious organization."

The prohibition of Section 104 (a) (6), of course, relates to the Civil Rights Commission which operates independently from the Department and its Office for Civil Rights and is an investigative, information gathering agency. The Civil Rights Commission does not have the enforcement responsibilities Congress mandated under Title VI, Section 602 of the Civil Rights Act, to Federal departments such as Health, Education, and Welfare. The prohibition of Section 104(a) (6) has never been interpreted as extending to the Department's Title VI enforcement effort, and it is the view of the Department's Office of General Counsel that it does not apply to Title IX or any regulation to implement Title IX.

Although the Waggonner Amendment to the Higher Education Act of 1965 (20 U.S.C. 1144(b) does apply to Title IX enforcement, the advice I have received is that it does not completely remove fraternities and sororities from the reach of the nondiscrimination provisions. Section 1144(b) states:

"Nothing contained in this act or any other act shall be construed to authorize any department, agency, officer or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at any institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution."

Obligations under Title IX run to the recipient institution of higher education and not to a fraternal organization, unless the organization itself received Federal financial assistance. The Waggonner Amendment would exempt a fraternal organization from Title IX requirements when that fraternal organization is "financed *exclusively* by funds derived from private sources and those facilities are not owned by such institution." Accordingly, the Department, when presented with a complaint alleging Title IX discrimination by an organization covered by Section 1144(b), would have to consider the relationship between the institution and the particular organization.

You mention the exemption in Title IX relating to single-sex colleges. This exemption extends only to admissions to institutions and not to membership policies of organizations supported by federally assisted educational institutions.

I agree that social fraternities and sororities have played, and should continue to play, a useful role in the social and cultural needs of American students. We do not read Title IX as precluding such a role, nor is the language of the proposed regulation intended to do so. To the extent that the statute and regulation preclude a social Greek Letter society from receiving material support from an educational institution that is in turn supported under one of our programs, or to the extent that they preclude the university from using the society as an instrument in the university's educational program, any change in approach would have to be effected by amendment of the statute. Should you wish to propose such an amendment, we would be glad to provide such technical assistance as you might desire in its preparation.

If I may be of further assistance, please let me know.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Mr. TALMADGE. Mr. President, I am pleased to join the Senator from Indiana (Mr. BAYH) and the Senator from Rhode Island (Mr. PELL) in sponsoring this amendment to exempt college social fraternities and sororities and organizations such as the Boy Scouts and Girl Scouts from the sex discrimination guidelines proposed under title IX of the Education Amendments of 1972.

The Congress has long recognized the unique nature and role of these organizations. This legislation will preserve their status.

Title IX was enacted originally to require educational institutions to afford men and women equal opportunity and access to admissions, employment, and school-sponsored services. It was never meant to force groups such as Greek-letter societies and the Girl Scouts to abandon their practice of limiting membership to individuals of one sex.

In my view, the purpose and scope of title IX is clearly and amply reflected in the legislative history. However, the Department of Health, Education, and Welfare has come up with an interpretation of the law which would require schools furnishing "substantial" or "material" support for these organizations to withdraw that support or lose Federal financial assistance.

I was surprised by the Department's action which could, unless checked, jeopardize the very existence of these groups. The proposal at hand should clarify for all parties concerned the exempt status of social fraternities and sororities and similar groups under title IX.

Mr. GRIFFIN. Mr. President, the purpose of this amendment is to make certain that medicare benefits of elderly persons will not be denied or cut off merely because they receive care in a nursing home or other facility operated by a fraternal organization, such as the Masonic Order.

At present, the Civil Rights Division of HEW is threatening to cut off medicare benefits of helpless old people as a means of pressuring compliance by the Masonic Lodge with highly questionable interpretations of the Civil Rights Act.

I am not a Mason, and I do not condone discrimination. Nevertheless, I am deeply concerned about the highhanded methods used by HEW to stretch some civil rights provisions far beyond the intent, even the imagination, of Congress.

When Congress passed the Civil Rights Act of 1964, the medicare program was not even in existence. Yet, HEW now contends that the payment of medicare benefits amounts to "Federal financial assistance" within the meaning of the earlier enacted title VI of the Civil Rights Act.

Section 602 of the Civil Rights Act of 1964, defined the term "Federal financial assistance" to mean a "grant, loan, or contract other than a contract of insurance or guarantee." When it passed the medicare program, Congress specifically designated part A as "Hospital Insurance

Benefits for the Aged and Disabled." The first section of that part A recites that "the insurance program provides basic protection against the costs of hospital and related posthospital services."

It seems clear, then, that Congress, if anything, intended to exempt medicare payment from the provisions of section 602 of the 1964 Civil Rights Act.

Nevertheless, in a May 28, 1974 memorandum, HEW Assistant General Counsel Theodore A. Miles, determined that, *although medicare* payments are contractual in nature, the Government's obligation is not a contract of insurance within the meaning of title VI of the Civil Rights Act of 1964.

Mr. President, without quibbling over technical legal distinctions, commonsense suggests that the medicare program was designed primarily to assist individuals not institutions or organizations.

My amendment would clarify what I believe Congress really intended in the first place. It would not exempt any organization from the civil rights laws, but it would assure that older citizens who are caught in the middle of this dispute will not be denied the health care which they need and deserve.

The ACTING PRESIDENT pro tempore. Without objection, the request of the Senator from Indiana is agreed to, the amendments are agreed to.

Without objection, the same conferees are appointed and the bill is back in conference.

Mr. GRIFFIN. Mr. President, I think I should state that there was some discussion of this matter on Saturday and I was reluctant at that time to go along with the unanimous consent of the Senator from Indiana primarily because the legislation we are dealing with primarily is the result of a compromise arrangement between the Senator from Rhode Island (Mr. PELL) and the Senator from New York (Mr. BUCKLEY) and I was not able to get in touch with Mr. BUCKLEY on Saturday to see whether or not this modification was agreeable.

It is my understanding that two amendments acceptable to both Mr. PELL and Mr. BUCKLEY have been agreed to, unanimous consent having been given that the reading of the amendments would be waived.

In view of the agreement of Mr. BUCKLEY, I, of course, did not object. I feel that that explanation might be useful in the record.

Mr. BAYH. Mr. President, if I can be recognized for a moment, I would like to express my deep appreciation to the distinguished Senator from Rhode Island who has been the floor manager for Senate Joint Resolution 40, a resolution calling for a White House Conference on Library and Informational Services in 1976.

As chairman of the Subcommittee on Education, he has been a leader in helping to further library services and to move library and education legislation through this body.

This amendment, to which we have just agreed, deals with perfecting title IX of the Higher Education Act which prohibits discrimination on the basis of sex.

Senate Joint Resolution 40 was the only bill available at this point in the session to which my amendment could be offered. I want to say to the distinguished Senator from Rhode Island how very much I appreciate his cooperation on this matter.

Mr. PELL. Mr. President, I thank the Senator.

MESSAGES FROM THE PRESIDENT

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on December 13, 1974, he had approved and signed the following acts:

S. 3308. An act to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes; and

S. 3546. An act to extend for one year the time for entering into a contract under section 106 of the Water Resources Development Act of 1974.

A message from the President of the United States stated that on December 14, 1974, he had approved and signed S. 1561, An act to provide that Mansfield Lake, Ind., shall be known as Cecil M. Harden Lake.

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. DOMINICK V. DANIELS, Mr. GAYDOS, Mr. MEEDS, Mr. QUIE, Mr. ESCH, and Mr. STEIGER of Wisconsin were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 3481) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, with amendment, in which it requests the concurrence of the Senate.

The message further announced that the Speaker has appointed Mr. YOUNG of Illinois as a manager on the part of the House in the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 426) to regulate interstate commerce by requiring premarket testing of new chemical substances and to provide for screening of the results of such testing prior to commercial production, to require testing of certain existing chemical substances, to authorize the regulation of the use and distribution of chemical substances, and for other purposes.

The message also announced that the House has passed the bill (H.R. 17556) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has affixed his signature to the following bills and joint resolution:

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 14349. An act to amend section 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army Staff;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777;

H.R. 15818. An act to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission;

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness; and

S.J. Res. 263. A joint resolution amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

(The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. METCALF).)

At 3:30 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed, without amendment, the following bills and joint resolution:

S. 939. A bill to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes;

S. 2343. A bill to authorize the Secretary of the Interior to convey, by quit-claim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands;

S. 3191. A bill to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force; and

S.J. Res. 260. A joint resolution relative to the convening of the 1st session of the 94th Congress.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 17 to the bill (H.R. 16900) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The message further announced that the Speaker has appointed Mr. Moss as a member of the Joint Committee on Atomic Energy, vice Mr. Holifield, resigned.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Perkins, Mr. Hawkins, and Mr. Quie were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Ullman, Mr. Burke of Massachusetts, Mrs. Griffiths, Mr. Rostenkowski, Mr. Schneebeli, Mr. Conable, and Mr. Pettis were appointed managers of the conference on the part of the House.

At 5:31 p.m., a message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House has passed, without amendment, the following bill and joint resolution:

S. 4013. A bill to amend the act incorporating the American Legion so as to redefine eligibility for membership therein; and

S.J. Res. 224. A joint resolution to authorize and request the President to issue a proclamation designating January, 1975, as "March of Dimes Birth Defects Prevention Month".

The message also announced that the House has passed the bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, with an amendment, in which it requests the concurrence of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAVEL, from the Committee on Interior and Insular Affairs, with amendments:

S. 3839. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes (Rept. No. 93–1358).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 421. An act to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty (Rept. No. 93–1357).

By Mr. FANNIN, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 7978. A bill to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Hualapai Reservation, Ariz., and for other purposes (Rept. No. 93–1359).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, December 16, 1974, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 263) amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4162

At the request of Mr. Hugh Scott, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 4162) a bill to establish a program of Federal assistance to provide relief from energy emergencies and energy disasters.

S. 4207

At the request of Mr. Ribicoff, the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Allen), the Senator from New York (Mr. Javits), and the Senator from West Virginia (Mr. Robert C. Byrd) were added as cosponsors of the bill (S. 4207) the Emergency Unemployment Compensation Act of 1974.

AMENDMENTS SUBMITTED FOR PRINTING

UPHOLSTERY REGULATORS—H.R. 421

AMENDMENT NO. 2079

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulators, upholsterer's regulating needles, and upholsterer's pins free of duty, and for other purposes.

AMENDMENTS NOS. 2080, 2081, AND 2082

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, I send to the desk three amendments to H.R. 421, and I ask that they may lie on the table and be printed. The three amendments are as follows:

The first amendment would strengthen the minimum tax on wealthy individuals and corporations, by repealing the so-called deduction for taxes paid and reducing the current $30,000 exemption from the minimum tax to $10,000. The revenue gain from the amendment would be $926 million.

The loopholes in the current minimum tax are notorious, and have been the subject of wide debate in Congress. At this time, there is perhaps no more important tax reform the Senate can now enact than a reform that closes the loopholes in the minimum tax. By such action we can signal the Nation that we intend to give top priority to comprehensive tax reform when the new Congress convenes in January.

The second amendment would double the existing tax credit and tax deduction for small political contributions. The current $12.50 credit—$25 on joint returns—would be increased to $25—$50 on joint returns. The current $50 deduction—$100 on joint returns—would be increased to $100—$200 on joint returns. The revenue loss from this provision is estimated at $25 million—$11 million from doubling the credit, and $15 million from doubling the deduction.

The third amendment would double the dollar checkoff for public financing of Presidential elections. The amount of the checkoff would be increased from its current level of $1—$2 on joint returns—to $2—4 on joint returns.

It now appears that the Senate intends to act this week at least on two tax bills. But under the procedure being attempted for floor action, the Senate will be asked to invoke cloture on each bill as a device to ward off unwanted riders and prevent either of the bills from turning into a Christmas tree.

In effect, the strategy is to ask the Senate to swallow the Finance Committee bills whole in the waning hours of this Congress, under a "closed rule" procedure not unlike the procedure often used in the House to stifle debate on tax bills.

But it turns out that what the Finance Committee has done on H.R. 421 is to decorate its own mini-Christmas tree, in a closed door session of the committee, and then ask the Senate to approve the tree on a take-it-or-leave-it basis.

We are told that all the committee ornaments are beautiful and unobjectionable. But that is by no means clear, especially with respect to the rapid amortization provisions being extended for another year. And certainly the action of lobbyists waiting outside the committee doors, in anticipation of the ornaments being hung on the tree favorable to their clients, is cause for concern that the committee's holiday spirit does not extend to the hard-pressed ordinary American taxpayer.

Full Senate floor debate will at least expose the merits, or lack of them, of the various provisions. For that reason, I intend to vote against cloture in the first vote on H.R. 421, to guarantee that we have the opportunity to deal effectively with each of the bill's provisions.

Even if cloture is invoked, however, it will be important to try to add additional significant tax reforms. Although the germaneness rule under cloture is a substantial bar to most amendments, I believe that the three amendments I have offered are germane, and I hope the Senate will have the opportunity to vote on them.

Mr. President, I ask unanimous consent that the text of the amendments may be printed in the Record, together with a brief summary of the minimum tax amendment.

There being no objection, the amendments and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2080

At the appropriate place in section 3 (relating to tax preferences for the amortization of certain facilities), add the following provision:

STRENGTHENING THE MINIMUM TAX

SEC. (a) Section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended:

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) IN GENERAL.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds $10,000.";

(2) by striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof "*$10,000*"; and

(3) by striking out subsection (c).

(b) The amendments made by this section apply to taxable years beginning after December 31, 1973.

AMENDMENT NO. 2081

At the appropriate place in the provisions relating to political contributions and deductions, add the following new provision:

DOUBLING OF DOLLAR CHECKOFF

SEC. (a) Section 6096(a) of the Internal Revenue Code of 1954 (relating to designation of income tax payments to the Presidential Election Campaign Fund) is amended by—

(1) striking "$1" each time it appears and inserting "$2" in lieu thereof; and

(2) striking "$2" and inserting "$4" in lieu thereof.

(b) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

AMENDMENT NO. 2082

At the appropriate plan in section 12 relating to tax credits and deductions for political contributions, add the following provision:

INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND DEDUCTION

SEC. . (a) Section 41(b)(1) of the Internal Revenue Code of 1954 (relating to maximum credit for contributions to candidates for public office) is amended to read as follows:

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $25 ($50 in the case of a joint return under section 6013)."

(b) Section 218(b)(1) of the Internal Revenue Code of 1954 (relating to amount of deduction for contributions to candidates for public office) is amended to read as follows:

"(1) AMOUNT.—The deduction under subsection (a) shall not exceed $100 ($200 in the case of a joint return under section 6013)."

(c) The amendments made by subsections (a) and (b) shall apply with respect to any political contribution the payment of which is made after December 31, 1974.

MINIMUM TAX AMENDMENT TO H.R. 421

PURPOSE

1. Repeal the step in the calculation of the minimum tax which currently allows a deduction for other taxes paid.

2. Reduce the current $30,000 exclusion from the minimum tax to $10,000.

The proposed amendment makes no change in the list of tax preferences subject to the minimum tax, and no change in the current 10% rate of the minimum tax. It affects only the deduction for taxes paid and the $30,000 exclusion, the most obvious loopholes in the current minimum tax. The combined revenue gain from both changes would be $926 million.

CURRENT LAW

The minimum tax was enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that persons with substantial amounts of untaxed income would pay at least a modest tax on such income. Under the present minimum tax, a person is taxed at the flat rate of 10% on the sum of his income from certain tax preferences, which include most, but not all, of the major preferences in the tax code: accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of certified pollution control facilities, amortization of railroad rolling stock, stock options, reserves for losses on bad debts of financial institutions, depletion, capital gains, and amortization of on-the-job training and child care facilities.

Before the minimum tax is applied, however, a taxpayer gets two important deductions from his preference income: First, an automatic $30,000 exclusion; Second, a deduction for the regular income tax paid. These two deductions are largely responsible for the failure of the minimum tax to fulfill its promise.

DEDUCTION FOR TAXES PAID

This deduction, originally proposed as a floor amendment in 1969 by Senator Miller of Iowa, allows substantial numbers of taxpayers to avoid the minimum tax completely, even though they have large amounts of income from tax preferences. In 1970, as a separate floor amendment by Senator Miller, the deduction was broadened to allow a 7-year carry-forward of the deduction. In practice, the deduction is an "Executive Suite" loophole, since one of its principal effects is to allow highly paid executives to use the large amount of regular taxes they pay on their salaries as an offset against income they receive from tax preferences. The following example illustrates the point:

	A	B
Preference income	$100,000	$100,000
Regular tax on salary	100,000	0
Base for minimum tax	0	100,000
Minimum tax	0	10,000

Individual A, who has $100,000 in income from tax preferences but pays $100,000 in regular taxes on his salary, owes no minimum tax. Individual B, who has $100,000 in income from the same tax preferences, but who pays no regular taxes, owes a minimum tax of $10,000. The minimum tax should operate equally on individuals A and B, yet the deduction for taxes paid lets A escape the minimum tax altogether.

Contrary to arguments often raised against repeal of the deduction for taxes paid, this reform would have only a marginal impact on capital gains. For individuals, the effect of the change would be to increase the effective tax rate on capital gains in the highest bracket from its present level of 36.5% to 40%. But the top 40% rate would apply only to that portion of capital gains over $460,000. Even at that level, it is still a bargain, compared to the top 70% tax rate on ordinary income. In the Tax Reform Act of 1969, the maximum effective tax rate on capital gains was increased from 25% to 36.5%, with no measurable effect on the investment community or the flow of capital to business. For corporations, the change would increase the effective tax rate on capital gains from 30.75% to 33.75%. The Tax Reform Act of 1969 increased the rate from 25% to 30%. For all but the smallest corporations, the tax rate on ordinary income is 48%.

THE $30,000 EXCLUSION

The second part of the amendment would reduce the existing $30,000 exclusion to $10,000. The present level was set too high by the 1969 Act. It enables wealthy taxpayers to enjoy their first $30,000 in tax loophole income, completely free of the minimum tax. This was the provision used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near-zero in 1970.

By reducing the exemption to $10,000, substantial amounts of preference income that are currently tax-free will become subject to the minimum tax. At the same time, the $10,000 level will be high enough to prevent any deleterious impact on low and middle-income taxpayers with modest tax preference income such as a capital gain on the sale of a home. In addition, the $10,000 level will avoid any unnecessary inconvenience in the administration of the minimum tax, since it will not require the forms to be filed or the tax to be paid on modest amounts of tax preference income.

EFFECT OF CURRENT LOOPHOLES

Individuals—In 1971, 100,000 individuals with tax preferences totaling $6.3 billion paid $169 million in minimum tax, for an effective tax rate of only 2.7%, compared to the statutory rate of 10%. Of this group, 75,000 individuals reporting preference income of $2.3 billion paid no minimum tax at all.

Corporations—In 1970, 81,000 corporations paid $280 million in minimum tax on loophole income of $5.7 billion, for an effective rate of 4.8%. Of this group, 75,000 corporations, reporting preference income of $1.6 billion, paid no minimum tax at all.

Revenue gain from proposed amendment—1974 income levels

	millions
Individuals	$526
Corporations	400
Total	926

ANALYSIS OF REVENUE GAIN FROM INDIVIDUALS

Adjusted gross income Class	Increase in tax liability	
	Number of returns (thousands)	Amount (millions)
0 to $3,000	20	$10
$3,000 to $5,000	(1)	(1)
$5,000 to $7,000	2	1
$7,000 to $10,000	2	2
$10,000 to $15,000	28	5
$15,000 to $20,000	26	8
$20,000 to $50,000	88	75
$50,000 to $100,000	55	86
$100,000 and over	43	338
Total	265	526

[1] Less than 500 returns or $500,000.

Note: Details do not add to totals because of rounding.

SOCIAL SERVICES AMENDMENTS OF 1974—H.R. 17045

AMENDMENT NO. 2083

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY. Mr. President, I submit an amendment to H.R. 17045, the "Social Services Amendments of 1974," which would prohibit any money under any title of the Social Security Act to be used for the performance of abortions except in the case where it is necessary to save the life of the mother.

The Congress is on record as opposing

the use of taxpayers' dollars for abortions under family planning. Senator Helms introduced an amendment to S. 1443, the foreign aid bill of 1973, that stated:

> None of the funds made payable to carry out this part shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

This is now part of Public Law 93–189 which was enacted on December 17, 1973.

As you know, the Department of Health, Education, and Welfare recently issued a regulation stating that no Federal money would go to any State for abortions under family planning. I am gratified to see such a regulation, but I think that the Senate should make it absolutely clear as to where we stand on the use of taxpayers' money for abortions.

Thus, I am introducing this amendment in order to see to it that we are on record as stating that this body does not want Federal support of abortions.

Recently, as you know, the Senate voted by a wide margin to adopt the Bartlett amendment to the Labor-HEW Appropriations Act. Although the Bartlett amendment was dropped in conference, the conferees made it clear that the majority of conferees, representing a majority of both Houses, did not want to see taxpayers' money used for abortions.

My amendment will simply serve to underscore that fact in case there are any in the bureaucracy who might think that what HEW has allegedly "given" by regulation, HEW can take away. I think that it is not only germane but quite necessary that there be an affirmative vote on the matter.

I might add, Mr. President, that we have here yet another example of the unacceptable conditions under which Senators are supposed to deliberate, if that is the word, the legislation that comes before them. I have not been able to even secure a copy of the Senate report, and it was only with extreme difficulty that my staff finally found someone who would give us some idea of what it contained. I sincerely wish, Mr. President, that the American people could be made aware of the fact that quite a few of the bills that come before this body are not even ready for scrutiny at the time when they are debated.

AMENDMENT NO. 2084

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

LAND AND WATER CONSERVATION FUND ACT AMENDMENTS—S. 3839

AMENDMENT NO. 2085

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS (for himself, and Mr. Buckley) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

PRISONER OF WAR AND MISSING IN ACTION TAX ACT—H.R. 8214

AMENDMENT NO. 2086

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON submitted an amendment intended to be proposed by him to the bill (H.R. 8214) to modify the tax treatment of members of the Armed Forces of the United States and civilian employees who are prisoners of war or missing in action, and for other purposes.

STRIKING OF MEDALS FOR 100TH ANNIVERSARY OF THE CABLE CAR IN SAN FRANCISCO AND FOR JIM THORPE—H.R. 17556

AMENDMENT NO. 2087

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON submitted an amendment intended to be proposed by him to the bill (H.R. 17556) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th aniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

Mr. STEVENSON. Mr. President, I introduce an amendment to H.R. 17556 to resolve the present impasse over the Export-Import Bank bill and pave the way for a final disposition of this matter in this Congress.

The amendment, in essence, consists of the Eximbank bill agreed-upon in Conference with two important additions:

One would put the Eximbank in the Federal budget starting with fiscal year 1977.

The other would require affirmative congressional review and approval of all proposed Eximbank loans and guarantees of $25 million or more for fossil fuel energy products in the Soviet Union. Congressional review and approval would be in accordance with procedures identical—except for certain time periods—to those established in the trade bill approved by the Senate last Saturday for bills to implement trade agreements and resolutions to approve commercial agreements with communist countries.

Under this procedure the Eximbank would submit to the Congress a report on each proposed fossil fuel energy project in the Soviet Union of $25 million or more together with an approval resolution. The Banking Committees of the Senate and House would have 25 legislative days to act on such a resolution. If the committees did not act within 25 days, the approval resolution would be discharged automatically and placed on the calendar. Within 15 days thereafter, a vote on the final passage would occur with debate in the Senate and House limited to a maximum of 20 hours.

With these two additions to the bill reported out of conference, the Senate will have achieved all its major objectives.

It will have placed a $300 million ceiling on future Eximbank commitments to the Soviet Union, a ceiling which could be exceeded only if Congress gives affirmative approval.

It will have subjected all future major transactions of the Bank, whatever the country involved, to close congressional scrutiny by requiring the Congress to be notified of such transactions 25 legislative days prior to final approval.

It will have insured that the Bank assists no major fossil fuel energy projects in the Soviet Union without express congressional approval.

And it will have insured, unless the budget committees recommend otherwise, and Congress concurs, that the Bank will be restored to the Federal budget starting with fiscal year 1977.

In addition, by taking this route, we will avoid the need for another conference and all the delay and risks which that entails, while preserving all the reforms which we have successfully achieved and the House has agreed to to date.

These reforms include a requirement that the Bank take into account the possible adverse effects of Exim assistance on U.S. employment, the competitive position of U.S. industries, and the availability of materials in short supply before approving any loan, guarantee, or insurance. They include a requirement that Exim's interest rates be set by taking into account the average cost of money to the Bank. They require that Treasury lending to Exim bear interest at a rate equal to Treasury's cost of money on borrowings of similiar maturities. They require that Exim report semiannually on the progress it is making in reducing international credit competition. They require that Exim report semiannually on all energy related transactions and include in that report an analysis of the effect of such transactions on the availability of energy developed abroad for use in the United States. They require that Exim report annually on its progress in assisting small business. And by reducing the amount of additional authority available to Exim to half of the additional $10 billion it asked for, and by placing a lid of $300 million on new assistance to the Soviet Union, it insures that within a relatively short time, perhaps as soon as 2 years or less, the Congress will again have an opportunity to consider what, if any, kind of Export-Import Bank it wishes to have.

Mr. President, this amendment offers a reasonable compromise on the issues which concern this body. They are issues which deeply concern me as well. Along with the other issues which we have explored at length in hearings in the Banking Committee, they helped trigger the first major reform of the Bank since its inception, reforms which we are now close to achieving and which we may jeopardize if we have to return to yet a third conference.

This amendment also offers a reasonable package for the House. All but the budget and the Soviet Union fossil fuel energy provisions have already been agreed to in conference. Sending a new, realistic, and reasonable bill to the House now—one which has largely been agreed to—and avoiding the need for further conferences in the waning days of this session, offers the best possible hope for enactment of an Export-Import Bank bill in this Congress.

I, therefore, urge adoption of my amendment.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 2006

At the request of Mr. JACKSON, the Senator from California (Mr. TUNNEY) was added as a cosponsor of amendment No. 2006, intended to be proposed by them, to the bill (S. 3267), the Standby Energy Emergency Authorities Act.

ADDITIONAL STATEMENTS

WALTER LIPPMANN—A WISE MAN WITH WORDS OF MEANING FOR US ALL

Mr. JAVITS. Mr. President, the death over the weekend of philosopher-journalist Walter Lippmann was a noteworthy loss to a saner world.

I knew Walter Lippmann very well and will miss him not only as a friend but as a man and an intellect who provided keen insights into the thinking of public officials, our political structure, and that of the world.

Walter Lippmann's life was a most illustrious one, but the key word to his character and nature was "sagacity." And he had a more comprehensive and accurate view of the world's forward movement than any other man I know. Beyond all else he remained optimistic on the future of the world.

Mr. President, we were blessed with many great columns written by Walter Lippmann, but one that I appreciate so much was written in 1962 and again carried in yesterday's Washington Post.

I believe it carries for all of us in this body, indeed for anyone involved in politics, a guide for us to live by as public officials. As we listen to the great debate about political philosophy—conservative versus liberal, liberal versus moderate—we seem to be unable to express the meaning of even those words as we perhaps feel them deep inside. But Walter Lippmann defined conservative, liberal, and progressive as they should be:

Let me quote him:

> CREDO FOR AMERICANS—1962
>
> Every truly civilized and enlightened American is conservative and liberal and progressive. A civilized American is conservative in that his deepest loyalty is to the Western heritage of ideas which originated on the shores of the Mediterranean Sea. Because of that loyalty he is the indefatigable defender of our own constitutional doctrine, which is that all power, that all government, that all officials, that all parties and all majorities are under the law—and that none of them is sovereign and omnipotent.
>
> The civilized American is a liberal because the writing and the administration of the laws should be done with enlightenment and compassion, with tolerance and charity, and with affection.
>
> And the civilized man is progressive because the times change and the social order evolves and new things are invented and changes occur. This conservative who is a liberal is a progressive because he must work and live, he must govern and debate in the world as it is in his own time and as it is going to become.

Those are wise words, Mr. President, from one of the wisest men our Nation has been privileged to call its own.

THE "FIRST STATE"

Mr. BIDEN. Mr. President, it is with great pleasure this morning that I am able to call to the attention of the Senate that this week is the week in which my State of Delaware, in 1787, became the first State to ratify the Constitution of the United States, and in doing so has become known as the first State in the United States. Delaware's role in that historic undertaking merits recounting.

Discussion leading to the framing of our Nation's Constitution began in 1786 after the Virginia Legislature suggested that a commission be established to consider the trade of the United States.

Because of frequent disputes over import duties and boundaries, Delaware, which was frequently referred to as the Three Counties on the Delaware River, Pennsylvania, New Jersey, Virginia, and New York, soon agreed to form such a commission and send representatives to Annapolis, Md., in September of 1786.

Delaware was represented at the Annapolis Convention by George Read, Jacob Broome, Richard Basset, Gunning Bedford, and John Dickinson.

Dickinson, who had earned a reputation by his opposition to the taxation of colonies, was chosen president of the Convention where debates centered around the navigational and importation rights of each State. It became apparent, however, that with only five States being represented, no regulatory measures could be established without offending one or more of the States not represented.

With this fact in mind, the Annapolis convention adjourned but not before the delegates paved the way for the convention at Philadelphia. The representatives at Annapolis voted to expand their powers to include, what Walter Powell has recorded as being:

> The whole matter of Federal Government that an effort should be made for the appointment of commissioners to meet at Philadelphia on the second Monday in May next to take into consideration the situation of the United States, and to devise such further provisions as shall appear necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union.

On February 21, 1787 Dickinson reported the convention's proceedings to Congress, which recommended to the States a convention as proposed in Dickinson's report.

Powell says that the Delaware General Assembly acted quickly and appointed George Read, Gunning Bedford Jr., Richard Bassett, Jacob Broome, and John Dickinson deputies to meet at Philadelphia on May 14, 1787.

> To join in discussing such alterations, and further provisions as may be necessary to render the Federal Constitution adequate to the exigencies of the union, provided that such alterations or further provisions do not extinct that most important part of the fifth Article of the Confederation which declares, that in determining questions in the United States in Congress assembled, each State shall have one vote.

The other States also recognized the need for a convention and followed Congress recommendation that a meeting be held in Philadelphia. On May 25, 1787, representatives from all 13 States assembled in Independence Hall at Philadelphia.

In Philadelphia the Delaware delegation, led by John Dickinson and George Read, took an active role in the formation of the Constitution. Most importantly, however, was the delegation's role in preserving the equal representation of the smaller States in Congress. Many of the smaller States were worried about being absorbed by the larger States if both Houses were run according to a proposed rule calling for proportionate representation in either House.

Mr. Read of Delaware, however, met this proposal head-on by calling the delegates' attention to the fact that "the commission of the deputies from Delaware precluded any change from that Article in the Confederation, which provided that each State shall have one vote, and that, if the proposed change should prevail it might become their duty to retire from the Convention."

With this threat of secession the convention moved toward dissolving, however, this was avoided by the adoption of Dickinson's motion which called for "the number of the Second Branch—the Senate, ought to be chosen by the individual legislatures."

Because of these action by the Delaware delegation, it has been said, that:

> It may be fairly claimed for Delaware that the determined stand of her Deputies gave the smaller states an equality of representation in the Senate under the Constitution that has preserved the sovereignty of the States.

Following a hot summer of even hotter debate, the Constitution having been fully engrossed, was signed by 39 of the 55 delegates on September 17, 1787. It was then submitted to the Congress of the Confederation on September 20 with the understanding that it would go into effect after being ratified by nine States. Writing in 1888, Thomas Scharf recounted Delaware's ratification procedure by saying that:

> The Legislature of Delaware met on the 24th of October, and following "the sense and desires of great numbers of the people of the State, signified in petitions to their general assembly, adopted speedy measures to call together a convention."

It assembled at Dover, in the first week in December, and ratified the Constitution on the seventh, being the first State to give its approval. As will be seen, the constituent body encountered no difficulty in giving its assent to the Federal Constitution, but it was difficult to find language strong enough to express its joy in what had been done.

The official notification of the adoption of the Constitution by Delaware is as follows:

We, the deputation of the people of Delaware State, in convention met, having taken into our serious consideration the Federal Constitution, proposed and agreed upon by the Deputies of the United States, in a General Convention, held at the city of Philadelphia on the Seventeenth day of September, in the year of our Lord 1787, have approved, assented to, ratified and confirmed, and by these presents do, in virtue of the power and authority to us given for that purpose, for and in behalf of our constituents, fully, freely any entirely approve of, assent to, ratify and confirm the said convention.

Done in convention at Dover, this seventh day of December, in the year aforesaid, and in the year of the Independence of the United States of America, the Twelfth, in testimony whereof we have hereunto subscribed our names.

I, Thomas Collins, President of the Delaware State, do hereby certify that the above instrument of writing is a true copy of the original ratification of the Federal constitution by the convention of the Delaware State, which original ratification is now in my possession. In testimony whereof I have caused the seal of the Delaware State to be hereunto affixed.

With this notification reaching Philadelphia, Delaware became the first State to ratify the Constitution, and the First State in the United States of America. This quick decision, which Delaware reached without a dissenting vote, encouraged other States to speed up their ratification process.

Later, in accordance with the provisions of the Constitution that the Delaware delegation had fought so hard to retain, the Delaware General Assembly on October 25, 1788, elected George Read and Richard Bassett the first Senators of Delaware, and in 1789 John Vining was elected as the first Representative of Delaware. Thus, the First State's first representatives took their seats in the newly formed First Congress.

TRIBUTE TO SENATOR GEORGE D. AIKEN

Mr. FONG. Mr. President, I rise today to pay my highest tribute to George D. Aiken, the senior member of this august body and for many years one of its most respected members.

George Aiken was elected to the U.S. Senate in 1940, after having served as one of the Green Mountain State's most progressive governors. Before that he had been the State's Lieutenant Governor after having served as Speaker of the Vermont House of Representatives and as a member of that house for many years.

In Vermont, he is a living monument to political responsibility, integrity, and public service.

The imprint left by George Aiken in the U.S. Senate during his 34 years of continuous and distinguished service is deep and lasting.

When he first took his seat is 1941, he joined the Senate Agriculture and Forestry Committee. He has been an ardent and effective spokesman for a strong and healthy agricultural industry in America, particularly for the family farm.

His knowledge and hard work on agricultural matters have been instrumental in fashioning farm policies under which America's farmers have been the most prodigious producers in the world.

His influence was felt in the drafting of such monumental legislation as the National School Lunch Act, the special milk program, the Food Stamp Act, and the Rural Water and Sewer Act.

He was also a principal sponsor of Public Law 480, better known as the Food for Peace Act, which has saved millions overseas from starvation and is still helping to feed hungry people all over the world.

George Aiken also reflects the international-mindedness of the people of Vermont through his interest and leadership in foreign affairs. Part of this interest has stemmed from his dedication to agriculture and the knowledge of the importance of America's farm output in world trade.

The senior Senator from Vermont has been a member of the Senate Foreign Relations Committee since 1954 and currently is its ranking Republican.

In addition to his efforts for the food-for-peace program, George Aiken supported many other humanitarian programs overseas, did much in the interest of Canadian-American relations, played key roles in missions to many parts of the globe, was a delegate to the 15th General Assembly of the United Nations, and participated in the signing of the Nuclear Test Ban Treaty.

In another field, public power, George Aiken had made his name long before coming to Capitol Hill.

As a State legislator, as Lieutenant Governor, and as Governor of Vermont, he successfully opposed efforts by both private industry and the Federal Government to take control of the natural resources of his State. During this period he is remembered for passage of legislation enabling Vermont to gain the benefits of the rural electrification program and for initiating action to establish the Connecticut River Flood Control Project and other key projects.

The St. Lawrence Seaway remains as a monument to George Aiken's persistence and patience as a U.S. Senator. Thanks to his efforts, surplus St. Lawrence power, which made costs in Vermont the yardstick for low-priced power throughout New England, was secured.

Senator Aiken also has been in the forefront of the effort to make fusion power a commercial reality in the nuclear power field by the turn of the century and was far ahead in warning the Nation of its vulnerability from relying too heavily on foreign supplies of oil.

Mr. President, when George David Aiken retires with the adjournment of the 93d Congress, we will have lost a pillar of strength and the services of a good and able friend.

To George Aiken and his gracious wife, Lola, Ellyn and I extend our warmest best wishes for many years of abundant good health and happiness in your retirement.

To both of you we say: Aloha nui loa.

WILHELMINA MARSHALL

Mr. RIBICOFF. Mr. President, the November 1974 issue of the District of Columbia government publication featured an article about Wilhelmina Marshall. This is a fitting tribute to a most able person. Mrs. Marshall is a woman of great ability and character, and has given the District of Columbia outstanding service. Her husband, Augustus, is a member of my staff. I ask unanimous consent that the article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wilhelmina Marshall

Wilhelmina Marshall has found her niche in a profession where there are few Blacks and few females. Mrs. Marshall is a budget analyst—in the city's Office of Budget and Financial Management (OBFM).

In an office that employs the team concept to serve the various district government department and agencies, Mrs. Marshall is the senior budget analyst of the team that serves the Board of Higher Education, Federal City College, D.C. Teachers College, Washington Technical Institute, Department of Recreation, D.C. Public Library, Office of Youth Opportunity Services and the Department of Manpower.

In her position, Mrs. Marshall is required to perform a number of functions, including conducting indepth analyses of all budget and financial matters relating to the agencies she serves. She also directs department and agency budget personnel in the preparation of recommended budget allowances, considering the necessity of a budegt design that will take into account desired program objectives, probable financing ability, and a need for funds consistent with workload requirements and the policies of the Mayor. She then presents the recommendations for approval to the director of OBFM and assists him in discussing recommendations with agency heads, and in supporting the final recommendations before the Mayor.

In addition, she reviews or supervises the review of proposed allocations and supporting financial and work plans to insure that these allocations are in compliance with the District Government program planning and with the intent and purpose of Congress. She reviews and analyzes department and agency reports concerning the status of the actual progress of work, program development, obligations, and costs compared with plans. On the basis of these reviews, she recommends appropriate action on approval or revision of such plans.

She assists in the preparation of the District government budget for presentation by the Mayor to the City Council and the Congress, as well as reviews her staff's work for quality and suggested improvements.

Mrs. Marshall also wears another hat—that of Equal Employment Counselor for OBFM. She undertook this added responsibility with vigor and determination and was instrumental in helping to develop a comprehensive Affirmative Action Plan which established the additional hiring and upward mobility of minorities. While she admits "all was not rosy and there is still much to be done," she says the "acceptance of the plan and its continuance could not have been accomplished without the commitment and sensitivity of the director of OBFM and the understanding and full cooperation of all the staff."

Mrs. Marshall began her career with the U.S. Army Strategic Communications Command, where she was the first female budget analyst in the comptroller's Office of the Headquarters Division. When her division moved to Arizona, she transferred to the District Government as a budget analyst with the D.C. Public Schools, saying "I have always been a city girl and I wasn't about to leave for the deserts of Arizona."

Following one year with the Public Schools, she transferred to the Department of Recreation as its budget officer. A year later, she was asked to join the staff of OBFM.

Mrs. Marshall was born and raised in the District of Columbia. She attended public school here and after graduating from Dunbar Senior High School, she attended Howard University on a scholarship, receiving a degree in Business Administration.

Mrs. Marshall's hobby is sewing, and while she used to pride herself on making most of her clothes, she says "since working in OBFM, I just don't have the time any more." She attributes this to the long hours which are needed to complete the budget process. However, she does find time to work actively in the Altruist Social Club of which she is president. She finds great reward in the activities performed by the Club, including the "adoption" of the Wendell P. Teacher Home for Boys, located in the Cardoza area and operated by the Department of Human Resources. The boys are taken on picnics, bowling, roller and ice skating and given sports equipment, etc.

Mrs. Marshall is married and the mother of a son.

THE MARKETING OF FILBERTS

Mr. HATFIELD. Mr. President, H.R. 2933 has just received unanimous support in the House of Representatives. This is indicative of the strong support this measure has been able to attain once the facts on filbert marketing have become known to Congress. The filbert industry has been striving to achieve recognition in a marketplace that is seriously affected by an imported product that is not at all subject to the grading standards applied to domestic filberts for the purpose of quality control.

When a buyer of filberts in this country purchases domestically produced nut meat he knows what he is getting. The industry has imposed very strict standards in the marketing of its product in order to heighten consumer receptivity for their product. These standards have helped stabilize the market for in-the-shell filberts, but the market for shelled filberts is unsteady because of imports.

The industry is not asking for an end to imports, or a legislated advantage. Domestic consumption of filberts exceeds domestic production, so imports are needed. The industry only asks that the imported product be subject to the same quality standards that have been voluntarily imposed on the domestic product.

Mr. President, I am pleased to join my colleague from Oregon in urging Senate approval of the House's legislation, H.R. 2933.

DELAWARE TAKES LEAD IN INFLATION, ENERGY MEASURES

Mr. BIDEN. Mr. President, at a time when those of us in the Senate are attempting to develop proposals to deal with the dual problem of inflation and energy, it is good to see action being taken at the State level. At a recent press conference, Sherman W. Tribbitt, Governor of Delaware, introduced a five-point program to reduce energy consumption in Delaware, lower inflation, and aid the beleaguered housing industry.

Governor Tribbitt's plan consists of various tax incentives to stimulate savings, energy conservation, and use of mass transit and car pooling. As the Governor stated:

> These measures have all been designed to help fight inflation, and to provide economic incentives to make our citizens *want* to conserve energy. By their cooperation, our citizens will receive a modest reward of cash in return.

As we prepare to formulate a Federal program to deal with this crisis, I think we would do well to consider the measures proposed by Governor Tribbitt. I commend his remarks to the attention of my colleagues and ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY GOV. SHERMAN W. TRIBBITT

I want to thank the press for taking the time to be here today. I have a series of proposals to make that I think will prove to be of interest to you, as well as to all the people of Delaware.

Ever since the Middle East Oil Embago, just over a year ago, there has been much hand-wringing by the Administration in Washington, but very little has been done. A responsible and comprehensive national energy policy has not been developed, nor has anything been done to control what has now become galloping inflation. Republican leadership has failed the test. The citizens of our State and Nation are concerned about the cost of goods and services, yet they can see no effort on the part of the Administration in Washington or its Republican handmaidens in the Congress and the Senate to do anything about it.

This morning I want to disclose part of what I believe will ultimately be a comprehensive program to help in the fight against inflation, to help in the fight to conserve energy, and to help our stricken housing industry. And I believe that Delaware is the first State in the Nation to propose these measures, instead of just talk about them.

This morning I want to highlight five measures that I will be presenting to the General Assembly in January. Several other measures are under development, but they are not yet to the point of being made public.

First: a measure to help the housing industry. I will propose in January a deduction from gross income of the first $200, or any part thereof, of interest income on deposits in regular savings accounts in commercial banks, savings banks, building and loan, or savings and loan associations. This deduction will apply to long-term deposits of a year or more and will not apply to short-term certificates of deposit. By providing this exemption, it is my hope that it could stimulate additional longer term deposits by our citizens in thrift accounts and thereby increase the available mortgage-money pool.

Second: I will also propose in January that the utility tax on consumers' electric bills be stated separately and that the total tax amount become an allowable deduction for Delaware personal income tax purposes.

For example, if your utility bill averaged $30 per month for the 12 months of calendar year 1975, you would take the total tax, which would be $18, and deduct that from your adjusted gross income before computing your tax due the State. The size of your deduction will, of course, vary according to the size of your total annual electric bill.

This proposal will at least afford the individual consumer the same tax break as has been enjoyed by the business community on this particular tax since it was initiated in 1971.

Third: I will propose that home owners or renters who either install storm windows or increase the amount of insulation in their home, or both, will be able to deduct 25% of the purchase and installation costs of such storm windows or insulation from their adjusted gross income. Home owners and renters will immediately see a reduction in the cost of heat for their homes as a result of the addition of the storm windows or insulation. By providing the tax deduction, an additional saving can be achieved.

Fourth: I will also propose in January a tax credit for those utilizing mass transit facilities. I will propose a system that will allow employees to purchase commutation booklets through an employer payroll withholding program. Under my proposal, the employer would pay for 10% of the cost and the employee, through his payroll deduction, for the remaining 90%. The 10% paid for by the employer could be recovered by his claiming a tax credit on the Corporation Income Tax return in an amount equal to 10% of the cost of the total commutation tickets purchased through the plan. Appropriate changes in the Corporate Income Tax law will be proposed to permit claiming the credit.

Fifth: I want to propose a tax credit for citizens who participate in carpools. Let me illustrate this. If an individual is commuting to work and the distance is approximately 20 miles each way, that amounts to approximately 200 miles per week. Assuming two weeks of vacation and approximately ten days' paid holidays per year, over the remaining 48-week period the invididual will travel some 9,600 miles to and from work. If that individual has an automobile which has an about-average miles-per-gallon rating, he would use approximately 640 gallons of gasoline a year traveling back and forth to work.

Consider this. The average carpool is composed of three people. If our original driver joins with two others in a carpool, instead of three different cars each traveling that 9,000-plus miles per year and using 600-plus gallons of gasoline each—at a combined cost of more than $900 for gasoline alone—then gasoline consumption for commuting purposes for the three of them could be cut from slightly over 1,900 gallons (using three cars) per year to slightly over 600 gallons per year (using one car). At today's prices, the three of them would thereby split a savings of something over $600 just on gasoline alone.

I would propose to allow each of the three members of that carpool a personal income tax credit—not a deduction, but a tax credit—of $20 per year. This tax credit of $20 per person would further reduce the costs of commutation. The value of carpooling is readily apparent when you consider that the three individuals I have described, traveling to work in a carpool, would split a cost of transportation of $260 as apposed to spending approximately $320 each traveling separately.

Naturally, the carpooling would benefit its participants in other ways—reducing wear and tear on automobiles, lengthening tire life, significantly reducing parking costs, and other advantages. Of course, the amount of the savings will vary according to miles traveled, car economy, and other factors.

In order to qualify for the $20 tax credit for carpooling, according to my proposal, it would be necessary for the carpoolers to submit special information with their state income tax returns. The employer would have to validate the fact that his employee—or the employer, himself—is a member of a carpool. And the individual would have to also submit along with his tax return a notarized statement from the other members of the carpool showing their social security numbers, as well as his own.

These measures have all been designed to help fight inflation, and to provide economic incentives to make our citizens *want* to conserve energy. By their cooperation, our citizens will receive a modest reward of cash in return.

Let me finish by saying that a number of other proposals are being looked into, some of which center around the problem of what to do with the individual who refuses to conserve energy, or to put it another way, the individual who, by the economic decisions he make, elects to waste energy. And finally, we are looking very carefully at the cost both in terms of capital dollars, and operating dollars, and the time frame required to implement a statewide mass transit system.

I will have more to say in January, or perhaps before, on these and other proposals which are under active consideration.

But let me stress this to you members of the media.

Lots of people over in Washington are moaning about the energy crisis and the need for viable proposals.

Well, here they are—and the First State is taking the lead in meeting the energy crisis this year, as we did last year.

The people in Washington are mumbling vaguely about the need for tax incentives.

Well, here they are—and the Governor of the First State is putting forth precise, concrete proposals today.

We—in the States—are tired of waiting for Washington to make up its mind.

We in Delaware have done it now. These proposals are a fine start. And I'm proud to be the one to propose them for the benefit of the citizens of the First State.

UNITED NATIONS

Mr. McGEE. Mr. President, in this morning's publication of the Washington Post appears an editorial discussing recent events in the United Nations and the special responsibility the United States must bear in making that international body more responsive to real global needs.

As the editorial writer pointed out, much of what the United Nations has done during recent months has been not only unrealistic, but also very damaging in the context of U.S. public support for the institution. However, what is equally important is that it is incumbent upon the United States to play a more constructive role in the institution in an effort to strengthen the body.

While it is understandable the frustrations the United States and its representatives at the United Nations have undergone during the past year, it must be kept in mind that we ourselves are not without some fault for the present set of circumstances.

After pledging some months ago to exercise world leadership in meeting the food needs of those nations most seriously affected by famine and hunger, the United States still has to come forward with such a program. The President, unwilling to risk what he perceives to be an increase in food prices by a major food initiative, has, instead, focused the Public Law 480 program primarily on security and political aspects. Thus, while attempting to address political problems in the world through the use of our food productive capabilities, we have, in effect, created political problems by ignoring those nations most in need of U.S. assistance.

The central issue remains: unless and until the widening gap between the rich and the poor nations is narrowed, there can be no peace in the world. We are now paying the price, in the United Nations and elsewhere, for delaying vital decisions in this regard or simply ignoring reality. The international economic difficulties have now become political in context.

In the final analysis, the U.S. responsiveness to a new leadership role in the world will not only determine whether the United Nations is a viable institution, but also whether the entire international system will disintegrate into total anarchy.

In essence, the unwillingness of this Nation to address itself to the human problems of the world only escalates the possibility that such human problems will become political problems. While frustration with the United Nations is justified, one must also keep in mind that the United States has played no small role in this set of circumstances with the executive and legislative branches equally sharing the blame.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

The Debate in—And on—The U.N.

It is a good working principle that Ambassador John Scali enunciated at the United Nations the other day when he warned that the most meaningful test of a General Assembly resolution is not whether a majority can be mobilized behind it "but whether those states whose cooperation is vital to implement a decision will support it in fact." By that mature test, this has been a dismal Assembly session. Repeatedly, paper majorities composed of emotional Third Worlders and cynical Communists have rammed through resolutions intrinsically unfair, unwise and unimplementable. The latest of these is an international "Economic Charter" (approved 120 to 6) representing an awesome triumph of hope over reality. Such surrenders to self-indulgence convey *everywhere* the sense that the United Nations is not a place where serious business is done. Surely this hurts most those many nations—the United States not among them—who rely heavily on the world body to help them achieve their most important political and economic goals.

Responding to Mr. Scali, the Algerian delegate indicated some sense that the American envoy was correct in asserting that conspicuous abuse of the United Nations was undercutting public as well as congressional support for it. Not the United Nations but the "completely distorted image of its work" presented by American media is responsible for the American public's disenchantment, he declared defensively. One wonders what "distortions" he had in mind. Broadcasting of General Assembly meetings? Verbatim publication of Yasser Arafat's text? It is possible that delegates of governments which are unaccustomed to accounting to domestic public opinion may not fully understand how important American opinion is to American participation at the United Nations. But we doubt it. The place allotted to the United Nations in American foreign policy can seem more symbolic than real. But the particular symbolism—cooperation for the world's common welfare—is treasured by most Americans, and they react negatively when others tarnish it.

To be sure, as a number of delegates pointed out, the United States itself manipulated numerical majorities when it had them at its command. It would have done Mr. Scali little harm to concede the point, for what is really at stake is not a historical verdict but the current and future effectiveness of the premier world organization. The examples cited against the United States, however, deserve to be noted. One was the Assembly majority that Washington engineered in favor of partitioning then-British Palestine between Jews and Arabs in 1947. The Arabs instead chose war, though the partition resolution, unlike the recent pro-Palestine resolution, took neither territory nor the right of national existence from a member state but *gave* them to two claimants. Today many Arabs long to put into effect that very partition resolution. A second example was the American campaign to keep Peking out of the United Nations. The United States has since come to another view, one holding that the membership of sovereign states should be universal. This is the correct view, and the United States might enhance its case by acknowledging its own "conversion." The American interest remains, after all, not to avoid petty embarrassments but to strengthen the United Nations in what ways it can.

LEADERSHIP NEEDED TO DEAL WITH THE FOOD PROBLEM

Mr. HUMPHREY. Mr. President, I have pointed out many times to this body the need for our Government to provide strong leadership, and this is particularly the case in the area of food and agriculture.

I would like to point out three very worthwhile articles: a December 8, New York Times editorial, "The Fear To Lead," a December 1, New York Times article, "Canada Seeks Mideast Cooperation on Aid," and a December 16, Washington Post article "Huge Food Stocks May Go to Waste."

The editorial points out the many serious problems requiring leadership, stating:

> The cloud of nonleadership hangs over the nation's key activities like polluted air.

And—

> The nation that organized the Marshall Plan now seems unable to reconcile its internal farm and food policies with the imperative of an American leadership role in meeting the threat of starvation through much of the world.

The second article points out an initiative by Canada to provide technical assistance in the developing world with financing from the OPEC countries. This is an initiative which is worth utilizing by other nations, including the United States, if at all possible.

The third article on food stored for civil defense purposes points out another resource which is available to help address the world hunger problem. We need to find ways of using this resource so that it is not wasted.

Again, the needed ingredient is leadership.

Mr. President, I ask unanimous consent that these three informative articles be printed in the RECORD.

There being no objection, the acticles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 8, 1974]

The Fear To Lead

"Times are nowhere near desperate enough to paraphrase President Franklin D. Roosevelt's great rallying cry that the only thing we have to fear is fear itself. Still, it is a good thing to remember." This confusing assessment, voiced by President Ford in his news conference last week, characteristic of the nation's leadership vacuum.

The confusion is compounded when the

President simultaneonsly appeals for greater sacrifices and also warns that "our greatest danger today is to fall victim to the more exaggerated alarms that are being generated about the underlying health and strength of our economy."

Effective leadership requires a readiness to present a credible plan for reaching desirable goals, coupled with willingness to confront the people with unpleasant facts, whatever the political risks involved. To date, Mr. Ford has shown himself wanting on both counts.

While he speaks of the need for action, he gives no indication that either he or his domestic advisers have any clear view of the nature of such action. While he has expressed his "great respect and admiration" for the American people's willingness to sacrifice, he cannot shake the politican's habit of mollifying rather than sounding the alert—even to the point of defending his refusal to increase the gasoline tax on the ground that a public opinion poll showed 81 percent of the people opposing such a tax.

The cloud of nonleadership hangs over the nation's key activities like polluted air.

Aimless talk is a substitute for diagnosis and planning. High-level debate on whether the country's economic condition should be labeled a recession postpones effective steps to deal with the realities, whatever their name.

The consumer is alternately scolded for driving prices up by buying too much and for being unpatriotic by not buying enough.

Washington promises to provide public works programs to absorb the unemployed. At the same time, the cities hard-pressed for Federal help must lay off public employes, thus swelling the ranks of the unemployed.

The nation that organized the Marshall Plan now seems unable to reconcile its internal farm and food policies with the imperative of an American leadership role in meeting the threat of starvation through much of the world.

The energy crisis continues to be treated as if it were but a temporary technical problem in need of short-term correction. Concern over waiting lines at the filling stations next month seems of greater moment than the question of depleted resources for the next generation.

While the present sources of energy are being exhausted, to the accompaniment of political and economic threats from Arab oil producers, no concerted national effort, on the scale of the Manhattan Project or the flight to the moon, has been mobilized to open new energy frontiers to the United States and the world.

Although it is evident that conservation and environmental protection are basic necessities for the nation's future strength, current shortages are seized upon as an excuse to act even more irresponsibly in ravishing the earth and polluting air and water.

Human gains, again mistakenly regarded as luxuries rather than the necessities of a healthy, free society, fall victim to the general mood of self-centered drift.

The President cannot shape policies by relying on his veto power, nor Congress by its capacity to override. Mr. Ford was right when he said last week: "I believe the Congress, along with myself, has to give some leadership to the American people. . . ." Yet Mr. Ford, along with most others who wield power and influence in the public as well as in the private sector, still evades the task of confronting reality and charting a course. Leadership in difficult times cannot afford to keep an eye on the opinion polls nor to seek public support based on assurance that things are better than they seem.

Mr. Ford might begin by telling himself that the only thing we have to fear is fear to lead.

[From the New York Times, Dec. 1, 1974]

CANADA SEEKS MIDEAST COOPERATION ON AID

OTTAWA, November 30.—Canada is preparing to propose a new international development-aid partnership with the Arab oil-producing states—the Arabs would provide the money and Canada the expertise.

The plan will be submitted to Middle Eastern countries next month as a means of overcoming reluctance of the Arabs to channel their new wealth into aid through existing international development organizations like the International Bank for Construction and Development and various United Nations agencies, that the Arabs consider to be "dominated by the United States."

The program was outlined to a committee of the House of Commons yesterday by Paul Gerin-Lajoie, president of the Canadian International Development Agency, which administers Canada's aid program.

Mr. Gerin-Lajoie told the Miscellaneous Estimates Committee of the House that he planned to visit three Middle Eastern countries in December to solicit support for the plan. He did not say which countries.

The aid director described the proposed program as a "tripartite relationship" in which the Arab countries and Canada would enter into agreements with developing countries.

CONTRIBUTION OF "KNOW-HOW"

The Canadian contribution, as the proposal was explained, would be "the know-how gained in 25 years" of assistance programs.

A spokesman for the Canadian aid agency said that Canada's participation, in supplying expert services, would be "over and above" the present assistance program here, which involves an outlay of $733-million in various forms of aid to developing countries during the current fiscal year.

The present level of Canadian aid, the spokesman said, represents a 25 per cent increase over last year's figure and brings the assistance program to 0.5 per cent of Canada's gross national product. At the present rate of acceleration in Canadian aid, he added, Ottawa will reach the 0.7 per cent level recommended for advanced countries by the United Nations in the 1979–80 fiscal year.

In comparison, the percentage of gross national product contributed to foreign aid by the United States is about 0.3 per cent.

[From the Washington Post, Dec. 16, 1974]

HUGE FOOD STOCKS MAY GO TO WASTE

(By Andrew Wilson)

ST. LOUIS, MO.—More than 150,000 tons of food stored in fallout shelters around the United States will spoil in the next few years unless it is distributed, according to relief officials. Some has already gone bad.

The food could feed about 10 million people for 60 days, according to government nutrition experts.

In September, 7,000 tons of whole wheat crackers were shipped to Bangladesh. They included about 20 tons from a civil defense storage tunnel beneath Washington's DuPont Circle.

Government stockpiling of the food as a precaution against nuclear attack was ended in the late 1960s. Most of it was stored from 1962 to 1964.

Although the food stuffs—biscuits and candied carbohydrate supplements that are tinned, boxed and crated—have exceeded their anticipated shelf-life of five years, they are still fit for human consumption and haven't been fed to cattle or dumped into landfills, according to the U.S. Defense Civil Preparedness Agency in Washington.

Some 1,500 tons has spoiled, according to the agency, and nutritional experts at the Cooperative for American Relief Everywhere (CARE) predict that the remainder will be good for only another two to four years.

With the cooperation of Civil Preparedness since 1970, scores of communities—the owners of the food in their local fallout shelters—have donated through relief agencies to needy areas of the world.

"We'd sure rather see people eat this than have it fed to hogs, that's for certain," James J. Burns, director of the financial and material assistance division of the agency, said.

Only 13,500 tons—or 8 per cent of the total national stockpile of 165,000 tons—has been distributed, records show.

At the present rates of distribution and anticipated spoilage, 136,500 tons of edible and nutritious food would be wasted in the next four years or so.

"Some people don't want to give up their stocks. They say what the hell happens when a big boom comes," one Civil Preparedness official said.

But that fear seems to have faded in most places. Some pressure for giving up the stock has come from department stores wanting to free basement storage space.

The biggest donations have come from New York City, which would presumaby be a prime target in the kind of all-out nuclear war feared when the food was stored.

Like most other cities that have made big donations, New York has the advantage of being a port, Civil Preparedness officials point out.

The big problem in getting the food out has been money, coupled with logistics and a lack of awareness among the leaders in many communities that they are sitting atop small mountains of needed food, experts agreed.

What is needed is some system of local, state and federal financial assistance, Louis Samia, deputy executive director of CARE, major private international relief agency, said.

Samia said he favors some sort of federal-local matching grant system to pay some or all of the freight charges, especially from inland cities.

Scattering of the food in so many different locations presents obvious logistical problems, but, said one Civil Preparedness official, "It's cheaper to move a ton of this than several tons of wheat."

Under the present setup, agencies like CARE inform Civil Preparedness of their ability to program certain tonnage needs for food in stricken lands.

Civil Preparedness then notifies local civil defense officials to see whether their communities are interested in donating to fill these needs.

The problems in this approach are illustrated in the case of Hannibal, Mo., near St. Louis, where the city council recently voted to give its stock of 10 tons from 16 fall-out shelters to hungry people anywhere in the world.

For starters, that town, which did not hear from civil defense, was uncertain whether it owned the food and could give it away until the office of Sen. Stuart Symington (D-Mo.) investigated.

Then the city officials were perplexed: Where should the food go to do the most good and how could it be shipped?

George Pace, the manager of the local Chamber of Commerce who is spearheading the effort in Hannibal, was astounded to learn from a reporter that a mechanism already existed for donations of the food.

"I thought, literally, that almost everybody in the country had forgotten this food," he said.

But the mechanism depends largely upon the efforts of volunteer and private groups—working without public money, according to Burns, of Civil Preparedness.

Civil Preparedness officials report that in many instance trucking firms have volunteered to move the food to ports. In other instances volunteer groups of private citizens have done it.

The U.S. government supports the shipment of the food directly only through the Agency for International Development, a branch of the State Department.

It does pay ocean freight for shipments, and makes payments to such voluntary relief agencies as CARE to help mobilize resources in emergencies caused by natural catastrophes, like the hurricane and floods that ravaged Honduras this fall.

Meanwhile, the town of Hannibal has been put in touch with CARE and has found a trucking firm to take its stock to New Orleans, for CARE to transport to Colombia.

FEDERAL AIRLINE REGULATION

Mr. KENNEDY. Mr. President, as Christmas draws near, millions of Americans have become acutely aware of the need for efficient, low-cost transportation to move them from their schools and workplaces to other cities, where they can share the holiday season with their friends and relations. Many holiday travelers will rely on the airline industry to fulfill their travel needs. Hundreds of thousands will make their reservations, pay their fares, and complete their trips without serious problems and without giving the process a second thought. Others, however, may begin to wonder when they find that airline fares are up 20 percent over last year—an increase far greater than the general inflation rate of 12 percent. These travelers may occasionally find Christmas bargains by shopping for gifts at different stores, but they will not find bargain air fares by calling competing airlines because the competing airlines all charge the same price.

The price-conscious air traveler, when faced with huge fare increases, may legitimately ask how the Civil Aeronautics Board has been using its statutory authority to control rates. Has the Board been doing as much as it might to keep fares low? The Government employee in Washington might ask why his 400-mile flight to see relatives in Boston costs $47, while a comparable flight from Los Angeles to San Francisco costs half as much. Does the fact that the CAB regulates interstate Boston/Washington flights but not intrastate Los Angeles/San Francisco flights have anything to do with this enormous price difference?

Similarly, travelers may wonder whether the Board has been doing as much as it might to secure adequate service. For example, a student, at school in Boston, may find it difficult to go home to Detroit because there are no seats available. That student might be surprised to learn that the CAB allows only one airline to monopolize nonstop service between Boston and Detroit. For some time airline representatives, Boston officials, Detroit officials, and others have pleaded with the CAB to authorize additional nonstop service. Instead of setting this case down for a hearing and decision, the CAB has simply refused to act. Thousands of other travelers will find that on some markets the planes are more crowded and that flights are fewer this year—for the CAB has allowed the airlines to agree to restrict their service to many cities. Although filling up airplanes will, the experts tell us, reduce flight costs and thus allow allow the fares to go down, the CAB has allowed fare increases in the markets subject to service restriction agreements.

Others are asking whether the Board is unjustifiably limiting the availability of low cost charter service. The worker who has saved earnings with the hope of taking that dream trip to Europe may be surprised to learn that the affinity flight his union used to offer to Italy—at one-third the ordinary fare—will no longer be available. The CAB intends to make affinity charters illegal after next March—and it will do so through a rulemaking procedure that does not provide for a full evidentiary hearing or full public participation.

These questions are legitimate and deserve full answers. More than that, the fact that they are being asked with increasing frequency suggests that there may be something fundamentally wrong with the manner in which the CAB carries out its statutory responsibility to regulate air carriers "in the public interest." Are its practices and procedures adequate to bring about the basic objective of airline regulation: adequate service at reasonable prices?

The Senate Judiciary Subcommittee on Administrative Practice and Procedure, which I chair, intends to conduct a comprehensive inquiry into this basic question. In February we shall hold extensive hearings. They will examine the Board's procedures for setting rates, for awarding routes, for determining frequency of service, and for dealing with consumer complaints. In each instance, they will ask whether those procedures are adequate to secure good service at reasonable prices while maintaining a healthy industry. They will ask whether inadequate procedures are in part responsible for defects in regulatory policies; they will try to determine whether better procedures—whether introduced by agency regulation or by statute—might better protect the air traveler, furthering his interests, without jeopardizing the health of the industry.

To be more specific, the hearings will first examine the Board's ratemaking practices and procedures. Just last month the Board approved a 4-percent across-the-board fare increase. That increase must be added to the 6-percent increase approved last April—a "temporary" increase that is still in effect. April's increase came only 4 months after a 5-percent increase allowed last December. And, throughout the year the Board has phased out discount fares—with the effect, according to Board members Minetti and West, of increasing fares an additional 5.4 percent. These increases—totaling nearly 20 percent—take effect at a time when domestic airline profits are soaring. During the 10 months ended October 31, 1974, five large trunk carriers earned an aggregate operating profit of $94 million, and an increase of nearly 300 percent over the same period in 1973. The operating profit for all domestic trunks for the year ended September 1974 was $737 million, an increase of nearly 70 percent over the year ended September 1973.

One may legitimately wonder whether these price increases were justified—particularly since United, a major airline, only a month later filed a request for a fare reduction. And, more importantly, this chain of events makes one wonder about the adequacy of the procedures that has led to them. The Board held no hearings before granting the fare increases, nor did it write an opinion justifying them. Nowhere in the documents published by the Board—not even in the opinions of the dissent—is there a hint that a fare cut, rather than a fare increase, might be called for. Yet, United's recent petition places just that question at issue. Is the Board, then, so at the mercy of the airlines for its information, for its analysis, for its policy options that it could not on its own ask that question? If United now thinks fares should be cut, not raised, why did not someone at the Board, or on its staff, ask for examination of that question when faced with a request by the airlines for a further fare increase only a month before?

These questions suggest others: does the law—the statute and regulations—provide for hearing procedures that subject fare proposals to adequate scrutiny from the viewpoints of both the industry and the consumer? Must the Board, in the interests of procedural simplicity and certainty, mechanically apply its newly announced policy of guaranteeing airlines a 12-percent return on investment? If the CAB's hearing procedures—inherent in classical price and profit regulation—do not provide the consumer adequate protection, should the Board try a different approach? Should it rely to some extent upon price competition coupled with a more liberal entry policy to help keep fares low? It has been suggested that just such price competition accounts for the fact that intrastate airlines in California and Texas charge fares that are up to 50 percent less than federally regulated lines flying comparable routes.

Second, the subcommittee will consider the Board's procedures for deciding route award cases. For several years the Board has simply refused to hear applications for new routes. For example, for many years only American Airlines has provided nonstop Boston/Detroit service. Since the route is highly profitable, other airlines have applied for permission to compete with American. But the Board has not set their applications for hearing. Similarly, Rockford and Peoria, Ill., have requested air service. Yet, despite hearings held by Senator STEVENSON and Senator CANNON on the matter, the Board has not yet set the matter for hearing. Numerous other instances suggest that the Board has, for some time, been following a deliberate policy of awarding no new routes—a policy that it enforces by procedural irregularities such as manipulating its docket so that route cases are not heard, by refusing to decide cases for months on end and finally dismissing them as stale, and by denying motions to expedite consideration of route applications.

The subcommittee is particularly concerned about the Board's practices and procedures in its route policy. Two aspects of this appear to raise serious legal questions: First, the setting of such policy without a rulemaking proceeding, without hearings at which that policy is publicly and thoroughly debated, and, second, the implementation of that "policy" through procedural devices. Not only the Administrative Procedure Act, but also the Federal Aviation Act, and the Board's own rules, would forbid it *from setting* such sweeping policy by manipulating its docket. The subcommittee's hearings will take a hard and critical look at any instances in which the Board, a quasi-judicial body, has employed procedural devices to avoid decisions which it has the statutory responsibility to make. It is ironic, to say the least, that the Board expeditiously approves airline agreements to reduce service, but that it delays applications to increase that service.

Further, the Board's route policy has been questioned by economists and consumer groups who argue that a more *liberal* entry policy, when coupled with greater freedom to increase fare competition would lead to lower rates. If so, the issue may present a classic case of faulty procedures producing bad policy.

Third, the subcommittee will inquire whether the Board's regulatory practices and procedures are adequate to protect and further the legitimate interests of the nonbusiness, discretionary traveler. What about the union member I mentioned earlier who will no longer be able to take advantage of inexpensive, once-in-a-lifetime foreign tours now offered by his union? How should or can the Board respond to his complaint that the CAB's rulemaking procedures have been used to limit the availability of charter travel in order to protect and sanctify regularly scheduled service, and that the CAB cannot be bothered with the task of developing a comprehensive, widely available low-cost air network? Are consumer critics correct when they charge that the CAB uses its regulatory arsenal to see to it that the international businessman is able to fly to Europe on a moment's notice in a plane that is one-half full? Many CAB watchers do not believe that the regulatory agency Congress has charged with "the promotion of adequate, economical, and efficient service by air carriers at reasonable charges" is doing its job when it uses its considerable expertise and public resources to fine-tune a system that flies empty planes at high prices, but concentrates its enforcement efforts on investigating people who try to find ways to fly on full planes at low prices.

The CAB's regulatory practices and priorities in 1938 may have been adequately suited to that period when air transport and air technology were in their infancy. The industry has come a long way since 1938 and I believe that the CAB can take much of the credit for the development of the most comprehensive air transportation network in the world. But, one wonders whether the priorities, assumptions and regulatory practices of the 1930's and 1940's should be applied in the 1970's. Is it time for the Board and its staff to initiate a radical self-examination of its regulatory philosophy and assumptions? Is it time for the regulators to undertake a serious effort to investigate how it could develop an air system that will deliver to the general public an array of low-cost flights utilizing full planes and conserving scarce energy resources?

If the hearings reveal, as some have charged, that the Board reacts to low-cost air travel on a haphazard, ad hoc basis, then it might be time for a systematic reexamination. It is certainly true that as charter operations grow in popularity, the CAB reacts procedurally by promulgating, without full public hearings, restrictive rules limiting the availability of low-cost charters. The proposed elimination of affinities is only the latest instance of this approach. As individual air travel clubs develop and offer low-cost full-plane travel to an ever-widening membership, the Board reacts through ad hoc cease-and-desist orders case after case, but declines to initiate a policymaking proceeding whereby it could establish an understandable, comprehensive set of guidelines by which such clubs could generally govern their action. Is it any wonder that there are "illegal" charters, affinity group flights that are sprinkled with travelers who back date their membership card in order to be eligible for the trip, and air travel clubs who try but fail to stay one step ahead of the CAB's cease-and-desist orders?

The public wants to fly cheaply and the Board should consider whether its own restrictive and ill-considered approach to low-cost operations is simply creating a black-market for inexpensive travel. The Board in 1970 saw fit to conduct a comprehensive investigation and series of public hearings on domestic passenger fares which resulted in a comprehensive set of ratemaking standards for scheduled operations. Is it not time the Board showed the same interest in developing a viable alternative to high-priced scheduled service for the millions of consumers who need it? The subcommittee is anxious for the Board and the airline industry to devote some thought to this problem and put forth creative solutions during the upcoming hearings.

I will be chairing the subcommittee hearings next February. I shall make every effort to make certain that our examination of these complicated economic and regulatory structures is not superficial.

Congress has a duty to marshal evidence and get the facts before it can presume to fulfill its informational and legislative functions. Therefore, the subcommittee and its staff have for several months been making every effort to educate itself in preparation for these hearings. Our subcommittee's efforts included preparing and circulating to the airlines and the CAB, comprehensive questionnaires designed to elicit the information necessary to conduct informed hearings. In doing so, the subcommittee intends to fulfill its duty to conduct responsible and informed legislative oversight. And, I hope that, as a corollary, the industry will meet its responsibility to provide the necessary data to Congress. The largely favorable responses to the questionnaires received to date convince me that the majority of air carriers recognize and accept this responsibility.

I am hopeful that the Administrative Practice and Procedure Subcommittee's hearings next February, the expert leadership that Senator CANNON will continue to exercise during the next Congress in aviation matters through the Aviation Subcommittee, and a critical reexamination by the regulators and the industry itself will bear fruit.

Significant reform and dramatic new priorities in air transportation can be achieved in time for next year's holiday season if legislative action is combined with a basic revitalization of the Civil Aeronautics Board itself. The subcommittee's hearings next February are intended to contribute to that process. My hope is that when next year's Christmas holiday season arrives, the traveling public will have been benefited by a more economical air fare structure and a system of air service more attuned to its needs.

GENOCIDE CONVENTION DOES NOT THREATEN THE RIGHTS OF U.S. CITIZENS

Mr. PROXMIRE. Mr. President, one frequent objection to the Genocide Treaty is that it clears the way for U.S. citizens to be tried in foreign courts without the rights guaranteed by the Constitution. This is not the case.

At the present time, if a foreign power holds an American citizen, there is nothing this Nation can do to prevent that power from trying him on any charge it wishes. The Genocide Convention in no way changes this situation.

What about extradition? Would the United States, if we ratified the Genocide Convention, be required to extradite an American citizen to another nation to stand trial without constitutional safeguards for an alleged crime of genocide committed within the borders of that nation? The answer is "No."

We now have extradition treaties with more than 80 nations, none of which gives away the rights of Americans. None of these treaties include genocide. These treaties would have to be renegotiated before extradition for genocide became possible.

Mr. President, the Genocide Convention is a landmark in the struggle for international recognition for human rights. We must delay no longer. I urge the Senate of the United States to ratify the Genocide Convention without further hesitation.

PAY FOR KEY FEDERAL EMPLOYEES

Mr. McGEE. Mr. President, the issue of pay for key Federal employees continues to plague the ability of Government to attract and retain those most qualified for these positions of responsibility.

What is involved in our present set of circumstances was aptly noted in a column written by Rowland Evans and Robert Novak which appeared in last Saturday's Washington Post.

While many in Congress fear to address themselves to the reality of the situation, we continue to lose many of our most experienced and talented individuals who have devoted a great portion of their lives to public service.

The situation has reached the point where it is more lucrative for a public servant to retire today, than it is for him to continue his work in Government service. He stands to lose for every year he remains in Government service.

As Chief Justice Warren Burger has warned—

> The American Judicial system is endangered by massive early retirements because of a five-year salary freeze.

The top-level talent in the Federal bureaucracy is leaving Government in droves. We have reached a point where it has become virtually impossible to replace this talent. Thus, we all pay a price for playing politics with this issue rather than facing the stark fact that unless the situation is remedied, we will have to settle for mediocrity in many cases and virtual paralysis in others.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 14, 1974]

LOW PAY FOR HIGH GOVERNMENT JOBS

(By Rowland Evans and Robert Novak)

Despite a critical warning from Chief Justice Warren Burger delivered privately to President Ford that the "American judicial system" is endangered by massive early retirements because of a five-year salary freeze, the President and fearful congressional leaders agreed on Wednesday to postpone action until next year at the least.

That burying of what some politicians view as a national crisis extending far beyond Burger's judicial domain was probably inevitable, given the deepening recession and mounting unemployment.

It was President Ford himself who raised the matter behind the closed doors of his Wednesday morning session with congressional leaders. After thrashing the highly-politicized issue from all its aspects, the congressional leaders left Mr. Ford with this message: if he would publicly ask Congress to unfreeze top-grade government career salaries, established when the cost of living was 42 per cent less than today, and promise not to veto any pay-raise bill passed by Congress, the combustible issue might be pushed in Congress next year after passage of anti-recession bills.

President Ford made no promise, fully aware that he is loaded down with too many political problems as it is to add the fury of voters over higher government pay at a time of national belt-tightening.

Yet both Burger's warning and the deepening problem of resignations by top-level federal bureaucrats frozen at $36,000 a year, combined with critical recruitment gaps stemming from the pay freeze, are not taken lightly either inside the White House or on Capitol Hill.

Chief Justice Burger told Mr. Ford in his long White House talk late last month that seven federal judges had quit prematurely in the past 13 months, more than at any time in the last 100 years. The main reason: the five-year pay freeze had reduced their $40,000 salary to an effective level of $25,000.

First-rate U.S. attorneys, the bedrock of the criminal justice system, are becoming hard to recruit, the Chief Justice believes, because of vastly higher-paying law partnerships. Burger's warning: without higher salaries, already overburdened courts will dangerously decline in talent and production.

The salary problem is compounded by the Rube Goldberg system that pays regular cost-of-living allowances to retired federal employees but denies built-in escalation to the highest grade officials while they stay on the government payroll.

That explains the startling 50 percent increase in top-level executive branch retirements since 1970. These are career bureaucrats who, in the words of Democratic Sen. Gale McGee of Wyoming, chairman of the Senate Post Office and Civil Service Committee, "kept this government running during the Watergate vacuum of power."

One case in point is the frozen $42,500 salary for the Director of Management and Budget (OMB), the top management job in the vast federal bureaucracy. When the President decided to name Housing and Urban Development Secretary James Lynn to replace OMB Director Roy Ash, Lynn's acceptance guaranteed him a 30 percent cut in pay. The reason: Congress has always refused to give any presidential staff job a salary higher than its own.

Indeed, a quiet White House effort to raise the OMB director's salary to Cabinet level ($60,000) when George Shultz resigned as Secretary of Labor to become OMB director in 1970 met disaster.

A bill quietly drafted inside OMB paired the chairman of the Federal Reserve Board ($42,500) with the director of OMB, raising both salaries to $60,000. Before the bill ever was sent to Congress, former White House aide Charles Colson inadvertently got wind of the secretly-drafted bill and used it as a club to attack Chairman Arthur Burns of the Fed for trying to raise his own salary. Burns was not even aware the bill had been drafted.

Lynn will now take his 30 percent salary cut. Top-grade career bureaucrats, federal judges and Congress increase, given the balance of political terror inside the White House and on Capitol Hill over so sensitive an issue.

Yet Burger's warning to Mr. Ford and the decline of top-level talent in the much-maligned federal bureaucracy are too important to be treated frivolously much longer.

NEED FOR TAX REFORM AND A $10 BILLION TAX CUT NOW

Mr. HUMPHREY. Mr. President, the time has come for Congress to reverse the administration's efforts to stop inflation by creating a major recession. The most important thing we can do to achieve this is to cut taxes for consumers by $10 billion as soon as possible. I intend to introduce legislation to provide for such a tax cut and I shall ask my colleagues to join me.

Let me outline the reason I recommend such action, and the specifics of my proposal.

RESTORE ECONOMIC GROWTH

Everyone knows that we are suffering from the twin problems of inflation and recession and, therefore, economic policies have to be skillfully applied. The key point that is not yet accepted by the administration—although the people of this country know it—is that we are now in the worst recession since the depression, and we must deal with this problem immediately.

The recession saps the strength of the economy as it leaves plants idle, houses unbuilt, and people out of work. We now have 6 million people unemployed—this could rise to 8 million next year. This is a scandalous waste of precious resources and an immediate major effort must be made to stop this recession and restore growth to the economy and reemployment of our workers.

We must stop the recession because it reduces productivity, raises unit costs for labor and materials, and in this way it causes much of the cost-push inflation we have today. Yes, recession fuels the inflation.

In other words, at the present time there is little, if any, trade-off between fighting inflation and recession. You have got to get the economy growing again, productivity increasing, and people back to work, to make progress on both fronts.

CRISIS OF CONSUMER CONFIDENCE

My second point is that the Government must show leadership in reversing the current economic situation. I have just received a report from the University of Michigan that shows that consumer sentiment on the economic look is at its lowest point in 25 years because they are worried about recession and the prospect of bad times ahead. These fears are strongly reinforced by widespread lack of faith in the Government's economic policy, and by concern that the Government intends to slow the economy still further in order to fight inflation.

The report goes on to say that the Index of Consumer Sentiment has dropped to 58.4, which is 14 points below May 1974, and far below the level reached during any previous periods of recession in the past 25 years. In the very serious recession of 1958, in contrast, this same Consumer Sentiment Index only dropped to about 77.

The report goes on to explain that there are three major factors that have caused consumers to be so pessimistic on the economy. First, consumer sentiment was eroded by the double digit inflation that began in 1973. Unlike previous periods of high inflation, however, attitudes toward buying large household goods were rather favorable despite the decline in consumer sentiment. To some extent, the dampening effect of inflation on consumers' sentiments was offset by a persistent inflationary psychology that convinced some consumers that they should buy at the time rather than to wait until later when prices would be higher.

A second cause for the decline in consumer sentiment has been the serious recession of 1974. The news of layoffs and declining sales that began in May 1974 has dealt a second blow to consumer confidence in the economy.

Finally, the Government's economic policy or lack of policy in recent months has served to reduce consumer confidence and consumer spending. President Ford asked the people to watch their spending and to try to save at a time when the economy was already in a period of slump. The administration's tight monetary policy and restrictive fiscal policy have greatly aggravated the slump. This misguided policy has been predicated on the assumption that our inflation was due to excess demand, when in fact it is the result of other factors that would not be measurably affected by a tight monetary policy and a restricted fiscal policy, namely the quadrupling price of oil; the sharp increase in cost of food, and administered prices in large areas of our economy.

It is because of these factors that consumer confidence is now at a 25-year low. Confidence in Government has declined in a similar fashion. The Michigan survey findings strongly suggest that the intense consumer pessimism we now have makes it hard to solve either inflation or recession. Policies that signify a new start are needed to break this cycle.

Mr. President, I bring the findings of this report to the attention of my colleagues to convince them that we must act quickly to reverse the President's economic policies. I have outlined what some of these policies should be, at the economic summit, here in the Senate on other occasions, and before the Joint Economic Committee. My program would include tax cuts and tax reforms, public service jobs, stimulus to housing, credit allocation, tough wage-price policies, and other actions.

THE $10 BILLION TAX CUT

Mr. President, today I want to put the emphasis on the need for a $10 billion tax cut in 1975 to restore consumer confidence, buying power, and hopefully to get the economy moving again. The real income of consumers—particularly low and moderate income consumers—has been falling for over a year, just as their confidence has been falling. I, therefore, intend to introduce legislation at the beginning of the next Congress to achieve a $10 billion tax cut. The specifics of my proposal—which I outline below—will be provided in a letter to my colleagues so that everyone will have an opportunity to study them.

As most of you know, I have been fighting for tax reform legislation in recent months with offsetting tax cuts for low and moderate consumers. All of these tax packages have been balanced in their revenue effects because of the concern about inflation. But now the economy has deteriorated so much that we have a whole new ball game. The recession is now causing inflation, wasting billions of dollars of resources, and efforts must be made to turn it around promptly.

Assuming we must cut taxes, how should we do it? There are of course many ways it can be done.

First. Taxpayers could be allowed, at their option, to substitute a credit of between $200 and $250 for each $750 personal exemption. The amount of the credit would depend on whether this form of tax relief was combined with others or whether it would be the only measure. A $200 credit would reduce Federal revenues by approximately $6.5 billion—based on 1974 income levels—and would result in a net tax reduction for families with incomes up to $20,000. I have for some time supported this approach because it targets the tax cut primarily to low and moderate income taxpayers.

Second. The low-income allowance and the standard deduction could be increased. For illustrative purposes, an increase in the low-income allowance from $1,300 to $1,800, an increase in the standard deduction from $1,300 to $1,800, an increase in the deduction ceiling from $2,000 to $2,200, and an increase in the standard deduction rate from 15 to 20 percent, would reduce revenues by about $3 billion. Aside from improving the progressivity of the tax system, changes in the standard deduction would provide tax relief to taxpayers who are unable to itemize deductions and as a result would reduce the difference between itemized deductions and the standard deduction. An increase in the low-income allowance would reduce or eliminate taxes for those individuals and families who are actually below the poverty line, but whose inflated dollar incomes now subject them to the income tax.

Third. The personal exemption could be increased from $750 to $800 or $900. The revenue loss incurred from such an increase is approximately $1 billion for each $50 change in the exemption. This form of tax relief has more broad-based appeal, and can be justified on the grounds that all taxpayers have moved into higher tax brackets as a result of inflation. But if it is used separately, it provides larger benefits to upper income taxpayers.

Fourth. The payroll tax rate could be reduced for an 18-month period, beginning January 1, 1975, from 5.85 percent on both employer and employee to 5.2 percent, the rate in effect in 1972, or social security taxes could be reduced in some other way. The main advantage of this proposal is that it would reduce the overall tax burden on those workers who pay little income tax because of their low income status, but who are nevertheless subject to the social security tax. Of all the tax changes being considered, it is the only one which would aid those families with incomes below $5,000.

Fifth. It is also possible to reduce individual tax rates, either by a flat percentage, or by varying the percentage reduction according to incomes class. The first approach is extremely regressive, and the second approach is quite complicated.

In choosing among these approaches four principles should guide us. First, the tax cut must provide most of its benefits to low- and moderate-income consumers; second, it must be simple to implement so that we can act quickly. This means that complicated tax reform proposals must be left out of the bill; and third, it must not erode the long-run revenue capacity of the tax system.

Finally, the tax cut must be large enough to have a stimulative impact on a trillion-dollar economy—and the minimum level required to achieve that impact is $10 billion.

With these principles in mind, the $10 billion tax cut I intend to introduce will be a combination of several of the above proposals. The bill I propose will do the following:

First. Reduce taxes for low-income taxpayers by $1.5 billion by increasing the low income allowance from $1,300 to $1,800. This would help the lowest income level taxpayer.

Second. Reduce taxes $1.2 billion for those who do not itemize their deductions by increasing the standard deduction from the present 15 percent of adjusted gross income, with a maximum deduction of $2,000, to 17 percent and a maximum of $2,500. In addition to aiding low- and middle-income taxpayers, this change would also have the advantage of simplifying tax filing.

Third. Reduce taxes $6.3 billion for individuals at all income levels by increasing the present personal exemption from $750 to $900. This change would focus benefits on the middle-income taxpayer who has also been hard hit by inflation and recession.

Fourth. Reduce social security taxes $600 million for low-income workers with children through a tax credit equal to 10 percent of wages up to $4,000 in income. This change would benefit families at the very bottom of the income ladder.

Taken together, these provisions would reduce taxes about $9.6 billion. Moreover, the provisions are a package, with some benefits targeted to low-income families, and even a little aid to upper-income families. How the package would benefit taxpayers is what is important and that is illustrated in table 1.

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1—DISTRIBUTION OF HUMPHREY TAX REDUCTIONS ADJUSTED GROSS INCOME CLASSES, CALENDAR 1975

[Dollar amounts in millions]

Adjusted gross income class	Present law	Humphrey revision	Percent distribution of tax reductions	Percent reduction in tax liabilty
$0 to $5,000	1.7	0.9	9	48
$5,000 to $10,000	12.0	9.8	24	18
$10,000 to $15,000	21.1	19.4	19	8
$15,000 to $20,000	23.9	22.1	20	8
$20,000 to $25,000	20.8	19.7	12	5
$25,000 to $50,000	34.1	33.0	13	3
$50,000 and over	29.9	29.6	3	1
Total	143.5	[1] 134.5	100	----------

[1] The tax reductions in this table do not include the social security tax reduction of $600,000,000 which would accrue primarily to those in the $0 to $5,000 income class

Source: Joint Economic Committee with calculations based on Brookings tax file.

Mr. HUMPHREY. Mr. President, table 1 indicates that 72 percent of the tax reduction accrues to taxpayers reporting up to $20,000 in adjusted gross income—9 percent of the tax reduction is directed to those with incomes below $5,000; 24 percent of the reduction goes to those in the $5,000 to $10,000 income class; 19 percent of the reduction goes to the $10,000 to $15,000 income class; and 20 percent of the reduction goes to the $15,000 to $20,000 income class.

What is even more important is how much of the tax reduction in each income class reduces tax payments in that category. As table 1 shows, this package would reduce tax payments by at least 8 percent for everyone who makes less than $20,000 a year. Taxpayers who make $5,000 to $10,000 a year would have their taxes reduced 18 percent.

Most significantly, individuals who make less than $5,000 a year would have their taxes reduced at least 48 percent. The reduction would in general be higher because the $600 million reduction in social security taxes is not included in the calculations in table 1, and that provision would accrue primarily to low-income families earning less than $5,000 a year.

Based on the evidence I have presented here, I believe this is a well-balanced tax cut proposal that targets the benefits primarily to low- and moderate-income taxpayers and does provide some aid to everyone.

Let me make two other points.

The legislation I am introducing will also have a provision to terminate these tax reductions in 1977 if tax reforms are not passed to offset these reductions. By 1977 we can expect the economy to be operating at higher levels of economic growth so that this will be possible.

The tax cut I am proposing would increase the deficit, but by less than the size of the tax cut because the cut would stimulate economic growth and raise tax revenues in 1976 and 1977. What Congress must recognize is that we are headed for a huge deficit if we do nothing. The Joint Economic Committee staff estimates the deficit could be $30 billion for fiscal year 1976 if the recession continues to deepen.

If we do not enact tax policies similar to these, there will be no economic recovery next year and the economy will remain stagnant for some time. Even if we do adopt vigorous policies to stimulate economic growth, the staff of the Joint Economic Committee has estimated that it will take at least until 1980 to bring the economy back to normal economic growth. By then the economy will have lost $700 billion in production—a tragic and enormous waste. I think we have no time to lose in our efforts to restore economic growth and I hope my colleagues in the Senate will support me in this effort.

FINE TUNING NEEDED ON THE HILL

Mr. McGEE. Mr. President, while Congress has made significant inroads into restoring the balance of power between the executive and legislative branches of Government, particularly as a response to Watergate, it is important that this balance be one which is exercised responsibly.

James Reston, in a column appearing in last Friday's Washington Star-News, warns that while this restoration of the balance is a desirable circumstance, the Congress must refrain from going too far in an effort to redress past grievances.

As Reston so poignantly noted:

> In the aftermath of Vietnam and Watergate, the Congress is reassuring itself in many positive ways, but it still has not found the line between effective and destructive intervention.

This is the challenge for the Congress: to find that fine line between a responsible role in the decisionmaking processes of our Government and a role which is obstructive or, as Reston pointed out, "destructive." We must not allow the balance to tilt too far in the direction of the Congress or our efforts to correct the wrongs of Watergate will prove to be a meaningless effort.

I ask unanimous consent that the column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

[From the Washington Star-News, Dec. 13, 1974]

Fine Tuning Needed on the Hill

(By James Reston)

One of the odd paradoxes in Washington these days is how well President Ford gets along with the leaders of Congress in private and how quickly the old White House-Capitol Hill battles are renewed when the private talks are over.

There are several explanations for this. In private they are usually talking generalities, and in public they are talking policies and often politics. In private the men from the Hill like the President personally, but in public they don't like many of his programs or his timing.

"Really," the President told the Business Council here the other day after a session with the Republican and Democratic Congressional leaders, "you wouldn't believe how well we all get along sometimes when the doors are closed . . .

"There was a spirit of concern for the country in that representative group . . . so I asked my former colleagues—and I think most of them sincerely agreed—if we could have a sort of moratorium on partisan economics . . . at least until the new Congress convenes in January."

But the battle goes on and the reasons are fairly obvious. Everybody agrees about the seriousness of the economic problem but not on the remedies.

The trade reform bill illustrates the problem. The Republican and Democratic leaders are for it, but the AFL–CIO thinks it will create more unemployment and is reminding congressmen from the industrial states that labor's support may be more important to them in the next election than the trade bill.

This is a fair enough issue, and the administration can probably win the argument by demonstrating that wider trade in the world would in the end produce more jobs at home than it would lose, but the larger issue of world trade is being blurred by secondary issues, and local concerns, some of them valid in themselves, but less important than worldwide trade reform.

There is a lot of talk around here about the reformist mood of the Congress, and there has actually been some useful adjustment of the congressional machinery, but the old parliamentary trick of attaching pet amendments on subsidiary issues to major bills like the trade reform legislation is still with us.

This same confusion between primary and secondary issues has come up in the efforts to amend the foreign aid bill in order to cut off military aid to Turkey. A strong argument can be made that Turkey used American arms, not for the intended purposes of self-defense but for open aggression against Greek Cypriots, but bad as this is, insisting on punishing Turkey by cutting off aid is likely to make things even worse.

The military situation in the eastern Mediterranean is already extremely fragile. How the United States could defend its interest there or get supplies to the Middle East during another Arab-Israeli war without the military facilities of the Azores, Greece, and Turkey is not at all clear, and all of them are now threatened.

Nor is it clear that cutting off aid to Turkey would persuade the Turks to make the concessions they should make in Cyprus. Here again reasonable argument results. Archbishop Makarios had every right to return to Cyprus, but his return has undoubtedly complicated, if it has not defeated, the hopes of the secret compromises that were being worked out when he returned.

In his last press conference, Secretary of State Henry Kissinger said that a series of prolonged and divisive debates in the Congress (over such things as the trade and Turkish amendments) could hamper the main objectives of his policy.

In the aftermath of Vietnam and Watergate, the Congress is reassuring itself in many positive ways, but it still has not found the line between effective and destructive intervention. It can and should influence the objectives and instruments of foreign policy, but when it intervenes in negotiations, it invariably gets into trouble.

A FAIRNESS DOCTRINE DEBATE

Mr. PROXMIRE. Mr. President, on November 26 I inserted in the Record part of a debate on the Federal Communications Commission's fairness doctrine. I will ask that the entire debate be printed in the Record.

The debate was before the 50th anniversary convention of the National Association of Educational Broadcasters in Las Vegas on November 20.

The principals in the debate were Richard Jencks, vice president of CBS/Washington; and Robert Lewis Shayon, author, critic and professor at the Annenberg School of Communications, University of Pennsylvania.

Henry Geller, formerly of the FCC staff and now with the Rand Corp., commented afterward on the debate.

In a spirit of fairness, Mr. President, I ask unanimous consent that the debate and Mr. Geller's "afterword" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

A Fairness Doctrine Debate

Mr. Jencks. Thank you very much. Does the Fairness Doctrine violate the first amendment? Of course it does. And the Supreme Court will so decide when an appropriate case comes before it. The argument made by the defenders of the doctrine is simple, and on the face of it disarmingly appealing.

It is that the Fairness Doctrine enhances the First Amendment by assuring the public's right to know. If this argument is correct, a First Amendment applied to the nation's print media should be constitutional. Indeed that very argument was forcefully made before the U.S. Supreme Court in the Miami Herald case in which a Florida statute providing a right of reply was at issue. The statute was analogous to the FCC's personal attack rules which form a part of the Fairness Doctrine. But the Court last June rejected the enhancement argument and unanimously held the Florida statute to be unconstitutional. Speaking for a unanimous court, Chief Justice Burger declared, "The choice of material to go into a newspaper and the decisions made as to limitations on the size of the newspaper and content and treatment of public issues and public officials, whether fair or unfair, constitutes the exercise of editorial control and judgment.

It has yet to be demonstrated how government regulation of this crucial process can be exercised consistent with first amendment guarantees of a free press as they have evolved to this time. If then, government compelled fairness would not enhance the first amendment as to the print media, how then can it enhance the first amendment as applied to the broadcast media?

The fact of the matter is that the case for a government guarantee of fairness is even poorer with respect to the broadcast press than with respect to the print press. Item: the consequence of violating the right of reply statute held unconstitutional in the Miami Herald case was only to be convicted of a misdemeanor. It involves no government power to shut the newspaper down.

In contrast, a broadcaster who flouted the FCC's doctrine could, and would, as in the case of station WXUR, lose its license and be utterly shut down. Item: the opportunity of the Miami Herald to impede the free flow of information to the public through unfairness is far greater than that of any broadcaster. As Chief Justice Burger observed, "One newspaper towns have become the rule, with effective competition working in only 4% of our large cities. By contrast, in 92 of the top 100 television markets, there are 3 or more television stations. Television and radio stations are nearly 5 times as numerous as daily newspapers." Item: Miami Herald can comply with government-compelled fairness far more easily than could any broadcaster. The cost of preparing and inserting printed material into a newspaper is low, and a newspaper format is expandable.

By contrast, the cost of producing visual material, as this audience well knows, is high, and a broadcast schedule cannot be expanded. Nothing can be added without something else being dropped.

In short, the burden on broadcasters of compelled fairness and therefore its chilling effect on first amendment rights, is not less, but is far greater than the burden of enforcing fairness upon newspapers. Yet, television and radio are at present the American public's primary source of news and information. It is not merely losing a fairness doctrine case which demonstrates the crippling impact of the fairness doctrine.

For a broadcaster to undertake the burden of defending against an FCC fairness complaint, even though he ultimately prevails, just as clearly kills first amendment rights. Two examples may suffice. In June of 1970, following several presidential primetime broadcasts, CBS initiated what it contemplated was to be a periodic series entitled "The Loyal Opposition," featuring leaders of the party out of power.

After the first broadcast, featuring Democratic national committee chairman Larry O'Brien, the Republican national committee filed a fairness complaint. The FCC upheld the complaint, and ordered us to provide free time to the Republicans. CBS appealed.

Fourteen months and thousands of dollars of legal expenses later, the court of appeals reversed the FCC and vindicated CBS. But the FCC in court decisions so clouded the area in which our license discretion might be upheld, the project was abandoned. Indeed, it might be asked what gain the Republican party would have achieved from the victory after 14 months had elapsed.

The court, as editor in chief of a journalistic organization, is simply ineffectual. Another landmark case, of course, this time with a two year delay between complaint and final judgment involved the NBC 1972 pensions documentary, "Pensions, the Broken Promise." The second class citizenship of broadcasters also creates opportunities for burdensome harassment by the Congress, as well as by the FCC and the courts.

Because of their FCC oversight responsibility, the Senate and House commerce committees often have conducted investigations and hearings on fairness charges such as was done with the CBS News documentaries "The Selling of the Pentagon" and "Hunger in America" among others.

Newspaper executives do not troop resignedly up to Capitol Hill to explain and justify their stories and features. Can anyone think that it promotes fearless journalism for broadcasters to have to do so?

If the impact of the fd on powerful and affluent organizations, like CBS, cannot be calculated, its impact on the small broadcaster cannot help but be shattering. Lawyers' fees for handling the smallest fairness complaint—and there were 2800 fairness complaints in 1972—are rarely less than 300 to 500 dollars.

Henry Geller, former general counsel for the commission, in his recent study of the fairness doctrine and broadcasting, reports that a fairness complaint over an editorial carried by a Spokane, Wash., station, a relatively innocuous editorial urging support of a bond issue to finance Expo 74 resulted in legal expenses alone of about $20,000, plus travel expenses and some 480-man hours of executive and supervisory time. This, mind you, was a complaint that didn't even reach the commission itself, let alone the courts.

After twenty-one months of proceedings, the FCC staff found that the station had offered a reasonable opportunity for reply to the editorial. But as Mr. Geller writes, because of editorials such as that on Expo 74, the renewal of a station's license can be put in question, and for a substantial period.

What effect, perhaps even unconscious, does this have on the manager or news director, next time he is considering an editorial campaign on some contested local issue. What effect does it have on other stations?

A short answer to Mr. Geller's rhetorical question is that the effect of such proceedings on the station involved and on other stations is to unconstitutionally inhibit freedom of expression and the dissemination of ideas.

Although Henry Geller is himself probably the most knowledgeable advocate of the fd, his scholarly study indicates that he obviously reads CBS vs. Democratic National Committee case as casting grave doubts on the constitutionality of the fd as it has been administered since 1962.

Mr. Geller points out that the court in that case rejected the idea of a constitutional right of access because that would have involved the FCC far too much in what the court referred to as the "day-to-day editorial decisions of broadcast licensees." Clearly, writes Mr. Geller, if that is true as to a right of access by persons to broadcast facilities for editorial advertisements, it is also true as to the application of the fairness doctrine.

So, to save the fd, Mr. G. recommends that the FCC return to its pre-1962 fairness practice, but with the major difference that the commission would make no attempt whatsoever to rule on individual complaints, but rather would determine at renewal time whether there had been such a pattern of conduct throughout the license period as to indicate malice or recklessness with regard to fairness obligations.

Now presumably this debate this noon concerns the fairness doctrine as the FCC now administers it. And even Henry Geller would not, if I read him correctly, support the argument that the doctrine as presently administered is constitutional.

There are others, however, who do not believe that even the refinements suggested by Mr. Geller would save the doctrine from being struck down by the courts. Senator Proxmire was once so devoted to the fd that it was at his suggestion in 1959 that it was elevated from mere FCC policy and made a part of the communications act.

The Senator recently announced that he now plans the introduction of a bill to eliminate the doctrine from the statute books. "The heart of my position," Sen. Proxmire says, "is that the fd is an appalling adman's name for justifying depriving radio and television of their first amendment rights." Senator Ervin, often called the leading constitutionalist of the Senate, has written of the fairness doctrine, "at its best it stifles controversy; at its worst, it silences it; in its present condition, it represents a fickle affront to the first amendment."

They are not alone. Chief Judge David Bazelon of the U.S. Court of Appeals of the District of Columbia, a judge with a record of consistent support over the years for aggressive regulation of the broadcast media is also in the number. Characterizing the FCC's revocation of WXUR's license as a prima facie violation of the First Amendment, the judge said, "It is proper that this court urge the commission to draw back and consider whether time and technology have so eroded the necessity of governmental imposition of fairness obligations that the doctrine has come to defeat its purpose." His language recalls a pressing statement by the Supreme Court in its 1969 decision in the red line case.

That is the case with its sweeping dicta about the public's right to know on which the defenders of the doctrine must rely. The court said in red line, "If experience with the administration of these doctrines indicates that they have the net effect of reducing rather than enhancing the quality of coverage, there will be time enough to reconsider the constitutional considerations. That time has surely come.

The nation's tragic experience with Watergate, if nothing else, must have the effect of forcing thoughtful people to reexamine the idea that we should entrust government with enforcing the flow of information under the 1st amendment.

What do the defenders of day-to-day government interference with the broadcast press have to say about all this? All they are left with is the iteration and reiteration of hackneyed slogans and outworn ideas. One of those is that the airwaves belong to the people. That may be true enough as far as it goes.

But the whole lesson of American democracy is that we do not secure the rights of the people by vesting those rights in their government. Isn't it clear that Am. newspapers and magazines belong to the people in a truer and more significant sense than the press of any country where it is subject to government contract? They argue that there is a technical scarcity of broadcast frequencies, and in a highly technical sense, that's true enough.

But that does not demand that we choose between applicants for such frequencies on the basis of their conformance with the govt's ideas about how news and information should be reported. In closing, I would remind you that those who call most persistently and eloquently for an ending of the fairness doctrine experiment are not in the main broadcasters themselves. The exercise of unchanneled first amendment rights is not necessarily profitable.

The unhappy fact of the matter is that most broadcasters have been content to be tame tabby cats on this issue, reasonably happy with their regulated status, relatively undisturbed by a regulatory regimen which encourages blandness and inhibits robust debate. When the FCC 3 years ago sent a questionnaire to broadcasters soliciting suggestions as to the deregulation of radio it obtained from 7000 radio broadcasters only 424 replies, and these mainly relating to trivia.

Indeed, the passivity of most broadcasters on this issue is itself a damning indictment of the long-term effect of governmental regulation of the broadcast press.

I would close by reminding you of the words of Justice Douglas, no apologist for broadcasting, in his concurring opinion in CBS vs. Democratic National Committee. Said the Justice, "The Fairness Doctrine has no place in our first amendment regime. It puts the head of the camel inside the tent, and enables administration after administration to toy with tv or radio in order to serve its sordid or benevolent ends. What kind of first amendment," he went on, "would best serve our needs as we approach the 21st century may be an open question. But the old-fashioned first amendment that we have is the court's only guideline, and one hard and fast principle which it announces is that government shall keep its hands off the press.

That means, as I view it, that TV and radio, as well as the more conventional methods of disseminating news are all included in the concept of the press as used in the first amendment. Ladies and gentlemen, I trust and believe that when the issue framed by this debate squarely reaches the Supreme Court, Mr. Justice Douglas' brethren will agree with him. Thank you. (applause)

Mr. SHAYON. I was going to congratulate NAEB on its 50th anniversary, but I see that Jim Fellows is holding a tight clock, so I'll make it a very quick congratulation.

Dick Jencks as a good broadcaster got off right on the nose, and that places a burden on me. I want to make it right clear at the start that I am not an unqualified defender of the fairness doctrine as it is.

It has its faults, in fact much of public discussion about it has to do with suggestions for improving it, even for trading it for other measures that will protect fairness for the public. I'm prepared to talk about them if we get into them, but just now I'm saying no to the clear proposal that the fairness doctrine violates the constitution. That's the area we're constrained to discuss and I'm sticking to it.

In a debate, when the pros and the cons don't know what each other is going to say, there's a lot of overlapping, and of course, Dick anticipated some of my comments, and I anticipated some of his. But at the risk of redundancy, I'm going to formulate a line of reasoning which gives you a picture of the fairness doctrine as the negative sees it rather than the affirmative. Then we'll get into a trading of arguments later on.

The answer to the question is of course no because the Supreme Court has said no. It said no, as Dick suggested, in Red Lion, the case which challenged the constitutional and statutory bases of the doctrine and its component rules. It even said no in CBS v. DNC. Indeed, it's curious to know that in that very case, CBS relied on the fariness doctrine to reject a right of paid access. Again the U.S. Court of Appeals said no in the pensions case which Dick mentioned.

It said that the licensee did not make an unreasonable judgment in implementing the fairness doctrine, but had a wide degree of discretion in the handling of news documentaries. But the court in no way suggested abandoning the fairness doctrine. Whenever it's been at issue, the courts have by a majority sustained the fairness doctrine in broadcasting as a necessary control for the public interest. The broadcaster can not assert a right to freedom of the press that transcends the public's right to know.

To be sure there are dissenters. A good friend the liberal Justice Douglas is a first amendemnt hard-liner. Justice Stewart joined him in his dissent in CBS vs. DNC. And chief justice Bazelon of the court of appeals has had doubts about the fairness doctrine. But Justice Saterday, if you read your New York Times, you'd see that the good judge is wavering.

He made a speech at the FCC Bar Association in which he expressed his doubts public interest. In an outspoken attack on about the industry's performance in the television not equaled since Newton Minow's wasteland speech he said that the industry was making it difficult for judges and lawyers to ensure that traditional guarantees of freedom of the press continue to be applied to television. So you've got Bazelon wavering between the two extremes.

Nevertheless, as Chief Justice Hughes once said, we live under a constitution, but the constitution is what the judges say it is. As of now, the Supreme Court has said eight to nothing in Red Lion that the fairness doctrine is constitutional, and they said it again in CBS vs. DNC, 7 to 2. Of course, the Supreme Court has reversed itself in the past. Classic majority dissents have lived to see the day when they became majority opinions.

Dick Jencks may be the John Marshall Harland, the great dissenter of the 19th century. He may be doing us a great public service by hammering away at the minority view. I could stand on what the lawyers call *stare decisis* of the court and say "It is settled," but that wouldn't be any fun. So let's go into the thicket of the constitutionality of the fairness doctrine and have another round.

I take it Jencks, representing many broadcaster licensees, wants to join the heavenly company of the print publishers, who are exempt from the regulatory powers of government, although of course, they are beneficiaries of salutary government intervention in their business, by virtue of enjoying favorable postal rates.

Publishers don't mind the camel's nose in the tent when it helps them to make a profit. The broadcasters want the same rights that the print media enjoy. Should they have it? Justice Holmes once said, "The life of the law has not been logic; it has been experience." Nevertheless, let's try logic. Let's not have a debate; let's pursue truth.

And again quoting Justice Holmes, "All I mean by truth is what I can't help thinking." The purpose of the first amendment, as our moderator said, was to keep government from prior censorship of the press so that ideas could flourish freely in the marketplace, robust, vigorous, clashing, antagonistic. Out of this would emerge the wisest decisions for a democracy. That was the faith. Only if the fairness doctrine in broadcasting under it, only political candidates and persons specifically attacked on the air have clear, unqualified rights to speak.

As for the rest of us, in determining whose rights are paramount under the first amendment the courts have said that it is the right of the people to be informed that is paramount, not the broadcasters' rights, not the viewers' nor the listeners' nor even the one who wants to speak his mind in public forums. It's the right of all of us to have spread before us a diversity of opinion. On that, as Judge Learned Hand said, "We have staked our all." OK, diversity of opinion and an informed electorate, on that the broadcaster and the regulator agree.

The position of the regulators is that it's not unconstitutional for the government to use the first amendment affirmatively to ensure diversity of opinion. You know the arguments, scarcity of frequencies, the public trustee concept, the recipient must give the people something in return when he gets a franchise. At the very least, an obligation to conduct informed public discussion on matters of concern, and when conducting them, to be fair to all shades of opinion. The broadcaster is given the widest possible latitude in exercising this public trustee function.

This is the constitutionally approved scheme for broadcasting. It's different from the print media where the publisher has an unabridgeable right to be unregulated. The broadcaster may even refrain from raising any controversial issues and still escape sanctions. This happens, as you know, many years when stations fail to broadcast even the barest of news and public affairs and get their licenses renewed.

The fairness doctrine, is hardly perfect in its implications and implementations. It has many derogators on right and left, but it is the bedrock of the public interest standard of the communications act. Take it away, and you have no act. The position of the broadcasters who urge the abadonment of the doctrine is that it invades the first amendment rights of the broadcasters.

Mr. Vincent Vasilefski, president of the NAB in a fairness doctrine hearing in 1968 before a House Subcommittee argued that even if the government grants the broadcaster a franchise with exclusive use of a frequency the government may demand nothing in return without violating that broadcaster's first amendment rights. The argument further runs that most broadcasters will, by necessity and just plain natural virtue, be fair without regulation. Go peddle your ideas to another station, to a newspaper, make a speech, write a book. You ought not to have a direct legal remedy.

There should be no way in which a broadcaster can be chastised for failure to give someone else the right of reply to anything the broadcasters says on the air. This doesn't mean, say the broadcasters, that the listener is left with no remedy at all. There is a—remedy. What is it? Listen to Mr. John J. Koporra, Vice President for news for Metromedia at the House Hearings in 1968: quote "There's a very orderly procedure for taking care of the bad broadcaster in the capitalistic system. That is, he will go broke, and be forced to sell.

A bad broadcaster will not survive," end quote. In short, the broadcaster should get his franchise and have no obligation to be fair other than his own sense of decency. That's how we get diversity of opinion, and serve the needs of a democratic society for informed discussion. To do otherwise, to insist that the broadcaster be legally required to be fair would be to harass, to inhibit him, to chill him, rather than risk legal sanctions, he will engage in no controversy, and all his broadcasts will be bland, and there would be no diversity of public opinion.

What should one reply to this position? At the worst, it seems to me that it is unconscionable that one man should say to the people of the United States, "Give me a piece of everybody's electromagnetic spectrum and I will operate it for my own partisan purposes and profit and keep everyone I don't agree with off the air." But let's suspend judgment and try it out. Let's see how it would actually happen.

Many of you are familiar with the famous WLBT–TC case in Jackson, Mississippi. The licensee was LaMAr Life Insurance Co. and all through the late 50's and 60's it was asserted by citizens of Jackson, Miss. that the station was guilty of racial and religious discrimination. It cut off network civil rights broadcasts with signs reading "Sorry, cable trouble."

Eventually with no help from the FCC, the Office of Communication of the United Church of Christ persuaded the U.S. Court of Appeals to grant a hearing, and when the evidence was all in some five or six years later, the court itself vacated the license of LaMAr Life. It said that the FCC's record in the case was irreparable, and it took the license revocation sanction into its own hands. Now suppose we eliminate the fairness doctrine.

A licensee operates one of two vees in Jackson. It decides to put on racist editorials. You don't think that can still happen? Go down to Jackson. What's to stop him? Does a black citizen rush to the competitive station and beg time for a reply and possibly be refused? To the newspapers and get turned down? Perhaps they wouldn't turn him down, but they could, couldn't they? And he'd have no legal remedy, none at all.

I ask Dick Jencks, do you really believe that such a system would serve our need for an informed public opinion, for fairness in the clash of ideas, presumably the lifeblood of our democracy? If you ever got the Congress to abandon the fairness doctrine, and broadcaster mavericks act up the way WLBT did, there would be such a public cry of outrage that the next fairness doctrine written into law would have the kind of teeth the present one lacks, and I don't think the broadcasters would care for that bite at all.

They want the same first amendment *rights as the print* media. What that means is that they want a monopoly based on scarcity of frequencies, and they want it free and clear of any legal obligation to be fair in public discussion. I'm not prepared to let them have it on those terms. You wish to be free of obligations? Then I'll free you also of your monopoly position.

No obligations, no monopoly. Turn pay cable lose. Let's have a real competitive market based on open entry, and we'll discuss it. But they're trying to stop pay cable. They don't want an open entry. They want a protected market and on top of that they want no legal obligations for fairness. Trust us, they say, we'll be fair because we love fairness. And if there are a few bad apples, the system will take care of them. Now, come on. Ok, there are other solutions.

Let's rewrite the act. Let's auction off the frequencies to the highest bidders. Give it to the winners, free and clear of any fairness doctrine restraints, but on condition that they set aside 10% of prime time for public access and that they give—you're gonna love this—10% of their gross revenues to public broadcasting.

Then you can have your unharassed, uninhibited first amendment. You want that Dick? If you have no fairness obligations, why should you be allowed as CBS to own 5 VH stations in the top market? Why not just one? The so-called chilling effect of the fairness doctrine is legendary, despite the protestations of professional journalists, our scholarly expert Henry Geller says that they've never even been documented.

Everyone knows the fairness doctrine is really a mild regulation. Broadcasters have lived with it and maintained their profits. What the broadcasters are really worried about is access. That's what they're concerned about. People are not content to let Cronkite and Reasoner, Chancellor speak for them and say every night that's the way the world is. Is it? People want counter-rags. There will be more court challenges. Dick, in 1969, at a panel of the American Bar Association, you accepted Red Lion as the farthest permissible reach of government.

The figures show that the networks in only one case, the famous NBC-Chet Huntley case, where he broadcast an editorial favoring cattle raisers when he had an interest, a conflict of interest, was the only time the networks ever got hooked. In the NBC case, the courts overturned the FCC. Figures. In 1971, there were 2000 fairness doctrine complaints. In only 168 cases did the FCC send inquiries to the stations, an 8% ratio of inquiries to complaints.

There were only 69 FCC rulings, and only 5 out of 2000 were adverse to licensees. Even in 1972, Dick, in Aspen, Colorado, you still found that the fairness doctrine has worked fairly well. You relied on it in CBS vs. DNC. Judge Tamm of the U.S. Court of Appeals dissenting in the NBC pensions case said, "The fairness doctrine as it has been utilized here is the yeast of fairness in the dough of the telecaster's right to exercise his journalistic freedom."

Nobody asked the broadcaster to be a public trustee. He volunteered for the license. He volunteered for it, and he did it with his eyes wide open to what the terms of the game were: a right to make a mint of money in return for fairness to the public in controversial issues, a balancing of his rights against the people's rights under the first amendment.

If CBS or any other licensee doesn't like the way the game is played, let them turn in their license and resign. There are plenty of others waiting on the sidelines with very eager appetities to get into the game under the exceptionally mild and generous conditions of the constitutional fairness doctrine.

Mr. JENCKS. Well, I'll try to deal with some of the matters that Bob Shayon raised. He says that the Supreme Court has firmly decided that the Fairness doctrine is constitutional, which I don't think is the case, and the real test will be the S. C. gets a case in which a license hangs in balance, such as the Brandywine case which did not go to the Supreme Court.

Judge Boyelan was among others who do not think that Red Lion is dispositive as to the legality of the fairness doctrine. And it's very curious indeed that last June in the Miami Herald case, although striking down the right of reply statute directly analogous to the right of reply regulation which it had upheld five years before, the Supreme Court of the United States did not even mention Red Lion, did not attempt to distinguish it, did not attempt to justify it.

Now, Bob says that I'm asking you to rely upon the decency of broadcasters. I'm not, anymore than I ask you in the print field to rely on the decency of publishers. Rather, I'm asking you to rely upon their contentiousness and their desire to reach their readers, if they are running media general circulation. He says the bedrock of the communications act is the fairness doctrine, take it away and you have no act.

Well, you had no fairness doctrine from the inception of the act in 1934 until 1949, and you had no fairness doctrine embodied in the statute until 1959. So, clearly you can have a communications act and proper regulation of broadcasters and no fairness doctrine. He talks about commercial broadcasters desiring to strangle pay television, and if that's the case, there are laws suitable to cope with that. The anti-trust laws for one.

Justice Douglas made clear in his opinion from which I previously quoted, and I quote again, "The commission has a duty to encourage a multitude of voices but only in a limited way, viz. by preventing monopolistic practices and by promoting technological developments that will open up new channels. He got quite a laugh from you in talking about the possibility that he would be willing to auction off our first amendment rights if we would be willing to give 10% of our profits to public broadcasting.

If he would really be willing to abandon his precepts for a price, then I think we have gauged his depth of feeling about the first amendment. He asks me the rhetorical question can I really believe, he says, can I really believe the system of untrammeled freedom would serve our needs? And I ask you back, can you really believe that the press of this country, the print press, serves our needs?

And if it doesn't, why not? Look about you, when you read your morning newspaper, whether it be the Las Vegas Sun or the New York Times, or the Los Angeles Times, or the Washington Star-News, or the Washington Post, when you read your news magazine whether it be U.S. News and World Report or Time or Newsweek, do you yearn to have the power to make a federal commission make that publication do its will? Do you yearn to have the licenses of those publications terminated? Do you yearn to have a federal court in Washington decide when their articles and features had been fair and unfair?

And more to the point, do you yearn to have those editor-in-chief's decisions come one year, two years, three years after the controversy which precipitated them? Does that strike you as improving the press upon which you depend every day of your life?

If it does not, then the humorous solutions and the decency of broadcasters are really beside the point. Broadcasters are no more decent, nor any less, than newspaper publishers. (Side 2 of tape.) Stations as superb as any of the best of the print media in this country. The question is what is the risk of allowing that freedom to happen? I don't have any more time, So I * * *

Mr. SHAYON. Well, as to the constitutionality of the fairness doctrine, I would welcome a test confronting the issue head on. Dick is right. The courts have hedged very often in confronting the issue squarely, even in the WXUR decision, Brandywine, the argument was that the decision was based—the revocation of the license—on what the majority opinion called "a very narrow ledge."

The judges are very sensitive to getting into a confrontation of the issue, and I for one would like to see a case come before the court where it met it head on, but as of the present moment, the best indications we have is that whenever faced by the Supreme Court in a tangential situation, they seem on the whole to have upheld the necessity for the fairness doctrine.

Now, Dick says that there was no fairness doctrine until 1959–69. Now I disagree with that. If you read the history of the Federal Radio Commission, you will see that in its initial rulings, they specifically and explicitly set forth the principle of fairness to all shades of opinion. Very quickly the politicians got into the act and got section 315 written for them in fairness.

It took a little while longer for everybody else to get their bit into the act, but the concept of fairness was inherent in the regulatory scheme this country's broadcasting licensing system from the very beginning on, and if Dick would like we could go to the records and we can check it out. He talks about the press serving the needs. Well, I for one happen to believe that the press in many respects did not serve the need of the people.

I happen to agree with Jerome Barren that I'd like to see an experiment made in the right of access for reply to newspaper space—it's much easier for the newspaper to add pages than it is for a broadcaster to add time, that's true. But I don't think that the present system adequately meets the demands of the 20th century for all the people to get into the act of diversity of opinion. Barren is right.

The romantic conception of the first amendment that was in view when the founders of our republic framed the Constitution is no longer adequate to the needs of the 20th century. We have different means of communication, massive means of communication, which take a lot of money, as our moderator says, and the ordinary citizen just can't get into that game, so we have a real realistic notion of the marketplace of ideas, and it presents new problems.

I don't say that the fairness doctrine as is is the answer, but I say, it's the final bastion we have under the present system for the legal protection of the citizens' rights, and I'm not prepared to forego it and take the risk of trusting either the wisdom, or the decency or the fairness of broadcasters to implement the first amendment rights. Let's talk for a minute about this chilling of the press. It's argued that it arises as a result of the economic and procedural and time burden imposed upon broadcasters.

I have a different theory about the chilling effect. It comes from the economic structure of the industry. The industry is foremost committed to entertainment, so it says to its people in news and public affairs, "Here's a little corner of the total spectrum. You operate that little corner, and don't you dare get out of it." So the Cronkites and the Reasoners, naturally they're human like all of us, they say, "That's my little corner. That's my territory. I'm in charge of it, so I'm going to be the judge of what goes in and what goes out, and I'm going to be the public voice, and I'm going to be the trustee."

But they resist attempts of anybody else to take a little piece of their precious corner and play with it, and I say that's not adequate to represent the rights of all citizens today. There's a clamoring, a hunger for public discussion by spokesmen who want to initiate controversies that the public media do not even recognize as controversy. How are we to deal with that problem?

There are suggestions for improving the fairness doctrine, for trading perhaps for free speech messages. I would be in favor of an experimental situation to see whether or not it would really provide a solution to fairness doctrine's defects, but I'm not prepared to scrap the fairness doctrine until I see whether or not this system proves out.

What I'm arguing is that broadcasting is still not the print media, the public still needs protection in the area of limited frequencies, and that the fairness doctrine line should be held until something better can be demonstrated.

Question from floor.

Dick, isn't it true, apropos right from the beginning, that when Secretary of Commerce Hoover, later the President of the United States, as the Secretary of Commerce, he considered broadcasting a public property and from the inception proposed that those be a reservation of time, something between 20 and 25% of all the broadcast time, morning, afternoon, and evening, shall be reserved, not for sale, but for public use—(interrupted by moderator for second question—second question summarized in Shayon's opening remarks.)

Mr. SHAYON. Let me take the smaller question first. The philosophical basis for a discussion of the fairness doctrine and man's place in the universe—that's easy. Well, a serious question deserves a serious answer, and I conceive of man to be what I call a dialectical creature. He's capable of using his mind, he's capable of growing, he's being exercised. It's the opposite of what has come to be known as the banking concept of information and education, where you conceive of individuals as banks into which you deposit wisdom, and when necessary you submit a deposit slip and you call it back. Unfortunately, most of our public education is banking education.

But I think public broadcasting has a tremendous opportunity to be a dialectical system of education in which we won't tell people what the answers are but we engage with them in a discussion and we listen to them and we learn from them and together we engage in a growing dialectical experience. This is my view of man, as a philosophically creative creature rather than a passive one. Ok, that takes care of the easy one.

Now let's take the hard one. The hard one is: what are we going to do with this fairness doctrine? It has its defects, some people say it doesn't work for me, others say it works too much, everybody's complaining about it. Well, I think there is no mechanical solution to the problem. X amount of broadcast time reserved for the public or for free speech messages, well, I'm willing to try that, but again, man is not a mechanical creature. You don't get a mechanical solution to a creative problem.

The only real problem—the only real solution to this problem—is a real, spiritually dedicated, affirmative commitment of all broadcasters, commercial and public, to a reasoned discussion of controversial issues in the interest of an informed public opinion.

And I say, that means that they've got to go out and not only provide public forums under duress but to help the people think their way through to a clarification of the complex issues of our complex world. It isn't enough for a broadcaster to say "Here's an access program—20% of my time. Anybody that wants to come on can have a point of view and say it and that takes care of the problem of discussion in a democracy." It doesn't. The broadcasters are professionals; in that respect, Dick Jencks is right.

As professionals they should serve the people, and they should serve the people by engaging in some kind of a dialectical situation with them. They should come to us and say, "What are you trying to say? Let us help you say it. Let us use our resources to help you organize your views, and let us see that everybody has this opportunity."

A mechanical attribution if you get 2% and you get 3% and balancing it—that's never gonna solve it. The judges and the lawyers want mechanical statistical solutions—that's how they work, that's how their universe structures. They have to have unqualified laws to which they can appeal in all their wisdom. But life isn't like that.

There are no mechanical solutions to our problems. And if only the commercial broadcasters would really say "Look we're all in this human boat together. Profit is not the end of it.

The survival of our planet, of our race, of our values is involved—which has a higher priority—speech in the interest of discussion of ideas to have our democratic institutions, or speech for the peddling of commercial products, however important they are to our economy?

If only they would say that, and commit themselves to an affirmative use of their resources for public controversy, we wouldn't have any fairness doctrine complaints or problems. I've been in the broadcasting business. I organized the first CBS documentary unit, which was the first network to deal with controversial issues.

I dedicated my life to the handling of public issues over the media, and I tell you, it can be done. It can be done without fuss, without feathers, it takes a risk, it takes guts, and there is no security from problems. But if you really want to do it, you can persuade the people of this country that the broadcasters are fair in their handling of public controversy.

We're not asking for legal remedies, we're asking for remedies that come from the heart. And I think ultimately, this is what fairness is all about. Not fairness that is sanctioned and constrained by the law, but fairness that comes from the heart. That's the fairness that for 30 years I've been begging the commercial broadcasters to exhibit, and now may I add, I beg the public broadcasters to exhibit. Thank you.

Mr. JENCKS. Well, to devote myself to the question, isn't it true that President Hoover said that broadcast frequencies are public property and that broadcasters should be required to give 20–25% of their time for public uses. Yes, it is true that President Hoover said that.

There were occasions, on which you recall, President Hoover was wrong. He was partly right in that remark. He was not right—Hoover was one of our Presidents who was not a lawyer—and he was certainly not right in meaning to suggest that because the air waves are public property that restraints can be placed on the first amendment rights of those who use the property.

I think there that Judge Bazelon was correct when he said that government cannot place restraints upon the first amendment rights of the users of this property simply by declaring "I own it." Now as to the philosophical basis of our democracy, and of communications generally, I take it that it finds its reflection in the Constitution, in the proposition that this is a government of reserved powers. Powers that are not granted to the government are reserved for the states and the people. And I think that means that we trust people.

The American experiment was intended to take government off the backs of people. The framers of our Constitution could, of course, have decided upon a system under which the press would be licensed. That was the precedent they knew. That was what George III and his predecessors had done. They decided, and they didn't much like the press, which then as now is quarrelsome and difficult and arrogant, they decided they'd take their chances with it.

They thought that government control of the press would prove to be stupid, irrational, and suppressive of free speech, and they were right. 315, the equal time provision, is a good example of a stupid, irrational provision, almost everybody so recognizes now, and only the politicians don't have the courage to admit that mistake. Stupid also, is the idea of a federal commission, or a federal judge sitting in judgment on a network documentary two years after the documentary was broadcast.

There comes throughout much of this discussion the idea that if we don't like commercial broadcasters, then withholding their freedoms from them is some sort of punitive act. We say, "We're going to treat you this way until you show that you deserve better treatment." And I say that is at odds with the philosophical basis of this nation and the genius of its people. It's very much at odds with it. We've seen in the past two years the free press operate in a way which is really one of the glories of our history.

There has never been a time in the whole nearly 200 years of this country, in which the press has performed so valuable a role. So far as broadcasters are concerned, and CBS in particular, that, I'm afraid has been, not because of, but in spite of the government power over the broadcast media. CBS, as you know, was No. 1 on President Nixon's list of enemies. And there were a number of efforts made to deal with CBS, and some as you know with Katherine Graham of the Washington Post. Those didn't succeed. We don't want to see any efforts like that succeed in the near future.

So I would say to you that the experiment that we want to make is to return to the experiment that we've all been embarked upon for 200 years, which is the experiment in the First Amendment, the most extraordinary experiment that has been utilized with respect to communications in any nation in the world, and it's worked, despite some of our dissatisfaction with the print media, we know it has worked there, and I think it would work with the broadcast media, and I hope that as broadcasters, you will join the task of seeing to it that you insist upon First Amendment rights and that broadcasters as a whole have them and have them without having to bargain for them, have them without let and hindrance, have them just as the rest of the press has them. Thank you.

AFTERWORD: LOOKING BACK AT THE DEBATE

(By Henry Geller)

My first comment is to commend the excellence of the debate on both sides. Exception could be taken to a few supporting points, but the essential contentions were, I believe, well and forcefully presented. The debate covered two main issues: (1) Is the fairness doctrine constitutional under existing law; and (2) should it be constitutional; does it serve the public interest, including the crucial First Amendment goal of promoting robust, wide-open debate?

1. *Constitutionality.* Dick Jencks stresses the recent Miami Herald holding of the Supreme Court:

"The choice of material to go into a newspaper, and the decisions made as to limitations on the size of the newspaper, and content, and *treatment of public issues and public officials—whether fair or unfair*—constitutes the exercise of editorial control and judgment. It has yet to be demonstrated how government regulation of this crucial process can be exercised consistent with First Amendment guarantees of a free press as they have evolved to this time." [Emphasis added]

The Florida "right of reply" statute there struck down is, he correctly points out, analogous to the FCC's personal attack/political editorializing rules. Indeed, if anything, it is harder to make the fairness case in the broadcast field because although "a newspaper format is expandable . . . a broadcast schedule cannot be expanded; nothing can be added without something else being dropped" (Jencks, pp. 3–4) .

On the other side, Bob Shayon also marshalls a powerful case: The Supreme Court found the fairness doctrine constitutional in the 1969 *Red Lion* case, and again relied heavily upon the doctrine in the 1973 *CBS* v. *DNC* case (with only two dissenters to its constitutionality—Justices Stewart and Douglas). There is no indication that the 1974 *Miami Herald* case overturned the *CBS* case, decided just one year before. Significantly, Shayon points out, the most recent Court treatment, by Judge Leventhal in the NBC *Pensions* case, distinguishes the *Miami Herald* decision, and adheres to the fairness doctrine in the broadcasting field.

How can one square these persuasive arguments on both sides? And particularly how can one square the strong holding quoted by Dick Jencks from the *Miami Herald* case with the statement in *Red Lion* that "there is nothing in the First Amendment which prevents the Government from requiring a licensee to share his frequency with others and to conduct himself as a proxy or fiduciary with obligations to present those views and voices which are representative of his community and which would otherwise, by necessity, be barred from the airwaves" (395 U.S. at p. 394).

There is no *logical* way to do so. Bob Shayon gave the practical answer in his Holmes quotation that the life of the law has not been logic; it has been experience. And in the broadcasting field the experience, "almost from the beginning" (*Pensions*, p. 13), has been different from the print medium. From the 1943 *NBC* case to the 1973 *CBS* case, regulation of broadcasting under a short-term, public interest licensing scheme has been sustained—and that is why the fairness doctrine decisions have gone in the FCC's favor.

Dick Jencks believes that when the right case is presented to the Supreme Court—one like *Brandywine* (*WXUR*) where the station lost its license because of fairness doctrine violations, among other things—the Supreme Court will strike down the doctrine. I think Boy Shayon is more apt to prove correct on this issue. The Supreme Court had the opportunity to review *Brandywine*, with Judge Bazelon's powerful dissent on the fairness doctrine—yet it declined to do so.

More important, it seems to me most unlikely that the Burger-led Court will flip-flop on this issue. Remember that Chief Justice Burger wrote both the 1973 *CBS* v. *DNC* and the 1974 *Miami Herald* opinions, so it is unlikely that the latter overrules the former. And Chief Justice Burger is the author of the *WLBT* opinion, where he states that ". . . adherence to the Fairness Doctrine is the *sine qua non* of every licensee" (359 F.2d at p. 1009). The odds, therefore, are strong for continued affirmance of the constitutionality of the fairness doctrine itself (as compared with the different issue of the legality of its general *implementation* or some particular application of the doctrine).

2. On the second issue, both debaters again cogently set forth strong arguments. Dick Jencks stressed that it is *Government* trying to insure fairness; that no one would or should desire that the Government review the editorial decisions of the Washington *Post* or the New York *Times* for fairness—why then should Governmental review for fairness of the editorial processes of NBC, CBS, or ABC be welcomed or desirable? In my opinion, Jencks does not make out a strong case that Governmental review has had a "chilling" effect on the networks' treatment of controversial issues.

The networks are "big boys" who can and do stand up to the Commission (e.g., *Pensions*). Jencks' main example, "The Loyal Opposition" program, was not dropped by CBS because of the FCC ruling (which did not really inhibit the presentation of any future programs—CBS could merely specify 10 or more issues to be addressed by the spokesman or spokesmen); the program simply did not meet CBS' expectations and indeed, CBS appeared embarrassed over it in its Congressional testimony (25 FCC 2d at p. 300, n. 25). But Jencks does score with his contention that FCC fairness activities can be "chilling" as to the smaller broadcast station. While I am admittedly biased on this score, I believe that fairness cases like KREM–TV (the Spokane, Washington ruling cited by Jencks) cannot be answered by facile recitation of fairness statistics (i.e., Shayon's observation that in over 2000 fairness complaints, the Commission referred only 168 to stations and ruled against the licensee in only five instances).

The KREM-TV ruling was favorable to the licensee, but the three-year hassle clearly might well inhibit future station coverage of contested local issues. Further, Jencks raises the disturbing point: Is such an intensive intervention in the broadcast editorial process worth the possible "plus"—that an entirely different audience hear some further presentation on an issue two or three years later?

On the other hand, Shayon correctly stresses the fundamental relationship of the fairness obligation to the notion of the public trustee. The Congressional scheme is one of short-term licensees who obtain the right to use scarce, valuable radio spectrum free because they have volunteered to serve the public interest. Shayon then points to the WLBT (Jackson, Mississippi) case where a licensee would not present the integration viewpoint, largely ignored the extensive black population in its service area, and espoused the segregational cause.

How can a licensee, who uses the frequency only to reflect his *private* views on issues of great importance to the area, be said to be a public trustee? Just as the antitrust laws provide an overlay or national mood fostering competition, the fairness doctrine affords protection that generally licensees will act responsibly "as proxies for the entire community, obligated to suitable time and attention to matters of great public concern" (*Red Lion*, 395 U.S. at 394).

Here again the debate presents an oddity—each side has advanced powerful First Amendment arguments *for* his position and faces serious First Amendments *against* his position. Again—just to state the commentator's views—it seems to me that Shayon's overall position will reflect governing policy in the next decade. For, one could ask Dick Jencks: Would elimination of the fairness doctrine really free broadcast journalism?

Remember that the present Congressional scheme for broadcasting involves the Government significantly in the licensee's overall programming operation. It *is* a licensing scheme in the public interest, and because programming is the heart of service to the public, the incumbent's overall programming operation is the crucial element examined at renewal, whether in a petition-to-deny situation or in a comparative hearing. This means that CBS' renewal of WCAU–TV in Philadelphia or the Washington Post's renewals in Florida will be judged on whether the incumbent licensee has rendered substantial service to meet the problems, needs, and interests of the area.

Further, the agency can affect the economic health of the licensee or network in many other non-licensing areas—for example, by changing the multiple ownership rules applicable to networks or large VHF stations, or changing the network programming process through prime-time access and syndication rules.

My point is obvious: Unlike print, the Government is integrally involved in the broadcasting field. So long as one maintains the public interest licensing and pervasive regulatory scheme, elimination of the fairness doctrine does not free the broadcast licensee from the danger of undue Governmental pressure or intrusion, but it does eliminate the check on licensees who would act like WLBT.

In my judgment, therefore, it better serves both the public interest and the First Amendment to retain the fairness doctrine, so long as the public trustee interest licensing scheme is kept.

Both Jencks and Shayon correctly observe that there is no *Constitutional* need to maintain that system—that while the Government must license to prevent engineering chaos, there are other alternatives that would serve the public interest and yet free the licensee from Governmental intrusion (e.g., auction or rental of the frequency, with the proceeds going to non-commercial broadcasting or access programming, and with certain rights to paid or free access for limited periods). However, such alternatives are not likely to be adopted in the near future, if ever. If this analysis is correct, the fairness doctrine will continue to be applicable in the next decade, and its problems must therefore be dealt with.

The *Pensions* case is indicative of one trend to deal with these problems. It creates a *mood* that looks with disfavor on governmental intrusion in broadcast journalism, except perhaps in egregious circumstances. Such a mood may be difficult to define and may change over time. But it is nonetheless of great importance for the administration of the fairness doctrine in the coming years.

As Dick Jencks notes, I believe that a further revision is needed to "save the fairness doctrine"—that the Commission should generally examine fairness matters only at renewal time, and then to determine "whether there had been such a pattern of conduct throughout the license period as to indicate malice or reckless disregard of Fairness obligations." (p. 7, Jencks), I can appreciate why Jencks, like Oliver Twist, wants more, but it seems to me that he is not fully taking into account the pubic trustee nature of the present pervasive regulatory scheme.

Judge J. Skelly Wright has pointed out that unike ". . . some areas of the law [where] it is easy to tell the good guys from the bad guys . . . in the current debate over the broadcast media and the First Amendment . . . each debater claims to be the real protector of the First Amendment, and the analytical problems are much more difficult than in ordinary constitutional adjudication." The answers, he pointed out, "are not easy," but he hoped that "with careful study . . . we will find some." Dick Jencks and Bob Shayon admiraby illustrate Judge Wright's point. Both are "good guys" strongly committed to promoting First Amendment goals. Both deplore broadcaster indifference to these goals. And both have made an excellent contribution to the study of the fairness doctrine and to possible courses of action.

INSURING DUE PROCESS IN TRADE PROCEEDINGS

Mr. MATHIAS. Mr. President, last Friday the Senate passed the Trade Reform Act. This week the House-Senate conference committee on this bill will meet to work out differences in the two Houses' versions of this bill. Because certain changes made on the Senate floor, and certain understandings reached during the days leading up to the Senate action are important to insuring fair proceedings and due process in the implementation of this bill and related laws, I would like to make some remarks relevant to the work of the conferees and the conference report on this bill.

The trade reform bill is landmark legislation. It will guide the trade relations among the major nations of the world for years to come. It will affect the economies of all nations, the jobs and livelihoods of millions of citizens throughout the world.

I commend the Senate Finance Committee, and its chairman, Senator RUSSELL LONG, for its detailed and deliberate consideration of this bill. It would be impossible to produce a bill of the complexity and importance which would be acceptable in every part to every Senator. But this is a sound measure, and should be enacted.

In general, the bill gives the President limited authority to negotiate reductions in tariffs and other trade barriers. Conversely, the bill provides that the President should take limited measures to retaliate against unfair trade practices initiated by foreign nations—thereby protecting American industry and American jobs.

The bill provides several methods by which the President can respond to unfair trade practices by foreign governments and industries. Among these are: First, raising tariffs, second, suspending benefits of trade agreements, third, import quotas, and fourth, orderly marketing agreements.

Moreover, the bill strengthens existing statutes requiring the President through the Secretary of the Treasury to impose duties to counteract dumping or countervailing duties imposed by foreign governments.

When this bill was first reported from the Finance Committee, I was pleased to note that the committee provided a process by which American firms and other interested domestic parties could obtain judicial review of certain critical decisions made by Government officials concerning what steps, if any, should be taken to offset dumping or countervailing duties. In the past this right to judicial review has not been extensive, with the unhappy result that the parties with the most direct interest in the decisions of the Secretary of the Treasury or of the U.S. International Trade Committee were not insured of a forum to review the appropriateness of those decisions.

The committee bill, as reported, expanded this right of judicial review. It did not, however, go as far in that direction as I believe is consistent with basic concepts of due process or with the gravity of the issues involved. Consequently, I prepared an amendment which I intended to offer to expand this right further. I am pleased, however, that the committee itself, and most particularly its distinguished chairman, during its own review of the bill, decided that the language reported did not embody the true intentions of the members of the committee and accordingly, the chairman introduced an amendment on his own behalf to expand and clarify this essential right of judicial review.

Since the chairman's amendment was accepted by the Senate, I did not pursue my own activity in this regard. It is my understanding that the judicial review provisions in title III are designed to insure fair and effective enforcement of the unfair trade statutes dealing with antidumping and countervailing duties. Under the antidumping procedures of the bill, the Secretary of the Treasury has the right to dismiss a complaint without initiating any investigation if he should decide that the complaint, in the language of the courts, fails to state a cause of action.

The judicial review provisions of the trade bill were designed to provide for an American manufacturer to have court review of a decision by the Secretary not to undertake an antidumping investigation as well as a review of a determination by the Secretary on the merits that there have not been sales at less than fair value. I would hope that the report of the conference committee would make this intent as to the proper scope of judicial review quite clear.

It is also my understanding of the judicial review provisions allowing an American manufacturer the right of review by the customs court of decisions in the antidumping and countervailing duty area that it is intended that a domestic manufacturer will have at least rights of judicial review equal those afforded to the importers under existing law as contained in section 514 of the Tariff Act of 1930 (19 U.S.C. 1514). I note that there are a number of customs court decisions dealing with importers' appeals from Tariff Commission determinations of inquiry in antidumping cases. The customs court has in these cases set forth the areas and scope of judicial review of such Commission decisions dealing with injury—for example, *Orlowitz* v. *United States*, 200 F. Supp. 302, aff'd 457 F. 2d 991, 1972.

Under the protest provisions dealing with the American manufacturer's right of judicial review as contained in this trade bill, the domestic manufacturer would, therefore, have the equivalent right of appeal to the customs court of adverse decisions by the Tariff Commission dealing with the question of injury in both the antidumping proceedings and the countervailing duty cases involving duty free items.

These are some of the results which I sought to insure with the amendment which I prepared for introduction. It is my understanding that they are clearly comprehended by the bill and clearly intended by the managers.

I accordingly commend again the committee, its staff, and its chairman for their work on this legislation and look forward to the results of the conference.

THE FOSTER GRANDPARENT PROGRAM

Mr. THURMOND. Mr. President, recently I received a very thoughtful and delightful poetic description of the Foster Grandparent program in Charleston, S.C. The message in this acrostic is particularly appropriate here in the Christmas season, because it exemplifies the gift of selfless love, joy and peace by a group of concerned senior citizens to needy children. I ask unanimous consent that this beautiful composition be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the Foster Grandparent program is a very special kind of program which is greatly beneficial both to those older Americans who give themselves to it and to the children who receive the warmth of close personal relationships. This program is authorized under title IV of the Older Americans Act of 1965 and administered and funded by ACTION, the President's domestic volunteer agency. In Charleston, S.C., the county economic opportunity commission receives the funds and operates the program as part of its Community Action efforts. The Charleston program presently involves 64 foster grandparents who give of their time through the department of mental retardation, nursery and day care centers, and other institutions which need volunteer services to help care for children.

The Foster Grandparent program provides a useful way for older adults to contribute to their community in their retirement years and to enjoy the self-respect and satisfaction that come from being needed and serving others. In a very clear manner, it demonstrates that retired persons are willing and able to participate reliably in community service roles on a part-time basis. It also creates opportunities for low-income retirees to supplement their income.

What makes Foster Grandparent such a successful and worthwhile program is the fact that everyone involved benefits—the foster grandparents, children, institutional staff, parents and friends. Foster Grandparents demonstrates so well the abilities of older people to provide a reliable and effective community service—helping children to develop to their greatest potential.

I would like to congratulate and thank all of the foster grandparents across the country who have given their time and talents to this most worthwhile endeavor, and I hope other older Americans will see fit to follow their example. I believe if our retired citizens would only look around their communities, they would find numerous ways in which they can bring a greater joy and happiness to themselves and others during this holiday season.

Additionally, all of us need to be more aware and appreciative of the actual and potential contributions of our senior citizens. They are a part of our Nation's wealth and strength, and we should make every effort to use their valuable resources in worthwhile efforts such as the Foster Grandparent program.

EXHIBIT 1

FOSTER GRANDPARENT PROGRAM,
Charleston, S. C., December 1974.

F aith is to believe on the word of God.
O ur strength is often the weakness we're damned if we're going to show.
S eek today to make your tomorrow a time of peace.
T ain't worthwhile to wear a day all out before it comes.
E very day count your blessings over again.
R esources of the spirit are like savings; they must be accumulated before they are needed.

G od touches your life in many ways and speaks to you in many voices.
R each out and capture the joy of today.
A language which the deaf can hear and the blind can read—Kindness.
N ot enough to do our best, sometimes we have to do what's required.
D ecent provisions for the poor is the true test of civilization.
P lease be as kind to me tomorrow O God, as I was kind to my neighbor today.
A long life may not be good enough, but a good life is long enough.
R ather than looking back with self-congratulations—Shape the future!
E verything ripens at its time and becomes fruit at its hour.
N o one grows old by living—only by losing interest in living.
T he natural flight of the human mind is from hope to hope.

P overty has stimulated one talent for each hundred it has blighted.
R eal happiness comes from completing what God gives us to do.
O Lord, reform the world—beginning with me.
G et rid of those prejudices and thoughts that are hopelessly out of date!
R ecreate peace in yourself to reestablish it in others.
A ll the goodness and order in the world are an echo of God.
M ay you win God's blessings and share our joy in the good we are able to do through you.

Our special wish is that the Peace and Joy of this Holy Season be with you all through the year.

FOSTER GRANDPARENTS AND STAFF.

PUBLIC JOBS

Mr. HANSEN. Mr. President, in the Sunday, December 15, edition of the Washington Post, Mr. Robert J. Samuelson has written an editorial entitled, "Public Jobs: Commonsense or Nonsense." Mr. Samuelson notes that unemployment in November reached 6.5 percent, which is the highest rate since 1961. He also states, in light of this figure, the irresistible appeal to public service job proposals is understandable. However, Mr. Samuelson asks a question which I would venture to guess many have not asked. That is, How much good will these proposals if enacted, do?

In light of the passage of S. 4079, and H.R. 16596, the Special Employment Assistance Acts of 1974, which I opposed, I feel the points in Mr. Samuelson's article deserve consideration and ask unanimous consent that the article be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. Mr. President, Mr. Samuelson treats many of the inherent dilemmas associated with the economy and public service jobs in his editorial. There is a split of authority between economists as to whether public service jobs will solve our economic plight. Some believe economic stimulus is needed to prevent deep recession and public service jobs will provide this stimulus. Others believe some unemployment may be necessary to cool inflationary fires since public service jobs are only financed by the creation of more Federal money. Regardless of this dilemma, both schools of economic thought have agreed this Special Employment Assistance Act has not solved the problem.

Mr. Samuelson observes:

> Finally, if—as many economists believe—a prolonged period of relative high unemployment is the unavoidable price of curbing inflation, then a jobs program may simply postpone the inevitable, or cause more inflation. Many economists who believe differently—that is, those who favor strong economic stimulus to relieve unemployment—think a jobs program will be too small to do much good.

Other dilemmas which are not solved by this bill are numerous. Should these jobs be new jobs for the disadvantaged or should they attempt to hire those perhaps better qualified who have recently been dismissed due to lack of State funds. The jobs should be jobs to help our economy over the roughest inflationary period and yet should not be programs which turn into deposits for permanent Federal funding for Federal and State jobs.

The dilemmas are inherent and numerous. However, the Special Emergency Assistance Act of 1974 which authorizes $4 billion to create about 500,000 jobs, representing less than 1 percent of the unemployment total and which contributes insignificantly to providing a productive job program while it continues to increase inflationary spending, is not my idea of a commonsense solution.

EXHIBIT 1

PUBLIC JOBS: COMMONSENSE OR NONSENSE?

(By Robert J. Samuelson)

It's almost impossible to suggest doing anything about the economy these days without running into someone who will suggest just the opposite. You name it—wage-price controls, a tax increase, spending cuts, a tax reduction—and somebody's against it. Except, of course, for "public service" jobs. Nobody, it seems, is against them.

Who could be? With the unemployment rate at 6.5 per cent in November, its highest level since 1961, public service job proposals have an irresistible popular appeal. For the last month, the White House and Congress have been struggling less to assure that new legislation passes than to see who gets most of the credit. A $2 to $4 billion program is almost certain to become law soon, probably before the end of the year.

But how much good will it do? Well, not as much as the widespread support might indicate. In fact, the available evidence suggests a number of reasons why the results may be rather modest.

First, while creating new jobs directly may be a slightly more effective way to stimulate the economy than an equally large tax cut or spending increase, the program isn't big enough to change the employment picture dramatically. By providing an average salary of $7,500 to $8,500 a year, a $4 billion annual program would create about 500,000 jobs, representing less than 1 per cent on the unemployment rate.

Second, the program's stimulating effect may wear off rapidly as a result of what economists call the "displacement" effect. In plain language, this means that once city and state officials—who do all the hiring—see that the federal government is picking up the tab for local jobs, they will use federal funds to hire people they would have hired anyway. After six months or a year, more than 50 per cent of the "new" jobs may be lost in this way, many economists believe.

Third, those who hope that public service jobs will aid the poor and the disadvantaged may be disappointed. State and local officials tend to hire the best qualified job-seekers—who aren't necessarily the poorest and most disadvantaged. As unemployment rises, the dilemma—choosing between people who need jobs most and those who appear best qualified—intensifies, because there are more experienced jobless workers.

Finally, if—as many economists believe—a prolonged period of relatively high unemployment is the unavoidable price of curbing inflation, then a jobs program may simply postpone the inevitable, or cause more inflation. And many economists who believe differently—that is, those who favor strong economic stimulus to relieve unemployment—think a jobs program will be too small to do much good.

At least the first three of these sobering conclusions qualify as more than mere conjecture. Although most Americans probably associate "public service" employment with the Depression's Works Projects Administration, a recent experiment—the Public Employment Program (PEP) in 1971—represents a much more reliable indicator of what may happen. And evaluations of PEP suggest the modest results.

NO REAL CONSENSUS

Against these likely achievements, the overwhelming political support for a jobs program seems strangely out of proportion. The mystifying disparity has a simple explanation: The political consensus is more apparent than real.

Huddled under the common label of "public service" employment are a number of sharply different concepts. The label covers huge permanent programs aimed at cutting into the high unemployment rates of poverty pockets, where heavy joblessness persists even during periods of prosperity. But the White House has embraced a far more limited concept. Despite President Ford's pledge last week to back a program significantly larger than he originally proposed, his basic position remains unchanged. The White House program is intended to be a temporary Novocain for the recession, designed as much to avoid the appearance of being callous as to bring down unemployment. And, specifically, the administration opposes any program that might turn into a perpetual source of federal funding for local and state jobs.

That's precisely what many mayors and city managers, hungry for new money to support their sagging budgets, want. They may get it, too. PEP was a temporary program but, when it was due to expire, Congress responded to protesting mayors and county executives by including a similar though somewhat more modestly funded program in the new Comprehensive Employment and Training Act (CETA).

"I think that public service employment is now locked in," says Robert Anderson, director of manpower for the National League of Cities. "The only question is the extent to which it will be funded. But I don't see any retreat."

Whatever the future, there is little doubt that a large-scale jobs program is eminently feasible now. If the PEP experience is any guide, there will not be any problem creating new jobs quickly. Under PEP, a totally new program, localities hired 100,000 workers (about 55 per cent of peak employment of 182,000) within the first five months.

Now, things will probably move even faster. The new legislation will probably waive some requirements that local officials disliked (for example, that only workers who have been jobless for 30 days or more can be hired).

More important, many cities are anticipating the legislation by preparing job lists. Chicago, for example, already has selected about 2,500 jobs, and Samuel Bernstein, assistant to the mayor for manpower, estimates that most could be filled a month after a go-ahead from the Labor Department.

Nor should the jobs consist primarily of makework. To be sure, many of the PEP jobs were deliberately intended to be easily switched on and off; perhaps a quarter to a third of PEP employees were put to work repairing roads, fixing buildings, or caring for parks, where officials usually believe they have a large backlog of undone work. (Indeed, the Ford administration implicitly favors these kinds of jobs because they would permit a smoother phase-out of the program).

But many jobs have been spread throughout existing city agencies. In Pittsburgh, the city hired security guards for its schools. San Francisco added to the staff of its parole department. In San Jose, public service workers were used to maintain public library hours when city budget cuts threatened reductions. In Detroit, the city is now using CETA funds to hire bus drivers.

Unfortunately, the very similarity of new jobs to existing jobs makes it difficult to determine how much the jobs program fulfills the goal of creating new employment. The deteriorating finances of many cities and counties will almost certainly compound this confusion. Squeezed simultaneously by inflation and recession, many localities are already considering hiring freezes or cutbacks. At least two major cities, New York and Cleveland, have announced significant layoffs. New York, facing at least a $430 million deficit in its $12.8 billion budget, has cut 7,900 jobs, or about 3 per cent of the city's work force. And Cleveland plans to eliminate 1,100 of its 11,000 workers on Jan. 1.

In this situation, the first and most logical instinct of local officials is to hold onto existing jobs and workers. But here they collide head-on with government regulations (technically called "maintenance of effort" requirements) that are designed to insure that local officials don't play musical chairs with federal jobs programs. New York, for example, may be dismissing 7,900 workers, but it's also receiving a federal grant under CETA to hire 2,000 new workers. After a trip to Washington last week, city officials are still puzzling over the legal nuances that will determine how much of that money they can use to rehire the workers they've just fired.

New York's budget problems may seem genuine enough, but there are bound to be many cases that are far less clearcut. "What about the official who goes home at night—when no one is writing things down in a memorandum—and says to himself, 'If I juggle my budget this way, I can get (federal) money.' Then that's the way he may juggle his budget," says William Hewitt, associate manpower administrator in the Labor Department.

In an evaluation of the PEP program, manpower specialists Sar Levitan and Robert Taggart concluded that this kind of subtle substitution was widespread: "At the outset, the level of PEP jobs represented net additions to the total number of public employment opportunities. However, this initial impact declined as the program continued. In planning their budget during the first years of the program, most (localities) were likely to consider the need already being filled by PEP participants. For instance, if a number of social service aides or teachers had been hired, need to add regular employees for the same jobs had obviously declined."

WHOM TO HIRE?

The sickly state of the economy and local finances also exacerbates another inherent dilemma of a jobs program: Whom to hire? Threatened joblessness for experienced government workers puts officials in a peculiar position. "We're not talking about the disadvantaged worker," says Anderson of the League of Cities. "We're talking about Mr. and Mrs. Middle American now. They've had solid attachment to the work force, a mortgage and kids in college." True as this may be, protecting these workers clashes with the widely held belief that public service jobs should help those most in need of help.

Indeed, PEP faced the same choice and resolved it at the expense of genuinely "disadvantaged" workers. Congress set a multitude of priorities in hiring. All new workers were to have been unemployed for at least 30 days, but after that localities were supposed to give preference to veterans, the young, the old, the poor, migrants, aerospace and other defense-related workers.

As a result, perhaps only 17 per cent of those hired were "disadvantaged"; for example, only about a quarter of the workers had less than a high school degree, compared with about half of all the unemployed. Concluded Levitan and Taggart: "The simple fact is that most (localities) wanted to hire the most educationally qualified."

Though localities have benefited from PEP and its follow-on, CETA, they are dissatisfied. Many local officials feel abused by the on again/off again funding for the programs, which causes constant planning problems. "It creates severe political problems," says Ralph Rosenfeld, director of the mayor's office of manpower in Detroit. "We're the ones who have to hire and fire."

In short, PEP—though creating inevitable political pressures for permanent jobs programs—raised serious questions about how far a larger, permanent program could go in achieving the more ambitious goals of "public service" employment: reducing the unemployment and underemployment in poverty neighborhoods, where normal unemployment rates may average at least twice the national average. The usefulness of a job program depends not only on the number of real "new" jobs it creates, but also on the type of people who fill the jobs: Would they be workers who stand a good chance of finding work anyway?

No less certain is the place of a jobs program in the government's arsenal of economic measures. Economists who believe that the nation is suffering from unnecessarily and dangerously high unemployment almost unanimously support a jobs program. Indeed, assuming that there's little initial "displacement," a jobs program should give the economy a slightly larger stimulus than any equal tax cut or increase in federal spending. The reason: Additional spending, either through a tax cut or higher government purchases of goods and services, doesn't necessarily create an equal number of new jobs immediately. (The higher spending, for example, could result in more overtime, accelerated production, or sales from existing inventories.)

"With the economy sliding into deep recession, an expansion of public service employment is clearly highly desirable," Otto Eckstein, a member of President Johnson's Council of Economic Advisers, told the Congressional Committee on the Budget last week. "It is better to keep the unemployed working in public service jobs than to keep them in an unemployed status with its morale and skill losses."

Having said this, Eckstein also thinks that any public jobs program won't be big enough. "It's really a sop for doing very little. It's not going to be much bigger than $2 to $4 billion, and the economy needs a stimulus four to five times that. The economy has gotten so sick so fast that unless things are turned around, unemployment is going to 8 per cent and might go even higher." Eckstein suggests a tax cut of at least $15 billion; he believes that the inflation rate is slowly declining and will be about 7 per cent at the end of 1975, whether or not the government acts to reduce unemployment.

OPPOSITE VIEW

Precisely the opposite view comes from economist Milton Friedman. He views the entire exercise of public service jobs as a giant economic shell game: If the government creates more public jobs, it will do so, ultimately, at the cost of destroying jobs elsewhere (either because the government spends less elsewhere or borrows more money which means that somebody else will be borrowing less) or at the cost of causing more inflation (because the Federal Reserve creates more money to finance new jobs).

Friedman regards with horror proposals like Eckstein's for more stimulus. He sees the nation locked in a vicious circle of self-destructive economic policy: Every time the government tries to halt inflation, there's a premature relaxation—in response to higher unemployment rates—that leads to still higher unemployment rates—that leads to still higher inflation, which leads to another round of restrictive policies and premature relaxation. The vicious circle continues with increasingly high rates of both unemployment and inflation. What he sees now is a temporary abatement of inflation (perhaps to 6 or 7 per cent) next year, and then, with the economy reacting to excessive stimulus, a resumption of inflation rates as high as 15 per cent by 1977. The ultimate cost, Friedman says, for public impatience in curbing inflation will be still higher unemployment rates.

What separates Friedman and Eckstein fundamentally is this question: Is a prolonged period of unemployment really necessary to bring down inflation? On the answer to that question lies the ultimate value of "public service" jobs as either nonsense or common sense.

THE CONFERENCE REPORT OF THE HEALTH REVENUE SHARING AND HEALTH SERVICES ACT OF 1974, H.R. 14214

Mr. MATHIAS. Mr. President, by adopting the conference report on H.R. 14214, the Health Revenue Sharing and Health Services Act of 1974, the Congress has completed the final milestone in the long journey toward enactment of one of the most significant legislative proposals before the 93d Congress; namely the Rape Prevention and Control Act, which I introduced in the Senate on

September 17, 1973. This measure now awaits further action by the President.

As indicated in the conference report, title III of H.R. 14214 directs the Secretary of HEW to establish a National Center for the Control and Prevention of Rape within the National Institute of Mental Health. Under the provisions of this title, the Center will conduct research into the legal, social, and medical aspects of rape and will be responsible for *the dissemination* of information and training materials related to rape prevention and control. The Secretary of HEW is also authorized to make grants of public agencies, nonprofit private organizations, community mental health centers for the purpose of conducting a wide variety of research, and demonstration projects concerning the control and prevention of rape. Additionally, H.R. 14214 authorizes $10 million per year for fiscal year 1975 and fiscal year 1976 for the National Center for the Control and Prevention of Rape.

Mr. President, I wish to express my gratitude to the Senate and House conferees who supported the retention of the rape provisions in the final bill. I am especially grateful to the chairman of the Senate Health Subcommittee, Senator KENNEDY, and the ranking Republican of both the Health Subcommittee and the Labor and Public Welfare Committee, Senator JAVITS, for shepherding this legislation through the Senate and the House-Senate conference. Similarly, I wish to commend my colleagues on the House side, and in particular, Representative H. J. HEINZ, who introduced in the House a companion bill to S. 2422 and also served as a member of the Conference Committee.

I seriously doubt that rape prevention and control legislation could have progressed this far without the active support of many individuals and organizations across this Nation. In this connection, a special word of tribute should be given to the national staff and the local chapters of the National Organization for Women. NOW's work in behalf of the Rape Prevention and Control Act represents one of the finest organizational efforts put forth in support of any legislation before the 93d Congress.

Mr. President, I ask unanimous consent that a portion of my remarks before the Senate on September 10, 1974, in which I discussed, for the purposes of establishing legislative history, the purposes and scope of the Rape Prevention and Control Act be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The phenomenon of rape is rather unique. It is the only major violent offense targeted primarily against women. In 1972, 48 out of every 100,000 women were reported rape victims. However, law enforcement administrators point out that rape is probably one of the most underreported crimes. A recent report of victimization in five large urban centers published by the U.S. Department of Justice noted that only about 54% of rapes are reported to the police. Since many of these victims may never come to official attention, efforts to prevent and treat the problems of rape, especially those concerned with providing services to victims and offenders, necessitate close attention by the many perspectives and approaches taken by health, mental health, education, social service, and law enforcement and criminal justice personnel.

Not enough is known regarding the phenomenon of rape, especially within the framework of needs and services to women in our society; the variations of rape from other crimes of violence and deviant behaviors; the short-term and long-term effects of the criminal act on rape victims and society at large; tested and demonstrated efforts to prevent its occurrence; tested and demonstrated strategies to provide services to victims, their families and close ones as well as offenders; and tested and demonstrated efforts to train those charged with prevention and treatment of rape. Through coordination of these activities to achieve the stated objectives, this National Center will provide a major contribution to the well being of individuals in our society and address particular needs and concerns of women.

The intention of this Title is to provide a focal point and a broad context in which to support investigations, promote prevention, and offer mental health and related services for rape victims, their families and offenders.

I must stress that these efforts go beyond those of the immediate and direct concern of law enforcement and criminal justice. Behavioral and social sciences, education, health, mental health, and social service agencies, and the concerned community must also be involved in the study of rape and efforts to design, implement, and evaluate improved strategies to prevent the occurrence of rape and to provide the variety of services described earlier.

The purpose of this Title would be to establish a focal point within the National Institute of Mental Health in order to meet the following objectives: to promote better understanding of rape, its causes and effects, including the impact of the crime and the threat of the crime on victims and society at large through research and the dissemination of information; to develop and implement improved strategies to prevent the occurrence of rape; to test and evaluate the effectiveness of various mental health and related services to reduce the impact of rape on victims; and to train those charged with prevention and treatment of rape.

The National Center shall make grants to and enter into contracts with public and private non-profit agencies and institutions, including community mental health centers, and to individuals for investigations, experiments, demonstrations, research and training projects with respect to the development of improved methods to prevent rape and to treat victims and offenders involved in such crimes.

Projects funded shall include, but not be limited to:

1. Investigations of the causes and effects of rape, identifying to the degree possible—

(a) the social conditions which encourage sexual attacks,

(b) the social, psychological and other motivations of offenders,

(c) the impact of the offense on the victims and the families of the victims and of the social, psychological, and mental health needs of rape victims and their families.

2. Studies of the actual incidence of forcible rape as compared to the reported cases and the reasons therefor.

3. Assessments of existing private and public education, counseling and treatment programs designed to prevent rape and treat victims; and of existing intervention efforts used by law enforcement agencies, hospitals, and other medical and mental health facilities, prosecutors, and the courts in handling and treating rape victims and offenders.

4. Demonstrations of innovative educational, counseling, media and other programs designed to prevent rape and inform society at large of the nature, extent and impact of rape; and efforts to test and evaluate the effectiveness of such demonstrations.

5. Demonstrations of services to reduce the impact of rape on victims (including child victims), and families, and to treat rape offenders; and efforts to test and evaluate the effectiveness of such demonstrations.

6. Demonstrations of training efforts for those charged with the prevention and treatment of rape, such as hospital, emergency room, and mental health practitioners and related personnel in order to facilitate the identification and effective provision of service needs of rape victims (including child victims) and their families, and offenders.

7. Studies to assess the effectiveness of existing Federal, State, and local laws dealing with rape; the relationship, if any, between traditional legal and social attitudes toward sexual roles and the act of rape; recommendations as to model laws to deal with rape.

Mr. MATHIAS. Mr. President, I ask further for unanimous consent to insert in the RECORD an article which appeared in the November 10, 1974, edition of the Grand Rapids Press entitled "New Look for Rape Crisis Team." This article bears great significance for three reasons. First it highlights the efforts of a local center which could be assisted by the Rape Prevention and Control Act. Second, this rape crisis team is working on the problem of rape and sexual assaults which apparently exists in the President's own hometown. And the third reason, for which I am most proud is that the local Grand Rapids effort is being led by a constituent of mine, Ms. Leslie Friedman of Silver Spring, Md., who is also a first year student attending Grand Valley State College in Grand Rapids, Mich.

There being no objection, the article was ordered to be printed in the RECORD.

NEW LOOK FOR RAPE CRISIS TEAM

(By Arn Shackelford)

The Rape Crisis Team, a local organization offering support to women who have been raped or sexually assaulted, marked its first anniversary in September—and it's getting a facelift.

Part of that facelift is an addition to the formerly all-volunteer group. Last month Leslie Friedman, most recently of Washington, D.C., was hired as team coordinator.

"I see my job as one of tying the work of all team committees together," said Ms. Friedman. "Rather than having eight different committees going in eight separate directions, I want to coordinate their work and keep them in touch with one another."

The Rape Crisis Team also has an office now, continued Ms. Friedman. It's at 722 Eastern Ave. SE in the Project Rehab community building, and is open Mondays through Thursdays from 9 a.m. to noon and Fridays from 10 a.m. to 5 p.m.

Although the office isn't open all the time, someone from the team is available 24 hours a day, noted Ms. Friedman. By calling Switchboard at 456-2323 and asking for Rape Crisis—you may leave only your first name or a fictitious name, and a phone number—you'll be contacted by a team member within five minutes.

Mary Harrington, one of the members, said Rape Crisis received 296 calls directly related to cases of rape or sexual abuse during its first year of operation. But a lot of calls also came in from women who had been physically abused, she added.

"I can't say this is something new we're getting into—the physical abuse—but it's certainly something new we want to emphasize to the public," said Ms. Harrington. "We want to be available to women who have those problems, too."

Being physically abused or beaten by a man, can be just as traumatic as being raped, she continued.

"And it's just as underreported, perhaps even more so. Often the person who beats up the woman is an acquaintance, a husband or a boyfriend, and the woman is fearful of contacting the police. She either doesn't want the person arrested or she's afraid of more abuse if she does report it—possibly both. But in all these cases we're available to talk the situation down."

In the several physical abuse cases reported to the team each month, two situations arise frequetnly, noted Ms. Harrington. In many cases a woman is beaten by more than one man or by a gang of men, or is beaten by just one man while his companions "just seem to go along with it and don't do anything."

Also, the team finds that a woman often feels she has "asked" for the beating or that she "needs" it because of some disturbed quirk in her nature.

"I don't happen to subscribe to that feeling at all," said Ms. Harrington, "but it can be really emotionally painful for a woman who thinks this, particularly if she's very involved with the man who abuses her."

In rape cases being reported to the team, two other situations are being found, she continued.

"Most of our calls come from women who've been raped recently, but more and more we're hearing from women who've been raped in the past, perhaps when they were quite young. They were so frightened they kept it inside for years, gnawing at them, until they found that it's interfering with a relationship now."

Ms. Harrington said the team offers these women counseling and will refer them to another community agency if further long-term counseling is indicated.

She also noted that reports are coming in from women who have been forced into having sexual relationships with men they're dating.

"This is where a woman chooses to be involved with a man emotionally and might have become sexually involved with him in time, before he forced her. The man really gets pretty vicious and nasty with her, and under the current law it's impossible for her to prosecute. She probably wouldn't want to, anyway, because of her emotional involvement. But these women are usually very unhappy and need to talk about it."

In all cases, said Ms. Friedman, team members offer counseling and give a woman a chance to talk about her feelings and to choose between all the alternatives open to her. Medical and legal assistance also are available through team resources.

"I think it's really important that people understand we have no direct contact with the police, but that we will work with them if the woman wishes us to. And likewise, if a woman reports a rape to the police and she wants to talk to someone like us, the department contacts us."

The team will be holding a training session for volunteers Dec. 6–14, noted the coordinator. She asked that anyone interested in attending call 456–3535 before Nov. 30.

"We've reached out to a lot of women in our first year—and we're expecting to reach out, to support, a lot more in the year coming up."

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MILITARY CONSTRUCTION APPROPRIATION ACT, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 17468, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

The ACTING PRESIDENT pro tempore. What is the will of the Senate?

Mr. ROBERT C. BYRD. What is the business before the Senate, Mr. President?

The ACTING PRESIDENT pro tempore. The Chair, under the previous order, has just laid down H.R. 17468, and the clerk has reported.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I present today for the consideration of the Senate H.R. 17468 together with the report from the Committee on Appropriations, No. 93–1302, making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The amount of the 1975 budget estimate as presented to the Senate was $3,414,662,000. The amount of the bill as passed by the House was $3,062,108,000. The committee is presenting for your consideration today a bill amounting to $3,082,480,000. This is an increase of $20,370,000 over the amount passed by the House. However, the bill as presented today is $332,182,000 below the fiscal year 1975 budget estimate. I stress that the bill is below the estimate by about one-third billion dollars. Consideration should be given to the fact that approximately $1 billion of this bill is family housing and of that amount approximately $700 million is fixed charges. Thus, this bill for the construction of line item projects amounts to $2 billion. Therefore, I can say that the reduction in the military construction bill this year amounts to approximately 15 percent. I do not believe that any other appropriation bill in fiscal year 1975 has been reduced to this degree.

I might say that this is the result of the effort by the distinguished chairman of the subcommittee (Mr. Mansfield). I am a member of the committee, but Senator Mansfield worked very hard on this bill, and unfortunately could not be here to present the bill to the Senate.

The committee held extensive hearings on the Department of Defense and the services' requests for construction projects. Approximately 690 different line items were considered. The committee made some rather large reductions in certain line items which I will detail later in my presentation. Many of the reduced programs were meritorious in their own right but too expensive at the present time.

In evaluating the fiscal year 1975 military construction program, the committee was ever mindful that the worst inflation in the history of the United States continues unabated. The reduction in the number of men under arms and major realinements in the Army, Navy, and Air Force bases still continues to create uncertainties. The defense All-Volunteer Force concept continues to cause a large outlay of dollars in the construction program. This fact is evident particularly in the troop housing program. This bill contains large amounts for each of the services for either new troop housing or for the upgrading of substandard barracks complexes. The military construction program approved by the committee reflects the changing posture of our defense forces.

Mr. President, the rest of the detail is available.

If any Senators have questions on any aspect of this, the Army, the Navy, the Air Force, I will be delighted to respond to questions. I believe this fills in the overall general picture of what the committee is recommending to the Senate.

Mr. President, I ask unanimous consent that there be included in the Record remarks offered in the absence of the committee chairman (Mr. Mansfield) who would have given them under normal circumstances.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement was ordered to be printed in the Record, as follows:

Statement by Senator Mansfield

I present today for the consideration of the Senate H.R. 17468 together with the report from the Committee on Appropriations, No. 93–1302, making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

It is not my intention in presenting this bill to give detailed figures concerning each line item. The line item breakdown and explanation are contained in the report which has been placed on each Senator's desk.

Before going into the recommendations of the Committee on Appropriations, I will briefly summarize the pertinent facts pertaining to the bill.

The amount of the 1975 budget estimate as presented to the Senate was $3,414,662,000. The amount of the bill as passed by the House was $3,062,108,000. The Committee is presenting for your consideration today a bill amounting to $3,082,480,000. This is an increase of $20,370,000 over the amount passed by the House. However, the bill as presented today is $332,182,000 below the FY 1975 budget estimate. Consideration should be given to the fact that approximately $1 billion of this bill is family housing and of that amount approximately $700 million is fixed charges. In actuality, this bill today for the construction of line item projects amounts to $2 billion. Thus, I can say that the reduction in the military construction bill this year amounts to approximately 15 percent. I do not believe that any other appropriation bill in fiscal year 1975 has been reduced to this degree.

The Committee held extensive hearings on the Department of Defense and the Services' requests for construction projects. Approximately 690 different line items were considered. The Committee made some rather large reductions in certain line items which I will detail later in my presentation.

In evaluating the FY 1975 Military Construction Program, the Committee was ever mindful that the worst inflation in the history of the United States continues unabated. The reduction in the number of men *under arms* and major realignments in the Army, Navy, and Air Force bases still continues to create uncertainties. The Defense all-volunteer force concept continues to cause a large outlay of dollars in the construction program. This fact is evident particularly in the troop housing program. This bill contains large amounts for each of the services for either new troop housing or for the upgrading of substandard barracks complexes. The Military Construction Program approved by the Committee reflects the changing posture of our defense forces.

The Committee's complete recommendations for the Military Construction Bill are as follows:

Department of the Army, $655,976,000. This is an increase of $5,953,000 from the amount of $650,023,000 approved by the House, and a decrease of $84,524,000 from the budget estimate of $740,500,000;

Department of the Navy, $626,760,000. This is an increase of $24,058,000 from the $602,702,000 allowed by the House and a decrease of $17,140,000 from the budget estimate of $643,900,000.

Department of the Air Force, $446,202,000. This is a decrease of $10,599,000 from the $456,801,000 allowed by the House and a decrease of $120,525,000 from the budget estimate of $566,727,000;

Army National Guard, $59,000,000, and Army Reserve, $43,700,000, the budget estimate;

Naval Reserve, $22,135,000, the same amount as the budget estimate;

Air Force Reserve, $16,000,000;

Air National Guard, $35,500,000;

For the Department of Defense agencies, the Committee recommends an appropriation of $31,600,000. This is $19,000,000 below the budget estimate of $50,600,000, and $960,000 above the House allowance. The appropriation breakdown is as follows: Defense Mapping Agency, $3,243,000; Defense Nuclear Agency $1,458,000; National Security Agency $2,363,000; Defense Supply Agency, $6,336,000;

Department of Defense general support programs, $8,500,000, including planning and design; and, for the Office of Secretary of Defense emergency fund, $9,700,000.

The Committee has approved $1,245,790,000 in new obligational authority for the Military Family Housing Program. This amount comprises approximately 37 percent of the entire funds appropriated in this bill and is $96,493,000 lower than the Defense budget request. A large part of these recommended funds is for fixed charges in the Family Housing Program. The maintenance and operation fund of the Family Housing Program amounts to $707,267,000. In addition, $162,348,000 is for debt payment on Capehart-Wherry and Commodity Credit financed housing. Also $51,401,000 is for interest payments on mortgage indebtedness on Capehart and Wherry housing. Finally, I wish to point out that $310,295,000 is for the construction of the Department of Defense Family Housing Program. This money will provide for the construction of 6,802 new permanent units, which is 3,660 units less than requested in the FY 1975 budget.

ARMY

The Committee approved $244,036,000 for bachelor housing projects. This is the largest single request made by the Army for construction funds. The Army declares that the priority element of their construction program continues to be bachelor housing facilities. Since fiscal year 1972, the Army has gained Congressional approval of $695,000,000 to construct or modernize nearly 151,000 bachelor housing spaces. The Army reports that approximately 86 percent of the 1972–1973 projects have been completed or are now under construction contract. I would like to report that the Army has developed completely new criteria for barracks which places an emphasis on privacy for the individual. The Committee has, in the past, approved this new design and believes the Army should make every effort to continue to place emphasis on the bachelor housing program until all servicemen are provided adequate housing.

This year's hospital program represents the first major increment in the Army's accelerated health facilities modernization program. At $87,196,000, the program reflects a substantial increase of approximately $48.8 million over last year's appropriation. Included in the program are one new hospital, two hospital additions, one alteration and renovation project, and air conditioning for one hospital. Also included are three health clinics, 11 dental clinics, and an electrical/mechanical upgrade project which will update eight existing hospitals. The Army states that the accelerated modernization program will, for the first time, program a significant number of dental clinics.

This construction bill contains 17 projects totaling $40 million for maintenance facilities and represents a balance between depot and organizational level maintenance facilities. This dollar total more than doubles the $16.4 million for maintenance facilities approved by this Committee for fiscal year 1974. The Army continues to have a very sizable backlog of maintenance facility requirements. It is stated in documents submitted to the Committee that over $880 million will be needed to replace obsolete World War II temporary type structures and to reduce outright shortages at many installations.

The Army continues a policy of programming projects to control air and water pollution. During programming years 1968 through 1974, this Committee approved appropriations for air and water pollution approximating $225 million. The Army program this year included $1.4 million for air pollution and $17.3 million for water pollution control. This money will be spent at 27 installations in 23 states.

For a number of years the Appropriations Committee has strongly urged and supported the concept of offset agreements with the Federal Republic of Germany wherein the German Republic would make available funds for modernization, construction, and improvement of troop barracks and accommodations for the forces of the United States stationed in Germany. An offset agreement was made with the Federal Republic of Germany in December 1971 resulting in approximately $183 million being made available by the Germans to rehabilitate troop barracks in Germany. I am pleased to report that in April 1974 a follow-on offset agreement was signed under which the Federal Republic of Germany will make available an additional 600 million deutsche mark (approximately $228 million at current exchange rates) for continuation of this program for fiscal years 1974–1975.

The Committee has approved $69 million in appropriation as the United States' share of the NATO construction effort. This United States' contribution still represents 29.7 percent of the entire NATO construction program. For a number of years, the Committee has requested the Department of Defense to negotiate with our NATO allies to reduce the United States' share to an effective 20 percent level. It is my view that the Congress in the coming fiscal year in appropriating monies for the NATO Infrastructure Program should appropriate at only the 20 percent level regardless of the decision made in NATO. Studies conducted by the Committee indicate that the effective 20 percent level is both ample and fair.

Approval has been given for planning and design monies in the amount of $37 million. The Army has instituted a new program to permit earlier starts on design in order to be ready for construction awards early in the program year. It is felt that this new procedure will save money in cutting out some lost design effort.

NAVY

The Committee has approved $59,433,000 for Navy bachelor housing projects. The Navy's FY 1975 program, as amended, requested 4,921 new spaces and the modernization of 600 spaces for bachelor enlisted personnel. Another 159 new spaces were requested for bachelor officers. The Navy states that the enlisted spaces are designed in such a way that they can be used interchangeably to fill loading requirements regardless of the occupant rate. Included in this appropriation are 3,108 new and modernization of 524 spaces for the Marine Corps. It is the feeling of the Committee that the Marine Corps should be modernizing a larger number of spaces for its bachelor personnel.

The Navy hospital program is now in the second year of a multiyear accelerated program to correct medical and dental facility deficiencies by modernization or replacement. The goal of this medical modernization program is to replace or upgrade all health care facilities by the mid-1980's. The Navy appears to be having trouble in awarding construction contracts for some 15 medical modernization projects. It is the contention of the Navy that the effects of inflation and escalating costs will force the Navy to come in for deficiency authorizations in the FY 1976 program. It is the estimate of the Navy that after all bids for 1974 projects have been opened, the costs based on bids received will exceed authorization by approximately 20 percent.

Funds were denied in the amount of $3,843,000 for land acquisition, Murphy Canyon, San Diego, California. The above-mentioned sum was a downpayment on a new Regional Medical Center which the Navy is projecting at a cost of approximately $134,000,000. The Committee feels that this new regional hospital has not received adequate study. In the considered opinion of the Committee, the regional hospital should not go ahead until the GAO study, which has been requested, is complete and the Committee has all of the information available upon which to make a decision.

The Navy's anti-pollution program includes $10,908,000 for air pollution and $48 million for water pollution. This represents approximately 10 percent of the Navy's military construction program.

The Navy states that in future years pollution abatement funds for air and water projects will exceed $350 million and additional requirements can be expected as more stringent standards are established by local, state and Federal governments.

As are the other services, the Navy is experiencing difficulty in placing bids on the FY 1974 military construction program because of the current inflation. Forty-seven projects have current working estimates based on bids received which exceed the authorized project cost by at least 10 percent. In fact, the excesses range from 10.1 percent to 170 percent. The Navy is making efforts to obtain more bids for greater competition and to include more additive or deductive items in construction specifications so that a wider range of award choices is available if bids are high.

By far the largest appropriation requested by the Navy in this year's bill is for the TRIDENT submarine support site, Bangor, Washington. The Committee has approved $100 million for site construction. This is in addition to the $112,320,000 approved for fiscal year 1974. The Navy estimates that the total construction cost for the TRIDENT submarine support facilities will be $600 million. It is hoped by the Committee as TRIDENT requirements are studied in future years that this $600 million figure can be reduced.

The question of Diego Garcia was thoroughly discussed in both the Subcommittee and the proceedings of the full Committee. Chairman Mansfield has placed in the record an all-inclusive statement concerning his position on Diego Garcia. After careful consideration, the Committee has deleted $14,802,000 as the first increment of the Navy's requirement to build an operating base on Diego Garcia and also $3.3 million as requested by the Air Force was deleted. As pointed out in the report, this was done without prejudice and each individual Senator of the Appropriations Committee can reserve his position on the Diego Garcia question until the bill has been brought to the floor of the Senate. I will have a further statement to make on the Diego Garcia question after I have completed presentation of the highlights of this bill.

The Committee recommends an appropriation of $51,000,000 for planning and design with the understanding that $6 million is for planning and design of the support facilities for the Uniformed Services University of the Health Sciences at Bethesda, Maryland.

The Uniformed Services Health Professional Revitalization Act, enacted September 21, 1972, authorized establishment of a Uniformed Services University of the Health Sciences to educate individuals, in all of the health professions, who will pursue careers in the services or other Federal agencies.

To meet this requirement the Secretary of Defense plans to start the Medical School in existing facilities which require a minimum of modifications. Leased space will be utilized for administrative and faculty offices.

The Navy Department is the design and construction agent for the Uniformed Services University of the Health Sciences and Redevelopment of the National Naval Medical Center.

The first increment of the University is needed this year to insure the orderly growth of University facilities, faculty and curriculum.

For the aforementioned reasons, the Committee approved $15 million for the first increment facility of the Uniformed Services University of the Health Sciences.

The Committee has approved $14.9 million for the National Naval Medical Center, Bethesda, Maryland, to start on the new hospital which the Navy plans to build at the National Navy Medical Center. The project cost of this new hospital is estimated at approximately $167 million.

AIR FORCE

The Committee has recommended an appropriation of $37,767,000 for bachelor housing. The Air Force is progressing in its program to upgrade and modernize bachelor housing and is presently experiencing a deficit of only 6,200 officer and 22,900 enlisted spaces. In addition, the Air Force declares that 17,700 officer and 167,100 enlisted spaces require upgrading and modernization. While the Air Force is devoting considerable resources to upgrading their bachelor housing inventory, it will be some years before the Air Force is able to complete its barracks modernization.

The Air Force has proposed eight hospital projects in this year's program in an effort to modernize its health facilities. Half of these projects address the problem of inadequate space for outpatient clinics, radiology, laboratory, and pharmacy within existing facilities and involve addition and alteration to composite medical facilities at seven air bases. The Air Force continues to modernize its regional medical facilities to meet increasing patient loads. The Committee has approved $27 million for the Air Force medical program.

In this year's budget $45 million has been requested for the Air Force depot plant modernization program. This is a program that the Air Force started back in 1972 and hopes to complete in future years at a cost of approximately $87 million. The Air Force contends that this program of modernizing its facilities and equipment will reduce repair time and hence enhance worker productivity and increase the quality and reliability of the weapons system through the depot work performed. The Committee has supported this program in the past when it has demonstrated considerable cost savings.

The Air Force pollution control program for this fiscal year amounts to $15.4 million. Beginning with fiscal year 1965 to date, the Air Force has expended $95,495,000 for pollution control. In the past, a great many pollution problems have existed at Air Force air materiel centers. However, under the present existing programs, the Air Force declares that these pending problems are being solved to comply with current existing Federal and state laws.

The Committee has added $3 million to the bill for the Air Force access road program. This amount will enable the Air Force to go forward with urgently needed projects at Keesler AFB, Mississippi, Travis AFB, California, and K. I. Sawyer AFB, in Michigan. Information presented in the hearings indicated that these projects are urgently needed because of hazardous access roads to the aforenamed bases.

The Air Force has proposed a program for additional hardened aircraft shelters, with associated hardened fuel and ammunition storage facilities on European bases. United States tactical fighter aircraft committed to deploy to NATO during a mobilization would have no shelters at their assigned bases and would be extremely vulnerable to destruction by conventional weapons. The shelters in this request will protect a portion of these aircraft, and are designed to accommodate the full gamut of U.S. tactical fighters including the new F–15, A–10, and F–111.

The budget estimate requested for the shelter program amounted to $62 million. The Committee has approved $47 million as a first increment of the new program to improve air base hardening in Europe for tactical fighter aircraft. The Committee intends to conduct a full hearing review of this program in fiscal year 1976.

The Air Force has vastly expanded its programs to incorporate aircraft flight simulators into its undergraduate pilot training and operational mission training programs. It is anticipated that the adaptation of these new training devices to Air Force flying training programs will make a major contribution to energy conservation efforts by reducing the consumption of fuel in this critical period of oil shortages and rapidly rising costs. The Committee has approved all requested funds for simulators.

Mr. YOUNG. Mr. President, I wish to join our distinguished acting chairman, Mr. PROXMIRE, in urging support of this appropriation bill.

Mr. President, I would like to commend the distinguished Senator from Montana who has worked so hard and diligently as chairman of the Military Construction Subcommittee of the Senate Appropriations Committee. He is necessarily absent, however, the bill we have before us today is testimony to his expertise and usual thoroughness, today, the bill is being handled by the distinguished Senator from Wisconsin.

H.R. 17468, the military construction appropriation bill for fiscal year 1975, provides for $3,082,480,000 in total new budget authority. This figure is an increase of $420.5 million over the amount available during the past fiscal year, but is below the budget estimate by $332.2 million. Your committee recommends an increase of $20.4 million over the measure passed by the House.

Mr. President, the vast bulk of this bill is for the continuation of programs and construction to modernize and renovate existing facilities. Recommended in this bill is more than $1.1 billion for military family housing. Another $341 million is for the improvement of bachelor housing for the Army, Navy, and Air Force.

In addition, substantial funds for pollution abatement facilities have also been approved which will enable the military to respond to the Federal Water Pollution Control Act Amendments of 1972.

The committee also recommends $105.6 million for Department of the Army projects in Europe, $73 million of which be for NATO infrastructure.

One other program of special note is the Uniformed Services University of the Health Services for which $15 million has been approved.

As the distinguished Senator from Wisconsin has already given a detailed explanation of the bill, I would just make one further note. It appears that there is only one issue of major controversy in this bill—and that is the proposed naval support facility at Diego Garcia for which funds have been deleted. But since this issue has been the subject of prolonged debate and discussion not only over this bill but also the authorization bill which passed just last week, I will not go over the point at this time.

Mr. President, I believe, taken in full, this bill is a good, reasoned, and necessary one. I need not point out that almost half of the fiscal year for which this bill appropriates funds has already passed. I, therefore, urge my colleagues to join me in supporting it.

Mr. HRUSKA. Mr. President, I rise in support of the pending bill. I do believe the fashion in which this bill was developed and the substance it contains shows the wisdom of the step taken some years ago of separating the military construction from the defense budget proper.

It is a difficult and highly technical funding that is required in this area.

I want to compliment the leadership on the committee for having done as good a job as they have.

There is one situation, however, that I wish to call to the attention of the manager of the bill, the Senator from Wisconsin. Mr. President, it has to do with two budget requests for construction at Offutt Air Force Base, the headquarters for which, I might say, are located 8 miles from my residence in Omaha. Therefore, through the years I have maintained a close scrutiny and personal observation of and acquaintance with the needs of the Strategic Air Force Command headquarters.

One of these budget requests was for

a weather control central station and another was for the construction of a library. The weather control central station item was allowed, and it is in the bill.

The second item has to do with the library. It was omitted from both the Senate and House measures.

Mr. President, the Weather Control Central Station, funded at a level of $500,000, serves a vital, high priority function for Offutt Air Force Base. Its completion will round out and greatly improve the capacity of the base to perform its mission, and with wide, beneficial impact.

The second requested item is $702,000 for construction of a long-needed and important base library building.

This item is not in the pending bill. It was not approved. The justification for these funds is not, however, lacking of high merit and necessity, Mr. President. We can be confident of this by consideration of the justification made by the Air Force before our Appropriations Committee. Mr. President, I ask unanimous consent that the text of the formal justification submitted by the Air Force be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION C—BASE OF REQUIREMENT

25. Requirement for project:

Project: Construction of a new base library.

Requirement: The base library is an important facility which contributes to the overall support of base educational and recreational programs by providing an outlet for creative use of leisure time. It must have sufficient space to allow for cataloging and housing of technical and recreational books, documents and periodicals, and furnish work and reading areas.

Current situation: Library functions are housed in two structures which are small, nonfunctional and structurally inadequate. One facility, a temporary wood structure, was erected over twelve years ago by a construction contractor for use by his work force. The other one was built in 1893 as a stable. The combined areas provide less than one-fourth the required space. Reading and quiet study areas are severely limited. Current floor loading capacities restrict the number of book stacks; thereby, reducing the available number of reference volumes. USAF standards authorize 133,000 more volumes than the present facilities can accommodate. These inadequacies in space and design make it impossible to properly serve the nearly 1,000 daily patrons. The nearest public library is located 15 miles from the base.

Mr. HRUSKA. By personal knowledge and observation, this Senator can speak for the relevance of this justification. The assigned reason for not including the library in this bill, however, is the compeling necessity for fiscal restraint, as I understand it.

For a time this Senator entertained the intention to propose an amendment calling for the additional $702,000. But I have decided not to do so after further consideration and after discussion with my fellow committee members, including the majority leader, Senator MANSFIELD, who is chairman of the Military Construction Appropriations Subcommitee.

These are times when all spending activities of Government should be scrutinized closely and held to a minimum. Having imposed judgements of limitation on other requested items in this and other bills, I am constrained to yield to the judgment of my fellow committee members as to the library needs of Offutt Air Force Base. This, in spite of the fact, that I am very familiar with them and convinced of their high merit.

In the alternative, I address the distinguished chairman of the subcommittee to call attention to this situation. I ask him for such comment as he may have with regard to according every consideration in the next year's budget and bill. It is my earnest hope that this can be done.

I ask these questions of the Senator from Wisconsin:

First, in view of the justification for the library, which I feel was a good and solid one, I ask whether the turndown on this item, for construction of the library, was based upon an inadequate justification or whether it was on the larger question of the fiscal constraints of the times.

Mr. PROXMIRE. As the Senator knows, and as he said, the Senate did put back into the bill the intelligence operation facility in addition to the weather central facility.

Mr. HRUSKA. That is right.

Mr. PROXMIRE. The request for the library was meritorious. We wish we could have had it. But it was only excluded on the broader grounds that were mentioned in my opening statement, that we had to make some very sharp reductions because of the inflationary situation. Unfortunately, that was one of the items we would like to have included but could not, and it was not on the basis of the merits of the project but strictly on the basis of the overall general situation.

Mr. HRUSKA. My natural inclination, when the second item was refused by the subcommittee, was to propose an amendment, either in the whole committee or on the floor. Then I was reminded in my thinking of the many instances in which I asked that items be deleted because of fiscal restraints.

I respect the committee for its decision, but I suggest that careful attention be given to the item for next year and that it be given serious consideration at that time.

Mr. PROXMIRE. I thank the Senator. I will certainly discuss that with the chairman of the subcommittee, Senator MANSFIELD, when he returns, and I will support the Senator from Nebraska in that proposal. It has merit, and I think it certainly should be considered next year.

Mr. HRUSKA. I thank the Senator for his responses.

Again, I compliment Senator MANSFIELD, the Senator from Wisconsin, and the Senator from North Dakota for the splendid job they have done.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text, and that no points of order be considered as waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, in line 3, strike out "$650,023,000" and insert "$655,976,000".

On page 2, in line 13, strike out "$602,702,000" and insert "$626,760,000".

On page 2, in line 21, strike out "$456,801,000" and insert "$446,202,000".

On page 3, in line 6, strike out "$30,640,000" and insert "$31,600,000".

Mr. SYMINGTON. Mr. President, reserving the right to object—and I do not object—I simply ask the able manager of the bill whether he is clear on the understanding we have with respect to the problems incident to building a base further at Diego Garcia.

Mr. PROXMIRE. Yes, indeed. That has been discussed with a number of members of the committee, and I think we have an understanding of how that is to be handled.

Mr. SYMINGTON. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUGHES. Mr. President, on behalf of the Senators from Illinois (Mr. STEVENSON and Mr. PERCY), the junior Senator from Iowa (Mr. CLARK), and myself, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, between lines 3 and 4, insert the following:

"SEC. 111. None of the funds appropriated in this Act shall be obligated to establish an Army armaments development center."

Mr. HUGHES. Mr. President, the amendment I have offered is simple, direct, limited in scope, and narrow in its application, but I believe it to be an important effort to protect the prerogatives of the Congress to be fully informed on, and to approve or disapprove, significant and often expensive reorganizations by an agency of the executive branch.

The Department of the Army now has under study a number of potential reorganizations in their research and development programs, including the establishment of centralized facilities for research and development in armaments. The Army calls the concept the ADC—Armaments Development Center concept.

This concept, and the numerous others being considered by the Army, spring from a study conducted early this year by the Army Materiel Acquisition Review Committee, an advisory committee of professional people and industry representatives from outside the Department of Defense. The AMARC recommendations were placed under study by a group of task forces at the Department of the Army.

Those studies have not yet been completed, and I believe it is important to emphasize that, as a result, the Army has not yet provided the Congress with any testimony regarding armament development facilities they will need under a new organization of elements of the Army Materiel Command.

What information we do have is limited to the AMARC report, which the Army characterizes as merely advisory, and a very general statement of the options the Army has under study.

The intent of our amendment is not to prohibit for all time the establishment of an armaments development center. Instead, the intent of the amendment is to insure that it is not established until Congress has had ample opportunity to receive a detailed report of the Army's plans, to review those plans, and to approve or disapprove them.

This amendment becomes necessary, in my view, because of a standard and recurring provision in the annual authorization for military construction projects, contained this year in section 102 of the Military Construction Authorization Act of 1974.

Under section 102, the Army could proceed with obligations of up to $10 million for construction made necessary by changes in Army missions occasioned by, among other things, new and unforeseen research and development requirements.

Prior notice is required to the Armed Services Committees of the House and the Senate, but not to the Appropriations Committees. And most important, prior approval of the Congress is not required.

In other words, substantive progress could be undertaken by the Army on a new armaments development center without congressional review of their plans.

To insure that congressional prerogatives will be respected, therefore, our amendment provides that, during the current fiscal year, none of the funds appropriated in this act may be obligated to establish an Army armaments development center.

I would emphasize that the restriction contained in the amendment would apply only to the current fiscal year and would expire on June 30, 1975.

Thus, the Congress will have nine months in which to examine any proposal the Army may wish to make before any substantive steps are taken toward establishment of an armaments development center.

Under the amendment, the Army would be free to develop the ADC concept to its fullest and to prepare all of the necessary data and documentation for submission to Congress in the regular course next year.

The Army could not, however, resort to the funds authorized under section 102 of the military construction authorization bill to acquire land, do site preparation, or design, install, rehabilitate, or equip temporary or permanent public works for an armament development center.

I suffer under no illusions that the amendment will block a reorganization of the Army's research and development programs, if the Army is determined to reorganize.

What it will do is sharply limit the funds available to equip such a new organization until the Congress can find out, in the regular course of reviewing the Army's budget next year, how much it is going to cost the Federal Treasury.

The Army has undertaken one reorganization after another in its trial-and-error search for what it wants. It is to be hoped that this time the Army will refrain from following the old battlefield mandate to do something, even if it is wrong, and that they will provide the opportunity for Congress to get the information as to their intentions before they proceed.

As a matter of information to my colleagues and in order to substantiate my own position of trying to get the information without being able to do it, although I am a member of the Senate Committee on Armed Services, I should like to give some of the background relating to these efforts.

THE ARMY'S REFUSAL OF INFORMATION

Mr. President, the cosponsors of this amendment, the Senators from Illinois and Iowa, have become sensitized to the Army's plans in this regard, because we have been trying for several months to obtain information from the Army on the impact of such a reorganization on the Rock Island Arsenal at Rock Island, Ill.

As the Senators know, that arsenal is situated on an island in the middle of the Mississippi River, between the States of Iowa and Illinois, although it has an Illinois address.

Upwards of 8,000 residents of Iowa and Illinois are employed at the arsenal, and each of them has, understandably, an intense interest in the outcome of the Army studies.

We may not have known even now of the Army plans, except for a newspaper report last July in the Washington Post, outlining the major recommendations of the Army Materiel Acquisition Review Committee—recommendations for the establishment of a variety of development centers involved in material acquisition and recommendations that included proposals to convert Government-operated defense facilities to operation by private contractors.

Iowa and Illinois Senators had received assurances only 5 months earlier that no major changes could be expected at the Rock Island Arsenal.

When we asked Secretary of the Army Callaway in July about the newspaper reports, he advised us that the AMARC study had been undertaken in December and completed on April 1, and that the AMARC recommendations were under serious study by the Army.

At that time, the Secretary released a copy and the AMARC report, but emphasized that it was only advisory and did not represent any final Army plans.

I am sure you will understand, Mr. President, that we felt the necessity to seek further information and requested a meeting with the Secretary.

At the meeting, Secretary Callaway graciously consented to accept all of the citizen input that was being generated in concern over possible significant changes at the Rock Island Arsenal. But he also said that he could not keep us informed as to what recommendations he received, or what recommendations he passed on the Secretary of Defense. To do so would limit the options available to him and Secretary Schlesinger.

Mr. President, I fully understand and respect Secretary Callaway's position in regard to such recommendations he received from his staff.

I also felt, however, that it was clear that the Army was planning some far-reaching, and potentially expensive, realinements that would have widespread effect and would be of direct interest to the Congress because of the expected costs and the impact on military installations around the country.

Further requests for information have yielded only a short briefing paper that provided little more information than was already in hand.

On December 9, Secretary Callaway sent a representative to Rock Island to hear expressions of concern from community leaders and from the Quad Cities Task Force, a group of citizens organized by the junior Senator from Illinois (Mr. STEVENSON).

The overwhelming theme of the citizen testimony was that they were at a loss to make meaningful comment, without knowing what options were under consideration.

The Secretary's representative provided no additional information, although as head of one of the Army task forces studying the AMARC recommendations, he was admirably qualified to do so.

The course of the Army study has been a well-guarded secret, and I, for one, am not satisfied that Members of Congress from the affected areas are being sufficiently apprised of the options under consideration.

The Army has consistently said that the studies are not completed, the recommendations are not yet formulated, and no decisions have been made.

But a decision, or decisions, are imminent. Secretary Callaway has said they will be made early next year.

Permit me to re-emphasize, Mr. President, that the Army has provided Congress with no information in hearings this year in connection with this bill, or the authorization act that went before it, regarding its plans for development centers.

Moreover, a decision early next year to proceed could clear the way for immediate steps by the Army to begin implementing its plans, if funds are available; and such funds appear to be available under the provisions of section 102 of the military construction authorization.

Our amendment would preclude the use of the section 102 authority to fund an armaments development center, and would thereby insure that Congress has an opportunity to consider any Army plans in the regular course of authorizing and appropriating for research and development activities and military construction next year.

It is for these reasons that I urge the adoption of the amendment.

I wish to add, Mr. President, that much of this could have been avoided had there been full cooperation, had there been full availability of information. The senior Senator from Iowa is a member of the Committee on Armed Services, and I believe that committee expects to receive full information on what is affecting the areas served by the Members of the Senate and the House of Representatives. The Army has had ample opportunity, for months, to have made that information available to us. We have requested it. We have requested their meeting with us, and they have been cooperative in that. But they have given us little or nothing to go on as far as plans for the future are concerned. It is for these reasons that the Senator from Iowa proposed this amendment at this late date, to make sure that Congress is properly informed before any funds can be spent for facilities for a new organization.

I might add that the Senator from Iowa does not know whether he would oppose the reorganization plan or not. In all probability, if it is sound, if it is financially right, and if it means better efficiency for less money, he would not oppose it at all.

But, under the existing circumstances, he has no information on which to base a decision and must, therefore, request a delay in any funds being appropriated for that purpose.

Mr. STEVENSON. Mr. President, I join Senator Hughes in offering this amendment to the military construction appropriations bill. This amendment would prohibit the Department of the Army from obligating funds under this act for the design or construction of an Armament Development Center.

Section 102 of the Military Construction Authorization Act of 1974 would authorize the Secretary of the Army under certain conditions, to obligate up to $10 million for the construction of military installations and facilities simply by notifying the Committees on Armed Services of the House and Senate of his decision to do so. Section 102 does not require congressional review or approval of the Secretary's decision.

Our concern is prompted by the report of the Army Materiel Acquisition Review Committee—AMARC—which recommended that the Army Materiel Command create a new armament development center at a single location. The AMARC study recommends that the Armament Development Center be composed of selected research and development functions currently performed at the Frankford, Picatinny, Watervliet and Rock Island Arsenals.

We are concerned that the Department of the Army has not testified before the appropriate congressional committees on the need for an Armament Development Center. Previous Army reorganizations have been costly. On their face, they appear to have been inconsistent and often wasteful. In 1969, 5th Army Headquarters was moved to Fort Sheridan, Ill., at a cost of tens of millions of dollars only to be moved to Texas 2 years later at even greater cost. An Army veterinary school, brought in to fill the empty fort 2 years ago, was just moved out again last month. Weapons research and development functions, like the Rodman Laboratory at the Rock Island Arsenal, were brought under the new armament command headquartered at Rock Island, in a $20 million reorganization as recently as September 1973. Yet, within 3 months, the AMARC task force was brought into being to study how to reorganize the Armament Command—and is now recommending the phase-out of Rodman Lab.

I fear the record is replete with examples of reorganizations which are directed at undoing and reversing earlier reorganizations. We believe that funds should not be committed to yet another expensive reorganization until the Congress has received ample testimony on the desirability and feasibility of the proposed move.

The objective of the AMARC task force was to obtain a credible review and analysis of the existing materiel acquisition process with a view toward providing the most efficient and cost effective policies possible. We agree with that objective. We have not concluded whether or not we will oppose a new armament development facility because the Army has not provided the Congress with evidence that any of the AMARC recommendations will indeed produce a more efficient acquisition process at considerable savings.

In particular, the Army has not testified this year before any congressional committee on its plans for a centralized armament development facility or its total cost. I urge the adoption of our amendment in order to insure congressional review of the plans for an Armament Development Center during hearings on the defense budget for fiscal year 1976.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Haskell). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of calling up the following: The Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, or Other Gases, and of Bacteriological Methods of Warfare, Executive J, 91–2; Convention on the Prohibition of Bacteriological and Toxin Weapons, Executive Q, 92–2; Amended Text to Article VII of the 1965 Convention on Facilitation of International Maritime Traffic, Executive D, 93–2; and Consular Convention with Bulgaria, Executive H, 93–2.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENEVA PROTOCOL OF 1925, EXECUTIVE J, 91ST CONGRESS, 2D SESSION; THE CONVENTION ON THE PROHIBITION OF BACTERIOLOGICAL TOXIN WEAPONS, EXECUTIVE Q, 92D CONGRESS, 2D SESSION; THE AMENDED TEXT TO ARTICLE VII OF THE 1965 CONVENTION ON FACILITATION OF INTERNATIONAL MARITIME TRAFFIC, EXECUTIVE D, 93D CONGRESS, 2D SESSION; AND THE CONSULAR CONVENTION WITH BULGARIA, EXECUTIVE H, 93D CONGRESS, 2D SESSION

The Senate, as in Committee of the Whole, proceeded to consider the following conventions and protocols, which were read the second time:

Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare

The Undersigned Plenipotentiaries, in the name of their respective Governments:

Whereas the use in war of asphyxiating, poisonous or other gases, and of analogous liquids, materials or devices, has been justly condemned by the general opinion of the civilised world; and

Whereas the prohibition of such use has been declared in Treaties to which the majority of Powers of the world are Parties; and

To the end that this prohibition shall be universally accepted as a part of International Law, binding alike the conscience and the practice of nations;

Declare:

That the High Contracting Parties, so far as they are not already Parties to Treaties prohibiting such use, accept this prohibition, agree to extend this prohibition to the use, of bacteriological methods of warfare and agree to be bound as between themselves according to the terms of this declaration.

The High Contracting Parties will exert every effort to induce other States to accede to the present Protocol. Such accession will be notified to the Government of the French Republic, and by the latter to all signatory and acceding Powers, and will take effect on the date of the notification by the Government of the French Republic.

The present Protocol, of which the French and English texts are both authentic, shall be ratified as soon as possible. It shall bear today's date.

The ratifications of the present Protocol shall be addressed to the Government of the French Republic, which will at once notify the deposit of such ratification to each of the signatory and acceding Powers.

The instruments of ratification of and accession to the present Protocol will remain deposited in the archives of the Government of the French Republic.

The present Protocol will come into force for each signatory Power as from the date of deposit of its ratification, and, from that moment, each Power will be bound as regards other Powers which have already deposited their ratifications.

In witness whereof the Plenipotentiaries have signed the present Protocol.

Done at Geneva in a single copy, this seventeenth day of June. One Thousand Nine Hundred and Twenty-Five.

For Germany: H. von Eckardt.

For the United States of America: Theodore E. Burton; and Hugh S. Gibson.

For Austria: E. Pflügl.

For Belgium: Fernand Peltzer.

For Brazil: Contre-Amiral A. C. de Souza e Silva; and Major Estevão Leitão de Carvalho.

For the British Empire: I declare that my signature does not bind India or any British Dominion which is a separate Member of the League of Nations & does not separately sign or adhere to the Protocol—Onslow.

For Canada: Walter A. Riddell.

For the Irish Free State:

For India: P. Z. Cox.

For Bulgaria: D. Mikoff.

For Chile: Luis Cabrera; and Général de Division.

For China:

For Colombia:

For Denmark: A. Oldenburg.

For Egypt: Ahmed El Kadry.

For Spain: Emilio dé Palacios.

For Esthonia: J. Laidoner.

For Abyssinia: Guétatchou; Blata Herouy herouy; and A. Tasfae.

For Finland: O. Enckell.

For France: J. PAUL-BONCOUR.

For Greece: VASSILI DENDRAMIS; and D. VLACHOPOULOS.

For Hungary:

For Italy: PIETRO CHIMIENTI; and ALBERTO DE MARINIS-STENDARDO.

For Japan: M. MATSUDA.

For Latvia: COLONEL HARTMANIS.

For Lithuania: DR. ZAUNIUS.

For Luxembourg: Ch. G. VERMAIRE.

For Nicaragua: A. SOTTILE.

For Norway: Chr. L. LANGE.

For Panama:

For the Netherlands: W. DOUDE VAN TROOSTWIJK; and W. GUERIN.

For Persia:

For Poland: GÉNÉRAL CASIMIR SOSNKOWSKI; and G. D. MORAWSKI.

For Portugal: A. M. BARTHOLOMEU FERREIRA; and AMERICO DA COSTA LEME.

For Roumania: *Ad referendum*—N. P. COMNENE; and GÉNÉRAL T. DUMITRESCU.

For Salvador: J. GUSTAVO GUERRERO.

For Siam: M. C. VIPULYA.

For Sweden: EINAR HENNINGS.

For Switzerland: Sous réserve de ratification: LOHNER; and ED. MÜLLER.

For the Kingdom of the Serbs Croats and Slovenes: J. DOUTCHITCH; GÉNÉRAL KALAFATOVITCH; and CAPT. D. FRÉG. MARIASEVITCH.

For Czechoslovakia: DR. VEVERKA FERDINAND.

For Turkey: M. TEVFIK.

For Uruguay: ENRIQUE E. BUERO.

For Venezuela: C. PARRA PÉREZ.

States Parties to the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases and of Bacteriological Methods of Warfare, done at Geneva June 17, 1925

States which have deposited instruments of ratification, accession or continue to be bound as the result of succession agreements concluded by them or by reason of notifications given by them to the Secretary-General of the United Nations:

Argentina—May 12, 1969
Australia—Jan. 22, 1930 [1ab]
Austria—May 9, 1928
Barbados [1ab,2]
Belgium—Dec. 4, 1928 [1ab]
Botswana [1ab,2]
Bulgaria—Mar. 7, 1934 [1ab]
Burma [1ab,2]
Canada—May 6, 1930 [1ab]
Ceylon—Jan. 20, 1954
Chile—July 2, 1935 [1ab]
China—Aug. 7, 1929
China, Dem. People's Rep.—Aug. 9, 1952 [1ab]
Cuba—June 24, 1966
Cyprus—Dec. 12, 1966
Czechoslovakia—Aug. 16, 1938 [1b]
Denmark—May 5, 1930
Estonia—Aug. 28, 1931 [1ab]
Ethiopia—Sept. 18, 1935
Finland—June 26, 1929
France—May 9, 1926 [1ab,3]
Gambia, The—Nov. 16, 1966
Germany, Fed. Rep.—Apr. 25, 1929
Ghana—May 3, 1967
Greece—May 30, 1931
Guyana [1ab,2]
Holy See—Oct. 18, 1966
Hungary—Oct. 11, 1952
Iceland—Nov. 2, 1967
India—Apr. 9, 1930 [1ab]
Indonesia [1b,2]
Iran—July 4, 1929
Iraq—Sept. 8, 1931 [1ab]
Ireland—Aug. 18, 1930 [1ab]
Israel—Feb. 20, 1969 [1ab]
Italy—Apr. 3, 1928
Jamaica [1ab,2]
Japan—May 21, 1970
Latvia—June 3, 1931
Lebanon—Apr. 17, 1969
Lesotho [1ab,2]
Liberia—Apr. 2, 1927
Lithuania—June 15, 1933
Luxembourg—Sept. 1, 1936
Madagascar—Aug. 12, 1967
Malawi [1ab,2]
Malaysia [1ab,2]
Maldive Islands—Jan. 6, 1967
Malta [1ab,2]
Mauritius [1ab,2]
Mexico—Mar. 15, 1932
Monaco—Jan. 6, 1967
Mongolia—Dec. 6, 1968 [1b]
Nepal—May 9, 1969
Netherlands—Oct. 31, 1930 [1c,4]
New Zealand—Jan. 22, 1930 [1ab]
Niger—Apr. 19, 1967
Nigeria—Oct. 15, 1968 [1ab]
Norway—July 27, 1932
Pakistan—June 9, 1960
Paraguay—Jan. 14, 1969
Poland—Feb. 4, 1929
Portugal—July 1, 1930 [1ab]
Romania—Aug. 23, 1929 [1ab]
Rwanda—June 25, 1964
Sierra Leone—Mar. 20, 1967
Singapore [1ab,2]
South Africa—Jan. 30, 1930 [1ab]
Spain—Aug. 22, 1929 [1ab]
Swaziland [1ab,2]
Sweden—Apr. 25, 1930
Switzerland—July 12, 1932
Syrian Arab Rep.—Dec. 17, 1968 [1d]
Tanzania—Apr. 22, 1963
Thailand—June 6, 1931
Trinidad and Tobago [1 ab, 2]
Tunisia—July 12, 1967
Turkey—Oct. 5, 1929
Uganda—May 24, 1965
U.S.S.R.—Apr. 5, 1928 [1 ab]
United Arab Rep.—Dec. 6, 1928
United Kingdom—Apr. 9, 1930 [1 ab, 5]
Venezuela—Feb. 8, 1929
Yugoslavia—Apr. 12, 1929 [1b]
Zambia [1ab, 2]

[1a b c d] With reservations to Protocol as follows:

[a] binding only as regards relations with other parties

[b] to cease to be binding in regard to any enemy States whose armed forces or allies do not observe provisions

[c] to cease to be binding as regards use of chemical agents with respect to any enemy State whose armed forces or allies do not observe provisions

[d] does not constitute recognition of or involve treaty relations with Israel

[2] By virtue of agreement with former parent State or notification to the Secretary-General of the United States of succession of treaty rights and obligations upon independence.

[3] Applicable to all French territories.

[4] Applicable to Surinam and Curacao.

[5] It does not bind India or any British Dominion which is a separate member of the League of Nations and does not separately sign or adhere to the Protocol. It is applicable to all colonies.

PROTOCOL FOR THE PROHIBITION OF THE USE IN WAR OF ASPHYXIATING, POISONOUS, OR OTHER GASES, AND OF BACTERIOLOGICAL METHODS OF WARFARE SIGNED AT GENEVA ON JUNE 7, 1925

Schedule IV

Reservations (Translation)

South Africa: Subject to the reservations: that the said protocol shall be binding on His Majesty only with respect to the Powers and States which have signed and ratified it or which have acceded to it, and that the said protocol shall cease to be binding on His Majesty with respect to any enemy Power the armed forces of which or the armed forces allied with which fail to respect this protocol.

Australia: Same reservations as for South Africa.

Belgium: 1. The said protocol shall bind the Belgian Government only with respect to the States which have signed and ratified it or which have acceded to it;

2. The said protocol shall automatically cease to be binding on the Belgian Government with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

British Empire: 1. The said protocol shall be binding on His Britannic Majesty only with respect to the Powers and States which have signed and ratified it or which have acceded to it permanently;

2. The said protocol shall cease to be binding on His Britannic Majesty with respect to any enemy Power the armed forces of which or the armed forces allied with which fail to respect the interdictions which form the subject of this protocol.

Bulgaria: 1. The said protocol shall be binding on the Bulgarian Government only with respect to the States which have signed and ratified it or which have acceded to it;

2. The said protocol shall automatically cease to be binding on the Bulgarian Government with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject to this protocol.

Canada: 1. The said protocol shall be binding on His Britannic Majesty only with respect to the States which have signed and ratified it or which have acceded to its permanently.

2. The said protocol shall cease to be binding on His Britannic Majesty with respect to any enemy State whose armed forces or whose allies *de jure* or *de facto* fail to respect the interdictions which form the subject of this protocol.

Chile: 1. The said protocol shall be binding on the Chilean Government only with respect to the States which have signed and ratified it or which have acceded to it permanently;

2. The said protocol shall automatically cease to be binding on the Chilean Government with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

Spain: Declares that it recognizes as automatically binding, without special convention with respect to any Member or State accepting and observing the same obligation, that is to say, subject to reciprocity, the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, or other Gases, and of Bacteriological Methods of Warfare, signed at Geneva on June 17, 1925.

France: 1. The said protocol shall be binding on the Government of the French Republic only with respect to the States which have signed and ratified it or which have acceded to it;

2. The said protocol shall automatically cease to be binding on the Government of the French Republic with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

India: 1. The said protocol shall be binding on His Britannic Majesty only with respect to the States which have signed and ratified it or which have acceded to it permanently;

2. The said protocol shall cease to be binding on His Britannic Majesty with respect to any enemy power the armed forces of which or the armed forces allied with which fail to respect the interdictions which form the subject of this protocol.

New Zealand: Same reservations as for South Africa.

Netherlands: This protocol as regards the use in war of asphyxiating, poisonous, or other gases, and any similar liquids, materials, or processes, shall automatically cease to be binding on the Royal Government of the Netherlands with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

Portugal: 1. The said protocol shall be binding on the Government of the Portuguese Republic only with respect to the States which have signed and ratified it or which have acceded to it;

2. The said protocol shall automatically cease to be binding on the Government of the Portuguese Republic with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

Romania: 1. The said protocol shall be binding on the Royal Government of Romania only with respect to the States which have signed and ratified it or which have acceded to it permanently;

2. The said protocol shall cease to be binding on the Royal Government of Romania with respect to any enemy State whatsoever whose armed forces or whose allies *de jure* or *de facto* fail to respect the interdictions which form the subject of this protocol.

Czechoslovakia: The Czechoslovak Republic will cease *ipso facto* to be bound by this protocol with respect to any State whose armed forces or the armed forces of whose allies fail to respect the interdictions prescribed in this protocol.

U.S.S.R.: 1. The said protocol shall be binding on the Government of the Union of Soviet Socialist Republics only with respect to the States which have signed and ratified it or which have acceded to it permanently;

2. The said protocol shall cease to be binding on the Government of the Union of Soviet Socialist Republics with respect to any enemy State whose armed forces or whose allies *de jure* or *de facto* fail to respect the interdictions which form the subject of this protocol.

Yugoslavia: The said protocol shall automatically cease to be binding on the Government of the Serbs, Croats, and Slovenes with respect to any enemy State whose armed forces or whose allies fail to respect the interdictions which form the subject of this protocol.

People's Republic of China: The People's Republic of China has bound itself to apply the protocol "subject to reciprocity on the part of all other contracting and acceding Powers."

Iraq: The Iraqi Government shall be bound by the provisions of the protocol only with respect to the States which have both signed and ratified it or which have acceded to it. and shall not be bound by the protocol with respect to any enemy State whose armed forces or whose allies fail to respect the provisions of the protocol.

Ireland: The Government of the Irish Free State intends to assume by this accession no obligation save with respect to the States which have signed and ratified the said protocol or which have acceded to it permanently and, in case the armed forces of an enemy State or of an ally of such State fail to respect the said protocol, the Government of the Irish Free State shall cease to be bound by the said protocol with respect to such State.

Nigeria: The protocol shall be binding on Nigeria only with respect to the States actually bound by it and shall cease to be binding on Nigeria with respect to States the forces of which or the armed forces allied with which fail to respect the interdictions which form the subject of this protocol.

Mongolian People's Republic: In case of violation of this prohibition by any State whatsoever with respect to the Mongolian People's Republic or to its allies, the Mongolian People's Republic shall not consider itself bound by the obligations of the Protocol with respect to that State.

Syria: The accession of the Syrian Arab Republic to this protocol and its ratification by its Government shall in no case signify recognition of Israel and could not lead to establishing relations with the latter concerning the provisions prescribed by this protocol.

Israel: The said protocol shall be binding on the State of Israel only with respect to the States which have signed and ratified it or which have acceded to it.

The said protocol shall cease *ipso facto* to the binding on the State of Israel with respect to any enemy State whose armed forces, or the armed forces of whose allies, or the regular or irregular forces or the groups fail to respect the interdictions which form or individuals operating from its territory the subject of this protocol.

Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction

The States Parties to this Convention,

Determined to act with a view to achieving effective progress towards general and complete disarmament, including the prohibition and elimination of all types of weapons of mass destruction, and convinced that the prohibition of the development, production and stockpiling of chemical and bacteriological (biological) weapons and their elimination, through effective measures, will facilitate the achievement of general and complete disarmament under strict and effective international control,

Recognizing the important significance of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, signed at Geneva on June 17, 1925, and conscious also of the contribution which the said Protocol has already made, and continues to make, to mitigating the horrors of war,

Reaffirming their adherence to the principles and objectives of that Protocol and calling upon all States to comply strictly with them,

Recalling that the General Assembly of the United Nations has repeatedly condemned all actions contrary to the principles and objectives of the Geneva Protocol of June 17, 1925,

Desiring to contribute to the strengthening of confidence between peoples and the general improvement of the international atmosphere,

Desiring also to contribute to the realization of the purposes and principles of the Charter of the United Nations,

Convinced of the importance and urgency of eliminating from the arsenals of States, through effective measures, such dangerous weapons of mass destruction as those using chemical or bacteriological (biological) agents,

Recognizing that an agreement on the prohibition of bacteriological (biological) and toxin weapons represents a first possible step towards the achievement of agreement on effective measures also for the prohibition of the development, production and stockpiling of chemical weapons, and determined to continue negotiations to that end,

Determined, for the sake of all mankind, to exclude completely the possibility of bacteriological (biological) agents and toxins being used as weapons.

Convinced that such use would be repugnant to the conscience of mankind and that no further effort should be spared to minimize this risk,

Have agreed as follows:

ARTICLE I

Each State Party to this Convention undertakes never in any circumstances to develop, produce, stockpile or otherwise acquire or retain:

(1) Microbial or other biological agents, or toxins whatever their origin or method of production, of types and in quantities that have no justification for prophylactic, protective or other peaceful purposes;

(2) Weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict.

ARTICLE II

Each State Party to this Convention undertakes to destroy, or to divert to peaceful purposes, as soon as possible but not later than nine months after the entry into force of the Convention, all agents, toxins, weapons, equipment and means of delivery specified in article I of the Convention, which are in its possession or under its jurisdiction or control. In implementing the provisions of this article all necessary safety precautions shall be observed to protect populations and the environment.

ARTICLE III

Each State Party to this Convention undertakes not to transfer to any recipient whatsoever, directly or indirectly, and not in any way to assist, encourage, or induce any State, group of States or international organizations to manufacture or otherwise acquire any of the agents, toxins, weapons, equipment or means of delivery specified in article I of the Convention.

ARTICLE IV

Each State Party to this Convention shall, in accordance with its constitutional processes, take any necessary measures to prohibit and prevent the development, production, stockpiling, acquisition or retention of the agents, toxins, weapons, equipment and means of delivery specified in article I of the Convention, within the territory of such State, under its jurisdiction or under its control anywhere.

ARTICLE V

The States Parties to this Convention undertake to consult one another and to cooperate in solving any problems which may arise in relation to the objective of, or in the application of the provisions of, the Convention. Consultation and cooperation pursuant to this article may also be undertaken through appropirate international procedures within the framework of the United Nations and in accordance with its Charter.

ARTICLE VI

(1) Any State Party to this Convention which finds that any other State Party is acting in breach of obligations deriving from the provisions of the Convention may lodge a complaint with the Security Council of the United Nations. Such a complaint should include all possible evidence confirming its validity, as well as a request for its consideration by the Security Council.

(2) Each State Party to this Convention undertakes to cooperate in carrying out any investigation which the Security Council may initiate, in accordance with the provisions of the Charter of the United Nations, on the basis of the complaint received by the Council. The Security Council shall inform the State Parties to the Convention of the results of the investigation.

ARTICLE VII

Each State Party to this Convention undertakes to provide or support assistance, in accordance with the United Nations Charter, to any Party to the Convention which so requests, if the Security Council decides that such Party has been exposed to danger as a result of violation of the Convention.

ARTICLE VIII

Nothing in this Convention shall be interpreted as in any way limiting or detracting from the obligations assumed by any State under the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, signed at Geneva on June 17, 1925.

ARTICLE IX

Each State Party to this Convention affirms the recognized objective of effective prohibition of chemical weapons and, to this end, undertakes to continue negotiations in good faith with a view to reaching early agreement on effective measures for the prohibition of their development, production and stockpiling and for their destruction, and on appropriate measures concerning equipment and means of delivery specifically designed for the production or use of chemical agents for weapons purposes.

ARTICLE X

(1) The States Parties to this Convention undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the use of bacteriological (biological) agents and toxins for peaceful purposes. Parties to the Convention in a position to do so shall also cooperate in contributing individually or together with other States or international organizations to the further development and application of scientific discoveries in the field of bacteriology (biology) for prevention of disease, or for other peaceful purposes.

(2) This Convention shall be implemented in a manner designed to avoid hampering the economic or technological development of States Parties to the Convention or international cooperation in the field of peaceful bacteriological (biological) activities, including the international exchange of bacteriological (biological) agents and toxins and equipment for the processing, use or production of bacteriological (biological) agents and toxins for peaceful purposes in accordance with the provisions of the Convention.

ARTICLE XI

Any State Party may propose amendments to this Convention. Amendments shall enter into force for each State Party accepting the amendments upon their acceptance by a majority of the States Parties to the Convention and thereafter for each remaining State Party on the date of acceptance by it.

ARTICLE XII

Five years after the entry into force of this Convention, or earlier if it is requested by a majority of Parties to the Convention by submitting a proposal to this effect to the Depositary Governments, a conference of States Parties to the Convention shall be held at Geneva, Switzerland, to review the operation of the Convention, with a view to assuring that the purposes of the preamble and the provisions of the Convention, including the provisions concerning negotiations on chemical weapons, are being realized. Such review shall take into account any new scientific and technological developments relevant to the Convention.

ARTICLE XIII

(1) This Convention shall be of unlimited duration.

(2) Each State Party to this Convention shall in exercising its national sovereignty have the right to withdraw from the Convention if it decides that extraordinary events, related to the subject matter of the Convention, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other States Parties to the Convention and to the United Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it regards as having jeopardized its supreme interests.

ARTICLE XIV

(1) This Convention shall be open to all States for signature. Any State which does not sign the Convention before its entry into force in accordance with paragraph (3) of this Article may accede to it at any time.

(2) This Convention shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, which are hereby designated the Depositary Governments.

(3) This Convention shall enter into force after the deposit of instruments of ratification by twenty-two Governments, including the Governments designated as Depositaries of the Convention.

(4) For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Convention, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

(5) The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification or of accession and the date of the entry into force of this Convention, and of the receipt of other notices.

(6) This Convention shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations.

ARTICLE XV

This Convention, English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of the Convention shall be transmitted by the Depositary Governments to the Governments of the signatory and acceding States.

In Witness Whereof the undersigned, duly authorized, have signed this Convention.

Done in triplicate, at the cities of Washinton, London and Moscow, this tenth day of April, one thousand nine hundred and seventy-two.

AMENDED TEXT TO ARTICLE VII OF THE CONVENTION ON FACILITATION OF INTERNATIONAL MARITIME TRAFFIC, 1965

Article VII

(1) The Annex to the present Convention may be amended by the Contracting Governments, either at the proposal of one of them or by a Conference convened for that purpose.

(2) Any Contracting Government may propose an amendment to the Annex by forwarding a draft amendment to the Secretary-General of the Organization (hereinafter called the "Secretary-General"):

(a) Any amendment proposed in accordance with this paragraph shall be considered by the Facilitation Committee of the Organization, provided that it has been circulated at least three months prior to the meeting of this Committee. If adopted by two-thirds of the Contracting Governments present and voting in the Committee, the amendment shall be communicated to all Contracting Governments by the Secretary-General.

(b) Any amendment to the Annex under this paragraph shall enter into force fifteen months after communication of the proposal to all Contracting Government by the Secretary-General unless within twelve months after the communication at least one-third of Contracting Governments have notified the Secretary-General in writing that they do not accept the proposal.

(c) The Secretary-General shall inform all Contracting Governments of any notification received under subparagraph (b) and of the date of entry into force.

(d) Contracting Governments which do not accept an amendment are not bound by that amendment but shall follow the procedure laid down in Article VIII of the present Convention.

(3) A conference of the Contracting Governments to consider amendments to the Annex shall be convened by the Secretary-General upon the request of at least one-third of these Governments. Every amendment adopted by such conference by a two-thirds majority of the Contracting Governments present and voting shall enter into force six months after the date on which the Secretary-General notifies the Contracting Governments of the amendment adopted.

(4) The Secretary-General shall notify promptly all signatory Governments of the adoption and entry into force of any amendment under this Article.

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF BULGARIA

The United States of America and the People's Republic of Bulgaria:

Desiring to regulate and develop consular relations between the two countries in order to facilitate the protection of their national interests and the rights and interests of their nationals;

Have decided to conclude this Consular Convention and for this purpose have appointed as their Plenipotentiaries:

For the United States of America

Martin F. Herz, Ambassador of the United States of America

For the People's Republic of Bulgaria

Andon Traykov, First Deputy Minister of Foreign Affairs

Who, having communicated to each other their respective full powers, which were found in good and due form, have agreed as follows:

PART I

DEFINITIONS

Article 1

For the purposes of the present Convention, the terms listed below shall have the following meanings:

(*a*) "Consulate" means a consulate-general, consulate, vice-consulate, or consular agency;

(*b*) "Consular district" means the area assigned to a consulate for the performance of consular functions;

(*c*) "Head of a consulate" means a person who has been entrusted by the sending State to act in this capacity;

(*d*) "Consular officer" means any person, including the head of a consulate, to whom the exercise of consular functions has been entrusted by the sending State;

(*e*) "Consular employee" means any person who performs administrative, technical or service duties at a consulate;

(*f*) "Member of a consulate" means any consular officer or consular employee;

(*g*) "Premises of a consulate" means buildings or parts of buildings, as well as the grounds ancillary thereto, used exclusively for the purposes of a consulate, regardless of ownership;

(*h*) "Consular archives" means all official correspondence, documents, letters, books, films, tapes, records, codes and ciphers, office equipment, as well as filing cabinets and other furniture intended for their safekeeping;

(*i*) "Vessel of the sending State" means any vessel sailing under the flag of the sending State, excluding warships.

PART II

OPENING OF CONSULATES AND APPOINTMENT OF CONSULAR OFFICERS AND CONSULAR EMPLOYEES

Article 2

Opening of Consulates

1. A consulate may be opened on the territory of the receiving State only with the consent of that State.

2. The seat of the consulate, its rank and consular district shall be determined by agreement between the sending and receiving States.

Article 3

Appointment of the Head of a Consulate

1. Prior to the appointment of a head of a consulate, the sending State must ascertain through diplomatic channels that the receiving State will recognize the person concerned as head of the consulate.

2. The sending State shall forward through diplomatic channels to the receiving State a consular commission or other similar document for the appointment of a head of a consulate. The consular com-

mission or the other similar document shall contain the name of the head of the consulate, his rank, the consular district in which he will exercise his functions and the seat of the consulate.

3. After the presentation of the consular commission or other similar document for the appointment of a head of a consulate, the receiving State shall issue to him, in the shortest possible period of time, an exequatur or other authorization.

4. The head of a consulate may commence to exercise consular functions after the receiving State issues to him an exequatur or other authorization.

5. The receiving State may grant to the head of a consulate provisional recognition permitting him to exercise consular functions until such time as the exequatur or other authorization has been issued to him.

6. Immediately after granting recognition, even provisional, the competent authorities of the receiving State shall take all necessary measures to enable the head of the consulate to exercise his functions and to enjoy the rights, facilities, privileges and immunities due him under the Convention and the law of the receiving State.

Article 4

Exercising Temporarily the Functions of a Head of a Consulate

1. If for some reason the head of a consulate is unable to carry out his functions, or if the position of head of a consulate is vacant, the sending State may entrust a consular officer of the same or of another consulate in the receiving State, or a member of the diplomatic staff of the diplomatic mission in the receiving State, with the temporary exercise of the functions of head of the consulate. The receiving State shall be notified in advance of the name of this person.

2. The person entrusted with the temporary exercise of the functions of a head of a consulate shall enjoy the rights, facilities, privileges and immunities as the head of the consulate as provided by this Convention.

3. Entrusting a member of the diplomatic staff of the diplomatic mission of the sending State with consular functions according to Paragraph 1 of this Article does not limit the privileges and immunities to which he is entitled by virtue of his diplomatic status, subject to the provisions of Article 44 of this Convention.

Article 5

Notification of the Appointment of Consular Officers and Consular Employees

1. The sending State shall notify the receiving State, in advance, in writing, of the full name, function and class of each consular officer.

2. The sending State shall also notify the receiving State in writing of:

(*a*) the oppointment of members of a consulate, their arrival after their appointment, their final departure or the termination of their functions, as well as all other changes affecting their status which may take place while they are working in the consulate;

(*b*) the arrival and final departure of a member of the family of a member of the consulate who resides with him as part of his household, and also when an individual becomes or ceases to be a member of the family;

(*c*) the employment or dismissal of a person as a member of consulate who is national or permanent resident of the receiving State.

Article 6

Issuance of an Identity Document

The receiving State shall issue to each consular officer an appropriate document certifying his right to perform consular functions in the territory of the receiving State.

Article 7

Nationality of Consular Officers

A consular officer shall be a national of the sending State and shall not be a national or a permanent resident of the receiving State.

Article 8

Declaring as Unacceptable a Head of a Consulate or Other Member of a Consulate

The receiving State may at any time and without having to explain its decision, notify the sending State that the head of the consulate or other consular officer is *persona non grata* or that another member of the consulate is unacceptable. In such a case the sending State is obligated to recall such person or terminate his functions in the consulate. If the sending State fails within a reasonable time to carry out its obligation, the receiving State may refuse to recognize the person concerned as a member of the consulate.

PART III

RIGHTS, FACILITIES, PRIVILEGES AND IMMUNITIES

Article 9

Facilities for the Operation of a Consulate

The receiving State shall ensure the proper conditions for the normal operation of a consulate and shall take all necessary measures to enable members of the consulate to carry out their duties and enjoy the rights, facilities, privileges and immunities provided by the present Convention and the law of the receiving State.

Article 10

Use of the National Flag and Cost-of-arms

1. The coat-of-arms of the sending State, along with the inscription of the consulate in the language of the sending and of the receiving States, may be placed on the consular premises.

2. The flag of the sending State may be flown at the consular premises and at the residence of the head of a consulate.

3. The flag of the sending State may be on the official means of transport of the head of a consulate.

4. In exercising the rights stipulated by this Article the law and customs of the receiving State shall be observed.

Article 11

Acquiring Consular Premises and Residences

1. The sending State shall have the right, in the territory of the receiving State, in accordance with the law of the receiving State, to acquire, own, lease for any period of time, construct and improve, or otherwise hold and occupy such grounds, buildings and appurtenances as may be necessary and appropriate for consular purposes, including residences for consular officers and consular employees who are not nationals or permanent residents of the receiving State.

2. The receiving State shall render all necessary assistance to the sending State with a view to facilitating the acquisition of grounds, buildings or parts of buildings for the purposes mentioned in paragraph 1 of this Article.

3. The provisions of paragraph 1 of this Article do not exempt the sending State from the obligation to observe the law of the receiving State relating to construction and zoning applicable to the region in which the respective grounds, buildings or parts of buildings are located.

Article 12

Inviolability of the Consular Premises and of the Residence of the Head of a Consulate

1. The consular premises shall be inviolable. The authorities of the receiving State may not enter the consular premises without the consent of the head of the consulate, the chief of the diplomatic mission of the sending State, or of a person designated by one of them. The receiving State shall take the necessary measures to ensure the protection of the consular premises.

2. The provisions of paragraph 1 of this Article shall also apply to the residence of the head of a consulate.

Article 13

Inviolability of the Consular Archives

The consular archives shall be inviolable at all times and regardless of the place where they are located.

Article 14

Freedom of Communication

1. A consulate shall be entitled to exchange communications with its government, with the diplomatic missions and with other consulates of the sending State, wherever they may be. For this purpose the consulate may employ all ordinary means of communication, ciphers, diplomatic or consulate couriers, diplomatic or consular bags. With respect to public means of communication the same tariffs and conditions shall be applied in the case of a consulate as are applied in the case of the diplomatic mission. A consulate may install and use a radio transmitter only with the consent of the receiving State.

2. The official correspondence of a consulate, regardless of the means of communication employed, as well as sealed consular pouches, bags and other containers, provided they bear visible external marks of their official character, shall be inviolable. They may contain nothing other than official correspondence or articles intended * * *.

3. The official correspondence of a consulate, including consular pouches, bags or other containers, as described in paragraph 2 of this Article, shall neither be opened nor detained. Nevertheless, if the competent authorities of the receiving State have serious reason to believe that such pouch, bag or other container contains articles other than official correspondence or documents and articles intended exclusively for official use, they may request that such pouch, bag or other container be returned to its place of origin.

4. Consular couriers of the sending State shall enjoy on the territory of the receiving State the same rights, privileges and immunities enjoyed by diplomatic couriers.

5. The master of a vessel or the captain of a civil aircraft of the sending State may also be charged with the conveyance of a consular bag. The master or captain shall be provided with an official document indicating the number of containers forming the consular bag entrusted to him; he shall not, however, be considered to be a consular courier. By arrangement with the appropriate authorities of the receiving State, the consulate may send a member of the consulate to take possession of the consular bag directly and freely from the master of the vessel or captain of the aircraft or to deliver such bag to him.

Article 15

Respect to the Person of Members of a Consulate and the Members of their Families

The receiving State shall be obliged to treat the members of the consulate and the members of their families residing with them as part of their households with due respect and to take all appropriate measures to prevent any encroachment upon their person, freedom or dignity.

Article 16

Immunity of Members of a Consulate from the Jurisdiction of the Receiving State

1. Consular officers and members of their families residing with them and forming part of their households shall be immune from the criminal, civil and administrative jurisdiction of the receiving State.

2. Consular employees and members of their families residing with them and forming part of their households shall be immune from the criminal jurisdiction of the receiving State. They shall also be immune from the civil and administrative jurisdiction of the receiving State with respect to any act performed in their official capacity.

3. The provisions of paragraphs 1 and 2 of this Article shall not, however, apply to civil proceedings:

(*a*) resulting from contracts that have not been concluded by the consular officer or consular employee on behalf of the sending State;

(*b*) concerning succession, in respect of which the consular officer or consular employee is involved as an executor, administrator, heir or legatee as a private person and not on behalf of the sending State;

(*c*) concerning liability for damages caused in the receiving State by means of transport;

(*d*) concerning private immovable property on the territory of the receiving State, unless the consular officer or consular employee holds it on behalf of the sending State for the purposes of the consulate.

4. No measures of execution shall be taken against the persons mentioned in this Article, except in the cases under paragraph 3, (*a*), (*b*), (*c*) and (*d*), of this Article, and under the condition that these measures shall not infringe upon the inviolability of their person or residence.

Article 17

Waiver of Immunity

1. The sending State may waive the immunity from jurisdiction of members of a consulate, and of the members of their families residing with them and forming part of their households. Such waiver shall always be express and in writing. Waiver of immunity from jurisdiction with respect to civil proceedings shall not be held to imply waiver of immunity with respect to the execution of judgment, for which a separate waiver shall be necessary.

2. In the event a member of a consulate or a member of his family residing with him and forming part of his household initiates legal proceedings with respect to which he would enjoy immunity from jurisdiction under Article 16 of this Convention, he has no right to invoke immunity with regard to any counter-claim directly related to the principal claim.

Article 18

Exemption from Obligation to Give Witness Testimony

1. Members of a consulate may be requested to give evidence as witnesses in judicial or administrative proceedings. Consular employees are not entitled to decline to give evidence with the exception of the cases referred to in paragraph 3 of this Article. If a consular officer declines to give evidence, no coercive measure shall be taken against him.

2. The appropriate provisions of paragraph 1 of this Article pertaining to consular officers and consular employees shall also apply to members of their families residing with them as part of their households.

3. Members of a consulate are entitled to decline to give evidence as witnesses with regard to matters falling within the performance of their official functions or to produce any official document and official correspondence. They are also entitled to decline to give opinions as experts on the law of the sending State, as well as on its application and interpretation.

4. The authorities of the receiving State taking evidence from consular officers or from consular employees shall take all steps to avoid interference with the performance of their official functions. Where it is possible, the evidence may be given at the consulate or at the residence of the consular officer or consular employee, or it may be given in a written form.

Article 19

Exemption from Services and Duties

The receiving State shall exempt the members of a consulate and the members of their families living with them and forming part of their households, from any services of a compulsory nature, as well as from any public or military duties.

Article 20

Exemption from Registration

Members of a consulate and members of their families living with them and forming part of their households, shall be exempt from all obligations provided for in the law of the receiving State regarding registration, residence permits and other similar requirements applicable to aliens.

Article 21

Exemption of the Sending State from Dues and Taxes on Real Property

1. No national, regional or local dues or taxes of any kind shall be imposed or collected in the receiving State in respect of—

(*a*) grounds, buildings or parts of buildings owned or leased by the sending State or by a natural or juridical person acting on behalf of that State and used exclusively for any of the purposes specified in Article 11 of this Convention;

(*b*) transactions or documents relating to the acquisition of such immovable property.

2. The provisions of subparagraph 1 (a) of this Article shall not apply with regard to payments for specific services rendered.

3. The exemption accorded under paragraph 1 of this Article shall not apply to such dues and taxes, if under the law of the receiving State they are payable by a person contracting with the sending State or with a person acting on its behalf.

Article 22

Exemption of the Sending State from Dues and Taxes on Movable Property

The sending State shall be exempt from all dues and taxes on movable property which it owns or possesses and is used for consular purposes, as well as from all dues and taxes in connection with the acquisition, possession or maintenance of such property.

Article 23

Exemption of Members of a Consulate from Dues and Taxes

1. A member of a consulate and members of his family residing with him as part of his household shall be exempt from all dues and taxes imposed by the receiving State with respect to the salaries, wages, emoluments and allowances received from the sending State for the performance of official duties.

2. A member of a consulate, as well as members of his family residing with him as part of his household, shall be exempt from payment of all dues and taxes, whether national, regional or municipal, including dues and taxes on movable property belonging to them.

3. The exemption provided by paragraph 2 of this Article shall not apply with respect to:

(*a*) indirect taxes normally included in the price of goods and services;

(*b*) taxes and dues imposed on private immovable property located on the territory of the receiving State, unless an exemption is provided by Article 21 of this Convention;

(*c*) estate and inheritance taxes and taxes on the transfer property rights imposed by the receiving State, except as provided in Article 25 of this Convention;

(*d*) dues and taxes on any kind of private income derived in the receiving State;

(*e*) charges collected for rendering specific services;

(*f*) dues and taxes on transactions or on documents related to transactions, including fees of any kind collected by reason of such transactions, except for taxes and charges exemption from which is provided by Article 21 of this Convention.

4. Members of a consulate who employ persons whose wages and salaries are not exempt from payment of income tax in the receiving State, shall observe the requirements under the law of the receiving State on employers' obligations for the collection of income taxes.

Article 24

Exemption From Customs Duties and Inspection

1. All articles, including motor vehicles, imported for the official use of a consulate shall, in conformity with the law of the receiving State, be exempt from customs duties and other dues and taxes of any kind imposed upon or by reason of importation to the same extent as if they were imported by the diplomatic mission of the sending State in the receiving State.

2. A consular officer and members of his family residing with him as part of his household shall be exempt from customs duties and charges imposed upon or by reason of importation of all articles designed for their personal use, including articles for the initial equipment of their households. A consular employee shall enjoy the exemptions provided for in this paragraph only in respect of articles imported by him on his first arrival at the consulate.

3. The articles designed for personal use shall not exceed the quantities required for the direct use by the persons concerned.

4. The personal baggage of consular officers and members of their families living with them as part of their households shall be exempt from customs inspections. They may be inspected only in cases when there are serious reasons to believe that they contain articles other than stated in paragraph 2 of this Article or articles the importation or exportation of which is prohibited by the law of the receiving State or which are subject to the law on quarantine. Such an inspection must be undertaken in the presence of the consular officer concerned or a member of his family or a person representing him.

Article 25

Exemption From Dues and Taxes on Movable Property in Case of Death

If a member of a consulate or a member of his family residing with him as part of his household dies and leaves movable property in the receiving State, no estate, succession, or inheritance or other tax or charge on the transfer of property at death shall be imposed by the receiving State with respect to that property, provided that the deceased person was not a national or a permanent resident of the receiving State and that the presence of the property in that State was due solely to the presence of the deceased in his capacity as a member of a consulate or as a member of the family of such a member of a consulate.

Article 26

Immunity From Requisition

The consular premises, as well as the means of transport of the consulate, are not liable to any form of requisition. If for the needs of national defense or for other public needs expropriation is necessary, all possible measures must be taken to avoid hampering the execution of the consular functions and to promptly pay appropriate and effective compensation to the sending State.

Article 27

Freedom of Travel

To the extent not in conflict with the law of the receiving State concerning regions entry into which is prohibited or limited for reasons of national security, the receiving States shall ensure freedom of movement and travel on its territory for the members of the consulate and for members of their families residing with them and forming part of their households.

Article 28

Consular Fees

1. A consulate may levy consular fees in the territory of the receiving State in accordance with the law of the sending State.

2. The sums collected under the provisions of paragraph 1 of this Article shall be exempt from all dues and taxes in the receiving State.

Article 29

Exclusion From Rights, Facilities, Privileges and Immunities

Members of a consulate and members of their families residing with them and forming part of their households, who are nationals of the receiving State or have their permanent residence there, shall not enjoy the rights, facilities, privileges and immunities provided for in this Convention, with the exception of those provided for under paragraph 3 of Article 18 of this Convention.

PART IV

CONSULAR FUNCTIONS

Article 30

Functions of a Consulate

The functions of a consulate shall include:

(*a*) contributing to the development of economic, commercial, cultural, scientific and tourist relations between the sending and the receiving States;

(*b*) protecting the rights and interests of the sending State and of its nationals and juridical persons;

(*c*) rendering assistance and cooperation to nationals and juridical persons of the sending State;

(*d*) promoting the development of friendly relations between the sending and the receiving States.

Article 31

Execution of Consular Functions

1. A consular officer shall be entitled to carry out the functions provided for by this Convention, as well as other consular functions entrusted to him by the sending State which are not prohibited by the law of the receiving State or to which the receiving State does not object.

2. A consular officer shall be entitled to execute his functions only within the limits of the consular district. A consular officer may execute his functions outside the limits of the consular district only with the advance consent of the receiving State given separately in each instance.

3. In executing his functions, a consular officer may approach verbally or in writing:

(*a*) the competent local authorities in his consular district;

(*b*) the competent central authorities of his receiving State, provided this is allowed by the law and customs of the receiving State.

Article 32

Representation Before the Authorities of the Receiving State

1. A consular officer shall be entitled, in accordance with the law of the receiving State, to represent before the courts and other authorities of the receiving State, nationals of the sending State, including juridical persons, or to take appropriate measures in order to ensure legal protection of their rights and interests in cases where because of absence or any other reason these nationals are not in a position to undertake timely defense of their rights and interests.

2. The representation referred to in paragraph 1 of this Article shall cease as soon as the represented person appoints his own representative or himself assumes the defense of his right and interests.

Article 33

Functions With Regard to Travel Documents

A consular officer shall be entitled:

(*a*) to issue to nationals of the sending State passports or other similar documents, extend the validity of the same, cancel them, as well as make other amendments in them;

(*b*) to issue visas or other documents to persons wishing to travel to the sending State.

Article 34

Functions Regarding Civil Status

1. A consular officer shall be entitled:

(*a*) to register nationals of the sending State;

(*b*) to accept any application related to nationality;

(*c*) to register and receive communications and documents related to births and deaths of nationals of the sending State;

(*d*) to solemnize a marriage, provided that both parties thereto are nationals of the sending State and provided also that the solemnization of such a marriage is not prohibited under the law of the receiving State;

(*e*) to accept applications concerning the marital status of nationals of the sending State.

2. The provisions of subparagraphs (c) and (d) of paragraph 1 of this article do not exempt the persons concerned from the obligation to observe the formalities required by the law of the receiving State.

Article 35

Notarial Functions

1. A consular officer shall be entitled:

(*a*) to accept and certify declarations of nationals of the sending State, as well as to issue to them appropriate documents;

(*b*) to authenticate signatures of nationals of the sending State;

(*c*) to legalize all kinds of documentation issued by authorities of the sending or of the receiving State, as well as to authenticate copies and extracts of these documents;

(*d*) to translate documents and to certify to the accuracy of the translations;

(*e*) to draw up, certify, attest, authenticate, legalize and take other actions which might be necessary to validate any act or document of a legal character, as well as copies thereof, including commercial documents, declarations, registrations, testamentary dispositions, and contracts, upon the application of a national of the sending State, when such document is intended for use outside the territory of the receiving State, and also for any person, when such document is intended for use in the territory of the sending State.

2. The acts and documents specified in subparagraph (e) of paragraph 1 of this Article, certified or legalized by a consular officer of the sending State, shall have in the receiving State the same validity and effect as the documents certified or legalized by the competent authorities of the receiving State, provided they have been drawn and executed in conformity with the law of the country in which they are designed to take effect. The authorities of the receiving State, however, are obliged to recognize the validity of the above-mentioned documents only to the extent that they do not conflict with the law of the receiving State.

Article 36

Serving Judicial Documents

A consular officer shall be entitled to serve judicial and other documents on nationals of the sending State in accordance with existing international agreements or, in the absence of such agreements, to the extent permitted by the law of the receiving State.

Article 37

Notification on the Establishment of Guardianship or Trusteeship

1. The competent authorities of the receiving State shall notify the consultate in writing of instances in which it is necessary to establish a guardianship or trusteeship over a national of the sending State who is not of age or is not in a position to perform legal acts, or over property of a national of the sending State located in the receiving State when for whatever reason such property cannot be administered by the national of the sending State.

2. A consular officer may, on matters mentioned in paragraph 1 of this Article, contact the appropriate authorities of the receiving State, and, in particular, may propose appropriate persons to be appointed to act as guardians or trustees in accordance with the law of the receiving State.

Article 38

Communication With Nationals of the Sending State

1. A consular officer shall be entitled, in his consular district, to communicate with any national of the sending State, to render him assistance or give him advice and, when neccessary, to assure him legal assistance. If a national of the sending State desires to visit the consular officer or to converse with him, the receiving State shall in no way restrict the access of such national to the consulate of the sending State or prevent the consular officer of the sending State from visiting such a national.

2. In any case in which a national of the sending State is subjected to any form of deprivation or limitation of his personal freedom, the competent authorities of the receiving State shall inform the consulate of the sending State immediately and, in any event, not later than after three calendar days from the date on which the national was placed under any form of deprivation or limitation of personal freedom. Upon his request, a consular officer shall be informed of the reasons for which the national has been arrested or deprived of personal freedom.

3. The competent authorities of the receiving State shall immediately inform the national of the sending State of the rights accorded to him by this Article to communicate with a consular officer.

4. A consular officer shall be entitled to receive from and send to a national of the sending State who is under any form of deprivation or limitation of his personal freedom letters or other forms of correspondence and to take appropriate measures to ensure him legal assistance and representation.

5. A consular officer shall be entitled to visit a national of the sending State who is under any form of deprivation or limitation of his personal freedom, including such national who is in prison or detained in the consular district pursuant to a judgment, to converse and to correspond with him in the language of the sending or the receiving State or to arrange legal representation for him. These visits shall take place as soon as possible, but, in any case, shall not be refused after the expiration of a period of four calendar days from the date on which such national has been subjected to any form of deprivation or limitation of personal freedom. The visits may be made on a recurring basis, but, subject to local prison regulations, at intervals of not more than one month.

6. In the case of a trial of a national of the sending State in the receiving State, the appropriate authorities shall, at the request of a consular officer, inform such officer of the charges against such national. A consular officer may attend the trial of such national as well as all subsequent appeal proceedings.

7. A national to whom the provisions of this Article apply may receive from a con-

sular officer parcels containing food, clothes, medicaments and reading and writing materials to the extent the applicable regulations of the institution in which he is detained so permit.

8. The rights contained in this Article shall be exercised in accordance with the law of the receiving State, provided that such law must be applied so as to give full effect to the purposes for which these rights are intended.

Article 39

Notification on the Death of a National of the Sending State

Whenever the competent authorities of the receiving State learn that a national of the sending State has died in the receiving State, they shall immediately notify the appropriate consular officer and, upon his request, send him a copy of the death certificate or other documentation confirming the death which has occurred.

Article 40

When the competent authorities of the receiving State learn that in the receiving State there is an estate:

(*a*) of a national of the sending State who has left no one in the receiving State authorized to administer his property or who has no representative in the receiving State, or

(*b*) of a deceased person, irrespective of nationality, with regard to whose property the consular officer shall be entitled to represent his interests under the provisions of Article 42 of this Convention,

then the above-mentioned authorities shall notify the appropriate consulate of the sending State of this fact.

Article 41

Conservation of Interests of Deceased National

1. When a deceased national of the sending State leaves property in the receiving State, the consular officer shall be entitled, with respect to the protection, conservation and administration of the estate, to approach the competent authorities of the receiving State with a view towards representing the interests of a national of the sending State, not a permanent resident of the receiving State, unless or until such national is otherwise represented. In this connection, he may request the competent authorities of the receiving State to permit him to be present at the inventorying and sealing and, in general, to take an interest in the proceedings.

2. To the extent permitted by the law of the receiving State, the consular officer may undertake appropriate actions personally or through an attorney in fact.

Article 42

Representation of Interests of Nationals in Estates

1. If a national of the sending State, not a permanent resident of the receiving State, has, or claims to have, a right to property left in the receiving State by a deceased person, irrespective of the latter's nationality, and if that national is not in the receiving State or does not have a representative there, the consular officer of the sending State shall be entitled to represent the interests of such national with respect to the estate, to the extent permitted by the law of the receiving State.

2. A consular officer of the sending State shall be entitled to receive for transmission to a national of the sending State who is not a permanent resident of the receiving State any money or other property to which such national is entitled as a consequence of the death of another person, including shares in an estate, payments made pursuant to employees' compensation laws, pension and social benefits systems in general, and proceeds of insurance policies, unless the court, agency, or person making distribution directs that transmission be effected in a different manner. The court, agency, or person making distribution may require that a consular officer comply with conditions laid down with regard to:

(*a*) presenting a power of attorney or other authorization from such national residing outside the receiving State;

(*b*) furnishing reasonable evidence of the receipt of such money or other property by such national; and

(*c*) returning the money or other property in the event he is unable to furnish such evidence.

3. Whenever a consular officer is permitted under the law of the receiving State to carry out the functions provided for in this Article, he shall be entitled to request of the competent authorities of the receiving State the same assistance which these authorities would attend to a national of the receiving State in the exercise of these functions under similar circumstances.

4. In connection with the performance by a consular officer of the functions provided for in this Article, the receiving State will take all appropriate measures to secure for nationals of the sending State the same opportunity for the protection of their interests in estates as that enjoyed by nationals of the receiving State.

Article 43

Provisional Custody of Decedent's Money and Effects

If a national of the sending State who is temporarily present in the receiving State, in which he does not maintain permanent residence, dies, the consular officer shall be entitled without delay to take provisional custody of the money and effects in such person's possession, provided that the deceased person shall not have left in the receiving State an heir or testamentary executor appointed by the decedent to take care of his personal estate and provided that such provisional custody will be relinquished to a duly appointed administrator or other authorized person.

Article 44

Compliance with Receiving State Law in Estates Matters

In exercising the rights provided by Articles 40 to 43 inclusive of this Convention, the consular officer must comply with the law of the receiving State in the same manner and to the same extent as a national of the receiving State and, irrespective of the provisions of Article 16 of this Convention, shall be subject in this respect to the civil jurisdiction of the receiving State. Further, nothing in these Articles shall authorize a consular officer to act as an attorney at law.

Article 45

Rendering Assistance to Vessels

1. A consular officer shall be entitled to provide any type of assistance to the vessels of the sending State which are in the ports or other anchorages of the receiving State.

2. A consular officer may board the vessels of the sending State as soon as pratique is granted. On such occasions, he may be accompanied by members of the consulate.

3. The master and members of the crew may communicate with and meet the consular officer, observing the law of the port and the law relating to crossing the border.

4. The consular officer may request the cooperation of the authorities of the receiving State in carrying out his functions with regard to vessels of the sending State and with regard to the master and members of the crew.

Article 46

Rendering Assistance to Master and Crew

1. Without prejudice to the rights of the authorities of the receiving State, the consular officer shall be entitled

(*a*) to investigate any incident aboard a vessel of the sending State while underway, to question the master and any member of the crew, to inspect the vessel's papers, to receive information in connection with the voyage and destination of the vessel and also to facilitate the entry, stay and departure of a vessel of the sending State;

(*b*) to take steps connected with the signing on and discharging of the master and of a crew member;

(*c*) to settle disputes between the master and a crew member, including disputes concerning wages and employment contracts, insofar as this action is authorized by the law of the sending State and does not conflict with the law of the receiving State;

(*d*) to take measures for the maintenance of good order and discipline aboard the vessel;

(*e*) to take steps for hospitalization or repatriation of the master or a member of the crew of the vessel;

(*f*) to receive, draw up or certify any declaration or other document provided for by the law of the sending State in regard to the vessel;

(*g*) to undertake other steps to apply the law of the sending State concerning merchant shipping.

2. The consular officer may, if permitted by the law of the receiving State, appear together with the master or a crew member before the courts or other authorities of the receiving State in order to render them any assistance, as well as to appear in the capacity of an interpreter, in actions before such courts and authorities.

Article 47

Protection of Interests in Case of Investigations

1. When the courts or other competent authorities of the receiving State intend to take compulsory actions or to start an official investigation aboard a vessel of the sending State which is in the territorial waters of the receiving State, those authorities must notify the appropriate consular officer. Unless an emergency makes this notification impossible, it shall be given before initiation of the actions involved, so that the consular officer might be present when the actions are carried out. If the consular officer or his representative has not been present during these actions, the competent authorities of the receiving State shall, upon his request, provide him with a full account of the actions taken.

2. The provisions of paragraph 1 of this Article shall also apply in cases in which it is necessary for the competent authorities of the port area to question the master or a member of the crew on shore.

3. Except at the request of the ship's master or the consular officer, the judicial or other competent authorities of the receiving State shall not interfere in the internal affairs of the ship on questions of relations between the members of the crew, labor relations, discipline and other activities of an internal character, when the peace, safety and law of the receiving State are not violated.

4. The provisions of paragraphs 1 and 2 of this Article shall not be applied, however, to ordinary customs, passport and sanitary controls, or to the saving of human life at sea, prevention of pollution of the sea, or to other activities undertaken at the request of, or with the consent of, the master of the ship.

Article 48

Assistance to Damaged Vessels

1. If a vessel of the sending State is wrecked, grounded, or suffers any other damage in the internal or territorial waters of the receiving State, the competent authorities of the receiving State shall inform the consulate as soon as possible and inform it of the measures taken for saving the passengers, the vessel, its crew and cargo.

2. The consular officer may give any assistance to the vessel, the members of the crew and the passengers, as well as take measures for safeguarding the cargo and repairing the vessel. He may also ask the authorities of the receiving State to undertake such measures.

3. If the owner of the vessel, the master or other authorized person is not in a position to undertake the necessary measures for safeguarding the vessel and its cargo, the consular officer, on behalf of the owner, may undertake those measures which the owner himself would undertake in such a case. The provisions of this paragraph shall also apply to every object belonging to a national of the sending State and representing a part of the cargo of a vessel, whether of the sending State or of a third State, which has been found on or near the shore, or has been brought to a port of the receiving State.

4. A vessel which has suffered a misfortune and its cargo and provisions shall not be subject to customs duties on the territory of the receiving State unless delivered for use in that State.

Article 49

Functions With Regard to Aircraft

The provisions of Articles 45 and 48 inclusive of the present Convention shall also apply to civil aircraft to the extent they are applicable and on the condition that such application is not contrary to the provisions of any agreement in force between the two countries.

PART V

GENERAL AND CONCLUDING PROVISIONS

Article 50

Observing the Law of the Receiving State

1. All persons enjoying privileges and immunities under this Convention are obliged, without prejudice to these privileges and immunities, to observe the law and customs of the receiving State.

2. The consular premises may not be used for purposes inconsistent with the exercise of consular functions.

Article 51

Performance of Consular Functions by a Diplomatic Mission

1. The provisions of this Convention shall also apply in the case of consular functions being performed by a diplomatic mission.

2. The names of the members of the diplomatic mission entrusted with the performance of consular functions shall be communicated to the receiving State.

3. The members of the diplomatic mission referred to in paragraph 2 of this Article shall continue to enjoy the privileges and immunities granted them by virtue of their diplomatic status.

Article 52

Entry into Force and Renunciation

1. The present Convention shall be subject to ratification and shall enter into force after the expiration of thirty days following the date of the exchange of instruments of ratification which shall take place at Washington.

2. The present Convention shall remain in force until the expiration of six months from the date on which one of the Contracting Parties gives to the other Contracting Party written notification of its intention to terminate the Convention.

IN WITNESS WHEREOF, the respective plenipotentiaries of the Contracting Parties have signed the present Convention and affixed thereto their seals.

Done at Sofia on this 15th day of April, 1974, in two originals in the English and Bulgarian languages, both texts having the same force.

AGREED MEMORANDUM

During the negotiations of the Consular Convention signed today between the United States of America and the People's Republic of Bulgaria, it was agreed by both sides that the term "law and "Zakonodatelstvo" would be employed in the appropriate provisions of the Convention and would be regarded as equivalent expressions for the purposes of the Convention. In this connection, the following explanations were given by the respective Chairmen of the United States and Bulgarian delegations concerning the meanings of the above-mentioned terms:

The Chairman of the United States delegation explained that the term "law", as employed in the present Convention, includes all relevant national, state and local laws, ordinances, regulations, resolutions and other similar provisions having the force and effect of law, including decisions and determinations of courts and other judicial and administrative agencies.

The Chairman of the Bulgarian People's Republic delegation explained that the term "Zakonodatelstvo", as employed in the present Convention, includes all laws, normative orders, codes, regulations and other normative acts which have legal force.

Done at Sofia this 15th day of April, 1974.

For the United States of America:

For the United States of America

For the People's Republic of Bulgaria:

For the People's Republic of Bulgaria

Mr. ROBERT C. BYRD. Mr. President, the Committee on Foreign Relations has submitted a report on each of these treaties and they are available to the Senate and the general public.

I ask unanimous consent that these treaties be considered as having passed through their various parliamentary stages up to and including presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolutions of ratification of Executive J, 91st Congress, 2d session; Executive Q, 92d Congress, 2d session; Executive D, 93d Congress, 2d session; and Executive H, 93d Congress, 2d session will be read.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, or Other Gases, and of Bacteriological Methods of Warfare, signed at Geneva, on June 17, 1925 (Ex. J, 91–2) subject to the following reservation:

That the said Protocol shall cease to be binding on the government of the United States with respect to the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials, or devices, in regard to an enemy State if such State or any of its allies fails to respect the prohibitions laid down in the Protocol.

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin, Weapons, and on Their Destruction, Opened for Signature at Washington, London and Moscow on April 10, 1972 (Ex. Q, 92–2)

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Amended Text to Article VII of the Convention on Facilitation of International Maritime Traffic, 1965, adopted by the Intergovernmental Maritime Consultative Organization (IMCO) at London on November 19, 1973.

Resolved, (two-thirds of the Senators present concurring therein). That the Senate advise and consent to the ratification of the States of America and the People's Republic of Bulgaria, with an Agreed Memorandum and a related exchange of letters, signed at Sofia on April 15, 1974.

Mr. ROBERT C. BYRD. Mr. President, the votes on these treaties will occur at a later time today.

Mr. FULBRIGHT. Mr. President, the Geneva Protocol of 1925 which the Senate is voting on this afternoon is one of the oldest and most important arms control agreements ever negotiated. It is an understatement to say that the action, which I hope the Senate will take today, is long overdue.

Almost 50 years have elapsed since the United States proposed the conclusion of this treaty. Although it was quickly signed by some 30 nations and now has more than 110 parties, our Nation has yet to ratify the Geneva Protocol.

By strange coincidence, the date on which the Committee on Foreign Relations reported this protocol to the Senate fell on exactly the 49th anniversary—to the very day, December 13—of the protocol's withdrawal from the floor of the Senate on December 13, 1926.

The discussions between the executive branch and the Committee on Foreign Relations, which preceded the committee's action on this protocol, revealed a deep common interest on the part of the executive and legislative branches and the leaders of our Armed Forces in strengthening the safeguards against chemical and biological warfare. A great deal of thoughtful deliberation has preceded this action. If, at the end, everyone has not gotten everything that he wanted, we can at least say that all are agreed on the desirability of the action which we propose today.

It is a particular pleasure to be able to recommend with the concurrence of the executive branch—including the State Department, the Joint Chiefs of Staff, the Department of Defense, and the Arms Control Agency—that the Senate give its advice and consent on the ratification of the Geneva Protocol of 1925 and to the Convention on Prohibition of Bacteriological and Toxin Weapons.

CHEMICAL AND BIOLOGICAL WARFARE TREATIES

Mr. HUMPHREY. Mr. President, among the treaties which the Senate is considering this afternoon is one of the oldest and one of the newest of the international community's efforts to control chemical and biological warfare.

The Geneva Protocol of 1925 is the basic building block for all efforts to control chemical and biological warfare. It was first proposed by the United States in 1925. A treaty with similar language had been signed and ratified in 1922, however, it never came into force for reasons unrelated to the chemical warfare issue.

Forty-eight years ago this protocol was blocked on the Senate floor by groups which now fully support it, including the American Chemical Society and the armed services.

Our ratification today of the Geneva

Protocol would mean that all major military powers will have renounced the first use in war of chemical or germ weapons.

The convention prohibiting biological and toxin weapons is the out growth of the initiative of the Nixon administration. It is one of many initiatives which the past administration took to control chemical and biological weapons. Among which was the unilateral renunciation of biological warfare under any circumstances. Another was the decision to destroy all U.S. stocks of germ weapons.

Approval of the biological convention would give great impetus to the international effort now underway at Geneva to ban all chemical weapons.

I strongly recommend that the Senate give its advice and consent to ratification to these two treaties as an indication of U.S. support for this important aspect of arms control.

GENEVA PROTOCOL

Mr. NELSON. Mr. President, as you know, over 3 years ago, the President submitted the 1925 Geneva Protocol to the Congress for ratification. At the time, he specifically excluded herbicides from his interpretation of the Geneva ban. In opposition to the administration's view, I introduced Executive Understanding No. 1 which clearly stated that the Senate interpretation of the protocol included a ban on herbicides. This legislation was reintroduced on January 29, 1971. And on April 15, 1971, Chairman FULBRIGHT of the Senate Foreign Relations Committee sent a letter to the President advising him of the committee's position that the protocol included a ban on herbicides.

The administration has had its controversial interpretation of the protocol "under review" now for over 3 years. Only last week, the Foreign Relations Committee finally received an administration response.

The administration, in my opinion, delayed too long on the deadly serious question of chemical warfare. The need to reexamine the status of the 1925 protocol is urgent. We in the United States have courted international opprobrium long enough. We have backed ourselves into a corner with a tiny minority of countries voting against the great majority of the United Nations General Assembly which agreed in 1969 on a resolution stating that the military use of herbicides was within the purview of the Geneva Protocol.

Whereas the administration refuses to abandon its questionable legal interpretation of the Geneva Protocol, it did clearly "renounce as a matter of national policy * * * first use of herbicides in war except use, under regulations applicable to their domestic use, for control of vegetation within U.S. bases and installations or around their immediate defensive perimeters."

This adjustment in the administration position is welcome. It represents at least a practical recognition that herbicides need not be used. No longer is there an excuse for the administration's continued support of herbicides as military weapons. And, I might add, no longer is there justification for DOD's budget requests for improving herbicides.

In fact, the mere notion that herbicides were useful weapons of war in Southeast Asia is a dubious one at best. A series of studies in the aftermath of the Vietnam War have thrown cold water on the thesis that herbicides are effective military agents.

A Department of the Army study entitled "Herbicides and Military Operations" listed only two situations in which herbicides might have been useful—to increase limited visibility and to destroy crops. The Army study damned herbicides with the concluding faint praise:

> Herbicides can be useful as a support to military operations provided that special circumstances exist.

The study provides little tangible evidence that these "special circumstances" did in fact exist in Vietnam to an extent which can justify the far more extensive counterproductive ecological, sociological, and psychological effects on the Vietnamese which are discussed in another study by the National Academy of Sciences.

This year's NAS study, which was contracted for by the Department of Defense, revealed that herbicides extensively damaged Vietnam's inland tropical forests, destroyed 36 percent of the mangroves along South Vietnam's coasts, may have caused deaths among Montagnard children, and caused many Vietnamese to view the United States as its enemy because Americans destroyed their croplands and forests which are important to the economy.

In my view, this study fully supports the scientific estimates of the Herbicide Study Group of the American Association for the Advancement of Science which reported in the late 1960's of widespread ecological damage to certain regions of Vietnam. We now have unequivocable evidence that the mangrove forests, for example, have been damaged to such an extent that without considerable reforestation efforts, it may be many decades, if ever, before these important ecosystems will recover.

More studies are required to definitely state the effects on human being from the extensive use of herbicides in Vietnam. New, sophisticated techniques of analysis, however, are demonstrating that the dioxin contaminants of agent orange, the military compound consisting of herbicides 2,4,5-T and 2,4-D, persist in the soil and water of Vietnam and have even entered the food chain.

As you know, the issue of the environmental effects of herbicides has troubled me for a long time. I used every legislative device at my command to require the prohibition of the use of herbicides in the Vietnam war. And eventually in 1970—after an area the size of Massachusetts had been sprayed—the Pentagon abandoned its defoliation program in Vietnam.

In this country, I have fought to restrict the use of 2,4,5-T for agricultural purposes and in our national forests pending any conclusive scientific evidence that the chemical is safe. Compelling evidence suggests that it is indeed not safe, since it is highly probable that certain toxic trace elements—namely dioxin—which is present in 2,4,5-T may accumulate in the food chain and present a potential danger to human beings.

Dioxin is the most toxic synthetic agent known. Next to botulinum toxin, dioxin is the world's most toxic agent. It is present in 2,4,5-T only in very, very small amounts but it is dangerous in only very, very small amounts.

The U.S. Government can no longer persist in excluding this kind of dangerous chemical from its interpretation of the Geneva Protocol. Otherwise we can be certain that the world will place little credence in America's ratification of this treaty. How can we expect any other reaction from the other nations of the world? Chemical warfare agents are designed to be toxic. Certainly everything we have learned about 2,4,5-T indicates to me that it should be classified as a toxic agent and included within the scope of the protocol ban.

The Foreign Relations Committee recommends ratification of the Geneva Protocol. I concur. The committee neither accepted nor rejected the administration's legal interpretation of the protocol. It did, however, tie the recommendation of ratification to the administration's new national policy of renunciating first use of herbicides in war. It places great importance on Arms Control and Disarmament Agency Director Fred Ikle's statement to the Foreign Relations Committee that—

> The policy which was presented to the Committee will be inextricably linked with the history of Senate consent to ratification of the Protocol with its consent dependent upon its observance. If a future administration should change this policy without Senate consent whether in practice or by a formal policy change, it would be inconsistent with the history of the ratification, and could have extremely grave political repercussions and as a result is extremely unlikely to happen.

The issue of excluding herbicides is not limited only to the 1925 Geneva Protocol. The National Academy of Sciences study which demonstrates the vast ecological damage in Vietnam from herbicides, the Biological Convention which this Nation has signed but not yet ratified, the ongoing Geneva negotiations on chemical warfare—all are happening within a very short period of time. They are all inextricably linked. The Geneva Protocol first, bans use of toxic chemicals in warfare and second, bans use of bacteriological methods of warfare.

The Biological Convention first, restricts research, development, testing, and stockpiling of biological agents and toxins and second, states that the ratifying nations will work for a new chemical treaty in addition to the Geneva Protocol to restrict research, development, testing, and stockpiling of toxic chemical agents.

Any exclusion of herbicides from the Geneva Protocol severely jeopardizes progress in all of these linked events in controlling development of chemical agents of death and destruction.

In discussions at Geneva on an expanded chemical warfare treaty which would go beyond banning chemical warfare and involve itself in restricting research, development, testing, and stockpiling chemical munitions, U.S. negotiators have devoted considerable discussion to the definitions of compounds such as herbicides which should be excluded from the definitions of chemical weapons. Because today's administration's position only selectively modifies the old legal position, it may perpetuate legal difficulties at Geneva and elsewhere indefinitely.

The administration put itself in an unenviable contradictory position. It is willing to "renounce as a matter of national policy * * * the use of herbicides in war except use under regulations applicable to their domestic use, for control of vegetation within the U.S. bases and installations or around their immediate definitive perimeters." In effect, it is willing to say herbicides need not and will not be used in war by the United States. But it is unwilling to say they should not be used. In other words, it is willing to incur the distrust of the international community without enjoying any practical effects from this policy. This is ludicrous.

The Foreign Relations Committee has wisely skirted the administration's rather questionable legal interpretation and concentrated instead on the practical importance of pinning the ratification to the administration's announced policy never to initiate the use of herbicides as a weapon of war. I understand, moreover, that the President will issue an Executive order to the Joint Chiefs of Staff to exclude herbicides from America's arsenal.

I intend to support ratification of the Geneva Protocol of 1925 on this basis. Once this question is resolved, hopefully the Senate can then get on to the business of ratifying the Biological Convention. And then our negotiators can perhaps get on with their vital business of negotiating an expanded treaty on chemical munitions.

In closing, let me say that if we have learned anything from recent developments in America's chemical warfare capability, it is that we have permitted the Department of Defense to make too many independent decisions on weapons policies. DOD should provide Congress with a full and complete arms control impact statement before we authorize any new weapons procurement.

Too often arms control policies and negotiations have been conducted without benefit of foresight. Bureaucratic momentum within the Department of Defense and other related agencies and the onrush of technological breakthroughs have generated research and procurement of agents of death and destruction without adequate consideration for what the consequences are for the peace of the world.

Too often these research and development decisions are made in the context of some isolated logistic program or with some specific or peculiar requirement in mind.

If we had a requirement of arms control impact statements for new weapons programs—a proposal I introduced in the Senate this Congress and which I intend to reintroduce next year—we might be able to get some answers to these questions. Had we had a system of arms control statements a decade ago before full-scale utilization of herbicides in Vietnam, the ecological catastrophe we have perpetrated on the Vietnamese land and people might have been avoided.

LEGISLATIVE BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY CONSTRUCTION APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

Mr. STENNIS. Mr. President, will the Senator from Wisconsin yield to me just for a very few minutes?

Mr. PROXMIRE. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, the amendment now offered to the bill by the Senator from Iowa (Mr. HUGHES) for himself and others pertains to a matter that, as a member and chairman of the Armed Services Committee, I had not known anything about until it was brought up here a few minutes ago on the floor.

The Senator from Iowa is not to blame for that; I state it, however, as a fact. Staff members from both the Armed Services Committee and the Appropriations Committee who are present in the Chamber are not able to advise me anything about it, because they do not know about it. The Senator from Missouri (Mr. SYMINGTON) suggested that I might look into this matter when it first came up.

So I state to the Senator from Wisconsin and to the Senator from Iowa that, not knowing anything about the subject, of course, I cannot support the amendment nor oppose it, either, without the facts. There are certain base closings, modifications, and all going on, but I do not know whether this involves that or not.

I am, under the circumstances, without approving the amendment on the merits, willing for the Senator handling the bill, if he sees fit, with his minority colleague, to take the amendment for further consideration in conference, and try to develop the facts.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator. As I understand the amendment, what it does is simply provide the requirement that information be made available to the Armed Services Committees of the House and the Senate, and members of the Armed Services Committees, as to the reorganization plans, the savings involved, and the effect on the communities where the bases would be closed.

Is that correct? Would the amendment do anything else?

Mr. HUGHES. Mr. President, I would say to the distinguished manager of the bill that it prohibits the expenditure of construction funds during the current fiscal year.

Mr. PROXMIRE. Until July 1, 1975?

Mr. HUGHES. June 30, 1975.

Mr. STENNIS. Mr. President, if the Senator will yield——

Mr. PROXMIRE. I yield.

Mr. STENNIS. The best evidence of what it does is in the language of the amendment. It says this, and nothing more:

> None of the funds appropriated in this Act shall be obligated to establish an Army armaments development center.

Mr. PROXMIRE. Yes, but I want to go behind that, and state that I understood the thrust of the remarks of the Senator from Iowa to be that he wanted the information. He wanted to be told so he would know what we are doing.

Mr. HUGHES. That is correct. I wanted not only the Senator from Iowa to be told, but for the public to be told, so that they would know what is being done.

I cannot say, on the basis of the information we have been able to get, whether we would oppose what they are doing or support it. We have been unable to get the information, and we have tried diligently for weeks to get that information.

This amendment would not stop the reorganization plan. They can go ahead with it. They can complete and develop their plan. The only thing they cannot do is spend money for construction of facilities to house the new organization.

Mr. PROXMIRE. Mr. President, I ask the distinguished Senator from North Dakota to respond. Since I am simply acting for the majority leader (Mr. MANSFIELD), I rely on his judgment.

Mr. YOUNG. Mr. President, I am also in an acting capacity, but I think the amendment should be accepted and taken to conference. I think the Senator from Iowa is entitled to the information he seeks.

Mr. PROXMIRE. Mr. President, I have no objection to having a voice vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. HUGHES).

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point our usual table showing the changes made by the committee and a more detailed narrative explanation and rationale for the committee's action.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

[In dollars]

Agency and item (1)	New budget (obligational) authority, fiscal year 1974 (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	Recommended by Senate committee (5)	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, new (obligational) authority, fiscal year 1974 (6)	Budget estimates, new (obligational) authority, fiscal year 1975 (7)	House bill, new (obligational) authority (8)
Military construction, Army	578,120,000	740,500,000	650,023,000	655,976,000	+77,856,000	−84,524,000	+5,953,000
Military construction, Navy	609,292,000	643,900,000	602,702,000	626,760,000	+17,468,000	+17,140,000	+24,058,000
Military construction, Air Force	247,277,000	[1] 566,727,000	456,801,000	446,202,000	+198,925,000	−120,525,000	−10,599,000
Military construction, Defense agencies	0	50,600,000	30,640,000	31,600,000	+31,600,000	−19,000,000	+960,000
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)			
Military construction, Army National Guard	35,200,000	59,000,000	59,000,000	59,000,000	+23,800,000	0	0
Military construction, Air National Guard	20,000,000	30,000,000	35,500,000	35,500,000	+15,500,000	+5,500,000	0
Military construction, Army reserve	40,700,000	43,700,000	43,700,000	43,700,000	+3,000,000	0	0
Military construction, Naval Reserve	22,900,000	[2] 22,135,000	22,135,000	22,135,000	−765,000	0	0
Military construction, Air Force Reserve	10,000,000	16,000,000	16,000,000	16,000,000	+6,000,000	0	0
Total, military construction	1,563,489,000	2,172,562,000	1,916,501,000	1,936,873,000	+373,384,000	−235,689,000	+20,372,000
Family housing, Defense	[3] 1,192,405,000	1,342,283,000	1,245,790,000	1,245,790,000	+53,385,000	−96,493,000	0
Portion applied to debt reduction	−100,908,000	−105,183,000	−105,183,000	−105,183,000	−4,275,000	0	0
Subtotal, family housing	1,091,497,000	1,237,100,000	1,140,607,000	1,140,607,000	+49,110,000	−96,493,000	0
Homeowner's Assistance Fund, Defense	7,000,000	5,000,000	5,000,000	5,000,000	−2,000,000	0	0
Grand total, new budget (obligation) authority	2,661,986,000	3,414,662,000	3,062,108,000	3,082,480,000	+420,494,000	−332,182,000	+20,372,000

[1] Includes $30,327,000 deficiency request.

[2] Includes $1,335,000 for relocation, Naval Reserve Center, Springfield, Mass.

[3] Includes $3,866,000 requested in H. Doc. 93-266.

Mr. ALLEN. Mr. President, I have an amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 2, line 3, strike out "$655,976,000" and insert in lieu thereof "$656,998,000".

Mr. ALLEN. Mr. President, I want to commend the distinguished members of the Appropriations Committee for their long, arduous, and productive work on the military construction appropriations bill. Theirs has not been an easy task, balancing Defense construction priorities in order to provide the vital needs of our military agencies throughout the world.

I am convinced that defense is the No. 1 priority for the United States, for if Congress does not provide for the security of our country, it could well be that we will not have a country to defend.

For this reason, I have always supported legislation providing the tools, weapons and facilities needed by our men in uniform, within the confines of available funds. At the same time, I have supported military authorities and the Senate Appropriations Committee in their efforts to save money wherever possible—in areas where construction is not necessary, where weapons are not necessary and wherever economies can be effected.

So it is with some reluctance that I propose adding to the military construction appropriation now before the Senate. But in this case I feel that need for the project which I will discuss merits its inclusion in the bill.

What is involved is a dental clinic at Fort Rucker, Ala., which houses the Army's aviation center and associated organizations.

This project is included in the military construction authorization bill in the amount of $1,022,000.

As way of explanation, let me describe the geographic location of this large installation which is the training center for the Army's modern helicopter and fixed wing forces. Fort Rucker is necessarily sited in a remote area, and because of this the installation is required to be equipped to supply the services and needs for its some 35,000 population, composed of uniformed members of the service and their dependents. But the fact is that the installation is sadly lacking in its capacity to provide dental services for these men, women, and children. At the present time the dental clinic incorporates three buildings built during World War II as temporary facilities in which are located 19 chairs, and a 16-chair clinic located in the post hospital which was built in 1967. The present total of 35 chairs simply will not accommodate the dental services required for the military personnel assigned to Fort Rucker and their dependents. An Army study shows that this clinic should include 49 chairs, 14 more than are presently available.

The dental clinic project, which would be provided by my amendment, would replace the 19 chairs located in the 32-year-old buildings because those so-called temporary buildings cannot be effectively or efficiently used to meet the requirements of modern dentistry which employs procedures, principles and equipment developed since 1942. Clearly, installation of essential new dental equipment in the old buildings would be neither economical nor would it result in overall improvement in functional clinic design.

The Army has said that if this dental clinic project is not provided, its personnel at Fort Rucker will continue to receive dental health services in inferior facilities which are incompatible with present-day standards. It is incongruous that the United States would juxtapose a World War II vintage dental facility and modern training facilities for helicopters and equipment which were nothing more than a designers dream when World War II was being fought.

I feel that when we send our soldiers to a military installation for training or service, or to a post where they stand guard over our security, we have the duty and the obligation to insure that they not only have the finest weapons and equipment, but also that they are provided the finest medical care that our technology can develop. That is why I am asking for an appropriation for the dental clinic at Fort Rucker which is included in the military construction authorization bill.

Mr. PROXMIRE. May I say to my good friend, the Senator from Alabama, I am sure his amendment has merit. The difficulty is the House considered this and deferred it. The Army did not even reclaim when it came to the Senate, they did not ask that it be restored. The Senate did consider it, and they felt that for economy reasons and because they are constraining the budget very tightly they reduced the overall military construction budget by 15 percent, one of the biggest reduction anywhere, that they simply could not put it in.

I would like to tell my friend, the Senator from Alabama, that I will do my best to work with the majority leader, who is the chairman of the subcommittee, to see if we can win consideration for it next year.

Mr. ALLEN. I appreciate that very much. I appreciate fairness of the distinguished Senator from Wisconsin (Mr. PROXMIRE), and I appreciate his assurance that full consideration will be given to the matter next year. I hope that on that consideration agreement will be made or that the appropriation will be made.

I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama (putting the question).

The amendment was rejected.

Mr. SCHWEIKER. Mr. President, I oppose the $7.4 million included in the military construction appropriations bill for the transfer of the Naval Air Engineering Center from the Philadelphia Naval Shipyard to the Lakehurst, N.J., Naval

Air Station. I oppose this specific appropriation on the basis that adequate justification for the transfer of this facility was not provided to the committee. A General Accounting Office report which I requested on this transfer clearly shows that annual cost savings from this transfer have been overstated and that more than half the $15.3 million cost savings cited by the Navy to justify the transfer could have been achieved without relocation. In addition, GAO stated that it *could not comment* on the reasonableness of the Navy's anticipated one-time cost because the Navy could not provide adequate supporting data justifying its estimate. The committee shared my concern on this last point. I point out that the committee in its report stated:

> In reviewing the Navy's request for $7,350 million for the Naval Air Test Facility, Lakehurst, New Jersey, in order to facilitate the relocation of the Naval Yard Engineering Center from the Philadelphia Naval Shipyard complex to the Naval Air Station, Lakehurst, New Jersey, the Committee was provided a report of the General Accounting Office requested by Senator Schweiker which reviewed the Navy's estimates of the cost and savings related to the planned relocation. The GAO report questions the Navy's estimated annual savings, indicating they are overstated. In addition, the GAO stated that it could not comment on the reasonableness of the Navy's anticipated one-time cost because the Navy could not provide adequate supporting data justifying its estimate.
>
> The Committee is disturbed over this apparent conflict over the actual cost and savings related to the Lakehurst request. Further, the Committee feels the Navy has a responsibility to make available sufficient data to fully justify its request and it expects that future requests, particularly involving consolidations and transfer of facilities, will be accompanied by a complete disclosure of data supporting its plans. In addition, the Navy is directed to provide the Committee when it next submits a budget request a report indicating whether the estimated cost and savings on the NAEC relocation to Lakehurst have been achieved.

I am also deeply disturbed by several other items included in the GAO report. Among them is the omission of some $480,000 in work to prepare industrial buildings on the assumption this work can be done with military construction funds already programed for other work; the inclusion of an estimated $7.4 million for military construction funds provided in this bill may be inadequate; and there was no disclosure of the possible total cost of leasing temporary buildings at Lakehurst needed to accommodate the transfer. Finally, there was a failure to consider early retirement pay to eligible savings from general work force reductions. There is no assurance that any savings will result from reducing NAEC's present in-house production capacity. Despite Navy's position, I believe that the Navy will incur costs to obtain items for which NAEC's in-house production capacity is being eliminated; for example the manufacture and assembly of the airfield and ship-lighting packages which will be secured from commercial and other Navy sources.

I also question whether the savings from the relocation would be great enough to overcome several disadvantages and improve the efficiency of the Naval Air Engineering Center. This move would involve the transfer of employees to an area where a severe housing shortage exists and cost of housing far exceeds that of Philadelphia. It would also remove some 1,000 jobs from an area of substantial unemployment and depriving the area of tax revenue, causing loss of some $60 million in contracts in this area. Also, apparently not considered are the increased shipping costs due to the lack of proximity of Lakehurst to air, sea, and rail centers, as in the case of the Philadelphia facility. Finally, the 1,000-plus civilian workers would be dependent on individual vehicle transportation because Lakehurst, unlike Philadelphia, has a limited mass transportation system.

In conclusion, I feel strongly that NAEC was doing an excellent job at the Philadelphia Naval Shipyard and believe that it would only cost money and not save tax dollars, to transfer it to Lakehurst. I am not satisfied that the Department of Defense has properly evaluated this proposal and I regret that funds are provided in this bill which will begin the transfer. This appropriation is unnecessary, unjustified, and will result in severe hardships for the city of Philadelphia and particularly for the many employees whose loyal service to the Federal Government is being overlooked for no good reason.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 17468) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. ROBERT C. BYRD. Mr. President, there will be a rollcall vote on a motion to invoke cloture at about 1:45 p.m. today. I ask unanimous consent that the rollcall vote which will be ordered on the surface mining conference report follow that cloture vote, and that the rollcall vote, which will presumably be ordered, on the military construction appropriation bill, immediately follow the vote on the conference report.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The yeas and nays will be ordered at that time, but I am sure that will be a rollcall vote.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEETING OF COMMITTEE ON FINANCE ON SATURDAY, DECEMBER 14, 1974

Mr. LONG. Mr. President, one of the things that plagues all of us in the Government is misunderstanding and misinformation.

The press or at least a reporter for United Press International reported on yesterday that the Senate Finance Committee, in an unannounced meeting, recommended a number of measures.

Mr. President, the Senator from Louisiana as chairman of that committee, had asked our staff to seek to call the comittee together and to send out notices when we concluded consideration of the trade bill on Friday evening about 6 o'clock. Up until that time it had not seemed to this Senator that it would be possible for the committee to meet on Saturday, because I had anticipated that we would be in session, operating under the cloture rule, with voting every half hour or so during all day Saturday and, therefore, that it would not be possible to hold a meeting.

The record will show that Mr. ROBERT C. BYRD of West Virginia, our very able acting leader on the majority side, stood on the floor and asked unanimous consent that the Committee on Finance could meet during the session of the Senate, and unanimous consent was given that the committee would be permitted to meet. It might have also caused some confusion to reporters, because the Committee on Finance was not meeting over at the usual Finance Committee room, but meeting at the reception room just outside of the Senate Chamber. The reason we were doing that was we were voting in the Chamber about every hour, and the time one would spend going back and forth to the Chamber would make it almost impossible to conduct a meeting.

One of our able Members apparently did not go by his office before he came to the Chamber, and he was unaware that we were holding a meeting. One of us found him and brought him into the committee and explained to him everything that had been agreed to, and he assented to it, down even to and including signing the motion for cloture to try to bring to a vote the decisions made by the committee. But, apparently, when interviewed he told someone that he was unaware that the committee was going to meet.

Well, that happens around here, Mr. President. We are trying to do our duty and do the best we can.

Saturday's RECORD will contain an explanation by the Senator from Louisiana to what the committee agreed, and the procedure that we hoped to obtain in order to vote on these very pressing matters that the committee feels should be voted upon before we go home.

In the social security area and in the public welfare area all we are seeking to do is simply vote again on three items on which the Senate had voted by almost unanimous vote on previous occasions.

At least one of these items has been voted by the Senate twice by overwhelming votes. The other two have been voted by unanimous vote, so that we are just seeking to try to make effective the will of the Senate which, for the most part, has been expressed in a unanimous fashion.

Now, in addition to that, we are seeking to bring to a vote certain matters that we believe are not controversial in the so-called tax reform bill that the House Ways and Means Committee reported through the committee and has failed to be scheduled by the House Committee on Rules.

We simply lifted out certain matters that we believed to need immediate action and which we feel might be agreed to by a unanimous vote of the Senate.

I know our committee is unanimous on recommending these things. We, of course, are not sufficient mindreaders to predict that 100 Senators out of 100 will agree with those particular items that they should be passed by the Senate. And just for fear that what we were recommending could not happen, because other Senators would come in and take the view that they would be willing to pass the bill provided we would add their amendment to it, and thereby make a Christmas tree bill out of it, which would then result in a filibuster against a Christmas tree bill, we felt we had better try to file a cloture motion to limit ourselves by the rule of germaneness on these few items which we felt deserved the consideration of the Senate before the Senate adjourned.

I hope that no one gained the impression that we were trying to have an end run around someone. All we were trying to do was to bring certain measures, which are matters, each of which could muster at least a two-thirds majority vote in the Senate, to a vote in this body.

Since the Senate gave us consent to have a rule of germaneness, which required invoking rule XXII on the trade bill, without which that bill never would have become law, we thought the Senate might be willing to follow the example set and make it possible to vote on a measure that would assure social services to the poor, that would try to provide some additional tax relief to the poor, and that would try to prevail upon fathers to contribute some small amount to support their children who are being left with what little we could make available to them in terms of a public welfare contribution by State and Federal Government.

Measures of this sort, we feel, should be acted upon before we go home, and we think it would be rather inappropriate during the yuletide season to fail to act in these areas and leaving many people in distress, because Congress failed to act on vital pressing matters before it adjourned in the middle of December.

Mr. President, Saturday's executive session was an extremely important executive session, in which the committee dealt with measures relating to taxes, tariffs, unemployment insurance, social services, the work bonus for low-income workers, and child support.

It is unfortunate that this meeting has been characterized as an "unannounced" meeting, perhaps giving the idea that there was something secretive about it.

The meeting was called on fairly short order, but for a simple reason. We did not know until late Friday that the Senate would complete action on the trade bill that day. It was only when this became clear that we were able to schedule the Saturday meeting, since we had expected that Saturday would be taken up with further floor action on the trade bill.

Once the meeting was scheduled for Saturday, I had the offices of all members of the committee notified immediately. Since this happened late in the day, some failure of communication occurred and I regret if any member of the committee did not get the message about the Saturday meeting. However, it reflects well on the committee that 15 of our 17 committee members were present at this executive session.

A Saturday executive session is certainly unusual for the Committee on Finance, but the circumstances were also unusual. Some very important matters are now pending, and the committee felt that the Congress should not go home within a week without first dealing with them. Since time is short, we wanted to offer the Senate an opportunity to bring these matters to a vote—if necessary, by invoking cloture. Because the committee met on Saturday, I was able to file cloture petitions on two bills on Saturday. This will permit the vote on cloture to occur tomorrow. If we had not met on Saturday, we would have lost a full day at a time when we cannot afford any delay. In order to fit within the time deadlines, we simply had to meet on Saturday so that the Senate will have a chance to act in the pressing areas dealt with in the committee amendments.

Mr. President, if no other Senators desire to speak at this point, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 17597 TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the military construction appropriation bill has been disposed of today, the Chair lay before the Senate a message from the House on H.R. 17597, that it be considered as having been read the first and second times, and that the Senate proceed with its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I say for the information of the Senate, this is the unemployment compensation bill, not a sine die adjournment resolution.

RECESS UNTIL 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 12:30 p.m. today.

The motion was agreed to, and at 11:50 a.m., the Senate recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ABOUREZK).

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. ABOUREZK). Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now proceed to the consideration of the conference report on S. 425, which the clerk will report.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 5, 1974, at p. 38259.)

The PRESIDING OFFICER. Time for debate on the conference report shall be limited to 30 minutes to be equally divided and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN).

Who yields time?

Mr. METCALF. Mr. President, in the absence of the Senator from Washington, I ask unanimous consent that the time yielded to Senator JACKSON be temporarily allocated to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that Mike Harvey, Lucille Langlois, Jerry Verkler, Bill Van Ness, Mary P. Flanagan, Fred Craft, Harrison Loesch, and Mary Adele Shute, of the Interior Committee staff, and Mr. James Grady, of my staff, have the privilege of the floor during consideration of and voting on the conference report on S. 425.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. FANNIN. Mr. President, I yield myself 3 minutes.

Mr. President, I ask unanimous consent that the economic impact of strip mining legislation be placed in the RECORD, at this point.

There being no objection, the economic impact of strip mining legislation was ordered to be printed in the RECORD, as follows:

Economic impact of strip mining legislation: potential additional costs of economy[1]

Employment:	
Surface mining jobs directly affected by lost coal production incurred by legislation	6,180
Indirect unemployment incurred by lost coal output	4,194
Total unemployment resulting from legislation	11,124
[In billions]	
GNP:	
Direct loss to gross national product attributable to lost coal production	$0.750
Secondary economic impact:	
Additional indirect loss to gross national product due to ripple effect in economy	1.35
Increased power costs:[2]	
Average increased cost to consumers of electric power incurred by lost strip coal output	1.3
Total domestic economic impact	3.4
Balance of payments:	
Total estimated payments deficit incurred by lost coal production	2.75
Total economic cost to United States	6.2

[1] Methodology attached.

[2] Does not include cost to Utilities of Converting to other forms of fuel, which is impossible to calculate.

Assumed: 50 million tons of coal per year will be lost to domestic production owing to enactment of the currently considered Surface Mining Control and Reclamation Act of 1974. (Interior report assumption).

Problem: How many miners will be laid off from work?

1 work year of 225 days times 1 man-day at 35.95 tons times 50 times 10^6 tons equals 6,180 men.

Data: 1972 Minerals Yearbook

Assumed: For each job lost in the strip mining area, 0.8 jobs will be lost directly and indirectly elsewhere in industry. (Dr. William Mieriek's work on input-output model, University of West Virginia.)

Problem: What will be the total unemployment resulting from the new legislation?

6,180 miners times 1.8 factor for indirect unemployment equals 11,124 men.

Assumed: The 50 million tons of lost domestic production from strip mines will require increased imports of residual fuel oil or crude. Assume 1 ton coal=26×10^6 BTU. One barrel of oil equals 5.8 times 10^6 Btu. One ton of coal delivered domestically for steam plants costs $15.00. One barrel of imported oil costs $12.00.

Problem: How many barrels of additional fuel must be imported to offset the energy loss of the 50 million tons of coal?

26 times 10^6 Btu times 1 barrel of oil 5.8 times 10^6 Btu times 50 times 10^6 tons coal in 1 year times $12.00 per 1 barrel of oil equals 2.688 times 10^6 dollars.

Therefore—For total replacement of energy by imported oil we would need an additional 224 million barrels of imports which would increase our foreign exchange deficit by 2.69 billion dollars.

But—Approximately 80 percent of the strip mine coal is used in domestic steam boilers. Of the remaining 20 percent, 12 percent is used directly or blended for coke and gas production; and, 8 percent is exported. Since imported fuel oil can not replace coal in coke ovens or exports, a factor of 80 percent should be applied to the above $2.69 billion foreign exchange deficit. Thus it would be reduced to $2.15 billion. And the reduced barrels of needed oil imports would be 179 million barrels.

And—The 8 percent export of steam coal (to Canada and the European low countries, if shipments were prevented under Export Control authority, would diminish our foreign exchange earnings by 50 times 10^6 tons times $15.00 times 0.08 equals $60 million.

The remaining 12 percent that goes to coke ovens and gas plants would probably be supplied by increased underground production from suitable Appalachian coal seams with unknown time delay in the production increase and at unknown cost.

The cost *not* incurred by the U.S. economy as a result of *not* mining the foregone 50 million tons of coal would be 50×10^6 tons per year $\times$ \$15.00=\$750 million. This would, of course, diminish GNP by $750 million plus the indirect ripple effect of 0.8=$1.35 billion. This includes the lost purchasing power of the 11,124 men idled by the production loss.

Assumed: Increased cost to domestic electric power consumers would be the difference in value of the foregone coal production and the value of the added imported oil to replace it.

And—50×10^6 tons$\times 0.8 \times$\$15.00=value of coal=\$600 million; 179×10^6 barrels$\times$\$12.00= value of added imported oil=\$2.15 billion.

Therefore—Increased power cost would be $1.55 billion.

In 1973, U.S. consumption of electric power was 1,849,269,000,000 kilowatt-hours. To determine added cost per kilowatt-hours divide dollars by kilowatts: \$$1.55 \times 10^9$ divided by 1.85×10^{12} kwh equals 0.07 cents per kwh.

Thus, the cost of electricity attributable to the foregone strip mine coal production would be seven hundredths of one cent for kilowattshour on a national average.

This paper does not address the cost of converting steam electric power plants to burn fuel oil instead of, or in addition to, coal. Many plants are now so equipped, and conversion of many others can be made at perhaps small cost.

Mr. FANNIN. Mr. President, I want my colleagues to realize that, in accordance with the information I have just placed in the RECORD, staggering numbers of jobs will be lost should this bill become law. Listen to these statistics: 6,180 direct mining jobs will be lost; indirect employment will cost 4,194 jobs; thus total unemployment resulting from the legislation will be 11,124.

Direct loss to gross national product attributable to lost coal production will be $750 million; the secondary economic impact plus additional indirect loss to gross national product due to the ripple effect in the economy will be $1.35 billion.

Mr. President as far as increased power costs: the average increased cost to consumers of electric power incurred because of lost strip coal output will be $1.3 billion for a total domestic economic impact of $3.4 billion.

Mr. President, as for our balance of payments, the total estimated payments deficit incurred by lost coal production will be $2.75 billion.

The grand total economic cost of this legislation to the people of the United States will be $6.2 billion. This country just cannot afford this kind of price tag.

Mr. President, I call all this to the attention of my colleagues because I think it is very, very serious. The total coal production loss would be in the neighborhood of between 50 million tons and 148 million tons in the first full year.

Recall we are only talking about the first full year, Mr. President, and, no doubt, from the information we have received we easily calculate that one-sixth of the coal production of this country will be lost.

The PRESIDING OFFICER. Will the Senator suspend until there has been order achieved in the Chamber. The Senate will come to order so that the Senator from Arizona will be heard in this debate.

The Senator may proceed.

Mr. FANNIN. Mr. President, Dr. William Mieriek's job loss assessment which I put in the RECORD earlier, illustrates the tremendous impact that this will have on our Nation. So I feel, Mr. President, that we must take this into consideration before our vote on this legislation.

Mr. President, for these reasons stated and for many more which I do not have time to fully elaborate, I would hope that the President addresses this measure with a forceful, forthright veto because the Congress has failed to strike a balance between the end for environmental protection and the availability of coal as a national energy resource. There is no reason for the Congress to invalidate 32 State laws governing surface mining with a bill as defective as this. Sixteen of the largest coal producing States have amended their State laws with more stringent environmental standards to insure reclamation and this State action negates our rush to pass defective Federal restrictions.

Mr. President, I reserve the remainder of my time.

Mr. JACKSON. Mr. President, I allow myself 7 minutes.

The PRESIDING OFFICER. The Senator from Arizona has 10 minutes remaining.

Mr. JACKSON. Mr. President, I strongly support the conference report on S. 425. I believe that it achieves a balance between the need to protect the environment and the need to develop our coal reserves to meet our national energy needs.

I am sure that the Senate is aware the President has announced his intention to veto the bill. Apparently some of the President's advisers have fallen victim to the scare campaign waged by the coal industry.

It is worth recalling today that industry has in the past fought strip mining bills far less stringent than the legislation before Congress today. The delay in enacting legislation, caused largely by industry's opposition, has brought the nature and scope of the strip mining problem more sharply into focus. The need for strong regulation of strip mining practices is more apparent—to more people—than ever before. Those who believe that the existence of an urgent need for coal will somehow forestall effective regulation of strip mining are whistling in the dark.

On numerous occasions, including the recent amendments to the Clean Air Act, Congress has shown that it understands the need for careful tradeoffs between energy needs and environmental concerns. But Congress is not prepared to sacrifice legitimate environmental goals.

The conference report before the Senate is consistent with past action and is a balanced bill.

Mr. President, I found the explanation of the President's decision given by Federal Energy Administrator Zarb reveals a serious lack of understanding of the conference report and of the intense national concern about the need for Federal regulation of surface coal mining. It is interesting that Mr. Zarb recommended a veto after 2 days in office, while Secretary of the Interior Morton and Environmental Protection Agency Administrator Train who have been working with Congress on surface mining legislation for 4 years recommend that the President approve the bill.

Mr. Zarb and the coal industry say that "the principal problem with the bill is the adverse impact on domestic coal production." The fact is that at current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a diminition in production at present prices, much less those anticipated in the future, and it is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations, for example, to areas which can be prudently mined—in estimating the impact of this bill.

Mr. Zarb's statement that the bill will prevent a reduction in oil imports is just plain wrong. There are many factors limiting the use of coal as a substitute for imported oil. The Federal Energy Administration's own comprehensive energy plan submitted to Congress on December 9 calls for a massive coal conversion program to reduce residual fuel oil consumption by 500,000 barrels per day by 1980. Clearly ample coal supplies would be available by that time under S. 425. Furthermore, the FEA plan points out that the major potential for reducing imports, by 1 million barrels per day in 1975 is demand-reduction—not fuel substitution.

Mr. Zarb admitted that FEA's estimates of production losses vary widely. He then proceeded to cite loss figures even greater than those circulated by the National Coal Association, and much higher than the probable losses estimated by the Interior Department's Bureau of Mines.

Mr. President, we must remember that all these loss estimates fail to take into account the Nation's vast coal resources underlying land which can be reclaimed.

The American Gas Association, which has a vital interest in development of coal for gasification, has indicated that it supports S. 425. It apparently does not see S. 425 causing a reduction in coal supply.

This view is shared by Interior Secretary Morton. He told the American Mining Congress that the conference report is "a workable bill which will do the job of protecting the environment and still provide greatly increased supplies of coal—our most abundant fuel."

Mr. President, Administrator Zarb also spoke of "ambiguous language" and fear of citizen suits as justification for a Presidential veto. S. 425 is a long and complex measure which, like many other laws, undoubtedly will require modification in the future. It will not be fully implemented for 2½ years.

I am sure that the Interior Committee will be receptive to proposals for amendments based on any unanticipated problems in implementation of the bill. As committee chairman, I pledge to work with the administration to correct any defects. I should point out that the administration has continuously opposed efforts to impose precise requirements in the bill. The proposed legislation which it submitted to the 93d Congress was certainly the most imprecise of all the bills considered by the Interior Committee.

Enactment of S. 425 will not add to today's disastrous inflation. The study done for the Senate-House conferees by the Library of Congress clearly demonstrates that neither the Federal expenditures nor the costs of reclamation will have any inflationary impact.

The coal industry can afford the cost of reclaiming strip mined land. What it cannot afford is to undermine its credibility with Congress and the public by misrepresenting the provisions of this legislation and its ability to comply with them. What it cannot afford is the continuing uncertainty created by the failure to resolve this issue.

FEA's comprehensive energy plan points out that "uncertainties" concerning surface mining control "have delayed the opening of new mines."

I hope that the President will follow the advice of Secretary Morton who is most familiar with the bill and chairman of the administration's Energy Resources Council and resolve the major uncertainty by approving the bill we send to him today. I would remind the President that the Senate passed S. 425 by a vote of 82 to 8. The House of Representatives passed its amendment to S. 425 by a vote of 291 to 81. This overwhelming support reflects the feelings of the American people about the need for Federal legislation now.

If the President is determined to veto the bill, I urge him to return it immediately so that Congress will have an opportunity to override the veto. It would be very unfortunate if a President who has not been elected by the people should choose to prevent the people's elected representatives from once again expressing their strong views about surface mining.

In any event, the administration and the coal industry should be aware that if this bill does not become law, the 94th Congress will enact even stronger legislation early next year with or without Presidential approval. I would also expect that there would be no leasing of Federal coal until surface mining legislation is enacted.

Early in the 94th Congress, I will do everything I can to see that it is passed without delay.

May I say, Mr. President, I had the coal industry on my back opposing the bill that I introduced several years ago. They said it was too tough and the bill died in the Congress. Then they came back 2 years later and asked me to support the bill that they had opposed.

I think we have had enough of this nonsense. I want to see both a good environment and a viable coal industry.

But in their desire to oppose this bill and to see it vetoed, the industry is making a bad mistake. I am convinced that in the new Congress they are going to get a much tougher bill and that Congress will override any veto.

I hope the President of the United States will do his best to support this legislation. Why not listen to the man who has been handling it all these years the Secretary of the Interior, Mr. Morton, who supports the legislation in the conference report before this body. I have respect for Mr. Zarb, but he has been in office only 2 days and wants to veto it. I suppose it will be vetoed as announced, but I am serving notice on the administration that come next year we are going to move a bill forward and it is going to have more stringent regulations in it than this one.

Mr. President, I wish to congratulate all my colleagues on the Interior Committee who worked on this bill, particularly those who served on the conference committee. I am especially grateful for the untiring efforts of the Senator from Montana (Mr. METCALF) who took the lead in our committee consideration of the bill and Senate approval last year and in the conference committee. The entire Nation will benefit from his work during the years ahead.

I am very pleased that the conference report retains the basic approaches of the Senate bill which I introduced in January of 1973. The basic overriding principle was then and continues to be, that land which cannot be adequately reclaimed should not be surface mined. The conference report also retained the provision of the Senate bill calling for a study and legislative recommendations for additional legislation to regulate surface mining of minerals other than coal.

Together with many of my colleagues, I was concerned about the public policy issues involved in the provisions of both the Senate and House bills dealing with the protection of private individuals who own the surface estate overlying Federal coal. I was particularly concerned about the implications of the House provision for "surface owner consent." I believe that the compromise approach adopted by the conferees balances the legitimate interests of farmers and ranchers and the interests of the American people in the use of their coal resources.

The conference report adopts a limited surface owner consent provision which does not go into effect until February 1, 1976. Until that time there would be a moratorium on further leasing of Federal coal underlying private surface.

Mr. President, during the last several months the coal and electric utility industries have urged a rapid large-scale leasing of Federal coal in the West. They stress that Federal coal is "low sulfur." However, the relatively low-sulfur content of much western coal is, in many instances, substantially offset by its low Btu value. The significance of this fact is brought out in the "Preliminary Report of Coal Drill Hole Data and Chemical Analysis of Coal

Beds in Campbell County, Wyo., prepared by the U.S. Geological Survey and the University of Montana Bureau of Mines and Geology. This report shows that the majority of coal samples tested are "high sulfur" at least in terms of violating air pollution standards for coal burning powerplants.

It is absolutely vital that we have a strong Federal surface coal mining law and a substantial revision of the Federal coal leasing laws—such as that approved by the Senate on July 8 (S. 3528)—before there is any large-scale Federal coal leasing. I ask unanimous consent that a letter that the Senator from Montana (Mr. METCALF) and I wrote to Secretary of the Interior Morton about Federal coal leasing policy be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. S. 425 is supported by a broad spectrum of labor, farm, consumer, utility, and environmental organizations including the following list:

AFL–CIO, American League of Anglers Appalachian Coalition, Consumer Federation of America, Environmental Action, Environmental Policy Center, Friends of the Earth, Izaak Walton League of America, League of Women Voters, National Association of Conservation Districts, National Association of Wheatgrowers, National Audubon Society.

National Farmers Organization, National Farmers Union, National Grange, National Rural Electric Cooperative Association, National Wildlife Federation, Northern Plains Resources Council, Montana Powder River Basin Resource Council, Wyoming Public Citizens' Congress Watch, Sierra Club, Wildernes Society, United Auto Workers, United Mine Workers.

I urge adoption of the conference report.

I reserve the remainder of my time.

EXHIBIT No. 1

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS
Washington, D.C., November 19, 1974.

HON. ROGERS C. B. MORTON,
Secretary of the Interior,
Washington, D.C.

MY DEAR MR. SECRETARY: On July 8, the Senate unanimously passed S. 3528, the Federal Coal Leasing Amendments Act of 1974. This bill was the result of extensive hearings on Federal coal leasing policy conducted by the Subcommittee on Minerals, Materials and Fuels and hearings on coal policy issues and Federal mineral leasing and disposal policies conducted during the last two years by the National Fuels and Energy Policy Study. It draws heavily on the proposals made by your Department for changes in the Federal mineral development laws. The Committee's report on S. 3528 states:

"The Committee is convinced that the changes in the basic coal leasing law, which would be made by S. 3528, should precede any large-scale Federal coal leasing program. Otherwise, billions of tons of coal may be placed into private hands under the provisions of a law which the Committee, the Administration, citizens of the area involved, the General Accounting Office, and other independent analysts all agree is outmoded and not in the public interest."

If S. 3528 is not enacted this year, the Interior Committee will act rapidly on coal leasing policy legislation next year. We support development of domestic energy resources in a realistic and responsible manner. Thus, we are convinced that the current coal leasing moratorium should continue until the Federal law has been changed and comprehensive land use plans for the areas which will be impacted by coal development have been prepared. This moratorium permits coal leasing where necessary to continue an existing mining operation or to provide adequate short-term coal reserves.

We are deeply concerned about the possibility that the current energy situation will lead to premature decisions to proceed with large-scale coal leasing when the impacts of such action are not fully understood. The issuance of such leases could, for all practical purposes, commit the land, water, and air resources of the area to development of surface mines, electric generating plants, coal gasification and liquefaction plants, water impoundments and new communities without adequate consideration of other alternatives and environmental, social, and economic impacts, and without adequate opportunity for advance planning by the communities involved.

We know that the coal and electric power industries are placing increasing pressure on the Administration to end the current moratorium and to lease large quantities of Federal coal. However, there must be a better understanding of the problems associated with surface coal mining in the arid and semi-arid regions of the West before turning more Federal coal over to private industry.

Perhaps the two most crucial areas in which more information is needed are hydrology and the reclamation of mined lands. Hydrology is particularly crucial in the West. Because there is little rainfall, fairly intensive irrigation probably will be required to re-establish adequate vegetation after mining. Furthermore, many coal seams in the West are major aquifers and not enough is known about the impact of surface mining on them. For example, according to a recent study by the National Science Foundation, surface coal mining near one western community would de-water such aquifers, affecting the source of water for several hundred wells. There is also great uncertainty about the feasibility of reclaiming arid and semi-arid lands. Most experts agree full vegetative restoration cannot be achieved in these areas for as long as 20–25 years after restoration has begun.

These problems have been highlighted recently in a number of documents published by your Department. The Draft Report of the Northern Great Plains Resources Program points out that large-scale coal development in the Northern Great Plains States will have far-reaching social and economic impacts in addition to the more frequently considered environmental impacts. The report repeatedly points out that the nature and extent of these impacts cannot be adequately assessed because of lack of technical data. This is particularly true of the cumulative impacts of large-scale surface coal mining and coal gasification and liquefaction and electric generating activity. Similar conclusions appear in the Draft Environmental Impact Statement on Proposed Federal Coal Leasing in the United States of America.

The Final Environmental Impact Statement on the Proposed Development of Coal Resources in the Eastern Powder River Basin of Wyoming graphically illustrates the massive changes which will take place as a result of surface coal mining and related activities in a relatively limited geographical area.

During the last several months, much of of the coal and electric power industry emphasis on the need for development of Federal coal has stressed the fact that it is "low sulfur" coal. However, the relatively low sulfur content of much Western coal is, in many instances, substantially offset by its low BTU value. The significance of this fact is brought out in the "Preliminary Report of Coal Drill Hole Data and Chemical Analysis of Coal Beds in Campbell, Wyoming," prepared by the U.S. Geological Survey and the University of Montana Bureau of Mines and Geology. This report shows that the majority of coal samples tested are "high sulfur" at least in terms of violating air pollution standards for coal burning power plants. This casts considerable doubt on industry's arguments that Western coal would keep a power plant within new source performance standards and thus prevent violation of air quality laws.

Federal coal is only part of the Western coal supply picture. There are 252,000 acres of Federal coal already under lease in the Northern Great Plains States. However, the Draft Report of the Northern Great Plains Resources Program indicates that the total coal acreage under lease is at least 2,135,000 acres. In view of the many billions of tons of Western coal—Federal, state, and private—now owned by or leased to energy companies, we see no need to lease any more Federal coal in the immediate future. Given the tremendous uncertainties about the impact of surface coal mining on air and water quality, water supply, soil productivity, and the future of food and fibre production, we believe that rapid leasing would be a grave mistake.

In view of all these serious uncertainties, we would like to know what the Department's plans are with respect to future Federal coal leasing. Please answer the following questions:

1. Does the Department plan to use the Energy Minerals Allocation Recommendation System (EMARS) developed by the Bureau of Land Management?

2. What is the status of the following activities which the Department has had underway for some time:

a. The incorporation into EMARS of data from the Northern Great Plains Resources Study;

b. The preparation of surface and mineral ownership management maps through a coordinated effort of the Bureau of Land Management and Geological Survey;

c. A complete analysis of current leases;

d. Possible changes in regulations and lease stipulations requiring diligent development coal resources; and

e. The completion of the final coal programmatic environmental impact statement.

3. How much acreage and tonnage do you expect to lease in the next five years?

4. How are you going to determine the amount to be leased?

5. When and where will leasing take place?

6. Will the leases contain terms and conditions designed to assure production? What will they be?

7. What method of leasing will be used?

8. What will the rental and royalty rates be? How do these compare with rents and royalties received by States and private coal owners?

9. What are the Department's plans for intergovernmental coordination and public participation in any coal leasing program?

10. What plans does the Department have to monitor the environmental impacts of coal development? This would seem particularly important for future leasing decisions.

11. Do you plan to issue any more prospecting permits?

12. What action do you plan to take on pending applications for preference right leases? Does the Department still hold to the view that it has no discretion in the issuance of such leases despite the basic discretionary leasing authority clearly set forth in the 1920 Mineral Leasing Act and the provisions of the National Environmental Policy Act of 1969?

13. What is the current status of *Sierra Club v. Morton*, the litigation involving coal development in the Northern Great Plains, which is currently pending in the United States Court of Appeals for the District of Columbia Circuit?

14. What is the status of the Northern

Great Plains Resources Program? What are the funding and manpower levels for FY 1975 and what levels are proposed for FY 1976?

15. What are your views on the coal policy options presented in the Project Independence Report?

16. What is the Administration position on S. 3528 as passed by the Senate?

We would appreciate your responses to these questions and any other comments you may wish to make as soon as possible.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials, and Fuels.

Mr. METCALF. Mr. President, this conference report represents 2 years of hard work by many Members on both sides of the aisle in the Senate and the House to develop the first Federal legislation to regulate surface coal mining. It is a finely balanced bill that assures that we can satisfy our energy needs while still protecting our environment. The House of Representatives has already agreed to the report.

Mr. President, the Senate and House conferees have worked since August to resolve many substantial differences between the two bodies. I believe that the conference report is a fair compromise of those differences, although there are features of the Senate-passed bill that I wish had been accepted by the House.

MAJOR PROVISIONS

The joint statement of the managers explains the conference report in some detail. For the benefit of my colleagues, however, I will highlight the most significant features:

First. Environmental standards.—The conference report establishes the basic standard that lands may not be surface mined unless they can be reclaimed. It includes the following environmental protection standards: Prevention of dumping spoil and overburden downslope in mountainous areas; a requirement that mine sites be regarded to approximate original contour, including backfilling the final cut to eliminate highwalls; revegetation measures to assure land stability and long-term productivity; and water protection standards directed at protection of water quantity and quality. The latter will be particularly significant in maintaining the delicate hydrologic relationships in the West and preventing acid mine drainage in the East. The environmental performance standards are not inflexible, however, as the report provides for variances from these standards in order to allow certain planned post-mining land uses.

Second. State responsibility.—The report gives the principal responsibility for surface mining regulation to the States. The States are given 30 months to prepare adequate regulatory programs to meet the minimum standards in the act. Federal funding is available to help the States prepare and enforce such programs.

Third. Surface impacts of underground mines.—The report also treats surface impacts of underground mines such as those resulting from mine waste disposal. In particular, mine waste embankments are covered by rigorous engineering requirements, in order to prevent failures such as occurred at Buffalo Creek, where an embankment gave way resulting in the death of 125 persons.

Fourth. Reclamation of orphan lands.—The report establishes a reclamation program to repair past damages from both surface and underground coal mines in all regions of the country. In addition, assistance is provided for the construction of public facilities in order to ameliorate the impact of rapid coal development. For 10 years, a reclamation fee of 35 cents per ton for surface mined coal and 25 cents per ton for underground mined coal, or 10 percent of the value of such coal, whichever is less, is assessed in order to provide for the reclamation program. At the present rate of production this amounts to approximately $165 million per year. One-half of this money must be spent in the State in which it is collected.

Fifth. State mineral institutes.—The bill also authorizes the Secretary of the Interior to establish State mining and mineral resources research institutes at State or other eligible universities. These institutes will perform research on mineral extraction and processing technologies, and train engineers and scientists to serve the need of the Nation's mining industry. This program should help to avoid future materials and personnel shortages.

Sixth. Surface owner protection.—Both the House and the Senate recognized the special problems that arise where coal deposits have been reserved to the United States but title to the surface has been conveyed to private individuals. The Senate bill dealt with this problem by prohibiting any leasing of Federal coal lying under land not owned by the United States. The House amendment instead provided that such coal could be leased only with the consent of the surface owner.

The conferees ultimately agreed that neither approach was wholly right. Just as there should not be an absolute prohibition to development of a natural resource belonging to all the citizens of the Nation, so there ought not to be an opportunity for an individual owning land to reap a windfall in order to obtain his consent.

The conference report establishes as Federal coal leasing policy a requirement that the Secretary of the Interior not lease for surface mining without the consent of the surface owner Federal coal deposits underlying land owned by a person who has his principal place of residence on the land, or personally farms or ranches the land affected by the mining operation, or receives directly a "significant portion" of his income from such farming. By so defining "surface owner," the conferees seek to prevent speculators purchasing land only in the hope of reaping a windfall profit simply because Federal coal deposits lie underneath the land.

At the same time, so that there will not be any undue locking up of Federal coal, generous compensation is guaranteed to the surface owner, based not only upon the market value of the property of the land, but also the costs of dislocation and relocation, loss of income, and other values and damages.

The procedure for obtaining surface owner consent is intended to assure that the surface owner will be dealing solely with the Secretary of the Interior in deciding whether or not to give his consent to surface coal mining. Penalties would be assessed to discourage the making of "side deals" in order to circumvent the provisions of the bill.

ADMINISTRATION'S CONTRIBUTION

Mr. President, the Congress has worked in close cooperation with the Department of the Interior, the Federal Energy Administration, the Environmental Protection Agency, and other representatives of the administration. In an address to the American Mining Congress on October 7, Secretary of the Interior Morton described this close cooperative effort as follows:

> The Department of the Interior has had a hand in shaping congressional action on new surface mining legislation. Bills were introduced into the Congress calling for imposition of stricter regulations of surface mining. These bills varied widely and each had strong support from various sectors. The Congress has now resolved the differences and has come forth with a workable bill which will do the job of protecting the environment and still provide greatly increased supplies of coal—our most abundant fuel.
>
> Interior's expertise has been available to the call of the Congress and has made valuable contributions to the drafting of the surface mining regulations.
>
> We feel that the legislation enacted by the Congress will be a wise and good piece of legislation which will pay our debt to the past without unduly burdening the present—nor mortgaging the future.

IMPACT OF THE BILL

Mr. President, in spite of this careful work and bipartisan cooperation, there are some who allege that this bill is inflationary and will impede the production of coal while raising its price. I would like to address each of these erroneous allegations briefly.

First. Impact on Federal spending.—The Library of Congress has done an independent estimate of the economic impact of the bill. This study concluded the Federal spending for administration, enforcement, and research under the conference report would have an "essentially negligible" impact on present Federal budget estimates even if recommended reductions are made.

Second. Cost of reclamation to coal producers and consumers.—The Library study considered the impact of both the reclamation fee and the cost of meeting the reclamation standards. It also made deliberately high estimates of reclamation costs. The study concludes that:

> Reclamation costs are both small when matched with prevailing market prices and these market prices are themselves registering dramatic gains that are mainly unrelated to increased costs, reclamation or otherwise.

The study concluded that—

> The expense of enhanced environmental standards would not compel a net addition to consumers' energy costs until traditional relationships between production costs and market prices are restored—not a likely prospect for several years. And this observation leads to one further vital point: increases in

the price of one commodity are not commonly understood to boost general price levels within an efficiently operating market system.

Mr. President, I ask unanimous consent that the Library of Congress study be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. Mr. President, third, the surface coal mining legislation has been subject to one of the most intensive lobbying efforts on all sides that I have ever seen. Many comments, including those from coal industry representatives, have been helpful in working out the conference report. However, the latest statements by industry representatives, particularly the National Coal Association, are so patently exaggerated, self-serving, and misleading that they must be corrected.

The National Coal Association claims that this bill would preclude the production of at least 119 million tons of coal a year. However, in its most recent comments the administration estimated that the bill might reduce current production by 14 to 38 million tons. I would remind my colleagues that the administration has admitted in the past that it overstated potential losses from the House bill. The Bureau of Mines estimates of probable losses are even lower than the administration figures.

More importantly, all these figures exaggerate any anticipated impact of the bill because they assume that the industry will be deterred from coal mining. At current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a dimunition in production at present prices, much less those anticipated in the future, and it is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations—for example, to areas which can be prudently mined—in estimating the impact of this bill.

The National Coal Association also claims that the bill will result in a 55 percent increase in utility fuel costs. This claim is based on replacement of their grossly inflated estimate of coal losses solely by imported oil costing $12 per barrel. As already indicated, domestic coal can and will, I am sure, fill any gap.

NCA also implies, again on the basis of totally unrealistic assumptions, that electric rates to consumers will increase on an order of magnitude similar to fuel increases. However, according to Bureau of Mines calculations, the maximum cost to the electric consumer of implementations of this bill will be no more than 6 mils per kilowatt hour. To the average consumer, this represents an increase in electric bill of 12 cents to 36 cents per month on their electric bill. Surely American consumers are willing to pay this few cents to protect the hills of Appalachia and the productive agricultural lands of the Middle West and the Northern Great Plains.

The NCA discussion of consumer costs also ignores the fact that only 55 percent of national electric generating capacity is fired by coal, so that, unlike what is implied by NCA, not all electric consumers will be affected by this Act.

The American Mining Congress claims that the bill "can result in a practical, though perhaps unintended, moratorium" on new mines. They base this statement on the possibility that State programs may not be approved within the 30-month interim period. The AMC then assumes that this possibility will deter investment in new surface coal mines.

The AMC objection totally ignores the clear statutory directive for implementation of a Federal regulatory program where a State does not submit an acceptable program. This provision eliminates the possibility of a shutdown which is the basis for the American Mining Congress objection.

CONCLUSION

Mr. President, Federal legislation to regulate surface coal mining is long overdue. Enactment of S. 425 will enable the industry to proceed with development of our Nation's vast coal resources in a manner which will assure that the other natural resources of our country will not be unnecessarily damaged.

I want to take this opportunity to thank all of my Senate colleagues who have worked so hard on this bill. I am particularly grateful to the Senator from Wyoming (Mr. HANSEN) for his fine cooperation.

The House has approved the conference report, thus Senate approval today will complete congressional action on this historic measure. I urge the adoption of the conference report.

Mr. President, I would like to point out a typographical error in the joint statement of managers. The discussion of designation of Federal lands as unsuitable for surface coal mining should read as follows:

7. *Designation of Federal Lands as Unsuitable for Surface Mining*—Section 522(b) directs the Secretary of the Interior to review the Federal lands to determine whether there are areas which are unsuitable for surface coal mining operations. It is not the Conferees' intent to preclude surface coal mining on Federal lands until this review is completed.

EXHIBIT No. 1

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., November 15, 1974.

To: House and Senate Interior Committee.
Attention: Michael Harvey, Don Crane.
From: Economics Division.
Subject: Potential inflationary impact of S. 425—H.R. 11500.

As discussed, treatment of this subject has been confined to two particular aspects of the proposed legislation's effects: the fiscal burden imposed by necessary public expenditures and the increased cost to private firms of compliance with mandated reclamation objectives.

FISCAL BURDEN

Authorized public spending for the administration, enforcement, and research attendant to the Strip Mining bill, together with the Interim and Indian Lands programs, would total $35 million. In terms of impact on general economic and fiscal aggregates—private and public demand levels, present budget estimates, and even recommended shifts in Federal spending—this sum is essentially negligible.

The influence of fiscal policy on output, employment, and prices is determined by the relative balance of revenues against outlays; a strong case currently argues that lack of discipline in past years accounts for much of our immediate difficulties with inflation. But the steady increases in living costs since 1965 followed persistent and vast Federal deficits whose pattern was set not by incremental boosts in relatively small Federal programs, but by an unplanned or unplanned-for growth in the responsibilities of our national government. The cost of implementing S. 425—H.R. 11500 should certainly enter into future calculations of needed tax receipts—the "fiscal impact" of this measure will be determined by the willingness to finance it and other spending programs out of current revenues. Yet even if expenditures required by the bill constituted an uncompensated-for addition to prevailing budget commitments, its magnitude severely limits any possible impact. By way of comparison: $35 million represents about .0116% of present Federal spending; assuming a rather generous multiplier of 3.0, and further premising that all additional spending pushed prices rather than real production up, $35 million translates to a $105 million boost in total public and private demand—or enough to feed a "demand-induced" inflation of about .007% per year.

Even when measured against shifts in Federal spending now under consideration, this legislation's funding requirements loom slight. S. 425—H.R. 11500's first year commitment of $25 million is about one half of one percent of the often urged $5 billion cut in overall Federal outlays. Trimming even this latter, more substantial, amount from the 1976 budget would bring only marginal relief from inflation, according to standard forecasts (Data Resources, Inc., a Cambridge-based econometric forecaster, projects a reduction of .1% in the Consumer Price Index consequent to a hypothetical $9 billion spending cut).

Such observations do not deny the importance of renewed discipline in government budgeting as a tool of economic management—they merely demonstrate that changes in either expenditures or tax schedules must be both large and sustained to work any significant alteration on general economic conditions. With or without S. 425—H.R. 11500, the task will remain precisely the same: seeking a workable convergance between spending and revenue trends. In the fiscal 1975 budget, the Administration foresaw a 1979 "full employment" surplus of $37 billion, under existing programs and commitments. Somewhat more realistically, Data Resources projects a surplus of about $6 billion in 1979 under anticipated less-than-full employment conditions. Even this smaller figure indicates that there is room within long-term fiscal trends for moderate expansion in modestly funded programs; massive new commitments would, of course, require equivalently substantial funding measures.

COST OF RECLASSIFICATION TO PRODUCERS AND CONSUMERS

The relative inconsequence of S. 425—H.R. 11500's fiscal impact traces to the bill's fundamental approach: placing on private industry and the free market the real burden of adequate reclamation progress. The legislation's cost to producers of coal—and their customers—would take two basic forms: 1) Payments into a reclamation fund of 35c per ton of coal produced with a ceiling of 10% of the mine-value on this payment; 2) The costs of compliance with mandated reclamation standards set by S. 425—H.R. 11500 and the regulatory machinery it establishes. (This latter cost would be partially prepaid via performance bonds refundable upon satisfactory compliance.)

Precise quantification of the likely impact of these twin cost elements is of course impossible. But examination of their relation to present and prospective coal prices can indicate an "order of magnitude" or scale against which to assess their importance. Combining the 35c/ton reclamation fund payment with a high estimate of reclamation requirements of 81c/ton (average cost, Appalachian region, at $4,000/acre restoration costs—House Report 93–1072) we obtain a burden of about $1.15 per ton of coal.

Against this deliberately generous calculation of reclamation costs we have the following price data for delivered coal:

June, '74 average price for all coal, spot and contract was $15.17 per ton, according to the FPC, including an average spot price of $25.84 per ton;

The Wholesale Price Index, relying chiefly on spot transactions reports Pennsylvania anthracite selling at $35.464 per ton in October, '74;

According to the WPI, from February, 1971 through October, 1974, bituminous coal prices rose 125%, anthracite 93% and all coal averaged a 114% gain.

Comparison of the above figures establishes two basic points: reclamation costs are both small when matched with prevailing market prices and these market prices are themselves registering dramatic gains that are mainly unrelated to increased costs, reclamation or otherwise. The link between coal prices and a cartel-dominated petroleum market is probably sufficiently understood to require little elaboration. With delivered residual oil selling at twelve dollars a barrel, a "BTU parity" price for coal could range up to $50/ton. Given coal's disadvantages in emission control, ease and cheapness of use, a figure of $40/ton may seem more reasonable and recent press reports have indicated substantial selling at or near this level. In any case, spot coal sales and, eventually, contract coal must tend toward a basic equivalency with prices set in the overall energy market. Long-term coal contracts with escalator clauses based on certain classes of cost increases may accelerate the achievement of this parity given boosts in industry expenses from reclamation, labor payments and safety goals, but none of these factors can significantly alter the fundamental trend. Indeed, the present disequilibrum condition of energy markets—with prices bearing little relation to total cost and normal profit levels—ironically provides the one situation in which increased industry costs would not expectantly affect prices. The expense of enhanced environmental standards would not compel a net addition to consumers' energy costs until traditional relationships between production costs and market prices are restored—not a likely prospect for several years. And this observation leads to one further, vital point: increases in the price of one commodity are not commonly understood to boost general price levels within an efficiently operating market system. During the relative price stability of the 1950's and early 1960's, for example, coal prices fluctuated by substantially wider margins than that represented by reclamation costs as a proportion of present coal prices. Inflation in the price of one commodity or commodity group becomes a plausible cause of general inflation only when the increase is so substantial, and so sudden, as to frustrate the stabilizing mechanisms of free markets. Such is obviously the case during the past two years for agriculture and petroleum—two of the largest economic sectors whose price levels, at the raw stage, more than doubled within an extremely brief timespan. There is no reasonable way of concluding that these reclamation expenses, marginal when compared to prevailing prices and gradual in their direct impact on a disordered market, could play a similar role in the future.

NOTES: FISCAL REQUIREMENTS OF UNEMPLOYMENT ASSISTANCE

Higher prices and an expanding market for domestic energy guarantee, according to virtually every scenario, increased job opportunities in the coal industry. Yet provisions of S. 425—H.R. 11500 may necessitate the temporary idling of skilled surface-mining employees presently working in areas or tracts on which reclamation objectives are less immediately practical. For these workers, unemployment payments are offered conditional on the reason for unemployment and exhaustion of other benefits. Estimation of the likely charge on public funds from this provision is necessarily speculative, given the flexibility in interpretation permitted by the bill, but several benchmark comparisons can be made:

From 1962 through 1974, unemployment assistance was offered to a total of 48,000 workers at a cost of $68 million (or an average of slightly above $5 million per year) under Trade legislation which required that foreign competition constitute a "Major Cause" of job loss. This law potentially covered workers employed throughout private industry, versus about 50,000 workers involved in surface-mining. In addition, S. 425—H.R. 11500 eligibility clause requires that job loss be a "direct result of the closure of a mine which closed as a direct result of the administration and enforcement of this Act", seemingly a more severe limitation than the "Major Cause" rule for trade-based assistance.

Assume that a 10% slippage in coal production translates to a temporary reduction of 20% in strip-mining production and jobs, idling 10,000 workers; maximum unemployment assistance payments in affected states are well below $100 per week—multiply this amount by 5,000 workers (positing that fully half of idled workers exhaust original unemployment benefits) and expenditures totaling about $25 million per year become necessary. This calculation is premised on such liberal assumptions (including the assumption that eligible workers receive a full year's additional benefits) as to far exceed a realistic cost projection; yet its final magnitude is such that, following the reasoning used in earlier discussion of fiscal impact, no significant effect would register on overall budget and demand levels.—DAVID L. WHITEMAN, Economic Analyst and HENRY CANADAY, Economic Analyst.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Washington has 5 minutes remaining.

Mr. JOHNSTON. I thank the distinguished Senator from Washington.

Mr. President, the procedure for obtaining surface owner consent spelled out in section 716 is intended to assure that the surface owner will be dealing solely with the Secretary in deciding whether or not to give his consent to surface coal mining. It is the intent of the section that the Secretary would not hold a lease sale of any Federal coal deposits subject to this section until after the surface owner has given his consent. Furthermore, the Secretary would not actually enter into a lease until the high bidder at the competitive sale had agreed to paying the value of the surface owner's interest as determined pursuant to subsection 716(e).

Subsection 716(e) specifies certain losses and costs for which the surface owner will be compensated. These include loss of income during the mining and reclamation and any other damage to the surface. It is the intent of the subsection that these items be related to effects of the surface coal mining operation off the land for which fair market value is paid. It is not the purpose of section 716 that both fair market value of land, plus loss of income from and damages to such land, be paid to the surface ower.

Subsection 716(g) includes within the term "surface owner" a corporation "the majority stock of which is held by a person or persons who meet the other requirements" of subsection (g). It is the intent of this subsection that reference to "the majority stock" include each class of stock of a corporation.

Mr. President, I am one of those Senators who is not from a State that will be subject to surface mining, but a State which does have an interest in getting out the coal, and with that underpinning in my outlook on this bill, I was appointed a member of the conference committee.

I did not want to be for any bill, Mr. President, that would tie up, lock up, the coal reserves in this country or that would prevent this country from getting adequate supplies of coal at cheap prices and at an environmental price we could not afford to pay.

Mr. President, after a great deal of study and soul-searching, I endorse the conference report. I endorse this bill, because I think it is a bill we can live with. I think the chairman of the Interior Committee, the Senator from Washington (Mr. JACKSON) is entirely correct.

This bill was very much watered down in terms of what the environmentalists asked for. They wanted to go much further than this bill.

As my good friend, the Senator from Arizona can attest, a lot was done to make this more compatible and to make this more acceptable from the standpoint of the coal mining companies.

So I think it is a bill we can live with. It is not what the coal mining companies want. Perhaps it is too expensive for them, but it fails a long way from being all that the environmentalists want.

One final point, Mr. President, there was a great deal of discussion in the conference committee on the question of what is the surface owner entitled to in terms of value, is he entitled to only the value of the surface estate or is he entitled to some component of value for the coal under the ground?

The question presents itself in that the language of the act states that the surface owner is to take into consideration the value of the surface estate plus certain other items designated in section 716(e).

The conference never came to grips with the basic question of whether or not the surface owner is entitled to a component of value by reason of the fact that other surface owners in the area have sold their property for higher prices, owing to the uncertainty of their rights. You might refer to them as the litigious rights of the owner.

Mr. President, I think that this bill is a good one. I believe it ought to be supported on both sides of the aisle. I would strongly recommend to those who want to get the maximum amount of coal at the cheapest price that the President not veto this bill. The next one can be much more expensive, both in terms of cost to the coal mining companies and expensive because of the delay it will cause in the investment which must be made dependent upon a certainty as to what the state of the law should be.

I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield myself 2 minutes.

I would just like to say to the distinguished Senator from Washington, the floor manager of the bill, and the distinguished Senator from Louisiana that I agree we had a good bill in S. 425. When it came out of the Senate, as you recall, I voted for it. I believe they will agree that we lost almost every battle over specific provisions during the Senate-House conference, and we did not end up with a good balanced bill. It was a bad compromise. It was something grasped at the very last moment. To get a bill too many compromises were made. This is the trouble with the bill.

Here we are, giving away the people's right to their own property. This was brought out by the distinguished Senator from Louisiana who continuously fought to keep that from happening. I praise him for that.

But in order to get a bill he finally agreed.

We should take note of what the Secretary of Interior said when he wrote to us on November 19. He outlined the faults of the bill, what it would cost, the tremendous contribution to inflation that would come about if the provisions we finally put in the bill were adopted.

He said:

> When fully funded the bill would involve Federal expenditures of approximately $90 million annually.

He went into detail on the loss of production. It was just devastating, and it is *devastating*.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. FANNIN. Of course, as I brought out before, there is the tremendous economic loss of $6.2 billion—to this economy.

Mr. President, I yield myself another minute.

This does not even include the cost of utilities converting to other forms of fuel, which is impossible to now calculate.

Mr. President, I think that we must consider the changes made in the bill, and the devastating effect that those changes have on the production of coal. I brought out that we are going to lose one-sixth of our total production based on last year's production figures of 600 million tons of coal.

I feel, Mr. President, this is too costly a price to pay. This would mean that we would import tremendous amounts of petroleum products to make up for this differential.

The cost for total replacement of energy by imported oil would mean we would need an additional 224 million barrels of imports which would increase our foreign exchange deficit by $269 billion.

Mr. President, I feel that this is absolutely devastating legislation and should not be approved.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. FANNIN. I yield time to the distinguished Senator from Wyoming. I yield 2 minutes.

Mr. HANSEN. Mr. President, throughout the arduous consideration of the surface mining legislation, I have made every conceivable effort to facilitate passage of legislation which would protect our Nation's environment and still allow for recovery of the resource. My three goals have been: First, to require reclamation of the mined lands; second, to treat the surface owners fairly and justly; and third, to allow our Nation to use its abundant supply of coal.

The President has indicated to Congress that he intends to veto this legislation. Apparently, the grounds for the veto are that the legislation will substantially reduce coal production, increase our vulnerability to the whims, caprice, and goals of foreign nations, and contribute to our Nation's economic problems. I do not know whether the President will immediately veto the bill or whether it will be pocket vetoed. According to Congressman UDALL, the chairman of the joint conference committee, the Members of the House of Representatives would sustain the Presidential veto. While I am hopeful that the bill might yet be saved, it appears that this Congress will adjourn without this legislation becoming public law.

While I am not in complete agreement with every provision in this legislation, I signed the conference report and intend to vote for final passage. If the President does veto the legislation, and I have no reason to anticipate otherwise, I am hopeful that there will be early action in the next session of Congress on legislation which will achieve the goals I previously outlined.

As the members of the joint conference committee can attest, we spent a great deal of time in resolving the surface owner protection provision of the legislation. This section is of critical importance to our Western farmers and ranchers who own the surface over federally reserved coal deposits. As I informed my constituency, I have reservations about the provision which the conference ultimately adopted. Bona fide farmers and ranchers who choose not to have their lands mined should have the right to withhold their consent. Farmers and ranchers who choose to give their consent should be fairly compensated.

While the legislation recognizes the right of surface owner consent, it does not adequately compensate those who choose to allow mining. The unduly restrictive language limits what a surface owner can receive in consideration for his giving consent. The inducement is not sufficient and could deny access to Federal coal which would otherwise be developed. The end result will be that those surface owners who favor the development of their lands will sell their surface to energy companies in order to circumvent the strict limitations on the amount that the surface owner can receive in exchange for giving consent for mining. This could negate the worthwhile objective that we have recognized—to encourage that these lands be restored and retained for agricultural production after mining.

At the appropriate time during this debate, I wish to pursue this subject with the distinguished Senator from Montana (Mr. METCALF).

Despite the apparent failure of this Congress and the President to adopt legislation which will become public law, it is significant that the Congress has at least recognized the right of surface owner consent. Hopefully, the next session of Congress will refine this issue in a manner which will preserve the right to say no to surface mining, and at the same time fairly compensate those who choose to say yes.

To clarify the long and detailed history of the debate over surface owner protection, I ask unanimous consent that at the conclusion of my remarks the following communications and their supportive documents be included in the RECORD: First, an October 16, 1974 speech of mine to this body; second, a memorandum to Wyoming Citizens dated November 22, 1974; and third, a subsequent letter to those same citizens dated December 6, 1974. These materials document the evolution of the surface owner protection provision which the conference committee finally adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, and 3.)

Mr. HANSEN. Mr. President, much has been and will be said about the deficiencies of this legislation. It behooves me to point out two provisions of the bill which I feel should be included in the legislation considered by the next session of Congress. The first is the amendment which my good friend LEE METCALF graciously calls the Hansen-Metcalf amendment, but which should obviously be called the Metcalf-Hansen amendment. The second is title VI of the pending legislation.

This Metcalf-Hansen amendment provides that the States can enact more stringent land use and environmental controls, and regulations of surface mining and reclamation operations that required by the Federal minimum standard. Ironically, if the members of the conference would have paid more heed to this amendment, I feel that we would have avoided the pitfall which we now face. We must recognize that with the vast climactic and topographic variations of our Nation that it is impossible to enact provisions which will meet the needs of every State. After the Federal minimum standards have been established, the States must have latitude to enact legislation which is specifically tailored to their own particular problems. Such an amendment is important to the coal producing States of our Nation. They are being called upon to produce energy for the consuming States. No Federal law can sufficiently protect the environment of the West and still be satisfactory for Appalachia and vice versa. Congress should establish the minimum standards and let the States take it from there.

Title VI of the legislation authorizes the Secretary of Interior, if requested by the Governor, to review Federal lands within the States to assess whether an area may be designated as unsuitable for mining operations for minerals or materials other than coal.

This title is significant for residential communities which overlie Federal mineral estates or are adjacent to Federal lands where mining operations would have an adverse impact on lands used primarily for residential or related purposes. Two communities which are acutely challenged with this particular problem are Story, Wyo., and Tucson, Ariz. The people of these communities deserve the protection which this title would afford them.

Mr. President, there is a need for balanced surface mining legislation. I earnestly hope that this Congress and the President will agree on legislation which will preserve our environment, allow for recovery of the resource, and avoid the socioeconomic effects which, absent legislation, surely would occur.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, Oct. 16, 1974]

THE FACTS ABOUT SURFACE MINING

Mr. HANSEN. Mr. President, members of a Senate-House joint conference on surface mining are deadlocked over disagreement on the bill's controversial surface owner consent provision. Further consideration of the issue has been postponed until late November.

In view of demands on Western States to supply energy for the Nation, I still am hopeful Congress will pass a surface mining bill which will protect our environment, preserve our quality of life, and still allow for recovery of the resource. No land should be mined that cannot be reclaimed.

I am very much concerned about protecting rights of surface owners—particularly farmers and ranchers—whose land may be affected adversely by coal development. They have title to the surface, but the United States reserved all coal and other minerals together with the right to prospect for, mine, and remove such minerals. Thus, the rancher owns the surface, but the subsurface, in the case of coal, has been leased or is leasable pursuant to the Mineral Leasing Act of 1920.

Present law provides that the mineral lessee must obtain written consent or execute a good and sufficient bond to secure the payment to the surface owner for any damages to the crops or to improvements, as well as for any damages that might be caused to the value of the land by loss of grazing.

During Senate Interior Committee consideration of the surface mining bill, it was advocated that the bonding provision be deleted. This would have given surface owners the final say as to whether their land would be mined. Senator MIKE MANSFIELD intended initially to sponsor such an amendment. However, he recognized such an amendment might be unconstitutional. Accordingly, he altered his proposal to limit coal surface mining to Federal lands. His amendment, adopted by the Senate, would have prohibited surface mining of all coal deposits where the surface is privately owned and title to the minerals is owned by the United States.

Most surface owners who contacted me prior to the Senate debate on the bill had been led to believe that the Mansfield amendment would give the surface owner the exclusive right to determine whether the minerals could be mined. But the Mansfield floor amendment was quite different. It gave the surface owner no right of determination, and precluded surface mining regardless of the intent of the surface owner. Although the amendment would permit underground mining, most of the coal in the areas affected by the amendment is so close to the surface, and the seams so thick, that underground mining methods would be wholly impractical, and in most instances impossible. The amendment is, in effect, a prohibition. Many Members of the Senate who initially supported the Mansfield amendment subsequently reversed their positions. Only one Senator on the conference committee voted for the Mansfield amendment.

The original Melcher amendment, as passed by the House of Representatives, would have required surface owner consent before mining operations could commence in those instances where the mineral estate is owned by the Federal Government, and the surface rights are held pursuant to a patent.

Opponents of the Melcher amendment said it conferred a mining veto on the surface owner that could constitute unjust enrichment and would have led to anticompetitive practices. Senator MANSFIELD maintained in a letter to the surface mining conferees that the Melcher amendment was antiagriculture. He questioned its constitutionality. Following is a quote from his letter dated August 2, 1974:

"Some of the best legal minds have serious questions about the constitutionality of "surface owner consent" . . . Can the Congress give absolute control of the utilization of the subsurface to a single party? Owner consent encourages the surface owner to hold out for an excessively high price for title to his land. The only coal interests that can meet these offers are the large corporate giants, thus, excluding the smaller coal developing companies and contributes to monopolistic conditions. No one interested in farming or ranching will be able to buy property at these prices. . . ."

Representative MORRIS UDALL, chairman of the conference committee, noted that:

". . . conferring a mining veto on the surface owner will not stop mining; it will mean rather that mining will follow an irrational pattern dictated by the willingness of individual surface owners, rather than the systematic development of the coal deposits best suited to mining and reclamation."

A substantial majority of the Senate and House conferees now are on record in opposition to both the original Mansfield and Melcher amendments. They feel a compromise should be adopted to guarantee that: no surface owner receives any "windfall" profits; the coal reserved for the people of the United States will not be locked-up; and, surface owners will receive fair and just compensation if the coal underlying their surface is mined. But an impasse resulted from disagreement over definition.

To break the deadlock, several members of the committee proposed amendments. I will not attempt to describe all of the proposals but I am hopeful the following discussion will help you to understand how the conference committee is approaching the solution to the problem.

It was proposed that the Mansfield amendment be modified to "grandfather in"—exempt—existing coal leases. However, after date of enactment all Federal coal deposits would be withdrawn from surface mining. The Secretary of the Interior would have the authority to revoke this withdrawal on a case-by-case basis, after a detailed study were completed. No new mines could be opened unless they were contiguous to existing logical mining units. The Secretary's revocation of the withdrawal would be subject to congressional review.

Senator HASKELL proposed that the coal lessee should obtain written consent or post a bond to secure the immediate payment equal to the fair market value of the land to be disturbed by the proposed operation, and to secure the subsequent payment to the surface owner of any loss of net income, and any reduction of the value of the surface caused by the mining operation.

Initially, I offered a compromise amendment which would entitle the surface owner to a 1 percent per ton royalty for all coal produced, as liquidated damages. I have never tied it to a specific price per ton, because I would not want to see ranchers locked into a fixed price in light of escalating costs and inflation. Members of the conference committee classified my proposal as a "windfall" for the surface owner, and rejected it because they said it would entitle the surface owners to excessive profits from minerals which belonged to the people of the United States. Some surface owners, on the other hand, thought it would imply that the coal companies would have authority to commence condemnation proceedings. This certainly was not the intent of the amendment.

Another Senator's proposal would have required written consent. However, it would have subjected surface owners and coal lessees to criminal prosecution and imprisonment of 1 to 5 years if more than twice the fair market value of the land were paid in exchange for consent. The modified Mansfield amendment, which I previously described, also was included as a part of this proposal.

Congressman MELCHER proposed that the original Melcher amendment be modified. According to him, it would require the following procedure:

"Appraisers, one of which is appointed by the landowner, would arrive at fair market value for the surface, improvements, loss of income, costs of relocation, and all other costs and damages. If the surface owner agreed to the price, the Secretary would then be able to make the lease. If the surface owner did not agree, the Secretary (of the Interior) would make no lease."

I felt none of the proposals would have resolved the impasse satisfactorily. The rancher is entitled to a better deal than the modified Melcher amendment would give him. I did not want to see surface owners locked into a fixed formula without opportunity to closely scrutinize the alternatives. Accordingly, in order that passage of the deadlocked surface mining legislation could be achieved, I proposed in the last session of the conference that the controversial surface owner protection provision be deleted from the legislation in its entirety. It would be more appropriately addressed in the next session of Congress.

Since we were in the 11th hour of the session, I contended that the important thing to do was to pass the legislation to assure that reclamation is required, that the land and waters of the United States will not be damaged, and that the extraction of coal needed to meet the Nation's energy requirements would not be blocked.

I do not believe that surface mining as it is practiced today was contemplated when the Federal Government reserved the mineral estates of much of the West. Generally, the coal was reserved pursuant to the Stock-Raising Homestead Act of December 29, 1916. It requires that all patents must contain a reservation to the United States of all coal and other minerals together with the right to prospect for, mine, and remove such minerals. The act did not specifically mention mining methods. After passage of the Stock-Raising Homestead Act, Congress did not address the issue of the surface owner rights until 1949. In that year, Congress passed a law which extended the liability for damages by strip or open pit mining methods to include the loss of the value of land by grazing.

Previously, damages were limited only to crops or improvements and the courts had held that grass was not a crop. The legislation explicitly recognized the strip and open pit mining methods.

Although a bond could be posted in lieu of written consent, written consent has generally been obtained before mining commences. This presumably accounts for the fact that the rights of surface owners overlying Federal coal have not been litigated.

Authorities disagree as to whether the Federal Government, having reserved the coal, has *the right* to surface mine it. I submitted to the conferees that by dropping this section of the bill, we would neither deny existing rights of the surface owner nor grant new privileges.

To guarantee that existing rights, whatever they may be, are not affected, I proposed that a new section be added to the bill which would provide that:

"Nothing in this Act shall be construed as increasing or diminishing any property rights held by the United States or any other landowner."

There was considerable speculation that if the conference failed to reach agreement prior to the congressional recess, the odds for achieving passage of a surface mining bill this year would be diminished considerably. In view of that, the Senate conferees unanimously voted to accept my amendment to delete the surface owner protection section. Several of the House conferees also voted in support of my amendment to delete, including my Wyoming colleague, Congressman Roncalio. His reports to the conference of recent surface sales would not indicate the present state of indecision is detrimental to the surface owner, another reason why I thought it made good sense to delete this section now.

Because the House delegation was unable to agree on a position, the House conferees will meet separately prior to resumption of the conference in late November to try to work up a new position. There is special concern, which I share, that the surface owner protection alternatives last submitted never were subjected to Senate or House committee hearings. This section is especially far reaching and potentially could radically affect the way of life of many farm and ranch families of the West, who have been on the land for generations. This subject should not be incorporated into law without careful attention to all aspects and possible ramifications of the law.

Should the conference at its late November meeting again fail to reach compromise on this controversial section and determine to delete it, I believe that surface owner protection should be the subject of separate legislation with full benefit of the legislative process, including field hearings in Wyoming and other areas that stand to be affected by such major legislative decisions.

There is adequate time remaining to thoroughly study and carefully develop new Federal doctrine on surface owner protection. There is in effect now a moratorium on leasing of all Federal coal.

Certainly the people of the West who stand to be most affected by such legislation are entitled to the opportunity for input that field hearings in their own localities would provide.

Exhibit 2

Committee on Interior and
Insular Affairs,
Washington, D.C., November 22, 1974.

To Wyoming citizens.

From Senator Cliff Hansen.

Re Recent developments on surface mining legislation.

On October 16, just before the Congress adjourned for the election recess, I reported to my constituents that "members of a Senate-House conference on surface mining are deadlocked over disagreement on the bill's controversial surface owner protection provision. Further consideration of the issue has been postponed until late November."

Now, on November 22, the conference committee is once again deadlocked over this same controversial issue, having filed again during a series of recent sessions to resolve the question. But a lot has happened since October 16, and many compromises have been debated. The original Melcher amendment, over which the controversy developed, has been amended, modified, expanded and altered to the point where it is no longer recognizable, or desirable, to its original supporters. This report is intended to bring Wyoming people up to date in the events since my October 16 report.

It was known before the conference committee ever met on August 7 that a majority opposed the Melcher amendment. Consequently, when the sessions began, one of the first actions conferees took was to overwhelmingly reject the original Melcher amendment, which had offered straight surface owner consent. The issue from that point forward for those of us concerned about the treatment of farmers and ranchers was how to achieve an acceptable compromise, particularly in light of strong opposition by a majority of Senators to any provision permitting landowners more than fair market value for their surface.

Since the Melcher amendment was rejected, conferees have debated literally dozens of compromise proposals and modifications of the original Melcher concept, none of which were acceptable to those Senate conferees who opposed surface owner consent. Illustrative of the many changes and additions in the original Melcher amendment is the fact that the most recent version of it (copy attached) was known as "the Jackson amendment to the Udall substitute for the modification of the modified Melcher amendment."

A majority of the Senate conferees, and some of the House conferees, have steadfastly maintained from the beginning that surface owner consent would reward speculators, rather than protect bonafide ranchers with coal beneath their lands. Hence, the conferees waded through countless modifications and additions intended to limit surface owner consent by defining which surface owners (farmers and ranchers) could qualify for consent by defining which surface owners aimed at excluding speculators.

The surface owner protection provision was loaded down with so many qualifying clauses, exclusion clauses, protective phrases and "clarifying" sections, that the last version did precisely the opposite of what conferees intended. It was conceded speculators could get around the provision in a variety of ways, but that bonafide farmers and ranchers, whose interest conferees had sought to protect, were penalized and restricted.

Finally, on November 21, it appeared conferees were ready to junk the monster the Melcher amendment had become, since it satisfied no one, and consider a fresh approach. I offered a substitute proposal which retained surface owner consent for bonafide farmers and ranchers without restrictions on the price they could receive for the land if they elected to permit mining; and which placed everyone except farmers and ranchers under the provisions of existing law with respect to property rights. A copy of my amendment is attached. It was approved by the House conferees nine to one (Rep. Morris Udall, Conference Chairman, voted against it); but there was a tie vote on the Senate side, where the amendment was opposed by Senators Henry Jackson, D-Wash.; Floyd Haskell, D-Colo.; Bennett Johnson, D.-La.; and Gaylord Nelson, D.-Wis.; and supported by myself and Senators Paul Fannin, R-Ariz.; Lee Metcalf, D-Mont.; and James Buckley, Conservative of New York. Following the deadlock, the conference adjourned, and efforts are now being made to persuade one of the four Senators who opposed my amendment to reconsider.

In proposing my amendment, I felt the Senate had to retreat from its adamant position against surface owner consent, and recognize with me the importance of a bill that would deal fairly with the genuine ranchers and farmers of the West, and at the same time make available the vast coal deposits to the nation in a time of energy crisis. By leaving out of my amendment the complex language restricting what a farmer or rancher could receive for permitting mining, and withholding the right of consent from nonfarmers and ranchers, the major objections to the extensively-modified Melcher proposal were largely satisfied.

From the beginning, I have sympathized with Wyoming ranchers seeking the right of consent concerning mining on their lands; but not until yesterday (November 21) was the atmosphere in the conference committee such that it would be possible to achieve anything resembling the original Melcher amendment. As it was, four members of the Senate conference still opposed my amendment on grounds it would over-compensate farmers and ranchers for use of federal coal beneath their land.

It is my intention to press for another conference session to reconsider my amendment, because I believe it is the most reasonable of the proposals discussed to date. Further, the vote on my amendment was the closest thing to an agreement achieved to date in the consideration of this issue.

It has been, and continues to be, my goal, to pass legislation that will treat fairly the farmer and rancher who owns surface, and at the same time give the nation access to energy. Hopefully, the conference will address these issues in a manner that will achieve these goals.

Sincerely,

Cliff Hansen,
U.S. Senator.

[From the Washington Post, Nov. 21, 1974]

Hill Conferees Disagree on Strip Mining

(By George C. Wilson)

House and Senate conferees failed to reach final agreement yesterday on a bill to regulate strip mining. The accord reached Tuesday night broke down.

The entry of Sen. Henry M. Jackson (D-Wash.), chairman of the Senate Interior Committee, into the tail end of the negotiations seemed to make the difference.

Jackson expressed strong reservations yesterday about the arrangement the conferees were on the verge of approving to protect the rights of people who own land on top of federal coal targeted for strip mining.

Rather than go along with language hammered out Tuesday night, and despite Rep. Morris K. Udall's (D-Ariz.) observation yesterday that "the Senate seemed to have accepted," Jackson suggested changes.

The upshot was that the House-Senate conference chaired by Udall went back to debating ways to protect the surface owner. The conferees ended up in a deadlock and scheduled another meeting for this morning.

"I want a bill," Jackson told the conferees. Unless a bill is passed by Congress this year, he said, there will be "great damage" to land in the West above the federally-owned coal to be sold to private companies.

Besides the environmental danger, Jackson warned, the coal industry would find itself saddled with "punitive legislation" if strip mining legislation were left to the next Congress rather than this one.

But Jackson, who has opposed giving people who own land atop federal coal a veto power over whether it is mined, indicated he would go along with requiring their written consent if the definition of surface owners were tightened. Jackson has argued that requiring written consent would make fundamental changes in existing federal law covering coal property.

He and Sen. J. Bennett Johnston Jr. (D-La.) suggested that only people who had owned the land before Jan. 1, 1961—or had inherited it since then—get the right to forbid strip mining. These same people would receive federal payments if they approved the mining in writing.

Johnston further proposed that for surface owners to qualify for written consent and compensation covered in the strip mining bill, the land to be mined would have to constitute "an essential or substantial portion of the ranching or agriculture operation."

The conferees, in the accord worked out Tuesday night, had rejected the pre-1961 proviso and opted instead for requiring ownership for three years before exercising any veto power over strip mining.

Because ranchers who qualified for the veto power and compensation would get the market value for land and then get it back after strip mining stopped, some lawmakers have called such payment a "windfall."

Udall, in asserting the majority of House conferees would insist on such consideration for the displaced ranchers, said: "It's not a windfall; it's simple justice."

Besides trying to give ranchers the right to veto strip mining on their property, the compromise House-Senate bill lays down a series of federal rules for surface mining in hopes of minimizing permanent damage to the land.

THE HANSEN AMENDMENT

The following amendment was offered November 21 by Senator Cliff Hansen as a substitute for the pending surface owner protection section of the surface mining reclamation bill. It would have replaced a Udall revision of the modification of the modified Melcher amendment on surface owner protection. The Hansen amendment was approved by the House conferees nine to one, but failed approval by the Senate conferees, who tied the vote at four to four.

SURFACE OWNER PROTECTION SECTION PROPOSED BY SENATOR HANSEN

Sec. 716(a) The provisions and procedures specified in this section shall apply where coal owned by the United States, under land the surface rights to which are owned by a surface owner as defined in this section, is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of federal coal deposits, the Secretary shall, in his discretion, but to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations.

(e) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface; and

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations.

(f) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(g) At the end of each one-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(h) This section shall not apply to Indian lands.

[From the Washington Post, Nov. 22, 1974]

STRIP MINE BILL MIRED IN HILL UNIT

(By George C. Wilson)

For the want of a single vote, the bill to regulate strip mining was derailed last night with little prospect of getting back on track in this Congress.

"I'm not saying it's dead," said Rep. Morris K. Udall (D-Ariz.) who chaired the House-Senate conference on what would be the first federal strip mining bill, "but it looks awfully sick."

"That's it," said Chairman Henry M. Jackson (D-Wash.) of the Senate Interior Committee as he threw up his hands in disgust after a final compromise motion failed to save the bill, which represents an effort of more than three years to establish federal rules for surface mining of coal out of mountains and prairies.

"I don't think it's over yet," said Louise Dunlap, who represents the privately financed Environmental Policy Center. The group has been lobbying for strict controls over strip mining and for the right of ranchers to refuse to let federally-owned coal be surfaced mined from under their land.

The proposal, which came close to clearing the entire bill out of conference for final votes by the House and Senate was offered by Sen. Clifford P. Hansen (R-Wyo.). It was designed to break the impasse over language designed to require approval of ranchers before mining on their property without at the same time allowing land speculators to get rich on federal payments.

If a rancher owned the land over federal coal and, in addition, either personally worked the land or depended on it for a "significant" part of his income, under the Hansen proposal he could refuse to allow mining operations to take place.

The House conferees voted 9 to 1 for the proposal but the Senate unit split 4 to 4. It takes a majority vote of both House and Senate conferees for a motion to carry—meaning the Hansen proposal fell short by one Senate vote.

Voting with Hansen were Sens. James L. Buckley (Cons.-R.-N.Y.), Paul J. Fannin (R-Ariz.) and Lee Metcalf (D-Mont.). Voting against his proposal were Sens. Jackson, J. Bennett Johnson Jr. (D-La.), Floyd K. Haskell (D-Colo.) and Gaylord Nelson (D-Wis.).

The votes of Buckley and Nelson were cast by other senators who had the right of proxy. Those trying to save the strip mining bill went to work right after the conference broke up last night in hopes of changing one of the Senate votes.

Metcalf urged his colleagues in the closing minutes of the conference, which was open to the public, to resolve the surface owner issue in order "to salvage 162 pages of regulations for all of America."

After the Hansen proposal failed, Metcalf offered a motion to forbid leasing of federal coal lands in the West until next July. During the moratorium he promised that the Senate Interior Committee would draft legislation early in the next Congress to resolve the rights of surface land owners. The rest of the strip mining bill could then be enacted, he argued.

The majority of Senate conferees supported Metcalf's proposal but their House counterparts did not.

Rep. Sam Steiger (R-Ariz.), expressing the view of the majority of House conferees, said he was unwilling to leave the surface rights question unresolved until next year. He said the rights of ranchers who own land over federal coal would be eroded by the increased pressures of the energy crunch this winter.

WHAT THE HANSEN AMENDMENT WOULD REPLACE

THE MOST RECENT MODIFICATION OF THE ORIGINAL MELCHER AMENDMENT:

(NOTE.—The longstanding controversy over surface owner protection among joint conferees initially resulted during debate on the original Melcher amendment, which simply called for written consent of surface owners before mining of federal coal could take place.

(Because the original Melcher amendment was strongly opposed by a majority of the Senate conferees, and some House conferees, it was defeated in early October. Since that time, conferees have debated literally dozens of compromise proposals and modifications of the original Melcher amendment, all of which resulted in a "deadlock." Illustrative of the many changes and additions in the original Melcher amendment is the fact that the most recent version was known as "the Jackson amendment to the Udall substitute for the modification of the modified Melcher amendment."

(Following is the text of the Jackson-Udall-Melcher amendment. The Hansen amendment would replace all of this language and would constitute a substitute for the amended Melcher proposal.)

THE JACKSON-UDALL-MELCHER AMENDMENT

Sec. 716(a) The provisions and procedures specified in this section shall apply where coal owned by the United States, under land the surface rights to which are owned by a surface owner as defined in this section, is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of federal coal deposits, the Secretary shall, in his discretion, but to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interests as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value only of the surface estate without regard to the value of coal deposits subject to this section and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements; and

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the consumer price index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under Section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface: and;

(2) have their principal place of residence on the land: or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations, and

(3) have met the conditions of subparagraphs (1) and (2) for a period of at least three years prior to the granting of consent.

(***NOTE.—Before the Hansen amendment was considered as a substitute for this entire amendment, the conferees discussed adding a fourth definition offered by Senator Bennett Johnson which would have required that a substantial portion of any farm or ranch be affected by surface mining before the owner could qualify for the right to give consent.)

In computing the three year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each one-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of federal coal to meet national energy needs and on receipt of fair market value for federal çoal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in Subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) In addition to the civil penalty provided for in subsection (m), any federal coal-lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

EXHIBIT 3

U.S. SENATE,
Washington, D.C., December 6, 1974.

DEAR FRIEND: On October 16 and on November 22, I reported to you on the status of the surface mining legislation which was stalemated because of disagreement on the bill's controversial surface owner protection provision. The Senate-House Conference Committee finally resolved this issue, and it is expected the House and Senate will consider the Conference Report early next week.

While I voted with the majority to report the compromise to the Congress, I have some reservations about the amendment which restricted surface owner rights. I believe that bonafide farmers and ranchers who choose not to have their lands mined should have the right to withhold their consent. Farmers and ranchers who choose to give their consent should be fairly compensated.

The surface owner protection section of the bill which was finally adopted is in essence the so-called "Jackson amendment to the Udall substitute for the modification of the modified Melcher amendment," which had previously been rejected. (I sent a copy of that amendment, and a copy of my amendment, to you on November 22, 1974.)

Only three changes were made in the resurrected Jackson-Udall amendment before adoption. First, it would postpone the right of surface owner consent until February 1, 1976. From date of enactment until that date, there would be a moratorium on leasing of federal coal underlying private surface unless the surface owner had given his consent prior to December 3, 1974. Second, the provision instructing the appraisers to disregard the value of the coal deposit in computing the value of the surface owner's interest, was deleted. However, the Conference refused to clarify whether more than the fair market value of the surface should be considered. Third, a provision was added which would authorize the Secretary to pay the surface owner a bonus of up to $100 per acre in addition to the final assessment of the value of the surface owner's interest.

The end result is that the surface owner protection provision is still loaded down with so many qualifying clauses, exclusion clauses, civil penalties, protective phrases and "clarifying" sections that it would adversely affect those bonafide ranchers and farmers who meet the definition of surface owners. This could fail to provide adequate incentive for the surface owner to give consent to mining.

My substitute proposal would have retained surface owner consent for bonafide farmers and ranchers without restrictions on the price they could receive for the land, should they elect to permit mining. Existing law would apply to anyone else. But the conference chairman did not call a second vote on the Hansen amendment. This amendment, by insuring fairer, more generous treatment to the surface owner, would minimize the likelihood of locking up development of the federal coal.

As my vote reflected, I would have preferred the Hansen amendment, which both Congressmen Melcher and Roncalio supported, in preference to the proposal which was adopted. Assuming the legislation will pass, it is the intent of the Interior Committees in both the Senate and the House to review the surface owner protection provision, as it affects the Mineral Leasing Act, before the section becomes operative on February 1, 1976. I will endeavor to muster support to correct those parts of the section which I feel are detrimental to the surface owner, while preserving the concept of the surface owner consent.

I appreciate your interest in this vital legislation for Wyoming, and am enclosing a copy of the final draft of the surface owner provision which was approved December 3 by the Conference Committee.

Sincerely,

CLIFFORD P. HANSEN,
U.S. Senator.

SURFACE OWNER PROTECTION OF THE SURFACE MINING RECLAMATION ACT

SEC. 716(a). The provisions and procedures specified in this section shall apply where coal owned by the United States, under land the surface rights to which are owned by a surface owner as defined in this section, is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of federal coal deposits, the Secretary shall, in his discretion, but to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations, and

(5) Such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of tenure of the ownership; provided, that such additional amount of compensation may not exceed the value of the losses and costs as established pursuant to subsection (e) and in paragraphs (1) through (4) above, or one hundred dollars ($100) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the consumer price index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under Section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface; and

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of subparagraphs (1) and (2) for a period of at least three years prior to the granting of the consent.

In computing the three year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of federal coal to meet national energy needs and on receipt of fair market value for federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receiving anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in Subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) Any federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to December 3, 1974 of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods.

Mr. HANSEN. Mr. President, as my good friends and chairman of the Minerals, Materials, and Fuels Committee, Senator Metcalf, can attest, few issues have been as controversial as the surface owner protection provision of the pending legislation. Although the provision which the conference adopted does not satisfy everyone, it would, as of February 1, 1976, grant the surface owner the right to say no to the proposed surface mining of the Federal coal underlying his surface As I stated during the conference deliberations, this right should be recognized. On the other hand, the surface owner who wishes to give his consent for surface mining should be compensated fairly. In my opinion, the inducement for the surface owner in section 716 to give his consent is woefully inadequate.

Many ranchers and farmers have told me of their interest in allowing surface mining of their lands. I believe that most of these surface owners would meet the stringent definition of surface owners as defined in this section. Accordingly, they would be limited as to how much they could be compensated for giving their consent. It is probable that a rancher or farmer who wished to allow surface mining would be well advised to consider selling his surface, with a provision, such as lease-back-arrangement, which would guarantee that the land, after it was mined and reclaimed, would be returned to his ownership. Senator Metcalf, does this section preclude the surface owner from selling his land?

Mr. METCALF. No; it would not. The likelihood of such sales was contemplated when this proposal was discussed.

Mr. HANSEN. How does the requirement that coal deposits subject to section 716 be offered for lease by competitive bidding after the surface owner gives his consent affect existing Federal prospecting permits on such coal deposits, particularly in light of the requirement in section 512 (b)(8) that applications for coal exploration permits must include the written permission of all surface landowners, except where the applicant owns such exploration rights?

Mr. METCALF. It is not altogether certain that the holder of a Federal coal prospecting permit has an interest which vests him with a right to a coal lease. This is a matter of interpretation of the Mineral Leasing Act of 1920, the National Environmental Policy Act of 1969, and other applicable laws. However, if the permittee does have a property right, it is not the intention of the conferees to deprive him of it. Section 716(i) specifically states that nothing in section 716 is to be construed as increasing or diminishing any property rights held by the United States or by any other landowner.

Mr. HANSEN. Regarding the provisions of section 527 for special bituminous coal mines, I understand that the section applies only to pits which were operational prior to January 1, 1972, and that only specific pits, not entire operations which may cover thousands of acres, are eligible. It is also my understanding that the regulatory authority should examine the long-range operational plan for eligible pits to ascertain the necessity for special treatment. As expressed in the joint statement of the committee of conference, in some cases the regulatory authority may determine that the reworking of old pits or combination of existing pits on a mined site will provide an opportunity for a mining operation to so adjust as to meet the basic provisions of the act. Would the gentleman not agree, however, that in like manner, a combination of existing pits may be eligible for the special treatment provided in section 527 where such combination meets the special standards of that section, and there has been a commitment to a mode of operation which makes adjustment to the basic standards of the act difficult and not practicable?

Mr. METCALF. Yes; I would agree.

Mr. HANSEN. Does the requirement in section 522(b), that the Secretary conduct a review of the Federal lands to determine whether they contain areas which are unsuitable for all or certain types of surface coal mining operations, effectively impose a moratorium on all new Federal coal leases until this review is completed?

Mr. METCALF. No. The language which I assume gives rise to the gentlemen's question is found in section 510(b) which prevents the issuance of a mining permit if the area proposed to be mined is within an area being considered for designation as unsuitable. The operative words here are "being considered." This phrase specifically relates to the petition process established in section 522(c) and to whatever due process requirements must be followed by the Secretary, who, once having completed his review, has tentatively decided to withdraw or restrict certain Federal land areas.

This point was covered in the joint statement of the committee of conference and I quote:

> Section 522(b) directs the Secretary of Interior to review the Federal lands to determine whether there are areas which are unsuitable for surface coal mining operations. It is not the conferee's intent to preclude surface coal mining on Federal lands until this review is completed.

Mr. HANSEN. Mr. President, let me say that I have had just three objectives as we have been considering this surface mining legislation: No. 1, to see that the Nation's coal is made available for the needs of all of the people; second, to assure that we deal fairly with the surface owner of the land; and, third, to see that we have a good reclamation law passed, one that will guarantee that there will be no more Appalachias, particularly in the West.

I am disappointed that we have not done a better job than I think we have done. I say that because we have failed to treat the surface owner fairly. We have circumscribed the payment that he can receive for damage to his land in such a fashion as I believe will result in his withholding surface owner consent. By failing to treat the surface owner fairly, we increase the likelihood that the Nation's coal will not be available to the people of the United States.

Despite these facts, Mr. President, I shall vote for the bill. I vote for it because, at this point in time, it seems to me to be the best alternative that we can get.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HANSEN. May I have 1 additional minute?

Mr. FANNIN. Mr. President, I yield 1 minute to the distinguished Senator from Oklahoma.

Mr. METCALF. Mr. President, I yield myself a half minute.

The PRESIDING OFFICER (Mr. CLARK). The Senator from Arizona was yielding to the Senator from Oklahoma for 1 minute.

Mr. BARTLETT. Mr. President, I have spoken openly before this body many times about the need for this country to expand production of its energy resources. This need is great. The United States is faced with a tremendous balance-of-trade deficit caused by the importation of high-cost foreign oil, double-digit inflation, and declining production of the most important current energy sources, oil and gas.

Fortunately, this country is blessed with tremendous reserves of coal which can be produced in ever increasing quantities. All experts believe coal will have to assume a much more prominent position in our energy picture in the years to come if the United States is to become self-sufficient in energy.

Yet this body now has before it a bill which will actually reduce current and future coal production and will be inflationary. That the Congress would now attempt to pass legislation with these consequences is almost inconceivable to me. The Surface Mining Control and Reclamation Act of 1974 as now written is counterproductive to this Nation's stated objective of achieving energy sufficiency. If this legislation is passed, Congress will demonstrate again its inability to forthrightly address the most important issue of our time—our increasingly critical shortage of energy—and its failure to place environmental goals in the proper perspective.

Fortunately, President Ford has announced his intention to veto this bill for reasons with which I heartily concur.

The bill is inflationary. Federal administrative costs will be approximately $90 million per year. In addition, costs to the State governments and to the private sector will increase significantly. The bill imposes a 35-cents-per-ton excise tax on surface mined coal and a 25-cents-per-ton tax on underground mined coal. This tax will cost consumers approximately $250 million in 1975 and will do nothing to develop additional supplies.

The bill will further contribute to inflation because it will reduce current and future quantities of coal production in the United States. The Department of Interior estimates that coal production will be reduced a minimum of 14 to 38 million tons currently and 18 to 105 million tons by 1985 as a result of small mine closures and spoil placement restrictions alone. If other provisions in the bill are interpreted strictly, coal production in 1975 will be reduced by a total of 50–148 million tons. This is a minimum of one-sixth of our domestic coal production.

Shortages cause inflation and because all energy supplies are in short supply at this time, this legislated reduction in coal production will exert an upward influence on the price of coal. Considering that this drop in coal production would have to be replaced with some alternate source of energy if the country's GNP is to remain the same and, of course, we all want the GNP to grow, greater imports of foreign crude will be required. The high cost of this foreign oil would generate further inflationary pressures and would exacerbate this country's already severe balance-of-trade deficit.

Mr. President, our country can endure no longer the huge balance-of-trade deficit caused by the high price of imported oil. Yet this Congress is bent on passing a bill that will increase this deficit or cause greater shortages of energy. We are taking a great step backward with this bill.

Prior to the House-Senate conference, the administration outlined its objections to this act. The conference committee apparently chose not to correct many of those provisions with which the administration disagreed. I should like to outline a few of them to you.

Much of the language in the bill is vague, too broad, or ambiguous and could cause unneeded and lengthy administrative problems or litigation in the courts.

The stated purpose of the act is "* * * to prevent the adverse effects to society and the environment resulting from surface coal mining operations and surface impacts of underground coal mining operations." A strict court interpretation of this statement could lead to a judicial imposition of environmental and reclamation standards which are even more severe than the requirements set forth in the bill. This would be similar to the very unfortunate 1954 Supreme Court decision on the 1938 Natural Gas Act which resulted in Federal controls on the wellhead price of natural gas and which caused our natural gas shortage.

The act permits citizen groups to file suit for "violations of the provisions of this act." Since many of the provisions of the act are ambiguous, an avalanche of civil action on possibly a mine-by-mine basis could follow just because someone felt that a mine operator is in "violation of the provisions of this act." As the administration stated in its letter to Mr. Udall prior to the conference:

> Citizen suits directly against mining operations should be authorized only where violations of regulations or permits are occurring.

This bill ignores the "multiple use" of land concept, it nearly prohibits mining on alluvial valley floors, and will force mine closures in areas where the bill's reclamation standards provide adequate protection. In the case of mining on alluvial valley floors, it imposes the nearly impossible task of affirmatively demonstrating that surface operations "would not have a substantial adverse effect on valley floors—significant to present or potential farming or ranching operations."

The Surface Mining Control and Reclamation Act of 1974 imposes an extension of the present administrative moratorium on the leasing of Federal coal deposits with private surface ownership until February 1, 1976. Because most of this Nation's coal reserves are in this category, this provision will unduly delay the rapid expansion of coal production which this Nation so desperately requires.

The implementation timetable in the bill which applies during the interim period—a period for the Secretary of the Interior to review areas unsuitable for mining—will effectively delay the start-up of all new mines for at least 30 months. Operators will hesitate to invest a significant amount of money in a new mine operation during the interim period because of the likelihood or possibility of being shut down. According to the bill, State programs may not be approved by the Federal Government for up to 34 months after its enactment and then it could take up to an additional 6 months to obtain the permit to mine. Thus, operators in compliance with the interim standards could be forced to close down because of inability to obtain a mining permit due to judicial or administrative delay.

This legislation may not be in the best interests of the States. Thirty-two States have already enacted legislation requiring the reclamation of surface mined land and 25 States have updated their land laws since 1971. Those States with significant potential or current surface mining operations within their borders such as Montana, Wyoming, West Virginia, Pennsylvania, and Ohio all have strict reclamation and environmental laws. Because climatic, geological, hydrologic and ecologic conditions vary widely among the States, a State is able to set standards which will be applicable to its own individual situation and will prevent the environmental ravages which occurred in the past. However, this legislation imposes Federal standards on the States. If the State does not comply with the minimum standards in the bill, the Federal Government will move in and incorporate its own program. These standards may be more severe than what the people of an individual State either want or need.

I would support good legislation to require reasonable and effective reclamation and environmental requirements for mining activities and which would permit, at additional costs to the consumer, greater coal production in the United States. However, this legislation is not in the best interests of a Nation desiring to provide for its citizens a higher standard of living. I urge my colleagues to vote against the Surface Mining Control and Reclamation Act of 1974.

Mr. FANNIN. Mr. President, Congress has struggled to resolve the question of Federal involvement in surface mining for more hours, days, and weeks of deliberation than almost any other subject in this Congress. The time expended is an indicator not only of the complexity of the problem, but of the diverse opinions offered. I must announce my grave concern about this conference report which we are now considering.

Let me inform my colleagues that the House and Senate were in conference for nearly 4 months striving to fashion a reasonable bill which all of us hoped would accomplish two things. First, that strip mining would be prohibited where reclamation was not feasible. Second, that coal resources which our Nation vitally needs during the short run to meet our energy commitments would not be locked up. One of the stated purposes of this bill is to, "assure that the coal supply essential to the Nation's energy requirements and to its economic and social well-being, is provided and strikes a balance between protection of the environment and the Nation's need for coal as an essential energy source."

Mr. President, this goal, this objective, this purpose, is not fulfilled by the language of this conference report. There is no balance between the environmental needs and the need for this energy resource. We have before us a conference report which is slanted and weighed beyond the stated objective of not mining where reclamation is not feasible. This bill exceeds to the point of being an outright ban on strip mining. This conference report includes an entire section of statutory prohibitions which prevent mining on lands even if the land can be reclaimed.

Mr. President, section 522 of this conference report is entitled "Designating Areas Unsuitable for Surface Mining." A glimpse at this language will more than demonstrate the lopsidedness of this bill. The regulatory authority must mandatorily designate an area as unsuitable for all forms of surface mining if reclamation pursuant to the requirements of this action is not feasible, but this section continues and requires lands to be designated as unsuitable for surface mining if it first, is incompatible with existing land use programs; second, affects fragile or historical lands; third, affects renewable resource lands; fourth, affects natural hazard lands.

The Secretary of the Interior and the State regulatory authorities are mandated under this act to conduct a search of all lands within their jurisdiction to determine if there are areas which should be designated as unsuitable for surface mining.

Mr. President, these are not the only prohibited places where surface mining cannot take place. No surface mining is permitted in the following: On any lands within the boundaries of units of the natural park system, the national wildlife refuge system, the natural system of trails, the national wilderness preservation system, the wild and scenic river system, and natural recreation areas designated by an act of Congress.

Mr. President, this is not all. No surface mining will be permitted on any Federal lands within the boundaries of any national forest; surface mining will not be permitted which will adversely affect any public owned park or places included in the national register of historical sites or within 100 feet of any highway right-of-way or any public road or within 300 feet of an occupied dwelling or 300 feet from a public building, school, church, community, or institution building, public park, or within 100 feet of a cemetery. This list goes on and on.

Mr. President, mining is prohibited in alluvial valley floors or in any area that the regulatory authorities may decide is unsuitable.

Mr. President, taken alone, this country might be able to afford a ban on strip mining in these areas. But, these prohibited areas coupled with the restrictions on land which can be strip mined and can be reclaimed make this bill intolerable.

Mr. President, the trend of this legislation is not to assure a reliable domestic source of energy, but is to prohibit strip mining in as many conceivable places as possible.

The administration, through Secretary Morton, wrote to the conferees on November 19, 1974, expressing dissatisfaction with numerous substantive provisions of this bill. Mr. President, I ask unanimous consent to include in the RECORD at the conclusion of my remarks, the letter to which I have just referred.

I must report to my colleagues that the conferees completely ignored the administration's letter and in fact refused then and later to consider any of the items or objections raised. This attitude reflected the intransigency and unwillingness to compromise the serious issues that now remain as glaring defects in this finished product.

I feel compelled to point out some of the more serious ramifications which could result should this bill be signed into law. Our balance-of-payments situation has been of great concern to us all, especially because of the vulnerable situation we experienced during the Arab embargo. If coal cannot be mined and utilized as an alternative fuel to petroleum then we must, in the shortrun at least, import more and more crude oil to meet our energy demands. The U.S. Department of Commerce has provided us with a graph demonstrating the posture of U.S. imports and exports of raw and processed material through 1974. These include crude oil, refined petroleum products, natural gas, metals and all other raw materials and processed materials of mineral origin. The chart demonstrates that in 1972 our imports totaled 14 billion dollars against only $8 billion in exports in 1974, our imbalance between imports and exports ballooned to $21 billion. Thus, since 1972, our imbalance has escalated an incredible amount—from a deficit of $6 billion in 1972 to $21 billion in 1974. This problem will be exacerbated with incalculable rippling effects which will be felt by every American because the coal resources which we have in abundance will not be available to relieve the pressure caused by imported petroleum.

Mr. President, I turn to an issue which the conferees have discussed on many occasions. Those who advocate a ban on strip mining and a moratorium on the leasing of Federal coal in the West, are fond of quoting a statistic to indicate the folly of leasing more Federal coal. It is claimed that 16 billion tons are currently under lease in the West which have not been mined to date and logic should follow that until this coal is mined, new leases should not be let. Let me dispel the inaccuracy of this oft used statement. According to the Bureau of Land Management, as of Oct. 2, 1974, there were a total of 462 coal leases with total recoverable coal of 16.1 billion tons. The States involved are Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. Of this 16.1 billion tons, .55 billion tons is comprised of uneconomic reserves. 2 billion tons—environmentally unacceptable. 6.68 billion tons are under contract now and are being mined. 6.87 billion tons are not now under contract.

Let me dwell on this 6.87 billion tons: 1.14 billion tons of this amount are not in logical mining units; 5.73 billion tons represent the potential for development because it is in logical mining units; 17.2 billion tons of this potentially developable coal is expected to be committed soon. The net result of this BLM analysis demonstrates that only 4.01 billion tons of the 16.1 billion tons are uncommitted to date. Thus, we do need to lease more Federal coal in the West. These leases are not idle and 16.1 billion tons is not an accurate figure to reflect a readily available coal resource.

Mr. President, there is one additional area I wish to touch on. It demonstrates another major flaw in this act. Surface owner consent is known as the prerogative of a surface owner residing on split fee land over which coal is located, to veto the recovery of that coal. Our mining laws have always said that the mineral estate is the dominant estate and the surface estate is the subservient estate, logic dictates that minerals can only be extracted by disruption of the surface.

The Federal Government, in patenting lands in the West, reserved for all the people of America the mineral resources. Surface owners who purchased or took that land knew that the mineral resources were not owned by them and that the mineral owner had the right to come on to the surface in order to recover the minerals. I recognize as a westerner, the importance of preserving a way of life and a very rich heritage which has made the West what it is today. The flavor of the West has been preserved and enhanced by our ranching and farming communities. We must do justice for this important segment of our country, but giving the surface owner a right to exercise a veto over the extraction of Federal coal under his land is not the answer.

The coal belongs to all the people of this country and is vital to all of us and I think it wrong to provide a surface owner with a prerogative which he has never had and which could result in serious damage to this Nation in two respects.

First, those surface owners who may reside on land over strategically located coal which is the key to a logical mining unit, could preclude the extraction of that coal thus effectively locking it up. Second, the surface owner could receive a windfall just because of the fortuitous circumstances of having coal under his surface. Let me describe for you how this windfall might come about.

The conferees adopted section 716 entitled "Surface Owner Protection" in which a surface owner who qualified under the definition could exercise consent. If the surface owner choose to grant consent, he would be limited in the amount of money he would receive. Basically, he would be limited to loss of income, cost of relocation or dislocation, loss of livestock, crops and improvements, and any other damages reasonably contemplated plus a bonus of up to a maximum of $100 per acre. I ask my colleagues to put themselves in the place of a rancher living on split fee land over a valuable Federal coal deposit. I am the coal company and I come to you and ask you to give surface owner consent so that the coal company might be able to mine the coal. You look at section 716 and ascertain that the total amount you could receive would be $190 per acre for each acre disturbed. Is this enough incentive for you to grant your consent to have the coal mined? I think not.

I think instead, you would tell me, the coal company, that instead of giving consent and being bound by the monetary restriction of section 716, that you will enter into a revocable sale of your property for $100,000 with two stipulations, first, that upon completion of the surface mining operation, the land will revert back to your ownership. Second, that the sale become null and void if the coal company does not receive the bid on the coal. Under this latter scenario, there is incentive for the rancher. This rancher has a new weapon in his arsenal to force up the price which he can get for his surface. This is a windfall. He has surface owner consent and the right to veto the coal company from mining the coal if the coal company cannot meet his terms. Under existing law, the surface owner has no weapon or tool to inflate the price of the land in this scenario. The price of surface in the West goes for about $50 per acre and windfall profits have not accrued to surface owners.

Mr. President, we have insured under this legislation that two results will follow from enactment of this provision; the consumers of this Nation will pay for this windfall which the surface owner gets. Not under the formula of section 716, but under the sale transaction which is not regulated by this bill. Second, instead of preserving an agrarian form of life, we have forced our farming and ranching communities to sell the surface because we have so restricted the measure of demands which he can receive. We will be not preserving a way of life, but rather killing a vital ingredient in our western heritage.

For the reasons stated and for many more which I do not have time to fully elaborate, I would hope that the President addresses this measure with a forceful, forthright veto because the Congress has failed to strike a balance between the need for environmental protection and the availability of coal as a national energy resource. There is no reason for the Congress to invalidate 32 State laws governing surface mining with a bill as defective as this. Sixteen of the largest coal-producing States have amended their State laws with more stringent environmental standards to insure reclamation and this State action negates our rush to pass defective Federal restrictions.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT
OF THE INTERIOR,
Washington, D.C., November 19, 1974.

Hon. MORRIS K. UDALL,
House of Representatives,
Washington, D.C.

DEAR MR. UDALL: The Administration has long sought legislation establishing reasonable and effective reclamation and environmental protection requirements for mining activities. The Conferees on S. 425 and H.R. 11500 now have before them legislation which, if appropriately modified, could realize that goal.

Unfortunately, the latest draft of this measure, dated October 7, 1974, contains a number of very objectionable features which should be changed to avoid possible disapproval of the legislation by the President.

Briefly, the bill could contribute materially to inflation by imposing unnecessary governmental and private costs. It could also impair our ability to meet the Nation's energy requirements through needless restrictions on coal production and through creation of ambiguous and overly complex regulatory requirements.

When fully funded, the bill would involve Federal expenditures of approximately $90 million annually—twice that recommended by the Administration.

This does not include the costs which will be incurred by State and private organizations and which will be passed on to taxpayers and consumers. Neither does it include the thirty-five cents per ton excise tax which will total approximately $240 million for 1975.

At today's prices the bill might reduce current production by 14 to 38 million tons, and 1980 production by 18 to 105 million tons as a result of small mine closures and spoil placement restrictions alone. This does not include production losses that could result from strict application of the other provisions discussed below.

To assure that there is no misunderstanding as to the Administration's position at this time, this letter identifies the most objectionable features of the bills:

1. *Unnecessarily rigid requirements.*

The following provisions could involve extensive litigation and consequent production losses and delays:

a. *Non-degradation aspects.* The bill's statement of purpose "to prevent the adverse effects to society and the environment" resulting from surface mining—following other judicial decisions—could lead the courts to infer a non-degradation standard which goes beyond the detailed environmental and reclamation requirements set forth in the bill. The standard would be impossible to achieve and could result in an unintended prohibition of all mining.

b. *Citizen suits.* We favor citizen suits as a useful supplemental enforcement mechanism. The unique provisions of this measure, however, could seriously undermine the integrity of the permit mechanism of the Act. As now drafted, the bill allows suits against any person for a "violation of the provisions of this Act." This could result in mine-by-mine litigation of virtually every ambiguous aspect of the bill—even if an operation is in full compliance with existing regulations, standards, and permits—on the grounds that such operations are otherwise in violation of "the provisions of this Act." This is unnecessary. The promulgation of regulations, the issuance of permits, and the monitoring and policing of all ongoing operations are all subject to public review. Citizen suits directly against mining operations should be authorized only where violations of regulations or permits are occurring.

c. *Alluvial Valleys-hydrology.* The near prohibition on mining in valley floors specified in the bill, would arbitraritly foreclose mining in areas where the bill's reclamation requirements would provide adequate protection. Furthermore the scope of the prohibition is unclear. The provision would also require a permit aplicant to perform the nearly impossible task of affirmatively demonstrating that surface operations "would not have a substantial adverse effect on valley floors . . . . significant to present or potential farming or ranching operations." Finally the bill requires unduly burdensome data requirements as to subsurface water.

d. *Administrative moratorium.* Operations in compliance with the interim standards could be forced to close down because of inability to obtain a mining permit due to judicial or administrative delay. In particular, section 502(g) and section 506(a) should specify that mines opened after enactment are covered by these savings clauses.

e. *Surface Effects of Underground Coal Mining Operations.* Specific provisions dealing with the surface effects of underground coal mining operations are confusing and duplicative and should either be omitted or redrafted so as to make clear when regulation of such operations begins, what procedural requirements must be followed, and that only the surface aspects of underground mining are addressed.

2. *Surface and mineral owner rights.*

Most options under consideration by the Conferees either restrict access to Federally-owned coal directly or provide that the surface owner can exercise the right of consent to surface mining. Such provisions would either limit mining of Federal coal or result in windfall payments unrelated to any actual damages that may occur. These payments would enrich a few landowners and could result in possible loss of Federal revenues from leasing amounting to hundreds of millions of dollars.

3. *Inequitable and precedent-setting unemployment provisions.* The unemployment compensation provisions of the bill unfairly discriminate between classes of unemployed persons and set objectionable precedents with respect to cause of unemployment, labor force attachment, and length of benefits. The Administration favors extension of unemployment coverage and benefits but this should be done in an equitable manner as in S. 3257 and H.R. 13801.

4. *Federal/State responsibilities.*

The bill encourages excessive direct Federal involvement in reclamation and enforcement programs. For example, requiring Federal inspections every three months during the interim program unnecessarily duplicates State efforts. This might cause the States to abrogate their responsibilities thus resulting in Federal takeover. In addition, the regulatory authority should have the power to grant variances from reclamation requirements for any form of mining technique if reclamation results in satisfactory post-mining land uses. Such variances are now limited to mountain-top mining.

5. *Reclamation Fund.*

The fund would be difficult to administer, would charge current consumers for previous damage to the environment and could magnify any general inflationary trend by being adjusted to reflect any change in the cost of living index. The fund could lead to windfall profits to private landowners and could also develop into a massive Federal land purchase program and be used for extraneous purposes, such as hospitals, public facilities, and disaster assistance, in addition to reclamation.

As always, I stand ready to work with the Conferees to reach agreement on acceptable legislation.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration.

Sincerely yours,

ROG MORTON,
Secretary of the Interior.

The PRESIDING OFFICER. The Senator from Montana.

Mr. METCALF. Mr. President, in view of the fact that the distinguished Senator from Arizona suggested that this bill was substantially changed in conference, and it was changed in conference, and in view of the fact that the conference report does contain some material different from what was actually in the bill that passed the Senate 82 to 8, I am going to ask for a rollcall on the conference report.

Mr. FANNIN. Will the Senator yield?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. METCALF. I am delighted to yield to the Senator from Arizona.

Mr. FANNIN. Will the Senator agree that more time is needed to discuss this measure?

Mr. METCALF. No. I thought that we had argued this bill substantially on its merits on the floor. The concessions we made after more than 100 hours of meeting in conference would be sufficient to illustrate the complexities of the bill.

We have a moderate bill. We have a bill that is applicable all over the United States. We have a national bill. I regret very much that the Senator from Arizona has suggested that there are so many things in this conference that he cannot agree to.

I believe we should have a rollcall on the conference report.

Mr. FANNIN. Will the Senator yield? The Senator realizes that we did not discuss this bill very thoroughly. The distinguished Senator from Washington, our manager of the bill, is the chairman of our committee. The Senator from Arizona discussed the matter of a rollcall vote thoroughly. We arrived at an agreement. It was agreed that there would be a voice vote, and that is the reason why the short time for consideration of the bill was needed.

The PRESIDING OFFICER. All time of the Senator from Montana has expired.

Mr. ABOUREZK and Mr. JACKSON requested the yeas and the nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second, and the yeas and nays are ordered.

The Senator from Arizona has 4 minutes remaining.

Mr. FANNIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FANNIN. How many Senators are needed to have a sufficient second?

The PRESIDING OFFICER. Eleven Senators are needed.

The Chair understands that 11 Senators were present.

Mr. HANSEN. Mr. President, were 11 Senators voting for the yeas and nays?

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. FANNIN. Mr. President, I am not going to question the Chair.

Mr. METCALF. Mr. President, what was the ruling of the Chair?

The PRESIDING OFFICER. The ruling of the Chair was that 11 Senators were present, and the yeas and nays have been ordered.

Who yields time? The time of the Senator from Montana has expired. The Senator from Arizona has 3 minutes remaining.

Mr. FANNIN. Mr. President, there is much to be said regarding this legislation, and no one can say with absolute certainty what all the precise economic impact of this legislation will be. However, no one, not even the proponents of the conference report denies that enactment of this measure will result in increased cost to the consumer and a net coal loss to the Nation. We all agree on that.

At this critical time in this Nation's history, we are permitting legislation to go through which would vitiate efforts we have taken to increase energy production in other legislation. I do not understand why the Members who are pushing this measure will not take into consideration the full ramification of what this bill will do.

This afternoon, we probably will consider a measure which will provide for the spending of $20 billion on research and development in an effort to produce more energy. What we are doing now is to cut production of energy, at a cost of billions of dollars—and this is not just for the immediate future. How can these two pieces of legislation be reconciled? How can anyone, on one hand, cut back on production of energy thus costing thousands upon thousands of jobs and then vote for developing new energy sources?

I brought out that we are talking about 11,000 jobs that will be lost as a result of this legislation. There will be a gross national product loss of $6.2 billion.

Mr. COOK. Mr. President, I will vote against the conference report on S. 425 because I believe it legislates unfairly against the coal operators in Kentucky.

My position has always been that the determination to grant or deny a permit to surface mine a particular piece of land must be made on the basis of reclamation. If the land can be reclaimed to useful purpose as specified in this report, then the permit should be issued. If, on the other hand, the reclamation is not possible, then surface mining should not be permitted.

However to deny surface mining on some textbook criteria such as degree of slope as is provided in this bill is not sound and does not insure sound reclamation.

What we should do is encourage the development of our reclamation technology. If an operator has the know-how and is willing to expend the effort and funds needed to mine his coal and meet reclamation standards, then he should be permitted to do so.

This bill will have a substantial adverse effect on the economy of eastern Kentucky and will deny this Nation the coal it needs to meet its energy requirements.

Mr. BAKER. Mr. President, the conference agreement on S. 425 which is now before the Senate represents the culmination of years of effort in the Congress to bring an end to mining practices which have left millions of acres of land in Appalachia and other coal bearing regions devastated and barren.

The members of the conference have done an extraordinary job in reaching an acceptable agreement on this extremely complicated issue. The committee's diligence has been demonstrated by its work in more than 20 long sessions to resolve the differences in the House and Senate versions of the bill. And the product of their efforts represents an important step forward both in our commitment to preserve and protect the Nation's environment and in our effort to increase domestic production of fuel. Under this act coal will be able to play an expanded role in our energy picture without posing an unacceptable risk to the ecology of coal bearing regions.

Mr. President, it was 3 years ago in the 92d Congress that Senator John Sherman Cooper and I introduced a bill proposing a program of regulation for coal surface mining. That bill, S. 3000, contained several provisions directed at issues which I considered to be of great importance both then and now. Its approach and philosophy were not fundamentally different from the measure now before us.

S. 3000 targeted for regulation coal surface mining, excluding both underground mining and mining for other minerals. I am pleased that S. 425, while it has a somewhat broader scope, is targeted to treat the problems of coal surface mining. I know that the conferees on S. 425 are aware, as am I, of problems in other areas which need to be addressed, but by focusing the effort of this legislation immediate and effective control can and will be brought to bear on the most serious social and environmental problems associated with mining.

S. 3000—and S. 1163 which I introduced in this Congress—specified criteria for reclamation which were designed to restore the stability, character, and use of the mine site. I am pleased that S. 425 also sets stringent standards designed to protect the character and use of the site as well as addressing troublesome offsite impacts.

S. 3000 required a performance bond payable to the Government and sufficient in amount to cover the costs of reclamation by a third party should the permittee default. This bond was to remain in effect throughout the period of mining and for 5 years thereafter. I am pleased that S. 425 contains an almost identical provision.

S. 3000 recognized the economic and administrative problems of repairing the millions of acres of abandoned surface mines in the economically depressed and mountainous areas of the Appalachian region. In response to this situation the bill proposed to place authority for watershed reclamation under the Soil Conservation Service. I am pleased that the conferees have preserved a role in orphaned mine reclamation for the SCS. In my opinion the SCS acting in conjunction with the soil conservation districts can play an effective role in repairing the devastation caused by under-regulated strip mining these steep slope areas of Appalachia. The Service has the expertise and capability to handle this type of soil treatment program efficiently and at the least cost.

As a longtime advocate of stringent restoration criteria as the basis for strip mine regulation, I am pleased that S. 425 now provides for restoration of both premining contour and use. My concern expressed during floor debate on S. 425 earlier over the variance for so-called "mountain-top" mining, where the entire mountain-top is removed in order to get to the coal, is somewhat diminished by the requirement for consideration of sound land use planning in the approval of permits for such mining.

Mr. President, there has been a great deal of speculation about the cost of S. 425. But there need not be. By letter of April 11, 1974, Chairman Aubrey Wagner of the TVA advised that they had obtained hard and reliable data regarding the costs of an experimental multiple-seam, steep-contour coal surface mine operation in eastern Tennessee. This cost evaluation project involved restoration of contour in an area if difficult and rocky terrain substantially as required by S. 425. Total costs of the operation through December of 1973 were stated to be $11.47 per ton composed to $8.82 per ton for an adjacent nonexperimental mine which did not restore contour and did not eliminate the highwall and spoil piles. Thus the cost of total reclamation under these circumstances would appear to be about 10 percent of the present market price of coal. But more importantly with the present margins in the coal industry and with the competitive advantage of surface mining over underground mining—an advantage that has been recently expanded by the UMW contract settlement—it is safe to assume that the net market effect of total reclamation could be substantially lower even than 10 percent.

Over the past several years the coal mining industry has to a great extent undergone a conversion from underground mining to surface mining. A large portion of this strip mined production has come from the steep slopes of the Appalachian Mountains. This change has not come in response to the fuel shortage situation, for by far the greatest amount of recoverable coal reserves are accessible only by underground mining.

The growth of strip mining can be attributed to a list of errors, including the lack of a sound policy toward the development of domestic fuel resources and a callous disregard for the environmental misery of isolated, remote coal mining communities.

Reclamation laws have been tolerated which have provided little or no protection for the environment or geography and which have been too often loosely enforced. The cost of coal production has been subsidized by sacrificing the ecology of entire regions of the country. Every pound of coal that has been removed from the ridges and hills of Appalachia without restoration of the land has represented a subsidy to the cost of the coal to the rest of the nation borne by a section of the Nation that is least able to afford it.

I am deeply disappointed at the President's intention to veto this measure announced by Frank Zarb on last Friday. As I understand it the President's decision is based upon projections of lost production from surface mines in 1977 and subsequent years.

In my opinion these projections are wrong. The standards of S. 425 are stringent but they are practicable. Once the industry is given a clear set of rules, I have great confidence that they will be able to and will make the commitments necessary not only to sustain present production but to increase production. The greatest danger the industry faces is that a veto of S. 425 will continue the present uncertainty and thus stifle investment in equipment necessary to increased production.

I hope that the President will reconsider his decision and listen to the counsel of his chief energy adviser, Secretary Rogers Morton, and his principal environmental adviser, Administrator Russell Train. Enactment of S. 425 will constitute one of the major environmental and energy accomplishments of the 93d Congress.

But if the President remains determined to veto this bill, I urge him to do so in a manner that will afford Congress the opportunity to review his reasons and to act finally on this legislation.

Mr. President, I commend the House of Representatives for their approval of S. 425. Their action reflects their dedication to a sound energy policy reflecting respect and regard for the environment.

I urge my colleagues in the Senate to give this measure their support.

Mr. McGEE. Mr. President, I am deeply concerned by recent reports that President Ford intends to veto the strip mining bill on which we are about to act. It has been suggested by White House sources that the President believes this bill subversive to his energy program and that he feels it would ultimately result in a delay of our need to develop the Nation's coal resources.

It is my belief that should this bill be vetoed, we immediately proceed to the consideration of a coal leasing moratorium on Federal lands, similar to that contemplated by Senate conferees on the strip mining bill as a stopgap measure in anticipation of a deadlock conference. This moratorium must continue until we can formulate an acceptable surface mining law.

While I do not question the President's sincere desire to provide a solution to the energy crisis, I am fearful that this action on his part may result in the sacrifice of the Western States. If we are to get on with the job of providing the coal that America needs, then let us also get on with the job of protecting the lands that will be used.

While we in Wyoming are more than willing to do our share in seeking a solution to the Nation's problems, I do not intend to recklessly venture upon a course of action, the mistakes of which we will have to live with the rest of our lives. I am not willing to call upon my State or any other State to make this supreme sacrifice.

At a time when food production is becoming an increasingly critical issue, the President would risk the food-producing lands of America. He fails to realize that the first and most essential energy requirement for mankind is the food he eats. Does he realize that he risks aggravating one problem—an ultimately greater problem—in his hasty search for a solution to the energy crisis? Wyoming's lands have long been agriculturally productive. With the passage of this legislation, I believe they can remain so. The President's action, on the other hand, will render the lands of the Western States sterile and unproductive, seriously threatening America's ability to feed herself.

We must make it clear to the President that our only recourse in the face of his veto is to place a moratorium on Federal coal leasing. We must show him that his option will result in an even greater delay than that which he fears. We must show him that our concern for a productive economy and a livable environment will prevail over his immediate, and I believe ill-considered, search for a hasty conclusion to the energy crisis.

Mr. President, I therefore urge Senate approval of the conference report on S. 425, the Surface Mining and Reclamation Act of 1974. Indeed, if the coal resources of this country are to help us meet the energy crisis of this Nation, it is imperative that this legislation become law. Only then can we proceed in a sound way, socially and environmentally, to supply the Nation with adequate amounts of coal.

Mr. CURTIS. Mr. Prtsident, the surface-mining legislation before the Senate at this time fails to stipulate clearly how the producers of coal may operate in the mining fields of the Western States—or in any other areas of America.

Coal is our main ally in our fight to prevent economic destruction. The oil nations are banking as much as $35 billion this year and a big jump can be expected next year as the foreign producing nations move swiftly to expropriate not only the production facilities of crude, but the refining and marketing of the oil and its products.

This is the greatest transfer of national assets from one country to another that has ever taken place in history. America is literally under this economic gun. So are all the other industrialized nations of the world.

The great and noble experiment of the Marshall plan in which America literally gave away billions of dollars to restore the nations devastated by World War II is taking a strange twist.

Now we are all faced, because of helping the world to build its economies, with a cruel quadrupling of crude oil prices within a 1-year period.

To be sure there are all kinds of energy producing resources, but the one America has is coal—and enough coal to supply our own energy needs.

But if this legislation is put into force, it is unlikely we will be able to utilize this God-given alternative in time to save us from some form of economic bankruptcy.

The proposed legislation before us is to contain surface mining of coal lands. The purpose stated is to save the Nation from environmental stagnation.

But it seems to me a better way to attack such a complex problem would be to approve legislation creating new crash programs aimed at encouraging the use of coal without harming the ecology.

There is hardly a day that one study group or another doesn't tell us with dire foreboding that unless we restrict the use of oil to produce energy, we shall all expire in this generation.

Now let me emphasize that I give no ground to any man in my desire to insist on a clean environment for future generations of Americans.

However, what we are faced with right now is far more paramount.

If we do not encourage rather than restrict the use of coal, we will become increasingly dependent on foreign sources of oil every year, not every generation.

We have many scientific experiments in the works to convert coal to liquid products, including gasoline, others to burn coal without harmful emissions, still others to hike coal production without harming the terrain.

It would seem to me the better part of discretion to hold off on these production restrictions until we get some of these research projects through the pilot stage into practical uses.

All of them aim at reducing harm to the environment, too. Let us not lock up under emotional legislation these national assets.

Coal right now may be our number one economic asset.

Mr. BAYH. Mr. President, I rise to support the conference report on S. 425, the Surface Mining Control and Reclamation Act. I believe that the House/Senate compromise version of this legislation is essentially fair.

I feel that this legislation will insure effective use of our natural resources while at the same time protecting the environment from any danger from strip mining operations. It is time for the Federal Government to take effective action to control strip mining.

However, I would like to bring to the attention of my colleagues that some States, including my own State of Indiana, are way ahead of the Federal Government on this issue. In 1967, Indiana enacted strong legislation to control strip mining. One area that Indiana has considered in detail is the requirements for reclamation. Under Indiana law, land used for strip mining must be restored to its highest potential capabilities. This allows land to be used for reforestation, farming or recreation—all of which do not have to be the original use of the land before the strip mining.

The conference report mandates that any State law which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than the Federal law shall not be considered inconsistent with Federal law. This provision protects States, such as Indiana, that already have strict controls on strip mining.

I am hopeful that the President will approve this landmark legislation and I want to commend the members of the conference committee for their hard work in achieving this compromise.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection?

Mr. METCALF. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FANNIN. Mr. President, here we have a total payments deficit of $2.75 billion. That is the amount of oil that we will need to import just to partially offset what we will lose. We are facing a tremendous deficit. Our currency certainly is in jeopardy. Our whole financial structure is in jeopardy.

The PRESIDING OFFICER. All time has expired.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. A quorum call is in progress.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. Mr. President, I object.

Mr. METCALF. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Objection has been heard to the request to rescind the order for the quorum call.

The assistant legislative clerk continued with the call of the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that we proceed now to vote by voice on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FANNIN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. METCALF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now begin 30 minutes of debate before the vote is taken on invoking cloture——

Mr. METCALF. Mr. President, I ask unanimous consent that, notwithstanding the time limitation, I be permitted to call up the message from the House of Representatives at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CONCURRENT RESOLUTION DIRECTING THE SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN THE ENROLLMENT OF S. 425—HOUSE CONCURRENT RESOLUTION 692

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 692, which was read by title as follows:

Concurrent resolution (H. Con. Res. 692) directing the Secretary of the Senate to make corrections in the enrollment of S. 425.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 692) was agreed to.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now begin 30 minutes of debate before the vote is taken on invoking cloture on the conference report on H.R. 15977, the time to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Illinois (Mr. STEVENSON); after which, under the rule, the Chair will direct the clerk to call the roll to ascertain the presence of a quorum, following which he will call the roll on the vote on cloture.

Who yields time?

Mr. STEVENSON. Mr. President, this matter has been before the Senate on numerous occasions. The issue before the Senate now is not the merits of the conference report. The issue is whether the Senate will, after numerous earlier debates on the subject, be permitted to vote on the merits of that report.

This legislation, including the conference report, has been debated thoroughly. I urge the Senate to support the cloture petition and permit all of the Members to work their will. The conference report is reasonable. It represents a fair compromise between the Senate and the House-passed versions of the Eximbank amendments.

That conference report retains the principal points upon which the Senate has felt most strongly. It subjects to prior notification all proposed fossil fuel energy transactions in the Soviet Union of $25 million or more to congressional review. It requires that all transactions, worldwide, involving Bank participation of $60 million or more be reported to Congress, giving Congress, in those cases, too, an opportunity to act affirmatively to disapprove them.

The conference report also includes a provision which will require the Eximbank to seek further congressional authorization before making loans or guarantees in an amount of more than $300 million in addition to those already outstanding or extended in the Soviet Union.

The only major provision of the Senate-passed bill, which, I regret to say, was not retained by the conferees, is the amendment offered by the Senator from Wisconsin (Mr. PROXMIRE), which would include the Eximbank in the unified Federal budget effective October 1, 1976. That, Mr. President, is a subject which the Budget Committees already will be considering and upon which the Congress can act when it receives the Budget Committee recommendations in the next session.

For those reasons, Mr. President, I urge the Members to invoke cloture on this conference report and permit the Senate to work its will.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I rise in opposition to this conference report. I urge my colleagues to support our efforts to recommit this bill.

It is our intention, those of us who are against cloture but are for recommitting the bill, to offer, if cloture fails, immediately thereafter another recommitting motion. We came within 2 votes on Saturday of getting a recommitting motion.

Inasmuch as there are only two basic issues still unresolved, it seems to me that we should have an opportunity to

Originally, there were 13 points in

take a second crack at these issues in conference. Therefore, it is my intention, if cloture is defeated, to immediately thereafter move to recommit this bill.

I think one point that has been lost in the Senate debate so far is that this conference report is for a 4-year, $25 billion authorization. This is not just the usual renewal of the act; it is a 4-year, $25 billion authorization.

which the House conferees won their position over the Senate position. This is the basis for saying that the Senate, in essence, rolled over and played dead and took the House bill, which was in fact the Eximbank bill.

I cite some language that was mentioned before, but I think it underscores exactly what I mean about the conferees rejecting the 13 key Senate provisions in favor of the House. Congressman WRIGHT PATMAN said on the House floor, after the conference reported, there were "few instances which Congressman PATMAN could recall in which the position of the House in conference was so successfully sustained."

I do not have to tell my colleagues that Congressman PATMAN is one of the most senior Members in the other body, in the House since 1929, and he is saying that he has never seen a conference report be such a sellout to one body over another body. That is the very point which we are making, and Mr. PATMAN has made it for us. That is what the issue is about. It resolves to two basic points: Is there going to be a Soviet energy deal? Are we going to give 7 percent and 8 percent money to Russia to go into Siberia at our expense and drill for natural gas there and hope that, eventually, we shall get some of it, notwithstanding the fact that the Japanese are also going to be in on the deal, and they are a lot nearer to the source of supply than we are? I would suspect that they will get at least their share, if not more; so we are helping to finance their energy problem, too.

The one issue, the first issue, is if we give a green light to the bill in its present form, it is to go ahead with the Soviet energy deal starting with Yakutsk and, after that, the North Star—two energy projects totaling $12 billion which we are going to supply cheap money to build.

The other issue on this point that is unresolved is a very key issue, too. That is the issue of bringing the Eximbank under the budget and congressional oversight procedures, which the distinguished Senator from Wisconsin has been pushing for and which would logically bring our oversight role to where it should be in terms of our export trade.

I think these are the two key issues. All we are saying is that they have not been resolved. The House position has overwhelmingly prevailed to the point where one of its most senior Members said that he has never seen a sellout like it since 1929. We have gotten no satisfaction on either of these points. It is our intention to be constructive. If we, in fact, do win the vote against cloture, I shall immediately move to send the bill back to conference to give the Senate some satisfaction on these two points.

I think it is very important to underscore the fact that we say we are in an energy crisis; we say that we have to tighten our belts; we say that we have to have Project Independence.

Notwithstanding all that, the Eximbank will not agree to prohibit an energy deal with the Soviet Union. When we are trying to foster production, creativity, and energy here at home, it escapes me why we are putting on a conveyor belt our technology, our capital, our interest subsidy for energy. We export this technology in lieu of Project Independence.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. PROXMIRE. Mr. President, I yield an additional 3 minutes to the Senator from Pennsylvania.

Mr. SCHWEIKER. The two programs are completely the antithesis of each other.

I cannot imagine a program that is more against our national interest than to give a green light to the Soviet energy deal, $6 billion in Yakutsk, another $6 billion, by their own estimate, in the North Star. Overwhelmingly, it would be with our money. We are not giving that kind of money or that kind of break or that kind of commitment, or that kind of market guarantee, to any of our energy sources here at home.

That is the issue in a nutshell. It is a key issue. It is an issue that is good for 4 years and $25 billion, because that is what approval of this conference report means. If they get the green light, there assuredly will be a Soviet energy deal, and we will subsidize and pay for it. We got burned by the Arab oil embargo already; when are we going to learn our lesson, and say no to the foreign energy deals against our national interest?

I yield back to the Senator from Wisconsin the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield the Senator from Michigan such time as he may require.

Mr. HART. Mr. President, the question I shall ask perhaps does not require the presence of any more Senators than the few now in the Chamber, because it is something for my own guidance. I address it both to Senator PROXMIRE and Senator STEVENSON.

On Saturday last I voted for cloture, and today, after a discussion with some members of my staff for whose opinion I have great respect, I am rather persuaded that if the bill went to conference, there is a fighting chance that we might indeed get back at least the two basic items over which the principal contention exists.

I ask the Senators what their opinion is—though I know this is sort of crystal-balling—as to what will happen if it returns to conference.

Mr. PROXMIRE. Mr. President, I say to the Senator from Michigan that though, of course, no one knows what will happen, the House conferees were very firm last time, but I am confident that all of us want to preserve the agency. I want to preserve the agency, Senator Stevenson does, and all the House conferees do also. We would not want to kill the Export-Import Bank. We know it should continue.

I would think there would be a good chance in conference to get one or both of the two principal points in disagreement. One would be to bring it into the budget, maybe not until October 1, 1976, but as of that date or sooner; and second, to insist that there would be an opportunity for Congress to approve or disapprove any loan made to the Soviet Union in excess of $25 million for fossil fuel purposes.

Mr. HART. How does the Senator from Illinois feel?

Mr. STEVENSON. Mr. President, having been through the conference now with the House conferees, I can quite confidently answer the Senator's question by saying that the most the Senate conferees will obtain in conference is the placement of the Eximbank in the unified Federal budget effective October 1, 1976. That is a subject which is under study in the budget committees of Congress now. It is a subject upon which Congress can act before October 1, 1976, with the benefit of the recommendations of the budget committees.

Mr. PROXMIRE. At any rate, let me say to the Senator from Michigan, as one who has opposed cloture and as one who has opposed the conference report in its present form, I will do all I can to see that the Export-Import Bank does not expire, and that we do not have to continue it on the resolution basis that it has been continuing on. I think if we do resist cloture, the Senator will not be taking the risk that I think may bother him, that it would mean the end of the Export-Import Bank.

What I want to do is see that the Export-Import Bank is treated like every other agency using Federal funds. I want to see that there is equity between the people who borrow for export purposes and those people who borrow for housing, farming, small businesses, and every other purpose for which Federal funds are used.

Mr. HART. The Senator from Oregon may have something to add.

Mr. STEVENSON. Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield?

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. STEVENSON. I yield 3 minutes to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I can give a bit more information to the Senator from Michigan. I have talked with Representative ASHLEY and Representative FRENZEL, who are two of the principal advocates pushing this bill in conference, and there is no possibility that we will get out of the conference a vote on prior approval of energy projects. We may get some change in the form of notification, but there will be no vote on prior approval.

As to whether or not they would give on the budget item is problematical. I am not sure; they might or might not. I have talked with both of them, and they were more adamant about the prior approval on energy than on the budget item. I do not want to give the Senator from Michigan any undue hope that they might yield on that, but there is no hope that they would yield on the prior approval of energy negotiations.

Mr. HART. Mr. President, I appreciate the information.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

Mr. PROXMIRE. Mr. President, rather than using up our time on quorum calls, will the Senator withdraw that?

Mr. STEVENSON. Yes.

Mr. PROXMIRE. Mr. President, I am opposed to ending debate on the Export-Import Bank conference report at this time. I urge my colleagues to vote against cloture and for recommittal, so we can resolve the remaining issues and get a conference report which is acceptable to the Senate.

A vote against cloture will show that the Senate intends to stand firm on the need to establish effective congressional control of the Export-Import Bank.

Putting the Bank back in the Federal budget is the only way to get full congressional control of the Bank on a continuing basis. It is the only way to make the Bank fully accountable to Congress and to the American people for the loans it makes and the effect of its lending activities on our domestic economy.

Keeping the Bank out of the budget means giving an automatic high priority to export loans. So long as we do this, we are saying that export loans are more important than loans for housing, more important than loans for small businessmen and farmers and students. We are saying that the Eximbank ought to be allowed to escape the sort of scrutiny that we give to the HEW budget, to the defense budget, to the budget of all the other Federal agencies which receive detailed examination.

Do we really want to say this? Does the U.S. Senate, does the U.S. Congress, want to go on record as saying that export loans are different? That we want to give a preference to export loans which we do not give to other loans to meet our vital domestic needs?

If we accept this conference report, if we vote to keep the Eximbank out of the budget, we are continuing to give top priority to export loans. We will be saying that exports and exporters are a privileged class.

A vote for cloture, a vote for this conference report, is a vote against housing—against the farmer—against the small businessman—against the U.S. taxpayer who has a right to know that his elected representatives are giving careful attention to all Federal Government spending and lending in a time of soaring inflation, high interest rates, and rising unemployment.

Mr. President, I am not trying to say that exports are not important, because of course, they are important—the United States should maintain the most favorable balance of trade possible. And I am not trying to hurt exporters; exporters provide jobs, they help our economy.

I am just saying that we should put exporters under the same rules of the game as everyone else. I am only asking for fair play.

There is no reason to put any program outside of the budget. The whole purpose of the budget is to balance all programs against each other, so we can determine relative needs and set priorities and allocate the limited—increasingly limited—resources available in the best way possible for the country as a whole, not for just one or just a few groups.

Mr. President, there seems to be some notion that the Bank could not survive if it were in the budget. May I point out that the Bank always had been in the budget—from 1945 when it was founded it was in the budget, until 1971 when it was taken out after an intense Bank-led lobbying effort. Since 1971, the effective deficit impact of the Bank has grown immensely—from $145 billion in fiscal year 1972 to $1.6 billion in fiscal year 1975 to a projected $3 billion in fiscal year 1977.

The Bank survived before when it was in the budget, survived and prospered; it will certainly survive if we put it back in the budget. But I do think there is serious concern that the interests of the American people, the credit needs of the average taxpayer, will not be met and will be adversely affected if we do not act now to put the Export-Import Bank back in the budget.

Those who have considered the matter carefully, including Dr. Arthur Burns, the Chairman of the Federal Reserve System, and Mr. Elmer Staats, the Comptroller General, have agreed that it certainly ought to be in the budget. Dr. Burns points out that a monetary policy is extremely hard to operate if you have a situation of a group of borrowers who can borrow hundreds of millions of Government funds at below market rates, and have a favored position. That is why there is no way we can be fair to the American farmer and homebuilder if we make it available to exporters, and not on the same basis to the American farmer and homebuilder at the same time.

It is vital that we act now. Now is the time when concern is high about inflation and the need to cut wasteful Federal spending. Now is the time when Congress is acting to take full responsibility for the level of Federal spending, under the Congressional Budget Act passed this year. Now is the time to set a precedent and to show that Congress means business, that we are no longer going to turn a blind eye on backdoor spending by off-budget agencies or by any other device.

Putting the Eximbank back in the budget will show that Congress has a commitment to fighting inflation, to lowering interest rates, to relieving the economic distress now confronting all our people.

Mr. President, in urging a vote against cloture and a vote for recommittal of this conference report, I am not asking for everything—I am not insisting that the Senate position on the Export-Import Bank amendment be upheld in every respect.

I ask reconsideration of just two points—ones which I, and many other Senators, believe are crucial to our national interest. One is my budget amendment, about which I have just spoken at some length. The other is the Church amendment requiring congressional approval of fossil fuel energy project loans to Communist countries, so that we will not commit ourselves to spending billions of dollars for energy development abroad without insuring that this is in the national interest.

Mr. President, we are simply seeking to reach an adequate compromise with the House. The Senate position was wiped out completely in the first conference, and only slightly restored in the second. The Senate receded on 13 points in the first conference—I repeat, 13. Despite strict instructions from the Senate to insist on the Senate bill, we won only two more points in the second conference. Now we ask for just two more concessions from the House—two more provisions which we in the Senate earnestly and wholeheartedly believe are an essential condition of extending the authority of the Export-Import Bank.

Lest anyone think we are being unreasonable, let me just list some of the many concessions which the Senate made to the House on the legislation—concessions which we will agree not to challenge if we can get agreement on the issues of strongest concern. I think this list will be enlightening to any who may think that the Senate is being unduly insistent on getting more of its provisions into the conference agreement.

The Senate bill contained an amendment stating that the Bank "may" provide financing at rates and terms which are "competitive" with export-financing agencies in other countries. This was a relatively modest proposal—that the Bank not subsidize its already below-market interest rates any lower than any other country does. It is hard to imagine that the Bank would not do this, and would not welcome language to that effect. Nonetheless, they opposed it, the House opposed it—and the Senate gave way.

The Senate bill required that that Bank provide financing "only to the extent that sufficient private financing is unavailable." This again is good commonsense, and it simply reinforced language already in the law directing the Bank not to compete with private capital. What it means is that the Eximbank should not finance sales of 747's and other aircraft which are only available from the United States, and that it should not finance exports from large companies which could get private credit anyway but rather should encourage exports which would not otherwise be made. Perfectly reasonable. But the House objected, and the Senate receded, with a little report language.

The Senate bill specified that the Bank should not authorize loans, guarantees, or insured loans which might have serious adverse effects on the U.S. economy—that is, on the competitive position of U.S. industries, such as the aircraft industry; on the availability of materials in short supply in the United States, such as oil-drilling equipment; or on employment in the United States. In other words, we should not export materials we need here at home, or capital equipment which will create jobs abroad and take jobs away from our American workers.

How could anyone disagree with this? How could anyone, least of all the Bank itself, say that the U.S. Export-Import Bank should be free to engage in lending activities which have a serious adverse effect on the U.S. economy? Nonetheless, the Bank did object to this restriction, and at the insistence of the House conferees, the Senate language was watered down to a simple suggestion that the Bank take these things into account—with no bidding requirement that they do so, and no commitment on the part of the Bank.

The Senate bill required that the President make a separate national interest determination for any Eximbank loan, guarantee or combination thereof of $40 million or more to a Communist country, and report that determination to the Congress within 30 days of making that determination or authorizing the transaction, whichever comes first. This is in lieu of the current practice of making a single national interest determination on loans to any particular country, rather than for specific transactions. Since GAO has in fact ruled that the law requires a separate national interest determination for each transaction, it is hardly unreasonable to require this at least for major transactions.

Nonetheless, at the insistence of the House conferees, this provision was severely diluted. The requirement now is for a separate national interest determination for loans only of $50 million or more, which means effectively transactions of $150 million or more. There are very few of these—so the separate national interest determination requirement put in by the Senate was rendered almost meaningless by the conferees.

The Senate also required that the President not determine that a transaction was in the national interest if it would or may result in the United States becoming dependent upon a Communist country for essential materials, articles, or supplies which may be or are in short supply. The House knocked out this Senate provision. How can we conceivably reject the idea that it is not in the national interest to make loans which result in our becoming dependent on a potentially unfriendly country for vital materials—especially in the wage of the Arab oil embargo?

I can go on still further.

The Senate prohibited the Eximbank from financing or participating in an extension of credit for sales of defense materials to any country. After all, we have an extensive foreign military assistance program; why should we use the resources of the Eximbank in this area as well? Nonetheless, the House objected and the Senate receded.

The Senate bill required the Bank in its annual report to list all transactions involving the purchase of goods or services by a foreign subsidiary or affiliate of a U.S. company. This was to support other efforts being made to account for the activities of multinational corporations and insure that they do not receive special preferences or escape the provisions of appropriate law. But the House objected, and the Senate receded with a little report language.

The Senate bill prohibited the Bank from extending loans for the purchase or lease of any product necessary for the production, refining, and transportation of oil and gas and which is in short supply in the United States according to FEA. Surely a requirement in line with the national goal of increasing energy production. Nonetheless, the Senate receded to the House once again.

The Senate added a representative of labor to the Bank's Board of Directors, so that the interests of working people would be represented. The House conferees objected, and the Senate receded.

I personally regret that we cannot open up more of these issues. I think the Senate lost a lot in conference which we should have gotten, in the national interest.

At the very least, and I emphasize at the very least, we must insist on obtaining the two provisions still at issue, which are major components of the Senate bill—putting the Bank back in the budget and requiring congressional approval of fossil fuel energy project loans to Communist countries.

So I hope the Senate will vote "no" on cloture, and then vote to support a motion which will be made by the Senator from Pennsylvania, I believe, to send the bill back to conference.

Mr. President, I urge a vote against cloture and for recommittal, so we can get an Export-Import Bank Act extension which is acceptable to the Senate and in the national interest.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, first, I ask unanimous consent that Howard Beasley and Tony Wood, two members of the staff of the Committee on Banking, Housing and Urban Affairs, be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. I yield myself 3 minutes.

Once more, Mr. President, we are back at the same impasse. I want to try to put in perspective some of the arguments that are being raised.

First, this is not a $25 billion loan to Russia for energy projects, nor a $6 billion loan, nor a $2 billion loan. There is $300 million on loans that can be made to the Soviet Union for the duration of the bill, which is 4 years.

In addition, there is an overall request for an increase in authorization of $5 billion which will take the Bank through about mid-1976, and it will have to return here again for further authorization and approval. So there is no great fear even if it was contemplated that we are going to make massive loans to guarantee energy projects in Siberia.

Second, let us remember what the Bank is. This Bank is an institution not unlike many domestic institutions we have to guarantee credit for a specific purpose, in this case exports.

The money does not leave the United States. It goes to American manufacturers, American producers of goods and services who, in turn, based upon the security of the guarantee, sell goods overseas. It is no different in terms of function from the $7.75 billion we approved several months ago. That is outside the unified budget, I might add, to loan to homebuilding in this country by channeling it through savings and loans.

Everyone here says they are in favor of continuing the Export-Import Bank. The only two issues are, one, should their budget be in the unified budget, and that is something that Senator MUSKIE's committee will be looking at, along with all the other budgets that are at the moment outside of the unified budget.

The second issue is, should Congress become some kind——

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. PACKWOOD. One more minute.

Should Congress become some kind of a senior loan review committee, and before loans are made for certain types of projects we would require that those projects come to Congress for approval.

I do not think we want to become a senior loan committee. I think it would be an unwise decision. We have made the major policy decisions as to what this Bank ought to do, and I think we ought to continue its existence and vote for cloture now.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 1 minute, and the Senator from Illinois has 6 minutes remaining.

Who yields time?

Mr. STEVENSON. I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. I yield back my time.

I understand that the acting majority leader wanted to have a quorum call before the cloture vote anyway; it has to be live.

The PRESIDING OFFICER. There is an automatic quorum call prior to the vote.

Has all time been yielded back?

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the adoption of the conference report on H.R. 15977, the Export-Import Bank Act Amendment.

Bob Packwood, John Tower, Edward W. Brooke, Paul J. Fannin, J. Glenn Beall, Adlai Stevenson, Thomas J. McIntyre, Walter F. Mondale, Dick Clark, Frank E. Moss, Lee Metcalf, Daniel Inouye, Gale W. McGee, Harrison A. Williams, Claiborne Pell, Edward Kennedy, Robert Stafford, Robert Taft, Jr., Charles W. Percy, Jacob K. Javits.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 545 Leg.]

Baker
Bartlett
Bennett
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Clark
Cotton
Curtis
Dole
Domenici
Goldwater
Gravel
Griffin
Gurney
Magnuson
McClellan
McClure
McIntyre
Nunn
Packwood
Pearson
Percy
Proxmire
Ribicoff
Schweiker
Sparkman
Stafford
Stevenson
Talmadge

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Aiken
Allen
Bayh
Beall
Brock
Buckley
Cannon
Case
Chiles
Cook
Cranston
Eastland
Ervin
Fannin
Fong
Fulbright
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mathias
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Pastore
Pell
Randolph
Roth
Scott, Hugh
Scott, William L.
Stennis
Stevens
Symington
Taft
Thurmond
Tower
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Bible), the Senator from Missouri (Mr. Eagleton), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Massachusetts (Mr. Brooke), the Senator from Colorado (Mr. Dominick), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the adoption of the conference report (H.R. 15977) on the disagreeing votes of the two Houses on the amendment of the Senate to the bill to amend the Export-Import Bank Act of 1945, and for other purposes, shall be brought to a close? The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will Senators please take their seats and cease their conversation?

Mr. ROBERT C. BYRD. Mr. President, does that include not just Members of the Senate?

The PRESIDING OFFICER. The Senators will take their seats, and staff members as well.

The assistant legislative clerk resumed calling the roll.

The PRESIDING OFFICER. The Senate will please come to order. Will Senators please take their seats?

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. DOMENICI (when his name was called). Mr. President, I have a pair with the Senator from Colorado (Mr. Dominick) and the Senator from Massachusetts (Mr. Brooke). If present and voting the Senator from Colorado would vote "nay," and the Senator from Massachusetts would vote "aye." If I were permitted to vote I would vote "aye." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Bible), the Senator from Missouri (Mr. Eagleton), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Massachusetts (Mr. Brooke), the Senator from Colorado (Mr. Dominick), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Weicker) would vote "yea."

The yeas and nays resulted—yeas 54, nays 34, as follows:

[No. 546 Leg.]

YEAS—54

Aiken
Baker
Beall
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Clark
Cook
Cotton
Cranston
Curtis
Dole
Fannin
Fong
Fulbright
Gravel
Griffin
Gurney
Hansen
Hartke
Hatfield
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McGee
McGovern
Metzenbaum
Mondale
Muskie
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Stafford
Stevens
Stevenson
Taft
Thurmond
Tower
Williams
Young

NAYS—34

Abourezk
Allen
Bartlett
Bayh
Biden
Burdick
Cannon
Case
Chiles
Church
Eastland
Ervin
Goldwater
Hart
Haskell
Helms
Hollings
Huddleston
Hughes
Long
McClellan
McClure
McIntyre
Metcalf
Montoya
Nelson
Nunn
Proxmire
Ribicoff
Schweiker
Sparkman
Stennis
Symington
Talmadge

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Domenici, for

NOT VOTING—11

Bellmon
Bentsen
Bible
Brooke
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

The PRESIDING OFFICER. On this vote, there are 54 yeas and 34 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is not agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the rollcall vote that was announced on the strip mining conference report will not occur, because that conference report was adopted by voice vote.

At this time, the rollcall vote on the military construction appropriation bill is supposed to occur. Certain Senators indicated earlier today that they wanted a rollcall vote.

Mr. PROXMIRE. Mr. President, will the Senator yield to permit us to make a motion on the bill we just acted on?

Mr. ROBERT C. BYRD. I am going to get to that, but let us get the yeas and nays now.

Mr. PROXMIRE. It is a $3 billion appropriation. I handled the bill. I think we should have a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the distinguished Senator from Pennsylvania (Mr. Schweiker) to offer a motion to recommit the Eximbank conference report. I understand that this is his wish.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SCHWEIKER. Mr. President, we will not take much time. We appreciate the indulgence of the Members of the Senate.

It is my intention immediately to move to recommit this bill. Let me stress it is a $25 billion, 4-year bill. Many Members have not realized its impact. Because this bill does not address itself to the Soviet energy deal that is pending or to Senator Proxmire's amendment, I move to recommit the bill.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. CHURCH. I wonder whether the Senator from Pennsylvania would modify his motion to recommit with instructions to the Senate conferees to insist upon the retention of the Proxmire-Church amendments. Otherwise, I see very little reason for another conference to take place; because these amendments are the heart of the resistance in the Senate to the conference report, a resistance which has twice led to the defeat of this cloture effort.

I hope that if we are going back to conference, it is with the clear understanding that, at least with respect to these two amendments, the Senate conferees will be guided by the instructions of the Senate to insist upon their retention.

Mr. SCHWEIKER. Mr. President, I am pleased to modify my amendment as the distinguished Senator from Idaho has suggested.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Domenici). The question is on agreeing to the motion of the Senator from Pennsylvania.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. PROXMIRE. Because the Senate has voted twice against cloture and because the conferees are in a strong position to make progress on this, especially with the instructions suggested by the Senator from Idaho, I hope the Senate will vote to refer the Eximbank conference report back to the conference, so that we can act on it promptly and bring to the Senate a true compromise between the Senate and the House positions.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. Exactly what is the instruction—to do what?

Mr. PROXMIRE. To insist upon two amendments. Amendment No. 1 is that the Eximbank be placed in the budget on, say, October 1, 1976, or some such date.

Instruction No. 2 is that on any kind of loan to the Soviet Union exceeding $25 million, involving oil, petroleum, fossil fuel, there be prior approval by Congress.

Mr. STEVENSON. Mr. President, I opposed the motion to recommit previously, because it is quite evident to me, having been through two conferences with the House, that the most the Senate can gain from another conference is not the so-called Church amendment but the amendment offered by the Senator from Wisconsin, which would include the Eximbank in the unified budget, effective October 1, 1976. The budget committees of Congress are examining this question and will have recommendations which Congress can act upon before October 1, 1976.

So it was with the feeling that we should defer action on this question until the budget committees had acted that I oppposed the motion previously.

I ask the Senator from Maine at this point what his views are on that question. It may guide me and other Members of the Senate with respect to the vote on this motion.

Mr. MUSKIE. I say to the distinguished Senator from Illinois that in the development of the budget reform legislation, this issue was raised.

In all frankness, I was on the side of the distinguished Senator from Wisconsin (Mr. PROXMIRE) on this issue with respect to all lending agencies that were then and are now outside the budget. Nevertheless, it was the consensus of the committee at the time that there are so many unresolved questions with respect to this matter that the resolution which was adopted called for a study by the Committee on the Budget. And we are charged by the budget reform legislation to report to Congress on the merits of the very proposal that is now before us in the form of these instructions to the conference committee.

Since the effective date is October 1976, which is not inconsistent in terms of time, the Committee on the Budget can well look at this evidence of the Senate's desire, whatever that is, in developing its study.

It does not seem to me at this point that the instructions to the conference committee supported by the Senator from Wisconsin and study by the Committee on the Budget are that inconsistent. For purposes of expediting consideration of this matter, I am inclined now to vote to recommit, even though the other day I voted against it for the reasons that the Senator from Illinois has stated.

I see no obstacle here. I think we are going to work our will one way or another on this question of bringing the Export-Import Bank under the unified budget. We can begin the process now as well as later, as far as I am concerned.

Mr. STEVENSON. Mr. President, with that clarification by the Senator from Maine, and with the instruction offered by the Senator from Idaho to the Senate conferees to insist upon both of the amendments, the Proxmire amendment and the Church amendment, I intend to support this motion to recommit.

Mr. PACKWOOD. Mr. President, I shall support sending this back, although, as I told some of my fellow Senators earlier, I have talked with Congressman ASHLEY and Congressman FRENZEL, who were two of the principal conferees. The House is obdurate on the Church amendment. I am not going to argue whether rightly or wrongly.

I shall support the motion to recommit, and I shall support the Senate's instructions. The House is under similar instructions to do exactly the opposite. If each House stands firm, there will be no Export-Import Bank, short of some kind of concurrent resolution to extend it for 6 months or a year, which both Senator STEVENSON and I find a very unsatisfactory situation from the standpoint of the Bank. Nevertheless, it is obvious that the cloture votes have not varied more than two or three votes. We may as well try to go back to conference, realizing that, as we start in, we are at least deadlocked on an issue on which each House has instructed its conferees to stand firm on positions.

Mr. AIKEN. Will the Senator yield to me for a question?

Mr. STEVENSON. Yes, I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I should like to ask, if the Senate is determined to kill off the Eximbank, upon which hundreds of thousands of our farm people and industrial workers depend, why do we not do it right here and now, instead of resorting to the devious process which has been proposed?

Mr. HUGH SCOTT. Will the Senator yield?

Mr. STEVENSON. Yes, I yield to the distinguished Senator from Pensylvania.

Mr. HUGH SCOTT. I wish to say that I agree with the distinguished Senator from Vermont. If we want to get fuel oil into New England, this is no way to go about it.

Mr. AIKEN. This is make-believe, phoney maneuvering.

Mr. JAVITS. Will the Senator yield to me?

Mr. STEVENSON. Yes, I yield to the distinguished Senator from New York.

Mr. JAVITS. In sending back with the instructions, is it understood that the conferees are instructed to bring back to the Senate for a vote whatever they can agree on, even if they cannot get the two terms that are set forth? I think that would open a totally different prospect for the Senate. If the Senators think we are giving the conferees a power of attorney so that this is the end of the matter, as Senator AIKEN and Senator SCOTT have said, that is one thing. But if the conferees are duty bound to bring back to us what they can negotiate for us to vote up or down, that is quite another thing.

Mr. STEVENSON. Mr. President, I believe that is understood by the Senate conferees.

I should like to suggest a modification to that of the Senator from Idaho, if the Senator from Idaho will give me his attention for a moment. The modification is simply that the motion to instruct the Senate conferees be amended to include the instruction that they insist upon all the provisions of the second conference report, with the exceptions which the Senator has mentioned; namely, the Church amendment and the Proxmire amendment. Otherwise, we are, I think, in greater danger of giving away the very sound reforms which were first approved by the Senate and then adopted in conference.

With the understanding, if the Senator accepts the modification, I think we shall all seek to obtain the most we can.

Mr. CHURCH. I accept the modification.

Mr. HUGH SCOTT. Will the Senator from Illinois explain precisely what we are voting on?

The PRESIDING OFFICER. Does the junior Senator from Pennsylvania agree with the modifications as requested by the Senator from Illinois?

Mr. SCHWEIKER. Yes, I have agreed to both modifications to my motion. My original motion was to recommit the bill with instructions that we accept as a threshold the initial agreement of the first conference report; also, beyond that, the Church amendment banning a Soviet energy deal, and the Proxmire amendment saying the Bank shall come under congressional budgetary reporting procedures. If that is the issue——

Mr. STEVENSON. I think the Senator meant to refer to the second conference report.

Mr. SCHWEIKER. Right.

Mr. STEVENSON. With the modifications suggested by the Senator from Idaho.

Mr. SCHWEIKER. That is correct.

Mr. HUGH SCOTT. With that understanding, the motion to recommit includes instructions without leeway, instructions for the Senate conferees to insist upon the Proxmire amendment and the Church amendment.

Mr. STEVENSON. As well as the provisions already agreed to by the two bodies in the second conference report.

Mr. HUGH SCOTT. That includes the budget reporting amendment—the Proxmire amendment—and the Church amendment.

Mr. STEVENSON. The Senator is correct.

Mr. HUGH SCOTT. Then, to me, the Senate becomes the marketplace for bartering with the Soviet Union as to imports of fuel oil, so that, in the case of New England, for example, no additional imports can come in over and above $25 million unless Congress approves.

Is that correct?

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. STEVENSON. Yes, I yield.

Mr. PROXMIRE. As I understand it, the instructions are for the guidance of the conferees. The conferees are told to do their very best, which they must do to support the motion by the Senator from Pennsylvania, as modified by that of the Senator from Idaho. But there is no way that the conferees can be held to their instructions by a point of order or anything else.

As I understand it from the Parliamentarian, if we come back and have to give in on my amendment and take the Church amendment, or vice versa, then it will be up to the Senate to decide whether to reject that position, filibuster the position, or act as they wish. The conferees can do as they wish, but they have strong instructions now.

All the conferees that go there, as a very minimum, are advised that they must offer this to the House, fight for it, do their best to get it. But there is no way that the conferees can be bound to come back with precision what they are told to go for. I think that is what Senator JAVITS has said.

Mr. JAVITS. In other words, what I am trying to ascertain is that they will come back with whatever they negotiate and we can decide.

Mr. PROXMIRE. That is right.

Mr. HUGH SCOTT. If the Senator will yield, that is a very different thing. I am trying to establish the fact of whether they are being sent there to be totally intransigent and meet an intransigent position in the other body, with neither side being permitted to give in, or are they being told to come back here and say, "We did our best," whatever that best is? If that is the case, it is a very different situation.

Mr. PASTORE. Will the Senator yield?

Mr. HUGH SCOTT. I shall be glad to.

Mr. PASTORE. The Senator asked a very cogent question. I do not think we have received a categorical answer.

I think the Senator's question was, does the Proxmire amendment mean that if more than $25 million of fuel oil is to come into New England from Russia, they need the consent of Congress to do it first? That is the question, is it not?

Mr. HUGH SCOTT. That is what I am trying to get at.

Mr. PASTORE. That was the question?

Mr. HUGH SCOTT. This is a "cat-and-dogs" question. We want a categorical and a dogmatic answer.

Mr. PASTORE. What is the answer? Before I vote I should like to know what the Proxmire amendment does.

Mr. PROXMIRE. If the Senator will yield, as long as he has mentioned my name, I should like to say that the Proxmire amendment deals only with whether or not the Bank should be in the budget. The Church amendment deals with whether or not we should lend money for purposes of investing in the Soviet Union more than $25 million for the Soviet Union to produce oil or gas.

Mr. PASTORE. In other words, this has nothing to do with the importation of oil into New England?

Mr. SCHWEIKER. That is exactly right.

Mr. PASTORE. Then let us get the record straight before I vote.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is this question divisible?

The PRESIDING OFFICER. The subject matter of the instructions is divisible.

Mr. JAVITS. Mr. President, I demand a division of the question. In other words, I demand a separate vote on the Proxmire proposition and a separate vote on the Church proposition.

The PRESIDING OFFICER. That is divisible.

Mr. JAVITS. And I ask for the yeas and nays on each.

Mr. CHURCH. Is the motion debatable?

The PRESIDING OFFICER. It is debatable. The yeas and nays have been requested.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, there were three parts to the motion, three instructions. One was to support the Church amendment, the second was to support the Proxmire amendment, and the third was the modification I suggested, which was to support the many Senate provisions contained in the second conference report, which go beyond the other two issues.

Mr. JAVITS. Mr. President, I modify my request, and say I demand a division into whatever number of parts the Chair believes the question must be divided, and request the yeas and nays on the first one.

The PRESIDING OFFICER. There are three parts. The yeas and nays have been requested on the first part, which is the Church amendment.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, while we are at it, I ask for the yeas and nays on all three parts.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, a parliamentary inquiry. Are they 10-minute or 15-minute votes?

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. PERCY. I ask the assistant majority leader, are these 10-minute votes or 15-minute votes.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, the order was that on all back-to-back votes after the initial vote, there would be 10 minutes on each. This is not to be considered as a back-to-back vote now. Unless Senators wish otherwise, I think they ought to be 15-minute votes.

The PRESIDING OFFICER. Is there further discussion?

Mr. CHURCH. Mr. President, before the Senate proceeds to vote on the first of the three votes, regarding the subject-matter of the instruction——

The PRESIDING OFFICER. Will the Senator suspend? The Senate will please be in order.

Will the Senator from Pennsylvania please send his requested instructions to the desk, so that they can be recorded?

The Senator from Idaho may continue.

Mr. CHURCH. I would hope that Senators would consider what is at issue here. It is obvious that some very large and influential oil companies are at work.

This bill, in its present form, as brought back to us by the Senate conferees, opens the way for one, and possibly two, projects of great magnitude, to be developed within the Soviet Union at the expense and risk of the U.S. Government. Both the Yakutsk and the North Star projects, are planned in such a way that no appreciable risks will be assumed by any of the great multinational oil companies involved, should the deals go awry.

That risk and cost will be borne by the American taxpayers, either through default or direct loans to the Soviet Union or guarantees made by the Export-Import Bank on private loans extended to the Soviet Union for the purpose of financing these projects.

What is the deal that all this public credit is going to be placed at risk to effectuate? The deal is that elaborate facilities will be built within the Soviet Union which will produce liquefied natural gas for export to the United States over a 25-year period, at a cost that is four times as high as the present cost of domestic gas.

So the first thing that these proposals would do would be to tie us to high-cost gas for a 25-year period. The contract price, of course, is influenced by the extortionate price level that currently obtains for crude oil.

That picture may change. It can change with the adoption of an appropriate policy on the part of the United States. There is no guarantee, as I stand here today, that the present exorbitant price of oil will remain the determinant of what the price of natural gas should be, certainly not over the next quarter century. Yet we will be tying ourselves to this high level for a 25-year period, and that, I submit, is not in the national interest.

Secondly, I submit that these proposals are manifestly unfair to the American people, because the public is being asked to assume all of the risk while the companies will enjoy all of the profits. The companies' investment will all be in the tankers that are needed to carry the gas, while the U.S. Government financing is all embedded in fixed facilities in the Soviet Union. Obviously the tankers can be used for other purposes. The fixed investment is locked into the Soviet Union forever. However, even the tankers are to be financed 87½ percent by the U.S. Government what then is at risk for the companies? The answer is self evident: virtually nothing!

Thirdly, I suggest that these deals are directly contrary to the avowed policy of the United States, which is to become less dependent on foreign nations for our fuel supplies. That is the whole point of Project Independence. Yet, if these deals are consummated, it means that our east and west coasts will become between 10 and 15 percent respectively dependent upon Russian supplies of natural gas in liquefied form.

How can that make any sense in the light of the experience we have had in the past year or two, and the terrible price that we and the rest of the western world have had to pay for our dependency upon unstable foreign sources for so much of our oil supply? Are we now going to repeat the same mistake with natural gas? Are we going to reverse our stated national policy of increasing our security of supply by financing $7 billion worth of credit within the Soviet Union at the expense and risk of the Government of the United States, in such a way as to guarantee the profits of these big oil and gas companies if the scheme works, but leaves the American people holding the bag if it does not?

I have not heard anyone successfully argue the merits of these projects in any debate on the floor of the Senate or elsewhere. In our subcommittee on multinational corporations we went thoroughly into both of these projects, and they cannot be justified except within the perspective of those companies that stand to benefit from them.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. PASTORE. The Senator makes an excellent case. I wonder, what is the justification given by the State Department? What is their idea of the bill?

Mr. CHURCH. Mr. President, I would say first to the Senator that even the administration has been extremely shy of admitting that it supports either project. Every time we have tried to pin the administration down, whether the witnesses came from the State Department, from the FEA, from the Commerce Department, or from any other agency, they said, "These are merely proposals that are in the prospective stage; we are not yet prepared to say whether the administration will support them."

But I ask the Senator why is it that these oil and gas companies are in here fighting so hard against the CHURCH amendment? All I propose is to have these proposals come back for the review of Congress before we commit ourselves to 25 years and $7 billion worth of investment within the Soviet Union, in order that Congress can be satisfied that the interests of the United States are properly protected.

The companies do not want that, because the bill in its present form allows the Bank to go forward under the strong pressure of these companies and approve the first $50 million worth of loans, to get the exploration phase of the Yakutsk project started.

Then, after they have exhausted the $300 million limit provided in this bill, they will come back and say to Congress, "Look, you have got to approve additional money or we will have wasted the first $50 million. You see, we have already committed the United States to this great project. We have obligations to Japan." I have heard the argument made so many times, "We have a national commitment to uphold. We have $50 million worth of investment to protect. Congress really has no option but to approve subsequent lending to see this project through."

No, gentlemen, if you are going to stop this kind of thing, then recognize right now that the time to stop it is before it ever gets started. All I am asking you to do, in upholding the Church amendment, is to insist upon the right of Congress to pass judgment on any fuel and energy projects within the Soviet Union which require billions of dollars of U.S. Government credits, and have the effect of reversing our stated goal of becoming less dependent upon foreign sources for our fuel supplies.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHURCH. Yes, I am happy to yield to the Senator from Washington.

Mr. MAGNUSON. Of course, I am impressed with the argument of the Senator from Idaho. He says "we are committed." Who is "we"? Who will be committed to buy this expensive gas at four times the current price?

Mr. CHURCH. The poor consumers will find themselves committed to pay their bills, and their bills will include gas that is being purchased at the contract level now being negotiated between the companies and the Soviet Union.

Mr. MAGNUSON. I understand that. And neither the Federal Power Commission nor the State utilities commission will be able to protect the consumers. The companies can say, "We got natural gas that costs four times as much as domestic gas and you have to allow us to sell it for that."

Now, this is the point that bothers me.

Mr. CHURCH. I shall yield to the Senator from Louisiana. But first let me say the Senator must remember this is gas coming from sources outside the jurisdiction of the United States, and these companies will have little problem justifying before the appropriate commissions the necessity for making adjustments in the rate once they have contracted to buy gas from the Soviet Union at this level.

I yield to the Senator from Louisiana.

I think the Senator from Louisiana wants to make a comment on this.

Mr. MAGNUSON. Yes.

Mr. LONG. There is a friend of mine who hoped his company would be in on this gas deal with the Soviet Union. He explained to me an item that does not meet the eye that occurred in the course of his negotiations on this matter.

He said, "I pointed out to those in the Soviet Union that even with the high price they would be paying for this gas, the transportation costs from where the gas is located in order to get it here would exceed, or would be about equal to, the price that they would be charging," and he said that he explained to these people that they ought to reconsider and carefully look at their situation because, having run it through his company's computer several times, they were concerned that the Soviet Union would be selling the gas at the wellhead at a zero price.

The transportation costs would eat up the entire expense of getting it here, by the time you put it through the pipelines, liquefy it, put it on ships and bring it across the ocean and distribute it at this end, and he said he would suggest that the Soviets take a good look at their cost studies because it looked to him as if they would be selling their gas at zero at the wellhead.

The Soviets said to this man, "That is because you do not understand how we keep our books."

That caused that American to assume the Soviets wanted dollars so badly that they would be willing to sell that gas just for transportation expense, providing jobs for their people building the pipelines, the compressing stations, the ships, and all that.

That is one explanation. If they want to sell their gas so badly that they give it away for nothing, that is one explanation.

I can think of a more logical explanation. They might just not be planning to pay us for it, and that is pay off those loans, in which event you would have paid to drill for the gas; you would have paid to build the pipeline, you would have paid to build all their share of the ships and, having done that, then they would get their nose out of joint because you supported a revolution down there in Chile or because a U–2 flew over the Soviet Union or a thousand other reasons, or because you participated in the war in the Middle East or you sold so long to the Israelis, and that being the case, they are not going to sell you the gas.

In the meantime, they have the pipelines and the wells and the gas, and they sell it to Cuba, for example. That is the kind of thing you are in for when you start putting up millions of dollars making a deal.

But there are a lot of Americans who will support that deal: the contractors who hope they will get the contract; the American company that hopes they will get the steel order; the architect-engineer who hopes he will get in on the act somewhere, all kinds of people who think they are going to benefit from all this at some point will be in here urging us to go through with this thing because they think they would make a profit out of all this, and that is the kind of thing the Senator is concerned about, and he ought to be concerned about it.

It is something we ought to know about if they are going to put x billions, whether it be $3 billion, $5 billion, $7 billion into developing the energy resources, the transportation resources of the Soviet Union, and it would be nice to know what we are getting into before we sign a blank check for it.

Mr. CHURCH. Mr. President, that is all I am asking for, an opportunity for Congress to pass judgment before we get obligated under such a contract for such a long period of years.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHURCH. I would like to respond to the remarks of the Senator from Louisiana by just telling of a brief experience I had several years ago in an interview with the Soviet Premier, Mr. Kosygin. I think it should be enlightening with respect to this particular subject.

We were discussing trade in the normal sense of quid pro quo, our wheat for their gold, and the possibilities of expanding normal trade.

I must say, as one of the participants, I was very much impressed with Mr. Kosygin's knowledge of our internal politics, and with his general belief that there was no dramatic expansion in ordinary trade to be anticipated between the Soviet Union and the United States because we were not natural trading partners. But as soon as the subject was broached as to the possibility of large American-owned multinational corporations moving in, under credit arrangements which would enable them to develop the natural resources of the Soviet Union, utilizing the most modern American technology, bought and installed with American money, he immediately became intensely absorbed in the conversation. Kosygin said, "We are very much interested in this kind of development, we do want modern technology; and if arrangements can be made to finance the installation of modern plants in the Soviet Union, we would then be interested in paying you back, over a long-term period with our raw materials."

Well, now, the way the Russians keep their books, they might be willing to agree, at the outset, to take nothing for the gas in return for the tremendous new plant and investment we would build inside the Soviet Union.

They would then have 25 years to decide what might, in their view, justify an increase in that price.

It did not take the Arab countries very long to decide. They did not consult with us before they increased the price of crude 400 percent in 3 months, after oil became a weapon in advancing their objectives.

Are we to assume, in the next 25 years there will not be such friction between us and the Soviet Union, as to result in a repudiation of the deal or an embargo on the gas supply, so that we then would find ourselves in the same situation we confronted a few months ago when the Arabs imposed their oil embargo, and upped the price?

We are delivering ourselves into Russian hands for a long period of time; we are doing it blindly, gentlemen, without even reserving an opportunity to look at the terms of the contract, before American credit is put on the line.

We are denying Congress the one prerogative it ought to preserve, the responsibility to see to it that the best interests of the American people are protected before we enter into such arrangements.

Mr. CHILES. Will the Senator yield?

Mr. CHURCH. Yes, I am happy to yield to the Senator from Florida.

Mr. CHILES. Is what the distinguished Senator from Idaho is saying that the same Senate, this same Senate that has said it is not going to continue to surrender its constitutional power—and trade is one of the constitutional powers of the Senate, as I read that document—that it is not going to continue to surrender that and we are trying to get back into the ball game where we are a coequal branch, and talk about our victories in war powers and what we have done in the budget in trying to receive some control of that? Are we going to march back down the hill again and say that not only are we going to give our powers, realizing we cannot negotiate as the Executive can, so we have to give that power to the Executive, but we are going to give it carte blanche, never taking a look at it?

Is it not easier to say to our constituency, I did not like that agreement, but we did not have anything to do with that, that was the bad old President that did that.

Another way of kind of shirking our responsibility, as this Senate kind of has done for many, many years, since the 1930's when we surrendered powers.

We would be doing that same thing if we continued on this track, would we not?

Mr. CHURCH. Yes, I must say I do agree with the Senator's observation.

We have just one chance, may I say, to reserve to the Congress its right to review projects of this magnitude that can have a direct bearing upon our future security and which, on their face, run contrary to our announced national energy policy.

We have this one chance. If you permit this bill to go through in its present form, do not fool yourselves; we have been forewarned what is going to happen. We know from the stage to which the negotiations have now advanced. All I ask Senators to do is look at these projects, examine them and ask the question, Are they in the national interest?

Gentlemen, I speak as a proponent of détente, but any good objective can readily be invoked to cover a multitude of sins. The surest way to undermine long-term popular support for détente is to put deals into effect, in the name of détente that are wrong for the country. Then the people will turn against the policy as well as those who allowed such deals to go through.

Mr. ROBERT C. BYRD. Mr. President——

Mr. HUMPHREY. Will the Senator yield?

Mr. ROBERT C. BYRD. If the Senator from Minnesota will let me ask a question——

Mr. HUMPHREY. Surely.

Mr. ROBERT C. BYRD. Would it be possible for us to agree to vote on this motion beginning at 3 p.m. today?

Mr. HUMPHREY. I have a very brief comment.

Mr. ROBERT C. BYRD. Could we do that?

Mr. PACKWOOD. I would object for a moment. I have got to rebut some of the mistakes the Senator from Idaho has put into this record. I have not had a chance to speak yet.

Mr. CHURCH. If that is the basis on which the distinguished Senator from Oregon is going to speak, I will have to object, as well, in order to reserve an opportunity to make a surrebuttal.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. I want to commend the Senator from Idaho for his willingness to state his position relating to our financial transactions with the Soviet Union.

I have always felt the most-favored-nation, so-called, treatment was much easier for us to deal with than the matter of investments and I never saw any reason that we should not regularize and normalize our trade with the Soviet Union, particularly in line with the kind of arrangements we have been able to work out on the issue of human rights.

Mr. CHURCH. I agree with the Senator on that.

Mr. HUMPHREY. But on the matter of financing, the Senator from Idaho has brought up some points.

First of all, we have not as yet, may I say to our colleagues, arrived at a national energy policy. We do not know what we want to do. We are coming in the Congress here on one project after another without any concept of any basic structure.

We have not made up our mind how dependent we are going to be on foreign energy sources.

Many of us were led to believe awhile ago that we can have within a few years what we call Project Independence. The study that has been released on that indicates that is very unlikely.

We have not made up our mind whether we are going to have certain types of investment concessions in the United States and in the coastal waters for energy development.

My point is that the project in the Soviet Union should be looked upon, whether we accept it or reject it, as a part of the total energy package.

Now, I am not so concerned about the statement that the Soviets may not repay.

Actually, their record of repayments since World War II has been remarkably good. They take some pride in paying their bills and they apparently want commercial credits, and that means they have to keep a good credit rating.

But I do think there is a point here that needs to be emphasized, namely, that the Soviet Union is seeking outside capital in large doses in order to preserve its inside capital for its own rearmament.

I mentioned this sometime ago, that I take a very dim view of the United States financing capital development in the Soviet Union which permits the Soviet Union to release its own generated capital to invest in its own military machine, which in turn compels this Congress to vote larger sums of money for our Military Establishment in order to keep pace with the developments in the Soviet Union.

I think this factor has to be brought into our consideration.

Now, there are always trade offs. There is no program that is all that we want.

But I do think that it is right and proper that we take a good hard look at what the U.S. Government investment policy is going to be in the Soviet Union, not only in terms of repayment, but how deeply involved do we get, because what we are talking about here is only a fraction of the amount of total capital that will go into any one of these projects.

If, for example, the figures we have read of, anywhere from $3 billion to $6 billion, are the sum totals to be required for development of a particular project, we have to keep in mind that that means $3 billion to $6 billion that is not available for a line of credit for the development in our own country.

I say this having very strong feelings about the necessity of the Export-Import Bank, recognizing that it plays a very vital role in our overall commercial transactions as a nation and for our private enterprises.

I happen to believe that the Export-Import Bank is a very healthy institution, for jobs and for American industry, but I am concerned, deeply concerned as to whether or not we are not being led into something that will involve tremendous economic investments out of the private sector.

I would expect that in due time we would hear of the necessity of insured loans and guaranteed loans, and we will be getting very, very deeply into tremendous investments, because whatever they do in the Soviet Union is going to be big—very, very big.

Now, I am no expert at all in this field: the development of the petrochemical industry.

I happen to believe that if we can do business with the Soviet Union, it is healthful. The question is what kind of business; what kind of commitment should we make? Therefore, I think it might not be a bad idea to fight this thing out once again.

I know that the distinguished Senator from Illinois has done a tremendous job. I complimented him here the other day. He made very realistic progress in the last conference. It was not as much as some of our colleagues would have liked. Again, the Senator from Idaho has put up a warning here, and I put it this way: That if a project can be justified to the Bank, I think it can be justified to a committee of Congress.

I know that ordinarily we would not want to have Bank transactions come to a committee of Congress, because people will say, "What do you know about it?" But this is not an ordinary transaction. This is a basic policy decision.

We have never made these kinds of credits available to the Soviet Union for such long-term projects, at a time when we are trying to find out if we can level off defense expenditures, at a time when there are very serious problems internationally in the economic sphere amongst our friends and allies, at a time that we are going to be called upon, by the way, amongst our own friends and allies, for an international oil fund to protect ourselves.

We are talking about $25 billion, $25 billion for the United States and Western Europe, to see if we cannot have some form of protection against the unbelievable increase in oil prices, prices which, by the way, just went up again this last week. I think we better say stop, look, and listen.

There used to be a distinguished Senator who sat in the third row back here in the Chamber, and that distinguished Senator was Ed Johnson.

I remember the then majority leader saying to me, "Remember that Ed Johnson's greatest contribution to this Senate was that he used to say, 'Wait a minute. Just think it over. Wait a minute.' "

Maybe in this instance, it is a good idea to think it over, to wait a minute.

The Senator from Wisconsin (Mr. PROXMIRE) has given us a very sensible amendment on bringing the Export-Import Bank under budget control. I think that is absolutely necessary, whether we do it now or later on. As I understand, the Senate said that even by 1976, just to get the principle involved, this would be desirable.

This seems to have the support of the Senator from Maine and, indeed, I believe the Senator from Illinois. The real question here is whether or not there is any kind of guideline and standard that we can put on over and beyond what has already been achieved in conference on the matter of international financing through the Export-Import Bank for fuel and energy development of the Soviet Union.

No one has been able to explain to anyone here how much that is really going to cost. No one has been able to tell us whether or when it will come on board. No one has been telling us how much private money is going to go into it. Is the Export-Import Bank loan just seed money, or is it going to be a tremendous outlay of billions of dollars over the years?

Therefore, I believe that we do not do injustice to our colleagues here who handled this legislation, nor are we being unfair to anybody, if we say take it back and let us see what we can do.

Why should the House stand in the way of reasonable guidelines and standards on something of this nature? I think that we ought to take a look. And I say this, may I say, out of being convinced. I was not convinced of this, as the Senator from Idaho knows, until over the weekend I did some reading, until I listened to the argument of the Senator from Idaho.

We have disagreed on many things here in the Chamber on what we call foreign assistance. But this is a major policy change. This is something that represents a major development in the United States-Soviet relations.

There is no antagonism here. I am not accusing the Russians of not being willing to pay their bills. I do not think they have any sinister purpose in mind. I do not know of any reason to believe that.

But I do know one thing: They have tremendous resources. I do know that they made over $1 billion from oil last year. I do know that they keep raising their defense budget. I do know that we keep loaning them money, and that releases money for their military establishment.

Strangely enough, we loan them the money so they can release money for their military establishment which compels us to borrow the money to take care of our own Military Establishment.

Somewhere along the line something went awry. This just does not add up. I think it is about time we said, "Wait a minute. Stop, look, and listen."

We have a chance now. We can ask these various distinguished colleagues of ours on this conference committee to take this back, and hopefully, to come up with something along the lines of the Church amendment.

I do not know whether they can get it or not, but I cannot believe that our colleagues in the House of Representatives are less concerned about this than we are, if the facts are laid on the line.

I do not believe there are very many Members of the House who believe we ought to enter into a major energy policy decision with the Soviet Union before we have made one up here at home. We do not even know what we are going to do here. We do not even know what we are going to invest here.

As of this time, I have not heard what the rates of interest will be, what the terms will be, and a lot of other things.

So I join with the Senator. I want to commend him for his initiative.

Mr. SCHWEIKER. Will the Senator yield?

Mr. CHURCH. I thank the Senator very much for a most persuasive argument. I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. I want to commend the Senator from Minnesota for a very important statement, a "wait a minute" call on this particular energy legislation.

In response to the leadership of the Senator from Idaho, I have an agenda of items that are pending before the Eximbank right now for consideration.

Item No. 2607 is the Yakutsk exploration phase for a $49.5 million start.

So there is no question. The Senator has defined the issue. Do we go or no go on energy? It is right on the agenda. It could not be higher on the Export-Import Bank agenda.

The only thing they are waiting for is for what the Senate says. We are saying if we do nothing, yes, go ahead and do it. We are saying yes, give the Soviet Union superenergy preference because nowhere in this country do we give 7 or 8 percent money for energy exploration. We charge a lot higher than that. Nowhere in this country do we say, "We will buy your market output for 25 years." Nobody gets that deal here.

We are deciding, if we say to go ahead, to give the Soviet Union super preference on energy. We are not even willing to do this for ourselves on Project Independence.

I think the go-ahead would make a mockery out of Project Independence because it says we are willing to do for a foreign government, for another country, what we have not decided that we have the guts and courage to do for our own people here at home.

There could not be a more clearcut explanation of what this vote means.

I originally had an amendment which would have absolutely banned all fossil energy investments by the U.S. Government in the Soviet Union. The Church amendment, I think, is even a more reasonable proposal from Congress' point of view. The Senator from Idaho simply proposes to give Congress the right to say yes or no, if there is going to be a deal. What is fairer or more reasonable than that in view of the fact that we have not even articulated our own energy policy?

You know, this energy deal is a little bit like an iceberg; 18 months ago it was first keynoted in a House report of June 1973.

It talked about two deals, a deal for Yakutsk, which they estimated to be $6 billion, and a North Star deal, which they estimated to be another $6 billion. So originally, somebody conceived two $12 billion deals in total.

Then more recently we have the Soviets and Gulf Oil signing an agreement with Japan to do exactly similar exploration. That was as recently as October 11 of this year.

All of these are contingent on what we are going to say here today.

Then on November 23 of this year we have another little squib that El Paso Gas Co. signed with Japan and the Soviet Union in an exploration agreement. They key item of the agreement is Export-Import financing. The deal is conditional on Exim financing.

It could not be clearer than that.

In this month, on the 13th of December, we have another reference to the deal, only this time it fleshes it in a little bit more. It says we will put up $100 million to start, and the Japanese Eximbank will put up $100 million, but it is a $3 billion project.

So let us not kid ourselves. If we vote this through with no restrictions, such as the Church amendment or my original amendment, we are giving the Eximbank a green light. We are giving super extra priority to energy development everywhere in the world except the United States of America.

I commend the Senator from Idaho. He could not be more right.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. DOMENICI. First, I commend the Senator from Illinois and the Senator from Oregon for pursuing the concept of Eximbank in these very difficult times, when our country really has not yet decided what we should do by way of special allocation of our limited capital resources.

On the other hand, it seems to me that when we hear all the good things that it can do for America, for America's employment, for America's industry, and then hang this whole bill up on whether or not we are going to have some kind of oversight with reference to developing Siberia in terms of Russian energy, it indicates that if the House hangs on it, they are really not so convinced that it is a great bill in all respects and want to use it or cause it to be abused in terms of the amount of money that will go through our major big companies into Siberian energy development and the like.

I agree wholeheartedly with Senator HUMPHREY, and I add this dimension: He spoke of their continued military growth while they try to develop their domestic economy. They are doing that with the help of America and, hopefully, with Japan and others, but they also need—and desperately need—the technology and the equipment that is so difficult to come by today in the field of development of energy resources.

We in this country do not even know yet if there was a new find in a friendly country that in fact wanted to make a major deal with America or an American company. We are not sure that we could send our technology and resources there at this point in history, because we do not even have it inventoried. We do not know whether we have enough to develop the various friendly fields around the world.

It seems to me, arguing logically, that if we once get more and more of it committed to Russia—and I do not say unequivocally that we should not—at least we should take a good, hard look and not lose the Eximbank over this.

For those who say it is going to be lost, it seems to me that they are saying that the development of Russian and Siberian energy is 99 percent of the Eximbank's function, which is not so. As we have heard, it is not intended to be such a major part of it. Why not pass it with this condition and get on to what concerns the distinguished Senator from Vermont?

We are not talking only about Russia. We are talking about many other things that will affect our people in this country, our working people, our tool-and-die people. They are going to have plenty of business without Siberia. We are going to find plenty of places to invest it through the Eximbank, even in energy, in countries that are more apt to be friendly and to be able to work with us internationally as we develop the new thrust we are talking about in terms of the common market versus the other countries.

It seems to me that at the outset, the Senator's approach may seem to be rather arbitrary. But when you look at it, it is merely saying, "Let's get on with the other functions of this Bank." There are plenty of other functions. Let us take a hard look at this one.

I believe that once we are committed technologically and with American resources to the vastness of Siberia, we will have anywhere from 10 to 30 percent of our technology and resources for oversea development of energy tied up there.

One might ask the next question: How would we like to be in that position if we find new fields at home, which are being found and developed? What if natural gas exploration accelerates, as we predict, and then we cannot find the resources, the technology, the rigs, or the equipment to produce here?

It appears to me that any way we look at it, we should get on with the Eximbank, lend 95 percent of this, as the committee intended, and put minimum restrictions on this one. We have time to take the restrictions off if the times dictate.

Mr. CHURCH. I thank the Senator.

Mr. President, I should like to make four points:

First, as to the charge that the Church amendment would kill the Export-Import Bank, I must say there is no basis for such an argument. Even if the conferees were unable to agree, Congress would undoubtedly extend the life of the bank for another 6 months or so, until a consensus on a national policy could develop.

So we are not really talking about killing the Export-Import Bank, and anyone who casts his vote on that basis ignores entirely the established practice of Congress in cases of this kind.

Second, it is true that the administration has as yet to develop a coherent energy policy. We should not delegate the Export-Import Bank the power to decide what a major segment of that policy shall be—namely, the extent to which we will, in the future, rely upon the Soviet Union to produce energy supplies for the United States, contrary to what our declared objective is today—namely, to make ourselves less dependent upon potentially unstable foreign sources of supply.

Third, if the Church amendment is not adopted, we embark—because we are adequately forewarned—upon a new policy, in which the United States underwrites the development of the Soviet Union with American capital. That is a major departure, and we had best know what we are doing before we take the plunge. The Church amendment will force Congress to examine and approve that new policy, before we begin investing money in the Soviet Union for developing their natural resources. If we choose to delegate that responsibility to the Export-Import Bank, then I say we are not living up to our oaths of office.

Finally, involved here is the principle of congressional control which is implicit in everything else I have said. It is a sound principle, and we should adhere to it.

For these reasons, Mr. President, I hope the Senate will insist on an instruction to the conferees to retain the Church amendment in this bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote now occur on the motion to recommit; that it be followed by the vote on the military construction appropriation bill; that that be followed immediately by one vote which would count for four votes on four protocols that have been advanced to the stage of voting. This would mean that we would have, in effect, six rollcall votes.

Mr. PACKWOOD. Mr. President, may I ask a question? Do we not have three votes on this particular matter?

Mr. ROBERT C. BYRD. Oh, yes; I forgot.

We would have three rollcall votes on the division of this question, then have a vote on the military construction appropriation measure, and then have one vote on the four protocols, before the 1 hour on the cargo preference conference report begins running.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HRUSKA. Would it be appropriate to bring up a brief conference report by the chairman of the Subcommittee on Criminal Laws and Procedures, Senator MCCLELLAN? It is upon the rules of evidence bill, and the other body is awaiting our action.

Mr. ROBERT C. BYRD. The chairman is not here.

Mr. HRUSKA. I mean at that point, before we get into the cargo preference bill.

Mr. ROBERT C. BYRD. Will the Senator limit the time to 5 minutes on that?

Mr. HRUSKA. That is fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now vote on the recommittal question, for which a division has been requested—that would mean three rollcall votes; that the Senate then proceed immediately to vote on the military construction appropriation bill; that the Senate thereafter immediately go into executive session to vote on the four treaties, with one rollcall vote; that the Senate immediately go back into legislative session; that there then be 5 minutes for debate on the conference report to which the distinguished Senator from Nebraska has referred; and that the 1 hour on the cargo preference conference report then begin running.

Mr. STEVENSON. Mr. President, reserving the right to object, are there not four votes on the Eximbank conference report—a motion to recommit and three votes on instructions to the conferees?

The PRESIDING OFFICER. At this point, there have been three requests for the yeas and nays on the conditions. There has not yet been a request for the yeas and nays on the motion to recommit, itself. There would be a fourth vote, but the yeas and nays have not been requested on it.

Mr. ROBERT C. BYRD. Mr. President, I include the additional rollcall vote in my request.

The PRESIDING OFFICER. And that rule XII be waived?

Mr. ROBERT C. BYRD. And that rule XII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENSON. Mr. President, reserving the right to object, would it be agreeable to the Senator from West Virginia if 10 minutes were permitted, to be divided equally, on the motion to recommit?

Mr. ROBERT C. BYRD. At what point does the Senator wish that to begin running?

Mr. STEVENSON. Right. now.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that the series of rollcall votes begin 10 minutes from now.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. Mr. President, reserving the right to object, may we get this rollcall on recommittal cleared up? I understand that it has not been asked for, but did the leader include it in his unanimous-consent request?

Mr. ROBERT C. BYRD. I did not mean to include the yeas and nays in the unanimous-consent request.

Mr. GOLDWATER. On recommittal?

Mr. ROBERT C. BYRD. Somebody will have to ask for it.

Mr. GOLDWATER. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair then understands that on each of the three conditions, there will be yeas and nays and then depending on the results, recommittal will be subject to a yea and nay vote.

Mr. ROBERT C. BYRD. And that the 10 minutes between now and the first yea and nay vote be equally divided between the Senator from Illinois (Mr. STEVENSON) and the mover of the recommittal motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. If the Senator will yield, Mr. President, the cloakrooms have ample time to get notice to the Senators that all of these will be 10-minute votes, including the first. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

Mr. STEVENSON. Mr. President, I support the motion to recommit and the three motions which will follow to instruct the conferees, for all of the reasons which have been mentioned by the Senator from Idaho and the Senator from Wisconsin, among others.

I rise to mention the additional reforms in the conference report which have been approved by the Senator and upon which I, as one conferee, am seeking instructions on the third of the three rollcalls. These reforms are every bit as important as those which have been referred to by the Senator from Idaho and the Senator from Wisconsin.

Among other things, they include a $300 million ceiling on additional transactions in the Soviet Union; they require that all large transactions involving bank participation throughout the world be reported in advance to Congress, giving it an opportunity to disapprove. Those transactions, regardless of whether they are in the Soviet Union can have adverse economic and political consequences for the United States.

In addition, these reforms include a requirement that the Bank take into account the possible adverse effects of Exim assistance on U.S. employment, the competitive position of U.S. industries, and the availability of materials in short supply before approving any loan, guarantee, or insurance. They include a requirement that Exim's interest rates be set by taking into account the average cost of money to the Bank. They require that Treasury lending to Exim bear interest at a rate equal to Treasury's cost of money on borrowings of similar maturities. They require that Exim report semiannually on the progress it is making in reducing international credit competition. They require that Exim report semiannually on all energy related transactions and include in that report an analysis of the effect of such transactions on the availability of energy developed abroad for use in the United States. They require that Exim report annually on its progress in assisting small business. And by reducing the amount of additional authority available to Exim to half of the additional $10 billion it asked for, and by placing a lid of $300 million on new assistance to the Soviet Union, it insures that within a relatively short time, perhaps as soon as 2 years or less, the Congress will again have an opportunity to consider what, if any, kind of Export-Import Bank it wishes to have.

All of these reforms, Mr. President, originated in the Senate. The conference report goes a long way toward accomplishing all of the purposes which have been mentioned and have been supported on the floor of the Senate this afternoon. For all of these reasons, and because of these additional reforms not comprehended by the amendment originally offered by the Senator from Idaho, or the amendment offered by the Senator from Wisconsin (Mr. PROXMIRE), I urge the Senate not only to recommit, but also to vote in favor of all of the motions to instruct the Senate conferees.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, just so that we all understand the procedures we are going to follow, as I understand them, we are going to have a series of rollcall votes. The first rollcall vote will occur on the first part of my recommittal motion, which gives instructions to the conferees to support the Church amendment; the Church amendment, in essence, saying that congressional approval for any Export-Import fossil fuel loan or guarantee to the Soviet Union needs to be obtained before the Bank can go ahead in this area.

This is really the crux, I think, of this issue. I have been trying for nearly a year to have a dialogue on this very point before the Senate. I am delighted that, today, we succeeded in facing up to this very critical issue of whether we are going to establish a super-energy policy for the Soviet Union at our expense, or whether we are going to integrate it to our own Project Independence and our needs and what is expected here. So the first vote will occur on that division of my recommittal motion.

The second vote will occur on the Proxmire amendment phase of my recommittal motion, which, in essence, says that the Export-Impork Bank shall be subject to congressional budget authority and congressional processes. This is a very realistic proposal, one which gives us an opportunity to integrate national fiscal policy, national monetary policy, with our subsidies abroad. I commend the Senator from Wisconsin for this motion. I think it comes to the fact that Congress is exercising its rightful oversight authority. I think it is a very key phase of this recommittal with instructions.

The third part of the motion is rather a housekeeping one: simply to agree that the work the conferees did initially in their second conference report is stood behind and supported. There certainly are some constructive points in that. So

I think that is a fairly routine vote which, nevertheless, by the division of the question, was brought up for a rollcall vote.

Fourth, and final, is the overall vote on my motion to recommit the bill to the conferees. I think that one of the key phrases here today has been that of the Senator from Maine's wording that we ought to wait a minute and take a look at what we are doing. I pointed out that on the agenda of the Eximbank, one of the top items is the $49.5 million loan to Siberian energy. If we vote no on the Church amendment or no on the recommital, we are, in essence, voting yes on the Soviet energy deal. There could not be a clearer cut signal. That is what the issue is. That is what the fight is all about, and that is what we are here discussing today.

I think that we do have a clear-cut choice. I think it is well to have it broken down by division so that we separate the budget procedures, and I think it is well to separate the energy deals.

I happen to believe that we should have an Export-Import Bank. I agree with the Senator from Idaho that we need one. I think it is essential. But I think it should relate to what our national economic problems are, what our energy needs are, and what our own policies are.

The truth of the matter is that we have not established them yet. Common sense would dictate that we do not give away any kind of $25 billion, 4-year deal, which is what this Bank's renewal is, without having first set our own house in order. Perhaps we are negligent for not having done that, but we will be more negligent if we give away the deals to the Soviet Union before we even determine what our own energy needs are.

So, Mr. President, I am prepared to yield back at this point the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois has 1½ minutes remaining.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

ORDER OF BUSINESS—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the disposition of the cargo preference conference report, the Senate proceed to the consideration of the House message on unemployment compensation.

The PRESIDING OFFICER. Without objection, is so ordered.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945., and for other purposes.

The PRESIDING OFFICER (Mr. DOMENICI). All remaining time having been yielded back, the question is on agreeing to the first instruction—the Church amendment—on recommittal of the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD), is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY), is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 81, nays 9, as follows:

[No. 547 Leg.]

YEAS—81

Abourezk
Allen
Bartlett
Bayh
Beall
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—9

Aiken
Baker
Bennett
Cook
Fulbright
Griffin
Javits
Percy
Scott, Hugh

NOT VOTING—10

Bellmon
Bentsen
Bible
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

So the first instruction was agreed to.

The PRESIDING OFFICER. The question now is agreeing to the instruction No. 2 in which the Senate conferees will be required to insist upon the Proxmire amendment restoring the Export-Import Bank to the Federal budget.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. HELMS). The Senate will be in order. The clerk may proceed.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD), is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY), is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

The result was announced—yeas 81, nays 8, as follows:

[No. 548 Leg.]

YEAS—81

Abourezk
Allen
Bartlett
Bayh
Beall
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Williams
Young

NAYS—8

Aiken
Baker
Bennett
Brock
Fong
Hruska
Pearson
Taft

NOT VOTING—11

Bellmon
Bentsen
Bible
Cook
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

So the second instruction was agreed to.

The PRESIDING OFFICER. The question occurs on instruction No. 3, that the Senate conferees insist on the modifications previously agreed to on the conference report on the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 87, nays 2, as follows:

[No. 549 Leg.]

YEAS—87

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—2

Aiken
Brooke

NOT VOTING—11

Bellmon
Bentsen
Bible
Dominick
Eagleton
Fulbright
Hathaway
Mansfield
Moss
Tunney
Weicker

So instruction No. 3 was agreed to.

The PRESIDING OFFICER. The next vote will be on agreeing to the motion to recommit, with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The result was announced—yeas 87, nays 2, as follows:

[No. 550 Leg.]

YEAS—87

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—2

Aiken
Bennett

NOT VOTING—11

Bellmon
Bentsen
Bible
Dominick
Eagleton
Fulbright
Hathaway
Mansfield
Moss
Tunney
Weicker

So the motion to recommit the conference report with instructions was agreed to.

MILITARY CONSTRUCTION APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER (Mr. DOMENICI). Pursuant to the previous order, the Senate will now proceed to vote on final passage of H.R. 17468, Military Construction Appropriation Act, 1975, as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The result was announced—yeas 89, nays 0, as follows:

[No. 551 Leg.]

YEAS—89

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—11

Bellmon
Bentsen
Bible
Dominick
Eagleton
Fulbright
Hathaway
Mansfield
Moss
Tunney
Weicker

So the bill (H.R. 17468) was passed.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PROXMIRE, I move that the Senate insist upon its amendments and request a conference with the House of Representatives on the disagreeing votes on the military construction appropriation bill, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. PROXMIRE, Mr. MCCLELLAN, Mr. MONTOYA, Mr. HOLLINGS, Mr. PASTORE, Mr. SYMINGTON, Mr. CANNON, Mr. SCHWEIKER, Mr. YOUNG, Mr. MATHIAS, and Mr. TOWER conferees on the part of the Senate.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session and proceed to the consideration of the protocols and conventions, Executive Calendar Nos. 5, 6, 7, and 8.

THE GENEVA PROTOCOL OF 1925, EXECUTIVE J, 91ST CONGRESS, 2D SESSION; THE CONVENTION ON THE PROHIBITION OF BACTERIOLOGICAL TOXIN WEAPONS, EXECUTIVE Q, 92D CONGRESS, 2D SESSION; THE AMENDED TEXT TO ARTICLE VII OF THE 1965 CONVENTION ON FACILITATION OF INTERNATIONAL MARITIME TRAFFIC, EXECUTIVE D, 93D CONGRESS, 2D SESSION; AND THE CONSULAR CONVENTION WITH BULGARIA, EXECUTIVE H, 93D CONGRESS, 2D SESSION

THE GENEVA PROTOCOL OF 1925

The PRESIDING OFFICER. The resolutions of ratification of all four protocols and conventions having been read, the Senate will proceed to vote on the first protocol, the Geneva Protocol of 1925 for the Prohibition of the Use in War of Asphyxiating, Poisonous, or Other Gases, and of Bacteriological Methods of Warfare, Executive J, 91st Congress, 2d session.

The first question is on agreeing to the reservation, which the clerk will state.

The legislative clerk read as follows:

> That the said Protocol shall cease to be binding on the Government of the United States with respect to the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials, or devices, in regard to an enemy State if such State or any of its allies fails to respect the prohibitions laid down in the Protocol.

Mr. ROBERT C. BYRD. Mr. President, in behalf of the Senator from Minnesota (Mr. HUMPHREY), I ask unanimous consent that the reservation be agreed to.

The PRESIDING OFFICER. Without objection, the reservation is agreed to.

The question now is, Will the Senate advise and consent to the resolution of ratification, with the reservation, of Executive J, 91st Congress, 2d session, the Geneva Protocol of 1925?

The resolution of ratification, with the understanding, reads as follows:

> *Resolved, (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of The Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous, or other Gases, and of Bacteriological Methods of Warfare, signed at Geneva on July 17, 1925 (Ex. J, 91-2) subject to the following reservation:
>
> That the said Protocol shall cease to be binding on the government of the United States with respect to the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials, or devices, in regard to an enemy State if such State or any of its allies fails to respect the prohibitions laid down in the Protocol.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The yeas and nays resulted—yeas 90, nays 0, as follows:

[No. 552 Ex.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—10

Bellmon
Bentsen
Bible
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION ON THE PROHIBITION OF BACTERIOLOGICAL AND TOXIN WEAPONS

The question now is on agreeing to the resolution of ratification on Executive Q (92d Congress, 2d session), the Convention on the Prohibition of Bacteriological and Toxin Weapons.

The question is, Will the Senate advise and consent to the resolution of ratification? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The yeas and nays resulted—yeas 90, nays 0, as follows:

[No. 553 Ex.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—10

Bellmon
Bentsen
Bible
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

The PRESIDING OFFICER. On this vote, the yeas are 90 and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

AMENDED TEXT TO ARTICLE VII OF THE 1965 CONVENTION OF FACILITATION OF INTERNATIONAL MARITIME TRAFFIC

The question now is on agreeing to the resolution of ratification on Executive D (93d Congress, 2d Session), the amended text to article VII of the 1965 Convention on Facilitation of International Maritime Traffic.

The question is, Will the Senate advise and consent to the resolution of ratification? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD), is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY), is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The yeas and nays resulted—yeas 90, nays 0, as follows:

[No. 554 Ex.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson

Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—10

Bellmon
Bentsen
Bible
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

The PRESIDING OFFICER. On this vote the yeas are 90 and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

CONSULAR CONVENTION WITH BULGARIA

The question now is on agreeing to the resolution of ratification on Executive H, 93d Congress, 2d session, the Consular Convention with Bulgaria.

The question is, will the Senate advise and consent to the resolution of ratification? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The yeas and nays resulted—yeas 90, nays 0, as follows:

[No. 555 Ex.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—10

Bellmon
Bentsen
Bible
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

The PRESIDING OFFICER. On this vote, the yeas are 90 and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. Pursuant to the previous order, we will return to the conference report on H.R. 5463 on a 5-minute time limitation.

The Senate is in legislative session and the Senator from Arkansas is recognized.

FEDERAL RULES OF EVIDENCE—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 5463, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislature clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 14, 1974, at p. 39939.)

Mr. McCLELLAN. Mr. President, if I may make this observation, in this bill there were quite a number of disagreements as to different provisions between the House bill and the Senate bill.

The PRESIDING OFFICER. Will the Senator suspend? The Senator from Arkansas has the floor.

Mr. McCLELLAN. The conferees met twice, we had two long sessions, and finally we worked out all of the issues, we resolved them as reflected by the report.

Neither side, I know, got all they wanted. The report in some respects, some of the provisions I would like to see stronger than they are, but it has taken into account the divergent views of the two Houses and the members of the conference. I think therefore the report reflects a respectable and acceptable compromise of those differences.

I, therefore, would ask that it be approved, and I yield to the distinguished Senator from Nebraska (Mr. HRUSKA).

Mr. HRUSKA. Mr. President, I wish to concur in the views and the remarks made by the Senator from Arkansas.

Mr. President, I am greatly pleased that we have reached the final legislative step in adopting Federal rules of evidence. The conference committee has resolved the differences in the bills that passed the respective houses in a manner that truly serves the purpose of these rules. That purpose, as stated in rule 102 is to "secure fairness in administration, elimination of unjustifiable expense and delay, and promotion of growth and development of the law of evidence to the end that the truth may be ascertained and proceedings justly determined."

These rules have been in the germination stage for quite some time. The seed was planted in 1961 when the Judicial Conference of the United States authorized Chief Justice Earl Warren to appoint an advisory committee to study the advisability and feasibility of uniform rules of evidence for use in the Federal courts. Now some 13 years later, the rules appear to be just about to bloom.

The Judicial Conference can be justly proud of their work. Both the Senate and the House built upon the substantial efforts exerted by that body. More than 50 percent of the rules as submitted by the Supreme Court were left unchanged by the House and in conference we returned to the version submitted by the Court with respect to certain rules. The Conference did decide to make some changes in the Rules Enabling Act. But these changes were made not to restrict the role of the Supreme Court and Judicial Conference but to insure that Congress will have a sufficient opportunity to review amendments to the rules so that its views on such matters can be reflected.

Any further amendments to the rules of evidence or any additions to the rules will become effective within 180 days unless either House of Congress acts to defer the effective date to disapprove the changes, with the exception of the law of privileges. Privileges, because of their more controversial nature, will require affirmative congressional action. This should not mean, however, that the Supreme Court and judicial conference have no role to play with respect to the law of privileges. It is my hope that the Court and the Judicial Conference will continue its work in this area and assist the Congress in codifying this area of the law.

Mr. President, the conference committee met in two sessions with a sense of urgency so that final enactment could be achieved this calendar year, before adjournment sine die. I am pleased with the outcome and I believe that every member of the conference committee is satisfied with this final product. I commend the chairman of the conference committee, Congressman HUNGATE, for his expertise in this area of the law and his successful efforts in reaching compromises on the differences between the House and Senate. It is my hope that we can work with the same kind of cooperation and high level discussion of the law when our two committees begin work on another effort of codification next year—the Federal Criminal Code.

Mr. President, H.R. 5463 is the culmination of an enormous amount of hard work by a large number of distinguished and concerned individuals. It is intended to respond to the shortcomings of our present state of evidence law by providing a uniform, accessible and intelligible set of rules. I urge my colleagues to support this bill so that we may have rules of evidence that will promote the search for truth and justice in our courts.

Mr. McCLELLAN. Mr. President, I ask that the report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ENERGY TRANSPORTATION SECURITY ACT OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will return to the conference report on H.R. 8193.

The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8193) to require that a percentage of United States oil imports be carried on United States-flag vessels, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 7, 1974, at pages 34228–34231.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be reduced from 1 hour to 40 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. LONG. Mr. President, the conferees on this bill, the Energy Transportation Security Act of 1974, have agreed and we now have before us essentially the same measure which was passed by the Senate by a vote of 42 to 28. The major modifications which were agreed to by the conferees are very few in number. In the order of their appearance in the bill they are:

First. The provision permitting a waiver of the cargo reservation requirements of the bill was amended by removing the specific time limitation of 180 days which was in the Senate passed bill. The waiver provision now permits the President to waive the requirements of oil to be carried in U.S.-flag ships for the duration of the emergency which triggered the waiver;

Second. The Mondale amendment to the Senate passed bill was modified to require that 10 percent of the subsidy funds under the Merchant Marine Act, 1936, be allocated to each of the four seacoasts of the United States, to the extent that subsidy contracts are approved by the Secretary of Commerce. This latter provision assures that the Maritime Administration funds will be reserved only when applications therefor have been approved; and

Third. The safety and pollution prevention requirements provision of H.R. 8193 as passed by the Senate was also modified.

The conference committee agreement provides that all self-propelled vessels in excess of 70,000 deadweight tons, designed for the carriage of oil in bulk and documented under the laws of the United States, if contracted for after December 31, 1975, must be constructed using the best available pollution prevention technology.

In addition, the conference agreement provides that a self-propelled vessel of more than 20,000 deadweight tons, designed for the carriage of oil in bulk, documented under the laws of the United States and contracted for after December 31, 1974, which transports oil to west coast ports of the United States located on straits or inland waters shall be equipped with a segregated ballast capacity to be accomplished in part by a double bottom fitted throughout the cargo length of the vessel.

This latter provision will insure that new vessels serving those west coast ports will contain the highest degree of protection against accidental or intentional oil discharge. Because some of the conferees question the efficacy and cost implications of double bottoms, the conference agreement extended double bottom protection on a mandatory basis to those ports whose citizenry had clearly indicated a desire for double bottoms. The Coast Guard under the Ports and Waterways Safety Act will now have to decide whether other ports receive the same oil pollution prevention benefits of double bottoms when it promulgates final tanker construction standards. As the joint statement of managers explains, if the Coast Guard backs away from requiring double bottoms for all U.S.-built tankers there will be at least a statutorily mandated pilot program to prove the value of double bottoms.

In addition to these modifications, the conference committee agreed to delete the section of the Senate bill which permitted foreign flag cruise ships to extend from 24 to 48 hours the length of time they could call at U.S. ports and disembark passengers. The conferees also agreed to permit the Secretary of Commerce to determine whether a vessel was within its economic life. This change from the Senate's 20-year limitation was made because of the inflexibility of specific age limitation. A vessel could be beyond its economic life before it was 20 years old or another vessel's economic life could extend beyond 20 years.

The conferees also accepted the Senate's language on the oil movements covered by the bill: oil transported in bulk on ocean vessels for import into the United States is covered, whether shipped directly or indirectly, regardless of the origin, stopover points or destination. This would include, for example, oil transported from overseas to Canada or Mexico which subsequently enters the United States pipeline. It also includes the transportation of oil which is exported from the United States for subsequent import into the United States such as in the case of crude oil shipped from Alaska, refined outside the United States, including the Virgin Islands, and then imported. In such cases, each step in the ocean transportation is covered by the bill's requirements, so long as the crude or product refined therefrom is ultimately destined for U.S. import. Further, the coverage of this legislation is restricted to those products included in the definition of "oil" which are liquid at normal atmospheric pressure and temperature and which can be transported in conventional vessels.

The joint statement of managers states in accordance with the report of the Commerce Committee that subsidized vessels should be eligible to participate in the carriage of petroleum imports subject to this bill. As indicated in the Senate Commerce Committee report, the Secretary of Commerce will undertake appropriate proceedings to determine the relationship between titles V and VI of the Merchant Marine Act, 1936 and the provisions of this bill.

Section 2 of the conference report on H.R. 8193 contains a provision permitting the President to waive the requirement that a percentage of U.S. oil imports be carried on U.S.-flag vessels if the President determines that an emergency exists justifying such a waiver in the national interest. The new section 901(d)(7) of the Merchant Marine Act will read as follows:

> The requirements of paragraph (1) may be temporily waived by the President upon determination that an emergency exists justifying such a waiver in the national interest.

The Senate bill contains similar language, but limited the duration of any such waiver to 180 days unless otherwise authorized by law. The House bill provided for a waiver whenever Congress, by concurrent resolution or otherwise, or the President or the Secretary of Defense declared that an emergency exists justifying a temporary waiver and so notified the appropriate agency or agencies.

After consultation with the President, a new waiver provision was drafted by the conferees permitting a waiver upon a Presidential determination that an emergency exists justifying such a waiver in the national interest. as a result of the conferees' action, the President has complete authority to waive the provisions of new section 901(d)(1) in the national interest. If the President determines that an emergency exists justifying the use of the waiver provision for national security, economic or foreign policy reasons, he has full authority to do so.

As Congressman GROVER, minority floor manager of the conference report pointed out during House debate on the conference report—

> While it is clear that the utilization of this waiver authority by the President must be based upon a specific emergency of a temporary nature, the adoption of the phrase "in the national interest" is intended to vest in the President broad discretion with respect to the nature of the emergency which might justify invoking this authority.

Some analysts of the legislative history of this bill have argued that only a national defense emergency would justify a waiver. While this interpretation may have been applicable to the original House-passed bill because that bill relied upon the waiver authority in existing law which has been narrowly construed, the Senate bill specifically rejected that narrow interpretation of "emergency" but provided restrictions with respect to the duration of any emergency which the President determined existed.

The committee of conference agreed to follow the Senate approach with respect to granting the President authority to waive the requirements of paragraph 1 of the new subsection (d) contained in the bill on the basis of any emergency which he determined existed. To make sure that the President would not be restricted to national defense emergencies, the conferees used the words "justifying such a waiver in the national interest" to avoid any parallelism with the existing national defense waiver provisions of subsection 901(b) of the Merchant Marine Act, 1936. In other words, the phrase "justifying waiver in the national interest" precludes any interpretation that the word "emergency" would be narrowly construed by avoiding any parallelism in the existing waiver provision of the Merchant Marine Act.

The committee of conference did not follow the Senate approach which simply referred to a "temporary" waiver. Instead, the conferees decided to restrict the duration of the waiver to the duration of the emergency rather than limiting the duration to the vague concept of "temporary waiver."

Thus, the joint statement of managers explains—

> The waiver provisions agreed upon by the conferees is more restrictive than the provisions that would apply to the House bill.

The words "more restrictive" refer to the duration aspects of the waiver, not to the type of emergency which the President might find justifies waiver in the national interest.

A person might ask why the joint statement of managers did not enumerate the kinds of emergencies which might trigger waiver by the President. There are several obvious reasons: First, when provisions are clear on their face there is no reason to comment on them and second, any enumeration of kinds of emergencies could be both limiting and confusing. As to this second point, the mentioning of defense, economic, and foreign policy emergencies might preclude a materials shortage emergency or some other kind of emergency. To mention specific types of emergencies could be confusing because someone might later argue that those types of emergencies—while not being the only types—might be the only ones "justifying waiver in the national interest."

I trust this discussion will put to rest any concerns with respect to whether or not the President must find a national defense emergency exists before he can waive the appropriate requirements of the Energy Transportation Security Act. This is certainly not the case. Any emergency could trigger a waiver if that waiver were in the national interest because of the emergency. The duration of the waiver would be limited to the duration of the emergency. I have been authorized to state that Senator Magnuson is in full accord with these remarks.

I ask unanimous consent that a letter from the House conferees which discusses the waiver provision in this bill and reaches the same conclusions I have just expressed and the response of the managers on the part of the Senate be printed in the Record at the conclusion of my remarks.

The other changes made by the conferees are merely clarifying language changes.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on
Merchant Marine and Fisheries,
Washington, D. C., November 21, 1974.

Senator Russell B. Long,
Chairman, Subcommittee on Merchant Marine, Senate Committee on Commerce, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: We understand that the conference committee report on H.R. 8193 will be coming before the Senate in the near future. In that context, we have noted the President's message to the Congress of November 18, 1974 and the discussion therein related to the Energy Transportation Security Act of 1974. The great majority of the President's discussion of the bill related to the provision authorizing the President to waive the requirements of paragraph (1) in the event of an emergency justifying such waiver in the national interest.

As you will recall, H.R. 8193 as originally passed by the House of Representatives did not contain an explicit waiver provision. However, the Executive Branch waiver authority contained in Section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241) would have been applicable to the oil cargo preference requirement established by the bill. The revisions of the bill made by the Senate Committee on Commerce would have made that existing waiver provision inapplicable. However, on the Floor of the Senate you offered an amendment, which was accepted, inserting an explicit waiver provision in H.R. 8193 for the first time. Later, our Conference Committee expanded the waiver provision to conform to language submitted by the White House.

As might be expected, the President's message to the Congress did not take issue with the statutory waiver provision. However, the President expressed concern that "the legislative history of the waiver does not expressly demonstrate that the Congress intends it to be broad in scope." The President also suggested that "the Conference Committee Report should make it clear that the Congress intends to grant broad waiver authority."

Since the conference report was agreed to and printed on October 7, 1974, and approved by the House of Representatives overwhelmingly on October 10, 1974, no revision in the conference report is now possible. However, in the context of the legislative history of the bill, it may be helpful to have the views of the Managers on the Part of the House.

We believe that the statutory waiver language is intentionally broad in scope and gives the President great flexibility. Upon determining that an emergency exists, including a defense, economic or foreign policy emergency, the provision would allow him to waive all or a portion of the requirements of paragraph (1). We also believe that he could issue a limited waiver affecting only those portions of paragraph (1) most directly related to the specific emergency. For example, if double digit inflation and extraordinary inflationary impact on U.S. shipyards were to be the emergency, he could waive the requirement that new vessels be constructed in order to fully implement the percentage requirements, while implementing the preference requirements of the bill only for those U.S.-flag commercial vessels in existence or theretofore contracted and on order. In any event, we believe that the intent of the Congress is to provide the President broad authority to deal with emergencies, and that the legislation, as written, provides such authority.

Sincerely,

Leonor K. Sullivan,
Frank M. Clark,
Thomas N. Downing,
James R. Grover, Jr.,
George A. Goodling,
Managers on the Part of the House.

U.S. Senate,
Committee on Commerce,
Washington, D.C., December 6, 1974.

Hon. Leonor K. Sullivan,
Chairman, House Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

Dear Mrs. Sullivan: Thank you for your letter of November 21, 1974 regarding the views of the Managers on the Part of the House relative to the Presidential waiver provision contained in H.R. 8193, the Energy Transportation Security Act of 1974.

We concur in your analysis that the Committee of Conference on H.R. 8193 intended that the waiver authority of the President be without restriction or limitation with respect to the kind of emergency which might trigger a waiver by the President and that any emergency which the President determines as affecting the national interest would permit a waiver. The only restriction intended by the language of the Conference agreed language and Report is to limit the duration of the waiver to the duration of the emergency.

Again we appreciate your efforts in clarifying the intentions of the Committee of Conference in this matter.

Sincerely yours,

Warren G. Magnuson,
Daniel K. Inouye,
Russell B. Long,
Ernest F. Hollings,
Managers on the Part of the Senate.

Mr. LONG. About the cost, Mr. President, I have seen editorials, and incidentally, any time we received these things through the mail—I have and I know others have—all these editorials that appeared around the country, some of them suggest that various members of this body, the Senator from Louisiana, the Senator from Washington, the Senator from Alaska, the Senator from Hawaii, are corrupt because we voted for the bill and because laboring people in the maritime unions are contributing to our campaigns.

If you try to find out who is responsible for it, it is almost impossible to find the origin of these editorials smearing and demeaning the conduct of the Senators who voted to require some jobs for American labor.

Well, I have had people from Exxon in my office that say they knew nothing about it, disapproved of it, think it is wrong. That encouraged me to find out who was responsible for these materials.

There is no signature, not even a union bug, to indicate the source of this stuff.

I assume these newspaper editors getting this canned material and printing it have been acting in the same way on stuff mailed them through the mails without any identification.

Well, I think I have finally found out who is responsible for these scurrilous editorials claiming the cost to be $60 billion over the next 10 years.

I am told that it is the Federation of American Control Shipping that is responsible for the misleading editorials.

Now, a witness from that group appeared before the committee, and who are these people? We have some people that could hardly be interested in this, like Alcoa, Bethlehem Steel, they do not ship oil. Then we get down to who it is. Atlantic Richfield, Cities Service, Exxon, Getty Oil, Gulf Oil, and Mobil Oil.

Now, Mr. President, since delving into this matter, I have been informed by the Gulf Oil people that they are for the bill. They think the problems they were concerned about, the possibility of the maritime strike, have been resolved and they are for the bill. The same is true of Mobil Oil.

That leaves us with just one, as far as I can tell, Exxon Corp.

So if anyone has been called upon by the Chamber of Commerce, thank Exxon for that.

It is not Gulf, they are for the bill.

If the Exxon people had their way, they would deny it, but that is who, in my opinion, is responsible for these editorials—this committee, Federation of American Controlled Shipping, which means Exxon.

Now let us talk about the possible cost to the consumer. The Maritime Administration believes this would be 12 cents a barrel to use American labor to man the ships, rather than using others.

Now, 12½ cents a barrel works out to one-third of a cent per gallon, but only 30 percent of the oil would come in on American bottoms, so that works out to be one-tenth of 1 cent per gallon. One-tenth of 1 cent per gallon.

In addition to that, Mr. President, two-thirds of the oil is produced here. So then, let us get it down to what the cost would be: one-thirtieth of 1 cent per gallon.

Now, this bill carries an amendment that will reduce the fee on the importation of the oil by an amount that exceeds the 12.5 cents per gallon.

So what is the cost? As far as the cost is concerned, it is estimated that $60 million a year, eventually to go up to $193 million over a 10-year period, that would be about $1 billion compared to the $60 billion figure, suggested by Exxon.

Now, we know who they are, all the editorials we have had, we finally know Exxon wrote them. They deny it, but they wrote it through this organization, as I say, that calls itself the Federation of American Controlled Shipping.

They might as well call themselves the American Slavery Association, what they are dedicated to that under no circumstances will they hire an American if a foreigner can serve the same purpose, never hire an American seaman for a thousand dollars a month out on those lonely sea lanes if we can hire a Chinaman for a hundred dollars a month.

Too bad, Senators, if we have been misled.

Somebody comes in from a farm, votes against the bill, the farmers are against it. What on God's green Earth does this have to do with farmers? How could they get involved with whether Exxon will hire an American or a Chinaman aboard their tankers? It is difficult to understand.

But, Mr. President, we have had more misleading propaganda, more scurrilous propaganda, planted in editorials against this bill than any measure I have seen in my time here.

Two years ago, I supported this same measure. At that time, Mr. President, I had the experience of having been generously contributed to by these oil companies, not the corporations, but through the executives and their connections. Not one penny from a single person in any labor union.

I had no problem, very little opposition, and I did not ask anybody, even turned down offers of contributions from laboring people, not one penny, notwithstanding which this Senator followed his conscience and voted for this same bill.

This year I have been treated to editorials attacking my honor as well as other Senators who voted for the bill, because somebody in labor happened to contribute to our campaign.

Mr. President, if money could fix any Senator's position, I would be voting against this bill.

But, Mr. President, American labor should be employed from time to time. This bill will save us $750 million a year on our balance of payments and we desperately need that. Our balance of payments are averaging about $7.5 billion a year in the red.

This would wipe out 10 percent of our deficit in our balance of payments. It provides jobs for American seamen, jobs for American-owned ships.

In my judgment, Mr. President, we will need these ships if we are to deny the Arab countries which are now moving to take over the shipping of all oil.

Here is a story that appears in the New York Times. We have seen others like it, where the Arab oil transport companies have opened a conference in Kuwait aimed at setting the stage for Arab control of shipping of oil. The article reads as follows:

> Arab oil-transport companies opened a conference here today aimed at setting the stage for eventual Arab control of world oil shipping and marketing operations.
>
> The meeting is sponsored by the Organization of Arab Petroleum Exporting Countries.

When they do that, they will be in a position to not only put a boycott on the world, as they did when they decided they wanted to quadruple the price of oil, but if someone dares support Israel in their struggle to maintain themselves in the Near East, or do anything else contrary to the wishes of the Arab powers in the Near East, they will be able to pinpoint the boycotts.

For example, when they boycotted the world last time, they had to cut back on their production of oil to try to make it effective, even though a lot of oil at sea came to the United States. If they control shipping, as they are moving to do now, they can say that not only do they control the amount of oil we are exporting, but tell all ships at sea, do not deliver any of this oil anywhere except where we tell you to deliver it.

Then regarding a little country like Holland that supported the United States' position, they can tell them at the 3-mile limit, turn around, go back, do not deliver any to Holland, because they are supporting the position taken by the United States and we do not agree with that.

It is very important, Mr. President, that we have some of this shipping ourselves so that if those powers should decide to use oil as a tool to put the entire world on its knees, we would be in a position to say that if they are going to do that to the world, they are not going to use our ships to do it.

Those are our ships, under our flag, under our control, and we are going to tell those ships where to go, so that oil at sea will be delivered to people who befriended us and support the position we take.

That is very important to this Nation, Mr. President. We saw how these Arab powers could make major American oil companies refuse to deliver the oil they had in their tankers, even to the U.S. fleet in the Mediterranean. Imagine that. Here are the so-called American controlled ships.

They can tell them as long as they are at sea, as long as they are under the Panamanian and Liberian flags, "Do not let the American Navy have any of that oil."

If that is an American ship, manned by an American crew and an American captain, under law we can tell them where to deliver it.

Mr. President, I believe this is very good legislation. I believe the national interest requires it. I hope very much the Senate will vote to accept the conference report.

Mr. MAGNUSON. Will the Senator yield?

I wish the Senator from Louisiana would repeat again for the RECORD the price increase that he mentioned. What did it amount to in the end?

Mr. LONG. If one assumes, as the Maritime Administration did, that the cost of using American ships would amount to 12.5 cents per barrel then applied to 1 gallon of gasoline that amounts to one-third of 1 cent. That is, it amounts to three-tenths of 1 cent. You are only bringing one-third of it in American bottoms in full operation. That gets you down to one-tenth of 1 cent.

Mr. MAGNUSON. That is over a long period of time?

Mr. LONG. Furthermore two-thirds of our oil is produced here. That will get you down to one-thirtieth of 1 cent. It is one-thirtieth of 1 cent.

If you go up to a gasoline pump to try to see what it is costing you, the gasoline pump registers in terms of pennies. To find it at all, you would have to put two more decimal points behind the pennies. Then you would come to about 0.2, if you go down two more decimal points after the penny. That is not counting any of the things you get back in return.

What you get back in return is that this Nation has something to say about its own destiny; this Nation has some say about whether the oil in this Nation is going to move in the event the OPEC countries decide to cut you off again. You can take those ships at sea and send them to nations where you want them to go. That is a lot of oil.

In addition to that, you can take those tankers and go to other nations that would be willing to let you have some oil and pick up some oil and put it where you want to put it, either in this country or a friendly country like Holland, who stood by our side, who we had to call on alert, because of the Russian moves during the Israeli war.

Mr. MAGNUSON. I want to remind the Senator that during World War II we were constantly importuned by the Defense Department that we did not need to do things for ourselves, but we would have control over ships. So we find a ship in the Indian Ocean financed by the oil companies, insured by England, with Italian officers, and an Indian or Chinese crew. We found out we had no control over those ships at all.

We spent $9.5 billion during World War II to build our own ships, under our control.

I am pointing this out from the control feature. We are only talking about 20 percent.

I just do not see the opposition to this. We have to have the wherewithal to build ships. We are losing that. We are 16th in the world in shipbuilding, tonnage-wise. We are 16th. We used to be No. 2.

So these are important factors, looking down the line.

I wanted to point out another thing in this bill. It does have a very significant number of provisions relating to safety, which would somewhat control the use of tankers to prevent oil spills. That is a very important part of this bill.

We at Puget Sound are very concerned with the Alaskan oil being developed, because we have a big inland sea. We have the small Strait of Juan de Fuca that brings the water in and takes it out. We have tides of 12, 13, and 14 feet. If we had a tanker collision in Puget Sound it would involve 3,000 miles of coastline in that whole inland sea area, particularly if it happened in the incoming tide. We would never get out of there.

Therefore, this bill provides a maximum of safety, and a pilot operation for that.

San Francisco Bay is another good example.

That is why I am concerned about this bill, other than its good features. I am hopeful that the Senate will go along with us.

I know what the Senator said about the maritime people. I know where those editorials came from, the shop they came from. They sent around what they call boiler plate. They sent it all over my State, Oregon, and everyplace else.

I am glad the Senator mentioned where it came from. I do not particularly like that.

The maritime groups have contributed more or less to my campaigns for 38 years, long before this bill was ever thought of. I hope they continue. We have a lot of maritime legislation in our committee. I guess they liked the way the chairman was helping them with their real serious problems. It was no more than it was 30 years ago. It had nothing to do with this bill at all, nothing whatsoever. I am glad the Senator pointed that out.

I ask unanimous consent to have printed in the Record, a letter signed by myself, Senator Stevens, Senator Beall, Senator Long, and Senator Inouye, on what we think are the main features and the real problem behind this bill, and the problem we may have unless we start to get a little bit independent.

There being no objection, the letter was ordered to be printed in the Record, as follows:

December 16, 1974.

Dear Colleague: When the Senate votes on the conference report to H.R. 8193, the Energy Transportation Security Act of 1974, we will have the opportunity to reduce this Nation's dependence on foreign-controlled tankers to deliver our vitally needed oil imports; to provide new tax revenues from the earnings of American workers and from U.S.-flag shipping profits now sheltered by the oil companies' flags of convenience tax havens; and to reduce the substantial drain on our balance of payments caused by foreign-flag tankers which now carry over 95% of our oil imports. On this last point, in 1973 the balance of payments deficit from tankers alone was $750 million, or almost 10% of our total deficit for the year.

The principal opponents of this legislation, the multinational oil companies, have attempted to terrorize the American public into blind opposition with a cost estimate which is an insult to the intelligence of any reasonable person who examines the fine print behind their claims. The American Petroleum Institute's wildly-exaggerated $60 billion ten-year cost estimate makes the absurd assumption that all U.S.-flag tankers operating costs are based on a projected voyage from the Persian Gulf to Philadelphia. Over two-thirds of our oil imports come from areas considerably closer than the Persian Gulf. In addition, API projects the use of very small tankers which never would be used in such a trade. Officials of the Maritime Administration testified before the Commerce Committee that the costs resulting from the bill would be 12¢ per barrel on the oil carried in U.S.-flag ships. The provision in the bill rebating 15¢ per barrel on crude oil and 42¢ per barrel on residual oil will more than offset the projected cost increase and result in a cost savings to the American consumer.

After thoroughly considering all the economic factors relating to this legislation, an overwhelming majority of the members of the Commerce Committee were convinced that the bill is not inflationary and in fact provides a number of economic benefits by improving our balance of payments, increasing tax revenues, creating anti-recessionary employment opportunities for American men and women aboard ships, in our shipyards and in supporting industries. Furthermore, to the extent that it provides a price monitoring mechanism of oil company transportation pricing, it will benefit the American consumer by discouraging the transfer pricing abuses belatedly recognized by the FEA.

The Arab oil exporting countries have already taken steps to control oil shipping and this measure, by encouraging a U.S.-flag tanker capability, is clearly in the best interests of the national security of the United States.

This legislation was approved by the Commerce Committee by a vote of 14–2, and passed the Senate 42–28. The conference report was adopted by the House of Representatives by a vote of 219–140 and we urge your vote for its adoption.

Sincerely yours,

Warren G. Magnuson,
Chairman.

Ted Stevens,
J. Glenn Beall,
Russell B. Long,
Daniel K. Inouye,
U.S. Senators.

Mr. MAGNUSON. Mr. President, this is part of Project Independence.

As the Senator has said, that outfit referred to should be called the Committee for Slavery. That is what it is. That is exactly what it is.

The tax will wipe out this amount we are talking about. We should not allow slave labor to come in on all these ships.

As I say, we are 16th in shipbuilding in the world. I cannot see too much opposition to this bill. We will not build any of these ships in Puget Sound. We will not get any oil imported. It does not mean anything to us out there, as far as I am concerned, but it sure means a great deal if we can make safe and reduce to an absolute minimum the possibilities of tanker collisions and oil spills, which is part of this bill.

Mr. President, I wish to point out the very significant provision in H.R. 8193 having to do with tanker construction standards. Since the Ports and Waterways Safety Act of 1972, there has been marked improvement in the pollution prevention characteristics of vessels carrying oil and other hazardous materials. Standards designed to limit both accidental and intentional pollution from vessels are soon to be promulgated under that act. In addition, a new International Convention on Marine Pollution From Ships is now in the ratification process.

Despite this headway toward achieving safer and cleaner tankers, I have been disappointed in the proposed standards which the Coast Guard is now offering. In my view, they are not stringent enough nor are they sufficiently comprehensive in addressing the overall dangers created by the superships now being constructed. For this reason, I have strongly advocated mandating double bottoms for all new tankers as the best method of preventing outflow from a tanker in the case of an accident. But I will not belabor the points I have made before in the Senate on this question.

I would, however, like to elaborate on the H.R. 8193 conference report language which discusses this issue. My colleagues from the House were uniformly against the Senate bill provision requiring double bottoms on new tankers in order to qualify them to carry oil under the terms of H.R. 8193. I still believe that, based on all available information, a double bottom is the most effective method of reducing oil pollution from tankers.

I also wish to dispel a misapprehension on the part of the House conferees about the Coast Guard's view of the double bottom question. They seemed to believe that the Coast Guard was completely opposed to double bottoms and considered them unsafe or dangerous. This is simply not the case. In a letter dated October 4, 1974, Adm. Owen Siler, Commandant of the Coast Guard, informed me that:

> The Coast Guard is not categorically opposed to double bottoms.

He concludes his letter by stating that:

> More recent and broader analyses reveal that double bottoms should no longer be considered the sole desirable location of segregated ballast to achieve effective protection against accidental spills.

In other words, double bottoms are good, but other segregated ballast tank arrangements could also be as effective, so do not mandate one approach.

I still support the view that double bottoms should be mandated, especially since the Coast Guard still feels they are pollution-prevention effective. To not mandate double bottoms will result in few, if any, ships being built with that feature. The record still firmly supports double bottoms as the best protection against oil pollution.

The decision by the conferees to begin a pilot project for double bottom evaluation, in my view, does not undercut arguments supporting this construction feature for all U.S. vessels. Now that Congress has recognized at least the possible—in my mind, proven—value of double bottoms, there should be no impediment to adoption of mandatory double bottoms for all U.S. vessels. Our oil transportation system will be all the better if the Coast Guard takes this step under its Ports and Waterways Safety Act rulemaking authority. By doing so, *new tank vessels* carrying oil in bulk to west coast ports will not be more costly than other new tankers active in the oil trade elsewhere in the United States.

It has been the Coast Guard's view that construction standards for all U.S. vessels should be uniform and that standards promulgated under the Ports and Waterways Safety Act cannot legally distinguish between vessels in the coastwise trade and those in the foreign trade. Now that a statutory requirement is about to be applied to one part of the U.S. fleet, it should also be adopted for the entire fleet. Progressive oil companies are building vessels with double bottoms; these vessels will compensate for their increased cost in construction in several ways. Innovation and leadership in safer tanker construction should be rewarded—we have had far too little in the past. Therefore, I urge the Coast Guard to apply the double bottom requirement to all new U.S. tankers.

I also want to make it clear I will resist any attempt by the oil industry to use older vessels in the west coast as a means of escaping the double bottom requirement in H.R. 8193. If new double bottom ships are not used, then I will give serious consideration to legislating an age limit on tankers operating on the west coast.

Finally, I do not feel that the general legislative standard contained in the Ports and Waterways Safety Act should be construed to be anything less than the highest because of H.R. 8193. The mandate in that act is, at the very least, equal to "the best available pollution prevention" standard contained in H.R. 8193. High standards are needed, and they should be required. And I will continue to work toward that end.

Mr. GRAVEL. Section 6 provides that any U.S. flag vessel over 70,000 deadweight tons designed to carry oil in bulk, and built under contract entered into after December 31, 1975, shall be constructed and operated using "the best available pollution prevention technology." By way of clarification, let me ask if the phrase "the best available pollution prevention technology" for construction and operation means technology that is available and has been proven and demonstrated?

Mr. LONG. Yes.

Mr. GRAVEL. I understand that this requirement for double bottoms regarding imports of oil to the West Coast is intended as a pilot program. Is it the intent also that the Coast Guard will report to the Congress on the effectiveness of double bottoms as pollution prevention technology within a couple of years?

Mr. LONG. Yes.

Mr. GRAVEL. Further, is it your intention that double bottoms will be required for oil delivered to an offshore unloading facility and then moved ashore by pipeline?

Mr. LONG. No.

Mr. President, I yield to the Senator from Hawaii.

Mr. INOUYE. I wish to compliment the Senator from Louisiana for his forthright leadership on this very important matter.

Mr. President, I would like to remind our colleagues that we should look back in history before we cast our votes.

At the end of World War II, approximately 75 percent of all our cargo, cargo destined for the United States and cargo being shipped out of the United States, was being carried in American bottoms, in American flagships. Now we are carrying 5 percent of our total export and import trade in U.S. ships.

At a time of growing unemployment in the United States, this act will lead to 225,000 man-years of employment in ship construction and service industries and 5,700 man-years of employment for American seamen.

As the Senator from Louisiana mentioned earlier regarding our balance of payments, last year the $750 million deficit resulting from payments to foreign tankers amounted to almost 10 percent of the total balance-of-payment deficit. The Commerce Department estimates this legislation will lead to a balance-of-payment savings of $3.1 billion in the next 10 years and $11.5 billion over the longer term.

The PRESIDING OFFICER. Will the Senator suspend? All the time of the Senator from Washington has expired.

The Senator from New Hampshire has 20 minutes remaining. The 1 hour was changed to 40 minutes by unanimous consent, 20 minutes per side.

Mr. COTTON. Mr. President, if I have any time remaining, I will gladly yield it to those who have not finished their presentation.

Mr. President, I ask unanimous consent that the minority counsel, Mr. Bancroft, and Mr. Starret have the privilege of the floor during this debate and the vote.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. COTTON. Mr. President, let me state at the outset, this Senator is not in the slightest degree interested in what contributions the maritime unions have made to anybody. He has confidence in the integrity and sincerity of all his colleagues. So much for that.

In the second place, I am not suggesting what was said by the distinguished Senator from Louisiana, that there has been false propaganda. But, I am suggesting that those who favor this bill have been indulging, not in false propaganda, but in a lot of pipe dreams and wishful thinking. And, I want to see a little common sense applied to this problem.

First, I defy anybody to say that this bill is not going to be highly inflationary. It will be like throwing gasoline on a fire. It is ridiculous to say that this is not going to be costly. If we are going to build tankers, and if we are going to pay wages what they are now, it will not be done cheaply.

Modern supertankers will have to be built because small ones are not economical to operate. The estimate made downtown is that at a minimum—a minimum—it would cost $800 million in subsidies through 1980. This is absurdly low. We have just heard what it cost in World War II.

Incidentally, in World War II, we made use of all the tankers that were American-owned, even though they were flying the flags of other countries. The Defense Department verifies this, and the Defense Department is dead against this bill. Of course, it will be highly inflationary.

Second, the jobs this legislation will provide will not be commensurate with the cost. I do not blame the maritime people for wanting to create American jobs. Through the years I have been in this body, I have voted again and again and again for measures to maintain a strong American Merchant Marine on the high seas. But, when we face the task of building the supertankers with double bottoms required by this bill, we are going to find that it will strain the building capacity of our present shipyards. They may not all be at the height of their production. But, they all have more orders to fill than they ever had before in peacetime history. Those tankers cannot be built without constructing more facilities, and that will run into real money.

As for the people who would get employment in building these ships, we will pay many dollars for every dollar we invest because we will have to enlarge facilities and this will be very costly.

As for more jobs for seamen, today's supertanker has been so mechanized that it requires a minimum crew.

I insist that the millions of dollars that will go into making those few jobs available are not commensurate with the investment. Moreover, we have no port facilities at the present time which can handle these huge tankers. Those have to be provided, which means even more cost.

Fourth, and this is important, passage of H.R. 8193 will invite retaliation. It is inevitable. It must invite retaliation by the oil-producing countries. If we say to them, "You must send us 20 percent and, later, 30 percent of the oil in American-flag ships," they will say to us that we cannot have the oil because they insist on transporting it in their own ships. That would only reduce the supply of oil. It would be a blow to every householder, every industry, and every school in the United States.

Mr. President, heretofore, we have never established a statutory preference on privately owned cargoes, but rather only on cargoes such as Public Law 480 grains or other cargoes, either owned or financed by the U.S. Government. H.R. 8193 would extend this preference to private cargoes. And, when we open the door and begin to subject privately owned cargoes to this preference, we are going to have it sweep into every kind of raw material and industrial product.

The balance of payments that the proponents have been talking about so glibly will sink into insignificance compared with the added cost of foreign trade.

Furthermore, every department of the executive branch that has expressed itself on this bill has been against it. More than 50 newspapers have editorially opposed H.R. 8193.

Last—and I hate to be parochial, but I am here representing a New England State—I hope that the Senate, to quote Bryan, is not going to place this "crown of thorns" on the people of New England. And, anyone who dares to say that this is not going to increase the price of oil to the consumer is talking through his hat. That just cannot be true.

Mr. President, there are only 12 States in the Union that do not have any refining capacity. Six of those twelve States are the six New England States. And the fact that the import license fee on residual oil is to be reduced does not take care of the No. 2 oil for our industries and the No. 6 oil for our homes and for our schools because that oil has to be refined.

We are already facing the coldest weather we have had in New England at this time in the season, which tells us that we are going to have a hard winter. Therefore, the people of New England are justified in being terrified. And it is not worth whatever benefit the proponents allege for the merchant marine. After all, we have invested millions—indeed billions—of taxpayer dollars in our merchant marine. But, H.R. 8193 is not worth forcing our people to face the hardships of cold winters.

We in New England, and others in the northern part of this country, need oil. As far as I am concerned, I do not care who brings it. I do not care if it is brought here by little green men from Mars, so long as we get the oil. We are not going to get it. And if we do, we are going to have to pay more for it if the conference report on H.R. 8193 is adopted. That is just as sure as night follows day. And, all the fancy reasoning of the bill's proponents does not change the commonsense of this picture.

H.R. 8193 represents legislation, which, if enacted, can only serve to victimize the constituents of my State and its sister New England States. Fuel costs will be increased, aggravating already severe inflationary pressures upon our Nation and particularly the New England region. I cannot be party to any legislation having such an adverse impact.

Mr. President, although I was a member of the committee of conference on H.R. 8193, I did not sign the conference report, largely owing to information which only came to my attention at the outset of this conference on Thursday, October 3, 1974. On that date I received a letter from the Administrator of the Federal Energy Administration, the Honorable John C. Sawhill, concerning the oil import fee rebate provision of the Senate version of H.R. 8193. I ask unanimous consent that this letter appear in the RECORD at the conclusion of my remarks.

(See exhibit 1.)

Mr. COTTON. Mr. President, it will be recalled that as passed by the Senate, H.R. 8193 would provide that, for a period of 5 years after enactment, the import fee on oil other than residual fuel oil be reduced by 15 cents per barrel, and the fee on residual fuel oil be reduced by 42 cents per barrel. It was this latter fee reduction with respect to residual fuel oil upon which New England is so heavily dependent that I, as a Senate conferee, had a principal interest in retaining. That is, until the revelation of certain facts brought to my attention by Mr. Sawhill's letter to me of October 3, which indicate that this fee reduction represents but a cruel hoax upon my constituents.

In this connection, Mr. Sawhill makes the following observation:

> 2. For residual fuel oil * * * Under the phase out schedule it will be 1976 or later before any fees need be paid for imports of residual fuel oil into the East Coast provided that normal trade patterns continue. *Thus in the short term, the proposed rebate of import fees on residual fuel oil will provide little or no relief for the increased costs to consumers of cargo preference.*
>
> * * * * *
>
> 3. The House Committee on Ways and Means has the issue of the oil import fee under active consideration. The Committee's earlier version of tax reform legislation included an amendment * * * which would have prohibited the imposition of an import fee on crude oil when the price of imported oil is higher than the domestic price. * * * *If such legislation were to become law, the provision in the Senate version of H.R. 8193 providing for rebate of the fee on oil imports would be meaningless* with respect to crude oil imports (assuming that the foreign price continues to be higher than the domestic price). (Emphasis supplied)

Accordingly, Mr. President, the sole provision which I was interested in preserving for the benefit of my constituents now turns out to be but a mere sham. New England consumers will receive the full brunt of the inflationary pressures of H.R. 8193, especially with respect to residual fuel oil needed for home heating and industrial uses. I cannot in all good conscience bring myself to vote for such a bill.

Now, Mr. President, having explained the principal reason for my opposition to the adoption of the conference report on H.R. 8193, in my position as a conferee on that measure, I feel compelled to make a few additional observations concerning this legislation.

I feel compelled to do so owing to a response by a Mr. Daniel John Sobieski to a guest editorial from the Washington Post supporting my "lonely fight" against this proposed "Energy Transportation Security Act of 1974," which was reprinted by the Manchester Union Leader, and which response appeared in the same newspaper on Monday, November 18, 1974. I ask unanimous consent that this response appear in the RECORD at the conclusion of my remarks (see exhibit 2).

This response raised the following nine points:

First. Labor—The main opposition to this badly needed bill comes from a business community that for good reason has become gun shy about American labor. They do not want to fool around with big labor, and the threat of strike, even though the unions involved have offered a no strike provision.

Second. Double bottoms—A report prepared by the Coast Guard under the authority of the Ports and Waterways Safety Act concluded: "* * * ships incorporating the segregated ballast and double bottom feature were definitely the best alternative from a pollution abatement-cost point of view."

Third. No effective control over U.S. owned foreign-flag vessels—Currently, the United States has virtually no control whatsoever over a foreign-flag ship, and none over its construction and manning.

Fourth. National defense—Defense needs are another important factor. * * * In U.S. built ships, certain national defense features can be built in.

Fifth. International retaliation—There have been charges that the bill will cause some international retaliation against the United States, but there is no basis for that claim.

Sixth. Cost—Now, let us look at [the] charge that the bill will increase the cost of oil. * * *

The Maritime Administration estimates that the cost of using American ships and American labor would be about $0.003 per gallon. * * * If you multiply that by 40 gallons per barrel, that works out to be 12 cents per barrel. * * * This bill would waive the 15 cents of the import fee on oil coming into the United States in American bottoms. So, instead of costing 12 cents more, the oil will actually cost 3 cents less.

Seventh. Balance of payments benefit—Using U.S.-flag instead of foreign-flag ships would have a positive impact on our balance of payments. * * *

Construction of the 1985 fleet would generate a $57 billion increase in the GNP.

Eighth. Increased benefits—The benefits would increase even more with the adaptation of * * * nuclear power technology.

Ninth. Summary—So, in H.R. 8193, we have increased environmental protection, added national security, at less cost and great economic benefit.

Normally, Mr. President, a response such as that of this writer, who by virtue of his stated address is not even a resident of New Hampshire, displays such a high degree of ignorance of the subject matter that it would not even be considered by the senior Senator from New Hampshire as sufficiently meritorious to evoke a reply. However, since it appeared in the Manchester Union Leader, which has a large circulation in my State, and since the response, entitled "The Case for H.R. 8193: Reader Supports Energy Transport Act," was so prominently displayed on the back page of that newspaper, I feel compelled to reply to each of the several assertions made by the writer.

First, the assertion that the main opposition to H.R. 8193 comes from "a business community that for good reason has become gun shy about American labor" totally ignores important facts. H.R. 8193 has been and continues to be strongly opposed to no less than eight departments of the executive branch, the Federal Energy Administration, and Mrs. Virginia Knauer, Special Assistant to the President for Consumer Affairs. Those departments expressing opposition to H.R. 8193 are the Department of Agriculture, the Department of Congress in which resides the Maritime Administration, the Department of Defense, the Department of the Interior, the Department of Justice, the Department of State, the Department of Transportation, and the Department of the Treasury. Additionally, in his message to the Congress of November 18, 1974, the President of the United States made several observations concerning this legislation, including the following:

> . . . Although I fully support a strong U.S. merchant marine, I am seriously concerned about problems which this bill raises in the areas of foreign relations, national security, and perhaps most significantly, the potential inflationary impact of cargo preference.

Moreover, on the subject of American labor, it is apparent that the writer did not adequately research the subject, also he would have been aware of the following colloquy between the senior Senator of New Hampshire and Mr. Paul Hall, president of the Seafarers International Union, AFL–CIO:

> Now, God knows I want to see American sailors employed. But, I am interested in people, too—my constituents. * * *
>
> We want oil, and I couldn't care if it is brought to New England by little green men from Mars in flying saucers!
>
> For the time being, we want oil. We need it to keep our industries going, to keep our workers employed, but even more important, to keep the schools and homes warm enough so that we can get through the winter. * * *
>
> My interest, too, is in people, people like your own sailors. They are the people I represent. And, I make no apologies to anybody for fighting for the people I represent. * * *
>
> So I want to make it plain. I agree with much that you say. But, I don't make any apology for my position on this bill at this time. We have people who are suffering. They are my first interest, and to hell with the international oil companies, as far as I am concerned.
>
> (Hearings before the Committee on Commerce on S. 2089 and H.R. 8193 (Serial No. 93–81) at pages 495–496)

Furthermore, it is evident that the writer failed to take appropriate notice of my minority views set forth in the Senate Report (No. 93–1031) accompanying H.R. 8193 in which I noted the following:

> For myself, my principal concern is the public interest, especially that of my constituents in the State of New Hampshire and its sister New England States, which lack petroleum refining capacity and which are heavily dependent upon oil imported from foreign source and refined for consumption in the markets in that region. I hold no brief for either of the two special interest groups [i.e., maritime unions and the major international oil companies.]
>
> The proponents of H.R. 8193 will advocate strenuously that this legislation is needed to assist the poor American seaman because the major international oil companies which control the bulk of the world tanker fleet refused to register such vessels under the United States flag in order to avoid negotiating with American seamen. But, even if H.R. 8193 is enacted into law, it will assist only that segment of the American Maritime industry, namely the shipbuilding industry, which is experiencing a business boom second only to that experienced during World War II.
>
> Thus, in the final analysis the recipient of the biggest employment benefit from H.R. 8193 is the shipbuilding industry which least needs it; the seafarers, who need it most, which receive the smallest benefit! (Senate Report 93–1031 at pages 57–59)

Second, the writer cites a Coast Guard report in support of the alleged effectiveness of double bottom construction in pollution abatement. However, that study was overtaken by a later study also performed through the Coast Guard but, which, unfortunately, was not completed until after the 1973 Marine Pollution Convention of the International Maritime Consultative Organization at which the U.S. position on double bottoms was advocated based upon the earlier report cited by the writer. Based upon the subsequent study and analysis of worldwide tanker casualties for the years 1971 to 1972, the Commandant of the Coast Guard wrote to the chairman of the Committee on Commerce on October 4, 1974, and concluded as follows:

> In summary, double bottoms were supported as a pollution prevention design measure based upon the early two years of spill data. More recent and broader based analyses reveal that double bottoms should no longer be considered the sole desirable location of segregated ballast to achieve effective protection against accidental spills.

Moreover, Congressman JOHN M. MURPHY, chairman of the Subcommittee on Coast Guard of the House Committee on Merchant Marine and Fisheries, made the following observation on July 31, 1974, when testifying in a proposed rulemaking proceeding before the Coast Guard:

> Mr. Chairman, if double bottoms would solve even one percent of the problem, I would say go ahead and make them mandatory.
>
> If double bottoms were neither effective or ineffective, I would probably not waste my time here today.
>
> But, I felt compelled in view of the mountain of evidence and testimony to which I have been exposed to come here to state for the record that double bottoms have the highest risk probability of any currently known ship construction configuration of causing *more* oil to be spilled on *more* beaches in *just one* severe accident than all single skin accidents combined in any projected ten year period.

Even those conferees supporting H.R. 8193 who signed the conference report expressed the following reservation in the Joint Explanatory Statement of the Committee of Conference:

> The conferees could not reach agreement on the effectiveness of double bottoms. Therefore, it was concluded that a pilot project should be instituted so that the effectiveness of double bottoms can be better evaluated. (Senate Report No. 93–1242 at page 11)

Third, the writer alleges that the United States has virtually no control whatsoever over a foreign-flag ship, and then proceeds to comment on flag of convenience vessels of Panama and Liberia. On this point, the writer appears to mix apples and oranges. On the one hand, he speaks of foreign-flag ships over which we have no jurisdiction, which admittedly is true under maritime law. But, at no point does he recognize that many flag of convenience vessels are U.S.-owned tankers under foreign registry.

As a matter of fact there are some 300 tanker vessels of 1,000 gross tons and over within this category and which are equivalent to some 200 million deadweight tons. These are vessels which the Department of Defense looks upon as being under effective U.S. control. On this point, Deputy Assistant Secretary of Defense Paul H. Riley testified before the House committee in the following manner:

> We really have no reason to believe that we could not get the majority of these ships for our own use.
>
> We have firm contracts with each of the companies that own these ships that says they will give us the ships in time of emergency.
>
> Our past experience with World War II, Korea and Vietnam indicates that we have had no trouble getting those ships to come to our aid whenever we needed them.
>
> We see no reason why we could not rely on them. (Hearings of the Committee on Merchant Marine & Fisheries of the House of Representatives on H.R. 8193, et al. (Serial No. 93–26) at page 192)

In addition, Mr. Phillip J. Loree, chairman of the Federation of American Controlled Shipping, made the following observation when testifying before our Committee on Commerce:

> The essential point here is that U.S. effective control ships are controlled by American companies which have agreed to make the U.S. effective controlled ships available for requisitioning in event of war or national emergency involving the United States. Putting aside all other considerations, the

> ultimate force and strength of U.S. effective control lie in the fact that American companies, with American directors, American officers and American shareholders have made this solemn commitment. (Hearings of the Committee on Commerce on S. 2089 and H.R. 8193 (Serial No. 93-81) at page 404)

Fourth, the writer notes that defense needs are another important factor, observing that U.S. built ships can have national defense features built in and pointing to the experience in World War II of the United States having to spend some $8.4 billion to build needed ships.

Yet, Mr. President, the Department of Defense which is charged with the responsibility for our national security is strongly opposed to the enactment of H.R. 8193. In his letter to me of July 24, 1974, the General Counsel of the Department of Defense made the following observation:

> In the opinion of this Department, H.R. 8193's benefits are outweighed by its disadvantages which in summary are: (1) increased cost of ocean transportation resulting in higher domestic petroleum prices; (2) encouragement of compartmentalization of world tanker fleets and trade routes; (3) potential conflict with the goals of Project Independence; (4) failure to provide any significant additional assurance of oil supply in an emergency; (5) encouragement of unnecessary and non-competitive tanker construction in the face of an incipient world tanker surplus and (6) unwarranted disruption of the DOD distribution system resulting in excessive transportation costs, increased supply levels, unnecessary administrative burden, and loss of flexibility to respond to the needs of national defense.
>
> For the foregoing reasons, *the Department of Defense strongly opposes enactment of H.R. 8193.*" (Emphasis supplied)

As for the ability to build national defense features into U.S.-built ships, certainly this is possible and is provided for under the provisions of the Merchant Marine Act of 1936, as amended. But, what the writer fails to note is that the cost of any features incorporated in a vessel for national defense uses is to be paid for by the Secretary of Commerce in addition to the construction-differential subsidy. In other words, the U.S. Government—or more appropriately, the taxpayers of this country—end up paying 100 percent of the cost of such national defense features.

As for the analogy of our crash shipbuilding program to meet the needs of World War II, the writer's observation is correct but for the wrong reasons. Enactment of H.R. 8193 could have the very same monetary effect owing to the backlog of orders presently on the books of our domestic shipyards. In this connection, Secretary of Commerce Dent in his letter to me of July 22, 1974 made the following observation concerning higher costs and inflationary pressures:

> * * * In addition, the current maritime program has already stretched the limits of U.S. shipyard capacity to build large tankers, and the increased demand for such ships resulting from the enactment of H.R. 8193 would force upward the prices of steel and other scarce materials without significantly increasing the rate of tanker construction over the next few years.

Fifth, with respect to the writer's allegation that there is no basis for the claim that H.R. 8193 will cause some international retaliation against the United States, I would hasten to point out that there is no basis for the claim that there would not be such retaliation. On the contrary, there is a far greater likelihood of such retaliation since as the Department of State pointed out in its letter of July 31, 1974 to the Chairman of the Senate Committee on Foreign Relations:

> . . . if passed, this legislation would light the way for other nations, including the oil producers to follow in our path. By assuring for their developing fleets a fixed percentage of oil exports and other commercial cargoes (perhaps as a condition of supply) our flexibility would be further reduced. By adopting the principal of commercial cargo preference for our own vessels, the U.S. would be hard put to diplomatically or logically argue against the same principle when adopted by other nations.

Sixth, on the matter of cost, the writer utilizes the figures of the Maritime Administration and proceeds to point to the remission of the import license fee as resulting in an alleged cost saving of 3 cents. In point of fact, Mr. President, no one has really been able to quantify the cost of H.R. 8193 with any degree of certitude. But, Mr. President, if we are to rely upon such cost estimates we would do well to bear in mind that the Federal Energy Administration has estimated "the cost to the consumer from cargo preference legislation could approach $3 billion per year."

And, insofar as any alleged savings from the remission of the import license fee, I already have indicated in my opening remarks what a sham that provision is based upon the correspondence received from the Administrator of the Federal Energy Administration in which the following is noted:

> Thus, in the short term, the proposed rebate of import fees on residual fuel oil will provide little or no relief for the increased costs to consumers of cargo preference.
>
> With respect to crude oil, rebate of the oil import fee would not offset the increased cost of oil imports which would be caused by the bill.

Moreover, Mr. President, Secretary of Commerce Dent, in a letter of November 18, 1974, to the Chairman of our Committee on Commerce on this same point noted that the total revenue loss to the Treasury could reach $200 million which would further fuel inflation. Thus, we are simply robbing Peter to pay Paul.

Seventh, insofar as the writer's allegation concerning the balance of payments benefit, I believe that the hearing record will reflect that, although there may be such a benefit, it would be attained at a very high cost to our already faltering economy. For example, Dr. William A. Johnson of the Department of Treasury, testified before the House committee in the following manner:

> As I have indicated, in the extremely tight crude oil and product market with which we are now confronted, the result of this bill, if enacted, would probably be reduced imports. Should this happen, we may well have a substantially improved balance-of-payments position but at the cost of disruption of our economy and intensified fuel shortages for the American public. I do not think that the balance-of-payments savings are worth that price or should be a primary consideration in the decision to enact this bill. (Hearings before the House Committee on Merchant Marine and Fisheries on H.R. 8193 et al. (Serial No. 93-26) at page 211)

Mr. President, certainly the economic price to be paid for this balance-of-payments benefit can be only more severe today than when Dr. Johnson testified a year ago on October 9, 1973, as our economy enters this recessionary period.

And, Mr. President, it is the height of absurdity for the writer to single out ship construction as generating an increase in our gross national product when the shipbuilding industry is experiencing its greatest boom since World War II. As a matter of fact, the Statistical Quarterly published by the Shipbuilders Council of America for the first quarter of 1974 shows private shipyard employment at a postwar high and notes the following:

> This is a post-World War II [employment] high and reflects recent order-book expansion resulting from enactment of the Merchant Marine Act of 1970.

Mr. President, at a time when there is rising unemployment in most sectors of our economy, such as in the automobile industry which will have laid off almost 200,000 workers, I can think of no more imprudent or untimely investment than to channel more funds into our shipbuilding industry.

Eighth, the writer alleges even greater benefits from H.R. 8193 with the adaptation of nuclear power technology, which in itself belies his stated concern over the environment. For example, several public interest groups, including those of Mr. Nader have expressed grave concerns over environmental and health hazards associated with nuclear power.

Now, Mr. President, I am by no means seeking to demean the need to move forward with the development of nuclear technology, including its application to marine propulsion. Coming from a State which does not have ready access to fossil fuels, no one is more keenly aware of the need for our Nation to press forward with the development of safe and reliable nuclear power technology than the senior Senator from New Hampshire. What I am saying, however, is that the writer of this response has taken a very simplistic approach and has evidenced a total lack of knowledge with respect to our experience with the nuclear ship *Savannah,* especially with regard to cost.

The ninth, and final point, made by the writer, Mr. President, is to summarize the alleged benefits of H.R. 8193. However, I strongly disagree that enactment of H.R. 8193 will provide us with any assurance whatsoever that there will be increased environmental protection. As a matter of fact, there is considerable evidence to the contrary. As for added national security, I rest my case on the strong opposition to this bill by our Department of Defense. And, as for the assertion that all of these glorious benefits would be attained at less cost and great economic benefit, Mr. President, I simply say, "Hogwash!"

In point of fact, Mr. President, we are talking here about a hidden subsidy involving the expenditure of millions, and yes, even billions of dollars by the American taxpayer and American consumers.

Finally, Mr. President, concerning the reference to my "lonely fight" against this legislation, this certainly was not the case a little over 2 years ago, when on July 26, 1972, the Senate rejected a similar proposal contained in the bill, H.R. 13324, of the 92d Congress. And, Mr. President, if anything, the reasons for rejecting this legislation are even more compelling now than in 1972, faced as we are with the double threat of recession and inflation.

Mr. President, for all of the foregoing reasons, but principally in the interest of trying to protect my constituents in the State of New Hampshire, who will be among those most adversely affected by enactment of this legislation, I shall vote against the adoption of the conference report on H.R. 8193.

EXHIBIT 1

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., October 3, 1974.

Hon. NORRIS COTTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COTTON: There are a number of factual considerations with respect to the oil import fee rebate provision of the Senate version of H.R. 8193 which I would like to bring to your attention. The Senate bill provides that, for a period of five years after enactment, the import fee on oil other than residual fuel oil be reduced by 15¢ per barrel, and the fee on residual fuel oil be reduced by 42¢ per barrel. Fee reductions would be available only for oil imported in U.S.-flag commercial vessels and the reduction would be required to be passed on to the consumer. We have the following observations concerning this import fee provision:

1. With respect to crude oil, rebate of the oil import fee would not offset the increased cost of oil imports which would be caused by the bill. Currently, oil import fees are not charged on the great majority of crude oil imported into the United States. Presidential Proclamation 3279, as amended, provides for phasing in the import fee on crude oil over a seven year period through 1980. From the beginning of the fee system in May of 1973 until April of 1974, fee-free allocations covering 100 percent of the January 1, 1973 import levels were granted. After April 30, 1974, fee exempt allocations will be reduced by a fraction of the original level each year for the next seven years, phasing out completely by 1980.

In addition to these fee-free allocations, the proclamation provides additional exemptions from fees for certain classes of imports, *e.g.* for new or expanded refinery capacity, crude oil imported to produce asphalt, hardship grants to independent refiners, etc.

Since the percentage of imports which are exempt from fees will vary depending on the increase of imports above 1973 levels, as well as other variables such as exemptions for new refineries and hardship cases, it is difficult to predict the precise percentage of imports which will be fee exempt. Nevertheless, based on past data, we estimate that oil import fees will be payable only on from 5 to 10 percent of all crude oil imports in 1974 and 1975. By 1978, import fees will probably be payable on something less than 50 percent of all crude oil imports.

It is evident from the above figures that the provision of the bill which provides for a rebate of 15¢ of the oil import fee would not produce any meaningful relief from the increased costs of crude oil which consumers will be required to pay. Since the bill's provision for rebate is only for a five year period, rebates will cease at about the time that import fees begin to be applicable to the majority of crude oil imports.

2. For residual fuel oil, the Senate bill would rebate $.42 of the higher license fee, currently $.30 per barrel moving to $.42 per barrel on November 1, 1974, and $.63 per barrel by November 1, 1975. This 42¢ per barrel rebate of the import fee on residual fuel oil is apparently aimed at reducing consumer costs in New England, since that region consumes most of the imported residual fuel oil. The observations made above with respect to the small amount of crude oil actually subject to import fees in the short term apply to residual fuel oil also. Imports of residual fuel oil into the East Coast have been virtually decontrolled for a number of years. As a result licenses were issued for the importation of 2.9 million barrels per day of residual fuel in the 1973 base year although actual imports were less than 2.0 million barrels per day. Under the phase out schedule it will be 1976 or later before any fees need be paid for imports of residual fuel oil into the East Coast provided that normal trade patterns continue.

Thus in the short term, the proposed rebate of import fees on residual fuel oil will provide little or no relief for the increased costs to consumers of cargo preference.

In addition, the rebate of 42¢ per barrel is not consistent with the rationale for the imposition of an import fee on refined petroleum products which is designed to encourage domestic refinery capacity. To the extent that a rebate of 42¢ per barrel exceeds the estimated increased cost of shipping in U.S. bottoms, integrated refiners will find it cheaper to refine in the Caribbean and Canada and ship to the United States rather than to refine in the United States. Thus, in the future when fees are charged on residual fuel imports, the bill would tend to export refining capacity and jobs. We fail to perceive any reason why a rebate on residual fuel should be greater than the increased cost for shipping in U.S. vessels.

3. The House Committee on Ways and Means has the issue of the oil import fee under active consideration. The Committee's earlier version of tax reform legislation included an amendment to Section 232 of the Trade Expansion Act (the basic authority for the import fee system) which would have prohibited the imposition of an import fee on crude oil when the price of imported oil is higher than the domestic price. We understand that this approach is currently included in the Committee's new tax reform proposals which will be in final form in the near future. If such legislation were to become law, the provision in the Senate version of H.R. 8193 providing for rebate of the fee on oil imports would be meaningless with respect to crude oil imports (assuming that the foreign price continues to be higher than the domestic price).

4. Dedication of import fees for this and numerous other purposes which have currently been suggested tends to lock the government into a particular form of protection and it would remove the flexibility which Section 232 of the Trade Expansion Act intended to give the President. For instance, it would be very difficult to shift to a quota system or to adopt a variable fee. It is also worth noting that the misuse of the import program to subsidize all sorts of special interests was responsible for much of the abuse of the former quota system. To now use fees for purposes other than those relating directly to national security, may cause the fee system to fall into the same disrepute.

In light of these considerations, I strongly urge that the Conference Committee not adopt the provision of the Senate bill providing for the rebate of oil import fees.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN C. SAWHILL,
Administrator.

EXHIBIT 2

[From the Manchester Union Leader, Nov. 18, 1974]

READER SUPPORTS ENERGY TRANSPORT ACT

Addressed to William Loeb: On Aug. 30, 1974, you published a guest editorial from the Washington Post supporting "Senator Cotton's lonely fight" against the Energy Transport Security Act, and on Sept. 3, 1974, John Chamberlain's column criticized same. It is not possible to respond to same in the allotted space, so perhaps you can fit "The Case for H.R. 8193" in the back page of the Union Leader.

The main opposition to this badly needed bill comes from a business community that for good reason has become gun shy about American labor. They do not want to fool around with Big Labor, and the threat of strike, even though the unions involved have offered a no strike provision.

And why not? They can pick up those poor coolies out of Hong Kong, they can pick up South Americans out of Belem, Brazil, pick up some poor Pakistani or some poor Hindu out of India and, if these poor souls are unhappy for a moment, just dump them off at the first port they come to.

Foreign registry is popular because, in return for a modest registration fee and a small annual tax on the ship's tonnage, the vessel owner is free from taxation on ship's earnings, maritime laws, and U.S. government regulations governing operations, inspections and crew mannings.

Thus, it was interesting to see John Chamberlain write about the environmental threat posed by the building of American tankers when, in fact, the opposite is the case. This legislation requires that U.S.-flag tankers constructed to carry oil be built using the best available pollution technology, including a segregated ballast-double bottom system.

A report prepared by the Coast Guard under the authority of the Ports and Waterways Safety Act concluded: ". . . ships incorporating the segregated ballast and double bottom feature were definitely the best alternative from a pollution abatement-cost point of view."

Significantly, this concept, advanced by the Coast Guard as well as by the Environmental Protection Agency, and incorporated into H.R. 8193 by the Senate Commerce Committee, was rejected by other maritime nations at last year's International Conference on Marine Pollution.

Currently, the United States has virtually no control whatsoever over a foreign flagship, and none over its construction and manning. Only if a foreign flag offender puts into a U.S. port can he be penalized under our national laws. If he, however, dumps oil and then heads out into international waters, the only recourse available to the U.S. is to make a complaint to the nation whose flag the vessel flies.

The United States now receives one-half of its oil imports in flag of convenience vessels of Panama and Liberia. Figures compiled by the Organization for Economic Cooperation and Development demonstrate that when compared to OECD fleets, including that of the United States, losses for Liberian vessels are twice as high and for Panamanian vessels, three times as high.

Under this bill, both ships and crews must conform to strict Coast Guard standards and vessels older than 20 years or reconstructed beyond their economic lives must be retired and replaced.

DON'T WORRY

Defense needs are another important factor. We are told by critics, "You need not worry about the entire merchant marine, because we have plenty of tonnage under control of our allies."

We listened to this story prior to World War II. It turned out that we had to spend some $8.4 billion in 1940 dollars to build ships to take care of our own needs. We received little or no help, despite the fact that Norway, England, and others were supposed to be in a pool.

How can one control a ship built with U.S. money, transferred to ownership in Greece, insured by England, with Italian officers and an Indian crew?

How can anyone believe such a ship would sail through combat zones for the United States?

The Arabs or anybody could still shut off the oil, to be sure, but at present they can shut off the ships too. At least, under H.R. 8193, we would be able to move our own considerable oil production to where it is most needed, particularly in support of our navy, which was denied foreign ports for refueling during the Yom Kippur War.

In U.S. built ships, certain national defense features can be built in.

Ad. Elmo R. Zumwait Jr., expresses his concern this way: "The vast majority of this imported oil will be transported by sea over great distances in hundreds of tankers. The potential for coercion, with or without allies, inherent in this situation is ominous when we consider the current growth of the Soviet Navy.

"Planning for the protection of tankers at sea in the event a threat develops would be greatly enhanced by having large numbers of ships under the U.S. flag in time of peace. The Navy has a greater requirement for merchant ships than is generally realized. For example, merchant ships are absolutely required to provide the bulk of Dod sealift and to augment our amphibious forces. . . ."

AN UNDERSTANDING?

By international law only the state of registry has the right to requisition and control vessels flying its flags. The U.S. does have an "understanding" with Panama, Liberia, and Honduras but these are not treaties and as Panama is after our canal it may become overly fond of our ships as well.

Liberia, during the Yom Kippur War, decreed that ships flying its flag could not trade with Israel. It could have included the United States in that edict if it chose to and what would we have done?

Our Navy does not have enough ships to go out and seize the tankers and still keep track of the Soviet fleet.

There have been charges that the bill will cause some international retaliation against the United States, but there is no basis for that claim.

Many of the world's trading and maritime nations have enacted similar legislation and similar provisions. No one has ever retaliated against these nations and no one has stopped trading with these nations.

Hardly anyone noticed when Venezuela enacted its law which leads to an eventual 50 per cent carriage requirements for its ships. The Soviet Union carries 56 per cent of its trade; Japan, 47 per cent; Norway, 43 per cent; France, 38 per cent; Spain, 37 per cent; United Kingdom, 35 per cent; West Germany, 29 per cent; Italy 23 per cent; U.S., 5 per cent.

Now, let's look at Chamberlain's charge that the bill will increase the cost of oil. He tries to scarce us with a price tag of $60 billion by 1985.

The Maritime Administration estimates that the cost of using American ships and American labor would be about $0.003 per gallon. If you've just seen your local station go up 20 cents or so per gallon, that will not bother you. If you multiply that by 40 gallon per barrel, that works out to be 12 cents per barrel. The bill would waive the 15 cents of the import fee on oil coming into the U.S. in American bottoms. So, instead of costing 12 cents more, the oil will actually cost 3 cent less.

RIP-OFF OF TRUTHS

To characterize this shipbuilding bill as a rip-off of the consumer is a rip-off of the truth.

Using U.S.-flag instead of foreign-flag ships would have a positive impact on our balance of payments. Depending on the distance the oil is carried, the dollar outflow for each barrel of imported oil could be reduced as much as 20 per cent.

The Assistant Secretary of Commerce has noted that for every 90,000 dwt tanker under the U.S. flag that replaces a foreign-flag ship, a $41 million balance of payment advantage will be realized over the life of the ship. For 265,000 dwt tankers, the benefit rises to $114 mililon over the life of the ship.

A U.S. subsidy necessary to support our import levels by 1985 would require, according to Maritime Administration economists, Construction Differential Subsidies of $6.6 billion. Additionally, it is estimated that Operating Differential Subsidies of $500 million would be required during the life spans of about 25 percent of the vessels in the bulk fleet.

For this $7.1 billion investment we would generate about 900,000 man-years of employment in U.S. shipyards, along with an additional 900,000 man-years in support industries. Operating vessels during their lifetime would account for an additional 315,000 man-years.

Construction of the 1985 fleet would generate a $57 billion increase in the GNP. $11.3 billion in income and other taxes would flow into the Treasury. $20.3 billion would be paid out in wages and a $9.3 billion gain in balance of payments would result.

The benefits would increase even more with the adaptation of gas turbine and nuclear power technology. The Chevron Oil Company recently signed a contract for three new tankers of 35,000 dwt at a per-ship cost of $15 million—a savings of $3.9 million each over diesel propulsion ships of the same size. The cost is also below foreign costs for comparable ships.

Nor is the reduction in capital cost the only savings. The Coast Guard has approved a crew of only 17 men for each of these ships. A typical diesel tanker would require 28 men. The 11-man savings translates into approximately $140,000 a year, or better than $3 million over the lifetime of the ship.

American nuclear technology is also a potential boon. To operate a fleet of 300 fossil-fueled modern ships over their lifetime would require more than the estimated resources in the entire Alaskan North Slope oil field.

A fleet of six nuclear tankers operating at 23.4 knots, would have the same productivity as a fleet of nine fossil tankers operating at 15.5 knots. Higher speeds, lower fuel costs, and better and fewer personnel, add up to considerable savings. Maritime Administration economists indicate that a 1980 nuclear ship will be able to deliver oil from the Persian Gulf to the United States at a total cost of $8.15 per long ton, compared to a cost of $9.58 per long ton for a conventional ship.

So, in H.R. 8193, we have increased environmental protection, added national security, at less cost and great economic benefit.

We have the resources.

We have the technology.

We need the will.

DANIEL JOHN SOBIESKI.

I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank my distinguished colleague.

Mr. President, I ask unanimous consent that Tom Cantrell, of my staff, and Tom Shroyer of Senator FANNIN's staff remain on the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, the President of the United States, on November 14, said:

> Although I support a strong merchant marine, I am certainly concerned with the problems that this bill raises in the areas of foreign relations, national security, and perhaps most significantly, the potential inflationary impact of cargo preferences.

Mr. President, the chart indicates that the cumulative cost for 10 years of this bill will near $30 billion. It is true that there is a license remission for a while, but that merely shifts a small part of it from the consumer to the taxpayer.

Mr. President, I ask unanimous consent that there be printed in the RECORD the statement of the Federal Trade Commission, which supports the finding as to the costs indicated by this chart.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., December 16, 1974.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: This is in reply to your letter of October 29, 1974, requesting views on H.R. 8193 ("Energy Transportation Security Act of 1974"). This bill would require 30% of all oil imported into the United States to be transported on U.S.-flag commercial vessels by June 30, 1977.

Let us focus first on the effect that this bill is likely to have on American consumers of petroleum products. Rates for U.S.-flag commercial vessels, which are now required to be used to carry certain government financed cargoes, have averaged 2½ times the comparable foreign rates over the 1968 to 1972 period. Though this differential cannot automatically be taken as giving the size of the differential between rates for U.S. oil tankers and foreign oil tankers, it does afford some basis on which to estimate the size of that differential. The higher costs of shipping oil by U.S. tankers will ultimately be borne by domestic consumers. In this time of severe inflation, we believe a strong case must be made before additional price increases to consumers can be justified.

The Commission has not had time to generate independent figures relating to the increased costs to the consumer of H.R. 8193. However, our staff has examined some of the estimates submitted by others. For example, one study has estimated the cost impact of this legislation to be from $25–31 billion over a ten-year period. Although this estimate is based on certain assumptions, it is not considered to be overly speculative. We believe that costs of this magnitude would outweigh by a substantial margin any benefits that could arguably result from the proposed legislation.

One study discussed in the House Report on H.R. 8193 sought to show that H.R. 8193 would actually benefit consumers. The assumptions used in reaching that conclusion, however, seem to be highly suspect. A substantial portion of this study's forecasted benefits relate to increased taxability of integrated oil companies. If this end is desired, a much more direct route would be to make appropriate changes in the tax laws or regulations. A second major benefit predicted by this study relates to transfer pricing practices presently used by vertically integrated firms which transport crude oil on tankers owned by their subsidiary companies.

This predicted benefit appears to confuse bookkeeping costs and economic costs. The bookkeeping "price" which a firm's subsidiary "charges" its parent to transport that parent's oil does not directly affect the prices which consumers eventually pay for refined petroleum prices. That "price" is simply an accounting transfer which would shift income to a company which will pay lower taxes than the parent. Consumer prices are determined by the actual *economic* costs of shipping oil, the other economic costs of producing the final product and demand conditions for that product. It does not, accordingly, appear to be possible to obtain any direct consumer benefit from adjusting transfer prices. Yet it is this very adjustment on which a large part of the alleged consumer benefit predicted by the study is based.

While it is clear that H.R. 8193 will impose substantial costs on consumers, it is not clear that it will produce any appreciable benefit to the community as a whole. It is alleged, for example, that this bill will protect national security. The argument is that it will ensure the availability of U.S. tankers to transport oil from alternative sources (which have yet to be specified), if, in the future, restraints are placed on the exporting of oil by producing countries. While we are not experts on national security issues, the expressed opposition to the bill by the Defense Department should be noted.

Finally, it has been argued that this bill will produce more jobs in American shipyards and on U.S. flag ships. This is undoubtedly true. It should be asked, however, if jobs created in this way really benefit the American economy as a whole. If not, these benefits would amount to a subsidy at a net cost to consumers. The question is should we subsidize, through higher prices for petroleum products, the construction and operation of ships that can and apparently will be built and operated by others at lower real costs?

In summary, we find unconvincing the justifications for H.R. 8193 that are offered in the face of apparently high consumer costs that it would incur.

By direction of the Commission.

Charles A. Tobin,
Secretary.

Mr. CURTIS. Mr. President, a wide variety of economists has condemned this bill. Mr. Walter Heller of the University of Minnesota, speaking on inflation, said:

> A painful and current case in point is the bill just passed by Congress to require 30 percent of U.S. oil imports to be carried in U.S.-flag tankers, which will cost American consumers hundreds of millions of dollars. One hopes that this fatted calf will be stillborn.

Mr. President, I ask unanimous consent to have printed in the Record the letters in opposition from the following:

The Office of Management and Budget; the Department of State; Virginia Knauer of the White House staff, two letters, one to the junior Senator from Nebraska and one to Chairman Long; the letter of the General Services Administration; the letter of the Federal Energy Office; the letter of the Assistant Secretary of Defense; two letters from the Department of the Interior; a letter from Paul A. Samuelson of the Massachusetts Institute of Technology; a letter from Mr. Paul W. McCracken of the University of Michigan; a letter from C. Jackson Grayson, Jr., School of Business Administration, Southern Methodist University; a letter from Dr. Otto Eckstein of Harvard University; a letter from John M. Letiche, of the University of California at Berkeley; a letter from the University of Chicago by Dr. Milton Friedman; a letter from Dr. Richard N. Cooper of Yale University; a letter from the National Association of Manufacturers; a letter from the U.S. Chamber of Commerce; and a letter from the American Petroleum Institute.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Office of Management
and Budget,
Washington, D.C. November 19, 1974.

Hon. Carl T. Curtis,
U.S. Senate,
Washington, D.C.

Dear Senator Curtis: Thank you for your letter of October 29, requesting our views on the inflationary impact of H.R. 8193 ("Energy Transportation Security Act of 1974").

The Office of Management and Budget remains strongly opposed to enactment of this bill. In addition to the problems it would create for our national security and our relations with other nations, it is clear that it would have a serious inflationary impact.

The bill would result in a serious and immediate increase in the cost of petroleum imports. Estimates of the cost of using older and less efficient U.S. tankers that could be dedicated to foreign trade show that existing U.S. flag ships would require rates at least 200 percent higher than for foreign flag ships, and this differential could be as much as 300 percent depending on the route.

There would also be a serious cost increase for the domestic transportation system. Current U.S. flag tanker capacity is not sufficient to meet both domestic requirements and the 20 percent of oil imports reserved under the oil cargo preference bill. This overall shortage will put strong upward pressure on domestic shipping rates. Freight rate increases of upward 150 percent for domestic ocean borne transportation of petroleum could be expected.

The total short-term cost impact could vary from $300 to $600 million per year depending on the level of oil imports and the prevailing foreign flag charter rates. Increased oil imports are anticipated, and freight rate projections suggest that a serious over-tonnage situation is developing worldwide which is expected to depress freight rates. Both these factors would tend to increase the cost impact resulting from the use of U.S. flag ships.

The bill would also have an adverse inflationary impact on the U.S. ship construction industry. Most major U.S. yards are now operating at or near their current capacity. The demand for labor at shipyards is now increasing at a rate of 8 to 12 percent per year, resultiing in severe skilled labor shortages. Serious material shortages began developing in 1973 and steel shortages have become critical for some yards. A recently completed nationwide survey of yards by the Maritime Administration showed almost half had experienced delays or anticipated future delays in the delivery of steel. The added demand for ships created by this bill will aggravate these shortages and add to the difficulty faced by the Navy in contracting for ships to meet its force requirements.

The material price index for ships has gone up 22.6 percent in the six month period ending July 1974, while the increase for all of FY 1973 was only 6.2 percent. Average hourly earnings have increased nine percent during the last year. Given the demand for new ships which will be created, yard capacity may have to be expanded by as much as 50 percent, according to industry sources. Unfortunately, the bill provides no incentive to the yards to hold down construction costs. Whatever industry wide increases in investment or operating costs occur in the scramble for new ships would be passed along to consumers through higher than prevailing world freight rates, which the bill would allow.

Supporters of the bill have argued that it provides for a rebate on oil import fees to offset part of the cost impact. They fail to point out, however, that no more than 5 to 10 percent of all crude oil imports incur such fees today. Since the bill's provision for rebate is only for a five year period, rebates will cease at about the time that import fees begin to be applicable to the majority of crude oil imports. Consequently, there would not be any meaningful relief from the increased costs associated with the bill through this rebate provision. In any case, whatever reduction in oil import fees that does occur will reduce revenue to the Treasury and will, therefore, be absorbed by the American public.

The serious adverse impact that this bill would have on our economy, our national security and our foreign relations is clear. The passage of this bill by the Congress would be extremely undesirable.

Thank you for the opportunity to express our views. I hope that this information will be useful to you.

With warm regards,
Sincerely,

Roy L. Ash,
Director.

Department of State,
Washington, D.C., November 13, 1974.

Hon. Carl T. Curtis,
U.S. Senate,
Washington, D.C.

Dear Senator Curtis: The Secretary has asked me to reply to your letter of October 29 requesting the views on the inflationary potential of H.R. 8193 (Energy Transportation Security Act of 1974).

Before addressing the specific issue of the potential inflationary effects of H.R. 8193, it may be beneficial to summarize the foreign policy implications of the proposed legislation. H.R. 8193 would extend cargo preference for the first time to the area of commercial cargoes and would not only set a precedent but would counter the United States policy of encouraging, to the extent possible, international fair trade for shipping. It would violate commitments made in more than thirty of our Friendship, Commerce, and Navigation Treaties with many countries. The enactment of H.R. 8193 would certainly be tantamount to encouraging similar, but more drastic, moves on the part of the oil-producing countries. It would not only greatly affect the flexibility now enjoyed by importers in meeting supply demands, but it would affect, as noted below, the cost of this supply. Finally, many maritime nations, including NATO alliance countries, have already voiced serious reservations regarding the restrictive nature of H.R. 8193, and thus its passage could vitally affect future diplomatic relations with these nations.

In the matter of the potential inflationary impact of H.R. 8193, such an evaluation may best be couched, first, in general terms, and then in more specific terms of its impact on the shipping industry and on the general public.

If the United States mandates the use of its flag vessels for oil importation, as now proposed, and if oil exporting countries then required the use of their ships for oil exports, either due to retaliation or imitation, both markets would be captive and there would be no competitive force acting to hold down prices. Once the U.S. approves of the concept of petroleum cargo preference, similar legislation at a higher percentage, as *a condition of supply* may very well emerge from the producing nations. Accordingly, in such a captive market, a foreign government which controls both source and transportation could conceivably raise prices to nearly any level it wishes in the current energy short climate. Diplomatic efforts on our part would then have little logical basis.

In a similar vein, requiring a certain percentage of imported oil to be carried on U.S.-flag vessels would upset the freedom of carrier selection and would thereby inflate the "fair and reasonable" rate charged in U.S. trade. Experience with cargo preference shows that in a protected market the rate tends to escalate because of the relative scarcity of available bottoms required by law.

Any increase in petroleum costs to our export industries, not applicable to our major international competitors, would create upward pressures on our export prices and would adversely affect U.S. export competitiveness. The export industries would include not only those producing petrochemical products, but all export industries which are becoming increasingly dependent on foreign sources of energy.

In a general context, H.R. 8193 would lead to an imposition of higher costs not only in the American economy but on the American consumer as well. The cost increase would be due to both the higher cost of building ships in this country, and to the higher operating costs of U.S.-flag vessels as compared to foreign-flag vessels.

By creating a restricted market with limited competition, U.S.-flag tanker operators will be able to charge maximum rates for the carriage of oil imports. With widespread reports of impending excess capacity in oil tankers through the world (projected at fourteen percent for 1974; a nineteen percent increase in 1975; and an additional sixteen percent increase in 1976), this legislation will not only contribute to the excess, but will preclude U.S. consumers from taking advantage of foreign tankers at a possibly lower rate.

In the field of ship construction, the provisions of the Merchant Marine Act of 1970 which extended direct subsidies to tankers and other bulk carriers, coupled with the funding support of record levels ($303.5 million in FY 1974) has created the greatest peacetime shipbuilding boom in U.S. history. This in fact has stretched the limits of the U.S. shipyard companies to produce large tankers. The proposed legislation will merely create a greater demand for these ships, resulting in higher prices and contributing to inflation.

Inflation costs could extend to other areas as well. A major ship construction program could create new demands for materials that are currently in short supply. For example, the demand could exacerbate the currently projected shortage of steel plate and send some domestic users into foreign steel plate markets.

The American Petroleum Institute estimates the total cumulative cost of such legislation between now and 1985 would be approximately $60 billion. This is compared to an estimated $7 billion for similar expansion under the provisions of the Merchant Marine Act of 1970. In reference to dollars per barrel of transportation cost, API's statistics show that in the absence of cargo preference, the basic transportation cost for the combined fleet of foreign-flag and subsidized U.S.-flag tankers would be an estimated $.92 per barrel in 1980, dropping to $.85 per barrel in 1985. Under cargo preference, the added costs associated with the flag component of imported oil would be substantially higher.

The Department of Agriculture has indicated it opposes H.R. 8193 because in its total concept the bill would not serve the best interests of the American farmer. Specifically, the legislation would impose added costs of at least $.50 per barrel for every barrel of petroleum imported. Hence, as the cost of imported oil increases, the price of domestic oil will tend to rise proportionately. With the agriculture industry consuming more petroleum products than any other industry, it is estimated that H.R. 8193 will cause an increase of farm fuel costs of $35 million per year and an increased total to agriculture of at least $175 million per year. These higher costs will inevitably be passed along to the consumer at the supermarket and would be clearly inflationary. Additionally, H.R. 8193 would establish an unfortunate precedent for the possible extension of U.S. flag preference measures to other commercial imports and exports such as grain and other agricultural commodities Accordingly, the higher petroleum costs and the possible extension of flag quota requirements to the agricultural sector would have a repressive effect on U.S. agricultural expansion and would impair agriculture's significant contribution to the U.S. balance of payments.

Finally, it is noted that an increase in the delivered price of imported oil may very well tend to increase the price of domestic oil, thus adding to the overall inflationary impact of the bill.

In conclusion, the cargo preference provisions of H.R. 8193 are, in comparison to direct subsidy, an inefficient and cumbersome means of promoting the merchant marine, particularly since its implementation would interfere and cloud the deliberate nature of foreign policy, while at the same time drastically fueling the fires of domestic inflation to the detriment of the American people.

If I can be of any further assistance in this matter, please do not hesitate to let me know.

Cordially,

Linwood Holton,
Assistant Secretary,
for Congressional Relations.

The White House,
Washington, D.C., November 11, 1974.

Hon. Carl T. Curtis,
U.S. Senate,
Washington, D.C.

Dear Senator Curtis: Thank you for your letter of October 29, 1974, and the enclosed information concerning H.R. 8193, the Energy Transportation Security Act of 1974.

I share your misgivings about this legislation and I think you will be interested to know that I wrote Senator Long in June of this year to state for the record my concerns about the detrimental effects on the consumer and inflation which this legislation is likely to have. I enclose a copy of my letter for you.

The opinion I expressed in that letter remains unchanged and I am glad to share my comments with you.

Sincerely,

Virginia H. Knauer,
Special Assistant to the President
For Consumer Affairs.

June 7, 1974.

Hon. Russell B. Long,
Chairman, Subcommittee on Merchant Marine, Senate Commerce Committee, U.S. Senate, Washington, D.C.

Dear Senator Long: Your Subcommittee is now considering H.R. 8193, the Energy Transportation Security Act of 1974, and S. 2089, a similar bill, and I would like to share with you and the Members of the Subcommittee my misgivings about this proposed legislation.

As you know, both of these bills seek to promote the worthy goal of the expansion of the U.S.-flag tanker fleet, but, in my view, in a very unwise manner. These proposals would require 20 percent of all petroleum and petroleum products imported into the United States to be carried on U.S.-flag vessels with the percentage rising to 30 percent by mid-1977, if United States tonnage exists to carry this quantity.

As a consumer advocate, I would like to focus on the adverse effects that the enactment of this legislation is likely to have on the consumer.

Passage of oil cargo preference legislation is virtually certain to cause an increase in consumers' cost of living. This is particularly unfortunate in light of the high inflation which currently confronts us. Much of what is going on in the American economy is now dominated by the inflation. The cost of living increased at an annual rate of 12.1 percent in the three months prior to June 1, an exceptionally high rate in the history of the United States.

While estimates vary regarding this legislation's general inflationary consequences and its effect on the prices of specific consumer goods and services, the increases will be appreciable. The American consumer simply cannot afford this.

The Maritime Administration estimates that added annual costs attributable to the proposed legislation would be $79.30 million in 1975, $122.87 million in 1980, and $183.11 million in 1985. The American Petroleum Institute has developed figures showing that the cumulative cost of the legislation between 1975 and 1985 could be as high as $60 billion. As an example of the effect of this legislation on a particular product, the Maritime Administration estimates that the cost increase per barrel of gasoline sold in the United States should this legislation be enacted would be .42 cents in 1974, 1.26 cents in 1975, rising to 2.10 cents in 1985.

Some proponents of the legislation say that these increases are minimal and therefore bearable by consumers. I say that such a position is hostile to the interests of the consumers. The increases—even by conservative estimates—will amount to literally millions of unnecessary dollars out of the pockets of American consumers every year. Moreover, the cumulative effect of the assault of "minimal" price increases upon the consumer's buying power can be truly unsettling, as we are seeing at the present time.

There are signs of improvement on the inflationary front. It is especially important now that we protect our advantage by firmly resisting temptations which would strengthen the forces of inflation. One way that we can be effective in this regard is to defer on cargo preference legislation.

Beyond its inflationary implications, I am also concerned by the fact that implementation of this legislation is very likely to reduce the supply of petroleum imports to the United States, and worsen the energy shortage already facing consumers. William E. Simon has stated that this legislation could hinder our progress toward Project Independence whereby we hope to guarantee ourselves a secure and adequate energy supply for the years ahead.

Spot purchases of oil from foreign refineries account for a significant portion of our imports. I understand that passage of this legislation would interfere with these transactions and could result in the loss of as much as a half million barrels per day for the United States. Moreover, exporters of oil to the Untied States may become disenchanted with cargo preference red tape and turn to other markets instead of those in the United States.

The resultant decrease in supply to our nation would once more disadvantage the consumer—and especially the consumer in coastal areas.

Uneven adverse regional impact is a further reason to question seriously the wisdom of enacting this legislation. The increases in price and limitations on supply would be objectionable if borne evenly by all consumers throughout our nation but they become even more unpalatable when localized in those areas most dependent on foreign oil. In 1970, approximately 70 percent of oil imports was needed by the 40 percent of our population which resides in the 17 Eastern seaboard states, and this disparity is projected to become even greater in the next few years. In addition there are other states—such as Hawaii—which are also largely dependent on waterborne foreign oil imports. Consumers in these areas will feel the sting of this legislation the worst.

Another consideration that can have both cost and supply implications is the fact that through this legislation we would in effect be dictating to foreign exporters the nationality of ships they would have to use to do business with the United States.

Both the Senate and House versions of the oil cargo preference bill, while worthy in their basic intent, threaten to have a very unfortunate impact on the American consumer. In my view, other alternatives—such as direct subsidies for construction of tankers and other bulk carriers—with which the Administration is having good success would be effective in accomplishing our common goal of a vigorous and enlarged U.S.-flag tanker fleet while not at the same time burdening the American consumer.

I respectfully request that the Subcommittee examine carefully the proposed legislation regarding its adverse impact on consumers, and I hope that you will agree that better alternatives than its enactment do indeed exist.

Sincerely,

VIRGINIA H. KNAUER,
Special Assistant to the President for Consumer Affairs.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., November 15, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: By letter dated October 29, 1974, you requested the views of this agency on the inflationary potential and economic impact of H.R. 8193, the Energy Transportation Security Act of 1974.

The bill has been of concern to GSA, and particularly its Office of Preparedness, in view of the current shortage of keel space, copper, steel, and manpower in the shipbuilding industry. Enactment of H.R. 8193 would exacerbate these problems by increasing demand, which at the same time would have an obviously adverse inflationary impact. As to the extent of such impact, we defer to the views of the Maritime Administration.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this letter to you.

Sincerely,

LARRY F. ROUSH,
Acting Assistant Administrator.

FEDERAL ENERGY OFFICE,
October 3, 1974.
Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: There are a number of factual considerations with respect to the oil import fee rebate provision of the Senate version of H.R. 8193 which I would like to bring to your attention. The Senate bill provides that, for a period of five years after enactment, the import fee on oil other than residual fuel oil be reduced by 15¢ per barrel, and the fee on residual fuel oil be reduced by 42¢ per barrel. Fee reductions would be available only for oil imported in U.S.-flag commercial vessels and the reduction would be required to be passed on to the consumer. We have the following observation concerning the import fee provision:

1. With respect to crude oil, rebate of the oil import fee would not offset the increased cost of oil imports which would be caused by the bill. Currently, oil import fees are not charged on the great majority of crude oil imported into the United States. Presidential Proclamation 3279, as amended, provides for phasing in the import fee on crude oil over a seven year period through 1980. From the beginning of the fee system in May of 1973 until April of 1974, fee-free allocations covering 100 percent of the January 1, 1973 import levels were granted. After April 30, 1974, fee exempt allocations will be reduced by a fraction of the original level each year for the next seven years, phasing out completely by 1980.

In addition to these fee-free allocations, the proclamation provides additional exemptions from fees for certain classes of imports, *e.g.* for new or expanded refinery capacity, crude oil imported to produce asphalt, hardship grants to independent refiners, etc.

Since the percentage of imports which are exempt from fees will vary depending on the increase of imports above 1973 levels, as well as other variables such as exemptions for new refineries and hardship cases, it is difficult to predict the precise percentage of imports which will be fee exempt. Nevertheless, based on past data, we estimate that oil import fees will be payable only on from 5 to 10 percent of all crude oil imports in 1974 and 1975. By 1978, import fees will probably be payable on something less than 50 percent of all crude oil imports.

It is evident from the above figures that the provision of the bill which provides for a rebate of 15¢ of the oil import fee would not produce any meaningful relief from the increased costs for crude oil which consumers will be required to pay. Since the bill's provision for rebate is only for a five year period, rebates will cease at about the time that import fees begin to be applicable to the majority of crude oil imports.

2. For residual fuel oil the Senate bill would rebate $.42 of the higher license fee, currently $.30 per barrel moving to $.42 per barrel on November 1, 1974, and $.63 per barrel by November 1, 1975. This 42¢ per barrel rebate of the import fee on residual fuel oil is apparently aimed at reducing consumer costs in New England, since that region consumes most of the imported residual fuel oil. The observations made above with respect to the small amount of crude oil actually subject to import fees in the short term apply to residual fuel oil also. Imports of residual fuel oil into the East Coast have been virtually decontrolled for a number of years. As a result licenses were issued for the importation of 2.9 million barrels per day of residual fuel in the 1973 base year although actual imports were less than 2.0 million barrels per day. Under the phase out schedule it will be 1976 or later before any fees need be paid for imports of residual fuel oil into the East Coast provided that normal trade patterns continue.

Thus in the short term, the proposed rebate of import fees on residual fuel oil will provide little or no relief for the increased costs to consumers of cargo preference.

In addition, the rebate of 42¢ per barrel is not consistent with the rationale for the imposition of an import fee on refined petroleum products which is designed to encourage domestic refining capacity. To the extent that a rebate of 42¢ per barrel exceeds the estimated increased cost of shipping in U.S. bottoms, integrated refiners will find it cheaper to refine in the Caribbean and Canada and ship to the United States rather than to refine in the United States. Thus, in the future when fees are charged on residual fuel imports, the bill would tend to export refining capacity and jobs. We fail to perceive any reason why a rebate on residual fuel should be greater than the increased cost for shipping in U.S. vessels.

3. The House Committee on Ways and Means has the issue of the oil import fee under active consideration. The Committee's earlier version of tax reform legislation included an amendment to Section 232 of the Trade Expansion Act (the basic authority for the import fee system) which would have prohibited the imposition of an import fee on crude oil when the price of imported oil is higher than the domestic price. We understand that this approach is currently included in the Committee's new tax reform proposals which will be in final form in the near future. If such legislation were to become law, the provision in the Senate version of H.R. 8193 providing for rebate of the fee on oil imports would be meaningless with respect to crude oil imports (assuming that the foreign price continues to be higher than the domestic price).

4. Dedication of import fees for this and numerous other purposes which have currently been suggested tends to lock the government into a particular form of protection and it would remove the flexibility which Section 232 of the Trade Expansion Act intended to give the President. For instance, it would be very difficult to shift to a quota system or to adopt a variable fee. It is also worth noting that the misuse of the import program to subsidize all sorts of special interests was responsible for much of the abuse of the former quota system. To now use fees for purposes other than those relating directly to national security, may cause the fee system to fall into the same disrepute.

In light of these considerations, I strongly urge that the Conference Committee not adopt the provision of the Senate bill providing for the rebate of oil import fees.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN C. SAWHILL,
Administrator.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., November 14, 1974.
HON. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: The Secretary of Defense has asked me to reply to your letter of 29 October 1974 in which you expressed concern in connection with the inflationary aspects of the Energy Transportation Security Act of 1974 (H.R. 8193).

We have followed the progress of this legislation since it was introduced. We have carefully reviewed the Conference Report on this bill, which now has House approval, and find that the possible economic impact on the Department of Defense (DoD) is very speculative and not readily amenable to precise quantification.

With respect to the cost of petroleum products, we estimated that the impact on DoD would be a cost increase of approximately $10.6 million in 1980 and $15 million during 1985. These figures are to be compared with the estimated DoD expenditures for petroleum products in FY 1975 of approximately $3.2 billion.

As for the costs of carriage of these products, again we are in a speculative area. Military Sealift Command (MSC) moves most of these cargoes in chartered vessels which are, almost without exception, US-flag tankers. Currently, MSC tanker charters are within reasonable relationship to world scale rates due to conditions in the world-wide tanker market at the time of chartering. Due to the terms of these charters, except for justifiable changes in rates (such as those attributable to fuel surcharges), we would not foresee any other upward cost changes until the beginning of substantial charter terminations in about the 1978 time frame. Beyond that date, since we must use US-flag tankers for all of our transportation where practicable, MSC would probably charter a minimum number of U.S.-flag tankers at the best rates then available. These rates would be driven by the amount of available U.S.-flag tankers and the size of the demand for these ships at that point in time. The best that can be concluded is that H.R. 8193 would probably create a floor for U.S. tanker rates which might be higher than rates not inhibited by the bill's provisions. In sum, we are currently somewhat insulated from substantial increases in ocean rates beyond those which are otherwise justifiable by other pressures such as rising manpower costs. However, it seems likely that the rates on the "spot charter" market for U.S.-flag tankers will increase significantly as the provisions of the bill begin to take effect. When this occurs, we would attempt to minimize the need for "spot charters" just as we do now in the exercise of prudent management and quite apart from concerns over inflationary pressures.

With respect to the possible effect the legislation might have on Navy shipbuilding programs, we recognize the inflationary pressures resulting now from conditions existing without such legislation. Therefore, to the extent general cost increases can be expected in private construction, the cost of the Navy's programs would increase probably in the same magnitude. Significant increased tanker construction in U.S. yards might interfere with these programs, not only in terms of shipyard capability but also the inflationary pressure created by two sectors of the economy competing for the same shipyard capability.

However, while the legislation undoubtedly is designed to encourage tanker construction, it does not require it. Even as to the 20 per centum transportation requirement, it need be satisfied only to the extent U.S. built and privately-owned vessels are available. Therefore, the degree to which new tanker construction will result, and, in turn, its adverse impact on Navy shipbuilding programs is highly speculative. Of course, the precise amount of new construction in shipyards will be sensitive to the manner in which the legislation is administered. Any short-term adverse effects must be considered in the light of the fact that increased tanker construction resulting from the legislation could result in an expansion of U.S. shipyard capabilities which, in turn, would be available for future national defense needs.

Another aspect of shipyard activity should be considered. There is uncertainty as to future import levels particularly as Project Independence efforts begin to make themselves a significant factor as we move through the next decade. The uncertainty as to these levels will probably act as a deterrent to investment in new tanker construction. Among other considerations, most of the vessels built under the stimulus of H.R. 8193 should, if the expected increased transportation costs are to be minimized, be of the larger sizes.

As Project Independence develops momentum, these vessels will be unable to compete effectively in foreign trade and face decreasing employment opportunities. Thus, a boom and bust cycle could occur in U.S. shipbuilding and maritime employment which might lead to strong political and economic pressures either to mitigate the drive for energy self-sufficiency or to force ever higher percentage preferences for U.S.-flag carriage of petroleum products. Either alternative carries the genesis of instability in the National energy sector at a time when stability could assist counter-inflationary efforts.

With respect to some of the matters mentioned in the attachment to your letter which outlined important considerations not addressed above, we would defer to other interested executive departments in their respective areas of responsibility. We recognize our collateral interests and therefore offer some additional comments below.

The DOD has historically supported a strong, modern U.S. merchant marine, capable of providing U.S.-flag vessels in adequate numbers to support the Defense needs of the nation in time of peace or war. The post-war decline in the U.S. Merchant Marine has been viewed with misgiving, but the passage of the Merchant Marine Act of 1970 finally raised the prospect that the nation's shipping fleet could be revitalized in coming years without resort to constraints on the free access of the world's merchant fleets to U.S. ports. For, just as we support a strong U.S.-Flag Merchant Marine, we oppose measures which would seek to impose limitations on the free movement of commerce on the high seas. Restrictions by one nation breeds restrictions by many to the ultimate detriment of all.

The United States has become, and will remain for some years into the future, an oil-short and refinery-short nation dependent on multiple foreign sources of crude oil and refined products to sustain its economy in peacetime and to insure adequate petroleum resources for the nation's security in time of war. We cannot expect the nations which produce or refine that oil, however friendly they may be, to look with equanimity on unilateral American legislative actions which would dictate in part the flag of the vessels which call at their ports to carry away their crude oil or refined products, or deliver crude oil to their refineries. H.R. 8193 would so dictate, and should it become law, we must realistically anticipate counteractions which would lead to compartmentalization of the world's tanker fleets on a national flag basis. Eventually, most tankers would be controlled by governments which are likely to be parties to, or vitally concerned with future potential crises in international oil supply, whether caused by economic, political or military reasons. The great flexibility in employment of the world tanker fleet which we have always enjoyed in the past would be gone, with potentially harmful results in an emergency.

Moreover, it is the potential constraints on oil availability, not tankers, which is the key to adequate energy supply. This fact was well demonstrated during the recent oil embargo when almost overnight the world went from a tight tanker supply to a large surplus. There is now a large and growing excess of world tanker capacity which will be sharply increased whenever war or boycott interferes with normal oil supply. Availability of U.S.-flag tankers does not therefore provide significant additional assurance that an adequate oil supply will be maintained. In fact, during politically or economically motivated oil boycotts against this nation, U.S.-flag tankers could be a distinct liability at loading ports of boycotting or neutral nations.

I trust that the foregoing will provide you with the information you desire. If we can be of further assistance in this matter, please let me know.

Sincerely,

ARTHUR I. MENDOLIA,
Assistant Secretary of Defense—Installations and Logistics.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., November 15, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: In response to your October 29, 1974, letter concerning the economic impact of H.R. 8193, I certainly share your concern about the inflationary effect that would result from requiring that 30 percent of U.S. oil imports be carried in U.S. built and registered tankers. As you may know, we have consistently opposed the enactment of H.R. 8193, based in part on the increased consumer cost and inflationary effect of the measure. Enclosed is a copy of a letter to the House Merchant Marine and Fisheries Committee which sets forth the Department's original position in opposition to this bill. The reasons for this position are still valid.

In addition to the considerations which we have previously expressed (and which are also reflected in your letter and its enclosures) I should add that the bill could adversely affect our current program to accelerate exploration and development of the Outer Continental Shelf, because the bill will require additional tanker construction by the same shipyards we must call on to produce new drilling rigs. Many of these shipyards are currently operating at capacity. To the extent that enactment of H.R. 8193 would cause this capacity to be used to transport insecure imported oil instead of building OCS drilling rigs to increase domestic production, the "Energy Transportation Security Act" would in fact contribute to our overall energy insecurity.

I appreciate very much your efforts in opposition to H.R. 8193.

Sincerely yours,

ROGERS C. B. MORTON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., October 9, 1973.
Hon. LEONOR K. SULLIVAN,
Chairman, Committee on Merchant Marine and Fisheries, Washington, D.C.

DEAR MADAM CHAIRMAN: This responds to your request for this Department's view on H.R. 7304 and H.R. 8193, identical bills "To require that a percentage of United States oil imports be carried on United States-flag vessels."

We recommend against enactment of these bills for the reasons stated herein.

Section 901 of the Merchant Marine Act of 1936 as amended, 49 Stat. 2015, 46 U.S.C. § 1241(b)(1), requires that 50 percent of any cargo procured by the United States from a foreign nation or furnished by the United States to a foreign nation without reimbursement, shall be transported in United States-flag commercial vessels. For the purposes of the Act, United States-flag vessels must be documented under United States laws and must have a United States crew. If the ship was built or rebuilt outside of the United States, or if it had been documented under a foreign flag, to qualify as a United States-flag vessel it must be documented under United States laws for three years.

H.R. 7304 and H.R. 8193 would amend the Act to require that 20 percent of all petroleum products imported into the United States on ocean vessels be transported in privately owned United States-flag commercial vessels to the extent such vessels are available at fair and reasonable rates. The requirement would be increased to 25 percent in 1975 and 30 percent in 1977 if the United States tonnage is adequate to carry that quantity.

We oppose both bills for several reasons. First, while the United States and many other nations now have cabotage laws restricting trade between domestic ports to vessels of their own flag, very few countries impose these flag restrictions on their imports. The United States has traditionally favored international free trade for private shipping. Enactment of these bills is therefore contrary to that tradition and might prompt similar restrictions by other countries on their imports or restrictions by oil producing nations on their exports.

Second, the bills would substantially increase the cost of imported oil to consumers. American crews are two to three times more costly than foreign crews. The increased cost of imported oil would be borne mostly by east coast consumers. Assuming that this country's dependence on foreign oil increases at the current rate, the bills could raise the cost of imported oil by hundreds of millions of dollars annually by 1985.

While we recognize the importance to the nation's security and economy of a strong domestic shipping industry, we note that there are presently a number of Federal programs designed to revitalize the domestic shipping industry on both the building and operating levels. Moreover, in time of emergency the United States can call upon ships from the "effective control fleet."

This fleet is comprised of ships sailing under Panamanian, Honduran and Liberian flags and owned by the United States citizens who agree to transfer control of the ships to the United States in the event of a national emergency. Moreover, many United States owned vessels sailing under foreign flags of convenience never sail into ports controlled by countries of the flag they are flying. The ties these vessels maintain with such countries are often minimal and for appearance only. Any danger of these vessels coming under exclusive control of the foreign country where they are registered is thus remote.

Therefore, we do not feel that the national security benefits these bills are intended to achieve justify the conflict with free trade policies, and the unavoidable increase in costs to consumers of imported oil.

The Office of Management and Budget has advised that there is no objection to the presentation of this report and that enactment of H.R. 7304 or H.R. 8193 would not be in accord with the program of the President.

Sincerely your,

STEPHEN A. WAKEFIELD,
Assistant Secretary of the Interior.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
Cambridge, Mass., November 4, 1974.

DEAR SENATOR CURTIS: I hasten to reply to your letter of October 29 asking for me to comment on the inflationary potential and general merits of H.R. 8193, which would require that some larger fraction of all U.S. oil imports be carried in U.S. registered tankers.

A jury of economists of all shades of political opinion would largely concur that this legislation would add to the current inflation, and would subtract from the real standard of life of the American people, without at the same time adding any worthwhile national security or protection of our energy resources.

Indeed, at the Second Summit Meeting of Economic Experts, at the Waldorf in New York, of the 23 economists present, 21 expressed themselves as being opposed to precisely such measures as this one. Of the two who refused to approve the general statement of the other 21 economists, one was the AFL-CIO representative.

I believe this is one measure that members of both political parties can join in rejecting.

Sincerely yours,

PAUL A. SAMUELSON,
Institute Professor.

THE UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., November 6, 1974.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR CARL: This is in response to your letter of October 28 requesting information about the inflationary potential of the Energy Transportation Security Act of 1974. I regard this Bill as an excellent illustration of how a narrow special interest can triumph over the general interest. The analyses of the FEA and the Chamber of Commerce both indicate that the burdens imposed on consumers from this Bill are simply enormous. Any member of the Senate or the House who has been expressing deep concern about the high cost of gasoline and oil to consumers would be displaying hypocrisy if he votes for this Bill. That is a strong statement but it is, I believe, a fair statement.

Moreover, the Bill has practically nothing to do with the insecurity that constantly threatens our supply of oil. That insecurity arises from uncertainty about production and sale, not about transporting oil which would otherwise be available.

Regards,

PAUL W. MCCRACKEN.

SOUTHERN METHODIST UNIVERSITY,
Dallas, Tex., November 7, 1974.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: I certainly commend your seeking views on the Energy Transportation Security Act.

I am afraid that I simply do not have time to prepare a useful statement on the impact of this bill. To do a thorough job would simply take more time than I have available between now and November 12.

Though I cannot express my views in quantitative terms, I can certainly say that this will raise the price of oil and is inflationary. It is a piece of legislation which aims to help a sector of the economy, but ends up asking that the rest of the economy pay for the price.

I realize that this is not a sufficient documentation of my views, but there is simply not time to respond thoroughly. The simplest response I can make is that this act, if passed, will drive prices up.

Sincerely,

C. JACKSON GRAYSON, Jr.

HARVARD UNIVERSITY,
Cambridge, Mass., November 5, 1974.

Sen. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: Thank you for the invitation to comment on H.R. 8193, the "Energy Transportation Security Act of 1974." This legislation would seriously compound our inflationary difficulties, contribute to our energy problems and all without significant redeeming social value.

The American taxpayer carries a heavy burden for the U.S. Merchant Marine. The subsidies both to shipbuilding and to the operations of ships are great. These enormous transfers from the taxpayers to this particular small industry are "justified" on national security grounds. Yet we discovered in the Vietnam War that the U.S. Merchant Marine was of very limited usefulness.

If the Congress and the President find themselves unable to resist the political pressures for this legislation under the current economic circumstances, then our political-economic system is in very deep trouble. To make the critical energy imports the captives of a particular industry would really be hard to justify to the American people.

There are considerable problems about tankers, as has been developed in a number of magazine articles. I would favor a more forceful policy of regulation of the basic safety and anti-pollution standards of *all* tankers that deliver oil to United States ports. But this legislation does not focus on that problem.

Sincerely yours,

OTTO ECKSTEIN.

UNIVERSITY OF CALIFORNIA, BERKELEY,
Berkeley, Calif., November 13, 1974.

Senator CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: Thank you very much for your letter of October 29, 1974, requesting my views on the Conference Report relating to HR8193. It is most regrettable that no "Inflationary Impact Statement" has been prepared on this ill-advised legislation. For it would definitely reach the conclusion that this Bill would aggravate the already deleterious inflationary pressures upon our economy. It cannot but have the effect of raising the price of imported crude and, thereby further inflating the price of gasoline, heating oil, fertilizer and numerous other petrochemical-related products. The extremely high cost of commercial fertilizer is particularly a problem of grave concern both to our own and foreign agricultural producers. According to my estimates, the "Energy Transportation Security Act of 1974" would have the net effect of raising the price of gasoline, above 1 to 2 cents a gallon.

The evidence is incontrovertible that this ill-chosen Act would seriously aggravate the already existing shortages in basic industries, such as steel. The main objectives of the Act are to strengthen the monopoly position of tanker builders and the maritime trade union. Both these effects are especially regrettable at a time when President Ford and the Congress are attempting to reduce United States dependency upon foreign oil and to expand our own output. The distortion in the balance of free collective bargaining that this legislation would bring about injects a political factor into the collective bargaining process that is bound to have deleterious effects upon the nation's objectives of fighting inflation, reducing monopoly power, and negotiating a code of trading principles under the GATT which would reduce rather than exacerbate the cartelization of foreign trade and the disruption of the international financial structure.

The OPEC cartel has, in effect, raised costs to the importers of crude oil by 20–30% during the last year, in addition to the four-fold rise in posted cost plus tax prices. They have recently attempted to shift the blame for higher oil prices on importing oil companies by a small reduction in their posted price for crude countered by a comparable increase in their taxes and royalties to the importers. This is nonsense. Obviously it has no impact whatsoever at reducing the aggregate international payments of the oil importing countries to the OPEC cartel. Nor is it likely to reduce the price to consumers. After adjustment for inventory profits, margins in processing and distribution have recently fallen.

The passage of HR8193, and its resulting rise in the price of crude, will put into jeopardy the credibility of our Government's attempt to struggle with inflation. It opens the door to the cartelization of trade in other basic commodities in short supply, such as iron ore. In the past, mercantilist policies of this kind have brought about aggressive "beggar-thy-neighbor" trade programs, with extremely serious results on the political stability of the trading countries involved. There have even been instances of war. From the point of view of political economy, there is nothing to justify the passage of this legislation; particularly since the Maritime Act of 1970 is well suited to the legitimate expansion of the Merchant Marine.

Yours respectfully,

JOHN M. LETICHE,
Professor of Economics.

THE UNIVERSITY OF CHICAGO,
Chicago, Ill., November 13, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: The requirement that a specified percentage of all oil imports be carried in U.S. built tankers is an unconscionable special interest measure that, so far as I can see, has no redeeming feature whatsoever.

The measure would burden the consumer, undermine our policy of promoting expanded international trade, and increase government spending—and all in order to provide employment to classes of labor that are already short and high paid. If it is desired to subsidize seafaring and shipbuilding labor, it would be far cheaper to pay them a direct subsidy without wasting additional resources in building unnecessary tankers. But surely, it would be far wiser national policy to restrict any government subsidy to persons in serious distress.

It is difficult to evaluate the inflationary potential of any single measure by itself. Inflation arises from an unduly rapid increase in the quantity of money relative to output. By increasing government spending, this measure would foster a more rapid increase in the quantity of money; by wasting resources, it would make for a lower level of output; both effects would be inflationary unless offset by reductions in spending elsewhere. In the present situation, such reductions are difficult to envision.

I conclude that the public interest clearly requires the defeat of any provisions requiring oil to be carried in U.S. built registered tankers. We profess to believe in freedom and free trade. We should practice what we preach.

Sincerely yours,
MILTON FRIEDMAN.

YALE UNIVERSITY,
New Haven, Conn., November 8, 1974.
Hon. CARL T. CURTIS,
United States Senate,
Washington, D.C.

DEAR SENATOR CURTIS: I respond to your letter of October 29 asking for my judgment on H.R. 8193 (Energy Transportation Security Act of 1974). This bill would require eventually 30% of all oil imports into the United States to be carried in U.S. built registered tankers.

I believe that this bill would be highly inflationary, in the worst sense of raising real costs, and should be defeated. I agree very much with the statement of additional costs, prepared by the Federal Energy Administration, and with the statement of "concerns potentially related to the inflationary impact of H.R. 8193" included in your letter. In addition to raising the prices of petroleum products to the already beleaguered consumers, this provision would raise the production costs of American manufacturers and this reduces their competitiveness in world markets. I am, therefore, highly skeptical of any alleged balance of payments benefits from this provision because of this loss in competitiveness. Moreover, many of the foreign flag tankers are in fact U.S. owned, so that earnings on their operations help the U.S. balance of payments as well.

Furthermore, the impact of higher transportation costs on the prices of petroleum products to American consumers and manufacturers would not be limited to imported petroleum products, since imported petroleum products represent the marginal supply to the United States and increases in those prices would also lead to an increase in prices of American petroleum once price controls are removed or eroded, as I fully expect them to be over the next several years. For this reason the FEA estimates substantially understate the inflationary impact of this provision.

In the short run, this provision will place a great premium on existing U.S. tankers, increasing the price differential between U.S. and foreign flag tankers to a much greater degree than we now observe. In the long run, as order back-logs are worked off in American shipyards, the U.S. tanker fleet can be expanded to handle this, but for quite a number of years the American economy will have to bear the higher price differential that would result. The inflationary impact in the FEA statement is therefore understated for this reason as well.

Finally, if we are to take project independence seriously, in the long-run the dependence of America on imported oil should decline, but this is the same long-run for which under H.R. 8193 we would have established an enlarged American tanker fleet. The life of tankers is thirty years or more. It is therefore predictable that as U.S. dependence on American imported oil declines, the American shipowners, having responded to this piece of legislation, will press strenously for increasing their share of a reduced flow of oil imports above the 30% presently contemplated in the bill, so that the increase in costs and prices associated with oil coming into the U.S. will in the long-run also be larger than that estimated by the FEA.

For all of these reasons I believe that this measure is extremely ill-advised and that it should be defeated in the Senate.

Sincerely yours,
RICHARD N. COOPER.

NATIONAL ASSOCIATION
OF MANUFACTURERS,
November 5, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: We appreciate getting your inquiry on H.R. 8193.

We agree completely with the analysis of the bill prepared by the U.S. Chamber. We believe that H.R. 8193 is a completely bad bill—highly inflationary and adverse to the manufacturing community, the economy, and the public interest.

For your information, I'm enclosing a copy of our last *NAM Reports,* which carries an article by Senator Percy whose views on this issue we endorse wholeheartedly.

Sincerely,
DOUG KENNA.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D.C., November 13, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: Thank you for your letter requesting our opinion on the inflationary potential of H.R. 8193, more frequently referred to as the "Cargo Preference Act."

I wish to commend you for your most diligent and active opposition to this unwise legislation, and for your efforts to defeat the Conference Report when the Senate reconvenes on November 18, 1974.

We sincerely appreciated your placing our study, "Why the National Chamber Thinks the Conference Report on Cargo Preference Should Be Defeated," in the Congressional Record of October 8, 1974.

In addition to this study, we offer the following thoughts regarding what we believe to be a misunderstood provision in this legislation.

Our study emphasized both the inflationary nature and the direct consumer/cost impact of the proposed legislation. However, during Floor debate, we learned that some Senators believed that adverse economic effects of H.R. 8193 would be offset by the license fee rebate provision that was added to the Bill. We would like to correct this misunderstanding.

As you know, the proponents of the Bill initially attempted to convince the Congress that no increased cost would result from the passage of this legislation. However, when confronted with the overwhelming evidence that the Bill would, in fact, result in markedly increased shipping costs which would then be passed on to the consumer, the proponents attempted to minimize the cost impact by adding a provision to rebate oil import license fees.

In our view, this provision would do very little, if anything, to offset the inflationary and anti-consumer impact of H.R. 8193. You will note from the attachment that the Federal Energy Administration holds similar views. The key points of our own study are highlighted below:

1. Contrary to popular belief, license fees are not paid on every barrel of oil imported by tanker. In fact, under the rules applicable to the administration of the license fee program and based upon the Commerce Department's projection of future oil imports, not a single barrel of residual fuel oil imports would be subject to a license fee in 1975. Furthermore, only 6½% of total residual fuel oil imports would be subject to a license fee in 1976. Thus, promising to refund license fees on residual fuel oil imports in the early years is obviously meaningless since there would be no license fee payments to refund. Our analysis also shows that only 25% to 30% of crude oil imports would be subject to license fees in 1975 and 1976.

2. Over the five-year period that the license fee rebate provision would be in effect, its cumulative potential value is about $850 million. However, the added cost of the legislation over this same period would total at least $6.5 billion and could easily be double this amount if consideration is given to the possible effect of foreign retaliation or imitation. Thus, over the short term the license fee rebate provision would offer at best a 13% reduction, and in all probability the reduction would be closer to 6% to 7%.

3. Taking a longer term view, the cumulative cost of the legislation over the 1975 to 1985 period would be at least $25 to $31 billion and could be double these amounts. On this basis, the $850 million potential value of the fee rebates would represent a 3% reduction at most.

4. While there could be a relatively minor reduction in the direct cost to the consumer, the license fee remission features obviously would do nothing to reduce the overall inflationary impact on the economy. It would not prevent the diversion of critically short raw materials and capital into shipbuilding to satisfy the artificially created demand for tankers. It would not reduce upward pressures on shipbuilding costs. It would not eliminate the captive market created for U.S. flag tankers. The only thing that it would do is transfer a small amount of the added cost of the bill from the consumer to the U.S. Treasury and thus to all taxpayers. In no way would this shifting of the cost burden reduce the inflationary impact of H.R. 8193 on our already troubled economy.

These points will be the substance of a letter we will send this week to selected Senators.

We hope this additional information will be helpful in your consideration of an inflationary impact statement.

Cordially yours,
ARCH N. BOOTH,
President.

AMERICAN PETROLEUM INSTITUTE,
Washington, D.C., November 14, 1974.
Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR CARL: We are pleased to respond to your letter of October 29 requesting our analysis of the inflationary impact of H.R. 8193, the Energy Transportation Security Act of 1974. We congratulate you for initiating this program. In the light of President Ford's expressed interest in this matter, we believe preparation of an inflationary impact statement is an essential prerequisite to further action on the measure.

In testimony before the Subcommittee on Merchant Marine of the Senate Committee on Commerce, API presented a detailed analysis showing that the proposed legislation would cost the consumer at least $60 billion over the 1975–85 period. We have attached our testimony containing this analysis. The analysis shows an added financial burden on the average household in the U.S. amounting to at least $70 per year.

One might argue that such a burden could be supported if it carried with it important and substantial benefits respecting national security or a guarantee of uninterrupted flows of vitally needed foreign source oil supplies. The proposed legislation does not satisfy either of these objectives.

In a number of respects the API projection must be viewed as conservative, since it did not include the following effects which would add to the inflationary impact:

1) No effort was made to reflect the likelihood that passage of this legislation, in addition to creating a captive market for existing U.S. flag ships, would also result in a captive market for U.S. shipbuilders. This would result in higher capital costs for new U.S. construction and ultimately higher freight bills for imported oil.

2) The projection did not reflect the added impact associated with mandatory use of high cost U.S. flag tankers at a time when the international tanker industry is expected to face a significant and prolonged oversupply situation. A depressed foreign flag freight market is expected to develop. The cost of reliable foreign flag tonnage coverage would then be lower than that indicated in our analysis.

3) The API cost impact study assumed tonnage coverage of U.S. import requirements by an optimum mix of large, medium and small ship sizes (the lowest cost case). Failure to move forward promptly with U.S. deep water port development on the Gulf and East Coasts would require the use of smaller ships and thus further increase the cost impact of this bill.

4) The API analysis was confined to tanker costs for oil imports. No attempt was made to assess the inflationary impact which would result if the cargo preference concept were expanded to include other import and export commodities as well.

If any one of the above factors had been included in the API analysis, the estimated $60 billion inflationary impact of H.R. 8193 would have been substantially higher. The many estimates of the inflationary effect of this bill which have so far been considered by Congress, including our own estimate, all have one thing in common. They reflect only the direct cost impact on imported petroleum supplies. We believe this would be only the starting point for an inflationary spiraling effect which would hit at many segments of our economy.

Consider, for example, that an increase in energy costs would result in higher machinery and fertilizer costs in the agricultural sector which would be recoverable mainly through higher food prices. There would be an increase in raw material costs for the petrochemical industry resulting in higher costs of consumer goods such as plastics, paints, detergents and synthetic fibers. Segments of our domestic transportation industry would seek to recover added fuel costs through higher distribution charges for consumer goods. Thus, the true inflationary impact of this bill far exceeds any of the limited analyses to which it so far has been subjected. Surely the economists to whom you have written will call these indirect inflationary results to your attention.

Your letter requested our comments on the cost analyses prepared by the United States Chamber of Commerce and the Federal Energy Administration. With respect to the Chamber document, it does make a strong and forceful case as far as it goes. However, it tends to downplay the very real inflationary impact of potential foreign actions with respect to retaliation or imitation. One need only consider the protests that have already been filed through diplomatic channels by foreign governments to conclude some protectionist response of their own is inevitable. Furthermore, any retaliatory response would not have to be confined to oil or oil tankers but could be directed at any and all phases of international trade. The rebuilding of such trade barriers which the U. S. up until now has so diligently been working to tear down would most certainly add further inflationary pressures on the economy.

In our view, the Federal Energy Administration estimate understates the inflationary results of the legislation. We believe that to base the inflationary impact solely on the cost difference between a U. S. flag and foreign flag 250,000 DWT tanker operating on a Persian Gulf to U. S. East Coast trade is much too conservative. Such an approach does not truly represent the "direct" added costs which are incurred since it does not include a realistic weighting of smaller tankers used extensively in the import trades. An appropriate mix of different size ships can be reasonably estimated based upon import volume, type of oil (crude versus product) and the source of the oil. Furthermore, documented evidence indicates that under this legislation U. S. flag vessels would enjoy a captive market and command a higher price and this should be considered a real "direct" cost, not an intangible one.

We appreciate this opportunity to call attention to the highly inflationary effects of this measure. We continue to urge, as we have on numerous earlier occasions, that this bill not be enacted.

Sincerely,

FRANK.

Mr. CURTIS. Mr. President, there never was a piece of legislation so universally condemned by economists of all complexions. There was never a piece of legislation presented on this floor that was opposed by more Government agencies.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

The Senator from New Hampshire has 5 minutes remaining.

Mr. COTTON. I yield 3 minutes to the distinguished Senator from Illinois.

Mr. PERCY. I thank the distinguished Senator.

Mr. President, I shall be very brief indeed, because it is my sincere hope that we are going to vote by 5:30 this evening.

Mr. President, I commend my distinguishd colleagues from Nebraska (Mr. CURTIS and New Hampshire (Mr. COTTON), for the outstanding leadership they have provided on this particular issue. I think the cargo preference report should be defeated by the Senate.

Mr. President, the inflationary impact of this bill is enormous and potentially devastating to our economy. Very simply, this bill is going to raise the price of oil. It is going to raise it by billions of dollars. We do not need this type of legislation in the best of times, and certainly not now in the worst of times, in the midst of a serious economic situation.

Economists of every philosophical persuasion have examined this bill and are unanimous in their conclusion that the economic effects of the bill would be devastating.

Certainly, the letters that the distinguished Senator from Nebraska has inserted in the RECORD are filled with references and strong warnings of the impact, the adverse impact on our economy that the passage of this bill would have.

Then there are the international implications. Passage and implementation of this bill is a direct violation of numerous friendship, commerce, and navigation treaties with many nations, as testified by the Department of State.

Apart from that, the legislation invites retaliation. This weekend, there were reports that the Saudis are now considering requiring that their oil exports be shipped on their tankers. As far as we know, nothing definite has been decided yet, but passage of this bill will be an open invitation to every oil producing country in the world to enact similar laws. What possible reasoning can we use to discourage such moves by foreign nations if we ourselves took the first action?

Mr. President, we hear a lot of talk about how we need to combat inflation. Our inflationary woes are directly tied to the worldwide energy crisis. The Republican Policy Committee recently recommended several proposals to deal with our energy problems. One thing those of us who looked at the problem learned was that the time for talk has passed; the time for action is upon us.

The vote on this conference report should be the litmus test of the sincerity of our speeches. Our constituents need look no further than this vote to see how serious we are about solving the problems we face. A vote for this bill is a vote for the maritime lobby. It is a vote for inflation. It is a vote in direct violation of over 30 treaties that this Nation has solemnly subscribed to. It is a vote which invites retaliation from oil producing nations. It is a vote which strips this Nation of the moral authority to argue against other countries enacting such retaliatory measures. In short, it is a vote against the interests of this Nation; a vote against the interests of the consumer; a vote against the interests of our constituents; a vote against common sense and reason.

The attention of the Nation should focus on this chamber during the next few hours, because the result of this vote will tell the people of this country a good deal about where the priorities of the Senate lie.

I do not see how anyone can make the conscientious effort to say they are against inflation and vote for this bill.

Mr. COTTON. Mr. President, I yield to the distinguished Senator from Kansas.

Mr. PEARSON. Mr. President, I declined to sign the conference report on H.R. 8193, the Energy Transportation Security Act of 1974, as a manager on the part of the Senate. I believe it would be appropriate for me now to state my reasons for this decision.

The act is opposed most vigorously by the administration, and justifiably so. It is grossly inflationary at a time when runaway costs must be controlled. The Secretary of the Treasury on November 20, 1974, estimated that this legislation will increase the cost of petroleum products to the consumer by more than $315 million in 1975 alone.

H.R. 8193 is in derogation of numerous treaty obligations of the United States entered into to facilitate commerce between free nations. In requiring an increasing proportion of our petroleum imports to be carried on U.S.-flag vessels, the bill invites retaliation by other nations whose maritime industries will be adversely affected.

Mr. President, the pending conference report establishes, for the first time, a requirement that purely commercial cargoes destined for the United States be accorded a U.S.-flag preference. The precedent could be destructive to our crucial export trade in farm commodities with severe repercussions to American agriculture, the U.S. balance of payments and the U.S. trade position in the world.

As a member of the Commerce Committee, I have supported landmark legislation to insure the viability of the U.S. merchant fleet. The multibillion construction differential and operating differential subsidy programs established in 1970 with my support have been successful. Our shipyards are backlogged with work for new construction orders. There is no legitimate basis, therefore, to establish a superfluous program of indirect subsidy which would serve only to fuel inflation and promote tariff increases in ocean transportation.

This act embraces the novel concept of monopoly without economic regulation. It cannot be justified on the basis of any economic theory, and it is not supported by any demonstrable need for legislative action.

Mr. President, I urge the Senate to reject this conference report.

Mr. COTTON. Mr. President, I yield to my distinguished colleague from New Hampshire.

Mr. McINTYRE. Mr. President, here we go again. This conference report on the Energy Transportation Security Act is the same measure that I spoke out against very strongly when it came before the Senate before the Election Day recess.

I am still opposed to this bill. It is a useless spending of public funds.

This bill would require us to carry 30 percent of our oil imports in American tankers. The cost of building those tankers will mean two things: First, it will mean higher fuel prices and second the construction of a new shipyard.

For regions of the country dependent on imports it will mean a 2-cent-a-gallon increase in the cost of fuel by the latest information available to me. Now, 2 cents a gallon may not seem like a lot, but to me and my constituents in a State with 770,000 people that works out to an increase in fuel costs of $17 million a year.

Then, we will have to construct a new shipyard. That will mean another half a billion dollars or so if we pass this bill. At this time of national capital shortages it seems unwise to spend all that money building a shipyard to make one generation of tankers that may be used for only a few years.

We are now embarking on Project Independence. The White House is determined to cut imports. I am sure we will hear more about this. It is already the President's goal to cut imports by 1 million barrels a day next year. The hope is that imports will remain at manageable levels after that.

I do not need to tell my colleagues from the east coast of the dangers of relying on imported oils. We know what the problems are—worry, embargoes, price increases. But if we build this fleet of tankers we will tie ourselves to imports. That is not a very good thing for the country or for my State and region.

At this time, when we want to cut inflation, but see spending money to keep people fed and clothed, Mr. President, I think it is unwise to commit ourselves to building a new fleet of tankers.

If the Senate passes this conference report, I intend to urge the President to veto the bill when it reaches him.

The PRESIDING OFFICER. Who yields time? The Senator from New Hampshire has 1 minute remaining.

Mr. COTTON. Mr. President, I yield a half minute to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I ask unanimous consent that William Litton of the staff of the Committee on Government Operations have the privileges of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, as a member of the Senate Commerce Committee I have had a chance to study the arguments in favor of and against the Energy Transportation Security Act of 1974. And from the outset I have been impressed by the reasoning and evidence presented by those who favor this legislation.

The primary area of concern for me has been whether, if enacted, it would add to the already high prices the American consumer must pay for imported petroleum products. My own conclusion after studying the record is that costs to the consumer would not rise appreciably. The probability is that they will remain about the same or in fact go down. And the other benefits of this legislation outweigh the unlikely possibility that energy costs to the consumer will go up.

Critics of H.R. 8193, especially the multinational oil companies, argue that the enactment of H.R. 8193 is inconsistent with the 1970 Merchant Marine Act. While they say they support the objective of a larger U.S.-flag tanker fleet as necessary to our national security and commerce, they argue that the vehicle for attaining that objective should be the 1970 act—with its construction and operating differential subsidies—rather than H.R. 8193.

But as the Commerce Committee report notes, these multinational oil companies merely pay lip-service to the 1970 act. With some few exceptions, the multinational oil companies have refused to let the charters necessary to construct U.S.-flag vessels and have continued to build, register, and man their vessels in foreign countries. By mid-1973, 3 years after the enactment of the 1970 act, only 9 U.S.-flag VLCC's—oil supertanker—were scheduled to be built in American shipyards under the 1970 act while foreign-flag shipyards had 394 pending orders, many of them from the major U.S. oil companies.

The opponents of H.R. 8193 further argue that building the VLCC's and other oil tankers in the United States will cost the taxpayers great amounts of money through the subsidy program established under the 1970 act for both construction and operating subsidies.

Although it is undoubtedly true that it still "costs more" to construct a ship in the United States than in other countries it is also true that the differential between the United States and foreign countries has generally been decreasing. Inflation rates abroad have been higher than in the United States. Moreover, there is the simple fact that there are limited subsidy funds under the 1970 act for construction subsidies. The annual CDS expenditures for all types of vessels, including tankers, has been less than $200 million since 1971.

Finally, as to operating subsidies, opponents of the bill have failed to recognize that U.S. tankers in the VLCC class are very nearly equal in operating costs to foreign-flag vessels of that size, particularly when such vessels are given their fair share of long-term charters and more distant trade routes.

Presuming that direct subsidy funding will be limited, especially for the construction of needed tankers, opponents of the bill then argue that the increased costs must be passed on to the consumer. The oil companies have gone so far as to estimate that there would be a cost increase of 79 cents per barrel in 1975, and that the total added cost to the American consumer for oil between 1975 and 1985 because of H.R. 8193 alone would be $60 billion.

The record before the Commerce Committee, however, indicates that the oil industry figures are outrageous exaggerations. Even the Maritime Administration, which testified against the bill, estimated that the increased cost per barrel would be on the order of $.004 per gallon in 1975, and perhaps up to $.0084 per gallon by 1985. In contrast to the $60 billion estimate of the American Petroleum Institute, this increase would work out to about one-third the API estimate, or about $20 billion over the period 1975–85.

If even the Maritime Administration figures were correct, I would not support H.R. 8193, but other evidence presented at the Commerce Committee hearings convinced me that the Marad estimates were also gross exaggerations.

First of all, the Marad estimates for years to come do not take into account the proportionately higher inflation rate in foreign countries. Moreover, the Marad estimates do not take into account the expected cost savings from superports, which government estimates project will provide at least a 20 percent cost savings when they become operational.

The key argument against such estimates of the American Petroleum Institute and the Maritime Administration, however, is that they do not take into account the concept of "transfer pricing." One economist who testified in support of H.R. 8193 who did take this concept into account went so far as to predict that H.R. 8193 would save the American consumer 68 cents a barrel in 1975. Projected over the 1975–85 time period, this would be a cost savings to the American consumer of $50 billion.

To understand the concept of "transfer pricing," one should begin by asking a simple question: Why do the oil companies choose to construct their tankers overseas, operate them with foreign employees, and register them abroad—even when they are supposedly American companies and to a large extent can be subsidized, especially for the differential in operating costs, by the U.S. Government.

The answer lies in simple economics, the desire of the oil companies to maximize profits. As one representative of a multinational oil company stated during the Commerce Committee hearings, foreign-flag shipping is a "taxless world."

As the committee report states:

> Proponents of the bill went virtually unanswered when they charged that prices that American consumers now pay for oil transportation bear little, if any, relation to the cost of that transportation service. We know that the major oil companies have wholly-owned foreign subsidiaries which, in turn, own the foreign-flag ships used to import the parent companies' oil to the United States. We also know that at this time the cost of shipping oil on U.S.-flag vessels may be slightly higher in most instances. However, what we do not know is whether the price the American consumer is paying for oil transportation on vessels owned by the oil companies actually reflects the lesser costs of constructing and operating the tankers of foreign registry.

And here, I would maintain, is where the many economists and others who have criticized H.R. 8193 have gone wrong. For they have swallowed whole the argument of the API that since the costs of shipping on U.S. bottoms are higher than those on foreign bottoms, this added cost will be passed on to the American consumer if H.R. 8193 is enacted.

What they fail to realize is that cost figures are almost totally irrelevant to any discussion of the consumer impact of H.R. 8193. What must be focused on is not cost, but price. For when a major oil company charters a vessel from one of its subsidiaries to import a load of oil, the purchase price is paid when an accountant makes a bookkeeping entry transferring the price from one account to another. Thus, if the amount of such a transfer on the oil company books reflects only the costs of wages, capital recovery, bunkers and port charges, insurance, maintenance and other miscellaneous costs, plus a reasonable profit, then the oil company claim of increased consumer costs might be valid. But there was persuasive testimony at the Commerce Committee hearings that the oil companies charge themselves much more than costs plus a reasonable profit, and that they pass on much more than that amount to the American consumer as a component of higher oil prices.

The Senate committee report on H.R. 8193 explains why. Simply put, the tax benefits for a multinational oil company are much greater if they take as much of their profits abroad as is possible. They can credit against their foreign profits—that is, the profits of their foreign subsidiaries—the large royalty payments paid to foreign governments. They cannot credit these payments against domestic U.S. profits. Our tax code, therefore, actually encourages the major oil companies to transfer windfall profits to foreign subsidiaries by this process of transfer pricing—and the American consumer winds up paying the exorbitant bill.

The final link in this chain of transfer pricing concerns the IRS' treatment of oil company pricing of the oil transported on foreign ships. The IRS does require that the oil companies prove the price they charge themselves is determined at arms length. But the IRS has allowed the oil companies to meet this requirement by showing that they are charging the so-called AFRA rate for a particular shipment. This is a standard international measure of the price of transport compiled by averaging all freight rates paid in a given month, including spot and short-term charters.

Commerce Committee testimony showed, however, that the oil companies usually charter their vessels over a longer term and for the longer routes, and thus the AFRA rates can be far in excess of the actual shipping costs.

In addition, the companies purchase many of the components of the AFRA rate from themselves at cost, and this in turn contributes to the overstatement of actual shipping costs. The testimony goes on to conclude that if actual costs; plus a reasonable profit are charged by U.S.-flag carriers, such a figure will almost undoubtedly be below the AFRA rates the oil companies now charge themselves. The result will be lower, not higher, costs to the American consumer for imported oil.

Mr. President, most of the opposition to this bill has been generated by the major oil companies. Too many economists and journalists have swallowed whole the incredible statistics and the arguments poured forth by the API without going beyond the surface of the arguments and examining the facts and evidence. Those facts and the evidence argue exactly the opposite case of the major oil companies, and for this bill.

Too often the oil companies come into the Congress with self-serving testimony which ultimately does not serve their cause. For example, in arguing for the deregulation of natural gas, the industry has stated that the cost of deregulation to the consumer will be minimal—when the evidence shows that at this time the cost of deregulation would be exorbitant and that the profits of the oil companies would only skyrocket further. And on this bill they have come in and argued—supposedly on behalf of the American consumer—that the costs to the consumers will be fantastically high, when much of the unanswered testimony presented at the hearings clearly demonstrates that this will not be the case. By now American consumers ought to be wary when the oil companies say they are speaking for them.

Mr. President, I have concentrated on answering the critics of this bill who charge that it will raise the costs of imported oil for the American consumer. This was the main point raised by the bill's opponents and the point which concerned me the most.

What I have not yet discussed are the positive benefits of H.R. 8193—the real reasons for enacting this legislation.

The basic reason, as the name of the bill suggests, is transportation security. Much has been said about Project Independence, an effort to make sure that by 1980 the United States is energy self-sufficient or at least not dependent on oil imports. The United States should not be dependent on foreign tankers any more than on foreign oil producers.

Today, unfortunately, the United States is dependent on foreign tankers. As of the beginning of this year, the U.S.-flag tanker fleet comprised less than 4 percent of the world's oil tanker tonnage—and even this figure understates the gravity of our situation, since most of our fleet is obsolete.

There is also the obvious argument that in a time of rising unemployment H.R. 8193 will help create jobs for Americans. Construction alone of the tankers that will be needed to meet the requirements of H.R. 8193 will provide about 225,000 man-years of incremental employment and an estimated $4 billion to the U.S. economy in the form of wages.

For these reasons, Mr. President, I urge all members of the Senate to vote for the conference report on H.R. 8193. It is time we insisted that the major oil companies invested their windfall profits in the United States—not in Japanese tankers. It is time we insisted that they hire U.S. workers instead of registering their ships abroad to avoid U.S. taxes. And it is time we insisted on transportation security for our vital oil imports.

Mr. MATHIAS. Mr. President, it seems to me that one simple, fundamental proposition has to govern our decision on this bill. That is the fact that someone has to pay the bill for the maintenance of a significant merchant marine.

If we, as a nation, with a great maritime tradition, want to keep our merchant fleet afloat we have to provide for financing it. There are several methods available. One would be the nationalization of the fleet. Another would be greater direct subsidy. A third method, which seems to me preferable, is the kind of economic device embodied in this bill.

All of us would prefer that normal commercial tariff at competitive rates would carry this burden—literally pay the freight. But the fact is that in the complex world of today there are varied factors that make this unlikely if not impossible.

We are, therefore, forced to choose among the alternatives. I have chosen the third as expressed in this bill, which I shall support as I have similar legislation in the past.

Mr. BARTLETT. Mr. President, I oppose the passage of the so-called Energy

Transportation Security Act. While this legislation has been referred to as the Cargo Preference Act, some have suggested that a more appropriate title would be the Consumer and Taxpayer Ripoff Act of 1974.

In a last-minute effort to secure support for passage of this ill-advised legislation, there has been advanced an unrealistic and impassioned plea that Members of the Senate consider the bill counterinflationary. It has been asserted by some that the Congress and the energy-using public are being deliberately misled by multinational oil companies in their attempts to discredit the "security" of the Energy Transportation Security Act. The plain fact, Mr. President, is that the oil industry—independent and major producers alike—does not stand alone in opposition to this measure. The truth of the matter is that this bill has been vigorously opposed by every concerned agency of Government including the Office of Management and Budget; the Departments of State, Interior, Defense, Commerce, Treasury, Agriculture, Transportation, and Justice; the Federal Energy Administration; the General Services Administration; and the Special Assistant to the President for Consumer Affairs. The bill has also been opposed by the U.S. Chamber of Commerce, the National Association of Manufacturers, the Transportation Association of America, the U.S. utility industry, interested farm and agricultural groups, and various other associations.

At the same time, many highly respected U.S. economists including Walter W. Heller, Paul A. Samuelson, Paul McCracken, C. Jackson Grayson, Jr., Otto Eckstein, John M. Letiche, Milton Friedman, and Richard N. Cooper have voiced opposition to the bill as have most of the Nation's leading newspapers and periodicals. The major thrust of all the arguments against this legislation is its inflationary character and the unnecessary cost burden which would be imposed on the American consumer.

It is instructive to note that proponents of the bill have studiously avoided developing empirical data to support their counterinflationary claim and have ignored the mounting opposition voiced by those outside the petroleum industry. It is difficult for this Senator to understand how a program with an estimated cost of over $60 billion over the next decade can be justified in the face of an overriding national commitment to bite the proverbial bullet.

Mr. President, I would urge this distinguished body to look beyond the facade of a catch-phrase title extolling a simplistic concept of "security" or "preference." If this is done, I am convinced that it will be clear that while this bill is highly inflationary, it would contribute nothing to national security and would be a costly and ineffective way of promoting a "preference" to the few at the expense of the many.

Mr. BEALL. Mr. President, in the months that we have been discussing legislation that would require a portion of America's oil imports to be carried on U.S.-flag tankers, the supporters of this measure have argued that it would add immeasurably to the protection and preservation of our marine environment.

The multinational oil companies, the chief opponents of H.R. 8193, have been quick to dismiss this advantage of the bill, contending that their foreign-flag vessels, which carry almost all our oil imports, are as safe as U.S. vessels. They have argued that their vessels flying the flag of Liberia or Panama are among the safest in the world.

Significantly, a report presented to a recent international conference verified what the bill's proponents have been saying: namely that the flag of convenience fleets have proved to be unsafe vehicles operated without regard for crew safety, environmental protection or any consideration other than profit.

The report I refer to was presented by Mr. Peter Quaile, chairman of the Liverpool Underwriters Association, to the International Union of Marine Insurance in July of this year. His report, based on statistics developed by the Liverpool Underwriters Association, states:

> In 1973, Flags of Convenience represented 23 percent of the World tonnage afloat, yet over half the tonnage lost.

Breaking this down further, Mr. Quaile notes that:

> . . . after an increase in the mid-1960's, the overall loss ration for the rest of the World has remained comparatively stable, whereas that for vessels registered under Flags of Convenience has more than tripled. The loss rations for fire and explosion have fluctuated but throughout, Flag of Convenience ships have suffered a vastly greater incidence of "human failure" and "ship failure."

Mr. Quaile's report states that while there may be some well-managed flag of convenience fleets, "if an owner wishes to put to sea an ill-found, undermanned, and worn-out ship a flag of convenience is probably his best vehicle for doing so."

Mr. President, this is the precise point the supporters of H.R. 8193 have been making—that only American vessels, with their highly trained crews, stringent Coast Guard-enforced construction and operation standards and owners and operators concerned about our Nation's environment, offer the best possible protection against accidents and oil pollution.

Mr. President, I ask unanimous consent that Mr. Quaile's report be printed in the Record at this point.

There being no objection, the report was ordered to be printed in the Record, as follows:

International Union of Marine Insurance, Berlin Conference, 1974, Casualty Statistics—Ocean Hulls

This is the third successive occasion on which I have had the privilege of presenting a paper on casualty statistics and rather than cover the same ground again I thought it might be useful if I took the previous papers as a base from which to consider some of the more important trends in greater detail.

The statistics of the Liverpool Underwriters' Association, from which my comments are developed, comprise all reported marine casualties throughout the world with the exception of vessels of under 500 gross tons, non-propelled barges and the like, though as last year I shall confine my remarks to an examination of Total Loss figures because it is apparent that, since the general adoption of deductibles, certain incidents of minor, and now consequently uninsured, damage are not being reported as hitherto. A comparison of recent reported Partial Losses would therefore fail to be comprehensive and may be misleading.

DEVELOPMENT OF THE WORLD MERCHANT FLEET

To set the scene I think it is important to establish the trend of World shipping. Chart 1 shows the development of the World Merchant Fleet by a comparison of tons afloat over the past 15 years, subdivided into three headings: Bulk Carriers (including all permutations of combination ships—Ore/Oil, Bulk/Oil, Bulk/Ore, OBO's etc), Tankers, and all other types. The latter includes, of course, many varieties of ship but since over 80% of this tonnage afloat consists of conventional cargo and container vessels the figures may be taken as an acceptable representation of the General Cargo fleet.

The trend towards specialisation is very evident. Tanker tonnage afloat has shown a steady growth and now, being 40% of the World total, is the largest single type. The Bulk Carrier fleet has expanded even faster, representing 5% of the World tonnage in 1959 but no less than 25% in 1973. Perhaps even more significant is the decline in the relative importance of General Cargo tonnage which, whilst showing some increase, comprised 64% of the World fleet 15 years ago yet only 35% to-day.

TONNAGE TOTALLY LOST

Chart 2 shows the gross tonnage lost annually under the same headings, and it will be observed that the cumulative total continues what one has almost come to regard as its inevitable progression, 1973 being the third successive year when tonnage lost was the highest on record.

If 1972 was marked by the largest total of Tanker losses ever suffered and the worst experience of General Cargo vessels since 1966, 1973 on the other hand saw a sharp increase in Bulk Carrier tonnage lost, the Italian Ore Oil Carrier "Igara" contributing 72,000 gross tons to that total. The 1973 total, moreover, does not include the Liberian Ore Carrier "Elwood Mead" of 59,200 gross tons since at the close of the year, when the Liverpool Underwriters' Association statistics were published, it was uncertain whether a Constructive Total Loss or a Partitcular Average claim would be put forward. "Elwood Mead" has, of course, since been declared a Constructive Total Loss and in the remainder of this paper it has been included as an addition to the appropriate Total Loss figures.

It is casualties such as these two which to my mind expose an almost fatal weakness in looking at underwriting experience by means of a comparison of tonnage lost, for the decision as to the type of claim to be made may depend on the current commercial climate whilst the cash cost to Hull underwriters will be little different.

While the co-operation of many National Associations, whom I take this opportunity of thanking for all their help and interest, I have endeavoured to put a cash figure on World Total Losses. I have not been able to obtain figures for every incident and hence it is difficult to be absolutely precise but, converting at the present rates of exchange, I believe an amount of U.S. $200 million may be taken as representative of the 1972 total loss experience, rising to over U.S. $300 million in 1973—a quite appalling increase of more than 50%.

It is clear from this that the deterioration in underwriters' experience during the past year is far more severe than would be suggested by a simple comparison of tonnage lost. 1973 included, in addition to the other casualties I have mentioned, the Liberian

Tanker "Golar Patricia" and these three losses were probably the most expensive underwriters have ever sustained. It seems inevitable that cash cost will continue to outpace tonnage lost in the future as ships with yet higher values per ton enter into the casualty record.

LOSS RATIOS

The relationship between the total tonnage lost and tonnage afloat is shown as a World loss ratio in Chart 3.

As I shall use "loss ratios" to illustrate many points during the course of this paper I think it well to remind you that by this phrase I mean the ratio between the tonnage lost and the tonnage afloat—in both cases including vessels laid up and the U.S. Reserve Fleet. Since many vessels are laid up for varying periods in any year it is not practicable to arrive at figures for tonnage "at risk" and the loss ratios have, therefore, no direct connection with an insurance rate. Nor has it proved possible to quantify any increase in risk that might have occurred through modern vessels spending less time in port.

Of course, a loss ratio fluctuates either because there is more or less tonnage afloat or more or less tonnage lost, each factor being equally important. In 1973, if one includes "Elwood Mead", tonnage lost increased no faster than tonnage afloat and hence the loss ratio remained unchanged. The fact, however, that since 1959 World tonnage afloat has increased by 133% but tonnage lost by 237% is reflected by the rise in the average loss ratios from 0.32% during the five-year 1959/1963 to 0.38% during 1969/1973. The average ratio of 0.41% during 1964/1968 is, as I showed last year, exceptional in that it is inflated to a very large extent by losses of war-built tonnage, and this can quickly be confirmed by reference to the graph relating to post-war tonnage appearing underneath.

As pre-war and war-built ships go out of service the two graph lines will ultimately coincide, but the latter is useful as an illustration of the effect of an aging block of tonnage on the loss ratio, all post-war ships being less than 14 years old in 1959 but in 1973 including all vessels up to 28 years of age.

Chart 4 then goes on to show the loss ratios applicable to the three categories of vessels identified in the earlier charts and, in order to show trends, averages for the same five-year periods are inserted. It is disappointing to note that all evidence a deteriorating trend.

The experience of General Cargo vessels in the middle years again clearly reflects the losses of Liberty and similar ships but a comparison between the average loss ratio during 1959/1963 and that of the period ten years later shows an advance of 21%.

Whilst the Tanker loss ratio has remained below the level of General Cargo ships it has shown an inexorable advance and the average for the last five years is almost double that for 1959/1963.

The comparatively small tonnage of Bulk Carriers afloat in the first five years made their loss ratio particularly susceptible to "shock loss" as is seen in 1960 when the loss of one vessel, "Sinclair Petrolore" of 35,000 gross tons, accounted for the ratio of 0.44% and thus also substantially affected the five-year average. Now that Bulk Carriers represent a quarter of the World tonnage afloat, their experience is having an increasing effect on the World loss ratio and hence, though their figures have so far been better than the other two categories, we must take note of the sharp deterioration in the last five years.

Clearly it is worthwhile investigating the reasons for this general deterioration in Total Loss experience with special reference to age and tonnage.

CONSTRUCTIVE TOTAL LOSSES

In earlier papers I have referred to the effect of inflation and currency realignments on the Total Loss ratio and to the fact that, if the insured value of a ship is not increased at the same pace as the cost of repair at the yards and in the countries where that ship is likely to be repaired after an accident, there is a greater likelihood of Constructive Total Loss.

During the past year we have seen a considerable number of increases in insured values, some substantial, particularly in connection with the larger and more modern ships, and thanks to buoyant freight conditions some shipowners have elected to repair rather than abandon a ship to underwriters. In view, however, of the continued escalation of repair costs and notably of the price of steel, I venture to suggest that the problem is still very much with us and may shortly revive with redoubled emphasis.

Chart 5 divides the average loss ratios for the three types of vessel between Actual and Constructive Total Loss according to the five-year periods identified.

Looking first at General Cargo ships and discounting the exceptional effect of war-built tonnage on the experience of the years 1964/1968, it will be seen that the Actual Total Loss experience has remained constant as between 1959/1963 and 1969/1973, the rise in the overall loss ratio being entirely due to the increasing incidence of Constructive Total Loss.

Both Bulk Carriers and Tankers also show a considerable rise in the Constructive Total Loss ratio but this by no means accounts for all the deterioration in the overall loss experience.

The average loss ratio of Bulk Carriers for the period 1959/1963 is affected of course by the "shock loss" of the "Sinclair Petrolore", but over the past ten years the Actual Total Loss ratio has increased substantially. A similar situation is evident with Tankers.

I have already referred to Age as a dominant factor and, as one assumes that it is the insured values of older vessels that are least likely to have kept pace with inflation, this aspect is obviously worth looking into.

GENERAL CARGO SHIPS

Chart 6 plots the average loss ratios of General Cargo vessels in five-year age groups at time of loss for the years 1959/1963 and 1969/1973. The middle period is omitted to minimise the distortion caused by war-built vessels passing through the older age categories.

Two broad conclusions emerge. First, there has been a general increase in the Constructive Total Loss ratio and, as anticipated, this is most marked in respect of the older tonnage; after 5 years old the Constructive Total Loss ratio now exceeds that for Actual Total Losses. Possibly, owners of the older more traditional types have had the least cause on commercial grounds to increase insured values. Second, cargo underwriters are undoubtedly correct in their fifteen-year limitation in the Classification Clause, for in general the Total Loss ratio has fallen in respect of the more modern vessels and has increased sharply after the age of 15 years.

Of course, many othher factors have a bearing on the experience of these vessels which I have grouped under the heading of General Cargo but which in reality include all ships other than Tankers and Bulk Carriers. I think, however, the long-term trend is fairly clear. Helped by the absence of Total Losses amongst the new container vessels, the Actual Total Loss ratio for the group has been held relatively stable and the rise in the overall ratio is a direct reflection of the fact that, due to inflation and the changes in currency parities, damage repair costs are now reaching the insured value, particularly of older vessels, in an increasing number of instances.

Mr. President, I am sure no underwriter needs reminding of the obvious remedy.

SPECIALIZED CARRIERS

I would now like to look more closely into the record of the specialised ships.

Age

Chart 7 shows average ratios for Tankers according to Age over all three periods since 1959. Constructive Total Losses have always formed a high proportion of the loss ratio but during recent years they account for the greater part of the losses in respect of vessels over five years old.

The two most disturbing facts which become evident, however, are the quite enormous increase in the loss ratio of vessels between 15 and 24 years old and the significant worsening of experience of the most modern vessels.

Undoubtedly the deterioration in the overall Tanker Total Loss ratio is due to the recent very bad record of vessels of these age groups.

The tonnage afloat of Bulk Carriers has rocketed from under 7 million gross tons in 1959 to over 70 million gross tons in 1973 and because of the initial "shock loss" element it is difficult to show any comparative but meaningful statistics over the period of 15 years. CHART 8 therefore shows average loss ratios only for the two later periods, 1964/1968 and 1969/1973, but even within this decade tonnage afloat has quadrupled.

In consequence, the deterioration evident is cause for some concern, particularly in respect of vessels under 10 years old which account for 80% of the tonnage afloat. Constructive Total Losses have a significant effect throughout the Age groups, but one would not expect such a high proportion amongst the most modern, and presumably the most highly valued, ships.

There are, however, points of similarity between this Chart and Chart 7 dealing with Tankers and it seems, therefore, useful to analyse the problems being suffered by vessels up to 5 years old and between 15 and 24 years old under both categories.

Ships under 5 years old

Chart 9 shows the average loss ratios of Tankers and Bulk Carriers under 5 years old at time of loss in repect of four broad ranges of tonnage.

It will be readily appreciated that because of the recent trend towards the building of larger and ever larger vessels, there is a relationship between age and size when applied to Tanker and Bulk Carrier tonnage afloat. For example, the majority of Tankers over 40,000 gross tons are under 5 years old; most between 20,000/40,000 gross tons are 10–14 years old; the greatest number between 8,000/20,000 gross tons are 15–19 years old. Apart from the recent completions of Product Tankers in the latter size range, it is only for the smaller Tankers under 8,000 gross tons that there seems to be a replacement programme and many of that size are new.

It is, therefore, a serious matter for underwriters to observe that the increased loss ratio of modern Tanker tonnage is a reflection of the recent unfavourable record of the larger, and thus more expensive, ships. Casualty analysis shows that over two-thirds of the loss ratio in respect of vessels over 40,000 gross tons is caused by fire and explosion in cargo tanks and when one considers that in addition there have been many sizeable Particular Average claims, it will be evident that the hitherto unappreciated problems which many now believe to be associated with tank size have cost underwriters a great deal of money and point a lesson regarding the initial rating of new types.

The economics of Bulk Carrier operation do not call for quite the same optimum size and hence a slightly different pattern is evident in the loss ratio. With only one exception, every Bulk Carrier loss during the last 5 years has been caused by stranding, collision or other "human failure" and significantly the loss ratios of both Tankers and Bulk Carriers over 40,000 gross tons (say 75,000 dwt) are very similar in this respect.

Total Losses sustained by these categories of vessels in the period 1969/1973 cost underwriters U.S. $170 million; a not insignificant sum for what in theory should be the better class of risk.

"Shock Loss"

There is another underwriting aspect of large and high-valued vessels which needs consideration, and this is "Shock Loss".

Chart 10 sets out the average loss ratios for the last five years of the entire national fleets of those Flags registering vessels of more than 100,000 gross tons, as compared with the World average. Superimposed is the theoretical addition that would occur should one such vessel be lost during the same five-year period.

The group of Flags to the right-hand side exceed the World average even without such a loss, and it will be apparent that only three Flags—West Germany, Great Britain and Japan—could afford to lose a 100,000 gross ton vessel in five years without their loss ratio exceeding the World average.

To go from one extreme to the other, it will be seen that, assuming value per ton to be constant and the World loss ratio his basis for rating, an underwriter who wrote a line of a fixed percentage of value on every ship under the British Flag would need 1.3 years to absorb the loss of such a vessel, but in respect of the Kuwait Flag almost 56 years!

Mr. President, one wonders if those who preach national, captive or mutual insurance, quite realize the effect of such a loss on a limited portfolio.

Ships 15–24 years old

Chart 11 then plots average loss ratios, according to size, for Tankers and Bulk Carriers between 15 and 24 years old. Clearly it is the rapidly deteriorating experience of both types of vessels between 8,000 and 20,000 gross tons, and in the last 5 years Tankers between 20,000 and 40,000 gross tons, which is the source of the trouble.

During the periods under review some 90% of the Tanker and Bulk Carrier tonnage afloat between 15 and 24 years old has come within these size ranges but, bearing in mind the size/age relationship of tons afloat, there is a very serious implication for the future. From the percentages of tonnage afloat inserted below each group it will be seen that as the years pass, the size of vessels reaching what appears to be this critical age is progressively increasing and hence becoming correspondingly expensive to underwriters.

To date, only 7 Tankers and 2 Bulk Carriers of over 40,000 gross tons exceed 15 years of age and it will be a very grave matter for all concerned with loss at sea if the pattern shown in the Chart repeats itself in respect of the present-day much larger tonnage.

It becomes, therefore, of some importance to analyze the reason for this marked deterioration in Total Loss experience once these vessels exceed 15 years of age.

Concentrating then on Tankers aged 15–24 years and between 8,000 and 40,000 gross tons, again over the 3 five-year periods, CHART 12 shows in each left-hand column the tonnage afloat registered under the principal Flags involved as a percentage of all such tonnage afloat. For comparison purposes, each right-hand column treats tonnage lost in the same way.

The earlier periods reflect the then relative importance of the United States war-built fleet but it is illuminating to note the change over the years in the ownership pattern of this size and age of Tanker, more than 40% of such tonnage now being registered under Flags of Convenience. Significantly, in the last 5 years these Flags accounted for 70% of tonnage lost.

A similar trend appears to be occurring with Bulk Carriers.

It is interesting, therefore, to compare the loss ratios of these same vessels registered under Flags of Convenience with the rest of the World.

Chart 13 subdivides accordingly the five-yearly average loss ratios of Tankers aged 15–24 years and between 8,000 and 40,000 gross tons, then further into three general types of casualty.

Accidents due to "human failure" stranding, collison and contact—are grouped together as are total losses due to weather, foundering, leakage etc. When one considers that we are dealing with ships between 8,000 and 40,000 gross tons, it seems to me that losses of the latter type must contain some common element which perhaps might be termed, for want of a better phrase, "ship failure". Fire and explosion are shown separately because exact information as to the cause of the outbreak is often difficult to obtain.

It will be seen that, after an increase in the mid-1960's, the overall loss ratio for the rest of the World has remained comparatively stable, whereas that for vessels registered under Flags of Convenience has more than trebled. The loss ratios for fire and explosion have fluctuated but throughout Flag of Convenience ships have suffered a vastly greater incidence of "human failure" and "ship failure".

Earlier accurate figures are not available for Bulk Carriers, but for the past five years the pattern has been similar to Tankers.

The theory has been advanced that ships of this age, particularly Tankers, have reached the end of their useful span of life but this does not explain the discrepancy between the Flag loss ratio nor the high proportion of casualties caused by "human failure".

An analysis of the total losses that have occurred to this size and age of Tanker shows, however, that all but a handful of the Flag of Convenience ships involved were second-hand and were Total Losses within an average of 3–4 years from their last date of sale. An alternative inference might be, therefore, that they were vessels which were no longer economic to the previous owners, perhaps worn out ships, but ones which could be operated at a profit on a lower or cheaper standard of manning and maintenance.

Of course, this largely depends on the economics of the freight market but in 1973, for instance, Tankers which had seemed certain to be scrapped changed hands at prices which could only reflect the fact that the new owners expected them to earn a worthwhile profit. To quote one example, it has been estimated that last year 70% of the Norwegian Tanker tonnage sold was to Flag of Convenience ownership.

SHIPS REGISTERED IN GREECE OR UNDER FLAGS OF CONVENIENCE

In either case, it is worth looking into the development and the losses of the merchant fleets registered under Flags of Convenience.

Chart 14 shows that, apart from the "boycott" period in the early 1960's when there was simultaneous liberalisation of Greek maritime law, tonnage registered under Flags of Convenience has shown a steady growth as a percentage of the World tonnage afloat.

The percentage of World tonnage lost applicable to such Flags is also inserted and the linear progression lines show clearly that their total losses appear to be growing at a faster rate than their tonnage afloat. In 1973, Flags of Convenience represented 23% of the World tonnage afloat yet over half the tonnage lost. Perhaps even more significant, however, is the increasing use of this facility by the shipowners of traditional maritime countries and the emergence in the last few years of three new Flags of Convenience.

It is tempting at this juncture to join in the general condemnation of Flags of Convenience—much of it uninformed and some emotional—which one reads in the shipping press but I suggest the answer is more complex.

Chart 15 plots the average loss ratios for the past five years of the principal Flags of Convenience as compared with the rest of the World. In every case the loss ratio is very much higher than the figure for the rest of the World—for Somalia it is nine times—but there are nevertheless significant differences in loss ratio, tonnage afloat and average age between Flags.

MANAGEMENT

I am confident it is equally true to say that there are many fleets registered under Flags of Convenience which are well managed and whose records are at least as good as those of fleets registered by other Nations, yet on the other hand, if an owner wishes to put to sea an ill-found, undermanned and worn-out ship a Flag of Convenience is probably his best vehicle for doing so.

I believe, therefore, that the problem is not one of flag but of ownership or management. It is appropriate to quote from the last Annual Report of the Chamber of Shipping of the United Kingdom . . . "at the end of the day, safety depends on the management of the individual shipping company, the running of the individual ship and the actions of the individual seafarer".

Mr. President, in the course of this paper I have isolated certain problems which are technical—inflation, currency realignments, explosions in cargo tanks of large Tankers—but all the rest are in my view subordinate to the question of management for on this one factor depends the type, size and age of vessel; its trade and condition; the choice of flag and calibre of crew.

Over the past few years there has been a decided growth in tonnage owned or managed by companies that do not have the benefit of years of shipping experience and I take leave to doubt whether, in the present scramble for business, many underwriters take sufficient note of this factor.

Mr. President, as this is my swansong on this subject at least for a while, I feel almost brave enough to attempt some forecast of future trends.

The World order book for new construction still stands at an unprecedented level despite the recent oil crisis, and though the rate of ordering has slowed from last year's record figure I believe few cancellations have taken place.

It has been said that overtonnaging will occur in Tanker trades and, if there is a world-wide slackening of economic growth, in the carriage of commodity and general cargoes. It is thought in some quarters that the re-opening of the Suez Canal, or in the long-term the harnessing of local resources by the industrial countries and the refining of oil in the Arab States, will vitally affect the economics of Supertanker operation.

All these factors will influence shipping values but to my mind there is little prospect of any permanent easing in the rate of inflation and almost inevitably, therefore, we must expect an escalation of claims' costs and an increase in the incidence of Constructive Total Loss.

The trend over the last fifteen years, and 1973 presents a good example, has been for the overall Total Loss ratio to be held down by the influx of new tonnage, mostly specialised carriers, even though the tonnage lost, and more particularly the cash cost, has successively reached record levels. The point to be made is that in general, the World loss ratio has been held down not so much by the influx of tonnage, but because an increasing proportion of the World tonnage is new.

The expected further flood of new tonnage may therefore mitigrate loss ratios for a while and, paradoxically, underwriters may gain from a shipping slump but, in the long term, unless there is a revolution in the current pattern of shipping ownership, we shall have to learn to live with a much heavier loss ratio as the larger and more expensive specialised vessels reach what I have shown to be, for various reasons, their critical span of life.

PETER QUAILE.

Mr. CLARK. Mr. President, I plan to vote against the conference report on H.R. 8193, the cargo preference bill, just as I voted against it when it was originally considered in the Senate.

My primary reason for opposing it is that it will increase the price of oil. It will be a highly inflationary measure, and this is a time when we cannot afford to take inflationary measures. By requiring that 30 percent of the oil brought into this country must be transported in American ships, the bill will increase shipping costs and, thus, oil costs, in three ways:

First, the cost of ships will go up because American ships already cost more and increasing the load on American shipyards will make the costs go up even further.

Second, operating costs of American ships are higher because wages are higher than on foreign ships.

Third, U.S. ships with a captive market will undoubtedly become less efficient since they will be protected from competition—and it is likely that they will need even more subsidies from the Federal Government than they are already getting.

Mr. President, the higher costs imposed by this bill will inevitably be paid by the American consumer and taxpayer. There is simply no way to avoid this conclusion. And measures which increase prices, particularly energy prices, simply cannot be tolerated during this period of double-digit inflation. If Congress is to establish any credibility in the battle against inflation, this bill must be defeated.

The proponents of H.R. 8193 argue that this bill is needed for national security. However, the Department of Defense opposes it. They believe that passage of this legislation will weaken our national security. Certainly a bill which intensifies inflation and weakens security should not be passed. I urge the Senate to consider these matters carefully and to vote against the conference report on H.R. 8193.

Mr. ROTH. Mr. President, I am strongly opposed to the adoption of the conference report on H.R. 8193, the Energy Transportation Security Act. This bill, commonly called the cargo preference bill, requires that by mid-1976, 30 percent of petroleum imports must be carried in U.S. built and registered vessels. The bill is estimated to cost the consumers some $20 billion or more in higher fuel bills over the next decade, adding immediately to the ravages of inflation.

At a time when we are trying to hold down inflation and energy costs to avoid a recession, this bill moves in exactly the opposite direction, increasing the fuel bills of American homes and businesses.

At a time when we are trying to remove distortions and inefficiencies in international trade to bring the world and national economy out of a slump, this bill will be a major stimulus to protectionist, isolationist policies that will hurt the economy.

At a time when the United States wants other countries to respect international treaties, this bill would require us to violate 30 international agreements we have made in the interests of an open international economic system.

At a time of scarce capital resources when mortgage and investment money is hard to obtain for the ordinary citizen, this bill would take $4 billion out of the capital markets to build new oil tankers which we hopefully will not need as we become less dependent on foreign supplies.

At a time when we desperately need to limit our dependence on imported oil and move quickly on Project Independence, the cargo preference bill will create a powerful vested interest in a continued high level of petroleum imports.

At a time when we need to strengthen our merchant marine and are doing so through the massive program intiated in 1970, this bill would foster a weak and parasitic merchant marine living off the captive cargoes of the free enterprise system.

For all these reasons, I think that if the conference report passes, the President should show the public that he is serious about keeping down inflation by vetoing this bill. The Energy-Transportation Security Act is one bill which the press around the country—ranging from the Time magazine and the New York Times to small city newspapers like the Flint Journal and the Green Bay Press-Gazette—has been united in condemning as a costly and inflationary boondoggle. They know this bill does not increase the security of our energy supplies one bit and that it is going to cost the people of this country who are trying to keep a step ahead of the inflationary squeeze. It will be one more straw on the camel's back for small businesses and industries, threatening the loss of jobs when the unemployment rate is already an alarming 6.5 percent. I urge the Senate to defeat the conference report.

Mr. THURMOND. Mr. President, we should consider H.R. 8193, the Energy Transportation Security Act of 1974, in a thorough and complete fashion. This is not legislation to be quickly passed under the superficial "national security" guise advocated by its proponents. Once this bill is examined in detail, its title is shown to be a great misnomer.

This bill will not provide any sort of security for our Nation's energy or energy transportation. It will add billions of dollars to our country's energy costs over the next decade. It is obvious to the American consumer that increasing the cost of oil is not in his interest, and it certainly does not fortify any feelings toward security on his part.

Proponents would have us believe the fee waiver provision added by the Senate Commerce Committee will offset energy cost increases to consumers. The committee's amendment would reduce license fees for crude oil imports 15 cents per barrel. It has been pointed out, however, that even with this fee waiver provision, consumers will be forced to pay more and more for oil imports. Not only would the 15 cents per barrel waiver not offset the increasing costs of imported oil, the reduction of these license fees reduces Treasury receipts and thus is another Federal subsidy. So this legislation would not only drive fuel prices higher, but it would also increase Federal spending. The Maritime Administration has estimated that the effect of the this act would be to increase its costs of subsidizing the American merchant marine by at least $79.3 million next year.

The $4 billion needed for construction of the 40 tankers proposed in this bill will have to come from the already constrained capital market, driving interest rates further away from that which the average taxpayer can afford. In our current economic situation, Congress would not be wise to pass this inflationary legislation.

Shipyards have backlogs of orders for new vessels now. Adm. Isaac C. Kidd, Jr., Chief of Navy Materiel, recently testified before Congress that shipyards were so far behind in filling commercial orders that it was becoming difficult to get Navy work done. Such a conflict with the U.S. Navy shipbuilding program could in itself be a threat to our national security. New demands will aggravate this problem with an inflationary effect on government. New orders will accelerate new demands for raw materials such as steel. We can not afford to create new inflationary pressures on raw materials. Furthermore, the diversion of steel into the shipbuilding industry will mean less available for offshore drilling, power generating plants, and manufacturing facilities required to meet the goal of energy self-sufficiency by 1980.

At the present time, a surplus of tanker tonnage exists worldwide. The rates charged by these foreign-flag vessels have been depressed by conservation measures taken by countries while shipbuilding continues at a record rate. Why should we build these large tankers when we have a surplus in the world market at greatly reduced prices? This legislation would create a captive market for our vessels with excessive rates. The American people cannot afford to pay this premium.

It is clear that the only security this bill will provide will be for the maritime unions. It will have just the opposite effect on most Americans. After all, most of us tend to feel less secure, not more, when our pocketbooks are being drained.

However, even though this bill fails to provide national security, some have pointed to its title and claimed it will provide security for the transportation of our energy needs. This argument is equally false.

There is little the United States can do to reverse the intention of Arab countries to participate in the transport of their petroleum exports. Nevertheless, we must be careful not to precipitate the adoption by these states of protectionist restrictions regarding the carriage of these exports. The proposed Energy Transportation Security Act of 1974 is likely to achieve this unfortunate result. Proponents of this legislation argue that we could create a captive volume of petroleum cargoes for U.S. tankers without other countries doing the same for theirs. I find this difficult to believe, despite the claims of its proponents, could actually jeopardize our national security as opposed to strengthening it.

All in all, this legislation provides for increased costs of energy, federally subsidized and more expensive costs of transportation, and no security. Yet, amazingly enough, it is called the Energy Transportation Security Act.

Mr. President, I cannot help but wonder why the consumer groups in this country have not come out against this legislation. Surely, this inflationary bill that will add so much to the cost of energy is not in the consumers' interest. An editorial that appeared in the July 30 Wall Street Journal asked:

> Where are you, Ralph Nader? Now that the American consumer really needs him, Ralph Nader seems to have gone fishing.

The Christian Science Monitor reports that the consumer groups' silence on this measure is explained by these groups' reluctance to jeopardize their union support. Now is that not interesting? When groups become so powerful that the interests of our country's people and the stability of our Nation is sacrificed for the short term benefit of a few, we are in sad shape. I challenge these consumer groups to come forward and oppose this legislation if they really care about the American consumer. Their credibility is rapidly being destroyed.

I can understand labor's interest in this legislation since it would provide some new jobs, but are the few thousand jobs it will create worth the increased inflation that the bill will produce? Has anyone stopped to consider the number of jobs that may be lost in businesses that cannot take the increase in operating costs due to higher energy costs? It is time for us to put things in proper perspective.

The policies of the Arab countries to saddle the world with higher prices is leading to economic crisis not only in this country but in the world. The administration and this Congress, I believe, recognize this and are calling for a stop to these increases. Yet, while Congress voices concern over increased petroleum prices and inflation in general, it passes this legislation which has been estimated to cost the average American household an additional $70 per year. A day of reckoning is coming, my friends. The American people are not going to stand for a Congress which continually expresses concern over inflation but continually does nothing about it.

Inexpensive energy has been one of the keys to the development of the United States as the major industrial Nation. Energy is such a basic commodity that anything we do to artificially increase its price can have devastating effects on our domestic economy.

Mr. President, I opposed this bill when it passed the Senate, and I hope my colleagues who supported this legislation have reconsidered and have realized the detrimental effects it would produce. Accordingly, I call for the rejection of this conference report by the Senate. However, should the report receive final passage, I appeal to President Ford to have the good judgment to veto the bill. It is hard to believe that legislation with so little merit has gotten so far in our legislative system. At least by our vote here today, we have another opportunity to prevent this ripoff of the American people.

Mr. CRANSTON. Mr. President, in section 4 of H.R. 8193 provision is made for reduction in the license fees payable by oil importers not to exceed 42 cents per barrel for residual oil and 15 cents per barrel for other than residual fuel oil, to be applicable whenever such fee-paying oil is transported on U.S.-flag vessels.

It has come to my attention that the Presidential proclamation of April 1973, in which provision is made for these license fees, provides that whenever crude oil is imported for direct use in the boilers of powerplants it is to be treated as residual oil and thus incurs the level of fees applicable to residual oil. This raises the question of just how section 4 shall be applied when crude oil is imported by public utilities for use in boilers.

I am informed that the Department of the Interior, Oil and Gas Division, interprets section 4 to mean that whenever crude oil, by reason of its being burned directly by a utility in its boilers, incurs the license fee applicable to residual oil, that the reduction, or rebate, for U.S.-flag vessel usage will be the same as the fee that was paid, up to the 42-cent level. In other words, crude oil, when it bears a 42-cent fee, will enjoy a 42-cent rebate whenever U.S.-flag vessels are used. I heartily concur with this interpretation and its potential savings to the consumer.

Mr. President, I would like to inquire of the chairman as to whether the committee agrees with this interpretation.

Mr. LONG. Mr. President, the interpretation of section 4 as stated by the Senator from California is correct. The committee agrees with that interpretation.

Mr. HANSEN. Mr. President, the Energy Transportation Security Act of 1974, also known as the cargo preference bill, has met with universal criticism. This criticism has come from the administration, the media, economists, and other informed sources representing the full spectrum of political persuasion.

Yet, despite the light that has been shed on this legislative boondoggle, both Houses of Congress passed this bill, and today the Senate is asked to agree to the report of the House/Senate conference.

At a time when the Nation recognizes that its No. 1 problem is inflation, the Senate is asked to agree to an extremely inflationary piece of legislation which provides no benefit to the Nation.

This legislation requires up to 30 percent of U.S. waterborne petroleum imports be carried in U.S. built and manned vessels.

The vast consensus of informed opinion is that passage of such high cost, inflationary, special interest legislation has no place at a time when the Congress should be attempting to deal with the Nation's overall economic woes. Not only does this legislation fly in the face of economic stability, it points to the grave inability of the Congress to seriously recognize and deal with the Nation's economic plight.

Despite prolific vocalization in the Congress about dealing with inflation, the Congress proceeds to feed the Nation's inflationary fires with such parochial legislation.

Not only does this bill have a serious inflationary impact, it has other adverse consequences.

The bill would substantially increase the cost of shipping oil; this cost hike will be reflected in higher prices for all consumer petroleum products. Moreover, as we have seen, especially during the last year, increased petroleum costs result in a disproportionate rise of the overall Consumer Price Index. In short, the consumer will ultimately have to shoulder the cost burden of this poorly conceived legislation.

Additionally, the bill's artificially created demand for U.S.-produced ships will increase the already critical pressures on shipbuilding costs. Presently, U.S. shipbuilding capacity is overtaxed. Further demands on this inadequate capacity will skyrocket production costs. This will not only increase the cost of the ships required by this bill, it will jeopardize national security by increasing the cost for the U.S. Navy to expand its fleet. Further, the demand for U.S.-manufactured ships will cause the unwise diversion of raw materials already in critically short supply.

In sum, the consequence of this legislation will result in a worsening of the Nation's general economic condition, and increase the burden on the American taxpayer-consumer.

With this in mind, I ask my colleagues to reject the House-Senate conference report.

Mr. BAYH. Mr. President, there has been considerable disagreement about the merits and potential impact of H.R. 8193, the Energy Transportation Security Act of 1974. I voted for the bill in September when it passed the Senate, and I rise now to urge passage of the conference report.

Mr. President, nothing underscores the need for this legislation more clearly than a news item which appeared over this past weekend. It appears that Saudi Arabia has instructed Aramco to give preference to Saudi ships in oil exportation. This underscores the need to have a U.S.-flag tanker capacity to assure the equity of oil transportation costs and delivery.

Many of us have argued that the present transportation system leaves the United States extremely vulnerable. The bulk of the tankers are owned by the international oil companies and fly foreign flags. As we have seen in the past—most notably during the Middle East war in October of 1973—the oil companies do not hesitate to bow to the wishes of the Arab suppliers, even when the vital interests of the United States are at stake, and it is possible that Aramco will cooperate now and work with the Arabs against American interests in transporting oil. With oil company domination of the transportation system, it is not difficult to imagine America cut off from all foreign oil whether it be from the Arab countries or elsewhere, at the whim of Arab leaders.

It is clear, Mr. President, that it will take strong legislation such as that before us today to insure that American ships owned by companies loyal to American interests play a proper role in shipping oil and securing American access to foreign oil supplies, as well as guaranteeing construction of enough U.S.-flag vessels to transport our own oil from Alaska.

There has been much talk about the potential cost of this legislation, but most of this talk has come from the very giant oil companies that have benefited from the already excessive price of oil. This is to be expected because this bill will be an important step in breaking the stranglehold that the multinationals have in producing, refining, shipping, and marketing petroleum products. The bill also contains cost monitoring provisions which will curtail the transfer pricing system employed by the multinationals at the expense of the American taxpayers and consumers.

When viewed objectively, any cost increase to the American consumer resulting from this legislation will be small and short term. I submit that in the long term the entry of American shipping in the energy transportation market will have a strong competitive effect which will in the end provide savings to the consumer. In addition, the legislation contains a provision to offset any slight cost increase brought about by this bill by removing import levies for foreign oil delivered in U.S. tankers.

Further, H.R. 8193 will provide thousands of jobs for Americans in constructing and manning tankers, which will be a boost to our sagging economy. The bill will also aid in easing our balance-of-payments deficit and provide increased revenues in tax dollars collected from American ships.

Mr. President, the Energy Transportation Security Act of 1974 is a crucial piece of legislation which will benefit this country in many ways. I hope my colleagues will look through the smokescreen which has been set up by the multinational oil companies, and view the bill objectively. I believe that when they do, they will join with me in voting for the conference report.

The **PRESIDING OFFICER**. All time has expired.

The question is on agreeing to the conference report.

Mr. **COTTON**. I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **McGEE** (when his name was called). Mr. President, on this vote I have a pair with the Senator from Nevada (Mr. BIBLE). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. **KENNEDY** (when his name was called). Mr. President, on this vote I have a pair with the Senator from California (Mr. TUNNEY). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. **NELSON** (when his name was called). Mr. President, on this vote I have a pair with the Senator from Maine (Mr. HATHAWAY). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. **BURDICK** (when his name was called). On the vote I have a pair with the Senator from Texas (Mr. BENTSEN). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. **HUDDLESTON** (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Utah (Mr. MOSS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Missouri (Mr. EAGLETON), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

Mr. **GRIFFIN**. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Colorado (Mr. DOMINICK), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "nay."

The result was announced—yeas 44, nays 40, as follows:

[No. 556 Leg.]

YEAS—44

Abourezk
Allen
Bayh
Beall
Byrd, Robert C.
Cannon
Case
Church
Cook
Cranston
Dole
Domenici
Gravel
Hart
Hartke
Haskell
Hatfield
Hollings
Hughes
Humphrey
Inouye
Jackson
Johnston
Long
Magnuson
Mathias
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Nunn
Packwood
Pell
Randolph
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Stevenson
Symington
Talmadge
Williams

NAYS—40

Aiken
Baker
Bartlett
Bennett
Biden
Brock
Brooke
Byrd, Harry F., Jr.
Chiles
Clark
Cotton
Curtis
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Javits
McClellan
McClure
McIntyre
Muskie
Pastore
Pearson
Percy
Proxmire
Ribicoff
Roth
Stafford
Stennis
Taft
Thurmond
Tower
Young

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—5

Burdick, against.
McGee, against.
Kennedy, against.
Nelson, against.
Huddleston, against.

NOT VOTING—11

Bellmon
Bentsen
Bible
Buckley
Dominick
Eagleton
Hathaway
Mansfield
Moss
Tunney
Weicker

So the conference report was agreed to.

Mr. **LONG**. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. **MAGNUSON**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **PELL**. Mr. President, I have voted in favor of the conference report on the Energy Transportation Security Act (H.R. 8193), but I have done so with great reluctance.

The intent of the legislation is to assure that the United States will not be dependent for the transportation of vital supplies of imported oil on oil tanker fleets owned, controlled, or licensed by other nations. I believe a secure and dependable means of bringing imported oil to our shores—on U.S. ships manned by U.S. crewmen—is a desirable goal.

The question, however, is what price the consumer in the United States must pay for this added element of security in transportation.

Indeed, it was because of my deep concern over the possible increased costs to consumers that I offered, during Senate consideration of the bill, an amendment that would have exempted from the cargo preference provisions of the bill all imports of residual fuel and home heating oil. I did so because the Northeast section of our Nation, and particularly New England and my own State of Rhode Island, already are paying exorbitantly high prices for these two types of oil and those prices are directly reflected in the costs to Rhode Island homeowners.

Although that amendment was not accepted in its original form, the Senate did accept an amendment that would offset any additional cost of residual oil resulting from the cargo preference provisions, by forgiving the import license fee of up to 42 cents a barrel on residual oil.

The New England electric system alone, of which the Narragansett electric system in my own State of Rhode Island is a part, has estimated that this provision will mean a savings of about $400,000 a year to its New England consumers alone. The overall saving to our region would obviously be substantially greater.

It was only because that amendment was adopted by the Senate that I supported passage of the bill in the Senate. And it is only because the amendment was fought for and retained in the conference by the Senate conferees that I have today voted in favor of the conference report.

Without this amendment, which offers some degree of protection to Rhode Island consumers, I would have been compelled to vote against the bill and the conference report. But because the amendment was accepted by the floor manager, the distinguished senior Senator from Louisiana (Mr. Long) and because Senator Long fulfilled his commitment to work for the amendment in conference, I have voted in favor of the conference report.

EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

The **PRESIDING OFFICER.** Under the previous order, the Senate will now proceed to the consideration of H.R. 17597, a bill to provide a program of emergency unemployment compensation, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 17597) to provide a program of emergency unemployment compensation.

The **PRESIDING OFFICER.** Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the unemployment compensation——

The **PRESIDING OFFICER** (Mr. Biden). There will be order in the Senate. The Chair cannot hear the Senator from West Virginia. The Senators will please take their seats.

Let us have order in the Senate. The Senators will please refrain from conversing in the Chamber.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on H.R. 17597, the Emergency Unemployment Compensation Act of 1974, there be a time limit of 10 minutes to be divided equally between Mr. Ribicoff and Mr. Javits, and there be a time limitation on an amendment by Mr. Curtis of 10 minutes to be equally divided in accordance with the usual form.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the yeas and the nays have not been ordered on passage of this measure. Does anyone wish to order it? If not, I will ask for the yeas and the nays.

The **PRESIDING OFFICER.** Is there a sufficient second?

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, I yield myself 3 minutes.

Mr. President, under the present law, regular unemployment compensation runs for a period of 26 weeks.

Mr. CURTIS. Mr. President, may we have order?

The **PRESIDING OFFICER.** The Senator will suspend until there is order in the Chamber. Will the Senators please take their seats and refrain from conversing in the Chamber?

Mr. RIBICOFF. Mr. President, I am pleased that the House has adopted the substance of the unemployment compensation bill which I introduced in the Senate with the support of both the Democratic and Republican leadership. The bill passed the House by a vote of 374 to 2.

It is now before us and since it is virtually identical to our bill, I hope it will be adopted without change. This will enable us to begin paying extra unemployment benefits beginning in January 1975.

The bill we are considering accomplishes two major goals.

First, it provides an emergency 13 weeks of unemployment benefits to workers who have exhausted their 26 weeks of regular benefits and 13 weeks of extended benefits. This is similar to the Magnuson-Ribicoff emergency program which was enacted into law in December of 1971 and phased out in December of 1972.

The second major goal this bill accomplishes is to make it easier for States to qualify for the so-called extended benefits program. The extended program provides unemployment benefits from the 27th to the 39th week of unemployment.

The extended benefits program is not as successful as it should be, because it is too hard for most States to qualify under its provisions.

Under the extended program today all States pay extended benefits if a national trigger of 4.5 percent insured unemployment is met. This 4.5 percent figure must be met for 3 straight months. The national trigger has been hit in only 3 months out of the last 4 years. Therefore, the bill before us lowers the national trigger to 4 percent.

Since the 4 percent trigger was hit in October and will be hit in November and December, extended benefits can be paid in all 50 States as of January. And since all States will qualify for extended benefits—27th to 39th week—they will also automatically qualify for emergency benefits under this bill.

If the national trigger is not hit, individual States will still be able to come into the program if their State insured unemployment rate is 4 percent.

Under present law, since the national trigger is not on, only about 10 States are paying extended benefits.

This bill also waives the State requirement that unemployment be going up to 20 percent over the previous 2 years. Five times we have had to come before the Senate to waive this trigger. Most recently we waived the trigger through April of 1975. Our bill waives it through December of 1976.

The total cost of our bill is $1.1 billion. Two hundred million of that is for liberalizing the extended program and $900 million is for the new emergency program.

Our bill is a 2-year bill. Next year we must reform our employment laws in a comprehensive way. But these are extraordinary times. Unemployed workers can wait no longer for the help they need.

I urge my colleagues to approve the House bill which is virtually identical to ours. In this way the Department of Labor will be able to begin the work it must do to put the program into effect in January of next year.

EXPLANATION OF EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

With national unemployment above 6 percent and the economic picture getting bleaker, Congress must take immediate action on unemployment benefits now to assure that benefits get to the people by the start of the year.

REGULAR BENEFITS—1ST TO 26TH WEEK

Under present law, most States provide 26 weeks of State-financed benefits. Our bill does not change the regular benefits program.

EXTENDED BENEFITS—27TH TO 39TH WEEK

In 1970 we enacted a Federal-State extended benefits program to provide an additional 13 weeks of benefits to people in high unemployment States. Under present law there are two ways a State can trigger into this program—one way is if a national unemployment trigger is reached and second, if the national trigger is not reached, a State can come in by itself if it reaches a State trigger.

The national trigger is presently a 4.5 percent insured [1] unemployment rate.

If the national insured rate is 4.5 percent for 3 consecutive months all States automatically provide an additional 13 weeks of benefits with the States and the Federal Government sharing the cost. This national trigger is so high that it has been triggered on in only one 3-month period since 1970—in the fall of 1971.

Our bill lowers the national trigger to a 4-percent insured unemployment rate. This means that if the national trigger of 4 percent is hit for 3 consecutive months all States will pay an additional 13 weeks of benefits. In October the national rate hit 4 percent. Since it will hit that figure in November and December, we can begin paying benefits in January under the 4-percent trigger. Under our proposal the $200 million cost of liberalizing this trigger will be borne entirely by the Federal Government.

Under present law and under our proposal, if the national trigger is not reached, individual States can become eligible for extended benefits if they reach a separate State trigger. The State trigger requires a State to have a 4-percent insured unemployment rate and in addition requires that a State's rate be going up at 120 percent over a corresponding period in the previous 2 years. This 120-percent requirement was enacted to help only those States whose unemployment is rapidly rising.

In the past few years as unemployment has either dropped or leveled off at high levels, States have not been able to meet the 120-percent trigger requirement. In the last 2 years this committee has waived the trigger requirement on five separate occasions. Presently the 120-percent requirement is waived through

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[1] This rate counts only those employed receiving unemployment benefits. It is generally the rule that the insured unemployment rate is 2 percent points under the national regular unemployment rate. That is, a 4.5% insured rate corresponds to a 6.5% regular rate.

April 30, 1975. Our bill waives it through December 31, 1976.[2]

In summary, our revisions in the extended benefits program—27th to 30th week—make it easier for States to trigger into this program at no extra cost to the States.

EMERGENCY BENEFITS—39TH TO 52D WEEK

The emergency benefits portion of our proposal provides an emergency 13 weeks of benefits after a worker has run out of his 26 weeks or regular benefits and 13 weeks of extended benefits. The concept is similar to one which I and Senator Magnuson cosponsored and which was law from December of 1971 through December of 1972.

The emergency 13 weeks of benefits will be paid in any State which also has in effect the extended benefits program. Therefore, we expect that as of January 1975 benefits can be paid under both the extended and the emergency programs in all States.

The cost of the emergency 13 weeks of benefits in 1975 is $900 million. It is expected that there will be 1.35 million average weekly beneficiaries. The cost of our entire bill is $1.1 billion.

Mr. President, I ask unanimous consent that a comparison of present law and proposed Emergency Act together with a statement I made on the floor dated December 4, 1974, be printed in the Record at this point.

There being no objection, the comparison and statement were ordered to be printed in the Record, as follows:

COMPARISON OF PRESENT LAW AND PROPOSED EMERGENCY ACT

PRESENT LAW

Regular

26 weeks state-financed.

Extended

13 additional weeks in all states if national insured unemployment rate is 4.5%.

or

13 weeks in any state where insured rate is 4% and rate is rising at 120% over previous 2 years (this 120% provision is now waived through Apr. 30, 1975). 50–50 state-federal funding.

Emergency

No provision.

Cost

RIBICOFF-NELSON-JAVITS—EMPLOYEE TAX

Regular

Unchanged.

Extended

13 additional weeks in all states if national insured unemployment rate is 4%.

or

13 weeks in any state where state insured rate is 4%. (120% requirement would be waived through Dec. 1976) 50–50 state-federal funding with federal government picking up 100% of extra cost of liberalizing trigger.

Emergency

13 additional weeks if the extended benefits program is in effect. 100% federal financing.

Cost

1975—$900 million for emergency 13 weeks of benefits (1.35 million average weekly beneficiaries.)

$200 million for liberalizing extended benefits trigger.

Total: $1.1 billion.

STATEMENT BY MR. RIBICOFF

S. 4207. A bill entitled the Emergency Unemployment Compensation Act of 1974. Referred to the Committee on Finance.

EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

Mr. Ribicoff. Mr. President, today I am introducing the Emergency Unemployment Compensation Act of 1974 for myself and Senators Nelson and Javits. I am pleased that the bill is also cosponsored by Senators Mansfield, Hugh Scott, Robert Byrd, Magnuson, Hart, Mondale, Pastore, Kennedy, Humphrey, Williams, Brooke, Muskie, Cranston, Jackson, Tunney, Case, Mathias, Randolph, Hathaway, Pell, Schweiker, Taft, Hartke, Stafford, Bentsen, Metcalf, Bible, Aiken, and Weicker.

The fact that this legislation is supported by both the Democratic and Republican leaders underscores the need for immediate action.

It is most important that this legislation be enacted into law now so that we can begin paying benefits under the program by January of 1975. Our proposal is in the spirit of President Ford's proposals in the unemployment compensation area and I hope the administration will give it the support it deserves in order to secure passage in the weeks remaining in the 93d Congress.

Our economy is in the midst of a recession. As a result, unemployment is spreading. In October 6 percent of the work force—5.5 million workers were out of jobs. In my own State of Connecticut, over 80,000 people—over 5.6 percent of the work force—are out of jobs.

The economic picture is not getting brighter. In Connecticut, it has been predicted that by late winter or early spring unemployment may reach 10 percent. The Council of Economic Advisers in Connecticut predicts that by spring the Connecticut unemployment figures will reach 125,000.

Congress and the President have a responsibility to establish long term programs to turn our economy around.

Meanwhile, however, we must take immediate steps to help unemployed workers and their families make it through our Nation's economic problems.

Families without jobs cannot wait a year or even months for the economic picture to brighten. They need help and they need it now. We must take action now so that jobless families can begin receiving extra benefits at the beginning of 1975.

Our bill would provide 13 weeks of additional emergency unemployment benefits after a worker had exhausted his 26 weeks of regular benefits and 13 weeks of extended benefits.

This proposal is similar to the one which Senator Magnuson and I cosponsored which became law in December of 1971.

The 13 additional weeks of emergency benefits would assure a jobless family of up to 1 year of unemployment benefits. While I am hopeful that a meaningful public service jobs program will enable many of the unemployed to go to work, we must be willing to provide adequately for those who have lost their jobs through no fault of their own.

SPECIFICS OF THE EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

Under our proposal 13 weeks of emergency benefits would be paid after the 26 weeks of regular and 13 weeks of extended benefits have been exhausted. The program would last through 1975 and 1976.

The program would trigger into operation so that it would begin on a national basis when the national rate of insured unemployment reaches 4 percent for at least 3 consecutive months. If the national rate does not hit 4 percent for 3 consecutive months, a State could trigger into the program on its own if its own rate is 4 percent for 13 consecutive weeks.

States would be fully reimbursed for Emergency Compensation benefits out of the extended unemployment compensation account in the Federal unemployment trust fund. Appropriations are authorized to provide the necessary funds.

In addition to providing 13 weeks of emergency benefits, our bill will also ease the requirements for eligibility under the extended benefits program. The national trigger for the extended program will be lowered from 4.5 to 4.0. Once the national trigger is reached, all States would be eligible for extended benefits.

In addition, States will be authorized to pay benefits without meeting the additional requirement that insured unemployment be 20 percent higher than in the previous 2 years. The waiver of the 20 percent requirement will be extended through December of 1976. It is now scheduled to expire on April 30, 1975.

I ask unanimous consent that a table comparing present law with the Ribicoff-Nelson-Javits be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

UNEMPLOYMENT COMPENSATION

PRESENT LAW

Regular

26 weeks state-financed.

Extended

13 additional weeks in all states if national insured unemployment rate is 4.5%; or

13 weeks in any state where insured rate is 4% and rate is rising at 120% over previous 2 years (this 120% provision is now waived through Apr. 30, 1975). 50–50 state-federal funding.

Emergency

No provision.

Cost

RIBICOFF-NELSON-JAVITS

Regular

Unchanged.

Extended

13 additional weeks in all states if national insured unemployment rate is 4%; or

13 weeks in any state where insured rate is 4%. (120% requirement would be waived through Dec., 1976.) 50–50 state-federal funding.

Emergency

13 additional weeks in all states if national insured unemployment rate is 4% for at least 3 consecutive months; or

13 weeks if the state unemployed insured rate is 4% and the state has the extended benefit program in effect. 100% federal financing.

Cost

$1.1 billion over present law.

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[2] Under present law, the national trigger of 4.5 percent is not on. Therefore, only those States meeting the State trigger of 4 percent receive benefits. Less than a dozen States are paying benefits. They include California, Maine, Massachusetts, Michigan, New Jersey, New York, Oregon, Rhode Island, Vermont and Washington. If the national trigger (4.5 percent under present law and 4 percent under our proposal) is hit, people in all states will receive more benefits. Under present law they would get 13 extra weeks. Under our proposal they will get 26 more weeks.

Mr. NELSON. Mr. President, I am pleased to join Senator RIBICOFF, Senator JAVITS and my other colleagues on both sides of the aisle today to introduce emergency legislation to provide additional unemployment compensation to workers who have exhausted their weekly benefits under current State and Federal laws. This measure will make it possible for workers covered under existing unemployment insurance laws to receive up to 52 weeks of total benefits while unemployment is intolerably high.

It is clear there is an unemployment crisis in America today, and President Ford has challenged Congress to protect the American worker from the ravages of that crisis. I can assure you Congress stands ready, willing, and able to respond to that challenge.

I want especially to emphasize, Mr. President, that this bill represents just one part of the unemployment program we expect Congress to enact in the days ahead. In addition to extending benefits for previously covered workers, we expect Congress to pass legislation to enlarge the federally funded public service employment program and to extend unemployment benefits to many workers not currently covered under any State or Federal unemployment insurance program.

America is experiencing a 6-percent rate of overall unemployment and a 4 percent of insured employment. Five and one-half million workers were unemployed in October, and all analysts expect a substantial increase when the November rate is announced on Friday. Even Alan Greenspan, the President's chief economic adviser, and Treasury Secretary William Simon have now estimated that the overall rate will go to 7 percent in the weeks and months ahead.

Congress cannot stand idly by in light of these grim forecasts, while ever-increasing numbers of unemployed workers are faced with the exhaustion of every avenue of aid but welfare. If we do not act now to establish comprehensive programs of assistance, we are in for the coldest and hardest winter since the 1930's.

The measure we are introducing today would work as follows:

Workers currently covered by unemployment compensation are generally entitled to State benefits for up to 26 weeks, depending on the duration of their previous employment. Some States provide longer benefits; Wisconsin, for example, provides up to 34 weeks of regular benefits. Under a Federal-State extended benefit program enacted in 1970, workers are also entitled to up to 13 weeks of extended benefits, funded half by the State and half by the Federal Government, if insured unemployment in their State exceeds 4 percent, or if national insured unemployment exceeds 4.5 percent.

As a general rule, insured unemployment lags behind the overall national unemployment rate computed by the Bureau of Labor Statistics by 2 percentage points—that is, an overall national unemployment rate of 6 percent would more or less equal an insured rate of 4 percent.

The effect of this legislation would be to lower from 4.5 to 4 percent the national rate of insured unemployment that would trigger "on" the extended program as it currently exists and to add to that program a special 13-week emergency assistance program, which would also trigger "on" at 4 percent national or 4 percent statewide insured unemployment.

Workers currently covered by unemployment insurance programs would therefore be eligible for up to 26 more weeks or benefits when they exhaust their regular State benefits, so long as national or statewide insured unemployment remains above 4 percent.

The Labor Department has estimated that the bill's 4-percent national insured unemployment standard would be met by early January at the latest. Therefore, I urge my colleagues in both Houses to enact this bill, as well as the other measures we expect soon to bring before you with the swiftness required by the gravity of the crisis ahead.

Mr. JAVITS. Mr. President, last October the President addressed a joint session of Congress and presented a series of proposals designed to deal wtih the current economic crisis. This past Monday at his press conference the President exhorted the Congress to act promptly on these proposals.

In the weeks since the President made his initial proposals the Committee on Labor and Public Welfare, of which I am ranking minority member, has turned its full attentions to consideration of his proposals to aid the unemployed. In the meantime, the Nation's economic condition has continued to worsen. In particular, unemployment continues to spiral to unconscionable levels with no end yet in sight.

The program that I and other Senators are proposing here today would provide long-term unemployed workers with as much as 52 weeks of unemployment compensation benefits. It would create a new program of special unemployment benefits for workers who exhaust their rights to regular and extended (Federal) unemployment compensation benefits. This program, entirely federally financed, would trigger "on" in all States when the national insured unemployment rate reaches 4 percent or more (approximately 6 percent total (for 3 consecutive months. It could also be triggered on in individual States if their insured unemployment rate averages 4 percent or more for 13 consecutive weeks. Current estimates indicate that the 4 percent national trigger level would be reached on or about January 1 of next year.

This program would also continue the temporary waiver of the "120 percent" trigger requirement of the Federal-State extended unemployment benefits program through December of 1976. This waiver eliminates the requirement that a State have an insured unemployment rate that is 20 percent higher than its rate for the corresponding month for the previous 2 years. The State trigger on the extended benefits program would thus continue as an insured unemployment rate of 4 percent. This waiver has been enacted by the Congress several times in the past 2 years at the urging of myself and Senator RIBICOFF.

The President has proposed two new programs to deal with the problems of high and continuing unemployment. While the Labor and Public Welfare Committee will continue to study these proposals, it is vital that we provide immediate relief for workers who are suffering from long term unemployment. The program that we are proposing today has two distinct advantages over the special unemployment program presented by the President. First, this program would continue automatically if needed until December of 1976, as opposed to the cutoff date in the President's proposal of December 1975. Without program we can provide some measure of income security to those workers who will continue to become unemployed if the Nation's economic condition does not recover by the end of next year. All economic forecasts indicate, sadly, that it is unrealistic to expect any significant relief from the serious inflation and unemployment problems with which we are now plagued before 1976. Second, the program I am proposing relies on trigger mechanisms, and builds upon unemployment compensation programs already in existence, rather than creating an entirely new program.

As critical as is this legislation, it does not go far enough. There are many serious deficiencies in the basic Federal-State unemployment insurance system. For example, more than 10 million workers in the United States are not covered by the present system, and other inequities exist with respect to qualifications for benefits, benefit durations, benefit levels and other areas. For this reason the Labor and Public Welfare Committee is giving urgent consideration to additional legislation to provide basic unemployment payments on a federally-financed basis to those workers not protected by the existing system.

I am also hopeful that there will be quick action on legislation (S. 4079) which I and Senator NELSON have previously introduced, which would infuse an aggregate of $4.0 billion for more than 500,000 public service jobs. These additional job creation resources would supplement the $1.1 billion made available since June for 170,000 public service jobs.

For this Congress to adjourn without taking action to provide some measure of relief for the thousands of long-term unemployed who are the innocent victims of our worsening economic situation would be unconscionable. I am pleased that so many of my colleagues have joined in cosponsoring this legislation and hope that it will receive our most immediate attention.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I offer an amendment at the request of the administration and ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 11, line 3 after "of", insert:

"But only with respect to compensation that would not have been payable if the State law's provisions as to the State 'on' and 'off' indicators omitted the 120 percent factor as provided for by P.L. 93-368 and by Sec. 106 of this Act."

Mr. CURTIS. Mr. President, I will make a very brief statement. It is my hope that perhaps the manager of the bill can accept this and take it to conference.

As presently drawn H.R. 17597 gives each State the authority to reduce its national trigger from 4.5 to 4 percent and assures States that, if they do so, extended benefits paid by reason of the change will be 100 percent reimbursed to them by the Federal Government instead of 50 percent as is normally the case with Federal-State extended benefits. The bill also continues the authority to States to disregard the 120-percent factor in their State "on" and "off" indicators beyond the April 30, 1975, expiration date provided by Public Law 93-368 until December 31, 1976. Unless provision is made to require States to exercise that waiver as a condition for receiving 100-percent reimbursement for extended benefits that they pay under a 4-percent national trigger, some States may either fail to exercise their authority to waive the 120-percent factor or rescind their existing waivers. The result could be that, in the absence of such waiver, some States will not be paying extended benefits when they could be—at a time when their own insured unemployment rates exceed 4 percent—but do not meet the 120-percent requirement—and the national insured unemployment rate has reached the point where it has triggered off nationwide payment of extended benefits. In such cases, unemployment workers could not receive the protection this legislation is intended to provide—extended and emergency benefits when they have exhausted regular benefits.

Mr. RIBICOFF. Mr. President, this is a technical correction and I am pleased to accept the amendment.

Mr. JAVITS. Will the Senator yield?

Mr. CURTIS. I am happy to yield to the Senator.

Mr. JAVITS. Mr. President, the amendment is acceptable to me, as well. It is essential.

The PRESIDING OFFICER (Mr. BIDEN). The question is on agreeing to the amendment of the Senator from Nebraska (Mr. CURTIS).

The amendment was agreed to.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

Mr. President, this bill is essential to complete the legislative package upon which we are in conference right now and will be most of the night; unemployment compensation, for those who are not now encompassed within the Federal-State system and public service jobs.

This urgently needed bill, the Emergency Unemployment Compensation Act of 1974, is a critical component of the congressional response to the present dismal condition of the economy, and particularly to rapidly rising levels of unemployment. I urge every one of my colleagues to support it.

For several years I have been deeply concerned about the inability of our existing Federal-State unemployment insurance system to respond to the needs of the unemployed during periods of high and prolonged unemployment. The legislation now before the Senate would establish a program of emergency unemployment compensation to provide up to 13 weeks of additional unemployment insurance benefits to workers who have exhausted their rights to regular and extended unemployment compensation. It would, in addition, make several temporary changes in the Federal-State extended unemployment compensation program which are very badly needed.

Last October, the President addressed a joint session of Congress and presented a series of proposals designed to deal with the high and rising unemployment which has accompanied our current economic crisis. In the weeks since that address, the Committee on Labor and Public Welfare, of which I am the ranking minority member, has turned its full attention to those proposals. Just last week the Senate passed by an overwhelming vote of 78 to 13 a bill, the Special Employment Assistance Act, S. 4079, which, in combination with the proposal now before us, will constitute an improvement of the unemployment proposal presented by the administration.

The bill before the Senate now is virtually identical to legislation I introduced last week with Senators RIBICOFF and NELSON along with 33 other Senators. This bill would provide long-term unemployed workers with as much as 52 weeks of unemployment compensation benefits. It would create a new program of special unemployment benefits for workers who had exhausted their rights to regular and Federal-State extended unemployment compensation benefits.

This program, entirely federally financed, would trigger "on" in all States when the national insured unemployment rate equalled or exceeded 4 percent—equal to approximately 6 percent total unemployment—for 3 consecutive months. It could also be triggered on in individual States if their insured unemployment rates averaged 4 percent insured or more for 13 consecutive weeks. Current estimates indicate that the national trigger level will be reached on or about January 1 of next year.

This bill would also continue the waiver of the 120 percent requirement in the State trigger of the Federal-State Extended Unemployment Benefits program through December of 1976. This waiver eliminates the requirement that a State have an insured unemployment rate 20 percent higher than its rate for the corresponding months of the previous 2 years. The State trigger on the extended benefits program would thus continue as an insured unemployment rate of 4 percent. This waiver has been enacted by the Congress several times in the past 2 years at my urging and that of my colleagues from Connecticut (Mr. RIBICOFF) and from California (Mr. TUNNEY). In addition, the bill would allow the States to provide extended benefits when the national trigger reaches 4.0 percent—insured unemployment—rather than the current 4.5 percent in the permanent legislation. This would permit all States, regardless of their State unemployment rates, to begin paying extended benefits, in addition to the new special benefit program, on or about January 1 of next year.

The program before us today has two distinct advantages over the special unemployment program proposed by the President. First, the program would continue automatically, if needed, until December 1976, as opposed to the cutoff date in the President's proposal of December 1975. This program will therefore provide some measure of income security to those workers who will continue to become unemployed if the Nation's economic condition does not recover by the end of next year. Sadly, economic forecasts generally indicate that it is unrealistic to expect relief from the serious inflation and unemployment problems with which we are now plagued before the end of 1975. Second, the program that is before us today relies on trigger mechanisms and builds upon the unemployment insurance programs already in place, rather than creating an entirely new program. As proposed in this bill, the program would have trigger and eligibility requirements identical with the Federal-State extended unemployment insurance program.

In addition, I would point out that this bill is in consonance with the programs recommended this week by the Republican Conference. That recommendation reads:

> Temporary program of Federally financed income replacement payments for unemployed workers should be established. We recommend reenactment of the Emergency Unemployment Compensation Program to make it apply nationally in January; and a supplemental program of up to 26 weeks of benefits for unemployed workers in high unemployment areas who are ineligible under the existing unemployment insurance system.

It is good that the Congress has been able to respond so quickly to the urgent needs of the unemployed during this economic crisis. I hope all of my colleagues will join me in voting in favor of this legislation and sending it on to the President for his signature.

I would add only one word of caution to my colleagues. As I have indicated, we can justly be proud of our speedy efforts at initiating this stop-gap legislation to patch up the unemployment insurance system. It is, however, only a patch on a system that is unable to meet the needs of our times. This represents the sixth time in the past 2 years that the Senate has been forced to turn its attention to the unemployment insurance laws for the purpose of applying one patch or another. I would hope that with the enactment of these emergency programs, which should suffice at least through the end of next year, the appropriate committees in this body and in the House will turn their full attentions to the long overdue reforms of the unemployment insurance laws.

Mr. LONG. Mr. President, the national unemployment rate in November rose to 6.5 percent, the highest rate in 13 years. Most estimates project continued high unemployment during 1975. Under these circumstances, it is appropriate that the Congress act again to improve unemployment benefits.

Under normal economic circumstances, unemployed workers in most States are eligible to receive 26 weeks of benefits. Under legislation enacted by the Congress in 1970, workers are eligible for an additional 13 weeks of extended unemployment benefits if the unemployment rate is sufficiently high either nationally or in the unemployed worker's State. The theory of the extended benefit program is that during times of high unemployment, an unemployed worker will find it more difficult to find another job and will require more time to do so.

For a little more than a year during 1972 and 1973, benefits were payable in States with especially high unemployment for 13 weeks in addition to the 26 weeks of regular benefits and 13 weeks of extended benefits. These additional benefits were made available under a provision introduced by Senator MAGNUSON.

The Emergency Unemployment Compensation Act now being considered by the Senate builds on the precedents of existing law. It contains two parts. First, a State would be given the option for a temporary period to pay the first 13 weeks of extended benefits on the basis of a national insured unemployment rate of 4 percent.

Under present law States must pay extended benefits with 50 percent matching if the national insured unemployment rate exceeds 4.5 percent for 3 months in a row. An insured unemployment rate of 4.5 percent corresponds roughly to an overall 6.5 percent unemployment rate.

It is now projected that the insured unemployment rate will exceed 4.5 percent for the months of December, January, and February, which will mean that under existing law extended benefits will have to be paid in every State beginning in March. Under H.R. 17597 States will be able to pay extended benefits if the national insured unemployment rate exceeds 4 percent, rather than 4.5 percent, for 3 consecutive months. Under this provision every State will be able to pay extended unemployment benefits beginning in January. To insure that there is no fiscal reason preventing States from paying these benefits, the Federal Government will pay 100 percent of the additional cost associated with this provision in the bill. It is estimated that under this provision an additional $200 million in federally funded extended benefits will be paid to unemployed workers in 1975.

The bill also extends through December 1976 the authority for the States to pay extended benefits on the basis of a State-insured unemployment rate of 4 percent even if the national insured unemployment rate dips below that level. Under existing law, States could pay benefits on this basis after April 1975 only if their rate of insured unemployment is at least 20 percent higher than during the prior 2 years.

The second part of the bill provides an additional 13 weeks of emergency unemployment benefits in any State paying extended benefits.

Under this provision, workers who exhaust their 26 weeks of regular State unemployment benefits and their 13 weeks of Federal-State extended benefits would be eligible for up to 13 more weeks of emergency benefits. These would be fully funded from the Federal extended benefits account in the unemployment trust fund. As necessary to cover the cost of the program, appropriations would be authorized from the general fund of the Treasury in the form of repayable advances to the extended benefits account; $900 million in federally funded unemployment benefits to about 1,350,000 unemployed workers weekly during 1975.

Mr. President, we have followed the unusual procedure of not referring this major legislation to Committee in order to insure that benefits can be paid to unemployed workers beginning in January. Because this bill does build on the precedents of existing law and utilize the machinery of the present regular and extended benefit programs, it should be possible to have the benefits it provides available to unemployed workers very soon after enactment. But some leadtime will be needed to make such modifications as are necessary in the existing machinery. For this reason, we are hopeful that the Senate will agree to act on this bill so that it can become law as soon as possible. Although the bill has not been referred to the Committee on Finance, the committee has discussed it and finds no reason why it cannot be accepted in the form in which it was passed by the House of Representatives. The substance of the bill is virtually identical to a measure recently introduced by Senators RIBICOFF, NELSON, JAVITS, and a number of other Senators. I want to commend these Senators for having worked out this measure which has achieved such a wide degree of support and which so expeditiously and effectively addresses the pressing problem of rapidly rising unemployment.

I ask unanimous consent that there be printed in the RECORD at this point a chart summarizing the provisions of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 17597—Emergency Unemployment Compensation Act of 1974

	Emergency Benefits Program	Extended Benefits Program	
	(No comparable program under existing law. A similar program was in effect in 1972.)	Present Law	H.R. 17597
Benefits	13 additional weeks for workers exhausting benefits under regular (1st 26 weeks) and extended (27th to 39th weeks) programs.	13 weeks of benefits to workers exhausting benefits under regular State unemployment benefit programs.	Same as existing law.
When in effect:	Whenever the extended benefit program is in effect. Program expires December 31, 1976.	Effective in all States when National insured unemployment rate reaches 4.5 percent for 3 months.	Effective in all States when National insured unemployment rate reaches 4 percent for 3 months.
		Must be effective in a State when insured unemployment rate in the State is 4 percent and is 20 percent higher than in 2 prior years.	Same as present law.
		Effective, at State option, when State insured unemployment rate is 4 percent even if it is not 20 percent higher than in the 2 prior years. This provision expires April 30, 1975.	Same as present law except that provision would remain applicable until December 31, 1976.
Funding	100 percent Federal funding—Paid from extended benefit account in Unemployment Trust Fund. Repayable advances to cover the cost would be made to the extended benefit account from general revenues.	50 percent Federal and 50 percent State.	Same as present law except that benefits paid solely because of lowering national trigger to 4 percent would be 100 percent Federal.
Calendar year 1975 cost of amendment	$0.9 billion.		$0.2 billion.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) be added as a cosponsor, and the Senator from Washington (Mr. JACKSON) and the Senator from New York (Mr. JAVITS).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, the House-passed unemployment compensation bill we expect to take from the calendar and pass this afternoon will provide some absolutely necessary relief for many workers who even as we talk here this afternoon are running out of benefits under State and Federal unemployment compensation laws.

The bill passed by the House is substantially identical to the bill introduced by Senator RIBICOFF, Senator JAVITS and myself just 12 days ago, with the cosponsorship of both leaders and well over one-third of our other colleagues in the Senate.

Indeed, where the House and Senate bills differ, I believe my colleagues on the Ways and Means Committee have improved the measure and therefore I urge my Senate colleagues to follow the leadership of our able and respected Chairman, Senator LONG, and clear the House measure for the President's signature without further debate.

This piece of legislation is an important part of a well-orchestrated congressional response to the needs of the

Nation at a time of economic distress and insecurity. It is part of a comprehensive unemployment package that has been in the making since before the congressional election recess. This package has emerged from a virtually nonstop process of negotiation and analysis in both Houses which began with hearings in the first week following the introduction of the administration bill. These measures have involved the administration, various Senate and House committees, the Department of Labor and numerous citizens organizations.

In addition to the bill before us this afternoon, both Houses have passed a substantial public service jobs bill and legislation that will extend unemployment compensation type benefits to all employees who are not covered by existing plans, with no additional burden on State or local taxes. We expect a conference report on those measures to be available quickly.

Workers currently covered by unemployment compensation are generally entitled to State benefits for up to 26 weeks, depending on the duration of their previous employment. Some States provide longer benefits; Wisconsin, for example, provides up to 34 weeks of regular benefits. Under a Federal-State extended benefit program enacted in 1970, workers are also entitled to up to 13 weeks of extended benefits, funded half by the State and half by the Federal Government, if insured unemployment in their State exceeds 4 percent, or if national insured unemployment exceeds 4.5 percent.

As a general rule, insured unemployment lags behind the overall national unemployment rate computed by the Bureau of Labor Statistics by two percentage points— that is, an overall national unemployment rate of 6 percent would more or less equal an insured rate of 4 percent.

The effect of this legislation would be to lower from 4.5 to 4 percent the national rate of insured unemployment that would trigger "on" the extended program as it currently exists and to add to that program a special 13-week emergency assistance program, which would also trigger "on" at 4-percent national or 4-percent statewide insured unemployment.

Workers currently covered by unemployment insurance programs would therefore be eligible for up to 26 more weeks of benefits when they exhaust their regular State benefits, so long as national or statewide insured unemployment remains above 4 percent.

The Labor Department has estimated that the bill's 4 percent national insured unemployment standard would be met by January at the latest. It is therefore extremely important that we pass this legislation today, so that the Labor Department can adequately prepare to meet the needs of our unemployed workers.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote of the day.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Utah Mr. MOSS), the Senator from California (Mr. TUNNEY), the Senator from Texas (Mr. BENTSEN), and the Senator from Nevada (Mr. BIBLE) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The result was announced—yeas 84, nays 0, as follows:

[No. 557 Leg.]

YEAS—84

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—0

NOT VOTING—16

Bellmon
Bentsen
Bible
Buckley
Dominick
Eagleton
Fulbright
Goldwater
Hathaway
Hughes
Mansfield
McGovern
Moss
Percy
Tunney
Weicker

So the bill (H.R. 17597) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ABOUREZK. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The motion to table was agreed to.

Several Senators addressed the Chair.

AMERICAN INDIAN POLICY REVIEW COMMISSION

Mr. ABOUREZK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 133.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 133) to provide for the establishment of the American Indian Policy Review Commission as follows:

Strike out all after the resolving clause, and insert: *That—*

(a) In order to carry out the purposes described in the preamble hereof and as further set out herein, there is hereby created the American Indian Policy Review Commission, hereinafter referred to as the "Commission".

(b) The Commission shall be composed of eleven members, as follows:

(1) three Members of the Senate appointed by the President pro tempore of the Senate, two from the majority party and one from the minority party:

(2) three Members of the House of Representatives appointed by the Speaker of the House of Representatives, two from the majority party and one from the minority party; and

(3) five Indian members as provided in subsection (c) of this section.

(c) At its organization meeting, the members of the Commission appointed pursuant to section (b)(1) and (b)(2) of this section shall elect from among their members a Chairman and a Vice Chairman. Immediately thereafter, such members shall select, by majority vote, five Indian members of the Commission from the Indian community, as follows:

(1) three members shall be selected from Indian tribes that are recognized by the Federal Government;

(2) one member shall be selected to represent urban Indians; and

(3) one member shall be selected who is a member of an Indian group not recognized by the Federal Government.

None of the Indian members shall be employees of the Federal Government during their term of service on the Commission nor shall there be more than one member from any one Indian tribe.

(d) Vacancies in the membership of the Commission shall not affect the power of the remaining members to execute the functions of the Commission and shall be filled in the same manner as in the case of the original appointment.

(e) Six members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings: *Provided*, That at least one congressional member must be present at any Commission hearing.

(f) Members of the Congress who are members of the Commission shall serve without any compensation other than that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(g) The Indian members of the Commission shall receive $100 for each day such members are engaged in the actual performance of duties vested in the Commission. Each such member shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as shall be provided from time to time by regulations adopted by the Committee on House Administration of the United States House of Representatives.

SEC. 2. It shall be the duty of the Commission to make a comprehensive investigation and study of Indian affairs and the scope of such duty shall include, but shall not be limited to—

(1) a study and analysis of the Constitution, treaties, statutes, judicial interpretations, and Executive orders to determine the attributes of the unique relationship between the Federal Government and Indian tribes and the land and other resources they possess;

(2) a review of the policies, practices, and structure of the Federal agencies charged with protecting Indian resources and providing services to Indians: Provided, That such review shall include a management study of the Bureau of Indian Affairs utilizing experts from the public and private sector;

(3) an examination of the statutes and procedures for granting Federal recognition and extending services to Indian communities and individuals;

(4) the collection and compilation of data necessary to understand the extent of Indian needs which presently exist or will exist in the near future;

(5) an exploration of the feasibility of alternative elective bodies which could fully represent Indians at the national level of Government to provide Indians with maximum participation in policy formation and program development;

(6) a consideration of alternative methods to strengthen tribal government so that the tribes might fully represent their members and, at the same time, guarantee the fundamental rights of individual Indians; and

(7) the recommendation of such modification of existing laws, procedures, regulations, policies, and practices as will, in the judgment of the Commission, best serve to carry out the policy and declaration of purposes as set out above.

POWERS OF THE COMMISSION

SEC. 3. (a) The Commission or, on authorization of the Commission, any committee of two or more members is authorized, for the purposes of carrying out the provisions of this resolution, to sit and act at such places and times during the sessions, recesses, and adjourned period of Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable. The Commission may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Commission unless a majority of the Commission assent. Upon the authorization of the Commission subpenas may be issued over the signature of the Chairman of the Commission or of any member designated by him or the Commission, and may be served by such person or persons as may be designated by such Chairman or member. The Chairman of the Commission or any member thereof may administer oaths or affirmations to witnesses.

(b) The provisions of sections 192 through 194, inclusive, of title 2, United States Code, shall apply in the case of any failure of any witness to comply with any subpena when summoned under this section.

(c) The Commission is authorized to secure from any department, agency, or instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this resolution and each such department, agency, or instrumentality is authorized and directed to furnish such information to the Commission and to conduct such studies and surveys as may be requested by the Chairman or the Vice Chairman when acting as Chairman.

(d) If the Commission requires of any witness or of any Government agency the production of any materials which have therefore been submitted to a Government agency on a confidential basis, and the confidentiality of those materials is protected by statute, the material so produced shall be held in confidence by the Commission.

INVESTIGATING TASK FORCES

SEC. 4. (a) As soon as practicable after the organization of the Commission, the Commission shall, for the purpose of gathering facts and other information necessary to carry out its responsibilities pursuant to section 2 of this resolution, appoint investigating task forces to be composed of three persons, a majority of whom shall be of Indian descent. Such task forces shall be appointed and directed to make preliminary investigations and studies in the various areas of Indian affairs, including, but not limited to—

(1) trust responsibility and Federal-Indian relationship, including treaty review;

(2) tribal government;

(3) Federal administration and structure of Indian affairs;

(4) Federal, State, and tribal jurisdiction;

(5) Indian education;

(6) Indian health;

(7) reservation development;

(8) urban, rural nonreservation, terminated, and nonfederally recognized Indians; and

(9) Indian law revision, consolidation, and codification.

(b)(i) Such task forces shall have such powers and authorities, in carrying out their responsibilities, as shall be conferred upon them by the Commission, except that they shall have no power to issue subpenas or to administer oaths or affirmations: *Provided*, That they may call upon the Commission of any committee thereof, in the Commission's discretion, to assist them in securing any testimony, materials, documents, or other information necessary for their investigation and study.

(ii) The Commission shall require each task force to provide written quarterly reports to the Commission on the progress of the task force and, in the discretion of the Commission, an oral presentation of such report. In order to insure the correlation of data in the final report and recommendations of the Commission, the Director of the Commission shall coordinate the independent efforts of the task force groups.

(c) The Commission may fix the compensation of the members of such task forces at a rate not higher than the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, and they shall be reimbursed for travel expenses, including per diem, as provided in section 1(g) of this resolution.

(d) The Commission shall insure that, out of funds appropriated by this Act, the task forces are provided with adequate staff support to carry out the projects assigned to them.

(e) Each task force appointed by the Commission shall, within one year from the date of appropriation of funds pursuant to section 7 of this resolution, submit to the Commission its final report of investigation and study, together with recommendations thereon.

REPORT OF THE COMMISSION

SEC. 5. Upon the report of the task forces made pursuant to section 4 hereof, the Commission shall review and compile such reports, together with its independent findings, into a final report. Within six months after the reports of the investigating task forces, the Commission shall submit its final report, together with recommendations thereon, to the President of the Senate and the Speaker of the House of Representatives. The Commission shall cease to exist six months after submission of said final report. All records and papers of the Commission shall thereupon be delivered to the Administrator of the General Services Administration for deposit in the Archives of the United States.

(b) Any recommendations of the Commission involving the enactment of legislation shall be referred by the President of the Senate or the Speaker of the House of Representatives to the appropriate standing committee of the Senate and House of Representatives, respectively, and such committees shall make a report thereon to the respective house within two years of such referral.

COMMISSION STAFF

SEC. 6. (a) The Commission shall, by record vote of a majority of the Commission members, appoint a Director of the Commission, a General Counsel, one additional professional staff member, and three clerical staff members. The Commission shall prescribe the duties and responsibilities of such staff members and fix their pay at respective per annum gross rates not in excess of the highest rate of basic pay, as in effect from time to time, of the General Schedule of section 5332 of title 5, United States Code.

(b) In carrying out any of its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government, and to procure, if not otherwise provided for herein, the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary traveltime.

(c) Any individual serving as a member of an investigating task force, or any attorney or expert in any job or professional field employed by the Commission on a part-time or full-time basis with or without compensation, shall, while engaged in such service or employment, be deemed a "special Government employee" within the meaning of section 202 and the following of title 18, United States Code.

SEC. 7. There is hereby authorized to be appropriated a sum not to exceed $2,500,000 to carry out the provisions of this resolution. The expenses of the Commission shall be paid from the contingent fund of the House of Representatives from funds appropriated for the Commission, upon vouchers approved by the chairman.

Strike out the preamble, and insert:

CONGRESSIONAL FINDINGS

The Congress, after careful review of the Federal Government's historical and special legal relationship with American Indian people, finds that—

(a) the policy implementing this relationship has shifted and changed with changing administrations and passing years; without apparent rational design and without a consistent goal to achieve Indian self-sufficiency;

(b) there has been no general comprehensive review of conduct of Indian affairs by the United States nor a coherent investigation of the many problems and issues involved in the conduct of Indian affairs since the 1928 Meriam Report conducted by the Institute for Government Research; and

(c) in carrying out its responsibilities under its plenary power over Indian affairs, it is imperative that the Congress now cause such a comprehensive review of Indian affairs be conducted.

DECLARATION OF PURPOSE

Congress declares that it is timely and essential to conduct a comprehensive review of the historical and legal developments underlying the Indians' unique relationship with the Federal Government in order to determine the nature and scope of necessary revisions in the formulation of policies and programs for the benefit of Indians.

Mr. ABOUREZK. Mr. President, the amendment to the House to Senate Joint Resolution 133 relates to the administrative provisions of the legislation, are technical and clarifying in nature, and in most cases improve the Senate bill.

However, there are two substantive modifications made by the House which the Committee on Interior and Insular Affairs believes should be amended. Because the resolution originated in the Senate, the sponsor of the resolution feels that the funds for the Commission should be appropriated and administered by the Senate instead of the House, as provided for in the House amendment.

One of the other amendments I am proposing would delete section 6(c) which deals with conflict of interest of temporary or part-time employees of the Commission. The reason for such deletion is the fact that under the Senate rules all potential consultants have to be screened by the Committee on Rules and Administration, and therefore it is felt that such a provision is unnecesary and would only add additional burdens to the Senate Disbursing Office.

Both of these amendments, together with some other technical and clarifying modifications, have been aproved by both the majority and minority members of the Committee on Interior and Insular Affairs, the sponsors of the legislation, and I understand are acceptable to the leadership of the House Interior Committee. I now offer these changes as an amendment in the nature of a substitute.

Mr. President, I move that the Senate concur in the amendment of the House with an amendment.

The motion was agreed to.

The amendment is as follows:

Strike out all after the resolving clause, and insert: That—

(a) In order to carry out the purposes described in the preamble hereof and as further set out herein, there is hereby created the American Indian Policy Review Commission, hereinafter referred to as the "Commission".

(b) The Commission shall be composed of eleven members, as follows:

(1) three Members of the Senate appointed by the President pro tempore of the Senate, two from the majority party and one from the minority party;

(2) three Members of the House of Representatives appointed by the Speaker of the House of Representatives, two from the majority party and one from the minority party; and

(3) five Indian members as provided in subsection (c) of this section.

(c) At its organization meeting, the members of the Commission appointed pursuant to section (b)(1) and (b)(2) of this section shall elect from among their members a Chairman and a Vice Chairman. Immediately thereafter, such members shall select, by majority vote, five Indian members of the Commission from the Indian community, as follows:

(1) three members shall be selected from Indian tribes that are recognized by the Federal Government;

(2) one member shall be selected to represent urban Indians; and

(3) one member shall be selected who is a member of an Indian group not recognized by the Federal Government.

None of the Indian members shall be employees of the Federal Government concurrently with their term of service on the Commission nor shall there be more than one member from any one Indian tribe.

(d) Vacancies in the membership of the Commission shall not affect the power of the remaining members to execute the functions of the Commission and shall be filed in the same manner as in the case of the original appointment.

(e) Six members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings: *Provided*, That at least one congressional member must be present at any Commission hearing.

(f) Members of the Congress who are members of the Commission shall serve without any compensation other than that received for their services as Members of Congress, but they may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(g) The Indian members of the Commission shall receive compensation for each day such members are engaged in the actual performance of duties vested in the Commission at a daily rate not to exceed the daily equivalent of the maximum annual compensation that may be paid to employees of the U.S. Senate generally. Each such member may be reimbursed for travel expenses, including per diem in lieu of subsistence.

SEC. 2. It shall be the duty of the Commission to make a comprehensive investigation and study of Indian affairs and the scope of such duty shall include, but shall not be limited to—

(1) a study and analysis of the Constitution, treaties, statutes, judicial interpretations, and Executive orders to determine the attributes of the unique relationship between the Federal Government and Indian tribes and the land and other resources they possess;

(2) a review of the policies, practices, and structure of the Federal agencies charged with protecting Indian resources and providing services to Indians: *Provided*, That such review shall include a management study of the Bureau of Indian Affairs utilizing experts from the public and private sector;

(3) an examination of the statutes and procedures for granting Federal recognition and extending services to Indian communities and individuals;

(4) the collection and compilation of data necessary to understand the extent of Indian needs which presently exist or will exist in the near future;

(5) an exploration of the feasibility of alternative elective bodies which could fully represent Indians at the national level of Government to provide Indians with maximum participation in policy formation and program development;

(6) a consideration of alternative methods to strengthen tribal government so that the tribes might fully represent their members and, at the same time, guarantee the fundamental rights of individual Indians; and

(7) the recommendation of such modification of existing laws, procedures, regulations, policies, and practices as will, in the judgment of the Commission, best serve to carry out the policy and declaration of purposes as set out above.

POWERS OF THE COMMISSION

SEC. 3. (a) The Commission or, on authorization of the Commission, any committee of two or more members is authorized, for the purposes of carrying out the provisions of this resolution, to sit and act at such places and times during the sessions, recesses, and adjourned periods of Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable. The Commission may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Commission unless a majority of the Commission assent. Upon the authorization of the Commission subpenas may be issued over the signature of the Chairman of the Commission or of any member designated by him or the Commission, and may be served by such person or persons as may be designated by such Chairman or member. The Chairman of the Commission or any member thereof may administer oaths or affirmations to witnesses.

(b) The provisions of sections 192 through 194, inclusive, of title 2, United States Code, shall apply in the case of any failure of any witness to comply with any subpena when summoned under this section.

(c) The Commission is authorized to secure from any department, agency, or instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this resolution and each such department, agency, or instrumentality is authorized and directed to furnish such information to the Commission and to conduct such studies and surveys as may be requested by the Chairman or the Vice Chairman when acting as Chairman.

(d) If the Commission requires of any witness or of any Government agency the production of any materials which have theretofore been submitted to a Government agency on a confidential basis, and the confidentiality of those materials is protected by statute, the material so produced shall be held in confidence by the Commission.

INVESTIGATING TASK FORCES

SEC. 4. (a) As soon as practicable after the organization of the Commission, the Commission shall, for the purpose of gathering facts and other information necessary to carry out its responsibilities pursuant to section 2 of this resolution, appoint investigating task forces to be composed of three persons, a majority of whom shall be of Indian descent. Such task forces shall be appointed and directed to make preliminary investigations and studies in the various areas of Indian affairs, including, but not limited to—

(1) trust responsibility and Federal-Indian relationship, including treaty review;

(2) tribal government;

(3) Federal administration and structure of Indian affairs;

(4) Federal, State, and tribal jurisdiction;

(5) Indian education;

(6) Indian health;

(7) reservation development;

(8) urban, rural nonreservation, terminated, and nonfederally recognized Indians; and

(9) Indian law revision, consolidation, and codification.

(b) (i) Such task forces shall have such powers and authorities, in carrying out their responsibilities, as shall be conferred upon them by the Commission, except that they shall have no power to issue subpenas or to administer oaths or affirmations: *Provided,* That they may call upon the Commission or any committee thereof, in the Commission's discretion, to assist them in securing any testimony, materials, documents, or other information necessary for their investigation and study.

(ii) The Commission shall require each task force to provide written quarterly reports to the Commission on the progress of the task force and, in the discretion of the Commission, an oral presentation of such report. In order to insure the correlation of data in the final report and recommendations of the Commission, the Director of the Commission shall coordinate the independent efforts of the task force groups.

(c) The Commission may fix the compensation of the members of such task forces at a rate not to exceed the daily equivalent of the highest rate of annual compensation that may be paid to employees of the United States Senate generally.

(d) The Commission shall, pursuant to section 6, insure that the task forces are provided with adequate staff support, in addition to that authorized under section 6(a), to carry out the projects assigned to them.

(e) Each task force appointed by the Commission shall, within one year from the date of the appointment of its members, submit to the Commission its final report of investigation and study together with recommendations thereon.

REPORT OF THE COMMISSION

SEC. 5. Upon the report of the task forces made pursuant to section 4 hereof, the Commission shall review and compile such reports, together with its independent findings, into a final report. Within six months after the reports of the investigating task forces, the Commission shall submit its final report, together with recommendations thereon, to the President of the Senate and the Speaker of the House of Representatives. The Commission shall cease to exist six months after submission of said final report but not later than June 30, 1977. All records and papers of the Commission shall thereupon be delivered to the Administrator of the General Services Administration for deposit in the Archives of the United States.

(b) Any recommendation of the Commission involving the enactment of legislation shall be referred by the President of the Senate or the Speaker of the House of Representatives to the appropriate standing committee of the Senate and House of Representatives, respectively, and such committees shall make a report thereon to the respective house within two years of such referral.

COMMISSION STAFF

SEC. 6 (a) The Commission may by record vote of a majority of the Commission members, appoint a Director of the Commission, a General Counsel, one professional staff member, and three clerical assistants. The Commission shall prescribe the duties and responsibilities of such staff members and fix their compensation at per annum gross rates not in excess of the per annum rates of compensation prescribed for employees of standing committees of the Senate.

(b) In carrying out any of its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the Executive departments and agencies of the Government, and to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of compensation not in excess of the daily equivalent of the highest per annum rate of compensation that may be paid to employees of the Senate generally.

SEC. 7. There is hereby authorized to be appropriated a sum not to exceed $2,500,000 to carry out the provisions of this resolution. Until such time as funds are appropriated pursuant to this section, salaries and expenses of the Commission shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman. To the extent that any payments are made from the contingent fund of the Senate prior to the time appropriation is made, such payments shall be chargeable against the maximum amount authorized herein.

Strike out the preamble, and insert:

CONGRESSIONAL FINDINGS

The Congress, after careful review of the Federal Government's historical and special legal relationship with American Indian people, finds that—

(a) the policy implementing this relationship has shifted and changed with changing administrations and passing years, without apparent rational design and without a consistent goal to achieve Indian self-sufficiency.

(b) there has been no general comprehensive review of conduct of Indian affairs by the United States nor a coherent investigation of the many problems and issues involved in the conduct of Indian affairs since the 1928 Meriam Report conducted by the Institute for Government Research; and

(c) in carrying out its responsibilities under its plenary power over Indian affairs, it is imperative that the Congress now cause such a comprehensive review of Indian affairs be conducted.

DECLARATION OF PURPOSE

Congress declares that it is timely and essential to conduct a comprehensive review of the historical and legal developments underlying the Indians' unique relationship with the Federal Government in order to determine the nature and scope of necessary revisions in the formulation of policies and programs for the benefit of Indians.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the preamble to Senate Joint Resolution 133 be agreed to.

The preamble was agreed to.

NATIONAL HEALTH POLICY, PLANNING, AND RESOURCES DEVELOPMENT ACT OF 1974

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2994.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate the amendment of the House of Representatives to the bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Health Policy, Planning, and Resources Development Act of 1974".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Revision of health planning programs under the Public Health Service Act.

"TITLE XIV—NATIONAL HEALTH POLICY AND HEALTH PLANNING

"PART A—NATIONAL COUNCIL FOR HEALTH POLICY

"Sec. 1401. Establishment of National Council for Health Policy.
"Sec. 1402. Functions of National Council for Health Policy.
"Sec. 1403. National health priorities.

"PART B—HEALTH SYSTEMS AGENCIES

"Sec. 1411. Health service areas.
"Sec. 1412. Health systems agencies.
"Sec. 1413. Functions of health systems agencies.
"Sec. 1414. Assistance to entities desiring to be designated as health systems agencies.
"Sec. 1415. Designation of health systems agencies.
"Sec. 1416. Planning grants.

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"Sec. 1421. Designation of State Health planning and development agencies.
"Sec. 1422. State administrative program.
"Sec. 1423. State health planning and development functions.
"Sec. 1424. Statewide Health Coordinating Council.
"Sec. 1425. Grants for State health planning and development.

"PART D—GENERAL PROVISIONS

"Sec. 1431. Definitions.
"Sec. 1432. Procedures and criteria for reviews of proposed health system changes.
"Sec. 1433. Technical assistance for health systems agencies and State health planning and development agencies.
"Sec. 1434. Centers for health planning.
"Sec. 1435. Review by the Secretary.
"Sec. 1436. Special provisions for the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa."
Sec. 4. Revision of health resources development programs under the Public Health Service Act.

"TITLE XV—HEALTH RESOURCES DEVELOPMENT

"PART A—PURPOSE, STATE PLAN, AND PROJECT APPROVAL

"Sec. 1501. Purpose.
"Sec. 1502. General regulations.
"Sec. 1503. State medical facilities plan.
"Sec. 1504. Approval of projects.

"PART B—ALLOTMENTS

"Sec. 1510. Allotments.
"Sec. 1511. Payments from allotments.
"Sec. 1512. Withholding of payments from allotments.
"Sec. 1513. Authorization of appropriations.
"Sec. 1514. Special provisions for American Indians.

"PART C—LOANS AND LOAN GUARANTEES

"Sec. 1520. Authority for loans and loan guarantees.
"Sec. 1521. Allocation among States.
"Sec. 1522. General provisions relating to loan guarantees and loans.

"PART D—GENERAL PROVISIONS

"Sec. 1530. Judicial review.
"Sec. 1531. Recovery.
"Sec. 1532. Federal Hospital Council.
"Sec. 1533. State control of operations.
"Sec. 1534. Definitions.
"Sec. 1535. Financial statements.

"PART E—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"Sec. 1540. Area health services development funds."
Sec. 5. *Miscellaneous* and transitional provisions.
Sec. 6. Advisory committees.
Sec. 7. Agency reports.

FINDINGS

SEC. 2. (a) The Congress makes the following findings:

(1) The achievement of equal access to quality health care at a reasonable cost is a priority of the Federal Government.

(2) The massive infusion of Federal funds into the existing health care system has contributed to inflationary increases in the cost of health care and failed to produce an adequate supply or distribution of health resources, and consequently has not made possible equal access for everyone to such resources.

(3) The many and increasing responses to these problems by the public sector (Federal, State, and local) and the private sector have not resulted in a comprehensive, rational approach to the present—

(A) lack of uniformly effective methods of delivering health care;

(B) maldistribution of health care facilities and manpower; and

(C) increasing cost of health care.

(4) Increases in the cost of health care, particularly of hospital stays, have been uncontrollable and inflationary, and there are presently inadequate incentives for the use of appropriate alternative levels of health care, and for the substitution of ambulatory and intermediate care for inpatient hospital care.

(5) Since the health care provider is one of the most important participants in any health care delivery system, health policy must address the legitimate needs and concerns of the provider if it is to achieve meaningful results; and, thus, it is imperative that the provider be encouraged to play an active role in developing health policy at all levels.

(6) Large segments of the public are lacking in basic knowledge regarding proper personal health care and methods for effective use of available health services.

(b) In recognition of the magnitude of the problems described in subsection (a) and the urgency placed on their solution, it is the purpose of this Act to facilitate the development of recommendations for a national health policy, to augment areawide and State planning for health services, manpower, and facilities, and to authorize financial assistance for the development of resources to further that policy.

REVISION OF HEALTH PLANNING PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XIV—NATIONAL HEALTH POLICY AND HEALTH SYSTEMS PLANNING

"PART A—NATIONAL COUNCIL FOR HEALTH POLICY

"ESTABLISHMENT OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1041. (a) The Secretary shall establish a National Council for Health Policy (hereinafter in this title referred to as the 'Council').

"(b)(1) The Council shall be composed of fifteen members who shall be appointed by the Secretary. The members shall be persons who, as a result of their training, experience, or attainments, are exceptionally well qualified to assist in carrying out the functions of the Council. Not less than five of the members shall be persons who are not providers of health care and not more than three shall be officers or employees of the Federal Government. Not more than eight members of the Council shall be of the same political party.

"(2) The term of office of a member of the Council shall be six years, except that—

"(A) of the members first appointed to the Council, five shall be appointed for terms of two years and five shall be appointed for terms of four years, as designated by the Secretary at the time of appointment; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

A member may serve after the expiration of his term until his successor has taken office.

"(3) The Chairman of the Council shall be selected by the members from among their number. The term of office of the Chairman of the Council shall be the lesser of three years or the period remaining in his term of office as a member of the Council.

"(c)(1) Except as provided in paragraph (2), the members of the Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

"(2) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Council.

"(3) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(d) The Council may appoint, fix the pay of, and prescribe the functions of, such personnel, including attorneys, as are necessary to carry out its functions. In addition, the Council may procure the services of experts and consultants as authorized by section 3109 of title 5, United States Code, but without regard to the last sentence of such section.

"(e) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply to the Council.

"FUNCTIONS OF NATIONAL COUNCIL FOR HEALTH POLICY

"SEC. 1402. (a) The Council shall be responsible for the following:

"(1) Developing and recommending a national health policy which shall include a quantifiable statement of national health goals developed after appropriate consideration of the priorities set forth in section 1403.

"(2) Recommending guidelines respecting the appropriate supply, distribution, and organization of health resources and services, including health education services.

"(3) Conducting studies and analyses concerning—

"(A) the recommended national health policy developed under paragraph (1); and

"(B) alternative means of achieving the goals included in the recommended national health policy, including such means as programs of housing, environmental controls, education, nutrition and accident prevention and other means which do not include the direct provision of health care services.

"(4) Assessing the status of the health of the American people, existing and proposed Federal and other health programs, and the need for particular health resources and services, including health education services.

"(5) Evaluating the implications of advances in biomedical research, health services research, and medical technology for the health care delivery system.

"(6) Analysis of the essential factors which cause inflation in the cost of health services and a determination of means of containing such inflation.

In carrying out its responsibilities under this subsection the Council shall consult with and solicit the views of the health systems agencies designated under part B, State health planning and development agencies designated under part C, and Statewide Health Coordinating Councils, and of associations and specialty societies representing medical and other health care providers.

"(b) The Council shall submit annually to the President, the Congress, and the public, a comprehensive report specifying the results of the activities undertaken by the Council to meet its responsibilities under subsection (a).

"NATIONAL HEALTH PRIORITIES

"SEC. 1403. The Congress finds that the following deserve priority consideration in the formulation of a national health policy and in the development and operation of Federal, State, and area health planning and resources development programs:

"(1) The provision of primary care services for medically underserved populations, especially those who are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices, especially those whose services are appropriately coordinated or integrated with institutional health services.

"(4) The training and increased utilization of physician assistants, especially nurse clinicians.

"(5) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The adoption of uniform cost accounting, simplified reimbursement, and utilization and reporting systems and improved management procedures for health service institutions.

"(9) The development of effective methods for educating the general public on proper personal health care and methods for effective use of available health services.

"PART B—HEALTH SYSTEMS AGENCIES

"HEALTH SERVICE AREAS

"SEC. 1411. (a) There shall be established, in accordance with this section, health service areas throughout the United States with respect to which health systems agencies shall be designated under section 1415. Each health service area shall meet the following requirements:

"(1) The area shall be a rational geographic region within which there are available a comprehensive range of health services, and which is of a character suitable for the effective planning and development of health services.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services.

"(3) The area, upon its establishment, shall have a population of not less than five hundred thousand or more than three million; except that—

"(A) the population of an area may be more than three million if the area includes a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million, and

"(B) the population of an area may—

"(i) be less than five hundred thousand if the area comprises an entire State which has a population of less than five hundred thousand, or

"(ii) be less than—

"(I) five hundred thousand (but not less than two hundred thousand) in unusual circumstances (as determined by the Secretary), or

"(II) two hundred thousand in highly unusual circumstances (as determined by the Secretary),

if the Governor of each State in which the area is located determines, with the approval of the Secretary, that the area meets the other requirements of this subsection.

"(4) To the maximum extent feasible, the boundaries of the area shall be appropriately coordinated with the boundaries of areas designated under section 1152 of the Social Security Act for Professional Standards Review Organizations, existing regional planning areas, and State planning and administrative areas.

The boundaries of a health service area shall be established so that, in the planning and development of health services to be offered within the health service area, any economic or geographic barrier to the receipt of such services in nonmetropolitan areas is taken into account. The boundaries of health service areas shall be established so as to recognize the differences in health planning and health services development needs of nonmetropolitan and metropolitan areas. Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which a standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of this subsection a health service area should contain only part of the standard metropolitan statistical area, then such statistical area shall not be required to be entirely within the boundaries of such health service area.

"(b)(1) Within thirty days following the date of the enactment of this title, the Secretary shall simultaneously give to the Governor of each State written notice of the initiation of proceedings to establish health service areas throughout the United States. Each notice shall contain the following:

"(A) A statement of the requirement (in subsection (a)) of the establishment of health service areas throughout the United States.

"(B) A statement of the criteria prescribed by subsection (a) for health service areas and the procedures prescribed by this subsection for the designation of health service area boundaries.

"(C) A request that the Governor receiving the notice (i) designate the boundaries of health service areas within his State, and, where appropriate and in cooperation with the Governors of adjoining States, designate the boundaries within his State of health service areas located both in his State and in adjoining States, and (ii) submit (in such form and manner as the Secretary shall specify) to the Secretary, within ninety days of the receipt of the notice, such boundary designations together with comments, submitted by the entities referred to in paragraph (2), with respect to such designations. At the time such notice is given under this paragraph to each Governor, the Secretary shall publish as a notice in the Federal Register a statement of the giving of his notice to the Governors and the criteria and procedures contained in such notice.

"(2) Each State's Governor shall in the development of boundaries for health service areas consult with and solicit the views of the chief executive officer or agency of the political subdivisions within the State, the State agency which administers or supervises the administration of the State's health planning functions under a State plan approved under section 314(a), each entity within the State which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b), and each regional medical program established in the State under title IX.

"(3)(A) Within one hundred and fifty days of the date on which notice was given to the Governors, the Secretary shall publish as a notice in the Federal Register the health service area boundary designations. The boundaries for health service areas submitted by the Governors shall, except as otherwise provided in subparagraph (B), constitute upon their publication in the Federal Register the boundaries for such health service areas.

"(B)(i) If the Secretary determines that a boundary submitted to him for a health service area does not meet the requirements of subsection (a), he shall, after consultation with the Governor who submitted such boundary, make such revision in the boundary for such area (and as necessary, in the boundaries for adjoining health service areas) as may be necessary to meet such requirements and publish such revised boundary (or boundaries); and the revised boundary (or boundaries) shall upon publication in the Federal Register constitute the boundary (or boundaries) for such health service area (or areas). The Secretary shall notify the Governor of each State in which is located a health service area whose boundary is revised under this clause of the boundary revision and the reasons for such revision.

"(ii) In the case of areas of the United States not included within the boundaries for health service areas submitted to the Secretary as requested under the notice under paragraph (1), the Secretary shall establish and publish in the Federal Register health service area boundaries which include such areas. The Secretary shall notify the Governor of each State in which is located a health service area the boundary for which is established under this clause of the boundaries established. In carrying out the requirement of this clause, the Secretary may make such revisions in boundaries submitted under subparagraph (A) as he determines are necessary to meet the requirement of subsection (a) for the establishment of health service areas throughout the United States.

"(4) The Governor of a State may, after consultation with the entities referred to in paragraph (2), and appropriate designated health systems agencies and the Statewide Health Coordinating Council, submit to the Secretary revised boundaries for one or more health service areas established within the State. A submission of revised boundaries shall include the comments concerning the revision made by the entities consulted in making the revision. If the Secretary determines that the revised boundaries meet the requirements of subsection (a), the revised boundaries shall be published as a notice in the Federal Register by the Secretary and shall take effect upon such publication. If the Secretary makes a determination that the revised boundaries do not meet such requirements, he shall notify the Governor of the State, who submitted the revision with respect to which the determination was made, of the determination and the bases for it.

"HEALTH SYSTEMS AGENCIES

"Sec. 1412. (a) Definition.—For purposes of this title, the term 'health systems agency' means an entity which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 1413. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 1413.

"(b)(1) Legal Structure.—A health systems agency for a health service area shall be—

"(A) a nonprofit private corporation (or similar legal mechanism such as a public benefit corporation) incorporated in the State in which the largest part of the population of the health service area resides and which is not a subsidiary of, or otherwise controlled by, any other private or public corporation or other legal entity;

"(B) a public regional planning body if it has a governing board composed of a majority of elected officials of units of general local government or it is authorized by State law (in effect before the date of enactment of this subsection) to carry out health planning and review functions such as those described in section 1413 and if its planning area is identical to the health service area; or

"(C) a single unit of general local government if the area of the jurisdiction of that unit is identical to the health service area.

"(2) Staff.—

"(A) Expertise.—A health systems agency shall have a staff which provides the agency with expertise in at least the following: (i) Administration, (ii) the gathering and analysis of data, (iii) planning, and (iv) health manpower, facilities, and services.

"(B) Size and employment.—The size of the professional staff of any health systems agency shall be not less than five, except that if the quotient of the population (rounded to the next highest one hundred thousand) of the health service area which the agency serves divided by one hundred thousand is greater that five, the minimum size of the professional staff shall be the lesser of (i) such quotient, or (ii) twenty-five. The members of the staff shall be selected, paid, promoted, and discharged in accordance with such system as the agency may establish, except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health service area for similar positions in other public or private planning or health service entities.

"(3) Governing Body.—

"(A) In general.—The governing body of a health systems agency which is a public regional planning body or unit of general local government shall be the governing body of that regional planning body or single unit of general government, whichever is applicable. Any other health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (C), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action (other than the establishment and revision of the plans referred to in subparagraph (B)(ii)) as the governing body is authorized to take.

"(B) Responsibilities.—The governing body—

"(i) shall be responsible for the internal affairs of the health systems agency, including matters relating to the staff of the agency, the agency's budget, and procedures and criteria (developed and published pursuant to section 1432) applicable to its functions under subsections (e), (f), and (g) of section 1413;

"(ii) shall be responsible for the establishment of the health systems plan and annual implementation plan required by section *1413(b)*;

"(iii) shall be responsible for the approval of grants and contracts made and entered into under section 1413(g)(3);

"(iv) shall (I) issue an annual report concerning the activities of the agency, (II) include in that report the health systems plan and annual implementation plan developed by the agency, and a listing of the agency's income, expenditures, assets, and liabilities, and (III) make the report readily available to the residents of the health service area and the various communications media serving such area;

"(v) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(vi) shall meet at least one in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets at least twice in that year; and

"(vii) shall (I) conduct its business meetings in public, (II) give adequate notice to the public of such meetings, and (III) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this subclause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code.

A quorum for a governing body (and its executive committee (if any)) shall be a majority of its members.

"(C) Composition.—Of the members of the governing body and executive committee (if any) of a health systems agency which is a nonprofit private corporation or similar legal mechanism—

"(i) a number of members equal to one-half the total number of members plus one shall be residents of the health service area served by the agency who are consumers of health care and who are not providers of health care and who are broadly representative of the social, economic, linguistic and *racial populations*, geographic areas of the health service area, and major purchasers of health care; and

"(ii) the remainder of the members shall be residents of the health service area served by the agency who are providers of health care and who represent (I) physicians (particularly practicing physicians), dentists, nurses, and other health professionals, (II) health care institutions (particularly hospitals, long-term care facilities, and health maintenance organizations), (III) health care insurers, (IV) health professional schools, and (V) the allied health professions. Not less than one-third of the providers of health care who are members of the governing body or executive committee of a health systems agency shall be direct providers of health care (as described in section 1431(3)). The membership of the governing body and executive committee (if any) of an agency shall include (either through consumer or provider members) public elected officials and other representatives of governmental authorities in the agency's health service area, and representatives of public and private agencies in the area concerned with health. The membership of the governing body and executive committee (if any) of an agency shall include a percentage of individuals who reside in nonmetropolitan areas equal to the percentage of residents of the area who reside in nonmetropolitan areas.

"(4) Other Requirements.—Each health system agency shall—

"(A) make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(B) provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title and section 1540; and

"(C) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records pertinent to the disposition of amounts received from the Secretary under this title and section 1540.

"(5)(A) Advisory Committee.—The governing body of a health systems agency which is a public regional planning body or a unit of general local government shall have an advisory health council (i) which shall advise the governing body with respect to the agency's organization, operations under this section, and the performance of its functions under section 1413, and (ii) the composition of which shall conform to the requirements of subsection (b)(3)(C).

"(B) If a governing body of a health systems agency which has an advisory health council described in subparagraph (A)—

"(i) adopts a health systems plan or annual implementation plan under section or

"(ii) makes a grant or enters into a contract under section 1413(c)(3),

"(iii) approves or disapproves under section 1413(e) a proposed use of Federal funds, or

"(iv) makes a recommendation under subsection (f), (g), or (h) of section 1413.

and its advisory health council has made a recommendation to it for action differing from that taken by the governing body, the governing body shall make public the recommendation of the advisory health council, together with the governing body's reasons for taking such different action, and shall when reporting its actions to the Secretary or the State health planning and development agency or the Statewide Health Coordinating Council, as the case may be, include such recommendations.

"(c) Subarea Councils.—A health systems agency may establish subarea advisory councils representing parts of the agencies' health service area to advise the governing body of the agency on the performance of its functions. The composition of a subarea advisory council shall conform to the requirements of subsection (b)(3)(C).

"FUNCTIONS OF HEALTH SYSTEMS AGENCIES

"Sec. 1413. (a) For the purpose of—

"(1) improving the health of residents of a health service area,

"(2) increasing the accessibility, acceptability, continuity, and quality of the health services provided them, and

"(3) restraining increases in the cost of providing them health services,

each health systems agency shall have as its primary responsibility the provision of effective health planning for its health service area and the promotion of the development within the area of health services, manpower, and facilities which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibility, a health systems agency shall carry out the functions described in subsections (b) through (g) of this section.

"(b) In providing health planning and resources development for its health service area, a health systems agency shall perform the following functions:

"(1) The agency shall assemble and analyze data concerning—

"(A) the status (and its determinants) of the health of the residents of its health service area,

"(B) the status of the health care delivery system in the area and the use of that system by the residents of the area,

"(C) the effect the area's health care delivery system has on the health of the residents of the area, and

"(D) the area's health resources, including health services, manpower, and facilities.

In carrying out this paragraph, the agency shall to the maximum extent practicable use existing data (including data developed under Federal health programs) and coordinate its activities with the cooperative system provided for under section 306(e).

"(2) The agency shall, after appropriate consideration of the recommended national health policy developed under section 1402(a)(1), the priorities set forth in section 1403, and the data developed pursuant to paragraph (1), establish, annually review, and amend as necessary a health systems plan (hereinafter in this title referred to as the 'HSP') which shall be a detailed statement of goods (A) describing a healthful environment and health systems in the area which, when developed, will assure that quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (B) which are responsive to the unique needs and resources of the area; and (C) which take into account the National Council for Health Policy recommendations (developed under section 1402(a)(2)) respecting supply, distribution, and organization of health resources and services.

"(3) The agency shall establish, annually review, and amend as necessary an annual implementation plan (hereinafter in this title referred to as the 'AIP') which describes objectives which will achieve the goals of the HSP and priorities among the objectives. In establishing the AIP, the agency shall give priority to those objectives which will maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of attaining such objectives to their benefits, and which are fitted to the special needs of the area.

"(4) The agency shall develop and publish specific plans and projects for achieving the objectives established in the AIP.

"(c) A health systems agency shall implement its HSP and AIP, and in implementing the plans it shall perform at least the following functions:

"(1) The agency shall seek, to the extent practicable, to implement its HSP and AIP with the assistance of individuals and public and private entities in its health service area.

"(2) The agency may provide, in accordance with the priorities established in the AIP, technical assistance to individuals and public and private entities for the development of projects and programs which the agency determines are necessary to achieve the health systems described in the HSP, including assistance in meeting the requirements of the agency prescribed under section 1432(b).

"(3) The agency shall, in accordance with the priorities established in the AIP, make grants to public and nonprofit private entities and enter into contracts with individuals and public and nonprofit private entities to assist them in planning and developing projects and programs which the agency determines are necessary for the achievement of the health systems described in the HSP. Such grants and contracts shall be made from the Area Health Services Development Fund of the agency established with funds provided under grants made under section 1540. No grants or contracts under this subsection may be used (A) for the support of an established program, (B) to pay the costs incurred by an entity or individual in the delivery of health services, or (C) for the cost of construction or modernization of medical facilities. No single grant or contract made or entered into under this paragraph may exceed $75,000 or be available for obligation beyond the one year period beginning on the date the grant or contract was made or entered into. If an individual or entity receives a grant or contract under this paragraph for a project or program, such individual or entity may receive only one more such grant or contract for such project or program.

"(d) Each health systems agency shall coordinate its activities with—

"(1) each Professional Standards Review Organization (designated under section 1152 of the Social Security Act),

"(2) entities referred to in paragraphs (1) and (2) of section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 and regional and local entities the views of which are required to be considered under regulations prescribed under section 403 of the Intergovernmental Cooperation Act of 1968 to carry out section 401(b) of such Act,

"(3) other appropriate general or special purpose regional planning or administrative agencies, and

"(4) any other appropriate entity.

in the health system agency's health service area. The agency shall, as appropriate, secure data from them for use in the agency's planning and development activities, enter into agreements with them which will assure that actions taken by such entities which alter the area's health system will be taken in a manner which is consistent with the HSP and the AIP in effect for the area, and, to the extent practicable, provide technical assistance to such entities.

"(e) Each health systems agency shall review and approve or disapprove each proposed use within its health service area of Federal funds appropriated under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (other than funds appropriated for allotments to States under such Acts) for grants or contracts for the development, expansion, or support of health services, manpower, and facilities; except that, in the case of a proposed use of such Federal funds within the health service area of a health systems agency by an Indian tribe or inter-tribal Indian organization for any program or project which will be located within or will specifically serve—

"(1) a federally-recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act),

a health systems agency shall only review and comment on such proposed use. Notwithstanding any other provision of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a health systems agency sixty days to make the review required by such sentence. If an agency disapproves a proposed use in its health service area of Federal funds described in the first sentence, the Secretary may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Secretary may give the appropriate State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Secretary its comments on the decision. The Secretary, after taking into consideration such State agency's comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision. Each health systems agency shall provide each Indian tribe or inter-tribal Indian organization which is located within the agency's health service area information respecting the availability of the Federal funds described in the first sentence of this subsection.

"(f) To assist State health planning and development agencies in carrying out their functions under paragraphs (3) and (4) of section 1423(a) each health systems agency shall review and make recommendations to the appropriate State health planning and development agency respecting the need for new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed in the health service area of such health systems agency.

"(g)(1) Except as provided in paragraph (2), each health systems agency shall review on a periodic basis (but at least every five years) all institutional health services offered in the health service area of the agency and shall make recommendations to the State health planning and development agency designated under section 1421 for each State in which the health systems agency's health service area is located respecting the appropriateness in the area of such services.

"(2) A health systems agency shall complete its initial review of existing institutional health services and health care facilities within three years after the date of the agency's designation under section 1415(c).

"(h) Each health systems agency shall annually recommend to the State health planning and development agency designated for each State in which the health systems agency's health service area is located (1) projects for the modernization, construction, and conversion of medical facilities in the agency's health service area which projects will achieve the HSP and AIP of the health systems agency, and (2) priorities among such projects.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH SYSTEMS AGENCIES

"Sec. 1414. The Secretary may provide all necessary technical and other nonfinancial assistance (including the preparation of prototype plans of organization and operation) to nonprofit private entities (including entities presently receiving financial assistance under section 314(b) or title IX or as experimental heatlh service delivery systems under section 304) which—

"(1) express a desire to be designated as health systems agencies, and

"(2) the Secretary determines have a potential to meet the requirements of a health systems agency specified in sections 1412 and 1413,

to assist such entities in developing applications to be submitted to the Secretary under section 1415 and otherwise in preparing to meet the requirements of this part for designation as a health systems agency.

"DESIGNATION OF HEALTH SYSTEMS AGENCIES

"Sec. 1415. (a) At the earliest practicable date after the establishment under section 1411 of health service areas, the Secretary shall enter into agreements in accordance with this section for the designation of health systems agencies for such areas.

"(b)(1) The Secretary may enter into agreements with entities under which the entities would be designated as the health systems agencies for health service areas on a conditional basis with a view to determining their ability to meet the requirements of section 1412(b), and their capacity to perform the functions prescribed by section 1413.

"(2) During any period of conditional designation (which may not exceed 24 months), the Secretary may require that the entity conditionally designated meet only such of the requirements of section 1412(b) and perform only such of the functions prescribed by section 1413 as he determines such entity to be capable of meeting and performing. The number and type of such requirements and functions shall, during the period of conditional designation, be progessively increased as the entity conditionally designated becomes capable of added responsibility so that, by the end of such period, the agency may be considered for designation under subsection (c).

"(3) Any agreement under which any entity is conditionally designated as a health systems agency may be terminated by such entity upon ninety days notice to the Secretary or by the Secretary upon ninety days notice to such entity.

"(4) The Secretary may not enter into an agreement with any entity under paragraph (1) for conditional designation as a health systems agency for a health service area until—

"(A) the entity has submitted an application for such designation which contains assurances satisfactory to the Secretary that upon completion of the period of conditional designation the applicant will be organized and operated in the manner described in section 1412(b) and will be qualified to perform the functions prescribed by section 1413;

"(B) a plan for the orderly assumption and implementation of the functions of a health systems agency has been received from the applicant and approved by the Secretary; and

"(C) the Governor of each State in which such health service area is located approved such designation of such entity.

In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and each regional medical program established in such area under title IX.

"(c)(1) The Secretary shall enter into an agreement with an entity for its designation as a health systems agency if, on the basis of an application under paragraph (2) (and, in the case of an entity conditionally designated, on the basis of its performance during a period of conditional designation under subsection (b) as a health systems agency for a health service area), the Secretary determines that such entity is capable of fulfilling, in a satisfactory manner, the requirements and functions of a health systems agency. Any such agreement under this subsection with an entity may be renewed in accordance with paragraph (3), shall contain such provisions respecting the requirements of sections 1412(b) and 1413 and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe, and shall be for a term of not to exceed twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the entity as the Secretary may by regulation prescribe, if the Secretary determines that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(2) The Secretary may not enter into an agreement with any entity under paragraph (1) for designation as a health systems agency for a health service area unless the entity has submitted an application to the Secretary for designation as a health systems agency, and the Governor of each State in which the area is located approves such designation of such entity. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 1412(b) and is qualified to perform or is performing the functions prescribed by section 1413. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (A) each entity which has developed a plan referred to in section 314(b) for all or part of the health service area with respect to which the application was submitted, and (B) each regional medical program established in such area under title IX.

"(3) An agreement under this subsection for the designation of a health systems agency may be renewed by the Secretary for a period not to exceed twelve months if upon review (as provided in section 1435) of the agency's operation and performance of its functions and he determines that it has fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1413 and continues to meet the requirements of section 1412(b).

"(d) If a designation under subsection (b) or (c) of a health systems agency for a health services area is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b) or (c) (as the Secretary determines appropriate), enter into a designation agreement with another entity to be the health systems agency for such area.

"PLANNING GRANTS

"SEC. 1416. (a) The Secretary shall make in each fiscal year a grant to each health systems agency with which there is in effect a designation agreement under subsection (b) or (c) of section 1415. A grant under this subsection shall be made on such conditions as the Secretary determines is appropriate, shall be used by a health systems agency for compensation of agency personnel, collection of data, planning, and the performance of the functions of the agency, and shall be available for obligation for a period not to exceed the period for which its designation agreement is entered into or renewed (as the case may be). A health systems agency may use funds under a grant under this subsection to make payments under contracts with other entities to assist the health systems agency in the performance of its functions; but it shall not use funds under such a grant to make payments under a grant or contract with another entity for the development or delivery of health services or resources.

"(b) (1) The amount of any grant under subsection (a) to a health systems agency designated under section 1415(b) shall be determined by the Secretary. The amount of any grant under subsection (a) to any health systems agency designated under section 1415 (c) shall be the lesser of—

"(A) the product of $0.50 and the population of the health service area for which the agency is designated, or

"(B) $1,500,000,

unless the agency would receive a greater amount under paragraph (2) or (3).

"(2) (A) If the application of a health systems agency for such a grant contains assurances satisfactory to the Secretary that the agency will expand or obligate in that the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph (B) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(i) the amount determined under paragraph (1), and

"(ii) the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health service area for which the agency is designated.

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall be funds—

"(i) not more than 5 per centum of which are contributed to the agency by any one private contributor and no more than one-third of which are contributed to the agency by any one public contributor, and

"(ii) which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(3) The amount of a grant under subsection (a) to a health systems agency designated under section 1415(c) may not be less than $175,000.

"(c) (1) For the purpose of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, $90,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health systems agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant for that fiscal year to each health systems agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for that fiscal year bears to the total amount required to make grants to all health systems agencies in accordance with the applicable provision of subsection (b); except that the amount of any grant to a health systems agency for any fiscal year shall not be less than $175,000, unless the amount appropriated for that fiscal year under paragraph (1) is less than the amount required to make such a grant to each health systems agency.

"(d) The Secretary may make grants directly to Indian tribes and inter-tribal Indian organizations (including Area and National Indian Health Boards) to enable them to conduct effective and coordinated health planning for—

"(1) federally-recognized Indian reservations,

"(2) land areas in Oklahoma which are held in trust by the United States for Indians or which are restricted Indian-owned land areas, and

"(3) Native villages in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act).

To the extent practicable, such planning shall be carried out in the manner prescribed by section 1413.

"PART C—STATE HEALTH PLANNING AND DEVELOPMENT

"DESIGNATION OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 1421. (a) For the purpose of the performance within each State of the health planning and development functions prescribed by section 1423, the Secretary shall enter into and renew agreements (described in subsection (b)) for the designation of a State health planning and development agency for each State other than a State for which the Secretary may not under subsection (d) enter into, continue in effect, or renew such an agreement.

"(b) (1) A designation agreement under subsection (a) is an agreement with the Governor of a State for the designation of an agency (selected by the Governor) of the government of that State as the State health planning and development agency (hereinafter in this part referred to as the 'State Agency') to administer the State administrative program prescribed by section 1422 and to carry out the State's health planning and development functions prescribed by section 1423. The Secretary may not enter into such an agreement with the Governor of a State unless—

"(A) there has been submitted by the State a State administrative program which has been approved by the Secretary.

"(B) an application has been made to the Secretary for such an agreement and the application contains assurances satisfactory to the Secretary that the agency selected by the Governor for designation as the State Agency has the authority and resources to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423, and

"(C) in the case of an agreement entered into under paragraph (3), there has been established for the State a Statewide Health Coordinating Council meeting the requirements of section 1424.

"(2) (A) The agreement entered into with a Governor of a State under subsection (a) may provide for the designation of a State Agency on a conditional basis with a view to determining the capacity of the designated State Agency to administer the State administrative program of the State and to carry out the health planning and development functions prescribed by section 1423. The Secretary shall require as a condition to the entering into of such an agreement that the Governor submit on behalf of the agency to be designated a plan for the agency's orderly assumption and implementation of such functions.

"(B) The period of an agreement described in subparagraph (A) may not exceed twenty-four months. During such period the Secretary may require that the designated State Agency perform only such of the functions of a State Agency prescribed by section 1423 as he determines it is capable of performing. The number and type of such functions shall, during such period, be progressively increased as the designated State Agency becomes capable of added responsibility, so that by the end of such period the designated State Agency may be considered for designation under paragraph (3).

"(C) Any agreement wtih a Governor of a State entered into under subparagraph (A) may be terminated by the Governor upon ninety days' notice to the Secretary or by the Secretary upon ninety days' notice to the Governor.

"(3) If, on the basis of an application for designation as a State Agency (and, in the case of an agency conditionally designated under paragraph (2), on the basis of its performance under an agreement with a Governor of a State entered into under such paragraph), the Secretary determines that the agency is capable of fulfilling, in a satisfactory manner, the responsibilities of a State Agency, he shall enter into an agreement with the Governor of the State designating the agency as the State Agency for the State. No such agreement may be made unless an application therefor is submitted to, and approved by, the Secretary. Any such agreement shall be for a term of not to exceed twelve months, except that, prior to the expiration of such term, such agreement may be terminated—

"(A) by the Governor at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(B) by the Secretary, at such time and upon such notice to the Governor as the Secretary may by regulation prescribe, if the Secretary determines that the designated State Agency is not complying with or effectively carrying out the provisions of such agreement.

An agreement under this paragraph shall contain such provisions as the Secretary may require to assure that the requirements of this part respecting State Agencies are complied with.

"(4) An agreement entered into under paragraph (3) for the designation of a State agency may be renewed by the Secretary for a period not to exceed twelve months if he determines that it has fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed and if the applicable State administrative program continues to meet the requirements of section 1422.

"(c) If a designation agreement with the Governor of a State entered into under subsection (b)(2) or (b)(3) is terminated before the date prescribed for its expiration, the Secretary shall, upon application and in accordance with subsection (b)(2), or (b)(3) (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency.

"(d) The Secretary may not enter into, continue in effect, or renew an agreement for the designation of a State Agency for a State (other than a State which administers a certificate of need program meeting the requirements of section 1423(a)(3)(B)) after the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421(b)(3) and at which legislation to enable the State to comply with the requirements of paragraphs (1) and (2) of this subsection may be enacted unless—

"(1) the State does not permit the issuance, modification, or renewal of any policy or contract of individual or group—

"(A) accident, health, or accident and health insurance, or

"(B) hospital or medical service benefits, unless such policy or contract provides that benefits payable under such policy or contract to or on behalf of an individual for the provision within the State of institutional health services by a health care facility or a health maintenance organization shall be reduced by an amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) of the health care facility or health maintenance organization made in connection with the institutional health service unless the service was found by the State agency of the State under section 1423(a)(4) to be needed; and

"(2) the State does not permit any health care facility or health maintenance organization within the State to charge (or otherwise collect) for depreciation, interest on borrowed funds, a return of equity capital (in the case of a proprietary facility or organization), or any other expense related to capital expenditures (as defined in section 1122(g) of the Social Security Act) for the provision of an institutional health service which was found by the State agency of the State under section 1423(a)(4) to be not needed.

"STATE ADMINISTRATIVE PROGRAM

"SEC. 1422. (a) A State administrative program (hereinafter in this section referred to as the 'State Program') is a program for the performance within the State by its State Agency of the functions prescribed by section 1423. The Secretary may not approve a State Program for a State unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the Governor of the State at such time and in such detail, and contains or is accompanied by such information, as the Secretary deems necessary; and

"(3) has been submitted to the Secretary only after the Governor of the State has afforded to the general public of the State a reasonable opportunity for a presentation of views on the State Program.

"(b) The State Program of a State must—

"(1) provide for the performance within the State (after the designation of a State Agency and in accordance with the designation agreement) of the functions prescribed by section 1423 and specify the State Agency of the State as the sole agency for the performance of such functons (except as provided in subsection (b) of such section) and for the administration of the State Program;

"(2) contain or be supported by satisfactory evidence that the State Agency has under State law the authority to carry out such functions and the State Program in accordance with this part and contain a current budget for the operation of the State Agency;

"(3) provide for adequate consultation with, and authority for, the Statewide Health Coordinating Council (prescribed by section 1424), in carrying out such functions and the State Program;

"(4)(A) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities the performance of such functions and the State Program, and require the State Agency to have a professional staff for planning and a professional staff for development, which staffs shall each be headed by a Director (who in the case of the Director of the planning staff shall be appointed with the advice and consent of the Statewide Health Coordinating Council) and shall be of such size and meet such qualifications as the Secretary may prescribe;

"(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91-648), but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(5) require the State Agency to perform its functions in accordance with procedures and criteria established and published by it, which procedures and criteria shall conform to the requirements of section 1432;

"(6) require the State Agency to (A) conduct its business meetings in public, (B) give adequate notice to the public of such meetings, and (C) make its records and data available, upon request, to the public, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this clause as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5 of the United States Code;

"(7) provide for the coordination (in accordance with regulations of the Secretary) with the cooperative system provided for under section 306(e) of the activities of the State Agency for the collection, retrieval, analysis, reporting, and publication of statistical and other information related to health and health care;

"(8) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the performance by the State Agency of its functions and of their economic effectiveness;

"(9) provide that the State Agency will from time to time, and in any event not less often than annually, review the State Program and submit to the Secretary required modifications;

"(10) require the State Agency to make such reports, in such form and containing such information, concerning its structure, operations, performance of functions, and other matters as the Secretary may from time to time require, and keep such records and afford such access thereto as the Secretary may find necessary to verify such reports;

"(11) require the State Agency to provide for such fiscal control and fund accounting procedures as the Secretary may require to assure proper disbursement of, and accounting for, amounts received from the Secretary under this title;

"(12) permit the Secretary and the Comptroller General of the United States, or their representatives, to have access for the purpose of audit and examination to any books, documents, papers, and records of the State Agency pertinent to the disposition of amounts received from the Secretary under this title; and

"(13) provide that if the State Agency makes a decision in the performance of a function under paragraph (3), (4), (5), or (6) of section 1423(a) or under title XV which is inconsistent with a recommendation made under subsection (f), (g), or (h) of section 1413 by a health systems agency within the State—

"(A) such decision (and the record upon which it was made) shall, upon request of the health systems agency, be reviewed by an agency of the State (other than the State health planning and development agency) designated by the Governor, and

"(B) the decision of the reviewing agency shall for purposes of this title and title XV be considered the decision of the State health planning and development agency.

"(c) The Secretary shall approve any State Program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each State Program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH PLANNING AND DEVELOPMENT FUNCTIONS

"SEC. 1423. (a) Each State Agency of a State designated under section 1421(b)(3) shall, except as authorized under subsection (b), perform within the State the following functions:

"(1) Conduct the health planning activities of the State and implement those parts of the State health plan (under section 1424 (c)(2)) and the plans of the health systems *agencies within* the State which relate to the government of the State.

"(2) Assist the Statewide Health Coordinating Council of the State in the preparation, review, and revision of the State health plan referred to in section 1424(c)(2), in the review of the State medical facilities plan required under section 1503, and in the performance of its functions generally.

"(3) Either (A) serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act, or (B) administer a State certificate of need program which applies to new institutional health services, health care facilities, and health maintenance organizations proposed to be offered or developed within the State and which is satisfactory to the Secretary. In performing its functions under this paragraph the State Agency shall consider recommendations made by health systems agencies under section 1413(f).

"(4) After consideration of recommendations submitted by health systems agencies under section 1413(f) respecting new institutional health services proposed to be offered within the State, make findings as to the need for such services.

"(5) Review on a periodic basis (but not less often than every five years) all institutional health services being offered in the State and after consideration of recommendations submitted by health systems agencies under section 1413(g) respecting the appropriateness of such services and make public its findings for the purpose of informing the providers of such services what voluntary remedial measures may be advisable.

"(6) Prepare and administer the State medical facilities plan required by section 1503 and administer in the State the assistance provided under title XV under such plan.

"(b)(1) Any function described in subsection (a) may be performed by another agency of the State government upon request of the Governor under an agreement with the State Agency satisfactory to the Secretary.

"(2) The requirement of paragraph (3) of subsection (a) shall not apply to a State Agency of a State which elects (in such manner as the Secretary shall prescribe) to not have its State Agency serve as the designated planning agency for purposes of section 1122 of the Social Security Act and which does not have a certificate of need program which meets the requirements of clause (B) of such paragraph until the expiration of the first regular session of the legislature of such State which begins after the date of the first designation of a State Agency for such State under section 1421(b)(3) and at which legislation to comply with the certificate of need program requirement of clause (B) of such paragraph may be enacted.

"(3) A State Agency shall complete its findings with respect to the appropriateness of any existing institutional health service within one year after the date a health systems agency has made its recommendation under section 1413(g) with respect to the appropriateness of such service or facility.

"(c) If a State Agency makes a decision in carrying out a function described in paragraph (3), (4), (5), or (6) of subsection (a) which is not consistent with the goals of the applicable HSP or the priorities of the applicable AIP, the State Agency shall submit to the appropriate health systems agency a detailed statement of the reasons for the inconsistency.

"STATEWIDE HEALTH COORDINATING COUNCIL

"SEC. 1424. (a) A State health planning and development agency designated under section 1421 shall be advised by a Statewide Health Coordinating Council (hereinafter in this section referred to as the 'SHCC') which (1) is organized in the manner described by subsection (b), and (2) performs the functions listed in subsection (c).

"(b)(1) A SHCC shall be composed in the following manner:

"(A)(i) A SHCC shall have no fewer than sixteen representatives selected by the health systems agencies within the State.

"(ii) Each health system agency within the State shall be entitled to the same number of representatives on the SHCC.

"(iii) Each health systems agency shall be entitled to at least two representatives on the SHCC.

"(iv) Of the representatives of each health systems agency on the SHCC, one-half shall be consumers of health care who are not providers of health care, and one-half shall be providers of health care.

"(B) The Governor of the State may appoint such persons (including State officials, public elected officials, and other representatives of governmental authorities within the State) to serve on the SHCC as he deems appropriate; except that (i) the number of persons appointed to the SHCC by the Governor may not exceed one-third of the total membership of the SHCC, and (ii) a majority of the persons appointed by the Governor shall be consumers of health care who are not also providers of health care.

"(C) Not less than one-third of the providers of health care who are members of a SHCC shall be direct providers of health care (as described in section 1431(3)).

"(2) The SHCC shall select from among its members a chairman.

"(3) The SHCC shall conduct all of its business meetings in public, and shall meet at least once in each calendar quarter of a year.

"(c) A SHCC shall perform the following functions:

"(1) Review annually and coordinate the HSP and AIP of each health systems agency within the State and report to the Secretary, for purposes of his review under section 1435 (c), its comments on such HSP and AIP.

"(2) Prepare and review and revise as necessary (but at least annually) a State health plan which shall be made up of the HSP's of the health systems agencies within the State. Such plan may, as found necessary by the SHCC, contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide health needs.

"(3) Review annually the budget of each such health systems agency and report to the Secretary, for purposes of his review under section 1435(a), its comments on such budget.

"(4) Review applications submitted by such health systems agencies for grants under sections 1416 and 1540 and report to the Secretary its comments on such applications.

"(5) Advise the State Agency of the State generally on the performance of its functions.

"(6) Review annually and approve or disapprove any State plan and any application (and any revision of a State plan or application) submitted to the Secretary as a condition to the receipt of any funds under allotments made to States under this Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Notwithstanding any other provisions of this Act or any other Act referred to in the preceding sentence, the Secretary shall allow a SHCC sixty days to make the review required by such sentence. If a SHCC disapproves such a State plan or application, the Secretary may not make Federal funds available under such State plan or application until he has made, upon request of the Governor of the State which submitted such plan or application or another agency of such State, a review of the SHCC decision. If after such review the Secretary decides to make such funds available, the decision by the Secretary to make such funds available shall be submitted to the SHCC and shall contain a detailed statement of the reasons for the decision.

"GRANTS FOR STATE HEALTH PLANNING AND DEVELOPING

"SEC. 1425. (a) The Secretary may make grants to State health planning and development agencies designated under subsection (b)(2) or (b)(3) of section 1421 to assist them in meeting the costs of their operation. Any grant made under this subsection to a State Agency shall be available for obligation only for a period not to exceed the period for which its designation agreement is entered into or renewed. The amount of any grant made under this subsection shall be determined by the Secretary, except that no grant to a designated State Agency may exceed 75 per centum of its operation costs (as determined under regulations of the Secretary) during the period for which the grant is available for obligation.

"(b) Grants made under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe.

"(c) For the purpose of making payments under grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977.

"PART D—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 1431. For the purposes of this title:

"(1) The term 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) The term 'Governor' means the chief executive officer of a State or his designee.

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

"(B) who is an indirect provider of health care in that the individual—

"(i) holds a fiduciary position with, or has a fiduciary interest in, any entity described in subclause (II) or (IV) of clause (ii);

"(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(I) Fees or other compensation for research into or instruction in the provision of health care.

"(II) Entities engaged in the provision of health care or in such research or instruction.

"(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care.

"(IV) Entities engaged in producing drugs or such other articles.

"(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or "(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

"(4)(A) the term 'institutional health services provided through health care facilities and health maintenance organizations' (as such facilities and organizations are defined in regulations prescribed under section 1122 of the Social Security Act); and (B) the term 'health care facilities' means the health care facilities referred to in clause (A).

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH SYSTEM CHANGES

"SEC. 1432. (a) In conducting reviews pursuant to subsections (e), (f), and (g) of section 1413 or in conducting any other reviews of proposed or existing health services, each health systems agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 1423, a State health planning and development agency shall (except to the extent approved by the Secretary) follow procedures, and apply criteria, developed and published by the State Agency in accordance with regulations of the Secretary. Procedures and criteria for reviews by health systems agencies and States agencies may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(b) Each health systems agency and State health planning and development agency shall include in the procedures required by subsection (a) at least the following:

"(1) Written notification to affected persons of the beginning of a review.

"(2) Schedules for reviews which provide that no review shall, to the extent practicable, take longer than ninety days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to a review to submit to the agency or State Agency (in such form and manner as the agency or State Agency shall prescribe and publish) such information as the agency or State Agency may require concerning the subject of such review.

"(4) Submission of applications (subject to review by a health systems agency or a State Agency) made under this Act or other provisions of law for Federal financial assistance for health services to the health systems agency or State Agency at such time and in such manner as it may require.

"(5) Submission of periodic reports by providers of health services and other persons subject to agency or State Agency review respecting the development of proposals subject to review.

"(6) Notification of providers of health services and other persons subject to agency or State Agency review of the status of the agency or State Agency review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(7) Provision for public hearings in the course of agency or State Agency review if requested by persons directly affected by the review; and provision for public hearings, for good cause shown, respecting agency and State Agency decisions.

"(8) Preparation of publication of regular reports by the agency and State Agency of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and State Agency (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(9) Access by the general public to all applications reviewed by the agency and State Agency and to all other written materials pertinent to any agency or State Agency review, except to the extent that the Secretary by regulation prescribes such exceptions to the requirements of this paragraph as he finds necessary to protect the confidentiality of matter comparable to matter described in section 552(b) of title 5, United States Code.

"(10) In the case of construction projects, submission to the agency and State Agency by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and State Agency of the scope and nature of the projects at the earliest possible opportunity in the course of planning of such construction projects.

"(c) Criteria required by subsection (a) for health systems agency and State Agency review shall include consideration of at least the following:

"(1) The relationship of the health services being reviewed to the applicable HSP and AIP.

"(2) The relationship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly, or more effective methods of providing such services.

"(5) The relationship of services reviewed to the existing health care system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(7) The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service area in which the entity is located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, specialty centers, and such other entities as the Secretary may by regulation prescribe.

"(8) The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

"(9) In the case of a construction project—

"(A) the costs and methods of the proposed construction, and

"(B) the probable impact of the construction project reviewed on the costs of providing health services by the person proposing such construction project.

"TECHNICAL ASSISTANCE FOR HEALTH SYSTEMS AGENCIES AND STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

"SEC. 1433. (a) The Secretary shall provide (directly or through grants or contracts, or both) to designated health systems agencies and State Agencies (1) assistance in developing their health plans and approaches to planning various types of health services, (2) technical materials, including methodologies, policies, and standards appropriate for use in health planning, and (3) other technical assistance as may be necessary in order that such agencies may properly perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1)(A) Specification of the minimum data needed to determine the health status of the residents of a health service area and the determinants of such status.

"(B) Specifications of the minimum data needed to determine the status of the health resources and services of a health service area.

"(C) Specification of the minimum data needed to describe the use of health resources and services within a health service area.

"(2) Planning approaches, methodologies, policies, and standards which shall be consistent with the guidelines recommended by the National Council for Health Policy under section 1402 for appropriate planning and development of health resources and services, and which shall cover the priorities listed in section 1403.

"(3) Guidelines for the organization and operation of health systems agencies and State Agencies including guidelines for—

"(A) the structure of a health systems agency, consistent with section 1412(b), and of a State Agency, consistent with section 1422;

"(B) the conduct of the planning and development processes;

"(C) the performance of health systems agency functions in accordance with section 1413; and

"(D) the performance of State Agency functions in accordance with section 1423.

"(c) In order to facilitate the exchange of information concerning health services, health resources, and health planning and resources development practice and methodology, the Secretary shall establish a national health planning information center to support the health planning and resources development programs of health systems agencies, State Agencies, and other entities concerned with health planning and resources development; to provide access to current information on health planning and resources development; and to provide information for use in the analysis of issues and problems related to health planning and resources development.

"CENTERS FOR HEALTH PLANNING

"SEC. 1434. (a) For the purposes of assisting the Secretary in carrying out this title, providing such technical and consulting assistance as health systems agencies and State Agencies may from time to time require, conducting research, studies and analyses of health planning and resources development, and developing health planning approaches, methodologies, policies, and standards, the Secretary shall by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and developing new centers, and operating existing and new centers, for multidisciplinary health planning development and assistance. To the extent practicable, the Secretary shall provide assistance under this section so that at least five such centers will be in operation by June 30, 1976.

"(b)(1) No grant or contract may be made under this section for planning or developing a center unless the Secretary determines that when it is operational it will meet the requirements listed in paragraph (2) and no grant or contract may be made under this section for operation of a center unless the center meets such requirements.

"(2) The requirements referred to in paragraph (1) are as follows:

"(A) There shall be a full-time director of the center who possesses a demonstrated capacity for substantial accomplishment and leadership in the field of health planning and resources development, and there shall be such additional professional staff as may be appropriate.

"(B) The staff of the center shall represent a diversity of relevant disciplines.

"(C) Such additional requirements as the Secretary may by regulation prescribe.

"(c) Centers assisted under this section (1) may enter into arrangements with health systems agencies and State Agencies for the provision of such services as may be appropriate and necessary in assisting the agencies and State Agencies in performing their functions under section 1413 or 1423, respectively, and (2) shall use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies such planning approaches, methodologies, policies and standards as they develop.

"(d) For the purpose of making payments pursuant to grants and contracts under subsection (a) there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977.

"REVIEW BY THE SECRETARY

"Sec. 1435. (a) The Secretary shall review and approve or disapprove the annual budget of each designated health systems agency and State Agency. In making such review and approval or disapproval the Secretary shall consider the comments of Statewide Health Coordinating Councils submitted under section 1424(c)(3). Information submitted to the Secretary by a health systems agency or a State Agency in connection with the Secretary's review under this subsection shall be made available by the Secretary, upon request, to the appropriate committees (and their subcommittees) of the Congress.

"(b) The Secretary shall prescribe performance standards covering the structure, operation, and performance of the functions of each designated health systems agency and State Agency, and he shall establish a reporting system based on the performance standards that allows for continuous review of the structure, operation, and performance of the functions of such agencies.

"(c) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated health systems agency to determine—

"(1) the adequacy of the HSP of the agency for meeting the needs of the residents of the area for a healthful environment and for accessible, acceptable and continuous quality health care at reasonable costs, and the effectivenes of the AIP in achieving the system described in the HSP;

"(2) if the structure, operation, and performance of the functions of the agency meet the requirements of sections 1412(b) and 1413;

"(3) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health service area for which the agency is designated;

"(4) the profesional credentials and competence of the staff of the agency;

"(5) the appropriateness of the data assembled pursuant to section 1413(b)(1) and the quality of the analyses of such data;

"(6) the extent to which technical and financial assistance from the agency have been utilized in an effective manner to achieve the goals and objectives of the HSP and the AIP; and

"(7) the extent to which it may be demonstrated that—

"(A) the health of the residents in the agency's health service area has been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in such area has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"(d) The Secretary shall review in detail at least every three years the structure, operation, and performance of the functions of each designated State Agency to determine—

"(1) the adequacy of the State health plan of the Statewide Health Coordinating Council prepared under section 1424(c)(2) in meeting the needs of the residents of the State for a healthful environment and for accessible, acceptable, and continuous quality health care at reasonable costs;

"(2) if the structure, operation, and performance of the functions of the State Agency meet the requirements of sections 1422 and 1423;

"(3) the extent to which the Statewide Health Coordinating Council has a membership meeting, and has performed in a manner consistent with, the requirements of section 1424;

"(4) the professional credentials and competence of the staff of the State Agency;

"(5) the extent to which financial assistance provided under parts A, B, or C of title XV by the State Agency under section 1423(a) has been used in an effective manner to achieve the State's health plan under section 1424(c)(2); and

"(6) the extent to which it may be demonstrated that—

"(A) the health of the residents of the State has been improved;

"(B) the accessibility, acceptabiilty, continuity, and quality of health care in the State has been improved; and

"(C) increases in costs of the provision of health care have been restrained.

"SPECIAL PROVISIONS FOR THE VIRGIN ISLANDS, GUAM, THE TRUST TERRITORIES OF THE PACIFIC ISLANDS, AND AMERICAN SAMOA

"Sec. 1436. The Virgin Islands, Guam, the Trust Territories of the Pacific Islands, and American Samoa shall each be considered a State for purposes of this title, except that—

"(1) no health service areas shall be established within them,

"(2) no health systems agencies shall be designated for them,

"(3) the State health planning and development agency designated for each of them under section 1421 shall in addition to the functions prescribed by section 1423, perform the functions prescribed by section 1413 and shall be eligible to receive grants authorized by section 1540, and

"(4) the chief executive officer of each of them shall appoint the Statewide Health Coordinating Council prescribed by section 1424 in accordance with regulations of the Secretary."

REVISION OF HEALTH RESOURCES DEVELOPMENT PROGRAMS UNDER THE PUBLIC HEALTH SERVICE ACT

Sec. 4. The Public Health Service Act, as amended by section 3, is amended by adding after title XIV the following new title:

"TITLE XV—HEALTH RESOURCES DEVELOPMENT

"PART A—PURPOSE, STATE PLAN, AND PROJECT APPROVAL

"PURPOSE

"Sec. 1501. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) modernization of medical facilities;

"(2) construction of new outpatient medical facilities;

"(3) construction of new inpatient medical facilities in areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth; and

"(4) conversion of existing medical facilities for the provision of new health services.

"GENERAL REGULATIONS

"Sec. 1502. (a) The Secretary, with the approval of the Federal Hospital Council, shall by regulations—

"(1) prescribe the general manner in which the State Agency of each State shall determine for the State medical facilities plan under section 1503 the priority among projects within the State for which assistance is available under this title, based on the relative need of different areas within the State for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas, and

"(D) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under this title general standards of construction, modernization, and equipment for medical facilities of different classes and in different types of location;

"(3) prescribe criteria for determining needs for medical facility beds and needs for medical facilities, and for developing plans for the distribution of such beds and facilities;

"(4) prescribe criteria for determining the extent to which existing medical facilities are in need of modernization; and

"(5) require each State medical facilities plan under section 1503 to provide for adequate medical facilities for all persons residing in the State and adequate facilities to furnish needed health services for persons unable to pay therefor.

"(b) The Secretary may also require that a State Agency of a State secure from an applicant under this title for assistance for a medical facility project assurances satisfactory to the Agency that—

"(1) the facility will be made available to all persons residing in its service area who have a need for the services provided (or to be provided) through it, and

"(2) unless the Agency determines the applicant lacks adequate financial resources, there will be made available through the facility to persons unable to pay therefor a reasonable volume of the services with respect to which assistance under this title is applied for,

before the Agency may recommend such project for the Secretary's approval.

"STATE MEDICAL FACILITIES PLAN

"Sec. 1503. (a) Before an application for assistance under this title for a medical facility project described in section 1501 may be approved, the State Agency of the State in which such project is located must have submitted to the Secretary and had approved by him a State medical facilities plan. To be approved by the Secretary a State medical facilities plan for a State must—

"(1) prescribe that the State Agency of the State shall administer or supervise the administration of the plan and contain evidence satisfactory to the Secretary that the State Agency has the authority to carry out the plan in conformity with this title;

"(2) prescribe that the Statewide Health Coordinating Council of the State shall advise and consult with the State Agency in carrying out the plan;

"(3) be consistent with the State health plan developed pursuant to section 1424(c)(2);

"(4) set forth, in accordance with criteria established in regulations prescribed under section 1502(a), and on the basis of a statewide inventory of existing medical facilities, a survey of need and the plans of health systems agencies within the State—

"(A) the number and type of medical facility beds and medical facilities needed to provide adequate inpatient care to people residing in the State, and a plan for the distribution of such beds and facilities in health service areas throughout the State,

"(B) the number and type of outpatient and other medical facilities needed to provide adequate public health services and outpatient care to people residing in the State, and a plan for the distribution of such facilities in health service areas throughout the State, and

"(C) the extent to which existing medical facilities in the State are in need of modernization or conversion to new uses;

"(5) set forth a program for the State for assistance under this title for projects described in section 1501, which program shall indicate the type of assistance which should be made available to each project and shall conform to the assessment of need set forth pursuant to paragraph (4) and regulations promulgated under section 1502(a);

"(6) set forth (in accordance with regulations promulgated under section 1502(a)) priorities for the provision of assistance under this title for projects in the program set forth pursuant to paragraph (4);

"(7) provide minimum requirements (to be fixed in the discretion of the State Agency) for the maintenance and operation of facilities which receive assistance under this title, and provide for enforcement of such standards;

"(8) provide for affording to every applicant for assistance for a medical facilities project under this title an opportunity for a hearing before the State Agency; and

"(9) provide that the State Agency will from time to time, but not less often than annually, review the plan and submit to the Secretary any modifications thereof which it considers necessary.

"(b) The Secretary shall approve any State medical facilities plan and any modification thereof which complies with the provisions of subsection (a) if the State Agency, as determined under the review made under section 1435(d), is organized and operated in the manner prescribed by section 1422 and is carrying out its functions under section 1423 in a manner satisfactory to the Secretary. If any such plan or modification thereof shall have been disapproved by the Secretary for failure to comply with subsection (a), the Federal Hospital Council shall, upon request of the State Agency, afford it an opportunity for hearing. If such Council determines that the plan or modification complies with the provisions of such subsection, the Secretary shall thereupon approve such plan or modification.

"APPROVAL OF PROJECTS

"SEC. 1504. (a) For each project described in section 1501 included within a State's State medical facilities plan approved under section 1503 there shall be submitted to the Secretary, through the State's State Agency, an application. The applicant under such an application may be a State, a political subdivision of a State or any other public entity, or a private nonprofit entity. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) Except as authorized under paragraph (2), an application for any project shall set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) a description of the site of such project;

"(C) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1502(a);

"(D) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(E) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed;

"(F) the type of assistance being sought under this title for the project;

"(G) a certification by the State Agency of the Federal share for the project; and

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of Marh 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions sets forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (C) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1502(a)(2), and

"(ii) the requirement of subparagraph (D) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B).

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined under title XIII or as designated by a health systems agency, and

"(ii) for which the applicant seeks (I) not more than $20,000 from the allotments made under part B to the State in which it is located, or (II) a loan under part C the principal amount of which does not exceed $20,000.

"(c) The Secretary shall approve an application submitted under subsection (b) if—

"(1) in the case of a project to be assisted from an allotment made under part B, there are sufficient funds in such allotment to pay the Federal share of the project,

"(2) the Secretary finds that—

"(A) the application (i) is in conformity with the State medical facilities plan approved under section 1503, (ii) has been approved and recommended by the State Agency, (iii) is for a project which is entitled to priority over other projects within the State as determined in accordance with the approved State medical facilities plan, (iv) contains reasonable assurances as to title, financial support, and payment of prevailing rates of wages, and (v) contains an assurance satisfactory to the Secretary that in the operation of the medical facility for which the application is submitted there will be compliance with the State medical facilities plan requirement prescribed pursuant to section 1502(a)(5); and

"(B) the plans and specifications for the project meet the requirements of the regulations prescribed pursuant to section 1502(a).

"(d) No application shall be disapproved until the Secretary has afforded the State Agency an opportunity for a hearing.

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"PART B—ALLOTMENTS

"ALLOTMENTS

"SEC. 1510. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make from sums appropriated for such fiscal year under section 1513 allotments among the States on the basis of the population, the financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b)(1) The allotment to any State (other than Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands) for any fiscal year shall be not less than $1,000,000; and the allotment to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall be not less than $500,000 each.

"(2) Notwithstanding paragraph (1), if the amount appropriated under section 1513 for any fiscal year is less than the amount required to provide allotments in accordance with paragraph (1), the amount of the allotment to any State for such fiscal year shall be an amount which bears the same ratio to the amount prescribed for such State by paragraph (1) as the amount appropriated for such fiscal year bears to the amount of appropriations needed to make allotments to all the States in accordance with paragraph (1).

"(c) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

"PAYMENTS FROM ALLOTMENTS

"SEC. 1511. (a) If with respect to any medical facility project approved under section 1504 the State Agency certifies (upon the basis of inspection by it) to the Secretary that, in accordance with approved plans and specifications, work has been performed upon the project or purchases have been made for it and that payment from the applicable allotment of the State in which the project is located is due for the project, the Secretary shall, except as provided in subsection (b), make such payment to the State.

"(b) The Secretary is authorized to not make payments to a State pursuant to subsection (a) in the following circumstances:

"(1) If such State is not authorized by law to make payments for an approved medical facility project from the payment to be made by the Secretary pursuant to subsection (a), or if the State so requests, the Secretary shall make the payment from the State allotment directly to the applicant for such project.

"(2) If the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 1512, payment by the Secretary may, after he has given the State Agency notice and opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing.

In no event may the total of payments made under subsection (a) with respect to any project exceed an amount equal to the Federal share of such project.

"*(c) In case an amendment* to an approved application is approved as provided in section 1504 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(d) In any fiscal year not more than one-third of the amount of a State's allotment available for obligation in that fiscal year may be obligated for projects in the State for construction of new facilities for the provision of inpatient health care to persons residing in areas of the State which have experienced recent rapid population growth.

"WITHHOLDING OF PAYMENTS FROM ALLOTMENTS

"Sec. 1512. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Agency concerned finds—

"(1) that the State Agency is not complying substantially with the provisions required by section 153 to be included in its State medical facilities plan,

"(2) that any assurance required to be given in an application filed under section 1504 is not being or cannot be carried out, or

"(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 1504,

the Secretary may take the action authorized by subsection (b).

"(b) (1) Upon a finding described in subsection (a) and after notice to the State Agency concerned, the Secretary may—

"(A) withhold from all projects within the State with respect to which the finding was made further payments from the State's allotment under section 1510, or

"(B) withhold from the specific projects with respect to which the finding was made further payments from the applicable State allotment under section 1510.

"(2) Payments may be withheld, in whole or in part, under paragraph (1)—

"(A) until the basis for the finding upon which the withholding was made no longer exists, or

"(B) if corrective action to make such finding inapplicable cannot be made, until the State concerned repays or arranges for the repayment of Federal funds paid under this part for projects which because of the finding are not entitled to such funds.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 1513. There are authorized to be appropriated for allotments under section 1510 $125,000,000 for the fiscal year ending June 30, 1975, $150,000,000 for the fiscal year ending June 30, 1976, and $175,000,000 for the fiscal year ending June 30, 1977.

"SPECIAL PROVISIONS FOR AMERICAN INDIANS

"Sec. 1514. (a) The Secretary may make grants directly to Indian tribes and intertribal Indian organizations to assist such tribes and organizations in meeting the costs of projects for the construction and modernization of public or nonprofit private outpatient or other health facilities, including alcoholism treatment centers, nursing homes, facilities for the care of the elderly, and mental health treatment facilities, which are in or will specifically serve—

"(1) a federally-recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act).

"(b) (1) The amount of any grant made under this section for any project shall be determined by the Secretary, under such rules and regulations as he shall adopt, and may cover up to 100 per centum of the costs of the project.

"(2) No grant for any project may be made under this section unless an application therefor has been submitted to the Secretary and approved by him. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe, including assurances that preference shall be given to the employment of Indians and Indian business organizations in the construction or modernization of facilities for which funds are provided under subsection (a).

"PART C—LOANS AND LOAN GUARANTEES

"AUTHORITY FOR LOAN AND LOAN GUARANTEES

"Sec. 1520. (a) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, make loans from the fund established under section 1522(d) to pay the Federal share of projects approved under section 1504.

"(b) (1) The Secretary, during the period beginning July 1, 1974, and ending June 30, 1977, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to nonprofit private entities for medical facilities projects, and

"(ii) the Financing Bank for its loans to nonprofit private entities for such projects,

payment of principal and interest on such loans if applications for assistance for such projects under this title have been approved under section 1504.

"(2) In the case of a guarantee of any loan to a nonprofit private entity under this title, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under this title shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(c) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriation Acts.

"(d) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

"ALLOCATION AMONG THE STATES

"Sec. 1521. (a) For each fiscal year, the total amount of principal of—

"(1) loans to nonprofit private entities which may be guaranteed, or

"(2) loans which may be directly made, under this part shall be allotted by the Secretary among the States, in accordance with regulations, on the basis of the population, financial need, and need for medical facilities projects described in section 1501 of the respective States. The population of the States shall be determined on the basis of the latest figures certified by the Secretary of Commerce.

"(b) Any amount allotted to a State for a fiscal year under subsection (a) and remaining unobligated at the end of such year shall remain available to such State, for the purpose for which made, for the next two fiscal years (and for such years only), in addition to the amounts allotted to such State for such purposes for such next two fiscal years; except that any such amount which is unobligated at the end of the first of such next two years and which the Secretary determines will remain unobligated at the close of the second of such next two years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such next two years, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title. Any amount so reallotted to a State shall be in addition to the amounts alloted and available to the State for the same period.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"Sec. 1522. (a) (1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

"(2) (A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest), who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved.

"(b) (1) The Secretary may not approve a loan under this part unless—

"(A) the Secretary is reasonably satisfied that the applicant under the project for which the loan would be made will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this part shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing, on the date the loan is made, with respect to loans guaranteed under this part, minus 3 per centum per annum, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reasons of the failure of a borrower to make payments of principal of and interest on a loan made under this part, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c)(1) The Secretary may from time to time, but with due regard to the financial interests of the United States, sell loans made by him under this part.

"(2) The Secretary may agree, prior to his sale of any such loan, to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or as otherwise appropriate. Any such agreement may (A) provide that the Secretary shall act as agent of any such purchaser for the purpose of collecting from the borrower to which such loan was made and paying over to such purchaser, any payments of principal and interest payable by the borrower under such loan; and (B) provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this paragraph.

"(3) After any loan under this part to a public entity has been sold and guaranteed under this subsection, interest paid on such loan which is received by the purchaser thereof (or his successor in interest) shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(4) Amounts received by the Secretary as proceeds from the sale of loans under this subsection shall be deposited in the fund established under subsection (d).

"(d)(1) There is established in the Treasury a loan and loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be avaialble to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

"(A) to enable him to make loans under this part,

"(B) to enable him to discharge his responsibilities under loan guarantees issued by him under this part,

"(C) for payment of interest under section 1520(b)(2) on loans guaranteed under this part,

"(D) for repurchase of loans under subsection (c)(2)(B), and

"(E) for payment of interest on loans which are sold and guaranteed.

There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Secretary in connection with loans and loan guarantees under this part and other property or assets derived by him from his operations respecting such loans and loan guarantees, including any money derived from the sale of assets.

"(2) If at any time the sums in the funds are insufficient to enable the Secretary—

"(A) to make payments of interest under section 1520(b)(2),

"(B) to otherwise comply with guarantees under this part of loans to nonprofit private entities,

"(C) in the case of a loan which was made, sold, and guaranteed under this part, to make to the purchaser of such loan payments of principal and interest on such loan after default by the entity to which the loan was made, or

"(D) to repurchase loans under subsection (c)(2)(B), and

"(E) to make payments of interest on loans which are sold and guaranteed,

he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e)(1) The assets, commitments, obligations, and outstanding balances of the loan guarantee and loan fund established in the Treasury by section 626 shall be transferred to the fund established by subsection (d) of this section.

"(2) To provide additional capitalization for the fund established under subsection (d) there is authorized to be appropriated to the fund $40,000,000 in the aggregate for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

"PART D—GENERAL PROVISIONS

"JUDICIAL REVIEW

"Sec. 1530. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 1504, the State Agency through which such application was submitted, or

"(2) any State is dissatisfied with the Secretary's action under section 1512, such State,

may appeal to the United States court of appeals for the circuit in which such State Agency or State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the Court, operate as a stay of the Secretary's action.

"RECOVERY

"Sec. 1351. If any facility constructed, modernized, or converted with funds provided under this title is, at any time within twenty years after the completion of such construction, modernization, or conversion with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 1504, or (B) which is not approved as a transferee by the State Agency of the State in which such facility is located, or its successor; or

"(2) not used as a medical facility, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of such facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction, modernization, or conversion of such project or projects. Such right of recovery shall not constitute a lien upon such facility prior to judgment.

"FEDERAL HOSPITAL COUNCIL

"Sec. 1532. (a) In administering this title, the Secretary shall consult with a Federal Hospital Council consisting of the Secretary, who shall serve as Chairman ex officio, and twelve members appointed by him. Six of the twelve appointed members shall be persons who are outstanding in the fields of health planning and resources development and fields pertaining to medical facilities, three of such members shall be authorities in matters relating to the operation of hospitals or other medical facilities, one of such members shall be an authority in matters relating to the mentally retarded, one of such members shall be an authority in matters relating to mental health, and six members shall be appointed to represent the consumers of health services provided by medical facilities and shall be persons familiar with the need for such services in urban or rural areas.

"(b) Each appointed member shall hold

office for a term of four years, except that any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. An appointed member shall not be eligible to serve continuously for more than two terms (whether beginning before or after the date of the enactment of this section) but shall be eligible for reappointment if he has not served immediately preceding his reappointment.

"(c) The Council shall meet as frequently as the Secretary deems necessary, but not less than once each year. Upon request by three or more members, it shall be the duty of the Secretary to call a meeting of the Council.

"(d) The Council is authorized to appoint such special advisory or technical committees as may be useful in carrying out its functions.

"(e) The Council shall supersede the existing Federal Hospital Council appointed under *section* 641 and the appointed members of the Federal Hospital Council serving on the date of the enactment of this title shall serve as additional members of the Council appointed under this section for the duration of their terms then existing, or for such shorter time as the Secretary may prescribe.

"(f) The provisions of section 14 of the Federal Advisory Committee Act respecting termination shall not apply with respect to the Council under this section.

"STATE CONTROL OF OPERATIONS

"SEC. 1533. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility with respect to which any funds have been or may be expended under this title.

"DEFINITION

"SEC. 1534. For the purpose of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(2) The term 'Federal share' means the proportion of the cost of a medical facilities project which the State Agency determines the Federal Government will provide under allotment payments or a loan or loan guarantee under this title, except that—

"(A) in the case of a modernization project—

"(i) described in section 1504(b)(2)(B), and

"(ii) the application for which received a waiver under section 1504(b)(2(A),

the proportion of the cost of such project to be paid by the Federal Government under allotment payments or a loan may not exceed $20,000 and may not exceed 100 per centum of the first $6,000 of the cost of such project and 66⅔ per centum of the next $21,000 of such cost,

"(B) in the case of a project (other than a project described in subparagraph (A)) to be assisted from an allotment made under part B, the proportion of the cost of such project to be paid by the Federal Government may not exceed 66⅔, and

"(C) in the case of a project (other than a project described in subparagraph (A)) to be assisted with a loan or loan guarantee made under part C, the principal amount of the loan directly made or guaranteed for such project, when added to any other assistance provided the project under this title, may not exceed 90 per centum of the cost of such project.

"(3) The term 'hospital' includes general, tuberculosis, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, facilities related to programs for home health services, self-care units, and central service facilities, operated in connection with hospitals, and also includes education or training facilities for health professional personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.

"(4) The term 'public health center' means a publicly owned facility for the provision of public health services, including related publicly owned facilities such as laboratories, clinics, and administrative offices operated in connection with such a facility.

"(5) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(6) The term 'outpatient medical facility' means a medical facility (located in or apart from a hospital) for the diagnosis or diagnosis and treatment of ambulatory patients (including ambulatory inpatients)—

"(A) which is operated in connection with a hospital,

"(B) in which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State, or in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State; or

"(C) which offers to patients not requiring hospitalization the services of licensed physicians in various medical specialties, and which provides to its patients a reasonably full-range of diagnostic and treatment services.

"(7) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of—

"(A) medical evaluation and services, and

"(B) psychological, social, or vocational evaluation and services,

under competent professional supervision and in the case of which the major portion of the required evaluation and services is furnished within the facility; and either the facility is operated in connection with a hospital, or all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

"(8) The term 'facility for long-term care' means a facility (including a skilled nursing or intermediate care facility) providing inpatient care for convalescent or chronic disease patients who require skilled nursing or intermediate care and related medical services—

"(A) which is a hospital (other than a hospital primarily for the care and treatment of mentally ill or tuberculous patients) or is operated in connection with a hospital, or

"(B) in which such care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(9) The term 'construction' means construction of new buildings and initial equipment of such buildings and, in any case in which it will help to provide a service not previously provided in the community, equipment of any buildings; including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land.

"(10) The term 'cost' as applied to construction, modernization, or conversion means the amount found by the Secretary to be necessary for construction, modernization, or conversion, respectively, under a project.

"(11) The term 'modernization' includes alteration, major repair (to the extent permitted by regulations), remodeling, replacement, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

"(12) The term 'title,' when used with reference to a site for a project, means a fee simple, or each other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than twenty-five years' undisturbed use and possession for the purposes of construction or modernization and operation of the project.

"(13) The term 'medical facility' means a hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, or other facility (as may be designated by the Secretary) for the provision of health care to ambulatory patients.

"(14) The term 'State Agency' means the State health planning and development agency of a State designated under title XIV.

"FINANCIAL STATEMENTS

"SEC. 1535. In the case of any facility for which an allotment payment, loan, or loan guarantee has been made under this title the applicant for such payment, loan, or loan guarantee (or, if appropriate, such other person as the Secretary may prescribe) shall file at least annually with the State Agency for the State in which the facility is located a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) the financial operations of the facility, and

"(2) the costs to the facility of providing health services in the facility and the charges made by the facility for providing such services,

during the period with respect to which the statement is filed.

"PART E—AREA HEALTH SERVICES DEVELOPMENT FUNDS

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 1540. (a) The Secretary shall make in each fiscal year a grant to each health system agency—

"(1) with which there is in effect a designation agreement under section 1415(b),

"(2) which has in effect an HSP and AIP reviewed by the Statewide Health Coordinating Council, and

"(3) which, as determined under the review made under section 1435(c), is organized and operated in the manner prescribed by section 1412(b) and is performing its functions under section 1413 in a manner satisfactory to the Secretary,

to enable the agency to establish and maintain an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 1413(c)(3).

"(b)(1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health service area for which the health systems agency is designated, the average family income of the area, and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health systems agency for any fiscal year may not exceed the product of $1 and the population of the health service area for which such agency is designated.

"(c) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $100,000,000 for the fiscal year ending June 30, 1976, and $150,000,000 for the fiscal year ending June 30, 1977.

"(e) The Secretary shall make in each fiscal year a grant to each Indian tribe and inter-tribal Indian organization which received in such fiscal year a grant under section 1416(d). A grant under this subsection shall be used by such tribe or organization to make grants to public and nonprofit private entities and to enter into contracts with individuals and public and nonprofit private entities to assist such entities in planning and developing programs and projects located within or which will specifically serve—

"(1) a federally recognized Indian reservation,

"(2) any land area in Oklahoma which is held in trust by the United States for Indians or which is a restricted Indian-owned land area, or

"(3) a Native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act),

which programs and projects the tribe or organizations determines are necessary for the achievement of the health systems planned by it for such reservation, land area, or village."

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

SEC. 5. (a) (1) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 314(a) of the Public Health Service Act, except that no grant made to a State with funds appropriated under this paragraph shall be available for obligation beyond (A) the date on which a State health planning and development agency is designated for such State under section 1421 of such Act, or (B) June 30, 1976.

(2) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and the next fiscal year such sums as may be necessary to make grants under section 304 of the Public Health Service Act for experimental health services delivery systems, section 314(b) of such Act, and title IX of such Act, except that no grant made with funds appropriated under this paragraph shall be available for obligation beyond (A) June 30, 1976, or (B) the date on which a health systems agency has been designated under section 1415 of such Act for a health service area which includes the area of the entity for which a grant is made under such section 304, 314(b), or title IX.

(b) Any State which has in the fiscal year ending June 30, 1975, or the next fiscal year funds available for obligation from its allotments under part A of title VI of the Public Health Service Act may in such fiscal year use for the proper and efficient administration during such year of its State plan approved under such part an amount of such funds which does not exceed 4 per centum of such funds or $100,000, whichever is less.

(c) A reference in any law or regulation—

(1) to the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act shall in the case of a State for which a State health planning and development agency has been designated under section 1421 of such Act be considered a reference to the State agency designated under such section 1421;

(2) to an agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act shall if all or part of the area covered by such plan or plans is within a health service area established under section 1411 of the Public Health Service Act be considered a reference to the health systems agency designated under section 1415 of such Act for such health service area; and

(3) to a regional medical program assisted under title IX of the Public Health Service Act shall if the program is located in a State for which a State health planning and development agency has been designated under section 1421 of the Public Health Service Act be considered a reference to such State agency.

(d) Section 316 of the Public Health Service Act is repealed.

ADVISORY COMMITTEES

SEC. 6. (a) An advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall terminate at such time as may be specifically prescribed by an Act of Congress enacted after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare shall report, within one year after the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the purpose and use of each advisory committee established by or pursuant to the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and (2) his recommendations respecting the termination of each such advisory committee.

AGENCY REPORTS

SEC. 7. The Secretary of Health, Education, and Welfare shall report, within one year of the date of the enactment of this Act, to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives (1) the identity of each report required to be made by the Secretary under the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to the Congress (or any committee thereof), (2) the provision of such Acts which requires each such report, (3) the purpose of each such report, and (4) the due date for each such report. The report of the Secretary under this section may include such recommendations as he considers appropriate for termination or consolidation of any such reporting requirements.

Mr. KENNEDY. Mr. President, I move that the Senate disagree to the amendment of the House on S. 2994 and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. PELL, Mr. MONDALE, Mr. HATHAWAY, Mr. SCHWEIKER, Mr. JAVITS, Mr. DOMINICK, Mr. BEALL, Mr. TAFT, and Mr. STAFFORD conferees on the part of the Senate.

AMENDMENT OF THE WILD AND SCENIC RIVERS ACT

Mr. HASKELL. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3022.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate the amendment of the House of Representatives to the bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower St. Croix River Act of 1972 (86 Stat. 1174), and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That section 5(a) of the Act of October 2, 1968 (82 Stat. 906, 911; 16 U.S.C. 1276), is amended by adding the following new subsections:

"(28) American, California: The North Fork from the Cedars to Auburn Reservoir.

"(29) Au Sable, Michigan: The segment downstream from Foote Dam to Oscoda; upstream from Loud Reservoir to the source of the river and including its principal tributaries, but excluding Mio and Bamfield Reservoirs.

"(30) Cahaba, Alabama: The segment downstream from United States Highway 31 south of Birmingham in Jefferson County and upstream from United States Highway west of Selma in Dallas County.

"(31) Clark's Fork, Wyoming: The segment from the Clark's Fork Canyon to the Crandall Creek Bridge.

"(32) Colorado, Colorado: The segment from the Colorado/Utah boundary to a point upstream near the town of Loma, Colorado.

"(33) Kettle, Minnesota: The entire segment within the State of Minnesota.

"(34) Manistee, Michigan: The segment upstream from Manistee Lake to the source of the river and including its principal tributaries and excluding Tippy and Hodenpyl Reservoirs.

"(35) Nolichuckey, Tennessee and North Carolina: The entire main stream.

"(36) Sipsey Fork, the West Fork, Alabama: The segment of the impoundment in Winston County formed by the Lewis M. Smith Dam upstream to the point of origin in the William B. Bankhead National Forest in Lawrence County; and the tributaries to the segment.

"(37) Snake, Wyoming: Beginning at the southern boundaries of Teton National Park to the entrance to Palisades Reservoir.

"(38) Sweetwater, Wyoming: The segment between Wilson Bar downstream to Spring Creek.

"(39) Tuolumne River, California: The main river from its sources on Mount Dana and Mount Lyell in Yosemite National Park to Don Pedro Reservoir.

"(40) Wisconsin, Wisconsin: The main stem from the dam at Prairie du Sac, Wisconsin, to its confluence with the Mississippi River at Prairie du Chien, Wisconsin."

SEC. 2. Secton 5 of the Act of October 2, 1968 (82 Stat. 910), as amended, is further amended by relettering subsections (b) and (c) as (c) and (d), respectively, and inserting a new subsection (b) as follows:

"(b) The studies of rivers in subparagraphs (28) through (40) of subsection 5(a) shall be completed and reports thereon submitted by not later than October 2, 1978, and in accordance with the provisions of section 4(a) of this Act. For the purpose of conducting such studies, there are authorized to be appropriated such sums as may be necessary, but not more than $975,000."

Mr. HASKELL. Mr. President, I move that the Senate disagree to the amendments of the House on S. 3022 and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. HASKELL, Mr. METZENBAUM, Mr. HANSEN, and Mr. HATFIELD conferees on the part of the Senate.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECLARING THAT CERTAIN FEDERALLY OWNED LANDS SHALL BE HELD BY THE UNITED STATES IN TRUST FOR THE HUALAPAI INDIAN TRIBE OF THE HUALAPAI RESERVATION, ARIZ., AND FOR OTHER PURPOSES

Mr. FANNIN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7978. The bill is reported at this time without amendment.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 7978) to declare that certain Federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe, of the Hualapai Reservation, Arizona, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. FLOYD M. RIDDICK

Mr. GRIFFIN. Mr. President, after nearly 30 years of Senate service, Dr. Floyd M. Riddick, the distinguished Parliamentarian of the U.S. Senate, will retire at the end of this session of the Congress.

Few men have ever served the Senate in any capacity so long and so well. None has worked more diligently and conscientiously in a position which demands the wisdom of Solomon, as well as a full measure of patience.

Day in and day out, he has been available to guide each and every Senator of both parties. During my service in the Senate, I can say that no one has done so much for so many in this body as Dr. Riddick—as he has quietly provided education and guidance for all who seek it.

Dr. Riddick has always been fair, he has been impartial, he has called the shots as he saw them.

His career is an interesting story—all the more so because when he started out, as he tells it, he had no idea in the world of ever becoming Parliamentarian of the U.S. Senate.

Born in Trotville, N.C., he grew up on a farm in Gates County. He became interested in law and entered Duke University with the objective of becoming an attorney. However, he soon changed his mind and decided on an academic career.

After graduating from Duke, he took his master's degree at Vanderbilt and then returned to Duke for a doctorate. His dissertation was a forecast of the future. It dealt with parliamentary procedures in the House of Representatives.

After a year's study at the University of Berlin on an international fellowship, Dr. Riddick spent several years in private employment dealing with the affairs of Congress and writing scholarly articles. In 1947, he came to the Senate to begin publication of the Daily Digest section of the CONGRESSIONAL RECORD.

In 1951, he became assistant Parliamentarian, working with Charles L. Watkins, the Senate's first Parliamentarian. He became Parliamentarian on January 1, 1965.

We are indebted to Dr. Riddick for the volume entitled "Senate Procedure" which Mr. Watkins and he first coauthored in 1958 and revised in 1964. This year he published a new volume of "Senate Procedures."

It is altogether fitting and a well-deserved tribute that the Senate last week, by resolution, has named Dr. Riddick the Senate's Parliamentarian Emeritus.

I join others who have expressed the wish that he may enjoy many happy retirement years, with frequent visits, of course, to this Chamber and to the many friends he leaves behind.

ORDER THAT H.R. 17558 BE HELD AT THE DESK PENDING FURTHER DISPOSITION ON TOMORROW

Mr. GRIFFIN. Mr. President, I understand that the bill, H.R. 17558, has been passed by the House, and I ask unanimous consent that when it arrives in the Senate it be held at the desk pending further disposition on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERMISSION TO FILE CONFERENCE REPORT ON H.R. 10701, PORT FACILITIES ON RIVERS AND HARBORS, BY MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that permission be given to file the conference report on H.R. 10701, the Deepwater Port Act, by midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW AND WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce be authorized to meet tomorrow, December 17, 1974, to consider the House-passed version of certain bills; that the Committee on the Judiciary be authorized to meet tomorrow, December 17, 1974, and Wednesday, December 18, 1974, to discuss committee business; and that the Armed Services Committee be authorized to meet tomorrow, December 17, 1974, to consider reprogramming actions requiring early attention.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER GRANTING PERMISSION TO WITHDRAW CLOTURE MOTION ON THE AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT ON WHICH A VOTE WAS TO OCCUR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to withdraw a cloture motion on the amendment of the Export-Import Bank Act conference report on which a vote was to occur tomorrow.

The PRESIDING OFFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today that it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, as I recall, Senator DOMINICK was the last in a series of Senators whose names had been presented earlier for recognition tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

RECOGNITION OF SENATOR JAVITS FIRST TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. JAVITS be recognized first among the Senators for whom orders have been and will be entered for tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF VARIOUS SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. JAVITS is recognized tomorrow, and after Mr. DOMINICK is recognized tomorrow, under an order already entered, Mr. ALLEN be recognized, Mr. TALMADGE be recognized, and Mr. HELMS be recognized, each for not to exceed 15 minutes, and in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators which have been previously entered, have been consummated, the Senator from Michigan (Mr. GRIFFIN) be recognized for not to exceed 10 minutes, and that the junior Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 10 minutes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

RECOGNITION OF VARIOUS SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, tomorrow the following Senators will be recognized each for the time stated and in the order stated, after the two leaders or their designees have been recognized under the standing order: Mr. HOLLINGS, Mr. BARTLETT, Mr. DOMENICI, Mr. NUNN, Mr. CHILES, and Mr. COOK, each for not to exceed 10 minutes; Mr. JAVITS, Mr. DOMINICK, Mr. ALLEN, Mr. TALMADGE, Mr. HELMS, each for not to exceed 15 minutes, and in that order; Mr. GRIFFIN and Mr. ROBERT C. BYRD, each for not to exceed 10 minutes, and in that order.

So quite a number of Senators will be speaking tomorrow at the beginning of the day.

H.R. 17045 AND H.R. 421—CLOTURE MOTIONS—ORDER FOR THE HOUR OF DEBATE UNDER RULE XXII TO COMMENCE RUNNING AFTER THE ORDERS FOR THE RECOGNITION OF VARIOUS SENATORS HAVE EXPIRED

During the day, Mr. President, after the orders for the recognition of Senators have expired, I ask unanimous consent that the hour under rule XXII begin running on the first of the motions which were introduced on Saturday by the distinguished Senator from Louisiana (Mr. LONG) and that the time for debate be equally divided between Mr. LONG and the ranking member on the other side of the aisle who, I believe, is Mr. BENNETT.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what happens after that cloture vote will, of course, depend upon the outcome of the vote. But following the disposition of that measure the vote on the motion to invoke cloture on the second of the two measures introduced by Mr. LONG on Saturday will occur immediately after the establishment of a quorum. I take it that Senators would probably prefer some time for debate on that cloture motion also.

I, therefore, ask unanimous consent now, following the disposition of the first measure, there be 1 hour to be equally divided between Mr. LONG and Mr. BENNETT on the motion to invoke cloture on the second measure. That time may be yielded back if the Senators so wish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what happens thereafter depends, of course, on what has gone before.

TIME LIMITATION AGREEMENT ON AGRICULTURAL APPROPRIATION CONFERENCE REPORT

I should state that it will be the intention of the leadership on tomorrow at some point to assist in the calling up of the conference report on the Agricultural Appropriation bill, and ask unanimous consent, it having been cleared with Mr. MCGEE, Mr. MUSKIE, and Mr. FONG, that there be a time limitation on the agricultural appropriation conference report of 3 hours to be equally divided between Mr. FONG and Mr. MCGEE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Beyond that I am unprepared to say what business may come before the Senate tomorrow. Other conference reports, of course, being privileged matters, will be eligible for call-up after the measures on which cloture may be invoked are disposed of.

I can only suggest that there will be rollcall votes tomorrow, and I would suggest to Senators that they make plans for possible late sessions on Thursday night and on Friday night. Rollcall votes will occur daily.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:42 p.m. the Senate adjourned until tomorrow, Tuesday, December 17, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 16, 1974:

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of Chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Robert M. White, [redacted] FR, Regular Air Force.

Brig. Gen. Harrison Lodbell, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. George H. Sylvester, [redacted] FR, Regular Air Force.

Brig. Gen. William C. Burrows, [redacted] FR, Regular Air Force.

Brig. Gen. Paul W. Myers, [redacted] FR, Regular Air Force, Medical.

Brig. Gen. John G. Albert, [redacted] FR, Regular Air Force.

Brig. Gen. Charles L. Wilson, [redacted] FR, Regular Air Force

Brig. Gen. Lucius Theus, [redacted] FR, Regular Air Force.

Brig. Gen. Robert C. Thompson, [redacted] FR, Regular Air Force.

Brig. Gen. John R. Spalding, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Robert E. Sadler, [redacted] FR, Regular Air Force.

Brig. Gen. Winfield W. Scott, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Richard H. Schoeneman, [redacted] FR, Regular Air Force.

Brig. Gen. Thomas M. Sadler, [redacted] FR, Regular Air Force.

Brig. Gen. Lovic P. Hodnette, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Walter D. Druen, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Benjamin R. Baker [redacted] FR, Regular Air Force, Medical.

Brig. Gen. Richard C. Bowman, [redacted] FR, Regular Air Force.

Brig. Gen. Gerald J. Post, [redacted] FR, Regular Air Force.

Brig. Gen. Carl D. Peterson, [redacted] FR, Regular Air Force.

Brig. Gen. Don D. Pittman, [redacted] FR, Regular Air Force.

Brig. Gen. Kermit C. Kaericher, [redacted] FR, Regular Air Force.

Brig. Gen. Don D. Pittman, [redacted] FR, Regular Air Force.

Brig. Gen. Robert A. Rushworth, [redacted] FR, Regular Air Force.

Brig. Gen. Charles C. Blanton, [redacted] FR, Regular Air Force.

Brig. Gen. John J. Murphy, [redacted] FR, Regular Air Force.

Brig. Gen. James P. Mullins, [redacted] FR, Regular Air Force.

Brig. Gen. Wayne E. Whitlatch, [redacted] FR, Regular Air Force.

Brig. Gen. Thomas M. Ryan, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Malcolm E. Ryan, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. James L. Brown, [redacted] FR, Regular Air Force.

Brig. Gen. Benjamin F. Starr, Jr., [redacted] FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Lt. Gen. James E. Hill, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Howard M. Lane, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Edward P. McNeff, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Howard P. Smith, Jr., [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James E. Paschall, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Travis R. McNeil, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. George Rhodes, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Kendall Russell, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Jack Bellamy, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Timothy I. Ahern, [redacted]

[redacted]R, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles E. Buckingham, [redacted]FR, (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Brent Scowcroft, [redacted]FR, (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Brig. Gen. David W. Winn, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John R. Spalding, Jr., [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Cecil E. Fox, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Kermit C. Kaericher, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Bohdan Danyliw, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Benjamin F. Starr, Jr., [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Norman C. Gaddis, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Henry B. Stelling, Jr., [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Jack I. Posner, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James B. Currie, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Rupert H. Burris, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas F. Rew, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William C. Norris, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Carl G. Schneider, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard C. Bowman, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard H. Schoeneman, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John G. Albert, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Frank G. Barnes, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. George M. Wentsch, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James P. Mullins, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Carl D. Peterson, [redacted]FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Donald N. Vivian, [redacted]FR, (colonel, Regular Air Force, Medical), U.S. Air Force.

IN THE NAVY

Rear Adm. Edward C. Waller, III, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

HOUSE OF REPRESENTATIVES—*Monday, December 16, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The people that walked in darkness have seen a great light.—Isaiah 9: 2.

Holy Father, the giver of every good and perfect gift, we thank Thee for the significance of the Advent season and for the coming of Jesus into our human world. In Him and in Thy Word Thou hast revealed the greatness of Thy love and the glory of our own lives. In doing so Thou hast blessed the families of the Earth.

During this season and throughout the new year may we be grateful for the ties that bind us together in the home, the church, and the Nation. Remove from within us all thoughts that are bitter and narrow, all feelings of pride and prejudice and may we learn to live as little children, glad-hearted and free, with spirits filled with love and joy.

We pray that this same spirit may come into the heart of our Nation and into the life of our world. Thus may we live together in peace, helping one another, lifting one another, and loving one another.

In the dear Redeemer's name we offer our morning prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 14349. An act to amend section 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army Staff;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777; and

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16136) entitled "An act to authorize certain construction at military installations, and for other purposes."

The message also announced that they agreed to the House amendments to Senate amendments numbered 1 and 3 until further announced that the Senate receded from its amendments numbered 5 and 6 to a bill of the House entitled:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3538. An act for the relief of Selmer Amundson;

H.R. 10710. An act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes;

H.R. 12860. An act to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the Armed Forces whose remains are not recovered;

H.R. 14449. An act to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs;

H.R. 15912. An act to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes;

H.R. 16925. An act to make technical amendments to the act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes; and

H.R. 17450. An act to provide a People's Counsel for the Public Service Commission in the District of Columbia, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10710) entitled "An act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. MONDALE, Mr. BENNETT, Mr. FANNIN, and Mr. HANSEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14449) entitled "An act to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NELSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEIKER, Mr. TAFT, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 17 with an amendment to a bill of the House of the following title:

H.R. 16900. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that on December 9, 1974, the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

And further that on December 10, 1974, the Senate agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 11, 39, 43, 44, 53, 66, and 85 to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

And on December 10, 1974, the Senate agreed to the amendment of the House of Representatives to the amendment of the Senate numbered 17 to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes," with an amendment.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a joint resolution of the Senate of the following title:

S.J. Res. 40. Joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1976.

The message also announced that the Senate insists upon its amendment to the House amendment to the joint resolution (S.J. Res. 40) entitled "An act to authorize and request the President to call a White House Conference on Library and Information Services in 1976," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PELL, Mr. RANDOLPH, Mr. WILLIAMS, Mr. KENNEDY, Mr. MONDALE, Mr. EAGLETON, Mr. CRANSTON, Mr. HATHAWAY, Mr. DOMINICK, Mr. JAVITS, Mr. SCHWEIKER, Mr. BEALL, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, joint and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3283. An act to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes;

S. 3668. An act for the relief of Sheila J. Phelps;

S.J. Res. 212. Joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower in the District of Columbia; and

S. Con. Res. 44. Concurrent resolution relating to the awarding of the Purple Heart to members of the Armed Forces interred in the Tomb of the Unknowns at Arlington National Cemetery.

H. R. GROSS

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, Mark Twain once said:

> I can live two months on a good compliment.

Using this as a guide, H. R. GROSS can look forward to a uniquely long and contented retirement. The compliments which have been heaped upon H. R. on the occasion of his retirement from Congress are a sign of our affection and respect for a man who has represented his constituency with vigor, wisdom, and integrity.

For the past 10 years, I have served with the gentleman from Iowa H. R. GROSS on the Post Office and Civil Service Committee and have had the privilege and pleasure of working with him on scores of issues. We did not always agree, but I always found that H. R. had full command of the facts, pressed his position with intelligence and wit, and was willing to listen and give counsel to his colleagues.

I would not scare H. R. by saying that he has become a legend in his own time; I do not think that he wants to be a legend. But his career here does have some legendary qualities. His grasp of parliamentary procedure has often left his adversaries gasping and his allies smiling. His debates have consistently informed, cajoled, exhorted, and often entertained the Members of the House, always to good purpose and always with an eye toward saving the taxpayers' money.

I—all of us—will miss H. R., and I wish him only the best in his well-earned retirement.

ARTHRITIS BILL AND BROADCASTER'S LICENSING BILL

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I will withdraw my objection to the arthritis bill for two reasons.

First is my own strong support for this bill and desire to see it receive final approval in the 93d Congress, as well as the strong support it has in my State and across the Nation. Second is the realization that it is now too late to appoint conferees on the broadcasters' licensing bill.

Quite frankly, I still think the conferees should have been appointed on the broadcasting legislation because this bill passed the House with only 15 dissenting votes and the Senate requested conference 10 weeks ago. I regret that the will of the Congress has been stymied on this important bill. Hopefully majority rule will prevail in the 94th Congress.

FOOD FOR THE POOR IN THE DISTRICT OF COLUMBIA

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I want to take this opportunity, for the benefit of those Members who may have missed the initial announcement, to state that Project Survival, that will give the Members of the House and their staffs an opportunity to bring food for the poor and hungry in the District of Columbia, will begin on Thursday, December 19, at 11:45, on the steps of the Capitol. This food is being distributed by the churches of the District, and the food is going to be used to feed the poor and hungry directly in the District of Columbia.

I again want to make reference to the fact that the Speaker of the House, the majority leader, the minority leader, and the minority whip have taken an active role in enthusiastically supporting this effort, and we hope that all of the Members and their staffs will bring some food in bags, canned food, and bring it on Thursday, 11:45, December 19, to the steps of the Capitol.

EMPHASIZING OUR NEED FOR DEEPWATER PORTS

(Mr. TREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, there are 100 deepwater ports in use around the world used in the transportation of crude oil, yet there is not one in the United States.

There is not even one underway. Despite this fact, we are subsidizing the construction of nine supertankers, all of them too large to use in any existing U.S. port.

Mr. Speaker, we have one week left to do something about this outrage. Legislation to permit the construction of deepwater oil importation facilities passed the House on June 6. Similar legislation passed the Senate on October 9. Unfortunately, conferees were not appointed by the House until November 26 and by the Senate until December 2. The conferees are yet to report.

Mr. Speaker, private investors have already joined together and have made plans to spend over $500 million in the construction of a deepwater port off the coast of Louisiana. All Americans will benefit by this facility because it will lower the cost of petroleum products and it will provide much needed new jobs for thousands of people.

Here is a piece of legislation that everyone agrees is needed and which would benefit consumers tremendously. But, considering the pace with which we have acted on this legislation, it is not surprising that the people of this country wonder about the intelligence and effectiveness of the Congress of the United States.

Mr. Speaker, I urge the conferees to report a bill this week so that this legislation can be enacted this year. Otherwise there is a strong risk that the impetus for construction of this much needed facility, and others like it where they are desired, may be lost forever.

APPOINTMENT OF CONFEREES ON H.R. 14449, COMMUNITY SERVICES ACT OF 1974

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of *Health, Education*, and Welfare to administer such programs, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, HAWKINS, and QUIE.

APPOINTMENT OF CONFEREES ON H.R. 10710, TRADE REFORM ACT OF 1973

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, BURKE of Massachusetts, Mrs. GRIFFITHS, and Messrs. ROSTENKOWSKI, SCHNEEBELI, CONABLE, and PETTIS.

CALL OF THE HOUSE

Mr. MATHIS of Georgia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a *call of the House*.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 687]

Adams
Armstrong
Ashley
Badillo
Bell
Biaggi
Blackburn
Blatnik
Boland
Brademas
Brasco
Brotzman
Burton, John
Butler
Carey, N.Y.
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Cotter
Cronin
Daniels, Dominick V.
Davis, Ga.
Dellums
Dennis
Dent
Derwinski
Diggs
Dingell
Downing
Drinan
Eshleman
Flowers
Flynt
Frelinghuysen
Giaimo
Goldwater
Grasso
Gray
Griffiths
Gross
Grover
Hanna
Hansen, Wash.
Harrington
Harsha
Hastings
Hébert
Heckler, Mass.
Hogan
Holifield
Howard
Hudnut
Hunt
Jones, N.C.
Jones, Okla.
Kuykendall
Landgrebe
Landrum
Litton
Luken
McCormack
McDade
McEwen
McKinney
McSpadden
Macdonald
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Milford
Mills
Minshall, Ohio
Mizell
Mosher
Murphy, N.Y.
Nelsen
O'Brien
O'Hara
Owens
Parris
Patten
Podell
Powell, Ohio
Price, Tex.
Rangel
Rarick
Reid
Rhodes
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Ruppe
Ruth
Sandman
Sarasin
Shipley
Shoup
Staggers
Steele
Stephens
Sullivan
Thompson, N.J.
Tiernan
Towell, Nev.
Vander Jagt
Walsh
Ware
Williams
Wolff
Wyman
Yatron
Young, Fla.
Young, S.C.

The SPEAKER. On this rollcall 316 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DATE FOR CONVENING OF 94TH CONGRESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 260), and I ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman about the joint resolution.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, there was a resolution, as the gentleman knows, which was sent over from the Senate some 2 or 3 weeks ago with regard to setting either Friday or Saturday as the day on which the Congress would adjourn sine die.

Mr. GROSS. What is the purpose of this resolution?

Mr. O'NEILL. The purpose of this resolution is to fix the date of January 14 as the day on which the new Congress will convene. We will be out of here on Friday, and this will fix the date January 14 as the date on which the new Congress will convene.

Mr. GROSS. This fixes both days then, the date for adjourning this Congress and the convening of the new Congress?

Mr. O'NEILL. No, this just fixes the convening of the new Congress on January 14.

Mr. GROSS. Mr. Speaker, why, with all the problems facing the new Congress, would it delay convening until the middle of January?

Mr. O'NEILL. The Constitution says unless otherwise fixed, the House and Senate will assemble on January 3, but in view of the fact that the House has been in session for 14 to 16 months since we have had a vacation, a year ago August, it is the feeling of the membership that we should come back on the 14th of January. I am sure the gentleman is aware that Congressmen who are leaving will complete their terms and their terms will expire on January 3.

We have discussed this with the leadership on the other side and with the President of the United States. It does not in any way cause difficulty for the President and at the same time he has informed the leadership he will be coming in then with a Presidential message.

I think it is in the best interest of the Congressmen who have been working consistently for 16 months that they should have a vacation of about 3 weeks.

Mr. GROSS. Mr. Speaker, I do think the situation in this country ought to mandate Congress convening at the earliest possible date and therefore I am opposed to convening the new Congress on January 14 and suffering the loss of that time in which to do something about the situation but I will not object for I am well aware that a vote on a motion to convene on January 14 would be overwhelmingly approved.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 260

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first regular session of the 94th Congress shall begin at 12 o'clock noon on Tuesday, January 14, 1975.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. DU PONT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DU PONT. Mr. Speaker, because of a prior commitment in Delaware, I did not have the opportunity to vote on H.R. 16204 or H.R. 14266 and the one amendment offered to it. Had I been present, I would have voted "yea" on H.R. 16204. I would have voted "yea" on H.R. 14266, and "nay" on Mr. MURPHY's amendment to that bill.

In addition, Mr. Speaker, I would like to comment briefly on S. 425, the strip mining bill which passed the House on Friday.

I have consistently supported the objectives of S. 425. I voted for the bill when it was before us in July and supported the conference report on final passage. However, I had serious misgivings about the rule granted to the conference report and I wish to clarify my reasons for opposing that rule.

First, I think it is both improper and dangerous for conferees to insert substantive proposals—in this case involving the coal tax—that were not a part of either House's bills as they were passed. We were not given adequate time or facts to decide intelligently whether the inflationary impacts of such a move were outweighed by the worthy objectives for which the moneys were to be spent.

Second, the introduction of entirely new material not considered by either House is a direct violation of rule 28, clause 3 of the rules of the House. The purpose of which is to guard against the approval of ill-advised, hastily considered insertions in conference reports being passed under the pressure of time. I believe that ignoring this rule in matters of substantial magnitude such as the tax provision of S. 425 surely was a mistake and should not be condoned by my voting for such action.

For these reasons I voted "nay" on the rule for the conference report on S. 425 in spite of my support for the substance of the bill itself.

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I move to take from the Speaker's desk the bill H.R. 16900 making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, and concur in the Senate amendment to the House amendment to Senate amendment No. 17.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment to the Senate amendment No. 17, as follows:

> At the end of amendment numbered 17 in disagreement, strike the period, insert a comma in lieu thereof, and add the following: "except as may be required to enforce nondiscrimination provisions of Federal law".

Mr. MAHON. Mr. Speaker, I ask for recognition.

Mr. GROSS. Mr. Speaker, reserving the right to object.

The SPEAKER. The gentleman from Iowa reserves the right to object.

Mr. MAHON. Mr. Speaker, I will explain this to the gentleman presently. I have made a motion.

Mr. GROSS. Is the so-called Holt amendment, does the gentleman consider that now to be scuttled?

Mr. MAHON. I am ready to discuss the issue, if the gentleman will listen; then he may have further questions.

Mr. Speaker, the House on December 4 adopted the conference report and amendments in disagreement to the supplemental appropriations bill (H.R. 16900). This bill provides a total of $8,659,352,078 in new budget authority. There are numerous items in this supplemental that cover a wide range of governmental programs. However, the two principal items in the bill contain funds for the Elementary and Secondary Education Act and the new community development program.

Amendment No. 17, the so-called Holt amendment, was approved by the House and contained the following language:

> *Provided further*, That none of these funds shall be used to compel any school system as a condition for receiving grants and other benefits from the appropriations above, to classify teachers or students by race, religion, sex, or national origin; or to assign teachers or students to schools, classes, or courses for reasons of race, religion, sex, or national origin.

The conference report was agreed to in the Senate but the Holt amendment had the following language added to it: "except as may be required to enforce nondiscrimination provisions of Federal law."

So this was an addition added in the Senate after much debate and controversy. It seems to be the best that can be achieved at this time. I see nothing for us to do if we are to have a supplemental appropriations bill—and it is vital that we have it—except to move, although reluctantly, to accept the Senate modification of the language in the conference report. That is my motion.

I now yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I renew my question. Does the gentleman think the Holt amendment is scuttled, or is it considered in total in this conference report?

Mr. MAHON. Well, as the gentleman knows, the House throughout the year has been battling in the elementary and secondary education bill and in other legislation in connection with provisions to prohibit forced busing to achieve racial balance. Many of us are strongly opposed to forced busing to achieve racial balance. I, for one, am unyielding in my opposition to forced busing for the purpose of achieving racial balance.

CALL OF THE HOUSE

Mr. SISK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 688]

Adams
Alexander
Archer
Armstrong
Badillo
Bell
Blackburn
Brademas
Brasco
Breaux
Brotzman
Brown, Calif.
Brown, Ohio
Burton, John
Butler
Carey, N.Y.
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Cohen
Conyers
Cotter
Cronin
Daniels, Dominick V.
Dennis
Dent
Derwinski
Dingell
Downing
Drinan
Eshleman
Evins, Tenn.
Flowers
Flynt
Foley
Fraser
Frelinghuysen
Giaimo
Gibbons
Goldwater
Grasso
Griffiths
Grover
Gubser
Hanna
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Hogan
Holifield
Hosmer
Howard
Hudnut
Jarman
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kuykendall
Landrum
Litton
Luken
McDade
McKinney
McSpadden
Macdonald
Madigan
Maraziti
Martin, Nebr.
Mathias, Calif.
Mills
Mink
Minshall, Ohio
Mitchell, Md.
Mizell
Murphy, N.Y.
Nelsen
Nichols
Obey
O'Hara
Owens
Parris
Pepper
Podell, N.Y.
Railsback
Rangel
Rarick
Reid
Reuss
Rhodes
Riegle
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Sandman
Sarasin
Shipley
Shoup
Staggers
Steele
Stephens
Tiernan
Towell, Nev.
Ullman
Vander Jagt
Williams
Wilson, Charles H., Calif.
Wolff
Wyatt
Wyman
Young, Alaska
Young, Fla.

The SPEAKER. On this rollcall, 318 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, as I was saying before the quorum call intervened, this is a motion to dispose of the supplemental appropriation bill which has passed the House and passed the Senate; the conference report passed the House.

The conferees agreed to the following language which passed the House:

> *Provided further*, That none of these funds shall be used to compel any school system as a condition for receiving grants and other benefits from the appropriations above, to classify teachers or students by race, religion, sex, or national origin; or to assign teachers or students to schools, classes, or courses for reasons of race, religion, sex, or national origin.

The Senate then added this proviso: "except as may be required to enforce nondiscrimination provisions of Federal law."

Mr. Speaker, we have been battling over busing provisions throughout this session, and in fact, throughout the year. This is the best that can be achieved at this time, and I am proposing that we concur in the Senate provision, even though many of us do not agree with it, and send this bill to the White House, as it is urgently necessary that this $8 billion appropriation bill be passed before the adjournment of Congress.

I believe the gentlewoman from Maryland (Mrs. HOLT) has a question and would like me to yield to her for a comment.

Mrs. HOLT. I thank the chairman for yielding.

Does the gentleman agree that the Senate once again has acted to weaken a House amendment which was an effort to curb the excesses of the Federal bureaucracy? Do I understand the gentleman's statement to mean that he agrees with that?

Mr. MAHON. I am saying that the language adopted in the Senate does weaken the House position and that its meaning is not totally clear.

Mrs. HOLT. By large majorities, twice we voted on this amendment to H.R. 16900. It seems to me that this is loud and clear that the feeling of this House is that we want HEW to recognize that we do not want them to continue the harassment that has gone on.

The Senate now has added language saying, "except as may be required to enforce nondiscrimination provisions of Federal law."

This is certainly weakening our position that we twice have indicated here.

The Congress has never defined what is necessary to enforce the laws against race and sex discrimination. However, HEW has taken it on itself to determine how they are going to do that, and it is well-known that that bureaucracy and the courts have frequently imposed extreme requirements and remedies never specifically authorized by this Congress.

We have to spell out what we intend. We never enacted any law requiring racial quotas in the schools, but the bureaucracy continues to do that, and they are damaging our education.

The intent of my amendment was not to repeal the civil rights law, but it was to limit the bureaucracy in its manner of investigation of charges of discrimination.

I feel we do have some small victory in what has been left in this amendment. The sponsors of the Senate amendment said they were retaining the Holt amendment directing HEW not to unduly harass schools.

There was legislative history made in the Senate indicating that we are unhappy with the way HEW is carrying out our mandate.

This amendment was originally brought about because of HEW's activities in Anne Arundel County. This is being thrashed out in the courts at the present time.

In the Senate, the Senator from New York and ranking minority member of the Committee on Labor and Public Welfare promised the junior Senator from Maryland that he would press for a hearing on any such arbitrary exercise of power. That is an admission that there is an exercise of power there that should not be taken.

The Senator from Michigan, who led the Senate opposition to my amendment, also promised to work for a hearing on the conduct of HEW. He described his own colloquy with Senator BEALL as an attempt to make legislative history so that HEW would understand that we would not tolerate harassment from what the Senator from Maryland has called the bureaucrats in HEW.

So there is an admission there that there is harassment. I feel that we must get the attention of HEW, or we are going to destroy our school systems.

I am confident that if we did have hearings that it would show that Congress must define what is necessary to enforce the laws against discrimination.

Although the language that has returned from the Senate I feel is somewhat ambiguous, there has never been any question about the position of this House. We want the laws against race and sex discrimination to be enforced, but we are thoroughly against quota systems which are inherently discriminatory.

Mr. MAHON. Mr. Speaker, I would ask the gentlewoman from Maryland (Mrs. HOLT) to remain on her feet, if she will, please.

Mr. Speaker, I have discussed the situation with the proponents of the Holt amendment, and with the opponents of the Holt amendment. Is it the view of the gentlewoman from Maryland (Mrs. HOLT) that there is hardly any alternative now other than the adoption of the motion which I have made in order that the supplemental appropriation bill may be sent to the President and enacted into law?

Mrs. HOLT. Mr. Speaker, if the gentleman will yield, I believe we have a victory in having the Holt language in this bill, and in having the legislative history that we have just been making. I feel it is a step in the right direction to put the Holt language in there. So I feel we have made progress.

Mr. MAHON. I thank the gentlewoman from Maryland.

Mr. Speaker, I think it is noteworthy to say that it is not altogether a hollow victory, so to speak, because it simply says that despite the language which had been adopted by the House:

> . . . except as may be required to enforce non-discrimination provisions of Federal law. . . .

In other words, this does not repeal existing Federal law, it could be used to argue that the Holt amendment undertook to repeal existing Federal law. I do not interpret the Federal law to have mandated the action which HEW has taken with regard to this issue.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, the gentleman from Texas has always been very careful with his words, and I would ask the gentleman from Texas if this does not go further, and it would be my opinion, as one of the people who has worked on these amendments, that it does not weaken it; it almost negates and obliterates the amendment, which directed the bureaucracy at HEW to stop carrying out the practices which the Holt amendment attempted to get to, which was on one basis to enforce nondiscrimination on the basis of Federal law. We passed the Holt amendment, and the Senate has added to this, so that if we agree to this then they are now in the exact same place they were before the amendment was adopted, the only difference being we will have some victory in the sense that clearly it is a message to them, as the original intent of the Holt amendment was, that those of us in the House are upset at the way they are handling the situation, and the regulations they are issuing, but, as far as anything in law, by putting those words at the end of it, will negate and obliterate, in my opinion, the entire Holt amendment.

So I ask the gentleman from Texas if in the gentleman's opinion we do little more than weaken the Holt amendment?

Mr. MAHON. Could the gentleman state his question again?

Mr. ASHBROOK. I am saying that we just do not merely weaken the amendment, as the gentleman suggested, with our present language, but that we negate the whole amendment.

Mr. MAHON. I do not believe I can concur fully in that statement. The Senate amendment adds to the Holt amendment contained in the conference report "except as may be required to enforce nondiscrimination provisions of Federal Law". In other words, the Senate says, and as we would say if we approve this, that we do not repeal Federal law by adopting the motion I have made. There has been some opinion as to what the Federal law says, and of course this is where the difficulties arise.

So it seems to me that in an appropriation bill we have gone as far as we can go, in this bill and that the gentlewoman from Maryland (Mrs. HOLT) is correct that it is about all that can be achieved at the moment, and that in the next session the issue will again be before the Congress.

Mr. ASHBROOK. If the gentleman from Texas will yield still further, I think it is rather strange that we always get into this same position as in the busing amendment with the Holt amendment, and in that amendment we are not trying to condemn all of the actions that have been taken by the bureaucracy, but we seem to continually get to a conference—and I have been in the conference on the busing amendment, and I know we sit there and, sooner or later, we accept the Scott-Mansfield compromise which in effect negates the entire amendment that the House voted on, and here we are in the same position. And then we come back to this body—and again I am not taking away from the work the gentleman from Texas has done on this, because I know that at some point we have to give in, but I cannot help but point out that it always seems the House is the one that gives in.

We come back here and say: There is nothing else we can do; we have to accept Scott-Mansfield. We have to accept this amendment to get the bill through.

I think many of us start to wonder—I think the American people are well going to wonder—when we time and time again say this is all we can do. I think they are looking for more than this.

Again, I thank the gentleman for yielding. I would venture to say that language such as this negates the entire thrust of the Holt amendment.

Mr. MAHON. I will say to my friend, the gentleman from Ohio, that the Holt amendment was adopted by the House. A modification of it was adopted by the conference. The House supported the conference report on the Holt amendment. It was beyond our authority to dictate to the Senate what the Senate would do when it took up the conference report. The Senate in taking up the conference report decided to leave the Holt amendment in the law, in the bill, and also to add a proviso that it should not in effect repeal existing law with respect to the issue involved.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois, the ranking minority member of the Subcommittee on Health, Education, and Welfare.

Mr. MICHEL. I thank the gentleman for yielding.

Is it not fair to say, here is an appropriation bill on which we do not want to legislate or change the existing law? That is not the function of our Committee on Appropriations, but rather, to give direction, if we can, either through report language or bill language if we do not like the particular manner in which the law is being administered, or that there is a change of emphasis as reflected by the kinds of appropriations we have here on the floor in consideration of money bills.

I think the gentlewoman from Maryland has pretty well expressed herself here and that there has been something good accomplished by this dialog between both bodies and on what takes place today. I think we have a partial victory, not everything some people would like, but I think it is just impractical to think we could go down the road and not adopt affirmatively the gentleman's motion here, and take what victory we can from it.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

All right, I think that is fine. I accept what the gentleman from Illinois says. But let us analyze closely what he says. I agree an appropriation bill is a difficult and maybe an improper place for an amendment such as this. The gentleman from Illinois and the gentleman from Texas said exactly the same thing, and that is, we were not going to change existing law.

To go back to the point I made, if they were sending out these questionnaires under existing laws, if the gentleman from Illinois and the gentleman from Texas both agree, we have not changed existing law. Then we end up with precisely what I have said, and that is nothing. But if we have not changed the law, as the chairman said, then the whole amendment means absolutely nothing. That is the only point I want to make at this stage.

I agree with the gentleman that we have not changed the law, except the psychology, except for sending a telegram to HEW, except for letting them know we are upset. We do not in any way change the basic law.

Mr. MICHEL. I say, give them another chance, and if they do not straighten up and fly right, there is going to be a lot stronger language.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I should like to say I feel that there is nothing in the law now that allows HEW to send out the questionnaires. That is not the law. That is the point that I feel that we have made in this long, arduous debate that we have had here, and that is that they are violating the law, and we want them to recognize what the intent of Congress was. I think that is where we can say that we have gained something. We have put the onus of this on HEW, as I see it. We feel that they are breaking the law and not carrying out the law as it was intended by the Congress. I think that is where we have got to exercise our oversight more strenously than we have in the past, but I think we can make real progress if we do that.

Mr. MAHON. Mr. Speaker, I thank the gentlewoman from Maryland for pointing out a very important and pertinent point. We have indeed accomplished something, although many of us would have preferred a stronger provision. Unfortunately, in the short time remaining in this session it is just not possible to get a stronger provision and still get this bill passed. And it is essential to have a bill in order to provide for the Elementary and Secondary Education Act, the new community development programs, and numerous other programs.

Mr. FLOOD. Mr. Speaker, I hope that the House will concur in the Senate action on amendment No. 17 to the bill, H.R. 16900, the supplemental appropriation bill for 1975.

I would remind Members that, in many ways, this is not a supplemental appropriation bill. It includes annual appropriations for all of the elementary and secondary education programs, not only for fiscal year 1975 but also advance appropriations for fiscal year 1976. Insofar as these programs are concerned, this is not just a routine supplemental appropriations bill.

Unfortunately the committee could not consider appropriations for elementary and secondary education in the regular Labor-HEW bill because the legislative authorization had expired. When the authorization was enacted last August, the committee immediately began consideration of these programs as part of a supplemental appropriations bill. We worked hard—as did the other body—to put together, as quickly as possible, an appropriation bill so that the State and local educational agencies could know how much Federal aid they will receive to operate their programs during the current school year and the next.

This bill includes over $5 billion in Federal aid to education. It is being delayed over a legislative matter that I thought was settled last summer when Congress passed the Education Amendments of 1974. It is unfair to raise the civil rights issue in an appropriation bill. If Members are not satisfied with the present law, they should follow normal procedure and seek a change in the basic law.

The Senate amendment is designed to clarify the legislative language provision contained in amendment No. 17. It has nothing to do with the amounts appropriated for elementary and secondary education—that has already been settled. The language change made by the Senate removes much of the uncertainty and ambiguity of the legislative provision. It avoids serious constitutional questions that have been raised. It places responsibility for administering Federal laws where it belongs and where Congress intended it be placed.

My principal concern is to pass this supplemental appropriations bill and send it to the President. The local school districts are anxiously awaiting the funds in this bill so they can proceed with their educational programs.

Mr. STOKES. Mr. Speaker, I rise in support of the Mahon motion that the House recede and concur in the Senate language to the Holt amendment. I want to take this opportunity to commend the distinguished chairman of my committee, Mr. MAHON, for his position regarding this amendment. It is unfortunate that the House did not strike this amendment from the bill when it was first proposed. In my opinion it was legislation on an appropriations bill and had absolutely no business being considered by the House as an amendment to a supplemental appropriations bill. It is to the credit of the other body, that each time this amendment has been proposed in their chamber, that they have in effect rejected it.

Last week when we debated this amendment in the House, I said then, and I say now, that this amendment is dangerous, unconstitutional, and unconscionable. It is clearly an unresponsible act for the House today to permit an amendment tacked onto a supplemental appropriations bill to vitiate the provisions of title VI of the Civil Rights Act of 1964 and title IX of the Education Amendments of 1972. We cannot permit a purely local problem occurring in Anne Arundel County, Md., to erupt into anything more than that—a purely local matter.

It took years and years for this Congress to enact the meaningful civil rights laws to which I have just referred. This Nation can be proud of this legislation protecting minorities and women from discrimination. This Holt amendment, unchecked, would substantively wipe great legislation right off the books. I am sure that even the gentlewoman who proposed this amendment would not want the result of what this amendment would accomplish.

Mr. Speaker, the Holt amendment would be a step backward for the Nation. I endorse the Senate language which effectively checks the Holt amendment. I intend to vote for the Mahon amendment to concur and recede, and I urge all of my colleagues to vote "aye."

Ms. ABZUG. Mr. Speaker, I rise to support the motion to accept the Senate language on the amendment to the supplemental appropriations conference report, the so-called Holt amendment.

As one who opposed the Holt amendment in October when it was first presented to this body, and one who again opposed it when it came back from the conference committee earlier this month, I believe the Holt amendment should have been stricken. I support the Senate language, because it has the same effect.

By adding the words, "except as may be required to enforce nondiscrimination provisions of Federal law" we will demonstrate that the House is not ready to violate the Constitution or legislate on appropriation bills or repeal years of work in the fields of civil rights for women and minorities. We will demonstrate that we are not in favor of repealing the 1964 Civil Rights Act or title IX of the Education Amendments of 1972.

While I will not take the time of this body to review all the legal and moral arguments against the Holt amendment, it is vital to remember that unless the Federal Government has the authority to assign and classify, we can have no compliance with the antidiscrimination laws.

We in Congress must not present an image to the American people of passing antidiscrimination laws on the one hand and on the other take away the authority to enforce those laws. We cannot limit HEW's authority to insure that Federal assistance programs are administered in accordance with the Constitution.

The educational systems in this bill are receiving Federal funds. These systems, therefore, have no right to violate the Constitution. The adoption of the Senate language will insure our compliance with law, the Constitution, and our moral obligations.

Mr. MAHON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 136, not voting 74, as follows:

[Roll No. 689]

YEAS—224

Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Ashley
Aspin
Barrett
Bergland
Biaggi
Biester
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burlison, Mo.
Burton, Phillip
Carney, Ohio
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Danielson
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dent
Donohue
Dorn
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Frenzel
Frey
Fuqua
Gaydos
Gilman
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Gude
Guyer
Hamilton
Hammerschmidt
Hanna
Hanrahan
Hansen, Idaho
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Hungate
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kemp
Kluczynski
Koch
Kyros
Leggett
Lehman
Long, Md.
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Sarbanes
Schroeder
Sebelius
Seiberling
Shriver
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Ware
Whalen
White
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wyatt
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.

NAYS—136

Andrews, N.C.
Annunzio
Archer
Arends
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Blackburn
Bowen
Bray
Breaux
Brinkley
Brooks
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Byron
Camp
Carter
Casey, Tex.
Clancy
Clawson, Del
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dennis
Derwinski
Devine
Dickinson
Duncan
Edwards, Ala.
Evins, Tenn.
Fisher
Fountain
Froehlich
Fulton
Gettys
Ginn
Goldwater
Goodling
Gross
Gubser
Gunter
Haley
Hanley
Harsha
Henderson
Hinshaw
Holt
Hosmer
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, Tenn.
Kazen
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
Lujan
McCollister
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Milford
Miller
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Myers
Nedzi
Nichols
Passman
Patman
Pettis
Poage
Powell, Ohio
Price, Tex.
Quillen
Randall
Rarick
Roberts
Robinson, Va.
Rogers
Roy
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Shuster
Sikes
Skubitz
Snyder
Spence
Staggers
Steiger, Ariz.
Stuckey
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Treen
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, S.C.
Zablocki
Zion

NOT VOTING—74

Abdnor
Adams
Armstrong
Badillo
Bell
Bingham
Brasco
Brotzman
Buchanan
Burton, John
Butler
Carey, N.Y.
Chamberlain
Chappell
Clark
Cotter
Daniels, Dominick V.
Davis, Ga.
Diggs
Dingell
Downing
Eshleman
Flowers
Flynt
Fraser
Frelinghuysen
Giaimo
Gibbons
Grasso
Griffiths
Grover
Hansen, Wash.
Harrington
Hastings
Hébert
Hogan
Holifield
Howard
Hudnut
Jones, N.C.
Jones, Okla.
Landrum
Litton
Long, La.
Luken
McSpadden
Macdonald
Maraziti
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
O'Hara
Parris
Podell
Reid
Rhodes
Riegle
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Sandman
Sarasin
Shipley
Shoup
Steele
Stephens
Symington
Towell, Nev.
Vander Jagt
Williams
Wyman
Young, Fla.
Zwach

So the Senate amendment to the House amendment to Senate amendment No. 17, was concurred in.

The Clerk announced the following pairs.

On this vote:

Mr. Murphy of New York for, with Mr. Hébert against.

Mr. Bingham for, with Mr. Eshleman against.

Mr. Adams for, with Mr. Maraziti against.

Mr. John L. Burton for, with Mr. Roncallo of New York against.

Mr. Bell for, with Mr. Rousselot against.

Mr. Frelinghuysen for, with Mr. Williams against.

Mr. Howard for, with Mr. Young of Florida against.

Mr. Shipley for, with Mr. Chappell against.

Mr. Badillo for, with Mr. Flynt against.

Mr. Cotter for, with Mr. Gibbons against.

Mr. Diggs for, with Mr. Jones of North Carolina against.

Mr. Luken for, with Mr. Landrum against.

Mr. Macdonald for, with Mr. Long of Louisiana against.

Mr. Harrington for, with Mr. Stephens against.

Mr. Zwach for, with Mr. Giaimo against.

Mr. Symington for, with Mr. Abdnor against.

Mr. Steele for, with Mr. Butler against.

Mr. Riegle for, with Mr. Grover against.

Mr. Rooney of New York for, with Mr. Hogan against.

Mr. Reid for, with Mr. Hudnut against.

Mr. Carey of New York for, with Mr. Buchanan against.

Mr. Clark for, with Mr. Hastings against.

Mrs. Grasso for, with Mr. Mizell against.

Mr. Litton for, with Mr. Parris against.

Mrs. Griffiths for, with Mr. Sarasin against.

Until further notice:

Mr. Brotzman with Mr. Dingell.

Mr. Minshall of Ohio with Mr. O'Hara.

Mr. McSpadden with Mr. Fraser.

Mr. Wyman with Mr. Mills.

Mr. Towell of Nevada with Mr. Jones of Oklahoma.

Mr. Holifield with Mrs. Hansen of Washington.

Mr. Flowers with Mr. Sandman.

Mr. Dominick V. Daniels with Mr. Chamberlain.

Mr. Downing with Mr. Davis of Georgia.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just agreed to.

Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSENT CALENDAR

The SPEAKER pro tempore (Mr. McFall). This is Consent Calendar day. The Clerk will call the first bill on the consent calendar.

EMERGENCY TOBACCO PRICE SUPPORT INCREASE

The Clerk called the bill (H.R. 16056) to provide for emergency increases in the support level for the 1974 crop of Flue-cured tobacco.

Mr. PEYSER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MINIMUM GRADE STANDARDS FOR GRAPES AND PLUMS

The Clerk called the bill (H.R. 13022) to amend the act of September 2, 1960, as amended, so as to authorize different minimum grade standards for packages of grapes and plums exported to different destinations.

There being no objection, the Clerk read the bill, as follows:

H.R. 13022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of September 2, 1960, as amended (74 Stat. 734), is amended by inserting in the first sentence thereof "and destination" immediately following the words "such variety" and "to such destination" at the end of such sentence.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PERSONAL STATEMENT

Mr. HEINZ. Mr. Speaker, I was unavoidably absent on congressional business last week during several rollcall votes. I ask unanimous consent that the RECORD show that, had I been present, I would have voted as follows: Rollcall No. 662, "aye"; rollcall No. 670, "aye"; rollcall No. 679, "aye"; rollcall No. 680, "aye"; rollcall No. 681, "aye"; and, rollcall No. 683, "aye."

AMENDING THE ACT OF JUNE 15, 1912, TO PERMIT AN EXCHANGE OF LANDS IN THE STATE OF CALIFORNIA

The Clerk called the bill (H.R. 7515) to amend the act of June 15, 1912, to permit an exchange of lands in the State of California.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California

There was no objection.

AMENDING THE ADMISSION ACT FOR THE STATE OF IDAHO

The Clerk called the Senate bill (S. 939) to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes.

There being no objection, the Clerk read the Senate bill as follows:

S. 939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Admission Act for the State of Idaho (26 Stat. 215), as amended, is further amended, as follows:

(a) In the first sentence of such section delete "That" and insert in lieu thereof "(a) Except as provided in subsection (b),".

(b) In the second sentence of such section—

(1) delete "But said" and insert in lieu thereof "Such";

(2) after "hydrocarbon lease," insert "or a geothermal resource and associated byproducts lease,"; and

(3) after "produced" insert "in paying quantities or the lessee in good faith is conducting well drilling or construction operations,".

(c) At the end of such section insert the following new subsection:

"(b) Such lands may be exchanged for other lands, public or private. The values of such lands so exchanged shall be approximately equal or, if they are not approximately equal, they shall be equalized by the payment of money by the appropriate party. If any such lands are exchanged with the United States, such exchange shall be limited to Federal lands within the State that are subject to exchange under the laws governing the administration of such lands. All such exchanges heretofore made with the United States are hereby approved.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS IN IDAHO TO THE CITY OF COEUR D'ALENE

The Clerk called the Senate bill (S. 2343) to authorize the Secretary of the Interior to convey, by quit-claim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands.

There being no objection, the Clerk read the Senate bill as follows:

S. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the Act of April 28, 1904 (33 Stat. 485), the Secretary of the Interior is authorized and directed to convey, by quitclaim deed and without consideration, to the city of Coeur 'Alene, Idaho, all right, title, and interest of the United States in and to the following tract of land: A triangular shaped tract of land lying in the northeast corner of Government lot 48, section 14, township 50 north range 4 W.B.M., Kootenai County, State of Idaho, bounded on the west by the Northwest Boulevard, and on the north by Garden Avenue.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING AUTHORITY FOR THE ARMY TO INVOLUNTARY DISCHARGE REGULAR COMMISSIONED OFFICERS IN GRADES BELOW MAJOR WHENEVER THERE IS A REDUCTION IN FORCE

The Clerk called the Senate bill (S. 3191) to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force.

There being no objection, the Clerk read the Senate bill as follows:

S. 3191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 361 of title 10, United States Code, is amended by inserting the following new section after section 3814, and inserting a corresponding new item in the chapter analysis:

"§ 3814a. Regular commissioned officers; second lieutenants, first lieutenants, and captains; discharge during a reduction in force

"(a) Under regulations prescribed by the Secretary of the Army, whenever he determines that a reduction in the active duty officer personnel strength of the Army is required, he is authorized to remove from the active list of the Regular Army any commissioned officer below the grade of major, if such officer is recommended for removal from the active list by a board of officers appointed by the Secretary of the Army, or his designee, for the purpose of recommending the removal of officers from the active list.

"(b) Any officer selected for removal from the active list of the Regular Army under subsection (a) shall—

"(1) if he is eligible, and so requests, be retired under section 3911 of this title on the date requested by him and approved by the Secretary, but not later than ninety days after such officer receives notification that he is to be removed from the active list of the Regular Army;

"(2) if he is not eligible for retirement under section 3911 of this title, but is eligible for retirement under any other provision of law, be retired under that law on the date requested by him and approved by the Secretary, but not later than ninety days after the date such officer receives notification that he is to be removed from the active list of the Regular Army; or

"(3) if he is not eligible for retirement under section 3911 of this title or any other provision of law, or does not request retirement under section 3911 of this title or under any other provision of law if he is eligible, be honorably discharged on the date requested by him and approved by the Secretary, but not later than ninety days after the date such officer receives notification that he is to be removed from the active list of the Regular Army, and be granted a readjustment payment as provided in subsection (c) of this section.

"(c)(1) Any officer discharged under subsection (b)(3) and who has completed, immediately before his discharge, at least five years of continuous active duty is entitled to a readjustment payment computed by multiplying his years of active service, but not more than eighteen, by two months' basic day of the grade in which he is serving on the date of his discharge. Such an officer may not be paid more than two years' basic pay of the grade in which he is serving at the time of his discharge or $15,000, whichever amount is the lesser.

"(2) For the purpose of computing the amount of a readjustment payment under subsection (b)(3), a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"(d) If any officer who received a readjustment payment under this section qualifies for retired pay under any provision of this title or title 14 that authorizes his retirement upon completion of twenty years of active service, an amount equal to 75 per centum of that payment, without interest, shall be deducted immediately from his retired pay.

"(e) This section does not apply to any officer who is required to be discharged or retired for failure of promotion to the grade of first lieutenant, captain, or major under section 3298 or 3303, as appropriate, or who is found to be disqualified for promotion under section 3302 of this title.

"(f) When, under regulations prescribed by the Secretary, any officer has been recommended for removal from the active list of the Regular Army under chapter 359 or 360 of this title, and that recommendation has been received by headquarters, Department of the Army, or when, under regulations prescribed by the Secretary, any officer has been selected by headquarters, Department of the Army, for discharge under section 3814 of this title, such officer may not be considered for removal from the active list under this section. However, any action by any headquarters subordinate to headquarters, Department of the Army, with respect to proceedings for the consideration of any officer for discharge under chapter 359 or 360 or section 3814 of this title shall not prevent consideration for removal of such officer from the active list under this section. Further, the removal of any officer from the active list under this section is not prevented if such officer was previously considered for discharge under chapter 359 or 360 of this title and was recommended for retention under such provision of law or if such officer was recommended for discharge under section 3814 but was not discharged under authority of such section.

"(g) Under regulations prescribed by the Secretary, any regular officer who is within two years of becoming eligible for retired pay may not be involuntarily discharged under this section before he becomes eligible for that pay, unless his discharge is approved by the Secretary.".

SEC. 2. This Act is effective on the date of enactment and expires three years after that date.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING RETROACTIVE THE ENTITLEMENTS OF PUBLIC LAW 92-477

The Clerk called the bill (H.R. 13482) to amend Public Law 92-477, authorizing at Government expense the transportation of housetrailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movements of dependents and effects, or trailers of those members in such a status for more than 1 year, to make it retroactive to February 28, 1961.

There being no objection, the Clerk read the bill as follows:

H.R. 13482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 9, 1972, Public Law 92-477 (86 Stat. 793), is amended by adding the following new section:

"SEC. 2. The amendments made by this Act are effective as of February 28, 1961.".

With the following committee amendment:

Page 1, line 6, strike out "1061.". and insert in lieu thereof: "1961. Notwithstanding the Act of October 9, 1940, chapter 788 (31 U.S.C. 71a, 237), a claim for payment under section 554 of title 37, United States Code, may be paid if that section did not, before enactment of this Act, authorize the payment claimed and the claim for payment is received by the Secretary concerned (as defined in section 101 of title 37, United States Code) or his designee before January 1, 1977.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING CERTAIN BENEFITS TO MEMBERS OF COAST GUARD RESERVE

The Clerk called the Senate bill (S. 2149) to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes.

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 680 of title 10, United States Code, is amended by striking out "or Marine Corps" and inserting in place thereof "Marine Corps, or Coast Guard" in subsections (a) and (b).

SEC. 2. Section 1005 of title 10, United States Code, is amended by striking out the period at the end of the first sentence and adding "or chapter 21 of title 14.".

SEC. 3. Section 1006 of title 10, United States Code, is amended—

(1) by adding "or chapter 21 of title 14," after "or 863 of this title" in subsections (a) and (b);

(2) by striking out "of the Army or the Air Force" in subsection (c); and

(3) by adding "or title 14" at the end of the first sentence in subsection (e).

With the following committee amendment:

On page 1, line 3, after the word "section" strike out "680" and insert "684."

The committee amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING A WORKING CAPITAL FUND IN THE DEPARTMENT OF JUSTICE

The Clerk called the bill (H.R. 17010) to establish a working capital fund in the Department of Justice.

There being no objection, the Clerk read the bill as follows:

H.R. 17010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 31 of title 28, United States Code, is amended by inserting the following new section at the end thereof:

§ 527. Establishment of working capital fund

"There is hereby authorized to be established a working capital fund for the Department of Justice, which shall be available, without fiscal year limitation, for expenses and equipment necessary for maintenance and operation of such administrative services as the Attorney General, with the approval of the Office of Management and Budget, determines may be performed more advantageously as central services. The capital of the fund shall consist of the amount of the fair and reasonable value of such inventories, equipment, and other assets and inventories on order pertaining to the services to be carried on by the fund as the Attorney General may transfer to the fund less related liabilities and unpaid obligations together with any appropriations made for the purpose of providing capital. The fund shall be reimbursed or credited with advance payments from applicable appropriations and funds of the Department of Justice, other Federal agencies, and other sources authorized by law for supplies, materials, and services at rates which will recover the expenses of operations including accrual of annual leave and depreciation of plant and equipment of the fund. The fund shall also be credited with other receipts from sale or exchange of property or in payment for loss or damage to property held by the fund. There shall be transferred into the Treasury as miscellaneous receipts, as of the close of each fiscal year, any net income after making provisions for prior year losses, if any. There are hereby authorized to be appropriated such amounts as may be necessary to provide capital for the fund.".

(2) The section analysis of chapter 31 of title 28, United States Code, is amended by inserting the following item at the end thereof:

"527. Establishment of working capital fund.".

With the following committee amendment:

Page 2, lines 20, 21, and 22, strike "There are hereby authorized to be appropriated such amounts as may be necessary to provide capital for the fund.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN A. BLATNIK LOCK

The Clerk called the bill (H.R. 17589) to designate the new Poe lock on the St. Marys River at Sault Sainte Marie, Mich., as the "John A. Blatnik Lock."

Mr. RUPPE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the eligible bills on the Consent Calendar.

Does the gentleman from Wyoming (Mr. RONCALIO) desire to go further with the Consent Calendar?

Mr. RONCALIO of Wyoming. Mr. Speaker, in the absence of the bills, we are unable to do so. We will ask unanimous consent to continue the call of the Consent Calendar until tomorrow.

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that we may consider bills on the Consent Calendar on tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HINSHAW. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HINSHAW. Mr. Speaker, relating to the unanimous-consent request to carry the consideration of bills on the Consent Calendar over until tomorrow, does that mean we will extend the consideration of the bills not considered today because they were not on the calendar in timely fashion, or does that include also those bills which were passed over without prejudice?

The SPEAKER pro tempore. The Chair understood that the unanimous-consent request was relating to those bills that were not called because they were not yet eligible.

Mr. HINSHAW. I thank the Speaker.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO FILE REPORTS ON H.R. 17463, S. 2807, H.R. 11897, AND S.J. RES. 262

Mr. GRAY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file reports on the following bills:

H.R. 17463, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service (as amended);

S. 2807, to name the Federal building in Brunswick, Ga. as the Frank M. Scarlett Federal Building;

H.R. 11897, to name the U.S. courthouse and Federal office building in Grand Rapids, Mich., the President Gerald R. Ford Federal Office Building; and

S.J. Res. 262, to authorize the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol Grounds in connection with the erection of an addition to a building on privately owned property adjacent to the Capitol Grounds.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORTS ON SAME DAY REPORTED

Mr. O'NEILL. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1509) making in order consideration of conference reports on same day reported.

The Clerk read the resolution as follows:

H. RES. 1509

Resolved, That during the remainder of the second session of the Ninety-third Congress it shall be in order to consider conference reports on the same day reported or any day thereafter, notwithstanding the provisions of clause 2, rule XXVIII; and to consider reports from the Committee on Rules as provided in clause 24, rule XI, except that the provision requiring a two-thirds vote to consider said reports on the same day reported is hereby suspended during that period.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. O'NEILL) is recognized for 20 minutes, and the gentleman from Iowa (Mr. GROSS) is recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, this is the usual resolution that we pass in the final week of the session when we are anticipating the sine die resolution.

It suspends the rules with respect to conference reports having to be available 3 days and instead of resolutions of the Committee on Rules having to lie over a day, they can be brought up the same day.

Under the rules if a bill comes in and goes to the Committee on Rules, it must wait a day. This would allow us to be able to bring it up the same day. It is merely to suspend the rules so that we can bring up the items on the day they come to the House.

Without this, we just cannot expedite the work of the House in order that we can get out of here late Thursday night or Friday.

Mr. GROSS. Mr. Speaker, I would like to say to the distinguished majority leader that so far as I know, there is not a single copy of the resolution available to anyone on this floor. I am not sure what the resolution does.

It has, I believe, a second section, dealing with the Rules Committee.

Mr. O'NEILL. Mr. Speaker, I will reread it:

> That during the remainder of the second session of the Ninety-third Congress it shall be in order to consider conference reports on the same day reported or any day thereafter, notwithstanding the provisions of clause 2, rule XXVIII; and to consider reports from the Committee on Rules as provided in clause 24, rule XI, except that the provision requiring a two-thirds vote to consider said reports on the same day reported is hereby suspended during that period.

The latter part of the language means that while it ordinarily must be held 1 day, instead of its being held over for 1 day, we can bring it up on the same day, except that the provisions requiring a two-thirds vote are hereby suspended. Therefore, it would be a majority vote instead of a two-thirds vote.

This is the normal procedure we follow at a time like this. I am sure that nobody in the House is more aware of it than is the gentleman from Iowa.

Mr. GROSS. So that the Committee on Rules can report a rule to the floor and its immediate adoption does not require a two-thirds vote?

Mr. O'NEILL. It does not require a two-thirds vote. It does require a majority vote.

Mr. GROSS. This means that a conference report can be considered in the House or brought before the House and the Member who brings the conference report to the House floor then controls all of the time. He could immediately move the previous question without any discussion, is that not correct? The same thing would be true as to a report from the Committee on Rules. It could bring a rule to the House floor, move the previous question, and adopt it without one word of debate insofar as the Members of the House are concerned?

Mr. O'NEILL. This is the customary and usual procedure that we go through here at the close of every session of the biennial term, when we are going to move for a sine die resolution. This is no different from prior years or anything like that.

The Members have been down here now for 16 months continually, constantly working.

I think it is essential that we go through the normal procedure at a time like this.

Mr. GROSS. Mr. Speaker, I will say to my friend, the gentleman from Massachusetts, that I do not accuse the gentleman from Massachusetts or anyone else of indulging in trickery. If the gentleman brings in a conference report, or the Chairman of the Committee on Rules reports a rule, and we are suckers enough in this House to give them the authority to consider it immediately then they have not pulled any tricks on the House. The House has permitted itself to be suckered into a situation from which it cannot extricate itself in the interest of orderly procedure. Members cannot even discuss the time of day in relation to the legislation.

Mr. O'NEILL. I am sure that such a thing will not happen. As I say, this is the customary procedure we have in the closing days of a session.

Mr. GROSS. The power is there to do it. If the House wants to adopt this, then well and good.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I would like to ask the distinguished gentleman from Massachusetts, the majority leader, as to whether this resolution was considered by the Committee on Rules?

Mr. O'NEILL. If the gentleman will yield, no, I would say that it was considered by the leadership of both sides of the aisle. It is the regular and normal procedure that takes place before a sine die adjournment.

Mr. LOTT. I realize that this may be considered "the usual procedure," but the thing that bothers me is that we will not have a chance to look at the conference reports, and with the previous question in operation, we could be precluded from debating some important issues. Is there not some other system, such as by a unanimous consent request, where we can take a look at these matters one by one?

Mr. O'NEILL. Let me say to the gentleman from Mississippi that most of these matters have all been brought to the floor before many times, so it is not a question of bringing in a whole group of new legislation. I am sure the gentleman is aware that the unemployment compensation bill has passed the House, and now is in the Senate. I do not anticipate there will be trouble, but we could have that back here.

We have the Dominick V. Daniels manpower bill, which is in conference, and that will be back. We have the trade bill in conference, and that will be back before us. We have the continuing resolution. As I understand it, the strip mining bill has a great possibility that it may be vetoed, and if the Senate should override the veto then it will be back here.

These are the only matters of magnitude or importance we are concerned with, and these are the things we will be considering and we are trying not to delay the Congress so that Congress may adjourn on Thursday or Friday night. These matters have all been argued and considered and debated before, and they are well known by every Member of the Congress.

Again I say this is just the usual procedure in order that we can get this Congress to adjourn.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I will yield to the gentleman from Texas.

Mr. GROSS. Mr. Speaker, I wonder on whose time we are operating at this juncture?

The SPEAKER pro tempore. The gentleman from Iowa has the floor.

Mr. O'NEILL. I am sorry.

Mr. GROSS. I yield further to the gentleman from Mississippi.

Mr. LOTT. I thank the gentleman for yielding further, and I just wanted to say that I too am in favor of expediting the business of this Congress and getting us out of here, but I am very much concerned that we are doing something here that will work to the disadvantage of all of the Members, and I remember very well what happened at the end of the last session. I would like to express my reservations about this so-called usual procedure, one where our own Rules Committee has not even considered this resolution.

Mr. GROSS. Mr. Speaker, I would have to respectfully disagree with the gentleman from Massachusetts, the distinguished majority leader, Mr. O'NEILL, that we need to surrender everything, that we need to surrender a two-thirds vote in order to expedite the business of the House.

Now I will yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, I thank the gentleman from Iowa for yielding.

I simply wanted to pose a question. If we should be called back into session after Christmas, then would the same procedure specified in this resolution prevail during that period of time?

Mr. O'NEILL. If the gentleman will yield, of course the sine die resolution we presume will be approved, and that it would be the regular resolution in the case of an emergency that the House would be called back, but insofar as I can see the House will not be called back, and, if we were called back, we would immediately change the rules just as we presently are doing.

Mr. MILFORD. Is there any reason why this procedure could not be executed on a bill-by-bill basis? In other words, we could take them up under suspension, but with a preliminary resolution.

Mr. O'NEILL. Again I say that we are just going through the normal procedure. If the Members want to get out Thursday or Friday night, then they should pass this resolution.

It seems to me that right now we are tilting with windmills, and that we are trying to imagine something is going to happen around here that will not happen. This is the normal procedure we have gone through before.

Mr. MILFORD. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland, but before doing so I strongly urge defeat of this resolution.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I would just like to observe that the thing that concerns me most about this resolution is the second sentence, which is a suspension of clause 24, rule XI.

Last December, almost to the very day, we were occupied on this floor dealing at length with the so-called Emergency Energy Bill. The only way by which that bill was repeatedly defeated was by a judicious exercise of the rights of the House under clause 24, rule XI. The Committee on Rules continually came back to the Floor with resolutions trying to circumvent the conference report on the Emergency Energy Bill, and because they had to get a two-thirds vote, they were defeated, and for the good of the country, in my mind.

I can argue in favor of suspending the rule requiring the layover of conference reports, but if we give this broader power to the Committee on Rules, it can be used to push through almost anything, as was demonstrated last December, and this would not be wise. This is not the regular or usual procedure at the end of a session. This is not the usual thing we do every year. It is the total surrender of the rights of the minority, or, for that matter, the majority.

Mr. Speaker, I hope this resolution will be defeated under suspension today, and that another resolution will be reported dealing only with conference reports—not this blank check for the leadership.

Mr. O'NEILL. If the gentleman will yield further, if the Members want to delay this legislation, which normally takes 3 days, or legislation which normally takes a day, then we can always hang up Congress so that we cannot get out. It is very easy for us who have only a 35-minute car ride to come over here. But we have to take into consideration the Members living in California and the Members living in Hawaii, and those who want to get back there for Christmas. It is a very easy thing for the man who just lives down the street.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. MADDEN. I thank the gentleman for yielding.

I might say, Mr. Speaker, for the information of the Members, the Committee on Rules is sitting Wednesday afternoon for hearings on setting the debate time for the Rockefeller Vice-Presidential nomination rule. If there is any Member who wishes to testify on the time for the debate on the Rockefeller rule, he should contact the office of Committee on Rules by tomorrow noon so we can set up, if necessary, a larger room for the hearing. But only those Members who wish to testify should contact the Committee on Rules by tomorrow noon, if they wish to testify Wednesday on the Rockefeller hearing.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'NEILL) that the House suspend the rules and agree to the resolution.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, of rule XXVII, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974

Mr. UDALL. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 1283) to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes.

The Clerk read the title of the conference report.

The SPEAKER pro tempore. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement see proceedings of the House of December 11, 1974.)

The SPEAKER pro tempore. The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill will provide the Nation for the first time with a comprehensive nonnuclear energy research and development program centralized in one agency, ERDA; directed by a congressionally designed policy, and subject to an annual authorization and appropriation process.

The bill passed the Senate by a vote of 82 to 0 in December of 1973 and passed the House in September by a vote of 327 to 7.

ISSUES RESOLVED IN CONFERENCE

The Senate bill was passed long before ERDA was set up and therefore the conferees adopted the new provisions of the House bill in this regard and delegated all powers in this legislation to the administrator of ERDA.

The conferees retained the House provision which enunciates a set of governing principles according to which the nonnuclear energy research and development program will be designed and executed. Among other things, these principles require a strong attention to energy conservation and efficiency, to the adequacy of available water, to emphasis on renewable or essentially inexhaustible resources and to the degree to which non-Federal entities could accomplish the desired results in a timely manner.

The conferees worked out a compromise provision by which the Administrator will submit by June 30, 1975, the following:

a. A comprehensive energy plan setting forth solutions to the Nation's energy problem for the short term—to the early 1980's, middle term—1980's to 2000, and long term—beyond 2000.

b. A comprehensive nonnuclear energy program setting forth in detail the nonnuclear aspects of the overall plan described in (a).

The conference report also lists specific technologies which are to be investigated, and provides some guidance as to the degree of emphasis expected to be accorded to each.

The conference committee worked out a compromise patent policy section between the strict provisions of the Senate bill which prohibited the granting of exclusive patent rights to any non-Federal entity and the House-passed provisions which provided only for a study of patent policy. The compromise language before you today provides a clear statement of congressional direction and intent and yet allows the Administrator the necessary flexibility for a workable patent policy. The patent policy will apply to all nonnuclear contracts of ERDA, while nuclear energy research and development will continue to be governed by the provisions of the Atomic Energy Act. The policy in the conference report adopts the basic structure of the patent policy of the National Aeronautics and Space Act with some modifications drawn from the Atomic Energy Act. They provide for the Federal Government normally to retain title to inventions developed under ERDA contracts and for the licensing of ERDA inventions normally to be granted on a nonexclusive basis. However, authority to grant waivers and exclusive or partially exclusive licenses is vested in the Administrator to insure flexibility, but only in conformity with specific minimum considerations, which are set forth in the statute. Because of the large number of differing patent policies currently in use, the conferees believed it wise to include a provision requiring a study of all the Federal patent policies affecting ERDA's program. However, the conferees believe that the patent provisions set forth in the bill will establish a workable policy until study or experience demonstrates a need for revision.

The conference report retains with some modifications, the water resource assessments that were included in the House-passed bill. This bill insures that the inevitable development of Western energy resources does not cause serious disruption through overuse of the area's scarce water supply.

The report also contains provisions requiring detailed reports to Congress each year so that the legislative branch can continue to exert a strong guidance over this crucial program.

Appropriation authorization is included for such sums as shall hereafter be authorized in annual authorization acts.

Mr. SKUBITZ. Mr. Speaker, I yield to the gentleman from Oregon (Mr. DELLENBACK) such time as he may consume.

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as far as I am able to ascertain there is no major controversy still surrounding this legislation. Those of us who were on the conference committee labored hard to remove the controversy.

The most serious issue that arose in the committee of conference had to do with the patentable information which will be developed pursuant to contract. We ended up with a study committee provision on the House side. The Senate brought in a very tough and strenuous provision which was debated at some length in the committee of conference, and the majority of the House conferees did not support the Senate concept. As a result the committee of conference ended up with a substitute provision in addition to the study concept, but it is a flexible provision and it will not bind the hands of the Administrator of ERDA. We ended up with an item which had broad support for the conference decision. This will provide structure and policy constraints within which the Federal Government's effort in nonnuclear energy research and development can, and we earnestly hope will, be pursued effectively.

We are not in this report dealing with the matter of nuclear policy, not because that is not important, but because we have deliberately decided this is not the proper forum for that. Our committee does not have jurisdiction in this regard and we did not think we should be making an attempt to set any new nuclear development and research policy.

I commend the chairman of the committee, the gentleman from Arizona (Mr. UDALL), for bringing us to this important place. We think this is an important piece of legislation and I urge today that the report of the conferees, which was agreed to not only by representatives of our Interior Committee but also by representatives of the other committee, the Science and Astronautics Committee which was involved in the conference with us, and unanimously supported by the conferees on both sides of the aisle and from both committees, be supported today and adopted by the full House.

Mr. SKUBITZ. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. VEYSEY).

Mr. VEYSEY. Mr. Speaker, I take this time to ask a question of the gentleman from Arizona (Mr. UDALL).

It seems to me that the gentleman has well outlined, in context, this particular conference report; but I am perplexed about the status of the authorization which is provided on page 19 of the committee report. It says:

> There may be appropriated to the Administrator to carry out the purposes of this Act such sums as may be authorized in annual authorization Acts.

So I take it that there is no authorization at all in this bill.

Mr. UDALL. Mr. Speaker, if the gentleman will yield, he is correct. One of the problems we had in working out the legislation is the difficulty in jurisdiction. There are a number of standing committees which now have authority to approve authorizing legislation in the R. & D. field.

The Committee on Science and Astronautics have brought forth a number of bills this year. Some of this legislation falls in the jurisdiction of the Committee on Interior and Insular Affairs and other committees have jurisdiction; so the feeling was we should not try to settle those difficulties and disputes in this bill, but simply to set a level of funding desired, which we do on page 2 of the conference report. We indicate that we are going to need a massive effort, ranging to some $20 billion over the next decade; but we figure that the next Congress will act in terms of authorization of those committees that have jurisdiction. We did not want to complicate the bill by dealing further with this jurisdictional problem.

Mr. VEYSEY. Mr. Speaker, is the gentleman telling me that of the total of the some $20 billion to be expanded in the next decade, as mentioned on page 2, that this legislation does not move us ahead? Is it true that further authorization legislation will be necessary to start to solve the problem?

Mr. UDALL. The problem is that the appropriation for the current fiscal year has already been approved and adopted. It is a substantial one. We believe that in the next Congress authorizations for the next fiscal year will be passed by the appropriate committees. Therefore, we did not make specific authorizations.

Mr. VEYSEY. If I may comment to the gentleman, it seems to me in light of the serious crisis that we face, and the fact that for over one year we have been in the grip of that crisis, it is disappointing that we have not moved further along.

Mr. UDALL. If the gentleman will yield further, I would like my friend from Washington (Mr. MCCORMACK) to comment on the bill that cleared the House and the Committee on the Interior did have specific authorization. We had a great deal of trouble getting our friends on the other Committee, Science and Astronautics, to go along with this; in order to get a bill this year, we had to give in on this issue.

The SPEAKER. The time of the gentleman has expired.

Mr. SKUBITZ. I yield 2 additional minutes to the gentleman from California (Mr. VEYSEY).

Mr. VEYSEY. Mr. Speaker, I yield to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Speaker, I appreciate the gentleman yielding.

The point the gentleman has made is eminently sound. I think it would have been better if we had clearly and ringingly in our authorization set a very substantial amount here, because there is no problem of which I know that is more urgent, as well as more important, that this Nation is facing at the present time than a real crash program in developing alternative sources of energy.

Let me say that while I cannot speak for my colleague from Arizona, the chairman of the subcommittee, I know he really feels as strongly as does the gentleman from California and as do I. May

I say only that the language which is before us in the legislation was a necessary compromise in order to get the bill going, to get the bill before us, so that the Congress can speak clearly and ringingly in the earlier parts of the bill as to what we really feel must be done. In no way does it show any lowering of the degree of priority we attempt to attach to this subject. In no way does it show we are passing the problem off. It was a necessary compromise so that we can come back in following years and, hopefully, the next Congress will set a very high authorization limit commensurate with the gravity of the problem.

I commend the gentleman for the concern he expresses and for the line of questioning he has followed. I end only by saying once again that we feel extremely strong that this is important legislation; that we would have preferred, some of us, to have had a specific authorization at a high level, but we feel that this will still move us into the field of nonnuclear energy production, and the authorization can be taken care of in subsequent years.

Mr. VEYSEY. Mr. Speaker, I thank the gentleman for his explanation. I am deeply disappointed, however, that we do everything except authorize the funds necessary.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VEYSEY. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I would like to comment that I believe the decision of the conference committee was a wise one. I believe, if the gentleman will consider with me several points, that we may agree.

This year we have already appropriated about $2.4 billion for energy research and development. Much of this was for nonnuclear energy research and development.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. SKUBITZ. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. VEYSEY. Mr. Speaker, I yield to the gentleman from Washington.

Mr. McCORMACK. We have already appropriated over $50 million for solar energy research and development and a comparable amount for geothermal energy research and development. However, we have already discovered that in doing this, we may have been more generous than we should have been for fiscal year 1975. Some of the money appropriated for solar and geothermal energy has been recommended for deferral by the Office of Management and Budget.

At the same time, we enacted specific legislation for solar and geothermal energy research and development programs, and appropriated funds for the programs specifically contained in this bill. Thus, you can see that it was a wise decision of the conference committee not to attempt to authorize funding in the future, but rather to give the new Committee on Science and Technology, the committee which will have the jurisdiction and the responsibility of determining exactly what is required, that authority during coming fiscal years.

That was our rationale during the conference for this decision. I think it was a good one.

Mr. SKUBITZ. Mr. Speaker, I yield 5 minutes to my colleague from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Speaker, I rise in support of this legislation. I would agree with some of the speakers who were on their feet prior to this moment that while the legislation does not contain specific authorization, yet in my view it is a very productive and very substantive piece of legislation.

The committees on the House, as well as the Senate side, and certainly the conference, worked very hard to develop a sound piece of legislation. The legislation contains a very strong statement of policy for the administrator of ERDA. We have also addressed not just energy development but also the question of conservation of energy.

The effort that should be forthcoming as a result of this bill is for accelerated research effort, that is, net energy production, with research sponsored, financed, and brought on stream by the administrator of ERDA. Further I believe the conferees, certainly on the House side, worked long and hard on both the patent, and the exclusive, and nonexclusive licensing sections in the legislation. It is a very productive piece of legislation which will set guidelines, assign responsibilities to the administrator of ERDA, and require a number of reports to this Congress which will be very helpful to us in determining progress both in terms of evaluating research, and overall energy policy throughout the United States.

For these and other reasons, I support the legislation and would like to thank all Members who worked to bring it to the floor today.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Oregon.

Mr. DELLENBACK, Mr. Speaker, I thank my colleague for yielding. May I just say that there is no voice on our side of the aisle which has been more eloquent than that of the gentleman from Michigan (Mr. Ruppe) within our subcommittee in pushing for this legislation.

As I have commended the chairman of the subcommittee earlier, so I say now that the leading voice on our side of the aisle within our Subcommittee on Environment and our Committee on the Interior in pushing this vital legislation from its inception to this point has been that of the gentleman from Michigan (Mr. Ruppe). He has done an exceptionally fine job. As one who feels very strongly about the importance of this legislation, I know that I would be joined by a great many of my colleagues in expressing our deep appreciation to Mr. Ruppe for all he has done in this critical and important field.

Mr. RUPPE. I thank the gentleman for his comments and would simply like to say further that this piece of legislation is a product of bipartisan effort on both sides of the aisle. My colleague from Oregon gave the committee freely of his time and expertise in order to assure that a creative, sound bill would be before the House today. We were pleased to work under the chairmanship and leadership of the chairman of the Environmental Subcommittee, and certainly my colleague from Oregon. Again today, as well as on numerous occasions, he has given a great deal of study to this piece of legislation. Certainly on the committee and in conference many of the thorny problems had to be dealt with by the members from time to time. I do thank him for his leadership and for his creativity in bringing this legislation to this point.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I want to take this opportunity to congratulate the members of the Committee on Interior and Insular Affairs, the chairman of the Subcommittee on the Environment the gentleman from Arizona, Mr. Udall, members of the minority, and also Members of the body who worked so hard on the conference committee.

This has been a difficult piece of legislation to write. As the Members recognize, three committees were involved, the Committee on Interior and Insular Affairs, and the Committee on Science and Astronautics from the House, and the Committee on Interior and Insular Affairs of the other body. However, there was a great deal of persistence and goodwill on everyone's part, working out three-cornered disagreements, and I am convinced that, as a result of this work, we have an act which will make a contribution to the future of energy research and development efforts that we will be undertaking under the guidance of the new Committee on Science and Technology. I want to take this opportunity to congratulate the members of the conference committee for their dedication and for their untiring efforts.

Mr. FUQUA. Mr. Speaker, today we are considering the conference report on what may prove to be one of the more important bills we will pass in the 93d Congress, S. 1283, the Federal Nonnuclear Energy Research and Development Act. One year ago this Nation was plunged into a new era by the imposition of the Arab oil boycott. This new era is marked by the knowledge that this country must research, develop, and, where helpful, utilize all of its vast and varied energy resources. To this end the House Government Operations Committee, on which I am proud to serve, considered the Energy Reorganization Act that would create the Energy Research and Development Administration—ERDA—to effectively deal with this need. This new agency passed both Houses last October and was quickly signed into law. While this agency took as its charter in the development of nuclear energy resources—the Atomic Energy Act of

1954—the direction and policy of ERDA in energy areas that were nonnuclear remained unclear. The bill we are considering today, S. 1283, will be the policy act for ERDA in the nonnuclear field. It is essential to the well-being of this country that the plans, programs, and results envisioned by this bill be reached in a most expeditious manner.

As you know when this bill was originally discussed on the floor of the House of Representatives, my greatest concern was the existence of a potentially damaging patent policy. It is necessary if we are to move these programs forward that those companies, institutions, and individuals best suited to do the work be involved. It was brought to my attention again and again that the patent policies as proposed in the legislation at the time would not do this. Consequently, I proposed the following amendment:

> Not later than six months after the effective date of this Act, the Administrator shall report to the President and the Congress concerning the applicability of existing patent policies affecting his programs and shall make recommendations concerning amendments or additions to statutory patent policy which he deems advisable for carrying out the purposes of this title.

This amendment was accepted by a vote of 182–142.

As a result of my interest I have followed closely the conference on S. 1283. In an attempt to reconcile the two disparate patent policies enumerated in the House and Senate versions, a great deal of time was spent by the conferees in reaching a compromise that was acceptable—and more importantly workable. The patent policy contained in section 9 seeks to strike a balance between two competing objectives. The first objective is to provide an adequate incentive to private groups to participate in Federal energy programs. A major incentive is the lure of potentially valuable patent rights which may result from Government sponsored research. The second objective is to protect the public's interest in the results of programs which are supported by Federal funds.

Section 9 achieves a balance by creating a structure whereby Federal patent rights may be relinquished to Federal contractors if they satisfy statutory criteria designed to safeguard the public's rights. The statute is an amalgam of the NASA patent statute and regulations, together with some new features. I have reviewed the patent policy agreed to by the conference committee and I find it acceptable and worthwhile.

I do note two items of utmost importance. The first is the deletion of any mandatory licensing provision. This proposed provision brought the opposition of such diverse groups as the University of Washington, TRW Systems, Inc., the American Patent Law Association, and the U.S. Department of Commerce. As was pointed out repeatedly by these individuals and organizations, adoption of such a provision would make it of prime advantage to be second—and not first in the development of new innovative technologies. I need not point out that to solve our energy crisis we need companies who have both the will and incentive to be first. Consequently, I am most happy to report that the patent policy does not contain any provision for mandatory licensing.

Second, ERDA will still be governed by more than one patent policy. I feel that it remains important to provide the mechanism for uniting the nuclear and nonnuclear portions of ERDA under a single patent policy. With this in mind, the conferees chose to adopt the intent of my amendment by providing for a thorough study of the patent policy of ERDA, with the direction that the Administrator report to Congress in 12 months with recommendations for a permanent patent policy for ERDA.

With the successful resolution of these two points, I wish to note my support of S. 1283, the Nonnuclear Energy Research and Development Act.

I feel the conferees are to be congratulated for their fruitful efforts.

Mr. TEAGUE. Mr. Speaker, the conference report before us today resolves the Federal Nonnuclear Research and Development Act of 1974. This bill demonstrates strong congressional support for an aggressive program to develop the technologies needed to utilize our nonnuclear energy resources.

I believe this Nation must develop its domestic energy resources as soon as possible, and in such a manner that we reduce our dependence on high-priced foreign energy. We have done a good job since the end of the Second World War in developing civilian nuclear energy, and must do the same thing for nonnuclear technologies.

It is going to be a much harder job in the future to develop our nonnuclear energy sources than it has been in the past. The alternatives to our present energy sources require much higher technologies, and will probably be very capital intensive. In order to develop the base of knowledge and technology needed, we must promptly implement an adequate program of research, development, and demonstration.

I am proud of the record which this Congress has made in passing responsible energy R. & D. legislation. We have approved five major bills including the one before us today. The five legislative initiatives were:

Public Law 93–409, Solar Heating and Cooling Demonstration Act of 1974.

Public Law 93–410, Geothermal Energy Research, Development, and Demonstration Act of 1974.

Public Law 93–438, Energy Reorganization Act of 1974.

Public Law 93–473, Solar Energy Research, Development, and Demonstration Act of 1974.

S. 1283, Federal Nonnuclear Energy Research and Development Act of 1974—out of conference committee.

In addition to these bills which reorganized the Federal structure for energy research, development, and demonstration and initiated aggressive programs related to solar and geothermal energy technologies, we have also passed earlier in this session Public Law 93–322 the $2.3 billion fiscal year 1975 Special Energy Research and Development Appropriation Act. I must point out my concern, however, for recent reductions proposed by the administration in energy R. & D. expenditures for fiscal year 1975. At this time of crisis, when we need new alternatives to our present energy technologies, we should not cut back the seed money needed to develop the requisite knowledge and engineering experience for new energy technologies.

Mr. Speaker, this bill contains several notable items which I should like to comment on at this time. Section 7, entitled "Forms of Federal Assistance," provides a number of fiscal instruments for the Administrator of ERDA to use. They have the potential for enhancing the effectiveness of Federal energy R. & D. expenditures, and assuring a broader participation by private industry.

The new fiscal authorities do have appropriate provisions for congressional approval, and I believe that alternatives such as joint Government-industry corporations and possible price support programs for the products of new energy technologies can be extremely useful in the future. They provide a certain amount of flexibility for a systematic approach to answering the complex questions which arise in developing new energy technologies.

The patent policy contained in this compromise approved by the Committee of Conference retains the essential feature of a thorough study of the issue. This feature, you may recall, was adopted by the House after being offered as an amendment by my good friend, the gentleman from Florida (Mr. FUQUA). In addition to the 12-month study accepted by the conferees, an interim patent policy which was proposed by the Senate and approved by the administration and the House Conferees, will give guidance to the Administrator until the results of the study have been acted on.

I should also point out that S.1283 requires the nonnuclear ERDA budget to be subject to annual authorization by the Congress. This means that the detailed scrutiny of an agency's budget which can be carried out only by a legislative committee will be associated with ERDA at its inception. I believe this feature will assure not only that the Congress will be fully informed of the details of the ERDA program, but that the management of ERDA will approach its responsibilities in a more open and systematic manner.

Mr. Speaker, one aspect of this bill is worthy of special note. It is a characteristic of all of the previous energy R. & D. legislation enacted by the 93d Congress. I mentioned the four legislative acts relating to energy R. & D. have already been signed into law. They deal with organization, special energy technologies, and various managerial responsibilities. Yet all of these bills are self-consistent. None are redundant, and none conflict with each other. For example, the bill before us today specifically points out that the programs in the nonnuclear solar and geothermal technologies shall be carried out pursuant to the requirements of the Solar Heating and Cooling Demonstration Act of 1974, the Geothermal Energy Research, Development, and Demonstration Act of 1974, and the Solar Energy Research Development, and Demonstration Act of 1974.

In turn, the three acts which I just mentioned all provide for the transfer to ERDA of the programs which they initiate, making them consistent with the Energy Reorganization Act of 1974.

I am pleased that on this side of the *Hill the various* legislative committees have seen fit to cooperate with each other in developing this legislation. This spirit of cooperation has helped assure that we have a unitary energy R. & D. policy, one which is not fragmented as it has been in the past. In this regard, I salute not only the conferees from the Committee on Science and Astronautics, our Energy Subcommittee Chairman, Mr. McCormack, and ranking minority member from the full committee, Mr. Mosher, but also the chairman of the Environment Subcommittee from the Committee on Interior and Insular Affairs, Mr. Udall, and his colleagues. This fine spirit of cooperation has, I believe, served the country well.

Mr. BINGHAM. Mr. Speaker, the conferees on S. 1283 have done well in upholding the House's position on the major issues presented in this bill. This piece of legislation is worthy of this body's support so that America can begin to mobilize its scientific resources to provide this country with the energy sources of the future.

I would like to take a moment to comment on one particular portion of ERDA's mandate—to investigate technologies designed to recover energy from solid waste materials. This is an area in which the Environmental Protection Agency already has an ongoing R. & D. program. Under both the Solid Waste Disposal Act and the Federal Water Pollution Control Act, EPA has been authorized to engage in this type of research activity to fulfill its regulatory mission.

Specifically, the combined EPA-Union Electric Corp. project, in St. Louis, has successfully demonstrated a technology mixing shredded municipal waste with coal which is then burned to produce electricity by the utility. Other projects of this genre are directed toward materials recovery and/or conservation techniques.

EPA activities such as I have described, have received less than optimum funding in the past for a number of reasons. A concern that the conferees faced was that the creation of similar programs in ERDA might detract or curtail current EPA efforts. The conference report recognizes this potential conflict but deals with it without specifically mentioning EPA. It is my understanding, and I state for the record, so OMB, ERDA, and EPA understand it, that EPA is to continue its endeavors in these fields.

In recommending favorable action on this legislation, the conferees have not intended to have ERDA establish programs which detract from or limit the energy recovery and conservation efforts being carried out by EPA.

I believe that the opportunities for recovering energy from solid waste, sewage, and so forth, and conserving energy through its use must be developed expeditiously. ERDA should seek to augment EPA's present and future efforts in a coordinated manner, and not undertake a program of activity that would duplicate, divert, or detract from EPA's resources and funding in this area.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on this conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. Udall), that the House suspend the rules and agree to the conference report on the Senate bill S. 1283.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings under this motion will be postponed.

AMERICAN FILM INSTITUTE ACT

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17504) to amend the National Foundation on the Arts and the Humanities Act of 1965 to create the American Film Institute as an independent agency, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Congress hereby finds and declares—

(1) that motion pictures and television have made valuable and enduring contributions to American culture;

(2) that from the beginning of this century, Americans have played preeminent roles in extending and enriching the art of film;

(3) that older films constitute an important historical resource for students of American life and art, and should be preserved from loss and decay;

(4) that skills in film making should be advanced, and understanding of the art of film should be enhanced, through the training and encouragement of artists, teachers, and scholars, and through the publication of records of film history;

(5) that it is appropriate for the Federal Government to assist such efforts, in the interest of increasing public appreciation of outstanding films, and of assuring the continuing vitality of the art of film in America;

(6) that the American Film Institute, a nonprofit corporation, was founded in 1967 as a national institution intended to advance, preserve, exhibit, and teach the art of film; and that its purposes can best be achieved through the direct support of the Federal Government, as well as of private donors.

Sec. 2. The National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new title:

"TITLE II—AMERICAN FILM INSTITUTE

"Sec. 102. (a) There is authorized to be established a new nonprofit corporation, to be known as the American Film Institute (hereinafter referred to as the 'Institute') which will not be an agency or establishment of the United States Government. The Institute so established shall be subject to the provisions of this section, and, to the extent consistent with this section, to the District of Columbia Nonprofit Corporation Act.

"(b) The Institute shall have a Board of Trustees (hereinafter referred to as the 'Board') whose duties it shall be to maintain and administer the Institute and to execute such other functions as are vested in the Board by sections 102 to 108 of this Act.

"(c) The Board shall be composed of twenty-one members as follows:

"(1) the Secretary of Health, Education, and Welfare;

"(2) the Librarian of Congress;

"(3) the Archivist of the United States;

"(4) the chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts;

"(6) two Members of the Senate, appointed by the President pro tempore of the Senate, and two Members of the House appointed by the Speaker of the House: Provided, That not more than two of the Members of House and Senate so appointed shall be of the same political party; and

"(7) twelve appointed by the Board of Trustees of the American Film Institute, confirmed by a majority vote of the House of Representatives and the Senate, serving on the date of enactment of this Act;

each member of the Board of Trustees appointed under paragraph (7) of this subsection shall serve for the following terms, as designated at the time of their appointment; four for terms of two years, four for terms of four years, and four for terms of six years; their successors shall be appointed by the remaining trustees appointed under section, and shall serve for terms of six years. Notwithstanding the preceding provisions, a member whose term has expired may serve until his successor has qualified.

"(d) The members of the Board first appointed under paragraph (7) of subsection (c) above shall serve as incorporators of the Institute as authorized by this Act, and shall take whatever actions are necessary to establish the Institute under the District of Columbia Nonprofit Corporation Act.

"(e) The Board shall annually elect a Chairman from among its members.

"POWERS AND DUTIES OF THE BOARD

"Sec. 103. (a) In administering the Institute, the Board shall have all necessary and proper powers, which shall include but not be limited to the power to—

"(1) provide for the publication of historical records and of commentaries on the art of film, and disseminate such materials;

"(2) undertake and coordinate, through contract or otherwise, the preservation of films and film artifacts of artistic and historical value (including films and recordings made for television), and the production of films for charitable, patriotic, educational, or other public purposes;

"(3) maintain and operate a conservatory for advanced studies in the cinematic arts, cause materials developed at such conservatory to be made available for study in other institutions, and make grants to persons who demonstrate particular promise as film makers;

"(4) provide programing assistance to exhibitors throughout the Nation in order to increase the accessibility of such films to the American public;

"(5) provide for the appropriate recognition of extraordinary contributions to the art of film;

"(6) advise and assist educational institutions and other organizations as to methods of teaching and research, including workshops, conferences, seminars, and publications, relating to the art of motion pictures and television;

"(7) solicit, accept, and dispose of gifts, bequests, and devises of money, securities, and other properties of whatsoever character for the benefit of the Institute, including contributions derived from National Film Day theater ticket sales and American Film Institute Lifetime Achievement Award celebrations;

"(8) obtain grants from, and make contracts with, State, Federal, local, and private agencies, organizations, institutions, and individuals;

"(9) acquire, hold, maintain, use, operate, and dispose of any physical facilities, including equipment, necessary for the administration and operation of the Institute; and

"(10) appoint and fix the compensation of a director and such other officers and employees of the Institute as may be necessary for its efficient operation. The director and such other officers and employees shall be well qualified by experience and training in films or television to perform the duties of their office.

"NONPROFIT NATURE OF THE INSTITUTE

"SEC. 104. The Institute shall have no power to issue any shares of stock, or to declare or pay any dividends, and no part of the income or assets of the Institute shall inure to the benefit of any director, officer, or employee of the Institute except as salary or reasonable compensation for services and travel expenses.

"ADMINISTRATION AND QUORUM

"SEC. 105. The Board is authorized to adopt an official seal which shall be judicially noticed and to make such bylaws, rules, and regulations as it deems necessary for the administration of its functions under this Act.

"REPORT TO CONGRESS

"SEC. 106. The Institute shall submit an annual report to the President for the fiscal year ending June 30, for his transmittal to Congress on or before December 30 of each year. The report shall include a comprehensive report of the Institute's operations, financial condition, and accomplishments under this section.

"FINANCING

"SEC. 107. The Federal Government shall contribute two-thirds of the budget to operate Institute programs, and the Institute will raise one-third of the budget from private sources.

"There are hereby authorized to be appropriated to the Institute such funds as may be necessary to carry out the purposes of this act.

"AUDIT OF ACCOUNTS

"SEC. 108. The financial transactions of the Institute involving the receipt or expenditure of Federal funds during any fiscal year may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States. A report of each such audit shall be made by the Comptroller General to the Congress, and a copy of each report shall be furnished to the President. The report shall contain such comments as the Comptroller General may deem necessary to inform Congress of the expenditure of such Federal funds, together with such recommendations with respect thereto as he may deem advisable.

"SEC. 109. This title may be cited as the "American Film Institute Act'.".

The SPEAKER pro tempore. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. QUIE. No, I am not.

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. STEIGER of Wisconsin. Yes, I am.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. STEIGER), will be recognized for 20 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. QUIE), the able ranking minority member of the committee.

Mr. QUIE. Mr. Speaker, I support this piece of legislation.

I would say that I am not certain whether they are making a wise move or not, but the American Film Institute was established shortly after the National Foundation on the Arts and Humanities came into being by law, and it has been partially funded by them.

The American Film Institute feels that there has not been an adequate increase in their funds from the National Endowment for the Arts, and therefore, they would like to be separate and secure their funds directly from the Congress.

The figures I have show that in fiscal year 1972 they received $1,268,510 from NEA. In 1973 the figure increased to $1,740,149, and for fiscal 1974, $1,543,355. For 1975 the grant is to be $1,781,084. In the last 3 years, funding has leveled off. Because of this, AFI feels that they could secure additional money, for more is needed, they maintain, in order to run their programs.

Some of my colleagues might be concerned about the makeup of the board. The gentleman from Indiana and I talked at some length about that.

At one time we put the chairman of the National Endowment for the Arts and the National Endowment for the Humanities in as members of the public board, but dropped them off when they asked to be dropped off. The 12 private persons which are appointed in the beginning will be appointed by the present board of trustees of the American Film Institute, but they will be confirmed by majority vote of both the House of Representatives and the Senate.

I had originally proposed that the President make the appointment, even of the private members, as we have done with other boards; but this is the agreement we reached in order to try to prevent at least the undue influence by any one side in the matter.

The gentleman from Indiana (Mr. BRADEMAS) has offered the bill to us. If any Member has the bill before him, he might want to note that on page 11, line 14, the words "paragraph (7) of this subsection" have been deleted, and the words "this section" put in their place, so that in subsequent years there will not only be the private members of the board, but the public members as well, who will make the appointment of successors of the original 12. In the testimony that we heard they indicated that that was the intention of what they proposed to do.

The other question that we have with the American Film Institute is the making of grants.

The National Endowment of the Arts will still be in the business of making grants on films and they will be made primarily, as I understand it, through their public media programs, and it is our understanding that there will be an agreement reached between AFI and NEA in case there is any apparent duplication in order to prevent the duplication.

As I indicated in the beginning of my comments, to what extent this will be beneficial only time will tell, but at least we want to give them a try at spreading their own wings and operating with separate legislation proposals. If they are willing to make a try I am willing to go along with it, and that is the reason I have supported the legislation.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman yielding to me.

I am intrigued by this amendment that was offered by the gentleman from Indiana (Mr. BRADEMAS) when he offered the bill which apparently is part of the new device we are using whereby if the committee brings a bill reported by the full committee in one form it can be changed by one member and submitted to the desk, and the Chair then reads it, as offered, as amended.

What is this amendment that was adopted by nobody, and what is its effect? Because my feeling here is that what you have done is to remove any ratification by the House or Senate of all of the members of the Board.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I would say to the gentleman from Wisconsin if the gentleman will go back to the bill which was reported by the subcommittee and sent to the full committee, it read as it now reads, that the trustees will be appointed, that is, the successors to these trustees will be appointed by all of the remaining trustees, the public and the private. That is the intention.

For some reason or other when the bill came onto the floor it had this change in it which I certainly do not agree with—the language that has been stricken out—and since it has been stricken out it now conforms to language which came out of the subcommittee. This also conforms to my understanding of the matter.

When a correction needs to be done on a bill, I have seen many times where a person offering the bill under suspension does make the correction in that way in order to clarify it. And when you suspend the rules in effect you do suspend all the rules, and the adoption of it then is the agreement that had been understood by the committee.

Mr. STEIGER of Wisconsin. Can the gentleman then read it to us, the specific language? Because the gentleman from Indiana did not refer to it. Would the gentleman read the specific language on page 11 on how the section now reads?

Mr. QUIE. That reads, beginning on line 13, after the semicolon, if you will begin there:

> ... their successors shall be appointed by the remaining trustees appointed under this section, and shall serve for terms of six years.

Mr. ERLENBORN. Mr. Speaker, if the gentleman will yield, I thank the gentleman for his explanation of the amendment, but let me point out that this still leaves no confirmation procedure for the appointees filling the vacancies.

There is a confirmation procedure provided in subparagraph (7) for the original 12.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. STEIGER of Wisconsin. I yield 1 additional minute to the gentleman from Minnesota.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield further?

Mr. QUIE. I yield further to the gentleman from Illinois.

Mr. ERLENBORN. When any vacancy in that original 12 of the private members occurs, the full board under this section will fill that vacancy, but there is no confirmation procedure provided. And since the 12 members, private members, constitute a majority of the board, they therefore, if they act in concert, control the board, and it means the private members will be in effect a self-perpetuating board without any confirmation to their successors, and the Congress and the public will have lost control of the board.

Mr. QUIE. I dare say the intention of this legislation is not only the original 12, but their successors would be confirmed by a majority vote of the House of Representatives and Senate. I will yield to the gentleman from Indiana (Mr. BRADEMAS) to see if the gentleman concurs in that.

Mr. BRADEMAS. If the gentleman from Illinois would allow me, I will simply say that the interpretation of the gentleman from Minnesota is exactly correct.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illionis.

Mr. ERLENBORN. I thank the gentleman for yielding.

I think the gentleman's intention is not reflected in the language of the act, because the only confirmation procedure refers to confirmation of the original 12 private members.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADEMAS. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. MEEDS) a member of the subcommittee.

Mr. MEEDS. Mr. Speaker, I commend the gentleman from Indiana for bringing this legislation to the floor and I urge my colleagues to join me in supporting it.

Mr. Speaker, when this Republic was founded nearly two centuries ago, the performing and creative arts were already well developed. Music, dance, drama, painting, and sculpture had already produced great masters whom we still admire today. And as our society developed, Americans in turn made enormous contributions to the enhancement of these art forms.

But in the 18th century, Mr. Speaker, there was one art form which was not then even technically possible to which Americans have made unique and distinctive contributions. I refer, of course, to photography and the art of making still and moving pictures.

This is what Charlton Heston told the Committee on Education and Labor during its consideration of H.R. 17504:

> Film was born in this country and in this century it has come to dominate it culturally . . . American artists have contributed more significantly to world cinema than they have to any other art form . . . The preeminent artists of American film significantly shape the work of the great filmmakers of all nations, while American financing and film technology remain dominant.

But, Mr. Speaker, with the pride we take in the enormous American accomplishments in film comes a responsibility to preserve our film heritage and develop this art further.

That is what the legislation before us is all about. For it provides the existing American Film Institute with the stature and legal base it needs to continue and expand upon its important work in film preservation, historical studies, education, and the development of new film talent.

Mr. Speaker, this legislation is not of importance only to those technicians artists familiar with the arcane mysteries of motion pictures.

Nor is it important only to artists and champions of the arts.

It is important to every member of our society who hopes for a better understanding of the roots of our culture.

Because film is an historical resource of enormous importance, a resource to which scholars are increasingly turning for information on the fashions, customs, and social climates of eras gone by.

We cannot, Mr. Speaker, continue our neglect of film.

H.R. 17504 represents a much-needed commitment on the part of the Federal Government to the preservation of early film treasures and to the improvement of the film art. I urge my colleagues, therefore, to join me in supporting it.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I would be pleased to yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman for yielding.

There are two questions that I have concerning this. First, there are those in the film field, the educational field, who feel, or at least have so communicated, that there has not been enough emphasis from the AFI to public-interest films. Is it the gentleman's feeling that the separation of AFI as proposed in this bill will improve that emphasis?

Mr. BRADEMAS. The gentlewoman speaks of public-interest films?

Ms. ABZUG. If the gentleman will yield, educational, experimental, rather than the normal commercial, Hollywood-type film.

Mr. BRADEMAS. I would say, in the first place, to the gentlewoman that the AFI has already supported a number of film-making activities which could not be described as commercial in nature. The AFI has given $989,000 in grants to over 130 independent film makers over the last 7 years, which represents the most substantial support that the field of film making has had from any source.

I would hope that with the establishment on a statutory basis of an independent agency of the AFI and a provision of a greater degree of financial stability, that, indeed, it would be possible for the Institute to enjoy more support still from the private sector and, therefore, give not only continued support to independent film-making grants but increase support for grants for educational purposes. By the way, I may say that a number of Members have expressed to me their concern about the support of independent filmmakers by the AFI and I believe that the passage of this bill can help make possible more support for such grant applications.

In addition, if I may respond further to the gentlewoman from New York, one of the problems that has afflicted the American Film Institute has been a shortage of funds. The AFI, as I said earlier, has received no increase in funding from the National Endowment for the Arts for the last 3 years and, for that reason has not been able to respond to the requests of a number of educational institutions and a number of independent film makers; while, on the other hand, the National Endowment for the Arts, which has a good deal of policymaking authority with respect to the AFI, has not made available the increased amounts of money which would have been necessary for the AFI to respond to these requests.

It is my own hope, therefore, that if we have this new arrangement, it will be possible for the institute to respond to a still greater degree to requests from educational institutions and independent film makers.

Ms. ABZUG. If the gentleman will yield further, is it his view that AFI, being set up as an independent statutory agency rather than under the direct supervision of National Endowment for the Arts would increase its capacity to respond to the public need?

Mr. BRADEMAS. Yes, it is my view, for the reasons I have just assigned.

Ms. ABZUG. I thank the gentleman very much.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida, a member of the subcommittee (Mr. LEHMAN).

Mr. LEHMAN. I thank the gentleman for yielding.

Mr. Speaker, I just want to rise in support of this legislation and commend the gentleman from Indiana for the leadership he has taken in providing what I think is a very important and necessary part of our cultural establishment.

I strongly support H.R. 17504, legislation that will provide Federal assistance to the American Film Institute.

Most of our citizens either by attending the cinema, in the classroom, by television, and by contact and involvement with public and private agencies, have by far, motion pictures as their major art form.

Film predominates the art world of our rank and file. We must give this medium the separate status it has earned. To do this, we need legislation that will enable the AFI to be an independent creative agency in providing service to various elements of the film world.

Despite the fact that in the full scope of art the NEA must continue to be our principal Federal agency, especially in its leadership and authority and responsibility over grants, still we must not unduly limit the AFI from also filling its own grantmaking role.

Mr. BRADEMAS. I thank the gentleman from Florida for his comments and I thank him for his contribution to the shaping of the legislation.

Mr. Speaker, I yield now to the gentleman from Connecticut who has contributed significantly to the development of this bill.

Mr. SARASIN. Mr. Speaker, I am a cosponsor of H.R. 17504, legislation which will grant status as a private, nonprofit corporation to the American Film Institute.

AFI is now part of the National Endowments for the Arts and Humanities and $225,000 from NEH, for a rough total of $2 million. Some $1.2 million are anticipated from private sources, bringing their total anticipated revenues to $3.2 million. They anticipate requesting a modest increase in the fiscal 1976 budget.

In 1966, the Stanford Report from the Stanford Research Institute estimated that costs to operate AFI should be in the neighborhood of $8 million, and the report concluded that—in the words of George Stevens, Jr., director of AFI in hearings before our subcommittee—that the American Film Institute "should have divisions which will implement programs for an advanced study center for film education, archives, information services, planning and research."

Stevens reported that today—

> As a result of AFI's collaborative archive program with the Library of Congress, the Museum of Modern Art, George Eastman House, and other institutions, there are 12,500 films preserved in the AFI collection in the Library of Congress. . . .
>
> Today, the American Film Institute has an oral history program . . . When complete this will be an unmatched and essential record for scholars, historians, and journalists of the cultural legacy of the visual media. . . .
>
> "Today, the conservatory (Center for Advanced Film Studies at Graystone) exists and is recognized as one of the leading film and television academies in the entire world.

The Center for Advanced Film Studies, according to Stevens, attracts the most promising and talented aspirants from every part of the country, "Through seminars and workshops with the Screen Actors Guild, the American Society of Cinematographers and Writers Guild of America we have created a unique relationship with the professional community. The names of the people who have been to our conservatory in California to lecture and tutor is an anthology of the great people of the cinema arts."

Stevens listed the names of graduates of the Graystone center, among them John Hancock, "Beat the Drum Slowly," Terrance Malick, a Rhodes Scholar, and Harvard University, who wrote and produced "Badlands" which, according to critics, is one of the most outstanding films of the year, awarded the grand prize as best picture at the International Film Festival in Spain.

Two programs conducted at the conservatory are related to training new artists. AFI has given 130 grants to independent film artists across the country, which enable experimental film artists to advance their careers.

Another, is a program of internships, whereby talented young people from the conservatory are assigned to a leading filmmaker to observe first hand the making of a film. According to Stevens, this is "a unique opportunity, and it is made possible by AFI's constructive relationship with the professional community."

Stevens also listed for the record the list of 21 prizes and awards won by AFI students and grantees.

> They illustrate the recognition and respect the AFI's filmmakers are earning.

Mr. Speaker, AFI is seeking independent status because it has ceased to grow in funding as the National Endowment for the Arts has grown.

Stevens calls his budget "static" over the past few years, and believes that his best chances for growth will be through the route of independence.

He acknowledged that this will be difficult, inasmuch as Congress faces stringent measures to keep our Federal spending in balance, and unnecessary expenditures cut to the maximum.

Many will say that this funding for AFI is unnecessary, that we do not need moneys for the arts at a time of national crisis.

I believe otherwise, and would remind my colleagues that the art of film speaks to the world of the American culture and accomplishments of our democratic society.

We are presently housing in the National Gallery of Art an art exhibit unparalleled in our history, which represents some thousands of years of Chinese culture, shown through its arts.

What is it a civilization leaves behind to demonstrate to the societies that follow something of the worth of its national life? Is it not in truth shown in great proportion by the literature, by the arts? And in AFI's case, the art of film, which is truly the medium of the culture of our people, will be a legacy of our culture to those who follow in our footsteps.

In my opinion, AFI is, in fact, an attempt to upgrade the art of film. And anyone looking at the amusement pages of any major newspaper can say, in truth, that America's films need to be upgraded. AFI seeks through grants to filmmakers and the training of young people, to infuse new blood into the movie industry—and the choice of trainees is made from among well-educated young people, both men and women, which I believe the industry badly needs.

AFI has made errors, but the issue of whether there should be a film institute transcends personalities and who happens to be at the helm of AFI at present. The concept of providing assistance to those engaged in the art of training young filmmakers, making grants to independent filmmakers, attempting to provide services to over 600 colleges and universities who have departments of film, providing conservation work for master works of film, et cetera, to my mind is worth supporting with Federal money. The British and other European countries recognize the uniqueness of film by setting up independent agencies to work in this area, why not the United States?

Everyone recognizes the worth of the British Broadcasting Corp. and the excellence of its product, seen on our educational television networks—the Elizabeth series, the Henry VIII series, War and Peace, Upstairs, Downstairs, et cetera. Why are we not producing this quality and remaining competitive? Why do networks, such as ABC–TV go to Great Britain and BBC to produce Gore Vidal's biography of Aaron Burr? American actors and other creative artists are out of work, we need the stimulation of this vital industry—the movie industry produces the bulk of films for television—which AFI provides, in order that we may produce the talented, educated, excellent filmmakers which we need to remain competitive with the foreign market.

It is my opinion that AFI should be granted its wish to become independent, and I urge my colleagues to vote in favor of this measure.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the bill.

I congratulate the gentleman from Indiana (Mr. BRADEMAS) and the other members of the committee for the outstanding job they have done on this bill. Also I commend Mr. George Stevens, Jr., director of the AFI, for an outstanding achievement.

I hope this bill will be passed.

Films are the art of our times—films are the Dickens and Thackeray of the 20th century. Films are also the art of our country and the best ambassador we can send to the rest of the world.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, I rise in opposition to H.R. 17504, to create an American Film Institute. I think there are various reasons why one should be opposed to this bill. It is somewhat precedent setting.

This bill would in effect give independent status to a Federal grantee based upon the premise that its benefactor in the past, in this case the National Endowment of the Arts, has not been as generous with Federal funds as the American Film Institute would have it be. I can see if established this sort of precedent many subgrantees coming to the Congress and asking for independent status to get out from under the restraints of having to prove their value among competing claims for the funds that have been furnished to some larger more encompassing organization.

I think a real danger exists in the fact that the present board of trustees, which I understand is a 39-member board—although there was some confusion in my research as to whether it was a 41-

member board with 2 vacancies or whether it was a 39-member board—will have authority to appoint a majority of the new board.

As I have just pointed out in colloquy with the gentleman from Minnesota, the majority of the new board will then be able to appoint the people to fill private member vacancies that occur in the new board and there is no confirmation provided in the bill for filling vacancies. I believe that the gentleman from Minnesota and the gentleman from Indiana both did not intend the language to read that way, but the language is quite clear. On page 11 of the bill, in subparagraph (7), there is a provision for confirmation located there, and subparagraph (7) refers only to the 12 private members appointed by the present board of trustees of the American Film Institute, so that the only confirmation will be of the appointment of those original 12. Later on in the section, there is a provision for filling vacancies and no confirmation procedure exists at that point. Therefore we have a self-perpetuating board of trustees created by the passage of this bill, which I think would be an extremely bad precedent.

The third bad precedent is that we are changing the basis for support for this sort of activity. Under the legislation creating the National Endowment for the Arts and Humanities, there is a 50–50 matching grant procedure, 50 percent Federal funds and 50 percent private funds raised by the National Endowment. This would change the ratio to two-thirds and one-third for the American Film Institute.

There has been, Mr. Speaker, considerable opposition to this bill not just by Members of the House who feel there are bad precedents contained in the bill but also because those in the film industry itself have expressed to me and I am certain to other Members of the House their opposition to the enactment of this legislation.

Apparently, the American Film Institute as now constituted is heavily Hollywood oriented, much to the exclusion of the private film-making industry. Those in the private industry have rightfully pointed out that the American Film Institute was to serve the whole industry and apparently they feel it is not now serving the whole industry, but is Hollywood oriented.

So in summation, Mr. Speaker, I do not believe the American Film Institute has necessarily proven that they have done the job they were intended to do in the first place. They seem to be unhappy with the amount of funds they are able to get in competition with the other arts and humanities. The mere fact that they would like more money and they feel they are more important than they are able to prove to the National Endowment of the Arts, I do not think is sufficient to convince us that we ought to give them their own separate crack at Federal funds.

Lastly, the most dangerous precedent is this self-perpetuating board. This Congress ought to keep control of those agencies that we create for the dispensation of Federal funds. We ought not to create a self-perpetuating board.

Therefore, I hope this legislation will be defeated.

Mr. BRADEMAS. Mr. Speaker, I am going to take a few minutes to reply to the statements that my friend, the gentleman from Illinois (Mr. ERLENBORN) has just made.

I am afraid, and I say this with all sincerity, that he has not read the bill as carefully as he might have. The fact of the matter is that all of the present members of the AFI board are self-perpetuating. We are changing that arrangement in the bill under consideration. On the new board of trustees, there will be a majority of private members, as distinguished from the present arrangement, where 100 percent of the members are private; but we go still further in order to change the present pattern of self-perpetuating membership. We provide that the private members who are to be sitting on the board must be nominated by the full board. Despite how the gentleman wishes to interpret the language, the fact of the matter is that the intent of the bill very clearly, as the legislative history also indicates, is that all of the private members will not only be nominated by the full board, and that, moreover, the private members must be subject to confirmation by the entire House of Representatives and by the entire U.S. Senate.

Moreover, as a further indication of our desire—and I am trying to make corrections in the gentleman's understanding of what the bill provides and I am making the point so the gentleman will understand clearly the point I am making—that we are changing precisely that pattern which the gentleman is criticizing; namely, the totally self-perpetuating board. We are providing, in addition to a confirmation process by the House and the Senate with respect to private members, for members who will sit on the board who come from the House and the Senate and the executive branch of the Government.

The gentleman has suggested there is too much of Hollywood on the present board. If there were any truth to that particular charge, and I do not believe it is true, certainly the provisions we have made with respect to the composition of the new board with members drawn from the executive and legislative branches would move in precisely the opposite direction.

I might also say with respect to the members of the present board that there sit on it members from Philadelphia, from Washington, D.C., from San Francisco; the president of the Children's Television Workshop, which has produced "Sesame Street" and the "Electrict Company," and writers and critics and others who come from other parts of the United States.

In addition, moreover, to respond to the gentleman's charges that this may be Hollywood oriented, I should make very clear—although perhaps the gentleman did not have this concern in mind—that no money under this legislation is going into commercial enterprises.

Indeed, the AFI, as I said earlier, has raised over $10 million in private contributions, including raising money from, rather than giving money to, the commercial film and television industry. The fundamental point which I want to say in response to my friend from Illinois, who I know wants to be fair in his representation of the bill, is that the present board of the AFI is totally, 100 percent self-perpetuating. The language contained in the bill under consideration would radically change that arrangement.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Speaker, the gentleman is right in assuming that I want to be fair in my representations concerning the bill, and certainly I am assuming the same of my friend from Indiana.

The gentleman from Indiana earlier said that the bill provides for confirmation when there is an appointment to fill a vacancy. Will the gentleman point to the language in the bill which provides for confirmation?

Mr. BRADEMAS. The gentleman did not use that language. What the gentleman from Indiana said was that all private members of the board must be subject to confirmation of the House and the Senate following nomination by the board, by the entire board.

Mr. ERLENBORN. The original 12 only?

Mr. BRADEMAS. Those private members of the board appointed subsequent to the original private members provided for in the statute must be nominated by the entire board and must be subject to confirmation by the House and Senate. That is precisely what the gentleman from Minnesota (Mr. QUIE), who is a cosponsor of this bill, observed.

The gentleman from Illinois may wish to say that we are not telling the truth. All we can say is as, hopefully, responsible Members of this body, that is what the bill will do.

Mr. ERLENBORN. Will the gentleman point to the language which provides for confirmation by the House and Senate for those who are appointed to fill vacancies?

Mr. BRADEMAS. That was precisely the point of the amendment to which the gentleman from Minnesota addressed himself in response to the question which, I believe, was raised originally by the gentleman from Wisconsin, and which goes to language found on page 2, subsection (c)(7), of the report.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I have listened carefully to the arguments which have been presented here, and the main problem which seems to revolve around the appointment of new board members. On reading the report, it appears to be very clear that the confirmation would be necessary for new board members and new trustees, by the House and the Senate.

The real issue here is that we have an opportunity in this legislation finally to enact a type of bill that would set the film industry basically on its own, and a need for this exists because the film industry exerts such a tremendous influence in our country for good or bad. We have to develop new people in this industry, to explore better ways of presenting, if you will, life in these United States and some fictional matters about our life, this is a good reason to have this kind of legislation.

I am particularly encouraged by one section of the legislation which gives this new organization a chance of making grants to institutions and organizations; included in that are colleges and universities, so that colleges and universities can receive substantial grants to undertake experimental film making and develop other experimental works in this field. I think it is worthwhile, and I would urge that this legislation be passed.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Illinois has precisely, and I think fairly, characterized some of the reasons why the bill on suspension ought not to be passed. It is somewhat ironic, I must say, because I was at the American Film Institute yesterday with my family to watch the film, "Charlotte's Web."

I really think this House ought to consider somewhat more carefully than it has up to now, something more substantive than just the makeup of the board or whether or not it is confirmed, as important, in my judgment, as those points are. The House ought to have a look at some of the more precise criticisms leveled against this bill by those who are saying that H.R. 17504 as reported by the House Committee on Education and Labor ought to be defeated, the Committee for Representative National Film and Television Institute and the Association of Independent Video and Film Makers. I think their criticism deserves some thoughtful consideration by the Members of this House.

For example, the film critic of the Washington Post; the director for the Center for Understanding Media; the film critic of the Chicago Sun-Times; the film critic of the the New Yorker magazine; Norman Mailer, writer and film maker; the National Association of Media Educators; Susan Rice, film critic, screen writer; Paul Schrader, screen writer, former AFI fellow; the director, Film Center, Art Institute of Chicago—all of whom are saying this, and I quote:

> We, the undersigned feel it would be a mistake at this time and without further investigation and public discussion for Congress to appropriate public funds directly for the American Film Institute.
>
> Seven years and some 10 million dollars after A.F.I. was first established it is asking to be primarily supported by public funds; few organizations have a less enthusiastic constituency. A.F.I. has shown a lack of responsiveness to independent film makers, film educators, film librarians, critics, independent film exhibitors, film societies, in short, the broad spectrum of the film community in this country.
>
> A.F.I.'s failures in program focus and management have led to the gradual withdrawal of private and foundation funding. Funding by the commercial film industry never materialized beyond token initial participation.
>
> This bill asks us to endorse this questionable record and bless this organization with federal largesse. It would remove A.F.I. from what little peer review exists through its current relationship with the National Endowment for the Arts. We feel it would be wrong to approve this legislation.

The Association of Independent Video and Filmmakers, Inc., an organization of more than 250 independent professionals, including producers, directors, writers, and technicians in film and video, is opposed to bill H.R. 17504 as follows, and I quote:

> The bill would create a "new" American Film Institute (AFI), removed from the funding jurisdiction of the National Endowment for the Arts, and financed directly by the Federal Government.
>
> Since its inception in 1967, the AFI has concentrated its energy and money in the Hollywood commercial industry, failing to carry out its responsibilities to the much larger segment of the film community existing across the country—a community which also includes independent film and video professionals, film and tape librarians, archivists, critics, and educators.
>
> From 1967 to 1971, a mere five percent of the total AFI budget was spent on national research and publications ($450,000). In the same period, only five percent went to coordination of national education, and by 1974 that amount had dropped to 2 percent ($61,000). On the other hand, the Center for Advanced Film Studies (Greystone Mansion in Beverly Hills) received over $2,100,000 from 1967 to 1971—over 25 percent of the AFI budget. In 1971, nearly the entire AFI research and library departments were fired without warning. The reason given was to save $42,000 in salaries. At the same time, the AFI feature film, In Pursuit of Treasure, was given over $250,000 and was never released. These are clearly examples of misplaced priorities.
>
> We feel strongly that if the American Film Institute is to receive an immense infusion of direct Federal money, then it must become responsive to the needs of the national film community.

That, I think, is a substantive, precise critique of AFI that raises profound questions on this House floor as to whether or not there ought to be an independent American Film Institute separate from the National Endowment of the Arts and Humanities. My answer is "No." I do not think the Committee on Education and Labor has given a fair chance to clarify these issues.

I think it is pretty clear the Members of this body, under suspension of the rules ought to vote no, turn down the request, do not pass this bill today.

I will make one last point. It may or may not be important. That is to say, there are times when I agree with the senior Senator from Wisconsin, and during this discussion Senator Proxmire said he thought it would be a "disaster" and "an absolute waste of tax dollars." In my judgment, the Senate of the United States will not pass this bill, even if we pass it today. So why pass it today? Vote "no." Turn it down.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman.

Mr. WYLIE. I thank the gentleman for yielding. If all of those persons and organizations you mentioned are against the bill, then who is for it?

Mr. STEIGER of Wisconsin. I suspect it is fair to say the gentleman from Indiana is for it and George Stevens is for it.

Mr. WYLIE. I mean other than the Member from Indiana who just spoke in favor of the bill.

Mr. STEIGER of Wisconsin. I do not know about Members on the floor today, except the gentleman from New York (Mr. Peyser) and a couple of others who spoke for it.

Mr. WYLIE. This appears to me to be just another way for the American Film Institute to get into the public till.

Mr. BRADEMAS. Mr. Speaker, 25 members of the Committee on Education and Labor were for it. The only vote against it was my friend from Indiana (Mr. Landgrebe). It is clear to me that there was very strong support for this legislation.

It is clear to me that the performance of the AFI over the period of 7 years was projected in hearings by the House and in the subcommittee of which my friend, the gentleman from Wisconsin (Mr. Steiger), was not aware.

We heard criticism, of course. That is the purpose of public hearings. I am aware of the fact that most of the criticism of this bill comes from New York City, which has been receiving a very large amount of money from film making.

I have here a lengthy list of signatures of leaders in the world of film throughout the United States and of many others who are strongly in support of this legislation.

Mr. Speaker, traditionally, most Members have supported the bill. The bill has had very strong support from both the majority and minority sides. It is not a partisan matter; it is not legislation that is sought only by some Members here. I hope that the bill will be supported by a strong number of votes from both sides of the aisle.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. Brademas) that the House suspend the rules and pass the bill (H.R. 17504), as amended.

The question was taken.

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PROVIDING FOR ESTABLISHMENT OF AN AMERICAN FOLKLIFE CENTER IN THE LIBRARY OF CONGRESS

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17382) to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

The Clerk read as follows:

H.R. 17382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Folklife Preservation Act".

DECLARATION OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress hereby finds and declares—

(1) that the diversity inherent in American folklife has contributed greatly to the cultural richness of the Nation and has fostered a sense of individuality and identity among the American people;

(2) that the history of the United States effectively demonstrates that building a strong nation does not require the sacrifice of cultural differences;

(3) that American folklife has a fundamental influence on the desires, beliefs, values, and character of the American people;

(4) that it is appropriate and necessary for the Federal Government to support research and scholarship in American folklife in order to contribute to an understanding of the complex problems of the basic desires, beliefs, and values of the American people in both rural and urban areas;

(5) that the encouragement and support of American folklife, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government; and

(6) that it is in the interest of the general welfare of the Nation to preserve, support, revitalize, and disseminate American folklife traditions and arts.

(b) It is therefore the purpose of this Act to establish in the Library of Congress an American Folklife Center to develop, promote, and implement a program of support for American folklife.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "American folklife" means the traditional customs, beliefs, dances, songs, tales, sayings, art, crafts, and other expressions of the spirit common to a group of people within any area of the United States, and includes music (vocal and instrumental), dance, drama, lore, beliefs, language, humor, handicraft, painting, sculpture, architecture, other forms of creative and artistic expressing, and skills related to the preservation, presentation, performance, and exhibition of the cultural heritage of any family, ethnic, religious, occupational, racial, regional, or other grouping of American people;

(2) the term "Board" means the Board of Trustees of the Center;

(3) the term "Center" means the American Folklife Center established under this Act;

(4) the term "group" includes any State or public agency or institution and any nonprofit society, institution, organization, association, or establishment in the United States;

(5) the term "Librarian" means the Librarian of Congress;

(6) the term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa and the Virgin Islands; and

(7) the term "workshop" means an activity the primary purpose of which is to encourage the development of skills, appreciation, or enjoyment of American folklife among amateur, student, or nonprofessional participants or to promote scholarship or teaching among the participants.

ESTABLISHMENT OF CENTER

SEC. 4. (a) There is hereby established in the Library of Congress an American Folklife Center.

(b) The Center shall be under the direction of a Board of Trustees. The Board shall be composed as follows—

(1) four members appointed by the President from among individuals who are officials of Federal departments and agencies concerned with some aspect of American folklife traditions and arts;

(2) eight members appointed by the Librarian of Congress from among individuals from private life who are widely recognized by virtue of their scholarship, experience, creativity, or interest in American folklife traditions and arts;

(3) the Librarian of Congress;

(4) the Secretary of the Smithsonian Institution;

(5) the Chairman of the National Endowment for the Arts;

(6) the Chairman of the National Endowment for the Humanities; and

(7) the Director of the Center.

In making appointments from private life under clause 2, the Librarian shall give due consideration to the appointment of individuals who collectively will provide appropriate regional balance on the Board.

(c) The term of office of each appointed member of the Board shall be six years; except that (1)(A) the members first appointed under clause (1) of subsection (b) shall serve as designated by the President, one for a term of two years, two for a term of four years, and one for a term of six years, and (B) the members first appointed under clause (2) of subsection (b) shall serve as designated by the Librarian, two for terms of two years, four for terms of four years, and two for terms of six years; and (2) any member appointed to fill a vacancy ocurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Members of the Board who are not regular full-time employees of the United States shall be entitled, while serving on business of the Center, to receive compensation at rates fixed by the Librarian, but not exceeding $100 per diem, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(e)(1) The Librarian shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairman and a Vice Chairman, who shall serve for a term of one year. Thereafter each Chairman and Vice Chairman shall be elected for a term of two years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case of a vacancy occurring in the chairmanship or vice-chairmanship, the Board shall elect a member to fill the vacancy for the remainder of the unexpired term.

(2) A majority of the members of the Board shall constitute a quorum.

(f) After consultation with the Board, the Librarian shall appoint the Director of the Center. The basic pay of the Director shall be at a per year rate not to exceed GS–18 of the General Schedule under section 5332 of title 5, United States Code. The Librarian upon the recommendation of the Director shall appoint a Deputy Director of the Center. The basic pay of the Deputy Director shall be fixed at a rate not to exceed GS–16 of the General Schedule under section 5332 of such title.

(g)(1) The Director shall be the chief executive officer of the Center. He shall carry out the programs of the Center subject to the supervision and direction of the Board, and shall carry out such functions as the Board may delegate to him consistent with the provisions of this Act.

(2) The Deputy Director shall perform such functions as the Director, with the approval of the Librarian, may prescribe, and shall serve as Acting Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

FUNCTIONS OF THE CENTER

SEC. 5. The Center and its Director are authorized to—

(1) enter into, without regard to Federal procurement statutes and regulations, contracts with, make grants and loans to, and award scholarships to individuals and groups for programs for the—

(A) initiation, encouragement, support, organization, and promotion of research, scholarship, and training in American folklife;

(B) initiation, promotion, support, organization, and production of live performances, festivals, exhibits, and workshops related to American folklife;

(C) purchase, receipt, production, arrangement for, and support for the production of exhibitions, displays, and presentations (including presentations by still and motion picture films, and audio and visual magnetic tape recordings) which represent or illustrate some aspect of American folklife; and

(D) purchase, production, arrangement for, and support of the production of exhibitions, projects, presentations, and materials specially designed for classroom use representing or illustrating some aspect of American folklife;

(2) establish and maintain in conjunction with any Federal department, agency, or institution a national archive and center for American folklife;

(3) procure, receive, purchase, and collect for preservation or retention in an appropriate archive creative works, exhibitions, presentations, objects, materials, artifacts, and audio and visual records (including still and motion picture film records, audio and visual magnetic tape recordings, written records, and manuscripts) which represent or illustrate some aspect of American folklife;

(4) loan, or otherwise make available, through Library of Congress procedures, any item in the archive established under this Act to any individual or group;

(5) present, display, exhibit, disseminate, communicate, and broadcast to local, regional, State, or National audiences any exhibition, display, or presentation referred to in clause (3) of this section or any item in the archive established pursuant to clause (2) of this section, by making appropriate arrangements, including contracts, loans, and grants with public, nonprofit, and private radio and television broadcasters, museums, educational institutions, and such other individuals and organizations, including corporations, as the Board deems appropriate;

(6) loan, lease, or otherwise make available to public, private, and nonprofit educational institutions such exhibitions, programs, presentations, and material developed pursuant to clause (1)(D) of this subsection as the Board deems appropriate; and

(7) develop and implement other appropriate programs to preserve, support, revitalize, and disseminate American folklife.

LIMITATIONS ON GRANTS

SEC. 6. (a) No payment shall be made pursuant to this Act to carry out any research or training over a period in excess of two years, except that with the concurrence of at least two-thirds of the members of the Board of the Center such research or training may be carried out over a period of not to exceed five years.

(b) Assistance pursuant to this Act shall not cover the cost of land acquisition, construction, building acquisitions, or acquisition of major equipment.

(c) No individual formerly in the employment of the Federal Government shall be eligible to receive any grant or other assistance pursuant to this Act, or to serve as a trustee of the Center in the two-year period following the termination of such employment.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In addition to any authority vested in it by other provisions of this Act, the Librarian of Congress, in carrying out the Center's functions, is authorized to—

(1) prescribe such regulations as he deems necessary;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be for the purposes of the Center and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions, without reference to Federal property disposal statutes;

(3) in the discretion of the Board of Trustees, receive (and use, sell, or otherwise dispose of, in accordance with clause (2)) money and other property donated, bequeathed, or devised to the Center with a condition or restriction, including a condition that the Center use other funds of the Center for the purpose of the gift;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the Librarian of Congress may appoint and fix the compensation of a reasonable number of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the rate received by the Deputy Director of the Center;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(7) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of the Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C.); and

(8) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529).

(b) The Center and its Director shall submit to the Librarian for inclusion in the annual report of the Library of Congress to the Congress an annual report of its operations under this Act, which shall include a detailed statement of all private and public funds received and expended by it, and such recommendations as the Center deems appropriate.

AUTHORIZATION

SEC. 8. There are authorized to be appropriated to the Center to carry out the provisions of this Act $163,000 for the fiscal year ending June 30, 1975; $710,000 for the fiscal year ending June 30, 1976; $1,716,000 for the fiscal year ending June 30, 1977; and $2,241,000 for the fiscal year ending June 30, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentleman opposed to the bill.

Mr. FRENZEL. I am not, Mr. Speaker.

Mr. GROSS. Mr. Speaker, I oppose the bill, and I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the United States of America is history's most dramatic example of a progressive society which was begun and has been developed by people from a wide diversity of ethnic and racial origins.

Americans are certainly widely assimilated in the sense of "feeling American," and of having equal rights and opportunities. At the same time there is nothing wrong with being sensitive to one's roots and traditions.

Properly perceived and recognized, diversity is not divisive. It is a national asset, not a liability.

In recent years we have seen a strong upsurge of public interest in folklife and ethnic heritage. This interest is evident in the Congress, as indicated by the fact that over 200 Members of the House and 60 Senators have sponsored bills identical or similar to the bill recommended by the Committee on House Administration. Two days of extensive hearings were held during which testimony was received from the Librarian, Smithsonian, Arts Endowment, and 11 public witnesses who represented a variety of groups prominent in the area of folklife.

H.R. 17382 would establish in the Library of Congress an American Folklife Center, under the direction of a Board of Trustees. The Board would be composed of four members appointed by the President from among officials of Federal agencies concerned with some aspect of folklife; eight members appointed by the Librarian of Congress from among individuals in private life who are recognized for their scholarship, experience, creativity, or interest in folklife; the Librarian of Congress; the Secretary of the Smithsonian Institution; the Chairman of the National Endowment for the Arts; the Chairman of the National Endowment for the Humanities; and the Director of the Center. In making appointments, the Librarian would be required to strive for regional balance.

For the purposes of the bill, "American Folklife" is defined to mean the traditional customs, beliefs, tales, art, crafts, and other expressions of the spirit common to a group of people within any area of the United States, and includes music, language, handicraft, sculpture, architecture, and other skills related to the preservation, presentation, performance, and exhibition of the cultural heritage of any family, ethnic, religious, occupational, racial, regional, or other groupings of American people.

The Center would be authorized to enter into contracts, make grants and loans, and award scholarships to individuals and groups for activities including research, training, exhibits, and workshops; and the purchase, production, and support of educational projects. Additionally, the Center would be directed to establish and maintain a national archive and center for American folklore. Materials for this archive could be purchased or otherwise received and could be loaned or exhibited in accordance with Library of Congress procedures. In view of the relatively embryonic nature of folk and ethnic cultural preservation programs, the bill also authorizes the center to itself produce and develop activities for which a capability does not now exist in the private sector.

Grants made pursuant to the bill would be limited to 2 years' duration, except that with the concurrence of two-thirds of the board of trustees, the grant period could be extended to not more than 5 years. No grants, loans, or other assistance could be used for land, building, or equipment acquisition. Federal employees would be prohibited from receiving grants or other assistance until at least 2 years after leaving Federal service.

After consultation with the board of trustees, the Librarian would appoint the director and deputy of the Center at salaries not to exceed, respectively, GS–18 and GS–16 of the general schedule. These salary rates reflect a downward revision by the committee.

In carrying out the Center's functions, the Librarian would be authorized to promulgate regulations, appoint necessary personnel, and accept donations of money and other property. The Librarian would be directed to include in his annual report to the Congress a detailed accounting of all public and private funds received and expended, and all other relevant information on the Center's operations.

The bill would authorize to be appropriated to the Center: $163,000 for fiscal 1975; $710,000 for fiscal 1976; $1,716,000 for fiscal 1977; and $2,241,000 for fiscal 1978. The amount and duration of these authorizations were expressly limited to provide the oversight committees the opportunity to carefully evaluate the Center's performance and to recommend organizational changes if these are indicated. These amounts include grant making authority and were recommended by the Library as a minimum funding level.

The Library of Congress is an ideal place for the Center. The Library has been building its Archive of American Folklore since 1928; it is now one of the most extensive collections of American folk music in this country.

In addition, large collections of other relevant folklife materials are housed in the Library in the form of manuscripts, photographs, motion pictures, and other materials. The Library also has an extensive collection of published works relating to folklife. For these reasons, the American Library Association has fully endorsed both the Center and its location in the Library of Congress.

Mr. Speaker, this legislation does not compete with other programs or activities. It is meant to be conservatively financed. It seeks to preserve and encourage folk art but not "high art." It is not geared to dry academic analysis but to the grassroots.

The bill recognizes our folk and ethnic traditions as priceless assets which developed naturally in their own regional and historical climates. They should not be allowed to fade away, victims of the pressures to conformity brought on by urbanization and technology.

I urge my colleagues to join the committee in supporting this legislation.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I should like to ask the gentleman from Michigan (Mr. NEDZI), who pays for these trustees? Does the money come out of the $5 million or *nearly $5 m*illion that is authorized for this purpose?

Mr. NEDZI. These are unpaid trustees. They get the customary $100 a day expenses that people on boards customarily get.

Mr. GROSS. And there are two super grades, a director and a deputy director, both of whom would be super grades; is that correct ?

Mr. NEDZI. That is correct.

Mr. GROSS. You were just adding to the bureaucracy that already exists, plus a retinue. They will have to have some secretaries, will they not?

Mr. NEDZI. That is all in the estimated cost that was submitted to us, and which appeared in my opening statement.

Mr. GROSS. Would these members of the board of trustees travel abroad to find out how folklore is handled in foreign countries?

Mr. NEDZI. Such things are not contemplated by this legislation.

Mr. GROSS. May I ask the gentleman from Michigan, where are the agency reports in connection with this bill? Where are they to be found in the report accompanying the bill, as is usually the case?

Mr. NEDZI. If the gentleman will yield, OMB opposed the bill, and the Arts and Humanities felt that this center would duplicate their authority and their programs. However, in the course of the hearings it was determined that a very limited amount of funds was going toward this kind of program. And the feeling of the subcommittee was that if a creditable job was to be done in this area it would have to be done under an organization such as the Folklife Center at the Library of Congress.

Mr. GROSS. So I take it the gentleman from Michigan considers $5 million to be a limited amount of money for a boondoggle of this kind?

Mr. NEDZI. Over a 4-year period, yes.

Mr. GROSS. I will not ask the gentleman from Michigan who requested this boondoggle. The report tells us who wants it. Let me read a sentence or two from the report:

> The initial impetus came from individuals and groups concerned primarily with the cultures of the Appalachian region, the South, the West, and native Americans. They were soon joined by proponents of the so-called "ethnic," black, and Hispanic cultures who have rejected the total assimilation of the American "melting pot."

What about the North? The gentleman comes from the North. Do they have any culture up there?

Mr. NEDZI. The gentleman from Iowa comes from the North, also.

Mr. GROSS. Yes, I do, and I am wondering if there is any culture to be reckoned with there.

Mr. NEDZI. If the gentleman will yield, the term "ethnic" is certainly meant to encompass those groups of people who congregated in many States, and the North would be included in the bill.

Mr. GROSS. That is not what the report says. It leaves out the North and the Northeast.

Mr. NEDZI. No, I think the report says——

Mr. GROSS. Some of our Founding Fathers came from the North and Northeast, as I remember the situation. Are you doing nothing to take care of those regions?

Mr. NEDZI. The report intended to describe how this bill originated, what its genus was. But as the gentleman from Iowa read, they were subsequently joined by other ethnic groups, and that includes the entire country.

Let me assure the gentleman from Iowa there is no effort to exclude anyone from the provisions of the bill in any particular region of the country.

Mr. GROSS. With respect to these ethnics, the blacks and Hispanic cultures who have rejected the "total assimilation of the American melting pot", does the gentleman suppose we could build a wall around the stadium near here and somehow try to get them to assimilate, or should we say if you do not want to assimilate then go the way from whence you came. Or must we embark—and this $5 million is seed money, as everyone knows, must we spend millions of dollars to induce these people to assimilate?

Mr. NEDZI. I think the gentleman from Iowa recognizes that that certainly is not the intent.

The SPEAKER pro tempore. The time of the genlteman has expired.

Mr. GROSS. Mr. Speaker, I yield myself 6 additional minutes.

The report goes on to say:

> To date the Endowment shows such little inclination to make a genuine commitment in this area, apparently preferring instead to focus on "high culture".

Where does that leave the rest of us, those of us from the North—the gentleman from Michigan and myself, since we both come from the northern area of the country? Are we culture less out there? We certainly are not considered of the high culture variety, according to the report supporting this bill.

Mr. NEDZI. If the gentleman will yield, I am not; I do not know about the gentleman from Iowa.

Mr. GROSS. I suppose Massachusetts and Boston might be designated as being in the northern reaches of this country. Are they also without culture?

Mr. NEDZI. If the gentleman will yield further, some 200 Members of this body joined in cosponsoring this legislation, evidently feeling that this is a desirable program.

Mr. GROSS. I cannot account for 200 misled Members of the House. Perhaps the gentleman can. The other 235 Members ought to have some interest—and I am sure they do—in this thing. I wonder why the Arts and Humanities—who, I believe, got $159 million this year—are so little interested in this form of culture, if it may be called culture.

Mr. NEDZI. If the gentleman will yield further, I cannot answer the gentleman.

Mr. GROSS. I repeat, $159 million goes to the Arts and Humanities which are supposed to be looking after our cultural welfare yet it cannot support this promotion.

I am reminded of the statement by former President Theodore Roosevelt who said:

> There is no room in this country for hyphenated Americanism. The one absolutely certain way of bringing this nation to ruin, of preventing all possibility of its continuing to be a nation at all, would permit it to become a tangle of squabbling nationalities.

I believe that to be a pretty good admonition for us to follow here today and reject the building of another new bureauacy at this time. Some day when the budget is balanced and we are making substantial payments each year on the Federal debt the situation could be different. The Arts and Humanities have already been given $159 million, as I remember the figure—to take care of the culture not only in Texas and the rest of the South and Southwest, but to spread it around, the good things of life, and take care of some of those in the North whose culture apparently has been neglected.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I commend the gentleman from Iowa for raising this issue. I should like ask a question either of the gentleman or of the gentleman from Michigan. As I read the definition of this $4.8 million legislation, folk life is defined as the traditional customs, beliefs, tales, arts, and crafts, and other expressions of the spirit common to a group of people within an area of the United States. It goes on to include exhibitions of ethnic, regional, family, and other special heritage.

It occurs to me that probably what they are trying to preserve here are groups that are passing away, dwindling, or who are going to disappear. My question is, would this, for instance, qualify the Republican National Committee for a grant under this bill, in view of the recent election, or if not the Republican National Committee, the conservatives in the Republican Party as a separate group, perhaps giving a grant to them to preserve our folk ways and mores of the past? Perhaps these artifacts of past glory should be preserved in a glass case somewhere so that people at some time in the future could examine them and see if they had some validity.

Mr. GROSS. I am sorry the bill is here under suspension of the rules, which prohibits the gentleman from Maryland from offering an amendment to achieve that end.

Mr. BAUMAN. If the gentleman will yield further, my principles would prevent me from offering such an amendment anyway, since it would involve a cost to the taxpayers.

Mr. GROSS. If it were amendable, I would trifle with the idea of somehow or other including Fanne Fox in this highly cultural deal that is being offered here today. Perhaps there is some way yet to drag her in; I do not know. But I hope the sponsors of this sort of legislation will give attention to that form of culture as well. That form of cultures seems to be entertaining and well accepted on the part of some.

Mr. NEDZI. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Speaker, as always, my delightful friend, the gentleman from Iowa, amuses me. I would not expect that he would lose an opportunity before his departure to take potshots at yet another bill affecting the acts.

I might point out, as did the gentleman from Michigan, the distinguished chairman of the subcommittee, that of the 201 sponsors of this legislation, 41 States are represented as well as the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

Mr. Speaker, I rise in support of H.R. 17382, the American Folklife Preservation Act.

This legislation would establish an American Folklife Center in the Library of Congress to preserve and support American folklife traditions and arts. The Folklife Center would have broad authority to conceive and implement a national policy of support for American folklore by encouraging all the art forms which express the customs, beliefs and crafts common to ethnic groups of Americans.

People too often think of folklife as something out of the hills, and they frequently think of it only in terms of folk music. These impressions are incorrect. This legislation is concerned with folklife in the broadest sense. It is concerned with the total lifestyle of people—people everywhere in America—in cities, small towns, and rural countrysides. The bill defines folklife as "traditional customs, beliefs, dances, songs, tales, sayings, art, crafts, and other expressions of the spirit common to any cultural, ethnic, religious, occupational, racial, or other groupings of American people." Most importantly, the bill recognizes folklife as a dynamic force in today's society and not simply as something out of the past.

The Folklife Center would implement a national policy of support for folklore by: First, the collection and documentation of information about American's folk cultures through national surveys of folklife on films, recordings, photographs, and other means; second, the preservation and organization of materials documenting folklife in national and regional museums and archives; third, the research and scholarship which addresses itself to understanding American folk cultures and communicating that understanding through educational channels; fourth, the public dissemination of educational information about American folklife through films, sound recordings, and other means; fifth, the presentation of programs on folk art and folklife, including exhibits and festivals; and sixth, the encouragement of academic programs which offer instruction in American folk arts and folklife.

While some support for folklife activities has come from the National Science, and Arts and Humanities Foundations, the focus of these agencies is basically on other areas of American culture. Until recently, there were no folklorists on the staff of the National Endowments for the Arts and Humanities. An artistic project in a ghetto or in a rural area does not automatically become "folk art" by virtue of its location. Rather, it is marked by social values, regions and ethnicity. Folklorists generally seek out the traditional culture within various groups of people and value it for its intrinsic worth. They do not seek to improve or elevate folk art to the level of high art.

The Library of Congress has many features which make it ideal to house the Folklife Center. The Archive of Folk Song, which was established in 1928, has one of the most extensive collections of American folk music in the Nation. In addition, large collection of other relevant folklife materials are housed by various divisions of the Library in the form of manuscripts, photographs, motion pictures, and other materials. The Library also has an extensive collection of published works relating to the folklife.

Since former Senator Ralph Yarborough and I first introduced this legislation in the 91st Congress, there has been a tremendous upsurge of interest in folklife by the public. The distinguished chairman of the Library and Memorials Subcommittee (Mr. NEDZI) along with Mr. ECKHARDT, Mr. MILLS, and our former colleague, Mr. Schwengel, joined me in sponsoring the Folklife Preservation Act in the 92d Congress. Former Senator Fred Harris, representing a State rich in folk traditions, reintroduced the bill in the Senate and worked very hard to gain support for it. The fact that more than 200 Members of the House and some two-thirds of the Senate are now sponsoring proposals identical or similar to the bill before us underscores the interest of the American people.

America, I might say to my friend, the gentleman from Iowa, has always taken pride in the diversity of its people and the cultural contributions which have been made by the many ethnic and racial groups which make up our society. However, not enough has been done to perpetuate the arts and traditions of our national family. With the coming of our Nation's Bicentennial in 1976, it is appropriate for the Federal Government to act now in developing a program of support for preserving and disseminating our folklife traditions and arts.

Great cultural contributions have been made by many ethnic and racial groups which make up our society, they are not hyphenated Americans, as Theodore Roosevelt described them. They are Americans who go to work every day, who have enriched our country by that which they brought from essentially a peasant society. We have the richest Treasury in the history of man in the makeup of the American people and their backgrounds.

One need only read Emma Lazarus' poem on the Statue of Liberty:

"Give me your poor, your oppressed," et cetera to understand where the American people come * * * and our invitation to them.

Is one supposed with one national background to be inferior to a person with another national background?

The native Americans, I might point out, were the American Indians, who have not been treated very well. Each and every one of us is either an immigrant or the descendant of an immigrant, and yet we are here in this great body as Americans, no matter what our national backgrounds.

There was a reference to certain groups of people not assimilating themselves, if you will, into our society. Nothing could be further from the truth than that. There are no more loyal Americans than these people.

The SPEAKER pro tempore (Mr. MCFALL). The time of the gentleman has expired.

Mr. NEDZI. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. THOMPSON of New Jersey. Over a period of years, as the sponsor of many bills on the subject of the arts, I have come to be immune from being giggled at and laughed at. The fact of the matter is that those who object would not hesitate to spend a billion dollars on a piece of weaponry and yet would be chintzy about this. The time is not now to balance the budget by defeating this bill. The budget includes the beautiful things in our life and in our society, those which should be preserved. Unfortunately the budget is loaded with billions of dollars for weapons of destruction and death.

I urgently ask that we think about our own districts. If we are from Florida, as the chairman of the Committee on the Interior is, the Seminole Indians and others in that area, no matter where they are from, there is diversity. In North Carolina there are the Cherokee and the hillbillys, so-called, yes, and the ethnic groups in the great cities, all Americans, every bit as dignified, every bit as human as the very best of us here.

I think it is a tragedy that they be demeaned in any way at all. I certainly do hope that my distinguished colleague, the gentleman from Michigan (Mr. NEDZI), his legislation, cosponsored by myself and 200 others, is passed.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take this time to pay tribute to the gentleman from New Jersey (Mr. THOMPSON) who was really the genesis of this legislation, who for several years has diligently worked for it. The fact that some 260 Members of Congress are cosponsors is a tribute to the soundness of his efforts. He more than any single individual is responsible for the guiding of this legislation to its presentation to the House by a unanimous House Administration Committee. And should the Members pass this bill, primary appreciation and congratulations are due the gentleman from New Jersey (Mr. THOMPSON).

Mr. GROSS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I did not introduce the word "assimilation." I simply read from the report accompanying this bill.

Let me reread it for the benefit of the gentleman who just spoke and who was not here at the time. "The initial impetus came from individuals and groups concerned primarily with the cultures of the Appalachian region, the South, the West, and native Americans. They were soon joined by proponents of the so-called 'ethnic,' black, and Hispanic *assimilation* of the American 'melting pot.'"

Those are the words of the report, not mine. If there are those in this country who have rejected assimilation as a matter of choice I have not demeaned them.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank my good friend, the very distinguished gentleman from Iowa, for yielding me this time.

Mr. Speaker, we are coming down to the final days of the 93d Congress. We were told a little earlier by the majority leader that we need to conserve time to consider very important legislation which needs to be enacted before the 93d Congress adjourns. So, we were asked to suspend the rules a little while ago so that needed legislation could be brought up before the end of the week.

So, what do we do? We consider an act to establish an American Folklife Center at the Library of Congress to the tune of $4.8 million. Just a little earlier, we were considering an act to grant the American Film Institute taxpayer money to the tune of $17.5 million. A little later on, we are going to consider an act to improve the quality of filberts.

Is this important legislation which needs to be enacted by the 93d Congress before we adjourn? It seems to me we are just picking the American taxpayer to death with these little bills we are submitting to him for payment. None of them amount to very much, but they all add up to considerable. I think we need to ask ourselves this question before we vote on these bills: Considering the state of the economy in December 1974, is this program essential? Is this $4.8 million a luxury item? I would think that the answer is yes to the latter question, and I intend to vote against the bill.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I wonder if some of the unemployed factory workers in Michigan would consider themselves part of a waning American folklore and if they would vote for legislation of this nature, if they were here today, considering the plight the industry is in, it seems highly out of order to even be discussing this legislation.

Mr. WYLIE. I think the gentleman from Idaho has asked an appropriate question at a time like this. I thank him for his contribution.

Mr. NEDZI. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I rise in support of this legislation. The Members of the House know, I think, of my conservative bent and of my opposition to many spending measures. So, why am I for this legislation? It does cost some money.

I am for this legislation because it is a gesture toward the plain, common people, the unnoticed people, the people who do not get the recognition that many receive. I was born in the country and grew up among country people. I have become familiar with the aims and ambitions of a lot of the plain, common, ordinary people.

It seems to me that this is a time when we need to have unity. We in this country often find ourselves divided. The country people, the people interested in the song and dance and story and history of our rich heritage, deserve to have their folk lore preserved. I support the proposal that we establish in our beloved Congressional Library a center for folklore. This should enrich our history and encourage the plain people of the country and enable all of our citizens to have a better understanding of America.

Maybe some are not sufficiently sophisticated to go to the Redskin game, or have the money to do so, on a Sunday afternoon, but it seems to me this is a way in which we can show some recognition to some of the unnoticed groups, some of the uncelebrated and unnoticed customs of our land. I support the pending measure.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I too was born on a farm. I know something about hard days on the farm. But I cannot reorder my spending priorities with the same facility and flexibility as the distinguished gentleman from Texas, the chairman of the Committee on Appropriations (Mr. MAHON).

I think we will be thanked by our people back home if we save them the liability and the obligation to produce another $5 million for this purpose at this time through additional taxes or debt upon them. I think it is just that simple, that we can dispense with this boondoggle now until we see better light and better days ahead in this country.

Mr. METCALFE. Mr. Speaker, I urge passage of H.R. 17382, the American Folklife Preservation Act.

This bill will provide a unique opportunity to study and preserve American folklife traditions.

The act will establish, through the Library of Congress, a program to support research and scholarship into these precious folk traditions.

In our rush toward progress and our near-reverence for all things new, we often neglect the richness of our past.

This has been especially true of black folklife traditions here in America. The music, art, and other forms of cultural expression of black people in America have been largely ignored or unknown over the years. The great majority of Americans are unaware of black and other minority folklife traditions.

We have in this bill, a chance to preserve this heritage for generations of Americans to come. We have the chance to preserve ethnic culture of all Americans for all of their children.

This heritage is an indelible part of all of us and the American Folklife Preservation Act will help us better understand how America grew up and how she came to be the Nation that she is today.

Mr. Speaker, for the sake of preserving our past and of enriching our future, I urge passage of H.R. 17382.

Mr. BELL. Mr. Speaker, I rise in support of H.R. 17382, the American Folklife Preservation Act, which is similar to legislation I have introduced.

This measure would promote, by the establishment of an American Folklife Center in the Library of Congress, an awareness of the distinct American folk culture which has emerged from our pluralistic society. It would strengthen recognition of the cultural differences in the American peoples, while revitalizing the unique traditions and arts which have developed at various periods of America's growth. What better time than now to consider that heritage, as we approach the American Bicentennial?

Furthermore, this legislation would encourage both the preservation and the dissemination of American folklife traditions; it would insure a close relationship between the Folklife Center and the National Foundation on the Arts and the Humanities.

To preserve these elements of our American folklife, it would create an archives and authorize the purchase and display of artifacts, art objects, exhibitions, and other materials, including audio-visuals and motion pictures. Perhaps most valuable of all, it would allow these materials to be loaned to any individual or group, and to any public, private, or non-profit educational institution, so that the study of American folklore might become an integral part of our educational goals.

To disseminate information and stimulate research in American folklife, this proposal would provide for the allocation of certain grants, scholarships, and contracts, intended for investigative studies, public performance, workshops, and broadcasts. This provision would make the resources of the Center available to a much broader spectrum of the American public.

Mr. Speaker, I think it only appropriate that the Congress take this initiative to contribute to a better understanding of American culture, with its diverse beliefs, creative expressions, and values. The provisions of H.R. 17382 would encourage a sensitivity to the American folklife which pervades our culture—consequently, I urge my colleagues in the House to join me in support of this measure.

Mr. BINGHAM. Mr. Speaker, I wholeheartedly support this bill. I think it important that the Federal Government move to preserve the diverse American cultural heritage because much of it is swallowed up in the "melting pot". Previous efforts to do this, through the National Endowments for the Arts and the Humanities, fall far short of the kind of action that is needed. I am pleased to see this bill before us after so many years of determined effort by so many individuals and organizations active in the folklife area.

The teaching, study, performance, and demonstration of American folk traditions are activities fully deserving of Federal assistance. The Library of Congress is uniquely suited to coordinate such assistance, and to provide resources for such activities. Passage of this authorizing legislation, and full appropriations to carry it out, will represent a major contribution by this Congress to preserving some of the most important elements of American life. We will be able to say with some pride that we have our "hand upon the throttle and our eye upon the rail".

Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 17382, the American Folklife Preservation Act, that would establish an American folklife center in the Library of Congress. I, along with 10 of my esteemed Texas colleagues, Congressmen ECHHARDT, FISHER, PRICE, PATMAN, WRIGHT, WHITE, MILFORD, POAGE, GONZALEZ and CASEY sponsored a similar bill.

This bill would provide future generations of Americans a place in their Nation's library to find the records that pertain to earlier America, that was rich in cultures brought from abroad. One of the most interesting exhibits in the Hemisphere Exhibition in San Antonio, Tex., was the building devoted to the cultures that have contributed to the settling of Texas. Early German, Czech, Swedish, Poles to name only a few, found sanctuary in Texas and have enriched our culture. Other cultures such as the Mexican-Spanish and black influences are most significant too. Unless we take steps to preserve these records, since time fades all memories, we will not have an accurate record. Locating them in our Nation's Capital is where they should be, both for easy access and because this is the center of our Government.

It is particularly appropriate that this be part of America's Bicentennial celebration. This will be a fitting tribute to those who have gone before us. I recommend prompt passage of this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 17382.

The question was taken.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

TO IMPROVE QUALITY OF FILBERTS

Mr. VIGORITO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2933) to improve the quality of unshelled filberts and shelled filberts for marketing in the United States.

The Clerk read as follows:

H.R. 2933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by inserting after "oranges, onions, walnuts, dates," the following: "filberts,".

The SPEAKER pro tempore. Is a second demanded?

Mr. GOODLING. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. VIGORITO) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. GOODLING) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. VIGORITO).

Mr. VIGORITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 2933 is to include filberts as one of the commodities which enjoy the benefits of section 8E of the Agricultural Marketing Agreement Act of 1937, as amended. This provision of law which now applies to some 16 commodities states in essence that if a domsetic marketing order establishes certain grade and quality standards, then imports of that same commodity must meet equivalent standards.

For many years, buyers of filberts have maintained that they would like to buy domestic filberts, both unshelled and shelled, but that imports were cheaper. Primarily, this is due to the superior quality of the domestic product.

The committee found that the real problem is that the foreign imports are not required to be graded. The age of the nut and other quality factors are such that the domestic graded varieties being required to be graded are more costly than the imports, which are not graded at all. Thus, it is difficult for the domestic nut to compete. H.R. 2933 simply will put imports on an equal basis with the domestic crop by requiring that importers be required to have their product graded exactly the same as the domestic nuts are graded. If this action is taken, domestic growers feel they can compete. If it is not done and competition is continued on an equal basis, the domestic growers will soon be out of business.

On May 29, 1973, an open hearing was held by the Domestic Marketing and Consumer Relations Subcommittee on H.R. 2933, and on September 19, 1974, in an open business meeting. The bill was ordered reported by a voice vote to the full committee. On October 19, 1974, in an open business meeting and in the presence of a quorum, H.R. 2933 was ordered reported by a voice vote to the House.

Mr. Speaker, I yield and reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I must observe that the bills we have passed recently lead me to believe that this session of Congress has now reached the "nutty" season. I think this is a most appropriate time for us to consider a "nut" bill. However, I do not want to create the impression that the sponsor of this bill is a "nut," by any stretch of the imagination.

Mr. Speaker, this bill has been pending in our committee for several years, and it is time for the House to work its will on it.

The bill provides the growers of filberts the same protection against low quality imports that the growers of 16 other commodities now enjoy. These are tomatoes, raisins, olives—other than Spanish-style green olives—prunes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, and eggplants.

Under the 1937 Agricultural Marketing Agreement Act, foreign produced commodities must meet the same grade and quality standards set for these domestically produced commodities under the Federal marketing order program.

When this bill first cleared the committee several years ago, there was concern that it might disturb our foreign relations with the Nation of Turkey. Turkey is our principal filbert supplier. At that time, Turkey had agreed to refrain from growing opium as part of an international effort to control illegal narcotics.

Today the situation is different. Turkey is back growing opium and our filbert growers, principally in Oregon, are facing this import competition.

I feel, therefore, that this bill should be passed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. WYATT).

Mr. WYATT. Mr. Speaker, I thank the gentleman.

Mr. Speaker, the filbert industry is a very substantial industry in the Northwest, particularly in the States of Oregon and Washington.

Our growers have been operating at a considerable disadvantage for a number of years with the imports, principally from Turkey. The disadvantages they have been operating under actually consist in the fact that the filbert nuts in the Northwest are subject to strict standards of quality control and the imports are not.

The imports are produced with cheaper labor, and because of the fact that they are not graded, the prices are lower, and the market for filbert nuts has, therefore, been uneven and frequently depressed.

All we are asking in this bill is that the nuts produced by foreign filbert nut producers be subject to the same quality conditions that our domestic growers are subject to, and this seems to me to be fair and equitable. I strongly urge a favorable vote.

Mr. VIGORITO. Mr. Speaker, I have no further requests for time.

Mr. GOODLING. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. VIGORITO) that the House suspend the rules and pass the bill H.R. 2933.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

CONSTRUCTION OF MINT BUILDINGS

Mr. GRAY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1901) to amend the Act of August 20, 1963, as amended, relating to the construction of mint buildings.

The Clerk read as follows:

S. 1901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act of August 20, 1963, as amended (31 U.S.C. 294), is further amended to read as follows:

"SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each fiscal year which begins after June 30, 1963, and ends before July 1, 1983, such sums as may be necessary to carry out this Act, except under this section shall not exceed $95,000,000. Sums appropriated to the Department of the Treasury for the purposes of this Act may be available for transfer to the Administrator of General Services to remain available until expended."

The SPEAKER pro tempore. Is a second demanded?

Mr. COLLINS of Texas. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. GRAY) will be recognized for 20 minutes, and the gentleman from Texas (Mr. COLLINS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Speaker, the legislation, S. 1901, was reported without amendment from the House Committee on Public Works and would increase from $45 million to $95 million the amount authorized for the building of new mints in the United States, and would extend the time during which moneys could be appropriated from July 1, 1973, to July 1, 1983.

This increase, together with the balance remaining for that previously authorized, will permit construction of a new mint at Denver, Colo. to replace the existing Denver mint. The new mint will cost an estimated $55.3 million .

Mr. Speaker and Members of the House, this legislation passed the other body in 1973. Our Committee on Public Works reported the bill out in late 1973. We felt that with the tight budgetary considerations we should defer action on this until we were absolutely certain that it was needed.

About $3.5 million has been spent in Denver, Colo., for site acquisition and for architectural and engineering design plans.

We have been informed by the Honorable Mary Brooks, the Director of the Mint, and by the Secretary of the Treasury that this matter has now become very serious. Mr. Speaker, there are only two mints in the entire country, one at Philadelphia, Pa., and one in Denver, Colo. Those two mints are now coining about 9 billion pieces per year. The requirement by 1980, or 5 short years from now, is for about double that amount or 18 billion coins per year.

We have been told by the Treasury Department that if this legislation is not enacted this year and the construction started soon on his Denver facility, we will not be able to meet the demands of the banks, our merchants, and others requiring coins throughout the United States.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. GRAY. Yes, I will be delighted to yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I think the gentleman for yielding.

Does the gentleman think that if we put something in the coins besides pot metal, maybe there would not be so many of them?

Mr. GRAY. Let me tell my friend, the gentleman from Idaho, that he has raised a good point.

The House Committee on Public Works, of course, is not in a position to determine anything beyond what is in the bill. I think that would certainly be a question for the House Committee on Banking and Currency, because I do have some reservations about the quality of the coins now being minted throughout the country.

But we are concerned only with the bricks and mortar, and authorizing construction of the building itself, but your question is very timely and very appropriate.

Mr. SYMMS. Will the gentleman yield further?

Mr. GRAY. I yield further to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding. I certainly would not want to have the gentleman think that I was impugning the motives of the Committee on Public Works, but I think Congress should also take into consideration the fact that in 1932 you could buy a four-door Chevrolet automobile for $800, and in 1974 you can buy the same automobile, and you can still do it for $800, that is silver dollars. That is what we have done to our money in our country. We have taken away all of the good metals from our coinage, and are using pot metal, with the exception of pennies.

Mr. GRAY. I appreciate the gentleman from Idaho bringing up this subject, and, I think it is one that should be directed to the Director of the Mint.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. GRAY. Mr. Speaker, as I said earlier, this authorization is urgently requested by the Treasury Department. It is a 10-year program. It would authorize construction of this new facility at Denver, Colo., starting next year and running through 1983, so it is not going to place an undue burden upon our tight fiscal policy at this time. Even in 1975 the maximum amount of $9.5 million would be utilized.

We have studied this matter very carefully. It is so necessary if we do expect to meet the demands of additional coins by the year 1980.

I hope the House will pass the legislation.

Mr. COLLINS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, back in July of this year while reading the local newspaper, the Dallas Times-Herald, I was interested to read a story that was written by the UPI. It concerned the historic Denver Mint, and said that it was going to be replaced in 1978. And I want to quote what the Denver paper said in this UPI story. This article said that the old Denver Mint is the most productive, the most economical mint in the Nation's Treasury system. They said the Treasury planned to replace it with a gleaming structure some 4 miles away. It goes on to say that the old mint had a leaky roof and a faulty ventilation system, and it had cramped quarters. All of these things, I might just add, looked to me like something that a local construction firm out there could patch up. But they have gotten along out there very well so far.

It was also interesting to learn that this old mint in Denver which began minting coins in 1906, is located in a downtown location, and that it is also the most popular tourist attraction in Denver, and handles some 4 million tourists a year. This old building has been declared a national historic landmark and cannot be changed. I must say that if any of us were ever to visit Denver, I am sure that we would want to go to see this old mint. Because here is a Government business that operates on an efficient basis, so now that it operates on an efficient basis, they plan to do away with it. I mean this bill plans to close it up, lock, stock, and barrel, and move 4 miles away, and build a completely new facility.

I checked through some general backup material on this particular issue, and I found a report that was written by the General Accounting Office back in 1966. They referred to the construction in 1966 of the new Philadelphia Mint, which was to replace the existing Philadelphia Mint. They said it would be completed in 1967. They went on to say that the Denver Mint should also be modernized to a qualified comparison with that existing in the new Philadelphia Mint.

Well, as you know, since we have checked this thing out, the Philadelphia Mint in 1974 is not as efficient as the Denver Mint. So it just looks to me as if building a new mint does not mean we are building better or more efficient facilities.

There is another thing to keep in mind on this facility, and that is that we are able to get private commercial subcontracts when we need them, and we do not have to rely entirely on the Government mint if we could subcontract for any needs.

I received a letter from the Director

of the mint that said their latest cost figures show that the operating cost of producing cold strip in Philadelphia is about 34 cents a pound. She says this is comparable to the current procurement cost from the commercial manufacturer.

What they are saying is that up in Philadelphia they now have that mint efficient enough to compare favorably to the commercial manufacturer. What I am saying is that if we ever reach the point where we absolutely need the coins, we will be able to have private commercial contractors supply us. Why do we need to plan 6 years ahead? Our need for money is not going to be for metal coins; our need is going to be for paper money, because the way we are headed toward inflation, if we look back at the historical pattern of all countries that go into exorbitant inflation schedules, we are going to need more and more and more paper money. We are not going to need coins.

Let me quote from a statement that was made by the General Accounting Office. This was the General Accounting Office report of September 19, 1974. In summary this said:

> If the Mint in Philadelphia tripled its present coinage by 1980—this can be achieved by the addition of new and the replacement of old coin presses—the entire 1980 Bureau coin requirements could be met or even exceeded. With present mints.

What they are saying in this GAO report is that it is not imperative to build a new mint. If they would go in and replace some old coin presses, they could increase production right there in Philadelphia.

We have three places where we mint coins. We mint them in Denver; we mint them at San Francisco; and we also mint them at Philadelphia. Again I want to refer to the GAO, the General Accounting Office. They contacted Bureau officials to obtain documentation in support of these different comments. They discussed a decision to retain the production of more in-house processing as it should be done on the basis of cost advantages. Then when GAO is trying to find out how they are figuring all these costs, it is brought out in this GAO report that the mint does not know how to figure its costs. GAO says the mint has not developed accurate measures of mint productivity. They do not have accurate labor standards.

So before we start talking about building an additional mint, it seems to me that we would do well to fully utilize the facilities that we have.

I want to just summarize where I began. This old mint in Denver was started in 1906. It is now the most productive, the most economical mint in the Nation's Treasury system. What they are proposing to do is to close that mint down.

Mr. GRAY. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Illinois.

Mr. GRAY. I thank the gentleman for yielding.

I apologize for interrupting the gentleman. He just said that the Denver Mint was the most efficient. We have been informed by the Secretary of the Treasury that the total capacity of the Denver Mint is 4½ billion pieces per year.

Mr. COLLINS of Texas. That is probably right.

Mr. GRAY. And the Philadelphia Mint is about 4½ billion, which makes a total of 9 million pieces. That say that within 5 short years our requirements are going to be a minimum of double that or 18 billion pieces or coins a year. The only reason I interrupt the gentleman at this point is to say we looked over the proposition of expanding the Denver Mint, the old building, and it is impossible. There is no way they can go with an expansion. The total capacity at Denver is 4½ billion pieces a year. I am sure the gentleman did not want to leave the impression with the House that we would be able to meet our future needs in that old facility, it is impossible.

Mr. COLLINS of Texas. In the GAO report it was brought out that if they would put in new presses, they could greatly expand production in Philadelphia, and that is a fact.

I want to add they bought additional land out there in Denver. Why can they not go out there 4 miles and keep this present mint plant going, which they do not plan to do? They plan to close that efficient downtown Denver Mint. Why can they not keep that one going that now produces this 4½ or 5 billion total, instead of going out to build a new one and closing this one. In private industry they would keep the present mint and build a new plant for the additional volume. But why close down the present efficient plant.

Mr. GRAY. I assume they want to avoid duplication of management, and old buildings, as the gentleman knows, are much more expensive to maintain.

If the gentleman will yield further, I also say that the new Denver Mint will have a capacity of 25 billion pieces per year or a 500-percent increase, so I think they can get much more efficiency out of one new facility than they can a small expansion in the old facility or a new small facility.

Mr. COLLINS of Texas. If the gentleman will recall, I read of that situation with the mint building in Philadelphia in 1966 where they kept talking about how they were going to increase all the productivity and have a more efficient mint, but the new mint in Philadelphia today is not as efficient as the present old mint in Denver. What I keep getting back to is why should we not retain the old mint building in Denver.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, the main reason why they do not know for sure what they will do with the old mint is they will still continue to use it until the coming completion of the new mint. But the old mint will not be torn down. It is an historic building and it will be utilized in some manner. It will not be torn down.

The main reason why the mint in Philadelphia did not turn out so well is that it was built in downtown Philadelphia and they have an awfully difficult transportation problem with the metals being brought in and out. Even with more presses in there, if they put more in they will still have trouble getting the metals in and out. In Denver there is no land where they can increase the old mint at the present location. At the new site there will be rail access and interstate highway access and they can have heavy trucks in and out with metals and the transportation problem will be solved. I think the new mint will be a model of efficiency plus the fact that the transportation problem we now have, which is hindering some of the efficiency in Denver will be gone. That is one of the main reasons why the new mint should be built and it can be much more efficient than the present mint.

Mr. Speaker, it is a pleasure for me to add my endorsement of the bill under consideration, S. 1901, which would provide the necessary authorization for appropriations for a new U.S. mint at Denver, Colo. I have been involved with this proposed project for almost 2 years, and I want to say that I am impressed with the Treasury Department's planning for this important new coining facility. We in Colorado are proud of the present Denver Mint, which is the State's second largest tourist attraction and which has such an important place in our State's history. Even though we have come to love this beautiful old building, we fully understand and agree, with some sadness, that a new mint, with its greatly increased production capacity, is essential to provide assurance that the Bureau of the Mint will be able to make sufficient coins to support the commercial activities of our citizens. I have visited the present Denver Mint on several occasions and continue to be amazed by the production that is accomplished in this plant, which has been altered numerous times since commencement of coinage operations in 1906, and which today represents a masterpiece of improvisation. The results achieved in this outdated and overcrowded building provide ample evidence that the spirit and perseverance of the pioneer settlers of the West are alive and well in Denver.

Also, may I say that being fully aware of the condition of the present Mint and its surroundings, I concur with previous statements that it is neither practical nor desirable to attempt to expand this facility.

I am pleased that after consideration of numerous areas and potential sites, the Treasury Department has selected a site within the city and county of Denver for the new mint. The Treasury Department concluded several years ago, after detailed study, that the Denver area is the optimum location for a new mint. The selected location is excellent from all standpoints, is large enough to provide ample grounds for further expansion as necessary in the decades ahead, and will maintain the important historic association of a U.S. mint with the city of Denver. This new facility also will play an important part, economically and socially, in helping to stimulate and renew the core city, which serves as the sustaining element for the entire Denver metropolitan area.

I urge favorable consideration of the proposed legislation, S. 1901.

Mr. COLLINS of Texas. I would like to expand on some of the issues brought up by my fine colleague, the gentlewoman from Colorado. I am surprised to learn there has been a hindrance in bringing in the metals. In Colorado and the Denver area, where we do have industrial confusion and an environmental impact, we will probably find that in 1980 the city of Denver will not want to have additional industry in the city. They are already having an environmental impact with this industrial situation located in their city. That is why I wonder whether we should be making a 6-year commitment here when Denver might not want it in their city.

Mrs. SCHROEDER. This is not to be in the city. It is out by the interstate highway and the airport and the rail line. It is not to be in the city any more, so it will be different from Philadelphia and the old mint. Also even the old mint may stay in operation. We do not know at this time how much coin capacity we will need.

Mr. COLLINS of Texas. We certainly do not go out and build a mint twice as big as the present mint and then close the old one. What we would do in private industry is that we would use the present one and then expand with another plant that had growth potential. Private industry would not close its most efficient plant, and why should the Government?

Mrs. SCHROEDER. No one knows the total coinage projection we will need. Now they are predicting it will double the coinage we have now, so it may also mean more than that. It takes a long time to build the mint and get it going.

Mr. COLLINS of Texas. Then why can we not anticipate in a shorter leadtime, but not 6 years? In Texas we could build this plant, from foundation to completion within 2 years, and we are talking here about 1980. In 1978, we would have a better idea of what we need in 1980 and we would not have to estimate so far ahead. We could know more about it in 1978 instead of trying to run a bill through this Congress in the last few weeks under suspension. We may need to increase the mint capacity but we can take a second look at it then. We should not do it 6 years in advance, but we should do it 2 years before we need it so we would be pragmatic.

Mr. HARSHA. Mr. Speaker, if the gentleman will yield, one of the problems and the urgency is that irrespective of the judgment of my good friend, the gentleman from Texas, that they can do this in Texas in 2 years, there is a very large leadtime and it is not only for the building and the piece of property, but it is also for the equipment in the building, and it all takes a long leadtime to build this and a long leadtime for the necessary equipment to put in it. It is much more than just building a building which is needed here.

Now, certainly the engraving part is not going to abandon this building, as far as I know, until the other building is absolutely completed; but even at that time I doubt if they ever abandon it, because this building will not be functional, in my opinion, before some time in 1980. Therefore, the coinage estimate at that time for 18 billion pieces is already met.

For the next 10 years it is estimated at 40 billions of pieces, even the next 8 years. Now, to meet that demand certainly the existing Denver mint can be used. The Treasury Department did consider this very strongly and went into great detail on the possibility of expanding the existing establishment there in Denver; but that is neither practical nor desirable, because the present mint has already been expanded three times. It was constructed in 1904. It is further precluded by lack of Government land around the present site. The acquisition of additional grounds at this particular site would be prohibitively expensive. The longer we delay in this, the more the impact of inflation and the increasing cost of construction occurs in building this particular project, up to a monumental amount of money. If we do not get after the problem right now so we can begin to let the contracts for design and construction and the contract for equipment, we never will get this completed.

This affects not only the banks, but all the retail merchants involved in the use of coinage; so I would hope the gentleman would go along with us on this measure.

Mr. COLLINS of Texas. Mr. Speaker, I agree with the logic of the gentleman from Ohio on the plant in Denver. It has reached its maximum capabilities. But it was brought out by the General Accounting Office that if we do have an emergency demand that they need more coins then the Philadelphia Mint by replacing the old presses with new machinery would be able to up production tremendously, so we are not facing an immediate crisis.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the gentleman says we could not build enough now, as long as the Congress has any money appropriated, because the only money left is for copper pennies in the bill and Gresham's law says the good money will drive the bad money underground.

The gentleman is saying we cannot build enough buildings as long as we are on this program of increasing our coinage in the policy we are operating under and are going to operate in the future, so I think we should vote the bill down and say to the Treasury that we want good coins and sound coins that have some lasting value.

Mr. COLLINS of Texas. Mr. Speaker, the gentleman from Idaho has raised a realistic issue and that is America should be coining sound money, putting full value metal into our coins. We are putting more and more synthetic material in our coins and have less and less real metal in them.

Mr. GRAY. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I rise in support of S. 1901, to authorize the construction of a mint facility in Denver, Colo. I join in the recommendation made by my distinguished colleague, the gentleman from Illinois, for its prompt passage.

Let me say at the outset that the administration very strongly supports this legislation. There is a pressing need to build the kind of facility that will assure an ample coinage supply for the Nation in the coming decades. The demand for coins, which had historically increased at a rate of about 10 percent per year, currently shows over a 20-percent increase. Even if this rate of increase levels off in the future, the Bureau of the Mint would face serious difficulty in meeting coinage demands by 1980, using present minting facilities. We should take action now to preclude the occurrence of a coin shortage similar to that experienced in the early 1960's. Such a shortage would naturally hinder retail transactions throughout the Nation.

The logical course of action is to provide the facilities and modern coinage equipment that are required on a continuing, long-term basis.

In addition to coinage required for circulation, the mint is experiencing growing demands in its programs for the production of special coins and medals. For example, we passed legislation here in this body last October providing for a special design for all quarters, half dollars, and dollars issued after July 4, 1975, which will require at least $45 million silver-clad coins commemorating the Bicentennial of the American Revolution. These coins will require a major effort by the Bureau of the Mint to meet the collectors' demand for these Bicentennial pieces.

The $50 million authorized by this legislation would not be spent all in 1 year or all at once, but would be spread out over a number of years, as the report indicates, and as the distinguished gentleman from Illinois has stated. Its effect on the annual budget will be subject to review and control of the Congress through the annual appropriation process.

The funds authorized by this legislation will be returned manifold to our taxpayers in the years ahead. The mint is one of the few Government operations that is essentially profitmaking in nature. In fiscal year 1974, for example, the mint returned $346 million to the General Fund in the form of seigniorage, which is the profit the Government makes on all coinage. In fiscal year 1975, the Treasury Department expects to deposit some $640 million in the General Fund as seigniorage.

I believe we can probably view the $50 million authorization contained in S. 1901 as a wise and practical investment for the benefit of all of our taxpayers.

Mr. Speaker, I urge the passage of the bill.

Mr. GRAY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I will not prolong debate other than to mention one thing which has not been mentioned. That is the fact that there is going to be an increasing demand in the next 18 months for Bicentennial coins. We have come, I believe, to the point of overburdening the capacity of the Denver Mint to produce that additional coinage plus our growing requirements.

Mr. COLLINS of Texas. Mr. Speaker, I want to emphasize again that this good reporter from UPI should be commended for having brought to our attention in Congress the fact that we are talking about the most efficient, most productive, and best operation in Government. We are going to cut this mint out lock, stock, and barrel if we pass this bill. In these days when they are talking about Congress spending too much money, it will be well for us to defer this bill for another session of Congress.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. GRAY) that the House suspend the rules and pass the Senate bill (S. 1901).

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement further proceedings on this motion will be postponed.

FEDERAL-AID HIGHWAY AMENDMENT OF 1974

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, as amended.

The Clerk read as follows:

S. 3934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 101. This Act may be cited as the "Federal-Aid Highway Act of 1974".

HIGHWAY AUTHORIZATIONS

SEC. 102. For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $900,000,000 for the fiscal year 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $500,000,000 for the fiscal year 1976.

(2) For control of outdoor advertising under section 131 of title 23, United States Code, $50,000,000 per fiscal year for the fiscal years 1975 and 1976.

(3) For control of junkyards under section 136 of title 23, United States Code, $15,000,000 per fiscal year for the fiscal years 1975 and 1976.

(4) For landscaping the scenic enhancement under section 319(b) of title 23, United States Code, $10,000,000 per fiscal year for the fiscal years 1975 and 1976.

(5) Nothing in paragraph (1) or (6) of this section shall be construed to authorize the appropriation of any sums to carry out section 131, 136, 319(b), or chapter 4 of title 23, United States Code.

(6) For off-system roads under section 219, tile 23, United States Code, $200,000,000 for the fiscal year 1976.

CONTROL OF OUTDOOR ADVERTISING

SEC. 103. (a) The first sentence of subsection (b) of section 131 of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned on or after January 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are more than six hundred and sixty feet off the nearest edge of the right-of-way, located outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,".

(b) Subsection (c) of section 131 of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices after January 1, 1968, if located within six hundred and sixty feet of the right-of-way and, on or after July 1, 1975, or after the expiration of the next regular session of the State legislature, which ever is later, if located beyond six hundred and sixty feet of the right-of-way outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way shall, pursuant to this section, be limited to (1) directional and official signs and notices, which signs and notices may include, but not be limited to, signs and notices pertaining to information in the specific interest of the traveling public, such as, but not limited to, signs and notices pertaining to rest stops, camping grounds, food services, gas and automotive services, and lodging, and shall include signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section (except that not more than three directional signs facing the same direction of travel shall be permitted in any one mile along the interstate or primary system outside commercial and industrial areas), (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Subsection (d) of section 131 of title 23, United States Code, is amended by striking out the first sentence thereof and inserting the following in lieu thereof:

"In order to promote the reasonable, orderly, and effective display of outdoor advertising while remaining consistent with the purposes of this section, signs, displays, and devices whose size, lighting, and spacing, consistent with customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within areas adjacent to the interstate and primary systems which are zoned industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary."

(d) Subsection (e) of section 131 of tile 23, United States Code, is amended to read as follows:

"(e) Any nonconforming sign under State law enacted to comply with this section shall be removed not later than the end of the fifth year it becomes nonconforming, except as determined by the Secretary."

(e) Subsection (f) of section 131 of title 23, United States Code, is amended by inserting the following after the first sentence: "The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained: *Provided*, That such signs on the interstate and primary shall not be erected in suburban or in urban areas or in lieu of signs permitted under subsection (d) of this section.".

(f) Subsection (g) of section 131 of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law."

(g) Section 131 of title 23, United States Code, is amended by adding at the end thereof the following new subsections:

"(o) No directional sign, display, or device lawfully in existence on June 1, 1972, giving specific information in the interest of the traveling public shall be required to be removed until December 31, 1975, or until the State in which the sign, display, or device is located certifies that the directional information about the service or activity advertised on such sign, display, or device may reasonably be available to motorists by some other method or methods, whichever shall occur first. A State shall give preference, with due regard to the orderly scheduling of the removal of signs, displays, and devices and to highway safety, to the purchase and removal of any nonconforming sign, display, or device voluntarily offered by the owner thereof to the State for removal if funds are available to such State for such purpose.

"(p) In the case of any sign, display, or device required to be removed under this section prior to the date of enactment of the Federal-Aid Highway Act of 1974, which sign, display, or device was after its removal lawfully relocated and which as a result of the amendments made to this section by such Act is required to be removed, the United States shall pay 100 per centum of the just compensation for such removal (including all relocation costs).

"(q)(1) During the implementation of State laws enacted to comply with this section, the Secretary shall encourage and assist the States to develop sign controls and programs which will assure that necessary directional information about facilities providing goods and services in the interest of the traveling public will continue to be available to motorists. To this end the Secretary shall restudy and revise as appropriate existing standards for directional signs authorized under subsections 131(c)(1) and 131(f) to develop signs which are functional and esthetically compatible with their surroundings. He shall employ the resources of other Federal departments and agencies, including the National Endowment for the Arts, and employ maximum participation of private industry in the development of standards and systems of signs developed for those purposes.

"(2) For purposes of this subsection, signs providing directional information about facilities providing goods and services in the interest of the traveling public are defined to be those giving directional information about gas and automotive services, food, lodging, campgrounds, truckstops, resorts, recreational areas, tourist attractions, historic sites, and such other facilities as a State, with the approval of the Secretary, may deem appropriate.

"(3) Among other things the Secretary shall encourage States to adopt programs to assure that removal of signs providing necessary directional information, which also were providing directional information on June 1, 1972, about facilities in the interest of the traveling public, be deferred until all other nonconforming signs are removed.

"(4) The owner or operator of any facility providing goods and services in the interest of the traveling public shall have the right to continue using no more than one nonconforming sign in each direction on any highway subject to controls under a State law enacted to comply with this section, which sign is providing directional information about such facility, and which had been providing directional information as of June 1, 1972, and which is within seventy-five miles, or such other distance as the State in which the sign is located may determine, until the Secretary determines directional information about such facility is being adequately provided to motorists traveling in that direction on such controlled highway by conforming signs authorized by subsection 131(d) of this title, by signs advertising activities conducted on the property on which they are located, by signs authorized by subsections 131(c)(1) or 131(f) of this title, by any other nonconforming signs, or by such other means as the State in which the sign is located deems to be adequate."

CONTROLS OF JUNKYARDS

SEC. 104. Subsection (j) of section 136 of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"(j) Just compensation shall be paid the owner for the relocation, removal, or disposal of junkyards lawfully established under State law.".

ADVANCE CONSTRUCTION

SEC. 105. (a) Subsection (a) of section 115 of title 23, United States Code, is amended by striking out "including the Interstate System," each of the two places it appears and inserting in lieu thereof at each such place the following: "other than the Interstate System,".

(b) Section 115 of title 23, United States Code, is amended by redesignating subsection (b) as subsection (c) and by adding immediately after subsection (a) the following new subsection:

"(b) When a State proceeds to construct any project on the Interstate System without the aid of Federal funds, as that System may be designated at that time, in accordance with all procedures and all requirements applicable to projects on such System, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the cost of construction of such project when additional funds are apportioned to such State under section 104 of this title if—

"(1) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects on the Interstate System, and

"(2) the project conforms to the applicable standards under section 109 of this title."

BUS WIDTHS

SEC. 106. (a) Chapter 1 of title 23 of the United States Code is amended by inserting after section 132 the following new section:

"§ 133. Bus widths

"Notwithstanding any other provision of this title relating to vehicle widths, any bus having a width of one hundred and two inches or less may operate on any lane of twelve feet or more in width on the Interstate System.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by striking out

and inserting in lieu thereof the following:

"133. Bus widths.".

ENFORCEMENT

SEC. 107. (a) Chapter 1 of title 23 of the United States Code is amended by inserting after section 140 the following new section:

"§ 141. Enforcement of requirements

"Each State shall certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Interstate System in accordance with section 127 of this title, and all speed limits on public highways in accordance with section 2 of the Emergency Highway Energy Conservation Act (Public Law 93-239). The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this section.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by striking out

"141. Real property acquisition policies."

and inserting in lieu thereof the following:

"141. Enforcement of requirements.".

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

SEC. 108. (a) Chapter 1 of title 23, United States Code, is further amended by adding at the end thereof the following new section:

"§ 154. Access highways to public recreation areas on certain lakes

"(a) The Secretary is authorized to construct or reconstruct access highways to public recreation areas on lakes in order to accommodate present and projected traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for the purpose of this section which shall include the following criteria:

"(1) No portion of any access highway constructed or reconstructed under this section shall exceed thirty-five miles in length nor shall any portion of such highway be located more than thirty-five miles from the nearest part of such recreation area.

"(2) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials, after consultation with the head of the Federal agency (if any) having jurisdiction over the public recreation area involved.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 70 per centum of the cost of construction or reconstruction of such project.

"(c) All of the provisions of this title applicable to highways on the Federal-aid system (other than the Interstate System) determined appropriate by the Secretary, except those provisions which the Secretary determines are inconsistent with this section, shall apply to any highway designated under this section which is not a part of the Federal-aid system when so designated.

"(d) For the purpose of this section the term 'lake' means any lake, reservoir, pool, or other body of water resulting from the construction of any lock, dam, or similar structure by the Corps of Engineers, Department of the Army, or the Bureau of Reclamation, Department of the Interior, or the Tennessee Valley Authority, and any multipurpose lake resulting from construction assistance of the Soil Conservation Service, Department of Agriculture. This section shall apply to lakes heretofore or hereafter constructed or authorized for construction.

"(e) There is authorized to be appropriated not to exceed $25,000,000 for the fiscal year 1976 to carry out this section. Amounts authorized by this subsection for a fiscal year shall be available for that fiscal year and for the two succeeding fiscal years.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"154. Access highways to public recreation on certain lakes.".

BRIDGES ON FEDERAL DAMS

SEC. 109. (a) Section 320(d) of title 23 of the United States Code (as amended) is amended by striking out "$25,261,000" and inserting in lieu thereof "$27,761,000".

(b) All sums appropriated under authority of the increased authorization established by the amendment made by subsection (a) of this section shall be available for expenditure in the same manner and for the same purpose as provided for in subsection (b) of section 116 of the Federal-Aid Highway Act of 1970 (Public Law 91-605).

OFF-SYSTEM ROADS

SEC. 110. (a) Chapter 2 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Off-system roads

"(a) The Secretary is authorized to make grants to States for projects for the construction, reconstruction, and improvement of any off-system road (including, but not limited to, the replacement of bridges, the elimination of high-hazard locations, and roadside obstacles).

"(b) On or before January 1 next preceding the commencement of each fiscal year the Secretary shall apportion the sums authorized to be appropriated to carry out this section among the several States as follows:

"(1) one-third in the ratio which the area of each State bears to the total area of all States;

"(2) one-third in the ratio which the population of rural areas of each State bears to the total population of rural areas of all the States; and

"(3) one-third in the ratio in which the off-system road mileage of each State bears to the total off-system road mileage of all the States. Off-system road mileage as used in this subsection shall be determined as of the end of the calendar year preceding the year in which the funds are apportioned and shall be certified to by the Governor of the State and subject to approval by the Secretary.

"(c) Sums apportioned to a State under this section shall be made available for expenditures in the counties of such State on a fair and equitable basis.

"(d) Sums apportioned under this section and programs and projects under this section shall be subject to all of the provisions of chapter 1 of this title applicable to highways on the Federal-aid secondary system except the formula for apportionment, the requirement that these roads be on the Federal-aid system, and those other provisions determined by the Secretary to be inconsistent with this section. The Secretary is not authorized to determine as inconsistent with this section any provision relating to the obligation and availability of funds.

"(e) As used in this section the term 'off-system road' means any toll-free road (including bridges) in a rural area, which road is not on any Federal-aid system and which is under the jurisdiction of and maintained by a public authority and open to public travel.".

(b) The analysis of chapter 2, title 23, United States Code, is amended by adding at the end thereof the following:

"219. Off-system roads.".

DONATIONS

SEC. 111. Section 323 of title 23, United States Code, is amended by striking out "after he has been tendered the full amount of the estimated just compensation as established by an approved appraisal of the fair market value of the subject real property," and by inserting in lieu thereof the following: "after he has been fully informed of his right to receive just compensation for the acquisition of his property,".

REPEAL

SEC. 112. Subsection (e) of section 2 of the Emergency Highway Energy Conservation Act (Public Law 93-239) is hereby amended to read as follows:

"(e) This section shall cease to be in effect on and after the date on which Congress by concurrent resolution declares there is no need requiring the application of this section.".

EXTENSION OF CARPOOLS

SEC. 113. The last sentence of section 3(d) of the Emergency Highway Energy Conservation Act (Public Law 93-239) is amended by striking out "Decmber 31, 1974" and inserting in lieu thereof "December 31, 1975".

RECONSTRUCTION OF ROUTES

SEC. 114. The Secretary of Transportation is authorized to make grants to the State of Florida for the reconstruction of Federal primary routes. The provisions of chapter 1 of title 23, United States Code, that are applicable to Federal-aid primary highways, except those relating to the apportionment formula and the period of availability of funds shall apply to the reconstruction authorized by this section. Funds authorized by this section are in addition to, and not in lieu of, funds otherwise available to the State of Florida under any other provision of law. Funds authorized to carry out this section for the fiscal year ending June 30, 1975, shall be deemed to be apportioned to the State of Florida on the date of enactment of this section and other funds authorized to carry out this section shall be deemed to be apportioned to the State of Florida on January 1 next preceding the commencement of the first full fiscal year which begins after the date of enactment of this section. Such sums shall be available until expended. $10,000,000 is authorized out of the Highway Trust Fund for the fiscal year ending June 30, 1975, and $15,000,000 is authorized out of the Highway Trust Fund for the fiscal year ending June 30, 1976, to carry out this section.

DEMONSTRATION PROJECTS

SEC. 115. The Secretary of Transportation shall carry out a demonstration project for construction of a high-density urban highway intermodal transportation connection between Franklin Avenue and Fifty-ninth Street, South, in Minneapolis, Minnesota. The Federal share of such project shall be 90 per centum of the cost thereof. Such highway shall be placed on a Federal-aid system before any funds are expended under this section. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $53,000,000 to carry out this section.

AUBURN BRIDGE

SEC. 116. (a) In order to provide access between the historical portion of the city of Auburn, California, Auburn District Fairgrounds, city park and parking lots, and the Auburn Dam Overlook area, for motor vehicles and for passage of pedestrains, equestrians, and cyclists under a highway relocation, the Secretary of the Interior is authorized to construct, in lieu of a drainage culvert, an intermediate size bridge across a shallow ravine. The bridge, at approximate stations 154+46 to 155+30 (84 feet), shall be part of the State Highway Number 49 relocation through the city of Auburn, California.

(b) Upon completion such bridge shall be transferred to the State of California for operation and maintenance as a part of the highway relocation. The cost of the bridge, less the original planned drainage culvert, shall be considered as nonreimbursable.

(c) There is authorized to be appropriated to carry out this section the sum of $250,000 (October 1974 price levels) plus or minus such amounts as may be justified by changes in price indexes applicable to the type of development involved herein.

ROUTE WITHDRAWALS

SEC. 117. (a) Section 103(e)(2) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

(b) Section 103(e)(4) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

SCHOOL BUS DRIVER TRAINING

SEC. 118. (a) Chapter 4 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 406. School bus driver training

"(a) The Secretary is authorized to make grants to the States for the purpose of carrying out State programs approved by him of driver education and training for persons driving school buses.

"(b) A State program under this section shall be approved by the Secretary if such program—

"(1) provides for the establishment and enforcement of qualifications for persons driving school buses;

"(2) provides for initial education and training and for refresher courses;

"(3) provides for periodic reports to the Secretary on the results of such programs; and

"(4) includes persons driving publicly operated, and persons driving privately operated, school buses.

"(b) There is authorized to be appropriated out of the Highway Trust Fund for the fiscal year 1976, $7,500,000 per fiscal year. Such sums shall be apportioned among the States in accordance with the formula established under subsection (c) of section 402 of this title. The Federal share payable on account of any project to carry out a program under this title shall not exceed 70 per centum of the cost of the project."

(b) The analysis of chapter 4, title 28, United States Code, is amended by adding at the end thereof the following:

"406. School bus driver training.".

The SPEAKER pro tempore. Is a second demanded?

Mr. HARSHA. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HARSHA. I am not.

Mr. KOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KOCH. I am opposed to the bill.

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Maryland opposed to the bill?

Mr. BAUMAN. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies.

Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognized the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the chairman of our full committee, the gentleman who has accomplished a great deal in highway legislation, who is going to leave us, and who has been a fine leader for the Committee on Public Works, the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Speaker, today this body is considering what has been reported out of the Committee on Public Works as the Federal-Aid Highway Amendments of 1974. The short title in S. 3934 as it appears before you today is the Federal-Aid Highway Act of 1974.

This bill contains many very significant features even though it is a much smaller bill than the Federal-Aid Highway Act of 1973 and is much smaller than the highway legislation that this body will have to consider next year.

Most of these items, however, should be considered this year and not wait for the long legislative process of the next Congress.

The 55-mile-per-hour maximum speed limit extension and the extension of car pooling provisions of this bill are good examples of matters that should be handled now. We all know that the reduced speed has saved lives on our highways but that the main thrust of its original enactment was to conserve energy. Similarly the car pooling provision was an energy saving provision.

We still must conserve energy and these two provisions of law would die within the next year if not extended.

Our rural areas are being called upon to produce food and raw materials for the Nation at ever increasing rates. To be able to efficiently transport these commodities requires good highways. The rural highways of the country have not been getting the attention they should while we have been concentrating on the construction of the Interstate System so we have included additional money in the act for rural primary and secondary roads and a new system of roads off the Federal highway system.

Beautification which couldn't be agreed upon during the conference on the 1973 Highway Act has been included in this proposed legislation, and we hope that we can reach agreement with the Senate this time on this issue.

One other item which I will mention at this time, and then leave other items to be discussed by other committee members, is the increased bus widths on the Interstate System. Twice this body has passed legislation as it is contained in this bill only to never have it even reach the Senate floor. Over 100 cities in this country use 102-inch buses on their little narrow city streets, but we do not allow *them on the* Interstate System with its wide 12-foot lanes. This inequity should be corrected.

This is a good bill and contains simple, straightforward provisions. I urge this body to approve S. 3934 so that a conference can be held and legislation enacted this year. The other body has already passed a bill. It is similar in many respects to what is before you and there really should be no major problem in conference.

This will be the last highway bill for which I, as a Member of the House of Representatives, will be here on this floor asking you support. I have been through many of them with you including that great bill in 1956 which got the Interstate System really rolling. Now we are the envy of the world with that system and much of the rest of the world followed our example.

This bill is by no means as extensive as many that I have seen, but it will help the transportation system of America. That is what I want and I believe that is what the American people want.

Mr. BAUMAN. Mr. Speaker, I yield 6 minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Speaker, I thank the distinguished gentleman from Maryland for yielding this time to me.

Mr. Speaker, certainly I rise in support of this legislation, the Federal-Aid Highway Act of 1974, as a measure vitally in the interests of the Nation's rural areas.

A number of provisions in this measure, including increases in the Federal-aid primary and secondary highway authorizations, the new offsystem road program, access roads to lake and recreational areas, and school bus safety, are wholly worthwhile and justified.

Let us consider first the increases in the Federal-aid primary and secondary authorizations of $200 million and $100 million, respectively. These are intended to compensate for increasing construction costs, commence to meet the backlog of needs accumulated during emphasis on construction of the Interstate System, and to achieve the economic and safety objectives we all share.

It has been pointed out that Interstate System costs have increased 61 percent since January of 1971, and it is reasonable to assume on the basis of the composite construction index that the same escalation of costs to construct noninterstate highways has occurred. We try to address that problem in this legislation.

Mr. Speaker, it is also true that with emphasis on constructing the Interstate System, with 90–10 Federal financing, improvement of noninterstate highways has not kept pace with other Federal road improvements, and the unmet needs are increasing with each passing day.

I think it is important for the Members of the House to know that 70 percent of the rural highways of this Nation are deficient and in many cases unsafe as of the year 1970. But we are not talking about building new highways; we are talking about upgrading and improving existing highways.

One problem that is confronting us is that we have seen the delineation from the railroad system of much of the existing service from rail lines, and particularly in the rural areas. This has added an excessive burden on the rural highway system and has increased tremendously the cost of transportation of our foods and other products because rail transportation is no longer available. We have to resort to highway transportation, and other means in order to transport our farm products from the farm to the market, and vice versa to get materials and equipment out to the farm. This all adds to the cost of food and produce, so this is an anti-inflation measure as well.

In addition to that, I would like to point out that safety is an issue here. The most hazardous travel occurs in the rural areas, and particularly on noninterstate highways. Two-thirds of all our traffic fatalities occur in rural areas. Improvements in this respect thus benefit the traveling public, whether originating in rural or urban areas.

The Nation as a whole also has a stake in continued improvements in transportation within rural areas. This transportation is vital to enable rural areas to hold their own.

Moreover, the Nation has a stake in the capacity of rural communities to maintain and hold their own and to develop and serve as alternative places to live and work. With the stimulus of improved transportation, many smaller cities and towns will have the capacity to absorb more of this projected increase in population in this country and to assist in arresting the trend toward metropolitan sprawl.

Another provision meriting support is the authorization of $200 million for offsystem roads for fiscal year 1976, including construction, reconstruction, bridge replacement, and the elimination of high-hazard locations and roadside obstacles. The apportionment formula is based on State land area, on rural population, and on offsystem road mileage. Also included is a requirement that funds be apportioned within States on an equitable basis.

One of the great problems of communities, community leaders, township trustees, and town officials is the inability to meet the cost of improving their roads and the county highway systems. This is an effort to help them meet that need. Surely they have suffered the pangs of inflation, as well as the cost of expanding the Interstate System.

Mr. Speaker, I would like to point out to the House that I think it is useful to know that the Federal-Aid Highway System, as big as it is, that is, the interstate, primary, secondary, and urban highways, accounts for only 25 percent of the total highway mileage in the United States.

I shall not elaborate further on this provision, except to note that this new offsystem road program can be fully justified on the same basis as the expansion of Federal-aid primary and secondary authorizations.

Mr. Speaker, I urge the adoption of this legislation.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I will be glad to yield to the distinguished gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

I am wondering about the offsystem road program because it seems to me that that has great possibilities, at least in the West, where the interstate highways are so busy with traffic, which travels at a much higher rate than 55 miles an hour. As a matter of fact, anybody who drives at 55 out there is in danger of getting whiplashed from the trucks or from any other vehicle driving along at about 80 miles an hour. However, the offsystem roads seem to me to have great possibility as those old highways like 66 and the other highways have practically been abandoned now.

Is this going to affect those highways? Are we going to, in effect, reconstruct some of those as part of the national highway program?

Mr. HARSHA. The off-system roads program will provide, within certain guidelines established by the Secretary of Transportation, that the local officials may designate what roads shall be improved by this off-system funding. There is a provision in the legislation to distribute or apportion the money based on a formula as to population, as to rural mileage and rural population within a State. Then the money is given to the State officials, who in turn then transfer it to the local communities to do with it what they think, in their judgment, will improve the rural highway system. It applies more properly to the county road system and to roads not on any Federal-aid system. -

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Transportation of the Committee on Public Works, the gentleman from Illinois (Mr. KLUCZYNSKI).

Mr. KLUCZYNSKI. Mr. Speaker, I rise in support of this legislation before the House today and strongly urge its passage.

I have been closely involved with the highway legislation evolving from the Committee on Public Works for many years in my capacity as chairman of the Subcommittee on Roads which has now become the Subcommittee on Transportation. I have seen, as have many of you in this Chamber, big highway bills and small highway bills.

This bill is a small highway bill but it is a very important one.

I fought for mass transit legislation when it was before this House and my rural friends supported me. This bill has considerable help for my rural friends in fiscal year 1976, and I want to help them.

There are some real important issues in this bill that need action now for the safety of the American public.

We extend the 55-mile-per-hour maximum speed limit and include a provision that the States must enforce it. This will save lives. How can anyone fail to recognize this problem.

In addition we provide money for the training of schoolbus drivers. We must put a stop to the accidents involving schoolbuses and our children, and this is one of the ways we can help the situation.

We have a provision to help those States that want to put up their own money in advance to complete their Interstate System faster but have been stymied by past impoundment practices. This is going to save the Federal Government money and will also help unemployment. In these inflationary times, it is important to take steps like this.

Another provision in this bill would allow an increase in the width of buses using the Interstate System from the existing 96 inches to 102 inches. This is only a permissive increase of 6 inches, but it is extremely important to our national mass transit problems.

Over 100 cities now operate 102-inch buses on their narrower city streets but are not allowed to operate them on the wider interstate highways. In this period of energy conservation, our mass transit systems need every kind of help they can get. The present situation is ridiculous and should be corrected. This body has twice passed legislation permitting this change in law. We believe now the Senate is ready to accept it.

This bill is a good bill, and I urge an overwhelming vote by this body for its approval today.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am very apprehensive. I feel somewhat like a Volkswagen confronting a Mack truck. The Mack truck is on the wrong side of the road and there is no place to go for help. But I think there is help. It lies in this body with those who are here, and maybe those who will come over later during the vote.

The reason it is so important to prevent this bill from passing on suspension is so it can come up under an open rule and be amended. If, alternatively, the bill is passed today on the Suspension Calender, the limitation on truck weights will undoubtedly be increased to 80,000 pounds. Provision for the increase is in the Senate bill. There is no question in my mind that the Senate's provisions will be accepted in conference, contrary to the will of the Congress as demonstrated in the historic vote that was taken on August 20. The Members will recall that by a vote of 252 to 159, the House voted against increasing the truck weight limitation.

Why did the House reject the efforts to increase the weight limitation? We had the assistance of a distinguished chairman, and superb speaker, the gentleman from Ohio, Mr. WAYNE HAYS, who made a very exciting speech at that time. I think that was probably one of the major reasons the House responded, as it should have. But some of the reasons that gentleman and I brought to your attention were these:

There is great danger in increasing the size and the weight of these trucks with their existing powerplants and braking capacity. Heavier trucks, without any adjustment to their braking capacity, will be using these highways, although there is Senate testimony that is available—the Committee on Public Works has it—which says that the powerplants in these trucks are not able to handle the additional weight, and they will be a danger on the road. The same Senate testimony says that the existing roadwork and the bridges are not adequate. Furthermore, localities will have the additional burden of road maintenance when the heavier trucks are on the road.

I am going to read you what the National Association of Counties said. It said that the cost impact on the State, county and local governments is awesome. It was estimated in 1968 by the Department of Transportation that the additional cost of road maintenance on interstate, primary, and secondary highways would be $3.7 billion. Taking into account inflation since 1968, this figure probably is half as much again. Maybe it will not be that full amount because it is 80,000 pounds and not 90,000 pounds.

All I am asking the Members to do is to vote this bill down so that it can come up under a rule, if not now, in the early part of the next session.

Let me tell you also what I am concerned about. Initially I had hoped that I would have been able to offer a motion to instruct, but I know that I will not have that chance. Why? Because there will be a motion to instruct, which will be of an innocuous nature preempting my motion and making it impossible for me to instruct the conferees not to accede to the Senate provisions.

What I am telling the Members is this: This committee is a great committee. It is a colossus. It is like a tank. It is able to use every parliamentary device in the book legitimately. It will get this bill through—but, in a way that ultimately is going to cause this House to lose that hard-fought battle of August 20 when we said no.

The trucking lobby is awesome. I doubt that there is a person in this House who has not been subjected to its lobbying. I have. It has been very intense. But I am telling the Members that the people in this country do not want trucks on the highways to be raised in weight or size. When we have testimony such as in the hearings of the Subcommittee on Transportation which says that it is dangerous to do this, that the roads will not take it, that there will be more accidents and danger to life and limb, does it make any sense?

I would now like to turn my attention in greater detail to some of the factors that must be considered in assessing the efficacy of approving any weight limitation increase.

SAFETY

The Bureau of Motor Carrier Safety has recently released data on accidents involving large carriers of property for 1971 and 1972. This data shows that the fatality rate for large intercity carriers of property in 1972 was 8.15 fatalities per 100 million vehicle miles of travel. According to other Department of Transportation data, the rate for all motor vehicles in 1972 was 4.38 fatalities per hundred million vehicle miles of travel.

The data also shows that the most frequent type of fatal accident involved collision with a passenger car. For every truck driver who died in such collisions, 31 others died. Not only is the passenger car driver and/or his passenger the most likely to be killed in any such collision but, as the Administrator of the National Highway Traffic Safety Administration told the Subcommittee on Transportation of the Senate Public Works Committee, the probability of a fatality is 10 times as great in collisions between a large truck and a car as in collisions between two cars.

The National Transportation Safety Board has consistently opposed increases in sizes or weights until the safety performance of large trucks is improved. A new truck braking standard developed by the National Highway Traffic Safety Administration will improve the braking performance capability of new trucks but its implementation has been delayed until January 1975. Although the new standard does not apply to trucks in use, the increases in weights permitted in this proposal would be utilized by all existing trucks as well as trucks manufactured under the new safety standard.

Permitting substantial weight increases without an accompanying requirement for an increase in power can create serious safety consequences. Studies by the Federal Highway Administration show that—

> A reduction in the variation of speed among vehicles could significantly reduce accidents.

The studies show that—

> As speed differences increase beyond 20 miles per hour the proportional difference between accident-involved vehicles and normal highway traffic increased at an accelerating rate.

The accident involvement rate almost doubles for vehicles traveling 20 miles per hour below the mean speed on high-speed highways. Increasing the weight of trucks will increase the disparity between the operating characteristics of passenger cars and trucks in rolling terrain.

Dr. James B. Gregory, Administrator of the National Highway Traffic Safety Administration, informed the Senate Public Works Committee that a 10 percent increase in the gross vehicle weight reduces the speed of the best performing trucks on a 3-percent grade about 20 percent.

The increase from 73,280 to 90,000 pounds originally sought represented a 23 percent increase. This increase will reduce the speed of such trucks to about 20 miles per hour on grades where automobiles can easily maintain 55 miles per hour. The speed differential between the two types of vehicles can then be as much as 35 miles per hour—an extremely hazardous situation. Graphs contained in the Federal Highway Administration study show that with a *speed differential* of 35 miles per hour the accident involvement rate jumps from 50 per 100 million vehicle miles of travel where traffic is moving along at the mean speed—smooth flow, uniform speed—to 70,000 per 100 million vehicle miles of travel—over a thousand percent increase. The increase to 80,000 pounds will be less dangerous than 90,000 pounds but still increase the dangers to life and limb.

HIGHWAY DAMAGE

Axle loads of vehicles have an important relationship to the useful life span of pavement. The $27 million AASHO road test revealed that a 2,000-pound increase in single axle loads—from 18,000 pounds to 20,000 pounds, as proposed in this legislation—brings about a 60 percent increase in the wear and tear on the pavement attributable to the movement of heavy loads. A 2,000-pound increase in tandem axle loads—from 32,000 pounds to 34,000 pounds, as proposed in the legislation—brings about a similar increase of 33 percent. Testimony of the American Association of State Highway and Transportation Officials regarding current proposals reveals that, if enacted, they "can result in an average loss of the remaining life of a facility of between 25 and 40 percent."

While the axle load is important to the continued life expectancy of the highway, the frequency of such heavy axle loadings is also very important. Each year sees an increasing number of heavy trucks on our highways. With increasing axle and gross weights, our roads are taking a beating. The Federal Highway Administrator suggests that the new weights, if granted, will bring about an increase in maintenance cost of $50 to $100 million per year. His estimates are confirmed by AASHTO's testimony.

The National Association of Counties reports that the cost to State, county, and local governments would be "awesome." Federal funding will eventually become necessary because increased weights will cause premature deterioration of the highway, accelerating the need for its reconstruction for which the Federal Government provides assistance from the highway trust fund. This proposal makes no effort to recover the costs of such work from the owners or operators of these heavy vehicles which will occasion these costs.

BRIDGE DAMAGE

The ability of any road network to accommodate trucks is limited by the ability of its bridges to safely carry the sizes and weights operating over that network. AASHTO witnesses have testified that interstate bridges have been and still are being designed and constructed on the basis of expected axle loads of 18,000 pounds single and 32,000 pounds tandem. Bridges on our newly constructed sections of Federal-aid primary highways are constructed to the same standards.

In 1968, the AAA surveyed all the State highway departments to determine the loading characteristics of bridges on our defense requirement routes. These routes are used for military movements in national emergency. For the most part, these routes are used today for the great bulk of our long distance truck traffic. Some 38 States and the District of Columbia revealed that two-thirds of all these bridges were inadequate for loads being moved over them. That survey included 109,411 bridges. Some 70,000 bridges were designed for gross weight loadings of 30,000 pounds or less. We informed the House Public Works Committee of the results of these findings when we testified before that committee on June 12, 1968.

The 1968 Federal-Aid Highway Act subsequently required a national bridge inspection program. AASHTO reported that this inspection program of 108,000 bridges revealed that 65 percent of the floor area of these bridges were designed for loadings less than those currently experienced with axle loadings of 18,000-pounds single and 32,000-pounds tandem. This figure, although more scientifically arrived at, is consistent with the findings of AAA in 1968.

AASHTO also testified that bridges on the Interstate System—our best highway network—are designed for maximum axle loads of 32,000 pounds tandem. Anything in excess overstresses them. They noted that spans of over 100 feet in length can be overstressed by axle loads of 20,000 pounds. It is noteworthy that spans of such length occur over major topographical barriers such as rivers or gorges where failure could bring about catastrophic consequences.

According to an ongoing national bridge inventory, conducted by the State highway departments at the behest of the U.S. Department of Transportation, some 89,000 bridges in the United States have been reported as critically deficient. Some 24,000 of these are located on Federal-aid systems. Half have been listed as structurally deficient. Their replacement cost is estimated at $4 billion. Yet, as of the third annual report to Congress, dated December 1973, only 237 bridges have been approved for replacement.

In view of the extensive bridge modernization program which must soon be undertaken, AAA believes that high priority must be given to preserving the extensive investment we have in the remaining service life of existing bridges. Adequate safeguards must be initiated to prevent loss of life from catastrophic failure brought about by repeated overloads or other factors. This is no time to accelerate the deterioration of such structures through increases in allowable weights. Bridge investment, according to AASHTO, represents some 25 to 30 percent of total highway investment. The proposed increases in axle loads and gross weights and exemptions granted under various "grandfather" clauses in S. 3934 as it passed the Senate, will accelerate the deterioration of these structures.

ADDITIONAL ISSUES WHICH SHOULD BE CONSIDERED RELATIVE TO PROPOSED INCREASES IN TRUCK WEIGHTS

The Department of Transportation support for increases in weights is predicated on the fact that such increases would be temporary and that the 55-mile-per-hour national speed limit be maintained and enforced. This legislation does not satisfy either qualification.

AASHTO's support for increased weights is predicated on the fact that the bridge formula would protect the bridges and that the weights stipulated would be inclusive of all tolerances. "Grandfather" clauses in the proposed legislation permit continued operation beyond the limits of the bridge formula in some instances, and permit continued operation at existing maximum weights plus tolerances in others.

The AAA, AASHTO, and the National Association of Counties recommended that whatever weights were established for the Interstate should constitute the top maximum weights permitted on any Federal-aid system. The proposal ignores this recommendation and, if enacted, will perpetuate the practice of States permitting higher weights off the Interstate than Congress permits on the Interstate. Since the Highway Trust Fund now provides 70 percent of the cost of constructing Federal-aid highways other than the interstate, there is an obvious higher level of Federal involvement than when the trust fund provided only 50 percent. It is for this reason that there should be a higher level of Federal interest in preserving capital investment represented by such construction. Thus, the Federal Government should play just as important a role in the determination of maximum permitted sizes and weights on all Federal-aid systems as it does on the Interstate System.

If these heavier weights are allowed on the Interstate Highway System, it is only a matter of time before pressures from special interest groups will persuade State legislatures to extend the heavier weights to other State, county, and municipal roads. Our only sure protection is continuation of the current, Federal standards.

Despite the fact that Department of Transportation studies on highway cost responsibility and tax payments indicate that the large truck combinations are underpaying their fair share of the cost of constructing Federal-aid highways by 35–48 percent, there is no attempt to recover these underpayments in this or existing proposals before the Congress. To permit even heavier vehicles will widen this discrepancy. In this respect, it is interesting to note that most two-axle trucks are overpaying their cost responsibilities by 63–75 percent. Thus, the excessive payments of the small trucks help make up the deficiencies of their larger brothers.

Although it has been argued that increased truck weights are necessary to offset the cost of operating at the new 55 miles-per-hour speed limits, the facts do not bear out significant losses in revenue for the trucking industry. In their 1974 annual report, Consolidated Freightways, the largest trucking company in the Nation, said that "The 55 miles-per-hour speed limit has had minimal effect on our operations." Other leading trucking companies, including Mack and Smith Transfer, have given similar reports.

In addition, the railroads would have reason to feel discriminated against, because the truckers' gain would be the railways' loss. The trucking industry already has a tremendous advantage over the railroads in access routes. Also, freight revenues on the railroads go a long way toward subsidizing the economic loss railroads have encountered from passenger runs. It is ironic that a mass transit bill would work against passenger mass transit on the railroads.

Mr. Speaker, automobile drivers believe that truck combinations are already too large. Even now, before increasing truck sizes as proposed in the bill, drivers are intuitively afraid of the large trucks on the road. Automobile drivers hate to pass, be passed by, follow, or be splashed by large trucks, as well as to face oncoming trucks on the other side of the road. Yet the bill before us, as it passed the Senate, will make trucks even bigger—despite the fact that drivers are already afraid of existing sized trucks.

My amendment, which would be allowed under an open rule, would simply state that there shall be no increase in truck weights, and would therefore keep truck weights at their current levels.

By preventing an increase in truck weights, this amendment would protect against unnecessary risks to the safety of motorists and will stop the projected damage to highways and its consequent cost to taxpayers.

But it is an amendment which cannot come about unless this legislation is defeated now and brought up again, under an open rule.

I urge my colleagues to vote against this legislation now, and thereby provide the opportunity for amendment on the issue of truck weights.

Organizations opposing the weight increase include the American Automobile Association, the National Association of Counties, the National Association of Professional Engineers, the National Highway Safety Advisory Committee—established by Congress in the Department of Transportation Act—and the National Federation of Women's Clubs.

Let us not let the truck lobby run over us.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HARHSA. Mr. Speaker, will the gentleman from California yield?

Mr. JOHNSON of California. I yield 1 minute to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman for yielding.

I just want to point out why there is urgency about this legislation. The urgency is this. We have provided an additional sum of money for fiscal year 1976. Under the law that money to improve these highways has to be apportioned before December 31, 1974. That is one of the urgencies.

Another urgency is that we have provided for an off-system highway program for fiscal year 1976. Again, that money has to be apportioned by December 31, 1974, so we can proceed on that program.

The demonstration car pool project expires December 31, 1974, and unless we continue that, in 2 weeks' time the program will expire, as will the effort to hold down congestion on the highway and to eliminate the pollution that the same speaker who was just in the well of the House several months ago urged this House to pass the mass transit bill because of the congestion and pollution on our highways.

Those are the reasons.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JOHNSON of California. Mr. Speaker, I yield to the gentleman from Texas such time as he may consume.

Mr. WRIGHT. Mr. Speaker, I think it is singular that the gentleman from New York, my friend, Mr. KOCH, has asked Members of the House to vote against this bill simply because it came under suspension of the rules rather than coming under an ordinary rule. It was not the choice of the committee that it should come under suspension of the rules. That was dictated by the realities of the situation. We expect that we are in the last week of this congressional session.

In any event, I cannot see that it makes a particle of difference with respect to the problem which concerns my friend, the gentleman from New York. He is concerned, he says, about some provision in the Senate bill which would increase the allowable and permissive weights of trucks. I would advise my friend, and all of the others here, that this bill does not contain that provision. It is not in the bill. There is no basis in reason for voting against this bill. This bill does not contain any language whatsoever respecting that problem.

Let me explain to my colleagues very briefly what it does contain. Bear in mind, I beg of them, the urgency expressed so eloquently by the gentleman from Ohio. It is imperative that the bill be enacted by the end of this session, by the end of this month, before the beginning of the new year.

First of all, it is singularly important that we be able to get some of these authorizations out into the rural communities of this Nation. We are badly in need of upgrading the rural road system.

The bill provides $200 million for primary rural roads, $100 million for secondary rural roads, and $100 million for off-system roads.

Mr. KOCH. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Not at this point, because the gentleman had his 5 minutes. I am not going to talk about what is not in the bill, as the gentleman from New York did, but I am going to talk about what is in the bill and why it is in the bill.

We provide in this bill money to try to bring some of the rural areas and communities of the country into the mainstream of American life. During the last several years the railroads have terminated service on some 46,000 miles of rural American lines, and they have isolated those communities in portions of rural America and left them dangling from the mainstream of American life.

The railroad terminations have had a secondary effect, and that is to increase the number of trucks, if my friend the gentleman from New York is concerned about trucks, because the rails do not any longer bring the food and fibers needed for millions of Americans. Many millions of these rural roads will not serve safely for that kind of traffic. We are trying to upgrade those rural roads so they can bear that kind of traffic.

The bill also will provide permanency for the 55-mile-per-hour speed limit. Ironically that speed limit was put into effect to conserve energy and it has had admirable effects in that regard, but there has been a secondary fringe benefit which has been even more dramatic. That lower speed limit will save this year some 12,000 American lives through the enormous reduction we have experienced in highway fatalities.

Mr. YOUNG of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Mr. Speaker, will the gentleman tell us about the speed limit? Will this speed limit be made permanent on the Interstate Highway System?

Mr. WRIGHT. Yes, indeed, this 55-miles-per-hour speed limit which was put in as a temporary alleviant last year will become a permanent part of our national highway law.

Mr. YOUNG of South Carolina. I think the gentleman from Texas would like to elaborate a little on this. Are we obeying this law now on the Interstate System?

Mr. WRIGHT. Some people have not been obeying it, just as some people were not obeying the old limit, but the best evidence we can get shows that this law has been saving lives. If someone wants to drive 65 miles per hour and run the risk of being caught, then perhaps under the old law he would probably have been driving 75 miles per hour. While it is true that not everybody is adhering to the law, the law has demonstrably reduced average speeds.

This bill provides that in order to receive Federal aid, the States must enforce that 55-mile-per-hour law. We recognize it is not a universally recognized and respected law, and I do not think I can name one that is, but it has had a demonstrable effect. For the first time in years the number of highway fatalities has been reduced by about 25 percent in 1974. When we contemplate that highway fatalities constitute the No. 1 cause of violent death in the United States, that is truly a significant figure. Because of this law, 12,000 Americans are going to be alive on New Year's Day who would not have been alive had it not been for this 55-mile-per-hour speed limit, imperfectly though it may have been administered and adhered to.

Mr. KOCH. Mr. Speaker, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. KOCH. Mr. Speaker, I would like

to say to the gentleman the reason why I want him to yield is so I can explain what my fear is, which is that I would not be given an opportunity to instruct the conferees. I wonder whether the gentleman wants to provide me with that opportunity so I will not have it preempted by someone with an innocuous instruction, and I wonder whether the committee would be prepared to say that at the appropriate moment when the conferees are appointed I would be permitted to have an up-and-down vote on an instruction not to accede to the provision of the Senate to increase this to 85,000 pounds.

Mr. WRIGHT. As far as this Member is concerned, I would have no disposition to prevent the gentleman from doing that. The rules of the House authorize that sort of motion if the gentleman wants to offer it. I am not arguing that point. I have no objection to it. I am arguing the points in the bill. I think it is a good bill and a necessary bill.

Mr. KOCH. Mr. Speaker, if the gentleman will yield further, the point I tried to make to the gentleman is this, which is if we follow the 20-minute rule and we get to the point I would not want to be hindered in a way so as to prevent my exposition of this amendment, where we will see the motion to instruct preempted by an innocuous motion which is to prevent my making the motion. What I am asking is, will the gentleman use his influence with the committee, which is great, to see to it that I can make that motion initially so I can have an up and down vote on it?

Mr. WRIGHT. Mr. Speaker, let me say to my friend, the gentleman from New York (Mr. KOCH), I have no control over that. I think the gentleman overestimates my influence. I am not going to make any such motion and am not presently aware that any other Member of the committee has a motion to instruct the conferees. The gentleman is entitled to his rights under the House rules. I would do nothing to prevent those rights.

Mrs. BURKE of California. Mr. Speaker, will the gentleman yield for a question?

Mr. WRIGHT. I yield to the gentlewoman from California.

Mrs. BURKE of California. I know the gentleman realizes there have been substantial changes in this bill in the highway beautification program. There are approximately five variances between this bill and the Senate bill as relates to the highway beautification program expanding.

There is one specific thing I would like to raise and that is the expansion of the allowance of directional signs. I do not mean directional signs that are uniform or that simply give directions of what way to go, but signs that point to motels, hotels, gasoline stations, and all those that clutter the road. Some States have programs that move along to have uniform signs, so everyone knew when they came along that they would be logical directions to go; but by this bill it provides, first of all, a moratorium against removal of some of those signs. Second, it expands categories of signs that can be allowed and will set back for many years the highway beautification program in some States.

I realize we are on a very good point, but we do need additional time so everyone would really know how some States would be affected by this legislation.

Mr. WRIGHT. Well, I will be delighted to answer the gentlewoman. If the gentlewoman will check page 25 of the report, the language says:

> No directional sign, display, or device lawfully in existence on June 1, 1972, giving specific information in the interest of the traveling public shall be required to be removed until December 31, 1975.

It simply requires that those signs which simply advertise products shall be taken down first, leaving to the last those that provide useful directional information of a specific character related to motorist-oriented services. The motorists themselves have told us in repeated polls that they need and desire such directional information concerning such things as rest stops, automatic services, food, and lodgings. The bill says these shall remain for a time. But the language follows:

> until the State in which the sign, display, or device is located certifies that the directional information about the service or activity advertised on such sign, display, or device may reasonably be available to motorists by some other method or methods, whichever shall occur first.

That provision encourages the States to do specifically the things the gentlewoman desires to encourage.

May I say one other thing, that this bill provides an extensive program for safety training of schoolbus drivers. Stop and think, there are 300,000 schoolbuses on the road, some of them making four trips a day. This means almost a million trips daily, each one full of schoolchildren, and many drivers with no safety training.

Mr. Speaker, I urge an aye vote on this legislation.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, as the author of innovative off-system roads legislation similar to a key provision of this bill, I rise in support of S. 3934, the Federal-Aid Highway Act of 1974.

Many of the features of this bill—increased authorizations for rural primary and secondary highways, and roads providing access to lake recreation areas in connection with federally-assisted projects—combine to make this bill most worthwhile for rural America in general and my own State of Arkansas in particular.

Recognizing the importance of transportation to rural development and the maintenance of a thriving agriculture, Arkansas has given priority to roads in recent years. The State is in the process of completing its portion of the interstate system, among the first to do so. And to its credit, Arkansas also has developed its own State-level rural roads program which is proving to be quite successful.

Accordingly, I am delighted that the Committee on Public Works has agreed to incorporate into this bill the concept I envisioned in introducing as a separate bill, earlier in this session, namely a category of off-system rural road construction. With an authorization of $200 million for fiscal year 1976, this will provide for construction, reconstruction, bridge replacement, and the elimination of high-hazard locations and roadside obstacles. It is clearly focused on the needs of rural areas, with apportionment based on a State's land area, rural population and off-system road mileage.

I would emphasize, however, that the authorization is for a single fiscal year, and would hope that the Congress, in addressing our longer term needs next year, will recognize the need to make this a multiyear, continuing program.

Also of particular interest to Arkansas is the provision of $25 million for fiscal year 1976 to provide access to recreation areas developed by water resources projects of the Corps of Engineers, the Bureau of Reclamation, the Tennessee Valley Authority and the Soil Conservation Service. Rural Arkansas has a number of such lakes, particularly multipurpose impoundments of the Corps of Engineers and the SCS. The access to be provided to them under the provisions of this bill will enhance the recreational opportunities available to the citizens of Arkansas and strengthen the appeal of its communities as places to live and work, and thus improve their developmental potential. This is particularly important, in my view, from the perspective of economic development. Recreation is well recognized by the Subcommittee on Economic Development, on which I serve as ranking minority member, as a genuine stimulus to healthy, balanced growth.

Finally, in view of the nearing completion of Interstate construction in Arkansas, I am particularly pleased to support the increase in rural primary authorizations by $200 million and rural secondary authorizations by $100 million.

Under the increases provided by this bill, Arkansas would receive $3,568,616 in Federal-aid primary assistance, $1,784,308 for secondary highways, and $3,394,000 for the new off-system program.

In closing, Mr. Speaker, I wish to note that the new provisions in this bill, as well as the expanded primary and secondary authorizations, should prove complementary to the priority primary system which we created in the Federal-Aid Highway Act of 1973. Moreover, the committee and the Congress at large will have greater opportunity in the next session to take a comprehensive look at our total needs, and the way these various pieces of the picture fit together.

Meanwhile, this is a measure that need not wait until next year. I urge its passage.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker,

I rise in support of S. 3934, the Federal-Aid Highway Act of 1974. While it is a limited, modest measure, it does contain a number of greatly needed provisions which argue for its prompt passage by this Congress.

One important thrust of this legislation is its increase in authorizations for primary and secondary highways in rural areas. This reflects the committee's recognition that the Congress has by no means met all transportation needs with passage of mass transit legislation last month.

But the bill also contains provisions relating to energy conservation, safety, highway beautification and scenic enhancement, urban mass transit and certain funding aspects thereof, bus transportation, and economic development.

Thus it merits the support of Americans wherever they live, a fact reflected in the bipartisan support this bill enjoyed in committee where it was subject to few amendments and reported without opposition.

Before I cite the highlights of this bill, I should like to remind Members that next year will require a major undertaking in the way of examining our highway needs and devising the means for financing them. We do not for a moment suggest that this bill does the whole job. We bring this bill before you because the Committeee on Public Works is convinced that it contains many worthwhile provisions which need not and cannot wait. We hope you will share this view.

S. 3934 increases the fiscal 1976 authorization for rural primary Federal-aid highways by $200 million to $900 million, for construction and reconstruction of roads on this basic element of the Federal-aid system. The fiscal 1976 authorization of $400 million for rural Federal-aid secondary highways would be increased by $100 million to a total of $500 million.

The purpose is to recognize the great backlog of unmet rural highway needs which has accumulated during the years of emphasis on the Interstate System, increases in construction costs, the inability of many roads in rural areas to accommodate increases in traffic as rail lines are abandoned, and the need to make these roads safer. Two-thirds of all highway fatalities are on rural roads.

Also $200 million is authorized for fiscal year 1976 for a new program to improve roads, not on a Federal-aid system, to be apportioned to the States under a three-part formula based upon land area, rural population, and rural off-system mileage.

This new off system road improvement program includes construction and reconstruction, replacement of bridges, and the elimination of high-hazard locations and roadside obstacles. As in the case of Federal-aid primary and secondary highway authorizations, this program should make genuine contributions to highway safety. The bulk of the Nation's accidents occur on such roads in rural areas, off the Interstate System.

There is also a provision for financing up to 70 percent of the cost of building access roads to recreation areas at lakes created under a number of public Federal public works programs and located in rural and suburban areas.

This provision, for which $25 million would be authorized for fiscal year 1976, recognizes the enormous recreational potential of such impoundments and their ability to serve the needs of the population of their areas if needed access can be provided.

Both safety and energy conservation are the objectives of another provision making permanent the maximum 55-mile-per-hour speed limit. Initially proposed by the committee as a fuel-conservation measure, this provision has proven so successful in reducing fatalities as to be justified as a safety measure in its own right.

In the main, this bill contains no provisions concerning construction of the Interstate system except for changes relating to financing of nonhighway transportation projects in lieu of withdrawn segments of interstate highways in urban areas, and reimbursement of States for advance construction.

As to the former, existing law provides that general fund moneys may be made available to finance nonhighway public transportation projects under certain circumstances in urbanized areas where Interstate segments are withdrawn as not essential to a unified system. Existing law also provides that the amounts available for this purpose may not exceed the Federal share of the actual cost of the withdrawn route or portion thereof. The basis for determining the amounts is the 1972 estimate of the costs to complete the interstate system.

Recognizing that construction costs have risen since that estimate was prepared for transmittal to the Congress—by about 61 percent—the Committee approved a change adjusting the 1972 estimate for escalation in construction costs.

The other interstate-related provision, concerning advance construction, takes account of the fact that because of impoundments, States have been unable to exhaust their apportioned funds for projects on the Federal-aid systems. Thus, they have been unable to proceed with advance construction with eligibility for reimbursement from later apportionments because existing law requires that all apportioned funds be obligated before reimbursable advance construction may proceed. A technical amendment corrects that problem with respect to Interstate construction.

Another provision permits an increase from 96 inches to 102 inches in the width of buses traveling on lanes 12 feet or wider on the interstate system. In keeping with a trend toward wider buses, encouraging mass transportation ridership by providing greater passenger comfort, the committee believes this is a worthwhile improvement which will have no adverse impact on safety.

Another element of the bill related to reduction of automobile travel is continuation of a demonstration program of the Department of Transportation to promote carpooling.

A new and much needed program also contained in the bill provides Federal assistance for the training of schoolbus drivers for both publicly and privately operated systems. This was included because driver error is a significant factor in schoolbus accidents. With more than 300,000 schoolbuses in operation, there are considerable opportunities afforded by this provision to reduce the danger of death and injury to the children riding in them.

Aside from these transportation-related elements, the bill contains a major section comprising extensive improvements in the highway beautification program. The provisions are complex and I will not enumerate them in detail. Rather, I would describe them by saying that they embody the principles of fairness, flexibility, insistence on removal of unsightly and unnecessary signs, combined with expanded means of meeting the legitimate needs for providing travel-related information to the motoring public. Thus, they also meet the informational needs of operators of facilities providing goods and services to the traveling public.

I also want to add that they largely would put into effect the recommendations of the Commission on Highway Beautification, headed by my friend and fellow member of the Committee on Public Works, the gentleman from Texas (JIM WRIGHT). They are intended to preserve the intent of the Congress as expressed in the existing law. On one hand, controls previously limited to certain areas within 660 feet of Federal-aid primary and interstate highways would be extended to include giant signs erected beyond 660 feet for the purpose of being read from such roadways. On the other, a number of provisions are designed to assure that as nonconforming signs are eliminated, alternative means will be assured to give the traveling public access to directional information concerning services, facilities and points of interest on travel routes.

In conclusion, Mr. Speaker, I believe this to be a worthwhile bill. It has been considerably scaled down from a highway bill introduced earlier in the session. Our efforts on the committee have been to keep it relatively free of controversial content in hopes of expediting its passage. Demonstration projects have been kept to a bare minimum. The same may be said for attempts to meet specific problems, such as the uniquely severe deterioration of an entire bridge system extending from the Florida mainland through the keys to Key West.

For all the foregoing reasons, I strongly urge passage of the bill.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Speaker, I appreciate the gentleman yielding.

I would like to get the attention of the gentleman from Ohio to point out that in the Senate report they refer to the Clinton Parkway in Lawrence, Kans., as one of the areas eligible for funding under the access roads appropriation. That was not in the House report. I wonder if the gentleman had information whether the Clinton Parkway in Lawrence, Kans., would be eligible?

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. WINN. I yield to the gentleman.

Mr. HARSHA. Let me offer to the gentleman my apologies. The gentleman went to some length to write me on this matter and discussed it with me; but because of the press of time and other important duties attendant upon me, I neglected to request the committee to put it in the report on the bill. It very *definitely* would qualify, providing it meets the criteria set forth in the language of the bill on page 36.

I know that it does. Furthermore, the first sentence on page 37 states that—

> This section shall apply to lakes heretofore or hereafter constructed or authorized for construction.

It definitely brings the gentleman's project within the purview of this legislation.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. McCollister).

Mr. McCOLLISTER. Mr. Speaker, I regret that we must consider today the Federal-Aid Highway Amendment of 1974 under suspension of the rules which permits no amendments to be considered. I have one serious reservation about this bill and shall oppose passage with the hope that, if rejected, this bill would be granted a rule by the Rules Committee which would allow amendments to be offered from the floor.

My objection to this bill is its mandating of a permanent national speed limit of 55 miles per hour. I fully agree that the lowered speed limits have helped save both gasoline and lives. I would only argue that the burden for such savings has been unfairly borne by drivers in the Midwest. In States like Nebraska, for example, the speed limit has been lowered from 10–20 miles per hour below the previous limits while in Eastern States the reduction was only 5–10 miles per hour.

I had hoped to offer an amendment to this legislation which would have reduced speed limits 10 miles per hour below those limits posted prior to enactment of the original 55 miles per hour last year. My amendment would have provided that in no case would a State be required to reduce its maximum speed limit below 55 miles per hour. Consideration of this bill under suspension will prevent me from offering this amendment unless the House agrees to allow the Rules Committee to send this measure to the floor.

While we all share the goal of reducing gasoline consumption and reducing traffic fatalities, I think we must also consider the serious inflationary impact of the 55 miles per hour limit in sparsely-populated areas of the entire truck freight rate structure. Since so many of our consumer goods are delivered by this Nation's trucking industry, the impact of increased freight rates will be reflected in increased consumer costs for these goods.

I cannot agree with the enforcement provisions of this legislation either since they seem to me to represent an unhealthy infringement by the Federal Government into another area which should be reserved for State government responsibility.

I urge the Members to weigh these considerations in casting their ballots on the Federal-Aid Highway Amendment of 1974 and to resist being stampeded into approving this provision without an opportunity to correct this serious flaw.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Speaker, I would like to direct a question to the gentleman from Texas (Mr. Wright). During the colloquy my distinguished colleague, the gentleman from South Carolina (Mr. Young) had with the gentleman from Texas with regard to the speed limit, the gentleman mentioned that 24 percent less automobile deaths took place last year.

Does the gentleman have any statistics to point out whether or not that is because of reduced speed, or because less people have been on the highways?

Mr. WRIGHT. Mr. Speaker, I must say that I think it is to some degree conjectural. Some of those savings of human life, must be attributed to each of those developments. The National Highway Safety Council believes that the greater portion of the saving in life is attributable to reduced speeds. That group estimates that some 46 percent of the saving in life comes from reduced speed, and some 21 percent from reduced travel.

If that be the case, we may have only saved 6,000 lives of people who would otherwise have been dead. Even so, we have saved more lives than through almost any other thing which happened in this Congress including all the great medical discoveries which are made through our research programs.

Mr. SYMMS. Mr. Speaker, I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, in the spirit of Christmas which is upon us, I would like to yield 2 minutes to my good friend, the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Speaker, I rise in support of this bill. Although there has been discussion as to most of the provisions, one important provision has not been discussed. It is the one which affects transfer of segments of interstate highway into various mass transit usages substitute routes. We have amended that provision in this bill so that the transfer provision keeps up with the inflationary rate of the cost of construction.

The Federal Highway Act of 1974 in section 103(e)(4) of title 23, United States Code, permits a State to withdraw a segment of an Interstate route in an urbanized area to receive an amount out of general funds of the Treasury equal to the Federal share of the cost of the removed route for use on nonhighway public mass transportation projects in such urbanized areas involving the construction of rail facilities or the purchase of passenger equipment for any mode of public transportation. Funding available for transfer is limited to the cost of the withdrawn route as reflected by the 1972 cost estimate. The same procedure permits interstate funds to be so transferred to a substitute route.

The bill provides that the funds available for transfer shall be based upon the Federal share of the cost of the withdrawn route as reflected by the design utilized in the 1972 interstate cost estimate, increased or decreased, as the case may be, by an amount equivalent to the cost attributable to changes in the composite cost of construction.

Thus, should there be a withdrawal of an interstate segment for transit usage, by this provision, we are no longer limited to an amount of money based upon the 1972 interstate cost estimate. That would be so also in the case of a transfer of any interstate route to a substitute route.

The Members have been told of the importance of this bill for rural areas but the effect of this provision will make it very important for people in urban areas. It means a much fairer distribution of funds. Just as construction cost increases are taken into consideration in building highways so will they be for mass transit. It could mean, over a period of time, hundreds of millions of dollars in urban areas as the rate of inflation in the cost of construction has risen rapidly since 1972.

Dealing as it does with both rural and urban needs, it seems to me this bill should receive the support of the entire body.

Mr. BAUMAN. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. I thank the gentleman.

Mr. Speaker, it appears that the gentleman from New York (Mr. Koch) has a short memory, because it was not too long ago when this same committee brought before this House the mass transit bill, and I believe he and many from his area of this great Nation urged those of us from rural America to support their mass transit bill because it was badly needed by the cities of America. I, for one, did support that mass transit bill, even though I come from rural America, and many of us supported that bill because we recognized that it was needed in the great urban areas of America.

Here we stand, not too many months later, with a bill from the same committee which is badly needed by rural America, a bill which is needed to make our highways safer and help bring industry to our part of America, and we are told by the gentleman from New York, that because of something that is not in the bill that might be put in the bill, by the Senate in conference, we should oppose this otherwise urgent legislation.

I would dismiss out of hand his claim because I believe it is without merit and without substance. Indeed, I would close by pointing out that not only is this bill good for rural America but I would point to the words of my colleague, the gentlewoman from New York (Ms. ABZUG), who has just informed this House that this bill is also important for urban America.

So need we say more? This bill is good for urban and rural America, and I urge its adoption.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. GINN).

Mr. GINN. Mr. Speaker, I feel that the committee has produced a fine bill, and one that should be acted on favorably and without delay.

There is a provision in the bill that I know will be of vital interest to all Members and their constituents. This is particularly true for those of us who are interested in seeing uncompleted segments of the interstate highway system completed without delay.

The provision concerns advance construction of interstate highways. It would permit the States to use their own money to complete their interstates right away and then be reimbursed the cost of this construction when regular interstate money is made available. Your State could raise this money by appropriations or bonds or through almost any other means.

I know that all of you with uncompleted interstates realize that with impoundments and the reduction in funding levels, it looks as though it will take almost as long to complete the remaining segments of the interstate system as it did to build that part of the system that is open to traffic today.

The provision in this bill will let your State go ahead and complete construction and then be reimbursed. This would let your State beat the 10-percent-a-year inflation factor for interstate construction. It would let you have the economic benefits of improved transportation and would prevent the traffic deaths that occur on the crowded roads that fill the gaps of the interstate highways. In my own State of Georgia, our Department of Transportation estimates that the speedup by advance construction could prevent more than 1,200 traffic deaths and the loss of some $200 million in damages by reducing traffic accidents.

I urge that the House act immediately and vote in favor of this bill.

Mr. JOHNSON of California. Mr. Speaker, I want to say that I believe the gentleman from Texas (Mr. WRIGHT) pointed this out very clearly, that in the bill from the Senate, on page 7, the Committee on Public Works struck that section from the bill, so there is no vehicle size and weight in the present bill before us. I say that this bill is a very important bill to rural America. I think it is one that is badly needed. The mass transit situation has been passed by the House. I think we must pass this bill.

Mr. Speaker, I say, also, to the gentleman from New York who spoke that his State has the weight limitation that he is complaining about here, in effect now, and has had ever since the weight situation was placed in the act. It is operating in many States; 29 of the States have that same provision that is present in the Senate bill at the present time.

Mr. Speaker, the Committee on Public Works has reported to this body S. 3934 the Federal-Aid Highway Act of 1974 which is not the type of highway bill you are used to acting upon with large Interstate authorizations and what seems of late to somehow always contain controversial subject matter.

This is a simple bill, but with features that are very important and that should be passed in this session of the Congress.

The funding authorizations do not extend past fiscal year 1976.

Rural America needs this bill today. It contains additional authorizations for fiscal year 1976 over and above those contained in the 1973 Federal Highway Act of $200 million for highways on the Federal-aid primary system, $100 million for the secondary system, and $200 million for a new system of highways off the Federal-aid system in rural areas. These are the bulk of the authorizations in the bill.

The bill contains an extension of the 55-mile-per-hour maximum speed limit indefinitely and contains provisions that the States must enforce this speed limit and the existing size and weight limitations or lose their Federal-aid highway funds. You are all well aware of the mood of America on the 55-mile speed limit both from the standpoint of energy conservation and lowering highway fatalities.

Section 117 of the bill provides for costs for those interstate routes in urbanized areas which are withdrawn and general funds substituted for mass transit use to be updated by the composite construction cost index of the Federal Highway Administration. This is to bring those transferred costs in line with inflationary effects on construction costs in the highway and transit areas.

Beautification authorizations are included in the bill for fiscal years 1975 and 1976. For billboard removal $50 million per year, for junkyard control $15 million per year, for landscaping and scenic enhancement $10 million per year. Amendments to existing beautification laws include provisions for removing the jumbo signs constructed beyond the 660-foot limit.

Many States have had their interstate highways programs confused by the past impoundment practices. Section 105 alleviates this problem by allowing States to use their own funds and to be reimbursed later out of future authorizations. Present law prohibits this practice if their current apportionment is not currently used up. Impoundment has prohibited them from using all their apportionments so their hands have been tied illegally.

Also section 118 provides $7.5 million for fiscal year 1976 for schoolbus driver training to further the efforts in the safety field to protect the children of America who are riding in schoolbuses.

Increasing bus widths from 96 inches to 102 inches is a provision in this bill which has twice passed this House and is sorely needed. Over 100 cities in the country have these buses now, some of them financed by the urban mass transit program. They operate on narrow city streets but cannot operate on the wider interstate highways. It is ridiculous for this situation to continue especially in a period of energy conservation.

These are the major elements of the bill, and they need action now.

There are other measures in the bill dealing with carpooling, donation of highway rights of way and access roads to public recreation areas on certain lakes. These are small items but important ones.

This bill is straightforward legislation that is simple, it is needed, it is not inflationary, and should be passed in this session of the Congress so that safety and efficiency of the Nation's highway systems can be kept at the highest level.

I strongly urge an overwhelming vote by this body in favor of this bill.

Mr. ALEXANDER. Mr. Speaker, for almost a year I have been working to bring about immediate increases in the funds available for improving highway systems in the countryside. Last April I introduced a bill designed to bring more transportation funds to rural areas by strengthening the primary and secondary highway system and creating a Federal-aid system for rural, off-system roads.

Thus, it is with pleasure that I rise in support of the Federal-Aid Highway Act of 1974. The additional $300 million provided for the primary and secondary rural highway program and the $200 million authorized for the off-system road program is not sufficient unto the need, but it is an essential step in the direction of relieving the critical problem of deterioration in countryside transportation systems.

Countryside—rural—areas ask no more and no less, than their fair share of the tax dollars spent for transportation. When we review the billions this Congress has committed for use in metropolitan areas it is clear that the countryside is not yet receiving equity. This bill is simply another step in that direction.

Last April the Subcommittee on Rural Development, which I chair, conducted hearings on transportation in the countryside. And, the Department of Agriculture has just completed an extensive study titled "Transportation in Rural America." Both the hearings and this report clearly underscore the deep and continuing problems in rural transportation.

I believe that it would be useful at this time to discuss some of the findings from those hearings and the USDA report.

Witnesses heard by the subcommittee said that the deteriorating countryside transportation network has been directly linked with a number of other undesirable developments in the Nation such as:

Artificial shortages of food products caused by inability of farmers and elevator operators to get the crops moved to the cities—by truck, train, or barge.

Rapidly rising prices for food caused in good measure by difficulty of getting the products to market and the costs of transportation for them when they can be moved.

Lack of economic and cultural development in the countryside resulting from difficulty of transporting goods and people within the regions.

Outmigration from countryside to cities by persons seeking nonfarm employment in industries and businesses which could not afford to locate in transportation-poor areas.

These troublesome trends can be expected to become even more critical if the Congress fails to act on the transportation proposals before it now on the basis of national needs.

Witnesses before the subcommittee agreed that the Nation needs a balanced transportation policy which takes into account the interdependence of the cities and the countryside.

You cannot separate the transportation interests or problems of the countryside from the cities.

Not all the problems which can be expected to result from continuing decay of the countryside transportation system are domestic. Agricultural exports are credited with putting this Nation into the black in terms of international balance of payments in 1973. This is the first time we have been so blessed since 1970. And, it is only because the countryside could produce for export, and move to market, almost three times what it did in 1970.

There is underway in this country an effort for all-out food and fiber production. This goal is to put these products in a position to help relieve the growing hunger crisis gripping the world and to help keep this Nation in the black in our international balance of payments.

To understand the magnitude of the rural transportation problem and of the need for this bill, we first must look at the situation as it exists.

First, of the existing countryside road mileage only 14.2 percent is rated for heavy load bearing capacity. Meaning that 85.8 percent of the road system can not carry heavy trucks—much of it not even 10 tons, much less the 40,000 pound trucks which are coming into ever wider use—without severe damage, if they can carry them at all.

The USDA study found that half of the 700,000 miles of collector roads, and half of the 2 million miles of local rural roads were classed as deficient on the basis of Department of Transportation guidelines. The guidelines included measures of traffic, surface width and type, shoulder width, safe driving speed and pavement conditions. The USDA report went on to say:

> The rural roads pose a serious restriction to continuing flow of traffic along these routes.

The report also noted that the fatality rate on rural highways is twice as high as on those in urban areas.

During 1972 $17.8 billion was spent for capital improvements and maintenance of the Nation's roads. Though rural roads constitute 84 percent of the roads in the Nation, only 61 percent of the 1972 capital expenditures and 65 percent of the maintenance expenditures were in rural areas.

Second, under the interpretation of the Federal Highway-Aid Act of 1973 by the Department of Transportation and the Office of Management and Budget, approximately one-half of the routes on the Federal-aid secondary highway system could be eliminated by 1985, through "realinement." It is estimated that 4,250 miles in Arkansas will be removed from the secondary system.

Increasing dependence in the countryside areas on highway vehicles for moving people and manufactured and agricultural products can be expected to cause further deterioration of the road system without significant new infusions of construction and maintenance funds.

Third, the Nation has already lost 46,000 miles of railroad through abandonment. We have 205,202 miles left. In 1972 National Transportation Report the Department of Transportation said:

> Analysis indicates that a high traffic density network of approximately 30,000 miles could handle the Nation's rail freight demands * * *.

This is an even more stunning figure than that appearing later in the work suggesting that:

> * * * 78,000 route-miles—37.5 percent of 207,000 route-miles—of today's system might potentially be subject to abandonment * * *.

Fourth, inland waterways, though they are a vital element in our national transport system, just simply are not readily available to many parts of the Nation.

Finally, without additional Federal aid the States will find it financially impossible to upgrade the highway system, or the Nation to expand the inland waterway system, rapidly enough to fill the people and freight transport gap.

State transportation officials have estimated that $262 billion will be needed for countryside road construction by 1990. Thus the need for the modest increases of $200 million for primary highways and $100 million for secondary highways in rural areas which this bill authorizes is obvious.

I would like to call special attention to the off-system rural roads program proposed to be established under this bill. By far the majority of these roads are local roads. And most of these local roads are under the jurisdiction of the local governments. Without them people and goods cannot, for all practical purposes, move within countryside areas or between countryside and urban areas.

It was because of the deplorable conditions of far too many of these roads, the great need of local road jurisdictions for assistance and the participation in the highway trust fund by local road users that I proposed an off-system program similar to the one in this bill last April. Far more money for improvements is needed than the $200 million contained in this proposal, but the committee is especially to be commended for the start it is trying to make.

I urge the passage of this bill.

Because I believe my colleagues will find the USDA study table on deficient rural road mileage useful, I will include them in the RECORD at this time.

APPENDIX TABLE 2.4.—RURAL MILEAGE WITH DEFICIENCIES, BY FUNCTIONAL CLASS AND BY STATE AND REGION, 1970

State and region	Interstate [1]			Arterials					
				Other principal arterials			Minor arterials		
	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient
Northeast:									
Maine	40	261	15	527	676	78	878	1,258	70
New Hampshire	13	174	8	262	326	80	467	762	61
Vermont	0	276	0	70	121	58	471	549	86
Massachusetts	3	146	2	253	324	78	665	719	92
Rhode Island	0	32	0	10	38	26	80	117	68
Connecticut	0	100	0	143	278	51	312	399	78
New York	51	829	6	837	1,376	61	2,125	5,119	42
New Jersey	0	76	0	27	173	16	447	542	82
Pennsylvania	61	1,131	5	751	1,226	61	3,851	6,421	60
Delaware	0	0	0	54	226	24	80	263	30
Maryland	3	132	2	161	389	41	371	1,071	35
District of Columbia		0							
Total	171	3,157	5	3,095	5,153	60	9,747	17,220	57
Lake States:									
Michigan	315	443	71	863	1,142	76	2,503	4,340	58
Wisconsin	11	460	2	1,142	2,306	50	2,448	4,686	52
Minnesota	6	679	1	1,194	2,616	46	2,275	6,363	36
Total	332	1,582	21	3,199	6,064	53	7,226	15,389	47

Footnotes at end of table

State and region	Arterials								
	Interstate [1]			Other principal arterials			Minor arterials		
	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient
Corn Belt:									
Ohio	25	826	3	1,048	1,709	61	2,099	2,797	75
Indiana	0	869	0	659	1,074	61	1,668	3,134	53
Illinois	0	1,185	0	1,295	1,523	85	4,634	6,299	74
Iowa	0	627	0	1,402	2,308	61	3,900	5,861	66
Missouri	0	342	0	1,323	2,316	57	2,853	4,164	68
Total	25	3,849	0	5,727	8,930	64	15,154	22,255	68
Northern Plains:									
North Dakota	14	541	3	787	1,271	62	5,275	5,556	95
South Dakota	0	662	0	1,344	2,236	60	1,470	3,647	40
Nebraska	0	441	0	1,402	2,507	56	793	5,188	15
Kansas	178	666	27	2,271	3,307	69	2,888	4,081	71
Total	192	2,310	8	5,804	9,321	62	10,426	18,472	56
Appalachian:									
Virginia	7	734	1	1,051	1,498	70	1,820	2,120	86
West Virginia	2	405	(2)	139	186	75	1,251	1,486	84
North Carolina	0	635	0	1,543	2,098	74	2,651	4,016	66
Kentucky	0	603	0	262	998	26	3,276	3,973	82
Tennessee	0	809	0	1,009	1,359	74	2,933	4,135	71
Total	9	3,186	(2)	4,004	6,139	65	11,931	15,730	76
Southeast:									
South Carolina	0	589	0	1,153	1,272	91	2,943	3,106	95
Georgia	70	337	21	1,176	2,587	46	3,465	5,562	62
Florida	0	963	0	1,176	1,741	68	2,000	2,935	68
Alabama	115	671	17	1,578	1,924	82	3,207	3,840	84
Total	185	2,560	7	5,083	7,524	68	11,615	15,443	75
Delta States:									
Mississippi	0	553	0	1,262	1,390	91	3,037	3,532	86
Arkansas	0	395	0	1,869	1,950	96	3,407	3,456	99
Louisiana	102	539	19	794	1,008	79	2,044	2,872	71
Total	102	1,487	7	3,925	4,348	90	8,488	9,860	86
Southern Plains:									
Oklahoma	31	664	5	1,834	2,127	86	5,500	6,123	90
Texas	13	2,202	1	3,273	6,960	47	5,385	10,947	49
Total	44	2,866	2	5,107	9,087	56	10,885	17,070	64
Mountain:									
Montana	0	1,140	0	1,306	1,990	66	1,883	3,742	50
Idaho	95	546	17	1,316	1,323	100	1,457	1,488	98
Wyoming	0	896	0	687	1,766	39	540	1,473	37
Colorado	17	835	2	1,501	2,350	64	2,639	4,486	59
New Mexico	0	891	0	2,238	2,366	95	2,529	2,638	96
Arizona	0	1,050	0	1,063	1,397	76	1,961	2,874	68
Utah	0	813	0	129	645	20	570	2,039	28
Nevada	54	505	11	302	981	31	504	1,297	39
Total	166	6,676	2	8,542	12,818	67	12,083	20,037	60
Pacific:									
Washington	23	514	4	469	1,122	42	1,177	2,799	42
Oregon	191	610	31	1,619	2,302	70	4,026	4,798	84
California	21	1,373	2	738	2,124	35	4,057	7,409	55
Alaska	0	0		49	102	48	2,050	2,426	84
Hawaii	0	24		26	32	81	255	324	79
Total	235	2,521	9	2,901	5,682	51	11,565	17,756	65
United States	1,453	30,194	5	47,387	75,069	63	109,119	169,232	64

State and region	Collectors								
	Major collectors			Minor collectors			Local roads		
	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient	Intolerable mileage	Total mileage	Percent intolerable
Northeast:									
Maine	2,134	2,788	76	2,580	2,712	95	5,800	9,812	59
New Hampshire	1,062	1,495	71	849	1,163	73	4,474	7,131	63
Vermont	992	1,250	79	1,403	1,888	74	5,254	8,402	62
Massachusetts	1,644	1,736	95	1,249	1,346	93	2,152	6,307	34
Rhode Island	73	168	43	167	211	79	680	952	71
Connecticut	575	746	77	859	1,173	73	3,152	5,381	59
New York	2,206	4,682	47	6,982	11,798	59	29,062	46,349	63
New Jersey	557	953	58	1,053	1,841	57	4,726	6,808	69
Pennsylvania	8,606	11,918	72	3,894	4,766	82	44,130	61,361	72
Delaware	111	387	29	265	440	60	822	2,187	38
Maryland	961	1,467	66	1,634	2,299	71	3,974	9,251	43
District of Columbia									
Total	18,921	27,590	69	20,935	29,637	71	104,226	163,941	64
Lake States:									
Michigan	4,800	9,772	49	6,111	13,691	45	25,359	59,533	43
Wisconsin	3,028	6,497	47	5,993	11,742	51	19,011	61,331	31
Minnesota	2,963	10,944	27	7,203	16,613	43	16,942	74,808	23
Total	10,791	27,213	40	19,307	42,046	46	61,312	195,672	31

Footnotes at end of table.

APPENDIX TABLE 2.4.—RURAL MILEAGE WITH DEFICIENCIES, BY FUNCTIONAL CLASS AND BY STATE AND REGION, 1970—Continued

State and region	Collectors								
	Major collectors			Minor collectors			Local roads		
	Deficient mileage	Total mileage	Percent deficient	Deficient mileage	Total mileage	Percent deficient	Intolerable mileage	Total mileage	Percent intolerable
Corn Belt:									
Ohio	6,395	7,624	84	10,574	12,719	83	41,748	54,778	76
Indiana	3,821	7,102	54	9,061	13,417	68	21,012	47,672	44
Illinois	7,397	11,629	64	4,492	6,055	74	59,607	76,875	78
Iowa	5,733	13,084	44	10,934	16,910	65	15,697	68,395	23
Missouri	8,015	8,077	99	11,442	13,217	87	19,596	74,964	26
Total	31,361	47,516	66	46,503	62,318	75	157,660	322,684	49
Northern Plains:									
North Dakota	3,000	6,387	47	7,718	11,871	65	10,736	51,301	21
South Dakota	2,448	6,990	35	4,891	10,910	45	16,513	47,854	34
Nebraska	3,956	7,639	52	8,592	15,192	57	26,361	59,501	44
Kansas	7,317	9,397	78	10,322	16,230	64	40,356	86,422	47
Total	16,721	30,413	55	31,523	54,203	58	93,966	245,078	38
Appalachian:									
Virginia	7,068	7,785	91	8,063	8,288	97	26,399	29,268	90
West Virginia	2,480	2,989	83	3,078	3,438	90	21,930	24,878	88
North Carolina	6,967	9,140	76	9,967	12,098	82	28,434	44,247	64
Kentucky	4,115	4,883	84	7,232	9,097	80	36,219	40,855	89
Tennessee	6,923	8,170	85	7,165	8,009	90	34,661	42,958	81
Total	,27,553	32,967	83	35,505	40,930	87	147,643	182,206	81
Southeast:									
South Carolina	3,732	4,703	79	4,481	5,856	76	15,201	30,086	50
Georgia	3,458	8,933	39	4,885	11,387	43	42,750	55,618	77
Florida	3,014	4,628	65	4,551	6,193	74	28,817	33,144	87
Alabama	3,519	9,695	36	2,370	7,398	32	15,356	39,186	39
Total	13,723	27,959	49	16,287	30,834	53	102,124	158,034	65
Delta States:									
Mississippi	2,540	4,073	62	5,256	9,817	54	28,183	36,111	78
Arkansas	9,593	10,151	94	6,309	6,410	98	32,832	41,106	80
Louisiana	3,307	5,311	62	2,625	6,140	43	21,986	30,766	72
Total	15,440	19,535	79	14,190	21,367	63	83,001	107,893	77
Southern Plains:									
Oklahoma	4,245	7,198	59	10,372	13,454	77	8,174	69,619	12
Texas	6,985	16,956	41	21,862	39,985	55	93,457	124,467	75
Total	11,230	24,154	46	32,234	53,439	60	101,631	194,086	52
Mountain:									
Montana	1,892	4,961	38	6,274	11,007	57	25,981	43,286	60
Idaho	1,649	1,881	88	4,835	5,041	96	13,852	29,638	47
Wyoming	636	2,519	25	3,604	6,014	60	9,793	12,656	77
Colorado	2,451	3,831	64	9,658	13,239	73	3,542	28,567	12
New Mexico	2,994	3,068	98	4,993	5,167	97	22,114	30,633	72
Arizona	1,126	2,189	51	2,218	2,835	78	6,178	18,874	33
Utah	852	2,766	31	2,120	3,353	63	2,280	16,751	14
Nevada	19	1,127	2	2,091	3,188	66	2,651	8,253	32
Total	11,619	22,342	52	35,793	49,844	72	86,391	188,658	46
Pacific:									
Washington	1,854	4,955	37	3,645	9,001	40	23,171	40,173	58
Oregon	6,381	8,806	72	4,797	5,593	86	28,817	45,490	63
California	2,300	6,585	35	5,650	11,125	51	47,634	70,074	68
Alaska	0	0	------------	983	1,677	59	1,930	3,141	61
Hawaii	303	349	87	242	299	81	365	810	45
Total	10,838	20,695	52	15,317	27,695	55	101,917	159,688	64
United States	168,199	280,379	60	267,596	413,311	65	1,039,871	1,917,940	54

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[1] Interstate mileage shown is only for those sections needing improvements not identified in the 1970 interstate cost estimate.

[2] Less than 0.5 percent.

Source: Tabulations provided by the Office of Highway Planning, Federal Highway Administration, U.S. Department of Transportation. Total interstate mileage is largely from U.S. Department of Transportation, the 1972 National Highway Needs Report, prepared for U.S. Congress (93d Cong., 2d sess.) House Document No. 92-266, pt. II, U.S. Government Printing Office, 1972, p. III-29.

Mr. BEARD. Mr. Speaker, I feel compelled to rise in opposition to the House version of S. 3934, the Federal-Aid Highway Amendments of 1974.

I do so for two reasons, not the least of which is my basic opposition to the ever-increasing practice of bringing critically important legislation to the floor of the House under a suspension of the rules. I know I speak for more than a few Members when I say that I resent being told to "vote this up or down, no amendments, no thought." While I admire the tremendous expertise which exists on all of our committees, I do not feel that the whole House should be excluded from the legislative process on major bills such as this.

Second, I oppose this bill because the committee has seen fit to delete the original section 101, which allows for the funding of parkways out of the highway trust fund. This section includes all the provisions of H.R. 15978 which I introduced on July 18, 1974 for myself and my colleague from Mississippi (Mr. Bowen). In our all-encompassing urge to get from point A to point B in the shortest possible time, we have often neglected providing for ready access to the more scenic areas of our Nation, by the use of parkways. One of the major parkway projects undertaken by the Federal Government has been the Natchez Trace Parkway, which, when and if completed, will link Natchez, Miss. and Nashville, Tenn., and provide for one of the most beautiful trips possible in the Southeastern United States. The Parkway, which I am not ashamed to say goes through part of my district, follows as closely as possible the historic Natchez Trace, once a major link on the postrevolutionary "Western" frontier. Not only is the parkway both historic and scenic, but it will also provide a needed road system through a basically rural, but developing, area.

Mr. Speaker, I will oppose passage of S. 3934 with the hope that the committee will see fit to include section 101; further, should the House see fit to pass this bill, it is my hope that this section will be restored by the conference committee.

Mr. LEGGETT. Mr. Speaker, I know the committee has labored long and hard on this bill S. 3934, and I do not mean to deprecate the fruits of its labor. Nevertheless, I believe the permanent 55-

mile-per-hour speed limit has been rushed through without the careful examination it needs.

For example: The committee report says:

> According to reports from the Federal Energy Administration, over five million gallons of fuel have been saved daily as a result of the reduction of speed and travel on the highways. This should be reason enough to maintain the lower speed limits.

I just cannot believe this statement resulted from careful consideration of the issue. Here we have two contributing factors: reduced travel and reduced speed. Neither the FEA nor the committee report makes any effort to separate out how much effect each has had, yet the conclusion is made that the value of the 55-mile-per-hour speed limit is proven. Well, I have National Highway Traffic Administration figures showing that for the first 5 months of the 55-mile-per-hour speed limit, automotive fuel consumption was down 3.8 percent, but vehicle travel was down 3.7 percent, leaving no significant savings due to the speed limit.

Similarly, the committee is impressed by a Gallup poll showing that 72 percent of the American people favor keeping the limit. Well, it seems to me a more meaningful poll could be made by going out on Interstate 95 or Interstate 70S, driving 60 miles per hour, and watching everybody on the road pass you. I wonder if the committee has considered the views of Walter Rugaber, the California Director of Highway Safety, who advocates a 65-mile-per-hour limit on the grounds that, among other things, the 55-mile-per-hour limit is universally ignored and therefore leads to a disrespect for the laws?

Now let us talk about safety. The report quotes a National Safety Council study concluding that the 55-mile-per-hour limit has produced about a 9.5-percent drop in traffic fatalities. But this study disagrees with many other more thorough studies.

For example, the Colorado State Police found only a 5.4-percent reduction due to the speed limit. A California State Police study found similar results. Moreover, almost all the benefit is found on nonlimited-access roads. My own calculations, which time does not permit me to expound upon here but which I would be happy to submit to the committee, indicate that the difference between a 55-mile-per-hour limit and the old system on the interstate highways has affected our total highway deaths only three-tenths of 1 percent.

Moreover, the effect is going down. By August the fatality reduction was less than half what it was in February, and by next year it may be nonexistent.

It is true we have seen a decrease in fatalities, but it seems to me we should look at the possible causes very thoroughly. For example, the Michigan State Police have found that highway fatalities have always dropped radically in times of economic recession. Nobody knows why, but it happens and it is not related to speed limits.

The bill before us urges that the 55 miles per hour limit be strictly enforced. But by all the evidence, this will lead to an increase in fatalities by taking police personnel away from more important tasks. For example, in contrast with the shaky and uncertain effects of the speed limit, Colorado has achieved a 47.9 percent decrease in highway fatalities from 1968 to 1973 through an ongoing safety program which accompanied an actual rise in speed limits.

For another example, drunk driving accounts for more than 50 percent of all falatities, and by increasing drunk driver enforcement 9.7 percent in 1 year, the California Highway Patrol was able to reduce fatalities 15 percent—that is 3 times the total benefit of the speed limit and 45 times the benefit of the speed limit on interstates.

By taking police officers away from these programs and forcing them to the Mickey Mouse job of enforcing arbitrary speed limits, this bill may well increase highway fatalities.

Finally, the statistics for the first quarter of next year will really tell the tale, and they are not available yet. So I wonder if the distinguished chairman of the subcommittee would agree to hold hearings next year on the specific question of the 55 miles per hour limit, so that we can take our time and consider the issue thoroughly?

Mr. BRINKLEY. Mr. Speaker, I am pleased that the House Committee on Public Works included in the Federal-aid highway amendments a provision that will open up a new method of funding highway construction. The language adopted is essentially that contained in H.R. 14885 which I introduced in May of this year. As a result of this legislation the many States that desire to complete their interstate system early with their own funds—to be reimbursed from future Federal authorizations—may now proceed. In other words, the various States will now be allowed to float general obligation bonds for highway construction against either impounded or anticipated Federal appropriations.

Mr. Speaker, this proposal will save the taxpayer untold millions in that more value can be obtained from a dollar today through bonds than if this same dollar were appropriated in future years.

Of equal importance is the countless number of lives which will be saved through expeditious completion of gaps in the system, or essential projects such as I–185 and I–16. Traffic accidents on uncompleted highways, with two-way traffic, have reached alarming proportions. I wish to commend my colleague from Georgia (Mr. BINN) for his excellent work and leadership in this area.

GENERAL LEAVE

Mr. HARSHA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the Senate bill S. 3934.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the Senate bill S. 3934, as amended.

The question was taken.

Mr. KOCH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from New York withdraw his point of order of no quorum?

Mr. KOCH. Yes, Mr. Speaker, I do.

EXTENDING CERTAIN AUTHORIZATIONS UNDER THE FEDERAL WATER POLLUTION CONTROL ACT

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 4073), to extend certain authorizations under the Federal Water Pollution Control Act, as amended, and for other purposes.

The Clerk read as follows:

S. 4073

An Act to extend certain authorizations under the Federal Water Pollution Control Act, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 104(u) of the Federal Water Pollution Control Act, as amended (86 Stat. 825), is amended by—

(a) striking in paragraph (1) "and the fiscal year ending June 30, 1974," and inserting in lieu thereof "the fiscal year ending June 30, 1974, and the fiscal year ending June 30, 1975,";

(b) striking in paragraph (2) "fiscal years 1973 and 1974" and inserting in lieu thereof "fiscal years 1973, 1974, and 1975";

(c) striking in paragraph (3) "fiscal year 1973" and inserting in lieu thereof "fiscal years 1973, 1974, and 1975";

(d) striking in paragraph (4) "and June 30, 1974," and inserting in lieu thereof "June 30, 1974, and June 30, 1975,";

(e) striking in paragraph (5) "and June 30, 1974," and inserting in lieu thereof "June 30, 1974, and June 30, 1975,"; and

(f) striking in paragraph (6) "and June 30, 1974," and inserting in lieu thereof "June 30, 1974, and June 30, 1975,".

SEC. 2. Section 105(h) of the Federal Water Pollution Control Act, as amended (86 Stat. 826), is amended by striking "and the fiscal year ending June 30, 1974," and inserting in lieu thereof "the fiscal year ending June 30, 1974, and the fiscal year ending June 30, 1975,".

SEC. 3. Section 106(a)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 827), is amended by striking "June 30, 1974;" and inserting in lieu thereof "June 30, 1974, and the fiscal year ending June 30, 1975;".

SEC. 4. Section 112(c) of the Federal Water Pollution Control Act, as amended (86 Stat. 832), is amended by striking "and June 30, 1974," and inserting in lieu thereof "June 30, 1974, and June 30, 1975,".

SEC. 5. Section 315(h) of the Federal Water Pollution Control Act is amended by striking out "$15,000,000" and inserting in lieu thereof "$17,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 4073 will extend until June 30, 1975, four sections of the Federal Water Pollution Control Act for which authorization expired at the end of fiscal year 1974. S. 4073 will also provide necessary additional funds for the study being conducted by the National Commission on Water Quality.

Authorization of four provisions of the Federal Water Pollution Control Act expired on June 30, 1974. Since that date the Congress has enacted a Joint Resolution of Congress, Public Law 93–448, which permitted the continuance of these programs until the sine die adjournment of this Congress. An appropriation for those programs affected by Public Law 93–448 is included in the pending Agriculture-Environmental and Consumer Protection Appropriation Act.

The four provisions for which authorization expired at the end of fiscal year 1974 are: Section 104, research, investigations, training, and information; section 105, grants for research and development; section 106, grants for pollution control programs; and section 112, definitions and authorizations.

The following six subsections of section 104 would be amended by S. 4073: 104(u)(1), 104(u)(2), 104(u)(3), 104(u)(4), 104(u)(5), and 104(u)(6). Section 104(u)(1) authorizes funds for a variety of national programs for the prevention, reduction, and elimination of pollution. A total of $200,000,000 was authorized for fiscal years 1973 and 1974. Section 1(a) of S. 4073 authorizes $100,000,000 for the period July 1, 1974, to June 30, 1975.

Section 104(u)(2) authorizes funds for pilot programs of manpower development and training and retraining of persons in, or entering into, the field of operation and maintenance of treatment works and related activities. A total of $15,000,000 was authorized for fiscal years 1973 and 1974. Section 1(b) of S. 4073 authorizes an additional $7,500,000 for the period July 1, 1974, to June 30, 1975.

Section 104(u)(3) authorizes funds for the development and maintenance of an effective system for forecasting the supply of, and demand for, various professional and other occupational categories needed for the prevention, reduction, and elimination of pollution in each region, State, or area of the United States and, from time to time, the publication of the results of such forecasts. A total of $5,000,000 was authorized for fiscal years 1973 and 1974. Section 1(c) of S. 4073 authorizes $2,500,000 for the period July 1, 1974, to June 30, 1975.

Section 104(u)(4) authorizes funds for a comprehensive study and research program to determine new and improved methods of preventing, reducing, and eliminating pollution from agriculture, including the legal, economic, and other implications of the use of such methods. A total of $20,000,000 was authorized for fiscal years 1973 and 1974. Section 1(d) of S. 4073 authorizes an additional $10,000,000 for the period July 1, 1974, to June 30, 1975.

Section 104(u)(5) authorizes funds for grants to colleges and universities to conduct basic research into the structure and function of fresh water aquatic ecosystems. A total of $30,000,000 was authorized for this purpose for fiscal years 1973 and 1974. Section 1(e) of S. 4073 authorizes an additional $15,000,000 for the period July 1, 1974, to June 30, 1975.

Section 104(u)(6) authorizes funds for the conduct of continuing comprehensive studies of the effects and methods of control of thermal discharges. A total of $20,000,000 was authorized for fiscal years 1973 and 1974. Section 1(f) of S. 4073 authorizes an additional $10,000,000 for the period July 1, 1974, to June 30, 1975.

Section 105(h) authorizes funds for grants for research and development. A total of $150,000,000 was authorized for fiscal years 1973 and 1974. Section 2 of S. 4073 authorizes an additional $75,000,000 for the period July 1, 1974 to June 30, 1975.

Section 106(a) authorizes funds for grants to State and interstate agencies to assist them in administering programs for the prevention, reduction, and elimination of pollution. The section 106 grant program is for the purpose of assisting State and interstate pollution control agencies in carrying out their responsibilities under the Federal Water Pollution Control Act. The moneys authorized by section 106 supplement State funds for activities which include construction grant administration; permitting, monitoring, and enforcing activities; basin plans for all navigable waters within the State; a variety of reports that are required by the act, and other requirements that are contained in the act. The sum of $60,000,000 was authorized in fiscal year 1973 for these grants and $75,000,000 was authorized in fiscal year 1974. The Environmental Protection Agency requested only $20,000,000 in fiscal year 1973 and $40,000,000 in fiscal year 1974. However, in fiscal year 1974 the Congress recognized the need for funds for this purpose by appropriating $50,000,000 for grants for State pollution control programs.

The Office of Management and Budget has ordered the Environmental Protection Agency to phase out the section 106 grants beginning in fiscal year 1974. This action was ordered despite the fact that over the 6-year period, 1968–1974, the States have continued to fund almost 70 percent of the total budget for the State water pollution control program by increasing their contribution to this program from $19 million to $77 million. Because the States have maintained their contribution to the funding of this program and because it is Federal law that has greatly increased their responsibilities, it is vital that the amount of money that was authorized and appropriated for the purpose of assisting the States in their efforts be made available. Section 3 of S. 4073 would provide an authorization of an additional $75,000,000 for the period July 1, 1974, to June 30, 1975. We would strongly urge the Office of Management and Budget and the Environmental Protection Agency to reconsider any plans to phase out this program.

Section 112(c) authorizes funds for the programs provided for by sections 109, 110, 111, and 112 of the Federal Water Pollution Control Act. These sections authorize the Administrator of the Environmental Protection Agency to make grants to, or contracts with, institutions of higher learning to assist then in planning, developing, strengthening, improving, or carrying out programs or projects for the preparation of undergraduate students to enter an occupation concerning water quality control facilities. The Administrator is authorized to pay the additional cost of construction of a treatment works required for a facility to train and upgrade waste treatment works operation and maintenance personnel. Also, the Administrator of the Environmental Protection Agency is authorized to award scholarships for undergraduate study by persons who plan to enter an occupation involving the operation and maintenance of treatment works. A total of $50,000,000 was authorized for these programs for fiscal years 1973 and 1974. Section 4 of S. 4073 would authorize an additional $25,000,000 for fiscal year 1975.

An additional authorization of $2 million is required for the study being conducted by the National Commission on Water Quality, established by the Federal Water Pollution Control Act. The Commission is charged with making a full and complete investigation and study of all of the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving, the effluent limitations and goals of the act. A total of $15 million has been authorized for this purpose and the study is well underway. An additional authorization of $2 million is required to cover increases in the scope of the study which have proven to be necessary to meet the statutory requirements of the act. Section 5 of S. 4073 would authorize the necessary additional $2 million.

Mr. Speaker, a total of $322 million would be authorized by S. 4073. $320 million would be authorized for fiscal year 1975 for the four sections of the Federal Water Pollution Control Act which expired on June 30, 1974. It should be noted that the enactment of this legislation would extend the authorization of these provisions until June 30, 1975, at the same level as was authorized in fiscal year 1974. On June 30, 1975, most of the authorizations of the Federal Water Pollution Control Act will expire. I would anticipate a thorough review of the programs authorized by the act at that time. In addition, S. 4073 would authorize the necessary additional $2 million for the study being conducted by the National Commission on Water Quality. It should be emphasized that this money is to be used only for existing program commitments outlined in the Commission's Study Plans dated February 1974.

Mr. Speaker, I urge the immediate passage of S. 4073 so as to prevent delays in these extremely important programs authorized by the Federal Water Pollution Control Act

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Texas concerning this important piece of legislation, S. 4073. S. 4073 will extend until June 30, 1975 four provisions of the Federal Water Pollution Control Act which expired on June 30, 1974. In addition, S. 4073 will authorize needed additional funds for the National Commission on Water Quality which was established by the Federal Water Pollution Control Act.

The authority of sections 104, 105, 106, and 112 of the Federal Water Pollution Control Act expired on June 30, 1974. These four provisions authorized programs of: Research, training, and information; research, demonstration, and development; grants to State and interstate water pollution control agencies; and scholarships and training grants to colleges and universities. S. 4073 would authorize a total of $320,000,000 for these programs for fiscal year 1975. This is the same level of funding that was authorized for fiscal year 1974.

I would like to point out that S. 4073 provides an authorization of $75,000,000 for the program of grants to State and interstate water pollution control agencies authorized by section 106 of the Federal Water Pollution Control Act. The section 106 grant program is the primary source of Federal aid to State and interstate agencies to assist them in carrying out their responsibilities under the act. The full and active participation of these agencies is necessary if we are to achieve our goal of cleaning and maintaining the quality of our Nation's waters.

Over the last 6 years, the states have recognized the importance of this program by increasing their contribution to the State water pollution control program from $91 million to $77 million. As a result, from 1968–74 the States have continued to fund almost 70 percent of the total budget of the State water pollution control program.

On the other hand, the Office of Management and Budget and the Environmental Protection Agency have steadily failed to fund this program at the levels provided for by the Congress. In addition, the Office of Management and Budget has ordered the Enivronmental Protection Agency to discontinue Federal support for this program beginning in fiscal year 1976. It is vital that the Federal contribution to the section 106 grant program be both increased and maintained. Therefore, I urge the Office of Management and Budget and the Environmental Protection Agency to release the funds for the section 106 grant program as authorized and appropriated by the Congress and to abandon completely any plans to phase this program out.

In addition to extending the expired provisions of the Federal Water Pollution Control Act, S. 4073 will provide an increased authorization for the National Commission on Water Quality. This Commission was established by the Federal Water Pollution Control Act for the purpose of providing the Congress with a full and complete investigation and study of all the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving the effluent limitations and goals of the act. I am privileged to serve as a Commissioner for this study along with four other members of the Committee on Public Works, the gentleman from Alabama (Mr. JONES) who is a co-vice-chairman of the Commission, the gentleman from Texas (Mr. WRIGHT), the gentleman from Ohio (Mr. HARSHA), and the gentleman from New York (Mr. GROVER). A total of $15,000,000 was authorized for the study and the Commissions' work is well underway. However, an additional authorization of $2,000,000 is needed to cover increases in the scope of the study which were required to enable the Commission to meet the statutory requirements of the act. It should be emphasized that the additional funds are to be used only for the existing program commitments that are outlined in the Commission's "study plans" dated February 1974.

Mr. Speaker, a total of $322,000,000 would be authorized by S. 4073. The sum of $320,000,000 would be authorized for fiscal year 1975 for the four sections of the Federal Water Pollution Control Act which expired on June 30, 1974 and an additional $2,000,000 would be authorized for fiscal years 1975 and 1976 for the study being conducted by the National Commission on Water Quality.

Mr. Speaker I urge the immediate passage of S. 4073 so as to prevent delays in these extremely important programs authorized by the Federal Water Pollution Control Act.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of S. 4073, and I wish to associate myself with the remarks of my good friend, the gentleman from Texas (Mr. ROBERTS).

Mr. Speaker, this bill would authorize an appropriation for four provisions of the Federal Water Pollution Control Act for which authorizations expired at the end of fiscal year 1974. These include: Section 104, Research, Investigations, Training, and Information; section 105, Grants for Research and Development; section 106, Grants for Pollution Control Programs; and section 112, Definitions and Authorizations.

These authorizations were extended by a joint resolution of Congress, Public Law 93–324, for the period July 1, 1974, through September 30, 1974. The pending Agricultural, Environmental, and Consumer Protection Appropriation Act includes appropriations for these programs.

I would like to emphasize that S. 4073 includes $75 million for section 106, Grants for Pollution Control Programs. Section 106 is the provision of the Federal Water Pollution Control Act which authorizes grants to States and interstate agencies to assist them in their water pollution control program.

The necessary role of the States in the water pollution control program has been emphasized many times on this floor. Participation by the States is the keystone to a fully integrated water pollution control program. The States must participate and section 106 is intended to assist the States in this effort.

I note that the Office of Management and Budget has taken a very negative view toward such grants to the States. This in my opinion is a most unreasonable attitude and would be quite contrary to the clearly expressed intent of Congress.

The Administrator of the Environmental Protection Agency, Mr. Russell Train, addressed the question of State program grants on October 9. In a speech to the Water Pollution Control Federation he said the following:

> I am encouraged incidentally by the expanding capacity of the States to perform these program responsibilities. State manpower has increased from 3,400 employees 3 years ago to 4,900 for the present fiscal year. We realize that to achieve the goals of the Act there is a need to increase State resources still further and we at EPA will continue to support that objective through State and interstate program grants.
>
> While the significance of these Federal funds varies from State to State, they constitute, in my view, an absolutely vital and integral part of the Federal/State water quality structure. Particularly at a time when we are actively seeking an increasing role for the States in the implementation of the overall water quality program, it makes no sense to me to at the same time propose a lower level of Federal funding. I expect a continuation at least of current levels and will request an increase.

The Administrator of the Environmental Protection Agency obviously recognizes the need for and the value of the State program grants provided by section 106. They are absolutely essential.

Mr. Speaker, section 5 of S. 4073 would increase the authorization to the National Commission on Water Quality from $15 to $17 million. The National Commission on Water Quality was established pursuant to section 315 of the Federal Water Pollution Control Act. This Commission is made up of five members each from the Committee on Public Works in the House and the other body plus five members from the public appointed by the President.

This Commission has a most important task of evaluating the costs and impacts of meeting or not meeting the 1983 requirements in the Federal Water Pollution Control Act. This task is most important and the additional $2 million are required to make sure that all facets of this problem are thoroughly evaluated and that the Congress will have before it the necessary information to evaluate the need for further legislation.

Mr. Speaker, I urge the immediate passage of S. 4073 as amended.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the Senate bill S. 4073.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the Senate bill was passed.

A motion to reconsider was laid on the table.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Mr. BLATNIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17558) to amend the act of May 13, 1954, relating to the Saint Lawrence Seaway Development Corp. to provide for a 7-year term of office for the Administrator, and for other purposes, as amended.

The Clerk read as follows:

H.R. 17558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) of section 2 of the Act of May 13, 1954, referred to as the Saint Lawrence Seaway Act (33 U.S.C. 982), are amended to read as follows:

"MANAGEMENT OF CORPORATION

"SEC. 2. (a) The management of the corporation shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of seven years. Any Administrator appointed to fill a vacancy in that position prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.".

(b) Subsection (c) of section 2 of such Act of May 13, 1954, is relettered as subsection (b), including any references thereto.

SEC. 2. The amendments made to section 2 of the Act of May 13, 1954, by the first section of this Act shall (1) take effect upon the first appointment of an Administrator of the Saint Lawrence Seaway Development Corporation which is made after the date of enactment of this Act, and (2) be applicable to such first appointment and to each subsequent appointment to such position.

The SPEAKER pro tempore. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota (Mr. BLATNIK) will be recognized for 20 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Speaker, H.R. 17558 provides for a fixed 7-year term of office for the Administrator of the St. Lawrence Seaway Development Corporation. The bill also eliminates the position of Deputy Administrator.

The St. Lawrence Seaway Development Corporation was created by Congress in 1954 as a Government corporation to construct, operate, maintain, and develop the U.S. portion of the St. Lawrence Seaway. A Government corporation was considered desirable because the costs of construction of the seaway were to be repaid from tolls levied on its traffic. The Corporation conducts the seaway's business in conjunction with a similar Canadian entity and is charged with doing so in a manner that will eventually return the original investment to the Treasury while meeting all current financial obligations. It is, therefore, important that the affairs of the Corporation be run in a businesslike manner and that the highest degree of management continuity be maintained. The Corporation's leadership must be able to devise and implement long-range programs and must be in the hands of a professional administrator conversant with the seaway and its industry. The Canadian Government, in recognizing this fact, appoints the president of its seaway authority to a term of 10 years.

H.R. 17558, in establishing a 7-year term for the Administrator of the American St. Lawrence Seaway Development Corporation, will provide the continuity which the Corporation needs. I would point out that this new fixed 7-year term will take effect upon the first appointment of an Administrator which is made after the date of enactment of this bill.

The bill also eliminates the position of Deputy Administrator of the Corporation. This position has not been filled since 1961. Because of the longstanding vacancy and of the provision of a fixed term for the Administrator who has statutory authority to hire such officers and employees as he feels are necessary, it is considered that the position of Deputy Administrator should be eliminated.

Mr. Speaker, I urge passage of the bill H.R. 17558.

Mr. DON H. CLAUSEN. Mr. Speaker, I associate myself with the remarks of our chairman, the gentleman from Minnesota (Mr. BLATNIK).

Mr. Speaker, I rise in support of H.R. 17558. This bill which would provide for a 7-year term of office for the Administrator of the St. Lawrence Seaway Development Corporation recognizes that the establishment of a fixed term of office for its chief executive would be consistent with the arrangement respecting the chief executives of other government organizations which conduct business-type functions. Further, this bill recognizes the need for continuity in order to assure the long-range implementation of business decisions. The Canadian Government in recognizing this fact appoints the Administrator's Canadian counterpart, the president of the St. Lawrence Seaway Authority, to a term of 10 years.

I commend the chairman of the Committee on Public Works, my good friend, JOHN BLATNIK of Minnesota, for bringing this bill to our committee and I urge its passage.

Mr. JONES of Alabama. Mr. Speaker, I rise in support of the bill H.R. 17558 providing for a fixed 7-year term of office for the Administrator of the Saint Lawrence Seaway Development Corporation.

The Saint Lawrence Seaway Development Corporation is the Government corporation charged with conducting the Seaway's business in conjunction with the appropriate Canadian entity. The Seaway has opened the Great Lakes to deepwater navigation and has made possible the development of a sizable international maritime industry on the Great Lakes. Millions of dollars in local, State, and Federal funds have been invested in dock and harbor facilities throughout the region, and many jobs are directly involved in this industry. The operation of the Seaway Corporation is of prime importance, not only to the Corporation in terms of income, but also to the ports and shipping industry throughout the Great Lakes.

For these reasons it is extremely important that a high degree of managerial continuity be maintained in the Seaway Corporation. The Canadian Government recognizes this and appoints the head of its Seaway Authority to a term of 10 years. The bill H.R. 17558 recognizes this need for continuity in establishing a 7-year term for the Administrator.

Mr. Speaker, this bill will enhance the efficient operation of the Seaway Corporation and I urge its passage.

GENERAL LEAVE

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. BLATNIK) that the House suspend the rules and pass the bill H.R. 17558, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 10701, THE DEEP WATER PORTS ACT OF 1974

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file the conference report on H.R. 10701, the Deep Water Ports Act of 1974.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AUTHORIZING PRESIDENT TO DESIGNATE JANUARY 1975 AS "MARCH OF DIMES BIRTH DEFECTS PREVENTION MONTH"

Mr. WALDIE. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 224) to authorize and request the President to issue a proclamation designating January 1975, as "March of Dimes Birth Defects Prevention Month."

The Clerk read as follows:

S.J. Res. 224

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation—

(1) designating January, 1975, as "March of Dimes Birth Defects Prevention Month";

(2) inviting the Governors of the States and territories of the United States to issue proclamations for like purposes; and

(3) urging the people of the United States to consider fully the nationwide problem of birth defects and their effect on future generations, and to support all essential programs to prevent their occurrence.

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. WALDIE) is recognized for 20 minutes, and the gentleman from California (Mr. WIGGINS) is recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Speaker, the Committee on the Judiciary, by unanimous voice vote, with no dissenting vote, reported favorably Senate Joint Resolution 224.

This bill establishes January 1975, as "March of Dimes Birth Defects Prevention Month." For years, the March of Dimes concentrated on educating the public to the fight against polio. With its victory over this disease, the National Foundation of the March of Dimes began to focus its full resources on the campaign against birth defects.

Every year more than 560,000 infant lives are destroyed by birth defects. Others are left crippled, mentally retarded, blind, deaf or with other handicapping defects. This is a great loss to our country. The work of the March of Dimes helps to make great advances in the area of birth defects. Therefore, Mr. Speaker, I urge my colleagues to support Senate Joint Resolution 224.

Mr. WIGGINS. Mr. Speaker, the bill now under consideration designates January 1975, as the "March of Dimes Birth Defects Prevention Month."

The resolution involves the spending of no Federal funds whatsoever. The resolution is without opposition, and I urge its adoption, Mr. Speaker.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WALDIE) that the House suspend the rules and pass the Senate Joint Resolution (S.J. Res. 224).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

AMENDING ACT INCORPORATING AMERICAN LEGION TO REDEFINE ELIGIBILITY FOR MEMBERSHIP

Mr. WALDIE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 4013) to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

The Clerk read as follows:

S. 4013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act to incorporate the American Legion", approved September 16, 1919 (41 Stat. 285; 36 U.S.C. 45), is hereby amended to read as follows:

"Sec. 5 No person shall be a member of this corporation unless he has served in the naval or military services of the United States at some time during any of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941, to December 31, 1946; June 25, 1950, to January 31, 1955; August 5, 1964, to August 15, 1973; all dates inclusive, or who, being a citizen of the United States at the time of entry therein, served in the military or naval service of any of the governments associated with the United States during said wars or hostilities; *Provided, however,* That such person shall have an honorable discharge or separation from such service or continues to serve honorably after any of the aforesaid terminal dates.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. WALDIE) will be recognized for 20 minutes, and the gentleman from California (Mr. WIGGINS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on the Judiciary, by unanimous voice vote, with no dissenting vote, reported favorably S. 4013.

The purpose of the proposed legislation is to amend the act incorporating the American Legion so as to redefine eligibility for membership in that organization. Since combat activity by U.S. forces has ceased in Southeast Asia, the American Legion now wants to establish a cut-off date for membership eligibility for the Vietnam-era veterans. In addition, the Legion would like to take this opportunity to conform the periods of eligibility for veterans of World War II and Korea to those established by the Veterans' Administration. These dates would now be: World War II, December 7, 1941 to December 31, 1946, instead of December 7, 1941 to September 2, 1945; and for the Korean war, June 25, 1950 to January 31, 1955, instead of June 25, 1950 to July 27, 1953.

It is a minor change to the Legion's charter but will have an immense effect on the thousands of veterans and their families who want to join the American Legion but are not now eligible.

Therefore, Mr. Speaker, I urge my colleagues to support S. 4013.

Mr. WIGGINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill now under consideration amends the charter of the American Legion. The American Legion is a federally chartered corporation. Membership in the American Legion is determined by the provisions of that charter. The charter in its present form provides that membership in the American Legion is limited to those persons who serve in time of war or during periods of armed conflict.

The proposal now under consideration has been accepted by the American Legion and defines those periods; specifically, it defines the period of armed conflict for the Vietnam war.

Mr. Speaker, I regard amendments to Federal charters to be essentially the internal business of the corporation involved unless one of the proposed amendments offends some Federal policy. This amendment does not, Mr. Speaker, and, accordingly, I urge the adoption of the proposal.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WALDIE) that the House suspend the rules and pass the Senate bill S. 4013.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

ESTABLISHING PROCEDURES AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES PROVIDED BY U.S. SECRET SERVICE

Mr. DONOHUE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 17311) to establish procedures and regulations for certain protective services provided by the U.S. Secret Service, as amended.

The Clerk read as follows:

H.R. 17311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Protection Assistance Act of 1974".

SEC. 2. In performance of the protective duties of the United States Secret Service pursuant to section 3056 of title 18 of the United States Code (pertaining to the protection of the President of the United States and other persons) and the first section of the Act entitled "An Act to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170), Federal departments and agencies shall assist the *United States Secret* Service by—

(1) providing, with reimbursement, personnel, equipment, or facilities on a temporary basis;

(2) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and upon reimbursement by the United States Secret Service of actual costs, such facilities, equipment, and services as are required by the United States Secret Service to provide full-time security for each protectee at no more than one property at a time not in Government ownership or control, such property having been designated by a President, President-elect, former President, or any other person entitled to protection under the above provisions of law, as the one property to be secured under this paragraph. Where more than one family member is eligible for Secret Service protection, there shall be only one such designated property allowed per family. However, such limitation shall not be construed to apply to members of the immediate family who do not permanently reside with the President. Upon termination of entitlement to Secret Service protection or if such President, President-elect, former President, or other person subsequently designates a different property to be so secured, such person shall compensate the Government for all expenditures made under this section with regard to the previously designated property to the extent such expenditures, if not otherwise recoverable by the Government, have increased the fair market value of the property as of the date of transfer or termination; and

(3) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and upon reimbursement by the Secret Service of actual costs, such facilities, equipment, and services, as are required by the United States Secret Service to secure any other property not in Government ownership or control to the extent that such expenditures do not cumulatively exceed $10,000 at any one property owned, leased, occupied, or otherwise utilized by persons entitled to protection under such sections of title 18 and such Act unless approved by resolutions adopted by the Committees on Appropriations of the House and Senate, respectively.

SEC. 3. Expenditures by the United States Secret Service for maintaining a permanent guard detail and for permanent installations, facilities, and equipment to secure non-Government property owned, leased, occupied, or otherwise utilized by persons entitled to protection under the above provisions of law shall be limited to properties described in section 2(2) of this Act.

SEC. 4. All purchases and contracts entered into pursuant to section 2(2) and 2(3) of this Act shall be made in accordance with the provisions of the Federal Property and Administrative Services Act of 1949.

SEC. 5. No payments shall be made pursuant to this Act for services, equipment, or facilities ordered, purchased, leased, or otherwise procured by persons other than officers or employees of the Federal Government duly authorized by the Director of the United States Secret Service to make such procurements.

SEC. 6. Except as otherwise provided in section 2(2) of this Act, all improvements and other items acquired pursuant to this Act shall remain the property of the Federal Government and shall be removed at the termination of the protective responsibility of the United States Secret Service unless it is economically unfeasible, as determined by the United States Secret Service, to do so, except that, such improvements or other items shall be removed and the property restored to its original state, regardless of the determination of economic unfeasibility, if the owner of such property at the time of determination requests removal.

SEC. 7. Expenditures under this Act, except those made pursuant to section 2(1), shall be from funds specifically appropriated to the United States Secret Service for carrying out the provisions of this Act. Public funds not so appropriated shall not be used for the purpose of securing any non-governmentally owned property owned, leased, occupied, or otherwise utilized by persons entitled to protection under section 3056 of title 18 of the United States Code and the first section of the Act entitled "An Act to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170).

SEC. 8. Every department and agency, including the Executive Office of the President, making expenditures pursuant to this Act shall transmit a detailed report of such expenditures to the Committees on Appropriations and Committees on Government Operations of the House of Representatives and Senate on April 30 and September 30 of each year.

SEC. 9. Expenditures made pursuant to this Act shall be subject to audit by the Comptroller General and his authorized representatives, who shall have access to all records relating to such expenditures. The Comptroller General shall transmit a report of the results of any such audit to the Committees on Appropriations and Committees on Government Operations of the House of Representatives and the Senate.

SEC. 10. Section 2 of the Act entitled "An Act to authorize the United States Secret Service to furnish protection to major presidential and vice presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170), is repealed.

The SPEAKER pro tempore. Is a second demanded?

Mr. BUTLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. DONOHUE) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. BUTLER) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Massachusetts (Mr. DONOHUE).

Mr. DONOHUE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the provisions of the bill (H.R. 17311) provide limitations and set requirements for the implementation of the responsibility of the Secret Service under section 3056 of title 18, United States Code, concerning protection of the President and other persons, and under section 1 of Publci Law 90–331 concerning protection of major Presidential or Vice-Presidential candidates.

The bill provides that Federal departments and agencies are to assist the Secret Service in its protective functions under the above provisions by providing personnel, equipment or facilities subject to reimbursement by the Secret Service. Upon written request by the Director of the Secret Service and subject to reimbursement, such departments and agencies are to provide facilities, equipment and services of a permanent nature at a single property not in Government ownership as designated by an individual entitled to such protection. Protective facilities at an additionally designated property would be permitted but limited to $10,000 unless approved by the Committees on Appropriations.

Additional provisions of the bill require adherence to the Federal Property and Administrative Services Act and require that payments for services, equipment or facilities would only be authorized for procurements by Federal employees authorized in writing by the Director of the Secret Service.

The bill specifies that all improvements are to remain Government property and the owner would be required to pay for any improvements upon termination of protection if they increased the value of the property. However, the bill gives the owner the option of having them removed and the property restored.

The bill provides for effective oversight by providing for periodic reports to the Congress and for audits and rights of access by the General Accounting Office with the requirement that reports of any such audits be made to the Committee on Government Operations.

Mr. BUTLER. Mr. Speaker, I support the passage of this important remedial legislation, which aims at establishing some rational, legal limits on the expenditures that can be made in connection with the protective responsibilities carried out by the U.S. Secret Service.

H.R. 17311 is the collective product of the Committee on the Judiciary and the Committee on Government Operations. This measure also incorporates a number of the recommendations contained in a report to the Congress made by the General Accounting Office on expenditures at San Clemente and Key Biscayne. In October 1973, the Government Activities Subcommittee of the Committee on Government Operations conducted hearings on the subject of Federal funds expended in support of privately owned Presidential properties. That subcommittee reported that over $17 million had been spent on private properties owned or frequented by President Nixon. They concluded that many of the things done in the name of security were unnecessary and even unrelated to that purpose. As a result of their inquiry, that subcommittee's able chairman, JACK BROOKS, introduced the predecessor of the legislation we consider today—H.R. 11499.

Then, earlier this year, when the Committee on the Judiciary was charged with conducting the impeachment inquiry, the abuses possible under the open-ended statutory mandate given the Secret Service in title 18 and under Public Law 90–331 became abundantly clear. The unnecessary, often ostentatious improvements made to the Nixon-owned properties precipitated a national controversy and became a symbol of the abuse of power.

These combined revelations led to a recognition on the part of many of us that limiting criteria were needed in the statute to discourage further abuses. Consequently, the Subcommittee on Claims and Governmental Relations conducted hearings on this proposed legislation in August and September. We heard witnesses from the Secret Service, the General Accounting Office, and the General Services Administration.

Under the bill as reported, permanent security for each person entitled to protection would be limited to one non-Government property. This means, for example, that the President would be able to designate one residence owned or leased by himself to be fully secured. That location, in addition to the White House and Camp David, would be used as his working retreat or a place to relax. Expenditures for permanent security installations at a second privately owned property would be limited to $10,000. Once protective services are no longer authorized, the permanent improvements would be removed unless it was determined to be economically unfeasible. However, in any event, they must be removed if the owner requests removal. Importantly, this legislation would also set up a system by which the Secret Service would be required to reimburse other Federal agencies for any protective assistance they provide. Significantly, for the first time, this will result in the Secret Service budget reflecting the actual cost of protecting the President, his family, the Vice President, former Presidents, and others now entitled to protection under the law.

Other sections of the bill worth noting are a provision requiring that security-related procurements must be made by U.S. Government personnel acting on written requests from the Secret Service and a provision requiring that all agencies making expenditures pursuant to this act to submit semiannual reports to the Appropriations and Government Operations Committees in both the House and Senate. The GAO would have access to these reports and the expenditures would be subject to audits by the Comptroller General.

While I fully support the enactment of this legislation, it does not go as far as I would have preferred. During our subcommittee's deliberations it was learned that it costs the American taxpayer a substantial amount of money to protect the widows of former Presidents. Many of us on the subcommittee felt that a reasonable time limit on protection for these individuals might be advisable. The rationale being that once out of the public limelight for an extended period of time, then the threat to these ladies is greatly reduced. Further, the amendment added in subcommittee would only have had prospective effect and would not have affected the protective services afforded Presidential widows now being protected. However, the full committee saw fit to reject the time limit approach.

Still, the basic thrust of this legislation is still agreeable to me and its underlying philosophy is one which I fully espouse. The keynotes of this bill are fiscal control and accountability, along with full public disclosure. While the American people have a right to feel secure that their President is safe, they do not want security used as a veil for luxury.

I urge the House to approve this important legislation which can be viewed as an adjunct to the actions taken earlier in this Congress by the Judiciary Committee and the House of Representatives. The bill does not restrict the movement of the President. It does not in any way restrict the Secret Service in carrying out its legitimate responsibilities. It symbolizes the limits of power in a democracy and intolerance for the abuse of power.

Mr. Speaker, I have no requests for time.

Mr. DONOHUE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, an investigation last year by the Government Activities Subcommittee of the Government Operations Committee, of which I am chairman, revealed that more than $17 million in Federal funds has been spent on and in support of private properties owned and utilized by former President Nixon at San Clemente, Key Biscayne, and Grand Cay.

The subcommittee discovered that the American taxpayers have paid $66,000 for a fence and $2,000 for a shuffleboard; we paid for heating systems in private homes; we paid for property surveys used in purchasing property; we paid for $5,000 worth of lanterns and $40,000 a year for landscape maintenance—all allegedly to provide security for the President.

The Government Operations Committee, by a vote of 36 to 0, reported that managerial responsibility in the Secret Service and the GSA was virtually nonexistent with regard to these expenditures and that there were many abuses which should be corrected. That committee recommended a number of legislative changes. The Judiciary Committee, which has legislative jurisdiction over the Secret Service, has unanimously reported this bill which reflects those recommendations of the Government Operations Committee. Basically, the bill provides that:

The Secret Service can provide permanent security for each person or family under its protection at only one non-Government-owned location at a time.

Procurements would have to be made by Government personnel acting on written requests and with reimbursement from the Secret Service.

There would be no limit on other Government agencies providing temporary assistance to the Secret Service.

Permanent improvements would have to be removed if economically feasible or if requested by the owner; if the owner does not request the removal and they are not removed, the private owner would have to reimburse the Government in an amount equal to the increase in the fair market value of his property.

Mr. Speaker, the need for this legislation at this time is quite clear.

We are presently faced with the need to provide protection for another Vice President. Now is the time to clarify to what extent Federal Government expenditures will be permitted on the private properties of Presidents and Vice Presidents. The American taxpayer should not again be subjected to the kind of abuses we have exposed.

This bill will not interfere with the activities of the Secret Service but will give them and other Government agencies some guidelines within which to work. Passage of this legislation will be in the best interest of all Presidents, Vice Presidents, the Secret Service, and the American people. I urge its enactment at this time.

Mr. DONOHUE. Mr. Speaker, the bill H.R. 17311 provides for the specific statutory basis and definition of the circumstances under which protection may be furnished to the President and other persons entitled to protection under title 18, United States Code, section 3056, and under the first section of Public Law 90–331 providing for the protection of major presidential or vice presidential candidates. The bill provides specific limitations with respect to security expenditures on property which is not owned by the Government. It would also require a change in the manner in which protective work on private property by the Federal departments and agencies is funded. The provisions of the bill are intended to provide the basis for control and accountability, as well as public disclosure, of Federal funds spent at private residences for persons entitled to protection under those statutory provisions which include the President, the Vice President, former Presidents, and others.

The need for this sort of statutory definition was demonstrated in the course of the hearings in 1973 before the Government Activities Subcommittee of the House Committee on Government Operations concerning the expenditure of Federal funds in support of Presidential properties.

In addition, the Comptroller General of the United States on December 18, 1973, submitted a report to the Congress entitled "Protection of the President at Key Biscayne and San Clemente—With Information on Protection of Past Presidents." The committee has had the advantage of studying these reports and hearings in the course of its consideration of the bill H.R. 11499 and the revised bill H.R. 1731, and they have proven to be of great assistance to the committee.

The General Accounting Office advised the committee that in the course of its investigation it reviewed the matters with reference to protection in terms of budgeting, accounting, and auditing with a view to identifying what had been done or still needed to be done to provide for responsible supervision and control over these areas, and to also provide for oversight by Congress along with understanding by the public. The recommendations of the General Accounting Office form the basis for this bill, and those provisions are intended to provide for better controls over expenditures for protection.

At the hearing on August 21, 1974, before this committee's Subcommittee on Claims and Governmental Relations, the General Accounting Office witness outlined the Comptroller General's recommendations—

First. The General Accounting Office recommended that appropriations for expenditures at private residences for protective purposes should be made to the Secret Service and no other funds should be available for that purpose. The bill, H.R. 17311, addresses this problem by providing that expenditures for securing any nongovernmentally owned property shall only be from funds specifically appropriated to the Secret Service—section 7—except that temporary assistance may be given by Federal departments and agencies, and this principle is further implemented because such assistance is with reimbursement—section 2(1).

Second. The General Accounting Office recommended that the accounting system of the Secret Service should require that expenditures at private residences for protective purposes be authorized by the Director or Deputy Director of the Service. H.R. 17311 provides that advance written request of the Director or his authorized representative is required to obtain assistance in making secure property not in Government ownership—section 2 (2)(3).

Third. The General Accounting Office recommended that the Secret Service should make an annual public report to the Congress showing in as much detail as security will allow expenditures made on private residences for protective purposes. H.R. 17311, in section 8, provides that every department and agency, including the Executive Office of the President, making expenditures under its provisions shall transmit a detailed report of such expenditures to the Committees on Appropriations and Committees on Government Operations on April 30 and September 30 of each year.

Fourth. The General Accounting Office recommended that the report made by the Secret Service should be subject to audit by GAO and GAO should be given complete access to all records, files, and documents supporting expenditures made by the Service. H.R. 17311 provides for this in section 9 of the bill.

Fifth. The General Accounting Office recommends that appropriations for expenditures at private residence of the President, not of a protective nature, should be made to the White House. The White House should account for any such expenditures and make an annual report to the Congress, subject to audit by GAO in the same manner suggested for expenditures by the Secret Service for protective purposes. This is a matter outside the scope of H.R. 17311 which is intended to deal with the subject of protection. At the hearing, the GAO witness recognized this and stated that his agency felt that consideration should be given to this recommendation by the appropriate committees.

In addition, the General Accounting Office suggested that Congress might wish to consider limiting the number of private residences at which permanent protective facilities will be provided for a President and that consideration should be given to the desirability of a Government-owned residence in Washington for the Vice President. Public Law 93–346, enacted July 12, 1974, implemented the latter suggestion when it designated the premises occupied by the Chief of Naval Operations as the official residence of the Vice President. Section 2(2) of H.R. 17311 deals with the limit on the number of residences at which permanent facilities will be provided for a President, and others entitled to protection. In essence it provides a President with full-time protection at no more than one property at a time.

At the hearing, the General Accounting Office witness pointed out that the earlier bill, H.R. 11499 in section 2(2) allowed any person designated under title 18, United States Code, section 3056, or under the act of June 6, 1968, to designate one non-Government property to be secured by the Secret Service. It was observed that since the President and his immediate family are all entitled to protection under title 18, United States Code, section 3056, a President and his wife could, under the bill, each designate a separate property not in Government ownership or control to be protected at public expense. This is covered in H.R. 17311 by providing that in such a case there shall be only one such designated property per family. Where members of the immediate family do not permanently reside with the President, this limitation would not apply.

In the revised bill H.R. 17311, another suggestion of the General Accounting Office has been included. At the hearing, it was pointed out that section 6 of H.R. 11499 provides for removal of security facilities upon termination of protective responsibility unless removal is "economically unfeasible." It was suggested that because some security facilities can detract from the value of the property in the eyes of the owner, it would seem reasonable to make provision for removal at his request whether such removal is economically feasible or not. H.R. 17311 includes this language in section 6.

The committee agreed that an owner should have the option of having improvements or other items removed and the property restored. Since the bill in section 2(2) would require an owner to reimburse the Government for any increase in the value of property derived from protective additions or items placed on that property, it would be inequitable to force this payment upon an owner who did not desire that the improvement or item remain on the property. Accordingly the provision for removal and restoration must be read as an alternative to the requirement for reimbursement.

The revised bill also incorporates an additional change as finally approved by the full committee, and that requires that temporary assistance provided the Secret Service by other Federal agencies under numbered paragraph (1) of section 2 of the bill will be on a reimbursable basis, whereas, the bill, H.R. 11499, would have required such assistance without reimbursement. The committee concluded that the requirement of reimbursement was consistent with the basic aim of the bill.

This bill provides limitations and sets requirements for the implementation of the protective responsibilities of the Secret Service, and to provide for control and responsibility in carrying out those functions. It is not possible to predict what impact or change these provisions will have in terms of cost to the Government, but it is possible to state that the aim is to adequately control and account for such costs.

The committee has concluded that the facts presented to the committee in connection with this legislation provide the basis for the approval of the amended bill. It is recommended that the amended bill be considered favorably.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. DONOHUE) that the House suspend the rules and pass the bill H.R. 17311, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H. Res. 1509, S. 1283, H.R. 17504, H.R. 17382, S. 1901, and S. 3934.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

MAKING CONFERENCE REPORTS AND REPORTS FROM COMMITTEE ON RULES IN ORDER ON SAME DAY REPORTED OR ANY DAY THEREAFTER

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the resolution (H. Res. 1509).

The Clerk read the title of the resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'Neill) that the House suspend the rules and agree to the resolution, H. Res. 1509, on which the yeas and nays are ordered.

The question was taken, and there were—yeas 252, nays 135, not voting 47, as follows:

[Roll No. 690]

YEAS—252

Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Arends
Aspin
Badillo
Barrett
Bennett
Bergland
Bevill
Biaggi
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Fraser
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gray
Green, Oreg.
Green, Pa.
Gubser
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Holtzman
Horton
Hosmer
Hungate
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Landrum
Leggett
Lehman
Long, La.
Long, Md.
Lujan
McCloskey
McCormack
McEwen
McFall
McKay
Madden
Mahon
Mann
Martin, Nebr.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Quie
Randall
Rangel
Rees
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sarbanes
Schneebeli
Schroeder
Seiberling
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Whalen
White
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NAYS—135

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Biester
Blackburn
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Butler
Camp
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Cronin
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dorn
Duncan
Esch
Findley
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Goldwater
Gonzalez
Goodling
Gross
Grover
Gude
Guyer
Harsha
Heinz
Hillis
Hinshaw
Holt
Huber
Hunt
Hutchinson
Johnson, Colo.
Johnson, Pa.
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lent
Lott
McClory
McCollister
McDade
McKinney
Madigan
Mallary
Martin, N.C.
Mayne
Michel
Miller
Mitchell, N.Y.
Moorhead, Calif.
Myers
Pettis
Powell, Ohio
Price, Tex.
Pritchard
Quillen
Railsback
Rarick
Regula
Robinson, Va.
Rousselot
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Sebelius
Shoup
Shuster
Skubitz
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Towell, Nev.
Treen
Veysey
Walsh
Wampler
Ware
Whitehurst
Wiggins
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, S.C.
Zion
Zwach

NOT VOTING—47

Adams
Andrews, N.C.
Ashley
Bell
Brasco
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Chamberlain
Clark
Eshleman
Grasso
Griffiths
Hanna
Hanrahan
Hansen, Wash.
Hastings
Hébert
Hogan
Howard
Hudnut
Jones, N.C.
Kuykendall
Litton
Luken
McSpadden
Macdonald
Maraziti
Mathias, Calif.
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
Nelsen
O'Hara
Parris
Podell
Reid
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Steele
Stephens
Vander Jagt
Wyman
Young, Fla.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Pursuant to the provisions of 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the conference report on the Senate bill S. 1283.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. Udall) that the House suspend the rules and agree to the conference report on the Senate bill S. 1283, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 378, nays 5, not voting 51, as follows:

[Roll No. 691]

YEAS—378

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
O'Brien
O'Neill
Owens
Passman
Patman
Patten

Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—5

Baker
Collins, Tex.
Crane
Landgrebe
Symms

NOT VOTING—51

Adams
Bell
Brasco
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Chamberlain
Clark
Collier
Conyers
Donohue
Eshleman
Grasso
Griffiths
Hanna
Hanrahan
Hansen, Wash.
Hastings
Hébert
Hogan
Howard
Hudnut
Jones, N.C.
Kuykendall
Litton
Luken
McSpadden
Macdonald
Maraziti
Mathias, Calif.
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
Nelsen
Obey
O'Hara
Parris
Podell
Reid
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Steele
Stephens
Ullman
Vander Jagt
Wydler
Wyman
Young, Fla.

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Clark.

Mr. Rooney of New York with Mr. Donohue.

Mr. Shipley with Mrs. Grasso.

Mr. John L. Burton with Mrs. Griffiths.

Mr. Adams with Mr. Bell.

Mr. Howard with Mr. Hanna.

Mr. Jones of North Carolina with Mr. Brotzman.

Mr. Macdonald with Mr. Luken.

Mr. Murphy of New York with Mr. Hanrahan.

Mr. O'Hara with Mr. Broyhill of Virginia.

Mr. Obey with Mr. Collier.

Mr. Stephens with Mr. Chamberlain.

Mr. Conyers with Mrs. Hansen of Washington.

Mr. Litton with Mr. Hogan.

Mr. Carey of New York with Mr. Hudnut.

Mr. Hastings with Mr. Maraziti.

Mr. Eshleman with Mr. McSpadden.

Mr. Young of Florida with Mr. Mathias of California.

Mr. Wydler with Mr. Mills.

Mr. Vander Jagt with Mr. Minshall of Ohio.

Mr. Ullman with Mr. Mizell.

Mr. Steele with Mr. Nelsen.

Mr. Roncallo of New York with Mr. Reid.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMERICAN FILM INSTITUTE ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 17504), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and pass the bill (H.R. 17504), as amended on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 123, nays 264, not voting 47, as follows:

[Roll No. 692]

YEAS—123

Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Arends
Aspin
Badillo
Bergland
Bingham
Blatnik
Boggs
Bolling
Brademas
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, Phillip
Carney, Ohio
Cederberg
Cleveland
Collins, Ill.
Corman
Coughlin
Cronin
Culver
Danielson
Davis, Ga.
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Esch
Fascell
Foley
Ford
Fraser
Frelinghuysen
Fulton
Giaimo
Gonzalez
Gray
Hansen, Idaho
Harrington
Hawkins
Heinz
Helstoski
Hicks
Holifield
Horton
Johnson, Calif.
Jones, Okla.
Jordan
Kastenmeier
Kluczynski
Leggett
Lehman
Long, La.
McClory
McCormack
McDade
McFall
Madden
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Moorhead, Pa.
Morgan
Moss
Nedzi
Obey
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Preyer
Price, Ill.
Quie
Rangel
Rees
Reuss
Rhodes
Riegle
Rodino
Roe
Roncalio, Wyo.
Rosenthal
Roybal
Ryan
Sarasin
Sisk
Smith, Iowa
Staggers
Stanton, James V.
Stark
Steed
Studds
Symington
Thompson, N.J.
Thornton
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waldie
Whalen
White
Wright
Young, Ga.
Zablocki

NAYS—264

Abdnor
Abzug
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bevill
Biaggi
Biester
Blackburn
Boland
Bowen
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Derwinski
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Erlenborn
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Henderson
Hillis
Hinshaw
Holt
Holtzman
Hosmer
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Karth
Kazen
Ketchum
King
Koch
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Lott
Lujan
McCloskey
McCollister
McEwen
McKay
McKinney
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Michel
Milford
Miller
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nichols
Nix
O'Brien
Passman
Pettis
Pickle
Pike
Poage
Powell, Ohio
Price, Tex.
Pritchard
Quillen
Railsback
Randall
Rarick
Regula
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Traxler
Treen
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOT VOTING—47

Adams
Bell
Brasco
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Chamberlain
Clark
Eshleman
Grasso
Griffiths
Hanna
Hanrahan
Hansen, Wash.
Hastings
Hébert
Hogan
Howard
Hudnut
Jones, Ala.
Jones, N.C.
Kemp
Kuykendall
Litton
Long, Md.
Luken
McSpadden
Macdonald
Maraziti
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
Nelsen
O'Hara
Parris
Podell
Reid
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Steele
Stephens
Vander Jagt
Wyman
Young, Fla.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Grasso.

Mr. Howard with Mrs. Griffiths.

Mr. Murphy of New York with Mr. Clark.

Mr. O'Hara with Mr. Rooney of New York.

Mr. Adams with Mr. Carey of New York.

Mr. John L. Burton with Mr. McSpadden.

Mr. Jones of North Carolina with Mr. Reid.

Mr. Macdonald with Mr. Brotzman.

Mr. Shipley with Mr. Chamberlain.

Mr. Litton with Mr. Broyhill of Virginia.

Mr. Mills with Mr. Hanna.

Mr. Eshleman with Mr. Hanrahan.

Mr. Hastings with Mrs. Hansen of Washington.

Mr. Hudnut with Mr. Hogan.

Mr. Steele with Mr. Kuykendall.

Mr. Mizell with Mr. Luken.

Mr. Vander Jagt with Mr. Maraziti.

Mr. Young of Florida with Mr. Minshall of Ohio.

Mr. Bell with Mr. Nelsen.

Mr. Jones of Alabama with Mr. Parris.

Mr. Kemp with Mr. Long of Maryland.

Mr. Stephens with Mr. Roncallo of New York.

The result of the vote was announced as above recorded.

ESTABLISHMENT OF AN AMERICAN FOLKLIFE CENTER IN THE LIBRARY OF CONGRESS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 17382.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill, H.R. 17382, on which the yeas and nays are ordered.

The question was taken, and there were—yeas 249, nays 134, not voting 51, as follows:

[Roll No. 693]

YEAS—249

Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Aspin
Badillo
Baker
Barrett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, Phillip
Butler
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dent
Derwinski
Dickinson
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Foley
Ford
Fountain
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Ginn
Gonzalez
Gray
Green, Pa.
Gubser
Gude
Guyer
Hammerschmidt
Hanley
Hansen, Idaho
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holifield
Holtzman
Horton
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kyros
Latta
Leggett
Lehman
Long, La.
Lott
McClory
McCormack
McDade
McFall
Madden
Madigan
Mahon
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Rees
Reuss
Rhodes
Riegle
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Sebelius
Seiberling
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Van Deerlin
Vander Veen
Vanik
Waldie
Walsh
Wampler
Whalen
White
Whitten
Widnall
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zwach

NAYS—134

Abdnor
Archer
Armstrong
Ashley
Bafalis
Bauman
Beard
Bennett
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Chappell
Clancy
Clawson, Del
Collins, Tex.
Conable
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dennis
Devine
Downing
Duncan
du Pont
Erlenborn
Findley
Flynt
Forsythe
Frey
Froehlich
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gunter
Haley
Hamilton
Henderson
Hillis
Hinshaw
Holt
Hosmer
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Ketchum
King
Lagomarsino
Landgrebe
Landrum
Lent
Long, Md.
Lujan
McCloskey
McCollister
McEwen
McKay
McKinney
Mallary
Martin, Nebr.
Martin, N.C.
Mazzoli
Michel
Minish
Montgomery
Moorhead, Calif.
Nichols
O'Brien
Pettis
Pike
Powell, Ohio
Pritchard
Quillen
Randall
Rangel
Rarick
Regula
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Shoup
Shuster
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Stuckey
Sullivan
Symms
Taylor, Mo.
Teague
Towell, Nev.
Treen
Veysey
Vigorito
Waggonner
Ware
Whitehurst
Wiggins
Williams
Wyatt
Wydler
Wylie
Young, Ill.
Young, S.C.
Zion

NOT VOTING—51

Adams
Arends
Bell
Blatnik
Brademas
Brasco
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Chamberlain
Clark
Conlan
Eshleman
Gibbons
Grasso
Griffiths
Hanna
Hanrahan
Hansen, Wash.
Hastings
Hébert
Hogan
Howard
Hudnut
Jones, N.C.
Kuykendall
Litton
Luken
McSpadden
Macdonald
Maraziti
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
Nelsen
O'Hara
Parris
Passman
Podell
Reid
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Steele
Ullman
Vander Jagt
Wilson, Bob
Wyman
Young, Fla.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Grasso.

Mr. Howard with Mrs. Griffiths.

Mr. Murphy of New York with Mr. Clark.

Mr. O'Hara with Mr. Rooney of New York.

Mr. Adams with Mr. Carey of New York.

Mr. John L. Burton with Mr. McSpadden.

Mr. Jones of North Carolina with Mr. Reid.

Mr. Macdonald with Mr. Brotzman.

Mr. Shipley with Mr. Chamberlain.

Mr. Fulton with Mr. Broyhill of Virginia.

Mr. Mills with Mr. Hanna.

Mr. Eshleman with Mr. Hanrahan.

Mr. Hastings with Mrs. Hansen of Washington.

Mr. Hudnut with Mr. Hogan.

Mr. Steele with Mr. Kuykendall.

Mr. Mizell with Mr. Luken.

Mr. Vander Jagt with Mr. Maraziti.

Mr. Young of Florida with Mr. Minshall of Ohio.

Mr. Arends with Mr. Nelsen.

Mr. Blatnik with Mr. Parris.

Mr. Brademas with Mr. Bell.

Mr. Conlan with Mr. Roncallo of New York.

Mr. Gibbons with Mr. Ullman.

Mr. Passman with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

CONSTRUCTION OF MINT BUILDINGS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate bill (S. 1901).

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. GRAY) that the House suspend the rules and pass the Senate bill, S. 1901 on which the yeas and nays are ordered.

The question was taken, and there were—yeas 241, nays 143, not voting 50, as follows:

[Roll No. 694]

YEAS—241

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Badillo
Barrett
Bergland
Bevill
Biaggi
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Byron
Carney, Ohio
Cederberg
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Ill.
Conlan
Conte
Conyers
Corman
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Foley
Ford
Fraser
Frelinghuysen
Frenzel
Fuqua
Giaimo
Gibbons
Ginn
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Guyer
Hammerschmidt
Hanley
Hansen, Idaho
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Hicks
Holifield
Holtzman
Horton
Hosmer
Huber
Hungate
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Leggett
Lent
Long, La.
McCloskey
McCormack
McDade
McFall
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford

Miller
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Myers
Nedzi
Nix
Obey
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pickle
Pike
Poage
Price, Ill.
Quie
Railsback
Randall
Rangel
Rees
Reuss
Rhodes
Riegle
Roberts
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ryan
Sandman
Sarbanes
Schroeder
Seiberling
Shuster
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton,
J. William
Stanton,
James V.
Stark
Steed
Steelman
Stephens
Stokes
Studds
Sullivan
Symington
Taylor, Mo.
Thompson, N.J.
Thomson, Wis.
Thornton
Traxler
Treen
Udall
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Whalen
White
Widnall
Williams
Wilson,
Charles H.,
Calif.
Wilson,
Charles, Tex.
Wright
Wyatt
Wydler
Yates
Young, Ga.
Young, Tex.
Zablocki
Zwach

NAYS—143

Abdnor
Archer
Ashbrook
Aspin
Bafalis
Baker
Bauman
Beard
Bennett
Biester
Brown, Ohio
Broyhill, N.C.
Burke, Fla.
Burleson, Tex.
Butler
Camp
Carter
Casey, Tex.
Chappell
Clancy
Cleveland
Collins, Tex.
Conable
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert
W., Jr.
Davis, Ga.
Davis, Wis.
Delaney
Dennis
Devine
Dickinson
Downing
Evins, Tenn.
Flowers
Flynt
Forsythe
Fountain
Frey
Froehlich
Fulton
Gaydos
Gettys
Gilman
Goldwater
Goodling
Gross
Gunter
Haley
Hamilton
Heckler, Mass.
Heinz
Hillis
Hinshaw
Holt
Hunt
Hutchinson
Ichord
Jarman
Jones, Okla.
Jones, Tenn.
Karth
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Landrum
Latta
Lehman
Lott
Lujan
McClory
McCollister
McEwen
McKay
McKinney
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Mitchell, N.Y.
Moorhead,
Calif.
Mosher
Murtha
Natcher
Nichols
O'Brien
Passman
Pettis
Peyser
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quillen
Rarick
Regula
Rinaldo
Robinson, Va.
Rogers
Roy
Ruth
St Germain
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Sikes
Skubitz
Spence
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, N.C.
Teague
Thone
Tiernan
Ullman
Walsh
Wampler
Ware
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wolff
Wylie
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Zion

NOT VOTING—50

Adams
Anderson, Ill.
Arends
Bell
Brasco
Brotzman
Broyhill, Va.
Burton, John
Burton, Phillip
Carey, N.Y.
Chamberlain
Clark
Eshleman
Grasso
Griffiths
Hanna
Hanrahan
Hansen, Wash.
Hastings
Hébert
Hogan
Howard
Hudnut
Jones, N.C.
Kuykendall
Litton
Long, Md.
Luken
McSpadden
Macdonald
Maraziti
Mills
Minshall, Ohio
Mizell
Murphy, N.Y.
Nelsen
O'Hara
Parris
Podell
Reid
Roncallo, N.Y.
Rooney, N.Y.
Ruppe
Shipley
Steele
Stubblefield
Towell, Nev.
Vander Jagt
Wyman
Young, Fla.

So (two-thirds not having voted in favor thereof), the motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Grasso.

Mr. Howard with Mrs. Griffiths.

Mr. Murphy of New York with Mr. Clark.

Mr. O'Hara with Mr. Rooney of New York.

Mr. Adams with Mr. Carey of New York.

Mr. John L. Burton with Mr. McSpadden.

Mr. Jones of North Carolina with Mr. Reid.

Mr. Macdonald with Mr. Brotzman.

Mr. Shipley with Mr. Chamberlain.

Mr. Litton with Mr. Broyhill of Virginia.

Mr. Mills with Mr. Hanna.

Mr. Eshleman with Mr. Hanrahan.

Mr. Hastings with Mrs. Hansen of Washington.

Mr. Hudnut with Mr. Hogan.

Mr. Steele with Mr. Kuykendall.

Mr. Mizell with Mr. Luken.

Mr. Vander Jagt with Mr. Maraziti.

Mr. Young of Florida with Mr. Minshall of Ohio.

Mr. Anderson of Illinois with Mr. Nelsen.

Mr. Arends with Mr. Parris.

Mr. Bell with Mr. Long of Maryland.

Mr. Ruppe with Mr. Roncallo of New York.

Mr. Stubblefield with Mr. Towell of Nevada.

Mr. Phillip Burton with Mr. Wyman.

The vote was announced as above recorded.

FEDERAL-AID HIGHWAY AMENDMENT OF 1974

The SPEAKER pro tempore (Mr. McFALL). The unfinished business is the question of suspending the rules and passing the Senate bill (S. 3934) as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON), that the House suspend the rules and pass the Senate bill S. 3934.

Mr. KOCH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill as amended, was passed.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill (S. 3934) just passed, and request a conference with the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. JOHNSON)?

Mr. KOCH. Mr. Speaker, I have a motion at the desk.

The SPEAKER pro tempore. Does the gentleman object to the request of the gentleman from California (Mr. JOHNSON)?

PARLIAMENTARY INQUIRY

Mr. KOCH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KOCH. The motion that I have at the desk is one to instruct the managers on the part of the House——

The SPEAKER pro tempore. The gentleman from New York reserves the right to object. For what purpose now does the gentleman request the opinion of the Chair?

Mr. KOCH. I would appreciate the Chair advising me whether this is the appropriate time to move to instruct the House conferees with respect to this bill.

The SPEAKER pro tempore. The Chair would advise the gentleman that until the unanimous-consent request to send the bill to conference is granted, a motion to instruct would be premature; but if the gentleman would withdraw his reservation and if the request is granted, then a motion to instruct conferees would be in order.

Mr. KOCH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Motion offered by Mr. HARSHA: Mr. HARSHA moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill S. 3934, be instructed to insist upon paragraph (6) of section 102 and to insist upon section 110 of the House amendment in the nature of a substitute.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HARSHA) is recognized for 1 hour in support of his motion.

Mr. HARSHA. Mr. Speaker, I shall certainly not take 1 hour. This is a motion to instruct the conferees on the Highway Act of 1974, simply to instruct the conferees to insist upon the House provision on the so-called rural highway provision on the off-system roads.

Mr. KOCH. Mr. Speaker, will the gentleman yield for a brief statement?

Mr. HARSHA. I will yield for the purposes of debate only.

Mr. KOCH. Yes. As the gentleman knows, because he and I participated a few moments ago in the debate on suspension of the rules, I advised the body that what I wanted to do was to make certain that the House did not accept the Senate provision in the Senate bill with respect to increasing the weight of trucks. I said that the scenario we would see played out on this floor would be a preemption of my motion to instruct by a member of the committee, so as to make it impossible for me to do that. My only opportunity would then be to ask the House to vote down the previous question when the gentleman from Ohio or someone on that committee would make, as the gentleman did frame, in some innocuous way, a motion to instruct.

The scenario which I suggested, I think the gentleman would agree, has in fact occurred. I will ask the House at the conclusion of the debate—hopefully, we will not go through the charade and agony for an hour—to vote down the previous question, so that then I will have an opportunity to move to instruct the House conferees to not accede to the Senate provision which would increase the weight of trucks from the existing 73,000 pounds to 80,000.

I thank the gentleman.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Speaker, I fail to see the consequences of the gentleman's motion, so where the conferees can go into conference and make their decisions would be the most appropriate way to go about an orderly consideration of a bill in conference.

Mr. HARSHA. Mr. Speaker, I move the previous question on the motion.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. HARSHA).

Mr. KOCH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. HARSHA).

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. WRIGHT, KLUCZYNSKI, JOHNSON of California, HARSHA, and CLEVELAND.

There was no objection.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill S. 3934.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) entitled "An act to establish rules of evidence for certain courts and proceedings."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 17468. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 17468) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. MCCLELLAN, Mr. MONTOYA, Mr. HOLLINGS, Mr. PASTORE, Mr. SYMINGTON, Mr. CANNON, Mr. SCHWEIKER, Mr. YOUNG, Mr. MATHIAS, and Mr. TOWER to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 17468, APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR DEPARTMENT OF DEFENSE FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. SIKES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 17468, making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and appoints the following conferees: Messrs. SIKES, PATTEN, LONG of Maryland, OBEY, MCKAY, MAHON, MCEWEN, DAVIS of Wisconsin, TALCOTT, and CEDERBERG.

CONFERENCE REPORT ON S. 3341, TRAVEL EXPENSES AMENDMENT ACT OF 1974

Mr. BROOKS. Mr. Speaker, I call up the conference report on the Senate bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 6, 1974.)

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on October 7, the House passed legislation to increase the per diem and mileage allowances for Government employees while traveling on official business. The House language differed from that of the Senate and a conference was needed. The conferees have met and filed their report.

The report essentially follows the House language. I will summarize very briefly the points of disagreement between the two versions and the recommended solution:

First, the House language provided for the per diem rates to be set by regulation up to $35 per day. The Senate language sets a flat rate of $35. The conference report accepts the House language.

Second, the House conferees agreed that the per diem rate for travel outside the continental United States should be set by the President, not the Administrator of the General Services Administration.

Third, when foreign travel expenses exceed the per diem allowance, a supplement of $21 was agreed to. The House bill had provided $20; the Senate bill $23.

Fourth, with regard to mileage reimbursement, the Senate had provided for minimum rates of 9 cents for motorcycles, 16 cents for automobiles, and 20 cents for airplanes. The Senate bill contained an automatic escalator with no statutory maximum. The House bill contained no minimum rates but maximum allowances of 9 cents for motorcycles, 18 cents for automobiles, and 24 cents for airplanes. The conference report adopts a minimum-maximum concept with the following ranges: 8 to 11 cents for motorcycles; 15 to 20 cents for automobiles; 18 to 24 cents for airplanes.

Fifth, the conferees accepted the House provision for an annual adjustment rather than a semi-annal adjustment in these rates.

Sixth, finally, the House conferees accepted provisions in the Senate bill providing that per diem and mileage reimbursements for disabled veterans entitled to such be at the same rates as those set for Government employees, and a Senate amendment prohibiting additional appropriations in fiscal year 1975 to cover any increased expenditures as a result of passage of this legislation.

Mr. Speaker, the conference report reflects a reasonable resolution of the differences in the Senate and House measures. It will alleviate an inequitable burden now on Federal employees without being extravagant or wasteful. I urge its adoption.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 3341, which was unanimously agreed to by the conferees. The bill will set the per diem at a rate not to exceed $35 and the mileage allowance for the use of privately owned vehicles at 15 cents per mile for both Federal employees and veterans with service-connected disabilities traveling to and from Veterans' Administration facilities.

During the past year there were more than 10 million visits by such veterans to VA facilities. The current VA per diem of $12 and mileage allowance of 6 cents are inadequate.

With the high cost of gasoline, food, and lodging, veterans simply can no longer afford to make the necessary trips to the hospitals and centers to obtain their medical care. In many cases to deny them sufficient funds to travel to VA facilities is to deny them treatment.

The bill will give the Administrator of General Services the flexibility to continue utilizing the "lodging plus" concept of per diem reimbursement. Section 5707(a) does not preclude the use of the current "lodging plus" method of computing per diem. Under this method, the traveler is allowed a fixed amount for meals and expenses as determined by the Administrator plus the cost of lodging. The resulting amount, subject to the statutory limit, is the per diem rate applied to the traveler's reimbursement. If the Administrator determines that the mileage allowances fall below the statutory minimum authorized in the bill, we encourage and direct GSA to work with the Congress to draft legislation which would resolve any inequities.

Mr. Speaker, I urge the House to adopt this conference report.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8958) to amend the Federal Property and Administrative Services Act of 1949 to provide for the disposal of certain excess and surplus Federal property to the Secretary of the Interior for the benefit of any group, band, or tribe of Indians, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 11, after "located" insert: ": *Provided*, That such transfers shall be made to Oklahoma Indian tribes recognized by the Secretary of the Interior when such land (1) is located within the boundaries of former reservations in Oklahoma as defined by the Secretary of the Interior and when such land was held in trust by the United States for an Indian tribe at the time of its acquisition by the United States, or (2) is contiguous to land presently held in trust by the United States for an Oklahoma Indian tribe and was at any time held in trust by the United States for an Indian tribe."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendment to the Senate amendment.

The Clerk read as follows:

Strike out all of the Senate amendment and insert in lieu thereof the following: "*Provided*, That such transfers of real property within the State of Oklahoma shall be made to the Secretary of Interior to be held in trust for Oklahoma Indian tribes recognized by the Secretary of the Interior when such real property (1) is located within boundaries of former reservations in Oklahoma as defined by the Secretary of Interior and when such real property was held in trust by the United States for an Indian tribe at the time of acquisition by the United States, or (2) is contiguous to real property presently held in trust by the United States for an Oklahoma Indian tribe and was at any time held in trust by the United States for an Indian tribe."

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman be good enough to give us a brief explanation of what is involved here.

Mr. BROOKS. I will be glad to explain this to my distinguished friend, the gentleman from Iowa. I would say that I had planned to make a few comments. If I could make them now, I think they would be helpful.

Mr. Speaker, on November 18, the House passed by voice vote H.R. 8958, to provide that surplus Government property located within the boundaries of Indian reservations be transferred to the Secretary of the Interior to hold in trust for the Indian tribe occupying the reservation.

During Senate consideration of the bill, a question arose as to whether Oklahoma Indian tribes were excluded from its provisions. Apparently the word "reservations" is not used with regard to Oklahoma Indian lands even though many tribal lands are held in trust by the Secretary of the Interior in circumstances analogous to "reservations" in all other States.

The Senate Government Operations Committee adopted an amendment to make certain that Oklahoma Indians were included in the bill as was intended. I wholeheartedly support the objective of that amendment.

There is a technical problem with the language, however. The Senate amendment may be interpreted to authorize these transfers directly to the Oklahoma Indian tribes. In the provisions applicable to all other Indian tribes the transfers would be to the Secretary of the Interior to hold in trust for the Indian tribe. The additional amendment I am offering to the Senate amendment would correct that inadvertent inconsistency.

Mr. GROSS. Does this clarify the status of the Oklahoma Indians with respect to the word "reservations?"

Mr. BROOKS. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BUCHANAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas a question: Would the action the gentleman now proposes bring our version of the bill in conformity with the Senate version, as well as clarifying the status of the Oklahoma Indians?

Mr. BROOKS. That is correct. This is just a technical amendment to make the matter clear.

Mr. BUCHANAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. BROOKS)?

There was no objection.

The amendment to the Senate amendment was agreed to.

The Senate amendment as amended was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 17481, THE HARRY S. TRUMAN MEMORIAL SCHOLARSHIP PROGRAM

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 1495) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1495

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17481) to establish the Harry S. Truman Memorial Scholarship Program, and for other purposes, and all points of order against section 11 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 17481, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 3548, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 17481 as passed by the House.

CALL OF THE HOUSE

Mr. GROSS. Mr Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

One hundred and seventy-five Members are present, not a quorum.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 695]

Adams
Addabbo
Archer
Armstrong
Badillo
Beard
Bergland
Blackburn
Boland
Brademas
Brasco
Broomfield
Brotzman
Broyhill, Va.
Burton, John
Carey, N.Y.
Carter
Cederberg
Chamberlain
Chisholm
Clark
Clay
Cleveland
Cochran
Collier
Collins, Ill.
Cotter
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Dellenback
Dellums
Derwinski
Dulski
Du Pont
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Fish
Foley
Fraser
Fulton
Giaimo
Grasso
Griffiths
Grover
Haley
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings

Hawkins
Hébert
Hillis
Hinshaw
Hogan
Holifield
Horton
Howard
Hudnut
Jarman
Jones, Ala.
Jones, N.C.
Karth
King
Kluczynski
Kuykendall
Kyros
Litton
Lujan
Luken
McEwen
McSpadden
Macdonald
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Meeds
Melcher
Mills
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moorhead, Pa.
Morgan
Mosher
Murphy, N.Y.
Nelsen
O'Hara
O'Neill
Parris
Pike
Podell
Powell, Ohio
Quie
Rangel
Rarick
Rees
Reid
Rhodes
Roberts
Robison, N.Y.
Rodino
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Runnels
Ruth
Ryan
Shipley
Shoup
Sikes
Smith, N.Y.
Steele
Sullivan
Thompson, N.J.
Tiernan
Towell, Nev.
Udall
Vander Jagt
Whitehurst
Wright
Wyatt
Wydler
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zion
Zwach

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 296 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 17481, THE HARRY S. TRUMAN MEMORIAL SCHOLARSHIP ACT

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON). Pending that, I yield myself such time as I may consume.

Mr. Speaker, this rule, House Resolution 1495, is an open rule providing for 1 hour of general debate on H.R. 17481, which was considered in the House on the 3d of December under suspension of the rules and received a majority of support of it, 236 to 149.

The rule waives points of order for one provision, section 11, which has an implicit appropriation in it for the funding of this program.

Mr. Speaker, I am not aware of any substantial opposition to the passage of the rule. I reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Missouri (Mr. BOLLING) has explained the rule. It is an open rule with 1 hour of debate waiving points of order against section 11 for failure to comply with clause 4, rule XXI.

Mr. Speaker, I would like to ask the gentleman from Missouri one question, if I may. There has been some discussion about the status of the Hoover Memorial bill. In the Rules Committee last week there was an attempt to report a rule making in order the Hoover Memorial bill as an amendment to this bill. The attempt failed. Now I understand that the Hoover Memorial bill may be placed on the list of suspensions for tomorrow. Could the gentleman from Missouri shed any light on the status of the Hoover Memorial bill?

Mr. BOLLING. Mr. Speaker, it is my understanding that the bill is going to be added to the suspensions for tomorrow and I would tell the gentleman I intend to support that procedure.

Mr. DEL CLAWSON. I thank the gentleman from Missouri.

Mr. Speaker, as previously explained, House Resolution 1495 provides for 1 hour of general debate on H.R. 17481, the Harry S. Truman Memorial Scholarship Act, and that the bill will be open to all germane amendments. The rule also provides for a waiver of points of order against section 11 for failure to comply with the provisions of clause 4, rule XXI, which deals with appropriations on a legislative bill. In order to facilitate going to conference, the rule makes it in order to insert the House-passed language in the Senate bill.

The purpose of H.R. 17481 is to establish the Harry S. Truman Memorial Scholarship program.

The scholarships are to be awarded on the basis of a nationwide competition. At least one such scholarship is to be awarded annually in each State in which there is a resident applicant who is qualified. Scholarships are to go to those who demonstrate an outstanding potential for, and plan to pursue a career in, public service.

Each scholarship will carry an annual stipend of $5,000, or the full cost of tuition, fees, books, room and board, whichever is less.

The program is to be administered by the Harry S. Truman Scholarship Foundation,which is to be directed by a 13-member board of trustees; $30 million is authorized to endow the scholarships. All the expenses of the foundation, including scholarships and administrative costs, are to be paid from the income of the endowment. The committee report specifies that no additional funds shall be given to the foundation beyond the $30,000,000.

The cost of the bill is $30,000,000.

Mr. Speaker, I recommend a vote on the resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Now that we have the Truman-Hoover larder, I guess, straightened out insofar as the construction of a building, I believe it is a building on the campus of Stanford University at a starting cost of $5 million, and this evening we have the Truman Scholarship Foundation at a cost of $30 million.

I am going to oppose both of them because I think there is a time and a place for all things, and this is neither the time nor the place to commit the taxpayers of this country to spend $37 million in memory of two former Presidents of the United States. Lord knows, we need to save some money; we need to pay something on the Federal debt. We need to take some of the burden off the backs of the taxpayers instead of adding more to it.

Here are two items that can well go over until we see better day in the life of this country. We have no business considering either one of them in this session of Congress or in the next, or until we can see some clear light ahead as far as the financial picture of this country.

I repeat, I am opposed to both of them, and I happen to be one of many members of the board of trustees of the Hoover Library. I oppose both of these bills because we ought not to saddle on the backs of the taxpayers these obligations—obligations of this kind that can be put off until a better day.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, in light of what the gentleman from Iowa has just said, it would appear to me that the defeat of the rule in this instance certainly would be no reflection on the great former President, Mr. Truman; or another great former President, Mr. Hoover.

This is just, as I think was stated, not the time or place to take up these things that require a little more sober thought, and particularly a little more analysis with respect to the financing.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman for yielding to me.

May I say first, in response to the gentleman from California, that each of these projects has had deep and careful thought in its respective committee. In the one instance we have dealt with the Committee on Education and Labor so far as the Truman scholarships are concerned. It has been carefully analyzed in that committee. In the other committee, the matter of the Hoover scholarship has been taken up in the House Administration Committee, so that the question of whether it has been given careful consideration is not a valid comment, whatever one may feel about the measures.

Second, so far as the funds and the question of whether or not at this time in the history of this Nation we should be appropriating these funds, may I remind the Members of the House that we are not here dealing with an appropriation bill. We are here dealing with an authorization bill. Under the terms and contents of that bill and the way the program would be advanced, there is no need for funds in this year, and there very probably is no need for such funds next year, but the program must be gotten underway so far as authorization is concerned.

So, I say to both my friends, the gentleman from Iowa and the gentleman from California, the arguments that they may, however sincerely, make are not pertinent to the discussion of this bill tonight.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Speaker, I believe we are talking about $30 million as a fund to produce interest, is that correct?

Mr. DEL CLAWSON. That is $30 million for the endowment.

Mr. BAKER. We could reasonably expect that it would produce 6 percent annually, could we not?

Mr. DEL CLAWSON. According to the bill, the administrative costs and the cost of the scholarships are to be taken from the income of the endowment.

Mr. BAKER. If it produced 6 percent, that would be $1,800,000 a year. How many scholarships are we going to have?

Mr. DEL CLAWSON. As I understand, there is at least one issued for each State for an eligible applicant, and possibly 53 scholarships.

Mr. BAKER. If we had 100 scholarships per year, that would be $18,000 per scholarship. We would have to reduce the administrative costs. That seems excessive to me.

Mr. DEL CLAWSON. Each scholarship, as I understand it, is $5,000 for the full cost of tuition, fees, books and so forth; whichever is less.

Mr. BAKER. So then if my calculations have any accuracy at all, we would have $5,000 for the scholarship and the $13,000 for administration. That seems a little out of line to me, and I believe on that basis I would oppose the legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Iowa.

Mr. GROSS. In the first place, the Federal Government has to borrow the $30 million and pay interest on the money, does it not?

Mr. DEL CLAWSON. I think we can assume that, with the fiscal position the Nation is in.

Mr. GROSS. I think everyone in this room realizes we would be lucky if we escape anything else than a $20 billion deficit, so that if we borrow money and pay interest on it, we never get it back, do we?

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. Yes, I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, the point has been made by the gentleman from Tennessee of the number of scholarships and dollars involved.

Again, the record should be set straight. While the program would call for a potential 53 or more scholarships in any 1 year, by the time 4 years elapse, if the scholarships have been awarded in accordance with the basic provisions—and this puts us down years into the future—there would be potentially something in excess of 200 scholarships at any given time.

If we take then the maximum of $5,000—and that is a maximum—and multiply it by the number of scholarships that are involved, we come to approximately the total expected income from the fund at that time.

Further, there is not a cost of $18,000 for the scholarship. Under the terms and provisions of the bill, it is a maximum of $5,000. It could be less than that in any given year, but these funds would not be excessive, and nothing like the figure the gentleman from Tennessee alluded to.

Mr. DEL CLAWSON. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. GUBSER).

Mr. GUBSER. Mr. Speaker, I would like to address my remarks particularly to my Republican colleagues on this side of the aisle. When this bill was before the House under suspension a few days ago, I voted for the Truman Scholarship Fund. I did so for three reasons. First of all, I admire President Truman. I never voted for him, but my partisanship certainly did not obscure my admiration for the man who made some of the most difficult decisions in the history of this Nation, and made them with courage and made them with good humor.

Second, I voted for the Truman scholarship because I think an educated person is an asset to this country, who, because he has been educated, produces more and, consequently, pays more taxes.

Some people have said that it was defeated the other day by Republicans on the basis of partisanship. In my 22 years in this House I have never questioned anyone's motive for a vote which he cast on the floor of this House, and I do not question it now.

All I say, please, if the Members have honest reservations to this bill and think that upon its merits it should be defeated, please vote against it for that reason. But let us not vote against it for partisan reasons—which leads me to the third reason that I voted for the Truman bill the other day.

I believe that, with relatively few exceptions, former presidents should be memorialized in some concrete manner because they are very, very important to our history. I think those exceptions which I mention do not include Harry Truman, nor do they include Herbert Hoover.

If any Members voted on this in a partisan manner the other day, I ask them today to vote strictly on the merits, and tomorrow, if the Hoover bill comes up, I sincerely hope that our friends on this side of the aisle will also vote on the merits of the issue.

Mr. Speaker, in honoring and revering former Presidents, there should be no room for partisanship.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 56, answered "present" 1, not voting 79, as follows:

[Roll No. 696]

YEAS—298

Abdnor
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Barrett
Beard
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Conable
Conte
Conyers
Corman
Cotter
Cronin
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Duncan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Holifield
Holtzman
Horton
Hungate
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kyros
Latta
Leggett
Lehman
Long, La.
Long, Md.
McCloskey
McCormack
McDade
McEwen
McFall
McKay
Madden
Mahon
Mallary
Mann
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Sikes
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NAYS—56

Archer
Armstrong
Ashbrook
Baker
Bauman
Bell
Bevill
Butler
Camp
Clancy
Clawson, Del
Collins, Tex.
Conlan
Crane
Daniel, Robert W., Jr.
Devine
Flynt
Frey
Froehlich
Gross
Hinshaw
Holt
Hosmer
Huber
Hunt
Jarman
Johnson, Colo.
Ketchum
Lagomarsino
Landgrebe
Landrum
Lent
Lott
Lujan
McClory
McCollister
Mazzoli
Moorhead, Calif.
Nichols
Pritchard
Robinson, Va.
Rousselot
Ruth
Scherle
Shuster
Skubitz
Snyder
Steiger, Ariz.
Symms
Veysey
Ware
Wiggins
Wydler
Wylie
Young, Ill.
Young, S.C.

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—79

Abzug
Adams
Anderson, Ill.
Blackburn
Blatnik
Brasco
Broomfield
Brotzman
Brown, Mich.
Broyhill, Va.
Burton, John
Carey, N.Y.
Chamberlain
Clark
Collins, Ill.
Coughlin
Diggs
Dulski
du Pont
Eshleman
Frelinghuysen
Fulton
Grasso
Griffiths
Grover
Haley
Hanna
Hansen, Idaho
Hansen, Wash.
Hastings
Hawkins
Hébert
Hillis
Hogan
Howard
Hudnut
Jones, Ala.
Jones, N.C.
Karth
King
Kuykendall
Litton
Luken
McKinney
McSpadden
Macdonald
Madigan
Maraziti
Martin, Nebr.
Mathias, Calif.
Mills
Minshall, Ohio
Mizell
Mosher
Murphy, N.Y.
O'Hara
Parris
Podell
Powell, Ohio
Rarick
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Shoup
Sisk
Steele
Thompson, N.J.
Thornton
Towell, Nev.
Vander Jagt
Waldie
Wilson, Charles H., Calif.
Wyman
Young, Alaska
Young, Fla.
Zion
Zwach

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Grasso.

Mr. Howard with Mrs. Griffiths.

Mr. Murphy of New York with Mr. Clark.

Mr. O'Hara with Mr. Rooney of New York.

Mr. Thompson of New Jersey with Mr. Carey of New York.

Mr. John L. Burton with Mr. McSpadden.

Mr. Jones of North Carolina with Mr. Reid.

Mr. Macdonald with Mr. Brotzman.

Mr. Shipley with Mr. Chamberlain.

Mr. Litton with Mr. Broyhill of Virginia.

Mr. Mills with Mr. Hanna.

Mr. Eshleman with Mr. Blackburn.

Mr. Hastings with Mrs. Hansen of Washington.

Mr. Hudnut with Mr. Hogan.

Mr. Steele with Mr. Kuykendall.

Mr. Mizell with Mr. Luken.

Mr. Vander Jagt with Mr. Maraziti.

Mr. Young of Florida with Mr. Minshall of Ohio.

Mr. Karth with Mr. Parris.

Mr. Fulton with Mr. Roncallo of New York.

Mr. Sisk with Mr. Wyman.

Ms. Abzug with Mr. Waldie.

Mr. Diggs with Mr. Blatnik.

Mr. Thornton with Mr. Coughlin.

Mr. Rees with Mr. Broomfield.

Mr. Anderson of Illinois with Mr. du Pont.

Mrs. Collins of Illinois with Mr. Dulski.

Mr. Hillis with Mr. Brown of Michigan.

Mr. Haley with Mr. Frelinghuysen.

Mr. Jones of Alabama with Mr. Grover.

Mr. Hawkins with Mr. Hansen of Idaho.

Mr. Madigan with Mr. King.

Mr. McKinney with Mr. Martin of Nebraska.

Mr. Adams with Mr. Mathias of California.

Mr. Charles H. Wilson of California with Mr. Powell of Ohio.

Mr. Young of Alaska with Mr. Rarick.

Mr. Shoup with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZATION FOR SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow, the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

APPOINTMENT OF CONFEREES ON SENATE JOINT RESOLUTION 40, TO AUTHORIZE AND REQUEST THE PRESIDENT TO CALL WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate Joint Resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, with Senate amendments to the House amendments, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? The Chair hears none and appoints the following conferees: Messrs. PERKINS, BRADEMAS, and QUIE.

ADDITIONAL LEGISLATIVE PROGRAM

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I wish to announce in addition to the program for tomorrow under suspension of the rules the bill H.R. 17580, a bill sponsored by the gentleman from Oregon (Mr. DELLENBACK).

PERMISSION TO FILE CONFERENCE REPORT ON S. 356, CONSUMER PRODUCT WARRANTIES-FEDERAL TRADE COMMISSION IMPROVEMENTS ACT

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the Senate bill 356, the Consumer Product Warranties-Federal Trade Commission Improvements Act, may have until midnight tonight to file a conference report on that bill.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONGRESS IS FAILING ITS RESPONSIBILITY FOR TAX REFORM

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. SIKES. Mr. Speaker, I think all of us realize that America needs a restoration of confidence. America looks to Congress to be in the forefront in taking the steps and providing the programs which can bring this about. The public feels that responsible action which is so seriously needed is much too long in coming. The public is tired of bickering and bureaucracy and does not think Congress is doing very much about it.

One of the things which has long been a matter of great interest to the American public is a tax reform bill. They have been promised tax reform from many forums, none more loudly than Democratic Party forums. Now, in the last week of the 93d Congress, we find nothing has been done on tax reform and apparently nothing will be done. This is a shocking indictment of the Congress and of the Democratic Party leadership.

I felt last week when the Rules Committee refused to approve a rule making the tax reform bill in order that the Democratic leadership would bring the bill to the floor under suspension of the rules. I do not see it listed.

Tax reform in the proposed bill is directed primarily at the oil companies. The oil companies have enjoyed an unbelievable exemption from the taxes which other industries and ordinary citizens pay. They have lined their pockets with exorbitant profits from excessive gasoline prices and this the records clearly portray. Yet their taxes are the lowest of any industry in the country, of whatever size. I am completely aghast at the fact that this Congress is ready to go home and say to the American people, there is nothing we can do to equalize your tax problems, nothing we can do to see that the giants in the oil industry and others who enjoy special tax exemptions will at least pay a proportionate share.

Instead of passing legislation which the Nation patently needs and wants, we pass a bill to help pay for an Asian Bank. We give foreign aid to ungrateful nations. It is even proposed that we stop the purchase of Rhodesian chrome so that we will be fully dependent on Russia at double the price for an essential metal for American industry. Today we are going to improve the quality of filberts. But we are not going to vote tax reform.

It is not a healthy sign when Congress refuses to accept full responsibility on such major issues as this.

TRIBUTE TO HON. LES ARENDS, MINORITY WHIP

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. MICHEL) is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, what can you say about a man who has served 40 years in the House without making a single enemy on either side of the aisle? His 31 years as Republican whip will surely stand as a record for all time to come and all the more remarkable is the fact that he held the position under four different leaders, all of whom considered him their right arm here in the House.

Yet Les Arends' long years of service in Congress have brought him not only ever-increasing respect, but something very close to love.

Speaking personally, I recall my own relationship with Les as I described it that sad day in November of 1973, when the House was shocked to learn that Les had decided to retire. I said then: "Les has practically been a father to me during my service here in the House. He has been my mentor and my confidant . . ." Today, I realize the truth of those words even more than when I first spoke them.

Anyone not knowing Les Arends might suppose that the universal friendship he enjoys stems from careful avoidance of controversial positions, or just simple inaction.

Neither supposition is true. Les has also served longer on the Armed Services Committee than any present member. During this time he worked skillfully and effectively for a U.S. defense second to none, a point of view not always pleasing to those who turn first to the Pentagon when attempting to pare the budget. He consistently sought a balance between U.S. air, sea, and land forces, a position that could easily have antagonized all three. He insisted on retaining the manned bomber as part of a balanced defense, pointing out that you cannot call a missile back and use it over again. He pushed hard for the Trident program.

As I noted, many of these positions could have made enemies for Les. They did not because no matter where a Member stood on an issue he had to admit that Les was always firm, fair, decent, and darn-well prepared to support his views.

Les Arends' post as whip also offered opportunities for friction. But there was none. Many a time, Les was called upon by a Member of our party with an amendment he wanted attached to a bill, to put out a whip notice, even though the amendment was not of major importance to party policy. Handling these requests took a lot of tact, a quality Les seemed to have in infinite supply.

As whip, Les served as a kind of one-man FBI. To assure every possible vote, he made it a practice, so far as possible, to know the whereabouts of every Republican. On one occasion, he intercepted a Member who was boarding a plane so that he could return to the floor for an important vote. Another time, he had the Pennsylvania State Police locate a homebound Member on the Pennsylvania Turnpike to advise him to get back to the Capitol.

Les was an expert "nose counter," but we all know the job demands so much more than that. He has to be a good listener and Les was indeed a father-confessor type. Sometimes he was soft and gentle; other times he was tough as nails. He could badger you with the best of them, but Les did it all well and did it without losing friends.

In a recent tribute to Les Arends, President Ford explained Arends' success. Mr. Ford said:

> On the issues—and I know intimately because we had some tough ones in recent years—Les never looked at the problem from a political sense. He looked at these problems from the point of view of what was right, and he voted the way he thought it was right for people in the country. And that made it possible for Les to serve his District for so long.

When one considers that since the founding of our great Republic, there have been 9,442 Members elected to this House and only 10 have served longer than Les Arends, we have to conclude that he has earned a place in the history books, as well as in the hearts of his constituents and colleagues.

Though Les would never say so, I believe the secret of his ability to make friends and avoid enemies is his special talent for conciliation. He carries his point of view by persuasion. If ever Congress were to create a "Mr. Geniality" award, Les would win it hands down.

And yet, for all that—he is no softie. He keeps in condition by constant exercise. He neither drinks nor smokes. And he is a dangerous man on the golf course—not only in the quality of his game, but in the bargaining for strokes on the first tee.

And Les has a sense of humor. He once sent every Republican Member of the House a desk blotter bearing the legend, "A Congressman's Lament."

There followed this little verse:

> "Among Life's dying embers
> These are my regrets,
> When I'm right, no one remembers.
> When I'm wrong, no one forgets."

My only lament is that Les is leaving this House and for me the place will never be the same.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished Speaker, the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, it has been a long time since the House has lost so many outstanding Members. The senior Member of them all is the distinguished gentleman from Illinois (Mr. Arends) who has served in the leadership of the House probably as long as any man in its history. He is a great man. He is a great human being. He has been an outstanding legislator. He is the type of person we like to work with, whether we agree with him on every issue or not. He is sound. He is sensible. He is really one of God's gifts to the human race.

Mr. Speaker, when Les Arends announced his intention a year ago last month of retiring at the close of the 93d Congress, his friends and colleagues, among whom I am proud to be only one of so many, found it impossible to conceal our profound sadness and sense of deep loss.

There, on the floor of this House which Les Arends has served with such dedication for 40 years, all of us suddenly and spontaneously realized the full dimensions of respect, admiration, and affection we feel for the distinguished gentleman from Illinois.

What a career his has been: Two-score years a Member of Congress; one-score years and 10 a leader of his party in the House, as its whip. Without his presence in it, this House will not seem quite the same to those of us whose entire time as House Members has been spent as his friends and colleagues.

When Les was saying goodbye to Members retiring from the House at the end of the 89th Congress, he noted that—

> One of the great rewards of serving in the Congress is the friendships that develop. Whatever the future may bring for any one of us, we cannot look back upon these years in Congress without reflecting on the times of crisis and the failures and the successes that we share with our colleagues and friends.

As I look back on those years I have shared with Les Arends, I do indeed reflect on those times of crisis to which he referred, difficult and anxious occasions of stress and sometimes even of struggle.

Then it was that he displayed the attributes of a natural leader, remaining calm, courteous, and capable under the pressures of many and severe trials of his patience and courage, ever rendering faithful and devoted service to his country and the Congress.

He is the longest-serving Member of his party in this House today. Think of what he has seen and achieved in his 40 years of distinguished public service.

He has been whip for a longer period than has any other Member, of either party, during the entire history of the House of Representatives.

He is the senior minority member of the Armed Services Committee, and his committee service has spanned the evolution of our Armed Forces from the days of undermanned and competing branches to today's Defense Department-organized Pentagon.

When he began that committee service, the Armed Services Committee itself had not yet evolved from the Committee on Naval Affairs and the Committee on Military Affairs. Including his Navy service in the First World War, he has seen the country through four major conflicts. His knowledge of the complex problems of our country's defense is prodigious, and it is based on personal experience with their intricacies as a member of the committees which have had within their jurisdiction our Nation's destinies. During all of his career, he has insisted that we should have a national defense capability second to none anywhere else on the globe.

Les Arends came to the House in 1934 from Melvin, Ill., the small town that he loves so well and that has always responded in kind.

While working hard in a bank there—a bank he later served as its president—he sought the support of his wide circle of friends in the congressional district who were fellow World War I veterans, many of them members of the American Legion in which he was a past district commander. He won his first election to Congress by 2,200 votes, the only Republican House candidate to defeat an incumbent Democrat in that depression year's election.

In addition to his work as his party's whip and his party's senior member of the Armed Services Committee, he has been an official delegate to nine annual NATO parliamentary conferences. He has served ably and conscientiously as chairman of the Illinois Republican delegation and as a member of the Republican Committee on Committees.

He is one of Oberlin College's most distinguished alumni, a trustee emeritus of the Illinois Wesleyan University, whose honorary degree he holds, a member of the United Methodist Church in Melvin, Ill., and a 33-degree Mason.

He said, here on the floor not too long ago:

> There comes a time when everyone has to step down. I've gone through twenty campaigns, and that is a pretty lengthy time. I've added it all together and my wife and I have talked about it. We have decided that there are a lot of things we would like to do, and I believe that we are going to do them now.

We wish him many happy years in which to do these very things that his greatly productive and distinguished congressional career's duties have precluded for so long.

As he proceeds to his well-earned retirement with his beloved wife, Betty, and his dear daughter, Leslie, he takes with him a full awareness that those who knew him here loved him, that those who disagreed with him here respected him, and that those he leaves behind in the House of Representatives will never forget him.

Mr. MICHEL. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, it is an honor and a privilege for me to have this opportunity to join my colleagues in expressing our profound appreciation to LES ARENDS for the contribution which he has made to this body during his 40 years of service. As minority leader, I have relied on his counsel. As a man, I have relied on his friendship.

LES ARENDS has served as Republican whip for 30 years—longer than any whip of either party in the entire history of the U.S. House of Representatives. That is an amazing accomplishment, one that speaks volumes about his value as a House Member and the esteem in which he is held by his colleagues.

It is a well-known historical fact that Members of Congress expect their party leaders to guide them on the important issues and are disposed towards replacing those leaders who do not measure up to their expectations. We have seen this happen many times in the past. But the Republican Members of the House have seen fit to elect LES ARENDS to the important position of whip—a position of great visibility and daily responsibility—15 consecutive times. His longevity as Republican Whip is the most eloquent testimony to his ability.

LES has been forceful when he needed to be. He has been able to compromise when compromise was wise. In short, LES ARENDS has consistently displayed the qualities that are needed in order for progress to take place—that are the essence of true leadership.

It has been my great privilege to serve in the House with LES. It has also been my good fortune to be able to number him among my friends. He has generously provided me with advice; he has also helped me by way of his exceptional personal example.

It has been said that if a man has but one genuine friend, he is a rich man. Because of my association with LES ARENDS through the years, I consider myself a wealthy man in the most meaningful sense of the word.

LES will be spending much time in Washington and so I can continue to enjoy his friendship and profit from his advice. But I will miss his daily presence in this House. He will always rank among the truly great Members of Congress.

Mr. PRICE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. Mr. Speaker, it is with mixed emotions that I rise today to bid farewell to my friend and colleague, Congressman LESLIE C. ARENDS of Illinois.

I am happy for LES as he leaves the House, knowing that he is retiring at the conclusion of an admirable career and with the esteem of every Member with whom he has served over the past 40 years. Yet I must admit that I regret losing my colleague, the Dean of my State's delegation and a fellow member of the Armed Services Committee with whom I have worked closely for so many years. I have served on committees, the old Military Affairs Committee and the present Armed Services Committee for the 30 years I have been a Member of the House.

I am sure my colleagues will agree with me that LES ARENDS is an outstanding example of what a member of the House of Representatives should be. He has represented northeastern Illinois for two generations and has never lost the confidence of the people he served. In addition, he has devoted a great deal of the last 34 years to serving as the Republican Whip—a position which carries with it a great deal of responsibility and surely shows the respect which Les has earned among his party's members.

But it is not only my colleagues on the opposite side of the aisle who have recognized LES ARENDS' worth and ability. I do not believe there is a person in this chamber who would not agree with me that, despite any differences in politics, LES ARENDS has proven himself a great man and a great legislator.

LES ARENDS will not be easily replaced in the minds and hearts of his colleagues and the people to whom he gave so untiringly for 40 years. We will all feel the loss of his leadership and example in the 94th Congress.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Speaker, I am not one of those who rushes to the well of the House to speak, and seldom do. However, on this occasion when our good friend, LES ARENDS, is about to retire, I want to say to him that his courtesies and his leadership and assistance to those of us who need a little help and advice and information, showed that he was always there with it.

I want to say, as a Member of this Congress, LES ARENDS, thank you. The Nation will lose one of its great leaders. I want to express my appreciation to LES for the many things he has done. Thank you very much, LES.

Mr. MICHEL. Mr. Speaker, I yield to my colleague from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it has been a particular privilege to serve in the U.S. House of Representatives during the time that our distinguished Republican whip, LESLIE C. ARENDS, of the 15th District of Illinois, has occupied his prominent role of leadership in this great deliberative body. As a Representative in the U.S. House from an adjoining congressional district, I have had many occasions to participate in public and political events where LES ARENDS occupied center stage. This generally has resulted in my introduction of LES ARENDS—a man of whom it can be truly said "He needs no introduction." However, taking note of LES ARENDS' long years of service dating back to the 74th Congress which convened in January, 1935, I have been compelled to observe that LES ARENDS possesses that invaluable quality of experience, a profound knowledge of congressional strategy and procedures, a rich background of service under seven Presidents from Franklin D. Roosevelt to Gerald R. Ford and an active involvement in the great public issues which have spanned this dramatic 40-year period of our history.

Mr. Speaker, Illinois and the Nation have had a valuable asset in this esteemed lawmaker, the Republican whip, LES ARENDS.

Mr. Speaker, also, I have called to the attention of various Illinois audiences that LES ARENDS is a man of youth and vigor, a man of action and vitality—Congressman ARENDS is one of the best golfers in the House of Representatives. He is truly an alert and virile citizen who to my knowledge has not lost a single day of service in the U.S. House of Representatives by reason of illness.

Mr. Speaker, LES ARENDS' reputation as a lawmaker and as a political leader are well known. He has always been a man of strong conviction and has been a hard and fair fighter for causes in which he believes and which he espoused vigorously—and fearlessly.

But, Mr. Speaker, there are doubtless many people outside of this body who are unaware of the warmth and friendship of this man of great legislative and personal talents. From my personal experience, I have found that LES ARENDS was always available for personal and political counsel—an invaluable source of information and assistance which enabled me to perform my personal and public tasks more efficiently.

Mr. Speaker, my wife, Doris, and I have developed a strong personal attachment for LES ARENDS and his lovely wife, Betty. Indeed, on occasion my wife, Doris, and

Betty Arends—being similar in physical appearance—are mistaken for one another. Both are beautiful women. And, Les Arends is a handsome man, and devoted partner. Together Les and Betty Arends have brought credit to public service and to the Congress as an institution, and they represent outstanding examples for wholesomeness, decency, and fidelity as husband and wife and as parents of a beloved daughter, Leslie.

Mr. Speaker, in coming to this milestone of my own legislative experience, I feel privileged to join in this personal and heartfelt tribute to one of the all-time great men of the Congress of the United States—my colleague and Republican whip of the House—my valued friend—the beloved Leslie C. Arends of Illinois.

Mr. MICHEL. Mr. Speaker, I yield to the distinguished gentleman from Texas, the Chairman of the Appropriations Committee (Mr. Mahon).

Mr. MAHON. Mr. Speaker, nobody in the House of Representatives is sufficiently eloquent to pay proper tribute to the gentleman from Illinois (Les Arends), so I will not undertake to do so.

I must say that I have great affection for this man; I have great respect for him. Our friendship has endured and become closer through the years. I am glad to join in the salute to this great American, a great American who is going to be much missed when he leaves the House of Representatives.

The gentleman from Illinois (Mr. Arends) and I were first elected in 1934, and we came here together with a class of more than 100. He and I remain as the only ones who came at that time as new Members, in the 74th Congress. I am happy to see these good things said about my good friend, Les Arends. I take note also of his lovely wife, Betty, who means so much to him and is such a charming person. It is good to live in a land that produces people like Les and Betty Arends. May the Lord bless them in their further pursuits.

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Mr. Speaker, I want to thank the gentleman for yielding to me. Also, I want to thank the gentleman in the well, the gentleman from Illinois (Mr. Michel) for giving us an opportunity in this special order to make some expression of appreciation to our friend Les for his 40 years' service in the House.

When I was first elected in the Congress 10 years ago, I have a very good recollection of having met my friend now, Les Arends. He was a very outstanding person.

I had heard about him and he was famous even then. I remember that one of the first things we were called upon to do as freshmen Members was to take part in the organization of the Congress, and Les was up for election again as whip. He had held the job for quite some time, but the tide was running another way. We had also just elected a new minority leader, Jerry Ford, and Les was up for election. I talked with him and got to know him then. Since then I have served 10 years on the Committee on Armed Services with him. I have been assistant regional whip. I have been thrown with him daily, and I have no hesitancy in saying there is no person whom I have met, no person with whom I have had dealings since I have been in the House of Representatives, that has meant more to me or who has been more helpful to me, and there is no person for whom I have a higher respect, regard, and friendship than Les Arends.

I just wanted to be here in person to participate.

Mr. Speaker, I join with my colleagues in paying tribute to one of the most experienced and respected legislators who has ever served in the House of Representatives. His dedication to his constituents and to his Nation for the past 40 years has been unmatched in the halls of this Congress.

The high regard in which he is held by his party is reflected in the fact that he has been elected by his colleagues as Republican whip in each succeeding Congress since 1943. This is an honor that no other Member of the House, Republican or Democrat, has ever received. Les Arends accepted the challenge and has fulfilled his commitment to his constituents and colleagues with tremendous ability and pride.

The honors bestowed upon this great American have been endless. In addition to his duties as Republican whip, he has also served as chairman of the Illinois House Republican Delegation, member of the House Republican Committee on Committees, a senior member of the Armed Services Committee, serving as a member of the top-secret Central Intelligence Agency Subcommittee, chairman of the House Republican Personnel Committee, official delegate to nine Parliamentarian conferences, member of the Republican National Coordinating Committee, and member of the House Republican Policy Committee.

With all of these very important assignments and the duties they involved, Les has always been willing and able to assist his colleagues on either side of the floor. His primary concern in the 40 years he has served in Congress has always been what is best for his country. He was never partisan when the interests of our national defense was involved.

His membership on the House Armed Services Committee, and his special interest in our national security have contributed greatly to a strong Defense Establishment. He has fought long and hard to maintain our military strength and to protect the best interests of the United States at home and abroad. He will be missed greatly on the House Armed Services Committee, where his knowledge of military affairs has earned him the respect and admiration of every member of that committee.

Les Arends' retirement is a great loss to the Nation. His contributions to the legislative accomplishments over the past 40 years will be remembered by his many friends and colleagues.

We wish him many more years of health and happiness and express our sincere gratitude for his 40 years of dedicated service to his Nation.

Mr. MICHEL. Mr. Speaker, at this time I yield to the gentlewoman from Oregon (Mrs. Green).

Mrs. GREEN of Oregon. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I agree with the distinguished chairman of the Appropriations Committee; it is extremely difficult to adequately convey the debt of gratitude this House owes to Les Arends. But I do want to join with the many admirers and friends of his in thanking him for his magnificent service to this House and to our country during his 40 years as a Member of Congress. During the great majority of those years he has held a leadership position in his party which is itself a testament to his ability and the esteem he has earned from his peers. Responsible leadership from both parties is an essential ingredient in making this Government work. In four decades he has contributed more than his share toward this goal. When on opposing sides, I have always found him an extremely fair, decent, skillful adversary. When in agreement, one could not find a more staunch, loyal, hardworking friend. I know him to be an individual of indisputable integrity, reason, and commonsense, an ingredient sorely needed these days. He is someone on whom we could genuinely rely during times of crisis to have foremost, in his concern, the national welfare. Les Arends has every right to enjoy his retirement in the full knowledge that he has performed a difficult task with distinction, great honor to himself and measureless benefit to the public good.

Mr. MICHEL. Mr. Speaker, the gentlewoman has expressed it so well, as she has done all through her years in Congress.

Mr. SMITH of New York. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Speaker, I am delighted to have the opportunity of joining with my colleagues in recognizing the great contributions which Les Arends has made to the people of the United States, the Congress of the United States, and the Republican Party during the last 40 years. I am sure that all of us who speak today will say it all, not only once but several times over. However, I just want to say thank you to Les for his leadership, his stability and dependability, his always stalwart stand for what he believed was right, and for his always good advice to Members with less service in the Congress than he. His youthful stride and demeanor, his always equable temperament and good humor will be missed in this body and will be missed by the people of the United States. I am pleased, however, that I, who will also soon be a former Member of Congress, expect to see him back with that group often and early.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I join the rest of my colleagues in expressing the deepest and most sincere appreciation for the leadership, service, and friendship LES ARENDS has given to this body, his district, and the Nation during his past 40 years as a Member of the House—second only in length of service to the gentleman from Texas (Mr. PATMAN).

Many here today have listed the many accomplishments of the distinguished Republican whip throughout his long tenure of service and leadership in the House. Most remarkable, certainly, is his service to his Republican colleagues during 31 years in the whip's position under four different Republican leaders. Without doubt, those two unprecedented records have proven the outstanding personal ability of LES ARENDS to combine responsiveness and leadership in a position that has had its thousands of great and small demands and conflicts over the years. He has done the job well and commands our highest respect and thanks.

My own early acquaintance with LES ARENDS came while he and my late father served together for 27 years, from 1939 until dad's death in 1965. If he were here today, I know that he would be among those expressing the greatest sense of personal appreciation for LES ARENDS' friendship and leadership and the loss that this body will sustain by his absence during the next Congress.

In closing my remarks, Mr. Speaker, I would like to repeat what Robert Louis Stevenson once said about achievement:

> That man is a success who has lived well, laughed often and loved much; who has gained the respect of intelligent men and the love of children; who has filled his niche and accomplished his task; who leaves the world better than he found it, whether by an improved poppy, a perfect poem or a rescued soul; who never lacked appreciation of earth's beauty or failed to express it; who looked for the best in others and gave the best he had.

LES ARENDS is such a man. As he leaves the House of Representatives, I wish Betty and him the best in the future for what he has meant to us for so long.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding.

I think all of us are very appreciative of the efforts of our colleague, the gentleman from Illinois (Mr. MICHEL), for taking this time so that we would have a chance to express our appreciation to LES ARENDS for the consistent job he has done in serving this Congress, as well as our country.

In thinking back over the things that have happened since LES ARENDS arrived in Congress in 1934, as just mentioned by the gentleman from Texas and others, there is no doubt about the fact that LES ARENDS has witnessed a broad scope of history in the making here in the House of Representatives. Unfortunately, some of these historical events happened in what many of us feel is an unfortunate way. I know LES ARENDS feels that way to some extent, even though he tried mightily in many instances to change that direction of history. For instance, we know that the Federal debt has gone from $29 billion to almost $500 billion during his tenure in the House. LES ARENDS spent much of his time trying to reverse that trend so that the American taxpayer would in fact be protected rather than drained of his financial resources, or those of future generations. The gentleman from Illinois is to be complimented for that mighty effort, and had he not been here, it could well have been much worse.

Mr. Speaker, I think we have also to thank LES ARENDS for the substantial job he did on the Committee on Armed Services in making sure that our country was well and properly defended. In many of the critical decisions that had to be made in the field of our Defense Department and our vital weapon systems, which is a major responsibility given the Congress in the Constitution, he fulfilled that responsibility extremely well.

Although many things can be said about LES ARENDS' contribution to the Armed Service Committee, I think we should recognize here tonight the length of that service as well as the quality of that service.

Another area for which many of us feel grateful is his leadership capability.

As several Members have already mentioned, when they each first arrived in Congress, and I include myself in that fortunate group, we felt the warmth of his leadership, guidance, and counsel. He was always willing to take time out to explain to the Members why we needed a given vote and what the rationale was. It was not just to twist our arms. It was why one could support that position and what the rationale was that went with it. If we could not go along, LES at least had made a fair attempt in a constructive way.

I guess we just do not always find in public life today the kind of reliable leadership that LES ARENDS has provided. He has been extremely loyal, not only to the Members of the Whole House, but to the Members on the Republican side of the aisle from which he was elected. That loyalty paid off, because he was reelected to the post of whip time and time again. Even when some of our other leaders were changing leadership positions, LES ARENDS was still found in his place because of that sense of loyalty, that sense of reliability, that sense of continuity. LES ARENDS could be counted on for a totally straight answer. LES ARENDS provided that kind of ever-present reliability.

All of us say to you, LES ARENDS, thank you. We appreciate the substantial service you have given the House of Representatives, your country, and your own district back in Illinois. Most important, you have provided that service to the entire American citizenry who have substantially benefited from all of your 40 years of dedicated service.

Mr. MICHEL. Mr. Speaker, the gentleman from California (Mr. ROUSSELOT) has said it so well that I cannot help but make the comment that running through the course of his comments, one got the feeling that through these reelection efforts of LES ARENDS, there was that certain continuity that was good for the country and particularly good for this House.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, a year ago when LES ARENDS first announced that he would retire this year, it just did not seem possible to me. Today we are faced with the reality—LES is leaving.

For me it is a very personal loss. Most of the district I now have the privilege of representing was served by LES ARENDS for 38 years. People there equated Congress with LES. It was difficult for them to accept the fact that because of redistricting, he would not be representing them. They certainly were not anxious to see a newcomer take his place.

LES understood that. He has a very persuasive style about him that reflects his vast knowledge of the area. He used that persuasiveness to smooth the path for me and to let people know that he supported my candidacy. I am deeply grateful to him for that gentle lift.

LES has remained a friend here in Washington, too. His willingness to share his knowledge and experiences on the Armed Services Committee have been an invaluable help to me as a fellow member of that committee. I doubt that anyone now in Congress knows more about the Armed Forces than he.

If you count his World War I duty with the Navy, you find that LES has seen our country through four major wars. In that time, he has helped the Armed Forces evolve from splintered, almost jealously competitive factions to the modern, coordinated Defense Department that serves us today.

He has fought more congressional battles than I can count to insure that our defense system is the best and it has been a rare privilege to serve with him on this important committee.

In his 40 years on the Hill, LES has faced some tough issues. But he has never approached the problem from a solely political stance. He has always looked at the situation from the point of view of what is right. This is an essential requirement for a true statesman. Coupled with the fact that he has always maintained a very human touch despite all honors, it accounts for his ability to serve his district for so very long.

It also accounts for the fact that his colleagues respect LES enough to have supported him as minority whip since 1943. That is the longest term of whip service of anyone, Republican or Democrat, in the history of the House of Representatives. Being whip is not very glamorous. It is tough, often tedious work but LES has done the job and done it well.

This country, my colleagues and I owe LES a tremendous debt of gratitude for his dedicated work. Yet it is sometimes hard to find the right words to express those feelings. I know I speak for the whole Congress as well as myself when I say that LES has been a first-rate teacher and friend and I will miss him very much.

Mr. MICHEL. Mr. Speaker, I now yield to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr Speaker, I share the regret of my colleagues at the retirement of Congressman LESLIE ARENDS of Illinois at the end of the 93d Congress—and at the culmination of a distinguished 40-year career in the U.S. House of Representatives.

I learned some time ago, even before I became a Member of this body, to draw on the wisdom and strength of my predecessor in Congress who, himself, served with great dignity for 40 years. It is a reassuring thought among the younger Members to have access to the advice and counsel of a man, like LES ARENDS, who has served his country through a depressed economy, two world wars, a cold war, two armed conflicts, and a man on the moon.

As minority whip since 1943, a longer period of time than any other Member in the history of the House, LES ARENDS has contributed his efforts tirelessly to the planning and shaping of his party's policy and strategy on legislation coming before the Congress. Though I have served but one term in the House, I am proud to have had the privilege of serving under the leadership of my friend from Illinois. His encouragement and support have proved invaluable to me, and I shall always be grateful.

We will miss LES ARENDS. He symbolizes integrity, hard work, and dedication to purpose. His public service and patriotism will forever be an inspiration to me. So for the gentleman from Illinois and Mrs. Arends, Godspeed and best wishes for many happy years ahead.

Mr. ARENDS. Mr. Speaker, would the gentleman yield?

Mr. MICHEL. Mr. Speaker, I will be most delighted to yield to the gentleman from Illinois in just one moment, but first I would like to say, in bringing this special order to a conclusion, that it has been a very moving experience for me to have hosted, so to speak, this special order to recognize and pay tribute to my fellow Illinoisan, who has represented the neighboring district to mine for the past 40 years, and I am so glad we could do this, as I am sure all of the Members would concur, that we could give this testimony while LES ARENDS was still with us and could personally hear them.

I do not know in all my time in the course of these 18 past years in the House of Representatives where I have heard more glowing tributes from so many of the Members from both sides of the aisle. I am sure when the RECORD is printed tomorrow it will take several additional dollars to print all of these glowing tributes that have been given to you, LES. I know that it must have been a very moving experience for you also—you who have made your own volunteer decision not to run again, but it has been also one of those kinds of moments when you, LES, probably want to say something. But, just prior to doing that I would like, if the gentleman will permit me, to yield to the gentleman from Ohio (Mr. DEVINE), for whatever comments that gentleman would like to make.

Mr. DEVINE. Mr. Speaker, I thank the gentleman from Illinois for yielding. I too would like to join my many, many colleagues from both sides of the aisle in paying tribute and flowers for the job that has been done by one of our greatest Americans, a man who has virtually dedicated his life in the interest of his country.

I have had the honor to be the Ohio whip, and the regional whip over the years, and to serve with and under the direction, guidance, and supervision, and the wisdom and judgment, of one of the finest Americans in working with LES ARENDS. It has been an experience that I cherish and will never forget.

Here is a man who sort of looks after all of the new Members when they come in. He always takes them under his wing and guides them around the many pitfalls that we find in this body. I know of no one who has greater respect than the gentleman from Illinois (Mr. LES ARENDS).

We are going to miss him, yet we recognize that he is entitled to spend a little time to do what he wants to do more than anything else, and that is to spend a little time on the links at Burning Tree and elsewhere across the country.

I understand he is headed in the direction of Naples, and there are some good golf courses there that need some attention. I am sure he will take care of that.

It has been a pleasure to serve with the distinguished gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I must say in the years I have served in the Congress I do not know anyone I have enjoyed knowing more than LES ARENDS. He is a man one could always turn to for good advice, a man one could trust, a man one was just proud to call his friend.

I remember one time I asked the gentleman from Illinois to come out into our district to give a speech. Without hesitation he said, "I will come." I know that there are many, many Members on this side of the aisle who have asked LES ARENDS to do similar chores for them, and without doubt he has answered their call.

I just want to say that it has been a real pleasure just to know LES ARENDS as an individual, to say nothing about the outstanding career that he has had here in the Congress of the United States. When the history of the Congress is finally written in the pages of time, the name that will stand out in my mind during my service here will be that of LES ARENDS. I am just delighted to have the opportunity to say amen to all of the tributes that have been made here today to the distinguished gentleman from Illinois.

Mr. MICHEL. I thank the gentleman from Ohio.

I now yield to the gentleman from New Jersey (Mr. HUNT).

Mr. HUNT. Mr. Speaker, although I come from the State of New Jersey, which is somewhat far removed from the geographical location of the State of Illinois, when I first came to the House 8 years ago it became my great pleasure to know LES ARENDS. They told me he was the whip, and from time to time he demonstrated the fact that he was that. As the whip he was quite able to justify the position.

But my recollection of LES ARENDS is that he is the epitome of a gentleman. I have never known him to become exasperated with new Members. I have known from time to time when they disturbed him. I have known from time to time when he could not get them to commit themselves. There were some old Members whom he took issue with very firmly. But his leadership in the House has been so very remarkable that I have never in my 7 years here in this House ever heard one derogatory remark about LES ARENDS. It is a tribute to him not only for what he is in the House but to his outstanding integrity.

Likewise, it was my pleasure to be with Mr. ARENDS at several conventions where I met his lovely wife and enjoyed visits with him socially. He was always considerate of my brashness and sometimes my abrasive attitude. But one time LES had to admonish me about saying something to one of my colleagues from the State of New Jersey who was a little out of line.

I want to say at this time in all sincerity that when they produced LES ARENDS, they broke the mold. He is truly a gentleman, a leader, a fine person, possessed of the greatest compassion I know for new Members, as everyone knows. I wish him all the good luck in the world, and good health.

The only thing I want him to do sometime—I have asked him a number of times—is to let me play golf with him on that special golf course known as Burning Tree. Then my ambition will have been realized.

I thank the gentleman from Illinois for his indulgence this evening. I know this is a great tribute to LES ARENDS.

Mr. MICHEL. I thank the gentleman from New Jersey for those remarks.

Let the record show that there was a thunderous standing ovation as we acknowledged LES in whatever remarks we have made.

Mr. MAYNE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Speaker, I was not in the Chamber during the earlier tributes but I happened to be passing in the street outside and heard the tumult within the building and I hastened in to see that it was the well-deserved applause being received by our esteemed colleague, the great minority whip, LES ARENDS, and I just wanted to add my words of appreciation and tribute to LES for the tremendous service he has performed for the House of Representatives and the Nation for these many years.

I also want to thank him personally for his many courtesies and his acts of helpfulness to me as a relatively junior Congressman when I first came and through the succeeding years.

Thank very much, LES, and the best of luck to you in whatever you now undertake.

Mr. MICHEL. Mr. Speaker, I am happy that we have a remaining moment in which I may thank the gentleman from Iowa for his well chosen remarks.

Mr. ANDERSON of Illinois. Mr. Speaker, 13 months ago we learned of the impending retirement from the Congress of our good friend, Les Arends. Even today I find it difficult to accept that Les, who has toiled in this Chamber for 40 years and served his party and the Nation for three quarters of that time as the Republican whip, will not be a Member of the 94th Congress. He has certainly had an illustrious career and one which unquestionably will never be matched.

It has been a privilege for me to work with this great gentleman and to observe his unspoiled character which was set and continues to be nourished by the hard-working heritage of Melvin, Ill. Les' basic virtues deserve to be emulated. He has not been a press release Congressman, but rather a Representative who has remained close to his constituency. His departure from this Chamber will be the passing of an institution.

In all he has survived from one election to the next without defeat, compromise, or diminished stature. As Sir Winston S. Churchill once observed:

> Politics are almost as exciting as war, and quite as dangerous. In war you can only be killed once, but in politics many times.

Remarkably and to his great credit, Les has emerged from four decades of legislative and political contests unscathed. Unfortunately we have no medals to bestow on this heralded, legislative general. Our continuing friendship and deep appreciation must somehow suffice.

Les, you shall be missed, but I know you will not be forgotten. Your counsel shall continue to be sought on Government affairs, and yes, even on the complicated and involved techniques of golf. While the country is losing a legislative giant, it is gaining a golf star.

More seriously, our sense of loss with your forthcoming retirement is only tempered by the realization of how much we know you will enjoy spending more time with your gracious wife, Betty, and in endeavors you have long postponed. You shall always have our prayers and best wishes.

Mr. McFALL. Mr. Speaker, I rise to pay tribute to my good friend, and counterpart as whip, Mr. Arends, who departs the House after 40 years of distinguished service to this Nation.

The gentleman from Illinois is the dean of the House leadership on both sides of the aisle. His 30 years as whip is the longest period of service in a leadership position in the history of the Congress.

Even more important is the magnitude of his contributions to the Nation—his longstanding efforts in behalf of a strong national defense and his insistence that the best interests of the Nation always come first.

The gentleman is a ranking member of the Armed Services Committee, where he has served for 30 years, and from 1961 through 1969 represented this Nation as a delegate to the NATO Parliamentary Conference.

His constant sense of high purpose and his natural congeniality and graciousness have won him the respect and admiration of the House, and the affection of its Members.

Les Arends is one of the most decent human beings I have ever known. Virtually all of the Members here, regardless of party, have benefited from his wise counsel, his friendship and assistance, his willingness and understanding. He has always been ready to help whenever anyone has asked.

As Republican whip and dean of the Republican conference, the gentleman has always been a vigorous and effective spokesman for his party and its policies. But he has never been a narrow or unrelenting partisan. Courtesy, consideration, and fairmindedness have distinguished him throughout his career. He is an outstanding Amercan and one of the finest legislators ever to serve in this House.

Speaker Albert, expressing the esteem which the gentleman commands in this body, said:

> No retirement in my time will be a greater loss to the House of Representatives.

On the day that he stunned us all by announcing his retirement, Les Arends said:

> To be in the Congress is not solely an honor. It is both a responsibility and an opportunity as well. I have always been proud to be an American. I hope this pride has been reflected in my service here.

That is a fine tribute to Les himself. He has always exemplified the highest traditions of the public trust. One Member has called him the Congressman's Congressman, and he has indeed to all of us been friend, counselor, and a wonderful human being.

My very best wishes go with Les and his wife Betty for a long, happy, and rewarding retirement.

Mr. MORGAN. Mr. Speaker, it is my great pleasure to participate in this special order honoring Congressman Les Arends of Illinois.

Les' 40 years in the House of Representatives were momentous ones in the history of our Republic covering the end of the Depression, World War II, the Marshall plan, the Korean conflict, the exploration of outer space, the Vietnam war, and the continued growth of our economy. Les' wise counsel was invaluable in helping our Nation grow and use its resources to benefit people here in America, as well as overseas.

As chairman of the House Committee on Foreign Affairs, I am especially appreciative of Congressman Arends' role in maintaining a bipartisan congressional approach to foreign policy. We traveled abroad together and attended parliamentarian conferences of the North Atlantic Treaty Organization, and Les was always a valuable asset to the American delegation.

Perhaps, however, the qualities which have endeavored Les to all of us are his unquestioned integrity and willingness to work with and assist members of both parties and all ideological persuasions. During floor debate on controversial issues, Les was ready and able to offer suggestions which in many cases involved an apparently unresolvable legislative dilemma.

Mr. Speaker, Mrs. Morgan and I extend our very best wishes to Les in his retirement. He shall remain an inspiration to us all.

Mr. QUILLEN. Mr. Speaker, it is an honor for me to join my colleagues in paying tribute to a great American, a great Republican, and a good friend, the Honorable Leslie C. Arends. At the same time, I am saddened at his decision to retire from an outstanding career in the House of Representatives after 40 years of distinguished service to his country.

Les Arends is to be commended for his many contributions to his district, his State, and his Nation—he has served all these with distinction and dedication.

His good judgment deserves a sincere word of gratitude from those who have benefited from his outstanding record. In addition, his high ranking position as minority whip has been a source of fine leadership and great inspiration to those of us who have worked with him.

Les Arends' deep devotion to the principles of justice and freedom for all men have built for him many achievements which he can be justly proud. He is an honest and honorable man who has fulfilled his service in Congress with much distinction, achieving an admirable and outstanding record. He is able, hardworking, and loyal, and it has been a privilege to know and to serve with him.

We will all miss Les Arends when he leaves this Chamber, but his retirement leaves Congress enriched by his contributions. He will not be forgotten.

I wish him a long, healthy, and happy retirement, which he so richly deserves.

Mr. HÉBERT. Mr. Speaker, this is for me, as well as for the taxpayers of the United States, a sad occasion. All of us, of course, prefer to join in wishing departing colleagues well. And all of us would say that they deserve the respite from labors to which they now fall heir. For those of us whose principal duties have to do with the stewardship of national security, this is a particularly noteworthy day. We are losing from the Committee on Armed Services eight members who will not be back for the 94th Congress. They are members, without exception, who have been stalwart supporters of a strong national defense and, without exception, men unafraid to stand up and be counted on unpopular defense legislation at a time when the military services are under attack from many elements of our society.

I have served now 34 years in the House of Representatives, and I have seen the great leaders of this body come and go. I have known Presidents and generals; I have known the giants among the Cabinet members and statesmen of our time. When I first came to Congress, Les Arends of Illinois had already been here 6 years. At his retirement, he will have served 40 years in the House. He is second in seniority among all Members. But the quality more than the quantity is what marks his service. He has always been a leader in his party and in the committee and on the floor. He has always been fair and honest, conscientious in his committee work, shrewd and skillful in floor debate, and unfailingly wise in his judgments on national policy. We will miss him. He is irreplaceable.

Only one Democratic member of our committee is retiring from Congress. But that member, unfortunately, is CLARK FISHER of Texas who has served so many years on our committee and who, in the period of my chairmanship of our committee, has been such a tower of strength as the chairman of Subcommittee No. 2. CLARK FISHER is not a man for public display. And his greatest service, unfortunately, has been in places invisible to the public. In recent years when the Senate has proposed damaging cuts in manpower levels for our Armed Forces, the tenacious and skillful work of CLARK FISHER has provided us with the ammunition we needed to hold the ground in prolonged and fatiguing conference sessions. No man has fought harder to defend the position of the House in bargaining with the Senate. He has been at the same time a loyal supporter and a delightful colleague with whom to work and a man not easily replaced.

I have had, during most of my years of service on the Armed Services Committee, a particularly close relationship with the gentle gentleman from Indiana, BILL BRAY. His distinguished service as a battalion tank commander in World War II, during which he won the Silver Star, has been of enormous value to the committee and to his colleagues who have turned to him so frequently for advice on the profesisonal aspects of military life. For many years he was the ranking minority member on the subcommittee which I chaired which handled all legislation for the Reserve forces, and he was really a cochairman for the subcommittee. All of the members of the Reserve, as well as all of the members of the active Armed Forces owe him a great debt of gratitude for the many years that he has fought so valiantly for their cause in the halls of Congress.

I am especially angry at CHARLIE GUBSER of California for retiring because to LES ARENDS and me he is only a boy. He has been particularly associated in his years on the Armed Services Committee with legislation to improve the conditions for military personnel, both active and retired, and their families. Without his enormous effort and profound personal knowledge, we would not have the excellent survivor benefit plan which we now have for our military families. He has been a leader in working to improve the medical care available to military families and to military retirees, and he has worked tirelessly in that cause. Dr. GUBSER is always vigorous in debate, always a cheerful and welcome colleague and always a strong spokesman for the committee, both on the floor and in tough conference negotiating sessions. We will greatly miss his legislative skills.

All Members know that when you speak out for various military projects or appropriations, you are invariably accused of trying to get some goodies for your district. But they could never even make that charge against one member of our committee, CARLETON KING of New York, because there is not any military in his district. For him, service on the Armed Services Committee has been truly a labor of love. He has no big military installation in his district and no defense industry to speak of. But his sound judgments in behalf of his country and his profound legal skill have allowed him to make enormous contributions to our Armed Forces during his years on our committee. We will miss him also.

The close of the 93d Congress will also close the service on the Armed Services Committee of three other Members—JOHN HUNT of New Jersey, WALTER POWELL of Ohio, and BOB PRICE of Texas. Mr. POWELL and Mr. PRICE are newer members of the committee, but both are able gentlemen whose support of national defense has been consistent.

Mr. HUNT is a man who understood the needs of our military services particularly well. He has been a fighter on our committee as he was a fighter when he wore the uniform of his country. He served in eight major campaigns in Africa and Europe. He holds the Purple Heart and the Bronze Star. On our committee he was always dogged in working for improved weapons for the Armed Forces.

My best wishes for a happy retirement go to all of our retiring Members and their families. But I want them to know that we retain the option to call on them anytime for their sage advice.

Mr. KLUCZYNSKI. Mr. Speaker, I would like at this time to extend my best wishes and congratulations to the Honorable LESLIE C. ARENDS, on the occasion of his retirement from the House.

As Representative of the Illinois 17th District, he has seen service here for 40 years. Counting service on the old Military Affairs Committee and his 22 years on the Armed Services Committee, he has served the Government in that vital regard over two periods longer than any other Member of the Congress. And in holding the position of Republican whip since 1943, he has once again established himself in the records for longevity of service.

Having worked alongside LES ARENDS in this Chamber for the past 24 years, I have come to know him well and to regard him as the best of public servants. His good sense and public spirited approach to the problems of Congress and the Government have rendered him important to American processes for many years, and his retirement must be regarded as a sad occasion for the people and the country.

Mr. MURPHY of Illinois. Mr. Speaker, I want to join my colleagues today in paying tribute to a man who has served admirably for the past 39 years as a Member of the House of Representatives. It has been my good fortune to know and work with LES ARENDS for the past 4 years. During that time I have come to know him as a dedicated public servant.

LES ARENDS has been a credit not only to this great body where he has served so ably but also to the people of his congressional district. His constituents recognizes this man's abilities and leadership qualities. The fact that he has been returned to Congress year after year is testimony to his outstanding qualities as a man and legislator.

Congressman ARENDS has proven himself a man of conviction. He has displayed this in his position as minority whip for the past 31 years. Holding this important position attests to LES ARENDS' ability to adapt and to look ahead. A lesser man would find the task insurmountable.

We will miss LES ARENDS as he takes his leave from the House. Although he will no longer be visible on the House floor when we convene for the new Congress, his presence will still be felt and his influence will remain. LES ARENDS can point to a long and illustrious career which few men can boast. I wish him well in his retirement. He has tasted success and will take with him the satisfaction of a job well done.

Mr. REUSS. Mr. Speaker, I join in paying tribute to our retiring colleague, LESLIE C. ARENDS.

LES has been elected his party's whip every succeeding Congress since 1943—a record for anyone in that assignment, Republican or Democrat, in the history of the House. That clearly indicates the respect his Republican colleagues have for his wisdom and leadership. But Democrats, too, found LES to be an able legislator and a delightful gentleman.

As Republican whip, LES contributed to the passage of nearly every piece of major legislation since World War II. From my experience of serving with him since 1955, I can say without qualification that it has been a joy to work with him. He has served his Nation well. The loss of his presence on this floor will be felt by all. We wish him and his wife Betty the rest and continued happiness they both so much deserve.

Mr. ARCHER. Mr. Speaker, I wish to join in the tribute to an outstanding U.S. Representative and outstanding Republican—LES ARENDS.

Representative ARENDS in his 40 years in Congress has revealed a total dedication to the U.S. House of Representatives. During his years of service, he has seen a multitude of bills passed by the House of Representatives and has witnessed good bills and bad bills enacted into law. He always brought an enthusiastic dedication in support of the measures he favored and determined opposition to actions he believed would not benefit the country. He was brought into close contact with every single Republican Member of the House and every bill through his 30 years as House Republican whip.

His three decades as whip were devoted to assisting Republicans in every way. He knew and worked with the outstanding Republican leaders of our times. He has always worked for the growth and development of the Republican Party and LES ARENDS continued this interest when times were prosperous for his party and when times were bleak.

As LES ARENDS concludes his service in the House of Representatives, I wish good health and good luck. I am sure that even in retirement he will continue to serve the Republican Party.

Mr. TALCOTT. Mr. Speaker, today we are honoring a dear friend, a trusted adviser, and a respected leader. The gentleman from Illinois (Mr. ARENDS) has decided to conclude a career of 40 years of service to the people of his beloved Illinois and to our Nation. Only a mere handful of men have served longer in this Chamber than has Les.

During his years in the Congress he has made a legion of friends. He is a tower of strength who has made a reputation for himself as a man of unquestioned ethical standards, a patriot devoted to the good of the Republic, and a fierce fighter for fiscal responsibility. At a time when public confidence in elected officials has fallen to an all time low, we can all look to Les Arends with pride. His career epitomizes the very best in true public service.

When I first came to the Congress a dozen years ago Les Arends offered his help and assistance in getting settled and understanding the procedures of the House. Through the years I have seen him do the same for each new group of Members. His willingness to help the younger Members, and his close associations with them has kept his own outlook young.

As the senior regional minority whip I treasure my friendship with Les. Over the years we have worked closely on many issues and problems, and in the future I, and many others, will miss his wisdom, patience, and good advice.

I understand that Les, and his lovely wife, Betty, have decided to enjoy their retirement in Florida. As an avid golfer Les will be able to spend a great deal of time on the links. But whenever he is interested in a real golfing challenge, I am happy to extend an invitation to both Les and Betty to come to the beautiful central California coast and play some of the best and most scenic courses in the world. I also hope that from time to time Les will be able to return to Washington and visit with his many friends in this Chamber. Les, your colleagues from both sides of the aisle join me in wishing you Godspeed and a happy retirement. And I am certain that the people of the rest of the Nation join with the people of Illinois in their appreciation of your years of true and faithful service to our country.

Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to Hon. Les Arends, who is retiring as the senior Republican in the House of Representatives and the senior member of the Illinois delegation to Congress.

Les Arends has given 40 years of dedicated and devoted service to his constituents of the 15th District of Illinois, and has compiled a splendid and admirable record during his distinguished career. During those years, he has witnessed some of the greatest moments in the history of mankind and he has experienced, in a very real sense, the triumphs and the tragedies of our Nation.

Having given his best in service to his Nation, Les can be proud of his record and his accomplishments. When I first came to Congress 10 years ago, he never hesitated to give me the benefit of his advice and his guidance. He has always been willing and able to assist me and others and has never placed any conditions on that help.

Les Arends can retire with the assurance that through his efforts mankind has benefited. There is no tribute higher than this. Mrs. Annunzio and I extend to Les Arends, his wife, and daughter our best wishes for a healthy and happy retirement.

Mr. FISHER. Mr. Speaker, I am delighted to join with my colleagues in paying deserved tribute to our colleague, Les Arends of Illinois, who is soon to retire after 40 years of distinguished service in the House.

It has been my privilege to know Les quite well, having served with him for some 25 years on the House Armed Services Committee. Always alert and knowledgeable, he has never faltered in his support of a necessary and adequate national defense posture. His leadership on many vital issues have been of great value to his district, his State, and to the entire Nation. The Congress and the Nation are much better off because he has served here. His shoes will not be easy to fill.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues on both sides of the aisle in honoring our distinguished friend and colleague, the minority whip, upon his retirement from Congress. The record of service compiled by Congressman Les Arends spans 40 years in the Congress and is one which proves the dedication of this effective and articulate spokesman for the minority party in the House.

On many occasions I have found myself on the opposite side of a legislative issue from Les Arends but I have always been a true admirer of his ability as a leader and his energetic approach to his legislative duties. It has been my privilege to serve with Les Arends in this Chamber and we shall miss his participation in our daily deliberations following the close of this session of Congress.

I join with my colleagues in wishing Les Arends a healthy and enjoyable retirement from the Congress.

Mr. BAUMAN. Mr. Speaker, 21 years ago when I came to Washington as a young boy, I had in mind a very definite and dignified image of what a Congressman should and would look like. Within the first few days on the House floor and in the halls of Congress, I can remember distinctly being most impressed with one man who looked the image of a Congressman, with a flowing white mane and a dignified air. He literally commanded the situation with his presence. It did not take me long to discover that this man was Les Arends of Illinois, the Republican whip.

In the ensuing years I have come to know Les as a friend and as a person who qualifies as an outstanding Congressman for reasons far greater than his appearance. His dedication to his country and his beliefs in his party are unmatched in this Chamber. In an arena in which political changes often cause hard feelings and broken frendships, Les has been able to maintain cordial relations for 40 years.

Each of us is different—no one can imitate another—but it will be very hard to replace Les Arends. We will miss him and we certainly wish him all the best in his well deserved retirement.

Mr. CEDERBERG. Mr. Speaker, we all have heard the adage—"life begins at 40." It is obvious that our beloved friend and colleague Les Arends intends to change that famous old saying just a trifle in adding "life begins after 40 years in Congress."

As we pay honor to Leslie C. Arends today I believe all will agree that the highest compliment bestowed upon him is that Congress simply will not ever be the same again minus his active participation. One of our Nation's greatest Members of Congress, nearly 150 years ago, made a statement which so fittingly describes the Les Arends that we have known for all of these years.

In a speech back in 1829, the late Henry Clay stated:

> Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.

For 40 years, since his first election as he took his seat in the 74th Congress on January 3, 1935, Les Arends has been one of the outstanding "trustees" for his country, his State of Illinois, and his district.

It has been a truly rewarding personal experience for me to have known him as a colleague and to count him as a dear friend for over 20 years.

Over the years, I sought his advice, his counsel. So did hundreds of others. He has helped hundreds of us to be better Congressmen.

All of us, from both sides of the aisle, are going to miss him. Our personal loss will be great, but the loss for our country is even greater.

Mr. BEVILL. Mr. Speaker, I welcome this opportunity to pay my highest respects to my good friend and colleague, the Honorable Leslie C. Arends, who is retiring at the end of this session.

In his leadership role as Republican whip since 1943, Congressman Arends has demonstrated a unique understanding of the legislative process and a capacity to keep working until the job is completed. In his association with other Members, from both sides of the aisle, he has always been understanding, helpful, and willing to listen to another point of view.

Congressman Arends has distinguished himself not only as a Representative of his district, but as a dedicated public servant, contributing much to the well-being of the Nation.

During his 40 years of service in the U.S. House of Representatives, Les Arends has made many friends and earned many honors. He has accomplished this by his unfailing sincerety and strict devotion to the many tasks confronting a Member. Above all, he has earned the highest respect for his sound judgment on important matters which affect citizens in every part of the Nation.

The has rendered an outstanding service to his country and I am honored to join with his many friends here in the House today in expressing appreciation for his dedicated service.

I know Congressman Arends is looking forward to having more time to spend with his family and I hope the coming years will be filled with happiness and prosperity.

Mr. ARMSTRONG. Mr. Speaker, it is

with mixed emotions that I join my colleagues in observing the retirement of the distinguished gentleman from Illinois, Mr. Les Arends.

Certainly his long and devoted service to his State and this Nation have earned him a much-deserved rest.

But we will greatly miss his expertise and wise counsel which have contributed so much to whatever degree of success this body has achieved.

And I will personally miss his guidance and friendship.

I trust he will come back and visit us often.

Mr. DE LA GARZA. Mr. Speaker, when I entered Congress as a Member of the House just 10 years ago, Les Arends already had been serving here for three decades. I had of course known him by reputation and I soon came to know him personally and to my lasting benefit.

Regardless of our belonging to different political parties, Les Arends has always been kind and helpful to me, as he has been to many other Members. And he has set me and others an example of dedicated hard work in meeting our responsibilities here.

As a Republican leader, his attitude in this Chamber did not change when his party took charge of the executive branch of the Government. He has continued to be notably cooperative in dealing with all the Members regardless of their party.

Of Les Arends it can be said that he is truly "a man of the House." He has devoted 40 years of his life to working in that capacity. We are so accustomed to thinking of him as a fixture of this body that it is difficult to realize he will not be among us after this month. He will be missed by the House collectively, and certainly by me individually.

We wish him many more productive years, many more years of good health and happiness for he and his family and perhaps a few days amongst each of those years when he can do all those personal things all of us here never seem to have time for.

God bless Les Arends for all he has done for others.

Mr. MATSUNAGA. Mr. Speaker, it is a pleasure to join in this tribute to our colleague, the Honorable Leslie Arends of Illinois, who is retiring at the conclusion of the 93d Congress.

Les' distinguished career in the House spans a period of 40 years—he entered Congress during the depression and served the people of his State and this Nation ably in war and peace, prosperity and recession. It would be impossible to enumerate his many outstanding achievements in the short time allotted me.

I do want to convey a special and personal thanks to Les for his contribution to the cause of Hawaiian statehood. When the roll was called on that historic day in March 1959, the large number of Republican votes in favor of statehood for Hawaii was due in no small measure to the hard work of the Republican whip—Leslie Arends. The people of Hawaii will be eternally grateful to him for helping them win the opportunity to participate fully and equally in the affairs of our great Nation.

Now that Les is retiring, I hope that he will have a chance for a leisurely visit to the Island State to receive the personal thanks of its grateful citizens. I wish him Godspeed and continued success in his future endeavors.

Mr. MADIGAN. Mr. Speaker, many of the Members of the 93d Congress were not even born when Les Arends was in the well of the House working for the United States and his beloved constituents of Illinois.

Mr. Speaker, there is not time, nor would it be Les' desire, for someone to go on and list the many and significant accomplishments of his tenure in the House.

Suffice it to say, however, that when one of the young men, who Les guided through the maze of the legislative process, visited Les Arends in his hometown of Melvin, it was among a crowd of several thousand people who had gone out of their way to say goodby to Les Arends.

Along with the President of the United States, there were nearly 10,000 people who came to shake hands and pay tribute to an American of the highest order.

Les has earned this retirement just as he has earned the respect of all who have served with him in the Congress.

Perhaps the whole career of Les Arends is summed up by this remark overheard at the Melvin celebration, "Well, he made it for 40 years, and he never lied to anyone."

Mr. VANIK. Mr. Speaker, while the end of a Congress is usually an exciting time, a time of heavy workload pressures and last minute legislation, it is also a sad time—a time of saying goodby to many friends.

The end of the 93d Congress is a particularly sad time for the House of Representatives which is losing one of its most distinguished members, Les Arends. I am pleased to join with my colleagues today in saluting the service of the minority whip who has served so long and so well. We have often clashed, our votes could usually have been matched in live pairs—but I have always deeply respected the integrity and fairness and wisdom of Les Arends. We will miss his guidance and counsel. He has worked here in the Halls of Congress for 40 years. We all wish you a happy retirement and good health.

Mr. ROSTENKOWSKI. Mr. Speaker, the 94th Congress will assemble next January, but the unhappy fact is that the 94th Congress will be the first one in four decades that will convene without Representative Les Arends. This will be a loss not only for me personally, but for my State, the Nation, and for the Republican Party which he has served so ably.

When I first arrived in Washington for the opening of the 86th Congress, I had, like all freshmen, much to learn, both about the institution and its procedures. The first to offer his assistance was my good friend from Illinois—Les Arends.

In the years that have passed since that first day, he has continued to offer his assistance without regard to the political differences that often separate us. His ability to work equally well with Members on both sides of the aisle has greatly increased his effectiveness in a leadership position.

The retirement of Les Arends will not only be a tremendous loss to the Republican Party and to its congressional leadership, but to the entire State of Illinois as well. For, when it came to statewide problems, Les had the ability to bring together our entire delegation to effectively resolve problems that beset all Illinoisans.

As his retirement approaches after so many years of service, I am sure that Les is already planning to expand his commitment to the only activity that even rivals his devotion to the House of Representatives—the game of golf. What most clearly has been our loss, has been golf's gain. For while it may seem unorthodox to equate his work in the House with his work on the links, it is clear that in both, Les Arends has the effectiveness and consistency that most legislators and golfers could only hope to achieve. I wish, Mr. Speaker, for our beloved friend and colleague, a long and pleasant retirement.

Mr. DERWINSKI. Mr. Speaker, I join with many of my colleagues today in paying tribute to Les Arends, an outstanding legislator who has served his constituents, his State of Illinois, and our great country with dedication, ability, and inspiring diligence. His retirement brings to a close a long and distinguished career in the Congress that began on January 3, 1935.

As a fellow Illinoisan, I am especially grateful to Les for the support, encouragement and inspiration I received from him during our association in the Congress.

Les has proven himself over and over. He has been a loyal partisan leader in the Congress, having served as Republican whip since 1943. He leaves his mark on the history of this country and the beneficial mark on all of us for having served with him. He has always been a staunch defender of his party's principles and positions, but at the same time he has always put principle and love of country ahead of party politics.

Les Arends represents the highest traditions of service in the House of Representatives. As a legislator, parliamentarian, and leader his work and his service rank with the very highest. His strength lies in his tremendous effectiveness as a spokesman, and this is demonstrated when his Republican colleagues repeatedly rally to his side in the toughest legislative battles. The respect in which he is held by his colleagues on both sides of the aisle is a testimony to his legislative strength.

It has been my privilege and honor to have Les as a friend and a wise, sympathetic adviser and confidant for the years I have been a Member of Congress. He is a beloved colleague among those of us who serve with him, and I hate to think that he will not be back with us next year. We will really miss him as we face the very difficult challenges of the 94th Congress.

Mrs. Derwinski joins me in wishing Les and his wife, Betty, every happiness in their well-earned retirement. While I suspect that Les will remain active and accept important assignments from time to time, I also suspect that he will spend a good deal of his time on the golf links where he can still put in a round under his age.

Mr. BROTZMAN. Mr. Speaker, I rise to join my colleagues in paying tribute to Les Arends. During the 10 years I have been privileged to represent the Second District of Colorado in the House of Representatives, I have found Les to be a source of strength. His leadership abilities are well known and his accomplishments are legion.

The people of the 15th District of Illinois have certainly recognized Les' abilities. That is why they asked him to represent them in the House for 40 years. Their judgment has been rewarded with outstanding service. The 94th Congress will miss Les Arends, but he has surely earned the retirement he has chosen. Mrs. Brotzman and I wish him well in all of his future endeavors.

Mr. SKUBITZ. Mr. Speaker, today we pay tribute to our colleague and friend, the Congressman from the 15th District of Illinois. I join in bidding Les Arends farewell and wishing him an abundance of happiness and contentment in his retirement.

The real worth of a Member is in the judgment of his peers. We in the House have come to understand and appreciate Les' value by witnessing firsthand his legislative capacity and personal integrity. On the Republican side of the aisle, we have repeatedly acknowledged his abilities by choosing him as party whip in every Congress since 1943.

His constituents in the 15th District of Illinois have rewarded his outstanding service by sending him back to Congress for 20 consecutive terms.

It will be a profound loss for the House of Representatives when Les Arends does not take a seat in the new Congress. The void will be difficult to fill.

Mr. CRANE. Mr. Speaker, Leslie Arends has had one of the longest and most distinguished careers of any Member of this House.

First elected to the 74th Congress on November 6, 1934, he has been reelected to every Congress since that time and since 1943 has held the position of Republican whip.

While other party leaders have come and gone, have incurred the wrath of their colleagues, inspired hostility on the part of their opponents, and ended their careers not by their own choice but by the choice of others, Leslie Arends' legacy is far different.

His decision to retire at this time saddens all those who have had the opportunity to know him and work with him through the years. This is particularly true for those of us from his own State of Illinois. A native of Illinois, Leslie Arends served that State with a devotion and dedication borne only of real love and affection.

Yet, his has never been a narrow or parochial approach to the Nation's affairs. He has been aware of the fact that ours is a nation of men and women of diverse backgrounds, of many racial, religious, and ethnic origins, from sections of a vast nation whose interests often conflicted, and had to be reconciled. Leslie Arends viewed his leadership role, at least in part, as that of such a reconciler. For this reason, for his ability to understand the problems and interests of so many different people, his leadership position has never been seriously challenged.

It is unfortunate that today, in the wake of an unprecedented period of political turmoil, that the American people have lost much of their confidence in political leaders. It is true, as the Founding Fathers so often warned us, that that government is best which governs least. It is equally true, as Lord Acton noted, that power tends to corrupt, and absolute power tends to corrupt absolutely. The Constitution carefully limits the power of each branch of Government, and states clearly what powers government is to have and which are to be reserved to the people themselves. Yet, within the limited range of government, men of honor and vision are required.

The low esteem in which politics and politicians are now held would be reversed were the American people to understand the careers of individuals such as Leslie Arends. He has brought honor to his State, to his family, and most particularly to this House of Representatives in which he has served for 40 years.

It is with sadness that we bid farewell to Leslie Arends, but not only sadness. We are also thankful that the Nation brings forth men of his stature to serve in the political life of the Nation. As long as it does, our freedom will be more secure.

Such accomplishment has been the result of hard and diligent work, something which sets apart leaders from those whose interests and concerns are elsewhere. Leslie Arends brings to mind the verse by Henry W. Longfellow in his poem, "The Ladder of St. Augustine":

> The heights by great men reached and kept
> Were not attained by sudden flight,
> But they, while their companions slept,
> Were toiling upward in the night.

Mr. ANDREWS of North Dakota. Mr. Speaker, I am pleased to join with my colleagues paying tribute today to a truly great American, the Honorable Les Arends of Illinois.

For the past four decades, he has served the people of his district with dedication and the entire Nation with genuine distinction. He has, furthermore, served as an outstanding example for those of us privileged to work with him. Despite the burden of his extra duties, he has always remained available to advise and counsel his colleagues and all of us have benefited greatly from his help.

Les Arends is a great man and a good friend who will be solely missed when the 94th Congress convenes.

Mr. EDWARDS of Alabama. Mr. Speaker, it is an honor to join with my colleagues today to pay tribute to my good friend Les Arends.

Les, who came to Congress in 1935, through diligence and hard work soon became a highly respected and influential Member of this body. Through the years he has shown both wisdom and vision and has been a truly great legislator. His unfailing enthusiasm and persuasiveness have been a compelling force in creating and effecting outstanding legislation.

My colleagues on this side of the aisle will certainly miss his energetic work with the party leadership and as our whip, a position in which he has served since 1943.

With his retirement, we are losing a truly outstanding Congressman, one who has been dynamic, capable, persuasive, and productive While it is sad to think of this body without him, after 40 continuous years of service to his constituents and to his country, his voluntary retirement is certainly well earned. He will long be remembered by all who have had the privilege of serving with him, and for whom he has been and will continue to be an inspiration.

I am sure the rest of my colleagues join with me in extending to him our deep appreciation for his great service, and wishing him the best for the years to come.

Mr. BAKER. Mr. Speaker, the great State of Illinois has been represented in this body over the years by some illustrious legislators and public servants. None, I daresay, has served with greater distinction than the man we honor today—the Honorable Les Arends.

Not only has he represented his district to the satisfaction of his constituents, but he has been a political leader in Illinois for the past 40 years and has been the Republican whip in the House of Representatives for 21 of those years.

During his 40-year tenure in the House, I have had the privilege of serving with him only one-tenth of this time. Before I came to the House in 1971, I knew Les Arends by reputation. Anyone active in politics had to be aware of the stature of this man and know of the respect he commanded. I have learned in these 4 years that he deserves all the plaudits which have come his way.

He has those attributes of leadership which surface in a forum of this kind and are recognized by his colleagues. They look to him to accept wider and wider areas of responsibility. Les Arends did this and for 40 years wrote a record in the House of Representatives which will be matched by very few in the long history of this body.

As the gentleman from Illinois (Mr. Arends) leaves the House which he loved so much and served so well, I want to express my personal thanks to him for the help and guidance he has given me these past 4 years. His counsel has made me a better legislator; the example he set was always a goal for a Representative who strived to be more effective.

My best wishes for health and happiness accompany his departure from the political and legislative wars. As he begans his retirement, Les Arends can reflect with satisfaction on a career which has left its mark for all time. He has served ably and well and has earned the right to rest on his laurels.

Mr. BIESTER. Mr. Speaker, in these closing days of the Congress, we who are Members of this body and the many others who work closely with the operation of the House will be saying good-bye to retiring colleagues. All will be missed, but their places will be taken by new Members in January to continue the process of representation. Some, however, who themselves have become institutions within an institution, will leave behind voids which cannot be easily filled.

Les Arends is one of those individuals. The most senior Republican and party whip since 1943, Les is one of the most *esteemed* Members of Congress. He has earned this reputation through commitment to his responsibilities as a legislator and leader, always mindful that effectiveness is built upon a close personal relationship with all colleagues. Sensitive to the limits of his position, he exercised his influence with skill and understanding.

I would like to join with my colleagues in extending to Les my thanks for the friendship we have shared during the 8 years I have had the pleasure to know and work with him. My best wishes go with him upon his retirement from a distinguished career of public service.

Mr. ERLENBORN. Mr. Speaker, I call the attention of the House to one of the most fortunate of men, the Honorable Leslie Arends.

First, of course, he was born and reared in Illinois; and that is good. Additionally, he was born and reared in Melvin, Ill.; and that is even better. This is the American heartland, and Les Arends is one of its good products.

Next, he was elected to this House in 1934, when Republicans could count themselves fortunate, indeed, to escape defeat.

He has served here for 40 years, and he must be a little surprised to look about him and note that the Nation has survived those four decades in spite of depressions, wars, missile crises and 36 years of Democratic majorities in Congress.

Still, Les Arends is more fortunate than many of his colleagues in that he is privileged to leave this House at a time and in a manner of his own choosing.

He has been the elder statesman of the Illinois delegation throughout my time here; and, because of the proximity of our districts, he has been a sage and kindly neighbor. He has befriended me in countless ways, and I think it likely that a lot of us in this Chamber can say the same thing.

We will miss his wisdom, miss his patience, miss his knowledge.

Mr. ASHLEY. Mr. Speaker, I am most pleased to have this opportunity to join with my colleagues in honoring the minority whip, Les Arends, upon his impending retirement. In many ways, I feel a common thread, a kinship with Les Arends—both of us proceeding from the Midwest to the Nation's Capital to bring that strength and spirit of the heartland to the seat of Government. When I entered the House of Representatives 20 years ago, Les had already served for 20 years—indeed had already been whip for a full term. During these two decades that we have served together, I have grown to know and admire this man who has labored in our midst and has reached out to touch each of us.

Les has set an example of reason and persuasion to which we can aspire, and hope to reach only by dint of the hard work and gentlemanly endeavor which earns the respect of all. To appreciate Les Arends is to put into perspective all of our own legislative efforts and to give us all a target to aim for. As Les takes his leave of the House, we can pay him no higher tribute than to carry on the standard that he passes to us, with the same firm resolve and integrity that he has always maintained.

Mr. METCALFE. Mr. Speaker, the conclusion of the 93d Congress will bring to a close one of the most remarkable careers this House has seen. After 40 years in Congress, Les Arends is retiring.

As minority whip for more than 30 years, as long-time ranking minority member of the Arms Services Committee and as the dean of the Illinois delegation, Les has been without question one of the most active, congenial, and respected Members of this House.

Even those of us who sat on the other side of the aisle could not help but admire Les Arends. The work that he did for his constituents, for the State of Illinois and for the Nation only added to that admiration.

It was, however, not only what Les Arends did during his years here, but also the kind of man he has been which commanded the respect of all the Members of this House, regardless of party.

With great respect for others, with courtesy and always without rancor, Les Arends got the job done.

And he got the job done so well that his constituents saw fit to reelect him to this House no less than 20 times.

Les has indeed been a remarkable man. It goes without saying that all of us, Democrats and Republicans alike, will miss him.

As his unique career in the House ends, I wish Les Arends the best of luck for a happy and healthy retirement.

Mr. HINSHAW. Mr. Speaker, it is difficult for anyone to adequately express feelings for a person who has served his country for as long and as well as has our distinguished colleague from Illinois, Congressman Leslie C. Arends.

The domestic affairs of this Nation, the responsiveness of our Federal Government to the people, and the role the United States plays in world matters have all improved since Les Arends first came to Washington, D.C., 40 years ago as a young, bright, and articulate Congressman.

One of the greatest indications of respect a Congressman can receive from his colleagues is being elected to a party leadership role. Congressman Arends' leadership, and respect for that leadership, was officially recognized in 1944 when he was first elected as whip for the Republican Members in the House of Representatives.

It is a signal tribute to my good friend Les Arends that he has been reelected every 2 years to that high leadership post. This fact becomes more significant when one realizes that this is a longer period of time than any Congressman of either party has served in the post as party whip.

So while it is with a good deal of sadness that I recognize Les Arends will not be with us in the 94th Congress, the sadness lightens when I reflect that this country is the better for the dedicated service he has given to the House of Representatives, to the Congress and to the people of this great Nation.

Mr. NICHOLS. Mr. Speaker, I would certainly wish to join with the many friends of our colleague, Les Arends, in commending him for his long and dedicated service as a Member of Congress from the State of Illinois.

It has been my very special honor to have served with Les as a member of the Armed Services Committee now for some 6 years. I have been a strong admirer of his expertise and knowledge in matters relating to the defense of this country.

Les has been a tower of strength to this Congress in so many ways. His integrity, his complete honesty, and his straightforwardness are qualities which have endeared him to his colleagues on both sides of the aisle.

The magnitude of the support he has rendered to provide for a strong defense posture of these United States is probably without equal in the present Congress. I shall miss his friendly smile and the good counsel and wisdom he provided in the debates in the House Committee on Armed Services. I shall miss him as a friend and a colleague, and I would want to take this occasion to wish for him all of the happiness to which he is entitled in his retirement years.

Mr. COLLIER. Mr. Speaker, I am grateful for this opportunity to join my colleagues on both sides of the aisle in paying a well-deserved tribute to one of the most distinguished men ever to sit in this great body. "Les" Arends will retire voluntarily at the end of this Congress after having served here for exactly four decades.

Only the gentleman from Texas, Wright Patman, outranks him as far as seniority among Members of the 93d Congress is concerned. Another gentleman from the Lone Star State, George H. Mahon, began his service in the House on the same day as the gentleman from Illinois, January 3, 1935.

As the following shows, only nine men have had longer service in the national House of Representatives than Congressman Arends, who is tied for 10th in the all-time rankings with Congressman Mahon:

House Only

Carl Vinson, Georgia, 50 years, 2 months.
Emanuel Celler, New York, 49 years, 10 months.
Sam T. Rayburn, Texas, 48 years, 8 months.
Joseph G. Canon, Illinois, 46 years (broken service).
Wright Patman, Texas, 45 years, 10 months.
Adolph J. Sabath, Illinois, 45 years, 8 months.
Robert L. Daughton, North Carolina, 41 years, 10 months (11 leap years).
Joseph W. Martin, Massachusetts, 41 years, 10 months (10 leap years).
Clarence Cannon, Missouri, 41 years, 2 months.
Leslie C. Arends, Illinois, 40 years.
George H. Mahon, Texas, 40 years.

Anyone who meets "Les" Arends for the first time cannot fail to note how full of vim, vigor, and vitality he is. His exuberant, enthusiastic, and effervescent manner soon puts new acquaintances at their ease, while his friends of long-standing learn that the man with the pleasant manner also possesses a keen and retentive mind.

It is hard to realize that this energetic legislative leader was old enough to see service in the U.S. Navy during the First World War. His 40 years in the popular branch of the Congress have spanned economic depression, prosperity, and inflation, periods of global conflict, the cold war, and uneasy peace. He has witnessed the arrival of the atomic age and the ushering in of the space age. He has indeed been a part of great events.

His experience as a banker has qualified him to deal with weighty fiscal problems, his experience as a farmer has qualified him to deal with great agricultural problems, and his war experience has qualified him to deal with defense problems of global proportions. Had he chosen to remain in the Congress, he would have become the ranking minority member of the Committee on Armed Services, where his eloquent voice would have been heard as he spoke up for a strong national defense.

Mr. Speaker, as Leslie Arends departs from this great legislative Chamber, my best wishes go with him. May his years in retirement be pleasant, may he enjoy good health, and may he live as long as he enjoys life.

Mr. ROYBAL. Mr. Speaker, it is a privilege to participate today in this special order called to recognize our most esteemed colleague, Leslie C. Arends, for his long and dedicated service in Congress.

Early in his tenure as Congressman, Les Arends distinguished himself as an outstanding leader and earned the respect of both Republicans and Democrats. The plain fact that he has served as party whip longer than any other Member of Congress clearly indicates the high regard in which his party holds him.

Few men have served in Congress as long as Les and only a select number have received the widespread admiration and respect which he has. Les has taken the time to get to know the people and the problems of his district and has worked hard in Congress to do what he felt was right. In the same manner, Les has fulfilled his duties as whip, coordinating and informing Members on party policies.

It is with pleasure that I add my words of praise for Leslie C. Arends.

Mr. RAILSBACK. Mr. Speaker, there are few Members whom I will miss as much as my good friend and Illinois colleague, Les Arends. It has really been an honor to have served with him during my 8 years in the House. I will especially miss our golf games. Les shoots a good game in the 80's, and played often with President Eisenhower.

Les' legislative record is also impressive and certainly speaks for itself. He has been the longest serving Republican in the House. He has been Republican whip for 30 of his 40 years of service. He has been the confidant of Presidents from Roosevelt to Ford. And he has been widely respected for his positions on national defense needs and priorities.

In addition, Les has been one of the most popular and well-liked Members of Congress. When Les addressed the House last year, announcing he was not seeking reelection, many of us—from both sides of the aisle—stood up applauding. Speaker Carl Albert explained the emotional reaction—

> Comes from the admiration and love and respect which every Member of this House has for the distinguished gentleman from Illinois, and that applause would be substituted with tears if we were to express the emotions we feel.

We all look up to Les because he has unselfishly dedicated his life to the needs of the American people. His personal integrity is above reproach. And his counsel has always been based on a real depth of understanding and wisdom.

Les once stated:

> No citizen, no matter what his or her calling, should ever cease to be concerned about good government and the welfare of our Nation.

I think this very statement best decribes Les and his dedication. He has served this Nation well, and I am sure that, even in retirement, Les will continue his public service.

I would like to take this opportunity to wish Les and his family all the best of luck and happiness in the coming years. Les, you will really be missed around here.

Mr. BROYHILL of North Carolina. Mr. Speaker, for more than a generation, Les Arends has been a real power and influence in the U.S. House of Representatives. He has made his mark on important legislation considered during these past 40 years, and he has used his abilities and leadership capacities to fight for the issues in which he has strongly believed.

During the 93 Congresses which have met since the formation of this Republic, 9,422 persons have served in the House of Representatives. It is honor enough to have been one of these relatively few. However, Les has served here longer than most. His length of service is such that only a handful of individuals have served for a longer period of time. This is indeed a compliment to him—that his friends and neighbors thought so much of him that they returned him to Congress for 20 consecutive terms.

Les is a storehouse of information and a fountain of wisdom. As a result of this and his length of service, he has been a link between the legislative practices and the issues of other decades and today. His advice and counsel have been of immeasurable help to me, and of great assistance in making the legislative process work.

I remember back in my high school civics class when we were studying the legislative branch of the Federal Government and memorizing the names of the leaders of the political parties. I remembered the name of Les Arends as Republican whip at that time because I wanted to make as high a grade as possible. He has served as Republican whip since 1943. But now his name has been permanently embedded, not only in my mind, but in the permanent records of this Congress, because of his tremendous service and achievements during these many years. I very much admire this fine man and legislator.

It is a great privilege to count Les as a personal friend, and I am deeply honored to have had the opportunity to get to know him during the 20 years I have served in the House.

Les is an excellent golfer. He maintains that his handicap has gone up in recent years since he has had so much time on the job. But now he will not have that excuse any more and can work to lower it back to zero.

Louise and I want to extend to Les and his lovely wife, Betty, our sincere best wishes for continued health and happiness, and we hope that we will have the chance to see them often in the years to come.

Mr. COLLINS of Texas. Mr. Speaker, it is a distinct honor to be able to say a few words about our colleague Les Arends. Most Members think that Les Arends was the chief adviser for Abraham Lincoln when he came to Congress. Les certainly has been the voice of Illinois for the past century.

I know when I came up here in a special election some four terms ago, it was Les that showed me the way around the Hill.

It will not seem natural to not have his smiling face on the floor. He had the capacity to wrap up a summary of a bill for you in 3 seconds. When there was a quick vote, Les could get right to the heart of the matter.

On many close votes, I have had Les express a strong position as an advocate. But I never had Les Arends tell me that I had to vote for any issue as he always said, "Jim vote your district and vote what you think."

He has been a great whip. During all of his years in Congress, he has retained the commonsense that he had as a small-town banker from Illinois. His bouncing enthusiasm will be missed back in the cloakroom. As a leader, as a man, as a statesman, Congress has lost one of its most faithful and able voices in Congress. I join in wishing Les Arends the best of everything in his exciting years ahead.

Mr. BENNETT. Mr. Speaker, I join with my colleagues tonight in paying tribute to a great American, Les Arends. The gentleman from Illinois has served here with genuine distinction, particularly as the ranking minority member of the Armed Services Committee and as the minority whip for the House. He has taken positions of courage and leadership, and always it was for a stronger and better America. We will all miss him greatly; and wish for him every possible happiness in his well-earned retirement.

Mr. SHOUP. Mr. Speaker, this Congress and this country will miss the gentle but firm persuasiveness of Les Arends as our people seek solutions to our problems of the future. Each of us who has had the pleasure of serving with him owes him much. My own debt to this distinguished leader began even before I began my own congressional career, when, with patience and with the expertise of 40 years of service, he took me in hand as a new colleague, and led me through the pathways and byways of legislative know-how.

Les Arends was and is a partisan leader, a wise and convincing man, but a leader, when the votes were counted, who never retained a grudge or uttered an excuse in defeat. He walks from the Halls of this Congress in retirement to my everlasting regret but with my everlasting delight in being able to say I served with this great gentleman and am a better man, I believe, because I was honored to know him.

In concert with all of his colleagues I will, as in the past, respond to his whip calls from wherever they come as he lives the good life he so richly has earned.

Mr. FINDLEY. Mr. Speaker, Les Arends has meant a lot to me since 1959 when he wrote a thoughtful letter to Kenneth Stark, soon to be the manager of my first campaign for Congress.

At that time he was only a name, but a prominent one, in Congress. Kenneth told him of my interest in the campaign, my hope to serve rural interests of the Nation, and asked for counsel.

His letter was a big lift, most of all because it made me realize that even people in high leadership positions retain the touch of humanity.

In Les Arends the touch of humanity is always apparent. In his personal and professional relationships, he is always considerate, never tough or mean.

I have never known a man so ageless. I do not know his age, but it is well over three score and ten. His activity, alertness, and keen interest in everything and everyone could hardly be surpassed by a youth of just one score years.

He is at ease in conversation and work with young and old alike. His performance as a Member of Congress is my prize argument against mandatory retirement at a set age.

He is a great guy. Perhaps more than any other single person of my experience he has made the House of Representatives an institution in which we can all serve with pride.

Mr. ICHORD. Mr. Speaker, our friend, the gentleman from Illinois, has decided, much to my regret, that 40 years in the Congress of the United States is enough. In that period of time, Les Arends has certainly shouldered more than his fair share of the responsibility for the conduct of this great Nation of ours.

Les was elected to the 74th Congress on November 6, 1934, and was elected minority whip in the 78th Congress, beginning in 1943.

Even though the election of Les Arends to be minority whip was a distinct and great honor, his service on the Armed Services Committee, where there is no such thing as minority or majority, has been as a great American. I am privileged and pleased to have served with this great American over the years and it is an honor for me to be able to stand here in the House of Representatives today and pay tribute to one of the greatest Americans I have ever known.

We who will be left behind, as he leaves these hallowed Halls of the Congress, will strive to continue to carry on in the high and lofty traditions so ably demonstrated by him in the past.

The retirement of Les Arends will leave a void that cannot easily be filled. His long years of public service have made an indelible mark that cannot be erased or easily equaled. He has provided us with a standard of leadership to which we will all continually strive. His matchless record as a legislator, his untiring efforts and contribution to the welfare and prosperity of our country, his devotion to duty, his personality and understanding, have made him a man that we have all looked up to and have been privileged to call our friend. He will be sorely missed. As one of his multitude of friends, I wish to state to this House that America is a better place, because of the many contributions made by Les Arends.

Mr. TEAGUE. Mr. Speaker, when I came to the Congress in August of 1946, I came with some hard ideas about Democrats and Republicans. I was not sure whether I should talk to a Republican or not, or even if I should associate with them. One of the first people to dispel this feeling was Les Arends, the Republican whip, who incidentally has held this post longer than anyone in the history of the Congress. My association with Les began on the paddle ball court of the House gymnasium and has continued to this date. It is rather disconcerting at this time, however, to realize that Les is the last Republican Member in the Congress of those who were here when I was sworn in as a Member.

Only history will show or record what Les Arends has accomplished within the Congress. He represented his constituency for 40 years, which is a record any Member of Congress can be proud of. His period of public service has spanned some of the most tumultuous times of our country's history, including one world conflict. His attention and devotion to duty and his leadership ability have made him an outstanding figure in public life and I for one want to thank him for his contributions to this body and to this country.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend my colleagues, Congressmen Rhodes and Michel, for securing this time today in order that we might pay tribute to the long and distinguished career of our departing colleague, Les Arends of Illinois.

It has been my privilege to serve with Les on the House Armed Services Committee. I always found him to be very forthright in his views on military matters and I can assure you that his leadership will be missed by the committee. His 8 years of service to the North Atlantic Assembly was particularly helpful when we had to make decisions concerning our European allies.

As we all know, for the last 20 of his 40 years of service in the Congress, Les has served as Republican whip. Even though he was part of the leadership of the other party, I also considered him part of my leadership. I say this because I always respected his judgment and sought his views on legislation numerous times. I appreciate the fact that he was always more than willing to discuss pending bills with me and share with me his wisdom and experience gained through many years of service.

Mr. Speaker, while we regret very much Congressman Arends' decision to retire at the end of the 93d Congress, we do not begrudge his desire to spend more time with his family and friends in Illinois. To say that he will be missed beginning next January would be an understatement, because Les Arends is truly a lawmaker's lawmaker.

Mr. SCHERLE. Mr. Speaker, today I wish to pay tribute to a great American and one of our most admired and dedicated colleagues, the Honorable Les Arends.

Throughout his 40 years in the House of Representatives he has been recognized as a tremendously effective spokesman and legislator. These qualities led to his selection as the Republican whip for three decades. On countless occasions he has rallied party support for important legislative battles, and his leadership will certainly be missed. Yet despite his partisan position, he has always enjoyed the respect and friendship of Members of both sides of the aisle.

As a member of the House Armed Services Committee, Les Arends will also be remembered for his efforts to protect our national security and maintain a strong defense. His contributions in this field will benefit mankind and help preserve our freedoms long after his retirement.

The people of Illinois and the entire Nation are losing a true statesman whose inspiring diligence and ability will always be remembered.

I extend to Mr. Arends and his wife my sincere wish for good health and happiness in the years ahead.

Mr. POAGE. Mr. Speaker, Les Arends was one of the three men who was in Congress when I came here and who is still a Member of Congress. During that entire time, he has been a leader. He has not been pushy or offensive, but he has tried to give direction and purpose to our actions.

Les believes in the party system and has made his contributions as a member of the Republican Party, but he has made them for the entire Nation. He is one of those remarkable people who leaves no enemies because he did not make any.

I went to join in extending him sincere good wishes.

Mr. CORMAN. Mr. Speaker, it is my privilege to join my colleagues today in paying my respects to Leslie C. Arends upon his retirement as the Representative of the 15th District of Illinois. During his 40 years as a Member of this body, Les Arends has distinguished himself by his many contributions to the legislative process. He will be missed by colleagues on both sides of the aisle, and Patti and I would like to extend our warmest wishes to Les and Betty as they embark on their new life.

Mr. ROBINSON of Virginia. Mr. Speaker, it is an honor for me to pay tribute today to Congressman Leslie C. Arends of Illinois. He has served a long and distinguished career both in his service to the people of Illinois and as a leader of the Republican Party.

As dean of Republican Representatives, LESLIE ARENDS has at all times been helpful and understanding in his contacts with me personally and with all his Republican colleagues when serving as minority whip. In this capacity he has consistently set an example of personal integrity in diligently, but never overzealously, getting support for leadership programs while at the same time encouraging responsibility to our districts.

LES has been here longer than any other Republican, and his experiences and memories have time and again proven both interesting and invaluable to those of us who have not been here as long. I am extremely glad that I arrived on the scene, even if only briefly in terms of his service in the House, in order that I have had the pleasure of knowing him, and am able to count myself fortunate for having had the association of this man.

LESLIE ARENDS worked hard for his ideals, his party, and his constituents, and we will all miss him.

Mr. ZABLOCKI. Mr. Speaker, it is with feelings of sadness mixed with wishes for a happy retirement that I join in this tribute to our honored colleague, Congressman LES ARENDS.

The people of the 15th District of my neighboring State of Illinois are losing a most able and gifted legislator. In his 40 years in Congress, he has distinguished himself because he has understood the problems of the people of his district and at all times represented their interests.

As a leader serving as Republican whip since 1943, Congressman ARENDS made significant and valuable contributions to his country with devotion, dedication, and service. His counsel as a member of the Armed Services Committee has long been valuable in the formation of important legislation affecting our military personnel and national security. The distinguished gentleman from Illinois has, in his 40 years of dedicated service, made a mark on the work of this legislative body—a mark that will not be erased by his retirement.

Mr. Speaker, it has indeed been a pleasure and an honor to serve with Congressman ARENDS. I sincerely wish him all the best in his well-deserved retirement.

Mr. FREY. Mr. Speaker, the gentleman from Illinois, LES ARENDS, has set so many examples for the Congress that they are virtually impossible to relate. The best example of the tremendous respect that he has held in is the fact that he has been elected whip of the Republican Party since 1943, a record which no one on either side of the aisle will ever break. Although LES has been Republican whip, he has always put the problems of this Nation above any partisan politics. His dedication, his intelligence, his understanding of the complex problems that we face have stood us in good stead. We are going to miss LES, but the people of Illinois and the people of this Nation will miss him even more. There are just a few that come along like him, and it has been a personal privilege to serve with him over the last 6 years and in the leadership over the last several years. I have learned an awful lot, and appreciate the advice and counsel I have received.

It is especially delightful that LES will be spending at least part of his time in our State of Florida. We know that he will give whatever time he can to continue to help this country, and hopefully, share some of that time with those of us from Florida. We wish him the best in the future. We thank him for what he has done for this Nation.

Mr. MAZZOLI. Mr. Speaker, at the end of this Congress, the House will be losing one of its most adroit legislators and Illinois, one of its most astute Representatives with the retirement of LES ARENDS.

Throughout his 40 years of service—1934 to 1974—LES ARENDS has established a reputation for effective leadership and exercising a sound approach to the legislative process. As minority whip of the Republican Party since 1943, LES has demonstrated his ability to judge the times and lower or raise the partisan banner accordingly.

It is with regret that the House will lose a respected Member and I, a friend.

I extend best wishes to LES and his wife for many fruitful retirement years.

Mr. KEMP. Mr. Speaker, it is with great pleasure that I join my colleagues on both sides of the aisle today in paying tribute to LES ARENDS.

At the close of this session of Congress, LES will end a long and distinguished career of service in the House of Representatives. This country, the citizens of the 17th and 15th Districts of Illinois, and the Republican Party have had the benefit of LES' wise and dedicated representation for the past 40 years. His decision to retire has left us all with a deep sense of loss.

Looking at LES' record, I am reminded of the advice extended by Dr. Samuel Johnson in the 18 century:

> Exert your talents and distinguish yourself and don't think of retiring from the world until the world will be sorry that you retire.

We certainly are sorry to see LES retire. In the course of four decades in the House, LES has helped to formulate the legislative programs of six Presidents. His Armed Services Committee contribution has been enormous. When LES first came here, the Armed Services Committee had not yet been created from the old Naval Affairs and Military Affairs Committees. Our Defense Establishment consisted of fragmented and competitive branches of the armed services. LES helped create order and coordination out of all this by working to put together the Defense Department at the Pentagon. LES has seen the country through four major world conflicts—and has demonstrated an abiding interest in keeping our national defenses strong and competent. His expertise in the field of defense is unmatched in the House.

LES' expertise and effective legislating have been a tremendous credit to his party. In 1943, he was elected by his colleagues to the position of Republican whip of the House—and has been reelected to that position in each succeeding Congress. LES has served as whip longer than any Member, Republican or Democrat, in the history of the House.

As whip, LES has had his share of problems guiding the future of our country and the future of his party. Yet his willingness to listen to both sides, and his broad capacity to put his country above party considerations has earned him the continued respect and friendship of all of his colleagues—Republican and Democrat.

LES exemplifies our Nation's highest tradition of leadership. The effect of his character and abilities, and the strength of his contributions, will remain with future Congresses.

While I deeply regret the loss of a true friend and mentor, I know that LES is looking forward to the time he will now have with his family. I wish him the best of health and happiness in retirement.

Mr. CONTE. Mr. Speaker, I want to thank my good friends and colleagues the distinguished minority leader Congressman JOHN RHODES and Congressman BOB MICHEL for requesting this special order so that we might pause and reflect on the service rendered this body and this country by our colleague Congressman LES ARENDS.

The days are now numbered in which we will be able to call upon the wisdom of this statesman. LES ARENDS will retire at the end of this session. In these, his last hours as a colleague, I am reminded of my first days of service here in the House—and the guidance LES gave me at that time.

Through the years, I have always been able to count on his counsel and his willingness to listen to my side of an issue when we found ourselves taking different stances.

I do not think I will be challenged when I say that LES ARENDS' 30-year career as Republican whip has been unexcelled. He leaves a legacy of leadership that those who succeed him in that position in the years ahead will have to strive to match.

I stand today with my colleagues on both sides of the aisle to salute LES ARENDS and wish him and his lovely wife, Betty, all future success and happiness.

Mr. MILLER. Mr. Speaker, it is an honor to join my colleagues in paying tribute to our good friend from Illinois, LES ARENDS.

After 40 years of service in the U.S. House of Representatives, LES ARENDS is retiring. It is difficult to believe that LES will not be with us in January when the 94th Congress convenes.

He is highly respected by all who have known him and by all who have served with him during his four decades on Capitol Hill.

I consider LES ARENDS a personal friend. I have long respected his legislative expertise and I have admired his dedication to the principles of democracy and fair play.

He has been a powerful voice on the Hill, and his words of wisdom and reason will be greatly missed in the years to come.

On behalf of the people of Ohio's 10th Congressional District, I extend my thanks, and my sincere praise, to LES

ARENDS and I wish him the very best in the future.

Mr. PRICE of Texas. Mr. Speaker, I, too, wish to join our colleagues in paying tribute to LES ARENDS for his quiet, unselfish devotion to our country over the past 40 years. I say quiet because that has been the bench mark of LES' approach to his duties, to his constituents, to his committee as ranking member of the House Armed Services Committee and to this Congress as an outstanding and highly effective whip since 1943. But, LES' quiet approach was often a forceful one. I recall, for example, his admonishment of the House a few years ago when there developed on the floor a loud and emotional wrangle on both sides of the aisle in debate on the military authorization bill. The hour was late and with great dignity, stature, and poise, LES took to the microphone and brought this Chamber to silence with these few words:

> We have 435 prima donnas in this chamber today arguing over the merits of our national defense. Now let's all stop being prima donnas and vote out this vital legislation.

With that admonishment the House came to order and the bill was voted.

When LES came to Congress we were in the middle of a depression. We came out of that. Six years after he arrived, we were in a world war. We came out of that and saw Europe repaired. Then came the dawn of the nuclear age, the Korean war, the war in Vietnam, all demanding critical legislation and trying decisions by the House leadership. That is experience which will be difficult, if not impossible, to replace.

Through this all, LES has been a friend, an invaluable counselor. Despite his trying and time-consuming responsibilities as Republican whip and ranking member of the House Armed Services Committee, he was meticulous about his responsibities to his constituents in the 17th Illinois District and the new 15th District, who returned him to office for 20 consecutive terms.

LES, we will miss you sorely at that table and at that microphone, and we wish you and Betty good health and good fortune in the years ahead.

Mr. LUJAN. Mr. Speaker, today's special orders have given us a special opportunity to say "Thanks for a job well done" to a man who deserves more than a thank you.

LES ARENDS, who has served as Republican whip for 30 years, has brought to that office high standards, integrity, and a willingness to work with junior Members when they first arrive in Congress. I remember when I first came to Washington almost 6 years ago, that LES went out of his way to welcome me, and provide me with the opportunities a freshman Congressman finds essential to taking his proper place within the House. His supply of patience, friendliness, and cooperation is seemingly inexhaustible.

We will all miss his presence here when the 94th Congress convenes, because it is the rare individual who can learn from the present and apply it to the future. That individual will not be with us, but after so many years of service, I am sure that he is looking forward to retirement with relish.

I only hope that when it is my time to leave Capitol Hill, that I can look back and say I did half as well.

Mr. BAFALIS. Mr. Speaker, many of our colleagues today will not be with us when the 94th Congress convenes next month. And we shall miss all of them, for each of them has made a contribution.

However, few departing Members will be missed as much as the man we honor today, the Honorable LES ARENDS.

His service to the Nation, spanning as it does, a period of 40 years, should serve as an example—and perhaps even as a goal—for all of us.

During his 40 years here in the Congress, the gentleman from Illinois has seen a number of changes in our Nation, some good and some not so good. In those which have been good, we can be sure that LES ARENDS has played a part.

He has been a staunch supporter of those qualities which have made our Nation the best on Earth. And he has worked diligently on behalf of the people of Illinois and the Nation.

He will be missed. He will be missed perhaps most by the Republican side of the aisle for his more than 30 years as whip. But I am sure the loss will be felt also on the Democratic side, for he is a man who has earned the respect of all of us.

Fortunately, Mr. Speaker, my sense of loss will not be as great as that of most other Members. For, while I am losing Mr. ARENDS as a colleague, I am gaining him as a constituent.

His decision to retire to Naples will be an asset indeed for Florida's 10th Congressional District.

And, I hereby extend an invitation—no, I plead with him—to write to his Congressman. For his counsel I value highly and I want him to keep in touch with me.

Mr. MITCHELL of New York. Mr. Speaker, it is indeed a privilege to be here today to pay tribute to our eminent colleague, LESLIE ARENDS, who will be retiring shortly after 40 years of distinguished service to the U.S. Congress and to his country.

It has been an honor to know Mr. ARENDS in my 2 short years in the House of Representatives. His experience, leadership, and knowledge have been invaluable to me.

As a U.S. Representative for 20 terms and miniority whip for the past 31 years, Mr. ARENDS has served his party and the people of this country with dedication and diligence. His faith in our system of government, his wisdom and balanced judgment are evidence of his devotion to duty and love of country.

I have had the unique opportunity of getting to know Mr. ARENDS on a more personal basis working with him as I have on the House Armed Services Committee. None has contributed more than LES ARENDS to the work of the committee and the maintenance of a strong national defense. He has brought a great deal of courage and expertise to his legislative tasks and it is with a deep sense of sorrow that I bid my friend farewell.

His departure from public service will be a great loss to the people of Illinois and to the Members of this distinguished body. It is my sincere hope that the coming years of retirement for Congressman ARENDS will be filled with good fortune and happiness.

Mr. FLOWERS. Mr. Speaker, I wish to join my colleagues in recognizing the long and outstanding career of the Honorable LESLIE ARENDS, who is retiring from the House of Representatives after 40 years of continuous service.

In my relatively short time here—certainly as compared to his 20 terms—I have come to know and admire him greatly. He has always put the needs of his country first, but at the same time, he has been a dedicated and effective representative of the people of his district and a skillful and respected leader of his party. We will miss him in this Chamber.

My family and I wish him and his family every good fortune.

Mr. WHALEN. Mr. Speaker, to serve in Congress for 40 years is a remarkable achievement. When that service is characterized by dedication and hard work, as LES ARENDS' has been, it is an accomplishment deserving the highest praise and commendation. Thus, it is a pleasure to join in the tributes to the gentleman from Illinois (Mr. ARENDS) this afternoon.

As you retire, LES, I extend to you my best wishes. I hope that you will enjoy your retirement knowing that your constituents and your colleagues are appreciative of the contributions you have made to the Nation during those four decades.

Mr. CASEY of Texas. Mr. Speaker, I join my colleagues today in paying tribute to our friend LES ARENDS as he ends 40 years of distinguished service in this Chamber.

The State of Illinois and our Nation has been most fortunate to have a man of the ability and dedication of our distinguished colleague, who has dedicated so much of his life to the preservation and strengthening of our Nation.

His leadership has helped this country face the trials of world war and emerge not only victorious, but as the recognized protector of freedom throughout the world. He has further been among the moving forces in keeping our Nation strong and capable of defending itself under any threat. In so doing, he has helped to bring greater peace to not only his country, but to all nations.

LES ARENDS has also provided unprecedented leadership for his party within the Congress. We have served on opposite sides of the aisle and many times on opposing sides of many issues, but never have I failed to respect his reasoning, his ability, or his integrity. His devotion to duty and public service will long stand as an example not only to those of us who have served with him, but to those who will follow us in these legislative halls.

Mr. Speaker, I know that each of us today speak for all Americans in offering our thanks to LES ARENDS for not only the service he has rendered, but in expressing our sincere best wishes for a fruitful and rewarding retirement.

Mr. SPENCE. Mr. Speaker, it is a great

honor, albeit tinged with regret, that I rise to pay tribute to the gentleman from Illinois, LES ARENDS. It is difficult to adequately convey my appreciation and respect for a distinguished colleague and friend whose career as an effective leader and influential Member comes to an end at the close of this Congress. Elected to the House in 1934, LES ARENDS has consistently shown himself to be a concerned and responsive representative, a skilled legislator, a vigilant but realistic partisan leader, and conscientious committee member on both the old Military Affairs and Armed Services Committees.

Speaking from a more parochial point of view, I, along with my colleagues on the Committee on Armed Services, will keenly note the absence of his unflagging efforts in behalf of the Nation's security. His tenure on this committee and its predecessor, coupled with his service in the Navy in World War I and position as a former District Commander of the American Legion attest to an unrivaled interest and expertise in national security matters. His tenacious efforts to achieve and maintain a balanced defense and his determination to keep the military strength of the United States second to none have prevailed and testify to his effectiveness. Although LES has served as Republican Whip since 1943, longer than anyone else, he has never allowed partisanship to enter into deliberations concerning national defense. He has, to a very great degree, been responsible for the boast that the Committee on Armed Services has no Democrats and no Republicans, only Americans, and we share the sentiments of our distinguished chairman in placing LES ARENDS at the top of the list in that category.

While it would be adequate to simply list LES' accomplishments in committee, or on the floor of the House, it would fail to mention his abundant human qualities. Those of us who have known and worked with him have found LES to be a loyal, considerate, and engaging friend. This Chamber will seem more subdued without his presence, anecdotes, and convivial spirit. But perhaps it is less appropriate to dwell upon LES' impending departure than to reflect on how fortunate the committee, the House, and the Nation has been to have had the benefit of his wisdom, energy, and leadership. LES, I know I share the sentiment of each of your colleagues in wishing you and your family only the best in your richly deserved retirement.

Mr. FUQUA. Mr. Speaker, when LESLIE ARENDS came to the U.S. House of Representatives in 1935, I doubt that he dreamed that he would become one of the giants of history in this institution.

Forty years have passed. Over 2,000 Senators and Representatives have served with him. Less than 30 men in history have served as long in this distinguished body.

Yet, it is not that Congressman ARENDS has served so long that I honor him today. It is because he has served so well. Few men who have served in this House have engendered the respect which this distinguished gentleman has attained.

He ranks second only to WRIGHT PATMAN of Texas in years of service. He ranks as high as a man can go in the minds and hearts of his colleagues.

I have known LES since I came here almost 12 years ago. We sit on opposite sides of the aisle, but there is no man in this body for whom I have greater respect. While I firmly believe that he is entitled to some years of relaxation after his many years of labor, I also know that the House is going to be the loser as he takes his leave from us.

I think he will be pleased to know that the lessons he has taught so many of us by his precepts and example will not be forgotten. He will continue to have his influence felt for years to come as an example of all that an elected representative of the people should be.

As the years pass, I will look back on this experience of having served with LESLIE ARENDS as one of the finest experiences of my life.

Mr. HANRAHAN. Mr. Speaker, on November 6, 1934, the good people from the State of Illinois elected LESLIE ARENDS as their Representative to the U.S. House of Representatives. For 40 years Mr. ARENDS has served his constituents and his Nation with undying devotion and dignity.

In 1934 the Republicans elected him to by the Republican whip. This is not an easy task but with his outstanding ability as a leader he has performed the duties of this office with unquestionable integrity.

I am very proud to say that I am from the same State as LES ARENDS and his retirement will be a great personal loss to me as well as to the State and the Nation.

Mr. DINGELL. Mr. Speaker, we will greatly miss our good friend the gentleman from Illinois (Mr. ARENDS).

He is an outstanding legislator, a loyal and honorable friend, and a fine person.

I say to him, as do we all, "Well done, good luck, and God bless you."

Mr. HUTCHINSON. Mr. Speaker, I join the many friends of LES ARENDS in this tribute today. We genuinely regret that he will not be a Member of the 94th Congress. It will be a different experience on this side of the House without him. He has been here 40 years and is dean of Republican Members.

I have always valued his counsel and his friendship. I hope he will be around to visit us often.

Mrs. HOLT. Mr. Speaker, I would like to add my best wishes to those of his host of friends to our minority whip, LES ARENDS, as he enters retirement after 40 years of service in this body.

He has been a good friend to all of us, regardless of our political persuasions. I recall with gratitude his assistance to me when I came to the House 2 years ago as a freshman Member. On the House Armed Services Committee, where we work together, he has perpetually labored diligently to preserve and improve the military strength of our country.

LES ARENDS has been a superb Representative of his district in Illinois, and he has been an honorable and dedicated servant of his country. The Nation will miss his loyal service; his colleagues will miss his friendship.

Mr. VANDER JAGT. Mr. Speaker, with the close of the second session of the 93d Congress, the House of Representatives will lose the services of one of its most beloved and knowledgeable members, LESLIE C. ARENDS of Illinois.

From the convening of the 74th Congress in 1935 to the present, LES ARENDS has exhibited a standard of legislative service that has won for him the respect and admiration of his colleagues. His loyalty and dedication leave no mystery as to why his constituents have placed their confidence in him in 20 congressional elections.

Through his sensitivity to Americans' needs and his knowledge of our country, LES has made a great contribution to the development of Federal policies. Members on both sides of the aisle have appreciated his extraordinary abilities in the legislative process, and have drawn repeatedly upon his valued insights. LES' influence upon the organizational life of this body will continue to be present in the form of the whip concept which he conceived and which he personally fulfilled for the Republican Members for 31 years.

We on this floor will sorely miss LES ARENDS' counsel and service. But it is with grateful heart that I join with others today in wishing LES and Betty a happy and rewarding retirement. I thank them for their inestimable contribution to this Chamber and to their country.

Mr. DEL CLAWSON. Mr. Speaker, a freshman Member of the 88th Congress entering in June of 1963 following an upset special election could easily have experienced feelings more appropriate to the "new kid on the block" than one on whom the voters had just conferred their accolade. But remembering those early orientation days, in the House of Representatives, I do so with a feeling of special gratitude to the Member we are honoring today for making me feel instead like a full-fledged Member of the team immediately upon arrival. In fact, LES ARENDS made me feel more like the star quarterback the team had been waiting for, and I know countless other "grass green" freshmen before and since have experienced the same warm reception.

LES ARENDS had, at that time, been Republican whip for 20 years. He had served in the Congress with distinction since his election in November of 1934. Already he could look back on a career illustrious enough as an excuse for most of us to rest on our laurels. All that expertise and experience was placed at my disposal in 1963. In the intervening years when I have been privileged to serve with him through many legislative battles he has continued to pile up additional credits as a legislator and as a man. There has been victories based on the solid foundation of the whip organization LES has organized and maintained. And when necessary, cooperation or compromise in the national interest has always been recognized by LES without any relinquishment of principle. The minority membership has ebbed and swelled but through it all no matter how many voices were contending for his ear, LES always had the time to listen. He could keep a confidence and he could give counsel without unfair pressure or condescension. He always acted as an equal in this body, in spite of his own personal stature, the importance of his position and the fact that the last man he talked to before you might have been the President of the United States. As a House leader he has served successive Presidents of both parties with true patriotism because his standards always rose above narrow partisanship and the nature of his service was to place the welfare of the Nation uppermost. Yet as a Republican whip he always fought to win.

In setting high standards for himself and remaining true to them through the severe tests of recent years, Les has served his own self-respect as a man and has served us all as a true leader of temperance, good sense, and honesty. We of the minority have had occasion this year for pride regarding the quality of our leadership. Unfortunately, the spotlight has focused as we are losing them—to the Presidency or, as now, the life of retirement. But the camaraderie of the years will linger and the habit of consultation *will also survive*, I suspect. Therefore it is good to know that Les intends to maintain a base of operations in Washington.

The people who have enjoyed the services of Les Arends as their Congressman for so many years can understand our feelings of loss here in the House, I know. To the respect due him as a legislator must be added the affection and good wishes he has earned as a friend. Our hopes for health, happiness and the continued satisfaction of the "good life" go with Les and Betty Arends.

Mr. SCHNEEBELI. Mr. Speaker, can we say enough about the great contribution which Les Arends has made to his country during his 40 years service in the House of Representatives? Certainly he is "Mr. Republican" as far as the House is concerned, but he has earned more than that recognition. He is one of the true gentlemen of the House—a man of great character and utmost reliability and credibility—a most worthy asset in our political world. Les Arends has the confidence and respect of the leadership as well as the rank and file Members of both political parties. He has been our Republican whip since 1943—and although most efficient in his job, he is tolerant and understanding of those Members who cannot "go along" with the party position on important issues. Nor does he hold any grudges against his colleagues who have overriding demands contrary to the whip's position.

Les is a great fellow and we shall miss his counsel, good judgment, guidance and friendship very much.

Godspeed.

Mr. BROYHILL of Virginia. Mr. Speaker, no man of this Congress will ever surpass in esteem and respect our friend and colleague, Les Arends, who has literally served a lifetime in the Congress of the United States.

He has been a party leader and a wise one for 40 years, a record of distinction unequalled in our party ranks and outstanding in the record of the Congresses that have come and gone. All have felt the touch of his legislative skill, and each has been better for it.

He served us, on this side of the aisle unstintingly, Mr. Speaker, and he served our friends across the aisle because first and foremost, he served his Nation.

His service has honored all of us. His retirement is deserved beyond any praise we may place upon him. He has, with distinction, fidelity and faithfulness, burnished the title of Congressman and set a record of achievement that few men can claim. To have shared in some measure the confidence of leadership has made better men and women of us all. I thank him for that, as a friend and for being the kind of an American and a man we all strive to be.

Mr. NATCHER. Mr. Speaker, documented in the annals of the House of Representatives are many fine examples of public service and dedication. Seldom, however, has one man served for so long and with such distinction as our colleague, Leslie C. Arends, the gentleman from Illinois.

I do not know Les Arends' dream when he first came to Washington. That he had one I am sure, for no Member ever came to this Chamber without the hope that their service would in some way better our national life. I do know that Les Arends came to Washington in the midst of our great depression and saw his country weather the trials of those bleak years to rise to its present position as the greatest country in the world, economically, spiritually, and militarily. I do know that Les Arends played no small part in that rise.

All down through the years Les Arends and I have been friends. Notwithstanding the fact that we sat on opposite sides of this center aisle we have shared the belief that we should be at all times, prepared to meet any attack, any confrontation, from any country. Toward this goal he has been an outstanding member of the Committee on Armed Services and a close associate of the chairman of this committee.

Leslie Arends will retire at the end of this Congress to return to Illinois and the people he has so ably represented. His remarkable career has spanned 40 years—four decades of perhaps the most rapid period of growth and change in the history of mankind.

Although his experience and expertise will be missed, I join in unison with all Members of the House and wish my friend Godspeed.

Mr. BOB WILSON. Mr. Speaker, I wish to join all of our colleagues today in paying tribute to my good friend, Les Arends, as he voluntarily retires from Congress after 40 years of faithful service.

The experience and wisdom that Les has shared with all of us, as a Representative of the 15th and 17th Illinois Districts, as whip since 1943, and as ranking member of the House Armed Services Committee over several terms, will be sorely missed in this chamber and in my office. Les' quiet, reserved, intelligent approach to his responsibilities has always been a source of satisfaction to me knowing that such duties were in such capable hands. This was particularly meaningful in connection with his role as ranking member of the House Armed Services Committee. Les and his close friend, Bill Bates, while in a similar position, were particularly devoted to the requirements of our national defense and the need to maintain a strong organization for national security. I felt confident that Les would evaluate accurately our defense requirements not only for the present but also over the long range so that we might properly judge the wisdom of development programs that could only prove themselves several years down the road.

It is unfortunate for this House, for the Government, and for this country that we cannot continue to share that great wisdom, knowledge, and experience in the years ahead. However, I respect Les' decision to retire at the end of the 93d Congress. I wish Les and Betty good health and good fortune and can assure him that his fine contribution to Congress will be long remembered.

Mr. SIKES. I am honored to take part in this special order in recognition of the long and dedicated service of my good friend from Illinois, the Honorable Les Arends.

There are few men—now in the House—who were here at the outset of my own service in Congress. Les Arends is one of those men. We formed an early friendship which has endured and strengthened as the years have gone by. Les Arends is a man whom I truly admire for his contributions, for his steadfast support of sound values, and his unwavering belief in this great land which we love.

It was soon evident to me that the gentleman from Illinois was a man destined for leadership in the Congress. He consistently voted for a stronger America and for the protection of America's interests throughout the world. He gave vigorous support to those programs which, in his heart and mind, he felt were good for our Nation and our people. He never hesitated to raise his voice in opposition to that which he saw as contrary to our interests.

In his 40 years of service in this House, I know of no vote or no position ever taken by Les which was motivated for selfish reasons. His has been a leadership and example that any conscientious Member of the House could endorse.

As I came to know him better over the years, my respect for him has grown. His service on the Armed Services Committee has placed him in the position of being one of the architects of our military strength. As minority whip for many years, he has enjoyed and accepted leadership responsibility which has continued probably longer than any other person has enjoyed party leadership status during this century. And, in this outstanding position, he has upheld his party's responsibilities with dignity and effectiveness.

When one stops to consider 40 years of service in this body, it is almost beyond belief that a man could serve so long and leave here with his reputation untarnished, his friendships unweakened, and his power undiminished. Yet, Les Arends has done just that. There has never been a breath of scandal associated with his service. Those who have served with him, for whatever period of service, know that he is a tower of strength, and we respect and admire him. And, even though he has labored through these years, usually as a member of the minority party, Members of Congress from both sides of the aisle have respected his advice and counsel.

Because of his service and his accomplishments, those who served with him realize the tremendous impact this one man has had on the Congress and on our country's history.

Les Arends brought with him to the Halls of Congress the solidarity of the Middle West, the strength of America, itself.

I will miss him. Everyone in this Hall will miss him, and America will miss him. We can only say to him that we all are grateful for what he has done for us as individuals and as a country.

Les Arends is leaving the Congress, but what he has done here these 40 years will live with us for generations to come and our country will be better for it. Our best wishes go with him and his family in all they undertake in the years ahead.

Mr. BRAY. Mr. Speaker, when I came to Congress 24 years ago, Les Arends had already been here 16, and I found in him a wise counselor, adviser, and friend—which he has been to me, always.

So now Les leaves Congress, having outlasted almost everyone—including his enemies but I really do not think he had any of these. He was a man of his word, whom you could trust, and if Les said it, then it was true. And we all knew it then; we all know it now.

The House of Representatives has been called, with very good reason, the forge of democracy. But someone must stand at the forge, with white iron on the anvil, and swing the hammer, in a shower of sparks, to make the forge work. Les was one of those. Future histories of the House, whenever they are written, cannot leave out his name, nor his contribution to the country.

The great English writer, Dr. Samuel Johnson, is reputed to have said:

> Exert your talents and distinguish yourself, and don't think of retiring from the world until the world will be sorry that you retire.

For Les Arends, it could not have been said better.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield, after this delay here of 4 or 5 minutes, to the distinguished gentleman from Illinois.

Mr. ARENDS. I thank the gentleman from Illinois for carrying on this exercise tonight. I want to say thank you from the bottom of my heart to all who participated.

Mr. Speaker, and my colleagues on both sides of the aisle:

Your warm and generous comments this afternoon leave me almost speechless. How can I possibly express what is in my heart as I look around this Chamber where I have shared so many memories with such good friends and colleagues over these past four decades. With only one exception—that of my good friend from Texas (Mr. Patman) who preceded me by a few years—I have served with each of you here since the very day you took your first oath of office. It has been a wonderful association.

What a great experience—what a rare privilege—what a unique opportunity I have had. I am told that in the history of the Congress there have been a few less than 9,500 citizens elected to serve here. Of this group I have worked with approximately 2,100 of them—about 22 percent. And if the calculations of my office are correct, only 10 of this total number have served longer.

As in all other callings, our work here likewise has its ups and downs—and its peaks and valleys—its times of frustration as well as elation. I am always reminded of a night session we were holding many years ago—the hour was late, tempers were short, the compromise we were seeking was elusive, everything was a stalemate.

One of our colleagues stalked into the cloakroom and roared, "What a helluva way to make a living."

Whereupon, someone else replied, "Yes, but there ain't no heavy lifting."

I have only one regret as I leave these Halls—and that is that I did not keep a diary from the beginning. I hope each of you here will do so. We have the Congressional Record, to be sure. But the Record cannot begin to convey in any meaningful way the warm human qualities and deep dedication of the men and women who labor here. Then, too, having served with seven Presidents and having sat in on thousands of meetings, both on and off the record, here again there are many insights I wish I could share with our people.

But we seem to get so preoccupied with the making of history in these Halls that we tend to neglect the recording of the hundreds of unreported and unnoticed ways each Member of the Congress contributes to the greatness of this Nation day in and day out.

It has been said that friendships are the real rewards for public service—and if this be true, then I am rich indeed. I shall always be grateful to each of you for your gift of friendship over the years—for your many courtesies and kindnesses. Let me add a special word of deepest appreciation to my colleagues on my side of the aisle for granting me the honor of serving as your whip for over 31 years. And to you, Mr. Speaker, and all those in the leadership on both sides of the aisle for these 31 years, I shall always cherish the memories of our long association together.

To be a Member of the Congress is not solely an honor. It is both a responsibility and an opportunity as well. I have tried to merit the trust which the people of my respective districts, my State of Illinois, and my colleagues here have placed in me for so long. Like my constituents—and like each of you here—I have always been proud to be an American. I hope this pride has been reflected in my service here.

And so—as I say farewell and retire to private life, I do so confident in the future of our great Nation, confident in our system of government, confident in the wisdom of the American people to make the right decisions—and confident that as long as there are in the Congress dedicated men and women such as those I have known in these 40 years, then our children and generations to come will always be able to come to these Halls and say—as Alexander Hamilton did before us: "Here, sir, the people govern."

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, the tributes to the gentleman from Illinois (Les Arends), the minority whip.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRIBUTES TO THE HONORABLE HAROLD R. COLLIER

The SPEAKER. Under a previous order of the House the gentleman from Illinois (Mr. O'Brien) is recognized for 60 minutes.

GENERAL LEAVE

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, tributes to the gentleman from Illinois (Mr. Harold R. Collier).

The SPEAKER. Is there objection to the request of the gentleman from Illinois (Mr. O'Brien)?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, when the 94th Congress convenes next month there will be many new faces. Unfortunately, one face we are all familiar with will be missing. That of Harold Collier.

Harold is retiring after 18 years of distinguished service here in Washington. In a year when the economy needs all the help it can get, it is a shame to be losing one of the most fiscally responsible representatives among us.

Harold has always been a go-getter. He put himself through college at the height of the depression and despite the demands of a job and growing family, managed to become deeply involved in civic affairs before ultimately entering the political arena.

Since he was first elected in 1956, Harold has battled to keep Government spending within reasonable bounds. He knows business and he knows the ins and outs of Government spending through his work on the Ways and Means Committee.

Those of us who have worked with Harold are not the only ones who respect and appreciate him. His constituents are going to miss him, too. Throughout his tenure in Congress, Harold has listened closely to the people he represents in Illinois' 10th Congressional District. He has never lost the ability to put himself in someone else's shoes and see all points of view on a problem. He has managed throughout his career to stay above partisan politics in taking care of the needs and problems of his district and the Nation. In doing so, HAROLD has won the admiration of his colleagues on both sides of the aisle.

We will all surely miss his ready wit and easy manner that have managed to carry us over some rough issues.

As much as we hate to see him leave us, I have no doubt he deserves the pleasures of retirement. Congress may be the lesser for his departure but his family and hometown of Riverside will be the richer.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I thank the gentleman very much for having taken this special order immediately following that for the gentleman from Illinois (Mr. LES ARENDS), in order to pay tribute to our dear friend, the gentleman from Illinois, Mr. HAROLD COLLIER.

HAROLD and I came to the Congress together. At that time we were organizing for the new Congress, and as an example of what fate can hinge on a flip of the coin it might be well to relate the kind of personal friendship HAROLD and I enjoyed, to the extent that when we both became sophomores and were vying for the same Appropriations Committee slot in the State of Illinois, our member on the committee on committees at that time, Mr. Leo Allen, could not make up his mind between the two of us and asked whether or not we would let our decision rest on a flip of the coin, whereupon a nickel I believe was flipped and the coin rolled over to the end of the room and lodged upright against the molding board with no clear decision. It required a second flip of the coin and I happened to win the toss, and for that reason I went on the Appropriations Committee, and 2 years later HAROLD went on the Ways and Means Committee.

Two years following HAROLD went on the Committee on Ways and Means. It is just one of those little incidents that happens during the course of one's freshman life that probably the newer Members would like to have their faith rest on, too, on the flip of the coin when we make the scramble, as we do in these last few weeks, for committee assignments.

I am going to ask to revise and extend my remarks, Mr. Speaker; but I just want to say, I have already mixed emotions with respect to the gentleman from Illinois, Mr. HAROLD COLLIER, leaving the Congress at the end of this session, simply because I have regarded him, as our Members know, and call him my closest personal friend, having come together and spent these many years with him.

I thank the gentleman from Illinois (Mr. O'BRIEN) for taking the time to pay tribute to the gentleman from Illinois, Mr. HAROLD COLLIER.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman.

Mr. PRICE of Illinois. Mr. Speaker, I would like to join with my colleagues today in bidding farewell to a good friend and fellow member of the Illinois delegation, HAROLD R. COLLIER.

For 18 years HAROLD and I have served together in the House and I believe I can say with complete sincerity that HAROLD has represented his constituency as well as any Member who has ever sat in this Chamber. His fine work in the Ways and Means Committee is well known to all of us here in the House and he has additionally earned the respect of the Members of the Senate to whom he gave his untiring efforts in the Joint Committees on Internal Revenue Taxation and Reduction of Federal Expenditures.

In the almost two decades that HAROLD and I have represented the State of Illinois, of course there have been times when we have disagreed—as is only natural since we are on opposite sides of the political fence. But I cannot recall a single instance in which HAROLD showed anything but consideration for the opposing viewpoint and a constant desire to work for the betterment of the area and the people of the district he served.

Mr. Speaker, I am sure I am voicing not only my own personal opinion but that of my colleagues as well when I say that we will miss Congressman COLLIER when the 94th Congress convenes next month. He has served his district, his State and his country well and his absence will be felt deeply by his friends and fellow Members.

Mr. KLUCZYNSKI. Mr. Speaker, the State of Illinois is losing one of its most popular and respected legislators this year. Since he was first elected in 1956, Representative HAROLD COLLIER has been an invaluable member of our State delegation. Although we sit on opposite sides of the aisle, over the years HAROLD and I have worked together on many occasions on issues where we shared a common concern or interest. I know that his wise counsel, his sincerity and dedication, and his service to his constituents and to the Nation, are going to be sorely missed. Certainly his constituents in Illinois' Sixth District will have an extremely difficult task before them, replacing a man who has held their total loyalty, respect, and admiration for nearly 20 years.

HAROLD's has been an outstanding and consistent voice for fiscal responsibility, in an era when the temptation to try to solve great problems with great amounts of Federal tax dollars has sometimes been overwhelming. Congress needs such voices; perhaps even more so today, when the cost of the Federal Government seems to be getting almost out of control. Thus, I think that HAROLD's service on the Joint Study Committee on Budget Control is an especially fitting achievement to crown his outstanding career of public service.

From that committee has come the new budget machinery that will enable Congress to reassert its leadership and take responsibility for control of the Federal budget. This was very much a bipartisan effort, with results that will be momentous, both for the Congress and for the Nation. It will stand as a lasting tribute to the thought and intelligence and hard work of the members of the Joint Study Committee. I am very proud to congratulate HAROLD COLLIER for the outstanding role he played in that effort.

It is always hard to say goodbye to a colleague and friend, but wherever HAROLD goes he has all our wishes for good fortune and happiness in his new endeavors. We wish him well, and I personally feel sure that his patriotism, leadership, and service will continue to benefit the Nation in new ways through many years to come.

Mr. RAILSBACK. Mr. Speaker, I would like to take this opportunity to pay tribute to my colleague and good friend from Illinois, HAROLD COLLIER, who will be retiring at the end of this Congress. It has really been a great privilege for me to have served with him these last 8 years in the House.

Frankly, it would seem unnecessary to summarize the many achievements which HAROLD has accomplished since first being elected to the 85th Congress in 1956. His record says it all. However, I would like to specifically point out that his work on the Committee on Ways and Means has won HAROLD wide respect, particularly in the area of tax reform.

In addition, all of us who have had the pleasure of serving with HAROLD will miss him greatly. HAROLD is very well liked; he is hard working, dedicated, and unassuming. He is truly a colleague in the finest sense of that word, and I would just like to wish him every happiness in the years to come. He can certainly retire with the satisfaction and pride of knowing he has served his constituents and this country well. Also, he and his lovely wife, Carol, can take great pride in the wonderful family that they have raised—Calvin, Lynne and Harold Paul.

Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to Hon. HAROLD COLLIER, an outstanding legislator who has served his constituents, his State of Illinois, and our great country with dedication, ability, and inspiring diligence.

Having served for 18 years in the House of Representatives, HAROLD COLLIER will retire at the end of the 93d Congress with a record distinguished by excellence and diligence. On the many projects and problems affecting Illinois, he has been in the forefront of efforts to implement meaningful solutions and effective action.

A staunch defender of his party's principles and party's positions, HAROLD at the same time put principle and love of country ahead of party politics. As a member of the Illinois team here in Washington, he came to be known for his direct and no-nonsense approach to every issue large and small.

It has been my privilege and honor to serve in the House over the last decade with HAROLD COLLIER and I am sorry to see him leave. Mrs. Annunzio and I extend to him and his wife our best wishes for a healthy and happy retirement.

Mrs. COLLINS of Illinois. Mr. Speaker, I join with the rest of my colleagues in bidding farewell and wishing the best to HAROLD COLLIER, who will be retiring at the end of the 93d Congress.

Unknown to many of our colleagues, when the State of Illinois redistricted the congressional districts in 1972, Harold Collier took over a part of the Sixth Congressional District, including Cicero and Berwyn, which my late husband, George, had represented for 2 years. Further, our respective districts lie right next to each other, so that we are really neighbors in many, many ways with many of the same interests and concerns.

Representative Collier has served his constituents well; their reward has been to send him to Washington for nine terms. He is retiring by choice, and he retires with a legislative record that many of us could envy.

Though Congressman Collier will not be here with us next year, he will be frequently in our thoughts as we attempt to emulate his record of exemplary leadership.

My best wishes to Harold and his family.

Mr. MADIGAN. Mr. Speaker, it was with great regret that I learned of the resignation at the conclusion of this Congress of the gentleman from Illinois, the Honorable Harold R. Collier. I am happy to have this opportunity to join with my colleagues to pay tribute to Harold Collier for his 18 years of service in the U.S. Congress.

After observing his work in Washington for 2 years, it is easy to understand why Harold has so many friends and supporters. He served with great distinction as a member of the Ways and Means Committee. More importantly, as the people of west suburban Cook County, Ill., know, no constituent problem has ever been too small or insignificant for his attention and help.

And, as busy as he was, Harold Collier always had time to answer the questions of a freshman congressman and to provide suggestions and help.

Harold Collier has worked hard at serving his constitutents and his Nation. I am proud to have served with him and am glad to have him as a friend.

We will all miss him in the House, and I join with my colleagues in wishing him a happy and prosperous retirement from this body.

Mr. BROTZMAN. Mr. Speaker, Harold Collier has represented the 6th District of Illinois for 18 years. In that time he has become one of the outstanding legislative leaders in the House.

It was my privilege to serve with Harold on the Ways and Means Committee for the past 4 years. In that setting I was able to fully appreciate his understanding of the complex issues facing our Nation. He served all of the American people with distinction during his tenure on the committee.

Mrs. Brotzman and I wish the Collier family all of the best in the future.

Mr. CORMAN. Mr. Speaker, it has been my pleasure to serve on the Ways and Means Committee with my distinguished colleague from Illinois, Harold R. Collier. As a senior member of this committee, he has displayed a broad knowledge of intricate subject matter as well as the drive and motivation necessary to legislate effectively. After 18 years of dedicated service, Harold Collier's loss will be felt on the committee as well as in the full House, by colleagues from both sides of the aisle. To my friend and fellow committee member, Patti and I offer our very best wishes for future happiness and success.

Mr. DERWINSKI. Mr. Speaker, as the 93d Congress passes into history, the legislative career of one of our most distinguished Members comes to a close. After 18 years of service to his constituents and to his country, Harold Collier is retiring from public office.

Our congressional districts border each other, and during our years in Congress, Harold Collier has been my good friend as well as Illinois associate. Harold has also been a tower of strength in the Illinois delegation.

He has ably served the people of his district and has contributed immeasurably to the development of much legislation before this body during his years in Congress. He has served with distinction on the Ways and Means Joint Study Committee on Budget Control and also on the Joint Committee on Internal Revenue Taxation.

Harold typifies all of the good qualities of a true public servant, and knowing him as I do, I am sure he will remain active here in Washington as well as back home in Cook County, Ill. His aid and counsel will be sought and his leadership used for many years.

I join in wishing Harold and his wife, Carol, every possible happiness and success in the years ahead.

Mr. FINDLEY. Mr. Speaker, when I came to the House in 1961, one of the first men I met was our distinguished colleague, Mr. Collier. It brought memories of the time I first met him, when he was candidate for State auditor of public accounts. I was impressed with him as a candidate, and impressed with him as a Congressman.

He has always been considerate of my interests, has taken a special interest in staff people on the Hill who have had employment problems, including several of my own. He has a rare compassionate interest in his fellow citizens.

On a more personal basis, his friendship, good counsel, and ready store of humor have been especially rewarding to me. He is a colleague I count a close friend, and I am confident this friendship will endure.

His contributions to good government are substantial, and I regret very much his decision to retire.

Mr. ROSTENKOWSKI. Mr. Speaker, we are today in this Chamber saying farewell to three of Illinois' more prominent sons. All three are outstanding congressmen whose accomplishments I respect and whose friendship I have grown to cherish. While I shall miss them all, I will miss my good friend Harold Collier just a little bit more. This is only natural, for Harold and I have been friends for almost 20 years. Throughout my 16 years in the House, I have not only been made a better person as a result of his friendship, but more important, I have matured as a Congressman as a result of his counsel. Harold and I have shared much together. Our districts in Illinois adjoin each other and we are both members of the Committee on Ways and Means.

We both share an unrequited passion for the game of golf. Hundreds of plane flights between Chicago and Washington have been made more bearable, even pleasant, due to Harold's wry sense of humor.

Mr. Speaker, Harold Collier is truly a unique individual. He has managed to rise to a powerful position in the Congress without assuming any of the pompous trappings that often go with that power. He is the same good man today that he was when I first met him. The only thing really different about him is his previously mentioned golf game—and that, Mr. Speaker, has grown progressively worse.

Recently, I had the occasion to write to Harold on the subject of his retirement. I told him that he should not look upon this well-deserved retirement as a retreat from the rigors of public service but rather as an opportunity to improve on an already suspect 14 handicap.

Hopefully, in the years ahead I will have many opportunities to help him with this endeavor.

Mr. ERLENBORN. Mr. Speaker, I propose to pay a parting tribute to our colleague, Harold R. Collier. He decided not to seek reelection in 1974 and will retire from the House of Representatives January 3 next.

As he departs, he is the second ranking minority member of the Ways and Means Committee; and from that position he has worked hard to help our Federal Government find ways to live within its means. As one views the size of the national debt, it is apparent that he has not invariably succeeded in his purpose. Those who know him, however, know that he has left his mark.

His earnestness about his congressional duties is well known. Hence, it comes as something of a surprise that Harold Collier is a man of diverse interests—from drug abuse—which he opposes—to his alma mater, Lake Forest College—which he favors. Some persons are surprised to learn of his prowess as a golfer.

He has a place in Florida and one wonders whether the most likely place to find Harold Collier on January 4 or soon thereafter may not be a Florida golf course.

Mr. Speaker, I am sorry to see Harold Collier leave. He has been a good Congressman and a good friend. It would be hard to imagine having too many of either.

Mr. HANRAHAN. Mr. Speaker, as we all know our good friend and colleague, Harold R. Collier is retiring at the end of this session. Being from the same State, the State of Illinois, it is especially distressing for me that the people of Illinois will no longer have this capable man to represent them in the U.S. House of Representatives.

Harold has been a member of the very important Ways and Means Committee and during this 93d Congress was second ranking on the minority side. His eminent qualifications which have enabled him to serve on this committee will be greatly missed by the Congress.

Harold has served the people and the Nation as a U.S. Congressman since the

85th Congress. His leadership ability and integrity will be sorely missed by all.

Mr. SCHNEEBELI. Mr. Speaker, it is with a feeling of great personal satisfaction, though mixed with a touch of sadness, that I rise this afternoon to say a few words concerning my good friend, our distinguished colleague from the Sixth District of Illinois, Mr. HAROLD COLLIER, who is retiring from service in the Congress at the close of the present session.

During 18 years, stretching from the relative calm of the Eisenhower administration through the several foreign and domestic crises of more recent times—the upheavals in the Middle East, the changes in Cuba and the Dominican Republic, the conflict in Vietnam—through the conflicts for social and economic and political justice under the New Frontier, the Great Society and the Nixon Presidency—through these many years, the opportunities for service have been wide and, as is his custom, Representative COLLIER has been constant in his devotion to duty and quick to defend the interest of the public and his constituency. His departure from the House will be a public loss. It will also leave a personal void in our ranks.

For many years, HAROLD COLLIER and I sat next to each other on the Committee on Ways and Means. I can vouch for the contributions he has made to our discussions of legislation—so wide and varied in substance, demanding specific expertise and broad awareness of public questions. His good humor, his keen intellect, his fund of knowledge, his personal concern—his broad humanity, have been steadily distinguishing characteristics.

May his post-congressional years be long and full, productive of the same fine, conscientious service to the people of Illinois and to the Nation that has been his style through the past two decades.

Mr. ARCHER. Mr. Speaker, I wish to pay tribute to my colleague HAROLD COLLIER who is retiring.

I have had the opportunity to work with HAROLD on the Ways and Means Committee. His depth of knowledge and his experience on the complex issues facing our committee will be missed during the next Congress. During his service in the House of Representatives, HAROLD COLLIER has revealed the true qualities of a dedicated public servant.

It is my intention to wish Representative COLLIER good luck and good health upon his retirement. He shall not be forgotten by those colleagues who served with him. It is my sincere hope that he will continue his services toward better government in the years ahead.

Mr. BROYHILL of Virginia. Mr. Speaker, the people of this Nation will miss the wisdom of HAROLD R. COLLIER as he retires from the hallowed Halls of Congress.

He has been a voice for reason and prudence for a sound fiscal policy for our Nation for almost 2 decades. His knowledge of tax law and concern for equitable tax treatment for all our people has earned him the respect of his colleagues on both sides of the aisle.

HAROLD COLLIER has served his congressional district, his State of Illinois, and this Nation long and well, he now deserves the rewards of retirement and the fullness of family life and friends craved by many of us in this body.

To have known HAROLD COLLIER well throughout his congressional career and to have shared his counsel and views made my life and work more meaningful. I wish him well; all of us do.

Mr. MURPHY of Illinois. Mr. Speaker, I would like to join my colleagues in honoring HAROLD COLLIER, an able Congressman and good friend. He has faithfully represented the people in the Sixth Congressional District of Illinois for the last 18 years.

His career has been marked by public service activities highlighted in 1956 when he was elected to serve in the 85th Congress. HAROLD'S work on the Ways and Means Committee and the Advisory Board on the National Council on Drug Abuse have given him additional opportunities to represent the larger interests of our Nation.

His tenure in office has been one of tireless efforts to promote legislation to help not only his constituents but people throughout our country.

HAROLD COLLIER'S retirement will be a great loss not only to our State and fellow colleagues in Congress but especially to his district.

Mr. CRANE. Mr. Speaker, the retirement of HAROLD COLLIER is one which saddens all those of us who have had an opportunity to serve with him in the Congress.

HAROLD COLLIER has been an active participant in public life since his election in 1951 to the position of alderman of the Berwyn City Council. First elected to the Congress in 1956, he has been reelected to every Congress since that time.

In his years in this House, HAROLD COLLIER has made only friends, never enemies. He has stood firmly for limited government, for fiscal responsibility, and for a Congress which was vigorous in exercising its legitimate prerogatives.

As a man of principle, he was never in doubt about what course to take with regard to the great public issues which occurred during his nearly 20 years in the Congress. His decision to retire at this time leaves a void which will be difficult to fill.

A dedicated sportsman, advocate of the outdoor life, and believer in good fellowship, HAROLD COLLIER has brought only credit upon the House and upon the State of Illinois in which he has lived for more than 50 years.

The future of a free and democratic society will never be in doubt as long as men of his caliber offer themselves to the voters for public office, and as long as the voters show the good judgment to elect them.

I first met HAROLD COLLIER as a freshman Member of this House. He was always eager to assist new Members in learning their way around the Congress and he has been a good friend ever since that time. Illinois has been lucky to have a Representative of his perception and humane concern and dedication and upon his decision to retire we all join together to wish him well.

HAROLD has not been one of those who sought publicity and headlines. Instead, he has done the daily work with vigor and enthusiasm, believing that a job well done was its own reward.

That job has been well done. The constituents of his district have always had his ear, and for this reason they reelected him eight times. Had he decided to seek reelection, there is little doubt that he would have been reelected again.

It is with sadness that we see HAROLD COLLIER leave, but with every hope that his public service will continue for many years and that he will be a frequent visitor to this House.

RETIRING CONGRESSMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WAMPLER) is recognized for 60 minutes.

Mr. WAMPLER. Mr. Speaker, as the ranking minority member of the Committee on Agriculture I want to share with the Members of the House, the solid record of service and accomplishment which our able colleague, WILEY MAYNE, has achieved for American agriculture since being elected to Congress in 1966. Throughout his 8-year period he has been without question one of the most articulate and well informed spokesmen for the family farmer in the entire Congress. His great ability and integrity will be sorely missed not only by those who till the soil but by those who provide services and supplies to farmers and by those consumers who have a vital stake in economically sound agricultural production providing ample food and fiber for the consumer at reasonable prices.

Throughout WILEY'S congressional service it has been his privilege to represent one of the world's most productive grain and livestock areas, Iowa's Sixth Congressional District. This comprised 18 northwestern Iowa counties during his first 6 years in Congress, after which it was redistricted to add two more grain and livestock producing counties in western Iowa and two highly productive cash grain counties in northcentral Iowa. Thus WILEY has been representing 22 counties during the fourth term which he is now completing.

When first approached by interested citizens to run for Congress in 1966, WILEY himself was first to point out that he had never been actively engaged in farming and, therefore, felt insufficiently informed on farm policy matters to give proper representation to a great agricultural district. It was not until he had been visited by several large delegations of actual farm operators offering to assist him on all matters affecting agriculture and urging him to run that he agreed to do so. This was the genesis of WILEY'S celebrated farmer advisory committees which have served him, the people of the district and, indeed, all agriculture so effectively during the past 8 years.

Immediately upon his election to the 90th Congress WILEY sought and won assignment to the House Agriculture Committee where it has been my privilege to serve with him ever since. I have thus had a firsthand opportunity to observe his keen insight into agricultural problems and his major contribution to their solution.

I have seen at close range the careful preparation and background work on farm legislation carried out by his staff under his direction, and the long hours of homework he himself has put in preparing for committee hearings and floor debate. I have long admired this Congressman's ability to extract the maximum amount of precise information from witnesses testifying before subcommittees or the full Agriculture Committee. He is beyond a doubt the most penetrating and effective cross-examiner on the committee. Bringing to the committee an extensive background of courtroom experience as a skillful trial attorney, he could always be counted on to cut through the verbose puffery which unfortunately characterizes the testimony of all too many witnesses, and to get the witness down to the bare facts of the matter. His contribution toward building an informative and an accurate legislative record in such hearings will remain as a model for many years to come.

Ever since the summer of 1966 Wiley has been greatly assisted by his district farm advisory committee made up of county farm chairmen who in turn head up county farm advisory committees in each county in the district. These have been nonpartisan committees, the only requirements for membership being that members of the district committee be actual farm operators devoting full time to their own farming operation and willing to take time to keep Wiley Mayne informed on the agricultural scene at home and to advise him on the views and needs of his farmer constituents. When in the district Wiley has met frequently with his district advisory committee which was first chaired by Elvie Dreeszen, Cushing livestock and grain farmer from 1966 to 1972. Since 1972, the chairman has been Larry Siefken, who farms 700 acres near Palmer in Pocahontas County.

Wiley has also corresponded regularly with all members of the committee and has telephoned them to sound out rural sentiment when critical problems affecting rural America were under discussion in the Agricultural Committee.

He was not satisfied to know the situation as reported to him 6, 3, or even 1 month earlier but was frequently on the phone conferring with his farmer advisers back home on the night before or morning of important action to be taken by our committee. On numerous occasions this has resulted in invaluable current information being provided the members of our committee bringing us up to date when we might otherwise have acted unwisely on the basis of outdated and inaccurate data. I can recall more than one committee discussion in which another member would assume to express what he believed to be the viewpoint of the American farmer on some aspect of legislation under consideration.

After listening patiently, Congressman Mayne would gain recognition and state:

> That's not what the farmers of Northwest Iowa who are most directly affected think about it. I talked with six of them in six different counties last night and they disagree completely with what the gentleman has just stated.

After a few such instances members of the Agriculture Committee on both sides of the aisle came to rely on Wiley Mayne and his farmer advisory committee as a very accurate sounding board of farmer opinion on farm legislation and the administration of farm programs. Many of the suggestions made by these farmer advisors have found their way into permanent legislation which is in our statute books today to the benefit of the Nation. I would like to pay tribute to all the farmers who have served on Wiley's advisory committee through the years, but many changes in personnel preclude my naming them all.

I do, however, set forth in the Record at this point his present district farmer advisory committee which has served during the past year:

District Farmer Advisory Committee

District chairman, Larry Siefken.
Buena Vista County, Leon Haahr.
Calhoun County, Virgil Lee.
Cherokee County, Harold Droegmiller.
Clay County, Raymond Christenson.
Crawford County, Howard Ahrenholtz.
Dickinson County, Dean Hummel.
Emmet County, Paul Neppel.
Humboldt County, Harold Reding.
Ida County, Harold Parker.
Kossuth County, Robert Chambers, Jim Rock.
Lyon County, Edward Ladd.
Monona County, Ray Severson.
O'Brien County, Rodney Rausch.
Osceola County, Wayne Blahauvietz.
Palo Alto County, Bill Stillman.
Plymouth County, Roger Easton.
Pocahontas County, Emery Wenell.
Sac County, John "Ted" Huser.
Sioux County, Bernard Vermeer.
Webster County, Dean Fevold.
Winnebago County, Clarence Miller.
Woodbury County, Dwight Puttmann.

In terms of legislation, it is one of the political facts of life that the names of members of the minority party are very seldom listed as the authors of significant legislation. That prerogative by political custom is assigned to the members of the majority party in almost every instance. But because of his strong leadership in the field of agriculture, an exception has been made for Wiley Mayne as author or coauthor of a number of major bills and amendments.

A good example was the Mayne amendment to the Agriculture Act of 1970 to correct unfairness in allocation of feed grain bases through establishment of a national pool of base acres.

This came out after Wiley had received more complaints on this subject than any other during his first two terms in Congress. Many farmers were deeply disturbed about the unequal allocation of feed grain bases among farms of like productivity. Such an inequity put certain farmers at a disadvantage and convinced them it was not in their best interest to participate in the program.

The size of a farmer's feed grain base was determined by the amount of corn and sorghum produced on the farm during the base years of 1959–60. If an individual farmer for some reason had not been able to grow corn or chose to produce other crops in that period, he was arbitrarily penalized and forced to suffer from this happenstance for years thereafter. Congressman Mayne's repeated requests for administrative relief for farmers caught up in this dilemma fell on deaf ears in 1967–69. He and his feed grain farmer constituents were told that the Agriculture Act of 1965 bound the hands of the Department of Agriculture effectively barring administrative relief.

Wiley's opportunity to eliminate this unjust provision and reform the program came in the summer of 1970 when he successfully offered the Mayne amendment which was incorporated into the omnibus farm bill enacted that year. The amendment established a national pool of feed grain base acres derived from farms where the owners elected to plant crops other than feed grains. The pool was to be reallocated to farmers who petitioned the Department of Agriculture for relief on a hardship basis. Thus the Mayne amendment eliminated a longtime injustice which had severely penalized midwestern corn producers. Its passage greatly increased participation in the program. Due to this and other perfecting amendments updating the law, feed grain program participation was at an all time high the following year.

Another example of Wiley Mayne's leadership is the Emergency Livestock Loan Act—Public Law 93-357—of 1974 which largely grew out of the demand for some kind of emergency loan legislation from family livestock feeders who made numerous trips to Washington from northwest Iowa and with whom Wiley met frequently while in the district. He was one of the original sponsors of the act and acted as floor manager for the minority during debate on the bill. He offered the Mayne amendment which was adopted on the House floor, limiting the scope of the program to bona fide family sized farmers and ranchers. It also limited Government guarantees to a maximum of $250,000. These provisions were in response to fears by urban Congressmen that corporate and hobby farmers would be unjustly enriched. Since the bill passed by only a six-vote margin it is obvious the Mayne amendment and the eloquent advocacy of its author saved the bill from certain defeat.

While Public Law 93-357 has not yet been used as widely as anticipated, it has already saved many family feeders from bankruptcy and enabled them to remain in the livestock industry.

Another important Mayne amendment this year involved the bill he cosponsored to strengthen and reform Government regulation of commodities futures trading—Public Law 93-463. He authored and obtained adoption in committee of an amendment that narrowed the antitrust exemption in the early version of this legislation, thus preserving the concept of freer competition in the business of futures trading.

It is no exaggeration to say that this Congressman has consistently supported and fought for all major farm policy philosophies which benefit family farmers and particularly those of the Midwest. For example, he has been a strong and a vocal supporter of viable programs for soil and water conservation. When an Executive order threatened to cut off conservation programs in December of 1972, WILEY MAYNE was one of those who successfully cosponsored legislation preserving the rural environmental assistance program.

He has long been a champion of freer trade for farmers and has successfully advanced the merits of agricultural exports during attempts to limit or cut off the exportation of farm goods.

His concern for both the consumer and the producer has led him into numerous investigations of farm-retail price spreads. When hog prices slumped sharply in late 1971, he prodded the USDA into an investigation of profit margins in the pork processing and retailing industries which resulted in a narrowing of those margins and helped hog producers obtain a fairer share of the food dollar.

Consistent with his concern for family farmers, MAYNE took the lead on the Agriculture Commitee in seeking to curb the large commodity payments to giant farming corporations which were discrediting the entire farm program. This was by no means a popular position on the Agriculture Committee as he was for some time the only member of the committee favoring a $20,000 limitation on annual payments. While his efforts were at first unsuccessful, he eventually had the satisfaction of cosponsoring and seeing adopted the $20,000 payment limitation amendment to the 1973 Agriculture Act. As one of the first members of the Agriculture Committee to recognize the need for this change in our farm laws, he was a true pioneer in saving our permanent farm legislation.

WILEY MAYNE was also largely responsible for obtaining more adequate loan rates on corn in both the 1970 and the 1973 Farm Acts. I remember particularly well his efforts to raise the loan rate for corn in the 1973 Agriculture Act. It was his contention that the loan rate must be increased substantially to more accurately reflect the higher costs facing producers. He fought valiantly for a substantial increase in the committee, on the House floor and in conference where he was the only House conferee from a midwestern feed grain producing State. Few would question his wisdom in this matter now, as soaring production costs make the present $1.10 per bushel loan rate finally adopted over his protests more and more inadequate.

An overriding consideration for WILEY during his years in Congress has been his total dedication to serve the people of his district. His dedication has never been more evident than in his efforts to assist livestock farmers over the past several years. Throughout the recent times of threatened price rollbacks, price freezes, and economic chaos in the livestock industry, WILEY MAYNE has been a focal point for concerned livestock farmers who have poured into Washington to tell their story. He has met for hours on end with numerous groups both here and at home and has on several occasions arranged forums of congressional leaders and top level agency officials to discuss with livestock farmers possible solutions to their problems. In addition to his previously mentioned role in the passage of the Emergency Livestock Loan Act, WILEY was instrumental in arranging increased Government purchases of surplus meat and in obtaining assurances from President Ford that imports of meat will be subject to the limitations of the 1964 meat import law. At his urging, the President on November 16, 1974, imposed restrictions which will reduce imports of Canadian livestock and livestock products by about two-thirds.

Another aspect of Congressman MAYNE's service to his district has been his alertness to Government programs which might be adaptable to meet the legitimate needs of the people of the district. He has kept in close touch with the various departments and agencies of the Federal Government making sure they gave full and fair consideration to all applications for Government funds emanating from the Sixth District for participation in federally financed projects. He was instrumental in obtaining Farmers Home Administration approval of the first two rural water systems to be approved in Iowa under the Rural Development Act. The first of these, rural water system No. 1 at Hospers, Iowa, is already in operation and alleviated drouth conditions in Sioux and O'Brien Counties last summer. Federal funding for this project alone was $1.9 million. The second, the Lyon and Sioux rural water system is now partially completed and in operation with an FHA loan of $1.743 million. A third rural water system has been approved by the FHA to serve farmers in Cherokee County.

During the past 4 years WILEY MAYNE has served as the ranking minority member on the Subcommittee on Livestock and Grains, which is the largest of all our subcommittees and the one of most importance to the people of his district. I am grateful to him for the leadership he has provided to the Agriculture Committee in this capacity and as floor manager on many bills that have affected the grain and livestock economy of Iowa, the Nation, and the world.

We will sorely miss WILEY's proven legislative talent and great integrity. His colleagues on the Agriculture Committee wish him good luck in his days ahead in Iowa.

Mr. BROOMFIELD. Mr. Speaker, paying tribute to colleagues departing from the House is not unlike watching a daughter marry. You wish them the best, but you hate to see them leave. That is how I feel about our distinguished colleague from New Jersey, PETER H. B. FRELINGHUYSEN, who is leaving at the end of this Congress.

I am proud to count PETER as a close personal friend, and I will miss his presence greatly in the 94th Congress. But the loss to the House and the country will overshadow my personal loss, for PETER is truly an outstanding legislator.

PETER's record during his 22 years of service speaks for itself. It is a record that reflects his concern for both his constituents and his country.

For the past 14 years it has been my pleasure and honor to serve with Congressman FRELINGHUYSEN on the House Foreign Affairs Committee. During that time I have developed a great admiration for his tremendous ability and dedication.

Although he has served as ranking minority member on the Foreign Affairs Committee a relatively short time, he has served with distinction. He was particularly effective as the leader of the House delegation that visited the People's Republic of China this fall. I was fortunate enough to be a part of that delegation, and PETER's leadership in representing the U.S. position on some very important issues was invaluable.

It is my sincere hope that the vast experience and ability that PETER FRELINGUYSEN possesses will be used for further public service in the future. A man of his talents is a rare thing, indeed. For the Government to fail to utilize his ability would be a tragic and shameful waste.

In closing, Mr. Speaker, I want to wish Congressman PETER FRELINGHUYSEN all the best in the years ahead. I shall miss him here in this Chamber where he served so ably for over two decades, and I thank him for his friendship, and his outstanding service to Congress and his country.

Mr. CEDERBERG. Mr. Speaker, on behalf of Michigan's Republican delegation—and I believe in this instance I can speak for the Democrats as well—I am pleased to express here our respect and good wishes to our colleague from the Sixth District, the Honorable CHARLES E. CHAMBERLAIN.

When CHUCK CHAMBERLAIN entered Congress in 1957, his district included the cities of Lansing and Flint, Mich., the homes of three large automobile companies. His constituency included more automobile workers than that of any other Member. This circumstance set the direction of his main legislative interest through the years, an interest he pursued so vigorously that he earned the designation, "the auto horn of Congress."

Mr. Speaker, events of recent months certainly tend to support CHUCK CHAMBERLAIN's contention that the vigor of our automobile industry, or its lack, directly affects the health of the entire American economy. He has taught us a lesson we should not forget.

I might, Mr. Speaker, mention also Congressman CHAMBERLAIN's extended labor on the Armed Services Committee, during one of the most difficult military eras in the Nation's history; or I could summarize his work on the Ways and Means Committee when it produced some of the most important tax legislation in a generation.

But this is not really necessary, because this is by no means the end of CHUCK CHAMBERLAIN's career. He leaves this body with our friendship, our respect, and our very best wishes for the future.

Mr. BROOMFIELD. Mr. Speaker, 18 years ago next month, four young gentlemen from the State of Michigan presented themselves for their first oath of office in this House. The newspaper labeled this quartet, "Four Under Forty." Mr. Speaker, I was one of those four, and today it is my pleasure to pay my parting respects to the other remaining member of that group—my colleague from Michigan's Sixth District and my good friend, CHARLES E. CHAMBERLAIN.

The intervening 18 years have been filled with many eventful hills and valleys, successes and disappointments, tragedies and triumphs. During all this period, Mr. Speaker, CHUCK CHAMBERLAIN always showed a positive, hopeful, and constructive attitude toward our Government and its operations. We could always depend on CHUCK for a concise analysis of any problem, and a positive proposal for action. His confidence in the good sense of the people and the orderly processes of Government never waivered. Today, considering all that we have come through in recent years with our liberties intact, I think CHUCK CHAMBERLAIN would assert that his faith and confidence have been vindicated.

Mr. Speaker, my colleague from Michigan's Sixth District does not really like eulogies so I will not extend these remarks, as I might easily do. This is assuredly not the end of a friendship, nor of a cordial, helpful relationship.

So I will conclude, Mr. Speaker, by wishing the gentleman from Michigan's Sixth District well in his future work, and by thanking him here again for his great assistance through the years, his friendship, and his example.

Mr. MILLER. Mr. Speaker, time has been set aside today to honor those who have served with us in the House of Representatives but will not be returning this January for the 94th Congress.

The list of those retiring or moving into other fields of service is quite extensive and it includes many personal friends with whom I have worked during the past 8 years.

While I cannot cite every Member individually, I would collectively like to wish them well in whatever new endeavors they undertake. I know that the dedication they have exhibited in serving the people of America in this Chamber will continue as they assume new responsibilities.

Among the retirees is Chairman JOHN BLATNIK with whom I served for 6 years on the House Public Works Committee. I was always impressed by JOHN's knowledge of public works affairs and his dedication to the legislation before that committee.

At the same time, I would like to add my personal best wishes to fellow Ohioans WALTER POWELL and WILLIAM MINSHALL upon their retirement from the House. They have served diligently and they will be missed.

The Congress convening in January will differ dramatically in its composition from what we have known during the past several years.

Looking ahead to the responsibilities which face us here on Capitol Hill the next 2 years, let us not ignore the work of those now leaving. They have worked hard and they deserve our sincerest thanks and praise.

Mr. HUTCHINSON. Mr. Speaker, I am pleased to add my words of tribute to my friend, neighbor, and colleague, the gentleman from Michigan's Sixth District, CHARLES E. CHAMBERLAIN.

Many Members, and particularly those of us from Michigan, will miss CHUCK CHAMBERLAIN's quick, sound judgment, his dependable cooperation, and his lively wit in our counsels. Throughout his career, CHUCK has worked hard, played fair, and taken a positive approach toward our work.

The people of Michigan's Sixth District may take satisfaction in having been represented in Congress for nearly two decades by one who unfailingly gave his best to his work, and that best was good enough, Mr. Speaker, to earn him their gratitude, and our friendship and respect.

CHUCK CHAMBERLAIN leaves with our best wishes for many satisfying and happy years ahead.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks on the subject of the special order of the gentleman from California (Mr. MCFALL) on tributes to retiring Members of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

HON. KENNETH J. GRAY, ILLINOIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PRICE) is recognized for 60 minutes.

Mr. PRICE of Illinois. Mr. Speaker, I rise today to bid farewell to a great legislator and friend from my state, Congressman KENNETH J. GRAY. It is with deep regret that I make these remarks, since I have worked closely with KEN for 20 years, and I realize what the loss of his presence and experience will mean to the House.

KEN and I have represented adjacent districts in southern Illinois and have therefore been in constant contact for two decades. I feel that because of this working relationship I know KEN as well as any Member in the House and I am sure they all join me today in regretfully saying goodby to him.

KEN will retire with a record of constant service to southern Illinois and the Nation as a whole. His work on the House Administration and Public Works Committees is well known to all those who have served with him and to all those who have benefited from the reforms he has initiated. His dedication to the betterment of the country is shown by his membership on the Father Marquette Tercentenary Commission and the Highway Beautification and National Visitor Facilities Advisory Commissions, to which he was appointed by the Speaker of the House.

Mr. Speaker, when KEN first ran for Congress in 1954 he made a promise to put new life into southern Illinois. He has more than kept that pledge, as can be seen by listing only a few of the projects made possible through his efforts. New jobs have been brought into the area for 25,000. Over $4 billion in Federal funds have been spent on over 1,000 programs. Southern Illinois boasts new highways, hospitals, public housing facilities, a new lock and dam project, water and sewer facilities—all because KEN GRAY cared enough to work for them. New industries abound because of KEN GRAY—he cared enough to work for them.

Some Congressmen are fortunate enough to look back over their careers and see one project which is a tribute to their work. KEN GRAY cannot do this—because his monument is in every community of the 22 counties he has faithfully represented. I am certain that if the people of the 24th District of Illinois had their way, KEN GRAY would become a permanent fixture in the House of Representatives. Indeed, his name has become a byword for concern and service throughout southern Illinois, just as his dedication to his office has been an example to all his colleagues here in Washington.

KEN's counsel and dedication—and even his humor—will be sorely missed as we convene the 94th Congress. But I am sure that his concern for his country and his State will not be lost when KEN returns to private life. He will continue to earn admiration and respect wherever he goes, just as he has earned ours. I am proud to know him and to have had the privilege of serving with him.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise to join my colleagues in expressing high regard for KEN GRAY and the accomplishments that have marked his 20 years of service in the House.

Throughout, KEN has distinguished himself as a legislative strategist, seeking the compromises that get a bill through while assuring that its intent is not jeopardized. For example, as recently as today, the Committee on Public Works cleared a revised measure to strengthen the Executive Protective Service while accommodating some strongly held views of individual committee members.

Critics of the legislative process often deplore the use of separate commissions to give special attention to particular areas of concern beyond the routine scope of the legislative process. The concern is that they become burial grounds for progress or otherwise an excuse for inaction. I would contrast this stereotype with two Commissions on which KEN GRAY has served. One is the National Visitor Facilities Advisory Commission, the other the Commission on Highway Beautification. As to the former, KEN GRAY served as the leading force behind development of the Visitor Center for the Nation's Capital, moving the project ahead despite a number of frustrations and setbacks. Only his persistence has enabled the participation of Amtrak and the railroads involved to meet its promise.

As to the highway beautification, suffice it is to say that the Commission did a landmark job in obtaining exhaustive data on the operation of a program dealing with the conflict of worthwhile environmental objectives and equally valid concerns over property rights and the legitimate needs of the traveling public and enterprises serving them. It is a tribute to the Commission's work and that of KEN GRAY that the Commission's recommendations were incorporated into the highway legislation recently reported by the Committee on Public Works.

These were not side excursions, but reflections of KEN GRAY's customarily thorough attention to the substance of legislation for which he shared a responsibility.

In the give and take of the legislative process he has earned the respect of his colleagues for his painstaking attention to his responsibilities and the good will that enabled these efforts to be translated into constructive legislation.

KEN GRAY was my very close personal friend. We will all remember him as one of the most colorful and congenial Members of Congress. His wearing apparel was immaculate and provocative. His personality and quick wit would always light a spark of enthusiasm and appreciation for his presence.

But, above all, KEN GRAY was one of the most creative and effective legislators of our time. He has many public buildings throughout the Nation that will stand as living monuments to his great efforts to help his colleagues and to serve his country.

Mr. MURPHY of Illinois. Mr. Speaker, I would like to join my colleagues in honoring KEN GRAY, my good friend and able Representative of the 24th Congressional District of Illinois.

KEN GRAY has served well on both the Public Works Committee and the House Administration Committee. He has been particularly instrumental in sponsoring many worthwhile flood control projects.

His interests within and without Congress have been varied, but always reflective of a willingness to contribute his time and efforts to others. Many charity benefits have profited from the special talents of this multifaceted man.

KEN GRAY is a prime mover in the campaign to make our Nation's Capitol more accessible to our many visitors. He has been a dominant figure in paving the way for a National Visitors Center. This project reflects a long-time dream for KEN GRAY in providing better services in the Capital City.

Moreover, KEN has been a strong supporter to establish a convention center. He has long endorsed such a center to meet not only the demands of the tourists but also the needs of the residents of the District of Columbia.

We will all be enriched from having known him. He has brought a unique quality to the House of Representatives us more aware of our surroundings and that can only be KEN GRAY. He has made in the process made life more interesting. He will be sorely missed. I wish him well in whatever he undertakes. He deserves the best.

Mr. MICHEL. Mr. Speaker, we are near the closing hour of the 93d Congress, and it is with sadness that I am aware that the congressional service of my long-time colleague, Representative KENNETH J. GRAY of Illinois, is also near its end.

KEN GRAY and I over the years have collaborated on many projects affecting the well-being of the people of Illinois. One of the major ones was the location of an atomic energy plant in Morris, Ill. Another was the interstate highway program within our State. A third has been flood control. He is a dedicated and energetic individual. The restless, relentless drive of his personality has made him a pleasant and most effective Member to work with.

The humanitarian motivation within him—the desire to be of help to his fellow man—stands out sharply in his career. He served our Nation in combat in World War II. He has been highly active in civic affairs in Illinois, with service in the American Legion, Veterans of Foreign Wars, Kiwanis, Elks, Eagles, Jaycees, and other service organizations. And he was a founder, nearly a quarter of a century ago, of the Walking Dog Foundation for the Blind, which is a nonprofit group that trains guide dogs and presents them to blind persons free of charge.

Generations of visitors to Washington will benefit immensely from a project now under way for which he was the prime mover. This "brainchild" of KEN GRAY is the conversion of the Union Station to a visitor center—something for which our national capital has had a crying need for decades. The plan, which calls for another train station, more suited to the times, to be built nearby, has had its problems. But I am happy that things now seem to be back on the track, and his beloved center should be ready for Centennial visitors in 1976.

I do not know what my friend is going to do beginning next year.

Will he retire? I doubt it. People of his nature do not retire. They simply divert their drive and dynamism into new channels, and keep pressing on.

KEN GRAY has well served the people of Illinois for 20 years in Congress. He can be proud indeed of what he has done for them. The Members of this House will miss him, and no one will do so more than I.

Mr. O'BRIEN. Mr. Speaker, I would like to take a moment to say a few words in tribute to our distinguished colleague, KENNETH GRAY, who is retiring.

During his two decades of service as a Representative from the 24th Congressional District of Illinois, KEN has earned the respect and admiration of Members on both sides of the aisle. His hard work and pleasant manner have made him one of the outstanding members of the Illinois delegation.

I have no doubt his constituents will miss him, for he has served them with dedication. Dedication to people is probably KEN's outstanding characteristic. Whether flying missions during World War II or working with the Walking Dog Foundation for the Blind, KEN has become totally involved in his work.

During his tenure in Congress, he has been a friend and confidant to many of us. While I am sure he is looking forward to his well-deserved retirement, I can not help thinking how much his presence here in Washington will be missed.

Mr. CONTE. Mr. Speaker, I want to thank my good friend from Illinois, Congressman MELVIN PRICE, for requesting this time this afternoon so that his colleagues may pay well-deserved tribute to departing Member, Congressman KEN GRAY.

Although we do not share the same political affiliation, I would like to think that we share friendship and dedication to service in the House of Representatives. I know KEN to be a man of prodigious energies in the interest of his constituents in Illinois' 24th District. And, during his 20 years of service in the House, he has also lent his energies and talents to the service of citizens throughout the Nation.

Although I understand his retirement plans are indefinite at this time, I know they will include some manner of activity for the public good because KEN GRAY is that kind of a man.

At this time, I want to wish KEN all the best in the days ahead.

Mr. MORGAN. Mr. Speaker, it is my great pleasure to participate in this special order honoring Congressman KEN GRAY, who is retiring at the end of this session. The 94th Congress will be poorer because of his absence, and I know that his constituents, as well as the Members of this Chamber, wish him well in his retirement.

KEN's dedicated and effective service on the House Committee on Public Works are well-known here on Capitol Hill. As chairman of the Subcommittee on Public Buildings and Grounds, KEN played a major role in developing Federal historical projects. His efforts to restore Union Station and convert it to a National Visitors Center in time for our Nation's Bicentennial celebration in 1976 gained him the public recognition which he has deserved throughout his career. Without his personal intervention bringing railroad, banking, and government officials together to resolve a complex financial situation, progress on this project would have been unnecessarily delayed.

Mr. Speaker, KEN GRAY is my friend as well as my colleague, and Mrs. Morgan and I will miss him. I know that his dedication to people in his congressional district and throughout America will be an inspiration to all of us as we seek solutions to America's problems during the 94th Congress.

Mr. ROSTENKOWSKI. Mr. Speaker, with the decision of Representative KEN GRAY not to return for the 94th Congress in January, the House of Representatives has lost not only one of the most colorful, but one of its more effective Members. Having worked with KEN since I was first elected to the Congress in 1958, I have witnessed firsthand not only what he has done for the Nation generally, but what he has done for the District of Columbia in particular. His service on the Public Works Committee has resulted in the creation of many productive Federal buildings—buildings while named for others, stand as a monument to KEN's legislative effectiveness. His work in the development of the Kennedy Center and the soon to be completed National Visitors Center will undoubtedly be appreciated by many millions of visitors to the Nation's Capital in years to come.

But while there is ample documentation of KEN's work on both the Public Works and the House Administration Committees, I doubt that there is sufficient documentation of his exuberant spirit which added so much to this Chamber. His outlook on life and enthusiastic approach to each day will not be forgotten by all of us who have known him so well. I hope that he will continue to live his life with the spirit and dynamism that have characterized his time in this Chamber. He has served his State and his Nation well.

Mrs. COLLINS of Illinois. Mr. Speaker, I join with the rest of my colleagues in wishing the best of everything for our colleague KEN GRAY who will be retiring at the end of the 93d Congress.

KEN GRAY is an outstanding person and one we are not likely to forget. He was first elected to the House in 1954 and has been serving the people of southern Illinois in fine fashion ever since then. Although I have only been here a short while, I have had the pleasure of working with KEN on legislation of interest to Illinois as well as on the Public Works Committee where he is the chairman of the Public Buildings and Grounds Subcommittee. It is because of his fine leadership and honest dedication that the new Federal building in Chicago, the Paul Douglas Federal Office Building, was built.

We will all miss KEN, whether it be for his legislative abilities or for his endearing sense of humor. He has become an institution in his own right, in a place that itself is a living institution.

I wish KEN and his family the best of all possible worlds.

Mr. NIX. Mr. Speaker, I rise with mixed emotions of sadness and pride to note the retirement of our colleague, KEN GRAY of Illinois. I am sad because in the next Congress the House will not have the services of one of its most outstanding Members, and because I will miss the companionship and understanding of a personal friend. I am proud because the great legacy of service and achievements of KEN GRAY has enriched forever the history and prestige of this House.

I suppose the most obvious legacy of KEN GRAY will be the buildings and other projects that he has added to our national heritage, especially in our National Capital. It has been said of the Emperor Augustus that he found Rome brick and left it marble. Perhaps KEN GRAY has not accomplished as much as Augustus, but he has certainly accomplished as much or more than any other elected Member of Congress that I can think of. For unlike a Roman emperor, who could get things done by edict, KEN GRAY's achievements have all been won through the complicated and demanding legislative process.

Mr. Speaker, a mere listing of the projects for which KEN GRAY has been responsible is staggering. He has fought for and succeeded in establishing a National Visitors' Center at Union Station here in Washington. This center will provide a multitude of services and facilities for the millions of visitors who will come to our Nation's Capital in the bicentennial year and for years after. It will be closely connected with public transportation and will alleviate the problems of getting around Washington that have been such a nuisance to visitors.

He has been a steadfast supporter of the John F. Kennedy Center for the Performing Arts, which provides a living legacy to our late President and which gives our capital performing arts facilities equal to those of the capitals of Europe.

He has also enriched the cultural life of our Nation by supporting the building of the Hirshhorn Art Museum and the expansion of the National Gallery of Art. He has facilitated the work of our great Library of Congress with the building of the new James Madison Library. And, he has provided for other living legacies to former Presidents—the Lyndon Baines Johnson Memorial Grove and the Dwight D. Eisenhower Center.

KEN GRAY has many other achievements to his credit, almost too numerous to list. He has been one of the prime architects of our national highway system, which has knitted together this vast Nation. He has seen to it that all our Federal buildings are accessible to our handicapped citizens. He wrote the legislation creating the Executive Protective Service to protect the White House and foreign diplomats.

Here on Capitol Hill, KEN GRAY has worked tirelessly to provide protection and electronic security for the Capitol complex.

With all of these impressive achievements, it must not be forgotten that KEN GRAY is and always has been devoted to his constituents in southern Illinois. He has spared no effort to improve the economic life of his district by working to bring in new industries, hospitals, housing, highways, and public improvements of all sorts.

Mr. Speaker, after reciting this abbreviated list of some of the accomplishments of KEN GRAY in his 20 years of service in this House, I do not want it to be thought that I will remember his service here in terms of buildings or of legislation. Instead, I will always think of him primarily in terms of my great friendship and personal respect for him.

I do not think any of us here could ask for a better colleague than KEN GRAY. He has always been thoughtful and helpful to other Members of the House, even while carrying his heavy legislative burdens. I shall miss him in the next Congress, and I extend to him my best wishes for whatever he decides to undertake in the future.

Mr. DRINAN. Mr. Speaker, it is with deep regret that I speak today about the retirement of Congressman KENNETH GRAY. His many achievments during his 20 years of service in Congress have been thoughtful and important.

As chairman of the Subcommittee on Public Buildings and Grounds, Congressman GRAY has been responsible for over $10 billion in authorizations for the construction and renovation of Federal buildings and parks. Notable among these are the John F. Kennedy Center for the Performing Arts, the Lyndon Baines Johnson Memorial Grove, the Eisenhower Center for the District of Columbia, the recently opened Hirshorn Art Museum, and the Library of Congress James Madison Memorial Library presently under construction.

Congressman GRAY's long standing dedication to the cause of handicapped persons is demonstrated by his legislation to make all Federal buildings accessible to the disabled. The development of extensive security systems in Federal buildings, the initiation of the original highway bill, and the diligence of over 20 years of working for the people of southern Illinois, will insure the long and grateful rememberance of Congressman GRAY.

For two decades Congressman GRAY has given important, dedicated service in the House of Representatives. We shall all miss him.

Mr. FINDLEY. Mr. Speaker, the decision of my colleague, Mr. GRAY, to retire from Congress was one I regretted very much. He has been an effective spokesman from southern Illinois interests, and has won prominence in the work of the Public Works Committee. He is the author of several major advances in Washington, D.C., as well as elsewhere in the Nation.

Few Members have been so closely identified with the establishment of enduring public improvements.

We will particularly miss his good humor and his never-failing optimism. An encounter with KEN GRAY is always a pleasant experience.

Mr. KLUCZYNSKI. Mr. Speaker, I take this occasion to express my regret over the impending retirement from Congress of the Honorable KENNETH J. GRAY, following 20 years of constructive service as Representative of the Illinois 24th District.

Having served with KEN GRAY as a Member of Congress and the Illinois delegation throughout the full course of his career, and having witnessed at close range his expertise at work, over that span, as a fellow member of the Committee on Public Works, I can truthfully declare my admiration for a man who has sought to serve the public at every opportunity and succeeded in that purpose to the most remarkable extent.

KEN GRAY is a true son of Illinois, in every vital respect. Born, reared, and educated in Illinois, he has understood the needs of his constituents in clear detail, all along the way.

A veteran of World War II, he distinguished himself in service to his country, and upon his return to civilian life, distinguished himself again as a man of commerce, in the automobile sales business and air transportation.

As a combat veteran, KEN GRAY became a member of the American Legion, Forty and Eight, and the Veterans of Foreign Wars. He is now a member of Past Commanders of the American Legion. Since coming to Congress he has shown the greatest interest in the welfare of the American veteran, from start to finish.

In addition to association with veterans' organizations, KEN GRAY is an active member of the Kiwanis Club, Elks, the Eagles, and the Illinois Jaycees of which he is a past president.

He is one of the founders of the Walk-

ing Dog Foundation for the Blind, a nonprofit organization formed to train guide dogs and present them to blind persons free of charge.

Throughout the course of his congressional career, KEN GRAY has not only served his district well but also served the Nation and the Congress, as an outstanding member of the Committee on Public Works and the Committee on House Administration.

We wish him well in all future endeavors, and extend our regards to his family, for whom he has seen fit to sacrifice so much.

Mr. ANNUNZIO. Mr. Speaker, it is a genuine pleasure for me to join my colleagues in this distinguished body to pay tribute to a very dear and an old friend, KEN GRAY, who is retiring at the end of the 93d Congress.

The people of my State are losing one of the most effective public servants for he has compiled a tremendous record of 20 years of service not only to the people of his district, the 24th, but to the people of America.

I knew KENNY GRAY before coming to the Congress of the United States, and I am happy to have had the opportunity during the last 10 years to observe him and the great contributions he has made to our Nation as chairman of the Public Buildings and Grounds Subcommittee of the House Public Work Committee.

He is a dedicated public servant and has worked hard toward achieving good government. He has a deep and compassionate understanding of human problems and is a man of great strength and effectiveness. Indeed, KEN has been an invaluable member of the Illinois team here in Washington. I am sorry to see him leave.

Mrs. Annunzio and I extend our best wishes to KEN GRAY and his family for abundant good health, good fortune, and much happiness in the years ahead as he continues his life of service to his community and to his Nation.

Mr. FISHER. Mr. Speaker, KEN GRAY of Illinios, who will soon retire after 20 years of faithful public service in the Congress, will long be remembered for his outstanding contribution to solution of many legislative problems. When he engaged in debate he employed logic and commonsense, and was always armed with logic and facts. He has been a very effective legislator.

I am pleased to join with my colleagues in paying honor to KEN, and to wish for him and his family all the good things in life. To me he has been a friend and a leader. He has always commanded and deserved the trust and confidence of those who have served with him.

Mr. CEDERBERG. Mr. Speaker, in the next few days, the 93d Congress will come to a close and a number of distinguished colleagues will be closing out years of service to their country, State, and congressional districts.

None will do so with a finer record of public service than my friend from the other side of the aisle KEN GRAY.

KEN GRAY, who for 20 years so ably represented the 24th Congressional District of Illinois, surprised most of us with his announcement earlier this year of his intention to retire from the U.S. House of Representatives.

As an extremely active and effective member of our House Committee on Public Works, KEN, as the chairman of the Subcommittee on Public Buildings and Grounds, has been a moving force in a variety of important legislation. There is no question that his work in establishing a Washington Visitor's Center at the Union Station will rank as one of his most vital legislative efforts. Millions of Americans visiting our Nation's Capital in the years ahead will be grateful for his foresight and commitment to this very important center.

In our 20 years together in the House, we may have disagreed on voting issues, but there never was a question of KEN's integrity, character or sincerity of purpose. It has been a privilege to serve with him.

We shall all miss his service in this House that he has served so capably. Our good wishes go out to KEN for much future happiness and good health.

Mr. METCALFE. Mr. Speaker, after 20 years in Congress my friend and colleague from Illinois, KEN GRAY, is retiring.

Ken had one of the most fascinating careers of any Member of this House even before he came to Congress in 1954. He had been a licensed auctioneer, an airplane and helicopter pilot, and an airport operator, all before he was elected to Congress at the age of 30. KEN is, of course, also a talented magician who has donated his services for many charitable causes over the years.

In the Congress, KEN has been a builder. As chairman of the Public Works Subcommittee on Public Buildings and Grounds, KEN GRAY has been responsible for the construction of many of the office buildings in which we all work.

KEN GRAY has not sought a lot of headlines while in the House. He has simply been a hard-working, dedicated, and able Member of Congress. He has always been generous with his time and willing to offer advice whenever it is requested.

KEN's work with charities, especially on behalf of the blind and the handicapped, have been perhaps his most telling achievements.

KEN has been a good friend and a good Member of Congress.

I know that he will remain an active member of his hometown community in Illinois and that his record of achievement will continue to grow despite his "retirement."

Nevertheless, we will all miss him.

Mr. BINGHAM. Mr. Speaker, I am glad to join with his many friends in the House of Representatives in paying tribute and saying "so long" to our colleague from Illinois, Mr. GRAY.

I have not had the good fortune to serve with KEN in any committee work, but the contacts I have had with him have always been of the pleasantest.

KEN will be remembered for many things, but certainly one of the most prominent on the Washington scene will be the projected Center for tourists at Union Station. No doubt hundreds of thousands—perhaps millions—of tourists will in the future have reason to be grateful to Congressman GRAY for his vigorous and persistent support of this Center.

In addition to his sartorial splendor, which has put the House of Representatives in the running for "best dressed" awards, KEN GRAY has made our life on the Hill pleasanter with his unfailing good cheer and friendliness.

I join with my colleagues in wishing for KEN GRAY many happy years in retirement. We hope he will come see us as we struggle along without him.

Mr. ADDABBO. Mr. Speaker, I rise to join with my colleagues in the House in honoring our distinguished colleague from Illinois, the Honorable KEN GRAY, for his 20 years of service in this body.

KEN GRAY's retirement from Congress will leave a void here and we will certainly miss his warm personality and dedicated service. It has been my privilege to serve and work with KEN for the past 14 years and to see first-hand his energetic activities as a member and subcommittee chairman on the House Administration and Public Works Committees.

I want to wish KEN GRAY a most enjoyable and satisfying period of retirement.

Mr. BAKER. Mr. Speaker, I am honored to join in this tribute to my distinguished colleague from Illinois, the Honorable KEN GRAY, as he completes a score of years in the House of Representatives.

It has been my privilege to serve with KEN these past 4 years on the Public Works Committee, where he was a ranking member and chairman of the Subcommitttee on Public Buildings and Grounds. I have come to recognize what his fellow members already knew—here is a man who has the determination and ability to get things done.

In testimony to these attributes are a great many enduring monuments in Washington and elsewhere. These Federal buildings and structures may carry other names, but KEN GRAY should be recognized for the leading role he took in their authorization. He got them on the books. We should always remember him as the prime mover.

Although KEN is retiring from Congress, this will not be the last we will hear from him. As a relatively young man, the end of his legislative career will mean the beginning of a new field of endeavor. He will take this determination and ability to master difficult tasks to the next assignment and write the same kind of impressive record that he leaves in the House of Representatives.

I join in wishing him well. He has the enthusiasm, the know-how and the dedication to succeed in whatever he undertakes. As he moves on to the next "KEN GRAY Enterprise" we will watch with interest, knowing full well that a new chapter of successful endeavor will be written.

Mr. POAGE. Mr. Speaker, among the

many fine and understanding friends who are leaving the Congress at the end of this session, there will be none more sincerely missed than Ken Gray. Ken will leave no enemies behind him because during his many years in Congress he made no enemies. He made only friends, and he made friends by being a friend to everyone. Ken served his people in Illinois, and he served the United States. And he served them well, but he also served each and every Member of this House. Undoubtedly, Ken could have remained Congressman for many years, but he chose to return to his people and his friends at home. That was our loss. Ken will not be replaced. I know that I speak the sentiment of every Member of this House regardless of his political affiliations when I say that we all regret this decision, but we all join in wishing him well in the years to come.

Mrs. SCHROEDER. Mr. Speaker, I am pleased to join with my colleague today in honoring Ken Gray.

In the 2 years I have been privileged to serve in this body, Ken has always been most helpful and kind. As a freshman Representative, I have been most appreciative of his generosity in sharing his knowledge and expertise. I know I am not alone when I say he will be sorely missed.

Mr. REUSS. Mr. Speaker, it is a pleasure for me to join my colleagues in honoring a friend and able colleague who will be leaving the House of Representatives at the end of this session. Congressman Ken Gray of Illinois has been one of our leaders in the House, and he has earned the respect and friendship of us all, on both sides of the aisle.

Ken and I were elected to Congress in the same year, 1954, and his 20 years of service have been filled with accomplishment. Ken has not only ably represented the needs and interests of his constituents in the 24th District of Illinois. But, more than that, he has also shown the national role a Representative must play. I think in particular of his many efforts on the Public Works Committee to improve the quality of life in the Nation's Capital.

He has worked hard to encourage tourism in Washington, and he has been a leading advocate of the District of Columbia National Visitors Center, which will be so important in the upcoming Bicentennial. And we all know of his work on the House Administration Committee, particularly as chairman of the Subcommittee on Police, where he has been instrumental in improving the workings of the House of Representatives.

Ken Gray's years of service demonstrate the highest meaning of the word "Representative," and the example he has set will continue to influence us for years to come. We will miss Ken, but I know I speak for us all when I extend to him my warm wishes for many more productive and happy years.

Mr. COCHRAN. Mr. Speaker, it is a real privilege for me to have had the wonderful opportunity of serving in the House and on the Public Works Committee with the gentleman from Illinois, Mr. Ken Gray. He has been a kind and understanding chairman of the Public Buildings and Grounds Subcommittee where he demonstrated imagination and a remarkable capacity for hard work.

In this my first term in the Congress, I have benefited greatly from my association with Ken Gray, and I take this opportunity to thank him for his assistance. I also wish him much success and happiness as he leaves the Congress to enjoy his well earned respite from the burdens and demands of public service. We will certainly miss his pleasant smile and capable leadership.

Mr. ROYBAL. Mr. Speaker, I am pleased to have this opportunity to play a small part in paying tribute to our distinguished colleague, who will be retiring at the close of the 93d Congress.

Kenneth Gray has actively served in Congress for 20 years, showing particular concern for his constituents of southern Illinois. To help his rural district, Ken would not even hesitate to resort to magic. He has been instrumental in the development of the Capitol Police Force and has consistently pushed to see that the National Visitor's Center here in Washington becomes a reality.

It has been a privilege to be associated with Ken during my years in the House. While I have not had the pleasure of serving on a committee with him, I am well aware of the fine job he has done and the strong interest he has shown in both the Public Works Committee and the Committee on House Administration.

I want to join with his many friends in Congress and in Illinois to extend my very best wishes for many happy and rewarding years as he retires from the U.S. Congress.

Mr. ERLENBORN. Mr. Speaker, when Illinois is mentioned among people from afar, they are likely to think of Springfield, which was Abraham Lincoln's hometown, and of Chicago, the best-known resident of which is Mayor Daley.

There is, however, a part of the State which is like neither Chicago nor Springfield. The 24th Congressional District covers the southernmost part of the State. It borders on Indiana, Missouri, and Kentucky; and it has some of the characteristics of each; and it has been represented in this House for the past 10 Congresses by Kenneth J. Gray.

Last winter, Ken Gray did what he has been threatening to do for several years. He declined to run for reelection, and he will retire with the ending of the 93d Congress on January 3.

Particularly as a member of the House Committee on Public Works, he has come to be known for good sense and legislative skill. The new Visitors Center at the Union Station is a testimonial to his patience and his talent; and it is only the most recent example which could be cited.

Aviator, auctioneer, and friend of the blind—Ken Gray is all of these and a good Representative of good people, in addition. We of northern Illinois wish him well as he leaves Congress.

Mr. McCLORY. Mr. Speaker, I am privileged to take part in this special order commemorating the 20 years of service of our colleague from the 24th District of Illinois, Congressman Kenneth J. Gray of West Frankfort.

Mr. Speaker, it has been a privilege to serve with this distinguished Member of the House of Representatives—and to note his diligent work in behalf of his constituents, as well as of the legislative product in the Congress. Congressman Gray's contributions in behalf of public works projects, as well as his contribution to the welfare of the District of Columbia should receive special note.

The promotion of legislation to establish a National Visitor's Center is one which has required the special time and attention of Congressman Gray. The completion of this much-needed project will be a lasting tribute to Congressman Gray's service.

Mr. Speaker, I am pleased to join with my other colleagues on this day to bid a friendly farewell to our retiring Congressman from the 24th District of Illinois—Kenneth Gray.

Mr. MADDEN. Mr. Speaker, our distinguished colleague, Kenneth J. Gray, of Illinois, is retiring this week after 20 years of service in the greatest legislative body in the world—the U.S. House of Representatives.

I have observed after long years of my service in this body that few Members enjoy the friendship, admiration, and high regard by practically all Members on both sides of the aisle, as our colleague, Ken Gray. He possesses outstanding ability, not only as statesman and legislator, but as one of the great orators and afterdinner speakers, superb politician who has made a host of close personal friends not only in the Congress, but in the District of Columbia during his career as a national legislator.

He enjoyed a great record in the Army and Air Force during World War II, both in this country and overseas. He is a member of a number of religious, military, veterans, and fraternal organizations in his State of Illinois. He was elected vice president of the Illinois Chamber of Commerce and probably his most outstanding personal contribution was that as one of the founders of the Walking Dog Foundation for the Blind, a nonprofit organization formed to train guide dogs and present them to blind persons free of charge.

Before coming to Congress, he was one of the top licensed auctioneers not only in Illinois, but throughout the Midwest. His great personality and pleasant greeting will be missed by every Member of this Congress in the years to come. We all hope Ken will come back to visit often and we wish him good health and happiness in his retirement.

Mr. BROYHILL of Virginia. Mr. Speaker, every Member of this House will miss Ken Gray of Illinois. As a serious, concerned legislator he got things done. As a man he enriched our lives by his ready wit and humor.

His works will live long and evident in

the many public buildings constructed throughout our Nation during his tenure as chairman of the Public Works Subcommittee on Public Buildings and Grounds. Our Nation's Capital is a more beautiful place because of his foresight and personal efforts to make it so.

Those of us on this side of the aisle, Mr. Speaker, always found him cooperative and a man of his word.

His retirement is deserved beyond any praise we may give him. To have shared in some measure his legislative accomplishments and his friendship has benefited us all. I thank him personally for his friendship and his cooperative spirit. I wish him well; all of us do.

Mr. BRASCO. Mr. Speaker, every time a Congress finishes its business a number of its Members leave public service for good. Some are tired of the legislative grind. Others seek a little privacy and time for their private lives. Still others are simply burned out. Some have simply fulfilled many of their desires and seek a different career.

Only a few can say that they have labored diligently and accomplished as much as they could for their constituents and country. One such is my dear friend, Ken Gray of Illinois, who is now terminating a long and distinguished career in the House.

From the first time I entered this body, Ken was above all a friend as well as a colleague. He went out of his way a thousand times to aid me in learning my job. As a legislator, he set an example of the most positive sort. From his spot on the Public Works Committee, he helped produce forward-looking legislation that will keep on pushing programs forward long after this Congress adjourns for the last time.

However, his personal friendship and willingness to go far out of his way to help me whenever I needed assistance is the most outstanding memory I shall take away with me. Few people in this world are ever privileged to have such a decent man extend such kindness as was rendered to me by Ken. The Congress will miss his warmth, fellowship, and generosity.

Mr. BENNETT. Mr. Speaker, I join with my colleagues tonight in tribute to Ken Gray, a man of personal kindness and vigor in all his undertakings here. He leaves, as a lasting memorial to his great legislative ability, a great host of important enactments. Many of these could never have been passed without the careful thought and the enthusiasm that he brought to bear for their enactment. We will also miss our colleague, and wish him every happiness in his retirement from this body.

Mr. CASEY of Texas. Mr. Speaker, I am sure that today my colleagues will unanimously agree with me that the disappearing act to be performed by Ken Gray at the end of this session is one with a sad ending.

It has been my privilege to know Ken Gray personally for many years and to call him my friend since our first meeting. I am told he is an excellent pilot. I know he is an auctioneer of considerable renown. We have all seen his feats of magic—both literally and in legislative performance. And I know that he is an excellent Congressman.

Ken Gray has served with distinction, not only ever conscious of the needs of the people of southern Illinois, but of the Nation and the world. I have worked closely with him on many legislative tasks, and never have I hesitated to place full confidence in his judgment, his ability or his dedication to do a job and do it right.

The service of Ken Gray in the Congress will be missed by his constituents and his colleagues alike.

We do wish him the highest success in future endeavors, Mr. Speaker, and I know that with his retirement, we can all truly say that some of the magic will be gone from the House of Representatives.

Mr. DERWINSKI. Mr. Speaker, I join with my colleagues in expressing regret upon the retirement of my good friend and colleague, Ken Gray. Since his election to Congress in 1954, Ken has truly been an effective legislator who knew how to get things done. His efforts have always reflected his deep concern for the well-being of his constituents, the people of Illinois, and the Nation. As a result, he not only has earned the respect of his people, but of his colleagues as well.

Ken has been an extremely effective member of the House Public Works Committee. His knowledge in the varied areas over which the committee has jurisdiction has contributed immensely to the formation of responsible legislation.

In addition, his contributions as a member of the House Administration Committee will long be a testimonial to his leadership.

Being a fellow Illinoisan, I can well understand that Ken is justifiably proud of the beauty of southern Illinois. He, more than any other Member, has done much to develop that section of the State.

I wish Ken and his wife, June, the very best in the years ahead.

Mr. HELSTOSKI. Mr. Speaker, as you know, Congressman Ken Gray of Illinois has announced his retirement from Congress, and I would like to take a moment to extend my best wishes to him on this occasion.

For 20 years, Congressman Gray provided the people of the 24th District of Illinois with excellent representation in Congress, and served with a great deal of distinction and dedication on the House Administration and Public Works Committees.

As chairman of the Public Works Subcommittee on Public Buildings and Grounds, Congressman Gray played an important role in many of the bills reported out by the full Public Works Committee.

Widely respected throughout Congress for his diligence and integrity, Ken Gray will be remembered for the warmth and friendship he extended to other Members of Congress, regardless of whether they agreed or disagreed with his own political philosophy.

Mr. Speaker, though Ken Gray will retire from Congress, I am certain he will continue to play an active role in his community and make many contributions to the people of his district and State.

Mr. UDALL. Mr. Speaker, I am pleased to join with my colleagues in paying a tribute to Ken Gray upon his retirement from the House of Representatives.

One of the most colorful and friendly colleagues with whom I have served, Ken Gray has been a master of the legislative process. In an organization where rivalries and jealousies sometimes arise, I can honestly say that Ken Gray is one of few who was universally liked and respected.

He could and did disagree, but he did it with style and good humor.

Mr. Speaker, I hate to see him go, but he goes with my best wishes and affection. I wish him well in his beloved southern Illinois.

Mr. FULTON. Mr. Speaker, for a dozen years it has been a genuine personal pleasure to have had the privilege of serving with the gentleman from Illinois, Mr. Ken Gray. He has been a diligent legislator and a free spirited human being, a rare combination which continuously has brought a breath of fresh air to this body and its proceedings.

During these years he has, on many occasions, helped me in serving the people of my district. The new Federal courthouse in Nashville, now almost complete, might still be no more than a hope had it not been for Ken Gray. He was also instrumental in my efforts to secure legislation permitting the Fraternal Order of Police to purchase land from the Federal Government for their youth camp.

In this city, the Nation's Capital, the new Visitors Center will be a living tribute to his foresight and dedication to the public welfare.

To most of us, however, Ken Gray symbolizes that illusive ability to live and laugh with life while conscientiously applying oneself to the many, many tasks which are required of a successful legislator.

He will be missed but I join with his legion of friends in wishing him many years of happiness, health and continued success while expressing my personal hope that he will return often to visit with us.

Mr. MONTGOMERY. Mr. Speaker, I will be brief in my remarks because I know there are many who wish to speak out today during this special order honoring our colleague, Ken Gray.

I consider it a distinct privilege to have been able to serve with Ken during 8 of the 20 years he has been a Member of the U.S. House of Representatives. It goes without saying that I have always been impressed with his vast knowledge of the legislative process and his dedication to the duties and responsibilities of a lawmaker.

Mr. Speaker, we shall all miss Ken Gray when the 94th Congress convenes, but at the same time we all wish him many days of happiness and relaxation in retirement.

Mr. ANDERSON of California. Mr. Speaker, I am pleased to join with my colleagues to pay tribute to my good friend, Ken Gray, who is retiring from the Congress after 20 years service.

Having served with Ken on the Public

Works Committee, I have always been impressed by his ability to move progressive legislation through this body with the maximum amount of bipartisan support. And the reason for his effectiveness is the great respect that all of us have for his knowledge of the subject being considered.

As chairman of the Public Building and Grounds Subcommittee, Ken is responsible for efforts to decentralize the Federal Government and, thus, bring the Government closer to the people it serves.

Ken Gray came to Congress as a businessman, and he brought those principles to bear on legislation affecting the country. He understands the basic tenets of economics which allow a business to prosper or falter, and he has applied those tenets to the government, always requiring the best product at the least practical cost.

And because of his commonsense approach to government, Ken Gray enjoys wide support for the programs he sponsors or endorses. His logic is faultless, his reasoning is correct, and his aim is accurate.

Ken had a varied and most interesting background before entering the House of Representatives in 1955. He was in the automobile business; he was a licensed helicopter and airplane pilot; and he served in the Army and Air Force during World War II.

Ken has long been involved in civic affairs, and as one of the founders of the Walking Dog Foundation for the Blind, a nonprofit organization formed to train guide dogs and present them to blind persons free of charge.

One of Ken's many talents is well known here in Congress, and is one which he can put to good use in his retirement. If you have furniture, or an attic full of family heirlooms, or even some livestock you want to sell for a good price, call on Ken Gray—a licensed and expert auctioneer.

Mrs. Anderson and I both hope Ken will enjoy his well-deserved retirement, and many years of good health and happiness.

Mr. ZABLOCKI. Mr. Speaker, it is an honor and a privilege to join my colleagues in paying tribute to my friend and esteemed colleague from Illinois, Mr. Gray, on the occasion of his retirement from the House of Representatives.

Mr. Gray has been a devoted and conscientious representative from the 24th district of my neighboring State of Illinois. The people of his district and the country are losing an outstanding representative.

Congressman Gray has distinguished himself as a member of the House Administration Committee and the Committee on Public Works. His determination in furthering the establishment of a Visitor's Center at Union Station will be remembered and appreciated by the thousands of future visitors to our Nation's Capital.

Mr. Gray has been a dedicated, able legislator during the 20 years he has served in the House. It has been a pleasure and an honor to serve with him and I sincerely wish him a full life in his well-deserved retirement.

Mr. ASHLEY. Mr. Speaker, it is with mixed emotions that I join in honoring my colleague, Ken Gray, on the occasion of his retirement from the House of Representatives. While I know he is looking forward to the retirement which he so richly deserves, we always dislike losing a Member of such high character and intelligence.

Ken and I entered the House at the same time—January 1955, at the beginning of the 84th Congress—and since then we have worked together in behalf on many matters of vital interest to the Nation. Ken will long be remembered in the House for his courage and candor, his warmth and genuine wit and his dedicated service and activities on the House Administration and Public Works Committees. His congressional and committee efforts have improved living conditions not only for his constituents in southern Illinois but throughout the entire country where we see new highways, hospitals, water and sewer facilities and other public works that improve the quality of life for all. He has initiated reforms which will benefit the Congress as well as the entire Nation and he has had the integrity to follow his convictions regardless of partisan or popular considerations.

It has been my privilege and pleasure to serve with Ken Gray and I wish him all the very best in the years ahead.

Mr. HARSHA. Mr. Speaker, I rise to join in tribute to my frirend and colleague from Illinois, Ken Gray, in recognition of his continued contribution to the work of the community for so many years.

In many ways, Ken Gray has displayed to a unique degree the qualities that make for an effective legislator. It is easy to become immersed in the big-ticket bills that secure a great deal of national attention and then go on to other crises and glamor issues. But the key to Ken's effectiveness has been his persistence and grasp of the need for followthrough to see that the legislation we enact actually becomes translated into action.

I can think of no accomplishment that more clearly reflects this quality than the National Visitor Center. Ken Gray had the vision to identify the need for this facility. Conceivably, a project of this kind, depending on a continuing partnership between Government and private interests can be dogged by danger of coming unglued. But Ken Gray's persistence has kept everyone's feet to the fire—the Congress, the administration's, and the private parties involved before, during, and after the enactment of legislation.

I cite the Visitor Center as only one example of a number of pieces of legislation which moved through the Committee on Public Works. I also want to include in my remarks a few comments from my perspective as a member of the Committee on the District of Columbia. It is no secret that many Members have regarded the unique responsibility for the District of Columbia as a burdensome distraction from other concerns. But a number of projects which Ken Gray helped guide through the Committee on Public Works will have a substantial and lasting impact on the Nation's Capital. Citizens of this country, whether they reside here or only visit will benefit from Ken's contribution to the amenities of Washington. The RFK Stadium, the Kennedy Center for the Performing Arts, and the Hirschhorn Museum reflect the variety of such improvements to the cultural and recreational life of the Capital City.

Mr. Speaker, 20 years is a long time to serve on this body, and it has been said by a number of retiring Members that Capitol Hill just is not as much fun as it used to be.

In departing, Ken Gray can take with him a great deal of satisfaction for the lasting monuments to his services and the best wishes of his colleagues. I wish him continued success and happiness in the years ahead.

Mr. HANRAHAN. Mr. Speaker, the 94th Congress will have a definite setback before it begins. It will not have the experience of knowing and working with Kenneth J. Gray. Ken, as we all know, is a very unique and colorful individual.

I have had the good fortune of serving with him not only as a Member of the U.S. House of Representatives but also as a member of the Public Works Committee. As chairman of the Public Works Subcommittee on Public Buildings and Grounds he displayed his leadership abilities and his talent of working together with people to resolve any differences.

The hard work and devotion of this very capable man who will be greatly missed by the Congress, the people of the State of Illinois and the Nation.

Mr. BURLISON of Missouri. Mr. Speaker, it is with remorse and disappointment that we say officially "goodby" to Ken Gray. During the three terms of my stay in the Congress I have depended and relied on him and his judgment on many matters of concern to my district. He knows the problems of my district almost as well as those of his own in that our districts have a common boundary for many miles along the mighty, meandering, Mississippi River.

Our colleague's influence and interests, however, spread far beyond the sprawling 24th Congressional District of Illinois. In his position as chairman of the Subcommittee on Public Buildings and Grounds of the great Committee on Public Works he has molded, to a significant degree, the present and the future of the public buildings development in our Nation's Capitol and throughout the country. The knowledge of the subject which he possesses and displays in debate on the floor of the House of Representatives is extraordinary. He articulates the position of his committee with a rare skill that we all seek to emulate.

My friend and neighbor, Ken Gray, is leaving the House of Representatives as a relatively young man. I predict that he is not saying goodby to politics and Government. Certainly we hope that he will remain active for many years because of what he can contribute to his people and our Government.

GENERAL LEAVE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE HONORABLE PAUL DAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. SCHNEEBELI) is recognized for 60 minutes.

Mr. SCHNEEBELI. Mr. Speaker, I have taken this special order to recognize the fine contributions which our former colleague, Paul Dague of Pennsylvania, has made to his country. Paul served for 20 years in Congress from 1947 until his retirement in 1967.

Our former colleague, who recently passed on to his reward, was born in Chester County, Pa., and lived there during his whole lifetime. His higher education was completed with his studies at West Chester State Teachers College and Drexel Institute.

He was the ranking Republican member on the House Agriculture Committee during his last several years in the Congress and inasmuch as he represented the fine agricultural community in south central Pennsylvania farmed by the noted Pennsylvania Dutch people he had a good background to complement his committee studies on this important segment of our economy.

Many of the present Members of Congress remember Paul most affectionately since he had such a warm, engaging personality, and was so deeply interested in helping with other peoples' problems. Like many of us, he was a paradox of characteristics since he was both a personable, quiet, humble, wholehearted person, while at the same time he took intense pride and had fierce loyalty to the Marine Corps in which he served during World War I. At one time he was the Secretary of the Marine Unit among the Members of Congress and this loyalty claimed much of his attention while he was here in Congress.

Paul had a great facility with words and was one of the best anecdote tellers on Capitol Hill. He had a vast fund of stories of deep human interest and this, of course, made him very popular with his colleagues since he had something to say upon almost any occasion. Being a man of genuine humility and quiet reserve, he was also a most religious person and he was the unofficial chaplain for the Pennsylvania delegation for many years. Paul's background among the frugal families of Pennsylvania and the Pennsylvania Dutch inculcated a very thrifty and conservative approach to our national problems and he continuously maintained this conservative attitude. Because of his low-key approach, good judgment, and great knowledge of his subject, Paul was consulted by his colleagues for advice on his committee's work, as well as many other matters which arose in the Congress.

Paul spent much of his time while the House was in session at one of the tables in the Speaker's lobby writing out in longhand, his replies to constituent inquiries, or his remarks on congressional activity. He was a master of straightforward prose and some of his colleagues considered his letters literary gems which they kept in a special file.

We shall all miss Paul very much, because he was a steady, dependable, steadfast friend, and our sympathy is extended to his fine wife, Mary, and to his niece, Marilyn.

Mr. ALBERT. Mr. Speaker, I join my colleagues in expressing our deep sense of loss at the passing of Paul Dague.

Paul and I came to the House together in the 80th Congress, and I was sorry to see him retire at the end of the 89th.

His 20 years of dedicated service to this body and to his constituents in the former Ninth Congressional District of Pennsylvania were the capstone of a career which included active duty in the Marine Corps during World War I, 10 years as an official of his Commonwealth's highway department, and another 10 years as Chester County's sheriff.

His major committee responsibilities as a House Member came to him during the years he was ranking minority member of the Agriculture Committee. He made energetic and informed contributions to the work of the committee and to the complex affairs of the American farm community.

He fulfilled his spiritual duties seriously, attending Thursday morning prayer breakfasts here regularly, and teaching Sunday school in his hometown of Downingtown's Presbyterian Church each Sunday for a quarter of a century.

Yet there was nothing severe or solemn about him, and he always had something pleasant or amusing to say, in the unassuming manner which endeared him to so many.

Like everything he did in his 76 years, his House service was a credit to him, to his family, and to his fond constituents. By its performance, he placed his country in his debt.

I extend my deepest sympathies to his widow, Mrs. Mary Williams Dague.

Mr. ROBISON of New York. Mr. Speaker, I have noted with regret the passing of my friend, and former colleague, the Honorable Paul Dague, of Pennsylvania.

Paul was here, in Congress, when I first arrived in January of 1958, and was of special help to this "freshman" Member at a time when the advice and encouragement of senior House Members was of special importance. I warmly recall, not only Congressman Dague's willingness to spend time with me in helping me learn the intricacies of the legislative process, but also his patience with me in indoctrinating one who had been a lawyer with an understanding of the importance of a strong agricultural economy—which was his special field of interest and work—to not only his congressional district and mine, but to the entire Nation, as well.

Paul Dague was a warm, and friendly soul—a quiet man, who sought not headlines but, instead, the satisfaction that comes from working at what one knows best, and it is clear that he left his mark on many pieces of farm legislation as he constantly strove to free American agriculture from the long bondage in which, by his lights, it had been held through years of Government regulation and control.

He was sorely missed in that regard, when he chose to retire from Congress in January of 1967, even as he was missed for those personal qualities that earned him, while here, so many long and fast friends. It is, therefore, with further sadness that we, who were his friends, now must accept the fact that he has been even further removed from us. Mrs. Robison joins me in expressing our regrets, and our sympathy, to the surviving members of this good man's family.

Mr. WARE. Mr. Speaker, it is with considerable sorrow that I pay tribute to a former colleague, the Honorable Paul B. Dague, who served in this Chamber for 20 years as the Representative of the old Pennsylvania Ninth District, and who passed away on December 2, 1974.

Paul Dague was many things: Sheriff, electrical engineer, expert in farmers' affairs and veterans' affairs—to mention but a few of his interests and accomplishments. He was a Mason and a member of the Charles F. Moran American Legion Post. He served as community commander, district commander, and State finance officer for 4 years.

At the time of his retirement from the Congress, he was a ranking member of the Committee on Agriculture and a recognized expert in that vital field.

It was my good fortune to know Paul Dague for many years. His record is strong, unquestionable, and clear as crystal; a record worthy of the Commonwealth of Pennsylvania, in which he was born, reared, and grew to maturity as an outstanding example of the American faith in truth and justice.

Paul Dague was a man of wide experience and considerable insight. A Marine Corps veteran of World War I, he earned his living for a time as a truck driver before becoming deputy sheriff of Chester County, Pa., in 1936. In the Presidential election year of 1944, the Democrats captured Pennsylvania, but Paul Dague went against the tide, carrying his county as the Republican candidate for sheriff. Impressive in this role, he was brought forward as a Republican congressional candidate in the 1946 elections from which he once again emerged the victor.

As a Congressman, Paul Dague was devoted to those conservative principles and simple virtues which in his eyes and the eyes of his constituents, served as the backbone of American success. He was an active participant in the weekly House prayer breakfast group, having been one of its founders.

In jest, he called himself "the last of the horse and buggy Congressman;" but the voters thought him more than that. He was, to them, superlative.

As a Member of the House, Paul Dague supported fiscal responsibility in Government, attention to the interests of the American working force and the American veteran and—first, last, and always—strength in national defense.

He ardently defended the farmer against the interests and arguments of those who sought to compromise the cause of agriculture.

At his retirement dinner in 1967, Les Arends, the minority whip, described his colleague as "quiet, unassuming, and a totally humble man." Not only was he a humble man, but he was blessed with an exceptionally warm sense of humor. If the angelic hosts ever experience any dull moments, Paul Dague will brighten them with an appropriate quip or a humorous story.

At this point I welcome the opportunity to include the comments of Joseph Bartlett, minority clerk of the U.S. House of Representatives and a close friend of Paul Dague:

Congress of the United States,
Washington, D.C., December 4, 1974.

Hon. John H. Ware,
Member of Congress.

Dear John: We have learned with profound personal loss and sadness of the death of your most distinguished constituent and predecessor, the Honorable Paul B. Dague of Downingtown.

It has been my privilege to know and serve some seventeen hundred representatives to the Congress in the last three decades, and, even out of this rich experience, Paul Dague was without peer.

Able and devoted, industrious and sincere, wholesome and honorable and wise, Paul Dague had not only the admirable qualities of a fine public servant, but the character of a Christian gentleman which he was at all times.

We felt so honored to be included in his boundless friendship. Indeed, our daughters and we found this friendship growing into an affection usually reserved for a favorite member of one's family. And our grief is not unlike that. Something very precious to our lives has passed.

The thing that distresses me the most is that so much of the world is so little aware of the life and service, and now the death, of this great, good man.

By hard work and uncommon fidelity, Paul Dague rose to the ranking position on his committee and earned a measure of respect rarely accorded to a colleague.

But the same characteristics of unassuming modesty and genuine humility which earned him the affection of his associates, just as surely denied him public notice and a prominent place in the Records of the institutions and people he served. However, Paul did not covet nor miss acclaim. He was one of the few grown men I have known who actually blushed at personal attention; if you can imagine a courageous Marine doing a thing like that! For one of Paul's proudest experiences was his service with the Marine Corps. He was the moving spirit behind our little fraternity of Congressional Marines at our monthly breakfast gatherings. He was at once our inspiring "chaplain" and our favorite storyteller. Paul Dague's very life was "Semper Fidelis"—always faithful.

Our visits have been disappointingly infrequent since Paul retired to Downingtown, but we enjoyed phoning him often. We are going to miss those talks.

But our loss will surely be Heaven's gain. What a welcome guest he will be among the host of angels—he will regale them with his incomparable wit! And the God who is aware of all things will certainly not have failed to appreciate the magnificent life of His son, Paul. There will be many stars in his crown.

It must be a real satisfaction to have been the worthy successor to such a fine Member of Congress. The honor we would do Paul, reflects honor upon you and upon those who have prudently elected both of you as their Representative to the House.

We are so grateful to have had the privilege of walking a way along the pathway of life with Paul Dague and you.

Our deepest sympathies go out to Mary Dague and niece, Esther Williams, in their special sorrow.

Sincerely,

Joe Bartlett.

It is my privilege and honor, as his friend and admirer, to praise the record of this most remarkable man and to extend my deepest sympathy to his brave and splendid wife, Mary Williams Dague, as well as to all his family.

Mr. NATCHER. Mr. Speaker, all of us who were privileged to serve with Paul Dague will remember our late colleague with affection and respect. He served as Representative in the House from his native Pennsylvania for 20 years and throughout his entire tenure he was an outstanding Member of Congress.

Paul Dague was always a friend to me. He was an unusual man. He was a man who gave freely of his time and talent. He was a man who possessed a rare ability not only to listen but to understand. He was also one of the kindest men I have ever met—dedicated and selfless. He was a man worthy of his designation—the Honorable Paul Dague.

I am saddened by his passing and will even feel honored that this extraordinary man considered me a friend.

Mr. ESHLEMAN. Mr. Speaker, Paul Dague once described himself as the last of the horse and buggy Congressmen. But his contributions to his country and his community stand as a testament to our need for more Representatives like Paul Dague and should cause us to hope that he was not the last of a legislative lineage.

It was my honor to succeed Paul in the Congress. I found the shoes quite large, because his quiet voice of reason, his legendary sense of humor, and his reputation for integrity won for him the respect of colleagues and constitutents.

Paul was my friend for nearly 20 years. When I served in the Pennsylvania General Assembly and he was a Member of Congress, we often campaigned together. It is on the campaign trail when many times you can take the real measure of a man, and Paul Dague consistently measured up to everything expected of him, but perhaps more important, to the high standards he set for himself.

He prided himself on his record for doing what he thought was right even in the face of substantial criticism. And he prided himself on providing representation in every sense to his congressional district.

When someone had a Federal problem, they knew Paul Dague would try to help them. They knew if they wrote Paul Dague he would answer their correspondence. But, most of all, they knew that the basic conservative philosophy of the area he served would be represented in Paul's contributions to public policy.

If all "horse and buggy Congressmen" would be recognized for their good sense, good character, and good humor the way Paul Dague could be recognized, we are diminished as a Nation to lose that breed. Certainly, in losing Paul Dague, we have lost a good man and an outstanding public servant. We can comfort ourselves, however, in the knowledge that the Nation is better, because he believed in it and served it, and we are better for having known him.

Mr. FISHER. Mr. Speaker, many of us recall the 20 years of distinguished service which was rendered by our former colleague, Paul Dague of Pennsylvania. He was a man who stood by his convictions and always put the welfare of the country ahead of partisanship. His devotion to constitutional government was widely recognized during his tenure in the House. As an alert and knowledgeable Member, he left his mark and made valuable contributions to the legislative process.

I am honored to join my colleagues in paying a word of deserved tribute to this great American.

Mr. GOODLING. Mr. Speaker, I would like to join with my colleagues in paying respect to our former colleague, Paul Dague of Pennsylvania.

It is easy for me to have fond memories of Paul Dague. When I first came to Congress. he sort of adopted me. He customarily joined me at lunch and dinner, and between bites of table goodies and sips of coffee, he instructed me on the intracacies of the House of Representatives and advised me on the importance of being a Member of the U.S. House of Representatives.

Most of all, I remember him for introducing me to the prayer breakfast. While I am not certain that he was an organizer of this early morning function, I know he was an ardent supporter of this breakfast in its early stages, and it was through him that I became a regular member of this prayer breakfast group.

Paul Dague was a quiet man on the surface, but he was a real dynamo underneath this outer calm. He always had a story to relate that would fit any occasion, and he was recognized by his colleagues as being an inimitable teller of stories.

He was a very religious man, an ardent worker in the cause of his church. He was also active in affairs associated with the American Legion. Here was a man who always associated himself with those causes which served to advance the best interests of his fellow man in one manner or another.

Paul Dague was dedicated to his congressional duties and, he evidenced competence and industry in his legislative service. He was also willing to extend a helping hand wherever and whenever it was needed. It naturally followed that he had the deep respect and admiration of his colleagues who, overwhelmingly, considered him to be a Congressman's Congressman.

As he was appreciated by his colleagues, so, too, was he strongly supported by his congressional constituency. This constituency gave their endorsement to him 10 times at the polls, having him represent their interests in the House of Representatives for 20 years. This constituency was, indeed, wise, for they recognized good representation when they had it.

I have many fond memories of Paul Dague. I miss his presence, but I am consoled by the realization that my life is better, because I had the privilege of knowing him. I feel certain that anyone who knew him would quickly agree that their lives had a deeper dimension, because of their acquaintance with him. To be so well remembered is one of life's greatest rewards.

Mr. McDADE. Mr. Speaker, I have been saddened by the passing of a man whose friendship I was fortunate enough to share, our former colleague, the Honorable Paul Dague.

He was, when I first came to the House of Representatives, the most thoughtful and considerate friend a man might have. There was nothing flamboyant, nothing bombastic about him. He had a quiet inner strength that comes when a man is totally at peace with himself, when he has achieved that enviable intellectual and spiritual security within himself which few achieve in a lifetime.

He was a witty man, in the very highest sense of that word. There were times when the matter of the moment, something that was trivial in reality, came to take an importance all out of proportion. With unfailing humor, Paul could put it and the world right back into the proper perspective. You knew as you listened to him that wit really means wisdom, and he was one of the wisest of all in this House.

There are described in that most remarkable book, "The Sea Around Us," the great tides that all of us have seen washing the shores of the ocean all across the world. But Rachel Carson describes other tides that flow deep, far below the surface of the ocean, and incomparably more powerful and moving than the tides which we see along the beaches.

Paul Dague was like those deep tides. He was intelligent and industrious. He served his constituents and served all Americans well. He was delightful. He was strong, and he passed on that strength to all who got to know him. I share the sorrow of those whom he has left behind, but I know they are consoled, as I am consoled, by the thought that he lived a rich life, and enriched all of us who were fortunate enough to come to know him.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I was deeply saddened to learn of the passing of former Congressman Paul Bartram Dague of the Ninth District of Pennsylvania, on Monday, December 2, 1974. I wish to extend to his family my deepest sympathy for their loss and to pay my respect to a man I held in very high esteem.

When I first came to Congress in 1963, Paul was serving his ninth term and he, of course, was one of the ranking members of the Pennsylvania Congressional Delegation. He took me under his wing and advised me on House rules and procedures and assisted me in many ways for which I have always been grateful.

As a staunch conservative and a very kind person, Paul Dague operated on the principle whereby he would not vote for any measure which would increase the national debt. He refused to run the Government on borrowed funds.

Of course I, along with my colleagues in the House and particularly the Pennsylvania delegation, was sorry to learn in 1966 that Paul had decided not to seek reelection. Many of us had lunch with him everyday and enjoyed his brilliant conversation. He was a friend who added to any group with whom he was associated.

I appreciate this opportunity to pay tribute to an excellent Member of Congress, the Honorable Paul B. Dague of Pennsylvania.

Mr. POAGE. Mr. Speaker, for many years I served as vice chairman, or "ranking Democrat" of the Agriculture Committee. During a part of that time, Paul Dague was the ranking, or senior, Republican of the committee. I formed a very close friendship with Paul. He was a fine, cooperative man who sought to move the business of the House and, at the same time, protect the views of his party members.

He was fair and honorable in all of his dealings. He believed in America and in American agriculture. His area was not one of the great grain or livestock producing sections; but he knew that the people of the East must depend upon the production of the Middle West. He recognized that neither his poultry, produce, and fruit growers, nor the cotton growers of the South, nor the wheat growers of the Midwest, could be expected to feed the Nation without a reasonable return for their efforts.

Paul Dague was a man of his word and one who I have always been proud to call my friend. I want to join in expressing my sincere best wishes to his loved ones.

Mr. DE LA GARZA. Mr. Speaker, I wish to join in paying tribute to the memory of our late colleague, the Honorable Paul Dague.

When I became a Member of the House in January 1965 and was assigned to the Committee on Agriculture, Paul Dague was the ranking Republican on the Committee. I found immediately that he was a very kindly man, one who was both a gentle person and a gentleman.

I had the pleasure of serving with him for only 2 years before he retired in 1967. During that time he was unvaryingly considerate of and helpful to this most junior of committee members. I respected him and remember him with gratitude.

GENERAL LEAVE

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the subject of the special order of the gentleman from Pennsylvania (Mr. SCHNEEBELI).

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DÉTENTE A MISNOMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the policy of détente, if it can be called a policy at all, is showing serious strains, tensions, and cracks. Unfortunately, few in the United States seem to be aware of the problems.

The American people are being lulled into a false sense of security while the Soviet Union is building its power. In his work Since Stalin, Brian Crozier translated the word détente from official Communist Party sources. The Soviets defined détente to mean "guarding against the risk of a nuclear confrontation with the United States and causing America's allies to reduce their defense budgets, leaving the Soviets free to fish in the troubled waters of their choosing."

An article in Red Star, the Soviet Army newspaper, entitled "National Relations and Ideological Struggle" had the following to say:

> Peaceful co-existence has not changed and cannot change the political and socio-economic essence of the antagonists in the world arena.
>
> Peaceful coexistence among states with different social systems does not remove the contradictions between socialism and capitalism—the chief contradictions of the present epoch.
>
> Just as in the past, the struggle of the two systems is being waged in all the main spheres of social life: political, economic and spiritual.

Several days ago Dr. Malcolm Currie, chief of research for the Department of Defense, stated:

> The coming year will probably see the start of the most massive deployment of new strategic nuclear weapons in history (by the Soviet Union).

He warned:

> If we are to keep the risk of nuclear war at its present near-zero level, then we must move as necessary to counter these disturbing Soviet trends.

An important ingredient of détente were two agreements: the interim offensive strategic arms limitation and the anti-ballistic-missile systems treaty. It is now becoming apparent that the Soviet Union is violating both of them.

Under the treaties both the United States and the Soviet Union committed themselves to not interfering with electronic or satellite methods used to check compliance with the provisions of the agreements. It now appears that the Soviets are attempting to conceal their missile systems. Believing there is no defense like a good offence, the Soviets charged the United States with doing the very thing that they are engaged in.

At the same time the United States has found evidence that the Soviets are developing a new mobile anti-ballistic-missile system at Sary Shagan on Lake Balkhash. This is a violation of the anti-ballistic-missile agreement reached by the United States and the U.S.S.R. in May 1972.

Reports also state that the Soviets have tried to stop the United States from detecting the building of new Soviet missile silos. By claiming that new silos are "command and control centers" or "for traininly only" the Soviets may be building as many as 200 silos above the level authorized in the interim agreement.

With this in mind portions of a statement prepared by Robert Conquest, Brian Crozier, John Erickson, Joseph Godson, Gregory Grossman, Leopold Labedz, Bernard Lewis, Richard Pipes, Leonard Shapiro, and P. J. Vatikiotis, takes on particular meaning:

> Even in simple numerical terms, détente has brought no diminution, nor even a leveling, but rather a program to expand both Soviet strategic offensive and defensive systems, as well as adding to the capacities of general purpose or "conventional" ground, sea and air forces. Behind these military armament programs lies an extensive civil defense program, a major military training program for Soviet adolescents and a mass of well-trained reservists, continually swelled by the Soviet conscript system. In brief, there is *no* sector of Soviet military policy where expansion, diversification and modernization cannot be observed.

What we see then is the Soviet Union engaged in a massive arms buildup. A number of intelligence sources estimate that the U.S.S.R. is now spending more on its military forces than the United States.

While any impartial observer will recognize this Soviet military buildup, the U.S. Government still is pursuing projects and policies that work into the hands of the Soviets. The Soviets are pursuing definite goals in arms talks with us—the maximization of their own strength and the minimization of ours. In trade policy, the Soviets know what they want from us—technology. Our Government and many businesses seem willing to let them have what they want.

Numerous observers and scholars have pointed out the necessity of the Soviets gaining Western technology to help build their industrial base and military might. The German historian Werner Keller has written:

> Bolshevik-planned industry feeds on the industrial freedom of the rest of the world. It would long ago have died a natural death, had it not been for the repeated injections of lifeblood that are still being pumped into it.

Dr. Earl Callen, a well-known American physicist, has stated:

> The Soviet Union is far behind the U.S. in technology. In space technology, in semiconductor devices, in precision machinery, in integrated circuitry and other electronics, computers—in the high technology which plays such an important part in modern warfare, we are far ahead of the Soviet Union.

Thus, it comes with little surprise that the Soviets are striving to obtain from us and are obtaining from us modern technology.

With this in mind, it is important to note the large number of "cooperation pacts" signed recently between American companies and the Soviet Union. These agreements have been signed by about 25 American companies with the U.S.S.R. State Committee for Science and Technology.

One of the recent agreements was between the Bendix Corp. and the Soviet Union. "Soviet Business and Trade," a publication on file with the Department of Justice under the Foreign Agents Registration Act of 1973, states:

> The accord calls for cooperation in the areas which account for about 75% of Bendix annual turnover: the automotive, aerospace, electronics, scientific instruments, automation and machine tool industries. To date machine tools have accounted for the bulk of Bendix business with the Soviet Union. In addition, Bendix controls have been installed on Soviet-made machine tools sold in the West. Over the last two years, some $2 million worth of business was transacted. Bendix Chairman Blumenthal was in Dayton, Ohio, recently to commission a shipment of company-made portage measuring machines and gauges destined for the giant Kama autoworks . . . The new pact will give Soviet planners a look at the many other Bendix product lines.

On October 9, 1974, Tass, the Soviet news agency in Moscow, reported:

> The scientific and technical cooperation between the sides will be implemented in the field of automobile manufacture, aircraft industry, electronics, instrument making, automation and machine-tool building. The agreement provides for exchange of scientific and technical information and documents, samples of products, delegations of specialists and trainees, holding of lectures and symposiums and shows of samples of production, joint research, development and texts and exchange of results of research and experience.

It is interesting to note that while Bendix is not the largest of U.S. defense contractors, it does rank in the top 100. Bendix ranked 31st in fiscal year 1973.

Earlier I quoted Dr. Earl Callen as saying the Soviets were far behind us in areas of "space technology, in semiconductor devices, in precision machinery, in integrated circuitry and other electronics . . ." A look at the 1973 Bendix annual report shows the company to be heavily involved in at least four of these areas.

In addition, the DMS market intelligence report shows Bendix involved in numerous military contracts, often not as the prime contractor but providing important and necessary components. Bendix involvement includes that in military aircraft, missiles, spacecraft, ships, vehicles, and ordnance. The projects run from generating systems for aircraft and landing gear development for spacecraft to guidance and control for torpedoes and submarine silencing for nuclear attack submarines. Obviously, these areas would all be of interest to the Soviets.

As I have previously stated, Bendix is only one of many companies that have signed cooperation agreements with the Soviet Union. The other companies include American Can Co., American Home Products, Armco Steel Corp., Arthur Andersen, Bechtel Corp., Brown & Root, Boeing, Control Data, Coca Cola, Dresser Industries, FMC, General Dynamics, General Electric, Hewlett-Packard, Industrial Nucleonics, ITT, Kaiser Industries, Lockheed, McKinsey & Co., Monsanto, Occidential Petroleum, Phillip Morris, Reichold Chemicals, Singer and Stanford Research Institute.

While a few of the companies listed above are primarily consumer oriented, the vast majority are corporations using highly modern technology. I for one think that we are following a suicidal path in building up an enemy such as the Soviet Union. There may be some reason to sell certain consumer goods to the Soviets for cash on the barrelhead, but I find no reason to be providing them technology.

Astronaut John L. Swigert has asked some serious questions about our present policy that need answering. He asks:

> "Will our present course come back to haunt us 15 years from now? Will the one-way transfer of technology deprive American workers of jobs because of international Soviet competition? Will we have to spend more on future weapons systems to provide national security because of the technology that we are selling today—when we need those funds for domestic programs for our needy?"

I hope the answer to all of these questions is a resounding no. But history tells a different story.

In 1968 before an official position, Henry A. Kissinger stated:

> There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes.
>
> Each ended abruptly with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system.

Unfortunately, the Secretary of State seems to have forgotten these lessons of history that he so aptly expressed in 1968. The result is the U.S. building and even financing a self-avowed enemy. It is time that it stop.

At this point I include in the Record the text of an article by Astronaut John L. Swigert, Jr., entitled "Will Our Technology Flow to Russia Return To Haunt Us? from the Manchester Union Leader of November 5, 1974:

Détente Opening Trade With Soviet—But Under Their Terms: Will Our Technology Flow to Russia Return To Haunt Us?

(By Astronaut John L. Swigert Jr.)

Detente is a synonym for a new era of increased communication with the Soviet Union and the Chinese.

The door is opening to a new era of trade with the Soviet Union. Soviet negotiators are actively seeking American goods. But there has been little hint in the American press of some of the extensive pre-conditions with which Soviet negotiators have qualified their prospective purchases.

Before we continue euphorically into wholesale auction of advanced technology, the American people, detente notwithstanding, are entitled to answers to questions about the long-term effects of such technology transfer on our own security and economy.

Question No. 1. Is the flow of technology a one-way street?

So far, the answer seems to be yes.

Last year, when the Soviets were hungry and had a crop failure, we sent them wheat. This year, when we faced an energy crunch, they helped shut off our oil.

Russia needs help in advanced computer technology.

Today, Russia has operating at a nuclear research facility in Dubna, near Moscow, a second-generation Control Data Corporation 1604 system, installed in 1968, and has acquired a third generation CDC 6200 series at the same facility.

What has Russia gained?

Fifteen years, according to a CDC executive who helped negotiate the sales. For that is how far Russia has been behind us in this field.

A recent press release from Tass ended with the words, "Talks are underway on the sale of a high-speed cyber electronic computer. A sensitive topic, cyber is a very high-speed, large-volume, third-generation scientific computer.

The computer processes a phenomenal 94 million bits of information per second. Only 8 to 10 such installations exist. The Atomic Energy Commission and the National Security Agency use it. The question is simple: How long do we have to wait for traffic to flow both ways? And who benefits in the meantime?

Question No. 2. Does Russia have technology that we need and will we get it?

Hearing held before the House Armed Services Committee determined: "Important U.S. leads are in computer technology, integrated circuits, telecommunications, ship and submarine quieting techniques, and some kinds of very strong fiber reinforced material.

Important Soviet leads are in chemical warfare defense technology, high-performance integral rockets and ramjets, capability of land vehicles to cope with Arctic conditions and difficult terrain, and aircraft maintainability."

Of the five areas where U.S. technology leads, three are somewhat oriented to the private sector, thus available for export—and they are being exported; computer technology, integrated circuits and telecommunications. But all four areas where there are important "Soviet leads" represent clearcut military technology, the kind we wouldn't export, and which the Soviet Union isn't about to.

So, while there is Russia technology we need, the odds are four to zero we won't get it.

According to Dr. John S. Foster, former Director of Research and Engineering of Department of Defense, "Soviet scientists are quite capable of matching their U.S. counterparts in generating and incorporating militarily significant technological innovations in weapons systems."

And there is ample evidence of this.

The Soviet tanks used in the Korean conflict, later in Indochina and more recently in the Middle East conflict have a Christie-type suspension system. The Soviets bought it from the U.S. Wheel Track Layer Corp. Christie was an American inventor.

In 1972 the Soviet Union was finally able to purchase 146 highly sophisticated machines from the Bryant Grinding Co. for the manufacture of precision miniature ball bearings, precision to 64 millionths of an inch, all imperative to the guidance used for MIRVs.

In the U.S., we have only 70 such machines operational today.

This and the transfer of American and British computer technology, according to government sources, advanced the Soviet MIRV's operational readiness by two to four years. It goes without saying that this technology transfer has grave implications on the security of the U.S.

The Soviet Union indeed needs equipment for its air traffic control industry, and they are now negotiating with U.S. companies to buy our sophisticated, modern equipment. But with the previous examples, one must question the wisdom in selling to the Soviets a modern air traffic control system that has an easy adaptation to air defense warning, or a missile control system.

Question No. 3. If we don't sell our advanced technology to Russia, will Russia simply buy someone else's?

On the surface, the answer seems a simple yes. But I wonder if we aren't selling short what we uniquely have to offer. The advanced technology Russia wants most to buy comes largely from our aerospace industry: air traffic control systems, avionics, computers, integrated circuits technology.

The Soviet Union wants U.S. help to build a commercial jet aircraft complex in Russia that would employ over 80 thousand people, three times the commercial airplane labor force at Boeing or McDonnell-Douglas.

Export of American know-how to build a multiplant Russian complex is one of several conditions laid down by Soviet negotiators as a prerequisite for buying up to 30 wide-bodied U.S. jet transports, a sale U.S. firms are generally anxious to make.

Russian negotiators have pegged the annual output of proposed new Soviet plant at more than 100 planes. This would equal almost half of all commercial transports built by the U.S. in 1972, and more than a third of all large U.S. jet transports delivered last year.

Will there be thousands of U.S. aerospace workers unemployed 15 years from now as a consequence of such a decision?

Question No. 4. Is there a focused debate in the councils of government on the benefits and risk of high technology exports to the Soviet Union?

It doesn't appear that one exists. Senior intelligence officials are concerned that the Soviet Union can use to military advantage our technology in computers and integrated circuitry, and technologies in areas where we have no real international competition, but sell our manufacturing know-how.

The risk is that by selling on bargain basement terms our best technology for Russia's growing consumer needs and economic growth, we free their engineers to solve more military instead of social problems, whereas most of our engineers already work in the private sector.

The long-term effects of such technology transfer need to be analyzed. But if there is a debate within our councils of government, it is well hidden and not well coordinated. It seems almost that there is a party line: "Don't rock detente."

In summary, I ask: Will our present course come back to haunt us 15 years from now?

Will the one-way transfer of technology deprive American workers of jobs because of international Soviet competition?

Will we have to spend more on future weapons systems to provide national security because of the technology that we are selling today—when we need those funds for domestic programs for our needy.

I would like to see these issues debated in the councils of our government.

I would like to see the American people made aware of the long-term risks of the asymmetry in the transfer of our high technology to the Soviet Union in the present course of trade.

ENERGY TRANSPORTATION SECURITY ACT OF 1974—H.R. 8193

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Missouri (Mrs. Sullivan) is recognized for 5 minutes.

Mrs. SULLIVAN. Mr. Speaker, on October 10, 1974, the House agreed to the conference report on H.R. 8193, the Energy Transportation Security Act of 1974. This bill would require that certain minimal percentages of oil imported into the United States be carried in U.S.-flag tankers.

Since the House agreed to the conference report in October, the Senate has been working on the conference report and it is expected to come on the Senate floor some time this week, perhaps as early as this afternoon. The White House had raised some question with respect to the waiver provision in the bill which gave the administration the authority to waive the provisions of the bill in certain situations. In order to make clear that the intent of the conferees was not to leave any loopholes and that it was our intent that the language should be tight, and that the administration should have clear authority to utilize this waiver in all types of emergency situations, I and the other House conferees sent a letter to this effect to the Senate conferees on November 21, 1974.

I have just received a letter in reply from the Senate conferees agreeing with the intent of the conferees with respect to this waiver provision. Thus, I would like to submit this letter to me from the Senate conferees into the Record. The letter is as follows:

Committee on Commerce,
Washington, D.C., December 6, 1974.
Hon. Leonor K. Sullivan,
Chairman, House Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

Dear Mrs. Sullivan: Thank you for your letter of November 21, 1974 regarding the views of the Managers on the Part of the House relative to the Presidential waiver provision contained in H.R. 8193, the Energy Transportation Security Act of 1974.

We concur in your analysis that the Committee of Conference on H.R. 8193 intended that the waiver authority of the President be without restriction or limitation with respect to the kind of emergency which might trigger a waiver by the President and that any emergency which the President determines as affecting the national interest would permit a waiver. The only restriction intended by the language of the Conference agreed language and Report is to limit the duration of the waiver to the duration of the emergency.

Again we appreciate your efforts in clarifying the intentions of the Committee of Conference in this matter.

Sincerely yours,
Warren G. Magnuson,
Daniel K. Inouye,
Russell B. Long,
Ernest F. Hollings,
Managers on the Part of the Senate.

VALENTYN MOROZ AND LEONID PLYUSHCH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. Collins) is recognized for 15 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, today I introduce a resolution requesting the President to intervene in the most effective possible way to aid the imprisoned Ukrainian intellectuals and patriots Valentyn Moroz and Leonid Plyushch.

This resolution is offered on behalf of not only the Chicago branch of the Ukrainian Committee of America, all American citizens of Ukrainian descent, and Ukrainians within the Soviet Union but also on behalf of all freedom-loving peoples. The effort to free these men is a part of the continuing battle that all of us must fight to eliminate oppression, whether it be based on political belief, race, color, religion, sex, or national origin.

Moroz and Plyushch have been imprisoned on charges of anti-Soviet agitation and propaganda. Their crimes are that they criticized the Soviet state; they have attempted to preserve and defend the rights of the Ukrainian people and the culture of the Ukraine. For this Moroz has been sentenced to 14 years in prison. This is his second prison term since 1965. Plyushch has been sentenced to a psychiatric asylum.

The horrors of Soviet prisons have been increasingly publicized, most notably by Alexandr Solzhenitsyn, and even by Moroz himself in his own writings entitled "Boomerange." But the suffering of these patriots is most graphically described in an article in the New York Times of November 9 by Jeri Laber, a member of Amnesty International.

THE "WIRE SKELETON" OF VLADIMIR PRISON

(By Jeri Laber)

A former Soviet political prisoner recently emigrated to Israel. He brought this message: "Tell them only this—I am kept with the insane. They are creating a constant hell for me. They are trying to drive me to the insanity of those with whom they locked me up. I cannot breathe!"

These are the words of Valentyn Moroz, a young Ukrainian nationalist and historian who is near death in prison in Vladimir, near Moscow.

The man who carried Mr. Moroz's message gave this description:

"I, who had been witness to a great deal in my ten years in prison, found it difficult to imagine that a person could be brought to such a state. This was Valentyn Moroz. Every Ukrainian is surely familiar with his name. No doubt Ukrainians abroad have seen his portrait. But do not believe those portraits now. Russian gendarmes have seen to it that this person with the thin face and intelligent eyes will never again resemble his former self.

"The gaunt figure in the striped uniform of a repeater, sick and ghastly, reminded one of the frightful photographs of the surviving victims of Auschwitz. The prison rags hung on him as if on a wire skelton. Short, stubby hair on his dried scalp, and greenish, parchment-like skin, terrifying as that of a mummy, covered his high forehead and prominent cheekbones. And the eyes—no, I cannot convey what I saw in his eyes during this short encounter."

Mr. Moroz is in the fourth year of a fourteen-year term, his second prison sentence since 1965 when, at the age of 29, he was first arrested on charges of anti-Soviet propaganda. His "crime" was that he criticized the Soviet state.

His punishment has been years of unending nightmare: He was attacked and stabbed by criminal inmates, starved and beaten by guards, confined with the insane, isolated for two years in solitary confinement.

He is suffering from blood and liver disorders and has been given drugs that he fears are damaging his brain.

On July 1, he began a hunger strike, declaring that he preferred death to insanity.

Mr. Moroz's message was delivered to a world he has never known—a world beyond the reach of the secret police where people are free to believe in their own humanity and to express outrage at the torture to which Mr. Moroz and thousands like him, not only in the Soviet Union but in many countries, are being subjected for questioning their governments' policies.

Publicity is a major weapon in their fight for survival. Governments, even totalitarian ones, do respond, often if not always, to concerted protests from the outside world.

"We have survived," said the exiled Pavel Litvinov when he arrived in the West, because the West exists and in it a Western press. I ask of you: Write more about us, think about us, and remember that we suffer for ideals we share with you—ideals of freedom and civil rights."

Mr. Moroz's situation is desperate. Articles and editorials throughout the world might generate a deluge of telephone calls, telegrams and letters—to Moscow, to Washington, to Vladimir Prison. The press has the power to promote, reveal, destroy. It might be able to save the life of Mr. Moroz, who symbolizes the agonies of countless others—and then save those others as well.

Since I first heard of Valentyn Moroz and Leonid Plyushch, I have tried to intervene on their behalf by contacting Ambassador Dobrynin of the Soviet Union and Presidential Counselor Robert Hartman. I have recently requested Secretary of State Kissinger and Mr. Mark Schreiber of the U.N.'s Division on Human Rights to use their good offices to help these prisoners.

We must continue to attempt to free Leonid Plyushch and Valentyn Moroz, whose own statement at his latest "trial" most eloquently expresses the dignity and justice of his cause:

INSTEAD OF A LAST WORD

I shall not attempt to prove my innocence by citing articles of the Criminal Code. As you well know, I am not being tried for any crime. I am being tried for my role in a movement of which you disapprove. You would be on sounder legal grounds to arrest in my place certain other individuals; however, you find it more convenient that they remain free, for they—unwittingly, of course—impede and undermine the spirit of Ukrainian reawakening. You would never intentionally trouble them; if, by chance, they ever fell into your hands, you would see to their immediate release. You have concluded, that since V. Moroz accelerates certain undesirable processes in Ukraine, it would be best to isolate him by placing him behind bars—a logical solution, were it not for one "but". . . .

Since 1965, you have jailed several dozen men. *What have you achieved?* I shall not consider the movement itself, for no one has been able to stop it. But have you at least succeeded in destroying its concrete, external manifestations? Have you, for instance, stemmed the flow of unofficial, uncensored literature, which has already acquired a name: *Samvydav?* No! It seems to be beyond your power. *Samvydav* is expanding, improving its form and content, and attracting an ever-widening circle of authors and readers. But most importantly, it has become so deeply rooted that no increase in your staff of informers or electronic surveillance will help. At best, your efforts can be compared to those of *Martushka*. Perhaps even this analogy may be misleading, for it implies effort without result. Your efforts, however, have had results, but opposite to what you had expected. You wanted to intimidate people, but aroused their interest; you wanted to extinguish the fire, but added fuel. Nothing could have revitalized Ukrainian community life as effectively as your repressions; nothing could have drawn as much public attention to the process of Ukrainian reawakening as your trials. You wanted to hide people in the forests of Mordovia; instead, you placed them on a stage for all the world to see. Your persecutions gave birth to most of the revival's activists. You should have realized by now that your repressions are first and foremost detrimental to your cause, and yet you continue these trials. Why? In order to fulfill some quota? To appease your bureaucratic conscience? To vent your anger? More than likely, the reason is inertia. You have given the Ukrainian reawakening movement of the post-Stalinist period the element without which the movement would never fully mature—the element of *sacrifice*. Faith is born where there are martyrs, and you have given them to us.

You hurled a stone at every spark of life on the Ukrainian horizon, and every stone became a boomerang; it returned and struck . . . you! What went wrong? Why do repressions no longer produce the usual results? Why has a tried-and-proven weapon backfired? The times have changed—there is your answer. Stalin had enough water to put out any fire. But you live in a different age; the reserves are depleted. As any child knows: do not tease fire with water, unless you have enough to put it out. You took a poker to scatter the coals, but succeeded in stoking the flames. You have lost control, for our society has reached a stage of development when repressions no longer produce the intended, but the opposite, effect. From now on every act of repression will *boomerang*.

By throwing me behind bars on June 1, 1970, you launched another boomerang. You know from experience what will happen. Five years ago you placed me in the prisoner's dock . . . and released an arrow. Then you put me behind barbed wire in Mordovia . . . and launched a bomb. Having learned nothing, apparently, you again embark upon the same course. Only this time the boomerang will return with greater force. Moroz was an unknown history instructor in 1965; today he is widely known.

So Moroz will once again taste prison cabbage. What will you gain? Moroz would be *extremely useful* to you as a penitent author of a repudiating confession that would undermine the movement. But you will *never* see that day. Were you seriously hoping to create a vacuum in the movement by jailing me? When will you understand? *There will never be a vacuum.* The spiritual potential of Ukraine has grown enough to fill any vacuum, to replace any activist who leaves the movement on his own or by way of prison. The 1960's gave us the beginning of the great reawakening of Ukrainian life; the 1970's will not bring its demise. That "Golden Age," when every aspect of life was set into a tight official frame, is gone forever. We now have a culture without the Ministry of Culture; a philosophy without *Problems of Philosophy*. These phenomena, born without official sanction, are here to stay, and they will grow.

I am to be tried behind closed doors. But your trial will boomerang even if no one hears me, or if I sit in silent isolation in my cell in Vladimir Prison. *Silence can sometimes be more deafening than shouting.* You could not muffle it even by killing me, which is, of course, the easiest thing to do. But have you considered the fact that the dead are often more important than the living? *They become symbols*—the building blocks of spiritual fortresses in the hearts of men.

No doubt you will say that Moroz thinks too highly of himself. Actually, Moroz is of little consequence here. We are concerned here with any honest man in a similar position. After all, there is little room for ambition in Vladimir Prison, where one awaits slow death by chemical additives.

The awakening of national consciousness is the deepest of all spiritual processes. This phenomenon can take on a thousand unpredictable forms that are impossible to contain. Your dams are strong, but they now stand on dry land, bypassed by the spring streams that found other channels. Your draw gates are closed, but they stop no one. The process of national reawakening has unlimited resources, for every man—even one thought to be spiritually dead—has within his soul a spark of national identity. We saw an example of this during the recent debates on the expulsion of Ivan Dzyuba from the Writers' Union, when votes against his expulsion were cast by those of whom this was not expected.

You stubbornly insist that all whom you place behind bars are dangerous criminals. You close your eyes, pretending there is no problem. You can pursue this absurd policy for, let us say, ten more years . . . but then what? These movements in Ukraine and in the whole Union are only beginning. The

Ukrainian renaissance has yet to become a mass movement; however, do not deceive yourselves that it will remain that way forever. With universal literacy in Ukraine, 800,000 students and a radio in every home, every socially significant movement becomes a mass movement. Is it possible you do not comprehend that soon you will be dealing with mass social movements? New processes are only beginning, and your repressive measures have long ceased to be effective. What of the future . . .?

There is only one alternative: abandon obsolete repressive policies and seek a form of coexistence with these movements, which are permanently entrenched in our society. Such is reality. It evolved without asking for permission, but its results demand a new approach. Those called upon to serve the state have much to rethink . . . and you amuse yourselves by throwing boomerangs.

There will be a trial. Very well, we shall fight. We need an example of strength especially now, when one man has published a retraction, another acquiesced to a change in profession and others ceased to be active in the movement. Someone must erase the shame; apparently, I shall have to be the one. It is not an easy mission. Life behind bars is not easy, but life without self-respect is worse. So we will fight!

There will be a trial, and all will begin anew: protests, petitions, world-wide press and radio coverage. Interest in Moroz' writings will increase tenfold. In short, more fuel will be added to the very same fire you are trying to extinguish.

No doubt, this is subversion. But do not point the accusing finger at me . . . I did not jail Moroz; I did not throw the boomerang.

We must not allow Moroz' protest to be muffled. We must help the imprisonment of Moroz be the very boomerang that he predicted it would be. We must help Moroz and Plyushch and thereby help the Ukrainian people and other oppressed peoples throughout the world.

I urge all of my colleagues to support this resolution.

FOOD STAMP CUTBACKS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, I am taking this time to comment on the proposed food stamp regulation change which appeared in the Federal Register of December 6, 1974.

It is difficult to believe that such a proposal was even put forward. Surely there are more humane and sensible ways to cut the budget than to make food more expensive for those who can least afford it.

I do not think there can be a rational justification for our Government telling an elderly widow who lives on $150 per month social security, for instance, that the $46 worth of food stamps she now can purchase for $33 will cost her $45 if the new regulations go into effect. Can the budget savings of such a change really outweigh the human cost?

The unfortunate Americans for whom the food stamp program was originally designed, particularly elderly people on fixed and limited incomes, are hit hardest by our simultaneous inflation and recession. These people are in need of more help, not less, during this critical period. To suggest policies which will worsen their already serious economic plight is, to me, unthinkable.

I am therefore urging the Secretary of Agriculture to abandon this proposed change.

THE FACES OF HUNGER

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, recently I have been inserting into the RECORD a series of articles entitled "The Faces of Hunger" which appeared in the Chicago Tribune. The articles were written and photographed by Tribune reporter William Mullen and Tribune photographer Ovie Carter, who spent nearly 3 months traveling through the drought-stricken countries of Africa and South Asia. Mr. Mullen and Mr. Carter are to be highly commended for their fine work in bringing the tragedy of world hunger to the attention of the American people.

Mr. Speaker, at this point I would like to insert into the RECORD the final article of the series. I am sure that my colleagues will find it to be very informative.

THE FACES OF HUNGER

(By William Mullen)

NIAMEY, NIGER.—Several years ago the nomads crossing the Sahara Desert here in night caravans on the backs of camels were startled by little, fast moving blips of light streaking across the sky.

They questioned western missionaries about lights, and at first were disbelieving when they were told about American satellites and rockets.

Then they became convinced and charmed by the idea of new stars being hung in the heavens by people in a faraway land called . . . America.

"They are amazed by us," said an American missionary who has been working with nomads for the last 15 years. "They shake their heads in disbelief with us, with our gadgets and machinery and men on the moon.

"When we bring their sick kids corn and soya milk, they call the stuff 'America' because it does wonderful things to make them well."

Few nomads have ever seen an American, let alone known one.

But they have heard about us and they think they know what we can do—Americans can do just anything they set out to do.

The people who run the government of Niger are a little more sophisticated and a little less lyrical about us. They measure us in technology, in dollars and cents, in food donations to their drouth-ravaged people.

And they have come to the same conclusion as the nomads—Americans can do just about anything they set out to do.

It is not just the government of Niger that thinks this way. Most of the underdeveloped nations of the world look at America with the same awe.

Now a sense of urgency has grown around the awe held for us. Mankind faces its worst disaster in history, the experts warn us, unless the world comes up with some fast solutions to the food shortage that is slowly beginning to squeeze the life out of half a billion people.

As the richest, most technologically advanced people in the world, Americans are expected to make a large contribution to the solutions.

Some of the people looking to America for help are:

Hanana, a 50-year-old Tuareg nomad who wants a few head of cattle so he can leave Timbuktu and return to his old way of life as a cattle herder in the sub-Saharan savannah grasslands.

His problem is much more than the lack of a few head of cattle. The grasslands have disappeared completely under hundreds of miles of growing, choking, suffocating Sahara sand dunes.

Shimelus Adugna, who is in charge of relief for 4 million Ethiopian drouth victims, wants half a billion to a billion dollars to build dams and harness rivers to open up a rich new agricultural belt.

The problem is that Ethiopia is nearly bankrupt, and he can't convince the U.S. or any other wealthy nation to underwrite his project.

Surendra Majhi, a 45-year-old farmer in East India, wants some rain so he can get back to growing rice, or he at least wants a job with a steady income so he can feed his destitute family.

The problem is that nobody knows how to manufacture a monsoon season when nature fails to produce one. And even if Majhi had a good-paying job, it wouldn't help him to buy food for his family when there is no food being grown to sell in the market.

The problems of Hanana, Adugna, Majhi, and the other half billion people facing starvation will be considered at the World Food Conference in Rome this November.

Food experts, economists, and politicians from nearly every nation will pool their ideas and try to come up with solutions to the food shortage. Already the sides are being divided between the wealthy nations and the hungry nations who want the wealthy nations to spend billions of dollars in short, medium, and long-term development.

With our "wealthiest" status, the U.S. is expected to supply the biggest portion of money and technology. We will be expected to quite literally sweep back deserts, move mountains, and make the heavens rain.

But it seems doubtful now that the U.S. taxpayer, hardhit by inflation and recession himself, is willing to play such an expensive role to help destitute people half way around the world.

Probably the first assistance the U.S. will be asked to provide at the conference will be to help establish a worldwide network of food stockpiles to more efficiently feed people already in dire need.

President Ford has already given America's blessing to that undertaking, and the U.S. will probably supply much of the funding and food to get it established.

Coming to agreement on how best to help Hanana, Adugna, and Mahji promises to be a much more difficult problem.

Ford on Sept. 18 told the U.N. that the U.S. would greatly expand its aid next year to nations in greatest need of agricultural development.

When he revealed his proposed expenditures—$675 million in 1975 compared to $253 million in 1974—there was not much cheering from the needy nations. They are expecting much more.

Money and technology, however, may not be able to help Hanana, the desert herdsman in the Sahel.

The vast areas of grassland stretching around Timbuktu where he and his family used to follow their herds of cattle are gone. He spent the last six years watching his cattle die as the Sahara Desert rolled relentlessly south at the rate of 30 miles a year, destroying his way of life and the only sizable export industry in the Sahel.

Nobody in the world really knows how to help Hanana. The $22 million President Ford proposed to spend in the six Sahelian nations next year will help but most relief experts agree it won't help very much.

The problems are too immense, and the six nations—Senegal, Mauritania, Mali, Upper Volta, Niger, and Chad—are too destitute at the end of six years of drouth to help themselves very much.

How do you help countries where per capita incomes are $50 to $100 a year, where less than 20 per cent of the people can read, and where virtually no one has graduated even from high school, let alone college.

There are no industries, so there is no employment for those who have lost their land to the desert. There aren't even any roads by which to deliver enough food to keep Hanana and his family alive and healthy.

"Let's not kid ourselves," said C. Payne Lucas. "What is needed here is a Marshall Plan."

The money now committed to the Sahel by the U.N., and the U.S. and other wealthy nations falls far short in scope of a Marshall Plan.

It is going into well-digging projects, demonstration projects showing farmers how to use animals and improved cropping methods, and animal husbandry projects. The process is agonizingly slow.

Lucas, a representative of Africare, an American group of specialists assessing the needs of the Sahel, agree with other experts that the region needs a massive infusion of western money and technology.

"It's in our best interests," he said. "Are we going to spend the money now, or keep on spending it year after year while it continues to get worse over there."

To make the Sahel self-sufficient, the experts say, there would have to be a tremendous effort at land reclamation and preservation. They would have to introduce irrigated and fertilized farming, build fertilizer plants, and revamp traditional cattle herding from individual family operations into a modern industry with slaughterhouses, roads, and a modern marketing system.

Looming darkly behind all the proposals is the Sahara itself, which, having destroyed Hanana's way of life, continues to creep across the Sahel. It could eventually destroy any rehabilitation scheme, even one of the scale of the Marshall Plan.

"After all, if the desert continues to grow, it is not very realistic to stop it," said Jean Pierre Schellenberg, director of the U.N. mission in Mali.

"How do you deal with such a natural phenomenon? The problem is of such magnitude; the area is so vast.

"Most of the proposals are too difficult to attempt or so expensive to maintain that, frankly. I don't think the rest of the world would think it worth it."

There isn't a desert threatening to overtake Ethiopia, but Shimelus Adugna is faced with millions of farmers as primitive as those in the Sabel, living on land worn tired and thin by too many centuries of cultivation.

At the same time Ethiopia has a huge, sparsely populated frontier of fertile land along wild and untamed rivers. Adugna wants money to build dams to harness and tame the rivers and to build roads so he can move the people in.

The U.S. has pledged $19 million to Ethiopia next year, about the same it is likely to receive from other donors.

Adugna estimates it would cost $500 million to $1 billion to get his resettlement project underway. If his people don't resettle, he said he fears they will be chronic disaster victims, like the 250,000 he estimates died of famine last year.

"Just take two of our rivers, for example," Adugna said, "the Awash and the Wabe Shebelle. If we could only exploit those rivers, we could produce in three or four years enough for ourselves and a little for export."

The U.S. and the U.N., again, are more interested in conducting smaller, cheaper projects dealing directly with the neediest people.

"Help is insufficient unless it makes further help redundant," Adugna said. "We just want to become self-sufficient. We don't want to become a nation of professional beggars."

Begging, to Indian rice farmer Surendra Majhi's way of thinking, is a superior way of survival to the life he has led this year.

"At least the beggars in the cities are getting enough to eat," Majhi said. "Here in my village there is no food or money to beg."

Three times this summer Majhi and his neighbor in the Purulia District of West Bengal planted their rice. Each planting withered and died when the monsoon rains never materialized.

Majhi gets by on the little money he earns whenever he can find work, and a little grain he has left over from last year.

Experts say there is sufficient water in the ground around Majhi's farm so that he could farm without the monsoon rains. He needs technical assistance to be shown how to get the water, and he needs power to draw the water up.

A network of agricultural development projects collapsed three years ago when India and the U.S. clashed politically over the India-Pakistani war and American advisers and development money were chased out of the country.

The global energy crises has effectively cut the nation off from cheap power sources.

President Ford has made a move to restart a program of agricultural assistance by offering India $75.5 million in development aid next year, fully $75 million more than we offered them last year.

Even if joint American-Indian development resumes, the nation will have to solve its energy crises to get anything moving. The Arab oil-producing states have yet to show any willingness to drop their prices for developing nations who are being hurt so badly by the increased oil tariffs.

India instead will have to seek its own energy solutions, by searching for oil deposits, developing coal fields, and building fertilizer plants.

They are astronomically expensive measures to take, and they must be geared towards servicing the agricultural economy so that it can expand and keep pace with the exploding population.

"Again and again we must come back to Square Number One—agriculture," said Dr. M. S. Swaminathan, director general for the India Council for Agricultural Research.

"If we decide to produce one million tons of steel more each year, we will take a few experts to design a mill, and it can go up in a year.

"It is more than one scientist can do. There are certain things we can do by ourselves, but there are others that will never be done unless we get help from the international community."

One recent day in West Bengal, Tribune photographer Ovie Carter and I visited the flooded village of Singimarie Pachuniper. It was a scene of incredible desolation, starvation, and disease, with people packed into the rudest shelters, waiting for help or death, whichever came first.

We tried to buy out the entire contents of the only food shop in town, a bushel of rice, to be distributed to those in most desperate need.

A village official firmly refused our offer, explaining everybody was hungry, and one bushel of rice couldn't feed a tenth of them for even a day.

Instead he made us promise we would see government officials in the district capital and try to convince them to send help.

We promised, tho we knew there was no food in the district capital, that people were starving there, too.

We knew there would be no food for Singimarie, and we had a quiet, depressing ride on a rickshaw thru the flooded landscape to the car we had to abandon where water had cut the highway.

We were almost to the car when a middle-aged man came pedaling furiously behind us on a bicycle, shouting for us to wait.

He climbed off, his face gray with exertion after pedaling several miles in the fierce tropical heat. The sweat sopped from his forehead and streamed down his face as he wheezed and gasped for breath.

He pulled out an identification card showing he was editor of a small weekly paper in a town beyond Singimarie, and we waited for a full five minutes until he had enough breath to speak.

"I heard you were in Singimarie," he said, "and my village is even worse.

"It's getting worse everywhere. We can't help ourselves anymore.

"You are Americans, you are the richest people in the world. America can do anything.

"You must help us, or we will all be dead."

He finished his speech, shook our hands, and got back on his bicycle to head back into the flood.

If You Want To Help, Here's How

Americans who would like to help victims of famine in Africa and Asia can contribute thru a number of agencies. The agencies listed below use a minimum of the money they collect for administrative costs. The food they distribute goes to people who work for it in self-help projects that enable them to grow more food for themselves in the future.

CARE—220 S. State St., Chicago, Ill. 60604.

Catholic Relief Services—Catholic Center, 1011 First Av., New York, N.Y. 10022.

Church World Services—475 Riverside Drive, New York, N.Y. 10027.

American Friends Service Committee—407 S. Dearborn St., Room 370, Chicago, Ill. 60605.

Lutheran World Relief—4141 W. North Av., Chicago, Ill. 60639.

Mennonite Central Committee—21 South Twelfth St., Akron, Pa.

World Relief Committee—P.O. Box 44, Valley Forge, Pa. 19481.

Seventh Day Adventist World Service—6340 Eastern Av. NW., Washington, D.C. 10012.

IN OPPOSITION TO THE INCREASED COST OF FOOD STAMPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, the administration's recent proposal to increase the cost of food stamps so that each participant must pay 30 percent of his net income shows a callous indifference to the poor people of this Nation. In a December 13 editorial, the New York Times said that the President seems to have—

> No clear idea of the misery he is inflicting by extracting cruel and disproportionate contributions to his inflation fight from the mouths of America's hungriest people.

The cost increase would affect 95 percent of the participants. Those not affected are households of two whose net income is $20 or less per month, and households of three, whose net income is $30 or less per month. These people will still be able to receive stamps at no cost. How generous of the administration.

For the first time in a number of years, some persons living below the poverty line—$194 a month—would be denied food stamp benefits. Single persons with net incomes between $154 and $194 a month now pay $33 or $36 per month for $46 worth of food stamps. Under the new plan, they would have to pay $46.20 to $58.20 each month for the same $46 worth of stamps.

It is now up to the Congress to unite against this harsh proposal to show the administration and Department of Agriculture that we will refuse to make food even more prohibitive to our poor people. At this time of soaring unemployment and unprecedented economic hardship, we should be striving for a means to aid the unfortunate Americans who cannot make ends meet, instead of using their very food supply as a method of budget cutting.

I, along with two of my colleagues, Representatives PETER PEYSER and BOB BERGLAND, have circulated the following letter throughout the House of Representatives asking for cosignators to oppose the regulations. A resolution will be introduced in the beginning of the next session of Congress calling for the proposal to be rescinded. I would hope that the Congress would stand united in the effort to repel this latest outrage against those of our citizens most in need of help. Whoever supports the administration on this proposal, particularly in this holiday season, will earn the title of Mr. or Ms. Scrooge.

The letter and resolution are appended.

DECEMBER 12, 1974.

DEAR COLLEAGUE: The U.S. Department of Agriculture announced last week that all households with a $30 or more net monthly income would be required to pay a full 30 percent of their income for food stamps, effective March 1. U.S.D.A. "food profiles" show that 93 to 95 percent of all food stamp recipients will be charged substantially more under the new plan.

In a statement denouncing the plan, Senator Hubert Humphrey said that it would probably require most recipients of the SSI program in Minnesota to pay $45 each month for $46 in food stamps.

The budget cutting proposal comes at a time when unemployment is unusually high and food prices are climbing at astounding rates, and will affect those least able to deal with the current inflation—the elderly, the unemployed and the poor. It is literally taking food from the mouths of the most needy Americans.

The announcement of the proposal appears in the *December* 6th Federal Register. We plan to send the following letter to P. Royal Shipp, Director of the Food Stamp Division of the U.S. Department of Agriculture. If you would like to co-sign the letter, please contact Ellen Miller at 5-2436 no later than Wednesday, December 18th. A backward step in our progress toward feeding all Americans could be disastrous.

Sincerely,

EDWARD I. KOCH,
PETER A. PEYSER,
BOB BERGLAND.

P. ROYAL SHIPP,
Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SHIPP: We are appalled at the U.S.D.A. proposal appearing in the December 6 Federal Register calling for food stamp recipients to expend 30 percent of their net monthly income for the same amount of food stamps they now receive.

We oppose this measure, and if it goes into effect, we will seek to rescind it legislatively. The cost increase would affect 93–95 percent of the food stamp recipients. At a time of such terrible inflation, and soaring unemployment, we should be thinking of ways to help the unfortunate Americans who cannot make ends meet, rather than using their very food supply as a means of budget cutting. On December 10th the Presidentially appointed Federal Council on Aging expressed its "deep concern" about the proposed food stamp cost increase. In a letter to Speaker Albert, the Council wrote, "We urge the Congress to consider the plight of the elderly in today's economy as you begin to act on these administration initiatives."

Agriculturally this has not been a good year for the United States, and the U.S.D.A. reports predict that grain will not be too plentiful next year. What this means is that prices for cereals and other foodstuffs that the poor have traditionally purchased as low cost items will undergo even greater price hikes.

We most strongly urge you to reconsider and revoke this harsh proposal.

Sincerely,

_____ _____.

S. 1868—THE BUY RUSSIA BILL

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, later this week the House is scheduled to consider S. 1868, which is intended to stop purchases by the United States of chrome from Rhodesia. This should be called the "Buy Russia" bill. The House will remember when we stressed "Buy America." That is now old-fashioned. This is a new age. Now we are urged to help our enemies. Help make them prosperous. Help them make the weapons which can be used to destroy Israel. Take it all out of the American taxpayers' pockets. Maybe they will understand why Congress does these things, but I doubt it.

The "Buy Russia" bill will create unemployment in America, increase inflation and cause American industry to be dependent in large extent on chrome from Russia. Russia is principal beneficiary of the bill, the United States is the loser. Jobs for American employees and price restraints on steel products depend upon defeat of this "Buy Russia" bill.

This bill does not mention Rhodesia—it says we must do what the U.N. dictates and the U.N. says impose sanctions on Rhodesia. The bill would require that the United States not buy from Rhodesia. It would not stop Russian purchases of Rhodesian chrome. Russia is a member of the U.N., but Russia disregards U.N. sanctions. Russia buys from Rhodesia and would sell Rhodesian chrome to us. Does the Congress approve this procedure? Russian labor and Russian ships would move the chrome to the United States. Does the Congress approve Russian policies toward labor? Do you approve forced labor in Siberia? There are no labor unions in Russia. There is only a farce. Do you approve Russian policies toward minorities? Toward the Jewish people? This is what the "Buy Russia" bill means. The rule and the bill should be defeated.

Chrome is essential to U.S. industry. It is essential to medical science in the United States. It is essential to defense. Guns, planes, tanks, missiles, and ships all require chrome. When we become principally dependent upon Russia, the supply can be cut off or the price increased at will. Is that commonsense? Ask the taxpayer.

American industry requires a constantly increasing supply of chrome. Rhodesia has the greatest resources. Passage of this bill would create permanent restriction against Rhodesian chrome regardless of what government may be in power there in the future. If we shut off Rhodesian chrome, we increase our dependence upon Russian chrome. Russia will be glad to sell us chrome at a handsome profit. No longer will the world market govern the price to the United States. When Russia controls the major supply of chrome to the United States, they may decide it is not in their best interest to sell chrome to us. The recent Arab oil embargo demonstrated the complications that could be caused by politically motivated trade embargoes. Should we put ourselves in a position where the tyrants of the Soviet Union could use chrome against the United States as the Arabs did oil?

There are those who base the need for this bill on support for the U.N. How much support is required from the United States for the U.N.? We pay one quarter of the bills for that organization, plus loans and grants. Russia ignores the U.N., is usually delinquent in payments to the U.N., and in toto contributes very little to the U.N. in return for three votes in the U.N.—not one, but three. Russia buys from Rhodesia in violation of U.N. sanctions; so does France, Italy, Switzerland, Holland, and Japan; so does every other U.N. member when it suits their purpose to do so.

Now let me ask, where was the U.N. during all the years of the Indochina war when we needed their morale, if not military and diplomatic support? Where were they during the October 1973 war? The Cyprus war?

The U.N. in concentrating its efforts to keep Rhodesia peaceful has chosen to ignore Burundi where the Tutsi-dominated government has reportedly slaughtered 200,000 of its Hutu citizens in recent years; a Nigerian Government that nearly performed genocide on its Ibo constituency; Uganda which dispossessed and deported her Asian minority, and a war in Southeast Asia that is continuing after 20 years. Is Rhodesia a threat to international peace and security today? When questioned on this point by Senator BYRD before a Senate committee, Secretary Kissinger replied, "No." Name for me something, if you will—anything—the U.N. has done in years that the world can be proud of.

I do not think we need jump every time the U.N. says "frog." I do not know why we should be led around by the nose by an organization which has lost virtually all its credibility. When, dear colleagues, are we going to look to America's interest?

So you do not like the policies of the Rhodesian Government because it is a minority government. I don't like those policies either, nor do I like the policies of any government which disenfranchises its citizens because they are not black or white or red or green. Talk about hypocrisy—why pick out Rhodesia? Let us threaten them all alike.

Have you really thought this through? Is there any reason the House should support this "Buy Russia" bill? The Rhodesians have declared their independence from the British Union. This is probably the first time in history the United States has not supported an effort for independence by a colonial people. This is not consistent with our great record for helping other people who want their independence. There are those who say this bill would help to obtain more representation of the blacks in the Rhodesian Government. Once before we embargoed Russian chrome. It did not change a thing, except we paid more for inferior chrome. We should do what we can through diplomatic channels to help black people in Rhodesia to achieve a better status. Surely you have noted that the Government of Rhodesia already is moving toward an improved status for blacks. Apparently there is realization that change must come. We should encourage this action. S. 1868 would be a hindrance, not a help. It would be an insult.

There is nothing to indicate a lessening of the U.S. requirements for chrome in future years. Demand for chrome by domestic consumers exceeds domestic capability by 25 percent and the picture is predicted to worsen.

Cutting off Rhodesian chrome would also cut back on the supply of South African chrome which uses the Rhodesian product. In other words, this bill will increase the cost of the remaining supplies of chrome elsewhere, will add to the fires of inflation, will hurt U.S. industry and U.S. workers, will help Russia to compete with us.

Despite record domestic steel production, U.S. demand for steel exceeds the available supply. Shortages are particularly acute in the case of stainless and other chome-bearing alloy steels. Chrome suppliers are already rationing chrome to domestic users. Any further reduction in available domestic chrome supplies will cause a sharp cutback in U.S. stainless and alloy steel production and employment. This will have serious repercussions in such areas as petroleum refining, chemical production, pollution control efforts, power generation, food processing, transportation, and national security applications. Reimposition of the Rhodesian chrome embargo would have extremely serious inflationary implications for the U.S. economy as a whole, aggravating critical capacity shortages in industry dependent on stainless and alloy steels.

There are those who state that the stockpile can replace Rhodesia as a source of chrome. No one can say how long we could depend on the stockpile or whether it can safely be depleted, or how it would be replaced. There is chrome in Montana. It is of low quality. It is not being mined. At present it is not usable.

This bill will cost jobs to U.S. workers. The Soviet Union will become the chief source of chrome. During the 1968–71 embargo, the Soviet Union steadily raised the price of chrome to the United States When the embargo was lifted, the prices fell. The Soviets can stop shipping whenever their own requirements reduce their interest in exports. Then the United States would have a dangerous shortage of chrome. And finally, Russia has indicated the price will be doubled to supportive nations once the Congress passes a bill to give Russia a virtual monopoly.

I do not think the American taxpayers will be gullible enough to accept the passage of this "Buy Russia" bill, however, well it may be sugar coated by the proponents.

FEDERAL REVIEW OF LOCAL DRUG TREATMENT PROGRAMS NEEDED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on December 13, I brought to the attention of the House that Dr. Robert DuPont, Director of the National Institute on Drug Abuse, believes that his agency, which most Members of the House surely believe was created for the purpose of providing a comprehensive attack on drug abuse, has "neither the legislative mandate nor sufficient staff to investigate and determine the accuracy of the allegations." The allegations to which he refers are those which I brought to his attention concerning drug abuse programs in the city of New York. The Addiction Services Administrator in New York has alleged that some of the local drug treatment programs are incompetently and ineffectively administered, wasting enormous public funds; and the programs' directors in turn are countercharging that the ASA Administrator is incompetent. I have written the enclosed letter to Dr. DuPont asking whether he would support changes in the law giving him the mandate he says he needs, and does not have, to review the programs and asking what additional funds he would require to do the job properly. If we are to spend millions of dollars on drug treatment, surely the National Institute on Drug Abuse and other agencies concerned with this problem should be sure that the Federal dollars are well spent and that the treatment programs are competently and effectively administered.

My letter to Dr. DuPont follows.

House of Representatives,
Washington, D.C., December 16, 1974.

Dr. Robert DuPont,
Director, National Institute on Drug Abuse, Rockville, Md.

Dear Dr. DuPont: First, I want to acknowledge receipt of your letter of December 10th and provide you with the comments that I made on the Floor of the House, a copy of which is enclosed.

Your letter states that you have "neither the legislative mandate nor sufficient staff to investigate and determine the accuracy of the allegations." Do you believe that you should be given the mandate and would you then support legislation to provide you with the power? And if you were provided additional monies at this time to increase your staff, could you under the law and would you undertake the investigation requested? I would appreciate your estimating what the additional appropriation would be to make the requested investigation.

It is inconceivable to me that with the charges and counter-charges that have been made among the various agencies administering drug treatment programs and spending federal monies, that the federal government and your agency in particular is either unwilling or unable to make an investigation. If millions of dollars are being misspent on drug treatment programs and if it is not your federal agency that has ultimate responsibility, then what federal agency does?

Sincerely,

Edward I. Koch.

ON ASSISTANCE TO PAN AM

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was unable to be present for the vote on final passage of H.R. 14266, the International Transportation Fair Competitive Practices Act, on Friday evening, December 13, because of a meeting I was obligated to attend in New York. However, before final passage, I voted for the key amendment of my friend and colleague from New York, John Murphy, which equalized the rates which our own domestic carriers receive for carrying international mail with the United Postal Union rates received by foreign carriers.

After this important amendment carried, 154 to 131, final passage of the entire bill was assured. The bill as a whole was passed, 221 to 54. Had I been present on final passage, I would of course have voted for the bill as amended.

This legislation, as finally passed, will help to end discrimination against American air carriers of international mail and will diminish the loss in revenue of many of our airlines and the consequent possible loss of jobs by American workers. I am delighted that the bill was passed.

UNTYING THE SALT KNOT— ALTON FRYE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, Alton Frye is a senior fellow of the Council on Foreign Relations. He has written many published articles and his book "A Responsible Congress: The Politics of National Security," will be published next year.

In the attached article recently published in the Washington Post, Alton Frye points out that since SALT has now entered a crucial phase, a way must be found of "Untying the SALT Knot."

With his characteristic directness and clarity, Alton Frye logically unravels the Gordian maze, concludes that the crux of the issue is the forward based systems problem, and offers a possible solution.

I am sure all our colleagues concerned with the success of SALT and MFR negotiations will be interested in Alton Frye's ideas.

The article follows:

If Joseph Heller had endured the five years of Strategic Arms Limitation Talks (SALT) instead of World War II, he might well have named his famous novel "Catch-7200." For lurking in the background of the ponderous negotiations on strategic arms, as the ever-present "catch" in 7,200 nuclear weapons which the United States has long maintained in Europe. The best hope for rescuing the stalled SALT II negotiations may now lie in addressing this catch directly and decisively.

In the quest for a permanent agreement to limit offensive forces, the Soviet Union has insisted that the negotiations take account of these warheads and of the so-called "forward-based systems" which would deliver them. The United States has refused to include them on the SALT agenda arguing that tactical nuclear forces in Europe involve the Western alliance and that the dialogue between Moscow and Washington should focus on central strategic systems—intercontinental ballistic missiles, submarine-launched missiles and long-range bombers.

With Secretary of State Henry Kissinger's return from abroad this week, the U.S. government will begin its most intensive effort yet to devise a workable approach to SALT. So far it has proved impossible to reach a new accord to succeed the 1972 interim agreement which limited offensive arsenals for five years. The practical deadline for a SALT-II agreement now looms ominously close. Informed observers believe that any such pact must emerge within the next year, before the 1976 presidential campaign preoccupies America and before technological developments eliminate the waning chance to balance the two countries' forces at present or lower levels.

Thus, the mounting sense of urgency voiced by Kissinger in recent months is fully warranted. "If we fail . . ." he says of the current phase of SALT, "an arms race is virtually inevitable." Despite hopeful echoes from his latest visit to Moscow, Kissinger must consider whether it is possible to achieve success in SALT II without a significant change in the negotiators' terms of reference. The arguments for such a change grow daily more imperative.

The issue of tactical nuclear weapons is especially ripe for a fresh approach that could lead to a SALT agreement. A display of American flexibility on this question could also:

Pave the way for progress in the Mutual Force Reduction (MFR) talks between NATO and the Warsaw Pact.

Ease the tensions between Kissinger and Defense Secretary James R. Schlesinger which now impede U.S. efforts at negotiation.

Extract bargaining value from the inevitable changes which are already being contemplated in tactical deployments.

A number of political and technical factors combine to make it feasible for the United States to adopt a new approach.

THE PATH TO SIMPLICITY

In September Dean Rusk expressed to the Senate Foreign Relations Committee his view that real progress in SALT must involve a proposal of "dramatic simplicity." To devise such a proposal, however, may require a prior act of creative complexity. To make durable arrangements limiting central strategic systems, the bargain may have to include, or at least anticipate, provisions restricting tactical nuclear systems in Europe.

The reason for this is straightforward. From Moscow's standpoint, any system which can strike Soviet territory is strategic. The Russians feel compelled to demand compensation in any SALT accord not only for the acknowledged U.S. superiority in missile technology, particularly the multiple warhead devices known as MIRV, but also for the sizable numbers of shorter-range systems in Western Europe which might be able to strike some cities in the Soviet Union. One may regret this Soviet attitude, but the adamant U.S. stand against the introduction of Soviet nuclear weapons into Cuba shows that we are equally wary about "forward-based systems" of this character.

To simplify the strategic arms negotiations, we must first resolve the complications presented by the tactical nuclear forces. So long as they can obliterate Kiev or Odessa, if not Moscow, the latter weapons make calculation of the strategic balance exceedingly difficult.

In the early stages of SALT, the United States, eager to reassure its allies that their interests would be respected, committed itself to reserve discussion of tactical nuclears for a multilateral forum. This concern for the sensibilities of allies is commendable, but the commitment cries out for reassessment. Since it was undertaken, the Berlin settlement and progress in West Germany's Ostpolitik have moderated anxieties toward the Soviet Union, not only in Bonn but throughout Europe. Furthermore, the significant achievements of SALT-I and the initiation of MFR talks have created a different context for analyzing the problem of tactical nuclear weapons. Political accommodation has begun to replace military confrontation between East and West, and the need to nourish this process is widely perceived among NATO members as an objective of overriding importance.

Skepticism and fear persist in certain quarters of the alliance, but the idea of some change in U.S. nuclear deployments on the continent is no longer the paralyzing prospect it once was. Indeed, for months now NATO planning councils have been alive with suggestions that the time was coming when the West should offer to reduce its tactical nuclear forces. The issue still demands skillful and sensitive leadership within the alliance, but the altered climate of European politics means that the subject is no longer taboo. Our allies have at least as great a stake as we in SALT as an essential ingredient in building a stable foundation for mutual security. They should be open to persuasion that meaningful progress in strategic arms control requires a serious response to Soviet concern about forward-based systems.

"DUAL-CAPABLE" PLANES

The focus of that concern is the presence of some 2,000 aircraft in Western Europe which can carry either conventional or nuclear bombs. In case of general war many of those planes might manage to penetrate Soviet territory. The Soviet Union also has thousands of "dual-capable" aircraft, as well as several hundred medium-range missiles, which could launch nuclear strikes against Western Europe, but not the United States.

Since U.S. planes in Europe can reach Russia but Soviet tactical forces cannot strike the United States, Moscow has sought to cure this assymetry by more advantageous terms in the strategic realm. If the air forces in Europe were effectively limited to conventional weapons, the Soviets would be obliged to relax their insistence on better terms in SALT.

There is no longer any compelling reason for retaining "dual-capable" aircraft in Europe. As Jeffery Record of the Brookings Institution, a close student of these questions, concludes, "The political value of tactical nuclear weapons vis-a-vis our allies outweighs any military value they could have in the event of a Soviet attack."

The declining utility of these weapons stems from Soviet development of a matching capability. When both sides can employ tactical nuclear weapons, neither enjoys an advantage in combat. Numerous war games over the past decade have shown that the use of nuclear devices in these circumstances virtually guarantees obliteration of central Europe. The existence of nuclear storage depots and delivery systems in the forward area greatly increases the danger of escalation, since each side feels pressure to strike preemptively against these targets before the other can do so. While these systems may help deter a decision to initiate war, they seriously reduce the chances of limiting any war that may occur through accident or miscalculation.

Is it possible to correct this problem and to simplify the SALT negotiations at the same time? Certainly: The United States should propose that both sides restrict tactical aircraft to exclusively conventional missions.

To verify compliance with such a plan, the two sides would monitor changes in the configurations of the aircraft and, even more important, the distinctive storage and handling procedures associated with nuclear weapons. The United States should make clear that the Soviet missiles targeted on Europe must also be regulated, perhaps by inclusion in the overall force level set by SALT.

This proposal should be broached in SALT, although it should be negotiated in the separate discussions of mutual force reductions in Europe. In that context there are other favorable implications of the plan. A major difficulty in MFR has been to conceive a plausible balance between the tank forces and the air forces of NATO and the Warsaw Pact. To gauge the interaction between opposing planes and armor has been nearly impossible when the forces could employ nuclear, as well as conventional, munitions. It is a different and simpler calculus to contrive a balance between conventionally equipped systems. Thus, assigning priority to an agreement prohibiting "dual-capable" tactical aircraft would also enhance the prospects for success in MFR. It would undoubtedly strengthen the West's demand for some adjustment in the impressive inventory of Soviet armor.

THE POSEIDON OPTION

This double-pronged assault on the obstacles of SALT and MFR is facilitated by a radical innovation in strategic systems. To the extent that there remain realistic nuclear missions in Europe, they can now be performed by accurate and relatively small warheads launched by U.S. submarine missiles. With the exception of mobile targets, overwhelm a missile defense system which has boosted our total number of sea-based warheads to over 5,000, could suffice. Many of these warheads are surplus to their strategic missions, since they were procured to overwhelm a missile defense system which the ABM Treaty has since banned.

Poseidon warheads are smaller than most of those available to the tactical aircraft and Pershing missiles on the continent. If the United States is as dedicated as it ought to be to presidential control of nuclear weapons, its policy should firmly limit the nuclear target list to known, fixed-site objectives. To include mobile targets is to require an intolerable delegation of authority to field commanders. And almost by definition mobile targets are small enough for conventional weapons to do the job.

The burden on the President is not only to reserve the general decision to "go nuclear," but so far as possible to asssess the specific uses being planned. The Poseidon option enables him to do so, and to place nuclear weapons on selected tactical targets, if necessary, in less than half an hour.

The principal difficulty will be to persuade some allies, especially the Germans, that moving in this direction retains an adequate nuclear capability linking the defense of Europe to a potential U.S. strategic response. But this purpose could be served by installing a small number of nuclear demolition mines, if the Germans wish, or possibly by a few invulnerable missiles of limited range and yield. Discussions with many Europeans, including cabinet members, have shown them to be surprisingly open to options of this kind.

No knowledgeable official in either the U.S. or allied governments contends that the present numbers and types of tactical nuclear weapons are wise or immutable. These deployments have grown like Topsy, with no systematic rationale. And the main reason for the excessive number of warheads allocated to Europe is the deep fear that many of them would be destroyed in the opening stage of an East-West conflict. A much smaller number of secure weapons could cover the prospective targets.

HEALING A RIFT

Quite apart from the substantive merit of opening the "tacnuke" issue for negotiation at this time, a creative approach to this problem could do much to heal a bureaucratic rift which has become a threat to SALT. More than rumor has it that in National Security Council deliberations and in other ways, Secretaries have been competing for influence with Presidenet Ford. Personally and institutionally, they have their differences regarding SALT, with Kissinger worried that failure would jeopardize the entire structure of détente and Schlesinger apprehensive that the Soviets may exploit SALT to gain a political, if not military, advantage.

However, Schlesinger, has already begun to redress some of the distortions in U.S. tactical nuclear deployments. He well understands that current arrangements do not make sense, and that there are just too many warheads and disparate delivery systems on the continent. Furthermore, he knows that the use of any significant fraction of these weapons would be indistinguishable from a strategic nuclear war in Europe, a contingency Schlesinger is as determined as anyone else to avoid. He is modifying the so-called QRA (Quick-Reaction Alert) procedures, and reexamining the whole question of which nuclear systems have a constructive role in defense of the alliance.

Schlesinger's desire to reduce the risks of tactical nuclear forces makes him a natural ally for thoughtful diplomacy in this field. A skillful proposal regarding these weapons could make it easier to achieve his stated goal of essential equivalence in SALT, since, as mentioned earlier, it would simplify the task of defining an equitable balance between the central strategic forces. Accordingly, addressing the problem of forward-based systems could help reconcile the divergent views advanced by State and Defense.

HARNESSING A TREND

A final argument for the initiative is that, independent of negotiations, pressure to modify and reduce the European nuclear deployment is evident and mounting. Not only Schlesinger but other strong proponents of national security are urging changes in the scale of the force and the size of the weapons. Sen. John Pastore has voiced fear that terrorists might steal one or more nuclear weapons from the numerous storage sites in Europe. At the United Nations, Sen. Stuart Symington has scored the distressing growth in nuclear weapons inventories, particularly in Europe. Stressing the need for a more compact and modern force. Dr. Harold Agnew of the Atomic Energy Commission's Los Alamos Laboratory has raised the tempting notion that reprocessing a modest portion of these weapons—"mining the stockpile," he calls it—could provide at least $2 billion in fissionable material to alleviate the energy crunch.

Perceiving this incipient trend, the challenge is to harness it to the lofty diplomatic endeavors in which the fate of Europe and America is entwined. The challenge does not belong to Dr. Kissinger alone. If there is a consensus that the long-term security of the two continents rests on shoring up the political and strategic foundation of a stable peace, then SALT and MFR deserve priority in the labors of government. Because a bold overture of the type outlined here may well cause consternation in European circles, a proper regard for our allies requires us to act with prudent consultation and dispatch. Our NATO partners deserve credible assurances that a proposal to change the tactical nuclear deployments does not presage U.S. disengagement from Europe.

Those assurances can take two principal forms. First, our allies should understand that American security is inseparably tied to Europe by the very large number of U.S. citizens who live there—more than half a million, not counting the more than 300,000 U.S. military personnel.

Second, it would be useful for those campaigning to reduce the U.S. conventional presence in Europe to temper their impatience. Sen. Mike Mansfield and other leading advocates of troop cuts are also dedicated supporters of SALT and detente. In the interest of generating major progress in the arms negotiations, they could encourage our allies by offering to support a sizable conventional deployment for an extended period. This would be a small price to pay for allied cooperation in a maneuver which could eventually make possible reduction of all forces in NATO and the Warsaw Pact. The Soviet Union now appears willing to have initial troop cuts come from Russian and American forces. If diplomacy can avoid derailment in the coming critical months, there could be a breakthrough in curbing both nuclear and conventional forces. This process would benefit materially from restraint by those who favor trimming U.S. troop levels.

SALT and MFR are both complex negotiations which could well defeat the ablest diplomats. The linchpin of the two negotiations is clearly the forward-based systems problem, a solution to which holds promise of success in both forums. To paraphrase our premier diplomatist, we must succeed in both or we shall succeed in neither.

THE PASSING OF MATTHEW J. DANAHER

(Mr. ROSTENKOWSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, yesterday afternoon, I received the very sad news of the passing of Matthew J. Danaher, the clerk of the Cook County circuit court. I have known Matt Danaher both as a friend, and as a devoted public servant for many years.

For over 25 years, he had served the city of Chicago and the State of Illinois in many capacities. His service spanned parts of four decades and encompassed many different positions. He served first as assistant to the State revenue director in 1948, administrative assistant to the mayor in 1955, 11th ward alderman in 1964, and finally, clerk of the Cook County circuit court since 1968.

As young men entering public service at about the same time, we had much in common. I saw in Matt the human element of compassion that is often missing in our governmental system. Too often in the fast pace of governmental action, the individual is ignored. Not with Matt Danaher. He cared about the people behind the problems he confronted.

Although circumstances forced us apart in recent years—forced us to go our separate ways, when I think of Matt, I like to think of the good times. I remember the early years when the struggles were greater—but the victories so much sweeter. I remember the times when Matt came to Washington—1961 for the Kennedy inauguration and in 1965 for the Johnson inauguration—for Democrats like Matt, those were the good times.

In those days, I remember his qualities both as a political strategist and as a public official. He had a commitment and a dedication that few could match. I was proud to be counted as his friend. In those days, as a trusted aide to Mayor Daley—he can be credited with much of the development of Chicago—"The city that works."

I am sure that I speak for all those who knew Matt when I say that I will miss his genuine warmth and friendship. On behalf of my wife LaVerne, myself, and my children, I would like to express my deepest sympathies to his children, Ellen, Mary Pat, and Matthew. May God help them to better bear the burden that has come upon them at this time.

PRESIDENT HOOVER MEMORIAL

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NEDZI. Mr. Speaker, on Tuesday, December 17, the House is scheduled to consider under suspension of the rules H.R. 17580, a bill to support the construction of a building at the Hoover Institution on War, Revolution, and Peace, as a memorial to President Hoover.

Similar legislation passed the Senate last March (S. 1418). Proposals for a Hoover Memorial have been considered by both the Committee on House Administration and the Committee on Education and Labor. Ultimately, the Hoover Memorial was ordered reported by the Committee on House Administration on November 26. Because of a procedural difficulty, H.R. 17580, which is identical in its substantive provisions to the House administration-reported bill, will be taken up in its stead.

H.R. 17580 would authorize the Secretary of Treasury to make grants to the Hoover Institution, a part of Stanford University, for the construction of a new memorial building to be used by the Institution and for the equipment of such building. These grants would be made over a 5-year period in amounts matching private gifts made to the Institution for any purpose in a given year. In no event would the aggregate amount of the Federal grants exceed $7 million.

The bill contains a recapture provision by which the United States would be entitled to recover from the Institution or its successor an amount which bears to the then-value of the facility the same ratio as the amount of Federal grants bore to the total construction cost, if within 20 years after construction either of these two situations occur: if the institution ceases to be a nonprofit enterprise or the facility ceases to be used for educational purposes unless the Secretary determines that there is good cause for releasing the institution from this obligation.

The bill expressly prohibits the use of this facility for religious worship, sec-tarian activity, or for a department of divinity.

The facility to be constructed with the aid of such grants is to be the sole Federal memorial to Herbert Hoover. Since the building would be located on Stanford University land and would be a part of the institution, the Federal Government would have no maintenance responsibility.

The Comptroller General would have access to any papers or records of the institution that are pertinent to any grants made. Further, the institution would be requested to furnish an annual report to the President and the Congress relative to the expenditure of grant funds received.

The Senate bill authorized grants not to exceed $5 million for these purposes. The Committee on House Administration has endorsed an amendment to increase this authorization to $7 million, to reflect inflation since the Senate bill was drafted more than 2 years ago. The institution has advised that construction *could not begin* before 15 months after enactment and that total construction costs are expected to exceed $7 million by a substantial amount. Accordingly, the institution has pledged to make up the deficit itself; presumably this can be done with private gifts.

The Hoover Institution was founded by Herbert Hoover in 1919. It has come to be renowned as an educational and research organization.

The National Commission on Libraries and Information Science has endorsed this legislation. Its chairman, Frederick H. Burkhardt, has informed the Congress that:

> The special collections of the Hoover Institution at Stanford University already form an important component of the existing array of libraries and information sources. Their unique holdings have attracted scholars for several decades. They will continue to be useful as far into the future as we can now see. Public access to this rich storehouse of organized publications and manuscripts is very important. Entirely apart from the memorial aspects of the project, the Institution needs more space in order to continue the nationally important educational and research work that it has done so well in the past. The Education Building proposed will provide scholars with adequate space for the use of the materials already collected. It will also provide room for expansion of the collections within existing structures as reader space becomes available in the proposed memorial building. The library is already established and its worth has been accepted. There is little or no possibility of misuse or disuse of the building proposed. Precedent for Presidential libraries has already been established and the grant could not cause the Congress an embarrassment when other requests arrive. It is fitting that the Hoover memorial should be a part of his own Institution.

Favorable reports on the bill have been received from the Department of the Treasury, the Department of Health, Education, and Welfare, and the Office of Management and Budget. The committee agrees that these Federal grants would make possible a fitting memorial to former President Hoover. While the institution is obviously well established and on sound footing, the bill's matching and recapture provisions will insure maximum private participation and the appropriate use of the facility once constructed.

Accordingly, I urge my colleagues to give careful consideration to this legislation.

AN UNDERSTANDING OF OUR ENERGY PROBLEM

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, I highly commend to my colleagues an article from the Saturday, December 14, 1974, issue of the New York Times concerning the views of a prominent scientist on our alternatives in dealing with our energy crisis. This article reports on a statement by Dr. Hans Bethe in which he pointed out very clearly that our only two significant energy sources to cut down our growing dependence on foreign energy supplies are coal and nuclear. Dr. Bethe also attempts to place other potential energy sources in perspective.

Without objection, I include the article to be printed in the RECORD:

HANS BETHE URGES U.S. DRIVE FOR ATOM POWER AND COAL

(By Victor K. McElheny)

Dr. Hans Bethe, the noted physicist, believes that Americans must cut down their growing dependence on foreign sources of energy by mounting an intensive drive to build nuclear power plants and to double coal output within 10 years.

In a talk at City College this week, Dr. Bethe said that in energy supplies Americans were "far worse off today than we were a year ago."

Dr. Bethe, a professor at Cornell University and one of the most respected physicists in the world, was a consultant during formulation of Project Independence, the Federal Government's effort toward energy self-sufficiency. In pushing for nuclear power in his speech here, he took issue with critics, some of whom also are leading physicists, who contend that the risks from atomic power plants outweigh the benefits.

The Nobel laureate said that Government analyses indicated that if coal mining, nuclear power plant construction and exploration for oil and gas all fell behind, the United States might have to import 18 million barrels of oil daily in 1985 at an annual cost of nearly $70 billion. Today's imports are about six million barrels a day, at a cost of $20 billion a year.

Instead of cutting back demand for imported petroleum after the oil embargo, he said, Americans have increased it by one to two million barrels of oil a day.

Oil-importing nations now pay $100 billion a year to oil-exporting nations, Dr. Bethe said.

"We are now in the most serious situation since World War II," he said. "Our whole mode of life may come to an end unless we find a solution."

ENDING CAREER AT CORNELL

Dr. Bethe's visit here on Thursday came a day after he delivered his final lecture—in a graduate course on quantum mechanics—at Cornell University, in Ithaca, N.Y. He is retiring from the faculty in June after 40 years. He has no regular classes to teach during the second semester and will give his final examination on the quantum mechanics course next week.

Dr. Bethe said in his energy talk that efforts to expand America's domestic supplies of energy are being crippled by organizations that oppose nuclear power and also object to increased strip-mining of coal and stepped-up exploration for oil offshore. "If we follow the advice of these people," Dr. Bethe said, "we might as well go back into the cave right away. There would be incredible unemployment. Food production would be cut severely. In that direction lies catastrophe."

Some highly praised new energy sources may never play the roles being cast for them, according to Dr. Bethe. He said that solar power is three times as expensive as nuclear, while wind power could deliver only a tenth as much as solar, and tidal power can be harnessed in only a few places.

In Dr. Bethe's view, therefore, wind power is "for the birds," tidal power is "for the fish," and solar power makes sense chiefly in tropical places where the sun shines most regularly and where there is plenty of human labor to dust off the mirrors that focus the sun's rays in solar furnaces.

EXPERT ON SOLAR ENERGY

Dr. Bethe, who is noted for his pioneering studies of thermonuclear reactions that produce the sun's energy, has been working recently on technical problems of the nuclear industry. These include the speed with which breeder reactors—designed to produce more nuclear fuel than they consume—could be developed into practical, large-scale nuclear fuel factories. He concluded that it would take longer than most people expect.

Dr. Bethe talked here of the "perilous seriousness" of the energy crisis in the first new series of lectures started by Dr. Robert Marshak, also a physicist, who is president of City College.

During his day at the 137th Street campus of the college, Dr. Bethe also gave a lecture on high energy physics and visited Dr. Arthur Squires, who heads the college's laboratories for developing coal gasification processes. Dr. Bethe's talk was broadcast on radio station WNYC and shown at other campuses of the City University on closed-circuit television.

Because a nation's level of prosperity depends directly on the amount of energy used, Dr. Bethe said, "it is an illusion to think that we can solve our problem by energy conservation alone. For the next few years, conservation must play a very important role, but at the same time, we must use and develop all our alternative energy sources."

"With the demand for energy increasing constantly, there seems to me no prospect that oil will be plentiful," Dr. Bethe said. "The hope for a lower oil price is paralyzing long-range action on energy in Washington and elsewhere.

"Only if we achieve virtual energy independence can there be any hope for a drop in the oil price."

Most expectations are that oil and natural gas will continue to be in short supply at least until 1985, Dr. Bethe said, and demands on coal will be heavy, not only for industry and electric power generation but also for artificial gas. Hence, "we urgently need another, non-fossil source of power," he said. "The only such source which is available and which has been developed for use is nuclear power from fission," or splitting a heavy atom such as uranium virtually in half.

Work on harnessing thermo-nuclear fusion, which brings together atoms of the lightest element, hydrogen, to form helium, in order to generate electric power, is being "stepped up" about five-fold, Dr. Bethe said.

"But it would be irresponsible," he said, "to expect quick results, or to base our energy policy on the expectation that fusion will solve our problem in the next 10 or 20 or 30 years."

SAFETY PROBLEM FEARED

Of the breeder reactor, Dr. Bethe said, "I personally like it. I have worked on it. I believe it can be made safe."

But the safety problems of such reactors, he said, are much greater than those of present-day nuclear power plants.

"There is more resistance, and rightly, to the breeder," he said.

Dr. Bethe, who was born in Strasbourg in Alsace in 1906, was educated in Frankfurt and the University of Munich, where he received his doctorate in 1928. He came to the United States in 1935 to join the Cornell faculty, and was made a full professor two years later.

Although Dr. Bethe was a leader in working out the physics of the sun, and headed the theoretical physics division at Los Alamos, N.M., during the World War II atomic bomb effort, he refused to join the effort to develop a thermonuclear bomb in the 1950's. He has repeatedly supported disarmament efforts since.

In 1967, a little more than two weeks after accepting his Nobel prize in Stockholm, Dr. Bethe delivered, in New York, a stinging attack on the Johnson Administration's plan to build an antiballistic missile system as a defense against possible future missile attacks from China.

CONFERENCE REPORT ON H.R. 10701

Mr. JONES of Alabama submitted the following conference report and statement on the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities:

CONFERENCE REPORT (H. REPT. No. 93–1605)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) to amend the Act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Deepwater Port Act of 1974".

DECLARATION OF POLICY

SEC. 2. (a) It is declared to be the purposes of the Congress in this Act to—

(1) authorize and regulate the location, ownership, construction, and operation of deepwater ports in waters beyond the territorial limits of the United States;

(2) provide for the protection of the marine and coastal environment to prevent or minimize any adverse impact which might occur as a consequence of the development of such ports;

(3) protect the interests of the United States and those of adjacent coastal States in the location, construction, and operation of deepwater ports; and

(4) protect the rights and responsibilities of States and communities to regulate growth, determine land use, and otherwise protect the environment in accordance with law.

(b) The Congress declares that nothing in this Act shall be construed to affect the legal status of the high seas, the superjacent airspace, or the seabed and subsoil, including the Continental Shelf.

DEFINITIONS

SEC. 3. As used in this Act, unless the context otherwise requires, the term—

(1) "adjacent coastal State" means any coastal State which (A) would be directly connected by pipeline to a deepwater port, as proposed in an application; (B) would be located within 15 miles of any such proposed deepwater port; or (C) is designated by the Secretary in accordance with section 9(a)(2) of this Act;

(2) "affiliate" means any entity owned or controlled by, any person who owns or controls, or any entity which is under common ownership or control with an applicant, licensee, or any person required to be disclosed pursuant to section 5(c)(2)(A) or (B);

(3) "antitrust laws" includes the Act of July 2, 1890, as amended, the Act of October 15, 1914, as amended, the Federal Trade Commission Act (15 U.S.C. 41 et seq.), and sections 73 and 74 of the Act of August 27, 1894, as amended;

(4) "application" means any application submitted under this Act (A) for a license for the ownership, construction, and operation of a deepwater port; (B) for transfer of any such license; or (C) for any substantial change in any of the conditions and provisions of any such license;

(5) "citizen of the United States" means any person who is a United States citizen by law, birth, or naturalization, any State, any agency of a State or a group of States, or any corporation, partnership, or association organized under the laws of any State which has as its president or other executive officer and as its chairman of the board of directors, or holder of a similar office, a person who is a United States citizen by law, birth or naturalization and which has no more of its directors who are not United States citizens by law, birth or naturalization than constitute a minority of the number required for a quorum necessary to conduct the business of the board;

(6) "coastal environment" means the navigable waters (including the lands therein and thereunder) and the adjacent shorelines (including waters therein and thereunder). The term includes transitional and intertidal areas, bays, lagoons, salt marshes, estuaries, and beaches; the fish, wildlife and other living resources thereof; and the recreational and scenic values of such lands, waters and resources;

(7) "coastal State" means any State of the United States in or bordering on the Atlantic, Pacific, or Arctic Oceans, or the Gulf of Mexico;

(8) "construction" means the supervising, inspection, actual building, and all other activities incidental to the building, repairing, or expanding of a deepwater port or any of its components, including, but not limited to, pile driving and bulkheading, and alterations, modifications, or additions to the deepwater port;

(9) "control" means the power, directly or indirectly, to determine the policy, business practices, or decisionmaking process of another person, whether by stock or other ownership interest, by representation on a board of directors or similar body, by contract or other agreement with stockholders or others, or otherwise;

(10) "deepwater port" means any fixed or floating manmade structures other than a vessel, or any group of such structures, located beyond the territorial sea and off the coast of the United States and which are used or intended for use as a port or terminal for the loading or unloading and further handling of oil for transportation to any State, except as otherwise provided in section 23. The term includes all associated components and equipment, including pipelines, pumping stations, service platforms, mooring buoys, and similar appurtenances to the extent they are located seaward of the high water mark. A deepwater port shall be considered a "new source" for purposes of the Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended;

(11) "Governor" means the Governor of a State or the person designated by State law to exercise the powers granted to the Governor pursuant to this Act;

(12) "license" means a citizen of the United States holding a valid license for the ownership, construction, and operation of a deepwater port that was issued, transferred, or renewed pursuant to this Act;

(13) "marine environment" includes the coastal environment, waters of the contiguous zone, and waters of the high seas; the fish, wildlife, and other living resources of such waters; and the recreational and scenic values of such waters and resources;

(14) "oil" means petroleum, crude oil, and any substance refined from petroleum or crude oil;

(15) "person" includes an individual, a public or private corporation, a partnership or other association, or a government entity;

(16) "safety zone" means the safety zone established around a deepwater port as determined by the Secretary in accordance with section 10(d) of this Act;

(17) "Secretary" means the Secretary of Transportation;

(18) "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States; and

(19) "vessel" means every description of watercraft or other artificial contrivance used as a means of transportation on or through the water.

LICENSE FOR THE OWNERSHIP, CONSTRUCTION, AND OPERATION OF A DEEPWATER PORT

SEC. 4. (a) No person may engage in the ownership, construction, or operation of a deepwater port except in accordance with a license issued pursuant to this Act. No person may transport or otherwise transfer any oil between a deepwater port and the United States unless such port has been so licensed and the license is in force. A deepwater port, licensed pursuant to the provisions of this Act, may not be utilized—

(1) for the loading and unloading of commodities or materials (other than oil) transported from the United States, other than materials to be used in the construction, maintenance, or operation of the high seas oil port, to be used as ship supplies, including bunkering, for vessels utilizing the high seas oil port,

(2) for the transshipment of commodities or materials, to the United States, other than oil,

(3) except in cases where the Secretary otherwise by rule provides, for the transshipment of oil, destined for locations outside the United States.

(b) The Secretary is authorized, upon application and in accordance with the provisions of this Act, to issue, transfer, amend, or renew a license for the ownership, construction, and operation of a deepwater port.

(c) The Secretary may issue a license in accordance with the provisions of this Act if—

(1) he determines that the applicant is financially responsible and will meet the requirements of section 18(l) of this Act;

(2) he determines that the applicant can and will comply with applicable laws, regulations, and license conditions;

(3) he determines that the construction and operation of the deepwater port will be in the national interest and consistent with national security and other national policy goals and objectives, including energy sufficiency and environmental quality;

(4) he determines that the deepwater port will not unreasonably interfere with international navigation or other reasonable uses of the high seas, as defined by treaty, convention, or customary international law;

(5) he determines, in accordance with the environmental review criteria established pursuant to section 6 of this Act, that the applicant has demonstrated that the deepwater port will be constructed and operated using best available technology, so as to pre-

vent or minimize adverse impact on the marine environment;

(6) he has not been informed, within 45 days of the last public hearing on a proposed license for a designated application area, by the Administrator of the Environmental Protection Agency that the deepwater port will not conform with all applicable provisions of the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, or the Marine Protection, Research and Sanctuaries Act, as amended;

(7) he has received the opinions of the Federal Trade Commission and the Attorney General, pursuant to section 7 of this Act, as to whether issuance of the license would adversely affect competition, restrain trade, promote monopolization, or otherwise create a situation in contravention of the antitrust laws;

(8) he has consulted with the Secretary of the Army, the Secretary of State, and the Secretary of Defense, to determine their views on the adequacy of the application, and its effect on programs within their respective jurisdictions;

(9) the Governor of the adjacent coastal State or States, pursuant to section 9 of this Act, approves, or is presumed to approve, issuance of the license; and

(10) the adjacent coastal State to which the deepwater port is to be directly connected by pipeline has developed, or is making, at the time the application is submitted, reasonable progress, as determined in accordance with section 9(c) of this Act, toward developing an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972.

(d) If an application is made under this Act for a license to construct a deepwater port facility off the coast of a State, and a port of the State which will be directly connected by pipeline with such deepwater port, on the date of such application—

(1) has existing plans for construction of a deep draft channel and harbor; and

(2) has either (A) an active study by the Secretary of the Army relating to the construction of a deep draft channel and harbor, or (B) a pending application for a permit under section 10 of the Act of March 3, 1899 (30 Stat. 1121), for such construction; and

(3) applies to the Secretary for a determination under this section within 30 days of the date of the license application;

the Secretary shall not issue a license under this Act until he has examined and compared the economic, social, and environmental effects of the construction and operation of the deepwater port with the economic, social and environmental effects of the construction, expansion, deepening, and operation of such State port, and has determined which project best serves the national interest or that both developments are warranted. The Secretary's determination shall be discretionary and nonreviewable.

(e) (1) In issuing a license for the ownership, construction, and operation of a deepwater port, the Secretary shall prescribe any conditions which he deems necessary to carry out the provisions of this Act, or which are otherwise required by any Federal department or agency pursuant to the terms of this Act.

(2) No license shall be issued, transferred, or renewed under this Act unless the licensee or transferee first agrees in writing that (A) there will be no substantial change from the plans, operational systems, and methods, procedures, and safeguards set forth in his application, as approved, without prior approval in writing from the Secretary; and (B) he will comply with any condition the Secretary may prescribe in accordance with the provisions of this Act.

(3) The Secretary shall establish such bonding requirements or other assurances as he deems necessary to assure that, upon the revocation or termination of a license, the licensee will remove all components of the deepwater port. In the case of components lying in the subsoil below the seabed, the Secretary is authorized to waive the removal requirements if he finds that such removal is not otherwise necessary and that the remaining components do not constitute any threat to navigation or to the environment. At the request of the licensee, the Secretary, after consultation with the Secretary of the Interior, is authorized to waive the removal requirement as to any components which he determines may be utilized in connection with the transportation of oil, natural gas, or other minerals, pursuant to a lease granted under the provisions of the Outer Continental Shelf Lands Act (67 Stat. 462), after which waiver the utilization of such components shall be governed by the terms of the Outer Continental Shelf Lands Act.

(f) Upon application, licenses issued under this Act may be transferred if the Secretary determines that such transfer is in the public interest and that the transferee meets the requirements of this Act and the prerequisites to issuance under subsection (c) of this section.

(g) Any citizen of the United States who otherwise qualifies under the terms of this Act shall be eligible to be issued a license for the ownership, construction, and operation of a deepwater port.

(h) Licenses issued under this Act shall be for a term of not to exceed 20 years. Each licensee shall have a preferential right to renew his license subject to the requirements of subsection (c) of this section, upon such conditions and for such term, not to exceed an additional 10 years upon each renewal, as the Secretary determines to be reasonable and appropriate.

PROCEDURE

Sec. 5. (a) The Secretary shall, as soon as practicable after the date of enactment of this Act, and after consultation with other Federal agencies, issue regulations to carry out the purposes and provisions of this Act, in accordance with the provisions of section 553 of title 5, United States Code, without regard to subsection (a) thereof. Such regulations shall pertain to, but need not be limited to, application, issuance, transfer, renewal, suspension, and termination of licenses. Such regulations shall provide for full consultation and cooperation with all other interested Federal agencies and departments and with any potentially affected coastal State, and for consideration of the views of any interested members of the general public. The Secretary is further authorized, consistent with the purposes and provisions of this Act, to amend or rescind any such regulation.

(b) The Secretary, in consultation with the Secretary of the Interior and the Administrator of the National Oceanic and Atmospheric Administration, shall, as soon as practicable after the date of enactment of this Act, prescribe regulations relating to those activities involved in site evaluation and preconstruction testing at potential deepwater port locations that may (1) adversely affect the environment; (2) interfere with authorized uses of the Outer Continental Shelf; or (3) pose a threat to human health and welfare. Such activity may thenceforth not be undertaken except in accordance with regulations prescribed pursuant to this subsection. Such regulations shall be consistent with the purposes of this Act.

(c) (1) Any person making an application under this Act shall submit detailed plans to the Secretary. Within 21 days after the receipt of an application, the Secretary shall determine whether the application appears to contain all of the information required by paragraph (2) hereof. If the Secretary determines that such information appears to be contained in the application, the Secretary shall, no later than 5 days after making such a determination, publish notice of the application and a summary of the plans in the Federal Register. If the Secretary determines that all of the required information does not appear to be contained in the application, the Secretary shall notify the applicant and take no further action with respect to the application until such deficiencies have been remedied.

(2) Each application shall include such financial, technical, and other information as the Secretary deems necessary or appropriate. Such information shall include, but need not be limited to—

(A) the name, address, citizenship, telephone number, and the ownership interest in the applicant, of each person having any ownership interest in the applicant of greater than 3 per centum;

(B) to the extent feasible, the name, address, citizenship, and telephone number of any person with whom the applicant has made, or proposes to make, a significant contract for the construction or operation of the deepwater port, and a copy of any such contract;

(C) the name, address, citizenship, and telephone number of each affiliate of the applicant and of any person required to be disclosed pursuant to subparagraphs (A) or (B) of this paragraph, together with a description of the manner in which such affiliate is associated with the applicant or any person required to be disclosed under subparagraph (A) or (B) of this paragraph;

(D) the proposed location and capacity of the deepwater port, including all components thereof;

(E) the type and design of all components of the deepwater port and any storage facilities associated with the deepwater port;

(F) with respect to construction in phases, a detailed description of each phase, including anticipated dates of completion for each of the specific components thereof;

(G) the location and capacity of existing and proposed storage facilities and pipelines which will store or transport oil transported through the deepwater port, to the extent known by the applicant or any person required to be disclosed pursuant to subparagraphs (A), (B), or (C) of this paragraph;

(H) with respect to any existing and proposed refineries which will receive oil transported through the deepwater port, the location and capacity of each such refinery and the anticipated volume of such oil to be refined by each such refinery, to the extent known by the applicant or any person required to be disclosed pursuant to subparagraphs (A), (B), or (C) of this paragraph;

(I) the financial and technical capabilities of the applicant to construct or operate the deepwater port;

(J) other qualifications of the applicant to hold a license under this Act;

(K) a description of procedures to be used in constructing, operating, and maintaining the deepwater port, including systems of oil spill prevention, containment, and cleanup; and

(L) such other information as may be required by the Secretary to determine the environmental impact of the proposed deepwater port.

(d) (1) At the time notice of an application is published pursuant to subsection (c) of this section, the Secretary shall publish a description in the Federal Register of an application area encompassing the deepwater port site proposed by such application and within which construction of the proposed deepwater port would eliminate, at the time such application was submitted, the need for any other deepwater port within that application area.

(2) As used in this section, "application area" means any reasonable geographical area within which a deepwater port may be

constructed and operated. Such application area shall not exceed a circular zone, the center of which is the principal point of loading and unloading at the port, and the radius of which is the distance from such point to the high water mark of the nearest adjacent coastal State.

(3) The Secretary shall accompany such publication with a call for submission of any other applications for licenses for the ownership, construction, and operation of a deepwater port within the designated application area. Persons intending to file applications for such license shall submit a notice of intent to file an application with the Secretary not later than 60 days after the publication of notice pursuant to subsection (c) of this section and shall submit the completed application no later than 90 days after publication of such notice. The Secretary shall publish notice of any such application received in accordance with subsection (c) of this section. No application for a license for the ownership, construction, and operation of a deepwater port within the designated application area for which a notice of intent to file was received after such 60-day period, or which is received after such 90-day period has elapsed, shall be considered until the application pending with respect to such application area have been denied pursuant to this Act.

(e)(1) Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chief of Engineers of the United States Army Corps of Engineers, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of any other Federal departments or agencies having expertise concerning, or jurisdiction over, any aspect of the construction or operation of deepwater ports shall transmit to the Secretary written comments as to their expertise or statutory responsibilities pursuant to this Act or any other Federal law.

(2) An application filed with the Secretary shall constitute an application for all Federal authorizations required for ownership, construction, and operation of a deepwater port. At the time notice of any application is published pursuant to subsection (c) of this section, the Secretary shall forward a copy of such application to those Federal agencies and departments with jurisdiction over any aspect of such ownership, construction, or operation for comment, review, or recommendation as to conditions and for such other action as may be required by law. Each agency or department involved shall review the application and, based upon legal considerations within its area of responsibility, recommend to the Secretary the approval or disapproval of the application not later than 45 days after the last public hearing on a proposed license for a designated application area. In any case in which the agency or department recommends disapproval, it shall set forth in detail the manner in which the application does not comply with any law or regulation within its area of responsibility and shall notify the Secretary how the application may be amended so as to bring it into compliance with the law or regulation involved.

(f) For all timely applications covering a single application area, the Secretary, in cooperation with other involved Federal agencies and departments, shall, pursuant to section 102(2)(C) of the National Environment Policy Act, prepare a single, detailed environmental impact statement, which shall fulfill the requirement of all Federal agencies in carrying out their responsibilities pursuant to this Act to prepare an environmental impact statement. In preparing such statement the Secretary shall consider the criteria established under section 6 of this Act.

(g) A license may be issued, transferred, or renewed only after public notice and public hearings in accordance with this subsection. At least one such public hearing shall be held in each adjacent coastal State. Any interested person may present relevant material at any hearing. After hearings in each adjacent coastal State are concluded, if the Secretary determines that there exists one or more specific and material factual issues which may be resolved by a formal evidentiary hearing, at least one adjudicatory hearing shall be held in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia. The record developed in any such adjudicatory hearing shall be basis for the Secretary's decision to approve or deny a license. Hearings held pursuant to this subsection shall be consolidated insofar as practicable with hearings held by other agencies. All public hearings on all applications for any designated application area shall be consolidated and shall be concluded not later than 240 days after notice of the initial application has been published pursuant to section 5(c) of this Act.

(h)(1) Each person applying for a license pursuant to this Act shall remit to the Secretary at the time the application is filed a nonrefundable application fee established by regulation by the Secretary. In addition, an applicant shall also reimburse the United States and the appropriate adjacent coastal State for any additional costs incurred in processing an application.

(2) Notwithstanding any other provision of this Act, an adjacent coastal State may fix reasonable fees for the use of a deepwater port facility, and such State and any other State in which land-based facilities directly related to a deepwater port facility are located may set reasonable fees for the use of such land-based facilities. Fees may be fixed under authority of this paragraph as compensation for any economic cost attributable to the construction and operation of such deepwater port and such land-based facilities, which cannot be recovered under other authority of such State or political subdivision thereof, including, but not limited to, ad valorem taxes, and for environmental and administrative costs attributable to the construction and operation of such deepwater port and such land-based facilities. Fees under this paragraph shall not exceed such economic, environmental, and administrative costs of such State. Such fees shall be subject to the approval of the Secretary. As used in this paragraph, the term "land-based facilities directly related to a deepwater port facility" means the onshore tank farm and pipelines connecting such tank farm to the deepwater port facility.

(3) A licensee shall pay annually in advance the fair market rental value (as determined by the Secretary of the Interior) of the subsoil and seabed of the Outer Continental Shelf of the United States to be utilized by the deepwater port, including the fair market rental value of the right-of-way necessary for the pipeline segment of the port located on such subsoil and seabed.

(i)(1) The Secretary shall approve or deny any application for a designated application area submitted pursuant to this Act not later than 90 days after the last public hearing on a proposed license for that area.

(2) In the event more than one application is submitted for an application area, the Secretary, unless one of the proposed deepwater ports clearly best serves the national interest, shall issue a license according to the following order of priorities:

(A) to an adjacent coastal State (or combination of States), any political subdivision thereof, or agency or instrumentality, including a wholly owned corporation of any such government;

(B) to a person who is neither (i) engaged in producing, refining, or marketing oil, nor (ii) an affiliate of any person who is engaged in producing, refining, or marketing oil or an affiliate of any such affiliate;

(C) to any other person.

(3) In determining whether any one proposed deepwater port clearly best serves the national interest, the Secretary shall consider the following factors:

(A) the degree to which the proposed deepwater ports affect the environment, as determined under criteria established pursuant to section 6 of this Act;

(B) any significant differences between anticipated completion dates for the proposed deepwater ports; and

(C) any differences in costs of construction and operation of the proposed deepwater ports, to the extent that such differential may significantly affect the ultimate cost of oil to the consumer.

ENVIRONMENTAL REVIEW CRITERIA

SEC. 6. (a) The Secretary, in accordance with the recommendations of the Administrator of the Environmental Protection Agency and the Administrator of the National Oceanic and Atmospheric Administration and after consultation with any other Federal departments and agencies having jurisdiction over any aspect of the construction or operation of a deepwater port, shall establish, as soon as practicable after the date of enactment of this Act, environmental review criteria consistent with the National Environmental Policy Act. Such criteria shall be used to evaluate a deepwater port as proposed in an application, including—

(1) the effect on the marine environment;

(2) the effect on oceanographic currents and wave patterns;

(3) the effect on alternate uses of the oceans and navigable waters, such as scientific study, fishing, and exploitation of other living and nonliving resources;

(4) the potential dangers to a deepwater port from waves, winds, weather, and geological conditions, and the steps which can be taken to protect against or minimize such dangers;

(5) effects of land-based developments related to deepwater port development;

(6) the effect on human health and welfare; and

(7) such other considerations as the Secretary deems necessary or appropriate.

(b) The Secretary shall periodically review and, whenever necessary, revise in the same manner as originally developed, criteria established pursuant to subsection (a) of this section.

(c) Criteria established pursuant to this section shall be developed concurrently with the regulations in section 5(a) of this Act and in accordance with the provisions of that subsection.

ANTITRUST REVIEW

SEC. 7. (a) The Secretary shall not issue, transfer, or renew any license pursuant to section 4 of this Act unless he has received the opinions of the Attorney General of the United States and the Federal Trade Commission as to whether such action would adversely affect competition, restrain trade, promote monopolization, or otherwise create a situation in contravention of the antitrust laws. The issuance of a license under this Act shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b) (1) Whenever any application for issuance, transfer, substantial change in, or renewal of any license is received, the Secretary shall transmit promptly to the Attorney General and the Federal Trade Commission a complete copy of such application. Within 45 days following the last public hearing, the Attorney General and the Federal Trade Commission shall each prepare and submit to the Secretary a report assessing the competitive effects which may result from issuance of the proposed license and the opinions described in subsection (a) of this section. If either the Attorney General or the Federal Trade Commission, or both, fails to file such views within such period, the Secretary shall proceed as if he had received such views.

(2) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the ownership, construction, or operation of a *deepwater* port.

(3) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

COMMON CARRIER STATUS

Sec. 8. (a) For the purpose of chapter 39 of title 18, United States Code (18 U.S.C. 831–837), and part I of the Interstate Commerce Act (49 U.S.C. 1–27), a deepwater port and storage facilities serviced directly by such deepwater port shall be subject to regulation as a common carrier in accordance with the Interstate Commerce Act, as amended.

(b) A licensee under this Act shall accept, transport, or convey without discrimination all oil *delivered* to the deepwater port with respect to which its license is issued. Whenever the Secretary has reason to believe that a licensee is not operating a deepwater port, any storage facility or component thereof, in compliance with its obligations as a common carrier, the Secretary shall commence an appropriate proceeding before the Interstate Commerce Commission or he shall request the Attorney General to take appropriate steps to enforce such obligation and, where appropriate, to secure the imposition of appropriate sanctions. The Secretary may, in addition, proceed as provided in section 12 of this Act to suspend or terminate the license of any person so involved.

ADJACENT COASTAL STATES

Sec. 9. (a)(1) The Secretary, in issuing notice of application pursuant to section 5 (c) of this Act, shall designate as an "adjacent coastal State" any coastal State which (A) would be directly connected by pipeline to a deepwater port as proposed in an application, or (B) would be located within 15 miles of any such proposed deepwater port.

(2) The Secretary shall, upon request of a State, and after having received the recommendations of the Administrator of the National Oceanic and Atmospheric Administration, designate such State as an "adjacent coastal State" if he determines that there is a risk of damage to the coastal environment of such State equal to or greater than the risk posed to a State directly connected by pipeline to the proposed deepwater port. This paragraph shall apply only with respect to requests made by a State not later than the 14th day after the date of publication of notice of an application for a proposed deepwater port in the Federal Register in accordance with section 5(c) of this Act. The Secretary shall make the designation required by this paragraph not later than the 45th day after the date he receives such a request from a State.

(b)(1) Not later than 10 days after the designation of adjacent coastal States pursuant to this Act, the Secretary shall transmit a complete copy of the application to the Governor of each adjacent coastal State. The Secretary shall not issue a license without the approval of the Governor of each adjacent coastal State. If the Governor fails to transmit his approval or disapproval to the Secretary not later than 45 days after the last public hearing on applications for a particular application area, such approval shall be conclusively presumed. If the Governor notifies the Secretary that an application, which would otherwise be approved pursuant to this paragraph, is inconsistent with State programs relating to environmental protection, land and water use, and coastal zone management, the Secretary shall condition the license granted so as to make it consistent with such State programs.

(2) Any other interested State shall have the opportunity to make its views known to, and shall be given full consideration by, the Secretary regarding the location, construction, and operation of a deepwater port.

(c) The Secretary shall not issue a license unless the adjacent coastal State to which the deepwater port is to be directly connected by pipeline has developed, or is making, at the time the application is submitted, reasonable progress toward developing an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972 in the area to be directly and primarily impacted by land and water development in the coastal zone resulting from such deepwater port. For the purposes of this Act, a State shall be considered to be making reasonable progress if it is receiving a planning grant pursuant to section 305 of the Coastal Zone Management Act.

(d) The consent of Congress is given to two or more coastal States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, (1) to apply for a license for the ownership, construction, and operation of a deepwater port or for the transfer of such license, and (2) to establish such agencies, joint or otherwise, as are deemed necessary or appropriate for implementing and carrying out the provisions of any such agreement or compact. Such agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

MARINE ENVIRONMENTAL PROTECTION AND NAVIGATIONAL SAFETY

Sec. 10. (a) Subject to recognized principles of international law, the Secretary shall prescribe by regulation and enforce procedures with respect to any deepwater port, including, but not limited to, rules governing vessel movement, loading and unloading procedures, designation and marking of anchorage areas, maintenance, law enforcement, and the equipment, training, and maintenance required (A) to prevent pollution of the marine environment, (B) to clean up any pollutants which may be discharged, and (C) to otherwise prevent or minimize any adverse impact from the construction and operation of such deepwater port.

(b) The Secretary shall issue and enforce regulations with respect to lights and other warning devices, safety equipment, and other matters relating to the promotion of safety of life and property in any deepwater port and the waters adjacent thereto.

(c) The Secretary shall mark, for the protection of navigation, any component of a deepwater port whenever the licensee fails to mark such component in accordance with applicable regulations. The licensee shall pay the cost of such marking.

(d)(1) Subject to recognized principles of international law and after consultation with the Secretary of the Interior, the Secretary of Commerce, the Secretary of State, and the Secretary of Defense, the Secretary shall designate a zone of appropriate size around and including any deepwater port for the purpose of navigational safety. In such zone, no installations, structures, or uses will be permitted that are incompatible with the operation of the deepwater port. The Secretary shall by regulation define permitted activities within such zone. The Secretary shall, not later than 30 days after publication of notice pursuant to section 5(c) of this Act, designate such safety zone with respect to any proposed deepwater port.

(2) In addition to any other regulations, the Secretary is authorized, in accordance with this subsection, to establish a safety zone to be effective during the period of construction of a deepwater port and to issue rules and regulations relating thereto.

INTERNATIONAL AGREEMENTS

Sec. 11. The Secretary of State in consultation with the Secretary, shall seek effective international action and cooperation in support of the policy and purposes of this Act and may formulate, present, or support specific proposals in the United Nations and other competent international organizations for the development of appropriate international rules and regulations relative to the construction, ownership, and operation of deepwater ports, with particular regard for measures that assure protection of such facilities as well as the promotion of navigational safety in the vicinity thereof.

SUSPENSION OR TERMINATION OF LICENSES

Sec. 12. (a) Whenever a licensee, fails to comply with an applicable provision of this title or any applicable rule, regulation, restriction, or condition issued or imposed by the Secretary under the authority of this title, the Attorney General, at the request of the Secretary, may file an appropriate action in the United States district court nearest to the location of the proposed or actual deepwater port, as the case may be, or in the district in which the licensee resides or may be found, to—

(1) suspend the license; or

(2) if such failure is knowing and continues for a period of thirty days after the Secretary mails notification of such failure by registered letter to the licensee at his record post office address, revoke such license.

No proceeding under this subsection is necessary if the license, by its terms, provides for automatic suspension or termination upon the occurrence of a fixed or agreed upon condition, event, or time.

(b) If the Secretary determines that immediate suspension of the construction or operation of a deepwater port or any component thereof is necessary to protect public health or safety or to eliminate imminent and substantial danger to the environment, he shall order the licensee to cease or alter such construction or operation pending the completion of a judicial proceeding pursuant to subsection (a) of this section.

RECORDKEEPING AND INSPECTION

Sec. 13. (a) Each licensee shall establish and maintain such records, make such reports, and provide such information as the Secretary, after consultation with other interested Federal departments and agencies, shall by regulation prescribe to carry out the provision of this Act. Such regulations shall not amend, contradict or duplicate regulations established pursuant to part I of the Interstate Commerce Act or any other law. Each licensee shall submit such reports and shall make such records and information available as the Secretary may request.

(b) All United States officials, including those officials responsible for the implementation and enforcement of United States laws applicable to a deepwater port, shall at all time be afforded reasonable access to a deepwater port licensed under this Act for the purpose of enforcing laws under their jurisdiction or otherwise carrying out their responsibilities. Each such official may inspect, at reasonable times, records, files, papers, processes, controls, and facilities and may test any feature of a deepwater port. Each inspection shall be conducted with reasonable promptness, and such licensee shall be notified of the results of such inspection.

PUBLIC ACCESS TO INFORMATION

Sec. 14. (a) Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning a deepwater port (other than contracts referred to in section 5(c)(2)(B) of this Act) shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request, unless such information may not be publicly released under the terms of subsection (b) of this section. Except as provided in subsection (b) of this section, nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(b) The Secretary shall not disclose information obtained by him under this Act that concerns or relates to a trade secret, referred to in section 1905 of title 18, United States Code, or to a contract referred to in section 5(c)(2)(B) of this Act, except that such information may be disclosed, in a manner which is designed to maintain confidentiality—

(1) to other Federal and adjacent coastal State government departments and agencies for official use, upon request;

(2) to any committee of Congress having jurisdiction over the subject matter to which the information relates, upon request;

(3) to any person in any judicial proceeding, under a court order formulated to preserve such confidentiality without impairing the proceedings; and

(4) to the public in order to protect health and safety, after notice and opportunity for comment in writing or for discussion in closed session within fifteen days by the party to which the information pertains (if the delay resulting from such notice and opportunity for comment would not be detrimental to the public health and safety).

REMEDIES

Sec. 15. (a) Any person who willfully violates any provision of this Act or any rule, order, or regulation issued pursuant thereto shall on conviction be fined not more than $25,000 for each day of violation or imprisoned for not more than 1 year, or both.

(b)(1) Whenever on the basis of any information available to him the Secretary finds that any person is in violation of any provision of this Act or any rule, regulation, order, license, or condition thereof, or other requirements under this Act, he shall issue an order requiring such person to comply with such provision or requirement, or he shall bring a civil action in accordance with paragraph (3) of this subsection.

(2) Any order issued under this subsection shall state with reasonable specificity the nature of the violation and a time for compliance, not to exceed thirty days, which the Secretary determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(3) Upon a request by the Secretary, the Attorney General shall commence a civil action for appropriate relief, including a permanent or temporary injunction or a civil penalty not to exceed $25,000 per day of such violation, for any violation for which the Secretary is authorized to issue a compliance order under paragraph (1) of this subsection. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation, require compliance, or impose such penalty.

(c) Upon a request by the Secretary, the Attorney General shall bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of any provision of this Act, any regulation under this Act, or any license condition. The district courts of the United States shall have jurisdiction to grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, compensatory damages, and punitive damages.

(d) Any vessel, except a public vessel engaged in noncommercial activities, used in a violation of this Act or of any rule or regulation issued pursuant to this Act, shall be liable in rem for any civil penalty assessed or criminal fine imposed and may be proceeded against in any district court of the United States having jurisdiction thereof; but no vessel shall be liable unless it shall appear that one or more of the owners, or bareboat charterers, was at the time of the violation, a consenting party or privy to such violation.

CITIZEN CIVIL ACTION

Sec. 16. (a) Except as provided in subsection (b) of this section, any person may commence a civil action for equitable relief on his own behalf, whenever such action constitutes a case or controversy—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any provision of this Act or any condition of a license issued pursuant to this Act; or

(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary. Any action brought against the Secretary under this paragraph shall be brought in the district court for the District of Columbia or the district of the appropriation adjacent coastal State.

In suits brought under this Act, the district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce any provision of this Act or any condition of a license issued pursuant to this Act, or to order the Secretary to perform such act or duty, as the case may be.

(b) No civil action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to 60 days after the plaintiff has given notice of the violation (i) to the Secretary and (ii) to any alleged violator; or

(B) if the Secretary or the Attorney General has commenced and is diligently prosecuting a civil or criminal action with respect to such matters in a court of the United States, but in any such action any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to 60 days after the plaintiff has given notice of such action to the Secretary.

Notice under this subsection shall be given in such a manner as the Secretary shall prescribe by regulation.

(c) In any action under this section, the Secretary or the Attorney General, if not a party, may intervene as a matter of right.

(d) The Court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines that such an award is appropriate.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement or to seek any other relief.

JUDICIAL REVIEW

Sec. 17. Any person suffering legal wrong, or who is adversely affected or aggrieved by the Secretary's decision to issue, transfer, modify, renew, suspend, or revoke a license may, not later than 60 days after any such decision is made, seek judicial review of such decision in the United States Court of Appeals for the circuit within which the nearest adjacent coastal State is located. A person shall be deemed to be aggrieved by the Secretary's decision within the meaning of this Act if he—

(A) has participated in the administrative proceedings before the Secretary (or if he did not so participate, he can show that his failure to do so was caused by the Secretary's failure to provide the required notice); and

(B) is adversely affected by the Secretary's action.

LIABILITY

Sec. 18. (a)(1) The discharge of oil into the marine environment from a vessel within any safety zone, from a vessel which has received oil from another vessel at a deepwater port, or from a deepwater port is prohibited.

(2) The owner or operator of a vessel or the licensee of a deepwater port from which oil is discharged in violation of this subsection shall be assessed a civil penalty of not more than $10,000 for each violation. No penalty shall be assessed unless the owner or operator or the licensee has been given notice and opportunity for a hearing on such charge. Each violation is a separate offense. The Secretary of the Treasury shall withhold, at the request of the Secretary, the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), of any vessel the owner or operator of which is subject to the foregoing penalty. Clearance may be granted in such cases upon the filing of a bond or other surety satisfactory to the Secretary.

(b) Any individual in charge of a vessel or a deepwater port shall notify the Secretary as soon as he has knowledge of a discharge of oil. Any such individual who fails to notify the Secretary immediately of such discharge shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both. Notification received pursuant to this subsection, or information obtained by the use of such notification, shall not be used against any such individual in any criminal case, except a prosecution for perjury or for giving a false statement.

(c)(1) Whenever any oil is discharged from a vessel within any safety zone, from a vessel which has received oil from another vessel at a deepwater port, or from a deepwater port, the Secretary shall remove or arrange for the removal of such oil as soon as possible, unless he determines such removal will be done properly and expeditiously by the licensee of the deepwater port or the owner or operator of the vessel from which the discharge occurs.

(2) Removal of oil and actions to minimize damage from oil discharges shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act, as amended.

(3) Whenever the Secretary acts to remove a discharge of oil pursuant to this subsection, he is authorized to draw upon money available in the Deepwater Port Liability Fund established pursuant to subsection (f) of this section. Such money shall be used to pay promptly for all cleanup costs incurred by the Secretary in removing or in minimizing damage caused by such oil discharge.

(d) Notwithstanding any other provision of law, except as provided in subsection (g) of this section, the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for cleanup costs and for damages that result from a discharge of oil from such vessel within any safety zone, or from a vessel which has received oil from another vessel at a deepwater port, except when such vessel is moored at a deepwater port. Such liability shall not exceed $150 per gross ton or $20,000,000, whichever is lesser, except that if it can be shown that such discharge was the result of gross negligence or willful misconduct within the privity and knowledge of the owner or operator, such owner and operator shall be jointly and severally liable for the full amount of all cleanup costs and damages.

(e) Notwithstanding any other provision of law, except as provided in subsection (g) of this section, the licensee of a deepwater port shall be liable, without regard to fault, for cleanup costs and damages that result from a discharge of oil from such deepwater port or from a vessel moored at such deepwater port. Such liability shall not exceed $50,000,000, except that if it can be shown that such damage was the result of gross negligence or willful misconduct within the privity and knowledge of the licensee, such licensee shall be liable for the full amount of all cleanup costs and damages.

(f) (1) There is established a Deepwater Port Liability Fund (hereinafter referred to as the "Fund") as a nonprofit corporate entity which may sue or be sued in its own name. The Fund shall be administered by the Secretary.

(2) The Fund shall be liable, without regard to fault, for all cleanup costs and all damages in excess of those actually compensated pursuant to subsections (d) and *(e) of this section.*

(3) Each licensee shall collect from the owner of any oil loaded or unloaded at the deepwater port operated by such licensee, at the time of loading or unloading, a fee of 2 cents per barrel, except that (A) bunker or fuel oil for the use of any vessel, and (B) oil which was transported through the trans-Alaska pipeline, shall not be subject to such collection. Such collections shall be delivered to the Fund at such times and in such manner as shall be prescribed by the Secretary. Such collections shall cease after the amount of money in the Fund has reached $100,000,000, unless there are adjudicated claims against the Fund yet to be satisfied. Collections shall be resumed when the Fund is reduced below $100,000,000. Whenever the money in the Fund is less than the claims for cleanup costs and damages for which it is liable under this section, the Fund shall borrow the balance required to pay such claims from the United States Treasury at an interest rate determined by the Secretary of the Treasury. Costs of administration shall be paid from the Fund only after appropriation in an appropriation bill. All sums not needed for administration and the satisfaction of claims shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury. Income from such securities shall be applied to the principal of the Fund.

(g) Liability shall not be imposed under subsection (d) or (e) of this section if the owner or operator of a vessel or the licensee can show that the discharge was caused solely by (1) an act of war, or (2) negligence on the part of the Federal Government in establishing and maintaining aids to navigation. In addition, liability with respect to damages claimed by a damaged party shall not be imposed under subsection (d), (e), or (f) of this section if the owner or operator of a vessel, the licensee, or the Fund can show that such damage was caused solely by the negligence of such party.

(h) (1) In any case where liability is imposed pursuant to subsection (d) of this section, if the discharge was the result of the negligence of the licensee, the owner or operator of a vessel held liable shall be subrogated to the rights of any person entitled to recovery against such licensee.

(2) In any case where liability is imposed pursuant to subsection (e) of this section, if the discharge was the result of the unseaworthiness of a vessel or the negligence of the owner or operator of such vessel, the licensee shall be subrogated to the rights of any person entitled to recovery against such owner or operator.

(3) Payment of compensation for any damages pursuant to subsection (f) (2) of this section shall be subject to the Fund acquiring by subrogation all rights of the claimant to recover for such damages from any other person.

(4) The liabilities established in this section shall in no way affect or limit any rights which the licensee, the owner, or operator of a vessel, or the Fund may have against any third party whose act may in any way have caused or contributed to a discharge of oil.

(5) In any case where the owner or operator of a vessel or the licensee of a deepwater port from which oil is discharged acts to remove such oil in accordance with subsection (c) (1) of this section, such owner or operator or such licensee shall be entitled to recover from the Fund the reasonable cleanup cost incurred in such removal if he can show that such discharge was caused solely by (A) an act of war or (B) negligence on the part of the Federal Government in establishing and maintaining aids to navigation.

(i) (1) The Attorney General may act on behalf of any group of damaged citizens he determines would be more adequately represented as a class in recovery of claims under this section. Sums recovered shall be distributed to the members of such group. If, within 90 days after a discharge of oil in violation of this section has occurred, the Attorney General fails to act in accordance with this paragraph, to sue on behalf of a group of persons who may be entitled to compensation pursuant to this section for damages caused by such discharge, any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this paragraph.

(2) In any case where the number of members in the class exceeds 1,000, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c) (2) of the Federal Rules of Civil Procedure.

(3) The Secretary may act on behalf of the public as trustee of the natural resources of the marine environment to recover for damages to such resources in accordance with this section. Sums recovered shall be applied to the restoration and rehabilitation of such natural resources by the appropriate agencies of Federal or State government.

(j) (1) The Secretary shall establish by regulation procedures for the filing and payment of claims for cleanup costs and damages pursuant to this Act.

(2) No claims for payment of cleanup costs or damages which are filed with the Secretary more than 3 years after the date of the discharge giving rise to such claims shall be considered.

(3) Appeals from any final determination of the Secretary pursuant to this section shall be filed not later than 30 days after such determination in the United States Court of Appeals of the circuit within which the nearest adjacent coastal State is located.

(k) (1) This section shall not be interpreted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil from a deepwater port or a vessel within any safety zone.

(2) Any person who receives compensation for damages pursuant to this section shall be precluded from recovering compensation for the same damages pursuant to any other State or Federal law. Any person who receives compensation for damages pursuant to any other Federal or State law shall be precluded from receiving compensation for the same damages as provided in this section.

(l) The Secretary shall require that any owner or operator of a vessel using any deepwater port, or any licensee of a deepwater port, shall carry insurance or give evidence of other financial responsibility in an amount sufficient to meet the liabilities imposed by this section.

(m) As used in this section the term—

(1) "cleanup costs" means all actual costs, including but not limited to costs of the Federal Government, of any State or local government, of other nations or of their contractors or subcontractors incurred in the (A) removing or attempting to remove, or (B) taking other measures to reduce or mitigate damages from, any oil discharged into the marine environment in violation of subsection (a) (1) of this section;

(2) "damages" means all damages (except cleanup costs) suffered by any person, or involving real or personal property, the natural resources of the marine environment, or the coastal environment of any nation, including damages claimed without regard to ownership of any affected lands, structures, fish, wildlife, or biotic or natural resources;

(3) "discharge" includes, but is not limited to, any spilling, leaking, pumping, pouring, emitting, emptying, or dumping into the marine environment of quantities of oil determined to be harmful pursuant to regulations issued by the Administrator of the Environmental Protection Agency; and

(4) "owner or operator" means any person owning, operating, or chartering by demise, a vessel.

(n) (1) The Attorney General, in cooperation with the Secretary, the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Council on Environmental Quality, and the Administrative Conference of the United States, is authorized and directed to study methods and procedures for implementing a uniform law providing liability for cleanup costs and damages from oil spills from Outer Continental Shelf operations, deepwater ports, vessels, and other ocean-related sources. The study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible.

(2) The Attorney General shall report the results of his study together with any legislative recommendations to the Congress within 6 months after the date of enactment of this Act.

RELATIONSHIP TO OTHER LAWS

SEC. 19. (a) (1) The Constitution, laws, and treaties of the United States shall apply to a deepwater port licensed under this Act and to activities connected, associated, or potentially interfering with the use or operation of any such port, in the same manner as if such port were an area of exclusive Federal jurisdiction located within a State. Nothing in this Act shall be construed to relieve, exempt, or immunize any person from any other requirement imposed by Federal law, regulation, or treaty. Deepwater ports licensed under this Act do not possess the status of islands and have no territorial seas of their own.

(2) Except as otherwise provided by this Act, nothing in this Act shall in any way after the responsibilities and authorities of a State or the United States within the territorial seas of the United States.

(b) The law of the nearest adjacent coastal State, now in effect or hereafter adopted, amended, or repealed, is declared to be the law of the United States, and shall apply to any deepwater port licensed pursuant to this Act, to the extent applicable and not inconsistent with any provision or regulation under this Act or other Federal laws and regulations now in effect or hereafter adopted, amended, or repealed. All such applicable laws shall be administered and enforced by the appropriate officers and courts of the United States. For purposes of this subsection, the nearest adjacent coastal State shall be that State whose seaward boundaries, if extended beyond 3 miles, would encompass the site of the deepwater port.

(c) Except in a situation involving force majeure, a licensee of a deepwater port shall not permit a vessel, registered in or flying the flag of a foreign state, to call at, or otherwise utilize a deepwater port licensed under this Act unless (1) the foreign state involved, by specific agreement with the United States, has agreed to recognize the jurisdiction of the United States over the vessel and its personnel, in accordance with the provisions of this Act, while the vessel is located within the safety zone, and (2) the vessel owner or operator has designated an agent in the United States for receipt of service of process in the event of any claim or legal proceeding resulting from activities of the vessel or its personnel while located within such a safety zone.

(d) The customs laws administered by the Secretary of the Treasury shall not apply to any deepwater port licensed under this Act, but all foreign articles to be used in the construction of any such deepwater port, including any component thereof, shall first be made subject to all applicable duties and taxes which would be imposed upon or by reason of their importation if they were imported for consumption in the United States. Duties and taxes shall be paid thereon in accordance with laws applicable to merchandise imported into the customs territory of the United States.

(e) The United States district courts shall have original jurisdiction of cases and controversies arising out of or in connection with the construction and operation of deepwater ports, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district of the adjacent coastal State nearest the place where the cause of action arose.

(f) Section 4(a) (2) of the Act of August 7, 1953 (67 Stat. 462) is amended by deleting the words "as of the effective date of this Act" in the first sentence thereof and inserting in lieu thereof the words ", now in effect or hereafter adopted, amended, or repealed".

ANNUAL REPORT BY SECRETARY TO CONGRESS

SEC. 20. Within 6 months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the Deepwater Port Act during such fiscal year, including all deepwater port development activities; (2) a summary of management, supervision, and enforcement activities; and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management and safety of deepwater port development and for resolution of jurisdictional conflicts or ambiguities.

PIPELINE SAFETY AND OPERATION

SEC. 21. (a) The Secretary, in cooperation with the Secretary of the Interior, shall establish and enforce such standards and regulations as may be necessary to assure the safe construction and operation of oil pipelines on the Outer Continental Shelf.

(b) The Secretary, in cooperation with the Secretary of the Interior, is authorized and directed to report to the Congress within 60 days after the date of enactment of this Act on appropriations and staffing needed to monitor pipelines on Federal lands and the Outer Continental Shelf so as to assure that they meet all applicable standards for construction, operation, and maintenance.

(c) The Secretary, in cooperation with the Secretary of the Interior, is authorized and directed to review all laws and regulations relating to the construction, operation, and maintenance of pipelines on Federal lands and the Outer Continental Shelf and to report to Congress thereon within 6 months after the date of enactment of this Act on administrative changes needed and recommendations for new legislation.

NEGOTIATIONS WITH CANADA AND MEXICO

SEC. 22. The President of the United States is authorized and requested to enter into negotiations with the Governments of Canada and Mexico to determine:

(1) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the people of Canada, Mexico, and the United States and of any party or parties involved with the construction or operation of deepwater ports; and

(2) the desirability of undertaking joint studies and investigations designed to insure protection of the environment and to eliminate any legal and regulatory uncertainty, to assure that the interests of the people of Canada, Mexico, and the United States are adequately met.

The President shall report to the Congress the actions taken, the progress achieved, the areas of disagreement, and the matters about which more information is needed, together with his recommendations for further action.

SEC. 23. Nothing in this Act shall be construed to amend, restrict or otherwise limit the application of section 28(u) of the Mineral Leasing Act of 1920, as amended by Public Law 93–153.

GENERAL PROCEDURES

SEC. 24. The Secretary or his delegate shall have the authority to issue and enforce orders during proceedings brought under this Act. Such authority shall include the authority to issue subpenas, administer oaths, compel the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, to take depositions before any designated individual component to administer oaths, and to examine witnesses.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 25. There is authorized to be appropriated for administration of this Act not to exceed $2,500,000 for the fiscal year ending June 30, 1975, not to exceed $2,500,000 for the fiscal year ending June 30, 1976, and not to exceed $2,500,000 for the fiscal year ending June 30, 1977.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

ROBERT E. JONES,
DAVID N. HENDERSON,
JOHN BREAUX,
WILLIAM H. HARSHA,
GENE SNYDER,
DON H. CLAUSEN,
Managers on the Part of the House.

RUSSELL B. LONG,
ERNEST F. HOLLINGS,
TED STEVENS,
HENRY M. JACKSON,
J. BENNETT JOHNSTON, Jr.,
CLIFFORD P. HANSEN,
MIKE GRAVEL,
LLOYD BENTSEN,
JAMES L. BUCKLEY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) to amend the Act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

House bill

Provides that the Act may be cited as the "High Seas Oil Port Act".

Senate amendment

Provides that the Act may be cited as the "Deepwater Port Act of 1974".

Conference substitute

The conference substitute is the same as the Senate amendment.

TABLE OF CONTENTS

House bill

No comparable provision.

Senate amendment

The Senate amendment contains a table of contents of each section of the amendment.

Conference substitute

The conference substitute contains no table of contents.

DECLARATION OF POLICY

House bill

Section 2(a) sets forth findings of the Congress which indicate that (1) increasing energy requirements continue to exceed sources of energy supply, (2) various factors which affect other potential energy sources dictate that increased energy demand be met, at least for the near future, by imported oil, (3) economic considerations and transportation efficiency demand the utilization of large vessels to transport the needed foreign oil, (4) present ports and port facilities are physically incapable of accommodating larger tankers and it is neither economically or environmentally feasible to alter, to the extent necessary, the existing ports or port facilities, (5) the use of smaller tankers is, due to environmental and safety considerations, not a viable alternative solution, (6) the construction of high seas oil ports in waters sufficiently deep to accommodate the needed deep draft vessels is both economically advantageous and environmentally sound, (7) the licensing of high seas oil ports as to location, construction standards, and operational regulations is primarily a matter of national interest, and the shoreside impact of the high seas oil ports is a matter of both national and local interest, and (8) construction and operation of high seas oil ports, in accordance with the provisions of this Act, in waters adjacent to the Continental Shelf of the United States is a reasonable use of the high seas and consistent with recognized principles of international law.

Section 2(b) establishes a policy which authorizes the Secretary of the Interior to grant licenses to applicants for the construction of high seas oil ports and authorizes the Secretary of the Department in which the Coast Guard is operating to issue necessary and reasonable regulations for the operation of high seas oil ports.

Section 2(b) also sets an objective of minimizing any adverse impact on the marine environment that may result from the construction and operation of high seas oil ports and of insuring that reasonable precautions are taken to protect both the national interest of the United States in the construction and operation of high seas oil ports and the national and local interests affected by the impact of the high sea oil ports on adjacent coastal States.

Senate amendment

Section 2(a) establishes a policy of regulating the location, ownership, construction, and operation of deepwater ports in waters beyond the territorial limits of the United States.

Section 2(a) also sets an objective of protecting (1) the marine and coastal environment to prevent or minimize any adverse impact resulting from the development of deepwater ports, (2) the interests of the United States and adjacent coastal States in the location, construction, and operation of deepwater ports, and (3) the rights and responsibilities of States and communities to regulate growth, determine land use, and otherwise protect the environment in accordance with law.

Conference substitute

The conference substitute is the same as the Senate amendment.

DEFINITIONS

House bill

Section 3 defines the following terms: high seas oil port, oil port, offshore coastal waters of the United States, United States, State, coastal State, adjacent coastal State, port reference point, person, eligible applicant, and marine environment. In particular, the term "adjacent coastal State" is defined to mean a coastal State any point of which is within ten miles of a high seas oil port as such term is used in either a structural or geographical sense.

Section 101 defines "Secretary", for purposes of title I of the Act (Construction of High Seas Oil Ports), as the Secretary of the Interior.

Section 201 defines "Secretary", for purposes of title II of the Act (Operation of High Seas Oil Ports), as the Secretary of the department in which the Coast Guard is operating.

Senate amendment

Section 3 defines the following terms: coastal State, marine environment, person, and State, in basically the same way as defined in the House bill.

Section 3 defines the term "adjacent coastal State" in a manner which differs from the House bill as follows:

The term "adjacent coastal State" is defined as any adjacent State directly connected by pipeline to a deep-water port, located within 15 miles of any such proposed deepwater port, or designated by the Administrator of the National Oceanic and Atmospheric Administration as a State to which there is a substantial risk of serious damage to its coastal environment due to its location in relation to any proposed deepwater port.

Section 3 defines the term "Secretary" as it is defined in title II of the House bill.

Section 3 also defines the following terms which are not defined in the House bill: affiliate, antitrust laws, application, citizen of the United States, coastal environment, construction, control, Governor, deepwater port, licensee, natural gas, oil, safety zone, and vessel.

Conference substitute

Section 3 is the same as section 3 of the Senate amendment except as follows:

(1) The term "adjacent coastal State" includes any coastal State designated by the Secretary in accordance with section 9(a)(2) of this Act.

(2) The term "citizen of the United States" is amended to include language from section 3(h) of the House bill which places restrictions on who can hold decisionmaking positions in a corporation, partnership, or association.

(3) The term "deepwater port" is amended, in part, to eliminate any reference to natural gas.

(4) The term "natural gas" is deleted.

(5) The term "Secretary" is defined as the Secretary of Transportation.

The managers expect the Secretary to consider various new methods and technology of oil transfer including self-propelled, unmoored terminals of advanced design with the capability of relocation and storm avoidance which offer possible lead time and cost effectiveness advantages. The determination of the need for a license under this legislation will depend upon the specifics of the design and operation.

ACTIVITIES PROHIBITED

House bill

Section 4(a) prohibits, except as authorized by Federal law, any person from constructing, maintaining, or operating a high seas oil port or other fixed structure in the offshore coastal water of the United States.

Section 4(b) prohibits any high seas oil port licensed by this Act being utilized (1) for unloading items transported from the United States, other than items to be used in the construction, maintenance, or operation of the high seas oil port or to be used as ship supplies for vessels utilizing the high seas oil port, (2) for the transshipment of commodities or materials to the United States other than petroleum or petroleum products, (3) except where the Secretary of the Interior provides for rule, for the transshipment of petroleum or petroleum products destined for location outside the United States, (4) for the transportation of minerals (including oil and gas) extracted from the Continental Shelf of the United States in the coastal area in which the high seas oil port is located, or (5) by any carrier of petroleum or petroleum products unless the carrier is equipped with certain collision avoidance radar systems.

Senate amendment

Section 4(a) is similar to section 4(a) of the House bill except that, when properly authorized, the transfer of natural gas between a deepwater port and the United States would be permitted.

Conference substitute

Section 4(a) of the conference substitute combines, with minor changes, section 4(a) of the Senate amendment and sections 4(b) (1) through (3) of the House bill.

Under this provision, deepwater ports may be utilized for the shipment of oil between States. For example, a deepwater port may be used to load oil off the coast of Texas, and another deepwater port may be used to offload this oil off the coast of California. Further, with the approval of the President, pursuant to Public Law 93–153, a deepwater port off the coast of Alaska may be used to load oil for shipment to foreign ports.

LICENSE FOR THE OWNERSHIP, CONSTRUCTION, AND OPERATION OF A DEEPWATER PORT

House bill

Section 102(a) lists the general criteria to be used in the Secretary's determination as to the issuance of a license. The criteria include the applicant's financial position, whether the location of the high seas oil port serves the national or regional needs, and the ramifications of the issuance of the license on the marine environment, competition, international navigation, national security, and international obligations of the United States.

Section 202(a) requires the Secretary, upon the occurrence of certain conditions, to convert the license to construct a high seas oil port to a license to operate the oil port.

Senate amendment

Section 4(b) gives the Secretary the general authority to issue, transfer, amend, or renew a license for the ownership, construction, and operation of a deepwater port.

Section 4(c), in addition to listing the criteria in the House bill, requires the Secretary to base his decision on information received from the Environmental Protection Agency and the approval of the Governor of any adjacent coastal State. Also, the Secretary must determine that the adjacent coastal State to which the deepwater port is to be connected by pipeline has developed or is making progress towards developing an approved coastal zone management program.

Conference substitute

The conference substitute is the same as the Senate amendment.

PORT EVALUATION

House bill

Section 102(a)(8) permits the Secretary to issue a license to an eligible applicant if he determines, after consultation with other appropriate Federal agencies and departments, that the benefits resulting from the construction and operation of the high seas oil port will be greater than any potential adverse effect on existing nearby ports.

Senate amendment

Section 4(d) prohibits the issuance of a license to construct a deepwater port facility off the coast of a State if the port of the State has, on the date of the license application, plans for construction of a deep draft channel and harbor and meets certain other requirements, until the Secretary makes a comparison of the two plans to determine which is the more economically, socially, and environmentally advantageous.

Conference substitute

Section 4(d) is similar to the Senate amendment, except that the phrase "the State which will be directly connected by pipeline with such deepwater port" is inserted in place of the phrase "such State which".

The inclusion of this provision is not intended to encourage protracted study which would have the effect of delaying by months or years a final decision on a deepwater port application. The comparative evaluation is to be completed within the timetable established for the Secretary to receive agency comments, which is no more than 45 days after the final public hearing provided for by section 5(g).

CONDITIONS OF LICENSES

House bill

Section 102(d) specifies conditions that the Secretary must include in any license issued. The conditions deal with construction schedule requirements, fees for administrative costs, fees for the rental value of certain areas around the high seas oil port, measures to protect the marine environment, continual compliance with qualifications, and requirements to insure nondiscriminatory access to the oil port at reasonable rates.

Section 102(d)(1)(G) specifies a bonding or similar condition to insure removal from the seabed and subsoil all components of the high seas oil port upon the revocation or suspension of the license. However, the Secretary may waive the removal of such components if (1) the components do not constitute a threat to navigation or the environment, or (2) he determines such components can be utilized pursuant to a lease granted under the Outer Continental Shelf Lands Act (67 Stat. 462).

Section 102(d)(2) requires the Secretary to consult with the Secretary of the department in which the Coast Guard is operating prior to including a condition in a license to construct a high seas oil port when such condition is to remain in effect after the license is converted to a license to operate such a port.

Section 104(b) (6) requires that the prospective licensee include in his application an agreement to obtain approval from the Secretary before making a material change in submitted plans.

Senate amendment

Section 4(e) (1) is basically similar to section 102(d) (1) of the House bill.

Section 4(e) (2) is basically similar to section 104(b) (6) of the House bill.

Section 4(e) (3) is basically similar to section 102 (d) (1) (G) of the House bill except that no reference is made to a waiver based on a lease pursuant to the Outer Continental Shelf Lands Act (67 Stat. 462).

Conference substitute

Section 4(e) of the conference substitute combines the waiver provision of section 102 (d) (1) (G) of the House bill with section 4(e) of the Senate amendment.

TRANSFER OF LICENSES

House bill

Section 102(c) permits a construction license to be transferred if the proposed transferee complies with the requirements of title I of the Act.

Senate amendment

Section 4(f) is basically the same as the House bill except that it applies to any type of license available under the provisions of the Act.

Conference substitute

The conference substitute is the same as section 4(f) of the Senate amendment.

ELIGIBILITY FOR A LICENSE

House bill

Section 3(h) defines the term "eligible applicant" to mean any citizen or group of citizens of the United States, any public entity, or any private corporation or entity which has citizens of the United States holding a certain per centum of the decisionmaking positions of such corporation or entity.

Senate amendment

Section 4(g) is similar to section 3(h) of the House bill, except that it does not require citizens of the United States to hold a certain per centum of the decisionmaking positions of a private corporation or entity.

Conference substitute

Section 4(g) of the conference substitute combines the restrictive aspect of section 3 (h) of the House bill relating to corporations, partnerships, and associations with section 4(g) of the Senate amendment.

TERM AND RENEWAL OF LICENSES

House bill

Section 102(b) provides for a construction license to be issued by the Secretary for five years with an extension to be issued if necessary for the completion of the construction. It also provides that conversion of the license to an operational license may be granted if conditions under title II of the Act are met.

Section 202(b) provides that in the conversion of a construction to an operation license or the renewal of an operation license the term of the license shall be for no more than thirty years. This section also states that if the high seas oil port is in commercial operation, is operating in the public interest, and is otherwise in compliance with existing provisions of law, the Secretary shall renew the license.

Senate amendment

Section 4(h) provides for a license to be issued by the Secretary that permits the licensee to construct and operate the deepwater port for 20 years. The licensee may apply to renew his license for a term of up to 10 years each time such license expires.

Conference substitute

Section 4(h) of the conference substitute is the same as the Senate amendment.

REGULATIONS FOR LICENSING PROCEDURES

House bill

Section 104(a) authorizes the Secretary to issue, pursuant to the provisions of section 553 of title 5, United States Code, rules and regulations regarding the application for and issuance of construction licenses. Such rules and regulations must provide for consultation and cooperation with interested Federal agencies, any affected adjacent coastal State, and members of the public.

Section 203(a), in part, provides for the Secretary to issue rules and regulations on the operation of high seas oil ports in the same manner as required in section 104(a).

Senate amendment

Section 5(a) is basically similar to section 104(a) of the House bill except that it affects both construction and operation licenses.

Conference substitute

Section 5(a) of the conference substitute is basically the same as section 104(a) of the House bill and section 5(a) of the Senate amendment.

REGULATIONS FOR SITE EVALUATION

House bill

No comparable provision.

Senate amendment

Section 5(b) requires the Secretary to consult with the Secretary of the Interior and the Administrator of the National Oceanic and Atmospheric Administration and then issue rules and regulations governing site evaluation and precondition testing at potential deepwater port locations to avoid (1) any adverse effect on the environment, (2) interference with authorized uses of the Outer Continental Shelf, or (3) any threat to human health and welfare. In addition, no site evaluation or precondition testing may commence without the Secretary's approval.

Conference substitute

Section 5(b) of the conference substitute is the same as the Senate amendment, except that it does not have a provision requiring the approval of the Secretary prior to the commencement of site evaluation or precondition testing.

SUBMISSION OF APPLICATION

House bill

Section 104(b) requires the application to include, in addition to any other information that the Secretary deems necessary, the location of the proposed high seas oil port and all its components, the type and design of facilities, a description of each construction phase, the financial and technical capabilities of the applicant to construct and operate the oil port, the qualifications of the applicant to hold a license under title I of the Act, and an agreement that the licensee shall, upon termination of the license, remove all components of the oil port in accordance with the license conditions.

Senate amendment

Section 5(c) (1) requires the Secretary, within 21 days of receipt of an application, to decide if the application is in order. If so, the Secretary has 5 days to publish notice of such application in the Federal Register.

Section 5(c) (2), in addition to requiring most of the information required under section 104(b) of the House bill, requires the application to contain certain identifying information about each applicant, individuals with whom the applicant plans to make significant contracts, and affiliates of the applicant. Also, such section requires information on existing and proposed storage facilities and pipelines which will store or transport oil or natural gas transported through the deepwater port, similar information with respect to existing or proposed refineries that will receive oil transported through the deepwater port, and a description of procedures for construction, maintenance and operation of the deepwater port, including systems of oil spill prevention, containment, and cleanup.

Conference substitute

Except for the deletion of the phrase "or natural gas", section 5(c) of the conference substitute is the same as the Senate amendment.

APPLICATION AREA

House bill

No comparable provision.

Senate amendment

Section 5(d) (1) mandates that the Secretary publish, along with the notice of an application being filed, a description of the application area encompassing the deepwater port site proposed by such application and within which no additional deepwater port would be needed.

Section 5(d) (2) defines the term "application area" to mean an area not to exceed a circular zone the center of which is the port and the radius of which is the distance from such port to the high water mark of the nearest adjacent coastal State.

Section 5(d) (3) requires the Secretary to include in the publication of the notice of an application a call for any other applications in the designated application area to be submitted within a specified number of days. Failure to comply with the deadline eliminates consideration of an application until the applications pending with respect to such application area have been denied or approved.

Conference substitute

The conference substitute is the same as section 5(d) of the Senate amendment except as follows:

(1) Section 5(d) (2) indicates that an application area shall not exceed a circular zone, the center of which is the principal point of loading and unloading at the port and the radius of which is the distance from such point to the high water mark of the nearest adjacent coastal State.

(2) Section 3(d) (3) states that failure to comply with the deadline eliminates consideration of an application until the pending applications with respect to such application have been denied.

AGENCY COORDINATION

House bill

Section 104(d) (1) indicates that an application filed with the Secretary for a construction license shall constitute an application for all necessary Federal authorizations and that copies of such application be forwarded to each appropriate department or agency with any additional information as is required by any such department or agency.

Section 104(d) (2) requires each department or agency to, within 60 days of receipt of an application, recommend approval or disapproval of such application. If such department or agency recommends disapproval of an application, it shall set out in detail how the application does not comply with any law or regulation and what steps are required for the application to conform with any such law or regulation. Failure of any department or agency to act on an application within 60 days shall result in a conclusive presumption of such department's or agency's approval.

Senate amendment

Section 5(e) is similar to section 104(d) of the House bill with the following exceptions:

(1) Section 5(e) (1) requires the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chief of the Corps of Engineers, the Administrator

of the National Oceanic and Atmospheric Administration, and any other departments or agencies having expertise in, or jurisdiction concerning, any aspect of the construction or operation of deepwater ports to transmit to the Secretary, within 30 days after the date of enactment of this Act, written comments as to their expertise or statutory responsibilities pursuant to this Act or any other Federal law.

(2) Section 5(e)(2) sets a specific date on which any application for ownership, construction, or operation must be forwarded to Federal agencies and departments for comment. Such section also requires agency or department response within 45 days after the last public hearing on a proposed license. In addition, no presumption arises from failure to comply with the 45-day time limit.

CONFERENCE SUBSTITUTE

Section 5(e) of the conference substitute is basically the same as the Senate amendment.

ENVIRONMENTAL IMPACT STATEMENT

House bill

Section 103(b) indicates that in connection with any action by the Secretary on an application for a construction license an environmental impact statement must be prepared pursuant to the requirements of section 102(2)(C) of the National Environmental Policy Act (83 Stat. 852).

Senate amendment

Section 5(f) is basically the same as section 103(b) of the House bill, except that it requires only one environmental impact statement for each application area and also requires the Secretary in preparing such a statement to consider the criteria established under section 6 of this Act.

Conference substitute

Section 5(f) of the conference substitute is the same as the Senate amendment, except that the environmental impact statement need only cover timely applications.

Timely applications mean only those applications received in the time period set forth in section 5(d)(3).

HEARING REQUIREMENT

House bill

Section 104(f) requires the Secretary, within 30 days after receipt of an application for a construction license and prior to the issuance of any such license, to publish in the Federal Register a notice of the application and information as to where such application can be examined by interested persons who shall have at least 60 days to submit written data, views, or arguments on the application. Such notice shall also be furnished to the Governor of each adjacent coastal State and provide for a hearing or hearings in each adjacent coastal State. After all hearings are completed, findings and recommendations are to be submitted to the Secretary with opportunity for the participants to comment thereon.

Senate amendment

Section 5(g) provides for a hearing or hearings in an adjacent coastal State in much the same manner as provided for in section 104(f) of the House bill in the case of the issuance, transference, or renewal of any license pursuant to the provisions of this Act. In addition, the Secretary, under certain circumstances, may hold one adjudicatory hearing pursuant to the provisions of section 554, of title 5, United States Code, in the District of Columbia. If such a hearing is held, the Secretary shall base his decision on the record of such hearing. This section further provides for all hearings on applications to be concluded not later than 240 days after notice of the initial application is published.

Conference substitute

Section 5(g) of the conference substitute is identical to the Senate amendment.

REIMBURSEMENT OF COST

House bill

Section 102(d)(1)(B) permits the Secretary to include a condition in a construction license to cover administrative and other costs incurred in processing the application for, and in monitoring the construction of, the high seas oil port.

Section 102(d)(1)(C) permits the Secretary to include as another license condition fees for the fair market rental value of the subsoil and seabed subjacent to the high seas oil port, including the fair market value of the right-of-way necessary for the pipeline segment lying outside the seaward boundaries of any State as such term is defined in the Submerged Lands Act (69 Stat. 29).

Senate amendment

Section 5(h)(1) requires each applicant for a license to file a nonrefundable application fee. In addition, the applicant must reimburse the United States and the appropriate adjacent coastal State for additional costs incurred in processing the application.

Section 5(h)(2) requires annual reimbursement to the United States and each appropriate coastal State for monitoring the construction, operation, maintenance, and termination of any deepwater port or component thereof.

Section 5(h)(3) is basically the same as section 102(d)(1)(C) of the House bill.

Conference substitute

Section 5(h)(1) is the same as the Senate amendment.

Section 5(h)(2) permits an adjacent coastal State to fix reasonable fees for the use of a deepwater port facility. In addition, such State and any other State in which land-based facilities directly related to a deepwater port facility are located may set reasonable fees for the use of land-based facilities. Fees may be fixed for any economic cost attributable to the construction and operation of such deepwater port and such land-based facilities which cannot be otherwise recovered and for environmental and administrative costs attributable to the construction and operation of such port and such land-based facilities.

Section 5(h)(3) is basically the same as section 102(d)(1)(C) of the House bill and section 5(h)(3) of the Senate amendment.

These economic, environmental, and administrative costs include monitoring in the construction, operation, maintenance, and termination of a deepwater port. This section does not derogate from the provisions of section 19(b) of this Act.

SECRETARY'S DECISION

House bill

Section 104(l) requires the Secretary to make a decision in writing granting or denying a license within 120 days after the conclusion of all hearings. Such decision, along with a discussion of the issues, shall include the environmental impact statement.

Senate amendment

Section 5(i)(1) requires the Secretary to make a decision on an application within 90 days after the last public hearing on the proposed license.

Section 5(i)(2) lists in order of descending priority the application that the Secretary is to approve if more than one application is submitted for an application area and none of the applications clearly best serves the national interest.

Section 5(i)(3) provides criteria the Secretary must consider to determine if a deepwater port clearly best serves the national interest.

Conference substitute

The conference substitute is the same as the Senate amendment except as follows:

(1) Any references to natural gas is deleted.

(2) Section 5(i)(3)(B) is deleted.

ENVIRONMENTAL REVIEW CRITERIA

House bill

Section 103(a) requires the Secretary, after consultation with appropriate Federal agencies and departments, to establish and apply, and revise as necessary, criteria for evaluating the impact of the construction or operation of a high seas oil port on the marine environment, including the marine environment of any adjacent coastal State. Such criteria must include (1) effects on aquatic plants and animals, (2) effects on ocean currents or wave patterns, (3) effects on alternative uses of high seas area, (4) protective steps that may be taken to avoid dangers to components of the oil port, (5) effects on esthetic and recreational values, (6) effects on related land-based developments, and (7) effects on public health and welfare.

Senate amendment

Sections 6(a) and (b) are basically the same as section 103(a) of the House bill except that environmental review criteria must be consistent with the National Environmental Policy Act.

Section 6(c) requires that criteria established pursuant to this section must be developed concurrently with the regulations in section 5(a) and in accordance with the provisions of such section.

Conference substitute

The conference substitute is identical to section 6 of the Senate amendment.

ANTITRUST REVIEW

House bill

A general statement appears in section 102(a)(2) indicating that the Secretary shall determine that operations under a license (construction) will not adversely affect competition or result in restraint of trade.

Senate amendment

Section 7(a) prohibits the Secretary from issuing, transferring, or renewing any license pursuant to section 4 of this Act until receipt of the opinions of the Attorney General of the United States and the Federal Trade Commission as to whether such action would be in contravention of the antitrust laws.

Section 7(b) requires the Secretary to transmit to the Attorney General or the Federal Trade Commission a complete copy of any application submitted for issuance, transfer, substantial change, or renewal of any license. Within 45 days following the last public hearing, the Attorney General and the Federal Trade Commission must submit a report to the Secretary describing the competitive effects which might result from issuance of the proposed license. If the Secretary fails to receive such reports, he shall proceed as if he had received them.

Conference substitute

The conference substitute, with minor technical changes, is the same as the Senate amendment.

House bill

COMMON CARRIER STATUS

Section 204(e) states that, for purposes of chapter 39 of title 18, United States Code (18 U.S.C. 831–837), and part 1 of the Interstate Commerce Act (24 Stat. 379), as amended (49 U.S.C. 1–27), movement of petroleum or petroleum products by a pipeline component of a high seas oil port, licensed under this Act, from outside to within the territorial jurisdiction of any adjacent coastal State shall be deemed to be transportation of commerce from one State to another State. Also, this section deems a licensee of such high seas oil port to be a common carrier for purposes of regulation by the Interstate Commerce Commission and the Secretary of Transportation.

Senate amendment

Section 8(a)(1) states that, for purposes of the same statutory citations as appear in section 204(e) of the House bill, a deepwater port and storage facilities serviced directly by such deepwater port are to be subject to regulations as a common carrier in accordance with the Interstate Commerce Act, as amended.

Section 8(a)(2) indicates that a deepwater port and storage facilities serviced directly by such deepwater port shall be subject to regulation in accordance with the Natural Gas Act (15 U.S.C. 717 et seq.), as amended.

Conference substitute

Section 8(a) of the conference substitute is the same as section 8(a)(1) of the Senate amendment.

DISCRIMINATION BARRED

House bill

No comparable provision.

Senate amendment

Section 8(b) requires a licensee under this Act to accept, transport, or convey without discrimination all oil and natural gas delivered to the deepwater port with respect to which its license is issued. If the Secretary believes there is a lack of compliance with such licensee's obligations as a common carrier, he shall commence a proceeding before the Interstate Commerce Commission, the Federal Power Commission, or he shall request the Attorney General to enforce such obligations. In addition, the Secretary may act to suspend or terminate a license of any person so involved.

Conference substitute

The conference substitute is the same as the Senate amendment except as follows:

(1) The phrase "and natural gas" is deleted.

(2) The phrase "or the Federal Power Commission," is deleted.

COORDINATION WITH ADJACENT COASTAL STATES

House bill

Section 104(e)(1) requires the Secretary to consult with, and consider the views of, officials of any coastal State prior to issuing a construction license for a high seas oil port.

Section 104(e)(2) states that, when an adjacent coastal State has requirements relating to land or water uses that could be directly affected by the construction of a high seas oil port, the applicant must certify to the Secretary that the issuance of the license applied for would be consistent with applicable State requirements. A copy of the certification must be furnished by the applicant to the appropriate State officials who shall notify, within six months of the receipt of such certification, the Secretary of their agreement or disagreement with the certification. If the latter is the case, specific information must be provided as to how compliance can be accomplished. Failure to comply with the time deadline conclusively presumes concurrence of the State officials with the certification. No license may be issued by the Secretary until concurrence or presumptive concurrence is obtained from the State.

Section 104(e)(3) requires the Secretary to consider the views of State officials of any State that will be indirectly affected by the issuance of a license under this title.

Senate amendment

Section 9(a) requires that the Secretary designate in the notice required to be published under section 5(c) of this Act adjacent coastal States as defined in section 3(1)(A) and (B) of this Act. In addition, the Administrator of the National Oceanic and Atmospheric Administration shall, no later than 60 days after publication of notice pursuant to section 5(c) of this Act, designate as an adjacent coastal State any State that meets the definitional requirements of section 3(1)(C) of this Act, notify the Secretary of such designtaion, and publish notice of such designation.

Section 9(b) mandates that the Secretary, within 10 days after designation of a State as an adjacent coastal State, transmit to the Governor of such State a copy of the application to construct and operate a deepwater port. The remainder of section 9(b) is similar to section 104(e)(2) of the House bill, except that the time for a Governor to respond to the Secretary is 45 days after the last public hearing on applications for a particular application area. Any other interested State shall have its views considered by the Secretary on the location, construction, and operation of a deepwater port.

Conference substitute

Section 9(a)(1) is the same as the Senate amendment.

Section 9(a)(2) requires the Secretary, upon the timely request of a State, and after consultation with the National Oceanic and Atmospheric Administration, to designate such State as an adjacent coastal State if he determines that there is risk of damage to the coastal environment of such State equal to or greater than the risk posed to a State directly connected by pipeline to the proposed deepwater port.

Section 9(b) is identical to the Senate amendment.

COASTAL ZONE MANAGEMENT

House bill

No comparable provision.

Senate amendment

Section 9(c) prohibits the issuance of a license by the Secretary unless the adjacent coastal State to which the deepwater port is to be directly connected by pipeline has developed, or is making, at the time the application is submitted, reasonable progress toward developing an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972.

Conference substitute

The conference substitute is the same as the Senate amendment.

INTERSTATE COMPACTS

House bill

No comparable provision.

Senate amendment

Section 9(d) gives the consent of Congress for two or more coastal States to enter into agreements or compacts to apply for a license for the ownership, construction, and operation of a deepwater port or for the transfer of such a license, and to establish such agencies necessary to implement any such agreement or compact.

Conference substitute

The conference substitute is the same as the Senate amendment.

RULES AND REGULATIONS FOR OPERATING PROCEDURES OF DEEPWATER PORTS

House bill

Section 203(a) authorizes the Secretary to issue, in accordance with section 553 of title 5, United States Code, without regard to the limitations of subsection (a) thereof, rules and regulations prescribing procedures for the operation of high seas oil ports. Such rules and regulations must include pilotage requirements, maximum vessel drafts, designation of anchorage areas, facility maintenance requirements, health and safety measures, and requirements for the protection of the environment.

Senate amendment

Section 10(a) is basically the same as 203(a), except that no reference is made to section 553 of title 5, United States Code, and paragraph (2) requires all regulations promulgated under section 10(a) to require all oil carrying vessels using a deepwater port to comply with regulations issued under section 4417a of the Revised Statutes, as amended.

Conference substitute

Section 10(a) is similar to section 203(a) of the House bill and section 10(a)(1) of the Senate amendment.

LIGHTS AND OTHER WARNING DEVICES AND SAFETY EQUIPMENT

House bill

Section 203(b) authorizes the Secretary to issue and enforce regulations with respect to the promotion of safety of life and property in high seas oil ports or on waters adjacent thereto.

Senate amendment

Section 10(b) is basically the same as section 203(b) of the House bill except that it requires the Secretary to issue such regulations.

Conference substitute

The conference substitute is identical to the Senate amendment.

PROTECTION OF NAVIGATION

House bill

Section 203(c) authorizes the Secretary to mark any component of a high seas oil port for the protection of navigation if the licensee fails to mark such port in accordance with existing regulations. Such section requires the licensee to pay the cost of such marking.

Senate amendment

Section 10(c) is basically the same as section 203(c) of the House bill except that it requires the Secretary to mark any component of a port not properly marked.

Conference substitute

Section 10(c) is the same as the Senate amendment.

SAFETY ZONES

House bill

Section 203(d) requires the Secretary, after consultation with the Secretary of the Interior, the Secretary of Defense, and the Secretary of State, to designate a safety zone surrounding any high seas oil port licensed under this Act. In designating any such safety zone, every point on and within the perimeter of any such safety zone shall lie within two to ten nautical miles from the port reference point. Also, such section requires the Secretary, after consultation with the Secretary of State, to issue rules and regulations as to permitted activity within any such safety zone.

Senate amendment

Section 10(d)(1) is basically the same as section 203(d) of the House bill except as follows:

(1) The Secretary must also consult with the Secretary of Commerce before designating a safety zone.

(2) It does not prescribe any specific limitations as to the size of the safety zone.

(3) It requires designation of a safety zone for any proposed deepwater port within 30 days after publication of notice of an application for a license pursuant to the provisions of section 5(c) of this Act.

Conference substitute

Section 10(d) is, with a minor change, the same as the Senate amendment.

REGULATIONS FOR SAFETY OF NAVIGATION DURING PERIOD OF CONSTRUCTION

House bill

Section 203(c) authorizes the Secretary, after consultation with the Secretary of the Interior, to establish a safety zone in a manner similar to that prescribed in section 203(d) to be effective during the period of construction of a high seas oil port.

Senate amendment

Section 10(d)(2) is basically the same as section 203(c) of the House bill except no consultation with the Secretary of the Interior is required.

Conference substitute

Section 10(d)(2) is basically the same as section 203(c) of the House bill and section 10(d)(2) of the Senate amendment.

INTERNATIONAL AGREEMENTS

House bill

Section 206 requires the Secretary of State, in consultation with the Secretary, to seek effective international action in support of the policy of this Act.

Senate amendment

Section 11 is basically the same as section 206 of the House bill.

Conference substitute

Section 11 is basically the same as section 206 of the House bill and section 11 of the Senate amendment.

SUSPENSION OR TERMINATION OF LICENSES

House bill

Section 105(a) provides that if a licensee, holding a license to construct, fails to comply with any applicable provision of title I of this Act or any applicable rule, regulation, restriction, or condition issued or imposed by the Secretary under such title, the Attorney General, at the Secretary's request, may file an appropriate action in the United States district court nearest to the location of the high seas oil port to be constructed or in the district where the licensee resides or may be found to (1) suspend operations under the license, or (2) if such failure is knowing and continues for thirty days, after the Secretary mails notification of such failure to the licensee, revoke such license.

Section 209(a) provides for similar action by the Attorney General for failure of a licensee, holding a license to operate, to comply with any applicable provision of title II of this Act or any applicable rule, regulation, restriction, or condition imposed under authority of this Act.

Section 209(c) provides that, if a license is revoked under section 209(a), the Secretary, in lieu of requiring or permitting removal of components of the high seas oil port, may (1) order forfeiture of the posted bond, or if no bond exists, collect money based on assurances given in the application for a license, (2) take custody of the port, and (3) transfer the license to any other eligible applicant and remit the moneys paid for the license to the former licensee.

Section 209(d) permits the Secretary, after certain conditions are met, to reinstitute a license suspended pursuant to the provisions of section 209 of this Act.

Senate amendment

Section 12(a) provides that failure of a licensee to comply with any applicable provision of this Act or any applicable rule, regulation, or condition issued or imposed by the Secretary shall be grounds for suspension or termination of the license. If after (1) due notice to the licensee, (2) a reasonable opportunity for corrective action by the licensee, and (3) an appropriate administrative proceeding in accordance with the provisions of section 554 of title 5, United States Code, the Secretary determines that any such grounds exist, he may suspend or terminate the license. Such administrative procedure is not necessary if the license provides for automatic suspension or termination upon the occurrence of a certain condition, event, or time.

Conference substitute

Section 12(a) combines, with minor changes, section 105(a) of the House bill and the second sentence of section 12(a) of the Senate amendment.

The conference intended that any license shall include provisions for automatic suspension in the event that the licensee deliberately fails for any continuous two-year period to use the license for a purpose for which it was granted or renewed. In addition, the license should require the licensee to make a good-faith effort to initiate construction and proceed with operations.

IMMEDIATE SUSPENSION

House bill

Section 105(b) provides for an immediate suspension of operations under a construction license if the Secretary feels the licensee's action creats a serious threat to the environment. Such section also requires notification to the licensee of such suspension. In addition, this section indicates that such suspension is in lieu of an action under section 105(a) of this title and shall constitute final agency action for purposes of section 704 of title 5, United States Code.

Section 209(b) provides for similar action by the Secretary under title II of this Act, except such action shall constitute final agency action for purposes of section 706 of title 5, United States Code.

Senate amendment

Section 12(b) permits the Secretary, for reasons similar to those provided under sections 105(b) and 209(b) of the House bill, to order a licensee to cease construction or operation pending the completion of an administrative hearing.

Conference substitute

Section 12(b) is the same as the Senate amendment, except that a judicial proceeding instead of an administrative proceeding is required.

ABANDONMENT

House bill

No comparable provision.

Senate amendment

Section 12(c) provides that a rebuttable presumption of abandonment exists if there is a deliberate failure on the part of a licensee for a 2-year period to use the license for the purpose for which it was granted. Unless rebutted, such failure will result in the revocation or termination of the license.

Conference substitute

No comparable provision.

AUTHORITY TO ISSUE AND ENFORCE ORDERS

House bill

No comparable provision.

Senate amendment

Section 12(d) gives the Secretary or his delegate the authority to issue subpenas, administer oaths, compel the attendance and testimony of witnesses, order the production of certain evidence, examine witnesses, and take depositions.

Conference substitute

No comparable provision.

RECORDKEEPING AND INSPECTION

House bill

Section 207 provides that all United States officials shall be afforded reasonable access to a high seas oil port for purposes of enforcing laws under their jurisdiction.

Senate amendment

Section 13(a) requires each licensee to maintain records, make reports, and provide information to the Secretary as prescribed in regulations issued by the Secretary. Such regulations may not change or duplicate regulations established pursuant to part I of the Interstate Commerce Act or any other law.

Section 13(b) provides that any officer or employee designated by the Secretary shall have reasonable access to the deepwater port and any associated facility for purposes of assuring compliance with this Act. Such section also provides that the results of any inspection must be reported to the licensee.

Conference substitute

Section 13(a) is, with a minor technical change, the same as the Senate amendment.

Section 13(b) combines, with minor changes, section 207 of the House bill and the second sentence of the Senate amendment.

PUBLIC ACCESS TO INFORMATION

House bill

Section 104(c)(1) provides, subject to certain exceptions contained in sections 104(c)(2) and (3), public access to copies of communications, documents, reports, or information received or sent by any applicant.

Section 104(c)(2) prohibits disclosure of information which concerns or relates to a trade secret except that such information (1) shall be disclosed (A) upon request, on a confidential basis to a committee of Congress having jurisdiction over the subject matter to which the information relates, and (B) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information, and (2) may be disclosed (A) upon request, on a confidential basis to another Federal department or agency, and (B) after opportunity for comment in writing or discussion of the release of the information by the party from which the information was obtained, to the public in order to protect public health and safety.

Section 104(c)(3) indicates that nothing in section 104(c) shall be construed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise exempted by law from disclosure to the public.

Senate amendment

Section 14 is basically the same as section 104(c) of the House bill, except that disclosure to any committee of Congress and to any person for a judicial proceeding is at the discretion of the Secretary.

Conference substitute

Section 14 is basically the same as section 104(c) of the House bill and section 14 of the Senate amendment, except that disclosure of information concerning contracts referred to in section 5(c)(2)(B) of the conference substitute is prohibited.

CRIMINAL VIOLATIONS

House bill

Section 208(b) provides that any person who willfully and knowingly violates any provision of this title, or any rule or regulation issued pursuant to section 203, shall be punished by a fine of not more than $25,000 for each day during which such violation occurs.

Senate amendment

Section 15(a) is similar to section 208(b) of the House bill except as follows:

(1) Section 15(a) provides a sanction for any willful violation of any provision of this Act or any order or regulation issued pursuant thereto.

(2) Such section provides a term of imprisonment for any willful violation.

Conference substitute

The conference substitute is the same as the Senate amendment.

CIVIL PENALTIES

House bill

Section 208(a) provides that any person who violates any provision of this title or any rule or regulation issued pursuant to section 203 thereof shall be liable for a civil penalty of $10,000 for each day during which the violation continues. After notice and opportunity for a hearing, the Secretary shall assess the penalty. If the penalty is not paid, the Secretary may request the Attorney General to commence an action for collection of the penalty.

Section 208(c) provides that any vessel, other than a public vessel engaged in noncommercial activity, used in a violation of the provisions of this title or regulations issued under section 203 thereof, shall be liable in rem for any civil penalty assessed or criminal fine imposed unless it cannot be shown that one or more of the owners, or bareboat charterers, was at the time of the violation a consenting party or privy to such violation.

Senate amendment

Section 15(b)(1) provides that whenever any person is in violation of any provision of this Act or any requirement prescribed in any rule, regulation, order, license, or condition thereof, the Secretary shall issue an order requiring compliance with such provision or requirement or he shall bring a civil action against such person.

Section 15(b)(2) states that the period for compliance with any order issued pursuant to section 15(b)(1) shall not exceed thirty days.

Section 15(b)(3) authorizes the Secretary to commence a civil action for appropriate relief, including injunctive relief or a civil penalty not to exceed $25,000 per day, for any violation for which he can issue a compliance order under section 15(b)(1). This section also grants jurisdiction to the district court of the United States for the district in which the defendant resides or is located to hear and determine such action.

Conference substitute

Sections 15(b) (1) and (2) are the same as the Senate amendment.

Section 15(b)(3) is similar to the Senate amendment, except that the Attorney General, at the request of the Secretary, commences a civil action for appropriate relief.

Section 15(d) is basically the same as section 208(c) of the House bill.

SPECIFIC EQUITABLE RELIEF

House bill

No comparable provision.

Senate amendment

Section 15(c) permits the Attorney General or the Secretary to bring an action in an appropriate district court of the United States for equitable relief to redress a violation of any provision of this Act, any regulation issued under this Act, or any license condition.

Conference substitute

Section 15(c) is the same as the Senate amendment, except that only the Attorney General may bring an action under this section, and he must do so at the request of the Secretary.

CITIZEN CIVIL ACTION

House bill

No comparable provision.

Senate amendments

Section 16(a) permits, except as provided in section 16(b), any person to commence a civil action for equitable relief on his own behalf against (1) any person, including the United States or any other instrumentality or agency, alleged to be in violation of any provision of this Act or any condition of a license issued pursuant to this Act, or (2) against the Secretary for failure to perform any nondiscretionary function. Any such action against the Secretary must be brought in the district court for the District of Columbia or the district of the appropriate adjacent coastal State.

In addition, section 16(a) gives the district courts of the United States jurisdiction in actions brought pursuant to the provisions of such section without regard to the amount in controversy or the citizenship of the parties to the action.

Section 16(b) prohibits any action being commenced under section 16(a)(1) within 60 days after the plaintiff has given notice to the Secretary and the alleged violator or if the Secretary or Attorney General has commenced and is diligently prosecuting an action with respect to such matters. However, in the latter situation, any person may intervene as a matter of right.

Section 16(b)(2) prohibits any action being commenced under section 16(a)(2) within 60 days after the plaintiff has notified the Secretary of such action.

Section 16(c) gives the Secretary or Attorney General the right to intervene in any action brought under the provisions of section 16(a).

Section 16(d) gives the court, in issuing a final order in any action brought under section 16(a), the authority to award costs of litigation, including attorney and expert witness fees.

Section 16(e) indicates that section 16 does not restrict any other available remedy.

Conference substitute

The conference substitute is, with minor technical changes, identical to the Senate amendment.

JUDICIAL REVIEW

House bill

Section 104(f)(3) provides for judicial review of the Secretary's decision to grant or deny a construction license in accordance with sections 701 through 706 of title 5, United States Code. This section also defines who can be considered to be a person who has been aggrieved by agency action.

Senate amendment

Section 17 permits any person suffering legal wrong or adversely affected or aggrieved by the Secretary's decision to issue, transfer, modify, renew, suspend, or revoke a license to, within 60 days after such decision, seek review of such decision in the United States Court of Appeals for the circuit within which the nearest adjacent coastal State is located.

Conference substitute

Section 17 combines, with minor conforming changes, the second sentence of section 104(f)(3) of the House bill and section 17 of the Senate amendment.

PROHIBITION AGAINST DISCHARGE OF OIL AND NATURAL GAS

House bill

No comparable provision.

Senate amendment

Section 18(a)(1) prohibits the discharge of oil or natural gas into the marine environment from a vessel within a safety zone, a vessel which has received oil or natural gas from another vessel at a deepwater port, or a deepwater port.

Section 18(a)(2) requires the Secretary to assess a civil penalty of not more than $10,000 against any owner or operator of a vessel or the licensee of any deepwater port each time such owner or operator of a vessel or such licensee violates any provision of section 18 (a)(1). Section 18(a)(2) also allows the Secretary of the Treasury, at the request of the Secretary, to withhold the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), of any vessel the owner or operator of which is subject to the foregoing penalty. However, clearance can be obtained by the filing of a bond or other surety.

Conference substitute

Except for the deletion of all references to natural gas, section 18(a) is the same as the Senate amendment.

REPORTING ANY DISCHARGE OF OIL OR NATURAL GAS

House bill

No comparable provision.

Senate amendment

Section 18(b) subjects any individual in charge of a vessel or deepwater port who fails to notify the Secretary as soon as he has knowledge of a discharge of oil or natural gas to a fine of not more than $10,000 or imprisonment for one year, or both.

Conference substitute

Except for the deletion of a reference to natural gas, section 18(b) is the same as the Senate amendment. In addition, the conferees agree to delete the words "by the Secretary" so that civil penalties would be assessed by courts, not the Secretary.

PROVISIONS FOR THE CLEANUP OF DISCHARGES

House bill

No comparable provision.

Senate amendment

Section 18(c)(1) provides that, whenever any oil or natural gas is discharged within a safety zone from a vessel which has received oil or natural gas from another vessel at a deepwater port or from a deepwater port, the Secretary shall accomplish the removal of such oil or natural gas, unless the owner or operator of the vessel or licensee of the deepwater port responsible for the discharge will expeditiously and properly remove such discharge.

Section 18(c)(2) requires that any cleanup procedures be done in accordance with the National Contingency Plan established by the Federal Water Pollution Control Act, as amended.

Section 18(c)(3) allows the Secretary, if he is to accomplish the cleanup, to draw upon money within the Deepwater Port Liability Fund established in section 18(f) to pay for the cleanup costs incurred.

Conference substitute

Except for the deletion of all references to natural gas, section 18(c) is the same as the Senate amendment.

LIABILITY OF VESSEL OWNERS AND OPERATORS FOR DISCHARGING OIL OR NATURAL GAS

House bill

No comparable provision.

Senate amendment

Section 18(d) indicates that, except as provided in section 18(g), the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for cleanup costs and damages for the discharge of oil or natural gas (1) in a safety zone, or (2) after leaving a deepwater port at which it received such oil or natural gas from another vessel not to exceed $150 per gross ton (weight of the vessel) or $20,000,000, whichever is less. However, such monetary limitation shall not apply if the discharge resulted from gross negligence or willful misconduct.

Conference substitute

Except for the deletion of all references to natural gas and for a minor technical change, section 18(d) is the same as the Senate amendment.

LIABILITY OF A LICENSEE FOR DISCHARGING OIL OR NATURAL GAS

House bill

No comparable provision.

Senate amendment

Section 18(e) indicates that, except as provided in section 18(g), the licensee of a deepwater port shall be liable, without regard to fault, for cleanup costs and damages for a discharge of oil or natural gas from the deepwater port or from a vessel moored to such deepwater port. Such liability shall not exceed $100,000,000 unless willful misconduct or gross negligence can be attributed to the licensee.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the reference to natural gas is deleted and the liability figure is reduced to $50,000,000.

ESTABLISHMENT OF LIABILITY FUND

House bill

Section 211(d) establishes the High Seas Oil Port Liability Fund (hereinafter referred to in any reference to the House bill as the "Fund") to be administered by the Secretary.

Section 211(a) states that the Fund shall be liable for damages (excluding cleanup costs) to property within the territorial jurisdiction of the United States sustained as a result of operations and activities related to a high seas oil port.

Section 211(c) limits the liability of the Fund to $100,000,000 for all claims arising out of one incident with a proportionate reduction in each allowed claim if the total amount allowed exceeds $100,000,000.

Section 211(e) requires each licensee to collect from the owner of any oil offloaded at the high seas oil port a fee of 2 cents per barrel and deliver it to the Fund. This section also states that administrative costs are to be paid from the Fund, and any excess sums are to be invested prudently in income-producing securities with any income from the securities being added to the principal of the Fund. Further, expenditures can be made from the Fund only after appropriation in an appropriation bill.

Section 211(f) indicates that liability under section 211 ceases with respect to oil off-loaded at a high seas oil port when such oil has been removed from the onshore facilities of such high seas oil port.

Section 211(i) permits the Fund to borrow the money needed to satisfy a claim made pursuant to the provisions of this section from any commercial credit source at the lowest rate of interest.

Section 211(j) authorizes an appropriation not to exceed $100,000,000 to carry out the provisions of section 211 with any appropriated sums remaining available until expended.

Senate amendment

Section 18(f)(1) establishes a Deepwater Port Liability Fund (hereinafter referred to in any reference to the Senate amendment as the "Fund") to be administered by the Secretary.

Section 18(f)(2) makes the Fund liable, without regard to fault, for all cleanup costs and damages in excess of those compensated for pursuant to sections 18(d) and (e).

Section 18(f)(3) provides, with two exceptions, that each licensee collect from the owner of any oil or natural gas loaded or unloaded at the deepwater port 2 cents per barrel or in the case of liquified natural gas, its metric volume equivalent, and deliver the collections to the Fund. Such fee collection shall terminate when the Fund reaches $100,000,000, unless there are adjudicated claims yet unsatisfied, and shall resume when the Fund is below $100,000,000. Also, the Fund has the authority to borrow money from the Treasury to pay unsatisfied claims. In addition, cost of administration can be paid from the Fund only after appropriation in an appropriation bill. Further, all excess sums are to be invested in income-producing securities issued by the United States with the income derived from such securities being applied to the principal.

Conference substitute

Except for the deletion of all references to natural gas and for minor technical changes, section 18(f) is the same as the Senate amendment.

DEFENSES TO LIABILITY

House bill

Section 211(b) provides that the Fund shall not be liable if it can prove that the damages in question were caused (1) by an act of war, or (2) by the negligence of the claimant.

Senate amendment

Section 18(g) indicates liability shall not be imposed on a vessel owner or operator or on a deepwater port licensee pursuant to section 18 (d) or (e) if such individual can show the discharge of oil or natural gas was caused solely by (1) an act of war, (2) negligence of the Federal Government in establishing and maintaining navigation aids, or (3) by the negligence of the claimant, with respect to his claim. In addition, the Fund shall not be liable if it can show that the damages were caused solely by the negligence of the claimant.

Conference substitute

The conference substitute is the same as the Senate amendment.

SUBROGATION AND OTHER RIGHTS

House bill

Section 211(g)(1) provides that when the Fund is liable under section 211 for damages caused by the unseaworthiness of the vessel, or by the negligence of the owner or operator of such vessel or the licensee, it shall be subrogated under applicable State and Federal laws to the rights of any person entitled to recover under such laws. In addition, any affiliate of any owner, operator, or licensee shall be liable to the Fund if the respective owner, operator, or licensee cannot satisfy a claim by the Fund that is allowed.

Section 211(g)(2) provides that if the Fund is liable for claims under section 211 to any person having a claim under any international agreement to which the United States is a party it shall be subrogated to the rights of recovery of such person.

Senate amendment

Section 18(h)(1) indicates that a vessel owner or operator on whom liability has been imposed under the provisions of section 18 (d) shall, if the discharge was the result of the negligence of the licensee, be subrogated to the rights of any person entitled to recovery against such licensee.

Section 18(h)(2) is basically the reverse of section 18(h)(1).

Section 18(h)(3) states that payment of any claim pursuant to the provisions of section 18(f)(2) shall be subject to the Fund being subrogated to the rights of the claimant to recover from any other person.

Section 18(h)(5) permits reimbursement for the cleanup cost to the owner or operator of a vessel or the licensee of a deepwater port for removing discharged oil or natural gas in accordance with section 18(c)(1) if such owner, operator, or licensee can show that the discharge was caused solely by (1) an act of war, or (2) negligence on the part of the Federal Government in establishing and maintaining aids to navigation.

Conference substitute

Except for the deletion of all references to natural gas, section 18(h) is the same as the Senate amendment.

CLASS AND TRUSTEE ACTION

House bill

No comparable provision.

Senate amendment

Section 18(i)(1) permits the Attorney General to sue on behalf of any damaged group of citizens who may be entitled to compensation pursuant to the provisions of section 18. If the Attorney General fails to act within 90 days of the discharge of oil or natural gas which gives rise to the claim for compensation, any member of such group may maintain a class action to recover for such group.

Section 18(i)(2) states that, when the number of members of a class seeking relief under section 18 exceeds 1,000, the publication of notice of the action in the Federal Register and in local newspapers satisfies the requirements of rule 23(c)(2) of the Federal Rules of Civil Procedure.

Section 18(i)(3) allows the Secretary to act as trustee of the natural resources of the marine environment to recover for damages to such resources in accordance with section 18.

Conference substitute

Except for the deletion of a reference to natural gas, section 18(i) is the same as the Senate amendment.

AWARD PROCESS FOR COSTS AND DAMAGES

House bill

No comparable provision.

Senate amendment

Section 18(j) requires the Secretary to establish, by regulation, procedures for the filing and payment of claims for cleanup costs and damages pursuant to the provisions of this Act. Such section also indicates that no claims for such costs or damages may be filed more than 3 years after the occurrence giving rise to such claim. Further, any appeal from a decision of the Secretary under section 18 must be filed within 30 days after such decision in the United States Court of Appeals for the circuit within which the nearest adjacent coastal State is located.

Conference substitute

The Conference substitute is the same as the Senate amendment.

PREEMPTION

House bill

Section 211(h) states that section 211 shall not (1) preempt the field of liability without regard to fault or preclude any State from imposing any additional requirements, or (2) affect the applications of the Federal Water Pollution Control Act.

Senate amendment

Section 18(k)(1) states that section 18 shall not preempt the field of liability or preclude any State from imposing additional requirements or liability for any discharge of oil or natural gas from a deepwater port or a vessel within any safety zone.

Section 18(k)(2) precludes recovering more than once for the same damages arising from the discharge of oil or natural gas.

Conference substitute

Except for the deletion of a reference to natural gas and a minor conforming change, section 18(k) is the same as the Senate amendment.

FINANCIAL RESPONSIBILITY

House bill

No comparable provision.

Senate amendment

Section 18(l) indicates that the Secretary must require that any owner or operator of a vessel using any deepwater port, or the licensee of a deepwater port, carry insurance or otherwise be able to meet any liabilities imposed by this section.

Conference substitute

The conference substitute is identical to the Senate amendment.

DEFINITIONS APPLICABLE TO THE SECTION ON LIABILITY

House bill

Section 211 defines the following terms: affiliate, licensee, and entity.

Senate amendment

Section 18(m) defines the following terms: cleanup costs, damages, discharge, and owner or operator.

Conference substitute

Section 18(m) is, except for the removal of all references to natural gas, the same as the Senate amendment.

OIL SPILL LIABILITY STUDY

House bill

No comparable provision.

Senate amendment

Section 18(n)(1) authorizes and directs the Attorney General, in cooperation with various governmental bodies, to study methods and procedures for implementing a uniform law providing liability for cleanup costs and damages from oil spills from Outer Continental Shelf operations, deepwater ports, vessels, and other ocean-related sources.

Section 18(n)(2) requires the Attorney General to report the results of his study together with any legislative recommendation to the Congress within 6 months after the date of enactment of this Act.

Conference substitute

The conference substitute is identical to the Senate amendment.

AUTHORITY FOR RESEARCH ACTIVITIES

House bill

Section 210(a) authorizes the Secretary to engage in research, studies, experiments, and demonstrations with respect to the removal from waters of oil spilled incident to high seas oil port operations and the prevention and control of such spills and to publish the results of such activities.

Section 210(b) authorizes the Secretary, in carrying out section 210, to enter into contracts with, or make grants to, public or private agencies and organizations and individuals.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

RELATIONSHIP TO OTHER LAWS

House bill

Section 204(a) states that high seas oil ports licensed under this Act are not islands and do not have territorial seas of their own. Also, except as specifically provided in section 204, the Constitution, laws, and treaties of the United States shall apply to such high seas oil ports.

Senate amendment

Section 19(a)(1) states that the Constitution, laws, and treaties of the United States shall apply to a deepwater port in the same manner as if such port were in the navigable waters of the United States.

Section 19(a)(2) states that, except as otherwise provided in this Act, nothing in this Act shall alter the responsibilities and authorities of a State or the United States within the territorial seas of the United States.

Conference substitute

Section 19(a)(1) is the same as the Senate amendment except as follows:

(1) The phrase "an area of exclusive Federal jurisdiction located within a State" replaces the phrase "located in the navigable waters of the United States".

(2) That part of section 204(a) of the House bill which refers to the status of deepwater ports is included in the conference substitute.

Section 19(a)(2) is the same as the Senate amendment.

RELATIONSHIP TO STATE LAWS

House bill

Section 204(b) indicates that State taxation laws shall not apply to any high seas oil port or component thereof located outside the tax jurisdiction of the State. Such section also indicates that, except as preempted by Federal laws and regulations, the civil and criminal laws of the State nearest the high seas oil port are declared to be the law of the United States for such high seas oil port.

Senate amendment

Section 19(b) is basically the same as section 204(b) of the House bill except that section 19(b) makes no reference to the inapplicability of State tax laws.

Conference substitute

Section 19(b) indicates that, except as preempted by Federal laws and regulations, the laws of the nearest adjacent coastal State shall apply as Federal law to any deepwater port licensed pursuant to this Act. In addition, this section states that such laws and regulations shall be administered and enforced by the appropriate officers and courts of the United States.

FOREIGN CITIZENS AND VESSELS

House bill

Section 205 provides that, except where force majeure is involved, a licensee of a high seas oil port may not permit a vessel registered in or flying the flag of a foreign state to utilize such port unless (1) the foreign-flag state involved has agreed to recognize the jurisdiction of the United States over the vessel and its personnel in accordance with the provisions of this Act, and (2) the vessel owner, or bareboat charterer, has designated an agent within the United States for service of process in the case of any claim or legal proceeding arising from the activities of the vessel while such vessel is at the high seas oil port.

Senate amendment

Section 19(c) is basically the same as section 205 of the House bill except that the area of jurisdiction of the United States and the area for which an agent is designated for service of process is the safety zone around the deepwater port.

Conference substitute

The conference substitute is the same as the Senate amendment.

CUSTOM LAWS

House bill

Section 204(i) states that the custom laws of the United States shall not apply to any high seas oil port licensed under this Act. However, all foreign articles to be used in the construction of the high seas oil port and components thereof shall be subject to all applicable duties and taxes which would be imposed upon, or by reason of, their importation into the United States.

Senate amendment

Section 19(d) is basically the same as section 204(i) of the House bill.

Conference substitute

Section 19(d) is identical to the Senate amendment.

JURISDICTION OF DISTRICT COURTS OF THE UNITED STATES

House bill

No comparable provision.

Senate amendment

Section 19(e) gives the district courts of the United States original jurisdiction of cases or controversies arising out of or in connection with the construction and operation of deepwater ports.

Conference substitute

The conference substitute is the same as the Senate amendment.

CONFORMING AMENDMENT

House bill

No comparable provision.

Senate amendment

Section 19(f) amends section 4(a)(2) of the Act of August 7, 1953 (67 Stat. 462).

Conference substitute

The conference substitute is, with a minor technical change, the same as the Senate amendment.

ANNUAL REPORT BY SECRETARY TO CONGRESS

House bill

No comparable provision.

Senate amendment

Section 20 requires the Secretary, within 6 months after the end of each fiscal year, to report to the Congress on the administration of the Deepwater Port Act during such fiscal year. Each such report shall include a financial statement, a summary of management, supervision, and enforcement activities, and recommendations for additional legislative authority necessary to improve the management and safety of deepwater port development and for resolution of jurisdictional conflicts or ambiguities.

Conference substitute

The conference substitute is basically the same as the Senate amendment, except that it does not specifically require a detailing of all moneys received and expended.

PIPELINE SAFETY AND OPERATION

House bill

No comparable provision.

Senate amendment

Section 21 requires the Secretary of Transportation, in cooperation with the Secretary of the Interior, to (1) establish and enforce standards and regulations as may be necessary to assure safety in the construction and operation of oil pipelines on the Outer Continental Shelf, (2) report to the Congress within 60 days after the date of enactment of this Act on appropriations and staffing needed to monitor pipelines on Federal lands and the Outer Continental Shelf to assure all standards are met, and (3) review all applicable laws and regulations relating to the construction, maintenance, and operation of such pipelines and to report to the Congress thereon within 6 months after the date of enactment of this Act on administrative changes needed and recommendations for new legislation.

Conference substitute

Except for minor technical changes, section 21 is the same as the Senate amendment.

NEGOTIATIONS WITH CANADA AND MEXICO

House bill

No comparable provision.

Senate amendment

Section 22 authorizes and requests the President of the United States to negotiate with the Governments of Canada and Mexico to determine (1) the need for intergovernmental understandings, agreements, or treaties to protect the interest of the peoples of the three countries in the construction and operation of deepwater ports, and (2) the desirability of undertaking joint studies and investigations to insure protection of the environment and eliminate any legal uncertainties. Also, this section requires the President to report to the Congress the results of such negotiations together with his recommendations for further action.

Conference substitute

Except for minor technical changes, section 22 is the same as the Senate amendment.

SEVERABILITY

House bill

No comparable provision.

Senate amendment

Section 23 is a severability provision.

Conference substitute

No comparable provision.

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House bill

Section 3(a) of the House bill defines the term "high seas oil port", in part, to mean any complex, operated as a means for the unloading and further handling of petroleum or petroleum products for transshipment to the United States.

Senate amendment

Section 3(10) of the Senate amendment defines the term "deepwater port", in part, to mean any fixed or floating manmade structure located beyond the territorial sea off the coast of the United States which is used as a port or terminal for the loading or unloading and further handling of oil for transportation to any State.

Conference substitute

As a result of the adoption of section 3(10) of the Senate amendment, section 23 of the conference substitute permits the shipment of oil from Alaska to foreign ports pursuant to section 28(u) of the Mineral Leasing Act of 1920, as amended by Public Law 93–153, through the use of a deepwater port.

GENERAL PROCEDURES

House bill

No comparable provision.

Senate amendment

Section 12(d) of the Senate amendment gives the Secretary or his delegate the authority to issue and enforce orders during proceedings brought under this Act. Such authority includes, in part, authority to issue subpenas, administer oaths, and compel the attendance and testimony of witnesses.

Conference substitute

Section 24 of the conference substitute is the same as section 12(d) of the Senate amendment.

AUTHORIZATION FOR APPROPRIATIONS

House bill

Section 212(a) authorizes to be appropriated for fiscal year 1976 and for each of the three succeeding fiscal years sums, not exceeding $2,500,000, for the administration of title II of this Act (other than section 210), and for succeeding fiscal years only such sums as may be specifically authorized by law.

Section 212(b) authorizes to be appropriated $10,000,000 for each of the fiscal years 1975, 1976, and 1977, to carry out the purposes of section 210 of this title.

Senate amendment

Section 24 authorizes to be appropriated for administration of this Act not to exceed $1,000,000 for each of the fiscal years ending June 30, 1975, 1976, and 1977.

Conference substitute

Section 25 is the same as section 24 of the Senate amendment, except that the monetary figure for each of the fiscal years is $2,500,000.

CERTIFICATION OF COMPLETION OF CONSTRUCTION

House bill

Section 106(a) requires that upon completion of construction of a high seas oil port the licensee notify the Secretary of such completion. At such time, the Secretary shall cause an inspection to be performed to assure the construction has been completed in accordance with the license, and if necessary, the Secretary shall require corrective measures to be taken.

Section 106(b) permits the licensee to invoke the inspection procedure prescribed in section 106(a) at the end of each designated phase of construction if his license authorizes construction in designated places.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

NAVIGABLE WATERS OF THE UNITED STATES

House bill

Section 104(c) lists several statutory provisions for the purposes of which high seas oil ports, licensed under this Act, shall be deemed to be located within the navigable waters of the United States.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

PORT OR PLACE WITHIN THE UNITED STATES

House bill

Section 204(d) lists several statutory provisions for the purposes of which high seas oil ports, licensed under this Act, shall be deemed to be ports or places within the United States.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

COMPENSATION FOR INJURY

House bill

Section 204(f) provides that with respect to the disability or death of an employee resulting from an injury occurring in connection with the construction, maintenance, or operation of a high seas oil port compensation shall be payable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1424), as amended (33 U.S.C. 901–950). In addition, for the purposes of applying such Act to high seas oil ports section 204(f) limits the term "employee", defines certain activities to be "maritime employment", and indicates that high seas oil ports shall be deemed to be located in the navigable waters of the United States.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

LABOR DISPUTES

House bill

Section 204(g) indicates that, for purposes of the National Labor Relations Act (61 Stat. 136), as amended (29 U.S.C. 151–168), any unfair labor practice, as defined in such Act, occurring upon a high seas oil port shall be deemed to have occurred within the nearest judicial district located in the coastal State nearest to the location of such high seas oil port.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

SPECIAL MARITIME AND TERRITORIAL JURISDICTION

House bill

Section 204(h) states that for purposes of section 7 of title 18, United States Code, high seas oil ports, licensed under this Act, shall be deemed to be within the special maritime and territorial jurisdiction of the United States.

Senate amendment

No comparable provision.

Conference substitute

No comparable provision.

TITLE

House bill

Is an amendment to the Act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities.

Senate amendment

Is an Act to regulate commerce, promote efficiency in transportation, and protect the environment, by establishing procedures for the location, construction, and operation of deepwater ports off the coasts of the United States.

Conference substitute

The conference substitute is the same as the Senate amendment.

Robert E. Jones,
David N. Henderson,
John Breaux,
William H. Harsha,
Gene Snyder,
Don H. Clausen,
Managers on the Part of the House.
Russell B. Long,
Ernest F. Hollings,
Ted Stevens,
Henry M. Jackson,
J. Bennett Johnston, Jr.,
Clifford P. Hansen,
Mike Gravel,
Lloyd Bentsen,
James L. Buckley,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 356

Mr. STAGGERS submitted the following conference report and statement on the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes:

Conference Report (H. Rept. No. 93–1606)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Magnuson-Moss Warranty—Federal Trade Commission Improvement Act".

TITLE I—CONSUMER PRODUCT WARRANTIES

DEFINITIONS

Sec. 101. For the purposes of this title:

(1) The term "consumer product" means any tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes (including any such property intended to be attached to or installed in any real property without regard to whether it is so attached or installed).

(2) The term "Commission" means the Federal Trade Commission.

(3) The term "consumer" means a buyer (other than for purposes of resale) of any consumer product, any person to whom such product is transferred during the duration of an implied or written warranty (or service contract) applicable to the product, and any other person who is entitled by the terms of such warranty (or service contract) or under applicable State law to enforce against the warrantor (or service contractor) the obligations of the warranty (or service contract).

(4) The term "supplier" means any person

engaged in the business of making a consumer product directly or indirectly available to consumers.

(5) The term "warrantor" means any supplier or other person who gives or offers to give a written warranty or who is or may be obligated under an implied warranty.

(6) The term "written warranty" means—

(A) any written affirmation of fact or written promise made in connection with the sale of a consumer product by a supplier to a buyer which relates to the nature of the material or workmanship and affirms or promises that such material or workmanship is defect free or will meet a specified level of performance over a specified period of time, or

(B) any undertaking in writing in connection with the sale by a supplier of a consumer product to refund, repair, replace, or take other remedial action with respect to such product in the event that such product fails to meet the specifications set forth in the undertaking,

which written affirmation, promise, or undertaking becomes part of the basis of the bargain between a supplier and a buyer for purposes other than resale of such product.

(7) The term "implied warranty" means an implied warranty arising under State law (as modified by secs. 104(a) and 108 in connection with the sale by a supplier of a consumer product.

(8) The term "service contract" means a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance or repair (or both) of a consumer product.

(9) The term "reasonable and necessary maintenance" consists of those operations (A) which the consumer reasonably can be expected to perform or have performed and (B) which are necessary to keep any consumer product performing its intended function and operating at a reasonable level of performance.

(10) The term "remedy" means whichever of the following actions the warrantor elects:

(A) repair,

(B) replacement, or

(C) refund;

except that the warrantor may not elect refund unless (i) the warrantor is unable to provide replacement and repair is not commercially practicable or cannot be timely made, or (ii) the consumer is willing to accept such refund.

(11) The term "replacement" means furnishing a new consumer product which is identical or reasonably equivalent to the warranted consumer product.

(12) The term "refund" means refunding the actual purchase price (less reasonable depreciation based on actual use where permitted by rules of the Commission).

(13) The term "distributed in commerce" means sold in commerce, introduced or delivered for introduction into commerce, or held for sale or distribution after introduction into commerce.

(14) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(15) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, or American Samoa. The term "State law" includes a law of the United States applicable only to the District of Columbia or only to a territory or possession of the United States; and the term "Federal law" excludes any State law.

WARRANTY PROVISIONS

SEC. 102. (a) In order to improve the adequacy of information available to consumers, prevent deception, and improve competition in the marketing of consumer products, any warrantor warranting a consumer product to a consumer by means of a written warranty shall, to the extent required by rules of the Commission, fully and conspicuously disclose in simple and readily understood language the terms and conditions of such warranty. Such rules may require inclusion in the written warranty of any of the following items among others:

(1) The clear identification of the names and addresses of the warrantors.

(2) The identity of the party or parties to whom the warranty is extended.

(3) The products or parts covered.

(4) A statement of what the warrantor will do in the event of a defect, malfunction, or failure to conform with such written warranty—at whose expense—and for what period of time.

(5) A statement of what the consumer must do and expenses he must bear.

(6) Exceptions and exclusions from the terms of the warranty.

(7) The step-by-step procedure which the consumer should take in order to obtain performance of any obligation under the warranty, including the identification of any person or class of persons authorized to perform the obligations set forth in the warranty.

(8) Information respecting the availability of any informal dispute settlement procedure offered by the warrantor and a recital, where the warranty so provides, that the purchaser may be required to resort to such procedure before pursuing any legal remedies in the courts.

(9) A brief, general description of the legal remedies available to the consumer.

(10) The time at which the warrantor will perform any obligations under the warranty.

(11) The period of time within which, after notice of a defect, malfunction, or failure to conform with the warranty, the warrantor will perform any obligations under the warranty.

(12) The characteristics or properties of the products, or parts thereof, that are not covered by the warranty.

(13) The elements of the warranty in words or phrases which would not mislead a reasonable, average consumer as to the nature or scope of the warranty.

(b)(1)(A) The Commission shall prescribe rules requiring that the terms of any written warranty on a consumer product be made available to the consumer (or prospective consumer) prior to the sale of the product to him.

(B) The Commission may prescribe rules for determining the manner and form in which information with respect to any written warranty to a consumer product shall be clearly and conspicuously presented or displayed so as not to mislead the reasonable, average consumer, when such information is contained in advertising, labeling, point-of-sale material, or other representations in writing.

(2) Nothing in this title (other than paragraph (3) of this subsection) shall be deemed to authorize the Commission to prescribe the duration of written warranties given or to require that a consumer product or any of its components be warranted.

(3) The Commission may prescribe rules for extending the period of time a written warranty or service contract is in effect to correspond with any period of time in excess of a reasonable period (not less than 10 days) during which the consumer is deprived of the use of such consumer product by reason of failure of the product to conform with the written warranty or by reason of the failure of the warrantor (or service contractor) to carry out such warranty (or service contract) within the period specified in the warranty (or service contract).

(c) No warrantor of a consumer product may condition his written or implied warranty of such product on the consumer's using, in connection with such product, any article or service (other than an article or service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission if—

(1) the warrantor satisfies the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product, and

(2) the Commission finds that such a waiver is in the public interest.

The Commission shall identify in the Federal Register, and permit public comment on, all applications for waiver of the prohibition of this subsection, and shall publish in the Federal Register its disposition of any such application, including the reasons therefor.

(d) The Commission may by rule devise detailed substantive warranty provisions which warrantors may incorporate by reference in their warranties.

(e) The provisions of this section apply only to warranties which pertain to consumer products actually costing the consumer more than $5.

DESIGNATION OF WARRANTIES

SEC. 103. (a) Any warrantor warranting a consumer product by means of a written warranty shall clearly and conspicuously designate such warranty in the following manner, unless exempted from doing so by the Commission pursuant to subsection (c) of this section:

(1) If the written warranty meets the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "full (statement of duration) warranty".

(2) If the written warranty does not meet the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "limited warranty".

(b) Sections 102, 103, and 104 shall not apply to statements or representations which are similar to expressions of general policy concerning customer satisfaction and which are not subject to any specific limitations.

(c) In addition to exercising the authority pertaining to disclosure granted in section 102 of this Act, the Commission may by rule determine when a written warranty does not have to be designated either "full (statement of duration)" or "limited" in accordance with this section.

(d) The provisions of subsections (a) and (c) of this section apply only to warranties which pertain to consumer products actually costing the consumer more than $10 and which are not designated "full (statement of duration) warranties".

FEDERAL MINIMUM STANDARDS FOR WARRANTY

SEC. 104. (a) In order for a warrantor warranting a consumer product by means of a written warranty to meet the Federal minimum standards for warranty—

(1) such warrantor must as a minimum remedy such consumer product within a reasonable time and without charge, in the case of a defect, malfunction, or failure to conform with such written warranty;

(2) notwithstanding section 108(b), such warrantor may not impose any limitation on the duration of any implied warranty on the product;

(3) such warrantor may not exclude or limit consequential damages for breach of any written or implied warranty on such product, unless such exclusion or limitation conspicuously appears on the face of the warranty; and

(4) if the product (or a component part thereof) contains a defect or malfunction after a reasonable number of attempts by the warrantor to remedy defects or malfunctions in such product, such warrantor must

permit the consumer to elect either a refund for, or replacement without charge of, such product or part (as the case may be). The Commission may by rule specify for purposes of this paragraph, what constitutes a reasonable number of attempts to remedy particular kinds of defects or malfunctions under different circumstances. If the warrantor replaces a component part of a consumer product, such replacement shall include installing the part in the product without charge.

(b)(1) In fulfilling the duties under subsection (a) respecting a written warranty, the warrantor shall not impose any duty other than notification upon any consumer as a condition of securing remedy of any consumer product which malfunctions, is defective, or does not conform to the written warranty, unless the warrantor has demonstrated in a rulemaking proceeding, or can demonstrate in an administrative or judicial enforcement proceeding (including private enforcement), or in an informal dispute settlement proceeding, that such a duty is reasonable.

(2) Notwithstanding paragraph (1), a warrantor may require, as a condition to replacement of, or refund for, any consumer product 'under subsection (a), that such consumer product shall be made available to the warrantor free and clear of liens and other encumbrances, except as otherwise provided by rule or order of the Commission in cases in which such a requirement would not be practicable.

(3) The Commission may, by rule define in detail the duties set forth in section 104 (a) of this Act and the applicability of such duties to warrantors of different categories of consumer products with "full (statement of duration)" warranties.

(4) The duties under subsection (a) extend from the warrantor to each person who is a consumer with respect to the consumer product.

(c) The performance of the duties under subsection (a) of this section shall not be required of the warrantor if he can show that the defect, malfunction, or failure of any warranted consumer product to conform with a written warranty, was caused by damage (not resulting from defect or malfunction) while in the possession of the consumer, or unreasonable use (including failure to provide reasonable and necessary maintenance).

(d) For purposes of this section and of section 102(c), the term "without charge" means that the warrantor may not assess the consumer for any costs the warrantor or his representatives incur in connection with the required remedy of a warranted consumer product. An obligation under subsection (a)(1)(A) to remedy without charge does not necessarily require the warrantor to compensate the consumer for incidental expenses; however, if any incidental expenses are incurred because the remedy is not made within a reasonable time or because the warrantor imposed an unreasonable duty upon the consumer as a condition of securing remedy, then the consumer shall be entitled to recover reasonable incidental expenses which are so incurred in any action against the warrantor.

(e) If a supplier designates a warranty applicable to a consumer product as a "full (statement of duration)" warranty, then the warranty on such product shall, for purposes of any action under section 110(d) or under any State law, be deemed to incorporate at least the minimum requirements of this section and rules prescribed under this section.

FULL AND LIMITED WARRANTING OF A CONSUMER PRODUCT

SEC. 105. Nothing in this title shall prohibit the selling of a consumer product which has both full and limited warranties if such warranties are clearly and conspicuously differentiated.

SERVICE CONTRACTS

SEC. 106. (a) The Commission may prescribe by rule the manner and form in which the terms and conditions of service contracts shall be fully, clearly, and conspicuously disclosed.

(b) Nothing in this title shall be construed to prevent a supplier or warrantor from entering into a service contract with the consumer in addition to or in lieu of a a written warranty if such contract fully, clearly, and conspicuously discloses its terms and conditions in simple and readily understood language.

DESIGNATION OF REPRESENTATIVES

SEC. 107. Nothing in this title shall be construed to prevent any warrantor from designating representatives to perform duties under the written or implied warranty: *Provided*, That such warrantor shall make reasonable arrangements for compensation of such designated representatives, but no such designation shall relieve the warrantor of his direct responsibilities to the consumer or make the representative a cowarrantor.

LIMITATION ON DISCLAIMER OF IMPLIED WARRANTIES

SEC. 108. (a) No supplier may disclaim or modify (except as provided in subsection (b)) any implied warranty to a consumer with respect to such consumer product if (1) such supplier makes any written warranty to the consumer with respect to such consumer product, or (2) at the time of sale, or within 90 days thereafter, such supplier enters into a service contract with the consumer which applies to such consumer product.

(b) For purposes of this title (other than section 104 (a)(2)), implied warranties may be limited in duration to the duration of a written warranty of reasonable duration, if such limitation is conscionable and is set forth in clear and unmistakable language and prominently displaced on the face of the warranty.

(c) A disclaimer, modification, or limitation made in violation of this section shall be ineffective for purposes of this title and State law.

COMMISSION RULES

SEC. 109. (a) Any rule prescribed under this title shall be prescribed in accordance with section 553 of title 5, United States Code; except that the Commission shall give interested persons an opportunity for oral presentations of data, views, and arguments, in addition to written submissions. A transcript shall be kept of any oral presentation. Any such rule shall be subject to judicial review under section 18(e) of the Federal Trade Commission Act (as amended by section 202 of this Act) in the same manner as rules prescribed under section 18(a)(1)(B) of such Act, except that section 18(e)(3)(B) of such Act shall not apply.

(b) The Commission shall initiate within one year after date of enactment of this Act a rulemaking proceeding dealing with warranties and warranty practices in connection with the sale of used motor vehicles; and to the extent necessary to supplement the protections offered the consumer by this title, shall prescribe rules dealing with such warranties and practices. In prescribing rules under this subsection, the Commission may exercise any authority it may have under this title, or other law, and in addition it may require disclosure that a used motor vehicle is sold without any warranty and specify the form and content of such disclosure.

REMEDIES

SEC. 110. (a) (1) Congress hereby declares it to be its policy to encourage warrantors to establish procedures whereby consumer disputes are fairly and expeditiously settled through informal dispute settlement mechanisms.

(2) The Commission shall prescribe rules setting forth minimum requirements for any informal dispute settlement procedure which is incorporated into the terms of a written warranty to which any provision of this title applies. Such rules shall provide for participation in such procedure by independent or governmental entities.

(3) One or more warrantors may establish an informal dispute settlement procedure which meets the requirements of the Commission's rules under paragraph (2). If—

(A) a warrantor establishes such a procedure,

(B) such procedure, and its implementation, meets the requirements of such rules, and

(C) he incorporates in a written warranty a requirement that the consumer resort to such procedure before pursuing any legal remedy under this section respecting such warranty,

then (i) the consumer may not commence a civil action (other than a class action) under subsection (d) of this section unless he initially resorts to such procedure; and (ii) a class of consumers may not proceed in a class action under subsection (d) except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the named plaintiffs (upon notifying the defendant that they are named plaintiffs in a class action with respect to a warranty obligation) initially resort to such procedure. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure. In any civil action arising out of a warranty obligation and relating to a matter considered in such a procedure, any decision in such procedure shall be admissible in evidence.

(4) The Commission on its own initiative may, or upon written complaint filed by any interested person shall, review the bona fide operation of any dispute settlement procedure resort to which is stated in a written warranty to be a prerequisite to pursuing a legal remedy under this section. If the Commission finds that such procedure or its implementation fails to comply with the requirements of the rules under paragraph (2), the Commission may take appropriate remedial action under any authority it may have under this title or any other provision of law.

(5) Until rules under paragraph (2) take effect, this subsection shall not affect the validity of any informal dispute settlement procedure respecting consumer warranties, but in any action under subsection (d), the court may invalidate any such procedure if it finds that such procedure is unfair.

(b) It shall be a violation of section 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)) for any person to fail to comply with any requirement imposed on such person by this title (or a rule thereunder) or to violate any prohibition contained in this title (or a rule thereunder).

(c)(1) The district courts of the United States shall have jurisdiction of any action brought by the Attorney General (in his capacity as such), or by the Commission by any of its attorneys designated by it for such purpose, to restrain (A) any warrantor from making a deceptive warranty with respect to a consumer product, or (B) any person from failing to comply with any requirement imposed on such person by or pursuant to this title or from violating any prohibition contained in this title. Upon proper showing that, weighing the equities and considering the Commission's or Attorney General's likelihood of ultimate success, such action would be in the public interest and after notice to the defendant, a temporary restraining order or preliminary injunction may be granted without bond. In the case of an action brought by the Commission, if a complaint under section 5 of the Federal Trade Commission Act is not filed within such period (not exceeding 10 days) as may be specified by the court after the issuance of the temporary restraining order or preliminary injunction, the order or injunction shall be dissolved by the court and be of no further force and effect. Any suit shall be brought in the district in which such person resides or transacts business. Whenever it appears to the court that the ends of justice require that other persons should be parties in the action, the court may cause them to be summoned whether or not they reside in the district in which the court is held, and to that end process may be served in any district.

(2) For the purposes of this subsection, the term "deceptive warranty" means (A) a written warranty which (i) contains an affirmation, promise, description, or representation which is either false or fraudulent, or which, in light of all of the circumstances, would mislead a reasonable individual exercising due care; or (ii) fails to contain information which is necessary in light of all of the circumstances, to make the warranty not misleading to a reasonable individual exercising due care; or (B) a written warranty created by the use of such terms as "guaranty" or "warranty", if the terms and conditions of such warranty so limit its scope and application as to deceive a reasonable individual.

(d) (1) Subject to subsections (a) (3) and (e), a consumer who is damaged by the failure of a supplier, warrantor, or service contractor to comply with any obligation under this title, or under a written warranty, implied warranty, or service contract, may bring suit for damages and other legal and equitable relief—

(A) in any court of competent jurisdiction in any State or the District of Columbia; or

(B) in an appropriate district court of the United States, subject to paragraph (3) of this subsection.

(2) If a consumer finally prevails in any action brought under paragraph (1) of this subsection, he may be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of cost and expenses (including attorneys' fees based on actual time expended) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the commencement and prosecution of such action, unless the court in its discretion shall determine that such an award of attorneys' fees would be inappropriate.

(3) No claim shall be cognizable in a suit brought under paragraph (1) (B) of this subsection—

(A) if the amount in controversy of any individual claim is less than the sum or value of $25;

(B) if the amount in controversy is less than the sum or value of $50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in this suit; or

(C) if the action is brought as a class action, and the number of named plaintiffs is less than one hundred.

(e) No action (other than a class action or an action respecting a warranty to which subsection (a) (3) applies) may be brought under subsection (d) for failure to comply with any obligation under any written or implied warranty or service contract, and a class of consumers may not proceed in a class action under such subsection with respect to such a failure except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the person obligated under the warranty or service contract is afforded a reasonable opportunity to cure such failure to comply. In the case of such a class action (other than a class action respecting a warranty to which subsection (a) (3) applies) brought under subsection (d) for breach of any written or implied warranty or service contract, such reasonable opportunity will be afforded by the named plaintiffs and they shall at that time notify the defendant that they are acting on behalf of the class. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure.

(f) For purposes of this section, only the warrantor actually making a written affirmation of fact, promise, or undertaking shall be deemed to have created a written warranty, and any rights arising thereunder may be enforced under this section only against such warrantor and no other person.

EFFECT OF OTHER LAWS

SEC. 111. (a) (1) Nothing contained in this title shall be construed to repeal, invalidate, or supersede the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any statute defined therein as an Antitrust Act.

(2) Nothing in this title shall be construed to repeal, invalidate, or supersede the Federal Seed Act (7 U.S.C. 1551–1611) and nothing in this title shall apply to seed for planting.

(b) (1) Nothing in this title shall invalidate or restrict any right or remedy of any consumer under State law or any other Federal law.

(2) Nothing in this title (other than sections 108 and 104(a) (2) and (4)) shall (A) affect the liability of or impose liability on, any person for personal injury, or (B) supersede any provision of State law regarding consequential damages for injury to the person or other injury.

(c) (1) Except as provided in subsection (b) and in paragraph (2) of this subsection, a State requirement—

(A) which relates to labeling or disclosure with respect to written warranties or performance thereunder;

(B) which is within the scope of an applicable requirement of sections 102, 103, and 104 (and rules implementing such sections), and

(C) which is not identical to a requirement of section 102, 103, or 104 (or a rule thereunder),

(2) If, upon application of an appropriate State agency, the Commission determines (pursuant to rules issued in accordance with section 109) that any requirement of such State covering any transaction to which this title applies (A) affords protection to consumers greater than the requirements of this title and (B) does not unduly burden interstate commerce, then such State requirement shall be applicable (notwithstanding the provisions of paragraph (1) of this subsection) to the extent specified in such determination for so long as the State administers and enforces effectively any such greater requirement.

(d) This title (other than section 102(c)) shall be inapplicable to any written warranty the making or content of which is otherwise governed by Federal law. If only a portion of a written warranty is so governed by Federal law, the remaining portion shall be subject to this title.

EFFECTIVE DATE

SEC. 112. (a) Except as provided in subsection (b) of this section, this title shall take effect 6 months after the date of its enactment but shall not apply to consumer products manufactured prior to such date.

(b) Section 102(a) shall take effect 6 months after the final publication of rules respecting such section; except that the Commission, for good cause shown, may postpone the applicability of such sections until one year after such final publication in order to permit any designated classes of suppliers to bring their written warranties into compliance with rules promulgated pursuant to this title.

(c) The Commission shall promulgate rules for initial implementation of this title as soon as possible after the date of enactment of this Act but in no event later than one year after such date.

TITLE II—FEDERAL TRADE COMMISSION IMPROVEMENTS

JURISDICTION OF COMMISSION

SEC. 201. (a) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof "in or affecting commerce".

(b) Subsections (a) and (b) of section 6 of the Federal Trade Commission Act (15 U.S.C. 46(a), (b)) are each amended by striking out "in commerce" and inserting in lieu thereof "in or whose business affects commerce".

(c) Section 12 of the Federal Trade Commission Act (15 U.S.C. 52) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof in subsection (a) "in or having an effect upon commerce," and in lieu thereof in subsection (b) "in or affecting commerce".

RULEMAKING

SEC. 202. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 18 as section 21, and inserting after section 17 the following new section:

"SEC. 18. (a) (1) The Commission may prescribe—

"(A) interpretive rules and general statements of policy with respect to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a) (1) of this Act), and

"(B) rules which define with specificity acts or practices which are unfair or deceptive acts or practices in or affecting commerce (within the meaning of such section 5(a) (1)). Rules under this subparagraph may include requirements prescribed for the purpose of preventing such acts or practices.

"(2) The Commission shall have no authority under this Act, other than its authority under this section, to prescribe any rule with respect to unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a) (1)). The preceding sentence shall not affect any authority of the Commission to prescribe rules (including interpretive rules), and general statements of policy, with respect to unfair methods of competition affecting commerce.

"(b) When prescribing a rule under subsection (a) (1) (B) of this section, the Commission shall proceed in accordance with section 553 of title 5, United States Code (without regard to any reference in such section to sections 556 and 557 of such title), and shall also (1) publish a notice of proposed rulemaking stating with particularity the reason for the proposed rule; (2) allow interested persons to submit written data, views, and arguments, and make all such submissions publicly available; (3) provide an opportunity for an informal hearing in accordance with subsection (c); and (4) promulgate, if appropriate, a final rule based on the matter in the rulemaking record (as defined in subsection (e) (1) (B)), together with a statement of basis and purpose.

"(c) The Commission shall conduct any informal hearings required by subsection (b) (3) of this section in accordance with the following procedure:

"(1) Subject to paragraph (2) of this subsection, an interested person is entitled—

"(A) to present his position orally or by documentary submission (or both), and

"(B) if the Commission determines that

there are disputed issues of material fact it is necessary to resolve, to present such rebuttal submissions and to conduct (or have conducted under paragraph (2)(B)) such cross-examination of persons as the Commission determines (i) to be appropriate, and (ii) to be required for a full and true disclosure with respect to such issues.

"(2) The Commission may prescribe such rules and make such rulings concerning proceedings in such hearings as may tend to avoid unnecessary costs or delay. Such rules or rulings may include (A) imposition of reasonable time limits on each interested person's oral presentations, and (B) requirements that any cross-examination to which a person may be entitled under paragraph (1) be conducted by the Commission on behalf of that person in such manner as the Commission determines (i) to be appropriate, and (ii) to be required for a full and true disclosure with respect to disputed issues of material fact.

"(3)(A) Except as provided in subparagraph (B), if a group of persons each of whom under paragraphs (1) and (2) would be entitled to conduct (or have conducted) cross-examination and who are determined by the Commission to have the same or similar interests in the proceeding cannot agree upon a single representative of such interests for purposes of cross-examination, the Commission may make rules and rulings (i) limiting the representation of such interest, for such purposes, and (ii) governing the manner in which such cross-examination shall be limited.

"(B) When any person who is a member of a group with respect to which the Commission has made a determination under subparagraph (A) is unable to agree upon group representation with the other members of the group, then such person shall not be denied under the authority of subparagraph (A) the opportunity to conduct (or have conducted) cross-examination as to issues affecting his particular interests if (i) he satisfies the Commission that he has made a reasonable and good faith effort to reach agreement upon group representation with the other members of the group and (ii) the Commission determines that there are substantial and relevant issues which are not adequately presented by the group representative.

"(4) A verbatim transcript shall be taken of any oral presentation, and cross-examination, in an informal hearing to which this subsection applies. Such transcript shall be available to the public.

"(d)(1) The Commission's statement of basis and purpose to accompany a rule promulgated under subsection (a)(1)(B) shall include (A) a statement as to the prevalence of the acts or practices treated by the rule; (B) a statement as to the manner and context in which such acts or practices are unfair or deceptive; and (C) a statement as to the economic effect of the rule, taking into account the effect on small business and consumers.

"(2) (A) The term 'Commission' as used in this subsection and subsections (b) and (c) includes any person authorized to act in behalf of the Commission in any part of the rulemaking proceeding.

"(B) A substantive amendment to, or repeal of, a rule promulgated under subsection (a)(1)(B) shall be prescribed, and subject to judicial review, in the same manner as a rule prescribed under such subsection. An exemption under subsection (g) shall not be treated as an amendment or repeal of a rule.

"(3) When any rule under subsection (a)(1)(B) takes effect a subsequent violation thereof shall constitute an unfair or deceptive act or practice in violation of section 5(a)(1) of this Act, unless the Commission otherwise expressly provides in such rule.

"(e)(1)(A) Not later than 60 days after a rule is promulgated under subsection (a)(1)(B) by the Commission, any interested person (including a consumer or consumer organization) may file a petition, in the United States Court of Appeals for the District of Columbia circuit or for the circuit in which such person resides or has his principal place of business, for judicial review of such rule. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or other officer designated by it for that purpose. The provisions of section 2112 of title 28, United States Code, shall apply to the filing of the rulemaking record of proceedings on which the Commission based its rule and to the transfer of proceedings in the courts of appeals.

"(B) For purposes of this section, the term 'rulemaking record' means the rule, its statement of basis and purpose, the transcript required by subsection (c)(4), any written submissions, and any other information which the Commission considers relevant to such rule.

"(2) If the petitioner or the Commission applies to the court for leave to make additional oral submissions or written presentations and shows to the satisfaction of the court that such submissions and presentations would be material and that there were reasonable grounds for the failure to make such submissions and presentations in the proceeding before the Commission, the court may order the Commission to provide additional opportunity to make such submissions and presentations. The Commission may modify or set aside its rule or make a new rule by reason of the additional submissions and presentations and shall file such modified or new rule, and the rule's statement of basis of purpose, with the return of such submissions and presentations. The court shall thereafter review such new or modified rule.

"(3) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief, including interim relief, as provided in such chapter. The court shall hold unlawful and set aside the rule on any ground specified in subparagraphs (A), (B), (C), or (D) of section 706(2) of title 5, United States Code (taking due account of the rule of prejudicial error), or if—

"(A) the court finds that the Commission's findings and conclusions, with regard to disputed issues of material fact on which the rule is based, are not supported by substantial evidence in the rulemaking record taken as a whole, or

"(B) the court finds that—

"(i) a Commission determination under subsection (c) that the petitioner is not entitled to conduct cross-examination or make rebuttal submissions, or

"(ii) a Commission rule or ruling under subsection (c) limiting the petitioner cross-examination or rebuttal submissions,

has precluded disclosure of disputed material facts which was necessary for fair determination by the Commission of the rulemaking proceeding taken as a whole.

The term 'evidence', as used in this paragraph, means any matter in the rulemaking record.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

"(5)(A) Remedies under the preceding paragraphs of this subsection are in addition to and not in lieu of any other remedies provided by law.

"(B) The United States Courts of Appeal shall have exclusive jurisdiction of any action to obtain judicial review (other than in an enforcement proceeding) of a rule prescribed under subsection (a)(1)(B), if any district court of the United States would have had jurisdiction of such action but for this subparagraph. Any such action shall be brought in the United States Court of Appeals for the District of Columbia circuit, or for any circuit which includes a judicial district in which the action could have been brought but for this subparagraph.

(C) A determination, rule, or ruling of the Commission described in paragraph (3)(B) (i) or (ii) may be reviewed only in a proceeding under this subsection and only in accordance with paragraph (3)(B). Section 706(2) (E) of title 5, United States Code, shall not apply to any rule promulgated under subsection (a)(1)(B). The contents and adequacy of any statement required by subsection (b) (4) shall not be subject to judicial review in any respect.

"(f)(1) In order to prevent unfair or deceptive acts or practices in or affecting commerce (including acts or practices which are unfair or deceptive to consumers) by banks, each agency specified in paragraph (2) of this subsection shall establish a separate division of consumer affairs which shall receive and take appropriate action upon complaints with respect to such acts or practices by banks subject to its jurisdiction. The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section, including regulations defining with specificity such unfair or deceptive acts or practices, and containing requirements prescribed for the purpose of preventing such acts or practices. Whenever the Commission prescribes a rule under subsection (a)(1)(B) of this section, then within 60 days after such rule takes effect such Board shall promulgate substantially similar regulations prohibiting acts or practices of banks which are substantially similar to those prohibited by rules of the Commission and which impose substantially similar requirements, unless such Board finds that (A) such acts or practices of banks are not unfair or deceptive, or (B) that implementation of similar regulations with respect to banks would seriously conflict with essential monetary and payments systems policies of the Board, and publishes any such finding, and the reasons therefor, in the Federal Register.

"(2) Compliance with regulations prescribed under this subsection shall be enforced under section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks and banks operating under the code of law for the District of Columbia, by the division of consumer affairs established by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than banks referred to in subparagraph (A)) by the division of consumer affairs established by the Board of Governors of the Federal Reserve System; and

"(C) banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in subparagraph (A) or (B)), by the division of consumer affairs established by the Board of Directors of the Federal Deposit Insurance Corporation.

"(3) For the purpose of the exercise by any agency referred to in paragraph (2) of its powers under any Act referred to in that paragraph, a violation of any regulation prescribed under this subsection shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (2), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with any regulation prescribed under this subsection, any other authority conferred on it by law.

"(4) The authority of the Board of Governors of the Federal Reserve System to issue regulations under this subsection does not impair the authority of any other agency designated in this subsection to make rules respecting its own procedures in enforcing compliance with regulations prescribed under this subsection.

"(5) Each agency exercising authority under this subsection shall transmit to the Congress not later than March 15 of each year a detailed report on its activities under this paragraph during the preceding calendar year.

"(g) (1) Any person to whom a rule under subsection (a) (1) (B) of this section applies may petition the Commission for an exemption from such rule.

"(2) If, on its own motion or on the basis of a petition under paragraph (1), the Commission finds that the application of a rule prescribed under subsection (a) (1) (B) to any person or class or persons is not necessary to prevent the unfair or deceptive act or practice to which the rule relates, the Commission may exempt such person or class from all or part of such rule. Section 553 of title 5, United States Code, shall apply to action under this paragraph.

"(3) neither the pendency of a proceeding under this subsection respecting an exemption from a rule, nor the pendency of judicial proceedings to review the Commission's action or failure to act under this subsection, shall stay the applicability of such rule under subsection (a) (1) (B).

"(h) (1) The Commission may, pursuant to rules prescribed by it, provide compensation for reasonable attorneys fees, expert witness fees, and other costs of participating in a rulemaking proceeding under this section to any person (A) who has, or represents, an interest (i) which would not otherwise be adequately represented in such proceeding, and (ii) representation of which is necessary for a fair determination of the rulemaking proceeding taken as a whole, and (B) who is unable effectively to participate in such proceeding because such person cannot afford to pay costs of making oral presentations, conducting cross-examination, and making rebuttal submissions in such proceeding.

"(2) The aggregate amount of compensation paid under this subsection in any fiscal year to all persons who, in rulemaking proceedings in which they receive compensation, are persons who either (A) would be regulated by the proposed rule, or (B) represent persons who would be so regulated, may not exceed 25 percent of the aggregate amount paid as compensation under this subsection to all persons in such fiscal year.

"(3) The aggregate amount of compensation paid to all persons in any fiscal year under this subsection may not exceed $1,000,000."

(b) Section 6(g) of the Federal Trade Commission Act (15 U.S.C. 46(g)) is amended by inserting "(except as provided in section 18(a) (2) of this Act)" before "to make rules and regulations".

(c) (1) The amendments by subsections (a) and (b) of this section shall not affect the validity of any rule which was promulgated under section 6(g) of the Federal Trade Commission Act prior to the date of enactment of this section. Any proposed rule under section 6(g) of such Act with respect to which presentation of data, views, and arguments was substantially completed before such date may be promulgated in the same manner and with the same validity as such rule could have been promulgated had this section not been enacted.

(2) If a rule described in paragraph (1) of this subsection is valid and if section 18 of the Federal Trade Commission Act would have applied to such rule had such rule been promulgated after the date of enactment of this Act, any substantive change in the rule after it has been promulgated shall be made in accordance with such section 18.

(d) The Federal Trade Commission and the Administrative Conference of the United States shall each conduct a study and evaluation of the rulemaking procedures under section 18 of the Federal Trade Commission Act and each shall submit a report of its study (including any legislative recommendations) to the Congress not later than 18 months after the date of enactment of this Act.

INVESTIGATIVE AUTHORITY

SEC. 203. (a) (1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a)) is amended by striking out "corporation" and inserting "person, partnership, or corporation"; and by striking out "corporations and to individuals, associations and partnerships", and inserting in lieu thereof "persons, partnerships, and corporations".

(2) Section 6(b) of such Act is amended by striking out "corporations" where it first appears and inserting in lieu thereof "persons, partnerships, and corporations,"; and by striking out "respective corporations" and inserting in lieu thereof "respective persons, partnerships, and corporations".

(3) The proviso at the end of section 6 of such Act is amended by striking out "any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations," and inserting in lieu thereof "any person, partnership, or corporation to the extent that such action is necessary to the investigation of any person, partnership, or corporation, group of persons, partnerships, or corporations,".

(b) (1) The first paragraph of section 9 of such Act (15 U.S.C. 49) is amended by striking out "corporation" where it first appears and inserting in lieu thereof "person, partnership, or corporation".

(2) The third paragraph of section 9 of such Act is amended by striking out "corporation or other person" both places where it appears and inserting in each such place "person, partnership or corporation".

(3) The fourth paragraph of section 9 of such Act is amended by striking out "person or corporation" and inserting in lieu thereof "person, partnership, or corporation".

(c) (1) The second paragraph of section 10 (15 U.S.C. 50) of such Act is amended by striking out "corporation" each place where it appears and inserting in lieu thereof in each such place "person, partnership, or corporation".

(2) The third paragraph of section 10 of such Act is amended by striking out "corporation" which it first appears and inserting in lieu thereof "persons, partnership, or corporation"; and by striking out "in the district where the corporation has its principal office or in any district in which it shall do business" and inserting in lieu thereof "in the case of a corporation or partnership in the district where the corporation or partnership has its principal office or in any district in which it shall do business, and in the case of any person in the district where such person resides or has his principal place of business".

REPRESENTATION

SEC. 204. (a) Section 16 of the Federal Trade Commission Act is amended to read as follows:

"SEC. 16. (a) (1) Except as otherwise provided in paragraph (2) or (3), if—

"(A) before commencing, defending, or intervening in, any civil action involving this Act (including an action to collect a civil penalty) which the Commission, or the Attorney General on behalf of the Commission, is authorized to commence, defend, or intervene in, the Commission gives written notification and undertakes to consult with the Attorney General with respect to such action; and

"(B) the Attorney General fails within 45 days after receipt of such notification to commence, defend, or intervene in, such action;

the Commission may commence, defend, or intervene in, and supervise the litigation of, such action and any appeal of such action in its own name by any of its attorneys designated by it for such purpose.

"(2) Except as otherwise provided in paragraph (3), in any civil action—

"(A) under section 13 of this Act (relating to injunctive relief);

"(B) under section 19 of this Act (relating to consumer redress);

"(C) to obtain judicial review of a rule prescribed by the Commission, or a cease and desist order issued under section 5 of this Act; or

"(D) under the second paragraph of section 9 of this Act (relating to enforcement of a subpena) and under the fourth paragraph of such section (relating to compliance with section 6 of this Act);

the Commission shall have exclusive authority to commence or defend, and supervise the litigation of, such action and any appeal of such action in its own name by any of its attorneys designated by it for such purpose, unless the Commission authorizes the Attorney General to do so. The Commission shall inform the Attorney General of the exercise of such authority and such exercise shall not preclude the Attorney General from intervening on behalf of the United States in such action and any appeal of such action as may be otherwise provided by law.

"(3) (A) If the Commission makes a written request to the Attorney General, within the five-day period which begins on the date of the entry of the judgment in any civil action in which the Commission represented itself pursuant to paragraph (1) or (2), to represent itself through any of its attorneys designated by it for such purpose before the Supreme Court in such action, it may do so, if—

"(i) the Attorney General concurs with such request; or

"(ii) the Attorney General, within the 60-day period which begins on the date of the entry of such judgment—

"(a) refuses to appeal or file a petition for writ of certiorari with respect to such civil action, in which case he shall give written notification to the Commission of the reasons for such refusal within such 60-day period; or

"(b) The Attorney General fails to take any action with respect to the Commission's request.

"(B) In any case where the Attorney General represents the Commission before the Supreme Court in any civil action in which the Commission represented itself pursuant to paragraph (1) or (2), the Attorney General may not agree to any settlement, compromise, or dismissal of such action, or confess error in the Supreme Court with respect to such action, unless the Commission concurs.

"(C) For purposes of this paragraph (with respect to representation before the Supreme Court), the term 'Attorney General' includes the Solicitor General.

"(4) If, prior to the expiration of the 45-day period specified in paragraph (1) of this section or a 60-day period specified in paragraph (3), any right of the Commission to commence, defend, or intervene in, any such action or appeal may be extinguished due to any procedural requirement of any court with respect to the time in which any pleadings, notice of appeal, or other acts pertaining to such action or appeal may be taken, the Attorney General shall have one-half of the time required to comply with any such procedural requirement of the court (including any extension of such time granted by the court) for the purpose of commencing, defending, or intervening in the civil action pursuant to paragraph (1) or for the purpose of refusing to appeal or file a petition for writ of certiorari and the written notification or failing to take any action pursuant to paragraph 3(A) (ii).

"(5) The provisions of this subsection shall apply notwithstanding chapter 31 of title 28, United States Code, or any other provision of law.

"(b) Whenever the Commission has reason to believe that any person, partnership, or corporation is liable for a criminal penalty under this Act, the Commission shall certify the facts to the Attorney General, whose duty it shall be to cause appropriate criminal proceedings to be brought."

(b) Section 5(m) of such Act is repealed.

(c) The amendment and repeal made by this section shall not apply to any civil action commenced before the date of enactment of this Act.

CIVIL PENALTIES FOR KNOWING VIOLATIONS

Sec. 205. (a) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45(a)) is amended by inserting after subsection (l) the following new subsection:

"(m)(1)(A) The Commission may commence a civil action to recover a civil penalty in a district court of the United States against any person, partnership, or corporation which violates any rule under this Act respecting unfair or deceptive acts or practices (other than an interpretive rule or a rule violation of which the Commission has provided is not an unfair or deceptive act or practice in violation of subsection (a)(1) with actual knowledge or knowledge fairly implied on the basis of objective circumstances that such act is unfair or deceptive and is prohibited by such rule. In such action, such person, partnership, or corporation shall be liable for a civil penalty of not more than $10,000 for each violation.

"(B) If the Commission determines in a proceeding under subsection (b) that any act or practice is unfair or deceptive, and issues a final cease and desist order with respect to such act or practice, then the Commission may commence a civil action to obtain a civil penalty in a district court of the United States against any person, partnership, or corporation which engages in such act or practice—

"(1) after such cease and desist order becomes final (whether or not such person, partnership, or corporation was subject to such cease and desist order), and

"(2) with actual knowledge that such act or practice is unfair or deceptive and is unlawful under subsection (a)(1) of this section.

In such action, such person, partnership, or corporation shall be liable for a civil penalty of not more than $10,000 for each violation.

"(C) In the case of a violation through continuing failure to comply with a rule or with section 5(a)(1), each day of continuance of such failure shall be treated as a separate violation, for purposes of subparagraph (A) and in determining the amount of such a civil penalty, the court shall take into account the degree of culpability, any history of prior such conduct, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) If the cease and desist order establishing that the act or practice is unfair or deceptive was not issued against the defendant in a civil penalty action under paragraph (1)(B) the issues of fact in such action against such defendant shall be tried de novo.

"(3) The Commission may compromise or settle any action for a civil penalty if such compromise or settlement is accompanied by a public statement of its reasons and is approved by the court."

(b) The amendment made by subsection (a) of this section shall not apply to any violation, act, or practice to the extent that such violation, act, or practice occurred before the date of enactment of this Act.

CONSUMER REDRESS

Sec. 206. (a) The Federal Trade Commission Act (15 U.S.C. 45(a) is amended by inserting after section 18 the following new section:

"Sec. 19. (a)(1) If any person, partnership, or corporation violates any rule under this Act respecting unfair or deceptive acts or practices (other than an interpretive rule, or a rule violation of which the Commission has provided is not an unfair or deceptive act or practice in violation of section 5(a)), then the Commission may commence a civil action against such person, partnership, or corporation for relief under subsection (b) in a United States district court or in any court of competent jurisdiction of a State.

"(2) If any person, partnership, or corporation engages in any unfair or deceptive act or practice (within the meaning of section 5(a)(1)) with respect to which the Commission has issued a final cease and desist order which is applicable to such person, partnership, or corporation, then the Commission may commence a civil action against such person, partnership, or corporation in a United States district court or in any court of competent jurisdiction of a State. If the Commission satisfies the court that the act or practice to which the cease and desist order relates is one which a reasonable man would have known under the circumstances was dishonest or fraudulent, the court may grant relief under subsection (b).

"(b) The court in an action under subsection (a) shall have jurisdiction to grant such relief as the court finds necessary to redress injury to consumers or other persons, partnerships, and corporations resulting from the rule violation or the unfair or deceptive act or practice, as the case may be. Such relief may include, but shall not be limited to, rescission or reformation of contracts, the refund of money or return of property, the payment of damages, and public notification respecting the rule violation or the unfair or deceptive act or practice, as the case may be; except that nothing in this subsection is intended to authorize the imposition of any exemplary or punitive damages.

"(c) (1) If (A) a cease and desist order issued under section 5(b) has become final under section 5(g) with respect to any person's, partnership's, or corporation's rule violation or unfair or deceptive act or practice, and (B) an action under this section is brought with respect to such person's, partnership's, or corporation's rule violation or act or practice, then the findings of the Commission as to the material facts in the proceeding under section 5(b) with respect to such person's, partnership's, or corporation's rule violation or act or practice, shall be conclusive unless (i) the terms of such cease and desist order expressly provide that the Commission's findings shall not be conclusive, or (ii) the order became final by reason of section 5(g)(1), in which case such finding shall be conclusive if supported by evidence.

"(2) The court shall cause notice of an action under this section to be given in a manner which is reasonably calculated, under all of the circumstances, to apprise the persons, partnerships, and corporations allegedly injured by the defendant's rule violation or act or practice of the pendency of such action. Such notice may, in the discretion of the court, be given by publication.

"(d) No action may be brought by the Commission under this section more than 3 years after the rule violation to which an action under subsection (a)(1) relates, or the unfair or deceptive act or practice to which an action under subsection (a)(2) relates; except that if a cease and desist order with respect to any person's, partnership's, or corporation's rule violation or unfair or deceptive act or practice has become final and such order was issued in proceeding under section (5)(b) which was commenced not later than 3 years after the rule violation or act or practice occurred, a civil action may be commenced under this section against such person, partnership, or corporation at any time before the expiration of one year after such order becomes final.

"(e) Remedies provided in this section are in addition to, and not in lieu of, any other remedy or right of action provided by State or Federal law. Nothing in this section shall be construed to affect any authority of the Commission under any other provision of law."

(b) The amendment made by subsection (a) of this section shall not apply to—

(1) any violation of a rule to the extent that such violation occurred before the date of enactment of this Act, or

(2) any act or practice with respect to which the Commission issues a cease-and-desist order, to the extent that such act or practice occurred before the date of enactment of this Act, unless such order was issued after such date and the person, partnership or corporation against whom such an order was issued had been notified in the complaint, or in the notice or order attached thereto, that consumer redress may be sought.

AUTHORIZATION OF APPROPRIATIONS

Sec. 207. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 19 the following new section:

"Sec. 20. There are authorized to be appropriated to carry out the functions, powers, and duties of the Federal Trade Commission not to exceed $42,000,000 for the fiscal year ending June 30, 1975; not to exceed $46,000,000 for the fiscal year ending June 30, 1976; and not to exceed $50,000,000 for the fiscal year ending in 1977. For fiscal years ending after 1977, there may be appropriated to carry out such functions, powers, and duties, only such sums as the Congress may hereafter authorize by law."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House to the title of the Senate bill, insert the following: "An Act to provide minimum disclosure standards for written consumer product warranties; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes."

And the House agree to the same.

Harley O. Staggers,
John E. Moss,
W. S. (Bill) Stuckey, Jr.,
Bob Eckhardt,
James T. Broyhill,
John H. Ware,
John Y. McCollister,
Managers on the Part of the House.

Warren G. Magnuson,
Frank E. Moss,
Philip A. Hart,
Ted Stevens
(with separate views),
J. Glenn Beall, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfuction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—CONSUMER PRODUCT WARRANTIES

Title I of the Senate bill and the House amendment thereto were substantially similar. Both prescribed disclosure and designation standards for written warranties, defined Federal content standards for full warranties and established meaningful consumer remedies for breach of warranty or service contract obligations. The conference substitute basically follows the House amendment to the Senate bill, with the exceptions or modifications discussed below.

1. Depreciation

The Senate bill did not allow the warrantor who was refunding the purchase price of a consumer product to make a deduction for depreciation based upon actual use. In contrast, the House amendment allowed the warrantor to make a deduction for depreciation based upon actual use when refunding the purchase price.

The conference substitute provides that a warrantor refunding the purchase price may make a deduction for reasonable depreciation based on actual use, where that deduction is permitted by rules of the Commission. Until the Commission establishes rules permitting deduction for depreciation based upon actual use, the warrantor is prohibited from making such deduction from the purchase price when fulfilling his obligation to refund. The term "refund" is used only in the context of the full warranties but this principle may serve as a useful guide in other warranty situations.

2. Designation of warranties

Both the Senate bill and the House amendment required warrantors to designate the particular kind of warranty they were offering. The Senate bill provided for three categories of designation: (1) "full" (statement of duration); (2) "full" (statement of duration; limitation on consequential damages); or (3) a designation expressing a particular limitation applicable to a warranty. The House amendment provided for only two designation categories: (1) "full" (statement of duration) warranties, or (2) "limited" warranties.

The conference substitute contains the same designation requirement as those which were in the House amendment. However, the conference substitute includes an additional provision providing that a supplier may not exclude or limit consequential damages for breach of a full warranty, unless such exclusion or limitation is conspicuous and appears on the face of the warranty.

3. Dollar limitations

Under the Senate bill, the labeling and designation provisions applied only to consumer products actually costing $5 or more. Any warrantor who was selling a consumer product costing less than $5 who used the full warranty designation would have been subject to the full warranty requirements in the bill. The House amendment excluded from the disclosure requirements of the bill products costing less than $5; it excluded from the designation requirements of the bill products costing less than $10. The minimum Federal standards applicable to full warranties was not applicable to products costing less than $10, even in situations where warrantors of products costing less than $10 used the full warranty designation.

The conference substitute excludes from the disclosure requirements of the bill warranties on consumer products actually costing less than $5 and excludes from the designation requirements of the bill warranties on consumer products actually costing less than $10. However, the conference substitute provides that any warrantor giving a warranty characterized as a full warranty must comply with the minimum Federal standards set forth in section 104, no matter what the actual cost of the consumer product to which the warranty applies.

4. Federal minimum standards for warranties

The Senate bill and the House amendment provided almost identical Federal minimum warranty standards for warrantors who offered full warranties for their consumer products. The conference substitute adopts the language in the House amendment with certain modifications.

The conference substitute provides that the Commission can promulgate rules determining, in the so-called "anti-lemon" provision, what constitutes a reasonable number of attempts. This provision entitles a consumer to elect either refund, or replacement without charge, of a consumer product (or part thereof) which has not been remedied after a reasonable number of attempts. The Senate bill was silent as to who determined "reasonable number of attempts"; the House amendment provided that the Commission would determine what constitutes a reasonable number of attempts, but did not explain what happened if the Commission did not make such a determination. Under the conference substitute, if the Commission does not determine by rule what constitutes a reasonable number of attempts in a given situation, then the parties or, ultimately, a third party (arbiter or judge) would decide.

The conference substitute also provides that the warrantor offering a full warranty cannot impose any duty other than notification upon any consumer as a condition of securing remedy of a consumer product not in conformity with the full warranty, "unless the warrantor can demonstrate in a rulemaking or enforcement proceeding that such a duty is reasonable." For example, a warrantor providing a full warranty could require the consumer to take a consumer product that was not working to a particular place for repair if the Commission, by rule, permitted the warrantor (or a class of warrantors) to impose such requirement after the warrantor established that the requirement was reasonable. If no such rule by the Commission were applicable, but the warrantor had imposed such requirement, the consumer could challenge the reasonableness of such requirement by bringing an action for breach of warranty and arguing that the warrantor had breached his full warranty obligation. The burden would then be upon the warrantor to establish before an arbiter or in a court that the requirement to take the product to a repair facility was reasonable—*e.g.*, that out of pocket costs to the consumer and inconvenience were justified because this cost was outweighed by some corresponding benefits. Of course, the Commission, in an enforcement action (including a cease and desist order proceeding), could seek to enjoin the imposition of such a requirement without undertaking a rulemaking proceeding and the Commission or a court could decide whether the warrantor had met the burden of showing that the requirement was reasonable. Nothing in the conference substitute precludes the imposition of an additional duty by a warrantor prior to any determination of the reasonableness of the duty by the Commission, an arbiter, or a court.

5. Limitation on duration of implied warranties

The Senate bill and the House amendment prohibited the disclaimer or modification of implied warranties, if a supplier made a written warranty or if he entered into a service contract at the time of sale (or within 90 days thereafter, under the House amendment). Both also prohibited warrantors who offered full warranties from limiting in the express warranty the duration of an implied warranty. The Senate bill extended such prohibition to all other warranties, but the House amendment permitted a limited warranty to limit the duration of an implied warranty if the limitation was conscionable and if it was set forth in clear and unmistakeable language that was prominently displayed on the face of the warranty.

The conference substitute contains a provision identical to the House provision.

6. Rulemaking

Both the Senate bill and the House amendment specifically required the Federal Trade Commission to promulgate rules implementing certain provisions in title I. The Senate bill required that the Commission utilize procedures prescribed in section 553 of title 5 of the United States Code, but specifically provided that there would be an agency hearing "structured to proceed as expeditiously as possible" and that a public record of such a hearing would be maintained. The House amendment required the Commission to follow the same procedures that it would follow in promulgating trade regulation rules defining with specificity unfair or deceptive acts or practices, as specified in title II of the House amendment.

The conference substitute provides for informal rulemaking resembling that provided for in the Senate bill. The Commission is to follow the requirements of section 553 of title 5 of the United States Code, but the opportunity for oral presentation is required rather than optional. A written transcript of the hearing would be made, and a rulemaking record containing such transcript and other data, views, and arguments would be subject to review in an appropriate Federal Court of Appeals. A rule being reviewed would not be affirmed unless supported by substantial evidence in such a record.

7. Remedies for breach of express warranties not in writing

The Senate bill afforded reasonable attorney's fees to a consumer who successfully sued for the breach of an express oral warranty. The House amendment did not provide reasonable attorney's fees in that situation. The conferees adopted the House approach, but stated that they would reexamine the issue if oral express warranties became more prevalent.

8. Informal dispute settlement mechanisms

Both the Senate and House versions provided for the establishment of informal dispute settlement procedures in order to simplify and expedite the resolution of the warranty disputes. The conferees adopted the House version. It should be recognized, however, that provision for governmental or consumer participation in internal or other private dispute settlement procedures under the bill is required by this legislation. Consequently warranties providing that consumers must first resort to informal dispute settlement procedures before initiating a suit are contrary to the intent of the legislation where there is no provision for governmental or specific consumer participation in the procedure or where the procedure is otherwise unfair.

The conference substitute provides that the Federal Trade Commission shall establish rules for dispute settlement procedures which operate under the legislation, and may disapprove noncomplying procedures. Commission rules must provide for participation in such procedures by independent or governmental entities. An independent entity is one which is not under the control of any party to the dispute. A governmental entity would include a state or local agency or a small claims court. This is not intended to exclude the courts from reviewing the fairness, and compliance with FTC rules, of such procedures even where the FTC has not acted to disapprove them. In this connection the conferees recognize the limited resources of the Commission and the fact that its other responsibilities may preclude it from acting in some cases where private dispute settlement procedures may not comply with the legislation or the Commission's rules thereunder. Accordingly, the courts would be free to determine that a given dispute settlement procedure need not be exhausted because it was not fair, had no provision for governmental or consumer participation, or did not comply with FTC rules. Since the supplier creating the procedure would have more knowledge about it than the plaintiff-consumer, the initial burden of showing that the procedure complies with this legislation and any FTC rules would be on any party seeking to require exhaustion of such procedure. Of course, if a consumer chooses to seek redress without utilizing the provisions of section 110, section 111(b) preserves all alternative avenues of redress, and utilization of any informal dispute settlement mechanism would then not be required by any provision of this Act.

9. Suits in Federal court for breach of warranty or service contract obligations

The Senate bill prohibited suits in Federal courts for breaches of warranty or service contract obligations unless a $10,000 jurisdictional limit was satisfied. The House amendment specifically authorized suits to be brought in an appropriate United States district court if: (1) each individual claim exceeded the sum or value of $25; and (2) the matter in controversy exceeded the sum or value of $50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in the suit. In addition, the action could be brought as a class action only if the number of named plaintiffs equalled or exceeded 100. The House amendment also provided that a consumer might not bring an action for failure of a supplier to comply with his obligations under title I or under a warranty or service contract on a consumer product with respect to which no informal dispute settlement mechanism was available unless the person obligated under the warranty or service contract had been afforded a reasonable opportunity to cure the breach.

The conferees adopted the House provisions.

10. Enforcement of rights

The Senate bill did not expressly state, as did the House amendment, that any rights arising under a written warranty could only be enforced against the supplier "actually making" a written affirmation of fact, promise, or understanding. The conference substitute is the same in this respect as the House amendment except that the term "warrantor" is used instead of "supplier".

The conferees intend that, if under State law a warrantor or other person is deemed to have made a written affirmation of fact, promise, or undertaking he would be treated for purposes of section 110 as having made such affirmation of fact, promise, or undertaking.

The conferees also agreed that the term warrantor is not intended to include a newspaper, magazine or broadcaster, which merely publishes an offer or an advertisement on behalf of another person. If such newspaper, magazine or broadcaster goes beyond the publication of such an offer or advertisement for another person, or offers a warranty or guarantee itself it would not be excluded from the definition of warrantor.

The Senate bill defined "warrantor" as any supplier or other party who gives a warranty in writing. The House amendment defined "warrantor" to mean any supplier who gave or offered to give a warranty. The conferees agreed that both the Senate bill and House amendment were intended to cover third party warranties and, therefore, adopted the language of the Senate bill which made that intention clear.

11. Enforcement by the Attorney General

Under the Senate bill, the Attorney General was authorized to enjoin any action prohibited under title I, and to serve civil investigative demands. The House amendment contained no comparable provision. The conference substitute provides that either the Attorney General or the Commission on its own initiative may bring an action in the District Courts of the United States to restrain a warrantor from making a deceptive warranty or from failing to comply with a requirement imposed on such person by or pursuant to title I or from violating any prohibition contained in title I.

12. Effect of bill on liability imposed under State law

The Senate bill provided that title I should not be construed to supercede any provision of State law regarding consequential damages for injury to the person or any State law restricting the ability of a warrantor to limit his liability for consequential damages. The House amendment provided that nothing in title I would affect the liability of, or impose liability on, any person for personal injury. In addition, the House bill provided that nothing in title I would invalidate or restrict any right or remedy of any consumer under State law.

The conference substitute provides that nothing in title I "shall invalidate or restrict any right or remedy of any consumer under State law." It also provides that nothing in title I "shall affect the liability of, or impose liability on, any person for personal injury, or supercede any provision of State law regarding consequential damages for injury to the person or other injury." Thus a third party warrantor or other warrantor of a consumer product is not liable under title I of the bill for damages resulting from personal injury (either direct or consequential), but he could still be liable if State law imposed liability.

The provisions relating to the effect of title I on State law should be considered in the context of two other provisions. Section 108 of the bill (relating to prohibition on disclaimers on implied warranties) could be read to impose liability on persons to the extent it prohibits the disclaimer of implied warranties. The disclaimer on the imposition of liability contained in section 111(b)(2)(A) does not operate to negate the provisions of section 108 since the imposition of liability language relates to the consequences flowing from the existence of a warranty or service contract.

13. Designation of representatives

Section 107 of the conference substitute contains the "designation of representatives" section which was in the House amendment. Tht conferees agreed that, while the policy of both the Senate bill and the House amendment were identical, the House amendment better expressed the policy. The conferees were unanimously of the opinion that the word "compensation" did not necessitate cash payment, so long as whatever method used insures that such compensation was equitable. For instance, the manufacturer could make reasonable arrangements allowing the retailer, as his representative, to perform warranty obligations in exchange for allowing him a greater margin between the wholesale and retail price than the margin allowed by another manufacturer who provided a cash payment to the retailer who performed that manufacturer's warranty duties.

14. Warranties on used automobiles

The Senate bill contained detailed provisions relating to warranty practices with respect to used automobiles. The House amendment contained no similar provisions, leaving warranties applying to used automobiles subject only to the provisions of title I of the House amendment.

The conference substitute provides in section 109(b) that the Commission shall within one year initiate a rulemaking proceeding dealing with warranties and warranty practices in connection with the sale of used automobiles and shall prescribe such rules as the Commission determines are needed to supplement the provisions of title I and rules thereunder in order to offer reasonable protection to average purchasers of used automobiles. In prescribing such rules, the FTC could exercise any authority which it has under title I or other law.

The conferees agreed that any such rules could not require that a warranty be given on any used car which is sold, but if a warranty is not given, such rules could require that there be clearly set forth the seller's lack of obligation for any subsequent repairs to such car.

Conforming changes in the definition of "consumer" were made to eliminate any possible construction that title I did not apply to the commercial sale of used consumer products.

TITLE II—FEDERAL TRADE COMMISSION IMPROVEMENTS

Section 201—Jurisdiction of the Commission

Senate Bill and House Amendment

Both the Senate bill and the House amendment amended section 5, 6, and 12 of the Federal Trade Commission Act (hereinafter the "Act") so as to expand the FTC's jurisdiction from acts and practices "in" commerce to those "in or affecting" commerce.

Conference Substitute

The conference substitute is the same in form as the House bill. As noted above there was no substantive difference between the two versions.

Section 202—Rulemaking

Senate Bill

The Senate bill contained no provisions relating to rulemaking procedure to be followed by the Federal Trade Commission. However, title III of the Senate bill would have required the Federal Reserve Board (FRB) to prescribe regulations applicable to financial institutions defining with specificity unfair or deceptive acts or practices affecting commerce, including acts or practices unfair or deceptive to consumers. In addition the Senate bill would have required the FRB to issue substantially similar regulations proscribing acts or practices of financial institutions substantially similar to acts or practices proscribed by rules of the FTC within 60 days after the effective date of the FTC rule.

The FRB would not have had to issue such regulations if it found that (1) such acts or practices of financial institutions were not unfair or deceptive to consumers, or (2) implementation of such regulations would have seriously conflicted with essential monetary and payments systems policies of the FRB.

Compliance with the regulation prescribed by the FRB would have been enforced with respect to financial institutions over which they had regulatory authority by—

(1) the Federal Reserve Board,

(2) the Comptroller of the Currency,

(3) the Federal Deposit Insurance Corporation,

(4) the Federal Home Loan Bank Board, and

(5) the Administrator of the National Credit Unions Administration.

For the purpose of enforcing the FRB regulations under the legislation, each of the aforementioned regulatory agencies would have been required to establish a separate division of consumer affairs.

House Amendment

The House amendment would have added a new section 18 to the Act which would have established detailed procedures which the FTC would have had to follow in prescribing all substantive rules under the Act.

These rules would have been limited to defining acts or practices which were unfair or deceptive within the meaning of section 5(a)(1) of the Act. The FTC would have been prohibited from prescribing rules with respect to unfair competitive practices.

In issuing such rules the FTC would have had to—

(1) issue an order of proposed rulemaking stating with particularity the reason for the proposed rule,

(2) allow interested persons an opportunity to comment on the proposed rule in writing and make such comments available to the public,

(3) provide an opportunity for interested persons to comment orally on the proposed rules with a verbatim transcript made of any hearing in which such oral comments were presented and with such transcripts made available to the public, and

(4) if appropriate, promulgate the final rule together with a statement of the basis and purpose based on information and comments compiled pursuant to paragraphs (1)–(4).

In any oral hearing a party would be entitled to present his case by oral or documentary evidence and would be entitled to submit rebuttal evidence and to conduct cross-examination with respect to disputed issues of material facts. This right would have been subject to rules and rulings of the Commission (1) directed at avoiding unnecessary costs or delays, and (2) with respect to the manner in which cross-examination would be conducted where parties with the same or similar interests could not agree upon a single representative to conduct such cross-examination.

The Commission's statement accompanying the adoption of a final rule would have had to at least include statements (1) as to the extent of the acts and practices covered by the rules, (2) as to the manner and extent such acts or practices were unfair or deceptive, and (3) the economic impact of the rules taking into account the impact on small business.

After any rule prescribed in accordance with these provisions became final, a violation thereof would have been an unfair or deceptive act or practice in violation of section 5(a)(1) of the Act unless the Commission expressly provided otherwise in the rule.

Any rule adopted pursuant to these provisions would have been subject to judicial review by the United States Court of Appeals for the District of Columbia or for the circuit in which the person seeking review resided or at his principal place of business. Such review would have been available for 60 days after the rule was prescribed to any person adversely affected by it. The rule would not have been affirmed unless supported by substantial evidence in the record taken as a whole.

Any person to whom such a rule applied would have been able to petition the Commission for an exemption from it based on special circumstances. The Commission's actions or failure to act on a petition for an exemption would have been subject to judicial review and would not have been affirmed unless supported by substantial evidence in the record taken as a whole.

Proposed section 18(b) of the Act as it would have been written in the House amendment was substantially the same as title III of the Senate bill except that the House version did not apply to nonbanking institutions, that is, savings and loan associations, credit unions, and thrift and home financing institutions. Under the House version these nonbanking institutions would have been subject to the rules on unfair or deceptive acts or practices prescribed by the FTC. Consequently, the House version did not provide duties for the Federal Home Loan Bank Board or the Administrator of the National Credit Union Administration.

Conference Substitute

The conference substitute adds a new section 18 to the Federal Trade Commission Act which would codify the Commission's authority to make substantive rules for unfair or deceptive acts or practices in or affecting commerce (referred to hereafter as "trade regulation rules"). This authority is regarded by the conferees as an important power by which the Commission can fairly and efficiently pursue its important statutory mission. Because the prohibitions of section 5 of the Act are quite broad, trade regulation rules are needed to define with specificity conduct that violates the statute and to establish requirements to prevent unlawful conduct.

Under subsection (a), the Commission would be authorized to prescribe interpretive rules, general statements of policy, and substantive trade regulation rules with respect to unfair or deceptive acts or practices in or affecting commerce within the meaning of section 5(a)(1) of the Act. Section 18 would be the exclusive authority for such rules.

In section 18(a)(1) the conferees added a phrase which states that rules which define with specificity acts or practices which are unfair and deceptive "may include requirements prescribed for the purpose of preventing such acts or practices." This phrase was not intended to grant the Commission additional authority in the area of rulemaking but was added for the purpose of clarifying what was perhaps a technical deficiency in the House rulemaking provision. In an otherwise valid trade regulation rule the Commission may specify what must be done in order to avoid engaging in an unfair or deceptive practice. For example, in the present Commission rule relating to "octane rating," the Commission required that certain testing procedures be followed in order to determine what octane rating should be posted on gasoline pumps. The conferees intend that the Commission may continue to specify such matters in rules which are otherwise valid under Sec. 18. It should be noted, however, that inasmuch as such requirements are a part of the rule, they are subject to judicial review in the same manner as is the portion of the rule which defines the specific act or practice which is unfair or deceptive.

The conference substitute does not affect any authority of the FTC under existing law to prescribe rules with respect to unfair methods of competition in or affecting commerce.

When prescribing any substantive trade regulation rule under section 18 the Commission would be required to (1) publish a notice of proposed rulemaking stating with particularity the reason for the proposed rule, (2) allow interested persons to submit written data, views, and arguments and make such submissions available to the public, (3) provide an opportunity for an informal oral hearing, and (4) if appropriate, promulgate a final rule (together with a statement of basis and purpose for it) based on the rulemaking record. The conferees wish to emphasize that use of the term "rulemaking record" is not intended to trigger the provisions of section 554 of title 5, United States code. "Rulemaking record" is defined in the legislation to mean the transcript which is made of oral presentations and cross-examination in any oral hearing referred to in (4) above, any written submission referred to in (2) above, and any other information which the Commission includes as being relevant to the rule. Such "other information" could, for instance include data, views, and arguments submitted, and transcripts of hearings conducted, in a rulemaking proceeding which was in progress but not substantially completed on the date of enactment of this legislation.

The statement of basis and purpose which would have to accompany promulgation of a rule would have to include a statement as to (1) the prevalence of the acts or practices treated by the rule, (2) the manner and context in which the acts or practices are unfair or deceptive, and (3) the economic effect of the rule, taking into account the effect on small business and consumers. This statement is not intended to be a voluminous or detailed document, but a concise means of specifying the reasons for the rule, the acts and practices prohibited by it, and the Commission's best estimate of the economic effects of the rule which would include any anticipated cost or benefits the rule is expected to have for small business or consumers. The statement is intended as a means of informing (1) the Congress of the way in which those of its powers which it has delegated to the Federal Trade Commission are being exercised through the rulemaking process and (2) the general public, including those affected by the rule, of the acts and practices prohibited by, and the affirmative requirements of, a trade regulation rule.

Although such a statement must accompany promulgation of a rule, its contents are not to be subject to court review on any basis at any time.

Section 18 would permit interested persons to present their views and substantiating documentation on any proposed rule either in written form or orally. This should permit the fullest possible participation in any such rulemaking proceeding and make available to the Commission the widest possible expression of views and data on the issues presented by proposed rules. This legislation will neither discourage written submissions nor restrict the Commission in their use.

Oral Hearings

Any interested person would be entitled to present his position on a proposed rule in an oral hearing.

If the Commission determines (1) that there are disputed issues of material fact, and (2) that it is necessary to resolve such issues, interested persons would be entitled to present such rebuttal submissions and to conduct (or have conducted by the Commission) such cross-examination of persons commenting orally as the Commission determines to be appropriate and required for a full and true disclosure with respect to such issues. The only disputed issues of material fact to be determined for resolution by the Commission are those issues characterized as issues of specific fact in contrast to legislative fact. It was the judgment of the conferees that more effective, workable and meaningful rules will be promulgated if persons affected by such rules have the opportunity afforded by the bill, by cross-examination and rebuttal evidence, or other submissions, to challenge the factual assumptions on which the Commission is proceeding and to show in what respect such assumptions are erroneous.

Participation of any interested person in an oral hearing would be subject to valid rules and rulings, which the Commission is authorized to make, to avoid unnecessary costs or delay. This would assure that oral presentations and cross-examination could not be used as devices to interfere with the Commission's effective use of rulemaking.

Such rules or rulings could impose reasonable time limits on each person's oral presentation and could require that any cross-examination to which a person might be entitled be conducted by the Commission on his behalf in such manner as the Commission determines to be appropriate and to be required for a full and true disclosure with respect to disputed issues of material fact. The conferees recognized the need to afford the Commission adequate discretion to control the examination of those who present oral statements. Accordingly, the presiding official at the public hearing may receive proposed questions from interested representatives and conduct the necessary cross-examination so long as such cross-examination is consistent with the overall requirement of fairness in the legislation.

The authority to impose time limits on oral presentations coupled with the authority of presiding officers to conduct necessary and appropriate examination, is intended to improve the quality of information available to the Commission, and at the same time, to avoid rigid or cumbersome procedures that could involve undue costs and delay.

In view of the large numbers of persons who may be interested in Commission rulemaking proceedings, the conferees felt it was also necessary to confer express authority on the Commission to aggregate persons with the same or similar interests and provide for their representation by single representatives.

If the Commission determines that cross-examination is appropriate a group of persons who want to engage in cross-examination have the same or similar interests, and that the group cannot agree upon a single representative of such interests, the Commission may make rules and rulings (a) limiting representation of such interests for purposes of cross-examination, and (b) governing the manner in which such cross-examination is limited. However, the bill provides a specific exception from this authority in the case of a person who the Commission has determined is a member of a group with the same or similar interests, who is unable to agree upon group representation with other members of the group, and who shows to the satisfaction of the Commission that he has made a reasonable and good faith effort to reach agreement upon group representation. Such a person (if he is otherwise entitled to cross-examination or to have cross-examination conducted on his behalf) may not be denied entitlement to conduct or have conducted cross-examination as to issues affecting his particular interest if the Commission determines that there are substantial and relevant issues which are not adequately presented by the group representation.

A verbatim transcript of any oral rulemaking proceeding must be made and copies of such transcript shall be made available to the public. The conferees are aware that under existing law copies of such transcripts may not be sold at a cost higher than the cost of duplication. However, because of the vital information which may be included in some of the transcripts which it would be in the public interest to disseminate as widely as possible, the conferees intend that the Federal Trade Commission evaluate transcripts of such oral hearings and if it determines that it would serve the public interest to do so, to make any such transcripts available without cost or at a reduced cost to nonprofit entities such as public interest research groups, schools, and institutions of higher learning, and to individuals and groups engaged in nonprofit activities such as teaching and research and to small businesses.

Effect of rule violation

After any substantative trade regulation rule takes effect, a violation thereof would be an unfair or deceptive act or practice in violation of section 5(a) (1) of the Federal Trade Commission Act unless the rule specifically provides otherwise.

Judicial Review

The conference report provides for judicial review of final rules in appropriate U. S. Circuit Courts of Appeals. The venue for preenforcement review (whether under this subsection or under chapter 7 of title 5 of the United States Code) is exclusively vested in such courts. If a petitioner desires such review in accordance with the review standards set forth in section 18(e) (3) (c), he must file a petition not later than sixty days after the rule is promulgated.

The conference report generally incorporates the standards for judicial review of rules under section 706(2) of title 5, United States Code (subject to certain exceptions discussed below). The courts in applying those provisions would (as under section 706) be directed to take into account the rule of prejudicial error, the so-called "harmless error" rule, which provides that errors having no substantial affect on the ultimate rights of the parties will be disregarded. See *Attorney General's Manual on the Administrative Procedure Act,* 1947, p. 110.

In addition, the court would set aside a rule under section 18 if it found that the findings and conclusions of the Commission with regard to disputed issues of material fact on which the rule is based are not supported by substantial evidence in the rulemaking record taken as a whole. Of course, this test would not apply to findings or determinations of legislative fact.

Such a rule would also be set aside if the court found that any Commission action in excluding or limiting cross-examination or rebuttal submissions precluded disclosure of disputed material fact necessary for fair determination of the rulemaking proceeding taken as a whole.

Section 18(e) (5) (C) provides that the only "substantial evidence rule" review of a section 18(a) (1) (B) rule which is available to a person challenging a rule is under section 18(e) (3) (A). Likewise, the only review of a Commission determination, rule, or ruling under section 18(c) limiting cross examination or rebuttal submissions would be under section 18(e) (3) (B). Thus, neither substantial evidence review nor review of limitations on cross examination and rebuttal submissions could be obtained in enforcement proceedings, or in a preenforcement judicial review action brought after the 60-day period specified in section 18(e) (1). In addition, section 706(2) (E) of title 5, United States Code, would not be applicable in any judicial review of such a rule, and section 706 (2) (D) of such title would not be the basis of reviewing limitations on cross examinations and rebuttal submissions.

The judicial review provisions in the bill specifically authorize the court to receive application from a petitioner or the Commission for permission to make additional oral or written presentations if there were reasonable grounds for failure to make such presentations in the proceeding before the Commission. Thus, a person who is contending in a review proceeding that any inability to engage in cross-examination or submit rebuttal information has resulted in unfairness may be able to cure any alleged unfairness by applying to the court to make additional presentations.

The judicial review standards established by the bill are not intended to alter the established principle pursuant to which courts give weight to interpretations by expert agencies of the laws such agencies were created to administer and enforce.

The judicial review provided for in section 18 is not exclusive. Such review, for example, could also be obtained under the provisions of chapter 7 of title 5 of the United States Code, subject to the limitations described above. For such review, the United States Courts of Appeal would be the exclusive forums for such review, except where it occurs in the course of an enforcement proceeding.

Banks

Under section 18(f) of the conference report the Federal Reserve Board (FRB) is required to prescribe regulations applicable to banks to prevent unfair or deceptive acts or practices in or affecting commerce including acts or practices which are unfair or deceptive to a consumer. Within 60 days after any substantive trade regulation rule of the FTC takes effect, the Federal Reserve Board would be required to issue substantially similar regulations prohibiting acts or practices of banks which are substantially similar to those acts or practices prohibited by rules of the Federal Trade Commission and which impose substantially similar requirements, unless the Federal Reserve Board finds that such acts or practices of banks are not unfair or deceptive or that the implementation of similar regulations with respect to banks would seriously conflict with essential monetary and payments systems policies of the Board.

Compliance with the FRB's regulations will be enforced by (1) the Comptroller of the Currency, (2) the FRB, and (3) the Federal Deposit Insurance Corporation, with respect to the banks over which they have regulatory jurisdiction.

Each of the agencies will be required to establish a separate division of consumer affairs to carry out the agencies' enforcement responsibilities under this legislation and to receive and take appropriate action upon complaints with respect to unfair or deceptive acts or practices by banks under the agencies' jurisdiction.

Each of the three agencies must transmit a detailed report of its activities under the legislation during the preceding calendar year to the Congress not later than March 15 of each year.

Exemptions

Any person to whom a substantive trade regulation rule applies may petition the Commission for an exemption from it. If, on its own motion or on the basis of such a petition, the Commission finds that application of such a rule to any person or persons is not necessary to prevent the unfair or deceptive act or practice at which the rule is directed, the Commission may exempt such person or persons from the rule.

The Commission's action with respect to any petition for an exemption would not be subject to judicial review under section 18(e) of the Federal Trade Commission Act but to those provisions of chapter 7 of title 5, United States Code, applicable to rules prescribed under section 553 of such title.

Compensation for Certain Representation

In order to provide to the extent possible that all affected interests be represented in rulemaking proceedings so that rules adopted thereunder best serve the public interest, the FTC is authorized to provide compensation for reasonable attorneys and expert witness fees and other costs of participating in rulemaking proceedings. The FTC could pay such compensation to any person who has or represents an interest which would not otherwise be adequately represented in such proceeding, and representation of which is necessary for a fair determination of the proceeding taken as a whole and who but for the compensation would be unable effectively to participate in such proceeding because such person would otherwise not be able to afford the cost of such participation.

Not more than 25 percent of the amount paid as such compensation in any fiscal year could be paid to persons who the proposed rule would regulate or who represent the interests of such persons.

No more than $1 million could be expended for such compensation in any fiscal year. Because the utilization of these funds may be critical to the full disclosure of material facts in rulemaking proceedings, the conferees expect the Commission to assign a high priority to their proper expenditure.

Study of Section 18

The Federal Trade Commission and the Administrative Conference of the United States are each required to conduct a study of the rulemaking procedures under the legislation and to submit a report on its study to the Congress not later than 18 months after the date of enactment of the legislation.

Section 203—Investigative authority

Senate Bill

The Senate bill would have amended section 9 of the Act (1) to give the FTC authority to obtain documentary evidence from a party being investigated or proceeded against, and (2) to permit the FTC acting on its own behalf through its attorneys to obtain an order from a Federal district court to compel any person or corporation to comply with the provisions of the Act or any order of the Commission made pursuant to the Act.

The Senate bill would have also amended section 10 of the Act to authorize the Commission to act on its own behalf through its own attorneys to obtain a civil penalty against the corporation failing to file a required report.

House Amendment

The House amendment would have amended sections 6, 9, and 10 of the Act to give the FTC the same authority to obtain information and enforce the processes for obtaining information against persons and partnerships as it has under existing law with regard to corporations.

Conference Substitute

The conference substitute is the same as the House amendment.

Section 204—Representation

Both the Senate bill and the House amendment contained provisions relating to the Commission's authority to represent itself through its own legal representatives in civil proceedings before courts of the United States.

Senate Bill

The Senate bill granted to the Commission the authority to elect to appear in its own name through its own attorneys in any civil proceeding involving the Federal Trade Commission Act whenever it was authorized or required to appear in a court of the United States or to be represented therein by the Attorney General of the United States.

House Amendment

The House amendment authorized the Commission, with the concurrence of the Attorney General, to appear in any civil action in its own name and through its own legal representative for the purpose of enforcing the laws subject to its jurisdiction.

Conference Substitute

The Conference Substitute grants to the Commission exclusive authority to appear in its own name through its own legal representatives and to supervise the litigation in any of the following civil actions:

(1) those under section 13 (relating to injunctive relief);

(2) those under section 19 (relating to consumer redress);

(3) those to obtain judicial review of a rule prescribed by the Commission or cease and desist order issued under section 5; and

(4) those under the second paragraph of section 9 to enforce a subpena, or under the fourth paragraph of section 9 to require compliance with section 6 of the Act.

The Commission may authorize the Attorney General to appear in these actions. The Commission is to inform the Attorney General of the exercise of its exclusive authority and this exercise by the Commission does not preclude the Attorney General from intervening on the behalf of the United States in these actions or any appeal of these actions as is otherwise provided for by law.

In any other civil action involving the Federal Trade Commission Act, the Commission may appear in its own name through its own legal representatives only if the Commission gives written notification and undertakes to consult with the Attorney General and thereafter the Attorney General fails within 45 days after receiving such notification to commence, defend, or intervene in, such action.

With respect to the Commission representing itself before the Supreme Court, the conference substitute provides that if the Commission makes a written request to the Attorney General, within the ten-day period which begins on the date of the entry of the judgment in any civil action in which the Commission represented itself pursuant to paragraph (1) or (2), to represent itself through any of its attorneys designated by it for such purpose before the Supreme Court in such action, it may do so, if the Attorney General concurs with such request; or if the Attorney General, within the 60-day period which begins on the date of the entry of such judgment, refuses to appeal or file a petition for writ of certiorari with respect to such civil action, in which case he shall give written notification to the Commission of the reasons for such refusal within such 60-day period, or the Attorney General fails to take any action with respect to the Commission's request.

The conference substitute further provides that, in any case where the Attorney General represents the Commission before the Supreme Court in any civil action in which the Commission represented itself pursuant to paragraph (1) or (2), the Attorney General cannot agree to any settlement, compromise, or dismissal of such action, or confess error in the Supreme Court with respect to such action, unless the Commission concurs.

The conference substitute states that if, prior to the expiration of the 45-day period specified in paragraph (1) of this section or the 60-day period specified in paragraph (3), any right of the Commission to commence, defend, or intervene in, any such action or appeal may be extinguished due to any procedural requirement of any court with respect to the time in which any pleadings, notice of appeal, or other acts pertaining to such action or appeal may be taken, the Attorney General will have one-half of the time required to comply with any such procedural requirement of the court (including any extension of such time granted by the court) for the purpose of commencing, defending, or intervening in the civil action pursuant to paragraph (1), or for the purpose of refusing to appeal or file a petition for writ of certiorari and the written notification or failing to take any action, pursuant to paragraph 3(A) (ii).

The conference substitute repeals section 5(m) of the Federal Trade Commission Act.

Senators Stevens and Beall (who were Senate conferees) had the following views with regard to section 204:

The expansion of traditional litigating authority of the Federal Trade Commission contained in this legislation (Sec. 204) will not continue the process of centralizing the authority of the Attorney General over litigation involving the United States Government. It has been the long-standing policy of the Executive Branch that representation of Federal agencies in court should be with the supervision and control of the Attorney General. That policy as it applied to the FTC was modified in the amendments to the Federal Trade Commission Act which were contained in the Alaska Pipeline Act. However, those amendments did not specifically alter the relationship of the Department of Justice, particularly the Solicitor General, to Supreme Court litigation involving the United States. It is premature to determine that this departure from the traditional role of the Department of Justice should be extended to the Supreme Court. The Solicitor General serves an important administrative function by providing central authority designed to coordinate a uniform position for Federal Government litigation.

While the authority of the FTC in Supreme Court litigation is limited under this legislation, even this invasion of the Solicitor General's role should be approved only after reviewing the experience of the FTC under its increased authority to represent itself in the trial and intermediate Federal courts.

On November 9, 1971, Chief Justice Warren E. Burger wrote to Hon. John E. Moss, Chairman of the Subcommittee on Commerce and Finance in the House of Representatives:

"DEAR MR. CHAIRMAN: I was not able to present the matter of your October 20 letter to the Conference until last Friday.

"It is the unanimous view of the Justices that it would be unwise to dilute the authority of the Solicitor General as to Supreme Court jurisdiction in cases arising within the Executive Branch and independent agencies. It is very likely that there would be an increase in the work load of the Supreme Court if matters could be brought here without the concurrence of the Solicitor General. Even more important, perhaps, the Solicitor General exercises a highly important role in the selection of cases to be brought here in terms of the long-range public interest."

We fully concur in this viewpoint. At the very least, Congress should not change the Solicitor General's role without solid evidence that such action is necessary to assure that the functions of the FTC would be seriously jeopardized without such a change. No such evidence exists, to our knowledge, at this time.

Section 205—Civil penalties for knowing violations

Senate Bill

Section 202 of the Senate bill authorized the Federal Trade Commission to initiate civil actions in district courts against persons who had engaged in an act or practice which was unfair or deceptive to a consumer and was prohibited by Section 5(a)(1) of the Federal Trade Commission Act, with actual or implied knowledge that such act or practice was unfair or deceptive.

Section 202 authorized a civil penalty of not more than $10,000 for each such violation and provided that the Commission could compromise, mitigate, or settle such action if the settlement was approved by the court and accompanied by a public statement of its reasons.

House Amendment

The House bill contained no similar provision.

Conference Substitute

The conference substitute is based on the Senate provision authorizing civil actions for knowing violations of the Federal Trade Commission Act, with certain modifications. The Conference substitute provides that the Commission may initiate such actions in two situations:

1. Against any person, partnership, or corporation which engaged in an act or practice which the Commission has determined in a cease and desist proceeding to be unfair

or deceptive, where that person, partnership, or corporation had actual knowledge that the act or practice was unfair or deceptive and prohibited by section 5(a)(1) of the Act. While the defendant in such an action need not have been a respondent in a proceeding before the Commission, actual knowledge that the act or practice is a violation of the Federal Trade Commission Act is required. In the case of a corporate respondent, the knowledge of responsible corporate officials would, under usual principles of law, be imputed to the corporation.

2. Against any person, partnership, or corporation which engaged in an act or practice which is prohibited by a rule of the Federal Trade Commission, where the defendant had actual knowledge or knowledge fairly implied on the basis of objective circumstances that the act or practice was prohibited by the rule. In determining whether knowledge of a Commission rule may be fairly implied, it is intended that the courts hold a defendant responsible where a reasonable and prudent man under the circumstances would have known of the existence of the rule and that the act or practice was in violation of its provisions.

The conference substitute adds a new provision clarifying that where a defendant in such an action was not subject to a cease and desist order, the issues of fact shall be tried *de novo* in the district court. Of course, where the defendant was the subject of a final cease and desist order regarding such acts and practices by the Commission, the determination of the Commission as to the facts would normally be conclusive if supported by substantial evidence. The Conference substitute also provides that the Commission may compromise such an action in the same manner as provided by the Senate bill and that civil penalty actions may not be brought with regard to any act or practice occurring prior to the date of enactment of this Act.

Section 206—Consumer redress

Senate Bill

Section 203 of the Senate bill would have authorized the Commission to bring action for consumer redress in the district courts after an order of the Commission to cease and desist from engaging in acts or practices which were unfair or deceptive to consumers had become final. The action could have been commenced against any person who was a party to the cease and desist order proceeding relating to the specific acts or practices which were the subject of the proceedings. The court was directed to give notice reasonably calculated to apprise all consumers allegedly injured by the acts or practices of the action. Under the Senate bill such actions could not have been brought more than two years after an order of the Commission upon which they were based became final.

House Amendment

The House bill contained no similar provision.

Conference Substitute

The conference substitute is based on the Senate provision authorizing actions by the Commission to redress injury, with certain modifications. The conference substitute provides that the Commission may initiate such actions in two situations.

1. If any person, partnership, or corporation violates a rule of the Commission respecting unfair or deceptive acts or practices, the Commission may commence an action for redress for persons injured by such a violation.

2. If any person, partnership, or corporation engages in an unfair or deceptive act or practice resulting in the issuance of a cease and desist order by the Commission against such respondent, the Commission may commence an action for redress of the injuries caused by such respondent's act or practice. If in addition the Commission satisfies the court that the act or practice to which the cease and desist order relates is one which a reasonable man would have known under the circumstances was dishonest or fraudulent, the court may grant redress.

It is not intended that the court in applying the statutory standard must find that a reasonable man under the circumstances would have considered such act or practice to be criminal.

In both cases described, where the court determines that relief is proper, it may grant such relief as it finds necessary to redress the injury resulting from the violation. While this section enumerates several types of relief which may be granted, the nature of the relief authorized is limited only by the nature of the injury done and the remedial powers of the court. The enumeration of specific types of relief available are not exclusive and do not limit the Commission in pleading, or the court in fashioning, other appropriate remedies. The section is not, however, intended to authorize punitive or exemplary damages.

It is not the intention of the conferees that private actions for redress based on the acts or practices which are the subject of a Commission consumer redress action be barred by a Commission action. In any such case the defendant in the private action would be able to assert a defense of payment or similar defenses. Failure of a consumer to appear or accept settlement would therefore not affect private rights. Nor would an action under these consumer redress provisions prevent the FTC from bringing an action under section 5(m) of the Federal Trade Commission Act for a civil penalty. Similarly, actions by the Commission under section 5(m) of the Act would not affect the Commission's authority to seek consumer redress nor the court's authority to grant such redress under this section.

The conference substitute also provides that if a cease and desist order has become final with respect to a rule violation or an unfair or deceptive act or practice, the findings of the Commission as to the material facts in that proceeding shall be conclusive, unless (i) the terms of the cease and desist order provide to the contrary or (ii) the defendant did not seek judicial review of the cease and desist order, in which case such findings are to be supported by substantial evidence.

The conference substitute incorporates the Senate provision regarding notice to persons allegedly injured by the violation and also authorizes the giving of public notice in the discretion of the court. The conference substitute modified the Senate provision to require that no action may be brought by the Commission under the section more than 3 years after the violation of a rule or the commission of an unfair or deceptive act or practice. However, if a final cease and desist order is issued by the Commission regarding an unfair or deceptive act or practice or a violation of a rule, and the proceeding for such order was commenced not later than 3 years after such rule violation or act or practice occurred, a civil action could be commenced to obtain consumer redress within 1 year after such cease and desist order becomes final.

The conference substitute provides that the section shall not apply to any violation of a rule occuring prior to the effective date of this Act or to any act or practice with respect to which the Commission issues a cease and desist order to the extent that such act or practice occurred before the date of enactment of the Act, unless the cease and desist order was issued after that date and the respondent had been notified in the Commission's complaint, or notice, or order attached thereto, that redress might be sought.

The authority of the Commission to seek consumer redress encompassed by the Conference substitute deals exclusively with civil actions brought by the Commission and relief granted by the courts in those actions. The section is intended to supplement the ability of the Commission to redress consumer and other injury resulting from violations of its rules or of Section 5(a) of the Federal Trade Commission Act and is not intended to modify or limit any existing power the Commission may have to itself issue orders designed to remedying violations of the law. That issue is now before the courts. It is not the intent of the Conferees to influence the outcome in any way.

Section 207—Authorization of appropriations

Senate Bill

No provisions.

House Amendment

For the overall operation of the Federal Trade Commission the House amendment would have authorized $41 million for fiscal year 1975, $45 million for fiscal year 1976, and $49 million for fiscal year 1977. For fiscal years ending after June 30, 1977, only such sums could be appropriated to carry out the FTC's operation as were authorized by law.

Conference Substitute

The conference substitute would authorize an additional $1 million for each of the three years covered by the House amendment. This additional authorization is to cover compensation for attorneys fees, expert witness fees, and other costs of participation in rulemaking proceedings which the Commission is authorized to pay under proposed section 18(g) of the Act, as added by section 202 of the conference report.

The Senate bill provided the following title: "An Act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes."

The House amended the title.

The substitute title agreed to in conference is as follows: "An Act to provide minimum disclosure standards for written consumer product warranties; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes."

Harley O. Staggers,
John E. Moss,
W. S. (Bill) Stuckey, Jr.,
Bob Eckhardt,
James T. Broyhill,
John H. Ware,
John Y. McCollister,
Managers on the Part of the House.
Warren G. Magnuson,
Frank E. Moss,
Philip A. Hart,
Ted Stevens
(with separate views),
J. Glenn Beall, Jr.,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. O'Brien) to revise and extend their remarks and include extraneous matter:)

Mr. Railsback, for 5 minutes, today.

Mr. Hanrahan, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

Mr. Koch (at the request of Mrs. Green of Oregon), for 5 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Alexander) to revise and extend their remarks and include extraneous material:)

Mrs. Sullivan, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Flood, for 15 minutes, today.

Mrs. Collins of Illinois, for 15 minutes, today.

Mr. Mezvinsky, for 5 minutes, today.

Mr. Metcalfe, for 5 minutes, today.

Mr. Alexander, for 60 minutes, on December 17, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Gross to insert his remarks in the Extensions of Remarks.

(The following Members (at the request of Mr. O'Brien) and to include extraneous matter:)

Mr. Biester.

Mr. Cederberg.

Mr. Talcott in three instances.

Mr. Hammerschmidt.

Mr. Thone.

Mr. Steelman.

Mr. Forsythe.

Mr. Anderson of Illinois in two instances.

Mr. Ashbrook in six instances.

Mr. Collins of Texas in two instances.

Mr. Cohen.

Mr. Guyer.

Mr. Derwinski in three instances.

Mr. Bafalis in three instances.

Mr. Bray in three instances.

Mr. Robinson of Virginia.

Mr. Froehlich.

Mr. Conte.

Mr. Hosmer in two instances.

Mr. Findley.

Mr. Hutchinson.

(The following Members (at the request of Mr. Alexander) and to include extraneous matter:)

Mr. Gaydos in five instances.

Mr. Fraser in two instances.

Mr. Matsunaga.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in three instances.

Mr. Annunzio in six instances.

Mr. Hamilton.

Mr. Rosenthal in five instances.

Mr. Clay in 10 instances.

Mr. Rooney of New York in two instances.

Mr. Won Pat.

Mr. Edwards of California in two instances.

Mr. Slack.

Mr. Nichols.

Mr. Teague.

Mr. Rangel.

Mr. Mathis of Georgia.

Mr. Bennett.

Mr. Evins of Tennessee in two instances.

Mr. Koch.

Mr. Conyers.

Mr. Leggett.

Ms. Abzug in two instances.

Mr. Denholm.

SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3283. An act to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

S. 3668. An act for the relief of Sheila J. Phelps; to the Committee on the Judiciary.

S.J. Res. 212. Joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower in the District of Columbia; to the Committee on House Administration.

S. Con. Res. 44. Concurrent resolution relating to the awarding of the Purple Heart to members of the Armed Forces interred in the Tomb of the Unknowns at Arlington National Cemetery; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 10834. An act to amend the Act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes;

H.R. 14349. An act to amend section 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army staff;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777;

H.R. 15818. An act to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission;

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness;

H.R. 16136. An act to authorize certain construction at military installations, and for other purposes; and

H.R. 16900. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 263. A joint resolution amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii Chapter of the National Railway Historical Society, Inc.;

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage;

H.R. 7077. An act to provide for the establishment of the Cuyahoga Valley National Recreation Area;

H.R. 11013. An act to designate certain lands in the Farallon National Wildlife Refuge, Calif., as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes;

H.R. 14349. An act to amend section 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army staff;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777;

H.R. 15818. An act to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission;

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness; and

H.R. 16424. An act to establish a Commission on Federal Paperwork.

ADJOURNMENT

Mrs. GREEN of Oregon. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Tuesday, December 17, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of Dec. 13, 1974*]

3084. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Terence A. Todman, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

3085. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Michael A. Samuels, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

3086. A letter from the Comptroller General of the United States, transmitting his review of the proposed deferrals and the supplementary reports revising proposed rescissions and deferrals contained in the messages from the President dated November 13, 1974, pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 93-410); to the Committee on Appropriations and ordered to be printed.

3087. A letter from the Comptroller General of the United States, transmitting a report that Department of Defense allocations to independent research and development should not absorb costs of commercial development work; to the Committee on Government Operations.

[Submitted Dec. 16, 1974]

3088. A letter from the President of the United States, transmitting a proposed supplemental appropriation for fiscal year 1975 for the Department of State (H. Doc. No. 93-411); to the Committee on Appropriations and ordered to be printed.

3089. A letter from the Deputy Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i) (2) of the Revised Statutes; to the Committee on Appropriations.

3090. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title IX of the Education Amendments of 1972 to except certain youth organizations, fraternities, and sororities from the operation thereof, and for other purposes; to the Committee on Education and Labor.

3091. A letter from the Under Secretary of Health, Education, and Welfare, transmitting proposed amendments to regulations for the State student incentive grant program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3092. A letter from the Chairman, National Labor Relations Board, transmitting the 39th Annual Report of the Board, covering fiscal year 1974, pursuant to section 3(c) of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

3093. A letter from the Attorney General, transmitting a report on identical bidding in advertised public procurement during calendar year 1973, pursuant to section 7 of Executive Order 10936, issued April 24, 1961; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of Dec. 13, 1974]

[Pursuant to the order of the House on Dec. 13, 1974, the following report was filed on Dec. 14, 1974.]

Mr. HUNGATE: Committee of conference. Conference report on H.R. 5463 (Rept. No. 93-1597). Ordered to be printed.

[Submitted Dec. 16, 1974]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11269. A bill to designate the Weminuche Wilderness, Rio Grande and San Juan National Forests, in the State of Colorado; with amendment (Rept. No. 93-1598). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 13455. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; with amendment (Report No. 93-1599). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1017. An act to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes; with amendment (Rept. No. 93-1600). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H.R. 11897. A bill to name the U.S. Courthouse and Federal Office Building at 110 Michigan Street, N.W., Grand Rapids, Mich., the Gerald R. Ford Federal Office Building; with amendment (Rept. No. 93-1601). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. H.R. 17463. A bill to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes; with amendment (Rept. No. 93-1602). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLANTNIK: Committee on Public Works. S. 2807. A bill to name the Federal building, U.S. Post Office, U.S. Courthouse, in Brunswick, Ga., as the Frank M. Scarlett Federal Building (Rept. No. 93-1603). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. Senate Joint Resolution 262. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol Grounds in connection with the erection of an addition to a building on privately owned property adjacent to the Capitol Grounds. (Rept. No. 93-1604). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee of Conference. Conference report on H.R. 10701 (Rept. No. 93-1605). Ordered to be printed.

Mr. STAGGERS: Committee of Conference. Conference report on S. 356 (Rept. No. 93-1606). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSE (for himself, Mr. Stubblefield, Mr. Wampler, Mr. Mizell, and Mr. Young of South Carolina):

H.R. 17635. A bill to adjust price support for tobacco under the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. CAMP:

H.R. 17636. A bill to grant a Federal Charter to the United States Athletic Hall of Fame Incorporated; to the Committee on the Judiciary.

By Mr. HARSHA:

H.R. 17637. A bill to amend the District of Columbia Code to provide for the appointment of a commission in certain proceedings for the condemnation of real property in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KYROS:

H.R. 17638. A bill to amend the Shipping Act, 1916, to provide for the licensing, bonding and regulating of nonvessel operating common carriers in the foreign and domestic offshore commerce of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KYROS (for himself and Mrs. Sullivan, Mr. Ashley, Mr. Downing, and Mr. Breaux):

H.R. 17639. A bill to amend the Merchant Marine Act, 1920, to establish a grant program to enable public ports to comply with certain Federal standards, to direct the Secretary of Commerce to undertake a comprehensive study of the present and future needs of public ports in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LAGOMARSINO:

H.R. 17640. A bill to authorize the Secretary of the Interior to provide relief to the Santa Ynez River Water Conservation District due to delivery of water to the Santa Ynez Indian Reservation lands; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS (for himself, Mr. Fascell, and Mr. Sikes):

H.R. 17641. A bill to protect juvenile and egg-bearing spiny rock lobsters; to the Committee on Merchant Marine and Fisheries.

By Mr. SCHERLE (for himself, Mr. McSpadden, Mr. Hechler of West Virginia, Mr. Young of Florida, Mr. Regula, Mr. Thone, Mr. Lent, Mr. Hawkins, Mr. Yatron, Mr. Burgener, Mr. Long of Maryland, Mr. Ketchum, Mr. Corman, Mrs. Schroeder, Mr. Eckhardt, Mr. Moakley, Mrs. Boggs, and Mrs. Mink):

H.R. 17642. A bill to amend title 38 of the United States Code in order to extend the entitlement of veterans to educational assistance from 36 to 45 months; to the Committee on Veterans' Affairs.

By Mr. THONE:

H.R. 17643. A bill to establish comparable standards for grain sorghum and corn in the determination of crop disaster losses; to the Committee on Agriculture.

By Mr. WOLFF (for himself, Mr. Addabbo, Mr. Blatnik, Mr. Boland, Mr. Brown of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Denholm, Mr. Eilberg, Mr. Fascell, Mr. Fish, Mr. Gilman, Mr. Hawkins, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Helstoski, Mr. Koch, Mr. Macdonald, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Riegle, Mr. Rodino, Mr. Roe, and Mr. Rosenthal):

H.R. 17644. A bill to amend title XVI of the Social Security Act to provide for the payment of certain emergency assistance grants and special allowances to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third party payee) in certain cases, and to restore to recipients of such benefits their right to participate in the food stamp and surplus commodities programs; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. Charles Wilson of Texas, Mr. Yatron, and Ms. Abzug):

H.R. 17645. A bill to amend title XVI of the Social Security Act to provide for the payment of certain emergency assistance grants and special allowances to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third party payee) in certain cases, and to restore to recipients of such benefits their right to participate in the food stamp and surplus commodities programs; to the Committee on Ways and Means.

By Mr. DENHOLM:

H.R. 17646. A bill to amend title 39, United States Code, to authorize the transmission, without cost to the sender, of letter mail to the President or Vice President of the United States, to Federal executive departments and agencies, or to Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES:

H.J. Res. 1177. Joint resolution to extend the expiration date of the Export-Import Bank Act of 1945; to the Committee on Banking and Currency.

By Ms. COLLINS of Illinois:

H. Res. 1510. Resolution expressing concern for the safety and freedom of Valentyn Moroz and Leonid Plyushch; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[*Omitted from the Record of Dec. 13, 1974*]

592. By the SPEAKER: Petition of the United Italian-American Labor Council, Inc., New York, N.Y., relative to the energy crisis; to the Committee on Ways and Means.

[*Submitted Dec. 16, 1974*]

593. Also, petition of Dr. Roy S. Wilson, Atlantic, Iowa, and others, relative to congressional pay increases; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 17409

By Mr. CONYERS:

Page 29, line 14; page 30, line 24; page 31, lines 7, 21, and 24; page 34, lines 14 and 23; page 36, lines 9 and 12; strike out "Act" each time it appears and insert "chapter" in lieu thereof.

Page 29, line 23; and page 35, line 12; strike out "the Act" each time it appears and insert "this chapter" in lieu thereof.

Page 31, line 25, strike out "request" and insert "requests" in lieu thereof, and on page 32, line 1, strike out "allowance" and insert "allowances" in lieu thereof.

Page 37, line 12, strike out "of which sum up to $25,000 shall" and insert "to" in lieu thereof.

Page 37, line 14, strike out "each Federal judicial district" and insert "Federal judicial districts" in lieu thereof.

Page 38, line 12, strike out "title" and insert "chapter" in lieu thereof.

Page 39, line 15, strike out "indictment" and insert "arraignment" in lieu thereof.

Page 34, line 1, strike out "3168" and insert "3170" in lieu thereof.

Page 35, line 13, strike out "3169" and insert "3171" in lieu thereof.

Page 37, line 6, strike out "criminal justice advisory".

Page 36, line 8, strike out "criminal justice advisory".

Page 29, line 17, strike out "criminal justice advisory".

Page 32, begining on line 17 and ending on line 18, strike out "rule 46(g) of the Federal Rules of Criminal Procedure" and insert "the provisions of the Federal Rules of Criminal Procedure relating to the supervision of detention pending trial" in lieu thereof.

Page 37, beginning on line 14 and ending on line 15, strike out "and to the Superior Court of the District of Columbia,".

Page 38, line 5, insert "Federal" immediately before "criminal offense".

Page 38, beginning on line 3 and ending on line 4, strike out "or judge of the Superior Court of the District of Columbia,".

Page 48, line 9, insert "Federal" immediately before "criminal offense".

Page 31, strike out lines 18 through 20 and insert in lieu thereof the following:

gathering and monitoring information and statistics, by which the district court, the United States attorney, the Federal public defender, if any, and private attorneys experienced in the defense of criminal cases, have expedited or intend to expedite the trial or other disposition of criminal cases, consistent with the time limits

Page 31, immediately after line 13, insert the following new subsection:

"(f) Plans adopted pursuant to this section shall, upon adoption, and recommendations of the district planning group shall, upon completion, become public documents.

Page 31, beginning on line 11 and ending on line 12, strike out "twelve-calendar month period" and insert in lieu thereof "and subsequent twelve-calendar month periods".

Page 32, line 21, strike out the period immediately after "classifications" and insert "; and" in lieu thereof.

Page 32, immediately after line 21, insert the following new paragraph:

"(8) the incidence of, and reasons for each thirty-day extension under section 3161 (b) with respect to an indictment in that district.

Page 32, line 18, strike out "and".

Page 9, line 15, reinsert the comma immediately after "calendar".

H.R. 17409

By Mr. CONYERS:

Page 45, line 20, insert "and with the apsert "GS–16" in lieu thereof.

Page 45, line 20, insert "and with the approval of the Attorney General" immediately after "Courts".

Page 47, strike out line 21 and insert in lieu thereof the following:

"(a) As used in sections 3146–3150 of this chapter—

"(1) The term 'judicial officer' means, unless otherwise indicated, any person or court authorized pursuant to section 3041 of this title, or the Federal Rules of Criminal Procedure, to bail or otherwise release a person before trial or sentencing or pending appeal in a court of the United States, and any judge of the Superior Court of the District of Columbia; and

"(2) The term 'offense' means any criminal offense, other than an offense triable by court-martial, military commission, provost court, or other military tribunal, which is in violation of an Act of Congress and is triable in any court established by Act of Congress.

"(b) As used in sections 3152–3155 of this chapter—

Page 48, line 15, strike out "Sec. 302." and insert "Sec. 202." in lieu thereof.

Page 48, line 18, strike out "Sec. 303." and insert "Sec. 203." in lieu thereof.

Page 49, line 3, strike out "Sec. 304." and insert "Sec. 204." in lieu thereof.

EXTENSIONS OF REMARKS

COLUMBUS RESIDENT VISITS RHODESIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ASHBROOK. Mr. Speaker, for the past 8 years, Americans have witnessed an almost unprecedented propaganda barrage against Rhodesia. This smear campaign has attempted to brand Rhodesia as an oppressive police state, stamping out the freedom of an unhappy population. So offensive are its policies, critics would have us believe, that Rhodesia is unworthy of U.N. membership and should be treated as an outcast among nations.

I cannot agree with all the actions of the Rhodesian Government. I would like to point out, however, that there is another side to this question than is generally presented in the media.

An American visitor may be surprised to discover that, despite all the adverse reports, Rhodesia is a peaceful, prosperous, and progressive nation. This view is given by Stelio M. Stelson, a resident of Columbus who has been touring Rhodesia. To help set the record straight on Rhodesia, following is a letter by Mr. Stelson that appeared in the November 23 edition of the Dispatch:

VISITOR TO RHODESIA DISCLAIMS ACCOUNTS OF POLICE TYRANNY

TO THE EDITOR: I am writing from Salisbury, the capital city of Rhodesia.

Americans are being told constantly by much of the printed media, television and, of course, the U.S. State Department that Rhodesia is a most unhappy country with terrible tension between blacks and whites.

Rhodesians, they are told, groan under a police state tyranny.

What rubbish! What lies!

I find Salisbury a clean and beautiful city. Blacks and whites go about their business without any sign of tension. The few policemen I have seen perform their duties unarmed. The opposition can say what it has to say without fear.

As far as the white opposition goes, it did not get any members elected to the Rhodesian Parliament but that was the choice of the white voters. There are black voters who elect black members of Parliament (there are 16 in a House of 66).

Salisbury is a pleasant place, and it's safe. One can walk about the city day and night. Of course, as any Rhodesian will tell, there is a certain amount of crime as in every city and town, but it's nothing to worry about or to cause fear.

For some reasons I cannot understand, lies are being told about Rhodesia which has done nothing to upset any other country. There is a certain amount of segregation. The whites and blacks live in separate areas; government schools and hospitals are segregated.

If Rhodesians want it that way, why not?

However, the big hotels cater for all races.

There is no law about this. It is entirely up to the managements to decide what is in their best business interests.

Since 1966 the United States has joined with the United Nations (U.N.) in imposing economic sanctions with the intention of destroying Rhodesia. There is no other word for this criminal aggression against an inoffensive small country.

However, these sanctions have failed. In 1965 there were 656,000 blacks in paid employment, excluding those employed by other blacks in the rural areas. Today there are 909,000 in paid employment.

In 1965 agricultural output by whites was $140.3 million and by blacks $34 million. In 1973 the whites produced $247.3 million and the blacks $64.1 million.

Mineral output in 1965 was $63.9 million and in 1973 $135.9 million.

This will show Americans and, hopefully, the U.S. State Department, how ineffective sanctions have been.

I should also relate that the Rhodesian currency has not been devalued and the rate of inflation in Rhodesia is much less than in the U.S.

This is a happy, peaceful country in spite of terrorist actions in a small northeast area. It's a prosperous country, yet the administration in the U.S. is trying to destroy it.

Rhodesia, of course, is staunchly anti-Communist and anti-Socialist and the economy is based on private enterprise.

Can those be the reasons we Americans are trying to pull down its capable and incorruptible government and replace it with an untried, inexperienced, black one that would probably lead to the military dictatorship or one-party tyranny found in most of the black-ruled African states?

Stelio M. Stelson,
Columbus resident.

MRS. JENALEE D. NIVENS—THE BEST IN THE HOUSE

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ROONEY of New York. Mr. Speaker, one of the saddest things about ending 30 years and 7 months of service in this distinguished body is the farewell that must be said to old and trusted friends. I would like to refer today, Mr. Speaker, to an old and highly respected friend who is not a Member of this body but who has served it well and faithfully—I refer to my administrative assistant of many years, Mrs. Jenalee D. Nivens.

Mrs. Nivens joined my staff on March 15, 1957, working under my late administrative assistant, the great Mr. George B. Buchheister. On George's sudden passing in April 1961, she took over the top position on my staff and has remained there ever since. As the office workload and staff expanded over the years she never once faltered in her ability not only to cope with but to become better and better at what she was doing. I am sure that many of my colleagues know the worth of a good administrative assistant; I for one know it and add that I was extremely fortunate in not only having a good one, but a great one. Since June 6, 1944, I have had only two, both great, the best on Capitol Hill.

Faithful is a word we sometimes throw around somewhat lightly here but when I think of Mrs. Nivens the word really takes on added emphasis. I think of the long hours, the weekends worked, the sudden trips to my district in Brooklyn, the missed vacations and the countless arduous, and many times unnoticed, tasks that she has performed without question. I think, too, of loyalty when I think of Mrs. Nivens and how she has never once wavered. I think of how many times over the years she has protected me, and my office, from enemies, and, thank God, sometimes even from some friends. Throughout all these years, and the many tough days that we shared, she stood strong and yet at the same time remained very much a warm, personable woman; a woman with whom I am proud to have been associated and a woman who I am proud to call a highly respected friend. Words cannot express my true feelings in this instance, Mr. Speaker, so just let me conclude by saying to Mrs. Nevins from the bottom of my heart, thank you—for everything.

HON. LESLIE ARENDS

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GUYER. Mr. Speaker, only once in a half century does a man like Les Arends come upon the political horizon. Unassuming, quiet of nature, profound in wisdom, sparkling in humor, commanding in sincerity, dependable in crises, loyal in allegiance, and sterling in character—here is a man who would be at home with Will Rogers or Pope Paul.

We new Members of Congress, who came to know Les, first by reputation, and next by personal privilege—soon knew we were in the company of a man who stands on that very narrow rim of Alpine leadership.

Standing on that lonely ledge of minority circumstance, Les always towered above the battle. His quiet but persuasive voice rallied his team with excitement and vitality. If we lost, he always found time to say thinks. If we won, he was the first to pat us on the back. He was often our only avenue of communications between the White House and the Congress.

Les Arends made life exciting and interesting. He was never bored, and could find as much enthusiasm over the price of soybeans as successfully sustaining a Presidential veto.

But more importantly, Les Arends is one of a dying breed—a real gentleman. He always did the common things uncommonly well. Farmer, golfer, legislator, leader, community worker, family man, and much more—Les Arends has the esteem of his colleagues, the love of his countrymen, and the respect for people in high and low places. His niche will never be filled and his remembrance will always be a treasure to those who knew him and admired him. We wish him well.

LABELING OF OLEOMARGARINE

HON. JOHN C. KLUCZYNSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. KLUCZYNSKI. Mr. Speaker, I am introducing this bill for the purpose of bringing the food margarine into more uniformity with the Food, Drug, and Cosmetic Act as respects two labeling requirements. When the old Federal taxes were repealed, special requirements were inserted into the act requiring colored margarine to be labeled "Margarine" or "Oleomargarine" in letters as large as any others on the label or, on an inner wrapper, in 20-point letters. These requirements are section 407(b) (3-A) and (4), respectively.

They are necessary, as a quarter century of experience has shown. Margarine labeling should be covered as all other foods are covered under the act, by the misbranding section 403. Since these unique requirements were set up, margarine has become a food in almost universal use; it is the major table spread. No special problems attend its sale. It should be brought under the same provisions of law that apply to other foods in the interests of uniformity, lower packaging costs, and simpler enforcement, and with no loss of consumer protection.

New packaging and labeling laws we have enacted cover margarine the same as other foods. New labeling regulations issued by the Food and Drug Administration and issued or proposed by the Department of Agriculture make no special clauses for margarine.

Section 407 itself merely reflects the obsolete idea that margarine had to be specially restricted or limited in its sale. Whatever relevance that concept had 25 years ago, it has none now.

My bill would bring margarine into uniformity with the act in two respects: First, applying the regular provisions of section 403 to the word "Margarine" or "Oleomargarine" on the label, instead of the rigid present requirement. Section 403 requires such a name to be truthful, conspicuous, and understandable—subsections a, b, c, f, and g. Within these requirements allows some flexibility in size of type.

There is no reason why margarine should not have the limited flexibility permitted under section 403. Conspicuousness is the real objective, and this requirement is in the act. A consideration is the fact that so much information is required to be on margarine package—which at its largest is only 5 by 5 inches and for smaller units is much less: list of ingredients, nutrition data, net weight—ounces and pounds—and name and address of manufacturer or distributor. Many margarines also include polyunsaturates and cholesterol information. Smaller units have to cram all this language into one small panel.

Second, removing the 20-point minimum type size requirements for inner wrappers, in cases where the margarine so wrapped is not intended to be sold as a separate subunit and where the full information is on the outer label enclosing the wrapped subunit. This is in line with the Food and Drug Administration's distinction between inner units sold as intrinsic components of an outer labeled package and units intended for sale as packages per se. Margarine inner units or one-quarter-pound "sticks" are not packaged to be sold separately and always are packaged within a label giving all the required information required under the law.

These two small amendments will establish a more rational, uniform basis of labeling margarine, and to that extent aid consumer identification of what is being purchased.

MRS. MARGARET YOUNG CITED FOR COMMUNITY SERVICE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GAYDOS. Mr. Speaker, the South Side Chamber of Commerce annually choses a resident of the area to be the recipient of its Community Service Award. This year, it selected a gracious lady who has distinguished herself in unselfish dedication toward improving and enriching the lives of her friends and neighbors.

In the words of the chamber's selection committee:

> No one, man or woman, is more deserving of this special recognition than Mrs. Margaret Young.

Mr. Speaker, I am personally acquainted with this remarkable woman and I can truthfully say the chamber has chosen well.

Mrs. Young has long been an advocate of programs to help people, particularly in the areas which involve the elderly or improved housing. She is credited with being almost single-handedly responsible for the success of a free nutrition program for the elderly and she has pleaded her case for a revolving loan fund to spur housing rehabilitation before the highest officials of the city of Pittsburgh.

As president of the South Side Community Council, Mrs. Young has been a familiar figure at public meetings of all kinds. She does not hesitate to express the opinions of the majority of her neighbors on programs or projects which affect their community.

In addition to her council work, Mrs. Young also serves as first vice president of the Brashear Association and is president of the Number Seven Police-Citizens Council. She has been active in politics, serving as a member of the Election Board in her district 21 years, including 10 as judge of elections. During the 1950's, she also served as chairman of the 17th Ward Surplus Food Board and was a member of former Mayor David L. Lawrence's Cleaner City Committee.

Mrs. Young is a lifelong resident of the South Side. Her late husband, Norman, was an Allegheny County police officer, and the couple had two children: Mrs. Virginia Patter and Robert, also a county police officer. In addition, there are four grandchildren in the family.

Mr. Speaker, on behalf of my colleagues in the Congress, I extend our official congratulations to Mrs. Young, a woman who has enriched the lives of all who know her. She is a wonderful person and richly deserving of the honor accorded her.

PIPELINE TRANSIT TAX

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUES OF REPRESENTATIVES

Monday, December 9, 1974

Mr. MATHIS of Georgia. Mr. Speaker, on Wednesday of last week, I introduced legislation which would in essence direct the President to impose a pipeline transit tax or duty on Canadian oil transported across American territory through American pipelines.

On December 3, 1969, Mr. J. J. Greene, Canadian Minister of Energy, Mines and Resources, restated his country's desire to have an open market in the United States for Canadian oil and assured our Government that the United States could always depend on Canada as an oil supplier.

Mr. Trudeau's government since then has adopted a beggar-thy-neighbor policy toward the United States. They have imposed an excise tax on all Canadian oil coming into this country which has made the cost of Canadian oil higher than any other oil imported from any other country in the world.This tax has forced U.S. consumers in our northern tier States to subsidize Canadian consumers in the eastern provinces. Also as a direct result, our northern tier refiners who had relied for years on Canadian oil have been placed in an extremely difficult competitive position.

Now the Canadian Government states they want to phase out all Canadian oil exports to this country. When this announcement was made by Prime Minister Trudeau, the only response from our State Department was that they were disappointed but they could understand.

Mr. Speaker, maybe the State Department can understand, but I certainly cannot. I realize that Canada has the same problems with energy that every country does, but I think this unilateral action on their part is a slap in the face to the American public.

For years the Canadians were in a very lucrative position of having a ready market for their oil in this country. At the same time, they were able to use these profits to purchase cheap imported crude from Venezuela, so actually we were subsidizing their own imports. During this same period of time, the Canadians were enjoying free access to transport their Canadian oil through American-owned pipelines on American soil.

The Canadian Government justifies the imposition of this excise tax by saying that it is needed to offset the additional costs of their imported oil. They also say that the possibility of them becoming exclusively dependent on imported oil in the near future is certain. There is no doubt that Canada's domestic oil supply is diminishing, but I would simply like to state that the internal problems of Canada have not been conclusive to stimulate their own oil exploration policies. I am not trying to influence Canadian internal policies, but when it has a direct effect on the well-being of the United States, I am greatly concerned.

Another dilemma of this excise tax has been the action by the Venezuelan Government in using the price received by Canadian crude in the United States as a benchmark for its own export price to Canada. The result is a closed circle in which Canadian price increases generate Venezuelan price increases, which, in turn, generate Canadian increases. The United States is caught in the middle of a cost squeeze over which we have no control.

It is not my desire that a pipeline tax ever be adopted by this country, but apparently our State Department does not want to face up to the Canadian Government. My purpose in introducing this legislation was not to urge retaliation against Canada, but to point out that the United States is not altogether without recourse in its dealings with Canada.

Mr. Speaker, I will be introducing this bill again in January, and I welcome any Member of the House as a cosponsor. I feel it is mandatory that our own State Department know there are some in Congress who are greatly concerned and are ready to fight fire with fire.

FAREWELL TO "FISHBAIT"

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. EVINS of Tennessee. Mr. Speaker, after 42 years of distinguished service for the House—including a quarter century as Doorkeeper—William M. "Fishbait" Miller is retiring at the conclusion of the 93d Congress.

Fishbait has been a part of the ebb and flow of history through the House as the escort and announcer of Presidents and other leaders who have addressed and appeared at joint sessions of the Congress. His stentorian voice will echo down the corridors of time as future generations see and hear film and television reports of his introduction of famous visitors to the House.

Fishbait recalls 1 week, for example, when he introduced Gen. Douglas MacArthur and President Harry S. Truman.

Fishbait has devoted his adult life to service to the Members of the Congress—

his dedication to the Members has been remarkable. He is a consummate politician and has made many friends during his years of service which dates back to 1933—the year Franklin Roosevelt became President—when William M. Miller became an official messenger to the Postmaster of the House.

Fishbait remarked recently:

> I have lived a good life, a full life. I have enjoyed every minute of it and as I leave I have no regrets and no axes to grind.
>
> I am going home happy and catch fish and enjoy the good life in retirement.

Fishbait Miller deserves many years of relaxation and contentment away from the pressures and demands of the "pressure cooker" that is Washington.

Certainly I want to join many friends of Fishbait in wishing him the very best of good luck, good health, and much happiness as he returns to his beloved Mississippi homeland.

AMBASSADOR HENRY J. TASCA

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ROONEY of New York. Mr. Speaker, I should like to call the attention of the House to one of our great career Foreign Service officers who has given our country a remarkable example of self-sacrifice and devotion to his country. I speak of Henry J. Tasca who has been serving with great distinction and ability as American Ambassador in Athens, Greece.

I have intimately known and admired Ambassador Tasca for a number of years during which he served under a number of Presidents of both parties with high dedication and loyalty.

I have always been impressed with Henry Tasca's broad understanding of world affairs and I have marveled at his grasp of the economic, social and political issues related to each country in which he was serving our Government. Part of this unusual comprehension of the problems we and other governments face derives from his exceptional academic background: Temple University, B. Sc.; University of Pennsylvania, MBA and Ph. D.; Temple University, LL.D., research fellow, Brookings Institute, London School of Economics, and much more.

A great deal of Henry's success comes from the magnificent experience he obtained in his highly successful service in Paris, in Korea and the embassy posts in Rome, Bonn, Rabat, and most recently in Athens.

The people of this Nation should be eternally grateful to Ambassador Tasca for the fearless and competent manner in which he preserved our American interests during the past several years of political crises in Greece. In this connection, I recall that a high ranking minister of the present Caramanlis government in Athens told Newsweek magazine that history will record that Henry Tasca played a major role in the return of democracy to Greece. And yet I must also recall that during this period of time he also fully protected all of our top security interests in Greece.

Ambassador Tasca frequently stood alone in his recommendations to Washington; frequently his analyses of the volitant political situation was not always what his detractors in this House and the other body and the press wanted to hear. But during all these crises Henry Tasca stood firm on his convictions in supporting our national interests in Greece. Often he was misquoted and more often criticized by a seemingly hostile press, but he did his job with utmost vigor and commonsense. Just how good this commonsense was has been proven over and over again with the recent developments in Greece. The restoration of democracy and the recent elections prove the statesmanship of Ambassador Tasca's effectiveness as our President's representative in that country.

In a letter to him from President Gerald R. Ford, he was paid the highest tribute for the dedicated manner in which he served as Ambassador to Greece for a long 5 years.

Surely Ambassador Tasca richly deserves a hero's medal when he stood out against Greek and American critics alike. His courageous anti-left wing stand was exactly what the Greek people wanted as can be attested by the sound defeat of an actress named Melina Mercouri on the anti-American Andreas Papandreous ticket which got only 13 percent of the votes. The people of the port city of Piraeus demonstrated quite forcefully that they do not at all want her, not only on Sunday, but on every other day of the week. Another anti-American critic was a composer named Mikis Theodorakis, a Communist friend of Melina. He too was a loser. His Communist party got only 8 percent when democracy returned to Greece.

Ambassador Tasca had to contend with some congressional hostility on the part of a few members who paid very brief visits to Greece, possessed with only a superficial and meager understanding of our foreign relations and had the effrontery to criticize him.

As one who is about to soon depart these sacred halls, I do fervently hope that Members of Congress, both bodies, who visit our embassies in capitals abroad and are not fully competent to discuss our foreign relations would not reiterate positions taken by the left wing and pro-Communist media.

The growing list of martyred American diplomats, the last of whom was Rodger P. Davies, our Ambassador in Cyprus, an outstanding career Foreign Service officer, should make all of us think very seriously before putting the finger on our diplomats, particularly from the career service, as responsible for carrying out policies which certain Members of Congress and the media may not like.

Mr. Speaker, it was my good fortune to be honored recently at a reception at the Department of State in recognition of my retirement after almost 31 years of service, most of which having years to do with Foreign Service personnel and operations. I was pleased that the President, our Speaker, and the Chief Justice of the United States attended. I took occasion on that evening before the assemblage to pay tribute to Ambassador Henry Tasca and to insist that we need more Foreign Service officers with his dedication and proven ability.

As I depart this body I want to wish Ambassador Tasca all the future success and happiness possible and express the hope that our paths may cross soon again and often.

A MANDATE FOR REPUBLICANS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ASHBROOK. Mr. Speaker, I was very interested in a recent editorial appearing in the Mount Vernon News. The editorial emphasizes that the past election was a mandate for Republicans, too—a mandate to get the "party back on a clearly defined track if it is to regain its position as the rallying point for moderate Americans." Essential in this process is the need for the party "to clarify and restate its principles."

I agree wholeheartedly with these views. A major reason for the poor showing of Republicans at the polls was the failure of the party to stand for basic principles.

Republicans have historically stood for restraints on Federal spending. Yet a Republican administration proposed some of the largest budget deficits ever seen on Capitol Hill. Republicans have historically stood for free enterprise. Yet a Republican administration initiated wage and price controls. Republicans have historically stood for a strong national defense. Yet a Republican administration allowed our Nation to lose military superiority. Law and order, clean government, anticommunism—the issues go on and on.

Is it any wonder that the electorate voted against Republican candidates? Republican leaders abandoned the principles that had attracted millions of voters and that had thrust them into control of the Presidency.

If Republicans are to regain their lost support, the party must return to its historically sound principles. Otherwise the Republican Party is heading toward national oblivion.

Following is the text of the editorial from the Mount Vernon News:

THE REPUBLICANS ALSO HAVE A MANDATE

> The Republicans took a bath, as the saying goes, in the last election. For the sake of the future of the Grand Old Party we would rather think that this shock at the polls will have the sobering and invigorating effect of a cold shower on a basically sound body.
>
> The fortunes of the Republican Party at this point cannot be separated from the fortunes of the two-party system that is essential to the functioning of our nation's political mechanism. How the Republicans react to their off-year defeat could well determine the fate of third party movements stirring within both parties as 1976 approaches.
>
> The Gallup Poll reported last June that 38 percent of American voters considered themselves "conservatives" and only 26 percent

would call themselves "liberals." This is the highest percentage of people classifying themselves as conservatives since 1936. At the very same time polls also were reporting that 40 percent of the people identified themselves as Democrats and only 24 percent as Republicans. This contradiction gives a clear indication of just how fragile labels can be in politics.

Clearly neither party has been succeeding very well in offering voters a "home" based on their political philosophies, as a healthy two-party system requires.

The Democrats are interpreting their showing in the election as a mandate to assume a more active role in dealing with the problem uppermost in the public mind—our sick economy. This is no mean challenge to a party whose congressional record is poor; a party which must reconcile leaders ranging across the philosophical spectrum from Alabama's Gov. George C. Wallace to South Dakota's Sen. George McGovern. It will not be roses all the way for the Democrats in the next two years.

The Republicans can interpret their poor showing as a mandate, too. The voters have as much as told Republican leaders that they must get their party back on a clearly defined track if it is to regain its position as the rallying point for moderate Americans.

The GOP has been wounded by Watergate, but certainly not fatally. Fair-minded citizens recognize that the scandal which spread into the White House from the Committee to Re-Elect the President in 1972 was a failing of individuals, not of a great political party. The important thing is for the GOP to regain its ideological perspective, to broaden its base and thus provide a strong and practical appeal to the "silent majority" that, in other years, has been the party's great strength.

Finally, the Republican Party needs to clarify and restate its principles, which are altogether sound ones. It needs to capitalize on its strengths, which are considerable.

If it does all these things the GOP will quickly be reassured that its foundations are firm—quite firm enough to support a strong and effective party for millions of Americans who, in spite of a loud cry of protest at the polls, are still looking for a place to feel at home.

H. R. GROSS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. FISHER. Mr. Speaker, our colleague, H. R. GROSS of Iowa, has been one of the most respected and useful Members who have served in the Congress during more than 2½ decades. His contribution to legislation has been invaluable.

It is unfortunate for the country that a man of H. R.'s caliber finds it necessary to retire. But he can look back upon his record with understandable pride and satisfaction. Always alert and courageous, he has never faltered in his devotion to the cause of good Government.

Like most of his colleagues, I regard H. R. GROSS as a personal friend. Serving with him has been a rewarding experience. The entire Nation will be the loser because of his retirement. I extend to him and his family my very best wishes.

NEW WING FROM NASA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. TEAGUE. Mr. Speaker, NASA continues to make contributions not only in space application but also in aeronautics. One of its most recent achievements is the development of a new wing, promising increased performance and reduction of fuel consumption. NASA and its forerunner, the NACA, have worked with our aircraft industries over the years to improve the technology essential for the competitive commercial aircraft. In a recent article by Laura Mason, staff reporter, of the Daily Press in Newport News, Va., she describes the activity of Langley Research Center in the development of this new wing, because this is such an apt example of NASA's contribution to aircraft technology. I am including this article in the RECORD for the benefit of my colleagues and the general public.

NASA DESIGNING NEW WING TO IMPROVE LIFT, SAVE FUEL AND INCREASE SAFETY

(By Laura Mason)

A new wing (airfoil) developed by NASA's Langley Research Center scientists will make small, light aircraft 75 per cent safer, will provide up to 30 per cent increase in maximum life over conventional wings and will enable twin-engine planes to cruise at normal speeds with at least a 10 per cent reduction in fuel consumption.

Joseph W. Stickle, assistant chief of the Flight Research Division at LRC, explained the project was begun in the fall of 1972 with preliminary designs for modifying the supercritical wing designed by Dr. Richard T. Whitcomb, also of Langley Research Center. Dr. Whitcomb's wing was designed for use on commercial jet transports. It was redesigned for optimum use on light aircraft.

The new low-speed airfoil, called the GAW-1 (General Aviation Whitcomb-1) was basically re-designed by a computer. (A comparable wind-tunnel program to build, test, and evaluate 17 model changes would consume 6 months or more and many man-hours.) The computer results were validated in wind-tunnel tests at Langley and at Wichita State University. The program has been designated ATLIT (Advanced Technology Light Twin).

ATLIT is the program management responsibility of the University of Kansas under a $800,000 grant from NASA.

The new wing was built by Robertson Aircraft Company who performed the design study. Piper Aircraft Company in Lakeland, Fla., is fabricating and mounting the wing on the twin-engine craft. The plane will be transported to LRC in September where the test flights will be made.

Upon its arrival at LRC some forty different pieces of instrumentation will be fitted into the craft in order to document characterizations of the airfoil, such as pilot input and effects, climbing capabilities and control of the aircraft, among others.

According to Harold L. Crane, NASA project engineer for the program, the safety factor comes in because the new wing increases the rate at which the small aircraft can climb from 200 feet per minute to approximately 350 feet per minute, thus lessening the chance of an accident during the critical take-off period. According to aviation studies, operations near the airport account for over half of all general aviation accidents. Crane said it would take a couple of months to install the equipment needed for documentation and that test flights would begin at the first of the year.

Not only will the ascent speed be increased, Crane explained, but the cruise speed for the aircraft will be increased approximately seven knots (10 miles per hour) without addition of power.

Two Langley pilots, Philip W. Brown and Robert S. Champine, will test the twin-engine Piper. Tests have been scheduled on an average of two per week and will extend over a four month period beginning January, 1975.

Bruce J. Holmes, project engineer from the University of Kansas where the program was conceived, explained that the grant not only covered development of the aircraft but also financed an extensive educational program at the University which is still being carried on. The program has resulted in a number of degrees being earned through work on the airfoil program. At least ten students have already been awarded either M.S. degrees or doctorates in General Aviation as a result. Holmes is serving a 15-month internship at LRC which will count as credit hours leading to a doctorate in General Aviation.

In addition to the University of Kansas, three other educational institutions are involved in the development of the airfoil. Work is presently underway at North Carolina State, Wichita State University and even Princeton University.

In addition to testing the new airfoil, the plane will also be testing two other unique and newly developed features. A new propeller design based on the revolutionary supercritical wing will be tested along with exclusive use of spoilers for roll control instead of conventional ailerons. (Spoilers are hinged surfaces that extend above a wing to slow a plane usually during landings.)

HUMAN RIGHTS IN SPAIN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FRASER. Mr. Speaker, many Members have demonstrated a continuing interest in issues concerning human rights. A case relating to a violation of these rights was recently called to my attention by a resident of Minnesota whose daughter is living and working near Barcelona, Spain.

The case concerns Lydia Falcon O'Neill, an author and lawyer who was recently arrested and imprisoned with seven other prominent intellectuals and charged with being a "link" between the Communist party and ETA, the Basque nationalist group. The arrest was prompted by the September 13 bombing of a Madrid restaurant in which 12 people died and another 50 to 70 were injured. The bombing was attributed to ETA. The group is also blamed for the assassination of Premier Adm. Luis Carrero Blanco last December. ETA policy is to accept responsibility for acts of ETA terrorism. In the Madrid restaurant case they have disclaimed any involvement.

Through correspondence with the Spanish Ambassador to the United States and the U.S. Ambassador to Spain, I have learned that Ms. O'Neill had been critically ill previous to her arrest and subsequent to it was held without medical attention for 25 days. Later she was transferred to the prison hospital where her condition improved. It is not now known if she has been placed in a regular prison cell.

Following is an article about the case that appeared in the New York Times, November 25, 1974. Also included is a letter *from* Horatio Rivero—U.S. Ambassador to Spain:

TORTURE IN SPAIN

(By Barbara Probst Solomon)

Spain is in a chaotic state of political decomposition. The Franco family has been discretely removing furniture and other valuables from the Pardo Palace to family property in Torrelodones. The Franco estate in Móstoles has also been quietly sold. Clearly, the family is preparing for mobility.

From left to ultra-right, the power play for political control is in full swing. The more liberal members of the opposition are hoping that legal political associations will be allowed. The Communist party, which has steadily worked toward an image of respectability, is also trying to negotiate an eventual legal place in a future government.

It is against the background of these confused political events that the current right-wing backlash must be understood. It has led to the bizarre arrest of the famous Madrid playwright Alfonso Sastre and his wife the psychiatrist Genoveva Forest. It is the most important political case since the Burgos trials; it is the most brutal arrest since the Spain of the nineteen-forties and will undoubtedly be considered an equivalent of the Sacco-Vanzetti trial.

On Sept. 13 a bomb exploded in a Madrid cafeteria generally frequented by Madrid policemen. Twelve people were killed. The Basque nationalist group known as E.T.A., which was responsible for the assassination of the Premier, Adm. Luis Carrero Blanco, last December, was immediately blamed. E.T.A. policy is to claim responsibility for all acts of E.T.A. terrorism; this time E.T.A. disclaimed involvement.

The fact that at the time of the bombing no policemen were in a cafe habitually frequented by the police was immediately picked up by the Barcelona newspaper Vanguardia as giving a somewhat "odd cast" to the affair. Spanish newspapers suspected ultra-right-wing involvement.

On Sept. 16, Genoveva Forest and seven other prominent intellectuals were arrested. They were charged with being a "link" between the Communist party and the E.T.A. and with having aided the E.T.A. in the cafeteria bombing.

According to the police, the homes of these prominent Madrid and Barcelona intellectuals were used as E.T.A. hiding places. Genoveva Forest was accused of having co-authored "Operation Ogre," a clandestine E.T.A. best-seller that gives a documented E.T.A. account of the Carrero Blanco assassination.

I have read the book. Clearly, it is written in the unique Basque argot, which a non-Basque, Madrid psychiatrist such as Dr. Forest simply would have had no access to. Dr. Forest is of Catalan origin.

Those familiar with the Spanish political scene and aware of the animosity of the conservative Communists and trade unionists toward E.T.A. terrorist tactics consider linkage between the two groups lacking in credibility. Clearly, it is an attempt by extremists in the police to discredit the opposition.

What has most shocked the Spanish and European intellectual community has been the torture used against prominent intellectuals. In an article in Le Monde, corroborated by information received from Amnesty International, the following events have been reported:

Dr. Forrest was held incommunicado for 26 days. She was continuously beaten and kicked in all parts of her body. She was told she would be thrown out of a window and that the world would be told that she had committed suicide. When she vomited, she was forced to swallow "the mess"; when forced to urinate, she was mocked by twelve policemen.

According to a letter smuggled to her lawyer, Dr. Forest wrote that the severest form of torture for her was psychological and involved her daughter. She was told, untruthfully, that her 12-year-old daughter was being interrogated in prison concerning her parents' activities and that her husband was dead.

Mr. Sastre had of his own volition handed himself over to the Madrid police in an effort to save the lives of his wife and the other prisoners. He is now in Carabanchel prison awaiting trial: According to Spanish law, a husband is legally responsible for crimes committed by his wife.

The other prisoners are as follows: Lidia Falcón O'Neill, a Barcelona labor lawyer and feminist; her husband, the writer Eliseo Bayo Poblador; Antonio Durán Velasco, a labor leader; Maria Paz Ballesteros, a television actress; her husband, the producer Vicente Sains de la Pena; Maria del Carmen Nadal, a teacher; her husband, an airline pilot, Bernrdo Vadell Carreras. All have been tortured.

Apparently the continued use of torture these last two months on Genoveva Forest has been successful. She has been charged with the murder of Admiral Carrero Blanco.

MADRID, *October 29, 1974.*

Hon. DONALD M. FRASER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: The American Consul General in Barcelona, Mr. William H. Lehfedt, has referred to us your letter of October 14 and asked if we could obtain additional information concerning the situation and health of Mrs. Lydia Falcon O'Neill, lawyer and author arrested and imprisoned in the wake of the September 13 bombing of a Madrid restaurant which cost the lives of 12 persons and injuries to an additional fifty.

From conversations with two different lawyers familiar with both her case and that of her husband, Eliseo Bayo, we understand that both of them still remain in prison in Madrid at this time. Mrs. Falcon is expected to be charged with terrorism and, if indicted, would consequently be tried before a military tribunal (as will her husband). It is not known when the court-martial will be held nor whether Mrs. Falcon will be held in jail until the trial, although there is a strong possibility of the latter. Her husband reportedly may have a better chance of being given provisional liberty pending the court-martial than Mrs. Falcon.

Both lawyers agreed that Mrs. Falcon was suffering some form of chronic illness at the time of her arrest. One lawyer claimed she has diabetes and the other that she has a chronic liver ailment and probable hepatitis. Both are agreed that she was held some 25 days incommunicado in prison after her arrest during which time her ailment apparently got worse. She was then transferred to the prison hospital where her condition substantially improved under regular and adequate medical care, and reportedly by now she may have left the prison hospital and been placed in a regular cell block with other prisoners.

This is all the information which we have at present. Should you desire more detailed and precise information, we understand her defense attorney is a Barcelona lawyer named Frederico Valenciano Tejerino, whose address is Ausias March 19, Distrito 10, Barcelona (his phone number in Barcelona is 226-3144).

Sincerely,

HORACIO RIVERO,
Ambassador.

FACING CHINESE REALITIES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ASHBROOK. Mr. Speaker, what is happening on the mainland of China? A number of different answers are being presented. But one point most all observers agree on—the present leadership of Communist China is close to death. What will come after is anyone's guess.

It is highly important that U.S. policy keep this observation in mind. As my good friend William Rusher has written:

> Of China's future, only one thing is sure: Neither Mr. Mao nor Mr. Chou will be around to influence it. By committing the United States to them, Mr. Ford and Mr. Kissinger will only make it likelier that the same can be said of us.

It is time for sober analysis and not for dreams of what might have been. Certain facts stand out. One is the continuing existence of the Republic of China on Taiwan—one of the economic and military powers of Asia. It is foolish to ignore this reality.

At this point I include in the RECORD William Rusher's sound analysis, "Caution Toward China," from the New York Times of Sunday, December 8, 1974:

CAUTION TOWARD CHINA

(By William A. Rusher)

The announcement that President Ford will visit China next year, with its implication that diplomatic recognition will follow, simply underlines the growing uneasiness in Washington about our policy of détente with the People's Republic of China.

That policy has been a sickly child from the start, and for almost a year Red China's supporters in this country have been urging quick diplomatic recognition on the rather panicky ground that this step is necessary to keep not merely the policy but our friends in Peking from collapsing.

The State Department has remained considerably calmer than that, but these latest developments suggest that pressures for therapeutic concessions to Red China are getting pretty high.

The opposite view—and it certainly seems to have its fair share of adherents—is that this is supremely not the moment for the United States to commit itself still further to a particular regime in Peking, or to any given solution for the future of China.

After all, none of the really towering figures on the political scene in Peking, or for that matter in Taipei, will ever see 75 again. Chou En-lai is 76, and has been hospitalized for five months with heart trouble. Mao Tse-tung at 81 and Chiang Kai-shek at 86 are fading from the scene.

Within a matter of years at most, and perhaps even sooner, the deaths of some or all of these men must catapult China into a new and quite possibly prolonged period of political uncertainty, with an almost infinite variety of possible outcomes.

Why should the United States open this unpredictable phase by announcing its formal diplomatic recognition of the gerontocracy in Peking?

Put aside all arguments based on the worth of America's pledged word of Taiwan—and admit that any promise by the People's Republic not to use force against Taiwan would be at least equally open to (shall we say?) re-evaluation. Consider only the facts, which tend to outlive both Presidents and Premiers:

Fact 1: Nationalist China is very much a going enterprise, not just economically but even militarily. In the Dec. 6 National Review, Brian Crozier reports that, according to expert estimates, the Red Chinese Air Force and Navy could at best land three divisions of assault troops in Taiwan—a force with which the Nationalist defenders could cope, even without American aid.

Fact 2: Soviet intentions with respect to China are cloaked in mystery. But Leonid I. Brezhnev sharply rejected Peking's recent tentative overture, ships of the Soviet Far Eastern Fleet sail regularly through the Strait of Formosa, and the border between the Soviet Union and the People's Republic is 4,000 miles long. It is not unreasonable to suppose that Moscow plans to take a lively interest in future political developments in China.

Fact 3: The Chinese Communist Government has been wracked by dissension for nearly two decades, and the dissension appears to be approaching some new climax. The nominal President of the People's Republic was toppled and disgraced less than ten years ago, Mao's constitutionally designated "heir" was liquidated as late as 1971, and Chou En-lai has come under indirect attack by shadowy forces in the last six months.

Fact 4: The entire history of China bears witness to the difficulty of ruling that whole vast land effectively from a single capital. Warlordism—the tendency of regional military commanders to develop into autonomous political entities—is one of the signal characteristics of the long Chinese record, and it would be folly to assume that we have seen the last of it.

Is this, then, the time for the United States to be binding itself irrevocably to the fading leaders, shifting policies and unidentified successors of the present Chinese Communist regime?

Of China's future, only one thing is sure: Neither Mr. Mao nor Mr. Chou will be around to influence it. By committing the United States to them, Mr. Ford and Mr. Kissinger will only make it likelier that the same can be said of us.

STALEMATE IN THE WAR ON CANCER

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. COHEN. Mr. Speaker, the December 1 issue of "Science and Government Report," an independent bulletin of science policy, contains an article which deserves to be read by those of us in Congress who have oversight responsibilities for Federal programs.

The article, entitled "The 'War on Cancer': Official Fictions and Harsh Facts," suggests that much of the recent optimism associated with our national effort to cure cancer is not borne out by statistical examination. As the author of the article, Daniel S. Greenberg, editor and publisher of "Science and Government Report," points out:

> After 25 years and several billion dollars expended on research for cures, survival rates for the most common types of cancer—those accounting for some 80 percent of all cases—are virtually unchanged.

Because I believe my colleagues will be especially interested in this article and its implications, I am inserting it in the RECORD at this point.

THE "WAR ON CANCER": OFFICIAL FICTIONS AND HARSH FACTS

The official "communiques" from the so-called War on Cancer, like those of bygone days in Vietnam, convey an impression of slow, but steady, progress in a difficult struggle, beyond which shines light at the end of the tunnel.

Thus, just as General Westmoreland could proclaim on the eve of the Tet offensive, "I have never been more encouraged in my four years in Vietnam," the American Cancer Society (ACS) tells the public in a pamphlet titled, *The Hopeful Side of Cancer*, "Too few know that cancer is curable." The accompanying message from ACS, reminiscent of Vietnam optimism prior to the deluge, is that perseverance and more of the same efforts have been paying off and will continue to do so.

To cast doubt on these medical claims is not to wish they weren't so, nor to imply that one has a better formula for success. But the grisly fact is that the public is getting a snowjob about progress in cancer research and treatment, and a direct consequence of that deception is increased power for the cancer "establishment" to go on with more of the same. When the reports are favorable, there is little cause for pressure for a re-examination of the basic strategy.

Following a recent excursion through the statistical centers of the War on Cancer, SGR must regrettably report a fundamental but rarely discussed finding, namely, that after 25 years and several billion dollars expended on research for cures, survival rates for the most common types of cancer—those accounting for some 80 percent of all cases—are virtually unchanged; here and there a bit of improvement has occurred, but in some instances, the survival rates may even have worsened. As for the types that comprise the remainnig 20 percent of all cancers, there has been some improvement in certain categories, but overall, these figures, too, are relatively unchanged.

Consider, for example, lung cancer, which, accounting for approximately 10 percent of all cancers, is one of the most prevalent forms of the disease. As reported in statistics that the National Cancer Institute periodically publishes under the infelicitous title of *End Results in Cancer*, the 5-year survival rate in 1940–49 was a grim four percent, which means that five years after diagnosis anytime during that period, only that slight percentage of the patients remained alive. In the period 1950–59, however, the five-year survival rate doubled, to eight percent. It remained there through 1960–64, and then rose by only one percentage point during 1965–69, which later date, for five-year survival calculations, extends to 1973.

Putting these numbers in layman's terms, they mean that of those who are diagnosed in 1950 as having lung cancer, eight out of 100 were alive in 1954; of those who were diagnosed in 1969, the number surviving in 1973 was nine out of 100. The increase merits gratitude, but it scarcely supports the ACS's assertion that "Cancer is one of the most curable of the major diseases in this country."

Another of the most common cancers, that of the colon, accounts for eight percent of the total incidence of the disease. According to NCI's statistics, the 1940–49 survival rate was 32 percent. In 1950–59, it rose to 44 percent, which is exactly where it remains to this date.

In the case of cancer of the colon, as well as some others, the survival figures do worse than mock the official line that progress, though slow, is continual. Statistical quirks may be the cause, but the one-year survival rate for cancer of the colon has actually declined, according to figures soon to be published by NCI. In 1965–69, the one-year rate was 68 percent; in 1970–71, it had dropped to 65 percent. Several factors could account for this change, but not infrequently, one finds well-credentialed cancer researchers speculating that newly devised "treatments" many actually be adding to the toll.

In their presentations to Congress, NCI officials have recently expressed encouragement about treatments for leukemia and cancer of the cervix, and of late there has been much in the news about progress in treating breast cancer. Progress there has been, but again, regrettably, the official statistics do not support the optimistic claims.

Thus, the ACS states, "Only 10 years ago, anyone who spoke about curing leukemia was considered a charlatan. Today, the cure for leukemia is a realistic goal."

SURVIVAL RATES

However, the survival rates for leukemia, though apparently improving as a result of new chemotherapies, remain tragically low, according to NCI's tabulations. For the three categories that come under the heading of acute leukemia, the five-year survival rate in 1950–59 was one percent; for 1965–69, it had risen to three percent. In the same periods, the survival rate for chronic leukemia rose from 23 to 29 percent. Statisticians caution, however, that since the incidence of leukemia is relatively low (3.5 percent of all cancers) and diagnosis often so difficult, the margin for error is considerable. "I wouldn't be surprised if they're 'curing' a lot of leukemia that never existed," one statistician said.

The ACS also expresses optimism about uterine cancer, stating that "The death rate from this form of cancer in women has dropped over 50 percent in 30 years," adding that "Much of the credit for this dramatic decline is due to the Pap test, one of the most significant advances in early detection techniques." The official statistics, however, show that ACS's hopeful report is both true and misleading. For cancer of the cervix uteri, which accounts for 5.8 percent of all cancers, the five-year survival rate in 1940–49 was 47 percent. By 1950–59, the survival figure had risen to 59 percent. By 1965–69, however, five-year survival had *declined* to 56 percent.

For cancer of the corpus uteri, which accounts for 3.5 percent of all cancers, the 1940–49 five-year survival figure was 61 percent. This rose to 71 percent in 1950–59; 73 percent in 1960–64, and 74 percent in 1965–69. Again, only thankfulness can be expressed for any improvement in survival rates, but what the figures show is that very little change has actually occurred since the 1950–59 period.

BREAST CANCER

Female breast cancer, which accounts for 11.8 percent of all cancers, has long been the object of a public awareness campaign that presumably has resulted in some increased measure of early detection, which is an important element of effective treatment. Nevertheless, the changes in survival rates over the past 25 years have been surprisingly slight. In 1940–49, the five-year survival rate was 53 percent, when averaged out among cases detected at various stages of development. The rate improved to 60 percent during 1950–59, but despite the emphasis on early detection, and the much-heralded development of combined therapies involving surgery, radiation, and drugs, the most recent 5-year survival rate has risen to only 64 percent.

The oft-repeated and authoritative statement that Mrs. Rockefeller's chances of survival are 90 percent is indeed welcome news. But considering that she was the beneficiary of early detection and the most capable care, it is also worth noting that the three-year survival rate for her type of localized breast cancer was 89 percent in 1950–59, and has stood at 91 percent since then.

Going down the grim list of other major cancers, the five-year survival rate for cancer of the stomach has stood at 12 percent since *1950. For cancer* of the rectum, it has remained at 40 percent over the same period. For cancer of the pancreas, the survival rate has stood at one percent since 1950–59. For cancer of the esophagus, survival has apparently declined, from a rate of four, down to three percent over the past 25 years.

OFFICIAL OPTIMISM

If these are NCI's own figures, what then accounts for the routinely official optimism, such as that expressed by NCI Director Frank J. Rauscher, Jr., who wrote last January in *U.S. Medicine,* "The 5-year survival rate for cancer *patients* in the 1930s was about 1 in 5. Today, the figure is 1 in 3," the implication being that progress, though slow, is steady.

The answer is that the need to maintain public support for the war on cancer has inspired a bit of statistical sleight of hand. Rauscher is correct—survival rates have risen from about 1 in 5 in the 1930s to 1 in 3 today. However, virtually all of this improvement was achieved prior to 1955, which, ironically, was when federal spending for cancer research began to accelerate to its present level of $600 million a year. The cause of the improved survival rates prior to 1955 is not wholly understood, but one plausible explanation is that the postwar introduction of antibiotics and blood transfusions helped cut the toll from cancer surgery. It wasn't that more patients were surviving *cancer;* rather, they were surviving cancer *operations* that previously killed them. The result was a big statistical jump in the baseline for survival. But since 1955, when the toll from surgery became negligible, there has been little if any change in survival rates for the most common cancers.

Looked at another way, this analysis means that today's patient, who is supposedly the beneficiary of two decades of ever-expanding cancer research, has approximately the same chance for survival as a patient whose case was diagnosed before any of that research took place.

LEADING RESEARCH CENTERS

The argument is, of course, raised that pioneering techniques at major cancer centers—which are few in number—are proving more effective than the traditional techniques, which are the stock in trade of lesser institutions. The task ahead, it is argued, is to implement the National Cancer Act's provision for enlarging the number of first-rate centers. But even here, one encounters skepticism among the statisticians. The research-oriented institutions can pick and choose their patients, one of the most renowned students of the numbers told SGR. "Clinical researchers don't like to treat dying patients, and poor risks can be sent elsewhere to die." Success rates at leading centers were described as difficult to obtain and highly ambiguous.

Is there perhaps some statistical peculiarity that can explain away the appearance of so little progress? SGR took up the question with one of the most eminent experts in the field, one who, curiously enough, is publicly on record as saying significant progress is being achieved. Privately however, he said the following:

"Actually, there has been little improvement since 1945." Whereupon, he explained changes that have taken place over the years in collecting data, problems of analysis, and the difficulty of drawing interpretations from the sampling of cases that are transformed into national statistics.

The sorrowful tale that SGR presents here would have no purpose if informed opinion widely held that the strategy underlying the national cancer program is fundamentally sound and, though results are slow in coming, no other way exists to achieve them.

However, travels through the cancer "establishment" reveal that such is not the case, though, shades of early Vietnam days, there is great reluctance to go public with dissent beyond the usual quibbles about the program's emphasis on "targeted" research.

Rather, a fair number of respectable persons at major research institutions are now saying that the emphasis on cure is misguided because cure is so elusive. Since this is so, they contend, resources should be shifted to prevention, for which a gusher of recent promising leads is being responded to with a paucity of money. Though the sums have, in fact, been increasing a bit in response to recent findings, such as the possibility of carcinogenic substances in water supplies, they remain small.

"UNCONVENTIONAL RESEARCH"

The dissenters point out that the generals in the war on cancer come from the ranks of surgery, biochemistry, radiology, and virology, and that their training and inclination is to carry on which what they have been doing ever since they began their careers.

It is interesting to note, for example, that after a decade of unsuccessfully searching for viruses in human cancers, NCI continues to support the quest at a cost of $57 million a year. Meanwhile, though there is voluminous and mounting evidence that nutrition plays a major role in the onset of cancer, NCI's spending on that line of inquiry is around $3 million. A partial explanation is that nutrition is a low-prestige field, and easily evokes the image of high school cafeteria dieticians, whereas virology wins Nobel prizes.

THE PAULING EPISODE

The purpose here is not to question the motives or humanity of those who manage our vast national effort to cure cancer. Rather, it is to point out that great wars, whether military or medical, are necessarily conducted by large and complex bureaucracies. These embark on their missions with high hopes, accompanied by a tendency to see light at the end of large tunnels, and, perhaps most important of all, a quickness to consider dissenters as fainthearted, misguided, or even worse.

Consider, for example, what happened recently when Linus Pauling suggested to NCI that a small portion of its research funds be allocated for "unconventional research."

NCI Director Rauscher responded with a letter that, in part, stated: "In the sense that every grant and contract awarded by the Institute is based on an individual idea, we are pursuing such a policy now."

It sounds like what they told Billy Mitchell when he suggested that the airplane could be a serious weapon.

NATIONAL HEALTH FEDERATION: THE QUESTIONABLE VITAMIN LOBBY

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ROGERS. Mr. Speaker, I understand that Members have received thousands of form letters which have been circulated by Clinton R. Miller, lobbyist for the National Health Federation. These letters urge support for the industry-oriented Proxmire-Hosmer bill (H.R. 10093) and oppose the consumer-oriented Kyros bill (H.R. 16317). Mr. Miller and the National Health Federation have been misrepresenting, distorting, and emotionalizing the vitamin issue in order to try to pass a bill backed by certain irresponsible members of the health foods industry.

Mr. Miller and the National Health Federation have been passing themselves off as "consumer representatives", even though they support an industry-oriented bill, which is opposed by genuine consumer groups such as the American Association of Retired Persons, the National Retired Teachers Association, and the Nader-backed Health Research Group of Public Citizens.

For further information on the vitamin legislation, Members and their staffs should refer to other information which my colleague, Mr. Kyros and I inserted in the Congressional Record on October 16, 1974, pages 36007–36008; Tuesday, December 10, 1974, pages 38786–38787; and Friday, December 13, 1974, pages 39893.

Why is the National Health Federation and Mr. Clinton Miller taking an industry-oriented position on vitamin legislation? Members should read the attached memorandum from the Deputy Assistant Commissioner for Public Affairs to the Acting Commissioner of Food and Drugs of the Food and Drug Administration, Department of Health, Education, and Welfare, regarding the criminal and other legal actions taken against individuals associated with the National Health Federation, which Clinton Miller represents.

The memorandum follows:

Department of Health,
Education, and Welfare,
May 15, 1973.

To: Acting Commissioner of Food and Drugs.

From: Deputy Assistant Commissioner for Public Affairs; Director, Office of Legislative Services.

Subject: Report on the National Health Federation—Information Memorandum.

This memorandum updates a previous memorandum issued October 21, 1963, and is intended to provide you with background on the activities of the National Health Federation. Currently, this organization is promoting a mass write-to-Congress campaign against the recently issued special dietary food regulations, and urging support for H.R. 643, a bill which would virtually destroy all FDA control over the health claims made for special dietary foods. The Agency is receiving numerous Congressional and public inquiries as a result of this campaign.

The National Health Federation was founded in 1955 by Fred J. Hart, shortly after he consented to a Federal court injunction prohibiting him from making further shipments of 13 electrical devices which had been widely distributed for the diagnosis and treatment of disease. Mr. Hart had for many years been president of the Electronic Medical Foundation, previously known as the College of Electronic Medicine. The "College" was established by the late Dr. Albert Abrams, inventor of a "blood spot" system of diagnosis known as "Radionics."

Following the injunction, the Food and Drug Administration investigated reports that Hart was continuing to distribute the devices. He was prosecuted for criminal contempt of the injunction and on July 27, 1962, he was fined $500 by the U.S. District Court at San Francisco. At that time the court was informed that the Electronic Medical Foundation had been discontinued on June 16, 1962, leaving Mr. Hart free to devote his efforts to the National Health Federation.

The major stated purpose of the Federation is to promote "freedom of choice" in health matters. The record shows that what this frequently means is freedom to promote medical remedies and devices which violate the law. From its inception, the Federation has been a front for promoters of unproved remedies and eccentric theories. It has consistently supported discredited medical treatments such as the outlawed Hoxsey cure for cancer and other equally worthless treatments. Currently they are promoting Laetrile.

RESULTS OF COURT ACTIONS

Court records show that a number of the founders, officers, directors and active members of the National Health Federation have been involved in court actions under the Federal Food, Drug, and Cosmetic Act.

Among those prosecuted, fined and/or imprisoned have been the following:

Fred J. Hart, founder and now Chairman of the Board. Mr. Hart was enjoined with the Electronic Medical Foundation on March 15, 1954, from distributing 13 electrical devices charged as misbranded with false claims for the diagnosis and treatment of hundreds of diseases and conditions. In 1961 he was prosecuted for violating the injunction, entered a plea of "no contest" and was fined $500 on July 27, 1962, by the U.S. District Court at San Francisco.

V. Earl Irons, Chairman of the Board of Governors (1963). Mr. Irons was then a food supplement distributor who served a one-year prison sentence in 1957 for misbranding Vit-Ra-Tox, a vitamin mixture sold by house-to-house agents. His conviction by the Federal District Court at Boston was upheld by the U.S. Court of Appeals on April 24, 1957.

Royal Lee, deceased Director, member of the Board of Governors and one of the founders of the Federation, was a non-practicing dentist at Milwaukee who was twice convicted for violating the Federal food and drug law. On April 23, 1962, he was given a one-year suspended prison sentence and put on probation for three years by the Federal District Court at Milwaukee. His firm, Vitamin Products Company, was fined $7,000. A court order prohibited them from continuing to ship 115 special dietary products misbranded by false claims for the treatment of more than 500 diseases and conditions.

Roy F. Paxton, Director (term ending 1963) was twice convicted as the promoter of "Millrue," a worthless cancer remedy. Mr. Paxton was convicted the second time in February 1963 by the Federal District Court at Springfield, Illinois. He was fined $2,500 and served a three-year prison sentence. The corporation, Millpax, Inc., was fined $1,000.

Andrew G. Rosenberger, listed as "Nutrition Chairman" and a featured speaker at NHF national conventions. Mr. Rosenberger representing the firm "Nature Food Centers," at Cambridge, Massachusetts, was convicted of misbranding dietary food products. On June 19, 1962, Andrew Rosenberger and his brother Henry, were each fined $5,000 and the corporation was fined $10,000 by the Federal District Court at Boston. Each of the Rosenbergers received a six-month suspended prison sentence and was put on probation for two years. The sentences were upheld by the Court of Appeals.

The Washington representative of the Federation continues to be Clinton R. Miller, Vice President. Before coming to Washington, Mr. Miller was the proprietor of the Clinton Wheat Shop at Bountiful, Utah. One of his products, Dried Swiss Whey, was seized on charges that it was misbranded as a treatment for intestinal disorders.

The aims and purposes of the National Health Federation are shown by its monthly publication, *National Health Federation Bulletin,* a pocket-size magazine published at San Francisco with Fred J. Hart listed as "Managing Editor."

RECENT DEVELOPMENTS

On April 9, 1971, Kurt W. Donsbach, currently Vice President of NHF, pleaded guilty to practicing medicine without a license on charges brought by the State of California. According to the State records, the case culminated a five-month investigation by the Fraud Section of the State Bureau of Food and Drug Inspections.

Undercover agents of the California State Bureau of Food and Drug Inspections made repeated visits to Donsbach's "Nature's Way Health Food Store" in Garden Grove, California. They reported business "very good," usually with about 15 persons waiting to see "the doctor." Donsbach represented himself as a chiropractor, a naturopath, and a "Bachelor of Therapeutic Science." Investigation disclosed he is not licensed as a chiropractor in California, and the State does not recognize the other credentials. His driver's license identified him as an M.D.

The case résumé states that the California agents found that Donsbach was receiving "patients" in his "consulting room" and prescribing organic vitamins, minerals, etc. for disorders ranging from spastic colons to menopause and from serious heart ailments to breast cancer.

A woman agent was told by Donsbach on several occasions that her "breast cancer" could be controlled if she followed his advice and adhered to a strict diet with vitamins, minerals, and a herbal tea called "chapparral."

Another woman agent was told that her "emphysema" and "heart condition" would be helped 100 percent by following a regimen of vitamins, minerals, and herbs.

A man agent was instructed to take cabbage tablets daily to cure "stomach ulcer."

The cost of Donsbach's treatment to the woman agent with "breast cancer" would have been approximately $60 per month. With this as a yardstick for ten patients daily, and a five-day week, the California authorities estimated a gross income to Donsbach of around $2 million a year.

Donsbach was fined $750 plus $2,000 costs of investigation, and placed on probation for two years. Additionally, he consented to stop all "nutritional consultation" in the State of California.

Aside from his "health food" store, Kurt W. Donsbach is president of Westpro Labs, Inc., of Garden Grove, California. The firm's stationery indicates it deals in proteins, vitamins, stock formula, private labeling, custom formulation, contract development, market research, and unusual cosmetics.

The NHF continues to advocate and defend ill-founded and unsupported theories and practices, even for the treatment of serious disease conditions such as those described above, under the guise of the "right to freedom of choice" in health matters. The NHF contends that only those products and procedures with are intrinsically injurious should be legally restricted. This philosophy, of course, exposes innocent members of the public to worthless products, false hopes, and a return to the long discarded philosophy—"let the buyer beware!"

Such a philosophy fails to recognize the danger of reliance on unproven or ineffective agents in the treatment of serious disease which can be just as dangerous to the patient as the use of intrinsically injurious substances. One example of this NHF position is the continued advocacy in their association journal of the "right" of persons to obtain cancer remedies which are illegal in the United States because their merits, even for research purposes, have not been established.

NHF maintains that there is a right to sell food and other articles for their presumed health benefits, whether or not there is any scientific evidence to support the claims to promote them. A good example will be found in the November 1972 *National Health Federation Bulletin.* This issue contains an article entitled "How to Survive in a Poisoned World," by Paavo O. Airola, an Arizona naturopath. The article exaggerates the effects of air and water pollution and then prescribes approximately a dozen "health foods" and vitamins and minerals as effective antidotes. Scientifically, the material is nonsense. This type of literature also provides unethical or misguided dealers in such products with sales promotion material which exploits widespread fears and misconceptions.

Currently, NHF is carrying on a lobbying campaign in Congress against FDA's regulations which update obsolete (1941) rules on the labeling of special dietary foods. Under the laws as passed by Congress in 1938, the label for a food for special dietary uses must include "such information concerning its vitamins, minerals, and other dietary properties" as the regulation prescribes as "necessary in order to fully inform purchasers as to its value for such uses." The law also authorizes FDA to establish standards of quality and identity for food, including food supplements. The NHF's expressed philosophy is wholly contrary to the intent of Congress in enacting these laws. Further, their exaggerated views concerning the value of most vitamins and minerals and many other substances are not supported by recognized nutrition and medical authorities both inside and outside Government.

Directly related to the National Health Federation campaign against the FDA's dietary food regulations is a massive campaign for legislation which would exempt "health food," vitamins, minerals, etc., from being proven safe and effective by their sponsors when they are offered for the treatment of diseases. Present law offers full consumer protection by requiring that articles intended to treat disease conditions must be proven safe and effective *before* they can be placed on the market. Legislation being advocated by NHF would substantially weaken this protection which has been part of our law since 1938. The NHF bill (H.R. 643) would bring about this rollback in consumer protection by permitting the marketing of articles used in treating disease conditions without any assurance that they are safe and effective. The burden would be shifted to the Government to detect and remove dangerous products *after* they have been marketed (i.e., locking the barn door after the horse is stolen). In the meantime, of course, the public is exposed to such dangerous untested and ineffective products. Thus, a loophole would be opened for a return of the infamous "patent medicine" style of promotion, with "food supplements" taking the role of the "snake oil" remedies of bygone times; good for everything.

The NHF sponsored legislation would also reverse requirements of present law regarding proof of safety of food additives. In addition, present law deems a food to be adulterated if it contains a substance which "may be" injurious to health; yet the NHF bill would permit protective action only when a product is intrinsically injurious to health. Here again, this legislation would inappropriately shift the burden to the Government rather than the manufacturer who should bear this responsibility when he undertakes to market a product. We believe most consumers would not want to lose this protection against *potential* hazards.

According to the U.S Postal Service, paid subscriptions to the NHF Bulletin (sworn statement filed August 18, 1972) totaled 18,173. Membership, however, is estimated to be about 10,000.

We, of course, are concerned about the effects of this campaign on the uninformed consumer. We will continue to monitor the inquiries received. The Department's formal bill report on this legislation has issued and, at least, members of Congress now have more detailed information on the impact of this bill.

JOHN T. WALDEN,
GERALD F. MEYER.

Emory W. Thurston, NHF director, was convicted and sentenced July 24, 1973, for prescribing and selling the unapproved new drug Laetrile to an agent of the Bureau of Food and Drug, California State Department of Health, who represented to Thurston that she had uterine cancer.

The affidavit of the agent is attached. (Not reproduced.)

The defendant was fined $500 and assessed $125 (Peace Officer Training Assessment). The fine was suspended and the defendant placed on probation for 24 months on condition that he not sell or promote the sale of Laetrile for cancer, and not engage in the practice of medicine without a license.

FEDERAL HOME LOAN BANK BOARD MOVES AGAINST SEX DISCRIMINATION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. CLAY. Mr. Speaker, in following Federal legislation the Federal Home Loan Bank Board has issued regulations banning discrimination against women in applying for mortgage loans. In an article in today's Washington Post details of the new regulations are discussed.

In breaking down the barriers of sex discrimination the Board will make it easier for both married and single women who apply for mortgage loans. Up until now savings and loan associations have frequently refused to count a woman's income as part of a married couple's total salary intake. And in the case of single women it has even been more difficult in getting a loan—by forcing them to have a cosigner or guarantor—while this does not hold true for single men.

This "bill of rights" for women represents a breakthrough in the area of sex bias. The following is the article written by Claudia Levy of the Washington Post which I want to share with my colleagues:

MORTGAGE SEX BIAS REGULATED

(By Claudia Levy)

The Federal Home Loan Bank Board, implementing recent federal legislation banning sex discrimination in lending, has issued regulations that it says amount to a "bill of rights" for women applying for mortgage loans.

The regulations, which apply to savings and loan associations under the board's jurisdiction—the country's major source of mortgage loans—"spell out in plain language what the board views as discriminatory practices," an announcement noted. They require every federally chartered lender, as well as those making "federally related" real estate loans backed by the Veterans Administration or Federal Housing Administration, to evaluate loan applicants for their credit-worthiness "without reference to presumed characteristics of a group," the board said.

The combined incomes of both husband and wife, for instance, must be considered "without prejudice," the board said. Women, particularly those of child-bearing age, frequently have complained that lenders refused to count their salaries when evaluating a family's financial resources. Lenders were said to often use the excuse that women tend to stop working when they have children.

But in its new regulations, to be published Tuesday in the Federal Register, the FHLBB says it officially frowns on the practice of making a couple spell out its birth control practices or ability to have children as a prerequisite to counting the wife's income.

The board said criteria for evaluating married applicants must be based on a "realistic appraisal of the past, present and expected continuance of both incomes when the couple applies for a loan together."

In addition, the board said, requiring a single woman with steady employment or other income to obtain a co-signer or guarantor for a mortgage loan—when single men are not—is sex discrimination.

Complaints of alleged violations may be referred to the board's office of housing and urban affairs, as well as to the assistant secretary of equal opportunity at the Department of Housing and Urban Development.

TRIBUTE TO THE TEACHING PROFESSION IN THE STATE OF NEBRASKA—THEN AND NOW BY COL. BARNEY OLDFIELD, USAF, RETIRED, A CORPORATE DIRECTOR OF LITTON INDUSTRIES, INC.

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. THONE. Mr. Speaker, for many years we have been treated to a strong diet of our country's and our individual State's shortcomings in meeting requirements, past, present, and future, so it was with considerable pleasure that I contemplated the remarks of Col. Barney Oldfield, USAF, retired, a corporate director of Litton Industries, Inc., in Beverly Hills, Calif.—as delivered recently before the convention of the Nebraska State Education Association in Kearney, Nebr.

What he says is a great tribute to the teaching profession in our State, and he has some credentials from which to speak as he has had a much varied career as a newspaperman, radio commentator, script writer, magazine and book author, Army and Air Force officer in two wars, and a businessman. These things have caused him to undertake all kinds of assignments in some 67 countries to date, and with more to come, undoubtedly.

While he may live in California now—as he has done twice in his life, first when he was with Warner Brothers Studio, and now with Litton—he was born and educated in Nebraska, grade school, country school, small town high school, and the University of Nebraska. I do not know whether at any of his graduations the speakers may have said he would go far, but whether they did or not, geographically he surely did.

This is what he said:

MY PETS ARE TEACHERS

Members of the Nebraska State Teachers Association and friends:

Many thanks for inviting me to come back to Nebraska on this occasion. It's always a delight for me, as everything that was to be for me began in this state in a country school, in a small town high school, and in this state's great university. How different life would have been for me, I often think, had it not been for that institution we call school, and those people who make it go—teachers. Your Nebraska and my Nebraska may lie in the very same geographic area as always, but the changes it has known since I was a day-to-day part of it and it was the only world I knew, have been great, indeed. Even the fact of going to work at this hour of 9:30 a.m., that's a big switch! When I was growing up on Nebraska farms, anyone who wasn't up and doing by 5 in the morning, and was not an equally late stayer in the fields was asking for the village banker to come and take it all.

Before coming here, considering the kind of audience this would be, I looked in my dictionary for the word teacher. I knew what it meant in a general way, but I wanted to see what kind of word company it was keeping. That shook me up a little. My dictionary gave teach, teacher, teaching, and teaching hospital a total of only 16 lines. But it gave the word tea three times as many. It gave tea credit for being a drink, for having caused wars, for having affected the history of the Orient, for coming in bags, and for being the basis of ceremony. Yet for me, who can take tea or leave it, it is the teaching profession which throws open the golden door for every man and woman on earth.

At odds with the sparseness of credit given you by my dictionary, let me break the word up into the letters which compose it, and this will lead to the reasons why I feel as I do.

First, there is the letter T. I'd like to let that stand for Technology. This is how we lace up chemical, mechanical and physical sciences as they are applied to industrial processes. Technology begins with teachers, borrowing on the wisdom of the ages and adding new thinking. It calls for the addition of the important ingredient we call imagination. The start may be with one of your classroom daydreamers or youthful wondering minds, and if this can somehow be led into a tieup with strange but complementing combinations, it can well lead to us knowing more, doing better things, helping more people. To know is crucial; not to know or being afraid of knowing points the most lethal weapon of all right at your head. In 1959, I was writing and producing a radio series which would be called Face to the Future. To provide its foundations, I asked fifty scientists, engineers, theologians, teachers, far-out thinkers, leaders asking each to list his idea of the 13 most important factors bearing on our progress to the year 2,000 A.D. The thirteen most frequently mentioned then became the subjects of the 13 episodes. One of these was communication, in the largest sense of that word. It was my feeling that in the talk then about the oncoming synchronous satellites, we really were on the threshold of its realization. The synchronous satellite is one which, placed in orbit 22,000 miles above the earth at the Equator, will stay in a fixed relationship to a spot on earth. I was looking for a scientist or engineer of dimension beyond the sizable accomplishment of putting it there. My proposal was that if three were so placed in a triangulation pattern off the earth's surface so any one of them could "see" the other two, and if these satellites were equipped as TV and radio relays, were we not close to the oldest dream of Man that he be able to communicate with every other Man on earth? And would not the country which achieved this first—exposure of the whole of the earth's surface to broadcast and telecast—make of its culture, its doings, its language that of every other man?

When the series played on more than 900 stations in 1960, this particular segment was often described as the most far out, beyond comprehension really. Just eight years later, a black teenager named George Foreman won his Olympic Gold Medal in Mexico City and this fight was viewed all over the world by 500,000,000 people by satellite relay. He waved his little American flag in the ring because he was happy, but it was a gesture which touched the hearts of many people. Two months later, the same George Foreman was mystified when he received a special invitation from President Johnson to come to a state dinner at the White House being given for the Emir of Kuwait, the leader of that oil-rich Persian Gulf nation. George went, and found himself seated at the same small table with The President, The Emir, and their wives. The Emir asked George if he had wondered about his invitation a little bit, and George said he hadn't really understood it. The Emir told him: "I saw you win your Gold Medal in Mexico on my TV set in my hotel suite in Beirut, Lebanon, and I was so pleased to see you as a young man who loved his country. When they asked who I would like to meet when I was coming to America for this visit, I said I hoped I would get to see you." So, what was too far out for anybody to reach in 1960—this particular communications dimension—was proven not to be of the next century, but the reality of just eight years later! It was advancing technology which brought it about.

The next letter is E, and I would assign that to Experience. One of the hardest jobs in teaching is to stay ahead, they tell me—particularly if you are faced with bright youngsters in a classroom. One of my revered teacher acquaintances is a Catholic Nun named Sister Mary Aquinas. In the '30s immediately following Lindbergh's much heralded exploit of flying non-stop from New York to Paris, the pupils she had in her science classes were asking her all kinds of questions about flying. She felt she had to have the experience of doing so to properly perform her role as a teacher. Much to the consternation of her Mother Superior and other churchly figures, she went out to a nearby grass field where there were some rickety planes and some men who called themselves pilots. Working with them, she learned to be a mechanic, then took flying lessons, eventually soloed, and altogether had about 68 solo hours of flying time. She became the first nun to become a licensed pilot, and was the first and genuine "flying Nun." She was such a rousing teaching success, she was lifted out of her small school in Wisconsin, taken to Georgetown University in Washington, D.C., and she taught hundreds of Air Force, Navy and Marine Corps pilots meteorology and navigation as World War II got under way. Later, I nominated her and she was awarded the Air Force Association of Honor for this wartime service. At a reception that evening, she cornered the 4-star Air Force General I then worked for and told him she had two un-answered prayers. One was to go to heaven when she died, and the other was to fly an Air Force jet. She was only 64 years old when she told him that, but he was game if she was. When Sister Mary landed, she told us when she had been up there at 40,000 feet, and perhaps as close to her God as she had ever been, she looked at that jet control panel and it came home to her more forcibly then than it ever had before that none of what had just occurred could have happened to her except for scientists and engineers who had earlier in their lives passed through classes such as hers. Experience is not only the great learning aid of those being taught, it does things for the teacher, too.

We move on now to the letter A, and I would assign that to Application. I have always felt that the greatest loss in the abortive Apollo 13 mission to the moon was not the crippling of the ship by having its panels blown from the spacecraft, but the denial to the world's classrooms of the conversations from Mission Control in Houston to the astronauts in their great mortal danger. Being there on the ground in Houston, I have since thought that hearing it all would be the greatest stimulus to the serious study of mathematics I had ever known. Math was never a favorite place to play for me, but had I had that Mission Control spinoff to have influenced me in my time, the story could have been different for even a dullard such as myself. The situation, you may remember, was one of three brave men enroute to the Moon, the spacecraft crippled, they were unable to land, and the trick was to maneuver them safely back—all this going on while the spacecraft was moving in excess of 17,000 miles per hour. For some time it appeared they might miss the earth entirely. The dramatics of the instant mathematical calculations for course correction of the spacecraft which were being fed to the astronauts more than 200,000 miles way were unbelievable, done so calmly, which is one of the hallmarks of competent men. For more than 48 hours, the tension was so overwhelming that none of the hundreds of reporters and cameramen and commentators covering the shot ever left his chair for long, or could bring himself to take the earphones from his head. Mathematics was no longer multiplication tables, Xes *and* Yes, theorems, schoolroom problems, a drudge, it as turning into a matter of life and death, and right before all of us. The real bridge between disaster for three astronauts and safety had been built through those long hours by mathematics.

The next letter up for consideration will be C. I give that to Curiosity. This eagerness to know goes in many directions, shows in many ways. It can be as easily worn by the gossip who settles for half, as by the most responsible newsman who wants to present all that is pertinent. It is the starting point for trying something new, as it is a trail retracer to determine why something is the way it is and has always been so. Properly nurtured, curiosity can be world-changing; let go to weeds, it can serve no constructive purpose. The biggest word to the curious is why. It brought about one of the most startling and vengeful coincidences in history in the person of a young Jewish scientist named Heinrich Hertz, who proved certain theories about pulsations in electromagnetic waves, and he ushered the microwave into understandable and serving proportions taking it from the unknown and mysterious into harness as a servant of Mankind from the Cosmos to the kitchen. The microwave oven which is now serving so well in so many homes is just one of the newer applications of his proved up knowledge. But Hertz was driven by his curiosity, and in 1888, he nailed it down. The coincidence was that while this was listed as the most important event in physics in the 19th Century, that 1888 was also the very year Adolf Hitler was born. Although Hertz, a German himself, would only live to be 37 and not see Hitler's rise to power where he would scheme to destroy millions of the Jewish people, he had given the world the key to Hitler's vulnerability. An Englishman named Sir Robert Watson-Watt took the Hertz findings and developed radar, which was used so successfully to defeat the German Luftwaffe in the Battle of Britain. This saved the British Isles as a launching area for the forces which would liberate Europe and bring the end of Hitler himself. No man ever reached more dramatically beyond the grave to avenge his people than did Hertz, and it was all based on a probing curiosity about the theories of others. I have never seen curiosity and a vacantly-staring face go together, as nothing so animates a face as a well-developed and healthy curiosity. If you as teachers see it there, give it a flower garden's special care.

The H is for Horizons. These are too often accepted as being as far as one can see in any direction, but it wrongly assumes the viewer will always be in a fixed position, rooted as is a tree. Movement changes it all, and by taking new positions, horizons can be altered a little or a great deal. Between high school and college I drove stakes for Ringling Brothers, Barnum and Bailey Circus, and later on laid rails for the Burlington Railroad. I found the people who worked in both these environments very different from the ones I had grown up with. Where I was going out after the world literally, many of them for various unhappy reasons took these strange ways of hiding from it. The life was mobile, the scenes changed and while I was all eyes and looking about, theirs were down and they were not too communicative. There were times when I had to make serious judgments, and there was none to advise me. As one finds out about others in such circumstances, he also discovers a lot about himself, and when there are prospects of a lot of living ahead of you, it's comforting to know where your strengths are. Being sheltered too long may give one an aura of being protected, but it's also hazardous, so doctoring one's horizons should be encouraged at the earliest possible moment. I don't know how well acquainted you are with the old tented circus, but it had to arrive in a new town each morning on several trains, have its wagons and animals offloaded, and some pasture or meadow had to be changed into a vast tent-city by noon then there were two performances, after which it all had to be torn down and be back on the trains by midnight or shortly thereafter for the run to the next stand. The distance from the circus lot to the trains could be as much as three miles or more, and the way was always marked with a series of flickering flares so that teamsters would not get lost. One particular evening, a cold rain was drizzling down on us as I rode along behind a six horse hitch on the stake and pole wagon of the cook tent, our canvas-topped restaurant was always the first to come down and be loaded out at night. At one point there was a traffic halt, and as this old teamster and I sat there waiting for the way to clear, the water was running off my hat, some down my neck, some in drops before my eyes. It was right uncomfortable, and by this time I was a little homesick, if you want to know the truth—not being quite 19 then. Glancing in at some of the houses along the street, there was one there with a big, wide window. It had been cool enough that night for the family to have a little flash-fire in the fireplace to take the evening chill off. Through that window I could see a woman sewing, her husband reading the newspaper, and their two kids prone on the floor playing with blocks. It was too much. With envy in my voice, I said to my companion: "Hey, there's a guy who's really got it made!" The teamster, having been with the circus for 17 years, looked over the scene with great disdain. "That hick," he said scornfully, "he's probably so dumb he can't even throw a half hitch." Well, as I said, you have to make judgments when you are on your own, and it was easy for me to disagree with that teamster's sense of values. Horizons need never be fixed and can always be flexible. If one seeks no greater proficiencies than how to make a half hitch, he becomes rooted as a tree.

The next letter is E, and I give that to Example. I'd like to tell you how my geometry teacher once saved my neck in a way not even she would have dreamed of, when I was faced with a tough technical presentation. The idea was to write about it in a fashion which would say it all simply, and say it for the easy understanding of mass or general readerhip. The situation was this: After World War II, the speeds of aircraft in military use increased greatly with the arrival of jets. These planes moved so fast, the pilot found himself riding along exceeding the velocity of a pistol bullet. In the slower pace of other wars, the aerial combat tactic *was to come* in on the tail of an adversary, line him up in the gunsights, and let him have it. This was known as hitting him in his tailfeathers, and that they did. But what was to happen if they flew faster than bullets were able to travel? Obviously it would be better if the hits could be brought about broadside, so a new tactic was introduced which called for the use of fast rockets which would go after their targets on what was called a collision course. This was much the same thing as having two automobiles coming into a street intersection at right angles to each other, and running into each other. But it was far from simple to be precise about this when both planes and rockets were exceeding the speed of sound. Since men's nervous systems were in no way fast enough to compute, to calculate, to shoot and to hit, all kinds of electronics and radar had to be added. It was some toughie to write about, and have a feature story result which could go via some national syndicate to a public readership on a grand scale. We were in Yuma, Arizona for this test in mid-summer. Quite suddenly, an idea struck me and for some strange reason I could see one of the early pages of that old geometry book which I had loathed so much in high school. It was summer vacation time, but because I was afraid old memories were not infallible, I called the Principal of Yuma's high school and asked him if by any chance one of his geometry teachers might be in town. He said that one of them was—she was about 60, and didn't bother to go anywhere for the summer hiatus, and just stayed home. I called her and told her who I was, that I had a question. As I remembered my old geometry book, I told her, somewhere about page 7 or 10, there was a theorem that I recalled went like this: Two straight lines can intersect at but one point. There was a moment's silence on the other end. Finally, she said: "Do you know what a thrill this is? Somewhere in Heaven this morning, there has to be an old geometry teacher who is jumping about in ecstasy, saying to herself that one of the ones she taught did remember after all!" I used that old theorem for the lead on that story about collision course, as the intersection of plane and rocket at a single point was all it would take. The story ran nationwide.

The last of the letters in TEACHER is R, and I ask you to think of it as standing for Recognition. I've been told that through grades and early high school, it's hard for most young people to believe their elders think they're worth the trouble, will ever amount to anything, will ever really be anybody. Recognition is the simple act of encouragement, by even looking hard sometimes to find something an individual has done which is worthy of a pat on the head, a word of praise, the act of rendering an appreciative gesture for the quality of work done. One of the greatest costs levied on society today is that so much effort above and beyond the mere average is denied our lives because so few in any career field who rise to positions of consequence find the time for pauses to set stimulative processes in motion and gain all the extra rewards which can be aroused by them. One of my long ago history books, whose author is dimmed out by time, carried a statement attributed to Napoleon which read: "Give me some bits of metal and bright ribbons, and I will conquer the word." He was speaking of awards and decorations for service, for bravery, for gallantry in action, and although he didn't conquer quite all of it, he was enough of an earth-shaker that we study still the techniques which he used and which were the essence of his leadership. Perhaps it was this side of his leadership qualities—the fact that he understood the men he led and how they would react, and how hard they would labor for his favor—which had the most to do with his success. I bring up recognition before you all, because somehow this ability or willingness or desire to applaud others for good workmanship is not there often enough for those who leave the classrooms to carry it out into their own lives and put the magic of its incentive into the others.

You as teachers have probably loosed a great many on a future course which would startle you, if you knew some of the destinations. My hope is that those you did it with will remember where it really began and will let you know. Then you can recollect Mark Twain who said: "It is noble to be smart, but even nobler to tell someone else how to be smart—and it's much less trouble."

My first teacher is still alive, but quite frail now. When they asked me to come back to my home town once to do the commencement address, she made a trip of 600 miles each way to be there that night—all the way from Wyoming. I told the audience I was glad she was there, as on my very first day of school, coming back from you-know-where, I had to go "psst, psst" at the door and have her come out to join me. I needed help in getting my pants buttoned. I told her I was very glad she was there, as I just might need her again. No one enjoyed that special remembrance between us more than she did. While I can never say I was ever a teacher's pet, I can say that some of my favorite pets have been teachers. Bless you all.

THE UNITED NATIONS AND THE PLO

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BAFALIS. Mr. Speaker, I would like to call the following editorial to the attention of my colleagues here in the House. I found this article, which appeared in the Charlotte County, Fla., Daily Herald News, a most candid response to the recent appearance of Yasir Arafat before the United Nations in New York. I urge each of you to read it and seriously consider its contents. Ofttimes, unfortunately, when dealing with international diplomacy the hard truth gets brushed aside—or even buried.

The article follows:

UN DISGRACE

It is very clear that the United States has become the whipping boy in the Mideast.

The reception given to terrorist Yasir Arafat by the United Nations was the cork in the bottle. This country should withdraw its representation and financial support from an international organization which makes a mockery of diplomacy.

It just so happens that an Arab, Foreign Minister Abdelaziz Bouteflika, was presiding over the UN General Assembly when Arafat made his appearance. Contrary to all custom, Bouteflika ordered the courtesies normally accorded only to chiefs of state or prime ministers extended to Arafat. The UN chief of protocol escorted him to a chair on the rostrum.

This man is a terrorist; he and his henchmen are responsible for the deaths of people in various parts of the world in senseless bombings and killings and kidnappings.

Has this country been reduced to the degree of taking part in such a tragic charade? It would appear so.

It should not be so. Our money is paying, largely, for Arafat's appearance—and for his further troubling the scene involving potential warfare between Israel and the Arab world.

Our money is, largely keeping the United Nations alive.

Not a dime of the taxpayers' money should be devoted to maintaining a platform on which the ilk of Arafat can appear and address the world community.

Our objection stems, not from his goals, but from his means of attempting to achieve them.

If the small nations of the world are to continue to use the UN as a podium, from which, on a one-vote-per-country basis, to beat the United States over the head and body, we think it's time to withdraw, gracefully but firmly, and to tell the UN to find another home.

The Arafat performance was disgraceful.—BILL NEEDHAM.

H.R. 10337

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday December 16, 1974

Mr. MEEDS. Mr. Speaker, on December 10, 1974, the House concurred in the amendments of the Senate to H.R. 10337, providing for the settlement of a dispute between the Navajo and Hopi Tribes to certain lands within the State of Arizona.

The Subcommittee on Indian Affairs of the House had extensive hearings on the bill and it passed the House on May 29, 1974. House Report No. 93–909 accompanied the bill.

The extensive debate was held in the House on the legislation on March 18 and May 29 of this year and I will not go into too much detail on the provisions of the House-passed bill. However, I do feel that a more detailed explanation should be on the record with respect to the major amendments of the Senate with which the House concurred.

The first tract of land in dispute is approximately 2 million acres within the 1882 Executive order reservation in which the Federal courts have determined the two tribes have a joint, undivided, and equal interest. The House-passed bill provided that the district court would partition this area between the two tribes under certain guidelines established in the bill.

With respect to the settlement of this dispute, the Senate amendments provide that a mediator shall be appointed by the Federal Mediation and Conciliation Service to mediate negotiation sessions between the two tribes in an attempt to arrive at an agreed-upon settlement of the issue during an 180-day negotiating period after enactment.

If the tribes fail to reach agreement during this period, the mediator will then serve as a master to the Federal district court which will partition the lands pursuant to the recommendations of the mediator and under general guidelines established in the bill which are very similar to the guidelines of the House-passed bill.

The second major difference is the treatment of the lands in dispute in the so-called 1934 Navajo Reservation, known as the Moencopi Area. The House provision calls for a congressional partition of the lands with approximately 250,000 acres of this reservation being partitioned to the Hopi Tribe. The Senate provision provides that the dispute to the Moencopi Area shall be litigated by the two tribes in the district court in a suit separate from that relating to the 1882 joint use area. Litigation expenses of the tribes are authorized to be borne by the United States.

The House bill makes provisions for the Secretary to implement the partition of any land in the 1882 area and the Moencopi Area by providing for the removal of members of one tribe from lands partitioned to the other tribe. The authority to do so is conferred and authority and funds are established to facilitate the removal of such persons, purchase of improvments by the United States, and relocation of such persons.

The Senate amended the bill in this regard to provide for the establishment of a Navajo and Hopi Indian Relocation Commission to direct and implement this relocation. The Senate bill also conferred necessary authority on the Commission to carry out its responsibilities and authorized appropriations for such purpose.

Finally, the Senate increased the appropriations to carry out the total purposes of the legislation from approximately $29 million in the House bill to approximately $49 million.

Mr. Speaker, we feel that this legislation, with the Senate amendment, will finally bring to a conclusion the long-standing, vexing problem which has plagued these two tribes and permit them to proceed with the extremely important task of improving the condition of their members.

MERCHANTVILLE STUDENTS PERFORM

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FORSYTHE. Mr. Speaker, today the Merchantville, N.J., Elementary School Band and Choir presented two performances on Capitol Hill.

This group of some 150 youngsters, in grades 3 through 8, gave fine performances both in song and through their band.

I want to take this opportunity to welcome them here today, and to share with my colleagues my pride in them. These children, in visiting their Nation's Capital, have participated in a great experience. Their eagerness, their openness, typical of most youngsters their age, is refreshing and a true inspiration.

I know you will share with me my best wishes for all of these fine students and for their music teacher, Mr. Joseph DiMenna, and their superintendent of schools and principal, Mr. Ernest H. Bardow, Jr.

TRIBUTE BY PRESIDENT FORD AND STATE DEPARTMENT TO REPRESENTATIVE JOHN J. ROONEY OF NEW YORK UPON HIS RETIREMENT

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. SLACK. Mr. Speaker, on Tuesday, November 26 just past, the State Department gave a reception on the eighth floor of their building in the beautiful Thomas Jefferson and John Quincy Adams Rooms for our distinguished colleague, the Honorable JOHN J. ROONEY of New York. The occasion was highly unusual in that the heads of the three branches of our Government, the executive, the legislative and the judiciary were present: The President of the United States, the Speaker of the House of Representatives, and the Chief Justice of the United States. These gentlemen delivered highly complimentary remarks concerning the guest of honor and his retirement at the end of this Congress. During the course of the speaking program the former Ambassador and former Deputy Under Secretary of State for Administration, Honorable Loy W. Henderson read a beautifully illuminated framed scroll of a resolution adopted by members of the Foreign Service, both retired and active assembled on Foreign Service Day, November 15, 1974, which he presented to the guest of honor. The resolution reads as follows:

RESOLUTION

CONGRESSMAN JOHN J. ROONEY

Whereas, Congressman John J. Rooney has served as a member of the Committee on Appropriations of the House of Representatives since 1945, a period of almost thirty years, and

Whereas, Congressman Rooney has served as Chairman of the Subcommittee on State, Justice, Commerce and the Judiciary Appropriations for almost twenty-four years, and

Whereas, Congressman Rooney, throughout his long and illustrious service in the Congress has contributed substantially to the well-being of the country and to the interests of the United States in foreign affairs, and

Whereas, Congressman Rooney has continuously sought to assist in promoting and enhancing the stature and performance of the Department of State and the Foreign Service, therefore, be it

Resolved, that we, members of the Foreign Service, both retired and active, assembled on this Foreign Service Day of November 15, 1974, express our high regard and respect for Congressman, Rooney's outstanding service to his country and the promotion of its interests overseas, and record our deep gratitude to Congressman Rooney for his continuing help and assistance to the Department of State and Foreign Service throughout his service in the Congress.

DEPARTMENT OF STATE,
United States of America.

There was also a presentation of a seal of the Department of State, a gavel, and a gold plaque, all in a very nice frame.

The hosts for the evening were the Deputy Under Secretary of State for Management, former Ambassador L. Dean Brown and Mrs. Brown. In addition to the Honorable Gerald R. Ford, President of the United States; the Honorable CARL ALBERT, Speaker of the House of Representatives; and the Honorable Warren E. Burger, Chief Justice of the United States, and Mrs. Burger, those in attendance were the Acting Secretary of State Robert E. Ingersoll and Mrs. Ingersoll; Assistant Secretary of State for Administration John M. Thomas and Mrs. Thomas; former Ambassador and former Deputy Under Secretary of State for Administration Loy W. Henderson; former Ambassador and former Deputy Under Secretary of State for Administration Idar Rimestad and Mrs. Rimestad; Ambassador Henry J. Tasca; former Ambassador Norman K. Winston; former Ambassador John Clifford Folger; former Assistant Secretary of State Frank G. Meyer and Mrs. Meyer; former Assistant Secretary of State Joseph F. Donelan, Jr., and Mrs. Donelan; Deputy Assistant Secretary of State Richard W. Murray and Mrs. Murray; Mr. William Roy Little and Mrs. Little; Mr. Lee Owens; Mr. Bruce T. Howe and Mrs. Howe; Mr. Clement E. Conger, Curator, State Department and White House; former Legal Adviser of the Department of State and presently dean of Georgetown University School of Law Adrian S. Fisher; Dr. Ernest N. Mannino and Mrs. Mannino; Mr. Michel Cieplinski; former Consul General Charles Manning and Mrs. Manning; former Commissioner of Immigration and Naturalization Raymond F. Farrell and Mrs. Farrell; Consultant to the Department of State Dr. Vincent P. Mazzola, M.D.; Commissioner of the Civil Aeronautics Board G. Joseph Minetti and Mrs. Minetti; Maritime Commissioner George H. Hearn and Mrs. Hearn; U.S. Customs Court Judge Paul P. Rao; Marshal of the U.S. Customs Court Dante A. Robilotti; Representative GEORGE H. MAHON and Mrs. Mahon; Representative WAYNE L. HAYS; Representative JAMES J. DELANEY; Representative JOHN M. SLACK and Mrs. Slack; Representative ELFORD A. CEDERBERG and Mrs. Cederberg; Representative MARK ANDREWS, of North Dakota, and Mrs. Andrews; Representative WENDELL WYATT and Mrs. Wyatt; Representative THADDEUS J. DULSKI; Representative MARIO BIAGGI; former Attorney General Richard G. Kleindienst; the Capitol Physician Rear Adm. Freeman H. Cary, M.D. and Mrs. Cary; Physician to the President Rear Adm. William M. Lukash, M.D.; Assistant Sergeant at Arms of the House of Representatives D. Thomas Iorio; Mr. Jay B. Howe and Mrs. Howe, Mr. Dempsey B. Mizelle and Mrs. Mizelle; Deputy Assistant Secretary of State for Administration Leamon R. Hunt and Mrs. Hunt; Associate Administrator of the National Aeronautics and Space Administration Elmer S. Groo; Mr. Samuel F. Pryor of Pan American World Airways; former Assistant Secretary of Labor John W. Gibson and Mrs. Gibson; Deputy Assistant Secretary of State for

Security Victor H. Dikeos and Mrs. Dikeos; Director of Office of Foreign Buildings Orland C. Ralston and Mrs. Ralston; Mr. Ernest J. Colantonio and Mr. Lawrence S. Eagleburger, Executive Assistant to the Secretary of State.

Also Mr. Oscar Nielson and Mrs. Nielson, Mr. Charles D. Roche, Mr. Hugh Adamson and Mrs. Adamson, Mr. Ted Chariott, Mr. David Waters, Mr. David Dean and Mrs. Dean, Mr. George A. Willming and Mrs. Willming, Mr. Gerson H. "Lefty" Lush, Mr. William A. Buell, Jr., and Mrs. Buell, Mr. Harry A. Cahill and Mrs. Cahill, Mr. Francis J. Donnelly and Mrs. Donnelly, Mr. Kenneth Strawberry and Mrs. Strawberry, Mr. Eugene L. Krizek and Mrs. Krizek, Mr. John E. Reilly, Mr. Don C. Eller, Mr. Marvin Braverman and Mrs. Braverman, Mrs. Jenalee D. Nivens, Mrs. Thomas S. Miller, Miss Susan L. Shaw, Mr. Mark A. Eller and Mrs. Eller, Mr. Michael McShane, Mr. and Mrs. Marshall E. Sheets, Dr. Henry Busky and Mrs. Busky, Mr. Don Byrne, Executive Officer of the Drug Enforcement Administration Daniel P. Casey, Mr. John J. Rooney, Jr., and Mrs. Rooney and Mr. Michael G. Farrell and Mrs. Farrell, Mr. Fred Blumenthal and Mrs. Blumenthal, Mr. Leo J. Grills and Mrs. Grills.

Greetings on the occasion, contained in an album, were received from the Honorable Henry A. Kissinger, Secretary of State, who was in Peking; the Honorable Tom C. Clark, Associate Justice of the Supreme Court; former Secretary of State Dean Rusk; former Deputy Under Secretary of State for Administration William J. Crockett and Mrs. Crockett; Ambassador to Argentina Robert C. Hill and Mrs. Hill; Ambassador to Vietnam Graham A. Martin and Mrs. Martin; Ambassador to Ireland John D. J. Moore and Mrs. Moore; Ambassador to Guatemala Francis E. Meloy, Jr.; Ambassador to Turkey and former Deputy Under Secretary of State for Administration William B. Macomber, Jr., and Mrs. Macomber; Ambassador to France Kenneth Rush and Mrs. Rush; former Counselor of our Embassy in London Jack A. Herfurt and Mrs. Herfurt; Counselor of Embassy in Paris Peter J. Skoufis and Mrs. Skoufis; former Deputy Chief of Mission to France and presently President of the American Hospital in Paris Perry Culley; former Counselor of Embassy in Paris Robert Ryan and Mrs. Ryan; former Ambassador to Barbados Miss Eileen R. Donovan; USNATO Counselor John V. Abidian and Mrs. Abidian and former Consul General at Naples and Supervising Consul General for all Italy Homer S. Byington and Mrs. Byington.

EVENTS IN RHODESIA AND THE CHROME VOTE

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BIESTER. Mr. Speaker, events in recent days in southern Africa have only heightened the importance attached to passage of S. 1868 repealing the Byrd amendment which allows U.S. importation of Rhodesian chrome against U.N. sanctions. Our vote on this measure, scheduled later this week, could not come at a more opportune time at which to make our position on this matter abundantly clear.

The Journal of Commerce has run an article on what is happening in Rhodesia and the ramifications and implications of our vote this week. The article follows:

TODAY OR MONDAY—KEY VOTE DUE IN HOUSE ON UNITED STATES-RHODESIA TRADE

(By Peter T. Leach)

The agreement announced Wednesday in Salisbury ending the black African nationalists' guerrilla war in Rhodesia will intensify international economic pressures on the white minority government to reach a political settlement with the country's vast black majority, according to diplomatic sources in Washington.

One of the most immediate moves to increase the economic pressure against the regime of Prime Minister Ian D. Smith is a vote today or Monday in the U.S. House of Representatives on a bill repealing the Byrd Amendment which allows the import of certain strategic raw materials from Rhodesia.

ALREADY PASSED BY SENATE

The repeal bill, which has already passed the Senate and the House Rules Committee, is strongly supported by the Ford Administration, which believes it essential as a means of ensuring U.S. access to these same raw materials once a fully representative government is chosen to succeed the Smith regime.

The State Department believes the U.S. will risk losing future supplies of Rhodesian ferrochromium, ferromanganese, asbestos, and nickel if a future black government decides the current U.S. imports of these strategic minerals were a means of supporting the Smith regime.

The Byrd Amendment, which was named after its chief sponsor, Sen. Harry Byrd, D-Va., was passed in 1971 to allow the U.S. to bend the United Nations economic sanctions against Rhodesia enough to import these raw materials. The amendment was passed by a coalition of Republicans and conservative Democrats who deemed it preferable to import chrome ore from the white minority government than from the Soviet Union at double the Rhodesian price.

Since the Byrd Amendment was passed, the U.S. has imported more than $50 million worth of Rhodesian ores, but only about 4 per cent of the U.S. supply of imported chrome is being imported from Rhodesia. The Soviet Union and South Africa remain the largest suppliers of U.S. chrome ore.

The U.N. economic sanctions against Rhodesia were imposed when Rhodesia made its Unilateral Declaration of Independence (UDI) from Great Britain in 1965 and have remained in effect for 10 years during which a minority of 240,000 white settlers has ruled a population of 5.7 million mostly black Africans.

The key U. S. vote on shutting off purchases of the only goods it imports from Rhodesia comes at a time when the Smith regime is moving toward a political settlement with the country's black African nationalists and the black-ruled countries surrounding it.

But official sources both here and in Rhodesia warn against any expectation that the U.N. economic sanctions will soon be lifted. Before the ban on trade with Rhodesia can be lifted, official sources say, Rhodesia will have to work out a political settlement that is acceptable to African nationalists and to Great Britain, which was the sponsor of the U.N. sanctions.

Most observers think the Smith regime's move toward a more moderate stance on governing the country was forced by the external realities that threaten Rhodesia's communications lifeline. Rhodesia depends on neighboring Mozambique and its port of Beira for much of its external trade.

With the Portuguese withdrawal and the emergence of a partially black government in Mozambique, Mr. Smith evidently began to fear Rhodesia's outlet to the sea could be broken.

AGREE ON CEASEFIRE

Mr. Smith announced in a national broadcast Wednesday that his government and the black nationalists have agreed upon a ceasefire to end the prolonged fighting on the northern frontier. The announcement followed his release of two African nationalist leaders, who had been held in detention in Rhodesia since UDI 10 years ago.

The two nationalists, the Rev. Ndabaningi Sithole, leader of the Zimbabwe African National Union (ZANU); and Joshua Nkomo, president of the Zimbabwe African People's Union (ZAPU) were allowed to attend talks in Lusaka in neighboring Zambia with other black African leaders that led to the agreement on the ceasefire.

South Africa, which has remained Rhodesia's one ally throughout the years of UN sanctions, has been instrumental in pushing the warring sides in Rhodesia into an agreement. Prime Minister John Vorster has made two secret trips into Africa in the past two months for talks with African leaders.

Within an hour of Mr. Smith's statement Wednesday, Mr. Vorster said South Africa would withdraw its 2,000-man police force from Rhodesia's borders as soon as it has confirmation hostilities have ended.

U. S. Government sources think the ceasefire will pave the way for an initial settlement allowing black participation in the Rhodesian Government, a participation that will slowly increase to allow full majority rule. Once majority rule is achieved, they said, the UN sanctions will quickly be lifted.

The political shape of the future Rhodesian Government is relatively unknown, although most observers think the government will probably reflect the strongly nationalist ideologies of its African neighbors.

All observers agree, however, that the country will be renamed Zimbabwe after the native African civilization that ruled this region before the arrival of white colonists.

With the lifting of the UN sanctions, U. S. exporters will be free once again to sell goods into the Rhodesian market. Traders observe that the market will undoubtedly have changed a great deal in the 10 years of sanctions, since it has had to become increasingly self-sufficient in such goods as clothing, food, and mining supplies, which were once the staple of U. S. exports to Rhodesia.

Based on an analysis of 1965 trade statistics from the period before UDI, one trade specialist figures the U. S. will be able to sell the future African country substantial quantities of mining machinery, agricultural equipment, motor vehicles, aircraft, power generating equipment, spare parts and office machinery.

HUMAN RIGHTS IN SOUTH KOREA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. HAMILTON. Mr. Speaker, the subject of human rights in South Korea has been a matter of considerable concern to many Members for several months.

Recently, I had an exchange of letters with Deputy Assistant Secretary of State Arthur W. Hummel, Jr. on human rights.

It seems to be the view of the Department of State that despite what may be temporary suspension of certain individual rights in Korea, the basic trend in Korea is toward a greater democratization and toward the development of freer institutions.

While it is less clear to many of us in Congress which way Korea will go in the coming months and years—toward even greater authoritarian and dictatorial rule or toward a freer society—it is clear that levels of U.S. aid to this country where we have spent so much in terms of human and financial resources will be determined in no small part by the way the Korean Government acts to resolve some of the internal political and social problems which have led to recent allegations, some substantiated, of human rights violations in South Korea.

I would like to bring to my colleagues' attention some exchanges and correspondence I have had with the Department of State on the situation in South Korea.

There follows a series of questions submitted to Deputy Assistant Secretary Hummel last summer, answers received this fall, and two exchanges of letters based on those answers:

Human Rights in South Korea

Question 1. Mr. Hamilton: President Park has argued that the recently tightened internal security measures are necessary because his opposition is Communist-led and because there are increased signs of North Korean hostility from the South. What are these signs, and how is the threat measured? How large, realistically, is the threat?

Mr. Hummel. Beginning late in 1973 there have been a series of North Korean provocations which has increased tension on the Korean Peninsula. These include an unprecedented claim by North Korea to control the waters surrounding islands off the west coast which were placed under United Nations Command control by the Armistice Agreement. At the time they made the claims, the North Koreans threatened to deny access to these islands. On February 15 the North Koreans sank one ROK fishing boat and captured another in international waters off the west coast. A Maritime Police boat was sunk by North Korean Patrol craft off the east coast June 28. All survivors of these incidents are still held in North Korea. Since then attempts to land agents have been reported off the south coast of the ROK and on July 19 ROK craft captured a North Korea agent boat off the west coast after a prolonged gun battle.

These events have considerably worsened the atmosphere and increased the potential for trouble in an area that has already known conflict and repeated hostilities. For these reasons we take that threat seriously.

Question 2. Mr. Hamilton: With a population more than twice the size of North Korea's, a larger army, and massive U.S. assistance, shouldn't the South be able to defend itself without restricting the civil liberties of its citizens?

Mr. Hummel. By and large, all Koreans in the South recognize that the north is provocative, and represents a threat to their security. Certain of them have expressed a concern regarding the extent to which their liberties have been restricted by their government in order to safeguard their security. The judgment of the measures necessary for national security was one made by the Korean Government and I don't think it would be proper for me to comment further.

Question 3. Mr. Hamilton: What precisely is the U.S. doing to express its displeasure with Park's actions? What else can we do?

Mr. Hummel. We do not approve of actions in Seoul or elsewhere that deprive people of their human rights. We have expressed ourselves clearly on this matter both in Seoul and Washington and there is no doubt that the Korean Government knows our position. Our Ambassador in Seoul has been active in representations on this matter and will continue to be, so long as the situation requires an expression of our concern. We believe our actions have been effective, and that diplomatic representations offer greater promise of alleviating the situation than heavy-handed threat or ultimatums.

Question 4. Mr. Hamilton: It has been said that President Thieu would fall if we withdrew aid from South Vietnam. Would Park fall if we withdrew from South Korea?

Mr. Hummel. I always find it difficult to answer that sort of question because, to begin with, it is based on a fallacy regarding our aid and support. We help countries and governments in the broad sense, because of our security interests, and because by so doing we contribute to economic well-being, the development of democratic institutions, and in turn world peace. Our aid is not provided as support *per se* to a given political leader. Specifically, as concerns Korea, our assistance has succeeded in achieving our objectives. To withdraw that support would cause great uneasiness in Korea, and contribute to instability on the peninsula.

Question 5. Mr. Hamilton: When will the "emergency measures" be lifted? Do we have reason to believe that they ever will be? If the measures are justified because of the Northern threat, how has the South survived for the past 20 years of Northern threat without "emergency measures"? Is the threat from the North greater now than it has been for the past 20 years?

Mr. Hummel. The ROKG has not informed us when the measures will be lifted although there are reports that indicate they may soon be partially lifted. In any case there is every reason to believe that these measures are not permanent. Since the decision to promulgate these measures was one taken unilaterally by the ROKG, I would rather not comment on their justification. I would say, however, that over the past 20 years, South Korea has had to cope with North Korea's aggressive intentions, and that she has felt the need for certain limitations of human rights which other countries in a more favorable geographic position have been able to enjoy fully. As concerns North Korea's military capacity, I would consider it greater now than at any time in the past 20 years. However, ROK capability has also increased and the basic confrontation remains much as it has in recent years.

Question 6. Mr. Hamilton: Could you compare the present level of civil liberties in North and South Korea?

Mr. Hummel. North Korea is a tightly closed society which allows virtually no reporting to the outside world. From what we know, however, her citizens live in a highly controlled and regimented society. State authority is supreme, and we have never heard of student dissidence, political opposition, or press criticism. Whatever may be the current status of human rights in South Korea, there is absolutely no doubt that civil liberties are practically non-existent in the north. While South Koreans have been critical of conditions in the south, none that I know of would prefer to live in the north.

Question 7. Mr. Hamilton: What is the role of religion in the movement to oppose Park?

Mr. Hummel. Christian leadership, both Catholic and Protestant, plays a significant role in the opposition to President Park's government. This is so because they believe that Christian doctrine is based on a fundamental adherence to human values, and on the rights of man, which they believe the present government has curtailed. The government on the other hand states, with some justification, that no one is denied the right to worship, and that there is no religious persecution in Korea. The Christian religion in Korea has about 4 million followers out of a population of some 30 million.

The oriental religions in Korea, mainly Buddhism, have not been deeply involved in this problem.

Question 8. Mr. Hamilton: For FY '75, the Administration has requested an increase in grant military assistance from $112,300, to $161,500, and an increase from $25,000 to $52,000 in military credit sales over FY '74. How can these increases be justified at a time when the Korean Government is restricting the civil liberties of its citizens? What would be the impact of a cut in grant military assstance to roughly $100 million, or slightly below last year's level?

Mr. Hummel. As part of the program to modernize the ROK Armed Forces, the Administration last year requested some $238 million. Korea finally wound up with $78 million, a figure we consider far below requirements. Following the shortfall of last year a $100 million level of grant military assistance would further delay our objective of modernizing the ROK Armed Forces, we believe this program, which we undertook in 1971, is in our own security interest of avoiding a war on the Korean peninsula. Secretary Kissinger made clear in testimony before the Senate, that our security interests require military assistance to Korea, even though we do not approve of certain of her policies.

Question 9. Mr. Hamilton: The Korean Constitution guarantees freedom of speech. Yet the government has made criticism of the regime punishable by death, and claims that "there are exceptional cases where political ideology or belief of an individual person constitutes either a crime of a condition for heavier punshment." Does the Constitution permit emergency measures to suspend civil rights?

Mr. Hummel. The answer to that question is yes. Actually, the present Constitution does not unconditionally guarantee freedom of speech. For example, Article 18 states that "No citizen shall be subject to restriction of freedom of speech and press, or freedom of assembly and association, except as provided by law." Article 53, however, states in part that "when the President deems it necessary, he shall have the power to take emergency measures which temporarily suspend the freedom and rights of the people as defined in the present Constitution. . . ."

Congress of the United States,
Committee on Foreign Affairs,
Washington, D.C., October 10, 1974.

Hon. Arthur W. Hummel, Jr.,
Deputy Assistant Secretary of State for East Asian and Pacific Affairs, Washington, D.C.

Dear Mr. Hummel: I recently received a copy of the answers you provided to the additional questions I submitted following your testimony before two Foreign Affairs subcommittees, July 30, 1974, on the subject of human rights in South Korea.

In one reply, you stated that with our aid and support to various states, "we contribute to economic well-being, the development of democratic institutions and in turn world peace." You go on to state that in South Korea "our assistance has succeeded in achieving our objectives." I would like you to explain this response. In particular, I would like to know precisely how our military and economic aid to South Korea is contributing to the development of democratic institutions as you say it is.

I would hope that you will be able to give me a thorough and frank answer to this matter in your reply. Only in that way can we help to close the increasing gap between what is often said to Congress and what appears to be the facts on the ground overseas.

I trust that you will be able to reply to this inquiry before Congress reconvenes after the elections.

With best regards.

Sincerely yours.

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C. November 12, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, House of Representatives, Washington, D.C.

DEAR MR. HAMILTON: Your letter of October 10 provides me a further opportunity to answer questions that remain in your mind about our attitudes toward security, aid, and human rights in the Republic of Korea. As I indicated in my testimony on July 30, we believe our policy has contributed toward security and, in many respects, toward economic, social and political progress in South Korea. At the same time, we admit that Korea's political institutions are imperfect and in particular we have expressed our concern about her policy.

You specifically noted a statement in one of my replies to your questions that we have contributed to "economic well-being, the development of democratic institutions and in turn world peace" and my further statement that in South Korea "our assistance has succeeded in achieving our objectives." Of course, I had also stated that our aid is not provided as support *per se* to a given political leader. Your question is entirely understandable, however.

As I see it, one has to look at our policy in long-range terms, in depth and with historical perspective. The Korean War, particularly the unprovoked attack from the North but also the aggressive posture of the North Korean regime over the years—certainly indicated that development and modernization—political, social and economic—in the South could take place only if it were secure from attack. This has been the rationale for our military assistance, and that is why we have frequently described it as building a shield behind which the country could develop.

We also supplied for many years grant economic aid as well which was directed at building a viable economy and laying a basis for a more profound social and political modernization and democratization. The physical process of building up the economy has been remarkably successful, as you know; in fact so much so that we have ceased grant aid, and our economic assistance today consists largely of PL 480 sales arrangements. Through economic development came a marked rise in the standard of living. Major highway systems provide better communication; more rural youth are afforded college education; mass media provides for a better informed citizenry. Surely you will agree that these contribute to the development of democratic institutions.

With the support of our aid programs, new generations of younger Koreans have not only been trained technically but have absorbed democratic values that are now being expressed. Much of the dissent at authoritarian practices in Korea reflects the fact that there has developed in Korea a basic desire for stronger representative institutions, able to endure beyond the reach of executive powers. Indeed, in all the comment about the status of democratic institutions in Korea, I find it curious there is not more mention of the vitality of open criticisms in the press, and in the schools. Fragile as these institutions may be, they are becoming more vigorous and are striving for improvement.

The intercourse at the economic, social and nation-building levels started by aid programs actually continues today without large amounts of current economic aid but it performs the same modernizing functions. Military aid is still necessary to provide the security through which this long term modernization process can continue. We are convinced that democratization will develop on the political level, and that authoritarian excesses will be curtailed in this process. We do not think that cutting off military aid will help; in fact, we think it will do more harm than good. To use an old adage, we should not throw away the baby with the bath water.

If there is any way in which I can be of further help, please let me know.

Sincerely,

ARTHUR W. HUMMEL, Jr.,
Deputy Assistant Secretary for East Asia and Pacific.

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., November 19, 1974.

Hon. ARTHUR W. HUMMEL, Jr.,
Deputy Assistant Secretary of State for East Asia and Pacific, Washington, D.C.

DEAR MR. HUMMEL: Thank you for your letter of November 12, 1974, in reply to my letter of October 10 concerning the subject of human rights in South Korea.

Two statements in your letter prompt further questions which I would like you to answer. At one point you state, "I find it curious there is not more mention of the vitality of open criticisms in the press, and in the schools." Is open criticism permitted within Korean society? On what basis do you conclude there is open criticism allowed in the press and educational institutions?

You also state that "we are convinced that democratization will develop on the political level, and that authoritarian excesses will be curtailed in this process." How are our policies promoting this democratization to which you refer? Why are you convinced that these developments will occur? And what evidence leads you to that conclusion?

I would appreciate your clarifying these statements.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C., December 9, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, House of Representatives, Washington, D.C.

DEAR MR. HAMILTON: Your letter of November 19 raises questions about statements in my November 12 letter on the subject of human rights in Korea. You ask if open criticism is permitted within Korean society and on what basis I conclude open criticism is allowed in the press and educational institutions.

Certainly the main trend in Korea has been toward suppression of criticism. The emergency measures imposed for most of this year explicitly prohibited criticism of the present Constitution and by implication, of the present Government. Nevertheless two of the major emergency measures have been rescinded leading to a major increase in active criticism within Korea of Korean Government policies and in the reporting of such activity. There have been a series of protests and prayer meetings by Christian groups which continue. The major opposition political party has publicly adopted a demand for revision of the present Constitution. And on November 27 leading critics of the Government formed a National Council for the Protection of Democracy dedicated to bringing about Constitutional reform.

Although this situation may change rapidly once again, arbitrary censorship in Korea is rarely more than temporarily effective.

You also ask how our policies are promoting democratization and why I believe it will continue to develop. I should have emphasized in my previous letter that I was attempting to apply a longer perspective to recent developments and to note the important role of physical and economic security in fostering democratic development. I am not so naive as to believe democratic practices spring forth in all areas once a self-reliant defense posture is secured or a certain level of GNP is reached. However, I believe that our long association and extensive programs in Korea have given the Koreans a platform on which democratic institutions may be built and a strong positive image of what we stand for on human rights as well as in other areas.

Whatever criticism Koreans may have of their own government, the recent welcome given President Ford by the Korean people was warm and spontaneous. It is one evidence that the visit and the relationship it symbolized are seen as benefiting the nation as a whole and not simply a particular government.

Sincerely,

ARTHUR W. HUMMEL, Jr.,
Deputy Assistant Secretary for East Asia and Pacific.

THE ROLE OF AMERICAN LAND-GRANT UNIVERSITIES IN MEETING THE WORLD FOOD CRISIS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FRASER. Mr. Speaker, on November 21, 1974, C. Peter Magrath, president of the University of Minnesota, spoke to the Minnesota Agri-Growth Council on "The Role of American Land-Grant Universities in Meeting the World Food Crisis."

Before discussing the contribution U.S. land-grant schools can make to solving the major world food problem facing us, President Magrath made three points. First, if a major U.S. commitment is made to help solve the world food crisis, all segments of our society must make an equitable contribution to the realization of this commitment. The second point was to recognize that this Nation has already made a major contribution to the feeding of the hungry of the world. President Magrath's final point was that we must recognize the problem as an urgent one, requiring a major national commitment.

A brief sketch of the historical background of our land-grant universities illustrates and places in perspective:

> The remarkable progress we have made in agricultural education and research in just one century . . . [and] that our land-grant universities have the potential to be even more significant forces in ending worldwide hunger.

The point of the President's speech is that agricultural research is cost effective. But, our land-grant schools need assurance "that funding for education and research would not capriciously be turned on and off, for to do so would severely hinder what we would be trying to accomplish." Of course, this message is aimed at us here in Washington and I hope we receive it loud and clear.

I believe President Magrath makes a strong case, and I welcome his admonition:

> That we should be more concerned with helping hungry people than with what certain political leaders around the world might think about us at any given time.

The entire speech follows:

The Role of American Land-Grant Universities in Meeting the World Food Crisis

Lester R. Brown, a distinguished authority on the world food crisis, has written: "Few of man's needs have resisted fulfillment so strenuously as has the need for food." The recent barrage of news photographs and commentaries about starving and dying people in Africa and South Asia certainly confirms this. But if Mr. Brown's observation is correct—and, I am afraid it is tragically accurate—the condition he describes is clearly unacceptable.

I do not wish to take up your time this morning citing the causes of the current food crisis; there are other people in this room far better qualified than I to do that.

Rather, and in addition to some personal notes, I want to present the case for a more active role for our land-grant universities, and particularly the University of Minnesota, in meeting this crisis.

Our land-grant universities have played, and still play, a central role in the development of America's unequalled agri-business industry. (By agri-business, I am referring to the great numbers of people, farmers and others, involved in the production, processing, and distribution of food and fiber products.) These universities have also been instrumental in helping bring modern and more productive agricultural techniques to the people of the world—techniques that have meant more food—and more nourishing food—for millions of people.

But as we all know there are too many people who are still hungry, and the prospects of an even more calamitous situation are real. Our land-grant universities, with proper support, can be major forces in an expanded commitment by our Nation to end starvation wherever it may afflict helpless people.

Before talking at greater length, however, about what I think the University of Minnestoa—and our sister institution—can contribute to the solving of this crisis, I think it is important to make three points.

The first is that if it becomes the policy of the United States to make a major commitment—in concert with other nations—in seeing to it that no one in the world goes hungry, and if that commitment entails a measure of sacrifice by our people (as it probably will), I think it is crucial that this effort be borne equally. Farmers and others involved in agri-business must not be asked to shoulder an unfair share of a burden that results from a commendable and humane national policy choice.

I say this because I sense a degree of hostility in some quarters towards agri-business, a hostility, that in my opinion is mostly unfair and unjustified. To be sure, rising food prices are the prime cause of this tension. But we must remember that if inflation is taking bites from everyone's budgets, it is taking painful chunks out of the budgets and earning powers of many people who supply our nation and much of the world with food and fiber. We must, moreover, acknowledge that American agriculture and its related businesses have served us well. Our food and fiber production and distribution problems seem manageable, indeed, when compared to those of other nations. I say this not just to be gracious, but because I sincerely believe it to be true.

John T. Caldwell, chancellor of North Carolina State University, has written that people take for granted the great variety of abundant foods available to them, and that there is a vast ignorance about today's agriculture. "An overwhelming urban population," he has written, "can easily take for granted an efficient agriculture. And then those few who become concerned about it may bring with their concern an ignorance, and innocence, and a romanticism that misses the point entirely."

The second point that must be made is this: the United States has made a major commitment in sharing our technology and our bountiful harvests with the people of the world. According to Secretary of Agriculture Earl Butz, the U.S. has given away about $25 billion worth of food to other nations in the past 20 years. This is in addition to the staggering amount of food we have sold to other nations, $21 billion last year alone, according to Secretary Butz. Although we have an obligation to do even more to help millions of people meet this most basic of human needs, I reject the argument that the United States has been oblivious and unconcerned about hungry people.

The third and final introductory point has to do with whether the situation we face can properly be described as a crisis. Some observers say the problem we are contending with is, without question, of crisis proportions. Others are not as extreme. Some say that the food situation will be catastrophic in the not too distant future. Again, others are less pessimistic.

Without intending to be an alarmist, we clearly do face a crisis situation—if for no other reason than that all observers seem to agree that there are literally hundreds of millions of people around the world who, right now, end each day hungry, and who have little immediate hope of relief. I think simple humanity demands that we confront this matter—this very real crisis—with the urgency and commitment it deserves.

Six months after he signed the Emancipation Proclamation, President Abraham Lincoln signed, on July 2, 1862, a bill that was also to have a significant and profoundly positive impact on this Nation. It was the Land-Grant Act, written and shepherded through Congress by a Senator from Vermont Justin S. Morrill.

The bill provided, in its own words:

". . . the endowment, support and maintenance of at least one college in each state where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to each branches of learning as are related to agriculture and the mechanic arts . . . in order to promote the liberal and practical education of the industrial classes."

Grants of land were made to the states on a basis of 30,000 acres for each member of Congress. The income from the sale of this land was to endow the colleges, and the states were to be the administrators. The University of Minnesota still realizes revenue from the endowment.

A turn-of-the century Minnesota senator, Knute Nelson, said of the Land-Grant, or Morrill, Act:

"It has wrought a revolution in American education . . . The system of education is now suited to the needs alike of workers, businessmen, homemakers, technicians and professionals."

This is not to say that these new and innovative institutions were without problems in their early years. There was at that time, in fact, no science of agriculture. There was neither any pattern nor precedent for the new curricula. There were no trained faculty, no accepted methods of instruction, and few students with sufficient secondary school preparation.

Although McCormick's reaper was already being used by farmers, and the Industrial Revolution in America was well underway, many believed that science was not a fit subject for Christian study. One New England newspaper editor opposed a plan for street lighting by saying, "Artificial lighting is an attempt to interfere with the divine plan of the world which called for dark during the night time." And one farmer allegedly put it this way: "What you goin' to do with that college up there? Larn 'em to rake 'arder?"

To make one-sentence short the interesting story of how these problems were overcome, let me simply say that the willingness of many educators to investigate agricultural problems first hand—that is, on the farms—and their commitment to research and experimentation, are among the principal reasons why fruitful progress was made.

Research and experimentation proved so successful, and, in fact, necessary, to the study of agriculture as a science, that in 1887 Congress passed the Hatch Act establishing an experiment station in every state in connection with its land-grant college.

In turn, these land-grant colleges set up extension courses to transfer the very practical knowledge gleaned through research to those who needed it the most but who could not get to a campus—the farmers and their wives. Early extension agents demonstrated to those who worked the land how to use improved methods of agriculture, while home economists helped women improve rural home life through instruction in meal planning, the use of labor-saving devices, and interior decorating. Congress, recognizing these early efforts in extension, passed the Smith-Lever Act in 1914 providing federal funding for its expansion.

The Morrill Act in 1862, the Hatch Act in 1887, and the Smith-Lever Act in 1914, in addition to strong support from the states, gave shape to the triumvirate of resident teaching, research, and extension, that has been at the heart of the land-grant philosophy.

I hope you have not minded this brief history lesson. Although my degree is in political science, much of my research and teaching has dealt with American history, and I used to be regularly admonished by colleagues for practicing history without a license. The story of how our land-grant universities developed is worth telling—and worth remembering—for it put in plain perspective the remarkable progress we have made in agricultural education and research in just one century. Knowing how much we have already accomplished, makes me confident that our land-grant universities have the potential to be even more significant forces in ending worldwide hunger.

What kind of programs am I talking about? Generally, more of what the University of Minnesota and other universities are already doing: training students from other countries so they can return home prepared to make tangible contributions; assisting other nations in setting up their own educational, extension, and data collecting efforts; and working jointly with them in conducting the kind of scientific research essential to modern agriculture, and which must be tailored to an individual region's unique climate, soil, and other conditions.

It is useful in situations like this to be quite specific in showing some of the valuable breakthroughs that have resulted from agricultural research in land-grant university settings. It is also a good opportunity to dramatize the point that money used for research—especially agriculturally-related research—almost invariably pays important dividends, and that such funding should not be viewed as obligatory expenditures, but, rather, as wise investments.

We can happily look to the University of Minnesota for a few of these examples. Many of you are well familiar with some of them, but I think they are worth noting again.

ERA, a Hard Red Spring wheat of the semi-dwarf type, was developed and released by the Minnesota Agricultural Experiment Station in 1970. This new wheat variety was grown on over 900,000 acres of Minnesota farm land in 1973, and on over 1,600,000 acres in 1974, and produces yields of six bushels per acre more than standard varieties. This resulted in $26 million of additional farm income in 1973, and an estimated $40 million of additional farm income this year, plus $20 million of additional income this year alone resulting from the multiplier effect. Of special significance as we try to help feed a hungry world is the fact that ERA wheat grown in Minnesota was responsible for producing 270,000,000 additional loaves of bread in 1973, and 460,000,000 in 1974–75.

The development of ERA wheat, which has already meant tens of millions of dollars of new income to the State of Minnesota, and which is proving helpful in feeding people, cost about $300,000 to develop—or a fraction of the return that is now accruing.

Hodgson and Evans soybeans were released in April of this year by University of Minnesota researchers. It is expected that they will be grown on 2,000,000 acres of state farm lands in 1976, with the extra yield expected to generate $9–12 million in additional income for farmers, and an additional $4 million income through the multiplier effect. It is further anticipated that this increased yield will produce enough additional protein to meet the needs of 1,000,000 people everyday for one year. What, you may ask, were the development costs for Hodgson and Evans soybeans? The answer: $100,000.

Research currently underway at the North Central Experiment Station in Grand Rapids is of particular interest now that many people are questioning the correctness of the heavy use of grains in producing beef animals, when that same amount of grain can be used directly in feeding more people. Researchers there are trying to determine the minimum amount of grain needed by pregnant beef cows to produce healthy and vigorous calves. They are also investigating how to provide the best possible beef from grass-fed cattle.

When Minnesota's advances are seen as part of a national effort by land-grant universities to achieve progress through agricultural research, it is clear that these institutions can be of great help in a drive by the United States to meet the world food crisis. And while universities, assuredly, cannot do the job alone, our national network of land-grant universities—if given adequate support—can join with the American agri-business community, and other nations, to become even more vigorous and productive participants in a foreign policy of rarely precedented compassion and wisdom. I deliberately use the word "wisdom" because I believe it to be clearly in the interest of the United States not to have an already fragile world order shaken and attacked by hungry people in a frantic, if understandable, search for food.

First steps to enable us to take a more active role have already been taken. A new Land-Grant/United States Department of Agriculture Council on International Research and Education is being formed that should strengthen the efforts of both universities and the Department of Agriculture in making an impact on this problem.

Representative Paul Findley of Illinois has introduced a bill in the House of Representatives, perhaps somewhat optimistically called the "Famine Prevention Act of 1974," which aims, in part, to have land-grant universities share with governments all over the world their knowledge and experience. "Our experience," he points out, "has made America the best fed, clothed, and sheltered nation in the world." "Under my bill," he explains:

"The Secretary of Agriculture is authorized to contract with the land-grant colleges and universities for their *long-term* continuing assistance in one of the developing countries. For example, a typical contract might provide the College of Agriculture of the University of Illinois with 10 years in which to help a country establish, organize, and staff a land-grant type of agricultural education institution—with classroom, extension, and research services." (Note: emphasis supplied)

I am not prepared to pass reasoned judgment on the specifics of Congressman Findley's proposed legislation, but I certainly support his intent.

The University of Minnesota is enthusiastic about playing a bigger role in meeting this crisis, and we are currently taking a close look at our capacities and talents. We have an encouraging history of worthwhile cooperative efforts with other nations, and if we are afforded the proper support—and this means appropriate federal funding—we are prepared to do more. We currently have contracts with the U.S. Agency for International Development (AID) to provide educational services in agriculture in Tunisia and Morocco.

Much can be said for having universities, with the great breadth of talents and resources that they have, assume leadership roles in this effort. Insofar as the food problems of developing nations are invariably enmeshed with economic, political, and social problems, I think it is important that students of agriculture be versed as fully as possible in these other disciplines. It is also important that professionals in agriculture have access to the interdisciplinary expertise available in our universities.

To have our nation's land-grant institutions embark on such a course would, of course, pose some basic problems, some more difficult to solve than others.

Perhaps the first assurance I would like to see is agreement that funding for education and research would not capriciously be turned on and off, for to do so would severely hinder what we would be trying to accomplish. One of the more serious problems facing higher education today is a confusion over the extent to which the federal government is committed to supporting research, both pure and applied. In order for education and research to bear fruit, or to put it in simpler terms, for us to get our money's worth, support must be *steady*. Continuity of support has been one of the great strengths in agricultural research and extension in the United States.

A commitment by the United States to help poorer nations with their education and research needs must stand firm to pressures that might sporadically be aimed at weakening that commitment. Funding must not be used as a pawn, but rather, must be provided on an uninterrupted basis as long as the need exists. We must not let transient political considerations undermine our will to help people feed themselves. I hasten to add that we should be more concerned with helping hungry people than with what certain political leaders around the world might think about us at any given time.

The United States, for a host of reasons, some justified and many not, will always be criticized and condemned by some. But if we make a commitment as a nation that we sincerely believe is generous and appropriate, I, for one, will not be bothered too much by what sundry namecallers have to say about us.

I would be remiss if I did not at least briefly touch on some related issues which are integral if we are to overcome this crisis.

I see no alternative but to make a concerted effort to limit world population growth. We are all too familiar with projections pointing to such sobering developments as the doubling of the world's population to approximately seven billion people by the end of the century. We must not let population further outstrip our food supply.

As Americans, we have to take a close look at some of the ways in which we lead our daily lives; not in the spirit of responding to a fad or temporary call for sacrifice, but in the somber realization that things have changed.

I do not think we can correctly ignore any longer the impact of some of the things we routinely do, such as the fact that we use great amounts of fertilizer on our cemeteries, lawns, and golf courses, while other nations do not have enough fertilizer to grow food. Nor can we ignore the fact that in a protein-starved world, we feed three pounds of grain, averaged over the feeding period, to a beef animal in order to produce one pound of beef.

It is here that my earlier point applies regarding the guarantee that farmers and others involved in agri-business must have in not being forced to make inordinate sacrifices as we change our priorities to meet national policy objectives. Frankly, I do not know how this can easily be accomplished, although I know it must be.

The United States cannot feed the world alone. But our historical good fortune, industriousness, and compassion present us with a life-giving opportunity to contribute profoundly to hundreds of millions of human lives. We must take a lead role in convincing nations that are also capable of extending assistance to other nations that this is the proper and necessary course for them to follow, too. We must attach to this effort a singleness of purpose and determination that marked our quest for the moon; we must convince ourselves that this new journey is every bit as important and beautiful to make.

We read daily of new scarcities and the imminent depletion of precious natural resources. We must remember that food is not finite, and that harvests need not cease. But, most of all, we must remember that human intelligence, creativity, and determination are not finite either, but are infinite resources that can be used for the enoblement and well-being of all people.

The University of Minnesota welcomes the opportunity to do its share. We look forward to joining with members of the Minnesota Agri-Growth Council and others in this life-saving work.

BAD JOURNALISM AND MR. BUTZ

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FINDLEY. Mr. Speaker, the December 14 Washington Post editorial page contained an example of good journalism concerning an episode around which has swirled much poor journalism, both electronic and printed.

It was the feature written by Charles B. Seib, a member of the Post editorial board, and it put in proper perspective the ridiculous distortions and overplay concerning the Italian dialect joke voiced the other day by Agriculture Secretary Earl Butz.

The article should be required reading for everyone who had any role whatever in the handling of the Butz joke story. It should also be required reading in all journalism schools henceforth.

Mr. Seib comment:

THE BUTZ STORY—AND HOW IT GREW

(By Charles B. Seib)

What is news? Wise journalists duck that one. Those less wise offer definitions ranging from the inane—"news is what happens"—to the arrogant—"News is what we say it is."

But even though they can't define the product, newspaper people pride themselves on their "news judgment," the ability to tell news from non-news. And their exercise of that claimed ability is what determines the content of your newspaper each day.

News is not only amorphous; it is sometimes downright spooky. Once publication has authenticated an event as genuine news, it can take on a life of its own, expanding like one of those blobs from another planet in a late movie.

Our case in point is the Butz joke story, which began its brief public career Thanksgiving morning and enlivened, if that's the word, a dull holiday weekend. Its aftershocks are still being felt. What happened was this:

Agriculture Secretary Earl Butz breakfasted the day before Thanksgiving with 29 reporters. These breakfasts are a Washington institution; their purpose is to milk information from officials and other public figures in a relaxed and friendly atmosphere. The Butz session was on the record—that is the reporters could quote anything he said and attribute it to him—with one small exception.

The exception was a joke Butz told—a mildly funny, mildly tasteless joke he said he had heard at the Rome food conference. An Italian woman, the joke goes, is asked about the Pope's stand on birth control and replies, "he no playa the game, he no maka the rules."

It's not a good joke or a new one—the warm-up comic used a version at Frank Sinatra's Carnegie Hall concert earlier this year and it goes back a lot further than that. And it has a nasty ethnic/religious sneer to it. But there was a polite titter, and then Butz, who is slowly learning the facts of political life, asked that it be off the record. Just what was said in response is unclear; there are several versions. In any case, 28 of the 29 reporters didn't report the joke. But one decided that Butz' use of it was of public interest and that an after-the-fact request to go off the record doesn't wash unless specifically agreed to. So he used the joke in a column he wrote for the Thanksgiving morning edition of his paper, the New York Daily News.

In New York a Daily News editor, exercising that news judgment we mentioned earlier, directed that the item be lifted from the column and turned it into a two-paragraph story that appeared on page two of the paper with the headline: "Butz Raps the Pope." The Italian woman was gone and the punch line was attributed directly to Butz and presented as a dismissal by Butz of the Pope's position on population control.

Then the blob began to grow. Within hours, a spokesman for the New York Roman Catholic archdiocese wired President Ford to complain about the "crude, pointed insult" to the Pope and demanded Butz' apology or resignation. Members of Congress also protested. By Friday morning the story that had been worth two paragraphs had blossomed into a page one banner story for the Daily News. Other papers began climbing aboard, although not so flamboyantly. All three networks included an item on Butz' troubles on their evening news, giving the event the imprimatur that comes only with a mention by Walter Cronkite.

Friday was not one of Butz's best days. He tried to put the fire out by saying he meant no harm, but that wasn't enough. President Ford called him in for a little talk, after which he issued a formal apology.

The President's entry into the case escalated the story another notch. Saturday morning it made the front pages of the New York Times and the Washington Star-News. The Post had a teaser on page one and the story on page five. The networks reported the new development. The only bright spot for Butz was the fact that the Daily News gave the story only a secondary spot on page one, indicating, perhaps, a feeling that it had about run its course.

So there you have the life history of a news story. It isn't quite dead; it takes a long time for such stories to die. But a quiet senescence has begun, punctuated by occasional editorial harpoons for Butz (including one from this newspaper) and outbursts like the one from a usually calm columnist who declared that every day Butz remains in office he advertises America's insensitivity to suffering.

Without in any way defending Butz as a humanitarian or as a public official, one must ask whether that miserable joke told over breakfast justified what followed.

True, the story developed as the hours went by. There were the protests to be reported, and the presidential dressing down. Also, it received additional momentum from the fact that just a few weeks earlier Gen. George S. Brown, chairman of the Joint Chiefs of Staff, got himself in trouble—and drew a presidential rebuke—with remarks about Jewish influence on American foreign policy. But it still comes back to the old chicken or egg question: did the Butz story generate the coverage or did the coverage generate the story?

One must ask also whether there is some flaw in our whole approach to news that permits a story to mushroom beyond all reason. Is there a way to control the blob before it begins to grow?

It is the fashion these days to blame media excesses on Watergate. The sharks of the press, it is said, are kept in a constant state of ferocity by the blood that still tints the water. Whatever happened in the Butz case, the cause of balance and perspective and maturity in the press was not advanced. And everybody—the media, the indignant protesters, the stern President, and, of course, Butz himself—ended up looking faintly ridiculous. A Vatican spokesman must be credited with the sanest statement in the whole episode. In declining comment, he said possibly with a touch of bewilderment, "All we know is what we read in the newspapers."

HON. LESLIE ARENDS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. WINN. Mr. Speaker, it is most difficult to add to that which has been said about our distinguished colleague from Illinois, LES ARENDS, by those of you who have served with him much longer than I. It is a privilege for me to pay tribute to this fine man as he retires after 40 years of service to the people of the 15th District of Illinois, the Nation, and the Republican Party.

LES ARENDS has always taken the time to discuss and counsel junior Members on legislation and legislative procedures, and I well remember the many times his guidance has benefited me in serving my constituents.

He has had the respect and admiration of Members on both sides of the aisle regardless of political philosophy. He has worked tirelessly during his years in Congress to serve his constituents and his party. LES ARENDS will be missed by all who know him.

I hope the years ahead will hold much happiness and contentment for LES and his wife, Betty, and that their retirement will be the most fulfilling and best years of their lives.

NATIONAL DIVIDEND PLAN OFFERS HOPE FOR IMPERILED AMERICANS

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GROSS. Mr. Speaker, we are a troubled, upset Nation. The American people are deeply worried about the future of the Republic. Food costs, inflationary theft of life savings, loss of jobs, and wild Government spending have upset the lives of millions. I share their worry—I believe this moment is as critical as Valley Forge in 1778 and the Union in 1860.

Our economic situation is grave because the Federal Treasury is bare; the country's bills are paid with printing press money and more and more borrowing; production man-hours decline; laws are flagrantly disobeyed, and Congress goes irresponsibly on its way passing programs with no plans for funding them.

Prices rose at an annual rate of nearly 11 percent during the first half of this year. They are still going up today, and no decline is in sight.

Real output of goods and services fell at about 4 percent during the first half of this year. It is still going down.

The unemployment rate rose from 4.5 percent in October of 1973 to 6 percent in October of this year. And it is still rising.

In late September, the Joint Economic Committee of Congress filed an interim report containing recommendations for an action program to reduce inflation and restore economic growth.

The recommendations were disappointing. Two of our House colleagues who serve on the Joint Economic Committee—Representative CLARENCE BROWN, of Ohio, and Representative BEN BLACKBURN, of Georgia—disagreed with the report.

I concur in their written dissent, which I quote in part:

> At least two members of the Committee believe that the recommendations in this report represent a re-hash of the same old belief in the omnipotence of the government over the private sector for the purpose of manipulating social/political policy by the use of deficit spending. It is precisely this kind of fiscal policy which has created our inflationary problems.

I also am disappointed in the program President Ford has advanced to bring inflation under control.

It is a mish-mash of contradictions. It

is more of the same old stuff that has failed for 20 years.

Even if Congress provided all the legislation he has requested and the public cooperates, it is at best, only a stopgap, short-term program aimed at treating the symptoms rather than curing the cause. We will never achieve permanent recovery that way.

The Republican Party, as attested by the last election, is a political failure. The Democratic Party is an economic failure. It is time for both parties to stop traveling the road to national tragedy.

Is there an alternative to failure? I believe so.

We must use a total systems approach to our problems if we hope to find the proper, lasting solutions that will enable us to move into the future with newfound economic vigor. The first essential step must be to stop Federal spending deficits.

A new outlook embodying old principles and new dreams for America must be enacted, making our country more equitable for all.

The National Dividend Plan is an economic proposal embodying a total systems approach. I have studied it in recent months and I believe it provides the framework by means of which we can put the country on a fair and sound track for the future.

I am by no means alone in my interest in the National Dividend Plan—NDP. Deep concern about our economic problems has brought increasing interest by a growing number of national organizations. Among them are the Conference Board, the American Enterprise Institute, the U.S. Chamber of Commerce, the National Association of Manufacturers, the General Federation of Women's Clubs, the U.S. League of Savings and Loan Associations, and the U.S. Jaycees.

I note with pride that the Jaycees of Iowa, under the presidency of El Sievers, a young banker in Marion, took the lead 3 years ago in bringing this intriguing proposal to the attention of the U.S. Jaycees. This resulted in a national educational program by the Jaycees to generate public awareness of NDP's potential for economic growth and internal benefits to all voters.

The high standard of living we have achieved in the two centuries since this Nation was established attests to the economic success of our free enterprise profit-and-loss system. However, we cannot escape the fact that this system is so scrambled and buffeted today that it is approaching political failure as the Nation approaches financial failure.

If we are to make our free market economic system a political success, the voters—the grassroots of our decision-making process—must participate in its rewards. At the same time, they must understand that for us to survive as a free nation, we must pay for our social progress out of earnings—not out of increased taxes or greater deficits.

The National Dividend Plan is a way to get the voting citizen on the side of sound, efficient management of the Federal Government and, simultaneously, properly appeal to his own self-interest.

The NDP is a simple, commonsense economic proposal. Nationally known economists and political scientists acknowledge its feasibility.

Lionel D. Edie & Co., a research subsidiary of Merrill Lynch, Pierce, Fenner & Smith, made an indepth feasibility study of NDP. In summarizing its study, the Edie Co. said, in part, and I quote:

> The NDP program, which is designed to reduce the dependence of our economy on Federal Government spending and allow private enterprise to regain its rightful role in determining the direction of economic and other activity, is endorsed by us.

The National Dividend Program recognizes that profitable productivity is absolutely essential to our economic well-being and is possible only through an increased flow of investment dollars into the free enterprise system, and sustained consumer buying power to purchase the goods.

Simplicity is the appealing principle of the National Dividend Plan.

First, it provides incentives to invest by imposing a 50-percent maximum on Federal corporate income taxes and by eliminating Federal personal income taxes on corporate dividends.

Corporate income taxes have ranged around 50 percent on the Federal level for the last quarter century. NDP simply says that the rate, which still will be set by Congress, cannot exceed 50 percent. This would give assurance of long-term investment capital.

The Federal personal income tax on dividends is a double tax borne by nearly 40 million Americans who own shares in corporations. It is a punitive tax, it strangles investment incentive and it should have been removed long ago. This would create huge amounts of capital that business desperately needs to stay alive and grow.

Second, NDP distributes all Federal corporate income tax collections equally—and free of Federal personal income taxes—to every citizen who legally registered to vote in the preceding Federal general election. It will make voters profit-sharing partners in the Nation's progress. Such an incentive would give us a strong increase in productivity and would be a long needed move for a more equitable Nation.

Third, NDP would be passed into operation over a 5-year period, 20 percent per year.

NDP payments would be made quarterly to each registered voter. They are estimated upward from $500 per year per voter at the end of the 5-year phase-in. Those payments, of course, could be increased substantially when management and the Nation's working force cooperate to achieve higher production.

There is a secret statistic. It is that an increase of one-tenth of 1 percent in additional production per man-hour increases the gross national product by more than $1 billion annually. We would outpace the world if we improve 2 or 3 percent in our productivity.

A strict moratorium on any new, major Federal spending programs is proposed during the 5-year phase-in of NDP. The Congress must tighten its grip on expenditures—an absolute necessity if inflation is ever to be overcome. Present funded programs must be made to work for the best interests of our total society, not just for special segments.

As the economic impact generated by NDP increases, political justification or need for many programs will be reduced, or will vanish. They too, would be cut back or eliminated by the Congress.

NDP payments can be distributed virtually cost free. The Treasury will send quarterly checks to each State and the District of Columbia based on registered voter population. The States, in turn, will use local banks as depositories to distribute checks to individual voters in the various communities. The cost-free use of these funds by the banks for short periods of time will more than compensate them for their services.

NDP can be funded without damage to any necessary functions of the Federal Government. This is possible from the annual growth in Federal cash receipts from several factors built into our economy.

They are: First, growth of the labor force; second, greater capital investment; third, increased productivity per man-hour; and fourth, the movement of individuals into higher personal income tax brackets because of pay increases.

Combined, these factors have brought a substantial annual increase in Federal receipts since 1950. In the last 5 years, this income has risen by 45 percent, or at an annual rate of fully 9 percent. Thus, on this basis, during the 5-year phase-in, Federal cash receipts could be expected to increase another 45 percent.

Corporate income tax collections represent about 16 percent of the Federal budget. Revenue lost from exempting dividend payments from personal income taxes will amount to roughly 2 percent more. Therefore, at full implementation about 18 percent of the budget revenue would be diverted to NDP payments.

In the meantime, Federal receipts would have increased by about 45 percent, leaving a substantial revenue cushion to cover escalations built into present programs.

Costs of many existing programs already have soared beyond the control of their administrators. Comptroller General Elmer Staats has indicated that up to 75 percent of budgeted Federal expenditures are uncontrollable because these obligations were spelled out and locked in by law for more than 1 fiscal year. Some say nothing can be done about this. I disagree. These catastrophic obligations came into being through legislation enacted by Congress. They can and should be changed with new legislation enacted now. Here is what we have done to our fellow citizens by not being prudent.

In the last quarter century, Government spending has climbed faster than the national output of goods and services. By the mid-1950's, roughly 25 percent of all production went to meet the costs of Government. In 1973, the public sector's spending for the purchase of goods and services, interest, welfare, and social security amounted to 33 percent of our entire gross national product. These costs will undoubtedly mount as inflation breeds new demands for higher pay for Government workers, as well as expanded welfare benefits and unprecedented rates of interest on Government bonds.

We devalued our dollar twice within 14 months. No matter how you view it, devaluation simply means others in the world have lost faith in our ability to meet our financial obligations. Their concern is understandable. Continuing deficits have driven our national debt up to almost half a trillion dollars.

The gravity of our inflationary problems can hardly be overestimated—the future of our country is in jeopardy. I agree with my friend Senator HARRY F. BYRD, JR. The Nation is out of fiscal control.

As every Member of this House knows, our economic troubles have been building for years. There has been a recurring liquidity crisis in both the public and private sectors. Borrowing by the Federal Government and its agencies now takes about 60 percent of the funds raised in the private securities markets. No wonder business cannot get the capital it needs to fully employ our people.

Replacing old, low-interest, national debt obligations sends the Federal Government into the money markets with increasing frequency and has pushed borrowing costs to their present abnormally high levels. This, of course, has reduced sharply the loan funds available to the private sector for the financial nourishment it must have if we ever expect its productivity to pull us out of our current economic chaos.

Far too many Americans do not understand, and few public officials will admit, that unrestrained—often irresponsible—Federal spending has been the primary contributor to the destructive inflation we are experiencing.

Unfortunately, the public views the Federal Treasury as a free-flowing, inexhaustible fountain of funds and benefits. But the basic fact remains that Government must first take from the people everything it gives to the people.

Most Federal spending is nonregenerative with a very low economic multiplier. The bulk of the funds are not spent by Government for the production of goods for the trade stream. The principal effect is to create inflationary demand in excess of the capacity of private industry and business to produce goods and services.

NDP will involve distribution of earned dollars, those taxed out of the earnings of the Nation's corporations. Dollars earned in the production of goods and services are real dollars, not printing press money, so they are noninflationary.

Virtually all social legislation enacted since the 1930's has called for greater outlays of printing press money and larger Federal debt. This has brought increased deficit spending and an overexpansion in the money supply.

Most of this social engineering has been developed for relatively small, special interest groups. Most of it has not been needed by a majority of the American people, especially in recent years. This has created serious resentment and divisiveness in our society.

Each Federal program has its own administrative costs. Once started, few are discontinued. They become costlier each year. They grow like weeds. The social planners put their emphasis on what they think the recipients should get, not what the economy can afford. They have chosen to emphasize the benefits and to disregard the costs to the taxpayers.

Old ideas that Federal intervention will solve everything simply are not working. They never did.

NDP is a viable alternative, a new approach if we hope to preserve personal freedom and our faltering free enterprise society. We must stop borrowing from tomorrow. This deficit spending is wrecking us. We must stop living beyond our means. We must stop spending money we have not yet earned.

Our almost unmanageable Federal Government can be curbed and decentralized. We can replace the waste and inefficiency which have sapped our economic strength for years with a policy which puts earned dollars into the hands of individuals and lets them fill their needs in the private market place.

NDP will strengthen rather than stifle our free market economy. It will generate capital formation. Capital is to the corporate body—to the free market economy—as food is to the human body. Without it companies cannot expand or modernize to remain competitive.

The profit motive is the one force which can keep our political and economic system free. Every American should benefit from it. Unfortunately, many people who do not understand the law of supply and demand and the intricate free market mechanism, all too often condemn the profit motive as the source of all our economic trouble.

When permitted to function, the law of supply and demand is the most efficient allocator of resources in a free market society.

However, political tampering seriously inhibits its efficiency and creates economic distortions. When left alone, the law of supply and demand provides checks and balances on both overproduction and underproduction. It produces, with some cyclical exceptions, a smooth flow of goods to meet a sustained consumer demand at a profitable rate.

Because NDP is linked so closely to profits, it will encourage reliance on the law of supply and demand. It will encourage emphasis on reducing costs rather than adding to them, in both the private and public sectors.

Under NDP, the public will see more clearly that profits keep costs down rather than push prices up. Since competition sets the price in the free market system, the producer can make a profit only if he can keep his costs below the selling price. Otherwise, he suffers a loss.

Our free enterprise system owes its success to the driving force of the profit motive. Unlike socialism and communism, this system takes the financial burden off the consumer by funding our progress with private money rather than public funds. It gives the consumer the benefit of the lowest prices because of competition.

In the nonprofit, government-monopoly societies, the public pays excessively because there is no human motive to become efficient and keep costs down.

NDP makes the voting public an integral part of the profit motive by giving it a share of the profits. However, it does not take any more away from the owners—the investing stockholders—of the Nation's corporations than already is being taken from them in corporate income taxes. In that way, it insures that the economic system which already has done so much for us, will continue to progress on an even stronger basis.

We have spent nearly half a trillion dollars on welfare since 1935 and the problem is worse than ever. NDP is not a specific solution to this problem, but it holds more promise in this area than anything suggested to date.

In its feasibility study made in 1970, the Edie Co. found that when fully implemented, NDP would lift more than 50 percent of the poverty families in America above the poverty level. Those remaining would be raised toward the escape threshold.

With more than 50 percent of these families out of poverty, the financial burden of welfare would ease. And the number of hard-core cases would be more manageable.

Many persons concerned about unemployment propose creation of thousands of new, so-called public service jobs funded by the Federal Government. Such jobs would put people to work and they would serve to disguise unemployment. However, NDP, with its capital formation capabilities, would encourage new productive capacity in shortage areas, as well as development of new products, plants, and jobs in the private sector.

Seminars and panel discussions on NDP have been held on many college and university campuses. Students have responded with interest and often with enthusiasm. They see NDP as a constructive social and economic realinement which offers them a piece of the action in our Nation's future.

Senior citizens on fixed incomes, the large family, the working family on low income, and the family heavily in debt suffer most when hard hit by taxes, inflation, and high interest rates. For many of these, the extra income from NDP—$1,000 or upward annually for a man and wife when fully implemented—would mean the difference between independence or having to turn to public assistance.

Under the Federal Revenue Sharing Act now authorized through fiscal 1977, some $30 billion will be transferred to State and local governments. Advocates of revenue sharing contend it is not simply a new way to spend Federal tax moneys. They say it represents a major transfer of decisionmaking power from Federal to State and local levels of government. However, NDP is a far more practical way to do it.

First, NDP will be funded by a specific revenue source—corporate income taxes. It will not require new or higher taxes. It merely changes the method of distributing these tax collections.

Second, it will go directly to the individual voters, thereby targeting the payments where the people and their problems are concentrated.

Third, the economic activity stimulated by the payments directly to the voters will generate increases in State sales, excise, and income tax revenues. With NDP fully implemented, this extra revenue in those States which have sales taxes will approximate the amount disbursed annually under the present revenue sharing program.

The unfunded liabilities of the social security system further increase the probability of economic chaos for us when added to the already strained financial condition of the country.

The social security program started with modest employer and employee contributions. It was intended to go toward income and financial security for retirement. But like many other politically inspired ideas, it has become a cruel rip-off.

The mandatory contributions have risen steadily over the years, and another increase is coming in January. The social security tax now exceeds the federal personal income tax liability of millions of workers. In countless cases, there is no chance of the worker getting back in real dollars what he and his employers have contributed.

The system has not worked out as planned. Its unfunded liabilities now are estimated by various sources as somewhere between one-half trillion and more than 2 trillion dollars. The inflation resulting from the cost of adequately funding such a program will necessitate further increases in the payouts. And these will continue to accelerate the cycle so that at some point the program will have to be repudiated.

Enactment of NDP would be a partial substitute for the unfundable portion of social security, thus relieving the Federal Government of commitments it obviously is unable to keep. By giving the voters equity in our country, we can pay for our security out of earnings.

Use of the voters as the basis for distributing NDP payments is based upon sound reasoning:

First, voting records already are maintained in every community. There is no need for a costly, new agency to do the job.

Second, the voting system assures complete equality of treatment for all without regard to sex, race, creed, or national origin. Political pressure and manipulation are removed as factors in the distribution.

Third, by matching voter signatures in poll books with endorsements of NDP checks, tombstone and other fraudulent voting can be eliminated. Voter lists can be cleansed on a national basis by the double check.

Fourth, with voting registration the basic requirement for participation in NDP, millions more will take part in this essential function of the citizen in a democracy.

As a bonus, those who do not require NDP payment to meet current needs can save and invest those funds. This along with exemption of corporate dividends from their present double taxation, will provide much needed stimulus to capital formation. The new investment capital will contribute to the further expansion, production and profits of free enterprise. And that would create more earnings for distribution in NDP payments.

There is another bonus, too. By being equitable to all voters, NDP would ease the discontent and divisiveness caused by social legislation that benefits special groups. Much of the legislation aimed at making sexes or races or classes equal is not only counterproductive, it is extremely expensive. NDP will transfer the thrust of political pressure from special interests to the public as a whole.

With this realinement, it goes without saying that Members of the Congress would be more responsive to the public in general. And a big majority of the voting public would support them in eliminating costly, inefficient programs if NDP is there as an incentive.

We cannot delay corrective action any longer because the situation has become critical. To summarize:

It is time to make a bigger pie. We must have incentives to go to work—work efficiently, produce more.

Excessive Government spending—Federal, State, and local racing ahead of productivity, and excessive increases in the money supply have a direct relationship to the inflation in our economy.

After a brief period of economic stability following World War II, governmental spending started increasing at an inflationary rate in 1950 and has not been checked since. It now amounts to one-third of the gross national product.

The interest drain of the Federal debt now outpaces the annual growth of the GNP. The inflationary effects of Federal deficit financing have necessitated frequent increases in the money supply. These have reached hyperinflationary proportions.

Meanwhile, purchasing power of the dollar has declined relentlessly from 100 cents at the end of World War II to about 25 cents today.

Extension of these trends into the future will create a condition of diminishing returns which could lead to collapse of the economy because the people no longer will be able to support the demands of Government.

We must give top priority to checking inflation and restoring the fiscal credibility of the dollar.

NDP can help achieve economic stability, generate capital formation, encourage investment, increase profitable productivity and hold present levels of Federal spending without risking increased unemployment. Here is how:

By diverting Federal corporate income tax collections directly to the consumer, and by eliminating the punitive double tax on dividends, NDP will shift money back to where it will do the most good for the national economy and the individual, and reduce need for any major, new Federal spending programs.

Everyone will benefit in direct proportion to corporate profits. With NDP, the free enterprise system can become a political success because it will let the economic law of supply and demand fill the needs of our consumers in the marketplace without Government interference.

As a tax reform proposal, NDP is an ideal income redistribution system. It would benefit society directly without any costly dilution of effect due to administrative costs and without raising taxes.

There will be less dependency on welfare and proverty programs with NDP giving every registered voter an equitable participation in taxable corporate earnings.

NDP's direct involvement of people will tend to exert pressure on the Congress for a more responsible budget and to revise those Federal programs which contain uncontrollable costs.

By holding Federal spending to present levels, we can save about $27 billion in 1 year, sufficient to balance the budget and begin implementation of NDP. As I explained, Federal revenues increase by about 9 percent per year from certain built-in economic factors. On the basis of a $300 billion total budget, this would provide $17 billion toward a balanced budget the following year, plus $10 billion for NDP's first year phase-in—20 percent of an estimated $50 billion in corporate income tax collections.

The $27 billion savings would bring these beneficial results:

First. No increase would be needed in the money supply;

Second. No increase in the national debt;

Third. It would prevent an increase of about $27 billion in the cost of the Federal Government.

Fourth. The national economy would be stimulated with earned dollars rather than deficit dollars; and

Fifth. The amount of $10 billion more real money would be added to the private sector to help lower interest rates by making funds available for increased investment and to aid in creation of real employment for the Nation's work force.

As you know, I am moving into the final days of my quarter of a century of service in this House. I have tried with all the resources at my command to serve the best interests of the people of my district and my nation during those years. I am continuing to do that as I urge those of you who will return in January, and the new Members who will be seated at that time, to thoroughly consider the national dividend plan and its potential benefits for our country.

The National Dividend Plan is a progressive, new policy which builds upon, rather than seeks to destroy, our existing free enterprise system and our free society. It is economically, politically and socially feasible. We need it.

CENTRAL MICHIGAN UNIVERSITY NATIONAL CHAMPIONS

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. CEDERBERG. Mr. Speaker, there's a beautiful ring in saying—national champions. The folks of Mount

Pleasant, Mich., and, in particular, Central Michigan University students, still are celebrating that national title so decisively won by the magnificient Central Michigan football team.

From the game's opening play—a 68-yard touchdown run by Fullback Dick Dunham—Coach Roy Kramer's Chips completely dominated all phases of the game to overwhelm the University of Delaware, 54 to 14, last Saturday to win the National Collegiate Athletic Association's Division II championship in the Camellia Bowl at Sacramento, Calif.

Hail to the Chips. That is the cry in the heartland of our 10th Congressional District and I am honored to join with thousands in extending congratulations to a truly great football team.

The mark of any championship team is the ability to come back. Weeks ago, early in September, this Chippewa team opened season's play. It lost a heartbreaker to Kent State University; but this team—destined for greatness—came roaring back. Saturday's triumph—its most important of the year—was its 13th consecutive victory. That is the mark of a champion.

In the days and weeks ahead, Coach Kramer, his coaching staff, the team, the cheerleaders, the band, the entire school and the Mount Pleasant community will share further honors and celebrations. But few will match the performance of last Saturday when the Chippewas, thousands of miles from home, recorded a historic national accomplishment for their school and the Mount Pleasant community.

I am inserting the report on that national championship game which appeared in the Washington Sunday Star, December 15. It reads as follows:

Camillia Bowl: Soph Leads Central Michigan Romp

Sacramento, Calif.—Fullback Dick Dunham ran 68 yards for a touchdown on the game's first play and plunged for three more scores Saturday as Central Michigan buried Delaware 54–14 in the Camillia Bowl for the national small-college championship.

Dunham, a 205-pound sophomore, and quarter-back Mike Franckowiak teamed to lead the Chippewas, 13–1, to their 13th straight victory in the finale of the NCAA's eight-team playoffs.

Franckowiak, a second team Little All-American, mixed option runs and pitches with deadly passing as the midwesterners, playing their last game in the small-college ranks, moved the ball at will.

He completed 11 of 13 passes for 186 yards and one touchdown, and kicked field goals of 39 and 27 yards.

Dunham tied an NCAA playoff record with his four touchdowns and gained 121 yards in 16 carries.

On the opening play, he burst up the middle behind a block by center Wes Gamble and put the Chippewas ahead to stay with 16 seconds gone.

A FIELD goal and a two-yard run by Walt Hodges made it 16–0 after one quarter. But Delaware, 12–2, mounted a long touchdown drive early in the second period, ending in a one-yard sneak by Bill Zwann and a two-point conversion pass to Vern Roberts.

Central Michigan then put the game away with a 68-yard march that included a 43-yard pass from Franchowiak to Matt Means.

The Chippewas intercepted three Zwan passes and recovered two Delaware fumbles.

Hodges wound up with 112 yards in 27 carries, going over 100 yards for the 11th straight game.

It was the worst defeat for Delaware since 1933 and the most points scored against the Blue Hens since 1921.

A defense led by middle guard Rick Newsome smothered Delaware's shifting wing-T offense and put a hard rush on Zwann all game.

DR. BOOKER T. WHATLEY RECEIVES AGRICULTURE AWARD

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. NICHOLS. Mr. Speaker, in this day of widespread malnutrition it is particularly important to recognize the outstanding efforts of our American horticultural experts.

At a recent meeting of the Alabama Farm Bureau Federation, a constituent of mine and an outstanding American agricultural expert, Dr. Booker T. Whatley, professor of plant and soil science, at the Tuskegee Institute School of Agriculture, was awarded the Alabama Farm Bureau Federation's Service of Agriculture Award for 1974.

Dr. Whatley is a man who has devoted his life to the study of agriculture and is most truly deserving of the prestigious award. I would like to take this opportunity to submit to the Record of this body the introduction which was given by Mr. J. D. Hays, president, Alabama Farm Bureau Federation, just prior to Dr. Whatley receiving the award. Dr. Whatley's efforts are appreciated both at home and abroad.

Service to Agriculture Award, Dr. Booker T. Whatley, Tuskegee Institute, December 3, 1974

It has been my pleasure to personally know the recipient of this year's Service to Agriculture Award—Dr. Booker Tillman Whatley. Dr. Whatley is professor of plant and soils science at Tuskegee Institute and a research associate of the Carver Research Foundation at the same institution. More specifically Dr. Whatley is director of the sweet potato and small food's breeding production and utilization programs at Tuskegee

Dr. Whatley, a native of Anniston, Ala., received his bachelor's degree in 1941 from Alabama A&M University and was awarded the doctorate in 1957 from Rutgers University with a major in horticulture. He is a graduate of the Command and General Staff College, Industrial College of the Armed Forces and the Biomedical telemetry, Smithsonian Institute, Washington.

He has had a wide variety of experience including: professor and head of the department of horticulture at Southern University, technical operations officer at the Chofu Hydroponic Farm, Japan, horticulture adviser to Ghana, West Africa, consultant to technical and tropical agriculture to the Peace Corps, collaborator crops research branch of the USDA, adjunct professor, Vegetable Crops Department, Cornell University, visiting lecturer University of Florida, University of Maryland, University of Arkansas, Southern University, Fort Valley State College, Alabama A & M University, University of Arkansas at Pine Bluff, Tennessee State University, and the University of Georgia.

Dr. Whatley has been involved for a number of years in sweet potato and small fruits breeding and to say he has become a recognized expert in this field would be a gross understatement.

He is a member of the American Society of Horticultural Science, the American Society of Agronomy, The American Society of Plant Physiologists, American Soybean Association, the Association of Southern Agricultural Scientists, the Association for Tropical Biology, Crop Science Society of America, International Plant Propagators Society, Society of Economic Botany, Society of Sigma XI, Soil Science Society of America, and many others.

In 1971 Dr. Whatley was awarded the outstanding alumni award from Alabama A&M University. In 1972 he received the outstanding faculty achievement award from Tuskegee Institute and in 1970 he was listed in the Personalities of the South Publication. He is a member of the Lions Club, the American Legion, he is a Mason and a member of the Maxwell Officers Club. He has traveled extensively in Africa, Europe, South America, the near east and far east. He is a retired military major and served overseas during both World War II and the Korean conflict.

Dr. Whatley is the author of 15 scientific books.

Truly an outstanding agricultural researcher and a man who has given undevoted, dedicated service to his fellow man and service to agriculture—Dr. Booker T. Whatley of Tuskegee Institute.

Tuskegee Institute,
Tuskegee, Ala., December 1, 1974.

Mr. J. D. Hays,
President, Alabama Farm Bureau Federation,
Montgomery, Ala.

Dear Mr. Hays: Thank you for your kind letter dated 26 November, 1974.

I am highly honored to be the recipient of the Alabama Farm Bureau Federation's Service to Agriculture Award for 1974. Being selected to receive an award by home folks makes it doubly special to me.

I will arrive in Mobile, Monday afternoon and it will be necessary for me to depart Mobile at 10:43 p.m., Tuesday night in order to attend the Annual Meeting of the International Plant Propagators' Society and present a paper at 10:15 a.m. Wednesday morning in Tulsa, Oklahoma.

I attended my first Farm Bureau picnic with my Daddy, Uncle and Granddaddy at Sulphur Springs (Calhoun County) in the summer of 1925.

Please accept my deepest gratitude for the kindness shown me.

Sincerely,

Booker T. Whatley,
Professor, Plant and Soil Science.

Alabama Farm Bureau Federation,
Montgomery, Ala., November 26, 1974.

Dr. Booker T. Whatley,
Professor of Plant Science, Tuskegee Institute, Tuskegee, Ala.

Dear Dr. Whatley: It is with pleasure that I inform you of your selection as the recipient of the Alabama Farm Bureau Federation's Service to Agriculture Award for 1974. This Award will be made during the organization's 53rd Annual Convention in Mobile, December 1–4.

It will be my personal and distinct honor to present the Award to you on Tuesday evening, December 3 at the General Session beginning at 7:30 p.m. in the Mobile Municipal Theater. The presentation will follow the Farm Bureau Queen Contest and precede an evening of entertainment by Danny Davis and the Nashville Brass. It will be one of the highlights of our convention. We hope you can make arrangements to attend all of our convention and we particularly hope that you can attend this session so that we may honor you as our 1974 Service to Agriculture recipient.

Would you let me know as soon as possible if your schedule will permit your attendance. We will look forward to hearing from you and seeing you at the convention. In the meantime would you please submit to us a black and white glossy photograph and a biographical sketch so that we may properly present you to our Farm Bureau delegates.

Best personal regards,

J. D. Hays,
President, Alabama Farm Bureau Federation.

DEMOCRATS HOLD SUCCESSFUL CHARTER CONVENTION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Washington Star-News recently carried an editorial entitled "Democrats Get It Together," which is typical of many comments which have appeared in the metropolitan and weekly press throughout the country concerning the recent Democratic Charter Convention held in Kansas City.

The editorial cites the overwhelming Democratic victory at the polls in November, the recent changes in procedures approved by the House Democratic Caucus and the unity convention—and concludes that:

> The fall of 1974 might be described as a time when the Democrats put it all together.

It is significant that in the preamble of the new charter adopted at the convention, the first words are:

> We, the Democrats of the United States of America, united in common purpose, hereby rededicate ourselves to the principles which have historically sustained our Party.

And the preamble concludes:

> . . . Under God and for these ends, and upon these principles, we do establish and adopt this Charter of the Democratic Party.

The Star editorial points out that there was a spirit of compromise at the convention "for the sake of unity."

Because of the interest of my colleagues and the American people in this matter, I place the editorial from the Star-News in the Record herewith. The editorial follows:

Democrats Get It Together

In political terms, the fall of 1974 might be described as a time when the Democrats began to get it all together. They scored large gains in the congressional elections; then they pushed through significant and overdue procedural reforms in the House of Representatives; and over the past weekend they adopted the party's first charter with an uncharacteristic display of unity.

Any one of these is important in itself but taken together they give the party a spirit and momentum that Republicans will find hard to stop in 1976. It does not guarantee victory in the presidential race, of course, for many things can happen in two years. But combined with the heavy burdens of inflation, a sagging economy and Watergate, the developments in the Democratic party over the past six weeks can only be bad news to the Republicans.

There was evidence at the midterm convention in Kansas City that the Democrats have moved a long way toward restoring the coalition put together by Franklin Roosevelt in 1932 that has given the Democrats the White House in seven of the past eleven elections. Probably none of the some 2,000 delegates was totally happy with the charter that was adopted, but most of them were willing to compromise for the sake of party unity. The contrast between this gathering and the riotous, Vietnam-beleagured convention of 1968 and the "new policies" fiasco of 1972 was almost unbelievable.

No convention is without a few flies in the ointment, however, and the one in Kansas City was no exception. The major one was the attitude of AFL-CIO President George Meany, whose clout in internal Democratic party affairs has been slipping over the past several years but whose participation in election campaigns is important to the party. Meany's minions felt that party leaders, particularly chairman Robert Strauss, doublecrossed them by agreeing to last-minute changes in an anti-discrimination section of the charter, changes that will make it easier for minorities, women and young people to challenge delegations to national conventions.

Facing the probability of a walkout of blacks and the convention blowing up in his face, Strauss agreed to the changes. He felt probably correctly, that a divisive midterm convention would damage the party much more than letting Meany's nose get out of joint a bit.

What Meany is unable or unwilling to accept is the fact that the old days when a few people, including himself, could decide who goes to national Democratic conventions are gone forever. There is no turning back from the progress that has been made in opening the party to freer participation by blacks and other minorities, by women and by young people. The most significant action at the midterm convention was that this progress was written into the charter in language that is unmistakable. Moreover, it was done without requiring "quotas."

The contrast between the Democratic and Republican parties on the issue of openness was never more evident than it was last weekend. While the Democrats were making their open door policies a part of their party's constitution, Republicans haggled in Washington over opening the GOP's door a crack. A proposal by Representative Margaret Heckler of Massachusetts that would have forced state parties to devise "positive-action" plans to enlist more participation from minorities, women, ethnic groups and young people was turned down by a so-called "reform" committee in favor of a largely voluntary program without muscle.

Ironically, the Republican party is vastly more in need of broadening its base than is the Democratic party. Without new blood at the grassroots, the GOP faces a real danger of perishing. Republicans have relied heavily in the past on the Democrats defeating themselves by dividing into warring camps. What happened in Kansas City last weekend should make it clear to the Republicans that they can't count on it in 1976.

IGNORING THE RULES OF THE HOUSE

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ROBINSON of Virginia. Mr. Speaker, at 11:45 a.m. today—just 15 minutes before the commencement of this meeting of the House—I asked a member of my staff to make inquiry as to the number of the resolution listed first on the list of suspensions, described as "making conference reports in order on day reported."

The report returned to me was that the resolution was not available, in that it had not been introduced, and, therefore, bore no number. Additionally, of course, no written report was available.

I recognize, Mr. Speaker, that this is a procedural resolution, but I believe it is a procedural resolution of some consequence.

It seems to me that, if the leadership proposes to present such a resolution as the first order of business, the Members should have the text available for advance study.

The listing of a "blind" resolution is a disservice to the Members and to orderly procedure.

FULL FINANCIAL DISCLOSURE

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. STEELMAN. Mr. Speaker, a recent editorial in the Dallas Times Herald calls attention to the inconsistency of requiring full financial disclosure by Nelson Rockefeller in his confirmation hearings, but allowing Members of Congress to make a very limited report of their financial holdings.

I will be reintroducing legislation to require full financial disclosure by Members of Congress and other policymaking Government officials in the next session of Congress. As the Times Herald points out, the potential for conflict of interest exists here just as it does in the Vice Presidency, and I commend the editorial to my colleagues attention.

The text of the editorial follows:

Disclosure for All

Members of the House Judiciary Committee, holding confirmation of Nelson Rockefeller for Vice President, are getting tough about financial disclosure.

Rockefeller is being asked to outline his and his family's wealth in great detail. And voluntarily, he is doing just that.

Getting tougher about financial disclosure for government officials is well and good. Certainly a stronger movement in that direction is being made in the Rockefeller case.

The nation has a right to know if there are any dangers of conflicting interests between the vast financial empire of the Rockefellers and the duties of the vice presidency.

But in the light of the enthusiasm that the House Judiciary Committee members are exhibiting for full financial disclosure by the Rockefellers, it is appropriate to contrast the demands on Rockefeller with the glaring lack of financial disclosure by members of Congress.

Congressmen and women are not required to fully reveal their net worth, assets, investments and income.

In fact, Congress has skirted the issue of financial disclosure in its own chambers, burying reform legislation in committees.

There are men and women in Congress who possess great financial power in their own right.

There are also members of Congress who acquire wealth while in public service.

Should we not expect the persons who write our laws to make a full financial disclosure?

Shouldn't congressmen demand as much disclosure of their finances as they are now requiring of persons appointed to public office?

We hope the House Judiciary Committee's action is an indication of the reform mindedness in Congress and not the hypocrisy.

THE HOPI-NAVAJO DISPUTE

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 10, 1974

Mr. OWENS. Mr. Speaker, I am pleased that the House has concurred with the Senate amendments to H.R. 10337 which authorizes the partition of surface rights in the joint use area of the 1882 Executive order reservation and the judicial partition of the 1934 Navajo Reservation between the Hopi and Navajo Tribes.

When I first introduced H.R. 10337, my primary concern was that the holdings of the court be effectuated and bring to an end a problem which Congress has failed to resolve over the past 50 years. As the bill has now passed both the Senate and the House of Representatives, the Hopi people will be guaranteed their one-half of the land. While some Hopis are dissatisfied that they are unable to receive all of the land which they once owned, they will receive for their use and exclusive possession all of the land decreed to be theirs by the decision of Healing against Jones. Likewise, the Navajo Tribe will receive for its exclusive possession the same amount of land as the Hopis in the joint use area of the Executive order reservation.

I am hopeful that both tribes will use the negotiation process provided by the Senate amendment to seriously consider their differences and ultimately draw a boundary line dividing their respective lands fairly and equally according to the Court decision, thus avoiding the necessity of a prolonged partition suit in the Federal court. However, if the tribes are unable to resolve their differences, I am satisfied that the provisions of H.R. 10337 as they relate to the partition will be carried out in such a manner by the court so as to protect equal rights of both tribes in and to the land.

None of us in Congress has been insensitive to the hardships which have been part of the daily life of both tribes. We are familiar with the long history of Hopi dispossession with its attendant economic retardation sanctioned by bureaucratic inaction and indifference. Both tribes have suffered unnecessarily by reason of the unwise overgrazing practices and poor land use planning. We all understand the hardship which will be experienced by the Navajo people principally in having to be relocated in exclusive Navajo areas. The wisdom of the legislation is evident as it ameliorates the harsh consequences of prolonged overgrazing and economic depression. The Senate amendments augment the very liberal provisions of the House version insofar as housing, land rehabilitation, economic incentives and relocation expenses. The bill does not make judgmental decisions as to the rights between the Navajo and Hopi except to implement in a very humane fashion that the Courts have determined to be the equities.

While I am somewhat disappointed with the Senate version regarding the Moencopi area, I am pleased that the tribes will have an opportunity to fully litigate the matter and decide once and for all the respective interests of both tribes.

I am confident that the courts will see the wisdom in linking the area partitioned exclusively to the Hopis in the 1934 reservation to their exclusive interests in the 1882 reservation.

It goes without saying that in a partition natural boundaries or highways ought to be used wherever possible. We struck what we felt was a fair settlement of the 1934 reservation area claims and provided for an equivalent 250,000 acres to be added to the Navajo Reservation in return for the acreage partitioned exclusively to the Hopi under our original House bill. Concededly, the Hopi interest could far exceed the 250,000 acres, but inasmuch as we had decided on that acreage for the Hopi to be carved out of the Navajo Reservation, we felt it more than fair to compensate the Navajos by additions to their reservation in the same amount of acreage. While provision for adding 250,000 acres to the Navajo Reservation is contained in the Senate amendments, it should not be construed in any manner to limit the interest of the Hopi Tribe in the 1934 Navajo Reservation to 250.000 acres.

I am pleased that this legislation will finally bring an overdue resolution to the Navajo-Hopi dispute, and I am proud that my colleagues have used the good judgment and perception necessary to make it a lasting one.

RESCIND FEDERAL SUBSIDY PAYMENTS FOR SUGAR

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. CONTE. Mr. Speaker, earlier this week, my distinguished colleague from New York (Mr. PEYSER) and I sent a letter to President Ford urging him to rescind Federal subsidy payments of $85 million this year to domestic sugar growers. We were outraged that sugar growers should be getting a penny of Federal subsidy funds when sugar prices are profits are so outrageously high.

Today, Mr. Speaker, I received a letter from a lady in Worland, Wyo., who had some choice comments about subsidies to sugar growers. I submit this letter for the RECORD, with the admonition that it is time to pull this sweet tooth out of the fat sugar growers:

THE HAZEL SHOP,
Worland, Wyo., December 11, 1974.

Representative SILVIO O. CONTE,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CONTE: Noted in a news item that you and Representative Peyser are urging President Ford to strip subsidy payments for sugar from the agriculture appropriations bill and wish to commend you for your stand.

I live in a sugar beet growing area and the growers here appear to have more money than they know what to do with. This is a small town of 5,000 population and this fall so far 14 Cadillacs as well as Lincolns and other luxury cars have been purchased by the sugar beet growers. They take trips hither and yon and I resent paying taxes to subsidize people who can live in comparative luxury while I have to scrimp to get along and try to cope with this terrible inflation.

My husband and I operate a small business which is down about 6% this year. In 18 years we have had one week's vacation so you can realize our frustration since the government does not subsidize us, nor should it. However, by the same token neither should it subsidize the sugar industry which has made outrageous profits this year.

In my opinion Congress is totally fiscally irresponsible. It seems that anyone must realize that the government's income is going to go down with so many people out of work and many businesses in trouble, but it continues to appropriate money as though there were no end to it.

Certainly hope that your efforts with the president will have some results in this sugar matter. Wish Congress could learn to say "no" to some of these pressure groups but it seems they cannot.

Thank you for listening to one small voice out of the millions who are equally frustrated but only complain among themselves.

Yours sincerely,

MRS. C. H. OUTTEN.

MEMORIES AND REFLECTIONS

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FROEHLICH. Mr. Speaker, I insert my final newsletter to citizens of the Eighth Congressional District of Wisconsin:

MEMORIES AND REFLECTIONS

Two years ago at this time, I was preoccupied with the problems of selecting my staff, organizing my office, and moving my family to the Nation's Capital. As I prepared to take the oath of office, our economy was strong. We were coming to the end of a long, devisive war. It was a time of confidence and optimism for the American people and for the new Congressman from Northeastern Wisconsin.

Now, as I close out my office and prepare to return home to private life, my mind is flooded with the bittersweet memories of the difficult times we have all been through. Our once-booming economy is in disarray; our political system has been traumatized by scandal; our people are somber and disenchanted. In this final Letter from Washington, I would like to reflect upon some of the events that have made the period of my term as your Representative one of the most troublesome in our history.

A Member of Congress plays many roles. He is a policymaker and a law maker for the

Nation, concerned with the great national and international issues of the day. He is the representative of a specific geographic area, concerned with the problems and views of his state and district. He is also the last hope of many citizens who have encountered difficulties with some federal agency and do not know where else to turn. By championing the interests of individuals, a Congressman monitors the administration of government programs and tries to assure a responsive bureaucracy. The problems that come to light in this process often inspire legislation to revise and correct the system.

Each Congressman must decide what emphasis he will give to these and other roles. Some Members never make a significant contribution to the legislative process because they concentrate almost exclusively on local problems. Others lose touch with their constituency because of their involvement in "big" national issues.

From the outset of my term, I decided to divide my time equitably among all these roles because all are important. Wisconsin's Congressional delegation has a significant impact on national affairs. I did not want to be an exception to that pattern, or a rubberstamp. Yet, from my 10 years experience in State government, I was convinced that our State had sometimes suffered from insufficient attention to Wisconsin's problems, and I wanted to assure that I would not be guilty on that score.

During my term, I tried to visit not only the county seats and the large cities, but also the smallest villages in the district to seek our people's views and be available. The Green Bay Congressional office was expanded. A district office was opened in Appleton for the first time. A Winnebago trailer served as a moble office for myself and my staff throughout most of 1974. Two questionnaires and a steady appeal for your letters were part of an overall effort to keep my finger on the pulse of the district and to stay on top of local problems.

An enormous amount of my time was devoted to problems of a local nature. They often related to the geography of the area—to Lake Michigan and Green Bay, the dairy farms and fields, the dense forests, the heavy industry concentrated along the Fox River, the sparse population, inadequate transportation, and declining tax base of the north. The district has a substantial Indian population which needs assistance. The Menominee people saw the passage of my bill, the Menominee Restoration Act, the most important Indian legislation of the 93rd Congress.

I devoted my time to housing, sewer and water projects, industrial parks, post offices, bridges, highways, airports, and harbors. I remember the day that I blocked the passage of a multi-billion dollar transportation bill as part of a successful strategy to restore Coast Guard search and rescue service to Northern Door County.

But these labors were overshadowed by great national crises which engulfed many lawmakers in an atmosphere of rejection.

Early in my term I was assigned to a seat on the House Committee on the Judiciary. From there I was destined to play a role in the confirmation of two Vice President under the new 25th Amendment and the near impeachment of a President. Passing judgment upon the President of the United States was a particularly arduous responsibility, which I could not reasonably anticipate when I assumed office. When the evidence in the impeachment inquiry unfolded over a period of months, I could not escape the conclusion that the President was personally involved in criminal misconduct, but a vote for his impeachment ran counter to many of my strongest loyalties and raised doubts in my mind about the Nation's best interest. It was difficult not only to indict the leader of my party but also to associate myself with some of the members of the opposite party with whom, on virtually all else, I passionately disagreed. It was wrenching, as I followed my own conscience, to be accused by various factions of insensitivity, vacillation, grandstanding, and treason. One can only hope that from this great national tragedy will emerge a new commitment to decency and integrity among both our public officials and our people.

As we look to the future, the attention of the Nation is riveted upon the economy—the precipitous inflation that has eroded our standard of living and the developing recession that has produced cutbacks, layoffs, and unemployment. These phenomena have been immensely complicated by shortages of energy, particularly natural gas, and by our growing dependency upon foreign oil.

Throughout my term, I have been deeply involved in these issues. Although I can claim no special vision, I have worked for two years to develop alternate sources of energy. It has been frustrating to watch Congress fumble the ball on this matter that required emergency attention. I have also tried to contribute in a useful, constructive way to the debate on economic policy. My first bill was a budget reform bill and my most significant legislative accomplishment may turn out to be the little resolution requiring "inflation impact statements" for all new legislation pending in the House.

I see no easy answers to our hard economic problems. We may face fundamental readjustments in our growth, our consumption, and our standard of living. We may be forced to austerity and sacrifice. If this is the case, each American must do his part. We must all pull together.

As we make adjustments, I hope we can avoid government management of the economy. Government is not always the answer. Reckless deficit spending in recent years has demonstrated beyond all doubt that government lacks the discipline and self-restraint, much less the competence, for so massive an undertaking. Most people who advocate a return to tight controls have no real conception of the quagmire into which they would push us.

In hard times, we must also reject demagogues and scapegoats. They will not increase production and reinvigorate our economy. They will only divide us for selfish purposes.

These two years have been a privilege for me and a priceless experience. The pain of unfilled plans, hopes, and aspirations is more than outweighed by the satisfaction of hard work and accomplishment for those who have given me their trust and support. I am in your debt.

Thank you for this opportunity, and best wishes.

Harold V. Froehlich,
Member of Congress.

LOGIC OF BART ROWEN DEMANDS ACTION

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. LEGGETT. Mr. Speaker, the need for an overall national energy policy has to me become increasingly urgent. We and the other oil importing, industrialized nations must move forcefully to cut our consumption of petroleum and develop alternative energy sources. I am pleased to note that the Ford administration has hopefully recognized the need for another review of the energy situation, looking toward more stringent controls in the United States next year.

The magnitude of the energy problem and the economic impact of current consumption patterns at today's prices were brought out in a recent column by Hobart Rowen of the Washington Post. He points out that, by World Bank estimates, the OPEC nations will accumulate wealth both this year and next in an amount equal to the net foreign assets of the United States. If current trends continue, by 1980 the OPEC countries will have wealth totalling $650 billion, the value of the entire New York stock exchange, and by 1985 an amount almost twice that, or $1.2 trillion. As is evident, resource transfers of such staggering proportions would pose grave dangers for the economic systems of the industrialized nations.

I believe that, to deal effectively with this situation, the United States needs to institute a comprehensive fuel rationing program, keep domestic oil prices fully controlled, and also start a large-scale energy development program for the longer term. We must try to satisfy our requirements with the energy resources available within our own hemisphere. This means changing our lifestyle and learning to live with smaller, cheaper, and more efficient automobiles. We need an equitable rationing program that considers the needs of every sector of our economy.

I also think that we should keep controls on domestic oil, and, if anything, reduce the price, keeping it separate from the outrageous prices of foreign oil. I do not see any reason why regulation should remove the incentives needed for the development of additional energy resources. But if there is a problem, some Government competition ought to help solve it and also get us going on new forms of energy. For the longer term, in my view we need a large-scale public development program for alternative energy sources, say $100 billion over 10 years. This would enable us to get going on development in such areas as nuclear power, gassification of coal, solar and geothermal power, and oil shale recovery procedures, as well as additional oil resources. In the short term, however, we and the rest of the Western World must concentrate on cutting energy consumption. That is the thrust of Bart Rowen's article that follows:

. . . AND THE TOUGH DECISIONS AHEAD

(By Hobart Rowen)

Sooner or later, the Ford administration will have to adopt "stronger" measures to cut energy consumption 15 to 20 per cent, as suggested by Federal Reserve Chairman Arthur F. Burns. And the sooner, the better.

No political leader relishes the necessity of confronting the public with a demand for "austerity"—it is much more in the American tradition to promise an ever-broadening standard of living.

But like it or not, the United States and other Western countries are engaged in a desperate power struggle with the Organization for Petroleum Exporting Countries, and unless the West wants to yield abjectly to the cartel, it must make some tough decisions soon.

To put it in the most stark terms, the oil producers are accumulating so much wealth that they will be able—if current prices and current consumption levels are maintained—to buy up the rest of the world.

An outrageous exaggeration? The World Bank estimates that the cartel's reserves will be about $653 billion by 1980 and $1,206 billion by 1985, or six times the world total at the end of 1973.

In this year alone, the OPEC countries will add $65 billion to their wealth, and another $65 billion or so in 1975. To put that figure in perspective, the U.S.—a year shy of a 200-year history—has net foreign assets of $63 billion, or less than OPEC now acquires in a single year.

The World Bank's estimate that by 1985, the cartel will pile up the incredible reserve total of $1,206 billion has received wide publicity. What has not been reported fully is that five countries with what the Bank describes as "limited" capacity to use the money in their own economies will hold $996 billion of the total. They are Kuwait, Saudi Arabia, Libya, Qatar and the United Arab Emirates.

Another $197 billion would be held by four countries, including Iran, with a slightly greater "absorptive" capacity.

Paul Erdman's fictional account in the Dec. 2 New York Magazine depicting a two-day war in which the Shah of Iran conquers the Persian Gulf states, controls almost all the world's oil supply, and then dominates the world is an exercise in fantasy. But it provides food for thought.

Assistant Secretary of State Thomas O. Enders, in a controversial speech at Yale University on Nov. 25, said bluntly that "unless they act, the industrial democracies face an inexorably rising danger of financial collapse, or depression, or both over the next decade.

"As oil debts pile up in the industrial countries, first the weaker, then the stronger will find their credit unacceptable, and will try to balance their external accounts by restrictions on trade and on the level of economic activity."

What, then, is the answer, since the cartel has made clear that it is not interested in abandoning the rigged price that has caused all the trouble?

The answer is not, as Enders suggested, to couple a conservation program with a guarantee that new energy investments be assured a price of $10 to $11 a barrel, plus an allowance for inflation.

By the time Enders appeared before a congressional committee four days later, he had been called off this unwise suggestion by Treasury Secretary William E. Simons and others. There is plenty of incentive for what former Interior Secretary Stewart Udall calls the "oil boomers" without letting the cartel set the domestic U.S. oil price.

The immediate response of the Western World should be drastic cuts in energy consumption. The sheer waste, especially in the United States, is enormous.

Much fat can be trimmed, with little loss to anyone—except the exporting cartel. But the reductions will have to affect the muscle below the fat: a sizable gas tax, as Burns recommended, or gas rationing, and a tax on auto horsepower will hurt the economy. But we can adjust to that. We can eventually build more of our own sources of energy, as well.

But what we cannot and should not adjust to is dictation by the cartel, turning its oil on and off to accomplish its political goals.

If we drift along this way, letting the cartel call the signals, merrily burning up gasoline and electricity, then, as Burns says, "we may face a permanent decline of our nation's economic and political power in a very troubled world."

ROCKEFELLER: THE COLDEST WARRIOR OF ALL

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Ms. ABZUG. Mr. Speaker, in the past several weeks, I have called to the attention of the Committee on the Judiciary numerous matters regarding the nomination of Nelson Rockefeller as Vice President which I thought should be investigated prior to a vote on confirmation. Among those lines of inquiry which have not been thoroughly pursued are Mr. Rockefeller's views on nuclear power and world affairs. In an article in the New York Times on December 13, Tom Wicker explored further some of the matters I mentioned in my testimony before the Judiciary Committee, and reemphasized the importance of ascertaining Mr. Rockefeller's current thinking on such vital issues before voting on his confirmation. I fully agree that it is essential that the Congress know where Mr. Rockefeller stands on matters of national security and world affairs, and I insert at this point in the RECORD the text of Mr. Wicker's article:

THE COLDEST WARRIOR OF ALL

(By Tom Wicker)

The nomination of Nelson Rockefeller to be Vice President was in deep trouble a month ago, but now it is speeding through Congress, with the House likely to vote final approval next week. A major—if generally unspoken—reason for the turnabout is the growing belief on Capitol Hill that President Ford is so inept that if his Administration is to stay afloat it needs the help of a vigorous and experienced political leader like Mr. Rockefeller.

That judgment of Mr. Ford is widely shared, but the notion that an able Vice President can somehow take hold of an Administration and run it flies in the face of history. The United States has had many weak Presidents, but there is no case on record where one of them in fact permitted his Vice President to run things, or build up much influence. The office has no statutory authority, little prestige (particularly when it is appointive), and even its constitutional function of presiding over the Senate is vacuous and offers little potential for legislative influence.

Even if Mr. Ford and Mr. Rockefeller prove exceptions to the historical rule, the Democrats controlling Congress are playing with political fire. If Mr. Rockefeller could make himself the real power in the Ford Administration, he could certainly make himself a formidable Republican nominee in 1976—perhaps as an incumbent President, through Mr. Ford's resignation.

But the worst aspect of the haste with which the Rockefeller nomination is now moving is that, for all the time consumed so far, many important lines of inquiry have not even been put to him. In neither the House nor the Senate committee, moreover, was any real or intelligent attention paid to Mr. Rockefeller's vaunted record in foreign and national security affairs—which in fact and in hindsight discloses him to have been one of the hawkiest and most belligerent of Cold Warriors.

In 1959, for instance, he called on the Eisenhower Administration to resume nuclear testing "to preserve peace in the world." He was speaking then of underground tests, but on Oct. 27, 1961, he went further and demanded resumption of tests in the atmosphere. When President Kennedy, instead, sought a test-ban treaty with the Soviets, Mr. Rockefeller said on Nov. 14, 1961, that "to sign any test ban, at this time, could place in jeopardy both our national safety and the defense of freedom throughout the world."

These views were influenced, no doubt, by Mr. Rockefeller's belief, expressed in 1959, that nuclear warfare was dangerous but not unthinkable because it "does not mean annihilation, or the end of the civilization we have known." He thought then that as many as three out of four people might survive in bomb shelters.

Mr. Rockefeller supported President Kennedy, however, at the time of the Bay of Pigs invasion. He said Americans must "stand united behind the President to give him the support for *whatever action is necessary* in the defense of freedom." (Italics mine.)

Mr. Rockefeller stuck with that general view at least until 1964, when he still thought force might have to be used against Cuba "at the right time." But by then, in a television interview, he was criticizing Mr. Kennedy's refusal to use American air power at the Bay of Pigs. "There is no question but force is an integral part of international diplomacy, and at times we have hesitated to use it when it should have been used," he said.

During the Oregon Presidential primary that same year year, Mr. Rockefeller said in a luncheon speech at Grant's Pass on April 27 that the United States should increase its military commitment in Thailand, stop troop withdrawals from South Vietnam, and carry the war there into Communist sanctuaries in Laos, Cambodia and North Vietnam, including bombing North Vietnam and Loas. That was almost a year before President Johnson began the bombing of North Vietnam.

The same day, Mr. Rockefeller confided to an audience in Klamath Falls that he had told Soviet Premier Khrushchev that he did not believe in Soviet-American "co-existence" because it was "a very clever means of trying to pull us into close cooperation where they can then undermine the forces of human freedom.

If Mr. Rockefeller's views on these matters have changed substantially, even in the era of détente with the Soviet Union and China, what he now thinks is not clearly on the record of the confirmation proceedings. And in fact his aggressive views seem to have been deeply held. "American *principle demands*," he said in 1961 (again the italics are mine), "that we refuse to be bluffed, bullied or blackmailed into compromising the liberties of other human beings, or depriving them of a chance to win their freedom."

That was the "principle" that "demanded" nearly a decade of ruinous war in Vietnam. The American people should know whether it is still the principle of the man Congress is about to place first in line of succession to the Presidency.

COMMITTEE AMENDMENTS TO SPEEDY TRIAL ACT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. CONYERS. Mr. Speaker, so that my colleagues may be fully aware of what will transpire when the House takes up H.R. 17409 tomorrow, I insert in the RECORD at the appropriate place a list of technical amendments to that bill.

These amendments, which will be offered by my colleague from Maine and the ranking minority member of the Subcommittee on Crime, WILLIAM S. COHEN, are of two types: The first set of amendments is composed of technical and conforming amendments to amendments made to the bill by the Committee on the Judiciary. The second group of amendments would make technical, conforming, and perfecting changes to H.R. 17409 itself.

It is my hope that these technical amendments may be considered expeditiously so that full discussion on this important measure can go forward. To that end, Mr. COHEN will ask unanimous consent that these amendments be considered en banc, by type.

AMERICAN SEAPOWER PROTECTS AMERICA AND MUST REMAIN CREDIBLE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BENNETT. Mr. Speaker, as the Nation approaches its Bicentennial, the American people would do well to reflect on the major role played by U.S. seapower in the preservation of our Republic.

From the fledgling days of the United States right up to today's nuclear age, the U.S. Navy has been at the heart of this Nation's fight for survival and its expansion into the world's greatest power.

The Honorable J. William Middendorf II, Secretary of the Navy, recently provided an incisive and timely analysis of the Navy's contributions to our history and of its continuing importance in our modern world. Secretary Middendorf presented his remarks at a meeting of the San Francisco Rotary Club on December 3.

I insert Secretary Middendorf's remarks in the RECORD as follows:

REMARKS OF SECRETARY MIDDENDORF

The Bay Area has indeed had a long association with the Navy. One of the first mayors of San Francisco, back in the days of the Gold Rush, was a naval officer—LT Washington A. Bartlett. More recently, the Naval Air Station, Alameda, has been the homeport for our attack aircraft carriers ENTERPRISE, RANGER, CORAL SEA, and HANCOCK. And Mare Island has been the cradle of much of our submarine force of the Pacific Fleet. And many great steam ship companies sail their ships under the Golden Gate.

It is therefore a real pleasure to be back in San Francisco again.

Throughout the history of the United States, seapower has been an integral part in making this nation great. A strong merchant marine has enabled the development of our economy and has transported the raw materials needed for our industrial base.

And a strong Navy has defended our coasts, protected our sea lines of communication, deterred aggression, and projected the presence of the United States throughout the world.

On 13 October 1775, the Continental Congress authorized the acquisition and construction of ships for the Continental Navy. Our country was severely challenged then. The perception of that Congress and of the peoples of those colonies, which lined the eastern seaboard, was necessarily fixed on the Atlantic Ocean and across it to Europe. For it was from Europe, across the Atlantic, that would come any foreign intervention. And it was Europe, across the Atlantic, upon which the agricultrual and maritime economies of the colonies depended for our external markets and many manufactured goods.

And therefore a strong Navy was properly regarded as an essential element of defense to meet the challenges of the first decade of American history.

The War of 1812 was fought ostensibly to defend the doctrine of "freedom of the seas." At the beginning of that war, the U.S. Navy was composed of just 14 seaworthy warships. But our Navy took to the high seas against overwhelming British seapower—1,048 men-of-war—and won a number of brilliant single ship actions.

In the late nineteenth century three developments occurred which led to the evolution of the U.S. Navy's *oceanic* strategy.

First, in 1890, RADM Alfred Thayer Mahan published his internationally famous work *The Influence of Sea Power on History*. Mahan's strategic analysis rested on the military principle that the key to defeating an enemy is concentrating superior offensive force against his main force. He also delineated the *vital* links between the burgeoning American industrial production, overseas markets, the merchant marine, and the Navy.

Secondly, westward expansion and development in the United States had increased tremendously along the Pacific Coast. American interests were expanding in the Pacific and the Caribbean. And the United States found itself facing increasing European naval competition in areas thought crucial to vigorous overseas commercial activity.

Finally, steam and steel warships were replacing the Navy's wooden sailing ships. These new ships greatly increased the Navy's sea-keeping and combat capabilities

Naval bases in Hawaii, Wake, Guam, Samoa, and the Philippines assured the United States access to the markets and raw materials of the Pacific Basin. These bases, together with the Panama Canal and additional bases in the Caribbean, would also give the United States a protective cordon to deter attack by any major power.

Rear Admiral Mahan was the strategic thinker.

President Theodore Roosevelt put seapower into action. The Spanish-American War had projected the United States into the role of a world power with overseas interests and territories requiring a strong Navy. In 1907 he sent his famous "Great White Fleet" on a two year, round-the-world cruise. This cruise demonstrated the U.S. Navy's technical proficiency, engendered good-will, and increased American prestige.

In reflecting on the cruise of the "Great White Fleet", Roosevelt said: "In my own judgment the most important service I rendered to peace was the voyage of the battle fleet around the world."

Since their practical application by Theodore Roosevelt American naval and, in many respects, our overall military strategy has reflected these geopolitical, oceanic concepts. And World War I and World War II represented the triumphs of that strategy. The United States Navy and Marine Corps had clearly and successfully fulfilled three missions:

(1) Sea control—primarily in anti-submarine warfare and principally in the North Atlantic, the Navy insured the unimpeded flow of men and material to Europe.

(2) Projection of power ashore—primarily in the Pacific theater, U.S. Marines and tactical aircraft effectively wrested strategic chains of islands from the Japanese.

(3) And the end of World War II saw a burgeoning of the Navy's mission of political presence, particularly through the continuous deployment of aircraft carriers to the Mediterranean and western Pacific.

Yet World War II ended with certainly the most significant weapon of strategic warfare. On July 16, 1945, the United States exploded its first atomic bomb at Alamogordo, New Mexico. The following month that weapon used twice to accelerate the end of the war with Japan.

Four years later, the U.S. monopoly of the atomic bomb ended, with President Truman's announcement on September 23, 1949, that an atomic explosion had occurred in the Soviet Union.

This event brought an entirely new equation into the broad spectrum of world affairs. Now the two superpowers had the capability to reap massive destruction on the other. And therefore the development of the military and political strategy of deterrence began to take shape.

For the Navy, this fourth mission took practical shape from 1950, when its first nuclear-capable carrier aircraft, the AJ-1/SAVAGE, was delivered. The Navy's strategic deterrence mission became more sophisticated in December 1960, when the USS *George Washington* went to sea with sixteen Polaris missiles.

Therefore, in the years after World War II, the Navy's three traditional missions of sea control, projection of power, and political presence and its fourth modern mission of strategic deterrence were successfully adapted to our national military strategy that encompassed potential warfare against major powers as well as a conventional naval role in smaller scale confrontations.

There is no doubt that seapower has played an integral role in the development of this country.

Today we as a nation are confronted by many crucial issues. And our ability to survive as a nation depends more on seapower than ever before.

The first of these issues is political. There has been an increase in tensions in the Middle East. As shown by previous crisis in this sensitive area, U.S. seapower has been manifest in the *stabilization* of potentially violent situations and the *deterrence* of or outside intervention.

U.S. seapower has inherent capabilities which can be used as instruments of national policy. Principal among the capabilities of U.S. seapower are:

(1) Ability to display a credible U.S. military commitment within range of almost any area of the world.

(2) Ability to protect or evacuate U.S. nationals in almost any area of the world.

(3) Ability to provide a military presence without an automatic commitment of forces.

(4) Ability to clearly demonstrate U.S. interest and capability, without disclosing precise intentions.

And seapower is the least susceptible to diplomatic constraints, base rights, overflight privileges or the pressures of host countries.

Today the international arena is characterized by a transition from the strict bipolarity of the immediate post World War II years. Now and in the future international issues will be increasingly characterized by political and economic issues. And U.S. seapower, within a broader national strategy, will be essential in providing international stability and in supporting our national interests.

The second issue is economic. During the past year, the monetary reserves owned by the oil producing countries have risen threefold from $13 billion to $38 billion. These reserves represent 19% of the world's monetary reserves, and are almost equal to the reserves of all of industrial Europe as recently as 1970. And Secretary of the Treasury William Simon recently noted that these accumulations of capital could exceed $500 billion by 1980, twelve times what it is now.

For example Saudi Arabia now ranks fourth among the world's countries with the largest monetary reserves. Last year at this time the Saudis held $4 billion, a healthy sum that placed them 13th on the world scale. Today their reserves total $11.5 billion. Ahead of the Saudis are only West Germany ($32.5 billion)—United States ($15.7 billion)—Japan ($13.2 billion).

This rapid accumulation of wealth, and its concentration in the extremely sensitive Middle East, threatens to create new pressures against the world's financial system.

U.S. seapower may well play a major role in the stability of this strategic area, wherein are concentrated more than 50% of the world's proven oil reserves.

Furthermore, the heaviest concentration of seaborne oil traffic in the world is through the Straits of Hormuz. Through this narrow waterway connecting the Arabian Gulf with the Indian Ocean pass an average approaching 20 million barrels of oil per day, representing half of world oil exports. Domination of these Straits by an unfriendly power could effectively cut off much of the free world from its prime source of oil. Similarly, domination of the Indian Ocean by unfriendly naval forces could hinder or deny freedom of passage to the oil carriers.

Soviet ships now regularly operate in the Indian Ocean with generally a missile-armed cruiser, some destroyers, an amphibious ship, and several auxiliary ships supporting Soviet interests. By contrast the U.S. Navy's Middle East Force is composed of only three ships. In addition the U.S. now periodically sends carrier task groups into the Indian Ocean.

The third issue is also economic. Today the United States is an island nation, growing increasingly dependent on foreign sources of raw materials and energy.

There are 71 strategic raw materials and metals which are integral to the economic base of the United States. We must *import* 68 of these raw materials and metals, all or in part *by sea.*

In 1973, the U.S. imported by sea more than 50 million tons of these raw materials and minerals valued in excess of $4 billion.

And in 10 years, it is estimated that half again as much of our essential imports will come by sea.

We are also dependent on energy imports. In 1973, we imported by sea about 580 million barrels of crude oil and refined products accounting for 29% of our domestic consumption.

Crude oil and refined products imported by sea sources 1973

	Percent
Arab Countries	10
Indonesia	1
Iran	2
Nigeria	3
Venezuela	12
Other	1
Percentage of total U.S. consumption	29

It is the mission of the U.S. Navy to protect the sea lanes for the transport of these critical imports. And it is the mission of the U.S. Navy to render a political and diplomatic presence in the world today in support of our national policy.

Yet today the U.S. Navy has the fewest number of ships in the active fleet since the period a year and a half before Pearl Harbor. The ships of today's Navy are indeed much more capable than their World War II-vintage counterparts.

Today's aircraft carrier ENTERPRISE (CVAN-68), with its Air Group of sophisticated F-14s, A-6s, and A-7s, packs a much more potent punch than her World War II predecessor (CV-6).

However, just six years ago we had an active fleet of nearly 1,000 ships. Because most of these were constructed during World War II, and because of budget restraints we have cut our Navy in half so that today we are about to go below 500 ships.

The service life expectancy for warships is 25 to 30 years. In 1968 the average age of the active fleet had increased to 18 years. It therefore became unmistakably clear that we had to reduce the numbers of our older ships in order to build the new ships we need.

Between 1963 and 1967 the Navy planned nearly 50 new ships per year. Then came the fiscal demands of the Vietnam war with its requirements for operating funds at the expense of shipbuilding.

We also undertook the costly conversion of 31 Polaris submarines to carry the Poseidon missile, which substantially upgraded the nation's strategic deterrenct capabilities.

In the last six years although we were forced to reduce the numbers of ageing ships in the active fleet, the Navy received authority to build 13 ships per year. This rate of shipbuilding—13 ships per year means that the U.S. Navy will never recover the strength of 900 ships but also will not even be able to sustain a fleet of 50 ships unless increases are made in the number of ships being built each year.

We have, in effect, undertaken a course of action which if allowed to go uncorrected would amount to an unilateral naval disarmament.

There are a number of solutions to this critical problem.

In our 1975 shipbuilding program, we initiated two programs which will contribute to the fleet's numerical strength because we are buying and building in *numbers.*

The first ship is the Missile Patrol Hydrofoil (PHM). Capable of operating at high speeds in heavy sea conditions, the PHM will provide the Navy a potent punch in many different operational environments. And ships of this class can readily assume the patrol and surveillance functions formerly assigned to our larger ships, thereby relieving our SPRUANCE and KNOX class combatants for other duties such as carrier task force operations and anti-submarine warfare. We hope to build 30 missile patrol hydrofoils.

The second ship is the Patrol Frigate (PF). We envision this ship to be a low-cost workhorse for the fleet, designed to carry out the very important escort mission. We hope to build 50 of these ships.

Additionally we are continuing to build SPRUANCE class destroyers, LOS ANGELES class nuclear-powered attack submarines, and three nuclear-powered aircraft carriers.

An even more advanced concept is the Surface Effect Ship, which is capable of speeds in excess of 80 knots. Once the research and development is completed, we could build and deploy these ships over the oceans of the world. Their high speed capability and sophisticated weapons systems would make them a potent and nearly invulnerable ships of the future.

Congress is very much aware of the Navy's need for more ships and the problems in our shipbuilding programs. Congress approved the construction of 22 ships in the budget for this year.

However, this ghastly inflation, with which you and I are struggling, is crippling our shipbuilding effort.

For example, the price of scrap steel has nearly doubled in less than a year. And overall cost escalations will probably reach 20%. Therefore, due principally to inflation, our Navy shipbuilding programs are now $2 billion in debt.

I can assure you that people in all levels of government, are aware of these critical problems and are working to resolve them. I feel everyone in the Executive and Legislative Branches recognizes the *need.* It is ultimately a question of accomplishing the task of rebuilding the fleet in the context of the greater issues facing us.

It is within the foregoing that I would address a most significant *military* issue. Having cut the size of the U.S. fleet in half and having a shipbuilding program jeopardized by inflation, we now face the challenge of the Soviet Navy.

Let me say at the outset that the Soviet Navy is *not* ten feet tall. The U.S. Navy still has tremendous staying power and real, combat-proven strength.

Yet it is the *trend* of expanding Soviet naval capabilities that I personally view as one of the most significant strategic developments since the atomic bomb.

This *trend* is burgeoning Soviet naval capabilities, when considered together with other Soviet tactical and strategic military developments would give any Secretary of the Navy cause for concern.

With regard to the Soviet Navy:

(1) Since 1962 they have outbuilt us in every category of ship except aircraft carriers. During the period 1962–1973, they added 271 major surface combatants and submarines as opposed to our 176 new ships. (Charts 1 and 2)

Current ship inventories—major combatants and submarines

	Soviet Navy	*U.S. Navy*
Attack Carriers	2 (CHG)	14
Cruisers	30	6
Destroyers	80	90
Escorts	109	66
Submarines	325	115
Total	546	291

Ship numbers and comparisons can be extremely dangerous. We cannot compare a 90,000 ton U.S. aircraft carrier to an 850-ton Soviet "minor combatant." Yet the more than 135 guided-missile firing patrol boats in the Soviet inventory do pose a significant threat.

For example, the Soviet OSA and KOMAR classes, now more than 13 years old, have been used with success in combat. An 80-ton Egyptian KOMAR sunk the 2,500-ton Israeli destroyer EILAT on 21 October 1967. The operations of Indian OSAs against merchant shipping in the war with Pakistan in December 1971 were also very successful.

The Soviet 850-ton NANUCHKA-class carries the SS-N-9 surface-to-surface missile. Its 1,100-pound warhead is twice that of the surface-to-surface missile we plan for the future.

(2) The Soviets have deployed aboard their ships highly sophisticated sensors, electronics and offensive and defensive weapons systems. They have developed an arsenal of some 20 types of anti-ship capable missiles and their variants. Having ranges from 15 to 400 miles, these missiles can be fired from aircraft, surface ships, and from submerged submarines.

I personally believe that a number of years ago we made a serious error when we chose to put all of our missile capability on our sea-based aircraft without developing an over-the-horizon shipborne surface-to-surface missile. At that time we had a force of 23 aircraft carriers, combat proven during World War II. Now with only 14 aircraft carriers and a major Soviet anti-ship missile capability we are on a crash program to introduce our first over-the-horizon surface-to-surface missile—HARPOON.

(3) The Soviet Navy has gone to sea. From a coastal defense navy in 1962, today we observe Soviet ships circumnavigating Hawaii, exercising in the Caribbean, and operating near the strategic oil routes of the Indian Ocean.

(4) They have upgraded their strategic submarine ballistic missile force. The new Delta-class submarine carries the 4,200 mile SS-N-8 missile, which is capable of hitting us here in San Francisco from its homeport a few hundred miles west of Alaska.

(5) And these *naval* developments coincide with the impending Soviet deployment next year of *four* new classes of ICBMs with warheads of one-half to 25 megatons, and a new long-range bomber, the BACKFIRE.

(6) Furthermore, preliminary analysis of U.S. and Soviet military production rates indicates that the Soviets are outproducing us in all but a few categories of military equipment by from 2:1 to 12:1.

This is where we stand today and these are the issues we face. We are more dependent on *foreign* sources of raw materials and energy. We have a much smaller Navy to do the job than we did six years ago, and the Soviets are building a tremendous navy at a rate faster than we are. And we are faced with a tense world economic and political situation.

For this we need the credibility of a strong U.S. Navy more now than ever before.

I have never met an American who wants the U.S. Navy to become second best. Each of you in this room, either by your personal experience or knowledge, knows that the U.S. Navy was unchallenged—in Vietnam and in Korea and clearly won the battle for naval supremacy in World Wars I and II.

Yet for the United States to keep a Navy "second-to-none" we need the support of each of you. Each of you as leaders of the community can carry this message. *You* are the ones who will ultimately determine the futures of the Navy and this country.

MARY LEE B. HELM, WOMAN OF THE YEAR

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. EDWARDS of California. Mr. Speaker, on Saturday, November 9, 1974, Mary Lee B. Helm was chosen Woman of the Year by the Women's division of the Fremont Chamber of Commerce. Mrs. Helm was honored, along with seven other nominees, by leaders of her community at a luncheon at the Plaza International Inn.

The criteria for the selection of the winner could very possibly have been written just for Mary Lee. Few individuals could match her list of accomplishments and service. She was nominated by the Fremont Branch of the American Association of University Women, of which she is an active member. She is also president of Fremont Friends of the Library and has spent endless hours collecting, sorting, and selling used books to raise funds for libraries.

Mary Lee serves as secretary and publicity chairperson for the Fremont Democratic Women's Forum and is an active member of the League of Women Voters. She is not new to the political arena and cochaired the Democratic headquarters for southern Alameda County during the 1972 presidential campaigns.

Her interests and sensitivity to others is exemplified by her work with FISH, a volunteer service group, and by her service as vice president of the women's fellowship at Niles Congregational Church.

A very significant part of Mary Lee's life is her family. She has been married to Del Helm for 23 years and has consistently received his support and encouragement for her activities. The Helms have three children, Marcy Ann, Robert Berkeley, and Mary Jane. Mary Lee has continuously worked with PTA's and parent clubs in all the schools her children have attended. She currently serves on the executive board of the Mission San Jose High School.

I have had the pleasure of knowing Mary Lee and Del for many years and have been honored by their friendship and support. The city of Fremont is fortunate to have them, and I commend the chamber of commerce for its wisdom in selecting Mary Lee Helm as their Woman of the Year for 1974.

CRIME SURVEY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. LONG of Maryland. Mr. Speaker, I am concerned over crime, as are many of my constituents. When I recently surveyed my constituents about their experiences with crime many indicated their concerns to me while requesting that their names be kept confidential. Some who had been hit by crime had not reported these crimes and requested that their names and addresses be kept confidential, indicating that they feared reprisals.

I am inserting responses to my questionnaire in the CONGRESSIONAL RECORD but am withholding the names and addresses of the respondents because I feel it my duty to respect and protect the confidentiality of my constituents' responses.

The questions which I asked on my questionnaire are the following:

First. Have you or a family member been the victim of a serious crime in the past 2 years?

Second. If so, what type of crime?

Third. Was this reported to the police?

Fourth. What loss(es) did you incur?

Fifth. Did the police catch a suspect?

Sixth. Did the case go to trial?

Seventh. If so, what was the outcome?

I have omitted some comments not relevant to the questionnaire.

Responses to my questionnaire follow:

RESPONSE TO REPRESENTATIVE LONG OF MARYLAND'S QUESTIONNAIRE

RESPONDENT 1

1. yes
2. stolen building material
3. yes
4. $800.00 plywood, etc.
5. no
6. no
7. —

Comments: Many such thefts have been reported with no let up and no end in sight.

RESPONDENT 2

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 3

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: I hope that I am not pushing our luck by having been fortunate enough to escape being a victim.

RESPONDENT 4

1. yes
2. theft
3. no
4. 500 gallons of gasoline, $300.00 worth of tools
5. no
6. no
7. —

Comments: These weren't reported to the police because, as you can imagine, after the thefts had taken place without any witnesses on a country road, there's just no way anyone can trace a non-reusable. . . .

RESPONDENT 5

1. no
2. —
3. —
4. —
5. —
6. —
6. —
7. —

Comments: none

RESPONDENT 6

1. fortunately, no.
2. —
3. —
4. —
5. —
6. —
7. —

Comments: We have a very large and very visible German shepherd—which may help.

RESPONDENT 7

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 8

1. no—Thank God!
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 9

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 10

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 11

1. —
2. —
3. —
4. —
5. —
6. —
7. —

Comments: We have not been the victims of any crime but thank you for caring.

RESPONDENT 12

1. Yes 3/13/74
2. vandalism
3. no
4. antenna broken from station wagon
5. —
6. —
7. —

Comments: My insurance company, Allstate Insurance Company, had the antenna replaced.

RESPONDENT 13

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 14

1. no

2–7. —

Comments: none

RESPONDENT 15

1. no

2–7. —

Comments: none

RESPONDENT 16

1. No, and let's hope not.

2–7. —

Comments: none

RESPONDENT 17

1. Any crime which costs me money, I consider serious.
2. throwing of rocks at our home, breaking a window and denting the aluminum siding.
3. no—what for?

4–7. —.

Comments: not relevant to questionnaire.

RESPONDENT 18

1. —.
2. no.

3–7. —.

Comments: none.

RESPONDENT 19

1. no.

2–7. —.

Comments: none.

RESPONDENT 20

1. no.

2–7. —.

Comments: none.

RESPONDENT 21

1. no.

2–7. —.

Comments: none.

RESPONDENT 22

1. yes.
2. multi-band radio stolen from car.
3. no.
4. $100.00.
5. no.
6. no.
7. none.

Comments: Not enough police in this area. Hope we get new Chief of Police.

RESPONDENT 23

1. no.

2–7. —.

Comments: none.

RESPONDENT 24

1. no.

2–7. —.

Comments: none.

RESPONDENT 25

1. yes.
2. Broken window left car door.
3. no.
4. $35.00.
5. no.
6. no.
7. no.

Comments: I'm trying to car pool from I–83 and Middletown Road. Vandalism and theft is very frustrating. Make penalties tough! It is hard to convict suspects because of the many escape mechanisms.

RESPONDENT 26

1. no.

2–7. —.

Comments: only lived in area 9 months.

RESPONDENT 27

1. no
2. —
3. —
4. —
5. —
6. —
7. —

RESPONDENT 28

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 29

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: none

RESPONDENT 30

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: From comments of some of other families in the area, I'm proposing seriously of installing burglar detection systems in my home and on the property. There is little or no patrol car coverage on our country road but we have to protect ourselves by the best means for the crisis.

RESPONDENT 31

1. no
2. —
3. —
4. —
5. —
6. —
7. —

Comments: The only "crimes" I am aware of are speeding and reckless drivers and mini bikes operating on public roads.

RESPONDENT 32

1. —
2. —
3. no
4. —
5. —
6. —
7. —

Comments: We had our sign with our name on it and a painted pheasant above it stolen. It cost $30. I don't know if this is a serious crime, but we can't keep buying signs. We do try to keep our place as nice as possible.

RESPONDENT 33

1. no

2–7. —

Comments: Thank you for your concern.

RESPONDENT 34

1. no

2–7. —

Comments: none

RESPONDENT 35

1. yes
2. murder
3. yes
4. —
5. yes
6. Not yet. Caught 4 men, are locked up in Towson Jail.
7. Waiting for a trial.

Comments: My brother was shot in the head in his own home. Two men broke into home on June 20, 1973 and asked for money. He said, "My God, I don't have any; I don't make any." So one shot him; the other 2 stayed out in the car. They pulled down the road and threw the gun in Pretty Boy Dam. Capital punishment for everyone who shot and killed poor people for nothing. He was a very kind, hard-working man, only 59 years old, never had an enemy. Young people are so cruel. Please make laws to kill them. Stop the crime.

RESPONDENT 36

1. yes
2. Attack by a molester of a woman
3. yes
4. bruises to body
5. yes
6. ? it will
7. probably guilty

Comments: —

RESPONDENT 37

1. yes
2. rape
3. yes
4. How can you calculate this?
5. yes (The police were splendid to us and our little girl.)
6. yes
7. He was convicted and sentenced to 30 years in prison.

Comments: The child who was victimized has made good progress in recovering her self-esteem and psychological balance, and we do not wish to cause her any more embarrassment by further pursuit of this case. However, I would like to see some changes made in the procedures of the conduct of this type of case—for instance, automatic blood tests of the man accused in order to establish his freedom from syphilis instead of the plaintiff having to petition the court for this information. Also, I would like to see bail denied when the victim is under 16. This man was out on bail on the same charge when he assaulted our 11-year-old child, and it might have been prevented.

RESPONDENT 38

1–7.—

Comments: Because we have not been robbed, I passed your questionnaire on to a friend who had been robbed twice. This does not mean we are not concerned, because we wonder if we will be the next ones they hit . . . We do not need more police—we simply need to enforce the laws we have and that is not what is being done in North Baltimore County . . . The case of Paul Double, with which you are familiar, has been postponed three times in a year with enough evidence to put the victims away . . . Who is being paid off? . . . If you were a policeman, would you risk your life to make an arrest when you knew the case would be mishandled in the court?

FERTILIZER VERSUS FOOD HANDOUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. DERWINSKI. Mr. Speaker, there has been a great deal of debate concerning the controversy over the sense of humor of the Secretary of Agriculture as it relates to the recent World Food Conference in Rome.

In my judgment, the Food Conference was a failure as there were too many spokesmen attesting for the blame of the food shortage rather than trying to solve it. Therefore, I was especially interested in an article in today's Chicago Tribune, by Eliot Janeway, which very properly addressed this issue:

FERTILIZER VERSUS FOOD HANDOUT

(By Eliot Janeway)

NEW YORK.—The recent World Food Conference in Rome was able to claim credit for one remarkable achievement. It topped last *September's* economic summit conference as a time and word waster. In an era where consistent failure reaps instant applause, the managers of the Rome food conference have won a standing ovation for being irrelevant.

If the economic summit had been relevant, it would have made the obvious conclusion that the oil price hold-up is the cause of our present economic collapse. And if the summit had been realistic, it would have made plans to force oil costs back down.

If these summiteers had been responsible, they would have realized that each new drop in economic activity would load an automatic increase onto oil costs; the same cost is harder to carry with a lower income.

Finally, if these distinguished Presidential advisers had been resourceful, they would have worked out tough measures to force the "oil hold-up men" into becoming good citizens of the world economic community.

The Rome food conference has indirectly sanctioned the summit's wantonness by ignoring it. The food conference has blindly repeated the economic conference's mistakes by condemning America for tolerating the trubles of the food-poor. But it is the "oil-rich hold-up men" who are responsible for perpetuating starvation in their own poor relations, Egypt and Syria, not to mention in their own, oil-rich turf.

After all, not everyone below the level of sheik, or a colonel is able to eat like one. The political effect of the food conference's failure to single out the real culprit of the food shortage—the oil hold-up—is to allow the petropowers to continue to sit atop the present, desperate situation.

The failure of the food conference will prove more costly than the failure of the economic summit. The cost of the blindness at the summit is that even people with financial defenses are worrying about losing them.

But the cost of the ignorance and cowardice aired at Rome is the fear of starvation that millions of needy people will feel. The parallel between these two exercises in blindness is as striking as it is painful.

If the conference at Rome had been relevant, its members would have realized that the fertilizer shortage is the missing link—and critical one—between the oil hold-up and the food shortage.

If these conference members had been realistic, they would have seen that finding the road to subsistence, let alone plenty, means recycling oil gases, which are habitually wasted in Middle Eastern oil production, into by-product gas production, the preliminary measure in stepping up the fertilizer supply.

Finally, if all these so-called experts had been the least bit resourceful, they would have begun racing time to stop the gas waste in the Middle Eastern oil fields and to start the fertilizer flows, thereby eliminating the scandalous spectacle of billions of dollars unused in banks and millions of people starving in slums.

Rosewell Garst, America's elder statesman of agriculture, knows better than these conference members. He calls wasting natural gas anywhere "a crime against humanity." He has just written an open letter about this to the American delegates of the Rome food conference.

An excerpt from Garst's letter explains why wasting natural gas influences our food supply: "Practically all the natural gas in the Middle East and in North Africa is flared and burned to get rid of it. Gas, air, and wastes are the only ingredients needed to produce anhydrous ammonia, which is 82.5 per cent nitrogen and is used as the nitrogen element in such fertilizers as ammonium nitrate, ammonium phosphate, urea, and complete fertilizers.

"More natural gas is wasted every day in the Middle East than is used by all the nitrogen fixation in the world. Retrieving it would open the way for the food-poor countries to repeat the American miracle by using nitrogen fertilizer to multiply their own food production, and thus graduate from America's food welfare rolls."

To put this project on a commercial basis, Garst proposes that the Middle Eastern petropowers sell the oil companies the gas being wasted and reduce their oil-selling prices by the amount of their gas income after figuring the cost of building nitrogen fixation facilities.

The oil companies have the know-how to recover by-product gas and put it to use as the wonder-worker for soil fertility that America has proven it to be. But the backward countries of the Middle Eastern oil world are not likely to outgrow their self-imposed deprivation without an official lead.

Still, how can America offer such a lead, with the United States Steel Corp. running short of gas and slashing output by 70 per cent at its major nitrogen fertilizer facility in Cherokee, Ala.? It's easier for America's food users—rich and poor alike—to go on pressing Washington for food handouts than to start worrying where the golden stalks come from.

TRIBUTE TO H. R. GROSS, "THE CONSCIENCE OF THE HOUSE"

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. BIAGGI. Mr. Speaker, I am pleased to join with many of my colleagues in paying tribute to our beloved friend and colleague, H. R. GROSS who will be retiring from the House at the end of the current session of Congress. There will be many others from this Congress who will not be returning in January, but without a doubt, the departure of the "Conscience of the House," will represent the biggest loss to the House and the Nation as a whole.

There are perhaps few others in the history of Congress who have earned such a lasting place in the hearts of the Nation as H. R. GROSS. He was a man who commanded praise and incurred the wrath of his fellow colleagues depending on which side of the fence from him you were on. But, there was and continues to be universal respect for the gentleman from Iowa on both sides of the aisle for there are few others with the dedication and knowledge of the workings of the House than H. R. GROSS.

All of us have felt the presence of H. R. in our dealings in Congress. I am sure there are many among us who have introduced what we have considered to be worthwhile amendments of legislation, only to discover that when they were presented, our good friend H. R. GROSS was ready to give it his own personal examination, and somehow our initial enthusiasm would always be dimmed. How many of us breathed sighs of relief during encounters between H. R. and committee chairman during consideration of appropriation bills, relieved that it was them and not us having to answer to H. R.?

Each one of us in the House owes something to H. R. GROSS. For many, it meant being schooled in the fine art of parliamentary procedure. For me personally I owe this as well as my present physical fitness to H. R. for without his constant vigilance to maintaining a quorum in the House I would not have had the opportunity for my daily frantic races to the House floor.

Perhaps it is fitting that as H. R. GROSS leaves the House he departs as a sort of fiscal prophet. Here was a man 10 and 20 years ago fighting every penny of increased Federal spending warning that continued uncontrolled Federal spending would only drive this Nation into the kind of serious recession we are experiencing today. Perhaps, if we had listened more closely to his advice, our economy would not be in the desperate straits it is in today.

I have had the distinct privilege and honor to have known and served with H. R. for the past 5 years. He has taught me invaluable lessons about the operations of the House. I cannot say that he and I saw eye to eye on every issue, but I came to realize over time that before you went to battle with H. R. on the floor, you had better be prepared with the best of information to defend your argument, or else face the consequences.

Many of us in the Congress attempt to be jacks of all trades and end up being masters of none. There are others like H. R. who dedicate themselves to becoming recognized experts in limited areas. H. R. chose two, the operations of the House and the safeguarding of the Federal Treasury from unnecessary assaults from Congress. While he aspired to no specific leadership posts, he became the recognized leader and spokesman for those Members who were concerned about these two important areas.

We will be hard pressed to replace H. R. GROSS. He will be a man who will have further tributes paid to him by history. His fiscal logic, ignored for so long by so many of us, now seems more relevant than ever.

For a man to earn the title of "Conscience of the House," he must prove to have been an integral part of the day-to-day operations of the House. H. R. has proven to be such a person for a period of 26 years, and we are grateful for his efforts.

I hope that we can find a suitable memorial to honor H. R. GROSS. Perhaps a bust in the Capitol—but I almost forgot—H. R. himself would oppose this as being too extravagant. Perhaps we could amend the rules of the House to rename the quorum call after H. R. Gross.

I could think of many other possible tributes to this great man, but they will have to wait, for in the background I hear the urgings of the three bells, telling me that H. R. Gross is once again tending to his special area of expertise: making sure that the House of Representatives is doing its job for the American people.

FREEDOM TO TRADE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FINDLEY. Mr. Speaker, Brooks McCormick, the president and chief executive officer of International Harvester has an intimate knowledge of American agriculture. This background is evident in an eloquent statement on trade reform which Mr. McCormick made at the December 4 meeting of the Foundation for American Agriculture in Chicago. Mr. McCormick's logic is especially appropriate as we prepare to consider the conference report on the trade reform bill.

The text of the speech follows:

Freedom To Trade

(An Address by Brooks McCormick)

Thank you. As a life long observer of things important on the Banks of the Potomac, I can only assume Dana Bennett had some seventh sense which told him way back in June when he invited me to talk today that we would be right in the middle of the fight for the life of a new trade bill. One that we very much fear will never see the light of day after January 1. So I am happy to have this opportunity to meet with you today and to talk about freedom to trade. And I hasten right now to invite you to write, call, or use a carrier pigeon to communicate with your senator your interest in the passage of the trade bill. In few periods in recent years has the need for maintaining an open world trading system been more compelling. We face an international economy staggering under the weight of severe inflation, widespread commodity shortages, and dramatic price increases in energy.

The result has been a worldwide strain on the ability of most nations to manage their international balance of payments. Quadrupling of oil prices within a year has put trade positions into deficit and forced some governments into substantial foreign borrowing. Under these circumstances the temptation is obviously strong for national governments to cope with their payments and trade dilemmas through either export subsidies or import restrictions. Either action would solve their problems in the very short term, but trigger similar moves by other governments who, after all, are faced with the same predicament.

The net result of such unilateral remedies would be to intensify the problems of most countries, as each one attempted to solve its trade problems by exporting them to its trading partners. It's a game of dominoes in which no one will stand up very long. And, to complete the painting of this gloomy scene, national governments have added a new unilateral remedy to these international imbalances. I am referring to export restrictions on commodities in short supply. This latest form of economic isolationism has arisen in country after country over the past year. The Arab oil embargo—which was politically inspired and therefore not typical—tended to overshadow the fact that the United States imposed restraints on exports of soybeans, Brazil on castor beans, Thailand on rice—to mention just a few cases.

Fortunately, a more workable solution is at hand in the form of international negotiations under the General Agreement on Tariffs and Trade (GATT). This international approach to common problems of trade has the twin objectives of furthering the 30-year-old movement toward trade expansion, while, at the same time, cushioning the disruptions brought by trade. One of these objectives without the other would be unrealistic.

The benefits of a liberal trade policy have been apparent to economists since they were first formulated about 200 years ago. A policy, I might add, under which my Company and its predecessor organizations have operated since 1851 when Cyrus McCormick exhibited his reaper in England and won the Council Medal, the highest award given, at the Crystal Palace Exhibition there. It really is very simple—nations are better off if they produce what they can turn out most efficiently and import from others what the latter, in turn, produce efficiently. In the United States we have been pursuing this idea of comparative advantage since 1934 when the original Trade Agreements Act was passed, authorizing the President to negotiate with other governments about reciprocal reductions of tariffs.

In those days 40 years ago, American tariffs were at their highest protective level in our history, an average of 50 percent as established by the 1930 Smoot-Hawley tariff act. History leaves no doubt that Hawley-Smoot was, in essence, a declaration of economic war—on the world. Retaliation was so swift that, by 1932, no less than twenty-five governments had imposed reprisals, including tariffs, quotas and anti-American embargoes. And their effect was to cut the volume of U.S. exports in *half*. Fortunately, since then we have legislated new presidential authority several times, and, through a series of negotiations brought our tariff levels down to an average of only 8 or 9 percent.

The United States took the lead in establishing the General Agreement on Tariffs and Trade after World War II, and that provided a global framework for pursuing the benefits of liberalized and expanded trade. Through the six GATT negotiations so far, world-wide tariff levels have been brought down to fairly low levels. The most recent of these efforts, the so-called Kennedy Round, ended in mid-1967, and no sooner was it over than protectionism once again reared its head, and it has been a powerful force at home and abroad ever since.

Those of us that are deeply involved in international trade, that benefit from it directly, and that recognize its longer-term contribution to our own and other nations' welfare sometimes tend to disdain protectionism, or consider it neanderthal or some kind of political conspiracy. Actually, I cannot blame people for trying to protect their own interests, and the heat of import competition—which they want to restrict—has often been pretty hard to handle. This is especially true today in a period with high layoffs and roaring inflation. Which was not the case during the early days of the Kennedy Round when we enjoyed a nearly $7 billion surplus in our trade relations. By the later Sixties, however, we were starting to slip badly in our international competitiveness, and in 1971 we moved over the line into deficit for the first time in this century. The next year we sank deeper, into a $6.4 billion deficit, quite an astounding event for the world's leading economy.

During that period of weakened competitiveness, protectionism was both inevitable and understandable. Companies, industries, workers, labor unions, all felt the strength of the import challenge. In the aggregate our agricultural sector escaped this trend, enjoying a trade surplus throughout. Others less fortunate, clamored for import restraint or restrictions. We were fortunate that the protectionists failed to enact legislation cutting back imports, though I must say, there were moments in that legislative struggle when it looked like they might just carry the ball across the line. And, again, I might interject a personal note about International Harvester. All during this period, in fact during the past 20 years, operating under a policy in which there have been virtually no tariffs of any kind on farm equipment, our Company alone has contributed a favorable balance of more than three billion dollars on the credit side of U.S. trade.

Government policy, however, finally responded to the changed world circumstances that had weakened our competitiveness, and brought us to trade deficits and protectionism. Most prominent among the remedies chosen were two devaluations of the dollar, which more than anything else managed to turn around our trade position to the point where we crossed back into surplus in 1973, with a $1.7 billion surplus of exports over imports. But we embarked at the same time on a longer-term solution to some of the specific trading problems that we faced, and that was the decision to enter into another round of GATT negotiations.

The legislation to enter these talks has been moving through Congress for the past year and a half and remains a cliffhanger even today, though we are working hard to see that it is enacted. As you know, the Trade Reform Act was stalled for months over the issue of Soviet emigration policy, something that—for all its merits as a human rights topic—had nothing to do with our international trade problems. The Soviet emigration issue has now apparently been resolved, and our main problem is the shortage of time before year-end. And to repeat, there is great urgency to this legislation, for if we do not get it through in 1974 we predict the new Congress just elected will take a different view of the matter and not pass it during the next two years. And while all this was going on, our trade position, though now basically competitive, slid back again into deficit, due to the enormous increase in the cost of our oil imports.

The objectives of these GATT negotiations have changed a good deal since they were first conceived. Originally they were intended to support further access to foreign markets and to establish an international safeguards system that would internationalize the varying methods that individual governments currently employ to cushion the impact of rapidly rising imports. But events of the past year have overshadowed these goals, important though they are. The GATT negotiations will now also deal with the problem of access to supplies, and set up some kind of guidelines on how and when governments can restrict their exports. In light of the critical global food situation, commodity shortages, and the energy problem, this 30-year-old institution of GATT has become more important than ever.

On both sides of the equation—access to markets and access to supplies—agricultural trade could be a major beneficiary of these negotiations with their pursuit of liberalized, expanded, and freer trade. For American farm exporters the talks could and should be a vital tool to pry open overseas markets. For what has easily become the strongest competitive sector in our national export posture can only benefit on balance from further freeing of trade. Our agricultural trade has been performing brilliantly: exports in fiscal 1974 (ending last June 30) were a remarkable $21.3 billion, or 25 percent of all American exports. And since farm imports were only $9.5 billion, this trade gave us an $11.8 billion surplus. Not only did it offset our deficit in non-agricultural commerce, but it helped turn around our trade position in a single year from deficit.

One of the reasons why the United States has pursued trade negotiations is that we have concluded that, while tariffs have generally come down around the world, the great variety of NTB's (or non-tariff barriers) that impede the flow of goods is stacked against us. For that reason NTBs are to be a major topic of the next GATT round. Our government has felt that we are more sinned against than sinning, and perhaps nowhere is this more evident than in agriculture.

Our trading partners have not hesitated to tell us that our farm exports keep growing and that they keep taking more and more of them, whenever we complain about their import barriers. Yet, if we compare our barriers with those of the European Community, we come out looking like free traders, which I happen to believe we are! According to the President's Special Trade Representative, Ambassador William Eberle, the European Community's variable levy—which provides unlimited protection and seriously limits many U.S. farm exports—protects over two-thirds of the Community's agricultural production.

Major American exports affected are feed grains, wheat, rice, poultry and eggs, pork and lard. The Community also grants preferential treatment to a growing number of countries, thereby discriminating against a wide variety of U.S. exports.

In Japan, on the other hand, import quotas affect our exports of beef, prepared meats, processed cheese, fruits and vegetables, wheat, rice, and barley, among others. Variable levies have been substituted in place of quotas on live pigs, ham and bacon. In the United States, by contrast, import quotas are now in effect for only five agricultural commodities—wheat for human consumption, cotton, peanuts, dairy products, and sugar (which is only technically under quota). We do have a meat import quota trigger mechanism, but it has been suspended for the past two years. I do not know how long it will stay that way, since President Ford has recently put temporary import quotas on Canadian beef and pork.

Freedom of trade, therefore, should benefit American agriculture perhaps more than any other nation, for it would enable us to increase the output and export of the products we grow more efficiently than anyone else. Our government has made clear that this time around we do not want to move ahead on negotiations in industrial products without parallel progress in agriculture. Failure to do so was one of the big disappointments of the Kennedy Round. Even if we succeed, however, we will have adjustments to make, since agricultural imports, particularly in dairy products, will increase. We will have to improve our import adjustment mechanism. Fortunately, the Trade Reform Act does provide such improvements, as well as authorize the President to negotiate an international safeguards code.

Where we need to be reasonable above all, however, in coming months, is on the issue of export restrictions. Nothing has done more to undermine our credibility with our trading partners than the very-short-lived restrictions we put on soybean exports in 1973. It was a decision taken in haste, perhaps even in panic, and it played right into the hands of protectionists in Europe and Japan who used it as an excuse to justify their own aims.

This challenge of export restrictions is so new that we have not yet fully digested its implications. One complication it raises is that export markets, like any other business relationship, are built slowly and laboriously. Because of the long distances usually involved and the frequent differences in language and culture, we are really building trust when we expand our exports. That does not develop quickly, and it can evaporate overnight through hasty and short-term oriented government actions.

A second complication is that the United States has been the world leader in the search for freer trade relations. If we stumble and fall, succumb to temporary pressures to keep scarce commodities at home rather than letting them be sold abroad, others can hardly be expected to sustain what has taken us forty years to build. Given our strength in agriculture, surely it will be our farm products that are hurt by such government actions.

A third point—and it is on the minds of our own trade negotiators—is that this time of shortages is an excellent period to persuade trade liberalization, since, obviously, there are few surpluses lying around to challenge importing nations. In fact, our trade negotiators see this as a reason to move as quickly as possible in the GATT talks, once the trade bill is enacted. They think we are in good position to exchange assurance to the Europeans and Japanese of access to our own farm supplies for the assurance that we can enlarge our own access to their markets for both farm and industrial products. This is no time, then, to tamper with our 40-year-old support of liberal trade policies.

Let me close by saying that the art of government is the art of reasonable compromises, not only between competing interests at home and abroad but between the present and the future. It is imperative that we do not sacrifice the real longer-term benefits of our proven policies for the sake of temporary expediency. This is especially true of export trade, and particularly that dealing with agricultural commodities.

NEW YORK CITY PAYS TRIBUTE TO MUHAMMAD ALI

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. RANGEL. Mr. Speaker, for many years Muhammad Ali has been one of the best-known sports figure in the world. He has often been described as one of boxing's alltime greats; his most dramatic victories have often come when he was a clear underdog and expected to be beaten badly. Declarations by experts that his best fights are behind him seem only to spur him on to additional outstanding performances. Even outside the boxing ring Muhammad Ali has proven himself a man who is willing to sacrifice and suffer adverse consequences rather than compromise his principles.

New York City recognized the champion's achievements by declaring Monday, December 9, 1974, to be Muhammad Ali Day by proclamation of Mayor Abraham Beame. The mayor presented Mr. Ali with the Bronze Medallion, the city's highest civic award, in noon ceremonies at city hall.

Mayor Beame said:

> It is a great pleasure for me to proclaim December 9th as Muhammad Ali Day in New York City. Muhammad Ali is one of the world's greatest athletes and this is one of the world's great sports towns. New Yorkers have followed his masterly performances and cheered him on with the rest of the world.

Based upon Muhammad Ali's achievements as an athlete as well as his position of leadership in the black community, I am confident that many of my colleagues in the House of Representatives join the citizens of our largest city in extending congratulations to Muhammad Ali on the occasion of the "Day."

FRANKING PRIVILEGES FOR CONSTITUENTS

HON. FRANK E. DENHOLM

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. DENHOLM. Mr. Speaker, the ideal of government is to serve the interest of the people but the ideas of the people are not always available to the officials of government.

We have the privilege of franking our responses to the requests of the people in our respective districts. However, the people do not have that same privilege available to them and they must pay increasing cost of informing their Members of Congress on issues of public interest.

We have made great effort to reform the procedures of the House of the People. Let us now reform the existing concept of communications and encourage the people to participate more fully in legislation.

Organizations and industries have full time staffs of trained personnel to inform us on issues of mutual interest and that is a tax deductible expense. Constituents, lacking the means to forward information to the Congress except by mail or telephone must pay for the privilege of addressing their legislative representative on issues of interest and separately they likely do not claim the cost as a tax deductible expense.

It is appropriate that legislation be enacted to provide free franking to the people that they may make known their support or opposition to legislation, inform the Members of Congress and the executive branch of our Government on all matters of public interest.

Mr. Speaker, I realize that this is not a large item of expense to our constituents individually but it will encourage a greater interest and participation by all of our citizens and some of them that can least afford the ever-increasing cost of postage in expressing their timely comments on legislation in progress.

FAREWELL TO H. R. GROSS

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. BAFALIS. Mr. Speaker, in the nearly 200-year history of this Republic, many great men and women have stood on these floors and worked diligently to protect the rights and liberties of the American people.

But, the American people have had few defenders like the man I pay homage to today. For the gentleman from Iowa has protected more than just our rights, our liberties and our lives. He has also protected our purses.

Those Members interested in spending the taxpayers hard-earned dollars always knew they would be called upon to defend their programs by the Honorable H. R. Gross. And they knew it would take a good defense—because my friend from Iowa has long had an uncanny knack for spotting the loopholes, the giveaways, and the waste.

As we look at our Nation under attack by the twin enemies of inflation and recession, I can only wish Mr. Gross had had more support in shooting down the giveaways and in curbing the spenders.

Mr. Speaker, every Member of Congress makes a contribution to his Nation, regardless of how slight. But few men had made the contribution Mr. Gross has made.

He will be missed. He will be sorely missed.

I only hope that we who will be here after he leaves will look at each and every measure that comes before us and ask ourselves, "What would H. R. say about this?"

If we do that, the one and only, the original "Watchdog of the Treasury" will always be with us.

SENATE—*Tuesday, December 17, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. James B. Allen, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson D.D., offered the following prayer:

Eternal Father, by whose providence we have been given this new day, help us to work as the Master worked, not for ourselves but for others, for the Nation, and for humanity. Make us true ministers of state, as followers of Him who promised that whoever gives his life for others shall find it again—enlarged, recreated, and made new. May the blessings of this holy season abound in these Halls and be manifested in our conduct and in our accomplishments, O Lord, our Light, our Helper, and our Friend. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., December 17, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James B. Allen, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, December 16, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES TAKE PLACE PRIOR TO THE HOUR OF 12 O'CLOCK NOON TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes prior to the hour of 12 o'clock noon today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This will give conference committees an opportunity to work on measures that are still in conference.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR COMMITTEE ON AGRICULTURE AND FORESTRY TO MEET DURING SENATE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be permitted to meet during the session of the Senate tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TRANSFERRING THE RESERVED TIME FOR SENATOR JAVITS TO SENATOR ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time that was reserved for Senator Javits be reserved for myself.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting Republican leader (Mr. Taft) desire recognition?

Mr. TAFT. No.

The ACTING PRESIDENT pro tempore. At this time the Chair recognizes the distinguished Senator from South Carolina (Mr. Hollings) for not to exceed 15 minutes.

PROPOSAL TO REDUCE FEDERAL EXPENDITURES

Mr. HOLLINGS. Mr. President, along with the distinguished Senator from Georgia (Mr. Nunn), the Senator from New Mexico (Mr. Domenici), the Senator from Florida (Mr. Chiles), the Senator from Oklahoma (Mr. Bartlett), and the Senator from Kentucky (Mr. Cook) we are submitting this morning for the consideration of the Senate a budget cut of approximately $3.2 billion in outlays, and $6.4 billion in new budget authority.

The U.S. Congress, on its own initiative, during the consideration of the various appropriations bills this year has already cut in outlays some $2.1 billion, and $4.5 billion in controllable authority. This is an additional amount to approximate just exactly what the President of the United States has asked for since the election in November.

He appeared on TV, and then later before the Business Advisory Council, and asked for four things, in the main: the confirmation of Mr. Rockefeller as Vice President; the public service employment program, plus an increase in unemployment compensation; a trade bill to help us out of this recession; and righting the balance of trade deficits that we have been experiencing. And, most of all, he asked for about a $4.6 billion cut in the budget.

Now, Mr. President, I was prepared, before I beseeched my colleagues to join in this particular initiative, to put my name on the President's request. I figured that the matter of the partisanship on the budget, inflation, and recession ended at the water's edge. The country was in too serious trouble to have your particular solution to the problem. If it was near right, even though all of us could find some defects in every particular proposal, I wanted to submit it for the President and get a vote on it and help in every way.

In reviewing with several authorities the $4.6 billion proposal of the President of the United States, I find you cannot get there from here. I find it impossible, I find it totally unrealistic. It calls for formative changes in the social security law, the matter of contributions for the food stamps by the elderly and the senior citizens. It calls for changes in the National Guard, in the Reserve. It is a mixture of rescissions, deferrals—in fact, at this point in time, which is a good White House expression, Mr. President, that particular proposal by the President of the United States has not been submitted.

Not a single item has been passed, obviously. It had not been proposed, and the reason, of course, is its impracticability to really submit all that as a program, and in one vote.

Now, the Senate experienced this particular problem back in 1967 and worked at long length during September, October, and November. We worked with the President, the old Bureau of the Budget, with the House Appropriations Committee, with the Senate Appropriations Committee, and we devised this joint resolution which I submit now for the Record and ask unanimous consent that it be printed for easy reference.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

[Public Law 90–218, 90th Congress, H.J. Res. 888, Dec. 18, 1967]

Joint Resolution Making Continuing Appropriations for the Fiscal Year 1968, and for Other Purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of October 5, 1967 (Public Law 90–102) is hereby amended by striking out "October 23, 1967" and inserting in lieu thereof "December 20, 1967".

TITLE II—REDUCTIONS IN OBLIGATIONS AND EXPENDITURES

Sec. 201. In view of developments which constitute a threat to the economy with resulting inflation, the Congress hereby finds and determines that, taking into account action on appropriation bills to date, Federal obligations and expenditures in controllable programs for the fiscal year 1968 should be reduced by no less than $9 billion and $4 billion, respectively, below the President's budget requests. The limitations hereafter required are necessary for that purpose.

Sec. 202. (a) During the fiscal year 1968, no department or agency of the Executive Branch of the Government shall incur obligations in excess of the lesser of—

(1) the aggregate amount available to each such department or agency as obligational authority in the fiscal year 1968 through appropriation acts or other laws, or

(2) an amount determined by reducing the aggregate budget estimate of obligations for such department or agency in the fiscal year 1968 by—

(i) 2 percent of the amount included in such estimate for personnel compensation and benefits, plus—

(ii) 10 percent of the amount included in such estimate for objects other than personnel compensation and benefits.

(b) As used in this section, the terms "obligational authority" and "budget estimate of obligations" include authority derived from, and estimates of reservations to be made and obligations to be incurred pursuant to, appropriations and authority to enter into contracts in advance of appropriations.

(c) The references in this section to budget estimates of obligations are to such estimates as contained in the Budget Appendix for the fiscal year 1968 (House Document No. 16, 90th Congress, 1st Session), as amended during the first session of the 90th Congress.

Sec. 203. (a) This title shall not apply to obligations for (1) permanent appropriations, (2) trust funds, (3) items included under the heading "relatively uncontrollable" in the table appearing on page 14 of the Budget for the fiscal year 1968 (House Document No. 15, Part 1, 90th Congress, 1st Session), and other items required by law in the fiscal year 1968, or (4) programs, projects, or purposes, not exceeding $300,000,000 in the aggregate, determined by the President to be vital to the national interest or security, except that no program, project, or purpose shall be funded in excess of amounts approved therefor by Congress.

(b) This title shall not be so applied as to require a reduction in obligations for national defense exceeding 10 percent of the new obligational authority (excluding special Vietnam costs) requested in the Budget for the fiscal year 1968 (House Documents Nos. 15, Part 1, and 16), as amended during the first session of the 90th Congress: *Provided,* That the President may exempt from the operation of this title any obligations for national defense which he deems to be essential for the purposes of national defense.

Sec. 204. In the administration of any program as to which (1) the amount of obligations is limited by section 202(a)(2) of this title, and (2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution, the amount available for obligation as limited by that section or as determined by the head of the agency concerned pursuant to that section shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

Sec. 205. To the maximum extent practical, reductions in obligations for personnel compensation and benefits under this title shall be accomplished by not filling vacancies. Insofar as practical, reductions in obligations for construction under this title may be made by stretching out the time schedule of starting new projects and performing on contracts so as not to require the elimination of new construction starts.

Sec. 206. The amount of any appropriation or authorization which (1) is unused because of the limitation on obligations imposed by section 202(a)(2) of this title and (2) would not be available for use after June 30, 1968, shall be used only for such purposes and in such manner and amount as may be prescribed by law in the second session of the 90th Congress.

Approved December 18, 1967.

LEGISLATIVE HISTORY

House reports: No. 785 (Comm. on Appropriations) and No. 1011 (Comm. of Conference).

Senate Report No. 672 (Comm. on Appropriations).

Congressional Record, Vol. 113 (1967):

Oct. 18, Dec. 11: Considered and passed House.

Oct. 23–25, Dec. 12: Considered and passed Senate.

Mr. HOLLINGS. Mr. President, that is Public Law 90–218, a little joint resolution of a page and a half at most, and signed into law on December 18, 1967.

I think that is about where we are right now, December 17, today. This, in essence, brought about the establishment of budgetary reserves of more than $6 billion by a formula employed requiring a 2-percent cut in personnel compensation and benefits and a 10-percent cut in other controllable obligations, but allowing a flexibility by a department head, as to the personnel or other controllables to be affected. The amount was the key figure in the entire formula.

Trust funds were not disturbed, uncontrollables were not disturbed. An emergency fund of $300 million for the President was included, and already started up by the various departments where concerned, and in this particular amendment by being asked to be stretched out. All of this is included in our proposal.

I think at this point to show the similarity we will submit our amendment just to be printed and later submit it, hopefully, on some continuing resolution on one of the appropriations bills like foreign aid.

I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 2089

On page , line , insert the following:

Sec. 201. In view of the developments which constitute a threat to the economy with resulting inflation, the Congress hereby finds and determines that, taking into account action on appropriation bills to date, Federal obligations and outlays in controllable programs for the fiscal year 1975 should be reduced by no less than $10.9 billion and $5.45 billion, respectively, below the President's budget request. The limitations hereafter required are necessary for that purpose.

Sec. 202 (a) During the fiscal year 1975, no department or agency of the Executive Branch of the Government shall incur obligations in excess of the lesser of—

(1) the aggregate amount available to each such department or agency as obligational authority in the fiscal year 1975 through appropriation acts or other laws, or

(2) an amount determined by reducing the aggregate budget estimate of obligations for such department or agency in the fiscal year 1975 by—

(i) 2 percent of the amount included in such estimate for personnel compensation and benefits, plus

(ii) 10 percent of the amount included in such estimate for objects other than personnel compensation and benefits.

(b) As used in this section, the terms "obligational authority" and "budget estimate of obligations" include authority derived from, and estimates of reservations to be made and obligations to be incurred pursuant to, appropriations and authority to enter into contracts in advance of appropriations enacted in fiscal year 1975.

(c) The references in this section to budget estimates of obligations are to such estimates as contained in the Budget Appendix for the fiscal year 1975 (House Document No. 93–265, 93rd Congress, 2nd Session), as amended during the second session of the 93rd Congress.

Sec. 203. (a) This title shall not apply to obligations for (1) permanent appropriations, (2) trust funds, (3) items included under the heading "relatively uncontrollable" in the table appearing on page 39 of the Budget for the fiscal year 1975 (House Document No. 93–265, Part 2, 93rd Congress, 2nd Session), and other items required by law in the fiscal year 1975, or (4) programs, projects, or purposes, not exceeding $300,000,000 in the aggregate, determined by the President to be vital to the national interest or security, except that no program, project, or purpose shall be funded in excess of amounts approved therefor by Congress.

(b) This title shall not be so applied as to require a reduction in obligations for national defense exceeding 10 percent of the new obligational authority requested in the Budget for the fiscal year 1975, as amended during the Second Session of the 92nd Congress: *Provided*, That the President may exempt from the operation of this title any obligations for national defense which he deems to be essential for the purpose of national defense.

Sec. 204. In the administration of any program as to which (1) the amount of obligations is limited by section 202(a)(2) of this title, and (2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution, the amount available for obligation as limited by that section or as determined by the head of the agency concerned pursuant to that section shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

Sec. 205. To the maximum extent practical, reductions in obligations for personnel compensation and benefits under this title shall be accomplished by not filling vacancies. Insofar as practical, reductions in obligations for construction under this title may be made by stretching out the time schedule of starting new projects and performing on contracts so as not to require the elimination of new construction starts.

Sec. 206. The amount of any appropriation or authorization which (1) is unused because of the limitation on obligations imposed by section 202(a)(2) of this title and (2) would not be available for use after June 30, 1975, shall be used only for such purposes and in such manner and amount as may be prescribed by law in the first session of the 94th Congress.

Mr. HOLLINGS. Now, Mr. President, we have a limited time and I am not going into a full discussion this morning because I have many other colleagues who wish to be heard, but what is the target?

The target is to get the Government out of the money market, to diminish, if at all, some borrowing by the U.S. Government.

I am trying to give an accurate figure. I know it is a little over $50 million, and I have heard one figure of $100 million ongoing, to keep this Government moving.

We know from Secretary Simon that the Government pays $31.5 billion alone in interest, just interest payments on the national debt, which approximates right now about $490 billion.

There are those who say, "Oh, you are Johnny come latelies; you are trying to fight inflation when recession is the problem, almost depression. It is a silly thing; on the one hand stop over here and cut Government personnel and then on the other hand once you have got them unemployed, put in a public service employment program to reemploy them over here."

Of course, that was not the experience in 1968 when we implemented this law passed in 1967.

For some miraculous reason, Government does not work that way. Its employment just goes up, up, up and away.

The real culprit is the soaring expenditure programs where it took this United States of ours some 100 years, 185 years, to reach a $100 billion budget in 1962. By 1971, 9 years later, we had reached the $200 billion, or the additional $100 billion figure, and then it took us only 4 years to reach that $300 billion figure.

I remember well the debate last year: Could we hold expenditures to $268.9 billion? And the U.S. Congress did.

We are talking about a budget in the realm of $305 billion. So we are not being confiscatory, but just trying to stop the growth rate that jumps by $35 billion. We would cut back somewhere to $25 or $30 billion.

Get the Government out of the money market and allow free enterprise capital to participate in housing and all the needed programs to stop the recession.

Mr. NUNN. Will the Senator from South Carolina yield for a couple of questions?

Mr. HOLLINGS. I am delighted to yield to the Senator.

Mr. NUNN. Is it true that in 1973 the Federal Government, in terms of all Federal spending, actually borrowed almost 60 percent of all the available capital in this Nation?

Mr. HOLLINGS. Senator, I am sure it is 60, I have heard reported—I am having it verified—I believe 62 percent total available capital was borrowed by the U.S. Government.

Mr. NUNN. Is it not also true that in the last 20 years, the only year we had anywhere near a balanced budget was 1960; I would also ask the Senator whether the question of recession was one that was determined by deficits; in other words, if we could spend our way out of recessions or avoid recessions by deficit financing, then we would not have had a recession in this country for the last 30 years, would we?

Mr. HOLLINGS. We certainly would not have.

Mr. NUNN. And certainly we would not be in a recession now if deficit spending was what kept us going, or got us out of one. We have spent $100 billion more than we have taken in in the last 5 years.

It is incredible to me, and I would like the Senator's comments that right now we have proposals throughout this Congress which are reaching back to 1930 for remedies for a situation that is entirely different, when we have inflation having caused the loss of consumer confidence, and the loss of consumer confidence having caused the recession, and then trying to spend our way out of it.

I ask the Senator if that is going to produce any kind of solution or if it is not going to simply cause a further dilution of consumer confidence and put us right back on the vicious circle we have been on for some period of time?

Mr. HOLLINGS. No one suggests we can spend our way out of that.

We have been like a drunk on an economic binge. We are going to have the pains of a hangover, like it or not. But no one in his right mind suggests giving the drunk another drink.

The distinguished Senator from Georgia has long been a student in the field of government, long before he came to the U.S. Senate. He has seriously approached this matter. I observed him on the Budget Committee and in other work here, and he has been tremendously helpful in bringing this into focus.

As the Senator points out, our inflation, our recession, depression, or stagflation, whatever they want to characterize it, is inflation induced by high Government spending.

Mr. NUNN. We are going to have to take certain crucial steps. I am sure the Senator from South Carolina, the Senator from Florida, the Senator from Oklahoma, and the Senator from Georgia, are of the opinion that we have to take certain steps to ease the short-term difficulties, particularly for the unemployed at the bottom of our economic totem pole. These programs are going to cost money. If we pay for these programs out of the real revenue of the United States of America, we must find a way to pare down our budget.

We have to take these crucial steps to help the unemployed and the people really suffering from this stagflation, or whatever we want to call it. In doing that, we must find a way to cut some fat out of Government—and believe me, we have fat in the Government. We must try to pare at least a large part of the bill that is going to be charged to the American taxpayers because of the emergency relief measures that our economy calls for.

I believe that is what the Senator is pointing out. We must cut excess Federal spending to prevent us from getting right back on this treadmill and vicious circle that would really cause more inflation, less consumer confidence and deepen our already very serious recession.

Mr. HOLLINGS. The Senator is correct. This is not unemployment insensitivity. On the contrary, we are being very sensitive. We are voting for the public service employment programs, increases in unemployment compensation, the fallout from the recession. But we mean to take care of that out of the revenues and not increased deficit spending, which would take those in employment and further exacerbate their dilemma where they could not pay their bills. They would lose their homes, it would cause further bankruptcies, further foreclosures, and further unemployment.

The ACTING PRESIDENT pro tempore. The time of the Senator from South Carolina has expired.

Mr. CHILES. Mr. President, I yield such time as the Senator desires.

Mr. HOLLINGS. Let me yield to the Senator from Georgia.

Mr. ROBERT C. BYRD. Mr. President, who is next in line?

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished Senator from Oklahoma.

Mr. ROBERT C. BYRD. Will the Senator from Oklahoma yield for about 30 seconds?

Mr. BARTLETT. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to yield my 10 minutes to the Senator from Georgia.

Mr. NUNN. I thank the Senator from West Virginia.

I believe I can summarize my remarks. I commend the Senator from South Carolina, not only for the interest he has displayed this morning, but for his constant efforts in the last several years, particularly during the years I have been in this body, to try to bring about a realistic, long-range and prudent policy of fiscal restraint on the part of Congress.

Our economy is now caught in a vicious circle. We have an extended period of rampant inflation produced by several factors: Increased cost of food and energy; an overly expansionary money supply during late 1971 and all of 1972; and a continued pattern of deficit financing.

Instead of attempting to gradually increase the money supply and, at the same time, bring our Federal budget into balance, our Government continued—faced with this crippling inflation—to finance our budget, not from revenues, but by continued Federal borrowing, causing additional inflation.

Now, as we begin to close the circle, we see continued inflation and worsening recession. I fear we are about to retrace our steps and thus continue in our circular pattern.

If deficit spending could keep us out of a recession, we would not be in one today. We must take a balanced approach. While providing needed unemployment benefits for those out of work and looking carefully at possible tax cuts for the lower income taxpayer, we must also make every effort to pay for these additional costs by cutting the fat from our huge Federal budget.

We must use commonsense and good judgment in stimulating the segments of our economy that are depressed. A revitalization in these areas can help restore our economic system without disasterous inflation.

Mr. President, I reject the notion that 1930 remedies will correct 1974 economic problems that are of a different nature. Consumer confidence and consumer purchasing have been eroded not by balanced budgets, but rather by extended double digit inflation. We can spend billions of additional dollars but the consumer confidence that has been so badly shaken will not be restored until the American public sees a stabilization of prices and a consistent long-range policy on fiscal prudence emerging in Washington.

In my opinion, elimination of excessive Government spending and reduction of Federal deficits is needed to control inflation while helping to lift us out of the present recession. To tell the public that cutting Federal spending is not possible as inflation is cutting their spending power, is acting very irresponsibly. Realistically, nobody expects the budget to be balanced this year. Yet the American public expects the administration and Congress to hold budget deficits to the lowest possible levels. The amendment that my colleagues and I are offering today is designed as just such an approach. This proposal is not a chopping-block approach, but rather a planned method that has proven successful in the past in reducing our deficit. The amendment is based upon an identical provision in the continuing resolution of 1968. It provides that the budget authority of the various departments and agencies would be reduced by a formula requiring a 2-percent reduction in personnel obligations and 10-percent reductions for contractural services, supplies, capital acquisitions, grants, and so forth.

The Appropriations Committee has already made various reductions and these would be reflected in the formula. In cases where the committee reductions have been substantial—such as the State Department and Defense Department—the reduction formula would have only minimal effect. The end effect of this amendment would be reduction of new outlays and new budget authorities by $3.5 billion and $7 billion. These reductions are in addition to the $2.1 billion in outlays and $4.5 billion in controllable authority that have already been deleted by the Appropriations Committee.

Mr. President, my colleagues and I are convinced that this amendment is a far more workable and realistic approach than the long shopping list of recommended recisions and deferrals submitted by President Ford on November 26.

As a practical matter, the President's proposals would require considerable time to enact. Many of his proposed recisions would not be enacted because they impact too heavily in the area of social programs which are needed to assist the elderly and low- and middle-income Americans who suffer the most in this current economic climate.

We must not forget that our Nation has run a budget deficit for 17 of the past 20 years. The last fiscal year in which the budget was balanced was 1960. Since that time, the Federal deficit has varied from a low of $4.1 billion in 1961 to a high of $30 billion in 1971.

This reckless course of spending dollars—which some seem to believe come from a bottomless pit—has meant that the Federal Government has become the Nation's biggest borrower. In 1973, our Government borrowed 60 percent of all the available capital. In doing so, it contributed greatly to drying up the available credit supply. Private borrowing for such things as housing, business construction, and capital expansion in industry has been exceedingly difficult in recent months. This credit crunch has a devastating effect on private enterprise. We are now seeing the results in our severely weakened economy and our shortages of supply of key materials.

If we are able to adhere to a policy of reasonable fiscal restraints, and if the Federal Reserve Board eases its overly restrictive monetary policy, we can expect inflation and the tight money situation to gradually abate. Credit is already becoming more available. However, if in order to temporarily ease recessionary pressures we abandon all fiscal restraint, then we can expect a new wave of inflation.

Mr. President, it is my opinion that we should follow the policy of reasonable fiscal restraint as embodied in our amendment. In addition, we should take limited and appropriate action in areas of our economy which are particularly hard hit. I believe that we have recently done this in passing the program for public service employment and special unemployment benefits. These public employment jobs are emergency measures which are not permanent and will not compound Federal expenditures year after year after year.

I believe that a policy of reasonable fiscal restraint will help lower interest rates and will have a dramatic effect in stimulating economic recovery. If fiscal restraint is employed, I believe that much needed capital will be made available to our depressed segments—such as housing and construction—without causing an additional round of inflation next year.

Mr. President, I yield to the Senator from Florida whatever time he needs. I would like to commend the Senator from Florida and the Senator from Oklahoma, as well as the Senator from New Mexico—who is not present in the Chamber—for their diligent efforts in trying to bring about a reasonable, commonsense policy.

I am pleased to join in this colloquy and proposal with the Senator from South Carolina and my other colleagues this morning. I hope it will receive the serious consideration of the Senate.

Mr. CHILES. I thank the Senator from Georgia.

With the indulgence of the distinguished Senator from Oklahoma, I would like to ask the distinguished Senator from South Carolina, who introduced this proposal which I am delighted to cosponsor, this question. Following up on the colloquy that he was having with the Senator from Georgia, I would like to ask if it is not also true that if we want to try to have any kind of a tax incentive, which many of the people are now telling us is going to be necessary if we are going to try to get capital to come back—and we need to increase the accelerated depreciation or the capital writeoff to go to 10 percent—if we need to give some kind of a tax break to the lower- and middle-income people to restore their confidence.

If we are going to do some of those items without having a terrible loss of revenue, without having a terrible deficit to face us, which, again, would trigger the fuels of inflation—and we have seen what double-digit inflation does in this country—then we also have to try to find some way to curb the appetite of the Federal bureaucracy that we see growing in leaps and bounds.

I would like to ask if this is an effort to do that.

Mr. HOLLINGS. The tightrope to be walked is that of trying to curb that appetite, to cut back at the Government level and, of course, increase the funds in the private sector so that the economy can get moving. There could be an investment credit. There could be a tax cut for the low- and middle-income bracket class.

There have been proposals amounting to anywhere from $20 to $30 billion in various measures to satisfy the recession-depression problem. If we launch out in that particular field in the beginning of 1975, I think it is a good time of the year to follow through with President Ford's suggestion in a valid manner, one which we have already tried and found true by 74 percent of the Senate voting for this in 1967, when we were already into the fiscal year some 5 months.

Let us cut down and lean up the body politic in order to be able to be in condition to receive these proposals to satisfy the problems of recession here in 1975.

Mr. CHILES. I think over 74 percent of this Senate has voted to hold spending down to a figure really lower than what we are talking about now, when we were talking about the $300 billion figure. So this Senate, in addition to the 1967 Senate is on record, as I recall, on more than one occasion for doing this. Now we are asking to sort of fulfill the commitment and giving an instrument in a way to fulfill that commitment.

Mr. HOLLINGS. We are bipartisan in this effort. We are not trying to be tested. But the temptation is there. I say to my colleagues all, "Put your money where your mouth is." We have heard this talk and have gotten by the election on November 5. Now let us deliver. The President has suggested this. There has been no real followthrough on the complex program of the President. The hour is short. We only have another week.

Here is a proposal, tested and true, that can be considered. I am sure the Senator from Florida and I intend to submit it first to the Appropriations Committee at a meeting sometime this week, and then try to affix it onto an appropriate measure, a measure coming from the House, or a continuing resolution.

Mr. CHILES. I know the Senator joins in this group in making sure that we set forth, as the distinguished Senator from South Carolina said, that we are not trying to use a meat ax. We are not unmindful of the fact that there are steps that we have to take at this time, because we are in a recession, steps to try to stimulate the economy in any way we can.

We are not coming in and saying we recognize the problem is recession rather than inflation, and we just have to go in and cut and cut spending. We are trying to talk about giving us the room so that we can get into the innovative programs, as we can find them, to discover how to start the juices of the economy going again.

It seems that when we talk about the 2-percent reduction in employment, as I understand what happened in 1967, that did not cut any jobs or any employment. Actually, Government employment went up in the next year.

We are talking about lapses now, in many instances. We are talking about whether they are going to continue hiring practices as fast as they have been continuing them. What we are saying is we are not going to lay off somebody who is in the Government now, because we are allowing that flexibility in the program.

When we passed this public service employment program that we have already passed in the Senate, we say to somebody who has been laid off of a job in private industry, because of the recession, "We are going to try to help you out, but we are not going to do that by putting a yoke and a burden on you forever, a public debt. We are going to try to hold back some of the growth of this Federal bureaucracy and not hire people as fast and as wantonly as we have done in the past. We are going to try to let that be the way that we are going to take care of you during this crucial period when you cannot find a job. That is how we are going to try to help you, and at the same time not put this burden of the national debt on your back so it will be higher and higher; so that the interest will be higher and higher; so that there will be no money for housing. Money will come out of our private savings and loans and our banks, because of high interest we have to pay on Government bonds."

We are saying, "We are just going to try to curb this appetite a little bit so that we can provide room for these programs."

Mr. NUNN. I believe the Senator from Florida has made a very good point about the compensation. We are not really talking about job slots, even if authorized. In the proposal we are talking about the compensation There are a lot of ways that can be thought of to reach the compensation without even eliminating slots, whether or not there are poeple in those slots. The Senator from Florida also made another very good point, which is one of the real reasons that I think this is a proper method. That is that the public employment jobs we are talking about now are, at least hopefully, of a temporary measure, with certain triggering measures.

They are not a permanent part of the Federal expenditure that will be compounded year after year or added onto year after year, but they are an emergency countermeasure to deal with the crucial problem we have.

So on the one hand we are trying to do something about a continuing foundation from which other employment and other bureaucracy grows and grows, while at the same time we are in favor of providing the essential emergency jobs that are absolutely necessary for those deprived of gainful employment.

Mr. CHILES. The Senator is correct. That is the thrust of what I was trying to get to and the point I was trying to make: that this is a temporary measure, and we are trying to find a way of doing it.

Every day I pick up the paper and read about the situation with respect to every county and every municipal government. See what the State of New York is doing. They are having to cut back, and they are trying to cut back. One reason is that they do not have the privilege of the deficit of the printing press, by which they can crank out money, and they see that their revenues are going down.

As the distinguished Senator from South Carolina knows, we are getting testimony every day at the budget committee that our revenues are going to go down. As our productivity declines, as the output declines, as the GNP declines, as our unemployment increases, our revenue goes down. At the same time, because of the programs we have that take care of people who are unemployed right now, welfare has to go up, medicaid has to go up, food stamps have to go up. All those programs are going to go up, while revenue is going down.

If we allow Government to continue to grow at the rate it is growing and the bureaucracy is growing, I do not know what we are going to do. There will not be funds to take care of the unemployed people and to give them anything. So we have to find that somewhere.

Mr. President, I congratulate the Senator for his initiative, and I am delighted to be a cosponsor and to join the other Senators in this regard.

I yield whatever time I have remaining to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the Record a schedule of the cuts entitled "Estimated Effect of Reductions in Obligations."

There being no objection, the schedule was ordered to be printed in the Record, as follows:

ESTIMATED EFFECT OF REDUCTIONS IN OBLIGATIONS

[In millions]

Department or agency	Budgeted controllable obligations from 1975 new budget authority [1] (1)	Reductions in obligations arising from extra congressional actions other than in H.J. Res. — (estimate) (2)	H.J. Res. — additional reductions (estimate) (3)	Total reductions (estimate) (4)	Revised obligations (estimate) (5)
Civilian programs:					
Agriculture	$6,116	+$17	$550	$533	$5,583
Commerce	1,525	26	83	109	1,416
Corps of Engineers	1,616	+86	197	111	1,505
Health, Education, and Welfare	$15,714	+$766	$2,315	$1,549	$14,165
Housing and Urban Development	2,693	32	221	253	2,440
Interior	2,996	62	116	228	2,768

Footnotes at end of table.

ESTIMATED EFFECT OF REDUCTIONS IN OBLIGATIONS—Continued

[In millions]

Department or agency	Budgeted controllable obligations from 1975 new budget authority[1] (1)	Reductions in obligations arising from congressional actions other than in H.J.-Res. — (estimate) (2)	H.J. Res. — additional reductions (estimate) (3)	Total reductions (estimate) (4)	Revised obligations (estimate) (5)
Civilian programs—Continued					
Justice	$2,141	$58	$83	$141	$2,000
Labor	2,469	+354	589	235	2,234
State	629	38		38	591
Transportation	3,229	246	25	271	2,958
Treasury	2,307	48	174	222	2,085
Atomic Energy Commission	3,057	56	236	292	2,765
Environmental Protection Agency	695	35	33	68	627
General Services Administration	293	+13	38	25	268
NASA	3,247	36	243	279	2,968
Veterans' Administration	4,356		369	369	3,987
Economic Assistance	$2,198		$211	$211	$1,987
Civil Service Commission	3,178	$2	209	211	2,967
Other civilian programs	6,247	101	359	460	5,787
Interfund transactions	−7,075				−7,075
Exceptions			+300	+300	300
Subtotal	57,631	+496	5,801	5,305	52,326
Defense and Military Assistance	86,766	4,966	601	5,567	81,199
Total	144,397	4,470	6,402	10,872	133,525

[1] In President's budget as estimated by OMB; excludes effect of budget amendments.

Mr. HOLLINGS. Mr. President, this schedule has been drawn up in a most deliberate and careful fashion. This is not a last-minute Christmas week thought. We pointed this out in May and June, in the various debates we had.

These figures were drawn up as follows: The first column is the President's budget of controllables, which was submitted in January. In the second column are the voted cuts that Congress agreed on, in both Houses, signed into law by the President. The third column shows the additional cuts which this amendment would make. The next column shows the proposed cuts together with the voted cuts. The final column shows the results thereof.

There is some dispute about some of these figures. We have developed our best estimate from the Office of Management and Budget figures. It took a great deal of work as the information is not that readily available. We sought counsel within our own appropriations committee, the various counsel for the subcommittees, to seek verification.

In one instance, the figure on transportation, the OMB tells us that it uses one figure. We in the Senate feel that they are including within that figure some trust funds. So we have used the figure without the trust funds.

Again, on the matter of cuts by Congress, we are not trying to take credit for those that we call "funny money."

For example, when the Health, Education, and Welfare Subcommittee marked up its particular measure, it voted a tremendous diminution in the amount of welfare money. We prided ourselves on the great cut made in HEW's budget, when the truth is that we know we are going to have to pay out more money than was actually provided in the bill for welfare funds.

So we have tried to use the best figure, the conservative figure, or the OMB figure, as best we could. A great deal of work has been put into this, and there is a very good precedent for it.

Mr. President, I yield to the distinguished Senator from Oklahoma.

Mr. BARTLETT. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Oklahoma has 10 minutes.

Mr. BARTLETT. Mr. President, I am pleased to be a cosponsor of the amendment of the distinguished Senator from South Carolina (Mr. HOLLINGS) to reduce overall Federal expenditures during fiscal year 1975 by $3.6 billion.

The distinguished Senator is a former Governor of South Carolina, and I know he shares with me the strong contention that adhering to a budget in a much narrower way than this Government has done increases the productivity of Government as well as stretches the tax dollar and creates a stronger economy.

So I think the results of the proposed legislation will be good both for the country, from the point of view of stopping the large amount of spending that has fueled the fires of inflation, and at the same time will result, hopefully, in more efficient Government coming from Washington.

During the last year, we have heard a great deal of talk on the floor of the Senate about cutting back on Federal spending. I doubt if there is a person in the Chamber who does not think the Government spends too much money. Regrettably, we have heard a great deal of talk, but no action. The people in my State will be surprised if the proposal of the Senator from South Carolina is passed. Yet, I think that the chances of it being attached to an appropriate bill are very good, and I hope this will be the case.

It will go a long way to restore confidence in Government and, at the same time, confidence in our economic system. It is just a step. It certainly is not a solution to our problems, but I think it would show a concern by Members of Congress to face up to the problem and to cut spending.

It now appears that our deficit at current spending levels will be at least $13 billion. Some are projecting it to be as high as $25 billion. It is unbelievable to me that the Federal Government can continue to impose this kind of burden on the American taxpayer. It is my contention that it is a lack of responsibility when the Government does this.

The record of Federal deficits in recent years is dismal at best. In the 15-year period from 1954 to 1969, Mr. President, the Federal deficit rose by $97 billion. In the 5 years since then, the deficit has increased by $130 billion. In 1961, the entire Federal budget was $100 billion, and this figure has more than tripled just 13 years later, in 1974.

Mr. President, the measure introduced by the distinguished Senator from South Carolina should be passed unanimously by this body. A $3.6 billion reduction in a $300 billion-plus budget is modest; and under the formula provided in the amendment, the cuts will be fairly parcelled out among the various departments of Government.

Mr. President, until this Congress does something positive, and not just more bandaids about our inflation, the American people deserve to continue their disdain for the Federal Government and Congress in particular. Our annual rate of inflation is now in excess of 12 percent; much of this can be directly attributed to a Govenrment which spends more than it takes in. Secretary of Treasury William Simon said in a recent speech:

> The huge deficits we experienced in the 60's and 70's added enormously to aggregate demand for goods and services and have been directly responsible for upward price pressures.

Incidentally, the speech by Secretary Simon is an excellent appraisal of our economic condition, and I ask unanimous consent that it be printed in full in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

DEALING WITH INFLATION AND RECESSION

(By Treasury Secretary William E. Simon)

The American people are apprehensive about our economy. To a degree, many of the fears are well-founded, reflecting as they do the severe inflation we have in our country and the recession that is going on simultaneously.

As serious as the problems are, however, the gloom seems to be much more widespread and deeper than is really warranted by current conditions.

At least one cause of this pessimism appears to be two myths about our economy that have taken hold and which complicate our efforts to develop responsible and effective policies.

The first myth has it that we don't know how we got into economic trouble and the second is that we don't know how to get out of it.

To start with myth No. 1, let's identify the reasons for our current inflation.

First, for more than a decade the Federal government spent more than people could afford and more than people were willing to pay for. The thinking appeared to be that all of the social problems in this country could be solved just by throwing money at them. As a result, we created an enormous explosion in Federal spending. The Federal budget doubled from $134 billion in fiscal 1966 to $268 billion in fiscal 1974. While our Federal budget was $100 billion in fiscal 1961, this fiscal year it is over $300 billion.

From 1955 to 1965 when we had noninflationary growth in our economy, Federal spending increased at the rate of approximately 6 per cent a year. It was more than 11 per cent on an annual average in the decade 1965 to 1974. When the Federal budget runs a deficit year after year, especially during times of high economic activity such as the mid-sixties, it becomes a major source of financial and economic instability.

The huge deficits we experienced in the sixties and seventies added enormously to aggregate demand for goods and services and have been directly responsible for upward price pressures.

Heavy borrowing by the U.S. Treasury has also been an important factor contributing to the persistent rise in interest rates and to the strains that have developed in our financial markets.

Secondly, monetary policy has been a major inflation culprit. For a decade we have had far more monetary expansion and stimulus than was needed to sustain reasonable economic growth. Money supplies have expanded at a rate of more than 6 per cent annually since 1966 versus 2.5 per cent in the preceding decade.

Again, there should be no surprise that prices have exploded as they have.

Third, we have been unwilling to modify or eliminate Federal regulations and other policies that encroach upon the efficiency and growth of free markets. A prime example is regulation of the price of natural gas at the wellhead, which has caused severe shortages not only of natural gas but of fertilizer, for which gas is a key production item.

Fourth, we have encountered problems outside of our control, such as the unprecedented series of crop setbacks in 1972 and 1974 which led directly to food shortages and high prices. Bad weather is one of the few things you can't blame your government for.

Fifth, we have witnessed an explosion—a quadrupling—of oil prices in a year. And what many people don't realize is that oil isn't just a commodity that you put in your automobile. Oil is used to make most of the products we use today—from your toothbrush to your plastic cup to the steering wheel of your car to petrochemicals for fertilizers.

Sixth, the simultaneous boom that was going on in all of the industrialized nations over a period of two years caused extraordinary international demand for commodities of all sorts.

Seventh and finally, our recent bout in 1971–73 with wage and price controls created distortions and scarcities across the economy. This proves once again that controls not only don't work but also eventually make inflation and unemployment worse. Those who suggest wage and price controls today are guilty of having bad memories and little ability to analyze economic developments.

All of these seven factors I have discussed have combined to give us the worst peacetime inflation we have ever had in our history.

Inflation has been a primary cause of the recession we are now experiencing. To see that, let's look at two of the weakest sectors in our economy—housing and consumer spending. It was inflation that caused interest rates to boom and mortgage money to dry up and thus triggered the severest slump in housing in our history. And high prices caused the sharp drop in consumer confidence.

Myth No. 2 is that we don't know how to get out of this mess.

First, we must recognize that there are no quick solutions, no magic wands, no instant programs that can be quickly put into place. We must be serious about curing the causes of inflation and not just deal with its symptoms, as we have so often in the past.

What do we do about it?

We are trying to moderate fiscal or budgetary policy. We are trying to slow the monumental growth in Federal spending.

We recognize, too, that massive Federal spending now would not really cure the sluggishness in our economy. It is a blunt instrument that usually takes effect after the rebound has started and only contributes to more inflation later. That is what we have experienced with the stop-and-go policies of the past 10 years—policies that had been designed to cure the problem and yet, for political and other reasons, were dropped halfway through.

Let us not lose the present opportunity to lick inflation.

Because of excessive Federal spending, the Federal Reserve Board and tight monetary policies have had to bear the brunt in our battle against inflation. With more moderation on the government spending side, monetary policy could be more accommodating in terms of money supply. The goal is to have a moderate monetary policy that supports economic growth but does not create excessive stimulus.

What we seek is the proper balance between monetary and fiscal policy.

Also, we have asked the Congress to set up a commission to study and propose reforms in government regulatory policies that interfere with free competition in the marketplace.

We have embarked on a policy of all-out production of farm commodities for the first time in modern political history. Before, we had government land set-asides and crop subsidies. Impediments to production have been removed and, given half a break in the weather, we will once again be able to produce all we need at reasonable prices.

There are many today who say we have no energy policy. In January, we will turn out a big report on energy policy, which is no more a mystery than economic policy is.

In addition, we are asking Congress to act on the 21 pieces of critical energy legislation which have been "on the Hill" for one to three years. There is no way we can increase production of our energy resources without the necessary legislation that ranges from the deregulation of the price of newly developed natural gas to surface mining to deepwater ports and all of the other items that deal with the whole broad spectrum of energy.

As for mandatory actions aimed at conserving energy, we must realize that such actions have an impact on the economy and must therefore carefully weigh these when we are in a sliding economy.

As the President has so forcefully pointed out, the trade bill is another essential part of our effort to deal with inflation and recession.

Finally, we have programs that include expanded unemployment compensation, tax relief for low-income Americans, housing aid, and increased tax incentives for industry to expand plant and provide more jobs and more goods.

In short, we know what the problems are and we believe we are on the right track toward solving them.

It is going to require patience and wisdom and the courage to stick it out to the end—and that is what our President is determined to do.

Mr. BARTLETT. We have heard for some time that a little inflation does not hurt much, but we have had a little inflation for a while. Then the little inflation became larger, and finally, we have what is now referred to as double-digit inflation. At the present rate of inflation, a man making $20,000 a year, aged 30, would look forward to a very dismal future if inflation continued until he retired at age 65.

At age 65, if the rate of inflation continued at 12 percent, in 35 years, this man making $20,000 a year today would have to make over $1 million to have the same standard of living he enjoys today. So I think that, obviously, we have to do something about it.

Mr. President, one final thought: I wish again to thank and congratulate the Senator from South Carolina. I think all of us can look at a little history around the world in the years since the turn of the century, looking at Russia and look at Germany, look at several South American countries, to see how frequently runaway inflation has resulted in governments being overthrown and turmoil within countries, and the tremendous problems that have resulted from high inflation.

I am not prophesying that kind of gloom for the United States nor that we are facing a change of government. What I am trying to bring out here is the turmoil that is caused by inflation, the unfairness, the problems that individuals have.

Certainly, we know that those who are hurt the most are those who are the poorest and those on low fixed incomes. So I congratulate the Senator and very happily join with him in this colloquy in support of his amendment. I shall be very happy to support it on the floor at the proper time.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Oklahoma, like me, knows that we, as Governors, have to balance that budget. The people have a grip on us. Maybe we are nearer to the people, but there are no monkeyshines down at State capitals. We not only promulgate our problems, we see them through and look at the results. We are around to be covered each day, and we cannot hide behind 99 other colleagues in the Senate, or some 435 colleagues on the House side.

The Senator from Oklahoma has been a leader all year long in helping us reduce the budget. There is no need to refer to particular budgets, but we have been trying continuously throughout the year within the Committee on Appropriations, and here on the floor, to cut that spending.

In referring a moment ago to the overall borrowing factor, I referred to a speech by our colleague, the senior Senator from Virginia (Mr. HARRY F. BYRD, JR.). He pointed out on August 5, 1974, that the overall Federal borrowing had totaled $71 billion for the 8-month period November 1, 1973, to June 30, 1974. This would be an annual rate of $100 billion a year.

That is the real figure of the Government in the money market. We net out at $31.5 or $35 billion on the net, but as far as the private sector is concerned on availability, there is the Government to the tune of $100 billion, all year long, sopping up any chance for financing investment expansion and employment and getting us out of recession.

On the other side of the ledger with respect to even having money available, I am mindful of President Ford's suggestion that he started out with with respect to the farmers. He said we are going to increase production, we are going to do away with the allotments and let them have full-fledged opportunity to do all that they want. That was a good declaration, but not in the light of the economic facts of life, in that the farmers of America would love to have what we have been debating for the last 2 days—one of those 6-percent loans going to the Soviets to produce their fertilizer plant. If the farmer down in Clarendon, S.C., could get a 6-percent rather than a 14-percent to 18-percent loan to obtain his fertilizer and his gasoline and his machinery and his equipment, yes, he could step up production.

Even though the mechanisms, by law, make for availability, the economic fact of life is that it is unavailable.

The same is true of housing. We talk about $3 billion made available, but who uses that loan? Who can really walk in and sign up for 25 years at 14 percent, 12 percent, and on up? No one is going to sign for a mortgage of that kind, because they cannot come out of it. The real culprit, at this particular hour, is that high interest rate. This is what this particular measure goes to the heart of, getting the Government out of the money market to reduce that interest rate and make more realistic and feasible our efforts to turn back the tide of recession and depression here, as we begin 1975.

I yield now to my distinguished friend from New Mexico.

Mr. DOMENICI. I thank the Senator from South Carolina. I shall not take more than a few moments.

Mr. President, first I want to compliment the Senator on his approach to trying to come up with a way of cutting the budget in a fair and equitable manner. I think that for many months now we have all been involved in talking about how we can do it.

We have all looked down the road, hopefully, to the time when the new budget reform system will be more operative in terms of a national policy that better relates expenditures to income. I think what the Senator is trying to do is say that the problem is here and it is now, and let us not forget that we have a problem just because we are beginning to feel the pinch of unemployment. We still have inflation, and inflation is still significantly caused by two facts: One, that we spend more than we take in and are now so heavily indebted; and the second fact, which is frequently forgotten, that the net effect of that is to cut our productive potential, substantially to diminish the capital available in the private sector, in the hands of the American people.

I should like to quote for just a moment two sentences by Arthur Burns with reference to this matter. I shall first qualify it by saying that he was talking here about why there is not enough money around in the private sector to add to the productivity capacity of our Nation. He ties it into the fact that of what Federal Government has done to our average citizen, who is the source of capital—for when they save, their money then goes into homebuilding; when they save, they buy equity in our corporations and companies.

He concludes:

> We have tried to meet the need for better schooling of the young, for upgrading the skills of the labor force, for expanding the production of low-income housing, for improving the Nation's health, for ending urban blight, for purifying our water and air, and for other national objectives, by constantly excogitating new programs and getting the Treasury to finance them on a liberal scale before they have been tested.
>
> The result has been a piling up of one social program on another, so that they now literally number in the hundreds and practically defy understanding. Not a little of our taxpayers' money is being spent on activities of slight value, or on laudable activities that are conducted ineffectively.

The point I make is that we find ourselves in the situation where 35 percent of our citizens' total efforts are taken up by taxation. We say we need more productivity, on the one hand, and less inflation on the other hand. But unless we get to the point where we take the money from the citizens on the State and local levels, instead of taking it at the Federal level and then letting them use it, we will never come to grips with the twin problems of inflation and productivity which is at a standstill. As we get into this spiral, the psychology sets in, and we are on the way.

It appears to me that the American people are waiting for us to bite the bullet, not only on energy, but also on setting the limit on the ever-growing involvement of Government in our daily lives, and the ever-growing Federal budget, which sucks up the capacity of the American people to save and thus to produce.

I do not believe the present system of mammoth deferrals and small rescissions here and there, although the President has exercised complete good faith, will ever cut the Federal budget this year. It appears to me we are all going to have to take a fair and equitable cut.

I can think of no better answer than that recommended by the distinguished Senator from South Carolina. I join with him in his resolution today. I hope we have not forgotten about the budget just because we are now talking about the evils of recession and high unemployment. I believe they are separate and distinct, and we ought to look at our budget realistically.

We now know that between the State and Federal Governments, we are up to 35 percent of everything that goes into the hands of the taxpayers as a result of their productivity, 22 percent to the Federal Government, and the city and the State at ever-increasing rates. I am not saying that the local governments do not need more, but I am certainly saying that if both the Federal and the local to continue to grow at the pace they have grown in the last 10 years, there will be nothing left in the private sector, and in the final analysis no production, and from that will come ever-increasing inflation and ever-increasing unemployment.

I know it is going to be hard to accept the realities of the Senator's resolution cutting personnel costs 2 percent and other controllable expenditures 10 perment in terms of the President's budget last year, but I think the approach is equitable. It takes into consideration what we have cut, and that those that have not been cut would have to be cut. It gives the President very direct congressional direction, and does not say, "You do what you want," and then, when he does it, we will not ratify it, introduce bills to confirm it, or make it valid, with the result that we will be right back where we were 6 months ago, with everyone having taken a turn at saying, "We must do something," but nothing forthcoming.

I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, do I have some time remaining?

The PRESIDING OFFICER (Mr. PELL). The Senator from South Carolina has 3 minutes.

Mr. HOLLINGS. I thank the distinguished Senator from New Mexico. He has been absolutely courageous and persistent in biting this bullet all year long. I congratulate him on his persistence in pursuit of the overall good of the Nation. He has been a strong supporter, as I have, of many measures tending toward that end, and for the sake of the overall good, he is willing to entertain temporary sacrifice to get the train back on the track and get this country moving again.

Mr. President, I do not know how it is, but somehow the first prize for service in this body is that for being ahead of your time. I find Senators introducing bills with no idea of passage, just so that they can come back 4 or 5 years later and say, "Back 5 years ago I recommended so and so." They never want to treat with the problem of the hour or get into the boring, realistic solving of today's problems, which is what this does.

All Senators would like to move down to the glamor of dishing out the goodies, more money for industry, more money for the poor, more money for food stamps. This is the "more money" syndrome that we are all going to have in 1975, because "I am sensitive and compassionate, and we have those among us who are not sensitive and do not understand human problems."

Mr. President, the great human problem is the high cost of living. It is time we face up to it.

We got into this matter in a very deliberate manner, after listening. We have listened to all the authorities that have appeared before the Budget Committee. We have listened, on special occasions, to Dr. Arthur Burns, Secretary Simon, Eliot Janeway, Charlie Schultz—all the economists. I ask unanimous consent to have printed in the Record at this point the questions and answers by the distinguished Secretary of the Treasury, Hon. William E. Simon, entitled "Inflation, Controls, Energy, and Taxes," which was issued last week.

There being no objection, the questions and answers were ordered to be printed in the Record, as follows:

The Secretary of the Treasury,
Washington, D.C., December 11, 1974.

Hon. Ernest F. Hollings,
U.S. Senate, Washington, D.C.

Dear Fritz: I'm sure that you, like the rest of us in government, have been receiving a rising number of questions on the subject that public opinion polls indicate to be the foremost concern of the American people—inflation and attendant economic problems. I myself have taken the most relevant of such questions, set down my own answers and am passing these along as of possible interest.

Sincerely,

William E. Simon.

Focus on America's Foremost Problem: Inflation, Controls, Energy, Taxes

(By William E. Simon)

Question. Why are you concentrating on inflation? Isn't the threat of recession our No. 1 problem?

Mr. Simon. President Ford has called inflation Public Enemy No. 1, and I fully agree. Prices are going up faster than at any time in our peacetime history and, if they continue at this pace, they will undermine the very foundations upon which this nation is built.

Double-digit price increases have had brutal impact on low-income families, the elderly existing on retirement pensions and savings, and other Americans who cannot obtain income boosts to offset inflation.

Inflation is also eroding the purchasing power of existing financial assets and pushing up interest rates as lenders try to salvage real returns. Creditors suffer and debtors benefit as claims are repaid with depreciated dollars. Business firms and consumers are forced to adjust spending and investment plans, producing still other adverse economic effects.

Perhaps the worst toll of all taken by inflation is the most subtle—the erosion of people's confidence in the future—their loss of faith in their society and government. Indeed, this toll seems to grow in the same ratio as the rate of price increases. *This* is why we in Washington must act, and act decisively, to come to grips with this curse.

This is not to say that our problems are one-dimensional. We are also confronted with a growing sluggishness in our economy, and are taking actions to meet this challenge.

Yet we must recognize the extent to which inflation has caused the general slowdown. It was inflation that dried up the supply of mortgage money and sent the housing industry into a tailspin. And it is inflation that has undercut consumer confidence, causing the biggest reduction in consumer purchasing since World War II. Since housing and consumer purchasing are the two weakest sectors of the economy, inflation must now be the chief target of our economic policies.

Question. Why do we have to stop inflation, considering all the costs of doing so? Why can't we turn our attention to unemployment and just live with inflation?

Answer. We can't live with double-digit inflation because it is destroying our social structure. History is littered with the wreckage of societies that failed to come to grips with this contagion. America can *still* avoid this end.

If we were to switch to stimulation of the economy in order to reduce the rate of unemployment, our problem would not be just living with the present rate of inflation, but living with an *accelerating* rate of inflation. And if we maintained such a policy stance for long, we would pass beyond the inflationary point-of-no-return, and prices and wages would be sucked up uncontrollably like leaves in a hurricane.

The situation we are in now is different from previous recessions. During earlier economic downturns the government could safely switch over to stimulative policies because the inflation rate was tolerable. That is not now the case. Our primary concern has to be to avoid worsening the already dangerously high inflation rate. Any significant stimulation of the economy now would simply whip prices higher and lead to an even tougher day of reckoning later.

Question. What does the current economic situation mean to the average person?

Answer. Many people are frightened. They don't understand what's going on in the economy. Their confidence has been shaken by their extended bout with super-inflation, and they fear further erosion of their savings and pensions. Many are upset by the scarcity of mortgage credit. The security of their jobs is threatened by rising unemployment.

People cannot be blamed for being worried about this confusing set of circumstances, especially when so many economic experts disagree on both diagnosis and cure. This is why it is important for the Government to keep its eye on the primary source of trouble, which is inflation, and then follow steady, balanced policies to gradually bring it under control, at the same time taking the necessary steps to cushion the impact—on the unemployed, for example—where cutbacks hit with disproportionate force.

Question. You've used the term "stagflation." What does it mean?

Answer. It's a composite word made up of the first part of "stagnation" and the last part of "inflation." Stagflation means that prices rise rapidly at the same time that economic activity stagnates and unemployment climbs. We used to experience one or the other. Now we have both. Why? Because unsound government policies, combined with special outside shocks like the food and fuel crises, allowed inflation to get out of hand.

Question. What's caused inflation? Isn't it mostly high oil prices?

Answer. No, not most of it, though it has certainly been an important factor. The rise in gasoline, motor oil and fuel oil prices has accounted directly for about 15 percent of the rise in the Consumer Price Index over the past year. Other calculations suggest that the quadrupling of world crude oil prices might account for as much as one-third of the 20 percent increase in wholesale prices from a year ago.

There are several other key causes, some due to special factors, others to unsound government policies. Among the former was bad weather around the world, which led to crop shortages and high food prices. A simultaneous worldwide boom put pressure on prices of internationally traded commodities. And two needed devaluations of the dollar triggered widespread demand for United States goods.

Unsound government policies include our three-year experiment with wage and price controls, which led to severe economic distortions and supply shortages. Political pressures have long put a premium on excessive consumption, at the price of adequate investment in productive facilities. Monetary policies have been overly stimulative. And Federal budget deficits have been spurring inflation since the early 1960s.

In fact, to my way of thinking, these unsound monetary and fiscal policies have been the most fundamental causes of present-day rampaging inflation.

Question. How have the budget deficits promoted inflation?

Answer. If inflation is Public Enemy No. 1, then chronic government budget deficits must be recognized as Public Enemy No. 2. It took 185 years for the Federal budget to reach the $100 billion mark, nine more years to hit $200 billion, and only four more years to reach the $300 billion level. And in only one of the past fourteen years has the government been able to balance its books. In the past ten years alone, Federal deficits have reached a staggering total of $103 billion. The over-all Federal debt, in the process, has soared to $480.5 billion, and annual budget outlays *for interest charges alone* on this debt now amount to $31.5 billion.

When the Federal budget runs a deficit year after year, especially during periods of high economic activity, it becomes a major source of economic and financial instability. The huge deficits of the 1960s and 1970s have added enormously to aggregate demand for goods and services, and have thus been directly responsible for upward price pressures. Heavy borrowing by the Federal sector has also been an important contributing factor to the persistent rise in interest rates and to the strains that have developed in capital markets.

Worse still, continual budget deficits have tended to undermine the confidence of the public in the capacity of government to govern, let alone deal with inflation.

Question. Why is it so hard to cut $5 billion from a $305 billion Federal budget? Why can't the Pentagon budget be cut?

Answer. It is difficult to cut the fiscal 1975 budget because such a large proportion of the spending is mandated by previous contractual and legislated commitments, which often can't be changed quickly, and because we are now almost half-way through the fiscal year. There are, however, some areas of the budget that can be cut back and no part will be considered sacrosanct, including the military. We must keep in mind, however, that since 1968, defense spending—as measured in real terms—has been reduced by about one-third.

One key fact widely overlooked is that even after this year's budget is cut back by $5 billion, expenditures will still show an increase of $32 billion over last year's total—an 11 percent jump. What we are actually trying to do is blunt *the rate of increase.*

In the longer run, budget cutting is difficult because most government programs have vocal and powerful proponents—the beneficiaries of public spending. On the other side, it is hard to get organized pressure to cut spending. Opposition to spending is diffused widely among the public while the support for spending is concentrated and often very effective.

Perhaps this will change. I believe the American people are fed up with deficit spending and the rapid rise in prices it causes. One hopeful development is the new budget process that Congress adopted last year. For the first time, Congress will have to address explicitly the issue of how large total Federal expenditures and revenues should be—instead of following the piecemeal approach they've used in the past. There's a good chance that this new mechanism will produce at least some of the fiscal discipline we've needed so badly for so long.

Question. What about the so-called "uncontrollables" in the Federal budget? In which of these areas is spending increasing the most rapidly?

Answer. In the past six years, the so-called uncontrollable outlays rose about $90 billion and were nearly $200 billion in 1974—almost ¾ of the total budget. Nearly $70 billion of the $90 billion increase was in social security and other retirement programs, veterans benefits, and a wide range of health and welfare programs. Interest on the national debt and other fixed commitments accounted for the remainder.

Achieving control over government spending is complicated by the way many Federal programs start on a small scale but then mushroom rapidly. Some examples:

Food stamps came to $200 million in 1969 but reached nearly $4 billion in 1974—a *20-fold* increase in just five years.

Public assistance programs and social services totalled a little over $3 billion a decade ago but are nearing $20 billion now.

Total Federal health outlays were $1.7 billion a decade ago but are now over $25 billion.

Incidentially, I consider the word "uncontrollable" a misnomer. We need not and must not accept developments that we recognize are leading us to disaster. Just because Congress has legislated a program doesn't mean it can't be changed.

Question. What about so-called off-budget items? With these omissions, how can people get a true picture of total spending by government?

Answer. I believe it is essential that we give the American people a true picture of all Federal programs, including those government-sponsored lending and other activities which are now encluded from the "unified budget" submitted to Congress. While such activities have been excluded from the budget by law or by the conventions of government bookkeeping, they still have a considerable impact on the economy and on the American taxpayer.

For example, in fiscal year 1974 the reported figure of $3 billion of government borrowing from the public (to finance the unified budget deficit of $3.5 billion) showed only the tip of the iceberg; the net borrowing from the public to finance government programs *outside* of the budget was estimated at $30 billion. We believe that these off-budget activities should be given greater attention in the budget-making process since they exert enormous demand on money markets, boost interest rates, and, in effect, pre-empt much necessary private borrowing.

Question. Will we ever again see 6 percent interest rates on loans?

Answer. It's possible—but not until we achieve a much lower rate of inflation. Today's high interest rates are caused by today's high rate of inflation and the tremendous demands that built up for loans. As we reduce this demand along with the rate of inflation, interest rates will come down.

But we can't reverse that sequence; that is, we cannot cut the inflation rate by driving interest rates down through the process of creating much more money and credit. That would only throw fresh fuel on the inflationary fire. Inflation would speed up and interest rates would be driven still higher.

The only way to get to a 6 percent rate of interest from here is to bring the rate of inflation significantly below 6 percent. We should also recognize that each time we lose a bout with inflation, interest rates are ratchetted higher. In 1960 the bank prime lending rate peaked at *6 percent*. In 1969 it reached *8½ percent*, and this year the high point was hit at *12 percent*.

The current high levels of interest rates reflect the *expectation* of continued inflation. Because of this inflationary psychology, lenders require and borrowers are willing to pay a premium roughly equivalent to the expected rate of inflation.

Question. What will the Administration's 5 percent surtax proposal do to cure "stagflation"?

Answer. The surtax is only one element in the President's comprehensive economic program. "Stagflation" will not be cured by any single step. However, the surtax proposal is extremely important in that it is designed to pay for the unemployment and other spending programs that will cushion the impact of economic adjustment and insure that burdens are equitably shared.

Question. Doesn't the 5 percent surtax apply equally to middle-income taxpayers and high-income taxpayers? Isn't this unfair?

Answer. Perhaps we could have done a better job in explaining the application of the surtax proposal. Apparently some people believe it is a flat 5 percent tax, which would be regressive. The fact is, it is quite progressive since it is a percentage of the amount of tax payable by reason of our normal progressive income tax rates. Thus, an individual taxpayer with a taxable income of $11,700 would owe an additional $78 as a result of the surtax, and a taxpayer with a taxable income of $24,150 would owe an additional $293.

Question. Will the 5 percent surtax bring in enough additional revenues to balance the budget?

Answer. No, it will not. The revenue from the proposed 5 percent surtax will pay for the unemployment and other personal assistance programs recommended by the President, as well as liberalization of the investment tax credit. The budget will still be in deficit by some $8–10 billion for this year.

If we can keep the deficit within a reasonable range in fiscal 1975, we can then move toward balance in later years. The era of loose Federal budgets can, and must, be brought to an end.

Question. What's wrong with government spending new billions, as many are suggesting, to halt the rise in unemployment?

Answer. Unfortunately, there's no such thing as "free" Federal programs—any more than there's such a thing as a free lunch. And it's high time public officials leveled with the American people and told them so. If we don't have the courage to raise taxes to pay for new spending programs, then people are forced to pay through the cruelest and most regressive tax of all—inflation.

If we are going to have programs to cushion economic adjustment, taxpayers must pay for them. If not, if Washington resorts to more economic pump-priming, we face even worse inflation—which, in turn, will lead to still another economic slump and more unemployment. I sincerely believe that the higher-income people among America's 86.5 million jobholders can and should contribute more to help the 5.5 million unemployed.

Question. What are your plans to deal with unemployment if it worsens?

Answer. A solid unemployment compensation system is now in place and we have proposed to the Congress that it be extended and expanded. In addition, we have submitted legislation to create a Community Improvement Corps, which would provide temporary employment for out-of-work men and women who have exhausted their unemployment benefits.

Other action would create more private sector jobs, including the extension of loan funds to aid the housing industry and our recommended expansion of the investment tax credit. Basically, however, the ultimate way to provide more jobs lies in reduction of inflation, restoration of consumer confidence and stabilization of the economy.

Question. Many are advocating a return to wage and price controls. Why not?

Answer. Because they are destructive of both our economy and our freedoms. They deal with the results of inflation rather than the causes, like taking aspirin to attack a fever rather than curing the infection.

In 1972–73 controls proved themselves ineffective in holding down inflation. And where controls do in fact suppress prices and wages, they create distortions. In some of our basic industries like steel and paper, profits squeezed down by controls forced curtailment of expansion which resulted in present shortages. Thus, controls eventually *increased* the pressure on prices rather than lessened it.

Normally, when the demand for a product rises in relation to the supply, for whatever reason (such as the cut-off of oil supplies by the Arab countries in late 1973) the price of that product rises. This usually causes the profits of those companies who supply the product over the short run to rise, but more importantly, it increases the *profit opportunities for new producers who might start producing the product*. When these new suppliers increase the supply in relation to the demand and old producers increase production, the price of the product will drop again.

Price, wage and/or profit controls frustrate and distort this process. In the first place, not all prices, wages and profits can ever be controlled by the government, particularly the prices of imported raw materials. Second, by freezing prices, wages and/or profits, the *incentive* for anyone to increase the supply of a product is removed because the profit potential is removed. In fact, existing producers who see their cost rise often just stop producing completely. As a result, over a period of time, the supply of the product shrivels up, thus further aggravating the demand pressure for the product, ultimately resulting in rationing, black markets, curtailment of expansion, flow of capital and goods out of the United States where profit opportunities are better, and many other results that are diametrically opposite to the objectives that the price controllers are attempting to achieve.

Controls, in summary, distort investment decisions and the allocation of resources, distort markets and exports, keep natural forces from reacting against economic defects, and give a false impression of action which delays truly effective remedial action.

Question. What about proposals for *standby* wage-price controls?

Answer. The problem with standby wage-price controls is that their very presence creates an *expectation* that controls will be imposed at some future time. There is thus a rush by business and labor to raise prices and negotiate large wage increases before the controls are slapped on. Compounding the problem, the resulting rise in wages and prices then provides the seeming justification for imposing controls.

Question. How can high corporate profits be justified in a period of economic difficulty like today.

Answer. Double-digit inflation has done strange things to corporate profits. Some of the conventional accounting techniques used by corporations have proved to be inaccurate and misleading, now that inflation has become so rampant. They understate the replacement cost of both inventories and capital equipment, and thus overstate profits. They create an illusion of rapidly rising profits when the actual record of profitability is weak.

In addition, corporations have to pay taxes on those illusory profits, and to some degree they pay dividends from them as well. As a result, corporate cash flow has been squeezed hard; the retained earnings of nonfinancial corporations, after adjustment for the understatement of replacement costs of inventories and capital equipment, was down to $3 billion in 1973, less than one-fifth of the 1965 level.

Question. But what about high oil company profits?

Answer. I have consistently stated that current oil industry profits represent to a considerable extent a windfall due to the rigging of world crude oil prices by the Organization of Petroleum Exporting Countries. I have also consistently supported legislation we proposed a year ago to tax away these windfall profits as a way to prevent one sector from profiting unduly at the rest of the economy.

At the same time, we have compared the profitability of the oil industry to that of 28 other industry categories over the past 16-year period, and find that the industry's profitability, when viewed over a reasonable time period, falls within the normal experience of most major U.S. industries. And we must recognize that adequate profits are essential to the development of adequate future oil supplies.

QUESTION. Why should people be concerned about whether business makes a profit or not?

ANSWER. Because the best way to reduce inflation is to increase supply, and this requires adequate technology and productive capacity and human and material resources. These variables all have long lead times, and our system relies on the private sector to develop these capabilities. The government influences these development efforts, but basically there is only one real motivation to make these capital and human investments—the expectation of *profits*. If we don't have adequate profits now, we suffer later.

In effect, profits are the fuel of the engine that pulls the train of American business and industry—the train that carries as cargo the jobs of the working men and women of this nation.

QUESTION. What do you mean when you talk about boosting productivity?

ANSWER. The term productivity refers to the efficiency of our economy—the amount of real output that can be produced per worker (and also per unit of capital input).

The importance of increasing productivity is that it helps us achieve two very important national goals: It reduces costs and thus lessens inflationary pressures, and it increases total production and thus improves our standard of living. Indeed, in the long run, increased productivity is the only source of a rising national standard of living.

How can productivity be boosted? By cutting waste on the job and working "smarter"—*and* by increasing the quantity and quality of capital equipment available to each worker. This is why I put so much emphasis on the need for more savings and more investment. This country has been lagging much too far behind in total fixed investment. For example, since 1960 U.S. capital formation (including residential) has averaged only about 19% of our total output—about the same as in the United Kingdom. In the same period, the investment-ratio was 25% for France, 26% for Germany, and 33% for Japan.

If the U.S. is to check inflation, stay competitive and continue to create abundance for its people, we must not only provide greater incentives for saving and investment, but also remove impediments to efficiency throughout the economy. The National Commission on Productivity has been charged with the job of identifying problems in this area and recommending solutions.

QUESTION. What about energy conservation? When are we going to start? With what? Gasoline rationing? Or an increase in the gasoline tax?

ANSWER. Energy conservation is essential to our national effort to achieve greater independence from high-cost and unstable foreign oil imports. President Ford has set a conservation goal of one million barrels a day by the end of 1975. We believe we can achieve that goal through measures outlined by the President in his economic message of October 8, 1974. Included in this program is a plan to require oil and natural-gas-fired plants to switch to coal and nuclear power; a requirement that the automobile industry develop increased gasoline savings, and a more rigid enforcement of the 55-mile-per-hour speed limit.

Further, there are a series of mandatory conservation steps for government and voluntary measures for the American people. This program can work. However, the President has made it clear that if immediate reductions are not achieved, he will seek more stringent means to insure that United States dependence on foreign supply is reduced. Whatever steps are necessary will be taken, but I still believe that gasoline rationing must be a last resort.

It is important, however, to emphasize that conservation alone is not enough. We must move aggressively to develop our domestic energy resources. Together, increased production at home and a hard-hitting program of energy conservation *can* move us toward self-sufficiency.

QUESTION. Will the coming period be anything like the early 1930s? Is the average citizen protected against an economic collapse?

ANSWER. Economic conditions today are totally different from those of the 1930s. We have Federal insurance of bank deposits. The Federal Reserve System is committed to avoidance of a credit crunch and to a continuing moderate expansion of money and credit. In the early 1930s the money supply contracted by about one-third. And unemployment then rose to 25 percent of the work force compared to a little over 6 percent today.

We have a very substantial unemployment compensation program in being and have recommended a further expansion of that program, plus a larger public service employment program. We have other income-maintenance programs—social security, food stamps, public assistance, etc.—that will not decline even if general business activity is depressed. We also have large part of our work force employed in economic sectors that are essentially depression-proof.

For all these reasons, the economy is much less vulnerable to an economic collapse than it ever was before.

QUESTION. How soon can we lick our economic problems and get back to stable, prosperous growth?

ANSWER. While we can hope to see a turnaround in 1975, long-lasting solutions will not come quickly or easily. Inflationary forces have become deeply embedded in our economic structure and will take time to get wrung out, demanding both consistent and persistent policy approaches.

The hard fact we face is that America is at a historic crossroads in balancing consumption demands against the production capacity of the matchless economic machinery we have built up over the centuries. And the problem is bigger than simply meeting the painful concurrent problems of inflation and recession, serious as they are.

As a nation, we have been indulging in a consumption binge. We have been using up our inheritance and borrowing from the future, at one and the same time. In effect, we are burning the candle at both ends—and the candle is getting shorter.

On one hand, America now faces vast, rapidly rising needs to devote more of its output to capital investment—to replacing, modernizing and expanding our factories, mines, farms and other productive facilities. We have been falling far short of meeting this imperative. We are in the dangerous position of people on a ship whose hull is slowly rusting away through lack of adequate repair and maintenance.

The record shows the U.S. has been plowing one of the lowest ratios of gross national product back into capital investment of any major industrialized nation. And as a result we are suffering from the lowest rate of productivity increase—the very keystone for high living standards.

Speeding this drift toward economic crisis, we have been borrowing from the future in order to expand living satndards today—through an enormous expansion in debt at the family, corporate and governmental levels. Government itself has set a disastrous example of profligacy.

In summary, we have been living beyond our means. And the day of reckoning has now arrived.

QUESTION. What can the average person do about inflation and our other economic problems?

ANSWER. The American people are the key to solution. Each of us can do many things to conserve oil, electricity and other energy resources. We can cut waste in food consumption. De can cut waste on the job—and support efforts to boost productivity in office and factory. We can "buy smart" and resist price gouging wherever we find it. And we can demand an end to government deficit spending and support pay-as-you-go policies for government programs for all time to come. Indeed, this is the most important single step that can be taken to restore both confidence and economic order.

Mr. HOLLINGS. I also ask unanimous consent to have printed in the RECORD a letter to the distinguished chairman of our Budget Committee, the Senator from Maine (Mr. MUSKIE) and the ranking minority member, the Senator from Colorado (Mr. DOMINICK), written by Mr. Eliot Janeway on September 23, 1974.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANEWAY PUBLISHING AND
RESEARCH CORP.,
New York, N.Y., September 23, 1974.

Hon. EDMUND S. MUSKIE,
Chairman,
Hon. PETER H. DOMINICK,
Ranking Minority Member, Committee on on the Budget, U.S. Senate, Washington, D.C.

DEAR SENATORS MUSKIE AND DOMINICK: I was gratified to receive your request to respond to the questions you have raised in connection with the responsibility assumed by the new Budget Committee. I congratulate you on the realism of your formulation; I share your concern; and I am privileged to participate.

Here are my answers to the questions in your letter of August 20, in the order in which they are posed. If my responses appear complicated, I believe it is because they are realistically directed to the extraordinarily complicated crisis we face.

(1) Outlook for the economy in the next six to twelve months: Recession is not the prognosis. Depression is. Any decline of 25 per cent or less from previous prosperity levels of activity and earnings is within tolerable recession limits; while any decline approximating 50 per cent or more measures a proper depression. Another definition of the distinction warrants relative complacence towards recession on the grounds that recessions are limited within one country at a time; they are self-correcting; and, the longer they last, the sooner they will be over. On the other side of this same distinction, depressions hit simultaneously on a worldwide scale; only incisive and effective governmental action can defuse the time bombs they carry; and, the longer they last, the worse they get.

Grim descriptions of the undeniable destruction suffered to date support my judgment on the depression prognosis. Viewing the economy not in one broad blur, through the misleading GNP aggregates, but sector by sector, illustrates my account of its condition and the prognosis for it. The securities industries sector was the first to collapse, and the damage inflicted on it fits the definition of depression given above like a glove—with no dissenting opinions, right down to the normal, recession-time expression of hope that the mere length of the decline portends a recovery. The building and real estate sector was the second, and there, too, the deterioration has not been of a gradual and mild ("saucer") type, but, instead, the pattern has been sudden death with no visible signs of resurrection.

The consumer spending sector of the economy has been the third to suffer, and its decline has been gradual but steady and severe, and is now accelerating into gear with the depression rate of continued deterioration in the securities industry sector and the building-property industries sector.

The business spending sector of the economy has been providing a conspicuous contrast with these three depressed sectors of the economy. It has been in a boom and it is still in a boom. The pace of its activity and the rate of its earnings have been and still are hampered more by its lack of supply than by its lack of customers. The prognosis: my judgment is that the boom pace of business buying will go on for another 4–6 months at the outside, despite cancellations and cutbacks in business buying. The ability of the heavy industries, which benefit from a boom level of business buying, to run at capacity is a tribute to the underlying structure of the American economy and is a devastating judgment on the mistaken policies which have inflicted a depression on its six main sectors.

The fifth sector is the farming industry, which historically has been the first to suffer and the last to benefit from the change in trend. The prognosis for it is continued expansion of activity and of earnings for basic crop staples with, however, the feeding and processing industries caught in a cost squeeze and suffering contraction due to backward-looking foreign trade policies.

The banking industry is the sixth sector of the economy, and it is following the building-property industry sector and the consumer-spending sector into a depression as well as contributing to the vulnerability of the business-buying sector. Historically, the spectacle of the banks caught between a squeeze on their liquidity and a run on their deposits has been the distinctive hallmark of depression and it is being staged right now.

(2) Principal causes for the high rate of inflation in the past 18 months: Overborrowing by the Federal government with particular reference to the borrowings of the Federal agencies (unbudgeted as well as budgeted) has been the first cause. The purposive and massive dollar devaluations have been the second. (Since these devaluations, the inspired mischief done by them is largely forgotten.) The retaliatory oil gouge, provoked by the devaluations, has been the third.

The food cost spiral triggered by the backward-looking farm policies referred to in answer number one above and highlighted by the Russian wheat deal has been the fourth. The intolerable jump in interest rates has added a combined consequence-and-cause by virtue of simultaneously measuring the impact of the first four and contributing a fifth in its own right.

(3) The responsibility of excessive Federal spending levels: Indirectly, yes; but theoretically, not necessarily. It is not government spending per se that is the culprit. Theoretically collections (net of refunds) could run close enough to expenditures to keep borrowing within tolerable limits. Excessive borrowing, not excessive spending, is the functional villain. Coupling this third question with the first, above, and adding a dimension of fiscal calculation to the prognosis, the collapse of earnings to depression levels in every sector of the tax-paying economy guarantees a disastrous hemorrhage of overborrowing. The rise of refunds is providing a preview; so is the headstart the decline of earnings in the business-buying sector is now getting on the decline in activity that is coming.

(4) Possibility or desirability of a Federal spending cut to $295 billion: Desirable, yes; possible, no. Adding up (a) the Federal pay increase, (b) the pending public employment bill, (c) the pending health insurance bill, (d) the pending veterans' bill, and (e) the pending food foreign aid bill, point to a substantial further increase before reckoning on the non-discretionary, de facto increase accounted for by refunds against actual losses plus shortfalls in filed estimates of future earnings.

Taking excessive borrowing rather than excessive spending as the specific, effective cause of the trouble, a cut in spending would reduce the need for still more excessive borrowing. By contrast, further increases in spending at a time when tax collection will be falling—of course, not as the result of policy decision to cut tax rates—will force still more excessive borrowing. Cuts in Federal spending, which financed cuts in Federal borrowing, would not inflict still further damage on the tax paying economy. Quite the contrary, cuts in Federal borrowing would be conducive to the recovery in the tax-paying economy and, therefore, in tax collections, as fast as they led interest rates back down into tolerable levels.

(5) Impact on the economy of various cuts in the 1974 Federal budget: In my judgment, the tax-paying economy has long outgrown direct dependence on the supposed stimulus provided by Federal spending. But to the very extent that the tax-paying economy has outgrown dependence on Federal spending that might be deemed excessive, it has developed vulnerability to an excessive level of Federal borrowing. Any cut in Federal spending that would cut Federal borrowing would be desirable now—the bigger, the better; and the counter-inflationary drop in interest rates would have an electrifying effect in spurring an across-the-boards revival in the economy.

(6) Priorities for the goal of a balanced budget: The moderate nature of my views and (as I hope) their practicality has never led me to expect a balanced budget. Nor do I believe this is a *sine qua non* for correction of present excesses or avoidance of clear dangers. Before the present spiral got out of hand—more precisely, before it was led out of hand by excessive Federal borrowing—I suggested an outside limit of $25–30 billion a year as a tolerable maximum for overall borrowing by all Federal sources from the credit markets.

The growth of the economy and the expansion of the credit markets subsequently led me to raise this guesstimate of the limit of tolerable Federal borrowing to the neighborhood of $35–40 billion a year. The ability of the system to support such a relatively high level of Federal and Federally-attributable borrowings, and still to produce tolerable interest rates, is supported by the availability of techniques outside the orbit of this questionnaire for bringing hard, new cash into the credit reservoir from abroad. Living with a $35–40 billion level of Federal and Federally-attributable annual borrowings would require drastic cuts from the current annual rates of borrowing.

The chances of effecting such cuts seem minimal, now that collections are falling while refunds are rising and new spending pressures are being generated. Priorities on spending cuts could be fortified with substantial leverage if overseas programs benefiting dollar-and-gold-holding powers were to be put at the top of any economic list. The bargaining dividend available from spending cuts aimed at the dollar-and-gold holding powers would be registered in the form of dollar inflows; the result would be to activate the familiar "multiplier" effect—with borrowings to finance spending for foreign programs being saved, and with lending availability supplemented by foreign cash inflows. It seems to me that the easiest priorities on which defense and welfare contenders for domestic spending cuts can agree are foreign spending programs. In spite of the obvious incentive, the outside world has not contributed to the avoidance of an American depression with any emergency priorities demonstrably aimed at reducing interest rates, and, therefore contributing to higher activity levels inside America. I have no problem envisioning defense and welfare programs that could be cut on some sort of formula in tandem with cuts in foreign programs. At any rate, I see no dependence of business activity on today's high, or tomorrow's higher, spending levels. I note that the spectacular rise in Federal spending has not prevented a collapse in the financial or property industries or an accelerating slump in the consumer industries, and that it is not protecting us against a decided weakening in the industries dependent on business spending.

I suggest that, whatever the criteria for setting spending levels for various Federal programs may be, concern with business activity and earnings is not one of them. I believe that the root of the problem is financial, not economic—as it always is when depression, not recession, is the danger.

(7) The proper gauge of fiscal posture: Net cash borrowing impact on the credit markets is what counts, not artificial bookkeeping constructs. It's money that talks, not talking that counts. The evidence adduced by Sen. Harry F. Byrd, Jr., in his speech of August 5, 1974 demonstrating that overall Federal borrowing had been approximating an annual rate of $100 billion a year under the Nixon Administration seems conclusive to me. The evidence of the markets reflected in the behavior of the economy leaves no doubt that, given the diagnosis of excessive borrowing as the cause of the trouble, the recent rate has been excessive.

In my judgment, it stands as a warning that cures for the present complaint, which would have the incidental effect of raising the level of borrowing to still more excessive levels, would have the effect of compounding the complaint instead of curing it. Ingenuity plus perseverance would be needed to keep interest rates galloping while activity and earnings were collapsing. I hope we will manage to avoid this trap. We are now within its reach. I believe that the fundamental cause and consequence of inflation is too much debt relative to too little earnings; certainly this is the condition we now have. The technical definition of bankruptcy is inability to pay interest on debt. The earnings of the tax-paying sector of the economy fell below this critical level during the climatic surge of overborrowing by the Nixon Administration. I see no prospect that higher levels of Federal spending, financed by still higher levels of Federal borrowing, may reverse the present trend. I see every prospect that the prognosis for higher levels of Federal borrowing, forced by the deterioration in the Treasury's collection position, will accentuate the weakness surfacing with the accelerating deterioration. This goes with the diagnosis of depression as the danger.

I hope that these necessarily lengthy, because interrelated, answers to the penetrating questions you have posed will be helpful to you. I assume that you will regard me as available at your convenience to assist you in your continuing deliberations. I stand ready to submit any supporting analysis you or your colleagues or staff may want.

With warm personal regard and hearty congratulations on your quest,

I am,

ELIOT JANEWAY.

Mr. HOLLINGS. In the time remaining, I quote from Mr. Janeway's letter the following statement:

> Taking excessive borrowing rather than excessive spending as the specific, effective

cause of the trouble, a cut in spending would reduce the need for still more excessive borrowing. By contrast, further increases in spending at a time when tax collection will be falling—of course, not as the result of policy decision to cut tax rates—will force still more excessive borrowing.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. HOLLINGS. I thank the Senate, and particularly my colleague from New Mexico.

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized.

Mr. DOMINICK. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Colorado has 15 minutes.

Mr. DOMINICK. Mr. President, I have listened with considerable interest to the presentation made by the distinguished Senator from South Carolina, the distinguished Senator from New Mexico, and the distinguished Senator from Oklahoma. I certainly subscribe to what they have said. I read over the draft of the questions and answers which the Secretary of the Treasury had issued and sent to me along with, I am sure, everyone else, and I wrote him back a very simple letter saying:

> DEAR MR. SECRETARY: Economics 10 is still a good course. I wish more of my colleagues would read it.

It would seem to me that it was time that we read it. I am not going to be here in the next Congress, unfortunately, but I congratulate my friends from New Mexico, Oklahoma, and South Carolina for taking the lead in this matter.

AMENDMENT TO H.R. 17045

Mr. CHURCH. Mr. President, I send to the desk an amendment I intend to propose to H.R. 17045, the Social Services Amendments, and ask unanimous consent that it be considered as having been read in the proper manner to qualify for consideration should cloture be invoked.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNITED NATIONS

Mr. DOMINICK. Mr. President, as my friends and colleagues in the Senate well know, during my 14 years in the Congress I have criticized many of the actions of the United Nations. I disapproved of the application of sanctions against Rhodesia, I opposed the entry of Communist China, and I have worked to reduce what I believe to be our disproportionate share of the U.N. budget.

Despite such specific disagreements, however, I have continued to support the U.N., believing, as did we all who participated in World War II, in the need for such a force for world peace on the international scene. As I wrote those who urged me to work for our withdrawal, I have believed that the U.N., imperfect though it may be, still served a useful and necessary function in world affairs and that it would not be in the best interests of world peace for us to take away our support.

It is with considerable regret that I must say in this, my last major speech in this body, that I have now reached the conclusion that the United States should cease its active participation in the United Nation's General Assembly.

I want to repeat that. I am not urging that we withdraw from the U.N. **I am urging that we cease our active participation in the United Nations' General Assembly.**

I, like so many others, have looked to the United Nations for leadership in furthering the search for peace.

The time has come now, however, when we must frankly face the fact that the U.N., dominated by the General Assembly, no longer offers any hope or promise of furthering peace. The General Assembly now more often than not works against it.

Let us look at some history.

In the U.N.'s first major test, the North Korean invasion of South Korea in 1950, the U.N. took an important step toward becoming a force for world peace by organizing a force under its aegis to come to the aid of the victim.

Even here, however, we should not delude ourselves by thinking that the U.N. made a significant contribution above that of providing an umbrella for action on the part of the United States. The United States bore the brunt of the fighting and lost 33,000 men. Gen. Mark Clark, who served in Korea as U.N. commander, termed the contribution of other U.N. members to the war as "piddling." At no time did the troops of other U.N. members in Korea amount to even 10 percent of the American force of 450,000.

However, this partial step forward by the U.N. effectively proved to be its last.

Since Korea we have witnessed an accelerating series of the United Nations' failures which I believe have now reached the point at which continued American participation in, and cooperation with, the General Assembly is not only useless but carries the danger of jeopardizing the very peace the U.N. was founded to pursue.

A brief review of recent actions should suffice to illustrate its degradation.

In 1965 and 1968 the Security Council voted economic sanctions against the breakaway regime in Rhodesia. Regardless of how one feels about Rhodesia's internal policies, such an action exceeded the U.N.'s mandate. In no way did Rhodesia represent a threat to international peace. The U.N.'s action constituted simple political discrimination to repress an independence movement and to interfere in the internal affairs of another state in violation of the U.N. Charter.

In 1967 at the unilateral request of the Egyptians the U.N. Secretary General withdrew the U.N. security force then standing between the Egyptians and the Israelis, thus precipitating the 1967 "Seven Day War" in the Middle East and helping to lay the groundwork for the 1973 hostilities and the imbroglio we find ourselves in today.

In 1971 the General Assembly voted to recognize the Peking regime as the only lawful representative of China and to "expel forthwith" the Republic of China delegation. In so doing, the U.N. threw out of the U.N. a charter member directly representing more than 14 million people, whose record in respecting its duties and responsibilities as a U.N. member was far better than those which voted to expel it, in order to accept a regime whose record of aggression and repression exceeds that of any other nation in the world today.

While taking such procedural retaliations, the U.N., in contrast, has remained tragically inert when faced with such issues as the Soviet invasion of Czechoslovakia, the Biafra-Nigeria confrontation, the Indian forcible annexation of Goa and assimilation of Sikim, the racist repression of Uganda's Idi Amin, the genocide committed by the Burundi regime against the Hutus, the restrictions on emigration by the Soviet Union, and the continued French atomic tests in the Pacific.

This year's General Assembly session, by reaching new heights of irresponsibility and hypocrisy and setting new records for ignoring its own rules, has made it crystal clear that, far from representing a hope for peace, it is in fact an obstacle to it.

First, the General Assembly voted to reject the credentials of the representatives of South Africa and then to suspend the South African delegation from participation in the current session of the General Assembly. At the very time the combination of dialog and economic, political and athletic realities had begun to persuade the South African government to move to relax its apartheid policies, the General Assembly chose to rebuff such progress and to strengthen the hand of South African extremists on both sides. By virtually expelling the South African government and thus isolating and ostracizing it, the U.N. has given it less reason and less opportunity to reform and has hastened the possibility of violence as the only avenue of change in South Africa.

The General Assembly then continued on to invite the Palestinian Liberation Organization, the bloodstained perpetrator of such tragedies as Munich and the Lod Airport massacre, to participate in the deliberations of the Assembly on the question of Palestine. After the Assembly gave the PLO spokesman, Yasir Arafat, the formal reception customarily reserved for heads of state, it enthusiastically applauded Arafat, a holster on his hip and bearing "an olive branch and a freedom fighter's gun," while he delivered his demand a—Palestine state under PLO control—and his warning—"do not let the olive branch fall from my hand."

Following the debate, in which Israel's right to reply was effectively muzzled by restricting each nation in the debate to one 10-minute speech for the first time in history, the General Assembly docilely recognized the Palestinian people's right to independence and sovereignty "in Palestine." To the resolution's sponsors, Palestine meant "what has at this moment been replaced by Israel and by the Israeli occupation of the West Bank and Gaza Strip," thus effectively erasing Israel—a U.N. member—from the map. The resolution also affirmed Palestinian rights "to return to their homes and property from which they have been displaced and uprooted" and recognized that they may regain these rights "by all means in accordance with the U.N. Charter." As the Arabs have presumed to interpret the Charter to give people the right to use violence to achieve self-determination, the General Assembly thus formally endorsed the PLO terrorism.

A second resolution granted the PLO permanent observer status and the right to attend all conferences under U.N. auspices. Recognizing a terrorist organization which has no government and no territory as a legitimate permanent observer would be ridiculous if it were not such a tragic example of the degradation of the principles of the U.N.

At the same time we also had the example of UNESCO, where once again the Afro-Arab-Asian-Communist Bloc had its way, with a large majority voting to condemn and exclude Israel, to cut off aid to Israel, and to supply funds instead to the PLO and African liberation movements. The cutoff of aid to Israel, amounting to only one-tenth of Israel's own contribution to UNESCO, hardly represents a calamity. But the mentality that move illuminates, exemplified further by the Lebanese spokesman's comment that Israel is "a state which belongs nowhere," typifies the irresponsibility which currently dominates the U.N. General Assembly.

Such irresponsibility cannot occur in a vacuum, and two threads stem from these actions.

First, the most likely current flashpoint of world conflict is the Middle East. One of the keys to a peaceful solution is a carefully worked-out resolution to the Palestinian problem. Following the lead and instructions of Arab extremists, the General Assembly has deliberately chosen to throw a monkey wrench into these delicate diplomatic negotiations by presuming to prejudge their outcome—an outcome requiring suicide by the State of Israel.

This irresponsible act itself, with the complications and dangers it has introduced into the Middle East, I believe justifies my contention that the General Assembly now represents an obstacle to the pursuit of peace in the world.

Second, there is the question of explicit authorization of terrorism. This is the same General Assembly which has consistently refused to consider even the most gentle condemnation of terrorism and hijacking. By its recognition of the PLO, however, it provided concrete evidence that terrorism pays off, and it specifically sanctioned terrorism as a legitimate means of action in the future.

Thus it should have been no surprise that even during the Palestinian debate PLO guerrillas attacked the Israeli town of Beit Shean, killing four Israeli civilians. The day folowing the General Assembly vote, PLO terrorists hijacked a British VC–10, demanded the release of thirteen imprisoned terrorists, including the eight assassins of our Ambassador and his deputy in Khartoum, and executed a German businessman to demonstrate their seriousness. In light of the PLO's statements and record and the current diplomatic fuzziness, I have no confidence that the current camouflage of PLO "disciplining" of extremists represents anything more than propaganda.

The Assembly's failure to insist on the right of Israel to exist, a right the U.N. recognized 27 years ago in voting to establish separate independent Arab and Jewish States, and the Assembly's surrender to, and endorsement of, a group which has organized uncounted acts of terrorism, made these—and future such acts—foreordained.

I do not believe that the United States needs to or should stand, sit, vote, or listen to those whose hands are so bloody.

Before withdrawing, however, one should ask why such unreason has come about. Is it only a temporary aberration? We should not withdraw if there is hope that reform is possible and that sanity might return.

Unfortunately I see no grounds for hope.

One has only to look at the makeup of the General Assembly to understand why unreason, hatred of the United States, and irresponsibility now have the upper hand.

When the General Assembly met for the first time in January 1946, its membership consisted of 51 nations, all of them World War II participants on the side of the allies. By this September, however, the General Assembly counted 138 members, the increase coming largely from former colonies which won political independence. A U.S. proposal that would have established requirements for U.N. membership in terms of size and viability never made it to first base.

Thus, in the General Assembly, with an equal vote to ours, now sit a number of diminutive states with such limited human and material resources as to fail to fulfill the requirement of any definition of statehood—effective government, defined territory, permanent population, genuine political and economic independence and the ability to fulfill international obligations. As examples, look at Equatorial Guinea, with its population of 290,000 split between an island and an enclave, and at the Maldive Islands with 101,000 people on 115 square miles. Other giants include the Bahamas, Bahrain, Barbados, the Gambia, Bhutan, Oman, Qatar, the United Arab Emirates, Mali, and Upper Volta.

The result of the admission of a large number of such states, each with a voice equal to that of ours but with a vision dominated by selfish and narrow concerns, has been an increasing tendency to use the United Nations as a propaganda forum at which to score rhetorical victories at the expense of concrete achievements, to interfere increasingly in the internal affairs of U.N. members, and to issue hypocritical moral judgments on others.

All observers recognize that a coalition of Third World countries from Asia and Africa, enjoying Communist support which bridges the so-called Sino-Soviet split, can now push through just about any resolution they want without recognizing any need for responsibility and self-restraint. Thus the Arabs and the Communists joined the Africans in suspending South Africa and the Africans and Communists joined the Arabs in recognizing the PLO.

The countries of this bloc, ranging from absolute despotisms such as China to the comparatively benign autocracies such as Kenya, are generally characterized by collectivism, one-party presidential or military dictatorships, a virulent national socialism, and hatred of the U.S. The bloc includes such sterling examples of democracy and commitment to peace and freedom as Uganda, governed by Idi Amin who professes admiration of Adolf Hitler for his murderous treatment of the Jews and implements his own racism against Asians and whites. As C. S. Sulzberger has noted in the New York Times:

> Uganda is involved in one of the weirdest, most cruel patterns of government brutality. Chopping up opponents and feeding them to crocodiles is not a lesser sin than South African segregation. And Chad sometimes buries Christians alive in anthills.

The bloc's sense of priorities are perhaps best illustrated by India, which after initiating wars with China and Pakistan and forcibly annexing her neighbors' territory while preaching her own moral superiority, now spends millions on developing nuclear weapons while continuing to insist on the duty of the United States to provide her with food.

On other recent specific issues, General Assembly actions have followed the same pattern and given little reason for hope. It was only a 56 to 54 vote, with 24 abstentions, which kept the General Assembly from unseating the legitimate Government of Cambodia in favor of an insurgency whose chief sits in a foreign country. In a world rife with actual and potential insurgencies, it would have been the height of irresponsibility to have supported such a move, but 54 countries chose to do so and 24 others sat on their hands. It is perhaps symbolic that the December 9 vote in the General Assembly Political Committee on a resolution calling for the withdrawal of American troops in South Korea was a tie 48 to 48, indicating how far we have come from the hopeful days when the U.N. stood up against aggression in Korea. The bloc again showed its power and its sense of priorities by using its dominance to force the General Assembly's Legal Committee on December 10 to recommend that consideration of proposals the U.N. action against terrorism be postponed for another year.

Finally, let us not forget also the Assembly's utter disregard for financial reality. If all countries speak with the same voice and vote in the General Assembly, all do not share the same financial burden of supporting U.N. activities. The United States leads all nations in both assessed and voluntary contributions, paying, for example, 25 percent of the U.N. regular budget and 90 percent of the U.N. Fund for Drug Abuse Control; overall we pay over 30 percent of U.N. expenditures. By contrast, in 1974 the Soviets are paying only 12.97 percent of the U.N. regular budget, Communist China 5.5 percent, Castro's Cuba 0.11 percent, and Panama, which has succeeded in having the Security Council hold one of its sessions in Panama to dramatize its attempt to wrest control of the Panama Canal from us, is expected to contribute 0.02 percent. Of the wealthy oil-exporting nations, Kuwait is paying 0.09 percent, Libya, 0.11 percent, Iran, 0.20 percent, and Saudia Arabia, 0.06 percent.

The General Assembly has repeatedly violated its own rules and precedents. It has refused to take action on such key issues as international terrorism and hijacking, yet has consistently interfered in the internal affairs of its members. It has set back the search for a peaceful resolution of issues in both South Africa and the Middle East. It has rewarded and authorized terrorism as a legitimate policy.

In short, it has forfeited the confidence and hope of the civilized world.

While continuing to participate in the Security Council in order better to protect our interests and to work with many of the U.N. specialized agencies, the United States should now withdraw from active participation in the General Assembly. Instead of continuing the search for peace in such a hypocritical and immoral framework, the United States should instead pursue it through bilateral channels, as we have been doing with the Soviets and Chinese, through "regional" negotiations as Secretary Kissinger has been doing in the Middle East, or in other international forums, such as the Law of the Sea Conference. The General Assembly's irresponsibility has made it irrelevant and increasingly harmful. We should let it go its way without us, not only without our participation, but, with any luck, in some other locale than New York.

I have chosen to speak today not with the aim of launching a last parting salvo at a target shortly to pass out of my range.

I have spoken in hope—in the hope that by now publicly questioning our continued participation in the General Assembly, my colleagues and other observers might begin seriously and openly to consider the issues involved.

Then when the next Congress considers the U.N., the Senate will choose to reflect carefully on the wisdom of continuing to fund and endorse activities which run counter not only to our national interests and morality, but also to international justice and peace.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized for a period not to exceed 15 minutes.

TRIBUTE TO HON. SAM J. ERVIN, JR., ON HIS RETIREMENT FROM THE U.S. SENATE

Mr. ALLEN. Mr. President, in the Post this morning there appeared a column, "Let Us Praise This Rare Man," by the learned George F. Will, one of the most articulate and perspicacious and level-headed, I might say, columnists in the entire country.

Needless to say, this column had reference to the distinguished, I might say illustrious, senior Senator from North Carolina (Mr. ERVIN).

Mr. President, I am going to heed this admonition of Mr. Wills when he called on us to "Let us praise this rare man."

Mr. President, I ask unanimous consent that at the conclusion of my remarks the copy of this column be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, the departure of a noble man from public office is always a sad occasion. Senator SAM ERVIN is a noble man and his decision not to seek reelection to the Senate compels us to face up to the sad reality of his retirement at the conclusion of this session of Congress.

To those who have had the privilege of working with him in the Senate, the feeling of sadness is particularly acute because of our consciousness of loss, not alone to us as individuals, but also to the U.S. Senate as an institution. We will miss the services in the Senate of one of the Nation's foremost authorities on constitutional law. We will miss his keen insights—his inspired leadership—his unerring instincts and his powerful advocacy. We know him as a gentleman to the manor born—a man of honor and integrity—a man of convictions and the courage of his convictions—a giant among men—a Senator's Senator. Our loss is grievous—our sadness is understandable.

Mr. President, we know that SAM ERVIN—and I never called him that, I called him Senator ERVIN—will occupy an honored place in history, if for no other reason than his exemplary fulfillment of his duties as chairman of the historic special committee created by the Senate to investigate the Watergate scandal. Yet, Senator ERVIN's claim to a place in history is not dependent on his outstanding performance as chairman of the committee, nor on the outcome of the investigation.

It would rank among history's greatest ironies if his outstanding services in this instance should serve to obscure, or in any way detract from public recognition and appreciation of his other tremendous achievements and the sterling traits of character which made his performance predictable. His conduct of the Watergate investigation is but a single piece in a mosaic which embraces a full life of dedicated public service. Other pieces must be added to this mosaic.

Since his law school days at Harvard, Senator ERVIN has had a love affair with the first amendment to the U.S. Constitution and to the rights which that amendment guarantees every citizen in our Nation. No person in history has championed these rights more effectively or more consistently than has the distinguished and illustrious senior Senator from North Carolina (Mr. ERVIN).

He has been in the forefront of efforts to maintain a strong legislative branch in our Federal Government so that Congress can perform its role as a check and balance in our constitutional system of checks and balances. His efforts in the area of preventing Presidential impoundment of funds appropriated by Congress have not only been effective, they have become legendary.

Many students of government feel that his greatest legislative accomplishment has been the writing and steering to passage of the congressional budget bill during this Congress.

His leadership in fighting unnecessary escalation of Federal bureaucracy will be sorely missed as will his leadership in support of local control of our local institutions, in support of freedom of choice and neighborhood schools, and in opposition to forced mass busing of schoolchildren.

And who will soon forget his long and ultimately successful fight against the no-knock law?

The pattern and meaning of Senator ERVIN's dedicated life of public service can be perceived only from a perspective which permits a view of the whole. It is my hope that I may suggest an approach to that perspective.

Mr. President, it has been said that of every noble work the silent part is best. The life of SAM ERVIN demonstrates the validity of that observation. His career of public service can be summed up with the words: scholar, soldier, lawyer, judge, Member of Congress, both House and Senate, and patriots. But without an understanding of the silent part of his career these words fall short of characterizing Senator ERVIN and giving full significance to this outstanding career.

It is significant however, to point out that SAM ERVIN was an extraordinarily bright and gifted student at Harvard where he received his law degree. It is revealing to know that he was twice decorated for valor demonstrated during his participation in World War I. It is meaningful to know that he gave unselfishly of his time and talents to his church and to his community during the early years of his service as lawyer, county judge, and as judge of the North Carolina Supreme Court, and that he continues to give of himself to these causes. These considerations certainly suggest the character of the man and the high esteem in which he is held by his fellow citizens. Such esteem, in turn, is at least one reason for his election to Congress and why he has continued to be elected and reelected to the U.S. Senate.

Of greater significance is the extent to which these added facts reveal the moral and ethical value system which influenced his decisions and activated the potential of his brilliant mind and courageous spirit and molded his career of public service. They reveal a love of God and all that reverence implies, an awareness of a sense of duty to his fellow man and all that such awareness implies, a love of country and all that patriotism implies, a man of convictions and the courage of his convictions and all that courage implies. Finally, it is the standard of values thus revealed which provide the motive and thus an explanation of SAM ERVIN's devotion to the U.S. Constitution and to the premises upon which it was founded. They also account for the Herculean efforts in defense of those values for, indeed, they are the values of Western civilization.

Mr. President, the two decades roughly corresponding to the period of Sam Ervin's service in the Senate have been revolutionary ones—revolutionary by purpose and design. Perhaps if we will recall some of the stresses of the era and some of the attacks on our value system and the serious challenges to our way of life and to our constitutional system of government, it will better enable us to appreciate the role of Sam Ervin in the continuing struggle to preserve, strengthen, and perpetuate the philosophy and constitutional precepts of our fathers and forefathers. For, it is this role in his life of public service which entitles him to an enviable place in history and to an honored place in the hearts of the people.

It has been an era of creeping secularism is our society—a hey-day for the crowing of cynics and scoffers and "God is Dead" sloganeers.

It has been an era during which it has been fashionable, in some quarters, to ridicule patriotism and equate it with petty nationalism and, as such, inconsistent with the objectives of a one-world government.

It has been a period characterized by crude desecrations of the Constitution by Federal judges by means of ideological interpretations and by illogical applications designed to make that document better fit a Socialist mold.

It has been a period during which the rightful powers of Congress have been delegated with wanton abandon and during which a host of "independent" agencies have been created with authority to exercise the powers of government independently of the will of Congress, the will of the Executive, or the will of the people.

It has been a period of blood letting in "no win wars" and other wars and rumors of war, a period of waste and profligate extravagance in government, of confiscatory taxation, ruinous inflation, and backbreaking public debt.

It has been an era characterized by violent and lawless demonstrations in the streets, of assassinations and resignations and prosecutions of public officials—an era of corruption in public and private life.

It has been an era of asserted rights without duties, of draft dodgers and evaders, of the pestilence of drug addiction, abortions on demand, of rampant pornography, and judicial banning of Bible reading and voluntary participation in prayers.

The era has witnessed an unprecedented increase in crimes of violence, and triple locked doors, and citizens who fear to tread the streets at night.

Mr. President, these are but a few of the consequences which can be attributed to the weakening of traditional moral values under the onslaught of secularism and to departures from the premises of our constitutional system of government. These few examples may be adequate to suggest the forces and trends which Sam Ervin so strenuously opposed throughout his long period of service to his country. I suggest that there has never been a time in history when our Nation more needed the services of a constitutional lawyer in the Senate of the caliber of Sam Ervin and that no one in the history of our Nation has responded more adequately to the challenges of his time than has Sam Ervin. He has been a heroic figure throughout this battle—at times a lonely figure standing at the ramparts.

I am confident that history will record that the tide of battle has turned and that ultimate victory is in sight.

We shall sorely miss our inspired leader but the inspiration of his example will remain a constant source of strength to those of us who seek to follow in his footsteps. It has been one of the great privileges of my life to stand shoulder to shoulder with him in some of his battles. He has been a pillar of strength to me; I cherish his friendship and will always strive to emulate his example.

Senator Ervin is a giant in the Senate, and the Senate will lose much of its luster as the greatest deliberative body in the world on his retirement.

Mr. President, a person is judged by his character, by the company he keeps, by the books he reads, by the music he enjoys, by his deeds, by his set of values, by what amuses him and by what saddens him—and, yes, he is judged by who his heroes are. I am proud to say that Senator Sam Ervin is one of my all time heroes and I hope I may be judged by this added criterion.

Mr. President, Sam Ervin entered a career of public service from the magnificently beautiful mountain area of western North Carolina. He returns at the conclusion of his career to the soil of his youth, to the State and the people he loves and whom he has served with such great distinction. He returns garlanded with honors and with a record of achievement which is as majestic as his silent mountains are beautiful. The silent beauty and majesty of his noble life of works, like the silent beauty and majesty of his mountains are the best part of both.

Mr. President, without doubt the one person who has contributed most to Senator Ervin's greatness is his wonderful wife of more than 50 years. Without her love, encouragement, and inspiration he could not have achieved the greatness that he has achieved.

Mr. President, let me close by extending to my friend and mentor and to his gracious helpmate, "Miss Margaret," my and my wife Maryon's heartfelt best wishes for many, many years of good health, good cheer, and boundless happiness in pursuit of their hearts' desire.

EXHIBIT 1

LET US PRAISE THIS RARE MAN

(By George F. Will)

In 1925 the North Carolina legislature considered and rejected a bill to forbid teaching Darwinism or "any other evolutionary hypothesis that links man in blood relationship with any lower form of life." An opponent of the bill, a 29-year-old state legislator, just a country lawyer, said: "I dont see but one good feature in this thing, and that is that it will gratify the monkeys to know they are absolved from all responsibility for the conduct of the human race."

Half a century later, Sam J. Ervin Jr., looking back on 20 years in the U.S. Senate, could be forgiven if he concluded that there is no form of life lower than man. Although his entire Senate career, which is in its final hours, has been lustrous, it has been bracketed by, and is symbolized by, his service on two select committees which had to deal with some of the basest men ever coughed up by the American political process.

In 1954, Ervin was appointed to replace a senator who had died. On June 11 he was sworn in by Vice President Richard Nixon. On June 17 Sen. Joe McCarthy ended his hearings about whether the U.S. Army was soft on communism.

On Aug. 2 the Senate established a select committee to report on Resolution 301: "Resolved, that the conduct of the senator from Wisconsin, Mr. McCarthy, is unbecoming a member of the United States Senate, is contrary to senatorial traditions and tends to bring the Senate into disrepute."

Vice President Nixon appointed seven senators to the committee, including the newest senator, the former associate justice of the North Carolina Supreme Court. On Oct. 3 McCarthy attacked Ervin and the two other committee Democrats as "unwitting handmaidens" of the Communists. On Nov. 15 Sam Ervin said in the Senate:

"The issue before the American people transcends in importance the issue before the Senate. The issue before the American people is simply this: Does the Senate of the United States have enough manhood to stand up to Sen. McCarthy? . . . The honor of the Senate is in our keeping. I pray that senators will not soil it by permitting Sen. McCarthy to go unwhipped of senatorial justice."

On Dec. 2, 1954, the Senate censured McCarthy.

Nineteen years later, as chairman of another select committee, Ervin's manliness made the Senate seem more manly than it was. In his role as chairman of that Watergate Committee, he may have been the last man born in the last century to become a hero in this century.

Nixon and McCarthy were impostor conservatives. Both had the true radical's disdain for due process and other limits. But most conservatives, unlike Ervin, did not acknowledge their special duty to break the impostors.

Later in his career because of Watergate and because of his astringent opposition to government invasion of citizen privacy, Mr. Sam became a hero to American liberals. But modern liberalism, both in theory and in practice, is diametrically opposed to his constitutional conservatism.

Liberals have tried to suggest that there is an incongruity, if not a contradiction, between Ervin's gritty opposition to McCarthy and Nixon, on the one hand, and his equally gritty opposition to federal civil rights legislation, on the other. In fact, a constitutional conservative frequently must be an "opposing man." And the consistent theme of Ervin's great "oppositions" was this: Our government is—or, at any rate, once was and should be again—a government of precisely enumerated, carefully delegated and strictly limited powers.

Ervin's constitutional conservatism, a doctrine of unblinking hostility toward unchecked power, led him to oppose well-intended civil rights policies, as well as mean-minded men, when they involved putting federal power to uses not explicitly sanctioned by the Constitution, strictly construed.

Thus Sam Ervin, who always has been better than the Senate he ennobled, is a living rebuke to liberals, who have consistently opposed his conception of government, and to lesser conservatives, who failed to stand with him against impostors.

So now, as he takes leave of us, let us praise this rare man whose fame, though great, does not match his great virtues, a man every bit as fine as his nation affectionately thinks he is.

Washington will be diminished by his departure. But the bittersweet sense of loss we feel is the price we pay for having had for so long, but not nearly long enough, the pleasure of his enlarging company.

Mr. HELMS. Mr. President, barring the presently unexpected necessity of the 93d Congress being called back into session subsequent to adjournment a few days hence, this week marks the conclusion, for all practical purposes, of the Senate career of my distinguished senior colleague (Mr. ERVIN).

It is an event that I contemplate with personal sadness, as do the people of North Carolina—indeed, the entire Nation—who are immensely grateful for the splendid public service to which Senator ERVIN has devoted his life.

It is an understatement to suggest that he will be missed. It is not possible for any of us, at this moment, to assess fully the magnitude of Senator ERVIN's contributions to good government, to justice and equity, and to principles that deserve to survive. History will make that assessment, Mr. President; and it will be a deservedly generous one, because Senator ERVIN is one of those remarkably rare men who has been blessed with intelligence, integrity, courage, good humor, and a boundless zest for undertaking difficult and unpopular tasks from which other men too often shrink.

Mr. President, I have known SAM J. ERVIN, JR., for more than two decades. I first knew him when he was a distinguished member of the supreme court of my State. In all candor, Mr. President, it never occurred to me, for most of that time, that I might one day be privileged to serve with him in the Senate of the United States—or that I would succeed him as senior Senator from North Carolina. I shall always remember the blessing of serving here with him for these 2 years, and I shall always be grateful for his constant helpfulness and friendship to me.

As the distinguished Senator from Alabama has indicated so eloquently, Senator ERVIN is a wise man. He has understood true liberty as few other men have. He is aware that some who most loudly cry liberty are often the unwitting architects of shackles on the freedoms of their fellow man. There have been many occasions in earlier years when the major news media of this Nation scolded Senator ERVIN, and ridiculed him, for daring to stand on this Senate floor in opposition to unwise Federal controls and imprudent Government spending. Senator ERVIN stood in a small minority, warning that the usurpation of the rights of the individual—regardless of the deceptive titles given to legislation being enacted in haste and emotion—would lead to rampant hostility, and even violence, across the land. He warned that continued fiscal irresponsibility by the Federal Government would lead to inflation, recession, and frustration for the people of this Republic. And he has been proved right.

Indeed, Mr. President, I remember that I had the privilege, sometimes alone, of defending Senator ERVIN's principles, and praising his courage, in days when almost all of the major news media of my State attacked and scolded him. It is to their credit that they now view him in a somewhat different light, and that they join in praising the career of a great Senator—though many of them yet disdain the precise principles which were the keystone of Senator ERVIN's achievements.

So, as Socrates counseled, Senator ERVIN has understood that he who would move the world must first move himself. My esteemed colleague has been always on the move, willing to accept responsibility, always eager to do his best to make secure the liberties of mankind.

So, as he departs from the Senate, I am confident that I speak the sentiments of all of my colleagues here, and all the people of my great State, when I extend to Senator ERVIN a hand of gratitude, admiration, and respect. We wish him well.

Mr. President, some mutual friends of Senator ERVIN and mine have written letters commending Senator ERVIN for his distinguished service to our State and Nation. These include Jack Spain, now retired, but who faithfully served as administrative assistant to Senator ERVIN until about 2 years ago; the distinguished chief justice of North Carolina, William Bobbitt; the lady who shortly will succeed Judge Bobbitt as chief justice, Miss Susie Sharp; former Governor of my State, now a distinguished associate justice on the North Carolina Supreme Court, the Honorable Dan K. Moore; the Honorable Edwin Gill, the distinguished State treasurer of North Carolina; the distinguished secretary of state of my State of North Carolina, Thad Eure; the Honorable Wilson Warlick, Federal judge; the Honorable Woodrow Jones, a Federal judge who once served with distinction in Congress; Horace R. Kornegay, a former and distinguished Congressman from North Carolina; Hugh Q. Alexander, who also was a Member of Congress, in the House of Representatives, from the State of North Carolina—Hugh is now chief counsel of the Senate Committee on Rules and Administration; Archie K. Davis, retired chairman of the board of the Wachovia Bank and Trust Co., a former State senator and past president of the U.S. Chamber of Commerce;

Walter F. Brinkley, president of the North Carolina Bar Association; a distinguished attorney and citizen of my State; a beloved friend of Senator ERVIN, Mr. Bailey Patrick, of Hickory; Dr. William Friday, president of the University of North Carolina; Dr. William D. Aycock, former chancellor of the University of North Carolina, now Kenan Professor of Law at the university; W. Stanley Moore, editor of the Morganton News Herald, Morganton, N.C.; and several others.

Mr. President, I ask unanimous consent that these communications be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, I ask unanimous consent that statements by other Senators, in testimony to the remarkable career of my distinguished colleague, Mr. ERVIN, may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I further ask unanimous consent that an editorial published in the Washington Star-News of Sunday, December 15, 1974, headed "Modifying the Modifiers," be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Mr. President, I ask unanimous consent that an article by a very distinguished citizen of my State, Mr. Albert Coates, who is professor emeritus in the law school at the University of North Carolina, entitled "SAM ERVIN," be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. Mr. President, I reserve the remainder of my time.

EXHIBIT 1

GREENVILLE, N.C.

Hon. JESSE HELMS,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR JESSE: On Saturday afternoon, June 5, 1954, at 2:30 P.M., Judge Ervin called me over the telephone advising me that he wanted me to continue as his Administrative Assistant. I had served in this position with the late Clyde R. Hoey for nearly ten years. Working with Senator Ervin from that day until my retirement on February 28, 1973, due to my health, has been the most beneficial and rewarding event of my life.

His love of the Constitution, his belief in freedom of speech, his belief in separation of powers, namely legislative, executive, and judicial, have enabled him to promote some of the basic work he has endeavored to accomplish by successful legislation throughout his service in the Senate.

The love and respect for Senator and Mrs. Ervin by my children, grandchildren, Mario and myself has grown beyond expression. We all will cherish that friendship, help and encouragement as long as we live.

We in North Carolina today welcome Senator and Mrs. Ervin to their beloved home in Morganton, North Carolina, where Senator Ervin often says the mountains kiss the sky.

Senator Ervin is endowed with love and compassion for his fellow man. He has grace and charm and a warm personality completely devoid of affectation. He is an outstanding lawyer, jurist, legislator, patriot and Christian gentleman—a great American of whom it can be truthfully stated "Well done thou good and faithful servant."

Sincerely, your friend,

JACK SPAIN.

SUPREME COURT,
STATE OF NORTH CAROLINA,
Raleigh, December 16, 1974.

Hon. JESSE HELMS, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: I am pleased to hear of the tribute Senator Ervin's colleagues are paying to him. Too, I am grateful to you for providing this opportunity to place in the record my own deep appreciation of Senator Ervin as he nears completion of his service as Senior United States Senator from North Carolina.

Twenty years ago, Sam Ervin and I, then members of the Supreme Court of North Carolina, were seated side by side in the Methodist Church in Shelby, North Carolina, attending the funeral services of the greatly admired Senator Clyde R. Hoey. In that hour, I did not anticipate that the other members of the Court were to lose so soon the services and companionship of a great jurist and warm personal friend. Our loss was overshadowed by the nation's gain when Governor Umstead appointed Sam as Senator Hoey's successor.

The greater part of my personal associations with Sam preceded his appointment as United States Senator. In earlier days, I knew him as a trial lawyer when both were engaged in the practice of law; as a trial judge when both were serving in that capacity; as a trial lawyer, after his retirement from the trial bench, in appearances before me during my continued service as a trial judge; and later as an associate when both were members of the Supreme Court of North Carolina.

As trial judge and as appellate judge, Sam used his great gifts with indefatigable industry. His humor and common sense contributed to his success as a trial judge. On the trial court as well as on the appellate court he demonstrated his continuing study and profound knowledge of the law. Opinions written by him when a member of the Supreme Court of North Carolina have been cited frequently by this and other appellate courts.

In all of my relations with Sam, I have regarded him and the members of his family as dear personal friends. I remember well his father, the original Sam J. Ervin, a great trial lawyer of the old school. His brother Joe, a great lawyer, was a classmate of mine at the University of North Carolina and a special personal friend. His son, Sam J. Ervin III, whom I have known since his college years, is now serving with great distinction as a trial judge in North Carolina.

Senator Ervin's services to his country as Senator are too well known to warrant elaboration. I have followed his career in the United States Senate with great interest. Whether as a lawyer, a jurist or United States Senator I have observed the same qualities and mannerisms. He is essentially the same Sam today as when I first knew him. Having served twenty years in the United States Senate with the spotlight of the national media upon him, he stands tall in respect of personal integrity, of intellectual honesty, of outstanding ability, and of complete dedication to the fundamentals upon which this nation is founded. His present public image reflects well the Sam Ervin we have known.

North Carolinians are proud to have had a man of the stature of Sam Ervin as their representative in the United States Senate.

Cordially,

William H. Bobbitt,
Chief Justice.

Supreme Court,
State of North Carolina,
Raleigh, December 16, 1974.

Hon. Jesse Helms, Jr.,
Senate Office Building,
Washington, D.C.

Dear Senator Helms: I appreciate the opportunity you have given me to pay a tribute to North Carolina's favorite son, Senator Sam J. Ervin, Jr. I first met him in 1936 when he was Judge Ervin of the Superior Court of North Carolina, and I was a comparatively young lawyer. The Junior Bar, still under the influence of the Law Review and the Law School Faculty, is always prone to find fault with the judges. However, we could find no flaw in Judge Ervin. "I never expected to see such a judge; he knows everything!" In later years, after he left the Supreme Court of North Carolina to go to the United States Senate, Judge Ervin was pleased to call himself a country lawyer; he proved himself to be the Nation's greatest constitutional lawyer.

In 1973, when Senator Ervin received the North Carolina Award, the Gold Medal, which is the State's highest award for public service, his citation ended with these words. "His defense of constitutional principles has been everlastingly dedicated to the conviction that 'in the end it is the individual—not society and not any group—that is the basic unit of value.' "

In my view, Senator Sam has been one of the foremost exponents of equal rights for women, that is, the opportunity along with men, to fulfill themselves in work of their own choosing. When he selected a lady as his administrative assistant he said, "I didn't select her because she is a woman but because she is intelligent, efficient, experienced and charming." In short, she met the specifications and therefore got the job.

North Carolinians of course, have always respected and loved our Senator for his integrity, courage, wisdom, wit and charm. The Nation discovered him in 1973 when his personal character, his reputation for fairness, his judicial experience, his capacity for work, and his habit of doing it, made him the obvious choice for the chairmanship of the Watergate Investigating Committee. He stands out in bold relief as a national symbol of hard-rock integrity and rectitude. North Carolinians did not want him to retire, but we know he has earned the right, and we welcome him back home to stay.

Yours respectfully,

Susie Sharp,
Associate Justice.

Supreme Court,
State of North Carolina,
Raleigh, December 16, 1974.

Hon. Jesse Helms,
Senate Office Building, Washington, D.C.

Dear Senator Helms: I am delighted to hear that you plan to honor Senator Sam Ervin prior to his retirement. I can think of no modern day North Carolinian who more richly deserves to be honored for his services to North Carolina and the Nation.

I have followed Senator Ervin's career as a Superior Court Judge, Supreme Court Justice, and United States Senator. In each of these capacities, he has served with honor and distinction. As a fellow North Carolinian, I am proud of his distinguished record.

Sincerely yours,

Dan R. Moore,
Associate Justice.

December 17, 1974.

Hon. Jesse Helms,
Dirksen Building, Washington, D.C.

Dear Senator Helms: I am very happy to be among those who have the opportunity of paying their high respects and best wishes to Senator Sam Ervin, a great American, who is retiring at the end of his term from the Senate of the United States. The privilege of being a part of the salutations before the Senate is indeed a distinct pleasure.

As "Sammy" is well aware, he and I have been intimate friends for many years, first learning of each other prior to World War I in which both of us participated. Our friendship became more intimate and personal and pleasant in the practice of law in this section of North Carolina.

In his retirement from the Senate in which he has done a wonderfully fine job, all of North Carolina is certainly greatly indebted, and will long remember her obligations to him for his long service.

May the good Lord keep him and preserve him down through the years so that he may enjoy the retirement to which he is so greatly entitled.

With the season's good wishes.

Sincerely,

Wilson Warlick,
Judge, Western District of North Carolina.

Rutherfordton, N.C.,
December 17, 1974.

Dear Senator Helms: I understand that the United States Senate will pause today to pay tribute to the long and distinguished career of Senator Sam J. Ervin, Jr., who is retiring from the Senate at the end of this year. I think it proper and fitting that a grateful nation should express its appreciation for the outstanding service rendered by this public servant.

It has been my pleasure and my privilege to observe at close range a large part of his illustrious career of public service. As a young lawyer, I tried cases in his court when he graced the Superior Court Bench of North Carolina and later argued cases on appeal before him when he was a Justice of the Supreme Court of our state. He was recognized as a brilliant and patient trial judge and a scholarly Supreme Court Justice. His opinions are recognized today as mileposts on the road of legal precedence.

Later it was my honor to welcome him to Washington when he joined the North Carolina delegation as the Junior Senator from our state. His achievements in the Senate are now well known to the Nation and I will not repeat them here. While his long career includes service to his country in time of war and judicial and legislative service beyond the call of duty, I am constrained to believe that his defense of the Constitution will become his greatest contribution to our beloved nation.

With best wishes and personal regards, I am

Sincerely,

Judge Woodrow Jones,
Judge of the Judicial Circuit Court.

Washington, D.C.,
December 17, 1974.

Hon. Jesse Helms,
U.S. Senate,
Washington, D.C.

Dear Senator: First, let me express to you my deep gratitude for giving me the opportunity to provide some remarks for the *Record* on the occasion of the retirement from the United States Senate of my long-time cherished friend Senator Sam J. Ervin, Jr.

My acquaintance with and deep respect for Senator Ervin goes back to 1948 when he was a Justice of the Supreme Court of North Carolina and I was a law student at the Wake Forest Law School. Since those days, some 26 years ago, he and I have had frequent contacts in the areas of the law, politics and affairs of government, all of which have been extremely beneficial and rewarding to me. Our personal friendship and that of our families is something that I will always treasure.

Senator Ervin's record as a public official and true statesman is unequaled in the annals of North Carolina history, and most recently, the entire nation has recognized the greatness of this man which the people of his home state have known for over one-half century. His voluntary retirement from the Senate is a source of sadness for his multitude of friends and admirers but at the same time, each of them is highly pleased to witness the lifting of heavy burdens of responsibility from this good and faithful servant. My wife, Annie Ben, and I join this multitude in expressing our heartfelt appreciation to him and his loyal and devoted wife, Miss Margaret, for the many years of sacrificial service which they have given to the people of North Carolina and the nation.

May God bless and keep these two wonderful people and give them many happy, healthful and rewarding years of retirement in their beloved mountains of North Carolina which they call home.

Sincerely,

Horace R. Kornegay.

State of North Carolina,
Department of the Treasurer,
Raleigh, December 16, 1974.

Senator Jesse Helms,
U.S. Congress,
Washington, D.C.

Dear Senator Helms: It is with pride and pleasure that I join with you and other Senators in honoring your distinguished colleague Senator Sam J. Ervin, Jr.

I am a contemporary of the Senator, and served with him in our General Assembly many years ago. Afterwards, I watched him rise to become a Justice of our Supreme Court, and finally reach the summit of his public service in the United States Senate.

I have always admired Senator Sam for his candor, his courage and his ability to analyze clearly the issues of our day. I have enjoyed and appreciated his ability to use Shakespeare and the Bible as though each was written for today's newspaper. Particularly am I entranced by the graceful way in which he has mixed logic with wit.

Of course, I am indebted to you for giving me the opportunity to participate in this bipartisan tribute to a man who has served his State and his Nation with great integrity.

With kindest regards, I am

Cordially yours,

EDWIN GILL.

STATE OF NORTH CAROLINA,
DEPARTMENT OF THE SECRETARY OF STATE,
Raleigh, December 16, 1974.

Hon. SAM J. ERVIN, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR SAM: I am pleased to learn that your colleagues plan to honor you appropriately as you retire from the Senate in the next few days.

Let me add personal congratulations and thanks for leaving a record of unexcelled service to our State and Nation. No one will miss your service more than I, and I proudly document my appreciation.

The nice thing about your personal friendship is—half of it's *YOU*. May you have many years of health, peace and enjoyment in private life.

Sincerely,

THAD FURE.

[Telegram]

WINSTON-SALEM, N.C.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR: In the retirement of our distinguished senior senator from North Carolina, the Honorable Sam J. Ervin, Jr., the State and Nation are losing the services of a truly great American.

His long and outstanding career has been characterized by unselfish dedication to the public interest; and courage and determination have been the hallmarks of his successful presentation.

As a constitutionalist he has no peer, and his devotion to the constitution has never permitted of political compromise. In him the people have always had a loyal defender.

But, with all of his success and acclaim, the down-home quality of Sam Ervin, his simplicity, his good humor and innate goodness, are the personal qualities that have set him apart and engendered such great admiration and respect from his colleagues and fellow North Carolinians.

The State of North Carolina has never produced a finer citizen.

Respectfully yours,

ARCHIE K. DAVIS.

NORTH CAROLINA BAR ASSOCIATION,
Raleigh, N.C., December 16, 1974.

DEAR SENATOR HELMS: I understand that colleagues of Senator Sam Ervin, Jr. plan to honor him on the occasion of his retirement after more than twenty years of service as a Member of the Senate. The North Carolina Bar Association at its annual meeting last July expressed its tribute to Senator Ervin in anticipation of his retirement. Arrangements were made to purchase the desk at which Senator Ervin has worked during his service in the Senate and this desk was presented to him as a token of the esteem in which he is held by the members of this association.

In making this presentation to him, I found it impossible to conceive of superlatives which were adequate to describe the service he has rendered to his state and the nation. As soldier, lawyer, Judge, legislator, Congressman, Justice and Senator he has fought for the freedom and liberty which is provided by the Constitution that he loves.

On behalf of the members of the North Carolina Bar Association, I hope that you will convey to the Senate our profound admiration and gratitude for the service of this good man.

Sincerely,

WALTER F. BRINKLEY,
President.

PATRICK, HARPER & DIXON,
Hickory, N.C., December 16, 1974.

MY DEAR SENATOR HELMS: I am very happy to learn that appropriate steps are being taken to honor Senator Sam Ervin on the occasion of his retirement from the Senate. I am also very grateful that I am being afforded the opportunity to express my sentiments about a man for whom I feel such a warm affection and hold in such high esteem.

It has been my privilege to know Senator Ervin intimately during the greater part of my life. During this time I have experienced a rewarding association with him as practicing lawyers, have practiced before him as Superior and Supreme Court Judge and have called upon him on occasion for advice and help as a United States Senator. I feel that my relations with Senator Ervin enable me to appreciate the exceptional qualities that have made him one of the outstanding men of our generation. His capacity for work has been prodigious, his adherence to the highest standards of ethics and morals has been unswerving, his intellectual grasp of the problems with which he has been faced has been complete, and his courage to face and deal with any situation—however difficult—which has confronted him has been unfailing. As is typical of men of his calibre, he has retained his modesty and complete humility. A fine sense of humor combines with his other qualities to round out the picture of a very complete human being.

I count my friendship with Senator Ervin as one of my richest blessings. It is a pleasure and a privilege for me to join with his colleagues in the Senate and with his other friends in honoring him on this occasion.

Sincerely yours,

BAILEY PATRICK.

UNIVERSITY OF NORTH CAROLINA,
Chapel Hill, N.C.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: As his distinguished service, as a member of the U.S. Senate comes to a close, the University of North Carolina, his alma mater, proudly salutes Senator Sam Ervin, Jr., as a noble American.

His long, memorable public career began in the hometown precincts and concludes with Senator Ervin acknowledged to be both a National and International leader in the cause of human liberty and freedom under a government of laws.

In time of crisis, his expressed convictions and faith steadied the nation, his good humor relieved a prevasive tension, and his wisdom and courage brought forth a renewed public trust essential to our democratic processes.

Senator Sam Ervin, Jr. merits the full praise of the republic in appreciation of public service that has indeed made our land a better place for all men.

Cordially,

WILLIAM FRIDAY,
President.

UNIVERSITY OF NORTH CAROLINA,
Chapel Hill, N.C.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: On the occasion of the retirement from the United States Senate of Senator Sam J. Ervin, Jr., I extend my profound gratitude for the able service which he has rendered to all of us.

I especially appreciate his astute awareness that an essential function of government is to ensure that we as individuals do not trample on each others liberties; but, at the same time, that government itself must not become a trampler. The dimensions of his contribution have been enhanced by his personal and official integrity in all things. Senator Ervin's conduct as a person and as a Senator surely must have fulfilled the highest hopes and fondest dreams of our founding fathers.

I expect that he still has much he would like to do, and it is reassuring to know that he will be with us as we observe our 200th anniversary.

Our great experiment in representative government will surely succeed in the troubled world if enough of us have the good judgment to emulate his splendid example.

Sincerely,

W. B. AYCOCK,
Kenan Professor of Law.

COMMITTEE ON
RULES AND ADMINISTRATION,
Washington, D.C., December 17, 1974.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Thank you very much for giving me the opportunity to join you in paying tribute to our distinguished senior Senator from North Carolina, the Honorable Sam J. Ervin, Jr.

My admiration and affection for Senator Ervin spans a period of more than thirty years. As a young lawyer in North Carolina it was my privilege to practice in the courts presided over by the Senator when he was a Superior Court Judge. His wisdom and fairness set an example which served to inspire all who appeared before him; even then his capacity for great and courageous service to our country was evident.

As a former Member of the House of Representatives and as a staff member of the United States Senate, I have worked intimately with Senator Ervin for twenty years. His record of accomplishments will be forever enshrined in the pages of American history. Generations to come will benefit from his devotion to the ideal of a free people in a free nation, living by the rules of our Constitution which guarantees certain inalienable rights. Although his dedication to these convictions demand the time and skill of a commanding officer going into battle, our distinguished Senator has always made time for his family and friends. He brings warmth, enrichment, and laughter into the lives of many and is never too busy to be kind. My wife and I consider our friendship with Senator and Mrs. Ervin a very rare and beautiful treasure.

As a North Carolinian, and as a friend, it gives me great pleasure to be able to express my affection and admiration for a great and good man—a man of the people for now and ages to come.

Sincerely,

HUGH Q. ALEXANDER.

MORGANTON, N.C.,
December 17, 1974.

DEAR SENATOR HELMS: Residents of his home town of Morganton, North Carolina are immensely pleased that the members of the United States Senate are paying a farewell tribute to Senator Sam J. Ervin, Jr., who is ending a tenure of over twenty years service.

He has a unique place in the warm affection of this community where he has proven that a prophet can gain great honor in his home town. Through the years we have taken for granted the qualities which have helped to thrust him to the center stage of recent national and world history. We have known and loved him for his profundities and his folksy homilies and for an accompanying sense of humor which has been his hallmark from his youth. He has always stood tall as he walked along the streets of Morganton in his shirt sleeves on his way to work, and visitors have been amazed to discover that he continues this warm and neighborly relationship unchanged by his long service in the "greatest deliberative body in the world" and his exposure to the spotlight of national attention.

His friends and neighbors have been pleased to share Senator Sam with the Senate, the nation, and the world and we consider this farewell tribute by his colleagues to be well deserved.

Our emotions are mixed. What is a farewell from others is a "welcome home" from us to one of the most distinguished sons of North Carolina who will be coming back to his native home.

Sincerely,

W. Stanley Moore,
Editor, Morganton News Herald.

[From the Washington Star-News, Dec. 15, 1974]

MODIFYING THE MODIFIERS

Senator Sam Ervin of North Carolina will will be sorely missed when his long career in Congress ends voluntarily with adjournment of this session, and not just because he was the famous Watergate interrogator. His great contribution has been in protection of individual rights under the Constitution, a field in which his expertness is widely recognized. And his last labor in that area before retiring, in which he explored the chilling mysteries of so-called behavior modification, deserves continuing attention.

As chairman of the Senate Judiciary Subcommittee on Constitutional Rights, he had strong words of criticism the other day for some government agencies that are tinkering around in this field. Studies by his panel have turned up a disquieting assortment of scientific ideas—now in the developmental or conceptual stages—for controlling the actions and even monitoring the thoughts of human beings. Our society is about ready, according to one point of view, to enter the age of "psychotechnology," in which the "antisocial" citizen's personality or habits can be managed rather abruptly by the use of sophisticated gadgets or other means of conditioning.

Some researchers, for example, have an idea for keeping tabs on potential criminals: Plant a tiny remote-control monitoring device in their brains. When they think criminal thoughts, a screening center will get the message. Other kinds of electronic, spying or behavior-fixing devices connected to the human body are envisioned—or even in use in a few cases. And of course the people who see this as science's answer to crime or mental illness, in some degree, would appreciate federal funding to help perfect such methods.

In fact, Ervin says, behavior-changing projects already have gone too far without "adequate controls to protect the rights of those subject to such experimentation. "There are, of course, many forms of behavior modification. These include purely psychological techniques of proven value to many troubled people, extend to the use of drugs whose effects may be either mild or drastic; and on to electric shock. At the outer limit in altering the "deviant personality" is psychosurgery—operating on the brain—which has been done with varying success on mental patients. So modification certainly cannot be lumped together in one category, to applaud or decry. Much of it is useful, but some concepts are frightening in their potential for misuse.

One point, however, applies to the whole subject, and must be stoutly upheld now and forever: Voluntarism in any of these applications is vital under our system of government. Consent must be given by the individual without coercion of any sort, and compliance with that requirement is not easy to measure across the whole nation.

We know, for instance, that inmates in penal institutions sometimes may be made objects of drastic experiments when coerced with the prospect of punishment for noncooperation, or rewards for becoming guinea pigs. It has happened. Stories out of some prisons have been papalling, of behavioral drugs with terrible effects being administered to prisoners, or others undergoing repeated electric shocks for such things as alcoholism. Some reportedly have not agreed to some of these tests. And for those who did what were the terms of agreement? Society, and Congress, must demand to know a great deal more about all this, and about behavioral innovations tested in some public hospitals as well.

Ervin charges that three departments—Justice, Defense and Labor—along with the Veterans Administration and the National Science Foundation, "fund, participate in, or otherwise sanction" behavioral modification research without effective controls. He scorches the Department of HEW, too, for failure to draw up adequate regulations governing its areas of concern in this field. Modification may be such an innocent, nonphysical thing as helping slow learners to achieve in grade school with a system of rewards. But, at state levels at least, it has gone as far as neurosurgery to curb emotional instability in children. At that stage, needless to say, it is highly controversial.

We trust that a good deal of light will be shed on all this by a newly created national commission which is launching a two-year study of the implications of behavioral research. But the Senate must not let the committee lapse after he is gone. Congress should stand ready, if necessary, to modify the scope of any personality modifiers who would plant things in people's heads for purposes of changing the mind, or controlling actions, or those who might carry other experimenting too far. Ervin rightly has warned that "concepts of freedom, privacy and self-determination inherently conflict with programs designed to control not just personal freedom, but the source of free thought as well." There are fundamental questions of constitutional rights that must be resolved—perhaps by new law—before this goes much farther.

At least one eminent figure in the behavioral field has said that the brainwashing techniques used so effectively by some Communist nations might serve us very well, since we would be using them for good ends. But the question is, who in the far future might be using this developing science against whom, under new defintions of what is antisocial? It is a dangerous power to unlock. The God-given right to the privacy of one's own mind is precious beyond calculation.

U.S. Senate,
Washington, D.C., December 17, 1974.

Hon. Jesse Helms,
U.S. Senate,
Washington, D.C.

Dear Senator Helms: I am honored to pay tribute to Senator Ervin along with many of his friends on the eve of his departure from the United States Senate.

It was September 15, 1960 that Senator Ervin asked me to join his staff and come to Washington. I have since had the privilege of serving as his staff Counsel, his Executive Secretary, and his Legislative Assistant. Mine has been a greater privilege by reason of the fact that I was reared in Senator Ervin's home county, and have closely observed his remarkable career as a County judge, as a Superior Court judge, and as an Associate Justice of the Supreme Court of North Carolina before he came to the United States Senate.

In my judgment, Senator Ervin's outstanding service to the nation came about in large part because he possessed five qualities. These were:

First, absolute integrity,

Second, courage to voice and vote his honest convictions about all matters,

Third, a steadfast devotion to his country and to constitutional government,

Fourth, an orderly mind and philosophy of government, and

Fifth, the character to engender trust and confidence in his battles to achieve worthwhile goals and purposes.

It seems to me that Senator Ervin was always destined to render great service to his country. When he was very young he answered his country's call to duty and exhibited the courage that many Americans have only recently noticed. In World War I in France he was twice wounded in battle and twice cited for gallantry while serving as a Private in the First Division, American Expeditionary Force. Among his awards for valor is the Distinguished Service Cross.

Integrity is part and parcel of Senator Ervin's character. Once he returned a dividend of twenty percent to every contributor to his campaign for the Senate, and his income tax returns, which he prepares himself, are enough to affirm one's faith in individual honesty.

Senator Ervin has a rare vote-getting ability for one who has sought state-wide political office in eight elections. A few days ago in his final radio broadcast to the people of our state he summarized why he thought this was so. He said it was easy for him to serve the people of North Carolina because he was born and educated in North Carolina and because he felt that on most issues he thought like the vast majority of our people. In that broadcast he said it was significant that he had never solicited a single contribution for himself for office. His friends always looked after his interests at the county level, and he never had any political organization other than the people themselves. He won large majorities every time he ran for the Senate.

This ability to win election without serious opposition, I think, contributed to his effectiveness in the Senate. He could always vote his convictions and he was free to work for causes and purposes he felt would strengthen constitutional government and our democratic system.

In retrospect, working for Senator Ervin is one of those once-in-a-lifetime events. He never demanded good staff work. He insured it by example. His staff always said with pride "I work for Senator Ervin" like the badge of honor in the days of Rome when an individual would say "I am a Roman citizen".

Senator Ervin is a tireless worker. Many times, I have seen him in his office in the evening reading a lawbook or writing on his legal pad his speech for the next day or drafting a bill which he planned to introduce. At the same time, he made it a habit to go through the office before leaving for the day and saying to any staff member on hand: "you are violating the maximum hours law. It is time to go home for the day."

I have never known any member of his staff who did not admire and love him. Those of us who are still on his personal staff gathered the other evening for the last time at a staff member's home to honor him. It was an occasion for good food and fellowship. We sang the old songs. We recounted the events of the years together. When the coals in the fireplace burned low an he and Mrs. Ervin rose to leave there was a deep sadness as we said "goodbye".

The Senator will enjoy his retirement because in mind and heart and spirit he never left the people of North Carolina or his beloved mountains. With him go the good wishes of his staff, but the Senate will not be the same without him.

Sincerely,

JOHN E. GILES,
Legislative Assistant to U.S. Senator Sam J. Ervin, Jr.

EXHIBIT 3

SAM ERVIN

A hundred years later, in the 1960's Sam Ervin stood up to be counted for the Rule of Law and the Bill of Rights in critical moments in the history of the United States.

I have talked about Sam Spencer and Zeb Vance from a background of reading and research. I shall talk about Sam Ervin from a background of observation and experience. I have known him since college days at the University of North Carolina in 1914.

He was born in Morganton, Burke County, North Carolina, in 1896; graduated from the public schools in 1913, and from the University of North Carolina in 1917; went from college campus to training camp and World War I in the spring of 1917; graduated from Harvard Law School in 1922; began practicing law and went to the General Assembly of North Carolina in 1923; became judge of the Burke County Criminal Court in 1935; Judge of the Superior Court of North Carolina in 1937; Congressman in 1946; Justice of the Supreme Court of North Carolina in 1948; and United States Senator from North Carolina in 1954.

The Rule of Law and the Bill of Rights got into Sam Ervin's mind by way of his lawyer-father who put him to reading Blackstone's Commentaries on the Laws of England when he was fifteen years old, and by way of teachers in the University of North Carolina just before and after World War I.

In talking to the University faculty in Chapel Hill in the spring of 1973 here is what he said about Dr. de Roulhac Hamilton's course in American Constitutional History: "He made it plain that if one is to understand the fundamental principles of the Constitution he must know the history of the events which brought those principles into being. I cannot over magnify the benefits which I received from his instruction." Here is what he said about Dean Lucius Polk McGehee's course in Constitutional Law: "Dean McGehee was one of the greatest lawyers as well as one of the greatest scholars I have ever known, and he emphasized above all things the necessity of being thorough in one's studies and endeavors, and being completely honest intellectually. I cannot adequately express my appreciation of the aid which his instruction has given me through all the intervening years."

They become more than words to him as he sat in the assembly of students in Chapel Hill in the spring of 1917, when college seniors were leaving the campus for the training camp in World War I, and President Edward Kidder Graham called the roll of great landmarks in this history of liberty—Magna Carta, the Petition of Right, the English Declaration of Rights, the Declaration of Independence, the United States Constitution, and the First Ten Amendments, and said: "Young gentlemen these are not empty phrases. Cut them and they bleed."

He stood up to be counted for them in the 1950's in a speech on the floor of the United States Senate, involving a provision in the United States Constitution, saying, "that . . . for any speech or debate in either House [Senators and Representatives] shall not be questioned in any other place."

Senator Joseph McCarthy had been using this provision as a cloak of immunity from prosecution while he was smearing the reputations and characters of American citizens whom the Bill of Rights was designed to protect. Sam Ervin spoke in support of a Senate Resolution censuring Senator McCarthy for this abuse of a Senator's privilege. In my opinion that speech was his finest hour up to that time.

He has stood up to be counted for the Rule of Law and the Bill of Rights again and again and again throughout the 1960's and 1970's, as he has spoken out on the floor of the U.S. Senate:

In protest against a bill before the Senate permitting police to break into a man's house by day or night "without knocking," on mere suspicion that he had "dangerous substances" in his possession which he might destroy if he was not taken by surprise.

In protest against bills permitting the courts to deny the right to bail to persons whom police and judges "suspect" might commit new crimes while out on bail.

In protest against regulations of the Post Office Department that would permit the opening of sealed letters from abroad without notice to the writer or addressee, if it is "suspected" that the letters contain pornographic pictures, lottery tickets, or narcotics.

In protest against regulations of the Census Bureau and other government agencies permitting data collecting programs, sophisticated surveillance techniques, and the use of the computer and data banks in ways violating the individual's historic right of privacy.

In protest against regulations of government employment agencies permitting probing questions about religion, family, and sexual matters. Questions calling for the disclosure of personal finances and creditors of employees and their relatives. Practices coercing employees to buy bonds and support political parties and participate in community activities having nothing to do with ther jobs, and to conform their personal behavior and associations outside the office to agency rules and a supervisor's whim.

In protest against activities of military agencies operating a data bank "collecting files on private citizens" and spying on the lawful pursuits of Americans in public and private assemblies throughout the country.

Reminding privileged students on college campuses, as well as the underprivileged inhabitants of slums and ghettos, that the freedoms guaranteed in the U.S. Constitution do not go so far as to provide a cloak of immunity for such crimes as "treason, felony, or a breach of the peace" committed by anybody, anywhere, at any time.

Sam Spencer and Zeb Vance would have thrilled to this record.

SAM ERVIN AND THE SENATE SELECT COMMITTEE IN 1973

The portals of the National Department of History and Archives carry this legend: "What Is Part Is Prologue." "What does that mean?" asked a tourist of a taxi driver, and got this answer: "It means you ain't seen nothing yet." That legend is true of Sam Ervin today as he stands at the threshold of his greatest challenge and his greatest responsibility as Chairman of the Senate Select Committee, appointed on the fifth day of February 1973, "to conduct an investigation and study of the . . . illegal, improper, or unethical activities . . . engaged in by any persons, . . . in the presidential election of 1972, or any campaign, canvass, or other activities related to it."

North Carolina can take pride in the fact that one of her sons, coming to the United States Senate in 1954, in nineteen years of initimate association won the confidence of his fellow Senators in his ability, integrity, and fairness, to the point that the Senate Majority Leader, Mike Mansfield said in appointing him Chairman of this Select Committee, "We are looking for a good, fair, impartial investigation, and Sam Ervin is the only man we could have picked on either side of the aisle who would have the respect of the Senate as a whole."

This Senate Select Committee comes at a time when men who ought to know better believe that loyalty to a candidate for political office is more important than loyalty to the laws, the Constitution, and the Bill of Rights, and carries more weight than the ten commandments. At a time when men distort the Golden Rule into saying: "Do unto others what you think they are going to do unto you and do it first." Thrice armed is he who feels his cause is just," these men are saying, "but thrice times three who gets his licks in fust."

At a time when the Rule of Law and the Bill of Rights are being called into question as never before in the twentieth century. Let me illustrate my meaning.

OLD LIBERTIES IN NEW SETTINGS

The 39th Article of Magna Carta, written in 1215, promised to "the freeman of England and their heirs forever", that:

"No freeman shall be attested, or detained in prison, or deprived of his freehold, or outlawed, or banished or in any way molested . . . ; and we will not set forth against him, unless by the lawful judgment of his peers and by the law of the land."

This provision was brought forward in the Constitution of North Carolina in 1776, and in the Constitution of the United States in 1791. It takes on fresh and vivid meaning in the setting of 1973, as we listen to testimony that governmental agencies are being used to harass citizens by politically motivated audits, "quickie" investigations, and other tactics prostituting normal governmental activities to partisan political ends.

The 40th Article of Magna Carta reads like this: "To no one will we sell, to no one will we deny or delay right or justice."

This provision was brought forward in the North Carolina and United States Constitutions. It takes on fresh and vivid meaning in the setting of 1973, as we listen to testimony about slowing down the processes of the courts in civil litigation, and suggesting a prestigious appointment to a judge while he is trying a criminal case—by an administration interested in the outcome of cases before the court.

A provision in the Petition of Rights in 1628 reads like this: "That no man be hereafter compelled to make or yield any gift, loan, benevolence, or tax, or such like charge, without common consent by act of Parliament."

This provision was brought forward in the Constitutions of North Carolina and the United States. It takes on fresh and vivid meaning in the setting of 1973, as we listen to testimony about political pressures for campaign gifts from competing corporations. Testimony about rulings increasing the price of products in return for campaign contributions. Testimony about shifting profits from producers to middle-men by withholding information about massive sellings in the offing. Testimony about mergers of businesses influenced by proffered donations to subsidize the site for political conventions.

A provision in the Declaration of Rights in 1689 reads like this: "That election of members of Parliament ought to be free."

This provision was brought forward in the Constitutions of North Carolina and the United States. It takes on fresh and vivid meaning in the setting of 1973, as we listen to testimony about uncounted millions of dollars used to manipulate elections by the fraudulent devices of lying, concealment, and non-disclosure, and the calculated use of "dirty tricks" without stint or limit.

A provision in the Declaration of Rights in 1689 reads like this: "That it is the right of the subjects to petition the King . . . and that for redress of all grievances, and for the amending, strengthening, and preserving of the laws, Parliaments ought to be held frequently."

This provision was brought forward in the Constitutions of North Carolina and the United States, and the first amendment to the United States Constitution guaranteed "the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

It takes on a fresh and vivid meaning in the setting of 1973, as we listen to testimony about military agencies operating data banks, collecting files, and spying on American citizens attending lawful assemblies.

The fourth amendment to the Constitution of the United States reads like this:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the places to be searched, and the persons or things to be seized."

It takes on fresh and vivid meaning in the setting of 1973, as we read of the practice of "no-knock" entries into homes to take the occupants by surprise, preventive detention of suspected persons, electronic surveillance, and burglaries of dwellings and business establishments, whenever possessions of "a little brief authority" request it.

BUILD-UPS AND LET-DOWNS IN THE FLOW OF FREEDOM

The flow of freedom from the Establishment to the People throughout the centuries has not been uniform or smooth. It has been irregular and disjointed. Many times it has gone under in the undertow, and later come to a new advance with a returning wave—adding a new beachhead to the main, and expanding our liberties by slow and gradual accretion. Let me illustrate my meaning:

On April 19, 1783, the Governor of North Carolina wrote to members of the North Carolina General Assembly that—

"His Britannic Majesty having acknowledged the United States of America free, sovereign and independent, . . . Nothing now remains but to enjoy the fruits of uninterrupted Constitutional freedom, the more sweet and precious as the Tree was planted by virtue; raised by the toil and nurtured by the blood of Heroes."

With this invitation to rest on their oars, thirteen "free and independent" states began withdrawing from each other. They withdrew long enough to find that they could live *in* liberty but they could not live *on* it, long enough to find that they could not "go it alone," long enough to find that every state could not do as it pleased and let every other state do as it pleased, long enough to understand that they must pull together "in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity."

This experience of build-up and let-down has been repeated throughout our history. The let-down followed Magna Carta, and the build-up came with the Petition of Right. The let-down followed the Petition of Right, and the build-up came with the Declaration of Rights. The let-down followed the Charter from the Crown, and the build-up came with the Declaration of Independence.

This let-down and build-up in the flow of freedom from one generation to another is a little like the flow of oil in a pipe line—starting out strong, and slowing down almost to a stop from the friction and erosion of the surrounding pipe, until a booster station pumps new life and vigor into the flow. It was in this way that Magna Carta, the Petition of Right, the Declaration of Rights, the Charter from the Crown, and the Declaration of Independence became "booster stations" in the flow of freedom. And so with the 13th, 14th, and 15th amendments in the 1860's, the Segregation Decision in the United States Supreme Court in 1954 and the decisions triggered by it, the Civil Rights Act of 1964 and the Voting Rights Act of 1965 in the United States Congress.

Flowing through the centuries like some magic gulf stream these historic documents have changed the climate and tempered the habits, customs, and manners of men wherever the current has gone. They are joints in the backbone of our liberties. The fluid in the spinal column. The marrow in the bones. The spark of life in the customs, laws, and Constitutions of North Carolina and the United States. Let the spark of life go out of the human body and the human body goes to rot. Let that spark of life go out of our customs, laws and constitutions, and our customs, laws and constitutions go to rot.

I believe it was a vivid awareness of this tragic flow of build-up and let-down in human nature and in the body politic which caused Sam Spencer and his associates to write Section 35, Article 1, into the North Carolina Constitution in 1776, saying: "That a frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty."

I believe it was this vivid awareness which caused them to follow-up Section 35 of Article I with another provision, saying that the North Carolina Declaration of Rights is "hereby declared to be part of the Constitution of this State and ought never to be violated on any pretense whatsoever."

Revelations going on around us today demonstrate with all the stinging freshness of demonstrated truth that "a frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty." This is simply another way of phrasing the well-worn observation that "eternal vigilance is the price of liberty."

THE TASK OF THE SENATE SELECT COMMITTEE

The task of the Senate Select Committee is both simple and profound. It is (1) to find the facts, (2) inform the people, and (3) recommend laws and procedures to correct the evils they uncover.

It is well on its way to finding the facts, and it will keep on going until it finds them. It is well on its way to informing the people, and it will keep on going till it informs them. It will then propose legislation to strike at the roots of the evils it uncovers.

I do not know how many paragraphs and pages it will take for the Senate Select Committee to spell out the grievances of the people in 1973, as the predecessors spelled out the grievances of the people in 1215, 1628, 1688 and 1776. But I do know that its report must begin with a reaffirmation of the "ancient rights, liberties and inheritances," promised by Magna Carta to "the freemen of England and their heirs forever." Reaffirmed and expanded in the great historic documents which have punctuated the flow of freedom from one generation to another throughout our history.

If the Senate Select Committee draws up a document reaffirming and expanding our "ancient rights and liberties and inheritances," in this day, as their predecessors have done before them.

If it strikes at the roots of our grievances today, as its predecessors struck at the roots of the grievances of their day.

It will give the American people something to celebrate as the 200th anniversary of American Independence arrives in 1976; something above and beyond anything that any Bicentennial Commission is likely to propose; something that will help to turn "the Watergate Affair" into another "booster station" in the flow of freedom from the Establishment to the People.

WHAT WILL THE PEOPLE DO?

Mary McCarthy, writing in the New York Review of July 19, 1973, says this of Sam Ervin and his leadership of the Senate Select Committee: "It is the old America which Senator Ervin believes in. This house, he feels, can be cleansed, and restored to its semi-pristine condition. That is why he is stubbornly convinced that the hearings will arrive at their destination—the truth.

"But if it doesn't come out that way," I said to him. "If they fail? Just take it as a hypothesis." "I refuse to entertain the thought," was Sam Ervin's answer. "As though the thought was a felon seeking entry into his mental house. He is becoming a folk hero, because of that stout old-fashioned attitude."

Mary McCarthy goes on to say:

"I hope that Senator Ervin is right, but if he is right and nothing happens—a strong possibility—then we are worse off than we were before. If we know, that is, and don't act, can find no frame for action, then the powers that be, knowing that we know and won't do anything, will have nothing more to fear."

Sam Ervin is old fashioned enough to believe that the people will act. He knows that "the boughs of the Tree of Liberty have been swayed this way and that" throughout our history. He knows that "their strength to withstand the wind comes from the depth and toughness of their roots in the past. He knows that "the greatest danger to the people is that they themselves may erode these roots by forgetfulness and indifference—the slow smokeless burning of decay."

He also knows that in 1973, the people are seeing these revelations of what has been going on around them—revelations on their television screens by day and by night, reading about them in their morning and afternoon papers, and talking about them wherever they are. They are becoming as much aware of the pollution in the body politic as they are aware of the smog which obscures the sun and the waste which fouls their streams. As much aware of the gradual erosion of their liberties as they are aware of the general erosion of their top soil and the blighting of their landscape. Aware of the smug and arrogant complacency of a witness under oath recognizing their erosion and bragging about his part in it.

He is old fashioned enough to believe that a self-respecting people will not listen to seductive and self-serving cries from those who would stop the hearings before the truth comes out, any more than he believes that a self-respecting dentist will put a cement filling in a decaying tooth before rooting out the rot. He does not believe the American people are willing to be a party to the stultifying process of covering up the "cover up".

Common Sense and Mother Wit

I think there may be something to Mary McCarthy's suggestion that he is becoming a folk hero because "of his stout old-fashioned attitudes." There are in him qualities giving color to title to his talk.

He is himself and nobody else. He moves in his own orbit, along inner directed courses. He is full of common sense and mother wit. Whether he is quoting the Bible or the Constitution he is illustrating his own philosophy and religious thinking and beliefs. He is all of a piece—not a lot of planks nailed together, but a growing tree with the sap of life flooding through it.

A GREAT COMPASSION

It surfaced at a hearing of the Senate Select Committee the other day, in saying that the Watergate affair may turn out to be a greater tragedy than the Civil War. Ed Yoder points out in the Greensboro *Daily News* that Sam Ervin is using "tragedy" in its precise and classical meaning:

"Those who recall its ancient resonances, as discussed by Aristotle, may feel that it fits the Watergate matter very precisely. Tragedy, said Aristotle, is the calamity of the man of overwhelming pride, neither exceedingly good nor exceedingly bad, who is betrayed by a tragic flaw and punished for his lapse by the gods. In King Oedipus the flaw was anger; in some of the Watergate principals—one thinks, for instance, of former Atty. Gen. John Mitchell—it was a dangerous mixture of cynicism and arrogance; in others, a misplaced, almost mindless, loyalty. . . .

When one feels, as Senator Ervin seems to feel, that the frailty of pride has undone the men of Watergate, and reflects that this frailty is universal, the natural response is indeed pity and fear—or what we mean when we think, "there but for the grace of God go I." One may not agree with the Senator that Watergate, in the scale of delinquency or present retribution, rivals the Civil War. But both, equally, were collisions of arrogant men "dressed in a little brief authority" that constitutes tragedy.

"Senator Ervin, as usual, has defined the matter with a precision his critics do not grasp."

In the twisted lives and tortured reputations of witnesses unfolding in succession before the Senate Select Committee, Sam Ervin has seen and heard and felt the "still sad music of humanity, not harsh nor grating, but with ample power to chasten and subdue."

He knows what the Grecian poet was talking about twenty-five hundred years ago when he wrote of the "God whose law it is that knowledge comes through suffering. . . ." How "Sorrow falls, drop by drop upon the heart, until, against our will, and even in our own despite, comes wisdom to us by the awful grace of God. . . ."

A MIGHTY HEART

Along with these qualities of common sense, mother wit, and compassion, he brings to the leadership of the Senate Select Committee another all important quality—which was pointed out in a Memorial Day address in 1884 to Union Veterans of the Civil War, by Mr. Justice Holmes: "Above all, we have learned that whether a man accepts from Fortune her spade, and will look downward and dig, or from Aspiration her axe and cord, and will scale the ice, the one and only success which it is his to command is to bring to his work a mighty heart."

In a speech on the Senate floor supporting the resolution to censure Senator Joseph McCarthy in the 1950's, Sam Ervin said in answer to a question, that if his name was called in question as Senator McCarthy's was, while he was on the other side of the Potomac as Senator McCarthy was, the if the Potomac was a river of fire instead of water he would somehow cross it to appear in defense of his name.

I call your attention to the fact that Sam Ervin said he would walk through fire. He knew he could do this, because he had done it before when he belonged to Company I of the 28th Infantry, selected as the first regiment of American troops to go "over the top" at the Battle of Cantagny—the first engagement fought by American troops in World War I. His part in the battle is described as follows: "Private Samuel J. Ervin, with exceptional courage and perseverance, led a carrying party through heavy fire; he made several trips from the rear to the front until he was wounded."

In the Battle of Soissons, on the 18th day of July, the 28th Infantry was halted by machine gun fire from an emplacement one hundred yards ahead. Most of the officers of the Company had been killed. At this point, twenty-two year old Sam Ervin called for volunteers to help silence the enemy gun. Four men responded and they charged the gun. Here is an affidavit of one of those men: "One man was mortally wounded. Another was killed. Ervin was knocked down by a shell fragment in front of the gun. The two remaining reached the machine gun, killed its crew, seized the gun," and the troops went on to victory.

The affidavit goes on to say: "We went back to Ervin and bandaged his wounds to stop the flow of blood and wanted to carry him back to safety, but he refused to be assisted and told us to go back and join the other soldiers if we could.

"It was only due to Ervin's initiative and gallantry that the gun was captured. Throughout the engagement he directed the fire upon the machine gun, and after being wounded he urged us to capture the gun and showed himself unmindful of his own safety. Though wounded so severely he was unable to walk, he refused to go to the rear, but crawled back and organized an advance automatic rifle post where he remained on duty until all danger of a hostile counter attack was over."

In speaking to five thousand students at the University of North Carolina in Chapel Hill some days ago, Sam Ervin said: "As long as I have a mind to think, a tongue to speak, and a heart to love my country, I shall deny that the Constitution confers any arbitrary power on any President, or empowers any President to convert George Washington's America into Caesar's Rome."

Anyone who knows Sam Ervin knows that he will live and die fighting on this front—fighting with his face to the enemy and with his wounds to the fore. Anyone who knows Sam Ervin knows that in 1973 he is doing this as instinctively, as deliberately, and as knowledgeably as he charged the machine gun firing on his comrades in the Battle of Soissons on the 18th day of July, in 1918.

A LOVE LETTER TO SAM ERVIN

When I read what I had written up to this point to my wife, she said, "It reads like a love letter to Sam Ervin." As indeed it is. Let me tell you how we came to know Sam Ervin.

He was in the Class of 1917 and I was in the Class of 1918, in a University with a thousand students who knew each other—always by sight and nearly always by name. We felt the accuracy with which he was characterized in the college annual by one who knew him: "Everything he meets responds, and at once a sympathetic friendship ensues. Like Midas, he has that magic touch which makes everyone he meets his friend; and consequently he is liked by all."

He became a dramatic figure in the eyes of my wife and myself when the classes of 1917 and 1918 held a joint reunion in June 1929. This incident occurred as one returning alumnus after another stood up around the table giving his name and telling what he was doing in post-war years—until a ten-year-old boy was introduced as the son of Oliver Ransom of the Class of 1917.

At this point in the proceedings, my wife saw a tall and slender young man, elegant in dress and bearing, come to his feet in tribute to this ten-year-old boy's father, and the spirit that had moved him to—

. . . pour out the red,
Sweet wine of youth; give up the years to be
Of work and joy, and that unhoped serene
That man calls age.

My wife had come to Chapel Hill from Virginia as a bride the year before, and had never seen Sam Ervin until that night. She marvelled at his power to stir a cynical post-war generation in 1929 with the poetry of Rupert Brooke—until I told her that Oliver Ransom was Sam Ervin's friend and classmate, who had gone to war with him in the spring of 1917, and was killed in action early in the War and left behind him a bride who had become a wife, a widow, and a mother within a year, and this ten-year-old boy was the son that Oliver Ransom had never seen.

We followed Sam Ervin's career in the years after this 1929 reunion as the morning paper brought to our breakfast table the news of his election as Congressman, his appointment and election as Superior Court Judge, Supreme Court Justice, United States Senator. Each time my wife and I have interrupted our breakfast to call him on the phone to tell him of our delight and to wish him well.

We have voted for him in successive elections, not because of how he stood on any one particular issue—we never asked him—but because he was the sort of man he was; and we knew without his telling that he would vote and act from forces welling up within him and not from any outside force or external pressure, and because we felt he was headed in the general direction we wanted to go.

We have never had any fear that he would get lost along the way. There is a story told to us by Miss Beatrice Cobb, editor of his hometown paper, that Sam had been reported "missing in action" in World War I and continued on the missing list for a long time. When he finally turned up the whole worried community came together in a sigh of relief that "little Sam" had been found. "I was never lost," he told them. "I knew where I was all the time." And so it has been from that day to this. Sam Ervin is all there, all at once, and all the time.

Let me bring this love letter to a close by saying that my wife has read all that I have written, and begs exemption from the common law doctrine that man and wife are one and the man is the one, long enough to sign her own name to this letter.

THE GREAT TRADITION

I have heard it said from boyhood days that one could pick up a seashell, hold it to his ear and hear the sound of ocean waves beating upon the shore. Not long ago I ran across this notion in a poem:

The hollow sea-shell, which for years hath stood
On dirty shelves, when held against the ear
Proclaim its stormy parent, and we hear
The faint, far-off murmur of the breaking flood.

This poetic folklore is a matter of fancy rather than of fact, but I have no doubt that imagination may call up the "far-off murmur of the breaking flood" to ears familiar with the sea.

As North Carolinians, we can take pride in the fact that when our freedoms have been in danger here in North Carolina, there have been among us men who have held the historic documents of our liberties to their ears and heard their music and gone into battle in their defense.

Sam Spencer in the 1760's, Zeb Vance in the 1860's, and Sam Ervin in the 1960's and 70's take their places in the great tradition of Stephen Langton and his associates in the Magna Carta, Sir Edward Coke, Sir John Eliot and John Somers and their associates in the Petition of Right, and the Declaration of Rights; Thomas Jefferson, in writing the Declaration of Independence in 1776; James Madison and his associates in drafting the First Ten Amendments to the U.S. Constitution in 1791. Men who stood up to be counted for the Rule of Law and the Bill of Rights. Men who were, in Stephen Spender's words:

Born of the sun [and] traveled a short while toward the sun,
And left the vivid air signed with their honor.

Mr. ERVIN. Mr. President, as long as I live, I shall treasure in my memory the generous and gracious remarks of my good friends Jim Allen and Jesse Helms.

Jim Allen and I have fought side by side in many battles, sometimes when we stood alone. I have often said that if I had to stand in Armageddon with one man, in battle, I would rather that man be JIM ALLEN than anybody else I have been privileged to know.

As JESSE HELMS has stated, he and I have been acquainted for approximately a quarter of a century or more, and during that time I have numbered JESSE among my friends. Before coming to the Senate, he was a most eloquent commentator on WRL–TV in Raleigh, N.C. He displayed at all times courageous action, stating his honest convictions, regardless of whether they were popular or unpopular.

I have enjoyed my service in the Senate with JESSE. All our personal and official relations have been most pleasant, and he has displayed in the Senate the same courage he has displayed on all occasions as a commentator.

So, as I say, I am deeply grateful to JIM ALLEN and JESSE HELMS for their most general and gracious statements.

Mr. ALLEN. Mr. President, I ask unanimous consent that as other speeches are made by Senators commenting on the retirement of the distinguished Senator from North Carolina, they be included in the permanent RECORD at this point, and that the RECORD be held open for a period of 10 days following the adjournment of the Senate, so that other Senators may place their speeches in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, there will never be another SAM ERVIN. He is the only one of his kind and his memory will linger long not only in the Senate but throughout the Nation.

He will be remembered as one of the foremost lawyers of his generation—for his brilliant record as a student in the oldest and perhaps the greatest law school in the land—for the nationwide recognition accorded him during his years of service at the bench and bar of his native State—for his passion for exact justice, his independence, his fearlessness, his spotless character and integrity, and especially for the warmth of his personality which comes from his deep-seated love and compassion for his fellowmen.

I was deeply impressed by him from my first day as a freshman Senator. Having been elected to replace a Senator who had died in office, I was sworn in immediately following the election and took my seat during the special session that had been called at that time to consider the move to censure Senator Joe McCarthy. Those who were Members at that time will remember that Senator ERVIN was on the special select committee that considered and then brought the charges. This necessitated his frequent participation in the long and sometimes bitter debate. He had not been in the Senate very long at that time, but he already had the same complete grasp of the rules and precedents of the Senate, as he had of the Constitution of the United States and the fundamental precedents and rules of law in our Republic. That is why, as my acquaintance with him ripened, I found myself calling him "Judge" instead of "Senator" and have greeted him by that title almost every morning when we eat breakfast at adjoining tables in the Senate dining room. I explained this to him, and he replied with one of his typically humorous rejoinders.

Of course, I shall always remember him for his great abilities and deep knowledge, but I shall remember him even more for the twinkle in his eye, his unfailing humor, and his down-to-earth stories which frequently illustrate so strikingly the traits of human nature. And I shall always remember with a little amusement how he always calls himself a simple country lawyer, which he is not.

Like all his colleagues, I shall remember him with respect and admiration.

Mr. TALMADGE. Mr. President, it is a high honor to join my colleagues in paying tribute to my good friend and colleague, SAM ERVIN, on his retirement from the U. S. Senate.

The wisdom, the leadership, and the legislative expertise which have characterized SAM ERVIN's two decades of distinguished service will be greatly missed in the Senate. His retirement will be a loss to the State of North Carolina and the Nation.

Having served as a justice of the supreme court of North Carolina, and with a brilliant career in law and judicial procedure behind him, SAM ERVIN came to the Senate in June 1954. He brought with him vast experience in law, and in his love of the law and respect for the Constitution, he is without peer.

His strong character, his integrity, and his unwavering patriotism have made Senator ERVIN one of the most respected men to ever sit in the U.S. Senate.

History reserves a special place for men of the caliber of SAM ERVIN. His service will long be remembered. His works will pay dividends to generations yet unborn.

Senator ERVIN has many distinctions to his credit and, as chairman of the Senate Subcommittee on Constitutional Rights, he has earned the admiration of people everywhere for his devotion to both the spirit and the letter of the Constitution.

As a champion of civil liberties, he fought abuses of executive and judicial power, without fear or favor, whenever and wherever they occurred. It is fitting that his senatorial career would be capped by being named chairman of the Select Committee on Presidential Campaign Activities, in what was probably one of the most important investigations in the history of our Republic. Senator ERVIN won high praise all over the country for the fair and able guidance he gave the committee.

Senator ERVIN is a man of rare humor, who, when he is of a mind to do so, can regale an audience with his bright wit and sharp, homespun philosophizing. He is a master storyteller, but if you listen closely, you will very often discern an important moral to his story, and this is his very effective way of driving home the point he wishes to make.

SAM ERVIN is a scholar, educated at the University of North Carolina and Harvard Law School and the holder of numerous honorary degrees. He is a much-decorated hero of World War I, twice wounded and twice cited for gallantry in action. He likes to describe himself as "just a country lawyer," and he had many years of experience practicing in his hometown of Morganton before taking his legal talents to various judicial benches in North Carolina. A man of great faith, he is a knowledgeable student of the Bible and probably the Senate's foremost expert in the religious heritage of our Nation.

In short, there have been many facets to SAM ERVIN's career, all of them shining. He has achieved distinctions in his life to which many men aspire, but few attain.

I have been proud to serve with SAM ERVIN in the U.S. Senate. I value and have profited from his friendship and benefited from his leadership. The Senate will not be the same without SAM ERVIN and I extend to him my heartfelt wishes for every future happiness in whatever he may undertake in his retirement.

I hope that he will continue to give us the benefit of his counsel.

Mr. JOHNSTON. Mr. President, when SAM ERVIN leaves the U.S. Senate this historic Chamber will be the poorer for the loss. SAM ERVIN has distinguished himself as a Member of this body and has brought great credit to the State of North Carolina.

Seldom in its history has the Senate seen a greater guardian of personal liberty; seldom has it seen a greater foe of demagoguery and those factions in government insensitive to the rights of an individual.

The name SAM ERVIN will become a synonym for integrity. His discerning wit and perceptive sense of humor are no less great than his grasp of constitutional law.

But above all of his other attributes—attributes no secret to my colleagues or the American people—is his refined and keenly honed sense of justice.

I would say that I am not only proud to have known SAM ERVIN but prouder still to have served with him. When America needed a conscience he provided it. When America needed a sense of righteous outrage he provided it. When America needed a SAM ERVIN he stepped forward.

A light will have gone out of this place, the U.S. Senate, when he returns to his beloved North Carolina. We will miss you Senator SAM.

Mr. BAKER. Mr. President, I am happy to have the opportunity to join in paying tribute today to our distinguished colleague, the senior Senator from North Carolina.

Senator SAM ERVIN is, perhaps, the most renowned "country lawyer" in the United States. He is without a doubt one of the most respected of the country's lawmakers.

I have had the pleasure of knowing Senator SAM ERVIN since I came to the Senate 7 years ago, and my admiration goes back much further. He is a remarkable individual—an effective legal craftsman, a noted constitutional expert, and a distinguished and delightful orator.

Coupled with these professional qualifications are his sense of integrity, his warm personality, and his down-home charm. As his colleagues know, he can be a valuable ally or a formidable opponent, but he is always a fair and decent man.

Senator ERVIN once called himself "as mild-mannered a man as ever cut a throat or scuttled a ship." Despite his use of that picturesque imagery, I think SAM ERVIN can more accurately be described as one of the most colorful and commanding committee chairmen who has ever wielded a gavel.

During the past 2 years, I have been proud to serve with Chairman ERVIN on the Senate Select Committee on Presidential Campaign Activities. Working in that politically supercharged atmosphere, I came to have an even greater appreciation for his diligence, his cooperativeness, and his major contributions to reaffirming the confidence of our citizens in our constitutional system.

SAM is the only man I know who can read the transcript of a telephone conversation and make it sound like the King James version of the New Testament, or speak on abstract constitutional doctrine and the philosophical writings of the Founding Fathers with such authority that you almost suspect he just rode up from Charlottesville with them in his saddlebags.

It is altogether appropriate that this champion of our freedoms under the Constitution should serve as chairman of the Subcommittee on Constitutional Rights. Senator ERVIN has rightly regarded the Constitution as "a law for rulers and people alike at all times and under all circumstances." Throughout his long career as a State legislator, a member of the judiciary, and as a Member of the Congress, he has remained steadfast to his principles.

As chairman of the Government Operations Committee too, and as a member of the full Judiciary Committee and the Armed Services Committee, Senator ERVIN has made many constructive contributions which have affected the lives of all our Nation's citizens.

Although his colleagues will miss Senator ERVIN's able leadership and welcome companionship during the next Congress, I know he will continue to provide his wise counsel for our Nation for many years to come.

As we honor Senator ERVIN, I hope we will rededicate ourselves to that proposition he often expressed:

> The vigilance that freedom demands must be provided by each and every citizen—and especially by those of us who know and love the law.

Mr. FONG. Mr. President, I rise today to pay tribute to one of our Nation's most distinguished lawyers and lawmakers, SAM J. ERVIN, JR.

"Mr. SAM," as he is affectionately and nationally known, has announced that he will retire at the close of his current term, which ends with the 93d Congress.

My distinguished colleague from North Carolina left an outstanding career as an associate justice of the North Carolina Supreme Court more than two decades ago to enter this august body.

Before that he served with distinction in the U.S. House of Representatives, as a judge of the North Carolina Superior Court and the Burke County Criminal Court, and as a delegate to the North Carolina General Assembly.

It has been my privilege and pleasure to have served with SAM ERVIN on several committees and subcommittees of the Senate. I especially enjoyed my service with him on the Judiciary Subcommittee on Constitutional Rights.

SAM ERVIN is known most aptly as the Senate's authority on the U.S. Constitution. Throughout my 15 years on Capitol Hill, I have watched the senior Senator from North Carolina jealously guard this precious basic law of our land in all its facets.

The fine Senator has served North Carolina well. He did much to make life more abundant for the farm families who produce the food, fiber, and agricultural crops essential to man's existence and comfort. He has staunchly supported the private enterprise system and promoted the economic interests of those who invest time and money in the industries of his State. As a result of his efforts, many development projects for rivers and harbors have been started in North Carolina.

Perhaps of greater significance is the fact that in serving North Carolinians well, he has served the Nation well, especially in preserving constitutional government and protecting the liberty of all individuals.

The 94th Congress is going to seem a bit lonelier than the 93d without the Senator's striking white hair, determined jaw, and friendly but incisive country-lawyer approach to the many challenges which confront the Senate.

It will be reassuring know, however, that "Mr. SAM" will be close at hand in Morgantown, N.C., when the need arises for consultations.

To SAM and his gracious wife, Margaret, I extend my very best wishes for many, many years of abundant good health and happiness in their retirement.

Mr. BURDICK. Mr. President, I join with my colleagues in saying farewell to SAM ERVIN. Senator ERVIN has long championed the cause of the constitutional rights of the American citizen. He is a dedicated and articulate opponent of actions that violate our constitutional freedoms. Because of his love for the Constitution, the chairman of the Senate Watergate Committee has become a legendary man.

During my years in Congress and service with him on the Judiciary Committee, I have long been amazed at Senator SAM's knowledge of constitutional law. His keen eye for detail and his persistence in getting the facts has benefited all Americans. I hope that the distinguished gentleman from North Carolina and his lovely wife, Margaret, will enjoy their well-deserved retirement and many years of good health and happiness.

Mr. HOLLINGS. Mr. President, we all know that our's is an era of rapid-fire change. Problems compound and issues cascade over one another in such a flood that we are constantly in danger of losing our way.

Fortunate is the country which, in the midst of such tumultuous times, can call forth a legislator, a leader, who never loses sight of the beacon, who has his compass set and his principles developed in such a way that he can impart wisdom and direction to his countrymen.

Such a man is Senator SAM ERVIN, the distinguished senior Senator from the great State of North Carolina. In paying him tribute, as we do today, we do honor not simply to one individual, but to the fundamental traits of character and thought which have made America great—for these traits are deeply embedded in SAM ERVIN.

In his 20 years of service in the U.S. Senate, and in his years of service to the country before that, Senator SAM ERVIN has never veered off course. He has done his duty as he saw it, and he has stuck by the principles of justice and law and reasoned debate day in and day out. As a decorated soldier in the First World War, as a practicing attorney, as a scholar of law and history, as State legislator, as North Carolina Supreme Court justice, and as U.S. Senator, he has dedicated his every effort to building upon the greatness of our national past and to leaving the country an even better place than he found it.

The great philosopher Whitehead once wrote that "The art of progress is to preserve order amid change, and to preserve change amid order." I know of no one in the recent history of this Chamber who understands and acts upon that precept with such consistency and dedication as Senator SAM ERVIN. He knows full well that change for the sake of change leads more often to regression than progress, and that a society which cuts itself off from its roots invites swift decline. Yet he realizes also that unreasoned resistance to needed change is equally a prescription of disaster. The line is narrow and often difficult to walk. But with the guidance of the Constitution he reveres so deeply, and with a knowledge of men and history that few men can match, North Carolina's illustrious son has built a legislative record that would be the envy of any man. It is the kind of record which builds on the fundamentals, which attempts to bring into reality the hopes and dreams of the generations of patriots who went before us.

Because he was immediately recognized as a man of unflinching integrity when he came to the Senate, SAM ERVIN has had some of the toughest problems of the recent past presented to him. From the investigation of the censure charges against Senator McCarthy on through the Watergate hearings—events nearly 20 years apart—he adhered to a model kind of fair yet hard-hitting investigative inquiry.

From the standpoint of legislation, Senator ERVIN's imprimatur is on much of the landmark criminal justice legislation of the past decade. The Criminal Justice Act of 1964, the Law Enforcement Administration Act of 1965, the Bail Reform Act of 1966, the Narcotic Addict Rehabilitation Act of 1966, the Military Justice Act of 1968, the Omnibus Crime Control and Safe Streets Act of 1968, and the Bill of Rights for American Indians—this is but a partial listing of measures he has fought for over the years. Senator Ervin is known far and wide as a zealous champion of individual rights, and no assessment of his work would be complete without mention of the great contribution he has made in encouraging rational public dialog on ways to sustain and build upon the rights provided by the Founding Fathers. With his gracious demeanor and native wit, he has traveled around the Nation to explain and fight for the cause of individual liberty. If there is one person in all *the country* whom people identify with the cause of a free and open society, that person is the illustrious senior Senator from North Carolina.

I hope that in the years ahead, we will continue to hear the thoughts and opinions of our good, good friend. I hope he will continue to speak out and write on behalf of the causes he has espoused during his long career. Of course, we wish him some solace, too—some time out to relax, to return to his home and to enjoy the company of family and of his legions of friends and admirers. As he retires from the Senate in a few short weeks, Senator Sam J. Ervin, Jr. takes with him a record of achievement that insures him of rank among the greats of Senate history. And he leaves for us a proud legacy—a legacy of accomplishment, of character and integrity, a legacy that we will strive to emulate in the difficult days ahead.

Mr. CHURCH. Mr. President, on this day, when all of us express heartfelt regret that Sam Ervin is soon to retire from this Chamber, the perceptive columnist, George F. Will, has written a magnificent tribute to the distinguished senior Senator from North Carolina.

I agree so fully with the article, which appeared in this morning's edition of the Washington Post, that I could do no better than associate myself with its testament, and ask unanimous consent for its publication at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Let Us Praise This Rare Man

(By George F. Will)

In 1925 the North Carolina legislature considered and rejected a bill to forbid teaching Darwinism or "any other evolutionary hypothesis that links man in blood relationship with any lower form of life." An opponent of the bill, a 29-year-old state legislator, just a country lawyer, said: "I don't see but one good feature in this thing, and that is that it will gratify the monkeys to know they are absolved from all responsibility for the conduct of the human race."

Half a century later, Sam J. Ervin Jr., looking back on 20 years in the U.S. Senate, could be forgiven if he concluded that there is no form of life lower than man. Although his entire Senate career, which is in its final hours, has been lustrous, it has been bracketed by, and is symbolized by, his service on two select committees which had to deal with some of the basest men ever coughed up by the American political process.

In 1954, Ervin was appointed to replace a Senator who had died. On June 11 he was sworn in by Vice President Richard Nixon. On June 17 Sen. Joe McCarthy ended his hearings about whether the U.S. Army was soft on communism.

On Aug. 2 the Senate established a select committee to report on Resolution 301: "Resolved, that the conduct of the senator from Wisconsin, Mr. McCarthy, is unbecoming a member of the United States Senate, is contrary to senatorial traditions, and tends to bring the Senate into disrepute."

Vice President Nixon appointed seven senators to the committee, including the newest senator, the former associate justice of the North Carolina Supreme Court. On Oct. 3 McCarthy attacked Ervin and the two other committee Democrats as "unwitting handmaidens" of the Communists. On Nov. 15 Sam Ervin said in the Senate:

"The issue before the American people transcends in importance the issue before the Senate. The issue before the American people is simply this: Does the Senate of the United States have enough manhood to stand up to Sen. McCarthy? . . . The honor of the Senate is in our keeping. I pray that senators will not soil it by permitting Sen. McCarthy to go unwhipped of senatorial justice."

On Dec. 2, 1954, the Senate censured McCarthy.

Nineteen years later, as chairman of another select committee, Ervin's manliness made the Senate seem more manly than it was. In his role as chairman of that Watergate Committee, he may have been the last man born in the last century to become a hero in this century.

Nixon and McCarthy were impostor conservatives. Both had the true radical's disdain for due process and other limits. But most conservatives, unlike Ervin, did not acknowledge their special duty to break the impostors.

Late in his career, because of Watergate and because of his astringent opposition to government invasion of citizen privacy, Mr. Sam became a hero to American liberals. But modern liberalism, both in theory and in practice, is diametrically opposed to his constitutional conservatism.

Liberals have tried to suggest that there is an incongruity, if not a contradiction, between Ervin's gritty opposition to McCarthy and Nixon, on the one hand, and his equally gritty opposition to federal civil rights legislation on the other. In fact, a constitutional conservative frequently must be an "opposing man." And the consistent theme of Ervin's great "oppositions" was this: Our government is—or, at any rate, once was and should be again—a government of precisely enumerated, carefully delegated and strictly limited powers.

Ervin's constitutional conservatism, a doctrine of unblinking hostility toward unchecked power, led him to oppose well-intended civil rights policies, as well as mean-minded men, when they involved putting federal power to uses not explicitly sanctioned by the Constitution, strictly construed.

Thus Sam Ervin, who always has been better than the Senate he ennobled, is a living rebuke to liberals, who have consistently opposed his conception of government, and to lesser conservatives, who failed to stand with him against impostors.

So now, as he takes leave of us, let us praise this rare man whose fame, though great, does not match his great virtues, a man every bit as fine as his nation affectionately thinks he is.

Washington will be diminished by his departure. But the bittersweet sense of loss we feel is the price we pay for having had for so long, but not nearly long enough, the pleasure of his enlarging company.

Mr. BIDEN. Mr. President, I wish to add my tribute to Senator Ervin. I have served with him only 2 of his 20 years in the Senate. However, during my time here, I have admiringly seen him take a strong lead to expose perhaps the greatest episode of corruption in the history of our Nation. For this reason he deserves our appreciation. He certainly has mine in his defenses of the first and fourth amendments to the Constitution. And he was extremely well received when I introduced him at a "Crisis and Confidence" lecture series at the University of Delaware last year. I was told he drew the second largest audience ever drawn to a public lecture at the University of Delaware.

But beyond the tangible results of his advocacies of our constitutional rights, Senator Ervin has something else to say to Americans at large—if we will not just listen, but hear him. During his service in the Senate, he has remained himself. Those of a liberal persuasion long opposed him; now they have come to admire many of his positions. Senator Ervin has not changed; they have, as a column by George Will in the Washington Post in praise of Senator Ervin points out.

He walked tall in the Senate; he has not gone gentle into that good night, as the Poet Dylan Thomas once wrote. We shall miss, as George Will wrote, the pleasure of his company.

Mr. President, I ask unanimous consent that the column by Mr. Wills to which I have referred be printed in the Record.

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Washington will be diminished by his departure. But the bittersweet sense of loss we feel is the price we pay for having had for so long, but not nearly long enough, the pleasure of his enlarging company.

Mr. RIBICOFF. Mr. President, it is given to only a few of us the opportunity to serve with a colleague who without question will be remembered as a great historical figure in the U.S. Senate. Sam Ervin is such a figure—his work, his temperament, and his personality have given a new dimension to the Congress of the United States at a time when faith and confidence in our Government have been questioned. He is an example in our respective States of one man who exemplifies the best in Government.

He is a man of great vision and keen instinct, and a man of far-reaching reforms. Few men in our history have had a more direct influence over the way basic American freedoms are enjoyed.

During his years in Congress, he placed a greater trust in individuals, rather than in governments. He believed that the power of the state must be kept in check by the rights of free men.

As chairman of the Senate Select Committee on Presidential Campaign Activities, he once said:

> I don't think you can found a government on the suppression of truth.

As chairman of the Separation of Powers Subcommittee of the Judiciary Committee, he questioned the President's attempt to take away the spending power of Congress and to withhold information through "executive privilege."

As chairman of the Constitutional Rights Subcommittee, he questioned the Army's moves to engage in domestic surveillance and to invade the homes of criminal suspects and jail them without trials.

As chairman of the Government Operations Committee, he questioned the Government's abuse of information about individuals in Government data banks.

I have had the privilege of working with Sam Ervin on the Government Operations Committee. Whether he, as chairman, agreed with an individual member or the majority of the committee, he used his chairmanship fairly.

I have respect and admiration for Sam Ervin. I think each and every one of us will be better public servants because of the opportunity to have been associated with him.

Sam Ervin once said:

> Since courage is better than fear, and faith better than doubt, let us spurn fear, cherish faith, and dedicate ourselves to this proposition. Freedom is life's supreme value and must be preserved for ourselves and our posterity, cost what it may.

It has been a great privilege to know such a man.

Mr. WEICKER. Mr. President, in the Washington Post this morning columnist George Will described Samuel J. Ervin, Jr., as "the last man born in the last century to become a hero in this century." That juxtaposition is no accident. For it has been precisely his devotion to old-fashioned and often unfashionable principles of government which throughout his career has made Sam Ervin the perfect antidote to the tyranny of political fashion.

At a time when the political process had been dragged into the gutter, America was called to appear for cross-examination before Senator Ervin and the Senate Select Committee on Presidential Campaign Activities. And in doing so, we learned that "new" was not such a great adjective when it applied to a political morality that embraced bugging, and burglary. And "old" was not such a bad word when it was applied to constitutional principles and human rights.

At a critical point in our Nation's history, a country lawyer helped us reach way up and take the Constitution down off the shelf. It needed a little dusting, and some of the pages were faded, but we found it was pretty interesting reading just the same.

It will be a lifetime memory and an unceasing honor to have served with this most uncommon American.

Future generations will not hear his voice on the floor of the Senate, or see his flashing eyes on television, or wear Sam Ervin T-shirts. But, they will live in an America which has rediscovered the origins of his greatness and the value of painful truth.

Every generation needs a Founding Father in its midst.

Sam Ervin has been ours.

A MAGNIFICENT AMERICAN

Mr. McINTYRE. Mr. President, colleagues with a closer working relationship with the retiring senior Senator from North Carolina, especially those who have shared committee assignments with him, can speak to his record and abilities with far more authority than I.

So what I have to say will be brief but spoken more from the heart.

I simply want to thank Sam Ervin for being who he was, when he was, where he was.

My affection and my respect for him always high, soared even higher as I watched him chair the historic Watergate hearings, and I said to myself then, and I repeat it now: The Nation was indeed fortunate that this magnificent constitutional lawyer—and magnificent American—was here to play a starring role in the greatest constitutional drama of our times.

I have a feeling, Mr. President, that the very presence, personality, and manifest integrity of this man did more to restore Americans' trust and confidence in our system than any one other factor in that drama.

To become an American folk hero in the seventh decade of one's life—and only after countless other significant efforts in behalf of human dignity and freedom were less celebrated—must be immensely rewarding to our colleague. I only hope his inherent modesty does not blind him to the fact that the historic process that elevated him to folk hero was in the unquestioned best interests of our Nation and its people.

So in behalf of the people, I thank Sam Ervin as I wish him a happy and fulfilling retirement.

Mr. PELL. Mr. President, I am delighted to join with my colleagues today in paying tribute to the very distinguished senior Senator from North Carolina, Senator Sam J. Ervin, Jr.

The word "distinguished," as we all know, is used honorifically and traditionally here in the Senate in reference to our fellow Senators. But in the case of Senator Ervin, the word "distinguished" is appropriate in the full force of its literal meaning.

Sam Ervin has distinguished himself, through 20 years of service in the Senate, as an outstanding scholar and authority on constitutional law. He has distinguished himself as a protector and advocate of individual rights of citizens. He has distinguished himself as a man of unquestioned personal integrity, who demanded of others in public service an adherence to the same high standards that he imposed upon himself.

During the great national trauma of Watergate, when the Nation yearned for a demonstration of personal integrity amidst a morass of deception and duplicity, Sam Ervin provided the Nation with an example through his unflagging but scrupulously fair pursuit of truth as chairman of the Senate Select Committee.

His conduct of the Watergate inquiry was a service to the Nation that the American people will long remember.

The qualities that Sam Ervin demonstrated to the Nation during the Watergate hearings are the same qualities that have earned for him the esteem, respect, and affection of his colleagues here in the Senate.

I will miss very much having SAM ERVIN in the Senate, and I join with my colleagues in wishing him and his family the very best in the years ahead.

Mr. BROOKE. Mr. President, the Senate is about to lose one of its greatest constitutional scholars. Yet, many Americans know SAM ERVIN only as the man who led the Watergate hearings, the man who has been memorialized on T-shirts.

No one can diminish the accomplishments of the Senate Select Committee to Investigate Presidential Campaign Practices. The Watergate Committee as it came to be known was thorough and fair. Its chairman, SAM ERVIN, would not have had it any other way. Its service to the Nation can never be underestimated. In the year of its existence, it uncovered widespread scandal, corruption, and intrigue. It did so in an orderly evenhanded way that drew praises from every quarter.

But SAM ERVIN was leading battles long before Watergate. Throughout his Senate service he has been fighting for the privacy and freedom of conscience for individuals.

He has sought to protect the rights of voters from the abuses of the literacy test and other voter requirements. He has sought to safeguard the rights of persons in the military. He has championed the rights of the mentally ill. He has fought for the rights of American Indians. In 1970, he led the unsuccessful opposition to the "no knock" provision of the D.C. crime bill, and this year was successful in repealing that provision.

SAM ERVIN has alerted us to the dangers the computer age poses for individuals. He has sought to proscribe the operation of government and other data banks.

Although we have differed on many constitutional issues, particularly in the area of civil rights, I respect him as one of the Senate's leading authorities on the preservation of individual liberties guaranteed by the Constitution.

In addition to serving as chairman of the Senate Judiciary Committee's Subcommittee on Constitutional Rights, Senator ERVIN serves on the Subcommittee on Separation of Powers. Time and again during his 20 years of service, he has warned of the erosion of legislative power. This year as chairman of the Government Operations Committee he saw enacted into law his bill to establish a new congressional budgetary system so that Congress can regain its rightful powers as it accepts its rightful responsibilities.

SAM ERVIN is a legend in the Senate and he was so, long before Watergate. But the chairmanship of the Watergate Committee led millions of Americans to conclude what we already knew.

Now as he prepares to return to Morganton, I wish SAM and his dear wife all the best. They will be sorely missed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Nevada (Mr. BIBLE) on the retirement from the Senate of Senator ERVIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR ALAN BIBLE ON THE RETIREMENT FROM THE SENATE OF SENATOR SAM J. ERVIN, JR.

As I myself prepare to depart the Senate into retirement my work here would remain unfinished if I failed to note the retirement also of my distinguished colleague and longtime good friend Senator Sam J. Ervin, Jr. of North Carolina.

Sam Ervin has been one of the Senate's real giants. He is and has been a Senator in the historic mold, a statesman, a constitutional scholar, a lawyer and jurist dedicated to truth, justice, and the preservation of our constitutional rights. He most recently distinguished both himself and the Senate in his chairmanship of the Select Committee on Presidential Campaign Activities—the so-called "Watergate Committee". That was but the culmination of Senator Ervin's twenty years of outstanding career here in the Senate. In his service on the Senate Judiciary Committee—including his Chairmanships of the Constitutional Rights Subcommittee and the Subcommittee on Separation of Powers—Sam Ervin brought to bear an unparalleled knowledge of and respect for the Constitution and the Bill of Rights. His devotion to the principles embodied in our basic law by the Founding Fathers has served the nation and the Senate exceedingly well.

The Senate will miss Sam Ervin. But the history of this body has been and will remain enriched by his having served here.

Senator Ervin occupied the chair next to mine in the Senate Chamber for many years. I will miss our many neighborly chats and his always friendly counsel. As I go West into my own retirement our friendship will be among my most treasured memories.

Senator Ervin and his lovely wife "Miss Margaret" have my warmest wishes for the years ahead. I hope and expect that they will be visiting me soon in Nevada.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENT TO SOCIAL SERVICES AMENDMENTS OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. BUCKLEY. Mr. President, I ask unanimous consent that my amendment No. 2083 to H.R. 17045, the Social Services Amendments of 1974, be considered as having been read once for purposes of qualifying under rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 124—RELATING TO CONFERENCE CONSIDERATION OF H.R. 17468, MILITARY CONSTRUCTION APPROPRIATIONS, 1975

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a concurrent resolution, which has been cleared on both sides of the aisle, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CLARK). The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

S. CON. RES. 124

Resolved by the Senate (the House of Representatives concurring), That, due to an inadvertent omission in the Senate reported version of H.R. 17468, entitled "An Act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes", in resolving the difference between the Senate and the House on such bill, it shall be deemed that the Senate agreed to an amendment (No. 6) striking from the House-passed bill the following section 111, and the conferees are authorized to consider the same:

SEC. 111. Notwithstanding any other provision of law, funds available to the Department of Defense during the current fiscal year for the construction of family housing units may be used to purchase sole interest in privately owned and Federal Housing Commissioner held family housing units if the Secretary of Defense determines it is in the best interests of the Government to do so: *Provided*, That family housing units so purchased do not exceed annual Military Construction Authorization Act limitations on unit cost and numbers and are at the locations authorized: *Provided further*, That housing units so purchased are within the size limitations of title 10, United States Code, section 2684.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be authorized to meet during the session of the Senate today to consider aluminum production, pricing, and shortages.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER GRANTING LEAVE OF ABSENCE FROM THE SENATE FOR YESTERDAY, TODAY, AND TOMORROW TO SENATOR HATHAWAY BECAUSE OF THE DEATH OF HIS MOTHER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, in accordance with rule V of the Rules of the

Senate, Mr. HATHAWAY be granted leave of absence from the Senate for yesterday, today, and tomorrow due to the death of his mother.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENTS TO BE CONSIDERED AS HAVING MET THE REQUIREMENTS OF RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments at the desk at the time the vote on the motion to invoke cloture be considered as having met the reading requirements under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SERVICES AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now begin the 1-hour debate before the vote is taken on invoking cloture on the committee substitute to H.R. 17045 with the time to be equally divided and controlled by the Senator from Louisiana (Mr. LONG) and the Senator from Utah (Mr. BENNETT), after which, under the rule, the Chair will direct the clerk to call the roll to ascertain the presence of a quorum, followed by the vote on the motion to invoke cloture.

The bill was stated by title.

The legislative clerk read as follows:

A bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert in lieu thereof:

That this Act may be cited as the "Social Services Amendments of 1974".

PART A—SOCIAL SERVICES AMENDMENTS

AMENDMENTS TO PROVISION LIMITING FEDERAL FUNDS FOR SOCIAL SERVICES

SEC. 2. (a) Section 1130 of the Social Security Act is amended by redesignating subsection (c) as subsection (f), and by inserting after subsection (b) the following new subsections:

"(c) Nothing in subsection (a) or (b) of this section or in title I, IV, VI, X, XIV, or XVI shall be construed to restrict the freedom of a State (with respect to social services the cost of which is shared by the Federal Government under any such title and to which subsections (a) and (b) are applicable) to determine what services it will make available under its State plan approved under such title, the persons eligible for such services, the manner in which such services are provided, and any limitations or conditions on the receipt of such services, to the extent that such services are social services (as determined by the State) and the Federal share of their aggregate cost does not exceed the allocation to the State (for the fiscal year involved) under this section; except that nothing in this subsection shall be construed to relieve any State which has a State plan approved under part A of title IV from complying with the requirements imposed by section 402(a) with respect to the provision of social services to recipients of aid under such plan.

"(d) For purposes of subsection (c) and for purposes of part A of title IV, VI, X, XIV, and XVI, the services referred to in subsection (c) as 'social services'—

"(1) shall be such services as each State determines to be appropriate for meeting any of the following specific goals:

"(A) Self-supported goal: To achieve and maintain the maximum feasible level of employment and economic self-sufficiency;

"(B) Family-care or self-care goal: To strengthen family life and to achieve and maintain maximum personal independence, self-determination and security in the home, including, for children, the achievement of maximum potential for eventual independent living, and to prevent or remedy neglect, abuse, or exploitation of children

"(C) Community-based care goal: To secure and maintain community-based care which approximates a home environment, when living at home is not feasible and institutional care is inappropriate; or

"(D) Institutional care goal: To secure appropriate institutional care when other forms of care are not feasible; and

"(2) include the following services:

"(A) child care services for children, to meet the needs of a child for personal care, protection, and supervision, but only in the case of a child where the provision of such service is needed (i) in order to enable a member of such child's family to accept or continue in employment, or to participate in education or training to prepare such member for employment, or (ii) because of the death, continued absence from the home, incapacity or inability of the child's mother, or the inability of any member of such child's family to provide adequate care and supervision for such child;

"(B) child care services for children with special needs, including services provided when appropriate, as determined by the State, for eligible children who are mentally retarded or otherwise have special social or developmental needs;

"(C) services for children in foster care, including services provided to a child who is under or awaiting foster care and including preventive diagnostic and curative health services not furnished under the State's title XIX plan, provided to or on behalf of a child who is or has within ninety days been receiving maintenance, care, and supervision in the form of foster care in a foster family home or child care institution (as those terms are defined in the last paragraph of section 408) or who is awaiting placement in such a home or institution, or provided to a child in or by a nonresidential diagnostic or treatment facility. Such services shall be available whether they are rendered directly by the providers of foster care or by the nonresidential facility, or are otherwise provided or obtained for the child by the State when such services are needed in order for the child to return to or remain in his own home, the home of another relative, or an adoptive home, or to continue in foster care as appropriate. Such services also include services related to the relinquishment of children for adoption and the placement of children in adoptive homes, and activities to develop and recruit, study, approve, and subsequently evaluate out of home care resources for foster care;

"(D) protective services for children, including multidisciplinary (medical, legal, social, and other) services for the following purposes: identification, investigation, and response to incidents or evidence of neglect, abuse, or exploitation of a child; helping parents and others to recognize the causes thereof and strengthening the ability of families to provide acceptable care; or, if that is not possible, bringing the situation to the attention of appropriate courts or law enforcement agencies, furnishing relevant data, and providing followup services;

"(E) family planning services (including social, educational, and medical services for any female of child-bearing age and any other appropriate individual needing such services): *Provided*, That individuals must be assured choice of method, and acceptance of any such services must be voluntary on the part of the individual and may not be a prerequisite or impediment to eligibility for any other service;

"(F) protective services for adults, including identifying and helping to correct hazardous living conditions or situations of potential or actual neglect or exploitation of an individual who is unable to protect or care for himself;

"(G) services for adults in foster care not available under titles XVI, XVIII, and XIX, services for adults in twenty-four-hour foster homes or group care in other than medical institutions, including assessment of need for such care, finding of foster homes and institutional resources, making arrangements for placement, supervision, and periodic review while in placement, counseling services for the adult individuals and their families, and services to assist adults in leaving foster care to attain independent living;

"(H) homemaker services for individuals in their own homes, including helping individuals to overcome specific barriers to maintaining, strengthening, and safeguarding their functioning in the home, through the services of a trained and supervised homemaker;

"(I) chore services including the performance of household tasks, essential shopping, simple household repairs, and other light work necessary to enable an individual to remain in his own home when he is unable to perform such tasks himself and they do not require the services of a trained homemaker or other specialist;

"(J) home delivered or congregate meals and the preparation and delivery of hot meals to an individual in his home or in a central dining facility, to assist the individual to remain in his home, and to assure sound nutrition;

"(K) day care services for adults, including meal preparation and serving, companionship, educational and recreational activities, and rehabilitation activity when provided for less than a twenty-four-hour period in a group or family setting;

"(L) health-related services, including helping individuals to identify health (including mental health) needs and assisting individuals to secure diagnostic, preventive, remedial, ameliorative, and other needed health services and helping to expedite return to community living from institutional care when discharge is medically recommended;

"(M) home management and other functional educational services, including formal or informal instruction and training in management of household budgets, maintenance and care of the home, preparation of food, nutrition, consumer education, child rearing, and health maintenance;

"(N) housing improvement services, including helping individuals to obtain or retain adequate housing, and minor repairs necessary for personal protection;

"(O) a full range of legal services, at the option of the State, for persons desiring assistance with legal problems, including services to establish paternity and child support and services related to adoption;

"(P) transportation services necessary to travel to and from community facilities or resources for receipt of services;

"(Q) educational and training services for adult family members and services to assist children to obtain education and training to their fullest capacities, where there are needs not met by the work incentive program; and vocational rehabilitation services as defined in the Vocational Rehabilitation Act when provided pursuant to an agreement with the

State agency administering the vocational rehabilitation program;

"(R) employment services to enable individuals to secure paid employment or training leading to such employment, including vocational, educational, social, and psychological diagnostic assessments to determine potential for job training or employment and other services that will assist in the individual's plan for achieving full or partial self-support, where there are needs not met by the work incentive program;

"(S) information, referral, followup and determination of eligibility and the need for services, without regard to individual eligibility criteria;

"(T) special services for the mentally retarded, or special adaptations of generic services, directed toward alleviating a developmental handicap or toward the social, personal, or economic rehabilitation of an individual of subaverage intellectual functioning associated with impairment of adaptive behavior as defined and determined by the State agency, with such services including but not limited to personal care, day care, training, sheltered employment, recreation, counseling of the retarded individual and his family, protective and other social and sociolegal services, information and referral, follow along services, transportation necessary to deliver such services, diagnostic and evaluation services, and similar special services for other individuals requiring such services because of developmental disability;

"(U) special services for the blind to alleviate the handicapping effects of blindness through training in mobility, personal care, home management, and communication skills; special aids and appliances; and special counseling for caretakers of blind children and adults;

"(V) services for alcoholism and drug addiction for an individual who is becoming dependent on or is addicted to alcohol or other drugs as determined by the standards set by the State agency designated by the State under the Comprehensive Alcohol Abuse and Treatment Act of 1970 and the Drug Abuse and Treatment Act of 1972, if such services are needed as part of a program for prevention or treatment of addiction or the conditions arising from misuse of alcohol or other drugs, including but not limited to social and rehabilitative services for resident patients receiving services in a supportive environment (such as a halfway house, hostel, or foster home) and including medical services (such as psychiatric services) incidental to the provision of a social service;

"(W) special services for the emotionally disturbed as defined by the State;

"(X) special services for the physically handicapped as defined by the State; and

"(Y) any other services which the State finds appropriate for meeting the goals of self-support, family care or self-care, community-based care, or institutional care.

"(e)(1) Effective July 1, 1974, Federal financial assistance which is subject to the limitation imposed by subsections (a) and (b) shall be available for a new purchase of services from a public agency (other than the single State agency) only for services beyond those represented by the expenditures for the previous fiscal year of the provider agency (or its predecessor) for the type of service and type of persons covered by the agreement.

"(2) A purchase of services in any fiscal year shall not be considered a new purchase of services to the extent that an equivalent purchase of services from the same provider agency (or its predecessor) was made in any of the three preceding fiscal years and was included in the expenditures for which Federal financial participation was provided under titles I, VI, X, XIV, or XVI, or Part A of title IV."

(b) Subsection (a) of section 1130 of such Act is amended by striking out the matter therein which begins with "to assure that—" and ends with the period at the end thereof, and inserting in lieu of the matter stricken the following: "to assure that the total amount paid to such State (under all of such sections) for such fiscal year for such services does not exceed the allotment of such State (as determined under subsection (b)).".

AMENDMENTS TO STATE PLAN REQUIREMENTS REGARDING SOCIAL SERVICES

SEC. 3. (a) (1) Section 3(a) (4) of the Social Security Act is amended—

(A) by striking out "whose State plan approved under section 2 meets the requirements of subsection (c) (1)" in the matter preceding subparagraph (A);

(B) by striking out clauses (i), (ii), and (iii) of subparagraph (A) and inserting in lieu thereof the following:

"(i) services which are provided to applicants for or recipients of assistance under the plan to help them attain or retain capability for self-care, or

"(ii) other services which (as determined by the State) are likely to prevent or reduce dependency and which are provided to such applicants or recipients, or

"(iii) any of the services described in clauses (i) and (ii) which the State determines to be appropriate for individuals who have been or are likely to become (as determined by the State) applicants for or recipients of assistance under the plan, if such services are requested by and provided to such individuals, or ";

(C) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(D) by striking out all that follows subparagraph (C).

(2) Section 3(a) (5) of such Act is repealed.

(3) Section 3(c) of such Act is repealed.

(b) Section 403(a) (3) of the Social Security Act is amended—

(1) by striking out "described in", in subparagraph (A) (i), and inserting in lieu thereof "which the State determines should be provided, including those described in";

(2) by striking out "clauses (14) and (15) of section 402(a)", in subparagraph (A) (ii), and inserting in lieu thereof "subparagraph (A) (i)";

(3) by striking out ", within such period or periods as the Secretary may prescribe," in subparagraph (A) (ii), and inserting in lieu thereof "as determined by the State"; and

(4) by striking out all that follows subparagraph (B).

(c) (1) Section 1003(a) (3) of the Social Security Act is amended—

(A) by striking out "whose State plan approved under section 1002 meets the requirements of subsection (c) (1)" in the matter preceding subparagraph (A);

(B) by striking out clauses (i), (ii), and (iii) of subparagraph (A) and inserting in lieu thereof the following:

"(i) services which are provided to applicants for or recipients of aid to the blind to help them attain or retain capability for self-support or self-care, or

"(ii) other services which (as determined by the State) are likely to prevent or reduce dependency and which are provided to such applicants or recipients, or

"(iii) any of the services described in clauses (i) and (ii) which the State determines to be appropriate for individuals who have been or are likely to become (as determined by the State) applicants for or recipients of aid to the blind, if such services are requested by and provided to such individuals, or";

(C) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(D) by striking out all that follows subparagraph (C).

(2) Section 1003 (a) (4) of such Act is repealed.

(3) Section 1003(c) of such Act is repealed.

(d) (1) Section 1403(a) (3) of the Social Security Act is amended—

(A) by striking out "whose State plan approved under section 1402 meets the requirements of subsection (c) (1)" in the matter preceding subparagraph (A);

(B) by striking out clauses (i), (ii), and (iii) of subparagraph (A) and inserting in lieu thereof the following:

"(i) services which are provided to applicants for or recipients of aid to the permanently and totally disabled to help them attain or retain capability for self-support or self-care, or

"(ii) other services which (as determined by the State) are likely to prevent or reduce dependency and which are provided to such applicants or recipients, or

"(iii) any of the services described in clauses (i) and (ii) which the State determines to be appropriate for individuals who have been or are likely to become (as determined by the State) applicants for or recipients of aid to the permanently and totally disabled, if such services are requested by and provided to such individuals, or";

(C) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(D) by striking out all that follows subparagraph (C).

(2) Section 1403(a) (4) of such Act is repealed.

(3) Section 1403(c) of such Act is repealed.

(e) (1) Section 1603(a) (4) of the Social Security Act is amended—

(A) by striking out "whose State plan approved under section 1602 meets the requirements of subsection (c) (1)" in the matter preceding subparagraph (A);

(B) by striking out clauses (i), (ii), and (iii) of subparagraph (A) and inserting in lieu thereof the following:

"(i) services which are provided to applicants for or recipients of aid or assistance under the plan to help them attain or retain capability for self-support or self-care, or

"(ii) other services which (as determined by the State) are likely to prevent or reduce dependency and which are provided to such applicants or recipients, or

"(iii) any of the services described in clauses (i) and (ii) which the State determines to be appropriate for individuals who have been or are likely to become (as determined by the State) applicants for or recipients of aid or assistance under the plan, if such services are requested by and provided to such individuals, or";

(C) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(D) by striking out all that follows subparagraph (C).

(2) Section 1603(a) (5) of such Act is repealed.

(3) Section 1603(c) of such Act is repealed.

(f) (1) Section 603(a) of the Social Security Act (as added by the Social Security Amendments of 1972) is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary shall, subject to section 1130, pay to each State which has a plan approved under this title, for each quarter, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(1) 75 per centum of so much of such expenditures as are for—

"(A) services which are provided to applicants for or recipients of supplemental security income benefits under title XVI to help them attain or retain capability for self-support or self-care, or

"(B) other services which (as determined by the State) are likely to prevent or reduce dependency and which are provided to such applicants or recipients, or

"(C) any of the services described in clause (A) or (B) which the State determines to be appropriate for individuals who have been or are likely to become (as determined by the State) applicants for or recipients of supplemental security income benefits under title XVI, if such services are requested by and provided to such individuals, or

"(D) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(2) one-half of the remainder of such expenditures."

(2) Section 603(c) of such Act is repealed.

(g) Section 1130(a) of the Social Security Act is amended by striking out "section 3(a) (4) and (5), 403(a)(3), 603(a)(1), 1003(a) (3) and (4), 1403(a)(3) and (4), or 1603(a) (4) and (5)" and inserting in lieu thereof "section 3(a)(4), 403(a)(3), 603(a)(1), 1003 (a)(3), 1403(a)(3), or 1603(a)(4)".

ANNUAL REPORTS BY SECRETARY ON SOCIAL SERVICES

SEC. 4. Part A of title XI of the Social Security Act is amended by inserting, immediately after section 1130 thereof, the following new section:

"ANNUAL REPORTS BY SECRETARY ON SOCIAL SERVICES

"SEC. 1131. (a) Not later than June 30, 1976, and June 30 of each year thereafter, the Secretary shall submit to Congress a report on social services programs under sections 3, 403, 603, 1003, 1403, and 1603. Such report shall include information on a State-by-State basis as to the amounts of funds expended for each type of service (classified in such categories as the Secretary may determine to be appropriate), and such other data and information as may be appropriate.

"(b) The Secretary shall require the States to make reports concerning their use of Federal social services funds which shall be the basis of the report required by subsection (a).".

USE OF DONATED FUNDS IN PROVISION OF SOCIAL SERVICES

SEC. 5. Part A of title XI of the Social Security Act is amended by adding after section 1131 (as added by section 4 of this Act) the following new section:

"USE OF DONATED FUNDS IN PROVISION OF SOCIAL SERVICES

"SEC. 1132. For purposes of the services to which the provisions of section 1130 are applicable, donated private funds (including in-kind contributions, as defined in OMB Circular A-102, as in effect on October 1, 1973) for services shall be considered as State funds in claiming Federal reimbursement where such funds are transferred to the State or local agency and under its administrative control and are donated on an unrestricted basis (except that funds donated to support a particular kind of activity in a named community shall be acceptable).".

MINIMUM MANDATORY SERVICES FOR INDIVIDUALS RECEIVING SUPPLEMENTARY SECURITY INCOME BENEFITS

SEC. 6. Part A of title XI of the Social Security Act is amended by adding after section 1132 (as added by section 5 of this Act) the following new section:

"MINIMUM MANDATORY SERVICES FOR INDIVIDUALS RECEIVING SUPPLEMENTARY SECURITY INCOME BENEFITS

"SEC. 1133. In addition to other requirements imposed by law as a condition for the approval of a State plan under title VI of such Act, there is hereby imposed (effective January 1, 1975) the requirement that such plan provide for the furnishing of at least three types of services (selected by the State) for individuals who are recipients of supplemental security income benefits under title XVI and who are in need of such services."

REPORTING REQUIREMENTS FOR STATES WITH RESPECT TO SOCIAL SERVICES

SEC. 7. Part A of title XI of the Social Security Act is amended by adding after section 1133 (as added by section 6 of this Act) the following new section:

"REPORTING REQUIREMENTS FOR STATES WITH RESPECT TO SOCIAL SERVICES

"SEC. 1134. In addition to other requirements imposed by law as a condition of approval of a State plan under part A of title IV or under title VI, there is hereby imposed the requirement that such plan provide that, not later than 45 days prior to the beginning of each fiscal year (commencing with the fiscal year which ends June 30, 1975) that such State shall compile, and make public, a list (with respect to social services to be provided for the coming fiscal year under such plan) which indicates each type of service which such State intends to provide (for such fiscal year) under such plan, the anticipated expenditures (from both State, local, and Federal sources) for such type of service for such fiscal year, and the criteria to be imposed under such plan to determine eligibility for each such type of service. Nothing in this section shall be construed to limit the right of any State to revise its plan (as referred to in the preceding sentence) with respect to the provision of social services for any fiscal year, or otherwise modify the conditions and circumstances under which such services will be provided thereunder, for or because of the fact that such State shall have previously compiled and made public the list referred to in the preceding sentence."

EFFECTIVE DATES

SEC. 8. The amendments made by sections 2, 3, and 5 shall take effect on January 1, 1975.

CHILD-CARE STANDARDS

SEC. 9. Title IV–A of the Social Security Act is amended by adding at the end thereof the following new section:

"CHILD-CARE STANDARDS

"SEC. 410. Child day care services provided under the Social Security Act shall meet the following standards: (1) in-home care shall meet standards established by the State, reasonably in accord with recommended standards of national standards-setting organizations (such as the Child Welfare League of America and the National Council of Homemaker-Home Health Aid Services), and (2) out-of-home day care facilities shall be licensed by the State or approved as meeting the standards for such licensing, and shall comply with the requirements of section 422 (a)(1) of the Social Security Act, and the provisions of the Federal Interagency Day Care Requirements of 1968: *Provided*, That subdivision III of such requirements with respect to educational services shall be recommended to the States and not required, and that staffing standards for school-age children and above in day care centers may be revised by the Secretary: *Provided further*, That for children aged 10 to 14 such standards shall in no case require fewer than 1 adult to 20 children, and for school-aged children 9 and less years of age shall in no case require fewer than 1 adult to 15 children."

PAYMENTS TO STATES FOR EDUCATIONAL PURPOSES

SEC. 10. (a) Section 3(a)(4)(A)(iv) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(b) Section 403(a)(3)(A)(iii) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(c) Section 603(a)(1)(A)(iv) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(d) Section 1003(a)(3)(A)(iv) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(e) Section 1403(a)(3)(A)(iv) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(f) Section 1603(a)(4)(A)(iv) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled at such institutions)" following "training".

HEARINGS FOR RECIPIENTS OR CLAIMANTS

SEC. 11. Section 602(a) of the Social Security Act is amended (1) by striking out the period at the end of clause (12) thereof and inserting in lieu of such period "; and ", and (2) by inserting after such clause (12) the following new clause:

"(13) provide that the State agency will provide an opportunity for a fair hearing, before such agency, to any individual requesting a hearing because his claim for services is denied, or is not acted upon with reasonable promptness, or because he is aggrieved by any other agency action by which he is affected and which relates to the receipt, suspension, reduction, or termination of such services.".

REALLOTMENTS OF CEILINGS ON FEDERAL FUNDS FOR SOCIAL SERVICES

SEC. 12. Section 1130(b) of the Social Security Act is amended by adding at the end thereof the following new paragraphs:

"(3)(A) Each State to which an allotment is made under the preceding provisions of this section for any fiscal year (beginning with the fiscal year ending June 30, 1976) shall, at the earliest practicable date after the commencement of such fiscal year (and in accordance with regulations prescribed by the Secretary), certify to the Secretary whether the amount of its allotment is greater or less than the amount needed by the State, for uses for which the allotment is made, for such fiscal year and, if so, the amount by which such allotment is greater or less than such need.

"(B) If any State certifies, in accordance with subparagraph (A), that its allotment for any fiscal year is greater than its need for such year, then the allotment of such State for such year shall be reduced by the excess of its allotment over its need, and the amount of such reduction shall be available for reallotment to other States for such fiscal year which have certified, pursuant to subparagraph (A), that the amount of their allotments for such year is less than their need for such year.

"(C) Of the amounts made available, pursuant to subparagraph (B), for reallotment for any fiscal year, the Secretary shall reallot such amounts among the States which have certified (pursuant to subparagraph (A)) that the amount of their allotments is less than the amount of their need for such fiscal year. The amount realloted to any such State for any fiscal year shall bear the same ratio to the total amount available for reallotment for such year as the amount of such State's allotment (determined without regard to this paragraph) bears to the total amount allotted to all such States for such fiscal year (as so determined); except that there shall not be realloted to any such State an amount which exceeds the excess of such State's allotment (as so determined) and the amount such State has (pursuant to subparagraph (A)) certified it would need for such year.

"(D) Any amount realloted to a State under this paragraph for any fiscal year shall, for purposes of subsection (a) of this section, be added to and deemed a part of such State's allotment for such year (as determined without regard to this paragraph)."

Part B—Tax Credit

TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES

Sec. 101. (a) In General.

(1) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Tax Credit for Low-Income Workers With Families.

"(a) In General.—

"(1) Allowance of credit.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6103 for the taxable year, the amount of the credit allowable by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) Applicable percentage.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1975 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) Limitations.—

"(1) Maximum credit.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

"(2) Reduction for additional income.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71(b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) Application with section 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

"(c) Definitions.—For purposes of this section—

"(1) Eligible individual.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) Social security tax.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by an individual and his spouse with respect to employment (as defined in section 3121(b)), or which would be imposed with respect to such wages by such sections if the definition of the term "employment" as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section.".

(2) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Tax credit for low income workers with families.

"Sec. 43. Overpayments of tax.".

(3) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", 42 (relating to tax credit for low-income workers with families),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

(4) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such section; and

(B) striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to tax credit for low income workers with families),".

(b) Advance Refund of Credit.—

(1) Subchapter B of chapter 65 of the Internal Revenue Code of 1954 (relating to rules of special application) is amended by adding at the end thereof the following new section:

"Sec. 6428. Advance Refund of Section 42 Credit.

"(a) In General.—A taxpayer may receive an advance refund of the credit allowable to him under section 42 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employers, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) Limitations.—

"(1) Amount of refund.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 42 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) Ineligible for credit.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 42 for that year.

"(3) Minimum payment.—No payment may be made under this section in an amount less than $30.

"(c) Collection of Excess Payments.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold, from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6428. Advance refund of section 42 credit.".

(c) Returns of Taxpayers Receiving Advance Refund of Section 42 Credit.—Section 6011 (a) (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) Returns of taxpayers receiving advance refund of section 42 credit.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 42 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(d) Development of Application Forms; Cooperation of Other Government Agencies.—

(1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 42 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 42 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 42 credit), or his spouse, as may be necesary for the proper administration of section 42 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 42 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(e) Amendment of Social Security Act.—Section 402(a) (7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 42 of the Internal Revenue Code of 1954)".

(f) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1974, but no advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before July 1, 1975.

Part C—Child Support Programs

CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

In General

Sec. 151. (a) Title IV of the Social Security Act is amended by adding after part C the following new part:

"Part D—Child Support and Establishment of Paternity

"APPROPRIATION

"Sec. 451. For the purpose of enforcing the support obligations owed by absent parents to their children, locating absent parents, establishing paternity, and obtaining child support, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part.

"DUTIES OF THE SECRETARY

"Sec. 452. (a) The Secretary shall establish, within the Department of Health, Education, and Welfare a separate organizational unit, under the direction of the Assistant Secretary for Child Support, who shall report directly to the Secretary and who shall—

"(1) establish such standards for State programs for locating absent parents, establishing paternity, and obtaining child support as he determines to be necessary to assure that programs will be effective;

"(2) establish minimum organizational and staffing requirements for State units engaged in carrying out such programs under plans approved under this part;

"(3) review and approve State plans for such programs;

"(4) evaluate the implementation of State programs established pursuant to such plan, conduct such audits of State programs established under the plan approved under this part as may be necessary to assure their conformity with the requirements of this part, and, not less often than annually, conduct a complete audit of the programs established under such plan in each State and determine for the purposes of the penalty provision of section 403(h) whether the actual operation of such programs in each State conforms to the requirements of this part;

"(5) assist States in establishing adequate reporting procedures and maintain records of the operations of programs established pursuant to this part in each State;

"(6) maintain records of all amounts collected and disbursed under programs established pursuant to the provisions of this part and of the costs incurred in collecting such amounts;

"(7) provide technical assistance to the States to help them establish effective systems for collecting child support and establishing paternity;

"(8) receive applications from States for permission to utilize the courts of the United States to enforce court orders for support against absent parents and, upon a finding that (A) another State has not undertaken to enforce the court order of the originating State against the absent parent within a reasonable time, and (B) that utilization of the Federal courts is the only reasonable method of enforcing such order, approve such applications;

"(9) operate the Parent Locator Service established by section 453;

"(10) establish or designate regional laboratories as authorized by section 461 to provide services in analyzing and classifying blood for the purpose of establishing paternity; and

"(11) not later than June 30 of each year beginning after December 31, 1975, submit to the Congress a report on all activities undertaken pursuant to the provisions of this part.

"(b) The Secretary shall, upon the request of any State having in effect a State plan approved under this part, certify the amount of any child support obligation assigned to such State to the Secretary of the Treasury for collection pursuant to the provisions of section 6305 of the Internal Revenue Code of 1954. No amount may be certified for collection under this subsection except upon a showing by the State that such State has made diligent and reasonable efforts to collect such amounts utilizing its own collection mechanisms, and upon an agreement that the State will reimburse the United States for any costs involved in making the collection. The Secretary after consultation with the Secretary of the Treasury may, by regulation, establish criteria for accepting amounts for collection and for making certification under this subsection including imposing such limitations on the frequency of making such certifications under this subsection.

"(c) (1) There is hereby established in the Treasury a revolving fund which shall be available to the Secretary without fiscal year limitation, to enable him to pay to the States for distribution in accordance with the provisions of section 457 such amounts as may be collected and paid (subject to paragraph (2)) into such fund under section 6305 of the Internal Revenue Code of 1954.

"(2) There is hereby appropriated to the fund, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts collected under section 6305 of the Internal Revenue Code of 1954, reduced by the amounts credited or refunded as overpayments of the amounts so collected. The amounts appropriated by the preceding section shall be transferred at least quarterly from the general fund of the Treasury to the fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"PARENT LOCATOR SERVICE

"Sec. 453. (a) The Secretary shall establish and conduct a Parent Locator Service under the direction of the Assistant Secretary for Child Support which shall be used to obtain and transmit to any authorized person (as defined in subsection (c)) information as to the whereabouts of any absent parent when such information is to be used to locate such parent for the purpose of enforcing support obligations against such parent.

"(b) Upon request, filed in accordance with subsection (d) of any authorized person (as defined in subsection (c)) for the most recent address and place of employment of any absent parent, the Secretary shall, notwithstanding any other provision of law, provide through the Parent Locator Service such information to such person, if such information—

"(1) is contained in any files or records maintained by the Secretary or by the Department of Health, Education, and Welfare; or

"(2) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality, of the United States or of any State.

No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c) (1).

"(c) As used in subsection (a), the term 'authorized person' means—

"(1) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority to seek to recover any amounts owed as child support (including, when authorized under the State plan, any official of a political subdivision);

"(2) the court which has authority to issue an order against an absent parent for the support and maintenance of a child, or any agent of such court; and

"(3) the resident parent, legal guardian, attorney, or agent of a child (other than a child receiving aid under part A of this title) (as determined by regulations prescribed by the Secretary) without regard to the existence of a court order against an absent parent who has a duty to support and maintain any such child.

"(d) A request for information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

"(e) (1) Whenever the Secretary receives a request submitted under subsection (b) which he is reasonably satisfied meets the criteria established by subsections (a), (b), and (c), he shall promptly undertake to provide the information requested from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States or of any State.

"(2) Notwithstanding any other provision of law, whenever the individual who is the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized to be provided by the Secretary under this section, such individual shall promptly cause a search to be made of the files and records maintained by such department, agency, or instrumentality with a view to determining whether the information requested is contained in any such files or records. If such search discloses the information requested, such individual shall immediately transmit such information to the Secretary, except that if any information is obtained the disclosure of which would contravene national policy or security interests of the United States or the confidentiality of census data, such information shall not be transmitted and such individual shall immediately notify the Secretary. If such search fails to disclose the information requested, such individual shall immediately so notify the Secretary. The costs incurred by any such department, agency, or instrumentality of the United States or of any State in providing such information to the Secretary shall be reimbursed by him. Whenever such services are furnished to an individual specified in subsection (c) (3), a fee shall be charged such individual. The fee so charged shall be used to reimburse the Secretary or his delegate for the expense of providing such services.

"(f) The Secretary, in carrying out his duties and functions under this section, shall enter into arrangements with State agencies administering State plans approved under this part for such State agencies to accept from resident parents, legal guardians, or agents of a child described in subsection (c) (3) and, after determining that the absent parent cannot be located through the procedures under the control of such State agencies, to transmit to the Secretary requests for information with regard to the whereabouts of absent parents and otherwise to cooperate with the Secretary in carrying out the purposes of this section.

"STATE PLAN FOR CHILD SUPPORT

"SEC. 454. A State plan for child support must—

"(1) provide that it shall be in effect in all political subdivisions of the State:

"(2) provide for financial participation by the State;

"(3) provide for the establishment or designation of a single and separate organizational unit, which meets such staffing and organizational requirements as the Secretary may by regulation prescribe, within the State to administer the plan;

"(4) provide that such State will undertake—

"(A) in the case of a child born out of wedlock with respect to whom an assignment under section 402(a) (26) of this title is effective, to establish the paternity of such child, and "(B) in the case of any child with respect to whom such assignment is effective, to secure support for such child from his parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States, except that when such arrangements and other means have proven ineffective, the State may utilize the Federal courts to obtain or enforce court orders for support;

"(5) provide that, in any case in which child support payments are collected for a child with respect to whom an assignment under section 402(a) (26) is effective, such payments shall be made to the State for distribution pursuant to section 457 and shall not be paid directly to the family except that this paragraph shall not apply to such payments (except as provided in section 457(c)) for any month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;

"(6) provide that (A) the child support collection or paternity determination services established under the plan shall be made available to any individual not otherwise eligible for such services upon application filed by such individual with the State, (B) an application fee for furnishing such services may be imposed except that the amount of any such application fee shall be reasonable, as determined under regulations of the Secretary, and (C) any costs in excess of the fee so imposed may be collected from such individual by deducting such costs from the amount of any recovery made;

"(7) provide for entering into cooperative arrangements with appropriate courts and law enforcement officials (A) to assist the agency administering the plan, including the entering into of financial arrangements with such courts and officials in order to assure optimum results under such program, and (B) with respect to any other matters of common concern to such courts or officials and the agency administering the plan;

"(8) provide that the agency administering the plan will establish a service to locate absent parents utilizing—

"(A) all sources of information and available records, and

"(B) the Parent Locator Service in the Department of Health, Education, and Welfare;

"(9) provide that the State will, in accordance with standards prescribed by the Secretary, cooperate with any other State—

"(A) in establishing paternity, if necessary,

"(B) in locating an absent parent residing in the State (whether or not permanently) against whom any action is being taken under a program established under a plan approved under this part in another State,

"(C) in securing compliance by an absent parent residing in such State (whether or not permanently) with an order issued by a court of competent jurisdiction against such parent for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State, and

"(D) in carrying out other functions required under a plan approved under this part;

"(10) provide that the State will maintain a full record of collections and disbursements made under the plan and have an adequate reporting system;

"(11) provide that amounts collected as child support shall be distributed as provided in section 457;

"(12) provide that any payment required to be made under section 456 or 457 to a family shall be made to the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children; and

"(13) provide that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locating absent parents, establishing paternity, obtaining support orders, and collecting support payments.

"PAYMENTS TO STATES

"SEC. 455. From tht sums appropriated therefor, the Secretary shall pay to each State for each quarter, beginning with the quarter commencing July 1, 1975, an amount equal to 75 percent of the total amounts expended by such State during such quarter for the operation of the plan approved under section 454 except that no amount shall be paid to any State on account of furnishing collection services (other than parent locator services) to individuals under section 454(6) during any period beginning after June 30, 1976.

"SUPPORT OBLIGATIONS

"SEC. 456. (a) The support rights assigned to the State under section 402(a) (26) shall constitute an obligation owed to such State by the individual responsible for providing such support. Such obligation shall be deemed for collection purposes to be collectible under all applicable State and local processes.

"(1) The amount of such obligations shall be—

"(A) the amount specified in a court order which covers the assigned support rights, or

"(B) if there is no court order, an amount determined by the State in accordance with a formula approved by the Secretary, and

"(2) Any amounts collected from an absent parent under the plan shall reduce, dollar for dollar, the amount of his obligation under paragraphs (1) (A) and (B).

"(b) A debt which is a child support obligation assigned to a State under section 402 (a) (26) is not released by a discharge in bankruptcy under the Bankruptcy Act.

"DISTRIBUTION OF PROCEEDS

"SEC. 475. (a) The amounts collected as child support by a State pursuant to a plan approved under this part during the fiscal year beginning July 1, 1975, shall be distributed as follows:

"(1) 40 per centum of the first $50 of such amounts as are collected periodically which represent monthly support payments shall be paid to the family without any decrease in the amount paid as assistance to such family during such month;

"(2) such amounts as are collected periodically which are in excess of any amount paid to the family under paragraph (1) which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(3) such amounts as are in excess of amounts retained by the State under paragraph (2) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

"(4) such amounts as are in excess of amounts required to be distributed under paragraphs (1), (2), and (3) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

"(b) The amounts collected as child support by a State pursuant to a plan approved under this part during any fiscal year beginning after September 30, 1976, shall be distributed as follows:

"(1) such amounts as are collected periodically which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(2) such amounts as are in excess of amounts retained by the State under paragraph (1) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

"(3) such amounts as are in excess of amounts required to be distributed under paragraphs (1) and (2) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be to the family.

"(c) Whenever a family for whom child support payments have been collected and distributed under the plan ceases to receive assistance under part A of this title, the State may—

"(1) continue to collect such support payments from the absent parent for a period of not to exceed three months from the month following the month in which such family ceased to receive assistance under part A of this title, and pay all amounts so collected to the family; and

"(2) at the end of such three-month period, if the State is authorized to do so by the individual on whose behalf the collection will be made, continue to collect such support payments from the absent parent and pay the net amount of any amount so collected to the family after deducting any costs incurred in making the collection from the amount of any recovery made.

"INCENTIVE PAYMENT TO LOCALITIES

"Sec. 458. (a) When a political subdivision of a State makes, for the State of which it is a political subdivision, or one State makes, for another State, the enforcement and collection of the support rights assigned under section 402(a)(26) (either within or outside of such State), there shall be paid to such political subdivision or such other State from amounts which would otherwise represent the Federal share of assistance to the family of the absent parent—

"(1) an amount equal to 25 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for 12 months; and

"(2) an amount equal to 10 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for any month after the first twelve months for which such collections are made.

"(b) Where more than one jurisdiction is involved in such enforcement or collection, the amount of the incentive payment determined under paragraphs (1) and (2) of subsection (a) shall be allocated among the jurisdictions in a manner to be prescribed by the Secretary.

"CONSENT BY THE UNITED STATES TO GARNISHMENT AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

"Sec. 459. Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States (including any agency or instrumentality thereof and any wholly owned Federal corporation) to any individual, including members of the armed services, shall be subject, in like manner and to the same extent as if the United States were a private person, to legal process brought for the enforcement, against such individual, of his legal obligations to provide child support or make alimony payments.

"CIVIL ACTIONS TO ENFORCE CHILD SUPPORT OBLIGATIONS

"Sec. 460. The district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of Health, Education, and Welfare under section 452(a)(8) of this Act. A civil action under this section may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides.

"REGIONAL LABORATORIES TO ESTABLISH PATERNITY THROUGH ANALYSIS AND CLASSIFICATION OF BLOOD

"Sec. 461. (a) The Secretary shall, after appropriate consultation and study of the use of blood typing as evidence in judicial proceedings to establish paternity, establish, or arrange for the establishment or designation of, in each region of the United States, a laboratory which he determines to be qualified to provide services in analyzing and classifying blood for the purpose of determining paternity, and which is prepared to provide such services to courts and public agencies in the region to be served by it.

"(b) Whenever a laboratory is established or designated for any region by the Secretary under this section, he shall take such measures as may be appropriate to notify appropriate courts and public agencies (including agencies administering any public welfare program within such region) that such laboratory has been so established or designated to provide services, in analyzing and classifying blood for the purpose of determining paternity, for courts and public agencies in such region.

"(c) The facilities of any such laboratory shall be made available without cost of courts and public agencies in the region to be served by it.

"(d) There is hereby authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.".

Collection of Child Support Obligations

(b)(1) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"Sec. 6305. Collection of Certain Liability

"(a) In General.—Upon receiving a certification from the Secretary of Health, Education, and Welfare, under section 452(b) of the Social Security Act with respect to any individual, the Secretary or his delegate shall assess and collect the amount certified by the Secretary of Health, Education, and Welfare, in the same manner, with the same powers, and (except as provided in this section) subject to the same limitations as if such amount were a tax imposed by subtitle C the collection of which would be jeopardized by delay, except that—

"(1) no interest or penalties shall be assessed or collected,

"(2) for such purposes, paragraphs (4), (6), and (8) of section 6334(a) (relating to property exempt from levy) shall not apply, and

"(3) there shall be exempt from levy so much of the salary, wages, or other income of an individual as is being withheld therefrom in garnishment pursuant to a judgment entered by a court of competent jurisdiction for the support of his minor children.

"(b) Review of Assessments and Collections.—No court of the United States, whether established under article I or article III of the Constitution, shall have jurisdiction of any action, whether legal or equitable, brought to restrain or review the assessment and collection of amounts by the Secretary or his delegate under subsection (a), nor shall any such assessment and collection be subject to review by the Secretary or his delegate in any proceeding. This subsection does not preclude any legal, equitable, or administrative action by an individual in any State court or before any State agency to determine his liability for any amount assessed against him and collected, or to recover any such amount collected from him, under this section.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6305. Collection of certain liability.".

Amendments to Part A of Title IV

(c)(1) Notwithstanding the provisions of section 402(a) of the Social Security Act, in addition to the amounts required to be disregarded under clause (8)(A) of such section, there is imposed the requirement (and the State plan shall be deemed to include the requirement) that for the fiscal year beginning July 1, 1975, in making the determination under clause (7), the State agency shall with respect to any month in such year and in addition to the amounts required to be disregarded under clause (8)(A), disregard amounts payable under section 457(a)(1).

(2) Section 402(a)(9) is amended to read as follows:

"(9) provide safeguards which permit the use or disclosure of information concerning applicants or recipients only to (A) public officials who require such information in connection with their official duties, or (B) other persons for purposes directly connected with the administration of aid to families with dependent children;".

(3) Section 402(a)(10) is amended by inserting immediately before "be furnished" the following: ", subject to paragraphs (25) and (26),".

(4) Section 402(a)(11) is amended to read as follows:

"(11) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency (established pursuant to part D of this title) of the furnishing of aid to families with dependent children with respect to a child who has been deserted or abandoned by a parent (including a child born out of wedlock without regard to whether the paternity of such child has been established);".

(5) Section 402(a) is further amended—

(A) by striking out "and" at the end of paragraph (23);

(B) by inserting immediately before the first word in paragraph (24) the following: "provide that"; and

(C) by striking out the period at the end of paragraph (24) and inserting in lieu thereof a semicolon and the following:

"(25) provide (A) that, as a condition of eligibility under the plan, each applicant for or recipient of aid shall furnish to the State agency his social security account number (or numbers, if he has more than one such number), and (B) that such State agency shall utilize such account numbers, in addition to any other means of identification it may determine to employ in the administration of such plan;

"(26) provide that, as a condition of eligibility for aid, each applicant or recipient will be required—

"(A) to assign the State any rights to support from any other person such applicant may have (i) in his own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid, and (ii) which have accrued at the time such assignment is executed,

"(B) to cooperate with the State (i) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and (ii) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed, or in obtaining any other payments or property due such applicant or such child and that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of this paragraph, any aid for which such child is eligible will be provided in the form of protective payments as described in section 406(b)(2) (without regard to subparagraphs (A) through (E) of such section); and

"*(27) provide*, that the States have in effect a plan approved under part D and operate a child support program in conformity with such plan.".

(6)(A) Section 403 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of this Act, the amount payable to any State under this part for quarters in a fiscal year shall with respect to quarters beginning after December 31, 1976, be reduced by 5 per centum of such amount if such State is found by the Secretary as the result of the annual audit to have failed to have an effective program meeting the requirements of section 402(a)(27) in any fiscal year beginning after September 30, 1976 (but, in the case of the fiscal year beginning October 1, 1976, only considering the second, third, and fourth quarters thereof).".

(B) Section 404 of such Act is amended by adding at the end thereof the following new subsections:

"(c) No State shall be found, prior to January 1, 1977, to have failed substantially to comply with the requirements of section 402(a)(27), if, in the judgment of the Secretary, such State is making a good faith effort to implement the program required by such section.

"(d) After December 31, 1976, in the case of any State which is found to have failed substantially to comply with the requirements of section 402(a)(27), the reduction in any amount payable to such State required to be imposed under section 403(h) shall be imposed in lieu of any reduction, with respect to such failure, which would otherwise be required to be imposed under this section."

(7) Section 406 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of subsection (b), the term 'aid to families with dependent children' does not mean payments with respect to a parent (or other individual whose needs such State determines should be considered in determining the need of the child or relative claiming aid under the plan of such State approved under this part) of a child who fails to cooperate with any agency or official of the State in obtaining such support payments for such child. Nothing in this subsection shall be construed to make an otherwise eligible child ineligible for protective payments because of the failure of such parent (or such other individual) to so cooperate.".

(8) Section 402(a) (17), (18), (21), and (22), and section 410 of such Act are repealed.

Conforming Amendments to Title XI

(d) Section 1106 of such Act is amended—

(1) by striking out the period at the end of the first sentence of subsection (a) and inserting in lieu thereof the following: "and except as provided in part D of title IV of this Act.";

(2) by adding at the end of subsection (b) the following new sentence: "Notwithstanding the preceding provisions of this subsection, requests for information made pursuant to the provisions of part D of title IV of this Act for the purpose of using Federal records for locating parents shall be complied with and the cost incurred in providing such information shall be paid for as provided in such part D of title IV."; and

(3) by striking out subsection (c).

Appointment of Assistant Secretary for Child Support

(e)(1) There shall be in the Department of Health, Education, and Welfare an Assistant Secretary of Health, Education, and Welfare for Child Support who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"(98) Assistant Secretary for Child Support, Department of Health, Educaton, and Welfare.".

Authorization of Appropriations

(f) There are authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to plan and prepare for the implementation of the program established by this section.

Effective Date

(g) The amendments made by this section shall become effective on July 1, 1975, except that section 459 of the Social Security Act, as added by subsection (a) of this section shall become effective on January 1, 1975, and subsections (e) and (f) of this section shall become effective upon the date of enactment of this Act.

Mr. LONG. Mr. President, I yield myself such time as I require at this moment.

Mr. President, a little over a year ago the Senate passed H.R. 3153. In addition to a social security benefit increase, this bill contained important Senate amendments dealing with a tax credit for low-income workers, or work bonus; child support; food stamp eligibility for aged, blind, and disabled recipients of supplemental security income; coverage of drugs under medicare; and a number of other important provisions.

The conferees on H.R. 3153 met only once, on December 19, 1973, at which time the Senate conferees agreed to pass the social security benefit increase as a separate bill, with the understanding that we would resume conference on the other Senate provisions early this year. The House conferees never resumed that conference.

Last week the House passed a bill fundamentally changing the provisions of the Social Security Act relating to social services. The Senate had dealt with this same subject a year ago as part of H.R. 3153. Last week I stated to the Senate my preference for settling the matter by a resumption of the conference on H.R. 3153. However, that has not happened and it is important that the social services issue be resumed this year. For this reason the Committee on Finance has reported the House social services bill with an amendment in the nature of a substitute.

The committee substitute has three parts. Each of these parts has passed the Senate before.

First, the committee substitute contains the text of last year's Senate-passed social services provisions. Second, the committee substitute provides a tax credit for low-income workers with families, which has been referred to as the work bonus. Third, the committee substitute includes important provisions for strengthening Federal and State activity to obtain child support. Each of these three parts of the committee substitute was included in the Senate-passed version of H.R. 3153 last year, with only the effective dates changed.

SOCIAL SERVICES

The committee social services provisions, which were approved by the Senate last year, differ from the House-passed social services bill in a number of respects. I would like to outline here some of the more important policy differences.

ELIGIBILITY FOR SERVICES

The Senate bill permits States to determine who is eligible for services. The House bill requires that an amount equal to 50 percent of the Federal funds must be used for services to persons receiving or eligible for welfare or medicaid. Persons not receiving welfare may be provided services with Federal matching only if their income does not exceed 115 percent of the State median income. This issue was discussed at some length in the Finance Committee last year, and it was the committee decision, agreed to by the Senate, that the decision of who is to be eligible for services should be left to the States.

FEES

Under the Senate bill there is no provision for fees for services, leaving States generally free to decide for themselves whether fee schedules are appropriate and, if so, for what services and within what range of income. The House bill prohibits fees for services to persons receiving or eligible for welfare or medicaid, and it requires that fees be charged individuals and families with incomes of at least 80 percent of the median income in the State. Under this provision in the House bill, a family in a low-income State would be required to pay the full cost of services that would be provided free to a family with identical income in another State.

REQUIRED SERVICES

Present law requires States to develop a program for each appropriate relative and dependent child on welfare for preventing or reducing births out of wedlock, and otherwise strengthening family life. In all appropriate cases, family planning services must be offered, and must be provided promptly to all persons voluntarily requesting these services. The Senate bill maintains this requirement, while the House bill deletes the requirement.

CHILD CARE STANDARDS

The Senate bill includes certain child care standards which represent a compromise we worked out last year. The House bill includes standards which will require either more staffing or less children. As far as infant care is concerned, the Senate bill allows the State to determine the minimum staff required for children under 3 in a day care center, while not more than five children, including two under the age of 2, could be cared for in a family day care home. The House bill instead sets an absolute requirement that for every two children under age 3 there be one adult responsible solely for the care of those two children. There are also other differences in staffing requirements between the Senate bill and the House bill.

REALLOTMENT

Under present law Federal social services funds are limited to $2.5 billion, allotted among States on the basis of population. The Senate bill does not change this ceiling, but it provides for reallotment of unused funds among States which can use them. The House bill does not provide for reallotment of unused funds.

MAINTENANCE OF EFFORT

The Senate bill requires that any increase in Federal social services funds for services purchased by welfare agencies result in an increase in the level of those services, in order to prevent the substitution of Federal funds for State funds for the same services. States would, however, not be required to maintain their spending at any particular level. Under the House bill, States may not spend less for social services than they spent in either fiscal year 1973 or 1974, whichever is less.

STATE PLAN AND ADMINISTRATIVE REQUIREMENTS

Under present law, State plans for aid to families with dependent children include provisions for services, and there is a separate plan for services to the aged, blind, and disabled. A single State agency is designated to administer each of these plans, except that three States—Massachusetts, North Carolina, and Virginia—have separate agencies to administer services for the blind. The Senate bill generally maintains the administrative requirements as under present law, and provides that the Secretary require the States to make reports concerning the use of social services funds to serve as the basis of the Secretary's annual reports to the Congress. The House bill instead establishes a new title XX in the Social Security Act with a series of new administrative requirements. There is no specific provision in the House bill for a separate agency to administer services for the blind.

TAX CREDIT FOR LOW-INCOME FAMILIES WITH CHILDREN—WORK BONUS

The committee bill includes the tax credit for low-income families with children, or work bonus, proposal approved overwhelmingly by the Senate last year and the year before. I am particularly pleased with this provision because it will provide an additional $600 million in income for low-income family heads who work—and it gives them the money because they are working and because they are supporting their families.

Under the bill, low-income workers who have families would be eligible for a tax credit equal to a percentage of the social security taxes payable on account of their employment during the tax year. This percentage is equivalent to 10 percent of their wages taxed under the social security program. The maximum tax credit of $400 would apply for families where the total income of the husband and wife is $4,000. For families where the husband's and wife's total combined income exceeds $4,000, the credit would be equal to $400 minus one-quarter of the amount by which their total income exceeds $4,000; thus, no family would be eligible for the credit once total income reached $5,600.

Looked at another way, the tax credit is somewhat in the nature of a refund of most of the social security taxes generated by a low-income worker's employment. For most workers with families in the income range we are talking about, social security taxes are much more of a burden than income taxes, if indeed the family pays income taxes at all.

It seems to the Finance Committee that it was appropriate to ease this burden to provide additional income to poor families while at the same time providing that income in a way that rewards their working.

The tax credit will not affect the fiscal year 1975 budget since no payments would be made until July 1975.

CHILD SUPPORT

As the committee noted last year when the Senate acted on H.R. 3153, the problem of welfare in the United States is, to a considerable extent, a problem of nonsupport of children by their absent parents. In the past 6½ years, families with absent fathers have contributed about 4.8 million additional recipients to the AFDC rolls.

The Senate last year agreed with the committee that all children have the right to receive support from their fathers. Our bill will help children attain this right, including the right to have their fathers identified so that support can be obtained. The immediate result will not only be a lower welfare cost to the taxpayer but, more importantly, once an effective support collection system is established, fathers will be deterred from deserting their families to welfare and children will be spared many of the effects of family breakup.

The committee bill is designed to build upon the basically sound provisions of existing law which require State and local enforcement of support obligations owed AFDC families. Administration of the law has been spotty, however, the bill mandates more aggressive administration at the Federal, State, and local levels with various incentives for compliance and penalties for noncompliance.

At the Federal level, a central locator service is established; limited use of the Internal Revenue Service tax collection mechanism is authorized; blood typing is provided free to the courts in their determination of paternity; and responsibility for the program is centered directly in one official in HEW. The States are assigned the support obligation of recipients as a condition of welfare eligibility, given more favorable Federal matching for child support activities, and allowed to garnish the wages and other benefits of runaway parents who are Federal, civilian, or military personnel. Moreover, a portion of the Federal share of recovered support obligations is distributed to the local governmental entity which carries out the support collection activity. Nonwelfare mothers are allowed access to governmental support collection processes at a modest fee, or at cost. On the other side of the coin, the bill provides that States which fail to establish and carry out an effective program of enforcing child support obligations will be penalized by a loss of a portion of Federal AFDC matching.

In summary, the committee bill leaves basic responsibility for child support and establishment of paternity to the States but envisions a far more active role on the part of the Federal Government in monitoring and evaluating State programs, in providing technical assistance, and, in certain instances, in giving direct assistance to the States in locating absent parents and obtaining child support payments from them.

Mr. MONDALE. Will the Senator yield?

Mr. LONG. Yes.

Mr. MONDALE. As the distinguished floor manager knows, the General Accounting Office has a study, not released yet, it will show some fathers had incomes of over $20,000 a year and were paying not a penny toward the support of their own children while the children and the mother was on welfare.

There are other reports that court orders have been issued that were so incredibly inadequate that the American public was asked to pick up the cost of paying for a father's family when that father was perfectly capable of assuming those costs.

I know of nothing that offends Americans more than that.

I think most Americans are willing to pay their share of the cost of decent family support where there is no other alternative, but where a father abandons his own family and is capable of paying toward their support, but runs away, or ignores a court order, it seems to me that that phenomenon is intolerable.

The measure we have adopted in the Senate, which we hope will be adopted again, is designed, after long last, to do something about it.

I strongly support it.

Mr. LONG. Furthermore, we have corrected an additional problem in the bill, the fact that a mother has no financial incentive to help find a deserting father. It defies all logic why it should not be corrected.

For example, take the case of a mother with one child who becomes acquainted with some man who is not the father of the first child, and she has a second child. If she is already on welfare and seeks to persuade the man to engage in matrimony, the man may say, "No, I really do not think I can afford it." He is a low-income person, cannot support her and the child, and they would not be eligible for welfare. It is unfortunate, but that is often the case—the man says that he cannot afford it; she would lose the money if he married her. That happens, Senators, I hate to say it, but it is true.

So now, under that set of circumstances, if she seeks to obtain support for the children, or for the child of the two of these people, the average payment being made is about $50 per month.

Now, that is a lesser amount than the welfare check, and every dollar of that $50 is then deducted from her welfare check, so she is not one penney better off than she would be if she just left the man alone. When she does ask for support, a great number of these fellows get lost, leave town, disappear, deny paternity, cross State boundaries, and there is no incentive for that woman to pursue this man.

Mr. MONDALE. And many times, if I may interrupt, the judge will say that since the public will pay for the cost of this anyway, why impose this charge on someone else?

Mr. LONG. Well, the Senator told me one time of a case where a prosecutor was handling a similar case and the judge took the view——

Mr. MONDALE. What do we care?

Mr. LONG. The Government pays for that.

Now, under the amendment, by seeking support the mother would be able at least to keep $20 of the support payment.

Mr. MONDALE. Right.

Mr. LONG. So that the family would be that much better off because the father is making a contribution.

Furthermore, it is unfortunate, but again it is true, some of these fathers are pretty brutal and cruel. Some of these men have been known to show up and beat the woman physically, subject her to physical abuse because she seeks some help for her child.

In situations like that, we do not think this woman ought to have to pursue this. We could recover something that reduces the burden on the Government as well as providing more help for the child; we think she should assign her right to the Government, let the Government pursue this fellow. If he wants to be brutal, let him try it on the State or Federal Government rather than on the woman and not extend his brutality to this poor mother trying to care for her child.

Now, those types of provisions are in this measure, and although in the beginning the child support provisions were the subject of a great deal of controversy within the committee, by the discussion and the accommodation that occurs among Senators and with those in the executive branch, all these differences have been resolved. We now have a proposal that as far as I know meets all the objections that were generated in the Department of HEW as well as the objections that were voiced by some on the committee agreeing with one side or the other. I think we have worked all that out.

Now, certainly, this part of the committee amendment could become law unless we load this bill down with other amendments, meritorious though they may be, so that the bill would not become law.

In that respect, our problem on this amendment is the same as it was on the trade bill. In my judgment, if we had not been able to obtain a rule of germaneness on that bill, it could not have become law. That is why we asked the Senate to invoke cloture, that is why it did invoke cloture, so it could pass the trade bill.

The same is true in regard to this measure. Senators could very easily offer amendments, meritorious though they may be, some absolutely excellent in my judgment, but when they are added to the bill they then so burden the prospect of passing the bill that we would not be able to pass this through the Senate and obtain a conference with the House that would result in legislation.

It is for that reason that the Senate committee felt we should ask the Senate to vote cloture on this bill, to give us the benefit of a germaneness rule which we believe would then make it possible for these essential provisions to be voted on in the Senate and hope it would become law.

Mr. President, I would point out also that there are some other finance committee bills on the calendar, revenue measures, which will remain subject to amendment and Senators may, if they wish, offer any amendments in the welfare area or in the tax area on these other billls which are on the calendar, which we will seek to pass between now and the time Congress adjourns.

I recognize the difficulties that exist when too many irrelevant amendments are added to a bill.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I yield myself such time as I need.

Mr. President, the bill before us is not without its problems. The first feature in it relates to a problem that has been before the Congress, with which the States have had to wrestle for some time.

When the Federal Government first inaugurated a program whereby the Federal Treasury participated in social services it was an open-ended arrangement. States started to classify various activities in the field of welfare and social service.

The program grew tremendously, clear beyond the amount of money that anyone thought it was going to cost, reaching a fabulous sum up in the billions of dollars.

The administration tried to restrict it. Controversy arose. Some States were having a program that gave them quite a financial advantage over other States, much to the cost of the Federal Government.

This problem has been with us for months.

Finally, there was an overall ceiling placed upon social services from the standpoint of the Federal Government, and a formula worked out for the spending of the money that granted certain prerogatives to the States and yet have these guidelines and an overall ceiling. Although that has been with us for some time, it has never been enacted into law.

On this formula for social services, the House had a provision that is not before us, but which I understand has been approved by the Committee on Ways and Means. The particular language in the Senate version, which is before us this morning, is not the same. It involved a few more items.

While I do not believe that we should delegate or legislate the authority to the administration, I am of the opinion that the administration's advice and opinion is very worthwhile in many of these things, and certainly it is in the administration of welfare. They prefer the House version.

This matter is brought before us as a committee amendment to a bill sent over by the House. In addition to the much-needed provision for social services in this bill, there was added two other principal items: the work bonus and the child support. These are in controversy.

Also, I might add that the administration is very much opposed to the work bonus plan. It involves one important feature of the whole question of welfare reform. It is a matter that the committee has spent quite a little time on. It is a plan devised by the chairman of the committee, the distinguished Senator from Louisiana (Mr. LONG), yet it is a costly one.

I call attention to page 42 in the report which says:

> It is estimated that the tax credit provision would total roughly $700 million during the calendar year 1975. However, this cost would be partly offset by significant savings in the Federal cost to aid to families with dependent children.

These meetings nearing the close of the Congress, particularly one on Saturday, must work under rather hazardous conditions. I did not know that the Finance Committee was meeting until I received a telephone call at my residence at about 9:15 in the morning, that they would meet at 9:30.

There was some transaction of business here in the Senate Chamber. We met in a nearby room and ran back and forth. I charge no bad practice on anybody's part. Perhaps I am the one who failed. But I thought we were approving a proposal limited to social services.

I want the record to show clearly I do not charge anyone with deceiving me, but in the commotion of running back and forth I was of that opinion.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CURTIS. Yes.

Mr. LONG. Was the Senator present throughout the consideration of this measure as well as the other tax measure that we voted on that day? It is my impression that the Senator was in the room part of the time and part of the time he was not in the room. It may be that the time we finally voted on the motion the Senator was not in the room at that point.

Mr. CURTIS. As I say, I certainly do not want to charge anyone with bad practice or bad faith. The only time I left the room was to come to the Chamber. I did go in and out of the room.

Mr. LONG. Of course, the Senator knows, at my request the Senator from West Virginia obtained consent that the Committee on Finance could meet during the session of the Senate on Saturday. We had a problem. We were voting in here and we were meeting, and we would come back and forth to vote.

Senators were involved in things that were being taken up in the Senate.

I recall very well, however, that at the time this was agreed to it was unanimous in the committee. The Senator may not have been there at the time, because some Senators came in and then went out again. But at the time we voted on this there was a quorum and it was unanimous.

Mr. CURTIS. I do not wish to make a point that there was not a quorum there. I am merely stating the fact of how we had to hurry, how we had to interrupt our proceedings in there to come into the Chamber and vote. There were other matters that probably should have been called to our attention.

The distinguished Senator from New York (Mr. Buckley), and many of the rest of us, would have been interested in an antiabortion amendment in this legislation. Also, the junior Senator from Nebraska was interested in some child welfare matters, including a provision about adoption. The latter I mentioned will have to wait, of course.

Mr. LONG. Mr. President, if the Senator will be so kind as to yield further, I might point out the view of the chairman with regard to this bill, as well as the tax bill, on which there was filed a cloture petition. We have explained both the procedure and the legislative proposal about three different times.

With the Senate in session at the same time, every time the Senator would explain it there would be someone else who would come into the room and he would have to explain it all over again.

So it was necessary to explain these matters several times.

I regret that any Senator might not have known what the final vote was when we finally voted. At the same time, I do not think the Senator has any doubt that the chairman did the best he could in the committee.

Mr. CURTIS. I want the record to show clearly the good faith on the part of our chairman.

I hope the day will sometime arrive while I am here, though I am not too optimistic about it, that the last week of a session will not be so hectic.

I believe I show as much independence as any Senator in refusing to take the recommendation of the administration on a tax matter or on a social security matter. I do not always agree. At the same time, these things are highly technical and highly involved. I do think that it is important that we hear the the Treasury Department, and that we hear HEW.

Sometimes in the rush of getting ready to adjourn sine die a session of Congress, we have to do the best we can and proceed without the advice and the information that one of the executive departments might be able to give to us.

At any rate, it boils down to this: There is a need to get some legislation on the social services amendments.

I believe there are many of us prefer the House version. As I stated before, the executive is very much opposed to the work bonus. It will cost in the neighborhood of $700 million.

There may be some disagreement about child support.

This morning I inquired of HEW what their position was on this legislation. While they do not support all that is in here, and voiced strong opposition against the work bonus, stating they preferred the House version of social services, it was their opinion that the matter ought to go to conference.

That is why we are here, and that is why a number of us signed the discharge petition.

We will await the Senate to work its will: if it goes to conference, we will have to face those issues there, and the Senate will get a chance to pass on them as we bring the conference report back to the Senate.

So whatever the vote turns out to be on this cloture motion, it no doubt will be the controlling matter as to whether or not any legislation is advanced in this session.

Mr. President, I reserve the remainder of my time.

Mr. MONDALE. Mr. President, will the Senator yield me 5 minutes?

Mr. LONG. I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Bert Carp, of my staff, be permitted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I send to the desk an amendment which permits Puerto Rico, the Virgin Islands, and Guam to participate in the social services program to the extent that funds under a $2.5 billion ceiling are not extended to the other States. The total amount involved is less than $40 million. No State will lose any of its entitlement, and the $2.5 billion ceiling will not be breached.

I hope that if cloture is invoked, we might determine whether the amendment should be adopted.

The amendment is as follows:

On page 58, line 18, strike out "shall reallot such amounts" and insert in lieu thereof the following: "(i) shall allot to the jurisdictions Guam, Puerto Rico, and the Virgin Islands an amount, (not exceeding the amount which bears the same ratio to $2,500,000,000 as the population of each such jurisdiction bears to the population of all the States) which shall be available to each such jurisdiction in addition to amounts available under section 1108 for purposes of matching the expenditures of such jurisdictions for services pursuant to sections 3(a)(4), 403(a)(3), 1003(a)(3), 1403(a)(3), or 1603(a)(4): *Provided*, That if the amounts made available, pursuant to subparagraph (B), are insufficient to meet the requirements of this clause, then such amounts as are available shall be allotted to each of the three jurisdictions in proportion to their respective populations; and (ii) shall reallot the balance (if any) of such amounts".

Mr. MONDALE. Mr. President, I shall support the cloture motion. I think it is important. We have worked for more than 2 years with the States, with the commissioners of welfare, with the interested Members of the Senate, with the Department of Health, Education, and Welfare, and with a host of private agencies interested in the social services program. We have developed new understanding about how that program should work. I think the time has come—indeed, it is long overdue—when this issue should be settled permanently by law, so that the States will know what they are dealing with and the other parties interested in the social services programs throughout the Nation will know the ground rules upon which this important program rests.

So I am very hopeful that we might invoke cloture and send this measure to conference, where the differences can be resolved.

Mr. President, together with Senator Bentsen, Senator Packwood, Senator Javits, and others, I introduced a measure, S. 4082, which is identical to the House-passed proposal which would be in conference. I much prefer the basic principles in the House version, and I hope that when we do go to conference, in reconciling our differences, certain fundamental principles which I think are essential to a good social services program will be incorporated. Senator Bentsen, Senator Ribicoff, and I submitted what we think those principles should be, in the form of separate views appended to the report of the Senate Committee on Finance, appearing on pages 56 and 57 of the report. I ask unanimous consent that those separate views be printed in the Record.

There being no objection, the separate views were ordered to be printed in the Record, as follows:

VIII. Separate Views of Senators Mondale, Bentsen, and Ribicoff

We would like to comment briefly on the social services action by the committee today.

For some months, we have been working with the representatives of the National Governors Conference, the American Public Welfare Association, the AFL–CIO and UAW, representatives of the Administration and the Secretary of HEW, and many other groups interested in the administration of the program known as the Social Services Program.

The result of our joint efforts was a consensus measure which we introduced in the Senate as S. 4082, the Social Services Amendments of 1974 and a companion measure introduced in the House and adopted by the House (H.R. 17045) which we believe to be a very strong and well-advised resolution of the many disputes and differences bearing on that program.

We would hope that in conference we might strengthen the Senate-passed version, to reflect the consensus reflected in S. 4082. We would hope this would include:

(1) Adding limits on eligibility so that States may offer free services to persons making up to 80% of State median income (or the national median, if lower), and may offer subsidized services to persons making up to 115 percent of State median income.

(2) Strengthening the process of State planning, with open hearings, which was first proposed by Sen. Dole in a floor amendment, and providing for pre-approval of key elements of the plan by HEW (so states are not denied reimbursement for expenditures they've already made).

(3) Repealing the 90–10 requirement (requiring 90% of funds to be spent on current recipients except for exempt services: child care, child protective services, family planning, aid to the retarded, alcohol and drug rehabilitation, and child foster care), and replacing it with the requirement that 50% of funds go to persons currently eligible for SSI, AFDC, or their immediate families.

(4) Adding provision for prohibited activities which would prevent the worst forms of abuse found in the past, and standards for child day care including the Federal Interagency Day Care Requirements of 1968.

We are mindful of the fact that we have only a few days remaining in this session of this Congress and that unless we act expeditiously there is a chance that the social services regulations now in effect will expire and that it could be several months into the next session before Congress could act.

In light of that reality and the limitation of time, we cannot further oppose the Committee's decision that it makes sense to readopt the measure which the Senate had earlier adopted and then take that matter to conference with the House for resolution.

The Committee's action in asking simply for the readoption of a measure the Senate has already adopted this Congress, dramatically, if not entirely, eliminates objections on the Senate floor, prompts its adoption, and hopefully will permit the invocation of cloture.

We would hope the Senate can move expeditiously to the adoption of the Senate Finance Committee recommended measure and go to conference for a resolution, which we would hope will be along the lines we have mentioned.

Walter F. Mondale.
Lloyd Bentsen.
Abraham Ribicoff.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. LONG. Mr. President, I wish to make the point that the lateness of the hour is such that even if cloture is invoked on this bill, if Senators get to arguing about the details and offering amendments, and every Senator uses his full hour, 100 hours could well consume all the time that remains in this Congress.

In order to obtain action on this bill, I urge that we simply pass these provisions that we passed a year ago, exactly the way we passed them then, reserving the right to work out all these things in conference, where we do not have to consider the views of such a large number of people. I feel confident that so long as all that which is in dispute between the Senate and the House positions is in conference, as it will be, we can work out a settlement that I believe will please the overwhelming majority of the Senate as well as the House.

The PRESIDING OFFICER (Mr. Haskell). The Senator's 5 minutes have expired.

Mr. LONG. I yield 2 additional minutes to the Senator.

Mr. MONDALE. I agree with the Senator. What we are proposing to do is offering to adopt the same language. We are asking the Senate, in light of the late moment and the crucial nature of resolving this social services dispute, simply to readopt, word for word, three proposals we adopted much earlier in the same Congress.

There was discussion in the committee about making changes, and we decided not to do so, because that would be asking the Senate to consider a measure which was different from that which it earlier adopted, and it might be unfair at this late date to ask cloture for something which in fact was different and on which they would not have the normal right to deliberate. I agree with that posture. I supported it in the committee. I support it on the floor.

I hope that cloture will be invoked and that we can send this matter to conference and get it resolved, at long last, and set this matter to rest.

Mr. LONG. Mr. President, I ask unanimous consent that during the consideration of H.R. 17045 and H.R. 421, including votes, the following persons have the privilege of the floor: Michael Stern, Bill Galvin, and Joe Humphreys of the Finance Committee staff; Fred Arner and Margaret Malone of the Congressional Research Service; and Larry Woodworth and Bob Blum of the Joint Tax Committee staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL AID HIGHWAY AMENDMENTS OF 1974

Mr. RANDOLPH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3934.

The PRESIDING OFFICER (Mr. Haskell) laid before the Senate the amendment of the House of Representatives to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE

Sec. 101. This Act may be cited as the "Federal-Aid Highway Act of 1974".

HIGHWAY AUTHORIZATIONS

Sec. 102. For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $900,000,000 for the fiscal year 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $500,000,000 for the fiscal year 1976.

(2) For control of outdoor advertising under section 131 of title 23, United States Code, $50,000,000 per fiscal year for the fiscal years 1975 and 1976.

(3) For control of junkyards under section 136 of title 23, United States Code, $15,000,000 per fiscal year for the fiscal years 1975 and 1976.

(4) For landscaping the scenic enhancement under section 319(b) of title 23, United States Code, $10,000,000 per fiscal year for the fiscal years 1975 and 1976.

(5) Nothing in paragraph (1) or (6) of this section shall be construed to authorize the appropriation of any sums to carry out section 131, 136, 319(b), or chapter 4 of title 23, United States Code.

(6) For off-system roads under section 219, title 23, United States Code, $200,000,000 for the fiscal year 1976.

CONTROL OF OUTDOOR ADVERTISING

Sec. 103. (a) The first sentence of subsection (b) of section 131 of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned on or after January 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are more than six hundred and sixty feet off the nearest edge of the right-of-way, located outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,".

(b) Subsection (c) of section 131 of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices after January 1, 1968, if located within six hundred and sixty feet of the right-of-way and, on or after July 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, if located beyond six hundred and sixty feet of the right-of-way outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way shall, pursuant to this section, be limited to (1) directional and optical signs and notices, which signs and notices may include, but not be limited to, signs and notices pertaining to information in the specific interest of the traveling public, such as, but not limited to, signs and notices pertaining to rest stops, camping grounds, food services, gas and automotive services, and lodging, and shall include signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section (except that not more than three directional signs facing the same direction of travel shall be permitted in any one mile along the interstate or primary system outside commercial and industrial areas), (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Subsection (d) of section 131 of title 23, United States Code, is amended by striking out the first sentence thereof and inserting the following in lieu thereof:

"In order to promote the reasonable, orderly, and effective display of outdoor advertising while remaining consistent with the purposes of this section, signs, displays, and devices whose size, lighting, and spacing, consistent with customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within areas adjacent to the interstate and primary systems which are zoned industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary."

(d) Subsection (e) of section 131 of title 23, United States Code, is amended to read as follows:

"(e) Any nonconforming sign under State law enacted to comply with this section shall be removed no later than the end of the fifth year it becomes nonconforming, except as determined by the Secretary."

(e) Subsection (f) of section 131 of title 23, United States Code, is amended by inserting the following after the first sentence: "The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained: *Provided*, That such signs on the interstate and primary shall not be erected in suburban or in urban areas or in lieu of signs permitted under subsection (d) of this section.".

(f) Subsection (g) of section 131 of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law."

(g) Section 131 of title 23, United States Code, is amended by adding at the end thereof of the following new subsections:

"(o) No directional sign, display, or device lawfully in existence on June 1, 1972, giving specific information in the interest of the traveling public shall be required to be removed until December 31, 1975, or until the State in which the sign, display, or device is located certifies that the directional information about the service or activity advertised on such sign, display, or device may reasonably be available to motorists by some other method or methods, whichever shall occur first. A State shall give preference, with due regard to the orderly scheduling of the removal of signs, displays, and devices and to highway safety, to the purchase and removal of any nonconforming sign, display, or device voluntarily offered by the owner thereof to the State for removal if funds are available to such State for such purpose.

"(p) In the case of any sign, display, or device required to be removed under this section prior to the date of enactment of the Federal-Aid Highway Act of 1974, which sign, display, or device was after its removal lawfully relocated and which as a result of the amendments made to this section by such Act is required to be removed, the United States shall pay 100 per centum of the just compensation for such removal (including all relocation costs).

"(q)(1) During the implementation of State laws enacted to comply with this section, the Secretary shall encourage and assist the States to develop sign controls and programs which will assure that necessary directional information about facilities providing goods and services in the interest of the traveling public will continue to be available to motorists. To this end the Secretary shall restudy and revise as appropriate existing standards for directional signs authoriized under subsections 131(c)(1) and 131(f) to develop signs which are functional and esthetically compatible with their surroundings. He shall employ the resources of other Federal departments and agencies, including the National Endowment for the Arts, and employ maximum participation of private industry in the development of standards and systems of signs developed for those purposes.

"(2) For purposes of this subsection, signs providing directional information about facilities providing goods and services in the interest of the traveling public are defined to be those giving directional information about gas and automotive services, food, lodging, campgrounds, truckstops, resorts, recreational areas, tourist attractions, historic sites, and such other facilities as a State, with the aproval of the Secretary, may deem appropriate.

"(3) Among other things the Secretary shall encourage States to adopt programs to assure that removal of signs providing necessary directional information, which also were providing directional information on June 1, 1972, about facilities in the interest of the traveling public, be deferred until all other nonconforming signs are removed.

"(4) The owner or operator of any facility providing goods and services in the interest of the traveling public shall have the right to continue using no more than one nonconforming sign in each direction on any highway subject to controls under a State law enacted to comply with this section, which sign is providing directional information about such facility, and which had been providing directional information as of June 1, 1972, and which is within seventy-five miles, or such other distance as the State in which the sign is located may determine, until the Secretary determines directional information about such facility is being adequately provided to motorists traveling in that direction on such controlled highway by conforming signs authorized by subsection 131(d) of this title, by signs advertising activities conducted on the property on which they are located, by signs authorized by subsections 131(c)(1) or 131(f) of this title, by any other nonconforming signs, or by such other means as the State in which the sign is located deems to be adequate."

CONTROL OF JUNKYARDS

Sec. 104. Subsection (j) of section 136 of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"(j) Just compensation shall be paid the owner for the relocation, removal, or disposal of junkyards lawfully established under State law.".

ADVANCE CONSTRUCTION

Sec. 105. (a) Subsection (a) of section 115 of title 23, United States Code, is amended by striking out "including the Interstate System," each of the two places it appears and inserting in lieu thereof at each such place the following: "other than the Interstate System,".

(b) Section 115 of title 23, United States Code, is amended by redesignating subsection (b) as subsection (c) and by adding immediately after subsection (a) the following new subsection:

"(b) When a State proceeds to construct any project on the Interstate System without the aid of Federal funds, as that System may be designated at that time, in accordance with all procedures and all requirements applicable to projects on such System, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the cost of construction of such project when additional funds are apportioned to such State under section 104 of this title if—

"(1) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects on the Interstate System, and

"(2) the project conform to the applicable standards under section 109 of this title.".

BUS WIDTHS

Sec. 106. (a) Chapter 1 of title 23 of the United States Code is amended by inserting after section 132 the following new section:

"§ 133. Bus widths

"Notwithstanding any other provision of this title relating to vehicle widths, any bus having a width of one hundred and two inches or less may operate on any lane of twelve feet or more in width on the Interstate System.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by striking out

"133. Relocation assistance."

and inserting in lieu thereof the following:

"133. bus widths.".

ENFORCEMENT

Sec. 107. (a) Chapter 1 of title 23 of the United States Code is amended by inserting after section 140 the following new section:

"§ 141. Enforcement of requirements

"Each State shall certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Interstate System in accordance with section 127 of this title, and all speed limits on public highways in accordance with section 2 of the Emergency Highway Energy Conservation Act (Public Law 93–239). The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this section.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by striking out

"141. Real property acquisition policies."

and inserting in lieu thereof the following:

"141. Enforcement of requirements.".

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

Sec. 108. (a) Chapter 1 of title 23, United States Code, is further amended by adding at the end thereof the following new section:

"§ 154. Access highways to public recreation areas on certain lakes

"(a) The Secretary is authorized to construct or reconstruct access highways to public recreation areas on lakes in order to accommodate present and projected traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for the purpose of this section which shall include the following criteria:

"(1) No portion of any access highway constructed or reconstructed under this section shall exceed thirty-five miles in length nor shall any portion of such highway be located more than thirty-five miles from the nearest part of such recreation area.

"(2) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials, after consultation with the head of the Federal agency (if any) having jurisdiction over the public recreation area involved.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 70 per centum of the cost of construction or reconstruction of such project.

"(c) All of the provisions of this title applicable to highways on the Federal-aid system (other than the Interstate System) determined appropriate by the Secretary, except those provisions which the Secretary determines are inconsistent with this section, shall apply to any highway designated under this section which is not a part of the Federal-aid system when so designated.

"(d) For the purpose of this section the term 'lake' means any lake, reservoir, pool, or other body of water resulting from the construction of any lock, dam, or similar structure by the Corps of Engineers, Department of the Army, or the Bureau of Reclamation, Department of the Interior, or the Tennessee Valley Authority, and any multipurpose lake resulting from construction assistance of the Soil Conservation Service, Department of Agriculture. This section shall apply to lakes heretofore or hereafter constructed or authorized for construction.

"(e) There is authorized to be appropriated not to exceed $25,000,000 for the fiscal year 1976 to carry out this section. Amounts authorized by this subsection for a fiscal year shall be available for that fiscal year and for the two succeeding fiscal years.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"154. Access highways to public recreation areas on certain lakes.",

BRIDGES ON FEDERAL DAMS

Sec. 109. (a) Section 320(d) of title 23 of the United States Code (as amended) is amended by striking out "$25,261,000" and inserting in lieu thereof "$27,761,000".

(b) All sums appropriated under authority of the increased authorization established by the amendment made by subsection (a) of this section shall be available for expenditure in the same manner and for the same purpose as provided for in subsection (b) of section 116 of the Federal-Aid Highway Act of 1970 (Public Law 91–605).

OFF-SYSTEM ROADS

Sec. 110. (a) Chapter 2 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Off-system roads

"(a) The Secretary is authorized to make grants to States for projects for the construction, reconstruction, and improvement of any off-system road (including, but not limited to, the replacement of bridges, the elimination of high-hazard locations, and roadside obstacles).

"(b) On or before January 1 next preceding the commencement of each fiscal year the Secretary shall apportion the sums authorized to be appropriated to carry out this section among the several States as follows:

"(1) one-third in the ratio which the area of each State bears to the total area of all States;

"(2) one-third in the ratio which the population of rural areas of each State bears to the total population of rural areas of all the States; and

"(3) one third in the ratio in which the off-system road mileage of each State bears to the total off-system road mileage of all the States. Off-system road mileage as used in this subsection shall be determined as of the end of the calendar year preceding the year in which the funds are apportioned and shall be certified to by the Governor of the State and subject to approval by the Secretary.

"(c) Sums apportioned to a State under this section shall be made available for expenditures in the counties of such State on a fair and equitable basis.

"(d) Sums apportioned under this section and programs and projects under this section shall be subject to all of the provisions of chapter 1 of this title applicable to highways on the Federal-aid secondary system except the formula for apportionment, the requirement that these roads be on the Federal-aid system, and those other provisions determined by the Secretary to be inconsistent with this section. The Secretary is not authorized to determine as inconsistent with this section any provision relating to the obligation and availability of funds.

"(e) As used in this section the term 'off-system road' means any toll-free road (including bridges) in a rural area, which road is not on any Federal-aid system and which is under the jurisdiction of and maintained by a public authority and open to public travel.".

(d) The analysis of chapter 2, title 23, United States Code, is amended by adding at the end thereof the following:

"219. Off-system roads.".

DONATIONS

Sec. 111. Section 323 of title 23, United States Code, is amended by striking out "after he has been tendered the full amount of the estimated just compensation as established by approved appraisal of the fair market value of the subject real property," and by inserting in lieu thereof the following: "after he has been fully informed of his right to receive just compensation for the acquisition of his property,".

REPEAL

Sec. 112. Subsection (e) of section 2 of the Emergency Highway Energy Conservation Act (Public Law 93-239) is hereby amended to read as follows:

"(e) This section shall cease to be in effect on and after the date on which Congress by concurrent resolution declares there is no need requiring the application of this section.".

EXTENSION OF CARPOOLS

Sec. 113. The last sentence of section 3(d) of the Emergency Highway Energy Conservation Act (Public Law 93-239) is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1975".

RECONSTRUCTION OF ROUTES

Sec. 114. The Secretary of Transportation is authorized to make grants to the State of Florida for the reconstruction of Federal primary routes. The provisions of chapter 1 of title 23, United States Code, that are applicable to Federal-aid primary highways, except those relating to the apportionment formula and the period of availability of funds shall apply to the reconstruction authorized by this section. Funds authorized by this section are in addition to, and not in lieu of, funds otherwise available to the State of Florida under any other provision of law. Funds authorized to carry out this section for the fiscal year ending June 30, 1975, shall be deemed to be apportioned to the State of Florida on the date of enactment of this section and other funds authorized to carry out this section shall be deemed to be apportioned to the State of Florida on January 1 next preceding the commencement of the first full fiscal year which begins after the date of enactment of this section. Such sums shall be available until expended. $10,000,000 is authorized out of the Highway Trust Fund for the fiscal year ending June 30, 1975, and $15,000,000 is authorized out of the Highway Trust Fund for the fiscal year ending June 30, 1976, to carry out this section.

DEMONSTRATION PROJECTS

Sec. 115. The Secretary of Transportation shall carry out a demonstration project for construction of a high-density urban highway intermodal transportation connection between Franklin Avenue and Fifty-ninth Street, South, in Minneapolis, Minnesota. The Federal share of such project shall be 90 per centum of the cost thereof. Such highway shall be placed on a Federal-aid system before any funds are expended under this section. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $53,000,000 to carry out this section.

AUBURN BRIDGE

Sec. 116. (a) In order to provide access between the historical portion of the city of Auburn, California, Auburn District Fairgrounds, city park and parking lots, and the Auburn Dam Overlook area, for motor vehicles and for passage of pedestrians, equestrians, and cyclists under a highway relocation, the Secretary of the Interior is authorized to construct, in lieu of a drainage culvert, an intermediate size bridge across a shallow ravine. The bridge, at approximate stations 154+46 to 155+30 (84 feet), shall be part of the State Highway Number 49 relocation through the city of Auburn, California.

(b) Upon completion such bridge shall be transferred to the State of California for operation and maintenance as a part of the highway relocation. The cost of the bridge, less the original planned drainage culvert, shall be considered as nonreimbursable.

(c) There is authorized to be appropriated to carry out this section the sum of $250,000 (October 1974 price levels) plus or minus such amounts as may be justified by changes in price indexes applicable to the type of development involved herein.

ROUTE WITHDRAWALS

Sec. 117. (a) Section 103(e)(2) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

(b) Section 103(e)(4) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

SCHOOL BUS DRIVER TRAINING

Sec. 118. (a) Chapter 4 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 406. School bus driver training

"(a) The Secretary is authorized to make grants to the States for the purpose of carrying out State programs approved by him of driver education and training for persons driving school buses.

"(b) A State program under this section shall be approved by the Secretary if such program—

"(1) provides for the establishment and enforcement of qualifications for persons driving school buses;

"(2) provides for initial education and training and for refresher courses;

"(3) provides for periodic reports to the Secretary on the results of such program; and

"(4) includes persons driving publicly operated, and persons driving privately operated, school buses.

"(b) There is authorized to be appropriated out of the Highway Trust Fund for the fiscal year 1976, $7,500,000 per fiscal year. Such sums shall be apportioned among the States in accordance with the formula established under subsection (c) of section 402 of this title. The Federal share payable on account of any project to carry out a program under this title shall not exceed 70 per centum of the cost of the project."

(b) The analysis of chapter 4, title 23, United States Code, is amended by adding at the end thereof the following:

"406. School bus driver training.".

Mr. RANDOLPH. Mr. President, I move that the Senate disagree to the amendment of the House; agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Randolph, Mr. Gravel, Mr. Burdick, Mr. Stafford, and Mr. Baker conferees on the part of the Senate.

AMERICAN CIVILIAN INTERNEES IN SOUTHEAST ASIA

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1728.

The PRESIDING OFFICER (Mr. Haskell) laid before the Senate the amendment of the House of Representatives to the bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia as follows:

Strike out all after the enacting clause, and insert:

That section 5(i)(3) of the War Claims Act of 1948 (50 App. U.S.C. 2004(i)(3)) is amended by striking out "$60" and inserting in lieu thereof "$150".

Sec. 2. (a) Section 213(a)(3) of the War Claims Act of 1948 (50 App. U.S.C. 20171(a)(3)) is amended to read as follows:

"(3) Thereafter, payments from time to time on account of the other awards made to individuals pursuant to section 202 and not compensated in full under paragraph (1) or (2) of this subsection in an amount which shall be the same for each award or in the amount of the award, whichever is less. The total payment pursuant to this paragraph on account of any award shall not exceed $500,000.".

(b) Section 213(a) of such Act is amended by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) Thereafter, payments from time to time on account of the other awards made to corporations pursuant to section 202 and not compensated in full under paragraph (1) or (2) of this subsection in an amount which shall be the same for each award or in the amount of the award, whichever is less. The total payment pursuant to this paragraph on account of any award shall not exceed $50,000.".

And to amend the title so as to read: "An Act to amend the War Claims Act of 1948 to increase benefits provided to American civilian internees in Southeast Asia and to provide for additional payments on awards made to individuals and corporations under that Act."

Mr. BURDICK. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Burdick, Mr. Bayh, and Mr. Fong conferees on the part of the Senate.

SOCIAL SERVICES AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

Mr. LONG. Mr. President, in order that the Record might show what a shocking amount of taxes are actually paid by the poor, I ask unanimous consent to have printed in the Record a chart demonstrating the percent of taxes estimated to be paid by the poor and their income.

There being no objection, the chart was ordered to be printed in the Record, as follows:

TAXES AND TRANSFERS AS A PERCENTAGE OF INCOME: 1965

Income class	Taxes			Transfer payments	Taxes less transfers
	Federal	State and local	Total		
Under $2,000	19	25	44	126	−[1]83
$2,000 to $4,000	16	11	27	11	16
$4,000 to $6,000	17	10	27	5	21
$6,000 to $8,000	17	9	26	3	23
$8,000 to $10,000	18	9	27	2	25
$10,000 to $15,000	19	9	27	2	25
$15,000 and over	32	7	38	1	37
Total	22	9	31	14	24

[1] The minus sign indicates that families and individuals in this class received more from Federal, State, and local governments than they, as a group, paid to these governments in taxes.

Source: Herman Miller, Rich Man, Poor Man, p. 17. Joseph A. Pechman, "The Rich, the Poor and the Taxes They Pay," The Public Interest, November 1969. The data are from the Economic Report of the President, 1969, p. 161.

Mr. LONG. Mr. President, according to this chart, which was prepared by Mr. John A. Pechman and which was included in an article entitled, "The Rich, the Poor, and the Taxes They Pay," November of 1969, it is pointed out that people whose income is listed as being $2,000 and under pay a shocking figure of 44 percent of their income in taxes. Mr. President, that is a higher percentage than is paid by those who are making $15,000 and over, at the bottom of that column.

One can say, well, how could it be so high? I assume the reason it is so high is that some of those people are drawing welfare payments, which are not counted as income, and which are shown in the column of that table headed "Transfer Payments."

Mr. President, there are a lot of poor people who have no income other than their earnings. For those people who make $2,000 or less, the taxes are amazingly high. For example, even though they pay no income tax, when they buy a product, they absorb somewhere between 50 percent and 75 percent of the income tax levied on corporations, which has been passed on to them in the price of their product. All economists agree, so far as I have been able to determine, that that figure has to be at least 50 percent, and it probably would be nearer to 75 percent, if one takes into account the extent to which corporations necessarily must pass along the tax expense, just as they must pass along all other expenses of doing business in order to make a profit and stay in business.

When the social security tax is paid, theoretically the worker is paying about 5 percent of his income in social security taxes. As a practical matter, he is paying more, because when he buys the article, the manufacturer or the producer, having paid that social security tax, adds it to the cost of doing business and it is in the price that a person pays.

So, if we look at who ultimately pays a tax, in many instances, it might appear that the tax is assessed on an employer, but it had been passed on to the consumer of the product.

Taking those things into account, Mr. President, it is amazing and somewhat shocking how the poor pay almost as much in taxes, measured against their meager income, as do the rich. That is why some of us have been contending for many years, and we have persuaded the Senate on at least two occasions, that, rather than tax income away from the poor, which then puts them on welfare, and rather than have working poor on welfare for small amounts of money—$10 or $15 or $20 a month—it would be better simply to give those people a tax cut on taxes which are being passed through to them, give them credit on taxes we know they are absorbing. There is no way of their buying the necessities of life without absorbing the social security taxes, the corporate income taxes, and other taxes passed on to them.

When people pay rent, it is true that they are paying no direct taxes on the property, but the landlord is paying those taxes, and he is including the cost in the rent. So it is not the landlord, in the last analysis, who is paying taxes on his property, it is the person who rents the property. That is why this chart indicates that for people making an income of $2,000 or less, their State and local tax rate is 25 percent of their income, being a large part of the rent that they pay when they seek to obtain housing.

This tax credit was once referred to, Mr. President, as the work bonus. That was the name suggested to us by the able Senator from Nebraska (Mr. Curtis), at a time when he was supporting this proposal. Subsequently, when we offered it on a tax bill, he suggested it should be named the low-income tax credit. I suppose it would be just as well to let it be named the low-income tax credit, because if the Senator feels that he must disown the baby to which he helped give birth, and it would be best that it not bear the name he gave it.

If it becomes law, it will be known as the low-income tax credit, which I think might help avoid confusion as to the paternity of the legislative proposal.

It is not really the suggestion of the Senator from Louisiana, Mr. President. This was suggested to me the first time by Gov. Ronald Reagan of California. He suggested that we should try to give back to low-income working poor that 5 percent social security tax that they were paying. This Senator, in turn, concluded that if we are going to give them back something, since they are actually absorbing the whole 10 percent, we may as well give them back the whole 10 percent, in order to avoid helping the poor on to the welfare rolls.

When we debated this welfare reform proposal back and forth, there was one suggestion generated by those of us who studied the matter on the Committee on Finance, which at that time both the liberals and the conservatives were able to agree upon. That was this proposal which is now referred to as the low-income tax credit, part of the amendment to this bill. I hope, Mr. President, that the Senate, having voted for it by large majorities every time it voted—I think the last time it was voted on, it received better than a 2-to-1 margin, almost a 3-to-1 majority—the Senate will again give its approval to this measure.

We just passed a proposal to provide public service jobs for several billion dollars to try to help the poor who have no jobs. While we are at it, I think we would be well advised to see if we cannot do something for those who are very distressed, partly because of the taxes they are having to absorb. They have jobs, although those jobs have so little to recommend them that many of these people must apply for welfare assistance, which would not be necessary if they were not having to bear an unconscionable burden on the very meager income that they earn.

Mr. President, if there is no other Senator desiring to speak on this measure, I am prepared to yield back the remainder of my time and permit the clerk to call the roll.

The PRESIDING OFFICER (Mr. Haskell). The time of the Senator from Louisiana has expired.

Mr. CURTIS. Mr. President, I yield such time as he desires to the distinguished Senator from New York (Mr. Buckley).

Mr. BUCKLEY. Mr. President, I wish to reiterate a point I have been making on a number of occasions in recent months, namely, the impossibility of doing our work intelligently when we are asked to vote on complex legislation that is reported out wthout any advance notice and without any accompanying report, or a report arriving on the floor so late as to make analysis impossible.

Under the circumstances, I propose to vote against cloture. I simply do not see why these matters cannot be held over until the first of next year—we are talking only in terms of a few weeks—so that the Members of this body will have a chance to analyze and assess the impact of the whole variety of issues and amendments that are contained in the legislation before us.

There is one item that is of particular interest to me, and that is to see to it that any legislation that is enacted has in it an expression of the will of the Senate that no Federal funds will be availed of for the financing of abortions. In the past year, we have had a number of pieces of legislation that contained this clear intent; yet we find resistance and heel-dragging at HEW. I certainly intend, if we do go forward with this legislation this year, to call up such an amendment.

I also understand that this bill proposes a measure which may very well be important, and may very well meet one of our basic needs; namely, the proposition of providing financial subsidies to the working poor.

This, however, is a complex matter, and I believe it has enormous implications for a redirection of our whole concept of welfare support. It may very well be a measure to which I may want to give my personal support, but, again, I cannot see how any of us who have not been actively involved in the deliberations of the committee can be expected to drop everything else we are trying to do in the closing days of the session in order to concentrate on the issues, to determine how we may want to vote on this and the other important issues involved in the legislation.

Therefore, Mr. President, I hope sufficient Members will vote against cloture to enable us to more thoughtfully understand what is contained in the Social Services Amendments of 1974.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Louisiana have any time remaining?

The PRESIDING OFFICER. The Senator from Louisiana has no time remaining.

Mr. CURTIS. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Nebraska has 13 minutes.

Mr. CURTIS. Does anyone wish further time, on either side?

Mr. President, I yield back the remainder of my time.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. Haskell). All remaining time for debate under the unanimous-consent agreement having been yielded back, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

Cloture Motion

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the Committee substitute amendment to H.R. 17045.
>
> Russell B. Long, Herman E. Talmadge, Hugh Scott, Abraham Ribicoff, Mike Gravel, Frank E. Moss, Walter F. Mondale, Lloyd Bentsen;
>
> Robert P. Griffin, Wallace F. Bennett, Carl T. Curtis, Paul J. Fannin, Clifford P. Hansen, Robert Dole, Bob Packwood, Claiborne Pell.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 558 Leg.]

Allen
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Ervin
Fannin
Griffin
Hart
Haskell
Long
McGee
Metcalf
Pastore
Ribicoff

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Aiken
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Burdick
Cannon
Case
Church
Clark
Cook
Cotton
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Fong
Fulbright
Goldwater
Gurney
Hansen
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McClure
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Bible), and the Senator from Alaska (Mr. Gravel) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The Senate will be in order.

The question is, Is it the sense of the Senate that debate on the committee substitute amendment to H.R. 17045, the Social Services Amendments of 1974, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, let us have order before the clerk calls the roll.

The PRESIDING OFFICER. The clerk will suspend and Senators will please take their seats.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, we cannot hear our names.

The PRESIDING OFFICER. The Senate will be in order. The clerk will suspend.

The clerk will call the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Bible), the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), and the Senator from Michigan (Mr. Hart) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. Hathaway) and the Senator from Michigan (Mr. Hart) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

The yeas and nays resulted—yeas 70, nays 23, as follows:

[No. 559 Leg.]

YEAS—70

Abourezk
Aiken
Baker
Bayh
Beall
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cook
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Griffin
Hansen
Hartke
Haskell
Hatfield
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—23

Allen
Bartlett
Bennett
Buckley
Byrd, Harry F., Jr.
Cannon
Chiles
Church

Cotton
Dominick
Eastland
Ervin
Fulbright
Goldwater
Gurney
Helms
Hruska
McClellan
McClure
Proxmire
Scott, William L.
Stennis
Thurmond

NOT VOTING—7

Bellmon
Bentsen
Bible
Gravel
Hart
Hathaway
Mansfield

The PRESIDING OFFICER. On this vote there are 70 yeas and 23 nays. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to.

The question is on agreeing to the committee amendment in the nature of a substitute. Who yields time?

The Senator from Minnesota.

Mr. MONDALE. Mr. President, I call up my amendment which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Minnesota (Mr. MONDALE) proposes an amendment on page 58, line 18.

The amendment is as follows:

> On page 58, line 18, strike out "shall reallot such amounts" and insert in lieu thereof the following: "(i) shall allot to the jurisdictions Guam, Puerto Rico, and the Virgin Islands an amount (not exceeding the amount which bears the same ratio to $2,500,000,000 as the population of each such jurisdiction bears to the population of all the States) which shall be available to each such jurisdiction in addition to amounts available under section 1108 for purposes of matching the expenditures of such jurisdictions for services pursuant to sections 3(a)(4), 403(a)(3), 1003(a)(3), 1403(a)(3), or 1603(a)(4) *Provided*, that if the amounts made available, pursuant to subparagraph (B), are insufficient to meet the requirements of this clause, then such amounts as are available shall be allotted to each of the three jurisdictions in proportion to their respective populations, and (ii) shall reallot the balance (if any) of such amounts".

Mr. MONDALE. Mr. President, this is an amendment which I hope will draw no opposition, which I introduce at the request of the Governor of Puerto Rico.

Due to a technicality, Puerto Rico, Guam, and the Virgin Islands are not now permitted to receive their share of the social services program under the allotment. This amendment would permit them to do so, but only to the extent they do not take money from the existing 50 States.

It is a small amendment. I think it deals with a technicality that permits them to participate in this program. I hope the manager will accept it.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Will the Chair advise the manager of the bill whether, in the opinion of the Chair, the amendment is germane?

The PRESIDING OFFICER. The amendment appears germane.

Mr. LONG. Then, Mr. President, as I understand it, this amendment permits Puerto Rico to be eligible for social service money in the same way as the 50 States, but only to the extent the $2.5 billion allowed is not used by the other 50 States.

Mr. MONDALE. We shaped this amendment on the advice of your general counsel so that no State would receive less than they are entitled to under the law. In other words, Puerto Rico would only get money if there are unexpended funds. In that way, no State would be adversely affected.

Mr. LONG. Mr. President, I personally have no objection to the amendment.

I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. (Putting the question.)

The amendment was agreed to.

Mr. CHURCH. Mr. President, I call up my amendment which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CHURCH. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 54, insert between lines 14 and 15 the following:
>
> "COORDINATION OF PROVISION OF SOCIAL SERVICES WITH CERTAIN OTHER PROGRAMS
>
> "SEC. 1135. If a State has a plan for the provision of social services under this Act, the plan must include—
>
> (a) a description of how the development of the plan is coordinated with the development of State and area plans under title III of the Older Americans Act, the Developmental Disabilities Act, the Vocational Rehabilitation Act, the comprehensive health planning provisions of the Public Health Service Act, the Comprehensive Employment and Training Act, and other programs within the State concerned with the provision of social services,
>
> "(b) a description of how the provision of services under any such approved State plan will be coordinated with the supplemental security income program established by title XVI, the plan of the State approved under title XIX, the State and area plans for services under titles III, V, and VII of the Older Americans Act (including reference to coordination of information and referral development), the Development Disabilities Act, the Vocational Rehabilitation Act, the comprehensive health planning provisions of the Public Health Service Act, the Comprehensive Employment and Training Act, and other programs for the provision of related human services within the State, including the steps taken to assure maximum feasible utilization of services under these programs to meet the needs of the low-income population, and
>
> "(c) a description of the steps taken, or to be taken, to assure that the needs of all residents of, and all geographic areas in, the State were taken into account in the development of the plan, including steps taken to make use of relevant information such as demographic and economic analyses, needs assessments, and resources assessments produced by agencies working in related areas, such as the State and Area Agencies on Aging, Developmental Disabilities Agencies, Comprehensive Health Planning Agencies, and Manpower Agencies."
>
> On page 53, line 15 strike "section" and insert "sections".

Mr. CHURCH. This amendment is a noncontroversial technical provision to provide for the coordination of State social service plans with State and area aging plans under title III of the Older Americans Act, the Comprehensive Employment and Training Act, and other measures.

Similar language was included in the House Ways and Means Committee report on H.R. 17045. That report stated:

> Although the bill clearly implies the need to coordinate with all programs—Federal and State—which are directed toward human service goals, the Committee believes that it is especially important that States document the coordination of this program with programs under Titles III and VII of the Older Americans Act and Developmental Disabilities Vocational Rehabilitation, and the Comprehensive Employment and Training Act.

And, this is precisely what my amendment is designed to do. To my way of thinking, it is preferable to express the will of Congress on this subject in the law itself—instead of relying upon legislative history in committee and conference reports to make this point.

In many respects the State social service plans and the title III program under the Older Americans Act are very similar in form and requirements. Thus, they can appropriately be coordinated in a workable manner. And, they should be.

Moreover, this is consistent with a fundamental mission of the area agency on aging, which is to coordinate existing services on behalf of the elderly.

Finally, this measure can help to sensitize social services agencies in meeting the special needs of the aged.

I believe there is no opposition to the amendment, either here in the Senate or in the House of Representatives.

I would hope, because of its technical character, that it might prove possible for the manager of the bill to accept the amendment.

I urge him to do so.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator will state it.

Mr. LONG. Will the Chair advise the manager of the bill whether, in the opinion of the Chair, the amendment is germane to the bill?

The PRESIDING OFFICER. The amendment brings in matter which is not in the supplemental bill. It is, therefore, the opinion of the Chair that the amendment is not completely germane.

Mr. CHURCH. Mr. President, in view of the ruling of the Chair, on what I recognize is a rather close question, and the fact that this amendment is noncontroversial in nature and there is no dispute between the House and Senate, I wonder whether unanimous consent could be obtained for the consideration of the amendment.

Mr. FANNIN. Mr. President, is this a printed amendment? We do not seem to have information regarding the amendment.

Mr. CHURCH. I have a copy of the amendment, which I would be glad to give to the Senator from Arizona (Mr. FANNIN). I would also be happy to respond to any questions.

Mr. LONG. Mr. President, I suggest

that the Senator withdraw his amendment for the time being, let those who are not familiar with it take a look at it, and we will bring it up again in a few minutes.

Mr. CHURCH. I will be happy to do that.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is temporarily withdrawn.

The bill is open to further amendment.

Mr. FANNIN. Mr. President, I ask unanimous consent that Rick Lavis, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

GENERAL ACCOUNTING OFFICE ACT OF 1974, S. 3013—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 3013, the General Accounting Office Act of 1974, is called up and made the pending business before the Senate, there may be a 10-minute time limitation thereon, to be equally divided between Mr. METCALF and the Republican leader or his designee, and a similar time on any amendment thereto, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—FOREIGN ASSISTANCE AUTHORIZATION CONFERENCE REPORT, S. 3394

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the conference report on the foreign assistance authorization conference report, S. 3394, is called up, there be a 10-minute time limitation thereon, to be equally divided between Mr. HUMPHREY and Mr. AIKEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

SOCIAL SERVICES AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, it has been pointed out to me that there are some purely technical amendments that should be added to the bill. Although they could be corrected in conference, I ask unanimous consent that I be permitted to offer these purely technical amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes technical amendments.

The technical amendments are as follows:

On page 76, line 2, after the word "authority" insert "under such plans".

On page 96, line 17, delete "98" and insert in lieu thereof "101".

On page 93, line 17, after "requirements of" insert "subparagraphs (A) and (B) of".

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, we have studied the amendment offered by the Senator from Idaho, and I am unaware of any objection to the amendment. Therefore, I ask unanimous consent that the Senate return to the consideration of the amendment of the Senator from Idaho as heretofore offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. PASTORE. Third reading, Mr. President.

The PRESIDING OFFICER. The committee amendment in the nature of a substitute is open to further amendment.

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—FUELS AND ENERGY RESEARCH CONFERENCE REPORT, S. 1283

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation of 10 minutes on the fuels and energy research conference report, to be equally divided between Mr. JACKSON and Mr. FANNIN.

Mr. FANNIN. Mr. President, has there been any agreement in this respect?

Mr. ROBERT. C. BYRD. The distinguished assistant Republican leader might respond.

Mr. GRIFFIN. Mr. President, if the Senator will yield, this is the fuels and energy research conference report.

Mr. FANNIN. S. 1283?

Mr. GRIFFIN. Yes.

Mr. FANNIN. I have no objection.

Mr. GRIFFIN. We have checked it with the minority conferees, Senator HATFIELD and Senator BUCKLEY, and so far as they are concerned, it is ready for agreement.

Mr. FANNIN. I wanted to clarify it, because there are so many energy bills in consideration. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE MERCHANT MARINE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1273, which has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12427) to amend sec. 510 of the Merchant Marine Act, 1936.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments:

On page 1, at the end of line 7, strike out "the Merchant Marine this"."

On page 1, in line 8, strike out "1936".

On page 1, in line 8, strike out "legislation".

On page 2, in line 6, strike out "vessels" and insert "vessel".

On page 2, in line 7, strike out "vessels" and insert "vessel".

On page 2, in line 8, strike out "vessels" and insert "vessel".

On page 2, in line 9, strike out "vessels" and insert "vessel".

On page 2, in line 10, strike out "vessels" and insert "vessel".

On page 2, in line 12, strike out "vessels" and insert "vessel".

On page 2, in line 18, strike out "vessels" and insert "vessel".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time, and passed.

(Later in the day, the following proceedings occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the third reading and passage of H.R. 12427 earlier today by the Senate be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 12427.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. TUNNEY. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. Tunney) proposes an amendment to H.R. 12427, to amend section 510 of the Merchant Marine Act, as amended.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Tunney's amendment is as follows:

At the end of the bill insert the following:

Sec. —. (a) The Shipping Act, 1916, as amended (46 U.S.C. 801–842), is amended by inserting a new section 3 to read as follows:

"Sec. 3. Notwithstanding part III of the Interstate Commerce Act, as amended (49 U.S.C. 901 et seq.), or any other provision of law, rates and charges for the barging and affreighting of containers or containerized cargo by barge between points in the United States, shall be filed solely with the Federal Maritime Commission in accordance with rules and regulations promulgated by the Commission where (a) the cargo is moving between a point in a foreign country or a noncontiguous State, territory, or possession and a point in the United States, (b) the transportation by barge between points in the United States is furnished by a terminal operator as a service substitute in lieu of a direct vessel call by the common carrier by water transporting the containers or containerized cargo under a thorough bill of lading, (c) such terminal operator is a Pacific Slope State, municipality, or other public body or agency subject to the jurisdiction of the Federal Maritime Commission, and the only one furnishing the particular circumscribed barge service in question as of the date of enactment hereof, and (d) such terminal operator is in compliance with the rules and regulations of the Federal Maritime Commission for the operation of such barge service. The terminal operator providing such services shall be subject to the provisions of the Shipping Act, 1916."

(b) Within one hundred and twenty days after enactment of this Act, the Federal Maritime Commission shall promulgate rules and regulations for the barge operations described in the amendment made by the first section of this Act. Such rules shall provide that the rates charged shall be based upon factors normally considered by a regular commercial operator in the same service.

Mr. TUNNEY. Mr. President, this amendment which I offer to H.R. 12427 contains the text of another bill which has unanimously passed the House of Representatives, H.R. 12208. The purpose of H.R. 12208 is to resolve a jurisdictional dispute between the Interstate Commerce Commission and the Federal Maritime Commission concerning certain barge service for containerized cargo between the ports of San Francisco and Sacramento. Both the ICC and the FMC agree that this jurisdictional problem should be resolved by legislation, by granting jurisdiction to the FMC over this miniscule portion of commerce. H.R. 12208 has been pending in the Commerce Committee, but since no action has been taken at this late date in the session, I am moving to amend the text of the bill to this other legislation which has been reported. There are no objections to the amendment from members of the Commerce Committee.

The amendment which I offer had its genesis in a unique service by the Port of Sacramento—a public agency which operates the port and terminals in Sacramento—to deal with the problem of containerized cargo Modern container ships are large and expensive to operate, and the economics of their service precludes a containership from making more than one or two calls on any coast of the United States, on each visit. Thus, very often containers bound for inland ports, such as Sacramento, were required to be unloaded at San Francisco and reshipped. In order to facilitate such service, the Port of Sacramento, in 1970, inaugurated a Container Barge Service under its auspices to move loaded or empty containers, which were part of commerce to a foreign port of noncontiguous State, between San Francisco and Sacramento. The shipper thus pays the ocean freight rate from Sacramento to the destination, while the ocean carrier pays the cost of the Container Barge Service, which is normally less than sending a large container vessel to Sacramento.

This Container Barge Service is logically merely an extension of the foreign commerce, the total trip from Sacramento to, say, Tokyo, or New York. The rest of the voyage on the container vessel, is within the jurisdiction of the Federal Maritime Commission. However, because the containers are off-loaded in San Francisco and placed on the barge going to Sacramento, the Interstate Commerce Commission has asserted its jurisdiction over that portion of the trip on the inland waterway. In fact, the ICC does not object to having the FMC set the rates for this barge service, and this legislation will formally transfer the jurisdiction and clarify this confusion. The ICC acknowledges that this Container Barge Service has a de minimis effect on the ICC's responsibilities, and does not oppose the transfer of authority to the FMC. The legislation is narrowly drawn to apply only to the unique situation in Sacramento, or any other such barge service which might commence operations on behalf of a terminal operator in the Pacific Coast before the enactment of this legislation.

A complete discussion of the background and purposes of this legislation is contained in the House Report No. 93–938, from the Committee on Merchant Marine and Fisheries.

Mr. President, it is my understanding that the chairman of the Committee on Commerce is strongly in support of the amendment. The chairman of the Maritime Subcommittee is in support of it, and I have heard no objections from the minority.

Mr. GRIFFIN. Mr. President, I understand that there is no objection on this side of the aisle.

However, I would like to make it clear in the record that this particular amendment, as the Senator from California has already indicated, is not to be a precedent for any other area of the country.

Mr. MAGNUSON. Mr. President, this is not a general thing at all. It is a very peculiar situation, involving the Sacramento River and San Francisco, and barges which operate thereon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12427) was read the third time, and passed.

SOCIAL SERVICES AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

Mr. LONG. Third reading, Mr. President.

The PRESIDING OFFICER. Is there further amendment? If not, the question is on agreeing to the committee amendment in the nature of a substitute.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Johnston). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that certain budget deferral resolutions submitted by Mr. Pastore be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

Mr. President, I wish to comment on the social services provisions contained in section 2–12 of the Social Services Amendments of 1974 as reported by the Senate Committee on Finance.

First, with respect to the various provisions and rules governing the social services program I wish to associate myself with the separate views of Senators Mondale, Bentsen, and Ribicoff at pages 56–57 of the committee report.

On October 3, I joined with Senators Mondale, Packwood, Bentsen, and others in introduction of S. 4082, the Social Services Amendments of 1974, which set forth an agreement with the administration regarding the social services program.

The Finance Committee bill departs from that proposal in a number of important respects, including eligibility provisions, the role of State planning, the 90-10 requirement, and child care requirements.

On the other hand, the House bill follows in most respects the agreement worked out with the administration and reflected in S. 4082, which we introduced.

Rather than delaying this bill, I join with Senator MONDALE and others in the view that the best course is to have these differences worked out in conference, hopefully, more toward our position as reflected in the House bill.

Second, I am pleased to note that section 12 of the Finance Committee bill provides for reallotment of social services funds from States that do not use their full amount to those States, like New York, which receive funds far short of what they need.

This has been a matter of particular concern to me because when the $2.5 billion ceiling was imposed in 1972, New York State was given an allocation under that ceiling of only $220.4 million, compared with a budget request at that time of approximately $800 million in terms of what they could effectively use.

This shortfall has resulted in extreme difficulties in New York State and New York City, forcing cutbacks, contributing to restrictive eligibility requirements for day care and other services and otherwise undermining New York States attempts to reduce the welfare rolls.

At the same time, a substantial amount of funds allocated to other States have not been used, as table I of the report of the Committee on Finance notes; of the $2.5 billion, only $1.6 billion was actually used in fiscal year 1973, $1.5 million in fiscal year 1974, and in fiscal year 1975, $1.8 billion is estimated; thus with unused funds respectively of approximately $900 million, $1.0 billion, and $700 million.

Accordingly, I am very gratified that the committee has chosen to include the reallocation provisions, basically following the provisions contained in S. 4119, the Emergency Social Services Amendments of 1974, which I introduced on October 10, so that States like New York can use the funds not used by other States.

Mr. President, I ask unanimous consent that there be printed in the RECORD copies of my previous remarks on S. 4082, the Social Services Amendments of 1974, and S. 4119, the Emergency Social Services Amendments of 1974.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, this is an extremely important bill to the big cities of the country and to States with large populations and major problems involving social services.

The social services question has been considered here; we have gone uphill and down on questions of ceiling, on questions of expenditures by individual States.

Indeed, at one time, States which have effectively used the provisions of this law, as my own State of New York, were in the process of being penalized precisely because they had done exactly what the law desired them to do; to wit, try to cut down on the welfare rolls through anticipating the welfare syndrome through the intelligent use of the social services opportunities which were provided by financing under this law.

Mr. President, in closing I believe that the situation is now well on the way to stability, through the reallocation provisions.

And we believe that the problem of regulations of HEW under the social services, which have been held up for some time and deferred by congressional action, have an excellent chance of being dealt with properly in the conference.

We believe that it is most constructive to provide for the reallocation of unused social services money which is provided for in this bill. Mr. President, I fought here on the floor of the Senate respecting the formula, respecting the utilization of the resources made available by this bill for constructive purposes, respecting this very reallocation question, and respecting the regulations proposed by the Department of Health, Education, and Welfare. It is deeply gratifying now that the Committee on Finance has turned out this bill. I saw to it, by seeking cloture, that nongermane amendments did not destroy the nature of the bill and its hopes for being enacted in this session of Congress.

Assuming that it is consummated along the lines that I have just discussed, I believe, Mr. President, that it will turn out to be an extremely constructive action on the part of Congress, and very useful in respect of the welfare load, the enormous welfare load which is being carried in States like mine, and which so urgently require intelligent—and I emphasize that word—Federal help.

EXHIBIT 1

Mr. JAVITS. Mr. President, I am pleased to join with Senators MONDALE, PACKWOOD, and BENTSEN, in introducing the "Social Services Act of 1974," a bill to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

This bill embodies an agreement reached between us and Secretary Weinberger of the Department of Health, Education, and Welfare, on the future of our vital social services programs.

It marks the end of a 20-month dispute over new rules to govern the program, during which the Congress—as a result of our efforts and those of others—twice acted to bar implementation of proposed HEW regulations which we considered to be undesirable; under the Renegotiation Act Amendments of 1973, which became law on July 10, 1973, HEW is barred from issuing any regulations through this calendar year 1974.

Mr. President, this agreement could not come at a more appropriate and important time since, as the President as well as others have noted, the poor and the near poor are being hit doubly by inflation and unemployment, and nothing is more key to their survival—next to a substantial public service employment and continuation of the antipoverty programs, as I and others have proposed—than social services.

It is very reassuring that the confrontations that have characterized the past in this vital area of social services have given way to this "rapproachment" between the executive branch and those of us who have been the chief opponents of the previous HEW position.

Mr. President, I now wish to note elements of the bill which I consider to be particularly meritorious, both in terms of the national interest, and particularly the interest of children and families in New York State.

First, States would receive 7-percent Federal matching for child care and other family services at considerably higher eligibility and payment standard levels than under existing law and practice.

Under the bill, States are authorized to offer free services to persons with incomes up to 80 percent of the State median income, adjusted for family size—or up to the full national median, if lower, and services based on a fee schedule to persons with incomes up to 115 percent of the State median.

This means that States could establish eligibility standards considerably above those now applicable in New York City and New York State.

Mr. President, these provisions are particularly important at this time in that New York City and New York State are still embroiled in a dispute over just these questions in respect to child care service in the city and this bill would make possible a remedy.

The State has sought to enforce its eligibility standards, which prescribe free services up to the $6,000 gross income level and eligibility for partial reimbursement up to $11,050.

The city has been insisting on free services up to at least $9,100 for a family of four and eligibility for partial subsidies up to at least $13,000 for such a family.

If the State standards are imposed, some 5,000 children now in child care programs in the city would be ineligible for services and will have to leave the program unless of course the city and State use their general funds to continue coverage, which the State, at least does not now seem disposed to do.

At this point the matter is in the courts and the southern district of the U.S. District Court has recently restrained the State temporarily from imposing the regulations—a hearing is schedule for next week.

Were the bill we introduce today in effect, the State could receive Federal matching funds for most, if not all, of the 5,000 children currently in programs, as well as others who are now precluded from enrollment.

Mr. President, these eligibility requirements and standards would replace the current law which applies the test of whether a participant may be considered a "former" or "potential" welfare recipient and related restrictions.

I believe that the eligibility standards proposed in our bill provide a much sounder and more realistic basis upon which to determine participation and although they do not relate specifically to the question of relationship to welfare, they will in fact, be very conducive to getting people to work and off the welfare rolls in New York State and New York City where the cost of living is so high.

Second, the bill would give the States further flexibility to provide a comprehensive range of services, under a State plan to be developed through a system of public hearings, directed at the following goals: self support; self sufficiency; protective services for children and adults and services to preserve or help reunite families; preventing or reducing inappropriate institutional care by providing community and home-based care; securing referral or admission for institutional care—and providing services in institutions—where appropriate.

This will permit new efforts in innovative programs to deal with the rehabilitation of alcoholics and drug addicts and other areas of great concern.

The Secretary's principal role would be to review the State's compliance with fair hearing and other due process aspects, in arriving at funding decisions, but unlike the present situation, the Secretary would not be required to sign off on the suitability of each and every one of the particular services provided.

This seems to me to be a sound division of Federal and State responsibility similar to that set forth in the Comprehensive Employment and Training Act of 1973.

Third, under the bill, the Federal Interagency Day Care Requirements of 1968 would continue to be applicable to insure quality child care programs. The Department of Health, Education, and Welfare's previous regulations had eliminated these requirements, with a great risk that programs could become purely "custodial," that is, lacking in educational, nutritional, and other components that are so key to human development. Indeed, nothing could have been more counterproductive in terms of the purposes of the Social Security Act since programs without these essential elements can only act to perpetuate the cycle of poverty for a new generation.

Mr. President, regrettably, we were not able to obtain agreement with the Department in respect to the $2.5 billion ceiling on Federal spending on social services which was imposed as a part of the State and Local Assistance Act of 1972.

This ceiling and the allocation formula contained in the legislation has acted to prejudice greatly industrial States, like New York—indeed the very States that bear so heavily the cost of welfare and have shown the greatest interest and competency in providing social services.

For this fiscal year, New York State plans to spend all the $220 million allocated to it under the ceiling, compared with needs in the area of an aggregate of $800 million.

Most ironic, if not tragic, is the fact that while States like New York are straitjacketed in meeting their needs other States are not even using the funds available to them under the $2.5 billion ceiling.

In that connection, the Library of Congress advises that only $1,607,445,000 of the $2.5 billion was paid to the States by the Federal Government in fiscal year 1973, with the result that States failed to use $892,555,000 of funds available under the $2.5 billion ceiling. Final data are unavailable for fiscal year 1974, but HEW budget officers say that preliminary indications are that approximately $900 million again was unused.

Mr. President, this is ridiculous in itself, but particularly outrageous as a matter of public policy at a time when the poor, hit by inflation, are in greater numbers being forced onto welfare and at the same time, again because of inflation even the $1.6 billion spent will buy considerably less in services than when the ceiling was imposed.

Mr. President, I intend to introduce next week legislation to remedy this situation, both by raising the ceiling and by providing for adequate redistribution of funds not being used by the States.

Mr. President, in closing, notwithstanding that very important item of remaining business, I believe that this bill represents a great step forward and I shall work closely with Senators Mondale, Packwood, and Bentsen, who are members of the Senate Finance Committee which will consider this legislation, to insure that it becomes law at the very earliest moment, so that the machinery is in place to meet the very real crisis which the poor will continue to face in these difficult and threatening economic times.

Mr. President, I ask unanimous consent that a summary of the act, together with a chart for each State showing new eligibility and free payment standards, be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Summary of Social Services Act

ELIGIBILITY AND PRIORITY FOR FEDERALLY REIMBURSABLE SOCIAL SERVICES

The bill provides special priority for recipients of AFDC and SSI and Medicaid by requiring that 50 percent of the federal social services funds used in a State be for services to such individuals and families.

The bill proposes that federal limitations on States in establishing those in a State eligible for federally assisted social services relate to the income of the individual or family, and would remove the requirement that recipients be classified as "former or potential welfare recipients." Federal matching for free services is available for people with incomes up to 80% of the median family income in a State (or the full national median, now $12,041 if less) adjusted for family size, and services at some fee up to 115% of the median income of a State. The $2.5 billion limit on federal payments will continue to apply.

II. DEFINING SOCIAL SERVICES

The goals of the program are established as:

"(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency,

"(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency,

"(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families.

"(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

"(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Social services would be defined by the State, required to be directed at the social services goals with parameters for such definitions established by: prohibition against funding certain activities; prohibitions against reimbursing certain medical institutions for social services provided to those living in them (but other entities could provide social services to such individuals in such facilities) and; prohibitions against funding child day care not meeting standards. The draft bill also specifically names certain services as examples of social services but it is not intended to be an all inclusive list.

III. SOCIAL SERVICES PROGRAM, PLANNING, REPORTING, EVALUATION, AND AUDITING

Establishes new requirements for a State to conduct a program planning process to determine the services to be provided and who is to receive such services with primary emphasis on involvement by the citizens of a State. The Governor or such other officials as the laws of the State provide is responsible for publishing the services plan for comment and approving the final services plan for the program year. The State is also required to conduct evaluations and provide required reports to HEW and the public.

Ninety days after the end of the services program year an "annual social services program report", is approved by the Governor or other official designated under State law describing the services provided during the past year.

IV. "STATE PLAN" SUBJECT TO PRIOR APPROVAL BY HEW

The State would submit to HEW approval prior to the beginning of the services program year a document which is still called a "State Plan". It would deal with State assurances regarding: fair hearings; confidentiality of information; designation of a single individual or agency other than the Governor to supervise the administration of the States social services program; no durational residency or citizenship requirement; and designation of state authorities for establishing and maintaining standards.

V. MAINTENANCE OF EFFORT AND MATCHING PROVISIONS

The bill establishes a maintenance of effort requirement for States which requires that the non-federal share of its aggregate expenditures for the provisions of services during each services program year are not less than the aggregate expenditures for the provisions of those services during fiscal year 1973 or 1974 (whichever is less) with respect to which payment was made under the Social Security Act. The Governor is also to provide to the citizens of the State comparison of non-federal expenditures between services program years.

Percentage of matching is not changed from present law, i.e.: 75% for all services except 90% for family planning services; 75% for training and retraining.

State matching may be in cash or in-kind by the State including provisions to the State by its political subdivisions. Private funds donated to the State are allowed to be utilized for non-federal match but with certain restrictions.

VI. FEDERAL EVALUATION, RESEARCH AND DEMONSTRATIONS, PROGRAM ASSISTANCE, AND HEW REPORTS TO CONGRESS

HEW is authorized to grant waivers under the proposed new title XX for Social Services to any State now under the various titles of the Social Security Act and provide reports to Congress on the results of such research and demonstration programs.

He is also to provide to Congress prior to July 1, 1977 a report on the effectiveness of the social services program along with recommendations for improvements.

VII. EFFECTIVE DATE OF REGULATIONS PUBLISHED BY THE SECRETARY OF HEW

No final federal regulations for the program would be effective in a services program year for a State if the regulations are published within 60 days of the beginning of the States services program year.

VIII. CONTINUATION OF MORATORIUM ON NEW REGULATIONS UNTIL PROPOSED EFFECTIVE NEW LEGISLATIONS

Currently the law prohibits HEW from changing social services regulations until after December 31, 1974. The draft bill would have an effective date as to the payments of social services of July 1, 1975. The bill would also continue the moratorium on HEW implementing new regulations until July 1, 1975.

State (family of 4)	80 percent of adjusted median income [1]	115 percent of adjusted median income
Alabama	$8,629	$12,404
Alaska	12,758	18,334
Arizona	10,309	14,818
Arkansas	7,774	11,175
California	10,676	15,345
Colorado	10,376	14,915
Connecticut	12,387	17,805
Delaware	10,918	15,694
District of Columbia	10,073	14,479
Florida	9,768	14,041
Georgia	9,463	13,563
Hawaii	12,135	17,444
Idaho	9,116	13,103
Illinois	11,648	16,742
Indiana	10,698	15,378
Iowa	9,947	14,298
Kansas	9,720	13,972
Kentucky	8,519	12,245
Louisiana	8,677	12,472
Maine	8,765	12,599
Maryland	11,702	16,821
Massachusetts	11,424	16,420
Michigan	11,690	16,803
Minnessota	10,784	15,501
Mississippi	7,651	10,998
Missouri	10,049	14,444
Montana	9,130	13,123
Nebraska	9,437	13,564

State (family of 4)	80 percent of adjusted median income [1]	115 percent of adjusted median income
Nevada	$11,308	$16,255
New Hampshire	10,411	14,964
New Jersey	12,179	17,507
New Mexico	9,736	12,557
New York	12,767	18,352
North Carolina	8,902	12,796
North Dakota	8,542	12,278
Ohio	10,937	15,721
Oklahoma	9,014	12,957
Oregon	10,402	14,952
Pennsylvania	10,281	14,777
Rhode Island	10,483	15,066
South Carolina	8,741	12,564
South Dakota	8,391	12,062
Tennessee	8,586	12,342
Texas	9,776	14,052
Utah	9,690	13,929
Vermont	9,530	13,698
Virginia	10,028	14,441
Washington	11,139	16,011
West Virginia	8,325	11,966
Wisconsin	10,780	15,496
Wyoming	9,745	14,007

[1] This figure may not exceed the full national median, currently $12,041.

By Mr. JAVITS:

S. 4119. A bill to amend title XI of the Social Security Act to raise the total amount which may be expended for certain social services, and to provide for the reallotment of funds which would otherwise not be used. Referred to the Committee on Finance.

Mr. JAVITS. Mr. President, I introduce the Emergency Social Services Amendments of 1974, a bill to amend title XI of the Social Security Act, to increase the availability of social services for the poor and others during the period of projected economic hardship.

This measure is a special emergency authority designed to increase the availability of social services for the poor and others who could otherwise fall into the "poor" or "near poor" category or face other hardships as a result of inflation and other elements of the economic crisis by—

Increasing the social services ceiling, set nationally at $2.5 billion, to $4.0 billion during each of the fiscal years 1975 and 1976; and

Providing for redistribution of social services funds from States that do not use their allocations to States which require and can effectively use more funds than allocated, to meet the special needs of their citizens.

Mr. President, following upon his earlier statements that he would meet the problems of those hardest hit by inflation and any down-turn "with compassion," President Ford, as the fifth point in his economic address to the Congress this past Tuesday, stressed: "Helping the casualties."

But his program to do so—while great in spirit—is inadequate in provision.

During this period of economic crises—which the President describes as ending with the Bicentennial, thus through fiscal year 1976—the poor and others in need are going to be hit by what one economist has called "stagflation," high unemployment coupled with high inflation.

To meet the first of these enemies of the poor, the President has proposed an expanded program of unemployment benefits and a new Community Improvement Corps, providing public service employment.

The administration's unemployment program is clearly inadequate in terms of the amounts of funds to be available—an aggregate of $2.2 billion for about 300,000 jobs—using a cost of $7,000 per annum—if unemployment reaches a level of 7 percent nationally—for 3 consecutive months—compared with $4.0 billion for 500,000 public service jobs—using a cost of $8,000 per annum—at 6 percent national unemployment which I have proposed, with 14 cosponsors, in S. 2993, the Emergency Energy Employment Assistance Act of 1974. The administration's plan is also questionable in that it would be administered through a new program insufficiently tied to the very successful mechanism of State and local prime sponsorship established under the Comprehensive Employment and Training Act of 1973. Moreover, it is only a 1-year authority, although the crisis, in the President's own words, is likely to last for 2 fiscal years.

But be that as it may—and I shall fight to insure that it is not "as it may," but as it "should be"—joblessness is only one of the hardships that the "casualties" are facing and will face.

The second is inflation itself, as President Ford noted in his address to the Congress:

> Now, I know that low-income and middle-income Americans have been hardest hit by inflation. Their budgets are most vulnerable because a larger part of their income goes for the highly inflated costs of food, fuel and medical care.

To address this situation—which was considered so heavily by the HEW panel to the "economic summit," the President proposes tax relief for low- and middle-income Americans.

This too, represents a commendable recognition of a severe problem, but not a wholly adequate solution to it.

For tax relief is of little value to the poor who cannot survive at a level sufficient to pay taxes, and, probably most important, is usually only relieves "casualties."

We need—in addition to relieving "casualties"—to avoid them.

And the most immediately available vehicle to do that—along with the antipoverty program itself—where I am pleased to say the Committee on Labor and Public Welfare has ordered reported a proposed extension, as I urged—is the social services program under the Social Security Act.

It is under the social services authority that the States and localities are authorized to provide a wide range of social services, including child care—a needed component to any work program, as well as programs for the aged and others, to prevent welfare dependency.

We now have an agreement between the administration and Senators MONDALE, PACKWOOD, BENTSEN, and myself, embodied in S. 4082, the Social Services Amendments of 1974, introduced on October 3, for a new streamlined social services authority giving latitude to the States in terms of funding decisions and key matters—so important in New York—of eligibility and fee schedules—to arrest welfare dependency.

But while the States now have the authority to do the job—and should in the near future have our proposed revised authority—overall, they do not have the resources to do the job that will be required during the next 2 fiscal years if we are to relieve and avoid casualties.

And the "villain" that stands in their way at this point is the $2.5 billion social services ceiling imposed as a part of Public Law 92-512, the State and Local Assistance Act of 1972—for general revenue sharing—and the further terms of the Social Security Act which prevent any meaningful redistribution of funds from one State to another.

The ceiling was counterproductive then—and I fought it—and it is all the more counterproductive and improvident now.

Not only does it make it impossible for States like New York to meet new needs of the poor and others caused by inflation—but, because of inflation it permits less of an effort even than was contemplated when it was imposed in 1972, when we were not facing the dire economic prospects we do today.

The Library of Congress has advised me that it would take about $3 billion today to provide the level of services possible with the $2.5 billion nationally 2 years ago.

And most unfortunate and tragic, States like New York have to try to meet over $800 million in social services needs, with $220 annually without even a meaningful right to receive money from States which have not used their allotments.

The Library of Congress advises that of the $2.5 billion, $689,805,000 went unused in fiscal year 1973, $500 million is estimated to be unused in fiscal year 1974, and $500 million is expected to be unused in fiscal year 1975.

I ask unanimous consent that a chart provided by the Library of Congress showing these figures in terms of each State be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HEW AND LABOR APPROPRIATIONS FOR 1975—PT. 6

SOCIAL SERVICES—FEDERAL SHARE OF STATE EXPENDITURES [1]—FISCAL YEARS 1973-75

States and territories	Annual State allocation	1973 actual	1974 estimates	1975 estimates
Alabama	$42,140,000	$16,278,683	$21,115,000	$42,140,000
Alaska	3,901,750	6,414,618	3,740,000	3,740,000
Arizona	23,351,250	3,182,326	4,077,000	5,413,000
Arkansas	23,747,250	6,276,582	8,100,000	11,625,000
California	245,733,250	211,583,774	245,733,250	245,733,250
Colorado	28,297,500	21,879,564	26,467,000	28,297,500
Connecticut	37,001,750	21,067,497	27,270,000	25,800,000
Delaware	6,783,250	7,839,897	6,783,000	6,783,250
District of Columbia	8,980,250	8,320,353	8,020,000	8,020,000
Florida	87,149,500	42,024,891	52,752,000	60,666,000
Georgia	56,667,000	48,488,595	50,784,000	56,789,000
Guam		160,956	263,000	263,000
Hawaii	9,712,500	2,321,023	7,388,000	7,580,000
Idaho	9,076,250	4,708,367	9,076,250	9,076,250
Illinois	135,076,500	139,454,609	107,824,000	107,824,000
Indiana	63,522,250	7,230,470	8,847,000	9,217,000
Iowa	34,612,500	12,673,536	13,950,000	15,938,000
Kansas	27,109,000	6,902,308	9,304,000	12,240,000
Kentucky	39,607,000	25,771,941	23,120,000	25,432,000
Louisiana	44,661,250	20,738,470	31,871,000	36,509,000
Maine	$12,354,000	$8,671,871	$8,738,000	$9,375,000
Maryland	48,695,250	26,897,470	48,695,250	48,695,250
Massachusetts	69,477,000	16,957,859	69,477,000	41,857,000
Michigan	109,036,000	59,145,311	85,147,000	96,046,000
Minnesota	46,774,250	29,317,354	29,196,000	30,659,000
Mississippi	27,169,000	11,540,994	27,099,000	27,101,000
Missouri	57,063,250	15,068,712	15,554,000	16,238,000
Montana	8,632,000	3,730,632	4,125,000	4,125,000
Nebraska	18,308,750	9,956,859	12,293,000	14,508,000
Nevada	6,327,000	1,750,832	2,432,000	2,654,000
New Hampshire	9,256,500	4,048,085	4,840,000	5,957,000
New Jersey	88,446,250	39,416,723	48,106,000	56,366,000
New Mexico	12,786,000	6,718,164	8,173,000	12,786,000
New York	220,497,250	220,497,250	220,497,250	220,497,250
North Carolina	62,597,750	22,582,777	38,274,000	42,351,000
North Dakota	7,587,500	3,962,570	3,909,000	4,188,000
Ohio	129,457,750	41,607,656	129,457,000	97,126,000
Oklahoma	31,623,000	24,805,756	31,623,000	31,623,000
Oregon	26,196,500	26,822,190	17,141,000	17,966,000
Pennsylvania	143,180,250	87,930,760	114,389,000	123,351,000

States and territories	Annual State allocation	1973 actual	1974 estimates	1975 estimates
Puerto Rico		$1, 847, 688	$4, 007, 000	$6, 448, 000
Rhode Island	$11, 621, 500	9, 417, 509	9, 211, 000	10, 736, 000
South Carolina	31, 995, 250	21, 325, 273	22, 750, 000	32, 083, 750
South Dakota	8, 152, 000	2, 469, 433	2, 601, 000	4, 500, 000
Tennessee	48, 395, 000	24, 955, 917	48, 000, 000	48, 000, 000
Texas	139, 854, 750	99, 087, 150	92, 012, 000	100, 963, 000
Utah	13, 518, 500	5, 479, 162	5, 523, 000	5, 523, 000
Vermont	5, 546, 750	3, 171, 845	4, 547, 000	4, 790, 000
Virgin Islands		440, 089	221, 000	221, 000
Virginia	57, 195, 250	20, 211, 917	24, 944, 000	33, 367, 000
Washington	41, 335, 750	76, 865, 796	41, 335, 750	41, 335, 750
West Virginia	$21, 382, 250	$8, 170, 853	$17, 717, 000	$17, 717, 000
Wisconsin	54, 265, 750	58, 540, 192	54, 265, 250	54, 265, 750
Wyoming	4, 142, 000	714, 331	1, 341, 000	1, 404, 000
Subtotal	2, 500, 000, 000	1, 607, 445, 440	1, 914, 125, 000	1, 983, 920, 000
Management initiatives, regulation delay			85, 875, 000	16, 080, 000
Accounting entries		202, 749, 560		
Total	2, 500, 000, 000	1, 810, 195, 000	2, 000, 000, 000	2, 000, 000, 000

[1] Appropriation authority of $2,500,000,000 for States is allocated on a basis of population. Guam, Puerto Rico, and the Virgin Islands require Federal matching at program levels.

Mr. JAVITS. In fact in fiscal year 1974, estimates indicate that while a number of jurisdictions like New York struggled right up against their allocation, a majority of jurisdictions did not even spend what they were allocated.

The new social service legislation, S. 4082, which I mentioned may make it possible for more States to do what they want and must.

But to the extent that they chose not to—barring a change in the distribution formula—an unlikely prospect—why should not other States be given the resources they need; surely the Congress intended that $2.5 billion be made available, not $1.9 billion or some other figures—that is what expenditure ceilings are all about

The Senate already agreed to the principle of redistribution, adopting a provision similar to that included in the measure I introduce today—as a part of H.R. 3153, to amend the Social Security Act to make technical changes; but that bill, which passed the Senate on November 30, 1973, is still in conference.

By including a redistribution provision in the measure, I seek to reinstate the intent of the Senate.

Mr. President, if we can consider lifting restrictions on production and regulation in other fields in the general emergency, we surely can lift the ceiling on social services during the special emergency which the poor face; if we can consider redistributing income through tax reform, surely we can consider redistributing social services funds to those who need it most.

Of course, I would like to lift the social services ceiling completely, but that would not be a realistic proposal, given the very important budgetary considerations which we also must face in dealing with the economic situation.

What I propose instead is an increase of $500 million to take into account the effects of inflation on services themselves—which I noted—and an additional $1 billion to deal with the personal effects of inflation on the poor.

I should point out that while this gross increase will be $1.5 billion, the net will be considerably less, due to savings arising from increased self-sufficiency, for example, quality child care will contribute to the ability to work and thus to taxes, and reduced welfare and unemployment insurance costs.

And need I say that unless we provide these social services, we may well see an increase in cash payments under the AFDC and other programs which may make even $1.5 billion look small—and what could be more inflationary and budget smashing than that.

Mr. President, this legislation is essential for the country, but is particularly important to New York.

Under a $4 billion ceiling, using the existing allocation formula—New York State could receive $352.7 million, rather than the $220.4 million it is locked into now—an increase of $132.3 million.

Additionally, it could benefit substantially from redistribution of funds not used by other States.

These funds are crucial in New York—but particularly in respect to child care.

For months, New York City and New York State have been engaged in a dispute concerning eligibility and fee schedules and for child care, with the State insisting on its standards and the city urging higher standards.

This has been a continual battle, likely—until last Saturday—to result in the expulsion of some 5,000 children from day care programs in the city.

Fortunately, following a recommended compromise that I made to both the mayor and the Governor by telegram on September 12, the State and city have agreed, last Saturday, October 5, on temporary relief for these ineligible basically through this fiscal year, partly from State and partly from city funds.

I ask unanimous consent that the announcement, together with a copy of my telegrams to the Governor and the mayor, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNOUNCEMENT, OCTOBER 5, 1974

Governor Malcolm Wilson announced today State agreement with New York City on major steps to assure continued day care for all those now enrolled, and to improve the quality of that care in accordance with State standards.

Under the agreement:

New York City will continue, until December 31, 1974, to fund day care for families now enrolled, whose incomes are above maximums allowed by State standards.

The Governor will seek appropriation authority to enable the State to continue to fund those cases from January 1 to June 30 1975, or the effective date of the new Federal program described below, whichever comes first.

Subsequent to June 1975, it is planned that the cases will be funded under a new Federal Administration Social Services bill which was introduced in Congress yesterday with bi-partisan support.

The Governor said that based on current experience, he expects that the additional appropriation he will seek from the 1975 Legislature will be between $4-million and $6-million.

The Governor said the City also agreed to a series of three administrative requirements upon which the State had been insisting as a basis for day care reimbursement.

They included:

1. The City will install by November 1, a State-required system for determining eligibility for day care, and existing cases will be phased into the new system over a six-month period.

2. The City agreed that there will be no State or Federal reimbursement for day care in unlicensed centers.

3. Day care costs for those employed but receiving welfare benefits will be funded as expenses incident to employment. This device will make more of the State's allocation of closed-end Federal service funds available for day care programs.

The Governor said the new Federal proposal, introduced October 3 in Congress as Title XX—Social Services, provided the basis for the breakthrough in the long-standing problem. Approval is expected, he said, because it is an administration bill which has bi-partisan support.

"As I have said repeatedly," the Governor pointed out "The State is willing to pay its share of the cost for our day care program up to the Federally imposed ceilings. Now that the Federal ceiling is apparently to be raised we are able to assume our share of the cost and facilitate the transition until the Federal Act is passed."

He indicated that while he was sympathetic with families threatened with loss of day care because their income levels were too high to meet present Federal standards, he was also concerned with the State continually having to provide emergency funds to the program with no expectation of any long-range, permanent solution. The State earlier this year had provided an emergency appropriation to support the program until June 30 of this year.

"Fortunately," he said, "the new Title XX provides the long-range solution we have been seeking, making it possible to utilize Federal funds in ways that previously had not been permitted."

"With the way apparently clear for this long-range solution, I am now anxious to see that day care not lapse for the approximately 4,000 families who otherwise would lose the services between now and the July 1, 1975 effective date of the new laws," he explained.

The new Federal bill provides a mechanism for the State, at its discretion, to set maximum income levels considerably higher than those that now exist for day care recipients. Its effect would be to make all families in New York City now receiving day care eligible for Federal funds.

"This greater flexibility, which we have long sought from the Federal government, is a significant breakthrough in the social services area," Governor Wilson said.

The City-State agreement was reached, following introduction Thursday of the new Title XX, in negotiations Friday morning between State Social Services Commissioner Abe Lavine and City Human Resources Administrator James Dumpson in the Governor's New York City office.

Hon. MALCOM WILSON,
Office of the Governor,
State House,
Albany, N.Y.:

I continue to be deeply concerned that the city and State have not reached an understanding that will make it possible to avoid discharge on September 27 from city child care programs of approximately 5,000 children who are ineligible under state social services regulations made effective July 1.

It is my understanding that the city and state are still negotiating with respect to the regulations and some or all of these children may still be eligible, and that while the negotiations are in process the city is providing unilaterally $3.0 million (out of $10.0 million offered to the state in matching funds) to cover these children through September 27.

In an effort to resolve this matter in the interest of the children involved, I propose the city and state consider a possible agreement along the following lines:

(1) The city and state continue in good faith their negotiations with respect to the income eligibility and other questions under the regulations toward a prompt resolution.

(2) To provide services to these children so long as they are ineligible under applicable standards, the city utilize the remaining portion of the $10 million to continue services through January 1975, and the State agree to support legislation (which I understand will be introduced) to cover these children from February 1 through the end of this fiscal year if necessary to maintain services.

(3) The city continue its considerable efforts to meet the State's administrative concerns with respect to licensing of day care centers, documentation of eligibility, and application of AFDC funds, with the understanding that if these concerns are not met the State's commitment to support funding would no longer be operative.

Whatever the relative equities in the positions of the State and the city on the questions of the regulations, I hope that this can be worked out with equity to the children and working parents who, although not direct parties to the arrangements under which they enrolled in programs, stand to gear the heaviest human price in disappointment, and even long-term damage, resulting from the disruption or termination of their services.

This principal consideration was brought home to me again last Monday when I met with the teachers and children at the Riverside Edgecomb neighborhood association day care center in Washington Heights, one of the affected centers.

I pledge every personal effort necessary to the development of such an agreement and its full implementation.

An identical copy of this is being sent to Mayor Beame.

JACOB K. JAVITS,
U.S. Senator.

Hon. ABRAHAM BEAME,
Office of the Mayor,
City Hall, New York, N.Y.:

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JACOB K. JAVITS,
U.S. Senator.

Mr. JAVITS. But as the Governor suggested in his release, this is just an interim situation in anticipation of enactment of S. 4082, the Social Services Amendments of 1974, which will make possible coverage of these children with 75 percent Federal matching.

To make that coverage more likely, New York needs more funds in addition to the new authority—and the bill I introduce today would provide those funds—and indeed, much more for other social services.

Mr. President, these are very trying economic times for all socioeconomic levels of Americans, but the poor are the most hurt, and their needs must be addressed; otherwise the casualties will be even more widespread than even now feared. I hope that the social services ceiling and the redistribution question will now be reviewed in light of this special emergency period which is already upon us.

I ask unanimous consent that a chart showing the allocations under this measure; compared with the existing ceiling be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

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STATE ALLOCATIONS

State	$2,500,000,000 ceiling	Allocation w/ $4,000,000,000 ceiling
Alabama	$42,140,000	$67,424,000
Alaska	3,901,750	6,242,800
Arizona	23,351,250	37,362,000
Arkansas	23,747,250	37,995,600
California	245,733,250	393,173,200
Colorado	28,297,500	45,276,000
Connecticut	37,001,750	59,202,800
Delaware	6,783,250	10,853,200
District of Columbia	8,980,250	14,368,400
Florida	87,149,500	139,439,200
Georgia	56,667,000	90,667,200
Hawaii	9,712,500	15,540,000
Idaho	9,076,250	14,522,000
Illinois	135,076,500	216,122,400
Indiana	63,522,250	101,635,600
Iowa	34,612,500	55,380,000
Kansas	27,109,000	43,374,400
Kentucky	39,607,000	63,371,200
Louisiana	44,661,250	71,458,000
Maine	12,354,000	19,766,400
Maryland	48,695,250	77,912,400
Massachusetts	69,477,000	111,163,200
Michigan	109,036,000	174,457,600
Minnesota	46,774,250	74,838,800
Mississippi	27,169,000	43,470,400
Missouri	57,063,250	91,301,200
Montana	8,632,000	13,811,200
Nebraska	18,308,750	29,294,000
Nevada	6,327,000	10,123,200
New Hampshire	9,256,500	14,810,400
New Jersey	88,446,250	141,514,000
New Mexico	12,786,000	20,457,600
New York	220,497,250	352,795,600
North Carolina	62,597,750	100,156,400
North Dakota	7,587,500	12,140,000
Ohio	$129,457,750	$207,132,400
Oklahoma	31,623,000	50,596,800
Oregon	26,196,508	41,914,400
Pennsylvania	143,180,250	229,088,400
Rhode Island	11,621,500	18,594,400
South Carolina	31,995,250	51,192,400
South Dakota	8,152,000	13,043,200
Tennessee	48,395,000	77,432,000
Texas	139,854,750	223,767,600
Utah	13,518,500	21,629,600
Vermont	5,546,750	8,874,800
Virginia	57,195,250	91,512,400
Washington	41,335,750	66,137,200
West Virginia	21,382,250	34,211,600
Wisconsin	54,265,750	86,825,200
Wyoming	4,142,000	6,627,200
Total	2,500,000,000	4,000,000,000

Note: Figures are based on the same data as used for the current allocation of $2,500,000,000.

Mr. MONTOYA. Mr. President, today, the Senate will consider the Finance Committee substitute amendment to H.R. 17045. This bill, which I cosponsored, will end the 2-year debate over regulation of Federal social services grants. The committee has included as an amendment an important modification concerning child support.

Mr. President, I want to take this opportunity to commend the distinguished committee chairman and the entire committee for their efforts on this bill and I am specially pleased that they have recognized the critical child support situation which faces thousands each year. The child support proposal contained in the committee substitute is a vital item requiring action now.

The modification proposed by the committee provides that money due from the United States to any individual citizen, including service men and women, may be garnished as a result of legal process for the payment of alimony and child support.

What this really means is that civil servants and military personnel can be forced to accept full responsibility for care of families—especially dependent children—in the same way that other Americans can.

It is tragic that there are any men or women in the United States who would willingly desert their children, leaving wives and families to struggle alone or to go on our already overburdened welfare rolls.

However, as any member of the judiciary or the legal profession can tell you, the truth is that there are always some who try to avoid responsibility and who must be forced to pay debts.

In a study reported by Ms. Marcy Levine of Albuquerque, N. Mex., figures showed that even when courts award alimony and child care, 42 percent of the men involved do not comply with the court order at all, and another 20 percent are only in partial compliance in the first year. When the court order is 10 years old, compliance has dropped to 13 percent, 8 percent are in partial compliance, and 79 percent are paying nothing.

What this means to many of these families is that the husband and father has become a "bad-risk" debtor and they must return to court to force payment of money due to care for children. However, if the husband and father works for the Federal Government or is in the Armed Forces, nothing can be done under current law. These men are free to ignore court orders, and many do.

This special privilege for one kind of worker is partly a result of tradition and partly because it has not been thought legally possible to sue the Federal Government as a "person" in order to arrange for the garnishment of wages. For many years, the pride and honor of Government service kept this kind of dishonorable behavior at a minimum. Today, however, there are an increased number of men and women in military and Government service—and a small percentage of "rotten apples" has resulted in a growing number of families who have been left to fend for themselves or to go on public welfare, with no recourse to the protection of the courts or the law.

Mr. President, it seems clear to me that the civil or military services of the U.S. Government are dishonored when employees or former employees are allowed to become deadbeats and are protected from court action to collect family support money.

The women who are left to fend for themselves in these cases are usually unskilled, middle-aged wives and mothers who are unprepared to enter the labor market in competition with younger and better-trained women. They have children who need the help and support of both a father and a mother. When the support of the father is withdrawn, it is too often the State which must take over with welfare payments.

Every Member of the Senate is aware of these cases. We have all heard from constituents who beg for our help in locating deserting fathers, or who ask us to help in arranging for welfare or public assistance to care for the children of men who are on the public payroll or on retired pay from Government service. I would like to insert in the RECORD at this point several sentences from letters which have come to my office concerning this problem:

> I am the legally separated wife of a retired Lieutenant Colonel. I am 53 years of age, and after 23 years of marriage I have been thrust into the labor market to compete with younger women and women with more work experience. My husband does not pay to me the alimony that the court thought was just due to the length of our marriage. My salary is inadequate even though I live frugally. While I am trying desperately to work and live on my salary, he flits from one place to another knowing the government will pay him his pension every month and protect him from meeting his obligations. If my health fails, I will have no income. My inadequate earning capacity and inadequate retirement benefits because of my late entrance into the labor market are a reality—here and now. Please help me and other wives.
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> ---
>
> My ex-husband of twenty years divorced me while my children and I were visiting England. The Judge awarded the children support money and also support money for myself. This was done after I returned to the States. I have not seen one red cent from him to this day and this action took place in 1969.
>
> ---
>
> Because our husbands decided in their later years that the grass is greener on the other side, we are treated like outcasts! We receive no support money from our ex-husbands. Although the women and children are awarded alimony and child support by the courts, these men who are guilty ignore the orders of the courts, go from state to state, some even out of the country, feeling safe, secure and smug, with the knowledge that the U.S. Government is protecting them by preventing the attachment of retired military pay for the non-payment of alimony and child support. To heck with the women and children! Let them do without; let them go on welfare.
>
> Recently, after a long search, he has been located here in the U.S.A. and is holding a very high rated position with the Civil Service, and as the case appears we wives are at a loss to do anything with the men who feel they are protected by the Government and cannot be forced or have their wages garnished to comply with court orders.

Mr. President, the child support proposal contained in the committee substitute will give us an opportunity to prove to these women and children that justice exists for them, too, in the United States. The proposal is not new. I believe it time for us to make sure that this small change is made in our law in order to correct what is patently a disgraceful situation. We must give the wives and children of Federal employees and retirees the same legal protections which we have provided for other American women and children.

I urge your support of H.R. 17045 and the important child support proposal it contains.

Mr. TAFT. Mr. President, as a cosponsor of S. 4082, I am extremely pleased that comprehensive social services legislation apparently will pass in the 93d Congress.

The difficult stalemate over this program has lasted almost 2 years now. Just the uncertainty of the program's future direction has hindered its effectiveness across the Nation.

Although some aspects of this legislation concern me, in general I believe that it is a sensible compromise between the need for program flexibility to serve those in need on one hand and the need to place limits and directions on the program in view of the limited funds available on the other.

There is no provision of the House version of this bill about which my constituents have expressed considerable concern. That is the day care requirement that there be at least one adult in a center who is responsible only for the care of any two children, under 3 years of age.

There is no question that the provision of adequate infant care standards must be one of our top concerns, and that the number of infants which should be assigned to any one adult is, of course, very few. However, most of those in the day care field with whom I have discussed this provision feel that its effect would be virtually to eliminate center day care for infants. In view of the high cost of infant care generally, and the additional costs imposed by this amendment, infant care would simply become uneconomical for the day care centers.

Although some would argue that day care centers are not the proper place for infants, in view of the growing number of mothers who either want to or need to work I feel that this means of care is extremely important. Instead of the rigid statutory standard, I feel it would be preferable that HEW be mandated to set the standards so that some flexibility could be provided to take care of this problem and varying local situations.

Except for this provision, I urge the Senate conferees to accept the House provisions which reflect the compromise between the Congress and the administration. I commend the Finance Committee for its prompt and conscientious consideration of this legislation.

Mr. CRANSTON. Mr. President, I rise to express my general support for the basic provision in H.R. 17045 as reported from committee—the legislation before us today—which, in effect, converts the 75-percent Federal matching funds under the social services program presently authorized under titles I, IV–A, VI, X, XIV, and XVI of the Social Security Act to a social services revenue-sharing program.

Mr. President, the Congress has been involved for nearly 2 years now in trying to resolve the differences with the administration over how the social services program should be administered. The provision which we are now considering is identical to part D of title I of H.R. 3153, the "Social Security Act Amendments of 1973," as passed by the Senate a year ago November which reflected the thrust of legislation in S. 2528. This latter measure was introduced in response to a set of restrictive regulations issued by HEW on September 10 to take effect on November 1, 1973—which I cosponsored with Senator MONDALE, the distinguished leader in this long-continuing fight to establish a sound and workable social services program. Over 50 other Members of the Senate also joined in cosponsoring that bill. The administration had sought through those regulations, to impose a kind of impoundment by regulation.

However, the Finance Committee and the Senate as a whole strongly expressed their disapproval of this approach in adopting the provisions in S. 3153, regretably, that bill has been pending conference consideration for fully 1 year. The only action the House agreed to take—until it recently passed H.R. 17045—was to pass, as an amendment to the Renegotiation Act of 1973, a further suspension of the proposed regulations until the end of 1974. This suspension was enacted into law and the deadline is upon us again.

The continual uncertainty about the future of this social services program has caused needless hardship to persons dependent on the Federal-State assistance programs. Likewise, the States caught between bureaucratic restrictions and legislative indecision, have been unable to plan reliably for the development of a full and effective program of social services.

Now, Mr. President, we have the opportunity to dispel this uncertainty by passing legislation which, for the first time, provides a uniform and comprehensive approach to social services. While I have reservation about certain of the provisions in H.R. 17045, as reported by the Finance Committee, I feel the time is upon us to end what has been a very long and at times acrimonious debate over the social services program and that we should pass this legislation and go to conference with the House. Many of the provisions of the House-passed bill are superior to provisions in the Senate committee bill.

I would hope that in conference the best features of both social services bills will be retained. I am particularly interested in the retention of two provisions in the Finance Committee bill which I authored last year and which were accepted by the Senate as amendments to H.R. 3153, when it was under consideration. The first of these is a provision, to become effective in fiscal year 1976, which would permit—within the $2.5 billion social services ceiling—funds allocated to but unexpended by some States to be reallotted to those States which have expended their full social services allotment. Under the present social services program the amount that will be unexpended in fiscal year 1975 is projected to be $872 million. Yet, Mr. President, some 14 States—the majority of which I should point out are small States—are projected to be at or near their ceiling in fiscal year 1975 expenditures and could expand social services if additional Federal matching funds were made available.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks a chart which reflects the States' allotments as compared to actual expenditures under the social services program for fiscal years 1974 and 1975 and projected for 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, the intent, as I see it, of both the House-passed social services bill and the bill reported by the Finance Committee is that the full $2.5 billion social services authorization be expended in fiscal year 1976 and that is an approach I certainly support. My amendment in the pending measure would insure that should some States not expend the full amount allotted them, as has often been the case in the past, the unexpended amount would be reallocated among those States which expend their full allotment such as my home State of California and 17 other States are projected to do in fiscal year 1976—to expand services should unexpended balances be available.

I would hope that the distinguished chairman of the Finance Committee and the other Senate conferees would support this provision in conference since I believe it merely carries out—in terms of its possible fiscal impact—the intention that $2.5 be expended for this program and since it would allow many States with extensive social services programs to provide additional services.

The second provision in the bill reported from committee that I urge the conferees to retain in conference is my amendment to H.R. 3153 regarding public hearings. This provision corrects an oversight—really of, I believe, a technical nature—in Public Law 93-603. When the new title VI of the Social Security Act was created to provide for social services programs for the aged, blind, and disabled, there was no provision for a public hearing for the settlement of individual disputes which might arise regarding eligibility for services. While aged, blind, and disabled assistance programs were federalized with the enactment of Public Law 92-603, the social services programs—such as homemaker and chore services are still run by the States. There is no provision for a system of administrative hearings to resolve disputes arising over eligibility or levels of services for beneficiaries of these programs.

For example, Mr. President, it is through title VI that homemaker and chore services are provided for those severely disabled poor, who—in the absence of someone to bathe them, cook for them, or perhaps perform minor household services—would have to be institutionalized. By continuing to provide for administrative hearings—hearings which are presently required in existing laws for disputes over such services and for Medicaid and AFDC—we seek to assure prompt and economical resolution of these differences. It should be recognized that the only other alternative for such aggrieved persons would be to file suit in our already overburdened State court systems.

Mr. President, I would hope that in conference the distinguished chairman of the Finance Committee and the Senate conferees will also strongly support this provision which I believe merely clarifies and improves upon the congressional intent for this program.

Mr. President, as I said earlier, I believe there are good provisions in both versions of this legislation which will be under consideration in the committee of conference. The legislation which the House has passed represents the fruits of protracted negotiations between State and local governments, congressional committees, the administration and consumer interest groups, lead by the distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished Congressman from Indiana (Mr. BRADEMAS). Among those who are now endorsing the House and the companion Senate bill, S. 4082, bill are the National Governors Conference, the American Public Welfare Association, the AFL–CIO, the United Auto Workers, the Child Welfare League of America, and others, including numerous California groups and organizations.

The separate views of Senators MONDALE, BENTSEN and RIBICOFF express what I believe to be the best features of the House bill, and I would hope that the Senate conferees will give sympathetic consideration to those provisions in conference.

Thus, on this basis I urge approval of the reported bill, and I support the motion for cloture in order to avoid a protracted debate and non-germane amendments which would surely spell doom for further consideration and action on this legislation before we adjourn this Congress.

EXHIBIT 1

SOCIAL SERVICES, FEDERAL SHARE (EXPENDITURE ESTIMATES)

States	Fiscal year— 1974 Preliminary	1975 Estimate	1976 Estimate	Maximum potential Social Service allotments fiscal year 1975
Alabama	20,237,582	24,599,000	25,824	42,140,000
Alaska	3,043,020	[2] 3,900,000	3,900	[2] 3,901,750
Arizona	3,018,546	3,412,000	8,690	23,351,250
Arkansas	5,988,021	6,396,063	10,238	23,747,250
California	[1] 246,445,916	[1] 245,733,250	245,500	[2] 245,733,250
Colorado	24,697,071	[1] 28,297,500	29,000	[1] 28,297,500
Connecticut	[1] 44,346,971	[2] 370,000,000	36,750	[2] 37,001,750
Delaware	5,300,853	5,434,913	6,750	6,783,250
District of Columbia	[1] 9,002,823	[1] 8,980,250	9,000	[1] 8,980,250
Florida	19,834,264	40,000,000	56,252	87,149,500
Georgia	38,921,188	40,124,985	52,976	56,667,000
Hawaii	6,103,394	[2] 9,143,471	9,713	[1] 9,712,500
Idaho	7,184,647	[2] 8,889,969	9,076	[1] 9,076,250
Illinois	113,469,003	126,355,000	133,674	135,076,500
Indiana	7,178,537	6,374,656	12,240	63,522,250
Iowa	16,186,406	18,818,837	20,100	34,612,500
Kansas	7,912,361	11,330,425	17,006	27,109,000
Kentucky	24,937,530	29,639,000	32,603	39,607,000
Louisiana	20,644,940	21,776,182	35,516	44,661,250
Maine	7,183,182	7,500,000	8,250	12,354,000
Maryland	29,864,390	44,620,469	48,439	[2] 48,695,250
Massachusetts	28,638,120	59,026,750	55,853	69,477,000
Michigan	65,706,638	78,016,000	87,846	109,036,000
Minnesota	39,368,374	[1] 46,774,250	46,500	[2] 46,774,250
Mississippi	5,378,763	6,246,227	9,856	27,169,000
Missouri	17,578,938	19,650,137	21,577	57,063,250
Montana	4,044,767	4,125,000	4,425	8,632,000
Nebraska	11,863,756	14,068,000	15,072	18,308,750
Nevada	2,181,760	2,652,000	2,652	6,327,000
New Hampshire	4,553,209	6,473,000	7,126	9,256,500
New Jersey	45,105,335	51,177,000	56,294	88,446,250
New Mexico	8,385,104	[2] 12,784,000	13,250	[1] 12,786,000
New York	[1] 237,568,224	[1] 220,497,250	217,500	220,497,250
North Carolina	21,551,479	26,666,782	33,241	62,597,750
North Dakota	3,725,135	3,448,756	4,889	7,587,500
Ohio	46,753,164	50,000,000	86,439	129,457,750
Oklahoma	16,889,381	18,331,562	23,543	31,623,000
Oregon	[1] 28,246,505	[1] 26,196,500	26,200	26,196,500
Pennsylvania	102,123,027	118,077,000	127,698	143,180,250
Rhode Island	[2] 11,022,725	[2] 11,437,000	11,500	11,621,500
South Carolina	10,996,990	18,414,000	27,180	31,995,250
South Dakota	1,817,946	1,818,000	5,130	8,152,000
Tennessee	15,576,979	16,624,000	29,963	[1] 48,395,000
Texas	93,803,790	117,505,000	140,500	139,854,750
Utah	5,712,463	5,139,216	5,994	13,518,500
Vermont	3,030,343	3,615,408	5,500	[2] 5,546,750
Virginia	23,773,657	27,614,212	34,547	57,195,250
Washington	63,603,471	[1] 41,335,750	40,750	41,335,750
West Virginia	11,102,628	11,367,624	11,332	21,382,250
Wisconsin	34,815,275	[1] 54,265,750	54,266	[1] 54,265,750
Wyoming	1,034,982	1,827,614	4,142	[1] 4,142,000
Guam	140,446	96,576	263	
Puerto Rico	2,092,406	2,298,528	6,448	
Virgin Islands	438,358	221,000	533	
Total	1,615,211,607	1,630,124,783	2,029,506	2,500,000,000

[1] At ceiling.
[2] Near ceiling.

Source: December 1974, Community Service Administration, HEW, and Senate Finance Committee.

Mr. BUCKLEY. Mr. President, as I stated earlier today before the cloture vote, I had intended to offer an amendment to H.R. 17045, the Social Services Amendments of 1974, which would prohibit any money under any title of the Social Security Act to be used for the performance of abortions except in the case where it is necessary to save the life of the mother. I have since been advised by the Parliamentarian that the proposed amendment is not germane and is, therefore, barred by virtue of the invocation of cloture. I do, however, wish to take this opportunity to state my intention to pursue the matter in the next session.

Before I outline my reasons for wishing to do so, I would like to take this opportunity to correct the Record for December 16, 1974, page 39997.

I am quoted there as stating:

> Thus, I am introducing this amendment in order to see to it that we are on record as stating that this body does not want Federal pregnancy or abortions.

Mr. President, while I am quite certain that the Senate indeed would unanimously go on record as opposing Federal pregnancy—whatever that may mean—I want to make it clear that my remarks originally read this way:

> Thus, I am introducing this amendment in order to see to it that we are on record as stating that this body does not want Federal financing of abortions.

Mr. President, I intend to pursue the issue, because I believe it important that this body make clear where it stands on the subject of Federal funding of abortions. We have all heard the arguments about abortion and I do not intend to make them here today. Instead I will quote from the eloquent remarks made by Senator Pastore on September 17, 1974, on the occasion of the debate over the Bartlett amendment. At that time, Senator Pastore said:

> We are in a very sensitive area. I do not think we are deciding whether one is on the side of the right to live or whether one believes in abortion. Many people in this country, including myself, have a very strong religious belief that life begins at the moment of conception. There are other people who disagree, and I honor their point of view. But the question here, in this very sensitive area at this time is: Do you think it is right to use the taxpayers' money to resolve this issue? That is where the sensitivity lies. What we are doing here, what we are saying, is that none of this money can be used for this purpose.
>
> If somebody wants to get an abortion, that is their business. If an abortion is allowed in New York under the law, that is their business. But what we are saying here, in the Congress of the United States, is that there are many people in this country who pay money and pay their taxes, and they have a very strong feeling against this sort of thing. Why should the money be used and be abused in this manner?

Mr. President, that is the issue. Senator Pastore said it with his customary forthrightness and I will not attempt to add anything. Why should the money be used and abused in this manner? That is the question. The Senate is on record as being opposed to the use of taxpayers' dollars for abortions. Let us affirm this opposition in terms so firm that there can be no doubt as to where this body stands on this issue.

I shall propose appropriate legislation to accomplish this goal early in the new year.

SOCIAL SERVICES LEGISLATION IMPERATIVE

Mr. PACKWOOD. Mr. President, I will not take the Senate's time except to emphasize how very, very imperative it is to pass a social services bill, to get this issue to conference, and to have legislation sent to the President before adjournment.

The amount of time and consideration which has gone into the social services debate for over 2 years now is indescribable. At long last, the interested groups, providers, and HEW and the National Governors' Conference, and concerned Members of Congress, reached a consensus on the social services issue, and this agreement was introduced in the form of S. 4082, which I sponsored with my colleagues, Senators Mondale, Bentsen, and Javits.

Although I am keenly disappointed that the committee has recommended substitute language—the language contained in last year's version of the social services bill, H.R. 3153—I want to emphasize the importance of getting a bill to conference can be speedily resolved in conference. And I must say I have great confidence in the ability of both House and Senate conferees on this issue, and in their dedication to our shared objectives and to an honest resolution of the differences.

But the important thing today is to pass a social services bill, so that these issues can go to conference for final action before Friday's adjournment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

Mr. ROBERT C. BYRD. Mr. President, I think this meets with the approval of the distinguished manager of the bill and with the leadership on the other side of the aisle. I ask unanimous consent that the vote on passage of this measure, which will be a rollcall vote, I understand, occur immediately after the vote on the motion to invoke cloture on the second measure which Mr. Long has.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. ERVIN. Mr. President, will the Senator yield to me for 30 seconds?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. ERVIN. I wish to serve notice on everybody that at the very earliest moment, I am going to call up the privacy bill, which has been passed by the House, and offer some amendments to it which have been agreed upon by the House Members. There are some of us on the Hill who are interested in the privacy bill.

Mr. ROBERT C. BYRD. Mr. President, certainly, the leadership wishes to cooperate with the Senator, but I hope that the Senator will, in turn, cooperate with the leadership before he calls up that bill.

Mr. ERVIN. I shall, because I am not going to try to call it up, because we might get cloture on that bill, until after the cloture vote. As soon as those are out of the way, the present bill and the cloture vote, and the next bill and the cloture vote, I am going to call it up.

Mr. ROBERT C. BYRD. I thank the Senator. I shall work with him on it.

UPHOLSTERY REGULATORS

The PRESIDING OFFICER. Under the previous order, the Senate will now begin the 1 hour of debate on the motion to close further debate on the committee substitute for H.R. 421, with the time to be equally divided and controlled by the Senator from Louisiana (Mr. Long) and the Senator from Utah (Mr. Bennett).

The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

Section 1. Amendment of Tariff Schedules

(a) In General.—Schedule 6, part 3, subpart E of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by striking out "upholstery regulators, and",

and by inserting "and upholstery regulators, upholsterer's regulating needles, and upholsterer's pins," after "other hand needles," in the item description preceding item 651.01;

(2) by striking out "and upholstery regulators" in item 651.04; and

(3) by inserting after item 651.05 the following new item:

" 651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins___	Free	Free	".

(b) Effective Date.—The amendments made by subsection (a) apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

(c) Status of New Item.—The duty free treatment applied to upholstery regulators, upholsterer's regulating needles, and upholsterer's pins under item 651.06 of the Tariff Schedules of the United States (as added by subsection (a)) shall be treated as not having the status of a statutory provision enacted by the Congress, but as having been proclaimed by the President as being required or appropriate to carry out foreign trade agreements to which the United States is a party.

Sec. 2. Amendment of Internal Revenue Code.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

Sec. 3. Extension by One Year of Period During Which Pollution Control Facilities, Railroad Rolling Stock Rehabilitation, Housing, and Coal Mine Safety Equipment May Qualify for 5-Year Amortization.

(a) Pollution Control Facilities.—Section 169(d)(4)(B) (defining new identifiable treatment facility) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

(b) Railroad Rolling Stock.—Section 184 (e) (relating to amortization of railroad rolling stock) is amended—

(1) by striking out "1975" in paragraph (1) and inserting in lieu thereof "1976" and

(2) by striking out "January 1, 1975" in paragraph (7) and inserting in lieu thereof "January 1, 1976".

(c) Rehabilitation of Low-Income Rental Housing.—Section 167(k)(1) (relating to expenditures to rehabilitate low-income rental housing) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

(d) Coal Mining Safety Equipment.—Section 187(d)(3) (defining certified coal mine safety equipment) is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

Sec. 4. Accrual of Vacation Pay.

(a) In General.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by adding at the end thereof the following new section:

"Sec. 463. Accrual of Vacation Pay.

"(a) Allowance of Deduction.—All the election of a taxpayer whose taxable income is computed under an accrual method of accounting, if the conditions of section 162 (a) are otherwise satisfied, the deduction allowable under section 162(a) with respect to vacation pay shall be an amount equal to the sum of—

"(1) a reasonable addition to an account representing the taxpayer's liability for vacation pay earned by employees before the close of the taxable year and payable during the taxable year or within 12 months following the close of the taxable year; plus

"(2) the amount (if any) of the reduction at the close of the taxable year in the suspense account provided in subsection (c) (2).

Such liability for vacation pay earned before the close of the taxable year shall include amounts which, because of contingencies, would not (but for this section) be deductible under section 162(a) as an accrued expense. All payments with respect to vacation pay shall be charged to such account.

"(b) Opening Balance.—The opening balance of the account described in subsection (a)(1) for its first taxable year shall, under regulations prescribed by the Secretary or his delegate, be—

"(1) in the case of a taxpayer who maintained a predecessor account for vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, and who makes an election under this section for his first taxable year ending after December 31, 1972, the larger of—

"(A) the balance in such predecessor account at the close of such last taxable year, or

"(B) the amount determined as if the taxpayer had maintained an account described in subsection (a)(1) for such last taxable year, or

"(2) in the case of any taxpayer not described in paragraph (1), an amount equal to the largest closing balance the taxpayer would have had for any of the taxpayer's 3 taxable years immediately preceding such first taxable year if the taxpayer had maintained such account throughout such 3 immediately preceding taxable years.

"(c) Suspense Account for Deferred Deduction.—

"(1) Initial suspense account.—The amount of the suspense account at the beginning of the first taxable year for which the taxpayer maintains under this section an account (described in subsection (a)(1)) shall be the amount of the opening balance described in subsection (b) minus the amount, if any, allowed as deductions for prior taxable years for vacation pay accrued but not paid at the close of the taxable year preceding such first taxable year.

"(2) Adjustments in suspense account.—At the close of each taxable year the suspense account shall be—

"(A) reduced by the excess, if any, of the amount in the suspense account at the beginning of the taxable year over the amount in the account described in subsection (a)(1) at the close of the taxable year (after making the additions and charges for such taxable year provided in subsection (a)), or

"(B) increased (but not to an amount greater than the initial balance of the suspense account) by the excess, if any of the amount in the account described in subsection (a)(1) at the close of the taxable year (after making the additions and charges for such taxable year provided in subsection (a)) over the amount in the suspense account at the beginning of the taxable year.

"(3) Section 381 acquisitions.—The application of this subsection to any acquisition to which section 381(a) applies shall be determined under regulations prescribed by the Secretary or his delegate.

"(d) Election.—An election under this section shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe.

"(e) Changes in Accounting Method.—

"(1) Establishment of account not considered change.—The establishment of an account described in subsection (a)(1) shall not be considered a change in method of accounting for purposes of section 446(e) (relating to requirement respecting change of accounting method), and no adjustment shall be required under section 481 by reason of the establishment of such account.

"(2) Certain taxpayers treated as having initiated change.—If the taxpayer treated vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, and if such taxpayer fails to make an election under this section for his first taxable year ending after December 31, 1972, then, for purposes of section 481, such taxpayer shall be treated as having initiated a change in method of accounting with respect to vacation pay for his first taxable year ending after December 31, 1972."

(b) Clerical Amendment.—The table of sections for such subpart C is amended by adding at the end thereof the following:

"Sec. 463. Accrual of vacation pay."

(c) Certain Increases in Suspense Account Included in Gross Income.—

(1) Section 81 is amended to read as follows:

"Sec. 81. Certain Increases in Suspense Accounts.

"There shall be included in gross income for the taxable year for which an increase is required—

"(1) Certain dealers' reserves.—The amount of any increase in the suspense account required by paragraph (4)(B)(ii) of section 166(g) (relating to certain debt obligations guaranteed by dealers).

"(2) Vacation pay.—The amount of any increase in the suspense account required by paragraph (2)(B) of section 463(c) (relating to accrual of vacation pay)."

(2) The table of sections for part II of subchapter B of chapter 1 is amended by striking out the item relating to section 81 and inserting in lieu thereof the following:

"Sec. 81. Certain increases in suspense accounts.".

(d) Effective Dates.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1973.

(2) If the taxpayer maintained an account for vacation pay under section 97 of the Technical Amendments Act of 1958, as amended, for his last taxable year ending before January 1, 1973, the amendments made by this section shall apply to taxable years ending after December 31, 1972.

Sec. 5. Application of Class Life System to Real Property.

(a) General Rule.—In the case of buildings and other items of section 1250 property (within the meaning of section 1250(c) of the Internal Revenue Code of 1954) placed in service before the effective date of the class lives first prescribed by the Secretary of the Treasury or his delegate under section 167(m) of such Code for the class in which such property falls, if an election under such section 167(m) applies to the taxpayer for the taxable year in which such property is placed in service, the taxpayer may, in accordance with regulations prescribed by the Secretary of the Treasury or his delegate, elect to determine the useful life of such property—

(1) under Revenue Procedure 62–21 (as amended and supplemented) as in effect on December 31, 1970, or

(2) on the facts and circumstances.

(b) Repeal of Prior Transitional Rule.—Paragraph (1) of section 109(e) of the Revenue Act of 1971 (Public Law 92–178) is hereby repealed.

(c) Effective Date.—The amendments made by this section shall apply with respect to property placed in service after December 31, 1973.

Sec. 6. Real Estate Investment Trusts; Treatment of Foreclosure Property and Property Held for Sale to Customers

(a) Foreclosure Property.—Section 856 (defining real estate investment trust) is amended by adding at the end thereof the following new subsection:

"(e) Special Rules for Foreclosure Property.—

"(1) Foreclosure property defined.—For purposes of this part, the term 'foreclosure property' means any real property (including interests in real property), and any personal property incident to such real property, acquired by the real estate investment trust as the result of such trust having bid in such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was default (or default was imminent) on a lease of such property or on an indebtedness which such property secured.

"(2) Grace period.—Except as provided in paragraph (3), property shall cease to be foreclosure property with respect to real estate investment trust on the date which is 2 years after the date such trust acquired such property.

"(3) Extensions.—If the real estate investment trust establishes to the satisfaction of the Secretary or his delegate that an extension of the grace period is necessary for the orderly liquidation of the trust's interest in such property, the Secretary or his delegate may extend the grace period for such property. Any such extension shall be for a period of not more than 1 year, and not more than 2 extensions shall be granted with respect to any property.

"(4) Termination of grace period in certain cases.—Any foreclosure property shall cease to be such on the first day (occurring on or after the day on which the real estate investment trust acquired the property) on which—

"(A) a lease is entered into with respect to such property which, by its terms, will give rise to income which is not described in subsection (c) (3) (other than subparagraph (F) of such subsection), or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day which is not described in such subsection,

"(B) any construction takes place on such property (other than completion of a building, or completion of any other improvement, where more than 10 percent of the construction of such building or other improvement was completed before default became imminent), or

"(C) if such day is more than 90 days after the day on which such property was acquired by the real estate investment trust and the property is used in a trade or business which is conducted by the trust (otherwise than through an independent contractor (within the meaning of section (d)(3)) from whom the trust itself does not derive or receive any income).

"(5) Taxpayer must make election.—Property shall be treated as foreclosure property for purposes of this part only if the real estate investment trust so elects (in the manner provided in regulations prescribed by the Secretary or his delegate) on or before the due date (including any extensions of time) for filing its return of tax under this chapter for the taxable year in which such trust acquires such property. Any such election shall be irrevocable."

(b) Modification of Holding for Sale Rule.—Section 856(a)(4) (defining real estate investment trust) is amended by inserting after "property" the following: "(other than foreclosure property, as defined in subsection (e))".

(c) Tax on Income From Foreclosure Property.—Section 857(b) (relating to method of taxation of real estate investment trusts, etc.) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) Income from foreclosure property.—

"(A) Imposition of tax.—There is hereby imposed for each taxable year on the net income from foreclosure property of every real estate investment trust a tax determined by applying section 11 to such income as if such income constituted the taxable income of a corporation taxable under section 11. For purposes of the preceding sentence, the surtax exemption shall be zero.

"(B) Net income from foreclosure property.—For purposes of this part, the term 'net income from foreclosure property' means the excess of—

"(i) the gross income for the taxable year derived from foreclosure property (as defined in section 856(e)), but only to the extent such gross income (other than income from the sale or other disposition of property described in section 1221(1)) is not described in subparagraph (A), (B), (C), (D), or (E) of section 856(c)(3), over

"(ii) the deductions allowed by this chapter which are indirectly connected with the production of the income referred to in clause (i)."

(d) Technical Amendments.—

(1) Paragraphs (2) and (3) of section 856(c) (relating to limitations) are each amended by striking out "and" at the end of subparagraph (D), by adding "and" at the end of subparagraph (E), and by adding at the end thereof the following new subparagraph:

"(F) income derived from foreclosure property (as defined in subsection (e));"

(2) Section 857(a)(1) (relating to requirements applicable to real estate investment trusts) is amended to read as follows:

"(1) the deduction for dividends paid during the taxable year (as defined in section 561, but determined without regard to capital gains dividends) equals or exceeds the sum of—

"(A) 90 percent of the real estate investment trust taxable income for the taxable year (determined without regard to the deduction for dividends paid (as defined in section 561)); and

"(B) 90 percent of the excess of (i) the net income from foreclosure property over (ii) the tax imposed on such income by subsection (b)(4)(A), and".

(3) Section 857(b)(2) (defining real estate investment trust taxable income) is amended by adding at the end thereof the following new subparagraph:

"(F) There shall be excluded an amount equal to the net income from foreclosure property."

(4) Section 857(b)(2)(C) is amended by inserting before the period at the end thereof "and shall be computed without regard to that portion of such deduction which is attributable to the amount excluded under subparagraph (F)".

(e) Effective Date.—The amendments made by this section apply to foreclosure property acquired after December 31, 1973. Notwithstanding the provisions of section 856(e)(5) of the Internal Revenue Code of 1954 (as added by subsection (a) of this section) any taxpayer required to make an election with respect to foreclosure property sooner than 90 days after the date of enactment of this Act, may make that election at any time before the 91st day after the date of enactment of this Act.

Sec. 7. Increase in Interest Charged and Paid in Connection With Deficiencies

(a) Increase in Interest Rate.—

(1) Chapter 67 (relating to interest) is amended by adding at the end thereof the following new subchapter:

"Subchapter C—DETERMINATION OF INTEREST RATE

"Sec. 6621. Determination of rate of interest.

"Sec. 6621. Determination of Rate of Interest.

"(a) In General.—The rate of interest under sections 6601(a), 6602, 6611(a), 6332(c)(1), and 7426(g) of this title, and under section 2411(a) of title 28 is 9 percent, or such adjusted rate as is established by the Secretary or his delegate under subsection (b).

"(b) Adjustment of Interest Rate.—The Secretary or his delegate shall establish an adjusted rate of interest for the purpose of subsection (a) not later than October 15 of any year if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. Any such adjusted rate of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on February 1 of the immediately succeeding year. An adjustment provided for under this subsection may not be made prior to the expiration of 23 months following the date of any preceding adjustment under this subsection which changes the rate of interest.

"(c) Definition of Prime Rate.—For the purpose of subsection (b), the term 'adjusted prime rate charged by banks' means 90 percent of the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System."

(2) The following provisions are each amended by striking out "the rate of 6 percent per annum" and inserting in lieu thereof the following: "an annual rate established under section 6621":

(A) Section 6601(a) (relating to interest on underpayments).

(B) Section 6602 (relating to interest on erroneous refunds recoverable by suit).

(C) Section 6611(a) (relating to interest on overpayments).

(D) Section 6332(c)(1) (relating to interest with respect to failure to surrender property subject to levy).

(E) Section 7426(g) (relating to interest on judgments with respect to property wrongfully levied upon).

Section 2411(a) of title 28 of the United States Code (relating to interest on judgments for overpayments of tax) is amended by striking out "the rate of 6 per centum per annum" and inserting in lieu thereof: "an annual rate established under section 6621 of the Internal Revenue Code of 1954".

(b) Termination of Reduced Interest Rate in Certain Cases.—

(1) Certain extensions of time.—Section 6601 is amended by striking out subsection (b) (relating to extensions of time in the case of certain estates) and subsection (j) (relating to extensions of time in the case of certain expropriation lesses), and by redesignating subsections (c), (d), (e), (f), (g), (h), (i), (k), and (l) as subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j), respectively.

(2) Debt-financed property.—Section 514(b)(3)(D) (relating to interest with respect to certain unrelated debt-financed income) is amended by striking out the last sentence.

(c) Increase in Penalty for Failure To Pay Estimated Income Tax.—Section 6654(a) (relating to failure by individuals to pay estimated income tax) and sections 6655(a) and (g)(1) (relating to failure by corporations to pay estimated income tax) are each amended by striking out "the rate of 6 per centum per annum" and inserting in lieu thereof the following: "an annual rate established under section 6621".

(d) Conforming Amendments.—

(1) Section 6163(c) is amended to read as follows:

"(c) Cross Reference.—

"For authority of the Secretary or his delegate to require security in the case of an extension under this section, see section 6165."

(2) Sections 6166(g) and 6167(e) are each amended by striking out the last sentence.

(3) Sections 6166(k) and 6167(h) are each amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(4) Section 6504(15) is amended by striking out "6601(h)" and inserting in lieu thereof "6601(g)".

(5) The table of subchapters for chapter 67 is amended by adding at the end thereof the following:

"Subchapter C.—DETERMINATION OF INTEREST RATE.".

(e) Effective Date.—The amendments made by this section shall take effect on July 1, 1975, and apply to amounts outstanding on such date or arising thereafter.

Sec. 8. Interest on Certain Obligations.

(a) In General.—Section 103(a) (relating to interest on certain governmental obligations) is amended—

(1) by striking out "or" at the end of paragraph (2),

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "or', and

(3) by adding at the end thereof the following new paragraph:

"(4) qualified scholarship funding bonds.".

(b) Definition of Qualified Scholarship Funding Bonds.—Section 103 is amended by *redesignating* subsection (e) as (f), and by inserting after subsection (d) the following new subsection:

"(e) Qualified Scholarship Funding Bonds.—For purposes of subsection (a), the term 'qualified scholarship funding bonds' means obligations issued by a corporation which—

"(1) is a corporation not for profit established and operated exclusively for the purpose of acquiring student loan notes incurred under the Higher Education Act of 1965, and

"(2) is organized at the request of the State or political subdivision and required by its corporate charter and bylaws, or required by State law, to devote any income (after payment of expenses and debt service) to the purchase of additional student loan notes or to pay over any income to the State or a political subdivision thereof.".

(c) Conforming Amendments.—

(1) Section 103(d) (relating to arbitrage bonds) is amended by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following new paragraph:

"(5) Student loan incentive payments.—Payments made by the Commissioner of Education pursuant to section 2 of the Emergency Insured Student Loan Act of 1969, are not to be taken into account, for purposes of subsection (d)(2)(A), in determining yields on student loan notes.".

(2) Section 103(d) (relating to arbitrage bonds) is amended by striking out "(a)(1)" each place it appears in paragraph (1) (including the caption) and paragraph (2) and inserting in lieu thereof "(a) (1) or (4)".

(3) The caption of section 103 is amended by striking out "governmental". The table of sections for part III of subchapter B of chapter 1 is amended by striking out "governmental" where it appears in the item relating to section 103.

(d) Effective Date.—The amendments made by this section apply to obligations issued on or after the date of enactment of this Act.

Sec. 9. Interest on certain deposits, etc., in the United States.

The last sentence of section 861(c) (relating to interest on deposits, etc.) is amended by striking out "December 31, 1975," and inserting in lieu thereof "December 31, 1976,".

Sec. 10. Exclusion of interest of certain obligations issued prior to 1971.

(a) In General.—Section 861(a)(1) (relating to income from sources within the United States) is amended—

(1) by striking out "and" at the end of subparagraph (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and the word "and", and

(3) by adding at the end thereof the following new subparagraph:

"(H) interest on a debt obligation which was part of an issue which—

"(i) was part of an issue outstanding on April 1, 1971,

"(ii) was guaranteed by a United States person,

"(iii) was treated under chapter 41 as a debt obligation of a foreign obligor,

"(iv) as of June 30, 1974, had a maturity of not more than 15 years, and

"(v) when issued, was purchased by one or more underwriters for the purpose of distribution through resale.".

(b) Confronting Amendment.—The last sentence of section 2104(c) (relating to debt obligations treated as property within the United States) is amended by striking out "or section 861(a)(1)(G)" and inserting in lieu thereof a comma and "section 861(a)(1)(G), or section 861(a)(1)(H)".

(c) Effective Date.—The amendment made by subsection (a) applies to interest paid after the date of enactment of this Act, and the amendment made by subsection (b) applies with respect to estates of decedents dying after such date.

Sec. 11. Tax on Certain Income of Political Organizations.

(a) General Rule.—Subchapter F of chapter 1 (relating to exempt organizations) is amended by adding at the end thereof the following new part;

"Part VI—Political Organizations

"Sec. 527. Political organizations.

"Sec. 527. Political Organizations.

(a) General Rule.—A political organization shall be subject to taxation under this subtitle only to the extent provided in this section. A political organization shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

"(b) Tax Imposed.—

"(1) In general.—A tax is hereby imposed for each taxable year on the political organization taxable income of every political organization. Such tax shall consist of a normal tax and surtax computed as provided in section 11 as though the political organization were a corporation and as though the political organization taxable income were the taxable income referred to in section 11. For purposes of this subsection, the surtax exemption provided by section 11(d) shall not be allowed.

"(2) Alternative tax in case of capital gains.—If for any taxable year any political organization has a net section 1201 gain, then, in lieu of the tax imposed by paragraph (1), there is hereby imposed a tax (if such a tax is less than the tax imposed by paragraph (1)) which shall consist of the sum of—

"(A) a partial tax, computed as provided by paragraph (1), on the political organization taxable income determined by reducing such income by the amount of such gain, and

"(B) an amount determined as provided in section 1201(a) on such gain.

"(c) Political Organization Taxable Income Defined.—

"(1) Taxable income defined.—For purposes of this section, the political oranization taxable income of any organization for any taxable year is an amount equal to the excess (if any) of—

"(A) the gross income for the taxable year (excluding any exempt function income), over

"(B) the deductions allowed by this chapter which are directly connected with the production of the gross income (excluding exempt function income), computed with the modifications provided in paragraph (2).

"(2) Modifications.—For purposes of this subsection—

"(A) there shall be allowed a specific deduction of $100,

"(B) no net operating loss deduction shall be allowed under section 172, and

"(C) no deduction shall be allowed under part VIII of subchapter B (relating to special deductions for corporations).

"(3) Exempt function income.—For purposes of this subsection, the term 'exempt function income' means any amount received as—

"(A) a contribution of money or other property,

"(B) a membership due, fee, or assessment from a member of the political organization, or

"(C) proceeds from a political fundraising or entertainment event, or proceeds from the sale of political campaign materials, which are not received in the ordinary course of any trade or business,

to the extent such amount is segregated for use only for the exempt function of the political organization.

"(d) Certain Uses Not Treated as Income to Candidate.—For purposes of this title, if any political organization—

"(1) contributes any amount to or for the use of any political organization which is treated as exempt from tax under subsection (a) of this section,

"(2) contributes any amount to or for the use of any organization described in paragraph (1) or (2) of section 509(a) which is exempt from tax under section 501(a), or

"(3) deposits any amount in the general fund of the Treasury or in the general fund of any State or local government,

such amount shall be treated as an amount not diverted for the personal use of the candidate or any other person. No deduction shall be allowed under this title for the contribution or deposit of any amount described in the preceding sentence.

"(e) Other Definitions.—For purposes of this section—

"(1) Political organization.—The term 'political organization' means a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

"(2) Exempt function.—The term 'exempt function' means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed.

"(3) Contributions. The term 'contributions' has the meaning given to such term by section 271(b)(2).

"(4) Expenditures. The term 'expenditures' has the meaning given to such term by section 271(b)(3).

"(f) Exempt Organization Which Is Not Political Organization Must Include Certain Amounts in Gross Income.—

"(1) In general.—If an organization described in section 501(c) which is exempt from tax under section 501(a) expends any amount during the taxable year directly (or through another organization) for an exempt function (within the meaning of subsection (e)(2)), then, notwithstanding any other provision of law, there shall be included in the gross income of such organization for the taxable year, and shall be subject to tax under subsection (b) as if it constituted political organization taxable income, an amount equal to the lesser of—

"(A) the net investment income of such organization for the taxable year, or

"(B) the aggregate amount so expended during the taxable year for such exempt function.

"(2) Net investment income.—For purposes of this subsection, the term 'net investment income' means the excess of—

"(A) the gross amount of income from interest, dividends, rents, and royalties, (plus the excess (if any) of gains from the sale or exchange of assets over the losses from the sale or exchange of assets, over

"(B) the deductions allowed by this chapter which are directly connected with the production of the income referred to in subparagraph (A).

For purposes of the preceding sentence, there shall not be taken into account items taken into account for purposes of the tax imposed by section 511 (relating to tax on unrelated business income).

"(3) CERTAIN SEPARATE SEGREGATED FUNDS.—For purposes of this subsection and subsection (e)(1), a separate segregated fund (within the meaning of section 610 of title 18 or within the meaning of any similar State statute) which is maintained by an organization described in section 501(c) which is exempt from tax under section 501(a) shall be treated as a separate organization.

"(g) TREATMENT OF NEWSLETTER FUNDS.—

"(1) IN GENERAL.—For purposes of this section, a fund established and maintained by an individual who holds, has been elected to, or is a candidate (within the meaning of section 41(c)(2)) for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of such individual's newsletter shall, except as provided in paragraph (2), be treated as if such fund constituted a political organization.

"(2) ADDITIONAL MODIFICATIONS.—In the case of any fund described in paragraph (1)—

"(A) the exempt function shall be only the preparation and circulation of the newsletter, and

"(B) the specific deduction provided by subsection (c)(2)(A) shall not be allowed."

(b) REQUIREMENT OF RETURN.—Section 6012(a) (relating to persons required to make returns of income) is amended by striking out "and" at the end of paragraph (4), by inserting "and" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) Every political organization (within the meaning of section 527(e)(1)), and every fund treated under section 527(g) as if it constituted a political organization, which has political organization taxable income (within the meaning of section 527(c)(1)) for the taxable year;".

Section 6012(a) is amended by striking out the last sentence thereof.

(c) CONFORMING AMENDMENT.—Section 501(b) (relating to tax on unrelated business income and certain other activities) is amended by striking out "parts II and III" each place it appears and inserting in lieu thereof "parts II, III, and VI".

(d) CLERICAL AMENDMENT.—The table of parts for subchapter F is amended by adding at the end thereof the following new item:

"Part VI. Political Organiaztions.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), (c), and (d) shall apply to taxable years beginning after December 31, 1974.

(f) EXEMPTION FROM FILING REQUIREMENT FOR PRIOR YEARS WHERE INCOME OF POLITICAL PARTY WAS $100 OR LESS.—In the case of a taxable year beginning after December 31, 1971, and before January 1, 1975, nothing in the Internal Revenue Code of 1954 shall be demed to require any organization described in section 527(e)(1) of such Code to file a return for the taxable year under such Code if such organization would be exempt from so filing under section 6012(a)(6) of such Code if such section applied to such taxable year.

SEC. 12. EXTENSION OF EXISTING CREDIT AND DEDUCTION PROVISIONS FOR POLITICAL CONTRIBUTIONS TO CONTRIBUTIONS FOR NEWSLETTERS; TWO-YEAR RULE FOR ANNOUNCING CANDIDACY.

(a) GENERAL RULE.—Section 41(a) (relating to contributions to candidates for public office) is amended by inserting "and all newsletter fund contributions" after "all political contributions".

(b) VERIFICATION.—Section 41(b)(3) (relating to verification) is amended—

(1) by striking out "political contributions" the first place it appears and inserting in lieu thereof "political contribution or newsletter fund contribution", and

(2) by striking out "political contribution" the second place it appears and inserting in lieu thereof "contribution".

(c) DEFINITION.—Section 41(c) is amended by adding at the end thereof the following new paragraph:

"(5) NEWSLETTER FUND CONTRIBUTION.—The term 'newsletter fund contribution' means a contribution or gift of money to a fund established and maintained by an individual who holds, has been elected to, or is a candidate for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of a newsletter."

(d) CONFORMING AMENDMENTS IN DEDUCTIONS PROVISION.—Section 218 (relating to contributions to candidates for public office) is amended—

(1) by inserting "or newsletter fund contribution (as defined in section 41(c)(5))" after "section 41(c)(1)" in subsection (a); and

(2)(A) by striking out "political contribution" the first place it appears in subsection (b)(2) and inserting in lieu thereof "political contribtuion" or newsletter fund contribution"; and

(B) by striking out "political contribution" the second place it appears in subsection (b)(2) and inserting in lieu thereof "contribution".

(e) TWO-YEAR RULE FOR ANNOUNCING CANDIDACY.—Section 41(c)(2)(A) (defining candidate) is amended by striking out "has publicly announced" and inserting in lieu thereof "publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 1974, in taxable years ending after such date.

SEC. 13. TRANSFER OF APPRECIATED PROPERTY TO POLITICAL ORGANIZATIONS.

(a) INCLUSION IN GROSS INCOME OF TRANSFEROR.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 84. TRANSFER OF APPRECIATED PROPERTY TO POLITICAL ORGANIZATION.

"(a) GENERAL RULE.—If—

"(1) any person transfers property to a political organization, and

"(2) the fair market value of such property exceeds its adjusted basis,

then for purposes of this chapter the transferor shall be treated as having sold such property to the political organization on the date of the transfer, and the transferor shall be treated as having realized an amount equal to the fair market value of such property on such date.

"(b) BASIS OF PROPERTY.—In the case of a transfer of property to a political organization to which subsection (a) applies, the basis of such property in the hands of the political organization shall be the same as it would be in the hands of the transferor, increased by the amount of gain recognized to the transferor by reason of such transfer.

"(c) POLITICAL ORGANIZATION DEFINED.—For purposes of this section, the term 'political organization' has the meaning given to such term by section 527(e)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following:

"Sec. 84. Transfer of appreciated property to political organizations."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to transfers made after May 7, 1974, in taxable years ending after such date.

(c) NONRECOGNITION OF GAIN OR LOSS WHERE ORGANIZATION SOLD CONTRIBUTED PROPERTY BEFORE AUGUST 2, 1973.—In the case of the sale or exchange before August 2, 1973, by an organization described in section 527(e)(1) of the Internal Revenue Code of 1954 of property which such organization acquired by contribution (within the meaning of section 271(b)(2) of such Code), no gain or loss shall be recognized by such organization.

SEC. 14. GIFT TAX NOT TO APPLY TO CONTRIBUTIONS TO POLITICAL ORGANIZATIONS.

(a) IN GENERAL.—Section 2501(a) (relating to taxable transfers for purposes of the gift tax) is amended by adding at the end thereof the following new paragraph:

"(5) TRANSFERS TO POLITICAL ORGANIZATIONS. Paragraph (1) shall not apply to the transfer of money or other property to a political organization (within the meaning of section 527(e)(1)) for the use of such organization."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers made after May 7, 1974.

Mr. LONG. Mr. President, I yield myself 3 minutes.

Mr. President, the tax reform bill that the Committee on Ways and Means has been considering during this Congress is not going to be sent to us this year. It also appears that the House will not be sending over the smaller tax bill reported out by the Ways and Means Committee. There are several tax matters, however, on which the Committee on Finance believes immediate action is needed this year rather than having them held over until next year for consideration in connection with tax reform legislation. The committee favorably considered those tax matters which it believed were needed now either to take into account serious problems with existing tax provisions or where provisions had expiration dates in 1975 which the committee believed should be extended through next year in order to allow an examination next year of the policies involved affecting the areas. As a result, the committee reported out a bill which includes a series of tax amendments the committee believes are not controversial and do require action this year.

The House-passed bill, H.R. 421, amended the tariff schedules of the United States to make duty-free imports of upholstery regulators, upholsterer's regulated needles and pins. The committee's bill is a substitute for the provisions of the House bill and includes the House-passed provision relating to the duty-free importation of upholstery regulators and upholsterer's needles and pins as well as the tax amendments.

The first tax provision in the committee's substitute bill extends for 1 additional year through December 31, 1975, four 5-year amortization provisions. These four provisions are: First, rehabilitation of low- and moderate-income housing; second, pollution control facilities; third, railroad rolling stock; and fourth, certain coal mine safety equipment.

The committee believes it is desirable to extend these four amortization provisions through next year in order to afford the committee time to examine the question as to how much longer each provision should be continued.

The second tax provision deals with the tax treatment of accrued vacation pay. The Congress has been continuing the temporary treatment in this area pending a permanent solution. Since the last extension expired in 1973 and a permanent solution has been worked out, the committee believes it is appropriate to provide this permanent treatment now rather than just continue the tentative treatment. The new rules allows an employer to take a deduction in the case of accrued vacation pay which, except for contingencies such as termination of employment before vacation time arrives, has already been earned by the employees. Special rules are provided to prevent a doubling up of deductions in certain cases because of the rules in the past.

The third tax provision relates to the application of the class life system to real property. Present law provides that after 1973, the class life system, sometimes referred to as the asset depreciation range or the ADR provision, is to apply to real estate. Since the Treasury has not as yet devised a satisfactory class life system for real estate, the ADR system for it would be unworkable. As a result, the committee bill provides that the ADR system is not to apply to real estate until such time as the Treasury Department develops regulations on a class life system for real estate.

The fourth tax provision included in the committee's bill deals with the tax treatment of real estate investment trusts. A series of revisions have been proposed for the tax treatment of real estate investment trusts to take into account the current practices and economic problems of the industry. However, the committee dealt only with the most pressing current problems of the industry, those relating to the treatment of foreclosure property. The committee's bill, in general, provides that a trust is not to be denied REIT status because of income that it receives from foreclosure property.

The fifth tax provision increases the interest rate paid by taxpayers on tax deficiencies and the Government on tax overpayments from 6 to 9 percent per year. In addition, the committee has provided a procedure to update this interest rate in the future to keep it in line with changes in money market rates.

The sixth provision deals with the tax treatment of student loan funding programs. The committee's bill includes in the list of tax-exempt obligations qualified scholarship funding bonds. This is to cover student loan programs which are financed by nonprofit higher education authorities, as requested by governmental units, even though bonds issued by the education authority do not constitute State or local government bonds.

The seventh tax provision deals with the exclusion from gross income from interest on U.S. bank deposits held by foreign persons. The present exemption from the 30-percent withholding tax for interest received by foreign persons from certain deposits in banks or other accounts, such as with savings and loan institutions, expires as of December 31, 1975. The committee's bill extends the termination of this provision for 1 additional year to December 31, 1976, to prevent during 1975 an outflow of funds held as certificates of deposits with U.S. savings institutions. The committee intends to review next year U.S. tax policies affecting all such types of investments.

The eighth tax provision deals with a problem which arose under the interest equalization tax. Under those provisions companies could issue debt obligations and not have the interest on them subject to the withholding tax. In order to obtain these benefits for debt obligations existing at the time of enactment of this provision, the companies were required to assume the obligations of their financing subsidiaries. However, this would cause the financing subsidiary to realize income from the discharge of indebtedness. The action taken, with respect to these obligations exempts the interest income on these obligations from tax and excludes them for estate tax purposes where they were held by foreigners. The committee's provision covers this problem.

The final committee tax provision modifies the tax treatment of political organizations in several major respects. The provisions have the effect of generally making political parties or committees, and separate campaign funds, tax exempt, not taxing them on any contributions they receive, but taxing them on investment and business income. At the same time, it prevents avoidance of tax by individuals by taxing them on any unrealized appreciation attributable to their contributions. It also makes clear that campaign contributions in reality are not a gift, but rather constitute contributions to further the general political or good government objectives of the donor.

In addition, the provision allows the present law credit or deduction for campaign contributions in the year before a person announces his candidacy as well as in the year that he has announced that he is a candidate for the office. Finally, the changes also deal with existing problems in connection with newsletter funds and technical difficulties arising in the case of the presently deductible or creditable political contributions.

The PRESIDING OFFICER. The Senator yielded himself 5 minutes. He has used 8 minutes.

Mr. LONG. I yield myself 2 more minutes.

Mr. President, I asked the pages to lay on each Senator's desk a copy of the committee report on H.R. 421. I would urge Senators to carefully consider the committee report before them. Senators may wish to amend or to change some part of what the committee has recommended. However, the committee recognizes that without a rule of germaneness, this bill could very easily become what is known as a Christmas tree bill, because other Senators would like to offer various and sundry provisions to the bill, some more controversial than these, but nonetheless meritorious provisions that we would like to see enacted.

But the addition of provisions more controversial than these, we feel, would mean that the measure would not become law. In the hopes that we could act in the areas where the Senate would be willing to act, we hope that the Senate will follow the precedent that it set with regard to the trade bill and the social services bill, and vote cloture on the bill so as to limit us to a rule of germaneness. This will make it possible for us to enact this measure, as proposed by the committee, at least to the extent that the House of Representatives is willing to support measures that the Ways and Means Committee has already recommended to it, when it meets with us in conference to discuss this measure.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. ROTH. I ask for 3 minutes.

Mr. FANNIN. I yield the Senator 3 minutes.

Mr. ROTH. Mr. President, I wish to register my very serious and total disappointment that this bill contains no provisions with respect to taxation of the oil companies. It had been my understanding that this legislation would include a provision that would make it possible to enact a $400 million tax upon the oil companies. During the discussions while I was in the Finance Committee meeting on Saturday, I thought there had been general agreement that this should be done, working out certain details that would protect certain small companies that might have been unintentionally hurt.

I think it is only fair to point out that the American people have expected action in this area. The administration in the past has come out in support of modifying the taxes in this area. It is well over a year ago since discussions began that there should be some kind of a tax on windfall profits made by the oil companies.

It is my understanding that both the Democratic and Republican Parties have come out and stated that it is essential that something be done in this area. I recognize that the kind of changes that I feel are essential could not have been accomplished, that it would have been filibustered in the Senate, and that no tax at all would have occurred; but it was my understanding that we would at least adopt provisions that would enable us to get something like $400 million in additional revenue for the current fiscal year.

Admittedly, this is a small step, but one of extreme importance, Mr. President, this year, when we are having such serious fiscal problems. I reemphasize that we should take action and try to get at least this minimum amount of taxation of $400 million from oil companies. This money can go a long way in helping pay for extra workmen's compensation and other programs to help get our economy moving.

I ask the chairman why this is not possible, because it was my understanding in the Finance Committee that this legislation would contain provisions to obtain $400 million tax revenue from the oil industry.

Mr. LONG. Mr. President, as the Senator perhaps knows, the Senator from Louisiana urged that we should recommend this additional $400 million of taxes on the American oil companies doing business overseas, and at one time I was very hopeful that we could obtain unanimous agreement in the committee to recommend it. I felt that if the committee recommended it we could prevail upon the Senate to limit its taxing activity in this Congress to that amount, as suggested by the Committee on Ways and Means.

Unfortunately, there were some Members who wanted to reserve judgment on the matter until after they had had a chance to think it over and look into the matter more fully. We came back after lunch and, at that time, I was informed that they felt that this matter should be more thoroughly considered and thus were compelled to object to it at that time.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. LONG. I yield myself 2 minutes.

So we felt that we had little choice then; at least, we felt if we were going to get this bill enacted it would be better for us to follow a rule of unanimity within the committee. At this late date in Congress, it does not take but a very few Senators—sometimes no more than one—to prevent the Senate from acting on a measure.

Because there would certainly be some objection—if there were objections within the committee—we could anticipate there would be even more objections on the Senate floor and, therefore, we did not add this to the bill.

I would say to the Senator, if cloture is voted and this measure passes, and we vote what we have here, there are at least two other revenue bills that would be on the calendar, and one could offer, if he wished, the amendment the Senator has in mind to one of those measures.

Mr. ROTH. Well, Mr. President, I would just like to——

Mr. LONG. Personally, I would like to see us pick up at least this $400 million. But also I would like to see us do whatever we can do to pass this bill. I would not like to see us fail to achieve anything because we tried to do more than we could achieve in this Congress on this particular bill.

Mr. ROTH. Mr. President, I would just like to say I would favor this tax legislation, if it had contained provisions to secure an additional $400 million revenue which it was my understanding it was suppose to contain. That was the very least we could do—the current year and even that is too little and too late.

I feel it is a mistake, it is inconceivable in view of under our our serious fiscal crisis, that we do not secure this $400 million, and for that reason to urge my colleagues to vote against cloture. If cloture is not voted, then we will have another opportunity to obtain these minimum oil tax provisions.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. ROTH. I would be happy to yield.

Mr. CURTIS. I want to commend the Senator for his concern about the revenue receipts of our country.

I, too, am concerned about that, and I had felt there should be some additional revenue from the oil industry.

I do not share the view of those who would go to extremes and cripple it so we could not use oil. I am particularly anxious about preserving all the incentives to produce oil domestically.

As I understand the proposal that was before the committee, it related to income of 1974. There may be some doubt about our ability to levy a tax on that next year, although I think there is some precedent for retroactive tax measures of that kind.

It is regrettable that, in view of all the discussion concerning further and more reveneus from the oil industry, the House of Representatives has failed to send us a bill. It results in actions such as we have before us in the closing days of Congress under procedures and arrangements that I do not believe anyone regards as satisfactory.

While I am certainly not going to endorse sight unseen every proposal for a tax on the oil industry, I do think that we missed an opportunity here to collect some revenue which those who had been liable for it rather anticipated they would have to pay.

Mr. ROTH. Mr. President, may I have 2 more minutes?

Mr. CURTIS. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 25 minutes.

Mr. CURTIS. I yield 10 minutes.

Mr. ROTH. I would just like to state once again that, very frankly, what we discussed last Saturday did not go as far as I thought it should in the area of a tax reform on the oil industry, but I also recognized that the opportunity was limited as to what we could do, and I thought there was unanimity in the Finance Committee on that we would try to bring into the Federal Treasury at least an additional $400 million.

Subsequently, this was changed, and I think it is wrong. I, for one, think that the debate on this legislation should not be cut off by cloture and, for that reason, as I indicated earlier, I will oppose cloture and I hope that I can persuade my colleagues to join me.

In answer to earlier comments, I want to say that what concerns me is that if this bill is not amended to include oil tax reform, I believe 1974 profits will go untapped. As I hope I am wrong, but I think the chairman himself said in the Committee on Finance, that the oil industry has made profits of something like $13 billion, and that the American tax they paid has amounted to roughly only 5 percent; is the correct, Mr. Chairman?

Mr. LONG. I do not have the exact figures at my fingertips at this moment. I understand that they made more profits than they ever made before, and most of it was in foreign oil.

Mr. ROTH. Foreign oil, that is right.

I understand that these companies pay very little American taxes unlike other American companies. What concerns me is if we do not tax this year, what the Senator from Nebraska has pointed out may be correct, but it is going to be very difficult to retroactively go back and apply taxes against these companies the following year.

So that it does seem to me of the greatest importance that the Senate reject cloture at this time so that the Committee on Finance can meet once more and see if it could not be worked out that we will at least gain $400 million in taxes to help the Federal Government at this time.

Mr. LONG. Mr. President, if the Senator will yield——

Mr. ROTH. I would be happy to yield.

Mr. LONG. We will have at least two other revenue bills that we will call up and which we are not seeking to move under a cloture vote. The Senator can offer his amendment on one of those and, so far as this Senator is concerned, I would be inclined to vote for it.

My only concern with this bill is that it may be that if we added the amendment to the bill, it might cause the bill not to pass.

For example, we have a bill involving prisoners-of-war which picked up an amendment which, I think, was not really as meritorious as the one the Senator is discussing. After the amendment passed, the progress of that bill suddenly came to an end. It was committed to the committee and now it is back on the floor again after the committee reviewed the floor amendments.

So far as this Senator is concerned, he would just hope that we would not be prevented from passing something which we think we have almost unanimous agreement by the Senate merely because we are unable to act in some area.

I would be perfectly content for the Senator to offer his amendment on one of those other two revenue bills, and we will just see what happens to them.

Mr. ROTH. I appreciate that. But the fact remains that this is the tax reform legislation, and I think realistically if anything is to be done it has to be done on this bill.

I would like to read a statement by the distinguished Senator from Washington (Mr. JACKSON) who pointed out on December 2, 1974, that the aggregate effective U.S. income tax rate for the 5 years on the oil companies ranged from 3.9 percent to 6.74 percent.

Subsequently, he pointed out that in 1972 General Motors—and certainly the automobile industry is badly depressed today—was paying an effective rate of 44.6 percent, General Electric 39.5 percent. I could go on and on.

I want to make it very clear that I would like to see this tax reform legislation go through. But I think there is ample time and ample opportunity to see that that is done, plus the assurance that we get a minimum of additional revenue from the oil companies of $400 million and, for that reason, I will, as I said, try to prevail on my colleagues to vote against cloture at this time.

Mr. HANSEN. Mr. President, I appreciate the interest and concern of the valued member of the Committee on Finance, the Senator from Delaware (Mr. ROTH).

It was I, I think, who was responsible for the exclusion of this particular amendment when the Senate Committee on Finance reported those things upon which the chairman and others felt unanimous agreement could be achieved.

I might say parenthetically that in a spirit of compliance I want along with some provisions, as the chairman knows very well, that were disturbing to me, but I recognized that if we were to have any movement at all, any significant progress this year, it was incumbent upon each of us to make some accommodation and I was happy to do that.

I must say, though, that I think we would be very derelict, we would be exceeding cavalier if we were to attempt to pass the kind of legislation that the distinguished Senator from Delaware now calls for without ever having had a single hearing on it.

It is one thing to read the papers, and all of us do. It is another thing to believe that everything we read in the papers is true, and many of us do not.

I certainly want to have the oil companies, the industry that accounts not only for a major share of the energy we use in the United States but which is available worldwide, given the opportunity to tell its side of the story.

It was in that spirit that I observed to the chairman that if this particular provision was contained in the bill, I would have to abstain in withholding my approval of the conference report and that I would not support cloture.

Mr. LONG. Will the Senator yield?

Mr. HANSEN. I am happy to yield.

Mr. LONG. Part of the problem is that if we proceed to try to obtain this much revenue at this late date, there are others who think we ought to put a lot more taxes on the oil companies and that this amendment would be subject to amendments which could increase the tax even after cloture is voted.

Mr. HANSEN. Yes.

Mr. LONG. This could increase the impact fourfold or even tenfold on the companies.

So when one gives consent to vote cloture on a matter of that sort, he has to anticipate what will happen when cloture is voted. Although germaneness is required, if the committee had added this amendment it would have made available to those who wanted to place a great deal more taxes on the oil companies the opportunity to do so by amendments to the amendment, which would be completely in order and germane to it.

Mr. HANSEN. Mr. President, I appreciate the observations by the distinguished chairman of the Committee on Finance, he is exactly right.

It certainly was my understanding and I think the realization of most members on the committee that precisely the sort of scenario he has just outlined could very well have been followed and could have been implemented right on this floor.

It is one thing to say, well, $400 million is not very much. It is quite another thing to say that we will go the full gamut and include anything anybody has suggested that might be done to the oil industry.

It is another thing to imply that there is no difference between segments of the oil industry.

I think most people who are knowledgeable understand and realize, although they may not agree with me in wanting to have the entire industry given an opportunity to appear and to present its side of the case, many people do recognize that the independents in this country, those persons responsible for 75 percent to 85 precent of all the discoveries within the continental United States, are the ones who would be hurt, and hurt badly, if some of the proposals that have been made to use a meat ax on the industry were now to be applied.

For precisely these reasons, I felt that it was ill-advised to let this amendment be presented and to vote it out, as has been suggested by the Senator from Delaware, because it would open up the whole floodgate and we would have no idea where it might end.

I appreciate the restraint that the chairman of the committee exercised in displaying the good judgment he did in trying to keep this package down to those items upon which most Senators—he thinks and I agree—could agree, and I think very wisely we did not include a whole array of items that could have resulted in a regular Christmas tree being made of this bill and no action taken at all. I compliment the chairman for it.

Mr. LONG. Will the Senator yield?

Mr. HANSEN. Yes, I yield.

Mr. ROTH. Mr President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. On whose time are we?

Mr. LONG. Mr. President, I will yield the Senator time.

But there is this to be said about the matter, this tax reform measure in the House appeared to be dead in the House Rules Committee, and apparently the reason is that although the House might be willing to vote for the tax reform proposal, that there are many in the House who feel that the bill does not provide enough taxes on the oil industry. They would like to add more. Because of the dispute between those who wish to tax the industry perhaps $400 or $500 million and those who wish to tax the industry $3 billion or $4 billion, they cannot come to terms and many of our liberal friends in the House felt that they did not want to permit a measure of the sort we have been discussing to be even voted on in the House unless they have the right to amend it to greatly increase the amount of tax involved.

Mr. ROBERT C. BYRD. Will the Senator yield 2 minutes?

Mr. LONG. Yes.

GENERAL ACCOUNTING OFFICE ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 3013.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> A bill (S. 3013) to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes, reported with amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

The Senate proceeded to consider the bill which had been reported from the Committee on Government Operations with amendments, on page 2, in line 21, strike out "(a)".

On page 2, at the end of line 22, strike out "amended" and insert "amended:".

On page 2, line 24, strike out "by" and insert "By".

On page 3, in line 4, strike out "by the executive agency or agencies designated by the Director of the Office of Management and Budget," and insert "by the General Services Administration, or his designee. The".

On page 3, beginning with line 16, strike out:

> (b) Section 322 of the Transportation Act of 1940, as amended (49 U.S.C. 66), is further amended by deleting from the second proviso of subsection (a) the words "the General Accounting Office" in the two places where they appear and substituting therefor in the first place the words "the executive agency or agencies designated by the Director of the Office of Management and Budget," and in the second place the words "such executive agency".

On page 3, beginning with line 24, insert:

> (2) In the second proviso of subsection (a), by striking out "cognizable by the General Accounting Office" and by striking out "received in the General Accounting Office" and inserting in lieu of the latter "received in the General Services Administration, or by his designee"; and

On page 4, beginning with line 5, strike out:

> (c) Section 322 of the Transportation Act of 1940, as amended (49 U.S.C. 66), is further amended by redesignating the present subsection "(b)" as subsection "(c)", the present subsection "(c)" as subsection "(d)", and inserting the following new subsection (b):

On page 4, beginning with line 10, insert:

> (3) By redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting the following new subsection (b):

On page 4, in line 16, strike out "executive agency designated by the Director of the Office of Management and Budget: *Provided, however,* That such" and insert "General Services Administration, or his designee. Such".

On page 4, beginning with line 25, strike out:

Sec. 202. (a) Incident to the transfer of functions to an executive agency under section 801 of this Act, there shall be transferred to such agency such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Comptroller General and the Director of the Office of Management and Budget, after consultation with the agency concerned, shall jointly determine.

(b) The transfer of personnel pursuant to subsection (a) of this section shall be without reduction in classification or compensation for one year after such transfer.

On page 5, beginning with line 10, insert:

Sec. 202. (a) Incident to the transfer of functions pursuant to the amendments made by section 201 of this Act, there shall be transferred to the General Services Administration such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Comptroller General and the Director of the Office of Management and Budget shall jointly determine after consultation with the Administrator of General Services and, with respect to personnel, with the Chairman of the United States Civil Service Commission.

(b) Personnel transferred pursuant to subsection (a) of this section shall not be reduced in classification or compensation for two years after such transfer, except for cause. After such two-year period, each person transferred pursuant to subsection (a) shall be subject to the provisions of section 5337 of title 5, United States Code, as if such person had continued to be an employee of the General Accounting Office.

On page 6, beginning with line 3, strike out:

Sec. 203. The transfer of functions authorized by sections 201 and 202 of this Act shall be fully effected not later than July 1, 1976.

On page 6, beginning with line 6, insert:

Sec. 203. (a) The transfer of functions and personnel under this title shall be effective on such date as is mutually determined by the Comptroller General of the United States and the Administrator of General Services, but not earlier than October 1, 1975, and not later than September 30, 1976.

(b) Upon the enactment of this Act the Comptroller General of the United States shall establish and carry out a continuing program of personnel development and improvement applicable to the personnel who will be transferred under this title. Such program shall include provisions for training, career development and counseling services, a review of equal employment opportunity problems and the taking of corrective action, where appropriate, and any restructuring, reclassification, and redesigning of positions necessary to effectuate a full and adequate transfer of the functions as provided for under this title.

(c) At least sixty days prior to the effective date determined under subsection (a), the Administrator of General Services shall establish a detailed plan for the transfer of functions and personnel under this title and shall publish such plan in the Federal Register. Such plan shall be based on a thorough survey of the availability of transportation to any new location for functions and personnel transferred and of the availability of parking facilities and food, health, and other services for personnel transferred, and shall include a detailed description of a personnel development program to be conducted by the Administrator of General Services to assure the establishment and maintenance of procedures which guarantee equal employment opportunities, promotion opportunities, employment and career counseling, and training and career development for personnel who are transferred.

(d) Six months after the date of the transfer of the personnel and functions under this title, the Administrator of the General Services Administration shall make a report to the Congress as to actions which he has taken to implement such plan and the transfer of such personnel and functions thereunder.

On page 7, beginning with line 22, strike out:

Sec. 301. (a) The operations of nonappropriated funds and related activities within the executive branch, such as the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, and Exchange Councils of the National Aeronautics and Space Administration, the systems of accounting and internal controls and any internal or independent audits or reviews of such funds and activities, unless otherwise provided by law, shall be subject to review by the Comptroller General of the United States in accordance with such principles and procedures and under such rules and regulations as he may prescribe. The Comptroller General and his duly authorized representatives shall have access to such books, accounts, records, documents, reports, files, and other papers, things, or property relating to such funds and activities as are deemed necessary by the Comptroller General.

On page 8, beginning with line 13, insert:

Sec. 301. (a) The (1) operations and funds (including central funds) of nonappropriated fund and related activities authorized or operated by an executive agency to sell merchandise or services to military or other Government personnel and their dependents, such as the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, Exchange Councils of the National Aeronautics and Space Administration, commissaries, clubs, and theaters, (2) systems of accounting and internal controls of such funds and activities, and (3) any internal or independent audits or reviews of such funds and activities shall, unless otherwise provided by law, be subject to review by the Comptroller General of the United States in accordance with such principles and procedures and under such rules and regulations as he may prescribe. The Comptroller General and his duly authorized representatives shall have access to those books, accounts, records, documents, reports, files, and other papers, things, or property relevant to funds and activities within this subsection as are deemed necessary by the Comptroller General.

On page 9, beginning with line 8, strike out:

(b) To aid the Comptroller General in planning audits or reviews under subsection (a) of this section, each nonappropriated fund activity within the executive branch of the Government shall furnish to the Comptroller General at such times and in such form as he shall require an annual report of the operations of such activity, including an annual statement of financial operations, financial condition, and cash flow.

On page 9, beginning with line 16, insert:

(b) When required by the Comptroller General for such nonappropriated fund and related activities with gross receipts from sales of more than $100,000 a year as he may designate by class, or upon specific request of the Comptroller General in any other case, each executive agency shall furnish promptly a copy of the annual report of any nonappropriated fund or related activity referred to in subsection (a). If such information is not included in any activity's annual report, such agency shall also furnish a statement showing the yearly financial operations, financial condition, and cash flow, and such other annual information relating to the activity as may be agreed upon by the Comptroller General and the head of the executive agency concerned.

On page 10, beginning with line 7, strike out:

Sec. 401. (a) The Comptroller General is authorized to employ not to exceed ten experts on a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed the rate for level V of the Executive Schedule (5 U.S.C. 5316).

(The provisions of sections 3323(a), 5532, and 8344 of title 5, United States Code, and any other law prohibiting or limiting the reemployment of retired officers or employees or the simultaneous receipt of compensation and retired pay or annuities shall not apply to individuals employed as experts or consultants under subsection (a) of this section.

On page 10, beginning with line 20, insert:

Sec. 401. The Comptroller General may employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for persons in the Government service employed intermittently. Ten such experts or consultants may be employed for periods not in excess of three years.

On page 11, beginning with line 5, strike out:

Sec. 501. Notwithstanding any other provision of law, the Comptroller General shall have exclusive custody and control over the General Accounting Office Building, including the operation, maintenance, repairs, alterations, and assignment of space therein. The Comptroller General and the head of any Federal agency may enter into agreements for space to be occupied in the General Accounting Office Building by such agency at such rates as may be agreed upon. Amounts received by the General Accounting Office pursuant to such agreements will be deposited to the appropriation initially charged for providing operation, maintenance, repair, and alteration services with respect to such space. The Comptroller General is authorized to lease buildings or parts of buildings in the District of Columbia (without regard to section 34 of title 40, United States Code) or elsewhere for the use of the General Accounting Office for a period not to exceed ten years.

On page 11, beginning with line 22, insert:

Sec. 501. (a) The Comptroller General of the United States shall be entitled to the use of such space in the General Accounting Office Building as he determines to be necessary, and the head of any Federal agency which exercises authority over such building shall provide the Comptroller General with such space within the building as the Comptroller General determines to be necessary.

(b) Notwithstanding any other provision of law, during the one-year period beginning on the date of enactment of this Act, the Administrator for General Services may contract for the rent of a building in the District of Columbia to the extent necessary to secure an amount of space equal to the amount of space which the Administrator makes available to the Comptroller General of the United States during such one-year period under the provisions of subsection (a).

On page 12, in line 18, strike out "January 1, 1973," and insert "July 1, 1974.".

On page 13, in line 5, strike out "January 1, 1973," and insert "July 1, 1974,".

On page 15, in line 12, strike out "(c)" and insert "(e)".

On page 15, in line 15, strike out "(c)" and insert "(e)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "General Accounting Office Act of 1974".

TITLE I—STATISTICAL SAMPLING PROCEDURES IN THE EXAMINATION OF VOUCHERS

Sec. 101. Subsection (a) of Public Law 88–521, approved August 30, 1964 (31 U.S.C. 82b–1(a)), is amended to read:

"(a) Whenever the head of any department or agency of the Government or the Commissioner of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioner may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers not exceeding such amounts as may from time to time be prescribed by the Comptroller General of the United States; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure: *Provided,* That such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General. The Comptroller General shall include in his reviews of accounting systems an evaluation of the adequacy and effectiveness of procedures estabished under the authority of this Act,".

TITLE II—AUDIT OF TRANSPORTATION PAYMENTS

Sec. 201. Section 322 of the Transportation Act of 1940, as amended (49 U.S.C. 66), is further amended:

(1) By deleting from subsection (a) the first sentence thereof and substituting therefor the following:

"Payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor prior to audit by the General Services Administration, or his designee. The right is reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder. This does not affect the authority of the General Accounting Office to make audits in accordance with the Budget and Accounting Act, 1921, as amended (31 U.S.C. 41), and the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 65).".

(2) In the second proviso of subsection (a), by striking out "cognizable by the General Accounting Office" and by striking out "received in the General Accounting Office" and inserting in lieu of the latter "received in the General Services Administration, or by his designee"; and

(3) By redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting the following new subsection (b):

"(b) Nothing in subsection (a) hereof shall be deemed to prevent any carrier or forwarder from requesting the Comptroller General to review the action on his claim by the General Services Administration, or his designee. Such request shall be forever barred unless received in the General Accounting Office within six months (not including in time of war) from the date the action was taken or within the periods of limitation specified in the second proviso in subsection (a) of this section, whichever is later.".

Sec. 202. (a) Incident to the tranfer of functions pursuant to the amendments made by section 201 of this Act, there shall be transferred to the General Services Administration such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Comptroller General and the Director of the Office of Management and Budget shall jointly determine after consultation with the Administrator of General Services and, with respect to personnel, with the Chairman of the United States Civil Service Commission.

(b) Personnel transferred pursuant to subsection (a) of this section shall not be reduced in classification or compensation for two years after such transfer, except for cause. After such two-year period, each person transferred pursuant to subsection (a) shall be subject to the provisions of section 5337 of title 5, United States Code, as if such person had continued to be an employee of the General Accounting Office.

Sec. 203. (a) The transfer of functions and personnel under this title shall be effective on such date as is mutually determined by the Comptroller General of the United States and the Administrator of General Services, but not earlier than October 1, 1975, and not later than September 30, 1976.

(b) Upon the enactment of this Act the Comptroller General of the United States shall establish and carry out a continuing program of personnel development and improvement applicable to the personnel who will be transferred under this title. Such program shall include provisions for training, career development and counseling services, a review of equal employment opportunity problems and the taking of corrective action, where appropriate, and any restructuring, reclassification, and redesigning of positions necessary to effectuate a full and adequate transfer of the functions as provided for under this title.

(c) At least sixty days prior to the effective date determined under subsection (a), the Administrator of General Services shall etsablish a detailed plan for the transfer of functions and personnel under this title and shall publish such plan in the Federal Register. Such plan shall be based on a thorough survey of the availability of transportation to any new location for functions and personnel transferred and of the availability of parking facilities and food, health, and other services for personnel transferred, and shall include a detailed description of a personnel developmental program to be conducted by the Administrator of General Services to assure the establishment and maintenance of procedures which guarantee equal employment opportunities, promotion opportunities, employment and career counseling, and training and career development for personnel who are transferred.

(d) Six months after the date of the transfer of the personnel and functions under this title, the Administrator of the General Services Administration shall make a report to the Congress as to actions which he has taken to implement such plan and the transfer of such personnel and functions thereunder.

TITLE III—AUDIT OF NONAPPROPRIATED FUND ACTIVITIES

Sec. 301. (a) The (1) operations and funds (including central funds) of nonappropriated fund and related activities authorized or operated by an executive agency to sell merchandise or services to military or other Government personnel and their dependents, such as the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, Exchange Councils of the National Aeronautics and Space Administration, commissaries, clubs, and theaters, (2) systems of accounting and internal controls of such funds and activities, and (3) any internal or independent audits or reviews of such funds and activities shall, unless otherwise provided by law, be subject to review by the Comptroller General of the United States in accordance with such principles and procedures and under such rules and regulations as he may prescribe. The Comptroller General and his duly authorized representatives shall have access to those books, accounts, records, documents, reports, files, and other papers, things, or property relevant to funds and activities within this subsection as are deemed necessary by the Comptroller General.

(b) When required by the Comptroller General for such nonappropriated fund and related activities with gross receipts from sales of more than $100,000 a year as he may designate by class, or upon specific request of the Comptroller General in any other case, each executive agency shall furnish promptly a copy of the annual report of any nonappropriated fund or related activity referred to in subsection (a). If such information is not included in any activity's annual report, such agency shall also furnish a statement showing the yearly financial operations, financial condition, and cash flow, and such other annual information relating to the activity as may be agreed upon by the Comptroller General and the head of the executive agency concerned.

TITLE IV—EMPLOYMENT OF EXPERTS AND CONSULTANTS

Sec. 401. The Comptroller General may employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for persons in the Government service employed intermittently. Ten such experts or consultants may be employed for periods not in excess of three years.

TITLE V—GENERAL ACCOUNTING OFFICE BUILDING

Sec. 501. (a) The Comptroller General of the United States shall be entitled to the use of such space in the General Accounting Office Building as he determines to be necessary, and the head of any Federal agency which exercises authority over such building shall provide the Comptroller General with such space within the building as the Comptroller General determines to be necessary.

(b) Nothwithstanding any other provision of law, during the one-year period beginning on the date of enactment of this Act, the Administrator for General Services may contract for the rent of a building in the District of Columbia to the extent necessary to secure an amount of space equal to the amount of space which the Administrator makes available to the Comptroller General of the United States during such one-year period under the provisions of subsection (a).

TITLE VI—AUDITS OF GOVERNMENT CORPORATIONS

AMENDMENTS TO THE GOVERNMENT CORPORATION CONTROL ACT

Sec. 601. (a) Section 105 of the Government Corporation Control Act (31 U.S.C. 850) is amended by adding thereto the following sentence: "Effective July 1, 1974, each wholly owned Government corporation shall be audited at least once in every three years.".

(b) The first sentence of section 106 of such Act (31 U.S.C. 851) is amended to read as follows: "A report of each audit conducted under section 105 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

(c) Section 202 of such Act (31 U.S.C. 857) is amended by adding thereto the following sentence: "Effective July 1, 1974, each mixed-ownership Government corporation shall be audited at east once in every three years.".

(d) The first sentence of section 203 of such Act (31 U.S.C. 858) is amended to read as follows: "A report of each audit conducted under section 202 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 602. (a) Section 17(b) of the Federal Deposit Insurance Act (12 U.S.C. 1827(b)) is amended by adding thereto the following sentence: "The Corporation shall be audited at least once in every three years.".

(b) The first and second sentences of section 17(c) of such Act (12 U.S.C. 1827(c)) are deleted and the following is inserted in their place: "A report of each audit conducted under subsection (b) of this section shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO FEDERAL CROP INSURANCE ACT

SEC. 603. Section 513 of the Federal Crop Insurance Act (52 Stat. 76; 7 U.S.C. 1513) is amended to read as follows: "The Corporation shall at all times maintain complete and accurate books of accounts and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation.".

AMENDMENTS TO THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

SEC. 604. Section 107(g) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701y(g)) is amended by:

(1) adding a new sentence at the end of subparagraph (1) thereof as follows: "Such audit shall be made at least once in every three years.".

(2) substituting the following sentence in lieu of the first sentence in subparagraph (2) thereof: "A report of each such audit shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945

SEC. 605. Section 17 of the District of Columbia Redevelopment Act of 1945 (60 Stat. 801) is amended by deleting the word "annual" from the clause "such books shall be subject to annual audit by the General Accounting Office.".

TITLE VII—REVISION OF ANNUAL AUDIT REQUIREMENTS

AMENDMENT TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 701. Section 109(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 756 (e)) is amended to read as follows:

"(e)(1) As of June 30 of each year, there shall be covered into the United States Treasury as miscellaneous receipts any surplus in the General Supply Fund, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund.

"(2) The Comptroller General shall make audits of the General Supply Fund in accordance with the provisions of the Accounting and Auditing Act of 1950 and make reports on the results thereof.".

AMENDMENT TO THE FEDERAL AVIATION ACT OF 1958

SEC. 702. That part of the second sentence of section 1307(f) of the Federal Aviation Act of 1958 (49 U.S.C. 1537(f)) which precedes the proviso is amended to read as follows: "The Secretary shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE BUREAU OF ENGRAVING AND PRINTING FUND

SEC. 703. Section 6 of the Act entitled "An Act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes" (31 U.S.C. 181d) is amended to read as follows: "The financial transactions, accounts, and reports of the fund shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE VETERANS' CANTEEN SERVICE

SEC. 704. Section 4207 of title 38, United State Code, is amended to read as follows:

"§ 4207. Audit of accounts

"The Service shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE HIGHER EDUCATION INSURED LOAN PROGRAM

SEC. 705. (a) Paragraph (2) of section 432 (b) of the Higher Education Act of 1965 (20 U.S.C. 1082(b)(2)) is amended to read as follows:

"(2) maintain with respect to insurance under this part a set of accounts, which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.".

(b) Section 402(a)(2) of the Housing Act of 1950 (64 Stat. 78; 12 U.S.C. 1749a(a)(2)) is amended to read as follows:

"(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950: *Provided*, That such financial transactions of the Administrator as the making of loans and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.".

AMENDMENT TO THE FEDERAL CREDIT UNION ACT

SEC. 706. Section 209(b)(2) of the Federal Credit Union Act as added by section 1 of Public Law 91–468 (12 U.S.C. 1789(b)(2)) is amended by deleting the word "annually" therefrom.

AMENDMENT WITH RESPECT TO AUDIT OF THE GOVERNMENT PRINTING OFFICE

SEC. 707. The third sentence of subsection 309(c) of title 44 of the United States Code is amended to read as follows: "The Comptroller General shall audit the activities of the Government Printing Office at least once in every three years and shall furnish reports of such audits to the Congress and the Public Printer.".

TITLE VIII—LIMITATION OF TIME ON CLAIMS AND DEMANDS

SEC. 801. Section 1 of the Act of October 9, 1940 (54 Stat. 1061, ch. 788), is amended by deleting the phrase "10 full years" and substituting "6 years" therefor.

SEC. 802. The amendment provided for in section 801 shall go into effect 6 months after the date of enactment and will have no effect on claims received in the General Accounting Office before that time.

RECOGNITION OF PUBLIC ACCOUNTANTS

Mr. ERVIN. Mr. President, I would like to state my concern with something that should be dealt with in considering this comprehensive legislative package of GAO matters.

For some time, I have expressed my dismay that the recommendations of GAO with regard to the recognition of qualified independent accountants have contained several glaring inconsistencies. Attempts to resolve these inequities in the treatment accorded licensed public accountants and to provide a reasonable, uniform alternative method of accreditation for federally connected auditing work, has met to date with little meaningful result.

In a policy memorandum (B–148144) of September 15, 1970, the Comptroller General provided for limited recognition of licensed public accountants other than certified public accountants based upon an arbitrary date of licensure. Moreover, a period of time for recognition by equivalency standards to be developed by individual agencies was suggested.

Recently, however, GAO has set forth model language for adoption by the several States for the selection of audit personnel and for contract work by the independent accountants.

In this model language, the licensed public accountant is equally recognized with the certified public accountant. Even unlicensed accountants are given the opportunity to perform accounting services under contract.

The time to eliminate the artificial barrier between State-licensed accountants has long since passed. It is, indeed, time to recognize the realities of the accounting profession as it is regulated today in the State and to modernize the approach set out in the GAO recommendation.

At present, the following States license accountants in addition to CPA's:

Alabama, Alaska, Arizona, Georgia, Indiana, Iowa, Maine, Montana, New Hampshire, New Mexico, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, and Vermont.

States which have no separate licensing but control only the title of CPA and leave the practice of accountancy unregulated are as follows:

Arkansas, Delaware, District of Columbia, Idaho, Kansas, Minnesota, New Jersey, North Dakota, Pennsylvania, and Wyoming.

States once providing a license to public accountants other than CPA's and in which the numbers of licensed accountants remaining varies are as follows:

California, Colorado, Connecticut, Florida, Hawaii, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, and Mississippi.

Also, Missouri, Nebraska, Nevada, New York, North Carolina, Rhode Island, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin.

Since I shall not be a Member of the 94th Congress, I can only urge my successor as chairman of the Committee on Government Operations to consider this important matter expeditiously in the new year if no solution is forthcoming for GAO before that time.

Mr. President, I discussed this matter

at the third national legislative conference of the National Society of Public Accountants on December 8, 1973. My remarks were printed in the December 1973 issue of the National Public Accountant, the society's monthly journal.

The society represents some 15,000 members, most of whom are not CPA's but who are in the public practice of accountancy. The society submitted comments and a suggestion for legislation on this matter for the record of the hearings on S. 3013.

Mr. President, I ask unanimous consent that the society's suggestions and the pertinent portion of my remarks from the National Public Accountant be inserted in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the National Public Accountant, December 1973]

Regulation of Accountants

This last point is where you come in, for the concentration of power in the Federal Government to the detriment of the States affects you, the independent public accountants of America. I say this is because the regulation of the professions, including yours, essentially is a matter for the States and not the Federal Government. Yet there have been serious inroads made in this fundamental principle which have a direct bearing on your right to make a living from the sweat of your brow.

At present, sixteen states license a category of public accountant other than the more widely-known CPA. Each State weighs the qualifications for licensure in light of the accounting needs of its own citizens, just as it does for the medical and legal professions. Other States are permissive and do not regulate the use of the title "accountant" or "public accountant" at all. This legitimately is a decision for each State's legislature to make, and I applaud the efforts of your Society to voluntarily provide professional standards where the legislatures have not provided them.

While the Federal Government does not regulate the practice of accounting, nevertheless there is a basic policy regarding the qualifications of those auditing Federally chartered, financed or regulated private organizations. As you know, this policy is set out in the Comptroller General's Memorandum of September 15, 1970, which provides that after 1975, only those public accountants who were licensed before December, 1970, may perform audit work on these organizations. In effect, this policy creates a dying class of non-CPA accountants who can perform such audits.

This dying-class provision raises many questions. For instance, what about licensed public accountants in New Hampshire and Alabama, where licensing was just begun in 1971 and 1973, respectively? Or in my home state of North Carolina, where no license is required to practice public accountancy?

Although the Budget and Accounting Act of 1921 authorizes the Comptroller General to make rules and regulations necessary for carrying on the work of the General Accounting Office, including rules governing the admission of attorneys to practice before it, the Act does not authorize him to create procedures for accrediting public accountants who could audit Federally sponsored or financed organizations. Therefore, the recommendations contained in the Comptroller General's Memorandum are not technically binding on Federal departments and agencies, and a few agencies do not subscribe to his recommendations.

For example, the Securities and Exchange Commission permits the use of licensed public accountants and public accountants from states which do not provide regulation through licensing provisions. In other words, if you are qualified to practice your profession in your home state, you are permitted to perform this type of auditing work for the SEC.

Since the States have authority to regulate the professions under their police power, this approach by the SEC seems entirely reasonable to me. In fact, a few years ago I sponsored a bill that would have permitted lawyers to practice before any Federal agency if they are licensed to practice law in their home states. I know of no reason why public accountants should be treated any differently.

Your profession on the whole is too broad to be divided into any one particular class of accountant, such as the CPA, the licensed public accountant, or the public accountant who is not required to be licensed by his State. To my mind, any Federal policy that excludes any qualified accountant is inherently unfair and poses a threat to your very own freedom to make a living.

The Government Operations Committee has pending before it several bills which deal with the powers and authority of the Comptroller General and the General Accounting Office. I hope that we will be able to give some attention to the matter of regulating accountants when we consider these bills.

As I said earlier, eternal vigilance is the price of freedom, and we must recur to fundamental principles, frequently to save it. Frankly, the vigilance of your own Society has brought this problem to my attention, and a return to the fundamental principle of States' rights may be necessary to avoid the growing Federal regulation of your profession.

[From: Hearing before the Subcommittee on Budgeting, Management, and Expenditure of the Committee on Government Operations, U.S. Senate, 93d Congress, 2d Sess., on S. 3013, August 7, 1974.]

National Society of
Public Accountants,
Washington, D.C., August 14, 1974.

Hon. Lee Metcalf,
Chairman, Subcommittee on Budgeting, Management, and Expenditure, Committee on Government Operations, U.S. Senate, 161 Russell Senate Office Building, Washington, D.C.

Dear Mr. Chairman: The National Society of Public Accountants was most interested in the colloquy between members of the Subcommittee and their staff with the Comptroller General of the United States, Mr. Staats, on August 7, 1974.

The discussion of GAO's Policy Memorandum B-148144 of September 15, 1970, in connection with the use of independent public accountants is one of vital concern to NSPA and its 15,000 member accountants. It is equally important to the governmental agencies who must administer a vast array of federally connected programs at the federal, state and local levels.

Clearly it is of tremendous importance to the general public, as well, who have a real need to ensure that programs of government are carefully monitored and evaluated.

NSPA has been trying for several years to convince GAO to rid its 1970 Policy Memorandum of a glaring inconsistency and to establish the guidance needed for individual agencies to set equivalency standards.

The "Licensed Public Accountants" in those states enacting licensure provisions since 1970 will be precluded after 1975 from eligibility by those agencies following the GAO's very persuasive 1970 Policy Memorandum. This is also true for LPAs who received their license after December 31, 1970, although they must meet identical criteria to that which is imposed before that date.

NSPA believes that reliance upon state-imposed standards in the several states should be followed *without regard to date of licensure.*

Certified Public Accountants are licensed by the individual states. The entrance requirements do vary somewhat in the different jurisdictions, but there is no cutoff date for CPA licensure.

Why should Licensed Public Accountants be denied the *opportunity* to be selected for engagements merely because of the date of their original license?

Secondly, some states do not presently provide any avenue for licensing except as a CPA. The GAO Policy Memorandum acknowledges that equivalency standards could be promulgated for eligibility in these cases. NSPA applauds this view and would be delighted to work closely with GAO or other agencies in the development of such standards.

We believe, for instance, that a federally-recognized licensing or enrollment program could be an effective means of handling this category of practitioner. It has worked extremely well in the tax practice field with the cooperation of NSPA and the Department of the Treasury in creating the Enrolled Agent program. This comprehensive, yet specific examination, is pitched at a practical working knowledge of federal tax practice and has been an excellent vehicle for allowing those interested and qualified practitioners an opportunity to demonstrate their capability for this type of practice.

It is possible that a similar program could be applied in the federal audit area. We would recommend that the audit section of the NSPA Uniform Public Accountants Examination each year might be one good means of ensuring capabilities with a federal enrollment following successful completion of the test.

Alternatively, the audit section of the AICPA Uniform Examination might be employed for this purpose.

An examination compiled by GAO personnel, or others, might also be developed with the assistance of NSPA and other accountants' organizations.

The immediate need is the deletion of the dates contained in B-148144 of September 15, 1970. Step two will be the creation of reasonable, effective equivalency standards. Enclosed is language to accomplish these two suggestions.

We share the GAO's goal of setting meaningful guidelines for the selection of qualified independent auditors to perform the highly important review functions associated with numerous federally-connected programs. We look forward to working with Congress and GAO to accomplish this objective.

Sincerely,

Stanley H. Stearman,
Executive Vice President.

Amendment to the General Accounting Office Act of 1974 (S. 3013) Proposed by the National Society of Public Accountants

The budget and accounting act, 1921, as amended (31 U.S.C. 42), is further amended by adding the following to S. 3013:

TITLE IX—AUDIT REQUIREMENTS FOR FEDERALLY CONNECTED AUDIT WORK

Sec. 901. Comptroller General Memorandum B-148144 of September 15, 1970, is deemed revoked insofar as references are made to dates of licensure as pertain to Licensed Public Accountants.

Sec. 902. The Comptroller General shall provide for an examination for enrollment of "Independent Federal Auditors" to provide for establishment of eligibility qualifications for independent accountants who are not otherwise licensed under state law.

Sec. 903. The Comptroller General shall include equivalency language in any advisory rules and regulations to recognize Independent Federal Auditors to engage in federally-connected audit work absent state licensure.

SEC. 904. At the discretion of the Comptroller General, the General Accounting Office may seek advice, counsel and cooperation from the National Society of Public Accountants, the American Institute of Certified Public Accountants, other interested national accounting organizations and federal agencies in drafting and promulgating advisory rules and regulations for eligibility of Independent Federal Auditors for federally-connected audit work.

FEBRUARY 21, 1974.

Hon. ELMER B. STAATS,
Comptroller General of the United States, Washington, D.C.

DEAR MR. STAATS: I was most interested in the report made by those members of the NSPA National Affairs Committee and the NSPA staff after their recent meeting with you. We appreciate this opportunity to comment more fully on the matter of state licensing of independent accountants and hope that this information will enable GAO to reach a prompt revision of the current inequities in the policies expressed in B–148144.

Modification of B–148144, as previously recommended by NSPA, will permit qualified practitioners to continue to be eligible for Federally-connected audit work; whereas, continuance of the existent policy will cause these persons to become ineligible after December 31, 1975.

You asked, during the meeting on February 5, that we furnish a summary of state requirements for the licensure of Public Accountants. Attached is a summary of these requirements which demonstrate that except for Alabama, Ohio and South Carolina, all sixteen states currently licensing independent accountants other than CPAs require some form of separate written examination. Alabama and South Carolina allow a college degree with a major in accounting as an alternative to a separate written test. Ohio relies upon completion of academic requirements for a bachelor's degree in business administration with a major in accounting. The states recognizing academic achievement for licensure rely on the attendant examinations imposed on persons matriculating through the university system. Of course all such licensing provisions also set age, character qualifications and the like as a prerequisite to testing.

A review of these examination requirements, we believe, will allay any serious doubt about the fact that testing of applicants for state licensure is the rule rather than the exception. In each case, these standards are the product of consideration by the state legislature and reflect its judgment on the measures necessary to protect the public. We should mention that growing numbers of states are being added to the rolls of those who recognize and supervise non-CPA practitioners.

In the following ten jurisdictions there is no regulated entry into the accounting profession except as a Certified Public Accountant, but it may be expected that comprehensive licensing legislation could be enacted in these states to recognize Licensed Public Accountants at some future date. These ten jurisdictions are as follows:

Arkansas, Delaware, District of Columbia, Idaho, Kansas, Minnesota, New Jersey, North Dakota, Pennsylvania, Wyoming.

If anything, the number of practitioners adversely affected by existing GAO policy will grow, not diminish, as more persons are licensed and as more states adopt licensing or reopen the "dying class" provisions with continuing regulatory supervision and testing.

The present, actual need felt by our membership is the deletion of reference to any dates of licensure in the recommended policy directive to Federal departments and agencies. Unless modified, the operation of the 1970 Memorandum (B–148144) would preclude qualified practitioners in some twenty-six states from eligibility for Federally-connected audit work.

Whenever a state has deemed licensure appropriate and established legal standards adequate for the protection of the citizens of that State, we request that general reliance be placed on these standards. Without GAO being prepared to establish new standards applicable to everyone seeking eligibility for Federally-connected audit engagements (including persons now automatically considered qualified), then little choice remains but to rely on state licensing.

We feel that the December 31, 1975, termination date should be eliminated without hesitation. Once all Certified and Licensed Public Accountants are clearly eligible, without restriction as to date, we could work with you and your staff on defining substitute criteria for application in the permissive jurisdictions. In this latter regard, we are anxious to learn from the inquiry made to the Intergovernmental Audit Forum what the various Federal agencies have established as equivalency standards for the ten permissive jurisdictions mentioned above.

NSPA pledges its cooperation with GAO in developing reasonable and effective equivalency criteria, but we feel that this is a second step. Elimination of the discriminatory and inequitable December 31, 1975, termination date is our immediate need.

Emerging governmental programs look to current GAO Policy for guidance in establishing criteria for selection of independent accountants. An immediate example is found in the language of the legislation reported by the House Education and Labor Committee in H.R. 2—Private Pension Reform. If enacted into law in the present form, which follows the lines of B–148144, the problems we encounter with the 1970 Memorandum will be repeated in the statute and be most difficult and time consuming to remove since corrective legislation would be necessary.

In summary, since GAO has recommended the official recognition of independent accountants licensed prior to 1970, it should equally recognize those licensed in 1971 and the years ensuing.

It is no spur to a state to enact licensure when it realizes that even if comprehensive, fair regulation is created, the Licensed Public Accountants of that state are going to be denied the right of eligibility because the state's actions come after a date already passed.

Turning to a longer-range, but equally important area, we at the National Society of Public Accountants believe that NSPA can work closely with GAO in taking a leadership role in the development of a viable program for recognizing and implementing the Program-audit concepts announced in your 1972 auditing standards.

Several very exciting prospects appear likely for near-term application. These include (1) Accreditation in Auditing, (2) Performance Evaluation, (3) Seminars and (4) Workshops.

Our program of Accreditation has been launched with the formation of the Accreditation Council for Accountancy, Inc. and the announcement of general criteria for basic recognition in accounting for those who qualify by experience, examination and adherence to state-promulgated standards. The second phase will be further recognition in the specialized areas of auditing, taxation and management advisory services.

We expect to mold our criteria in the audit area to follow GAO views and hope to serve as the first professional organization to adopt these elements for recognition of competence in governmental auditing.

In Performance Evaluation, we can envision teams of professionals responding to voluntary requests for evaluation of the firm as to its general auditing competence or the prospect of evaluation of complaints lodged against an individual practitioner or firm.

Seminars would be designed to build on the already excellent presentations of those members of your Financial and General Management Studies Division.

Workshops would take the isolated practitioner who perhaps has not had the occasion to be called upon to perform federally connected audits under the GAO and NSPA standards and "bring him along" professionally speaking.

These are plans which we can realistically see for implementation. We hope that the initial problem which we face with the discriminatory cut-off dates of eligibilty in the 1970 Memorandum can be disposed of in the immediate future.

We look forward to hearing from you in the next few days so that we can make our plans to take appropriate action.

Sincerely,

JULIAN D. SEWELL,
President.

SUMMARY OF EDUCATIONAL, EXPERIENCE AND EXAMINATION REQUIREMENTS IN STATES LICENSING PUBLIC ACCOUNTANTS

ALABAMA

Alabama provides for licensing of Public Accountants for persons who have graduated from college with a major in accounting or have passed a written examination adhering to standards of the National Society of Public Accountants, covering the theory of accounting, practical accounting, auditing, commercial law and professional ethics. Laws of Alabama, Act 997, Section 7.

ALASKA

The Alaska Accountancy Statute requires that an applicant for a license as a Public Accountant have graduated from high school, have had four years of accounting experience and have passed a written examination on those subjects the Alaska State Board of Public Accountancy determines appropriate. Alaska Statutes, Title 8, Chapter 4, Sections 280, 290, 300.

ARIZONA

Arizona requires completion of academic course work for a bachelor's degree with a minimum of 24 hours in accounting; a 75% or better grade on the Certified Public Accountant Examination in Accounting Practice; or, a 75% or better grade in each of the three remaining examinations on Auditing, Theory of Accounts, and Commercial Law. In addition, two years accounting experience with a Certified Public Accountant, Public Accountant, industry or government is required for a license as a Public Accountant. A master's degree with a minimum of 30 hours in accounting, finance, economics and related subjects may be substituted in lieu of one year of the experience requirement. Arizona Revised Statutes, Title 32, Section 722, 723.

GEORGIA

The Georgia Accountancy Law and Regulations provide, in addition to having graduated from high school or having had equivalent commercial experience, an applicant for a license to practice as a Public Accountant shall "have passed a written examination prescribed by the Board. Such examination will demonstrate his knowledge of accounting, verification of accounts, and business law including the income tax law and regulations of this State and of the United States and such other related subjects as the Board deems proper." Georgia Regulations 20–7–02.

INDIANA

Under the Indiana Accountancy Law, a person applying for a license to practice accounting must have graduated from an accredited four-year college or university with a baccalaureate degree and have passed a written examination in accounting theory. In addition, there is a three year experience requirement; a master's degree in accounting, business administration, or related subject, substituting for one year of experience. The Indiana Code, Title 25, Article 2, Section 10.

MAINE

Maine has three alternative combinations of education and experience, any one of which must be met by the applicant before taking the written examination, which is prepared and graded by the National Society of Public Accountants. The educational and experience requirements are as follows: graduation from high school and 3 years experience; completion of two years of college and 2 years experience; or completion of 4 years of college and 1 year experience. Revised Statutes of Maine, Annotated Title 32, Section 3986.

MONTANA

Until December 31, 1974, the educational and experience requirement prerequisite to taking a written examination for a license are completion of 2 years of college and 1 year experience. Thereafter, both requirements are increased to graduation from college and 2 years experience. The written examination consists of the accounting practice, accounting theory and auditing sections of the Certified Public Accountant examination. Obtaining a license requires passing the accounting practice part of the examination and either accounting theory or auditing. The applicant may substitute possession of the Internal Revenue Service Special Enrollment Card in lieu of examination in either accounting theory or auditing. Revised Codes of Montana, Title 66, Section 1821.

NEW HAMPSHIRE

The New Hampshire law presently requires two years of college to meet the experience qualifications for a license to practice accounting. After January 1, 1976, the requirement will be increased to four years of college. In addition, the applicant must pass the accounting practice and auditing sections of the examination given for the Certified Public Accountants licensure. Revised Statutes Annotated, Chapter 309, Section A:10.

NEW MEXICO

To be licensed as a Public Accountant, a person must be a graduate of high school and have at least 3 years accounting experience. College graduates majoring in accounting are deemed to have had the equivalent of two years experience and may subsequently fulfill one year experience in New Mexico after taking the examination. It is expressly provided in the law that the special examination for Public Accountants shall be prepared by the National Society of Public Accountants. New Mexico Statutes Annotated, Section 67-23-28.

OHIO

The statute provides for registration as Public Accountants for residents at least 21 years of age who have a bachelor of science degree in business administration with a major in accounting from an accredited college or university. Revised Code, Section 4701.07.

OKLAHOMA

To be eligible to register as a Public Accountant under the Oklahoma Public Accountancy Law, a person must be either a high school graduate with three years accounting experience or a college graduate with a major in accounting and in addition must pass both the accounting practice and auditing sections of the Certified Public Accountant examination. Oklahoma Statutes, Sections 15.8; 15.9.

OREGON

The educational and experience requirements for Public Accountants in Oregon are a college degree with at least 20 hours in accounting and at least 10 hours in commercial law, economics and finance or graduation from high school and 2-years of public accounting experience. In addition, an applicant must pass the accounting practice section of the Certified Public Accountant examination Oregon Revised Statutes, Section 673.050.

SOUTH CAROLINA

South Carolina requires a person practicing public accounting to pass a written examination in the presentation of financial statements and accounting systems, controls and procedures or have a baccalaureate degree with a major in accounting. Code of Laws of South Carolina, Section 56-30(a) and Section 56-34.

SOUTH DAKOTA

To obtain a license to practice as a Public Accountant in South Dakota, a person must be a college graduate with a major in accounting, (or have completed an equivalent course of study) and pass a written examination. The examination is prepared by the National Society of Public Accountants. South Dakota Compiled Laws, Section 36-20-18.

TENNESSEE

The applicant for a Public Accountant license must be graduate of a college or university with an accounting major or have completed two years of college and a course of study of accounting approved by the Board. In addition, the applicant must pass a written examination which is prepared by the National Society of Public Accountants. Tennessee Code Annotated, Section 62-135.

VERMONT

The Vermont Law provides that a Public Accountant must have graduated from high school and had one year of study under the supervision of a Licensed Public Accountant and pass an examination covering theory of accounts, practical accounting, taxation, economics and auditing. The examination is prepared and graded by the National Society of Public Accountants. Vermont Statutes Annotated. Title 26, Section 5.

Mr. METCALF. Mr. President, I ask unanimous consent that the Committee on Government Operations be discharged from further consideration of H.R. 12113, the General Accounting Office Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, a statement has already been placed in the RECORD on S. 3013 by Chairman ERVIN. I associate myself completely with Chairman ERVIN's statement.

The purpose of S. 3013 is outlined in the report together with the explanation of what the various provisions in committee action are.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-1314), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to streamline and moderonize the role and responsibility of the General Accounting Office so that it may more fully utilize its resources as an arm of the Congress. Among other things, the bill restates the time frames within which the Comptroller General must audit certain accounts, transfers the "executive function" of auditing transportation vouchers and claims to the General Services Administration, and provides the Comptroller General authority for audits of certain nonappropriated funds.

EXPLANATION OF COMMITTEE ACTION

As amended by the committee, the bill would eliminate the strict dollar ceiling imposed on government agencies before they are allowed to employ statistical sampling procedures, and authorize the Comptroller General to prescribe limits for each agency on the dollar amount of vouchers subject to the use of statistical sampling procedures.

The bill would transfer the audit of transportation payments from the General Accounting Office to the General Services Administration. This eliminates a purely "executive function".

Presently, the General Accounting Office lacks authority to audit certain nonappropriated fund activities, such as military exchange programs. Previous investigations conducted by this committee documented the need for GAO to be given the authority to review the accounts and procedures of such activities.

This legislation would also provide permanent authority for the General Accounting Office to employ experts and consultants at the GS-18 level. The General Accounting Office currently receives an annual authorization to employ such experts and consultants in the Legislative branch appropriations bill.

S 3013 would amend various laws to provide greater flexibility and authority to the Comptroller General to audit the records and accounts of various government corporations and revolving funds.

Finally, the legislation would reduce the statute of limitations on claims and demands from 10 full years to six years. The number of such claims indicates that the reduction in the statute of limitations would not substantially affect the amount of claims submitted to the GAO; however, substantial savings in records storage costs would result.

Mr. SCHWEIKER. Mr. President, it had been my intention to introduce an amendment to the pending bill which would have provided a mechanism for Congress to be informed, on a regular basis, of the progress of major Federal research, development, and procurement programs. Specifically, the amendment would have required the Comptroller General to submit to the Congress no later than 30 days after the beginning of each congressional session and at other times as he believes useful during the period when authorizations and appropriations are under consideration, status reports on major weapons systems, major construction programs, and research and development programs as he considers to be of primary interest to the Congress. Such reports should be designed to supply the Congress with the following information:

First, current estimated costs compared with the prior estimates for (A) research, development, and engineering, and (B) production;

Second, the reasons for any significant increase or decrease from cost estimates at the time of the original authorization and the original contract, if any;

Third, options available under the contract for additional procurement and whether the agency intends to exercise any options, and the projected cost of exercising options;

Fourth, changes in the performance specifications or estimates made by the contractor or by the agency and the reasons for any major changes in actual or estimated differences from those called for under the original contract specifications; and

Fifth, significant slippages in time schedules and the reasons therefor.

In preparing such reports, the Comptroller General shall utilize the records and reporting systems developed by the executive branch agencies and suggest improvements in such reporting systems as he deems appropriate.

I wish to point out to my colleagues that this amendment, a broadened and more flexible version of an amendment I first introduced during the debate on the fiscal year 1970 Defense Procurement Authorization bill, was adopted by the Senate during the 91st Congress when it passed S. 4432, the Budget and Accounting Improvement Act of 1970. The provision was contained in S. 460, a bill introduced during the 93d Congress by the distinguished Senator from Connecticut, Mr. RIBICOFF, and myself and is currently pending in the Government Operations Committee.

Mr. President, I have discussed my amendment with the distinguished manager of the bill, the distinguished Senator from Montana who has suggested that the pending bill should not be amended by my provision. The pending bill, I understand, which deals with the responsibilities of the Government Accounting Office, is a result of lengthy consultations both with the GAO and the House and represents a measure acceptable to everyone. However, the distinguished Senator has stated to me that the Government Operations Committee intends to continue its work on a package of bills relating to the General Accounting Office and that my provision properly belongs in a bill entitled the "Accounting and Auditing Act of 1974", S. 3014. As a result I have acceded to his request not to pursue my amendment with his assurance that the committee will include my amendment in the legislation it brings to the Senate during the 94th Congress.

Mr. President, if the Members of Congress are to be able to participate meaningfully in the legislative process affecting major Federal programs of research, development, and procurement and to effectively analyze the validity of Federal outlays, we should have the benefit of the careful scrutiny of these programs by the Comptroller General. With a budget of more than $300 billion and literally thousands of programs, more than 150 departments and agencies, it is obvious that the Members of Congress cannot personally review every program and analyze in detail every legislative proposal particularly involving projects of major Federal expenditure. We need help to carry out these responsibilities. I would hope that the distinguished manager of the bill would provide the Senate with some further indication of his commitment and intentions in this connection.

Mr. METCALF. Mr. President, the Subcommittee on Budgeting, Management and Expenditures of the Committee on Government Operations originated S. 3013 as a result of oversight hearings and discussion with the GAO. I assure the Senator from Pennsylvania (Mr. SCHWEIKER) that the subcommittee will give high priority to his request and suggestions in the next Congress and any legislation deemed necessary will have early consideration.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 12113.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 12113) to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. METCALF. Mr. President, I move to strike all after the enacting clause of H.R. 12113 and to substitute therefor the text of S. 3013, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12113) was passed.

Mr. METCALF. Mr. President, I ask unanimous consent that S. 3013 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. I yield 5 minutes to the distinguished Senator from Delaware.

UPHOLSTERY REGULATORS

The Senate continued with the consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

Mr. ROTH. Mr. President, in answer to the statements made by the distinguished Senator from Wyoming, I would just like to point out that none of the proposals in this legislation, insofar as I am aware, were subject to hearings by the Finance Committee. As a matter of fact, I believe that point was raised by the distinguished Senator from Oregon.

The understanding was that we would consider some of the noncontroversial items that were included in the House bill. At two different times in the morning we took up the question of taxation of oil revenue. I made it very clear in my discussions that I felt if we were going to consider this kind of tax legislation, it was critically important that we at least secure the $400 million tax revenues referred to by the distinguished chairman of the committee.

That was my feeling then and it is my feeling today. I do not think there is any reason to particularly single out or favor the oil companies when many of these other tax matters were also not subject to Finance Committee hearings. I regret that that is true. It seems to me that it would have been very desirable long ago to have held hearings on tax reform, but that was not done.

At the same time, we are faced with the fact that if we do not correct the situation now, we are losing for all practical purposes $400 million in revenues. I suppose while that is not huge in relation to our overall deficit, it is to me a very sizable step, and I think it is of particular importance to the American people. They feel that all American companies bear a fair burden of American taxation.

Again, as I understand it, these international oil companies in the last 5 years have paid roughly a 5-percent tax to the United States, whereas they have paid foreign taxes at an effective rate of between 20 and 29 percent. As I have already stated other companies, such as J. C. Penney, pay as high as 48.8 percent. A family of four, making $15,000, with standard deductions, pay as high as 12.1 percent.

This is not equitable. The oil companies, like others, should bear a greater tax burden. In view of the oil companies' large profits last year it seems particularly unconscionable that we pass any tax bill without securing additional revenue from these windfall profits.

As I stated earlier, for that reason, I hope that the Senate will not vote for cloture.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield 1 minute to the Senator from Idaho.

Mr. McCLURE. Mr. President, I send an amendment to the desk on behalf of myself and Senator CHURCH, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the Act insert the following new section:

"SEC. . Interest on obligations issued by the American Falls Reservoir District to finance and construct a dam and related facilities to replace the existing American Falls dam of the Minidoka Project, Idaho-Wyoming, pursuant to a contract with the Secretary of Interior under authority contained in the Act of December 28, 1973 (87 Stat. 904) shall be exempt from all income taxation now or hereafter imposed by the United States."

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, are there other amendments at the desk? If so, would the Chair inform me what amendments are at the desk?

The PRESIDING OFFICER. There are two amendments at the desk.

Mr. LONG. Mr. President, I ask unanimous consent that the amendments which are at the desk which are germane be considered as read, reserving the right of any Senator to challenge the germaneness of any measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Reserving the right to object——

Mr. ROTH. I object.

The PRESIDING OFFICER. Objection is heard.

ORDER FOR AMENDMENTS TO H.R. 421, UPHOLSTERY REGULATORS, TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any amendments that are presently at the desk be considered as having met the reading requirements only under the rule.

This is customary.

Mr. CURTIS. Will the Senator state that again, please?

Mr. ROBERT C. BYRD. I ask unanimous consent that any amendments that are at the desk be considered as having met the reading requirements of the rule.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Jim Verdier, of my staff, be given floor privileges during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. LONG. I yield to the Senator from West Virginia 30 seconds.

Mr. ROBERT C. BYRD. Mr. President, I ask that the backup vote following the vote on cloture be limtied to 10 minutes, with the first bell to sound after 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. After cloture is voted, assuming that will be the case, if an amendment is ruled not to be germane and appeal is taken from the ruling of the Chair, is that appeal debatable or not debatable?

The PRESIDING OFFICER. That appeal is not debatable except to the extent of the 1-hour time limitation of each Senator.

Mr. LONG. So each Senator, within the 1 hour available to him, can debate the germaneness?

The PRESIDING OFFICER. Yes. A Senator can talk on anything within the 1 hour.

Who yields time?

Mr. CURTIS. Mr. President, may I inquire if there is any Senator desiring time on this tax bill?

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arizona has 5 minutes, and the Senator from Louisiana has 7 minutes.

Who yields time?

Mr. CURTIS. I yield 1 minute to the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I ask unanimous consent that Douglas Smith, Jim Fields, and Dick Thompson, be accorded the privilege of the floor during all stages of the proceeding on this legislation and the other vote which is pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Louisiana yield for 1 minute?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. I yield the 1 minute to Mr. HUDDLESTON.

TRAVEL EXPENSES AMENDMENTS ACT OF 1974—CONFERENCE REPORT

Mr. HUDDLESTON. Mr. President, I submit a report of the committee of conference on S. 3341, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. JOHNSTON). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is in the House proceedings of today's CONGRESSIONAL RECORD).

Mr. HUDDLESTON. Mr. President, the purpose of this legislation is to increase the amounts which may be paid to regular employees of the Federal Government and to experts and consultants employed intermittently, who are traveling on official business, with respect to per diem in lieu of subsistence and reimbursement when payment of actual expenses is authorized. The legislation would also increase the mileage rates for the use of privately owned vehicles used while on official business. These objectives would be met by amending existing travel expense legislation so as to more closely reflect the increased cost of official travel at the present time.

The legislation also establishes a procedure to adjust on a periodic basis the per diem mileage reimbursement figures for employees who travel on official business.

The conference report provides that the per diem rate shall be increased to "not to exceed $35." The Senate receded from its position of imposing a statutory floor on the per diem rate. However, the General Services Administration, the primary agency designated responsibilities under this act, has said it will establish immediately the per diem rate at $30. I feel it important that the General Services Administration letter to Senator METCALF concerning the per diem rate be printed in the RECORD at this point, for which I ask unanimous consent.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., November 26, 1974.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: In a previous letter to you on October 11, 1974, we expressed our views on the House- and Senate-passed versions of S. 3341 which would revise certain provisions of Title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes. Since then, we are advised that additional discussions have taken place with the joint conferees which indicate the possibility of a $25 minimum and $35 ceiling for per diem allowances and a 15 cents minimum and 18 cents ceiling for mileage allowances, among other things.

May we take this opportunity to express the Administration's strong support of your vigorous efforts to establish more equitable expense allowances by raising the statutory ceiling for per diem and mileage expenses. We heartily support the $35 ceiling. However, may we also voice the Administration's strong concern over the inequities inherent in a "minimum rate" concept and the unnecessary and unfair conditions created by the institution of such a system:

1. GENERAL

It has been a long established statutory procedure to reimburse Government travelers for reasonable expenses of travel up to a ceiling established in law. In the 1950's the ceiling was $12, in the 1960's the ceiling was $16, and in 1969 the present $25 ceiling was decreed by statute. The problem has always been the need to raise the ceiling and never to reimburse travelers at amounts less than the ceiling.

Throughout this period, agency heads have been given the necessary flexibility to establish criteria governing fair reimbursement to the traveler. When certain conditions exist, it is only fair and proper to reimburse travelers at a rate less than when he incurs all normal costs. For example, if the traveler stays with friends or relatives, if quarters/meals are furnished by the Government or at a reduced cost, if a camper/trailer or ship/vessel is used and normal costs of lodging are not encountered, or if other situations exist where full costs are not incurred, it would not be proper to reimburse the traveler at some minimum cost such as $25 which, today, would result in excessive payment.

2. ANALYSIS OF MINIMUM COSTS

To date, legislation for increases in per diem and mileage expenses has been traditionally and properly concerned with the employee performing travel in higher cost areas who unavoidably encounters expenses above that permitted by statute. Justification and cost data have been developed toward this end. Legislation to date has not been concerned with employees at the opposite end of the spectrum who perform travel in lower cost areas, smaller towns, and rural areas since their expenses have always been under the ceiling.

When cost data are collected to support legislative per diem or mileage increases, they are invariably stated in average figures thereby accounting for both high and low cost data in one summary amount. Since statute has never embraced a minimum or base rate, low cost travel has been invariably given little recognition.

In view of the $25 minimum rate being proposed, low cost data now become important in determining whether a minimum rate concept is viable. A commercial publication, "The Runzheimer Meal-Lodging Cost Index," provides minimum, maximum, and average cost data for meals and lodgings in approximately 100 major cities in the U.S.

Enclosed is an array of the pertinent data. The *average* cost data for those cities, as of April 1974, were printed in the House Report on H.R. 15903 without discussion of minimum costs. The average cost for 2/3 of those cities ranges from $25–$48.50. The average cost for the remaining 1/3 ranges from $19–$25. However, the overall average cost data does not reflect the fact that *96* of those same cities have minimum costs for meals and lodging ranging from *$12* to $25. *Of those 96 cities, 83 are between a $14 to $21 minimum cost range.* These costs are for only the 100 major U.S. cities.

A great amount of Government travel is performed in small towns and rural areas where much lower costs are encountered. Our studies indicate that approximately ½ of all Government travel is being accomplished within the $25 ceiling. At one large department, travel costs incurred during FY 1974 ranged from $13.87 to beyond the $25 ceiling. At another large agency, the range of actual costs incurred was from $13.10 to above the $25 ceiling.

Based on the Runzheimer index and on actual experience of the departments and agencies, we can find no basis of logic to a $25 minimum per diem rate.

Similarly, with respect to the proposed 15 cents minimum mileage rate, we find that although this rate is generally consistent with current costs incurred, a minimum rate concept does not provide the needed administrative flexibility to reimburse at a lower rate in those situations when it is not to the advantage of the Government for the traveler to use his privately owned vehicle.

May we reaffirm the Administration's strong support of existing legislative practice wherein a ceiling is established and Government travelers are reimbursed on a "lodgings-plus" concept for actual expenses incurred. Under this concept, when the ceiling is adequate, *all* employees are reimbursed for legitimate costs incurred whether travelling to rural areas and small towns or to the larger cities. Should the present ceiling of $25 be increased to $35, it would be our intention to establish immediately an administrative limit of $30 (within the $35 ceiling) to relieve current per diem inadequacies.

The Office of Management and Budget has advised that there is no objection to the submission of this report and enactment of a bill containing minimum rates would not be in accord with the program of the President.

Sincerely,

ARTHUR F. SAMPSON,
Administrator.

Mr. HUDDLESTON. Mr. President, we have included both statutory floors and ceilings on the mileage reimbursement. This policy was instituted to insure that employees are reimbursed for what it actually costs to operate privately owned vehicles. Studies relied on by both the House and Senate indicate that the current operating costs for a privately owned vehicle is 15 cents per mile. This is the rate that the conferees have set as the minimum for automobiles.

Mr. President, in this inflation-recession period, the argument for increased Government cost is particularly sensitive. However, two points are relevant here. First, the underlying principle behind this legislation is that employees should not be subsidizing the Government for expenses incurred while on official business; nor should employees profit by traveling on behalf of the Government. Second, the bill contains language that provides that all increased expenditures for fiscal year 1976 resulting from the enactment of this legislation must be absorbed by the agency's present budget. Travel will have to be reduced in order to offset the increased expenditures. In conjunction with the Roth amendment to the supplemental appropriations bill, the goal of eliminating needless travel, at least for fiscal year 1976, might be met.

Mr. President, I move the adoption of the conference report to S. 3341.

Mr. PERCY. Mr. President, this bill will give the Administrator of General Services the flexibility to continue utilizing the "lodging plus" concept of per diem reimbursement, section 5707(a) does not preclude the use of the current "lodging plus" method of computing per diem. Under this method, the traveler is allowed a fixed amount for meals and expenses as determined by the Administrator plus the cost of lodging. The resulting amount, subject to the statutory limit, is the per diem rate applied to the traveler's reimbursement. If the Administrator determines that the mileage allowances fall below the statutory minimum authorized in the bill, we encourage and direct GSA to work with the Congress to draft legislation which would resolve any inequities.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to.

UPHOLSTERY REGULATORS

The Senate continued with the consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

Mr. LONG. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The pending cloture motion will be stated.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the committee substitute for H.R. 421.

Russell B. Long, Herman E. Talmadge, Robert Dole, Claiborne Pell, Frank E. Moss, Hugh Scott, Walter F. Mondale, Lloyd Bentsen, Bob Packwood, Wallace F. Bennett, Carl T. Curtis, Paul J. Fannin, Clifford P. Hansen, Robert P. Griffin, Robert C. Byrd, Adlai Stevenson.

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 560 Leg.]

Allen
Baker
Bartlett
Beall
Brock
Buckley
Burdick
Byrd, Robert C.
Case
Cook
Curtis
Dole
Fannin
Griffin
Gurney
Helms
Huddleston
Hughes
Jackson
Javits
Johnston
Long
Mathias
McClellan
McClure
McGee
Metzenbaum
Pearson
Percy
Roth
Scott, William L.
Stafford
Stevens

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Aiken
Bayh
Bennett
Biden
Brooke
Byrd, Harry F., Jr.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Goldwater
Hansen
Hart
Hartke
Haskell
Hatfield
Hollings
Hruska
Inouye
Kennedy
Magnuson
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER (Mr. MCCLURE). A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute for H.R. 421, permitting duty-free importation of certain upholstery equipment, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY), is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "yea."

Mr. GRIFFIN. I announce that the

Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The yeas and nays resulted—yeas 67, nays 25, as follows:

[No. 561 Leg.]

YEAS—67

Abourezk
Baker
Bartlett
Bayh
Bennett
Brock
Burdick
Byrd, Robert C.
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hollings
Hruska
Huddleston
Hughes
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClure
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—25

Aiken
Allen
Beall
Biden
Brooke
Buckley
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Church
Eastland
Ervin
Gurney
Helms
McClellan
Metcalf
Percy
Proxmire
Roth
Schweiker
Scott, William L.
Stennis
Taft
Thurmond

NOT VOTING—8

Bellmon
Bentsen
Bible
Fulbright
Gravel
Hathaway
Humphrey
Mansfield

The PRESIDING OFFICER. On this vote there are 67 yeas and 25 nays. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to.

SOCIAL SERVICES AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

The PRESIDING OFFICER (Mr. MCCLURE). The question is, Shall the bill pass?

Mr. LONG. Mr. President, as I understand it, we have advanced to third reading, and it was agreed that immediately after the vote on cloture we would have the vote on final passage of the bill previously considered.

The PRESIDING OFFICER. That is correct.

Mr. LONG. So now before we proceed with the tax bill, we will vote on final passage of the Social Services Amendments of 1974, H.R. 17045.

The PRESIDING OFFICER. That is correct. The question is, Shall the bill pass?

The yeas and nays have not been ordered.

Mr. LONG. Mr. President, I believe it was the desire that the yeas and nays be ordered on that bill. So I request the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and the nays were ordered.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. This is the bill dealing with the Social Services Amendments of 1974 we are voting on?

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order so that the Members may hear their names being called.

The clerk will continue.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The result was announced—yeas 74, nays 17, as follows:

[No. 562 Leg.]

YEAS—74

Abourezk
Aiken
Baker
Bayh
Beall
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Eastland
Fong
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hollings
Hruska
Huddleston
Hughes
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—17

Allen
Bartlett
Bennett
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dominick
Ervin
Fannin
Goldwater
Gurney
Helms
McClure
Scott, William L.
Stennis
Thurmond

NOT VOTING—9

Bellmon
Bentsen
Bible
Fulbright
Gravel
Hathaway
Humphrey
Mansfield
McClellan

So the bill (H.R. 17045) was passed.

Mr. KENNEDY. Mr. President——

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist upon its amendments and requests a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. LONG, Mr. HARTKE, Mr. RIBICOFF, Mr. MONDALE, Mr. FANNIN, Mr. HANSEN, and Mr. DOLE conferees on the part of the Senate.

UPHOLSTERY REGULATORS

The Senate continued with the consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

The PRESIDING OFFICER. The Senate now returns to the consideration of H.R. 421.

Mr. LONG. Mr. President, I wish to say a word or two about germaneness before we go any further.

Mr. President, in my opinion, it is a compact between Senators when cloture is voted that we will not consider or add to the bill amendments that are not germane to the bill.

I know Senators offering amendments would like to offer something which, by their views, would be germane to the bill but sometimes Senators tend to vote the merits of the case rather than the germaneness when they are called to vote on that matter.

It seems to me that when we vote cloture on a bill and ask Senators to shut off debate and bring something to a vote, Senators should know what they are expected to vote on. The benefit of the doubt should be given those who are opposed to germaneness.

It seems to me that precedents are in favor of a narrow germaneness rule and that the least we can do is to abide by the judgment of our Parliamentarian whose credentials, in my judgment, are absolutely beyond any question. I believe his integrity down through the years support those credentials—that has been as long as I have been here—and that we can rely on the Parliamentarian to give us his opinion on a matter like germaneness, quite apart and beyond the demands of politics and expediency.

It seems to me, Mr. President, that having voted cloture, the Senate should almost as a matter of honor deem it its duty to abide by the opinion of its Parliamentarian unless it can be agreed that we will give consent to someone to offer an amendment that is not germane.

I say that, Mr. President, because if amendments are added to this bill which, in my judgment, are not germane, and in particular if they are added by a majority vote to this bill after cloture has been voted, contrary to the precedents of the Senate and the opinion of the Parliamentarian who is overruled, I would feel compelled, for my part, to do what I could to see that the bill does not become law with that amendment on it, both as a conferee and as one opposing the conference report when it came back from conference. It seems to me that Senators should be able to abide by the judgment of the Parliamentarian if they vote to limit themselves to germaneness. In the last analysis a matter of this sort should not be decided on the merits of the amendment or as a matter of politics or expediency. It ought to be decided on a basis that one would be willing to abide by the judgment of an impartial arbiter. In my judgment, there is none better in that respect than our own Parliamentarian.

AMENDMENT NO. 2082

Mr. KENNEDY. Mr. President, I call up my amendment No. 2082 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes Amendment No. 2082.

The amendment is as follows:

At the appropriate place in section 12b relating to tax credits and deductions for political contributions, add the following provision:

INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND DEDUCTION

SEC. . (a) Section 41(b)(1) of the Internal Revenue Code of 1954 (relating to maximum credit for contributions to candidates for public office) is amended to read as follows:

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $25 ($50 in the case of a joint return under section 6013)."

(b) Section 218(b)(1) of the Internal Revenue Code of 1954 (relating to amount of deduction for contributions to candidates for public office) is amended to read as follows:

"(1) AMOUNT.—The decision under subsection (a) shall not exceed $100 ($200 in the case of a joint return under section 6013)."

(c) The amendments made by subsections (a) and (b) shall apply with respect to any political contribution the payment of which is made after December 31, 1974.

Mr. KENNEDY. Mr. President, the effect of this amendment is to double the existing tax incentives for small political contributions. I believe the amendment offers a significant new step by the Senate to promote broader popular participation in the political process.

Under the current law, a tax credit is available for one-half of the contributions by an individual to a political candidate or party with a maximum credit of $12.50 per individual, or $25 for a couple filing a joint return. Alternately, a deduction may be taken for one-half of the contribution, with a maximum deduction of $50 per individual—$100 on a joint return.

Under the amendment, which I am offering, the maximum credit would be increased to $25—$50 on a joint return—and the maximum deduction would be increased to $100—$200 on a joint return. The estimated revenue loss from these changes would be $26 million—$11 million from the increase in the credit, and $15 million from the increase in the deduction.

The amendment will have a number of significant effects.

First, it will provide an increased incentive for participation in the political process by a larger proportion of the electorate. One of the most important goals in recent proposals to reform the political process has been to stimulate greater public participation in election campaigns. I believe a modest increase in the tax credit and deduction will encourage political parties and political committees to broaden their base of support by soliciting contributions from small donors. It will encourage more individuals to contribute, and will encourage existing contributors to raise the level of their contributions.

By encouraging contributions by small donors, the tax incentives will help to break down the excessive reliance by candidates on large contributors. As a result, the measures will help to restore public faith in the integrity of the election process. They will help to eliminate the ambiguous relationships created by the current system, in which candidates are obligated, or appear to be obligated, to their large contributors.

Although the recent Federal Election Reform Act of 1974 closes many of the loopholes used by large contributors in the past, it still allows contributions up to $1,000 by an individual to a Federal candidate of his choice. In my view, that limit is still too high to prevent abuses; in addition, it is not applicable to candidates to State and local office. By encouraging smaller contributions, such as the tax credit and tax deduction, we can help to minimize the potentially corrosive reliance on large contributions in all elections, Federal, State, and local.

Second, the tax incentive approach has broad bipartisan appeal, because it leaves the decision on the allocation of public funds through the tax subsidy to the choice of the individual taxpayer himself. This point is the central distinction between the tax incentive approach and the various proposals for the direct financing of political campaigns, which I have strongly supported in the past. Under the tax incentives, the Federal Government plays no part in determining which candidates or committees are to receive public funds or the amount of such funds that are to be made available to particular candidates. It is the citizen, and the citizen alone, who makes these determinations.

Third, the tax incentives are not limited to Presidential candidates. They offer assistance to candidates at both the general election stage and the primary stage, and offer assistance to candidates at the congressional, State, and local level as well. This point is especially important. The expense of election to State or local office, especially in the large States, is often a substantial barrier to all except men of wealth or their favored candidates. Thus, concern for the health of the Nation's political system as a whole requires public support for campaigns for offices at all levels of government.

The proposal also brings important assistance to congressional campaigns. My hope is that in the next Congress, we shall move to a proposal for public financing of Senate and House elections. But until we achieve that goal, needed reform can come from tax incentives for small individual contributions.

Finally, the increased tax credit and tax deduction will be an important complement to the public financing provision of the Federal Election Reform Act signed into law last October. Under that legislation, matching grants of public funds will be available to candidates in Presidential primaries for small private contributions up to $250.

By itself, that law is a strong incentive to candidates to solicit small donors. Under the amendment I am offering, the incentive on the part of donors to make such contributions will also be significantly increased, and the prospects will therefore be enhanced that the matching grant proposal will achieve its important function of easing the burden of the high cost of campaigning for national office.

In sum, I see this reform as another step in the right direction of genuine election reform and genuine public participation in our election system. I hope the amendment will be accepted by the Senate.

Mr. LONG. Mr. President, I have consulted the Parliamentarian. The last time I discussed this amendment with him I believe he advised me that he thought it was a very close point, but in his judgment the amendment should be ruled germane. I will ask the Chair if this amendment is germane to the bill.

The PRESIDING OFFICER. It appears to the Chair that it is germane.

Mr. LONG. Mr. President, I will trust this to the judgment of Senators. This amendment that is offered by the Senator deals with tax deductions and credits for campaign financing. As I recall, it is similar to what we had tentatively agreed to at one point when we first decided to act in the area of campaign financing.

I believe when the original financing amendment was offered, which included the $1 checkoff at that time, it actually proposed that the deduction and credit would be at that level.

I am told that this amendment would have an impact on the Treasury of about $26 million.

Personally, on the merits, I think I would vote for it myself, but I will leave that up to the Senators.

There is a provision in the bill to which it is germane, and it is not subject, in my judgment, to a point of order.

Mr. BEALL. Will the Senator yield?

Mr. LONG. I yield.

Mr. BEALL. I am curious as to the germaneness of the amendment as opposed to amendments to other sections. For instance, there are some of us interested in amendments relating to the tariff schedule. There is a provision in this bill that relates to the tariff schedule but, as I understand the ruling of the Chair and the interpretation in regard to the tariff schedule, it is so narrow it has to apply to specific tariffs. Yet in this instance the interpretation in regard to the political contribution is so broad as to include this section when I do not read the bill as having a section which deals specifically with this subject matter. Maybe I am wrong.

Mr. LONG. Might I refer the Senator to page 35 of the committee report.

Mr. BEALL. I was looking at the bill.

Mr. LONG. If the Senator will look at page 35 of the committee report it refers to the tax credit or deduction for political contributions.

Under this provision, the maximum annual credit or deduction allowed for political contributions and newsletter fund contributions together is limited to the amount available under present law, e.g., $12.50 credit or $50 deduction for an individual ($25.00 credit or $100 deduction in the case of a joint return).

Mr. BEALL. Where is the Senator reading?

Mr. LONG. I was looking at the last sentence of the second full paragraph which appears on page 35.

Might I also refer the Senator to page 31 of the bill, lines 7 through 17:

"(g) Treatment of Newsletter Funds.—

"(1) In general.—For purposes of this section, a fund established and maintained by an individual who holds, has been elected to, or is a candidate (within the meaning of section 41(c)(2)) for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of such individual's newsletter shall, except as provided in paragraph (2), be treated as if such fund constituted a political organization.

Also, I would like to refer the Senator to page 34 of the bill, lines 1 through 23:

(c) Definition.—Section 41(c) is amended by adding at the end thereof the following new paragraph:

"(5) Newsletter fund contribution.—The term 'newsletter fund contribution' means a contribution or gift of money to a fund established and maintained by an individual who holds, has been elected to, or is a candidate for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of a newsletter."

(d) Conforming Amendments in Deduction Provision.—Section 218 (relating to contributions to candidates for public office) is amended—

(1) by inserting "or newsletter fund contribution (as defined in section 41(c)(5))" after "section 41(c)(1)" in subsection (a); and

(2)(A) by striking out "political contribution" the first place it appears in subsection (b)(2) and inserting in lieu thereof "political contribution or newsletter fund contribution"; and

(B) by striking out "political contribution" the second place it appears in subsection (b)(2) and inserting in lieu thereof "contribution".

These provisions of the bill amend the same provisions which the Senator is seeking to amend, by simply saying that the amount that would be deductible would be twice what the law presently provides.

Mr. BEALL. I do not want to engage in an argument with the Senator, but I notice the section to which he refers is 41(c)(2), and the section the Senator from Massachusetts is amending is section 41(b)(1). How specific is the rule of germaneness in this instance?

He also amends section 218(b)(1).

I am wondering if the tariff bill amends section 218(b)(1).

Mr. LONG. Personally, I am abiding by the opinion of the Parliamentarian, with whom I have discussed it. It is the same section dealing with political contributions. That is the opinion I have been given by the Parliamentarian.

Frankly, as far as I am concerned, the Parliamentarian is my arbiter on this matter.

Mr. BEALL. I have great respect for the Parliamentarian, and I am happy to abide by his rule. I was looking for a specific definition of the rule in this instance because, as I say, if it does not amend the specific section that is in the bill but amends the general title, then it would seem to me a lot of other amendments are going to be germane.

Mr. LONG. It amends the same section. The Senator is talking about section 41; is that correct?

Mr. BEALL. We are also talking about section 218.

Mr. LONG. The Senator is talking about 41(b), and then the provision which amends section 41 is (c).

The opinion that I have received is that the amendment would be in order because this provision is in the bill.

Mr. BEALL. It amends section 218(b) 1, on page 2 of the amendment. Is that germane?

Mr. LONG. These sections of the Internal Revenue Code are in the bill. One is for the credit and the other is the deduction. I am not here to argue the germaneness of it.

I do not know what type of actual germaneness there would have been. All I know is, as far as I am concerned, when I offer an amendment, that is a close question, I am going to abide by the judgment of the Parliamentarian, and I wish other Senators also would.

Mr. BEALL. I would be happy to abide by the ruling of the Parliamentarian, but perhaps if I made a point of order against the amendment, I could get a more specific ruling from the Parliamentarian.

Mr. LONG. The Senator is privileged to do that.

Mr. BEALL. Mr. President, in order to get the kind of ruling that I think would be more satisfying to all of us and would be more definitive, I make the point of order that the amendment offered by the Senator from Massachusetts is not germane, because it does not amend, in the first instance, the specific section of the code, the subparagraph of the code, that is included in the bill and it amends section 218(b), which is not included in the bill at all, as I read the bill.

The PRESIDING OFFICER (Mr. Buckley). In the opinion of the Chair, this amendment, regardless of the specific statute it affects, takes credits from political exemptions and transfers them to press releases. As the Chair understands, it would merely double the amount of political exemptions. Accordingly, the Chair will rule that it is germane.

The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2080

Mr. KENNEDY. Mr. President, I call up amendment No. 2080, which is a minimum tax amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in section 3 (relating to tax preferences for the amortization of certain facilities), add the following provision:

STRENGTHENING THE MINIMUM TAX

Sec. . (a) Section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended:

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) In General.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds $10,000.";

(2) by striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof "$10,000"; and

(3) by striking out subsection (c).

(b) The amendments made by this section apply to taxable years beginning after December 31, 1973.

Mr. KENNEDY. Mr. President, the purpose of the amendment is to close two of the most serious loopholes in the minimum tax: the so-called "deduction for taxes paid" and the $30,000 exemption. On the basis of figures for calendar year 1974, the amendment will generate increased tax revenues totaling $926 million.

The minimum tax is the imaginative technique enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that all citizens with substantial income would pay at least some tax on their income, thereby ending the gross tax inequity by which thousands of wealthy taxpayers are able to use the loopholes in existing law to avoid large amounts of taxes they ought to pay, or even to avoid taxes altogether.

In effect, the minimum tax is supposed to be a bucket under a sieve. It is designed to impose a modest tax on all income that slips otherwise untaxed through the many loopholes in the existing Revenue Code. If the minimum tax fulfills its function, no one with substantial income would be able to avoid paying a fair share of taxes on his income.

Under the present minimum tax, a person is taxed at the rate of 10 percent on the sum of his income from tax preferences, which include most but not all, of the major tax loopholes. Before the tax rate is applied, a deduction of $30,000 is allowed, and another deduction is allowed for the amount of regular income taxes owed.

Unfortunately, the minimum tax does not adequately fulfill its function. In 1970, for example, the first full year of operation, the revenue yield was a paltry $117 million from individuals, compared to an anticipated yield of $290 million when it was enacted in 1969. In 1971, the yield was little better, only $163 million from individuals. And in 1972, it rose again, but only modestly, to $206 million. These annual increases are extremely small, compared to the substantial amounts that would be raised if the minimum tax really did its job.

The most recent breakdown available, for 1971, shows the extent of the problem. Because of the loopholes in the minimum tax—principally the deduction for taxes paid and the $30,000 exemption—its effective rate in 1971 on individuals was only 2.6 percent, compared to the statutory rate of 10 percent and the effective rate on corporations was only 4.8 percent. And, as a result of the loopholes in the minimum tax, 74,000 individuals, reporting tax loophole income totaling $2.2 billion, paid no minimum tax at all. Similarly, 75,000 corporations reporting tax loophole income totaling $1.6 billion, paid no minimum tax at all.

Because of the exemptions and deductions written in at the beginning and in subsequent years, the minimum tax is itself a loophole-ridden tax—minimum in impact as well as name. As such, the minimum tax is the most aptly named provision in the tax laws. Instead of being a "bucket under a sieve," it is, instead, simply another sieve under the existing sieve.

The first of the two reforms I propose would eliminate the deduction for taxes paid. This deduction entered the revenue laws as an 11th-hour Senate floor amendment to the Tax Reform Act of 1969.

In effect, this particular deduction has become an "executive suite" loophole, because it allows highly paid executives to use their large salaries to shelter large amounts of tax preference income against the minimum tax. But simply because a wealthy individual pays taxes on his salary just like everybody else, it does not follow that the taxes he pays should give him free entry to the "loophole club," by allowing him to amass large amounts of sheltered income, free not only from the regular tax, but free from the minimum tax as well.

Thus, the minimum tax works reasonably well in the case of individuals who pay little or no regular taxes, but it contains a gaping loophole in the case of individuals who pay substantial regular taxes. To me, there is no justification for allowing this loophole in the minimum tax to remain open. Simple tax justice requires that the minimum tax be applied evenhandedly to all tax preference income. The amendment I am proposing today will achieve that result by eliminating the deduction for taxes paid.

The second reform would reduce the current $30,000 exemption from the minimum tax to $10,000. The existing exemption allows the first $30,000 in tax loophole income to escape the minimum tax altogether. I believe the current exemption is excessive, and that a level of $10,000 would eliminate much of the tax avoidance feature of the current law while insuring that the minimum tax comes into play at a reasonable level of tax preference income.

The $30,000 exemption appears to be the loophole used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near zero in 1970.

According to the information available, President Nixon filed the required IRS form 4625 for the minimum tax in the first three years since the tax was enacted—1970, 1971, and 1972—since he had many thousands of dollars in tax preference income derived from preferences such as excess investment interest, accelerated depreciation, and capital gains. Yet in only one of those years, 1970, did the President actually pay any minimum tax, and the amount paid that year was extremely small, $792.81. In the other two years, in spite of his sizable tax preference income, the President was able to use the $30,000 exemption in the law to reduce his minimum tax to zero.

The attachment explains the operation of the amendment in greater detail. As noted, I believe that the arguments against minimum tax reform based on the impact on capital gains and the depletion allowance have been grossly exaggerated in the past, and are far outweighed by the importance of the reforms involved. Wall Street did not blink and the oil industry did not miss a stride when Congress enacted far more substantial changes in capital gains and oil depletion in 1969. The gaping loopholes in the minimum tax make a clear and compelling case for reform, and I hope the Senate will adopt the amendments I have proposed.

Mr. President, I ask unanimous consent that a fact sheet explaining the amendment in more detail may be printed at this point in the Record.

Explanation of Kennedy Minimum Tax Amendment to H.R. 421

PURPOSE

1. Repeal the step in the calculation of the minimum tax which currently allows a deduction for other taxes paid.

2. Reduce the current $30,000 exclusion from the minimum tax to $10,000.

The proposed amendment makes no change in the list of tax preferences subject to the minimum tax, and no change in the current 10 percent rate of the minimum tax. It affects only the deduction for taxes and the $30,000 exclusion, the most obvious loopholes in the current minimum tax. The combined revenue gain from both changes would be $926 million.

CURRENT LAW

The minimum tax was enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that persons with substantial amounts of untaxed income would pay at least a modest tax on such income. Under the present minimum tax, a person is taxed at the flat rate of 10% on the sum of his income from certain tax preferences, which include most, but not all of the major preferences in the tax code: accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of certified pollution control facilities, amortization of railroad rolling stock, stock options, reserves for losses on bad debts of financial institutions, depletion, capital gains, and amortization of on-the-job training and child care facilities.

Before the minimum tax is applied, however, a taxpayer gets two important deductions from his preference income. First, an automatic $30,000 exclusion; Second, a deduction for the regular income tax paid. These two deductions are largely responsible for the failure of the minimum tax to fulfill its promise.

DEDUCTION FOR TAXES PAID

This deduction, originally proposed as a floor amendment in 1969 by Senator Miller of Iowa, allows substantial numbers of taxpayers to avoid the minimum tax completely, even though they have large amounts of income from tax preferences. In 1970, as a separate floor amendment by Senator Miller, the deduction was broadened to allow a 7-year carry-forward of the deduction. In practice, the deduction is an "Executive Suite" loophole, since one of its principal effects is to allow highly paid executives to use the large amount of regular taxes they pay on their salaries as an offset against income they receive from tax preferences. The following example illustrates the point:

	A	B
Preference income	$100,000	$100,000
Regular tax on salary	100,000	0
Base for minimum tax	0	$100,000
Minimum tax	0	10,000

Individual A, who has $100,000 in income from tax preferences but pays $100,000 in regular taxes on his salary, owes no minimum tax. Individual B, who has $100,000 in income from the same tax preferences, but who pays no regular taxes, owes a minimum tax of $10,000. The minimum tax should operate equally on individuals A and B, yet the deduction for taxes paid lets A escape the minimum tax altogether.

Contrary to arguments often raised against repeal of the deduction for taxes paid, this reform would have only a marginal impact on capital gains. For individuals, this effect of the change would be to increase the effective tax rate on capital gains in the highest bracket from its present level of 36.5% to 40%. But the top 40% rate would apply only to that portion of capital gains over $460,000. Even at that level, it is still a bargain compared to the top 70% tax rate on ordinary income. In the Tax Reform Act of 1969, the maximum effective tax rate on capital gains was increased from 25% to 36.5%, with no measurable effect on the investment community or the flow of capital to business. For corporations, the change would increase the effective tax rate on capital gains from 30.7% to 33.75%. The Tax Reform Act of 1969 increased the rate from 25% to 30%. For all but the smallest corporations, the tax rate on ordinary income is 48%.

THE $30,000 EXCLUSION

The second part of the amendment would reduce the existing $30,000 exclusion to $10,000. The present level was set too high by the 1969 Act. It enables wealthy taxpayers to enjoy their first $30,000 in tax loophole income, completely free of the minimum tax. This was the provision used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near-zero in 1970.

By reducing the exemption to $10,000, substantial amounts of preference income that are currently tax-free will become subject to the minimum tax. At the same time, the $10,000 level will be high enough to prevent any deleterious impact on low and middle-income taxpayers with modest tax preference income such as a capital gain on the sale of a home. In addition, the $10,000 level will avoid any unnecessary inconvenience in the administration of the minimum tax, since it will not require the forms to be filed or the tax to be paid on modest amounts of tax preference income.

EFFECT OF CURRENT LOOPHOLES

Individuals.—In 1971, 100,000 individuals with tax preferences totaling $6.3 billion paid $169 million in minimum tax, for an effective tax rate of only 2.7%, compared to the statutory rate of 10%. Of this group, 75,000 individuals reporting preference income of $2.3 billion paid no minimum tax at all.

Corporations.—In 1970, 81,000 corporations paid $280 million in minimum tax on loophole income of $5.7 billion, for an effective rate of 4.8%. Of this group, 75,000 corpora-

tions, reporting preference income of $1.6 billion, paid no minimum tax at all.

Revenue gain from proposed amendment (1974 income levels)

[In millions]

Individuals	$526
Corporations	400
Total	926

ANALYSIS OF REVENUE GAIN FROM INDIVIDUALS

Adjusted gross income class (thousands)	Increase in tax liability		
	Number of returns (thousands)	Amount (millions)	Percent
0 to $3	20	10	90.00
$3 to $5	(1)	(1)	
$5 to $7	2	1	.19
$7 to $10	2	2	.38
$10 to $15	28	5	.95
$15 to $20	26	8	1.52
$20 to $50	88	75	14.66
$50 to $100	55	86	16.35
$100 and over	43	338	64.25
Total	265	526	99.81

(1) Less than 500 returns or $500,000.

Note: Details do not add to totals because of rounding.

Mr. LONG. Mr. President, I make the point of order that the amendment is not germane to the bill. I regret that I must do this, but I have consulted with the Parliamentarian about this matter, and I am advised by him that the amendment is not germane.

The PRESIDING OFFICER (Mr. McClure). The Chair rules that the amendment is not germane.

Mr. KENNEDY. Mr. President, I should like to spend a moment explaining why I feel that the amendment is germane.

Mr. LONG. Mr. President, I withhold my point of order.

Mr. KENNEDY. Mr. President, included in H.R. 421, the measure we are considering this afternoon, is a proposal to extend for an additional year the tax preferences for pollution control facilities and railroad rolling stock. These two tax preferences are included in the list of tax preferences subject to the minimum tax. If this measure is passed this afternoon, these particular items will continue to be subject to the minimum tax in its present defective form.

In effect, the bill continues the tax preferences for these items, including the minimum tax. My amendment would subject these tax preferences to a stricter version of the minimum tax. Thus, I feel that the amendment is germane.

Although I am conscious of the concern that the floor manager of the bill has about amendments which are not germane, although I have great respect for the views of the Parliamentarian, I think the issue of germaneness here is a close one, and that it should be resolved in favor of the Senate's consideration of the amendment.

The amendment on the minimum tax is not a new proposal. It has been considered many times by the Finance Committee, going back to 1969, and the Senate has voted on several minimum tax proposals which I have put forward on the floor. So it is not a new measure. It has been considered by the Senate and by the Committee on Finance. It is an important measure in closing one of the major loopholes that exist in the Internal Revenue Code.

I think that at a time when we are considering the continuation of a tax advantage to those who will take advantage of it, we also should show some responsibility toward those who want tax reform.

So I respectfully take issue with the Parliamentarian. I know that a point of order will be made, and at that time I will appeal from the ruling of the Chair and ask for the yeas and nays. If the point of order is made now, I will ask for the yeas and nays.

Mr. LONG. Mr. President, there was a better case for the previous Kennedy amendment than is made here for the amendment. The question was asked by the Senator from Maryland about section 218. Section 218 is amended by the provisions of this bill. So that both sections of the Internal Revenue Code to which the previous Kennedy amendment was offered were amended in the section to which the amendment was offered. In this case, however, the Senator seeks to amend the minimum income tax law. There is not a word anywhere in this bill about the minimum income tax.

It is true that the minimum income tax does apply to two of these amortization provisions which are extended by this bill. But the application of the minimum tax is in a separate section. It is a separate provision of the law. There is nothing whatever in the bill that amends any part of the minimum income tax.

Now, Mr. President, frankly, I had my doubts about the first Kennedy amendment. I would abide by the judgment of the Parliamentarian, and so would the Senate. We saw no appeal from the ruling of the Chair against the first Kennedy amendment, even though that was debatable. I feel it is regrettable that the Senator desires to appeal the ruling of the Chair. Mr. President, if Senators want to add amendments to the bill, when cloture has been invoked, when their own Parliamentarian and their Presiding Officer rule that the amendment is not germane, and the manager of the bill opposes—not because he is against the amendment, but because his conscience requires him under the circumstances—they are going to overrule their own majority vote. They will rue the day, because we are not going to be able to get cloture invoked in the Senate if we are going to add amendments to the bill which require us to overrule our precedents, overrule the Parliamentarian and turn down the conscientious judgment of a person who has worked in this area for a great number of years.

I ask the Chair for an opinion of the Chair whether the amendment is germane to the bill.

The PRESIDING OFFICER. Does the Senator make a point of order?

Mr. KENNEDY. Will the Senator, before asking it, yield to me?

Mr. LONG. Mr. President, I make the point of order.

The PRESIDING OFFICER. The Senator from Louisiana makes a point of order. Does the Senator from Massachusetts desire to be heard on the point of order?

Mr. KENNEDY. Yes, I do, Mr. President.

Mr. President, I direct the attention of the Senate to page 4 of the legislation. Although I respect the decision of the Chair on the germaneness issue, I respectfully disagree. Let me respond to the point made by the floor manager that the minimum tax is not mentioned in the legislation.

Mr. President, on page 4, in section 3 of the bill, we find that the title of the section reads as follows:

> Extension by one year of period during which pollution control facilities, railroad rolling stock rehabilitation . . . may qualify for 5-year amortization.

Those two measures are tax preferences subject to the minimum tax. They are specified as tax preferences in the Internal Revenue Code, section 57, as 2 of the 10 tax preferences subject to the minimum tax. If we are extending these preferences for another year, how can we say that the operation of the minimum tax is not germane to these tax preferences?

This is not an extraneous amendment that has no relevance to this particular measure or this particular legislation. The Parliamentarian said, in his previous ruling on political contributions, that germaneness does not depend on whether a particular section is mentioned in the bill or the amendment. Germaneness depends on the substance of the amendment and its relation to the section of the bill being amended. When we take the substance which is included in this section, a central part of the substance relates to the minimum tax, because of the fact that these two items are tax preferences subject to the minimum tax.

Obviously, my amendment would be germane if I were trying to strike out these two preferences. But I am not trying to do that. I am not trying to close the loophole altogether. I am taking the lesser step of trying to tighten the loophole that now exists for these preferences. How can it be germane to close the loophole, and nongermane merely to narrow the loophole.

Equally important is the matter of the urgency of tax reform to the American people. As we wind up this particular Congress, we know that millions of ordinary taxpayers are paying out more and more from their family budgets to ease the extraordinary economic plight that they face. One of the major reasons their taxes are so high is that others pay so little. The question they ask is this—is the Senate of the United States prepared to take some modest step—and this is only a modest measure, but it is an important and well-debated reform—to do something about closing one of the major loopholes in the Internal Revenue Code.

Mr. LONG. Mr. President, what the Senator in effect is saying is that one deduction has an effect on another deduction, or one section of the Internal Revenue Code has an effect on another section of the Internal Revenue Code. If we are going to accept that logic, then if we amend any section of the Internal Revenue Code, almost any other amendment of the Internal Revenue Code would be in order.

We can find section after section—in fact, the majority of them—where anything that has to do with deductions from the final tax payment has a bearing on other deductions and the extent to which they can be used.

If this section has an effect on that section, and so, since we amended that section, it is now relevant and germane to amend this section, there is no such thing as a rule of germaneness. We can just forget about it. We can amend anything in the entire Internal Revenue Code by that logic alone.

Mr. KENNEDY. Will the Senator yield?

It is not my suggestion that because there are sections in the bill which relate to the Internal Revenue Code, any particular tax reform is therefore germane. What we are talking about is a very precise clause in the bill and the code that affects two very precise tax preferences under the minimum tax.

Mr. LONG. I say to the Senator that I cannot yield on my time; I have only 1 hour.

Mr. KENNEDY. Then if the Senator would yield on my time on this point.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I am not saying a general reform measure is germane. What I am suggesting is that, on this particular issue, the bill and the amendment target in on two very important specific matters, pollution control facilities and railroad rolling stock rehabilitation.

These are tax preferences which are subject to the minimum tax, which deals specifically with the way such tax preferences are treated. If we accept the Parliamentarian's previous ruling that substance controls, and that section references are not the key to germaneness, then I think the substance of this amendment is germane.

If this amendment is germane, it does no violence to the principle of germaneness. It is not a departure from our traditional insistence on germaneness and reference. If we accept what I am saying, therefore, it does not mean this whole measure must be opened up to any tax reform proposal.

The PRESIDING OFFICER. The Chair is prepared to rule.

The amendment of the Senator from Massachusetts modifies the existing minimum tax. There is no provision of the bill specifically relating to the minimum tax itself. Therefore, the amendment is not germane.

The Chair sustains the point of order.

Mr. KENNEDY. Mr. President. I should like to appeal a decision of the Chair, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. LONG. Mr. President, my position in making the point of order on germaneness has nothing to do with the merits of the amendment. It is quite apart from politics. I believe it is my duty to make the point of order. The Parliamentarian is doing his duty as the good Lord gives him the light to see it, and I think it would be a disgrace on the Senate to do something that is that far removed, to overrule the Parliamentarian and strike down our precedents.

Mr. BEALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BEALL. Will the Chair explain whether the yeas and nays are to sustain the Chair?

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? Those supporting the ruling of the Chair will vote yea; those desiring to sustain the appeal will vote nay.

Mr. FANNIN. Mr. President, I ask unanimous consent that Mr. George Pritts, of my staff, be afforded full privileges of the floor during voting and debate on this measure, and also Nolan McKean, of Senator HANSEN's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEEPWATER PORT ACT OF 1974—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on H.R. 10701, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. McCLURE). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 16, 1974, at p. 40222.)

Mr. HOLLINGS. Mr. President, the Senate now has under consideration the report of the committee of conference on the disagreeing votes of the two Houses on H.R. 10701, the Deepwater Port Act of 1974. The conferees have agreed on a compromise bill and the Senate can now move to consideration of the conference report. I urge my colleagues to approve the conference report. Mr. President, this legislation represents over 2 years of work and preparation on the part of three Senate committees and two House committees. Without this legislation pending plans to construct and operate deepwater port facilities designed to handle large oil tankers and to be located beyond our territorial waters could not be implemented. In essence, H.R. 10701 is enabling legislation which provides a legal regime and a mechanism for protecting the Federal interest in these types of facilities. I believe we have a good bill and one which serves the national interest.

I wish to congratulate my Senate colleagues on the Deepwater Port Conference Committee, Senators LONG, STEVENS, JACKSON, JOHNSTON, HANSEN, GRAVEL, BENTSEN, and BUCKLEY for their efforts in obtaining an acceptable bill expeditiously. Once action is completed by both the House and the Senate on the conference report, the bill will go to the President who I am sure will sign the bill. Plans for deepwater ports can then move forward.

The conference report adopts a version of the deepwater port bill which is quite similar to that approved by the Senate on October 9 of this year. I will not elaborate at any great length on all the changes made by the conference committee but would like to point out a few which merit some explanation.

First of all, the conference adopted a compromise definition of what are "adjacent coastal States." This definition is important because it in essence defines what—and how many—States have a veto over a proposed deepwater port. It was the Senate's intention to make the determination of whether a deepwater port ought to be sited in a particular place, a regional one involving all States which might be affected by its location and, in particular, affected by an oil spill which could originate from a deepwater port. Therefore, the Senate bill provided that an adjacent coastal State would be: First, a State which is directly connected by pipeline to the deepwater port; second, a State which would be located within 15 miles of any deepwater port; or third, a State which faces a substantial risk of serious damage to its coastal environment as a result of an oil spill incident which might originate from a deepwater port. Subsequently, we were informed by the National Weather Service in the Commerce Department that this definition could, literally interpreted, encompass an entire coastal seaboard. In effect, we were told Georgia might have the ability to veto a deepwater port to be located off Massachusetts. In any event, it was clear that our definition of an adjacent coastal State needed tightening and that this should be one of the chores undertaken by the committee on conference. The compromised achieved, I believe, substantially comports with the original intent of the Senate bill. It was agreed that an adjacent coastal State would be one, first, which is directly connected by pipeline; second, which is within 15 miles of a deepwater port; and third, which is designated by the Secretary of Transportation as a State as to which there is a risk of oil pollution damage equal to or greater than that faced by the State which receives the pipeline. In essence, this compromise language restricts the number of States possessing a veto to the immediate few which would be most directly impacted. I believe this change is acceptable and should be approved by the Senate.

The committee of conference also

voted to change the designation of the Secretary who would have lead agency responsibility from the "Secretary of the Department in which the Coast Guard is operating" to, simply, the Department of Transportation. While I believe this is a useful change, one which lodges the primary responsibility in the Department itself, nonetheless I still believe the primary responsibility for the administration of this legislation should go to the Coast Guard. In my view, the Coast Guard possesses the most expertise on this matter. I would hope that the Department of Transportation, in organizing their department to handle this new responsibility, give due consideration to the special expertise and experience of the Coast Guard and allocate a major portion to them.

I would also like to make special note of the liability provisions which were accepted. They are essentially the Senate provisions and signify Congress' recognition of the danger of widespread damage which might result from a supertanker mishap. In reference to this provision, I understand that Senator MAGNUSON will soon introduce an amendment to S. 841, the bill which implements two international treaties regarding civil liability for oil pollution damage and the establishment of an international fund for compensation for oil pollution damage. This amendment would establish a fund similar to that in H.R. 10701. It would provide for a universal mechanism of compensating oil pollution damage from oil tanker accidents. In addition, the Senate ocean policy study has on its agenda next year an investigation of the entire question of ocean pollution by oil to include vessel-source pollution as well as oil pollution from offshore drilling operations. I believe that the history of legislation in this regard has reached such a stage that we can now provide for a universal mechanism which will stand as the model for oil pollution compensation throughout the world.

In closing, let me reiterate once again the principal arguments supporting this legislation. It is expected that no matter what steps we take to limit our consumption of oil in this country we will need to import large quantities from the Middle East and other distant points. Carriage of this oil in large tankers appears to be the most economical method of transportation and plans are presently underway to develop deepwater ports in this Nation as soon as legislation is enacted.

Deepwater ports are also preferrable from an environmental standpoint. Keeping oil carrying vessels offshore lessens the possibility of collisions and groundings in crowded harbor areas where most oil spill mishaps presently occur. Deepwater ports would remove large oil vessel movements to deeper water. Overall it was concluded by the Senate and the House that offshore supertanker terminals offer the greatest environmental advantages of any deepwater port design. Benefits of deepwater ports may be generally listed as follows: First, having domestic deepwater ports will prevent reliance on foreign-based refinery capacity; second, transportation savings which accompany supertankers employment will be realized; and, third, using fewer, larger ships will reduce shipping hazards in already crowded ports, thereby reducing the risk of pollution from collisions.

On the other hand, it is not expected that deepwater ports will facilitate reliance on foreign oil. Reliance on foreign oil is a fact, a fact that will remain a fact until sometime in the mideighties when our new energy programs produce viable alternate sources of energy and we begin to reduce our massive consumption of oil products.

I, therefore, urge favorable consideration of the committee of conference report on H.R. 10701, the Deepwater Port Act, and urge all my colleagues to support it.

Mr. JOHNSTON. Mr. President, I am pleased that the Senate today takes up the conference report on H.R. 10701. The legislation reflected in H.R. 10701, as agreed to by the conferees, is the culmination of more than a year's efforts to draft a bill that will provide the necessary legal framework to get on with the job of building much-needed superports. At the same time, the legislation reflects the extensive testimony, contained throughout the hearings on this matter, concerning the economic, environmental, and social costs of such facilities.

I should point out that the impact of these costs was one of the key issues that both Houses of the Congress and the conferees considered at some length. Both sections 5(h) and 19(b) of the conference report provide a basis for a State to compensate itself for these costs. These sections represent a resolution by the conferees of the diverse treatment given in the House and Senate versions of the bill to the issue of compensation of adjacent coastal States. For instance, although the House version made most laws of the adjacent coastal State applicable to deepwater ports off its coast, the House version specifically prohibited imposition of State tax laws beyond any State's tax jurisdiction; that is, its territorial limits. In addition, the House version had no provision for the reimbursement of States for the costs of environmental monitoring of deepwater ports. The Senate bill, reflecting the extensive testimony at the hearings on the issue of the economic, environmental, and social costs of deepwater ports, provided that the licensee of a deepwater port would reimburse each appropriate adjacent coastal State "for all reasonable administrative and other costs in excess of the application fee, including environmental evaluations, incurred in monitoring the construction, operation, maintenance, and termination of any deepwater port or any component thereof." In addition, the Senate version of the bill made all applicable laws of the nearest adjacent state apply to deepwater ports and contained no prohibition on State tax laws being applied to deepwater ports beyond a State's normal tax jurisdiction.

The conferees specifically considered the issue of whether State taxation of deepwater ports beyond its normal tax jurisdiction should be allowed. The conferees agreed that state tax laws should be applicable to deepwater ports beyond its normal tax jurisdiction, and section 19(b) is intended to authorize the application of State laws, including State tax laws, to such deepwater ports. In addition, the conferees agreed to the language of section 5(h)(2) in place of the Senate language on monitoring. Because the language of section 5(h)(2) requires approval by the Secretary of fees imposed by States under that section, I raised the question during the conference of whether section 5(h)(2) was intended in any way to limit the authority of a State to tax a deepwater port pursuant to section 19(b). The conferees agreed that there was no such intention, and the conference report clearly states that section 5(h)(2) does not derogate from the provisions of section 19(b). Hence the authority of a State to tax a deepwater port beyond its normal tax jurisdiction is clear. In this respect, the act abandons the House's approach of prohibiting the extension of State tax laws to deepwater ports. This prohibitory approach, seen also in the Outer Continental Shelf Lands Act, was specifically rejected by the conferees, who recognized the legitimate desires of the nearest adjacent coastal State to impose its tax laws on deepwater ports beyond its normal tax jurisdiction.

Mr. BUCKLEY. Mr. President, I urge the adoption of the conference report on H.R. 10701, the Deepwater Port Act of 1974.

I shall not dwell at length on the many merits of this bill: It contains many provisions that have my strong support; it contains a few that I believe are unwise. On balance, it is sound legislation.

I must stress that this legislation is permissive. It mandates no superports. It commits no Federal funds to superport construction. It creates a reasonable system for evaluating superport proposals within their environmental, economic, and political setting, and then licensing those that are in the national interest. The test will be a tough one, as it should be.

We must recognize that the construction of any superport creates a number of advantages and disadvantages. Such a port would tend to reduce transportation costs on imported oil. But that might tend to increase dependence on oil imports from the Middle East. A port would reduce the danger of collisions and spills by small tankers at existing harbors and in close to shore. But in turn, we would create the danger, however remote, of a catastrophic spill. A superport would tend to encourage private development of port facilities, relieving the taxpayer of that burden. But that raises potential problems that the bill's common carrier provisions should resolve.

This bill seeks to establish a reasonable and expeditious mechanism for considering a superport proposal, and making certain that any such port is constructed to the most exacting environmental standards. This means the port must include the latest and most sophisticated equipment to prevent any oil discharge, to contain any discharge that might occur, and to clean up that discharge as thoroughly and quickly as possible so that it does minimal damage to the environment. That is absolutely essential. Without such strong safeguards, this bill would never have had my support. Nor would it deserve the public's support.

Within that framework, an important provision is the one involving liability.

The conference report contains two basic concepts of liability:

First, it provides a strong incentive to safe port and tanker operations. We must prevent oil spills, not simply clean them up. And no more effective way exists to induce prudent operations than to penalize directly those who fail to exercise proper caution.

By requiring liability up to $20 million for any tanker using a superport and $50 million for the port itself—with a showing of financial responsibility—that standard of due care can be expected.

The second point is that the $100 million liability fund, created by this bill, would cover all damages and cleanup above any imposed liability. This assures that cleanup will be undertaken, and that anyone who can demonstrate damages can collect for those damages. The port or tanker—plus the fund—would jointly cover all costs of damages and cleanup. That is a wise decision.

By placing America within the supertanker world, this bill can only encourage the trend toward construction of these mammoth tankers. It is my hope that the Coast Guard will study carefully all the arguments relating to any lack of safety of supertankers and work to upgrade world standards in the construction and operation of supertankers.

While that is outside the scope of this legislation, higher tanker standards, in the long run, will be one of our best ways to protect the world environment that nurtures all of us.

Mr. JACKSON. Mr. President, I am pleased to support the conference report on the Deepwater Port Act of 1974. Enactment of this bill will provide authority for the construction and operation of deepwater ports needed for imports of crude oil. It contains provisions designed to protect the environment and give the coastal States a strong role in port location and operation.

The bill also contains stringent antitrust review provisions and a requirement that every deepwater port operate as a common carrier. These provisions will help to assure that deepwater ports are available to all oil importers, not just the major multinational oil companies.

The other major provision of the conference report is a priority system for the granting of licenses for deepwater ports, with first preference going to public agencies. This would allow States, for example, to construct and operate deepwater ports.

The conference report is the culmination of a major cooperative effort by the Interior, Commerce, and Public Works Committees. The Senate bill was developed by a special joint subcommittee of these three committees. Basically, the conference report is the Senate bill with minor modifications.

All the members of the special joint subcommittee should be commended for their hard work and cooperative spirit. I particularly want to commend the junior Senator from Louisiana (Mr. JOHNSTON) who took the lead among the Interior Committee representatives on the joint subcommittee. He played a major role in shaping the Senate bill and moving it through the Senate.

Mr. President, this is a major piece of legislation. It is of particular interest to the people of my own State of Washington. It will permit imports of oil from Alaska and elsewhere without having tankers sailing into Puget Sound, a critical environmental area.

I strongly urge my colleagues to adopt this conference report.

Mr. WILLIAMS. Mr. President, I would like to commend the conferees on H.R. 10701, the Deepwater Port Act of 1974, and all the other members of the three committees which had jurisdiction over this bill. In the Senate deepwater port legislation was the product of a unique cooperative arrangement among the Committees on Commerce, Public Works, and Interior. The creation of the Special Joint Committee on Deepwater Ports was both essential and fitting in light of the significance of this piece of legislation.

The potential impact of a deepwater port is enormous not only upon the efficiency of oil transportation, but also upon the landside and marine environments. Indeed, it was largely a result of these environmental considerations that I introduced S. 180, the Coastal Environmental Protection Act, on the first day of the 93d Congress.

My principal concern was that the Governor of each coastal state adjacent to or affected by a deepwater terminal be provided an opportunity to approve or disapprove the project. I am most pleased that the final version of H.R. 10701 includes a provision which is very similar to the one I originally proposed.

Section 9 of H.R. 10701 would require the Secretary of Transportation to forward a copy of a deepwater port application to the Governor of any State which, first, is connected by pipeline to the port; second, located within 15 miles of any component of the port; or third, would in the opinion of the Administrator of the National Oceanic and Atmospheric Administration experience substantial environmental risk as the result of an oil spill. The Governor would then have 45 days in which to approve or disapprove the project. If the Governor fails to notify the Secretary of his decision within that period, his approval is presumed. The Secretary must also incorporate as conditions of the license any reasonable terms that an adjacent coastal State requests in order to make deepwater port development compatible with the environmental programs of the State.

The people of New Jersey and many other States have shown they are determined to participate in the preservation of their natural resources. It is these same people who would be forced to live with the industrialization and environmental degradation attendant to construction of a deepwater terminal. In my judgment, those most directly affected ought to have a direct role in determining the location of a facility which would so significantly affect their lives. I feel that this bill will afford them such a role.

Mr. President, I would like to commend the members of the joint committee and of the three full committees for their work on this bill. I think that the Deepwater Port Act of 1974 represents a viable approach to the complex problems involved in the location, construction, and operation of deepwater ports.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

UPHOLSTERY REGULATORS

The Senate continued with the consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

Mr. BEALL. Mr. President, I ask unanimous consent that David Rust, of my staff, be granted the privilege of the floor during the consideration and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that Howard Silverstone, of the staff of the Joint Committee on Internal Revenue Taxation, be granted the privilege of the floor during the consideration and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1974—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a report of the committee of conference on H.R. 16901, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. McCLURE). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16901) making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 11, 1974, at p. 39121.)

Mr. McGEE. Mr. President, at this time I should like to make some brief comments in reference to the conference report on H.R. 16901 and explain to my colleagues generally what took place during the course of the conference.

Before getting into the conference itself, I should like to explain one matter about which the committee has been questioned during the past several days. As the conference report indicates, after this appropriation bill was considered and approved both on the floor of the House and the Senate, Congress received a message from the President primarily in reference to certain proposed budget rescissions and spending deferrals. Included also in this message, however, were some items for which he proposed a reduction from the budget estimates which were previously submitted to Congress and considered by the Appropriations Committee and Congress itself. As I indicated, the proposed budget amendments were received following floor action in the Senate.

Since none of these items was the subject to conference action under the appropriate rules regarding conferences, these proposed budget amendments were not considered at all. I might add that in the past it has not been unusual for the Department to submit a budget estimate or budget amendment following passage of the appropriations bill by the House and before the Senate takes action.

Indeed, we have one such case in the bill now before you in which the Department requested an additional $15 million for the Animal and Plant Health Inspection Service. Even though this amendment was submitted long after our hearings on the bill had been concluded, we were most happy to consider this in the Appropriations Committee and on the floor. The House has been most generous in considering these late budget amendments even though they would not have had the opportunity to consider them during the usual course of their deliberations on the bill.

A different situation was presented when we were given these proposed budget amendments following action by both Houses. As I indicated previously, and as I want to stress most emphatically, none of these proposed items involved in the budget amendments would have been before the conference according to all of our established rules and it was for this reason they were not considered.

I shall now proceed to discuss the several Senate amendments which were in conference. The first amendment involved a Senate addition of $15,671,000 for the Animal and Plant Health Inspection Service. This Senate addition was the result of the budget amendment which I previously discussed. This item was compromised in the conference and the conference committee approved $10,668,000.

Amendments numbered 2 and 3, which were added on the Senate floor and which pertained to the Public Law 480 program, were deleted in conference. While most of the conferees were in sympathy with the expressed purposes of these proposed amendments, there were some serious reservations as to whether or not the Senate language would have, in effect, amended some substantive provisions of Public Law 480. It was felt that if any such amendments were to be approved by Congress, they should be approved through the regular legislative process and not through the means of an appropriation bill. Undoubtedly, Congress will direct its attention to any needed modifications of the Public Law 480 law and program in the very near future. The conferees did agree to report language, however, that insofar as authorized by law special attention should be given to the allocation of Public Law 480 funds to those nations most currently affected by current and future food shortages and to the purchase of specially blended and high nutritional foods.

Amendment No. 4 is one which would provide the Department with legislative authority to utilize employees of the Agricultural Stabilization and Conservation Service on a part-time and intermittent basis by the Farmers Home Administration. An addition was made to the Senate approved language but basically the House conferees agreed to the amendment as proposed by the Senate. Due to the nature of this amendment, however, it was necessary to bring it back in technical disagreement.

On amendment No. 5, involving the so-called line-of-business reporting activities of the Federal Trade Commission, the House receded and the language inserted by the Senate was adopted by the conference. As many of you will recall, this matter was the subject of some controversy when the original appropriation bill was considered earlier this year and the language involved was worked out very carefully, following an extensive conference on this particular item. The Senate language brings the line-of-business language into conformance with the language which was contained in the vetoed bill.

Amendments numbered 6 and 7 related to implementation of some amendments to the food stamp program which were enacted July 12, 1974. The House receded on amendment No. 6, which provides that the regular food stamp appropriation shall be used to reimburse the State administrative costs as provided by the latest amendment. Amendment No. 7 would have provided that these payments to the States should be made retroactive to date of enactment, July 12, 1974. This amendment was deleted. During the course of our consideration of this matter, however, the Department advised the committee that it now plans to implement this program effective October 1, 1974, and we were advised of this action shortly prior to the conference. So while the Senate amendment in this regard was deleted, I am certain that it did serve to encourage the Department to set an implementation date.

Amendment No. 8 involving restrictions on the use of appropriated funds for parking and related programs of the Environmental Protection Agency proved to be the most troublesome amendment in conference. I shall not go into the details of this issue at this time since it will be discussed in further detail later.

Finally, Mr. President, we have amendment No. 9, which was added by the Senate committee which would have raised the ceiling for which GSA could pay for the acquisition of passenger motor vehicles for the various Federal agencies. We realized when we added this provision in committee that it was an item within the jurisdiction of the Subcommittee on Treasury, Post Office and General Government, however, since their annual appropriation bill had been enacted, it was requested that we allow them to use the appropriation bill now before us as vehicle to provide GSA the authority which they indicated they needed and needed very badly. This is another matter which was disscussed in some detail during the course of the conference deliberation.

While the House conferees expressed an understanding for the merit of this amendment, they also expressed some great concern for the jurisdictional matter and were extremely reluctant to accept the amendment on that basis.

Mr. President, I shall not go into any detail on the various items of appropriations contained in H.R. 16901 since these are substantially the same as we discussed on the floor of the Senate when this matter was considered just a short time ago. The only modification made by the conference committee was the reduction of $5,003,000 for the Animal and Plant Health Inspection Service. The following, however, is a table showing the bill total and some comparative data:

New budget (obligational) authority, fiscal year 1974	$10,588,101,000
Budget estimates of new (obligational) authority, fiscal year 1975	[1] 13,448,534,000
House bill, fiscal year 1975	13,379,183,000
Senate bill, fiscal year 1975	13,394,854,000
Conference agreement	13,389,851,000
Conference agreement compared with—new budget (obligational) authority, fiscal year 1974	+2,801,750,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	−58,683,100
House bill, fiscal year 1975	+10,668,000
Senate bill, fiscal year 1975	−5,003,000

[1] Includes $15,671,000 contained in S. Doc. 93–128, and not considered by the House.

Mr. President, before moving for the adoption of the conference report I want to express my appreciation to my colleagues on the committee and especially the subcommittee for their assistance and cooperation on this bill and throughout the year. It has been a long year for us. This is the second bill we have brought before the Senate, and we have been involved in some rather sensitive and troublesome issues. Throughout all of these proceedings my colleagues have been extremely cooperative and helpful. I would express special thanks to the Senator from Hawaii and the subcommittee's ranking minority member, Mr. FONG; to Senator YOUNG, the ranking member of the full committee, and to Senator HRUSKA. Senator PROXMIRE has been very helpful, particularly on those matters involving the Federal Trade Commission and economic issues in which he has such a deep interest and great expertise. Senator BAYH assumed a highly significant role in resolving some of the real troublesome issues. And finally, Mr. President, I want to express my personal thanks to my Chairman, Mr. McCLELLAN, for his cooperation and support. His contributions have made a difficult job much easier.

I move adoption of the conference report.

Mr. FONG. Mr. President, I would like to commend the distinguished Senator from the State of Wyoming, chairman of the Subcommittee on Agriculture, Environmental and Consumer Protection of the Senate Appropriations Committee, for the dedication and expertise he has shown in bringing forth this vital measure we have before us today.

This bill has had an especially difficult and belabored legislative history. As you are aware, nearly one-half of the fiscal years for which this bill appropriates funds has already passed. Almost 6 months ago, on June 30, 1974, this body passed the predecessor to this bill. Unfortunately, it was vetoed by former President Nixon, ostensibly to indicate to Congress the adminstration's seriousness in addressing our Nation's rampant inflation.

Mr. President, rather than seeking to override the veto, Congress has reevaluated and reassessed the entire bill and now has before it the product of that work. The bill as agreed to and recommended by the conference committee provides new budget authority for fiscal year 1975 totaling $13.4 billion. This sum is $2.8 billion more than what was available in fiscal year 1974 and is under the budget estimate by more than $58.6 million, and a reduction of more than $181.5 million from the vetoed bill.

There was only one amendment in conference which affected the budget totals. This was a $15.7 million addition by the Senate for the Animal and Plant Health Inspection Service. The Senate was in response to a budget amendment submitted by the Department after the House passed the bill. Of this amount the conferees agreed to an additional $2,168,000 for State meat and poultry inspection, $5 million for brucellosis eradication, and $3.5 for the screwworm eradication program.

Outside the conference committee's jurisdiction was $248 million in reductions from the Senate and House passed versions of the bill. These reductions, listed as recommendations on "pending appropriation bills," were received by Congress on November 26, 1974, a day after this body passed H.R. 16901. Since none of these recommendations are on items which were in disagreement between the House and Senate versions of the bill, the conferees were not permitted to act on them.

The other amendments that the conferees did agree on were items that did not affect budget authority. As the chairman of the subcommittee has already given a full explanation of them, I shall touch on only two which were of special interest.

The first was language which was added by the Senate to the appropriation for Public Law 480, the food for peace program. This amendment directed the administration to give highest priority to food aid for countries most seriously affected by food shortages and also to the purchase of specially blended and high nutritional foods. The House conferees objected to this provision on the grounds that it would be inappropriate to add language to the bill which belonged in the authorization. Since this issue is already in the conference on the Foreign Assistance Act, it was agreed that this language be stricken from the bill. The conferees, however, also agreed that, insofar as is authorized, such priorities should be observed by the administration and included this language in the report.

The second item was language added by the Senate which provided for part-time and intermittent assistance by Agricultural Stabilization and Conservation Service county office employees to the Farmers Home Administration. High crop prices have reduced the workload on these ASCS personnel while the demand on Farmers Home programs have increased. This provision will allow the Department to balance this disparity without laying off and rehiring a number of employees. The conferees added language which will insure that when the ASCS workload returns to normal levels this assistance will be terminated.

Mr. President, I strongly feel that the measure we have before us, as agreed to in conference, is a sound one and needs to be enacted without further delay. I, therefore, urge my colleagues to join me in supporting it.

Mr. BAYH. Mr. President, despite the excellent work of the able chairman of the Appropriations Subcommittee on Agriculture, Environmental and Consumer Protection, and the professional staff of the Committee on Appropriations, we are still considering this appropriations bill midway through the fiscal year.

The reason for the unfortunate situation facing us, in which major Federal departments and agencies have had to operate on a continuing resolution for 6 months, in that in one of his last official acts in office, former President Nixon vetoed the original conference agreement sent to him in July.

I make this point because there is some basis for disagreement as to whether the Senate should concur in the House amendment to the conference agreement reached last week on this new bill, or whether we should reject this House amendment, numbered 510, and insist on another conference with the other body. I will address myself to this specific issue in a moment.

However, first we must recognize that this is a good bill, addressing itself to a number of key programs in the various departments, agencies and independent regulatory bodies within the jurisdiction of the subcommittee. As a member of the subcommittee, and as a conferee on this measure, I can attest to the fact that we have done extremely well in upholding the position of the Senate on many of the main issues considered in both the vetoed bill and the now-pending legislation.

While it would take far too long to list all of the positive features of this conference report, I would like to cite just a few examples of items which are of special interest to me:

The pending report contains the same language of the original conference report regarding the authority of the Federal Trade Commission to proceed with its important line of business study which will provide the Commission with greater insight into the operations of giant, integrated corporations.

The Agriculture section of the conference agreement includes a number of provisions of special interest to me, including increased funds for the Animal and Plant Health Inspection Service which is of concern to the people of Indiana.

Forestalling threatened reductions in force in the Agriculture Stabilization and Conservation Service, the final agreement contains language permitting the shifting of ASCS personnel to the Farmers Home Administration where there is an existing need for additional help.

The conferees agreed to retain $5 million under an amendment which I authored, with the welcome cosponsorship of the distinguished ranking minority member of the subcommittee, Mr. FONG, to increase Environmental Protection Agency programs on developing means to convert waste into energy. Waste to energy research holds great promise for meeting several different problems, by reducing the burden of solid waste disposal, by permitting the recovery and recycling of materials from commercial and residential solid waste, and by providing greatly needed energy from those wastes which cannot be recovered and reused.

A fair compromise on authority for the Rural Electrification Administration to continue its guaranteed and insured loan programs has been reached. I am concerned that in this period of rising costs that the REA makes available enough insured loans to permit rural electric cooperatives to grow and to update equipment as necessary to serve their millions of customers. The new conference agreement reduces from $750 million to $700 million the REA insured loan floor, however it should be emphasized that the Administrator may well find it necessary to set the insured loan levels in fiscal 1975 at a higher level than the $700 million minimum target of the Congress.

These are but a few of the many meritorious provisions of this conference report. In addition, it is important to note that the conference agreement is $181 million below the bill vetoed by Mr. Nixon, and $58 million below the budget presented to our subcommittee. Under the direction of our able chairman we have been responsive to the persistent cry to hold Federal spending in check.

Mr. President, I have reviewed the basis for the long delay in enacting this appropriations bill and the many solid provisions of the pending conference agreement in order to show why it is important to pass this bill now, and send it to the White House.

In doing so, however, it will be necessary to agree to the House amendment to the conference report by which the House insisted on its original section 510. That section reads as follows:

> No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax, limit, or otherwise regulate parking facilities.

This is extremely broad language, by which the House would set the precedent of circumscribing the ability of EPA to fulfill its responsibilities. In this instance the issue at stake is the Clean Air Act, and the congressional mandate to EPA to meet clean air standards. The concern expressed by EPA and by members of the Public Works Committee, including the chairman and the chairman of the Subcommittee on Environmental Pollution over the House amendment is not without foundation. To this end, I joined with our subcommittee chairman and other members of the Appropriations Committee in deciding to strike the House language during initial Senate consideration of this measure.

However, I also recognized that the Environmental Protection Agency was complicating the situation by insisting in implementing on January 1 regulations regarding indirect sources of pollution despite strong arguments in favor of a delay in implementation. Those arguments are summarized in the report of the Appropriations Committee when this bill was first passed—Senate Report 93-1296. Having taken a direct interest in the drafting of this section of the committee report, I would now like to read the relevant paragraphs to the Senate:

> The Committee agreed with requests from the Environmental Protection Agency and some of the members of the Committee on Public Works to strike Section 510 of the House bill. The language of this Section could have been used to impose extremely broad restrictions on the ability of the EPA to move toward implementation of the Congressional mandate in the Clean Air Act. However, the Committee does have some reservations as to whether EPA should go forward as scheduled on January 1, 1975, in implementing so-called indirect source regulations. These regulations will have an impact on shopping center development and are unique since EPA has postponed until July 1, 1975 other regulations within this area. The Committee notes that those regulations are the subject of pending litigation under the expedited procedures of the Clean Air Act, as well as the basis of unresolved scientific debate. Moreover, the Public Works Committee has stated its intention to review fully, early in the next Congress, the use by EPA of traffic control techniques in fighting pollution.
>
> There was strong feeling within the Committee that EPA should consider delaying the January 1, 1975 implementation of its draft regulations.

As this report indicates, while opposing the House amendment, a number of us on the committee felt strongly that EPA should not insist on implementing regulations which are in litigation and which continue to be the subject of unresolved scientific debate on their merits. Personally, I was hopeful that EPA would use its authority to delay implementation of the regulations, as it had done on other regulations originally scheduled to take effect on January 1. A voluntary 6-month delay in implementation by EPA would have mooted the question of the House language and permitted us to argue forcefully in conference for Senate position of including no such language in the conference report.

Unfortunately, EPA chose not to act, placing the Senate conferees in a difficult position. However, still not content to accept the House language, I drafted and presented to the conference committee compromise language which was much more limited in scope and which addressed itself only to the immediate objective of delaying the January 1 implementation of the indirect source regulations. This compromise, designed to be limited in scope, responded to the legitimate objections of those who challenged the wisdom of EPA in implementing the controversial regulations. Yet the compromise avoided the pitfall of the sweeping House language.

Unfortunately, the House rejected the compromise language on a debatable point of order, and then repassed the original House language as an amendment to the conference report.

We are now faced with the choice of accepting the House language or forcing the issue back to conference and doing without an urgently needed appropriations bill for at least another month.

Under these circumstances I recommend that we accept the House amendment to the conference report. However, I think it important to emphasize that in doing so that I am not supporting the notion that environmental legislation can or should be rewritten through the appropriations process. The fact is, that unless the House language is adopted on this bill, similar wording will appear on a continuing resolution and the entire problem will reappear later this week.

Moreover, we must not lose sight of the fact that the EPA regulations affected by this House amendment are the same as the ones which the conference agreement would have affected. At stake, not unimportantly, is the issue of how most responsibly we can achieve the valid objective of delaying implementation of EPA regulations that have not been proven wise on the merits and which remain before the courts. Without relaxing one iota my commitment to protection of the environment, I feel obliged to insist that EPA not go forward with the regulations under these circumstances.

So after weighing the implications of rejecting the House language, and recognizing the fact that the ultimate effect of the House language will be no different than the compromise language agreed to in conference, I recommend we accept the House amendment. However I do so with one qualification—that acceptance of the House amendment in this instance should not be interpreted as a willingness on the part of the Senate to follow a similar course of action in the future. In this instance, the House provision should prevail because of the need to enact this legislation, the justification for delaying EPA action, and the specific, justified impact of the House language.

Mr. HART. Mr. President, the conference report being considered contains two items the importance of which I would note: The Federal Trade Commission's line-of-business program, and the Commission's appropriation for antitrust and other purposes. I have spoken on both items during previous consideration of the bill—pages 24352–24365 and 37225–37228—and I shall not burden the RECORD again.

Mr. President, I hope that important substantive Commission programs will not continually be subjected to the annual imposition of conditions during the appropriation process. The line-of-business program is an extremely important weapon in the antitrust arsenal and in the war on inflation. If it is to be legislatively modified or conditioned, I urge that it will receive the attention of the appropriate legislative committees so that line-of-business reporting does not become an annual event during the appropriation process.

With respect to the Commission's appropriation, Mr. President, I look forward to reviewing the FTC's revised budgetary analysis. Through the submission of a comprehensive report and effective communication with the Congress, I am confident that the Commissions's appropriation and other legislative needs can be satisfied.

Mr. MAGNUSON. The original fiscal year 1975 Agricultural Appropriations Act, the vetoed bill, included an amendment sponsored by Senator HATFIELD and me to provide $500,000 to the ARS for the Pacific Northwest soil erosion program. Does the new bill, as approved by the conferees, provide for that program?

Mr. McGEE. Yes. In the interest of keeping spending levels down, neither House added funds above the budget requests for this program. However, the reports on the bill by the House and Senate committees both direct ARS to proceed this year with that and certain other research projects within available funds.

Mr. MAGNUSON. In other words, the intent of both committees and of the conferees is that ARS is to proceed this year with the Pacific Northwest soil erosion research program and there is enough money in the bill to do that. Is that correct?

Mr. McGEE. Yes, that is correct.

Mr. CLARK. Mr. President, will the Senator from Wyoming yield for several brief questions?

Mr. McGEE. Certainly, I will be glad to yield.

Mr. CLARK. During its consideration of H.R. 16901, the Senate approved an amendment I offered to require that the "highest priority" in allocating funds under the Public Law 480 program be given to those nations most seriously threatened by the current food shortage. In addition, the amendment provided that special emphasis should be given to the purchase of specially blended and high nutritional foods.

The conferees decided to eliminate the amendment, however I understand that its substance has been accepted and included in the conference report. Is that correct?

Mr. McGEE. Yes, it is. The report's language is very clear on that point. The conferees understood the purpose of the Senator's amendment—to direct U.S. food assistance to those who need it the most—and we agreed with it. The language of the report reflects that agreement.

Mr. CLARK. The second part of the amendment dealt with the purchase of "specially blended and high nutritional foods" as a priority in "feed grain" acquisition under the program. The report's language does not specifically mention feed-grain based blended food, but as the amendment itself and the debate on the floor indicated, the purpose of that section of the amendment was to insure the continued use of these feed-grain based foods in the program.

Was the language of the report also intended to reflect this?

Mr. McGEE. Yes. The Senator from Iowa is correct.

Mr. CLARK. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the first amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

: *Provided further*, That, notwithstanding any other provisions of law, employees of the Agricultural Stabilization and Conservation County Committees may be utilized for part-time and intermittent assistance to the Farmers Home Administration in carrying out its programs and this appropriation shall be available to finance such intermittent and part-time services, pending such time as the Agricultural Conservation Program (REAP) is restored as directed by the Congress.

Mr. McGEE. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to the amendment of the Senate numbered 4.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the second amendment in disagreement.

The assistant legislative clerk read as follows:

That the House insists upon its disagreement to Senate amendment No. 8.

Mr. McGEE. Mr. President, with reference to amendment number 8, I move that the Senate recede although I do so with some reluctance. At the same time I do so with the firm conviction that failure to do so would be somewhat irresponsible and would not be in keeping with the obligation we have, not only to those federal agencies which are funded in this bill but with the American public for whom these programs are so necessary and vital.

I realize that this matter will be controversial on the floor today as it has been controversial on prior occasions. For that reason I should like to go into some detail in reference to it.

By way of background, I would remind my colleagues that the Appropriations Committee of the other body considered H.R. 16901 several weeks ago. It included a provision which states that:

No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax, limit, or otherwise regulate parking facilities.

When this bill was originally considered on the House floor a point of order was overruled by the presiding officer. At that time no further attempts were made to strike or modify this and the bill contained that provision when it was referred to the Senate following House passage.

When this bill was considered in the Senate Appropriations Committee this provision was eliminated entirely. I was opposed to the provision for a number of reasons, especially since it had not been considered and was not included in the regular annual appropriations bill which both Houses of Congress considered and approved earlier this year but which was vetoed by President Nixon as one of his last official acts before leaving office early in August. In considering a new bill following that veto, we thought it was wise to go along with the earlier bill as much as possible except, of course, the dollar amounts which had to be adjusted to meet the objections of the administration. Since, as I have indicated, this provision was not included in the earlier bill, I did not feel it had any basis for being included in this bill the second time around. While my colleagues on the committee agreed generally with this reasoning, it was indicated in committee that when this matter was under consideration by the conference committee, in all probability some compromise language would be presented, by some Senate conferees if it were determined that the Senate position in striking the language in toto could not be sustained.

When we did meet in conference, it was soon apparent that the House conferees were both adamant and unified in insisting that the flat prohibition contained in the House passed bill be retained. After considerable discussion, and only after it was apparent that the House would not recede, compromise language was suggested by members of the Senate conferees. This language was approved and adopted in conference.

While that specific language is not too important at the present time, it would have provided that parking and other indirect source regulations and programs would have been deferred, pending a judicial determination of some legal issues involved in court actions which have already been pending for a period of several months. When the conference action was taken back to the floor a point of order was made against the conference-adopted language and that point of order was sustained by the Chair in the House. A motion was then made immediately that the House insist on its disagreement to the amendment of the Senate and on a rollcall vote this motion was adopted by a margin greater than 3 to 1. Actually, the vote was 282 in favor and 90 in opposition to the motion.

It is obvious from this rollcall vote that this is the strong position of the House as a whole as well as the Appropriations Committee. This meant that the original House restriction was reinserted in the bill.

As a practical matter, in my opinion, the Senate must decide today one rather simple question, but one of far reaching ramifications. That is whether we adopt the House amendment and send this bill to the White House for Presidential signature, or whether we refuse to adopt the House amendment, thereby killing any practical chances for the enactment of this bill during this session of Congress.

Speaking for myself, I do not like to be put in a position of considering a bill of this significance under these circumstances and I strongly resent it. There are those who have said that under these circumstances, we are in effect legislating with a loaded gun pointed to our head. This is true.

Others say that the other body has taken advantage of the procedural and time situation in an effort to enforce its will upon the Senate and the Congress. This too is true. Other cliches could be quoted to discribe our situation and I am sure I would agree with many or most of them. As I indicated, previously, speaking both as an individual and as the subcommittee chairman with primary jurisdiction of this bill, I strongly resent these conditions and I am reasonably confident that every Member of this body feels likewise, to some degree at least.

We all must realize, however, that our resentment or indignation will not and cannot solve the problem before us. From one point of view this would perhaps be an ideal time for the Senate to rise up in rightful indignation, refuse to adopt the House action, and take some parliamentary action which would return the bill to the House or to a new conference for further action and, if that action served to kill the appropriations bill for the current year, then so be it. Speaking frankly, that was my first inclination. I am confident that had I chosen to take such action I would have had some considerable support among my colleagues in that I would have been leading the noble fight or crusade to protect and preserve the prerogatives of the Senate, whatever that might mean.

But in my opinion, and as I shall discuss in further detail shortly, I firmly believe that such action would result in no appropriations bill for the agencies in this bill during this session of Congress. Now, if we did take such action there could and undoubtedly would be debate and discussions at length as to who was responsible for the failure of Congress to enact the appropriations bill during this session. There are those who undoubtedly would charge the Senate with this responsibility since we could have prevented such action by adopting the House amendment.

On the other hand, a good case could be made that the responsibility lay with the House, since they took the action which ultimately resulted in no bill. The point is, however, while all of this extended and inconclusive debate was being conducted, the departments and agencies under this bill, along with the employees of these agencies and the public, would suffer and, in some cases, suffer greatly as a result of congressional nonaction regardless of where the ultimate responsibility might lie. So I suggest, Mr. President, that the only responsible action we should take today is to adopt the House amendment, disagreeable as it is, and as much as we resent the procedure under which this matter was transacted, and send this bill to President Ford for his signature.

I would like to explain briefly the basis of my conclusion that we either approve the House amendment or we will in effect be killing the bill for this session of Congress. As we are all aware, we are scheduled to adjourn this session of Congress sine die the latter part of this week. If the House amendment is not accepted, we simply would not have time to reconfer with the House in an attempt to arrive at some further compromise solution which could be brought back to the floor of both Houses within the next few days. It is simply unrealistic to think that this matter could be expedited to that extent.

Also, as I have pointed out, the House of Representatives, by a more than 3 to 1 vote voted to insist on its original provision. So, if we were placed in a position under which we would go back into conference with the House, we would be faced with House conferees who not only feel very strongly on this matter in their own right but who would be supported by that overwhelming vote of the House. This would make it impossible for them to recede to the Senate position. That is why I have concluded, in my own mind, that the decision before us is whether we accept the House amendment or kill the bill.

The next question that naturally arises is: If we do not accept the House amendment and if we do kill the bill for this session what would be the result? The suggestion has been made that we could simply pass a continuing resolution to include the agencies under the jurisdiction of this bill and let it go at that for the time being. I can assure my colleagues that this was an alternative that was considered in great detail. But I think that such action would be extremely irresponsible and unwise for a number of reasons.

We all know that under the usual continuing resolution the agency or department is generally authorized to spend at the rate provided for the previous fiscal year, or the budget estimate for the current fiscal year, or the amount contained in the bill as passed by the House as of July 1, whichever rate is the lowest. Under this general formula, we have several agencies in this bill, both within the Department of Agriculture and elsewhere, which would be severely curtailed if their spending authority is reduced to the lowest level under the above-cited formula.

The Commodity Exchange Authority, for example, is charged under law with the responsibility for doing the preliminary work to establish the Commodity Exchange Commission, which was recently authorized by congressional action. This will take additional funds and some of these additional funds were budgeted in the fiscal year 1975 budget estimates. Their 1975 budget estimate was $667,000 over their 1974 appropriation. If they are held to the 1974 spending level they simply will not be able to proceed with the necessary ground work to establish the Commodity Exchange Commission and the functioning of the Commission will necessarily be delayed. As a matter of fact, CEA will need a supplemental appropriation to carry out their responsibilities under this act over and above the increased funding they budgeted for fiscal 1975. While this is a comparatively small matter in terms of dollars, it is a highly sensitive and critical one.

Another agency within the Department of Agriculture which would be immediately and seriously affected is the Animal and Plant Health Inspection Service. This agency is, and has been, short of funds for several weeks now and in fact submitted an amended budget estimate totaling more than $15 million to allow it to continue in full operation for the balance of this fiscal year. Most of these additional requested funds are contained in the bill as approved by both the House and the Senate. The committee has been advised on good and reliable authority that if this agency is forced to operate under the restricted terms of the usual continuing resolution it will be required to immediately terminate approximately 500 employees for lack of adequate funding and would have to furlough as many as 1,650 employees later in the year. I might add that this assertion is not any idle talk or threat on the part of the Department and is not just a possibility thrown in as a scare tactic. This is a certainty.

The committee, and I am certain many of my colleagues, have already seen the RIF notices which have been prepared and forwarded to those employees who are threatened with loss of jobs. If this Agency does not receive its funding, and receive it immediately, the Department will have no alternative but to follow up those RIF notices with actual terminations. This money provided in the bill on the other hand, will allow the Agency to retain at least most of those threatened employees. In my opinion, this is a situation which cannot be ignored or considered lightly by the Senate.

Another program of great significance is the food stamp program. This item represents one of the principle increases from the 1974 to the 1975 fiscal year. In 1974 we appropriated a total of $3 billion for this program. I understand the program was actually conducted at a level of approximately $2.8 billion. The budget estimate for fiscal 1975 and the appropriation for 1975, as approved by both the House and the Senate following hearings and after hearing the departmental justification, was approximately $4 billion. So if the food stamp program is restricted to either its 1974 spending level or the 1974 appropriation it could have some rather drastic consequences.

A similar situation exists with reference to the special school milk program. The 1974 level and the 1974 appropriation was approximately $97 million. This was increased to $120 million both in the budget estimate and the appropriation bill. So, if this program is restricted to the 1974 level, it is obvious that even the minimum payments which have been mandated by appropriate congressional action cannot be met by the Department and it is obvious who will suffer under these circumstances.

A similar situation exists with reference to the school lunch and other child nutrition programs. At the present time the Department is operating above the 1974 level as a result of congressional mandates which have been enacted. But, as in the case of the food stamp program, the Agency cannot continue to do this indefinitely. Sooner, or later, and I fear that it will be sooner, they will have to make some rather drastic downward adjustments to keep within the spending authorization of the usual continuing resolution.

Now, Mr. President, these last three programs represent a good example of why I think it would be irresponsible for the Senate to take any action which would result in killing this bill at the present time. The people who would be denied food stamps, schoolchildren who would be denied lunches and milk and the American public, generally, simply would not understand, much less tolerate, the type of an impasse which would be threatened as a result of our failure to adopt this bill on the floor of the Senate today. Their emphasis, and I think very properly so, lies in action, not procedure.

We have, generally, the same situation with reference to the three major regulatory agencies within this bill: the Food and Drug Administration, the Federal Trade Commission, and the Consumer Product Safety Commission. All three of these agencies would suffer and would suffer rather substantially if they were forced to operate at their 1974 level.

The Environmental Protection Agency is another that would not fare well under the usual continuing resolution. This is especially true of the recently created activities of the Agency in energy research and development. The 1974 base figure under which EPA would be forced to operate under the usual continuing resolution for energy research and development would be approximately $20 million. After careful and detailed consideration, we provided them $80 million for this purpose for fiscal year 1975. I do not have to remind my colleagues of the emphasis which has been placed on energy research and development.

Here again, I think it would be the height of irresponsibility for us to deny them the funds needed in this critical area. Other areas of EPA would suffer, although not as drastically as the energy research and development area. The Senate did, however, at the request and with the strong support of the senior Senator from Maine (Mr. MUSKIE), provide additional funds over and above the budget estimate for several programs of EPA, particularly in research and development and abatement and control. The bill, as reported by the conference committee, provides approximately $10 million in research and development and $19 million in abatement and control which are in excess of the administration's budget estimate. Obviously, these congressional add-on amounts would not be available to the Agency under the usual form of the continuing resolution.

Also, Mr. President, I would like to point out an additional matter that suggests that the killing of this bill and relying upon a continuing resolution would not be the answer to all of our immediate problems. As I have indicated previously, it is only too obvious that the House as a whole—not any particular subcommittee and not the Appropriations Committee—but the House as a whole feels rather strongly that the parking restriction in question should be a part of this appropriations bill. I repeat that the vote to insist on the House position was 282 to 90. Having taken that firm and overwhelming position on December 12, I would anticipate that if a continuing resolution is brought up it would contain this same restriction.

Finally, Mr. President, I want to remind all of my colleagues that the action which I propose here today was not reached lightly nor without some deep thought and soul searching. As a matter of fact, most of you know that this matter was originally scheduled to be brought up either late Thursday or Friday of last week, immediately following action on the conference report by the House of Representatives. I purposely delayed this so that I could consider it further over the weekend and so that I could confer with some of my colleagues who are so deeply interested in this matter, both as to principle and substance. I have reached the conclusion that the course of action which I have recommended is the only responsible course of action for me to take and is the only responsible course of action for the Senate to take. History tells us that Nero chose to fiddle while Rome burned. I do not think the Senate or Congress should take a position in which the public can accuse us of debating high sounding phrases of Senate prerogatives versus House prerogatives while some of our people go hungry for the lack of adequate funding for the food stamp program, when our school children are denied lunches and milk for lack of adequate funding of their programs or while our environmental regulatory agencies are restricted for lack of adequate funding.

Mr. President, I know that the Senator from Maine (Mr. MUSKIE) is deeply interested and is very genuinely disturbed by the action of the other body in this regard. He feels, and feels very strongly, that the House action will serve to severely weaken or, perhaps, in some cases kill some of the air quality programs on which he has worked so long and so hard over the last several years. While there are some who disagree with him on the degree of severity of the House action, I place a great deal of reliance on his assessment and analysis of the situation.

With all due respect to many others who have been active in this area, I know of no one who has the experience, the dedication and the expertise that are possessed by the gentleman from Maine. But as I indicated, this debate and my position is not based primarily on the merits of the issue, but rather its practicalities.

Mr. FONG. Mr. President, as the distinguished Senator from Wyoming has clearly explained, we must decide today whether we are to defend the Senate's prerogatives and thereby kill this needed bill or pass over our objections to a single provision so that many necessary programs may continue.

The House rejected the conference agreement on amendment No. 8 and by a vote of 282 to 90—better than 3 to 1—moved to insist on their provision prohibiting the Environmental Protection Agency from "administering any program to tax, limit, or otherwise regulate parking facilities."

Were we not so close to adjournment sine die of Congress, I would be the first to ask that we reaffirm our earlier taken position and send this amendment back to conference. Unfortunately, that course of action, with so few days left, is for all practical purposes a death sentence to this bill.

Moreover, even if we did reject the House provision and sacrifice the bill we have before us, there is no guarantee that a continuing resolution would not bear the same provision. Indeed, it is highly probable that the House would insist that such a provision be adopted.

Mr. President, in my initial remarks on the conference report I emphasized that nearly half the 1975 fiscal year has already passed. During this period the Department of Agriculture, the Environmental Protection Agency, and several other agencies and commissions have had only the continuing resolution by which to attempt to address their changing and growing responsibilities.

These agencies have been forced to absorb increased pay costs, higher construction expenses and other inflation-related increases in their fiscal 1974 level funding. Programs have suffered as a result and the American people haven't been getting the governmental services that they need and deserve.

The chairman of the Agriculture, Environmental, and Consumer Protection Subcommittee has cited many of the specific consequences of further inaction and I fully concur with his assessment that the people will not tolerate it.

While we must endeavor to maintain and uphold the prerogatives of this body we bear an even greater responsibility to the electorate. So while I am reluctant and not at all at ease in asking that this amendment be concurred with, I recognize that failure to do so would be a far greater disservice to the people. I, therefore, urge my colleagues to join me in supporting the motion.

Mr. MUSKIE. Mr. President, I oppose inclusion of language in the conference report on the Agricultural/Environmental and Consumer Protection appropriations bill which would have the effect of amending the Clean Air Act in a substantive fashion.

The amendment is a continuation of a long effort on the part of the House Appropriations Committee to include language in an appropriation bill that does not belong in the appropriations process.

The Senate Appropriations Committee, as it has frequently done, eliminated the language of amendment No. 8 from the appropriation bill during its consideration. I appreciate very much the efforts of the able chairman of the subcommittee, Senator MCGEE, and the ranking Republican, Senator FONG. They have shown sensitivity to environmental issues in the past, and they were correct in their action in striking this language from the bill when it was before the Senate. And, the Senate voted to reject this exact language on December 12, 1973, during consideration of the fiscal year 1974 supplemental appropriations bill.

But we are faced with an amendment to the conference report which proposes including the House language in that report. The language is as follows:

> No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax, limit, or otherwise regulate parking facilities.

This language is entirely inappropriate. The amendment raises four important questions.

We must ask if it is proper to use an appropriations procedure to accomplish substantive change in legislative policy. This amendment could not be reached in the House on a point of order because it is purportedly a procedural limitation on the use of funds. It is more than that. Broadly construed, this amendment could void current regulations of the Environmental Protection Agency applicable to parking lots.

The language of the House amendment is legislative in nature, yet it has had no legislative hearings. It was adopted with little public discussion. This is not proper legislative process.

We must ask ourselves whether the Congress wants to restrict any of EPA's pollution control authority through this process without any review of the ramifications of that restriction on the health of citizens in areas where such controls are required.

We must ask ourselves whether or not we want to remove an additional regulatory tool from the Environmental Protection Agency and thus make more difficult the achievement of public health-related air quality standards by statutory deadlines. Last year the Senate bowed to House demands in the energy emergency legislation to prohibit the Environmental Protection Agency from using parking surtaxes as an element of pollution control without a specific Congressional authorization. This year we are being asked to delay EPA's regulations of parking lots.

Finally, we must address ourselves to the question of the meaning of this amendment. Precisely stated, this amendment bars EPA from administering "any program to tax, limit, or otherwise regulate parking facilities."

I would like to address a series of questions regarding the intent of this amendment to Senator MCGEE, the distinguished floor manager of this bill. Is it a fact that this amendment only limits EPA's authority as regards regulation or limitation of facilities the sole purpose of which is to provide parking?

Mr. McGEE. I would respond to the Senator from Maine that I believe the House language and the legislative history speak for themselves. In my opinion the House language restricts its operation to parking and I think the legislative history supports that interpretation. As the Senator knows very well, this provision was amended in conference at the initiative of some of the Senate conferees. It is my understanding that the compromise provision would have *expanded* the restriction to include programs other than parking but would have done so on a temporary basis only. In other words, while the Senate compromise language was perhaps broader in terms of programs to be covered it was less restrictive as to the time element. That language was eliminated on a point of order in the House on the basis that the language was indeed broader than the original language. So, I think it is clear that we are now dealing with parking restrictions and parking restrictions only.

Mr. MUSKIE. This amendment could not be construed then to affect EPA's authority to regulate other facilities which generate automobile and other vehicular traffic and which, as a result of such traffic, cause an increase in the incidence of air pollution and thus contribute to air pollution in excess of air quality standards? Is that also true?

Mr. McGEE. As I indicated in response to the Senator's original question, I believe we are dealing with restrictions on parking programs and parking programs only. No other EPA programs would in my opinion fall under this restrictive language.

Mr. MUSKIE. I take it that there is no intention on the part of the conferees to affect EPA's authority to make grants to States and otherwise make available technical assistance to assure compliance with plans for implementation of air quality standards, which plans may include local or State parking regulations. Is that correct?

Mr. McGEE. The Senator is correct. To my knowledge there was no intention on the part of any of the conferees to affect in any way the grants made to the States or otherwise interfere with the States or local jurisdictions from developing or implementing parking programs. As a matter of fact, the States and local jurisdictions are encouraged to proceed in this regard and I believe EPA should be able to assist them under their regular programs which provide both financial and technical assistance.

Mr. MUSKIE. Under this amendment, EPA would be prohibited only from using Agency funds to administer, federally, any program to regulate parking facilities. Nothing in this amendment could be construed as limiting EPA's authority to regulate, for air quality purposes, the location or the size of shopping centers, sports arenas, apartment houses, highways, airports, or other facilities which, because of their nature, stimulate automobile or other vehicular traffic causing or contributing to pollution in excess of applicable standards. Is that a correct statement?

Mr. McGEE. Again, I would agree with the Senator and again refer him back to my more detailed response to his original question. We are dealing here with parking programs and the restriction, in my opinion, is limited to that.

Mr. MUSKIE. Finally, I would assume that the amendment would not in any was affect the authority of the Administrator to require those who would develop facilities which generate vehicular traffic to demonstrate to the Administrator and/or to a State—or to the court—whichever is appropriate, that any such traffic would not cause or contribute to air pollution in excess of applicable air quality standards. Is that correct?

Mr. McGEE. The Senator is correct. I might add by way of further clarification of this colloquy that I have received a letter from Russell Train, Administrator of the Environmental Protection Agency, in which he addresses himself to many of the issues the Senator from Maine has raised here today. I ask unanimous consent that a copy of this letter be made a part of the RECORD at this point. I think it serves to reinforce the understanding that coincides generally with the understanding of the Senator from Maine and the Senator from Wyoming.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., December 17, 1974.

DEAR MR. CHAIRMAN: You have asked me how EPA construes the language of section 510 of H.R. 16901, to be considered by the Senate today. The section states:

No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax, limit, or otherwise regulate parking facilities.

EPA's interpretation of this section is that there potentially will be an effect on two programs: indirect source regulations as they pertain to parking facilities, and the management of parking supply regulations under the transportation control plans.

The complete indirect source regulations contained in 40 CFR 52.22 require a preconstruction review of certain facilities that attract large volumes of traffic. The definition includes highways, roads and airports in addition to parking associated with large developments. Section 510 would not affect the preconstruction review of highways and airports since they are not part of any "program to tax, limit, or otherwise regulate parking facilities."

The complete indirect source regulations were promulgated on February 25, 1974 in 39 F.R. 7270 and repromulgated on July 9, 1974 in 39 F.R. 25292. The portion of the indirect source regulations covering parking facilities requires a preconstruction review of those parking facilities of specified sizes that have not commenced construction prior to January 1, 1975. These regulations are designed to prevent violations of the health-based ambient air quality standard for carbon monoxide. The effect of section 510 will be to prevent EPA from taking formal action on an indirect source application for a parking facility until the end of the fiscal year on June 30, 1975. It is not anticipated that this provision will have any effect on either existing state programs or those which may come into effect prior to July 1, 1975, nor do I view this section as a limitation on EPA's ability to make grants to States or to provide technical assistance when requested.

The second program potentially affected is the management of parking supply regulations which are part of the transportation control strategies in 18 metropolitan areas. The regulations require a preconstruction review of new parking facilities of specified sizes to ensure that they will not cause or exacerbate a violation of the carbon monoxide standard or be inconsistent with the oxidant control strategy. These regulations only apply to facilities which are to be constructed after June 30, 1975. Since the intent of section 510 is to delay implementation of parking control programs until July 1, 1975, enactment of this section would not require EPA to modify the regulations.

Sincerely yours,

RUSSELL E. TRAIN,
Administrator.

Mr. MUSKIE. Mr. President, in light of these assurances from Senator McGEE, I would suggest that the Environmental Protection Agency under this amendment would be required to republish any regulations applicable to parking lots which would become effective prior to June 30, 1975—the end of the fiscal year to which this appropriation applies—to require any indirect source or other nonparking facility subject to EPA's regulations to demonstrate compliance with and maintenance of acceptable air quality standards without regard to the amount of parking available at such facility.

Mr. President, this language may cause concern from another perspective. It does not require and, in fact, may prohibit revision of any outstanding EPA regulations which relate to parking facilities until substitute regulations have been promulgated.

EPA is under court order to promulgate land use and transportation control plans which will assure achievement and maintenance of air quality standards. Regulations of parking facilities—parking lots—heretofore promulgated are in response to that court order. The court may, in its wisdom, and with justification, estop EPA from withdrawing or modifying any pending regulations until EPA has repromulgated regulations which effectuate the same purpose as those that are aimed at parking lots.

Mr. President, regulation of parking facilities is but one tool available to the Administrator of the Environmental Protection Agency to achieve and maintain air quality standards. Authority to require permits governing the construction and location of facilities which generate vehicular traffic is another tool unaffected by this amendment. EPA's authority to regulate programs to develop mass transit, implement exclusive bus and carpool lanes, and encourage carpooling are also unaffected by this narrow amendment.

And, equally important, Mr. President, while EPA may not be able to administer a program regulating parking lots between now and June 30, 1975, a long range authority to do so is unaffected by this limitation.

Mr. President, the Senate has repeatedly expressed its will on the issue of clean air. The Clean Air Act of 1970 began in this body. Now in the waning hours of the 93d Congress, we are once again confronted with a gun at our head by the House Appropriations Committee.

I see no reason to take the time of my colleagues from other vital issues and to endanger the livelihoods of thousands of Americans dependent on this appropriation to provoke a confrontation with the other body on a matter the effect of which is de minimus.

Mr. President, my willingness now not

to press this matter and to permit this conference report to go to the President should not be construed by anyone as condoning the process which generated this amendment in the first instance. No matter how insignificant, this amendment is still legislation on an appropriations bill and is therefore unacceptable. The principle remains the same; only the circumstances which we face in the last hours of this Congress change the results.

The House Appropriations Committee has repeatedly utilized the appropriations process to attack and undermine the environmental regulatory process. For 3 years this appropriations bill has been accompanied, in the House, by either report language or legislation the effect of which is to try to amend substantively Federal environmental law. This process must stop.

I serve notice on the Senate that I will make every effort in the future to see that we are not again confronted, through the back door, with this kind of devious, uncalled for, ill-advised effort such as we see today.

Mr. President, the Subcommittee on Environmental Pollution is committed to review Federal environmental statutes. That review will continue next year. We will examine EPA's regulations on parking lots which are tentatively set aside by this language as well as EPA's regulations of shopping centers, sports arenas, highways, airports, and other facilities which are not affected by this amendment. By mid-year next year, we should be in the position to make recommendations to the Senate. I assure my colleagues that our recommendations will be based upon public hearings, public participation, and full legislative process.

Mr. BAKER. Mr. President, I have listened with interest to the statement of the very able chairman of our Public Works Subcommittee on Environmental Pollution and to his colloquy with Senator McGee, the able chairman of the Appropriations Subcommittee that is responsible for this bill. I agree fully with Senator Muskie's opposition to the inclusion of language in H.R. 16901 that would limit EPA's authority to spend funds on parking regulations under the Clean Air Act. As the ranking minority member on the Public Works Committee, I believe that the rationale for this position and the interpretation of the amendment's effect are definitively set forth in the statements and colloquy of Senators Muskie and McGee.

This is the wrong amendment at the wrong time in the wrong legislation. It is the wrong amendment because it will lessen EPA's ability to achieve cleaner air through regulation of parking lots just at the time when the National Academy of Sciences and others have indicated that we need to achieve at least the existing standards to protect health. Reductions in automotive traffic through reduction in parking also will conserve energy and thus help our economy. It is the wrong time because certain of the affected regulations are still in court review and because the Public Works Committee, early in the next Congress, will be completing its thorough process of review leading toward revision of the Clean Air Act where needed. It is the wrong legislation because certain of our colleagues in the House—instead of amending the Clean Air Act through the regular course of hearings on the substantive legislation—have fixed upon the inappropriate vehicle of cutting funds to gut a program which some of them find onerous in its side effects.

The saving grace of this amendment is that it is very limited in its real effect—as Senator Muskie has amply demonstrated. In the 94th Congress, we can act on the basis of hearings to remedy any damage and correct any deficiencies which this unfortunate amendment may have caused.

Mr. President, I think that we must keep in mind the considerable progress which the automobile industry has made under the Clean Air Act amendments of 1970 in controlling auto pollutants at the source. By 1978, if not sooner, we will have achieved about all that we can through emission controls. This means that, if we are to achieve clean and healthful air in our Nation's cities and towns, we must turn to controls on automotive transportation and concomitant development of public mass transportation to do the job. In this light, it is clear that we impose a more difficult burden on the Administrator of EPA when we direct him to achieve clean air that protects public health and welfare while taking away one of the tools—regulation of parking facilities—which he has to achieve that goal. For these reasons I oppose inclusion of the amendment in the conference report.

Mr. BUCKLEY. Mr. President, I appreciate the clarification on the impact of amendment No. 8 to the Agriculture-EPA Appropriation Conference Report which the Senators from Wyoming and Maine have provided to the Senate through their colloquy. As I understand the amendment, it does not prevent the Environmental Protection Agency from providing technical or administrative assistance to States whose implementation plans for meeting air quality standards happen to include local or State parking regulations.

I would also like to endorse the comments of my colleagues, Senator Muskie and Senator Baker, in strongly objecting to the method by which the Senate is asked to accept amendment No. 8. There can be no doubt that the amendment is a poorly disguised effort to substantively amend the Clean Air Act, to eliminate a pollution control tool of which the amendment's sponsors do not approve. It has nothing to do with the exepnditure of the taxpayer's money, and is inappropriate to an appropriations bill.

As the ranking minority member of the Environmental Pollution Subcommittee, I believe the issue of parking regulations is properly the responsibility of our subcommittee, which has oversight responsibility for the Clean Air Act and EPA's regulations thereunder. We are quite plainly in a better position to evaluate all of the evidence and make recommendations to the Senate on this and any other requirements under the Clean Air Act which might warrant reconsideration.

I, for one, am completley open to the scientific evaluations of this strategy as well as the economic arguments on the effects of parking regulations. However, this information should be presented to the Subcommittee on Environmental Pollution and our members should have the opportunity to make its evaluation and recommendations on this basis.

Such "back door" legislation, if allowed to proliferate, threatens the orderly consideration of important proposals such as this one and should be avoided.

Mr. McGEE. Mr. President, I move that the Senate recede from Senate amendment numbered 8.

The motion was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the conference table, which was included by the House of Representatives in the Record when it acted on the pending report, be incorporated in the Record by reference. This table states the results of the conference in tabular form, and shows the comparison of the conference action with the new budget.

The PRESIDING OFFICER. Without objection, the table will be incorporated by reference.

(See House proceedings of December 16, 1974, at p. 40222.)

Mr. McGEE. I ask unanimous consent that the provision of the law requiring that the conference report be printed as a Senate document be waived, since the report is identical to the report of the House, which has already been printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

UPHOLSTERY REGULATORS

The Senate continued with the consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholster's pins free of duty.

The PRESIDING OFFICER (Mr. McClure). The question recurs, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

I just want the Members of the Senate to understand that the issue of germaneness was an issue which I considered seriously prior to offering this particular amendment. There are many other tax reforms I might have liked to offer, but I felt they were not germane. This one is different, however. I think a strong argument for germaneness can be made, and I hope the Senate will accept it.

The minimum tax is germane to this particular provision of the bill, because the central feature of the provision in the bill is its extension of a tax preference subject to the minimum tax.

Beyond that, Mr. President, I think

that of the two or three major issues which are before the country at this time, reforming the Internal Revenue Code comes very high on most citizens' agendas. The people are bothered by food cost increases and energy cost increases, but they are also very much aware of the inequities in the Internal Revenue Code. This issue of the minimum tax is not a new issue. It has been considered by the Finance Committee in the past, and the Senate itself has debated it fully in the past. It is one of the major reform issues involving the Internal Revenue Code.

So I am hopeful that, as we extend tax preferences in this bill, we will also be giving some tax preference to the millions of taxpayers in this country, by narrowing some of the major loopholes that exist in the Internal Revenue Code.

Mr. President, I am prepared to vote.

The PRESIDING OFFICER (Mr. McClure). The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, may we have order, please.

The PRESIDING OFFICER. A point of order has been made that the Senate is not in order. The Senate will be in order. The clerk will suspend until the Senate is in order. Those Senators in the well will please leave the well.

The clerk may proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Bible), the Senator from Arkansas (Mr. Fulbright), and the Senator from Alaska (Mr. Gravel) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of death in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from New Hampshire (Mr. Cotton) are necessarily absent.

The result was announced—yeas 61, nays 31, as follows:

[No. 563 Leg.]

YEAS—61

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cook
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hartke
Haskell
Hatfield
Helms
Hruska
Johnston
Long
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Metzenbaum
Montoya
Moss
Nelson
Nunn
Pearson
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—31

Abourezk
Bayh
Biden
Brooke
Case
Chiles
Church
Clark
Cranston
Hart
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Mathias
McIntyre
Mondale
Muskie
Packwood
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Stevenson
Tunney
Williams

NOT VOTING—8

Bellmon
Bentsen
Bible
Cotton
Fulbright
Gravel
Hathaway
Mansfield

So, the ruling of the Chair was sustained as the judgment of the Senate.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I make a request that has been cleared with the leadership on the other side of the aisle.

I ask unanimous consent that Mr. Jackson may be recognized at this time to call up a conference report, that the Senate may proceed on the conference report, and that there be a 10-minute limitation on the rollcall.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974—CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report of the committee of conference on S. 1283, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. McClure). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1283) to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of December 11, 1974, at p. 39191.)

Mr. JACKSON. Mr. President, S. 1283 was introduced on March 19, 1974. Prior to its introduction, the Senate Interior Committee already had completed extensive studies of energy research and development policy which were reflected in the measure. S. 1283 passed the Senate with a vote of 82 to 0 on December 7, 1973. Today we are considering the conference report.

The history of congressional consideration of this measure is a history of the development of energy policy regarding research and development. When the measure was first introduced, it called for coordinated management of Federal energy research and development and massive Federal assistance to advance energy technologies. The energy crisis was not yet completely evident at that time, and initially administration officials and others denied the need for such priorities in energy research and development.

Gradually, with the emergence of increasingly critical energy problems, the concepts of the bill have been accepted. The Energy Research and Development Administration has been established by separate legislation making it possible to delete the organizational provisions originally included in S. 1283. The levels of funding proposed in the bill have also begun to be accepted and are being approached in recent budgets. Title II of the bill as passed by the Senate has been enacted into law separately as the Geothermal Energy Research, Development and Demonstration Act of 1974.

Therefore, in my view, the congressional deliberations on S. 1283 have already made important contributions to national energy policy. There remain, however, important provisions in this measure which are vital to a sound Federal program of energy research and development.

The act which established the Energy Research and Development Administration—ERDA—is a reorganization act. It does not set forth congressional policy regarding the conduct of ERDA's programs.

The nuclear research which ERDA will carry out, of course, will be guided by the very detailed congressional policy and procedures which have grown up under the Atomic Energy Act. But there is no similar guidance for the nonnuclear programs. ERDA has acquired, by transfer, some existing fragmentary nonnuclear research programs, but the predominant portion of these programs will be entirely new.

S. 1283 will outline specific congressional policies and principles for nonnuclear research. For example, the measure assigns emphasis to energy conservation, it requires attention to the social and environmental consequences of new energy technologies, and it sets forth the principle that, to the greatest extent possible, Federal assistance should be confined to research which would not otherwise be carried out by private industry.

The measure requires the Administrator of ERDA to prepare and transmit to the Congress a comprehensive plan for a research and development program designed to meet the immediate, middle-range, and long-range needs of the Nation for energy technology. This provision will insure that the national energy research and development strategy is explicitly set forth and that opportunities for public discussion and congressional review are provided.

Thereafter, the measure provides for an annual authorization of the nonnuclear research and development program. The authorization will be parallel to the procedure presently followed for the nuclear program. It will provide the occasion annually for congressional oversight of the progress of the program and opportunity regularly to update the comprehensive strategy.

The measure sets forth a specific set of forms of Federal assistance which may be used by the Administrator to carry out nonnuclear research and development.

Some of these potential forms of assistance are innovative. They include the possible establishment of joint Federal-industry corporations as well as possible Federal price guarantees for the products from commercial demonstrations of new energy technologies. There is no explicit authority in existing law for the Administrator to consider some of these forms of assistance.

The measure also includes a patent policy which will be applicable to the nonnuclear research and development programs of ERDA. The compromise patent policy is the result of long and intense negotiations during conference. The patent provision of the Senate version originated in a floor amendment. I am advised that the language of the conference compromise is acceptable to the principal sponsors of that amendment—Senators Hart and Long.

I am convinced that the compromise bill represents a sound resolution of the differences between the Senate and House versions. It includes provisions which are of the utmost importance to a balanced Federal energy research and development program.

The enactment of this measure will represent the culmination of cooperative efforts on the parts of many Members of both the Senate and the House. The concerns of several committees in each House have been accommodated and action on the measure has been coordinated with the concurrent action of the ERDA legislation.

Successful enactment of S. 1283 will demonstrate that good faith negotiations among the committees of the Congress can overcome jurisdictional complications.

I particularly wish to express my appreciation to the members of the Interior Committee on both sides of the aisle who have invested many hours in a bipartisan effort to complete action on the measure. The ranking minority member, the senior Senator from Arizona (Mr. Fannin), has provided strong leadership throughout the consideration of the measure. The senior Senator from Idaho (Mr. Church) has been particularly interested in the measure as have the Senators who were conferees—Senators Metcalf, Johnston, Haskell, Nelson, Hatfield, Buckley, and McClure.

The chairman of the Public Works Committee, Senator Randolph, was very helpful in developing the Senate version of S. 1283 and has been a strong proponent of the bill.

I particularly want to commend Mr. Dave Stang, of our minority staff, for his contribution to the staff work on this bill, and Mr. Bernie Nash, counsel of the Subcommittee on Antitrust and Monopoly, who has been especially helpful in working out a resolution to the disagreement over patent policy.

Mr. President, I ask unanimous consent that the legislative history of S. 1283 be inserted in the Record.

There being no objection, the legislative history was ordered to be printed in the Record, as follows:

Legislative Action in the Senate Related to Energy Research and Development

Senate concern for energy research and development dates to 1943 with the introduction by Senator O'Mahoney, Chairman of the Senate Interior Committee, of the Synthetic Liquid Fuels Act. A similar measure was introduced by then Representative Jennings Randolph of West Virginia in the House of Representatives. Subsequent enactment of this measure in 1944 initiated an eight-year program for the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances in order to conserve and increase the oil resources of the United States.

More recently, on March 2, 1961, Senator Randolph introduced Senate Resolution 105, providing for the creation of a Senate Special Committee on a National Fuels Study. The measure was passed September 11, 1961, and in 1962 the study group was established in the Committee on Interior and Insular Affairs, with ex officio members, including Senator Randolph, from other committees.

The study group completed reports on various energy issues, including development of a domestic shale oil industry, the role of Government-sponsored energy research, and energy self-sufficiency.

Since then, a number of Senate resolutions and bills have been passed relating to specific and particular energy research needs. But no comprehensive energy R. & D. program resulted.

Subsequently in 1971, the Senate initiated the National Fuels and Energy Policy Study. The events leading up to the initiation of this study are described in the "Legislative History of Senate Resolution 45," prepared by the Senate Committee on Interior and Insular Affairs:

By the summer of 1970 it was becoming increasingly apparent that the abundant supply of low-cost energy that had characterized the American economy would no longer be available. During the previous year, hearings on the declining reserves of natural gas had been held by the Senate Interior Committee and there was general agreement among the witnesses that the gas reserve to production ratio would continue to decline. During the summer and fall of 1970 brownouts occurred in some parts of the country due to a lack of electric generating capacity.

On July 16, 1970, Senator Randolph introduced S. 4092 to establish a Commission on Fuels and Energy. The bill was cosponsored by more than 50 other Senators. On introducing the bill Senator Randolph said:

This Commission would make a detailed investigation and study of the energy requirements and fuel resources and policies of the United States with respect to the different type of fuels and energy, and would report to the President of the United States and to the Congress . . .

Hearings on S. 4092 were held by the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs on September 10 and 11, 1970. Statements were received from forty-four witnesses. . . .

By the time of the hearings the bill had 61 cosponsors and several more were subsequently added.

Both management and labor organizations of the coal industry strongly endorsed the bill.

In general the coal industry witnesses were concerned over the imbalance in Federal research and development funds among the fuel sources. This concern was expressed by the National Coal Policy Conference witness as follows:

Will the Government correct its present imbalance in Federal funds for energy and fuels research and development? Important as nuclear power is, there are processes for making gas from coal, extracting oil from shale, and other synthetic fuel and energy generation developments which warrant substantial Fedreal attention in terms of money and men. Most of these processes would create little, if any, pollution and several of them, if successful, may well achieve significant cost reductions in the generation of electricity. Magneto-hydrodynamics and fluidized bed combustion are examples.

The major theme of all the witnesses was the need for a long-range, coordinated natural energy policy which would prevent the various agencies with energy responsibilities from following conflicting courses of action.

Despite the unanimity of opinion among all the witnesses concerning the need for a national eneragy policy to prevent future shortages and to assure adequate supplies of secure energy at low costs, no further action on S. 4092 took place in the 91st Congress. This inaction was the result of both the position taken by the administration with respect to the need for a commission and the termination of the 91st Congress. On December 11, in a letter to the Chairman of the Committee on Interior and Insular Affairs from G. A. Lincoln, Director of the Office of Emergency Preparedness, the administration repeated the position it had taken earlier in a letter to Senator Jackson dated November 5, 1970, from the Office of Management and Budget, Executive Office of the President:

It would appear that the study proposed by S. 4092 would closely parallel and duplicate the study requested by the President which is now well underway. By contrast, enactment of S. 4092 and appropriation of funds to support the proposed Commission, appointment of Commission members, selection of Commission staff, and other necessary organizational steps would necessarily delay the commencement of the Commission's study.

Consequently, to avoid duplicative studies and to avoid the delays that would result if the Commission study were substituted for the Council study, I recommend against the enactment of S. 4092.

On December 22, 1970, Senator Randolph summarized the actions that the Senate had taken with respect to S. 4092 and reported on the adverse view expressed by the Office of Management and Budget. He then suggested that:

In view of the administration's reluctance to participate in a joint executive-congressional study along the lines proposed in S. 4092, Senator Jackson and I have reviewed alternatives. We are in agreement that the most feasible vehicle for an urgently needed congressional effort would be a resolution empowering the Senate Committee on Interior and Insular Affairs to make a detailed fuels and energy study and to report its recommendations during the 2-year life of the next Congress beginning in January 1971 and extending to January 1973. No other means is known that can activate this vital effort without further lengthy delay.

On introducing Senate Resolution 45 on February 4, 1971, which would authorize the Senate to make a study of national fuels and energy policy, Senator Randolph disagreed with the administration position concerning the need for a commission.

[However,] since the Commission was not acceptable to the administration, he suggested an alternative:

The administration, nevertheless, has made its decision not to be a partner in a Fuels and Energy Commission with congressional and nongovernmental members. That is its prerogative. The exercise of that prerogative kills the commission concept. But killing the commission concept and placing reliance entirely on the proliferated activities in the executive branch does not necessarily solve the fuels and energy problems which many knowledgeable persons consider to be of crisis proportions over the long range, even though some shortrange solutions may have emanated from the several instrumentalities created by the President.

Realism forces us to write off the Fuels and Energy Commission approach. Nevertheless, there is too much need for prompt and careful attention to the fuels and energy crisis within the legislative branch for that attention to be excessively delayed. Hence, with the cosponsorship of the junior Senator from Washington (Mr. Jackson), Chairman of the Committee on Interior and Insular Affairs, and other Senators, I am introducing today a Senate resolution to authorize a study of national fuels and energy policy by the Interior Committee, with the cooperation and assistance of the bipartisan leadership of the Committees on Commerce, Public Works, and Atomic Energy.

The objectives of Senate Resolution 45 and S. 4092 were nearly identical except for the vehicle to carry out the study. Under Senate Resolution 45, the Senate would proceed with its own study, using staff employed for this purpose, and would report recommendations to the Senate for a national energy policy.

As there had been for S. 4092, there was unanimous agreement about the need for the development of a national fuels and energy policy as contemplated by Senate Resolution 45. The reasons were stated by Senator Randolph when he said:

My objective in introducing Senate Resolution 45 was to insure that crisis not repeat itself. The immediate goal of the President's Domestic Council is to formulate our energy goal for the 1970's. The charter is to formulate our energy goal for the 1970's. The charter of the study under Senate Resolution 45 is to define and provide a definitive national fuels and energy policy for the next 20 or 30 years, where none now exist.

On April 5, 1971, the Senate Interior Committee issued Report No. 92-53 to accompany Senate Resolution 45 favorably reporting on the resolution. The committee amended the original resolution to reflect its complementary nature with the Mining and Minerals Policy Act of 1970 and also adopted a technical amendment regarding funding. The report was sent to the Committee on Rules where after several clarifying and technical amendments the resolution was reported (No. 92-87) favorably on April 26, 1971. The resolution was agreed to by the Senate on May 3, 1971.

Pursuant to Senate Resolution 45, the Senate Committee on Interior and Insular Affairs has conducted numerous hearings relating directly to energy research and development needs:

President's Energy Message, June 15, 1971.

Energy Policy and National Goals, October 20, 1971. (Part I)

Energy Policy and National Goals, October 20, 1971. (Part II)

Department of the Interior Oil Shale Leasing Program, November 15, 1971.

Development in Coal Gasification, November 18, 1971.

Problems of Electrical Power Production in the Southwest, Albuquerque, N. Mex., May 24, 1971. Las Vegas, Nev., May 25, 1971. Salt Lake City, Utah, May 26, 1971. Durango, Colo., May 27, 1971. Page, Ariz., May 28, 1971. Washington, D.C., November 10, 1971.

Problems of Electrical Power Production in the Southwest.

Proposed Energy and Mineral Resources Administration, S. 2410 to Establish a Department of Natural Resources, January 28, 1972.

Advanced Power Cycles, February 8, 1972.

Federal Energy Research Programs and Priorities, June 7, 1972.

Geothermal Energy Resources and Research, June 15 and 22, 1972.

Conservation of Energy, March 22 and 23, 1973.

Conservation of Energy and S. 2176, the National Fuels and Energy Conservation Act of 1973, August 1, 1973.

The President's Energy Message of 1973 and S. 1570, the Emergency Fuels and Energy Allocation Act of 1973, May 1, 1973.

Coal Policy Issues, June 6, 7, and 8, 1973. (Part I)

Coal Policy Issues, June 6, 7, and 8, 1973. (Part II)

Coal Policy Issues, June 6, 7, and 8, 1973. (Part III)

S. 1283, the National Research and Development Policy Act of 1973, June 21, 22 and July 11, 12, 1973.

S. 2652, the National Coal Conversion Act and the National Crude Oil Refinery Development Act, December 10, 1973.

S. 3234, Solar Energy Research Act of 1974, June 27, 1974.

A number of committee prints were also prepared relating to energy R. & D. issues:

Considerations in the Formulation of National Energy Policy.

Studies and Reports Relevant to National Energy Policy.

Goals and Objectives of Federal Agencies in Fuels and Energy.

Conservation of Energy.

Summary Report of the Cornell Workshop on Energy and the Environment, February 22-24, 1972.

Federal Resources (Funding and Personnel) in Energy Related Activities, fiscal years 1972 and 1973.

Federal Energy Organization.

Factors Affecting the Use of Coal in Present and Future Energy Markets.

Summary of the Energy Conservation and Development Recommendations Contained in the Final Report of the National Commission on Materials Policy, June 1973.

History of Federal Energy Organization.

Energy Research and Development—Problems and Prospects.

Presidential Energy Statements.

Federal Charters for Energy Corporations—Selected Materials.

Energy Policy Papers.

In one of these prints, "History of Federal Organization," the following assessment was made of Federal energy research and development efforts through 1973:

Research and development in energy areas have evolved in much the same way as general national scientific policy. When public issues of projects have arisen that have necessitated scientific investigation the Federal agencies involved have carried out their own research with very little concern for cooperative effort among agencies. There have been minimal attempts to centralize research efforts in broad policy areas except to consider short-term problems.

There are actually two threads to be traced concerning research and development history in the Federal Government in order to understand where the Government stands today with regard to energy research policy. First, there are certain agencies with energy-related activities which have undertaken research when it was required for the administration of their responsibilities. Second, intermittent efforts have been made since the Nation's inception to establish a scientific organization in the Government which would have authority to support and coordinate all important research and development necessary for the formation and implementation of public policy.

The difficulties inherent in such an ad hoc approach are illustrated by the following excerpts taken from Selected Readings on the Fuels and Energy Crisis (92-4):

There's a vast difference between fuel resources on one hand and energy actually on tap for the consumer on the other, producers emphasize. The leadtime for bringing any one of these resources to market is estimated at 3 to 7 years.

Reasons are legion why energy supplies are now running short:

(1) *Government energy policy has been nonexistent. Regulation of various fuels policies has been determined by 48 governmental agencies and 14 congressional committees. The decisions of these disparate groups are often at cross purposes with one another—playing havoc with any overall fuels approach.*

"We have the resources," stated Gen. George A. Lincoln, director of the President's Office of Emergency Preparedness (OEP) in an interview. "But we need to get moving with technology, exploration, and development in order to have them available."

In an effort to encourage the development of new energy resources, Senator Henry M. Jackson, on May 12, 1971, introduced S. 1846, a bill to establish a Coal Gasification Development Corporation. Although the bill had 15 cosponsors, it was strongly opposed by the administration. Hearings were held on July 27 and 28, 1971, but no further action was taken by the Senate. In his opening statement at those hearings, Senator Jackson reiterated the need for a massive R. & D. effort in the energy field:

All we need now is to marshal our scientific and technological resources to do what we hope can be done. I am confident that if we give it the kind of priority that is needed here, we can in fact come up with some real answers as we face the energy crisis, not just in this decade but for the balance of this century.

Over the years, I have watched a lot of R. & D. efforts get underway only to find that we have not been hard nosed enough about some of these problems. The result has been that we had delays, and delays can result in a lack of confidence and faith in the effort.

In the next Congress, Senator Jackson introduced S. 1283, a bill to establish a massive federally-sponsored national program for research development and demonstration in fuels and energy. This bill was the first legislation to describe a comprehensive energy R. & D. program for a number of different technologies and fuels. Specifically addressed were coal liquefaction, coal gasification, oil shale development, geothermal steam, and solar power, directed from a centralized agency.

Hearings on the bill were held before the full committee on June 21 and 22, and on July 11 and 12, 1973.

Witnesses included:

JUNE 21, 1973

O'Leary, John F., Director of Licensing, Atomic Energy Commission.

Starr, Dr. Chauncey, president, Electric Power Research Institute.

Swidler, Hon. Joseph C., chairman, New York State Public Service Commission.

Wiesner, Dr. Jerome B., president, Massachusetts Institute of Technology.

JUNE 22, 1973

DiBona, Charles, Special Consultant to the President.

Nassikas, Hon. John N., Chairman, Federal Power Commission.

Ray, Dr. Dixy Lee, Chairman, Atomic Energy Commission.

JULY 11, 1973

Harris, Shearon, chairman and president, Carolina Power & Light; chairman, Edison Electric Institute Research Division, executive committee, accompanied by John Conway, Consolidated Edison Co., New York, and John J. Kearney, vice president, Edison Electric Institute.

Houthakker, Prof. Hendrik S., department of economics, Harvard University.

Mitchell, Prof. Edward J., Graduate School of Business, Cornell University.

Radin, Alex, general manager, American Public Power Association, Washington, D.C.

Udall, Hon. Morris K., U.S. Representative from the State of Arizona.

JULY 12, 1973

Bagge, Carl E., president, National Coal Association.

Clam, Herbert D., president, National Fuel Gas Co.

MacKenzie, Dr. James, joint scientific staff, Massachusetts and National Audubon Societies.

Moss, Laurence I., president, Sierra Club, Washington, D.C.

Partridge, John, chairman of the board and chief executive officer of Columbia Gas System, Inc., of Wilmington, Del.

Rodgers, William H., Jr., professor of law, Georgetown University, Washington, D.C.

Symington, Hon. Stuart, U.S. Senator from the State of Missouri.

Walske, Carl, president, Atomic Industrial Forum, Inc.

White, Dr. Phillip C., on behalf of the American Petroleum Institute.

Full committee markup sessions were held on September 18, October 23, November 2, 13, 26, and 27 in 1971. The bill was reported from committee as amended to the Senate (Senate Report 93-589) by Mr. Jackson on December 1, 1973. After three days of debate on December 5, 6, 7, 1973, the bill passed the Senate by unanimous vote (82-0).

On September 11, 1974, the House passed S. 1283 after being amended to contain the language of H.R. 13565, as passed.

On September 12, 1974, the Senate disagreed to the House amendment, asked for a conference, and appointed Mr. Jackson, Mr. Metcalf, Mr. Johnston, Mr. Haskell, Mr. Nelson, Mr. Hatfield, Mr. Buckley, and Mr. McClure as conferees.

On September 19, 1974, the House insisted on its amendments and appointed Mr. Udall, Mr. Bingham, Mr. Seiberling, Mr. Teague, Mr. McCormick, Mr. Ruppe, Mr. Dellenback, and Mr. Mosher as conferees.

The Senate-House conference met on November 26 and December 3 and 4, 1974 and agreed to file a conference report. On December 11, 1974 the House filed the report (House conference report 93-1563).

The following Senators were co-sponsors of S. 1283: Mr. Jackson, Mr. Randolph, Mr. Magnuson, Mr. Mansfield, Mr. Pastore, Mr. Bible, Mr. Church, Mr. Eastland, Mr. McClellan, Mr. Robert C. Byrd, Mr. Humphrey, Mr. Cannon, Mr. Moss, Mr. Hatfield, Mr. McGee, Mr. Symington, Mr. Inouye, Mr. Stevens, Mr. Bayh, Mr. Williams, Mr. Haskell, Mr. Eagleton, Mr. Tunney, Mr. Johnston, Mr. Huddleston, Mr. Cook, Mr. McGovern, Mr. Bentsen, Mr. Case, Mr. Gravel, Mr. Gurney, Mr. Pell, Mr. Taft, Mr. Burdick, Mr. Ribicoff, Mr. Mondale, Mr. Abourezk, Mr. Bartlett, Mr. Beall, Mr. Brooke, Mr. Buckley, Mr. Fannin, Mr. Hansen, Mr. Javits, Mr. McClure, Mr. Mathias, Mr. Metcalf, Mr. Nelson, Mr. Schweiker, Mr. Montoya, Mr. Fong, and Mr. Domenici.

LEGISLATIVE HISTORY OF TITLE II "THE GEOTHERMAL ENERGY ACT OF 1973"

The Senate Committee on Interior and Insular Affairs has been concerned wtih geothermal resources for many years. Under the leadership of Senator Bible, the committee developed legislation which culminated in the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025).

In June of 1972, as a part of the committee's study of National Fuels and Energy Policy being conducted pursuant to Senate Resolution 45, 92d Congress, hearings were held on geothermal energy resources and research which provided an overview of the state of technology and the potential of the resource as a new energy source.

On June 13, 1973, the Subcommittee on Water and Power Resources began a detailed investigation of the potential for the production of power from geothermal resources with a hearing in Washington, D.C. At that hearing the following Federal agencies, which have programs related to geothermal energy, were requested to present testimony in response to specific questions posed by the subcommittee:

(1) The Department of the Interior.

(2) The Atomic Energy Commission.

(3) The National Science Foundation.

(4) The National Aeronautics and Space Administration (NASA).

(5) The Department of State.

Subsequent to that hearing, the subcommittee conducted field hearings and inspections of existing and potential geothermal developments. On August 8, an inspection was made of the Geysers Geothermal Power Development of the Pacific Gas & Electric Co. in California, which is the only operating geothermal electric facility in the United States.

On August 10, an inspection was made by helicopter of geothermal areas in southern Idaho, which are being considered for early development for power production. On that date, also, the subcommittee held a public hearing in Idaho Falls, Idaho, to take testimony from witnesses including public officials, authorities in geothermal energy, representatives of industrial concerns involved in energy and various citizens groups and individuals.

On August 11, a similar subcommittee hearing was held in Klamath Falls, Oreg. The hearing at Klamath Falls was conducted at the Oregon Technical Institute, in a modern academic building complex which is entirely heated from geothermal wells.

The results of the subcommittee's investigations have been compiled in a report to the Senate which will be available shortly.

S. 2465, a bill introduced on September 24, 1973, by Senators Bible, Fannin, Bartlett, Church, Hansen, Haskell, Hatfield, Jackson, Johnston, McClure, and Metcalf, is to a considerable extent based upon the evidence of the investigation concerning the need for definition of the Federal role in geothermal energy.

The Subcommittee on Water and Power Resources held a hearing on S. 2465 on November 7, 1973. The text of S. 2465, with minor amendments, was adopted as a new title II of S. 1283 on November 27, 1973.

S. 1283, the "National Energy Research and Development Policy Act of 1973" was passed by the Senate with a unanimous vote on December 7, 1973 including the substance of S. 2465 as a Title II.

Action in the House of Representatives on S. 1283 raised some question as to whether the Geothermal Energy Act could be enacted as Title II of that measure. To insure full consideration of S. 2465 and to facilitate action by the House, the Committee on Interior and Insular Affairs again considered S. 2465 and ordered it reported separately on May 2, 1974.

The bill was reported as amended to the Senate by Mr. Bible on May 15, 1974 (S. Report 93-849). The Senate passed H.R. 14920 on July 11, 1974 after substituting the language of S. 2465 as passed.

The following is a list of co-sponsors of S. 2465: Mr. Bible, Mr. Fannin, Mr. Bartlett, Mr. Buckley, Mr. Church, Mr. Hansen, Mr. Haskell, Mr. Hatfield, Mr. Jackson, Mr. Johnston, Mr. McClure, Mr. Metcalf, Mr. Goldwater, Mr. Domenici, Mr. Abourezk, Mr. Gurney, Mr. Nelson, Mr. Stevens, and Mr. Tunney.

The House disagreed to the Senate amendment and on July 17, 1974 appointed Mr. Teague, Mr. McCormick, Mr. Fuqua, Mr. Symington, Mr. Mosher, Mr. Goldwater and Mr. Wydler as conferees.

On July 22, 1974, the Senate insisted upon its amendment, appointing Mr. Jackson, Mr. Bible, Mr. Church, Mr. Metcalf, Mr. Haskell, Mr. Fannin, Mr. Hatfield, and Mr. McClure as conferees.

The conferees met on August 8, 1974 and agreed to file a report. The conference report was filled by the House on August 19, 1974 (CONF. REPORT 93-1301).

On August 20, 1974, the Senate agreed to the conference report.

The House agreed to the conference report on August 21, 1974.

The bill was signed into law (Public Law 93-410) by the President on September 3, 1974.

LEGISLATIVE HISTORY OF S. 3234 "THE SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974"

The Senate Committee on Interior and Insular Affairs has long been concerned with the potential uses of solar energy. As early as 1959, a measure introduced by Senator Bible, S. 2318, 86th Congress, a bill to provide for research and development of practical means for the utilization of solar energy, was referred to the Committee. When the Committee was directed, pursuant to Senate Resolution 45, 92d Congress, to conduct the National Fuels and Energy Policy Study, it addressed the consideration of solar energy as a viable energy source as an early part of its investigation. During Committee hearings in June of 1972 on "Energy Research Policy Alternatives," testimony was received on a variety of solar energy applications.

The Committees' awareness of the potential contribution of solar energy to the achievement of energy self-sufficiency has been evidenced by its favorable deliberations involving several solar-related bills during the 93d Congress. S. 1283, the National Energy Research and Development Policy Act, was introduced by Senator Jackson on March 19, 1973, and referred to the Interior Committee for its consideration. This measure includes considerable emphasis on solar energy opportunities in terms of setting forth a general national research strategy aimed at hastening the commercial application of a wide range of non-nuclear energy sources. After being reported favorably from the Interior Committee, S. 1283 passed the Senate on December 7, 1973, and it was approved by the House with amendments on September 11, 1974.

To further accelerate the wide-scale application of solar heating and cooling technology the Congress passed H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974. The Act authorizes the appropriation of $60 million over a five-year period to HUD and NASA for the purpose of achieving the commercial demonstration of solar heating and cooling systems in residences and commercial buildings. The Interior Committee, which held hearings on this bill on June 5th, strongly endorsed the final version of the measure which was signed into law by the President on September 3, 1974.

On March 26, 1974, Senator Humphrey introduced S. 3234, the Solar Energy Research Act of 1974, which was referred to the Interior Committee. Several members of the Committee had joined Senator Humphrey as cosponsors of the bill.

As introduced, S. 3234 established an Office of Solar Energy Research, to be located on an interim basis, in the Atomic Energy Commission. The Office was to be transferred into the Energy Research and Development Administration (ERDA) as soon as that entity, or another such energy organization would come into being.

The Office, in cooperation with other Federal agencies actively involved in solar energy conversion, would be empowered to undertake a $600 million, 5-year R. & D. program to accelerate the commercial readiness of solar energy systems. Hearings on S. 3234 were held on June 27, 1974. The witnesses discussed the background of solar energy and described the status of national and international research and development efforts in this field. They also addressed the current and projected future capability of U.S. and foreign industry in the area of solar energy conversion. They commented on the policy and organizational aspects of S. 3234. A consensus between Committee members and the witnesses was evidenced by the expressed agreement that there is a pressing need for an intensified Federal program of solar energy R. & D. which could hasten its commercial viability.

In considering S. 3234, the Committee also made use of and built upon May 7 and 8 hearings held by the Joint Committee on Atomic Energy on a similar solar energy bill, S. 2810, which was originally sponsored by Senator Humphrey.

S. 3234, as ordered reported unanimously by the Interior Committee meeting in markup session September 10, was amended to reflect the findings of the June 27th hearings and the views of Committee members.

On September 12, 1974, the bill was reported as amended to the Senate (Senate Report 93–1151) by Mr. Jackson. It passed the Senate on September 17, 1974 with floor amendments.

The cosponsors of S. 3234 are as follows:

Mr. Humphrey, Mr. Bible, Mr. Church, Mr. Cook, Mr. Fannin, Mr. Haskell, Mr. Hatfield, Mr. Jackson, Mr. Johnston, Mr. Metcalf, Mr. Nelson, Mr. Brock, Mr. Dole, Mr. Gravel, Mr. Williams, Mr. Pell, Mr. Mondale, Mr. Tower, Mr. McGovern, Mr. Montoya, Mr. Schweiker, Mr. Kennedy, Mr. Chiles, Mr. Fong, Mr. Goldwater, Mr. Metzenbaum, and Mr. Biden.

On September 19, 1974 the House passed the measure after being amended to contain the language of H.R. 16371, as passed.

The Senate disagreed to the House amendment, appointing Mr. Jackson, Mr. Johnston, Mr. Haskell, Mr. Fannin, and Mr. McClure as conferees on September 23, 1974.

The House insisted on its amendment on September 24, 1974 and appointed Mr. Teague, Mr. McCormack, Mr. Fuqua, Mr. Symington, Mr. Mosher, Mr. Goldwater and Mr. Wydler as conferees.

On October 2, 1974 the conferees met and agreed to file a conference report. The House filed the conference report (House Conference Report 93–1428) on October 4, 1974.

The House agreed to the conference report on October 9, 1974.

The Senate agreed to the conference report on October 11, 1974.

The bill was signed into law (Public Law 93–473) by the President on October 26, 1974.

Mr. McCLELLAN. Mr. President, I desire to discuss the patent provisions of the conference report on S. 1283, the Federal Nonnuclear Energy Research and Development Act of 1974. I understand that the patent issues in this legislation occasioned considerable controversy in the committee of conference.

As chairman of the Subcommittee on Patents, Trademarks, and Copyrights, I have reviewed the patent provisions in the conference report. While I might not necessarily agree with all the details of the patent language, the conferees have achieved a reasonable compromise.

In general terms there were two separate patent issues—the disposition of patent rights in inventions resulting from Government-sponsored research, and the mandatory licensing of patents. With respect to the former subject, I agree that the "specific responsibility for the ERDA patent policy rests in the committees with legislative jurisdiction over ERDA." Proposed legislation amending title 35 to provide for the mandatory licensing of patents is quite another matter. This is one of the most fundamental issues relating to the American patent system. No evidence as to the need for such licensing has been presented to the Subcommittee on Patents.

The joint explanatory statement of the conference committee does recognize the responsibility of the Judiciary Committee. It states that:

> The Senate conferees believe that consideration . . . in the Senate should be with the full participation of the Senate Judiciary Committee.

The Standing Rules of the Senate provide that "all proposed legislation, messages, petitions, memorials, and other matters" relating to patents shall be referred to the Committee on the Judiciary. The referral of any proposed legislation to amend title 35 to provide for mandatory licensing of certain classes of patents must be determined by the Senate rules. It is not necessary to pursue the matter of committee jurisdiction at the present time. However, the adoption of this conference report should not be construed as altering the jurisdiction of the Committee on the Judiciary over legislation to amend provisions of title 35.

The conference report provides that the Administrator of ERDA shall submit "a report" concerning existing patent policies affecting programs under this legislation. The explanatory statement of the conferees states that if there are different views within the executive branch, the report should reflect, where appropriate, dissenting or individual views. The question of differing views on patent issues within the executive branch is of long standing. The executive branch has not taken a consistent position. One department has been authorized to transmit independent views, while another department has been precluded from doing so. I have repeatedly and unsuccessfully sought the independent views of the Commissioner of Patents on pending legislation for the general revision of title 35. It would be my expectation that the treatment of proposed patent legislation pursuant to S. 1283 would be consistent with the procedures followed within the executive branch on legislation for the general revision of the patent law.

Mr. RANDOLPH. Mr. President, I would like to raise a question of the chairman of the Interior Committee concerning the activities of the Energy Research and Development Administration in an area to which the Senate Committee on Public Works has devoted a great deal of attention both this year and in the past. I refer to the area of research, development, and demonstration of technologies designed to recovery energy from solid waste.

Since 1965 the committee has been concerned for the energy and resource benefits to be derived from the reuse of materials recovered from solid waste as well as means for reduction of the total amounts of solid wastes currently being generated and presenting disposal problems. This concern was enunciated in the Resource Recovery Act of 1970.

The committee's interest stems from its legislative jurdisdiction over the Solid Waste Disposal Act, as amended, which is in the process of being revised. Under authority contained in section 203 of that act significant breakthroughs have been achieved in this area. Perhaps the most successful has been the combined Environmental Protection Agency-Union Electric Corp. demonstration project, located in St. Louis, Mo. The St. Louis project has successfully demonstrated a technology which burns a mixture of shredded municipal solid waste and coal in a utility boiler to produce electricity. The Environmental Protection Agency also is conducting research to convert sewage sludge into usable energy supplies.

During hearings earlier this year, the Panel on Materials Policy to the Committee on Public Works learned of other research, development, and demonstration efforts being conducted by the Environmental Protection Agency on the recovery and conservation of energy and materials. The Public Works Committee hopes to favorably report legislation to extend this program early in the next session. The bill would amend the Solid Waste Disposal Act to include among other provisions, incentives for communities to adopt these technologies when successfully demonstrated.

These program activities in the past have not been funded at optimum levels. As chairman of the Committee on Public Works I am concerned—and this concern is shared by other members of the Public Works Committee—that creation of a similar program in the Energy Research and Development Administration might detract from the efforts currently being conducted by the Environmental Protection Agency. Were we to create two programs with very similar goals which then will vie for the limited resources available to conduct activities in this area, this would, in my opinion, be unfortunate and unwise.

Mr. JACKSON. I am pleased that my colleague from West Virginia (Mr. RANDOLPH), chairman of the Committee on Public Works, has raised this concern. This possibility was considered by members of the Committee on the Interior during the conference on S. 1283. Indeed, this specific matter was addressed in the conference report, which states:

> . . . the conference committee recognizes that this legislation is not the first to provide for research and development of technologies which will convert agricultural, municipal, and commercial waste into a useful source of energy or materials. The experiences of other Federal agencies in this area have convincingly demonstrated that the development and demonstration of technologies for the recovery of energy from waste do not guarantee the adoption of such technologies by the public or private sector.
>
> Research, development, and demonstrations of technologies for the conversion of waste to energy or reuseable materials should be initiated by the Administrator only after

> consultation and coordination with the appropriate agencies having existing programs and statutory authorities with similar objectives. The conferees intend that ERDA projects for the development of technologies designed to convert waste and recover resources shall be planned and executed so as to augment and supplement the efforts by such other agencies in promising technologies which the Administrator determines are not otherwise being adequately investigated and developed.

In recommending favorable action on this bill, the Interior Committee has no intention of creating a program within the Energy Research and Development Administration which will in any way supplant the energy recovery and conservation efforts being carried out by the Environmental Protection Agency, pursuant to the Solid Waste Disposal Act, as amended.

The conferees, however, were concerned that the opportunities for recovering energy from solid waste and conserving energy through the reuse of solid waste be developed as quickly as possible in view of the current needs. As the conference report clearly indicates the Energy Research and Development Administration should endeavor to augment present and future efforts by the Environmental Protection Agency in a joint and coordinated effort to expeditiously develop all potential technologies in this area. In this regard, it is not the conferees intention that the Energy Research and Development Administration should in any way create a program which will be duplicative of or detract from present Environmental Protection Agency efforts or would divert resources from either their present or future program efforts.

Mr. FANNIN. Mr. President, it is a pleasure to rise in support of the conference report on S. 1283, the Federal Nonnuclear Energy Research and Development Act of 1974. This landmark legislation represents the high levels of bipartisan cooperation of which the Senate Committee on Interior and Insular Affairs is so capable. The chairman of the committee, the distinguished Senator from Washington (Mr. JACKSON) should be highly commended for his effective legislative leadership causing this bill to become lawful reality. He first masterminded ERDA legislation through the Government Operations Committee, through conference and into law. Now he has completed work on the legislation which provides the policy mandate for ERDA to implement as related to nonnuclear energy. I am deeply appreciative of the helpful contributions made to this bill during its legislative course but particularly during the conference phase by my colleagues on the minority side of the Interior Committee, the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. BUCKLEY), and the Senator from Idaho (Mr. McCLURE).

At the staff level, one man comes to mind worthy of being singled out for his continuing pursuit of excellence, Mr. Dan Dreyfus. It would be difficult to find any other person on the staff of our committee or any other committee who has the complete respect and confidence of so many Senators as Mr. Dreyfus. His record this year as a staff person in energy-related legislation is without parallel. The bills on which he has worked have been or soon will, become law, include the ERDA bill, two solar bills, the geothermal bill, the FEA bill, and this bill. His record and professional competence speak for themselves.

Mr. President, I would like, if I may, to elaborate for a moment on several of the provisions of this landmark legislation. Section 2(b) makes reference to the causes of our national energy shortage. I emphasize the words, "unconventional energy technologies have not been judged to be economically competitive with traditional energy technologies."

Mr. President, this phrase explains what S. 1283 is all about. Forty percent of the oil we consume in this country is imported from abroad. Even at prices in excess of $10 a barrel domestically produced, oil shale, coal gasification, coal liquification, solar and geothermal energy are still not competitive with foreign oil. Although our normal preference would be to await the operation of the free market to stimulate the development of these new energy forms, the fact that we import 40 percent of our oil has caused such a national security problem that it is necessary for the Government to intervene to help stimulate the development of these new fuels.

S. 1283 provides means by which the Federal Government can work hand in glove with private industry toward the early attainment of energy self-sufficiency in this Nation. For example, section 4(c) directs the Administrator of ERDA to utilize the funds authorized by this act to advance energy research and development by initiating and maintaining, through fund transfers, grants, or contracts, energy research, development and demonstration programs or activities utilizing the facilities, capabilities, expertise, and experience of Federal agencies, national laboratories, universities, nonprofit organizations, and I emphasize industrial entities and other non-Federal entities which are appropriate to each type of research, development, and demonstration activity.

Mr. President, this section tells the Administrator of ERDA that it is the private sector that is to be principally responsible for actually getting the job done. The role of the Federal Government is merely to provide financial stimulation.

Let me further elaborate on the singular attempt of the conferees to insure that the Administrator is directed not to supplant the energy industry of the United States, but merely to help stimulate it through capital supplementation. I call my colleagues attention to section 5(b)2 which sets the standards for the Administrator of ERDA regarding whether or not the Federal Government needs to involve itself in a particular energy research undertaking. This section tells the Administrator that if the private sector is getting the job done, there is really no need for the Federal Government to waste its time trying either to duplicate industry efforts or to supplant them. Specifically, section 5 (b)(2) provides:

> In determining the appropriateness of Federal involvement in any particular research and development undertaking, the Administrator shall give consideration to the extent to which the proposed undertaking satisfies criteria including, but not limited to, the following:
>
> (A) The urgency of public need for the potential results of the research, development, or demonstration effort is high, and it is unlikely that similar results would be achieved in a timely manner in the absence of Federal assistance.
>
> (B) The potential opportunities for non-Federal interests to recapture the investment in the undertaking through the normal commercial utilization of proprietary knowledge appear inadequate to encourage timely results.
>
> (C) The extent of the problems treated and the objectives sought by the undertaking are national or widespread in their significance.
>
> (D) There are limited opportunities to induce non-Federal support of the undertaking through regulatory actions, end use controls, tax and price incentives, public education, or other alternatives to direct Federal financial assistance.
>
> (E) The degree of risk of loss of investment inherent in the research is high, and the availability or risk capital to the non-Federal entities which might otherwise engage in the field of the research is inadequate for the timely development of the technology.
>
> (F) The magnitude of the investment appears to exceed the financial capabilities of potential non-Federal participants in the research to support effective efforts.

This same theme is carried through to section 8 of the bill in which, reviewing potential demonstration projects, the Administrator is considered—and I am quoting from section 8(b)3 "the relationship of the proposal to the criteria of priority set forth in Section 5(b)2." In fact, Mr. President, section 8(b) reiterates the intent of the conferees that the administration should only involve itself in those activities in which there is insufficient private sector interest but for the availability of Federal assistance to provide capital or other means by which a given project can become economic. In other words, the role of the Federal Government is to provide various forms of incentives to private industry so that with Federal financial assistance, energy demonstration projects may proceed to be developed quickly; without such assistance such projects otherwise would have been uneconomic.

Turning now to a lighter vein, Mr. President, many of us in the Congress from day to day are visited by earnest and well-intentioned would-be inventors. These men and women enter our offices laden down with complicated blueprints and related material pertaining to a technological idea which, if developed, would help solve the national energy shortage in a much shorter period of time. Although many of us are deeply and sincerely interested in the ideas of these dedicated inventors, we are for the most part technically incompetent to judge the merits of the profound technological innovations suggested to us by the inventors. Accordingly, section 14 of the bill directs that "the National Bureau of Standards shall give particular attention to the evaluation of all promising energy-related inventions, particularly those submitted by individual inventors . . ." One might say that we have provided a new corporate home for these enterprising inventors and that home is the National Bureau of Standards. Now my colleagues know where they can send the inventors to be assured of receiving an enthusiastic response from the Federal Government regarding each of their ideas.

In closing, Mr. President, I reextend my congratulations to my colleagues on the Senate Interior Committee as well as to our friends in the House Committees on the Interior, and Science and Astronautics for a job well done. The time has now come for Mr. Seamans to take the ball from here and start running down the field with it.

Mr. BAYH. Mr. President, as an original cosponsor of S. 1283 when it was introduced in March of 1973, I urge adoption of the pending conference report. While I am pleased that we are finally about to enact this long overdue legislation, I cannot help but note my disappointment over the extensive delay in completion of this legislation.

The fault for that delay lies not with the Senate Committee on Interior and Insular Affairs which, under the able chairmanship of the Senator from Washington (Mr. JACKSON), was far out front of the other body and the administration in this area. Rather the fault for the delay rests with the administration and its predecessor.

Let me reiterate, Mr. President, it was in March of 1973, 6 months before the Arab oil embargo, and long before the energy crisis was an integral part of the American lexicon, that we introduced legislation. We recognized then the necessity to expand greatly research and development of new energy sources, to avoid undue reliance on imported energy, to permit uninterrupted economic growth, to maintain and improve the standard of living in this country, and to prevent unnecessary compromises with parallel national objectives of reducing environmental pollution.

The objectives of the legislation we introduced almost 2 years ago—retained in this conference report—are bold. We talked then, and we talk now, of energy self-sufficiency and a price tag for energy research and development of as much as $2 billion for each of the next 10 years.

It was, and is, a bold program. But it is the kind of boldness required of us if we are to meet our essential objectives.

The expense of this undertaking seems great at first blush, but upon reflection it is clear that we can commit less than 1 percent of the Federal budget to the goal of providing this Nation with the energy that is essential to our security and economic well-being.

It is relevant to bear in mind that precious time has been lost in meeting our goals in the energy field because of early opposition to this legislation from the Nixon administration, subsequent lukewarm interest which failed to light the necessary spark in the other body, and while we were able to pass this bill just about a year ago, the House did not pass companion legislation until just 3 months ago.

Even at that, national energy policy is still groping for a direction because of a lack of focus in the administration. The long list of energy chiefs in the Nixon and Ford administrations, including the most recent switch from John Sawhill to Interior Secretary Morton even as Mr. Zarb moved to Mr. Sawhill's old post, highlights the lack of proper concentration on energy matters by both Mr. Nixon and Mr. Ford.

So it is that we come to enact in the concluding week of the second session of the 93d Congress legislation that should have been enacted midway through the first session.

But at least we have a good final product. The conference report now before us, especially in the provisions that open the door for extensive, promising work in the areas of coal gasification and liquidation, merits our strong support. We have here a vehicle that should enable us to tap fully the existing technology in the energy area, as well as to explore previously unchartered territory in more exotic but potentially valuable areas.

The need for this legislation is readily obvious. The fact that it has been too long in coming does not lessen my enthusiasm for the assistance this bill can provide in fulfilling the major task still before us. I urge adoption of the conference report, and close with the hope that necessary funds will be made available to complete the job begun by this authorizing legislation.

Mr. HART. Mr. President, the bill being considered coordinates and provides a central theme within ERDA underlying our energy research and development efforts in a number of areas. It represents a key element of a necessary energy policy objective—coordination and centralization through congressional action—if we are to successfully marshal the full potential of the United States in grappling with ever-increasing energy problems. S. 1283 is illustrative of the leadership capability of the legislative branch, Mr. President, and the distinguished chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) should be commended for his efforts.

Senator LONG and I deeply appreciate the opportunity and latitude provided us by the Senate conferees to work out with the administration a mutually acceptable patent policy provision; and we are pleased that it has been accepted by the conference committee. I ask unanimous consent that the full text of the November 22 letters to Senator JACKSON from Roy Ash, and from Senator LONG and myself, be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. HART. Mr. President, Dan Dreyfus and Will Smith of the Senate Interior Committee staff deserve special comment for their assistance and patience on this matter.

We feel very strongly about the need for a mandatory licensing provision, and regret that it was dropped in conference on the basis of a 4-to-4 vote of the House conferees despite the strong stand taken by the Senate conferees. We look forward to seeking its early enactment next year, and are pleased that Senator JACKSON has offered to join us in this effort.

In sponsoring the patent policy provision with Senator LONG which the Senate included in S. 1283, I stated:

> When public funds are used to finance in whole or in part research and development underlying an invention, simple fairness demands that its utilization and benefits be available to all on nonexclusive equal terms. It would be manifestly unfair to allow an important patent to be licensed to General Motors, for example on an exclusive basis, thereby excluding the use of that patent by Ford, Chrysler, and American Motors. Similarly, no justification can exist for granting an exclusive license to Exxon, for example, and excluding the rest of the energy industry from the patent.
>
> Nonexclusive licensing would allow the greatest benefits to the public arising from competition in the manufacture and sale of the product; and further improvements and new inventions would be encouraged as firms vie for business in the marketplace.

Our amendment barred exclusive licenses and required that title to inventions arising from ERDA programs vest in and be retained by the United States.

The compromise patent provisions in section 9 are designed to carry out the objective underlying the Senate provision, while providing the flexibility desired by the administration. In brief, section 9 provides for the Government normally to retain title to inventions developed under ERDA contracts and for licenses normally to be granted on a nonexclusive basis. Authority to grant exceptions from this general policy is vested in the ERDA Administrator to provide some degree of flexibility when justified by objective circumstances, but only in conformity with specific minimum criteria.

Government patent policy carried out under the NASA and AEC Acts and regulations, and the Presidential Patent Policy Statement with respect to energy technology, has resulted in waiver of title and the granting of exclusive licenses in only a few cases. It has been represented to me that section 9 will similarly reach this result with respect to ERDA-assisted inventions, and that is its intent.

Another important concept embodied in sections 9 and 10 is to assure that the effect of executive branch agency actions is not to adversely or unnecessarily interfere with or affect our free market economy. Too many examples exist where well-intentioned regulatory officials sanction and encourage anticompetitive activities and conduct. The sanctions are designed to assure that ERDA carry out its mission in a manner consistent with our fundamental national economic policy of free enterprise. Section 10 assures that no act taken, condition reached, or determination made, pursuant to this act, is immunized or otherwise protected from the full applicability of antitrust law. Subsections (c)(4), (d)(10), (g)(2), and (h)(7)(A) of section 9 also contain competitive principles. Their objective is to anticipate and prevent situations before they reach the point of violating antitrust law.

These provisions, Mr. President, can provide the basis for further thought and improvement with respect to the responsibilities of other executive branch agencies in maintaining a competitive economy.

Mr. President, I urge acceptance of the conference report.

EXHIBIT 1

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., November 22, 1974.
Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: The Administration is very concerned about the patent and mandatory licensing provision, sections 113 (a), (b) and (c) of S. 1283. Over the past several weeks, a series of staff level negotiations between Mr. Bernard Nash of Senator Hart's staff and representatives from Commerce, AEC, FEA, HEW and Justice have been held in an attempt to develop a compromise patent policy provision. As a result, I believe the compromise arrived at between the parties is a fair and reasonable approach to nonnuclear patent policy for ERDA. The Administration therefore agrees to support the compromise as negotiated (copy enclosed). It is also my understanding that Senator Hart does support the compromise patent policy provision as a reasonable substitute for sections 113 (a) and (b) of S. 1283.

I might point out as well that every effort was made during these discussions to accommodate the views of the participants as to what should be contained in a truly viable patent policy. Thus, the resultant language strikes an extremely delicate balance between divergent preferences. Even minor changes in the text of this document are likely to upset the balance to the extent that one or the other of the parties might be obliged to withdraw its support. In the spirit of reciprocity, therefore, the Administration must ask that its endorsement of this proposal be regarded as withdrawn in the event that any changes are made in the text of the agreed-upon language, notwithstanding the fact that such changes might be in the direction of the Administration's preference.

I therefore urge you to consider adopting the enclosed compromise patent provision in lieu of sections 113 (a) and (b) of S. 1283 as passed.

I would also like to point out that the compromise document is silent on the issue of compulsory licensing, section 113(c), of privately developed energy patents. We understand that Senator Hart is desirous of including some form of compulsory licensing in the final version of S. 1283. The Administration, however, is strongly opposed to the inclusion of any such provision. Any compulsory licensing provision must be regarded as a fundamental departure from the concept of a free enterprise patent system.

We appreciate your consideration of these views, and are hopeful the conferees will deal with these important issues in an acceptable way.

If you would like any additional information or if I can be of assistance, please call.

With warmest regards,
Sincerely,

ROY L. ASH,
Director.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., November 22, 1974.
Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SCOOP: We deeply appreciate the opportunity and latitude you provided us in our endeavor to work out with the Administration a mutually acceptable compromise with respect to the patent policy provisions in the Energy Research and Development Bill—S. 1283. We have received and reviewed the proposal attached to the Administration's November 22 letter of support, and are pleased to add our support to the document now before the Conference Committee for its consideration.

We should note that the compromise contains many highly interrelated provisions and is quite delicately balanced. While a number of concepts and provisions are not quite what we would advance in a bill of our own, on balance we do believe a fair compromise on an extremely complex and controversial issue has been reached for purposes of S. 1283.

Although we were not able to resolve the mandatory licensing issue, discussions with the Administration enabled us to suggest a revised section designed to accommodate what we perceive to be the Administration's strongest objections. As redrafted, this provision would now apply only to patents for utilization in the ERDA program. Reference to know-how, trade secrets, and the like also has been deleted. We consider this provision an appropriate substitute for the background patent section which has been dropped from the Senate-passed bill, and essential to the success of the ERDA mission. We trust that the Senate Conferees will stand firm on the need for this concept.

We are attaching for your convenience the text of both the patent and mandatory licensing sections, together with a staff analysis of each.

Your staff and the Administration should be commended for their efforts to resolve this important matter.

With best wishes,
Sincerely,

PHILIP A. HART.
RUSSELL LONG.

Mr. JAVITS. Mr. President, if the Senator will yield for one question, is this the ERDA bill?

Mr. JACKSON. No, this is the bill that implements ERDA by providing the authorization for nonnuclear research for succeeding fiscal years.

It projects a $20 billion program which has been called Project Independence by the administration.

Mr. JAVITS. What was the essence of the House amendment?

Mr. JACKSON. Well, the House amendment dealt in some measure on environmental issues which we resolved, we made some changes in the patent policy provision that Senators LONG and HART are acquainted with. I would say that the conference report is signed unanimously on the part of all the conferees.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered, the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), and the Senator from New Hampshire (Mr. COTTON) are necessarily absent.

The result was announced—yeas 91, nays 1, as follows:

[No. 564 Leg.]

YEAS—91

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Long

NOT VOTING—8

Bellmon
Bentsen
Bible
Cotton
Fulbright
Gravel
Hathaway
Mansfield

So the conference report was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request on both sides of the aisle. I ask unanimous consent that the Senator from Minnesota (Mr. HUMPHREY) may proceed to call up the conference report at this time on foreign assistance, with the understanding that there will be no debate and the Senate will proceed immediately to a vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN ASSISTANCE ACT OF 1974—CONFERENCE REPORT

Mr. HUMPHREY. Mr. President, I submit a report of the committee of conference on S. 3394 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MCCLURE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, House and Senate conferees have reached agreement on the Foreign Assistance Act of 1974 today.

In five conference meetings over the past 6 days, the House receded on 34 items, the Senate on 36 items, and 3 items were arrived at by compromise.

House conferees were led by Chairman THOMAS E. MORGAN of the Foreign Affairs Committee; heading the Senate delegation was Chairman J. W. FULBRIGHT of the Foreign Relations Committee.

The total funds authorized by the bill are $2.69 billion. The amount is $39.9 million more than the House-passed bill and $30.9 million less than the Senate-passed bill. The total is $555 million less than the request to the Congress by the executive branch for foreign aid.

The agreements on key issues were:

TURKEY/CYPRUS

Both Houses had passed prohibitions against military aid to Turkey. The conference report combines the provisions of both versions. It suspends all military assistance and sales upon enactment of the bill but allows the President to lift the suspension until February 5, 1975, if he determines that such action will further negotiations for a peaceful solution of the Cyprus conflict and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war. The conferees further agreed, as stated in the report, that during the time of any such suspension, the rate of obligations and deliveries of military aid and sales to Turkey shall keep within established programs and that the President shall not undertake any material increase in program levels for Turkey prior to February 5, 1975.

CAMBODIA

Both Houses had passed $377 million ceilings on foreign assistance to Cambodia, with a $200 million subceiling on military assistance. The ceilings were retained by the conferees who also limited emergency assistance to Cambodia through the drawdown of Department of Defense stocks to a $75 million maximum.

CHILE

Funds for Chile were limited to $25 million in fiscal year 1975, with none of the money for military assistance or credit sales.

KOREA

The conferees accepted a House amendment which limits military assistance and arms credit sales to $145 million, unless the President reports to Congress that the Government of Korea has made substantial progress in the observance of human rights. Then an additional $20 million could be made available to Korea.

VIETNAM

A ceiling of $617 million was placed on all economic aid to Indochina, including a subceiling of $449.9 million on South Vietnam. Provisions in law which would permit transfer of funds from other categories of aid to Indochina were restricted or eliminated.

UNESCO

The conference report directs that no funds can be expended to support UNESCO until the President certifies to the Congress that the organization has adopted policies which are fully consistent with its educational, scientific, and cultural objectives and has taken concrete steps to correct recent actions of a political character. Those actions were aimed against Israel.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a foreign aid conference report factsheet which summarizes the basic features of the foreign aid conference together with other material.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN AID CONFERENCE REPORT FACT SHEET

Total authorization: $2.69 billion, $30.9 less than the Senate bill, $39.9 more than the House bill, $555 less than the Executive request.

Five conference sessions in 6 days: House receded on 34 items, Senate on 36 items.

Israel will get $625 million in this bill: $325 in economic aid and $300 in military credit sales, with a provision to forgive $100 million of the debt on the military credit sales.

Turkey—the conference agreed to a compromise on the Cyprus issue: suspending aid to Turkey but permitting the President to waive the provision until February 5, 1975.

Reduction of military aid and termination of the military aid program: Bill directs the President to come up with a plan to phase out MAP.

South Korea: cuts military aid to South Korea to $145 million but permits an additional $20 million if South Korea makes progress in human rights.

Cyprus: provides $25 million in emergency aid for Cypriot refugees.

Indochina levels frozen at Senate levels: prohibition on using development money in Indochina, prohibition on using transfer or waiver authority to use non-Indochina money in Indochina countries.

International Police Academy: eliminated after July 1, 1975 (which only allows time to phase out operations).

International Organizations: authorizes appropriations of only $165 million.

Food and Nutrition: increases authorization from $291 million to $500 million, with emphasis on increasing agricultural production in the poorest countries.

Concessional Food Aid: limits to 30% the amount of concessional food aid under title 1 of P.L. 480 that can go to countries other than the most seriously affected by world food and fuel shortages.

Cambodia: sets a ceiling of $377 million on aid to Cambodia and a limit of $75 million on the use of the military drawdown authority for Cambodia.

Chile: retains Senate language limiting aid to Chile but cuts amount from $55 million to $25 million, none of which is for military aid.

UNESCO: directs the President to stop funding UNESCO until it has taken concrete steps to correct recent actions of a political character.

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UNESCO: directs the President to stop funding UNESCO until it has taken concrete steps to correct recent actions of a political character.

THE AMENDMENT AGREED TO ON THE SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

SEC. . Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus. *Provided*, That the President is authorized to suspend the provisions of this section and such Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war."

STATEMENT OF SENATOR THOMAS EAGLETON AND CONGRESSMEN JOHN BRADEMAS, BENJAMIN ROSENTHAL, AND PAUL SARBANES ON CUTOFF OF U.S. MILITARY AID TO TURKEY

The conferees have completed their work on the Foreign Assistance Act. There has been a compromise on the cut-off of military aid to Turkey. We accept the compromise embodied in the Conference Report. In reaching this position we consider the interests of all of the parties to the Cyprus dispute, the action of the Senate on this legislation, and the complex parliamentary situation the Congress is facing in considering, at this time, both the Foreign Assistance Act and a Continuing Resolution.

We take this position for the following reasons:

1. Although the bill permits the temporary sending of aid until February 5, the cut-off language of the Rosenthal-Eagleton Amendment now becomes permanent law instead of a rider on temporary Continuing Appropriations Resolutions.

That language suspends all U.S. military aid to Turkey unless and until:

(a) Turkey complies with the Foreign Assistance Act, the Foreign Military Sales Act and any agreement entered into under such Acts; and

(b) substantial progress toward agreement has been made regarding military forces in Cyprus.

We regard the incorporation of the cut-off language into permanent law as a very important and significant development. The language will, of course, be incorporated in the Continuing Resolution.

2. The bill requires that during the temporary period of suspension of the cut-off, Turkey shall:

(a) observe the ceasefire on Cyprus;

(b) not increase its forces on Cyprus; and

(c) not transfer to Cyprus any U.S. supplied implements of war.

3. The Conference Committee Report makes clear that there must be no accelerated obligations and delivery of military aid during the extension period.

4. The Conference Report authorizes $25 million for aid to refugees in Cyprus, and it is our understanding that the Continuing Appropriations Resolution and any subsequent appropriations measures will also contain $25 million for this vital humanitarian purpose.

5. We are hopeful that meaningful progress concerning all matters of interest to Cyprus, both humanitarian and political, will commence shortly.

6. The Foreign Assistance Bill contains a number of programs important to U.S. policy in many parts of the world.

Mr. CHURCH. Mr. President, earlier today the House-Senate conference on the Foreign Assistance Act of 1974 drew to a close. As one of the Senate conferees, I chose to sign the conference report, but only in order to facilitate the presentation of the report to the full Senate for its consideration. I do not support this report, Mr. President, nor will I vote for it, for in my view, it represents a serious distortion of priorities which cannot long continue if this Nation is to retain its strength, power, and relative prosperity.

Two weeks ago, the Senate passed a bill which I found unsupportable; and now the bill, as it has been altered in the House-Senate conference, is even worse. Even the one small merit of this new version—the apparent small reduction in overall costs—is a deception. For, while this new version appears to represent a reduction of $30.9 million, the truth is that the bill contains an overall increase of $120 million, because a provision has now been added in conference which allows the Pentagon to supplement the regular military aid budget with $150 million in stocks by means of a drawdown from the U.S. military stockpile.

Moreover, Mr. President, many of the line items in the original Senate version have now been changed to provide for still more military assistance at the expense of economic aid. For example, the original Senate figure for food and nutrition assistance has been reduced by $30 million, while the original Senate figure for worldwide military aid has been increased by $50 million.

So, in sum, Mr. President, what the Senate is now considering is a bill which will provide even more money, and which embodies an even greater distortion of priorities, than the bill which the Senate approved—only barely—2 weeks ago. This is a bill which will provide for a level of foreign aid spending during this fiscal year of $500 million—one-half billion dollars—greater than the level of last year. And it is a bill which will provide a level of spending more than $1 billion above the level provided in the continuing resolution now in effect for this fiscal year.

I am normally against providing funding by means of continuing resolutions, Mr. President, because they bypass the proper processes of legislative control. But if, to avoid a continuing resolution, we are about to pass a bill providing more than $1 billion more than would be provided were the continuing resolution extended, then I submit the price is too high for procedural regularity.

One salutary provision in this bill, Mr. President, in the version originally passed by the Senate, was a provision which required the phaseout, over the next 3 years, of the entire military assistance program and the entire worldwide network of military aid missions. Regrettably, however, this one valuable provision was lost in conference and in its place was substituted a flabby sense-of-the-Congress expression that will accomplish nothing.

Thus, what we are left with is a bill which bestows another year of life on a program which should have been ended years ago. It is a program bearing little relation to the realities of the modern world, lumbering along to serve the shortsighted interests of Washington bureaucrats, the vested interests of those American firms which profit from the program, and the vanity of American diplomats who beguile themselves with the belief that the grants and loans gain them some kind of undefined—and, in truth, illusory—leverage on the conduct of foreign governments.

It is a program which continues to operate upon the obsolete assumptions of the cold war, dumping billions of dollars of modern weapons upon foreign dictators who use this strength not to fight any legitimate outside threat but instead to consolidate, through domestic repression, their own absolute authority. It is a program, also, which continues the American bilateralism that began in the late 1940's when we decided that we preferred to try to go it alone rather than rely on the multilateral institutions which we did so much to create at the end of the Second World War.

Mr. President, there is little more that can be done during this session of Congress to change the course of American foreign policy. Next year, however, during the 1st session of the 94th Congress, I believe that the Senate must cast off its passive role and give new direction to the country's policy in the international community. Toward this end, I intend, shortly after the new Congress convenes, to make a presentation of my views on the new directions I believe we must take.

For now, however, the Senate could take one important step by defeating this conference report, thereby showing some recognition of the dangerous state of our national economy and the disastrous waste and distortion of priorities which this militarized and heavily bilateral foreign aid program represents. I urge the Senate to defeat this conference report.

Mr. KENNEDY. Mr. President, I am pleased that the Senate has approved the foreign aid conference report containing my amendment to halt all military aid to Chile.

That action marks the first time that the Congress—without waivers, without conditions, and without delays—has directed an end of military aid to another nation.

In the case of Chile, this action follows more than a year of private and public appeals for an end to the junta's disregard of human rights.

It follows the reports condemning continued torture of political prisoners and continued political repression.

It follows favorable action by the Senate three times in support of ending military assistance to this undemocratic and repressive regime. I do not believe the American people desire to see its tax dollars being spent in support of military aid to that regime.

I commend the conferences and urge recognition of this step toward placing human rights as a priority of our foreign policy considerations.

Mr. HATFIELD. Mr. President, I would like to direct an inquiry to the manager of the bill, the distinguished Senator from Minnesota (Mr. HUMPHREY) regarding section 49 of the Senate bill, and its disposition by the conference. I note that the conference has agreed to set a limit of 30 percent on concessional food assistance to nations not on the U.N. list of 32 countries "most seriously affected" by the current global economic crisis. As the Senator knows, I have had a very deep concern about the continued diversion of concessional sales under title I of Public Law 480 to nations who are not in deep need of food, but who are receiving such aid for purely political purposes. It is unconscionable to me that at this time, when the needy nations of the world face a grain deficit of 7.5 million tons in the next 6 months, that we should continue to divert large portions of our food aid to nations for purely political purposes. Now, my question to the Senator is to what does this 30-percent limitation figure apply?

Mr. HUMPHREY. The 30-percent figure applies only to concessional sales.

It applies, therefore, only to title I of the Public Law 480 program. Title II, which is purely grants, is not included in figuring this limitation.

Mr. HATFIELD. I am pleased to hear that. Does this mean, then, that the administration is limited in this current fiscal year to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected."

Mr. HUMPHREY. That is exactly correct. In determining the 30-percent figure, we had clearly in mind 30 percent of the title I budget under Public Law 480. We did not include title II within the limitation since the title II program of grants, given through voluntary agencies primarily, is clearly humanitarian. We were not interested, therefore, in limiting its allocation because of its evident humanitarian nature. That is why the limitation applies only to title I.

Mr. HATFIELD. That is as I had hoped, and how I understood the actions of the conference committee. However, I have wanted them to be interpreted explicitly so as to prevent any misunderstanding. In that regard, let me point out to the Senator that the language agreed to by the conference in this matter reads "30 percent of concessional food aid." In this instance, then, "concessional food aid" refers to title I, and title I only of Public Law 480. It does not include, for the purposes of interpreting this law, the Public Law 480 title II program.

Mr. HUMPHREY. The Senator is absolutely correct. This limitation applies only to the concessional sales and loans operating under title I of Public Law 480. That is what the language means, and there should be absolutely no ambiguity in anybody's mind about it.

Mr. HATFIELD. I understand that the administration has under its consideration a total of Public Law 480 program of about $1.2 billion for this fiscal year. Of that amount, about $350 would be available for grants under title II, and about $850 would be available under concessional loans under title I. Now, if that particular budget, which we are using here as an example, were adopted, then, as I understand what the Senator has said as to the conference committee language, there would be a 30 percent limitation on the $850 million title I program, for nations not on the U.N. list. Therefore, under this budget and limiting formula, only $255 million would be available for nations not on the U.N. list under title I. Is that correct? Was that the intent of the conference committee?

Mr. HUMPHREY. Again, the Senator is totally correct in his understanding of the action taken by the conference committee. And I should like to commend the Senator for his diligent and detailed interest in this very critical subject.

Mr. HATFIELD. I want to thank the Senator very deeply, and commend him for his outstanding leadership in this entire issue. As the original author of the amendment, which has been accepted by the conference with the one change we have noted, the Senator has shown a continued and steadfast desire to limit the use of our food aid for political purposes during this time of great human need.

I would point out, further, that this limitation will allow the administration to fulfill its political commitments of food aid to the Middle East and elsewhere. But it will establish a meaningful limit on the political use of such aid. It will prevent major portions of food aid going to nations such as Korea, Indonesia, and Chile, whose people do not face the threat of starvation in the way that those in Bangladesh, India, Sri Lanka, and elsewhere do. By limiting the food aid which can flow to nations for political purposes, we can increase the levels of food aid given to save the lives of millions in the next 6 months. I have calculated that $100 million worth of food aid, if given to nations facing unmet grain deficits before the next harvest, can support 3 million people through the next 6 months. So that is the true significance of the action which we have taken here.

The Senator knows that in the past I have not voted for the foreign aid bill because of my objections to particularly the military aid portions of it. But in light of the action taken by the conference committee on this critical issue, I shall vote for passage of the conference committee report.

Mr. CHURCH. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SYMINGTON. Mr. President, I ask the able and distinguished Senator from Minnesota how many dollars are involved in this bill.

Mr. HUMPHREY. This bill has a total authorization of $2.690 billion, which is $555 million less than the executive department's request.

Mr. PELL. Mr. President, for the benefit of those who are not conferees, will the Senator be kind enough to highlight what the compromises were? What is the arrangement now with regard to Turkey? What is the arrangement with regard to the other key elements of the measure?

Mr. ROBERT C. BYRD. Mr. President, under the agreement there was to be no debate. I think the Senator is entitled to an answer to his question. I ask unanimous consent that the Senator from Minnesota may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. The conference agreed to a compromise on the Cyprus issue. This has been agreed to by those in the House who were deeply concerned about this: Suspending aid to Turkey but permitting the President to waive the provision until February 1975.

It includes $25 million for aid to the

refugees in Cyprus. It includes in the conference report a firm statement about no transshipment of military supplies from Turkey to Cyprus. It says there shall be no increase in the provisions that are going to Turkey from the United States above what is the established normal pattern. It cuts military aid to South Korea to $145 million. It provides that the levels of Indochina aid be what was passed in the Senate, so that there are ceilings.

It provides a minimum of 30 percent on the amount of congressional food aid to countries other than those most seriously affected by world food and fuel shortages, and that relates to title I—30 percent of the title I food aid.

Mr. PELL. Is the 3-year cut of military assistance still in?

Mr. HUMPHREY. We have the termination of the military aid program. The bill directs the President to come to Congress in the coming year with a plan to eliminate or phase out military assistance.

Mr. PELL. But no 3-year provision?

Mr. HUMPHREY. No. We could not get that. The House would not buy that. They had some problem with rules on it, and we could not do it.

I have a list of the basic features of the bill, and I believe the Senator from Alabama's statement covers that.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Alaska (Mr. GRAVEL), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 49, nays 43. as follows:

[No. 565 Leg.]

YEAS—49

Aiken
Baker
Beall
Bennett
Brooke
Buckley
Case
Clark
Cook
Cotton
Cranston
Domenici
Dominick
Eastland
Fong
Griffin
Hart
Hartke
Hatfield
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Mathias
McGee
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pearson
Percy
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Williams

NAYS—43

Abourezk
Allen
Bartlett
Bayh
Biden
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Dole
Eagleton
Ervin
Fannin
Fulbright
Gurney
Hansen
Haskell
Helms
Hollings
Hruska
Hughes
Johnston
Long
Magnuson
McClellan
McClure
McGovern
Montoya
Nunn
Pell
Proxmire
Randolph
Roth
Scott,
  William L.
Stennis
Symington
Talmadge
Weicker
Young

NOT VOTING—8

Bellmon
Bentsen
Bible
Goldwater
Gravel
Hathaway
Mansfield
Pastore

So the conference report was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UPHOLSTERY REGULATORS

The PRESIDING OFFICER. The Senate will resume the consideration of H.R. 421, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty.

Mr. BEALL. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate considertion.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BEALL. Mr. President, has my amendment been reported? The amendment dealing wtih tariff matters.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

At the end of the bill, insert the following new section—

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL'S amendment is as follows:

At the end of the bill insert the following new section:

SEC.—. APPLICATION OF AMERICAN SELLING PRICE VALUATION TO CERTAIN FOOTWEAR.

(a) Headnote 3 of the headnotes to schedule 7, part 1, subpart A of the Tariff Schedules of the United States is amended by adding at the end thereof the following:

"(c) Subject to the provisions of section 336(f) o fthis Act, imported footwear, the sole and heel of which constitute more than 50 percent by weight of the shoes, at least 10 percent of which is composed of rubber (as defined in headnote 2 of schedule 4, part 4, subpart B) shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act. of like or similar articles manufactured or produced in the United States, and shall be classified in item 700.60.".

(b) The amendment made by subsection (a) apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

Mr. BEALL. Mr. President, I offer this amendment on behalf of my colleague from Maryland (Mr. MATHIAS) and myself.

Last Friday Senator MATHIAS and I offered a similar amendment to the Trade Reform Act of 1974. Because the Senate was operating under the germaneness provisions in rule XXII, amendment No. 2075 to H.R. 10710 was determined to be nongermane. During a colloquy with the distinguished chairman of the Finance Committe (Mr. LONG) it was determined that it would be appropriate for me to offer my amendment to H.R. 421 which is now pending before the Senate.

Briefly, Mr. President, foreign producers have been able to bypass the American selling price on various types of rubber footwear by adding extraneous materials such as iron, lead, and so forth, to the heels and soles. Under the ASP system if less than 50 percent of the weight of the item is cotton, rubber, or plastic, then the ASP does not apply. In other words, by weighting down the shoes with extraneous materials, the foreign producer is able to evade the American selling price and thus undercut our domestic manufacturers. In 1972, the Customs Court in the case of *International Seaway Trading Corp.* v. *United States* (349 F. Supp. 1019), partially closed this loophole. Our amendment will complete this process and protect the American footwear industry and the American consumers from this unacceptable evasion of the American selling price.

One example would be the Westminster Corp., which was established in 1948. It became a multimillion dollar business which had five factories by 1972. Today only one remains in operation and its future is in doubt. In just a few years a viable firm, with good management and modern equipment has been undercut by these questionable import practices.

In the last 3 months, at least 11 shoe factories in the Maryland-Pennsylvania area have closed and others are likely to close also if relief is not forthcoming.

This amendment protects the American footwear industry, its employees, and the American consumer from unfair competition which results from a circumvention of existing law.

Mr. President, I ask unanimous consent that the text of a letter I received from David London, chairman of the board of the Westminster Corp., be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President. the American footwear industry directly employs approximately 200,000 people. An additional 100,000 employees work in supporting industries such as tanning leather, and so forth. In 1960, foreign-made footwear constituted less than 5 percent of our domestic market. During the past 14 years the degree of import penetration into our domestic footwear market has increased to 40 percent. The impact of this surge of imports is predictable and approximately 50,000 jobs have been lost during the last 14 years as a result. Domestic production has now dropped to those levels which existed in the early 1950's.

Mr. President, the footwear industry is a labor intensive industry and thus especially susceptible to imports from those nations which have cheap labor. This problem has been aggravated recently by the protectionist positions assumed by many other importing nations. By excluding these low-cost rubber goods, the foreign producers have sought to even more aggressively penetrate the American market. While some of these factors are legitimate techniques in terms of international trade, I do believe that the devices used to circumvent the American selling price, which would be corrected by my amendment, constitute an unfair and undesirable evasion of American law and I would urge my colleagues to adopt my amendment which seeks to correct this matter.

I reserve the remainder of my time.

EXHIBIT 1

THE WESTMINSTER CORP.,
Westminster, Md., November 26, 1974.

Senator J. GLENN BEALL, Jr.,
Senator Office Building,
Washington, D.C.

DEAR SENATOR BEALL: As a member of the Board of Directors of American Footwear Industries Association I was in touch with the association office today. I was advised that some members of the association were in to see Mr. Dave Rust of your office and discussed amendments to the trade bill for your review. As per my past conversations with you and also correspondence you know what the domestic footwear manufacturing industry faces. After review of the amendments, copy of which was left in your office, I will appreciate your consideration concerning one or more of the amendments when the trade bill comes up before the Senate.

Our employment is now about 225, down from 850 people three years ago. As per our conversation our primary problem is Taiwan due to the type of shoe we make. The rest of the industry is also faced with low cost labor competition from Europe, South America and Asia. With the economy as it now is this is the time we need any help we can get.

Thank you for your consideration in the past. Looking forward to seeing you again in the near future.

Sincerely yours,

DAVID LONDON,
Chairman of the Board.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, this amendment, I am advised by the Parliamentarian, is not germane, and I make a point of order that the amendment is not germane.

Mr. BEALL. Mr. President, may I speak to the point of order.

The PRESIDING OFFICER. I will hear the Senator from Maryland on the point of order.

Mr. BEALL. I was aware of the fact that the distinguished chairman of the committee was going to make a point of order, but I raised the point of order when the distinguished Senator from Massachusetts offered an amendment on something which had to do with changes in the election law, and the Chair declared that was germane.

Now, it seems to me, that that ruling of germaneness rather broadened our definition of what germane may or may not be.

I am not a lawyer. Perhaps I suffer, because I am not aware of all the nuances that lawyers are accustomed to in placing various interpretations on rulings and procedures and that sort of business.

It seems to me that if the definition of germaneness is broad enough to include changes in the election laws, then an amendment which seeks to change section 7, part 1, subpart A of Tariff Schedules of the United States should be germane to a bill whose title reads, "An Act to amend the Tariff Schedules of the United States."

It seems to me that this amendment is germane to the title of the bill. It does amend the Tariff Schedules of the United States. Since the bill purports to do the same thing in its title, I would suggest to the Chair that this amendment is, in fact, germane and, therefore, is worthy of consideration even though the Senate has voted cloture on this particular bill.

The PRESIDING OFFICER. The Chair is prepared to rule. There is nothing in the bill relating to the tariffs on footwear. The amendment deals with that subject matter and, therefore, the Chair sustains the point of order and rules the amendment is not germane.

Mr. BEALL. Mr. President, may I pose a parliamentary inquiry to the Chair?

The PRESIDING OFFICER. The Senator will state it.

Mr. BEALL. I am wondering since the Tariff Schedule, the Tariff Act, is a single entity, is not an amendment to the Tariff Schedule, because the Tariff Schedule is a single entity, germane?

The PRESIDING OFFICER. Under the precedents of the Senate the amendment must be germane to the bill and not related simply to the law underlying it.

Mr. BEALL. Mr. President, I am not foolish enough to delay the proceedings of the Senate to appeal the ruling, because I would lose since there are not enough Members to hear the merits of this discussion and who are aware of the arguments pro and con. But I do think, if I might say so, that we have broadened the definition of germaneness by accepting the Kennedy amendment so that we should, under the definition of germaneness, be permitted to add an amendment that purports to change the tariff schedules.

Mr. LONG. Mr. President, if the Senator will yield, I personally have offered and will continue to offer to abide by the decision of the Parliamentarian on germaneness, and especially on the close rulings. But, Mr. President, the Senator can offer his amendment on another bill that is on the Calendar and on which we are not going to seek to invoke a germaneness provision, and the Senate can work its will and do whatever it wishes.

Mr. BEALL. Mr. President, I appreciate the advice of the distinguished Senator, and I hope we do have the opportunity to offer this amendment to this other bill that is on the Calendar, and I hope at that time the chairman may be so taken by the merits of that amendment that he will be willing to accept it on that particular piece of legislation.

I am also hopeful that particular bill does not become so bogged down by other amendments that it would prove not to be acceptable.

I hope the amendment will be offered and accepted and that the Senate will be able to work its way through the rigors of the conference.

Mr. LONG. That is the risk the Senator has to take on all bills and is a risk that the Senator will have to assume here.

Mr. BEALL. Mr. President, I will abide by the ruling of the Chair and accept it somewhat reluctantly in this instance.

The PRESIDING OFFICER (Mr. PEARSON). The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I have an amendment at the desk which I call up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Strike Section 14.

Mr. STEVENSON. Mr. President, section 14 of this bill would exempt from the Federal gift tax all contributions to political campaigns. Earlier this year Congress passed a Campaign Reform Act which effectively limits contributions by individuals to Federal campaigns to $3,000 per candidate.

So the effect of section 14, this new exemption in the Internal Revenue Code for political contributions, would be to provide an exemption for large, illegal contributions in Federal campaigns and for large and legal contributions in State and local campaigns.

It flies in the face of the recent efforts to close loopholes in the Internal Revenue Code, to collect the Federal Government's revenues and, most important of all, to reform politics by driving from it the corrupting influence of large campaign contributions.

Mr. President, I urge the Members to support the adoption of this amendment, and I would hope that the distinguished chairman would see fit to accept it. It is clearly germane since all it does is strike one section from the bill and, failing disposition of this amendment on a voice vote, I will have to ask for the yeas and the nays.

Mr. LONG. Mr. President, the Senator can do whatever he wants to do about the yeas and nays. The amendment is clearly germane, I do not quarrel about that for a moment.

But, Mr. President, I differ with the Senator on his conclusion. The Senator is proceeding under the assumption that a political contribution is a gift and should be subject to the gift tax.

Mr. President, a gift assumes that someone is seeking nothing himself, no advantage for himself. Most people make a political campaign contribution, because they think that an individual is the kind of candidate who supports their point of view. Therefore, it would be good for them, for their family, and for their situation for the individual to be elected. Some of these campaign contributors look upon that campaign contribution as bread cast upon the waters only in the sense that they expect it to be returned a hundredfold by good government and by good representation. So that the idea that this is a gift is not really the case at all.

The money that one contributes is limited in its deductibility, it is not regarded as an expense of doing business, and in that respect one could feel that it is treated less favorably than other expenses.

But, on the other hand, it is no gift, and it should not be treated as one. It is only late in the game that someone came up with the notion that it should be treated as a gift.

Another point is also worth considering. The $3,000 exemption from the gift tax under present law in practice makes it possible in any case to avoid the tax by setting up a series of different committees so that the person contributes to a number of different committees. As a result imposing gift tax in these cases is likely to be more a matter of form than a matter of substance.

I should also like to direct the Senators attention to another point. We should not in any case be placing the Internal Revenue Service in the middle of politics, the enforcement of political campaign contributions. If effect imposing penalties for campaign contributions of over $3,000 is not a matter which should be handled by the tax administrators. At the Federal level we already have a limit of $1,000 on contributions so the principal effect of the Senator's amendment would be to make the IRS the arbitrator of campaign financing in State and local sections.

So, Mr. President, I hope that the Senate will uphold the judgment of the House committee and the judgment of the Senate committee that these campaign contributions are not gifts, because they are not.

Mr. STEVENSON. Mr. President, a gift is a gift. A contribution is a gift, and the Federal District Court, as recently as June of 1974, so held in Tax Analysts Advocates against Shultz.

Whatever it is, it is now subject to gift taxation. Section 14 would create an exemption for contributions to political campaigns and simply encourage contributions of more large, potentially corrupting, contributions to State and local campaigns, flying in the face of movements in the country to reform our politics, a movement which has already in Congress led to the prohibition of contributions to Federal candidates of more than a total of $3,000.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Bible), the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from Michigan (Mr. Griffin) are necessarily absent.

The result was announced—yeas 45, nays 45, as follows:

[No. 566 Leg.]

YEAS—45

Aiken
Allen
Baker
Beall
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Case
Chiles
Church
Clark
Eagleton
Fong
Hart
Haskell
Hatfield
Hollings
Huddleston
Jackson
Javits
Kennedy
Mathias
McGee
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stevens
Stevenson
Svmington
Taft
Tunney
Weicker
Williams

NAYS—45

Abourezk
Bartlett
Bayh
Bennett
Buckley
Byrd, Robert C.
Cannon
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Goldwater
Gurney
Hansen
Hartke
Helms
Hruska
Hughes
Humphrey
Inouye
Johnston
Long
Magnuson
McClellan
McClure
McGovern
McIntyre
Metcalf
Montoya
Packwood
Randolph
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Talmadge
Thurmond
Tower
Young

NOT VOTING—10

Bellmon
Bentsen
Bible
Cranston
Fulbright
Gravel
Griffin
Hathaway
Mansfield
Pastore

So Mr. Stevenson's amendment was rejected.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Ed Kemp, a member of the staff of the Committee on Banking, Housing and Urban Affairs, be permitted the privilege of the floor during the pendency of the business this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I send an amendment to the desk on behalf of myself and Senator Sparkman.

The PRESIDING OFFICER (Mr. Abourezk). The amendment will be stated.

The assistant legislative clerk read as follows:

On Page 11 insert the following new subsection between lines 15 and 16: (d) Section 1250(a)(1)(C)(ii) is amended by striking January 1, 1975 and in lieu thereof inserting January 1, 1976.

Mr. JAVITS. Mr. President, this amendment would maintain the status quo for a 1-year period on one of the principal incentives in our tax laws for the construction of low- and moderate-income rental housing. It will thus allow the Congress to consider, next year, the exact nature of the tax incentives which should be provided to encourage private builders to construct rental housing for low- and moderate-income families, without at the same time jeopardizing continued production of this much needed housing while that consideration is going on.

Under section 1250(a)(1)(C)(ii) the owner of rental housing, financed with a mortgage insured under the Federal Housing Administration's 221(d)(3) or 236 low- and moderate-income housing programs, or financed with a direct loan or tax abatement under a State or local program with comparable goals and requirements as the Federal programs, is allowed on a much quicker basis to treat as a capital gain, rather ordinary income, any gain realized from the sale of the property and attributable to prior use of accelerated depreciation.

For these types of projects, full capital gains treatment is provided with respect to any gain attributable to any excess of accelerated depreciation over straight-line depreciation after a holding period of 10 years, as opposed to 16 years and 8 months for regular rental projects. This provision is frequently an essential ingredient in the determination of private investors to invest their funds in the often more risky undertaking of a low- or moderate-income rental project.

Up to the present time the FHA 221 (d)(3) and 236 programs have been the principal federally assisted vehicles for encouraging the construction of low- and moderate-income rental housing. While activity under these programs has slowed considerably in the last 2 years because of administration impoundments of available funds, there are many projects still in the planning stage, the financial stability of which will be jeopardized by allowing the present incentive under section 1250(a)(1)(C)(ii) to expire. Additionally, many States in recent years have greatly expanded their own programs for the purpose of encouraging private sponsors to construct low- and moderate-income rental projects. This incentive in section 1250(a)(1)(C)(ii) has been a primary selling point of these States in their housing efforts.

The House Ways and Means Committee, in its tentative decisions this year on a major tax reform act, would have continued this provision for 3 years. At that time a somewhat different set of incentives would have been provided for low- and moderate-income rental projects. Whether that tentative decision of the Ways and Means Committee is the most appropriate approach must be decided by the House and Senate next year. In the meantime, however, it would be most inappropriate to allow this present incentive to expire without a considered judgment as to the exact nature of what incentives should be provided for the construction of low- and moderate-income housing.

Extending the present provisions of section 1250(a)(1)(C)(ii) for a 1-year period is analogous to the provision of this bill, which also extends for a 1-year period the present provisions of section

167(k) of the Internal Revenue Code which provide for a 5-year amortization of expenses incurred in rehabilitating rental housing for low- and moderate-income families. In both these cases a 1-year extension allows these important provisions of the tax law, which encourage the provision of low- and moderate-income housing, to remain available unchanged until the exact nature of tax incentives for this type of housing is decided upon next year.

Mr. President, the Senator from Alabama (Mr. SPARKMAN) has joined me in this matter. He is the chairman of the Committee on Banking, Housing and Urban Affairs. It is his view that this is a highly desirable extension, and I hope the manager of the bill will find it possible to accept it.

Mr. SPARKMAN. Mr. President, I support the Javits amendment which would extend for 1 year the tax incentive provision for low- and moderate-income housing. Senator TOWER and I cooperated in sponsoring this provision in the 1969 tax bill. We were concerned then about the successful building of housing for low- and moderate-income families and we believed that tax laws should be written to benefit such housing. The provision refers only to subsidized housing financed under FHA's section 221d(3) or 236, also financed with a direct loan or tax abatement under a State or local program. It permits full capital gains treatment with respect to any excess of accelerated depreciation over straight-line depreciation after a holding period of 10 years. This more liberal treatment of depreciation allowances for FHA rental projects for low- and moderate-income families makes it attractive for investors to invest in such projects. We need these investments and I fully support the amendment to extend the authority for 1 year.

Mr. LONG. Mr. President, I ask the Chair whether the amendment is germane, in the Chair's opinion.

The PRESIDING OFFICER. The amendment is germane, because both this provision and the bill deal with housing rehabilitation.

Mr. LONG. I have no objection to the amendment.

Mr. JAVITS. I thank the Senator.

Mr. President, I thank Senator CURTIS, also. He read the amendment and told me he had no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be entered in the RECORD.

The amendment is as follows:

At the appropriate place in the Act, insert the following new section:

"SEC. . Interest on obligations issued by the American Falls Reservoir District to finance and construct a dam and related facilities to replace the existing American Falls dam of the Minidoka Project, Idaho-Wyoming, pursuant to a contract with the Secretary of Interior under authority contained in the Act of December 28, 1973 (87 Stat. 904) shall be exempt from all income taxation now or hereafter imposed by the United States."

Mr. McCLURE. Mr. President, the senior Senator from Idaho Mr. CHURCH) and I have addressed the Senate before the question of the replacement of the American Falls Dam and the tremendous importance it has to our State and to those persons who are involved in the irrigation of lands from waters that flow from that dam.

This is not an amendment that would affect the Internal Revenue Code or that has anything to do with the application of laws to any other section of the country. It is a specific provision that applies solely to the bonds which will be issued to finance the reconstruction of this dam. It is a restatement of the law, rather than a submission of new law, and the only reason for it is to expedite the issuance of these bonds.

Mr. President, the acceptance of this amendment is imperative to the direct economic well-being of more than 42,000 farm family members in Idaho. It is a measure which will assure that nearly 1 million acres of fertile Idaho farm land will be kept in production. And it is a measure which will save rather than cost the taxpayers money.

My amendment will assure that the interest earned on a bond issue to be raised for the replacement of the American Falls Dam of the Minidoka irrigation project in southern Idaho shall be exempt from Federal income taxes.

Several years ago, it was noticed that the dam was literally crumbling. In 1972, the Bureau of Reclamation, declaring that their American Falls Dam was unsafe, limited the reservoir to about two-thirds of its normal capacity. Action was taken by the spaceholders to get a measure passed allowing the dam to be rebuilt under a private funding arrangement. The reservoir district and the water users agreed to sell falling water from the dam to the Idaho Power Co., to help the water users retire the project's debt. I did introduce such a measure, together with the full support of Senator FRANK CHURCH and Congressman ORVAL HANSEN. It was enacted into law on December 28, 1973, as Public Law 93-206.

This legislation was looked upon with favor in Congress, as the water users were willing to replace a defective Government project at no cost to the taxpayers. Public Law 93-206 provides that following completion of the project and finalization of the financing arrangements, the ownership of the project will be transferred to the Secretary of the Interior for operation and maintenance thereof, as though the project had been replaced by the Government.

It was necessary to get an Internal Revenue Service ruling on the tax status of the reservoir district's replacement dam bond issue. Such a ruling request was filed in June of 1974. All requests for additional data have been met and an analysis of the data is now underway. I have urged that an expeditious ruling be granted. But the ruling still looks weeks and possibly even months away.

Originally, the construction starting time was to have been in November of 1974, at a construction cost of $31.1 million. The construction start was postponed to April/May of 1975, at a $1.2 million increase to $32.3 million. Now the American Falls Reservoir District water users feel that the success of their project depends upon being able to call elections early in January, followed immediately by issuance of the bonds and the initiation of construction on schedule. The setback of another 6 months in the construction start could result in additional costs of over $2 million to the water users.

Construction of a replacement for the defective American Falls Dam is in the public interest. We must protect the fiber and food capacity of nearly 1 million acres, and the economic well-being of more than 42,000 farm family members. If we do not avail ourselves of this offer of private financing for a quasi-public facility, we will have to meet these costs ourselves, at a cost of no less than $35 million. I urge support, therefore, for this amendment.

I hope the managers of the bill will find no reason to object to this amendment.

Mr. LONG. Mr. President, this amendment is not germane to the bill. If there is no objection, I suppose it will be all right for me to take the amendment to conference. It would require unanimous consent to consider the amendment, because it is not germane.

Mr. McCLURE. Mr. President, I ask unanimous consent that the amendment be considered germane.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment is considered germane.

Mr. McCLURE. I thank the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 23, lines 14-16, insert the following:

PORTFOLIO DEBT INVESTMENTS IN UNITED STATES OF NONRESIDENT ALIENS AND FOREIGN CORPORATIONS.

(a) AMENDMENT OF SECTION 872.—

(1) Paragraph (4) of section 872(b) (relating to exclusions from gross income in the case of nonresident alien individuals) is amended to read as follows:

"(4) Income of nonresident alien individuals received from certain portfolio debt investments.—Interest (including original issue discount) received from any United States person (or from the United States or any agency or instrumentality thereof, or from any State or political subdivision thereof) by a nonresident alien individual, if—

"(A) such interest is not effectively connected with the conduct of a trade or business within the United States,

"(B) in the case of interest received from a corporation either—

"(i) persons other than United States persons do not own, and are not considered as owning (within the meaning of subsection (c)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(ii) the nonresident alien individual does not own, and is not considered as owning (within the meaning of subsection (c)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation, and

"(C) in the case of interest received from a partnership either—

"(i) persons other than United States persons do not own, and are not considered as owning (within the meaning of subsection (c)), more than 50 percent of the capital interest, or the profits interest, in such partnership, or

"(ii) the nonresident alien individual does not own, and is not considered as owning (within the meaning of subsection (c)), 10 percent or more of the capital interest, or the profits interest, in such partnership."

(2) Section 872 is amended by adding at the end thereof the following new subsection:

"(c) Constructive Ownership.—For purposes of subsection (b)(4) and section 883(c)—

"(1) Ownership through other entities.—

"(A) In general.—An interest in an entity owned, directly or indirectly, by or for a corporation, partnership, trust, or estate shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries.

"(B) Attribution from trusts.—

"(i) In applying subparagraph (A), a trust shall be considered as owned by its beneficiaries in proportion to the actuarial interest of such beneficiaries in such trust.

"(ii) An interest in an entity owned, directly or indirectly, by or for any portion of a trust of which a person is considered the owner under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners) shall be considered as owned by such person.

"(2) Attribution to partnerships, estates, trusts, and corporations.—

"(A) To partnerships and estates.—An interest in an entity owned, directly or indirectly, by or for a partner or a beneficiary of an estate shall be considered as owned by the partnership or estate.

"(B) To trusts.—An interest in an entity owned, directly or indirectly, by or for—

"(i) a beneficiary of a trust shall be considered as owned by the trust, unless such beneficiary's interest in the trust is a remote contingent interest. For purposes of this clause, a contingent interest of a beneficiary in a trust shall be considered remote if, under the maximum exercise of discretion by the trustee in favor of such beneficiary, the value of such interest, computed actuarially, is 5 percent or less of the value of the trust property, and

"(ii) a person who is considered the owner of any portion of a trust under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners) shall be considered as owned by the trust.

"(C) To corporations.—If 50 percent or more in value of the stock in a corporation is owned, directly or indirectly, by or for any person, such corporation shall be considered as owning the interest in an entity owned, directly or indirectly, by or for such person.

"(3) Operating rules.—

"(A) In general.—Except as provided in subparagraph (B), an interest in an entity constructively owned by a person by reason of the application of paragraph (1) or (2) shall, for purposes of applying paragraph (1) or (2), be considered as actually owned by such person.

"(B) Partnerships, estates, trusts, and corporations.—An interest in an entity constructively owned by a person by reason of the application of paragraph (2) shall not be considered as owned by it for purposes of applying paragraph (1) in order to make another the constructive owner thereof.

"(4) Interest in an entity.—The term 'interest in an entity' means—

"(A) stock in a corporation,

"(B) an interest in the capital or profits of a partnership, and

"(C) To corporations.—If 50 percent or estate."

(b) Amendment of Section 883.—Section 883 (relating to exclusions from gross income in case of foreign corporations) is amended by adding at the end thereof the following new subsection:

"(c) Income of Foreign Corporations Received From Certain Portfolio Debt Investments.—Interest (including original discount, received from any United States person (or from the United States or any agency or instrumentality thereof, or from any State or political subdivision thereof) by a foreign corporation (other than a controlled foreign corporation within the meaning of section 957) shall not be included in gross income, and shall be exempt from taxation under this subtitle, if—

"(1) such interest is not effectively connected with the conduct of a trade or business within the United States, and

"(2) in the case of interest received from a corporation either—

"(A) persons other than United States persons do not own, and are not considered as owning (within the meaning of section 872(c)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(B) the foreign corporation does not own, and is not considered as owning (within the meaning of section 872(c)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation, and

"(3) in the case of interest received from a partnership either—

"(A) persons other than United States persons do not own, and are not considered as owning (within the meaning of section 872(c)), more than 50 percent of the capital interest, or the profits interest, in such partnership, or

"(B) the foreign corporation does not own, and is not considered as owning (within the meaning of section 872(c)), 10 percent or more of the capital interest, or the profits interest, in such partnership."

(c) Amendment of Section 861.—The last sentence of section 861(c) (relating to interest on deposits, etc.) is hereby repealed.

(d) Removal of Exclusion From Gross Income in Case of Inadequate Exchange of Information.—

(1) Subpart C part II of subchapter N of chapter 1 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 897. REMOVAL OF EXCLUSION FROM GROSS INCOME IN CASE OF INADEQUATE EXCHANGE OF INFORMATION.

"Whenever the Secretary determines that the exchange of information between the United States and a foreign country is inadequate to identify the beneficial recipients of interest payments from sources within the United States and that such information is necessary in order to prevent evasion of taxes, the exclusion from gross income contained in section 872(b)(4) and section 883(c) shall not apply to any payments addressed to, or for the account of, persons within such foreign country after the date specified in the Secretary's determination. The removal of the exclusion from gross income contained in section 872(b)(4) and section 883(c) shall continue until the Secretary determines that the exchange of information between the United States and the foreign country is adequate to identify the beneficial recipients of interest payments from sources within the United States."

(2) The table of sections for such subpart C is amended by adding at the end thereof the following new items:

"Sec. 897. Removal of exclusion from gross income in case of inadequate exchange of information."

(e) Amendment of Section 2105.—Subsection (b) of section 2105 (relating to property without the United States) is amended to read as follows:

"(b) Bank Deposits and Certain Other Debt Obligations.—For purposes of this subchapter—

"(1) amounts described in section 861(c) if any interest thereon (were such interest received by the decedent at the time of his death) would be treated by reason of section 861(a)(1)(A) as income from sources without the United States,

"(2) deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business, and

"(3) debt obligations, if any interest thereon (were such interest received by the decedent at the time of his death) would be eligible for the exclusion from gross income under section 872(b)(4),

shall all not be deemed property within the United States."

(f) Effective Date.—

(1) The amendments made by this section (other than subsection (c)) shall apply to amounts paid after the date of the enactment of this Act.

(2) The amendment made by subsection (c) shall apply to the estates of decedents dying after the date of the enactment of this Act.

Mr. CURTIS. Mr. President, there is a critical need for U.S. companies to have access to foreign capital markets. Because of the expiration of existing legislation this year and changes in Internal Revenue Service ruling procedures, U.S. companies can no longer issue securities to foreign investors on a competitive basis. The elimination of withholding tax on interest will permit this with a minimal revenue loss.

First. Our domestic capital needs are very substantial. Our utilities, our basic industries including energy, and the housing industry have a great need to tap whatever funds are available.

Second. U.S. companies operating abroad were required for almost 10 years to finance their foreign investment through foreign borrowings. Amendments to the interest equalization tax and favorable IRS ruling policies permitted them to issue securities free of U.S. withholding taxes and U.S. estate taxes. These provisions terminated in June 1974. During the period of foreign direct investment regulations U.S. companies had accumulated $16 billion in long-term foreign borrowing as of 1974.

These companies are now repaying their borrowings during that period and without those exemptions cannot return to the foreign capital markets. The Eurobond market, through domestic laws of foreign countries, trades free of withholding and estate taxes and U.S. issuers should have the possibility of issuing their securities on these terms.

Third. Among foreign countries that permit international bond issues free from withholding, are all of the Scandanavian countries, France, the United Kingdom, the Netherlands, Australia, and Japan. U.S. companies would have to turn increasingly to domestic capital markets if foreign markets are not freely available.

Fourth. The revenue loss is minimal; 1972 figures indicate that total withholding taxes on interest payments did not exceed $20 million. Indeed, because of the many exceptions to withholding in our tax laws and tax treaties, total withholding on all dividends and interest payments were some 12 percent of those payments, although our basic statutory withholding rate is 30 percent.

Fifth. Bank deposits by foreigners are presently exempt. Interest received by the governments of foreign countries, including the oil-producing countries, from investments in U.S. securities are exempt by statute, as are investments in short-time securities issued at discount. This had led to investments in short-term U.S. Government securities and bank deposits. A broader withholding exemption will permit all of our industries and utilities to issue longer-term securities and obtain the more permanent investment we need.

Sixth. The U.S. estate tax is easily avoided by purchasing U.S. investments offshore through a foreign corporation. Revenue from the estate taxes on foreign securities are very low. In some years they have not exceeded $4 million. Yet the potential estate tax liability remains a competitive disadvantage and should also be removed.

Mr. President, this matter is deemed very urgent by the Department of the Treasury. It is vital to our economy because, without this amendment, certain foreign funds will be shut off from American businesses, and they will have to turn to exceedingly tight money markets in this country for refinancing.

I believe that it is germane because the subject of withholding tax on interest is covered in the bill, both as to bank deposits and bonds. It is my hope that the chairman will see fit to take this amendment to conference.

Mr. LONG. Mr. President, I have no strong feeling about the amendment one way or the other. I know that it has been considered over on the House side and there was controversy involving it. But, Mr. President, I have discussed it with the Parliamentarian and I am advised that this amendment is not germane to the bill. I make the point of order that the amendment is not germane.

Mr. CURTIS. Mr. President, I ask to be heard on the point of order.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, the Chair has just ruled that the point of order made on the Javits amendment was germane, on the grounds that certain sections of the bill do deal with the rehabilitation of the housing industry. That is about as broad a tent as can be devised.

In this case, it is far more clear that this is a germane amendment. The committee substitute includes a provision to exempt bank account interest paid to foreigners from U.S. tax. The amendment I am offering amends the provision in two respects.

First, it makes the exemption for bank account interest on a permanent basis instead of only for 1975. I believe everyone would agree that this is germane.

Second, it applies the interest exemption for bank accounts to bonds and other forms of indebtedness. Both of these provisions relate to the payment of interest and, therefore, my amendment should be considered germane.

It is anticipated that a difference will be argued because, in one case, we have bank accounts, and, in the other, corporate debts or bonds. I call attention to the committee report, which is certainly a part of this legislation, on page 25, lines 10, 11, and 12.

Mr. President, may I have the attention of the Parliamentarian?

The committee report on page 25, lines 10, 11, and 12, has this language, speaking of what is in the committee substitute:

> "Accordingly, the committee's bill provides U.S. companies which were entitled to make the IET election may make the interest paid on that obligation exempt from withholding tax.

That is what the committee report says that this committee substitute does.

Now, we must be guided by the committee report. The committee report says that this bill exempts from withholding bond obligations of corporations. The amendment that I have offered does exactly the same thing. It is germane, and I appeal to the Chair to so rule.

Mr. MONDALE. Mr. President, before the Chair rules, I wish to state that in my view this amendment is not germane. We in the Senate Committee on Finance passed a single, 1-year extension of the exemption from taxation on bank interest, fully expecting next year to have a thorough study of the question of the tax treatment of foreign investments in the United States. We granted that 1-year extension on bank-paid interest on the grounds that that temporary relief is needed in the intervening period before the study is completed.

This amendment would extend the same benefits to interest paid on bonds held by foreign investors, and would accord to that interest tax-free status. That would mean that the mammoth dollar holdings by the OPEC oil cartel countries could be brought into this country, millions or even billions of dollars in bonds purchased on a permanent basis, and they would be free from the taxes on interest that would be paid by a U.S. investor in the same bonds.

It seems to me that that is bad tax policy and should the Parliamentarian rule that it is germane, I certainly think that it should be subject to a very strong debate. More than that, it seems to me it is nongermane, because it applies this interest exemption to an entirely different category than that which is dealt with in the amendment of the Senate Committee on Finance, upon which cloture has been invoked.

The reason for exempting dividends and interest in the first place arose several years ago, when the exaggerated value of the American dollar, under the agreement on monetary values at that time, created a situation in which it was difficult to attract foreign investors into the United States. But, today, under the floating monetary rates, such investments in this country are very, very attractive. Now, with these fantastic accumulations in dollars, which I think have been extorted from the American public on the basis of these incredibly high oil cartel prices, we are telling the cartel not only that they can gouge the American consumer with these incredible price increases, but we shall give them tax-free treatment when they invest that money in the United States in U.S. corporate bonds.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. LONG. What the committee reported out is a provision that says that under a very limited set of circumstances, certain interest income will be treated as foreign source income.

Now the Senator seeks to amend that to say that all interest received by foreigners would not be taxable, entirely a different thing, just entirely a different matter.

While it is true that one could move the date back or forward, that would be germane; but to take a provision that says that a certain type of income will be treated as foreign source income, and to convert that to say that all interest income of foreigners will be exempt is entirely a different matter, and under the germaneness rule it does not even come close to being germane to the committee amendment.

Mr. MONDALE. I agree completely with the distinguished floor manager, and I hope the Parliamentarian will so rule.

Mr. CURTIS. Mr. President, may I be heard further?

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, apparently the argument that this is not germane is weakening, because now arguments are offered against the merits of the bill.

I want to say, however, that those arguments are erroneous. There is no such thing involved.

The statement of the Treasury is that the loss of revenue is minimal.

The inference was made that this would exempt all foreigners from tax on interest on all obligations. Not at all. It deals with the withholding tax.

Furthermore, I call attention to this fact:

Section 892 of the Internal Revenue Code now exempts any foreign government from withholding tax on dividends and interest from U.S. sources. Thus, the OPIC investor can invest free of withholding tax on interest where the Government invests directly.

That is the case where they are talking about these cartels. That is not involved at all. It is not a correct statement of what the tax law is. This is a provision to allow American businessmen to borrow money competitively, as the businessmen can do in Scandinavia, France, England, and many other countries.

There is already an exemption from withholding tax on bank deposits by foreign investors and also for obligations issued at discount with a maturity of 6 months or less; that is, U.S. Treasury bills.

A broader exemption to include all debt obligations will place U.S. securities issued by U.S. companies and utilities with longer maturities on a competitive basis with short-term obligations and bank deposits. It will permit U.S. companies to issue their long-term debt on a competitive basis with short-term obligations and bank deposits.

Mr. President, I again point out that if the committee report is to be relied upon—and it is the first and prime source of what the committee intended to do—it shows clearly that it does deal with the withholding tax on bonds as well as bank deposits. The amendment is clearly germane, and I insist that the Chair so rule.

Mr. MONDALE. Mr. President, this amendment does exempt foreign investors from a tax which they would otherwise have to pay upon a new form of investment, that is, the bonds and interest on the bonds of corporations in the United States.

What this provision says is that American taxpayers must pay taxes on certain types of investments while permitting cartel investors to completely avoid U.S. tax on the same investments. In other words, American taxpayers are, in effect, paying higher taxes under this amendment to provide loopholes to those Arab investors and other cartel investors who cannot figure out what to do with all the money they have taken from Americans by more than tripling the price of oil.

Mr. LONG. Mr. President, so far as this Senator is concerned, it makes no difference what the arguments are. Either way, we agreed when we voted for cloture that we were going to limit ourselves to the rule of germaneness. I believe these matters are thoroughly understood by the Parliamentarian. I think the Parliamentarian will sustain the point of order that it is not germane.

The PRESIDING OFFICER (Mr. ABOUREZK). The point of order is made. After careful consideration, the Chair is prepared to rule.

There is a provision in the committee amendment relative to interest earned on bank accounts by foreign residents, but this amendment would extend this treatment to a new area, bonds and debts held by nonresidents. Therefore this amendment is not germane on this basis.

Likewise the proposed amendment which would exempt interest on all corporate and individual indebtedness from U.S. tax when paid to foreigners has been compared to another provision in the bill. The provision in the bill to which reference is made defines certain types of income as foreign source income. It does not provide any new exemption as the proposed amendment would do.

The amendment is not germane, and the Chair sustains the point of order.

The bill is open to further amendment.

Mr. DOLE. Mr. President, I call up an unprinted amendment, which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, lines 14 through 16, insert the following.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE's amendment is as follows:

On page 23, lines 14–16, insert the following:

PORTFOLIO DEBT INVESTMENTS IN UNITED STATES OF NONRESIDENT ALIENS AND FOREIGN CORPORATIONS

(a) AMENDMENT OF SECTION 872.—

(1) Paragraph (4) of section 872(b) (relating to exclusions from gross income in the case of nonresident alien individuals) is amended to read as follows:

"(4) INCOME OF NONRESIDENT ALIEN INDIVIDUALS RECEIVED FROM CERTAIN PORTFOLIO DEBT INVESTMENTS.—Interest (including original issue discount) received from any United States person (or from the United States or any agency or instrumentality thereof, or from any State or political subdivision thereof) by a nonresident alien individual, if—

"(A) such interest is not effectively connected with the conduct of a trade or business within the United States,

"(B) in the case of interest received from a corporation either—

"(i) persons other than United States persons do not own, and are not considered as owning (within the meaning of subsection (c)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(ii) the nonresident alien individual does not own, and is not considered as owning (within the meaning of subsection (c)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation,

"(C) in the case of interest received from a partnership either—

"(i) persons other than United States persons do not own, and are not considered as owning (within the meaning of subsection (c)), more than 50 percent of the capital interest, or the profits interest, in such partnership, or

"(ii) the nonresident alien individual does not own, and is not considered as owning (within the meaning of subsection (c)), 10 percent or more of the capital interest, or the profits interest, in such partnership, and

"(D) such interest is paid with respect to a debt obligation having a period remaining to maturity of 2 years or more from the date of acquisition by the non-resident alien individual."

(2) Section 872 is amended by adding at the end thereof the following new subsection:

"(c) CONSTRUCTIVE OWNERSHIP.—For purposes of subsection (b)(4) and section 883(c)—

"(1) OWNERSHIP THROUGH OTHER ENTITIES.—

"(A) IN GENERAL.—An interest in an entity owned, directly or indirectly, by or for a corporation, partnership, trust, or estate shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries.

"(B) ATTRIBUTION FROM TRUSTS.—

"(i) In applying subparagraph (A), a trust shall be considered as owned by its beneficiaries in proportion to the actuarial interest of such beneficiaries in such trust.

(ii) An interest in an entity owned, directly or indirectly, by or for any portion of a trust of which a person is considered the owner under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners) shall be considered as owned by such person.

"(2) ATTRIBUTION TO PARTNERSHIPS, ESTATES, TRUSTS, AND CORPORATIONS.—

"(A) TO PARTNERSHIPS AND ESTATES.—An interest in an entity owned, directly or indirectly, by or for a partner or a beneficiary of an estate shall be considered as owned by the partnership or estate.

"(B) TO TRUSTS.—An interest in an entity owned, directly or indirectly, by or for—

"(i) a beneficiary of a trust shall be considered as owned by the trust, unless such beneficiary's interest in the trust is a remote contingent interest. For purposes of this clause, a contingent interest of a beneficiary in a trust shall be considered remote if, under the maximum exercise of discretion by the trustee in favor of such beneficiary, the value of such interest, computed actuarially, is 5 percent or less of the value of the trust property, and

"(ii) a person who is considered the owner of any portion of a trust under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners) shall be considered as owned by the trust.

"(C) TO CORPORATIONS.—If 50 percent or more in value of the stock in a corporation is owned, directly or indirectly, by or for any person, such corporation shall be considered as owning the interest in an entity owned, directly or indirectly, by or for such person.

"(3) OPERATING RULES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an interest in an entity constructively owned by a person by reason of the application of paragraph (1) or (2) shall, for purposes of applying paragraph (1) or (2), be considered as actually owned by such person.

"(B) PARTNERSHIPS, ESTATES, TRUSTS, AND CORPORATIONS.—An interest in an entity constructively owned by a person by reason of the application of paragraph (2) shall not be considered as owned by it for purposes of applying paragraph (1) in order to make another the constructive owner thereof.

"(4) INTEREST IN AN ENTITY.—The term 'interest in an entity' means—

"(A) stock in a corporation,

"(B) an interest in the capital or profits of a partnership, and

"(C) a beneficial interest in a trust or estate."

(b) AMENDMENT OF SECTION 883.—Section 883 (relating to exclusions from gross income in case of foreign corporations) is amended by adding at the end thereof the following new subsection:

"(c) INCOME OF FOREIGN CORPORATIONS RECEIVED FROM CERTAIN PORTFOLIO DEBT INVESTMENTS.—Interest (including original issue discount) received from any United States person (or from the United States or any agency or instrumentality thereof, or from any State or political subdivision thereof) by a foreign corporation (other than a controlled foreign corporation within the meaning of section 957) shall not be included in gross income, and shall be exempt from taxation under this subtitle, if—

"(1) such interest is not effectively connected with the conduct of a trade or business within the United States, and

"(2) in the case of interest received from a corporation either—

"(A) persons other than United States persons do not own, and are not considered as owning (within the meaning of section 872 (c)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(B) the foreign corporation does not own, and is not considered as owning (within the meaning of section 872(c)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation, and

"(3) in the case of interest received from a partnership either—

"(A) persons other than United States persons do not own, and are not considered as owning (within the meaning of section 872(c)), more than 50 percent of the capital interest, or the profits interest, in such partnership, or

"(B) the foreign corporation does not own, and is not considered as owning (within the meaning of section 872(c)), 10 percent or more of the capital interest, or the profits interest, in such partnership, and

(4) such interest is paid with respect to a debt obligation having a period remaining to maturity of 2 years by more from the date of acquisition by the foreign corporation,

(c) Amendment of Section 861.—The last sentence of section 861(c) (relating to interest on deposits, etc.) is hereby repealed.

(d) Removal of Exclusion From Gross Income in Case of Inadequate Exchange of Information.—

(1) Subpart C of part II of subchapter N of chapter 1 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"Sec. 897. Removal of Exclusion From Gross Income in Case of Inadequate Exchange of Information.

"Whenever the Secretary determines that the exchange of information between the United States and a foreign country is inadequate to identify the beneficial recipients of interest payments from sources within the United States and that such information is necessary in order to prevent evasion of taxes, the exclusion from gross income contained in section 872(b)(4) and section 883(c) shall not apply to any payments addressed to, or for the account of, persons within such foreign country after the date specified in the Secretary's determination. The removal of the exclusion from gross income contained in section 872(b)(4) and section 883(c) shall continue until the Secretary determines that the exchange of information between the United States and the foreign country is adequate to identify the beneficial recipients of interest payments from sources within the United States."

(2) The table of sections for such subpart C is amended by adding at the end thereof the following new item:

"Sec. 897. Removal of exclusion from gross income in case of inadequate exchange of information."

(e) Amendment of Section 2105.—Subsection (b) of section 2105 (relating to property without the United States) is amended to read as follows:

"(b) Bank Deposits and Certain Other Debt Obligations.—For purposes of this subchapter—

"(1) amounts described in section 861(c) if any interest thereon (were such interest received by the decedent at the time of his death) would be treated by reason of section 861(a)(1)(A) as income from sources without the United States,

"(2) deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business, and

"(3) debt obligations, if any interest thereon (were such interest received by the decedent at the time of his death) would be eligible for the exclusion from gross income under section 872(b)(4),

shall not be deemed property within the United States."

(f) Effective Date.—

(1) The amendments made by this section (other than subsection (e)) shall apply to amounts paid after the date of the enactment of this Act.

(2) The amendment made by subsection (e) shall apply to the estates of decedents dying after the date of the enactment of this Act.

Mr. LONG. Mr. President, I make the point of order the amendment is not germane.

Mr. DOLE. Mr. President, will the Senator withhold his point of order for a moment?

Mr. President, I am aware of the fact that a point of order will be made. I point out that this is in most respects identical to the amendment just offered by the distinguished Senator from Nebraska (Mr. Curtis), which amendment the Chair ruled was not germane.

There is a difference between the two, however, in that this amendment would eliminate withholding only for interest on long-term debt instruments; that is, those with at least a 2-year maturity. In this way, it responds to the concern expressed by some in the Finance Committee, during our meeting last Saturday, that we might be attracting so-called "hot Arab money" with such a provision.

I understand how the Chair will rule on this, but I wanted to offer the amendment anyway, and point out the distinction with the hope that will be helpful when we consider the proposal next year.

Mr. LONG. Mr. President, I will be delighted to consider the amendment next year, but if we consider this amendment now, we would have to consider other nongermane amendments, reform amendments, and others along this line that would set off such extended debate that we would never finish with this measure.

Therefore, I must insist on my point of order.

The PRESIDING OFFICER. The Chair rules that the amendment is nongermane and sustains the point of order of the Senator from Louisiana.

The bill is open to further amendment.

AMENDMENT NO. 2079

Mr. DOLE. Mr. President, I call up my amendment No. 2079, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) offers an amendment, at the end of the bill, to add the following new section: Amendment to Section 815 of Internal Revenue Code of 1954.

Mr. Dole's amendment (No. 2079) is as follows:

At the end of the bill, add the following new section:

AMENDMENT TO SECTION 815 OF INTERNAL REVENUE CODE OF 1954

Sec. . (a) Section 815(d) (Special Rules) of the Internal Revenue Code of 1954 shall be amended by adding the following new paragraph (6) thereto:

"(6) Restoration of amounts distributed out of policyholders surplus account.—Notwithstanding any other provision of this subchapter, no amount shall be subtracted from a taxpayer's policyholders surplus account with respect to a distribution made during the last month of the taxable year which, without regard to this paragraph, would be treated in whole or in part as a distribution out of the policyholders surplus account, to the extent that amounts so distributed are returned to the taxpayer not later than the time prescribed by law (including extensions thereof) for filing the taxpayer's return for the taxable year in which the distribution was made. For purposes of this paragraph, amounts returned to a taxpayer with respect to a distribution shall be first applied to the return of amounts which, without regard to this paragraph, would have been treated as distributed out of the policyholders surplus account. This paragraph shall not apply if, at the time such distribution was made, the taxpayer intended to avail itself of the provisions of this paragraph by having its shareholders return all or a part of such distribution. The basis to a shareholder of his stock in the taxpayer shall not be increased by reason of amounts returned under this paragraph to the extent that dividends received deduction or exclusion was allowable in respect of the distribution of such amount under any provision of this title.".

(b) Effective Date.—The amendment made by this section shall apply with respect to taxable years ending after December 31, 1957 [effective date of Life Insurance Company Tax Act of 1959].

Mr. DOLE. Mr. President, this, for all practical purposes, is a technical amendment, and probably not germane. I assume the Chair will sustain a point of order against it, but again, I wanted to offer the amendment and discuss it with my colleagues.

Very briefly, this amendment would make a minor and narrowly-constructed clarification to section 815(d) of the Internal Revenue Code of 1954.

It is a modification worked out by the Joint Committee on Internal Revenue Taxation to respond to a situation in which an inadvertent and promptly-restored distribution was made from the Business Men's Assurance Co. of America (BMA) policyholders surplus account.

Presently, a very harsh 100 percent tax would be, and in fact was, assessed in such an instance—even though it was a mistake from which no one benefited. This amendment would correct that inequity by making it clear that Congress intended for such a tax to be imposed only when the relevant distribution was intentional, and was not returned before the due date of the tax return for the year.

The amendment is essentially technical in nature, and, I believe, relatively noncontroversial. It was made necessary only because IRS could not grant administrative relief on the basis of the current language in the Code.

I would point out, also, that there is no impropriety in granting legislative relief to a taxpayer which has been penalized according to the "letter of the law"—just because of a temporary and inadvertent distribution.

Here the amount we are talking about is nearly $5.5 million—to the detriment of more than one million policyholders in 49 of our States; Puerto Rico; and the

Virgin Islands. It is therefore a matter which deserves the concern and attention of all of us.

Mr. President, I have a prepared memorandum which affords a more complete explanation of this rather unique and complicated situation—along with a justification for the proposed change in the Code—and I ask unanimous consent that it be printed in the Record at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Memorandum in Support of Proposed Amendment to Section 815—Legislative Relief for Unintended Distribution Out of Policyholders Surplus Account

PRESENT LAW

Under present law, a life insurance company is taxed currently on its "taxable investment income" plus one-half of the excess of its "gain from operations" (underwriting income) over its "taxable investment income." This currently taxed income is placed in a "shareholders surplus account" and may be distributed by the life insurance company to its shareholders without further tax consequences.

Tax on the remaining 50% of the excess of gain from operations over investment income was intentionally different by Congress because "it is difficult, if not impossible, to determine the true income of insurance companies otherwise than by ascertaining over a long period of time the income derived from a contract or block of contracts." *See* H.R. Rep. No. 34, 86th Cong., 1st Sess. (1959), p. 4; S. Rep. No. 291, 86th Cong., 1st Sess. (1959), p. 7. Life insurance companies are permitted to accumulate these tax-deferred amounts in a contingency reserve known as the "policyholders surplus account."[1]

Subject to certain limitations not relevant here (*see* § 815(d)(4)), life insurance company officials are allowed to use their own best judgment as to when amounts in the policyholders surplus account represent "true income" to the life insurance company which is no longer needed for the protection of policyholders. However, a company which makes a distribution to shareholders out of this account after exhausting its shareholders surplus eliminates the tax deferral on amounts so distributed. A distribution was thought to be an appropriate event for triggering the tax on the assumption that "the company itself has made a determination that [the distributed] amounts constitute income which [is] not required to fulfill the policyholders' contracts." *See* H.R. Rep. No. 34, *supra* at p. 15; S. Rep. No. 291, *supra* at p. 25.

The tax on distributions out of the policyholders surplus account is popularly known as a "phase III" tax.[2] It is computed by applying the regular corporate tax rate to the amount distributed out of the policyholders surplus account, "grossed-up" by the amount of tax payable in respect of the distribution. Under this "gross-up" method, at current corporate tax rates a life insurance company must pay approximately one dollar of tax for every dollar distributed out of the policyholders surplus account.

REASON FOR THE AMENDMENT

The Internal Revenue Service has interpreted present law to require BMA life insurance company to pay the phase III tax on a wholly unintentional distribution out of the policyholders surplus account even though the principal (99.8%) shareholder of the company promptly returned the distribution upon learning the true facts. The company had a long-standing policy of limiting its distributions to stockholders to amounts in the shareholders surplus account, and footnotes to its published financial statements stated that the company had "no present plans for distributing the amounts in 'policyholders' surplus'."

The company paid an extraordinary year-end dividend in the belief that the dividend was consistent with this declared policy, but discovered on preparing its return for the year that it had unintentionally invaded the policyholders surplus account. Amounts distributed out of policyholders surplus by mistake were restored to the company before its return for the year was due.

Imposition of the phase III tax in these circumstances seems plainly inconsistent with the intent of Congress, which assumed that a distribution would evidence a conscious determination by the life insurance company's officials that amounts to be distributed out of policyholders surplus "constitute income which was not required to fulfill the policyholders' contracts." Obviously, a life insurance company's officials could not have made any such determination if they were not even aware that a distribution was being made from the policyholders surplus account.

Congress should be especially sensitive to the Internal Revenue Service's attempt to turn phase III into another trap for the unwary. Without remedial legislation, the Internal Revenue Service's interpretation of the statute would result in substantial reductions in the policyholders surplus account which provides a cushion for policyholders against adverse loss experience.

The reduction would be made before the life insurance company's officials made the determination contemplated by Congress that the cushion could safely be reduced. Moreover, the "gross-up" method under which phase III tax is computed results in a tax equal to 100% of the unintentional distribution, a drastic penalty for a mistake.

Rather than allow the Internal Revenue Service to obtain a phase III tax windfall from a life insurance company at the expense of its policyholders, the tax law should encourage the company's shareholders to return the unintentionally distributed policyholders surplus by postponing the phase III tax if amounts distributed by mistake are promptly restored to the company. This is the purpose of the amendment to section 815 proposed herein.

EXPLANATION OF AMENDMENT

The proposed amendment would add a new § 815(d)(6) to the Internal Revenue Code which would prevent the Internal Revenue Service from penalyzing a life insurance company for having made an unintentional distribution out of policyholders surplus, provided that the amounts so distributed are returned to the company within a reasonable time. So that there will be no administrative inconvenience to the Internal Revenue Service, the amendment provides that the amounts must have been restored no later than the time prescribed by law for filing the return for the taxable year in which the distribution was made (including extensions thereof); the taxpayer would not be permitted to reopen any prior year.

Thus, if a company discovered upon preparing its return for the year that a dividend which it thought had been made from shareholders surplus had actually been distributed out of the policyholders surplus account, § 815(d)(6) would permit the company to continue to defer phase III tax to the extent that its shareholders restore the unintentionally distributed amounts to the company by the time its return for the year is due.

It should be emphasized that § 815(d)(6) would not permanently relieve a life insurance company of tax on amounts unintentionally distributed from the policyholders surplus account. Amounts returned to the company would remain in the policyholders surplus account under the proposed amendment and thus would continue to be subject to the phase III tax in accordance with the rules of § 815.

Mr. DOLE. Mr. President, I believe the distinguished floor manager of the bill, Mr. Long, is acquainted with this amendment and has no objection to it on the merits. However, I do recognize that in view of our earlier cloture vote he is obliged to raise a point of order.

In that regard, I only want to say that this is another area which I feel deserves consideration early next year. It is not controversial, and, as I stated previously, affects some 1 million policyholders in 49 States.

It is technical in nature, but the present language of the code simply does not allow any reasonable flexibility in interpretation. For that reason, I would hope that this problem can be taken up and corrected at the first opportunity after the new Congress convenes.

Mr. LONG. Mr. President, I will be happy to see the amendment considered early next year. However, for now I must make the point of order that the amendment is not germane.

The PRESIDING OFFICER. The Chair rules that the amendment deals with life insurance, and is not germane, and therefore the point of order is sustained.

The bill is open to further amendment.

Mr. HUGHES. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUGHES. Is a motion to reconsider the Stevenson amendment in order?

The PRESIDING OFFICER. It is in order.

Mr. HUGHES. I so move.

Mr. LONG. Mr. President, point of order.

The PRESIDING OFFICER. The motion to reconsider must be made by a Senator who voted on the prevailing side.

Mr. LONG. I make a point of order that the motion is not made by a Senator who voted on the prevailing side.

Mr. STEVENSON. Mr. President, did not the Senator from Iowa vote on the prevailing side?

Mr. HUGHES. The Senator from Iowa voted no.

The PRESIDING OFFICER. The Senator from Iowa has standing to make a motion.

Mr. HUGHES. I so move.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote on the Stevenson amendment.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The question is on agreeing to the motion to reconsider (putting the question).

Mr. HUGHES. A division, Mr. President.

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[1] Certain special deductions allowed in computing gain from operations are also added to this account.

[2] The tax on investment income is known as "phase I" and the tax on 50% of the excess of gain from operation over investment income is known as "phase II."

The PRESIDING OFFICER. A division is requested. Senators in favor of the motion will rise and stand until counted. [After a pause.] Those opposed will rise and stand until counted.

On a division, the motion to reconsider was rejected.

Mr. MATHIAS. Mr. President, the limitations on the pending legislation imposed by the procedure we have adopted will prevent the reform of many current inequities in our tax laws.

But the inequities exist and must be addressed as soon as it is possible to do so. I had prepared amendments for that purpose and regret that it is not possible to consider them at this time. I want to serve notice, however, that I shall press for their approval at the first opportunity and, therefore, I ask unanimous consent that the texts of these proposed amendments be printed in the Record at this point.

There being no objection, the texts of the amendments were ordered to be printed in the Record, as follows:

Amendment

On page , line , insert the following:

Sec. Section 513 of the Internal Revenue Code of 1954 (relating to the definition of an unrelated trade or business) is amended by adding the following subsection 513(d):

"(d) Special rule for fairs and expositions.—The term 'unrelated trade or business' shall not include the operation of a public entertainment activity in conjunction with a National, State, local, regional, or international fair or exposition conducted by an organization described in section 501 (c), (3) and (5); nor shall the operation of any such public entertainment activity prevent, or cause the denial of, the exemption of such organization otherwise exempt under section 501(c), (3) and (5)."

Sec. 2. The amendment made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1959.

Amendment

On page , line , insert the following:

Section 1. Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(c) Equalization Rate for Working Spouses.—If for any taxable year two taxpayers are eligible to make a single return jointly under section 6013 and each has earned income, and the total tax payable by the two without regard to this section is greater than the total of the taxes that each would pay if each filed as a single individual, then (unless the taxpayers have chosen the benefits of part I, subchapter Q, relating to income averaging) there shall be subtracted from the total tax otherwise payable by such taxpayers an amount computed as follows:

"(1) There shall first be computed the lower of the total tax payable by such taxpayers without regard to this section on the basis of either a joint return or separate returns, excluding all income other than earned income;

"(2) There shall then be computed the total tax payable by such taxpayers if each had been entitled to file a return as a single individual, but excluding all income other than earned income. In making such computation, either itemized deductions must be claimed on both returns or the standard deductions or low income allowance shall be subject to the restrictions imposed under section 141 in the case of a separate return by a married individual;

"(3) The result of the computation provided in (2) shall be subtracted from the result of the computation provided in (1), and the difference shall reduce the total tax otherwise payable under this chapter.

In any case where earned income is community income under community property laws applicable to such income, the amount of such income which is considered the earned income of a taxpayer for purposes of the computations under this subsection shall be the amount of such income which would be the earned income of that taxpayer if such income did not constitute community property."

Sec. 2. The amendment made by section 1 of this Act shall apply to taxable years ending after the date of the enactment of this Act.

Amendment

Add a new section as follows:

(a) section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:

"(c) Alternate Valuation of Certain Real Property.—

"(1) In general.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value for the use under which it qualifies, under paragraph (2), as qualified real property.

"(2) Definition of qualified real property.—For purposes of this subsection, the term 'qualified real property' means real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland (including land used for the commercial production of trees and land used for scenic and recreational purposes),

"(C) open space, or

"(D) any use, provided that the property is listed on the National Register of Historic Places, either separately or as part of a district so listed.

Such real property shall include residential buildings and related improvements occupied on a regular basis by the owner or lessee of such property or by persons employed by such owner or lessee for the purpose of operating or maintaining the real property and improvements described in this paragraph (2), and roads, buildings and other structures and improvements functionally related to the use listed in this paragraph (2).

"(3) Election requirements.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person or persons to whom any interest in the property passes under the terms of the decedent's will or by operation of law.

"(4) Definition of owner.—For purposes of this subsection, the term 'owner' means those persons identified in paragraph (3).

"(5) Revocation of election upon conversion, or removal from national register.—Upon the occurrence of an event described in paragraph (6), there shall be imposed on the owner a tax equal to:

"(A) The excess of—

"(i) the estate tax computed in accordance with section 2001 with respect to the decedent's taxable estate based on a valuation of the decedent's gross estate made as if the election provided in paragraph (1) had not been made with respect to such portion of the real property as is subject to an event described in paragraph (6), over

"(ii) the estate tax computed in accordance with section 2001 with respect to the decedent's taxable estate but based on a valuation of decedent's gross estate made after taking into account the election provided in paragraph (1) with respect to such real property; plus

"(B) Interest on such amount at 6 percent running from the filing date prescribed in section 6075 with respect to the return from the decedent's estate (taking into account any extension of time granted pursuant to law for the filing of the return).

"(6) Events causing revocation of election.—The tax described in paragraph (5) shall be imposed upon the occurrence of any of the following events:

"(A) The conversion by the owner of the real property with respect to which the election provided in paragraph (1) was made, or any portion thereof, to a use other than one or more of the qualified uses described in paragraph (2); or

"(B) The rezoning of such property to permit a use other than one or more of the qualified uses described in paragraph (2), if such rezoning occurs at the request of the owner; or

"(C) If such property qualified for the election only pursuant to paragraph (2)(d), removal of such property from the National Register of Historic Places.

"(7) Revocation of election upon sale.—If the owner sells an interest in real property with respect to which the election provided in paragraph (1) was made, there shall be imposed on such owner a tax equal to:

"(A) The excess of—

"(i) the estate tax computed in accordance with section 2001 with respect to the decedent's taxable estate based on a valuation of the decedent's gross estate made as if (a) the election provided in paragraph (1) had not been made, or (b) such real property had been valued at an amount equal to the price for which the property is sold, whichever valuation is lower, over

(ii) the estate tax computed in accordance with section 2001 with respect to the decedent's taxable estate but based on a valuation of decedent's gross estate made after taking into account the election provided in paragraph (1) with respect to such real property; plus

"(A) Interest computed as provided in paragraph (5)(B).

"(8) Duty to file return.—Prior to or upon the occurrence of an event described in paragraph (6) or a sale described in paragraph (7), the owner subject to the tax imposed by paragraph (5) or paragraph (7) shall file a return with respect to such tax. Such return shall be made within thirty (30) days after the end of the calendar quarter in which such event occurs.

"(9) Lien to secure tax.—If the executor of an estate makes the election provided by paragraph (1), there shall be a lien on the real property with respect to which such election was made in the amount of the tax saving realized by the estate by virtue of such election. Such lien shall be extinguished upon payment of all taxes which become due pursuant to paragraph (5) or paragraph (7) or at such time at which the possibility that any such taxes shall become due terminates, whichever time is later."

(b) Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2131(c) (relating to alternate valuation of certain real property), the value thereof as determined under such section for the applicable valuation date, including any increased value on which a tax is paid as required by paragraphs (5) or (7) of that subsection."

(c) The amendments made by this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be offered, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments are ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 421), was read the third time, and passed.

Mr. LONG. Mr. President. I move that the Senate reconsider the vote by which the bill was passed.

Mr. MONTOYA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will suspend until there is order in the Chamber.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments to the bill (H.R. 421) and request a conference with the House of Representatives thereon, and that the Chair be authorize to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Long, Mr. Talmadge, Mr. Hartke, Mr. Bennett, and Mr. Curtis conferees on the part of the Senate.

QUORUM CALL

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL AIR TRANSPORTATION FAIR COMPETITIVE PRACTICES ACT OF 1974

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3481.

The PRESIDING OFFICER (Mr. Abourezk) laid before the Senate the amendment of the House of Representatives to the bill (S. 3481) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE

Section 1. This Act may be cited as the "International Air Transportation Fair Competitive Practices Act of 1974.".

DISCRIMINATORY AND UNFAIR COMPETITIVE PRACTICES

Sec. 2. (a) United States air carriers operating in foreign air transportation perform services of vital importance to the foreign commerce of the United States including its balance of payments, to the Postal Service, and to the national defense. Such carriers have become subject to a variety of discriminatory and unfair competitive practices in their competition with foreign air carriers. The Department of State, the Department of the Treasury, the Department of Transportation, the Civil Aeronautics Board, and other departments or agencies, therefore, each shall keep under review, to the extent of their respective functions, all forms of discrimination or unfair competitive practices to which United States air carriers are subject in providing foreign air transportation services and each shall take all appropriate actions within its jurisdiction to eliminate such forms of discrimination or unfair competitive practices found to exist.

(b) Each of these departments and agencies of Government shall request from Congress such additional legislation as may be deemed necessary at any time it is determined there is inadequate legal authority for dealing with any form of discrimination or unfair competitive practice found to exist.

(c) The Civil Aeronautics Board shall report annually to Congress on the actions that have been taken under subsection (a) and on the continuing program to eliminate discriminations and unfair competitive practices faced by United States carriers in foreign air transportation. The Secretaries of State, Treasury, and Transportation shall furnish to the Civil Aeronautics Board such information as may be necessary to prepare the report required by this subsection.

INTERNATIONAL USER CHARGES

Sec. 3. The International Aviation Facilities Act (49 U.S.C. 1151–1160) is amended by redesignating sections 11 and 12 as sections 12 and 13, respectively, and by inserting immediately after section 10 the following new section:

"Sec. 11. The Secretary of Transportation shall survey the charges made to air carriers by foreign governments or other foreign entities for the use of airport property or airway property in foreign air transportation. If the Secretary of Transportation determines at any time that such charges unreasonably exceed comparable charges for furnishing such airport property or airway property in the United States or are otherwise discriminatory, he shall submit a report on such cases promptly to the Secretary of State and the Civil Aeronautics Board, and the Secretary of State, in collaboration with the Civil Aeronautics Board, shall promptly undertake negotiations with the foreign country involved to reduce such charges or eliminate such discriminations. If within a reasonable period such charges are not reduced or such discriminations eliminated through negotiations, the Secretary of State shall promptly report such instances to the Secretary of Transportation who shall determine compensating charges equal to such excessive or discriminatory charges. Such compensating charges shall, with the approval of the Secretary of State, be imposed on the foreign air carrier or carriers of the country concerned by the Secretary of the Treasury as a condition to acceptance of the general declaration at the time of landing or takeoff of aircraft of such foreign air carrier or carriers. The amounts so collected shall accrue to an account established for that purpose by the Secretary of the Treasury. Payments shall be made from that account to air carriers in such amounts as shall be certified by the Secretary of Transportation in accordance with such regulations as he shall adopt to compensate such air carriers for excessive or discriminatory charges paid by them to the foreign countries involved.".

RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION

Sec. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by inserting "(1)" immediately after "(h)", and by adding at the end thereof the following new paragraphs:

"(2) The Secretary of State and the Postmaster General each shall take all necessary and appropriate actions to assure that the rates paid for the transportation of mail pursuant to the Universal Postal Union Convention shall not be higher than the actual cost of transportation of the mail (including a reasonable rate of return on investment). The Secretary of State and the Postmaster General shall oppose any present or proposed Universal Postal Union rates which are higher than the actual costs of the transportation.

"(3) The Civil Aeronautics Board shall act expeditiously on any proposed changes in rates for the transportation of mail by aircraft in foreign or overseas air transportation. Pending final action on any rate proposals contained in Civil Aeronautics Board docket 26487, the Board shall, by December 31, 1974, establish temporary rates based on the best available estimates of the actual cost of transporting the mail, including, but not limited to, the cost of fuel and a reasonable rate of return on investment. In establishing rates under this paragraph the Board shall take into consideration rates paid on the date of the enactment of this paragraph for transportation of mail pursuant to the Universal Postal Union Convention as ratified by the United States Government.

"(4) And, until such time as the Universal Postal Union air mail rates are revised in accordance with the directive of the preceding paragraph, the Board shall not fix and determine for air carriers final rates of compensation for transporting mail in foreign air transportation which are lower than the rates of compensation paid by the Postmaster General to or for the account of foreign air carriers for transporting mail in foreign air transportation.".

TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGERS AND PROPERTY

Sec. 5. (a) Title XI of the Federal Aviation Act of 1958 (49 U.S.C. 1501 and the following) is amended by adding at the end thereof the following new section:

"Transportation of Government-Financed Passengers and Property

"Sec. 1117. Whenever any executive department or other agency or instrumentality of the United States shall procure, contract for, or otherwise obtain for its own account or in furtherance of the purposes or pursuant to the terms of any contract, agreement, or other special arrangement made or entered into under which payment is made by the United States or payment is made from funds appropriated, owned, controlled, granted, or conditionally granted or utilized by or otherwise established for the account of the United States, or shall furnish to or for the account of any foreign nation, or any international agency, or other organization, of whatever nationality, without provisions for reimbursement, any transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided by air carriers holding certificates under section 401 of this Act to the extent authorized by such certificates or by regulations or exemption of the Civil

Aeronautics Board and to the extent service by such carriers is available. The Comptroller General of the United States shall disallow any expenditure from appropriated funds for payment for such personnel or cargo transportation on an air carrier not holding a certificate under section 401 of this Act in the absence of satisfactory proof of the necessity therefor. Nothing in this section shall prevent the application to such traffic of the antidiscrimination provisions of this Act.".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following new item:

"SEC. 1117. Transportation of Government-financed passengers and property.".

PROMOTION OF TRAVEL ON UNITED STATES CARRIERS IN FOREIGN AIR TRANSPORTATION

SEC. 6. Section 2 of the International Travel Act of 1961 (22 U.S.C. 2122) is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

(6) encourage to the maximum extent feasible travel to and from the United States on United States carriers.".

OBSERVANCE OF TARIFFS BY TICKET AGENTS

SEC. 7. (a) The first-sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended to read as follows: "No air carrier or foreign air carrier or any ticket agent shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in then currently effective tariffs of such air carrier or foreign air carrier; and no air carrier or foreign air carrier or ticket agent shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Board to be specified in such tariffs except those specified therein.".

(b) The first sentence of section 407(e) of such Act (49 U.S.C. 1377(e)), relating to inspection of accounts and property, is amended to read as follows: "The Board shall at all times have access to all lands, buildings, and equipment of any air carrier or foreign air carrier and to all accounts, records, and memorandums, including all documents, paper, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers, foreign air carriers, or ticket agents and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memorandums.".

PROHIBITION AGAINST SOLICITATION OR ACCEPTANCE OF REBATES BY SHIPPERS OF AIR FREIGHT

SEC. 8. (a) Section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)), relating to observance of tariffs and prohibition against rebating, is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof the following new paragraph:

"(2) No shipper, consignor, consignee, forwarder, broker, or other person, or any director, officer, agent, or employee thereof, shall knowingly pay, directly or indirectly, by any device or means, any greater or less or different compensation for air transportation of property, or for any service in connection therewith, than the rates, fares, and charges specified in currently effective tariffs applicable to such air transportation; and no such person shall, in any manner or by any device, directly or indirectly, through any agent or broker, or otherwise, knowingly solicit, accept, or receive a refund or remittance of any portion of the rates, fares, or charges so specified, or knowingly solicit, accept, or receive any privilege, favor, or facility, with respect to matters required by the Board to be specified in such tariffs, except those specified therein.".

(b) Section 902(d) of such Act (49 U.S.C. 1472(d)), relating to granting rebates, is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) Any person who, in any manner or by any device, knowingly and willfully solicits, accepts, or receives a refund or remittance of any portion of the rates, fares, or charges lawfully in effect for the air transportation of property, or for any service in connection therewith, or knowingly solicits, accepts, or receives any privilege, favor, or facility, with respect to matters required by the Board to be specified in currently effective tariffs applicable to the air transportation of property, shall be fined not less than $100, nor more than $5,000, for each offense.".

(c) The subsection heading of subsection (d) of such section 902 is amended to read as follows:

"GRANTING OR RECEIVING REBATES".

(d) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by striking out

"(d) Granting rebates."

and inserting in lieu thereof

"(d) Granting or receiving rebates.".

Mr. CANNON. Mr. President, I am pleased that the House on Friday has passed this most important piece of legislation designed to provide assistance to our international flag air carriers.

As most of my colleagues are aware, the Senate passed a similar version of this bill on October 10, 1974.

Basically, Mr. President, this bill contains a number of provisions which will be of assistance in improving the international climate in which our flag airlines compete.

In this bill the Congress finds that it is vital to the interests of the United States to have economically healthy U.S. air carriers operating in foreign commerce. At the same time, it has become clear that the carriers' ability to compete with foreign air carriers in such commerce is currently being threatened by a variety of discriminatory and unfair competitive practices. As a result, it is necessary for the appropriate agencies and departments of the U.S. Government to take all steps necessary to eliminate discrimination and unfair competitive practices. Recognizing that legislative authority to take necessary action may be lacking, the Congress also instructs those agencies and departments to promptly request the legislative authorization necessary to deal with discrimination or unfair practices affecting U.S. air carriers. Finally, in order to keep abreast of the situation, the Congress requires comprehensive annual reports from the Department of State and the Civil Aeronautics Board—CAB—on the efforts to eliminate discriminatory and unfair competitive practices in this area.

Section 3 requires that the Secretary of Transportation impose retaliatory or compensating charges on foreign airlines in certain circumstances in response to discriminatory treatment of U.S. airlines and it sets up a mechanism for determining when such compensatory charges are necessary.

The Secretary of Transportation is required to survey the charges that foreign entities and governments levy for the use of airport facilities in order to determine whether such charges unreasonably exceed comparable charges levied for facility use in this country, or are otherwise discriminatory. Once the determination is made that the charges are discriminatory, the Secretary must report to the Secretary of State who, with the assistance of the CAB, must pomptly undertake negotiations with the foreign nation involved to eliminate the discrimination. If a "reasonable time" elapses and the negotiations do not produce any agreement, the Secretary of State must report back to the Secretary of Transportation who, with the approval of the Secretary of State will determine what compensatory charges must be levied on the foreign airlines involved as a condition of landing in this country.

The Secretary of the Treasury collects the charges and accumulates the money in a special account. The Secretary of the Treasury is then to make payments to U.S. air carriers which have been affected by the discriminatory treatment in order to compensate them for the money they are forced to pay to foreign nations. The Secretary of Transportation is to promulgate such regulations as are necessary to create a mechanism for those payments.

Section 5 amends title XI of the Federal Aviation Act of 1958 by requiring that preference be given to U.S. carriers when the U.S. Government arranges for the movement of people or goods to or between foreign ports. The Comptroller General of the United States is authorized to approve payments to other carriers only when there is a showing that it was necessary to engage their services in the particular instance.

Section 6 amends section 2 of the International Travel Act of 1961 (22 U.S.C. 2122) in order to direct the Secretary of Commerce to promote and encourage travel to and from the United States on U.S. air carriers.

Mr. President, the only controversy over this bill arises out of differing views on the question of postal rates paid for the international carriage of airmail—rates paid by the United States to our carriers, rates paid by the United States to foreign carriers, and rates paid by foreign govenments to their carriers and others for the transportation of air mail.

Section 4 of the House-passed bill contains an amendment passed on the House floor by a narrow margin which was not supported by the Senate or by the House Committee on Interstate and Foreign Commerce when it reported this bill to the House floor. The amendment is known as the Murphy amendment or the UPU amendment to most of my colleagues. This provision amends the Federal Aviation Act to eliminate discrimination which now exists in rates paid to

U.S.- and foreign-flag airlines by the U.S. Postal Service for the transportation of U.S. international mail. The provision precludes payment by our own Government of mail transportation rates to U.S.-flag airlines lower than those paid to foreign-flag airlines.

The Federal Aviation Act empowers the CAB to set the rate to be paid U.S.-flag airlines for the transportation of international air mail. The rate being paid today, basically unchanged since 1968, averages $0.31 per ton-mile despite substantial increases in airline costs and despite substantial increases in postal service revenue for international mail.

The U.S. Postal Service, however, pays foreign flag airlines up to $1.73 per ton-mile for letter class mail, and 57.7 cents per ton-mile for all other classes of mail. This higher payment is the maximum rate for the air transportation of mail which is established periodically by international agreement of the various national postal administrations, including the United States, in the Universal Postal Union—UPU. According to testimony in our hearings, foreign flag airline competitors received from the U.S. Government last year a mail transportation rate over six times higher than that paid to the U.S.-flag airlines.

In contrast, most other nations of the world pay their international airlines the higher, internationally agreed upon mail rate for the transportation of international mail. U.S. airlines compete in passenger and cargo markets with these same airlines at rates that are agreed to by international airlines and their governments to assure international parity for similar air transport services. However, in the case of mail payments, the third major source of international airline revenue, such parity does not exist. As a result of this disparity in mail rates, U.S.-flag airlines in 1973, for example, received $68 million less than they would have if they were reimbursed by the U.S. Government at the rate paid to foreign flag airlines which compete with them for international business.

Our committee thoroughly considered requiring that the CAB set international mail rates for U.S. carriers at a level no less than the current Universal Postal Union rate. However, we chose not to do so for two important reasons. First, we are convinced that the UPU postal rate is set at a level significantly above what it costs air carriers to carry the mail. In establishing the rate, different costing methods are used than those used by the CAB and the costs also reflect the relative inefficiencies of short-haul foreign air carriers.

In effect, we believe the UPU rate is an indirect subsidy for carrying the mail which many nations choose to pay their air carriers and other air carriers without regard to realistic costs. While we realize that this indirect subsidization provides a competitive advantage to many foreign airlines, we do not believe that that fact requires that the United States indirectly subsidize its privately owned airlines. Second, if the United States paid the UPU postal rates to all U.S. international airlines, the rate increase would go to the financially healthy international carriers as well as the relatively weak. In other words, U.S. carriers not now experiencing financial difficulty would receive windfall revenues under the UPU rate which we do not believe are justified.

Accordingly, the Senate Commerce Committee today approved an amendment to S. 3481, as passed by the House, which would strike the mandatory UPU postal rates from the House bill and substitute a provision similar to the original Senate bill.

In effect, the committee amendment continues to leave with the CAB the responsibility for setting fair and reasonable air mail rates at whatever level the board finds appropriate. However, the amendment admonishes the Board in setting such rates that—

> It shall take into consideration rates paid for transportation of mail pursuant to the universal postal union convention as ratified by the United States Government, shall take into account all of the rate-making elements employed by the Universal Postal Union in fixing its airmail rates and shall further consider the competitive disadvantage to U.S. flag air carriers resulting from foreign air carriers receiving universal postal union rates for the carriage of U.S. mail and the national origin mail of their own countries.

Mr. President, we think that this is a fair and equitable amendment and will result in mail rates that are just and reasonable taking into account all carriers' costs, including the ever-rising cost of fuel and a reasonable return on investment. While we are aware that there has been considerable lobbying of the Congress by Pan American Airways and its employees over the UPU postal rate, we still do not believe that that rate is justified by the facts. We in the Commerce Committee feel that this bill as I have proposed to amend it will be very helpful in the future in making a better competitive climate in the international area without the need for indirect subsidy from the international arena.

I urge my colleagues to support this bill as I have proposed to amend it and send it back to the House in hopes that the House might accept our amendment so as to insure final passage and Presidential signature this year.

Now, Mr. President, there was a hold placed on the bill by both Senators McGEE and PROXMIRE. The amendment that I am offering is satisfactory to them. The proposed amendment has been approved by the Commerce Committee, as I have stated, as of this morning.

Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> On page 4, strike section 4 in its entirety and insert in lieu thereof: "Rates for transportation of United States mail in foreign air transportation."

The amendment is as follows:

> On page 4, strike section 4 in its entirety and insert in lieu thereof:
>
> "RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION
>
> "SEC. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by inserting "(1)" immediately after "(h)", and by adding at the end thereof the following new paragraph:
>
> "(2) The Secretary of State and the Postmaster General each shall take all necessary and appropriate actions to assure that the rates paid for the transportation of mail pursuant to the Universal Postal Union Convention shall not be higher than fair and reasonable rates for such services. The Secretary of State and the Postmaster General shall oppose any present or proposed Universal Postal Union rates which are higher than such fair and reasonable rates.
>
> "(3) The Civil Aeronautics Board shall act expeditiously on any proposed changes in rates for the transportation of mail by aircraft in foreign air transportation. In establishing such rates, the Board shall take into consideration rates paid for transportation of mail pursuant to the Universal Postal Union Convention as ratified by the United States Government, shall take into account all of the rate-making elements employed by the Universal Postal Union in fixing its airmail rates, and shall further consider the competitive disadvantage to U.S. flag air carriers resulting from foreign air carriers receiving Universal Postal Union rates for the carriage of U.S. mail and the national origin mail of their own countries."

Mr. CANNON. Mr. President, this amendment simply eliminates the requirement that the UPU be paid for carriage of foreign mail transportation and requires that that must be a factor taken into consideration by the Civil Aeronautics Board in fixing the rates.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GOLDWATER. Mr. President, I have a question of the Senator from Nevada. Would this have a salutary effect on Pan American's——

Mr. CANNON. Yes. The answer to the question is that this would have a salutary effect. The provision that we have requires the Board to act immediately in fixing a temporary rate pending the outcome of the mail rate case that is now under consideration before the Board.

The passage of this bill would result in an increased payment to Pan Am upon the determination of the fair and reasonable rate to be paid, which has to be determined by the end of this month by the Civil Aeronautics Board.

In addition, it has certain policy matters set forth in the bill that we have already acted on that are going to require the Department of State and the Board to get off the dime and try to help the U.S. air carriers, to try to prohibit discrimination against U.S. air carriers that is carried on at the present time.

Mr. GOLDWATER. I thank the Senator very much.

Mr. CANNON. Mr. President, I move that the Senate concur in the House amendment, with the amendment that we have just submitted.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

PRIVACY ACT OF 1974

Mr. ERVIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3418.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3418) to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Privacy Act of 1974".

Sec. 2. (a) The Congress finds that—

(1) the privacy of an individual is directly affected by the collection, maintenance, use, and dissemination of personal information by Federal agencies;

(2) the increasing use of computers and sophisticated information technology, while essential to the efficient operations of the Government, has greatly magnified the harm to individual privacy that can occur from any collection, maintenance, use, or dissemination of personal information;

(3) the opportunities for an individual to secure employment, insurance, and credit, and his right to due process, and other legal protections are endangered by the misuse of certain information systems;

(4) the right to privacy is a personal and fundamental right protected by the Constitution of the United States; and

(5) in order to protect the privacy of individuals identified in information systems maintained by Federal agencies, it is necessary and proper for the Congress to regulate the collection, maintenance, use, and dissemination of information by such agencies.

(b) The purpose of this Act is to provide certain safeguards for an individual against an invasion of personal privacy by requiring Federal agencies, except as otherwise provided by law, to—

(1) permit an individual to determine what records pertaining to him are collected, maintained, used, or disseminated by such agencies;

(2) permit an individual to prevent records pertaining to him obtained by such agencies for a particular purpose from being used or made available for another purpose without his consent;

(3) permit an individual to gain access to information pertaining to him in Federal agency records, to have a copy made of all or any portion thereof, and to correct or amend such records;

(4) collect, maintain, use, or disseminate any record of identifiable personal information in a manner that assures that such action is for a necessary and lawful purpose, that the information is current and accurate for its intended use, and that adequate safeguards are provided to prevent misuse of such information;

(5) permit exemptions from the requirements with respect to records provided in this Act only in those cases where there is an important public policy need for such exemption as has been determined by specific statutory authority; and

(6) be subject to civil suit for any damages which occur as a result of willful, arbitrary, or capricious action which violates any individual's rights under this Act.

Sec. 3. Title 5, United States Code, is amended by adding after section 552 the following new section:

"§ 552a. Records maintained on individuals

"(a) Definitions.—For purposes of this section—

"(1) the term 'agency' means agency as defined in section 552(e) of this title;

"(2) the term 'individual' means a citizen of the United States or an alien lawfully admitted for permanent residence;

"(3) the term 'maintain' includes maintain, collect, use, or disseminate;

"(4) the term 'record' means any collection or grouping of information about an individual that is maintained by an agency and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual;

"(5) the term 'system of records' means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual; and

"(6) the term 'statistical research or reporting record' means a record in a system of records maintained for statistical research or reporting purposes only and not used in whole or in part in making any determination about an identifiable individual, except as provided by section 8 of title 13.

"(b) Conditions of Disclosure.—No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be—

"(1) to those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties;

"(2) for a routine use described under subsection (e)(2) (D) of this section;

"(3) to the Bureau of the Census for purposes of planning or carrying out a census or survey or related activity pursuant to the provisions of title 13;

"(4) to a recipient who has provided the agency with advance adequate written assurance that the record will be used solely as a statistical research or reporting record, and the record is to be transferred in a form that is not individually identifiable;

'(5) to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, or for evaluation by the Administrator of General Services or his designee to determine whether the record has such value;

"(6) to another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought;

"(7) to a person who is actively engaged in saving the life of such individual, if upon such disclosure notification is transmitted to the last known address of such individual;

"(8) to either House of Congress, or, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, or any joint committee of Congress or subcommittee of any such joint committee; or

"(9) pursuant to the order of a court of competent jurisdiction.

"(c) Accounting of Certain Disclosures.—Each agency, with respect to each system of records under its control, shall—

"(1) except for disclosures made under subsection (b)(1) of this section or disclosures to the public from records which by law or regulation are open to public inspection or copying, keep an accurate accounting of—

"(A) the date, nature, and purpose of each disclosure of a record to any person or to another agency made under subsection (b) of this section; and

"(B) the name and address of the person or agency to whom the disclosure is made;

"(2) retain the accounting made under paragraph (1) of this subsection for at least five years after the disclosure for which the accounting is made;

"(3) except for disclosures made under subsection (b)(6) of this section, make the accounting made under paragraph (1) of this subsection available to the individual named in the record at his request; and

"(4) inform any person or other agency about any correction or notation of dispute made by the agency in accordance with subsection (d) of this section of any record that has been disclosed to the person or agency within two years preceding the making of the correction of the record of the individual, except that this paragraph shall not apply to any record that was disclosed prior to the effective date of this section or for which no accounting of the disclosure is required.

"(d) Access to Records.—Each agency that maintains a system of records shall—

"(1) upon request by any individual to gain access to his record or to any information pertaining to him which is contained in the system, permit him to review the record and have a copy made of all or any portion thereof in a form comprehensible to him;

"(2) permit the individual to request amendment of a record pertaining to him and either—

"(A) make any correction of any portion thereof which the individual believes is not accurate, relevant, timely, or complete; or

"(B) promptly inform the individual of its refusal to amend the record in accordance with his request, the reason for the refusal, the procedures established by the agency for the individual to request a review by the agency of that refusal, and the name and business address of the official within the agency to whom the request for review may be taken;

"(3) permit any individual who disagrees with the refusal of the agency to amend his record to request review of the refusal by the official named in accordance with paragraph (2)(B) of this subsection; and if, after the review, that official also refuses to amend the record in accordance with the request, permit the individual to file with the agency a concise statement setting forth the reasons for his disagreement with the refusal of the agency;

"(4) in any disclosure, containing information about which the individual has filed a statement of disagreement, occurring after the filing of the statement under paragraph (3) of this subsection, clearly note any portion of the record which is disputed and, upon request, provide copies of the statement and, if the agency deems it appropriate, copies of a concise statement of the reasons of the agency for not making the amendments requested, to persons or other agencies to whom the disputed record has been disclosed; and

"(5) nothing in this section shall allow an individual access to any information compiled in reasonable anticipation of a civil action or proceeding.

"(e) Agency Requirements.—Each agency that maintains a system of records shall—

"(1) inform each individual whom it asks to supply information, on the form which it uses to collect the information or on a separate form that can be retained by the individual—

"(A) which Federal statute or regulation, if any, requires disclosure of the information;

"(B) the principal purpose or purposes for which the information is intended to be used;

"(C) other purposes for which the information may be used, as published pursuant to paragraph (2)(D) of this subsection; and

"(D) the effects on him, if any, of not providing all or any part of the requested information;

"(2) subject to the provisions of paragraph (5) of this subsection, publish in the

Federal Register at least annually a notice of the existence and character of the system of records, which notice shall include—

"(A) the name and location of the system;

"(B) the categories of individuals on whom records are maintained in the system;

"(C) the categories of records maintained in the system;

"(D) each routine purpose for which the records contained in the system are used or intended to be used, including the categories of users of the records for each such purpose;

"(E) the policies and practices of the agency regarding storage, retrievability, access controls, retention, and disposal of the records;

"(F) the title and business address of the agency official who is responsible for the system of records;

"(G) the agency procedures whereby an individual can be notified at his request if the system of records contains a record pertaining to him: and

"(H) the agency procedures whereby an individual can be notified at his request how he can gain access to any record pertaining to him contained in the system of records, and how he can contest its content;

"(3) maintain all records which are used by the agency in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination;

"(4) maintain no record concerning the political or religious belief or activity of any individual, unless expressly authorized by statute or by the individual about whom the record is maintained: *Provided, however*, That the provisions of this paragraph shall not be deemed to prohibit the maintenance of any record of activity which is pertinent to and within the scope of a duly authorized law enforcement activity; and

"(5) at least 30 days prior to publication of information under paragraph (2)(D) of this subsection published in the Federal Register notice of the use or intended use of the information in the system, and provide an opportunity for interested persons to submit written data, views, or arguments to the agency.

"(f) Agency Rules.—In order to carry out the provisions of this section, each agency that maintains a system of records shall promulgate rules, in accordance with the requirements (including general notice) of section 553 of this title, which shall—

"(1) establish procedures whereby an individual can be notified in response to his request if any system of records named by the individual contains a record pertaining to him;

"(2) define reasonable times, places, and requirements for identifying an individual who requests his record or information pertaining to him before the agency shall make the record or information available to the individual;

"(3) establish procedures for the disclosure to an individual upon his request of his record or information pertaining to him, including special procedure, if deemed necessary, for the disclosure to an individual of medical records, including psychological records, pertaining to him;

"(4) establish procedures for reviewing a request from an individual concerning the amendment of any record or information pertaining to the individual, for making a determination on the request, for an appeal within the agency of an initial adverse agency determination, and for whatever additional means the head of the agency may deem necessary for each individual to be able to exercise fully his rights under this section; and

"(5) establish fees to be charged, if any, to any individual for making copies of his record, excluding the cost of any search for and review of the record.

The Office of the Federal Register shall annually compile and publish the rules promulgated under this subsection and agency notices published under subsection (e)(2) of this section in a form available to the public at low cost.

"(g)(1) Civil Remedies.—Whenever any agency (A) refuses to comply with an individual request under subsection (d)(1) of this section, (B) fails to maintain any record concerning any individual with such accuracy, relevance, timeliness, and completeness as is necessary to assure fairness in any determination relating to the qualifications, character, rights, or opportunities of, or benefits to the individual that may be made on the basis of records and consequently a determination is made which is adverse to the individual, or (C) fails to comply with any other provision of this section, or any rule promulgated thereunder, in such a way as to have an adverse effect on an individual, the individual may bring a civil action against the agency, and the district courts of the United States shall have jurisdiction in the matters under the provisions of this subsection.

"(2)(A) In any suit brought under the provisions of subsection (g)(1)(A) of this section, the court may enjoin the agency from withholding the records and order the production to the complainant of any agency records improperly withheld from him. In such a case the court shall determine the matter de novo, and may examine the contents of any agency records in camera to determine whether the records or any portion thereof may be withheld under any of the exemptions set forth in subsection (k) of this section, and the burden is on the agency to sustain its action.

"(B) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this paragraph in which the complainant has substantially prevailed.

"(3) In any suit brought under the provisions of subsection (g)(1) (B) or (C) of this section in which the court determines that the agency acted in a manner which was willful, arbitrary, or capricious, the United States shall be liable to the individual in an amount equal to the sum of—

"(A) actual damages sustained by the individual as a result of the refusal or failure; and

"(B) the costs of the action together with reasonable attorney fees as determined by the court.

"(4) An action to enforce any liability created under this section may be brought in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, without regard to the amount in controversy, within two years from the date on which the cause of action arises, except that where an agency has materially and willfully misrepresented any information required under this section to be disclosed to an individual and the information so misrepresented is material to the establishment of the liability of the agency to the individual under this section, the action may be bought at any time within two years after discovery by the individual of the misrepresentation.

"(h) Rights of Legal Guardians.—For the purposes of this section, the parent of any minor, or the legal guardian of any individual who has been declared to be incompetent due to physical or mental incapacity or age by a court of competent jurisdiction, may act on behalf of the individual.

"(i)(1) Criminal Penalties.—Any officer or employee of the United States, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section or by rules or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be fined not more than $5,000.

"(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from an agency under false pretenses shall be fined not more than $5,000.

"(j) General Exemptions.—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of section 553 of this title, to exempt any system of records within the agency from any part of this section except subsections (b) and (e)(2)(A) through (F) and (i) if the system of records is—

"(1) maintained by the Central Intelligence Agency; or

"(2) maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities, and which consists of (A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; (B) information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

"(k) Specific Exemptions.—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of section 553 of this title, to exempt any system of records within the agency from subsections (c)(3), (d), (e)(1), (e)(2) (G) and (H), and (f) of this section if the system of records is—

"(1) subject to the provisions of section 552(b)(1) of this title;

"(2) investigatory material compiled for law enforcement purposes, other than material within the scope of subsection (j)(2) of this section: *Provided, however*, That if any individual is denied any right, privilege, or benefit that he would otherwise be entitled by Federal law, or for which he would otherwise be eligible, as a result of the maintenance of such material, such material shall be provided to such individual, except to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence;

"(3) maintained in connection with providing protective services to the President of the United States or other individuals pursuant to section 3056 of title 18;

"(4) required by statute to be maintained and used solely as statistical research or reporting records;

"(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, Federal contracts, or access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence;

"(6) testing or examination material used solely to determine individual qualifications for appointment or promotion in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process; or

"(7) evaluation material used to determine potential for promotion in the armed services, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence.

"(l)(1) Archival Records.—Each agency record which is accepted by the Administrator of General Services for storage, processing, and servicing in accordance with section 3103 of title 44 shall, for the purposes of this section, be considered to be maintained by the agency which deposited the record and shall be subject to the provisions of this section. The Administrator of General Services shall not disclose the record except to the agency which maintains the record, or under rules established by that agency which are not inconsistent with the provisions of this section.

"(2) Each agency record pertaining to an identifiable individual which was transferred to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, prior to the effective date of this section, shall, for the purposes of this section, be considered to be maintained by the National Archives and shall not be subject to the provisions of this section.

"(3) Each agency record pertaining to an identifiable individual which is transferred to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, on or after the effective date of this section, shall, for the purposes of this section, be considered to be maintained by the National Archives and shall be subject to all provisions of this section except subsections (c)(4); (d) (2), (3), and (4); (e)(1), (2)(H) and (3); (f)(4); (g)(1) (B) and (C), and (3).

"(m)(1) Moratorium on the Use of the Social Security Account Number.—No Federal agency, or any State or local government acting in compliance with any Federal law or federally assisted program, shall deny any individual any right, benefit, or privilege provided by law by reason of such individual's refusal to disclose his social security account number.

"(2) This subsection shall not apply—

"(A) with respect to any system of records in existence and operating prior to January 1, 1975; and

"(B) when disclosure of a social security account number is required by Federal law.

"(3) No Federal agency, or any State or local government acting in compliance with any Federal law or federally assisted program, shall use the social security account number for any purpose other than for verification of the identity of an individual unless such other purpose is specifically authorized by Federal law.

"(n) Annual Report.—The President shall submit to the Speaker of the House and the President of the Senate, by June 30 of each calendar year, a consolidated report, separately listing for each Federal agency the number of records contained in any system of records which were exempted from the application of this section under the provisions of subsections (j) and (k) of this section during the preceding calendar year, and the reasons for the exemptions, and such other information as indicates efforts to administer fully this section.".

Sec. 4. The chapter analysis of chapter 5 of title 5, United States Code, is amended by inserting:

"552a. Records about individuals."

immediately below:

"552. Public information; agency rules, opinions, orders, and proceedings.".

Sec. 5. The amendments made by this Act shall become effective on the one hundred and eightieth day following the date of enactment of this Act.

Amend the title so as to read: "An act to amend title 5, United States Code, by adding a section 552a to safeguard individual privacy from the misuse of Federal records and to provide that individuals be granted access to records concerning them which are maintained by Federal agencies."

Mr. ERVIN. Mr. President, on November 21, just before the Thanksgiving recess, both the Senate and the House adopted in different forms——

The PRESIDING OFFICER. Will the Senator suspend briefly until the Chair gets order in the Senate.

I would like to ask the Members of the Senate to please bring order to the Chamber because the Senator from North Carolina is entitled to be heard and he cannot be heard. Would those members conversing please remove themselves to the cloakroom.

The Senator will continue to suspend until there is order in the Chamber.

The Senator may proceed.

Mr. ERVIN. On November 21, just before the Thanksgiving recess, both the Senate and the House passed in different forms Federal privacy legislation. Because of the limited amount of time available between the time of the reconvening of Congress after the recess and the end of the session of Congress members of the Government Operations Committee of the Senate and the House agreed that they would have the different versions studied by their respective staffs during the recess.

After the recess the members of the staffs who had made this study reported to the members of the two committees, and after that the members of the two committees met informally and agreed on the amendments that I will offer in behalf of all the original cosponsors of the privacy bill.

We thought this was a better way of doing it without having a conference and I have been assured by the members of the House Government Operations Committee interested in privacy legislation, that the House will accept these amendments which I propose on behalf of myself and all of the original cosponsors of the bill.

The main differences between the two versions which are reconciled here was that instead of establishing a privacy board, as the Senate bill did, that we will have a privacy study commission to study the subject and report back to the President, to the Senate, and to the House.

We also eliminated, in deference to the House, provisions of the bill dealing with the private sector and we also eliminated some of the provisions dealing with law enforcement agencies.

Now, Mr. President, on behalf of the original cosponsors of the Senate bill and myself, I make this motion.

Mr. President, I move that the Senate agree to the engrossed amendments of the House to the bill (S. 3418) to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes, with the following amendments to such engrossed amendments:

In lieu of the matter proposed to be inserted by the House to the text of the bill, insert the following amendment which I now send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ERVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House to the text of the bill, insert the following:

That this Act may be cited as the "Privacy Act of 1974".

Sec. 2. (a) The Congress finds that—

(1) the privacy of an individual is directly affected by the collection, maintenance, use, and dissemination of personal information by Federal agencies;

(2) the increasing use of computers and sophisticated information technology, while essential to the efficient operations of the Government, has greatly magnified the harm to individual privacy that can occur from any collection, maintenance, use, or dissemination of personal information;

(3) the opportunities for an individual to secure employment, insurance, and credit, and his right to due process, and other legal protections are endangered by the misuse of certain information systems;

(4) the right to privacy is a personal and fundamental right protected by the Constitution of the United States; and

(5) in order to protect the privacy of individuals identified in information systems maintained by Federal agencies, it is necessary and proper for the Congress to regulate the collection, maintenance, use, and dissemination of information by such agencies.

(b) The purpose of this Act is to provide certain safeguards for an individual against an invasion of personal privacy by requiring Federal agencies, except as otherwise provided by law, to—

(1) permit an individual to determine what records pertaining to him are collected, maintained, used, or disseminated by such agencies;

(2) permit an individual to prevent records pertaining to him obtained by such agencies for a particular purpose from being used or made available for another purpose without his consent;

(3) permit an individual to gain access to information pertaining to him in Federal agency records, to have a copy made of all or any portion thereof, and to correct or amend such records;

(4) collect, maintain, use or disseminate any record of identifiable personal information in a manner that assures that such action is for a necessary and lawful purpose, that the information is current and accurate for its intended use, and that adequate safe-

guards are provided to prevent misuse of such information;

(5) permit exemptions from the requirements with respect to records provided in this Act only in those cases where there is an important public policy need for such exemption as has been determined by specific statutory authority; and

(6) be subject to civil suit for any damages which occur as a result of willful or international action which violates any individual's rights under this Act.

SEC. 3. Title 5, United States Code, is amended by adding after section 552 the following new section:

"§ 552a. Records maintained on individuals

"(a) DEFINITIONS.—For purposes of this section—

"(1) the term 'agency' means agency as defined in section 552(e) of this title;

"(2) the term 'individual' means a citizen of the United States or an alien lawfully admitted for permanent residence;

"(3) the term 'maintain' includes maintain, collect, use, or disseminate;

"(4) the term 'record' means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph;

"(5) the term 'system of records' means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual;

"(6) the term 'statistical record' means a record in a system of records maintained for statisical research or reporting purposes only and not used in whole or in part in making any determination about an identifiable individual, except as provided by section 8 of title 13.

"(7) the term 'routine use' means, with respect to the disclosure of a record, the use of such record for a purpose which is compatible with the purpose for which it was collected.

"(b) CONDITIONS OF DISCLOSURE.—No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be—

"(1) to those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties;

"(2) required under section 552 of this title;

"(3) for a routine use as defined in subsection (a)(7) of this section and described under subsection (e)(4)(D) of this section;

"(4) to the Bureau of the Census for purposes of planning or carrying out a census or survey or related activity pursuant to the provisions of title 13;

"(5) to a recipient who has provided the agency with advance adequate written assurance that the record will be used solely as a statistical research or reporting record, and the record is to be transferred in a form that is not individually identifiable;

"(6) to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, or for evaluation by the Administrator of General Services or his designee to determine whether the record has such value;

"(7) to another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought;

"(8) to a person pursuant to a showing of compelling circumstances affecting the health or safety of an individual if upon such disclosure notification is transmitted to the last known address of such individual;

"(9) to either House of Congress, or, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, any joint committee of Congress or subcommittee of any such joint committee;

"(10) to the Comptroller General, or any of his authorized representatives, in the course of the performance of the duties of the General Accounting Office; or

"(11) pursuant to the order of a court of competent jurisdiction.

"(c) ACCOUNTING OF CERTAIN DISCLOSURES.—Each agency, with respect to each system of records under its control, shall—

"(1) except for disclosures made under subsections (b)(1) or (b)(2) of this section, keep an accurate accounting of—

"(A) the date, nature, and purpose of each disclosure of a record to any person or to another agency made under subsection (b) of this section; and

"(B) the name and address of the person or agency to whom the disclosure is made;

"(2) retain the accounting made under paragraph (1) of this subsection for at least five years or the life of the record, whichever is longer, after the disclosure for which the accounting is made;

"(3) except for disclosures made under subsection (b)(7) of this section, make the accounting made under paragraph (1) of this subsection available to the individual named in the record at his request; and

"(4) inform any person or other agency about any correction or notation of dispute made by the agency in accordance with subsection (d) of this section of any record that has been disclosed to the person or agency if any accounting of the disclosure was made.

"(d) ACCESS TO RECORDS.—Each agency that maintains a system of records shall—

"(1) upon request by any individual to gain access to his record or to any information pertaining to him which is contained in the system, permit him and upon his request, a person of his own choosing to accompany him, to review the record and have a copy made of all or any portion thereof in a form comprehensible to him, except that the agency may require the individual to furnish a written statement authorizing discussion of that individual's record in the accompanying person's presence;

"(2) permit the individual to request amendment of a record pertaining to him and—

"(A) not later than 10 days (excluding Saturdays, Sundays, and legal public holidays) after the date of receipt of such request, acknowledge in writing such receipt; and

"(B) promptly, either—

"(i) make any correction of any portion thereof which the individual believes is not accurate, relevant, timely, or complete; or

"(ii) inform the individual of its refusal to amend the record in accordance with his request, the reason for the refusal, the procedures established by the agency for the individual to request a review of that refusal by the head of the agency or an officer designated by the head of the agency, and the name and business address of that official;

"(3) permit the individual who disagrees with the refusal of the agency to amend his record to request a review of such refusal, and not later than 30 days (excluding Saturdays, Sundays, and legal public holidays) from the date on which the individual requests such review, complete such review and make a final determination unless, for good cause shown, the head of the agency extends such 30-day period; and if, after his review, the reviewing official also refuses to amend the record in accordance with the request, permit the individual to file with the agency a concise statement setting forth the reasons for his disagreement with the refusal of the agency, and notify the individual of the provisions for judicial review of the reviewing official's determination under subsection (g)(1)(A) of this section;

"(4) in any disclosure, containing information about which the individual has filed a statement of disagreement, occurring after the filing of the statement under paragraph (3) of this subsection, clearly note any portion of the record which is disputed and provide copies of the statement and, if the agency deems it appropriate, copies of a concise statement of the reasons of the agency for not making the amendments requested, to persons or other agencies to whom the disputed record has been disclosed; and

"(5) nothing in this section shall allow an individual access to any information compiled in reasonable anticipation of a civil action or proceeding.

"(e) AGENCY REQUIREMENTS.—Each agency that maintains a system of records shall—

"(1) maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or by executive order of the President;

"(2) collect information to the greatest extent practicable directly from the subject individual when the information may result in adverse determinations about an individual's rights, benefits, and privileges under Federal programs;

"(3) inform each individual whom it asks to supply information, on the form which it uses to collect the information or on a separate form that can be retained by the individual—

"(A) the authority (whether granted by statute, or by executive order of the President) which authorizes the solicitation of the information and whether disclosure of such information is mandatory or voluntary;

"(B) the principal purpose or purposes for which the information is intended to be used;

"(C) the routine uses which may be made of the information, as published pursuant to paragraph (4)(D) of this subsection; and

"(D) the effects on him, if any, of not providing all or any part of the requested information;

"(4) subject to the provisions of paragraph (11) of this subsection, publish in the Federal Register at least annually a notice of the existence and character of the system of records, which notice shall include—

"(A) the name and location of the system;

"(B) the categories of individuals on whom records are maintained in the system;

"(C) the categories of records maintained in the system;

"(D) each routine use of the records contained in the system, including the categories of users and the purpose of such use;

"(E) the policies and practices of the agency regarding storage, retrievability, access controls, retention, and disposal of the records;

"(F) the title and business address of the agency official who is responsible for the system of records;

"(G) the agency procedures whereby an individual can be notified at his request if the system of records contains a record pertaining to him;

"(H) the agency procedures whereby an individual can be notified at his request how he can gain access to any record pertaining to him contained in the system of records, and how he can contest its content; and

"(I) the categories of sources of records in the system;

"(5) maintain all records which are used by the agency in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination;

"(6) prior to disseminating any record about an individual to any person other than an agency, make reasonable efforts to assure that such records are accurate, complete, timely, and relevant;

"(7) maintain no record describing how any individual exercises rights guaranteed by the first amendment unless expressly authorized by statute or by the individual about whom the record is maintained or unless pertinent to and within the scope of an authorized law enforcement activity;

"(8) make reasonable efforts to serve notice on an individual when any record on such individual is made available to any person under compulsory legal process when such process becomes a matter of public record;

"(9) establish rules of conduct for persons involved in the design, development, operation, or maintenance of any system of records, or in maintaining any record, and instruct each such person with respect to such rules and the requirements of this section, including any other rules and procedures adopted pursuant to this section and the penalties for noncompliance;

"(10) establish appropriate administrative, technical, and physical safeguards to insure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarassment, inconvenience, or unfairness to any individual on whom information is maintained; and

"(11) at least 30 days prior to publication of information under paragraph (4)(D) of this subsection, publish in the Federal Register notice of any new use or intended use of the information in the system, and provide an opportunity for interested persons to submit written data, views, or arguments to the agency.

"(f) Agency Rules.—In order to carry out the provisions of this section, each agency that maintains a system of records shall promulgate rules, in accordance with the requirements (including general notice) of section 553 of this title, which shall—

"(1) establish procedures whereby an individual can be notified in response to his request if any system of records named by the individual contains a record pertaining to him;

"(2) define reasonable times, places, and requirements for identifying an individual who requests his record or information pertaining to him before the agency shall make the record or information available to the individual;

"(3) establish procedures for the disclosure to an individual upon his request of his record or information pertaining to him, including special procedure, if deemed necessary, for the disclosure to an individual of medical records, including psychological records, pertaining to him;

"(4) establish procedures for reviewing a request from an individual concerning the amendment of any record or information pertaining to the individual, for making a determination on the request, for an appeal within the agency of an initial adverse agency determination, and for whatever additional means may be necessary for each individual to be able to exercise fully his rights under this section; and

"(5) establish fees to be charged, if any, to any individual for making copies of his record, excluding the cost of any search for and review of the record.

The Office of the Federal Register shall annually compile and publish the rules promulgated under this subsection and agency notices published under subsection (e)(4) of this section in a form available to the public at low cost.

"(g)(1) Civil Remedies.—Whenever any agency

"(A) makes a determination under subsection (d)(3) of this section not to amend an individual's record in accordance with his request, or fails to make such review in conformity with that subsection;

"(B) refuses to comply with an individual request under subsection (d)(1) of this section;

"(C) fails to maintain any record concerning any individual with such accuracy, relevance, timeliness, and completeness as is necessary to assure fairness in my determination relating to the qualifications, character, rights, or opportunities of, or benefits to the individual that may be made on the basis of such record, and consequently a determination is made which is adverse to the individual; or

"(D) fails to comply with any other provision of this section, or any rule promulgated thereunder, in such a way as to have an adverse effect on an individual,

the individual may bring a civil action against the agency, and the district courts of the United States shall have jurisdiction in this matters under the provisions of this subsection.

"(2)(A) In any suit brought under the provisions of subsection (g)(1)(A) of this section, the court may order the agency to amend the individual's record in accordance with his request or in such other way as the court may direct. In such a case the court shall determine the matter de novo.

"(B) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this paragraph in which the complainant has substantially prevailed.

"(3)(A) In any suit brought under the provisions of subsection (g)(1)(B) of this section, the court may enjoin the agency from withholding the records and order the production to the complainant of any agency records improperly withheld from him. In such a case the court shall determine the matter de novo, and may examine the contents of any agency records in camera to determine whether the records or any portion thereof may be withheld under any of the exemptions set forth in subsection (k) of this section, and the burden is on the agency to sustain its action.

"(B) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this paragraph in which the complainant has substantially prevailed.

"(4) In any suit brought under the provisions of subsection (g) (1) (C) or (D) of this section in which the court determines that the agency acted in a manner which was intentional or willful, the United States shall be liable to the individual in an amount equal to the sum of—

"(A) actual damages sustained by the individual as a result of the refusal or failure, but in no case shall a person entitled to recovery receive less than the sum of $1,000; and

"(B) the costs of the action together with reasonable attorney fees as determined by the court.

"(5) An action to enforce any liability created under this section may be brought in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, without regard to the amount in controversy, within two year from the date on which the cause of action arises, except that where an agency has materially and willfully misrepresented any information required under this section to be disclosed to an individual and the information so misrepresented is material to the establishment of the liability of the agency to the individual under this section, the action may be bought at any time within two years after discovery by the individual of the misrepresentation. Nothing in this section shall be construed to authorize any civil action by reason of any injury sustained as the result of a disclosure of a record prior to the effective date of this section.

"(h) Rights of Legal Guardians.—For the purposes of the section, the parent of any minor, or the legal guardian of any individual who has been declared to be incompetent due to physical or mental incapacity or age by a court of competent jurisdiction, may act on behalf of the individual.

"(i)(1) Criminal Penalties.—Any officer or employee of an agency, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section or by rules or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

"(2) Any officer or employee of any agency who willfully maintains a system of records without meeting the notice requirements of subsection (e)(4) of this section shall be guilty of a misdemeanor and fined not more than $5,000.

"(3) Any person who knowingly and willfully requests or obtains any record concerning an individual from an agency under false pretenses shall be guilty of a misdemeanor and fined not more than $5,000.

"(j) General Exemptions.—The head of any agency may promulgate rules, in accordance with with the requirements (including general notice) of sections 553 (b)(1), (2), and (3), (c), and (e) of this title, to exempt any system of records within the agency from any part of this section except subsections (b), (c)(1), (2), and (4), (e)(4)(A) through (F)(e)(6), (7), (9), (10), and (11), and (i) if the system of records is—

"(1) maintained by the Central Intelligence Agency; or

"(2) maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities, and which consists of (A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; (B) information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

At the time rules are adopted under this subsection, the agency shall include in the statement required under section 553(c) of this title, the reasons why the system of records is to be exempted from a provision of this section.

"(k) Specific Exemptions.—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of sections 553(b) (1), (2) and (3) (c), and (e) of this title, to exempt any system of records within the agency from subsections (c)(3), (d), (e)(1), (e)(4) (G), (H), and (I), and (f) of this section if the system of records is—

"(1) subject to the provisions of section 552(b)(1) of this title;

"(2) investigatory material compiled for law enforcement purposes, other than material within the scope of subsection (j)(2) of this section: *Provided, however,* That if any individual is denied any right, privilege, or benefit that he would otherwise be entitled by Federal law, or for which he would otherwise be eligible, as a result of the maintenance of such material, such material shall be provided to such individual, except to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence;

"(3) maintained in connection with providing protective services to the President of the United States or other individuals pursuant to section 3056 of title 18;

"(4) required by statute to be maintained and used solely as statistical records;

"(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, Federal contracts, or access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence;

"(6) testing or examination material used solely to determine individual qualifications for appointment or promotion in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process; or

"(7) evaluation material used to determine potential for promotion in the armed services, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence.

At the time rules are adopted under this subsection, the agency shall include in the statement required under section 553(c) of this title, the reasons why the system of records is to be exempted from a provision of this section.

"(l)(1) Archival Records.—Each agency record which is accepted by the Administrator of General Services for storage, processing, and servicing in accordance with section 3103 of title 44 shall, for the purposes of this section, be considered to be maintained by the agency which deposited the record and shall be subject to the provisions of this section. The Administrator of General Services shall not disclose the record except to the agency which maintains the record, or under rules established by that agency which are not inconsistent with the provisions of this section.

"(2) Each agency record pertaining to an identifiable individual which was transferred to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, prior to the effective date of this section shall, for the purposes of this section, be considered to be maintained by the National Archives and shall not be subject to the provisions of this section, except that a statement generally describing such records (modeled after the requirements relating to records subject to subsections (a)(4) (A) through (G) of this section) shall be published in the Federal Register.

"(3) Each agency record pertaining to an identifiable individual which is transferred to the National Archives of the United States as a record which has sufficient historical or other value to warrant its continued preservation by the United States Government, on or after the effective date of this section, shall, for the purposes of this section, be considered to be maintained by the National Archives and shall be exempt from the requirements of this section except subsections (e)(4) (A) through (G) and (e)(9) of this section.

"(m) Government Contractors.—When an agency provides by a contract for the operation by or on behalf of the agency of a system of records to accomplish an agency function, the agency shall, consistent with its authority, cause the requirements of this section to be applied to such system. For purposes of subsection (i) of this section any such contractor and any employee of such contractor, if such contract is agreed to on or after the effective date of this section, shall be considered to be an employee of an agency.

"(n) Mailing Lists.—An individual's name and address may not be sold or rented by an agency unless such action is specifically authorized by law. This provision shall not be construed to require the withholding of names and addresses otherwise permitted to be made public.

"(o) Report on New Systems.—Each agency shall provide adequate advance notice to Congress and the Office of Management and Budget of any proposal to establish or alter any system of records in order to permit an evaluation of the probable or potential effect of such proposal on the privacy and other personal or property rights of individuals or the disclosure of information relating to such individuals, and its effect on the preservation of the constitutional principles of federalism and separation of powers.

"(p) Annual Report.—The President shall submit to the Speaker of the House and the President of the Senate, by June 30 of each calendar year, a consolidated report, separately listing for each Federal agency the number of records contained in any system of records which were exempted from the application of this section under the provisions of subsections (j) and (k) of this section during the preceding calendar year, and the reasons for the exemptions, and such other information as indicates efforts to administer fully this section.

"(q) Effect of Other Laws.—No agency shall rely on any exemption contained in section 552 of this title to withhold from an individual any record which is otherwise accessible to such individual under the provisions of this section.".

Sec. 4. The chapter analysis of chapter 5 of title 5, United States Code, is amended by inserting:

"552a. Records about individuals."

immediately below:

"552. Public information; agency rules, opinions, orders, and proceedings.".

Sec. 5. (a)(1) There is established a Privacy Protection Study Commission (hereinafter referred to as the "Commission") which shall be composed of seven members as follows:

(A) three appointed by the President of the United States,

(B) two appointed by the President of the Senate, and

(C) two appointed by the Speaker of the House of Representatives.

Members of the Commission shall be chosen from among persons who, by reason of their knowledge and expertise in any of the following areas—civil rights and liberties, law, social sciences, computer technology, business, records management, and State and local government—are well qualified for service on the Commission.

(2) The members of the Commission shall elect a Chairman from among themselves.

(3) Any vacancy in the membership of the Commission, as long as there are four members in office, shall not impair the power of the Commission but shall be filled in the same manner in which the original appointment was made.

(4) A quorum of the Commission shall consist of a majority of the members, except that the Commission may establish a lower number as a quorum for the purpose of taking testimony. The Commission is authorized to establish such committees and delegate such authority to them as may be necessary to carry out its functions. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information necessary to the performance of their functions, and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or a member designated by the Chairman to be acting Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, other persons, and the public, and, on behalf of the Commission, shall see to the faithful execution of the administrative policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

(5)(A) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that request to Congress.

(B) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation to the President or Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

(b) The Commission shall—

(1) make a study of the data banks, automated data processing programs, and information systems of governmental, regional, and private organizations, in order to determine the standards and procedures in force for the protection of personal information; and

(2) recommend to the President and the Congress the extent, if any, to which the requirements and principles of section 552a of title 5, United States Code, should be applied to the information practices of those organizations by legislation, administrative action, or voluntary adoption of such requirements and principles, and report on such other legislative recommendations as it may determine to be necessary to protect the privacy of individuals while meeting the legitimate needs of government and society for information.

(c)(1) In the course of conducting the study required under subsection (b)(1) of this section, and in its reports thereon, the Commission may research, examine, and analyze—

(A) interstate transfer of information about individuals that is undertaken through manual files or by computer or other electronic or telecommunications means;

(B) data banks and information programs

and systems the operation of which significantly or substantially affect the enjoyment of the privacy and other personal and property rights of individuals;

(C) the use of social security numbers, license plate numbers, universal identifiers, and other symbols to identify individuals in data banks and to gain access to, integrate, or centralize information systems and files; and

(D) the matching and analysis of statistical data, such as Federal census data, with other sources of personal data, such as automobile registries and telephone directories, in order to reconstruct individual responses to statistical questionnaires for commercial or other purposes, in a way which results in a violation of the implied or explicitly recognized confidentiality of such information.

(2) (A) The Commission may include in its examination personal information activities in the following areas: medical; insurance; education; employment and personnel; credit, banking and financial institutions; credit bureaus; the commercial reporting industry; cable television and other telecommunications media; travel, hotel, and entertainment reservations; and electronic check processing.

(B) The Commission shall include in its examination a study of—

(i) whether a person engaged in interstate commerce who maintains a mailing list should be required to remove an individual's name and address from such list upon request of that individual;

(ii) whether the Internal Revenue Service should be prohibited from transferring individually indentifiable data to other agencies and to agencies of State governments;

(iii) whether the Federal Government should be liable for general damages incurred by an individual as the result of a willful or intentional violation of the provisions of sections 552a (g) (1) (C) or (D) of title 5, United States Code; and

(iv) whether and how the standards for security and confidentiality of records required under section 552a (e) (10) of such title should be applied when a record is disclosed to a person other than an agency.

(C) The Commission may study such other personal information activities necessary to carry out the congressional policy embodied in this Act, except that the Commission shall not investigate information systems maintained by religious organizations.

(3) In conducting such study, the Commission shall—

(A) determine what laws, Executive orders, regulations, directives, and judicial decisions govern the activities under study and the extent to which they are consistent with the rights of privacy, due process of law, and other guarantees in the Constitution;

(B) determine to what extent governmental and private information systems affect Federal-State relations or the principle of separation of powers;

(C) examine the standards and criteria governing programs, policies, and practices relating to the collection, soliciting, processing, use, access, integration, dissemination, and transmission of personal information; and

(D) to the maximum extent practicable, collect and utilize findings, reports, studies, hearing transcripts, and recommendations of governmental, legislative and private bodies, institutions, organizations, and individuals which pertain to the problems under study by the Commission.

(d) In addition to its other functions the Commission may—

(1) request assistance of the heads of appropriate departments, agencies, and instrumentalities of the Federal Government, of State and local governments, and other persons in carrying out its functions under this Act;

(2) upon request, assist Federal agencies in complying with the requirements of section 552a of title 5, United States Code;

(3) determine what specific categories of information, the collection of which would violate an individual's right of privacy, should be prohibited by statute from collection by Federal agencies; and

(4) upon request, prepare model legislation for use by State and local governments in establishing procedures for handling, maintaining, and disseminating personal information at the State and local level and provide such technical assistance to State and local governments as they may require in the preparation and implementation of such legislation.

(e) (1) The Commission may, in carrying out its functions under this section, conduct such inspections, sit and act at such times and places, hold such hearings, take such testimony, require by subpena the attendance of such witnesses and the production of such books, records, papers, correspondence, and documents, administer such oaths, have such printing and binding done, and make such expenditures as the Commission deems advisable. A subpena shall be issued only upon an affirmative vote of a majority of all members of the Commission. Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by the Chairman and shall be served by any person designated by the Chairman or any such member. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) (A) Each department, agency, and instrumentality of the executive branch of the Government is authorized to furnish to the Commission, upon request made by the Chairman, such information, data, reports and such other assistance as the Commission deems necessary to carry out its functions under this section. Whenever the head of any such department, agency, or instrumentality submits a report pursuant to section 552a(o) of title 5, United States Code, a copy of such report shall be transmitted to the Commission.

(B) In carrying out its functions and exercising its powers under this section, the Commission may accept from any such department, agency, independent instrumentality, or other person any individually identifiable data if such data is necessary to carry out such powers and functions. In any case in which the Commission accepts any such information, it shall assure that the information is used only for the purpose for which it is provided, and upon completion of that purpose such information shall be destroyed or returned to such department, agency, independent instrumentality, or person from which it is obtained, as appropriate.

(3) The Commission shall have the power to—

(A) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(B) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

The Commission may delegate any of its functions to such personnel of the Commission as the Commission may designate and may authorize such successive redelegations of such functions as it may deem desirable.

(4) The Commission is authorized—

(A) to adopt, amend, and repeal rules and regulations governing the manner of its operations, organization, and personnel;

(B) to enter into contracts or other arrangements or modifications thereof, with any government, any department, agency, or independent instrumentality of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(C) to make advance, progress, and other payments which the Commission deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(D) to take such other action as may be necessary to carry out its functions under this section.

(f) (1) Each member of the Commission who is an officer or employee of the United States shall serve without additional compensation, but shall continue to receive the salary of his regular position when engaged in the performanec of the duties vested in the Commission.

(2) A member of the Commission other than one to whom paragraph (1) applies shall receive per diem at the maximum daily rate for GS–18 of the General Schedule when engaged in the actual performance of the duties vested in the Commission.

(3) All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(g) The Commission shall, from time to time, and in an annual report, report to the President and the Congress on its activities in carrying out the provisions of this section. The Commission shall make a final report to the President and to the Congress on its findings pursuant to the study required to be made under subsection (b) (1) of this section not later than two years from the date on which all of the members of the Commission are appointed. The Commission shall cease to exist thirty days after the date on which its final report is submitted to the President and the Congress.

(h) (1) Any member, officer, or employee of the Commission, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be fined not more than $5,000.

(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from the Commission under false pretenses shall be fined not more than $5,000.

SEC. 6. The Office of Management and Budget shall—

(1) develop guidelines and regulations for the use of agencies in implementing the provisions of section 552a of title 5, United States Code, as added by section 3 of this Act; and

(2) provide continuing assistance to and oversight of the implementation of the provisions of such section by agencies.

SEC. 7. (a) (1) It shall be unlawful for any Federal, State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number.

(2) The provisions of paragraph (1) of this subsection shall not apply with respect to—

(A) any disclosure which is required by Federal statute, or

(B) the disclosure of a social security

number to any Federal, State, or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual.

(b) Any Federal, State, or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.

Sec. 8. The provisions of this Act shall be effective on and after the date of enactment, except that the amendments made by sections 3 and 4 shall become effective 270 days following the day on which this Act is enacted.

Sec. 9. There is authorized to be appropriated to carry out the provisions of section 5 of this Act for fiscal years 1975, 1976, and 1977 the sum of $1,500,000, except that not more than $750,000 may be expended during any such fiscal year.

In lieu of the engrossed amendment to the title, insert the following:

Amend the title so as to read: "An Act to amend title 5, United States Code, by adding a section 552a to safeguard individual privacy from the misuse of Federal records, to provide that individuals be granted access to records concerning them which are maintained by Federal agencies, to establish a Privacy Protection Study Commission, and for other purposes."

Mr. ERVIN. We preserve most of the essential elements of the Senate bill with these few minor changes.

I have been asked by the distinguished Senator from Louisiana, as chairman of the Finance Committee, the question whether these amendments would interfere with the practice of the Internal Revenue Service in furnishing information to the State taxing authorities and to congressional committees, and my assurance is that that will not be interfered with in any respect whatever.

I would like to address more specifically some other questions raised about how the bill will work with respect to tax information and tax returns. Specifically, the questions relate to the ability of the IRS to disclose tax information under the provision of the bill that allows disclosure for a routine use under a purpose which is compatible with the purpose for which the information is collected.

State and local tax agencies now heavily rely on Federal tax information and investigations when State agencies enforce their tax laws. For example, when the IRS sets up a deficiency against a taxpayer who lives in a State, the IRS frequently sends information on this deficiency to the State, or local, tax agency. The States use this information in collecting their own taxes. This information may be sent before the State itself conducts any tax investigation on the individual.

Under the bill, this is intended to constitute a routine use for a purpose compatible with the purpose for which the information was collected, so the IRS could continue to send this information to the State and local tax agencies as is presently done.

Also, the IRS sends to State, and local, tax agencies the Federal tax returns of individuals who live in the State so the State agency can check to see if the individual has reported the same income and deductions on his Federal and State, or local, tax returns. Again, the States rely on this information in enforcing their own tax laws. Also, this information may be sent to a State before it conducts a tax investigation on its own.

Under the bill, it is intended that this would be a routine use for a purpose compatible with the purpose for which the information is collected so the IRS can continue to send tax information to State and local tax agencies in this way.

The IRS, of course, provides tax information on individuals to the Justice Department when the Justice Department is preparing a tax case against the individual. This information is used by the Justice Department in investigating and preparing tax cases and also is disclosed in court as the Justice Department presents evidence against the individual.

This disclosure both to the Justice Department and in court would represent a routine use of the tax information compatible with the purpose for which it was collected and this disclosure would continue to be possible under the provisions of the bill.

Under the bill tax returns and other tax information can—as under present law—be disclosed to the tax committees of the Congress—the Senate Finance Committee, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation.

Under the bill this information can also continue to be disclosed to the staffs of these committees, as under present law.

Under the bill an agency can disclose tax returns to either House of Congress or to committees of Congress—to the extent of matters within their jurisdiction. Since tax returns can be disclosed by an agency to the Senate and House, it is intended that—as under present law—the committees which have received tax returns can also disclose them to the Senate or House, just as the Joint Committee on Internal Revenue Taxation did with the tax information on President Nixon.

I have also prepared an analysis of these amendments which I submit entitled "Analysis of House and Senate Compromise Amendments to the Federal Privacy Act," which explains the provisions of the amendments.

Mr. President, I ask unanimous consent that this statement be printed at this point in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

ANALYSIS OF HOUSE AND SENATE COMPROMISE AMENDMENTS TO THE FEDERAL PRIVACY ACT

The establishment of a Privacy Protection Study Commission. Only the Senate bill provided for an oversight and study commission to assist in the implementation of the act and to explore areas concerned with individual privacy which have not been included in the provisions of this legislation. The compromise measure will establish a Privacy Protection Study Commission of seven members instead of the five provided in the Senate bill. Three of these members will be appointed by the President, two by the President of the Senate, and two by the Speaker of the House of Representatives.

The membership should be represenatative of the public at large who, by reason of their knowledge and expertise in the areas of civil rights and liberties, law, social sciences, and complete technology, business, and State and local government are well qualified for service on the Commission. While there is no statutory requirement, the Committees could expect that no more than five members of the Commission could be members of one political party.

It is intended that this commission, which will serve for a period of two years, will be solely a study commission. In that capacity it is hoped the commission can assist the Executive Branch and the Congress in their examination of Federal government activities and their impact on privacy as well as representatives of State and local governments and the private sector who are attempting to deal with this important problem.

The scope of the commission's study authority is outlined specifically within the legislation. In subsection (c)(2)(b), the commission is directed to examine certain issues which are not included in the compromise between the House and Senate bill, such as a requirement that a person maintaining mailing lists remove an individual's name upon request; the question of prohibiting the transfer of individually identifiable data from the Internal Revenue Service to other agencies and to Senate governments; a question of whether the Federal government should be liable for general damages occuring from a willful or intentional violation of the provisions of (g)(1) (C) or (D) of this act; and the extent to which requirements for security and confidentiality of records maintained under this act should be applied to a person other than an agency.

The commission shall from time to time and in an annual report, report to the Congress and to the President on its activities, and it shall submit a final report of its findings two years from the date the members of the commission are appointed.

In addition, the commission is authorized to provide necessary technical assistance and prepare model legislation upon request for State and local governments interested in adopting privacy legislation. Strict standards and penalties are placed upon commission members and employees with regard to the handling and unlawful distribution of information about individuals which it receives in the course of carrying out its functions.

While the provisions of the rest of this act do not go into effect until 270 days from the date of enactment, the commission is authorized to go into effect immediately upon the appointment of its members in order that some of its work may be available to the Congress and the Executive Branch by the time the remainder of the legislation becomes effective.

ROUTINE USE

The House bill contains a provision not provided for in the Senate measure exempting certain disclosures of information from the requirement to obtain prior consent from the subject when the disclosure would be for a "routine use". The compromise would define "routine use" to mean; "with respect to the disclosure of a record, the use of such records for a purpose which is compatible with the purpose for which it was collected."

Where the Senate bill would have placed tight restrictions upon the transfer of personal information between or outside Federal agencies, the House bill, under the routine use provision, would permit an agency to describe its routine uses in the Federal Register and then disseminate the information without the consent of the individual or without applying the standards of accuracy, relevancy, timeliness or completeness so long as no determination was being made about the subject.

The compromise definition should serve as a caution to agencies to think out in advance what uses it will make of information. This act is not intended to impose undue burdens on the transfer of information to the Treasury Department to complete payroll checks, the receipt of information by the Social Security Administration to complete quarterly posting of accounts, or other such housekeeping measures and necessarily frequent interagency or intra-agency transfers of information. It is, however, intended to discourage the unnecessary exchange of information to another person or to agencies who may not be as sensitive to the collecting agency's reasons for using and interpreting the material.

INFORMATION ON POLITICAL ACTIVITIES

The House bill tells agencies that they may not maintain a record concerning the political or religious beliefs or activities of any individual unless maintenance of the record would be authorized expressly by statute or by the individual about whom the record is maintained. The House bill goes on to provide that this subsection is not deemed to prohibit the maintenance of any record or activity which is pertinent to and within the scope of a duly authorized law enforcement activity.

The Senate bill constitutes a prohibition against agency programs established for the purpose of collecting or maintaining information about how individuals exercise First Amendment rights unless the agency head specifically determines that the program is required for the administration of a statute.

The compromise broadens the House provisions application to all First Amendment rights and directs the prohibition against the maintenance of records. However, as in the House bill, it does permit the maintenance, use, collection or dissemination of these records which are expressly authorized by statute or the individual subject or are pertinent to a duly authorized law enforcement activity.

CONFIDENTIAL SOURCES OF INFORMATION

The compromise provision for the maintenance of information received from confidential sources represents an acceptance of the House language after receiving an assurance that in no instance would that language deprive an individual from knowing of the existence of any information maintained in a record about him which was received from a "confidential source." The agencies would not be able to claim that disclosure of even a small part of a particular item would reveal the identity of a confidential source. The confidential information would have to be characterized in some general way. The fact of the item's existence and a general characterization of that item would have to be made known to the individual in every case.

Furthermore, the acceptance of this section in no way precludes an individual from knowing the substance and source of confidential information, should that information be used to deny him a promotion in a government job or access to classified information or some other right, benefit or privilege for which he was entitled to bring legal action when the government wished to base any part of its legal case on that information.

Finally, it is important to note that the House provision would require that all future promises of confidentiality to sources of information be expressed and not implied promises. Under the authority to prepare guidelines for the administration of this act it is expected that the Office of Management and Budget will work closer with agencies to insure that Federal investigators make sparing use of the ability to make express promises of confidentiality.

STANDARDS APPLIED TO DISSEMINATION OUTSIDE THE GOVERNMENT

H.R. 16373 requires that all records which are used by an agency in making any determination about an individual be maintained with such accuracy, relevance, timeliness and completeness as is reasonably necessary to assure fairness to the individual in the determination. S. 3418 goes much further and requires that agencie apply these standards at any time that access is granted to the file, material is added to or taken from the file, or at any time it is used to make a determination affecting the subject of the file.

The difference between these two measures represents a difference in philosophy regarding the handling of personal information. The Senate measure is designed to complement the requirement that agencies maintain only information which is relevant and necessary to accomplish a statutory purpose. The standard of relevancy should be that statutory basis for an information program which is now set forth in (e)(1) of the compromise measure. By adopting this section, the Senate hoped to encourage a periodic review of personal information contained in Federal records as those records were used or disseminated for any purpose.

The House provision would have applied these important standards for maintenance of information in records at any time a determination is made about an individual. The House bill goes on to permit additional "routine uses" of information which may not rise to the threshhold of an "agency determination" without requiring that the information be upgraded to meet these standards.

The compromise amendment would adopt the section of the House bill applying the standards of accuracy, relevance, timeliness and completeness at the time of a determination. It would add the additional requirement, however, that prior to the dissemination of any record about an individual to any person other than another agency, the sending agency shall make a reasonable effort to assure that the record is accurate, complete, timely, and relevant. This proviso was included because Federal agencies would be governed by a requirement to clean up their records before a determination is made and limited by a requirement to publish each routine use of information in the Federal Register, but the use of information by persons outside the Federal government would not be governed by this act. Therefore, agencies are directed to be far more careful about the dissemination of personal information to persons not governed by the enforcement provisions of this bill.

THE FREEDOM OF INFORMATION ACT AND PRIVACY

Perhaps the most difficult task in drafting Federal privacy legislation was that of determining the proper balance between the public's right to know about the conduct of their government and their equally important right to have information which is personal to them maintained with the greatest degree of confidence by Federal agencies. The House bill made no specific provision for Freedom of Information Act requests of material which might contain information protected by the Privacy Act. Instead, in the committee report on the bill, it recognized that:

"This legislation would have an effect on subsection (b)(6) of the Freedom of Information Act (5 U.S.C., Section 552) which states that the provisions regarding disclosure of information to the public shall not apply to material 'the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.' H.R. 16373 would make all individually identifiable information in government files exempt from public disclosure. Such disclosure could be made available to the public only pursuant to rules published by agencies in the Federal Register permitting the transfer of particular data to persons other than the individuals to whom they pertain."

The committee report went on to express a desire that agencies continue to make certain individually identifiable records open to the public because such disclosure would be in the public interest.

The Senate bill reflected the position of an earlier draft of the House measure in Section 205(b) where it provided that nothing in the act shall be construed to permit the withholding of any personal information which is otherwise required to be disclosed by law or any regulation thereunder. This section was intended as specific recognition of the need to permit disclosure under the Freedom of Information Act.

The compromise amendment would add an additional condition of disclosure to the House bill which prohibits disclosure without written request of an individual unless disclosure of the record would be pursuant to Section 552 of the Freedom of Information Act. This compromise is designed to preserve the status quo as interpreted by the courts regarding the disclosure of personal information under that section.

A related amendment taken from the Senate bill would prohibit any agency from relying upon any exemption contained in Section 552 to withhold from an individual any record which is otherwise accessible to such individual under the provisions of this section.

CIVIL REMEDIES

Under the House bill an individual would be permitted to seek an injunction against an agency only to produce his record upon a failure of an agency to comply with his request. An individual would be able to sue for damages only if an agency failed to maintain a record about him with such accuracy, relevance, timeliness and completeness as would be necessary to assure fairness and a determination about him, and consequently an adverse determination was made. A suit for damages would also be in order against an agency if it fails to comply with any other provision of this act in such a way to have an adverse effect on the individual.

Under the Senate bill injunctive relief would be available to an individual to enforce any right granted to him. And an individual would be permitted to sue for damages for any action or omission of an officer or employee of the government who violates a provision of the act.

The standard for recovery of damages under the House bill would have rested on the determination by a court that the agency acted in a manner which was willful, arbitrary, or capricious. The Senate bill would have permitted recovery against an agency on a finding that the agency was negligent in handling his records.

These amendments represent a compromise between the two positions, permitting an individual to seek injunctive relief to correct or amend a record maintained by an agency. In a suit for damages, the amendment reflects a belief that a finding of willful, arbitrary, or capricious action is too harsh a standard of proof for an individual to exercise the rights granted by this legislation. Thus the standard for recovery of damages was reduced to "willful or intentional" action by an agency. On a continuum between negligence and the very high standard of willful, arbitrary, or capricious conduct, this standard is viewed as only somewhat greater than gross negligence.

Both the House and Senate bills provided for an individual to recover reasonable attorney fees and costs of litigation. The compromise amendments adopt the standard of the House bill permitting the court to award attorney fees and reasonable costs to an individual where the complainant has substantially prevailed, in an injunctive action. Fees would be required to be paid with any award of damages.

ACCESS AND CHALLENGE TO RECORDS

The House bill would apply a standard of promptness to agency considerations of requests for access to records and requests to challenge or correct those records. In addition, it allows the individual to request a review of a refusal to correct a record by the agency official named in its public notice of information systems.

The Senate bill requires the agency to make a determination with respect to an individual's request for a record change within 60 days of the request and to permit him a hearing within 30 days of a request for one, with extension for good cause permitted. The individual would have the option of a formal or informal hearing procedure within the agency upon a refusal of a request to correct or amend a record. The compromise amendment would require the agency to respond within 10 working days to acknowledge an individual's request to amend a record. Following acknowledgement, the agency must promptly correct the information which the individual believes is not accurate, relevant, timely or complete or inform the individual of its refusal.

If the individual disagrees with the refusal of the agency to amend his record, the agency shall conduct a review of that refusal within 30 working days, provided than an extension may be obtained for good cause. We expect that agency heads will conduct these reviews themselves or assign officers of the rank of Deputy Assistant Secretary or above to review them.

The House bill would not have permitted a Federal District Court to review de novo an agency's refusal to amend a record. The compromise adopts the Senate provision which would require a de novo review of such refusal and to order a correction where merited. Finally, the compromise requires that in any disclosure of information subject to disagreement that the agency include with the disclosure a notation of any dispute over the information or a copy of any statement submitted by the individual stating his reasons for disagreement with the information.

ACCOUNTING FOR DISCLOSURES

Section c of the House bill requires an agency to inform any person or another agency about a correction or notation of dispute regarding a record that has been disclosed to that person or agency within two years before making the correction or notation. It would not apply if no accounting of the disclosure had been required. No such limitation was placed upon accounting for disclosures in the Senate bill and the compromise measure would require any person or agency receiving the record at any time before a notation or dispute is made to be notified if an accounting of the disclosures were made.

The House bill requires an agency to maintain an accounting for disclosures for only five years. The Senate bill places no limitation on the length of time for maintaining such disclosures. The compromise amendment would require maintaining of the disclosure for five years or the life of the record, whichever is longer.

LIMITATIONS ON THE TYPES OF INFORMATION COLLECTED AND THE USE OF THIRD PARTY INFORMATION

The Senate bill requires Federal agencies to maintain only such information about an individual as is relevant and necessary to accomplish a statutory purpose of the agency. The House bill did not address this issue. The compromise amendment modifies the Senate provision to permit the collection of information which would be required to accomplish not only a purpose set out by a statute but also a purpose outlined by a Presidential Executive Order.

The provision is included to limit the collection of extraneous information by Federal agencies. It requires that a conscious decision be made that the information is required to meet the needs of an agency as dictated by a statute. Agencies should formulate as precisely as possible the policy objectives to be served by a data gathering activity before it is undertaken. It is hoped that multiple requests for information will be reduced and that agencies will collect no more sensitive personal information than is necessary.

The Senate bill also requires agencies to collect information to the greatest extent practicable directly from the subject when that information could result in an adverse determination about an individual's rights and benefits and privileges under a Federal program. The House bill had no provision, but the compromise amendment accepts the Senate language. This section is designed to discourage the collection of personal information from third party sources and therefore to encourage the accuracy of Federal data gathering. It supports the principle that an individual should to the greatest extent possible be in control of information about him which is given to the government. This may not be practical in all cases for financial or logistical reasons or because of other statutory requirements. However, it is a principle designed to insure fairness in information collection which should be instituted wherever possible.

ARCHIVAL RECORDS

The House bill provides that records accepted by the Administrator of General Services for temporary storage and servicing shall be considered for purposes of this act, to be maintained by the agency which deposits the records. Records transferred to the National Archives after the effective date of this Act for purposes of historical preservation are considered to be maintained by the Archives and are subject only to limited provisions of the Act. Records transferred to the National Archives before the effective date of this Act are not subject to the provisions of this Act.

The Senate bill provides that records accepted by the Administrator of General Services for temporary storage and servicing shall be considered, for purposes of this Act, to be maintained by the agency which deposits the records. All records transferred to the National Archives for purposes of historical preservation are considered to be maintained by the Archives and are subject only to those provisions of this Act requiring annual public notice of the existence and character of the information systems maintained by the Archives, establishment of appropriate safeguards to insure the security and integrity of preserved personal information, and promulgation and implementation of rules to insure the effective enforcement of those safeguards.

The compromise amendment subjects records transferred to the National Archives for historical preservation to a modified requirement for annual public notice. It is intended that the notice provision not be applied separately and specifically to each of the many thousands of separate systems of records transferred to the Archives prior to the effective date of this Act, but rather that a more general description be provided which pertains to meaningful groupings of record systems. However, record systems transferred to the Archives after the effective date of this Act are individually subject to the specific notice provisions. This coverage is intended to support and encourage improvements in the organization and cataloging of records maintained by the Archives, both to make authorized access to such records simpler and to insure broader application to Archival records of safeguards for data security and confidentiality.

MORATORIUM ON THE USE OF THE SOCIAL SECURITY ACCOUNT NUMBER

The House bill provides that a Federal agency, or a State or local government acting in compliance with Federal law or a federally assisted program, is prohibited from denying to individuals rights, benefits or privileges by reason of refusal to disclose the social security account number. Any such governmental agency is further prohibited from utilizing the social security account number for purposes apart from verification of individual identity except where another purpose is specifically authorized by law. Exempt from these prohibitions are systems of records in existence and operating prior to January 1, 1975. Exemption is further granted where disclosure of a social security account number is required by Federal law.

The Senate bill provides that a Federal agency, or a State or local government, is prohibited from denying to individuals rights, benefits or privileges by reason of refusal to disclose the social security account number. Persons engaged in the business of commercial transactions or activities are prohibited from discriminating against any individual in the course of such activities by reason of refusal to disclose the social security account number. Exempt from these prohibitions are systems of records in existence and operating prior to January 1, 1975. Also exempt are disclosures of the social security account number required by Federal law. This section further provides that any Federal, State or local government agency or any person who requests an individual to disclose his social security number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, what uses will be made of it, and what rules of confidentiality will govern it.

The compromise amendment changes the House language by broadening the coverage of State and local governments so as to prohibit any new activity by such a government that would condition a right, benefit or privilege upon an individual's disclosure of his social security account number.

To clarify the intent of the Senate and House, the grandfather clause of this section was re-stated to exempt only those governmental uses of the social security account number continuing from before January 1, 1975, pursuant to a prior law or regulation that, for purposes of verifying identity, required individuals to disclose their social security account number as a condition for exercising a right, benefit, or privilege. Thus, for illustration, after January 1, 1975, it will be unlawful to commence operation of a State or local government procedure that requires individuals to disclose their social security account number in order to register a motor vehicle, obtain a driver's license or other permit, or exercise the right to vote in an election. The House section was amended to include the Senate provision for informing an individual requested to disclose his social security account number of the nature, authority and purpose of the request. This provision is intended to permit an individual to make an informed decision whether or not to disclose the social security account number, and it is intended to bring recognition to, and discourage, unnecessary or improper uses of that number.

MAILING LISTS

The Senate bill prohibits the sale or rental of an individual's name and address by a Federal agency unless such action is specifically authorized by law. This section further provides that upon written request of any individual, any person engaged in interstate commerce who maintains a mailing list shall remove the individual's name and address from such list.

The compromise amendment accepts the Senate prohibition of the sale or rental of mailing lists by Federal agencies. Names and addresses associated with other personal information obtained by Federal agencies pursuant to statute or executive order, or by unauthorized means, are thus not permitted to be sold or rented to the public. Public disclosure of mailing lists by authority of Section 552(b), the Freedom of Information Act, or by authority of other Federal law, is not prohibited. Public disclosure would be permitted in certain other circumstances where the agency determines that the potential for adverse effects from such disclosure on the privacy or other rights of persons on a mailing list are inconsequential and that the benefits likely to accrue to such persons and to the general public are clear and significant. In this regard, a directive from the Office of Management and Budget forbidding disclosure by Federal agencies of a person's name absent his specific consent would be relevant to the intent of this subsection.

RULEMAKING PROCEDURES FOR MAKING EXEMPTIONS

To obtain an exemption from certain provisions of this Act under the House bill, agencies entitled to those exemptions would be required to public notice of the proposed exemptions in the Federal Register pursuant to Section 553 of the Administrative Procedures Act permitting comments to be submitted in writing for inclusion in the Record with such exemptions.

The Senate bill applied a much more stringent standard and would have required agencies to hold adjudicatory hearings as provided in APA Sections 556 and 557. The compromise agreement would no longer require full adjudicatory proceeding by any agency seeking an exemption permitted under the act. However, agencies would still be required to publish notice of a proposed rulemaking in the Federal Register and could not waive the 30 day period for such publication. In addition it is specifically provided in this act that agencies obtaining such exemptions state the reasons why the system of records is to be exempted. Should objection be filed with the Commission to any rulemaking exemption, it is expected that the agency would respond specifically to each objection in setting forth its reason in support of the exemption.

DUTIES OF THE OFFICE OF MANAGEMENT AND BUDGET

Under the Senate bill the Privacy Protection Commission was directed to develop model guidelines and conduct certain oversight of the implementation of this Act to Federal agencies. Since the compromise amendment would change the scope of authority of the commission, it was felt there remained a need for an agency within the government to develop guidelines and regulations for agencies to use in implementing the provisions of the Act and to provide continuing assistance to and oversight of the implementation of the provisions of this Act by the agencies.

This function has been assigned to the Office of Management and Budget.

REPORTS ON NEW SYSTEMS

Under the Senate bill the Privacy Protection Commission was to have a central role in evaluating proposals to establish or alter new systems of information in the Federal government. If the commission had determined that such a proposal was not in compliance with the standards established by the Senate bill the agency which prepared the report could not proceed to establish or modify an information system for 60 days in order to give the Congress and the President an opportunity to review that report and the commission's recommendations.

The compromise amendment still would require that agencies provide adequate advance notice to the Congress and to the Office of Management and Budget of any proposal to establish or alter a system of records in order to permit an evaluation of the privacy impact of that proposal. In addition to the privacy impact, consideration should be given to the effect the proposal may have on our Federal system and on the separation of powers between the three branches of government. These concerns are expressed in connection with recent proposals by the General Services Administration and Department of Agriculture to establish a giant data facility for the storing and sharing of information between those and perhaps other departments. The language in the Senate report on pages 64–66 reflects the concern attached to the inclusion of this language in S. 3418.

The acceptance of the compromise amendment does not question the motivation or need for improving the Federal government's data gathering and handling capabilities. It does express a concern, however, that the office charged with central management and oversight of Federal activities and the Congress have an opportunity to examine the impact of new or altered data systems on our citizens, the provisions for confidentiality and security in those systems and the extent to which the creation of the system will alter or change interagency or intergovernmental relationships related to information programs.

GOVERNMENT CONTRACTS

The Senate bill would have extended its provisions outside the Federal government only to those contractors, grantees or participants in agreements with the Federal government, where the purpose of the contract, grant or agreement was to establish or alter an information system. It addressed a concern over the policy governing the sharing of Federal criminal history information with State and local government law enforcement agencies and for the amount of money which has been spent through the Law Enforcement Assistance Administration for the purchase of State and local government criminal information systems.

The compromise amendment would now permit Federal law enforcement agencies to determine to what extent their information systems would be covered by the Act and to what extent they will extend that coverage to those with which they share that information or resources.

At the same time it is recognized that many Federal agencies contract for the operation of systems of records on behalf of the agency in order to accomplish an agency function. It was provided therefore that such contracts if agreed to on or after the effective date of this legislation shall provide that those contractors and any employees of those contractors shall be considered to be employees of an agency and subject to the provisions of the legislation.

DEFINITION OF RECORD

The definition of the term "Record" as provided in the House bill has been expanded to assure the intent that a record can include as little as one descriptive item about an individual and that such records may incorporate but not be limited to information about an individual's education, financial transactions, medical history, criminal or employment records, and that they may contain his name, or the identifying number, symbol, or other identifying particularly assigned to the individual, such as a finger or voice print or a photograph. The amended definition was adopted to more closely reflect the definition of "personal information" as used in the Senate bill.

DEFINITION OF THE TERM AGENCY

Some questions have been raised regarding the applicability of H.R. 16373 and S. 3418 to the U.S. Postal Service, the Postal Rate Commission and similarly related entities.

H.R. 16373 defines "agency" to mean an agency as defined in Section 552(e) of Title V. S. 3418 defines the term "Federal agency" to mean any department, agency, instrumentality, or establishment in the Executive Branch of the Government of the United States and includes any officer or employee thereof.

A compromise agreement adopts the definition by reference to section 552(e) as provided in H.R. 16373. It is the intention of the House and Senate that the Federal Privacy Act clearly apply to the Postal Service, the Postal Rate Commission, and government corporations or government controlled corporations now in existence or which may be created in the future as provided in Public Law 93–502, the amendments to the Freedom of Information Act.

While Section 410(a) of Title 39 of the U.S. Code exempts the Postal Service and Postal Rate Commission from legislation generally applicable to Federal agencies, barring a clear expression of Congressional intent to the contrary, is the considered intent of the committees which consider this legislation that it should apply to the Postal Service and Postal Rate Commission, notwithstanding the operation of Title 39 Section 14(a) of the United States Code.

Mr. ERVIN. Mr. President, I have also prepared a statement giving credit to members of the Government Operations Committee, and another statement giving credit to members of the Subcommittee on Constitutional Rights, which worked on privacy matters for many years, commending them for their work.

I would like to ask unanimous consent these be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT TO MEMBERS OF THE GOVERNMENT OPERATION COMMITTEE

Mr. President, S. 3418 represents the culmination of many months of work by the Committee on Government Operations to fashion legislation that will guarantee the rights of all Americans with respect to the gathering, use, and disclosure of information about them by the Federal Government.

Again, I want to express my gratitude to two members of this committee who have helped make this legislation possible Senator Percy from Illinois, the ranking minority member, and Senator Muskie from Maine, the chairman of the Subcommittee on Intergovernmental Relations.

Their efforts, and that of their staffs have been indispensible in helping to reach the compromise reflected in the amendments adopted by the Senate today.

Great credit also is due to Senator Ribicoff, Senator Javits and the other cosponsors of this legislation as well as to all the members of the Committee on Government Operations. Without their many valuable contributions, we would have been unable to develop the sensible bill that the committee reported unanimously to the Senate.

Finally, the Committee wishes to express appreciation for the valuable time and effort devoted to the drafting of this legislation by Mr. Bill Ticer, in the office of the Senate Legislative Counsel.

Mr. President, I am pleased to note that the compromise which has been reached between the Senate and the House on this privacy legislation will provide for the establishment of a Privacy Protection Study Commission. While the scope of the commission's authority is not as broad as we had sought in the Senate bill, it should serve as an important function in providing the President and the Congress with the kind and caliber of information about problems related to privacy in the public and private sectors which are needed to make informed decisions.

I believe that this bill also strengthens the ability of the individual to enforce the rights granted to him under this act from the provisions which were contained in the House measure.

Finally the compromise bill contains the minimum recommendations made for protecting privacy and for establishing rules of due process for the Government's use of computer technology for personal data systems.

It is in keeping with the recommendation of the Committee on Government Operations which stated the purpose of the Senate bill is to:

Promote government respect for the privacy of citizens by requiring all departments and agencies of the executive branch and their employees to observe certain constitutional rules in the computerizing, collection, management, use and disclosure of personal information about individuals.

It is to promote accountability, responsibility, legislative oversight, and open government with respect to the use of computer technology in the personal information systems and data banks of the Federal government and with respect to all of its other manual or mechanized files.

It is designed to prevent the kind of illegal, unwise, over-broad, investigation and record surveillance or law-abiding citizens which has resulted in recent years from actions of some over-zealous investigators, from the curiosity of some government administrators, and from the wrongful disclosure and use of personal files held by Federal agencies.

It is to prevent the secret gathering of information or the creation of secret information systems or data banks on Americans by employees of the departments and agencies of the Executive branch.

It is designed to set in motion a long-overdue evaluation of the needs of the Federal government to acquire and retain personal information on Americans, by requiring stricter review within agencies or criteria for collection and retention of such information.

It is also to promote observance of valued principles of fairness and individual privacy by those who develop, operate and administer other major institutional and organizational data banks of government and society.

While this is a momentous day for the Senate, it's work in the field of privacy is not completed with the adoption of this legislation. It will require aggressive oversight by the Committee on Government Operations, and I would hope that Senator Muskie through his Subcommittee on Intergovernmental Relations, and that Senator Percy, as the ranking minority member of the Committee on Government Operations, will continue to exercise their leadership in this regard.

STATEMENT TO MEMBERS OF THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

Mr. ERVIN. Mr. President, when the Senate approved S. 3418 in November, I paid tribute to the contributions of the members and the staff of the Government Operations Committee and to the staffs of the members of the Committee who had worked on the bill.

I wish to acknowledge also the valuable contributions of the Committee's special consultant, Professor Alan F. Westin of Columbia University, whose testimony in June and expert counsel through the summer provided the basis for policy judgments and for detailed amendment of the bill in order that a workable proposal could be reported to the Senate. Professor Christopher Pyle of the John Jay College of Criminal Justice in New York, also rendered valuable assistance to the Committee, as he has during his service as a consultant of the Constitutional Rights Subcommittee.

Much credit is also due to Lawrence Baskir, former chief counsel of the Constitutional Rights Subcommittee, Mark Gitenstein, present chief Counsel of the Subcommittee, Irene Margolis, Dorothy Glanzer and the rest of the Subcommittee staff who helped immeasurably in the development of the bill and report during the joint hearings and study.

Furthermore, no person who has walked on Capitol Hill merits greater commendation in this connection than Marcia MacNaughton, who served for a substantial time on the staff of the Subcommittee on Constitutional Rights and made herself most knowledgeable in respect to privacy and the threats to it. During past months she left the academic world temporarily to aid the Senate Committee on Government Operations in the drafting of S. 3418.

I believe the comprehensive hearings and studies of the Constitutional Rights Subcommittee have helped to provide the Congress with an excellent basis for this and other needed legislation in years to come. I hope the many published volumes of the result of the Subcommittee's work on privacy, computers and data banks will aid those working on this subject in the future. The members who serve on that Subcommittee have made many contributions to the protection of privacy by their sponsorship of legislation and their support and participation of the investigations and reports which were needed to draft legislation. They have also provided the Executive Branch with the background and information for reports and action to protect privacy and I hope officials in all federal departments and agencies will continue to take advantage of this research and this documentation of public concern over governmental incursion on individual freedoms.

Since the Senate and the House passed their respective privacy bills, Jim Davidson has labored tirelessly to reconcile their varying provisions and thus make the enactment of legislation to protect the rights of privacy of Americans possible. I will always be grateful to him for his most helpful assistance to me.

Mr. ERVIN. Mr. President, I would urge all Members of the Senate to support these amendments with my assurance that I have been informed by the House that the House will immediately take them and send the bill to the White House and we will have, for the first time in the history of our Nation, some effective privacy legislation.

Mr. PERCY. Mr. President, the compromise privacy bill we bring before the Senate today is a remarkable achievement. It marks the culmination of more than 10 years of concern and attention by the Congress to the fundamental issue of personal privacy. It represents the continuing efforts by the distinguished senior Senator from North Carolina (Mr. ERVIN) to cultivate that concern and I believe this legislation is a fine tribute to Senator ERVIN's work.

I would like to strongly commend the staff of the Government Operations Committee in their efforts to produce a compromise with the House. Their diligent efforts have been quite crucial to the successful resolution of extremely difficult policy differences. In this regard, I would like to give a special commendation and extend my appreciation to Mr. Bill Ticer, office of the Senate Legislative Counsel, for his dedicated assistance to the committee staff during the past 6 months. I understand that his participation was of immense value in clarifying difficult portions of the legislation.

I also commend Congressman MOORHEAD of Pennsylvania, Congressman ERLENBORN, and Congressman GOLDWATER for their diligent efforts in connection with this legislation.

I am pleased to note that the compromise which has been reached does include a provision for a 2-year Privacy Protection Study Commission. While this Commission does not retain some of the enforcement powers afforded to it in the Senate-passed bill, S. 3418, I believe that it is certainly equipped to perform the functions intended by the Senate. The Commission will be responsible for assembling experts in the fields of computer science, law, social sciences, business, and Government to study and recommend solutions to privacy problems not adequately addressed by this bill. I believe that the Commission will serve to keep focused attention on this important issue of public policy so that Federal agencies, State and local governments, and private organizations will continue to implement the basic principles of fair treatment for personal data contained in this bill.

I am pleased that the compromise bill contains the provision, introduced by Senator GOLDWATER and myself, to limit abuses of the social security number. I look forward to a more final solution to the problems associated with this number, which is widely used as a universal identifier in this country. The Privacy Protection Study Commission will study the problem and bring back to the Congress policy recommendations on this matter.

Finally, I am pleased that Congress has acted with authority to establish, across the board in the Federal Government, fundamental protections of personal privacy. The challenge now rests with the Federal agencies to adopt regulations and implement procedures to carry out the intent of this statute. We intend to work with the agencies and we hope that they will cooperate fully, in return, with the Government Operations Committees of both Houses, in their oversight capacity, and with the Privacy Protection Study Commission, in its study capacity.

Mr. MUSKIE. Mr. President, this is a momentous day for the Senate and for every citizen of this country on whom the Government maintains a record.

The compromise agreement which has been worked out between the Senate and the House under the able leadership of the chairman of the Committee on Government Operations, Mr. ERVIN, represents the first major assault on the invasion of privacy in recent decades.

Mr. President, I would like to note the outstanding work in the development of this bill by Mr. James H. Davidson, of the staff of my Subcommittee on Intergovernmental Relations, who has spent countless hours working on this legislation.

The passage of this legislation will rightfully earn for this Congress the reputation as the Privacy Congress.

While the courts have begun to recognize the capacity and the practices of the government to invade the privacy of its citizens, it is the responsibility of the Congress to develop the legislative protection against those invasions.

The Federal Privacy Act draws upon the constitutional and judicial recognition accorded to the right of privacy and translates it into a system of procedural and substantive safeguards against obtrusive Government information-gathering practices.

Until now we have allowed technological advances in Federal recordkeeping to outpace our efforts to control and safeguard the information we have collected. This act would restore balance against those advances by adding new protections for every citizen.

I am pleased to note that this act has developed an important balance between the rights of privacy of each of our citizens and the public need for disclosure of Government materials under the Freedom of Information Act.

Mr. President, this legislation incorporates fundamental rights of fair information practices into Federal information systems. It is an important beginning. And I hope to be able to follow the implementation of this act in the next Congress through the work of my Subcommittee on Intergovernmental Relations.

Mr. BROCK. Will the Senator yield?

Mr. ERVIN. I yield to the Senator from Tennessee.

Mr. BROCK. Mr. President, may I take a moment to express my gratitude to the Senator from North Carolina for his leadership in a matter in which I have had, as so many others have had, a great, continuing, and growing concern. The privacy bill is a much-needed piece of reform legislation which I am proud to have sponsored.

There is no question about the abuse of personal privacy in this country, and it is growing at a geometric rate each year. I understand, for example, that it is presently possible to have every telephone in America bugged.

Privacy is not a privilege, it is a basic right, a fundamental freedom which is deeply rooted in our American heritage. It is the ability to be secure in our homes, persons, and papers. We simply must take firm and specific action to protect the people of this Nation from the erosion of their personal liberties.

This bill, which addresses itself to the use and abuse of Federal data banks, establishes several basic standards. First, only relevant personal information can be collected, and the individual must be informed as to which data is required, which is voluntary, why it is needed, and under which authority. Second, only timely data may be maintained and disseminated, and access to, and security of, the data must be regulated. Additionally, the nature of all data banks must be announced. Individuals will have access to inspect their records and must be told the source of the data and how it is used. Finally, information challenged by an individual must be reinvestigated and, where proper, modified or corrected.

I personally want to express my great debt to the Senator from North Carolina for his efforts to remedy this problem.

We did have differences with the House, but the compromise is an effort to deal with those differences in a very frank and very healthy way.

I appreciate the result of the labors of the gentleman and I want him to know it.

Mr. ERVIN. I thank my friend from Tennessee and want to commend him for the work he did in the Government Operations Committee in this legislation.

Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ERVIN. I yield the floor.

Mr. HRUSKA. Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HRUSKA. Mr. President, I yield to the Senator from West Virginia, reserving my right to the floor, for a brief statement.

AMENDMENT OF THE SOLID WASTE DISPOSAL ACT

Mr. RANDOLPH. Mr. President, I report from the Committee on Public Works H.R. 16045, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 16045) to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976 and to make certain technical and conforming changes, reported with an amendment.

The PRESIDING OFFICER. Is there objection to the consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H.R. 16045) which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

> That paragraph (2) of subsection (a) of section 216 of the Solid Waste Disposal Act, as amended (87 Stat. 11), is amended by striking "and not to exceed $76,000,000 for the fiscal year ending June 30, 1974." and inserting in lieu thereof ", not to exceed $76,000,000 for the fiscal year ending June 30, 1974, and not to exceed $76,000,000 for the fiscal year ending June 30, 1975."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "To amend the Solid Waste Disposal Act to authorize appropriations for fiscal year 1975."

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Will the Senator from Nebraska yield for 30 seconds without losing his right to the floor?

Mr. HRUSKA. I am happy to yield.

Mr. ROBERT C. BYRD. With the understanding his remarks not be interrupted in the RECORD.

Mr. President, for the information of the Senators, following this rollcall I would anticipate another measure that will be coming up that would very likely generate another rollcall.

I thank the Senator.

PRIVACY ACT OF 1974

The Senate continued with the consideration of the message from the House of Representatives on the bill (S. 3418) to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations wtih respect to the gathering and disclosure of information concerning individuals, and for other purposes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise to suggest that the consideration of the instant bill, S. 3418, pursuant to the motion of the Senator from North Carolina, is not exactly in keeping with the better traditions of this body regarding consideration of legislative of this gravity.

I am not going to take very long, but I would like to recite briefly the chronology of this legislation and what we are doing here today.

Last month, Mr. President, S. 3418 was approved by this body and sent to the other body. The bill, incidentally, as passed by the Senate, was about 40 printed pages in length.

The House also passed a measure, at approximately the same time, H.R. 16373, which dealt with the question of privacy individuals' records. While many provisions of the House and Senate bill were similar, the Senate version contained provisions establishing a privacy commission, with far reaching powers, and providing extensive coverage of law enforcement records, features not found in the House bill.

The other body took the Senate bill S. 3418, and, upon consideration thereof, voted to strike all but the enacting clause and insert entirely in place therein the text of H.R. 16373, which consisted of approximately 20 printed pages. Apparently, the members of the Senate Government Operations Committee were displeased with the House version. There was contact established between the staff of the Government Operations Committee of the Senate and the staff of the Government Operations Committee of the House. There emanated therefrom, Mr. President, the text and the substance of the motion now pending by way of an amendment to the House bill, which I understand was completed yesterday.

This text, Mr. President, was submitted to my office less than 24 hours ago. It consists of approximately 40 pages of typewritten material. It is in many respects from the bill as passed by the Senate in the original instance. And it is different than the text of the bill that was approved by the other body.

In addition to that text, I was furnished by the very courteous and distinguished Senator from North Carolina with a copy of his remarks, consisting of an analysis of House and Senate compromise amendments to the Federal Privacy Act.

Let me suggest, Mr. President, that this occurred about 24 hours ago. I believe I received these remarks probably at 4 o'clock yesterday afternoon and the actual text of the amendment shortly after 6 p.m.

We adjourned the Senate, Mr. President, at about 6:40 p.m. yesterday. We convened at 9:30, as I remember it. I have been in committee most of the day. I started my first committee meeting at 9:30 this morning.

I know all of my colleagues have been very busy in the later part of this session, in the closing hours of this session.

I make no apology for the fact that I did not have time to read and to study this bill, nor the remarks of the Senator from North Carolina. I did impose upon my staff for the consumption on their part of a little midnight oil. I find, Mr. President, it is not quite as easy to explain the lack of difference between the House bill and the compromise bill as we might imagine.

There are some things that are of real substance. There are some items that are of very substantial difference; and, in my judgment, some items, on the basis of this staff analysis, that would bear close study and scrutiny, and which should receive a little more deliberate treatment than a mere consideration of the motion of amendment as proposed, and which we are considering now.

Let me suggest, Mr. President, first of all there is the suggestion, and there is the representation made, that the law enforcement files are exempted. Of course, that was one of our original objections to the bill as approved by the Senate. When I say "our" I mean those who are interested with me in the preservation of the integrity of law enforcement files, particularly the investigatory files, and to prevent a compromise thereof.

As I suggested at that time, the area of law enforcement files is of such complexity that it should not be dealt with on the same terms as civil records. I believe it can be readily understood that criminal justice or law enforcement information gives rise to problems requiring treatment different from that of information used to carry out the social, health, or money benefit programs in which the Government may be involved. Law enforcement records should be treated in separate legislation.

The Senate Constitutional Rights Subcommittee presently has such legislation before it, S. 2963 and S. 2964. Many hours of hearings and research have gone into perfecting the provisions of this legislation in order to strike a proper and equitable balance between the individual's rights to privacy and society's interest in receiving good and effective law enforcement.

This legislation, represented by S. 2963 and S. 2964, is well along and near resolution. It is expected that similar legislation will be reported to the Senate floor early next year. It is my understanding that the Members in the House similiarly expect to act on legislation dealing with law enforcement files early in the next Congress. It is further my understanding that this was the reason that H.R. 16373 contained an exemption from most of its provisions for criminal law enforcement files and records, an exemption which I found acceptable.

The staff compromise we have before us in the form of the amendment in question, however, narrows the law enforcement exemption, by making additional provisions of the bill applicable to law enforcement.

For example, the requirement that an accounting of all disclosures of a record be kept for a period of 5 years, "or for the life of the record, whichever is the longer" would now be applied to law enforcement files.

It should be noted that the statute of limitations for civil suits related to improperly disclosed records is only 2 years. The provision that all future disclosures of the record be accompanied by notice of disputes as to its accuracy is also applied to law enforcement records.

Similarly, law enforcement would be covered by the requirement that proposed rulemaking hearings be held with respect to a statement of the routine uses to which records would be subject.

The expanded coverage of the law enforcement files is objectionable as a matter of principle, and may raise serious practical problems of which we may be unaware after only a brief study of the amendment.

Mr. PERCY. Would my distinguished colleague mind just a brief comment? If the distinguished Senator from Nebraska has finished the history of what happened on this legislation, I think for purposes of accuracy it would be well to make one insertion.

Mr. HRUSKA. I will yield briefly for that purpose. I do not want to detain the Senate too long. I shall cite one other example of detriment in the proposed amendment. Then I shall put the rest of this statement into the RECORD. If it is a brief comment, I will be happy to yield.

Mr. PERCY. I very much appreciate the deep interest that our distinguished colleague has taken in this legislation.

It would be, I believe, unfair to the Senate to assume, however, that what has resulted is a result only of staff discussions between the House and Senate. Obviously, on this legislation, as in most legislation, staff has done a great deal of work. But we cannot overlook the fact that Senator ERVIN and myself, as the chairman and the ranking minority member of the Senate Government Operations Committee, and Congressman MOORHEAD of Pennsylvania, and Congressman ERLENBORN, of Illinois, as the House Foreign Operations and Government Information Subcommittee chairman and the ranking minority member of the House Government Operations Committee, met together for a very extended session to discuss our respective bills.

We worked out compromises. We negotiated differences. We came to an accord, and we put the stamp of approval of two Senators and two Congressmen, representing the chairmen and ranking members of the respective committees, before it was brought before the Senate today.

I believe that this one additional point would update and complete the historical account of this legislation up to this point.

I thank my distinguished colleague.

Mr. HRUSKA. I am happy to accept that supplement to the description of the history of this bill, Mr. President. It was not my intention to exclude from the consideration of the amendment before us the participation by members of the committee. But the bulk of the work, I am confident, was done by the staff. Many of the changes pertaining to law enforcement may have been inadvertently included with a full realization of their total effect.

Mr. President, I am just going to outline one other change. That has to do with the access to law enforcement records intelligence information by the privacy commission. The compromise with which we are now confronted would create a seven-member study commission with a broad mandate to examine privacy considerations as applied, Mr. President, to Federal, State, and private records.

The study commission would have full access to all information relating to the performance of their function, and it could issue subpenas as to enforce its request for information. I am concerned, Mr. President, that individual's rights may be offended by fishing expeditions by the commission into the raw background files maintained by the Government and into other particularly sensitive law enforcement and intelligence records.

I feel the compromise gives the commission too broad authority to examine Government records under the language in the bill.

I ask unanimous consent, Mr. President, that this memorandum, which was prepared by staff and from which I have quoted, and which I have checked with the text of the bill and its proposed compromise, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

The "final" staff compromise which is now before the Senate presents real problems for law enforcement generally.

Exemption of law enforcement files. H.R. 16373 contained an exemption from most of its provisions for criminal law enforcement files and records. It was acceptable in this regard. The staff compromise narrows the law enforcement exemption, thus making additional provisions of the bill applicable to law enforcement. For example, the requirement that an accounting of all disclosures of a record be kept for a period of five years "or the life of the record whichever is longer" would now be applied to law enforcement files. (Note that the statute of limitations for civil suits relating to improperly disclosed records is only two years). The provision that all future disclosures of the record be accompanied by notice of disputes as to its accuracy is also applied to law enforcement records. Compare p. 24 with page 9. Similarly, law enforcement would be covered by the requirement that proposed rule making hearings be held with respect to a statement of the "routine uses" to which such records would be subject. p. 17. The expanded coverage of law enforcement files is objectionable as a matter of principle and may raise serious practical problems.

New provisions concerning law enforcement. The staff compromise defines records as including not only collections of information about individuals but also an "item" of information about an individual. The intent of this change is not clear but it could be read so broadly as to include any single piece of paper bearing an individual's name within the meaning of record even though it may be filed as part of an investigatory file on a corporation or on some other individual. This would, among other things, require that annual notice of such "items" be published in the *Federal Register*. See § 3(a)(4) [p. 5]

The new definition of record also includes a reference to fingerprints, voice prints and photographs. The same reference is not included, however, in the description of those law enforcement files which may be exempted from provisions of the bill such as individual access to records or limitations on disclosure without the individual's consent. While it would be ludicrous to interpret the bill to require a fugitive's consent before his photograph is displayed on a wanted poster, the bill literally has this effect. Moreover, it may be read to permit individual access to photographs or voice prints in an investigatory file even though access to the file itself is not permitted by the bill. 3(a)(4) [p. 5]

"Routine" exchanges of information among government agencies—see 3(a)(7) [p. 6] 3(b)(3) [p. 6]—are permitted by the bill so long as annual notice describing such routine exchanges is published. We were successful in obtaining a flower explanation of routine exchange in the House which would be helpful to law enforcement. The bill, however, has added a definition of "routine use" which may present problems for law enforcement. "Routine" use is defined as that which is compatible wtih the purpose for which the information was originally collected. There may be numerous exchanges of information with the FBI that are now undertaken by non-law enforcement agencies which would not fall within the scope of this definition, for example, information concerning possible civil disturbance activities. If such exchanges do not fall within the definition of routine use then it would be necessary to secure the consent of the individual before furnishing it to the FBI or it would be necessary for the Director to make a written request for the information.

Since the information is of the sort normally brought to our attention only when it is voluntarily provided to us, the provision for requesting such records is virtually meaningless.

Among the new provisions added to the staff compromise is a requirement that before disseminating a record the agency must assure that the record is accurate, complete, timely and relevant. No standard is provided as to the proper application of these terms. The provision is applicable to law enforcement files as well as all other records. It would, of course, put the burden on the Identification Division to assure the completeness and relevance, as well as accuracy, of all rap sheets before dissemination. Moreover, it would appear to require that investigatory files be accurate, complete, timely and relevant before they are disseminated regardless of the purpose of the dissemination. Presumably this would even apply to old investigatory records made available pursuant to the historic records policy adopted under the Freedom of Information Act.—See § 3(e)(6) p. 16

Access to law enforcement records. The staff compromise would create a seven member study commission with a broad mandate to examine privacy considerations as applied to federal, state and private records. The study commission would have "full access to all information relating to the performance of their functions" and could issue subpoenas to enforce its requests for information. This could include requests for "raw files" and other sensitive law enforcement and intelligence records. The staff compromise, we feel, gives the Commission top broad authority to examine government records. [p. 38] § 5(e)(1)

Civil law enforcement problems. The bill requires that whenever an agency seeks information from an individual it must inform him of the source of its authority to seek the information, the purpose for which it is sought, routine uses that may be made of it, and the effects of not providing the information. Criminal law enforcement is exempt from these provisions but civil law enforcement is not. In certain cases such as civil frauds, civil rights investigations, antitrust investigations, etc. this may produce an inhibiting effect on a potential witness. (There is also the incidental burden of including all of this information on all applicant forms as well.)

In a related vein, each agency is required to publish annually a description of its records systems. Except in the case of law enforcement, national defense, and similar files, a description of the "categories of sources" is to be included in the description. This too may present difficulties with respect to civil rights, fraud, and antitrust investigations where sources may require as much protection as they do in criminal cases.

An agency would be required to serve notice on an individual when a record pertaining to the individual is to be disclosed subject to "compulsory legal process." While law enforcement records would be exempt from this requirement, civil investigatory files would not be. Again this may present particular problems with respect to those civil actions which are quasi-criminal in nature. Moreover, it places an enormous burden on agencies and may, through motions to quash and similar interventions, seriously delay civil litigation.

Relationship to Freedom of Information Act. The Staff draft expressly provides that nothing in the Freedom of Information Act permits withholding a record from the subject of that record. This presents no serious problems since the bill itself permits withholding investigatory and similar files from the individual. The bill also provides, however, that disclosure is not permitted without an individual's consent unless disclosure would be required under FOI. Since the FOI Act itself authorizes the refusal of disclosure where this would constitute an "unwarranted invasion of privacy" the privacy bill's disclaimer of any intent to affect FOI is circular. In the face of the disclaimer, the government's efforts to mesh the two bills when faced with litigation over the nondisclosure of records to protect privacy may meet considerable difficulty.

Mr. HRUSKA. Mr. President, the motion before us and the amendment before us may be a good one. It may have merit. Maybe that would be the ultimate result of the action taken by the Senate.

As I indicated when S. 3418 was before us last month, Mr. President, I share the objective of my good friend from North Carolina to protect Americans in their right to privacy. The declared purposes of this bill are desirable and worthy. It is, Mr. President, only some of the specific features of the bill, which I have mentioned briefly, with which I have question.

I do not know how many copies of this 40-page typewritten manuscript which contains the compromise measure have been made, or how many are available. As I indicated, I did not get one in my office until 6:30 last night. I have not made inquiry as to its distribution. It just seems to me that notwithstanding the lateness of this session, this subject and this measure are entitled to a little more deliberate, proper, and complete consideration by the Senate. It is an important subject and I hope that in our rush to enact this legislation that we are not inadvertently including provisions that will trouble us later.

I have no disposition to get into the matter of proposing an amendment at this time. If I did, Mr. President, I would propose an amendment by way of a substitute to reinstate, a substitute for the Ervin amendment, by way of a substitute to that, the text of the bill as originally passed by the House, which was understandable, which had been closely studied; and with which we have had some familiarity. I shall not do that, because to do that at this late hour would be putting the Senate in the same position with regard to that substitute measure that it is placed in with regard to the principal amendment—to wit, we would not have that discretion and we would not have that amplification upon the content of the amendment, and that would not be fair.

So I submit again, Mr. President, that it is a mistake to proceed at this late hour with the consideration of the pending amendment. It is my hope that it will not be approved. If the amendment before us does not succeed, we will have before the House version of the privacy bill which I find an extremely meritorous measure. It will readily achieve the objectives of the protection of privacy we seek and would receive my strong support.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Alaska (Mr. GRAVEL), the Senator from Rhode Island (Mr. PASTORE), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Utah (Mr. BENNETT) are necessarily absent.

The result was announced—yeas 77, nays 8, as follows:

[No. 567 Leg.]

YEAS—77

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Dole
Domenici
Dominick
Eagleton
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Thurmond
Tunney
Weicker
Williams

NAYS—8

Aiken
Cotton
Curtis
Gurney
Hruska
Taft
Tower
Young

NOT VOTING—15

Bellmon
Bennett
Bentsen
Bible
Cranston
Eastland
Fulbright
Gravel
Hathaway
Johnston
Mansfield
McClellan
Pastore
Ribicoff
Talmadge

So Mr. ERVIN's motion to concur in the House amendment with amendments was agreed to.

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the Senate amendments were agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Washington (Mr. JACKSON) may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOWELL HISTORIC CANAL DISTRICT

Mr. JACKSON. Mr. President, I move that the Committee on Interior and Insular Affairs be discharged from the consideration of H.R. 14689, and that it be laid before the Senate for immediate consideration. Mr. President, this matter has been cleared with the minority. It is a very minor bill. Both Senators from Massachusetts have expressed their interest in it.

The motion was agreed to.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 14689) to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Massachusetts, and for other purposes.

Mr. JACKSON. Mr. President, this is a House-passed bill which calls for the expenditure of no more than $150,000 to study and prepare a plan for the historic preservation of the Lowell Canal District in Lowell, Mass.

I have cleared the matter with the minority. Both Senators from Massachusetts have expressed a strong interest in this legislation, and I hope that the Senate will take appropriate action.

Mr. KENNEDY. Mr. President, I rise in support of H.R. 14689, the Lowell Historic Canal District bill. The Lowell area has been one of the hardest hit in the Nation in our deepening recession. This bill will provide a significant step toward restoring Lowell to its potential place in our economy, while helping restore Lowell's historic significance to the State of Massachusetts and to the Nation at large.

This bill provides $150,000 for the development of a plan for the preservation, development, interpretation, and use of the historic, cultural, and architectural resources of Lowell, Mass. The nine-member Commission, composed of private citizens as well as government officials, is to produce a plan for protecting and restoring the historic properties in Lowell and make specific recommendations for its implementation. The completed plan is to be submitted to Congress within 2 years. Further congressional action will then be necessary to authorize any Federal commitment in implementing the recommendations.

Lowell, Mass., represents an important and often neglected chapter of American history. The coming of the industrial revolution, with all its concomitant social and economic effects, is the story to be told here.

The falls of the Merrimack River attracted the attention of the pioneering New England industrialists in the early 19th century. They realized the power of the water falling through the locks of a transportation canal which bypassed the rapids could be harnessed to drive the textile machinery that was then being developed. The Merrimack Manufacturing Co. pioneered the growth of Lowell, improving the canal and constructing the first of the major industries to locate in what was then a remote and thinly settled area.

Of signal importance in this process was that the industrialists, recognizing the need for a stable labor source as well as the water power Lowell had to offer, developed the area as a planned industrial community. Their intent was to dispel the fears of the evils of industrial change which had grown out of the early factory complexes in England. To accomplish this, the companies constructed a model community in which even the off-duty hours of employees were supervised.

The early years of this industrial development saw Lowell hailed as an industrial utopia. The management of the town by the companies, while classified by modern standards as paternalistic, represented a major departure from many of the exploitative aspects of the industrial growth of that era. Lowell drew admiring visitors from both the United States and abroad, and the area drew wide attention for its success in combining industrial and social values.

The experiment that was Lowell at last began to change. Following the Civil War, increased competition, lower labor costs in other areas, and poor management all played a part in leading to the decline in prominence of the Lowell area.

Now there is widespread support from the citizens of Lowell as well as historians and other interested parties for preserving and restoring the structures and areas which interpret the significance of Lowell. Perhaps the single event which catalyzed this interest was the demolishing of the original Merrimack Manufacturing Co. mill to make way for a high rise structure. It became apparent that without some organized approach, the important reminders of Lowell as a part of our growth as a Nation will disappear through attrition. H.R. 14689 is the vehicle through which a plan that takes account of the history and the present and future needs of this area can be developed.

In addition to the $150,000 provided in this bill, it is gratifying to know that the State of Massachusetts has pledged $9,700,000 in further support of the project associated with this legislation.

Mr. President, I wish to thank the Senator from Washington (Mr. JACKSON) the chairman of the Interior Committee and the Senator from Nevada (Mr. BIBLE) the chairman of the subcommittee for their support and aid in steering this legislation to consideration by the Senate.

This bill will help restore Lavell's place in the Nation's history and help strengthen its present economic situation. I urge the Senate to pass this bill.

Mr. BROOKE. Mr. President, today is a day the citizens of Lowell, Mass., have long been waiting for. The city of Lowell is one of America's oldest industrial centers and possesses what is probably the finest set of working canals and mills in this country. The Senate action today has all but insured that much of this great city will be preserved for all Americans as an example of the kind of industrial center that made this country what it is today.

This bill sets in motion a study which will decide exactly what the best course of preservation should be for this great city. It will only cost $150,000 and in return the people of this country will be able to see for themselves what industrial America looked like in the 19th century.

I commend Senator JACKSON and the Senate Interior and Insular Affairs Committee for their prompt action on this bill and I commend my colleagues for their support. I would also like to take this opportunity to commend the diligent work of Representative PAUL CRONIN. He has skillfully managed this measure through the House and deserves much of the credit for its success in this session of the Congress. We have insured that future generations will have a first-hand glimpse of one of American history's important chapters.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 14689) was ordered to a third reading, was read the third time, and passed.

EXTENSION OF AUTHORIZATIONS FOR THE STRIKING OF COMMEMORATIVE MEDALS

Mr. ROBERT C. BYRD. Mr. President, I understand that this request has been cleared on both sides of the aisle, specifically with the Senator from Oregon (Mr. Packwood) and the Senator from Pennsylvania (Mr. Schweiker) on the other side of the aisle, and with the Senator from Idaho (Mr. Church), the Senator from California (Mr. Cranston), and the Senator from Wisconsin (Mr. Proxmire) on this side of the aisle. I *make the* request on behalf of the Senator from Illinois (Mr. Stevenson).

I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 17556.

The PRESIDING OFFICER laid before the Senate H.R. 17556, an act to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the bill be considered as having been read the first and second time, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. I ask unanimous consent, this request having been cleared with the aforementioned Senators, that there be a time limitation of one-half hour on the bill, to be equally divided between the Senator from Illinois (Mr. Stevenson) and the Senator from Pennsylvania (Mr. Schweiker), and that there be a time limitation on any amendments of 20 minutes, and a time limitation on any debatable motion or appeal of 10 minutes, and that the agreement be in the usual form, with the exception of one amendment which will be offered by the Senator from Illinois (Mr. Stevenson), which is not germane.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill is open to amendment.

Mr. STEVENSON. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Illinois (Mr. Stevenson) proposes an amendment, at the end of the bill, to insert a new section entitled "Charter Amendments."

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Stevenson's amendment is as follows:

At the end thereof, insert the following:

CHARTER AMENDMENTS

Sec. 5. Section 2a() (1) of the Export-Import Bank Act of 1945 is amended—

(1) by inserting in the third sentence immediately after "other evidences of indebtedness;" the following: "to guarantee, insure coinsure, and reinsure against political and credit risks of loss;";

(2) by inserting in the third sentence immediately after "competent jurisdiction;" the following: "to represent itself or to contract for representation in all legal and arbital proceedings outside the United States;"; and

(3) by inserting after the fourth sentence the following new sentence: "The Bank is authorized to publish or arrange for the publication of any documents, reports, contracts, or other material necessary in connection with or in furtherance of its objects and purposes without regard to the provisions of section 501 of title 44, United States Code, whenever the Bank determines that publication in accordance with the provisions of such section would not be practicable.".

POLICY

Sec. 6. Section 2(b) (1) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(b) (1) (A) It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed, in the exercise of its functions, to provide guarantees, insurance, and extensions of credit at rates and on terms and other conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters. The Bank shall, in cooperation with the export financing instrumentalities of other governments, seek to minimize competition in government-supported export financing. The Bank shall, on a semiannual basis, report to the appropriate committees of Congress its actions in complying with these directives. In this report the Bank shall include a survey of all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with the United States exporters and indicate in specific terms the ways in which the Bank's rates, terms, and other conditions compare with those offered from such other governments directly or indirectly. Further, the Bank shall at the same time survey a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine their experience in meeting financial competition from other countries whose exporters compete with United States exporters. The results of this survey shall be included as part of the semiannual report required by the subparagraph. The Bank shall also include in the semiannual report a description of each loan by the Bank involving the export of any product or service related to the production, refining or transportation of any type of energy or the development of any energy resource with a statement assessing the impact, if any, on the availability of such products, services, or energy supplies thus developed for use within the United States.

"(B) It is further the policy of the United States that loans made by the Bank shall bear interest at rates determined by the Board of Directors of the Bank, taking into consideration the average cost of money to the Bank as well as the Bank's mandate to support United States exports at rates and on terms and conditions which are competitive with exports of other countries; that the Bank in the exercise of its functions should supplement and encourage, and not compete with, private capital; that the Bank shall accord equal opportunity to export agents and managers, independent export firms, and small commercial banks in the formulation and inmplementation of its programs; that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise; and that in furtherance of this policy the Board of Directors shall designate an officer of the Bank who shall be responsible to the President of the Bank for all matters concerning or affecting small business concerns and who, among other duties, shall be responsible for advising small businessmen of the opportunities for small business concerns in the functions of the Bank and for maintaining liaison with the Small Business Administration and other departments and agencies in matters affecting small business concerns; that loans, so far as possible consistent with the carrying out of the purposes of subsection (a) of this section, shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing any loan or guarantee, the Board of Directors shall take into account any serious adverse effect of such loan or guarantee on the competitive position of United States industry, the availability of materials which are in short supply in the United States, and employment in the United States".

NATIONAL INTEREST DETERMINATIONS

Sec. 7. Section 2(b) (2) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961), or agency, or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist county (as so defined),

unless the President determines that guarantees, insurance, or extensions of credit in connection therewith to such Communist or such other country or agency or national thereof would be in the national interest. The President shall make a separate determination with respect to each transaction in which the Bank would extend a loan to such Communist or such other country, or agency, or national thereof an amount of $50,000,000 or more. Any determination required under the first sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination, or the date on which the Bank takes final action on a transaction which is the first transaction involving such country or agency or national after the date of enactment of the Export-Import Bank Amendments of 1974, unless a determination with respect to such country or agency or national has been made and reported prior to such date of enactment. Any determination required to be made under the second sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination or the date on which the Bank takes final action on the transaction involved."

CONGRESSIONAL NOTIFICATION

SEC. 8. Section 2(b) of the Export-Import Bank Act of 1945 is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (5), (6), and (7) respectively; and

(2) by inserting after paragraph (2) the following new paragraphs:

"(3) No loan or financial guarantee or combination thereof in an amount which equals or exceeds $60,000,000 shall be finally approved by the Board of Directors of the Bank, unless in each case the Bank has submitted to the Congress with respect to such loan, financial guarantee, or combination thereof, a detailed statement describing and explaining the transaction, at least 25 days of continuous session of the Congress prior to the date of final approval. For the purpose of the preceding sentence, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 25 day period referred to in such sentence. Such statement shall contain—

"(A) a brief description of the purposes of the transaction, the identity of the party or parties requesting the loan or financial guarantee, the nature of the goods or services to be exported, and the use for which the goods or services are to be exported; and

"(B) a full explanation of the reasons for Bank financing of the transaction, the amount of the loan to be provided by the Bank, the approximate rate and repayment terms at which such loan will be made available and the approximate amount of the financial guarantee."

(4) (A) No loan or financial guarantee or combination thereof which equals or exceeds $25,000,000 for the export of goods or services involving research, exploration, or production of fossil fuel energy resources in the Union of Soviet Socialist Republics shall be finally approved by the Board of Directors of the Bank.

unless in each case the bank has submitted to the House of Representatives and the Senate with respect to such loan, financial guarantee, or combination thereof a report describing and explaining the transaction and the Congress in accordance with the provisions of subparagraphs (B) through (H) hereof shall have passed an approval resolution with respect thereto. Such report shall contain—

"(i) a brief description of the purposes of the transaction, the identity of the party or parties requesting the loan or financial guarantee, the nature of the goods or services to be exported, and the use for which the goods or services are to be exported; and

"(ii) a full explanation of the reasons for Bank financing of the transaction, the amount of the loan to be provided by the Bank, the approximate rate and repayment terms at which such loan will be made available and the approximate amount of the financial guarantee."

(B) RULES OF THE HOUSE OF REPRESENTATIVES AND SENATE.—Subparagraphs (C) through (H) of this paragraph are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of approval resolutions described in subparagraph (C); and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(C) DEFINITIONS.—For purposes of this section—the term "approval resolution" means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the extension of Export-Import Bank assistance for exports as described in the Report numbered —— transmitted by the Export-Import Bank to the Congress on ——.", the first blank space being filled with the number of the report involved and the second blank space being filled with the appropriate date.

(D) INTRODUCTION AND REFERRAL.—On the day on which a report referred to in subparagraph (A) is transmitted to the House of Representatives and the Senate, an approval resolution with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such report is transmitted, the approval resolution with respect to such report shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The approval resolution introduced in the House shall be referred to the Committee on Banking and Currency and the approval resolution introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs.

(E) AMENDMENTS PROHIBITED.—No amendment to an approval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(F) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—If the committee or committees of either House to which an approval resolution has been referred have not reported it at the close of the 25th day of continuous session of the Congress after its introduction, such committee or committees shall be automatically discharged from further consideration of the resolution and it shall be placed on the appropriate calendar. For purposes of the preceding sentence, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 25 day period referred to in such sentence. A vote on final passage of the resolution shall be taken in each House on or before the close of the 15th day after the resolution is reported by the committee or committees of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the resolution. If prior to the passage by one House of an approval resolution of that House, that House receives the same approval resolution from the other House, then—

(A) the procedure in that House shall be the same as if no approval resolution has been received from the other House; but

(B) the vote on final passage shall be on the approval resolution of the other House.

(G) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of an approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an approval resolution or to move to reconsider the vote by which an approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an approval resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subparagraph, consideration of an approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(H) FLOOR CONSIDERATION IN THE SENATE.—

(1) A motion in the Senate to proceed to the consideration of an approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an approval resolution is not in order.

FRACTIONAL CHARGE OF GUARANTEES AND INSURANCE

SEC. 9. Section 2(c)(1) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(c) (1) The Bank is authorized and empowered to charge against the limitations imposed by section 7 of this Act, not less than 25 per centum of the related contractual liability which the Bank incurs for guarantees, insurance, coinsurance, and reinsurance against political and credit risks of loss. The aggregate amount of guarantees, insurance, coinsurance, and reinsurance which may be charged on this fractional basis pursuant to this section shall not exceed $20,000,000 outstanding at any one time. Fees and premiums shall be charged in connection with such contracts commensurate, in the judgment of the Bank, with risks covered.".

INTEREST RATE ON OBLIGATIONS OF THE BANK

SEC. 10. Section 6 of the Export-Import Bank Act of 1945 is amended by striking the third sentence and inserting in lieu thereof the following new sentence: "Each such Bank obligation issued to the Treasury after the enactment of the Export-Import Bank Amendments of 1974 shall bear interest at a rate not less than the current coverage yield on outstanding marketable obligations of the United States of comparable maturity during the month preceding the issuance of the obligation of the Bank as determined by the Secretary of the Treasury.".

AUTHORITY

SEC. 11. Section 7 of the Export-Import Bank Act of 1945 is amended—

(1) by inserting "(a)" after "SEC. 7";

(2) by striking out "$20,000,000,000" and inserting in lieu thereof "$25,000,000,000"; and

(3) by adding at the end thereof the following:

"(b) After the date of enactment of the Export-Import Bank Amendments of 1974, the Bank shall not approve any loans or guarantees, or combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000, except that the President may establish a limitation in excess of $300,000,000 if he determines that such higher limitation is in the national interest and if he reports such determination to the Congress together with the reasons therefor, and if, after the receipt of such report together with the reasons, the Congress adopts a concurrent resolution approving such determination."

EXPIRATION

SEC. 12. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "November 30, 1974" and inserting in lieu thereof "June 30, 1978".

REPORT

SEC. 13. Section 9 of the Export-Import Bank Act of 1945 is amended to read as follows:

"SEC. 9. (a) The Export-Import Bank of the United States shall transmit to the Congress annually a complete and detailed report of its operations. Such report shall be as of the close of business on the last day of each fiscal year.

"(b) The report shall contain a description of actions taken by the Bank in pursuance of the policy of aiding, counseling, assisting, and protecting, insofar as is possible, the interests of small business concerns."

CEILING ON BORROWING BY NATIONAL BANKS

SEC. 14. Section 5202 of the Revised Statutes, as amended (12 U.S.C. 82), is amended by adding at the end thereof the following:

"Twelfth. Liabilities incurred in borrowing from the Export-Import Bank of the United States.".

RELATIONSHIP TO THE TRADE REFORM ACT

SEC. 15. Until such time as the Trade Reform Act is approved by the Congress and signed into law by the President, no loan, guarantee, insurance, or credit shall be extended by the Export-Import Bank of the United States to the Union of Soviet Socialist Republics.

SEC. 16. The provisions of section 2(a)(2) of the Export-Import Bank Act of 1945 shall not apply during any fiscal year beginning on or after July 1, 1976.

The PRESIDING OFFICER (Mr. PROXMIRE). How much time does the Senator yield himself?

Mr. STEVENSON. I yield myself 3 minutes.

Mr. President, yesterday the Senate voted overwhelmingly to send the Export-Import Bank bill back to conference for a third time. In doing so, it left no doubt that the Senate would insist on satisfactory solutions to the twin problems of Exim assistance for energy development in the Soviet Union and inclusion of the Bank in the Federal budget. As author of the original Senate bill which in many respects went well beyond the Church amendment and as a supporter of the Proxmire budget amendment, I welcomed that move. However, after participating in two conferences on this legislation and after assessing the attitude of the conferees in the previous conferences, I can report that there is little certainty of achieving a satisfactory solution in this third conference.

Hence we are now faced with the prospect of either a deadlocked conference, or a third conference report which may also prove unacceptable to the Senate. The Bank, whose authority to make new commitments has already expired, will remain moribund, causing inestimable damage to the U.S. export market and embarrassment for the United States abroad. Worse still, we will be no closer to a solution in the next Congress than we are today.

Mr. President, the Senate has made its will clear. It wants an Export-Import Bank, but it wants a Bank responsive to congressional policy and oversight, particularly with respect to large energy transactions in the Soviet Union and inclusion of the Bank in the budgetary process.

I believe that we can strengthen the hand of the Senate conferees and pave the way for a final disposition of this matter in this Congress by passing a new Export-Import Bank bill now and sending it over to the House. That way, the Senate will make clear exactly what it is insisting on. It will guide the conferees in their deliberations. And in the event of deadlock or unsatisfactory conference report, it will give the full House an opportunity to vote on this legislation and complete action on the Export-Import Bank in this Congress.

Mr. President, my amendment consists of the Eximbank bill agreed upon in second conference with the House with two important additions:

One would put the Eximbank back in the Federal budget starting with fiscal year 1977.

The other would require affirmative congressional review and approval of all proposed Eximbank loans and guarantees of $25 million or more for fossil fuel energy projects in the Soviet Union. Congressional review and approval would be in accordance with procedures identical—except for certain time periods—to those established in the trade bill approved by the Senate last Saturday for bills to implement trade agreements and resolutions to approve commercial agreements with Communist countries.

Under this procedure the Eximbank would submit to the Congress a report on each proposed fossil fuel energy project in the Soviet Union of $25 million or more together with an approval resolution.

The Banking Committees of the Senate and House would have 25 legislative days to act on such a resolution. If the committees did not act within 25 days, the approval resolution would be discharged automatically and placed on the calendar. Within 15 days thereafter, a vote on the final passage would occur with debate in the Senate and House limited to a maximum of 20 hours.

With these two additions to the bill reported out of conference, the Senate will have achieved all its major objectives in accordance with its instruction.

It will have placed a $300 million ceiling on future Eximbank commitments to the Soviet Union, a ceiling which could be exceeded only if Congress gives affirmative approval.

It will have subjected all future major transactions of the Bank, whatever the country involved, to close congressional scrutiny by requiring the Congress to be notified of such transactions 25 legislative days prior to final approval.

It will have insured that the Bank assists no major fossil fuel energy projects in the Soviet Union without express congressional approval.

And it will have insured, unless the budget committees recommend otherwise, and Congress concurs, that the Bank will be restored to the Federal budget starting with fiscal year 1977.

In addition, by taking this route, we will avoid the need for another conference and all the delay and risks which that entails, while preserving all the reforms which we have successfully achieved and the House has agreed to the date.

These reforms include a requirement that the Bank take into account the possible adverse effects of Exim assistance on U.S. employment, the competitive position of U.S. industries, and the availability of materials in short supply before approving any loan, guarantee, or insurance. They include a requirement that Exim's interest rates be set by taking into account the average cost of money to the Bank. They require that Treasury lending to Exim bear interest at a rate equal to Treasury's cost of money on borrowings of similar maturities. They require that Exim report semiannually on the progress it is making in reducing international credit competition. They require that Exim report semiannually on all energy related transactions and include in that report an analysis of the effect of such transactions on the availability of energy developed abroad for use in the United States. They require that Exim report annually on its progress in assisting small business. And by reducing the amount of additional authority available to Exim to half of the additional $10 billion it asked for, and by placing a lid of $300 million on new assistance to the Soviet Union, it insures that within a relatively short time, perhaps as soon as 2 years or less, the Congress will again have an opportunity to consider what, if any, kind of Export-Import Bank it wishes to have.

Mr. President, my amendment offers a reasonable compromise on the issues which concern this body. They are issues which deeply concern me as well. Along with the other issues which we have explored at length in hearings in the Banking Committee, they helped trigger the first major reform of the Bank since its inception, reforms which we are now close to achieving and which we may jeopardize if we have to return to yet a third conference.

My amendment also offers a reasonable package for the House. All but the budget and the Soviet Union fossil fuel energy provisions have already been agreed to in conference. Sending a new, realistic, and reasonable bill to the House now—one which has largely been agreed to—and avoiding the need for further conferences in the waning days of this session, offers the best possible hope for enactment of an Export-Import Bank bill in this Congress.

This matter has been fully debated. The votes in the Senate yesterday reflect adequately the feelings of the Senate.

I, therefore, urge adoption of my amendment.

Mr. PACKWOOD. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield to the Senator from Oregon for a question.

Mr. PACKWOOD. I did not hear what the Senator said when he said in addition to the Church and Proxmire amendments

We have added expedited voting provisions which are very critical, and if I might ask for 2 minutes of time to state why these are critical?

We have added expedited voting provisions in this bill so that under the Church amendment, the $25 million fossil fuel amendment, it could be expedited and could be brought to the floor and not be stopped by a filibuster.

We considered this point in conference before, and the House raised their point that it was not germane under the conference, and could not be added under the existing conference, so we are adding it to this bill here so that when we get to conference tomorrow, if we are still stuck on that lack of germaneness, we will have another vehicle with those provisions in it.

If, by chance, at the conference tomorrow—and I certainly do not mean to give the House the impression we are going to jam something down their throat—their use of the rules has changed, and it is germane. We may be able to work all this out tomorrow without having to resort to this bill. That is the reason for adding these provisions.

Mr. STEVENSON. The Senator is correct. This simply gives us two options: an opportunity to pass the bill and send it to the House and give it an opportunity to be acted upon and, as the Senator has also mentioned, an opportunity in conference to act on the matter. Because of parliamentary problems there are limitations on what the conference can do. This amendment could help overcome those limitations by offering a vehicle outside the conference, if necessary, to enact Export-Import Bank legislation in this Congress.

Mr. CHURCH. Mr. President, will the Senator yield for a question or two?

Mr. STEVENSON. I yield.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CHURCH. I am happy to use my own time.

The PRESIDING OFFICER. How much time?

Mr. STEVENSON. Two more minutes, and I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, referring to section (4)(A) of the proposed amendment, it reads:

> (4)(A) No loan or financial guarantee or combination thereof which equals or exceeds $25,000,000 for the export of goods or services involving research, exploration, or production of fossil fuel energy resources in the Union of Soviet Socialist Republics shall be finally approved by the Board of Directors of the Bank,

Then it goes on and says getting affirmative consent of Congress before Bank financing of any fossil fuel energy project in the Soviet Union.

My question relates to the $25 million threshold which was not contained in the original amendment which I proposed. I want to be perfectly certain that that $25 million threshold is not meant as authority for the Bank to approve loans for small exploration and development projects in the Soviet Union, so long as they do not exceed $25 million, because that would certainly be a serious loophole in the amendment if that were the intention of its authors. In other words the Bank could not authorize an initial financing of less than $25 million for the Yakutsk and North Star projects.

Mr. STEVENSON. I am glad the Senator raises that point. It is a point that the Senate Banking Committee report addressed itself to in a slightly different context. It clearly is not the intent of the Senate to permit the evasion of the $25 million threshold by the division of basically one transaction into many small parts stretched out over a period of time.

I think the legislation is clear and, if not, certainly the intent of the Senate can be made very clear right now. We do not intend this $25 million threshold to be evaded by dividing up single transactions into a series of smaller transactions.

Mr. CHURCH. May I ask what the purpose was for including the threshold at all since the original amendment had none?

Mr. STEVENSON. It was pointed out that if, as the original amendment did, all transactions involving the export of any equipment for use in energy projects in the Soviet Union were subject to prior approval in Congress, we would be unintentionally picking up——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STEVENSON. Two more minutes. We would be unintentionally picking up pipe, trucks, tractors, equipment, and all kinds of machinery which might be used in connection with energy transactions or other transactions in the Soviet Union.

It is our intention to include such items. Our intent is to subject the large energy transactions, such as the North Star and Yakutsk transactions, to prior congressional approval to make that clear, and this device, a $25 million threshold.

Mr. CHURCH. With that understanding of the device, the use of the threshold and its purpose as explained by the able Senator, I believe that we do preserve the essence of the amendment which is to retain the right for Congress to first approve before loans of any magnitude may be extended for the purpose of developing the natural gas resources inside the Soviet Union, and that the amendment in its present form would preserve that right to Congress with respect to the two projects, the Yakutsk and the North Star projects, that are presently being considered by the Bank.

Mr. STEVENSON. That is the intention of the authors of this amendment, and I believe that, with the benefit of this colloquy, that intention has been made crystal clear.

Mr. CHURCH. I thank the Senator very much.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. The expedited procedure mentioned by the Senator from Oregon, as I understand it, only applies to the Church amendment.

Mr. STEVENSON. The Senator is correct.

Mr. HARRY F. BYRD, JR. It does not apply to the second conference report provisions, particularly the one dealing with the $300 million ceiling.

Mr. STEVENSON. No, it does not apply in the case of the $300 million ceiling. For the $300 million ceiling on the Soviet Union to be exceeded, the Bank would have to return to Congress for the necessary authority, and under this proposal, that authority could be granted only by concurrent resolution of Congress.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. STEVENSON. I thank the Senator.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Tennessee.

Mr. BROCK. I know what the Senator is trying to do. He has stated his case adequately as to the desire to put the feet of the House to the fire and get a bill through this Congress.

I rise simply out of concern that the Senator's objectives may be thwarted by his very action in seeking this because, it seems to me, we are placing the other body in a rather embarrassing position.

We have been to conference once. We have made rather consequential strides in sustaining the Senate position. The House has accommodated the Senate in a number of areas, as the Senator pointed out the last time we debated this bill.

We are scheduled to go to conference in the morning. I think there is a real prospect that the House will further accommodate the will of the Senate and will accept most, if not all, of the amendments offered by the Senator from Idaho and the Senator from Wisconsin. But that does not seem to be enough. Now we are saying, "Let us tack it on a different bill and hold their feet to the fire."

I say to the Senator, in all sincerity, it seems to me that this is a step fraught with a great deal of risk and danger. I served in that body, and I have great love and affection for it, and I also have some understanding of the mood of that body, particularly in the waning days of a session. They do not take kindly to this kind of pressure.

It seems to me that the potential hazard in a step of this sort outweighs the potential gain. I think it is possible, at least, to make an assumption that if the Senate takes this action this evening, it may have——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STEVENSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STEVENSON. Mr. President, who is controlling the time?

The PRESIDING OFFICER. The junior Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. BROCK. Will the Senator from Pennsylvania yield 3 minutes to me to continue this colloquy?

Mr. SCHWEIKER. Yes, I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator is yielded 3 minutes.

Mr. BROCK. I am afraid, in so many words, that the House may decide that they simply will not proceed further in a spirit of compromise and accommodation, and we may destroy, as a result of the action of the Senator in offering this amendment, any prospect whatsoever of having a continuation of the Export-Import Bank, because the time is running out.

I raise the issue simply to pose a warning to my colleagues and to suggest that if we must take such a step it would be well to take it after the conference tomorrow, if we are not successful, and not before. Taking action now would jeopardize the prospects of the conference.

I wonder if the Senator has given consideration to this possibility and is prepared to take the risk that I suggest may be involved?

Mr. STEVENSON. Well, I certainly do appreciate the seriousness of the matter the Senator has brought up.

The worst, however, that could happen is that this Congress will end up passing a continuing resolution and we will legislate in the next Congress. I do not expect that to happen.

I think the greater risk at the moment is to go back to conference and end up either with a deadlock or a third conference report, which is unsatisfactory to the Senate, or with a conference report which is satisfactory to the Senate but does not resolve the expedited review procedure question to the satisfaction of the Bank.

Furthermore, I do not see why the other body should take offense. We are simply giving it, as well as ourselves, another option.

We will go to conference in the morning, and if we can resolve our differences and report out a satisfactory conference report, then the conference report would become the vehicle for enactment of legislation in this session.

Mr. BROCK. I hope we have somebody to convene with. I wonder whether the House conferees will be there or not.

In the face of this, I think the Senator must understand the House position. I think there are a number of members on the House committee who would like very much to support and sustain the amendment of the Senator from Idaho, but they do have a germaneness rule that they value. It is their one tool to defend themselves against what they describe as nongermane amendments from the Senate.

Having served in that body, I have respect not only for the rule but for that position, and I understand their mood.

We are not discussing merits now, we are talking of the ability of this body to work with the other body in an accommodation.

I raise the point, because I truly believe the action of the Senator on this amendment may jeopardize the continuation of the matter.

The PRESIDING OFFICER (Mr. PROXMIRE). The Senator's time has expired.

Who yields time?

Mr. PACKWOOD. Will the Senator yield 1 minute to me?

Mr. STEVENSON. Yes.

Mr. PACKWOOD. In response to the Senator from Tennessee, let me say, if all that the Senators say is an accurate forecast, I would have grave misgivings about what we are doing, but I am genuinely worried about the germaneness problem the House conferees raised before about the expedited voting provision which they said they could not consider.

We might get in conference tomorrow, have no adequate vehicle in conference, and it is my intention tomorrow to very carefully explain this.

I did not intend to hold the House conferees' feet to the fire and ax over the head, but to give us another vehicle if we need it to reach an agreement, if we cannot reach it on the bill we have.

Mr. BROCK. May I say to the Senator, I fully understand and appreciate his position. I have discussed it with him and I support that concept.

What I am suggesting to him is that it might be the better part of valor to wait until tomorrow after the conference to tack this on to some other similar bill and see if we cannot use that vehicle. Perhaps we can reserve this bill for action tomorrow and tack it on at that time, but to do so now before——

The PRESIDING OFFICER. The Senator's time is up.

Mr. BROCK. It puts the bill in jeopardy.

Mr. STEVENSON. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. SCHWEIKER. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. SCHWEIKER. Mr. President, I want to say that I support this effort. I think the action the Senate is taking now really reflects very accurately exactly what the Senate voted to do yesterday on the 87-to-2 vote recommitting with instructions that I had previously made.

I think just the fact that we are finding another vehicle for reasons that the Senator from Oregon suggested, because we are doing something that probably cannot be done in conference on the affirmative or negative action being required in a period of 40 days.

So, to me, this is just a reamplification or restatement as to the will of the Senate yesterday by doing it through a vehicle that gives the House another option to include the 40-day voting, up or down on the energy bill.

I think there are three key elements of this proposal.

First of all, the Proxmire budget amendment which is intact in this proposal.

Second, the conference report from the second conference, which is basically intact in this proposal, and which the Senate voted overwhelmingly for yesterday, as it did the Proxmire amendment.

Third, the Church amendment with the one minor modification of defining a definitive period of time in which to express its will.

This is the very thing that the Senator from Idaho and I and others have been fighting for, that the Congress decide whether there should be a Soviet energy deal or not.

I happen to oppose one, but I think it is the will of the Senate and the House, and it should be explained, that we define that vehicle, and that is the relevancy of the matter.

I would like to ask the Senator from Illinois so that I thoroughly understand: the $25 million limitation, this $25 million limitation on Soviet energy deals, would not permit the Government, for example, through the Eximbank, to loan an amount up to $25 million and then to come back later and say they need more money to complete the job, or they run into unforeseen overruns, or they are going to drill some other place in the field for another $20 million. It would not either permit an energy project to be taken in steps or permit an energy package to be broken down in components of less than $25 million. Is that the understanding of the intent of this proposal?

Mr. STEVENSON. It certainly is the intention of the author of this amendment and of the Senator from Idaho, and I believe with the colloquy between the Senator from Pennsylvania and myself and the Senator from Idaho, it should be very clear to the Bank.

I might add, it is most unlikely that the Bank would take any risk of abusing the intention of the Congress, because it will not be very long before the Bank is back before the Congress seeking increased authorizations for transactions everywhere in the world as well as increased authorizations for transactions in the Soviet Union due to the $300 million ceiling on additional transactions in that country.

So I would fully expect that the Bank would seek to abide by the intent of the Congress and that intent, I believe, has been made abundantly clear.

Mr. SCHWEIKER. One further question of the Senator. Does it not also mean the pending deal of $49.5 million could not be implemented or proceeded with or started or begun in any way without a specific or express vote of both the House and the Senate?

Mr. STEVENSON. Yes, that is clear. I would say the same thing with respect to the other transaction by the Eximbank for energy development in the Soviet Union investing $35 million or more of Eximbank assistance.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. SCHWEIKER. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator has only 2 minutes remaining.

Mr. SCHWEIKER. How many?

The PRESIDING OFFICER. Two minutes.

Mr. SCHWEIKER. Out of 15? I thought we were allocated 15.

The PRESIDING OFFICER. It was 10 to a side on the amendment and the Senator yielded 3 minutes to the Senator from Tennessee, yielded himself 5 minutes. There are 10 on a side.

Mr. STEVENSON. Mr. President, I submit this has been debated at great length in the Senate on no less than eight occasions, so I would hope that we would not have to impose upon the patience of our colleagues very much longer, but I happily yield on the bill as much time as the Senator from Pennsylvania desires.

Mr. SCHWEIKER. Is there any time that I can have allocated to me from the bill?

The PRESIDING OFFICER. Yes, the Senator can.

Mr. SCHWEIKER. May I allocate myself 3 minutes on the bill at this point?

The PRESIDING OFFICER. The Senator may.

Mr. SCHWEIKER. I do not want to take much longer. I want to ask some of my colleagues to comment, because they have played an important role in this proposal as well. I think it very clearly expresses the will of the Senate and what we are trying to do. I think by our dialog we have made abundantly clear what the intention is. I think this is a way to proceed with the Export-Import Bank so that Congress will assert its will of oversight and so that it will bring it into its normal operating procedures, authorization, and appropriations.

The Congress will have the opportunity to express its will at some point in time. So I commend the Senator from Illinois and his committee for this step.

I also want to thank my colleague from Wisconsin (Mr. PROXMIRE) for his leadership in this area; the Senator from Idaho (Mr. CHURCH); the Senator from Alabama (Mr. ALLEN), the Senator from Nevada (Mr. CANNON), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and others who have helped in this fight. I think this represents our best thinking and our best efforts.

I will be glad at this point to yield 2 minutes from the bill, itself, to the Senator from Alabama if he would like that time.

Mr. ALLEN. I thank the Senator.

Mr. President, I believe the Senate has acted in the best traditions of the Senate in its deliberations on the amendments to the Export-Import Bank Act.

I believe the Senate has stood firm on its insistence that the operations of the bank come under the unified budget; that there be a $300 million overall limit on loans to Russia, and a $25 million limit on single loans without approval of Congress.

I believe there has been a spirit of cooperation between those insisting on the amendments and the conferees.

I believe that the Senate will do well to accept this amendment as an additional safeguard or hedge to assure the passage of the amendments with proper limitation.

I do not foresee the dangers in the amendment that some other Senators see. If the conferees are able to agree on the amendments, there would be no necessity for this amendment. If, on the other hand, they cannot, this just gives another opportunity for reaching an amendment.

I believe the Senate would do well to approve the amendments.

Mr. PACKWOOD. Mr. President, I rise in support of this amendment. While not approving of each and every element of this compromise, I cannot disagree with the fact that we either adopt this package or the Export-Import Bank of the United States will die because of inaction by the Congress. This we cannot allow to happen.

It is exceedingly unfortunate that events have transpired as they have on this legislation. It would be infinitely more regrettable were the Bank to die. It is a badly needed institution if the United States is to participate on a full and equal basis with our major trading competitors around the world.

Because of my firm conviction that it is this or nothing, I support the amendment. I ask unanimous consent that a few items be printed at the conclusion of my remarks. First, I submit the text of a speech I intended to deliver if the Senate were to have agreed to limit debate on the second conference report. Also, I submit for the RECORD a copy of the chairman's statement from Eximbank's fiscal year 1974 annual report. Finally, I submit a copy of some data provided in the Bank's annual report outlining their operations over the last decade. All of this information should prove useful to an understanding of what we do here today.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS PREPARED FOR DELIVERY BY SENATOR BOB PACKWOOD DURING THE SENATE DEBATE ON THE EXPORT-IMPORT BANK AMENDMENTS OF 1974

Mr. President, I rise in support of the Conference Report on the Export-Import Bank Amendments of 1974.

This is good legislation which succeeds in walking the delicate balance between Congressional direction and administrative flexibility. Above all, this is needed legislation—it is needed to get the United States back in business in a meaningful manner in international trade.

Let me review for a moment the history of the last few months of Congressional action on the Export-Import Bank. The law was due to expire originally on June 30th. We passed S.J. Res. 218 extending the life of the Bank for 30 days.

Then we approved S.J. Res. 229, extending the life of the Bank for two months from July 31st through September 30th. Still having not completed our work, we were obliged to pass a 15-day extension (S.J. Res. 244) to carry the Bank through October 15th.

Finally, we failed to complete action on the legislation prior to the Election Recess and approved a fourth extension resolution to carry the Bank through November 30th (S.J. Res. 251).

Mr. President, that is where we stand today. We have spent more than a year and a half on this legislation. We have passed four temporary extensions of the Bank's life. Even as we meet today, the Bank's statutory authority has expired.

Mr. President, I believe we have worked over this legislation quite long enough. It is time for the Senate to approve the Conference Report that is before us.

Let me review the result of the Conference. Just precisely what does this legislation contain that is new and different? The Conference Report itself outlines the actions taken in response to the differing positions of the two bodies. I would like to concentrate on some of the more important aspects of the agreement.

In several respects, the legislation that is being considered now is a public disclosure document. More than ever before, Congress will be fully apprised, on a formal, consistent basis of what the Eximbank is doing in its day-to-day operations.

The Bank will report to Congress semiannually on all loans approved for the export of energy-related goods and services.

The Bank will be required to detail the manner in which its operations are being directed to the benefit of small businesses in the United States.

The Bank is directed to include in its annual report a complete and detailed listing of all loans involving the purchase of goods and services by a foreign affiliate of an American company from that company—in other words, any parent-sub export financing in which the Bank is involved.

The Bank is required to notify Congress 25 days in advance of approving any transaction involving a loan and financial guarantee of $60 million or more for the sale of goods and services to any country anywhere in the world. In addition, in those cases where a $50 million loan is being directed toward the purchase of American goods by a Communist country, the President is required to certify that the transaction is in the national interest and so notify the Congress in advance of the loan being approved by the Bank.

The legislation also resolves the few lingering concerns that some members have with respect to the Bank's ability to subsidize export trade. The Conference Report amends a provision in the Export-Import Bank Act which—on a few prior occasions—enabled the Bank to borrow at rates below the cost of money to the Treasury. The legislation also fixes into the law for the first time the criteria on which the Bank will base its decision as to the interest rates it will charge.

One of the points raised during the course of our hearings on this legislation was the seeming inability of outside observers to determine the basis for a decision by the Bank's Board of Directors of whether or not to approve a loan request. Existing law requires the Bank to "take into account the possible adverse effects upon the United States economy" when deciding on a loan. The Conference Report specifies what Congress means by "possible adverse effects" by detailing the economic factors to be considered by the Bank—the competitive position of United States industry, the availability of materials which are in short supply in the United States, and employment in the United States.

The Conference Report contains a requirement that the Bank designate one of its officers to serve as an ombudsman of sorts for small businesses in America. This will help small business to determine the potential market for their goods and services abroad, thereby improving their economic position. The Bank has done much in the last several years to encourage small businesses to participate in their programs—this new provision of law will continue this commendable trend.

Finally, the Conference Report addresses itself to three aspects of our trade with the Soviet Union. First, we wrote into the legislation a firm prohibition against Eximbank financing of trade with the Soviet Union until the Trade Reform legislation is signed into law. This is a critical provision that seems to have gotten lost in the rush to consider the Conference action. It is critical for two reasons—first, and foremost, it announces to the world that we mean business on title IV of the Trade bill (an announcement that I would like to believe aided in securing the agreement on title IV that was reached last October between Mr. Jackson, the Administration, and the Soviet Union); and, second, it belies suggestions that Eximbank will rush out tomorrow after this Conference Report is agreed to and finance multibillion projects in the Soviet Union.

Second, the conferees agreed on a compromise approach to the question of fixing a ceiling on future extensions of credit to the Soviet Union. The Senate amendments provided for a $300 million ceiling on new loans and guarantees to the Soviet Union. The Conference Committee agreed to a compromise which entails granting authority to the President to raise that ceiling to a higher level subject to concurrence by Congress. He would make his recommendation after he has considered the arguments posed for and against raising the ceiling and determined that to do so would be in the national interest. Then, the President would be required to immediately notify the Congress of any action to raise this ceiling and to state in detail his reasons for doing so. And, in the final analysis, it would be Congress that would pass final judgment through adoption of a concurrent resolution before the increase would be effective.

Third, we have agreed to a provision whereby the Bank will be required to notify Congress 25 days in advance of approving any proposed transaction involving an Eximbank loan or financial guarantee or combination of $25 million or more where the financing is for the exploration, development, or production of fossil fuel energy resources in the Soviet Union.

Now I should like to outline the essence of the sole major objection that has been voiced to adoption of the Conference Report. The objection centers on the relationships between Eximbank and the Unified Budget.

The need for excluding the Bank's receipt and expenditure totals from the Unified Budget was thoroughly analyzed and debated in 1971 when the action was taken. Since then the Senate has voted twice to replace the Bank in the Unified Budget. Both Senate actions were rebuffed by the House, and the Congress has agreed that the issues ought to be reconsidered by the Budget Committees of the Senate and House with an eye to possible inclusion in the future. I understand that the Budget Committees are already beginning the inquiry into this issue and should be in a position to report their conclusions and recommendations to the Congress next year.

Why then the continuing debate over inclusion of Eximbank at this time? The opponent of the Conference Report alleges that continued exclusion of Eximbank from the Unified Budget somehow results in Congress not really knowing the budgetary and inflationary impact of the Bank's operations. I wish somebody would explain how in the world a Congress that spends weeks each year studying the appropriations bill containing authority for the Bank to conduct its business can fail to have duly noted the budgetary and inflationary impact of the Bank. It should be clearly understood, if it is not already, that exclusion of the Bank from the Unified Budget in no way changes the requirement for the Bank to clear its program through the Office of Management and Budget and secure the approval of Congress each year.

In fact, if there is really such a cloak of suspicion and secrecy surrounding the exclusion of an agency's operations from the Unified Budget, I would suggest that Congress would be well-advised to look a bit more closely at the various housing agency operations whose accounts are excluded from the budget—there we are talking about several billions of dollars. In fact, just last October, Congress approved legislation (which, by the way, I co-sponsored and strongly supported) to pump an additional $7.75 billion into the housing market in one year—this action was coupled with an exclusion of the operation from the Unified Budget.

It is precisely because of such duality that the Budget Committees have been directed to inquire into the question on a priority basis. The conferees simply concluded that action at this time on Eximbank would be precipitous and potentially harmful to the Nation's international economic interests. After all, it should be remembered by my colleagues that, whereas the decision to remove the Bank from the budget was preceded by extensive hearings and a thorough examination of the issues, the question of returning the Bank to the budget has not yet received the benefit of public hearing and critical examination. That is to be the role, initially, of the Budget Committees and, later, the substantive Oversight Committees involved.

At this point, I would like to discuss what became the central issue in terms of earlier criticism of this legislation—the extent to which the Congress will hold control over any future decision to assist in the financing of exports of energy-related goods and services to the Soviet Union.

The Senate adopted an amendment in September that would have required Congress to approve (by adoption of a concurrent resolution) any proposed financing of exports of energy-related goods and services to the Soviet Union. The amendment was adopted by voice vote. The House bill we were amending had no such provision and this issue became a key point of debate in the Conference, and, more recently, on the Senate floor (accompanied by the question of a ceiling on new credits to the Soviet Union).

After a thorough debate of the pros and cons of the Senate Amendment, the Conference has concluded that the objective that was being sought can be attained without retention of the actual amendment. Accordingly, the conferees reached agreement to modify the Senate amendment to provide for prenotification by the Bank to Congress of any fossil fuel related project in the Soviet Union of $25 million or more.

Opposition to the first Conference Report focused on a concern that the earlier action paved the way to immediate Eximbank approval of multi-billion dollar energy projects in the Soviet Union.

Quite the contrary is true.

There are several protections in this legislation which will effectively bar Eximbank from taking any untoward action on Soviet energy projects—assuming for the moment they will be asked to do anything.

1. Eximbank must notify Congress 25 days prior to final commitment on any Eximbank loan and guarantee package of $60 million or more, worldwide;

2. The President must make an individual determination that it is in the national interest to extend an Eximbank loan of $50 million or more to a Communist country and report that determination to Congress (the House bill had no provision);

3. The conferees retained the Senate-passed ceiling of $300 million for new Eximbank commitments to the Soviet Union, but added an exception that the President may establish a higher ceiling if he makes a specific determination that such a higher ceiling is in the national interest and reports that determination to Congress along with his reasons therefor and Congress concurs in that judgment by adopting a concurrent resolution;

4. Eximbank is required to prenotify Congress on any transaction of $25 million or more involving fossil fuel energy projects in the Soviet Union; and

5. Eximbank is absolutely prohibited from extending any credits to the Soviet Union until Congress passes and the President signs the Trade Reform Act.

There are two additional limitations placed by Congress on Eximbank which effectively preclude Eximbank support for the multi-billion dollar Soviet energy projects without specific approval from Congress.

First, each fiscal year Congress places a worldwide limitation on the amount of new loans Eximbank can approve. Under the loan limit Congress is considering for this fiscal year, Eximbank can lend an additional $2.4 billion during the remainder of the year. Clearly, Eximbank could not commit several billion dollars to any one project in any one country without coming to Congress for an additional loan authorization.

Second, the Conference Report increases Eximbank's overall commitment authority by $5 billion from $20 billion to $25 billion. Eximbank had originally requested a $10 billion increase to be used over the 4-year extension provided in this legislation. The need for the $10 billion was based on a projected requirement for Eximbank's support of U.S. exports over that period throughout the world. The Soviet oil and gas development projects were not included in the $10 billion request and certainly are not included in the $5 billion provided in the Conference Report. Eximbank simply is unable to allocate a substantial portion of the $5 billion increase for one or two projects in the Soviet Union thereby precluding support to all of the other markets which it presently services.

Mr. President, I want to make one point very clear with respect to the intent of the conferees on this bill. We have both agreed to an increase in the commitment authority limit of the Bank of $5 billion—from $20 billion to $25 billion. The Bank initially requested an increase to $30 billion to cover the four-year period of the extension through June 30, 1978. Just so there is no confusion in anyone's mind, I want to state for the record that this $5 billion increase is expected to carry the Bank for about 2 years. As the House Committee pointed out in their original report on this legislation, they have no intention of forcing the Bank to stretch this authority through June 30, 1978. In fact, we expect the Bank to return to Congress sometime in the next 2 years for an increase in authority. Our sole purpose for reducing the commitment authority ceiling was to accomplish this objective—to ensure that Congress will have an opportunity two years hence to take another look at the Bank's operations.

That brings me to one final fact that tends to diminish the substance of charges that Eximbank will move tomorrow to finance billions of dollars' worth of American exports to the Soviet Union or any other single country for energy development or any other purpose.

As I stated, under the terms of the legislation that is before us, Eximbank will have to return to Congress in 1976 for a further increase in their commitment authority. Also, under the terms of the agreement on title IV of the Trade bill, the question of credits to the Soviet Union will be subject to reexamination within 18 months.

It is more than the imagination can conceive that the Bank's Board of Directors would try—or the President would allow—financing of major projects of the sort being discussed by the opponents of this legislation without first returning to Congress for a specific appropriation for those projects. To do otherwise would be the height of folly and they know it.

Mr. President, as I indicated at the outset of my remarks, this is good legislation and it is needed now.

I urge the adoption of the Conference Report.

Annual Report 1974—Export-Import Bank of the United States; the Chairman's Statement

Worldwide inflation, worldwide shortages in fuel, food, fibers and minerals and a huge, sudden shift of wealth to a few oil producing nations, have combined to take world trade and the international economy into rough, uncharted waters. It is appropriate to fashion this report around the theme of "change," the new challenges we face, and the new policies we need to maintain the flow of trade and the liquidity which are so important in keeping the world economic system working.

Over recent years the Eximbank has undergone rapid expansion in its operations. Since 1969 it has more than doubled the number of authorizations; it has more than quadrupled the value of export sales supported; and it has increased the variety of services offered to American exporters. This expansion was necessary to enable our exporters to maintain their position in rapidly growing world trade. It was necessary, too, for our own economic growth, and it was particularly necessary to help balance rising imports which in 1971 and 1972 brought about our first trade deficits in this century.

Today, the Eximbank must continue to expand assistance to the U.S. export sector, but it must do so under changed conditions. I would like to discuss those conditions and describe how we are moving to meet them. I would like, too, to look ahead—to trends as we perceive them—and to explain how these can affect the Bank and its mission. We must constantly read the future, and anticipate what it means for us, because the impact of our operations and authorizations today is felt for years to come as the exports we have financed flow and develop future markets and as the larger projects come on stream.

NEW CONSTRAINTS AND NEW POLICIES

World exports expanded 36% in 1973. Expansion continued through the first half of 1974, and may reach an annual level 30% above that of the preceding year. U.S. exports outpaced the growth in world exports and advanced 44% in 1973 and another 45% in the first half of 1974. At the beginning of the fiscal year on July 1, 1973, the U.S. was just beginning to recover from trade deficits (over $6 billion in 1972), which had resulted in successive devaluations of the dollar. This cheaper dollar made U.S. products more competitive in world markets and contributed to the upsurge in U.S. exports. At the same time it contributed substantially to inflation at home as it became necessary to pay more dollars for the imports needed to keep the U.S. economy going and as other currencies became able to compete more advantageously with U.S. consumer dollars for domestic supplies.

In FY 1974 the Bank facilitated $12.8 billion in U.S. export sales, and for the first time fully utilized the Congressional limit set on its authority to make loans. This meant that for the first time good projects that were otherwise bankable—some $700 million worth—had to be carried over into the new fiscal year, and, if re-approved, would reduce the funds available for financing new transactions in FY 1975. If the Bank continually had to postpone an increasing number of eligible projects from year to year the results would be obvious and unfortunate.

During the fiscal year just ended the Bank also was faced with the rapidly increasing cost of borrowed money which placed a further constraint on its activities. To adapt to the changing cost of money and to make our funds do as much as possible in stimulating exports and enlisting private financing, Eximbank has adopted a broad range of new guidelines:

1. We changed the interest rate on credits from 6% to a band ranging from 7% to 8.5%.

2. We moved the interest rate on Cooperative Financing Facility lines from 7% to 8%.

3. We increased the financial guarantee fee from ½% and now fix a fee within a range of ¾% to 1½%.

4. Instead of routinely authorizing loans equal to 45% of the contract price, we are reducing that participation on a case-by-case basis to as low as 30%.

5. Whenever feasible, we are requiring the commercial lender to participate with no guarantee or with only a portion of its loan guaranteed by Eximbank.

6. On an *ad hoc* basis, we are, where feasible, endeavoring to increase the normal 10% cash payment to 20% or even more.

7. We are scrutinizing the financial, economic and technical aspects of each transaction more closely to weed out unduly weak countries and buyers, particularly in markets where Eximbank's exposure is high.

8. We are examining each loan application more carefully to eliminate wherever practicable those cases in which Eximbank's financing is not really needed.

9. We are placing special emphasis on transactions and programs which show the greatest prospects for developing new exporters and helping small business become larger exporters.

10. We are giving careful consideration in each loan request to ascertain any possible adverse effects on the U.S. economy. We are eliciting more detailed facts on the possible displacement of U.S. exports, loss of employment in the United States, imports into the United States, and competition with U.S. exports in other markets, which may result from the export of U.S. equipment. We find out, too, whether the equipment being exported is in short supply domestically. We weigh these considerations very carefully in the light of the availability of comparable equipment from third countries and the value of the export to our trade and balance of payments position, both immediate and over the longer term.

We are determined to pursue these objectives and at the same time carry out our statutory mandate to provide loans and guarantees which offer a reasonable assurance of repayment, which are competitive with government-supported assistance available to foreign exports, and which support and encourage private capital participation in export financing. It must be recognized that there are risks in carrying out this mandate. We have to make close credit judgments. We have to enlist private participation in the kind of financing our big project, high technology exports require, and one means used to do this is for Eximbank to take the later maturities in long-term loans, allowing the private lenders to get out first. That these risks have been reasonably well managed should be clear from the Bank's record of: (a) having been able to meet its payroll, pay for the money it uses, and carry on its mission without spending any taxpayer money; (b) paying $906 million in dividends to the Treasury (at a rate of $50 million *per annum* in each of the last 12 years); and (c) building a reserve of $1.6 billion.

From time to time Eximbank, like other banks, reschedules or makes other adjustments in loans when borrowers face financial difficulties. Often this is done in parallel with other public or private sector financial institutions. The causes of such difficulties vary but can include temporary balance of payments problems, an over-valued currency, crop failures for leading exports, imprudent borrowings by a prior government, war and civil strife. Last year, along with other creditors, the Bank rescheduled its loans to Chile. This involved $332 million of the Bank's assets. In this case, as in all reschedulings, the Bank's objective was to maximize prospects for eventual repayment. The $56 million repayment already received from Chile under the rescheduling is encouraging. Since Eximbank began operations it has written off only $3.7 million against $22 billion in loan disbursements, or only 2¢ on each $100 in loans disbursed. The Bank's record on insurance claims paid (net of subsequent recoveries) has been $29.1 million, or 20¢ on every $100 of shipments covered under these programs.

FACING A NEW TRADE DEFICIT

As the fiscal year ended, the United States was again moving into a deficit trade position due to higher prices of oil and other imported materials. By the start of the fourth quarter of 1974 it became clear that the additional $20 billion we will have to pay out for imported oil will convert 1973's hard won trade surplus into a substantial deficit. This will happen even though we will be able to increase our agricultural, capital goods, chemical and crude materials exports by substantial amounts.

To avoid a rising trade deficit it will be essential for us to hold and expand the $12 billion trade surplus we hope to achieve in machinery and transport equipment for calendar 1974. This will not be easy. Our capital goods manufacturers face strong competition. In almost all categories foreign competitors produce comparable equipment which satisfies product demand in their overseas markets, including the United States. For example, during the first seven months of 1974, U.S. finished goods manufacturers imported $353 million in textile, sewing and leather processing machinery while U.S. manufacturers of this machinery sold only $302 million worth in foreign markets.

U.S. exports of power generating machinery exceeded imports of this machinery by $723 million during the first seven months of 1974. Exports of aircraft engines figured importantly in this result and emphasize the importance of a continued strong aerospace industry. U.S. exports of office machinery and computers exceeded imports of such equipment by $955 million during the same period. This favorable result, however, was accounted for by the strong U.S. competitive position in the manufacture of computers.

Our projected $12 billion surplus in machinery and transport equipment is burdened by a deficit in automobiles, and our account for transport equipment as a whole might well be in deficit if overseas sales of aircraft and parts were not increasing strongly (i.e., by 40% during the first seven months). We must rely heavily on these sales of aircraft plus the use of U.S. power generating apparatus, construction, excavating, mining production and agricultural equipment in large mining, power, transportation, manufacturing and agricultural projects to pay for the rising costs of the fuel and raw materials we need from abroad. It is precisely these sales and these projects which require the kind of long-term financing the Bank can provide.

Deteriorating trade accounts have emerged in Europe, Japan and among most of our best customers in the developing world. Moreover, as other nations see their reserves falling as a result of higher oil import costs, they are pushing their exports harder. In short, just as rising import prices have increased our export needs heavily, our exporters must look harder for overseas customers and then compete harder for their business.

All of this increases the reliance of the American trader on the services of Eximbank. With money flowing in enormous volume to the oil producing countries, the rest of the world must depend more on credit financing, and the attractiveness of the credit offered by various countries will be a much larger factor in sales competition.

Private banks have been traditionally reluctant to finance exports on terms of over five years. While longer commercial terms have become more available in recent years, it is still often difficult to find private banks which are willing and able to lend for the length of time required to finance large capital projects. Yet as we become more of an importer of basic raw materials, we will have to increase our overseas sales of this kind of manufactured product. It's our specialty. U.S. exporters cannot make large project-type sales without offering financing on terms long enough to permit repayment out of the return from these projects. This is where participation financing by Eximbank and commercial banks is critical.

While the U.S. export pattern is heavily influenced by sales of high technology products, projects and services, there is room, and need, too, for small company participation, innovation and exports. Our export base badly needs to be broadened, to be reinforced with small business enthusiasm, variety and innovativeness. Although the United States is the world's largest exporter, only about five percent of our manufacturing firms sell abroad. This number has to be increased, and facilitating this increase is one of the major challenges facing Eximbank.

Traditionally the Bank has placed high priority on programs to assist small exporters and to involve a larger number of small and medium-sized firms and banks in the export business. Through its guarantee and insurance programs, which account for well over half of all transactions supported by the Bank, we provide assistance to hundreds of smaller exporters and banks which need supplementary assurances of repayment in order to extend private export credit on reasonable terms and conditions. Most guarantee and insurance policies are issued to support export sales in the $5,000 to $100,000 range—generally sales of small and medium-sized firms; and almost half of all short-term insurance policies are issued to exporters whose total annual export business is under $100,000. Through an active program of seminars and training, Eximbank has helped to increase the number of companies and banks participating in export trade. For example, during the past three years, the number of banks participating in Eximbank's guarantee program has increased 50%, to a total of 233, and the number of exporters has risen by a similar percentage.

Other programs directed at the smaller or new exporter and banker include the Small Business Policy where eligibility for insurance is limited to businesses whose average annual exports over the preceding three years have not exceeded $200,000, and the Discount Loan Facility. The assurance of liquidity provided by the discount program encourages smaller banks to finance exports, thus making such financing more available to small producers. Since 1969 the number of banks using the program—often in support of transactions under $100,000—has increased from 27 to more than 190.

The Cooperative Financing Facility also has been especially useful to the smaller exporter. Under this program Eximbank allocates lines of credit to cooperating institutions overseas for loans to buyers of U.S. goods and services. This provision for "on-the-spot" local financing is especially helpful to the smaller U.S. exporter who has only limited credit financing resources at his command. The Cooperative Financing Facility is becoming ever more active and now includes 350 foreign banks in 56 countries. Most transactions supported under this program are in the $10,000 to $200,000 range.

Working with the worldwide network of close to 600 banks which utilize its programs to support the export efforts of smaller firms will continue to remain high on Eximbank's agenda.

A NEW TRADING WORLD AHEAD

While recent developments renew the urgency of exports and export financing, we also must recognize that the economic problems of the United States and of the world are multi-dimensional. Any policy must concern itself with shortages, illiquidity and inflation, as well as with the jobs and the value of the dollar, which depend on exports. For the Eximbank, this means that requests for export credit support must be considered both broadly and deeply. Domestic shortages of certain materials require a very delicate balancing of imperatives, so that export markets—developed over the years with great effort and cost—are not surrendered to avoid a temporary pinch in domestic supplies. A balance also must be struck between the short-term advantages of an export sale to our balance of payments and domestic employment, and the possible longer-term disadvantage that an increase in foreign output of a competitive product might bring. Still another complicating factor has been the rise of the multinational corporation whose commercial decisions reflect a truly international rather than national point of view. These varying circumstances call for new perspectives as well as difficult judgments.

Before turning to the future, it is well to look at certain major developments already visible which will condition events in the years ahead. In the past three years, the value of world trade has doubled; in the last six, it has tripled. And this was before price rises really began to take hold. Looking ahead, the continued growth of trade seems a certainty.

A very large slice of trade is now synonymous with world dvelopment. The trader is being involved in undertakings that combine raw materials, capital, technology, management skills, transportation facilities and markets without regard to national boundaries or political relations. The projects themselves are enormous but there is plenty of room for small and medium-sized traders as subsuppliers.

Those who sell their goods or services abroad are caught up in an economic onslaught that is remolding the very face of the earth: tearing down mountains for their ore; bringing water to deserts and draining swamps for farming; clearing jungles for roads, transmission lines, production facilities and modern communities; penetrating ocean floors and icecaps for oil and gas; creating lakes from rivers for hydroelectric power and irrigation purposes.

There are two reasons for this geographical upheaval. First, the increasing efficiencies of the technological age are dictating bigger scale ventures that go farther afield—that are more thoroughly coordinated and longer-range than those of the past. Second, all-out resource development is under way to overcome the worsening world shortages of critical materials.

One consequence is that trade has become the great equalizer. It turns latent human and natural resources into production to provide the world's expanding industries with new supplies of raw materials, on the one hand, while turning these new supply sources, some of them areas of traditional poverty, into lucrative new consumer markets on the other, thus building up the base of the world economy.

This assures an increasing consumer demand for food, energy and raw materials—resources which are concentrated, rather than spread evenly throughout the world. The effort to increase these supplies encourages a new international division of labor, reflected in the increasing movement of capital and technology to where resources and labor are located, rather than vice versa.

Another related happening is the emergence of a number of rapidly developing countries, which for various reasons are assuming increasing importance in world affairs. In addition to the group of more rapidly moving LDCs—countries such as Brazil, Korea, Mexico, and others—there are the oil producing countries, rich in foreign currency earnings. The re-entry into world trade circles of the People's Republic of China and the growing importance of trade with other communist countries also constitute significant changes.

Finally, the world scene today is characterized more by economic relations between nations than in the past: by a new interdependence arising from multinational approaches to resource development projects.

What do these developments mean for U.S. exporters and the Eximbank? To me, they mean many things.

First, they mean that American manufacturers must size up the new order emerging in world trade to better recognize and capitalize on new opportunities. If we look at recent trade figures, certain trends emerge. For one, world exports and U.S. exports alike will probably continue to grow faster than GNP. Leaving aside price assumptions, which can range widely and thus distort the results, U.S. exports will more than double during the 1970's. A second anticipated trend is continued above-average growth for such product categories as machinery, especially computers, motor vehicles and parts, and aircraft. A third, but perhaps even longer-range trend, is increasing exports of services—engineering and other technical types in which we currently excel, and also banking, insurance and brokerage services where our domestic competence is highly advanced. To make the most of export opportunities for these services, America must turn still more to entrepreneurship. We must rely on our skill in putting together large complex projects applying U.S. technology and equipment to the development of natural resources and to meeting power and transportation needs of other countries, and we must maintain our flexibility and adaptability in mobilizing capital from sources around the world and in matching maturities to the ability of a project to service debt.

Finally, it seems likely that while the bulk of our exports will continue to flow to other industrialized countries, our fastest growing foreign market opportunities will lie in those developing countries rich in resources or otherwise on the verge of self-sustaining growth, and in the non-market countries.

Our high technology products and services will continue to be best sellers. Agricultural commodities, of course, remain important exports too, but their susceptibility to rapid price shifts, the whims of nature and to domestic forces makes them a less certain and effective source of the increased foreign exchange we must earn. Maintaining our leadership in technology calls for continued inventiveness, which in turn means heavy reliance on research and development.

A second requirement for our exporters will be increased flexibility. Selling in traditional overseas markets is one thing, but selling in emerging markets can be entirely different. The developing countries frequently apply new rules to the conduct of trade and investment; and dealing with state agencies and trading companies in the nonmarket countries will test the adaptability of American business.

A third development is a heavy increase in competition for American exporters. We see this today in a number of fields American producers have traditionally dominated: farm machinery, where German, Japanese, Russian, Canadian and Italian manufacturers are very active in markets around the world, including our own; thermal power generating equipment, where our near monopoly in the international market has dropped to a small minority; steel mill equipment, where Japanese and Continental European competition is very keen; textile machinery, where high quality Swiss, French, Italian and German makes are increasingly popular; electronic equipment, where the Japanese are very strong; and oil and gas drilling, exploring and refining, where U.S. predominance is seriously challenged by German, British and Scandinavian competitors. Even in the new technologically sophisticated fields of wide-bodied jet aircraft and nuclear reactors, foreign competition is making rapid advances. The European Airbus, already flying commercially, is challenging the U.S. jumbo jet, and Canadian, Soviet and German firms are competing vigorously for nuclear reactor contracts, with the French, Japanese, British, and Swedes expected to enter the race soon.

For Eximbank, too, these changes present challenges. First, the Bank's programs must continually anticipate developments and adapt themselves in advance so that support is concentrated in and encourages exports of those products and services which have the greatest potential. In addition, Eximbank must increasingly use its resources in a catalytic manner, mobilizing ever larger amounts of private capital to finance the high cost products and projects most in demand from this country.

Looking over the rapid growth in Bank loans that began in 1973 and continued in 1974, five basic causes stand out:

1. The re-equipping of world airline fleets with jumbo jets, and the steady expansion of conventional aircraft sales;

2. The opening up of trade with the USSR, Romania and Poland;

3. The cyclical upswing in the world's resource needs;

4. The world's ever-growing need for power; and

5. Emergence of new energy-related projects.

Looked at in greater detail the numbers emerge as follows. By September 1974 the Bank had already extended direct credits to finance over $2 billion of export sales, and had on hand pending and outstanding preliminary commitments and credit applications for sales totaling $5.6 billion. Substantial amounts of the applications were for conventional power projects, aircraft and oil drilling equipment, while smaller sums covered communications and construction equipment, nuclear power projects, petroleum refining and fertilizer plants.

Conservative estimates of additional business raise the total export sales value of transactions now in the Bank for financing, or known to be on their way, to roughly $15 billion. Under present guidelines our participation in this business would be about $5 billion of direct credits. These transactions involve projects in every major continent and include U.S. exports ranging from $500 million for development of a vast iron ore deposit to $500,000 for machinery. Between these extremes are equipment for the development of LNG, bauxite, nickel, copper, timber, sugar and rice; equipment to build subway systems, airports and railroads; and equipment to produce steel, cement, chemicals, textiles and printed matter. Since many of these transactions are in the formative stages, months will pass before they are translated into contracts and the contracts into exports. But these will be the trade flows of the future for which we must be prepared. A number of these, too, are super projects, which, as a rule, become feasible only with participation of government-supported credits.

Closely related to this will be our effort to continue negotiations with other industrialized countries toward agreements harmonizing official export support. Future world needs for liquidity will be too great for us to use scarce funds to compete in financing costs. If competition can be more closely confined to price and quality, the financing which governments can make available can then be concentrated on doing what it takes to apply advanced technology and equipment to overcome shortages and moderate prices around the world.

As we turn to the year ahead these are the programs, the plans and even the dreams uppermost in the minds of the Eximbank Board and Staff. They clearly will reflect change, but through that change we can find new strength.

In conclusion, I want to commend the Staff of Eximbank, which as far as I have been able to determine, handles more financing per person than any other financial institution in the world. This small staff of about 400 dedicated public servants, functioning within an excellent charter provided by the Congress of the United States, and with the full cooperation of the private banking system, has enabled Eximbank to effectively serve American and world interests in trade and development in a variety of ward in the years ahead to even greater ways. I am confident that we can look for- opportunities for service to our country.

EXPORT-IMPORT BANK OF THE UNITED STATES—10-YR OPERATING SUMMARY

[In millions of dollars except for number of employees]

	Fiscal year—									
	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965
For the year:										
Gross income	[1]450.1	[1]375.9	346.1	326.3	320.1	281.1	241.6	205.9	178.6	177.8
Expenses	334.2	223.7	193.8	204.8	209.4	177.3	126.3	95.9	63.4	63.3
Operating income	[1]115.9	[1]152.2	152.3	121.5	110.7	103.8	115.3	110.0	115.2	114.5
Claims and defaults (net)	5.6	12.5	4.4	2.0	(2)	(.2)	1.2	1.5	1.0	.8
Net income	110.3	139.7	147.9	119.5	110.7	104.0	114.1	108.5	114.2	113.7
Dividends paid	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Contributions to retained earnings	60.3	89.7	97.9	69.5	60.7	54.0	64.1	58.5	64.2	63.7
Borrowings from Treasury, net	569.2	144.2	960.0	(803.0)	866.3	358.6	361.6	(177.8)	(335.3)	(316.9)
Borrowings from others, net	673.0	401.5	(806.2)	732.1	(579.3)	(98.4)	407.0	778.6	362.7	195.5
At year end:										
Loans committed	15,242.3	12,364.7	10,523.9	9,185.9	8,690.4	7,883.8	8,518.8	6,983.4	5,488.4	5,332.3
Loans undisbursed	7,331.8	5,778.9	4,567.7	3,521.2	2,976.6	2,462.3	3,460.2	2,832.0	1,876.6	1,820.4
Loans outstanding	7,910.5	6,585.8	5,956.2	5,664.7	5,713.8	5,421.5	5,058.6	4,151.4	3,611.8	3,511.9
Total assets	8,065.5	6,725.6	6,065.1	5,825.6	5,816.1	5,495.6	5,184.3	4,331.6	3,662.3	3,565.4
Treasury notes payable	2,456.9	1,887.7	1,743.4	783.5	1,586.4	720.2	361.6	0	177.8	513.1
Debentures payable	2,643.1	1,643.1	1,200.0	400.0	400.0	400.0	0	0	0	0
Short-term notes payable	0	0	0	1,000.0	0	258.1	387.5	0	0	0
Participation certificates payable	250.0	577.0	618.7	1,224.9	1,492.8	1,814.0	2,183.1	2,163.6	1,385.0	1,022.3
Total liabilities	5,502.5	4,222.9	3,652.2	3,510.5	3,570.6	3,310.8	3,053.5	2,264.9	1,654.2	1,621.4
Capital stock	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Retained earnings	1,563.0	1,502.7	1,412.9	1,315.1	1,245.5	1,184.8	1,130.8	1,066.7	1,008.1	943.9
Contingent liabilities	8,067.6	7,411.7	5,958.2	4,168.6	2,578.3	1,884.1	1,309.5	1,352.2	1,334.3	1,174.6
Employees	399	390	383	371	354	320	319	306	297	293

[1] Includes interest income on rescheduled loans.

[2] Less than $500,000.

The PRESIDING OFFICER. The time of the Senator from Illinois on the amendment has expired.

Does the Senator from Pennsylvania yield back the remainder of his time on the amendment?

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. STEVENSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 17556) was passed.

EXTENSION OF THE AUTHORITY OF THE NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS ON WIRETAPPING

Mr. HRUSKA. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 15173.

The PRESIDING OFFICER laid before the Senate H.R. 15173, an act to extend for 1½ years the authority of the National Commission for the Review of

Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. HRUSKA. Mr. President, I send to the desk an amendment to H.R. 15173, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1, delete lines 3 through 6 and insert in lieu thereof the following: That section 804(h) of the Ominbus Crime Control and Safe Streets Act of 1968, as amended, (82 Stat. 197; 18 U.S.C. 2510 note) is further amended by striking out "within the two-year period following the effective date of this subsection." and inserting in lieu thereof "on or before January 31, 1976.".

Mr. HRUSKA. Mr. President, the purpose of my amendment is to extend the life of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance to January 31, 1976. Current legislation calls for the Commission to expire on June 19, 1975.

The House version of H.R. 15173, which passed that body on September 16, provides for a 1½-year extension of the Commission until January 19, 1977.

As a member of the Commission, I have had ample opportunity to thoroughly review its progress in meeting the congressional mandate given in the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351). This legislation established the Commission and for the first time gave statutory approval to Federal wiretapping.

Although the Commission officially came into existence on June 19, 1973, the selection and appointment of its members was not completed until the spring of this year. The first meeting was held this year on May 9. Thus, the 2-year life presently authorized for the Commission will expire before its important work can be completed. However, I believe my amendment will give a sufficient extension for the purpose.

I have discussed the need for extending the Commission with other Senate members, Messrs. McCLELLAN, TAFT and ABOUREZK. In addition, I have consulted with the Commission Chairman, Judge William H. Erickson of the Colorado Supreme Court, and its Executive Director, Kenneth J. Hodson. The consensus among these individuals and other Commission members is that an extension for a shorter period of time would be sufficient to enable the Commission to complete its important work. Therefore, with the support of my Senate colleagues who serve on the Commission, I propose an extension to January 31, 1976, rather than January 19, 1977. I understand that this date will be acceptable to House Members of the Commission.

Mr. President, I should indicate by way of background that the purpose of the Commission is to conduct a comprehensive study and review of our Federal wiretapping law in its first 6 years of operation, in addition to the various State laws that exist on this subject.

I should mention briefly, Mr. President, that in addition to extending the life of the Commission, H.R. 15173 will also do the following:

It allows the Commission to hold closed meetings by a majority vote. The Federal Advisory Committee Act (5 U.S.C. App. I) requires that all Federal commissions hold open meetings. This bill would except the Commission from the Advisory Committee Act so that it may examine the transcripts and logs of wiretaps while maintaining the privacy of those whose conversations have been recorded. It would also enable the Commission to maintain the confidentiality of national security wiretaps. For the same reasons, it exempts records and certain meeting transcripts from the Freedom of Information Act (5 U.S.C. 552).

This bill also specifically allows the Commission to listen to tapes produced by illegal wiretaps. Section 2515 of title 18, United States Code, presently prohibits any agency of the Government from receiving in evidence material obtained from an illegal wiretap. The purpose of this prohibition is to prevent the substance of such evidence from being used against the subject of the wiretap. However, the Commission's interest does not lie in obtaining information regarding the subject of an illegal wiretap, but in examining the nature of the wiretap itself. The authority to obtain such material, it is believed, will greatly improve the study being made of wiretap and electronic surveillance abuses.

Finally, the bill restates the legislative intent expressed in the 1970 amendments to the Omnibus Crime Control and Safe Streets Act (P.L. 91–644) which, among other things, revived the Commission whose authority had been earlier repealed in the Organized Crime Control Act of 1970 (P.L. 91–452).

I urge the Senate to pass my amendment and thereafter return this bill to the House for further consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

A bill to extend until January 31, 1976 the authority of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes.

MISSING IN ACTION IN SOUTHEAST ASIA

Mr. BARTLETT. Mr. President, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 463) relating to missing in action in Southeast Asia.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BARTLETT. This has been cleared on both sides with the leadership and with the Foreign Relations Committee. It has to do with the missing in action in Southeast Asia and expresses the conviction of the U.S. Senate that we, as a country, affirm our determination to continue the request for and accounting of every American missing in action in Southeast Asia, and also that we urge the President to continue using every diplomatic avenue available to press the North Vietnamese to live up to their own agreement.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Will the Senator yield?

The PRESIDING OFFICER. The Senate is not in order. The Senator from West Virginia.

Mr. ROBERT C. BYRD. For the information of Senators, there will be no more rollcall votes tonight. At noon tomorrow, the Senate will swear in a new Senator from the State of Nevada.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 463) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 463

Whereas, the citizens of the United States will be forever grateful to the young men who represented and fought for us in Southeast Asia, and

Whereas, almost 1000 of these young men remain listed as missing in action, and

Whereas, the families and the friends as well as the country are entitled to an accounting of the fate of our men, and

Whereas, the North Vietnamese in defiance of the Paris Peace Accord and humanity have continued for almost two years to obstruct efforts to obtain information concerning our missing men;

Resolved, That the United States reaffirm its determination to continue the quest for an accounting of every American missing in Southeast Asia,

That the Senate urge the President to continue using every diplomatic avenue available to pressure the North Vietnamese to live up to their own agreement which they have thus far ignored, broken and denounced,

That during this Christmas season we give special remembrance through our prayers and thoughts to our missing men and their loyal families.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders No. 1271 and 1280.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY BAND RECORDINGS

The bill (H.R. 14401) to authorize military band recordings in support of the American Revolution Bicentennial, was considered, ordered to a third reading, read the third time, and passed.

BENEFITS FOR CERTAIN ALASKAN NATIVES

The Senate proceeded to consider the bill (S. 3530) to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, which had been reported from the Committee on Interior Insular Affairs with an amendment to strike out all after the enacting clause and to insert in lieu thereof:

That the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by subsection (a) of section 5 of the Alaska Native Claims Settlement Act, 85 Stat. 688, (hereinafter referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with distributions from Corporations adjusted so as to make distributions to such Natives equal to distributions to Natives originally enrolled under the Settlement Act: *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, Regional Corporation, or Corporation organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in said Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village" as defined in said Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group" as defined in said Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: And, *provided further*, That any "Native group" as defined in said Act, shall not lose its status as a Native group because of any enrollment pursuant to this Act.

Sec. 2. (a) From and after the date of enactment of this Act, any and all proceeds derived from contracts, leases, permits, rights-of-way, or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under said Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, rights-of-way, or easements, pertaining to the lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to said Act shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefit such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States such escrow account proceeds referred to in subsection (a) of this section and the United States shall pay interest thereon semiannually, from the date of deposit of any and all such proceeds in the United States Treasury, such deposit to bear simple interest at the rate as may be determined by the Secretary of the Treasury: *Provided, however*, That the Secretary in his discretion may withdraw from the United States Treasury such proceeds received by him under this Act and reinvest such proceeds in the same manner provided for by section 162a of title 25, of the United States Code: *Provided further*, That this section shall not be construed to create any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

Sec. 3 Any and all proceeds from public easements reserved pursuant to paragraph (3) of subsection 17(b) of the Settlement Act shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share.

Sec. 4. Any and all income on all earnings from contracts, leases, permits, rights-of-way, or easements issued for the surface or minerals covered under a conveyance prior to the issuance of such conveyance under the Settlement Act, shall be paid to the grantee of such conveyance on that portion of the lands conveyed pro-rated from the date of enactment of this Act, or from the date of conveyance under the Settlement Act, whichever occurs first.

Sec. 5. (a) Notwithstanding the provisions of subsection (c) of section 7 of the Settlement Act, the Secretary shall establish a thirteenth region for the benefit of Natives who are nonresidents of Alaska.

(b) Any Native who elected to be enrolled in a thirteenth region, pursuant to subsection (c) of section 5 of the Settlement Act shall be so enrolled, notwithstanding the fact that a majority of the Natives eligible to elect enrollment in that region may not have so elected and notwithstanding the certification, on December 18, 1973, of a final roll by the Secretary pursuant to subsection (a) of Section 5 of the Settlement Act.

(c) Any Native who, on or before the date of enactment of this Act, had filed with the Secretary or his delegate any application to amend his enrollment application regarding his election whether or not to be enrolled in the thirteenth region shall, within ninety days of the enactment of this Act, inform the Secretary whether or not he wishes to be enrolled in the thirteenth region. Any Native who so informs the Secretary shall be enrolled according to his preference as indicated in the information so submitted to the Secretary. Any Native who fails so to inform the Secretary shall be enrolled according to the information provided in that Native's original enrollment application. The Secretary shall, within thirty days of enactment of this Act, take such actions as he may deem necessary to insure that every Native affected by this subsection is aware of his option to change his enrollment decision.

(d) The Secretary shall provide the opportunity to all Natives who are nonresidents of Alaska in accordance with the provisions of the Settlement Act and are making enrollment applications pursuant to section 1 of this Act to inform him whether or not they wish to be enrolled in the thirteenth region and shall enroll those who are subsequently enrolled pursuant to said section 1 according to their preference as indicated in the information so submitted to the Secretary.

(e) (1) Within thirty days of the certification of the amended final roll pursuant to this Act any bona fide organization representing nonresident Natives shall submit to the Secretary the names of not more than five Natives who have elected to be enrolled in the thirteenth region as nominees for the positions of the five incorporators of the thirteenth regional corporation. Not less than thirty days nor more than sixty days after such certification, the Secretary shall mail to all eligible voters ballots containing the names of all nominees and their associational affiliations for the purpose of an election by mail of the five incorporators who shall serve as the initial directors of the thirteenth regional corporation. Eligible voters in the election shall be only Natives who are enrolled in the thirteenth region and are eighteen years of age or older on the date of election of incorporators pursuant to this subsection. Valid ballots shall be only those ballots mailed to the Secretary or his designee not later than ninety days after such certification. The five nominees for whom the most votes are cast shall be elected incorporators of the thirteenth regional corporation and shall promptly take all steps authorized by the Settlement Act for such incorporators. All rules, regulations, and information relating to the election shall be transmitted directly to all known organizations representing nonresident Natives, the twelve regional corporations representing resident Natives, and all eligible voters.

(2) No moneys distributed or to be distributed pursuant to the Settlement Act may be expended or obligated by any Native, Native corporation, Native organization, representative thereof, or adviser thereto, to assist in, communicate on, or otherwise influence the election.

(f) The articles of incorporation of the thirteenth regional corporation shall be submitted to the Secretary for approval in accordance with subsection (c) of section 7 of the Settlement Act within eight months of the certification of the amended final roll pursuant to this Act.

(g) Any stock issued by a corporation under subsection (g) of section 7 of the Settlement Act to any Native who is enrolled in the thirteenth region pursuant to this Act shall, upon certification of the amended final roll, be canceled by the issuing corporation without liability to it or the Native whose stock is so canceled.

Sec. 6. Any distribution of funds from the Alaska Native Fund pursuant to subsection (c) of section 6 of the Settlement Act made by the Secretary or his delegate prior to enactment of this Act on the basis of the final roll certified on December 18, 1973, shall not be affected by the provisions of this Act. Immediately upon certification of the amended final roll pursuant to this Act, the Secretary shall make any necessary adjustments in future distributions of funds pursuant to subsection (c) of section 6 of the Settlement Act to accommodate the changes in the final roll made by the amended final roll: *Provided*, That such adjustments shall not take effect until the next regularly scheduled distribution period following certification of the amended final roll: *Provided further*, That the Secretary is authorized to make payments to the thirteenth regional corporation, once established, during the period prior to such next regularly scheduled distribution period from the Fund pursuant to the Settlement Act and such payments shall be in the form of advances on such corporation's adjusted share of such regularly scheduled distribution.

Sec. 7. The Settlement Act is amended by adding a new section 28, to read as follows:

"Sec. 28. Any corporation organized pursuant to this Act shall through December 31, 1976, be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), as amended. Nothing in this section shall, however, be construed to mean that any such corporation shall or shall not after such date be subject to the provisions of the Investment Company Act of 1940."

SEC. 8. The Settlement Act is further amended by adding a new section 29 to read as follows:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding subsection 5(a) and any other provision of the Food Stamp Act of 1964 (78 Stat. 703), as amended, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act, in connection with an aboriginal land claim of such person, shall be disregarded."

SEC. 9. Except as specifically provided in this Act, (i) the provisions of the Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and for other purposes."

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which H.R. 10397 was passed yesterday, together with third reading.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10397) to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is the number of this bill?

The PRESIDING OFFICER. The bill is H.R. 10397.

Mr. ROBERT C. BYRD. This is a measure that passed the Senate yesterday, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I ask the distinguished Senator whether the matter has been cleared with Senators on this side of the aisle.

Mr. JAVITS. Senator PERCY and I are the only Senators we know of who are interested in it. We are about to offer an amendment. It was cleared on the Democratic side when it was passed on the calendar. I assume that the Senator can confirm that. Just to be positive, I will not move to reconsider, nor will Senator PERCY nor anyone else, if we can help it. We know of no objection to it, except that Members can read what we have done, and we will explain why. If anybody has a problem, we will reconsider it again.

Mr. ROBERT C. BYRD. Personally, I have no objection; but I do not know what the amendment amounts to, and I was wondering whether or not it had been cleared.

Mr. JAVITS. Why do I not explain it first, before presenting it?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, this committee, the Cabinet Committee on Opportunities for Spanish-Speaking People, has written a controversial and in many respects a disappointing record since it was created in 1969.

I and other Members of Congress who sponsored the original legislation have long been committed to improving economic and educational opportunities for our Spanish-speaking citizens—Puerto Ricans, Mexican Americans, and Cuban Americans.

We continue to be concerned that the median income for Spanish-speaking families is considerably lower than that earned by the general population. We are concerned that less than half of every 10 Spanish-speaking youths complete high school and that 80 percent of the Spanish-speaking homes in this country are substandard.

I and my colleagues on the Government Operations Committee—particularly Senators ERVIN, PERCY, RIBICOFF, and CHILES—as well as Senators MONTOYA, PROXMIRE, and others have been deeply troubled by testimony in the House Government Operations Committee hearings on this bill and information from other sources that the Cabinet Committee had been used for partisan political purposes during the 1972 election campaigns. We have supported efforts to insure that this would not happen again.

Mr. President, the bill before the Senate today would extend the authorization for appropriations for the Cabinet Committee through December 30, 1974. The Senate Government Operations Committee ordered it reported last week with the understanding that an amendment would be offered by Senator PERCY and me to extend it to June 30, 1975 and for other purposes, in order to give it that short extension, so that we may really have a hard look at it, notwithstanding the trouble it got into—and it did—in order to decide what finally to do about it.

But before discussing that amendment, some background on this matter is necessary.

BACKGROUND

In 1969 the Cabinet Committee on Opportunities for Spanish-Speaking People replaced the Interagency Committee on Mexican-American Affairs, established in June of 1967 by a Presidential memorandum.

The purpose of the Cabinet Committee on Opportunities for Spanish-Speaking People is to aid Spanish-speaking and Spanish-surnamed Americans in coping with problems relating to housing, employment, education, and health care, as well as to insure that Federal programs are responsive to their needs.

The statute provided that the chairman of the Cabinet committee be appointed by the President and confirmed by the Senate. The committee is made up of four agency heads and seven Cabinet officials.

Under section 3 of the 1969 act, the responsibilities of the Cabinet committee are twofold.

First, to act in an advising capacity to Federal departments and agencies in assuring cooperation with the needs of the Spanish-speaking and Spanish-surnamed.

Second, to keep Federal departments and agencies informed on special policies and plans intended to highlight the plight of the Spanish speaking and the Spanish surnamed.

The 1969 act also called for research studies and technical assistance projects through State and local municipalities and the private sector when warranted.

The 1969 act established an advisory council to report on matters requested by the chairman. The advisory council consists of nine members, representing a cross section of the Spanish-speaking community.

H.R. 10397 amends the enabling legislation (Public Law 91-181) in the following respects:

It extends the Cabinet committee's funding authorization for the remaining 1½ years of its tenure, to December 30, 1974.

It requires that regional offices be established and that at least 50 percent of salaries of Cabinet Committee employees be expended through these offices. It assigns the Cabinet Committee the added function of assisting Spanish-speaking groups and individuals in securing their participation in various benefits and assistance programs.

H.R. 10397 bans partisan political activity by the chairman and employees of the Cabinet Committee. There have been numerous complaints received that indicated that the Cabinet Committee had been used for partisan political purposes during the 1972 election campaigns. The chairman of the Cabinet Committee was the recipient of a memorandum from the Committee to Re-Elect the President, which designated him as the primary presidential surrogate to the Spanish-speaking community and indicated strategies for political appeals.

The bill makes the Cabinet Committee a more effective instrument by broadening its membership to include the Secretary of Defense, the Secretary of

Transportation, and the Administrator of Veterans' Affairs. Recognizing that subcabinet officials are more intimately familiar with the problems that concern the Cabinet Committee and are able to give more time to its work, the bill provides that the department and agency heads comprising the Cabinet Committee designate representatives to constitute a working group, who are required to meet at least six times a year. The full Cabinet Committee will be required to meet semiannually.

The Advisory Council now provided by law would be made more effective by expanding its membership so as to become more representative of the Spanish-speaking community. H.R. 10397 enables the Council to identify matters of concern of the Spanish-speaking people rather than merely subjects upon which the chairman has requested their advice.

SENATE COMMITTEE AND ACTION

Our committee decided that a 6-month extension is the absolute maximum which should be approved for this activity. Senator Percy and I have joined in this recommendation, with the understanding that the Senate Committee on Government Operations, of which Senator Percy is the ranking minority member, will undertake major public hearings early next year to determine how best to represent institutionally within the executive branch the interests of all minority groups in receiving the full benefit of Federal programs designed to improve opportunities for disadvantaged Americans.

In view of this limited, tentative extension, the committee believed it would be unwise to adopt the provision in H.R. 10397 requiring the establishment of regional offices of the committee. I believe, in addition, that such a provision would be incompatible with the basic nature of the functions of the Cabinet Committee which are advisory and not operational. Its principal functions as set out in section 3(a) of the 1969 enabling legislation is as follows:

First, to advise Federal departments and agencies regarding appropriate action to be taken to help assure that Federal programs are providing the assistance needed by Spanish speaking and Spanish surnamed Americans; and

Second, to advise Federal departments and agencies on the development and implementation of comprehensive and coordinated policies, plans, and programs focusing on the special problems and needs of Spanish speaking and Spanish surnamed Americans and on priorities thereunder.

I and Senator Percy have also been concerned about the fact that the Cabinet Committee must also expand its efforts to become more effective in representing the interests of urban Puerto Rican Americans and to broaden its base of operations generally. Although we have received fresh assurances from the committee and the White House on this point, we are determined to see the committee improve its performance and representation significantly.

Therefore, on behalf of myself and Senator Percy, I offer an amendment to the desk which would:

First, extend the authorization only to June 30, 1975;

Second, delete the provisions of the bill providing for regional offices, and,

Third, reduce the amount authorized to be appropriated from $1.5 million to $1 million, of which $500,000 will be authorized for the remainder of fiscal year 1975.

It is for those reasons that I asked the Senator from West Virginia (Mr. Robert C. Byrd) and the Senator from Michigan (Mr. Griffin) to allow us to have immediate consideration of the bill and why we have reopened the matter.

Mr. President, I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, the extension of authorization for the Cabinet Committee on Opportunities for Spanish-Speaking People was favorably reported by the Committee on Government Operations in the exact form as it was passed by the House of Representatives. The Committee did this with the understanding that Senator Javits and I would offer an amendment on the Senate floor extending the authorization through the end of this fiscal year and deleting the provisions of the bill providing for regional offices.

As passed by the House of Representatives last year, H.R. 10397 extended the authorization for the Cabinet Committee through December 30 of this year. The Senate Committee on Government Operations delayed action until the Select Committee on Presidential Campaign Activities had completed its report on alleged utilization of the Cabinet Committee's resources for political purposes. Our amendment extends the continuation of authorization through the end of this fiscal year so that the Government Operations Committee will have the opportunity to conduct hearings early next year on the question of the operation of the Cabinet Committee and how best to represent the interests of Spanish-speaking American and other minority groups within the executive branch in the future.

Because this extension is for a short term, pending hearings on the future of the Cabinet Committee, our amendment deletes the requirement adopted by the House of Representatives that at least 50 percent of the funds expended for salaries by the Cabinet Committee be for employees in regional offices. We do not believe it wise to expand or extend the duties of the Cabinet Committee while its future status is in doubt. Our amendment also reduces the amount authorized in the House-passed bill to $1 million per year, of which $500,000 would be made available for the remainder of fiscal year 1975. Without the requirement of regionalization, we do not believe the full amount recommended by the House is necessary.

Mr. President, I support what Mr. Javits has said. It is perfectly clear in the report of the Committee that the acceptance of the report is conditioned upon this amendment. I believe that a firm, hard, objective look should be taken at this Committee. Certainly, for it to go out of existence in another week would be unconscionable. We need time to take a look at it and study it. Therefore, we are providing for an extension through the end of this fiscal year.

Mr. MONTOYA. Mr. President, before we consider Senator Javits' amendment to H.R. 10397, extending the life of the Cabinet Committee on Opportunities for Spanish-speaking People for 6 months. I would like to review for my colleagues the history of this Committee, its original goals, its misuse by the Nixon administration, and its present situation.

The Cabinet Committee is an outgrowth of an ad hoc committee established by President Johnson to increase opportunities for our second-largest minority, the Spanish-surnamed citizens. President Johnson believed that an extra effort would have to be made to draw many of these people into Government, to make sure that Federal programs were reaching them, and to assure equality of opportunity to them in education and employment, especially in State and Federal Government.

This Committee was established by the Congress as a Cabinet level executive committee in 1969, and Public Law 91–181 was signed by the President on December 30, 1969. At that time there was great hope for improvement in the lives of our Spanish-surnamed minorities through the active and agressive work of this new Committee.

Unfortunately, we have not seen a successful fulfillment of our hopes. Although the Committee has been in existence for 5 years, they have not ever really had the impact on the target population which was intended. Those of us who were involved in the original legislation and who understood the unique and difficult problems which daily face Spanish-speaking and Spanish-surnamed citizens, have been deeply concerned about the Cabinet Committee and have been greatly disappointed in some of its actions over these years.

We have been unhappy to hear complaints and see a growing disenchantment among many Spanish-surnamed people and the organizations which represent them.

We were shocked and disillusioned to discover the use which the White House made of the Cabinet Committee through its nefarious "responsiveness" program, and other partisan political pressures during the 1972 Presidential campaign. I was especially discouraged, as a member of the Senate Select Committee on Presidential Campaign Activities, to hear the testimony of Mr. William Marumoto concerning these efforts to politicize what had been intended to be a bipartisan and generous effort to help a minority group in great need.

In hearings before Congressman Holifield, chairman of the House Government Operations Committee, in July 1973, the chairman of the Cabinet Committee was questioned about his own participation in the re-election campaign of President Nixon, and admitted having campaigned for the President. Since the chairman is not under the Hatch Act, and stated that his trips on the campaign were "paid for by the finance committee," or refunded to the Cabinet Committee, his actions during the campaign were probably not illegal. They are, however, certainly not those we would expect from the chairman of a committee of this kind, and I am sure that he is now aware of that fact.

One of the most serious problems facing the Spanish-surnamed population in the United States is that of securing equal opportunity in job employment. One of the goals of the Cabinet Committee was to increase opportunity for the Spanish-surnamed in Federal employment. In 1970 President Nixon developed a 16-point program with the stated purpose of increasing those Federal job opportunities. This program, which has been given a lot of publicity by the Cabinet Committee, has been almost a total failure. Since 1970 the percentage of Spanish-surnamed persons in Civil Service and Government has gone up only 2/10 of 1 percent: from 2.9 percent to 3.1 percent. Even this slight improvement is illusory: most of the jobs for the Spanish-surnamed are not in the GS pay system of Civil Service, but in the wage systems—the lowest paid Federal employment. As of November 1973—the latest figures available—the Spanish-surnamed make up only 2.4 percent of those Federal employees who have a GS rating. At the GS-1 level—the lowest level—Spanish-surnamed make up 6.3 percent. At the top levels, however—GS-17 to GS-18—the Spanish-surnamed have never gotten above six-tenths of 1 percent.

Clearly, neither the 16-point program nor the Cabinet Committee on Opportunities for Spanish-speaking people have made any appreciable change in the opportunities provided the target minority for Federal employment.

The Cabinet Committee did not meet as it was required to do by the original law. It has not been able to make reports on its activities to the Congress or the President, as required by law. It has repeatedly been under attack from members of the Spanish-surnamed community.

Perhaps the most serious complaint against the Cabinet Committee, of course, is that they have not really achieved any progress for the people whom they are being paid to represent. The median income for the Spanish-surnamed minority is still only 70 to 80 percent of that for other Americans. The educational opportunities of the children of this minority group are still inadequate and the resulting employment and poverty in adulthood is a continuing problem. There are serious problems for members of the Spanish-surnamed minority and these problems have not been attacked by the Cabinet Committee effectively.

All of these facts, Mr. President, would seem to recommend a new and more critical look at the Cabinet Committee. Frankly, I had intended to raise some of these questions on the floor if the House Bill H.R. 10397 had come to us without amendments. However, the report submitted by the Committee on Government Operations by Mr. PERCY on December 13, has taken note of the problems I have discussed today, and recommends support of the amendment being offered today by Senator JAVITS to extend the authorizaton to June 30, 1975, to delete the provisions of the bill providing for regional offices, and to reduce the amount authorized to $1 million of which only $500,000 would be available for the remainder of fiscal year 1975. I accept the statements made in the report that hearings will be held early next year on the broad question of how we can best accomplish the goals and intent of the Congress when it originally passed this legislation.

In addition, Mr. President, I have met with President Ford and with Mr. Fernando de Baca, Special Assistant to President Ford for Hispanic Affairs, concerning some of these problems. I have been assured by the President that a new wind is blowing and that a real effort will be made by the Ford administration to solve some of the problems which concern us. He wants to put the Cabinet Committee to work and has promised his full support for their efforts. I am convinced that it may be possible to make this a meaningful and effective committee with bipartisan support.

It would not be fair to those who have tried to do the job well—and there are those both on and off the Cabinet Committee who have tried hard to make it work—to throw out the baby with the bath water. I believe it is essential that we extend the life of the Cabinet Committee for the 6 months suggested in Senator JAVITS amendment, and I urge my colleagues to join me in supporting that amendment.

I can promise you that I will be willing to work on whatever corrective legislation seems proper after hearings have been held on the questions raised here today. Until then, let us keep the machinery intact for the important job which must be done for the more than 10 million Hispanic Americans who are depending on us.

Mr. JAVITS. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, delete lines 20 through 24, and renumber paragraphs (4), (5) and (6) as (3), (4) and (5).

On page 4, delete lines 14 through 23, and insert in lieu thereof:

"(5) Section 10 is amended by deleting the language therein and inserting in lieu thereof the following: 'There is hereby authorized to be appropriated for fiscal year 1974 $1,000,000 and for fiscal year 1975 $1,000,000' ".

Mr. JAVITS. Mr. President, I just wish to explain that in my statement I said $500,000. The figures read are $1 million. The reason is that half the fiscal year has expired. So that it is understood that in no case will any appropriation be sought in excess of the pro rata for half the fiscal year.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

TRIBUTES TO SENATOR GEORGE AIKEN

Mr. JOHNSTON. Mr. President, when GEORGE AIKEN leaves this body the Senate will have lost a Member whose voice of reason and no-nonsense, unblinking assessment of things as they really exist have provided a fresh breath of air when we needed it.

When Robert Frost paid poetic tribute to Vermont he might have included GEORGE AIKEN, for GEORGE AIKEN is Vermont. His State can be proud of his integrity, which is as craggy and solid as any Vermont granite.

It was GEORGE AIKEN who chided us on Vietnam saying we should "declare victory and get out." It was an observation those on both sides of the aisle came to realize had more truth to it than many were then willing to admit.

GEORGE AIKEN has left an indelible mark on this body. One sympathizes with future lawmakers from Vermont in having to fill his shoes.

Mr. HUGHES. Mr. President, wherever GEORGE AIKEN stands, there is an island of New England beneath his feet. And we associate this distinguished Vermonter with the great qualities of this historic part of the United States. Self-reliance, integrity, fairness and courage—these are the characteristics of New England and of the dean of the Senate who is now approaching his well-earned retirement. In the many years he has served the State and the Nation, Senator AIKEN has become a symbol of the strength that has sustained us since colonial times. His friends—and they are legion—wish him health and happiness in the years of his retirement. He has earned these things. He has served well.

Mr. HARRY F. BYRD, JR. Mr. President, I, too, want to pause briefly in the hurry and excitement of these waning days of the 93d Congress to say a few words in tribute to my distinguished colleague and splendid friend, GEORGE D. AIKEN, as he approaches his retirement from our midst.

His career in elected office spans over four decades, including 33 years of continuous service to his State of Vermont and to his Nation in the U.S. Senate. The fine people of Vermont have been fortunate to enjoy such an impressive senatorial stewardship from their senior Senator—and GEORGE AIKEN has borne their trust with honor and with the highest sense of integrity and purpose.

I shall miss his quiet sagacity. I am sure we shall all feel the loss of his warm and gentle humor.

You have been a good friend and a courageous colleague. I wish you and your wife good health and much happiness in the years ahead.

Mr. WEICKER. Mr. President, New England has produced individuals who were known for possessing unusual amounts of tenacity, independence, fiscal economy, and healthy skepticism.

U.S. Senator GEORGE AIKEN had all of these, and more.

During war and peace, during good times and bad, his public career remained a testament to political utility of honesty. No one has ever questioned the integrity of GEORGE AIKEN. And no one has ever beaten him in an election. The coincidence is not without its lesson for those who would seek to lead either party down the road to electoral success.

As the dean of our legislative body, he served long and well, and Members of both parties will miss his counsel and the guidance of his unique experience. I know that I sure will.

Senator AIKEN never forgot that he was the servant of his constituents, and his lack of pretense was a constant refresher to his colleagues and the press alike.

Because of his long and outstanding public service, America is closer than ever to realizing the concept of equality upon which the Nation was founded. His capacity for hard work, his personal pride, and his high standards are what politics is all about.

I sincerely hope his retirement is as productive and as personally satisfying as his career in public life.

TRIBUTE TO SENATOR ALAN BIBLE

Mr. McGEE. Mr. President, as the 93d Congress draws to a close, it is with a touch of sadness that I view the retirement of many of my colleagues with whom I have had the honor and pleasure of serving for so many years.

It is particularly sad to realize that the adjournment of the 93d Congress marks the retirement of a close friend and associate of whom I have tremendous admiration and respect—the distinguished senior Senator from Nevada, ALAN BIBLE.

ALAN BIBLE's life in public service began almost 40 years ago when he assumed the position of district attorney of Storey County, Nev. in 1935. At the end of this year, ALAN BIBLE will have served in the U.S. Senate for 20 years.

With this long record of public service to the people of Nevada and our Nation, it is obvious that his announced retirement is well earned. I join his friends throughout the country in wishing him and his family well in his retirement years. Perhaps I should talk in terms of semiretirement, because I doubt that ALAN BIBLE will ever retire—slow down a little, maybe, but not retire. In any event, his post-Senate days will give him an opportunity to spend more time with his family. I know he is looking forward to that, because it is one luxury he did not enjoy as a Senator.

With ALAN BIBLE's retirement, there most certainly will be a void which will be difficult to replace in the Senate and in Nevada. The State of Nevada will feel the loss, because she will be giving up a Senator with 20 years of seniority in a body where seniority is the name of the game. Those 20 years of seniority have placed him 16th in seniority out of 100 Senators, and perhaps more importantly, have placed him fifth in line of seniority on the 26-member Senate Appropriations Committee. In saying this, I do not want to detract in any way from ALAN BIBLE's successor, whomever that may be. However, we all realize it will take many, many years for that successor to approach the seniority, the prestige, and the respect that ALAN BIBLE has built up over the past 20 years.

Seniority is a rather simple matter determined by how many years an individual serves in the Senate. However, ALAN BIBLE's influence, respect, and prestige go far beyond, and much deeper, than that. Through his assignments, both on the Appropriations Committee and his legislative committees, he was consistently and deeply involved in issues and programs of major concern to both the State of Nevada and the country as a whole.

He served on the Interior and Insular Affairs Committee all the time he was in the Senate, in addition to holding the chairmanship of the Interior Appropriations Subcommittee. These certainly have been key positions for the State of Nevada, as they have also been to my own State of Wyoming. He also served on the Defense Appropriations Subcommittee, the Health, Education, and Welfare Appropriations Subcommittee, and the Public Works Appropriations Subcommittee. His other assignments included the Joint Committee on Atomic Energy, the Committee on Aging, and the chairmanship of the Small Business Committee. Prior to that, he had other committee assignments and chairmanships too numerous to elaborate on at this time. The point is that Alan Bible sought and received assignments and responsibilities which placed him in a position to represent most effectively his State and country. He did this throughout his entire 20 years in the Senate.

In addition to the Senate losing one of its most distinguished Senators, many of us who remain in this body will be losing a friend. Being a fellow westerner and both of us representing western States, Senator BIBLE and I have had many common problems and common interests. Regardless of how busy he was, he was always ready and willing to discuss our problems with me and members of my staff. He was always most helpful in resolving many troublesome issues. He operated in the same manner with his other colleagues and it was for this reason he has been held in such high esteem in the Senate. It is also for this reason that his shoes will not be filled overnight by his successor.

I will miss ALAN BIBLE, his advice, counsel, and all that he has done for our section of the country. The Senate will miss his leadership and the many positive contributions he has made to the deliberations of this body.

While his retirement is well deserved, ALAN BIBLE will be sorely missed in these halls. I shall close my remarks with my most sincere best wishes to ALAN and Loucile.

Mr. JACKSON. Mr. President, as the 93d Congress draws to a close, we mark the departure of our distinguished colleague, the senior Senator from Nevada, Senator ALAN BIBLE. During the debate on the Redwood National Park bill in 1968, the distinguished Senator from Montana, Senator METCALF, stated:

> When we are talking about conservation and the challenge of meeting the outdoor recreation demands of a growing nation, one man stands at the top in terms of accomplishment. I doubt that enough attention has ever been directed to the man and his work—the senior Senator from Nevada (Alan Bible). During more than a decade in the U.S. Senate, Alan Bible has clearly established himself as a leading conservation figure. Certainly, his record in the area of parks and recreation is unmatched.

Mr. President, for two decades, Senator BIBLE has served this Nation in this body. The list of his achievements reads like a rollcall of our national parks and historic treasures. There is not an area of this country which has not reaped the benefits of his selfless service.

It would be impossible to list all the projects funded through the Land and Water Conservation Fund or all the properties saved through the Historic Preservation Act, but each of those projects or properties is a testimonial to the concern and dedication of ALAN BIBLE. I think it is appropriate that the last bill ordered reported from the Interior Committee from his subcommittee was, in fact, an amendment to increase the Land and Water Conservation Fund and to establish a National Historic Preservation Fund.

The last measure which he led the Senate into conference was legislation to enlarge and protect the Grand Canyon National Park.

In 1961 when Senator BIBLE became chairman of the subcommittee which handles parks and recreation, there were 211 units of the national park system; today there are 308. In 1961, there was no Wilderness Act, no Land and Water Conservation Fund, no Wild and Scenic Rivers Act, no Nationwide System of Trails Act and no Redwood National Park.

In the 87th Congress, Senator BIBLE guided through legislation for Cape Cod, Point Reyes, and Padre Island National Seashores; Piscataway Park; Lincoln Boyhood National Monument; Theodore Roosevelt, Sagamore Hill, and Frederick Douglass Home National Historic Sites and seven other areas. In the 88th Congress he was successful in securing passage of bills authorizing Canyonlands National Park, Ozark National Scenic Riverways, Fire Island National Seashore, John Muir National Historic Site, and eight other significant areas.

In the 89th Congress, he led action authorizing Guadalupe Mountains National Park, Assateague Island, and Cape Lookout National Seashores; Pictured Rocks and Indiana Dunes National Lakeshores; Delaware Water Gap, Bighorn Canyon and Whiskeytown-Shasta-Trinity National Recreation Areas; Nez Perce National Historical Park; Herbert Hoover National Historic Site, and 11 other outstanding areas.

In the 90th Congress, Senator BIBLE successfully piloted legislation to create Redwood and North Cascades National Parks, Appalachian National Scenic Trail, John Fitzgerald Kennedy National Historic Site, and seven other areas.

The 91st Congress saw the enactment of Florissant Fossil Beds National Monument, Apostle Islands National Lakeshore, Voyaguers National Park, Lyndon B. Johnson and Eisenhower National Historic Sites, Chesapeake and Ohio Canal National Historical Park, Sleeping Bear Dunes, and 24 other measures.

During the 92d Congress, 134 Senate bills, five Senate joint resolutions, and nine House bills were referred to the Subcommittee on Parks and Recreation. Senator Bible chaired hearings on 52 of these proposals, reporting 45 to the full committee. Forty-one of those measures passed the Senate and 33 became public law. That, Mr. President, in itself would be record enough were it not for the fact that at the same time Senator Bible was chairman of the Appropriation Committee's Subcommittee on Interior and Related Agencies. The 92d Congress saw the establishment of the first two major urban recreation areas, Gateway outside New York City and Golden Gate outside San Francisco. The Sawtooth National Recreation Area, Oregon Dunes National Recreation Area, Arches and Capitol Reef National Parks, and the Pennsylvania Avenue Development Corporation were all enacted into law.

The 93d Congress has not yet finished but the incredible record Senator Bible achieved during the 92d Congress has been eclipsed already. One hundred forty-seven Senate bills, three Senate joint resolutions, one Senate resolution, and eleven House bills were referred to the Subcommittee on Parks and Recreation. Seventy-two of those measures were actively considered and the national park system now has areas such as Big Cypress and Big Thicket added to it. The fate of several measures such as the Cuyahoga National Recreation Area is before the President, but the imprint of Senator Bible's dedication is not yet to be consigned to the history books.

The Congress has yet to decide the designation of over 80 million acres of Alaska which will become units of the national park system, the national forests, wildlife refugees, or wild and scenic rivers due to the dedication of Senator Bible.

Everyone who travels the Appalachian or Pacific Crest Trails can remember Senator Bible and the Nationwide System of Trails Act. Everyone who wanders into a wilderness area can remember Senator Bible and the Wilderness Act. The Wild and Scenic Rivers Act, the organic act for the Bureau of Outdoor Recreation, Nationwide Outdoor Recreation Planning, the Land and Water Conservation Fund—all these and more owe to a degree their existence to the dedication and concern of Senator Bible.

As the 200th anniversary of this Nation approaches and we look to the enormous task which lies before us, the example which Senator Bible has set will in no small measure make the task easier. Golden Gate and Gateway were only the first national recreation areas to specifically address the critical needs of the urban resident. Cuyahoga National Recreation Area now lies before the President and Santa Monica and Chattahoochee National Recreation Areas are under consideration due to the efforts of Senator Bible.

Mr. President, I ask that a list of all those areas added to the national park system during the 14 years Senator Bible chaired his subcommittee be printed at the close of my remarks.

While this compilation of legislative enactments can demonstrate the significant part Senator Bible has played in providing park and recreational opportunities for the citizens of this Nation, the long-term benefit of his involvement lies in the contributions these recreation resources will make toward improving the quality of life for present and future generations of Americans.

There being no objetcion, the list was ordered to be printed in the Record, as follows:

The list of areas added to the National Park System through authorizing legislation passed during Senator Bible's chairmanship of the responsible subcommittee follows:

EIGHTY-SEVENTH CONGRESS

St. Thomas National Historic Site.
Christiansted National Historic Site.
Russell Cave National Monument.
Cape Cod National Seashore.
Fort Davis National Historic Site.
Fort Smith National Historic Site.
Piscataway Park.
Buck Island Reef National Monument.
Lincoln Boyhood National Monument.
Hamilton Grange National Monument.
Theodore Roosevelt Birthplace National Historic Site.
Sagamore Hill National Historic Site.
Frederick Douglass Home National Historic Site.
Point Reyes National Seashore.
Padre Island National Seashore.

EIGHTY-EIGHTH CONGRESS

Ozark National Scenic Riverways.
Fort Bowie National Historic Site.
Fort Larned National Historic Site.
Saint-Gaudens National Historic Site.
Allegheny Portage Railroad National Historic Site.
Johnstown Flood National Historic Site.
John Muir National Historic Site.
Fire Island National Seashore.
Canyonlands National Park.
Ice Age National Scientific Reserve.
Roosevelt-Campobello International Park.
Lake Mead National Recreation Area.

EIGHTY-NINTH CONGRESS

Assateague Island National Seashore.
Delaware Water Gap National Recreation Area.
Nez Perce National Historical Park.
Whiskeytown-Shasta-Trinity National Recreation Area.
Cape Lookout National Seashore.
Chamizal Treaty National Monument.
Fort Union Trading Post National Historic Site.
George Rogers Clark National Historical Park.
San Juan Island National Historical Park.
Guadalupe Mountains National Park.
Pictured Rocks National Lakeshore.
Indiana Dunes National Lakeshore.
Bighorn Canyon National Recreation Area.
Golden Spike National Historical Site.
Hubbell Trading Post National Historical Site.
Agate Fossil Beds National Monument.
Herbert Hoover National Monument.
Pecos National Monument.
Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument.
Ellis Island National Monument.
Roger Williams National Monument.

NINTIETH CONGRESS

John Fitzgerald Kennedy National Historic Site.
Saugus Iron Works National Historic Site.
North Cascades National Park.
Lake Chelan National Recreation Area.
Ross Lake National Recreation Area.
Redwood National Park.
Appalachian National Scenic Trail.
St. Croix National Scenic Riverway.
Wolf National Scenic Riverway.
Carl Sandberg Home National Historic Site.
Biscayne National Monument.

NINETY-FIRST CONGRESS

Florissant Fossil Beds National Monument.
William Howard Taft National Historic Site.
Eisenhower National Historic Site.
Lyndon B. Johnson National Historic Site.
Apostle Islands National Lakeshore.
Ford's Theatre National Historical Site.
Fort Point National Historic Site.
Andersonville National Historic Site.
Sleeping Bear Dunes National Lakeshore.
Gulf Islands National Seashore.
Voyageurs National Park.
Chesapeake and Ohio Canal National Historical Park.

NINETY-SECOND CONGRESS

Lincoln Home National Historic Site.
Arches National Park.
Capitol Reef National Park.
Buffalo River National Park.
Puukohola Heiau National Historic Site.
John D. Rockefeller, Junior, Memorial Parkway.
Grant-Kohrs Ranch National Historic Site.
Longfellow National Historic Site.
Thaddeus Kosciuszko Home National Historic Site.
Hohokom Pima National Monument.
Cumberland Island National Seashore.
Fossil Butte National Monument.
Lower Saint Croix River.
Golden Gate National Recreation Area.
Gateway National Recreation Area.
Glen Canyon National Recreation Area.

NINETY-THIRD CONGRESS

Boston National Historical Park.
Big Thicket National Preserve.
Big Cypress National Preserve.
Clara Barton National Historic Site.
John Day Fossil Beds National Monument.
Knife River Indian Villages National Historic Site.
Springfield Armory National Historic Site.
Tuskegee Institute National Historic Site.
Martin Van Buren National Historic Site.
Sewall-Belmont House National Historic Site.

TRIBUTE TO SENATOR NORRIS COTTON

Mr. WEICKER. Mr. President, during an era which has placed increasing emphasis on the value of committees, consensus, and public opinion polls, Senator Norris Cotton has made a career which instead focused on the rights of the individual and respect for individual experience.

During his 20 years in the Senate, Norris Cotton has been consistently direct and straightforward. None of us has ever had to speculate about his position on any issue. He has firm ideas about what is right, but has always listened sympathetically to the views of others.

Norris worked faithfully for the people of New Hampshire, but his efforts provided leadership for the Nation. He was a source of strength to us all.

Like his neighbor from Vermont, Senator Aiken, Norris was a link between the accomplishments of our past and the promise of our future. He is a man who will not compromise his principles, but neither will he close himself to exploring new ideas.

I join the entire membership of the Senate in wishing him many years of health and happiness. May his distinguished record be a constant source of personal satisfaction and pride.

TRANSACTION OF ROUTINE MORNING BUSINESS

(By unanimous consent the Senate transacted the following routine morning business:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON NATIONAL GROWTH AND DEVELOPMENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the second biennial report on national growth and development which, together with the report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

I am forwarding herewith the second biennial Report on National Growth and Development in accordance with Section 703(a) of the Housing and Urban Development Act of 1970.

GERALD R. FORD.

THE WHITE HOUSE, *December 17, 1974.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 9:50 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes.

H.R. 16136. An act to authorize certain construction at military installations, and for other purposes.

H.R. 16900. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. ALLEN).

At 11:30 a.m., a message from the House of Representatives by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1283) to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 8958) to amend the Federal Property and Administrative Services Act of 1949 to provide for the disposal of certain excess and surplus Federal property to the Secretary of the Interior for the benefit of any group, band, or tribe of Indians, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (S. 4073) to extend certain authorizations under the Federal Water Pollution Control Act, as amended, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 2149) to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House insists upon its amendment to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WRIGHT, Mr. KLUCZYNSKI, Mr. JOHNSON of California, Mr. HARSHA, and Mr. CLEVELAND were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the amendments of the House to the resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. BRADEMAS, and Mr. QUIE were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SIKES, Mr. PATTEN, Mr. LONG of Maryland, Mr. OBEY, Mr. MCKAY, Mr. MAHON, Mr. MCEWEN, Mr. DAVIS of Wisconsin, Mr. TALCOTT, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 17311. An act to establish procedures and regulations for certan protective services provided by the U.S. Secret Service.

H.R. 17558. An act to amend the act of May 13, 1954, relating to the St. Lawrence Seaway Development Corporation to provide for a 7-year term of office for the Administrator, and for other purposes.

H.R. 17010. An act to establish a working capital fund in the Department of Justice.

H.R. 13022. An act to amend the act of September 2, 1960, as amended, so as to authorize different minimum grade standards for packages of grapes and plums exported to different destinations.

H.R. 2933. An act to improve the quality of unshelled filberts and shelled filberts for marketing in the United States.

H. R. 13482. An act to amend Public Law 92–477, authorizing at Government expense the transportation of housetrailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movements of dependents and effects, or trailers, of those members in such a status for more than 1 year, to make it retroactive to February 28, 1961.

At 5:45 p.m., a message from the House of Representatives by Mr. Berry announced that the House agrees to the amendment of the Senate to the bill (H.R. 3538) for the relief of Selmer Amundson.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 10212) to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital," and for other purposes.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 13296) to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mrs. SULLIVAN, Mr. CLARK, Mr. ASHLEY, Mr. DINGELL, Mr. DOWNING, Mr. GROVER, Mr. MCCLOSKEY, and Mr. MOSHER were appointed managers of the conference on the part of the House.

The message further announced that the House has passed without amendment the following Senate bills and joint resolution:

S. 184. An act to authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union;

S. 194. An act to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands;

S. 1357. An act for the relief of Mary Red Head;

S. 2125. An act to amend the act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended;

S. 2446. An act for the relief of Charles William Thomas, deceased;

S. 2594. An act for the relief of Jan Sejna;

S. 2834. An act for the relief of Michael D. Manemann;

S. 3397. An act for the relief of Jose Ismarnardo Reyes-Morelos;

S. 3489. An act to authorize exchange of lands adjacent to the Teton National Forest in Wyoming, and for other purposes;

S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada;

S. 3574. An act to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz.;

S. 3578. An act for the relief of Anita Tomasi;

S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo.;

S.J. Res. 234. A joint resolution transferring to the State of Alaska certain archives and records in the custody of the National Archives of the United States.

The message also announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 124) relating to conference consideration of H.R. 17468.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

H.R. 16982. An act to authorize U.S. payment for fiscal year 1975 to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and the United Nations Force in Cyprus (Rept. No. 93–1361).

By Mr. HARTKE, from the Committee on Commerce:

S. 4242. An original bill to amend the Rail Passenger Service Act. Placed on the Calendar.

By Mr. HOLLINGS, from the Committee on Commerce, without amendment:

S. 3922. A bill to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes (Rept. No. 93–1362).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 412. A resolution authorizing supplemental expenditures by the Committee on Veterans' Affairs for inquiries and investigations (Rept. No. 93–1363).

S. Res. 441. A resolution authorizing supplemental expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations (Rept. No. 93–1364).

S. Res. 442. A resolution authorizing the printing of the report (two volumes) entitled, "Evaluation of Techniques for Cost-Benefit Analysis of Water Pollution Control Programs and Policies," as a Senate document (Rept. No. 93–1365).

S. Res. 444. A resolution authorizing the printing of additional copies of Senate report entitled "Nursing Home Care in the United States: Failure in Public Policy (Introductory Report)" (Rept. No. 93–1366).

H. Con. Res. 654. A concurrent resolution authorizing the reprinting of ten-thousand copies for use of the Committee on the Judiciary of House Document 93–339 (Rept. No. 93–1367).

H. Con. Res. 680. A concurrent resolution to provide for the printing as a House document of the proceedings at the commemoration ceremony in honor of the 200th anniversary of the First Continental Congress (Rept. No. 93–1368).

H. Con. Res. 683. A concurrent resolution authorizing the printing of proceedings unveiling the portrait of the Honorable Leonor K. Sullivan (Rept. No. 93–1369).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

H. Con. Res. 675. A concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition) (Rept. No. 93–1370).

H. Con. Res. 679. A concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence (Rept. No. 93–1371).

By Mr. TUNNEY, from the Committee on Commerce, without amendment:

S. 4058. A bill to promote the free flow of commerce in wine among the several States, and for other purposes (Rept. No. 93–1372).

By Mr. McCLELLAN, from the Committee on Appropriations, without amendment:

S. Res. 446. A resolution disapproving the deferral of certain budget authority relating to section 235, homeownership assistance program, and for other purposes (Rept. No. 93–1373).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1045. A bill for the relief of Dino Mendoza Paseua (Rept. No. 93–1374).

S. 2314. A bill for the relief of Jiri Emanuel Huebner (Rept. No. 93–1375).

S. 2406. A bill for the relief of Doctor Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao (Rept. No. 93–1376).

S. 3260. A bill for the relief of Doctor Gustavo Scioville (Rept. No. 93–1380).

S. 3940. A bill for the relief of Nestor Manuel Lara-Otoya (Rept. No. 93–1382).

S. 3977. A bill for the relief of Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin (Rept. No. 93–1383).

H.R. 3203. An act for the relief of Nepty Masauo Jones (Rept. No. 93–1384).

S. Con. Res. 125. A concurrent resolution favoring the suspension of deportation of Carlos Marquez de la Plata-Montalvo (Rept. No. 93–1385).

S. 2298. A bill for the relief of Robert M. Johnston (Rept. No. 93–1386).

H.R. 1715. A bill for the relief of Cpl. Paul C. Amedo, U.S. Marine Corps Reserve (Rept. No. 93–1387).

H.R. 2208. An act for the relief of Raymond W. Suchy, second lieutenant, U.S. Army (retired) (Rept. No. 93–1388).

H.R. 3339. An act for the relief of Delmira DeBow (Rept. No. 93–1389).

H.R. 7684. An act for the relief of Nicola Lomuscio (Rept. No. 93–1390).

H.R. 7767. An act for the relief of Samuel Cabildo Jose (Rept. No. 93–1391).

H.R. 8322. An act for the relief of William L. Cameron, Junior (Rept. No. 93–1392).

H.R. 9182. An act for the relief of Fernando Labrador del Rosario (Rept. No. 93–1393).

H.R. 9588. An act for the relief of the city of Aransas Pass, Tex., and the urban renewal agency of the city of Aransas Pass, Tex. (Rept. No. 93–1394).

H.R. 9654. An act for the relief of Mr. Aldo Massara (Rept. No. 93–1395).

H.R. 11847. An act for the relief of certain fire districts and departments in the State of Missouri to compensate them for expenses relating to a fire on Federal property (Rept. No. 93–1396).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 14600. An act to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon (Rept. No. 93–1397).

H.R. 15229. An act to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act (Rept. No. 93–1398).

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

H.R. 7599. An act to amend the Trademark Act of 1946 and title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office". (Rept. No. 93–1399).

H.R. 8981. An act to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patient Office, and to provide for awarding attorney fees (Rept. No. 93–1400).

H.R. 9199. An act to amend title 35, United States Code, "Patents," and for other purposes (Rept. No. 93–1401).

By Mr. RANDOLPH, from the Committee on Public Works, with amendments:

H.R. 16045. An act to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976 and to make certain technical and conforming changes (Rept. No. 93–1402).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2644. A bill for the relief of Mr. Joselito S. Arca and Doctor Corazon I. Arca (Rept. No. 93–1377).

S. 3103. A bill for the relief of Abram Aguirre-Gonzalez and Hilario Aguirre-Martinez (Rept. No. 93-1378).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 3735. A bill for the relief of Doctor Bendicto Principe and his wife, Erlinda Madula Principe (Rept. No. 93–1381).

S. 3248. A bill for the relief of Miss Rosario Y. Quijano (Rept. No. 93-1379).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

George J. Reed, of Oregon, to be a member of the Board of Parole;

Murray Saltzman, of Indiana, to be a member of the Commission on Civil Rights;

Marshall F. Rousseau, of Texas, to be U.S. marshal for the southern district of Texas;

William E. Amos, of Maryland, to be a member of the Board of Parole;

Kenneth M. Link, Sr., of Missouri, to be U.S. marshal for the eastern district of Missouri;

Jose A. Lopez, of Puerto Rico, to be U.S. marshal for the district of Puerto Rico;

James R. Durham, Sr., of North Carolina, to be U.S. marshal for the eastern district of North Carolina;

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California;

Peter C. Dorsey, of Connecticut, to be U.S. attorney for the district of Connecticut;

D. Dwayne Keyes, of California, to be U.S. attorney for the eastern district of California;

Irvin W. Humphreys, of West Virginia, to be U.S. marshal for the southern district of West Virginia; and

Marjorie W. Lynch, of Washington, to be Deputy Administrator of the American Revolution Bicentennial Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Donald D. Alsop, of Minnesota, to be U.S. district judge for the district of Minnesota;

Edward N. Cahn, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania;

John F. Gerry, of New Jersey, to be U.S. district judge for the district of New Jersey;

Juan R. Torruella del Valle, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico;

James M. Fitzgerald, of Alaska, to be U.S. district judge for the district of Alaska;

Joel M. Flaum, of Illinois, to be U.S. district judge for the northern district of Illinois;

James P. Churchill, of Michigan, to be U.S. district judge for the eastern district of Michigan; and

H. Dale Cook, of Oklahoma, to be U.S. district judge for the northern eastern, and western districts of Oklahoma.

By **Mr. WILLIAMS**, from the Committee on Labor and Public Welfare:

Larry A. Karlson, of Washington;
Arthur M. Lee, of Arizona;
James Gardner March, of California;
Carl H. Pforzheimer, Jr.; and
Wilson C. Riles, of California, to be members of the National Council on Educational Research for terms expiring June 11, 1977.

Neil P. Speirs, of Illinois, to be a member of the Railroad Retirement Board.

Robert E. Hughes, of New York, to be an Assistant Director of the National Science Foundation.

Selden G. Hill, of Florida, to be a member of the Federal Council on the Aging.

Joseph Becker, of California;
Carlos A. Cuadra, of California; and
John E. Velde, Jr., of Illinois, to be members of the National Commission on Libraries and Information Science.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following House bills were read twice by their titles and referred to the Committee on Agriculture and Forestry:

H.R. 13022. An act to amend the act of September 2, 1960, as amended, so as to authorize different minimum grade standards for packages of grapes and plums exported to different destinations; and

H.R. 2933. An act to improve the quality of unshelled filberts and shelled filberts for marketing in the United States.

DEEPWATER PORT ACT—CONFERENCE REPORT SUBMITTED DURING ADJOURNMENT (S. REPT. 93-1360)

Under authority of December 16, 1974, Mr. HOLLINGS, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HARTKE, from the Committee on Commerce:

S. 4242. An original bill to amend the Rail Passenger Service Act. Placed on the Calendar.

By Mr. TAFT:

S. 4243. A bill to amend the Legislative Reorganization Act of 1946 to authorize the appointment of hearing examiners by congressional committees. Referred to the Committee on Government Operations.

By Mr. TUNNEY:

S. 4244. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By **Mr. BIDEN (for himself, Mr. McGOVERN, and Mr. CASE)**:

S. 4245. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to prohibit the disposition of food to foreign countries under such act in any fiscal year unless the Secretary of Agriculture determines and certifies that all domestic feeding programs will be adequately provided with appropriate foods in such fiscal year. Referred to the Committee on Agriculture and Forestry.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TAFT:

S. 4243. A bill to amend the Legislative Reorganization Act of 1946 to authorize the appointment of hearing examiners by congressional committees. Referred to the Committee on Government Operations.

Mr. TAFT. Mr. President, I introduce today a bill that would amend the Legislative Reorganization Act of 1946 to improve the efficiency in the conduct of Senate hearings through the utilization of hearing examiners. This proposal is patterned after procedures used by courts, such as the appointment of special masters to obtain facts and is similar to a bill introduced earlier this year by Senator METCALF, S. 3745. This proposal is also consistent with the objective of Senate Resolution 15 introduced by Senator HART, with the cosponsorship of Senators FONG, TUNNEY, MOSS, BAYH, HUMPHREY, HUGHES, MAGNUSON, MATHIAS, McGOVERN, and MONDALE, which would establish a special committee to investigate the feasibility of implementing a hearing examiner procedure for Senate committees.

Under this bill professional staff members of each standing, select, or special committee of the Senate could be designated as hearing examiners and assigned by the chairman and ranking minority member of the committee, or subcommittee, to conduct a hearing for the committee, or subcommittee, with respect to particular issues. To insure that the views and interests of minority members of a committee, or subcommittee, are fairly and adequately represented, such members would also have the option to select one hearing examiner. For example, if the chairman and ranking minority member assigned the majority counsel of a committee to act as a hearing examiner in a particular area, the minority members of the committee could select an additional examiner if they felt their views would not be sufficiently represented.

Hearing examiners selected in accordance with this procedure would have the authority to conduct a hearing for the committee, or subcommittee, without a Member being present, and for purposes of any rule, resolution, or order, a hearing conducted pursuant to this procedure would be an official hearing of the committee.

Advantages of the hearing examiner procedure I submit include: Establishment of more productive hearing process as current procedure quite often results only in oral recitations of written testimony for the RECORD; establishment of a procedure for preliminary inquiry and investigation of issues to permit policy options to be more thoroughly considered by Senators; implementation of flexible procedures for additional hearings and fact finding, especially for scheduling of proceedings outside of Washington; and, statutory formalization, with protections for the minority, of procedures currently being implemented by many committees.

The hearing examiner procedure, for example, could be used as an initial screening process on complex issues before a committee that require considerable preliminary research and investigation. After the initial information and background data had been assembled by this procedure, staff could sharpen the questions to be considered and brief the committee. If Senators decided to pursue the issue, additional witnesses could be called to more fully explore policy options. This basic procedural approach I note was used with considerable success by the Senate Labor and Public Welfare Committee in the consideration and adoption of pension reform legislation.

Arguments, undoubtably, will be advanced that a hearing examiner procedure will only become another institution layer in the hearing process and result in the abdication of senatorial responsibilities to staff. Certainly a degree of institutionalization would result if hearing examiners could conduct committee hearings. That, however, is one of the purposes of the proposal. Such a procedure would not unnecessarily delay committee consideration of issues and would undoubtedly expedite review of complex subjects. Certainly, caution must be exercised so as to not overuse this procedure, or use it as a substitute for individual consideration of issues by Senators. Knowing the personal interest that Senators take in issues, I am certain these problems will not develop.

The hearing examiner proposal I have advanced will not result in abdication of Senatorial responsibilities to staff. Staff responsibilities will not be changed by this proposal as the informational gathering process currently conducted by committees will become statutorily formalized and improved. The extent that the hearing examiner procedure is implemented will be controlled by a committee and any member of the committee could attend and take part in any hearing conducted under such a procedure. Staff will not supersede the duties and responsibilities of Senators. This procedure in essence improves the informational gathering capability of the Senate by permitting professional staff to conduct preliminary research and obtain information for the committee record.

Implementation of a hearing examiner procedure will greatly improve the fact finding capability of the Senate and make the Congress more responsive to the complexities and demands of modern society. I urge expeditious consideration of this proposal by the Committee on Government Operations.

By Mr. TUNNEY:

S. 4244. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes. Referred to the Committee on Post Office and Civil Service.

PART-TIME CAREER OPPORTUNITY ACT

Mr. TUNNEY. Mr. President, I am today introducing the Part-Time Career Opportunity Act and announcing my intention to reintroduce this bill early in the 94th Congress.

The Part-Time Career Opportunity Act is an improved version of the Flexible Hours Employment Act which I introduced in June 1973. S. 2022, the Flexible Hours Employment Act, was unanimously reported by the Senate Committee on Post Office and Civil Service this past August.

Mr. President, I ask unanimous consent that the text of the Part-Time Career Opportunity Act and the attached list of 26 cosponsors of S. 2022 and supporting organizations be printed in the RECORD at the conclusion of these remarks.

Mr. President, with the assistance of the distinguished chairman of the Senate Committee on Post Office and Civil Service (Mr. MCGEE), I am hopeful that the Part-Time Career Opportunity Act will be favorably reported to the Senate early in 1975. In addition, the incoming chairman of the House Committee on Post Office and Civil Service has indicated his committee will hold hearings soon after favorable Senate action.

The essence of the Part-Time Career Opportunity Act is simple to explain. The act sets a goal of phasing in, at the rate of 2 percent each year for 5 years up to a miximum of 10 percent, the creation of part-time jobs in the Federal civil service. The bill was substantially improved by committee amendments and changes I initiated at the suggestion of Federal employee unions and women's organizations to insure the rights and benefits of full-time Federal employees.

Mr. President, I will shortly circulate a colleague letter seeking cosponsors for this bill in the 94th Congress. I would also like to take this opportunity to invite those Senators who cosponsored S. 2022 and all others to join me in sponsoring the Part-Time Career Opportunity Act when it is reintroduced next year.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 4244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Part-Time Career Opportunity Act".

SEC. 2. (a) Title 5, United States Code, is amended by inserting between chapters 31 and 33 the following new chapter:

"Chapter 32—PART-TIME CAREER EMPLOYMENT

"Sec.

"3201. Definitions.

"3202. Policy.

"3203. Part-time career employment percentage minimums; waiver.

"3204. Implementation.

"3205. Limitations.

"3206. Personnel ceilings.

"3207. Nonapplicability.

"3201. DEFINITIONS

"For the purpose of this chapter.

"(1) 'agency' means an executive agency other than the Federal Bureau of Investigation and any agency referred to in section 5102(a)(1) (i)-(viii) of this title;

"(2) 'Part-time career employment' means part-time employment of at least sixteen hours but not more than thirty hours a week, including, for example, four hours each workday, five hours each workday, a different number of hours each workday, or two, three, or four days a week, job-sharing arrangements or such other arrangements as the Civil Service Commission establishes as consistent with the policy prescribed by section 3202 of this title, but does not include an employee who is employed on a temporary or intermittent basis; and

"(3) 'grade' means any grade referred to in chapter 51 (other than grades GS-16, GS-17, and GS-18).

"3202. POLICY

"It is the policy of the Government of the United States that at least a certain percentage of all positions in each grade in each agency shall be available on a Part-Time Career employment basis to individuals who are unable, or do not desire, to work on a full-time basis.

"3203. PART-TIME CAREER EMPLOYMENT PERCENTAGE MINIMUMS; WAIVER

"(a) Not later than one year after the date of enactment of this chapter, at least 2 per centum of all positions in each grade of each agency shall be available to individuals on a part-time career employment basis. Not later than two years after the date of enactment of this chapter, 4 per centum of such positions shall be available on such a basis. Not later than three years after the enactment of this chapter, 6 per centum of such positions shall be available on such a basis. Not later than four years after the date of enactment of this chapter 8 per centum of such positions shall be available on such a basis. Not later than five years after the date of enactment of this chapter, and thereafter, 10 per centum of such positions shall be available on such a basis.

"(b) Upon the request of an agency, the Civil Service Commission may waive or reduce the percentage minimum applicable to any year referred to in subsection (a) for positions in a grade of an agency for a period of not to exceed one year if—

"(1) the Commission finds that compliance with the percentage minimum for those positions in that grade for that period by such agency would be substantially disruptive of the ability of the agency to perform its mission; and

"(2) notice of the request for a waiver or reduction and the reasons and justification for that request have been published in the Federal Register and interested parties have been afforded not less than sixty days to submit comments to the Commission.

"(c) A decision of the Commission to waive or reduce any such percentage minimum shall include the reasons and justification therefor. Copies of each such decision shall be available to the public during normal business hours at each location at which the Commission has offices. Upon request, a copy of a decision shall be furnished without charge.

"(d) Notwithstanding any other provision of law, any such decision of the Commission is a final agency action within the meaning of chapter 7 of this title.

"3204. IMPLEMENTATION

"(a) Each agency shall adopt and maintain procedures, continuously conduct activities and projects, and undertake such other efforts as may be appropriate, to carry out sections 3202 and 3203(a) of this title. The Civil Service Commission shall promptly formulate and implement, and thereafter supervise, a program to assist agencies in carrying out those sections. Not later than six months after the date of enactment of this chapter, the Commission shall report to Congress on actions taken to formulate and implement a program to assist agencies in carrying out those sections.

"(b) Not later than January 20, April 20, July 20, and October 20 of each year, each agency shall report to the Commission with respect to the three calendar months preceding the month in which that particular report is due, on the procedure, activities, projects, and other efforts undertaken to carry out sections 3202 and 3203(a) of this title. Each report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(c) The Commission shall report annually to the Congress on the procedures, activities, projects, and other efforts undertaken to carry out sections 320 and 3203(a) of this title. Each annual report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(d) The Commission shall conduct research and experimentation projects and any other activities designed to promote, in public employment, the advancement of opportunities for individuals who are unable, or who do not desire, to work on a full-time basis.

"3205. LIMITATIONS

"(a) An agency shall not abolish a full-time position in a grade subject to this chapter, and occupied by employee, in order to establish two or more positions to be made available to individuals on a flexible hours employment basis.

"(b) Nothing in this chapter shall impair the employment or employment rights or benefits of any employee.

"(c) No agency shall enter into any contract or other agreement with any person as a result of the enactment of this chapter, except with respect to any agreement to furnish advice and assistance to that agency to meet the percentage minimums of section 3203(a) of this title.

"(d) No person employed as an expert or consultant under section 3109 of this title, and no person who is employed by any employer other than an agency, may be counted for the purpose of determining whether that agency has met the percentage minimums of section 3203(a) of this title.

"(e) Not to exceed 10 percent of the full-time positions of an agency may be converted to positions to be made available to individuals on a part-time career employment basis."

"3206. PERSONNEL CEILINGS

"In counting the number of employees an agency employs for purpose of any personnel ceiling, an employee employed on a part-time career employment basis shall be counted as a fraction which is determined by dividing forty hours into the average number of hours that employee works each week.

"3207. NONAPPLICABILITY

"If, on the date of enactment of this chapter, a collective-bargaining agreement is in effect with respect to positions occupied by employees which establishes the number of hours of employment in a week, then this chapter shall not apply to those positions.".

(b) Subpart B of the table of chapters of part III of title 5, United States Code, is amended by inserting between items 31 and 33 the following:

"32. Part-Time Career Employment___3201".

SEC. 3. (a) Section 3302 of title 5, United States Code, is amended—

(1) by inserting the subsection designation "(a)" at the beginning of the text thereof; and

(2) by adding at the end thereof the following:

"(b) The rules prescribed in accordance with subsection (a) shall also provide that any employee employed on a Part-Time Career employment basis shall not compete, as the result of being so employed, with any employee in the competitive service employed on a full-time basis."

(b)(1) Section 8332 of such title is amended by adding at the end thereof the following:

"(1) Notwithstanding any other provision of law, an employee occuping a position on a part-time career employment basis shall be allowed credit of one month for each one hundred and seventy-three hours of work performed for which deductions are made under this subchapter or deposits may be made.".

(2) The amendment made by paragraph (1) of this section shall apply to an employee referred to in such amendment commencing on the first day of the first pay period of that employee which begins on or after the date of enactment of this Act.

(c) Section 8347(g) of title 5, United States Code, is amended by adding at the end thereof the following: "However, the Commission may not exclude any employee who occupies a position on a part-time career employment basis (as defined in section 3201(2) of this title).".

(d) Section 716(b) of such title 5 is amended—

(1) by striking out of the second sentence "or part-time";

(2) by striking out "or" at the end of clause (1);

(3) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(4) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a Part-Time Career employment basis (as defined in section 3201 (2) of this title).".

(e) Section 8913(b) of such title 5 is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a Part-Time Career employment basis (as defined in section 3201(2) of this title).

"3208. EMPLOYEE ORGANIZATION REPRESENTATION

"If an employee organization has been accorded exclusive recognition with respect to a unit within an agency, then the employee shall be entitled to represent all employees within that unit employed on a Part-Time Career employment basis."

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the amendments made by this Act.

ORGANIZATIONS SUPPORTING S. 2022, THE FLEXIBLE HOURS EMPLOYMENT ACT

American Association of University Women.
American Medical Women's Association.
American Occupational Therapy Association.
Appalachian Education Laboratory, Inc.
B'nai B'rith Women.
Center for Continuing Education of Women, University of Michigan.
Council for Financial Aid to Education.
Council of Federal Employees, Local 26, American Federation of State, County and Municipal Employees.
Gray Panthers.
International Senior Citizens Association.
Interstate Association of Commissions on the Status of Women.
National Congress of Organizations on the Physically Handicapped.
National Association of the Physically Handicapped.
National Rehabilitation Association.
National Organization of Women.
Retired Officer Association.
Retirement Federation of Civil Service Employees.
U.S. Commission on Civil Rights.
Women's Equity Action League.
Women's Political Caucus.
Women's Lobby.

COSPONSORS OF S. 2202, THE FLEXIBLE HOURS EMPLOYMENT ACT

Bayh, Bellmon,* Cannon, Case, Church, Clark, Cook, Dole,* Eagleton, Gurney, Hart, Hathaway, Hollings,* Humphrey, Javits, Kennedy, Magnuson, Mathias, Mondale, Montoya, Moss,* Packwood, Pell, Percy, Randolph,* and Stevens.*

By Mr. BIDEN (for himself, Mr. MCGOVERN, and Mr. CASE):

S. 4245. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to prohibit the disposition of food to foreign countries under such act in any fiscal year unless the Secretary of Agriculture determines and certifies that all domestic feeding programs will be adequately provided with appropriate foods in such fiscal year. Referred to the Committee on Agriculture and Forestry.

Mr. BIDEN. Mr. President, today I am introducing legislation which would condition the distribution of agricultural commodities to foreign countries, under Public Law 480, upon a determination by the U.S. Department of Agriculture that domestic feeding programs, such as the national school lunch program, will receive commodities of the same types and kinds as were received during fiscal year 1974.

Last October, before the Senate voted to recommit the foreign aid bill, it adopted this legislation in the form of an amendment which I offered. Germaneness rules pertaining to the revised foreign aid bill has precluded the Senate from adopting my amendment again.

For this reason, Mr. President, and, recognizing that it is late in the session, I feel compelled to bring this matter to the attention of the Senate once more.

I have said before that this legislation should not be necessary. But unfortunately nothing has changed—with one exception.

New estimates for fiscal 1975 flour and oil exports under Public Law 480 reveal a significant upward trend. The Agency for International Development—AID—has requested funding for fiscal 1975 exports of flour and oil products in the amount of $1.3 billion, or 5.5 million metric tons of these commodities.

However, the rest is the same. There will still be no flour and oil commodities distributed to school lunch programs. Although distribution of flour and oil products to schools was arbitrarily terminated by the Department of Agriculture last July, exports of these commodities are increasing rapidly.

Mr. President, on June 30, 1974, the National School Lunch and Child Nutrition Act Amendments of 1974 became law—Public Law 93-326. Under the provisions of this law, the Secretary of Agriculture was directed to "purchase agricultural commodities and their products of the types customarily purchased under such section, for donation to maintain annually programed levels of assistance."

If stocks were not available from the Commodity Credit Corporation, the Secretary was further directed to use Corporation funds "to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949."

Mr. President, I have read this law carefully.

I can find no provision in it which would authorize the Secretary of Agriculture to arbitrarily eliminate flour and oil products, items customarily provided under section 416, for distribution to the school lunch and child nutrition programs.

And yet, this is exactly what occurred. Apparently, the increased emphasis on protein foods was considered authority enough by USDA. The result, Mr. President, may be all to predictable. If schools across the Nation must purchase flour and oil products on the open market, the price of lunch will increase, and the participation of children in the programs will decrease. In the past 3 years alone, over 2 million paying children have dropped out of the program.

I might add that in my own State of Delaware, of the 27 school districts polled, 18 districts anticipate reduced participation of children in the school lunch program if grains and oils are not furnished. Further 11 school districts indicated that the elimination of flour and oil would mean the reduction or elimination of baked items from the menus and, therefore, a less nourishing menu.

These nutrition programs do not serve only children from lower income families. In an inflationary economy, which has hurt all of us, a nutritious meal at an affordable cost has become an important source of security for middle-income parents struggling to feed their children.

I should point out, Mr. President, that the school lunch program serves 25 million children every day. Of these 25 million, 16 million children pay for their subsidized lunches—and they are paying 5 to 10 cents more for those lunches this year than they paid last year.

Every State in the Nation has lost a great deal through the elimination of flour and oil commodities. Mr. President, I request unanimous consent that the estimated dollar value of commodities lost to the States as a result of the USDA action be printed in the RECORD at this point in my remarks.

There being no objection, the table is ordered to be printed in the RECORD, as follows:

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*Member, Senate Committee on Post Office and Civil Service.

Estimated dollar loss of flour and oil commodities to States

Alabama	$6,963,000
Alaska	293,000
Arizona	1,772,000
Arkansas	2,675,000
California	15,447,000
Colorado	1,377,000
Connecticut	1,950,000
Delaware	1,330,000
District of Columbia	920,000
Florida	5,624
Georgia	7,223,000
Hawaii	7,773,000
Idaho	1,116,000
Illinois	5,290,000
Indiana	5,666,000
Iowa	2,662,000
Kansas	3,338,000
Kentucky	3,332,000
Louisiana	5,762,000
Maine	3,883,000
Maryland	2,869,000
Massachusetts	10,074,000
Michigan	5,566,000
Minnesota	3,248,000
Mississippi	3,896,000
Missouri	8,253,000
Montana	888,000
Nebraska	988,000
Nevada	629,000
New Hampshire	1,472,000
New Jersey	3,600,000
New Mexico	1,327,000
New York	8,117,000
North Carolina	6,580,000
North Dakota	1,019,000
Ohio	7,764,000
Oklahoma	7,044,000
Oregon	2,630,000
Pennsylvania	6,850,000
Rhode Island	633,000
South Carolina	2,844,000
South Dakota	1,513,000
Tennessee	4,291,000
Texas	12,712,000
Utah	1,560,000
Vermont	383,000
Virginia	7,123,000
Washington	2,239,000
West Virginia	1,284,000
Wisconsin	3,368,000
Wyoming	395,000

Mr. BIDEN. Mr. President, a great deal of attention has been focused on the world food crisis. I would not seek to divert that attention. The legislation I propose is not based on any antipathy toward the food for peace program. It is simply based on the needs of our young people. Because, if we permit our domestic feeding programs to fall by the wayside, the victims will be the children of this Nation.

This legislation does not seek to abolish Public Law 480 Food Distribution. It does not seek to minimize the problem of world hunger.

But, it does seek to insure that children participating in child nutrition and school lunch programs have enough to eat: It seeks to insure that they receive the nutritious meals Congress intended them to receive.

Mr. President, the legislation I introduce today would insure that congressional intent is adhered to and that the Public Law 480 program is not implemented at the expense of our domestic feeding programs.

The arbitrary termination of donation of section 416 items to school lunch programs flies in the face of Congress. It is an act that should not be tolerated.

I realize, of course, that this bill comes late in the session. But, the 94th Congress is rapidly approaching, and I assure my colleagues in the Senate that when we convene next January, I will once again introduce this legislation and press for its adoption.

It is important that as we face our responsibilities in combating the world food crisis, we do not shirk those at home—especially when we are talking about the children of America.

Mr. President, I request unanimous consent that the text of the bill I am introducing be printed in the RECORD at this point in my remarks:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to prohibit the disposition of food to foreign countries under such Act in any fiscal year unless the Secretary of Agriculture determines and certifies that all domestic feeding programs will be adequately provided with appropriate foods in such fiscal year

Be it enacted by the Senate and House of Represntatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end of such Act a new section as follows:

"SEC. 411. No agricultural commodity may be made available for disposition under this Act to any foreign country in any fiscal year unless the Secretary determines, and certifies such determination to the Congress, that all domestic feeding programs, including, but not limited to, the programs provided for under the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, will be provided in such fiscal year with the same types and kinds of agricultural commodities and in the same or greater quantities at which each such type and kind of commodity was provided for such programs during the fiscal year ending June 30, 1974. In determining the types, kinds, and quantities of agricultural commodities made available for any program during the fiscal year ending June 30, 1974, the Secretary shall include commodities made available from every source including, but not limited to, those made available under section 416 of the Agriculture Act of 1949 (7 U.S.C. 1431), those made available with funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), and those made available with funds of the Commodity Credit Corporation, as authorized by section 709 of the Agriculture Act of 1965 (79 Stat. 1212)."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. RES. 448

At the request of Mr. KENNEDY, the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. HART) were added as cosponsors of S. Res. 448, relating to further arms control measures.

S. RES. 4209

At his own request, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 4209, a bill entitled the Intergovernmental Emergency Heating Fuel Assistance Act.

SENATE CONCURRENT RESOLUTION 125—THE ORIGINAL CONCURRENT RESOLUTION REPORTED FAVORING SUSPENSION OF DEPORTATION

(Placed on the Calendar.)

Mr. EASTLAND, from the Committee on the Judiciary, reported the following original concurrent resolution:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of the alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat, 214; 8 U.S.C. 1254):

A15 704 486 Plata-Montalvo, Carlos Marquez de la.

SENATE RESOLUTION 453—SUBMISSION OF A RESOLUTION PROVIDING A MORATORIUM ON FEDERAL COAL LEASING

(Referred to the Committee on Interior and Insular Affairs.)

Mr. METCALF (for himself and Mr. JACKSON) submitted the following resolution:

Resolved, That, it is the sense of the Senate that, if the President of the United States vetoes or fails to sign the Surface Mining Control and Reclamation Act of 1974 (Conference Report No. 93–1522, accompanying S. 425) and, pending final congressional action on legislation for the regulation of surface coal mining operations in the 94th Congress, the Secretary of the Interior exercise his authority under existing law and (1) withdraw temporarily from prospecting and exploration, lease or other disposal deposits of coal owned by the United States which are minable by surface mining methods and (2) suspend pending applications for coal prospecting permits and leases.

Mr. METCALF. Mr. President, on behalf of myself and the junior Senator from Washington (Mr. JACKSON) I introduce a Senate resolution which would establish a moratorium on Federal coal leasing until Federal surface coal mining legislation has been enacted.

The Congress has sent to the President, for his approval, the Surface Mining Control and Reclamation Act of 1974, which is the product of 4 years of intensive effort by the Senate and House of Representatives. Despite overwhelming support in the Congress—and by the American people—for Federal legislation to regulate surface coal mining now, there have been indications that the President would veto the bill we sent to him yesterday. I sincerely hope that the President will approve the bill but if he does not, there should not be any additional leasing of Federal coal until a strong surface mining law has been enacted.

The resolution I am introducing today expresses the sense of the Senate that if the President vetoes or fails to sign the Surface Mining Control and Reclamation Act, that the Secretary should not issue any more coal prospecting permits or coal leases.

SENATE RESOLUTION 454—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH. Mr. President, on behalf of the Senator from Hawaii (Mr. FONG) and myself, I submit a resolution and I ask unanimous consent that it be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is as follows:

S. RES. 454

Resolved, That section 4 of Senate Resolution 267, Ninety-third Congress, agreed to March 1, 1974, is amended by striking out "$415,000" and inserting in lieu thereof "$430,000".

SUBMISSION OF SENATE RESOLUTIONS 455 THROUGH 462 DISAPPROVING ATOMIC ENERGY COMMISSION BUDGET DEFERRALS

(Held at the desk.)

Mr. PASTORE. Mr. President, I am submitting today eight resolutions which express the disapproval of the Senate to eight budget deferrals proposed by the President in his message of November 26. The Joint Committee on Atomic Energy met on December 13 to consider 14 deferrals proposed for the Atomic Energy Commission. The committee concluded that the eight deferrals which are the subjects of these resolutions would unduly restrain the development of a meaningful national energy research and development program.

The programs that would be delayed or reduced by the deferrals include production of nuclear fuel for existing nuclear power reactors, development of advanced atomic energy systems, including the liquid metal fast breeder reactor, gas-cooled reactors, and fusion, and fundamental efforts to develop basic technology for the nuclear, fossil, solar, and geothermal energy programs of the newly established Energy Research and Development Administration.

These eight deferrals amount to $64.2 million in budget authority and $43.9 million in outlays. The delays on these programs would result in cost escalations, program delays, and personnel layoffs which outweigh any fiscal advantages which would result. I ask unanimous consent to have printed in the RECORD following my remarks a brief listing of the subject and amount of each deferral, together with a copy of the resolutions I submit.

There being no objection, the list and resolutions were ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1975 AEC BUDGET DEFERRALS

[In millions of dollars]

Deferral No.		Budget authority	Budget outlays
D-75-111	Civilian reactor research and development liquid metal fast breeder reactor (LMFBR) research and development.	8.0	6.0
D-75-112	Civlian Reactor Research and Development	6.7	5.0
	Gas cooled fast reactor (GCFR)	2.7	2.0
	Gas cooled, direct cycle	4.0	3.0
D-75-113	Physical research	2.7	2.0
D-75-114	Controlled thermonuclear research	8.0	6.0
D-75-116	Weapons program, laser fusion	2.7	2.0
	Weapons program, laser fusion project 75-3-b, high energy laser facility, Los Alamos Scientific Laboratory.	2.0	1.0
D-75-117	Nuclear materials: Project 74-1-g cascade uprating program, gaseous diffusion plants. Project 71-1-f process equipment modifications, gaseous diffusion plants.	12.0	9.0
D-75-119	Civilian reactor research and development project 67-3-a fast flux text facility, Richland, Wash.	10.0	6.0
D-75-121	Civilian reactor research and development	12.1	6.9
	Project 75-5-e high temperature gas reactor fuel reprocessing facility, National Reactor Testing Station, Idaho.	9.6	5.7
	Project 75-5-f high temperature gas reactor fuel refabrication plant, Oak Ridge National Laboratory, Tennessee.	2.5	1.2

S. RES. 455

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-111, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 456

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-112, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 457

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-113, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 458

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-114, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 459

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-116, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 460

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-117, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 461

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-119, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 462

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-121, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 451

At the request of Mr. HUMPHREY, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of Senate Resolution 451, a resolution disapproving the proposed deferral of $50 million under section 701 of the Housing Act of 1954.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL HISTORIC PRESERVATION FUND—S. 3839

AMENDMENT NO. 2008

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

SUPPLEMENTAL APPROPRIATIONS, 1975

AMENDMENT NO. 2089

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed to the bill (H.R. 16900) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

SUSPENSION OF DUTY ON CATALYSTS OF PLATINUM—H.R. 13370

AMENDMENT NO. 2090

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam.

ENERGY EMERGENCY AUTHORITY ACT—S. 3267

AMENDMENT NO. 2091

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to amendment No. 2006, intended to be proposed to the bill (S. 3267) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes.

REDUCING OIL IMPORTS

Mr. MATHIAS. Mr. President, approximately 1 year ago the oil embargo began to be fully felt in this country. It became clear to the executive and to the Congress that the President should be given additional authority to cope with oil-related problems such as shortages and high prices. At that time, the Senate considered on a priority basis the grandfather of the legislation we now have before us today. That particular bill, S. 2589, had a troubled history which included long hours of debate on the Senate floor as the Christmas recess fast approached and finally after having been held over by that recess, passage and a Presidential veto which Congress failed to override. Subsequently, the Interior Committee reported out S. 3267, but the press of other business and the controversy surrounding such broad legislation forced this body to discontinue its consideration of S. 3267. We now return again to this matter with an amendment by Senator JACKSON and others which would substitute for the present S. 3267. This substitute, in the form of an amendment, is more in keeping with our present circumstances, more in tune with the Nation's need.

Our circumstances are, indeed, drastically changed from 1 year ago. Acute energy supply problems prevailed last winter. But now we have an adequate supply of all forms of energy with the exception of natural gas. In the absence of another foreign oil embargo, stockpiles are sufficient to carry us through this winter. It is appropriate, then, to ask why the Senate is now considering S. 3267 and a substitute thereto. We do so because even though our immediate supply needs for the winter are met, we now are faced with extremely high prices for energy; prices which the Western consuming nations as a group can ill afford to pay. The gravity of the present situation is well illustrated when we consider that:

The industrial nations now face a collective payments deficit of $40 billion;

Developing nations face a collective yearly deficit of $20 billion; half due to rising oil prices; and

Oil producers now have a surplus of $60 billion, which is far more than can be dissipated through payments to other countries, development needs, or reinvestment in industrial countries.

President Ford, in discussing the state of the economy and in special energy messages to the Congress and to the American people, has pointed out the necessity for reducing our energy consumption and increasing domestic supply so as to in turn decrease imports.

A program of conservation and alternative supply in concert with other consuming nations must be the cornerstone of our future efforts. The OPEC countries have learned a lesson from the past practices of industrialized nations. Cartel arrangements have long existed as between industrialized countries as they have sought favorable trade relations with less developed parts of the world. The strength of the multinational petroleum companies was also founded on a cartel arrangement. In short, the members of OPEC have had history to guide them as they have turned the tables on consuming nations.

It is only prudent to assume that the present course of the oil exporting nations is undertaken with a full understanding of its ramifications and with the clear purpose of gaining economic and political advantage over the industrialized countries; limited only by what the traffic can bear. Under these circumstances, the United States and others similarly situated are presented with a clear challenge.

Our response must include a strong program to conserve energy and augment supply, coupled with every effort to persuade producing countries of their great stake in the continued vitality of industrial economies. But we should not suffer under any illusion that simple persuasion will suffice to lower prices. We must realize that it will be politically difficult if not impossible for any of these exporting countries to accept lower prices. In fact, if demand for OPEC oil grows, normal market forces may make it impossible to eliminate staggering monetary surpluses regardless of willpower.

The industrialized countries now import two-thirds of their oil, which supplies one-third of their total energy need. At a minimum, present import bills must be reduced if the international monetary system is to be stabilized. This is a difficult, but not impossible task. It will appreciably strengthen consuming nations to respond to producer cartel price increases and supply interruptions should they again occur.

As demand on world markets dampens through conservation and increased supply and as other countries such as Mexico, Peru, China, and Malaysia become net exporters of energy, the hold on the market of the OPEC cartel may be more difficult to maintain. With little or no market expansion, OPEC members would realize only half of present income by the end of the decade.

It is in our national interest to reduce imports of oil. Import quotas are an appropriate response. Such restrictions would reduce our balance-of-payments deficit significantly; would dampen world oil prices, and so lessen the strain on other consuming nations; serve as an impetus for domestic conservation efforts; and finally, signal U.S. leadership to the world in implementing international sharing agreements such as the International Energy Agency.

Quotas should be implemented in an atmosphere of cooperation with producing countries. We seek to protect no single domestic industry, but rather to protect the continued vitality of entire industrialized economies. This is a goal which producing countries must necessarily share since their stake in those economies is so great.

If the world price of oil can be reduced somewhat then serious discussion of the proposal by the Shah of Iran to index the price of oil to world commodities or manufactured goods should take place. Only through such an arrangement can we have long-term price stability. But to index now would not be in anyone's long term best interest, as it could bankrupt industrial economies.

West German Chancellor Schmidt pointed out in his recent visit to the United States that this country has advanced many useful ideas as to how to deal with the high cost of energy and resulting inflation. But while the Chancellor welcomed U.S. proposals, he rightfully chided us for not following through—for not setting an example. It will require leadership from both the executive, and the Congress. The Senate now has an opportunity through the consideration of amendment No. 2006 to S. 3267 and particularly my further amendment to that amendment, to provide meaningful leadership not only to the American people, but to all peoples in energy conservation.

We can no longer tell the world of the need for energy conservation and self restraint and at the same time fail to take the necessary steps to implement strategies for meaningful conservation. It is time that we gave substance to our platform. We must lead by example, not by rhetoric.

Therefore, it is my purpose in amending section 202 to provide a positive and definitive plan for limiting imports not only of crude oil but particularly of refined petroleum products. I think we can improve on that section as it presently stands. We can do more than broadly charge the President to go out and formulate a report to the Congress. We have had many well documented reports, yet we continue to drift. Most recently, the Project Independence blueprint was assembled and published for review. Extensive hearings have been held by a number of congressional committees with testimony from every sector of the economy in order to determine the ramifications of our current energy problem. While consensus is often difficult to reach, almost every responsible economist views the current balance-of-payments deficits, which is primarily oil related, as an international time bomb.

We have had many innovative proposals to work within the framework of high oil prices and continued high import volumes. Most of these proposals involve recycling producer revenues. They are undoubtedly useful as short-term measures since many of the consuming nations would be bankrupt within months should recycling not take place. But we must recognize that any recycling proposal eventually imposes severe hardships on the debtor nation, or leaves others out in the cold. At the present time most of the surplus money has gone into the short-term loan market primarily Eurodollars. This flow of money does not in any sense equate with individual countries' foreign exchange needs. Nor can we expect improvement in the future as the credit worthiness of individual countries will be the primary criterion for the flow of funds; a standard which will exclude many needy developed and developing countries. Not only will debt service over a period of years become increasingly onerous, and eventually impossible for some countries, but also the volume and direction of petrodollars may be in the hands of a very few countries and the implications of this are profoundly disturbing.

A small group of countries, quite possibly with unstable leadership, could have the power to dictate the availability of capital in various parts of the Western World. Recently we have had an example of the gravity of this situation. When certain oil producing countries announced on December 11 that sterling would not be acceptable in payment for petroleum, the pound was severely damaged on international exchange markets and the British stockmarket, adjusted for inflation, sank to its lowest level ever. A stark illustration of the power possessed by a very few. Title II, which I seek to amend, addresses the tremendous outflow of money that we have experienced in the last year and which we will continue to experience in the years ahead unless programs are fashioned to reduce imports.

The President called upon the American people to voluntarily conserve energy. Many sectors of the economy are unlikely to voluntarily conserve energy in a meaningful way. Unfortunately, this is true of some of the larger energy-using sectors, particularly transportation. It is simply human nature to resist self-denial as long as there is suspicion that one's neighbor, or a stranger, is not making similar sacrifices. The reports are coming in and it is clear that voluntary conservation will not be enough.

Mandatory programs are called for and I believe that the American people will respond positively to mandatory programs as long as they are convinced that sacrifices are not in vain and that they are shared equitably by all Americans. In that regard I agree with the President that the people of our Nation are capable of great sacrifice, if only they can see a clear goal worthy of the effort.

My amendment to section 202 requires that the President file a schedule with the Congress within 60 days of the enactment of this legislation which sets forth maximum import levels through 1985 and that from the date of such report, imports not exceed 5,500,000 barrels per day for the remainder of 1975, and that there be further reductions over the next 4 years so that in 1980 petroleum imports do not exceed 3,000,000 barrels per day, and in 1985 2,000,000 barrels per day. Imports which are specifically committed by the President to establishing and augmenting the National Strategic Energy Reserve System as provided in title III of this legislation, would not be counted for the purposes of my amendment.

At this point I would invite discussion of the implementation of any restriction on imports. We must consider in detail the different effects on our domestic economy of importing refined products while excluding crude oil and vice versa. We must not only look for a band-aid to cover our current painful problem, but seek long-range solutions that relate to both our energy needs and to our fiscal future. It may well be that imported product has a greater adverse impact than imported crude. The mix between product and crude will have important ramifications for independent and major oil companies; for the siting of domestic refineries; for conversion of utilities to coal and for our balance-of-payments deficit. I believe imported crude should be favored over imported product.

It would be a contradiction in terms to create greater dependence on foreign technologies as we implement Project Independence. The ratio of crude to refined imports is a complex decision that should be thoroughly aired and thoroughly understood.

Let me detail the kinds of reductions that are proposed in my amendment. The American Petroleum Institute tabulated aggregate U.S. crude imports in the 4 weeks ended November 22, 1974 at 3,858,000 barrels per day, up from 3,541,000 barrels in the like year—earlier period. Aggregate product imports were 3,034,000 barrels per day in the 1974 period versus 2,995,000 barrels per day a year earlier. We are up substantially over last year in both categories. From this data we can estimate that total imports for refined product and crude oil range between 6,500,000 barrels and 7,000,000 barrels per day. My amendment would require a reduction of slightly less than 22 percent to 5,500,000 barrels; a reduction of slightly over a million barrels per day for calendar year 1975. This represents only an 8-percent reduction in our petroleum use and just over a 3.5-percent reduction in total energy use.

The President would then have the discretion to set import levels at this 1975 level or below until 1980 when the ceiling would drop to 3,000,000 barrels per day. I would envision the President using these 4 years to make a staged reduction in imports as energy conservation measures in this country improve in sophistication and begin to yield meaningful results and additional domestic supplies are brought on line. The next target would be 1985 when an additional million barrel per day reduction would be in order. In the immediate future we take no precipitous action, but only do what is necessary to provide leadership and reduce balance of payments deficits.

As the Senate well knows, it would not be enough to simply slash imports without at the same time implementing strategies for reducing domestic consumption and bringing on additional supply. The Congress passed the Petroleum Allocation Act and that machinery is still in place to determine who is entitled to what level of imported crude and product. That Allocation Act also can serve to distribute energy within the borders of the United States.

It cannot, however, determine energy supply at the retail level. We have had experience with oil conservation through inconvenience and it is clear that a more orderly and equitable system is required. The Allocation Act will create burdensome lines if implemented at a retail level.

The transportation sector of our economy is the most fruitful area for energy conservation for two reasons. First, we find a very high percentage of energy consumption in this sector. Second, wasteful consumption is significant and can be drastically reduced without creating unemployment.

As we fashion a mandatory conservation program, a number of goals must be kept in mind. Such a program must reduce gasoline consumption; not discriminate against people on the basis of wealth; not create black markets, hoarding, or artificial shortages, and finally, not strengthen present recessionary or inflationary pressures in the economy, but rather weaken such pressures.

Proposals may be grouped in two general categories: rationing or taxing. Rationing can be of the World War II type where nontransferrable coupons are issued. I reject this approach because I believe a black market would be soon created in coupons. I suspect that sanctions for dealing in the black market would meet with widespread apathy and that consequently the force of law would be weakened. Another drawback would be the administrative costs associated with establishing this system. Transferrable coupons would eliminate the possibility of a black market, but in my opinion once transfer of coupons is permitted, we have created a mixture of tax subsidy. Those who desire gas beyond their quota will incur additional costs imposed by the rationing system and those who use less than their quota can exchange extra entitlements for money. There may be a more sophisticated method through our tax system. If we can rebate gas tax revenues on a weekly, monthly, or yearly basis under our existing tax system; we can work equity for all our people at every income level. Those who are not reached by the tax can receive a rebate through various subsidy mechanisms. A further advantage to a tax system is that funds not rebated are available to find solutions to the energy problem.

I have dealt at some length with how we should reduce domestic consumption of energy because my amendment will signal the necessity for such efforts and should trigger a debate, not only in Congress, but also in the country. It states in the clearest terms that we will protect ourselves from bankruptcy through self-indulgence. That we are prepared for sacrifice. Winston Churchill in "The Gathering Storm" recites some lines from an unknown author:

"Who is in charge of the clattering train?
The axles creak and the couples strain;
And the pace is hot and the points are near,

And sleep has deadened the driver's ear;
And the signals flash through the night in vain,
For death is in charge of the clattering train."

Certainly there are many differences between 1974 and the late 1930's, but one aspect is similar. Just as the democracies could have best opposed German rearmament at the first instance of violated treaties, so we can best respond to the OPEC oil cartel now rather than later. There is a tendency for institutions, particularly democratic institutions, to shrink from complex problems. Not only is our energy problem complex, but it is remote. People are aroused by shortage and their leaders respond. But we have no shortage, rather we have an increasing debt and this is not yet so immediately threatening as to arouse broad public concern, unified leadership, and effective action. We drift on in the hope of better times. This is a vain hope because better times will only come through immediate efforts to conserve fuel and generate alternative supply. We cannot be hypnotized into inaction.

EXCLUSION OF CERTAIN INTEREST FROM GROSS INCOME—S. 4099

AMENDMENT NO. 2092

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HUGH SCOTT. Mr. President, several weeks ago I introduced Senate bill 4099. This bill would exclude from gross income interest on not more than $10,000 of long-term savings deposited with savings and loan associations.

Today I wish to add an amendment to the bill which would include mutual savings banks within the bill's coverage. Mutual savings banks make a significant contribution to the financing of construction. It is essential that this industry have assured channels of financing.

I hope the committee will carefully review my amendment along with the original proposal.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1996

At the request of Mr. Moss, the Senator from Connecticut (Mr. Weicker) and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of amendment No. 1996, intended to be proposed to the bill (S. 2350) relating to remote sensing satellites.

HEARINGS ON NOMINATION OF HUGH E. WITT TO BE ADMINISTRATOR OF THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. CHILES. Mr. President, on behalf of the Committee on Government Operations, I would like to announce that public hearings on the President's nomination for Administrator of the new Office of Federal Procurement Policy—OFPP—have been scheduled for 10 a.m., Thursday, December 19, in the committee's hearing room, room 3302, Dirksen Senate Office Building.

The nomination of Mr. Hugh E. Witt of Virginia was submitted to the Senate November 19. We have proceeded to complete the background investigation. My colleagues on the Procurement Subcommittee—Senators Nunn, Huddleston, Roth, and Brock—and I are anxious to see this next step taken in our broad initiative to reform the Federal Government's spending practices for $60 billion a year's worth of procurement. Of the six pieces of legislation passed by the Senate this year, the law creating the Office of Federal Procurement Policy is the most important in terms of future streamlining of the acquisition process.

Despite the short time left before adjournment, we intend to conduct a thorough investigation so that any person or organization having an interest in this nomination are requested to contact the committee. Any other questions or requests for information can also be directed to Mr. Les Fettig, staff director of the Procurement Subcommittee, telephone 224-0211.

Mr. President, I ask unanimous consent that a biographical sketch of the nominee be printed in the Record along with the public law creating the new OFPP.

There being no objection, the material was ordered to be printed in the Record, as follows:

Hugh E. Witt, Deputy Associate Director of the Office of Management and Budget and Assistant for Procurement Policy to the Director

Hugh E. Witt was born in 1921 in Winchester, Kentucky. He graduated from Winchester High School in 1939 and attended Transylvania College on a scholarship for two years before transferring to the University of Kentucky. He graduated from the University of Kentucky in 1943 with a bachelor of science degree in commerce. While at the University, he was a member of the U.S. Army Enlisted Reserve.

After graduation, Mr. Witt spent three years in production control work at the Curtiss-Wright Corporation plant in Cincinnati, Ohio, one of the Nation's largest producers of aircraft engines during World War II. After the war he went into sales promotion work, primarily with the Genesco Corporation in Nashville, Tennessee.

At the outbreak of the Korean War, Mr. Witt joined the Air Force Headquarters staff at the Pentagon, working in Industrial Resources and Materials Requirements. He moved up to the Office of the Secretary of the Air Force in 1954 where his work centered around weapons systems programming. In 1960 he became Assistant Deputy for Procurement Policy, also serving on the Air Force Contract Appeals Board, and a year later was promoted to the position of Deputy for Supply and Maintenance to the Assistant Secretary of the Air Force (Installations & Logistics).

In October of 1970, he was appointed Special Assistant to the Assistant Secretary of the Navy (Installations and Logistics). In that position he served as principal advisor to the Assistant Secretary and represented the Assistant Secretary at all levels. He also served as Acting Assistant Secretary of the Navy (I&L) prior to the confirmation of the present incumbent.

In September of 1973, Mr. Witt accepted the position of Principal Deputy Assistant Secretary of Defense (Installations and Logistics). As Principal Deputy, he acted for the Assistant Secretary in all matters within the scope of the latter's responsibility. In the Assistant Secretary's absence, he performed the full range of duties delegated to the Assistant Secretary.

Mr. Witt's present duties, assumed in June of 1974, include overall leadership and direction in the Executive Branch in the development of procurement policies and regulations.

As a reflection of his continuing interest in education, Mr. Witt performed graduate work at George Washington University, Washington, D.C., and in 1956 was selected for an Alfred P. Sloan Fellowship at the Massachusetts Institute of Technology (M.I.T.). After a year's study, he received a master's degree in industrial management from M.I.T.

In 1964 he served as National President of the Armed Forces Management Association, a country-wide organization of government employees, both civilian and military, devoted to the improvement of Defense management. In October 1970 he was elected to his second term of office as National President. He has served as a panel chairman of the Air Force Board for the Correction of Military Records, and was a member of the Air Force Association's Civilian Personnel Council.

During his assignment with the Navy, Mr. Witt served as Chairman of the Logistics and Engineering Panel of the Navy Civilian Executive Management Board. He was also a member of the Navy Engineer and Scientist Career Program Committee.

Mr. Witt has received a number of awards during his government career, including the Superior Accomplishment Award, the Meritorious Civilian Service Award, and three Exceptional Civilian Service Awards. The latter is the highest citation given by the Air Force. He was also nominated by the Secretary of the Air Force for the National Civil Service League Career Service Award. In April of 1973 Mr. Witt was presented with the Navy's top civilian award, The Distinguished Civilian Service Award.

Mr. Witt has also been a principal witness before many of the major Committees of the Senate and the House of Representatives.

Mr. Witt and his wife, the former Janie Bryan of Nashville, Tennessee, are also active in civic affairs in Alexandria, Virginia where they have resided since 1954. Both have served on a number of citizens' advisory committees for the Alexandria City Council, and Mr. Witt was President of the Old Town Civic Association for two years.

Public Law 93-400, 93d Congress, S. 2510, August 30, 1974

An act to establish an Office of Federal Procurement Policy within the Office of Management and Budget, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Office of Federal Procurement Policy Act".

DECLARATION OF POLICY

Sec. 2. It is declared to be the policy of Congress to promote economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch of the Federal Government by—

(1) establishing policies, procedures, and practices which will require the Government to acquire property and services of the requisite quality and within the time needed at the lowest reasonable cost, utilizing competitive procurement methods to the maximum extent practicable;

(2) improving the quality, efficiency, economy, and performance of Government procurement organizations and personnel;

(3) avoiding or eliminating unnecessary overlapping or duplication of procurement and related activities;

(4) avoiding or eliminating unnecessary or redundant requirements placed on contractor and Federal procurement officials;

(5) identifying gaps, omissions, or inconsistencies in procurement laws, regulations, and directives and in other laws, regulations, and directives, relating to or affecting procurement;

(6) achieving greater uniformity and simplicity, whenever appropriate, in procurement procedures;

(7) coordinating procurement policies and programs of the several departments and agencies;

(8) minimizing possible disruptive effects of Government procurement on particular industries, areas, or occupations;

(9) improving understanding of Government procurement laws and policies within the Government and by organizations and individuals doing business with the Government;

(10) promoting fair dealing and equitable relationships among the parties in Government contracting; and

(11) otherwise promoting economy, efficiency, and effectiveness in Government procurement organizations and operations.

FINDINGS AND PURPOSE

SEC. 3. (a) The Congress finds that economy, efficiency, and effectiveness in the procurement of property and services by the executive agencies will be improved by establishing an office to exercise responsibility for procurement policies, regulations, procedures, and forms.

(b) The purpose of this Act is to establish an Office of Federal Procurement Policy in the Office of Management and Budget to provide overall direction of procurement policies, regulations, procedures, and forms for executive agencies in accordance with applicable laws.

DEFINITION

SEC. 4. As used in this Act, the term "executive agency" means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102, and 104(1), respectively, of title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act (31 U.S.C. 846).

OFFICE OF FEDERAL PROCUREMENT POLICY

SEC. 5. (a) There is established in the Office of Management and Budget an office to be known as the Office of Federal Procurement Policy (hereinafter referred to as the "Office").

(b) There shall be at the head of the Office an Administrator for Federal Procurement Policy (hereinafter referred to as the "Administrator"), who shall be appointed by the President, by and with the advice and consent of the Senate.

AUTHORITY AND FUNCTIONS

SEC. 6. (a) The Administrator shall provide overall direction of procurement policy. To the extent he considers appropriate and with due regard to the program activities of the executive agencies, he shall prescribe policies, regulations, procedures, and forms, which shall be in accordance with applicable laws and shall be followed by executive agencies (1) in the procurement of—

(A) property other than real property in being;

(B) services, including research and development; and

(C) construction, alteration, repair, or maintenance of real property;

and (2) in providing for procurement by recipients of Federal grants or assistance of items specified in clauses (A), (B), and (C) of this subsection, to the extent required for performance of Federal grant or assistance programs.

(b) Nothing in subsection (a)(2) shall be construed—

(1) to permit the Administrator to authorize procurement or supply support, either directly or indirectly, to recipients of Federal grants or assistance; or

(2) to authorize any action by recipients contrary to State and local laws, in the case of programs to provide Federal grants or assistance to States and political subdivisions.

(c) The authority of the Administrator under this Act shall apply only to procurement payable from appropriated funds: *Provided*, That the Administrator undertake a study of procurement payable from nonappropriated funds. The results of the study, together with recommendations for administration or statutory changes, shall be reported to the President of the Senate and the Speaker of the House of Representatives at the earliest practicable date, but in no event later than two years after the date of enactment of this Act.

(d) The functions of the Administrator shall include—

(1) establishing a system of coordinated, and to the extent feasible, uniform procurement regulations for the executive agencies;

(2) establishing criteria and procedures for an effective and timely method of soliciting the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms;

(3) monitoring and revising policies, regulations, procedures, and forms relating to reliance by the Federal Government on the private sector to provide needed property and services;

(4) promoting and conducting research in procurement policies, regulations, procedures, and forms;

(5) establishing a system for collecting, developing, and disseminating procurement data which takes into account the needs of the Congress, the executive branch, and the private sector;

(6) recommending and promoting programs of the Civil Service Commission and executive agencies for recruitment, training, career development, and performance evaluation of procurement personnel.

(e) In the development of policies, regulations, procedures, and forms to be authorized or prescribed by him, the Administrator shall consult with the executive agencies affected, including the Small Business Administration and other executive agencies promulgating policies, regulations, procedures, and forms affecting procurement. To the extent feasible, the Administrator may designate an executive agency or agencies, establish interagency committees, or otherwise use agency representatives or personnel, to solicit the views and the agreement, so far as possible, of executive agencies affected on significant changes in policies, regulations, procedures, and forms.

(f) The authority of the Administrator under this Act shall not be construed to—

(1) impair or interfere with the determination by executive agencies of their need for, or their use of, specific property, services, or construction, including particular specifications therefor; or

(2) interfere with the determination by executive agencies of specific actions in the award or administration of procurement contracts.

(g) Except as otherwise provided by law, no duties, functions, or responsibilities, other than those expressly assigned by this Act, shall be assigned, delegated, or transferred to the Administrator.

ADMINISTRATIVE POWERS

SEC. 7. Upon the request of the Administrator, each executive agency is directed to—

(1) make its services, personnel, and facilities available to the Office to the greatest practicable extent for the performance of functions under this Act; and

(2) except when prohibited by law, furnish to the Administrator and give him access to all information and records in its possession which the Administrator may determine to be necessary for the performance of the functions of the Office.

RESPONSIVENESS TO CONGRESS

SEC. 8. (a) The Administrator shall keep the Congress and its duly authorized committees fully and currently informed of the major activities of the Office of Federal Procurement Policy, and shall submit a report thereon to the President of the Senate and the Speaker of the House of Representatives annually and at such other times as may be necessary for this purpose, together with appropriate legislative recommendations.

(b) At least 30 days prior to the effective date of any major policy or regulation prescribed under section 6(a), the Administrator shall transmit to the Committee on Government Operations of the House of Representatives and the Senate a detailed report on the proposed policy or regulation. Such report shall include—

(1) a full description of the policy or regulation;

(2) a summary of the reasons for the issuance of such policy or regulation; and

(3) the names and positions of employees of the Office who will be made available, prior to such effective date, for full consultation with such Committees regarding such policy or regulation.

(c) In the case of an emergency, the President may waive the notice requirement of subsection (b) by submitting in writing to the Congress his reasons therefor at the earliest practicable date on or before the effective date of any major policy or regulation.

EFFECT ON EXISTING LAWS

SEC. 9. The authority of an executive agency under any other law to prescribe policies, regulations, procedures, and forms for procurement is subject to the authority conferred in section 6 of this Act.

EFFECT ON EXISTING REGULATIONS

SEC. 10. Procurement policies, regulations, procedures, or forms in effect as to the date of enactment of this Act shall continue in effect, as modified from time to time, until repealed, amended, or superseded by policies, regulations, procedures, or forms promulgated by the Administrator.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose—

(1) not to exceed $2,000,000 for the fiscal year ending June 30, 1975, of which not to exceed $150,000 shall be available for the purpose of research in accordance with section 6(d)(4); and

(2) such sums as may be necessary for each of the four fiscal years thereafter.

Any subsequent legislation to authorize appropriations to carry out the purposes of this Act shall be referred in the Senate to the Committee on Government Operations.

DELEGATION

SEC. 12. (a) The Administrator may delegate, and authorize successive redelegations of, any authority, function, or power under this Act, other than his basic authority to provide overall direction of Federal procurement policy and to prescribe policies and regulations to carry out that policy, to any other executive agency with the consent of such agency or at the direction of the President.

(b) The Administrator may make and authorize such delegations within the Office as he determines to be necessary to carry out the provisions of this Act.

ANNUAL PAY

SEC. 13. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Administrator for Federal Procurement Policy.".

ACCESS TO INFORMATION

SEC. 14. (a) The Administrator and personnel in his Office shall furnish such information as the Comptroller General may require for the discharge of his responsibilities. For this purpose, the Comptroller General or his representatives shall have access to all books, documents, papers, and records of the Office.

(b) The Administrator shall, by regulation, require that formal meetings of the Office, as designated by him, for the purpose of establishing procurement policies and regulations shall be open to the public, and that public notice of each such meeting shall be given not less than ten days prior thereto.

REPEALS AND AMENDMENTS

SEC. 15. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) is amended as follows:

(1) Section 201(a)(1) of such Act (40 U.S.C. 481(a)(1)) is amended by inserting "subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act," immediately after "(1)".

(2) Section 201(c) of such Act (40 U.S.C. 481(c)) is amended by inserting "subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act," immediately after "Administrator,".

(3) Section 206(a)(4) of such Act (40 U.S.C. 487(a)(4)) is amended to read as follows: "(4) subject to regulations promulgated by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act, to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.".

(4) Section 602(c) of such Act (40 U.S.C. 474) is amended in the first sentence thereof by inserting "except as provided by the Office of Federal Procurement Policy Act, and" immediately after "herewith,".

Approved August 30, 1974.

LEGISLATIVE HISTORY

House Reports: No. 93–1176 accompanying H. R. 15233 (Comm. on Government Operations) and No. 93–1268 (Comm. of Conference).

Senate Report No. 93–692 (Comm. on Government Operations).

Congressional Record, Vol. 120 (1974):

Mar. 1, considered and passed Senate.

July 15, considered and passed House, amended, in lieu of H. R. 15233.

Aug. 14, House agreed to conference report.

Aug. 19, Senate agreed to conference report.

ADDITIONAL STATEMENTS

A NEW, HIGH-PROTEIN, SUGARLESS BREAD

Mr. DOLE. Mr. President, with current interest in food at a high level, it is appropriate and timely to recognize a new high-protein, sugarless bread developed by USDA's Agricultural Research Service at its U.S. Grain Marketing Research Center, Manhattan, Kans. The bread is nearly comparable to milk as a complete food. And 2 ounces of the bread, costing 8 cents, has the same nutritive value as 1.5 ounces of round steak, costing 16 cents.

As a bonus beyond nutritive values, the newly developed bread formula could save 3 million pounds of sugar each day, based on the 50 million 1-pound loaves of white bread produced daily in the United States.

Additional details on the new bread are covered in an article by T. Lee Hughes, Associated Press writer, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal Star, Dec. 1, 1974]

SUGAR-FREE BREAD SAVES MONEY

(By T. Lee Hughes)

Government researchers say they have discovered how to make a high protein bread without sugar with a recipe which could provide a $1 million-a-day savings.

The sugar-free approach also could be used in baking regular bread and cut the cost of producing a one-pound loaf by about two cents, said Karl F. Finney, a cereal chemist at the U.S. Grain Marketing Research Center in Manhattan, Kan.

Results of the research were released by the U.S. Agriculture Department's research station in Peoria.

Elimination of sugar as an ingredient could save more than $1 million in bread production costs and over 3 million pounds of sugar each day, Finney said in a telephone interview.

The American Bakers Association estimates that the equivalent of 50 million one-pound loaves of white bread is produced daily in the United States.

When eliminating sugar from the recipe, bakers would increase the amount of malt in the dough to take sugar's place in the rising process.

The elimination of sugar has a bonus benefit.

When soy flour or soy grits are added to bread, it produces a product that provides as much protein as premium meats at half the price, Finney said.

But high protein soy flour has generally made bread appear overbaked, thus often unacceptabe to the consumer, Finney said.

He said elimination of sugar as an ingredient does away with this excessive browning.

The cost of a one-pound high protein loaf made with the sugar-free formula would be about 50 to 55 cents, Finney said.

Finney said the sugar-free approach was first disclosed in 1972 but so far no baking firms have adopted it.

"It's just too new," he said. "You know, it's unbelievable how an obvious application will not be picked up and applied until somebody points it up."

Application of the sugar-free approach to high protein bread was made public last month.

High protein sugar-free bread conceivably could be baked at home, but the malted grains needed are not available in supermarkets, Finney said.

INTERGOVERNMENTAL EMERGENCY HEATING FUEL ASSISTANCE ACT

Mr. BAYH. Mr. President, I am pleased to join my distinguished colleague, Senator MUSKIE, in the introduction of S. 4209, which if approved by Congress would provide emergency assistance to American families who cannot afford to pay for the fuel they need to keep warm this winter. Under the provisions of the act, the Federal Government would assist States that develop programs to provide heating assistance to families with annual incomes of $8,000 or less. Funds authorized by this act would be apportioned among the States according to a simple formula based on the State's relative temperature and the number of eligible families in each State.

An important impetus to this legislation came from the findings of the Energy Policy project of the Ford Foundation. The project report titled, "A Time to Choose—America's Energy Future," is a thorough assessment of energy sources, needs, impact on our economy, and implications for public policy. The report devotes a chapter to discussion of American energy consumers; rich, poor, and in between, pointing out that poor families have very little energy to conserve and recommends fiscal action to support the limited incomes of the poor. This bill addresses that recommendation while recognizing that the ultimate answer to the problem of energy distribution lies in solving the larger problem of poverty itself.

For some time I have been very concerned with the impact of petroleum prices on our economy and on December 11, I introduced an amendment to the Standby Energy Authorities Act to reduce the price of domestic crude oil by approximately 20 percent. We saw former President Nixon veto legislation earlier this year which would have rolled back the price of oil. President Ford has been reluctant to impose mandatory conservation of fuel and remains opposed, as was his predecessor, to a mandatory rollback in oil prices, in the face of increasing evidence that the rise in oil prices by as much as 300 percent in the last 2 years is the single greatest source of inflation.

Poor families spend approximately 15 percent of their family budget on energy, including natural gas, heating fuel, gasoline, electricity, and coal. By contrast, well-to-do families spend only 4 percent of their budget for energy needs.

The plight of poor families is most severe in the area of energy for heating their homes. Unlike last winter, scarcity of energy sources is not as serious a problem as the inability of the tight budgets of the poor to absorb the 85 percent increase in price over last year of refined products and the 30 to 40 percent increase in the price of coal. These increases coupled with continuing high prices; increasing unemployment; and rate increases for electricity and natural gas will, in effect force many of our poor citizens to make the cruel choice this winter between keeping warm food in their stomachs.

Mr. President, last winter, in my State of Indiana, the scarcity of heating fuel, coupled with greatly increased fuel prices, caused severe hardship to hundreds of poor families. This winter, according to the State energy office, fuel will not be as scarce, but the price is even higher than last winter.

Social service agencies in Indianapolis have organized a network to provide poor families with emergency funds to buy heating fuel and coal. This effort was launched to prevent the crisis of last winter. For example, last winter dozens of families in Indianapolis, unable to cope with the increase in fuel prices went without heat for days and in some instances weeks at a time. This often resulted in the onset of serious illness such as pneumonia with a corresponding increase in medical costs. In some cases water pipes froze, adding the additional financial burdens of plumbing repairs to the aggravated health of many poor families.

It must be stressed again that this bill is designed to assure that poor families are helped to meet emergency fuel needs, while we continue to search for ways to solve the greater problem of poverty itself. This measure merits the prompt attention of the Congress to protect poor citizens from the physical and financial suffering they endured last winter.

MUNICIPAL SOLID WASTE: AN EVER-INCREASING NATIONAL PROBLEM

Mr. DOMENICI. Mr. President, the disposal of solid waste is a continuing problem in this Nation, and especially when it comes to the point of locating an adequate site for disposal. This is not a problem which is unique to my home State of New Mexico, but it is also especially relevent to the more highly urbanized areas of the East.

An article which illustrates the complexity of this problem was printed in the December 16 issue of the Washington Post. I believe at a time when conservation of energy and efficient use of our resources is of such vital interest, the proper utilization, treatment, and disposal of waste material should be considered as one of the goals of each citizen. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 16, 1974]

OHIO SITE "LAST CHANCE" FOR COUNTY TRASH

(By Alice Bonner)

When five Montgomery County officials journeyed to Smith Township, Ohio, last week in search of a place to dump the county's trash, they were making the latest effort in a more than decade-long attempt to solve Montgomery's trash disposal problem.

In the last four years alone, the county has spent an estimated $750,000 for planning and studies of the problem—yet it is still without an agreed-upon comprehensive method to solve it.

The 300-mile trip to Ohio, moreover, illustrated that whatever site is chosen for disposing of the trash, it will not be a popular decision. The Montgomery officials, hoping to implement a plan to ship the county's refuse to Ohio by train, were told by local officials there that neither they nor most other residents of Smith Township wanted anything to do with the idea.

Much the same thing has happened back home in Montgomery, where citizen opposition has blocked selection of several disposal sites. The situation has been complicated by the failure of a county incinerator to work properly.

The Ohio plan could still be implemented, despite the local opposition, but if it is not, according to one Montgomery planner, the county will find itself soon disposing of all its trash in local landfills, just as it did years ago.

Until the early 1960s, trash disposal in Montgomery was the responsibility of the Washington Suburban Sanitary Commission, the water and sewer agency for Montgomery and Prince George's counties. But as the WSSC operation was hit with increasing labor and technical problems and as collection fees rose, the county government decided to take on the job itself.

In July, 1965, Montgomery opened its own $4.5 million incinerator in Rockville, over the same kind of protests from citizens that have marked every proposal to dispose of the county's trash.

With its adjacent landfill to receive noncombustible wastes, the incinerator was supposed to solve the county's trash problem "for the foreseeable future," County Executive James P. Gleason said in a 1973 report that traced the history of the trash disposal problem in the county.

As Gleason noted in that report, forecasts at the time the incinerator was planned did not take into account the county's enormous population increase—from about 340,000 people in 1960 to 590,000 by 1973.

Nor did officials foresee the coming radical increase in per capita waste generation as more and more products were packaged in disposable containers, or the failure of the incinerator to operate at its designed capacity of 1,000 tons a day.

Almost from the beginning, the incinerator was plagued with technical problems that kept it from operating at capacity, and environmental problems that resulted in violations of U.S. and state air quality standards.

The county government spent $900,000 trying to correct the problems, and in 1968 sued Metcalf and Eddy, the Boston firm that designed the incinerator, for $2.7 million in damages, according to Deputy County Attorney Albert Carter.

Earlier this year, after four weeks of trial, U.S. Court Judge C. Stanley Blair in Baltimore awarded Montgomery County $513,000 in damages.

The faltering incinerator, with only two of its four furnaces working most days, resulted in a pile-up of trash at the landfill, where waste is supposed to be compacted and covered with soil after each day's dumping.

The mountain of trash at the overflowing landfill grew until the facility was finally closed in 1971, and an eight-month temporary landfill opened in a ravine nearby.

Gleason, coming into office as the first elected executive, was met with what had become "a crisis" in trash handling. He proposed and got Council approval for a three-part plan, the first of which included closing the Southlawn incinerator and starting the temporary ravine dump.

Although the search for additional landfill sites was started in 1969, officials, "in a pre-election situation," could not bring themselves to impose such a facility on any part of the county and every proposed site was abandoned, Jacqueline Rogers said.

The second part of Gleason's plan was to find interim landfills to handle the wastes until a long-range solution, phase three, could be developed. Two limited-life landfills, one known as Gude, located near Rockville, and the second, Fairland, also near Rockville, were designated in November, 1971, and will be filled by next year.

In the search for a long-term solution, Gleason enlisted the aid of citizens by appointing a 10-member solid waste advisory panel.

By then, the smoke-belching Rockville incinerator had been cited for violations of state air quality standards and the county was given the option of upgrading it or closing it. The decision was to close it by the end of 1975.

Meanwhile, Gleason with the help of the advisory panel and a $180,000 engineer's study, recommended a plan to separate trash and burn 70 per cent of it for fuel in the furnaces of the Potomac Electric Power Co.'s generating plant at Dickerson, sell about 9 per cent of it, such as glass and metals, and landfill the rest.

The search for a landfill, which would have to handle all the trash until the Pepco process was available in 1976, began in the summer of 1972. By late 1973, the choice of 33 landfill sites had been narrowed to seven.

The Pepco proposal and accompanying landfill started a wave of citizen opposition which crested at the November, 1973, public hearings to select one of the seven finalists as the landfill site.

At least one politician, John Menke, acknowledged that his election to the council last month resulted largely from his work in organizing citizens against the recommended 600-acre landfill.

He initiated and became chairman of the Solid Waste Alliance, a group with representatives from each of the communities near proposed landfill sites, whose purposes were to thwart the large landfill proposal and find alternatives, rather than "pointing the finger at some other location," Menke said.

"The alliance was formed out of fear," said member Wade Byerly. "We were the ones that came up with alternatives to barbaric landfilling."

Following the public hearing, Gleason sent to the council his recommendation for a greatly reduced landfill, 135 acres near Comus, to be used in emergencies such as a breakdown in the railhaul system, which by then had entered the planning stages.

The railhead plan grew out of the hearings on the Pepco proposal and was urged on the Council by the citizens alliance as an alternative to dumping most of Montgomery County's trash within the county's own borders.

The Council bought the idea and last January adopted a disposal plan much different from Gleason's recommendation. It called for the construction of a processing facility to separate refuse into usable material that can be recycled, and unuseable material to be shipped out of the county.

Gleason's proposed emergency landfill at Comus was cut to 55 acres and shifted to a site near Clarksburg that was not even considered among the seven finalists at the public hearings.

"Two long, hard years of work that would have cost the county a bundle had we been paid were not even considered," said Murray Kaye, a Washington paper recycling business owner who served on the SWAP group that developed the Pepco plan.

The processing facility will not be ready until 1977, and until then virtually all of Montgomery's trash would have to be shipped by rail under the council plan. Mineral and Grant Counties, W. Va., soon emerged as likely places to dump the trash, where it could be used to reclaim strip mined land. A company already licensed to operate landfills in those counties was the main candidate to handle the shipment.

The Council "really wanted railhaul to work so we said we would make an attempt to make it work," environmental planner Rogers said. "We told (the Council) it would be impossible to have railhaul ready by this November (1974). On a $10 million or so contract (with a company to ship the trash) you have to have competitive bidding under the county charter."

The company that had permits to landfill in West Virginia later lost its license, and officials of the state were not overly receptive to the idea, anyway, said Rogers, who, with Councilman Dickran Y. Hovsepian, went to Charleston to discuss the matter.

A bid document inches thick and containing strict requirements for compliance with county standards brought in eight other companies to a July conference, but only one of them bid. That was Browning-Ferris Industries, which is now trying to meet those requirements with its Mahoning County, Ohio, site.

Montgomery County's overriding concern in the search for a trash solution has been "maximum resource recovery," Rogers said. "We felt it is better to restore with garbage than to destroy with garbage."

"Ironically, if we don't get a contract by early 1975, we will be back where we started, with full-scale landfill," she said. "In that sense this (Ohio site) is the last chance."

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been argued by opponents of the Genocide Convention that the treaty serves no useful purpose. I disagree.

The fact is that our continuing failure to ratify this treaty is a handicap to us in our dealings with other countries, particularly in international forums such as the United Nations. During any kind of negotiation or debate in these organizations, no matter how sincerely we argue in favor of human rights and freedom, our opponents have a readymade vehicle with which to challenge that sincerity: the fact that the United States, alone among the major Western powers, has failed to take a firm stand against genocide. In fact, former Ambassador Yost made just this point in 1970 during the Foreign Relations Committee hearings on the treaty.

Mr. President, this treaty was first submitted to the Senate by President Truman in 1949. I urge my colleagues to think about that. It has been a full quarter century since we have had that treaty—a full generation has grown to manhood in that time. It is imperative that we act now.

ARTHUR FIEDLER: A TRIBUTE ON HIS 80TH BIRTHDAY

Mr. BROOKE. Mr. President, "Music," wrote Confucius, "produces a kind of pleasure which human nature cannot do without." The imparting of that pleasure to countless millions has been the life-achievement of Arthur Fiedler, beloved citizen of Boston and the Bay State, of America, and indeed, of the wide world wherever men, women, and children cherish music. Born in Boston 80 years ago today, Arthur Fiedler has become a legend in his own lifetime, a man whose place in the life of his home-city is truly unique.

From his father, Emanuel, and his mother, Johanna, he inherited the cultivated and passionately music-loving tradition of old Vienna, a tradition which his father and other members of the family brought at the turn of the century to the Boston Symphony Orchestra. Born and bred in the atmosphere of the Boston Symphony Orchestra, music was both his heritage and his lifework.

What is distinctive in Arthur Fiedler's career is his untiring dedication to people in every walk of life. He has brought good music into the highways and byways of his community and beyond for more decades than many of us can remember, always with his characteristic enthusiasm and generosity of spirit. His catholicity of taste has made good music popular and popular music good. He has raised the standards of musical taste in his community by recognizing the rich diversity of forms and styles in which music appeals to humanity.

A graduate of the Boston Latin School, he found himself in Berlin on the outbreak of the First World War. Happily for us, he was able to leave Germany and return for the opening of the 1915–16 season of the Boston Symphony—in which, at 20, he was the youngest member—under Karl Muck, who had come to Boston in 1912. In 1917 he participated in the first recording ever made by a symphony orchestra in America. His association with the Boston Symphony Orchestra continued under Pierre Monteux in 1919.

In 1924 he organized the "Fiedler Trio," nucleus of the Boston Sinfonietta, now known universally as the Fiedler Sinfonietta, a lifelong interest. His experience in the viola section of the Boston Symphony Orchestra was a crucial factor in the birth and later development of the Sinfonietta and its praiseworthy revival of older music. This and his work as vocal coach and accompanist also brought him to the attention of many, including a future friend and patron, Gov. Alvan Fuller, with whose support he eventually was to launch the first series of open-air concerts in Boston.

It was July 4, 1929, that the first "acoustic shell" concert was presented on the bank of the Charles River Esplanade, beginning a venture which has since established itself securely in peace and in war as a part of Boston's cultural life, drawing together the people of that city in a unique spiritual communion in which all that divides is overcome for a time by the universal love of music. In 1938 the new Hatch Shell was dedicated, and in 1940 the new stage, bearing the names of 97 great composers chosen jointly by Dr. Serge Koussevitzkey and Arthur Fiedler. It was more than fitting that in 1953, on the occasion of the 25th anniversary of the Esplanade concerts, the Arthur Fiedler Bridge was formally dedicated. In a sense, his whole life has been devoted to building bridges of understanding and community through music.

To most of the Nation Arthur Fiedler is probably best known in connection with the Boston "Pops," the off-season popular concerts of the Boston Symphony, a tradition begun back in 1885, but drastically transformed and invigorated by Fiedler in 1930 when he was appointed the 18th conductor of the "Pops." The special place of the "Boston Pops" in the life of the people owes much to his sense of the times, his flair for the dramatic, and his genuine interest in and respect for varied ages and tastes. Moreover, the "Pops" concerts have provided employment for Boston Symphony players on a year-round basis. It should also be noted that it was Arthur Fiedler who revived Boston's historic Cecilia Society in 1912 and helped make of it the highly distinguished choral group it is today.

Through his leadership of the "Pops," Arthur Fiedler has encouraged a host of young people in musical careers and has always been open to the introduction of American music, old and new. The Boston Pops Tour Orchestra, founded in 1952, has traveled many thousands of miles in this country and abroad. Recordings of the "Pops" have made it known throughout the world, sometimes leading to its being confused with the Boston Symphony Orchestra itself. In 1948 Arthur Fiedler founded—and served as president of—the prestigious Boston Society of Recorded Music. Under Charles Munch, he was invited to conduct the Boston Symphony, an honor long overdue. On the occassion of the Boston Symphony Orchestra's 75th anniversary, he and Dr. Munch were jointly honored by the Massachusetts Legislature. In 1959 the Congress of the United States recognized Arthur Fiedler's achievement in behalf of the cultural life of the Nation.

Many other honors have come to him through the years—honorary degrees from Ripon, from International College, from Tufts University, and from Boston University, where he has served as instructor of violin and ensemble. I suspect that he values most his title as "Honorary Fire Chief" from Boston, reflecting his fascination with the science of firefighting and his many friendly associations in the firehouse—yes, and in the police station. He has welcomed a wide range of experience in the everyday life of people.

To him, to his wife, the former Ellen Bottomley of Boston, and to his children, I extend my congratulations on the occasion of his 80th birthday, and I join with a mighty legion of friends and admirers around the world in saluting his life and work. As Wordsworth of the solitary reaper, so may we say of him:

> The music in my heart I bore,
> Long after it was heard no more.

TRIBUTE TO PROF. ALAN F. WESTIN'S WORK ON PRIVACY

Mr. ERVIN. Mr. President, it is no secret that Congress would have a difficult time legislating on the many complex questions facing the country without the help of the knowledgeable witnesses and expert consultants who lend their time, energies, talents, and resources to individual members and committee staffs.

One such person who has served Congress well in this way is Prof. Alan F. Westin, professor of public law and government at Columbia University in New

York City, a lawyer and a legal scholar. Professor Westin recently served as special consultant to the Senate Government Operations Committee during its consideration of S. 3418. This is the bill recently passed by the Senate to protect privacy and provide standards for governmental use of computer technology in records management.

Professor Westin is one of the wisest people I know on this subject. He has probably written and spoken more on privacy and advised more public and private groups on it than anyone in the country. I have found particularly useful his work "Privacy and Freedom," done for the Association of the Bar of the City of New York and his report, "Databanks in a Free Society," resulting from his study for the National Academy of Sciences.

We were fortunate to receive the benefit of his knowledge of this subject as director of numerous private and governmental studies. His testimony in June of this year provided the Government Operations Subcommittee on Privacy and Information Systems and the Judiciary Subcommittee on Constitutional Rights with wise and expert counsel on the desirable policy approach for this legislation in S. 3418. As a consultant, his legal and detailed technical advice to the subcommittee staff was invaluable in helping the committee report a workable, acceptable bill. As a political scientist and as a scholar in many fields, Professor Westin brings to his work a wise understanding of the workings of government.

His counsel to Congress on privacy and other civil liberties matters is not confined to this instance. When I first became chairman of the Constitutional Rights Subcommittee, he rendered service in research and testimony as a consultant to the subcommittee during its study of wiretapping and eavesdropping legislation. Through the years, he has testified before and advised many Senate and House committees as well as the Constitutional Rights Subcommittee, on privacy, due process, civil liberties, freedom of information and computers and data banks.

I wish to acknowledge Professor Westin's valuable contribution to our investigative and legislative endeavors on privacy and to pay tribute to his long dedicated service to Congress and the public on this issue.

VIEWS OF ELLIOT L. RICHARDSON

Mr. MATHIAS. Mr. President, the views that Elliot Richardson expresses on the current state of affairs would be interesting and significant under any circumstances. His experience in government and in active political life lends a special weight and value to his observations. More importantly, his own personal brand of principle and pragmatism has given him a special ability to look beneath the surface of events for their true meaning.

But Elliot Richardson's views have, in addition, a particular importance for the Senate today. It is widely known that the President intends to nominate him as the Ambassador of the United States at the Court of St. James, and to send his name to the Senate for confirmation.

As a consequence, Mr. Richardson's comments which appeared in today's Washington Post under the title "Taking the Global View," are both pertinent and timely. I am sure that all Senators will be interested in them and that most Senators will agree with their thrust.

I ask unanimous consent, therefore, that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAKING THE GLOBAL VIEW

(By Elliot L. Richardson)

(Mr. Richardson, who held a variety of high offices in the Nixon administration, is now a fellow at the Woodrow Wilson International Center for Scholars. This article is adapted from a speech before the Washington Press Club earlier this month.)

The single most important variable affecting the health of the Republican Party in 1976—the most important by far—is not likely to be talk of "left" or "right" or "middle" or even "old this" or "new that." The most important variable affecting the health of the Republican Party is, to put the matter directly, the performance of the incumbent Republican President.

But having identified the key to recovery, one cannot jump to a favorable prognosis. For any President these would be very difficult times in which to perform well. It may be useful, however, to attempt to be clear about where the most significant difficulty does and does not lie.

Even if congressional responsiveness is viewed as problematical, the fact remains that the President enjoys a vast freedom of action which is largely independent of the Congress. This is true to a very considerable extent in the exercise of initiative across the board through the power of appointment; in integrative policy formulation and management through the legitimate coordinative activities of the White House staff; in regulatory and administrative policymaking domestically through Cabinet agencies; and in the management of foreign policy generally.

The President's difficulty does not derive from a lack of adequate power. Rather, it derives from the complexity of the substantive problems to which that power must, in one way or another, be applied. First among these problems—and suddenly, to some, most obvious—is the problem of the economy in an increasingly interdependent world.

A second is the problem of foreign policy in a world of rapidly changing realities. It is a world of decreasingly tense "superpower" relations—in large measure because of the progress in strategic arms limitation managed by Presidents Nixon and Ford. But it is also a world of increasingly fluid pragmatic alignments; a world of increasingly wide rich-poor disparities, a world in which the calculus of power is increasingly complicated by the rising potential of economic weaponry, nuclear proliferation and terrorist blackmail; a world in which the elements of this calculus extend increasingly beyond the traditional narrow range of international actors. It is a world in which problems, by virtue of their increasing complexity, lend themselves less and less well to intermittent, ad hoc crisis or summit intervention—a world in which the need for improved, ongoing institutional problem-solving mechanisms grows increasingly apparent.

A third problem is the problem of equality—or at least some greater degree of fairness—in a world of increasingly limited resources. As population grows, as expectations rise, as disparities in the distribution of resources become more evident, as economic development is limited by ecological concern and practical necessity, the distributional issues become more difficult. The temptation is to put them aside. Yet if we do not soon develop a humane and orderly set of policies to cope with inequity, we will surely be led to the more painful order which emerges out of violent instability.

It is a curious fact that one unintended consequence of Watergate seems to have been the loss of a sense of strategic comprehensiveness in our approach to major problems. Strategic thinking was a special strength of Richard Nixon's. In foreign policy, this was reflected in the Nixon Doctrine and in the "linkage" policies toward the Soviet Union and China. In domestic policy, it was reflected in his early formulation of the "income strategy" and the "New Federalism."

Realities, have, of course, changed since the first Nixon term. And, though we especially need a sense of coherent and well-considered strategy, we seem, rather, to be engaged in occasional struggles to catch up—piece-meal. This is particularly true with respect to the most topical of our problems: the economy.

As it has now become commonplace to observe, we are experiencing an odd—to many, a baffling—combination of inflation and recession. The bafflement, as far as I am able to discern, derives primarily from a conceptual failure to distinguish demand problems from supply problems and domestic problems from international problems. The fundamental reality not yet fully appreciated is that the current inflation problem is in its origin largely a special supply problem, not a general demand problem, and largely international, not domestic. Inflation in its present form, therefore, is not properly subject to treatment through conventional fiscal and monetary policies.

It is, of course, true that the inflation we are now experiencing was generated in part by fiscal and monetary policy—by excessive deficit financing in the period of the Vietnam war and by expansionary monetary policy particularly as late as 1972. But since 1972, monetary policy has been anti-inflationary. And, as the current recession would suggest, conventional countercyclical policy can still affect demand.

That inflation persists, however, is, as I have suggested, a phenomenon largely independent of general domestic demand policies. About 60 per cent of the current inflation, it is estimated, can be accounted for by two special international supply problems—food and fuel. An anti-inflation strategy, then, must focus specifically on these. For the long term, it must be oriented toward expansion of supply. For the middle and long term, it must—through foreign policy—develop more stable arrangements for the international distribution of key commodities. For the immediate term, the most sensible available adaptation is a specifically focused adjustment of demand. The obviously preferable specific focus for adjustment of demand is automobile fuel. This focused adjustment of demand might best be effected through a gasoline tax or through a tax on high-consumption automobiles. And because the tax might fall inequitably upon the poor, it ought to be linked with tax and welfare reform—with the "income strategy" which has regrettably dropped from view since 1972.

The American people are more than ready

for sophisticated approaches to problem-solving. Too often it has been assumed that the people are of lesser quality than, in fact, they are. Their sophistication and maturity were consistently underrated in the course of Watergate. It would be a mistake to underrate the people again.

Confidence in the integrity of government has to a considerable extent been restored. But the problem of confidence in the capacity of government remains to be addressed. People will respond favorably if complex realities are met with clear, conscious, coherent and comprehensive strategies. But if not, the people will surely send another message.

For Republicans, the message of the moment is simply this: If the health of the party is to be restored, the health of the nation must be restored.

RETIREMENT OF SENATOR ALAN BIBLE

Mr. MOSS. Mr. President, it is with regret that I watch the departure from the U.S. Senate of my good friend, and Western colleague, Senator ALAN BIBLE of Nevada. We have worked together long and well on legislation and projects of benefit to our part of the country, as well as to the Nation as a whole. We shall miss his strong shoulder to the wheel in the years ahead.

My association with him on the Senate Interior Committee is one of the happiest chapters of my Senate experience. I can say quite frankly that the State of Utah would not now have three new national parks—Canyonlands, Capitol Reef, and Arches—were it not for the assistance I received from ALAN BIBLE as chairman of the Subcommittee on National Parks and Recreation. Nor could we have had the *Golden* Spike Historical Site fully established and in operation for the 1969 centennial celebration without his consistent help.

Utah has benefited greatly also from the breadth and vision with which he has chaired the Senate Interior and Related Agencies Appropriations Subcommittee and in this past session, the Public Works Subcommittee. He understands our forest and public land needs, and recognizes the urgency of developing our water resources. This we have deeply appreciated.

ALAN BIBLE's record as a conservationist, and as a realistic environmentalist, is unsurpassed. Much of the legislation Congress has enacted in these fields for the past 19 years bears his imprint.

There are many other people and groups of people who will miss ALAN BIBLE—the people of the District of Columbia whose problems he helped solve for so many years as chairman of the Senate District of Columbia Committee, the small businessmen of the country whose destinies he helped guide as chairman of the Senate Small Business Committee, the educators and the public health specialists who counted on him on the Senate HEW Appropriations Subcommittee, and many others in whose problems he has taken a special interest.

He leaves behind a splendid record and a legacy of accomplishments. He and Lucille deserve, and I trust they will have a most pleasant and rewarding retirement.

EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

Mr. BAYH. Mr. President, last night the Senate passed H.R. 17597 to provide emergency unemployment compensation. I believe passage of this bill was one of the most important actions we have taken this year.

Mr. President, unemployment in this country reached 6.5 percent in November, a 13-year high, and it appears that the number of unemployed will continue to grow in the months to come. The President's leading economic advisers are now predicting that unemployment will exceed 7 percent by the middle of next year, and economists outside of the administration are saying that 8 percent is a more realistic figure.

That is why I was amazed to see that our President again last week repeated that he was not alarmed by the state of the economy and said that we were not facing a crisis. Mr. President, if the specter of 8 percent unemployment coupled with double digit inflation is not an economic crisis, we will never see one. Yet the President refuses to take the decisive action needed to get the economy moving again and to control inflation. We in Congress are left with the responsibility of taking the initiative.

I was very happy last Thursday when the Senate passed the public service employment bill. That bill will provide over 500,000 jobs in the public sector and it will also expand coverage of our unemployment compensation system. It marked only the first step in our effort, however, and it will not provide a complete solution of our unemployment problem. It was necessary that we also promptly enact the provisions for emergency benefits contained in H.R. 17597 in order to provide further aid for those who are unable to find work.

This bill does two things. First, it reforms the triggering mechanism which initiates the already existing extended unemployment benefits program. Secondly, it provides an additional 13 weeks of emergency benefits after a worker has run out of his 26 weeks of regular benefits and 13 weeks of extended benefits. What this means is that as of January of next year unemployment benefits can be paid under both the extended and emergency programs in all States.

Though this bill is extremely important, it must be kept in mind that it is an emergency, stopgap measure. There are many basic flaws in our modern unemployment compensation system which are not touched by this measure, and I believe that it will be essential for us to pass further legislation next year to give the whole system a thorough overhaul. But for now, no matter what the President says, we are faced with a crisis, and it was necessary that we act immediately to extend the benefits available to the unemployed.

Mr. President, I think that the manner in which Congress has so expeditiously acted with this and other unemployment legislation is very significant. We have been left by default with the responsibility of formulating an effective economic policy for the Nation. Our action on unemployment benefits and public services employment gives a clear indication that we can and will exercise that responsibility.

Congress must pass those programs needed to put our Nation on a different economic course. Hopefully, the President will administer the new programs we pass and get our Nation moving again.

PRESIDENT FORD ISSUES SECOND BIENNIAL REPORT ON NATIONAL GROWTH AND DEVELOPMENT

Mr. HUMPHREY. Mr. President, today President Ford submitted to Congress the second biennial report on national growth and development required of him under title VII of the Housing and Urban Development Act of 1970 (Public Law 91-609).

On October 16, 1974, I addressed the Senate providing my analysis and comments on the draft of this particular report as it was orginally submitted to the White House for consideration.

I hope before adjournment of this Congress to share with my Senate colleagues and others the benefit of my analysis of this final report. I also plan on asking for hearings on this report early in the 94th Congress by the Joint Economic Committee. As part of those hearings, I shall ask the JEC to invite comments from each of the standing committees of the Senate and House regarding those policy areas covered by this report that are within their respective jurisdictions.

Mr. President, in the meantime, I request unanimous consent to have printed in the RECORD a factsheet summarizing the contents of the President's Second Biennial Report on National Growth and Development.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACT SHEET.—SECOND BIENNIAL REPORT ON NATIONAL GROWTH AND DEVELOPMENT

President Ford today sent to the Congress the second biennial Report on National Growth and Development as required by the Housing and Urban Development Act of 1970.

The report's conclusions reflect recognition of the premises that:

Growth policy formation in a democracy is a slow and deliberate process that must express the sentiments and preferences of the citizens to be served by that policy, and

Any public intervention to influence growth must take into account both the fundamental rights of individuals and the values of our private enterprise system.

STRUCTURE OF THE REPORT

The report includes sections on:

Population: Growth Policy's Moving Target.

Synopsis: U.S. population growth has slowed, largely due to a declining birth rate. It is likely that fertility will remain very low for the rest of this decade. The median age is rising. The labor force has an increasing proportion of women, and women have moved into diverse occupational fields. The number of households is increasing, but the size of households declines. Population is shifting toward both oceans and the Gulf; the movement of black population toward the north and west, into major metropolitan areas, continues. Suburbanization has continued, and much future growth is likely to occur in expanding suburban areas. The past decline in rural farm population—which has been relatively stable since 1970—is being largely offset by an increase in rural nonfarm population especially in rural parts of metropolitan areas.

These trends raise a variety of issues. Examples are:

Quality of life. How does population growth affect the standard of living? How will income security be provided? What will happen to the demand for consumer products? How will educational systems adapt to declining enrollment? With fewer children per family and more elderly adults, what will be the demand for health services?

Housing. What broad locational choices will future families make? How will housing demand be affected by a larger proportion of elderly persons, smaller families, more households of unmarried adults, and more female-headed families?

Regional growth. Will continued growth in coastal areas result in deterioration of the quality of life through environmental overload and population congestion? How will continued urban development in coastal areas relate to energy self-sufficiency?

Metropolitan growth. As communities seek to guide growth, what balance will be reached between individual rights and community rights? What are the areawide impacts of individual community efforts to control growth? What is needed to overcome the isolation of minorities? What would be the effects of a balanced transportation system? How can neighborhoods in central cities be preserved and made viable? How will energy shortages affect metropolitan growth trends?

Rural development. Should public policy encourage rural growth beyond what normal economic development would cause? What kind of community preservation or adjustment strategies are needed in non-metropolitan areas? What actions are needed to resolve issues of increasing land use competition at the metropolitan fringe? What is the potential impact of increased demand for vacation homes or resorts in rural areas?

Behind these issues are public needs and preferences: for livable, secure inner-city neighborhoods; more orderly, lower cost new developments in suburbia; and adequate, well serviced rural communities.

Federal Influence on Growth and Quality of Life. Summary:

Various Federal activities are known or assumed to have impacts on growth and development. These include: grants and loans to State and local governments; Federal installations; procurement of goods and services; public works; taxation; credit management; and regulatory activities.

Understanding of how the effects of Federal actions converge within a local given area is limited. The rural impact of Federal programs designed specifically to change growth patterns is often far less than the impact of programs whose ostensible purposes have nothing to do with growth and development.

Because of inadvertant or hidden impacts, Federal influence on growth and development at regional and local levels is more pervasive than is generally recognized. The cumulative impact of Federal influence varies from community to community; in all cases it is hard to monitor and harder to anticipate.

State and Local Experience in Planning for Growth and Quality of Life, Highlights:

With or without Federal initiative, states on many occasions have joined together for purposes such as economic development, metropolitan planning, river basin development, and the promotion of environmental quality.

As forums for planning and development, the most important function to be performed by such regional institutions is the coordination of individual State plans and programs affecting the quality of life throughout the region.

Regional institutions are not a permanent fourth level of government.

Cooperation between states will be an inevitable and important component of coordinated nation and State growth and development strategies.

The States are uniquely suited to managing growth and development because of the constitutional powers they enjoy and their relationships to local governments. The present challenge is to define goals and objectives for future State growth and development in order to use these powers most effectively.

Many States are now making concerted attempts to help shape their future growth and development. These efforts take many forms such as commissions on goals, population commissions, "futures" analyses, improved policy planning capabilities, administrative reorganization, promotion of economic growth, and creation of State housing finance agencies.

Public concern for the quality of life and for better control over growth and development is most evident at the local community level.

Many local governments around the Nation are experimenting with various techniques to guide land development, modify economic growth, or prevent change in environmental quality. It is too early to say that there is a major trend toward growth-limiting actions, but it is evident that there is a vigorous stirring at the local level to develop new public techniques to strike local balances between such goals as economic growth and a quality environment.

Substate general purpose districts—for planning and coordination—are also performing important functions in implementing growth policies. Major policy statements (e.g., from the National Governors' Conference) point to general conformity of views on the basic issue: the importance of establishing State-designated general purpose substate districts that are under the control of local elected officials and that have a major role in regional planning and coordination of publicly supported projects and programs.

SUMMARY OF CONCLUSIONS

For the national level

The cross cutting nature of many initiatives put forth by a single Federal department or agency requires consultation and coordination with other departments and agencies. This is especially true for consideration of the impacts of such initiatives on our Nation's growth. The Domestic Council is therefore continuing to assess ways in which the Executive Branch can improve policy and program coordination.

Determinations requiring interdepartmental and agency coordination also should take account of the views of State and local government and various segments of the private sector that do not traditionally communicate with the initiating or "lead" department or agency. Present and potential techniques to afford such communication are also being assessed.

There appears to be a growing awareness that just as there is a need for better coordination and consideration of legislation by the Executive Branch, Congress should continue its efforts toward developing, by whatever mechanisms it judges suitable, procedures affording a more coordinated Congressional approach to consideration of legislation which involves assessing relative priorities of policies and the interrelationships of programs, especially in view of potential impact on patterns of growth.

Both the Executive Branch and the Congress should work toward simplification and improvement of the system of Federal planning assistance programs as a means toward improving coordination of State and local functional plans with State and locally determined growth policies.

Planning is only a first step toward action. Accordingly, in addition to reforming Federal planning assistance, it is time for Federal assistance programs to give increased attention to supporting the basic capacity of local officials to develop community programs and implement and evaluate them. An important Federal policy must therefore be to improve and expand public sector skills in budgeting and finance, information systems, public program administration, and the techniques of economic growth analysis. Improved graduate and undergraduate curricula in public administration are needed.

There is also a need to expand the capacity of State and local governments to utilize analytic techniques that lead to a better understanding of potential economic growth or loss so that public investment decisions can take such prospects into account.

For the multistate level

In order to avoid the uncoordinated proliferation of multistate planning and coordination organizations, consideration should be given to the alternative of expanding the role of the Federal Regional Councils and establishing mechanisms to work with the States within each Federal region in support of State initiatives for multistate planning and coordination.

For the State and local levels

Those States and localities which have begun should continue their efforts toward modernization and reform in their legislative and executive branches, and should continue to set growth goals, define development strategies, and coordinate the investment of Federal, State, and local funds towards the implementation of those goals and strategies. State and local governments which have yet to initiate these tasks are encouraged to begin.

For the substate level

States and localities are also encouraged to work toward strengthening multijurisdictional "umbrella" agencies, giving them the ability to bring under control a proliferation of specialized planning and services districts.

Toward guidelines for Federal decision-making

It is increasingly necessary to take into account the multiple impacts of single Federal actions on national goals. Thus, the government policy-maker's task is to understand whether and how present and proposed actions affect these goals. This requires: systematic review in the course of decision-making of the possible effects not just on the mission goal of the particular decision-maker but on the other national goals as well; and improved evaluation of existing activities with emphasis on both attainment of the mission goal and effects on other goals.

A very useful step in this direction would be efforts to develop, refine, and use an agreed-upon set of guidelines for the Federal decision-making process. Such an effort toward a "decision-maker's checklist" will require extensive participation, consideration and indeed debate among many parties, but an illustrative set of guidelines is provided in the report. Such guidelines would reflect the creed of modern management, that good policy-making results from the discipline of well thought out approaches to each major policy decision. And such discipline will help to ensure that public policy-making, whether by executives or legislators, will lead to programs that are consistent with long term national goals and values, including those relating to national growth.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. MOSS. Mr. President, I commend my good friend LEE METCALF and the other members of the Interior Committee for their perseverance with the surface mining bill.

This is a difficult bill—so difficult, in fact, that we now have a promise from the President that he will veto it.

For all intents and purposes, the bill—which has been aborning for over 3 years—will die, to rise again like the Phoenix bird in the opening days of the 94th Congress.

If I had not been necessarily absent yesterday, I would have voted "aye" for the conference report on S. 425. This bill was hammered out after thousands of hours work and represents the best efforts of majority and minority in compromise.

We need Federal legislation in this area. We need reclamation, research centers for improving mining methods, and control over mining techniques that do violence to the environment.

I am not in 100-percent agreement with all that this bill entails, and have some reservations about some provisions, but I wish to reiterate my support for surface mining legislation and applaud the efforts of my colleagues.

RESEARCH BEGUN ON USING SOLAR ENERGY TO DRY CORN

Mr. HUMPHREY. Mr. President, I was delighted to see that the Department of Agriculture and the National Science Foundation have initiated a research project to examine the feasibility of using solar energy to dry corn.

If successful, this research effort could result in substantial savings of gas, propane and other fuels.

Two research stations of the USDA's Agricultural Research Service will participate in this research along with the University of Illinois, Purdue University, Iowa State University, Kansas State University, the University of Minnesota, Ohio State University, and South Dakota State University.

This undertaking may have beneficial results in terms of utilizing solar energy, and it also will certainly increase our knowledge on the potential for utilizing solar energy.

This is the kind of activity that I had in mind when I introduced S. 3234, the Solar Energy Research and Development bill, which has now become law.

Mr. President, I ask unanimous consent that the National Science Foundation release outlining this effort be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

NSF-USDA PROJECT TO STUDY CORN DRYING BY SOLAR ENERGY TO CUT FUEL USE, FOOD COSTS

The use of solar energy to dry corn, with potentially large savings in liquid petroleum (LP) gas, propane, and other fuels now used, will be studied by agricultural engineers at seven Midwest universities under a joint project of the United States Department of Agriculture (USDA) and the National Science Foundation (NSF).

Most of the corn produced in the United States is dried to prevent spoilage in storage. Fuel conservation through use of solar energy as a heat source may permit reductions in food costs, which ultimately might be passed on to consumers.

The Agricultural Research Service (ARS) of USDA will conduct the research program, toward which NSF is providing a $150,000 grant. ARS and two participating state experiment stations are furnishing the equivalent of approximately $200,000 in in-house research and other services.

Studies of solar drying will be conducted at the University of Illinois, Urbana; Purdue University, Lafayette, Indiana; Iowa State University, Ames; Kansas State University, Manhattan; the University of Minnesota, St. Paul; Ohio State University, Wooster; and South Dakota State University, Brookings. In Iowa and Kansas, ARS investigators will be involved in the research in cooperation with the two State Experiment Stations.

ARS scientists point out that supplementary heat is needed with low-temperature drying systems that have been developed recently. The seven studies will determine whether corn can be dried satisfactorily when solar energy provides part or all of the heat. Grain sorghum or soybeans will also be dried in two of the studies.

The engineers will also evaluate commercial and experimental solar heat collectors, develop operating procedures for solar grain drying, and identify geographic areas where fall weather is suitable for solar drying.

The University of Illinois will evaluate performance of different solar heat collectors, using commercially available plastic, experimental plastic, metal collectors made from roofing and grain-bin panels, and the attic space of a machinery shed converted into a solar collector.

Purdue University will compare supplementary drying systems for corn using two commercially produced collectors and low-heat drying at nearby farms.

Iowa State University will dry corn in identical grain bins, one equipped with a solar collector and one with a low temperature electric drying system.

Kansas State University will dry corn and grain sorghum in pairs of bins, with and without solar supplementation, and compare results with those obtained with conventional low-temperature drying systems.

The University of Minnesota will use a solar collector as a supplemental heat source for a batch-type dryer and as the only heat source for in-storage drying of corn.

The Ohio Agricultural Research and Development Center of Ohio State University will use a commercially produced solar collector as the heat source for drying soybeans and corn in a batch-type dryer.

South Dakota State University will alternate the use of five low-cost solar heat collectors when drying corn in the same circular grain bin.

Project managers for the various states will be Dr. Gene C. Shove, University of Illinois; Dr. Robert M. Peart, Purdue University; Dr. Carl J. Born, Iowa State University; Dr. Do Sup Chung, Kansas State University; Dr. R. Vance Morey, University of Minnesota; Dr. Harold M. Wagner, Ohio Agricultural Research and Development Center; and Dr. Mylo A. Hellickson, South Dakota State University.

Gerald L. Kline will represent ARS in the Iowa State studies. George H. Foster will lead the cooperative effort in Kansas, and is the principal investigator and coordinator of the studies.

WALTER LIPPMANN'S WORK WILL ENDURE

Mr. MATHIAS. Mr. President, last Saturday, when the news of Walter Lippmann's death was announced, I spoke here briefly of his distinguished career. As I said at that time, I have long been fascinated by Walter Lippmann's understanding of the relationship between truth and representative government. The existence of this relationship and its essential character formed one of the obvious motivations for Mr. Lippmann's long and productive career.

Fortunately, the lessons that Walter Lippmann sought to teach us are now belatedly being learned. But the important thing is that a change is occurring.

As Walter Lippmann himself has said at the time of President Franklin Roosevelt's death—

> The man must die in his appointed time. He must carry away with him the magic of his presence and that personal mastery of affairs which no man, however gifted by nature, can acquire except in the relentless struggle with evil and blind chance.
>
> Then comes the proof of whether his work will endure . . . .
>
> . . . if others can finish what he began . . . then his work is founded in reality and endures.

I believe that Walter Lippmann's work was so founded and will endure. But his own words are a better proof of that than I can offer.

I request that three of Mr. Lippmann's columns on the subject of truth and government be printed at this point in the RECORD, entitled, respectively, "The President and the People," "The Fascination of Greatness," and "Roosevelt Is Gone." All of the columns appear in the anthology "The Essential Lippmann."

There being no objection, the columns were ordered to be printed in the RECORD, as follows:

[Reprinted from the book "The Essential Lippmann"]

THE PRESIDENT AND THE PEOPLE

Mr. Churchill seems to be the only statesman in the world who really believes that the people can and should be enabled to understand the war. Certainly he is the only one who goes to them whenever events have taken a new turn and tells them even in broad outline what has happened and why it has happened. Surely the willingness to explain what he has been doing is, even more than his great gifts of speech, the secret of his leadership. Mr. Churchill does not deal with his people on the assumption that

Someone had blundered:
Theirs not to make reply,
Theirs not to reason why,
Theirs but to do and die.

For while he accepts full responsibility for the great decisions, he also holds himself fully accountable for them. Having explained the reasons which led him to make the decisions, he not only allows his people and their representatives to pass upon them. He insists that they must pass upon the decisions and take their share of the responsibility. This is how the democratic method can, when it is really used, strengthen and unify a nation. Mr. Churchill says little about democracy in the abstract. Yet he does more about it in practice than any other living man. He knows that a leader remains close with the people when he acts on the belief that they can be trusted. He has proved in this war that the people respond by feeling that they can trust a man who trusts them.

Our presidential system of government does not lend itself as readily as the parliamentary system to this reciprocity between the leader and the people. The President, unlike the Prime Minister, is irremovable; Congress, unlike the House of Commons, is not responsible for the Executive, and cannot be compelled, on pain of dissolution and an appeal to the people, to accept the responsibility of supporting the Administration or of changing the Administration.

Thus the habit of intimacy and frankness between Executive and Congress is not promoted here, and there has rarely been an American President who was on terms of trust and friendship with Congress. American Presidents, be they Roosevelt or Wilson, Hoover or Coolidge, are not in the habit of explaining themselves as Churchill explains himself. They announce, they proclaim, they declaim, they exhort, they appeal, and they argue. But they do not unbend and tell the story, and say why they did what they did, and what they think about it, and how they feel about it. Thus the general effect is secretive and stand-offish, which certainly does not warm the heart in a time of trouble.

Yet admitting all the difficulties of our political system, above all the appalling irresponsibility in speech and action which is so often displayed on the floors of Congress and in the committees, it is certainly disconcerting that the first account of the meaning of what happened at Pearl Harbor, and that the first explanation of the strategic position in the Pacific, should have come from the Prime Minister of Great Britain. That will not do. Mr. Roosevelt has a long, hard, bitter war to conduct, and he cannot conduct it successfully without explaining it continually to the people.

Programs, pronouncements, and publicity releases are no substitute for the story and the explanation from the lips of the man who is finally responsible. All the "morale-builders"—a horrid word which is enough to destroy anyone's morale—from O.C.D. to O.F.F. will be of no avail unless and until Mr. Roosevelt forms the habit of confiding in the American people as Mr. Churchill confides in the British people. The American people are not children, and they will have to be treated as adults if they are to face the grim future as men and women.

THE FASCINATION OF GREATNESS

Mr. Churchill lunched with the Washington correspondents last week. At the end there were few among us who would not have agreed with the Lord Mayor of the English city when he said in the dark days of 1940 that a speech by the Prime Minister is like a week end in the fresh air. I do not remember a time when Washington so badly needed fresh air. In fact, it needs a gale of wind out of heaven to blow away the dust, the cobwebs, and the stinks of intrigue, vanity, jealousy, and vindictiveness.

Mr. Churchill's remarks, which were given as answers to questions from the correspondents, cannot be quoted. In fact he revealed no secrets and said nothing that is not already known to the attentive reader of the newspapers. Yet somehow he restored and refreshed the faith and confidence of a corps of men whose duty it is to report and interpret the conduct of the war.

We may well ask why and we may ask how. For Mr. Churchill is not only the Prime Minister of Great Britain. He is also the one certainly authentic example of greatness in a public man who moves among us. In these times which try men's souls, we are not equal, but we have to learn to be equal to them. We may then remember the profound saying of Whitehead that "moral education is impossible without the habitual vision of greatness." For Churchill's special gift, which enhances all the others, is his moral quality: he draws men out of their meaner selves and fascinates them with greatness.

The fascination of Churchill is not merely in his wit, or even in his humor which keeps him so near to his fellow men, or in his genius for war. We may find it is his eloquence, provided we do not, as Cardinal Newman said, "consider fine writing to be . . . a sort of ornament superinduced, or a luxury indulged in, by those who have time and inclination for such vanities." Churchill's eloquence is the man himself, and the secret of his fascination is his magnanimity.

It becomes more ample with the years. For when men age, they may grow vain, irascible, and self-centered. Or they may grow wise, benign, compassionate, and universal. Churchill has aged well. At the pinnacle of his fame, we saw him the other day treating the humblest man asking the most impertinent question with that courtesy which only those display who really respect the dignity of other men. He does not talk down to other men, nor does he talk over them. He talks to them because they have a right to know. Thus he rallies men to his standard because he engages that which is noble in them. And even in his wrath against the enemy, which is awe-inspiring, there is not the malice of the small man but the chivalry of the good warrior.

In these energies of the spirit, he radiates upon the cause in which we are engaged an habitual vision of greatness. The war as he reveals it is not only strategy and logistics and production, not a mere series of bombings, landing, ship movements, factory schedules, rationing, and taxes, but the historic drama of our century. Nations cannot wage a war of this magnitude unless they carry with them in their minds and hearts such a measure of its depth and its scope.

That is why our spirits languish when their daily food is only the military communiques, press releases, and an absolutely intolerable flood of gossip journalism, pipeline journalism, and intrigue journalism, about who is in the doghouse now, and how the courtiers at the palace are planning to cut one another's throats, and how misunderstood and unappreciated are those who hand out the dope to those who then lick their boots.

The air is foul and stale with it all and, as we come to the climax of the war, the air must be cleared and cleansed. We have fallen into the vice which Chaucer called "the synne of accidie"—that sloth and torpor of the soul which makes us sluggish in the exercise of virtue. We spend our days pawing over the intrigues and machinations of little men. We have fallen to these depths because, though the nation is engaged greatly, it is denied the habitual vision of greatness. *"They fainted, and were scattered abroad, as sheep having no shepherd."*

The springs of greatness in a public man lie finally, as they do in Winston Churchill, in the conviction that he must serve the truth and not opinion, that he must do what is right whether or not he is sure to succeed. That was how in the darkest hours of 1940 Churchill made the choice between honor and calculation. When none could calculate the future of Britain he settled the issue on the ground of honor and of duty.

This is the way of greatness. In the supreme moments of history, terms like duty, truth, justice, and mercy—which in our torpid hours are tired words—become the measure of decision. We, unhappily, are acting as if we had forgotten them. We seem to be ashamed to utter them, in part because we tremble at the gibes of the Philistines, but in the main because they are remote from our habitual feeling.

Yet the outcome of this war will break men's hearts if we allow ourselves to sink to the meaner measure of our conduct. We are trying to be too shrewd, too clever, too calculating, when what the anxious and suffering peoples cry out to us for is that we practice the elemental virtues and adhere to the eternal verities. They alone can guide us through the complications of our days. The straight and righteous path is the shortest and the surest.

ROOSEVELT IS GONE

The nation has received the news of Roosevelt's death with profound sorrow but without dismay. Surely he would have wanted it to be that way. For the final test of a leader is that he leaves behind him in other men the conviction and the will to carry on.

The man must die in his appointed time. He must carry away with him the magic of his presence and that personal mastery of affairs which no man, however gifted by nature, can acquire except in the relentless struggle with evil and blind chance.

Then comes the proof of whether his work will endure, and the test of how well he led his people: whether when he is no longer able to give voice to their hopes, they still have the same hopes, whether the course which he laid out when he was in power fixes the place where the broad highways will run over which the nation will continue to move. If not, then a man is great only in his own moment, a spectacular accident, like a comet which does not alter the course of things.

But if others can finish what he began, can decide what he had not yet decided, can plan what he did not have time to plan, can do what needs doing beyond the things he actually did, then his work is founded in reality and endures.

In the first hours after the President was dead, men took consolation in gratitude, and in their confidence that the nation itself now knows where it is going, and why, and how, felt relief from the shock and loss.

This noble mood can pass away as it did after Lincoln and Wilson were dead, and high resolve be squandered and dissipated in the quarrels of the pygmies. A wise but saddened man once said: "The tragedy of wars is that peace is made by the survivors."

No people has greater reason to know this than we have: we who know what came after Lincoln and after Wilson. Only by bearing it ever in mind can we make sure that all our highest hopes and purposes do not disintegrate under the harsh factionalism of our public life, the pitiless pressures which are the price of our freedom, and the indiscipline which accompanies our individualism. . . .

Roosevelt lived to see the nation make the crucial decisions upon which its future depends: to face evil and to rise up and destroy it, to know that America must find throughout the world allies who will be its friends, to understand that the nation is too strong, too rich in resources and in skill, ever to accept again as irremediable the wastage of men who cannot find work and of the means of wealth which lie idle and cannot be used. Under his leadership, the debate on these fundamental purposes has been concluded, and the decision has been rendered, and the argument is not over the ends to be sought but only over the ways and means by which they can be achieved.

Thus he led the nation not only out of mortal danger from abroad but out of the bewilderment over unsettled purposes which could have rent it apart from within. When he died, the issues which confront us are difficult. But they are not deep and they are not irreconcilable. Neither in our relations with other peoples nor among ourselves are there divisions within us that cannot be managed with common sense.

The genius of a good leader is to leave behind him a situation which common sense, without the grace of genius, can deal with successfully. Here lay the political genius of Franklin Roosevelt: that in his own time he knew what were the questions that had to be answered, even though he himself did not always find the full answer. It was to this that our people and the world responded, preferring him instinctively to those who did not know what the real questions were.

Here was the secret of the sympathy which never ceased to flow back to him from the masses of mankind, and the reason why they discounted his mistakes. For they knew that he was asking the right questions, and if he did not always find the right answers, someone, who had learned what to look for, eventually would.

TOBACCO SUBSIDIES

Mr. MOSS. Mr. President, several weeks ago during consideration of the agriculture appropriations bill, I offered an amendment, which was supported by 23 of my colleagues, to eliminate the wanton Government policy of providing crop supports and other subsidies for the growth of a product which will lead to the death and disability of thousands of Americans each year. Tobacco.

This effort was the fourth time in recent years that I had attempted to strike the subsidies from the bill, and I was encouraged by the increased support from my colleagues as well as the outpouring from well-wishers from all parts of the country.

Now I note another supporter speaking up about our Government schizophrenia which results in massive expenditures for both health care and crop subsidies. The Journal of the American Medical Association has editorially endorsed the elimination of crop supports for tobacco. Additionally, the same December 16, 1974, issue also contains an article by Dr. Weldon Walker entitled "Government Subsidized Death and Disability." Dr. Walker cites the decline in ischemic heart disease which has accompanied the decline in the amount of tobacco consumed since 1963, and criticizes the continued Government subsidies in the face of this evidence.

Various arguments have been put forth by proponents of tobacco subsidies to insure their continuation. The only argument that we, the opponents of tobacco subsidies, have is simple: continued subsidization of tobacco is Government subsidization of death and disability.

We cannot continue with this unconscionable practice. I urge the President, I urge the Committees on Agriculture, and I urge the Congress to stand up for what is right. We must terminate crop supports for tobacco, plow that investment into food crops, and help the tobacco farmer adjust to a new crop and a new way of doing business. In the absence of congressional action, we are in contempt of our responsibilities to the American people.

Mr. President, I ask unanimous consent that the article and editorial from the Journal of the American Medical Association be printed in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

GOVERNMENT-SUBSIDIZED DEATH AND DISABILITY

The death rate from coronary heart disease suddenly started a sharp decline in 1964 after rising steadily for several decades.[1] The onset of this decline in the leading cause of death in the United States coincided precisely with the Surgeon General's report on smoking and health in January 1964.[2] The decline is among the most dramatic reversals of a mortality trend in our nation's history. From 1950 to 1963, the age-adjusted death rate from coronary heart disease increased 19%. From 1963 to 1971 it fell 10.5%. The most striking reduction has occurred in the most productive years of life—25 to 74 years (Table).

According to the National Center for Health Statistics, the decline is continuing. During each of the past four years, we have had the highest life expectancy ever attained in the United States, despite increased death rates from cancer, diabetes, bronchitis, emphysema and asthma, cirrhosis of the liver, and suicide and homicide. The life-expectancy figures taken from the National Center for Health Statistics are as follows: 1970, 70.9 years; 1971, 71.0 years; 1972, 71.2 years, preliminary; and 1973, 71.3 years, preliminary.

*Decline in mortality from Ischemic Heart Disease in the United States, 1963–1971**

Age, year:	*Decline, percent*
25–34	25.6
34–44	14.6
45–54	15.8
55–64	14.1
65–74	14.4
75–84	4.0
Over 85	4.7

*From Vital Statistics of United States.

The per capita amount of cigarette tobacco smoked by adults started to decline in 1961. This year marked the beginning of a continuing reduction in the tobacco content of cigarettes sold in the United States, which continued from 1961 to 1971. According to the U.S. Department of Agriculture, following the Surgeon General's report in 1964, there was also a decrease in the number of cigarettes smoked. The decline has been definite but disappointingly small. Per capita reduction of cigarette tobacco consumed has been 21%; of cigarettes smoked, 9%. Neither has declined during the past two years.[3]

PEPTIC ULCER DISEASE, LUNG CANCER, AND CHRONIC PULMONARY DISEASE

Cigarette smoking has a known deleterious effect on peptic ulcer disease. In 1962, the death rate from peptic ulcer peaked and then declined 30% during the following seven years (*American Medical News,* May 27, 1974). When one stops smoking, the increased risk of death from coronary and peptic ulcer disease ceases immediately. On the other hand, the lethal effects of lung cancer are manifest many years after exposure to heavy cigarette smoking, even though the individual has reduced or stopped his habit. The death rate from lung cancer has continued to increase 54% each ten years. Death from chronic pulmonary disease is less distantly related to cigarette smoking. During the six years before the Surgeon General's report, there was a 45% increase in death from this cause; in the six years following, a 13% increase. I do not intend to imply that all these changes in mortality are due to the effects of the Surgeon General's report. Nevertheless, there can be little doubt that it has been the major factor.

TOBACCO PARADOX

This dramatic breakthrough against coronary disease apparently resulted chiefly from a modest reduction in tobacco consumption. Certainly, there can be a much greater future decline with more effective preventive and educational programs. It has been estimated that $11.5 billion is spent annually in the United States for health care costs resulting from cigarette smoking.[4] This is more than five times the total receipts of federal taxes on all tobacco products.[3] Congress seems to be the major problem. It has repeatedly voiced concern about the spiraling cost of health care in the United States. Yet, it is using our tax money, in many ways, to subsidize increased death and disability among our citizens, as well as those of the rest of the world!

1. Congress provides price supports for tobacco that have been increased each year during the past decade. The price support per pound of tobacco has increased 34% since 1964.[3]

2. The percentage of cigarettes produced free of federal tax has increased from 7.5% to 9% during the past decade.[3]

3. The federal tax on tobacco remained virtually unchanged from 1968 to 1973, despite a 38% increase in its market value and a 57% increase in exports.[3]

4. On Jan. 1, 1974, fourteen percent of the tobacco stocks in the United States and Puerto Rico were carried under federal loan support.[3]

5. Additional large sums of federal money are expended for salaries and the administrative costs of the tobacco program in the United States, and to promote its export to foreign countries.

Additional billions of the taxpayers' money are being spent for the medical care of the victims of this subsidized tobacco. Billions more will be required from Social Security to support the dependents of these victims. The Congress that legislated the Health Maintenance Organizations, with emphasis on preventing disease, is spending our money to undercut the most productive preventive medical effort of this generation. Smoking materials are the most common cause of fatal residential fires.[5] Congress must reexamine its policies concerning support of the tobacco industry.

WASHINGTON INCONGRUITY

Dr. Ingelfinger has pointed out the incongruity of Washington's spending $80 billion yearly for health care yet hesitating to allocate 1/4,000 of that amount to the National Center for Health Statistics to obtain facts that would help decide whether this huge sum is being spent appropriately.[6] As a result, no one in Congress seems to know the current health status or health needs of the American people. We know how much tobacco is supported by the government in 1974, but the latest published age adjusted death rates of the leading causes of death in the United States are for 1971.

We in the health care field must arise and expose these actions. Our government is responsible for programs that foster death, disability, and increasing health care costs. Despite the recent drop in the coronary death rate, heart attacks remain by far the leading cause of death in the United States and account for twice as many deaths as all forms of cancer combined. It is time for Congress to decide whether it wishes to produce or prevent such deaths. Organized medicine must ask each individual seeking national elective office for a commitment to promptly correct this national shame. Until this is accomplished, I must reluctantly plead guilty to "Contempt of Congress."

Footnotes at end of article.

FOOTNOTES

[1] Walker WJ: Coronary mortality: What is going on? *JAMA* 227:1045–1046, 1974.

[2] *Smoking and Health: Report of the Advisory Committee to the Surgeon General of the Public Health Service.* US Dept of Health, Education, and Welfare, 1964.

[3] *Statistical Bulletin No. 528: Annual Report on Tobacco Statistics 1973. US Dept of* Agriculture, April 1974.

[4] *Mortality Trends For Leading Causes of Death: United States—1950–69.* US Dept of Health, Education, and Welfare, National Center for Health Statistics, March 1974.

[5] *A Study of Fatal Residential Fires,* publication No. FR72–1. Boston, National Fire Protection Association, 1972.

[6] Ingelfinger FJ: National Center for Health Statistics. *N Engl J Med* 289:1142–1143, 1973.

EDITORIALS—THE NEW SEDUCTION

(By Robert H. Moser, M.D.)

In an earlier communication (JAMA 227:1045, 1974) Weldon J. Walker reported the very real declining incidence of death from ischemic heart disease that has occurred in the United States since 1963. The Surgeon General's Report on Smoking and Health (1964) appeared to be the watershed—relating cigarette smoking to the increasing morbidity and mortality from coronary artery disease, chronic obstructive lung disease, peptic ulcer, and bronchial carcinoma. Well, it would seem that except for the latter disease, all others have declined since then. And this happy revelation can be correlated with less cigarette smoking and improved dietary habits (lower caloric consumption and less ingestion of saturated fats) by many Americans in the vulnerable age groups.

Elsewhere in this issue (page 1529), Walker takes up his battered lance once again to demand an end to federal subsidies, loans, and tax breaks to industries that support cigarette production. He believes that it is imperative to bring to the attention of physicians and the public at large the bitter irony of support by public funds of an industry that produces a product known to cause death and disability—just at a time when progress is being made.

With regard to cigarette smoking, most of us gray-haired, somewhat disillusioned (realistic?) clinicians ultimately and reluctantly arrive at the realization that in too many patients cigarette smoking is a chronic disorder—with a distressingly low cure rate. I often wonder why some black-haired, appropriately "illusioned" young investigator has not done a physiologic-psychologic study (enzyme profiles, psychometrics, sleep encephalograms, and all that) on those intelligent individuals—all of us know a dozen or so—who look you straight in the eye and say, "Intellectually and emotionally I am convinced that cigarette smoking is a terrible thing, but I cannot kick that habit." In my clinical practice I had a better batting average trying to reform alcoholics, and I have had friends at Alcoholics Anonymous tell me it was easier to quit the booze than cigarettes.

I am almost ready to write off my adult friends and patients who are hooked hopelessly, but I am gravely concerned about acquisition of the habit by our young. I was enormously pleased several years ago when the Federal Communications Commission made the television networks delete those seductive cigarette commercials. But recently I have been disturbed by what seems to be a new shift in the thrust of cigarette advertisements. Evidently, the Svengali psychologists of Madison Avenue have come up with a new gimmick: an appeal to the fragile machismo of American youth. The pragmatic hucksters have carried the "do your own thing" onto billboards and newspapers.

Recently in San Fransisco, I noticed a handsome, fully mustachioed young man staring intently at me from a billboard. He was puffing perfect smoke rings, and the message said something like "No excuses. The Turk smokes because he likes it." The unspoken message was loud and clear: "and he doesn't give a damn what anybody says!" This represents an insidious challenge designed to subvert the natural, delicately tethered sense of defiance of authority—the assertion of independence that is a precious, if transient, virtue of youth—into a self-destructive habit. It says, "to hell with the old fogies and their statistics of fear; live it up!"

Later I found a full page ad in a local newspaper. Languid Lee Bryant is poured sensuously over a rattan rocker, cigarette (of course) dangling casually from her delicate fingers. Her message: "I smoke. And I am not going to apologize for it. Sure I have heard it all. I light up a cocktail party. And somebody would remind me what they have read about smoking in the papers. Well, I read the papers too. . . ." Tough, cool talk.

I would love to see the American Cancer Society run an ad on the opposite page showing a bronchial cancer victim in the agonal throes. The caption should read, "I smoked. And it's too late to apologize for it. Sure I heard it all. I used to light up at a cocktail party. And somebody would remind me of what they read about smoking in the papers. And I ignored them. . . . Look at me now. I'll be dead before I'm fifty."

Most of us have acquired an anamnestic tolerance to the ceaseless, tasteless barrage of little lies that emanate from the mills of commercial propaganda. Over the years my resistance has been beaten down, my indignation titer has receded; I realize I am being sweet-talked into purchasing things I really do not need or want.

But I am not willing to place cigarettes in the same grab bag with deodorants or floor waxes. The slick psychologists from the big street have far outstripped their country cousins in medicine in areas of "motivational [sales] research," but I think they have gone too far. It is all fun and games in the interest of free will (Who's twisting your arm?) and free enterprise, until advertising seduces unsophisticated kids into acquiring habits that can kill.

Walker's stern challenge to the legislators should be heeded.

EVANGELINE BRUCE

Mr. PERCY. Mr. President, Mrs. Percy and I read with considerable interest a wonderful story about an extraordinary woman in "W". Because Evangeline and David Bruce are so highly regarded by so many of my colleagues, I thought that they would be interested in reading this incisive story about Evangeline Bruce's thoughts and life.

Certainly the Bruces have been among the great diplomats this Nation has ever had. Our Foreign Service has been better for their presence, our country has been represented in a truly outstanding manner, and a new standard of excellence has been established to which others can aspire.

As is so frequently true, the spouse of an American diplomat is a full-fledged member of the team and can contribute greatly to the work of an American embassy. I ask unanimous consent that the article that appeared on Friday, November 29, 1974, in "W" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVANGELINE

WASHINGTON.—"Women have a great fund of moral courage," says Evangeline Bruce, the wife of David K. E. Bruce, the United States ambassador to the North Atlantic Treaty Organization.

"Just think of all the couples you know in private life, and how often it is the wife who has the moral courage," she explains.

"I feel terribly strongly about this idea. I firmly believe it's one of the most fundamental things in life. I don't know if this has always been true or not. But certainly in our life today, it is a fact."

And when it comes to couples, Evangeline Bruce is the perfect diplomat's wife.

She is so diplomatic that even when she is asked to fantasize a perfect dinner for 10 people that she would most like to have as guests, she replies, "I wouldn't dare. David and I wouldn't have a friend left if I missed someone." Or ask her what she missed most about the U.S. when the Bruces were in China and she says flatly, "Friends." But she refuses to name any.

As Evangeline talks, it's easy to see she knows how to tread the diplomatic maze without stepping on toes. No wonder the Bruces were the most popular Americans in Europe as they interlocked the worlds of politics, diplomacy, art and literature in both their private and public lives.

Now back in Washington only a few weeks, Evangeline is sorting out her life after 16 months in China, where her husband headed the United States liaison office in Peking. He is now preparing for a NATO post in Brussels.

The Bruces became a living legend in U.S. diplomatic history when David Kirkpatrick Este Bruce served as the first American to represent his country as ambassador in Paris (1949 to 1952), Bonn (1957 to 1959) and London (1961 to 1969), serving at the Court of St. James longer than any other American.

And Evangeline Bruce made her own headlines in these European capitals with her parties, her charm, her good looks and her wit.

In each of the embassies where Evangeline presided, and to which she always gave her personal touch, the guest list was not restricted to the diplomatic corps. There was always a mix of writers, artists, musicians and journalists.

She has a strong personal view about the role of an ambassador's wife.

"I think there is one principle. You are a channel. You are interpreting the outlook and the principles of your country. You must never forget that it is through your behavior and what you stand for that your country is interpreted. You should aim to represent its traditions, its principles and its outlook. You have the opportunity to project the American home.

"One of the things that foreigners always want to see is how an American family works. Fortunately, our three children were able to be with us a certain period of time. But, of course, the time came when I had to think about cultural expatriation. Then, it's up to you and them to decide if they want to go back home to boarding schools. And in each case our children decided to return to the States.

"You're also a two-way channel," she continues. "It's teamwork. Certainly you're a channel back to your husband. You can interpret. You're the eyes and ears of your husband."

As one listens to Evangeline Bruce, seated in her beautiful, rambling Georgetown house on a rainy November afternoon over a cup of hot Earl Grey tea and crisp cinnamon toast, there emerges a remarkable mixture, part dreamer, part doer.

As the American-born Evangeline Bell, educated in France and married to diplomat David Bruce in 1945, she's a marvelous blend of American heritage and European background.

It shows in many ways.

Take the way she feels about her home. "I prefer the European theory of living in a setting which grows almost organically from what you and your husband already have," she says.

"Of course, when you live in an official house, you have to do things over gradually. *I've found it's* a treasure to have a decorator like John Fowler, who only operates in that type of house, when he's not adding a curtain to Windsor or Buckingham or repairing something belonging to the historical trust. He is so imbued with the 18th Century that he is incapable of not doing the right thing.

"For instance, he was the only person to understand the intricacies of making fake paneling in the London embassy look like the real thing. He did it by using peinture a la colle, a method used at Versailles."

Today Evangeline and David Bruce have three very special homes—a house near the North Carolina border in Southside, Va., which Evangeline describes as a "small Gothic castle," a Federalist home in Georgetown and an apartment in London's most prestigious building, The Albany.

The Georgetown brick home, which covers an entire corner block with a sprawling walled-in garden and rambling structure complete with a smokehouse, is typical of Evangeline's passion for English decorating. It's like a lovely country house in Surrey. The floor-to-ceiling paned glass windows let the sunshine in on a huge drawing room painted a delicious peach with lime silk drapes. The polished wood floors are covered with delicately tinted and patterned Bessarabian rugs.

All around the room are one-of-a-kind pieces, both French and English 18th Century. Yet there's nothing stuffy. Evangeline has added her own touches, such as John Fowler's hand-painted pillows with lemons, butterflies and leaves; splashes of bright red anemones, and painted white framed Louis XV chairs covered in pecan-brown leather.

"It's a room that has such great dignity and equally great coziness," says Lorraine Cooper, wife of the Kentucky senator, "and one of the loveliest drawing rooms in Washington."

Upstairs is a room that Ms. Bruce calls "my bedroom library, that's where I live." It's filled with personal treasures. Books cover an entire wall; magazines are piled high on tables; boxes are filled with mail on a little desk behind a white screen; plants and amusing plastic colored tubes become kinetic art when placed on a little coffee table beside the fireside sofa. But Evangeline's pride and joy in this room is a handwoven rush rug made to measure five years ago by apple weavers in Kent, England. It's exactly like the braided patterns done in Elizabethan days.

"Just smell the gorgeous fragrance. It's enough to make you feel like you're deep in the country with wind-blown rushes," sighs Evangeline.

It's possible Ms. Bruce is the only woman in this country who waters her bedroom rug and doesn't worry about the floor. But, as she laughingly adds, "I really only sprinkle it."

Regardless of what she does to that bedroom rug, the rest of the room is memorable, too. Her four-cornered bed is canopied in poufs of Indian patterned cottons. On the bed are pink and white rosebud Porthault sheets and pillows, and a Chinese badger rug lies at the bedside.

Just as she has ideas on the role an ambassador's wife should play, Evangeline has specific ideas about what makes a room lovely and livable.

"Lighting is immensely important. I like a lot of light in a room. I think most women don't, but I don't like pools of darkness. I also like lots of screens around a room. I feel they make several rooms in one. Of course, dogs, flowers and comfortable chairs. Naturally, books. But they must be there because you really read them. Not because they're by the yard. Wall-to-wall carpeting is out. Good reading lights, a fire and a lovely fragrance (but never in the dining room) are ingredients that make a room special."

As a woman who has visited the most memorable houses in the world. Evangeline Bruce says one of the most extraordinary rooms she has ever seen was in Windsor Castle.

"It was full of French furniture from Versailles. Then there were tremendous Sevres tubs filled with pink and white rhododendron with a fragrance so strong you could smell it for rooms. And that unbelievable combination of furniture and fragrance on a spring day will always be unforgettable to me."

Speaking of unforgettable sights, Ms. Bruce still recalls her train trips in China as memorable.

"Peking was a dream. We traveled quite a lot around China during our 16-month stay there. I must say just traveling by train was an experience. You travel in small compartments entirely slipcovered in white cotton. There is a little table in front of the window, a thermos of hot water, several tea bags, covered mugs, a lamp and a plant. It gives the effect of a small, personal room. Outside there was a variety of landscape. We would stay glued to the window as we went from the rice-growing south to the more arid mountainous north. It's very like the USA."

For a woman who has lived in Peking, Tokyo, London, Teheran, she's used to packing, moving and traveling. Yet this time, she finds she is more disorganized than usual. Her grandma's monster Vuitton trunks line the upstairs hallways and are still crammed with things from Peking. Her little black notebook is full of listings tabbed to pack, to order, Brussels, Washington and London. Every day she's busy putting little red stickers on everything from lamps to paintings that have to be shipped and packed for Europe.

"Personally, I enjoy contrasts. Our married life has been made up of them. Periods of living entirely in the public eye where each gesture is noted and taken to represent an attitude of one's country. Or back here, a very private life, made up entirely of friends and family.

"I think I am becoming more intolerant, more unwilling to lose precious time with people whose values are different from my own. I'm less willing to compromise with banality, personal ambition, with mediocrity disguised as something else, with meretriciousness, with pretentiousness in any form.

"Life styles are changing and I think our children have been instrumental in teaching me that there are unacceptable values. Some of them were ones which we—in my generation—had instilled in us.

"I'm realizing that the greatest luxury is privacy. When you're young everything interests you. Everyone is interesting. Then you find there isn't room for everything. You simplify. You prune. You more and more go back to personal life, close friends and family."

She applies this rule of simplicity to fashion, too. Well known for her personal way of dressing that's both elegant and amusing, Evangeline hates to feel too much thought has been put into clothes. As she says, "Excessive preoccupation with clothes or decoration is a bore."

Yet, she is fascinated by the philosophy of fashion and its relationship to current events. As she says, "Anyone seduced by the eye cares what they wear, as they care for what surrounds them in their rooms—the flowers they grow or like to look at. I find it so interesting the way people express themselves in clothes."

"Certainly the way Evangeline pushes a wide-brimmed beige plush hat with big silk roses and a seductive veil on her tawny blonde hair and wears St. Lourent black boots with her Sonia Rykiel long skirt and skinny black sweater suggests a woman of great personal assurance and a strong sense of whimsy. She certainly turns heads when she walks into the best restaurant in New York and Washington in her rose-garden hat.

Although she's been too busy to do much partying since she and the ambassador have been back in Washington, Evangeline has a passion for the place. "I love it. But I must admit Washington is the most hermetically sealed capital. It's a very mysterious, secret spot. More so than in any other capital, Washington opinion is made at small dinners and small gatherings in private homes."

She finds Washington newspaper people and columnists give the most interesting dinners. Two of her favorite hostesses who know how to give great parties are her close friend, Pauline de Rothschild, and Washington's Alice Roosevelt Longworth.

Evangeline prefers to let her guests shine rather than inject her own provocative statements. As she says, "I'm either too much of a coward or too conditioned by early diplomatic training to do this." She does have definite ideas about entertaining: Never have background music, for example—"that's for people who can't talk or listen."

One of the Bruces' favorite dinner parties in London was a small one for 10 friends, including Groucho Marx, S. J. Perelman and Jonathan Miller. "It was a hilarious night," recalls Evangeline.

As the rain stops and the sun comes out in long, slanting streaks, the front door opens and her husband returns from his day-long intensive briefing at the Pentagon. A handsome white-haired man, looking every inch the diplomat, David Bruce at 76 is awaiting his Brussels assignment with great interest.

As Evangeline says, "David has been deeply involved in the making of Europe, from its inception when he was ambassador in Paris and worked closely with Jean Monet, the 'father of Europe,' then back again as ambassador observer to the Interim Committee of the European Defense Community. Result: Brussels is full of old friends similarly involved."

But regardless of where David Bruce goes, his keen sense of observation is always working. Quickly summing up China, he points out: "Don't forget it's a country of 800 million people and not one private car."

While Ambassador Bruce singles out this fact on China, one male admirer says of his wife: "She's super femininity, freshness and fragility. She's rather like a porcelain china doll. There's only one Evangeline."—JUNE WEIR.

INFLATION

Mr. STEVENSON. Mr. President, in the December 2 issue of the Wall Street Journal Prof. Arthur Schlesinger has elaborated his views on inflation. His article deserves the attention of my colleagues, and I ask unanimous consent that Professor Schlesinger's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL 1976 EQUAL 1932?

(By Arthur Schlesinger, Jr.)

Inflation continues, and so does talk about inflation. I claim, God knows, no special access to the higher mysteries of economies. But anyone acquainted with American history must wonder whether the anointed priesthood really sees so much deeper into those mysteries than the rest of us. Certainly neither professional economists nor business leaders displayed great brilliance in diagnosis or in prescription during the economic crises of our past. In any case, their failure to agree among themselves today encourages outsiders to venture an opinion.

My opinion, frankly, is that our orthodox thinkers are living in a dream world. They persist in seeing inflation as a rather superficial problem. As an eminent colleague on the Journal's Board of Contributors wrote recently in this space, the trouble comes "less from the inherent characteristics of our economy than from the erratic course of our so-called stabilization policies themselves." Others offer the philosophical view that, in the words of Dr. Feliner of the Council of Economic Advisers, free economies "are inevitably subject to cyclical fluctuations" and that, "once an inflationary process has gotten out of control, the discomforts of a more extended adjustment period [i.e., prolonged recession and mass unemployment] must be acepted as a phase of cyclical development."

"JUST GRIN, KEEP WORKING"

These respectable men may be right to take it all so calmly. But I doubt it. One reason I doubt it is that their talk about inflation is bound to remind a historian of the way the representatives of academic and business orthodoxy were talking about depression in 1930. Then, as now, respectable men thought the economic crisis was accidental and temporary. "Just grin, keep working," said Charles M. Schwab, the steel magnate. "Stop worrying about the future." Then, as now, some thought that boom and bust were the divine plan. "The best way to get rid of business cycles," said Dwight Morrow of J. P. Morgan's, "would be to prove that they are inevitable." Then, as now, some thought the solution was to let the economy go down until it struck bottom and "natural forces" brought it back. So Andrew Mellon advised Herbert Hoover, "Liquidate labor, liquidate stocks, liquidate farmers."

The respectable men of 1930 declined to see that they were in fact confronting a crisis of the system itself. I continue to believe that we are confronting another such crisis of the system today. In correcting the innate propensity toward depression in the pre-war economy, we helped give the post-war economy an innate propensity toward inflation. This propensity was strengthened by the role of administrative inflation in the commanding heights of the economy, where prices are set not by supply and demand but by market power. I readily agree with Milton Friedman that the increased size of government has made its contribution too, though, insofar as aggregate spending and debt cause inflation, it must not be forgotten that *private* spending and debt make up the bulk of these aggregates.

There has been in addition the tendency, so ably described by Gunnar Myrdal, for people and organizations to develop vested interests in rising prices and wages, for inflation to sink deep roots in a wide and complex institutional reality and for institutional factors to give the inflationary process "its cumulative and accelerating character." Inflation, in short, would appear to be the expression of the deep structural vulnerability in modern capitalism—a challenge to the system as fundamental today as depression was 40 years ago.

Why do not orthodox economists see it this way? It may well be because the way I see it is wrong. But it might possibly be because they suffer on their side from certain professional deformations. Received truths held too firmly around the eyes, may turn into blinkers. This happened in 1930 when a couple of outsiders, William Trufant Foster and Waddill Catchings, had a far better instinct for diagnosis and prescription than the grand panjandrums of the American Economic Association.

Keynesianism is our contemporary orthodoxy; and Keynes wrote his greatest book against the backdrop of world-wide deflation. Though Keynes actually came out for stable prices in a neglected passage in the "General Theory," his disciples have characteristically been preoccupied, as he was, with depression. The Keynesian establishment has simply refused to recognize inflation as a primary issue. They have perhaps been confirmed in this refusal by the fact that taking inflation seriously would require them to contemplate other things than the fiscal and monetary equations of equilibrium economics. It would require them, in Myrdal's words, "to come to grips with a wide variety of institutional factors, which they have not been well trained to deal with." It is not easy for a person reared in the Marshallian faith to become an institutionalist.

We are, I venture to suggest, in much the same state of confusion and ignorance in the fact of systemic inflation as we were in 1930 in face of systemic depression. Then, after devotion to the old-time religion produced only a couple of more years of national misery, respectable men finally threw up their hands. "I have nothing to offer, either of fact or theory," said John W. Davis, the leader of the American bar. "There is no panacea," said W. W. Atterbury of the Pennsylvania Railroad. The president of the First National Bank of New York, asked whether he had a solution, replied, "I have not, and I do not believe anybody else has."

If 1974 equals 1930, then 1932 is approaching fast. Like the Hoover administration before it, the Ford administration flounders, and the problem gets worse. Like the Hoover administration, it offers pep talks, slogans, incantations, voluntarism, "natural forces" and random measures of manifest inadequacy. Like the Hoover administration, it is stubbornly unwilling, perhaps emotionally unable, to see the situation not as superficial and temporary but as a crisis of the system itself.

I suggested last month that, unless inflation goes away, the election of 1976 might have the historical significance of the election of 1932. Dr. Fellner may be philosophical about the "discomforts" of recession and unemployment; but he is mistaken if he supposes that American labor or American business will take these discomforts with equal stoicism. If inflation continues, they will react to it as they reacted to depression 40 years ago: they will insist on government action to end economic misery. As stable employment was the great domestic demand of the 1930s, so stable prices may well become the great domestic demand of the 1970s.

NOTHING INEVITABLE

Nor is this demand unreasonable. There is nothing inevitable about inflation. The enormous economic expansion in the United States in the 19th Century was accompanied by falling prices. To accept the inevitability of rising prices, as Myrdal says, "represents a resignation to the social and political forces that are driving inflation forward." The political leader who can persuasively pledge his determination to use all the constitutional powers of the national government to stop inflation could probably sweep the country.

It will very likely be evident by 1976 that the old-time religion can't cope with the present mix of inflation and recession. Since our present inflation does not arise from an excess of aggregate demand, the attempt to restrain inflation by reducing demand will only deepen the recession. We have to do two things at once: Hold prices down, and turn business activity up. I wish some respectable man would explain to me how it is possible to reflate the depressed sectors without raising prices unless fiscal and monetary stimulus is accompanied by price and wage controls in the sectors where prices are set by administrative decision. Without such controls, deflationary and reflationary measures simply cancel each other out. Controls alone can act as the circuit breaker, permitting reflation to stop the downward spiral into depression without at the same time driving the upward spiral into runaway inflation. (And if someone tells me that controls create distortions and inequities, I can only reply that they do not create half as many as 12–14% annual inflation does.)

What would the political effect of continued inflation be? One probable consequence is that President Ford would not choose to run. Even if forced to controls, he could not administer them with any conviction because he patently does not believe in them. Doubtless the Republicans might nominate a candidate who would take the party down with him in one last fight for the old-time religion. But my guess would be that enough Republicans may want to win in 1976 to bring about the nomination of someone prepared to call for government intervention. This would obviously be Nelson Rockefeller. It has always seemed idle to speculate as to whether Nelson Rockefeller is a liberal and conservative. I doubt that these terms have much meaning for him beyond that of tacking through a prevailing wind. But he is indisputably a big-government man. He would not have any of Gerald Ford's inhibitions about controls. He likes to run things—he would like, one sometimes thinks, to run everything—and he has infinite confidence in his capacity to run things successfully. He might be a powerful candidate on a Stop Inflation platform.

To beat him, the Democrats could not count simply on popular revulsion against the party that has so absymally failed to contain inflation. Let no one say, however, that you can't hold the party in office responsible, that inflation is a matter beyond human control. If this were a time of stable prices, full employment and general contentment, the administration would claim the credit. Why should it not therefore quality equally for the blame when things go wrong?

NO ROOSEVELT ON HORIZON

But the Democrats will have to do better than that. They will have to come up with a candidate who seizes the problem and appears to have the personal strength, energy and political skill to master it. Unhappily for the Democrats, the one candidate who seemed to possess these qualities—Senator Kennedy—has withdrawn. In 1930 Franklin D. Roosevelt was on the horizon; I don't see his equivalent at the moment. In the meantime, as a Democrat, I hope that the party will respond to the leadership that Senator Mansfield and the Democratic governors have been trying to give on the inflation problem and that it will declare the abolition of inflation, the long-term stabilization of prices, as one of the party's supreme objectives.

THE UNITED STATES AND CUBA: YESTERDAY AND TODAY

Mr. HARRY F. BYRD, JR. Mr. President, this past Saturday evening I spoke in Miami, Fla., to an audience of Cubans in exile. Held in the Miami Senior High School, the Associated Press reports that it was attended by some 2,500 persons.

On the program with me were: Former Ambassador William B. Pawley, a Miami resident; former U.S. Ambassador to Cuba Earle E. T. Smith, now mayor of Palm Beach, Fla.; Mario Lazo of Connecticut, formerly a leading Havana lawyer; and the last constitutionally elected President of Cuba, Carlos Prio.

I ask unanimous consent to have printed in the Record the text of my address.

There being no objections, the text of the address was ordered to be printed in the Record, as follows:

THE UNITED STATES AND CUBA: YESTERDAY AND TODAY

(Speech by Senator HARRY F. BYRD, JR.)

Although I am sharing the podium with such a distinguished group of speakers, and speaking to an audience that is intimately familiar with Cuban history and recent developments in Cuba, I would nevertheless like to take this opportunity to share with you my first experience in Castro's Cuba before discussing the trends in US-Cuban relations as I see them.

Fidel Castro grabbed power—and immediately became Cuba's dictator—on January 1, 1959, nearly 16 years ago. While the Batista government which he ousted had many faults, it was pro-American, and people had economic freedom. The Cuban people were also strongly pro-American.

I saw all this change in a short period of time.

As a newspaper correspondent, I was sent to Cuba in an effort to assess Fidel Castro and his new regime.

On my first trip, shortly after Castro came to power, I found Castro welcomed with opened arms by the overwhelming majority of the Cuban people.

In the many discussions I had with large numbers of persons of all political and economic persuasions, I found that few thought him a Communist and even fewer foresaw the extreme to which he subsequently would go.

On leaving Cuba after that first trip, I reported that Castro had overwhelming support and a great opportunity to create a better life for his fellow citizens.

But I raised the caution flag by stating that while Castro was riding high in both acclaim and opportunity, I had the uneasy feeling that the future for the Cuban people was not as bright as most Cubans at that time believed.

That was August, 1959.

I returned to Cuba in late October of that year—and what a change had taken place.

My purpose in returning was to cover for the newspapers I represented the huge anti-American rally, which Castro held on the ground of the Presidential Palace in Havana.

The rally lasted from early afternoon until late that night, the 26th of October if my memory is correct. The first speaker was President Osvaldo Dorticos Torrado. Then followed numerous government officials. Fidel Castro was the anchor man and spoke for 3 hours and 15 minutes.

I telephoned my report of the event from the apartment of the editor of the Times of Havana which apartment overlooked the Presidential grounds.

The speeches were bitterly and vindictively anti-American.

During that trip, I spent much time with the late Jules DuBois, Latin American correspondent for the Chicago Tribune. DuBois had been pro-Castro during the time Castro's guerrillas were fighting Batista. He had written a favorable book on Fidel Castro but broke with Castro when the latter established a dictatorship.

DuBois then became public enemy No. 1 being continually denounced by the leaders of government.

A day or so after the anti-American rally DuBois was attacked by an angry mob and saved from harm by Havana police.

The next day, he was ordered out of the country and it was suggested that since I had been with him so much, it would be well for me to leave Havana. So I went to Santiago.

During that October trip to Cuba, I talked with many of those whom I had seen in August. Most of those who previously had been favorable to Castro had become deeply alarmed. It was clear that the Castro government would be not only bitterly anti-American, but a tight dictatorship which would tolerate no opposition.

I sought to find two prominent businessmen who had been particularly outspoken on behalf of Castro when I had talked with them in August. They were not available in October, and I learned that they had fled the country after Castro had confiscated their properties.

I have seen more fear on the part of individual citizens in Cuba than I have seen in any countries except Czechoslovakia and East Germany.

I shall never forget visiting a small produce merchant at the Havana market to whom I had been given an introduction by a mutual friend. When I handed him the letter of introduction on the sidewalk in front of his place of business, he indicated clearly that he did not wish to talk with me—except about the price of produce.

As I was preparing to leave he said he would like to show me his cold storage facility. After he closed the door and we were alone in the refrigerated room, he said, "Now we can talk."

We seated ourselves on sacks of potatoes, and he proceeded to give me in great detail the change that had taken place in Cuba, the stifling of individual liberty, the harassment or imprisonment of those expressing opposition to the Castro regime and the militancy being developed among the Castro supporters.

He had tears in his eyes when he said that his own daughter the night before had told him that if he did not like what Castro was doing, he should leave Cuba.

Through the years I have tried to keep in touch with many who knew Cuba well and who, although forced to flee themselves, have kept contact with the year-to-year developments in Cuba.

There is little doubt that Cuba today is a strict Communist dictatorship with personal freedom virtually nonexistent.

Yet despite the present state of Castro's regime there is increasing interest to change U.S.-Cuban relations, as well as Cuba's relations with the Organization of American States.

The new mood for a reconciliation of sorts with Cuba is not the result of any policy shift on the part of Castro and the Soviet Union.

Indeed, in every official pronouncement Castro has continued to reaffirm those policies which resulted in the Soviet-American confrontation.

The new mood results from the ambiguities of detente.

Early in 1974 U.S. supporters of normalized U.S.-Cuban relations launched a concerted effort for their case.

In Congress initial steps in this direction were undertaken when Senator Fulbright introduced legislation to repeal provisions of current Federal law enacted under three separate Acts.

The Fulbright proposal would repeal legislation which prohibits trade between the two nations. In addition, it would repeal the prohibition on U.S. aid to Castro.

Senator Fulbright's legislation also would repeal the law signifying our opposition to the Castro regime's subversive activities in the Western hemisphere.

Furthermore, his proposal would repeal the law committing the U.S. to prevent an externally supported military capability in Cuba that would endanger the United States.

I shall oppose the enactment of Senator Fulbright's legislation.

There nevertheless remains a strong sentiment among our Latin American neighbors, and among many prominent U.S. businessmen, publishers, academicians, and politicians, for a normalization of U.S.-Cuban relations.

Despite, however, what appears as a trend toward changed Cuban-Western Hemispheric relations, I think a number of questions must be raised.

Proponents of normalized U.S.-Cuban relations assert that U.S. policy has failed to isolate Cuba, and that the changing international environment makes our present policy inadequate.

Few critics of our policy, however, seem willing to ask what, in fact, the U.S. stands to gain from a resumption of relations with Cuba, and what the long-term consequences would be for free Cubans everywhere.

What do we stand to gain? In my view, very little.

My objection to detente with the Soviet Union is not that there should not be a dialogue, but that in all our agreements with Russia, we seem to come out second best.

By the same token, I would oppose unilateral concessions to Cuba.

Fidel Castro's statement to the effect that he is "willing to talk to Secretary of State Kissinger if the economic embargo against Cuba is unconditionally lifted" has of course raised speculation that Cuba is ready to meet U.S. requirements for a reconciliation between the two nations.

But I do not believe that Castro is ready to meet U.S. requirements and I doubt the wisdom of lifting the economic embargo against Cuba as a prelude to negotiations.

Since Cuba is seriously interested in trade with the United States, particularly access to our money markets, we should not give away the only leverage we really have without getting something in return.

In the past, the United States has insisted that improved relations would require a cessation by Cuba of interfering in the affairs of other American states, and severing close political and military ties between Cuba and the U.S.S.R.

There is no evidence that Cuba is prepared to sever close ties with Russia.

On the contrary, in 1970 the Soviet Union established a nuclear submarine base in Cienfuegos, in violation of an agreement with the United States not to deploy strategic offensive weapons on the island.

Without revealing any details President Nixon in 1971 stated that in the event nuclear submarines were serviced in Cuba, or from Cuba, it would be considered a violation of the U.S.-Soviet understanding.

Recently published sources indicate that only one month after the Nixon warning a Soviet nuclear submarine sailed into Cienfuegos.

The Scviets have continued to violate the agreement regularly ever since.

These Soviet submarine visits to Cuba illustrate just how shallow detente is.

If the Soviet Union persists in violating agreements there can be no detente.

Since the Cuban Missile Crisis of little more than a decade ago the Soviet Union has become a Caribbean power, with bases only 90 miles from the United States.

Besides the immediate strategic gains accruing to Russia because of its newly established presence in the Caribbean, there is also a gain in prestige for the Soviets.

And this has to be damaging for the United States with respect to our relations with our Latin American neighbors, as well as within the overall East-West context.

Where does this situation then leave the United States with respect to a normalization of relations with Cuba?

I think we must recognize that there is little hope that the U.S. policy of isolating Castro will result in his being deposed. He operates a repressive police state and has strong external backing from Russia.

Nevertheless, I personally cannot accept any unilateral concessions on the part of the United States.

I cannot accept the proposal to lift the embargo on Cuba as a prelude to negotiations.

An end to the embargo should only come if Cuba is willing to meet certain conditions. Here are three examples:

First, I think the United States and Cuba should permit free access to the news media representatives of the other country, and allow for a greater freedom of movement between the two peoples.

Second, I think the Cuban Government should provide compensation for the confiscation of property. Vast amounts of property were seized by Castro—land, cattle, factories, homes.

The State Department has an obligation to demand a full settlement and the time to do it is as a prior condition to any lifting of U.S. restrictions. The Foreign Claims Settlement Commission has certified claims of losses by American citizens totaling some $1.8 billion.

Third, there is the question of oppression. In our country the press talks extensively about the political repression, the terror, and the torture in countries like Brazil and Chile. The U.S. government is urged to intervene and use its diplomatic leverage to seek improved conditions.

In contrast, few seem willing to write about the brutality and horrors of the Castro regime. Clearly, if the United States is to be concerned about repression in non-Communist countries we must be concerned about repression in Communist countries. We must particularly be concerned about conditions in Cuba—a country that has shared such good and close relations with the United States historically.

We cannot afford to delude ourselves about the nature of Castro's regime.

Castro must drastically change his ways if the United States is to change its present policy toward Cuba.

KENILWORTH, ILL.

Mr. PERCY. Mr. President, one aspect of America's greatness is the devotion many Americans have to their own communities and it is this devotion taking form in so many different says that contributes so much to the vitality of life in our communities. The pride that we take in our local government; in our local school system; in our own homes and what they can add to the beauty of our community; our local character-building organizations such as Boy Scouts, Girl Scouts, Campfire Girls; our PTA's, our local library, our own law enforcement and "friendly patrolmen", as well as fire protection, our city or village services, all of these combine to give us not only a sense of pride but also give our local community an added dimension that an impersonal federal or state bureaucracy simply cannot match.

There have been many individuals who have been responsible for building the unique quality and character of life in Kenilworth, Ill., a village that was my own home and the home of my children for several decades. No one has contributed more of her life, thought, and love to her own village than Colleen Kilner. The village of Kenilworth appropriately named a special room that houses the Kilner Library of the Kenilworth Historical Society, itself a project to which Mrs. Kilner has devoted so much of her life.

We are all grateful to her for her immense contribution, and I ask unanimous consent that an article from the November 14, 1974, issue of Wilmette Life be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLLEEN KILNER, A DEVOTED PATRON OF KENILWORTH HISTORY

(By Joanne Prim Shade)

The spirit of Colleen Kilner pervades a small room in the northeast corner of the Stuart Memorial Building in Kenilworth.

That room is the special province of Mrs. Kilner, for it houses the Kilner Library of the Kenilworth Historical Society, headquartered in the building.

Mrs. Kilner, who has written two books on the history of the village, is working to build a collection which she divides into three groups: the history of Illinois, the history of each of Illinois' 102 counties and books by Kenilworth authors.

The society celebrated its 52d anniversary Sunday, displaying a collection of Indian relics in its museum at 415 Kenilworth Av. Also featured was Mrs. Kilner's pictorial review of events in Kenilworth history since the opening of the museum two years ago. A biennial dinner is being held this evening.

The library collection, undertaken as a Bicentennial project, is growing as a result of Mrs. Kilner's efforts. Doffing her shoes along with a visitor as they stoop to better examine contents of a lower shelf, the librarian-historian-writer points out special features of the collection.

"I decided we should have a special bicentennial project locating the histories of each of the 102 counties in Illinois. It's an expensive little hobby," she says.

Older histories are collectors' items now and no longer being published; these have to be reproduced. A Scott County book cost $25 to copy; another recent bill was $34.50 for two other county histories. But Mrs. Kilner doesn't mind the bills.

"It's my gift, but that's not important. The work is the important thing."

Along one shelf of the collection are folders containing clippings from magazines and newspapers, constantly updated with current items of historic interest.

Cook County occupies a somewhat proportional share of this space and subclassifications have been set up to hold the wealth of material related to Chicago and suburbs.

Cook County has folders for architecture, art, business, churches and clubs and societies, to name a few. Under a heading of "personalities," the scanner will locate clips on John Baptiste Pointe du Sable, recorded as Chicago's first settler, along with Hugh Hefner, Ernest Hemingway and "brides of yesterday." The "publications" file includes the final edition of Chicago Today.

Another special section is being started for suburbs of Chicago.

Also included in the Kilner library are volumes containing congratulatory letters to Mrs. Kilner upon publication of her two Kenilworth-related books, "Joseph Sears and His Kenilworth—The Dreamer and His Dream" and "Kenilworth Tree Stories."

Former President Nixon, Mamie Eisenhower, Sen. Charles Percy (R-Ill.), then Governor Ogilvie, former Gov. Otto Kerner, Mayor Daley—all are represented on carefully organized pages.

A clipping from the Oct. 1970 issue of "American History," published by the National Historical Society, describes the book about Sears, founder of Kenilworth:

"The story of one of America's first great experiments in suburban living, Kenilworth, Ill., and the man whose dream it was, Joseph Sears. The book is illustrated throughout with hundreds of photographs of the early town, its people, and their life in this new kind of community.

"In addition, Mrs. Kilner presents a detailed history of Kenilworth through the years and interesting profiles of every facet of its society, from sports to weddings. A very well done local history."

Mrs. Kilner adds, "Of course, the real estate people just loved it. I originally wrote the book to make money for the historical society and luckily I did for the Stuart family decided to give us the entire building."

Many of the volumes in the library carry the Kilner bookplate.

"I couldn't decide on anything to give Mr. Kilner on our 25th anniversary, so I thought of the bookplate with a silver fir on it," she recalls.

"Kenilworth Tree Stories" was scheduled for publication to coincide with the centennial observance of Arbor Day in 1972, the 50th anniversary of the Kenilworth Historical Society and the dedication of the historical society building.

By this time, Mrs. Kilner had decided that "the most effective way of interesting citizens of all ages in ecology is to weave the history of a town around its trees." Her husband, Frederic R. Kilner, now deceased, was a horticultural publisher.

"This article is not to concern me, but the society's library," Mrs. Kilner protests, but nonetheless she permits extraction of certain bits of person information.

"My husband and I were both born on July 4 in Chicago and went to the same high school and the University of Chicago. Mr. Kilner was graduated a year ahead of me. During War I, he was in the Rainbow Division and I was a canteen worker. He became a trade paper editor and later publisher.

"When I left the University of Chicago, I was recommended to LaSalle Extension University and offered $50 a month. I got a very high offer—$85 a month—to teach school in Downers Grove and another offer from Honolulu.

"I called my friend, Mr. Kilner, who said, 'By all means, take the editorial job.' He said it would amount to a lot more in the end," she relates.

Following her acceptance of LaSalle's offer, she was given three books to edit. Her future husband put in a four-hour stint one evening teaching her editing.

"I learned so much that evening. My supervisor was so surprised that, in a month, he raised my salary to $60."

War came on and more occupational opportunities opened for women.

"I never will forget pasting a dummy the first time," she says, referring to the process by which stories and pictures are assigned space in a publication.

Colleen Browne sent her first effort to her friend over in the trenches and he sent it back, all re-pasted.

"I went to the editor and told him how it should be improved for the next issue," she says. Later the resourceful assistant editor became managing editor and continued in that position until she was married Oct. 21, 1920.

"As assistant editor and then managing editor of 'Personal Efficiency,' the house organ published monthly for students—circulation 100,000—my name appeared as C. E. Browne.

"It would never do to publicize the fact that I was a woman, especially as almost 100 percent of the students were men; the courses, law, banking, interstate commerce, business administration, etc. I also wrote comments for a course in public speaking for law students," she explains.

"Because LaSalle was a university extension school, students visited only by mail. But one day, it was announced that a gentleman had called to see Mr. Browne.

"As he was passing through Chicago enroute to Detroit, he desired to thank Mr. Browne for his helpful comments and in appreciation left a box of cigars. Conveniently, I was out," she remembers.

College girls in the pre-20s, with their hair piled high and ankle-length dresses, did not smoke cigarets, much less cigars, or use rouge or lipstick, she says.

Aside from a valedictorian scholarship the first year, Mrs. Kilner worked her way through the University of Chicago teaching music to children.

Feeling the need for more money her senior year, she became the Chicago correspondent for "The India Rubber World," devoting one afternoon a week to visiting the trade.

She promised her mother that if she got into editorial work, she wouldn't get married for five years after graduation. The wedding date was a Thursday, the day after Mr. Kilner's publishing day.

"Because I'd have been heart-broken if he ever forgot our anniversay," she says, "we chose the 21st of October because the 21st marks the changing of the seasons."

Mrs. Kilner has continued to follow her interests, although the directions they have taken have sometimes surprised her. Her career as the chronicler of Kenilworth began when she was asked to write "something special" for the Kenilworth Union Church bazaar and has gone on from there.

The current Kenilworth Historical Society president W. T. Grimm refers to Colleen Browne Kilner as "that tireless lady."

When the historical society museum was dedicated in 1972, George Haneman, then society president, announced that the "new society library should be dedicated to Colleen Kilner in gratitude for her years of devotion to the organization and that it will be so inscribed."

Mrs. Kilner's response was typical.

"Honors mean more service. A brass plate has to have book-stacked shelves."

LATIN AMERICAN PROGRESS

Mr. KENNEDY. Mr. President, two recent events in Latin America deserve both our attention and our support and reflect the leadership in global matters being shown by many of the nations of Latin America.

First, in Peru, last week, eight Latin American nations meeting for the 150th anniversary of the Battle of Ayacucho, Bolivar's final victory over Spain, reached their own agreement to halt the arms race in hemisphere.

At the initiative of Peruvian President Juan Valesco Alvarudo, a declaration of intent was signed to cease purchasing offensive weapons and to use the funds for social and economic development.

That accord represents a welcome step away from the path of wasteful expenditures among nations whose vital development needs are evident. It also is a hopeful sign that the threats of regional conflict which from time to time have been heard in Latin America, particularly among nations which in the past have engaged in conflict, may disappear.

The second promising development I believe is the decision of Venezuela to use a portion of its oil revenues in support of the Central American Common Market and to provide a discount price to these countries for the oil they purchase from Venezuela. The difference between that price and the market price will be used for bilateral aid projects in the countries themselves.

Venezuela also offered to fill in for the now lapsed international coffee agreement by essentially establishing a purchasing agreement to enable the countries to prevent the further decline in the price of coffee.

The leadership of Venezuelan President Carlos Andres Perez in this new assistance program deserves our encouragement.

I ask unanimous consent that articles describing these events be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Dec. 15, 1974]

Swords Into Plowshares

At a time when the nations of the world are spending $240 billion a year on "defense" and the two superpowers have been able to agree only to freeze the nuclear arms race at even higher levels than those already attained, an encouraging declaration has been signed in Peru. Eight Latin American countries have agreed to limit armaments, to stop buying offensive weapons and to use the money instead for social and economic development.

If the eight carry out their agreement they will indeed have taken that "extraordinary and unprecedented step" to reduce hemisphere tensions, for which they have already been credited by Assistant Secretary of State William D. Rogers, who observed the signing of the pact. If they can persuade the other Latin American nations—Brazil, above all—to adhere to the declaration in a follow-up meeting scheduled for next summer in Venezuela, they will have provided a splendid example for the whole world.

The significance of the agreement is enhanced by the fact that all eight signers—Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru and Venezuela—have fought border wars in the past and some still claim land controlled by their neighbors. Few North Americans recall the War of the Pacific (1879–82) but it remains a vivid event for Peru and Bolivia, which lost it to Chile. And Ecuadorians painfully remember Peru's seizure of 77,000 square miles of territory at the time of World War II.

President Juan Velasco Alvarado of Peru deserves great credit for initiating this effort to halt the arms race in Latin America. His neighbors point out that General Velasco started the competition for sophisticated weapons among Andean nations when he bought French Mirage jet fighters and Soviet tanks, complete with Russian instructors. But there can be no doubt that Peru's military regime now genuinely desires to use the country's resources for its social revolution rather than for costly arms.

What brought the eight countries to Peru on this occasion was the 150th anniversary of the Battle of Ayachucho, which signaled the end of the Spanish Empire in the Americas. General Velasco could not have hoped for a more constructive result from the celebration.

[From the Washington Post, Dec. 15, 1974]

Venezuela Flexes Oil Power

(By Joseph Novitski)

Puerto Ordaz, Venezuela, December 14.—Venezuela stepped onto the stage of power politics in Latin America today by establishing a multimillion-dollar foreign aid program at a meeting with Central American presidents.

The aid program will use a fraction of Venezuela's oil riches to finance Central American oil imports, development programs and a two-year limitation of coffee exports to keep the price of the key Central American product high.

As a result of agreements signed here, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama will ease the strain of oil imports on their balance of payments by half.

Venezuela agreed to contribute $60 million to the Central American Bank for Regional Integration and another $60 to $80 million to finance stockpiling of Central American mid coffee beans.

This should mean pushing up the price to the mainly U.S. consumers by a few cents and keeping it up. World prices recently have been falling.

Venezuela has also indicated that it will help finance a broader coffee price support program, including Brazil and Colombia, the main hemispheric producers.

The Central American countries rich in coffee but poor in oil, were represented by Presidents Daniel Oduber of Costa Rica, Col. Armando Molina of El Salvador, Gen. Eugenio Lauguerud of Guatemala, Gen. Oswaldo Lopez Arellano of Honduras, Gen. Anastasio Somoza of Nicaragua, and Gen. Omar Torrijos, the ruler of Panama.

This was a kind of dry run for a summit of all of Latin American chiefs in Caracas next year.

In return for its new aid program, Venezuela asked only for good will—and a relatively moderate 8 per cent interest on all its loans. The meeting thus became the first practical demonstration of the kind of idealistic leadership that Venezuelan President Carlos Andres Perez has been preaching to fellow Latin chiefs of state for the past week in Peru, Ecuador and Colombia.

A week ago in Lima, at a summit meeting crippled by numerous presidential absences, President Perez practically lectured the military dictators of Bolivia, Panama and Peru on the need for economic integration and a common Latin American nationalism.

Speaking also to representatives of heads of state from Argentina, Chile, Columbia and Ecuador, and using the brusque tone of rural school-teacher, Perez told colleagues to stop squabbling among themselves over ideological issues or border disputes and to begin pulling together.

"He said everything," Gen. Juan Velasco Alvarado, Peru's military president, was heard complaining over the still-live microphone after Perez finished speaking. "He didn't leave me anything to say."

Perez went on to speak on the same theme to the presidents of Ecuador and Colombia, drawing enthusiastic crowds wherever he went. But the meeting at this tropical steel town in the heart of Venezuela's heavy mining and industry district, was the first occasion for the Venezuelan leader to put his lessons into practice.

"Venezuela's oil is Latin America's oil," Perez told the Central American presidents. "We have it to help with the welfare of our peoples, and not to use it as an arm of oppression or as an instrument to enforce political solidarity or circumstantial agreement with Venezuelan policy."

Venezuela, a founding member of the Organization of Petroleum Exporting Countries, which keeps oil prices high, is expected to earn about $10 billion this year. The country's budget has expanded almost fourfold this year, but half of the oil revenues are being kept out of the country in the Venezuelan Investment Fund. Money from the $3 billion in the fund will go to the Central Americans, marking the first time fund money has been used for foreign aid.

The most important of the agreements signed here allows them to pay only $6—about half of what they are paying now—for each barrel of Venezuelan oil they import, and to deposit the difference in their own central banks in their own currencies. The money thus generated, totaling the equivalent of $393,500 a day for the six countries, will be held in interest-bearing accounts at Venezuela's disposal in each country.

Venezuelan Investment Fund officials will oversee local development loans to be drawn from the oil counterpart funds. The United States for years has operated a similar aid program base on wheat sales.

There is a possibility that similar Venezuelan oil-aid programs could be extended to larger Latin countries. Venezuelan officials said they had received inquiries from Peru and Argentina.

The emergence of Perez here is a direct challenge to Mexico, which has traditionally considered Central America as its zone of influence, and, less directly, a challenge to Brazil and Argentina, whose size and industrial development have made them the traditional leading powers in South America.

SENATOR CHURCH SPEAKS OUT ON AGING

Mr. KENNEDY. Mr. President, as a member of the Senate Committee on Aging and one of its subcommittee chairmen, I have often been impressed by the leadership provided by our chairman, FRANK CHURCH.

The senior Senator from Idaho has focused attention on the major issues on aging which confront the Congress and the Nation. For example, he is conducting hearings and related surveys on "Future Directions in Social Security," and on the implementation of the supplemental security income program and modernization of the retirement income tax credit.

Senator CHURCH also has displayed the capacity to examine programs in terms of their direct impact upon people. He became concerned, for instance, about older persons who need only a few hours of care a week to enable them to remain in their homes instead of being forced into institutions. That interest led him to introduce legislation to encourage further development of in-home services. I was pleased, as chairman of the Subcommittee on Health in the Committee on Labor and Public Welfare, to help him advance that legislation.

Senator CHURCH is both an advocate and an effective legislator in the cause of greater justice for the Nation's elderly. Despite past victories, he knows that far more remains to be accomplished before older people in this Nation have genuine economic security and dignity in retirement.

Recently, Mr. Wendell Coltin of the Boston Herald Advertiser and American interviewed Senator CHURCH in great depth. The result was a series of three articles which gave Senator CHURCH's views on a number of subjects which should concern the Congress and older Americans. Mr. Colton, a highly informed columnist who specializes in aging issues, has provided a valuable portrait. I ask unanimous consent that his articles of November 24, 25, and 26 be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SENATOR CHURCH SPELLS OUT SOME WAYS OF IMPROVING FEDERAL AID TO THE AGED

(By Wendell Coltin)

The chairman of the Senate Committee on Aging, Sen. Frank Church (D-Idaho), hopes to see Medicare improved to the point where Medicaid would become unnecessary for the elderly, and "they would be assured not only adequate income upon reaching retirement, but an adequate Medicare program."

In an exclusive 50-minute interview at the Sheraton Waikiki in Honolulu, prior to addressing the 25th anniversary convention of the American Nursing Home Ass'n, and receiving its Better Life Award in the Government category, Sen. Church told this writer:

The most-needed improvement in the Medicare list of benefits is coverage for out-of-hospital prescription drugs and he has a bill pending which would have qualified persons pay the first $1 of prescriptions costs and Medicare would pay the rest.

He also advocates Medicare coverage for dentures, eyeglasses and hearing aids.

He hopes to stop the increase in the Part A hospital deductible and coinsurance payment required of Medicare beneficiaries due to take effect with hospital admissions as of Jan. 1, 1975.

Sen. Church declared, "The Administration seems determined to compensate for increases in Social Security retirement benefits by adding to out-of-pocket costs for patients in Medicare.

"They justify it on the grounds the elderly have more money coming in. I hope the two houses of Congress can act before the close of the session to stop the increases from taking effect. I hope a bill can be put on the President's desk stopping the Medicare costs from rising Jan. 1 and he would have to go with it or veto it."

The dynamic senator, who later made a tremendous impression on his audience, as evidenced by the frequency, loudness and length of applause, recalled in the interview:

"I came to the Senate in 1957, years before Medicare became law.

"I made it a practice in Idaho to make periodic visits to the courthouse, to invite anybody who has got a problem that can be related to the Federal Government. Usually, I have a whole courtroom of people waiting for me. It's like a doctor's office and they are there until evening.

"There never was an occasion the courthouse was not filled and always there has been a number of elderly, among others. They would come as individuals, or as couples; man and wife. There never was a time the older people were not frightened about what was going to happen to them when they became ill. The refrain was always the same: 'Senator, what's going to happen to us? Our life savings will be wiped out if we go to a hospital. They will take our house.'

"I used to say to my wife, 'Bethine, what is wrong with this country, when older people, who made this country, have to live out their final years worrying about what is happening?'

"That persuaded me," Sen. Church said.

This writer remarked, "Obviously, Senator, you have tremendous compassion."

The Senator, whose wife is the daughter of a former governor of Idaho (Chase A. Clark), replied, "Well, this gave it to me."

He continued: "I came out for Medicare. The doctors were against me. The only doctors for me you could count on the fingers of one hand."

Idaho, he said, is a conservative state. He resumed:

"Now when I go back to the courthouse, since Medicare was enacted, they don't understand why their neighbor has so much and they have much less; but they are not scared anymore. At least they know if they are taken seriously ill, Medicare will cover them. That, to me, is the whole story of Medicare."

Sen. Church is well aware that Medicare only covers 40 percent of the health and medical care costs of the elderly and he is aware of the program's inadequacies.

"As we face the story of national health insurance," he said, "I want to avoid substitution of any national program that has the effect of diluting Medicare. You have gaps that need to be closed. I have a bill which is pending. It would close that gap.

"It would require only persons who qualify would pay the first $1 of each prescription and Medicare would cover the rest. I think this is the most important addition we could make to the Medicare coverage. One-fourth or one-fifth of the income of persons who need to take medicines continuously is going in support of these medicines."

Sen. Church said, "I think next year Congress will act on a national health insurance bill. I can't really foresee what kind of bill. A national health program that is enacted will, at minimum, cover the medical disasters; cover illnesses that are bankrupting middle income people; medical catastrophies."

He sees a need for improvements in the Medicare program with regard to extended care and home health benefits, "so the program will live up to its promise." . . . He said, "Home health is an area that has to be expanded under Medicare, rather than contracted."

In honoring Sen. Church with a Better Life Award, the ANHA cited him for "accomplishments unequaled by any other member of Congress, as an established voice in Congress on behalf of the country's elderly." It listed the following among his major achievements:

Enacting of a 20 percent Social Security increase.

Establishment of a new cost-of-living adjustment to make Social Security benefits inflation proof for the elderly.

Extension of Medicare coverage for 1.7 million disabled Social Security beneficiaries under 65.

Replacement of the Old Age Assistance program with the new Supplemental Security Income program.

Establishment of a national hot meals program for persons 60 and over in conveniently located centers.

Passage of the Older Americans Act Amendments, which will provide new and improved services for elderly persons; strengthen the Administration on Aging; establish model programs dealing with practical problems of the aged; and creation of a transportation program to help the immobile elderly.

Sen. Church, in addition to seeking Medicare coverage of out-of-hospital prescription drugs, eyeglasses, dentures and hearing aids and improved home health services, is working for enactment of "additional vitally needed legislation for the elderly, such as protection of elderly home owners and tenants from extraordinary property taxes."

Theodore Carcich, Jr., of Moscow, Ida., formerly of South Lancaster, first vice-president of ANHA, introduced Sen. Church and said Mrs. Church "has visited every nursing home in Idaho and the patients love her." . . . He said the senator tries to visit as many nursing homes as possible.

Sen. Church says in the second (Medicare Mailbox) column that grew out of the exclusive interview, appearing in Monday's Herald American, "We are approaching the limit of what we can extract from working people" . . . and "Social Security is financially sound. There is no reason for alarm."

[From the Boston Herald American, Nov. 25, 1974]

Medicare Mailbox

(By Wendell Coltin)

"We are approaching the limit of what we can extract from working people," Sen. Frank Church (D.-Idaho), chairman of the Senate Committee on Aging, told the Herald American in an exclusive interview at Honolulu, where he spoke and was honored at the American Nursing Home Ass'ns' 25th anniversary convention in the Sheraton Waikiki.

The remark was his response to a question about the just announced increase in the maximum earnings taxable for Social Security purposes in calendar year 1975. The base will go up to $14,100 from the $13,200 in effect in 1974. This writer pointed to the increasing burden on young families, as well as other middle income people.

Sen. Church acknowledged the "limit" is being approached, "even though many (younger persons) have not had Social Security adequately explained. It is not just retirement income. They build Medicare coverage and disability protection. It protects the wife and children if the worker becomes disabled or dies. There is quite a lot they can get. The tax is reaching a ceiling, I would hope."

Yesterday, in the first of three columns resulting from the interview with Sen. Church, it was stated he sees an urgent need for extending Medicare coverage to prescription drugs; also advocates coverage for dentures, eyeglasses and hearing aids; and improved home health care benefits.

Sen. Church would like to see Medicare improved to the extent where the program would be "sufficiently good to make Medicaid unnecessary for the elderly" and "they would be assured not only adequate income upon reaching retirement age, but an adequate Medicare program."

He said, "Each state applies Medicaid differently. Some states are more generous than others. (In Massachusetts persons who gualify for SSI automatically qualify for Medicaid).

"I had hopes in SSI (Supplementary Security Income) and I still have hopes for the program to settle in. It will be some time before we get all who require it eligible. The minimum standards have to be raised to get people above the poverty level. I have hopes it (SSI) will work out eventually to eliminate poverty for the elderly. Somewhere between one-fourth and one-fifth of the people over 65 are living in poverty."

Sen. Church said, "We are paying for SSI out of general revenue. It may be in making final improvements in Medicare we may be able to work in a contribution from general revenue, as we consider out-of-hospital drugs, dentures and other things needed to make the program adequate."

"Medicaid is paid out of general revenue. Today, Medicare is not perfect, but it will take care of all reasonable costs and with improvements could eliminate Medicaid inequities from state to state and they would have their own program. They need the feeling they have toward their Social Security check that they earned it."

Sen. Church favors changing the Social Security tax-paying formula from the current matching payments by workers and their employers to the formula proposed by Rep. James A. Burke of Massachusetts, which would have the worker paying one-third, the employer one-third and having the remaining third come from general revenue.

Responding to a question, Sen. Church declared, "It is a great disservice to elderly people to spread those stories that Social Security is going broke.

"It is true we are going to have to make some adjustments in the future, but Social Security is financially sound at the present time. There is no reason for alarm.

"We had a tremendous baby boom after World War II. It is now moving through the population. It has just passed the college level and is moving into the young family level. There will be a time after the turn of the century when it will reach the retirement level and the proportion of the elderly to the rest of the population will be disproportionately large. It will be for only 10 years or so. A provision will have to be made."

Sen. Church likened the situation to the one that occurred with railroad retirees. He said, "There were apparently 1.5-million contributing to the Railroad Retirement system and it was sound, except no one could envision the tremendous automation that would come, which would reduce the numbers paying into railroad retirement from 1.5-million to 500,000."

There were indications the program would go bankrupt because it no longer had the base it once had. He said the same thing that has been done by Congress to save the Railroad Retirement fund will happen to Social Security. There will be a government subsidy.

"Congress will make sure," Sen. Church declared, "they (contributors) will get a fair benefit. Even when this bulge comes, we are going to have to make certain there is a contribution from general revenue, so there won't be a default. There will be no element of government subsidy for those now contributing."

Sen. Church said, "I am the author of the provision in the Social Security bill that makes benefits inflation proof. I think that the problem has been settled."

[From the Boston Herald American, Nov. 26, 1974]

Medicare Mailbox

(By Wendell Coltin)

Sen. Frank Church agrees the Social Security Administration is "overburdened."

He made the acknowledgement when a question was put to him in his exclusive interview with the Herald American in the Presidential Suite at the Sheraton Waikiki in Honolulu, overlooking the Pacific Ocean and Diamond Head.

He was there to give the keynote speech to the 25th anniversary convention of the American Nursing Home Ass'n. and receive its Better Life Award in the Government category, before 2600 persons.

"We are going to have to have it (SSA) adequately staffed," he acknowledged. "They have a good record. If they aren't adequately staffed, there will be delays. There are already delays too long in determining of disability claims.

"I think with regards to SSI (Supplementary Security Income) I don't want to judge too harshly. They didn't provide adequately."

He feels there was better preparation for the launching of the Medicare program in 1966 than the SSI program, which became operational this year, with the SSA being delegated to administer it. He said the SSA "has a good image as an efficient governmental agency and extremely so in comparison with other governmental agencies."

Asked about prospects for establishment of a separate Social Security Administration, the chairman of the Senate Committee on Aging said, "I am the author of a separate Social Security Administration bill. I have more than 50 senators now in support and Congressman Mills favors it, too."

Endorsement of Congressman Mills, head of the House Ways and Means Committee, would help move the bill forward, it is recognized. Sen. Church said, "There are good prospects of getting legislation through. I'd like to see it happen."

He said the proposed separate SSA has the backing of the National Council of Senior Citizens and American Ass'n. of Retired Persons. He said, "It would work for continuity of management at the top, too. We have had periods of six to eight months of no director."

The proposed separate SSA would be administered by a three-person board of directors, with no more than two from the same party. Their terms would be staggered. It would eliminate use of Social Security for political purposes, he said.

It would do away with such things, he said, as a situation where "a bright young man would go and tell the President he could put a slip in the envelopes of 22-million people, saying he gave them a 20 percent raise. That underlined the need to depoliticize the Social Security system. It would be a big improvement. The Social Security system is now too large for HEW to preside over it."

Sen. Church said Social Security "requires a single accounting for each individual, but it has failed to eliminate poverty. Social Security never did give to those who needed it most."

In his talk to the ANHA, Sen. Church told the nursing home people, "I know you have great problems, as any organization does.

"I know there have been cases of abuses in nursing homes; instances of profiteering and abuse; but this organization (ANHA) has set high goals and you, as an organization, have a goal of quality service at a fair price. That is something you can be proud of. You should be proud of your association in this 25th anniversary year. You should go out and tell your story properly.

"There have been some bad actors in politics, too; and that has led people to conclude politics is a bad word.

"I have watched many politicians work hard and conscientiously. There is no reason why we should be ashamed to be politicians either and every chance I get to say it, I say it."

He stated, "If I were a citizen rating our governmental performance in the field of health care, it would barely rate a passing score. There are many other countries that do much better in providing for care of the elderly. It is our function to provide a national coherent program for the aging."

In his discussion of the Social Security Administration, Sen. Church said, "Where we formerly could make an adjustment in three months, the new computer system allows us to do it in six months."

He had a hard time convincing the computer, he said, that a woman constituent in Idaho the computer had declared dead was very much alive. It took eight months to correct the error, he said.

AUTHORITY FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT DURING THE ADJOURNMENT OF THE SENATE UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States during the adjournment of the Senate until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the engrossment of H.R. 421.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF MR. HUGH SCOTT ON THURSDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, the Senator from Pennsylvania (Mr. HUGH SCOTT) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following Senators be recognized tomorrow after the two leaders or their designees have been recognized under the standing order, and that the Senators be recognized in the order stated and for the times stated: Mr. MCINTYRE, Mr. STAFFORD, Mr. CANNON, Mr. HELMS, Mr. GRIFFIN, Mr. JAVITS, and Mr. PERCY, each for not to exceed 15 minutes; Mr. ROBERT C. BYRD for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will continue to take up various conference reports.

It is possible that the continuing resolution will be ready for consideration. I imagine that there will be rollcall votes on some of these conference reports, and certainly on the continuing resolution.

I suggest that Senators be prepared to stay for a long session tomorrow, if need be, and especially that they be prepared on Thursday, if need be.

Assuming that the House of Representatives confirms the nomination of Mr. Rockefeller, he will be sworn in as Vice President of the United States sometime on Thursday afternoon, and the ceremony will take place in the Senate approximately 1 hour after the House action.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 7:11 p.m., the Senate adjourned until tomorrow, Wednesday, December 18, 1974, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, December 17, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Unto us a Child is born, unto us a Son is given: and His name shall be called "Wonderful, Counselor, Mighty God, Everlasting Father, Prince of Peace."—Isaiah 9: 6.

Eternal Spirit, into the calm of Thy presence we bring our weary and worried lives.

"Drop Thy still dews of quietness,
Till all our strivings cease;
Take from our souls the strain and stress
And let our ordered lives confess
The beauty of Thy peace."

Thus may we be made hospitable to the Highest and from the heights draw courage and strength for the demanding duties of these disturbing days.

Lift our thoughts from the littleness of our own words and works to the greatness and the goodness of Thine. Help us to live through Advent and into the new year with hearts of compassion, deeds of kindly service, and the spirit of good will toward all mankind.

Thus, by what we do and by what we are may we make this planet a better place where people can live together in peace.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on December 14, 1974, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 444. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 7978. An act to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe, of the Hualapai Reservation, Ariz., and for other purposes;

H.R. 8864. An act to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys; and

H. Con. Res. 692. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 425.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 425) entitled "An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8193) entitled "An act to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 17597. An act to provide a program of emergency unemployment compensation.

The message also announced that the Senate agrees to the amendments of the House with an amendment to a joint resolution of the Senate of the following title:

S.J. Res. 133. Joint resolution to provide for the establishment of the American Indian Policy Review Commission.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2994) entitled "An act to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources developing programs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. PELL, Mr. MONDALE, Mr. HATHAWAY, Mr. SCHWEIKER, Mr. JAVITS, Mr. DOMINICK, Mr. BEALL, Mr. TAFT, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3022) entitled "An act to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the National Wild and Scenic Rivers System; to amend the Lower St. Croix River Act of 1972 (86 Stat. 1174), and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Jackson, Mr. Haskell, Mr. Metzenbaum, Mr. Hansen, and Mr. Hatfield to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1728) entitled "An act to increase benefits provided to American civilian internees in Southeast Asia," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Burdick, Mr. Bayh, and Mr. Fong, to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3934) entitled "An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Randolph, Mr. Gravel, Mr. Burdick, Mr. Stafford, and Mr. Baker, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 41. Joint resolution to authorize the President to issue a proclamation designating March 1975, as "Youth Art Month."

S.J. Res. 227. Joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans;

S. Con. Res. 121. Concurrent resolution relating to the establishment of the naval and maritime museum in Charleston, S.C.; and

S. Con. Res. 124. Concurrent resolution relating to conference consideration of H.R 17468.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 17468

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 17468

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on tomorrow or any day thereafter to consider the conference report on the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, would the gentleman again state the request?

Mr. MAHON. Mr. Speaker, I am asking unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

With respect to the gentleman's reservation, this would be $800 million for veterans' claims.

Mr. GROSS. This does not embrace the continuing resolution?

Mr. MAHON. It does not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON A JOINT RESOLUTION MAKING FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a joint resolution making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

This is a request, if I may say so, Mr. Speaker, that we file a continuing resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, what does this proposal embody? Can the gentleman tell us what he has in mind with respect to a continuing resolution?

Mr. MAHON. The continuing resolution will provide for the carrying on of several functions of Government that would otherwise lapse. The principal objective here is to do something as a substitute for the failure of the Congress to pass an appropriation bill for foreign aid.

The agreement is that this resolution will not be presented until the House has considered and the Senate had considered the foreign aid authorization bill.

Mr. GROSS. What date does the gentleman have in mind for termination of the continuing resolution?

Mr. MAHON. Probably March 1.

Mr. GROSS. March 1, of next year?

Mr. MAHON. February 28 or March 1.

Mr. GROSS. I guess that is close to March 1 as you can get.

Mr. MAHON. Yes.

Mr. GROSS. Within a matter of hours of March 1. Then that would obviate consideration of the foreign aid appropriation bill in this session?

Mr. MAHON. It would not. This would not be the foreign aid bill in its totality. It would take care of certain functions of foreign aid, but it would not cover the whole spectrum of the foreign aid appropriation bill.

Mr. GROSS. When is it proposed to call up the appropriation bill?

Mr. MAHON. Well, when is it proposed? Here is the problem: This is the 12th month of the year, and this is the 17th day. The Committee on Appropriations has not yet received an authorization, so we do not stand here defenseless on this proposition, because we have been waiting all of these months for an authorization bill. Does it take 12 months to get an authorization bill, and are we permited 12 hours to get an appropriation bill. It is an utterly untenable position in which we are put. But in order to take care of the situation as best we can, we propose to bring in a limited foreign aid bill in connection with the continuing resolution.

Mr. GROSS. Is it not true that agreement was reached yesterday evening in conference on the authorization for foreign aid?

Mr. MAHON. It is not true, insofar as I know. Meetings were held, and tentative agreements were made but, as I understand it, it will be announced by the able chairman of the Committee on Foreign Affairs that an agreement was reached, finalized, this morning, and I assume it will be before us today or tomorrow.

Mr. GROSS. The gentleman has been around this place far longer than I, and I think we understand each other perfectly well.

Mr. MAHON. Right.

Mr. GROSS. I think that if the continuing resolution is approved that is the last we will see of the foreign aid appropriation in this session of Congress, and perhaps the last we will see of an agreement on the authorization for foreign aid in this session of Congress.

Mr. MAHON. Let me make this crystal clear. The continuing resolution will not be presented to the House—and I shall present it—it will not be presented until the House has considered and approved, and the Senate has considered and approved, an authorization bill for foreign aid.

Mr. GROSS. Yes, but the appropriation will not have been approved or rejected.

Mr. MAHON. An appropriation bill will have to come later, which will take care of some of the more urgent items in the continuing resolution, but the main foreign aid appropriation bill will come early next year. It has to come next year. The continuing resolution will expire on about the 28th of February.

Mr. GROSS. The gentleman spoke of the long delay in getting out an authorization bill. The truth of the matter is that neither the executive branch of Government nor the leadership in Congress have been sure they had the votes to pass any kind of foreign aid bill, and especially an appropriation bill.

That is the reason why it has not been brought here weeks if not months ago, and I say to the gentleman that this is an unholy proceeding in relation to orderly consideration of legislation.

Mr. MAHON. Mr. Speaker, will the gentleman yield for a moment?

Mr. GROSS. Of course I will yield.

Mr. MAHON. Mr. Speaker, let me again read the request which I have made. I think there is some misunderstanding. I am not requesting permission to call up the bill at this time; I am asking permission to file a report.

This is the request I have made: I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the joint resolution making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

Knowing the gentleman's understanding and broad perceptive view of our procedures here, I think the gentleman will not be inclined to object to filing the report.

Mr. GROSS. Mr. Speaker, I think that same request will be made tomorrow, and the end result will be the same.

Therefore, Mr. Speaker, I do object.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. Yes, I yield if I still have the floor.

Mr. MAHON. Mr. Speaker, as the gentleman knows, a rule could be sought which would probably delay the adjournment of Congress. Therefore, the bill or the consideration of this matter can be brought to the attention of the Members of Congress.

Mr. GROSS. Mr. Speaker, I am sure of that. There is no question but what the rules of the House can be scuttled, and have been, and they probably will be scuttled some more before we get through this session of Congress. But that does not justify this kind of procedure.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Yes, Mr. Speaker, I do object.

The SPEAKER. Objection is heard.

Will the gentleman from Texas advise the Chair so that the Chair may ask the Committee on Rules to bring out a rule?

Mr. MAHON. May I be recognized, Mr. Speaker, so that I may reply?

The SPEAKER. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Speaker, we will be able to file the report on the continuing resolution in the House and the objection will not lie, so I believe we will be able to do that later today.

APPOINTMENT OF CONFEREES ON H.R. 13296, AUTHORIZING APPROPRIATIONS FOR CERTAIN MARITIME PROGRAMS OF THE DEPARTMENT OF COMMERCE, 1975

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13296) to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri? The Chair hears none, and appoints the following conferees: Mrs. SULLIVAN, Messrs. CLARK, ASHLEY, DINGELL, DOWNING, GROVER, MCCLOSKEY, and MOSHER.

RESIGNATIONS FROM THE COMMITTEE ON WAYS AND MEANS

The SPEAKER laid before the House the following resignations from the Committee on Ways and Means:

WASHINGTON, D.C., *December 9, 1974.*

Hon. CARL ALBERT,
Speaker,
House of Representatives,
The Capitol.

DEAR MR. SPEAKER: I herewith tender my resignation from the House Ways and Means Committee effective close of business Monday, December 16, 1974.

Respectfully,

HUGH L. CAREY.

WASHINGTON, D.C., *December 16, 1974.*

Hon. CARL ALBERT,
Speaker of the House,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to tender my resignation from the Ways and Means Committee at the close of legislative business, Tuesday, December 17th.

Kind regards.

Sincerely yours,

MARTHA W. GRIFFITHS,
Member of Congress.

The SPEAKER. Without objection, the resignations will be accepted.

There was no objection.

FURTHER LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we will call up on tomorrow the Senate bill S. 2439, the new rivers bill, under suspension of the rules.

THE VETERANS AND SURVIVORS PENSION ACT

(Mr. DORN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DORN. Mr. Speaker, a moment ago I sent the President the following telegram urging him to sign the Veterans and Survivors Pension Act which the House approved on December 9:

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: I respectfully urge you to sign into law the Veterans Pension Act, S. 4040. The bill would raise pension rates 12% for eligible veterans, widows, and dependent parents. It would increase by $400 the income a veteran could receive from other sources and still be eligible for pension.

In effect this bill would prevent the vast majority of veterans, widows, and dependent parents from losing any portion of their veterans pensions due to increase in Social Security.

As Chairman of the Veterans Committee I have received—and my colleagues have received—more letters and telegrams on this than on any other veterans problem.

We strongly recommend this bill for signature into law.

Sincerely,

WM. JENNINGS BRYAN DORN,
Chairman, Committee on Veterans Affairs.

Mr. Speaker, inflation has hit particularly hard at the veterans, widows, and dependent parents in this category, many of whom are below the poverty level. Again I would like to emphasize that this bill would protect the overwhelming majority of veterans, widows, and dependent parents from losing any part of their pension as a result of social security increases.

Mr. Speaker, I further urge that if the President cannot in good conscience sign the bill—and it is a good bill—that he veto it outright so that the Congress will have the opportunity to override the veto. A pocket veto would only thwart the will of the Congress and, I believe, the will of the American people.

PERSONAL EXPLANATION

(Mr. DU PONT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DU PONT. Mr. Speaker, because of a prior commitment in Delaware on Monday evening, December 16, I was unable to be present for the vote on the Harry S. Truman scholarship bill.

Had I been present I would have voted "nay," as I did when the bill came up under suspension of the rules last week. A scholarship program dedicated to President Truman is a worthwhile objective, but $30 million seems to me an excessive amount of money to ask the taxpayers to put up at this particular time.

CONSENT CALENDAR

The SPEAKER. Pursuant to the unanimous consent agreement yesterday, the Clerk will call the remaining bills on the Consent Calendar.

DECLARING CERTAIN LAND OF THE UNITED STATES IS HELD IN TRUST FOR CHEYENNE-ARAPAHO TRIBES OF OLKAHOMA

The Clerk called the bill (H.R. 3605) to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HINSHAW. Mr. Speaker, reserving the right to object, and I do not intend to object, yesterday we received unanimous consent to proceed with the Consent Calendar.

I would just like to ask the members of the committee as to whether or not all of these bills came out of the committee with a good review and in a unanimous way.

Mr. MEEDS. Mr. Speaker, if the gentleman will yield, I can speak only for the four or five bills which I have been on.

They all came out unanimously. I know of no opposition from anyone at any time.

Mr. MELCHER. Mr. Speaker, will the gentleman yield

Mr. HINSHAW. I yield to the gentleman from Montana.

Mr. MELCHER. I can vouch for the last six bills on the Consent Calendar having been approved by the committee unanimously.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. As chairman of the Consent Calendar Committee, I would like to advise the gentleman that all bills must be reported out of the committee by unanimous consent before they can be scheduled on the calendar.

Mr. HINSHAW. I would just like to mention that we have received reports of the bills on this side this morning, and we have reviewed them.

Mr. Speaker, we have no objections to the bills, and, therefore, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

There being no objection, the Clerk read the bill as follows:

H.R. 3605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

Beginning at the southwest corner of lot 2 in the northwest quarter of section 7, township 19 north, range 14 west of the Indian meridian, Dewey County, State of Oklahoma, thence east 20 rods, thence north 40 rods, thence west 20 rods to the west line of said lot 2, thence south 40 rods to the place of beginning, containing 5 acres, more or less.

SEC. 2. This conveyance is subject to existing rights-of-way for waterlines, electric transmission lines, roads, and railroads.

SEC. 3. The Indian Claims Commission is directed to determine, in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

With the following committee amendment:

Page 2, beginning on line 6, strike out all of Section 3.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 521) and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 521

Be it enacted by the Senate and House of Representatives of the United States of Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma;

Beginning at the southwest corner of lot 2 in the northwest quarter of section 7, township 19 north, range 15 west of the Indian meridian, Dewey County, State of Oklahoma, thence east 20 rods, thence north 40 rods, thence west 20 rods to the west line of said lot 2, thence south 40 rods to the place of beginning, containing 5 acres, more or less.

SEC. 2. This conveyance is subject to existing rights-of-way for waterlines, electric transmission lines, roads, and railroads.

SEC. 3. The Indian Claims Commission is directed to determine, in accordance with the provisions of section 2 of the Act of August 13, 1946 (6 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Strike out all after the enacting clause of S. 521 and insert in lieu thereof the provisions of H.R. 3605, as passed, as follows:

That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

Beginning at the southwest corner of lot 2 in the northwest quarter of section 7, township 19 north, range 14 west of the Indian meridian, Dewey County, State of Oklahoma, thence east 20 rods, thence north 40 rods, thence west 20 rods to the west line of said lot 2, thence south 40 rods to the place of beginning, containing 5 acres, more or less.

SEC. 2. This conveyance is subject to existing rights-of-way for waterlines, electric transmission lines, roads, and railroads.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3605) was laid on the table.

CONVEYING CERTAIN LAND OF THE UNITED STATES TO THE INTER-TRIBAL COUNCIL, INC., MIAMI, OKLA.

The Clerk called the bill (H.R. 5057) to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Okla.

There being no objection, the Clerk read the bill as follows:

H.R. 5057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior shall convey, without monetary consideration, to the Inter Tribal Council, Incorporated, Miami, Oklahoma, all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section consisting of one hundred and fourteen acres, more or less.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24, each, lying north of the centerline of Highway Numbered 60, I.B.M., containing one hundred atnd fourteen acres, more or less, in Ottawa County, Oklahoma.

SEC. 2. Upon conveyance to the Inter Tribal Council, Incorporated, Miami, Oklahoma, of the land referred to in the first section of this Act such land shall not be subject to taxation. To the same extent as any other real property in private ownership in Ottawa County, Oklahoma. The above described land will be held in trust upon this requested transfer of title, by the Federal Government for the Inter Tribal Council, Incorporated, of Oklahoma. Said land will be utilized for industrial development and to provide and establish the various types of jobs for Indians in the described communities.

With the following committee amendment:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That (a) all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section are hereby declared to be held in trust by the United States for the Indian tribes described in and subject to section 2 of this Act.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24 east, lying north of the centerline of Highway Numbered 60, I.B.M., containing one hundred and fourteen acres, more or less, in Ottawa County, Oklahoma.

SEC. 2. The land referred to in section 1 shall be held in trust by the United States jointly for the Seneca-Cayuga Tribe of Oklahoma, Quapaw Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, Miami Tribe of Oklahoma, Peoria Tribe of Indians of Oklahoma, Ottawa Tribe of Oklahoma, Wyandotte Tribe of Oklahoma, and Modoc Tribe of Oklahoma; *Provided,* That the following Tribes shall have no right or interest in such land (a) so long as they are subject to the provisions of law cited below and (b) if they are still subject to such provisions five years after enactment of this Act:

(1) Peoria Tribe of Indians—sections 3 and 4 of the Act of August 2, 1956 (70 Stat. 937; 25 U.S.C. 823 and 824);

(2) Ottawa Tribe of Oklahoma—sections 8 and 9 of the Act of August 3, 1956 (70 Stat. 963, 964; 25 U.S.C. 848 and 849); and

(3) Wyandotte Tribe of Oklahoma—sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 893, 896, 25 U.S.C. 803 and 804): *Provided further*, That the Modoc Tribe of Oklahoma shall have no right or interest in such lands (a) so long as the Modoc Indians in Oklahoma are subject to sections 18 and 19 of the Act of August 13, 1954 (68 Stat. 718, 722, 25 U.S.C. 564q and 564r), (b) until a Modoc Tribe of Oklahoma is organized and federally recognized, and (c) if five years after enactment of this Act, such Indians are still subject to such section and such tribe has not been so organized and recognized.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 2888) and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section are hereby declared to be held in trust by the United States for the Indian tribes described in and subject to section 2 of this Act.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24 east, lying north of the centerline of Highway Numbered 60, I.B.M. containing one hundred and fourteen acres, more or less, in Ottawa County, Oklahoma.

SEC. 2. The land referred to in section 1 shall be held in trust by the United States jointly for the Seneca-Cayuga Tribe of Oklahoma, Quapaw Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, Miami Tribe of Oklahoma, Peoria Tribe of Indians of Oklahoma, Ottawa Tribe of Oklahoma, Wyandotte Tribe of Oklahoma, and Modoc Tribe of Oklahoma: *Provided*, That the following Tribes shall have no right or interest in such land (a) so long as they are subject to the provisions of law cited below and (b) if they are still subject to such provisions five years after enactment of this Act:

(1) Peoria Tribe of Indians—sections 3 and 4 of the Act of August 2, 1956 (70 Stat. 937; 25 U.S.C. 823 and 824);

(2) Ottawa Tribe of Oklahoma—sections 8 and 9 of the Act of August 3, 1956 (70 Stat. 963, 964; 25 U.S.C. 848 and 849); and

(3) Wyandotte Tribe of Oklahoma—sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 893, 896; 25 U.S.C. 803 and 804): *Provided further*, That the Modoc Tribe of Oklahoma shall have no right or interest in such lands (a) so long as the Modoc Indians in Oklahoma are subject to sections 18 and 19 of the Act of August 13, 1954 (68 Stat. 718, 722; 25 U.S.C. 564q and 564r), (b) until a Modoc Tribe of Oklahoma is organized and federally recognized, and (c) if five years after enactment of this Act, such Indians are still subject to such section and such tribe has not been so organized and recognized.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Strike out all after the enacting clause of the Senate bill S. 2888 and insert in lieu thereof the provisions of the bill H.R. 5057, as agreed to by the House, as follows:

That (a) all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section are hereby declared to be held in trust by the United States for the Indian tribes described in and subject to section 2 of this Act.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24 east, lying north of the centerline of Highway Numbered 60, I.B.M., containing one hundred and fourteen acres, more or less, in Ottawa County; Oklahoma.

SEC. 2. The land referred to in section 1 shall be held in trust by the United States jointly for the Seneca-Cayuga Tribe of Oklahoma, Quapaw Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, Miami Tribe of Oklahoma, Peoria Tribe of Indians of Oklahoma, Ottawa Tribe of Oklahoma, Wyandotte Tribe of Oklahoma, and Modoc Tribe of Oklahoma: *Provided*, That the following tribes shall have no right or interest in such land (a) so long as they are subject to the provisions of law cited below and (b) if they are still subject to such provisions five years after enactment of this Act:

(1) Peoria Tribe of Indians—sections 3 and 4 of the Act of August 2, 1956 (70 Stat. 937; 25 U.S.C. 823 and 824);

(2) Ottawa Tribe of Oklahoma—sections 8 and 9 of the Act of August 3, 1956 (70 Stat. 963, 964; 25 U.S.C. 848 and 849); and

(3) Wyandotte Tribe of Oklahoma—sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 893, 896, 25 U.S.C. 803 and 804): *Provided further*, That the Modoc Tribe of Oklahoma shall have no right or interest in such lands (a) so long as the Modoc Indians in Oklahoma are subject to sections 18 and 19 of the Act of August 13, 1954 (68 Stat. 718, 722, 25 U.S.C. 564q and 564r), (b) until a Modoc Tribe of Oklahoma is organized and federally recognized, and (c) if five years after enactment of this Act, such Indians are still subject to such section and such tribe has not been so organized and recognized.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 5057, was laid on the table.

DECLARING THAT UNITED STATES HOLD CERTAIN LAND IN TRUST FOR ABSENTEE SHAWNEE TRIBE OF INDIANS OF OKLAHOMA

The Clerk called the bill (H.R. 9219) to declare that the United States hold certain land in trust for the Absentee Shawnee Tribe of Indians of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

H.R. 9219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the Absentee Shawnees Tribe of Indians of Oklahoma in and to the following described lands, and all improvements thereon, are hereby declared to be held by the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma, subject to all valid existing rights:

All that part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at a point 1,320 feet south and 726 feet west of the northeast corner of said northeast quarter southwest quarter; thence north 220.44 feet; thence west 594 feet to the point of intersection with the west line of said northeast quarter southwest quarter; thence north along the west line a distance of 439.56 feet to the midpoint of the west line of said northeast quarter southwest quarter; thence east a distance of 17 feet to the intersection with the west right-of-way line of Oklahoma State Highway Numbered 18; thence northeasterly along said west right-of-way line a distance of 493 feet; thence east 1,485 feet to the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said west railroad right-of-way line a distance of 1,223 feet to a point in the south line of said northeast quarter southwest quarter, said point being 129 feet west of the southeast corner of said northeast quarter southwest quarter; thence west along the south line of said northeast quarter southwest quarter a distance of 597 feet to the point of beginning; containing 33.23 acres, more or less.

With the following committee amendments:

Page 1, strike out lines 3 through 8 and insert in lieu thereof the following:

"That the duly authorized tribal officials of the Absentee Shawnee Tribe of Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma the following described land and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:"

Page 2, line 9, strike out "with" and insert in lieu thereof "of".

Page 2, line 14, strike out "railroad".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To authorize the conveyance of certain lands to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma."

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill S. 3358, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the duly authorized tribal officials of the Absentee Shawnee Tribe of Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma the following described lands and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

All that part of the northwest quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at a point 1,320 feet south and 726 feet west of the northeast corner of said northeast quarter southwest quarter; thence north 220.44 feet;

thence west 594 feet to the point of intersection with the west line of said northeast quarter southwest quarter;

thence north along the west line a distance of 439.56 feet to the midpoint of the west line of said northeast quarter southwest quarter;

thence east a distance of 17 feet to the intersection of the west right-of-way line of Oklahoma State Highway Numbered 18;

thence northeasterly along said west right-of-way line a distance of 493 feet;

thence east 1,485 feet to the west right-of-way line of Atchinson, Topeka, and Santa Fe Railroad right-of-way;

thence southwesterly along said right-of-way line a distance of 1,223 feet to a point in the south line of said northeast quarter southwest quarter; said point being 129 feet west of the southeast corner of said northeast quarter southwest quarter;

thence west along the south line of said northeast quarter southwest quarter a distance of 597 feet to the point of beginning; containing 33.23 acres, more or less.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Strike out all after the enacting clause of the Senate bill (S. 3358) and insert in lieu thereof the provisions of H.R. 9219, as passed by the House, as follows:

That the duly authorized tribal officials of the Absentee Shawnee Tribe of Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma the following described land and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

All that part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at a point 1,320 feet south and 726 feet west of the northeast corner of said northeast quarter southwest quarter; thence north 220.44 feet; thence west 594 feet to the point of intersection with the west line of said northeast quarter southwest quarter; thence north along the west line a distance of 439.56 feet to the midpoint of the west line of said northeast quarter southwest quarter; thence east a distance of 17 feet to the intersection of the west right-of-way line of Oklahoma State Highway Numbered 18; thence northeasterly along said west right-of-way line a distance of 493 feet; thence east 1,485 feet to the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said west right-of-way line a distance of 1,223 feet to a point in the south line of said northeast quarter southwest quarter, said point being 129 feet west of the southeast corner of said northeast quarter southwest quarter; thence west along the south line of said northeast quarter southwest quarter a distance of 597 feet to the point of beginning; containing 33.23 acres, more or less.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 9129, was laid on the table.

DECLARING UNITED STATES HOLD CERTAIN LANDS IN TRUST FOR CITIZEN BAND OF POTAWATOMI INDIANS OF OKLAHOMA

The Clerk called the bill (H.R. 11890) to declare that the United States hold certain lands in trust for the Citizen Band of Potawatomi Indians of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

H.R. 11890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all rights, title, and interest of the Citizen Band of Potawatomi Indians of Oklahoma in and to the following described lands, and all improvements thereon, are hereby declared to be held by the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma, subject to all valid existing rights:

TRACT NUMBERED 1

The northeast quarter northeast quarter, southeast quarter northeast quarter, southwest quarter northeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 120.00 acres, more or less.

TRACT NUMBERED 2

That part of the northwest quarter southeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the southwest corner of said northwest quarter southeast quarter; thence east 1,320 feet; thence north 1,320 feet; thence west 1,320 feet to the center of said section; thence south 167 feet; thence east 183 feet to the intersection with the west line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along the west right-of-way line a distance of 856 feet to the intersection with a point in the west line of the northwest quarter southeast quarter, said point being 983 feet south of the center of section 31; thence south along the west line of the northwest quarter southeast quarter, a distance of 337 feet, to the point of beginning; containing 38.29 acres, more or less.

TRACT NUMBERED 3

That part of the southeast quarter northwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said southeast quarter northwest quarter; thence south 1,320 feet to the center of said section 31; thence west along the south line of said southeast quarter northwest quarter, a distance of 1,255.4 feet to the intersection with the centerline of Oklahoma State Highway Numbered 18; thence northwesterly along the centerline of the highway a distance of 660.58 feet to a point on the south line of the northwest quarter southeast quarter northwest quarter thence east 38 feet to the intersection with the east right-of-way line of Oklahoma State Highway Numbered 18; thence northwesterly along the east right-of-way line to a point in the north line of said southeast quarter northwest quarter, said point being 58 feet east of the northwest corner distance of 1,262 feet to the point of beginning; containing 38.63 acres, more or less.

TRACT NUMBERED 4

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said northeast quarter southwest quarter, said point being the center of section 31 thence south 167 feet thence west 1,302 feet to the intersection with the west line of the right-of-way of Oklahoma State Highway Numbered 18; thence northeasterly along the west right-of-way line a distance of 167 feet to the north line of said northeast quarter southwest quarter; thence east along said north line a distance of 1,297.4 feet to the point of beginning; containing 4.678 acres, more or less.

TRACT NUMBERED 5

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the southeast corner of said northeast quarter southwest quarter; thence north along the east line of said northeast quarter southwest quarter a distance of 337 feet to the intersection with the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said right-of-way line a distance of 367 feet to the intersection with the south line of said northeast quarter southwest quarter; thence east along the south line a distance of 129 feet to the point of beginning; containing .498 acre, more or less.

TRACT NUMBERED 6

The reserved mineral deposits, including the right to prospect for and remove the same, in and under lands described as the south half of lot 2 (southwest quarter northwest quarter), and that part of the south west quarter southeast quarter northwest quarter lying west of the centerline of Oklahoma State Highway Numbered 18 and adjacent to the south half of said lot 2, all in section 31; township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 19.87 acres, more or less, which lands were previously conveyed to Pottawatomie County, Oklahoma, by quitclaim deed dated December 17, 1959, pursuant to the Act of June 4, 1953 (67 Stat. 71; 25 U.S.C. 293a), said deed appearing of record in Pottawatomie County, Oklahoma, in deed book 174 at page 367 of the land records of said county.

TRACT NUMBERED 7

That part of lot 1 (northwest quarter of northwest quarter) and north half of lot 2 (north half of southwest quarter of north west quarter) and the part of the north half of the southeast quarter of the northwest quarter lying west of the east right-of-way line of Oklahoma State Highway Numbered 18, all in section 31, township 10 north, range 4 east of the Indian meridian, Pottawatomie County, Oklahoma, containing 57.99 acres, more or less, subject to the right of the Absentee Shawnee Tribe of Indians of Oklahoma, the Sac and Fox Tribe of Indians of Oklahoma, the Kickapoo Tribe of Indians of Oklahoma, and the Iowa Tribe of Indians of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon.

Amend the title so as to read: "A bill to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians."

With the following committee amendment:

Page 1, strike out line 3 through 8 and insert in lieu thereof the following:

"That the duly elected officials of the Citizens Band of Potawatomi Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma the following described lands and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians."

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill S. 3359, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the duly elected officials of the Citizen Band of Potawatomi Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma the following described lands and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

Tract Numbered 1

The northeast quarter northeast quarter, southeast quarter northeast quarter, southwest quarter northeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 120.00 acres, more or less.

Tract Numbered 2

That part of the northwest quarter southeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the southwest corner of said northwest quarter southeast quarter; thence east 1,320 feet; thence north 1,320 feet; thence west 1,320 feet to the center of said section; thence south 167 feet; thence east 183 feet to the intersection with the west line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along the west right-of-way line a distance of 856 feet to the intersection with a point in the west line of the northwest quarter southeast quarter, said point being 983 feet south of the center of section 31; thence south along the west line of the northwest quarter southeast quarter, a distance of 337 feet, to the point of beginning; containing 38.29 acres, more or less.

Tract Numbered 3

That part of the southeast quarter northwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said southeast quarter northwest quarter; thence south 1,320 feet to the center of said section 31; thence west along the south line of said southeast quarter northwest quarter, a distance of 1,255.4 feet to the intersection with the centerline of Oklahoma State Highway Numbered 18; thence northwesterly along the centerline of the highway a distance of 660.58 feet to a point on the south line of the northwest quarter southeast quarter northwest quarter; thence east 38 feet to the intersection with the east right-of-way line of Oklahoma State Highway Numbered 18; thence northwesterly along the east right-of-way line to a point in the north line of said southeast quarter northwest quarter, said point being 58 feet east of the northwest corner of said southeast quarter northwest quarter; thence east a distance of 1,262 feet to the point of beginning; containing 38.63 acres, more or less.

Tract Numbered 4

The part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said northeast quarter southwest quarter, said point being the center of section 31; thence south 167 feet; thence west 1,302 feet to the intersection with the west line of the right-of-way of Oklahoma State Highway Numbered 18; thence northeasterly along the west right-of-way line a distance of 167 feet to the north line of said northeast quarter southwest quarter; thence east along said north line a distance of 1,297.4 feet to the point of beginning; containing 4.678 acres, more or less.

Tract Numbered 5

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the southeast corner of said northeast quarter southwest quarter; thence north along the east line of said northeast quarter southwest quarter a distance of 337 feet to the intersection with the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said west right-of-way line a distance of 367 feet to the intersection with the south line of said northeast quarter southwest quarter; thence east along the south line a distance of 129 feet to the point of beginning; containing .498 acre, more or less.

Tract Numbered 6

The reserved mineral deposits, including the right to prospect for and remove the same, in and under lands described as the south half of lot 2 (southwest quarter northwest quarter), and that part of the southwest quarter southeast quarter northwest quarter lying west of the centerline of Oklahoma State Hiqhway Numbered 18 and adjacent to the south half of said lot 2, all in section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 19.87 acres, more or less, which lands were previously conveyed to Pottawatomie County, Oklahoma, by quitclaim deed dated December 17, 1959, pursuant to the Act of June 4, 1953 (67 Stat. 71; 25 U.S.C. 293a), said deed appearing of record in Pottawatomie County, Oklahoma, in deed book 174 at page 367 of the land records of said county.

Tract Numbered 7

That part of lot 1 (northwest quarter of northwest quarter) and north half of lot 2 (north half of southwest quarter of northwest quarter) and the part of the north half of the southeast quarter of the northwest quarter lying west of the east right-of-way line of Oklahoma State Highway Numbered 18, all in section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County Oklahoma, containing 57.99 acres, more or less, subject to the right of the Absentee Shawnee Tribe of Indians of Oklahoma, the Sac and Fox Tribe of Indians of Oklahoma, the Kickapoo Tribe of Indians of Oklahoma, and the Iowa Tribe of Indians of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Meeds: Strike out all after the enacting clause of the Senate bill S. 3359 and insert in lieu thereof the provisions of H.R. 11890, as passed by the House, as follows:

That the duly elected officials of the Citizen Band of Potawatomi Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma the following described lands and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

Tract Numbered 1

The northeast quarter northeast quarter, southeast quarter northeast quarter, southwest quarter northeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 120.00 acres, more or less.

Tract Numbered 2

That part of the northwest quarter southeast quarter section 31, township 10 north, range 4 east. Indian medidian, Pottawatomie County, Oklahoma, described as: Beginning at the southwest corner of said northwest quarter southeast quarter; thence east 1,320 feet; thence north 1,320 feet; thence west 1,320 feet to the center of said section; thence south 167 feet; thence east 183 feet to the intersection with the west line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along the west right-of-way line a distance of 856 feet to the intersection with a point in the west line of the northwest quarter southeast quarter, said point being 983 feet south of the center of section 31; thence south along the west line of the northwest quarter southeast quarter, a distance of 337 feet, to the point of beginning, containing 38.29 acres, more or less.

Tract Numbered 3

That part of the southeast quarter northwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said southeast quarter northwest quarter; thence south 1,320 feet to the center of said section 31; thence west along the south line of said southeast quarter northwest quarter, a distance of 1,255.4 feet to the intersection with the centerline of Oklahoma State Highway Numbered 18; thence northwesterly along the centerline of the highway a distance of 660.58 feet to a point on the south line of the northwest quarter southeast quarter northwest quarter; thence east 38 feet to the intersection with the east right-of-way line of Oklahoma State Highway Numbered 18; thence northwesterly along the east right-of-way line to a point in the north line of said southeast quarter northwest quarter, said point being 58 feet east of the northwest corner of said southeast quarter northwest quarter; thence east a distance of 1,262 feet to the point of beginning; containing 38.63 acres, more or less.

TRACT NUMBERED 4

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridan, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said northeast quarter southwest quarter, said point being the center of section 31; thence south 167 feet; thence west 1,302 feet to the intersection with the west line of the right-of-way of Oklahoma State Highway Numbered 18; thence northeasterly along the west right-of-way line a distance of 167 feet to the north line of said northeast quarter southwest quarter; thence east along said north line a distance of 1,297.4 feet to the point of beginning; containing 4.678 acres, more or less.

TRACT NUMBERED 5

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, India meridian, Pottawatomie County, Oklahoma, described, as: Beginning at the southeast corner of said northeast quarter southwest quarter; thence north along the eastline of said northeast quarter southwest quarter a distance of 337 feet to the intersection with the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along the east line of said northeast quarter of 367 feet to the intersection with the south line of said northeast quarter southwest quarter; thence east along the south line a distance of 129 feet to the point of beginning; containing .498 acre, more or less.

TRACT NUMBERED 6

The reserved mineral deposits, including the right to prospect for and remove the same, in and under lands described as the south half of lot 2 (southwest quarter northwest quarter), and that part of the southwest quarter southeast quarter northwest quarter lying west of the centerline of Oklahoma State Highway Numbered 18 and adjacent to the south half of said lot 2, all in section 31; township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 19.87 acres, more or less, which lands were previously conveyed to Pottawatomie County, Oklahoma, by quitclaim deed dated December 17, 1959, pursuant to the Act of June 4, 1953 (67 Stat. 71; 25 U.S.C. 293a), said deed appearing of record in Pottawatomie County, Oklahoma, in deed book 174 at page 367 of the land records of said county.

TRACT NUMBERED 7

That part of lot 1 (northwest quarter of northwest quarter) and north half of lot 2 (north half of southwest quarter of northwest quarter) and the part of the north half of the southeast quarter of the northwest quarter lying west of the east right-of-way line of Oklahoma State Highway Numbered 18, all in section 31, township 10 north range 4 east of the Indian meridian, Pottawatomie County, Oklahoma, containing 57.99 acres, more or less, subject to the right of the Absentee Shawnee Tribe of Indians of Oklahoma, the Sac and Fox Tribe of Indians of Oklahoma, the Kickapoo Tribe of Indians of Oklahoma, and the Iowa Tribe of Indians of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon.

Amend the title so as to read: "An Act to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 11890, was laid on the table.

AUTHORIZING SECRETARY OF INTERIOR TO CONVEY TO THE CITY OF ANCHORAGE, ALASKA, INTERESTS OF THE UNITED STATES IN CERTAIN LANDS

The Clerk called the Senate bill (S. 194) to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands.

There being no objection, the Clerk read the Senate bill, as follows:

S. 194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to transfer by quitclaim deed or other appropriate means to the city of Anchorage, Alaska, all right, title, and interest remaining in the United States in and to block 42 of Anchorage townsite (proper) which was conveyed to the city of Anchorage by patent numbered 873718 (dated July 27, 1922), and patent numbered 1117601 (dated December 8, 1943), block 52 of Anchorage townsite (proper) which was so conveyed by patent numbered 873718 (dated July 27, 1922), and lots 2, 3, and 4 of block 81 of Anchorage townsite (proper) which were conveyed by patent numbered 873718 (dated July 27, 1922).

SEC. 2. No conveyance may be made under this Act unless the city of Anchorage has shown to the satisfaction of the Secretary that—

(1) the city of Anchorage will sell blocks 42, 52, and lots 2, 3, and 4 of block 81 in Anchorage townsite (proper) at not less than fair market value;

(2) the proceeds from the sale thereof will be spent to acquire property located in the central business district of Anchorage townsite (proper);

(3) any property acquired with such proceeds is of a similar nature as blocks 42, 52, and lots 2, 3, and 4 of block 81;

(4) any property acquired with such proceeds is more suitable for municipal purposes than blocks 42, 52, and lots 2, 3, and 4 of block 81; and

(5) any amount by which the proceeds from the sale of blocks 42, 52, and lots 2, 3, and 4 of block 81 exceed the purchase price of property purchased under clause (2) shall be paid to the United States.

SEC. 3. If the requirements of section 2 are satisfied, the Secretary of the Interior is authorized to enter into an agreement or agreements with the city of Anchorage, Alaska whereby, in consideration of a quitclaim deed to the city of Anchorage of all right, title, and interest remaining in the United States in and to those portions of block 42 and block 52 and lots 2, 3, and 4 of block 81 of Anchorage townsite (proper) which have been conveyed to the city of Anchorage, the city of Anchorage agrees that—

(1) title to any property acquired with the proceeds of the sale of any portion of either block 42, block 52, or lots 2, 3, and 4 of block 81 as described in section 1 will vest in the United States if such property ever ceases to be used for municipal purposes; and

(2) that the city of Anchorage will, within ninety days after acquiring such lands, execute a deed to this effect and deliver said deed to the Secretary of the Interior.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT GRANTING LAND TO CITY OF ALBUQUERQUE FOR PUBLIC PURPOSES

The Clerk called the Senate bill (S. 2125) to amend the act of June 9, 1906, entitled "An act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended.

There being no objection, the Clerk read the Senate bill as follows:

S. 2125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended, is further amended by adding at the end thereof the following new section:

"SEC. 3. (a) Notwithstanding the provisions of section 1 hereof, the Secretary of the Interior is authorized to transfer by quitclaim deed or other appropriate means to the city of Albuquerque, New Mexico, all right, title, and interest remaining in the United States in the following described lands:

"PARCEL 1

"A parcel of land situated within the northwest quarter of section 20, township 10 north, range 4 east of the New Mexico principal meridian and within tract numbered 1 of the Municipal Addition numbered 2, an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northwest corner of said tract numbered 1, said northwest corner being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northwest corner of said section 20 bears north 89 degrees 29 minutes 40 seconds west, a distance of 1355.11 feet;

"thence south 0 degrees 23 minutes 20 seconds west, a distance of 220.88 feet to a point on a curve on the new southerly right-of-way line of Lomas Boulevard Northeast as shown on the New Mexico State Highway Department right-of-way map for project numbered I–040–3(1)163, and the true point of beginning;

"thence southeasterly along said southerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 1461.13 feet, a central angle of 2 degrees 37 minutes 42 seconds, and a long chord which bears south 88 degrees 17 minutes 40 seconds east, a distance of 67.02 feet) a distance of 67.03 feet to a New Mexico State Highway Department right-of-way marker (station 14+47.46) and a point on the westerly right-of-way line of Herndon Street Northeast;

"thence south 1 degree 49 minutes 00 seconds west, along said westerly right-of-way line, a distance of 11.81 feet to the point of curve marked by a New Mexico State Highway Department right-of-way marker (station 0+50);

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 330.71 feet, a central angle of 48 degrees 55 minutes 00 seconds and a long chord which bears south 22 degrees 38 minutes 30 seconds east, a distance of 273.85 feet) a distance of 282.35 feet to a New Mexico State Highway Department right-of-way marker (station 2+89.89);

"thence north 43 degrees 02 minutes 30 seconds east, along said westerly right-of-way line, a distance of 10.00 feet to a New

Mexico State Highway marker (station 2+89.89) and a point on a curve;

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the southwest, having a radius of 242.58 feet, a central angle of 33 degrees 46 minutes 00 seconds and a long chord which bears south 30 degrees 04 minutes 30 seconds east, a distance of 140.09 feet) a distance of 142.96 feet to a New Mexico State Highway Department right-of-way marker (station 4+56);

"thence north 64 degrees 32 minutes 30 seconds west, a distance of 278.27 feet to the westerly boundary line of said tract 1;

"thence north 0 degrees 23 minutes 20 seconds east along said westerly boundary line, a distance of 259.86 feet to the true point of beginning.

Said parcel of land containing 0.7041 acre more or less.

"PARCEL 2

"A parcel of land situated within the northeast quarter of section 20, township 10 north, range 4 east, of the New Mexico principal meridian and within tract 4 municipal addition numbered 2 an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northeast corner of tract numbered 2 said tract numbered 2 being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northeast corner of said section 20 bears north 52 degrees 15 minutes 18 seconds east, a distance of 80.97 feet;

"thence south 1 degree 8 minutes 10 seconds east, along the westerly right-of-way line of Eubank Boulevard northeast, a distance of 208.78 feet to the true point of beginning;

"thence south 1 degree 8 minutes 10 seconds east, along said westerly right-of-way line, a distance of 150.20 feet, from which point the State highway department right-of-way marker (station 20+00 end of construction Eubank) bears south 1 degree 8 minutes 10 seconds east, a distance of 85.18 feet;

"thence south 88 degrees 51 minutes 50 seconds west, a distance of 108.00 feet to the easterly boundary of a 10-foot public service company easement;

"thence north 1 degree 8 minutes 10 seconds west, along said easterly boundary, a distance of 150.20 feet;

"thence north 88 degrees 51 minutes 50 seconds east, a distance of 108.00 feet, to the true point of beginning.

Said parcel of land containing 0.3724 acre more or less.

"(b) No conveyance shall be made under this section unless the city of Albuquerque has shown to the satisfaction of the Secretary of the Interior (i) that the lands described in subsection (a) are no longer suitable for park and other public purposes; (ii) that the city of Albuquerque will sell such lands at not less than fair market value; (iii) that the proceeds from the sale thereof will be spent to acquire lands located in the North Valley area of the city of Albuquerque bounded on the west by the Middle Rio Grande Conservancy District right-of-way, on the south by Candelaria Road, on the east by private residential areas along the west boundary of Rio Grande Boulevard, on the north by privately owned lands and containing 134.975 acres more or less; (iv) that any lands acquired with such proceeds are suitable for park and other public purposes; and (v) that any amount by which the proceeds from the sale of the lands described in subsection (a) exceeds the purchase price of the lands acquired will be paid to the United States.

"(c) If the requirements of subsection (b) are satisfied, the Secretary is authorized to enter into an agreement or agreements with the city of Albuquerque whereby, in consideration of a quitclaim deed to the city of Albuquerque of all right, title, and interest remaining in the United States in and to the lands described in subsection (a) which have been conveyed to the city of Albuquerque, the city of Albuquerque agrees that (i) title to any lands acquired with the proceeds of the sale of the lands described in subsection (a) will vest in the United States if such acquired lands ever cease to be used for park and other public purposes, and (ii) that the city of Albuquerque will, within ninety days after acquiring such lands, execute a deed to this effect and deliver said deed to the Secretary.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING EXCHANGE OF LANDS ADJACENT TO THE TETON NATIONAL FOREST IN WYOMING

The Clerk called the Senate bill (S. 3489) to authorize exchange of lands adjacent to the Teton National Forest in Wyoming, and for other purposes.

There being no objection, the Clerk read the Senate bill as follows:

S. 3489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of March 20, 1922 (42 Stat. 465), as amended and supplemented by the Act of February 28, 1925 (43 Stat. 1090), and the Act of June 11, 1960 (74 Stat. 205), are hereby extended to the following described lands:

TOWNSHIP 41 NORTH, RANGE 116 WEST, SIXTH PRINCIPAL MERIDIAN

Section 34, northwest quarter southwest quarter.

SEC. 2. Lands conveyed to the United States under this Act shall, upon acceptance of title, become parts of the Teton National Forest and shall be subject to the laws, rules, and regulations applicable thereto.

REMOVING CLOUD ON TITLE RESPECTING CERTAIN LANDS IN STATE OF NEVADA

The Clerk called the Senate bill (S. 3518) to remove the cloud on title with respect to certain lands in the State of Nevada.

There being no objection, the Clerk read the Senate bill as follows:

S. 3518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, all right, title, and interest of the United States in and to all lands which the State of Nevada, prior to the date of the enactment of the Act of June 16, 1880 (21 Stat. 287), sold and patented on the basis of the grant to it under section 7 of the Act of March 21, 1964 (Nevada Enabling Act) (13 Stat. 30), shall be deemed to have been vested in the State of Nevada as of the time such lands were so sold and patented.

SEC. 2. The Secretary of the Interior is authorized to issue to the State of Nevada such documents or other instruments as may be necessary to carry out the purposes of this Act.

Mr. TOWELL of Nevada. Mr. Speaker, I would like to take this opportunity to personally urge my colleagues to approve the immediate passage of S. 3518, legislation which is identical to a House bill which I introduced earlier this year to remove a cloud on title of certain lands in the State of Nevada. I believe that the background and purpose of this legislation warrants expeditious action on the bill by the House so that S. 3518 can be signed into law before the end of this Congress.

S. 3519, which was passed by the Senate on August 21, 1974, is necessary to correct a technical problem of defective patents made in the 1870's. In March of 1864 when Nevada became a State, the Enabling Act provided that two sections of land in each township would be granted to the State for the benefit of the school fund. Because much of the land in Nevada was unsurveyed at that time, the State relinquished its claim to the two sections of each township in exchange for approximately 2 million acres of public domain lands. The public law which instituted this substitution of lands specifically stated that all lands which were title to the State of Nevada or its grantees between 1864 and 1880 would not be changed or affected by the 1880 substitution of lands agreement. The main purpose of this stipulation was to protect the persons who had received title to these lands from the State through grant or purchase between 1864 and 1880. In fact, approximately 62,000 acres of land conveyed under the Nevada Enabling Act was patented to private ownership by the State prior to 1880.

Several years ago, the Department of Interior Board of Land Appeals advised the State of Nevada that the transfer of a 40-acre tract that was assumed to have been patented to the State in 1870 was defective. This 1972 decision by the Board was based on the fact that no official survey was made at the time the tract was patented. Consequently, the Board ruled that the tract was not vested in the State at that time and the patent was ineffective.

The Board's ruling immediately cast a cloud on the title to approximately 9,000–10,000 acres of land patented in Nevada prior to the 1880 substitution of lands. Correction of this 100-year-old mistake is necessary to clear any cloud on the title of the involved property—this would be accomplished by S. 3518.

Obviously this administrative error was not the intent of the Nevada Enabling Act and the Department of the Interior agrees that this legislation should be enacted to correct the situation. I would also like to note that the Office of Management and Budget has no objection to the enactment of S. 3518 since the bill would result in only minor expenditures to process the documents to remove the cloud on title. In light of this fact and the necessity to correct an administrative error, I urge the House of Representatives to approve S. 3518.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The Senate bill was ordered to be read

a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONVEY CERTAIN LANDS IN YUMA COUNTY, ARIZ.

The Clerk called the Senate bill (S. 3574) to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz.

There being no objection, the Clerk read the Senate bill as follows:

S. 3574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States hereby disclaims any right, title, or interest in or to certain real property situated in Yuma County, Arizona, within the boundaries of the east half of the northwest quarter and the north half of the northeast quarter and the northwest quarter of the northwest quarter of section 13; and the northeast quarter of the southwest quarter and the south half of the southwest quarter of section 12, township 9 south, range 21 east, San Bernardino meridian as depicted by the original plat of survey of such township published by the United States Surveyor General's Office, dated March 21, 1857, being a portion of sections 23, 25, and 26, township 1 north, range 24 west, Gila and Salt River meridian as depicted by the dependent resurvey and accretion survey plat of said township published by the United States Department of the Interior, Bureau of Land Management, dated June 5, 1962, except that the provisions of this section shall not apply to the 52-acre portion of such property that was condemned by the United States pursuant to the complaint in condemnation filed by the United States on June 30, 1964, in the United States District Court for the District of Arizona (No. Civ. 5188–Phx) and any portion of such property submerged in the bed of the Colorado River and owned by the States of California and Arizona.

Sec. 2. The Secretary of the Interior is authorized and directed to convey by patent to Wide River Farms, Incorporated, an Arizona corporation, 52 acres of land, more or less, described as the southwest quarter of the northwest quarter and the southwest quarter of the northeast quarter of section 13, township 9 south, range 21 east, San Bernardino meridian as depicted by the original plat of survey of such township published by the United States Surveyor General's Office, dated March 21, 1857, being a portion of section 26, township 1 north, range 24 west, Gila and Salt River meridian, as depicted by the dependent resurvey and accretion survey plat of said township published by the United States Department of the Interior, Bureau of Land Management, dated June 5, 1962, except that the provisions of this section shall not apply to any portion of such property that was described in the complaint in condemnation filed by the United States on June 30, 1964, in the United States District Court for the District of Arizona (No. Civ., 5188–Phx.) and any portion of such property submerged in the bed of the Colorado River and owned by the States of California and Arizona.

Sec. 3. The Secretary of the Interior is authorized and directed to prepare and execute without consideration such instruments as may be appropriate to carry out the purposes of this Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE INTERIOR TO TRANSFER LANDS IN COLORADO TO THE SECRETARY OF AGRICULTURE

The Clerk called the Senate bill (S. 3615) to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo.

There being no objection, the Clerk read the Senate bill as follows:

S. 3615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, to insure consolidation of lands in the Arapaho National Forest, Colorado, and to afford the opportunity for better management of those lands, the Secretary of the Interior is hereby authorized to transfer certain lands under his jurisdiction and adjacent to the existing boundary of said national forest to the Secretary of Agriculture. Pursuant to this Act, the exterior boundaries of the Arapaho National Forest, Colorado, shall be extended to include all of the lands not presently within such boundaries lying in township 3 south, range 78 west, township 4 south, range 78 west, township 2 south, range 79 west, township 3 south, range 79 west, and township 2 south, range 80 west, sections 7 through 18, and sections 20 through 28, all of the sixth principal meridian.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army, retired.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ESTELLE M. FASS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to

the request of the gentleman from Maryland?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. SHUSTER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HOLIFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 697]

Adams
Arends
Blackburn
Blatnik
Brasco
Breaux
Burke, Calif.
Burton, John
Camp
Carey, N.Y.
Chisholm
Clark
Conyers
Dellums
Diggs
Drinan
Dulski
Esch
Eshleman
Ford
Fraser
Frelinghuysen
Ginn
Grasso
Gray
Grover
Hanna
Hansen, Idaho
Hansen, Wash.
Hébert
Hosmer
Howard
Jarman
Jones, Okla.
Karth
Kyros
Litton
Long, Md.
Luken
McKinney
McSpadden
Macdonald
Madigan
Maraziti
Mathias, Calif.
Mills
Murphy, N.Y.
O'Hara
Podell
Powell, Ohio
Railsback
Rangel
Rarick
Rees
Reid
Robison, N.Y.
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruth
Sandman
Satterfield
Shipley
Shoup
Steele
Stuckey
Teague
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Wiggins
Wilson, Charles H., Calif.
Wyatt
Wyman
Zion

The SPEAKER. On this rollcall 358 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

PETER BOSCAS, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of Peter Boscas, deceased.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SANDSTROM PRODUCTS CO. OF PORT BYRON, ILL.

The Clerk called the bill (H.R. 2639) for the relief of Sandstrom Products Co. of Port Byron, Ill.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TZE TSUN LEE

The Clerk called the bill (H.R. 11102) for the relief of Tze Tsun Lee.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LORETTO B. FITZGERALD

The Clerk called the Senate bill (S. 239) for the relief of Loretto B. Fitzgerald.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

VICTOR HENRIQUE CARLOS GIBSON

The Clerk called the Senate bill (S. 864) for the relief of Victor Henrique Carlos Gibson.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AUTHORIZING AND DIRECTING THE SECRETARY OF THE INTERIOR TO SELL INTERESTS OF THE UNITED STATES IN CERTAIN LANDS LOCATED IN THE STATE OF ALASKA TO THE GOSPEL MISSIONARY UNION

The Clerk called the bill (H.R. 11881) to authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union.

Mr. MELCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk an identical bill, S. 184, to authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union, and to consider it in lieu of H.R. 11881.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Montana would give us an explanation of this.

Mr. MELCHER. Yes, if the gentleman will yield.

Mr. WYLIE. I will be glad to yield to the gentleman.

Mr. MELCHER. The gentleman from Alaska (Mr. YOUNG) asked that the motion be made in order to consider the Senate bill and have it enacted and final action be taken.

Mr. WYLIE. Is this identical to the House bill?

Mr. MELCHER. Yes, it is identical.

Mr. WYLIE. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the Senate bill as follows:

S. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall, subject to the provisions of section 2 of this Act, release and convey to the Gospel Missionary Union all right, title, and interest of the United States in and to the following described property:

Lot 14 of Lena Point No. 1, Small Tract Group, in United States Survey 3053, on the southerly side of the Lena Point Highway, approximately 17½ miles northwest of Juneau, Alaska, comprising approximately .22 acre.

SEC. 2. The conveyance authorized by the first section of this Act shall be made upon payment by the Gospel Missionary Union to the Secretary of the Interior of an amount equal to the fair market value of such land (excluding any improvements), as determined by the Secretary after appraisal.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 11881, was laid on the table.

MARLIN TOY PRODUCTS, INC.

The Clerk called the resolution (H. Res. 1181) to refer the bill (H.R. 15403) entitled "A bill for the relief of Marlin Toy Products, Incorporated," to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, as amended.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CHARLES P. BAILEY

The Clerk called the bill (H.R. 2770) for the relief of Charles P. Bailey.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

TRI-STATE MOTOR TRANSIT CO.

The Clerk called the bill (H.R. 11607) for the relief of Tri-State Motor Transit Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 11607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Tri-State Motor Transit Company of Joplin, Missouri, the sum of $1,725.60 in full satisfaction of its claims against the Department of the Army for transportation of a load of explosives to Fort Walters, Texas, May 1968. Such claim was presented too late for payment due to administrative delays by the Department of the Army in processing a Certificate in Lieu of Lost Government Bill of Lading despite diligent efforts to obtain such certificate by the Tri-State Motor Transit Company.

SEC. 2. Not more than 10 per centum of an amount equal to the sum appropriated by this Act shall be, directly or indirectly, paid to or received by any attorney in connection with the claim referred to in the first section of this Act. Any person violating this section shall be fined not more than $1,000.

With the following committee amendment:

Page 1, line 8: After "Fort", strike "Walters" and insert "Wolters".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL C. STRAUSS AND MARY ANN STRAUSS

The Clerk called the bill (H.R. 13869) for the relief of Carl C. Strauss and Mary Ann Strauss.

There being no objection, the Clerk read the bill as follows:

H.R. 13869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carl C. Strauss and Mary Ann Strauss (husband and wife) of Mount Pleasant, Michigan, the sum of $3,634.50 in full settlement of all their claims against the United States for reimbursement of expenses incurred in clearing title to land which had been improperly transferred to certain predecessors in interest by the Bureau of Indian Affairs, Department of the Interior.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 13: Strike "10 per centum thereof" and insert "$867.00".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY RED HEAD

The Clerk called the Senate bill (S. 1357) for the relief of Mary Red Head.

There being no objection, the Clerk read the Senate bill as follows:

S. 1357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Red Head of Browning, Montana, the sum of $10,000 in full settlement of all her claims against the United States for disability arising out of the loss of part of her arm (from the elbow down) in 1921 in machinery she was operating in the laundry while a student at the Cut Bank Boarding School, Montana, a school operated by the Bureau of Indian Affairs. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES WILLIAM THOMAS, DECEASED

The Clerk called the Senate bill (S. 2446) for the relief of Charles William Thomas, deceased.

There being no objection, the Clerk read the Senate bill as follows:

S. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Charles William Thomas, of Orange, Texas, died in Washington, District of Columbia, shall be held and considered—

(1) to have been appointed as a Foreign Service officer of class 3 under sections 511 and 621 of the Foreign Service Act of 1946, on April 23, 1967;

(2) to have served, during the period from April 23, 1967, through April 12, 1971, as a Foreign Service officer of class 3;

(3) to have died on April 12, 1971, as a Foreign Service officer of class 3; and

(4) to have had in effect for the period from April 23, 1967, through April 12, 1971, that amount of group life insurance, and an equal amount of group accidental death and dismemberment insurance (purchased by the Civil Service Commission) to which he would have been entitled as a Foreign Service Officer of class 3 during such period.

(b) The Secretary of State shall determine—

(1) the amount of salary (including increases in salary under section 625 of the Foreign Service Act of 1946) to which the said Charles William Thomas would have been entitled during the period from April 23, 1967, through April 12, 1971, as a Foreign Service officer of class 3, less an amount equal to the difference between the amount actually paid by the said Charles William Thomas in group life and accidental death and dismemberment insurance premiums and the amount of such premiums he would have paid for the coverage of such insurance during that period had he been a Foreign Service officer of class 3;

(2) the amount of any lump sum payment to which the said Charles William Thomas would have been entitled under section 5551 of title 5, United States Code (relating to accumulated and accrued leave), upon his death on April 12, 1971, as a Foreign Service officer of class 3;

(3) the amount of annuity to which the widow of the said Charles William Thomas would have been entitled under section 821 of the Foreign Service Act of 1946 from April 12, 1971, through the day prior to the date of enactment of this Act had such annuity been computed on the basis of the amount of salary referred to in clause (1) of this subsection and the service referred to in subsection (a) of this section;

(4) the amount of any insurance lump sum or other benefit payments to which the widow and children of Charles William Thomas, deceased, would be entitled to pursuant to paragraph (4) above.

(c) Each amount determined by the Secretary under subsection (b) of this section shall be (1) reduced by any amount paid to the said Charles William Thomas as salary during the period referred to in clause (1) of such subsection, as an annuity payable to the widow of the said Charles William Thomas, and (2) as so reduced, paid by the Secretary out of funds available for the payment of salaries of Foreign Service officers, lump sum payments, or annuities to such officers or their survivors, as appropriate.

(d) In the administration of section 832 of the Foreign Service Act of 1946, as amended, the surviving widow of the said Charles William Thomas shall be entitled to be paid an annuity as recomputed on the basis of the provisions of subsection (a) of this section.

SEC. 2. No part of any payment authorized in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL D. MANEMANN

The Clerk called the Senate bill (S. 2838) for the relief of Michael D. Manemann.

There being no objection, the Clerk read the Senate bill as follows:

S. 2838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in accordance with conclusions of the Report of the Review Panel, filed October 10, 1973, pursuant to sections 1492 and 2509 of title 28, United States Code, in Congressional Reference Case Numbered 3-71, before the Chief Commissioner of the Court of Claims, entitled "Michael D. Manemann against The United States," the Secretary is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael D. Manemann, a former military dependent, the sum of $27,000, in full satisfaction of all claims (including those for lost earnings, pain and suffering, and residual disability) of the said Michael D. Manemann against the United States resulting from the actions occurring overseas, of medical personnel of the United States Air Force who, it was found, in 1962 negligently failed to diagnose the existence of tuberculosis, at which time X-rays then taken showed a suspicious condition which should have led to further studies and to treatment which would probably have then obivated the need for the surgery which was subsequently undertaken upon the discovery of advanced tuberculosis in 1965.

(b) No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARITZA BUSCH

The Clerk called the bill (H.R. 11340) for the relief of Mrs. Maritza Busch.

There being no objection, the Clerk read the bill as follows:

H.R. 11340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Mrs. Maritza Busch shall be held and considered to have been a returning resident alien at the time of her admission to the United States on August 10, 1971.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANUEL BONTON

The Clerk called the bill (H.R. 11934) for the relief of Manuel Bonton.

There being no objection, the Clerk read the bill as follows:

H.R. 11934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Manuel Bonton may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Palino and Querina Bonoton citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 4, strike out the name "Manuel Bonton" and substitute the name "Manuel Bonotan".

On page 1, lines 6 and 7, strike out "Palino and Querina Bonoton citizens of the United States," and substitute in lieu thereof "Paulino and Querina Bonotan, a citizen of the United States and a lawfully resident alien, respectively,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Manuel Bonotan".

A motion to reconsider was laid on the table.

LYSTRA UMILTA DOWNS

The Clerk called the bill (H.R. 12821) for the relief of Lystra Umilta Downs.

There being no objection, the Clerk read the bill as follows:

H.R. 12821

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(23) of the Immigration and Nationality Act, Lystra Umilta Downs may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUDITH E. STERLING

The Clerk called the bill (H.R. 14461) for the relief of Judith E. Sterling.

There being no objection, the Clerk read the bill as follows:

H.R. 14461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Judith E. Sterling shall be deemed to be an immediate relative within the meaning of section 201(b) of that Act and may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Judith E. Sterling shall be held and considered to be a returning resident alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAN SEJNA

The Clerk called the Senate bill (S. 2594) for the relief of Jan Sejna.

There being no objection, the Clerk read the Senate bill as follows:

S. 2594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jan Sejna, who was lawfully admitted to the United States for permanent residence on February 28, 1968, shall be held and considered not to be within the classes of persons whose naturalization is prohibited by the provisions of section 313 of the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE ISMARNARDO REYES-MORELOS

The Clerk called the Senate bill (S. 3397) for the relief of Jose Ismarnardo Reyes-Morelos.

There being no objection, the Clerk read the Senate bill as follows:

S. 3397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, section 204(c) of the Act, relating to the number of petitions which may be approved in behalf of children, shall be inapplicable in the case of a petition filed in behalf of Jose Ismarnardo Reyes-Morelos by Mr. and Mrs. Lawrence A. Lemmen, citizens of the United States: *Provided,* That the brothers or sisters of the beneficiary shall not by virtue of such relationship be accorded any right, privilege, or status under the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANITA TOMASI

The Clerk called the Senate bill (S. 3578) for the relief of Anita Tomasi.

There being no objection, the Clerk read the Senate bill as follows:

S. 3578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Anita Tomasi may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed in her behalf by Miss Theresa Tomasi, a citizen of the United States, pursuant to section 204 of such Act: *Provided,* That the brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOR THE RELIEF OF FRANK P. MUTO, ALPHONSO A. MUTO, ARTHUR E. SCOTT, AND F. CLYDE WILKINSON

The Clerk called the Senate bill (S. 251) for the relief of Frank P. Muto, Alphonso A. Muto, Arthur E. Scott, and F. Clyde Wilkinson.

There being no objection, the Clerk read the Senate bill as follows:

S. 251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in the administration of subchapter III (relating to civil service retirement) of chapter 83 of title 5, United States Code, and subject to sections 8334(c) and 8339(h) of such title, Frank P. Muto, Alphonso A. Muto, Arthur E. Scott, and F. Clyde Wilkinson shall be deemed to have rendered creditable service during such periods as they were employees of the Democratic or Republican Senatorial Campaign Committee prior to October 2, 1962.

(b) The Civil Service Commission shall accept the certification of the President of the Senate, or his designee, concerning the service of, and the amount of compensation received by, the individuals named in subsection (a) of this section.

With the following committee amendments:

Page 2, after line 5, insert:

SEC. 2. (a) In the administration of subchapter III (relating to civil service retirement) of chapter 83 of title 5, United States Code, and subject to sections 8334(c) and 8339(h) of such title, Arthur D. O'Neill, Joseph H. Avery, Jr., Joshua Cosden, Keith Jewell, Bertha Seelmeyer, Thomas Dennis O'Neill, Robert H. Brockhurst, Michael Senko, Salvatore La Capria, C. J. Moore, III, and Ann C. Siegal shall be deemed to have rendered creditable service during such periods as they were employees of the Democratic National Congressional Committee or Republican Congressional Committee prior to January 1, 1975.

(b) The Civil Service Commission shall accept the certification of the Speaker of the House, or his designee, concerning the service of, and the amount of compensation received by, the individuals named in this section.

Page 2, line 6: Strike "(c)" and insert "SEC. 3.".

Page 2, line 7: Strike "subsection (a) of this section" and insert "this Act".

The committee amendments were agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended to read as follows: "For the relief of Frank P. Muto, Alphonso A. Muto, Arthur E. Scott, F. Clyde Wilkinson, Arthur D. O'Neill, Joseph H. Avery, Jr., Joshua Cosden, Keith Jewell, Bertha Seelmeyer, Thomas Dennis O'Neill, Robert H. Brockhurst, Michael Senko, Salvatore LaCapria, C. J. Moore, III, and Ann C. Siegal."

A motion to reconsider was laid on the table.

The SPEAKER. This ends the call of the Private Calendar.

PROVIDING FOR CONFERENCE CONSIDERATION OF H.R. 17468, DEPARTMENT OF DEFENSE MILITARY CONSTRUCTION APPROPRIATIONS, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 124) relating to conference consideration of the bill (H.R. 17468), and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 124

Resolved by the Senate (the House of Representatives concurring), That, due to an inadvertent omission in the Senate reported version of H.R. 17468, entitled "An act making apropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes", in resolving the difference between the Senate and the House on such bill, it shall be deemed that the Senate agreed to an amendment (No. 6) striking from the House-passed bill the following section 111, and the conferees are authorized to consider the same:

SEC. 111. Notwithstanding any other provision of law, funds available to the Department of Defense during the current fiscal year for the construction of family housing units may be used to purchase sole interest in privately owned and Federal Housing Commissioner held family housing units if the Secretary of Defense determines it is in the best interests of the Government to do so: *Provided,* That family housing units so purchased do not exceed annual Military Construction Authorization Act limitations on unit cost and numbers and are at the locations authorized: *Provided further,* That housing units so purchased are within the size limitations of title 10, United States Code, section 2684.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to return to the private calendar, and I call up the bill (H.R. 2770) and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

CHARLES P. BAILEY

The Clerk called the bill (H.R. 2770) for the relief of Charles P. Bailey.

There being no objection, the Clerk read the bill, as follows:

H.R. 2770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby directed to redetermine the liability for tax (including interest, penalties, and other amounts) of Charles P. Bailey of North Palm Beach, Florida, for the taxable year 1962. In such redetermination, the determination of whether or not the said Charles P. Bailey is relieved of liability under section 6013(e) of the Internal Revenue Code of 1954 shall be made without regard to any period of limitations and without regard to res judicata, or any similar rule of law. Any overpayment to tax by the said Charles P. Bailey for his taxable year 1962 resulting from the redetermination made under this Act shall be refunded to him.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELMER AMUNDSON

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3538) for the relief of Selmer Amundson, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 6, insert:

"SEC. 2. Section 218(p)(1) of the Social Security Act is amended by inserting 'Montana,' immediately after 'Maryland,'."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. NELSEN. Mr. Speaker, reserving the right to object, and I shall not object, I just wanted to bring to the attention of this body a situation that is, I think, a very precarious one.

While I was back home, a fellow in a wheelchair came to me, and his tax accountant had pocketed the money that he had paid in to make him eligible for social security. After a time, this accountant was caught up with and prosecuted for the offense, and now this bill would make this poor fellow eligible for money that has been paid into the Treasury of the United States.

The House did pass this bill, but over on the Senate side an amendment was added which would make the police and firemen of the State of Montana eligible for social security. This worried me some, but we have checked with the Committee on Ways and Means. They have agreed that it is all right.

We have also checked with Social Security, and they said this is the way the credit would be arranged.

It seems to me that in order to be finally eligible, they would have to work out their agreement with the Social Security Administration, which gives the State the protection that I think is needed.

Mr. Speaker, I hope and urge that this body passes the bill.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WYLIE. Mr. Speaker, further reserving the right to object, I would like to have the gentleman from Massachusetts explain the procedure by which a bill on the Private Calendar has added to it nongermane language which would amend the Social Security Act.

Mr. DONOHUE. Mr. Speaker, as the gentleman knows, when legislation leaves this body and goes to the Senate, the amendments added by that body need not be germane to the subject matter in the bill that is referred to the Senate by the House.

Mr. WYLIE. I understand the rule of the Senate by which nongermane amendments can be added to almost anything, but this is the ultimate, I think, adding a nongermane amendment to a Private Calendar bill which has absolutely nothing to do with the subject of the amendment.

I really have taken the floor to protest possibly jeopardizing what is otherwise a meritorious bill through this unconscionable procedure.

I might add the amendment would include the State of Montana in the Social Security Act so that policemen and firemen in the State of Montana can benefit from the provisions of the Social Security Act, which is fine with me, although there are not too many States in that category. Ohio is not one of them. Ohio has its own public employees' retirement system, which our policemen and firemen like better than being social security beneficiaries. Policemen and firemen in most States have not come to us and asked to be included under social security.

However, I just find the procedure by which a social security amendment is added to an otherwise very meritorious private bill objectionable to me.

Mr. Speaker, Mr. Selmer Amundson is to receive the relief he deserves and so I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO IMPROVE BASIC PROVISIONS OF VETERANS HOME LOAN PROGRAMS

Mr. **DORN**. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Veterans Housing Act of 1974".

SEC. 2. (a) Section 1802(b) of title 38, United States Code, is amended to read as follows:

"(b) In computing the aggregate amount of guaranty or insurance entitlement available to a veteran under this chapter, the Administrator may exclude the amount of guaranty or insurance entitlement used for any guaranteed, insured, or direct loan, if—

"(1) the property which secured the loan has been disposed of by the veteran or has been destroyed by fire or other natural hazard; and

"(2) the loan has been repaid in full, or the Administrator has been released from liability as to the loan, or if the Administrator has suffered a loss on such loan, the loss has been paid in full; or

"(3) an immediate veteran-transferee has agreed to assume the outstanding balance on the loan and consented to the use of his entitlement, to the extent that the entitlement of the veteran-transferor had been used originally, in place of the veteran-transferor's for the guaranteed, insured, or direct loan, and the veteran-transferee otherwise meets the requirements of this chapter.

The Administrator may, in any case involving circumstances he deems appropriate, waive one or more of the conditions prescribed in clauses (1) and (2) above.".

(b) Clause (3) of section 1802(d) of title 38, United States Code, is amended to read as follows: "(3) by any lender approved by the Administrator pursuant to standards established by him.".

(c) Section 1803(c) of title 38, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(3) This section shall not be construed to prohibit a veteran from paying to a lender any reasonable discount required by such lender, when the proceeds from the loan are to be used:

"(A) to refinance indebtedness pursuant to section 1810(a)(5);

"(B) to repair, alter, or improve a farm residence or other dwelling pursuant to section 1810(a)(4);

"(C) to construct a dwelling or farm residence on land already owned or to be acquired by the veteran except where the land is directly or indirectly acquired from a builder or developer who has contracted to construct such dwelling for the veteran; or

"(D) to purchase a dwelling from a class of sellers which the Administrator determines are legally precluded under all circumstances from paying such a discount if the best interest of the veteran would be so served.".

(d) Section 1804(c) of title 38, United States Code, is amended by inserting immediately after the second sentence a new sentence as follows: "Notwithstanding the foregoing provisions of this subsection, in the case of a loan automatically guaranteed under this chapter, the veteran shall be required to make the certification only at the time the loan is closed.".

(e) Section 1804 of title 38, United States Code, is amended by striking out in subsections (b) and (d) "under section 512 of that Act".

SEC. 3. Section 1810 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a)(5) the second sentence;

(2) by adding at the end of subsection (a) a new paragraph as follows:

"(6) To purchase a one-family residential unit in a new condominium housing development or project, or in a structure built and sold as a condominium, provided such development, project or structure is approved by the Administrator under such criteria as he shall prescribe.";

(3) by striking out in subsection (c) "$12,500" and inserting in lieu thereof "$17,500"; and

(4) by striking out subsection (d) in its entirety.

SEC. 4. Section 1811(d)(2)(A) of title 38, United States Code, is amended by striking out "$12,500" wherever it appears and inserting in lieu thereof "$17,500".

SEC. 5. Section 1819 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a) "or the mobile home lot loan guaranty benefit, or both," immediately after "loan guaranty benefit" each time it appears therein and by striking out "mobile home" immediately before "loan guaranteed" in the second sentence of such subsection;

(2) by amending subsection (b) as follows:

(A) by inserting "(1)" immediately after "(b)";

(B) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(C) by adding at the end thereof a new paragraph as follows:

"(2) Subject to the limitations in subsection (d) of this section, a loan may be made to purchase a lot on which to place a mobile home if the veteran already has such a home. Such a loan may include an amount sufficient to pay expenses reasonably necessary for the appropriate preparation of such a lot, including, but not limited to, the installation of utility connections, sanitary facilities, and paving, and the construction of a suitable pad.";

(3) by redesignating clauses (1) and (2) of the first sentence of subsection (c)(1) as clauses (A) and (B), respectively, and by striking out the word "and" at the end of clause (A), as redesignated, and inserting in lieu thereof "or the loan is for the purpose of purchasing a lot on which to place a mobile home previously purchased by the veteran, whether or not such mobile home was purchased with a loan guaranteed, insured or made by another Federal agency, and";

(4) by further amending paragraph (1) of subsection (c) by deleting in the first sentence the clause "or for the purchase of a used mobile home which is the security for a prior loan guaranteed or made under this section or for a loan guaranteed, insured or made by another Federal agency," and inserting in lieu thereof the following: "or for the purchase of a used mobile home which meets or exceeds minimum requirements for construction, design, and general acceptability prescribed by the Administrator,";

(5) by amending the last sentence of paragraph (1) of subsection (d) to read as follows: "In the case of any lot on which to place a mobile home, whether or not the mobile home was financed with assistance under this section, and in the case of necessary site preparation, the loan amount for such purposes may not exceed the reasonable value of such lot or an amount appropriate to cover the cost of necessary site preparation or both, as determined by the Administrator.";

(6) by striking out in subsection (d)(2) all of the paragraph after "exceed—" and inserting in lieu thereof the following:

"(A) $12,500 for twelve years and thirty-two days in the case of a loan covering the purchase of single-wide mobile home only and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation where the veteran owns the lot, or

"(B) $20,000 for twenty years and thirty-two days in the case of a loan covering the purchase of a double-wide mobile home only and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation where the veteran owns the lot, or

"(C) $20,000 (but not to exceed $12,500 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a single-wide mobile home and an undeveloped lot on which to place such home, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation, or

"(D) $27,500 (but not to exceed $20,000 for the mobile home) for twenty years and thirty-two days in the case of a loan covering the purchase of a double-wide mobile home and an undeveloped lot on which to place such home, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation, or

"(E) $20,000 (but not to exceed $12,500 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a single-wide mobile home and a suitably developed lot on which to place such home, or

"(F) $27,500 (but not to exceed $20,000 for the mobile home) for twenty years and thirty-two days in the case of a loan covering the purchase of a double-wide mobile home and a suitably developed lot on which to place such home, or

"(G) $7,500 for twelve years and thirty-two days in the case of a loan covering the purchase of only an undeveloped lot on which to place a mobile home owned by the veteran, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation, or

"(H) $7,500 for twelve years and thirty-two days in the case of a loan covering the purchase of a suitably developed lot on which to place a mobile home owned by the veteran.";

(7) by amending clause (3) of subsection (e) to read as follows:

"(3) the loan is secured by a first lien on the mobile home purchased with the proceeds of the loan and on any lot acquired or improved with the proceeds of the loan;";

(8) by inserting in subsection (f) "and mobile home lot loans" after "loans";

(9) by inserting in the first sentence of subsection (i) "and no loan for the purchase of a lot on which to place a mobile home owned by a veteran shall be guaranteed under this section unless the lot meets such standards prescribed for mobile home lots" after "Administrator";

(10) by inserting in subsection (n) "and mobile home lot loans" immediately after "mobile home loans"; and

(11) by striking out subsection (o) in its entirety.

SEC. 6. Paragraph (5) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended by inserting after the words "ten years," the words "except that loans made in accordance with section 2(b) of the National Housing Act and section 1819 of title 38, United States Code, may be for the maturities specified therein,".

SEC. 7. (a) Chapter 37 of title 38, United States Code, is amended by deleting sections 1812, 1813, 1814, and 1822.

(b) The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by striking out the following:

"1812. Purchase of farms and farm equipment.
"1813. Purchase of business property.
"1814. Loans to refinance delinquent indebtedness."

and

"18722. Recovery of damages.";

(c) The title of chapter 37 of title 38, United States Code, is amended by striking out "CHAPTER 37—HOME, FARM, AND BUSINESS LOAN".

and inserting in lieu thereof

"CHAPTER 37—HOME, CONDOMINIUM, AND MOBILE HOME LOANS"; and

(d) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by striking out

"37. Home, Farm, and Business Loans..1801"

and inserting in lieu thereof

"37. Home, Condominium, and Mobile Home Loans.......................... 1801".

SEC. 8. Chapter 37 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1803(a)(1) "and not more than 50 per centum of the loan if the loan is for any of the purposes specified in section 1812, 1813, or 1814 of this title";

(2) by striking out the first sentence in section 1803(b);

(3) by amending paragraph (1) of section 1803 (d) to read as follows:

"(1) The maturity of any loan shall not be more than thirty years and thirty-two days,";

(4) by striking out the last sentence in paragraph (3) of section 1803(d);

(5) by striking out the last sentence in section 1815(b);

(6) by striking out in section 1818(a) "(except sections 1813 and 1815, and business loans under section 1814, of this title)"; and

(7) by striking out section 1818(c) in its entirety and redesignating subsection (d) as subsection (c).

SEC. 9. Section 802 of title 38, United States Code, is amended by striking out "$17,500" and inserting in lieu thereof "$25,000".

SEC. 10. The provisions of this Act shall become effective on the date of enactment except that the amendments made by sections 2(a)(3) and 2(b) and sections 3(2) and 3(4) shall become effective ninety days after such date of enactment.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object—and I shall not object—I do so for the purpose of asking if the distinguished chairman, the gentleman from South Carolina (Mr. DORN) would explain the thrust of the Senate amendment.

Mr. DORN. Mr. Speaker, if the gentleman will yield, I will be most happy to do so.

Mr. HAMMERSCHMIDT. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, on August 5, 1974, the House passed and sent to the Senate H.R. 15912, a bill to improve the basic provisions of the veterans' home loan programs. The vote in the House was unanimous. The bill is designed to provide better opportunities for veterans to purchase homes under the VA loan guaranty program and has the strong support of all veterans' organizations and everyone engaged in the home building industry.

As passed by the House the bill would:

First. Restore a veteran's entitlement to a VA home loan provided the veteran's prior GI loan has been paid in full and the property has been disposed of by the veteran;

Second. Authorize the Administrator to grant automatic processing authority to certain lenders who are not "supervised lenders" as required under present law. The Administrator of Veterans' Affairs could establish standards which, if met by any lender, would enable that lender to process loans to be automatically guaranteed by the VA without the necessity of obtaining prior approval;

Third. Increase the maximum VA home loan guarantee from $12,500 to $15,000;

Fourth. Authorize the Veterans' Administration to make home loans to acquire individual condominium units independent of HUD. Under present law the VA cannot make such a loan until HUD has issued insurance on at least one loan in a HUD approved project. Few condominium loans are processed by HUD because of the delays in getting such projects approved. The bill would put the VA in the condominium business independent of HUD;

Fifth. Increase the maximum loan guarantee for mobile homes from 30 to 50 percent. The maximum loan for single-wide mobile home loans would be increased from $10,000 to $12,500 and a new loan maximum of $15,000 would be established for double-wide mobile home units. The present statutory maximum of $10,000 for mobile homes largely relegates the VA program to a level serving only the most modestly priced segment of the market. At present, any veteran who desires to buy a large single-wide or a double-wide mobile home would find it necessary to put up so much downpayment under the GI loan program that he is, in effect, deprived of the benefits of a VA guaranteed loan;

Sixth. Provide authority, for the first time, to guarantee a loan for the purpose of acquiring a lot and making necessary site preparations upon which to place a mobile home unit already owned by a veteran;

Seventh. Remove the delimiting date presently in the law which prohibits guarantee of mobile homes after July 1, 1975, thus making the mobile home loan guarantee program permanent; and

Eighth. Increase the maximum amount of the grant payable for specially adapted housing for seriously disabled veterans from $17,500 to $20,000.

Last Friday, December 13, the Senate passed the bill unanimously with minor amendments. The Senate amendments are acceptable by both the majority and minority of our committee.

The Senate amendments would:

First. Increase the maximum loan guarantee from $15,000 to $17,500;

Second. Allow a qualified veteran to assume the outstanding balance of a VA loan on the property of another veteran, while at the same time allowing the veteran who is transferring such property to have his original entitlement for a VA loan restored. This provision is especially important to all military servicemen due to frequent changes in their duty stations;

Third. Limit the scope of condominium developments for loans to acquire individual condomium units;

Fourth. Raise from $15,000 to $20,000 the loan maximum for a double-wide mobile home unit and increase the loan maturity from 15 to 20 years;

Fifth. Increase the maximum loan from $22,500 to $27,500 for a double-wide mobile home and an undeveloped lot and increase the maturity date from 15 to 20 years;

Sixth. Increase the maximum grant payable for specially adapted housing for certain service-connected disabled veterans from $20,000 to $25,000; and

Seventh. Amend the Federal Credit Union Act to increase the maximum maturity of loans made by Federal credit unions from 10 years to the maximum maturities as specified in section 1819, title 38, United States Code, and section 2(b) of the National Housing Act.

Mr. Speaker, the act shall take effect on the date of enactment except that those provisions relating to authorizing automatic guarantee of loans by unsupervised lenders, the extension of eligibility for condominium guarantee, and certain provisions relating to restoration of entitlement shall become effective 90 days after date of enactment.

The first-year cost of the bill, as amended, is estimated to be $5,810,800. The first-year cost of the House-passed bill is $2,467,800. Most of the difference is the $5,000 increase added by the Senate for specially adapted housing grants.

The total estimated 5-year cost of the

bill now before us is estimated to be $35,581,500. Of this amount, $23,343,000 would go for the specially adapted housing grants.

Following is a section-by-section analysis and an explanation of H.R. 15912, as amended:

SECTION 1

This section provides that the proposed Act may be cited as the "Veterans Housing Act of 1974".

SECTION 2

Subsection (a) of section 2 amends section 1802(b), chapter 37, title 38, U.S.C., to provide for restoration of loan entitlement. Under this section, which both codifies and expands existing practices, the Administrator could restore a veteran's loan guarantee entitlement if the following conditions are met. First, the property was secured by a prior VA assistance loan and must either have been disposed of by the veteran or destroyed by fire or by some other natural hazard. And second, the prior loan must have been paid off in full or the Administrator must have been released from liability under guarantee; or, if the prior loan was foreclosed and the VA paid the claim, the veteran must repay in full any loss suffered by the VA on such loan (the Administrator still continues to have the authority to waive either or both of these conditions in appropriate cases). Finally, a veteran may have his entitlement restored if an eligible veteran-transferee has agreed to assume the outstanding balance of the loan and has consented to the use of his entitlement. The removal of "compelling reasons devoid of a fault" will eliminate a statutory requirement that is susceptible to varying interpretations and thus uneven application throughout the system of VA field stations. It will also result in substantial administrative cost savings to the VA in the expenditure of resources and staff in determining the validity of reasons for disposal of property by veterans.

The provisions would also allow a qualified veteran to assume the outstanding balance of a VA loan on the property of another veteran, while at the same time, the veteran who is transferring such property will have his original entitlement for a VA loan restored to him and he shall be free of any obligations on the transferred property. This provision is especially important to all military servicemen. Throughout a normal military career averaging 21 to 24 years, a service member may expect seven to eight permanent changes of station. During this time, he would normally be eligible for one VA loan and perhaps one or two FHA In-Service Loans. Then it becomes time for retirement. Once a permanent homesite has been selected, he is faced with the fact that he has no immediate eligibility under the present Veterans Housing Act and no entitlement to an In-Service Loan. This provision would make it easier for servicemen to purchase homes if required by the contingencies of the service and help alleviate the present housing problem for many servicemen who are faced throughout their career with changing locations.

Subsection (b) amends section 1802(d) of chapter 37, by deleting the present clause 3 and substituting language permitting any non-supervised lender approved by the Administrator to process home or mobile home loans on the "automatic" basis, pursuant to standards established by the Administrator. Currently, only supervised lenders (e.g., banks, savings and loan associations, and insurance companies) are authorized under law, pursuant to standards established by the Administrator, to process GI loans for conventionally built and mobile home loans on an automatically-guaranteed basis. Technically, under existing law, nonsupervised lenders who have been named certified agents by the Secretary of the Department of Housing and Urban Development, can be permitted to process automatically-guaranteed loans. However, this HUD certified agent problem is no longer operable.

Consumer credit and finance companies which are nonsupervised lenders have not been participating to any large extent in VA mobile home loan programs. These lenders are often reluctant to process loans on a prior approval basis because the process entails considerable additional time to obtain commitments from the Veterans' Administration than the time required for completing other loans on a conventional basis.

The extension of the "automatic guarantee" privileges, as outlined by this section, should significantly reduce the time in loan processing for veterans, hopefully stimulating greater participation by these institutions in the mobile home program.

Subsection (c) amends section 1803(c) by adding a new paragraph 3, which recodifies and extends existing law to permit veterans in certain limited circumstances to pay discounts for "points" when they obtain loans. Generally, veterans are not permitted to pay discounts under VA housing assistance programs since if they were permitted to do so, they might pay an interest rate in excess of the permitted maximum. An existing law, contained in section 1810(a)(5) of title 38, permits the payment of discounts in refinancing loans made pursuant to that section. That section is recodified in new paragraph 3 of section 1803(c) and existing provisions in 1810(a)(5) deleted. In order to insure that a veteran does not pay in excess of the maximum interest rate authorized by law, and also that funds would be available, the seller or builder is generally the only party available to pay discounts.

An amendment made by this section would recognize several basic situations in which there is either no builder or seller involved or where the seller is legally barred from paying a discount. In those cases, amendments made by this subsection would, in order to enable a veteran to obtain the loan he seeks, permit him to pay a reasonable discount. Thus, a veteran would be permitted to pay a discount to repair, alter, or improve a farm, residence, or other dwelling obtained with a GI loan, pursuant to section 1810(a)(4). It would also include the case where a veteran desires to build his own home or farm residence on land he already owns or intends to acquire, except if the land has been directly or indirectly acquired from the building contractor himself. Since no builder or seller is involved, the veteran ordinarily is unable to obtain the loan since he is not permitted to pay a discount.

A final exception is provided in the situation where the seller is acting in a legal or fiduciary capacity (such as a referee in bankruptcy or an executor of a decedent's estate) and is legally incapable of paying a discount. In these cases, the Administrator must determine that such class of sellers are legally precluded and that it is in the best interest of the veteran to permit him to pay the discount. The VA estimates that there are only a limited number of cases in any of these exceptions.

Subsection (d) amends section 1804(c) to provide that where "automatically guaranteed" loans are made, the certification by the veteran that he intends to occupy the property as his home, need only be obtained once, at the time the loan is closed. Current law requires veterans to certify their intent twice to occupy the property secured as their own homes: First, at the time of the application, and second, at the closing of the loan. Often loan companies, through error, have failed to secure the initial certification and the mistake is brought to the attention of the VA only when the final papers are submitted. Thus, failure to obtain the initial certification at the time of the application has often resulted in severe administrative problems and cost to the VA. The double certification contributes little additional protection to the program. Accordingly, the VA favors this amendment requiring a single certification at the time the loan is processed for automatic guarantee.

Subsection (e) amends sections 1804 (b) and (d) of title 38 to remove the requirement that when the Veterans' Administration suspends a builder, lender, or broker for disciplinary action taken by the Secretary of Housing and Urban Development, the HUD sanction must have been taken under section 512 of the National Housing Act. Under that same section of the National Housing Act, HUD can suspend the builder or lender when the VA has suspended a party under section 1804 (b) or (d). By deleting this reference to section 512 of the National Housing Act in both of the sections, the amendment has the effect of permitting the VA to refuse to do business with any parties suspended by HUD, regardless of whether HUD's debarment is based on section 512 of the National Housing Act or some other authority. As a practical matter, the Secretary of Housing and Urban Development makes no suspensions under section 512. This amendment then will prevent a situation in which the VA might be forced to do business with a firm which has been debarred by HUD for serious misconduct but for a violation other than under section 512. In such cases, the VA often does not have sufficient evidence of its own, concerning GI loans to prove several similar misconduct in VA cases.

SECTION 3

This section makes three amendments of section 1810 of chapter 37, of title 38, U.S.C.

Clause 1 makes a technical amendment by deleting from section 1810(a)(5) the provision authorizing payment of discounts on refinancing loans since section 2 of this bill makes this provision part of new paragraph 3 of section 1803(c).

Clause 2 amends section 1810(a) by adding a new paragraph 6 authorizing the Veterans' Administration to guarantee loans for veterans purchasing a one-family residential unit in a new condominum housing development project (or in a structure built and sold as a condominium) if the development, project or structure has been approved by the Administrator under such criteria as he shall prescribe. This expanded authority replaces present subsection (d) which currently limits VA financing to those projects in which the Secretary of Housing and Urban Development has issued at least one loan under section 234 of the National Housing Act. Subsection (d) is accordingly deleted by the bill.

Clause 3 amends section 1810(c) to increase the maximum home loan guarantee entitlement from $12,500 to $17,500. The average GI loan approved in fiscal year 1974 was $25,655; the maximum $12,500 provided an average of only a 49.8 percent coverage. An increase to $17,500 would enable more lenders to maintain a 60 percent ratio of guaranteed loan amount, thus increasing the number of loans and decreasing the amount of downpayment by veterans.

Clause 4 deletes section 1810(d) entirely, which authorizes VA guarantee of loans for purchasing condominium units, since this provision is now superseded by new section 1810(a)(6) added by clause 3 of this section of the reported bill.

SECTION 4

This section is a conforming amendment to the direct loan program which increases the guaranteed entitlement to a VA loan from $12,500 to $17,500, consistent with amendments made in section 3 of this reported bill.

SECTION 5

This section makes a number of amendments to section 1819 of subchapter II of chapter 37, title 38, United States Code, relating to the expansion of loans for mobile homes and mobile home lots and making the program permanent.

Clauses 1, 2 and 3 make amendments to subsection (a), (b), and (c) to provide the VA with authority for the first time to guarantee a loan for the purpose of separately acquiring a mobile home lot and making the necessary site preparation, whether or not the mobile home itself was purchased with a loan guaranteed, insured, or made by another Federal agency.

Clause 4 further amends subsection (c) to liberalize the conditions under which the VA may guarantee a loan for the purchase of a used mobile home. Under current law, the VA is authorized to guarantee a used mobile home only as security for prior loans guaranteed or made under this section or for a loan guaranteed, insured or made by another Federal agency. In providing this expanded authority, the Administrator is expected to provide adequate safeguards and criteria to value the quality and general condition of the used mobile home on which mobile home applications are made.

The VA should establish the value of used mobile homes proposed as security for a VA guaranteed loan through a process utilizing qualified fee personnel experienced and knowledgeable in appraising mobile home units coupled with staff review of the fee appraisers' finding for final evaluation as to value and acceptability of the particular mobile home unit.

Clauses 5, 7, 8, 9, and 10 are technical amendments to subsections (d), (e), (f), (i), and (n) conforming these subsections to the amendment made by this section of the reported bill providing authority for the first time to the VA to guarantee a loan for just a mobile home lot. These clauses provide for the establishment by the VA of a separate maximum loan amount, first lien security, interest rate, prior VA approval on standards for planning, construction, and general acceptability for a mobile home lot, also providing that the provisions of section 1804(d) and section 1821 of this chapter be fully applicable to lenders making guaranteed mobile home lot loans.

Clause 6 amends paragraph 2 of subsection (d) to increase the maximum amount of loans and maturities for mobile homes. Under these amendments, the maximum permissible loan amount for a single-wide mobile home is increased from $10,000 to $12,500. The maximum amount for a double-wide mobile home is increased from $15,000 to $20,000 and the maximum maturity extended from 15 years to 20 years. For a single-wide mobile home and an undeveloped lot, the maximum loan is established at $20,000 with a maturity of 15 years. The maximum loan amount for a double-wide mobile home and an undeveloped lot is placed at $27,500. Also, a loan for a single-wide mobile home and a developed lot is maximized at $20,000 for 15 years; for a double-wide mobile home and a developed lot the maximum is $27,500 for 20 years; and the maturity maximum for only an undeveloped or developed lot is $7,500 for 12 years.

Clause 11 deletes subsection (o) entirely, which provides that the VA mobile home loan program terminates on July 1, 1975. The program now becomes permanent.

SECTION 6

This section amends 107 of the Federal Credit Union Act (12 U.S.C. 1757) to extend the maximum maturity for VA guaranteed mobile home loans and for FHA insured home improvement and mobile home loans made by Federal credit unions to the terms either permitted by section 2(b) of the National Housing Act or section 1819 of title 38, United States Code. Section 5 of the reported bill would amend section 1819 to extend the maximum term on VA guaranteed mobile home loans to 12 or 20 years depending on size and site factors. A similar extension was contained in amendments to the National Housing Act contained in the Housing and Community Development Act of 1974, which extended the maximum term for FHA insured home improvement loans to 12 years and for FHA mobile home loans to 15 years. This would allow continued participation in both FHA and VA mobile home loan programs by Federal Credit Unions.

SECTION 7

Subsection (a) amends chapter 37 of title 38, U.S.C., by deleting the following obsolete sections: 1812 (Purchase of farms and farm equipment); 1813 (Purchase of business property); 1814 (Loans to refinance delinquent indebtedness); and 1822 (Recovery of damages).

Neither the farm loan program (section 1812) or the business loan program (section 1813) currently affords a viable benefit to veterans. The volume of VA guaranteed farm and business loans has sharply dwindled to negligible proportions in the past quarter century mainly because of the relatively restrictive terms of these loans and the availability of more attractive loans from other Federal agencies, such as the Small Business Administration and the Farmers Home Administration. For example, in fiscal year 1974, only two business loans and only eight farm loans were guaranteed under those sections.

The refinancing authority currently contained in section 1810(a) (5) of title 38 obviates the need for the provisions in section 1814 and the section is accordingly deleted by the reported bill. The deletion of sections 1812 and 1813 renders section 1822 concerning recovery of damages meaningless and thus should also be deleted.

Subsection (b) amends the table of sections at the beginning of chapter 37 to reflect the deletions made by subsection (a).

Subsection (c) amends the title of chapter 37 to reflect the deletion of the sections dealing with farm and business loans and the inclusion of condominiums and mobile homes.

Subsection (d) amends the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of title 38 to also reflect the deletion of the sections dealing with farm and business loans and the inclusion of condominiums and mobile homes.

SECTION 8

Clauses 1, 2, 4, 5, 6, and 7 make a number of technical amendments to sections 1813 (a) (1), 1803(d), 1815(b), 1818(a), and 1818 (c) required by the deletions of sections 1812, 1813, 1814, and 1822. The deletion of references to section 1815 in sections 1818(a) and 1818(c) will permit post-Korean veterans to obtain "insured" home loans (in addition to "guaranteed" loans) which are presently available only to World War II and Korean conflict veterans. Although very few lenders have their loans insured rather than guaranteed, there is no justified reason to maintain this unwarranted distinction.

Clause 3 amends section 1803(d) (1) to add 32 days to the present 30 years for the maturity of VA home loans. When a loan is closed in the middle of a month, it is customary for the first payment to become due on the 1st day of the 2nd month following the month in which the loan is closed. Thus, if a loan were closed October 23, 1974, the first payment would be due December 1, 1974. In this case, the final payment would be due November 1, 2004, or 9 days beyond the statutory maximum. Current law thus often precludes lenders from writing loans for an even 360 payments.

The proposed amendments would eliminate this irritant to both lenders and investors. It is consistent with existing law in section 1819, which permits terms for either 12 years and 32 days or 15 years and 32 days for mobile home loans. Section 1819 was originally written in this manner to eliminate problems similar to those faced under section 1803.

SECTION 9

This section amends section 802 of chapter 21 of title 38, United States Code, to increase from $17,500 to $25,000 the maximum grant for specially adaptive housing for disabled veterans. This special grant is limited to 50 percent of the total cost of the "Wheelchair home". Public Law 80–702 set the grant in 1948 at $10,000. This was raised to $12,500 in 1969 and again increased to $17,500 in 1972 by Public Law 92–341. The costs for a specially adapted house or consistently and rapidly increasing. In fiscal year 1971, the average total cost to a veteran was $35,990; in fiscal year 1972 it rose to $38,774, and again to $45,155 in fiscal year 1973. As of July 1974, the average total cost was $53,000. This provision is necessary in light of the current market situation.

SECTION 10

This section provides that the provisions of the Act shall generally become effective on the day of enactment except that the provisions section 2(a) (3), restoring the entitlement to a veteran who transfers his guaranteed property to another veteran, section 2(b), relating to automatic guarantee loans, and sections 3(2) and 3(4), relating to condominium loans, shall become effective 90 days after the day of enactment. These two exceptions, are made because of the necessity for the preparation of detailed plans, agreements, and procedures to implement these sections and to insure that they adequately protect the interest of both the veteran and the Veterans' Administration.

Mr. Speaker, I urge the House to concur in the Senate amendments and pass the bill H.R. 15912.

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I will support the gentleman's request that this body concur in the Senate amendments. This measure passed the House on August 5, 1974. Its principal purpose was to improve the veterans' housing program, thus making homeownership more readily available to young veterans. The situation, unfortunately, has not improved since that time. Housing prices continue to spiral; mortgage financing continues to be scarce and young veterans are unable to avail themselves of the benefits of the GI home loan program.

The Senate amendments recognize this situation and provide additional opportunities for young veterans to obtain housing. For example, they will increase the amount of the home loan guaranty by $5,000 instead of the $2,500 authorized by the House passed bill. The maximum loan guaranty for so-called double wide mobile homes is set at $20,000 instead of the $15,000 contained in our bill. The maximum loan maturity for a double wide unit is set at 20 years instead of the 15 years authorized by existing law. A new maximum guarantee of $27,500 for a double wide unit and a lot is authorized. The Senate amendment will also permit Federal Credit Unions to finance the purchase of mobile homes.

The Senate amendments will also increase by $7,500 the grant payable to certain veterans with serious service connected disabilities for specially adapted housing. The House passed bill increases that grant by $2,500. Increases in the cost of home construction since passage of the House bill make the increases authorized by the Senate bill more realistic.

Mr. Speaker, these are the major changes authorized by the Senate bill. I believe this bill, as amended, should be approved, thus facilitating homeownership by young veterans. I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The **SPEAKER.** Is there objection to the request of the gentleman from South Carolina?

There was no objection.

TO DESIGNATE THE VETERANS' ADMINISTRATION HOSPITAL IN COLUMBIA, MO., AS THE HARRY S. TRUMAN MEMORIAL VETERANS' HOSPITAL

Mr. DORN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10212) to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S Truman Memorial Veterans' Hospital," and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

TITLE I—DESIGNATING THE VETERANS' ADMINISTRATION HOSPITAL AT COLUMBIA, MISSOURI, AS THE "HARRY S. TRUMAN MEMORIAL VETERANS' HOSPITAL"

SEC. 101. The Veterans' Administration hospital at Columbia, Missouri, shall hereafter be known and designated as the "Harry S. Truman Memorial Veterans' Hospital". Any reference to such hospital in any law, regulation, document, record, or other paper of the United States shall be deemed a reference to it as the Harry S. Truman Memorial Veterans' Hospital.

SEC. 102. The Administrator of Veterans' Affairs is authorized to provide such memorial at the above-named hospital as he may deem suitable to preserve the remembrance of the late Harry S. Truman.

TITLE II—VETERANS' EDUCATION AND REHABILITATION EQUALIZATION AMENDMENTS ACT OF 1974

SEC. 201. This title may be cited as the "Veterans' Education and Rehabilitation Equalization Amendments Act of 1974".

SEC. 202. The table contained in section 1504(b) of title 38, United States Code, is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$209	$259	$304	$22
Three-quarter-time	157	194	229	17
Half-time	105	130	152	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	182	220	254	17".

SEC. 203. Chapter 34 of title 38, United States Code, is amended as follows:

(a) by striking out in the last sentence of section 1677(b) "$260" and inserting in lieu thereof "$270";

(b) by striking out in section 1682(b) "$260" and inserting in lieu thereof "270"; and

(c) by striking out in section 1696(b) "$260" and inserting in lieu thereof "$270".

SEC. 204. Chapter 35 of title 38, United States Code, is amended as follows:

(a) by striking out in section 1732(b) "$209" and inserting in lieu thereof "$217"; and

(b) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of $270 per month. If the the charges for tuition and fees applicable to any such course are more than $85 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $85 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $9.02 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 205 Chapter 36 of title 38, United States Code, is amended as follows:

(a) by striking out in section 1786(a)(2) "$260" and inserting in lieu thereof "$270"; and

(b) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$196	$220	$240	$10
Second 6 months	147	171	191	10
Third 6 months	98	122	142	10
Fourth and any succeeding 6-month periods	49	73	93	10".

SEC. 206. The provisions of this title shall become effective on January 1, 1975.

Amend the title so as to read: "An Act to designate the Veterans' Administration hospital in Columbia, Missouri, as the Harry S Truman Memorial Veterans' Hospital'; to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to certain eligible veterans and persons; and for other purposes."

Mr. DORN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The **SPEAKER** pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from South Carolina?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman from South Carolina explain the nature of the Senate amendments.

Mr. DORN. Mr. Speaker, on August 5, 1974, the House unanimously passed and sent to the Senate H.R. 10212, a bill to designate the Veterans' Administration Hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital."

Last Thursday, December 12, the Senate passed the bill with an amendment that would raise the educational allowance for those veterans eligible for benefits under chapter 31 to the same level as those eligible under chapters 34 and 35.

A comparison of the rates provided by Public Law 93-508 and those provided by H.R. 10212, as amended, is as follows:

CHAPTER 31—SECTION 1504(B)—VOCATIONAL REHABILITATION, FARM COOPERATIVE AND APPRENTICE OR ON-JOB TRAINING

Type of training	Public Law 93-508				H.R. 10212 (as amended)			
	No dependents	1 dependent	2 dependents	Additional for each dependent in excess of 2	No dependents	1 dependent	2 dependents	Additional for each dependent in excess of 2
titutional:								
Full-time	$201	$249	$293	$21	$209	$259	$304	$22
Three-quarter-time	151	188	221	17	157	194	229	17
Half-time	100	125	147	11	105	103	152	11
Farm cooperative, apprentice or other on-job training:								
Full-time	175	212	245	17	182	220	254	17

CHAPTER 36—SECTION 1787—APPRENTICESHIP OR OTHER ON-JOB TRAINING

Periods of training	Public Law 93-508				H.R. 10212 (as amended)			
	No dependents	1 dependent	2 dependents	Additional for each dependent above 2	No dependents	1 dependent	2 dependents	Additional for each dependent above 2
1st 6 months	$189	$212	$232	$9	$196	$220	$240	$10
2d 6 months	142	164	184	9	147	171	191	10
3d 6 months	95	117	137	9	98	122	142	10
4th and any succeeding 6-month periods	47	70	90	9	49	73	93	10

CHAPTER 34—OTHER PROVISIONS

	Public Law 93-508	H.R. 10212 (as amended)		Public Law 93-508	H.R. 10212 (as amended)
Flight training	$260	[1] $270	Correspondence courses	$260	[1] $270
Active duty and less than half-time training	260	[2] 270			

[1] Ninety percent of established charges, with 1-month's charge to entitlement for each $270 cost. [2] Established charge for tuition and fees, but not to exceed full-time rate of $270 per month.

CHAPTER 35—OTHER PROVISIONS—WAR ORPHANS, WIDOWS AND WIVES EDUCATIONAL ASSISTANCE

	Public Law 93-508	H.R. 10212 (as amended)
Full-time	$220	$270
Three-quarter-time	165	203
Half-time [1]	110	135
Institutional-business courses	209	217
Special restorative training	260	270
Correspondence	260	270

[1] Less than half-time payment computed at the rate of either rate of established charges which the institution requires of non-veterans or $270 for full-time course, whichever is the lesser.

Public Law 93-508 (H.R. 12628), which was passed unanimously by both Houses of Congress, provided a 22.7-percent increase in the monthly rates of the training assistance allowance for eligible veterans under chapter 34 and for eligible wives, widows, and children training under chapter 35. However, the vocational rehabilitation subsistence allowance for disabled veterans under chapter 31 and the apprenticeship/on-the-job monthly training assistance allowances were only increased by 18.2 percent.

The original conference report to H.R. 12628 provided for a similar 22.7 percent increase for chapter 31 veterans. The conference report cleared the Senate; however, a parliamentary point of order, objecting to the increase of 22.7 percent for chapter 31 veterans in the report, was raised in the House on the grounds that it exceeded the parameters of both the House and Senate-passed bills. The point of order was sustained.

When the second conference report was agreed to, the conferees decided that the increase for chapter 31 trainees would be set at 18.2 percent, a figure that did not exceed the rate in either the original House or Senate-passed version. At the same time, the conferees unanimously agreed to sponsor separate, independent legislation to increase the chapter 31 allowances, again in order to equalize the rates for those veterans with the 22.7-percent increase given to those eligible under Public Law 93-508. The distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT) ranking minority member of our committee, has introduced H.R. 17028 to accomplish this purpose.

Since Congress will adjourn within the next few days, time will not allow for a separate bill. Therefore, I hope the House will accept the Senate amendments. Traditionally, disabled veterans have received at least the same increase in the rates of veterans' benefits as veterans training under chapter 34.

The Veterans' Administration estimates a first full-year cost of $10 million to implement title II of H.R. 10212, decreasing to $7.5 million in the fifth year, as reflected in the following table:

Fiscal year:	Cost (*million*)
1975	$6.7
1976	10.0
1977	9.0
1978	8.2
1979	7.5

The following is a section-by-section analysis and an explanation of H.R. 10212, as amended:

TITLE I—DESIGNATING THE VETERANS' ADMINISTRATION HOSPITAL AT COLUMBIA, MO., AS THE HARRY S. TRUMAN MEMORIAL VETERANS' HOSPITAL

Section 101

This section directs that the Veterans' Administration Hospital at Columbia, Missouri, shall be designated as the "Harry S. Truman Memorial Veterans' Hospital" and all references to that hospital by the Federal Government shall so indicate the name change.

Section 102

This section authorizes the Administrator to provide a suitable memorial at the Columbia, Missouri, VA Hospital to preserve the remembrance of Harry S. Truman.

TITLE II—VETERANS' EDUCATION AND REHABILITATION EQUALIZATION AMENDMENTS ACT OF 1974

Section 201

This section provides that this title be cited as the "Veterans' Education and Rehabilitation Equalization Amendments Act of 1974".

Section 202

This section amends the subsistence allowance table in section 1504(b) of title 38, United States Code, to provide a 3.8 percent across-the-board increase in the monthly subsistence allowance rates for chapter 31 trainees, which is in addition to the 18.2 percent rate increases provided by Public Law 93-508. The full-time institutional rate for a veteran with no dependents would be increased from $189 to $209 a month. For a veteran with one dependent, the rate per month would be increased to $259; with two dependents to $304; and $22 would be added for each dependent in excess of two.

This 3.8 percent increase now places chapter 31 veterans in parity with the 22.7 percent increase in rates provided to chapter 34 veterans by Public Law 93-508.

Section 203

This section amends chapter 34 of title 38, United States Code, to provide a 3.8 percent increase in the rates for persons in flight training, on active duty, or under the Predischarge Education Program under this chapter in addition to the 18.2 percent rate increase provided by Public Law 93-508. This section now equalizes the rate increase of those persons with other chapter 34 veterans who received a 22.7 percent rate increase by that law.

Subsection (a) amends section 1677(b) to provide a 3.8 percent increase in the flight training program assistance. Under existing law, the Veterans' Administration pays 90 percent of the cost of such course. Accordingly, the period of entitlement of any veteran will be reduced one month for each $270 (currently $260) paid to a veteran for such flight course training.

Subsection (b) amends section 1682(b), relating to the pursuit of a program of education while on active duty or on less than a half-time basis, by providing for a 3.8 percent increase.

Subsection (c) amends section 1696(b) to provide a 3.8 percent increase in the maximum of educational assistance allowances payable under the Predischarge Education Program (PREP).

Section 204

This section amends chapter 35 of title 38, United States Code, to provide a 3.8 percent increase in the rates for certain persons training under this chapter in addition to the 18.2 percent rate increase they received by Public Law 93-508. That law provided a 22.7 percent increase to qualified wives, widows, and children in business training or in special restorative training.

Subsection (a) amends section 1732(b) to provide a 3.8 percent increase in the monthly educational assistance allowance rates to eligible persons pursuing a full-time course of training in a business or industrial establishment with the training in the establishment being strictly supplemental to the institution portion. The monthly allowance rate is raised from $209 to $217.

Subsection (*b*) amends section 1742(a) to increase the special restorative training assistance allowance by 3.8 percent from $260 to $270 a month payable to the parent or guardian of the child in need of such training. In addition, if the tuition and fees applicable for any course are more than $85 (presently $82) per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed that monthly figure if the parent or guardian elects to have the entitlement reduced by one day for each $9.02 (presently $8.69) that the special training allowance paid exceeds the basic monthly allowance.

Section 205

This section amends chapter 36 of title 38, United States Code, to provide a 3.8 percent rate increase to veterans pursuing correspondence, apprenticeship, or on-job training in addition to the 18.2 percent increase already provided by Public Law 93–508 to equalize the rate increase of 22.7 percent given to chapter 34 veterans by that law.

Subsection (*a*) amends section 1787(a), authorizing the pursuit of an education by correspondence, to provide an increase in the benefits consistent with other increases in educational assistance allowances made by this bill. Accordingly, the period of entitlement of any veteran or other eligible person shall be reduced by one month for each $270 (currently $260) paid to the veteran or person for such course.

Subsection (*b*) amends the table contained in paragraph (1) of section 1787(b) to reflect a 3.8 percent increase in the monthly training assistance allowance payable to veterans or other eligible persons pursuing a full-time program of apprenticeship or other on-job training programs. For a veteran with no dependents, the monthly assistance allowance for the first six months of training is increased from $189 to $196. Married veterans would receive $220, up from the current rate of $212. The addition of a child boosts the rates from $232 to $240, with $10 for each additional dependent. The training allowances for the second and third 6-month periods would be increased respectively to $147 and $98 from the current allowance of $142 and $95. The assistance rates for the fourth or any succeeding 6-month period would be increased from $47 to $49. Proportionate increases for veterans with dependents training after the first 6-month period would also be provided.

Section 206

This section provides that the provisions of this title shall become effective on January 1, 1975.

Mr. Speaker, I urge the House to concur in the Senate amendments and pass H.R. 10212.

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for his thorough analysis of this measure. I support the gentleman's unanimous consent request to concur in the Senate amendments to H.R. 10212. These amendments are similar to the provisions of H.R. 17028, a bill I was privileged to introduce on October 2, 1974. They will eliminate an unintended inequity in monthly educational benefit payments created with the recent enactment of Public Law 93–508, the Vietnam Era Veterans Readjustment Assistance Act of 1974.

Members will recall that the first conference report on H.R. 12628, the bill that ultimately became Public Law 93–508, authorized a 22.7-percent increase in payments to eligible veterans, dependents and survivors in institutional type training, as well as for those participating in programs of vocational rehabilitation, apprenticeship, and job training programs. This conference report was rejected as the result of a point of order being sustained against portions of the conference report.

After amending the measure to conform to the objections raised by the point of order, conferees presented a second conference report that provided for a 22.7-percent increase in monthly allowances for institutional training, but only 18.2 percent for vocational rehabilitation training, apprenticeship, and job training. The conference report was approved and is now law. It was not the intent of the Committee on Veterans' Affairs, however, to provide a lesser increase for the service-connected disabled veteran pursuing a program of vocational rehabilitation than the increase authorized for other veterans pursuing programs of education.

The Senate amendment, Mr. Speaker, will correct the disparity and authorize an additional 3.8-percent increase for those who received the 18.2-percent increase.

I support the amendment and withdraw my reservation of objection.

Mr. DORN. Mr. Speaker, I urge the House to concur in the Senate amendments.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TRANSFERRING TO STATE OF ALASKA CERTAIN ARCHIVES AND RECORDS

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the House Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 234) transferring to the State of Alaska certain archives and records in the custody of the National Archives of the United States, and ask for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 234

Whereas the archives and records of the Office of the Territorial Governors of Alaska, 1884–1958, were transferred to the Federal Archives and Records Center, Seattle, Washington, in 1958 as part of a records management improvement program and because of a lack of proper archival facilities in Alaska; and

Whereas it was agreed by officials of the General Services Administration and the State of Alaska at that time that legislation would be requested to return these archives and records to the custody of the State of Alaska at such time as a State archival agency should be prepared to receive them; and

Whereas the State of Alaska will complete construction of a State archival facility in the near future; and

Whereas Federal records created by territorial governments pertaining to territorial activities have traditionally been transferred to the successor State government when a State enters the Union: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the official archives and records of the Territorial Governors of Alaska, 1884–1958, now deposited with the National Archives of the United States at the Federal Archives and Records Center, Seattle, Washington, shall be transferred to the State of Alaska at the expense of the United States: *Provided*, That the State of Alaska makes provisions for the safekeeping, repair, and preservation of such archives and records in fireproof, air-conditioned storage space under professional archival direction: *Provided further*, That the Administrator of General Services shall determine that the condition imposed above has been met prior to his release of such archives and records for transfer to the State of Alaska.

Mr. WHITE. Mr. Speaker, Senate Joint Resolution 234 which has already passed the Senate, is a simple, noncontroversial joint resolution. Its sole purpose is to authorize the transfer to the State of Alaska of the official archives and records of the territorial Governors of Alaska, 1884 to 1958.

Over our history it has been customary for the Federal Government to grant newly formed States title to the records of their territorial governments. When Alaska was admitted to the Union, however, the State did not have the archival facilities necessary for storing and maintaining such records. Because of this, a special agreement was worked out instead whereby the Archivist of the United States would seek legislative authority to transfer the records to the State at such time as the State could provide suitable archival facilities for them.

The records in question have been stored in the Federal Archives and Records Center at Seattle, Wash., since 1958. In the interim the State of Alaska has undertaken construction of a State archival facility and plans to dedicate that facility in early 1975. Therefore, in accordance with the earlier commitment of the Archivist, the General Services Administration has requested Congress to enact legislation authorizing transfer of the territorial records to the Alaska State government. Draft legislation to accomplish this was submitted to the Congress on July 29, 1974. I introduced this recommended legislation as House Joint Resolution 1110 in the House on August 13, 1974.

Senate Joint Resolution 234, the resolution now before us, is identical to House Joint Resolution 1110. It has been carefully drafted to include safeguards that will assure the safety and preservation of the territorial records involved. Specifically, the records will not be transferred until the Administrator of General Services determines that the State of Alaska has made adequate provision for their safekeeping, repair, and preservation in fire-proof, air-conditioned storage space under professional archival direction. The National Archives and Records Service of GSA is currently microfilming the subject records and will retain negatives of them when the originals are transferred to the State of Alaska.

Officials of the General Services Administration and the State of Alaska hope that the transfer of these records can be accomplished as part of the planned dedication ceremony for the New Alaskan Archival Facility. If my motion to discharge and pass this resolution is successful, this hope will become a reality. If, however, my motion fails, Senate Joint Resolution 234 will almost certainly die in the backlog of bills now pending on the agenda of the Committee on Post Office and Civil Service. If this occurs and enactment of the legislation is left for the next Congress, it is doubtful that action will be taken in time for the dedication ceremony. It is for this reason that I am proposing that the usual committee procedure be circumvented in this instance, in taking this action, I have the approval and support of the leadership of the Committee on Post Office and Civil Service.

Enactment of Senate Joint Resolution 234 will result in minimal costs to the Federal Government, that is, less than $500.

I include the following:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C. December 16, 1974.
Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On October 1, 1974, the Senate passed S.J. Res. 234, which was referred to your Committee the following day. The resolution would transfer to the State of Alaska the records of the Territorial Governors of Alaska for the years 1884 through 1958, which are now in the custody of the National Archives of the United States. A similar resolution, H.J. Res. 1110 also is pending before your Committee.

Since the Territorial Governors were responsible to the Office of Territories, Department of the Interior, these are Federal Records. They are essentially local in character, however, and of interest primarily to residents of the State of Alaska. Records of this type generally have been inherited by successor State Governments when the Territory became a State or Commonwealth, as in the case of Puerto Rico (Public Law 85-158).

The Alaskan records have been held in the Federal Archives and Records Center in Seattle since 1958. At that time the Archivist of the United States indicated to the Governor of Alaska that the return of the records to State control would be initiated at such time as the State provided suitable archival facilities. The records are being microfilmed by the National Archives and Records Service, which will retain the negatives.

A new State archives building is nearing completion and will be ready for occupancy in early 1975. The Archivist has been invited to attend the dedication ceremonies which are now anticipated in February or early March. It is our hope that a ceremonial transfer of the records may be accomplished at that time. To this end, we are hopeful that the necessary legislation may be enacted in the closing days of the present Congress.

We are aware of your extremely busy schedule at this time, but would be very grateful for your assistance in obtaining House passage of this noncontroversial legislation.

Sincerely,

LARRY F. ROUSH,
Acting Assistant Administrator.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks and include extraneous material on the Senate joint resolution (S.J. Res. 234) just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST TO CONSIDER CONFERENCE REPORT ON H.R. 5463, RULES OF EVIDENCE FOR CERTAIN COURTS AND PROCEEDINGS

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that it may be in order today to consider the conference report on H.R. 5463, to establish rules of evidence for certain courts and proceedings.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. WYLIE. Mr. Speaker, reserving the right to object, will the gentleman please explain what the bill is?

Mr. HUNGATE. Mr. Speaker, if the gentleman will yield, it is on establishing rules of evidence for certain courts and proceedings which passed the House by a vote of 376 to 14, and the Senate by a vote of 69 to 0.

Mr. WYLIE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Ms. HOLTZMAN. Mr. Speaker, reserving the right to object, is it the intention of the gentleman to bring this conference report up on another day in the event that objection is offered today?

Mr. HUNGATE. Mr. Speaker, if the gentlewoman will yield, it would be in order tomorrow, and we would call it up tomorrow, but we want to get it ready as soon as possible.

Ms. HOLTZMAN. Mr. Speaker, what is the gentleman's position with respect to the rule 609 regarding impeachment by prior convictions? Is it the gentleman's position that this rule does not exceed both the Senate and the House versions of this provision?

Mr. HUNGATE. It is the gentleman's position, if the gentlewoman will yield, that this is not as good an amendment as the gentleman from Indiana (Mr. DENNIS) had, but that it is considerably better than the one we received originally from the court, and better than the one offered us by the Senate.

If I may conclude, this was the matter which was most vigorously discussed by the conferees, and the final agreement was signed by all the conferees on both sides of the aisle.

Ms. HOLTZMAN. Mr. Speaker, but is it not correct that both the Senate and the House versions are not contained in this conference report, and that the conference report exceeds the language of either version?

Mr. HUNGATE. I would advise the gentlewoman that I do not so understand it.

Ms. HOLTZMAN. Mr. Speaker, in view of the fact that this conference report is an extremely complicated matter relating to rules of evidence, and in view of the fact that the rules, if we adopt them today, will be put into practice in every single Federal court of this country for years to come, and in view of the fact that I have not had an opportunity to digest fully the results of the conference—which in my judgment are in some respects unwise—and because of the fundamental impact that these proposed rules will have on all evidentiary matters in all Federal courts, I just think we ought to bring this report up under the ordinary procedures. I therefore object.

The SPEAKER pro tempore. Objection is heard.

SECOND BIENNIAL REPORT ON NATIONAL GROWTH AND DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I am forwarding herewith the second biennial Report on National Growth and Development in accordance with Section 703(a) of the Housing and Urban Development Act of 1970.

GERALD R. FORD.

THE WHITE HOUSE, *December 17, 1974.*

PROVIDING FOR CONSIDERATION OF H.R. 15263, RICE ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1381, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1381

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15263) to establish improved programs for the benefit of producers and consumers of rice. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. McFall). The gentleman from Florida (Mr. Pepper) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield to the gentleman from Louisiana (Mr. Breaux) for a unanimous consent request.

Mr. BREAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, and I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER pro tempore. The Chair will state to the gentleman that the Chair is not prepared to do that at this moment. We are now in the process of considering the rule on the other legislation (H. Res. 1381).

CALL OF THE HOUSE

Mr. LEGGETT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. McFall). Evidently a quorum is not present.

Mr. PEPPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 698]

Adams
Arends
Armstrong
Bergland
Blatnik
Bolling
Brasco
Brotzman
Burke, Calif.
Burton, John
Camp
Carey, N.Y.
Chisholm
Clark
Cleveland
Conyers
Danielson
Dellenback
Dellums
Derwinski
Diggs
Dingell
Esch
Eshleman
Flowers
Ford
Fraser
Frelinghuysen
Ginn
Grasso
Gray
Grover
Gubser
Hanna
Hansen, Idaho
Hansen, Wash.
Hébert
Howard
Jarman
Karth
Kemp
Kuykendall
Landgrebe
Litton
Lujan
McKinney
McSpadden
Macdonald
Mahon
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mills
Mink
Montgomery
Moorhead, Pa.
Mosher
Murphy, N.Y.
O'Hara
Podell
Railsback
Rangel
Rarick
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruth
Sandman
Satterfield
Shipley
Shoup
Steele
Stuckey
Teague
Tiernan
Ullman
Wiggins
Wolff
Wyatt
Zion

The SPEAKER. On this rollcall, 351 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 15263, RICE ACT OF 1974

The SPEAKER. The gentleman from Florida (Mr. Pepper) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. Quillen), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1381 provides for an open rule with 2 hours of general debate on H.R. 15263, a bill to establish improved programs for the benefit of producers and consumers of rice.

H.R. 15263 amends section 352 of the Agricultural Adjustment Act, effective for the 1975 through 1977 crops, to provide for the establishment of acreage allotments in a manner comparable to the allotment program used under the wheat, feed grain, and upland cotton programs.

H.R. 15263 provides for an established target price to be used in making loans, purchases, and payments. The established price shall be 11 cents per pound for the 1975 crop. The bill also provides for loans and purchases at such level not less than 60 percentum of the established price as the Secretary of Agriculture determines necessary to keep rice produced in the United States competitive.

H.R. 15263 limits to $20,000 the total payments which a person can receive under the rice program for each of the 1975 through 1977 crops.

Mr. Speaker, I urge the adoption of House Resolution 1381 in order that we may discuss, debate, and pass H.R. 15263.

Mr. Speaker, I yield 10 minutes to the able gentleman from Arkansas (Mr. Alexander).

Mr. ALEXANDER. Mr. Speaker, there are a number of letters, statements, declarations, editorials, and resolutions that support my position that the United States should change the national food policy and produce more rice for a hungry world.

I ask unanimous consent to revise and extend my remarks, and to include extraneous matter following those remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask for adoption of House Resolution 1381, the rule on H.R. 15263, the Rice Act of 1974, for the following reasons:

There is a genuine world food crisis which cannot be met with a restrictive and protectionist food policy.

It is in the interest of U.S. trade to grow and export more food products into world commerce.

Increased food production is anti-inflationary.

And, H.R. 15263 will achieve these purposes better than the current program while providing the American farmer with sufficient protection to warrant his enterprise.

On July 9, Speaker Carl Albert joined by the minority leader, John Rhodes, sent a letter to all Members of Congress asking that we concern ourselves with the United Nations declaration on food and population In a letter to their colleagues they pointed out that more than 50 Members of Congress were among those who signed the declaration. The Speaker and minority leader said:

> We, who are among those who signed it, are greatly concerned by the increasing shortages of food in many countries and the related problems having to do with too rapidly growing population in the developing countries.
>
> * * * * *
>
> Undoubtedly, the present Congress will be considering measures to alleviate the famine from the Sahelian countries in Africa and from India and other countries. These are immediate problems which need emergency action.
>
> The long-range effects of food shortages and rapid growth of population on the quality of life are problems which also must be faced. We suggest that as discussions on the various aspects of food and population problems come before the Congress you give them your careful consideration.

The Speaker and minority leader forwarded the declaration of food and population which was addressed to: "Governments, organizations and men and women everywhere."

The document declared that the stark proof is that man's ability to produce food is not keeping pace with his need. And, that:

> Hundreds of millions of the world's people are undernourished. Population growth is adding 75 to 80 million more people each year. 200,000 each day (the bulk of these people are rice consumers).
>
> * * * * *
>
> Within the next 25 years or so our present numbers of nearly four billion will be nearly seven billion. They must all be fed.
>
> The world food situation took a sharp turn for the worse in 1972 and 1973:
>
> Stocks of grains have hit an all-time low since the end of World War II.
>
> Food prices have reached new highs.
>
> * * * * *
>
> Food shortages have created serious social unrest in many parts of the world . . .
>
> * * * * *
>
> This dangerously unstable world food picture . . . has created an immediate sense of urgency.
>
> * * * * *
>
> (W)e urge governments . . . to consider realistic, purposeful measures such as the following:
>
> Give high priority to programs in each country which would increase the production of grains, legumes and other stable food crops . . .

Responding to the leadership requesting Congress to give attention to the fact that positive action will depend to a large extent on the leadership and assistance of the United States and other industrialized countries in alleviating the crisis caused by rapid population increases and tragic food shortages, the House Agriculture Subcommittee on Department Operations chaired by Congressman E de la Garza conducted hearings on the world food crisis and issued a report entitled, "Malthus and America." I congratulate the Congressman and members of his subcommittee for their leadership in this important matter. The subcommittee found:

> The combined effect of population growth and rising affluence is accelerating world food demand at rates without precedent in history. At the turn of the century, the annual increase in the global demand for cereals was approximately four million tons per year. By 1950 it was about 12 million tons per year. Twenty years later, as of 1970, the world demand for cereals was expanding by 30 million tons per year—the equivalent of the annual wheat crops of Canada, Australia, and Argentina combined. Most importantly, this increase in demand is incessant, occuring in

> years of good weather and bad weather alike. (at p. 5)
>
> * * * * *
>
> During 1974, conservative estimates are that somewhere between 200 and 400 million of our fellow human beings will stare starvation directly in the face. Over 10 million persons—most of them children five years of age and under—will perish as a direct result of too little food to eat.
>
> Whether these "local famines will spread into a sea of hunger" depends, amongst other things, on the response of our own and other governments. (at pp. 5–6)
>
> * * * * *
>
> The Subcommittee found that in all probability, the world can expect more, rather than less, disasters associated with malnutrition. The world food crisis will not disappear spontaneously or soon, and maybe never. (at p. 6)
>
> * * * * *
>
> The 1974 world food supply-demand equation is precariously balanced. A poor harvest in any major producing country—the United States, the Soviet Union, India or China is sure to send economic shock waves, not only throughout the food sector of the world economy, but as it fuels the fires of inflation throughout its other sectors as well. (at p. 9)
>
> * * * * *
>
> Since 1960, world grain stocks have fluctuated from a high of 155 million metric tons to a low of about 100 million metric tons. When these stocks drop to 100 million tons, severe shortages and strong upward pressures develop. (at p. 11)
>
> * * * * *
>
> Global stocks fell close to 100 million tons in 1973, and still further in 1974. Thus world grain reserves have dropped to their lowest level in more than two decades, although the world's population has increased by half in the interim.
>
> * * * * *
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> The world is now in a situation of extreme vulnerability. In 1973 and 1974, world reserve capabilities in relation to consumption needs have fallen far below any previous level . . . (at p. 11)
>
> * * * * *
>
> The Subcommittee concludes that unless present trends in population growth and food production are significantly altered, a food crisis that will have the potential to affect everyone from every walk of life will hit with more impact than the energy crisis of 1973–74. (at p. 15)
>
> * * * * *
>
> Did you ever stop to think, for example, what the effects on our national security would be if, say, the governments of three or four major countries collapsed due to a shortage of food, resulting in riots in the streets and an overthrow of the government? Can we live in peace in a whole world neighborhood of sick and hungry people? (at p. 15)
>
> The demand for food, like the demand for oil, metals, minerals, and other resources, is obviously going to skyrocket, and that rocket is going to be fueled by fires of inflation and joblessness. (at p. 15)
>
> * * * * *
>
> Will America allow a food shortage to surprise us such as we allowed the energy crisis to do this year, and only then react after we find people standing in line from 7 a.m. to 9 a.m. on Tuesday and Thursday mornings waiting to get into their local grocery store to buy a limited quantity of food? The Department Operations Subcommittee sincerely hopes not.
>
> The answers aren't easy, but the price of inaction will be cruel.
>
> Think about it, Congress.
>
> Think about it, America. (At p. 16)

In further response to the world food crisis a World Food Conference convened in Rome. On November 5, 1974, in his address to the Conference, Secretary Henry Kissinger stated the need for increased food production by exporting nations. The Secretary said:

> A handful of countries, through good fortune and technology, can produce more than they need and thus are able to export. Reliance on this production is certain to grow through the next decade and perhaps beyond. Unless we are to doom the world to chronic famine, the major exporting nations must rapidly expand their potential and seek to insure the dependable long-term growth of their supplies.
>
> They must begin by adjusting their agricultural policies to a new economic reality. For years these policies were based on the premise that production to full capacity created undesirable surpluses and depressed markets, depriving farmers of incentives to invest and produce. It is now abundantly clear that this is not the problem we face; there is no surplus so long as there is an unmet need.
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> * * * * *
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> Nothing more overwhelms the human spirit, or mocks our values and our dreams, than the desperate struggle for sustenance. No tragedy is more wounding than the look of despair in the eyes of a starving child.
>
> * * * * *
>
> Our responsibility is clear.
>
> Let the nations gathered here resolve to confront the challenge, not each other.
>
> Let us agree that the scale and severity of the task require a collaborative effort unprecedented to history.
>
> And let us make global cooperation in food a model for our response to other challenges of an interdependent world—energy, inflation, population, protection of the environment.

Many newspaper articles and editorials were written about the World Food Conference. One of the most penetrating and incisive comments was made by Roscoe Drummond, of the Christian Science Monitor in his point of view on December 4, 1974, entitled "Food, Famine and Fertility." Mr. Drummond points out that if this small planet is to avert mass starvation in the future, there must be a radical switch in the way we use our resources. Obviously, the long range solution is worldwide population control.

But, hungry people cannot eat population control and today 400 million people, twice as many as in the United States, are either starving or are already getting so little food that they cannot maintain their health.

Half of them are children.

Mr. Drummond goes further to say that the only alternative is to grow more food, not just in the United States and Canada, the largest suppliers, but everywhere in the world and especially where it can reach those who most need it.

In further response to the call of the leadership of the House and of the World Food Conference, the House Foreign Affairs Committee moved to suspend the rules on December 9, 1974, and agreed to the resolution, House Resolution 1399, expressing the sense of the House of Representatives with respect to the world food situation. The resolution says, in part, that all nations should join in the effort to combat food shortages.

The present capacity of the U.S. rice industry—production, processing, transportation and storage has reached its maximum output. The current program was designed to prevent overproduction rather than to promote competition and expansion.

New legislation is mandatory in order to encourage the multimillion dollars in investments that are required to increase acreage, expand production, insure adequate processing, implement transportation requirements and provide more abundant storage facilities.

Under present law U.S. rice production is determined by the Government. The Rice Act would place output in the hands of private industry.

Under present law new competition has been kept behind the wall of protectionism except on one occasion in the last 20 years. The Rice Act would expand production and promote competition.

Under present law Government regulations permeate uncertainty, discourage aggressiveness, promote waste and protect inefficiency. The Rice Act would remove the Government from decision-making and restore the rice industry to the world of free competition.

Under present law freedom to plant is restricted and personal initiative is frustrated. The Rice Act would restore the spirit of free enterprise to the industry.

Under present law prices are rigid because of Government interference and controls. The Rice Act is designed to respond to global demand and world markets.

In order for the United States to survive economically we must import less or export more. It is unlikely that we will import less, therefore, we must increase our exports. The one item that we have in abundant supply is food.

Last year commercial export sales of rice totaled about 1 million metric tons and was worth about $500 million. In the first 4 months of this year the United States has already sold for export as much as was sold all of last year.

Demand for U.S. rice has recently increased from numerous markets, especially the Middle East market which reflects the increased purchasing power of the oil exporting nations. For example, Iran increased its 1974 U.S. rice purchase by more than 300 percent.

It is estimated that during the second half of this decade, dollar export demand for U.S. rice can triple the 1973–74 figure reaching an annual export income of about $1.5 billion or more. This means that by passing the Rice Act of 1974, we have the potential of increasing export income to the United States of more than $1 billion annually.

However, this export dollar potential cannot be realized under existing legislation which was enacted to serve a bygone era.

Under H.R. 15263, the Rice Act of 1974, acreage allotments and marketing quotas would be suspended for a 3-year trial period, 1975–77.

Allotments totaling a minimum of 2 million acres would be set for the purpose of computing deficiency payments to farmers if the market price falls below the target price.

The support price for new growers would be computed at 60 percent of the target price and will enable new growers more financial flexibility with this marketing tool.

The acreage allotment target price and support price are tools that both protect growers from unexpectedly severe price declines and insure stability of production.

The Rice Act will promote increased competition among more efficient producers—the benefits of which will be passed on to consumers in the form of lower prices. Lower per unit cost of production will be achieved under the Rice Act by enabling farmers to increase the size of their operations to the point where maximum efficiency is achieved and to utilize land best suited for rice production.

Although the Rice Act is anti-inflationary, designed to produce more volume and increase income from export sales, it provides adequate protection for the farmer which is in the interest of the consumer. Farmer protection is essential to insuring an adequate supply of rice to the American consumer.

Mr. Speaker, you, and the leadership of this body have called for consideration by the Congress of the world food shortage.

You have endorsed the actions of the Secretary General of the United Nations which urges governments to consider realistic and purposeful measures and give high priority to programs which will increase the production of food.

The House Subcommittee on Government Operations of the Committee on Agriculture has challenged our great Nation to recognize the world food situation of extreme vulnerability.

More than 130 nations have called for action through a World Food Conference.

Our President, Secretary of State, and Secretary of Agriculture have joined the plea.

Our House Committee on Foreign Affairs has resolved that affirmative action be taken.

All reports indicate that the current world food shortage is not just a culmination of coincidences that will soon pass, but it is a genuine long-term crisis that needs the consideration of our Government and the formulation of a new national and international policy of domestic production and foreign cooperation in order that we may truly deserve the reputation which we strive to maintain as leader of the free world.

I include the following:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1974.

DEAR COLLEAGUES: On April 25, 1974, 40 distinguished signers of the Declaration on Food and Population from 25 countries officially delivered the Declaration on behalf of more than 1,500 signers from over 100 countries to Secretary-General Kurt Waldheim at United Nations Headquarters in New York City.

More than 50 Members of Congress were among those who signed the Declaration. We, who are among those who signed it, are greatly concerned by the increasing shortages of food in many countries and the related problems having to do with too rapidly growing population in the developing countries.

The crises resulting from tremendous population pressures and widespread famine already afflicting a considerable number of countries, and the potentially much more serious situation which would result from possible crop failures, impel us to call your attention to these vital and threatening problems.

If you also are concerned about the threat that these problems present in many parts of the world, we hope that you will sign the Declaration.

We believe that the extent of death by famine and disease in the developing countries over the next few years will depend primarily on the actions taken by their own governments, but it will also depend to a large extent on the leadership and assistance of the United States and the other industrialized countries in alleviating the crises caused by rapid population increases and tragic food shortages.

We are enclosing a pamphlet which includes, in addition to the Declaration itself, an eloquent response by Secretary-General Waldheim in which he expresses his gratitude to the signers from around the world, his concern for the related problems of food shortages and too rapid population growth and his hope that the international community will find humane solutions to these serious problems.

The pamphlet also includes copies of the messages addressed to Secretary-General Waldheim by the Shah of Iran, the President of Senegal, the Prime Ministers of India and Sri Lanka, the Foreign Minister of Korea and the United States Secretary of State.

Secretary Kissinger in his message assures the Secretary-General that the United States will do its part and will strongly support a global cooperative effort to increase food production. He expresses the hope that other countries also will help and that all countries will take active measures to bring population growth and food production into better balance.

Undoubtedly, the present Congress will be considering measures to alleviate the famine from the Sahelian countries in Africa and from India and other countries. These are immediate problems which need emergency action.

The long-range effects of food shortages and rapid growth of population on the quality of life are problems which also must be faced. We suggest that as discussions on the various aspects of food and population problems come before the Congress you give them your careful consideration.

We hope that you will join in signing the Declaration; please notify the Population Crisis Committee, Suite 200, 1835 K Street, N.W., Washington, D.C. 20006, of your intention.

Sincerely,

CARL ALBERT,
The Speaker.
JOHN RHODES,
Minority Leader.

EXCERPTS FROM HOUSE AGRICULTURE COMMITTEE REPORT, MALTHUS AND AMERICA, A REPORT ABOUT FOOD AND PEOPLE, 1974

"The combined effect of population growth and rising affluence is accelerating world food demand at rates without precedent in history. At the turn of the century, the annual increase in the global demand for cereals was approximately four million tons per year. By 1950 it was about 12 million tons per year. Twenty years later, as of 1970, the world demand for cereals was expanding by 30 million tons per year—the equivalent of the annual wheat crops of Canada, Australia, and Argentina combined. Most importantly, this increase in demand is incessant, occurring in years of good weather and bad weather alike." (at p. 5)

* * * * *

"During 1974, conservative estimates are that somewhere between 200 and 400 million of our fellow human beings will stare starvation directly in the face. Over 10 million persons—most of them children five years of age and under—will perish as a direct result of too little food to eat.

Whether these "local famines will spread into a sea of hunger" depends, amongst other things, on the response of our own and other governments." (at pp. 5–6)

* * * * *

"The Subcommittee found that in all probability, the world can expect more, rather than less, disasters associated with malnutrition. The world food crisis will not disappear spontaneously or soon, and maybe never." (at p. 6)

* * * * *

"The 1974 world food supply-demand equation is precariously balanced. A poor harvest in any major producing country—the United States, the Soviet Union, India or China is sure to send economic shock waves, not only throughout the food sector of the world economy, but as it fuels the fires of inflation throughout its other sectors as well." (at p. 9)

* * * * *

"Since 1960, world grain stocks have fluctuated from a high of 155 million metric tons to a low of about 100 million metric tons. When these stocks drop to 100 million tons, severe shortages and strong upward price pressures develop." (at p. 11)

* * * * *

"Global stocks fell close to 100 million tons in 1973, and still further in 1974. Thus world grain reserves have dropped to their lowest level in more than two decades, although the world's population has increased by half in the interim."

* * * * *

"The world is now in a situation of extreme vulnerability. In 1973 and 1974, world reserve capabilities in relation to consumption needs have fallen far below any previous level . . . ." (at p. 11)

* * * * *

"The Subcommittee concludes that unless present trends in population growth and food production are significantly altered, a food crisis that will have the potential to affect everyone from every walk of life will hit with more impact than the energy crisis of 1973–74." (at p. 15)

* * * * *

"Did you ever stop to think, for example, what the effects on our national security would be if, say, the governments of three or four major countries collapsed due to a shortage of food, resulting in riots in the streets and an overthrow of the government? Can we live in peace in a whole world neighborhood of sick and hungry people?" (at p. 15)

"The demand for food, like the demand for oil, metals, minerals, and other resources, is obviously going to skyrocket, and that rocket is going to be fueled by fires of inflation and joblessness." (at p. 15)

* * * * *

"Will America allow a food shortage to surprise us such as we allowed the energy crisis to do this year, and only then react after we find people standing in line from 7 a.m. to 9 a.m. on Tuesday and Thursday mornings waiting to get into their local grocery store to buy a limited quantity of food? The Department Operations Subcommittee sincerely hopes not.

The answers aren't easy, but the price of inaction will be cruel.

Think about it, Congress.

Think about it, America." (at p. 16)

DECLARATION ON FOOD AND POPULATION

(A Call to Governments and People for Action by Concerned Citizens from Many Parts of the World)

To Governments, Organizations and Men and Women Everywhere We, the Undersigned, Address this Declaration on Food and Population:

No link unites the family of man more than his need for food. For food is an essential condition of life, common to all people; wherever they are, whatever they do they share alike in this need.

The stark truth is that man's ability to produce food is not keeping pace with his need. Despite efforts by governments and the international community to solve world food problems, more people are hungry today than ever before.

Hundreds of millions of the world's people are undernourished. Population growth is adding 75 to 80 million more people each year, 200,000 each day. Within the next 25 years or so our present numbers of nearly 4 billion will be nearly 7 billion. They must all be fed.

The world food situation took a sharp turn for the worse in 1972 and 1973:

1. Stocks of grain have hit an all-time low since the end of World War II. Surplus stocks formerly held in reserve have nearly been exhausted and no longer offer security against widespread hunger and starvation.

2. Food prices have reached new highs. Last year, despite a record world harvest, escalating demand nearly doubled grain prices. The increasing cost of food threatens to cause serious hardship for many people already spending most of what they have on food.

3. Less of the cheaper protein foods, which normally supplement grain diets, is available. The world's fish catch and per capita production of protein-rich legumes, the staple diet in many countries, have declined.

4. Food shortages have created serious social unrest in many parts of the world and are particularly severe in countries where hunger and the diseases that thrive on undernourished bodies are prevalent. This scarcity has been aggravated by the consumption of more and more grain to produce meat, eggs, and milk.

5. Mounting fertilizer and energy shortages are reducing food production in certain areas and increasing food prices.

In this new and threatening situation, a bad monsoon in Asia (which could occur in any year), or a drought in North America (like those in the 1930's and 1950's), could mean severe malnutrition for hundreds of millions and death for many millions.

This dangerously unstable world food picture, when seen against an unprecedented population increase, has created an immediate sense of urgency. The dangers of food shortages could remain a threat for the rest of this century—even if, hopefully, bumper crops in some years create temporary surpluses and even if the trend toward reduced birth rates becomes general throughout the world.

World food production in the years ahead must rise at least 2 percent a year to keep peace with the present rate of population growth. But it must rise a good deal more if the world's people are to be provided with an adequate diet. This required annual increase in food production is considerably greater than that which occurred during recent decades—and seems to be increasingly harder to achieve each year. But unless there is this necessary and continuous increase in food production, there will be even more hunger and malnutrition and soaring food prices.

The need to seek solutions is pressing. The nature of the problem, the precarious state of world food production made critical by predicted expectations of continued population growth, calls for concerted action by the world community. There is only one cure for hunger and that is food. No palliatives or panaceas in the form of reports or resolutions can alleviate the pain of empty stomachs that must be filled. International resolutions, however high-minded, are a mockery if they do not have a tangible impact on the human condition.

The United Nations is now providing leadership on both these problems. In August the United Nations will convene the World Population Conference in Bucharest. In November it will convene the World Food Conference in Rome. These are the first occasions when governments have agreed to meet to consider these crucial questions and to consider taking action on them.

With these two conferences only a few months away, we urge governments, acting before, at and after these two global conferences, to consider realistic and purposeful measures such as the following:

1. Give high priority to programs in each country which will increase the production of grains, legumes and other staple food crops; ensure the availability of protein-rich foods, particularly to the more vulnerable population groups; expand the production of fertilizer; and improve the opportunities for small farmers to make a reasonable living. Develop a comprehensive and constructive World Food Plan for adoption at the World Food Conference.

2. Support sound population policies relevant to national needs which respect national sovereignty and the diversity of social, economic and cultural conditions; accept and assure the human right of each couple to decide for themselves the spacing and size of their families; [1] and recognize the corresponding responsibility of governments to provide their peoples the information and the means to exercise this right effectively.[2] Embody these policies in a World Population Plan of Action to be agreed upon by governments at the World Population Conference.

3. Recognize that the interdependence of the world community creates an obligation to assist in the necessary funding of food and population programs by both developing and developed countries. This calls for the elaboration and implementation of a global strategy by the United Nations and its family of agencies, including the Food and Agriculture Organization of the United Nations and the United Nations Fund for Population Activities.

4. Establish sufficient food reserves through national and international efforts to provide continuing vital insurance against food shortages.

5. Recognize that, in our finite world where resources are limited, the family of man must one day, and hopefully fairly soon, bring birth rates into reasonable balance with the lowered death rates that have been achieved. Many governments see the need to guide national policy toward this objective.

A solution to the present world food crisis must be found within the next few years. The social transformation which can lead to a reduction in the world rate of fertility, along with lowering the rate of mortality, will take decades to accomplish. But a start must be made now because the millions of people being born each year place a heavy burden on the resources available to many nations for education, health, employment and the maintenance of environmental quality. A reduction in population growth could help alleviate this burden. Effective measures toward resolving both the world food and population problems must come within a total strategy of development. Not only is social and economic development desirable in itself, but also it contributes to moderating population growth. All these measures are designed to improve the quality of life.

In this Declaration, we focus on food because it is the most critical of the pressures on the world today. It is the greatest manifestation of world poverty, which has many aspects. The absolute number of desperately poor are far greater today than ever before in history. The need to eradicate acute poverty is being recognized more than ever as a collective responsibility. It is a task which global partnership and the demands of social justice make imperative.

We repeat, food is crucial because literally tens of millions of lives are suspended in the delicate balance between world population and world food supplies. Growing populations, denied sufficient food needed for survival, resist all efforts to secure a peaceful world. With increased production and more equitable distribution of food, the future could provide a prospect of less misery and more hope for countless people now deprived of the basic necessities that are their right.

The World Food Conference represents a unique opportunity. This opportunity must not be missed. Comprehensive international agreements must be reached to assure at least minimal food supplies, with sufficient annual carry-over stocks. Disastrous breakdowns in the world food supply can thus be avoided. All nations may then rest secure in the knowledge that this, the most critical of their immediate problems, is being attacked with wisdom, vigor and unity of purpose.

In the name of humanity we call upon all governments and peoples everywhere, rich and poor, regardless of political and social systems, to act—to act together—and to act in time.

STATEMENT BY UNITED NATIONS SECRETARY-GENERAL KURT WALDHEIM ON RECEIVING THE DECLARATION ON FOOD AND POPULATION

(Following is the text of the statement made by Secretary-General Kurt Waldheim on receiving the Declaration on Food and Population presented by a group of eminent intellectuals and scientists at a ceremony at United Nations Headquarters, April 25, 1974.)

I am grateful to be given this Declaration. It is marked by a profound concern for the improvement of the human condition. The Declaration is important of itself by virtue of the authority of the signers whose standing in all walks of life is reflected by the stature of those who have come to the United Nations today to bear witness to it.

I have recently described the times we are living in as being characterized by mass poverty, food shortages, an energy crisis, a continuing oppressive burden of military expenditure, inflation exacerbated by world monetary instability, and the prospect before us of a doubling of human numbers by the turn of the century.

The Declaration addresses itself primarily to the dramatic depletion of available food reserves and the shortfall in world food production. There is no more immediate task than that of rescuing the world from a situation which, for many, has always been precarious and is now even more hazardous. Short-term measures, while essential, must not be allowed to become palliatives, for the coming years will increase our vulnerability.

Virtually in no other area is it more pressing than in the one to which your Declaration addresses itself: the need to assure that the men, women, and children in Africa, Asia, Europe and the Americas, whatever their origin, their religion, their political philosophy, their age, their social condition have the basic foods which are the one essential and undebatable pre-condition of a life of dignity and decency. Without an assured supply, all our other aspirations for peace, for social justice, for growth and creativity, both as individuals and as nations, lose their meaning and take on a hollow ring.

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[1] United Nations Teheran Declaration of Human Rights, 1968 (para. 16).

[2] Resolution 1672 (LII) of the United Nations Economic and Social Council, 1969.

I cannot but be sharply and painfully conscious of the dangers posed by the Declaration, having recently returned from the Sahel. There, the suffering provoked by a six-year drought is resulting in premature death, disease and a dreadful sense of helplessness. The tragic spectacle of dying cattle and their owners fleeing the encroaching desert induces a sense of desperation into what should be the objective analysis of the world's food situation and prospects.

It is no accident that this Declaration is presented at the United Nations. This body was established in the final phase of the most devastating war in history not merely to embody the highest aspirations of mankind, but to provide an operational vehicle for global action. The present crisis and those that we can see looming ahead can be overcome. They are indeed a serious challenge to use all our forces, our determination and ingenuity to provide a better life for future generations.

This is a year in which the international community, with some brutally abrupt reminders of what the future may hold, is facing up to the situation. At its present special session, the General Assembly is devoting its attention to find the basis of a more equitable and workable economic system—a system which takes into account not only the needs of all nations, but also the imperative interrelationships of the several parts of the problem: poverty, the conservation and just apportionment of natural resources, the preservation of the environment, and the problems of trade and monetary system. Food and population, the two urgent issues to which your Declaration addresses itself, form an integral part of this whole.

In August, in Bucharest, for the first time Governments will hold a world population conference. Shortly afterwards, in Rome, the World Food Conference will offer Governments the opportunity to tackle the world food problem. Your call therefore for international co-operation to ensure supplies of food comes at an opportune moment. The World Food Conference will present the Member States of the United Nations with the unique opportunity to take immediate practical and urgently needed steps to redress a tragic situation which we can no longer afford to ignore.

The unprecedented growth of the world's population is compounding man's difficulties in feeding himself. The time at our disposal is very short. You point out that the world's food production has barely kept pace with population increases. Our goal is not mere survival but a life of dignity and peace with hope for each new generation to improve the conditions of life for the billions of men, women and children who will inhabit the earth in the coming decades.

Whether or not we can increase food production depends, as the Declaration states, not on a torrent of words and resolutions, but on adopting new and tangible objectives, hammering out the global strategies needed and revitalizing the machinery to achieve them. In spite of its ideological complexity and the political and other constraints that must exist in any global body, the United Nations can and will respond.

It is in this same spirit of commitment and determination that I receive this Declaration. I am confident that the international community can and will find humane solutions to the serious problems of food and population which confront mankind.

MESSAGES TO THE SECRETARY-GENERAL IN SUPPORT OF THE DECLARATION ON FOOD AND POPULATION

(Message from His Imperial Majesty, the Shahanshah Aryamehr of Iran, to His Excellency Kurt Waldheim, the Secretary-General of the United Nations:)

I have learned with pleasure of the Declaration on Food and Population signed by a group of distinguished people which will be submitted to the Secretary General of the United Nations Organization on the 25th of April, 1974.

It is my sincere hope that this Declaration will create a sense of urgency and contribute to a greater awareness among nations of the grave problems facing mankind in view of the rapid population growth on the one hand and the precarious state of the world food production on the other.

Priority must be given by governments to implementing sound population control and environmental protection policies, to devising methods of increasing food production especially that of grains, to encourage increased cooperation between developing and developed countries in order to provide aid for population control and food production programs and to making provisions for sufficient food reserves to guard against famine.

I earnestly hope that the World Population Conference and the World Food Conference organized by the United Nations and to be held in August and November, respectively, will help to promote a concerted effort on behalf of all the nations of the globe to seek wise solutions to these crucial issues which will have a vital bearing on the future of mankind.

A Message from His Excellency, Leopold Senghor, to United Nations Secretary-General Kurt Waldheim on the occasion of the presentation of the Declaration on Food and Population, delivered by Ambassador Médoune Fall, Permanent Representative to the United Nations from Senegal, on April 25, 1974: Mr. Secretary-General, Ladies and Gentlemen. On behalf of the President of the Republic of Senegal, His Excellency Leopold Senghor, I come to bring you the support of my country and of my government for this Declaration on Food and Population, and also on my President's behalf to extend congratulations to those who undertook this generous and opportune initiative. I thank you.

Ambassador Samar Sen, Permanent Representative to the United Nations from India, at the ceremony on April 25 when the Declaration on Food and Population was officially presented to Secretary-General Waldheim, speaking on behalf of the Prime Minister, Indira Gandhi, expressed her support of the Declaration on Food and Population and her hope that this worldwide initiative dealing with the two important and related problems of food shortages and too rapid population growth would be successful. The Ambassador concluded by stating that in India, as the Prime Minister herself has stated publicly that family planning is at the base of our whole endeavor of national development.

Wednesday, April 24, 1974, Prime Minister Sirima Bandaranaike of Sri Lanka cabled her support of the Declaration on Food and Population to William H. Draper, Jr.: I thank you for inviting me to join a group of leaders to present a Declaration on Food and Population to the Secretary-General of the United Nations. I regret my inability to accept the invitation due to other commitments.

I have noted with great satisfaction the initiatives taken by you and other distinguished world citizens to focus attention through this Declaration on one of the most crucial problems facing mankind today.

We of the developing world are particularly conscious of the gravity of this problem.

I am happy to associate myself with the Declaration.

My government will support all international action to avert a world food and population crisis.

APRIL 25, 1974.

His Excellency KURT WALDHEIM,
Secretary-General, United Nations:

On behalf of the Government and people of the Republic of Korea, I take great pleasure in expressing our firm support for the Declaration on Food and Population signed by distinguished individuals from around the world. It is our sincere hope that, under your prominent guidance the said Declaration will receive the prompt attention of all governments and peoples regardless of political and social systems, and be translated into concerned action in order to mitigate misery and create more hope for mankind in the future.

DONG-JO KIM,
Minister, Foreign Affairs, Republic of Korea.

APRIL 25, 1974.

His Excellency, Dr. KURT WALDHEIM,
Secretary-General of the United Nations, New York.

DEAR MR. SECRETARY-GENERAL: The Declaration on Food and Population presented to you today vividly portrays the connected global problems of food supply and rapid population growth.

It is a timely call by distinguished citizens of many countries for urgent attention to two central problems of human welfare. It recognizes that in this increasingly interdependent world there is no acceptable alternative to nations working together to solve global problems, of which food and population are among the most pressing. It reminds us that the individual nations and the United Nations must approach the World Population Conference and the World Food Conference with the determination to seek and agree on common approaches.

As I stated in my address to the Special Session of the General Assembly, the United States will do its part. We strongly support a global cooperative effort to increase food production and have removed all domestic restrictions on our output. We will endeavor to increase the quantity of our food aid to needy countries, give technological and material help to efforts of developing countries to expand their food output, assist in the production of more fertilizer and in its more effective use, and join other governments in a worldwide effort to rebuild food reserves.

We hope that other countries able to do so will make similar contributions and that all countries will take active measures to bring population growth and food production into better balance.

The food and population crises threaten the welfare and stability of peoples and nations. We must act together with the purpose, the mutual confidence and the determination to overcome them.

Best regards,

HENRY A. KISSINGER,
Secretary of State,
United States of America.

MAY 20, 1974.

Ladies and Gentlemen, I am pleased to refer to the Declaration on Food and Population signed on April 25 by distinguished persons in connection with the effort which the United Nations has undertaken in the search for effective and immediate solutions to two of the most critical problems now confronting humanity—demographic growth and shortages.

I would like you to know, and I request that this information be communicated to the signers of the Declaration, that I fully share their concerns and viewpoints. I also think that it would be well to emphasize that the President of the United States of Mexico, Luis Echeverria Alvarez, and the Government which he directs, are aware of the magnitude of these problems.

We think that disorderly and unrestrained population growth should be avoided. We are led to the conviction that it is necessary to give all possible cooperation in order that the United Nations may successfully hold the next World Population Conference. To this end, a number of very highly qualified Mexican experts have been appointed to participate in the preliminary meetings and to contribute from the Mexican national experience at the Conference.

The National Council on Population was recently created with the mandate to conduct a broad informational program in order to achieve adequate family planning. To this end, the main tenet of the program is that family planning is a fundamental responsibility of parents, who should exclusively determine the number of children they wish to have. For its part, the State limits itself to making recommendations and to making available to Mexican families the necessary information and the most suitable scientific means to practice family planning.

Mexico has supported from the beginning the proposals made at the Algiers Conference of Non-Aligned Countries; in the last Regular Sessions of the General Assembly of the United Nations and at the Seventeenth General Conference of the Food and Agriculture Organization (FAO), in which the need to convene a World Food Conference was pointed out, since it was felt that such a Conference might be the most suitable mechanism for coordinating those efforts which, at the international level, have become imperative for effectively solving the present food crisis.

Prominent Mexican specialists are studying the problems which are to be discussed at the Food Conference in Rome. They participated in the First Preliminary Meeting held last February and will take part in the Second, which will be held during June in Geneva.

The traditional nutritional deficiency of the Mexican people has always motivated the appropriate authorities to conduct long term research in the technology of food production—in both qualitative and quantitative aspects.

These efforts have borne considerable fruit. This is evidenced by the fact that high-yielding seeds and plant varieties have been developed which have resulted in the so-called "Green Revolution", in which an outstanding part was played by one of the signers of the Declaration, Norman Borlaug, who was deservedly awarded the Nobel Peace Prize in 1970.

Mexico has shared her modest achievements with the other Latin American countries, providing them with genetic materials and basic corn seed. Mexico has sent improved varieties of wheat seeds to certain nations of Africa and the Near East.

The signatories' suggestion that an international food reserve be created in order to make provision for times of shortages is a point which coincides with Mexican policy. In addition to our cooperation through the World Food Program and through bilateral assistance to nations affected by natural catastrophes, during President Luis Echeverria's visit earlier this year to FAO headquarters he restated the need to create a World Bank for Food and Agricultural Research, the basic purpose of which would be to alleviate as rapidly as possible the consequences of natural catastrophes and to establish a permanent international cooperation fund for people suffering from chronic hunger.

Mexico's activities in these and other areas help one to appreciate the scope of Mexican initiatives toward adoption of a Charter of the States' Economic Rights and Duties, since we cannot fail to recognize that the present crisis has its immediate origins in the irritating imbalances existing between the rich nations and those which are struggling to achieve total development.

To supply adequate food for the whole human race, it is vital to have an infrastructure of appropriate agriculture and industrial technology; sufficient credits; equitable marketing systems for raw materials; and a series of other elements which can only be obtained with the establishment of a just world economic structure.

In closing, I wish to express my gratitude for this altruistic effort which demonstrates human solidarity. The Mexican Government shares the concerns expressed in the Declaration and will make definite efforts to see that the World Population and World Food conferences produce results advantageous to all peoples.

EMILIO O. RABASA,
Secretary of Foreign Affairs of Mexico.

ADDRESS BY THE HONORABLE HENRY A. KISSINGER BEFORE THE UNITED NATIONS GENERAL ASSEMBLY, SEPTEMBER 23, 1974

Mr. President, Mr. Secretary General, Distinguished Delegates, Ladies and Gentlemen:

Last year, in my first address as Secretary of State, I spoke to this Assembly about American purposes. I said that the United States seeks a comprehensive, institutionalized peace, not an armistice. I asked other nations to join us in moving the world from détente to cooperation, from coexistence to community.

In the year that has passed some progress has been made in dealing with particular crises. But many fundamental issues persist and new issues threaten the very structure of world stability.

Our deepest problem—going far beyond the items on our agenda—is whether our vision can keep pace with our challenges. Will history recall the 20th Century as a time of mounting global conflict or as the beginning of a global conception? Will our age of interdependence spur joint progress or common disaster?

The answer is not yet clear. We are delicately poised. New realities have not yet overcome old patterns of thought and action. Traditional concepts—of national sovereignty, social struggle and the relation between the old and new nations—too often guide our course. And so we have managed but not advanced; we have endured but not prospered; and we have continued the luxury of political contention.

This condition has been dramatized in the brief period since last fall's regular session. War has ravaged the Middle East and Cyprus. The technology of nuclear explosives has resumed its dangerous spread. Inflation—and the threat of global decline—hang over the economies of rich and poor alike.

We cannot permit this trend to continue. Conflict between nations once devastated continents; the struggle between blocs may destroy humanity. Ideologies and doctrines drawn from the last century do not even address, let alone solve, the unprecedented problems of today. As a result, events challenge habits; a gulf grows between rhetoric and reality.

The world has dealt with local conflicts as if they were perpetually manageable. We have permitted too many of the underlying causes to fester unattended, until the parties believed that their only recourse was war. And because each crisis ultimately has been contained we have remained complacent. But tolerance of local conflict tempts world holocaust. We have no guarantee that some local crisis—perhaps the next—will not explode beyond control.

The world has dealt with nuclear weapons as if restraint were automatic. Their very awesomeness has chained these weapons for almost three decades; their sophistication and expense have helped to keep constant for a decade the number of states who possess them. Now—as was quite foreseeable—political inhibitions are in danger of crumbling. Nuclear catastrophe looms more plausible—whether through design or miscalculation; accident, theft or blackmail.

The world has dealt with the economy as if its constant advance were inexorable. While postwar growth has been uneven and some parts of the world have lagged, our attention was focused on how to increase participation in a general advance. We continue to deal with economic issues on a national, regional or bloc basis at the precise moment that our interdependence is multiplying. Strains on the fabric and institutions of the world economy threaten to engulf us all in a general depression.

The delicate structure of international cooperation, so laboriously constructed over the last quarter century, can hardly survive—and certainly cannot be strengthened—if it is continually subjected to the shocks of political conflict, war and economic crisis.

The time has come, then, for the nations assembled here to act on the recognition that continued reliance on old slogans and traditional rivalries will lead us towards:

A world ever more torn between rich and poor, East and West, producer and consumer;

A world where local crises threaten global confrontation and where the spreading atom threatens global peril;

A world of rising costs and dwindling supplies, of growing populations and declining production.

There is another course. Last week before this Assembly President Ford dedicated our country to a cooperative, open approach to build a more secure and prosperous world. The United States will assume the obligations that our values and strength impose upon us.

But the building of a cooperative world is beyond the grasp of any one nation. An interdependent world requires not merely the resources but the vision and creativity of us all. Nations cannot simultaneously confront and cooperate with one another. We can no longer afford to pursue our national, or regional, or bloc self-interest—except in a global context.

We must recognize that the common interest is the only valid test of the national interest.

It is in the common interest, and thus in the interest of each nation:

That local conflicts be resolved short of force and their root causes removed by political means;

That the spread of nuclear technology be achieved without the spread of nuclear weapons;

That growing economic interdependence lift all nations and not drag them down together.

We will not solve these problems during this session, or any one session, of the General Assembly.

But we must at least begin:

To remedy problems, not just manage them;

To shape events, rather than endure them;

To confront our challenges instead of one another.

I. THE POLITICAL DIMENSION

The urgent political responsibility of our era is to resolve conflicts without war. History is replete with examples of the tragedy that sweeps nations when ancient enmities and the inertia of habit freeze the scope for decision. Equally, history is marked by brief moments when an old order is giving way to a pattern new and unforeseen; these are times of potential disorder and danger but also of opportunity for fresh creation.

We face such a moment today. Together let us face its realities:

First, a certain momentum towards peace has been created—in East-West relations, and in certain regional conflicts. It must be maintained. But we are only at the beginning of the process. We have eased tensions; we are far from reconciliation. If we do not continue to advance, we will slip back.

Second, progress in negotiation of difficult issues comes only through patience, perseverance, and recognition of the tolerable limits of the other side. Peace is a process, not a condition. It can only be reached in steps.

Third, failure to recognize and grasp the attainable will prevent the achievement of the ideal. Attempts to resolve all issues at one time are a certain prescription for stagnation. Progress towards peace can be thwarted by asking too much as surely as by asking too little.

Fourth, the world community can help resolve chronic conflicts, but exaggerated expectations will prevent essential accommodation among the parties. This Assembly can help or hinder the negotiating process. It can seek a scapegoat or a solution. It can offer the parties an excuse to escape reality or sturdy support in the search for compromise. It can decide on propaganda or contribute to realistic solutions that are responsive to man's yearning for peace.

The Middle East starkly demonstrates these considerations. In the past year we have witnessed both the fourth Arab-Israeli war in a generation and the hopeful beginnings of a political process towards a lasting and just peace.

We have achieved the respite of a ceasefire and of two disengagement agreements, but the shadow of war remains. The legacy of hatred and suffering, the sense of irreconcilability, have begun to yield—however haltingly—to the process of negotiation. But we still have a long road ahead.

One side seeks the recovery of territory and justice for a displaced people. The other side seeks security and recognition by its neighbors of its legitimacy as a nation. In the end, the common goal of peace surely is broad enough to embrace all these aspirations.

Let us be realistic about what must be done. The art of negotiation is to set goals that can be achieved at a given time and to reach them with determination. Each step forward modifies old perceptions and brings about a new situation that improves the chances of a comprehensive settlement.

Because these principles were followed in the Middle East, agreements have been reached in the past year which many thought impossible. They were achieved, above all, because of the wisdom of the leaders of the Middle East who decided that there had been enough stalemate and war; that more might be gained by testing each other in negotiation than by testing each other on the battlefield.

The members of this body, both collectively and individually, have a solemn responsibility to encourage and support the parties in the Middle East on their present course. We have as well an obligation to give our support to the United Nations peacekeeping forces in the Middle East and elsewhere. The United States applauds their indispensable role, as well as the outstanding contribution of Secretary General Waidheim in the cause of peace.

During the past year my country has made a major effort to promote peace in the Middle East. President Ford has asked me to reaffirm today that we are determined to press forward with these efforts. We will work closely with the parties and we will cooperate with all interested countries within the framework of the Geneva Conference.

The tormented island of Cyprus is another area where peace requires a spirit of compromise, accommodation and justice. The United States is convinced that the sovereignty, political independence, and territorial integrity of Cyprus must be maintained. It will be up to the parties to decide on the form of government they believe best suited to the particular conditions of Cyprus. They must reach accommodation on the areas to be administered by the Greek and Turkish Cypriot communities as well as on the conditions under which refugees can return to their homes and reside in safety. Finally, no lasting peace is possible unless provisions are agreed upon which will lead to the timely and phased reduction of armed forces and armaments and other war materiel.

The United States is prepared to play an even more active role than in the past in helping the parties find a solution to the centuries-old problem of Cyprus. We will do all we can but it is those most directly concerned whose effort is most crucial. Third parties should not be asked to produce miraculous outcomes not anchored in reality. Third parties *can* encourage those directly involved to perceive their broader interests; they can assist in the search for elements of agreement by interpreting each side's views and motives to the other. But no mediator can succeed unless the parties genuinely want his mediation and are ready to make the difficult decisions needed for a solution.

The United States is already making a major contribution to help relieve the human suffering of the people of Cyprus. We urge the international community to continue and, if possible, to increase its own humanitarian relief effort.

II. THE NUCLEAR DIMENSION

The second new dimension on our agenda concerns the problem of nuclear proliferation.

The world has grown so accustomed to the existence of nuclear weapons that it assumes they will never be used. But today, technology is rapidly expanding the number of nuclear weapons in the hands of major powers and threatens to put nuclear explosive technology at the disposal of an increasing number of other countries.

In a world where many nations possess nuclear weapons, dangers would be vastly compounded. It would be infinitely more difficult, if not impossible, to maintain stability among a large number of nuclear powers. Local wars would take on a new dimension. Nuclear weapons would be introduced into regions where political conflict remains intense and the parties consider their vital interests overwhelmingly involved. There would, as well, be a vastly heightened risk of direct involvement of the major nuclear powers.

This problem does not concern one country, one region, or one bloc alone. No nation can be indifferent to the spread of nuclear technology; every nation's security is directly affected.

The challenge before the world is to realize the peaceful benefits of nuclear technology without contributing to the growth of nuclear weapons or to the number of states possessing them.

As a major nuclear power, the United States recognizes its special responsibility. We realize that we cannot expect others to show restraint if we do not ourselves practice restraint. Together with the Soviet Union we are seeking to negotiate new quantitative and qualitative limitations on strategic arms. Last week our delegations reconvened in Geneva, and we intend to pursue these negotiations with the seriousness of purpose they deserve. The United States has no higher priority than controlling and reducing the levels of nuclear arms.

Beyond the relations of the nuclear powers to each other, lies the need to curb the spread of nuclear explosives. We must take into account that plutonium is an essential ingredient of nuclear explosives and that in the immediate future the amount of plutonium generated by peaceful nuclear reactors, will be multiplied many times. Heretofore, the United States and a number of other countries have widely supplied nuclear fuels and other nuclear materials in order to promote the use of nuclear energy for peaceful purposes. This policy cannot continue if it leads to the proliferation of nuclear explosives. Sales of these materials can no longer be treated as a purely commercial competitive enterprise.

The world community, therefore, must work urgently toward a system of effective international safeguards against the diversion of plutonium or its by-products to the manufacture of nuclear explosives. The United States is prepared to join with others in a comprehensive effort.

Let us together agree on the practical steps which must be taken to assure the benefits of nuclear energy free of its terrors:

The United States will shortly offer specific proposals to strengthen safeguards to the other principal supplier countries.

We shall intensify our efforts to gain the broadest possible acceptance of International Atomic Energy Agency safeguards, to establish practical controls on the transfer of nuclear materials, and to ensure the effectiveness of these procedures.

The United States will urge the IAEA to draft an international convention for enhancing physical security against theft or diversion of nuclear material. Such a convention should set forth specific standards and techniques for protecting materials while in use, storage and transfer.

The Treaty on the Non-Proliferation of Nuclear Weapons, which this Assembly has endorsed, warrants full and continuing support. The Treaty contains not only a broad commitment to limit the spread of nuclear explosives, but specific obligations to accept and implement IAEA safeguards and to control the transfer of nuclear materials.

Mr. President, whatever advantages seem to accrue from the acquisition of nuclear explosive technology will prove to be ephemeral. When Pandora's Box has been opened no country will be the beneficiary and all mankind will have lost. For then we will be living in a world in which stability has been relegated to history and fear has become the pervasive reality.

This is not inevitable. If we act decisively now, we can still control our future.

III. THE ECONOMIC DIMENSION

Lord Keynes wrote, "the power to become habituated to his surroundings is a marked characteristic of mankind. Very few of us realize with conviction the intensely unusual, unstable, complicated, unreliable, temporary nature of the economic organization."

The economic history of the postwar period has been one of sustained growth—for developing as well as developed nations. The universal expectation of our peoples, the foundation of our political institutions, and the assumption underlying the evolving structure of peace are all based on the belief that this growth will continue.

But will it? The increasingly open and cooperative global economic system that we have come to take for granted is now under unprecedented attack. The world is poised on the brink of a return to the unrestrained economic nationalism which accompanied the collapse of economic order in the Thirties. And should that occur, all would suffer—poor as well as rich, producer as well as consumer.

So let us no longer fear to confront in public the facts which have come to dominate our private discussions and concerns.

The early warning signs of a major economic crisis are evident. Rates of inflation unprecedented in the past quarter century are sweeping developing and developed nations alike. The world's financial institutions are staggering under the most massive and rapid movements of reserves in history. And profound questions have arisen about meeting man's most fundamental needs for energy and food.

While the present situation threatens every individual and nation, it is the poor who suffer the most. While the wealthier adjust their living standards, the poor see the hopes of a life-time collapse around them. While others tighten their belts, the poor starve. While others can hope for a better future, the poor see only despair ahead.

It can be in the interest of no country or group of countries to base policies on a test of strength, for a policy of confrontation would end in disaster for all. Meeting man's basic needs for energy and food, and assuring economic growth while mastering inflation require international cooperation to an unprecedented degree.

Let us apply these principles first to the energy situation.

Oil producers seek a better life for their peoples and a just return for their diminishing resources.

The developing nations less well-endowed by nature face the disintegration of the results of decades of striving for development as a result of a price policy over which they have no control.

The developed nations find the industrial civilization built up over centuries in jeopardy.

Thus both producers and consumers have legitimate claims. The problem is to reconcile them for the common good.

The United States is working closely with several oil producers to help diversify their economies. We have established commissions to facilitate the transfer of technology and to assist with industrialization. We are prepared to accept substantial investments in the United States and we welcome a greater role for the oil producers in the management of international economic institutions.

The investment of surplus oil revenues presents a great challenge. The countries which most need these revenues are generally the least likely to receive them. The world's financial institutions have coped thus far but ways must be found to assure assistance for those countries most in need of it. And the full brunt of the surplus revenues is yet to come.

But despite our best efforts to meet the oil producers' legitimate needs and to channel their resources into constructive uses, the world cannot sustain even the present level of prices, much less continuing increases. The prices of other commodities will inevitably rise in a never-ending inflationary spiral. Nobody will benefit from such a race. The oil producers will be forced to spend more for their own imports. Many nations will not be able to withstand the pace and the poorer could be overwhelmed. The complex, fragile structure of global economic cooperation required to sustain national economic growth stands in danger of being shattered.

The United States will work with other consuming nations on means of consumer conservation and on ways to cushion the impact of massive investments from abroad. The preliminary agreement on a program of solidarity and cooperation signed a few days ago in Brussels by the major consumer countries is an encouraging first step.

But the long-range solution requires a new understanding between consumers and producers. Unlike food prices, the high cost of oil is not the result of economic factors, of an actual shortage of capacity or of the free play of supply and demand. Rather it is caused by deliberate decisions to restrict production and maintain an artificial price level. We recognize that the producers should have a fair share; the fact remains that present prices even threaten the economic well-being of producers. Ultimately they depend upon the vitality of the world economy for the security of their markets and their investments. And it cannot be in the interest of any nation to magnify the despair of the least developed who are uniquely vulnerable to exorbitant prices and who have no recourse but to pay.

What has gone up by political decision can be reduced by political decision.

Last week President Ford called upon the oil producers to join with consumers in defining a strategy which will meet the world's long-term need for both energy and food at reasonable prices. He set forth the principles which should guide such a policy. And he announced to this Assembly America's determination to meet our responsibilities to help alleviate another grim reality—world hunger.

At a time of universal concern for justice and in an age of advanced technology, it is intolerable that millions are starving and hundreds of millions remain undernourished.

The magnitude of the long-term problem is clear. At present rates of population growth, world food production must double by the end of this century to maintain even the present inadequate dietary level. And an adequate diet for all would require that we triple world production. If we are true to our principles, we have an obligation to strive for an adequate supply of food to every man, woman and child in the world. This is a technical possibility, a political necessity and a moral imperative.

The United States is prepared to join with all nations at the World Food Conference in Rome to launch the truly massive effort which is required. We will present a number of specific proposals:

To help developing nations. They have the lowest yields and the largest amounts of unused land and water; their potential in food production must be made to match their growing need.

To increase substantially global fertilizer production. We must end once and for all the world's chronic fertilizer shortage.

To expand international, regional and national research programs. Scientific and technical resources must be mobilized now to meet the demands of the year 2000 and beyond.

To rebuild the world's food reserves. Our capacity for dealing with famine must be freed from the vagaries of weather.

To provide a substantial level of concessionary food aid. We must prevent the poorest nations from being overwhelmed and enable them to build the social, economic and political base for self-sufficiency.

The hopes of every nation for a life of peace and plenty rest on an effective international resolution of the crises of inflation, fuel and food. We must act now and we must act together.

IV. THE HUMAN DIMENSION

Mr. President, let us never forget that all of our political endeavors are ultimately judged by one standard—to translate our actions into human concerns.

The United States will never be satisfied with a world where man's fears overshadow his hopes. We support the United Nations' efforts in the fields of international law and human rights. We approve of the activities of the United Nations in social, economic and humanitarian realms around the world. The United States considers the United Nations World Population Conference last month, the World Food Conference a month from now and the continuing Law of the Seas conference of fundamental importance to our common future.

In coming months the United States will make specific proposals for the United Nations to initiate: A major international effort to prohibit torture in international law; a concerted campaign to control the disease which afflicts and debilitates over 200 million people in 70 countries—schistosomiasis; and a substantial strengthening of the world's capacity to deal with natural disaster especially the improvement of the United Nations Disaster Relief Organization.

V. CONCLUSION

Mr. President, we have long lived in a world where the consequences of our failures were manageable—a world where local conflicts were contained, nuclear weapons threatened primarily those nations which possessed them, and the cycle of economic growth and decline seemed principally a national concern.

But that is no longer the case; we confront a fundamentally changed situation. It is no longer possible to imagine that conflicts, weapons and recession will not spread.

We must now decide. The problems we face will be with us the greater part of the century. But will they be with us as challenges to be overcome or as adversaries that have vanquished us?

It is easy to agree to yet another set of principles or to actions *other* nations should take. But the needs of the poor will not be met by slogans, the needs of an expanding global economy will not be met by new restrictions, the search for peace cannot be conducted on the basis of confrontation. So each nation must ask what *it* can do, what contribution *it* is finally prepared to make to the common good.

Mr. President, beyond peace, beyond prosperity, lie man's deepest aspirations for a life of dignity and justice. And beyond our pride, beyond our concern for the national purpose we are called upon to serve, there must be a concern for the betterment of the human condition. While we cannot, in the brief span allowed to each of us, undo the accumulated problems of centuries, we dare not do less than try. So let us now get on with our tasks.

Let us act in the spirit of Thucydides that "the bravest are surely those who have the clearest vision of what is before them, glory and danger alike, and yet notwithstanding go out to meet it."

There is hope now because our necessity is compelling if we but recognize it.

[From the Christian Science Monitor, Dec. 4, 1974]

FOOD, FAMINE, AND FERTILITY

(By Roscoe Drummond)

WASHINGTON.—If this small planet is to avert mass starvation in a future already too near, there will have to be a radical switch in the way we use resources.

Obviously the long-term solution is rigorous, worldwide population control—population going up by 90 million a year, with twice as many people on earth forecast by the end of this century as now.

That judgment is not questioned by those aware of the facts.

But there is a perilous short-term crisis right on us. Hungry people can't eat population control and today 400 million people—twice as many as in the United States—are either starving or are getting so little food that they cannot maintain their health.

Half of them are children.

So what is to be done?

Grow more food, not just in the U.S. and Canada, the largest suppliers, but everywhere in the world and especially where it can reach those who most need it.

This is where the question of priorities is crucial. The major deterrent to growing more food is not lack of arable land. More fertilizer plants can be built, more plows and trucks can be had, more roads can be laid, more lives saved—if the nations will put into agriculture more of the resources they expend elsewhere.

I am not an authority on food and agriculture, but I have read the authorities and I give you the conclusion of one of the world's specialists, Jean Mayer of Harvard University:

"A figure we must keep in mind is that the world at large (and this includes food-poor countries as well as food-surplus countries) is spending $300 to $400 billion a year on arms, supposedly for security.

"The amount of money spent on agricultural development is probably something on the order of one-hundredth of **that in** terms of assistance.

"In the long run the security of the world is more dependent on assistance than on arms."

Lester R. Brown, a senior fellow with the Overseas Development Council, puts it this way:

"We have to redefine security. It used to be military aggression and large defense budgets—these were the ways you coped with security. Now, it seems to me, the issue is more basic—food supplies, inflation, economic resources, many of them international—that we have to begin focusing on. This is where the international community needs to be focusing now."

President Ford and Soviet leader Brezhnev tried to focus on aspects of this problem in Vladivostok. They put a ceiling on the number of missiles the two countries can possess. A welcome and useful start, but it should be recognized that the agreed ceiling permits an increase in armaments, not a decrease.

This may be arms control—and it is a gain. But it is not disarmament.

It isn't just the developed countries which spend heavily on armaments. The level of military budgets in the underdeveloped and food-needy nations has gone steadily up in recent years.

But starving people can't eat guns and until the nations are prepared to narrow the gap between spending $400 billion a year on weapons and $4 billion a year on agriculture, the world will be living on the brink of catastrophe in a future so near at hand that if it doesn't challenge the governments it ought to frighten them.

The present peril and the long-term need must be confronted. On "Meet the Press" recently, Mr. Brown was given 15 seconds to say what he saw as the foremost priority. His answer:

"Short-run, stepped-up food aid from the U.S., long-term, putting the brakes on population growth."

In the view of every expert, the accelerating food crisis will become manageable only when population growth rates are brought down. Food aid is a palliative—a necessary and human palliative—but it does little more than buy for worldwide population control to do its work.

H. RES. 1399

Whereas the current world food supply, including reserves, is dangerously low, with millions of people in South Asia and in the African Sahel facing famine; and

Whereas higher prices for food, energy, and fertilizer, together with fertilizer shortages, are causing particular hardship to poor developing nations; and

Whereas rapid population growth aggravates food shortages, and declines in population growth rates historically have been associated with economic and social progress; and

Whereas the American people have a long and proud tradition of combating hunger at home and abroad; and

Whereas it is in the interest of the United States and of all other nations to overcome food shortages, which cause human suffering, breed economic and political instability, and raise food prices both at home and abroad; and

Whereas the world community has recognized the dimensions of the crisis by convening the World Population Conference and the World Food Conference this year; and

Whereas President Ford in his address to the 1974 United Nations General Assembly recognized the urgency of the world food crisis and pledged (1) substantially increased United States assistance to agricultural production programs in other countries, (2) United States support for an international system of food reserves, and (3) increased United States spending for food shipments to needy nations: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the United States should vigorously pursue efforts to help poor countries (A) increase agriculture production, especially through labor intensive, small farm agriculture, (B) promote economic and social development programs, and (C) assist in population programs, when requested, including continued encouragement of voluntary family planning; and

(2) increased food aid should be provided as needed to meet specific short-term emergencies; and

(3) planning should be undertaken immediately by appropriate Government agencies to enable the United States to provide the increased food aid, including plans to prevent any increased domestic inflation as a result of United States relief shipments; and

(4) all nations—including industrial and food-exporting countries, oil exporting countries, and the developing countries themselves—should join in the effort to combat food shortages; and

(5) international agreement should be sought for a system of food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs to be equitably shared and farmers given firm safeguards against market price disruption from such a system; and

(6) the President should encourage reduction in domestic consumption of fertilizer for nonfarm purposes in order to increase fertilizer supplies for the production of food in this country and in the developing countries, and should undertake efforts to stimulate increased world fertilizer production both here and abroad.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to commend the gentleman in the well for the very meaningful statement he is making on a most important question, and to say that I support my colleague from Arkansas wholeheartedly on his excellent analysis of the bill and the rule which we are considering here on the floor of the House.

As the gentleman pointed out, this is not only important to the Members of this House and their constituency nationally, but it is an important international question also.

The SPEAKER pro tempore (Mr. VANIK). The time of the gentleman has expired.

Mr. ALEXANDER. Mr. Speaker, I would ask the gentleman from Florida if I may have 2 additional minutes.

Mr. PEPPER. Mr. Speaker, I yield 2 additional minutes to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman, and I yield further to my colleague, the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of the Rice Act of 1974, H.R. 15263 and this rule. This legislation is necessary not only from the standpoint of the economic condition in which our farmers find themselves, but also from the standpoint of the current and projected food shortages throughout the world. The present law restricts competition and assists a limited number of rice farmers without taking into account economic and humanitarian considerations.

The objections to this legislation center on arguments which view the world food shortages as temporary, look to domestic supply rather than reduction of our national deficit relative to the balance of payments, and provide support to relatively few at the expense of the country.

The Congress has already enacted legislation which places other crops on the target price support system. Certainly rice, perhaps the world's most important food crop, should be grown at a higher level when the demand for it is as great as it is today. The existing law which governs domestic rice production is not as flexible as the target price method, nor as responsive to consumption needs.

In the interest of the economy, as well as in fairness to producers, I feel that an 8-cent target price is most equitable at present. This figure would insure that cost of production would be covered, and at the same time prevent an unnecessary drain on the Treasury. This price support request is modest, especially when viewed from the vantagepoint of potential market demand. I would support an amendment to the Rice Act of 1974 to this effect.

The question at hand is not whether the old law governing rice production works, but whether it is responsive to the times. I do not believe that the present law has allowed for current circumstances. Responsive legislation is in order. The rice law of 1974 provides an appropriate and necessary vehicle for the Congress to respond to the needs of farmers, domestic economics, and international food shortages.

As I had started to say, this is important from an economic standpoint nationally, as it pertains to our balance of trade. And, of course, it is important from a humanitarian standpoint. Internationally, it is correct philosophically.

Mr. Speaker, I totally support this rule, and I commend the gentleman from Arkansas (Mr. ALEXANDER) for his fine statement.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, as we begin debate on the record on the rice bill, I think it is very important that all of us who are here today have a real understanding of what we are talking about. First of all, I think it is a deplorable waste of time for this body at this time, with 3 or 4 days left in this session, to be considering legislation which is certainly not emergency legislation. Not only is it not emergency legislation, it is not even necessary legislation. In addition to that, it is a bad bill.

Let me tell my colleagues what the Nation's rice farmers have done last year. We are talking about trying to increase production in every commodity. Let me tell the Members what the American rice farmer has done last year under the present existing program. He has produced 23 percent more rice in this country in 1974 than he did in 1973. That is under the existing program, the program that has been in effect since 1954. Let me tell my colleagues how much that increase amounts to. It is 10 percent more than the all-time record production year of 1969.

What do we do when rice farmers come up with these outstanding statistics? The Department of Agriculture decides we ought to change their program because it is not working very well. Can the Members imagine changing a piece of legislation, an existing program, that has allowed for 23 percent more rice to be produced in this country, 10 percent more than the all-time record year? I think it is a deplorable waste of this House's time to come now before us and say that this bill is needed on an emergency basis.

The bill also, if we consider what it does, sets up a system of direct payments for farmers. Right now there are no direct payments for rice farmers. Rice farmers do not receive any direct payments or deficiency payments from the Federal Government. Rice farmers are happy with that solution. They are happy that that program has allowed them to produce the tremendous increases that have been accomplished under the existing legislation, which is working very well.

We are talking about opening up and producing more. I do not know how many Members in this body realize what is happening under the present program, but there are no acreage restrictions this year because the present legislation allows the Secretary of Agriculture when he sees that there is a need for more rice to remove all acreage allotment restrictions, and that is what has happened this year. Right now, in 1974, there are no acreage restrictions on rice in the United States.

What that simply means is that anyone anywhere who thinks that he has the equipment and the intelligence and the land to plant rice can come in and plant rice. Under that system we planted by the Department's estimates about 2½ million acres of rice in 1974. These are not my figures; these are the figures of the Department of Agriculture.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I will be glad to yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I thank the gentleman for yielding.

Is it not true, though, that the fact that acreage has been increased this year is at the discretion of the Secretary, and next year the Secretary might decide that no rice can be grown except by those who have the allotments?

Mr. BREAUX. I appreciate the gentleman's question, but the answer is no, because there is a very direct formula in the existing bill that requires allotments to be removed if there is a demand for the product. He cannot do anything but follow the formula.

If we need more rice, the formula allows him to remove acreage restrictions, as has been done. I think anyone who has looked at the formula can see that come 1975 we will probably find ourselves without any marketing quotas again, which will mean that all the rice under the existing program needed can be planted.

I do not have any more time to yield to the gentleman, and I do not yield further.

Mr. BURLISON of Missouri. Mr. Speaker, I thank the gentleman for yielding, and I respectfully disagree with his position. Under the pending bill new rice growers will be assured of growing rice for the next 3 years. They have no such assurance under our present legislation.

Mr. BREAUX. Mr. Speaker, my last point is that we are trying to run this through in the last couple of days in this House while the Senate has not had time to take up the bill. The subcommittee has taken it up, but the full committee has not, and yet here we are trying to push it through in the last days of this Congress, when there are many more important pieces of legislation we should be considering.

I submit we have a good, workable program that has produced record production. I think what we ought to be doing is congratulating the rice growers in this country for a job well done, rather than saying that they have produced more than 23 percent more than last year, and the program must not be very good, and let us change it around. I think that is a deplorable attitude on the part of the Department of Agriculture.

I ask my colleagues to join us in voting down this rule.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Speaker, at a time when there is a crying need to expand food production to combat inflation at home and to help alleviate food shortages around the world, the United States find itself reverting to an extremely restrictive rice program in 1975—in the absence of new rice legislation in phase with other major crop legislation. If new rice legislation is not forthcoming, the Secretary of Agriculture will be required to proclaim by December 31, 1974, whether or not rice marketing quotas will be in effect and the level of the national rice acreage allotment.

This situation presents four problems:

First. Since the marketing quota determination will be based on a specific formula which considers 1974–75 marketing year beginning stocks, production, and exports, and 1973–74 domestic use, current supply-demand estimates clearly indicate that marketing quotas will again be in effect in 1975. The result would be restricted production at a time when full production is needed:

Second. Based on current market prices for wheat and rice, a nutritional cost advantage accrues to wheat flour by a substantial margin. Since administration spokesmen have indicated that with tight budget constraints likely to continue in fiscal year 1976 and subsequent years, they will be forced to look at ways to maximize food aid for each dollar expended. Stated simply, an unfair advantage has been created by law for one commodity over another. The results of this can already be seen in the heavy wheat purchases by India, when in reality they would prefer to meet their grain shortfall with rice. This impact will also undoubtedly be reflected in reduced rice programing under Public Law 480, and to the extent Public Law 480 (food for peace program) and commercial exports projections are reduced, the rice allotment would also be lowered;

Third. The public does not want rice quotas and allotments. In response to the USDA's notice in the Federal Register, 145 of 163 respondents did not support marketing quotas, and 139 favored the target price program concept while only 16 supported the quota program; and

Fourth. The marketing quota program restricts entry of new producers and increases the cost of producing rice. It has been reported that the cost for a producer to lease the privilege of growing rice from a historical allotment is 10 to 15 percent of the crop produced. This increases the cost of production by an equivalent amount, and therefore, reduces the producer's market competitiveness by such amount. Also, by tending to restrict rice growing to historical production areas, shifting production to more efficient farming areas is precluded. This bill would strengthen the agricultural sector as well as benefit consumers and taxpayers.

We can no longer defend any agricultural program which restricts production and continues to maintain an effective monopoly for current allotment holders.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I welcome the opportunity to speak briefly on behalf of this bill. I also want to join in commending my colleague, the gentleman from Arkansas (Mr. ALEXANDER) who has really been willing to carry the burden and fight this fight. It is a worthwhile fight. Anyone who says this is a waste of time is making a big mistake. I am delighted that the bill is now on the floor under the leadership of the gentleman from Arkansas (Mr. ALEXANDER).

I have heard the comment made that this bill is a waste of time. When we are talking about food today in the world and the need for food and the need for increased production, I think anyone who says this is a waste of time is way off the target.

The fact that the Senate has not done anything, I do not think is the basis of whether this House should act or not act. I think this House should continue as it has in the past to show its good judgment and when something should be done it takes the action and takes the leadership. Let us not worry what the Senate has or has not done.

Now, some of us have received information in the mail today or yesterday. This information says that we need a $4 billion agricultural program. Some of my colleagues from New York who do not have the benefit of being on the Committee on Agriculture, such as I have, are a little confused and concerned about this and have said, "Gosh, we don't want a $4 billion program."

Well, I want to make it very clear to

all the Members, this is no $4 billion agricultural program in any way, shape or form. The only way this could be a program of a so-called $4 billion is if all the rice that is grown in this country were bought up by the Government under the target price that is indicated in the bill. As we all know, there is going to be: First, an amendment to that target price reducing it substantially; and second, the target price is going to be below the market price, in any event. So this rice is going to sell and not cost the Government anything. I think that we have got to put aside the scare tactics and a very misleading statement that is headlining this release.

I think when we vote on this rule, and as the Members know, it is an open rule, it allows for amendments, it allows for everything that is good about procedure in this House; there should not be any question after the rule is adopted, we then will have ample time to explore what is really good about this program and what is bad about the existing program. There is so much bad there, that to take that up in 4 minutes would be impossible.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, the gentleman who was just in the well from the State of New York knows so much about the rice business and the business of his committee did not dissent from the committee report which I have to look at to gain some insight with respect to the current legislation.

Of course, on page 15 it says:

> Pursuant to clause 7 of rule XIII of the Rules of the House of Representatives, the committee estimates—

I guess that is the whole committee, because there is no dissent in this report—

> the cost to be incurred by the Federal Government during the current and the five subsequent fiscal years as a result of the enactment of this legislation would be $640 million during 1975, with subsequent years costs estimated, respectively, at $809 million (1976), $855 million (1977), $866 million (1978), and $905 million (1979). The total 5-year cost is $4,075,000,000, in accordance with the estimate contained in correspondence to the Chairman by Assistant Secretary of Agriculture Yeutter, as follows:

Mr. LONG of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Speaker, the very impressive figure the gentleman quoted as to the initial cost of the program certainly causes all of us concern. Under the program that is in operation at the present time, approximately what did it cost the United States to fund the program as it is currently constituted?

Mr. LEGGETT. I am glad the gentleman asked that question because it just so happens that the program to which we are trying to conform the rice program, the pending legislation, is generally known as the corn, wheat, and cotton program.

In corn, in 1973, we spent $1.5 billion, and almost all of that was for direct payments which the gentleman from Arkansas would want to incorporate into rice. For wheat, we spent three-quarters of a billion dollars, of which a half billion dollars was for direct payments. Dairy products was $182 million. Cotton expense was all for direct payments to farmers, $814 million.

To answer the gentleman's question, the Department of Agriculture figures officially list $38 million as the cost of the rice program in 1973.

Mr. LONG of Louisiana. As compared to what year? The figures the gentleman gave for next year under the proposed program and the following years——

Mr. LEGGETT. For this next year, $640 million is the projected cost under the pending bill.

Mr. LONG of Louisiana. If the gentleman will yield further, that is a potential increase of approximately 20 times.

Mr. LEGGETT. About 2,000 percent. I think that is reason enough not to take this program up.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, the gentleman apparently is giving figures which are of different origin from the figures which I have from the Department of Agriculture in a letter delivered to the Committee on Agriculture in the other body. It says that over the next 5-year period, under the same assumption, the current cost of surplus cotton to the taxpayers of this country will be $1,940,000,000. I will be glad to insert the figure.

Mr. LEGGETT. The gentleman can insert that. That is the Public Law 480 Food for Peace costs.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, the gentleman from Arkansas is absolutely correct. What he is saying is that under the present state of our economy and under the present price schedule for these commodities, the market price of these commodities, that the cost to the Government would not be anything under either program. So, the figures the gentleman has given as to the cost of the program are extremely misleading.

Mr. LEGGETT. Mr. Speaker, all I can go by is the report, and I know those figures appear to be atrocious, but the fact that we would bring to the floor of this rather austere body at this time, when we have got a projected deficit in our operations for the current fiscal year, as I estimated in the CONGRESSIONAL RECORD the other day, of about $34 billion in increased national debt; to bring a bill to the floor the last 2 days which may increase the cost of a $38 million agricultural program by $4 billion, I just cannot understand it.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. PEPPER. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding further. I had yielded to the other gentleman in favor of the bill.

The gentleman has talked a lot about growing more rice. We will prove, when we hear this bill, that we are escalating this year alone from 93 to 114 million hundredweight of rice under the existing program. According to the figures of the Department of Agriculture, we are going to have anywhere between half a million and three-quarters of a million tons of surplus rice we cannot give away because we do not have the money to give it. We are already spending close to half a billion dollars to give away rice. We are giving it away simply because we cannot sell it?

The gentleman from Arkansas has known for a year we were going to have this surplus, and we have no showing from the great State of Arkansas where we can sell this surplus rice. Americans are not eating any more rice, and there is no place else we can get rid of it.

Despite the declarations at Rome, unless someone can come up with a magic formula of where we can sell it or give it away, we ought to keep the rice program as it is.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I rise in support of this rule and enthusiastic support of the legislation which it would make in order. This was a bipartisan bill. It was introduced by both Democrats and Republicans on the committee, and it received bipartisan support the other day in the Committee on Rules. I find it, frankly, very difficult to understand the argument of the last speaker, as well as one of the preceding speakers, the gentleman from Louisiana, I believe it was, who said that we could not consider this bill because it is not needed, it is not necessary, it is emergency legislation, why take the time of the House of Representatives in the last 3 days of this session of Congress to deal with this matter of expanding production of an important food commodity?

If more Members would have listened to the very eloquent statistics that were cited by the gentleman from Arkansas (Mr. ALEXANDER), and one of the authors of this bill, I think he brought out only too clearly that this legislation was designed to provide help for literally millions of hungry people throughout the world. When one considers that food production has to expand at least 2 percent a year just to keep pace with the rising population, how in heaven's name can we suggest that it is not an important matter, indeed an emergency matter, that we devote our time and attention this afternoon to a bill that is capable of expanding rice production?

Mr. YOUNG of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I will yield to the distinguished gentleman from South Carolina.

Mr. YOUNG of South Carolina. I thank the gentleman for yielding, and I would like to ask this question: Would it be possible to expand rice production with the Department of Agriculture asking the rice farmers of this Nation to grow more rice?

Mr. ANDERSON of Illinois. The problem, my friend, is—and the gentleman from Louisiana indicated—there are not any quotas this year and there will not be any quotas in 1975, but what he did not tell you was that the allotment system is still there under the present program, and those allotments are going only to those regions that historically have grown rice, California, Texas, and Louisiana.

What the gentleman from Arkansas is seeking to do, and others who are supporting this legislation, is to open up the Lower Mississippi Valley, to open up other regions of the country where rice can be grown productively, not only for domestic consumption, but for export.

What is wrong with introducing some competition into the system? I noted in a Wall Street Journal editorial the other day that they pointed out that land in California that happens to have a rice allotment is worth $400 an acre just for the allotment alone.

I cannot blame the gentleman from California (Mr. LEGGETT), and others from his State, for asking to protect the economic benefit and advantage that accrues to rice producers in his State because of the value of those allotments and because of the value that is thereby attached to the land.

But that is not the question that is before the House this afternoon. The question is this: Are we going to respond to the cry for help that went out at the Food Conference at Rome just a few weeks ago, or are we going to turn our backs on the very opportunity which we have been given to do something about rice production?

Mr. Speaker, I want to make my thoughts clear with respect to the colloquy that went on about the possible cost of this program. I would be concerned about that, too, if we were to pass this legislation as reported out of the committee with an 11-cent target price, which is more than double or about double the actual cost of production for rice. This is, I believe, double the average price for rice over the last decade. We do not need that kind of a target price.

I am, therefore, going to offer at the appropriate time an amendment that would reduce the target price to 7 cents. I think that only makes sense, at a time when we are trying to reduce the overall impact of Federal spending.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, I would like the gentleman to please explain to the Members of this body how we can justify saying that we need more rice and we need a new program to allow more rice to be produced, when the presently existing program—

Mr. ANDERSON of Illinois. Let me answer the question.

Mr. BREAUX. Mr. Speaker, let me finish my question first. I am not finished with the question. If the gentleman will yield so that I may ask my question, I would be glad to hear the answer to it.

Mr. ANDERSON of Illinois. Mr. Speaker, I understand the gentleman wants to know why we should grow more rice at a time when we are not selling all of the rice which has been produced.

Let me comment on the figures given by my distinguished friend, the gentleman from California (Mr. LEGGETT). I read these with particular interest, because of my great interest in this matter, and I read his letter addressed to the chairman of the Committee on Rules on November 18, 1974. I realize that at that time he expressed the opinion or he estimated that the total estimated surplus carryover would be between 20.5 and 27.3 million hundredweight.

Mr. Speaker, I had a conversation yesterday with Mr. Frick of the Agricultural Stabilization Conservation Service, and he said that the latest figure is a different figure, and that those were probably valid figures at the time the gentleman quoted them in his letter. I certainly do not question the validity of the gentleman's figures at that time, but I will put in the RECORD the December figures, the latest figures we have.

Those figures show that now we have reduced the carryover, the projected carryover, for next year to between 11.4 and 17.4 million hundredweight.

Mr. Frick made the additional statement to me, when I was talking to him, that the growing commercial export market is there, and there is every reason to believe that that carryover figure I have given is going to be reduced still further as the demand for this particular food commodity increases around the world.

I do not believe we have to be afraid the demand will not be there. I wish that I had with me—I do not think I have it at the desk right now either—the letter which the gentleman from Louisiana sent out a few weeks ago. I believe the letter was sent on September 12 of this year. In that letter he said it was too risky to let rice producers simply, without the benefit of Government allotments and Government quotas, go in and plant and produce for the world market.

I think, in view of the figures we have heard this afternoon from the gentleman from Arkansas (Mr. ALEXANDER)—and there are many others that can be produced—that the risk is not that great. I think the real risk is that because the present program satisfies some parochial interests in historic rice-growing areas—the real risk is that we are going to do the wrong thing and turn down the opportunity to produce enough quantities of this valuable food commodity.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I wish to associate myself with the remarks which were just made by the gentleman from Illinois (Mr. ANDERSON).

I think, as the gentleman pointed out very well, that this is a fight between those who have production and those who seek the production. This is a profitable crop to raise, and at a time, as the gentleman has indicated, when the world is searching for food and needing food, we would be ill advised in this House to turn down this bill today.

For that reason and for other reasons, I support the bill and I wish to commend the gentleman for the statements he made.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, the gentleman from Illinois has accurately stated the case with respect to whether a surplus exists. The gentleman from California (Mr. LEGGETT) and some of the other Members who have expressed opposition to the legislation have indicated there is a surplus or there will be.

The best evidence is that there is not, and there will not be in the foreseeable future.

I refer to a news release from the Department of Agriculture on December 12. I would like to read it at this time. It is USDA No. 3602-74, and I quote:

> For rice, James J. Naive of ERS stated that domestic demand is expected to grow during 1974/75, with food use likely to move up from last year's 25.2 million cwt. Meanwhile, continuing tight world supplies in face of our own record supplies point to a banner U.S. rice export year. Naive indicated that our overseas sales could substantially exceed the old record of 56.9 million cst. (rough) set back in 1971/72.
>
> Total rice disappearance during 1974/75 could reach an all-time high of over 100 million cst., Naive indicated.

I thank the gentleman for yielding.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. The gentleman recognizes that more food is needed and not less, and the rice industry cannot expand any further under present law. New legislation is needed in order to encourage investment for acreage, for transportation, for milling, and for storage.

Mr. Speaker, I thank the gentleman.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I do not propose to take the time of the House to discuss the merits or demerits of this bill.

We do have a huge surplus. In fact, we have the largest surplus of rice in America today that we ever had in the history of the rice program.

I do not care what kind of figures anyone can quote, phony or otherwise, but that is the fact, based on information given to me by the California rice growers, whom I believe to be reliable.

However, that is beside the point. I am serious. Is anyone around here interested in concluding this Congress by Christmas? Do the Members know that this bill has never even seen the light of day in the other body?

We are supposedly 3 days away from adjournment. At least, that is the information I have. Maybe some Members have some different information.

This bill that we know has never seen the light of day in the other body presents this picture: Let us say that perchance, by a miracle, it was voted out of committee some way or another tomorrow. Under the 3-day rule in the Senate, one objection kills it for this Congress, and here we sit kidding ourselves, wasting our time on a matter, regardless of the merits or demerits of it, when we are attempting to conclude with some important business and get this Congress adjourned.

Let me tell the Members, this bill, by lack of one vote, just one vote, was kept from being recommitted to the subcommittee. That is just how much support it had in the Committee on Agriculture.

This bill was defeated in the Committee on Rules back several months ago. It has three or four lives.

I understand that a couple of beer companies in this country want this bill for some reason. Therefore, I think we ought to take a close look at it. If we want to get out of here and get home for Christmas, let us vote down this rule and then get on with some important matters that we can conclude this afternoon and tomorrow, vote on the Vice Presidential confirmation on Thursday, and go home.

For gosh sakes, let us quit kidding ourselves and kidding the public.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. LEGGETT. There seems to be considerable thought that we need to respond to the increased demand for food around the world. They talk about a 2-percent increase in demand per year.

Is it not a fact that the rice industry increased the supply in 1 year alone by 23 percent?

Mr. SISK. Of course, those are the figures that have been given, whether or not they have been established as correct figures.

Let me again conclude on this note: We are wasting our time, we are wasting the time of the country when we need to complete important matters here so that this Congress may adjourn.

As far as I am concerned, this is a matter that we might very well consider in January, February, or March.

I am concerned about the food shortage, but this bill itself will not furnish one pound of rice for anyone in the world at any change in price. So, let us not kid ourselves.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, I rise to express my strong opposition to H.R. 15236, a bill which would drastically change the present program governing rice production in our country. Let me take just a few minutes to outline the major objections of our current rice producers.

Over the last few decades, a worldwide rice market has been cultivated and served by the commercial rice industry of this country, almost exclusively in the States of Louisiana, Texas, Arkansas, and my home State of California. The industry, comprised of major commercial rice farmers, has achieved a record of stability under the effective program now in existence.

To change to an open program, such as that proposed in the bill before us, could have serious effects on the stability of our rice production.

In the 1950's the present program was established because the open program then in existence was ineffective. Substantial amounts of rice went unsold. The Federal Government, in order to rescue the rice farmer had to step in and set up the present program. Since that time, the rice industry has prospered and is now capable of producing adequate supplies not only for the United States, but also for sale to many foreign nations.

The program as designed in the legislation being considered today would encourage many small farmers to initiate rice producing operations. Mr. Chairman, I call to your attention the fact that this was tried several years ago and was a failure. It simply has not been economically feasible for a small farmer to raise a rice crop. Other commodities are produced in a manner that many thousands of marginal farmers can be successful. Rice, however, is different. It appears that only a sound commercial operation is capable of producing an economical rice crop.

Additional rice production as predicted by the proponents of this measure is welcomed if there is at the time an assurance that additional long-term markets will be opened.

Under the present program no direct payments are made. This would also be changed under the bill being considered. The bill sets up a target price system to provide direct payments.

To allow producers to make their own individual planting decisions invites potential disaster. Rice is a crop which depends on export markets. Over 60 percent of our domestic rice crop is sent overseas, much of it under programs of the Federal Government over which the farmer and the market have no control.

In summary, Mr. Chairman, I am greatly concerned that this measure would abolish a program which has worked well for a number of years in favor of a program of unknown consequences. The rice-producing areas of this nation are familiar with the operation of the present program and to my knowledge are basically satisfied with its success. To scrap this program at this time is not practical.

I urge that the present program be retained in its current form so that we may continue to have a rice program, and one which we know will adequately meet the needs of our current rice producers The way to do this is to defeat this bill.

Mr. SISK. Mr. Speaker, I ask for a "No" vote on the rule, and let us dispose of this matter and get on with the important business of the House.

Mr. PEPPER. Mr. Speaker, if I have additional time I will yield time to the gentleman from Texas.

The SPEAKER. All time has expired for the gentleman from Florida.

Mr. ANDERSON of Illinois. Mr. Speaker, in view of the situation, and in deference to my distinguished colleague from the Committee on Rules I yield 3 minutes to the gentleman from Texas (Mr. Young).

Mr. YOUNG of Texas. Mr. Speaker, I thank my distinguished colleague from the Committee on Rules, the gentleman from Illinois (Mr. Anderson) for yielding me this time.

Mr. Speaker, in 18 years in the Congress this is the first time I have ever taken the floor in opposition to a rule. I do so at this time because considering this rule at this time simply does not make any sense.

I wonder if Congress and this House will ever learn to leave well enough alone? We are talking a great deal about a great many things, and we do not know 2 cents about any of them. We are condemning the allotment for rice, and the fact that you can sell the allotments. Let me tell the Members that if the farmer did not have an allotment for rice he could not finance the $300 an acre a year that it takes to put in this crop. So, instead of talking about more rice, more abundance of rice, if this great Congress in its wisdom ever gets to this bill, which it will not, I am sure, in the Senate, it may be legislating rice out of existence in this country.

Now, when will we ever learn?

Ten years ago we were eyeing the cheap Arab oil at $2 or $3 a barrel. The people of the north and east wanted it, so we went and got the cheap Arab oil. What have we done? We have run the domestic oil up where it has to compete with the $10 and $11 a barrel for Arab oil, and we have increased the cost of coal energy in this country by some 300 percent.

Ten months ago the great Committee on Agriculture came here with a sugar bill, and there were those members on that committee from the other side of the House who advocated defeat of that bill. The chairman of that committee said instead of 25 cents a pound for sugar, as it was then, you will likely have something like 75 cents a pound for sugar.

I say to the Members of this House that we do not have 75-cents-a-pound sugar today—we have instead 85-cents-a-pound sugar. Pass this bill and we may put every small rice farmer out of business.

When will we ever learn to leave well enough alone?

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. Young).

Mr. YOUNG of South Carolina. Mr. Speaker, I thank the gentleman from Illinois for yielding me these 2 minutes.

Mr. Speaker, I think there are two or three things here that we must consider. The rice farmers' land is valued on the history of his rice production. If we do away with this bill and open it up for everybody to plant rice, then we in effect will devalue that farmer's property.

To plant rice, the Land Bank, the Production Credit Association, and the local banks have loaned him his money to fix his land, to buy his equipment, based upon the fact that he has a history of growing that rice. There has been talk about a need for more rice in this country. It is a very simple matter. We have just done the same thing with tobacco. If we need more tobacco, the Department of Agriculture has increased our allotments by 15 percent. It is a simple matter here once again if the Department of Agriculture wants to increase the rice production in this country.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of South Carolina. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

Those additional allotments, however, would go to the existing areas where rise is being produced.

Mr. YOUNG of South Carolina. That is true.

Mr. ANDERSON of Illinois. If the gentleman will yield further, is it not, therefore, true that if we want to open up production in this country to other areas such as those that were mentioned in the lower Mississippi Valley, we have got to do what is proposed in this legislation.

Mr. YOUNG of South Carolina. As a matter of fact, in my area of Georgetown, historically we used to produce the rice in our area, and we were the largest producers of rice in the Georgetown area of the United States, but it has left our area and has gone to places where they can produce it more efficiently than anywhere else. I think we have to look at the facts. We may in turn be short of rice in this country, and we may in turn end up as we have with the sugar bill.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of South Carolina. I yield to the gentleman from Tennessee.

Mr. BAKER. I thank the gentleman for yielding.

Is that not the best argument for the legislation, to allow it to be produced where it can best be produced? And is not the real objection by the people of California prompted by the fact that they carry their allotments around in their pockets rather than on the land?

Mr. YOUNG of South Carolina. I think we can point out what has happened in sugar. Suppose we open up sugar to let anybody produce it.

The **SPEAKER.** The time of the gentleman has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, there have been several speakers who have made the point of why should we take this bill up today because the other body cannot possibly act upon it. I refer my colleagues to a letter in response to that point. It is to the Honorable JOHN L. MCCLELLAN, from the Honorable HERMAN E. TALMADGE, chairman of the Senate Committee on Agriculture and Forestry. I quote in part from that letter:

> If the House has acted on their bill by that time, we will consider the House passed bill in the interest of speedy action.

I say further to my colleagues in rebuttal to the statements that have been made against the rule that I will quote from a report of the House Committee on Agriculture.

> Will America allow a food shortage to surprise us such as we allowed the energy crisis to do this year, and only then react after we find people standing in line from 7 a.m. to 9 a.m. on Tuesday and Thursday mornings waiting to get into their local grocery store to buy a limited quantity of food? The Department Operations Subcommittee sincerely hopes not.
>
> The answers aren't easy, but the price of inaction will be cruel.
>
> Think about it, Congress.

Our House committee says: "Think about it, America."

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this legislation and would like to point out that today we face a crisis fo unemployment. We have acres upon acres of land, not only in Tennessee, but in other States as well that can be productive in the growing of rice for food for this country.

Back in my district and all over the Nation we hear the housewife plead for more food at reasonable prices. Food is somewhat like the staff of life. It can be used very proficiently for the good of the body to keep people healthy and to keep them at work. So I will plead with my colleagues today to open up the gate. Let other farmers and rice growers who desire to grow rice do so. Open it up in Tennessee; open it up in other States; have an abundance of rice, and the price will come down, and the American consumer will be the beneficiary.

Mr. Speaker, I yield back the remainder of my time.

Mr. ANDERSON of Illinois. I yield 1 minute to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, the matter of the defeat of the sugar bill has been mentioned in debate on this bill, and I cannot see the similarity. I always supported the sugar bill. Certainly the defeat of the sugar bill was an ill-advised action by this House and I agree with the gentleman it probably had a great deal to do with upsetting the world price of sugar. Here we have a situation where we want to expand production. It has nothing to do with what happened in the sugar bill, nor does it have anything to do with the importation of oil a few years ago at $3 and $4 a barrel. These matters have nothing to do with the rice bill. I do not think we ought to mix sugar, oil, and rice here today.

I think we ought to look at this bill, and if we are interested in rice to feed hungry people in this country and in the world, we ought to pass this legislation.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I take this time to answer the very impassioned argument of the gentleman from Texas (Mr. YOUNG) when he said: "When, oh, when are we ever going to learn not to interfere in government programs?" Let me quote from a letter which was written on September 12, 1974, and I did not have this a moment ago when I was in the well. This was written by the gentleman from Louisiana (Mr. BREAUX), who spoke earlier. It says:

> The reason the present legislation was put into effect was that in the mid-1950s open production resulted in such huge amounts of left-over rice that the government was forced to take steps to assume control over the production situation.

That was 20 years ago. Many of the allotments under this program were established on the basis of the facts that existed 20 years ago. The world has changed. The whole situation with regard to world food supplies has changed. Anybody who read anything about the World Food Conference in Rome in September ought to know that.

I would suggest the changed conditions demand a change in that program.

Mr. PEPPER. Mr. Speaker, I yield my remaining time to the able gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, we ought not to adopt this law. It is a waste of time and a waste of effort. It is obstructing important legislation.

In regard to whether the bill can be passed or not, we must remember that this bill has not been considered in the other body. It is quite likely that the granting of this rule will only consume several hours. There is no reason for passing this bill even if we had unlimited time. We have good legislation. We have a much larger surplus of rice than we had 20 years ago when we passed the original bill. The largest surplus we have had in rice is the surplus we have at this moment and it cannot be sold. The price of rice has dropped 40 percent in the last few months.

Members cannot tell me we have to do this to help the farmers or to help the starving people. The rice is being put into the warehouse and we are paying 13 percent interest on it.

There is no sense in passing this kind of legislation. There is no necessity to pass it in order to let people grow rice, because anybody in the United States can grow rice who wants to, and unless the Secretary declares quotas next year, and he does not have to unless he wants to, anybody can grow rice who wants to. Apparently, what the proponents of this bill want is not more rice, but more Government money. There are no payments under the present program—under the proposed bill the cost could go to $4 billion during the next 5 years.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER.** The question is on the resolution.

The question was taken and the Speaker announced that the nays appeared to have it.

Mr. ANDERSON of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 256, nays 135, not voting 43, as follows:

[Roll No. 699]

YEAS—256

Abdnor
Abzug
Addabbo
Alexander
Anderson, Ill.
Annunzio
Archer
Armstrong
Aspin
Badillo
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Biaggi
Biester
Bingham
Blackburn
Boland
Bowen
Brademas
Bray
Breckinridge
Broomfield
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Cederberg
Chamberlain
Chisholm
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Culver
Daniels, Dominick V.
Davis, Ga.
Delaney
Dellenback

Denholm
Dennis
Derwinski
Diggs
Dingell
Donohue
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frenzel
Frey
Froehlich
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Goldwater
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Hastings
Hays
Heckler, Mass.
Heinz
Helstoski
Hillis
Hogan
Holt
Holtzman
Horton
Hudnut
Hungate
Hunt
Hutchinson
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Kastenmeier
Kemp
King
Kluczynski
Koch
Kuykendall

Kyros
Lagomarsino
Landgrebe
Latta
Lent
Lott
Luken
McClory
McCloskey
McCollister
McDade
McKinney
Madden
Madigan
Mallary
Martin, Nebr.
Martin, N.C.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Nedzi
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Powell, Ohio
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino

Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Shriver
Shuster
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Walsh
Wampler
Ware
Whalen
Whitten
Widnall
Wiggins
Williams
Winn
Wolff
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Zablocki
Zion

NAYS—135

Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Ashley
Barrett
Bergland
Bevill
Blatnik
Boggs
Breaux
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Mass.
Burleson, Tex.
Camp
Carter
Casey, Tex.
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conyers
Corman
Cotter
Daniel, Dan

Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Devine
Dickinson
Dorn
Downing
Dulski
Edwards, Calif.
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flynt
Fountain
Fuqua
Gettys
Gonzalez
Goodling
Green, Oreg.
Gross
Harsha
Hawkins
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Holifield
Hosmer
Huber
Jarman
Johnson, Calif.

Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Ketchum
Landrum
Leggett
Lehman
Long, La.
Lujan
McEwen
McFall
McKay
McSpadden
Mahon
Mann
Mathis, Ga.
Milford
Mollohan
Moorhead, Calif.
Murtha
Natcher
Nelsen
Nichols
Patman
Pickle
Pike
Poage
Preyer
Roberts
Robinson, Va.
Rose

Rousselot
Roybal
Runnels
Ruth
Ryan
Seiberling
Sikes
Sisk
Skubitz
Slack
Snyder
Stanton, James V.

Stark
Steed
Stephens
Stratton
Stubblefield
Taylor, N.C.
Teague
Towell, Nev.
Traxler
Van Deerlin
Vander Veen
Waggonner
Waldie

White
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wright
Yatron
Young, S.C.
Young, Tex.
Zwach

NOT VOTING—43

Adams
Arends
Bolling
Brasco
Brotzman
Brown, Mich.
Carey, N.Y.
Dellums
Dent
Eshleman
Frelinghuysen
Ginn
Grasso
Gray
Griffiths

Hanna
Hansen, Wash.
Hébert
Howard
Ichord
Litton
Long, Md.
McCormack
Macdonald
Maraziti
Mathias, Calif.
Mills
Minshall, Ohio
Moss
O'Hara

Podell
Price, Tex.
Rarick
Reid
Roncallo, N.Y.
Rooney, N.Y.
Roy
Satterfield
Shipley
Shoup
Steele
Wyatt
Wyman

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Hébert against.
Mr. Dellums for, with Mr. Ginn against.
Mr. Shipley for, with Mr. Rarick against.
Mr. Dent for, with Mr. Hanna against.

Until further notice:

Mr. Arends with Mrs. Grasso.
Mr. Eshleman with Mrs. Griffiths.
Mr. Adams with Mr. Brown of Michigan.
Mr. Rooney of New York with Mr. Price of Texas.
Mr. Ichord with Mr. Maraziti.
Mr. Frelinghuysen with Mr. Reid.
Mr. Roncallo of New York with Mr. Shoup.
Mr. Carey of New York with Mr. Brotzman.
Mr. Macdonald with Mr. Steele.
Mr. Litton with Mr. Wyman.
Mr. McCormack with Mr. Minshall of Ohio.
Mr. Wyatt with Mr. Mathias of California.
Mr. O'Hara with Mr. Moss.
Mr. Long of Maryland with Mr. Mills.
Mr. Satterfield with Mr. Roy.
Mrs. Hansen of Washington with Mr. Gray.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ALEXANDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15263) to establish improved programs for the benefit of producers and consumers of rice.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15263, with Mr. PIKE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. ALEXANDER) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. GOODLING) will be recognized for 1 hour.

The Chair recognizes the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Chairman, I yield myself such time as I may consume.

PARLIAMENTARY INQUIRY

Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ALEXANDER. Mr. Chairman, in stating my parliamentary inquiry I wish to have the attention of the gentleman from Pennsylvania (Mr. GOODLING).

Is it not in order, Mr. Chairman, that, in recognition of the urgency of business before this House and the fact that the House is trying to adjourn itself at the end of this week, we try to limit general debate on this bill to 1 hour?

The CHAIRMAN. The Chair will state that at this point that request would not be in order. The rule does provide for 2 hours of general debate.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I appreciate my friend yielding me this time.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Arkansas. I want to commend the gentleman on the tremendous work the gentleman has done in bringing this bill out of his committee, through the Committee on Rules, and now to the floor of the House.

There are many reasons why the legislation should be approved. They have been argued both during the consideration of the rule and now on the merits of the bill, as suggested by the gentleman from Arkansas.

I hope the House will use good judgment and meet the need for greater production of rice, and for greater equity for our farmers in this country, and pass the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, will the gentleman from Arkansas be good enough to tell me where the money is going to come from if we are going to embark upon feeding all of the rest of the world?

Mr. ALEXANDER. Mr. Chairman, in response to the question of the gentleman from Iowa, I would answer that when this bill passes, the cost to the taxpayers will be less than the current program, not more.

Mr. GROSS. Mr. Chairman, I am talking about the production of all of this food that they speak so glibly of, and the export of it.

Who is going to pay for the food?

Mr. ALEXANDER. The United States in consortium with other interested countries in the world will pay for the food.

Mr. GROSS. Up to this point the other half of or part of the consortium has not gone very far, has it?

Mr. ALEXANDER. The gentleman from Iowa is obviously unfamiliar with the conference in Rome on world food, where there was general agreement in this direction.

Mr. GROSS. But that was talk. That was not money on the line.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the House, let me first of all say that I cannot match the oratory of the Members who preceded me in the well of this House today. All I have to offer is 50 years of experience as a dirt farmer. I realize we do not grow rice in Pennsylvania.

Mr. Chairman, let me further point out that what we are doing here today, in my opinion, is an act of futility. Here we are, talking about adjourning sine die, and here is a bill that the Senate has never considered. How do the Members propose that the Senate is going to be able to hold hearings on this bill and get it back to the House before we adjourn—the Senate always changes our bills—and in the event that does happen I can assure the Members that we will ask for a conference, and then we may be here from here on out.

Mr. Chairman, I want to respond to a few of the things that have been said on the floor. In the first place, the gentleman from Arkansas (Mr. ALEXANDER)—and I regret that I must differ with the gentleman; we are good friends, but we differ violently on this legislation—the gentleman said that we need this bill to produce more food for the world; that we have to feed the hungry in the world. The gentleman from Illinois (Mr. ANDERSON), said practically the same thing.

I want to point out to the membership of this House that this bill will not be responsible for producing one additional grain of rice that cannot be produced under the present act.

I am amazed at the gentleman from New York, the farmer (Mr. PEYSER) who consistently opposes farm subsidies, and yet the gentleman stood right here where I stand at this moment, asking for farm subsidies.

Let us be consistent.

Mr. Chairman, I rise in opposition to H.R. 15263. As a 50-year farmer who has never taken a dime from the Department of Agriculture, I urge my colleagues to reject this bill. It can only lead to millions of dollars being paid to rice farmers for growing rice or for not growing rice, whatever the case may be.

I believe the leadership of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE), the gentleman from California (Mr. SISK), the gentleman from Kentucky (Mr. STUBBLEFIELD), the gentleman from North Carolina (Mr. JONES), the gentleman from California (Mr. MATHIAS), the gentleman from Texas (Mr. PRICE), the gentleman from Minnesota (Mr. ZWACH), and others will join me in opposing this bill which cleared the committee by only one vote when it escaped being sent back to subcommittee by an 18-to-17 vote of the committee.

This very controversial bill which comes to us at the 11th hour of the 93d Congress, would simply change the rice program from a loan system to a payment system. That is all it does.

It does not give farmers any more opportunity to grow rice than the present program does. It does not make prices to consumers one bit lower than they are now. All it does is to set up a Government-payment system under which certain rice farmers, let me repeat—certain rice farmers, not all of them, just those with allotments—will get payments.

We talk about discrimination. I would say that this is rank discrimination.

There will be two kinds of payments under the bill. The first are the subsidies for growing rice. These are called price support payments. They are described in section 102 on pages 5 and 6 of this bill.

The second are subsidies for not growing rice. These are called set-aside payments and are described in section 6(A) on pages 9 and 10 of the bill.

I repeat: This bill is based on a bad price-support idea, and it was a legislative idea that formed the basis for the farm bill of 1973, which, interestingly enough—and I hope everybody will listen to this—the minority leader and our current President voted against.

It is opposed by the major farm organizations, the Farm Bureau, the National Farmers Organization, and the National Farmers Union. I submit to the Members when we can get these three organizations thinking in the same terms, there is something radically wrong with the bill. This happens on very rare occasions. In fact, I do not know if it has ever occurred in my 12 years here.

If it is enacted as reported, the bill could cost the taxpayers of America as much as $4 billion.

Let us face it. This bill simply converts the present rice support program from one which uses a relatively modest 65 percent of parity nonrecourse loan system to one which uses Government payments to supplement the income of rice-growers.

I hope the gentleman from New York listens to this. These rice welfare payments would be triggered at $11 a hundredweight under the committee bill and at $7 under Secretary Butz' formula. In either event, the payments would be the difference between what the rice farmers get in the market and what the Government says they ought to get. In essence, this bill is simply the old Brannan plan for rice, and it is similar to the target price system now in effect on corn, wheat, and cotton. It is supported by a host of large industrial users of rice ranging from beer users to Chinese restaurant operators who see this legislation in the light of cheap rice at the expense of the American taxpayer. They hope that unlimited production of rice will drive market prices down and that rice farmers can turn to the Government for subsidies instead of receiving their incomes in the marketplace.

And incidentally, let me say this to the Members of this House. It was pretty largely the interest of the beer-producing people that revived this bill in the Rules Committee after it had been killed about 6 weeks ago. The beer people are very much interested in this rice bill. They are not interested in food production. They are interested in beer production. This, to a certain extent, is a beer-production bill.

In fairness to the position of the committee, as tenuous as it is, there was only a one-vote margin, the Department of Agriculture has been in continuous and persistent support of this bill, and why I am not absolutely certain. I have my ideas but I am not allowed to state them on this floor at this time.

I personally have been contacted by the Secretary and I know several other members of the committee who have had the same experience. The members of the Rules Committee, which first killed and then revived this bill, can, I am certain, attest to the persistence of the Secretary and other proponents of H.R. 15263.

Frankly, it is amazing to me that this bill has been receiving such intense lobbying, but then this has been an amazing year, I think we will all have to admit. Here we are at a rice crossroads. The Democrat Party in the House is being asked to follow the leadership of Secretary Butz. He is a formidable politician, and I must admit he is a very, very good friend of mine, but to me it seems incredible that on the heels of or on the basis of an election which the Democrat Party won handily, this House would turn around and pass the Butz rice bill.

Even more incredible is the fact that for a party whose leadership is talking about increasing the target prices next year on wheat and cotton and feed grains, we are following Secretary Butz in his efforts to lower the support on rice. The rice support for 1975 is probably going to be about $7.80 per hundredweight under the existing law. The Secretary wants to lower that to $7 per hundredweight target price.

Frankly I will admit that part of the Secretary's program appeals to me very much, and as a lifelong conservative, I intend to vote as the Secretary wishes on the $7 target price. I do not want to expose my taxpayers to any more fiscal hazards than are necessary.

I would hope, then, that we would not pass this bill at all because it is based on an unsound system. If it is passed, it should be considerably amended to protect the taxpayer who also happens to be the consumer.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Chairman, I commend the gentleman from Pennsylvania for his statement.

As I understand the gentleman's remarks, the first part of his remarks contained a basic objection which was that the present program provides no direct payments to rice farmers, either deficiency or any other direct payments to rice farmers, and that this program, if passed, would initiate direct efficiency payments to rice farmers, and the gentleman is opposed to that section, as well as other sections he considers ill advised.

Mr. GOODLING. The gentleman from Louisiana is correct.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. The gentleman spoke of direct subsidy payments. That is really a misnomer, because what we are talking about is the target price concept which applies to wheat, corn, and cotton. We have the same surplus situation with wheat, corn, and cotton that we have with rice. We export approximately 60 percent of our rice. As long as the market price stays above the target price, whatever that happens to be, and I support the gentleman's notion, it should be 7 cents, rather than 11 cents, there will be no subsidy payments to farmers.

I do not think we should be left with the understanding that there will be a subsidy payment as long as the market price stays above the target price. I am sure the gentleman did not want to leave that impression.

Mr. GOODLING. That is correct, and I do not see what we gain under this legislation.

Mr. JOHNSON of Colorado. We do not know how the target price concept is going to work. It may work well next year, or we could have a bad year with respect to wheat, corn and cotton; but no one has yet addressed themselves as to why there should be a target price and a target price concept with wheat, corn and cotton and not have it apply to rice. It seems to me obvious why the target price cannot apply to peanuts or sugar. We only raise half our sugar. We have to import the other half. We do not have an export situation with peanuts, but we do have the same export situation with wheat, corn, cotton, and rice, and the target price should apply equally to them.

Mr. GOODLING. Will the gentleman please tell me what we are going to gain under this legislation?

Mr. JOHNSON of Colorado. If the gentleman will tell me why there should be a difference between the programs for rice, wheat, corn, and cotton. It seems to me the programs should be consistent with one another.

Mr. GOODLING. I have already said that there is not a farmer in the entire United States who could not have produced all the rice he wanted to produce in 1974. The Secretary of Agriculture eliminated the restrictions. He can do the same thing in 1975. He can do the same thing in 1976.

Mr. JOHNSON of Colorado. Is the gentleman opposed to the target price concept for wheat, corn, and cotton?

Mr. GOODLING. Yes. I am opposed to the target price concept, because I am opposed to subsidies and somewhere along the line we are going to have to face the problems that subsidies bring in this country.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I am a little bit confused by what you have been saying as far as the lowering of prices to the beer industry is concerned. Would it be fair to assume that they are in support of the target concept to make more rice available for all users, including the malting of beer; is that the reason they support it?

Mr. GOODLING. Certain breweries use rice in producing beer, and these breweries from the information I have are pretty largely for reviving this bill in the Committee on Rules.

Mr. STEIGER of Wisconsin. If the gentleman will yield further, would it then be a fair assumption that those constituents in the Sixth District which I represent who enjoy nothing more than a good beer and brandly might benefit from the passage of this bill?

Mr. GOODLING. I am sorry. I did not hear that question.

Mr. STEIGER of Wisconsin. I am trying to figure out if the beer drinker does get a break if we pass this bill; does the beer drinker get a break?

Mr. GOODLING. The brewery operators are hopeful this bill will lower the price, that it will produce so much rice that they can buy rice at a lower price. This is very probable.

Mr. STEIGER of Wisconsin. I am really delighted. That is one of the reasons I voted for the rule, in the hope it would be of benefit to the beer drinker.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Texas.

Mr. POAGE. Might I suggest insofar as the breweries of St. Louis are concerned, they are the ones that want to use rice and at least many of the breweries of Milwaukee are still using barley. If the gentleman thinks he is doing the right thing by knocking barley out, I would think that there would be a fight between the St. Louis breweries and the Milwaukee breweries. I hope the gentleman will get on the side of the Milwaukee breweries—or better still, get on the side of the farmers.

Mr. STEIGER of Wisconsin. Mr. Chairman, I will take a back seat to no one in the belief that Milwaukee beer, whether made with rice or barley, can compete with that product of St. Louis. But, that is neither here nor there if we can make available adequate supplies of rice.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. Casey).

Mr. CASEY of Texas. Mr. Chairman, I appreciate the gentleman yielding to me. I want to commend him for his remarks in opposition to the bill.

I join in opposing the passage of H.R. 15263 because I do not think that changing our agricultural production laws concerning rice are in the national interest at this time.

I do not believe anyone in this House has a stronger belief in the free enterprise system than I do, whether it be in rice farming or manufacturing or selling groceries.

Yet, for the sake of the consumer and taxpayers of this Nation, we must approach any change in a proven system with a high degree of caution.

I believe we are all too well aware of what has happened in recent months as a result of changes we have brought about in our agricultural system, which, despite any faults there may be, is unchallenged as the greatest in the world.

We must remember that we changed our system of cotton production and of wheat production, and look at what happened to the supply and to the prices paid by our citizens.

We have seen the illusion just this year in the matter of sugar. We can recall our good intentions in opening up the sugar market. The arguments were that removing quotas would increase supply and bring an open market with lower prices. We repealed the sugar quotas and now we can only view the results with dismay.

Now, we want to change the rice program, and everybody says that we are going to get all the more rice to feed the whole world at cheaper prices. We may get it for 1 year, but we are going to break a lot of farmers under the target price system because they cannot possibly produce rice at a profit with the cost of labor going up, the cost of fertilizer going up, the cost of equipment going up, the cost of land rental going up.

Only through past investment, greater technology, and increased production have the rice farmers been able to make a living in the inflationary period of recent months.

Mr. Chairman, the passage of the proposed Rice Act of 1974 would not increase our supplies. To be sure, more farmers would plant rice under the new law, which might bring prices down temporarily.

But when the market becomes glutted and everyone starts raising rice, the market's governing principles are gone. Then the farmers find there is no market for their crops and that if they can sell it at all, the price brings a loss. And that does not mean that consumers pay less either.

The system we have now, as the gentleman in the well says, is one under which farmers can raise all the rice they want to. The Secretary can take controls off if it is necessary to feed the world, but let us not be penny-wise and pound-foolish and put rice farmers in the same shape as cattlemen are in right now.

Many Members who have no familiarity with ranching operations have used the term, "The wealthy cattleman." They should go talk to some of my cattlemen right now. If we pass this bill, the rice farmers are going to have the same problem the rancher has. And our ranchers are going into bankruptcy while the housewife continues to pay record prices for beef.

The Rice Act we consider today would certainly not benefit our consumers. And it is more likely that the result would be that, as high numbers of farmers began planting rice, their profits would turn to losses. They would turn to other crops and, ultimately, the result would be shortages and the inflated prices that follow.

Mr. Chairman, we now export 60 percent of our rice crop. The price is fair on the world market, it is stable, and because of this we are able to help combat world hunger and also help our own Nation's balance of payments.

The Rice Act we consider today would certainly not reduce the cost to the Government. The price levels today are high enough so that no price supports are required. Should we shift to the target-price system, however, there is certainly every reason to expect that the cost to the taxpayer would be greater as price supports became necessary.

Mr. Chairman, this proposed act offers no benefits to either our farmers or our producers. Rather it offers the extreme danger of alternating periods of boom and bust for the rice industry. Such conditions can only mean higher tax costs and higher prices on the grocery shelves.

I urge my colleagues to join in the defeat of this bill.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Chairman, I say to the gentleman from Wisconsin that the answer to the question is that, if beer in fact is cheaper, it will be because of the 11 cent a hundredweight and target price written into this bill. As far as the target price is concerned, our taxpayers will be subsidizing the consumers by the lower price of rice, and the taxpayers will have to pick up the tab on this rice, so it is not equitable and fair to the taxpayer.

It is not at the 62-percent parity target price we have on barley and corn. This is about 90-percent parity offered in this legislation and it should be an outrage to the taxpayer.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I want to commend the gentleman on his statement. I listened for a solid hour to debate on the rule, but because of the geography of the speakers, the emotions involved on both sides, it was very difficult to get to the central issue.

I respect the gentleman's statement because of the fact that he, like myself, not being from a rice producing area, has applied the general principles of conservatism to this bill. He has apparently come to the conclusion, as I have, that the best thing we can do to build American agriculture—in this case rice production—is to return it to a free market economy and to oppose what is essentially an extension of Government power, control, and subsidies into another area. I gather this bill has the potential of being not only imperfect, but highly expensive to the taxpayer, to the extent of $4.1 billion.

Is that a fair estimate?

Mr. GOODLING. I agree with the gentleman 100 percent.

Mr. BAUMAN. I thank the gentleman.

Mr. GOODLING. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, I welcome the opportunity to speak on this measure, which I strongly support.

I would first like to answer something that my good friend from Pennsylvania (Mr. Goodling) mentioned and asked a question of me, he said, "You have been against farm subsidies. Why are you now supporting this bill?"

I think his statement is completely correct. I am against farm subsidies. I am really for a free market in this country. However, we have two choices in front of us today. One of them is the existing rice legislation, which is restrictive, expensive, does not answer the needs of this country or the world. Or we have another piece of legislation that has been sponsored by my friend from Arkansas (Mr. Alexander), that opens up the allocation in this country to grow more rice, eliminates the programs that will cost the taxpayer, as they have in the past, hundreds of millions of dollars of actual costs, and to produce more rice at lower prices to the consumers.

So with those two options, I support the bill of the gentleman from Arkansas (Mr. Alexander). It is a good bill and a fair bill. It is not the kind of bill that I necessarily would have introduced and as I do not support subsidies of any kind. Some have said today this rice legislation is a waste of time, we should be moving on to more important issues.

I have looked over some of the legislation of the last 2 weeks, and I can tell the Members there have been some issues that are not nearly as important to the people of this country and the world as being able to increase the production of food and this commodity by 30 percent. So it is a vitally important piece of legislation.

The President of the United States stood here, and one of the first points that he made in his talk to us was a request to us to break this system of the present rice legislation and to open up these allocations.

I think it is a vitally important bill.

The reference has been made—about five times—about the sugar bill and some vague reference to someone from New York who helped kill it.

I think these are completely different items. I plan to discuss the sugar question in January. I will be holding a special order in the Congress and really discuss this so that other Members can hear what members of the Committee on Agriculture have heard in the past week in the testimony concerning the sugar industry by consumers, by refiners, by users. The only people we have had urge the continuation of the bill were a handful of growers. So we will at a separate time talk about sugar and the future of sugar. I think the Members who voted to kill the bill will be very pleased with the results.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman.

Mr. POAGE. The gentleman has suggested that this bill would increase the production of rice by 30 percent.

Of course, the figures are that the present program increased the production by 23 percent this year.

Would the gentleman explain just how this bill is going to increase the production by anything?

Anybody can grow all of the rice they want to in the United States today. It is a fallacy to talk about people not being able to grow rice.

Will the gentleman explain how this bill is going to increase the production by 30 percent?

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, this bill will increase rice production because it will allow small, efficient operators who are now living in the States and operating under the system to increase their acreage and to maximize their efficiency to produce rice on land that is more suited to rice than may be used to produce rice at this time.

If I may elaborate further, the present program that we have is restrictive. The purpose of the 1974 Rice Act is to increase production and to promote competition.

Mr. POAGE. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I yield to the chairman of the committee.

Mr. POAGE. Mr. Chairman, the gentleman from Arkansas suggests or implies that only a few people can grow rice this year. Anybody in the United States, from New Hampshire to Oregon, can grow rice. They can grow all the rice they want to. They can plant it in their backyards or plant it anywhere else, and there is not going to be an acre made available by this bill to grow rice next year that is not available right now. The difference is that today they are not getting paid to grow it, while under this bill there could be a $4-billion subsidy.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, is it true that under the proposed Alexander bill our farmers next year, and for the 2 following years, will be assured that they will be able to grow rice? Under the present program they have no such assurance.

Mr. PEYSER. The gentleman is absolutely correct.

Mr. BURLISON of Missouri. So, therefore, they are not going to make preparations for the plantings that are necessary for the future?

Mr. PEYSER. That is correct. They have no guarantee under the present legislation as it exists today as to what they can grow and where they can grow it, as they do under the bill we are proposing today.

Mr. Chairman, I just have a minute or so left here, so I will proceed.

One thing that has been stated certainly needs clarification, and that is the statement that says market stability has been guaranteed by the present existing rice program. The cost of rice to the consumer has increased 100 percent in the last 13 months.

Now, if this is stability in prices, then I do not know what we are really worrying about, because with relation to any kind of fabulous increases, we might say that it is moving according to scale or according to a stable program.

Mr. Chairman, I think that is completely wrong. What this bill is saying is that it is making available more land and it is distributing the opportunity to grow rice.

I think we ought to definitely and enthusiastically support this legislation.

Mr. ALEXANDER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina (Mr. Jones).

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise as chairman of the subcommittee which handled this very controversial legislation, and I merely wish to call to the attention of the Members some of our trials and tribulations and to emphasize that if any of us think or dream that the Senate will pass this controversial bill in 3 days, then they are far more optimistic than I am.

We held repeated subcommittee hearings on the merits of this legislation. Let me state right here that I have no great convictions one way or the other as to the merits of the legislation.

As I recall, one afternoon we heard 13 witnesses. Six of those witnesses supported the bill as it was drawn, six witnesses were against the bill, and the subcommittee could never find out where the 13th witness stood; it was not quite clear. We held additional hearings, and again we had about the same division.

As I stand here this afternoon, I do not need to tell the Members that this is somewhat of a geographical fight, with Arkansas trying to protect its best interests, according to my friend, the gentleman from Arkansas (Mr. ALEXANDER), with many of the Members from Texas trying to protect what they think are their best interests, and with those Members in Louisiana and in California trying to protect their best interests.

Mr. Chairman, we raise no rice in my district. There is very little rice grown in the State of North Carolina, as far as I know. However, I do want to caution the Members that I think what we are doing here this afternoon, if we enact this legislation, is nothing more nor less than an exercise in futility.

Let me remind the Members that this bill faced tough going in the full committee. Perhaps I should not say this, but if a couple of my friends had been present at the subcommittee to vote on a given date, members who had promised to be there and were not there, this bill would not be here this afternoon. Perhaps that is my fault. I did not do my homework properly.

The bill faced about the same success in the full committee as it did in the subcommittee, lacking one vote of being recommitted back to the subcommittee.

Mr. Chairman, for the benefit of those Members who do not know this, this bill was considered several weeks ago by the Committee on Rules as to the advisability of bringing out a rule.

Arguments were made pro and con. I think we have had arguments on both sides. Yet, in its wisdom, the Committee on Rules on that particular day saw fit not to give it a rule.

What has happened in the interval, I do not know. All I can say to the Members as impartially as possible is that as chairman of this subcommittee, I regret this bill is before us at this late hour, on the eve of Santa Claus' coming this year; we are confronted with it and we are going to be here another couple of hours with it. Make no mistake about it, because there are several amendments floating around, and it is going over to the Senate to be ignored, I am pretty certain, shelved.

I might point out that I had the same experience with peanuts, representing a peanut district. I had almost an identical experience with my peanut bill, with the Department wanting some new legislation and with the growers not wanting it.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from California.

Mr. LEGGETT. Of course, I am interested in this. I represent a large rice-growing area in California.

In any event, I want to say that I appreciate the dispassionate management of the subcommittee by the gentleman from North Carolina. I believe that the gentleman has given everybody a chance on this legislation for almost a year now. The gentleman has held long and laborious hearings.

Of course, there appears to be some effort to polish the bill up at this point.

Is it not a fact that today the same people who supported moving the bill out of committee, even though the cost of the bill as noted in the respect was $4 billion and even though it was projected that there would be a 25 million or 30 million hundredweight surplus that we could not sell or give away, were supporting this legislation that they support here today?

Mr. JONES of North Carolina. The statement of the gentleman is correct.

Mr. Chairman, I want to compliment my friend, the gentleman from Arkansas, for doing an excellent job.

However, let me get back to the peanuts versus the rice controversy here.

I knew that the peanut bill would be controversial. I stood on this floor and told my friends that.

I had hoped that a peanut bill would be brought to the floor, but in the final moments, the Secretary of Agriculture, in his wisdom, saw fit to withdraw his support from the peanut bill. The Department itself had drawn it and given it to me to introduce. Therefore, rather than bringing such a controversial bill before the Committee on Rules or before this House, I saw fit to hold it and withdraw it, which I did.

That is what I was hoping would happen to this bill so that we could come back here in January and sit down in the cool of the evening and calmly try to compromise and work out a compromise between the different versions with the opposition that exists, we will say, between the California boys and the Louisiana boys and so forth and so on. But apparently that was not to be done with the rice bill.

However, we did do that with the peanut bill.

I just want to warn the Members that as far as I am concerned, looking at it objectively, having presided over subcommittee after subcommittee after subcommittee, I presented it before the Committee on Rules where on that date it was defeated by one vote only.

I hope that nobody will be fooled into the illusion that the U.S. Senate, with all their dignity and wisdom, such as it might be, will rush this bill through in 48 hours. It is absolutely impossible.

Mr. Chairman, I see no reason whatsoever for passing this bill here this afternoon.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Would it be the gentleman's opinion that if we pass the rice bill today, later, in the next session of Congress, they would bring up a peanut bill?

Mr. JONES of North Carolina. I would hesitate to answer that, but I give you my opinion as yes.

Mr. YOUNG of South Carolina. Then after that, would we try to eliminate the quota from tobacco?

Mr. JONES of North Carolina. Need I remind the gentleman that it is the general philosophy of the present administration to do away with quotas, and for that matter, to support prices which in some cases might be justified and in some cases might not.

I guess the answer to the gentleman's question would be yes.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am happy to yield to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman from North Carolina for yielding to me, and I want to point out to the Members of the House the monumental patience of the gentleman from North Carolina (Mr. JONES) in holding these hearings on the rice bill, and holding the hearings on the peanut bill, in spite of the fact that the gentleman has been ill. In fact, the gentleman held hearings a week ago Monday, when he was very much under the weather. So I compliment the gentleman on his patience as he has brought these bills along, and as the gentleman has tried to compromise the various conflicting interests involved. I believe essentially that what the gentleman has said about the differences about this bill is true, and the people in Arkansas and the people in Tennessee and other States have one viewpoint, and the people in California and other States have another viewpoint.

Mr. Chairman, I might say that I voted against the bill as it came out of the committee, but I want to say why, and perhaps the gentleman from North Carolina can confirm why I did so, because that gentleman has followed this more closely than anybody else.

I would ask the gentleman from North Carolina whether the 11-cent figure, the 11-cent target price, is a figure that is really designed to kill the bill? The 11-cent figure is close to 100 percent of parity.

Does the gentleman recall, and the gentleman probably can confirm this, that when we were going through the target price process for wheat, corn, and cotton, we arrived at a figure that was approximately 63 percent, that is, $2.05 for wheat, $1.38 for corn, and 38 cents for cotton, and those approximated 62 to 63 percent of parity. Does the gentleman from North Carolina recall those figures?

Mr. JONES of North Carolina. I recall the figures, but let me say that insofar as any collusion to defeat the bill with the 11-cent figure, I was not a party to it, but the figure of 38 cents for cotton could have caused the price of cotton to go a little higher.

Mr. JOHNSON of Colorado. Right now the parity price of these figures, as opposed to the target price, is approximately 58 percent, or 60 percent for wheat, corn, and cotton. The parity price, for rice right now is $12.20, and at an $11 per hundredweight, target price. The target price for rice is way out of proportion to the target prices of wheat, corn, and cotton.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ALEXANDER. Mr. Chairman, I yield 2 additional minutes to the gentleman from North Carolina (Mr. JONES).

Mr. JOHNSON of Colorado. If the gentleman will yield further, the 100 percent of parity, or the price of $12.20 for rice, and if the target price comes to $11, which is in the 90 percentile bracket, what possible justification can there be for having this kind of disparity between the target price for wheat, corn, and cotton, and the target price for rice?

Mr. JONES of North Carolina. Since I was not a party except to vote for it, for the 11-cent concept, I would have no reasonable explanation for that, and I am sure the gentleman will be given an opportunity to cast his vote either for or against that later on this afternoon.

Mr. Chairman and members of the committee, I repeat once again in closing that, as far as I am concerned, having looked at this thing objectively through hearing after hearing, and statements from some of the leaders of the farm bloc and the beer boys, and they were there, and some of the candy boys, they were hanging around, and from the domestic consumers, never have I seen a bill come so far with so much controversy surrounding it as has this bill.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I rise in opposition to H.R. 15263. Before we take a step to open a Pandora's box of grief to thousands of farmers in the country and to millions of consumers that the proposed Rice Act of 1974 represents, we should carefully think through the consequences of passing this ill-advised piece of legislation.

The Department of Agriculture is telling us that there will be a surplus in this year's rice crop and yet the Secretary wants us to approve a bill calling for more rice. It is estimated by the Department that it will cost consumer-taxpayers over $4 billion under such a program in the next 5 years.

Consumers are rightfully concerned because the price of rice has gone up on the grocery shelves. Strangely enough, however, recent increases in food stores have occurred despite the fact that the prices farmers receive for rice have gone down.

Large industrial consumers would like to see susbtantial declines at the marketplace brought about by overproduction. These are principally brewers and food processors. But recent experience has shown us that cost factors in the middle between production and consumption more often than not bring higher ultimate prices to the buyer at the retail level. Buy cheap and sell high is the name of this game.

Our consumer-taxpayers could find themselves paying more for rice at the grocery store and also paying tremendous subsidy costs as well.

A change from the present program with assurances of all-around improvement would be beneficial to the rice industry and our Nation as a whole. But, frankly, these guarantees simply cannot be provided.

The proposed legislation, involving establishment of a target price, removing allotments and quotas for rice, could prove disastrous, in my judgment.

There is a siren call to increase exports of rice in order to offset the adverse balance of trade caused by increased prices of oil imports. But the possibility of increasing foreign markets realistically is rather dim, with the exception of programs which are essentially donations to prevent hunger in underdeveloped nations.

The present program, which has the elasticity necessary to increase or decrease production as the world supply and demand situation may require, has worked well. Federal outlays have been minimal in development and maintenance of adequate supplies of this important food crop.

To abandon proven procedures for doubtful theoretical purposes would, in my estimation, be counterproductive. I hope, therefore, that this body will not abandon a program that has demonstrated its effectiveness over the years for one which is marked by uncertainties.

Mr. JONES of North Carolina. Mr. Chairman, in closing, I want to thank the floor manager of the bill, the gentleman from Arkansas (Mr. ALEXANDER), and to compliment the gentleman on doing an excellent job, and hope that the gentleman's success comes to a conclusion at this time.

Mr. ALEXANDER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, I am opposed to H.R. 15263 and am greatly concerned about this bill in that my district is one of the largest rice-producing areas in Texas. Anything that would adversely affect these rice farmers is of paramount importance.

At present, the rice farmer is faced with a rather ominous future. Rice marketing quotas were suspended and total rice acreage is approaching 3 million acres. Whatever the exact acreage figure that is ultimately determined, this will be a record year. Add to that the fact that by next summer we will have on hand a huge oversupply of rice up to 20 million hundredweight. This will occur if we only meet predictions of the Department of Agriculture.

With the present demands, rice prices have dropped very close to the support level, although farmers are encountering greatly increased production costs. Contrary to the great demand that was predicted by the Department of Agriculture, there has been a resistance on the part of the purchasers and rice farmers face losses in the millions of dollars.

Under the present conditions, the rice farmers, particularly the small producers, are approaching potential disaster. This legislation would perpetuate these problems by allowing unlimited production. The small producers would be completely underprotected in times of overproduction.

This bill further compounds the problem in that, contrary to claims of its proponents that it will benefit the consumer, it will wipe out the small producers and will greatly reduce competition.

I urge my colleagues to defeat this bill.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I take this time to inform the committee that at the proper time I will offer an amendment in the nature of a substitute to the present legislation.

We heard a great deal of sectionalism argued here this afternoon between California and Texas Members on one hand and those from Arkansas and the lower Mississippi Valley on the other. I think that the problem is that we are jumping out of the fire into the frying pan. For those of us here in the House who would like to once and for all have a major reform in agricultural legislation and something that would be equitable and fair, I think they will find comfort in my substitute. What it would offer is to completely simplify the rice program and not further compound it with an outrageously high target-price concept of 11 cents a pound. It would eliminate all acreage quotas and restrictions and market impediments and simply offer a nonrecourse loan at 65 percent of parity.

It would open it up. It would give Arkansas what they are asking for, but it would not do it at the expense of Texas and California producers.

I am amused when I find that the people who are promoting this legislation say they want to go to free enterprise and open it up, but they do not seem to see the merit in this legislation that I am offering. I hope that in the course of the debate we can see that this really would be the way to solve this problem once and for all and give the rice producers, who have the experience and the background, the opportunity to continue on, and it would still open it up for new producers.

The most successful farm program we have operating today is soybeans. Soybeans operate on a very similar program to what my amendment offers. It would be simply a program of nonrecourse loans for the farmers, and it would get rid of all market impediments that are in the way of acreage allotments or restrictions.

This bill, the way it is written, is going to cost, probably, $4 billion in 3 years, and then it will revert right back to the same bill that we are now operating under. I do not know where we will be 3 years from now. If we were to take the position I am taking, we would then be able to actually once and for all go forward.

I have talked to people from Texas and California who have told me they could compete on this basis and it would not hurt them. Whether this is true in all cases, I do not know.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I should like to say to the gentleman that what he is suggesting, what his amendment would mean under a bill like this, is basically a stand that I have supported and ultimately would like to see enacted into all of our agricultural legislation. However, this is not the practical time for this legislation.

The one thing I think we should correct, really, is this question of $4 billion, because, as the Members recognize, it would only cost that if the figure of 11 cents that is in this bill were to be utilized and we had to purchase all of the rice that was produced by the United States, which obviously is not the case.

Mr. SYMMS. Mr. Chairman, I appreciate the comments of the gentleman, but the point is we have not had the time to see if the target pricing system even works yet. It has not been truly tested. All of the commodities at target price are at a much lower level than is proposed in this legislation.

This legislation to my mind is taking one scheme of Government control and jumping it into a scheme of even more Government control. I cannot see what merit the legislation in its present form offers.

In 1973, when we had the agriculture bill on the floor and the gentleman from Texas (Mr. POAGE) worked so many weeks so hard on that, the gentleman from Illinois (Mr. MICHEL) offered an amendment which would have provided all farm products such as wheat, corn and so on would come under the similar provisions as I am offering now, and it got 188 votes, including that of the present President of the United States who at that time voted for that amendment. It involves protection for the farmers who are involved in the production and I think this is the way we ought to go. If we are going to do something today it should be something positive and long-lasting or we can get back to the old 1949 Agricultural Act, as amended, or the provisions of the Agricultural Adjustment Act of 1938 as amended in 1949.

Mr. Chairman, I would just say that at the proper time this amendment will be offered. I will appreciate the support of any of the Members who are here today who think they want to support free enterprise in agriculture. This is the right way to go. It is the responsible way to go. Otherwise I cannot find in my philosophical outlook any reason to support this legislation because it really offers no real improvement over what we have been presently operating under. So I will appreciate it if those Members who really want free enterprise in agriculture will take a good look at this substitute which will give them freedom to plant and freedom to consume.

Mr. ALEXANDER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, my grandfather at one time when I was arguing with him about something and he felt he knew a great deal more about it than I, looked at me and said: "Son, don't confuse me with the facts. My mind is made up." When we talk about the rice bill I sometimes think we are in the same situation today because I think by and large the people sitting here listening to the general debate have basically made up their minds. However, I think there are some very important points which should be made as to why this bill at this time is not necessary.

Not only is it not necessary as timely legislation but also it is not necessary because it is basically a very bad bill.

I think it is very important for all of us to realize under the present program we are operating in this country with regard to rice, the farmers of this country have produced 23 percent more rice this year than last year. That is basically because the present program—when we need more rice—demands the Secretary of Agriculture to remove allotments and open up production so that anyone, as the gentleman from Texas, the chairman of the Committee on Agriculture, said, whether he be from New Hampshire or California, can produce rice. That is what has allowed us to produce some 23 percent more than last year. That is 2.5 million acres of rice that were produced in this country this year. That is approximately a half million more acres than we normally produce.

I think the program is working well when we consider we produced 10 percent more than the all-time record production year in 1968.

All that has been accomplished under the present existing rice program.

I would also like to point out that the proponents of this bill have stood up and argued that we need more rice so we can feed the starving nations of the world. Let me point out that under the 1974 rice crop 1 million tons of rice was supposed to move overseas under the Public Law 480 program. Barely one-fourth of that amount has been moved and up until 2 weeks ago the Department of Agriculture was saying that as much as 1.3 millon tons of rice would be left over from this year's crop, surplus rice, and that is rice that was not included in the Public Law 480 program. Now they say they have managed enough of the program to work that surplus down; but three-quarters of a million tons of rice is still possible in carryover stocks, of stocks that simply will not be marketed this year.

I think it is important for our colleagues to understand that in rice we are not talking about the same type of program as we are with wheat, corn, cotton, and other seed grains, because under rice we export two-thirds of every bit of rice that is grown in this country. Of that two-thirds, one-third is marketed under Public Law 480 programs. Only one-third is left to be consumed in this country. A great deal of that is consumed by the beer industry. They are the main consumers benefited by this bill; the beer industry, not the farmers, not the farm organizations and not the enlightened consumers who really understand what we are talking about.

Let us talk for a few minutes about the price of rice. The distinguished gentleman from the State of New York was very concerned that his people in New York are having to pay more for rice than they have in 20 years. Let me point out that in 1973 the price of rice did go up after it had been very stable for approximately 20 years. The price went up because the crops in the United States were very poor because of weather conditions and the crops in Asia were very poor also. A tremendous demand was created. That is why the price went up in 1973; but let me just tell what is happening under this present program as far as rice. We have talked about the Sugar Act, but let us talk about the price under the rice industry. Under this present program right now that provides for open production, they produced 23 percent more rice—that is the Agriculture Department's figures. And please listen to this, the average price of rice that the American farmer received last year was $17.10 a hundredweight. That was in the 1973 crop.

Now, in 1974 the Department of Agriculture's own figures show that in November of 1974 the average price, to an American farmer who was farming rice, received was down to $11.10, down from $17.10 a hundredweight in 1973. That is approximately a 35-percent drop.

I would join with my colleague, the gentleman from New York, in arguing why is not the price dropping on the shelf?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ALEXANDER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BREAUX. Mr. Chairman, I thank the gentleman for his fairness.

Mr. Chairman, I would join the gentleman from New York in arguing the point why the price is not dropping on the shelf if it does not, indeed, after this year's crop is marketed and on the shelf.

Mr. Chairman, I just conclude by asking my colleagues to recognize that we have a program that is working. It is producing a record bumper crop. The price that the American farmer is receiving has dropped some 35 percent from 1973. I think we should be saying congratulations to the American rice farmers, they have done a great job, rather than to come here and say, "You have done so good, we are going to change your program to make it even tougher to make a living farming rice."

I urge my colleagues tc vote against the bill.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Chairman, my good friend, the gentleman from Pennsylvania (Mr. GOODLING) injected the argument a moment ago that he is surprised that the Democratic Members are willing to support a bill which is recommended by the Secretary of Agriculture, Mr. Butz.

This seems fallacious. Certainly, Democrats and Republicans alike .are asked only to consider legislation on its merits. We do have today an unusual coalition on both sides, I recognize. We have consumers; we have those who object to allotments and quotas and subsidies, and we have those who subscribe to the free system of planting for the market. But, there are also obviously some parochial interests.

Who really opposes this legislation? Representatives from California and from Texas and from Louisiana, which basically have areas producing all the rice that is reasonably possible on their lands, object to the opportunities of those from Arkansas and Missouri and west Tennessee and Mississippi planting for the market and producing more rice.

Everyone admits that one of the hazards in the bill is more rice production and a resultant cheaper price for the consumer. They object to the beer industry, and perhaps there are more beer drinkers than there are those of us who are not beer drinkers. I feel that everyone should have the rice to which they are entitled at cheaper prices in these times of inflation.

The action of the committee, I agree, was close and there was contention within the committee and it was engaged in, on a forthright and on an agreeable basis, and the differences were real, but here we come to the floor of the House of Representatives where certainly this decision and this problem should be resolved.

Mr. Chairman, I want to further compliment the gentleman from Arkansas, who has been diligent in working out this legislation and bringing it to the floor. His actions are in the interests of the people of this great Nation.

Mr. Chairman, I rise today in support of the Rice Act of 1974, H.R. 15263. This bill will bring rice under the concept of the target price program enacted for wheat, feed grains, and cotton under the Agricultural Act of 1973. This is a 3-year amendment to the permanent legislation now in effect. The rice farmers and the rest of the rice industry would thus be allowed a trial period to test the program.

Minimum acreage allotments also would be established at 2 million acres instead of the present 1.652-million-acre minimum. A cost-of-production adjustment clause is also included for the 1976 and 1977 rice crops.

Mr. Chairman, there is no longer any doubt in anybody's mind that we are in a period of rising food prices. There are two significant ways of dealing with this problem. We can reduce the demand for food, or we can increase the supply. There is no escaping the fact that the world's population will increase, not diminish, in the years ahead. This means the farmers of the world must increase their production of foodstuffs.

This bill will replace the outmoded, restrictive rice program we have now with an incentive program. H.R. 15263 will be beneficial to both rice producers and consumers. The Department of Agriculture estimates incomes to American rice producers will be virtually the same under H.R. 15263 as under the present legislation. So, for the next 3 years, it would make little difference to producers which system is in effect. The bill would also benefit consumers in providing an incentive for rice production instead of limiting production. Rice would be produced in those areas which are the most efficient areas for rice production.

The present rice legislation serves as an impediment to a change for more efficient rice production. We ought to grow rice in this country where it grows best and the best return on investment can be made. That is what our free enterprise, market-oriented system is all about.

In this time of increasing demand for food and rising food prices, we must put aside special interest consideration. More rice is needed in the world than is currently produced. We, in the Congress, can provide an incentive for the American rice producer to help meet this demand. We have seen what special interest consideration can do in the last year. The Arab countries really have the rest of us in a corner—and we now realize our dependence on petroleum can be used against us. Let us now use our ability to increase food production and increase rice production. The United States now exports more than half its rice production, but with this bill we could produce more and export an increased amount of rice.

Mr. ALEXANDER. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, preliminarily I would like to compliment the floor manager of the bill, the gentleman from Arkansas (Mr. ALEXANDER) who is managing a major piece of legislation after only 3 terms in the Congress of the United States.

I would have hoped that when we abort the seniority system that perhaps we could have done it on a measure where we could have been right.

The present bill is not in the interests of American agriculture. We have fought this supply and demand situation for many, many years. It just so happens that if we have four apples in a three-apple market, we may only get a two-apple price.

So it was the thesis of the Democratic Party, not the group over on my left, over here—and I note there are about 25 or 30 people in the Chamber hearing the echo of my remarks—it was our theory that if we could in some way get the management and production of a commodity reasonably in line with the utilization, that this then would inure to the benefit of American agriculture—and I submit that it has—and that this then would inure to the benefit of American agriculture to have supply management programs.

While we do not have Federal controls in some of our specialty crops in the State of California, we shake the trees to get the peaches off to even up the supply and demand.

Some people have extremely short memories. We come out of this conference in Rome and we think we are going to feed the world and ship massive amounts of rice and wheat to Africa and Asia and all over the world.

I recall just 2 to 3 years ago, when I was knocking on the door of the distinguished gentleman from Louisiana (Mr. PASSMAN), the chairman of the Subcommittee on Appropriations on foreign aid, and the question was, "OTTO, how are we going to get rid of this surplus rice? We have rice that we cannot sell, we cannot use it domestically, we cannot use it for seed, the breweries are going out of business in rice. How can we get rid of the rice?"

Time after time the ingenious gentleman from Louisiana would come up with a negotiated program with the Department of Agriculture, and slowly but surely we would get rid of surpluses that were accumulating in private warehouses around the country. We did not get into the situation where the Government had to buy the surplus that was accumulated.

As a result, we can come in here today and we can say we have a good rice program. We do not spend the billions of dollars we spend in cotton, we do not spend the billions of dollars we spend in wheat, we do not spend the half billion dollars that many times we spend in dairy products. We are not spending the three-quarters to a billion dollars we spend on corn and some other feed grains. Thirty-eight billion dollars, that is the amount we spent in 1973 for rice.

It so happens that with the surplus we have in rice today, we can give it away because it is what we call a good "food for peace" commodity. But this rice just does not evaporate. We cannot just give it away unless someone pays for it. The million tons that is currently programed to be given away out of the current crop is going to be paid for by the American taxpayers. How much? They are currently negotiating $434 a ton. Simple mathematics, $434 times a million, that is $434 million, if the Department of Agriculture does what it says it wants to do.

I do not see that kind of money in the budget. I see a projected $34 billion overall deficit in our spending program for this year—increase in national debt.

Even if we do what the Department of Agriculture says it would like to do, as the gentleman from Louisiana (Mr. BREAUX) has said, we are still programed to have on the order of a half million to three-quarters of a million tons of rice left over, and there is no way that we are going to generate $300 million to get rid of that amount of rice. It just is not going to happen.

So we are going to have that surplus, but based on the probabilities, the rice producers are not going to sell it to the Government; they will keep it in their private warehouses and we will work out some kind of a program.

Mr. Chairman, this is not a situation where we have to shout about a commodity. As far as I am concerned, we are as competitive in my State of California as the people in any State in the United States. As far as I am concerned, I could support a free market in this commodity.

We do not plant this commodity by hand; we seed it by airplanes. We have Stearman airplanes that are all beefed up which are used to fly over and seed the crop, and another Stearman airplane will fly over and fertilize it, and the farmer will go out and talk to the banker and he will say, "I have got a deal to raise rice for the next 3 or 4 years, and I need a machine to harvest 200 acres. It is going to cost me $85,000 for that machine, and I think I can pay for it."

The banker will look at the deal, and he will say, "OK, we will finance it."

That is the way we build production, in 200-acre increments. This rice commodity it not like cotton.

In this particular commodity, we have only 17,000 producers all over the United States. It is a commercial commodity. As compared, there are 40,000 producers of cotton alone in the State of South Carolina. That is not a commercial commodity many times; it is a social commodity.

Mr. Chairman, I think we are really playing with very dumb economics. We forget our history. We forget our history when we think of getting rid of the very best economic program that has ever been developed in the Department of Agriculture and think of moving, at a time of surplus, in that commodity when we do not really know whether or not we are going to keep the Puerto Rican market. They have threatened to, in effect, abort their buying from California.

Vietnam is in a surplus situation. Last year our surplus rice went to two countries: Vietnam and Cambodia. If we take those two countries out of the foreign aid program and out of the Public Law 480 program, I am sure that Bangladesh and India are not going to eat up this total amount of surplus we are dealing with, and petrodollars are not going to be used to buy it.

Mr. Chairman, I have made my point. I think the bill ought to be defeated and we ought to keep the existing bill.

Mr. Chairman, I oppose this legislation for a number of reasons. Some of the reasons are complex and some are simple.

Let us take the simple objections.

First. A lot of folks from Arkansas and Earl Butz say this bill would open up the rice industry so that anybody could grow rice. Anybody can grow rice today—there were no quotas this year and there is no need for quotas next year. Many new people got into the rice industry over the past year and many old growers expanded their acreage. Members should bear in mind that Secretary Butz is philosophically opposed to all agriculture supply management programs of Democratic Administrations.

Second. The Department of Agriculture and Earl Butz like the legislation, because it would conform rice to wheat, corn, and cotton. Unfortunately, the target payment program for these crops has never really been tested with an oversupply in the past few years.

Third. The city folks, Chinese restaurants and Honolulu think this bill will bring down rice prices. The city folks are being gouged today by the big middlemen and breweries who support this bill.

Rice was selling for $20 a sack in 1973 and $11 a sack in 1974, yet the price of rice in restaurants and supermarkets sells for the same 100 percent increase that took over the market 2 years ago. This bill does not solve the problem of high prices.

Fourth. If more rice will bring down prices in the market, prices should come down because production has radically expanded under the existing program:

1952–56 average, 54 million cwt.
1962–66 average, 74 million cwt.
1970 average, 83 million cwt.
1972 average, 85 million cwt.
1974 average, 114 million cwt.

Fifth. Rice has been a cheap commodity for the USDA to manage.

In 1973 we spent the following to subsidize various growers:

Corn—$1.5 billion (all direct payments).

Wheat—$¾ billion including ($455 million payments).

Dairy—$182 million.

Cotton—$814 million (including $873.5 payments).

Rice—$38 million.

Now the pending legislation on page 15 of the report anticipates the following costs:

	Million
1975	$640
1976	809
1977	855
1978	866
1979	905
Total	4,075

And thus the bill in its present form is not supported by the USDA.

Sixth. We grew 2.5 million acres of rice this year for 114 million hundredweight. Can we grow more?

Assistant Agriculture Secretary Yeutter testified in the Senate last week as follows:

> Mr. Yeutter. At the same time, for all practical purposes, that is probably the maximum that we can supply in the coming year with the processing capacity that is available in this country. We will be very fortunate, in my judgment, if we can move as much as a million tons of rice under PL 480.

So we do not have the mills to handle more rice.

Seventh. The new bill not only is expensive, but it brings more w.p.a. to agriculture.

(a) A set aside program involving payments to farmers for not growing.

(b) A diversion program involving payments to farmers for growing less valuable crops.

(c) A disaster program to make special payments without congressional authorization for every wind and rain storm in the books.

(d) Cost of living escalators on the target price.

Eighth. Will this bill reduce farmers' income. The report on the bill states in the last paragraph on page 11 as follows:

> Our estimate is that incomes to American rice producers will be virtually the same under H.R. 15263 as under present legislation. In other words, during the next three years, it will make little difference to producers which system is in effect. But in the long run, those producers will be much better off under the umbrella of a target price, than they will if they do not have that umbrella.

Maybe producers do not want this new socialistic umbrella.

Ninth. This bill will not increase exports, because it is estimated that this year there will be an unsold surplus anywhere from 11 to 27 million per hundredweight.

These are the latest figures.

If rice will move lets move it.

Tenth. We cannot move any more rice in Public Law 480 programs, because we are already planning to buy about 1 million tons at $435 million, and we just do not have any more money to buy so-called giveaway rice. Last year our total rice giveaway program went to two countries, Cambodia and Vietnam. Large portions of this rice were sold in and out of country for cash for arms.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. Zwach).

Mr. Chairman, I wish to remind the Members that the gentleman from Minnesota (Mr. Zwach) will be retiring to his farm in Minnesota in a very short time, and I know that all of us on the Committee on Agriculture wish him well.

Mr. ZWACH. Mr. Chairman, I thank the gentleman for those remarks and want to pay tribute to the able work of the gentleman from Pennsylvania (Mr. Goodling).

Mr. Chairman, I thank the ranking member of the committee for yielding time to me.

I wish to speak very briefly in opposition to the consideration of this bill at this time. As a lifelong producer of food, I must say that I feel we have heard rather loose statements thrown around here today.

Let us look at this legislation. I will say to the Members that this bill will not increase the production of rice by one kernel. The spigot of production is now wide open, and it will stay wide open as long as we need the rice. Therefore, it will not provide for the feeding of one additional person in the world.

What this really does, Mr. Chairman, is this—and we should be concerned about this—it destroys the machinery to shut off the spigot that is wide open now, and therein lies the danger, because this can cost many millions of dollars, because it destroys the machinery to shut off the spigot when we have rice flowing out of our ears.

That will come. As a farmer, I have been up and down on the matter of overproduction and underproduction again and again and again. And we are going to have it again.

What we ought to be talking about, Members of the House, is not this bill today, a few days before Christmas. We should be talking about how we are going to deliver our surplus rice to the rest of the world. We ought to be talking about the delivery of food. We ought to be talking about the delivery of dried milk powders and cheese.

We have all of that in surplus. We are blessed with it.

We ought to be talking about the delivery of food to the rest of the world. We ought to be talking about the delivery of surplus meat as our livestock people and our dairy people are in deep trouble. Canned meat can be shipped all over the world and preserved.

What we ought to be talking about today, as a Christmas present to the rest of the world, is the delivery of rice and other foods. That takes money, and I guess we are not willing to talk about money.

We ought to be talking about the delivery of dried milk powders, and that takes money, and I guess we are not willing to talk about money.

We ought to be talking about the delivery of surplus meats, and that takes money. That would be a marvelous Christmas present to hungry people. Talk feeds no one.

This bill does not give any Christmas present to anybody in the world. It is not proper to consider it today.

Let us get on with the other bills and with the other business.

The Farm Bureau, the Farmers Union, the NFO, those who know and operate in this area, all of them say that this is a bad and a dangerous bill. It ought to have a great deal of further consideration before it is enacted into law.

Mr. Chairman, I urge the Members of the House to turn this down.

Mr. ALEXANDER. Mr. Chairman, may I inquire as to how much time remains.

The CHAIRMAN. The gentleman from Arkansas has 24 minutes remaining, and the gentleman from Pennsylvania has 15 minutes remaining.

Mr. ALEXANDER. Mr. Chairman, I would like to advise the Chair that we believe we can conclude the general debate in 5 minutes on this side or in 6 minutes. I promised the gentleman from Texas I would yield to him.

Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. THORNTON) and 1 minute to the gentleman from Texas.

Mr. THORNTON. Mr. Chairman, I rise in support of H.R. 15263, which is designed to meet two of the major problems confronting the world today.

Mr. Chairman, at this time I yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I rise in support of the Rice Act of 1974, H.R. 15263.

My interest in the production and sale of rice stems from its importance as a staple in the diet of the large Chinese and Spanish-speaking communities in my congressional district.

It is vital, particularly in this period of inflation and shortage, that we consider the position of the consumer in the development of farm programs. Farm programs have a bearing on the well-being of the consumer as well as the producer and must be fair to both. Farm programs that are incompatible with the needs of the consumer cannot long survive.

I have testified before the House Oilseeds and Rice Subcommittee and the full Agriculture Committee as well as the Rules Committee endorsing H.R. 15263, because it would apply the target price concept of the Agriculture and Consumer Protection Act of 1973 to rice. I believe the target price approach to farm programs is fairer to the consumer than the parity price approach under the current program.

The target price concept as contained in this bill will give freedom to the farmer as well as retaining his safeguards. This program allows for greater flexibility to respond to opportunities for growth in markets and would protect consumers from excessively high and basically inequitable prices as well. This legislation provides for an imaginative program and one sensitive to current needs, but still capable of coping with future uncertainties.

The rice situation this past year has caused grievous difficulties among rice consumers in my district, a situation that persists to this day. There has been no abatement in price, and consumers on low or fixed incomes find themselves caught in an intolerable squeeze. The sharp increase in rice costs has wreaked havoc in the Chinese-American restaurant industry and threatens its survival.

In the face of these problems, I find it difficult to accept the contention of those opposed to H.R. 15263, that the present program has worked so well so why change it. From what I have uncovered, I also find it difficult to accept the explanation that the current price situation is due entirely to factors over which we have no control.

It does not take too much research to determine that the workability of the present rice farm program, if it can be so described, is directly due to the introduction of export programs financed by the American taxpayer. Under the present program, more rice is produced each year in the United States than is required domestically. As a matter of fact, in the last decade or so, exports of U.S. rice have generally accounted for more than 60 percent of total rice disappearance. Ordinarily, this would be an accomplishment worthy of commendation considering the problems with the Nation's balance-of-payment position. On closer examination, however, we find that this accomplishment required considerable assistance from the Federal Government. This took the form principally of export subsidies and of food aid programs such as under Public Law 480.

I have learned that export subsidies were paid on the export of U.S. rice between December 1958 and July 1967 and then again between March 1969 and December 1972. Export subsidies were introduced initially because large stocks of rice had accumulated from earlier periods of overproduction which results under the present program when domestic support prices are set at levels above world prices.

Export subsidies were needed in order to make U.S. rice competitive in world markets. This meant that American rice was sold abroad at prices lower than those available to American consumers. The justification for this form of discrimination against the American consumer escapes me.

I am certain consumers would agree that a farm program that depends on export subsidies is not one that works well. I call to your attention the fact that the Permanent Investigations Subcommittee of the Senate Committee on Government Operations recently recommended the banning of export subsidies on any agricultural commodity without a prior public hearing by the U.S. Department of Agriculture. You can count on strong consumer opposition against export subsidies. I would ask you to consider the impact on the rice industry if world prices for rice again decline below the U.S. support price for rice, escalating as it is under the present program's inflationary parity formula, and export subsidies are rejected by the public. This is a problem that the program proposed under the legislation we consider today would avoid.

Exports of U.S. rice under the present program have also been expanded by the use of Public Law 480 and similar food aid programs. Millions of tons of U.S. rice have been disposed of in this manner, for good and charitable cause, but at great cost to the American taxpayer. These programs were developed initially for purposes of surplus disposal and now are said to have primarily a strategic importance or humanitarian intent, but the fact is that they are financed by the American people and are not expected to work to the disadvantage of the American consumer. Yet a convincing argument can be made that these food aid programs are inflationary in effect and are responsible for American consumers paying a higher price for rice than would have been the case had the programs not taken place. I was surprised to learn that just this past year 585,000 metric tons of rice were shipped by the United States to Vietnam and Cambodia under Public Law 480, representing one-third of total U.S. exports and one-fifth of total U.S. disappearance. This is export business over which we have complete control, and I am convinced these shipments to Vietnam and Cambodia were a major factor in the soaring rice prices last year. Or, put another way, I very much doubt prices would have been as high as they were if the rice had not been shipped under Public Law 480. The Public Law 480 rice program persisted last year in total disregard to the high price levels and the severe hardship they were causing low-income rice consumers. Their complaints and cries of protest were ignored. Somewhere along the line we have reversed our order of priorities. Foreign food aid must not come before or be at the expense of the justifiable needs of the American consumer. In periods of excessively high rice prices as at present, Public Law 480 requirements must wait until domestic consumers are supplied at reasonable prices. Any other policy is inconceivable to me, would certainly increase consumer resentment of foreign food aid programs, and would likely lead to their rapid demise. I trust that the Public Law 480 rice program for the new crop will be held back until the rice price inflation in the domestic market is brought under control and prices return to tolerable levels.

The point is that the present program

has not collapsed under the weight of oversupply because it has been supported by export programs which, in my judgment, have been detrimental to the American consumer. I do not think it realistic for the rice industry to continue to depend on export programs for its success and well-being. I think it is time for the industry to base its prosperity on the market for rice, the outlook for which is bright, and not on Government programs. Ask the consumer about export subsidies, he will say, "No." Ask the consumer about foreign food aid programs, he will say "OK"—but only if they are at a time and of a magnitude that causes him no problem as far as prices or availabilities are concerned.

H.R. 15263 would lessen the rice industry's dependence on export programs. H.R. 15263 would permit sufficient quantities of rice to be produced at prices consumers should find reasonable and at which they would support foreign food aid programs.

I urge Members to vote in support of passage of this vital legislation.

Mr. THORNTON. Mr. Chairman, I thank the gentleman from New York for his remarks. I want to commend my colleague from Arkansas (Mr. ALEXANDER) for his leadership in bringing this bill to the floor.

Mr. Chairman, the United States today is faced with tremendous economic and financial difficulties, not the least of which involve its balance of trade with the rest of the world. The world today is faced with the tremendous problem of food supplies, and the hungry nations need to get additional protein to feed their people. The bill which is before us today is designed to meet both of these problems. It is hard to imagine a bill which could be more appropriate for us to be considering at this time.

With regard to the suggestion that the bill should not be considered because it cannot be acted upon by the other body I would only say that that is a hypothetical statement, and the way we can best resolve it is by passing this bill, and referring it to the Senate to give them a chance to consider the problems which this bill addresses, namely the needs of the world for food, and the needs of this Nation for agricultural exports, both of which can be achieved by increasing the production of rice.

Just Monday of this week the House passed H. Res. 1399, recognizing that the current world food supply, including reserves, is dangerously low, and expressing the sense of this body that—

> Planning should be undertaken immediately by the appropriate government agencies to enable the United States to provide the increased food aid, including plans to prevent any domestic inflation as the result of United States' relief shipments.

Mr. Chairman, I agree that the United States should play an even greater role than it does now in meeting the world's food needs, and I have urged the Department of Agriculture to utilize the full resources of the Government to develop and expand foreign markets for beef, poultry, and other agricultural products in excess of our own domestic needs. But if we are to increase our agricultural exports without increasing domestic inflation, and if we are to continue to meet domestic needs, it is going to require more than planning by the appropriate Government agencies. It is going to require the full utilization of our resources and the best efforts of our agricultural producers to increase production. Increased productivity is the best tool that this country has for overcoming the problems of our faltering economy. And that is what this bill is intended to accomplish. It will allow our rice producers to increase their production. It would be unfortunate if the House of Representatives should, by failing to pass this bill, deny to our rice producers the opportunity and the means to achieve that objective.

Mr. Chairman, it seems to me that in considering the merits of this bill we have to consider its relationship with existing legislation, and also what risks are accepted if we approve the changes which this bill would make.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ALEXANDER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, in evaluating those risks, we should recognize what alternative results are possible under this bill. One alternative is that this bill could increase the production and sale of rice, thus giving our country a much-needed export crop which it could market in foreign trade in exchange for the many items which we must purchase, allowing our farmers to make a profit while producing more rice. The other alternative is that this bill might increase the supply of this product, resulting in lower prices, at a time when we are all concerned about the need for abundant supplies of food at lower prices. I do not regard that as an extremely harsh consequence.

Again I thank and commend the gentleman from Arkansas, Mr. Alexander, for his efforts in behalf of this bill.

Mr. ALEXANDER. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, I thank the gentleman from Arkansas for yielding me this time. I would like to ask the gentleman a question: That under section 102 of the bill, in paragraph 5, we have a section which sets payment limitations. It sets the payment limitation of $20,000 per person.

My question to the gentleman from Arkansas is, as I understand the bill, that loans or purchases, resource adjustments payments, or public access payments, are excluded from that limitation, and I would like to ask the gentleman if that is the gentleman's understanding?

Mr. ALEXANDER. I am happy to respond to the gentleman's question. I am pleased to advise that for the first time today he is precisely correct.

Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, we are being asked again in the Rice Act of 1974 to endorse the target price system initiated by the Farm Act of 1973. Numerous rice farmers, and those who farm the other commodities governed by the target price system in my 10th Congressional District, have expressed a great deal of dissatisfaction with it.

Supporters of this bill, and I know that they are sincere in their beliefs, say that this legislation would increase food supplies. But if the target price system were applied to rice, then acreage in north Arkansas would shift from cotton, corn, and soybeans to rice, thus providing no real increase in overall foodstuffs.

Another disastrous ramification of this target price system would seriously disrupt the rice economy. If we had unlimited production as called for under the bill, U.S. rice producers would be forced, with the tremendous overabundance, to compete with world market prices. This is nearly an economic impossibility, since other large producing countries depend on inexpensive, and sometimes compelled, labor forces. Our rice is better because of our advanced technological producing devices which are costly.

The rice industry is healthy today. In 1974, when quotas were lifted due to an expected shortage, the producers responded with a 23-percent hike over the previous year's output, and, in fact surpassed the prior record year by almost 10 percent. We have a current surplus that will feed Americans for about a year. The current legislation provides protection for the small, independent, rice farmer, the backbone of the industry.

Mr. Chairman, I will ask that a letter I recently received be printed in the RECORD:

NOVEMBER 13, 1974.

The EDITOR,
Houston Post,
Houston, Tex.

DEAR SIR: I noted your editorial on rice in the November 12 issue. It is the same, with few variations, as editorials in The New York Times and a recent issue of The Wall Street Journal. Obviously, there is a well oiled propaganda machine reaching the media telling only one side of the rice story.

The legislation covering rice production was first passed in 1934 in an effort to bring supply and demand into balance. During the Second World War production curbs were removed to allow unlimited acreage for rice to feed those countries in need. In 1954 supply suddenly overwhelmingly surpassed demand and acreage controls were reinstated.

Last year, there was an apparent shortage of rice, but all controls were removed for 1974 and we now have a large supply of rice on hand. The average price is ½ of what it reached last year.

You can see that we presently have the means of controlling supply and demand which will not bankrupt the producers nor squeeze the consumer.

If target price legislation were enacted it would not increase food supplies. Acreage in North Louisiana, Mississippi and Arkansas would shift from cotton, corn and soybeans to rice, but these are already in short supply.

> If unlimited acreage became permanent, U. S. farmers would have to raise rice at world market prices, economically this is impossible. While we are efficient and mechanized we cannot compete with extremely cheap labor.
>
> Unfortunately, the nations requiring food supplies are in the "Have-Not" classification and cannot pay for the imports. The hue and cry that food exports will help our balance of payment is not quite true. The U. S. farmer is in no position to subsidize the exports as the government has been doing.
>
> To counter the claim that more efficient areas of production are limited by the present legislation there is no reason that the U.S.D.A. would not permit transfer of acreage allotment and a limitation on value of allotment could be set to prevent excesses.
>
> Unfortunately, there is no easy solution to the rice problem but target price legislation is not the answer.
>
> Sincerely,
>
> DAVID WINTERMANN.

Mr. Wintermann is one of the most respected rice growers in our State. He knows what he is talking about.

Mr. **GOODLING**. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. **ANDERSON** of Illinois. Mr. Chairman, I have had an opportunity during the discussion that we had on the rule on this bill to address members of the Committee and to express myself. Frankly, I take this time principally to pay tribute to two Members of this House and of the Committee on Agriculture who are on opposing sides of this question.

First of all, it is with genuine regret that I observe the fact that the gentleman from Pennsylvania (Mr. GOODLING) will shortly leave us. We have not always agreed on matters coming out of his committee, or indeed on all other matters beyond the scope of the Committee on Agriculture. And yet I do pay him tribute here this afternoon as one of the most conscientious and sincerely dedicated Members of this House. We will sorely miss the kind of very wise and effective counsel that he has been able to give us.

At the same time, supporting, as I do, H.R. 15263, I have to pay tribute to the gentleman from Arkansas (Mr. ALEXANDER) for his persistance in pressing his case, particularly before the Committee on Rules on which I serve, where it seemed for a time that this legislation was scheduled to be permanently immured. But I am glad that the committee voted out a resolution which the gentleman authored and that we have this legislation before us today.

Let me say that the Department of Agriculture, contrary to some of the statements that have been made that this bill will not work, that it will not produce as was said one single additional grain of rice, strongly supports this proposal, except for the increase in target prices. They do make it clear that they object to the committee amendment, and I at the appropriate time likewise will oppose the committee amendment that raised the figure in the original bill from 7 cents to the 11-cent figure within the committee amendment. But save for that change that was made in the bill, the Department strongly supports this proposal because it would terminate, the Members will recall, at the time that the general farm legislation, Public Law 93-86 expires, and should aid in the development of a national food policy.

We have been hearing a lot of complaints, and perhaps with some justification, that we do not have a national food policy.

What this legislation of course would very simply do would be to bring into line and to conform the outdated rice program to the more flexible system that was adopted for the other commodities in the 1973 Farm Act. It does not make any sense I think to stand before this body today and to urge that program is sacrosanct, resting as it does upon the allotments that were decided in 1952.

What this bill will do is simply to make that target price concept applicable and effective for the 1975 through 1977 crops in lieu of the current program.

What it will do moreover is to permit the freedom to plant in contrast to restricting that right only to those who as I said hold allotments dating back for 20 years.

It will open up new rice land during this time when the world needs food. We should not be afraid of competition in this area. I cannot understand the argument made a few moments ago that if we can produce rice everywhere we will not produce rice anywhere. I think that totally ignores the situation that exists in the world today.

Let me conclude by addressing myself to the concerns expressed by my friends from California. As I said I can appreciate the particular interest they have in preserving the program. I do not blame them for defending as skillfully and effectively as they have done the producers in their State, but I think these figures may be of some value in alleviating their concerns. Rice exports in 1974–75 are likely now, I am told by the Department of Agriculture, to total around 70 million hundredweight, well above the 50 million of the last crop year. That is also, as I believe I indicated earlier, above the November estimate furnished by the Department of Agriculture. So the carryover that some people have been concerned about of some 20 million to 27 million hundredweight, which is down even now to a figure of 11 million to 17 million, is a manageable figure and one that I think will be reduced even further as the demand for this particular commodity continues to grow.

So I hope when the time comes to consider the committee amendments that the Members will support me because my support for this legislation is conditioned on defeating the committee amendment and reducing the target price to 7 cents.

Mr. **GOODLING**. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I would be most ungrateful if I did not say a sincere thank you to the gentleman from Illinois (Mr. ANDERSON) for the kind words he just said about me.

I have but one regret. I am sorry I do not have his oratorical ability.

Mr. **WON PAT**. Mr. Chairman, I gladly rise to give my wholehearted support for H.R. 15263, the Rice Act of 1974. This legislation which seeks to eliminate present restrictions on rice growing in the United States will be most welcomed by the people of Guam for whom U.S. rice is an important part of our diet.

In this day of mass starvation in many rice-eating countries and of growing shortages of other food staples, can America continue to hold back rice production? Obviously, we cannot. America must face reality in its agricultural programs and promote rice production. I realize that there is concern by rice growers that unlimited production may drive down prices. The worldwide demand for rice, however, should guarantee that rice prices will continue to stay stable for many years to come. Additionally, as the American housewife finds flour and other grains reaching record high prices she will increasingly turn to rice as a sound and healthy substitute as we have on Guam for many decades.

The alternative to H.R. 15263 is more shortages of rice at even higher prices. This, we simply cannot allow.

The abolition of rice growing restrictions will, hopefully, bring about an even greater increase in this country's rice production, thus assuring the American housewife here in the States and in Guam a continued supply of this food source at a price she and her family can afford.

In recent months, the worldwide demand for American rice has grown at an unrelenting pace. On Guam, the price of U.S. rice has doubled with no relief from further price hikes in sight. Speaking for the 130,000 Americans of Guam, and our fellow Americans in other parts of the Pacific, I urge Congress to immediately pass H.R. 15263 so we can start increasing our rice production now.

Your acceptance of H.R. 15263 will also permit the United States to continue its program of food for peace without endangering domestic requirements. We all remember the disaster created last year when the administration bungled by selling huge amounts of our wheat crop to Russia without first determining if there was enough to meet our own needs. Americans will not permit this to happen again. America cannot turn its back on the starving masses in third world countries, however. The only alternative, then, is to enact H.R. 15263 to assure an adequate supply of American rice not only for our own needs, but for the millions in other countries who look to America for assistance in these trying times.

Thank you.

Mr. **BURLISON** of Missouri. Mr. Chairman, I would like to associate myself with the remarks made by my distinguished friend and colleague from Arkansas (Mr. ALEXANDER). The gentleman has labored hard in the Committee on Agriculture to bring this legislation to the floor of the House for our consideration today. As a cosponsor of H.R. 15263, the Rice Act of 1974, I call the attention of the House to the very real benefits this legislation can bring to American agriculture and American consumers.

H.R. 15263 will bring rice production on line with the market-oriented approach embodied in the Agriculture and Consumer Protection Act of 1973—Public Law 93-86. I am sure all of us remember the sometimes bitter and controversial debate on last year's farm bill. In the end the House worked its will and passed the target price concept for our major commodities.

This Rice Act will substantially modify an outdated program of acreage allotment and marketing quotas that have hampered efficient production of our domestic rice crop and have limited supply. Certainly in a time of acute food shortages around the world incentives for increased production for our export market are greatly desired. The one consistent bright spot in the U.S. economic picture in recent years has been the outstanding performance of the agricultural sector in providing trade surpluses for our balance of payments. This legislation will encourage the continued strong movement for agricultural exports, a movement that I applaud wholeheartedly.

This bill will also permit more young farmers to enter the rice producing industry. In the past some rice producers have operated as a "clubby" fraternity with access to rice production as a livelihood denied to many of our brightest young, aggressive farmers who are not fortunate enough to inherit a rice allotment or wealthy enough to purchase one at a very high cost. By changing acreage allotment procedures, raising the minimum national allotment established by the Secretary of Agriculture from 1.65 million acres to 2 million acres, and by making rice acreage allotments comparable to our wheat, feed grain, and upland cotton programs, more acreage should be brought into production and more producers should be encouraged to participate in the rice industry.

In addition to the target price concept and the allotment procedures, this Rice Act has other provisions modeled on last year's comprehensive farm bill. An escalator clause is provided in the legislation to adjust the rice target prices depending on the farmer's index of prices for his production equipment, land, rent, interest, taxes, and wage rates. In addition, the target prices will be adjusted to consider yield factors compared to a national average yield base. Crop payments, disaster payments, and a revamped set-aside program for rice are all patterned after our major commodity programs.

Another significant section of this Rice Act is the $1 million authorized for rice research. Our State land-grant institutions, extension services, and State agriculture departments have traditionally cooperated well in providing manpower, facilities, and scientific know-how in order to maximize our agricultural potential. This authorization will call for a commitment in applying our research capabilities to all phases of rice production, immunization, usage, and fertilizer and herbicide development. I am confident this research provision will significantly add to our knowledge of rice production and our current technology to improve such production.

Most importantly, Mr. Chairman, the Rice Act of 1974 will increase the efficiency of our rice producers by encouraging crop flexibility for our farmers in the planting of their crops. This bill will enable farmers to grow rice in the climatic and geographic areas of the country that are best suited for rice production. I would like to point out that the excellent rice soil, and abundance of cheap water in my Congressional district of southeast Missouri bordering the Mississippi River is perfect for the abundant production of rice. Unfortunately, under our present rice program efficient and large-scale production of rice is inhibited by present program restrictions.

Another important factor working against my State of Missouri is that Missouri rice producers do not have the privilege of combining their producer allotments like the farmers from my colleagues' districts in Louisiana, Texas, and California. Consequently, our rice producers have been unable to build efficent rice producing operations. Under this bill allotments could be more easily purchased or leased by my Missouri growers.

Mr. Chairman, this bill has engendered considerable opposition from many of my friends from the southern rice-producing States and from the rice farmers of California. Their position is one of narrow self-interest. Equity to all farmers dictate passage of the bill. I ask my friends who have opposed this bill to reconsider their position and realize the enormous benefits that this legislation will provide to all elements of American agriculture as well as to the consuming public. Mr. Chairman, I urge prompt passage of the Rice Act of 1974.

Mr. Chairman, I rise in support of H.R. 15263, the Rice Act of 1974, which would remove restrictions on the planting of rice.

As one who has long opposed Federal farm programs which subsidize the removal of land from production, I strongly urge passage of legislation to end these restrictions which have surely contributed to our present worldwide shortages and sharply increased food prices.

While rice is the most sorely needed food crop in the world, we are presently growing only about 25 percent of our capacity due to acreage limitations and marketing quotas in the existing rice program. Today's high food prices for consumers and worldwide hunger point up the sheer folly of the present quota system and in my view offer a convincing argument for removal of all restrictions on food productivity.

Prompt passage of this bill would free farmers to grow more rice in the next planting season and thereby fight inflation, feed the hungry, and lower prices to American consumers.

As one who has worked to get this legislation out of committee and before the House for a vote, I hope that we can end months of delay by voting today for a new program to increase rather than restrict the production of rice.

In conclusion, a word of commendation is in order on behalf of the gentleman from Arkansas (Mr. Alexander) for his efforts in bringing this legislation to the floor.

Mr. ALEXANDER. Mr. Chairman, I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

Mr. SYMMS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announced that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rice Act of 1975".

Mr. ALEXANDER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read the bill.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Symms: Strike all after the enacting clause and insert in lieu thereof:

"The provisions of the Agricultural Adjustment Act of 1938, as amended, relating to marketing quotas, acreage allotments, and marketing penalties for rice shall not be applicable beginning with the 1975 crop.

"For purposes of the Agricultural Act of 1949, as amended, any producer of rice shall be considered a cooperator."

Mr. SYMMS. Mr. Chairman, for those Members who were not here earlier during the general debate on this legislation, this amendment in the nature of a substitute which I offer to the Committee at this point would provide the opportunity for real reform in rice legislation and for a real pattern-setter for the way agriculture in America, the land of free enterprise, should go.

I might just say that the gentleman from Pennsylvania (Mr. Goodling) and I have minority views printed on page 31 of the committee report on the Rice Act, and I would invite the Members to look at those minority views, which spell out the parameters of this amendment.

I might also say at this point that we certainly will miss the gentleman from Pennsylvania (Mr. GOODLING) on the Committee on Agriculture in the 94th Congress. The gentleman has certainly been an asset to this 93d Congress, and I value his friendship.

Mr. Chairman, if I may spell this out very briefly to the Members, the amendment in the nature of a substitute which I offer would treat all rice producers in the United States equitably. It would treat them all the same, with the protection from the Government that they might need in the case of a real market crash or some problem which might come to rise with a 65 percent loan, 65 percent of parity on a nonrecourse loan where the Government would get the rice, but farmers could grow all the rice they wanted.

Under the present bill, with target prices in the committee bill of 11 cents a pound, we could stand to have a tremendous cost to the taxpayers as a result of this legislation, inequitable treatment between the "old" producers and the "new" producers, and we would stand to have under this bill, as I say, the increased costs to the taxpayers. Then we would have a situation where the Government may end up paying large sums of money in target price payments to rice producers and still not have the rice.

Under the amendment in the nature of a substitute that is before the Committee at this time, we would open it up so that everybody could compete, produce all they wanted. There would be no impediments on the market and no rice acreage allotments, it would still operate very similarly to the soybean program.

In American agriculture, the soybean producers are a real example of a group of producers which has gone out and produced, with Government loan protection. This has not cost the taxpayers a large amount of money, and they have in fact expanded markets around the world in American soybeans and have helped this country in its balance of payments. This program has created a real ongoing marvel in American agriculture.

Mr. Chairman, I think this is the right direction for us to be going today, instead of this "out of the frying pan (control program A) into the fire" (control program B) approach we are taking here.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the gentleman's amendment in the nature of a substitute. It seems to me the gentleman from Idaho is doing a real service to the Members of the House by offering this amendment.

As I understand the gentleman's amendment, it would get rid of price controls permanently, and I favor permanent reform.

It seems to me as if your amendment rejects the notion of farm subsidy payments to rice farmers, and if I understand it, it also establishes a relatively low nonrecourse loan program such as we have in the soybean program at the present time, which I think has worked fairly well. And at the same time it gives farmers freedom to plant, with a minimum of taxpayer exposure.

I think that this would be a move in the right direction. At the same time your amendment would give rice farmers a price floor which would prevent catastrophic losses.

Does that in effect sum up the gentleman's amendment in the nature of a substitute?

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Ohio for his comments. What he has said sums it up very well.

Mr. Chairman, I wish to bring this point to the memories of the members of the committee: A little over a year ago, when we had the 1973 Farm Act up for consideration on the floor of the House, the gentleman from Illinois (Mr. MICHEL) offered a substitute bill for the farm bill of 1973 along the same philosophical basis that this amendment is offered. It received 188 votes.

This would once and for all give us a gradual phaseout of this program, which I think many Members who come from urban areas would like to see, but yet it would still provide protection to the farmers.

This bill that we have before us is very inequitable as it treats new producers and old producers differently.

This amendment would take out the inequitability, and I would think the gentleman from Arkansas, who is trying to get rice fields opened up in the Lower Mississippi Valley—and I admire him for the job he has done—would favor this amendment because it would be lasting, major reform to farm legislation. I include at this point the minority views for the information of the Members:

MINORITY VIEWS ON H.R. 15263

We oppose H.R. 15263 for two very basic reasons: (1) this bill is discriminatory in nature in that it provides a more favorable subsidy system to the "old" producers of rice, i.e., those rice producers who were fortunate enough to have been granted a rice acreage allotment by the Government when production control programs were put into effect many years ago—versus "new" producers of rice who will now be allowed to produce rice under the open-ended planting provisions of H.R. 15263; and (2) the target price concept which will be extended to rice under this bill has not been proven to be a sound subsidy system and should therefore not be extended to other crops until we have had more experience with target price programs. Amplifying on point 1, "old" producers of rice under this bill will be eligible for the 11¢ per pound target price guarantee and be eligible for price support loans at 60% of the target price. On the other hand, "other growers of rice", as referred to in the bill, or "new" rice growers will only be eligible for price support loans at 60% of the target price, and will not receive target price protection. We think that this is clearly unfair and discriminatory. To remedy this inequity, and inasmuch as the target price concept has not yet been proven to be a sound subsidy system as stated in point 2, we intend at this time to offer an amendment in the nature of a substitute to H.R. 15263 if and when it is brought before the House for consideration on the floor, which reads as follows:

"Strike all after the enacting clause and insert in lieu thereof:

"The provisions of the Agricultural Adjustment Act of 1938, as amended, relating to marketing quotas, acreage allotments, and marketing penalties for rice shall not be applicable beginning with the 1975 crop.

"For purposes of the Agricultural Act of 1949, as amended, any producer of rice shall be considered a cooperator."

This amendment would suspend indefinitely all statutory barriers to open-ended production of rice now in effect, such as acreage allotments, marketing quotas, etc., and would give anyone who could plant and so desired to produce rice, the opportunity to do so. But, just as importantly, this amendment restores equity and fairness to the support system in that all producers of rice, whether they be "old" producers or "new" producers, will receive the same level of support from their Government—namely, a price support loan at 65% of parity which is approximately $7.54/cwt. today.

Another advantage to our approach lies in the fact that the loan-program concept is a time proven one. It does not call for direct income subsidization of farmers as does the target price concept, and therefore will not cost the taxpayers nearly as much as the target price approach potentially could.

We think the time has come for the Congress to put an end to the feudal system of agriculture—that is, a system of acreage allotments, marketing quotas, and penalty provisions which restrict entry into the production of a commodity and which limit the total production of much needed foodstuffs—whereby the Government has determined who can plan a given commodity simply based on whether or not a person has been granted an allotment.

The Congress should work toward the development of a "National Food Policy" based on freedom to plant and the proven loan-program system, applying it to all commodities and all producers in a nondiscriminatory fashion.

The adoption of our amendment gives us an opportunity to move out of the 1930's, at least with respect to rice, and starts the ball rolling in the creation of a "National Food Policy".

STEVE SYMMS.
GEO. A. GOODLING.

Mr. Chairman, I urge that the Members support this substitute amendment.

Mr. ALEXANDER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, perhaps the major defect of the current rice program is that it establishes the minimum domestic price; that is, support price for rice without regard to market or competitive considerations.

In the past, this has resulted in domestic prices being set over world prices which in turn, led to export subsidies, imports of rice at times of domestic surplus, and the false encouragement of competing production abroad. It even led to a transfer of U.S. capital abroad as U.S. rice-using companies purchased or set up plants in foreign lands in order to take advantage of lower rice prices abroad to the detriment of our balance of payments and jobs for U.S. workers.

The Symms amendment will simply worsen this problem. It will encourage the production of rice not for the market but for Government storage bins. It will pull land out of other crops and lead to an injudicious expansion of production. The noncompetitive problems of the current program will be intensified and costs to the Government will soar. Under the Symms amendment the support price for the 1975 crop would probably be over $9 per hundredweight, which could result in a substantial Government takeover and/or the need for substantial export subsidies.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Idaho.

Mr. SYMMS. The major difference is that under the gentleman's program, the Government will be paying for the rice, but they will not own it. Under the Symms program, they will be paid up to $7.80 per hundredweight, which is 65 percent of parity.

Then, if, in fact, there was a catastrophe in the rice industry, the Government would, in fact, own some rice; that is true, but this is below the cost of production at the present time, as the gentleman well knows. Keeping that in mind, it is very unlikely that the Government would own the rice.

However, under the target-pricing system we are going into, we will pay for the rice, but we will not own it. That is unfair to the taxpayers.

Mr. ALEXANDER. I would hope the gentleman would want to enlarge the storage business because we will certainly need all we can possibly use.

Mr. Chairman, I urge that the Symms amendment be defeated.

Mr. GOODLING. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Idaho (Mr. SYMMS).

I want to say, as we stated in our minority views, that this amendment that the gentleman from Idaho (Mr. SYMMS) has offered restores equity and fairness to the support system in that all producers of rice, whether they be "old" producers or "new" producers, will receive the same level of support from the Government.

As I pointed out in general debate, under the bill we are considering today we are showing rank discrimination between those having an allotment and those who produce rice while not having an allotment.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and on a division (demanded by Mr. ALEXANDER) there were—ayes 35, noes 15.

Mr. ALEXANDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment in the nature of a substitute was agreed to.

Mr. ALEXANDER. Mr. Chairman, I was on my feet, and I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The Chair will state that that motion is not in order at the present time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PIKE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15263) to establish improved programs for the benefit of producers and consumers of rice, pursuant to House Resolution 1381, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

PARLIAMENTARY INQUIRY

Mr. ALEXANDER. Mr. Speaker, a parliamentary inquiry. I was on my feet, and I would ask at what point is a demand for a separate vote on the amendment in order.

The SPEAKER. The Chair will state that the question was put on that, and the action has been taken and has been announced.

Mr. ALEXANDER. I was on my feet, Mr. Speaker.

The SPEAKER. The gentleman from Arkansas did not address the Chair.

PARLIAMENTARY INQUIRY

Mr. ALEXANDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALEXANDER. Mr. Speaker, I sought a record vote on the amendment that was adopted in the committee, and the Speaker did not announce a separate vote procedure on the committee amendment.

The SPEAKER. The Speaker followed the proper procedure. He definitely remembers saying:

> The question is on the adoption of the amendment. As many as are in favor, vote aye; those opposed, vote no. The ayes have it. The amendment is agreed to.

That was announced by the Chair, and the Chair then proceeded to put the questions on engrossment and third reading and on final passage, before the gentleman sought recognition.

The Chair acknowledges Members by recognition. However, if he is bound by everybody standing up all over the room, he is bound 100 times.

The question is on the passage of the bill.

Mr. HOSMER. Regular order, Mr. Speaker. The vote was already announced.

The SPEAKER. The vote was not announced. The Chair has no recollection of it.

The question is on the passage of the bill.

The question was taken; and the Speaker being in doubt, the committee divided, and there were—ayes 20, noes 60.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 118, nays 263, not voting 53, as follows:

[Roll No. 700]

YEAS—118

Abdnor
Abzug
Alexander
Archer
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Blackburn
Bray
Broomfield
Brown, Mich.
Burlison, Mo.
Butler
Camp
Clancy
Cleveland
Collins, Tex.
Conable
Conlan
Conte
Crane
Cronin
Delaney
Dennis
Derwinski
Devine
Diggs
Drinan
Duncan
du Pont
Erlenborn
Esch
Evins, Tenn.
Findley
Flowers
Frey
Froehlich
Fulton
Giaimo
Goodling
Gross
Gubser
Gunter
Hammerschmidt
Hastings
Hechler, W. Va.
Heckler, Mass.
Huber
Hunt
Hutchinson
Jarman
Jones, Tenn.
Kastenmeier
Kemp
Koch
Lagomarsino
Landgrebe
Lent
Lujan
McClory
McCollister
McDade
McEwen
Maraziti
Martin, Nebr.
Matsunaga
Mayne
Michel
Milford
Minish
Mink
Mosher
Moss
Murphy, N.Y.
Myers
O'Brien
Parris
Peyser
Pike
Powell, Ohio
Pritchard
Quillen
Randall
Rhodes
Rinaldo
Robison, N.Y.
Rogers
Rosenthal
Rousselot
Ruth
Sandman
Sarasin
Scherle
Smith, Iowa
Smith, N.Y.
Steelman
Steiger, Ariz.
Stratton
Sullivan
Symington
Symms
Taylor, Mo.
Thornton
Towell, Nev.
Vander Jagt
Veysey
Walsh
Ware
Wydler
Wylie
Wyman
Yates
Young, Fla.
Young, Ga.
Zion

NAYS—263

Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Bell
Bergland
Bevill
Biaggi
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Ill.
Conyers
Corman
Cotter
Coughlin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Denholm
Dickinson
Dingell
Donohue
Dorn
Downing
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fisher
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Frelinghuysen
Frenzel
Fuqua
Gaydos
Gettys
Gilman
Goldwater
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Guyer
Haley
Hamilton
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hawkins
Hébert
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Hudnut
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Ketchum
Kluczynski
Kyros
Landrum
Latta
Leggett
Lehman
Long, La.
Long, Md.
Lott
Luken
McCloskey

McCormack
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
Passman
Patman
Patten
Perkins
Pettis
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Rangel
Rarick
Rees
Regula
Reuss
Roberts
Robinson, Va.
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Snyder
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Studds
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Traxler
Treen
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Yatron
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NOT VOTING—53

Adams
Addabbo
Badillo
Barrett
Biester
Bingham
Brasco
Brotzman
Buchanan
Carey, N.Y.
Dellums
Dent
Eshleman
Fish
Fraser
Gibbons
Ginn
Grasso
Grover
Gude
Hanna
Hansen, Wash.
Harrington
Hays
Heinz
Howard
Hungate
King
Kuykendall
Litton
Macdonald
Mills
Minshall, Ohio
Nelsen
O'Hara
O'Neill
Owens
Pepper
Podell
Reid
Riegle
Roe
Roncallo, N.Y.
Rooney, N.Y.
Satterfield
Shipley
Shoup
Staggers
Steele
Udall
Widnall
Wyatt
Young, Alaska

So the bill was rejected.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Hays.
Mr. Howard with Mr. Carey of New York.
Mr. Rooney of New York with Mr. Fish.
Mr. Shipley with Mr. Hanna.
Mr. Badillo with Mrs. Hansen of Washington.
Mr. O'Neill with Mr. Mills.
Mr. Bingham with Mr. Owens.
Mr. Dellums with Mrs. Grasso.
Mr. Harrington with Mr. Eshleman.
Mr. Pepper with Mr. Grover.
Mr. Riegle with Mr. Kuykendall.
Mr. Staggers with Mr. Buchanan.
Mr. Udall with Mr. Heinz.
Mr. Macdonald with Mr. Gude.
Mr. Adams with Mr. Biester.
Mr. Barrett with Mr. King.
Mr. Dent with Mr. Reid.
Mr. Fraser with Mr. Minshall of Ohio.
Mr. Ginn with Mr. Brotzman.
Mr. Hungate with Mr. Nelsen.
Mr. Gibbons with Mr. Roe.
Mr. Litton with Mr. Roncallo of New York.
Mr. O'Hara with Mr. Satterfield.
Mr. Shoup with Mr. Steele.
Mr. Widnall with Mr. Young of Arkansas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just rejected.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16901) entitled "An act making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 4 and that the Senate receded from its amendment numbered 8 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) entitled "An act to amend the Foreign Assistance Act of 1961, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) entitled "An act to amend the Act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities."

CONFERENCE REPORT ON S. 3394, FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN submitted the following conference report and statement on the Senate bill (S. 3394) Foreign Assistance Act of 1961:

CONFERENCE REPORT (H. REPT. No. 93–1610)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from the its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Foreign Assistance Act of 1974".

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$291,000,000 for the fiscal year 1974, and $500,000,000 for the fiscal year 1975"; and

(3) by adding at the end thereof the following:

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

CEILING ON FERTILIZERS TO SOUTH VIETNAM

SEC. 3. (a) None of the moneys made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974 may be used, beginning on the date of enactment of this section, during fiscal year 1975 to procure agricultural fertilizers for, or to provide such fertilizers to, South Vietnam.

(b) During each fiscal year after fiscal year 1975, of the total amount obligated or expended for such fiscal year under the Foreign Assistance Act of 1961 to procure agricultural fertilizers for, or to provide such fertilizers to, foreign countries, not more than one-third of such amount may be obligated or expended to procure such fertilizers for, or provide such fertilizers to, South Vietnam.

POPULATION PLANNING

SEC 4. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975".

(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 5. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof $90,000,000 for the fiscal year 1974, and $92,000,000 for the fiscal year 1975".

DISPOSITION OF LOAN RECEIPTS

SEC. 6. Section 203 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

HOUSING GUARANTIES

SEC. 7. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "$305,000,000" and insert in lieu thereof "$355,000,000".

(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

AGRICULTURAL CREDIT PROGRAMS

SEC. 8. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by striking out the title heading and inserting in lieu thereof the following:

"TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS";

(2) by inserting immediately after section 222 the following new section:

"SEC. 222A. Agricultural and Productive Credit and Self-Help Community Development Programs.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

"(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

"(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

"(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

"(e) Not to exceed $3,000,000 of the guaranty reserve established under section 223 (b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

"(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

"(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

"(h) The authority of this section shall continue until December 31, 1977.

"(i) Notwithstanding the limitation in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

"(j) The President shall, on or before January 15, 1976, make a detailed report to the Congress on the results of the program established under this section, together with such recommendations as he may deem appropriate.";

(3) by striking out "section 221 or section 222" in section 223 (a) and inserting "section 221, 222, or 222A" in lieu thereof;

(4) by striking out "this title" in section 223 (b) and inserting "section 221 and section 222" in lieu thereof; and

(5) by striking out "section 221 or section 222" in section 223 (d) and inserting "section 221, 222, 222A, or previously under section 240 of this Act" in lieu thereof.

(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

INTERNATIONAL ORGANIZATION AND PROGRAMS

SEC. 9. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "for the fiscal year 1975, $150,000,000" in subsection (a) and inserting in lieu thereof "for the fiscal year 1975, $165,000,000"; and

(2) by adding at the end thereof the following new subsections:

"(g) Of the funds made available to carry out this chapter for fiscal year 1975, in addition to any other such funds to be made available for contributions to the International Atomic Energy Agency, not less than $500,000 shall be made available to such Agency as technical assistance in kind. However, a reasonable amount of funds authorized under this section shall be made available in fiscal year 1975 to strengthen international procedures which are designed to prevent the unauthorized dissemination or use of nuclear materials. The President shall report to the Congress not later than July 1, 1975, concerning actions taken by the United States to strengthen the procedures described under the preceding sentence.

"(h) Congress directs that no funds should be obligated or expended, directly or indirectly, to support the United Nations Educational, Scientific, and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific, and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character."

MILITARY ASSISTANCE AUTHORIZATIONS

SEC. 10. Section 504(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$512,500,000 for the fiscal year 1974" and inserting in lieu thereof "$600,000,000 for the fiscal year 1975"; and

(2) by striking out "(other than training in the United States)" and inserting in lieu thereof "(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)".

SPECIAL AUTHORITY

SEC. 11. Section 506(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "the fiscal year 1974" in each place it appears and inserting in lieu thereof "the fiscal year 1975" in each such place; and

(2) by striking out "$250,000,000" and inserting in lieu thereof "$150,000,000".

MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

SEC. 12. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand and Laos, and South Vietnam".

(2) At the end thereof add the following new subsection:

"(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

EXCESS DEFENSE ARTICLES

SEC. 13. (a) Section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2321b), is amended—

(1) by striking out "$150,000,000" in subsection (b) and inserting "$100,000,000" in lieu thereof; and

(2) by inserting immediately before the period in subsection (c) the following: "; except that for any excess defense article such term shall not include a value for any such article which is less than 33⅓ percent of the amount the United States paid for such article when the United States acquired it".

EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT

SEC. 14. Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "including economic assistance and military grants and sales" and inserting in lieu thereof the following: "including economic assistance, military grants (and including for any such grant of any excess defense article, the value of such article expressed in terms of its acquisition cost to the United States), and military sales".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 15. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. Stockpiling of Defense Articles for Foreign Countries.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof the following new section:

"SEC. 515. Military Assistance Advisory Groups and Missions.—Effective July 1, 1976, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

REVIEW OF MILITARY ASSISTANCE PROGRAMS

SEC. 17. (a) It is the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance; and that the program, except for military education and training activities, should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States.

(b) In order to give effect to the sense of Congress expressed in subsection (a), the President is directed to submit to the first session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

SECURITY SUPPORTING ASSISTANCE

SEC. 18. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed $660,000,000".

TRANSFER BETWEEN ACCOUNTS

SEC. 19. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "any other provision of this Act", insert "(except funds made available under chapter 2 of part II of this Act)".

(2) Add at the end thereof the following new subsection:

"(c) Any funds which the President has notified Congress pursuant to section 653 that he intended to provide in military assistance to any country may be transferred to and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: "The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act.".

LIMITATION ON USE OF FUNDS

SEC. 20. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 115. Prohibiting Use of Funds for Certain Countries.—(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

"(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

"(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs."

CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

SEC. 21. Section 653 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out all after the period at the end of the first sentence of subsection (a); and

(2) by redesignating subsection (b) as subsection (c) and by inserting immediately after subsection (a) the following new subsection:

"(b) Notwithstanding any other provision of law, no military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless—

"(1) the President reports to the Congress, at least ten days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

"(2) in the case of military grant assistance or security supporting assistance, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

This subsection shall not apply if the excess funds provided in any fiscal year to any country or international organization for any category of assistance are less than $1,000,000."

SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

SEC. 22. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided*, That the President is authorized to suspend the provisions of this section and such acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war."

PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH VIETNAM

SEC. 23. Section 620 of the Foreign Assistance Act of 1961 is amended by inserting before the period in subsection (n) the following: ", unless the President determines that such loans, credits, guaranties, grants, other assistance, or sales are in the national interest of the United States".

ASSISTANCE TO GREECE

SEC. 24. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

LIMITATION UPON ASSISTANCE TO OR FOR CHILE

SEC. 25. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under the Foreign Assistance Act of 1961, and the Foreign Military Sales Act during fiscal year 1975, may not exceed $25,000,000, none of which may be made available for the purpose of providing military assistance (including security supporting assistance, sales, credit sales, or guaranties or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense).

LIMITATION ON MILITARY ASSISTANCE AND EXCESS DEFENSE ARTICLE TO KOREA

SEC. 26. (a) The aggregate amount of—

(1) funds obligated or reserved for military assistance, including supply operations, under chapter 2 of part II of the Foreign Assistance Act of 1961;

(2) the acquisition cost of excess defense articles, if any, ordered under part II of the Foreign Assistance Act of 1961 and not charged against appropriations for military assistance;

(3) credits, including participations in credits, extended pursuant to section 23 of the Foreign Military Sales Act; and

(4) the principal amount of loans guaranteed pursuant to section 24(a) of the Foreign Military Sales Act;

with respect to South Korea shall not exceed $145,000,000 for fiscal year 1975 until the President submits a report to the Congress after the date of enactment of this Act stating that the government of South Korea is making substantial progress in the observance of internationally recognized standards of human rights.

(b) After the submission of the report under subsection (a), the aggregate amount described in paragraphs (1), (2), (3), and (4) of such subsection with respect to South Korea shall not exceed $165,000,000 for fiscal year 1975.

(c) The provisions of section 506 and section 614 of the Foreign Assistance Act of 1961, or of any other law, may not be used to exceed the limitation under subsection (a) or (b).

LIMITATION ON ASSISTANCE FOR INDIA

SEC. 27. Total amount of assistance provided under the Foreign Assistance Act of 1961 and of credit sales made or guaranteed under the Foreign Military Sales Act for India shall not exceed $50,000,000 in fiscal year 1975.

FAMINE OR DISASTER RELIEF

SEC. 28. (a) Section 639 of the Foreign Assistance Act of 1961, dealing with famine or disaster relief, is amended to read as follows:

"SEC. 639. Famine or Disaster Relief.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed $40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section."

(b) Of the funds appropriated to carry out section 639 of the Foreign Assistance Act of 1961, during fiscal year 1975 not less than $25,000,000 shall be made available to Cyprus for the purposes of such section 639.

(c) Section 451 of the Foreign Assistance Act of 1961, dealing with the contingency fund, is amended to read as follows:

"SEC. 451. Contingency Fund.—(a) There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed $5,000,000, to provide assistance authorized by this part or by section 639 for any emergency purpose only in accordance with the provisions applicable to the furnishing of such assistance.

"(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programing and obligation of funds under this section.

"(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter.".

ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 29. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 659. Access to Certain Military Bases Abroad.—None of the funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

"(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

"(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security, authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

PROHIBITING POLICE TRAINING

SEC. 30. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 23(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 31. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new section:

"SEC. 661. Reimbursable Development Programs.—The President is authorized to use up to $1,000,000 of the funds made available for the purposes of this Act in each of the fiscal years 1975 and 1976 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act."

INTELLIGENCE ACTIVITIES AND EXCHANGE OF MATERIALS

SEC. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

"SEC. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

"(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

"SEC. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purposes of this section, the term 'necessary or strategic raw material' includes petroleum, other fossil fuels, metals, minerals, or any other natural substance which the President determines is in short supply in the United States.

"(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

"(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury."

WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE

SEC. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress."

POLICY WITH RESPECT TO INDOCHINA

SEC. 34. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

(2) to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a compre-

hensive plan for Indochina reconstruction and economic development;

(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economics development;

(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

(6) to include in Indochina economic planning and programing specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amounts of, continued United States funding is justified; and

(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 36. (a) There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed $617,000,000. Of the amount appropriated for fiscal year 1975—

(1) $449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;

(2) $100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;

(3) $40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;

(4) $4,100,000 shall be available only for the regional development program;

(5) $16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

(6) $7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

(d) Notwithstanding subsection (b) of this section, funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

SEC. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 38. (a) The $449,900,000 made available in accordance with section 36(a)(1) of this Act shall be allocated as follows:

(1) $90,000,000 for humanitarian assistance, or which there shall be available—

(A) $70,000,000 for refugee relief;

(B) $10,000,000 for child care; and

(C) $10,000,000 for health care;

(2) $154,500,000 for agricultural assistance, of which there shall be available—

(A) $85,000,000 for fertilizer;

(B) $12,000,000 for POL (for agriculture);

(C) $6,000,000 for insecticides and pesticides;

(D) $10,000,000 for agricultural machinery and equipment (including spare parts);

(E) $3,500,000 for agricultural advisory services;

(F) $20,000,000 for rural credit;

(G) $10,000,000 for canal dredging;

(H) $4,000,000 for low-lift pumps; and

(I) $4,000,000 for fish farm development;

(3) $139,800,000 for industrial development assistance of which there shall be available—

(A) $124,000,000 for commodities;

(B) $10,000,000 for industrial credit; and

(C) $5,800,000 for industrial advisory services (including feasibility studies);

(4) $65,600,000 for miscellaneous assistance, of which there shall be available—

(A) $47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and

(B) $17,700,000 for technical services and operating expenses.

(b)(1) No funds made available in accordance with section 36(a)(1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.

(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(d) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(f)(1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

(3) For purposes of this subsection, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

(1) by striking out "$341,000,000" in subsection (a) and inserting "$377,000,000" in lieu thereof.

(2) by striking out "1972" in subsection (a) and inserting "1975. Of that sum, there shall be available no more than $200,000,000 for military assistance. In addition to such $377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed $75,000,000 in fiscal year 1975." in lieu thereof.

(3) by striking out "$341,000,000 in subsection (b) and inserting "$377,000,000 in lieu thereof.

(4) by striking out "1972" in subsection (b) and inserting "1975" in lieu thereof.

(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia."

(c) The $100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:

(1) $20,000,000 for humanitarian assistance;

(2) $63,000,000 for commodity import assistance;

(3) $15,000,000 for multilateral stabilization assistance; and

(4) $2,000,000 for technical support and participant training.

(d) No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per centum of the funds made available under any paragraph of subsection (c) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(e) No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(f) This section shall not be construed as a commitment by the United States to Cambodia for its defense.

LIMITATIONS WITH RESPECT TO LAOS

SEC. 40. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

(1) $30,000,000 for military assistance; and

(2) $40,000,000 only for economic assistance, of which there shall be available—

(A) $11,000,000 for humanitarian assistance;

(B) $6,500,000 for reconstruction and development assistance;

(C) $16,100,000 for stabilization assistance; and

(D) $6,400,000 for technical support.

(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Laos but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(g) This section shall not be construed as a commitment by the United States to Laos for its defense.

POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

SEC. 41. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section,

"SEC. 806. *Population, Narcotics, International Humanitarian and Regional Programs.*—The provisions of sections 36(c), 38, 39, and 40 of the Foreign Assistance Act of 1974 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available for humanitarian assistance through international organizations; or (4) funds obligated for regional programs."

ASSISTANCE TO THE MIDDLE EAST

SEC. 42. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART VI

"SEC 901. Statement of Policy.—The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between nations in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab nations and Israel, and by assisting the nations in the area in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace. It is the sense of Congress that United States assistance programs in the Middle East should be designated to promote mutual respect and security among the nations in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering nations in the Middle East.

"It is further the sense of Congress that none of the funds authorized by this Act should be provided to any nation which denies its citizens the right or opportunity to emigrate.

"SEC. 902. Allocations.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed $100,000,000 may be made available for military assistance in the Middle East.

"(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed $652,000,000 may be made available for security supporting assistance in the Middle East.

"(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed $330,000,000 shall be available for countries in the Middle East.

"SEC. 903. (a) Special Requirements Fund.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed $100,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purposes of this part, in addition to funds otherwise available for such purposes. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by such part in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

"(b) The President may only obligate or expend, for each foreign country or international organizations, funds authorized under this section—

"(1) after he reports to the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate concerning (A) the name of such foreign country or international organizations. (B) the amount of such funds to be made available to such country or organization, and (C) the purpose for which such funds are to be made available to such country or organization; and

"(2) unless the Congress, within thirty calendar days after receiving any report under paragraph (1), adopts a concurrent resolution stating in substance that it does not favor the provisions of the report provided by clauses (A), (B), and (C) of paragraph (1).

"(c) Of the amount authorized under subsection (a), not less than $6,000,000 shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit *within* a reasonable period of time after the date of enactment of the Foreign Assistance Act of 1974. In determining such fair share, the President shall take into consideration the economic position of each such country. Such $600,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law."

NUCLEAR POWERPLANTS

Sec. 43. None of the funds authorized by this Act may be used to finance the construction of, the operation or maintenance of, or the supply of fuel for any nuclear powerplant in Israel or Egypt, which has been approved under an agreement for cooperation between the United States and either such country.

ASSISTANCE TO UNITED ARAB REPUBLIC

Sec. 44. Section 620(p) of the Foreign Assistance Act of 1961 is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

Sec. 45(a). The Foreign Military Sales Act is amended as follows:

(1) Section 3(d) is amended to read as follows:

"(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(2) Section 23 is amended to read as follows:

"Sec. 23. Credit Sales—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

"(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

"(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

(3) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

(4) Section 24(c) is amended by striking out "25" both times it appears and inserting "10" both such times in lieu thereof.

(5) Section 35(b) is repealed, and section 36 is amended by inserting before subsection (c) the following new subsections:

"(a) The President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate quarterly reports containing—

"(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer has not been accepted or canceled;

"(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

"(3) the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 made before the submission of such quarterly report and during the fiscal year in which such report is submitted; and

"(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (A) the foreign country or international organization to which the defense article or service is offered, (B) the dollar amount of the offer to sell under paragraph (1) or of the completed sale under paragraph (2), (C) a brief description of the defense article or service offered, (D) the United States armed force which is making the offer to sell, (E) the date of such offer, and (F) the date of any acceptance under paragraph (2).

"(b) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, before issuing such letter of offer the President shall submit to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a statement with respect to such offer to sell containing the information specified in subparagraphs (A) through (E) in subsection (a). The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale, unless the President in his statement certifies that an emergency exists which requires such sale in the national security interests of the United States."

(6) Section 31(a) is amended by striking out "$325,000,000 for the fiscal year 1974" and inserting in lieu thereof "$405,000,000 for the fiscal year 1975".

(7) In section 31(b)—

(A) strike out "$730,000,000 for the fiscal year 1974" and insert in lieu thereof "$872,500,000 for the fiscal year 1975"; and

(B) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, $100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

(8) In section 33—

(A) subsection (a) is repealed;

(B) subsection (b) is redesignated as subsection (a); and

(C) a new subsection (b) is added as follows:

"(b) The President may waive the limitations of this section when he determines it to be important to the security of the United States and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate."

(b) The amendment made by paragraph (4) of subsection (a) shall take effect on July 1, 1974. Obligations initially charged against appropriations made available for purposes authorized by section 31(a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of this section in an amount equal to 25 per centum of the principal amount of contractual liability related to guaranties issued pursuant to section 24(a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

SECURITY ASSISTANCE AND HUMAN RIGHTS

Sec. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 502B. Human Rights.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

"(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

GORGAS MEMORIAL INSTITUTE

Sec. 47. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, is amended by striking out "$500,000" and inserting "$2,000,000" in lieu thereof.

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

Sec. 48. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed $16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed $11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

POLICY ON ASSISTANCE TO AFRICA

SEC. 49. The President is requested to review the regional allocation of economic development assistance and to increase Africa's share of the Agency for International Development loans and grants. A special effort should be made to provide more assistance to the sixteen of the world's twenty-five least developed countries that are in Africa and to the fourteen African nations that are judged to be most seriously affected by rising costs of food and fuel. The President is requested to make a report to Congress on action taken to provide the developing countries of Africa with an equitable share of United States economic assistance at the time that the Agency for International Development's operational year budget for fiscal year 1975 is submitted to Congress and again with the submission to Congress of the proposed Agency for International Development budget for fiscal year 1976.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

SEC. 50. (a) (1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

(2) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

(3) Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organization.

(b) Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear United States support for a peaceful and orderly transition to independence in the Portuguese African territories:

(1) An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.

(2) It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty Organization partnership.

(3) The United States should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.

(4) The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.

(5) The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissau and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.

(6) In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.

(c) Reports should be submitted to the Congress on the implementation of the proposals set forth in subsection (b) and Congress should be kept fully informed on developments in United States policy toward the independence of the Portuguese African territories.

CONVENTIONAL ARMS TRADE

SEC. 51. (a) It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—

(1) is a cause for grave concern for the United Staates and other nations in that in particular areas of the world it increases the danger of potential violence among nations, and diverts scarce world resources from more peaceful uses; and

(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

(1) agreeing to workable limitations on conventional arms transfers; and

(2) establishing a mechanism through which such limitations could be effectively monitored.

(c) The President shall transmit to the Congress not later than six months after the enactment of this Act a report setting forth the steps he has taken to carry out this section.

INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN DEVELOPMENT BANK

SEC. 52. (a) The President may transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such Bank and to assume rights and obligations pursuant to such agreement. However, such agreement may only be concluded after it has been approved by the United States Secretary of State.

(b) The instrument transmitted by the President to the Caribbean Development Bank under subsection (a) shall state that the United States shall not assume any financial or other responsibility for the performance of any obligation incurred by the Commonwealth of Puerto Rico pursuant to such agreement of accession or pursuant to any other aspect of its membership or participation in such Bank.

(c) Such agreement of accession shall provide that the Commonwealth of Puerto Rico may not receive from the Caribbean Development Bank any funds provided to the Bank by the United States.

ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 53. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"Chapter X—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

"SEC. 496. Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

"(1) $5,000,000 to make grants; and

"(2) $20,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal."

INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

SEC. 55. (a) The United Nations has designated thirty-two countries as "Most Seriously Affected" by the current economic crisis. These are countries without the internal food production capability or the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take the following actions designed to mobilize appropriate resources to meet the food emergency:

(1) Review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs with the aim of increasing to the maximum extent feasible the volume of food and fertilizer available to those countries most seriously affected by current food shortages.

(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, with appropriate regard to the current domestic price and supply situations.

(4) Maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation on steps which are being taken to help meet this food emergency. In accordance with this provision, the President shall report to the Congress on a global assessment of food needs for fiscal year 1975, specifying expected food grain deficits and currently planned programming of food assistance, and steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress promptly and should be supplemented quarterly for the remainder of fiscal year 1975.

(5) The Congress directs that during the fiscal year ending June 30, 1975, not more than 30 per cent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes.

(6) The Congress calls upon the President to proceed with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress believes that it is incumbent upon the United States to take a leading role in as-

sisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within 120 days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the implementation of resolutions adopted at the World Food Conference.

REPAYMENT OF LOANS IN DEFAULT

SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.

And the House agree to the same.

Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
Dante B. Fascell,
Peter H. B. Frelinghuysen,
Wm. Broomfield,
Edward Derwinski,
Managers on the Part of the House.

John Sparkman,
Frank Church,
Stuart Symington,
Hubert H. Humphrey,
G. D. Aiken,
Clifford P. Case,
J. K. Javits,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment.

The committee of conference recommends a substitute for both the Senate bill and the House amendment to the text of the Senate bill.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

The committee of conference agreement contained authorizations for economic and military assistance for fiscal year 1975 of $2,697,226, which represents an increase of $39,926,000 in the House figure, a reduction of $30,900,000 in the Senate figure, and a reduction of $554,974,000 below the amount requested by the executive branch.

The amounts requested by the committee of conference compared to the amounts requested by the executive branch and recommended by the House and Senate follow:

FUNDS AUTHORIZED FOR FISCAL YEAR 1975 BY S. 3394

[In millions]

	Previously authorized for fiscal year 1975 [1]	Supplemental and new fiscal year 1975 Executive requests	House recommendations	Senate recommendations	Conference agreement
Food and nutrition (sec. 103)	$291.0	$255.3	[2] $180.3	[2] $239.0	[2] $209.0
Population planning and health (sec. 104)	145.0		[3] 20.0	[3] 20.0	[3] 20.0
Population activities (sec. 292)	[4] (130.0)		[5] (20.0)	[5] (20.0)	[5] (20.0)
Education and human resources (sec. 105)	90.0			[6] 2.0	[6] 2.0
Portugal and Portuguese colonies				55.0	25.0
Loans				(50.0)	(20.0)
Grants				(5.0)	(5.0)
International organizations and programs	150.0	[7] 3.9	[7] [8] 4.4	[7] 36.9	[7] [8] 5.0
Contingency fund	30.0		[9] −25.0		[9] −25.0
Famine and disaster relief (sec. 639)			[10] 40.0		[10] 40.0
Middle East special requirements		100.0	100.0	100.0	100.0
UNRWA			[11] (6.0)		[11] (6.0)
Indochina postwar reconstruction		939.8	573.4	617.0	617.0
Vietnamese children			[12] (10.0)	[12] (10.0)	[12] (10.0)
Security supporting assistance		385.5	585.0	675.0	660.0
Middle East		[13] (377.5)	[13] (577.5)	[13] (677.0)	[13] (652.0)
Military assistance programs		985.0	745.0	550.0	600.0
Middle East		[14] (100.0)	[15] (200.0)	[14] (100.0)	[14] (100.0)
Foreign military credit sales		555.0	405.0	405.0	405.0
Middle East		[16] (330.0)	[17] (230.0)	[16] (330.0)	[16] (330.0)
International Control Commission		27.7	27.7	27.726	27.726
Gorgas Memorial Institute	.5		[18] 1.5	[18] .5	[18] 1.5
Total	706.5	3,252.2	2,657.3	2,728.126	2,697.226

[1] Public Law 93–189, approved Dec. 17, 1973 authorized economic assistance for fiscal years 1974 and 1975, except for the Albert Schweitzer Hospital, Indochina postwar reconstruction assistance, and African famine relief. The military assistance authorizations were for fiscal year 1974 only.

[2] In addition to the $291,000,000 previously authorized for fiscal year 1975.

[3] In addition to the $145,000,000 previously authorized for fiscal year 1975.

[4] Earmarked for this purpose from pt. 1 funds for fiscal year 1975.

[5] In addition to the $130,000,000 previously earmarked for this purpose from pt. 1 funds.

[6] In addition to the $90,000,000 previously authorized for fiscal year 1975.

[7] In addition to the $150,000,000 previously authorized for fiscal year 1975.

[8] Of which, not less than $500,000 was earmarked for contribution to the international Atomic Energy Agency as technical assistance in kind.

[9] The previous authorization of $30,000,000 for the contingency fund for fiscal year 1975 was cut to $5,000,000.

[10] Of which $25,000,000 earmarked for Cyprus.

[11] Earmarked from the Special Requirements Fund for contribution toward settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees.

[12] Earmarked from Indochina postwar reconstruction funds for assistance to Vietnamese children.

[13] Security assistance earmarked for the Middle East.

[14] Up to $100,000,000 of which made available for the Middle East.

[15] Up to $200,000,000 of which made available for the Middle East and not less than $100,000,000 made available for Israel.

[16] Of the aggregate ceiling of $872,500,000 on credits and guaranties authorized to be extended, not to exceed over $330,000,000 made available for countries in the Middle East, of which $300,000,000 is for Israel.

[17] Of the aggregate ceiling of $772,500,000 on credits and guaranties authorized to be extended, not to exceed over $230,000,000 made available for countries in the Middle East, of which $200,000,000 is for Israel.

[18] In addition to the $500,000 previously authorized.

FOOD AND NUTRITION AUTHIRIZATION

Food and nutrition

The Senate bill increased the authorization for food and nutrition under section 103 of the act from $291 million to $530 million for fiscal year 1975.

The House amendment increased the section 103 authorization to $471.3 million for fiscal year 1975.

The committee of conference agreed to a compromise authorization of $500 million for food and nutrition for fiscal year 1975.

Policy increasing agricultural production

The Senate bill added a subsection 103(b) to the Foreign Assistance Act directing that special attention be given to increasing agricultural production in countries with per capita income under $300.

The House amendment did not contain a comparable provision.

The House receded.

Limit on fertilizer production for Vietnam

The Senate bill added a subsection 103(c) limiting the annual funding for fertilizer for South Vietnam to one-third of the total amount obligated for fertilizer under the Foreign Assistance Act after fiscal year 1975.

The House amendment prohibited Foreign Assistance Act funding to procure fertilizer for South Vietnam in fiscal year 1975 and limited the amount for South Vietnam to one-third of the total amount obligated for this purpose annually after fiscal year 1975.

The Senate conferees accepted the House language. The House and Senate conferees agreed to make the prohibition on the use of funds to procure fertilizer for South Vietnam in fiscal year 1975 effective upon the enactment of the Foreign Assistance Act of 1974.

EDUCATION AND HUMAN RESOURCE DEVELOPMENT AUTHORIZATION

The Senate bill increased the authorization for education and human resource development under section 105 of the Foreign Assistance Act from $90 to $92 million for fiscal year 1975 so as to provide funding for activities conducted by the Opportunities Industrialization Centers International.

The House amendment did not contain a comparable provision.

The House receded.

DISPOSITION OF LOAN RECEIPTS

The Senate bill amended section 203 of the Foreign Assistance Act specifically to prohibit the use by the Agency for International Development (AID) of scheduled loan receipts after July 1, 1975.

The House amendment did not contain a comparable provision. The House amendment, in effect, retained existing law which permits the use of 50 percent of loan receipts until July 1, 1975, and then terminates the authority.

The committee of conference agreed to accept the Senate amendment effective July 1, 1975. The intent of the conferees is to assure that actual receipts after July 1, 1975, be deposited in the Treasury.

HOUSING GUARANTIES

The Senate bill increased the worldwide ceiling on housing guaranties in section 221 of the Foreign Assistance Act from $305 million to $405 million and extended the authority through June 30, 1976.

The House amendment also extended the authority through June 30, 1976, but did not increase the section 221 ceiling.

The committee of conference raised the worldwide housing guaranty ceiling by $50 million from $305 million to $355 million.

AGRICULTURAL CREDIT PROGRAMS

The Senate bill added Title III, Housing and Other Credit Guaranty Programs and a new section 222A to the Foreign Assistance Act, transferring Agricultural and Productive Credit and Self-Help, Community Development Program from the Overseas Private Investment Corporation (OPIC) to AID. This section makes clear that the full faith and credit of the United States extends to guaranties previously issued under this program by OPIC.

The House amendment also transferred the agricultural credit programs from OPIC to AID. It did not, as a technical matter, extend the U.S. full faith and credit to guaranties previously made under OPIC's authority.

The House receded.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Authorization

The Senate bill increased the authorization for international organizations and programs under section 302(a) of the Foreign Assistance Act from $150 million to $186.9 million for fiscal year 1975.

The House amendment increased this section 302(a) authorization to $154.4 million for fiscal year 1975.

The committee of conference agreed on an authorization of $165 million for fiscal year 1975. It is the intention of the committee of conference that $3 million of the funds authorized in this section for fiscal year 1975 shall be made available to the United Nations Childrens Emergency Fund (UNICEF) in view of the fact that demands on UNICEF resources have increased markedly, and $7.6 million for the United Nations Development Program (UNDP), to help move the U.S. contribution from a split-year to a full-year funding basis. The committee of conference also expressed its deep concern about the operations of the United Nations Relief and Works Agency (UNRWA). It directs the Secretary of State to conduct a review of UNRWA operations and to report its findings promptly to the Committee on Foreign Relations and the Committee on Foreign Affairs.

Earmarking for the International Atomic Energy Agency

The House amendment added a new subsection 302(g) earmarking $500,000 of funds authorized under the section for the International Atomic Energy Agency (IAEA) and requiring that a reasonable amount of the funds be used to strengthen procedures to prevent unauthorized use of nuclear materials. A report on action taken to implement this section is required by July 1, 1975.

The Senate bill did not contain a comparable provision.

The Senate receded.

Expense of U.S. membership in UNESCO

The Senate bill contained a provision which prohibited the use of any funds appropriated under any law for the United Nations Educational, Scientific, and Cultural Organization (UNESCO) until the Secretary of State certified to the Congress that each resolution not of an educational, scientific, or cultural character adopted by UNESCO had been repealed.

The House amendment added a new subsection 320(h) to the act, prohibiting contributions from the Foreign Assistance Act to UNESCO until the President certifies that the organization has taken concrete steps to correct recent political actions and has adopted policies consistent with its charter.

The committee of conference agreed upon a provision directing that no funds should be expended or obligated to support, directly or indirectly, the United Nations Educational, Scientific and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character.

MILITARY ASSISTANCE AUTHORIZATIONS

The Senate bill amended section 504(a) of the Foreign Assistance Act to authorize $550 million for military assistance programs (MAP) for fiscal year 1975.

The House amendment amended section 504(a) to authorize $745 million for MAP for fiscal year 1975 and earmarked $100 million for Israel.

The committee of conference agreed to provide a $600 million authorization for MAP for fiscal year 1975 and to delete the earmarking of $100 million for Israel which was in the House amendment. It also agreed upon the earmarking of $300 million in military credit sales for Israel, and the releasing of that country from the liability to repay the United States for $100 million worth of defense articles or services so financed. Agreement also was reached to set the aggregate program ceiling on credits and guaranties which can be furnished in fiscal year 1975, pursuant to section 31(a) of the Foreign Military Sales Act, so as to reflect the above decisions.

SPECIAL DRAWDOWN AUTHORITY

The Senate bill repealed section 506 of the Foreign Assistance Act, the President's special authority to draw down defense articles from the stocks of the Department of Defense and defense services when he determines it to be in the security interests of the United States, subject to subsequent reimbursement from appropriations for military assistance.

The House amendment extended the section 506 drawdown authority through June 30, 1975, and retained the ceiling of $250 million.

The Senate receded, with an amendment authorizing a drawdown ceiling of $150 million for fiscal year 1975. The committee of conference expressed concern that no request has yet come forward to the Congress from the executive branch for an appropriation to reimburse the Department of Defense for the $250 million expended under the section in fiscal year 1974 for defense articles and services to Cambodia.

MILITARY ASSISTANCE AUTHORIZATION FOR SOUTH VIETNAM

The Senate bill contained a provision which required the transfer of authorizations for military assistance and sales programs for South Vietnam from the Department of Defense budget to the Foreign Assistance and Military Sales Acts effective June 30, 1976.

The House amendment provided for the transfer of such military assistance and sales authorizations effective June 30, 1975.

The House receded. The committee of conference agreed that military assistance and sales authorization for South Vietnam should be made pursuant to the Foreign Assistance Act of 1961 and the Foreign Military Sales Act but because of budget cycling considerations postponed the effective date until June 30, 1976. Aware that this would be the second postponement of the return to the regular foreign aid authorization of military aid to South Vietnam, the conferees were in full agreement that no further postponement should be allowed.

EXCESS DEFENSE ARTICLES

Limitation on use

The Senate bill added a new section 514 to the Foreign Assistance Act setting a fiscal year 1975 ceiling of $150 million at acquisition cost on the quantity of excess defense articles that can be furnished to foreign countries under MAP and requiring that the value be charged to the MAP appropriation.

The House amendment did not contain a comparable provision.

The House amendment retained existing law which requires that excess defense articles generated in the United States and furnished to foreign countries in any way be charged to the MAP appropriation at a minimum of one-third of the acquisition cost and sets a ceiling of $150 million on excess defense articles generated abroad which can be used before being chargeable to MAP.

The Senate receded, with an amendment lowering the ceiling from $150 million to $100 million.

Repeal of limitations on use and definition of excess defense articles

The Senate bill contained a provision repealing sections 8 and 11 of the Foreign Military Sales Act Amendments of 1971 relating to the use and definition of excess defense articles.

The House amendment did not contain a comparable provision.

The Senate receded.

Value of excess defense articles in material presented to the Congress

The House amendment contained a provision which amended section 634(d) of the Foreign Assistance Act to require that excess defense articles ordered for military assistance purposes be expressed in terms of acquisition costs, i.e. the cost to the U.S. Government at the time such articles are acquired by the United States.

The Senate bill did not contain a comparable provision.

The Senate receded.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

The Senate bill added a new section 515 to the Foreign Assistance Act which prohibits the stockpiling of defense articles for war reserves for foreign countries with any funds other than those authorized by this act or, in the case of Vietnam, the Military Procurement Act of 1966 (Public Law 89-367). The costs of any stockpiling will be chargeable to the MAP appropriations in the year such defense articles are set aside.

The House amendment did not contain a comparable provision.

The House receded.

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

The Senate bill contained a provision which required that all military mission costs, including military pay and allowances, presently included in the Department of Defense budget shall be chargeable to the military assistance appropriation effective July 1, 1975.

The House amendment did not contain a comparable provision.

The House receded with an amendment to change the effective date to July 1, 1976.

TERMINATION OF MILITARY ASSISTANCE AUTHORITY

Termination of MAP programs

The Senate bill added a new section 517 to the act that would have:

Terminated all military assistance programs, other than military training programs, effective September 30, 1977, and authorized concessional credit sales to countries that received military assistance in fiscal year 1974 during the phaseout period (4-percent interest with 10-year repayment period).

Terminated all military assistance advisory groups and missions effective September 30, 1977, and transferred this function to the Chiefs of Diplomatic Missions. After that date, no advisory groups were to be established unless specifically authorized by the Congress.

Effective October 1, 1977, placed a ceiling on the number of military attaches to not more than 125 percent of the total number assigned to such duties on June 30, 1974.

The House amendment did not contain a comparable provision.

The House receded, with an amendment expressing the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance, and that the program, except for military education and training activities, should be reduced and terminated as rapidly as is feasible consistent with the security and foreign policy requirements of the United States. The amendment also directs the President to submit to the First Session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

Continuation of military training

The Senate bill contained a provision establishing a separate military training authority effective October 1, 1977, and limited such training to such locations in the United States unless specifically authorized by law. It also contained several technical provisions to conform this new authority with prior provisions terminating military assistance programs and military assistance advisory groups.

The House amendment did not contain a comparable provision.

The Senate receded.

EXEMPTION OF CANAL ZONE TRAINING

The House amendment contained a provision which exempted Western Hemisphere Countries receiving training in the Canal Zone from counting against the 31-country ceiling set by section 504 of the Foreign Assistance Act.

The Senate bill did not contain a comparable provision.

The Senate receded.

TERMINATION OF MILITARY ASSISTANCE AND SALES TO SOUTH KOREA

The Senate bill contained a provision which would terminate military assistance and military sales credits to South Korea effective September 30, 1977, and makes line item ceilings on MAP and excess defense articles and military sales credit for each of the 3 fiscal years as follows:

[In millions of dollars]

	MAP [1]	FMS	Total
1975	91.5	42.4	133.9
1976	61.0	28.3	89.3
1977	30.5	14.1	44.6
Total	183.0	84.8	267.8

[1] Includes excess defense articles.

The House amendment contained a provision which would limit the aggregate amount for military assistance, excess defense articles, and military sales credits and guaranties to $145 million in fiscal year 1975 unless the President reported to Congress that the Government of South Korea had made substantial progress in the observance of international standards of human rights. If such a report were made, the aggregate ceiling for such programs would be increased to $165 million.

The Senate receded.

SECURITY SUPPORTING ASSISTANCE AUTHORIZATION

The Senate bill contained a provision amending section 532 of the Foreign Assistance Act to authorize $675 million for security supporting assistance in fiscal year 1975.

The House amendment authorized $585 million for security supporting assistance for fiscal year 1975.

The committee of conference agreed to a compromise authorization of $660 million for security supporting assistance for fiscal year 1975. For countries in the Middle East, this figure will allow $324.5 million for Israel, $250 million for Egypt, and $77.5 million for Jordan.

TRANSFER AND WAIVER AUTHORITY AMENDMENTS

Transfer between accounts

The Senate bill contained a provision amending section 610 to prohibit the use of the section 610(a) transfer authority to transfer funds into the military assistance program and to permit the transfer of funds allocated to a country for military assistance into the development assistance program for that same country. The Senate bill also prohibited the use of the section 614(a) waiver authority to waive the limitations on transfers provided for in the section 610(a) transfer authority.

The House amendment did not contain a comparable provision.

The House receded.

Transfers between accounts for Indochina

The Senate bill contained a provision prohibiting the use of the section 610(a) transfer authority for funds appropriated for Indochina countries but permitted the transfer of funds allocated under the Foreign Assistance Act or any other law for any Indochina country into the development assistance program for that country. The Senate bill prohibited the use of funds from accounts other than the Indochina account in the countries of Indochina but made an exception for population programs, narcotics assistance, humanitarian assistance through international organizations, and funds obligated for regional programs in Indochina.

The House amendment prohibited the use of the section 610(a) transfer authority to transfer funds into the Indochina account and prohibited the use of the section 614(a) waiver authority to use economic assistance funds in Indochina but permitted the use of these authorities if the Congress is notified 30 days in advance and does not disapprove such use by concurrent resolution.

The Senate receded with amendments (1) to eliminate the permission to use the transfer and waiver authorities with 30 days prior notice to Congress; (2) to make four exceptions to the restriction on the use of funds from accounts other than the Indochina account, namely for population programs, narcotics assistance, humanitarian assistance through international organizations, and funds obligated for regional programs in Indochina; and (3) to permit the transfer of military assistance funds provided under the Foreign Assistance Act for any Indochina country for development programs in that country.

Restrictions on use of development assistance funds

The House amendment contained a provision which prohibited providing development assistance to countries receiving funds from the security supporting assistance or Indochina aid accounts or from the Middle East Special Requirements Fund and permitted the waiver of this prohibition under section 614(a) only if Congress is notified of the proposed use of the waiver and does not disapprove such use by concurrent resolution within 30 days. The House amendment made an exception for population programs.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment which eliminates the waiver provision but makes additional exceptions for humanitarian assistance through international organizations and for regional programs in Indochina.

Changes in allocation

The House amendment contained a provision which changed section 653 to restrict further the reallocation of foreign assistance funds by extending the limitation on reallocation of funds now covering military assistance and security supporting assistance to include also Indochina aid and economic development assistance, and by increasing the prior notice period for reallocation from 10 to 30 days.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment to reduce the 30 day prior notice period to 10 days.

The committee of conference emphasizes that language agreed to should not be interpreted to allow assistance in excess of any ceilings specified in other provisions of law.

PROHIBITIONS ON MILITARY ASSISTANCE TO TURKEY

The Senate bill contained a provision which would prohibit military assistance and the sale of defense articles to Turkey until and unless the President certified to the Congress that the Government of Turkey was in compliance with the applicable laws and agreements relating to the use of defense articles furnished by the United States and was making substantial progress regarding military forces in Cyprus. The President could suspend the provisions of the section until 30 days after the convening of the 94th Congress if he determined that such suspension would further negotiations for a peaceful settlement of the Cyprus conflict.

The House amendment contained a provision suspending all military assistance and sales to Turkey upon enactment of the bill. The suspension could be waived if the President determined and certified to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus.

The conference report combines the provisions of both versions. It suspends all military assistance and sales upon enactment of the bill but allows the President to lift the suspension until February 5, 1975 if he determines that such action will further negotiations for a peaceful solution of the Cyprus conflict and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

It is the intention of the committee of conference that the period during which the President is authorized to suspend the limitations on aid to Turkey shall not be used to accelerate obligations or deliveries of materiel to Turkey. The Executive Branch is enjoined from exceeding normal planned schedules for obligations and deliveries under the MAP and FMS programs.

WAIVER OF PROHIBITION ON ASSISTANCE TO COUNTRIES TRADING WITH NORTH VIETNAM

The House amendment contained a provision which amended section 620(i) to permit the President to waive the prohibition on assistance to countries trading with North Vietnam.

The Senate bill did not amend section 620(n).

The Senate receded.

LIMITATIONS ON ASSISTANCE TO CHILE

The Senate bill contained a provision which limited assistance to Chile to $55 million in fiscal year 1975, none of which could be used for military assistance, credits, or guaranties.

The House amendment added a new subsection 620(y) suspending military assistance (except $800,000 in military training), credit sales, and cash sales to Chile through fiscal year 1975, and also prohibiting the issuance of export licenses for Chilean arms purchases from U.S. manufacturers unless the President reports to the Congress that Chile is making fundamental improvements in the observance of human rights. If such a report is made, foreign military cash sales and commercial sales may be made and up to $10 million in credit may be extended to Chile.

The House receded with an amendment to limit the funds that could be used for assistance to Chile to $25 million in fiscal year 1975, none of which funds may be used to finance military assistance, credits, or guaranties. The amendment also deleted the reference to "any other law".

DISASTER RELIEF AND CONTINGENCY FUND

The House amendment contained a provision which amended section 639 of the Foreign Assistance Act to authorize the appropriation of $40 million for famine and disaster relief in fiscal year 1975, earmarked $25 million for Cyprus, and required a quarterly report on the programing and obligation of funds. It also reduced the authorization for the contingency fund (section 451) from $30 million to $5 million and prohibited the use of the contingency fund to pay for gifts to officials of any foreign government.

The Senate bill contained a provision which amended section 639B of the Foreign Assistance Act and added new sections 639C, 639D, and 639E to authorize the President to provide, through U.N. affiliates where practicable, long-term aid to the Sahel, emergency relief to Cyprus and Bangladesh, and disaster relief to other nations where the contingency fund is inadequate, but the section did not authorize appropriations of any funds for those purposes. The Senate version did not reduce the contingency fund or prohibit its use for gifts to foreign government officials.

The Senate receded.

ACCESS TO CERTAIN MILITARY BASES ABROAD

The Senate bill contained a provision which added a new section 659 to the Foreign Assistance Act prohibiting the use of any funds authorized on behalf of any country in which a military base is located if such base was constructed or is maintained with U.S. funds, and from which the United States carries out military operations, until the President has determined that such country permits bona fide news media correspondents of the United States regular access to such military bases consistent with its own security.

The House amendment did not contain a comparable provision.

The House receded.

PROHIBITING POLICE TRAINING

The Senate bill contained a provision which added a new section 660 to the Foreign Assistance Act which would prohibit all forms of police training and financial support, both in and outside of the United States, which are funded under the Foreign Assistance Act, including the International Police Academy (IPA). Prior law prohibited police training outside the United States.

The House amendment did not contain a comparable provision.

The House receded with an amendment which terminates the authority to conduct police training within the United States or abroad, effective June 30, 1975. A specific exception is made for training of police pursuant to section 482 of the act, relating to international narcotics control.

REIMBURSABLE DEVELOPMENT PROGRAMS

The House amendment contained a provision which would add a new section 659 to the Foreign Assistance Act authorizing the use of up to $2 million to work with friendly countries, particularly those in which development assistance has ceased or those not receiving prior assistance, in obtaining development-related goods or services from U.S. sources.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment reducing the amount authorized for use under the section to $1 million.

LIMITING INTELLIGENCE ACTIVITIES

The Senate bill contained a provision which added a new section 661 to the Foreign Assistance Act prohibiting the use of funds appropriated under any act by, or on behalf of the Central Intelligence Agency (CIA), or any other agency of the U.S. Government, for the conduct of operations in foreign countries other than operations intended solely for obtaining intelligence, unless the President finds that such operations are important to the national security and transmits a report of his findings to the committee of the Congress having jurisdiction to monitor and review the intelligence activities of the U.S. Government. These restrictions would not apply during a declared war or during an exercise of power under the War Powers Resolution.

The House amendment contained a provision which added a new section 660 to the Foreign Assistance Act which was similar to the Senate measure. The basic differences were that the House section prohibited the use of Foreign Assistance Act funds only, applied to the CIA but not to other government agencies, and specifically required that the reports be transmitted to the Foreign Affairs and Foreign Relations Committees, among the committees with relevant jurisdiction. The House amendment also provided that the restrictions should not apply during a declared war or during an exercise of power under the War Powers Resolution.

The Senate receded.

The committee of conference agreed that strict measures should be taken to insure maximum security of the information submitted to the Congress pursuant to this provision.

WAIVER OF PROHIBITION AGAINST COUNTRIES ENGAGING IN CERTAIN TRADE

The Senate bill contained a provision which added a new section 662 to the Foreign Assistance Act which authorized the President to waive any provision of the Foreign Assistance Act or Public Law 480 which prohibits assistance to a country because that country trades with or ships to a designated country.

The House amendment did not contain a comparable provision.

The House receded, with an amendment deleting the reference to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

INDOCHINA POLICY STATEMENT

The Senate bill contained a provision which expressed Congressional findings and made policy statements on Indochina directing the President to undertake several measures to help bring peace in Indochina. The findings include statements that none of the parties are observing the Vietnam Peace Agreements, that the Cambodia war has intensified, and that continuation of the military efforts are not in the interests of the people in Indochina or of world peace. The specific steps to be taken are (1) negotiations with the Soviet Union and the People's Republic of China to decrease arms supply, (2) approaches to the Khmer Republic to enter into negotiations with the Khmer Government of National Union, (3) negotiations with parties to the Paris Peace Agreement to assure observance, (4) reconvening of the Paris Conference, and (5) consultation with the Congress on progress to achieve these objectives.

The House amendment did not contain a comparable provision.

The House receded with a minor modification to the Senate language.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

The Senate bill contained a provision which made a congressional finding relating to past U.S. economic policies with regard to Indochina and a policy statement concerning principles which should guide future U.S. economic assistance programs in Indochina, with steps which the Executive should follow: (1) organization of a consortium and coordination of bilateral and multilateral aid, (2) development of a comprehensive reconstruction and development plan, (3) development of detailed country reconstruction and development plans, (4) a shift of U.S. programs to economic development, (5) identification of economic reforms which will lead to progress, and (6) inclusion of criteria to enable the Congress to measure progress. The Senate bill also contained a disclaimer of a future commitment to aid Indochina countries.

The House amendment did not contain a comparable provision.

The House receded with an amendment which struck the finding relating to past U.S. economic policies with regard to Indochina.

INDOCHINA AUTHORIZATION

The Senate bill contained a provision amending the Foreign Assistance Act to authorize $617 million for Indochina postwar reconstruction and earmarking amounts as follows:

	Millions
South Vietnam	$449.9
Cambodia	100.0
Laos	40.0
Regional development	4.0
Support costs	16.0
International organizations	7.0
Total	617.0

The House amendment contained a provision amending the Foreign Assistance Act to authorize $573.4 million for Indochina aid without earmarking.

The House receded with an amendment to make the provision apply only to the Foreign Assistance Act of 1974.

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

The Senate bill contained a provision which amended section 803 of the Foreign Assistance Act to increase the earmarking of funds authorized under Indochina aid for assistance to South Vietnamese children, from $5 million to $10 million and to delete a reference to children fathered by Americans.

The House amendment also increased the section 803 program from $5 million to $10 million but did not delete the reference to children fathered by Americans.

The Senate receded with an amendment to make the earmarking apply only to the Foreign Assistance Act of 1974.

LIMITATIONS ON AID TO SOUTH VIETNAM

The Senate bill contained a provision adding a new section 806 to the Foreign Assistance Act containing the following restrictions and requirements:

Placing an absolute, nonwaivable $1,274.9 million ceiling on the total amount of U.S. assistance that can be furnished to South Vietnam in fiscal year 1975, as follows:

	Millions
Military assistance	$700.0
Public Law 480	125.0
Economic assistance	449.9
Total	1,274.9

Earmarking the economic funds authorized by major category and by programs or projects within each of these categories;

Prohibiting obligations without prior authorization or in excess of authorizations;

Requiring a written report explaining the proposed use of funds;

Requiring quarterly reports on obligations;

Establishing a personnel ceiling of 4,000 Americans (2,500 Department of Defense) in Vietnam 6 months after enactment of this act, and a ceiling of 3,000 Americans (1,500

Department of Defense) within 1 year after enactment;

Establishing a personnel ceiling of 800 third-country nationals employed by the United States in Vietnam 6 months after enactment and a ceiling of 500 within 1 year after enactment, except for voluntary agency employees; and

A statement that U.S. assistance shall not be construed as a commitment for the defense of South Vietnam.

The House amendment did not contain a comparable provision.

The House receded with an amendment to eliminate the ceiling on obligations for South Vietnam, which would have been subject to a point of order in the House, and to make the remaining restrictions and requirements of the section apply only to the Foreign Assistance Act of 1974.

LIMITATIONS ON ASSISTANCE TO CAMBODIA

The Senate bill contained a provision adding a new section 807 to the Foreign Assistance Act of 1961 with restrictions and requirements:

Placing an absolute, nonwaivable ceiling of $377 million on the total amount which can be furnished to Cambodia in fiscal year 1975, as follows:

	Millions
Military assistance	$200
Public Law 480	77
Economic assistance	100
Total	377

Earmarking the economic funds authorized by major category;

Prohibiting obligations after June 30, 1975 for Cambodia without a prior authorization;

Requiring a written report explaining the proposed use of funds;

Requiring a report on obligations for Cambodia;

Exempting voluntary agency personnel from counting against personnel ceiling; and

Stating that U.S. assistance shall not be construed as a commitment for the defense of Cambodia.

The Senate bill also repealed sections 655 and 656 of the Foreign Assistance Act relating to Cambodia.

The House amendment contained a provision amending section 655 to increase the Cambodia ceiling to $377 million, with a ceiling of $200 million on military assistance for fiscal year 1975. The House amendment also contained a provision exempting voluntary agency personnel from the personnel ceiling of section 656.

The Senate receded with an amendment to include the earmarking, program and project allocations, and personnel ceilings to apply only to the Foreign Assistance Act of 1974. The amendment also excepts from the ceiling up to $75 million in emergency assistance that may be furnished to Cambodia pursuant to the authority contained in section 506(a) of the act.

LIMITATIONS ON ASSISTANCE TO LAOS

The Senate bill contained a provision adding a new section 808 to the Foreign Assistance Act with the following restrictions and requirements:

Placing an absolute, nonwaivable limitation of $70 million on the total amount of U.S. assistance which can be furnished to Laos in fiscal year 1975, as follows:

	Millions
Military assistance	$30
Economic assistance	40
Total	70

Earmarking the economic funds authorized by major category;

Prohibiting obligations without prior authorization or in excess of authorizations;

Requiring a written report explaining the proposed use of funds;

Requiring quarterly reports on obligations; and

Statement that U.S. assistance shall not be construed as a commitment for the defense of Laos.

The House amendment did not contain a comparable provision.

The House receded with an amendment to make these restrictions and requirements apply only to the Foreign Assistance Act of 1974.

MIDDLE EAST ASSISTANCE

General authority

The Senate bill contained a provision which added a new part VI to the Foreign Assistance Act and also added a new section 901 which contained a general authority for the President to furnish assistance and to make military sales to the Middle East.

The House amendment did not contain a comparable provision.

The Senate receded.

Statement of policy

The House amendment contained a provision which added a new part VI to the Foreign Assistance Act and added a new section 901, expressing a policy on U.S. assistance to countries in the Middle East and further expressing the sense of Congress that no assistance should be furnished to any country which denies its citizens the right to emigrate.

The Senate bill did not contain a comparable provision.

The Senate receded.

Allocation of Middle East assistance

The Senate bill contained a provision which added a new section 902 to the Foreign Assistance Act which allocated funds authorized in other sections of the bill for Middle East countries as follows:

	Millions
Military assistance	$100.0
Security supporting assistance	667.0
Military sales	330.0
Total	1,097.0

The House amendment also added a new section 902 which allocated funds authorized in other parts of the bill for Middle East countries as follows:

	Millions
Military assistance	$200.0
Security supporting assistance	577.5
Military sales	230.0
Total	1,007.5

The committee of conference agreed to a compromise allocation which provides $100 million in military assistance, $652 million in security supporting assistance, and $330 million in military sales.

Although the committee of conference did not earmark funds either for Israel or Egypt in this section, it is the understanding of the committee of conference that no less than $324.5 million will be made available to Israel and no less than $250 million will be made available to Egypt in security supporting assistance.

Special requirements fund

The Senate bill contained a provision which added a new section 903 to the Foreign Assistance Act which authorized the appropriation of $100 million for a Special Requirements Fund. Before obligating any amount for a project in excess of $1 million under the authority of the Special Requirements Fund, the President was required to transmit a report to the Congress, giving full details of the project, country involved, and other details. This section also established procedures for the Congress to disapprove the proposal by concurrent resolution within 30 days.

The House amendment also added a new section 903 authorizing the appropriation of $100 million for a Special Requirements Fund. Prior to obligating or expending any of the funds, the President would be required to report to the Congress, giving full details of the project, including the country involved. If Congress did not disapprove the report within 30 legislative days, the project could go forward. A new subsection 903(c) earmarked $6 million to be applied toward settlement of the deficit of the U.N. Relief and Works Agency for Palestine Refugees in the Middle East.

The Senate receded with an amendment changing the time period for congressional disapproval of a project from 30 legislative days to 30 calendar days.

PROHIBITION ON USE OF FUNDS FOR NUCLEAR AID

The House amendment contained a provision which prohibited the use of any funds authorized in the Foreign Assistance Act of 1974 to finance the construction of, operation or maintenance of, or the supply of fuel for, any nuclear powerplant in Egypt or Israel.

The Senate bill did not contain a comparable provision.

The Senate receded.

FOREIGN MILITARY SALES ACT AMENDMENTS

Prohibition on the sale of defense articles to developed countries

The Senate bill contained a provision amending section 22 of the Foreign Military Sales Act to prohibit the sales of defense articles to any economically developed country if such articles were generally available from commercial sources in the United States.

The House amendment did not contain a comparable provision.

The Senate receded.

Interest rates for credit sales

The Senate bill contained a provision which would amend section 23 of the Act to establish a statutory minimum interest rate for credits extended under the act unless the President certified to the Congress that the national interest required a lesser rate of interest.

The House amendment did not contain a comparable provision.

The House receded.

Reduction of reserve guaranty

The Senate bill amended section 24(c) of the Foreign Military Sales Act to reduce the requirement for obligation of funds as a reserve against default from 25 percent to 10 percent of the principal amount of each guaranteed loan effective July 1, 1974. All funds not in excess of the principal amount of the contractual liability of all outstanding guaranties were to remain in the reserve account.

The House amendment did not contain a comparable provision.

The committee of conference agreed to retain existing law with an amendment to reduce the reserve guaranty requirement from 25 percent to 10 percent, effective July 1, 1974. Funds in excess of 10 percent of the principal amount of the contractual liability of all outstanding guaranties shall be transferred to the general fund of the Treasury.

Adjustment of the reserve guaranty fund

The Senate bill amended section 37(b) of the Foreign Military Sales Act to permit the adjustment of the reserve guaranty fund to reflect the reduction in the reserve guaranty requirement from 25 percent to 10 percent, for the period between July 1, 1974, and the date of enactment of the Foreign Assistance Act of 1974.

The House amendment did not contain a comparable provision.

The House receded.

Maximum repayment period for guaranteed private loans

The Senate bill added a new subsection 24(d) to the Foreign Military Sales Act which established a maximum period of 10 years for guaranties, but permitted the issuance of guaranties for a period of up to 20 years if the President certified to the Congress that the national interest required that the period of guaranty be longer than 10 years.

The House amendment did not contain a comparable provision.

The Senate receded.

Congressional approval of military sales

The Senate bill added a new section 25 to the Foreign Military Sales Act which would require the President to submit a report on any single cash or credit sale of defense articles or defense services to any foreign country which exceeds $25 million 30 days prior to the conclusion of any agreement to sell. The same procedure would apply to every sale to any country that has purchased more than $50 million of defense articles or defense services in a fiscal year. The Congress can disapprove the transaction by concurrent resolution. The President may waive this requirement if he certified in writing to the Congress that the vital interests of the United States are not served by the submission of such a report. Only one waiver may be made with respect to any one country in any 1 fiscal year. This section also repeals subsection 35(b) of the Foreign Military Sales Act.

The House amendment amended section 35 of the act to require the President to give advance notice to the Congress of any letter or offer to sell defense articles or services of $25 million or more. The letter of offer shall not be made if Congress by concurrent resolution disapproves the sale within 20 legislative days. The provisions of this section may be waived if the President determines that such a sale is in the national interest and reports this to the Congress.

The Senate receded with an amendment to change the time that Congress has to disapprove the sale from 20 legislative days to 20 calendar days.

Foreign military credit sales and aggregate ceiling

The Senate bill set an aggregate ceiling of $872.5 million on the amount of foreign military sales credits that could be issued and loans guaranteed in fiscal year 1975 and earmarked $300 million for Israel, while simultaneously releasing that country from the contractual liability to repay $100 million to the United States for the defense articles or services so financed.

The House amendment established an aggregate ceiling of $772.5 million and earmarked $200 million for Israel.

The House receded.

Latin American and African ceilings

The House amendment removed the $150 million ceiling on the amount of military assistance and sales that can be made to Latin American countries and restored the President's authority to waive the $40 million ceiling on military assistance and sales programs for African countries.

The Senate bill did not contain a comparable provision.

The Senate receded.

HUMAN RIGHTS AND POLITICAL PRISONERS

The Senate bill contained a provision amending section 32 of the Foreign Assistance Act of 1973 to require the President to submit an annual report to the Congress, setting forth fully the steps he has taken to deny economic and military assistance to any country that imprisons its citizens for political purposes.

The House amendment contained a provision adding a new section 502(B) to the Foreign Assistance Act to express the sense of the Congress that the President should substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of human rights.

The Senate receded.

GORGAS MEMORIAL INSTITUTE

The Senate bill contained a provision amending the Gorgas Memorial Act to increase the annual authorization for the Gorgas Memorial Institute from $500,000 to $1 million.

The House amendment contained a provision amending the Gorgas Memorial Act to increase the authorization from $500,000 to $2 million.

The Senate receded.

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION (ICCS)

The Senate bill contained a provision authorizing a total of $27,726,000 for the International Commission of Control and Supervision (ICCS), of which $16,526,000 is for U.S. payment to the Commission in fiscal year 1975 and $11,200,000 for reimbursement to the Agency for International Development (AID) for expenses incurred in fiscal year 1974.

The House amendment contained a provision adding a new subsection 803(d) to the Foreign Assistance Act to authorize $27.7 million for U.S. contributions to the ICCS.

The House receded.

POLICY ON ASSISTANCE TO AFRICA

The Senate bill contained a statement of policy on assistance to Africa which called for a greater emphasis on African development programs to provide the developing countries of Africa with an equitable share of U.S. economic assistance.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking language which stipulated certain aid levels for the developing countries of Africa.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

The Senate bill contained a provision which expressed the sense of the Congress with respect to the independence of and U.S. assistance to Angola, Mozambique, and Guinea-Bissau.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking two paragraphs in the statement which the committee believed lacked felicity of expression and making other minor changes in diction.

CONVENTIONAL WEAPONS TRANSFER

The Senate bill contained a provision urging the President to propose to the Geneva Conference of the Committee on Disarmament that it consider discussions on limitations on conventional arms transfer, and requiring a report 6 months after enactment on steps taken to carry out this provision.

The House amendment contained a provision amending section 511 of the Foreign Assistance Act to express the sense of the Congress that the President propose a U.S. draft international agreement for regulating the transfer of conventional weapons among the governments of the world. No report was required.

The House receded.

CARIBBEAN DEVELOPMENT BANK

The Senate bill contained a provision authorizing the President to permit Puerto Rico to participate in the Caribbean Development Bank.

The House amendment contained a provision substantially the same as the Senate provision, but required prior approval by the Secretary of State.

The Senate receded.

ASSISTANCE TO PORTUGAL AND ITS FORMER COLONIES

The Senate bill authorized $5 million for grants and $50 million for loans to Portugal and to countries which were Portuguese colonies prior to April 25, 1974, limited Portugal's share to 50 percent of this amount, and expressed support for the democratic government in Portugal.

The House amendment did not contain a comparable provision.

The House receded with an amendment reducing the authorization to $25 million, of which $5 million is to be in the form of grant assistance.

The committee of conference also agreed to delete a provision in the Senate bill which limited assistance to the Government of Portugal to 50 percent of the amount authorized and appropriated and all of the subsection expressing the sense of the Congress with respect to support of the Government of Portugal.

The committee of conference would have been more receptive to the level of assistance for Portugal if there had been a budget request for aid to Portugal and the committees had held hearings on the request.

INTEGRATION OF WOMEN

The Senate bill contained a provision requesting the President to instruct each United States representative to an international organization, including the International Bank for Reconstruction and Development (IBRD), Asian Development Bank (ADB), Inter-American Development Bank (IDB), International Monetary Fund (IMF), the United Nations Organization (UNO) and the Organization for Economic Cooperation and Development (OECD) to operate in a manner to encourage and promote integration of women into national economies.

The House amendment did not contain a comparable provision.

The House receded.

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

The Senate bill contained a provision calling upon the President to review and reprogram U.S. food and fertilizer commitments for the countries most seriously affected by the food shortages, and to use diplomatic efforts to get other countries to do the same. This section also required a report to the Congress 30 days after enactment of this act, and then quarterly, on the following actions: a global assessment by country of food needs for fiscal year 1975, currently planned programing of Public Law 480 commodities by country and by value, and steps taken to encourage the countries to increase their participation in food assistance or financing food assistance.

This section also placed a $350 million limitation in fiscal year 1975 on the amount of concessional food aid and $90 million on the amount of fertilizer that could be provided under foreign assistance programs to countries other than those most seriously affected by the economic crisis.

This section also called upon the President to proceed immediately to implement the resolutions and recommendations of the World Food Conference, and to report to the Congress within 90 days after enactment on the implementation of the resolutions.

The House amendment did not contain a comparable provision.

The House receded with amendments which:

Eliminated all references to other acts:

Deleted the $350 million limitation on food shipments and $90 million on fertilizer shipments and in lieu thereof directed that not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian food purposes;

Changed the reporting requirements of the Senate bill.

LIMITATION FOR ASSISTANCE FOR INDIA

The House amendment contained a provision limiting all assistance under the Foreign Assistance Act and the Foreign Military Sales Act to India to $50 million in fiscal year 1975.

The Senate bill did not contain a comparable provision.

The Senate receded.

EXCHANGES OF RAW MATERIAL

The House amendment contained a provision adding a new section 661 to the Foreign Assistance Act with the following subsections:

Subsection (a) authorizes the President to furnish assistance to any country in exchange for raw materials that it controls, when the President determines that the furnishing of such assistance is in the U.S. national interest. The term raw materials means fossil fuels, metals, minerals or any other natural substance which is in short supply in the United States.

Subsection (b) authorizes the President to allocate any raw materials transferred to the U.S. for any purpose authorized by law, including sales.

Subsection (c) provides that funds received from the disposal of any raw materials received pursuant to the provisions of this section shall be deposited in the miscellaneous receipts in the U.S. Treasury.

The Senate bill did not contain a comparable provision.

The Senate receded.

COUNTRIES IN DEFAULT

The House amendment contained a provision expressing the sense of Congress that any aid recipient country which is in default, 90 days prior to enactment of the act, of any payment of interest or principal of U.S. loans or credits, should pay promptly. The President is asked to enter promptly into negotiations with delinquent countries to help effectuate payment, or to gain equivalent benefit by transfer to the United States of goods, services, concessions or actions, in lieu of payment.

The Senate bill did not contain a comparable provision.

The Senate receded.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
PETER H. B. FRELINGHUYSEN,
W. BROOMFIELD,
EDWARD DERWINSKI,
Managers on the Part of the House.
JOHN SPARKMAN,
FRANK CHURCH,
STUART SYMINGTON,
HUBERT H. HUMPHREY,
G. D. AIKEN,
CLIFFORD P. CASE,
J. K. JAVITS,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO FILE CONFERENCE REPORT ON S. 3934

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on the Senate bill S. 3934.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 1296, TO FURTHER PROTECT OUTSTANDING SCENIC, NATURAL, AND SCIENTIFIC VALUES OF THE GRAND CANYON BY ENLARGING THE GRAND CANYON NATIONAL PARK IN THE STATE OF ARIZONA

Mr. TAYLOR of North Carolina submitted the following conference report and statement on the Senate bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 93-1611)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recedes from its disagreement to the amendments of the House numbered 1, 6, 7, and 9 and agree to the same.

That the House recedes from its amendments numbered 4 and 5.

That the Senate recedes from its disagreement to amendment No. 2 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "one million two hundred thousand acres,".

That the Senate recedes from its disagreement to amendment No. 3 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "113-20, 021 B and dated December 1974,".

The Senate recedes from its disagreement to the amendment of the House No. 8 and agrees to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SEC. 10. (a) For the purpose of enabling the tribe of Indians known as the Havasupai Indians of Arizona (hereinafter referred to as the "tribe") to improve the social, cultural, and economic life of its members, the lands generally depicted as the "Havasupai Reservation Addition" on the map described in section 3 of this Act, and consisting of approximately one hundred and eighty-five thousand acres of land and any improvements thereon, are hereby declared to be held by the United States in trust for the Havasupai Tribe. Such map, which shall delineate a boundary line generally one-fourth of a mile from the rim of the outer gorge of the Grand Canyon of the Colorado River and shall traverse Havasu Creek from a point on the rim at Yumtheska Point to Beaver Falls to a point on the rim at Ukwalla Point, shall be on file and available for public inspection in the Offices of the Secretary, Department of the Interior, Washington, District of Columbia.

(b) The lands held in trust pursuant to this section shall be included in the Havasupai Reservation, and shall be administered under the laws and regulations applicable to other trust Indian lands: *Provided*, That—

(1) the lands may be used for traditional purposes, including religious purposes and the gathering of, or hunting for, wild or native foods, materials for paints and medicines;

(2) the lands shall be available for use by the Havasupai Tribe for agricultural and grazing purposes, subject to the ability of such lands to sustain such use as determined by the Secretary;

(3) any areas historically used as burial grounds may continue to be so used;

(4) a study shall be made by the Secretary, in consultation with the Havasupai Tribal Council, to develop a plan for the use of this land by the tribe which shall include the selection of areas which may be used for residential, educational, and other community purposes for members of the tribe and which shall not be inconsistent with, or detract from, park uses and values; *Provided further*, That before being implemented by the Secretary, such plan shall be made available through his offices for public review and comment, shall be subject to public hearings, and shall be transmitted, together with a complete transcript of the hearings, at least 90 days prior to implementation, to the Committees on Interior and Insular Affairs of the United States Congress; and *Provided further*, That any subsequent revisions of this plan shall be subject to the same procedures as set forth in this paragraph;

(5) no commercial timber production, no commercial mining or mineral production, and no commercal or industral development shall be permitted on such lands: *Provided further*, That the Secretary may authorize the establishment of such tribal small business enterprises as he deems advisable to meet the needs of the tribe which are in accordance with the plan provided in paragraph (4) of this section;

(6) nonmembers of the tribe shall be permitted to have access across such lands at locations established by the Secretary in consultation with the Tribal Council in order to visit adjacent parklands, and with the consent of the tribe, may be permitted (i) to enter and temporarily utilize lands within the reservation in accordance with the approved land use plan described in paragraph (4) of this section for recreation purposes or (ii) to purchase licenses from the tribe to hunt on reservation lands subject to limitations and regulations imposed by the Secretary of the Interior; and

(7) except for the uses permitted in paragraphs 1 through 6 of this section, the lands hereby transferred to the tribe shall remain forever wild and no uses shall be permitted under the plan which detract from the existing scenic and natural values of such lands.

(c) The Secretary shall be responsible for the establishment and maintenance of conservation measures for these lands, including, without limitation, protection from fire, disease, insects, or trespass and reasonable prevention or elimination of erosion, damaging land use, overgrazing, or pollution. The Secretary of the Interior is authorized to contract with the Secretary of Agriculture for any services or materials deemed necessary to institute or carry out any such measures. Any authorized Federal programs available to any other Indian tribes to enhance their social, cultural, and economic well-being shall be deemed available to the tribe on these lands so long as such programs or projects are consistent with the purposes of this Act. For these purposes, and for the purpose of managing and preserving the resources of the Grand Canyon National Park, the Secretary shall have the right of access to any lands hereby included in the Havasupai Reservation. Nothing in this Act shall be construed to prohibit access by any members of the tribe to any sacred or religious places or burial grounds, native foods, paints, materials, and medicines located on public lands not otherwise covered in this Act.

(d) The Secretary shall permit any person presently exercising grazing privileges pursuant to Federal permit or lease in that part of the Kaibab National Forest designated as the "Raintank Allotment", and which is included in the Havasupai Reservation by this section, to continue in the exercise thereof, but no permit or renewal shall be extended beyond the period ending ten years from the date of enactment of this Act, at which time all rights of use and occupancy of the lands will be transferred to the tribe subject to the same terms and conditions as the other lands included in the reservation in paragraph (b) of this section.

(e) The Secretary, subject to such reasonable regulations as he may prescribe to protect the scenic, natural, and wildlife values thereof, shall permit the tribe to use lands within the Grand Canyon National Park which are designated as "Havasupai Use Lands" on the Grand Canyon National Park boundary map described in section 3 of this Act, and consisting of approximately ninety-five thousand three hundred acres of land, for grazing and other traditional purposes.

(f) By the enactment of this Act, the Congress recognizes and declares that all right, title, and interest in any lands not otherwise declared to be held in trust for the Havasupai Tribe or otherwise covered by this Act is extinguished. Section 3 of the Act of February 26, 1919 (40 Stat. 1177; 16 U.S.C. 223), is hereby repealed.

And the House agree to the same.

James A. Haley,
Roy A. Taylor,
Morris K. Udall,
Thomas S. Foley,
Lloyd Meeds,
Joe Skubitz,
Sam Steiger,
Keith G. Sebelius,
Ralph S. Regula,
Managers on the Part of the House.

Henry M. Jackson,
Alan Bible,
Frank Church,
Paul J. Fannin,
Clifford P. Hansen,
Managers on the Part of the Senate.

Joint Statement of the Committee of Conference

The managers on the part of the House and Senate at the Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1296), to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona and for other purposes, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying Conference Report.

There were four principal differences between S. 1296 as it passed the Senate and the amendments to the bill adopted by the House. These differences, and the disposition of them, which the Conference Committee recommends are as follows:

(1) AREA TO BE INCLUDED

Both the House and Senate versions of S. 1296 were designed to consolidate into one Grand Canyon National Park the geographic area known as "The Grand Canyon". While the Senate version included much of the same area as the House version, the House amendments would have included some significant side canyon systems and encompassed the entire Grand Canyon and the entire Colorado River from the Paria River to the Grand Wash Cliffs near the headwaters of Lake Mead. In resolving these differences, the members of the Conference Committee recommend the boundaries approved by the House with the following exceptions:

(1) Parashaunt, Andrus and Whitmore Canyons;

(2) Kanab Canyon; and

(3) Shivwitz Plateau.

While the managers did not include in their recommendation these areas, their potential park value was recognized and it was agreed that they should be studied by the Secretary of the Interior for possible future consideration for addition to the park by the Congress. To this end, the Committee of Conference directs the Secretary of the Interior to study these areas to determine if they, or any part of them, qualify for national park designation. Once this study is completed, it is to be transmitted, together with his recommendations to the Congress, for its consideration.

(2) AREAS FOR STUDY

The House and Senate both included provisions for the study of certain areas to determine if they should be retained as a part of the park. Under that study language, these areas would be tentatively included in the park, but, after review, they might be eliminated from the park boundaries by Congressional action. The areas known as the Parashaunt Allotmet and Kanab Canyon which were added by the House were to be subject to this review procedure, but since they were deleted from the boundaries, they are to be studied separately and possibly recommended for inclusion in the park by some future Congress.

(3) HAVASUPAI RESERVATION ENLARGEMENT

One of the major differences between the House and Senate versions of S. 1296 involved the provision concerning the Havasupai Indian Reservation. The Senate approved version provided that the Secretaries of Interior and Agriculture study the needs of the Havasupai Tribe and make detailed recommendations to the Congress and the President concerning proposals for the expansion of the reservation. The House amendment included a provision for an immediate enlargement of the reservation and specified that the boundaries would be located on the plateau one-quarter of a mile from the rim of the canyon except where it crosses Havasu Creek from Yumatheska Point to the top of Beaver Falls to Ukwalla Point; thus granting trust title to approximately 185,000 acres of national park, monument and forest land to the Havasupai Tribe.

Under the terms of the House amendment, the lands are to be used by the tribe subject to the limitations enumerated in the legislation and in accordance with a plan to be developed by the Secretary of the Interior in consultation with the tribal council. As recommended, the plan is not to allow any uses which would "be inconsistent with or detract from, park uses and values." It is the intention of the conferees, by this language, to assure the protection of the scenic, natural, and scientific values from any degradation which would result if adverse uses were permitted. As agreed by the Committee, once this plan is developed, it—along with any revisions to it—must be made available to the public for review and comment, must be the subject of public hearings, and must be presented to the Congress at least 90 days before being implemented.

The House amendment was also modified to specifically prohibit commercial enterprises and activities on the lands transferred, but it does permit small tribal business enterprises which are under the control, operation, and administration of the tribe; which are approved by the Secretary; and which are in accordance with the land use plan required by the Act. In considering this language, the conferees recognized that a need might be shown for such small businesses as gasoline stations, trading posts and customary businesses (grocery stores, drugstores, and the like) which are needed to serve any Indian residential communities which might result from the enlargement of the reservation.

As approved by the House, this amendment makes it clear that nonmembers of the tribe are to have established reasonable access routes across the reservation to visit the adjacent parklands. In addition to this provision, the Committee recommends that the tribe be authorized to issue licenses to hunt on reservation lands to nonmembers of the tribe. Such licenses are to be subject to such limitations and regulations as the Secretary shall prescribe, but such licenses shall not extend to nor permit any hunting privileges on any lands within the Grand Canyon National Park. Since game animals—particularly bighorn sheep—move across park boundaries intermittently, it is essential that the Secretary develop stringent regulations to assure the preservation of the wildlife of this region and to assure the integrity of the park as a wildlife sanctuary.

(4) WILDERNESS AREAS

The Senate version of the bill contained no specific wilderness study provision. The House amendment provides for a study of all lands—including the entire river from the mouth of the Paria to the headwaters of Lake Mead—within the revised park boundaries to be studied for possible designations as wilderness under the terms of the Wilderness Act. In this connection, the conferees specifically noted that the lands designated by the Act as "Havasupai Use Lands"—which are entirely within the park boundaries—should be considered by the Secretary in making any recommendations for a wilderness area within the Grand Canyon National Park notwithstanding allowed tribal uses.

The managers on the part of the House and Senate recommend the approval of S. 1296 with the amendments and modifications explained above.

James A. Haley,
Roy A. Taylor,
Morris K. Udall,
Thomas S. Foley,
Lloyd Meeds,
Joe Skubitz,
Sam Steiger,
Keith G. Sebelius,
Ralph S. Regula,
Managers on the Part of the House.

Henry M. Jackson,
Alan Bible,
Frank Church,
Paul J. Fannin,
Clifford P. Hansen,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON S. 3022, AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the National Wild and Scenic Rivers System; to amend the Lower Saint Croix River Act of 1972 (82 Stat. 1174), and for other purposes, with a House amendment thereto, insist on the House amendment and agree to a conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. Taylor of North Carolina, Johnson of California, Roncalio of Wyoming, Skubitz, and Steiger of Arizona.

AMENDING H.R. 12884, DESIGNATION OF WILDERNESS AREAS WITHIN THE NATIONAL WILDLIFE REFUGE SYSTEM

Mr. MELCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12884) to designate certain lands as wilderness, with Senate amendments thereto, and concur in the Senate amendments with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That in accordance with subsection 3(b) of the Wilderness Act (78 Stat. 891) the following areas are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(1) The area in the Cleveland National Forest in California classified as the Agua Tibia Primitive Area, with deletions therefrom, which area comprises approximately sixteen thousand nine hundred and seventy-one acres, is generally depicted on a map entitled "Agua Tibia Wilderness—Proposed", dated July 1974, and shall be known as the Agua Tibia Wilderness. The previous classification of the Agua Tibia Primitive Area is hereby abolished.

(2) The area in the Stanislaus National Forest in California classified as the Emigrant Basin Primitive Area, with additions thereto and deletions therefrom, which area comprises approximately one hundred and six thousand nine hundred and ten acres, is generally depicted on a map entitled "Emigrant Wilderness—Proposed, 1970" on file in the Office of the Chief, Forest Service, Department of Agriculture, and shall be known as the Emigrant Wilderness. The area commonly called the Cherry Creek exclusion, depicted on such map as Exclusion 2 and comprising approximately six thousand and forty-two acres, shall, in accordance with the provisions of subsection 3(d) of the Wilderness Act, be reviewed by the Secretary of Agriculture as to its suitability or nonsuitability for preservation as wilderness in conjunction with his review of the potential addition to the Hoover Wilderness in Toiyabe National Forest. The recommendations of the President to the Congress on the potential addition to the Hoover Wilderness shall be accompanied by the President's recommendations on the Cherry Creek exclusion. The previous classification of the Emigrant Basin Primitive Area is hereby abolished with the exception of said Exclusion 2.

(3) The area in the Routt and White River National Forests in Colorado classified as the Flat Tops Primitive Area, with additions thereto and deletions therefrom, which area comprises approximately two hundred and thirty-seven thousand five hundred acres, is generally depicted on a map entitled "Flat Top Wilderness—Proposed", dated October 1973, and shall be known as the Flat Top Wilderness. The previous classification of the Flat Tops Primitive Area is hereby abolished.

(4) The area in the Arapaho and White River National Forest in Colorado classified as the Gore Range—Eagle Nest Primitive Area, with additions thereto and deletions therefrom, which area comprises approximately one hundred and twenty-eight thousand three hundred and seventy-four acres, is depicted on a map entitled "Eagles Nest Wilderness—Proposed", dated October 1973, and shall be known as the Eagles Nest Wilderness. The previous classification of the Gore Range Eagles Nest Primitive Area is hereby abolished.

(5) The area in the Rio Grande and San Juan National Forests in Colorado classified as the San Juan and Upper Rio Grande Primitive Areas, with additions thereto and deletions therefrom, which area comprises approximately four hundred and thirty-three thousand seven hundred and forty-five acres, is designated on the map entitled "Weminuche Wilderness—Proposed", dated February 1974, and shall be known as the Weminuche Wilderness. The previous classification of the San Juan and Upper Rio Grande Primitive Areas is hereby abolished.

(6) The area in the Flathead National Forest in Montana classified as the Mission Mountains Primitive Area, with an addition thereto, which area comprises approximately seventy-five thousand five hundred and eighty-eight acres, is depicted on a map entitled "Mission Mountains Wilderness Area—Proposed", dated July 1974, and shall be known as the Mission Mountains Wilderness Area. The previous classification of the Mission Mountains Primitive Area is hereby abolished.

SEC. 2. (a) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and legal description of each area designated as wilderness by this Act with the Interior and Insular Affairs Committee of the United States Senate and House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in each such description and map may be made.

(b) Each such map and description shall be on file and available for public inspection in the office of the Chief, Forest Service, United State Department of Agriculture.

SEC. 3. The areas designated as wilderness by this Act shall be administered by the Secretary of Agriculture in accordance with the applicable provisions of the Wilderness Act (78 Stat. 890) governing areas designated as wilderness by that Act, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

Amend the title so as to read: "An Act to designate certain national forest wilderness areas in the States of California, Colorado, and Montana."

The Clerk read the amendment to the Senate amendments, as follows:

In lieu of the matter proposed to be inserted by the Senate, insert the following:

DESIGNATION OF WILDERNESS AREAS WITHIN THE NATIONAL WILDLIFE REFUGE SYSTEM

SECTION 1. That in accordance with subsection (c) of section 3 of the Wilderness Act (78 Stat. 890, 892), the following lands are hereby designated as wilderness and, therefore, as components of the national wilderness preservation system:

(a) certain lands in the Chamisso National Wildlife Refuge, Alaska, which comprise approximately four hundred and fifty-five acres, which are depicted on a map entitled "Chamisso Wilderness Proposal", dated November 1969, and which shall be known as the Chamisso Wilderness;

(b) certain lands in the National Key Deer Refuge, Great White Heron National Wildlife Refuge, and the Key West National Wildlife Refuge, Florida, which comprise approximately four thousand seven hundred and forty acres, which are depicted on a map entitled "Florida Keys Wilderness—Proposed", dated August 1969, and which shall be known as the Florida Keys Wilderness;

(c) certain lands in the St. Marks Wildlife Refuge, Florida, which comprise approximately seventeen thousand seven hundred and forty-six acres, which are depicted on a map entitled "St. Marks Wilderness Proposal—Florida", dated September 1971, revised December 1971, and which shall be known as the St. Marks Wilderness;

(d) certain lands in the Blackbeard Island National Wildlife Refuge, Georgia, which comprise approximately three thousand acres, which are depicted on a map entitled "Blackbeard Island Wilderness—Proposed", dated December 1971, and which shall be known as the "Blackbeard Island Wilderness";

(e) certain lands in the Wolf Island National Wildlife Refuge, Georgia, which comprise approximately five thousand one hundred and twenty-six acres, which are depicted on a map entitled "Wolf Island Wilderness Proposal", dated March 1971, revised March 1973, further revised March 1974, and which shall be known as the Wolf Island Wilderness;

(f) certain lands in the Breton National Wildlife Refuge, Louisiana, which comprise approximately five thousand acres, which are depicted on a map entitled "Breton Wilderness—Proposed", dated December 1970, revised January 1974, and which shall be known as the Breton Wilderness;

(g) certain lands in the Moosehorn National Wildlife Refuge, Maine, which comprise approximately four thousand seven hundred and nineteen acres and which are depicted on a map entitled "Moosehorn Wilderness (Baring Unit)—Proposed", dated September 1971, revised December 1971, further revised September 1974, and which shall be known as the Moosehorn Wilderness (Baring Unit);

(h) certain lands in the Brigantine National Wildlife Refuge, New Jersey, which comprise approximately six thousand six hundred and three acres, which are depicted on the map entitled "Brigantine Wilderness—Proposed", dated August 1971, revised September 1974, and which shall be known as the Brigantine Wilderness;

(i) certain lands in the Bosque del Apache National Wildlife Refuge, New Mexico, which comprise approximately thirty thousand eight hundred and fifty acres, which are depicted on a map entitled "Bosque del Apache Wilderness—Proposed", dated July 1971, revised September 1974, and which shall be known as Bosque del Apache Wilderness;

(j) certain lands in the Chase Lake National Wildlife Refuge, North Dakota, which comprise approximately four thousand one hundred and fifty-five acres, which are depicted on the map entitled "Chase Lake Wilderness—Proposed", dated September 1971, and which shall be known as the Chase Lake Wilderness;

(k) certain lands in the Lostwood National Wildlife Refuge, North Dakota, which comprise approximately five thousand five hundred and seventy-seven acres, which are depicted on a map entitled "Lostwood Wilderness Proposal", dated August 1971, and which shall be known as the Lostwood Wilderness;

(l) all lands in the West Sister Island National Wildlife Refuge, Ohio, which comprise approximately eighty-five acres, which are depicted on a map entitled "Proposed West Sister Island Wilderness", dated October 1969, and which shall be known as the West Sister Island Wilderness; and

(m) certain lands in the Cape Romain National Wildlife Refuge, South Carolina, which comprise approximately twenty-eight thousand acres, which are depicted on a map entitled "Cape Romain Wilderness Proposal", dated January 1971, and which shall be known as the Cape Romain Wilderness.

DESIGNATION OF WILDERNESS AREAS WITHIN THE NATIONAL FOREST SYSTEM

SEC. 2. In accordance with subsection 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132) the following areas are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(a) The area in the Cleveland National Forest in California classified as the Agua Tibia Primitive Area, with deletions therefrom, which area comprises approximately sixteen thousand nine hundred and seventy-one acres, is generally depicted on a map entitled "Agua Tibia Wilderness—Proposed", dated July 1974, and shall be known as the Agua Tibia Wilderness.

(b) The area in the Stanislaus National Forest in California classified as the Emigrant Basin Primitive Area, with additions thereto and deletions therefrom, which area comprises approximately one hundred and six thousand nine hundred and ten acres, is generally depicted on a map entitled "Emigrant Wilderness—Proposed, 1970" on file in the Office of the Chief, Forest Service, Department of Agriculture, and shall be known as the Emigrant Wilderness. The area commonly called the Cherry Creek exclusion, depicted on such map as Exclusion 2 and comprising approximately six thousand and forty-two acres, shall, in accordance with the provisions of subsection 3(d) of the Wilderness Act, be reviewed by the Secretary of Agriculture as to its suitability or nonsuitability for preservation as wilderness in conjunction with his review of the potential addition to the Hoover Wilderness in Toiyabe National Forest. The recommendations of the President to the Congress on the potential addition to the Hoover Wilderness shall be accompanied by the President's recommendations on the Cherry Creek exclusion. The previous classification of the Emigrant Basin Primitive Area is hereby abolished with the exception of said Exclusion 2.

(c) The area classified as the San Juan and Upper Rio Grande Primitive Areas, with the proposed additions thereto and deletions therefrom, as generally depicted on a map entitled "Weminuche Wilderness—Proposed", dated December 1974, which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, is hereby designated as the Weminuche Wilderness within and as part of the Rio Grande and San Juan National Forests comprising an area of approximately four hundred five thousand thirty-one acres.

(d) The area in the Flathead National Forest in Montana classified as the Mission Mountains Primitive Area, with an addition thereto, which area comprises approximately seventy-five thousand five hundred and eighty-eight acres, is depicted on a map entitled "Mission Mountains Wilderness Area—Proposed", dated July 1974, and shall be known as the Mission Mountains Wilderness.

ADMINISTRATIVE PROVISIONS

SEC. 3. Except as otherwise provided in this Act, all primitive area classifications of areas herein designated wilderness are hereby abolished.

SEC. 4. As soon as practicable after this Act takes effect, a map and a legal description of each wilderness area shall be filed with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 5. Wilderness areas designated by this Act shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and any references to the Secretary of Agriculture shall be deemed to be a reference to the Secretary who has administrative jurisdiction over the area.

Mr. MELCHER (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman explain to us what this is?

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

Mr. MELCHER. I am delighted to explain that these are various wilderness areas, either in the national wildlife refuge system or in the U.S. forests, that have been approved by the House and Senate. We are combining the two in one package, adjusting the boundaries, and that is the only purpose, and wrapping it up in one bill.

Mr. ROUSSELOT. Further reserving the right to object, could the gentleman explain, are there any portions of this legislation that are not germane under the House rules?

Mr. MELCHER. They are all germane. I can tell the gentleman that they are all germane.

Mr. ROUSSELOT. Further reserving the right to object, I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, I would just advise my friend that, as the gentleman from Montana stated, this is a combination of the Senate version and the House version. I know my friend would be interested in knowing the agreement that was reached was based largely on a compromise basis on the House's desire. It was a boundary adjustment in certain parts, and the elimination, to which accommodation could not be reached.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Montana.

There was no objection.

The Senate amendments as amended were concurred in.

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the House disagree to the title amendment on H.R. 12884.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

A motion to reconsider was laid on the table.

INCREASING AUTHORIZATION FOR APPROPRIATIONS TO ATOMIC ENERGY COMMISSION

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 16609) to amend Public Law 93-276 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 101(a) of Public Law 93–276 is hereby amended by striking therefrom the figure "$2,551,533,000" and substituting the figure "$2,580,733,000".

SEC. 2. Section 101(b) of Public Law 93–276 is hereby amended by striking from subsection (11) capital equipment the figure "$208,850,000" and substituting the figure "$224,900,000".

SEC. 3. From the increase of the sums authorized to be appropriated by this Act, $23,000,000 shall be allotted to, and made available only for the Safeguards Program, with regard to the safeguarding of special nuclear materials from diversion from its intended uses, and for research and development of safeguards techniques and related activities involved in handling nuclear material.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. GROSS. Mr. Speaker, reserving the right to object. I am not sure I heard the amendment as it was read in the confusion here. The amendment is germane to the bill, is it not?

Mr. PRICE of Illinois. The amendment is germane.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, I would like to clarify the intent of the Senate amendment to H.R. 16609. The bill as passed by the House authorized supplemental appropriations of $80.5 million for the Atomic Energy Commission for fiscal year 1975. This amount consisted of $57.5 million for the nuclear weapons testing program and $23 million for the safeguards program for protecting nuclear materials from theft, diversion, and sabotage.

The Senate amendment reduced the total amount to $45.25 million. The $23 million for safeguards was unchanged, while the amount for weapons testing was reduced to $22.25 million. This latter figure corresponds to the amount approved in the conference report on the related appropriations measure, H.R. 16900. The amendment added a section 3 to the bill to make clear the division of the authorization between the safeguards and weapons programs. Specifically, section 3 requires that $23 million of the total authorization be provided for the safeguards program.

The conferees on the appropriations bill, besides reducing the figure for weapons testing to $22.25 million, reduced the safeguards appropriation to $12.4 million. So that there is no confusion on this point, I want to make it clear that the provision of section 3 applies only to the authorization of $23 million for the safeguards programs, and is not intended to be controlling on the actual appropriations. The action of the conferees on the appropriations bill, in identifying the respective amounts to be allotted to the two programs, controls the allocation of the appropriated sums.

The conferees have stated that they might reconsider the amounts appropriated for these programs next year. Thus it would be possible that the $10.6 million authorized by this bill for safeguards but not appropriated this year might be appropriated next year. Pending that eventuality, the funds appropriated would be allotted in accordance with the conference report on H.R. 16900. I have been assured by the sponsor of the Senate amendment, Senator PASTORE, that this comports with his intentions in offering the amendment, as the record of the debate in that body indicates. I have also asked the Atomic Energy Commission for a statement as to their interpretation of the amendment, and I would like to enter their response into the RECORD at the conclusion of my remarks. They are in accord with the reading of this language that I have described:

ATOMIC ENERGY COMMISSION,
Washington, D.C. December 16, 1974.

Hon. MELVIN PRICE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. PRICE: The Joint Committee staff has asked for Commission views on H.R. 16609, a bill to authorize supplemental AEC appropriations for FY 1975, as amended pursuant to the agreement reached by Senators Pastore and Kennedy on December 10, 1974.

As so amended the bill would authorize an additional $22.25 million for the underground testing program, and an additional $23 million for the safeguards program. We understand that, in contrast, the corresponding appropriations bill now under consideration by the Congress, H.R. 16900, as amended, would allocate an additional $22.25 million for underground testing, but only an additional $12.4 million for safeguards.

The specific question asked by the Committee staff is whether, assuming the above-described bills are enacted into law, the Commission would consider that the authorization act imposed on it a requirement to allocate $23 million to the safeguards program notwithstanding the lesser amount allocated by the appropriations act. Presumably, the $10.6 million difference would come from the $22.25 million earmarked for testing, leaving only $11.65 million for the latter purpose.

The Commission does not believe the Kennedy-Pastore amended version of H.R. 16609, if enacted into law, would impose such a requirement.

H.R. 16609 (S. 4033), as reported from the Joint Committee, would have supplemented underground test program funds by $57.5 millions and safeguards program funds by $23 million. The amendment proposed by Senator Kennedy on December 10, 1974, which would have eliminated the $57.5 million for testing, clearly reflected his opposition to an "accelerated nuclear weapons testing program," but did "not affect the $23 million authorization for the nuclear safeguards program." (See 120 Cong. Rec. S20950 (daily ed. Dec. 10, 1974) and the ensuing discussion.) The compromise amendment proposed by Senator Pastore, and agreed to by Senator Kennedy, would allocate $22.5 million to testing instead of the $57.5 million. In proposing this compromise, Senator Pastore stated (id. at S20951) that he was doing so "to bring the authorization in consonance with the appropriation" bill.

As we interpret the record (id., S20949–55), the discussion related only to the amount of supplemental funds to be authorized for testing. We find no evidence of an intent to affect one way or the other the supplement of $23 million proposed for the safeguards program. In particular, we find no evidence of an intent that this authorization act, unlike usual legislation to authorize appropriations, would impose an absolute requirement to allocate funds to a program (i.e., an additional $23 million to safeguards) notwithstanding the amount allocated by the corresponding appropriations act.

Accordingly, we believe the intent of the language in Section 3.(a) of the Kennedy-Pastore amended version of H.R. 16609, which states that ". . . $23,000,000 shall be alloted to, and made available only for the Safeguards Program. . . ." (id. at S20951), is to establish the respective ceilings on supplemental funds that may be appropriated for testing and safeguards rather than to impose a requirement that $23 million be allocated to safeguards regardless of the amount appropriated. We believe this view is consistent with interpretations generally given to other authorization acts.

Sincerely,

BERTRAM H. SCHUR.
For MARCUS A. ROWDEN,
General Counsel.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PRESIDENT GERALD R. FORD FEDERAL OFFICE BUILDING

Mr. GRAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11897) to name the U.S. courthouse and Federal office building at 110 Michigan Street NW., Grand Rapids, Mich., the "Gerald R. Ford Federal Office Building."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

H.R. 11897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Courthouse and Federal Office Building located at 110 Michigan Street, N.W., Grand Rapids, Michigan, shall hereafter be known and designated as the "Gerald R. Ford Federal Office Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Gerald R. Ford Federal Office Building".

AMENDMENT OFFERED BY MR. GRAY

Mr. GRAY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: Strike out "Gerald R. Ford Federal Office Building" wherever it appears and insert in lieu thereof "President Gerald R. Ford Federal Office Building".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "President Gerald R. Ford Federal Office Building."

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 16596, EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 16596, to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

HARRY S. TRUMAN MEMORIAL SCHOLARSHIP ACT

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17481) to establish the Harry S. Truman Memorial Scholarship program, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 17481, with Mr. GIAIMO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky (Mr. PERKINS) will be recognized for 30 minutes, and the gentleman from Oregon (Mr. DELLENBACK) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, H.R. 17481 is a bill to create the Harry S. Truman Memorial Scholarship program. It is a single bill which has been explained before this House earlier this month and, at that time, received the affirmative votes of a majority of the membership of the House.

Since the bill was taken up at that time under suspension—and it failed to receive a two-thirds vote—it has to be considered again. Nothing in the bill has changed, and I am confident that once again, a majority of the Members of this House will support this legislation.

Let me be brief in my description of the bill.

H.R. 17481 establishes in the Treasury of the United States a fund, to which the bill authorizes a total appropriation of not to exceed $30,000,000. This appropriation need not be in one lump sum, and it can indeed be appropriated in installments over a period of 4 or 5 years if fiscal considerations so dictate.

The Secretary of the Treasury will manage this Fund, and he is directed by the bill to invest it in U.S. Government obligations. From the proceeds of this investment—and solely from those proceeds—the Harry S. Truman Foundation, also created by the bill, will receive the money it needs to pay for the costs of awarding 4-year scholarships to students—undergraduate or graduate—who show outstanding interest and ability in courses of study which can lead those students to careers in the public service.

There is no fixed number of scholarships to be awarded, except that at least one must be awarded in each State where there is a qualified applicant.

Beyond the 53 scholarships required by this provision, further awards can be made by the Foundation to the extent that income is available from the Fund. I would not anticipate that the number of scholarships would go much beyond 75 or 80 annual awards even if the endowment is fully funded.

The Truman scholarships will carry an annual stipend equal to the cost of tuition, fees, books, room and board for the Truman scholar at the institution of his choice, up to a maximum of $5,000.

The Foundation itself is to be headed by a Board of Trustees of 13 members—including 2 Members of this body, 2 Senators, the U.S. Commissioner of Education, a Governor, a mayor or county executive, 2 judges—1 Federal and 1 State—a higher educator, and 3 representatives of the general public.

While not specified in the bill, it is anticipated that the President—who will appoint the nine members who are not Members of Congress—will appoint a representative of the Truman family as one of the public members at least as long as any member of the late President's immediate family is alive.

The Board, which will set general policy for the Foundation and select the executive secretary, will not be paid, but necessary travel and per diem will be made available for its members.

As passed by the Senate, the Truman scholarship bill required that institutions which Truman scholars attended had to agree to let such scholars participate for 1 year in study in an institution in the Washington area. The House Committee, which believes very strongly in the value of exposure to public service on the scene, did not believe that such exposure should be mandated to take place in Washington.

However, the bill and the report language on this point seek to reemphasize the long-standing Federal policy against any effort by any Federal agency to mandate the curriculum or structure of a course of study at any university or college.

This program, Mr. Chairman, is a fitting memorial for a great President. The former President's immediate family know better than any of us what he believed in and what he wanted to leave behind, and they have given this program their strong support from its very inception. It is a small nonrenewable investment of public funds and it will sustain the scholarship program for the foreseeable future.

I urge its passage.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I believe that I asked this question the last time we debated this bill, and there were no figures available at that time. Can the gentleman from Kentucky tell the House what amounts have been appropriated for other Presidential memorials such as for President Eisenhower, if there was one, and if there was one, for Franklin Delano Roosevelt at Hyde Park, and so forth.

Mr. PERKINS. I do not have the precise figures requested by the gentleman, but most of our Presidential memorials cost a substantial amount for their time. What we are considering here and now is a maximum of $30 million for this memorial to the late President Truman. I believe this is the least we could do for a man like Harry Truman, who rendered such great service, and who made such momentous decisions under difficult circumstances during his tenure in office as President.

Mr. DELLENBACK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and colleagues, most of the debate that needs to be in the record and that needs to be spoken for the edification of the Members of this body has already been spoken in the past days as we have dealt on two different occasions with this measure: first when we had the bill up before us under a suspension of the rules. At that time it received a majority of the votes, but not the necessary two-thirds majority to be enacted; and, second, yesterday when we were dealing with the rule when, at that time, we got into a good deal of substantive discussion on the measure.

Mr. Chairman, let me say only a relatively few things about the bill, because the basic specifics have been laid out by the chairman of the full committee, the gentleman from Kentucky (Mr. PERKINS).

Mr. Chairman, this legislation has passed the Senate in substantially the form that is before us tonight. It is a unique idea for a memorial, and I think a particularly appropriate one for a President like President Harry S Truman, who knew so very much about education, and who knew so very much about public service.

There are some amendments in the House version of the bill over the Senate version which in my opinion improve the bill. I shall outline the most significant ones just very briefly.

First, the Senate version of the bill dealt with only undergraduate students, whereas we have specifically provided for allowing both undergraduate and graduate students to participate and benefit.

Second, the Senate version of the bill provided for State competition and selection by each individual State of its scholars. We have in this version of the bill which is before us this evening provided for a national competition and, in so doing, we think we have made the procedure run much more smoothly, much less expensively, and yet ending up, under a national selection procedure, still selecting scholars from each individual State.

So the basic thrust of those who wanted to be sure that it reached across the country will clearly be taken care of, but in a much more efficient way than the Senate had first provided

Third, we here provide that, unlike the Senate version where it was dealing only with the 50 States and the District of Columbia, there be treatment of Puerto Rico as a state and the other territories lumped together as a state. So there is an addition in the House version over the Senate version, so far as treatment of those particular areas are concerned.

It has been said in prior debate that we are not dealing with an additional appropriation of $30 million. Let me repeat that we are dealing with an authorization. No appropriation would be needed or expected this year, and if, when it gets going in fiscal year 1976, there is to be a full scale going immediately, then as little as $7 million will need to be appropriated that year to get the program underway, but not the full amount authorized. It would not be expected that it would be appropriated this year or next or the next year after that.

I have set forth more specific views, and they can be found from pages 37906 to 37913 of the December 3 CONGRESSIONAL RECORD.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I will be glad to yield to my colleague, the gentleman from Indiana.

Mr. DENNIS. I thank the gentleman for yielding.

I have some reservations about this legislation, and I would like to make it very clear that they are not partisan reservations. Mr. Truman happens to be a President whom I admired personally although our parties were different, so that is not what concerns me at all on this measure. And it is not primarily financial either, although I do think we are in a situation in this country where we ought not to start spending $30 million casually.

The thing that concerns me a little bit—and I would like to know what the gentleman thinks about it philosophically—is this: I do not know exactly what is meant by training for public service, and I do not know whether it is even a very good idea.

My idea of public service in this country and my idea of what is good about this House of Representatives is that we are basically professionals. We are people who came here from all walks of life after doing a lot of other things as public citizens who were interested in doing a little something for their country, whether we practiced law, or kept a store, or had a haberdashery, as President Harry Truman did, or were soldiers, or a lot of other things. I do not know how sound it is to start training people to be nothing but public servants.

I think we are going to get a bad Congress around here when we get a bunch of young people who have never done anything except run for office, who have never been anything but Congressmen, and who do not intend to be anything but Congressmen all their lives. It is going to change the kind of republic we have, and I do not know whether Mr.

Truman would have liked it. I do not know whether it would have suited him. I do not know whether it suits me, and that is the philosophical problem I have with this kind of legislation.

I would value the gentleman's comments on it.

Mr. DELLENBACK. I would be glad to respond to my colleague's question. So far as how Mr. Truman would feel on this, nobody is in a position to state authoritatively at this time.

Mr. DENNIS. If the gentleman will yield further. I agree with the gentleman on that.

Mr. DELLENBACK. The closest thing we feel we can come to it, however, is the feeling of his family and those who are closest to him. We have in testimony before the subcommittee the statement of Mrs. E. Clifton Daniel, who is, of course, as we all know, the daughter of President Truman. It was the thrust of her testimony that not only Mrs. Daniel but the family felt this would be a highly desirable memorial that they, themselves, felt was most pertinent and appropriate.

Beyond that, on the question of public service, the question is a very good one. We do not define public service, and we deliberately do not attempt to define public service. It certainly enhances far more than service in this House.

When the gentleman's remarks went to the membership in this House, I understood and am sympathetic with certain views he expressed; but we are here talking, when we talk about public service, about the possibly most significant and the possibly largest field of employment in the Nation, because public service runs the warp and woof, runs the gamut from local service to State service, to national service, to serving on behalf of the country in international service, in all branches of Government, in all phases of service to the public in and out of Government.

We specifically, under the terms of the bill, leave to the board the definition as well as the selection procedure. We have spoken on behalf of the Congress in talking in terms of requiring a demonstration of outstanding potential for and planning to pursue a career in public service. But we look to the board, and as the gentleman is aware, it is composed of some Members from the House and some from the Senate and beyond that, there is the Commissioner of Education and beyond that, eight members to be appointed by the President with the advice and consent of the Senate, some of whom will be a chief executive of a State, one of a county, one will be a member of a State court, one a person active in post-secondary education and three representatives of the public. So, under the terms of the bill, we have reached broadly in establishing the board and we feel the board will be of such a blue ribbon, fine character, that they will define what should be classified as public service and they will go about the selection in an admirable way.

Mr. DENNIS. Mr. Chairman, if the gentleman will yield further, I wonder if we do not get a better product if we put some tough old strawboss on that board instead of having just a bunch of politicians and city clerks.

Mr. DELLENBACK. I would be very pleased to recommend the gentleman for membership.

Mr. DENNIS. I do not think I qualify. I think I am too much of a politician.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I think it could be said the idea of the scholarship would be a worthy one and we would have to make the reservation that this is not a political matter in any respect, but for some reason or other the committee has refused to identify how much money has been spent for other Presidential memorials. This is for $30 million. I do not know how much was paid for the Eisenhower Memorial, and I do not know how much for the President Kennedy Memorial, if any, and how much for the President Johnson Memorial, if any, and how much for the Roosevelt Memorial, if any. That has been unavailable.

Mr. DELLENBACK. Mr. Chairman, if the gentleman will yield, it is not a question of the committee's refusing to answer that because in a real sense it is irrelevant to the case before us. But we just do not have all the figures. We do know that for President Eisenhower there has been so far appropriated $15 million for Eisenhower College. For the Kennedy Center I cannot say, but it may be some of my other colleagues on the other side of the aisle may be able to indicate how much has been put into that to the present time. It is something in the neighborhood of $20 million so far as I can recall up to the present time, but I may be in error. So far as the Roosevelt Memorial, they have not made a designation of a memorial. They have had a Commission working on it for a period of time and we do not know as yet how much will be spent for that. I cannot reach back to the Lincoln and Jefferson or Washington or any other national memorial.

Mr. JOHNSON of Colorado. Mr. Chairman, it seems to me there is a trade off involved obviously with the Hoover Memorial which is coming up next. Are we supposed to memorialize each President in this century and, if so, what is reasonable?

Mr. DELLENBACK. All I can say is that the bill which is before us for debate tonight is for a Truman Memorial. I think it should stand on its feet as a Truman Memorial. It should be judged by the gentleman from Colorado and all the Members who are going to vote on it tonight as a question of whether this is a good program or a worthy memorial to President Harry S. Truman, and if the gentleman feels it is not, then, of course, he should not support it. If the gentleman feels it is a worthy program as laid out in the measure before us, then he should and we hope he will support it. But under any stretch of reason we should not be dictating the gentleman's stand or the stand of others Members of this body based on what has happened to other Presidents.

I yield to my friend, the gentleman from New Jersey (Mr. HUNT).

Mr. HUNT. Mr. Chairman, I thank my colleague, the gentleman from Oregon.

I am seeking a little clarification. As I understand, we are in a $30 million situation that will be in trust and the interest on the trust fund will be used for scholarships.

Mr. DELLENBACK. Eventually in a period of time as the trust fund is used.

Mr. HUNT. This is to be used for about 50 scholarships, one from each State?

Mr. DELLENBACK. No, no. There must be at least 53 scholarships initially and each year that will go on, so that we expect there will be a minimum of 212 scholarships. Assuming the funds are available and scholars are qualified, there may be more scholarships at any given moment.

Mr. HUNT. The reason I ask that, the emphasis has been on $30 million. Assuming at 5 percent, which is, of course, an impossibility today, that would give us a net sum of about $150,000 that we are talking about.

Mr. DELLENBACK. $1.5 million.

Mr. HUNT. $150,000, at 5 percent, the way I figure, 5 times 3 is 15.

Mr. DELLENBACK. I will not quarrel with the gentleman, but it is $1.5 million.

Mr. HUNT. The gentleman must be in the advanced state of new mathematics, which no one can understand. I understand 3 times 5 is 15. That would be $150,000 to use for 50 students. Are we going to assume they will use $30,000 for each student? This is rather high for even a scholarship.

Mr. DELLENBACK. Under the terms of the bill there will be a maximum of $5,000 per scholarship. That is part of the reason, if I may say to the gentleman from New Jersey, that the point has been made repetitiously that we do not expect a full appropriation in the initial instance. That is why I say it is not a maximum of 50 scholarships. We are trying to be sure there will be at least one scholarship from each State, including the State of New Jersey, which may very well produce more than one qualified scholar in any given year and may have multiple scholarships, if sums are available for that particular purpose.

Mr. HUNT. That was the reason for my inquiry, because of the uncertainty. If we should do something for the former President, I would like to refresh the gentleman's recollection, when we spoke back some time ago on Vietnam one day, the gentleman said to me, "What would your solution be to the Vietnam War?" I like Harry Truman.

I said, "My solution would be to have one of two new Presidents, Barry Goldwater for one and Harry Truman for two. That would solve one thing."

But the uncertainty of how many students will be provided for is my inquiry.

Mr. DELLENBACK. I appreciate the gentleman's comments.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I am glad to yield to the gentleman from New York.

Mr. WALSH. I just want to correct one statement that has been made here. Am I correct when I say that the appropriation for the Eisenhower College was $5 million and the second appropriation just approved a few months ago was a bill that permitted Eisenhower College to take a dollar out of every $10 memorial coin that was sold; so it was not in the sense of coming out of the taxpayers' pocket. It was a memorial coin edited in memory of President Eisenhower. The coins have been sold and the Eisenhower College is going to get $9 million out of it.

Mr. DELLENBACK. I appreciate the gentleman correcting the record. On the basis of the initial $5 million and subsequent $9 million, there would be $14 million in total that would be going for this purpose, instead of the $15 million which I inadvertently referred to.

Mr. WALSH. Will the gentleman yield further?

Mr. DELLENBACK. Of course.

Mr. WALSH. The $5 million is tax money. I want to make it perfectly clear that the $9 million is not tax revenue.

Mr. DELLENBACK. I do not seek to debate again the issue at any length, because it is a tangential problem. It is my understanding that this $9 million was in the Treasury and it comes out of the Treasury and goes to the college; but in any event, I appreciate the gentleman's comments.

Mr. BIAGGI. Mr. Chairman, I rise in support of this legislation to establish the Harry S. Truman Memorial Scholarship program as a living memorial to our great 33d President. Passage of this legislation will insure that this long overdue memorial will be created in honor of the "Man from Independence", Harry S. Truman.

Under the terms of the bill, some 55 deserving graduate and undergraduate students who demonstrate an outstanding ability in studies leading to a career in public service will be awarded scholarships of up to $5,000 a year to cover tuition, books and other related educational costs. I am pleased to see a provision in the bill which allows one representative from each State as well as the District of Columbia and Puerto Rico to be considered for these awards.

This great American statesman inherited the Presidency during one of the most tumultuous periods in our history. Harry Truman assumed the difficult tasks of President with decisiveness and his "straight from the hip" manner gained him a great amount of respect from his fellow Americans and his famous motto of "the Buck Stops Here" became a trademark of his administration.

Harry Truman was a man to whom history has accorded a great treatment. His critical decision in the World War II and postwar days, which were considered controversial at the time, in the light of history emerged as some of the soundest and most important decisions rendered by a President in the 20th century.

The hope of the Congress in establishing this program is that young men and women of merit will be able to chart a course of service and achievement of the caliber of Harry S. Truman. I was honored to be a cosponsor of this measure and note the cosponsorship of many of my colleagues. It is a fitting and necessary tribute to this exemplary American. I urge the swift approval of this legislation by my colleagues today.

Mr. PERKINS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Harry S. Truman Memorial Scholarship Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

because a high regard for the public trust and a lively exercise of political talents were outstanding characteristics of the thirty-third President of the United States;

because a special interest of the man from Independence in American history and a broad knowledge and understanding of the American political and economic system gained by study and experience in county and National Government culminated in the leadership of America remembered for the quality of his character, courage, and commonsense;

because of the desirability of encouraging young people to recognize and provide service in the highest and best traditions of the American political system at all levels of government, it is especially appropriate to honor former President Harry S. Truman through the creation of a perpetual education scholarship program to develop increased opportunities for young Americans to prepare and pursue careers in public service.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Board of Trustees of the Harry S. Truman Scholarship Foundation;

(2) "Foundation" means the Harry S. Truman Scholarship Foundation;

(3) "fund" means the Harry S. Truman Memorial Scholarship Fund;

(4) "institution of higher education" means any such institution as defined by section 1201(a) of the Higher Education Act of 1965;

(5) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, considered as a single entity, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands; and

(6) "Secretary" means the Secretary of the Treasury.

SEC. 4. The Harry S. Truman Scholarship Program as authorized by this Act shall be the sole Federal memorial to President Harry S Truman.

ESTABLISHMENT OF THE HARRY S. TRUMAN SCHOLARSHIP PROGRAM

SEC. 5. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Harry S. Truman Scholarship Foundation.

(b) (1) The Foundation shall be subject to the supervision and direction of a Board of Trustees. The Board shall be composed of thirteen members, as follows:

(A) two Members of the Senate, one from each political party, to be appointed by the President of the Senate;

(B) two Members of the House of Representatives, one from each political party, to be appointed by the Speaker;

(C) eight members, not more than four of whom shall be of the same political party, to be appointed by the President with the advice and consent of the Senate, of whom one shall be a chief executive officer of a State, one a chief executive officer of a city or county, one a member of a Federal court, one a member of a State court, one a person active in postsecondary education, and three representatives of the general public; and

(D) the Commissioner of Education or his designate, who shall serve ex efficio as a member of the Board, but shall not be eligible to serve as Chairman.

(c) The term of office of each member of the Board shall be six years; except that (1) the members first taking office shall serve as designated by the President, four for terms of two years, five for terms of four years, and four for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and shall be appointed in the same manner as the original appointment for that vacancy was made.

(d) Members of the Board shall serve without pay, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

SCHOLARSHIPS

SEC. 6. (a) The Foundation is authorized to award scholarships to persons who demonstrate outstanding potential for and who plan to pursue a career in public service.

(b) Scholarships under this Act shall be awarded for such periods as the Foundation may prescribe but not to exceed four academic years.

(c) A student awarded a scholarship under this Act may attend any institution of higher education offering courses of study, training, or other educational activities designed to prepare persons for a career in public service as determined pursuant to criteria established by the Foundation.

(b) Each student awarded a scholarship under this Act must have indicated a serious intent to enter the public service upon the completion of his or her educational program. Each institutiton of higher education at which such a student is in attendance will make reasonable continuing efforts to encourage such a student to enter the public service upon completing his or her educational program.

SELECTION OF TRUMAN SCHOLARS

SEC. 7. (a) The Foundation is authorized, either directly or by contract, to provide for the conduct of a nationwide competition for the purpose of selecting Truman scholars.

(b) The Foundation shall adopt selection procedures which shall assure that at least one Truman scholar shall be selected each year from each State in which there is at least one resident applicant who meets the minimum criteria established by the Foundation.

STIPENDS

SEC. 8. Each student awarded a scholarship under this Act shall receive a stipend which shall not exceed the cost to such student for tuition, fees, books, room and board, or $5,000 whichever is less for each academic year of study.

SCHOLARSHIP CONDITIONS

SEC. 9. (a) A student awarded a scholarship under the provisions of this Act shall continue to receive the payments provided in this Act only during such periods as the Foundation finds that he or she is maintaining satisfactory proficiency and devoting full time to study or research designed to prepare him or her for a career in public service and is not otherwise engaging in gainful employment other than employment approved by the Foundation pursuant to regulation.

(b) The Foundation is authorized to require reports containing such information in such form and to be filed at such times as the Foundation determines to be necessary from any student awarded a scholarship under the provisions of this Act. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, approved by the Foundation, stating that such student is making satisfactory progress in, and is devoting essentially full time to, study or research, except as otherwise provided in subsection (a).

TRUMAN MEMORIAL SCHOLARSHIP FUND

SEC. 10. (a) There is established in the Treasury of the United States a trust fund to be known as the Harry S. Truman Memorial Scholarship Trust Fund. The fund shall consist of amounts appropriated to it by section 14 of this Act.

(b) It shall be the duty of the Secretary to invest in full the amounts appropriated to the fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market place. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States or original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations seld in the fund shall be credited to and form a part of the fund.

EXPENDITURES FROM THE FUND

SEC. 11. (a) The Secretary is authorized to pay to the Foundation from the interest and earnings of the fund such sums as the Board determines are necessary and appropriate to enable the Foundation to carry out the purposes of the Act.

(b) The activities of the Foundation under this Act may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property belonging to or in use by the Foundation, pertaining to such activities and necessary to facilitate the audit.

EXECUTIVE SECRETARY

SEC. 12. (a) There shall be an Executive Secretary of the Foundation who shall be appointed by the Board. The Executive Secretary shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board. The Executive Secretary shall carry out such other functions consistent with the provisions of this Act as the Board shall delegate.

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following new paragraph:

"(132) Executive Secretary of the Harry S. Truman Scholarship Foundation.".

ADMINISTRATIVE PROVISIONS

SEC. 13. (a) In order to carry out the provisions of this Act, the Foundation is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees other than the Executive Secretary be compensated at a rate to exceed the rate provided for employees in grade 15 of the General Schedule set forth in section 5332 of title 5, United States Code;

(2) procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18 in section 5332 of such title;

(3) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(4) receive money and other property donated, bequeathed, or devised, without condition or restriction other than it be used for the purposes of the Foundation; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(5) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(6) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of this Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, he entered into without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(7) make advance, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(8) rent office space in the District of Columbia; and

(9) make other necessary expenditures.

(b) The Foundation shall submit to the President and to the Congress an annual report of its operations under this Act.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are authorized to be appropriated $30,000,000 to the fund.

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, strike out lines 19 through 23 and insert in lieu thereof the following:

"(b) The Executive Secretary of the Foundation shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code:"

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to address a question or two to the chairman of the Committee on Labor and Education, who is so enthusiastic about this bill. Before I ask him a question, I would like to call his attention to the fact that I believe a bill went through the House today to name a veterans' hospital for Mr. Truman, so that if this bill passes—and I hope it does not—he would be doubly memoralized on this day.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, I am sure my distinguished colleague makes a difference between the naming of a building, which is done so often for so many Members of Congress, someday perhaps in his own community, and this memorial to the late President Truman.

Mr. GROSS. I believe the gentleman stated at the outset of his earlier remarks that Mr. Truman was a great President.

Mr. PERKINS. Correct. One of the greatest in the history of the Nation, in my judgment. He will go down in history.

Mr. GROSS. What was his educational background?

Mr. PERKINS. I do not know, but I know he had perhaps the greatest common-sense judgment of any President in American history, judging from the decisions that he made while he was President of the United States. I do not know whether he had degrees or not. I am not sure of that.

Mr. GROSS. But the gentleman well knows that insofar as there is any record, Mr. Truman had no scholarships offered him, especially financed by Federal funds. Is that not true?

Mr. PERKINS. Well, naturally that is true, but he was the——

Mr. GROSS. What does the gentleman mean, "Naturally that is true"?

Mr. PERKINS. He was the type of individual who applied himself and took advantage and obtained his education in a different way.

Mr. GROSS. Does the gentleman not think that public servants today can become public servants on exactly the same basis, or do we have to wet-nurse from here on out and with Federal funds, everyone who claims that he is bent on being a public servant?

Let me ask the gentleman, was there any dearth of young people running for Congress in the last election, and is the gentleman saying that because they did not have a formal education sponsored and paid for by the Federal Government, that they are not going to be good Members of Congress?

Mr. PERKINS. No, I would be the last person in the world to argue with the distinguished gentleman from Iowa along that line, but what we say is that the purpose of this bill is to select an outstanding college youngster who is interested and has proved himself in public service, and who wants to go on and expand that role.

Mr. GROSS. Let me ask the gentleman this question: What is the obligation of the student to go on and become a public servant?

Is there anything in this bill that provides an obligation, or can they get a job on a tanker, hauling oil from Saudi Arabia to this country?

Mr. PERKINS. He must show a strong aptitude, that he is interested in rendering public service and dedicated to that purpose.

Mr. GROSS. Of course, that is utterly meaningless, insofar as any obligation on the part of the individual to go into public service. He can do whatever he wants when he gets through with his education.

I will ask the gentleman from Oregon this question.

Mr. PERKINS. Mr. Chairman, will the gentleman yield to me?

Mr. GROSS. Yes, I yield to the gentleman.

Mr. PERKINS. The legislation says:

> Each student awarded a scholarship under Act must have indicated a serious intent to enter the public service upon the completion of his or her educational program.

Mr. GROSS. As an obligation, that has no more meaning than the paper it is written on, and the gentleman well knows it.

I am not clear as to what these students are going to be paid.

Let me ask the question of the gentleman from Oregon. What are they going to be paid?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. What are they going to be paid?

Mr. DELLENBACK. What is each scholar going to be paid?

Mr. GROSS. Yes.

Mr. DELLENBACK. A maximum of $5,000 or such lesser amount as is involved in the expenditures. The actual costs of tuition fees, books, room and board, not more than $5,000 per scholar.

Mr. GROSS. $5,000 per scholar, plus tuition, plus board and room?

Mr. DELLENBACK. No. $5,000 as a maximum, or a lesser amount if the costs of books, tuition fees, room and board are less than that amount.

The stipend basically is intended to cover tuition fees, books, room and board. If that total is more than $5,000, then $5,000 is a maximum that any one scholar can get.

Mr. GROSS. A grand total of $5,000?

Mr. DELLENBACK. In any given year.

Mr. GROSS. In any given year. That is what the gentleman means by "stipend"?

Mr. DELLENBACK. No. The word has no magic meaning. The legislation says it shall cover tuition fees, books, room and board. If the gentleman has another word he would use instead of "stipend" to mean that particular thing, then I have no quarrel, for the purposes of our dialog, with the use of that word. If the total of these amounts for tuition fees, books, room and board would exceed $5,000, the $5,000 is the limit.

Mr. GROSS. What is the obligation to become a public servant?

Mr. DELLENBACK. He is chosen on the basis of a demonstrated potential, having expressed a plan to pursue a career in public service. He may attend such institution as would prepare him for that career in public service. Each institution will make reasonable, continuing effort to encourage him to enter public service upon completing his or her education. That is the thrust.

Mr. GROSS. I believe the gentleman from Kentucky read that, too, and it is no more of an obligation than a man has to the moon.

Mr. DELLENBACK. That is correct. This is not an obligation in the sense of having a signed commitment.

Mr. GROSS. Of course not. He can do anything he wants after he gets this education at the taxpayers' expense.

An Executive Director would be hired at a grade 18, which is presently $36,000 a year, which will probably go to $40,000 in the near future.

The Executive Director is a grade 18; is that correct?

Mr. DELLENBACK. That is absolutely correct.

Mr. GROSS. Then the Executive Director can hire all of the experts and consultants he wants at a grade 18; is that not correct? If not, as the gentleman indicates, then what is the meaning of paragraph (2) of section 13 on page 10, he could "procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized," and so on and so forth, "at rates not to exceed the rate specified at the time of such service for grade GS–18 . . ."?

Mr. Chairman, will the gentleman tell me what else that means?

Mr. DELLENBACK. Certainly, I will be glad to, if the gentleman will yield.

Mr. Chairman, I refer the gentleman to subparagraph (2) on page 10 of the bill, which states: "* * * procure temporary and intermittent services of experts and consultants * * *."

And then if the gentleman will look at the paragraph——

Mr. GROSS. So the gentleman is asking the taxpayers for $30 million on which the Federal Government will have to pay 6 percent interest and then pay interest on the unused balance in the scholarship fund.

Mr. DELLENBACK. Mr. Chairman, if the gentleman will yield so I may conclude the answer to his question, if the gentleman will look at the paragraph immediately above, it is clear that no employee other than the Executive Secretary shall be compensated at a rate to exceed the employees for Grade 15.

Mr. GROSS. What is the meaning of the language on line 15, page 10?

Mr. DELLENBACK. Mr. Chairman, line 15 refers to "grade GS–18", and that is the paragraph which relates to "temporary and intermittent services of experts and consultants." And that describes who are the employees of the Board.

Mr. GROSS. Mr. Chairman, there is the old saying—and indeed it is true—that there is nothing so permanent in Washington as something temporary, and the gentleman knows it.

Mr. BLACKBURN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I appreciate what the gentleman has been saying. I rise as a recently defeated Member of this body.

Are recently defeated Members of this body qualified to register for this stipend? I was just wondering about that. I might just want to sign up for it.

Mr. GROSS. Mr. Chairman, there is no provision against it, none whatever. As soon as this session is ended, they may very well load the payroll with services of lameduck Members of Congress.

Mr. MAZZOLI. Mr. Chairman, I move to strike the requisite number of words.

I shall not take too much additional time, but I would feel it very remiss if some Member from my side of the aisle did not take to his or her feet to indicate that there is a problem with this bill. I apparently stand virtually alone. Those Members who would take time to read my very short dissenting views in the report will understand my problem. The gentleman from Oregon knows it very well.

My problem is one of money. I think very frankly that at this day and time and in this age we should not spend 30 millions of the taxpayers' dollars for another memorial. And I will say that I must confess that had the former President, whom I revere, been in office during this time, I feel we would not have had a Watergate.

It seems to me that we have Truman libraries, we have Truman streets, and we have Truman schools. We have a fair panoply of concrete memorials, if you will, to the late President.

Mr. Chairman, it seems to me that when a bill comes before the House for $30 million for money for the poor, for food stamps, and for nutritional assistance for the poor and for other kinds of programs, we have a fairly large outpouring of resistance to such legislation, and yet it seems to me from our side of the aisle there is really not so much as a single frank discussion about the fact that there is a money problem in the United States at this day and time.

I am not sure where my colleagues were on November 5. I happened to be in Louisville, Ky., watching the election returns. It seemed to me pretty clear in Louisville, as I think it would be in Timbuktu, that the people in this country are excited, energized, agitated, and certainly very much alarmed.

They are saying to us, the Democrats for the most part, "Please do something. We do not believe what has been done to this point has been done correctly. We think we need some help, and we are going to give you this mandate so long as you prove worthy of it."

Mr. Chairman, it seems to me that President Truman, were he sitting in this front row of the House tonight, would be the very first one to stand on his feet and, earthy and direct as he was as a man and fundamental as he was as a man, and say, "Boys, let us do this at another time and another place and in another year. There is plenty of time to memorialize me. I have a pretty fair amount of memorials already. So let us do something for the poor people of this country, the poor people who are hungry at this very moment."

It seems to me, Mr. Chairman, that this $30 million could be better spent as kind of a living memorial for food and nutritional assistance than as a memorial to the former President.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I agree with the gentleman, and I commend him for his statement. I certainly agree with him.

Presidents and Vice Presidents are coming so fast nowadays that we had better go slow in what we do here today.

Mr. SYMINGTON. Mr. Chairman, the gentleman from Kentucky wonders if this is the right bill at the right place at the right time. My answer is in the affirmative to all three questions. This is a proper and timely act by the House and a very good investment too. Its cost—equivalent to a typical week of the Vietnam war—might not seem too high an investment in hundreds of young leaders, one of whom might spare us from errors of that magnitude in the days to come. History warrants it, the country needs it, and the people will support it.

President Truman died December 26, 1972. His service, however, already had grown to Sequoia size from the great oak it was when two decades earlier he laid his Presidential burden down. So in a sense by this act today we are only confirming an idea which the country has had in mind for Mr. Truman for many years.

One of President Ford's first initiatives was to have President Truman's portrait placed alongside that of Abraham Lincoln in the Oval Office. It is certainly time for a memorial. And this is the place to authorize it. And what more fitting memorial could we devise than one which carries his memory into the life work of generations of young Americans to come. The propriety of this approach was not arrived at through guesswork. Shortly after President Truman left us, Senator SYMINGTON conferred with their mutual long time friend, John Snyder, concerning the nature of a possible memorial. They discussed it with Mrs. Truman and Margaret Daniel. It was felt that the proper education of young Americans was very much on President Truman's mind throughout his public life. Mrs. Daniel recalled him saying that our young people would want to change things and they should have that chance, "but they ought to know what they have before they do." I want to express here my appreciation to the gentleman from Missouri (Mr. RANDALL) for his leadership on this bill, the dean of our delegation (Mr. BOLLING) for his invaluable help, the strong and steady support of the gentleman from Kentucky, Chairman PERKINS, and the gentleman from Michigan (Mr. O'HARA), and also the gentleman from Oregon (Mr. DELLENBACK). I want, too, to thank the Members on both sides of the aisle who have already demonstrated that they believe this is a worthy initiative. Much has been said of what Harry Truman would have wanted. He would have wanted little or nothing, as was his way. But even he and his Kentucky partner, Alben Barkley, would forgive us, I think, for this one gesture considering the minds and spirits it promises to light in the dark years ahead.

TECHNICAL AMENDMENTS OFFERED BY MR. RANDALL

Mr. RANDALL. Mr. Chairman, I offer certain technical amendments and ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

The was no objection.

The Clerk read as follows:

Amendments offered by Mr. RANDALL: On page 1, line 3;

On page 2, lines 14, 21, 22 and 24;

On page 3, lines 11, 13, 14, and 18; and

On page 7, line 7, strike "S." and insert in lieu thereof, "S".

On page 5, at the end of line 6, add the following new sentence; "Award recipients shall be known as Truman Scholars.".

Mr. DELLENBACK. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Oregon.

Mr. DELLENBACK. As to the technical amendments offered by the gentleman from Missouri, the plain "S" should be substituted for the "S.". We will accept on our side of the aisle all of these amendments.

Mr. RANDALL. Mr. Chairman, addressing myself to the letter "S." which appears throughout the bill (H.R. 17481), it is, I suppose, a clerical error which put the period after the letter "S" or as they say in the legal vocabulary—a scrivener's error.

Mr. Truman, whom some of us were privileged to know as a neighbor and fellow townsman, objected very much to the "." after the initial "S" because he said the "S" really stood for nothing. Some have said it stood for "Sherwin." Others have said it stood for "Sherman." Mr. Truman knew best when he said the letter "S" stood for nothing. Over the years he asked again and again that the "." be removed, as it appeared after the "S".

Therefore, that is the purpose of my amendment, simply to take the "." out behind or after the letter "S" at every place at which it appears in the bill.

The purpose of the second amendment, Mr. Chairman, is simply, at this late time in the session, in order to avoid a conference, to completely conform to the legislation of the other body, the Senate bill, and to avoid a conference. My amendment simply adds the words, "Award recipients shall be known as Truman Scholars."

That is the entire purpose of my amendment. It will make the House bill and the Senate bill substantially the same or almost identical.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, there is no objection to the amendments on our side. The amendments should be adopted.

Mr. RANDALL. Mr. Chairman, in my remaining time, I hope I may address myself to a few pertinent facts about the Truman Memorial Scholarship Act.

As I have listened to some of the questions of doubts raised by the previous speakers, there were really only three different questions. One was whether or not the interest of the $30,000,000 would produce more than enough to fund the scholarships. Second, whether or not there would be an excessive and burdensome amount of administrative costs in relation to the amount spent for scholarships and third, whether there would be any assurance that after the scholars were educated they would pursue a career in public service. I shall try to respond to these questions in order.

First, H.R. 17481 very clearly spells out that $30,000,000 is a figure of limitation or an authorization for the largest amount that could ever be appropriated to the fund. The best estimates are that for the first year not over $5 or $6 million will be required or will be appropriated. The best estimate that can be projected would indicate that an overall total of not more than $23,000,000 would be required when after 4 years all 53 scholars will be drawing the stipend of $5,000 each.

In answer to the second category of questions which have been raised, that is, whether the administrative costs can be controlled and held to reasonable levels in order that the great bulk of the income may be directed to the scholarship rather than absorbed by expenses of the administration, for my part, I have confidence that the foundation, which is established by this bill will be composed of men of such caliber and managerial efficiency as to see to it that the administrative expenses are held well within the estimate and even reduced below the projected estimates.

Turning to the third group of questions that have been raised here this afternoon, and that is what if any assurance can be provided that after these scholars are educated for pursuing a career in public service will they in fact—after their educations are completed—devote their talent and what they have learned to careers in public service as is contemplated by H.R. 17481?

Well, I supposed that the old adage applies here that "You can lead a horse to water but you cannot make him drink." Many times there have been requirements put into law that those who draw Federal benefits for certain educational programs are expected to enter fields prescribed by these program unfortunately in some exceptional instances the beneficiaries fail to keep their promises.

But once again, Mr. Chairman, we must rely upon the wisdom and good judgment of those who administer the scholarship program. Put differently, the foundation that is responsible for the selection of these scholars must enlist the services of such executive personnel as to screen applicants thoroughly enough to know that when a scholarship is awarded there is a serious intent to enter the public service upon the completion of his or her educational program.

I have confidence that those in charge of awards for scholarships can size up the sincerity and integrity of these young applicants and once there young people accept these scholarships knowing that they are expected to enter a career of public service we will find out few if any who will renege or welch out on either an expressed or implied covenant to embark on a career of public service after their education is completed.

Finally, Mr. Chairman, let me conclude my remarks by urging the passage of this scholarship act today. On December 3, it failed to enjoy a two-thirds vote by just 21 votes. In other words, if 11 had changed their vote, we would not have to be here today considering this act under a rule.

You are all familiar with the content of this legislation. These scholarships constitute a living memorial to our 33d President. I urge my colleagues to approve this appropriate memorial to prepare some of our young men and women to become the future leaders of America.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Missouri (Mr. RANDALL).

The amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GIAIMO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 17481) to establish the Harry S Truman memorial scholarship program, and for other purposes, pursuant to House Resolution 1495, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted in the Committee of the Whole?

If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 122, not voting 74, as follows:

[Roll No. 701]

YEAS—238

Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Badillo
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Chamberlain
Chisholm
Clausen, Don H.
Collins, Ill.
Conable
Conyers
Cotter
Coughlin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Dickinson
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flowers
Foley
Ford
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Guyer
Haley
Hanley
Hanrahan
Hansen, Idaho
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Horton
Hosmer
Huber
Hudnut
Hungate
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kyros
Latta
Lehman
Lent
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McSpadden
Madden
Mahon
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Moakley
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
Obey
O'Brien
Owens
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Preyer
Price, Ill.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Reuss
Riegle
Rinaldo
Roberts
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roy
Roybal
St Germain
Sandman
Sarasin
Sarbanes
Sebelius
Seiberling
Shriver
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Traxler
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Whalen
White
Whitten
Williams
Wilson, Bob
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Whitehurst
Wiggins
Wilson, Charles H., Calif.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion

NAYS—122

Abdnor
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Bauman
Beard
Bevill
Blackburn
Brown, Ohio
Broyhill, Va.
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey, Tex.
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conlan
Conte
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Devine
Downing
Duncan
du Pont
Edwards, Ala.
Findley
Fish
Fisher
Flynt
Forsythe
Fountain
Frey
Froehlich
Goldwater
Gross
Gude
Gunter
Hamilton
Hammerschmidt
Harrington
Harsha
Hastings
Hinshaw
Holt
Holtzman
Hunt
Jarman
Johnson, Colo.
Jones, Okla.
Ketchum
Lagomarsino
Landgrebe
Landrum
Lott
Lujan
McClory
McCollister
McEwen
McKay
Mallary
Mann
Martin, N.C.
Mazzoli
Milford
Miller
Mitchell, N.Y.
Mizell
Mollohan
Moorhead, Calif.
Mosher
Murtha
Myers
Nichols
Parris
Pettis
Poage
Powell, Ohio
Pritchard
Regula
Robinson, Va.
Rogers
Roush
Rousselot
Runnels
Ruppe
Ruth
Scherle
Schneebeli
Shuster
Skubitz
Snyder
Spence
Steelman
Steiger, Ariz.
Symms
Towell, Nev.
Treen
Wampler
Ware

NOT VOTING—74

Adams
Arends
Baker
Barrett
Boland
Brasco
Broomfield
Brotzman
Brown, Mich.
Camp
Carey, N.Y.
Cederberg
Clark
Clay
Collier
Corman
Cronin
Davis, Ga.
Dellums
Eshleman
Frelinghuysen
Gibbons
Ginn
Grasso
Grover
Hanna
Hansen, Wash.
Hawkins
Heinz
Hillis
Hogan
Howard
Jones, N.C.
King
Kuykendall
Leggett
Litton
McKinney
Macdonald
Madigan
Maraziti
Martin, Nebr.
Mathias, Calif.
Mills
Minshall, Ohio
Nelsen
O'Hara
O'Neill
Pepper
Podell
Price, Tex.
Rarick
Reid
Rhodes
Robison, N.Y.
Roe
Roncallo, N.Y.
Rooney, N.Y.
Ryan
Satterfield
Schroeder
Shipley
Shoup
Sikes
Slack
Steele
Stokes
Tiernan
Van Deerlin
Waldie
Widnall
Wyatt
Wyman
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mrs. Grasso.

Mr. Shipley with Mr. Reid.

Mr. Adams with Mr. Rarick.

Mr. Howard with Mrs. Hansen of Washington.

Mr. Sikes with Mr. Mills.

Mr. Slack with Mr. Hogan.

Mr. Stokes with Mr. Collier.

Mr. Barrett with Mr. Camp.

Mr. Dellums with Mr. Clark.

Mr. Gibbons with Mr. Frelinghuysen.

Mr. Ginn with Mr. Brown of Michigan.

Mr. Macdonald with Mr. Baker.

Mr. Litton with Mr. Cronin.

Mr. Hawkins with Mr. Davis of Georgia.

Mr. Jones of North Carolina with Mr. Eshleman.

Mr. Roe with Mr. Grover.

Mr. Satterfield with Mr. Broomfield.

Mrs. Schroeder with Mr. Heinz.

Mr. Van Deerlin with Mr. Price of Texas.

Mr. Boland with Mr. Cederberg.

Mr. Carey of New York with Mr. Brotzman.

Mr. Corman with Mr. Hillis.

Mr. Clay with Mr. Zwach.

Mr. Hanna with Mr. Wyatt.

Mr. Pepper with Mr. Wyman.

Mr. Arends with Mr. King.

Mr. Robison of New York with Mr. Kuykendall.

Mr. Rooney of New York with Mr. Maraziti.

Mr. McKinney with Mr. Martin of Nebraska.

Mr. Waldie with Mr. Madigan.

Mr. Tiernan with Mr. Roncallo of New York.

Mr. Minshall of Ohio with Mr. Mathias of California.

Mr. O'Hara with Mr. Widnall.

Mr. Steele with Mr. Nelsen.

Mr. Ryan with Mr Shoup.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1495, the Committee on Education and Labor is discharged from the further consideration of the Senate bill (S. 3548) to establish the Harry S Truman memorial scholarships, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PERKINS moves to strike out all after the enacting clause of the Senate bill S. 3548 and insert in lieu thereof the provisions of H.R. 17481 as passed.

That this Act may be cited as the "Harry S Truman Memorial Scholarship Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

because a high regard for the public trust and a lively exercise of political talents were outstanding characteristics of the thirty-third President of the United States;

because a special interest of the man from Independence in American history and a broad knowledge and understanding of the American political and economic system gained by study and experience in county and National Government culminated in the leadership of America remembered for the quality of his character, courage, and commonsense;

because of the desirability of encouraging young people to recognize and provide service in the highest and best traditions of the American political system at all levels of government, it is especially appropriate to honor former President Harry S Truman through the creation of a perpetual education scholarship program to develop increased opportunities for young Americans to prepare and pursue careers in public service

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Board of Trustees of the Harry S Truman Scholarship Foundation;

(2) "Foundation" means the Harry S Truman Scholarship Foundation;

(3) "fund" means the Harry S Truman Memorial Scholarship Fund;

(4) "institution of higher education" means any such institution as defined by section 1201(a) of the Higher Education Act of 1965;

(5) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, considered as a single entity, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands; and

(6) "Secretary" means the Secretary of the Treasury.".

SEC. 4. The Harry S Truman Scholarship Program as authorized by this Act shall be the sole Federal memorial to President Harry S Truman.

ESTABLISHMENT OF THE HARRY S TRUMAN SCHOLARSHIP PROGRAM

SEC. 5. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Harry S Truman Scholarship Foundation.

(b)(1) The Foundation shall be subject to the supervision and direction of a Board of Trustees. The Board shall be composed of thirteen members, as follows:

(A) two Members of the Senate, one from each political party, to be appointed by the President of the Senate;

(B) two Members of the House of Representatives, one from each political party, to be appointed by the Speaker;

(C) eight members, not more than four of whom shall be of the same political party, to be appointed by the President with the advice and consent of the Senate, of whom one shall be a chief executive officer of a State, one a chief executive officer of a city or county, one a member of a Federal court, one a member of a State court, one a person active in postsecondary education, and three representatives of the general public; and

(D) the Commissioner of Education or his designate, who shall serve ex officio as a member of the Board, but shall not be eligible to serve as Chairman.

(c) The term of office of each member of the Board shall be six years; except that (1) the members first taking office shall serve as designated by the President, four for terms of two years, five for terms of four years, and four for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and shall be appointed in the same manner as the original appointment for that vacancy was made.

(d) Members of the Board shall serve without pay, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

SCHOLARSHIPS

SEC. 6. (a) The Foundation is authorized to award scholarships to persons who demonstrate outstanding potential for and who plan to pursue a career in public service. Award recipients shall be known as Truman Scholars.

(b) Scholarships under this Act shall be awarded for such periods as the Foundation may prescribe but not to exceed four academic years.

(c) A student awarded a scholarship under this Act may attend any institution of higher education offering courses of study, training, or other educational activities designed to prepare persons for a career in public service as determined pursuant to criteria established by the Foundation.

(b) Each student awarded a scholarship under this Act must have indicated a serious intent to enter the public service upon the completion of his or her educational program. Each institution of higher education at which such a student is in attendance will make reasonable continuing efforts to encourage such a student to enter the public service upon completing his or her educational program.

SELECTION OF TRUMAN SCHOLARS

SEC. 7. (a) The Foundation is authorized, either directly or by contract, to provide for the conduct of a nationwide competition for the purpose of selecting Truman scholars.

(b) The Foundation shall adopt selection procedures which shall assure that at least one Truman scholar shall be selected each year from each State in which there is at least one resident applicant who meets the minimum criteria established by the Foundation.

STIPENDS

SEC. 8. Each student awarded a scholarship under this Act shall receive a stipend which shall not exceed the cost to such student for tuition, fees, books, room and board, or $5,000 whichever is less for each academic year of study.

SCHOLARSHIP CONDITIONS

SEC. 9. (a) A student awarded a scholarship under the provisions of this Act shall continue to receive the payments provided in this Act only during such periods as the Foundation finds that he or she is maintaining satisfactory proficiency and devoting full time to study or research designed to prepare him or her for a career in public service and is not otherwise engaging in gainful employment other than employment approved by the Foundation pursuant to regulation.

(b) The Foundation is authorized to require reports containing such information in such form and to be filed at such times as the Foundation determines to be necessary from any student awarded a scholarship under the provisions of this Act. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, approved by the Foundation, stating that such student is making satisfactory progress in, and is devoting essentially full time to, study or research, except as otherwise provided in subsection (a).

TRUMAN MEMORIAL SCHOLARSHIP FUND

SEC. 10. (a) There is established in the Treasury of the United States a trust fund to be known as the Harry S Truman Memorial Scholarship Trust Fund. The fund shall consist of amounts appropriated to it by section 14 of this Act.

(b) It shall be the duty of the Secretary to invest in full the amounts appropriated to the fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market place. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States or original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the fund shall be credited to and form a part of the fund.

EXPENDITURES FROM THE FUND

SEC. 11. (a) The Secretary is authorized to pay to the Foundation from the interest and earnings of the fund such sums as the Board determines are necessary and appropriate to enable the Foundation to carry out the purposes of the Act.

(b) The activities of the Foundation under this Act may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property belonging to or in use by the Foundation, pertaining to such activities and necessary to facilitate the audit.

EXECUTIVE SECRETARY

SEC. 12. (a) There shall be an Executive Secretary of the Foundation who shall be appointed by the Board. The Executive Secretary shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board. The Executive Secretary shall carry out such other functions consistent with the provisions of this Act as the Board shall delegate.

(b) The Executive Secretary of the Foundation shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

ADMINISTRATIVE PROVISIONS

SEC. 13. (a) In order to carry out the provisions of this Act, the Foundation is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees other than the

Executive Secretary be compensated at a rate to exceed the rate provided for employees in grade 15 of the General Schedule set forth in section 5332 of title 5, United States Code;

(2) procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18 in section 5332 of such title;

(3) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(4) receive money and other property donated, bequeathed, or devised, without condition or restriction other than it be used for the purposes of the Foundation; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(5) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(6) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of this Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(7) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(8) rent office space in the District of Columbia; and

(9) make other necessary expenditures.

(b) The Foundation shall submit to the President and to the Congress an annual report of its operations under this Act.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are authorized to be appropriated $30,00,000 to the fund.

Amend the title so as to read: "An Act to establish the Harry S Truman memorial scholarships, and for other purposes."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To establish the Harry S. Truman Memorial Scholarship Program, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 17481) was laid on the table.

AUTHORIZING CONSIDERATION OF CONFERENCE REPORTS ON SAME DAY REPORTED OR ANY DAY THEREAFTER

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 1512, Rept. No. 93-1613), which was referred to the House Calendar and ordered to be printed:

H. RES. 1512

Resolved, That during the remainder of the second session of the Ninety-third Congress it shall be in order to consider conference reports on the same day reported or any day thereafter, notwithstanding the provisions of clause 2, rule XXVIII.

CONFERENCE REPORT ON H.R. 10701, DEEPWATER PORT ACT OF 1974

Mr. BREAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement see prior proceeding of the House.)

Mr. BREAUX (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with, and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Speaker, on behalf of the managers on the part of the House, I am pleased to bring to the floor the conference report on H.R. 10701, the Deepwater Port Act of 1974.

Legislation to provide for the Federal licensing and regulation of deepwater port facilities is urgently needed to help enable our country to obtain the energy it needs to sustain our industrialized society and high standard of living. Our Nation presently faces the possibility of a long-term energy shortage unless steps are taken to conserve the energy available, develop new sources of energy, and attain self-sufficiency in energy. These measures, as we all know, will take time and until we have succeeded in our efforts to implement them, we will still be importing significant amounts of crude oil and petroleum products. If we are to import these products efficiently and economically, it is necessary that deepwater port facilities be constructed which can accommodate the new, very large tankers which are being utilized more and more for the transport of oil.

The bill which I bring to the floor, as agreed to by the conferees, provides a sound legislative scheme for the construction and operation of deepwater port facilities. It represents a careful balancing of all competing interests, gives recognition to the interests of the coastal States off whose shores these port facilities may be located, and offers strong environmental safeguards.

Deepwater port facilities would be licensed for construction and operation by the Secretary of Transportation. All interested Federal agencies would be provided an opportunity for input in the licensing process. In addition, each agency would insure that issuance of the licenses meets all of the requirements of the laws it administers.

The Secretary would not be able to issue a license unless the Governor of the adjacent coastal State or States approves the issuance of the license. An adjacent coastal State includes a State which is directly connected to the port by pipeline, a State located within 15 miles of the proposed port, or a State which the Secretary, after consulting with the National Oceanic Atmospheric Administration and after a request from the State, determines faces a risk of damage to its coastal environment equal to or greater than the risk posed to a State directly connected by pipeline. This definition of adjacent coastal State, arrived at by the conferees, represents a sound and reasonable delineation of those States which face a serious enough threat from a proposed offshore port to justify being given a major role in determining whether or not the port should, in fact, be constructed.

The legislation provides thorough procedures for evaluation and consideration of license applications, including environmental impact statements and public hearings. Where a number of competing applications are received and all of the applicants possess equal qualifications, the bill directs the Secretary to issue a license according to a set priority which is, first, a State; second, an independent terminal company; and third, any other applicant. Environmental review criteria are to be established for the evaluation of applications and applications must be reviewed for their antitrust implications. Deepwater ports connecting pipelines and the directly connected onshore storage facilities are to be common carriers.

The Secretary of Transportation is authorized to prescribe regulations to insure navigation safety around the port, including the establishment of a safety zone.

In addition, the legislation contains comprehensive provisions relating to the prevention and cleanup of oil spills and compensation for any pollution damage which might be caused by oil spills. The bill establishes procedures for cleanup and the principles and extent of liability. In addition, a deepwater port liability fund is created to compensate for damages in excess of those compensated by responsible parties. The imposition of the penalties would be by the courts and not the Secretary of Transporation. This conforms with the provisions in the House bill.

Mr. Speaker, the bill agreed to by the conferees represents an improvement over both the legislation passed by the House and by the Senate. It will make possible the construction of urgently needed deepwater port facilities, while at the same time protecting the public interest and the environment. It will enable our Nation to take full advantage of the savings available through the use of the very large supertankers for the transport of oil. It represents a balancing of all appropriate interests and a meaningful and workable compromise between the House- and Senate-passed bills.

Mr. Speaker, I feel that the House, in passing the conference report to accompany H.R. 10701, is clearly recognizing the potential effects that these ports can have on adjacent States by establishing means for these adjacent States to be reimbursed for costs they have incurred and will incur by allowing deepwater ports to be located off their coasts.

I am pleased that the conferees and the Congress have realized that reasonable fees set by adjacent States for reimbursement of economic, environmental and monitoring, and administrative costs are necessary, as is outlined in section 5(h) of H.R. 10701. When you take into account that these fees must be reasonable as approved by the secretary, I feel the provision is most justified.

During the extensive hearings on this legislation, it was made clear that the onshore impact would be great to the adjacent State. I think it is pertinent to this discussion to mention a few examples of what an adjacent State's onshore costs might entail. I will refer to statistics found in a November 1974, Senate Commerce Committee print entitled the "Outer Continental Shelf Oil and Gas Development and the Coastal Zone." According to testimony contained in the report,

> State authorities have calculated that net onshore costs associated with services provided by Louisiana and for which they are not compensated by any taxes that can be levied beyond three miles on any operations in the Gulf of Mexico, are in the vicinity of $38 million a year.

This report continues to say,

> Oil companies do not pay any taxes to the State for their operations beyond the area of State jurisdiction. The State, however, has to provide such services as schools, health care, highways, protection and so on. Louisiana authorities have estimated that State costs associated with offshore development until 1985 could be between $500 and $700 million, to be borne in connection with the supply of services for those people involved in that operation.

Realizing these points associated with an adjacent State's need for front-end money to be available at the time of completion of a deepwater port, the language in the legislation does not exclude a State from applying their laws, including tax laws. During consideration of this particular question of State tax laws being applicable, a vote was taken by the House conferees agreeing with the Senate language that all State laws should be applicable, which includes tax laws.

Mr. Speaker, I feel that both the House and Senate have recognized the many effects that deepwater port development can have on an adjacent state and have provided these states with the benefit of recovering any economic outlays by enacting H.R. 10701 with the inclusion of section 19(b) and section 5(h).

Mr. Speaker, I strongly urge approval of the conference report.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of the conference report on H.R. 10701, the Deepwater Port Act of 1974.

The committee of conference has met and completed its work and we bring to you today this conference report which truly reflects the best interests of our country. I say this because we have considered not only our national needs for providing facilities to allow a significant reduction in transportation costs, but also because we have recognized the economic, social, and environmental needs of our coastal States as well as the needs of midcontinent consumers.

Some have argued that deepwater ports legislation is intended solely to give special rights and privileges to coastal States. To this I say we have protected the environmental considerations of the coastal States but we have also recognized the impact on noncoastal States. For example, we know that the domestic supply of crude oil is not growing and imports will. In the upper midwest which includes such States as Indiana, Illinois, Wisconsin, Michigan, Nebraska, Missouri, and Ohio, 18 percent of refinery throughput is imported, according to most recent figures. Approximately one-fourth of this came from the Persian Gulf. Increasing supplies will come from the Persian Gulf. This is the only presently existing significant source of additional supply. Thus, the benefits of deepwater ports will not accrue only to the coastal States; cost reductions will benefit all of our citizens.

Mr. Speaker, it is most important for us to recognize that the availability of deepwater ports will help to increase our options. I wish it were possible to say that our imports in the future would be greatly reduced. However, this does not appear to be the case. I wish it were possible to say that our huge oil shale and coal reserves could be utilized for producing liquid and gaseous fuels in the immediate future. Unfortunately, this is not the case. While research and development are proceeding in these areas, it is time consuming and the process must be thoroughly proven before the multibillion-dollar investments in producing facilities can proceed. Further, it is necessary to evaluate thoroughly the impact on water supply and water quality. Such facilities require huge volumes of water which may not be available.

With deepwater ports we will have the option of importing fuel with the minimum transportation costs or utilizing our domestic reserves. We will be able to provide the energy that our Nation needs in whatever manner is best for us. The combination of deepwater ports for imports and the use of domestic reserves together will enable us at any given time to be as flexible as possible in adopting the lowest cost approach at any given time.

Mr. Speaker, one of the major issues throughout the development of this legislation was the question of the right of States to control industrial development along its shores. Because I come from California, a coastal State, this has been an item of considerable concern to me. We feel in California that we should have the opportunity of determining whether or not deepwater ports are constructed and, if they are, what environmental controls will be required. We believe, therefore, that the veto provisions of this conference report are absolutely necessary.

Because of our concern, my good friend from California (Mr. ANDERSON), and I introduced a survey resolution which was approved by the Committee on Public Works in 1972. This resolution directed the U.S. Army Corps of Engineers to conduct a study to evaluate the need, location, and facilities to accommodate deep-draft oceangoing vessels along the west coast.

Because of this concern and that of other members from coastal States the Committee on Public Works when first considering deepwater ports legislation included a major provision to provide the States with a veto over possible deepwater ports construction along their coasts. I concluded after checking with my own State of California, that a veto provision would be necessary.

There must be some level of local control. I am pleased to say today that this conference report includes a reasonable veto provision. It protects the rights of the States while at the same time providing for the licensing of the construction of deepwater ports where they can be constructed with minimum environmental impact.

The schedule of events for the period of time from the submittal of an application for a license to the Secretary's decision has been carefully developed to asure that adequate time is available to evaluate thoroughly all ramifications of any application and to provide that there will be no delays in the evaluation steps leading to the Secretary's decision. Sufficient time is provided for each of the necessary steps and there is no reason why decisions cannot be made in less than 1 year. This means that such determinations as those regarding adjacent coastal States pursuant to section 9(a)(2), preparation of the environmental impact statement pursuant to section 5(f), and the determination regarding onshore ports pursuant to section 4(d) must all be completed in a timely manner. The Secretary's decision on any application must be made not later than 90 days after the last public hearing on a proposed license for an application area. The provisions regarding the time schedules and all necessary studies, evaluations, and determinations must be completed within the required time.

The provision of section 5(b) onsite evaluation specifies that the Secretary shall prescribe regulations relating to those activities involved in site evaluation and preconstruction testing at potential deepwater port locations. The conferees agreed that this provision as originally included in the amendments passed by the other body required an approval by the Secretary which could be construed to be a major Federal action requiring an environmental impact statement. The conference substitute provides that the Secretary shall issue regulations and that any activities involved in site evaluation and preconstruction testing must be done in accordance with these regulations. Thus, no environmental impact statement would be required for the activities. However, the Council on Environmental Quality would have to make a determination whether or not an environmental impact statement would be required when regulations are issued relating to the site evaluation and preconstruction testing. Because an environmental impact statement will be required before any license is granted, the conferees agree that it would be reasonable for the Council on Environmental Quality to determine that an environmental impact statement would not be necessary at the time the regulations are issued.

In conclusion, Mr. Speaker, I urge my colleagues to support H.R. 10701, the Deepwater Port Act of 1974. This is most important legislation and it is important that it be enacted before we adjourn.

Mr. BREAUX. Mr. Speaker, I agree with the excellent statement by the gentleman from California (Mr. DON H. CLAUSEN) and feel that it represents the views of a majority of the conference committee on H.R. 10701.

I would like to associate myself with his statement and concur in his views that applications should be handled by the Secretary in an expedient manner.

I would also like to take this opportunity to commend the gentelman for his active participation in this important measure.

Mr. BLATNIK. Mr. Speaker, I rise in support of the conference report on H.R. 10701, the Deepwater Port Act of 1974. This legislation will permit the construction and operation of deepwater port facilities off the shores of the United States to accommodate the large supertankers now being used for the transport of crude oil and petroleum products.

I wish to commend the conferees for the fine job they have done in coming up with an outstanding piece of legislation. It takes into account the many competing interests involved in this important subject in a fair and equitable manner. The interests of the coastal States who face a risk of serious damage from offshore facilities are recognized and they are given a major role in determining whether or not these offshore facilities are built off their coasts.

Very thorough provisions are included relating to prevention and cleanup of oil spills and compensation for any damages which may occur as a result of spills. Thorough procedures are provided for consideration and evaluation of license applications, including environmental studies and public hearings. Provisions are included for navigation safety in and around the deepwater port facilities. The legislation, in sum, is protective of the public interest and also encourages the development of badly needed port facilities.

Mr. Speaker, I strongly urge approval of the conference report.

Mr. JONES of Alabama. Mr. Speaker, I rise in support of the conference report on H.R. 10701, the Deepwater Port Act of 1974. I wish to commend my fellow conferees, both on the House and on the Senate sides, for their outstanding efforts in helping us come up with an excellent piece of legislation. Through their efforts we have a bill which is an improvement over both the House and Senate bills.

Mr. Speaker, this legislation is urgently needed in these times of energy shortages and rising prices. The very large supertankers are coming into increasing use throughout the world for the transport of crude oil and petroleum products. If we are to compete on the world market for this oil, and if we are to share in the economic savings afforded by these vessels, then we must provide port facilities capable of accommodating them.

In most parts of our country, it is not feasible to deepen inshore ports to accommodate the supertankers. The answer in these areas is the construction of unloading facilities offshore in deep water. This deepwater port legislation will establish a scheme for the Federal licensing and regulation of deepwater port facilities, while at the same time protecting the public interest and the environment. The conference report represents a reasonable, workable, and effective piece of legislation and I strongly urge its approval.

In conclusion, Mr. Speaker, I would like to compliment and thank my fellow House conferees, the gentleman from North Carolina (Mr. HENDERSON), the gentleman from Louisiana (Mr. BREAUX), the gentlelady from Missouri (Mrs. SULLIVAN), the gentleman from Ohio (Mr. HARSHA), the gentleman from California (Mr. CLAUSEN), and the gentleman from Kentucky (Mr. SNYDER). I would also like to extend my special appreciation to the chairman of the conference, Senator HOLLINGS, for his fair and judicious leadership, judgment, and cooperation.

Mrs. SULLIVAN. Mr. Speaker, today, we have a conference report on H.R. 10701, the Deepwater Port Act of 1974.

When this matter was considered on the House floor on June 6, 1974, you will recall that H.R. 10701 was amended by adopting the language of a substitute which I proposed during the debate. By that action, the House clearly supported the position of the Merchant Marine and Fisheries Committee which had developed a rational, balanced bill after many, many months of lengthy and careful consideration.

Despite the fact that the clear issue in the House was between my committee language and language supported by the House Public Works Committee, and despite the fact that the precedents of the House make it clear that a majority of the House managers should support the House action in any conference with the Senate, I was unsuccessful in my appeal that a majority of the House conferees should be supportive of the House position. As a matter of fact, I was the only manager out of seven House managers who supported the ultimate language which was accepted and passed by the House. This is why I pressed so vigorously for a majority of the managers from Merchant Marine and not from Public Works.

It was clear, Mr. Speaker, that with the appointment of the House managers the chances of the House bill prevailing, or even some of its important points surviving, was minimal.

As a matter of fact, after one short conference, House and Senate staff personnel were instructed to meet together and compromise the language between the two versions. They did so, and apparently operating under rather specific instructions, the House staff proceeded, in effect, to accept the Senate version of the bill. It is true that in a few areas there were some changes, and in some cases, House language was adopted. These, however, generally related to drafting improvements rather than acceptance of House positions on fundamental issues.

Knowing full well that I was not likely to prevail on any really substantial issues, nevertheless, I made it clear that I was extremely troubled by several basic issues. These had to do with the Senate language providing for an almost unlimited State veto, Senate language containing a special interest provision for certain port projects, Senate language leaving vague and ambiguous the application of State taxation laws on structures on the shelf outside State tax jurisdiction, Senate language writing new law in connection with both cleanup and damage liability from offshore oil spills, Senate language providing ready access to courts for citizens' suits, and Senate language overturning Supreme Court decisions on class action suits.

In only one case was there any attempt to meet my objection.

On the States veto issue, while it still leaves a great deal to be desired, there was a cutback on the unlimited State veto and it is now limited to vetoes by particular States. On other issues, there was a complete House cave-in.

The House and Senate managers met again on December 16, to complete action on this critical bill. I again made an attempt to improve the Senate legislation by suggesting rational modifications with respect to the port dredging and State taxation language. I was defeated on both issues.

What has happened here, Mr. Speaker, is very simple. No effort whatever was made to support the House bill. On specific instructions, a very critical bill, containing substantial differences of approach between the two Houses, was turned over to staff personnel to write the legislation. Thereafter, the conferees, in a perfunctory meeting, merely placed their stamp of approval, and we have a Deepwater Port Act of 1974.

As a result of the conference and the conference report, I cannot agree to add my signature to what I consider to be a bad bill and to ratify this development. I believe that the bill, as agreed upon, is going to make it extremely difficult to build any deepwater ports and will, in fact, encourage delaying, obstructive tactics by those who would not see the benefit of this innovative concept.

I hope my fears may be wrong and on the very remote chance that something good may develop, I will reluctanly vote for the conference report, even though I resent the tactics used and disagree with the basic results obtained.

Mr. SNYDER. Mr. Speaker, I rise to urge support of the conference report on H.R. 10701, the Deepwater Port Act of 1974. I support this conference report because I recognize clearly that it is in our national interest to provide facilities which will allow us to transport oil at the lowest possible cost.

Being from a midcontinent State and having had a very strong concern in the past that the coastal States were trying to reserve for themselves all the benefits of deepwater ports, I am relieved to note that in general reasonable positions have been adopted.

The provisions regarding fees which may be collected by the States, the provision on State vetos, and the provision making deepwater ports a common carrier and thereby precluding monopoly control were important to me. During committee hearings, extensive floor debate and in meetings between the House and the other body there was considerable discussion of various provisions which would have allowed the States to charge fees on oil which passed through deepwater ports. I can say to you today that while section 5(h)(2) permits States to levy fees, they are clearly restricted to cover: First, only those economic costs attributable to the construction and operation of the deepwater port and associated land based facilities which cannot otherwise be recovered and Second, those environmental and administrative costs attributable to construction and operation of the port and associated land based facilities. All such fees are subject to the approval of the Secretary.

I expect that the allowed fees to cover economic costs will be minimal since it is agreed that the States through their ad valorem taxes should be able to recover most of their economic costs. With regard to the environmental and administrative costs, it is reasonable to reimburse the State for those out-of-pocket costs which the Secretary deems to be reasonable and which he approves.

The provision on veto gives this right only to "adjacent States." They are States: First, which would be directly connected by a pipeline to a deepwater port, or second, which would be located within 15 miles of a deepwater port, or third, are designated by the Secretary after consultation with the National Oceanic and Atmospheric Administration if he determines there is a risk of damage to the coastal environment of such State equal to or greater than the risk posed to a State directly connected by pipeline to the proposed deepwater port. I expect the Secretary to interpret this provision rigidly.

It is reasonable in that it recognizes the interests of those States which clearly have significant risk while at the same time precluding unreasonable designations in providing vetos to States without the same level of risk. There should be a small number of States designated under this section.

The provisionmaking deepwater ports a common carrier precludes the utilization of these ports solely by the large multinational oil companies. This provision makes it clear that independent refiners in the midcontinent states will have access to the deepwater ports for the importing of oil. It should help to assure that small independent refiners will have a fair share of imported oil during times of shortage. Mr. Speaker, I am not happy with section 19(b) of the bill.

I am concerned that section 19(b) regarding State laws may be utilized by some States to enact unreasonable taxes on deepwater ports. The laws of the nearest adjacent coastal State adopted, amended, or repealed, including tax laws, will apply even though most of the deepwater port will be located more than 3 miles off the coast of the State. I expect that the Secretary and the courts will rigidly construe this section. Constitutional provisions against unreasonable restraint of interstate commerce and constitutional provisions against taxes on foreign commerce should minimize the levies which coastal States may impose. While I would have preferred language limiting State taxing authority, I do not find this objection so compelling as to justify a delay in this important legislation.

Because an application cannot be filed until the procedural regulations are issued by the Secretary, I urge that such regulations be promulgated forthwith. The conferees understand that applications may be received as soon as such regulations are promulgated and it is expected that there will be expeditious coordination between the Federal agencies which must provide impute to these regulations.

I do support the conference report because it is a most important piece of legislation and one which our energy consumers need very badly. I urge my colleagues today to support the conference report.

Mr. PRITCHARD. Mr. Speaker, I am going to vote to support this legislation because deep sea oil terminals are essential for our national energy policy. They are the only reasonable alternative to the construction of large oil facilities close inshore, and with the approaching end of the session we must accept this conference action or not have a deep port bill.

But I would like to express my dissatisfaction with the final product and the methods that produced it. By a substantial margin, and with full debate on the merits of both bills, this House adopted the Merchant Marine and Fisheries Committee version over that of the Public Works Committee. Then, with the appointment of a majority of the House conferees from supporters of the public works bill, it was assured that the version adopted by the House would never receive adequate consideration in the conference.

This bill before us now lacks clear-cut administrative authority, has numerous veto opportunities, provides a series of special preferential arrangements, and generally is going to be very difficult to work with.

It culminates a tortured, wasteful, and time-consuming legislative process that has delayed implementation of this vital portion of our energy plans for nearly 2 years. If Congress is to effectively address the many problems confronting our Nation in the next term, we must do better than this.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the conference report just considered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CANAVERAL NATIONAL SEASHORE IN THE STATE OF FLORIDA

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5773) to establish the Canaveral National Seashore in the State of Florida, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 11 and 12, strike out "a point on the waterway approximately one mile north of".

Page 8, lines 4 and 5, strike out "a point on the waterway approximately one mile north of".

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, can the gentleman state whether there are any nongermane amendments attached to this?

Mr. TAYLOR of North Carolina. The Senate amendments involve the deletion from the seashore of approximately 600 acres of privately owned lands on the mainland side of Mosquito Lagoon. This deletion should result in a reduction in the land acquisition costs at this area.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1728, WAR CLAIMS

Mr. MOSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia, with House amendments thereto, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, MOSS, STUCKEY, ECKHARDT, BROYHILL of North Carolina, WARE, and MCCOLLISTER.

PERMISSION FOR CONFEREES ON S. 1728 TO FILE CONFERENCE REPORT

Mr. MOSS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the Senate bill S. 1728, have until midnight tonight to file a conference report on that bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-1618)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the Senate bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 5(1)(3) of the War Claims Act of 1948 (50 App. U.S.C. 2004(1)(3)) is amended by striking out "$60" and inserting in lieu thereof "$150".

SEC. 2. Section 213(a) of such Act is amended by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) Thereafter, payments from time to time on account of the other awards made to individuals pursuant to section 202 and not compensated in full under paragraph (1), (2), or (3) of this subsection in an amount which shall be the same for each award or in the amount of the award, whichever is less. The total payment pursuant to this paragraph on account of any award shall not exceed $250,000.".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "An Act to amend the War Claims Act of 1948 to increase benefits provided to American civilian internees in Southeast Asia and to provide for additional payments on awards made to individuals under that Act.".

And the House agree to the same.

HARLEY O. STAGGERS,
JOHN E. MOSS,
W. S. (BILL) STUCKEY, Jr.,
BOB ECKHARDT,
JAMES T. BROYHILL,
JOHN H. WARE,
JOHN Y. MCCOLLISTER,
Managers on the Part of the House.
QUENTIN BURDICK,
HIRAM L. FONG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendments struck out all of the Senate bill after the enacting clause and inserted a substitute text and provided a new title for the Senate bill, and the Senate disagreed to the House amendments.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House to the text of the bill, with an amendment which is a substitute for both the text of the Senate bill and the House amendment to the text of the Senate bill, and also recede from its disagreement to the House amendment to the title of the Senate bill with a clarifying amendment.

The differences between the text of the Senate bill, the House amendment thereto, are noted below, except for clerical corrections, conforming changes made necessary by and the substitute agreed to in conference reason of agreements reached by the conferees, and minor drafting and clarifying changes.

SENATE BILL

The Senate bill amended section 5 of the War Claims Act of 1948 to increase the authorized detention benefits for American civilians during the Vietnam conflict from $60 per month to $150 per month, in order to raise the detention benefits authorized for civilians to the level presently authorized for military personnel.

HOUSE AMENDMENT

The House amendment also amended section 5 of the War Claims Act of 1948 to increase from $60 to $150 per month the benefits provided to American civilian internees in Southeast Asia.

In addition, section 2 of the House amendment amended section 213(a) of the War Claims Act of 1948 to give a first priority to the payment in full of the remaining individual awards for property losses arising out of World War II, and a second priority to the payment of the remaining corporate awards for similar losses up to the level of $50,000.

Existing law provides for payment of both individual and corporate awards, in equal amounts up to $35,000, and on a pro rata basis above that figure.

CONFERENCE SUBSTITUTE

The conference substitute, like both the Senate and the House amendment, increases from $60 to $150 per month the benefits provided to American civilian internees in Southeast Asia.

Under the conference substitute, the provision of existing law under which both individual and corporate awards are paid in equal amounts up to $35,000 is retained, and thereafter individual claimants not paid in full will receive payments in an amount which will be the same for each award or in the amount of the award, whichever is less. The total payment under the new section 213(a)(4) to any individual on account of any award is limited to $250,000. The balance of amounts in the War Claims Fund will then be used to make pro rata payments on the remaining individual and corporate awards.

The Committee of Conference agreed, in adopting these amendments to existing law, that there is no intent to encourage or set any precedent concerning settlement of property loss claims in the field of international law which are within the proper jurisdiction of other committees of the Congress. The amendments are designed solely to provide an equitable solution to the particular facts surrounding the remaining unpaid property loss claims arising out of World War II.

HARLEY O. STAGGERS,
JOHN E. MOSS,
W. S. (BILL) STUCKEY, Jr.,
BOB ECKHARDT,
JAMES T. BROYHILL,
JOHN H. WARE,
JOHN Y. MCCOLLISTER,
Managers on the Part of the House.
QUENTIN BURDICK,
HIRAM L. FONG,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE CONFERENCE REPORT ON H.R. 620

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight tonight to file a conference report on the bill H.R. 620.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-1620)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 620) to establish within the Department of the Interior an additional Assistant Secretary of the Interior for Indian Affairs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate with an amendment as follows:

That there shall be in the Department of the Interior, in addition to the Assistant Secretaries now provided for by law, one additional Assistant Secretary of the Interior for Indian Affairs, who shall be appointed by the President by and with the advice and consent of the Senate, who shall be responsible for such duties as the Secretary of the Interior shall prescribe with respect to the conduct of Indian Affairs, and who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of the Interior.

SEC. 2. Section 5315 of title 5 of the United States Code is amended by striking out "(6)" at the end of item (18) and by inserting in lieu thereof "(7)".

SEC. 3. Section 462, Revised Statutes, as amended and supplemented (25 U.S.C. 1), and paragraph (45) of section 5316 of title 5 of the United States Code, are repealed: *Provided,* That this section shall not take effect until an Assistant Secretary of the Interior for Indian Affairs has been confirmed and takes the oath of office.

SEC. 4. Subsection 7(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) is hereby amended by deleting that subsection in its entirety and inserting in lieu thereof a new subsection as follows:

"(c) The Secretary shall establish a thirteenth region for the benefit of Natives who are nonresidents of Alaska who elect, pursuant to section 28, to be enrolled therein, and they may establish a regional corporation pursuant to this Act."

SEC. 5. The Alaska Native Claims Settlement Act (85 Stat. 688) is hereby further amended by inserting at the end thereof a new section 28 as follows:

"SEC. 28. (a) The Secretary shall provide the opportunity within 120 days after the enactment of this section to all enrolled Natives 18 years or older on the date of filing of the original enrollment application who are not permanent residents of Alaska to inform him within 180 days after the enactment of this Act whether or not they wish to be enrolled in the thirteenth region and those that inform him that they desire to be enrolled in the thirteenth shall have their enrollment changed so as to be enrolled in the thirteenth region. In determining residence for purposes of this section, the Secretary shall use the roll as certfied on December 17, 1973, as amended, to reflect changes resulting from appeals or corrections: *Provided, however,* That any Native who, prior to December 1, 1974, informed the Secretary in writing of a desire to change his claimed place of residence as stated in column 16 of the enrollment form and whose request for such change was not honored by the Secretary shall, within 120 days of the enactment of this subsection, be provided the opportunity to file within 180 days of enactment of this section, a final declaration of residence which the Secretary shall review and honor if it is otherwise in conformity with the provisions of this Act. Any Native, previously found eligible by the Secretary to participate in the thirteenth region election, who fails to inform the Secretary of his desires in accordance with this section shall be enrolled according to the Native's choice expressed on his original enrollment application or any amendment thereto previously accepted by the Secretary or any amendment thereto not previously accepted by the Secretary: *Provided*, That the Secretary may reject any such amendment previously not accepted only if the Secretary determines that the Native's permanent residence is not that expressed by him in his amendment.

"(b) Within a thirty day period of the completion of the election and enrollment changes provided for in subsection (a) of this section, any bona fide organization representing nonresident Natives shall submit to the Secretary the names of not more than five Natives who have elected to be enrolled in the thirteenth region as nominees for the positions of the five incorporators of the thirteenth regional corporation. Not less than thirty days nor more than sixty days after such period, the Secretary shall mail to all eligible voters ballots containing the names of all nominees and their associational affiliations for the purpose of an election by mail of the five incorporators who shall serve as the initial directors of the thirteenth regional corporation. Eligible voters in the election shall be only Natives eighteen years of age or older on the date of election of incorporators pursuant to this subsection who are enrolled in the thirteenth region. Valid ballots shall be only those ballots mailed to the Secretary or his designee not later than ninety days after such period. The five nominees for whom the most votes are cast shall be elected incorporators of the thirteenth regional corporation and shall promptly take all steps authorized by this Act for such incorporators. All rules, regulations, and information relating to the election shall be transmitted directly to all known organizations representing nonresident Natives, the twelve regional corporations representing resident Natives, and all eligible voters.

"No moneys distributed or to be distributed pursuant to this Act may be expended or obligated by any Native, Native corporation, Native organization, representative thereof, or adviser thereto, to assist in, communicate on, or otherwise influence the election.

"(c) The articles of incorporation of the thirteenth regional corporation shall be submitted to the Secretary for approval in accordance with subsection 7(c) within eighteen months of the enactment of this section.

(d). Any distribution of funds to regional corporations from the Alaska Native Fund pursuant to subsection (c) of section 6 of this Act made by the Secretary or his delegate prior to enactment of this section on the basis of the final roll certified on December 17, 1973, shall not be affected by the provisions of this section. The Secretary shall make any necessary adjustments in future distributions of funds pursuant to subsection (c) of section 6 of this Act to accommodate enrollment changes made pursuant to subsection (a) of this section to insure that the funds received by the thirteen regional corporations and their stockholders will be equal to the sums which would have been distributed to those corporations and individuals had the thirteenth regional corporation been formed on or before December 17, 1973: *Provided*, That such adjustments shall not take effect until the next regularly scheduled distribution period following completion of the election and enrollment changes pursuant to subsection (a) of this section: *Provided further*, That the Secretary is authorized to make payments to the thirteenth regional corporation, once established, during the period prior to such next regularly scheduled distribution period from the Fund pursuant to this Act and such payments shall be in the form of advances on such corporation's adjusted share of such regularly scheduled distribution.

"(e) Any stock issued by a corporation under subsection (g) of section 7 of this Act to any Native who is enrolled in the thirteenth region pursuant to this section shall, upon enrollment of that Native, be canceled by the issuing corporation without liability to it or the Native whose stock is so canceled.

"(f) Except as specifically provided herein, nothing in this section shall be construed to alter or amend any of the provisions of this Act."

SEC. 6. The Alaska Native Claims Settlement Act (85 Stat. 688) is further amended by adding a new section 29, to read as follows:

"SEC. 29. Any corporation organized pursuant to this Act shall through December 31, 1976, be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), as amended. Nothing in this section shall, however, be construed to mean that any such corporation shall or shall not after such date be subject to the provisions of the Investment Company Act of 1940."

LLOYD MEEDS,
ROBERT G. STEPHENS, Jr.
JAMES R. JONES,
Managers on the Part of the House.

HENRY M. JACKSON,
LEE METCALF,
JAMES ABOUREZK,
DEWEY BARTLETT,
Managers on the Part of the Senate.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 620) "to establish within the Department of the Interior an additional Assistant Secretary of Interior for Indian Affairs, and for other purposes," submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

H.R. 620, as passed the House of Representatives on October 1, 1973, would establish an Assistant Secretary for Indian Affairs and abolish the Office of Commissioner of Indian Affairs.

The amendment to H.R. 620, as passed by the Senate on December 14, 1973, added a proviso to section 3 providing that the abolishment of the Commissioner's office would not take effect until an Assistant Secretary of the Interior for Indian Affairs is confirmed and takes the oath of office.

In addition, the Senate amendment added new sections 4 through 6 to H.R. 620 as passed by the House of Representatives. Sections 4 and 5 would amend the Alaska Native Claims Settlement Act (85 Stat. 688) to establish a thirteenth region for Natives who are not residents of Alaska and provide for the creation of a Thirteenth Regional Corporation to receive benefits under the Settlement Act and distribute them to nonresident Natives who choose to enroll in the thirteenth region. Section 6 would amend the Settlement Act to provide a temporary exemption from the Investment Company Act of 1940 for any corporation organized under the Settlement Act until December 31, 1976.

The conferees agreed to accept the provisions of sections 4 and 5 of the Senate amendment, with certain modifications. They agreed to establish the thirteenth region for Natives who, in accordance with the provisions of the Settlement Act, are non-residents of Alaska. The conferees, however, did not accept the language of the Senate amendment limiting those Natives who would be afforded the opportunity to state anew their preference concerning enrollment in that region to those who, prior to December 1, 1973, had filed an amendment to their enrollment application regarding the thirteenth region. Instead, they agreed to language providing the opportunity to a wider class of Natives as described below in the description of sections 4 through 6 of the conference report.

In addition, the conferees agreed to certain technical provisions concerning, first, the adjustment of distributions from the Alaska Native Fund to insure that corporations and individuals receive the same amount of funds they would have received had a thirteenth regional corporation been created prior to the date of the first distribution from the Fund, and, second, the cancellation of the stock in Native corporations held by Natives enrolled in the thirteenth region upon the date of their enrollment.

Finally, certain conforming changes were made in the language of sections 4 through 6 of the Senate amendment.

Provisions 4 and 5 of the conference report, incorporating the Senate amendment with modifications, would accomplish the following:

Section 4 substitutes for the subsection 7(c) majority vote requirement of the Settlement Act for the creation of a thirteenth region a mandatory creation of the region. Determination of those Natives who will be enrolled in the thirteenth region is to be made pursuant to the provisions of section 5.

Section 5 adds a new section 28 to the Settlement Act. Under the new section, the Secretary will afford all enrolled non-resident Natives a new opportunity to decide whether or not to enroll in the thirteenth region. Natives who fail to reply to the Secretary's request for a new decision on the thirteenth region will be enrolled in accordance with information already on file with the Secretary.

Section 5 also establishes procedures for nominating and electing incorporators of the Thirteenth Regional Corporation and provides that no prior distributions from the Alaska Native Fund will be affected by the section, but that future distributions will be adjusted to reflect changes in enrollment pursuant to the section. The Committee intends that the Secretary will use his power to make necessary adjustments in the future distributions so that the funds distributed to the thirteenth region will be equal to the sums which would have been distributed to that corporation if it had been formed on or before December 17, 1973. These adjustments will include deductions from future distributions to the 12 regional corporations to offset funds received by those corporations which would have gone to the thirteenth regional corporation had it been formed on or before December 17, 1973. These adjustments will also include deductions from distributions to the thirteenth region and appropriate additions to distributions to the 12 regions to compensate the 12 regions for distributions made by them to Natives who held stock in those regions but whose stock is cancelled upon their enrollment in the thirteenth region. Such prior distributions are in effect distributions which would have been made by the thirteenth region had it been formed on or before December 17, 1973.

Section 5 also provides for cancellation of stock previously issued by Native Corporations to Natives who are enrolled in the thirteenth region.

Finally, section 5 provides that nothing in the new section 28 of the Settlement Act shall be construed to alter or amend the Settlement Act except as specifically provided. There is no intention to amend the Settlement Act in order to provide lands, or benefits in the income derived from Native lands, to the thirteenth corporation or its stockholders.

The conferees agreed to the language of section 6 in the Senate amendment which would amend the settlement act by adding a new section 29 providing for a temporary exemption until December 31, 1976, from the Investment Company Act of 1940 for any corporation organized under the Settlement Act. The conferees believe the exemption is necessary because of certain "mechanical" provisions of the Investment Company Act and the present uncertain status under the 1940 Act of Native corporations established pursuant to the Settlement Act. The 1940 Act requires highly technical registration and periodic reports to the SEC from corporations which are by design "investment companies" as well as corporations which are deemed "inadvertent" investment companies because more than 40% of their total assets, exclusive of cash and government securities, are held in the form of "investment securities."

The Native corporations are designed to be operating profitmaking business corporations. They are not expected to be "investment companies" as that term is customarily used. All of them will eventually own surface and/or subsurface interests in substantial amounts of land. Once the corporations are fully organized it is apparent that many of them will never be "investment companies" by virtue of their intentional business decisions or because they happen to have more than 40% of their non-cash assets in investment securities. The probable value of certain land interests makes it unlikely that several of these corporations will ultimately fall under the 1940 Act because of the 40% test.

However, the structure of the Settlement Act results in substantial cash flowing to these corporations years ahead of land selections. Over $150 million has been distributed to Native corporations; land selections have not yet resulted in any title passing to the corporations and selections will not be completed until the end of 1975, at the earliest.

The Native corporations must do something with the money they are getting. They cannot let it lie fallow in checking accounts, yet they are unprepared now to go immediately into profit-oriented business for themselves. To meet this problem corporations are to some extent planning to put money into commercial bank time deposits or certificates of deposit with interest returns somewhat higher than savings accounts, but lower than "high-risk" investment ventures.

These plans present another potential problem under the 1940 Act. While the Court of Appeals for the Second Circuit has held that "certificates of deposit' 'are not "investment securities" for 1940 Act purposes, the SEC staff informally takes a contrary position. Thus the Native corporations which prudently try to obtain moderate return by purchasing certificates of deposit may be required to undergo costly and time-consuming registrations under the 1940 Act only to find that three years from now when land selections are complete they are no longer subject to that Act and must then go through costly and time-consuming procedures to deregister. The end result is a needless waste of time, money, and manpower—and piles of paperwork.

It is too early for these fledgling corporations to know even what their investment policies and legal and accounting problems may be to make registration practicable for them under the Investment Company Act. On the other hand, the penalty for failure to register under that Act, even for a company which inadvertently becomes subject to its provisions, are severe. It is the purpose of Section 5 to provide the corporations formed under the Settlement Act with turnaround time, in order to identify any problems which they may ultimately have under the Investment Company Act and to work out appropriate solutions for such problems internally and in consultation with the Staff of the Securities and Exchange Commission.

The SEC has promulgated a temporary rule exempting Native Corporations who register as investment companies from most of the provisions of the 1940 Act. The Committee nonetheless feels that the two-year exemption provided for in this section is necessary. The Committee is informed that some regional corporations have not registered under the SEC temporary rule and there exists some risk that their corporate acts and contracts might be vulnerable to challenge under the 1940 Act. The two-year exemption will provide necessary breathing room to the SEC and the Native corporations in order to permit resolution of long-range solutions.

Lloyd Meeds,
Robert G. Stephens, Jr.,
James R. Jones,
Managers on the part of the House.
Henry M. Jackson,
Lee Metcalf,
James Abourezk,
Dewey Bartlett,
Managers on the part of the Senate.

AMENDMENTS OF 1974 TO FEDERAL LAWS RELATING TO EXPLOSIVES

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1083) to amend certain provisions of Federal law relating to explosives, as amended.

The Clerk read as follows:

S. 1083

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Amendments of 1973 to Federal Law Relating to Explosives".

Sec. 101. Section 845(a) of title 18 of the United States Code (relating to exemptions from certain provisions of Federal law relating to explosives) is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) commercially manufactured black powder in quantities not to exceed fifty pounds, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches, and friction primers, intended to be used solely for sporting, recreational, or cultural purposes in antique firearms as defined in section 921(a)(16) of title 18 of the United States Code, or in antique devices as exempted from the term 'destructive device' in section 921(a)(4) of title 18 of the United States Code; and".

Sec. 102. Section 921(a)(4) of title 18 of the United States Code is amended by inserting after the word "sporting" in the last sentence the following: ", recreational or cultural".

The SPEAKER. Is a second demanded?

Mr. FISH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation would relieve antique firearms and muzzle-loading rifle sportsmen from a burden imposed on them by title XI of the Organized Crime Control Act of 1970—a burden that Congress never intended to visit on law-abiding citizens, as my friend, the distinguished gentleman from New York (Mr. Fish), will point out in more depth.

The chief issue before the Subcommittee on Crime in its hearings on this bill was the problem of balancing the legitimate right of this Nation's sportsmen to participate in a pastime rich in history and pagentry free of unnecessary restrictions against the public's right to be free from being exposed to potential danger from an unregulated substance. After careful consideration of all the evidence on both sides of this issue, the subcommittee concluded that this class of individuals was being unnecessarily interfered with by restrictions on the use of a commodity that the law intended to keep out of law-breaking, rather than law-abiding hands.

I must indicate to my colleagues here that the public, by virtue of this amendment, does not remain unprotected from the possible dangers that may result from the use of this substance. Although this amendment would exempt commercially manufactured black powder in purchases up to 50 pounds from the operation of title 11 of the Organized Crime Control Act of 1970, it does not affect other provisions of Federal law that relate to the regulation and control of explosive materials:

The Secretary of Transportation, under chapter 39 of title 18, United States Code, has the authority to promulgate regulations to enforce the provisions of that chapter relating to "explosives and other dangerous articles." Such regulations presently include requirements for the safe packaging, shipping, and handling of all types of explosives. These stringent regulations require that black powder must be packed, shipped, and stored in containers, clearly marked and labeled, that are designed to maximize safety and minimize the danger of incidents.

The Secretary of Labor, under the Occupational Safety and Health Act, chapter 15 of title 29, United States Code, prescribes regulations and standards governing the safe operation of commercial establishments with employees, which are enforced by the Occupational Safety and Health Administration. OSHA currently has regulations that deal rather thoroughly with all aspects of handling and storage of explosives in establishments that manufacture, sell, or otherwise distribute explosives; these, too, are unaffected by this amendment. As a matter of fact, the OSHA regulations are patterned after the ones that ATF uses now.

Pursuant to chapter 30 of title 15, United States Code, the independent Consumer Product Safety Commission has jurisdiction that extends to the labeling of products intended for household use that are classified as "hazardous substances". CPSC has the authority to investigate the suitability of consumer products and establish appropriate rules and restrictions. In this case, the Commission could assure that commercially manufactured black powder, since quantities up to 50 pounds could now be stored in private dwellings, is appropriately marked to warn consumers of its potential hazards and tell them what steps need be taken to avoid potential danger.

Finally, it should be emphasized that this amendment in no way reduces or eliminates the prohibitions on or penalties for the criminal use of any type of black powder, nor does it affect the authority of ATF with respect to other types of explosives, whether commercially manufactured or not, that may be hazardous to public safety, without regard to quantity. Those who wish to purchase more than 50 pounds of commercially manufactured black powder must still obtain a Federal license, if they are a dealer, or a user permit, if they are a one-time quantity purchaser, such as one of the muzzle-loader organizations, and are still subject to the storage regulations. Furthermore, ATF is still empowered to investigate accidents involving explosives and take such subsequent action as may be necessary to prevent a recurrence. Finally, the Bureau has sufficient regulatory authority to enforce the provisions of chapter 40 relating to criminal use of explosives, which means it may establish reasonable identification-of-user procedures to prevent black powder from falling into the wrong hands, in conformance with the intent of the amendment, which is to exempt the specified materials "intended to be used solely for sporting, recreational, or cultural purposes in antique firearms."

The subcommittee considered an amendment to this chapter of the code which was offered by the Bureau of Alcohol, Tobacco and Firearms. They proposed that quantities up to 50 pounds would be exempted, but added a proviso that any quantity in excess of 5 pounds would still be subject to the storage requirements established by ATF regulations.

Other than the real and economic inconvenience that this law has caused the antique firearms sportsman, the reason that such black powder users asked for this change in the law is because current requirements mean that they must violate the law if they are to continue to practice their hobbies on an organized basis. The law allows the possession and unregulated storage of no more than 5 pounds of the stuff now, and the storage requirements are such that it is impossible for the private citizen to store greater quantities in or near his residence. Since our hearings revealed that the average shooter competing independently in a match may consume up to 25 pounds over 2 days, it takes no expert to conclude that, unless he belongs to an organization that has the proper permits and storage facilities to buy and keep his power, this shooter is violating Federal law. Hence, the ATF amendment would not really solve the problem. Although a private user could purchase up to 50 pounds of commercially manufactured black powder, he would only be allowed to keep 5 at home without violating the law, unless he had access to an acceptable magazine in which to store the powder. The effect of this amendment would be to encourage violation of the law by making access more convenient but preserving the impossibility of compliance by the law-abiding citizen as far as storage is concerned, unless he severely curtails or abandons his hobby. This, in the subcommittee's judgment, was an undesirable result, so the amendment was rejected.

Mr. Speaker, as chairman of the subcommittee originally recommending the adoption of this legislation with an amendment, I must add that I have just this morning reaffirmed the commitment the Bureau of Alcohol, Tobacco and Firearms has made to the subcommittee to begin at once a reliable and accurate recordkeeping and statistical-gathering procedure that will accurately measure the future effect of less-restricted black powder use. Further, the Bureau has assured me that they will use their remaining regulatory and supervisory authority to assure that commercially manufactured black powder will be purchased and sold with the intent that it be used only for sporting, recreational, and cultural purposes in accordance with the letter of this amendment and the spirit of title XI of the Organized Crime Control Act. They intend to do this through an identification and certification procedure that will be executed at the distribution level.

To conclude these brief remarks, let me say that I consider this an important piece of legislation to all law-abiding citizens who desire to see a vital part of America's past survive.

Mr. Speaker, I yield and reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. COHEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Speaker, I rise in support of S. 1083, to amend provisions of Federal law relating to black powder and would like to associate myself with the remarks of the gentlemen from New York (Mr. FISH).

The black powder bill would remove from the law the 5-pound exemption and replace it with an exemption for 25 pounds of black powder intended solely for cultural, sporting, and recreational use. The 50-pound limitation was added by the committee in the interests of preventing distribution and possession of unlimited quantities of black powder by sportsmen. The Senate bill would have allowed possession of unlimited quantities, a situation to which the committee was not favorably disposed.

Moreover, under this bill consumers could only possess 50 pounds of black powder only intended to be used for sporting purposes. The bill does not lessen any of the criminal penalties for misuse of explosives. Thus, Mr. Speaker, I feel that this bill strikes a fair balance between the legitimate needs of sportsmen and the interests of safety.

Mr. FISH. Mr. Speaker, I rise in support of S. 1083, a bill to amend certain provisions of the Federal law relating to explosives. The Senate-passed bill is identical to H.R. 14549 introduced by the ranking member of our subcommittee, the gentleman from Maine, and identical to H.R. 14018 which I sponsored.

As the chairman of the Subcommittee on Crime (Mr. CONYERS) has stated, the purpose of this legislation is to exempt commercially manufactured black powder and certain igniters intended to be used solely for sporting, recreational, or cultural purposes in antique or replica firearms from the regulatory provisions on explosives contained in title XI of the Organized Crime Control Act of 1970, as codified in title 18, chapter 40. Our subcommittee considered in detail, as did the Senate, the question of public safety which resulted in the inclusion of the 50-pound limitation. It is my intention to discuss the present uses of black powder and why the present law must be amended.

This bill is needed to change the present onerous restrictions on legitimate sportsmen. It is urgently needed as our Nation approaches its Bicentennial.

In 1970 with the passage of the Organized Crime Control Act containing restrictions on the manufacture, transportation, storage, possession, and use of black powder, the activities of sportsmen who rely on commercially manufactured black powder were severely restricted. These sportsmen engage in the use of antique firearms and replicas of antique rifles and cannons in a variety of sporting, cultural, and recreational events. Muzzle-loading rifles are used in target shooting meets throughout the country. At such meets, the participants dress in costumes of the Colonial and Civil War periods and engage in both individual and team shooting competitions with such rifles. Antique weapons and cannons are used by a variety of civic groups in such ceremonies as flag raising, centennial celebrations, Fourth of July celebrations, and even performances of classical music, such as Tchaikovsky's "1812 Overture."

The record compiled by the Subcommittee on Crime indicates that there are as many as 100,000 sportsmen throughout the country who use black powder in such events. Indeed it was estimated that there may be close to 200,000 users when persons who do not belong to organized groups are counted. These sporting enthusiasts are law-abiding citizens. Most sportsmen who use black powder are well aware of its dangers and are experienced in its use. As the testimony before the subcommittee indicated and from the written statements received by the subcommittee, there have been no known accidental explosions of black powder possessed by sportsmen groups.

The restrictions on black powder in current law have created serious hardship for the sporting user. It must be noted that sportsmen can use only commercially manufactured black powder which is of sufficiently high quality and uniformity to allow safe operation of antique weapons. Purchases of sufficient quantities of black powder for target competitions or other cultural events cannot be made without great inconvenience and substantial expense, because of the factors of time, distance, frequency of use, and the limit on black powder available for purchase.

Since the passage of the Organized Crime Control Act, the sources all but vanished for the sportsmen. Until 1970, most users of the substance were dependent on an informal system of distribution by gun shops and hardware stores, cooperatives, and other "courtesy suppliers" who ordered and stocked limited amounts of the propellant as a service rather than for profit. Because of the permit limitations and fees, and the cost of constructing elaborate magazines for limited storage, most courtesy suppliers of this substance have stopped handling black powder. This in turn has caused the price to increase significantly. These inconveniences have had an unnecessarily restrictive effect on lawful activities of sportsmen. Unless remedied, the restrictions would have a serious impact on the historical reenactments, pageants, and shooting matches to be held in conjunction with the forthcoming celebration of the 200th anniversary of the American Revolution. As one witness before our subcomimttee stated, this situation is indeed ironic: the United States won its independence through the use of black-powder firearms, but presently the law of the United States effectively prohibits the recognition and celebration of that use.

Considerations of safety compelled the subcommittee and the full committee to limit the amount of black powder to be available to 50 pounds. Thus we have reached a reasonable accommodation of both the lawful activities of the sporting users, and the needs of safety. I urge my colleagues to support this bill.

Mr. Speaker, the enforcement issue concerned our subcomimttee. Treasury regulations have been promulgated under the authority of the existing law. This bill is only a limited modification of current law and does not unduly disturb the enforcement powers of the Treasury Department. It is our expectation that the Department will promulgate regulations and establish forms requiring sporting users to identify themselves when purchasing black powder, and to certify their intent to use the substance only for sporting, recreational, and cultural purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. CONYERS) that the House suspend the rules and pass the Senate bill (S. 1083), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

JUDICIAL REVIEW OF DECISIONS OF THE INTERSTATE COMMERCE COMMISSION

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 663) to improve judicial machinery by amending title 28, United States Code, with respect to judicial review of decisions of the Interstate Commerce Commission and for other purposes, as amended.

The Clerk read as follows:

S. 663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1336(a) of title 28, United States Code, is amended to read as follows:

"(a) Except as otherwise provided by Act of Congress, the district courts shall have jurisdiction of any civil action to enforce, in whole or in part, any order of the Interstate Commerce Commission, and to enjoin or suspend, in whole or in part, any order of the Interstate Commerce Commission for the payment of money or the collection of fines, penalties, and forfeitures."

SEC. 2. Section 1398(a) of title 28, United States Code, is amended to read as follows:

"(a) Except as otherwise provided by law, a civil action brought under section 1336(a) of this title shall be brought only in a judicial district in which any of the parties bringing the action resides or has its principal office.

SEC. 3. Section 2341(3)(A) of title 28, United States Code, is amended by inserting following "Federal Maritime Commission," the words, "the Interstate Commerce Commission,".

SEC. 4. Section 2342 of title 28, United States Code, is amended as follows:

(a) In the paragraph designated "(3)", following the semicolon, strike "and";

(b) In the paragraph designated "(4)", strike the period and insert in lieu thereof a semicolon followed by the word "and";

(c) Add a new pargraph "(5)" as follows:

"(5) all rules, regulations, or final orders of the Interstate Commerce Commission made reviewable by section 2321 of this title."

SEC. 5. Section 2321 of title 28, United States Code, is amended to read:

"§ 2321. Judicial review of Commission's orders and decisions; procedure generally; process

"(a) Except as otherwise provided by an Act of Congress, a proceeding to enjoin or suspend, in whole or in part, a rule, regulation, or order of the Interstate Commerce Commission shall be brought in the court of appeals as provided by and in the manner prescribed in chapter 158 of this title.

"(b) The procedure in the district courts in actions to enforce, in whole or in part, any order of the Interstate Commerce Commission other than for payment of money or the collection of fines, penalties, and forfeitures, shall be as provided in this chapter.

"(c) The orders, writs, and process of the district courts may, in the cases specified in subsection (b) and in the cases and proceedings under section 20 of the Act of February 4, 1887, as amended (24 Stat. 386; 49 U.S.C. 20), section 23 of the Act of May 16, 1942, as amended (56 Stat. 301; 49 U.S.C. 23), and section 3 of the Act of February 19, 1903, as amended (32 Stat. 848; 49 U.S.C. 43), run, be served and be returnable anywhere in the United States."

SEC. 6. The first paragraph of section 2323 of title 28, United States Code, is amended to read as follows:

"The Attorney General shall represent the Government in the actions specified in section 2321 of this title and in actions under section 20 of the Act of February 4, 1887, as amended (24 Stat. 386; 49 U.S.C. 20), section 23 of the Act of May 16, 1942, as amended (56 Stat. 301; 49 U.S.C. 23), and section 3 of the Act of February 19, 1903, as amended (32 Stat. 848; 49 U.S.C. 43)."

SEC. 7. Sections 2324 and 2325 of title 28, United States Code, are hereby repealed.

SEC. 8. The table of sections of chapter 157 of title 28, United States Code, is amended to read:

"Chapter 157.—INTERSTATE COMMERCE COMMISSION ORDERS; ENFORCEMENT AND REVIEW

"Sec.
"2321. Judicial review of Commission's orders and decisions; procedure generally; process.
"2322. United States as party.
"2323. Duties of Attorney General; intervenors.".

SEC. 9. The proviso in section 205(g) of the Motor Carrier Act, as amended (49 Stat. 550; 49 U.S.C. 305(g)), is amended by striking "file a bill of complaint with the appropriate District Court of the United States, convened under section 2284 of title 28 of the United States Code, and inserting in lieu thereof "commence appropriate judicial proceedings in a court of the United States under those provisions of law applicable in the case of proceedings to enjoin or suspend rules, regulations, or orders of the Commission"

SEC. 10. This Act shall not apply to any action commenced on or before the last day of the first month beginning after the date of enactment. However, actions to enjoin or suspend orders of the Interstate Commerce Commission which are pending when this Act becomes effective shall not be affected thereby, but shall proceed to final disposition under the law existing on the date they were commenced.

The SPEAKER. Is a second demanded?

Mr. COHEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. CONYERS) will be recognized for 20 minutes.

Mr. CONYERS. Mr. Speaker, the bill before us today, S. 663, would modernize the cumbersome and outdated judicial machinery for review of orders of the Interstate Commerce Commission by placing review of such orders in the U.S. Courts of Appeals pursuant to the Judicial Review Act of 1950, commonly known as the Hobbs Act.

This legislation addresses a concern which I consider to be a major one now before the Congress: modernizing and improving the Federal judicial machinery to meet the needs of the 20th century. The problem of antiquated judicial procedures is one of consistent historical concern. The famed jurist Roscoe Pound told the American Bar Association in 1906 that the work of the courts in the 20th century could not be carried on with the methods and machinery of the 19th century; 64 years later, speaking to the same group, Chief Justice Burger made this observation:

> If you will read Pound's speech, you will see at once that we did not heed his warning, and today, in the final third of this century, we are still trying to operate the courts with fundamentally the same basic methods, the same procedures and the same machinery he said were not good enough in 1906. In the supermarket age we are trying to operate the courts wtih cracker-barrel corner grocer methods and equipment—vintage 1900.

The bill we consider today deals with such antiquated procedures. Since 1913 with the passage of the Urgent Deficiencies Act, orders of the ICC have been reviewed in the U.S. district courts by panels of three judges, at least one of whom must be a judge of the court of appeals for the district in accordance with sections 2321 and 2325 of title 28 of the United States Code. The Hobbs Act, adopted in 1950, placed such appeals from other agencies in single-judge district courts, with further review to be conducted by the circuit courts of appeals and the Supreme Court upon petition for writ of certiorari. As it stands today, appeals from review of ICC orders by three-judge panels are taken directly to the Supreme Court on an expedited basis. In December 1972, the study group on the caseload of the Supreme Court, chaired by Prof. Paul Freund of the Harvard Law School, had this to say about the current review procedure:

> Review of ICC orders by a three-judge court with direct appeal to the Supreme Court is an historical anomaly. At one time there was similar review for other agencies, but this was changed in 1950, and review of the other agencies was tranferred to the courts of appeals. The reasons given for making this change for the other agencies are fully applicable to the ICC . . .
>
> In recent years the Commission has abandoned its opposition to similar treatment for its orders. Proposals for review of ICC orders by the courts of appeals, supported by the *Judicial Conf*erence of the United States and, so far as we know, opposed by no one, have been before Congress for several years. Since many ICC cases are not sufficient importance to require review by the Supreme Court, it is clear that the unique treatment of ICC orders is a burden on the Supreme Court that can no longer be justified.

Over 30 years ago, Mr. Justice Frankfurter described the three-judge review procedure as—

> A serious drain upon the federal judicial system particularly in regions where, despite modern facilities, distance still plays an important part in the effective administration of justice.

Chief Judge Harry Phillips of the sixth circuit, which covers the States of Michigan, Kentucky, Tennessee and part of Ohio testified before the Subcommittee on Crime on this bill. Judge Phillips on many occasions served on panels reviewing Commission orders, and outlined graphically, the time and expense involved in this procedure. During the fiscal year just completed, there were 249 cases which required the convening of three-judge panels, and appeals taken from ICC orders accounted for 51, or just over 20 percent, of this total. In addition to being a substantial burden on circuit court judges, there is evidence that direct appeal to the Supreme Court is a waste of that Court's time and is, in many cases, unnecessary. For example, in the October 1972 term which the court completed last year, it allowed and disposed of 26 such appeals, requiring full briefing and oral argument in only 5 cases.

There can be little doubt that this legislation carries wide support. The record *compiled by* Senator BURDICK's Subcommittee on the Improvement of the Judicial Machinery reveals that, of the 10 chief judges of the Federal courts of appeals and 38 chief judges of Federal district courts who testified, all favored this reform.

In testimony before Congressman KASTENMEIER's subcommittee on similar legislation with a broader sweep, Judge J. Skelly Wright of the D.C. Circuit noted that the original problems for which three-judge courts were first conceived have been largely eliminated through other reforms, and that this procedure now generates rather than lessening litigation. I have statements of a similar nature, which I will include in our record, from the Solicitor General of the United States, the Antitrust Division of the Department of Justice, the Administrative Office of the U.S. Courts, the American Bar Association, and ICC practitioners. All support the swift enactment of this legislation.

Mr. COHEN. Mr. Speaker, I would like to join in the remarks of the honorable chairman on the Subcommittee on Crime in support of S. 663, a bill to improve the judicial machinery by amending title 28 with respect to judicial review of decisions of the Interstate Commerce Commission and for other purposes.

As the chairman indicated, S. 663 would modernize the cumbersome and outdated judicial machinery for review of orders of the Interstate Commerce Commission by placing review of such orders in the U.S. Circuit Courts of Appeals, pursuant to the Judicial Review Act of 1950, commonly known as the Hobbs Act (28 U.S.C. 2341).

The current procedure for the review of orders of the Interstate Commerce Commission was established in 1913 when Congress adopted the Urgent Deficiencies Act. Under that act, orders of the ICC, except those calling solely for payment of money, had been reviewed in the U.S. District Courts of Appeals for the circuit in which the district is located. Appeals from the three-judge courts lie directly to the Supreme Court as a matter of right.

This outdated and cumbersome procedure has imposed an unnecessary burden on Federal judicial resources at the district, circuit, and Supreme Court levels. The convening of a three-judge court poses unnecessary hardship on judges, especially circuit court judges who must often travel several hundred miles from the seat of the circuit court to the district in which the review proceeding is pending. The three-judge court does not have any countervailing benefits to justify this inconvenience.

Moreover, since appeals from orders of three-judge courts lie directly to the Supreme Court as a matter of right, members of the Supreme Court must waste their energies in considering appeals not sufficiently important of their merits for consideration by the highest appellate tribunal of our land.

The preferable route of appeal, as would be established by this bill, is that of the Hobbs Act. The Hobbs Act was passed in 1950 to simplify appellate review of the orders of the Secretary of Agriculture, the Federal Communications Commission, the Federal Maritime Commission, and the Atomic Energy Commission. Under the Hobbs Act, review of such orders is placed in the circuit courts of appeal. Review of decisions to the Supreme Court are by the discretionary writ of certiorari. Thus the entire procedure for consideration of regulatory orders of the ICC would be vastly simplified by following the review procedures of the Hobbs Act.

Mr. Speaker, S. 663 has been enthusiastically reported by the Judicial Conference of the United States, the Administrative Office of the United States, the Department of Justice, and the American Bar Association.

POSITION OF ICC

The ICC also expressed their support for the bill, except as qualified in two respects. First, the Commission contended that the alternate venue provision of the Hobbs Act was not desirable. The Chairman of the Commission and the Chief Counsel contended that it was in the best interest of the Commission and the courts to allow review only in the circuits of the petitioners' residence. Dismay was expressed that if venue was allowed in the District of Columbia Circuit Court of Appeals, as provided in the Hobbs Act, most cases would ultimately be filed in the Circuit Court of the District of Columbia which would then become a superior administrative agency. However, the committee felt that no exception to the Hobbs Act procedure was justified for the ICC pending complete review in the next Congress of Hobbs Act venue for all agencies.

The second objection of the ICC regarded the authorization of the Commission to represent itself before the Supreme Court. Mr. Speaker, based on the record by the Subcommittee on Crime, it is clearly the intention of this bill to continue the existing practice which allows the Commission to intervene before the Supreme Court as a matter of right, notwithstanding any objection by the Department of Justice.

Mr. Speaker, this is clearly a noncontroversial piece of legislation which is long overdue and I urge the Members of the House to support it.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. CONYERS), that the House suspend the rules and pass the Senate bill (S. 663) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

ADJUSTING PRICE SUPPORT FOR TOBACCO

Mr. STUBBLEFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the bill (H.R. 17635) to adjust price support for tobacco under the Agricultural Act of 1949, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

H.R. 17635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Agricultural Act of 1949 is repealed.

SEC. 2. Section 101(c) of the Agricultural Act of 1949 is amended to read as follows: "For tobacco, if marketing quotas are in effect, the level of support shall be 75 per centum of the parity price. If acreage poundage or poundage farm marketing quotas are in effect under section 317 or 319 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum of the marketing quota (after adjustments) for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another shall, when marketed, be considered tobacco of the then current crop.".

SEC. 3. The provisions of this Act shall become effective upon enactment: *Provided,* That, the changes made by this Act in the computation of the support prices for tobacco shall be applicable for the 1975 crop and each subsequent crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers. The tobacco price support levels for the 1974 crop shall be determined as it would have been determined under section 106 of the Agricultural Act of 1949.

Mr. STUBBLEFIELD. Mr. Speaker, this bill would lower the price support for tobacco from 90 percent to 75 percent of parity modifying the action taken by the House on November 26 when it set parity at 90 percent in the passage of H.R. 17506.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON SENATE JOINT RESOLUTION 40, AUTHORIZING THE PRESIDENT TO CALL WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SCIENCES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on Senate Joint Resolution 40, authorizing the President to call in 1976 a White House Conference on Library and Information Sciences.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-1619)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the text of the join resolution and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That (a) the President of the United States is authorized to call a White House Conference on Library and Information Services not later than 1978.

(b) (1) The purpose of the White House Conference on Library and Information Services (hereinafter referred to as the "Conference") shall be to develop recommendations for the further improvement of the Nation's libraries and information centers and their use by the public, in accordance with the policies set forth in the preamble to this resolution.

(2) The Conference shall be composed of, and bring together—

(A) representatives of local, statewide, regional, and national institutions, agencies, organizations, and associations which provide library and information services to the public;

(B) representatives of educational institutions, agencies, organizations, and associations (including professional and scholarly associations for the advancement of education and research);

(C) persons with special knowledge of, and special competence in, technonolgy as it may be used for the improvement of library and information services; and

(D) representatives of Federal, State, and local governments, professional and lay people, and other members of the general public.

(c) (1) The Conference shall be planned and conducted under the direction of the National Commission on Libraries and Information Science (hereinafter referred to as the "Commission").

(2) In administering this joint resolution, the Commission shall—

(A) when appropriate, request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities;

(B) make technical and financial assistance (by grant, contract, or otherwise) available to the States to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference; and

(C) prepare and make available background materials for the use of delegates to the Conference and associated State conferences, and prepare and distribute such reports of the Conference and associated State conferences as may be appropriate.

(3) (A) Each Federal department and agency is authorized and directed to cooperate with, and provide assistance to, the Commission upon its request under clause (A) of paragraph (2). For that purpose, each Federal department and agency is authorized to provide personnel to the Commission. The Commission shall be deemed to be a part of any executive or military department of which a request is made under clause (A) of paragraph (2).

(B) The Librarian of Congress is authorized to detail personnel to the Commission, upon request, to enable the Commission to carry out its functions under this joint resolution.

(4) In carrying out the provisions of this joint resolution, the Commission is authorized to engage such personnel as may be necessary, without regard for the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard for chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(5) The Commission is authorized to publish and distribute for the Conference the reports authorized under this joint resolution.

(6) Members of the Conference may, while away from their homes or regular places of business and attending the Conference, be allowed travel expenses, including per diem in lieu of subsistence, as may be allowed under section 5703 of title 5, United States Code, for persons serving without pay. Such expenses may be paid by way of advances, reimbursement, or in installments as the Commission may determine.

(d) A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than one hundred and twenty days following the close of the Conference, which final report shall be made public and, within ninety days after its receipt by the President, transmitted to the Congress together with a statement of the President containing the President's recommendations with respect to such report.

(c) (1) There is hereby established a twenty-eight member advisory committee of the Conference composed of (A) at least three members of the Commission designated by the Chairman thereof; (B) five persons designated by the Speaker of the House of Representatives with no more than three being members of the House of Representatives; (C) five persons designated by the President pro tempore of the Senate with no more than three being members of the Senate; and (D) not more than fifteen persons appointed by the President. Such advisory committee shall assist and advise the Commission in planning and conducting the Conference. The Chairman of the Commission shall serve as Chairman of the Conference.

(2) The Chairman of the Commission is authorized, in his discretion, to establish, prescribe functions for, and appoint members to, such advisory and technical committees as may be necessary to assist and advise the Conference in carrying out its functions.

(3) Members of any committee established under this subsection who are not regular full-time officers or employees of the United States shall, while attending to the business of the Conference, be entitled to receive compensation therefor at a rate fixed by the President but not exceeding the rate of pay specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Commission shall have authority to accept, on behalf of the Conference, in the name of the United States, grants, gifts, or bequests of money for immediately disbursement by the Commission in furtherance of the Conference. Such grants, gifts, or bequests offered the Commission, shall be paid by the donor or his representative to the Treasurer of the United States, whose receipts shall be their acquittance. The Treasurer of the United States shall enter such grants, gifts, and bequests in a special account to the credit of the Commission for the purposes of this joint resolution.

(g) For the purpose of this joint resolution, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(h) There are authorized to be appropriated without fiscal year limitations such sums, but not to exceed $3,500,000, as may be necessary to carry out this joint resolution. Such sums shall remain available for obligation until expended.

SEC. 2. (a) (1) (A) The first sentence of section 438(a) (1) of the General Education Provisions Act is amended by striking out "State and local educational agency, any institution of higher education, any community college, any school agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(B) Such first sentence is amended by striking out "attending any school of such agency, or attending such institution of higher education, community college, school, preschool, or other educational institution" and inserting in lieu thereof "who are or have been in attendance at a school of such agency or at such institution, as the case may be".

(C) The third sentence of such section is amended by striking out "recipient" and inserting in lieu thereof "educational agency or institution."

(D) Paragraph (1) of section 438(b) of such Act is amended by striking out "State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(E) Paragraph (2) of such section is amended by striking out "State and local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution" and inserting in lieu thereof "educational agency or institution".

(F) Subsection (e) of section 438 of such Act is amended by striking out "unless the recipient of such funds" and inserting in lieu thereof "to any educational agency or institution unless such agency or institution".

(G) Section 438(a) of such Act is amended by inserting at the end thereof the following new paragraph:

"(3) For the purposes of this section the term 'educational agency or institution' means any public or private agency or institution which is the recipient of funds under any applicable program.".

(2) (A) The first sentence of section 438(a) (1) of such Act is amended by striking out "any and all official records, files, and data directly related to their children, including all material that is incorporated into each student's cumulative record folder, and intended for school use or to be available to parties outside the school or school system, and specifically including, but not necessarily limited to, identifying data, academic work completed, level of achievement (grades, standardized achievement test scores), attendance data, scores on standardized intelligence, aptitude, and psychological tests, interest inventory results, health data, family background information, teacher or counselor ratings and observations, and verified reports of serious or recurrent behavior patterns." and inserting in lieu thereof "the education records of their children.".

(B) (i) The second sentence of such section is amended by striking out "Where such records or data include" and inserting in lieu thereof "If any material or document in the education record of a student includes".

(ii) Such second sentence is amended by striking out "any student shall be entitled to receive, or be informed of, that part of such record or data as pertains to their child" and inserting in lieu thereof "one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material".

(C) The third sentence of such section is amended by striking out "their child's school records" and inserting in lieu thereof "the education records of their children".

(D) Section 438(b) (1) of such Act is amended by striking out "personally identifiable records or files (or personal information contained therein)" and inserting in lieu thereof "education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a))".

(E) Paragraph (2) of such section is amended by striking out "furnishing, in any form, any personally identifiable information contained in personal school records, to any persons other than those listed in subsection (b) (1)" and inserting in lieu thereof "releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection.".

(F) Section 438(a) of such Act is amended by adding at the end thereof the following new paragraphs:

"(4) (A) For the purposes of this section, the term 'education records' means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

"(i) contain information directly related to a student; and

"(ii) are maintained by an educational agency or institution or by a person acting for such agency or institution.

"(B) The term 'education records' does not include—

"(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

"(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b) (1), the records and documents of such law enforcement unit which (I) are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not made available to persons other than law enforcement officials of the same jurisdiction;

"(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

"(iv) records on a student who is eighteen years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment, except that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

"(5) (A) For the purposes of this section the term 'directory information' relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

"(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.".

(3) Section 438(a) (1) of such Act is amended by inserting "(A)" after section "SEC. 438. (a) (1)" and adding at the end thereof the following new subparagraph:

"(B) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of post-secondary education the following materials:

"(i) financial records of the parents of the student or any information contained therein;

"(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

"(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations—

"(I) respecting admission to any educational agency or institution.

"(II) respecting an application for employment, and

"(III) respecting the receipt of an honor or honorary recognition.

"(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) such recommendations are used solely for the purpose for which they were specifically intended. Such waivers may not be recurred as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from such agency or institution.

(4) (A) Paragraph (2) of section 438(a) is amended by striking out that part thereof which precedes "to insure" and inserting in lieu thereof the following: "No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Secretary, to challenge the content of such student's education records, in order".

(B) Such paragraph (2) is amended by inserting before the period at the end thereof of the following: "and to insert into such records a written explanation of the parents respecting the content of such records".

(5) Section 438(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) For the purposes of this section, the term 'student' includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.".

(6) Section 438(b) (1) of such Act is amended by striking out "and" at the end of clause (C), by striking out the period at the end of clause (D) and inserting in lieu thereof of a semicolon, and by adding at the end thereof the following new clauses:

"(E) State and local officials or authorities to whom such information is specifically required to be reported or disclosed pursuant to State statute adopted prior to November 19, 1974;

"(F) organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students and their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted;

"(G) accrediting organizations in order to carry out their accrediting functions;

"(E) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

"(I) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

Nothing in clause (E) of this paragraph shall prevent a State from further limiting the number or type of State or local officials who will continue to have access thereunder.".

(7) Section 438(g) of such Act is amended by adding at the end thereof the following new sentence: "Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.".

(8) (A) Paragraph (1) of section 438(b) of such Act is amended by inserting "or practice" after "which has a policy".

(B) Clause (A) of section 438(b) (1) of such Act is amended by striking out "who" and inserting in lieu thereof ", who have been determined by such agency or institution to".

(C) Clause (B) of such section 438(b)(1) is amended by inserting "seeks or" after "student".

(D) The proviso in paragraph 3 of section 438(b) of such Act is amended to read as follows: "*Provided*, That except when collection of personally identifiable information is specifically authorized by Federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of Federal legal requirements.".

(9) Paragraph (4)(A) of section 438(b) of such Act is amended to read as follows:

"(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.".

(10)(A) Clause (C) of section 438(b)(1) of such Act is amended by striking out "section 409 of this Act" and inserting in lieu thereof "section 408(c)".

(B) Section 438(g) of such Act is amended by striking out ", according to the procedures contained in sections 434 and 437 of this Act".

(b) The amendments made by subsection (a) shall be effective, and retroactive to, November 19, 1974.

SEC. 3. (a) Section 901(a) of the Education Amendments of 1972 is amended by striking out "and" at the end of clause (4) thereof and by striking out the period at the end of clause (5) thereof and inserting in lieu thereof "; and", and by inserting at the end thereof the following new clause:

"(6) This section shall not apply to membership practices—

"(A) of a social fraternity or social sorority which is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1954, the active membership of which consists primarily of students in attendance at an institution of higher education, or

"(B) of the Young Men's Christian Association, Young Women's Christian Association, Girl Scouts, Boy Scouts, Camp Fire Girls, and voluntary youth service organizations which are so exempt, the membership of which has traditionally been limited to persons of one sex and principally to persons of less than nineteen years of age.".

(b) The provisions of the amendment made by subsection (a) shall be effective on, and retroactive to, July 1, 1972.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the title of the joint resolution and agree to the same with an amendment as follows: In lieu of the amendment of the Senate to the amendment of the House to the title of the joint resolution insert the following:

"Joint resolution to authorize and request the President to call a White House Conference in Library and Information Services not later than 1978, and for other purposes.".

And the Senate agree to the same.

CARL D. PERKINS,
JOHN BRADEMAS,
ALBERT H. QUIE,
Managers on the Part of the House.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON A. WILLIAMS,
WALTER F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WILLIAM D. HATHAWAY,
JACOB K. JAVITS,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the joint resolution struck out all after the resolving clause and inserted a substitute text. The Senate concurred with the amendment of the House to the text of the joint resolution with an amendment which was a substitute for both the House amendment to the text of the joint resolution and the Senate joint resolution. The House recedes from its disagreement to the amendment of the Senate to the amendment of the House to the text of the joint resolution with an amendment which is a substitute for both the House amendment and the Senate amendment thereto. The differences between the House amendment, the Senate amendment to the House amendment, and the substitute agreed to in conference are noted below except for minor technical and clarifying changes made necessary by reason of the conference agreement.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

1. *Date for Holding the White House Conference.*—The House amendment provides for the holding of a White House Conference on Library and Information Services in 1977. The Senate amendment provides that such Conference take place in 1978. The House recedes with an amendment providing that the Conference be called not later than 1978.

2. *Composition of the Conference.* The House amendment provides for representatives of Federal, State, and local governments, professional and lay people, and other members of the general public. The Senate amendment specifies only representatives of the general public. The Senate recedes.

3. *Publication of reports for the Conference.* Under the House amendment, the National Commission on Libraries and Information Science is authorized to publish reports for the Conference. The Senate amendment specifies that such reports may be prepared without regard to section 501 of title 44, United States Code (relating to requirement that Government printing, binding, and blank-book work be done at Government Printing Office). The Senate recedes.

4. *Membership of Advisory Committee of the Conference.* The House amendment provides (1) five persons designated by the Speaker of the House, not more than three of whom may be Members of the House; (2) five persons designated by President pro tempore of the Senate, not more than 3 of whom may be Members of the Senate; and (3) not more than fifteen persons appointed by the President. The Senate amendment provides (1) 2 persons designated by the Speaker; (2) two persons designated by the President pro tempore; and (3) not more than 21 persons appointed by the President. The Senate recedes.

5. *Authorization of Appropriations.* Under the House amendment, a ceiling of $3,000,000 is provided. The Senate amendment provides a ceiling of $10,000,000. The Senate recedes with an amendment limiting the authorization to $3,500,000.

AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

6. *Educational Institutions or Agencies.* The Senate amendment strikes out language appearing in various places in existing law which lists the educational institutions and agencies to which the Buckley Amendment applies and—

(a) inserts the term "educational agencies and institutions" uniformly; and

(b) defines that term as any public or private agency or institution which is the recipient of funds from the Office of Education. There is no comparable House provision. The House recedes.

7. *Education Records: Definition.* (a) Existing law contains a laundry list of items which are to be available to parents and students and makes inconsistent references to "personally identifiable information, school records," etc. The Senate amendment uses the generic designation, "education records" and defines that term. The House recedes with an amendment dropping a blanket provision that nothing in the section should be construed to alter the confidentiality of communications otherwise protected by law. The conferees, in agreeing to this amendment, did so because State laws and court decisions vary so widely that the section's potential effects were uncertain. In doing so, the conferees did not intend to disrupt existing parental and student rights to confidentiality. It is the intention of the conferees that the Department of Health, Education, and Welfare interpret the term "treatment" narrowly to limit the exemption for such records to those similar to those enumerated. It is not intended to apply to remedial educational records made or maintained by education professionals or paraprofessionals.

(b) The Senate amendment makes "directory information" available to the public without special consent if public notice is given and a parent is given the opportunity to object to its release. There is no comparable House provision. The House recedes.

8. *Limitations on Access by Students in Institutions of Postsecondary Education.* The Senate amendment exempts certain records from review by students in institutions of postsecondary education and provides for waiver of access to certain confidential recommendations. There is no comparable House provision. The House recedes with an amendment making it explicit that such a waiver cannot be required as a precondition of admission, employment, or receipt of awards.

9. *Hearings by Educational Agencies and Institutions.* The Senate amendment amends paragraph (2) of section 432(a) (relating to hearings) to provide that—

(1) hearings are to be conducted in accordance with regulations of the Secretary; and

(2) parents and students may insert written explanations into their education records.

There is no comparable House provision. The House recedes.

10. *Student: Definition.* The Senate amendment defines a student as "any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution." There is no comparable House provision. The House recedes.

11. *Broadened Access to Education Records.*

The Senate amendment permits release of education records to the following:

(1) State and local officials or authorities to whom such information is specifically required to be reported or disclosed pursuant to State statute;

(2) organizations of educational agencies or institutions for the purpose of developing, validating, and administering predictive tests, if such information will not permit the identification of any person by the organization receiving such information;

(3) accrediting organizations in order to carry out their accrediting functions;

(4) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

(5) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

There is no comparable House provision. The House recedes with two amendments. The first provides that State law in effect on the date of the Act's enactment shall control access of State and local officials to information required pursuant to State law. However, it makes clear that States will not be precluded from adopting legislation which further limits such officials' rights of access to records.

The second amendment clarifies the exemption for such agencies as the College Entrance Examination Board or the Educational Testing Service, to allow such agencies to continue the conduct of studies for or on behalf of educational agencies or institutions provided that the studies will be conducted in a manner which will not permit personally identifiable information on students or parents by other than representatives of such organizations and that such information will be destroyed when no longer needed.

12. *Regionalization of the Secretary's Functions.* The Senate amendment prohibits the regionalization of the enforcement of the Privacy Act by providing that, except for the conduct of hearings, none of the functions of the Secretary under the Act shall be carried out in any of the regional offices of such Department.

There is no comparable House provision. The House recedes.

13. *Minor Clarifying Amendments Relating to Third Party Access to Education Records.* The Senate amendment makes the following technical and clarifying amendments:

(a) Paragraph (1) of section 438(b) of the Act is amended by inserting "or practice" after "which has a policy" in the language prohibiting policies or releasing education records to unauthorized persons;

(b) determinations of who have "legitimate educational interests" are made by the educational agencies and institutions involved;

(c) existing law makes education records available in cases of transfer to institutions to which the student "intends" to make a transfer. The Senate amendment includes the term "seeks" as well as "intends", and

(d) the Senate amendment includes language intended to permit longitudinal studies.

There are no comparable House provisions. The House recedes with language clarifying the provisions relating to longitudinal studies.

14. *Clarifying Amendments Relating to Record of Access to Education Records.* The Senate amendment clarifies the requirement in existing law concerning records of access to education records.

There is no comparable House provision. The House recedes.

15. *Effective Date.* The Senate amendment provides that the amendments made by section 2 of the Senate amendment will be effective, and retroactive to, November 19, 1974.

There is no comparable House provision. The House recedes.

16. *Amendment to Title IX of the Education Amendments of 1972.* The Senate amendment amends section 901(a) of the Education Amendments of 1972 (Public Law 92-318, 86 Stat. 373), relating to the prohibition of sex discrimination, to provide that section 901 shall not apply to membership practices of (1) certain social fraternities and social sororities consisting primarily of students in attendance at an institution of higher education; and (2) voluntary youth service organizations, including the YMCA, the YWCA, Girl Scouts, Campfire Girls, and Boy Scouts, the membership of which traditionally has been limited to persons of one sex and to persons 19 years of age or less.

The Senate amendment also provides that this amendment shall be effective on, and retroactive to July 1972.

There is no comparable House provision. The House recedes with an amendment clarifying the exemption from the provisions of title IX of the membership practices of the YMCA's, YWCA's, Girl Scouts, Boy Scouts, and Campfire Girls. The conferees agree that any reference to fraternities, sororities, or organizations exempted under section 501(a) of the Internal Revenue Code of 1954 shall be limited to those fraternities, sororities, or organizations which are socially oriented and do not engage in political activities. Social fraternities which are service oriented shall also qualify under clause 6(A) of section 901 (a). For purposes of section 901(a), alumni of fraternities and sororities shall not be deemed to be active members.

17. *Amendment Affecting Title XVIII of the Social Security Act.* The Senate amendment provides that payments authorized under the Medicare Program, pursuant to part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) for persons who receive care in nursing homes or other similar facilities operated by a fraternal organization shall not be deemed to be Federal financial assistance for purposes of any other Federal law.

There is no comparable House provision. The Senate recedes.

18. *Title.* The House amendment refers to 1977 as the date of the Conference, while the Senate amendment refers to 1978. The House recedes with an amendment conforming the title to the decisions of the conferees.

CARL D. PERKINS,
JOHN BRADEMAS,
ALBERT H. QUIE,
Managers on the Part of the House.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON A. WILLIAMS,
W. F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
DICK SCHWEIKER,
JACOB K. JAVITS,
WILLIAM D. HATHAWAY,
J. GLENN BEALL, JR.,
Managers on the Part of the Senate.

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 93-379, the Chair appoints as a member of the District of Columbia Law Revision Commission Mrs. Patricia Roberts Harris, from Washington, D.C.

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

Mr. MICHEL. Mr. Speaker, pursuant to the provisions of section 2(a), Public Law 93-379, I have today appointed as a member of the District of Columbia Law Revision Commission the Honorable HENRY P. SMITH.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of inquiring of the majority leader and of the majority whip as to the program for tomorrow.

Mr. McFALL. Mr. Speaker, will the distinguished gentleman from Illinois yield?

Mr. MICHEL. I yield to the majority whip.

Mr. McFALL. Mr. Speaker, I will be happy to give the program for tomorrow.

The first matter which will be taken up will be the House resolution making conference reports in order on day reported.

The second matter will be S. 3394, the foreign aid authorization conference report;

House Joint Resolution 1178, continuing appropriations; and

H.R. 17468, military construction appropriations conference report.

I would like to advise the House that the first suspension will be the so-called new river bill, S. 2439.

Then, the supplemental appropriations bill or the urgent supplemental appropriations bill.

We are adding to the remaining suspensions which were announced before H.R. 17463, expand Executive Protective Service, and H.R. 17589, John A. Blatnik Lock.

Following this will be the lottery bill, the speedy trials bill and the Rhodesian bill, which have been previously announced.

The SPEAKER. Does the gentleman agree that the suspensions may be considered in a different order?

Mr. McFALL. Yes, Mr. Speaker. As the Chair calls to my attention, the suspensions may not be taken up in the exact order in which they are listed.

Mr. MICHEL. May I inquire of the distinguished majority whip whether or not Thursday is set aside for the consideration of the Rockefeller confirmation?

Mr. McFALL. If the Committee on the Judiciary has it ready, it is scheduled for that time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Yes.

Mr. GROSS. I wonder if the distinguished majority whip could give us some advance notice if this schedule of the bills is to be changed—that is, the suspensions—could we have some prior announcement that is available to us?

Mr. McFALL. Does the gentleman

mean the order in which they will be taken up?

Mr. GROSS. The order in which they will be considered tomorrow during the course of the day.

Mr. McFALL. The first suspensions that will be considered are those that I announced as on the schedule. I do not have that schedule now, but what I think what the Speaker is calling the attention of the House to is that he desires to have the flexibility to be able to vary them from the previously announced list. He may go from one to the other.

Mr. GROSS. I understand that, but I would hope that we could have, if possible, a little advance knowledge of what bill is to come up next, if the order is to be changed.

Mr. McFALL. I think the gentleman has a legitimate request. We will endeavor to advise the House from time to time during the day tomorrow as to what the suspensions are as they come up.

Mr. MICHEL. I thank the gentleman.

THE STRIP MINING BILL

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, I certainly hope the President will see fit to sign the surface mining enrolled act. If he is determined to pocket-veto it, that will not even give us an opportunity to override his veto.

I had hoped that we of the States so vitally involved would have gone down fighting to the bitter end on this legislation. However, the President has listened to his bad advisers one more time.

I have an editorial from the Rocky Mountain News, of December 10, 1974, called, "A Sane Stripping Bill." It contains the admonition that the President will be out of tune with both the Congress and the American people if he vetoes this bill or allows it to die. I hope he reads it.

The Rocky Mountain News editorial is as follows:

A SANE STRIPPING BILL

President Ford will be out of tune with both Congress and the American people if he vetoes a bill aimed at preventing irresponsible strip miners from devastating the Western states.

The bill now passing through the House and Senate simply does what should have been done 10 years ago. It requires strip miners to restore ravaged land before moving on to the next dig.

Yet the President reportedly has strong reservations about the bill because it might interfere with coal production and because it might be expensive to carry out.

Neither of these reservations is very persuasive.

Coal stripping already is moving west, and there's no way a sensible reclamation law will drive the mining companies out of coal-rich states like the Dakotas, Montana and Wyoming.

The cost of reclaiming and inspecting land is trivial compared to the damage inflicted on Appalachia by hack-and-run coal strippers over the past decade.

The proposed law would give states 30 months to comply with federal reclamation standards like those now in effect, under state law, in Pennsylvania and Ohio.

That's long enough to enforce stripping standards that should have been required from the beginning.

To restore 2.5 million acres of gouged land in Appalachia, the bill would impose a 35-cent tax on each ton of stripped coal and a 25-cent tax on each ton of deep-mined coal.

Such fees might not have been necessary if the original strippers had been required to backfill holes and level off ugly highwalls of dirt and debris.

Strippers would have access to federally owned coal in the West under the new bill, but only if the owners of the surface rights were fairly compensated in return.

Coal operators and the power companies they supply say the bill is an "economic disaster."

But the country is long past the point where it can stand by and do nothing while thousands of acres of land are torn up and cheerfully abandoned.

STRIP MINE BILL VETO SHOULD BE OVERRIDDEN

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, President Ford's expected veto of the strip mine bill should be overridden by the House.

Aside from the obvious need of strong Federal law setting minimum land reclamation standards for every State where coal is strip mined, this bill is the essential first step for development of coal in the Fort Union deposit—the Nation's largest strippable coal reserve.

Two of the Nixon administration long-range energy development programs are still on the drawing tables of the Ford administration. The first is the widely heralded Project Independence and the second, not so commonly known, is the Energy Minerals Allocation Recommendation System. The latter, EMARS, would identify the Nation's best sources of coal from the standpoint of being available in the right place at the right time to do the most good at the lowest cost economically and the least environmental or social damage. This necessarily centers on the Fort Union coal deposit because of the large quantities of strippable low sulfur coal that, when burned, meets air quality standards on sulfur emissions.

Project Independence so far has produced great rhetoric, but has more gaps in it than a picket fence. If there is a solid core to its blueprint, it is coal development in the West from the Fort Union field. Much of this coal in Montana, Wyoming, and North Dakota is owned by Indian tribes or the U.S. Government.

State law in Montana or other States does not presume to regulate strip mining on Indian reservations nor on Federal lands. These are two reasons why a Federal bill is a necessity.

EMARS assumes passage of a national bill setting minimum standards for land and water protection.

Indians require a Federal bill if there is to be development on their reservations.

Without EMARS, Project Independence is a flop.

The strip mine bill is needed now to make an energy policy for this country a reality. Without it, the Ford administration energy plans which are still on the drawing board look like further uncertainty and delay.

Secretary Morton who is key man in the administration on energy recommends signing the bill. If he is ignored, and the President vetoes, Congress should be in session ready to override it. Congressional foresight in developing a national energy policy is apparently more keen than same of the Ford administration.

ABUSES OF MEDICARE AND MEDICAID

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, we are spending about $18 billion a year on medicare and medicaid programs, much of it going into nursing homes.

In the State of New York, abuses have been uncovered which should shock this House. I think we need a national investigation. The Government Operations Committee could properly investigate this matter. Today I am writing to our colleague (Mr. BROOKS) who we expect to be the new chairman of the House Government Operations Committee and to the Senator from Utah (Mr. MOSS), chairman of the Long Term Care Subcommittee of the Senate Special Committee on the Aging urging their initiation of a congressional investigation. Today, 18 members of the New York State delegation, including myself, are requesting that Governor-elect Hugh Carey formulate a Moreland Commission when he takes office to conduct a thorough investigation of the abuses in New York State.

Again, I would like to reiterate that while major abuses have been found in New York, there undoubtedly are similar abuses in other parts of the country and thus there is an urgent need for a nationwide investigation.

The following are the letters I have sent to our colleague Mr. BROOKS and Chairman Moss and the delegation's letter to Governor-elect HUGH CAREY.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 17, 1974.

Hon. JACK BROOKS,
House Government Operations Committee, House Office Building, Washington, D.C.
Hon. FRANK MOSS,
Chairman, Subcommittee on Long Term Care, Special Committee on Aging, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: During the next Congress we will be considering comprehensive national health insurance. In structuring these programs we must examine closely the administration of the two existing national health care programs medicaid and medicare. Last year the cost of providing medical care was enormous even though the coverage was inadequate and the quality of care often poor. Nationally, medicare treatment cost us a total of $9.5 billion and medicaid $8.713 billion in 1973.

I cite these considerations and statistics because of a growing nursing home scandal uncovered by the press in the State of New York and the temporary Cost of Living Council, which I have no doubt exists elsewhere in the country as well. This scandal consists of abuses by nursing home operators who bill for care never provided or not required by the patient. In the State of New York the costs of care in a nursing home for one individual ranges between $1300 and $1800 per month. Thus the potential profit in operating these nursing homes is enormous. There is also the suggestion that organized crime has infiltrated the industry as a place in which to invest and wash illegally obtained monies. That the Justice Department has done little in policing this industry is dramatically demonstrated by the fact that in five of the seven cases involving alleged fraud referred to it since 1966, the U.S. Government refused to prosecute; in one there was a conviction with a $5000 fine and a four-year suspended sentence; one case is pending. No single city or state is capable of dealing with this problem independently. The nursing home operators operate in several states. I have also been advised that the New York State Welfare Inspector General has found that there is a virtual lack of an effective rate setting and audit system to safeguard the nearly $300 million in medicaid monies distributed annually to the private entrepreneurs operating the proprietary and voluntary nursing homes in New York City. The industry is operated on a cost plus basis in terms of fees paid which has produced the bizarre situation of continual resales of a nursing home to members of the same family increasing the overall profits based on the alleged increased costs of operation as a result of the most recent sales price.

The New York State Welfare Inspector General's office has made a limited audit of one such nursing home known as the Towers Nursing Home, an institution in which Bernard Bergman has an interest as he does in 40 New York State nursing homes and allegedly in 36 other nursing homes outside the state of New York. That limited audit I am told, shows the following concerning Towers Nursing Home:

1) The home's books do not balance.

2) Disbursements, each in amounts of $10,000 or more, totaling $1,895,535.46, shown in the cash disbursements book for the four year period which are still outstanding.

3) A total of $2,085,816.67 worth of checks, each for the amounts of $10,000 for more, which have cleared the bank for the four year period, but which are not entered at all in the home's cash disbursement book, and for which the cancelled checks are missing.

4) A total of $1,644,681.53 in loans and apparent loans to the home recorded in the cash receipts book for the four year period, however, none of these transactions are recorded in the home's Loan and Exchange account. The persons who allegedly made these loans were people affiliated with the family of Bernard Bergman. To date, however, the Inspector General's office has not received any supporting evidence to indicate whether the loans were actually made by these individuals and actually received by the home and, if so, the purpose of each loan, whether interest was charged, and the current status of each loan.

5) At least $30,000 worth of expenditures which have been recorded in inappropriate accounts and are reimbursable under medicaid. They include payments to religious and political groups, to the New York State Democratic Legislative Campaign Committee, and to members of the Bergman family.

This investigation also notes that the Towers Nursing Home, which, I might add, is just one of the largest of the many homes controlled by the Bergman family—has averaged an annual income of $2,369,833 from medicaid over the last 3 years making it the 10th highest billing private nursing home in New York City for the 3 year period. Despite this large business operation and income, the home's books are unbalanced, there are many questionable entries, funds cannot be traced and the home claims it is running at a deficit.

That the New York State Department of Health should have been aware of the operations of the Bergman family for at least 8 years and not have audited any of the major Bergman homes—including the Towers—is, to say the least, shocking. Moreover, much has been made in recent days of the pervasive influence of the Bergman family in the nursing home industry in New York City, and in the fact that nursing home abuses may have involved organized crime.

I am convinced, Mr. Chairman, that the corruption in this particular aspect of medical care funded primarily by the federal government, is rampant. And further that because of a possible cozy relationship existing among nursing home proprietors, the directors, state public officeholders and the state law enforcement agencies, too little is being done locally to deal with this problem. There is also the inability of state agencies to graple with the problem because of limited jurisdiction. I am therefore requesting that as a first priority in the new Congress you consider holding a nationwide investigation into medicare and medicaid fraud focusing first on the nursing home industry and the State of New York where these abuses have already been partially exposed. I urge your early consideration of this request.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 17, 1974.
Governor-Elect HUGH CAREY,
Albany, N.Y.

DEAR GOVERNOR: As a result of the efforts of newsmen, information has been uncovered which indicates that a scandal exists in the nursing home industry in New York. While considerable attention has been given to Bernard Bergman, owner of the Towers Nursing Home and his alleged involvement with 40 other local homes and 36 more across the country, there are undoubtedly other people who should be the subject of an investigation. Indeed, there are some who allege that organized crime figures have infiltrated the nursing home industry for the purpose of washing their illegally obtained moneys.

Whether accurate or otherwise, a feeling persists that there is too cozy a relationship among the nursing home proprietors, the directors, public office holders and the law enforcement agencies. Since 1966, when the Medicare program was instituted, there have been a total of only seven referrals to the Justice Department for alleged malpractices in medicare for the entire U.S. In a series of articles by William Sherman, which began in January, 1973, he detailed many irregularities in the Medicaid program in New York, perpetrated by medicaid doctors and medicaid oriented pharmacies, with as far as we know, few if any prosecutions by law enforcement agencies.

We also note that the individuals who have been subpoenaed by the Temporary Commission on Living Costs are contesting its jurisdiction to investigate this matter—therefore we believe in view of all the foregoing that it is necessary to appoint a Moreland Commission with full power to investigate, to bring before a grand jury those individuals it believes should be questioned under oath, to indict and prosecute where the facts warrant it. We urge you to appoint such a Moreland Commission as one of your first acts upon formally assuming your office as Governor.

Sincerely,

Edward I Koch, Joseph Addabbo, Benjamin Gilman, Herman Badillo, Mario Biaggi, Elizabeth Holtzman, Jonathan Bingham, Jack Kemp, Benjamin Rosenthal, Edward Pattison,* Peter Peyser, Lester Wolff, Bella Abzug, Thomas Downey,* James Scheuer,* Stephen Solarz,* Charles Rangel, Shirley Chisholm.

OGDEN R. "BROWN" REID

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 30 minutes.

Mr. BINGHAM. Mr. Speaker, I have arranged for this time so that those Members who may wish to do so may have an opportunity to express their feelings about our colleague from New York, OGDEN R. REID, known since boyhood by the nickname "BROWN." I have done so in cooperation and collaboration with our former colleague, Richard Ottinger, who will be joining us again in the House next month, taking the seat of "BROWN" REID who chose not to run for reelection. For this occasion "Dick" Ottinger has prepared remarks which will appear as an appendix to mine.

I have taken upon myself the privilege of arranging this special order, not only because I have enjoyed working closely with OGDEN REID during the 10 years that I have been in the House, but because I have known him and his family for a great many years before that.

One of the positions held by our colleague in his distinguished career was as top executive of the New York Herald-Tribune, a capacity in which he had been preceded by his father, the late Ogden Reid, his mother, the late Helen Rogers Reid, and his brother, Whitelaw Reid. In 1935 and again in 1938, through the kindness of Mrs. Reid, a great lady and a great newspaperwoman, I carried credentials as a special correspondent of the Herald-Tribune on visits to Italy, Germany, the Soviet Union, and the Far East. "BROWN'S" older brother Whitelaw—known as "Whitie," a nickname which, I gather, gave logical rise to "BROWNIE"—was my friend and classmate at college.

During the past 10 years, OGDEN REID and I have often worked on legislation together and I have invariably been impressed with his careful preparation for any legislative task and his effective presentation of his point of view, which I almost always shared. Indeed, we often consulted together on the proper decision to take on a vote in committee in the House and came to the same conclusion at least 98 percent of the time.

In addition to our work on the Hill, we occasionally participated in related activities elsewhere. One such was a session of English and American parliamentarians interested in Africa, which was held on the island of Guernsey; BROWN, who was chairman of the American group, was accompanied by his beautiful and charming wife Mary Louise, and together they contributed a great deal to the memorable character of the occasion.

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* Member-elect

When Ogden Reid, then a Republican, came to the 88th Congress in January of 1963, he came well prepared.

After service in World War II, Reid had completed college at Yale and then served as reporter and in other capacities, and finally as president and editor of the New York Herald-Tribune.

His public career had begun in 1959, when he was asked by President Eisenhower to be Ambassador to Israel. From 1959 to 1961 Reid served as Ambassador, learning Hebrew, moving his family to Tel Aviv, and establishing a network of friends and associates throughout the country where his only daughter, Elisabeth, was born.

He returned to the United States in 1961 and was appointed by Governor Rockefeller to his cabinet, serving as chairman of the New York State Committee Against Discrimination, later known as the Human Rights Commission. Under Reid's leadership, the commission became a symbol of action and hope for many, setting up storefront offices, open at night, throughout communities such as Harlem and Bedford-Stuyvesant, trying to bring government closer to its people.

In 1962, Reid challenged a Republican incumbent for the congressional seat in the then 26th Congressional district; he won the primary and went on to win in November.

Appointed to the Education and Labor Committee, as well as to the Government Operations Committee, Reid quickly made clear that he would serve as an independent Republican willing to vote his conscience—what he thought best for Westchester County, his State and the Nation—even if it meant splitting with his party. Throughout the 1960's, time and time again he joined with Members on the Democratic side in supporting programs of the Great Society and urging affirmative action by the Federal Government to end poverty and discrimination.

One of his primary concerns was in the field of civil rights; indeed, he introduced one of the first civil rights bills in the Congress in 1963. His involvement extends not only to legislation, but also to more personal matters; he joined a group, of which I was also one, in visiting Dr. Martin Luther King in jail in Selma, Ala., and he went to see James Meredith in a hospital where he was recuperating from gunshot wounds. In 1966 he voted to seat the Mississippi Freedom Democratic Party in the House in place of the all-white delegation which had been elected in an election in which the great majority of blacks had been denied the vote. In 1968, Reid was congressional cochairman of the Poor People's campaign, working closely with Ralph Abernathy and other leaders of Resurrection City.

Reid continued his independence in the forefront of the fight to grant all Americans a decent education. One of the cosponsors of the original Elementary and Secondary Education Act, Reid lent this legislation bipartisan support and worked hard for its passage. His interest in education extended to the Higher Education Act and, especially in the last few years, to the Comprehensive Child Development Act.

Reid's commitment to early childhood education and quality day care was total; it was perhaps the greatest disappointment of his career—and an important trigger for his later switch in parties—that, after some 3 years of work on the legislation, and in-depth consultation between representatives of the administration and the Congress, President Nixon saw fit to veto the bill, holding that quality day care would threaten the family structure. Despite this setback, Reid continued his fight in this regard, reintroducing in this 93d Congress similar day care legislation.

His work on the Education and Labor Committee also made Reid a leader in the fights for legislation dealing with vocational rehabilitation, OEO, aid to libraries, environmental education, drug abuse education, and the arts. He has been one of the strongest supporters, and indeed an original sponsor, of legislation setting up the National Foundation on the Arts and Humanities. In addition, he closely involved himself with problems faced by senior citizens squeezed by inflation and too often unable to contribute; he sponsored the Older Americans Act, and his efforts to pass RSVP—retired senior volunteer program—underlined his commitment to the elderly in our society and his conviction that senior citizens should live their lives to the fullest and contribute, as they are so anxious to do, within their communities.

Reid was also a member of the Government Operations Committee, the watchdog committee responsible in a number of areas for oversight of executive agencies. It was during his service on this committee that he became convinced of the critical need to open up the doors of Government, abolish secrecy, and allow people to see their Government in action. Along with subcommittee chairman John Moss, Reid led the fight for passage of the Freedom of Information Act of 1966, opening access to Government files for the first time. He later sued the Pentagon to force publication of the Pentagon Papers, and called for passage in various States, including New York, of legislation requiring open access by citizens to State government documents. On this committee he was also a leader, in 1965, in efforts for land reform in Vietnam. These efforts were to be followed by open opposition to the war, and he was one of the early supporters of the 1969 Vietnam moratorium protests to administration policy on the war. Reid then sponsored the House version of the Cooper-Church amendment to prohibit the introduction of troops into Cambodia.

In March of 1972, shortly after the veto of the Child Development Act which had troubled him so deeply, and before the scandals of Watergate had achieved wide attention in the press, "Brown" Reid became a Democrat. This was a painful decision for a man who had been brought up as a Republican, and whose grandfather had run for Vice President on the Republican line. A major consideration for him was that he felt he could not in conscience support the reelection of Richard Nixon as President. Some 7 months later, Reid won reelection to the House from Westchester County, becoming the first Democrat to win the seat. As a Democrat, he then was appointed to the Committee on Foreign Affairs. To that committee he brought a profound knowledge of international affairs and was able to speak from a background of friendship with many world leaders. I can say from personal experience that he was one of the most highly respected and valuable members of the committee.

This past year, Ogden Reid announced his candidacy for Governor of New York. In keeping with his belief that government and public candidates should be responsible to the people, he was the first candidate to release a detailed, thorough and complete analysis of his tax returns, total income and financial net worth, and upon release of the information stated:

> There is no vested right to public service; those who choose to enter public life have to realize that their life must be an open book. Standards of probity and openness are public standards that any public official should be prepared to meet.

Reid withdrew from the Governor's race in June, announcing also that he would not run for the seat he had held in the House for the past 12 years.

We will miss him in the Halls of the House, where he has contributed with such commitment and dedication to so many important causes.

We wish him well in whatever he undertakes. Knowing him as we do, we can be sure that he will continue to live a useful and constructive life. We wish for him, for Mary Louise and for their six children the greatest of good fortune.

I include the following:

Tribute to Congressman Ogden R. Reid

(By Congressman-Elect Richard L. Ottinger)

I am pleased and proud to join the gentleman from New York, my friend Mr. Bingham, in sponsoring this tribute. It is with a feeling of deep humility, strong responsibility and distinct privilege that I contemplate succeeding my close personal friend and colleague from New York, Ogden R. Reid, as Representative of New York's 24th Congressional District.

During twelve years in this body, Ogden Reid compiled a record of outstanding leadership in many fields. He brought with him a tradition of family journalism deriving from its founding and ownership of the *New York Herald Tribune*, which he served as President and Editor from 1953–1959. He translated this experience into a staunch defense of freedom of the press, co-authoring a strong Newsmen's Privilege Act as one step in his fight against requiring newsmen to reveal their sources of information. He also led in the successful fight to open up the processes of government as co-author with the gentleman from California, Mr. Moss, of the original Freedom of Information Act.

Ogden Reid believed, as I do, that it's not enough just to pass laws as a Congressman and sit idly by while they are ignored—he felt the responsibility to follow up the application of our laws and where necessary resort to the courts to assure their faithful execution. So it was that, together with the gentleman from California, Mr. Moss, he brought the first suit under the Freedom of Information Act which they had authored, to require declassification of, and access by the press and public to that part of the Pentagon Papers that had not previously been made public.

Mr. Reid also arrived in Congress in 1961 with a strong foreign affairs background. He had just completed distinguished service to the United States as our Ambassador to Israel, where from 1959 through 1961 he was one of the best respected, best liked and most effective ambassadors we ever had there. Previously, he had been a director of the Panama Canal Company from 1956–1959. He used this experience effectively in Congress, where part of his service included membership on the Foreign Affairs Committee, to promote peace in the Middle East and a constructive, humanitarian foreign policy throughout the world. He worked vigorously to assure that the United States gave Israel the backing she needed to permit her to survive and enter negotiations with the Arab countries for a permanent settlement of their differences on a sound and equal basis. He was recently made co-chairman of the Near East Subcommittee of the Democratic Party Policy Committee. Most recently, he strongly supported the amendment of our colleague from New York, Mr. Bingham, to require the United States to cut funds for UNESCO until Israel is reinstated in that body, pointing out that Israel's exclusion violated both the UNESCO and UN charters.

Ogden Reid has always been courageous and has stood for his principles in the face of great pressures. He thus opposed our participation in the Vietnam War very early, at a time when in my neighboring Westchester Congressional District polls were indicating that 85% of our Westchester constituents either favored the Johnson policies or wanted to go further militarily.

Mr. Reid was the original House sponsor of the "Cooper-Church" amendment to prohibit expansion of the War into Cambodia, Laos and Thailand and voted for virtually every "end the war" measure that came before this body. When "Cooper-Church" came to the House floor, he led an unprecedented, successful effort to prevent the then Chairman of the Armed Services Committee, the late gentleman from South Carolina, Mr. Rivers, from adjourning the House to avoid its consideration. Then a Republican, he participated in the first Vietnam Moratoriam Day, October 15, 1969, opposing the foreign policy of President Nixon, of his own party, saying, "The fact is that our war in Vietnam has not enhanced our national security, but weakened our national foundations."

Together with the gentleman from California, John Moss, Mr. Reid went to Vietnam and revealed to the public the massive corruption and misuse of funds that was taking place there, as well as the dictatorial, inhumane policies of the Thieu regime, including such atrocities as torturing political prisoners in "tiger cages."

As a member of the Foreign Affairs Committee, Mr. Reid also was a leader in the ongoing effort to provide for the more constructive use of excess foreign currencies accumulated by the United States through our sale of food to the less developed countries.

Ogden Reid also came to Congress twelve years ago with the strongest of convictions and an extensive background in promoting human rights. He had been Chairman of the New York Commission for Human Rights in 1961 and 1962 and was a Trustee of Hampton Institute. The promotion of human and civil rights in Congress was a passion, both nationally and internationally.

He was co-author of the first Voting Rights Act which was so instrumental in broadening the franchise in this country. Together with the gentleman from California, Mr. Hawkins, he led the still continuing fight to get adequate cease and desist powers for the Equal Employment Opportunity Commission. A close personal friend of the late Reverend Martin Luther King, Jr., he marched with him in Birmingham and together we participated in the services for Dr. King in Atlanta after his assassination.

Mr. Reid's concern about civil and human rights spanned a great variety of threats to them, domestic and foreign. He helped lead the fight on the Education and Labor Committee against cutting off aid to colleges that failed to expell students involved in campus unrest and led a sit-out in the Committee to prevent a quorum for consideration of what would have been a clearly unconstitutional measure. It was he who blew the whistle on Army surveillance of civilian activities and the dissemination of military, FBI and CIA information gathered on civilians to the governors of all 50 states. It was also he who revealed the frightening excesses of Operation Phoenix under which the CIA was given carte blanche to engage in political assassinations in Southeast Asia resulting in the killing of some 20,587 Vietnamese civilians between 1968 and 1971.

Further in the field of international human rights, Mr. Reid cancelled an invitation to address the Multi-Racial National Union of South African students in 1969 when the South African Government limited his ability to speak freely to them. He spoke to them instead via a mailed tape recording with a resounding speech condemning the Government's scurrilous policies of apartheid.

His commitment to civil rights and the Nixon Administration's flouting of those rights was the principal reason for his leaving the Republican Party in March, 1972. This was another profile in courage and principle, for his grandfather, Whitelaw Reid, had been a founder of the Republican Party and its vice-presidential candidate under Benjamin Harrison in 1892. He broke family ties to the G.O.P. of more than 100 years duration because of his fundamental differences with the policies being espoused by the Party, its intollerance to progressive views, and the excesses of its President. Indeed, Mr. Reid was among the first to call for President Nixon's impeachment and was an original sponsor of the House Impeachment Resolution.

Mr. Reid's valuing of good government as the prime consideration of public life came to the fore again in his pursuit of Congressional ethics legislation. He persuaded the Bar Association of the City of New York to do the first independent study of congressional ethics and possible corrective legislation. Together we were among the first to make voluntary disclosures of our assets and liabilities to prevent conflicts of interest. He introduced original legislation requiring Federal departments and agencies to record all Congressional contacts on matters subject to their consideration, a proposal which prompted one member to inquire if he were trying to depopulate the Congress.

Ogden Reid also brought with him to Congress a strong background in education. He was a fellow of Brandeis and Bar Llan University in Israel and a Trustee of Hampton Institute. As a Member, and for a time ranking Republican Member, of the Education and Labor Committee, he introduced many innovations to improve the quality of education at all levels and for all Americans. His principal contributions will long be a part of the basic fabric of our educational system, particularly his work in passing an effective Elementary and Secondary Education Act and his Higher Education Act amendments co-sponsored with the gentleman from Indiana, Mr. Brademas, which put into law the major recommendations of the Carnegie Commission Report on Higher Education.

Equally important, though not yet enacted, was his work in early childhood education. His Comprehensive Child Development Act, co-authored with the gentleman from Indiana, Mr. Brademas, will, I predict, be passed by the next Congress and will revolutionize the educational opportunities of America's youngsters and the work opportunities for their parents. This legislation, passed by both houses of Congress, but vetoed by President Nixon, provides for comprehensive and meaningful day care available to people at all income levels, the training of teachers for early childhood education, and provisions for nutrition, health and education of children who participate. It is a milestone legislation for which there is a crying need in this country as more and more families have both parents working, and as research makes it evident that the most formative years of a child's life are his pre-school years.

Other important educational contributions made by my colleague from New York include vocational rehabilitation provisions for education of the handicapped, with special attention to those suffering spinal injuries as to which the feasibility of rehabilitation was worked out by Dr. Howard Rusk. Another innovation was the creation of Basic Opportunity Grants which enable anyone regardless of his means to attend college. He also introduced a new concept of scholarships and institutional aid to keep our private colleges afloat.

Mr. Reid's educational interests were broad, not limited to the traditional curricula, but including as well a strong interest in the arts. He was the co-author with the gentleman from New Jersey, Mr. Thompson, of the legislation which created the National Foundation for Arts and Humanities. He participated in the management of this legislation as principal Republican spokesman for it. He recently introduced amendments to the Act to broaden it to provide subsidies for operating expenses of arts and humanities as well as funds for individual artists and productions.

He was also author of the RSVP program for Senior Citizens and of legislation that, if passed, might have saved the OEO programs, providing for periodic audits of the operations of these programs brought into unfortunate disrepute largely because of undetected financial abuses.

Last but not least, Mr. Reid was always in the forefront of every effort to promote the interests of his Westchester constituents. He was constantly after the Penn Central Railroad, the Public Service Commission and later the Metropolitan Transportation Commission to provide better service at more reasonable rates. After a tragic accident in Mt. Vernon, he developed a report from outside and union sources that revealed gross mismanagement by the company, horrendous failures of maintenance including rotted and thin ties that caused switching and signal equipment to malfunction, and procurement of unsafe new equipment that would trap passengers in their cars in the event of a power failure. He was active with the gentleman from New York, Mr. Bingham and I in promoting service for commuters to downtown New York using the Hellgate Bridge, service we are still struggling to get established.

Mr. Reid's fights with the New York Telephone Company, the Consolidated Edison Company and the Public Service Commission to get adequate service and maintain reasonable rates are legend in Westchester. He appeared at innumerable hearings, sued, joined picket lines, took every conceivable appropriate action. He was a champion of the tenants in their efforts to obtain liveable rents. He fought for better housing in our country. He introduced legislation that played an important part in successfully blocking construction of an environmentally damaging Rye-Oyster Bay Bridge. Just recently, his fast, effective action in the wake of damaging floods in Westchester resulted in the Small Business Administration declaring Westchester a disaster area and making funds available to those who suffered grievous losses. He was instrumental in securing Westchester's participation in the Federal surplus food program which aids 10,000 needy individuals and 2,500 families in the district each month.

The Reid office is noted throughout Westchester for its efficiency, ability and caring attitude. No request is too large or too small. No one is asked his party or his support. If he needs help, he gets it from the superb staff that mans both his Washington and New York operations and from the Congressman himself. There is nary a community that hasn't sought his help and received it.

Whether it's in the field of foreign affairs, education, civil rights, congressional reform or constituent and community services, the tenure of Ogden Reid as a Member of Congress must be rated outstanding. This body and its members will miss him. I am fortunate to have the assurance of his continued advice and guidance. I can aspire to no higher goal than to emulate his fine record.

Mr. UDALL. Mr. Speaker, eulogies for the living are often uncomfortable. I usually avoid delivering them because of the tendency to ascribe a degree of finality that not only leaves the deliverer uneasy, but the recipient downright depressed.

Not wishing to assign Ogden Reid a premature resting place, I would like to comment on his years of public service in the House, as a diplomat and journalist.

Brownie Reid is a friend and remarkable man, Mr. Speaker. He is a man of real distinction and perception. Public men are measured by many yardsticks; among the most important are courage, and the willingness to run risks for those things they believe in. Congressman Reid ranks high by those tests.

His leadership and presence are something I shall personally miss. I want to wish him and his wife well in whatever he undertakes, though I have the feeling public service has not seen the last of this fine man—and I for one am glad.

Mr. ADDABBO. Mr. Speaker, I rise to join in honoring my distinguished colleague from New York, "Brownie" Reid, for his service in this Chamber and his years of prior government service. As we participate in this special tribute, we do so realizing that the career of Hon. Ogden R. Reid is far from over. His value to our Nation is too great to be overlooked in a period in our history when strong, effective leadership is needed as never before.

It has been my privilege to serve in the House with "Brownie" Reid and to have worked with him on New York State delegation issues as well as national matters. We will certainly miss his participation in congressional deliberations and his dedicated approach to congressional responsibilities.

I join with my colleagues in wishing "Brownie" Reid a very fruitful new career and success in his future endeavors.

Mr. HANLEY. Mr. Speaker, as the 93d Congress fades, my thoughts turn to the many presently sitting Members who for one reason or another will not be participating in the 94th Congress. One in this category is a truly outstanding Member in the person of Ogden Rogers Reid, presently representing New York's 25th Congressional District.

The people of that district have indeed been served so well by Congressman Reid, I feel certain that most are disheartened by his departure from the Congress. When he first came to the 88th Congress, he brought with him a background parallel with few who have ever served in this body. For documentation, I suggest that his biography be read.

His first Government service was with the military, enlisting as a private in the Army in 1943. The 31-year span from that date to this is laden with continuing efforts in behalf of the betterment of this Government and as such the betterment of our entire society. Even with this long tenure of service, he leaves the Congress at a relatively young age.

To me it is disheartening, as I am sure that it is to all observers, to note that the Congress will be losing one so competent and in particular at a time when our Nation needs "Brownie" Reid's competence so badly. Certainly his absence will provide a difficult vacuum. I earnestly hope for the good of our Nation that his absence from Government will be short lived. In all candor, I would hope for his return to the Congress or perhaps to the executive branch. His willingness to endure the rigors of public service as opposed to the comfort he might have enjoyed in the private sector again brand him as a truly great American. For me it has been a privilege to have been associated with "Brownie" Reid and although this association will soon terminate, I look forward to our enduring friendship.

May the years ahead provide for him the good health, happiness, and success which he so richly deserves.

Mr. ROSENTHAL. Mr. Speaker, I am pleased to be able to join in honoring a colleague and friend of long standing, Brownie Reid.

We both came to Congress at about the same time and, happily, are now both on the same side of the aisle. Brownie gave up considerable seniority in 1972 when he switched to the Democratic Party and took a junior slot on the Foreign Affairs Committee. He brought to that committee rare and valuable firsthand experience in foreign policy, particularly as Ambassador to Israel from 1959 to 1961. We have worked closely as members of the Subcommittee on Europe, which I chair, on such vital issues as the United States in NATO, Soviet involvement in the Middle East, the plight of Soviet Jewry, the crisis on Cyprus, American relations with Greece and Turkey, and the American role in European security.

His contribution has been extremely vital and valuable and he will be missed.

I also want to commend Brownie Reid for one of the best proconsumer voting records in the Congress. He has helped work toward making the consumer viewpoint heard in the Halls of Government and raising the consumer from his second-class citizenship in the marketplace.

Despite a distinguished career as a newspaper editor and publisher, an ambassador, a New York State official and a Member of Congress, Brownie is only 49 years old. He is too vigorous, too committed to retire. I am confident we will be hearing and seeing much of him in the months and years ahead.

It has been an honor and a pleasure serving with him, and I know all our colleagues join in wishing him much success and happiness in whatever course he chooses to follow.

Ms. ABZUG. Mr. Speaker, it is a privilege to join with my colleagues in paying tribute to Ogden "Brownie" Reid. My only regret is that we have to have this tribute at all.

During the 4 years when our terms of service have overlapped I have come to know Brownie Reid as a man of integrity. I think I will remember him best for his dedication to making America's foreign policy reflect a commitment to making the world a safer place. He did this not by supporting excessive and unnecessary military expenditures but by supporting and leading congressional attempts to bring sense to our foreign obligations. He was instrumental in congressional efforts to end the war in Vietnam and for that he will be long remembered.

Brownie Reid will be remembered for his advocacy of aid to the State of Israel. First from his position as Ambassador to Israel from 1959–61 and later as a Member of Congress. Brownie always understood the need for a democratic state of Israel to continue its existence.

But Brownie will also be remembered for his outstanding work on domestic issues. His contribution to the drafting and passage of the Child Development Act of 1971 was a significant one. His eloquence in persuading his colleagues on this subject helped to secure passage of that important bill. We will miss him when hopefully that matter comes before the next Congress.

We will miss Brownie Reid's contribution on all matters that come before us. May I extend my best wishes now and in the future to Ogden "Brownie" Reid and his family.

Ms. HOLTZMAN. Mr. Speaker, when this session of the House comes to an end, New York State will lose one of its more distinguished representatives. After 12 years' service, Ogden R. Reid is leaving.

Representative Reid and I both arrived as freshmen Democrats from New York 2 years ago. The big difference was that he had had 10 years experience in the House on the other side of the political fence. He was highly regarded on both sides of the aisle for his independence, his leadership, and his progressive and compassionate views.

I learned quickly to join in my colleagues' respect for Ogden Reid. Through the first few months of the session, he shared his expertise with me, graciously and willingly. During the past 2 years, we worked together on legislation affecting our State on day care and the need to reorder national priorities, as friends of Israel.

I will miss his friendship and experienced counsel; the New York delegation will miss his enlightened guidance; and the House will miss his articulate and humane voice.

Mr. EDWARDS of California. Mr. Speaker, one of the sad things about being in Congress is having to say goodby to a valued friend and colleague like Ogden R. "Brownie" Reid. We Californians will miss him with the same sharp sense of loss experienced by his fellow Members from the second largest State, New York. We are comforted, however, by our conviction that a person of such outstanding talents as Brownie Reid will remain large in American public life and thus available to us all for counsel and comradeship.

Pursuant to the inscrutable workings of the seniority system, I have found myself chairman of the House Judiciary Committee's Subcommittee on Civil Rights and Constitutional Rights. It is a responsibility that I like very much, and an important part of my appreciation of the job has to do with things I have learned and relearned from Brownie Reid about the first amendment to the Constitution.

Ogden Reid is a conservative when it comes to the Constitution, especially where the all-important first amendment is concerned. Our Founders said in the first amendment that it is none of the Government's business where Americans go to church or if they go to church at all. The first amendment says that Government must keep its hands off the press, that the people can meet and organize peaceably without Government interference, and can publish news and opinions in newspapers and other media, and it is none of the Government's concern.

Ogden Reid believes that our Founders meant what they enacted, without qualification, without exceptions when times are dangerous. He has always stated that a free society like ours is strong enough to provide these basic freedoms, even if from time to time the dangerous noises frighten the horses. To my way of thinking this is a classic conservative view and one I admire.

When some judges a few years ago put reporters in jail for not revealing their confidential sources to prosecutors, there was a movement to enact newspaper shield laws, defining when a prosecutor could force a reporter to divulge his sources. Ogden Reid said then, as I recall, that the only bill he would support would simply restate that portion of the first amendment guaranteeing freedom of the press, that the right of confidentiality was essential to freedom of the press, and that he would not be a part of any move to "protect" reporters by spelling out when their sources were confidential and when they were not.

When the Government was determined a few years ago to put people in prison for publishing the Pentagon papers, I remember Ogden Reid taking his strong views to the press, to radio and television, and indeed to Federal court. He eloquently defended the right of the public to know what the Government had been doing, pointing out that the overclassification of many of these documents was designed to cover up the terrible mistakes and errors of judgment by public officials involved in the Vietnam war.

I have also always appreciated Brownie Reid's great sympathy and understanding of the problems of minority Americans who have not been permitted to become fully participating citizens because of their race. In the early sixties, when the civil rights movement was beginning to flower but was meeting strong and often ugly resistances, it was not unusual for Brownie to fly at a moment's notice to some hot spot where violence was erupting. There he would join with black leaders such as Martin Luther King and Ralph Abernathy to say to those who threatened them, "Look, I'm here too in support of this peaceful, lawful undertaking. Let's talk, not fight."

Last of all, I am going to miss Brownie Reid as a friend, as one always amiable and kind, ready in an instant to help good causes and good people. When he comes back to visit, or to work here in Washington, I hope Mary Louise will come too. Her good efforts for people who need a hand are legion. She is charming and great fun, and some of my most remembered evenings in Washington have been spent at office parties which Mary Louise so graciously hosted.

Mr. CORMAN. Mr. Speaker, I have been privileged to serve with my distinguished colleague, Ogden R. Reid during his 12 years as a Member of this body. His service on the Foreign Affairs Committee has won him the respect and praise of his colleagues. Before his election to the 88th Congress, he served his country in several important posts including that the U.S. Ambassador to Israel from 1959 to 1961. Ogden Reid's talents will be sorely missed and so will his friendship. My wife, Patti joins me in wishing Ogden and his wife, Mary Louise, the very best in their future endeavors.

Mrs. MINK. Mr. Speaker, I want to extend my fondest aloha to our colleague, Ogden R. Reid, who will be leaving this House at the end of this session.

We worked together on the Education and Labor Committee and I recall many instances when his commitment and dedication helped to move the legislation more expeditiously, and more equitably. Few individuals are gifted with the sensitivity which Brownie brought to this Congress about the needs, concerns, and aspirations of the people of his district.

I join all his many friends and associates on the Hill in wishing Brownie the very best and in telling him that we shall indeed miss his service as well as his advice and counsel in the day to day work of the Congress.

Mr. BADILLO. Mr. Speaker, I am pleased to join with our colleagues in paying a richly deserved tribute to Ogden R. Reid, who will retire at the end of the 93d Congress after 12 years of outstanding service in the House.

"Brownie" Reid came to the Congress in 1962 after many years of distinguished public service as president and editor of the New York Herald Tribune, director of the Panama Canal Co., U.S. Ambassador to Israel, and as chairman of the New York State Commission for Human Rights. His broad background and experience in foreign affairs is well known and he was most effective during his service in the House Foreign Affairs Committee.

Ogden Reid has also been deeply committed to the basic principles of human rights and civil liberties and actively promoted them both in Washington and elsewhere. He co-authored the first voting rights bill and marched with Martin Luther King, Jr., in the South. Rather than compromise his beliefs he canceled a speaking engagement in South Africa several years ago when the government of that nation sought to limit his ability to speak freely. His dedication to the advancement of equal rights for all citizens was amply demonstrated throughout his service on the House Education and Labor Committee.

Many of the measures adopted by the Education and Labor Committee bear Brownie Reid's mark, such as the initial Elementary and Secondary Education Act, the higher education amendments, the comprehensive child development legislation and the measure creating the National Foundation on the Arts and Humanities.

Our good friend from Westchester also had the courage of his convictions and made the very difficult decision to break a century of family relationship with the Republican Party and become a Democrat. He felt he had no alternative in view of the priorities of his party and the excesses of its leader.

Mr. Speaker, I consider it a privilege to have served with Ogden Reid for 4 years in this Chamber and hope that we may still work together on issues of common interest and concern in the years to come. I extend Congressman Reid my warmest wishes for all good fortune in the future.

Mr. FRASER. Mr. Speaker, William Cullen Bryant tells us to:

> Weep not that the world changes—did it keep
> A stable, changeless state, 'twere cause indeed to weep.

Readers of the political press—not including this Record—know there is not excessive weeping for the group of almost 100 colleagues who will cease to serve as Members of this House come the end of the 93d Congress.

So our world here changes, accompanied by high hopes for the future—but not without some melancholy. We have served and worked and battled with these departing colleagues and come to know and admire many of them.

Brownie Reid—Ogden Rogers Reid—is one of this latter group for me. And while I regret his departure, that regret is tempered because I know the public career of Brownie Reid is not going to end.

His leaving the House is voluntary in the sense that he made a decision to seek high State office in New York. That he was not successful will not deter this able friend and colleague. Although he is not yet 50, he has already served as president of one of the Nation's major newspapers and been an effective diplomat and a productive Congressman since 1963.

I have shared committee assignments and interests with Brownie Reid. While we will no longer be Foreign Affairs Committee colleagues, our interests, I know, will bring us together, and I look forward to the future. This latest personal change will only be another challenge to Brownie Reid.

Mr. REUSS. Mr. Speaker, it is a special honor for me to join in this tribute to my friend and colleague, Congressman Ogden Reid of New York. I am sorry that he will be retiring from the House of Representatives at the end of this session of Congress, not only because we shall all miss him, but also because we have come to rely on his judgment and leadership on so many national issues.

Before coming to Congress in 1963, Ogden Reid had an especially distinguished career—editor and publisher of the New York Herald Tribune; Ambassador to Israel; chairman of the New York State Commission on Human Rights. And he brought that experience and broad perspective to the House of Representatives.

I served with Ogden on the Government Operations Committee. We worked together on many of the issues which came before us. I remember, in particular, his hard work as coauthor of the Freedom of Information Act of 1968, which buttressed the peoples' right to know about the actions of their Government. At the same time, he was also one of the leading Republicans on the Education and Labor Committee, and he was instrumental in helping enact the series of landmark education laws of the 1960's.

Congressman Reid was in the forefront of many battles for the public interest, and his solid accomplishments are far too numerous for me to summarize here. But I would mention his fight for programs to help the poor and the elderly; his vigorous defense of social service programs, such as day-care centers; and his reasoned and articulate criticism of American military ventures in Indochina, particularly the invasion of Cambodia. All of these marked him as a man of courage and independence.

Though no proof was needed, that courage was shown again in March 1972, when Ogden announced that he was changing his party registration and becoming a Democrat. I was delighted to welcome him to my side of the aisle, and to see him go on to win election as a Democrat against stiff odds.

In his six terms as Congressman, Ogden Reid has earned the respect of all of us who have the honor to know him as friend and colleague. I know I speak for us all when I tell him that he will be missed. But I know also that he will continue in private life the same dedication and vigor in fighting for the public good which he has shown here in Congress. He and his family have my best wishes.

Mr. ROYBAL. Mr. Speaker, today I wish to join my fellow Members of Congress in paying tribute to Congressman Odgen R. Reid. It was only a few short years ago that the Democratic Party welcomed him into its ranks. And it is with regret that we now see this progressive and responsive lawmaker leave Congress.

I place very high value on my friendship with Odgen and will miss our working relationship on so many matters of mutual concern. He has been a champion of the elderly, working unceasingly to improve social security and supplemental security income benefits and to correct various inequities. He has proven to be a watchdog over administration policies and worked during the 93d Congress to create an Office of Budget and Expenditure Oversight to assert greater Congressional control over the budget.

Odgen has led a most distinguished career, holding several outstanding positions prior to joining the U.S. House of Representatives in 1962. Among these posts are: President and editor of the New York Herald Tribune, U.S. Ambassador to Israel, cabinet member under Governor Rockefeller, and chairman of the New York State Commission for Human Rights. His exceptional talent, ability, and versatility have been repeatedly demonstrated over the years.

While Odgen will be greatly missed in the upcoming Congress, I feel certain he will continue his career of public service and I look forward to working with him in whatever capacity he chooses to serve. There is no doubt in my mind that Odgen Reid's potential has only begun to be tapped and that the Democratic Party and the United States will continue to reap the benefits of his admirable qualities for many years to come.

Mr. BROYHILL of North Carolina. Mr. Speaker, I want to extend my best wishes to my good friend, Brownie Reid as he leaves the House of Representatives.

Brownie and I were both elected in 1962 and started our service here at the same time. Over the years, I have grown to admire him as a person and a legislator. Although we have not always agreed on the issues, I have greatly respected his tenacity and ability in fighting for those things in which he believes. He has provided excellent service, not only to the people in his district, but to the Nation.

Louise and I want to extend to Brownie and his lovely wife, Mary Louise, our sincere best wishes for continued health and happiness and we hope that we will have the chance to see them often in the years to come.

Mr. DRINAN. Mr. Speaker, I and the countless friends of Ogden Reid in the House of Representatives will miss him in the 94th Congress. My one consolation at his leaving is that he is still young, only 49, and that he will have many more careers in his already distinguished life.

I was acquainted with the many distinctions of Ogden Reid before he changed his party affiliation from Republican to Democrat. I was so enormously impressed at the depth of the convictions and the intensity of the courage which prompted that painful change that I have followed Ogden Reid's many accomplishments much more closely since that day when I and many others greeted him in the new party of his choice. I am sure that Ogden Reid's change of party was as painful as the experiences suffered by those who change their religious affiliation.

Ogden Reid's convictions were such that he forfeited a good deal of seniority which he had acquired on the Committee on Education and Labor and the Committee on Government Operations.

The more one knows about Ogden Reid, the more one is amazed at the diversity and the depth of his achievement. He was a student at Deerfield Academy and graduated from Yale University. His first career, after service in the military, was as the editor and president of the New York Herald Tribune. Following 4 years of service in this capacity—1955 to 1959—he was the distinguished Ambassador to Israel in the years 1959–61.

Other careers or vocations also preceded Ogden Reid's service in the Congress. In 1961–62 he was the chairman of the New York State Commission for human rights. During this same year he was a member of Governor Rockefeller's cabinet.

Ogden Reid came to Congress on November 6, 1962. His service for 12 years in the House made him one of the most distinguished Members of Congress and a nationally recognized legislator.

Ogden Reid has been a member of the Advisory Council of the Columbia School of International Affairs and a vice president of the International Institute on Social Sciences. He is on the board of directors of the Atlantic Council of the United States and was elected to the Council on Foreign Relations.

Congressman Reid has honorary doctorates from Adelphi College, the Jewish Theological Seminary of America, Saint Michael's College, Bard College, Dropsie College, and the College of New Rochelle. He is a fellow at Brandeis University and of Bar-Ilan University in Israel.

I have the hope that this distinguished man will return in the not too distant future to lend his many talents to the Congress of the United States. In whatever avenue he follows, however, I know that he will bring his great creativity and resourcefulness to the problems that confront humanity in the United States and across the world. The best wishes of myself and countless others go with him as he continues the pilgrimage of an extraordinary man with unusually high talents, extraordinary capacity for leadership, and an idealism which will always be a source of inspiration for me.

Mr. ASHLEY. Mr. Speaker, it is with mixed emotion that I join in honoring my colleague, Ogden Reid, on the occasion of his retirement from the House of Representatives.

It is not often enough that we are so fortunate to have a Member come to us with the wealth of background and experience that Brownie Reid had when he came to Congress in 1963. As newspaper editor and president, Director of the Panama Canal Company, U.S. Ambassador to Israel, a member of the New York State Governor's cabinet, chairman of the New York State Commission for Human Rights, and as a Member of Congress, Brownie Reid has had the integrity to follow his convictions regardless of their popularity, the courage to speak out on issues and the perception to recognize important national issues far earlier than most.

My association with Brownie Reid goes back to our Yale days and it has been my privilege during his 12-year tenure in the House to join him in many struggles to bring our people better living conditions and to expand and protect human rights. I know that he will continue the fight to bridge the gap between promise and performance in America and for this very dedicated service the entire Nation is indebted to Brownie Reid.

Mr. BRADEMAS. Mr. Speaker, I want today to join in paying tribute to our distinguished colleague and my close friend, Congressman Ogden Reid of New York, who is retiring from the House, and to convey, as one who worked closely with him, my warmest appreciation for his special contributions to legislation which has benefited millions of Americans.

For I had the privilege of working for 10 years with OGDEN REID on the Education and Labor Committee and the Select Education Subcommittee, where he was ranking minority member and I chairman.

The years between 1962, when he was first elected to Congress, and 1972, when he chose to relinquish his affiliation with the Republican Party and to become a Democrat, were fruitful ones, indeed.

And, Mr. Speaker, although I was gratified to have had the gentleman from New York sitting on the Democratic side of the aisle over the past 2 years, I felt his loss from the subcommittee on which he had worked so ably.

For during his 10 years of service on the Education and Labor Committee, OGDEN REID, with persistence and intelligence, left his stamp on a wide variety of major legislative actions—to aid America's older citizens, to improve the opportunities of handicapped children and adults, to support the arts and humanities, and to inaugurate environmental education and drug abuse education programs in the Nation's schools.

And OGDEN REID can also take considerable pride in his significant contributions to legislation such as the Elementary and Secondary Education Act, the Higher Education Act, and the Economic Opportunity Act, to name a few, as well as the comprehensive child development bill on which he and I labored many months together.

I can say with full confidence, Mr. Speaker, that without the outstanding leadership of OGDEN REID, many of these programs, and the millions of Americans they are designed to assist, would have suffered.

Many of us here know of OGDEN REID's distinguished work on the other committees on which he has served: Government Operations and Foreign Affairs. With his retirement, the House of Representatives is losing one of our most capable and dedicated Members.

Mr. Speaker, I am grateful for the opportunity to have worked with OGDEN and I wish him and his lovely wife, Mary Louise, only the best in whatever they now undertake to do.

Mr. BELL. Mr. Speaker, I wish to join my colleagues here tonight in this tribute to the Honorable OGDEN REID for his many years of service to the Congress.

As one who has worked closely with him in the Education and Labor Committee, I can attest to Mr. REID's dedication to the needs of his constituents, and the Nation as a whole. His service in Congress has been characterized by his unswerving courage in different situations—his actions were always based upon what he considered right and proper, rather than upon political considerations. He was a completely honest, dedicated public servant. I regret that he will not be with us during the 94th Congress, and I trust that he will have other opportunities to return to Government service, where he can contribute so very much.

I wish to extend my most sincere good wishes for BROWNIE REID's future endeavors.

Mr. ANDERSON of California. Mr. Speaker, it is a pleasure for me to join the many friends and colleagues of OGDEN R. REID in paying tribute to him for his many years of distinguished Government service.

The people of New York and the Nation have, indeed, been fortunate to have had a man of his skills and vast experiences to represent them in Congress. For prior to his first election to the House of Representatives in 1962, OGDEN had already achieved a most prominent record as the president and editor of the New York Herald Tribune; as the U.S. Ambassador to Israel; and numerous other duties in State, national, and international public service.

For the past 14 years he has earned the respect and admiration of his colleagues as he tirelessly worked to secure legislation to improve education and to assist our senior citizens.

We shall truly miss our friend and colleague OGDEN R. REID in the next Congress. And wish him much success in his future endeavors. I am confident that his lovely wife, Mary Louise, and his six children will enjoy being able to spend more time with this fine individual.

Mr. VAN DEERLIN. Mr. Speaker, there is always a certain sadness in bidding farewell to a colleague of long standing, but in the case of OGDEN REID the sense of loss is especially acute.

Mr. REID has distinguished himself in seemingly disparate careers as a newspaper publisher, Ambassador to Israel, and Member of Congress.

A few years ago, the Nation took notice when Mr. REID announced he was leaving the party of his ancestors, the Republicans, to become a Democrat. Always a man of conscience, he gave as his reasons his disillusionment with President Nixon and what he perceived as a rightward drift by the GOP. Subsequent events, particularly as they involved Mr. Nixon, made Mr. REID look prescient.

On our side of the aisle, we welcomed Mr. REID, as a progressive and creative legislator. A few months after he switched, he was returned for a sixth House term by the voters in his traditionally conservative Westchester County district—further evidence of how the respect and support he has always enjoyed transcend party labels.

Many younger people are entering these Halls, in the wake of this year's political upheavals. Mr. REID, with his integrity, courage, and unbending sense of commitment, would serve well as a model for even the most idealistic among the newcomers.

Mr. MINSHALL of Ohio. Mr. Speaker, OGDEN REID's record of public service is awe-inspiring and I am proud to have had the honor of serving with him since the 88th Congress. While his leaving means a great loss for this legislative body, the 24th District of New York and the Nation, our graduating class of the 93d Congress has gained immense prestige. May the shadow of his wisdom and dedication continue to inspire those who will make history in this great Chamber.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order concerning OGDEN R. "BROWNIE" REID.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SOUR ON U.N.

The SPEAKER pro tempore. Under a provision order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, I have always questioned the value of the United Nations but recently it has become clear that the revolutionaries have taken over control of the General Assembly and the United Nations has become rather worthless.

Unless a radical reversal of direction comes soon, a quick decline in the prestige and influence of the world organization that the United States has backed since its beginning in 1945, seems inevitable.

Already the General Assembly has been warned that if it continues to ignore the interests of the minority, which now includes the United States, it will risk the loss of American financial and other support.

Why has the United States turned sour on the United Nations?

First, the United Nations ousted a legitimate member, South Africa, because of that country's internal racial policies. This is in specific violation of the U.N. Charter which prohibits interference in the domestic affairs of a member state.

Second, a revolutionary guerrilla leader without a recognized country or a government was invited to address the General Assembly for the first time in the history of the Assembly. The Algerian President of the U.N., on his own initiative, ordered that Yassir Arafat, head of the Palestine Liberation Organization, should receive full honors usually reserved for the chief of state of member nations.

Third, Israel's right to speak in the General Assembly was limited to a single appearance during a 10-day debate on two resolutions affecting that country's vital interests. It was the first time that any delegate had been restricted on what he had to say.

In addition, a committee of the whole approved a Mexican-sponsored world economic "charter" that would sanction expropriation of foreign-owned property without regard for international law. It would also endorse formation of groups on behalf of raw materials producers but ban similar organizations for industrial countries and demand compensation for "the victims of colonialism, occupation, racial discrimination, and neocolonialism." Repeated attempts by the United States and the Western European nations to modify the proposed charter were defeated.

UNESCO, the United Nations Educational, Scientific, and Cultural Organization, cut off cultural aid to Israel and barred the Jewish State from membership in the organization's European regional group. The move was engineered by Arab and Communist members as part of a drive to isolate Israel.

Behind this transformation of the General Assembly into a consistent opponent of American initiative and policy are two primary factors:

The admission of dozens of new members, many of them newly independent former Asian and African colonies of Britain, France, and the Netherlands. The General Assembly's one-member, one-vote rule means that the United States, with 212 million people, has an equal vote with the smallest nation.

Another factor is the political situation generated by the Arab nations and the global oil crisis. Few countries in Africa and Asia, even in the West, are willing to risk antagonizing the Arabs.

Mounting American disillusionment with the U.N. has hard financial aspects. The United States presently pays 25 percent of the total U.N. costs.

All of these recent happenings should cause us to take a strong look at our future participation in the organization.

RECORD POTATO CROP CAN RELIEVE FOOD SHORTAGES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Idaho (Mr. Hansen) is recognized for 10 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, earlier this month I alerted my colleagues in the House to the buildup of surplus potato stocks and high inventory levels of processed potato products. At that time, I indicated that these surplus conditions were creating severe problems for both the potato farmer and the potato processor—the farmer being unable to market his fall potato crop because of the glutted market, and the potato processor being forced to shut down processing plants and lay off workers because of inventory buildups. If economic conditions for the potato farmer do not improve soon, I predict that we will see farmers dumping unsold potatoes sometime next spring. If conditions run true to form, this potato dumping will undoubtedly receive media attention, and result in public outcry against the unconscionable waste of food. All of these facts are made even more tragic by the fact that hundreds of thousands of people are starving to death in developing countries.

Is this country really unable to undertake a meaningful food aid program to help save these unfortunate people from the agony of starvation? Must American potato farmers in 46 States be forced to dump unsold potatoes next spring because of deterioration caused by prolonged storage and freeze damage? Must potato processors be forced to cut back production, close plants and lay off workers? The answer to all of these questions is a most definite "No"—provided the administration takes a simple course of action that will effectively address all three problems simultaneously. This program would involve the procurement and shipment of American dehydrated potatoes to famine areas.

The implementation of such a food aid program using dehydrated potatoes could also help to avert large financial losses to potato farmers in 46 States as well as potato processors throughout the Nation. Additionally, thousands of potato processing plant workers could be kept on the job and off the unemployment rolls.

It is a rare occasion when multiple problems can be resolved by one simple action. In this case, the solution is quite unique, inasmuch as it will help all those who need help, without adversely affecting the economic interests of the American consumer.

There is an old saying that "opportunity knocks but once, while temptation bangs on the door for years."

We must act promptly on this unique opportunity—for it will be lost if we delay. Delays will be costly—for the potato farmer, for the processor, for the potato plant worker, and ultimately, for our national economy. Delays will also be tragic—for every day we lose in implementing this program literally imposes a death sentence on thousands of starving people abroad—people who could otherwise be saved from the agony of starvation.

For the benefit of my colleagues, I am including a chart indicating the increases in potato stock levels for 24 fall production States, as well as increases in production levels over the 1973 potato crop.

The administration should act now to take advantage of these surplus potato stocks in a program to benefit the national economy and prevent unwarranted starvation deaths in famine areas.

There is every reason for action; and there is no excuse for delay.

The chart referred to follows:

POTATO PRODUCTION AND TOTAL STOCKS OF FALL POTATOES HELD BY GROWERS, PROCESSORS, AND LOCAL DEALERS ON DEC. 1, 1973, AND DEC. 1, 1974

[In thousand hundredweight]

State	Production 1973 crop	Total stocks Dec. 1, 1973[1]	Production 1974 crop	Percentage increase over 1973 production	Total stocks Dec. 1, 1974[1]	Percentage increase over 1973 stocks
California	6,253	3,500	6,324	1	4,000	14
Colorado	8,235	5,550	8,840	7	6,200	12
Connecticut	572	202	598	5	330	63
Idaho	78,965	55,500	80,045	1	56,500	2
Indiana	1,238	230	1,272	3	295	28
Maine	28,770	21,300	36,400	27	29,500	38
Massachusetts	592	320	800	35	470	47
Michigan	7,520	4,300	8,330	11	4,500	5
Minnesota	13,120	9,500	15,300	17	11,700	23
Montana	1,462	1,400	1,750	20	1,600	14
Nebraska	1,012	640	1,152	14	930	45
New Hampshire	102	50	144	41	80	60
New York:						
Long Island	5,375	1,900	6,750	26	3,000	58
Upstate	6,670	3,100	7,236	8	4,450	44
North Dakota	19,140	13,000	22,950	20	16,700	28
Ohio	1,800	850	1,995	11	1,000	18
Oregon	15,929	6,950	17,482	10	9,300	34
Pennsylvania	6,300	3,300	7,360	17	4,250	29
Rhode Island	796	(2)	1,034	30	140	(3)
South Dakota	770	450	371	48	320	71
Utah	1,100	800	1,481	35	1,010	26
Vermont	150	110	220	47	135	23
Washington	35,260	18,600	41,160	17	22,500	21
Wisconisn	11,515	5,500	14,000	22	7,200	31
Wyoming	1,220	750	1,528	25	1,275	70
Total 24 fall States	253,866	157,802	284,522	13	187,385	19

[1] Total stocks consist of "production less total disappearance to date."

[2] Rhode Island stocks included in Connecticut.

[3] Not applicable.

Source: Prepared by Congressman Orval Hansen, Republican, Idaho, from statistics supplied by the U.S. Department of Agriculture.

THE HONORABLE WILEY MAYNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Anderson) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, I know I speak for many other Members of this House, on both sides of the aisle, in saying that this body will sorely miss our friend and colleague, the Member from Iowa's Sixth Congressional District, (Mr. Wiley Mayne). He has been one of the most effective and most respected members of the committees on which he has served and of this House. It is indeed an unfortunate irony of politics that circumstances, including the national trend, resulted in the defeat of this brilliant public servant in the recent election.

Wiley Mayne enjoyed not only the high esteem of his peers, as demonstrated in his election as president of the 90th Club by other Republican Members whose service began in the 90th Congress, but also that of the House leadership. An example was when the then House Minority Leader Gerald R. Ford personally approached Wiley in 1970 and urged him to accept membership on the House Judiciary Committee as well as on the Agriculture Committee on which he had been serving since 1969. Through this recognition of his abilities, Wiley Mayne thus attained the signal honor and experience of thereafter serving concurrently on two major committees—a privilege rarely bestowed on a Member so junior.

Wiley also served on the House Republican Task Force on Labor-Management Relations and more recently on the House Republican Task Force on Antitrust and Monopoly Powers. He was frequently called upon by the leadership to serve in other capacities, including that of assistant floor leaders—and was often called upon to help lead House floor discussion and bring to vote legislation from committees on which he served, particularly legislation developed by the Subcommittee on Livestock and Grains of which he was ranking minority member. On several occasions he was named as a conferee to a joint House-Senate conference responsible for resolving differences between the House and Senate versions of legislation which he had played a significant role in developing.

I join my distinguished colleague from Virginia, the ranking minority member of the House Agriculture Committee (Mr. Wampler), in his remarks describing and commending the Member from northwest Iowa—one of the Nation's most productive agricultural districts and among the Nation's leading districts in production of beef, pork, corn, soybeans, popcorn, and honey—in his fine and dedicated service on the House Agriculture Committee. His efforts on behalf of improving farm programs in order to assure family farmers of their rightful share in the economy and a fair return for their efforts, and on behalf of promoting improved life on farms and in rural communities in northwest Iowa and elsewhere in this Nation—whether through improved farm-to-market transportation, better communications, better schools and libraries, or greater access to health services, energy sources, water and sewage facilities, or recreational opportunities, have been well summarized, as have Wiley Mayne's efforts toward improved marketing and distribution of agricultural produce at home and abroad to both commercial markets and the needy.

Consistent with these efforts on the Agriculture Committee, Wiley Mayne has provided strong support to enactment of the Trade Reform Act and other legislation designed to facilitate negotiations freeing our agricultural exports from artificial trade restrictions and barriers, and has encouraged expansion of our markets abroad. In line with this position, he has generally resisted the many temptations to erect short-sighted barriers against imports competing with American domestic production, realizing that such protectionism can only result in similar barriers being erected by nations abroad against our exports and in increased costs to the American consumer, whether rural or urban. He has consistently supported U.S. contributions to bilateral, multilateral and U.N. international development programs providing financial and technological assistance to less fortunate countries, particularly to programs assisting lesser developed areas improve their agricultural production, food distribution, health services and family planning services so important to countries whose population growth far outruns present and potential resources.

This generosity toward neighbors typifies the spirit of Iowa's rural and small-town residents toward less fortunate neighbors—but is tempered with commonsense and a keen sense of fairness. Thus Wiley helped lead House floor debate which turned back an attempt to repeal the Hickenlooper amendment—that long-standing provision of our foreign assistance laws which, fathered by the late Iowa statesman, Senator Bourke B. Hickenlooper, requires suspension of any U.S. assistance to any nation which pirates or expropriates American-owned property without providing compensation required by international law.

Wiley authored amendments to the Food Stamp Act which denied food stamps to students from wealthy families clearly not in need, and he strongly opposed having the Federal taxpayer subsidize strikers by issuing them food stamps. He fought hard for welfare reforms designed to remove from the welfare rolls any fraudulently claiming benefits, and supported the family assistance plan as a means of improving quality of life for those in true need while also providing incentive for those on welfare to seek training and employment, encouraging their moving from welfare rolls to payrolls as productive employees.

While he supported extension of unemployment benefits in areas of deep and persistent unemployment, he opposed expansion of public service employment as being an attempt to use discredited "New Deal"-type programs to solve unrelated economic problems best solved by the private sector.

Wiley Mayne has been particularly American. Many legislative proposals which he introduced or cosponsored in the behalf of the elderly have become law, including the Older Americans Act, the Elderly Nutrition Act, automatic cost-of-living increases in social security benefits, improvements in medicare-medicaid coverage, social security reforms increasing the maximum earned income the retired person might receive without losing benefits, improved compensation for service-connected disabled veterans, increased pension benefits for veterans with non-service-connected disabilities and their dependents, private pension reform legislation, improvements in tax treatment of Keogh self-employed retirement plans, reforms in veterans pension laws to protect veterans' pensions from being reduced by increased earnings including social security benefits, et cetera.

He voted on final House passage for every social security benefit improvement which has become law since he first came to Congress in 1967. He voted in support of every veteran's benefit improvement passed by the House in those 8 years, and in support of each railroad retirement benefit enacted in that time, on two occasions voting to override Presidential vetoes.

Probably more important to the long-run interest of the elderly, Wiley Mayne has been a leader in the struggle to restore fiscal responsibility to our Government and to curb Federal spending. Excessive Government spending feeds inflation which imposes such a cruel tax upon all but most particularly upon the elderly and others with low or fixed incomes. Wiley has voted for Government spending that he believed necessary to maintain programs he felt essential, he has not been a negative Congressman voting indiscriminately across the board against all spending for any purpose—but he has voted to hold spending to responsible levels, and to reduce duplication and waste.

His votes for economy in Government have earned him the "Watchdog of the Treasury" award from the National Associated Businessmen for each of the four Congresses in which he has served. Wiley's votes have helped save hundreds of millions of dollars for the American taxpayer, including his votes to sustain vetoes of particularly budget-bursting bills. Many more millions of dollars might have been saved had the majority of the House voted along with Wiley on still other occasions.

Wiley Mayne's courage in voting for authorizations or appropriations at levels less than those tremendous increases advocated by powerful special interest groups and lobbies, although the levels of spending he advocated generally provided increases more than adequately covering any rise in costs from the previous year, earned him the deep enmity of some such groups. This did not deter him from continuing to vote for what he felt was right and against what he felt was irresponsible.

Wiley was especially adamant in his strong opposition to perpetuation of porkbarrels, whether it was continuation of military bases, shipyards, rope factories, or hospitals long beyond any real necessity, or continuation of impacted area assistance pouring funds into prosperous school districts just because their schools were attended by children of Federal employees—employees who paid the same taxes in the district as did other residents and whose payrolls contributed significantly to the general prosperity of the school district.

Our good friend has not been one to apply one standard to others but yet another to himself and his colleagues—he has consistently held that Congress must set the example for Federal Government and all the Nation by acting responsibly and holding down its own spending.

Wiley was one of the leaders in the continuing fight against increasing the pay of Members of Congress and of higher Federal officials. Although unsuccessful in blocking the pay increase which went into effect in 1969, his efforts have helped defeat each attempt since to increase congressional pay. He introduced or cosponsored legislation proposing repeal of those provisions of the Federal Pay Act enabling semiautomatic pay increases every 4 years for Congressmen, top Federal officials and Federal judges, and has proposed amendments to the House rules which would require record votes on any pay increase resolution, so that every constituent will know how his particular Senator and

Congressman stands on that issue. Wiley carefully administered allowances provided him for congressional office expense, staff salaries and official travel, and frequently spent less than was allotted and turned back money to the Treasury.

When sent abroad by one of his committees on a study mission or by the President as a delegate or observer to an international conference, Wiley Mayne worked conscientiously and diligently, and he made public an account of each such trip and its purpose, and carefully accounted for the expense incurred. He strongly protested House adoption last year of a rider which was slipped onto a bill and repealed the requirement that all official foreign travel expenditures by Congressmen be accounted for and reported in the Congressional Record, and he has introduced legislation to reinstate this publication in the Record.

Wiley helped defeat attempts to tear down and rebuild the west front of our Capitol with additional offices for the constantly increasing number of congressional patronage employees and for hideaways for senior Senators and Congressmen. Thus far the efforts of Wiley Mayne, Iowa's senior Congressman (Mr. Gross) and others have blocked attempts to convert Madison Memorial Library, being constructed as a badly needed annex to the seriously overcrowded Library of Congress, into larger offices for Members of Congress and committees.

"Reform" has been the keyword of this Sioux Citian's approach to Government—not change for the sake of change itself, but revision of our laws, rules, Government practices and institutions so that they may more efficiently perform their assigned tasks with minimal waste and cost and interference with other institutions, the private sector, and the individual. Even before first being elected to Congress, Wiley Mayne advocated what has since been named "New Federalism," returning to the State and local governments those powers which gradually accrued from them to the central government.

He has strongly advocated and supported general revenue sharing with the States and local governments, and conversion from categorical grants with purposes and uses dictated by the increasingly paternalistic Federal Government in Washington, D.C., to special revenue sharing and block grants which permit the governments closest to the people and to local problems to determine priority use in meeting actual needs. He sponsored or strongly supported enactment of general revenue sharing, helped in the House Judiciary Committee to develop and expand the block grant programs of the law enforcement assistance program, and voted for the special revenue sharing or block grant programs in the Elementary and Secondary Education Act Amendments of 1974, in the Housing and Community Development Act, and in the fire prevention research and development legislation based on bills he had cosponsored.

Wiley Mayne has advocated tax reforms designed to simplify tax reporting and to close loopholes, but has fought against proposed changes in the name of reform which would destroy tax deductions or credits basically in the public interest—for example, he strongly opposed any restrictions or crippling amendments to deduction of gifts to charities and churches, exemption of nonbusiness activities of nonprofit institutions, the 7 percent investment credit which encourages small farmers and businesses to modernize their operations and increase productivity, and limited deductions for contributions to political campaigns. He has introduced legislation which would prevent nonfarmers from acquiring tax benefits through investment in farms and operating them at a loss, in effect unfairly competing with real farmers. He sponsored bills which would especially aid middle income taxpayers by providing tax credits for the expense of higher education of their children and encouraging homeownership through tax deductions for home repair and improvement.

Our colleague has consistently worked for election reform, long before this became fashionable in the wake of Watergate. He has introduced in each Congress since he was first elected, legislation which would require each Congressman and candidate for Congress to make public his Federal income-tax return, as a means of revealing possible conflicts of interest. He cosponsored the clean elections bill I introduced with the Congressman from Arizona (Mr. Udall). When the House Administration Committee reported a much weaker bill, Wiley gave strong support to House floor amendments which would have reinstated in this legislation such needed reforms as partial public financing of congressional election campaigns, tighter restrictions on contributions, both in cash and in kind, and especially on contributions from special-interest groups, including labor organizations, and stiffer restrictions on campaign expenditures. He not only signed the fair campaign practices pledge in each election campaign, he insisted on rigorously abiding by that pledge—not one allegation of his having engaged in an unfair campaign was ever lodged against him before the Fair Campaign Practices Committee.

This Iowa Congressman has been especially persistent in his efforts on behalf of congressional reform, consistently working to downgrade the importance of seniority, even when its retention would have been to his own personal advantage. Wiley fought hard for protection of the rights of the minority, including the minority's right to a fair share of the funding and staff on the various committees, and of the rights of the individual Congressman. He was especially interested in protecting the public's right to know what is going on in the committees and in the Congress. He cosponsored "Federal Government in the Sunshine" legislation, and supported enactment of Freedom of Information legislation, helping override the Presidential veto.

Wiley Mayne has strongly supported efforts to streamline and to make more efficient and democratic the committees and subcommittees on which he served. He advocated changes in the House rules to facilitate obtaining record or recorded votes on issues before the House, thereby placing Congressmen on record with their constituents and stripping away the anonymity of voice or division votes. He strongly supported the comprehensive committee reforms and other House rule reforms recommended by the Bolling committee. He protested on the House floor when the Democrat Caucus in secret meeting by secret vote bottled up that important reform resolution and prevented its being considered by the House for several months, and again protested when the leaders of that organization maneuvered for House floor adoption of the much watered-down Hansen substitute which perpetuated many of the conditions eliminated by the Bolling resolution.

This northwest Iowan has great confidence in the basic soundness of our Constitution and in the wisdom of our forefathers in providing for division of powers between the central and State governments and for separation of powers between the Executive, the legislative branch, and the judiciary.

Wiley Mayne strongly opposed efforts to infringe upon the reserved powers of the respective States. He has not always agreed with the reasoning and conclusions of the courts, particularly when they appear to be making new law rather than just finding or interpreting the law, but he has high respect for the judiciary and for the need to maintain its independence from both the legislative and the executive branches. He has therefore opposed all congressional efforts to block court orders.

Our colleague has advocated Congress take back much of the authority it has delegated or abdicated to the executive branch. He supported enactment of the war powers resolution over the President's veto, supported enactment of the Budget Reform and Impoundment Control Act, and helped defeat new attempts to heap even more power including mandatory price-wage controls and rationing upon the Executive. On the other hand, he has opposed congressional efforts to dictate to the executive branch in areas within its separate powers, as in privileged executive communications. He has generally advocated providing considerable flexibility to the Executive in order to meet changing conditions abroad, but has insisted on Congress playing a responsible role in our establishing our foreign policy, as in his determination that the Hickenlooper antiexpropriation amendment be retained and that the Rosenthal amendment be enacted, requiring enforcement against Turkey of the prohibition against providing military assistance to countries which violate the conditions attached to that aid by using the arms for nondefensive purposes.

He supported depolitization of the Postal Service through enactment of postal reform legislation he had cosponsored, and he believes the current problems of the Postal Service would have been far worse had the previous system been continued. Wiley Mayne has opposed various efforts to politicize the U.S. Civil Service, and to amend the Hatch Act so that Federal service employees might become political hacks in a new spoils system.

Congressman Mayne's considerable experience as a practicing trial attorney in northwest Iowa and as former president of the Iowa Bar Association and as a member of the House of Delegates of the American Bar Association has served him well in his efforts in the House Judiciary Committee to obtain reforms improving our judiciary system. He has supported creation of additional Federal district judgeships where required by caseloads, has supported authorizing appointment of administrative officers for courts to relieve Federal judges of nonjudicial administrative chores, and has urged congressional action to approve the proposed Rules of Evidence. His bill to relieve Federal district courts and circuits of the present requirement of review of every Interstate Commerce Commission order by a three-judge panel and to relieve the Supreme Court of the workload imposed by the automatic appeal of all such cases to the Supreme Court was approved by the House today.

Knowing that "Justice delayed is justice denied," Wiley Mayne has sponsored and supported legislation designed to expedite criminal trials. In his push for reform in our criminal justice system, he has stressed the need to recognize not only the need to protect the rights of the accused but also the rights of the victims of crime and those of society itself. He helped bring about House passage of legislation such as the Law Enforcement Assistance Act Amendments and the Public Safety Officers Survivor's Benefits Act which can help strengthen law enforcement at State and local levels. He has strongly supported efforts to improve conditions in penal institutions and institutions of rehabilitation.

In still other areas of reform, Wiley Mayne fully participated in the series of hearings held in Washington, D.C. and throughout the United States by the Immigration and Nationality Subcommittee of the House Judiciary Committee on the subject of the illegal alien. He helped draft immigration law reforms which would considerably tighten restrictions on illegal immigration and which would subject those knowingly employing illegal aliens to criminal penalties. This legislation has been passed by the House, but apparently final action on enactment will not be completed in this Congress. Wiley also cosponsored and helped obtain enactment of immigration reform legislation easing the unification of families and removing many of the racial or nationality discriminations of earlier laws.

On the international scene, the Iowa Congressman advocated reforms improving trade and communication among the nations. While he regrets the weaknesses of the United Nations and its misuse by various members for political purposes, he believes it continues to deserve our full support as a valuable forum for keeping the peace and promoting the common aspirations of all mankind. He has urged U.N. Charter reform. He has supported wholeheartedly the continuation of the U.S. Arms Control Agency and our continuing to negotiate with other nations in order to arrive at realistic mutual reduction in armaments under safeguards preventing trickery.

However, he strongly believes in our maintaining a strong national defense and collective security arrangements, knowing that unilateral disarmament would weaken the positon of our negotiators in disarmament talks and would encourage aggression. On the other hand, Wiley has voted against spending in excess of our actual defense needs, and has fought against waste in our military services just as in other Federal agencies. For example, he helped defeat legislation which would have continued flight pay for nonflying desk-bound generals and admirals.

Wiley Mayne has been especially active in trying to reduce unreasonable bureaucratic demands upon and interference with small businessmen, farmers, and private individuals generally. He has generally supported legislation to conserve our environment and resources for future generations, and strongly resisted efforts by a series of administrations to curtail the rural environmental action program providing incentives to farmers to conserve soil and water resources. However, he has felt that a reasonable balance must be struck between the growing demands of environmentalists and the need to develop and utilize resources to secure possible energy independence and improve living conditions too often substandard in many urban and rural areas.

Wiley thus supported legislation temporarily suspending scheduled imposition of tighter restrictions on motor vehicle emissions and on stationery sources and indirect sources of air pollution. He supported the surface mining bill originally passed by the House, but opposed adoption last week of the conference report which he felt imposed unrealistic restrictions upon the Nation's attempts to expand coal production and added to inflationary pressures upon consumers by imposing a new tax on each ton of coal. He is sympathetic to the need to improve highway safety, but feels the mandatory seat belt, and air bag requirements constituted bureaucratic overkill at the expense of drastically curbing consumer freedom of choice and inflating cost of automobiles, and he therefore supported enactment of legislation suspending those restrictions and joined in urging the administration to advance that suspension.

Our Iowa colleague's protests helped convince the administration it should back down from its plan to allow Department of Agriculture examination of Federal income tax returns and the Census Bureau that it should limit its interrogatories. Wiley participated in studies of the Republic task force on antitrust and monopoly powers, and cosponsored and supported reform legislation, passed by the House last week, which strengthens enforcement of antitrust laws against those seeking to limit competition and drive out small operators. He testified before the House Education and Labor Committee on behalf of major revisions of the Occupational Safety and Health Act, and he helped obtain House passage of legislation exempting small farmers and small businessmen from OSHA inspection and enabling firms to consult with Occupational Safety and Health Administration experts regarding potential safety and health hazards without running the risk of being subjected to mandatory fines for violations on that first inspection. He has helped block efforts to further restrict the rights of individuals to possess firearms through registration or even confiscation of firearms, and has sponsored amendments exempting ammunition for lawful use in hunting and sporting rifles or guns from onerous requirements of the gun control law.

Although Wiley has supported reasonable legislation in the interest of consumer protection, he protested strongly on the House floor against the proposed Consumer Protection Act because of the new hardships it would create for small businesses and the increases in costs it would generate for the consumer. Fortunately the Senate has not acted on this bill and it will die with adjournment of this Congress, but it undoubtedly will be reintroduced in the 94th Congress. He strongly supported the House rules amendment which has been approved, providing the House Committee on Small Business with legislative authority for the first time. From these and his other actions on behalf of small business, it is understandable that Congressman Wiley Mayne has been bestowed with the title "Guardian of Small Business" by the National Federation of Independent Businesses.

Wiley Mayne well knows that "man cannot live by bread alone." He has been one of the foremost advocates of Federal assistance for libraries, particularly for isolated rural areas, and he has consistently supported the National Foundation for the Arts and the Humanities and its twin endowments and personally encouraged full participation in these programs by northwest Iowans.

This colleague has been one of the most diligent and conscientious Members of this House. He is not a member of the so-called Tuesday-Thursday Club, for he has attended more than 92 percent of all the record votes held during his 8 years service in this House. His membership on two major committees and several subcommittees has sometimes resulted in conflicts in scheduling, but despite these difficulties he has maintained an excellent attendance record in these committees and particularly on the Livestock and Grains Subcommittee on which he was ranking minority member. His fine record of attendance and his commendable attention to matters before these committees and before the House have in no way impinged upon Wiley Mayne's provision of excellent service to the communities and residents of the Sixth Congressional District, who I know will miss his presence working in their behalf in this House.

PRAISE FOR TREASURY SECRETARY WILLIAM SIMON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Don H. Clausen) is recognized for 15 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, as I am sure most of us are well aware, recent Gallup and other polls have indicated a serious lack of public confidence in the major institutions in our society, including business, labor, education, and religious organizations and government at all levels. Some of it deserved—some of it not.

Very simply, Americans have lost faith in many of these institutions and some of their leaders. In light of today's seemingly insoluble problems, the American people have come to view many of our basic institutions as part of the problem rather than part of the solution.

By the same token, however, I strongly believe that Americans can and will look up to, respect and follow those who demonstrate a willingness and ability to address the major problems facing our Nation in fair, firm, and factual terms.

In my judgment, Treasury Secretary William Simon is demonstrating this kind of leadership ability in dealing with the current economic situation. While many have been casting about for easy solutions to our economic problems or looking for someone or something to blame for the inflation-recession "crunch," Secretary Simon has been "telling it like it is." In the eyes of many people, his open, honest approach is helping to restore public faith and confidence in our Government.

As an example of what I mean, I am submitting for consideration by my colleagues a number of questions about our economy and Mr. Simon's answers to them. In my judgment, his comments are clear, concise, and enlightening, and I am hopeful they will set the tone for a meaningful dialog between the Congress and the administration on solving our economic problems when we return in January.

Secretary Simon's remarks follow:

Focus on America's Foremost Problem—Inflation, Controls, Energy, Taxes

(By The Honorable William E. Simon)

Question. Why are you concentrating on inflation? Isn't the threat of recession our No. 1 problem?

Mr. Simon. President Ford has called inflation Public Enemy No. 1, and I fully agree. Prices are going up faster than at any time in our peacetime history and, if they continue at this pace, they will undermine the very foundations upon which this nation is built.

Double-digit price increases have had brutal impact on low-income families, the elderly existing on retirement pensions and savings, and other Americans who cannot obtain income boosts to offset inflation.

Inflation is also eroding the purchasing power of existing financial assets and pushing up interest rates as lenders try to salvage real returns. Creditors suffer and debtors benefit as claims are repaid with depreciated dollars. Business firms and consumers are forced to adjust spending and investment plans, producing still other adverse economic effects.

Perhaps the worst toll of all taken by inflation is the most subtle—the erosion of people's confidence in the future—their loss of faith in their society and government. Indeed, this toll seems to grow in the same ratio as the rate of price increases. *This* is why we in Washington must act, and act decisively, to come to grips with this curse.

This is not to say that our problems are one-dimensional. We are also confronted with a growing sluggishness in our economy, and are taking actions to meet his challenge.

Yet we must recognize the extent to which inflation has caused the general slowdown. It was inflation that dried up the supply of mortgage money and sent the housing industry into a tailspin. And it is inflation that has undercut consumer confidence, causing the biggest reduction in consumer purchasing since World War II. Since housing and consumer purchasing are the two weakest sectors of the economy, inflation must now be the chief target of our economic policies.

Question. Why do we have to stop inflation, considering all the costs of doing so? Why can't we turn our attention to unemployment and just live with inflation?

Answer. We can't live with double-digit inflation because it is destroying our social structure. History is littered with the wreckage of societies that failed to come to grips with this contagion. America can *still* avoid this end.

If we were to switch to stimulation of the economy in order to reduce the rate of unemployment, our problem would not be just living with the present rate of inflation, but living with an *accelerating* rate of inflation. And if we maintained such a policy stance for long, we would pass beyond the inflationary point-of-no-return, and prices and wages would be sucked up uncontrollably like leaves in a hurricane.

The situation we are in now is different from previous recessions. During earlier economic downturns the government could safely switch over to stimulative policies because the inflation rate was tolerable. That is not now the case. Our primary concern has to be to avoid worsening the already dangerously high inflation rate. Any significant stimulation of the economy now would simply whip prices higher and lead to an even tougher day of reckoning later.

Question. What does the current economic situation mean to the average person?

Answer. Many people are frightened. They don't understand what's going on in the economy. Their confidence has been shaken by their extended bout with super-inflation, and they fear further erosion of their savings and pensions. Many are upset by the scarcity of mortgage credit. The security of their jobs is threatened by rising unemployment.

People cannot be blamed for being worried about this confusing set of circumstances, especially when so many economic experts disagree on both diagnosis and cure. This is why it is important for the Government to keep its eye on the primary source of trouble, which is inflation, and then follow steady, balanced policies to gradually bring it under control, at the same time taking the necessary steps to cushion the impact—on the unemployed, for example—where cutbacks hit with disproportionate force.

Question. You've used the term "stagflation." What does it mean?

Answer. It's a composite word made up of the first part of "stagnation" and the last part of "inflation." Stagflation means that prices rise rapidly at the same time that economic activity stagnates and unemployment climbs. We used to experience one or the other. Now we have both. Why? Because unsound government policies, combined with special outside shocks like the food and fuel crises, allowed inflation to get out of hand.

Question. What's caused inflation? Isn't it mostly high oil prices?

Answer. No, not most of it, though it has certainly been an important factor. The rise in gasoline, motor oil and fuel oil prices has accounted directly for about 15 percent of the rise in the Consumer Price Index over the past year. Other calculations suggest that the quadrupling of world crude oil prices might account for as much as one-third of the 20 percent increase in wholesale prices from a year ago.

There are several other key causes, some due to special factors, others to unsound government policies. Among the former was bad weather around the world, which led to crop shortages and high food prices. A simmultaneous worldwide boom put pressure on prices of internationally traded commodities. And two needed devaluations of the dollar triggered widespread demand for United States goods.

Unsound government policies include our three-year experiment with wage and price controls, which led to severe economic distortions and supply shortages. Political pressures have long put a premium on excessive consumption, at the price of adequate investment in productive facilities. Monetary policies have been overly stimulative. And Federal budget deficits have been spurring inflation since the early 1960s.

In fact, to my way of thinking, these unsound monetary and fiscal policies have been the most fundamental causes of present-day rampaging inflation.

Question. How have the budget deficits promoted inflation?

Answer. If inflation is Public Enemy No. 1, then chronic government budget deficits must be recognized as Public Enemy No. 2. It took 185 years for the Federal budget to reach the $100 billion mark, nine more years to hit $200 billion, and only four more years to reach the $300 billion level. And in only one of the past fourteen years has the government been able to balance its books. In the past ten years alone, Federal deficits have reached a staggering total of $103 billion. The over-all Federal debt, in the process, has soared to $480.5 billion, and annual budget outlays *for interest charges alone* on this debt now amount to $31.5 billion.

When the Federal budget runs a deficit year after year, especially during periods of high economic activity, it becomes a major source of economic and financial instability. The huge deficits of the 1960s and 1970s have added enormously to aggregate demand for goods and services, and have thus been directly responsible for upward price pressures. Heavy borrowing by the Federal sector has also been an important contributing factor to the persistent rise in interest rates and to the strains that have developed in capital markets.

Worse still, continual budget deficits have tended to undermine the confidence of the public in the capacity of government to govern, let alone deal with inflation.

Question. Why is it so hard to cut $5 billion from a $305 billion Federal budget? Why can't the Pentagon budget be cut?

Answer. It is difficult to cut the fiscal 1975 budget because such a large proportion of the spending is mandated by previous contractual and legislated commitments, which often can't be changed quickly, and because we are now almost half-way through the fiscal year. There are, however, some areas of the budget that can be cut back and no part will be considered sacrosanct, including the military. We must keep in mind, however, that since 1968, defense spending—as measured in real terms—has been reduced by about one-third.

One key fact widely overlooked is that even after this year's budget is cut back by $5 billion, expenditures will still show an increase of $32 billion over last year's total—and 11 percent jump. What we are actually trying to do is blunt *the rate of increase*.

In the longer run, budget cutting is difficult because most government programs have vocal and powerful proponents—the beneficiaries of public spending. On the other side, it is hard to get organized pressure to cut spending. Opposition to spending is diffused widely among the public while the support for spending is concentrated and often very effective.

Perhaps this will change. I believe the American people are fed up with deficit spending and the rapid rise in prices it causes. One hopeful development is the new budget process that Congress adopted last year. For the first time, Congress will have to address explicitly the issue of how large total Federal expenditures and revenues should be—instead of following the piecemeal approach they've used in the past. There's a good chance that this new mechanism will produce at least some of the fiscal discipline we've needed so badly for so long.

QUESTION. What about the so-called "uncontrollables" in the Federal budget? In which of these areas is spending increasing the most rapidly?

ANSWER. In the past six years, the so-called uncontrollable outlays rose about $90 billion and were nearly $200 billion in 1974—almost ¾ of the total budget. Nearly $70 billion of the $90 billion increase was in social security and other retirement programs, veterans benefits, and a wide range of health and welfare programs. Interest on the national debt and other fixed commitments accounted for the remainder.

Achieving control over government spending is complicated by the way many Federal programs start on a small scale but then mushroom rapidly. Some examples:

Food stamps came to $200 million in 1969 but reached nearly $4 billion in 1974—a 20-fold increase in just five years.

Public assistance programs and social services totalled a little over $3 billion a decade ago but are nearing $20 billion now.

Total Federal health outlays were $1.7 billion a decade ago but are now over $25 billion.

Incidentally, I consider the word "uncontrollable" a misnomer. We need not and must not accept developments that we recognize are leading us to disaster. Just because Congress has legislated a program doesn't mean it can't be changed.

QUESTION. What about so-called off-budget items? With these omissions, how can people get a true picture of total spending by government?

ANSWER. I believe it is essential that we give the American people a true picture of all Federal programs, including those government-sponsored lending and other activities which are now excluded from the "unified budget" submitted to Congress. While such activities have been excluded from the budget by law or by the conventions of government bookkeeping, they still have a considerable impact on the economy and on the American taxpayer.

For example, in fiscal year 1974 the reported figure of $3 billion of government borrowing from the public (to finance the unified budget deficit of $3.5 billion) showed only the tip of the iceberg; the net borrowing from the public to finance government programs outside of the budget was estimated at $30 billion. We believe that these off-budget activities should be given greater attention in the budget-making process since they exert enormous demand on money markets, boost interest rates and, in effect, pre-empt much necessary private borrowing.

QUESTION. Will we ever again see 6 percent interest rates on loans?

ANSWER. It's possible—but not until we achieve a much lower rate of inflation. Today's high interest rates are caused by today's high rate of inflation and the tremendous demands that built up for loans. As we reduce this demand along with the rate of inflation, interest rates will come down.

But we can't reverse that sequence; that is, we cannot cut the inflation rate by driving interest rates down through the process of creating much more money and credit. That would only throw fresh fuel on the inflationary fire. Inflation would speed up and interest rates would be driven still higher.

The only way to get to a 6 percent rate of interest from here is to bring the rate of inflation significantly below 6 percent. We should also recognize that each time we lose a bout with inflation, interest rates are ratchetted higher. In 1960 the bank prime lending rate peaked at *6 percent*. In 1969 it reached *8½ percent*, and this year the high point was hit at *12 percent*.

The current high levels of interest rates reflect the *expectation* of continued inflation. Because of this inflationary psychology, lenders require and borrowers are willing to pay a premium roughly equivalent to the expected rate of inflation.

QUESTION. What's wrong with government spending new billions, as many are suggesting, to halt the rise in unemployment?

ANSWER. Unfortunately, there's no such thing as "free" Federal programs—any more than there's such a thing as a free lunch. And it's high time public officials leveled with the American people and told them so. If we don't have the courage to raise taxes to pay for new spending programs, then people are forced to pay through the cruelest and most regressive tax of all—inflation.

If we are going to have programs to cushion economic adjustment, taxpayers must pay for them. If not, if Washington resorts to more economic pump-priming, we face even worse inflation—which, in turn, will lead to still another economic slump and more unemployment. I sincerely believe that the higher-income people among America's 86.5 million jobholders can and should contribute more to help the 5.5 million unemployed.

QUESTION. What are your plans to deal with unemployment if it worsens?

ANSWER. A solid unemployment compensation system is now in place and we have proposed to the Congress that it be extended and expanded. In addition, we have submitted legislation to create a Community Improvement Corps, which would provide temporary employment for out-of-work men and women who have exhausted their unemployment benefits.

Other action would create more private sector jobs, including the extension of loan funds to aid the housing industry and our recommended expansion of the investment tax credit. Basically, however, the ultimate way to provide more jobs lies in reduction of inflation, restoration of consumer confidence and stabilization of the economy.

QUESTION. Many are advocating a return to wage and price controls. Why not?

ANSWER. Because they are destructive of both our economy and our freedoms. They deal with the results of inflation rather than the causes, like taking aspirin to attack a fever rather than curing the infection.

In 1972–73 controls proved themselves ineffective in holding down inflation. And where controls do in fact suppress prices and wages, they create distortions. In some of our basic industries like steel and paper, profits squeezed down by controls forced curtailment of expansion which resulted in present shortages. Thus, controls eventually *increased* the pressure on prices rather than lessened it.

Normally, when the demand for a product rises in relation to the supply, for whatever reason (such as the cut-off of oil supplies by the Arab countries in late 1973) the price of that product rises. This usually causes the profits of those companies who supply the product over the short run to rise, but more importantly, it increases the profit opportunities for new producers who might start producing the product. When these new suppliers increase the supply in relation to the demand and old producers increase production, the price of the product will drop again.

Price, wage and/or profit controls frustrate and distort this process. In the first place, not all prices, wages and profits can ever be controlled by the government, particularly the prices of imported raw materials. Second, by freezing prices, wages and/or profits, supply of a product is removed because the profit potential is removed. In fact, existing the incentive for anyone to increase the producers who see their costs rise often just stop producing completely. As a result, over a period of time, the supply of the product shrivels up, thus further aggravating the demand pressure for the product, ultimately resulting in rationing, black markets, curtailment of expansion, flow of capital and goods out of the United States where profit opportunities are better, and many other results that are diametrically opposite to the objectives that the price controllers are attempting to achieve.

Controls, in summary, distort investment decisions and the allocation of resources, distort markets and exports, keep natural forces from reacting against economic defects, and give a false impression of action which delays truly effective remedial action.

QUESTION. What about proposals for *standby* wage-price controls?

ANSWER. The problem with standby wage-price controls is that their very presence creates an *expectation* that controls will be imposed at some future time. There is thus a rush by business and labor to raise prices and negotiate large wage increases before the controls are slapped on. Compounding the problem, the resulting rise in wages and prices then provides the seeming justification for imposing controls.

QUESTION. How can high corporate profits be justified in a period of economic difficulty like today.

ANSWER. Double-digit inflation has done strange things to corporate profits. Some of the conventional accounting techniques used by corporations have proved to be inaccurate and misleading, now that inflation has become so rampant. They understate the replacement cost of both inventories and capital equipment, and thus overstate profits. They create an illusion of rapidly rising profits when the actual record of profitability is weak.

In addition, corporations have to pay taxes on those illusory profits, and to some degree they pay dividends from them as well. As a result, corporate cash flow has been squeezed hard: the retained earnings of nonfinancial corporations, after adjustment for the understatement of replacement costs of inventories and capital equipment, was down to $3 billion in 1973, less than one-fifth of the 1965 level.

QUESTION. But what about high *oil* company profits?

ANSWER. I have consistently stated that current oil industry profits represent to a considerable extent a windfall due to the rigging of world crude oil prices by the Organization of Petroleum Exporting Countries. I have also consistently supported legislation we proposed a year ago to tax away these windfall profits as a way to prevent one sector from profiting unduly at the expense of the rest of the economy.

At the same time, we have compared the profitability of the oil industry to that of 28 other industry categories over the past 16-year period, and find that the industry's profitability, when viewed over a reasonable time period, falls within the normal experience of most major U.S. industries. And we must recognize that adequate profits are essential to the development of adequate future oil supplies.

QUESTION. Why should people be concerned about whether business makes a profit or not?

ANSWER. Because the best way to reduce inflation is to increase supply, and this requires adequate technology and productive capacity and human and material resources. These variables all have long lead times, and our system relies on the private sector to develop these capabilities. The government influences these development efforts, but basically there is only one real motivation to make these capital and human investments—the expectation of *profits*. If we don't have adequate profits now, we suffer later.

In effect, profits are the fuel of the engine that pulls the train of American business and industry—the train that carries as cargo the jobs of the working men and women of this nation.

QUESTION. What do you mean when you talk about boosting productivity?

ANSWER. The term productivity refers to the efficiency of our economy—the amount of real output that can be produced per worker (and also per unit of capital input).

The importance of increasing productivity is that it helps us achieve two very important national goals: It reduces costs and thus lessens inflationary pressures, and it increases total production and thus improves our standard of living. Indeed, in the long run, increased productivity is the only source of a rising national standard of living.

How can productivity be boosted? By cutting waste on the job and working "smarter"—*and* by increasing the quantity and quality of capital equipment available to each worker. This is why I put so much emphasis on the need for more savings and more investment. This country has been lagging much too far behind in total fixed investment. For example, since 1960 U.S. capital formation (including residential) has averaged only about 19% of our total output—about the same as in the United Kingdom. In the same period, the investment ratio was 25% for France, 26% for Germany, and 33% for Japan.

If the U.S. is to check inflation, stay competitive and continue to create abundance for its people, we must not only provide greater incentives for saving and investment, but also remove impediments to efficiency throughout the economy. The National Commission on Productivity has been charged with the job of identifying problems in this area and recommending solutions.

QUESTION. What about energy conservation? When are we going to start? With what? Gasoline rationing? Or an increase in the gasoline tax?

ANSWER. Energy conservation is essential to our national effort to achieve greater independence from high-cost and unstable foreign oil imports. President Ford has set a conservation goal of one million barrels a day by the end of 1975. We believe we can achieve that goal through measures outlined by the President in his economic message of October 8, 1974. Included in this program is a plan to require oil and natural-gas-fired plants to switch to coal and nuclear power; a requirement that the automobile industry develop increased gasoline savings; and a more rigid enforcement of the 55-mile-per-hour speed limit.

Further, there are a series of mandatory conservation steps for government and voluntary measures for the American people. This program can work. However, the President has made it clear that if immediate reductions are not achieved, he will seek more stringent means to insure that United States dependence on foreign supply is reduced. Whatever steps are necessary will be taken, but I still believe that gasoline rationing must be a last resort.

It is important, however, to emphasize that conservation alone is not enough. We must move aggressively to develop our domestic energy resources. Together, increased production at home and a hard-hitting program of energy conservation can move us toward self-sufficiency.

QUESTION. Will the coming period be anything like the early 1930s? Is the average citizen protected against an economic collapse?

ANSWER. Economic conditions today are totally different from those of the 1930s. We have Federal insurance of bank deposits. The Federal Reserve System is committed to avoidance of a credit crunch and to a continuing moderate expansion of money and credit. In the early 1930s the money supply contracted by about one-third. And unemployment then rose to 25 percent of the work force compared to a little over 6 percent today.

We have a very substantial unemployment compensation program in being and have recommended a further expansion of that program, plus a larger public service employment program. We have other income-maintenance programs—social security, food stamps, public assistance, etc.—that will not decline even if general business activity is depressed. We also have a large part of our work force employed in economic sectors that are essentially depression-proof.

For all these reasons, the economy is much less vulnerable to an economic collapse than it ever was before.

QUESTION. How soon can we lick our economic problems and get back to stable, prosperous growth?

ANSWER. While we can hope to see a turnaround in 1975, long-lasting solutions will not come quickly or easily. Inflationary forces have become deeply embedded in our economic structure and will take time to get wrung out, demanding both consistent and persistent policy approaches.

The hard fact we face is that America is at a historic crossroads in balancing consumption demands against the production capacity of the matchless economic machinery we have built up over the centuries. And the problem is bigger than simply meeting the painful concurrent problems of inflation and recession, serious as they are.

As a nation, we have been indulging in a consumption binge. We have been using up our inheritance and borrowing from the future, at one and the same time. In effect, we are burning the candle at both ends—and the candle is getting shorter.

On one hand, America now faces vast, rapidly rising needs to devote more of its output to capital investment—to replacing, modernizing and expanding our factories, mines, farms and other productive facilities. We have been falling far short of meeting this imperative. We are in the dangerous position of people on a ship whose hull is slowly rusting away through lack of adequate repair and maintenance.

The record shows the U.S. has been plowing one of the lowest ratios of gross national product back into capital investment of any major industrialized nation. And as a result, we are suffering from the lowest rate of productivity increase—the very keystone for high living standards.

Speeding this drift toward economic crisis, we have been borrowing from the future in order to expand living standards today—through an enormous expansion in debt at the family, corporate and governmental levels. Government itself has set a disastrous example of profligacy.

In summary, we have been living beyond our means. And the day of reckoning has now arrived.

QUESTION. What can the average person do about inflation and our other economic problems?

ANSWER. The American people are the key to solution. Each of us can do many things to conserve oil, electricity and other energy resources. We can cut waste in food consumption. We can cut waste on the job—and support efforts to boost productivity in office and factory. We can "buy smart" and resist price gouging wherever we find it. And we can demand an end to government deficit spending and support pay-as-you-go policies for government programs for all time to come. Indeed, this is the most important single step that can be taken to restore both confidence and economic order.

TO EXPAND THE LAND AND WATER CONSERVATION FUND AND TO ESTABLISH AN HISTORIC PRESERVATION FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I am very pleased and proud to give my strong support and endorsement to the bill before us, H.R. 17346. This bill increases funding for the existing Land and Water Conservation Fund, and establishes a similar separate fund to support historic preservation activities. I have had the distinct pleasure of having introduced four separate bills on this subject, upon which I was joined in cosponsorship by 28 of my colleagues of the House.

The Land and Water Conservation Fund was inaugurated a decade ago by an enactment of the Congress for the purpose of providing a special fund to be used for the financial support of outdoor recreation activities. The fund has grown to become the principal and almost sole funding source for the acquisition of recreation-oriented lands for Federal agencies. Nearly all land acquisition for units of our National Park System, National Wild and Scenic Rivers System, Wilderness System, and to a major extent for recreation-associated projects in our Wildlife Refuge System and National Forest System, draws upon this fund. Approximately 40 percent of the total fund has been apportioned to the Federal Government in the past for these types of land-acquisition purposes.

An equally important part of the fund is the remaining 60 percent which is distributed among the States for their use in land-acquisition and facilities-development projects. The history of the State portion of the fund to date has shown that about 41 percent has been applied toward land acquisition, and 57 percent has been applied toward facilities development for the enjoyment of the recreation user. The remainder of the 100 percent total has been used for planning purposes.

Mr. Speaker, this fund now has an appropriation authorization ceiling of $300 million annually. Historically, the appropriations and followthrough expenditures have seldom attained that mark. With the costs of land ever rising, like everything else, and with the costs of development similarly escalating, the current funding level is hopelessly inadequate.

The bill will, within a period of 3 years when it attains its maximum level, nearly triple the amount of funds available for appropriation. The State and local governments, which draw upon this fund in the form of 50/50 matching grants-in-aid, and the Federal Government agencies as well, have strongly demonstrated an urgent need for this type of an increase.

I am convinced that the use of this money now to purchase needed recreation lands and open space is anti-inflationary over the long run, as the costs of land have been skyrocketing, and in a great many, if not most, instances the escalation of land costs is moving at a much more rapid rate than are other costs for which Government must spend money. Moreover—and perhaps more important than purchasing now at a lower cost—is the aspect of having funds available to save land at all, which is threatened with irrevocable development for other uses.

If we are ever to preserve and protect important remaining undeveloped and recreational lands, it must be done while they are still available, and before they are taken over for other uses. Having to stand by with empty pockets while the forces of progress destroy these lands forever is a nonsolution and a most unwelcome frustration.

Mr. Speaker, the principal source of revenues for this fund has for some time been, and will continue to be, income gained from the sale of oil resources from the Outer Continental Shelf. The argument has been made that as we are depleting public resources on the Outer Continental Shelf, why not reinvest some of the monetary gain therefrom into the procurement of other public resources which are much needed and are too rapidly and permanently disappearing—these being in the form of outdoor recreation and open space resources.

Projected current and future revenues from the Outer Continental Shelf receipts are around $8 billion annually. The bill before us proposes the earmarking of less than one-tenth of that income for conversion back into other public natural resource assets, in the form of land and recreation facilities thereon. This is certainly a price we can and must find ourselves able to afford, and its rationale is just good, plain commonsense. Moreover, we are providing a legacy which will benefit nearly everyone in our society, and we are preserving values which will endure for generations.

There is one aspect of the Federal side of the fund which I would like to highlight, and that deals with the land acquisition backlog. That backlog, which constitutes land purchase authorizations which are in excess of available funds, currently amounts to about $2½ billion. This is distributed among four agencies—the National Park Service, U.S. Forest Service, Fish and Wildlife Service, and Bureau of Land Management. Recent testimony by a witness for the Department of the Interior regarding this situation reflected that the current rate of annual funding for acquisition was so meager that it is not keeping up with the rising costs due to inflation and escalation of land values alone. That is, available money will not even pay the interest, let alone help us be able to ever dig into and reduce the principal. Clearly, this is a most unacceptable situation, as we will never make any headway, and will rather fall behind, in our attempts to purchase and save the lands that are needed, even if no further lands were identified for purchase beyond those already on the books. This is not an economical way for Government to operate.

The bill offers the ability to rectify this untenable situation within a reasonable time frame. If the maximum authorized funding level is appropriated and fully obligated for expenditure each year, this entire existing $2½ billion Federal land acquisition backlog could be eliminated within only 9 years. Of course new land will be authorized for acquisition in the interim which will also add to the backlog. Nevertheless, considering the savings to the American public in the reduced escalation and inflation from such a rapid rate of acquisition, and considering the opportunity for saving land from irrevocable loss to other uses, we must challenge the appropriations and obligations processes to set a 10-year target for the complete wiping out of this $2½ billion Federal land acquisition backlog. It is essential that some achievable goal such as this be set, so that progress can be gaged through time.

Mr. Speaker, there are many greatly significant benefits from this bill which will accrue to the State and local governments as they seek to fulfill their heavy demands for more outdoor recreation open space and recreation facilities. This bill also provides for a significant increase in funding for the State grants-in-aid program for historic preservation.

I urge my colleagues to support it strongly by voting for its passage.

PERSONAL EXPLANATION BY CONGRESSMAN BRASCO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Brasco) is recognized for 30 minutes.

Mr. BRASCO. Mr. Speaker, I regret that I will not be a Member of the 94th Congress. I take this time to extend to all who will comprise that body my best wishes in the difficult days that lie ahead and to explain to my friends and colleagues some of the events of the past year that caused me to withdraw my candidacy for reelection to a fifth term in the House of Representatives.

On July 19, 1974, I was convicted of a one-count conspiracy indictment. This was the second trial; the first one ended in a hung jury and the cast is presently being prepared for appeal.

I want to emphasize at the outset that I do not intend to use this great forum to castigate anybody, or for any other purpose except to attempt to demonstrate to the Members of this body who are responsible for enacting and/or changing the law under which such trials are conducted the inherent evils of the law of conspiracy.

These evils translate themselves into the frustration and unrest that we have seen emerge whenever this law is used freely by the Government.

The suspension of the American concepts of justice and fairness characterized by the law of conspiracy has caused many people, both publicly and privately, to speak out against it, and Judge Learned Hand to label it as the "dung heap of the prosecutorial effort."

I now wish to present for your consideration an analysis of some of the stark realities concerning Federal criminal practices as compiled by my attorney, Herbert A. Lyon, a most respected member of the New York State Criminal Bar Association:

Dead Men Can Testify

The law of conspiracy has so evolved from the principle of agency that it has become permissible to introduce into evidence against a defendant testimony not subject to cross-examination.

The theory constructed is that each member of the alleged conspiracy acts as an agent of all of the others. Therefore, he is responsible for and damned by any statement made by any coconspirator in the furtherance of the conspiracy even though there is no allegation that the defendant was ever aware that the statement was made.

Thus, in Congressman Brasco's trial, a witness, Doherty, admittedly a thief and a liar, was permitted to testify that a man named Sullivan gave $2,000 to Doherty and that Sullivan said to Doherty the $2,000 came from Uncle Joe Brasco. The jury was instructed that it might consider this testimony binding on Congressman Frank Brasco. The rationale was that a witness named Masiello, an admitted perjurer, extortionist, and underworld figure, testified in absentia that Joe Brasco was a coconspirator and Joe Brasco sent Masiello to Frank Brasco.

The evil in this combination of horrors is further dramatized by the fact that the above mentioned testimony concerning Sullivan's alleged transference of a bribe to Doherty was made known to the defendant only after Sullivan died.

To make matters worse, Doherty's testimony concerning Sullivan was made known to the Government—special agents, U.S. Attorneys—in 1970, years before Sullivan died. However, the Government's answer to defense inquiry as to Sullivan's response to Doherty's charge was the incredible statement that no Government agent ever questioned Sullivan in this regard although Sullivan's whereabouts were well known and he was readily available.

Now to get to the ruling that should be the final horror—except there is more—the representation by the Government that it had never questioned Sullivan was never to reach the ears of the jury. This tidbit was ruled inadmissible.

Similarly, the defense had available to it testimony that while Sullivan was alive he had responded to other statements by Doherty. Doherty had already become a Government witness and this fact was made known to the public through the media. However, Doherty's claim of a $2,000 payment from "Uncle" Joe Brasco through Sullivan never surfaced while Sullivan was alive. Sullivan responded to what he did hear about Doherty by telling the defendant and the defendant's attorney that Doherty was a liar, that Sullivan never trusted him and would never have any dealings with Doherty.

This testimony was ruled inadmissible.

Can one guess why? The answer is obvious. It would be very simple and primitive hearsay. Sullivan was dead and not subject to cross-examination.

Ah, but one must immediately respond, that was equally true of Doherty's testimony about the bribe.

The courts take the position that there is a difference. Doherty's testimony was offered to give a statement of an alleged admission of an agent of the defendant.

But would not the defendant's testimony of another statement by the same Sullivan be a statement by an agent?

No, says the court. The U.S. Government, which has made the allegation of a conspiracy tells us just when the conspiracy started and ended.

The testimony as to Sullivan's statements offered by the defense relate to statements made by Sullivan when the Government said the conspiracy had already ended. Therefore, says the court, there was no longer an agency and the statement offered by the defense is inadmissible.

Similarly, Masiello testified to statements allegedly made by a man named Ferrara. It is clear from the record that Masiello was courted by the Government for 2 or 3 years. Masiello was given many inducements to be a Government witness. Masiello was facing many years in prison. The power of the Government could spare Masiello the punishment already inflicted and about to be inflicted on him, and this was made excrutiatingly and temptingly clear by an agent of the Government, the Assistant U.S. Attorney looking for a case to prosecute. But Masiello resisted all temptation until Ferrara died. Then and only then did Masiello tell the U.S. Attorney that a man named Ferrara contacted one Joseph Brasco for the alleged purpose of using FRANK BRASCO's influence as a Congressman.

Ferrara, according to Masiello, was the prime conspirator because he started the conspiracy and arranged the payoff. Masiello took no chance naming Ferrara. Ferrara was dead.

One may pause here for a moment to consider that if a Ferrara or anyone had decided to attack a Congressman or anyone else from his grave, he would be frustrated by our laws. Even if Ferrara had in his own hand written an accusing letter, and entrusted it to a reputable person with instructions to open the letter after Ferrara's death, this letter would be inadmissible in a court. It would certainly have more probative value than Masiello's testimony because it would at least constitute proof that Ferrara had actually made the statement attributed to him. But such testimony would be inadmissible because the defense would be precluded from cross-examination. Yet under our conspiracy laws Masiello's claim that Ferrara made statements is admissible and Ferrara's accusations even though he may never have made them become part of the prosecution's arsenal against the defendant.

Interestingly enough, Doherty testified that Sullivan gave him the money in November 1967, and Masiello testified that he, Ferrara, and Joe Brasco, sat at a table in a Bronx restaurant in May 1968 at which time Masiello gave to Ferrara an envelope with money in it and this was then given to Joe Brasco.

Since Masiello testified that during the month of May 1968 was the only time he gave money, it set up a grave inconsistency which could never be checked.

Cross-examination of the live witnesses was an exercise in futility because it was only the dead men who could verify or dispute the testimony offered.

Out the window goes the American belief that one must be confronted by his accusers in a court of law.

THE EFFECT OF THE LACK OF CORROBORATION OF ACCOMPLICE TESTIMONY AND IMMUNITY

Of all witnesses against Brasco, only three testified as to a conspiracy. They were able to give details of an actual conspiracy as among themselves because they admittedly were conspirators.

Thus Doherty said that he conspired with Masiello to defraud the Government. Masiello said that he conspired with Doherty. Weiner, another Government witness, testified that he joined the conspiracy later.

Each of the above conspirators had already been convicted of similar crimes. Each was at the mercy of the Government. Each was given immunity in regard to the case in which they involved Frank Brasco.

In the case of Doherty and Weiner, it is not surprising that they were considered little fish to be used only to convict people of greater importance. But when Doherty and Weiner gave their stories to the U.S. Government in Baltimore in 1970, attempting to implicate Brasco, nothing was done.

Sources close to the Justice Department were quoted in the Washington Post in July 1971 as saying Doherty was an unsatisfactory witness. Sources said that another Congressman earlier that same year submitted an affidavit to the Justice Department in which he claimed that Doherty had called him and threatened that he would present information on him to federal investigators unless he came across with some money. This statement by the congressman helped convince Justice Department officials that Doherty was an unreliable witness, again according to the sources being quoted.

Masiello's testimony was then added, for which he was given immunity from prosecution in connection with this conspiracy and a promise of help in connection with sentences already imposed on him.

By giving help to Masiello, the Government certainly was not aiding a little fish. Masiello had taken the Small Business Administration for hundreds of thousands of dollars. The Federal Bureau of Investigation described Masiello as an important figure in organized crime.

Masiello was in a position to testify against countless powerful figures in organized crime. The Government was in a position to press Masiello by threatening prosecutions and sentences that would keep him in jail for the rest of his life.

Important figures knew Masiello's history, knew of his alleged underground connections, knew of his manipulations with the SBA, knew that he continued to maintain contacts with the U.S. Postal Service (until Masiello's connections were upset by an article in a trade paper and an anonymous letter to the General Counsel of the Postal Service).

No investigation was ever made as to how Masiello got his first Post Office contract in 1958. The New York State Investigation Commission in 1964 held hearings on Masiello and his holdings. The question? Were his Post Office contracts uncovered, and if not, why not?

If so, was the Post Office Department in Washington notified? Were the Federal law enforcement agencies notified?

In 1966 before Congressman Brasco took office, the FBI informed the SBA and Post Office authorities in New York that Masiello was considered to be a crime figure. Post Office authorities in New York said they forwarded the information on. Who received that information? No one seems to know.

The whole Masiello story was first buried by the prosecution of a few minor officials in the New York Post Office and then the prosecution of Congressman Brasco.

The motive is clear. A man who is proven to have committed a criminal act is told by the Government that he will get complete immunity for the criminal act, if only he implicates someone else.

What better reason could there be for lying. Particularly when the target is pointed out to the cornered witness.

Therefore, when Doherty was caught flatfooted by the Government as one who was getting money from those who held contracts with the Federal Government, he was asked what he did on behalf of Masiello. When he admitted improprieties committed by him, he was told that he would be given immunity if he cooperated. Doherty had already stated that Congressman Brasco had introduced Masiello to Doherty. Now Doherty is told that if you tell us about Brasco's implication, you (Doherty) get immunity and go free.

All Doherty has to do is say that whatever Doherty did was at Frank Brasco's urging and that he kept Frank Brasco informed of developments. An additional claim of specific meetings, although not required by law, completes Doherty's part of the deal.

The same state of facts applies to Masiello. What a temptation. All he had to do was allege conversations and meetings with Frank Brasco. No other proof was required. For this, Masiello was rewarded handsomely. Certainly the law ought to require witnesses so tempted to be corroborated before their testimony is even considered.

STATUTE OF LIMITATIONS

Under our law, almost every criminal charge is subject to a statute of limitations.

Such statutes are protections for prospective defendants. It is unfair to tell a person that he must defend himself against an accusation so ancient that he is under a disability in obtaining witnesses or proving alibis.

Our conspiracy laws allow a very simple and unscrupulous way around the statute of limitations. If it is alleged that a conspiracy continued past the time barred by the statute then all the alleged acts of the alleged continuing conspiracy become admissible no matter how ancient.

The solution is simple. No matter how unbelievable the recent allegations may be, the issue becomes one of credibility only, therefore they are admissible.

Both the prosecution and the defense know that if the jury disbelieves the testimony of acts alleged to have occurred recently, it will matter little if the jury is horrified by acts alleged to have happened ten years ago. The defense is devastated by this phenomena; the prosecution exults over it.

To give an example. The testimony offered against Frank Brasco concerning acts alleged to have occurred less than five years before the indictment was incredibly weak. Worse, some of it was so shaken by defense testimony that the U.S. Attorney conceded his testimony in that regard to be inaccurate. Doherty said he met Brasco in Washington, Dec. 15, 1968. Fortunately, Brasco was able to come up with an alibi for that date which the prosecution dared not contest. Instead, the prosecution said well maybe it didn't happen December 15; it happened another date. No one believed it happened on another date. But since the contention was made, the act remained a matter for the jury's determination. Nobody believed the jury would even concern itself as to the specific act contested. What was important to the prosecution was that the entire case remained before the jury because the statute of limitations didn't bar it so long as some testimony of an illegal act less than five years old was in the case, no matter how unbelievable.

But if the jury could be convinced of illegal and immoral acts by a Congressman, in today's atmosphere, the jury would find him guilty no matter how ancient the acts.

Thus, the statute of limitations lost its value. Frank Brasco was accused in October

> of 1973 of acts alleged to have occurred in 1967 and 1968. He was faced with phone calls alleged to have been made in those years, asked to deny or explain calls six or seven years old.
>
> The implications are frightening. If I have an innocent call today with someone who, five or six years from now admits to treason, will I have to explain the call? Will I even remember it? Are we now to be obliged to keep a running account of all our telephone calls and save the accounts in permanent records?
>
> ABANDONMENT
>
> There is another aspect of the statute of limitations in a conspiracy case which further vitiates its value and serves to completely overwhelm the defense.
>
> Even if the prosecution can produce nothing from its arsenal of weapons to show illegal acts of the defendant during the period not barred by the statute of limitations; even if he runs out of statements from dead men's mouths conveyed to the jury by living perjurers, he need merely prove that the admitted conspirators continued to operate and committed further conspiratorial acts into the time period not barred by the statute of limitations.
>
> The burden of making the statute of limitations apply now rests on the defendant.
>
> Once the admitted conspirators have testified that the defendant joined the conspiracy more than five years prior to the indictment, and after the admitted conspirators have testified to having committed conspiratorial acts less than five years prior to the indictment, the defendant must prove that he abandoned the conspiracy in order to invoke the protection of the statute of limitations. Thus, in order to get any benefit of the statute of limitations, the defendant would have to claim that he abandoned the conspiracy—even though the truth of his position is that he never joined the conspiracy, never even knew of its existence.
>
> The only method of abandoning a conspiracy that the law recognizes is an affirmative act on the part of the defendant advising the other conspirators that he has abandoned the conspiracy, in addition the law requires a revelation to the authorities that the conspiracy existed and the defendant abandoned it.
>
> Thus, the defendant can forget about the statute of limitations if he is completely innocent. It can only be used by one who was in fact a conspirator. Obviously you can't abandon a conspiracy unless you once belonged to it.

Mr. Speaker, what Mr. Lyon has attempted to do in simple terms is explain the overwhelming unfairness that exists in the charge of conspiracy.

The appropriate committees of the 94th Congress will be reviewing Federal statutes for possible revision. I hope that these excerpts give them some insight in their task. We are a great country. However, in the final analysis, the law will only be respected for what it says and how it is applied, not for what it purports to be and conspiracy is still the "dung-heap of the prosecutorial effort."

DOROTHY GLISSON SERVES FLORIDA AS FIRST LADY NAMED TO STATE CABINET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 15 minutes.

Mr. FUQUA. Mr. Speaker, Dorothy Glisson is Florida's secretary of State.

She is the first woman to serve in the cabinet of the Sunshine State.

She would not want me to make these remarks, nor would I make them, if it were simply the fact that she is the first woman to reach such high office. The reason I would like to pay tribute to her in this forum is because she, like so many other women today, achieved her position through ability, hard work, and competence.

It has been a long and rewarding road for this petite lady who started out 30 years ago as a typist in the office of the secretary of State under the revered statesman, R. A. Gray.

When Mr. Gray retired in 1961 he was succeeded by Tom Adams, now our Lieutenant Governor. He, in turn, was succeeded by Richard (Dick) Stone in 1971. Stone successfully sought election to the U.S. Senate this year and resigned his cabinet position to make that race.

Throughout all those years of service, Mrs. Glisson had been given more and more responsibilities, being named director of the Division of Elections in the office of the secretary of State. Florida's law has become a model for other States and much of the credit for its success can be traced to this soft-spoken lady.

It is no wonder that so many State leaders and friends applauded the recommendation of Dick Stone for Mrs. Glisson to be his successor.

The final decision was that of Gov. Reubin Askew and I can say without fear of successful contradiction, he never made one which was more popular.

If there is one thing which I shall treasure as a hallmark of Dorothy Glisson, it is her modesty. I first met her when I qualified for State representative from Calhoun County. I have never met an officeholder who was so much at ease and who treated everyone, high and low, with the same even respect and competence.

Almost every elected official and candidate has had some reason to call her. She always responds, and I must admit that I and my associates call her a great deal as we attempt to make certain the facets regarding State election laws.

This statement could be echoed thousands of times, particularly by the fine county supervisors of elections in our 67 counties who consider her a personal friend and helpmate.

I remember a quote some months ago by Wilma Sullivan, county supervisor of elections in Leon County, when Mrs. Glisson was nominated for secretary of state. She said:

> Anytime we have a question, we always call Dot and she'll tell us what to do. She keeps us from making mistakes. In that way, there are no scandals. She personally calls us back and gives advice. She can usually quote the statute without looking it up. Also, she holds thorough workshops for supervisors.

The office of the division of elections is often chaotic around election time, but in the hustle and crush of work, the calmest person in the room is Mrs. Glisson. She says she blocks out distractions by "concentrating on the one thing I am doing at the moment."

Born in Carrabelle, Mrs. Glisson has spent most of her life in Tallahassee. At Jones Business College in Jacksonville, she studied the usual typing, shorthand, and business courses.

Her career began during World War II when the Federal Government allowed those in the military to write the secretary of state for absentee ballots to vote.

In a recent interview, she made these telling comments:

> I applied for work and Mr. R. A. (Captain Bob) Gray, who was Secretary of State for 30 years, put me in charge of absentee ballots. Later, he asked me to stay on.
>
> In 1951, there was a vacancy in the Elections Division. The Florida Legislature had adopted a new code of election laws.
>
> You might say I went in with a new law and came along with it. In 1955, I was named Director of the Division of Elections, incorporating Bureau of Election Records, Bureau of Notaries Public, and Bureau of Laws and Administrative Code.
>
> Hard work will bring results. More and more, women's ability is being recognized. I started about as low as you can start salary-wise, as a typist. I never felt I was above work. It's a part of proving yourself.

Proving herself she did. In 1951, there were only two employees. Responsibilities in the division grew until there are about 40 employees today.

She continued:

> I don't think the average person realizes what goes on in elections. Deadlines put a tremendous strain on everyone. We conduct some of the best elections in the country and we're proud.
>
> It's discouraging that after burning midnight oil and working all those hours, that people don't go to the polls and vote.
>
> Elections work is a real challenge. When an election is running smoothly, you don't hear a word about it. But when a candidate's name is left off the ballot or something goes wrong, you hear plenty.
>
> Sometimes women are good in a position that tends to detailed matters. Sometimes, in these matters, they're better than men.
>
> We work closely with supervisors of elections, county supervisors, city clerks. Qualifying candidates, handling reports for expenditures, certifying all ballots used, disclosure statements, conflict of interest statements are all part of the Division of Elections.
>
> I do the best I can and enjoy the feeling that maybe I've done a good job along the way.

It is fitting to note that in July of this year, when Mrs. Glisson was sworn in as our 17th secretary of state, men and women all over Florida felt a sense of pride.

It had been the culmination of everything she had worked for, and since the death of her husband in 1966, her work has become her life. She likes the daily contacts with people.

I am pleased to note that Mrs. Glisson will continue in the post of director of the division of elections when Bruce Smathers becomes our 18th secretary of state in January. Mrs. Glisson did not seek election to the post to which she was appointed. Smathers, one of the bright young figures in State government, is the son of my former colleague, George Smathers, who served our State in the U.S. Senate. It is a mark of the respect in which Mrs. Glisson is held that he would ask her to continue to discharge the duties of this important office.

She used to spend her leisure time

playing golf and the organ, but there has not been much extra time lately. When there is, she likes to work in her yard.

With her exacting precision for detailed work, she has made a tremendous contribution in a quiet way to the State cabinet. In addition, she has had the responsibilities of directing the State office charged with the keeping of records of legislative and executive acts, directing elections, heading records, library services, archives and history, and cultural affairs.

In her office hangs the John Kilgore Headliner Award honoring her as "a public servant whose service has been too little recognized." It was presented by the Capital Press Club of Florida in 1961.

A busy woman, she is a member of Altrusca Club, State Democratic Women's Club of Florida. Elkettes, Capital Business and Professional Club and St. Paul's Methodist Church.

One of her favorite duties, because of its historical significance, is serving as secretary every 4 years at the meeting of Florida's electors to cast the State's Presidential votes. She has participated six times.

When "Dot" Glisson relinquishes this role of State leadership in January, it will be with the full knowledge that she has made history. It will also be with the full knowledge that she served capably and well and that the respect so many of us have for her has continued to grow. That would be the one tribute she would most appreciate.

Maybe she will have a little more time for her nephews and nieces, who are like her own children, her Pekinese "Chino", as well as her flower garden.

Her hallmark has been quiet efficiency with a zealousness for accuracy.

Mrs. Wilmuth Ferrell, her administrative aid who has worked alongside her for 28 years says:

> She expects the best. She often tells us, "When we make a mistake in this office, the whole state knows about it." And we all do our best to try to benefit from the mistakes.

It has been a rich and rewarding career for a distinguished lady. In this period when the first woman is elected Governor of a State without succeeding her husband, when more women are being elected to Congress, not because they are women, but because they have proven their ability and competence, she has forged another link in that chain which will someday make the appointment or election of a lady insignificant.

When Mrs. Glisson was talking with a reporter about her impending appointment, she said:

> Being the first woman on the Cabinet, there will be a lot of people watching to see what I do. I especially want other women to be proud of my work. There's no doubt in my mind that I can do as good a job as a man could.

I can say for those with whom I have come in contact that women are proud that she has had this opportunity and has proven beyond the shadow of a doubt that she did do the job, and did it well. Men are also proud. It's true they were watching to see what she would do, and by any standard, she has met the test.

FEDERAL RESERVE MUST STOP ROLLER COASTER MONEY SUPPLY GROWTH TO STAY WITHIN 4-6 PERCENT BAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, recent figures developed by my staff show that the Federal Reserve still has not abandoned its practice of expanding the money supply by fits and starts, one of the major reasons why we are experiencing excessive inflation combined, now, with excessive unemployment.

In a speech here on April 4, 1974, I examined why keeping money supply growth steady within a range of 4 to 6 percent per year would lead to long run growth for the American economy, without inflation or recession:

First. Money supply growth in excess of 6 percent almost invariably leads to unacceptably high levels of inflation.

Too rapid growth in the money available to consumers and businesses when we are at or near full employment—as during the late 1960's—puts heavy pressures on prices and starts an inflationary spiral that becomes more vicious and intractible the longer it goes on. And the Fed did let it go on much too long, justifying inflationary money supply increases during 1970–74, curiously enough by the need for added money to sustain price rises caused by earlier money supply excesses without pushing the economy into a recession. But as I said in April, "the current 10 percent inflation rate is no reason whatever to increase the money supply accordingly in order to validate the new price level. Such a rate of new money creation, added to past excessive money creation, will simply facilitate additional spending, and the 10 percent inflation will worsen." As, indeed, it has.

The experience of the past 20 years bears out this close relationship between money supply growth and the rate of inflation.

Between 1953 and 1963, annual money supply growth never exceeded 4 percent and the inflation rate stayed below 3 percent. Between 1964 and 1967, yearly money supply growth stayed below 5 percent and inflation remained in check, still below 3 percent.

In 1968, however, money supply growth jumped to nearly 8 percent. After dropping to 4.5 percent in 1969, it accelerated to 6.3 percent in 1971 and to nearly 9 percent per year in 1972 and the first half of 1973. At the same time, we began to experience an extended period of what has become a devastating inflation—6.1 percent in 1969, subsiding to 5.5 percent in 1970 after the 1969 money supply deceleration, rising to 8.8 percent in 1973 and over 12 percent so far this year.

Second. Money supply increases much below 4 percent per year are insufficient to finance full-employment economic growth.

In the long run, output in this country must grow by 4 to 5 percent per year to take care of increased labor productivity and millions of young people entering the work force without raising unemployment. To make it possible for consumers and business to absorb this output without forcing down prices and profits, the stock of money must grow at a similar rate.

Certainly, credit cards and the new electronic funds transfer systems can speed up the circulation of money and let a lower money growth rate sustain a higher growth of real output, but over the long run adequate growth of the money supply is essential for adequate economic growth. As of now, 4 percent per year would appear to be the minimum.

Third. We do not know enough to use sharp money supply changes to control the economy in the short run.

For one thing, while economists agree that money supply changes affect the pace of economic activity and inflation, they differ on how rapidly money supply changes have an effect. Some hold that the economic effects of monetary changes appear only after a time lag of several months—6 to 12 months or even more—and that short-run fluctuations in money supply are irrelevant.

We have, however, recently seen convincing evidence to the contrary. Between June and July of this year, the Fed made a major policy reversal, and dropped the growth of the money supply from an annual rate of over 9 percent to less than 2 percent, and held it there through October. What happened? A sharp contraction of the economy, completely unexpected by administration economists, that sent industrial production plummeting to well below last year's levels and shot unemployment up to 6.5 percent in November, with expectations that it will rise to even higher levels early next year.

Fourth. Rapid contractions in monetary growth push up interest rates to recession-inducing levels and starve essential sectors of the economy of needed credit.

In April, I said:

> Money growth should not be allowed to fall below 4 percent in 1974. This is so because interest rates can be pushed up temporarily to recession-inducing levels by sharp reductions in money supply. They will recede as the recession proceeds and credit demands fall. The events of last summer and fall warn us that this scenario of interest rates being pushed up to recession-inducing levels by sharply cutting money supply can proceed very rapidly once it is begun. During the summer of 1973 the Fed cut the rate of money growth below zero, interest rates rose sharply, and financial disintermediation and a decline in housing starts, which often are the first signs of recession, quickly followed. The lesson is clear. When money supply has been increasing above 6 percent yearly for more than a year, as it had been until last summer, a recession is risked by cutting back its growth sharply, especially if it is cut below 2 percent yearly. In the coming year, therefore, the Federal Reserve must not permit yearly money growth to fall below 4 percent. There is no reason for the Federal Reserve to use its money supply

powers to deliberately push up interest rates to recession-inducing levels. We want to avoid recession at least as much as we want to check inflation.

These predictions have, unfortunately, proven all too true. Housing starts are down more than 50 percent below last year, real investment by business has fallen during the second half of this year along with business demand for credit, and we have been thrown into a massive recession.

Despite the devastating economic consequences of a stop-and-go money supply growth, the accompanying tables indicate that this continues to be the Federal Reserve's order of the day.

Table I traces money supply changes from month-to-month at an annual rate and shows the roller coaster policies pursued by the Fed. Note particularly the sharp turnaround between June and July of this year.

Table II shows how much the money supply grew each month over the same month in the previous year, thus ironing out the short-term changes. There has certainly been some improvement, with the yearly growth rates right now below 6 percent. But this is no guarantee that the Fed will not shoot money supply growth up to inflationary levels again, as it did in 1972, or that the Fed has given up sharp monthly changes.

The recommendations I made in April are still valid today—it is time for the Fed to bring money supply growth to within 4 to 6 percent in the next month or two, and keep it there on a steady basis, without sharp month-to-month fluctuations.

Putting a band around the growth in the money supply will not limit Federal Reserve flexibility, but will only keep the Fed from making unsettling changes. It will still be free to vary money growth within the band to provide for the monetary needs of the economy. As I said in April:

> Money supply growth should be on the higher side of the band in periods of less than full use of resources, on the lower side in periods of full use of resources.

But going outside the band only flirts with inflation or recession.

The Federal Reserve, therefore, should focus on the long-range money supply growth needed to insure maximum employment, maximum productivity, and maximum purchasing power.

The tables follow:

TABLE I.—PERCENTAGE GROWTH IN THE MONEY SUPPLY MONTH-TO-MONTH BASIS, MARCH 1971 TO NOVEMBER 1974—SEASONALLY ADJUSTED ANNUAL RATE

Month	1971	1972	1973	1974
January		1.5	4.7	—2.6
February		13.3	5.6	9.7
March		11.6	.9	9.2
April	9.0	7.5	6.0	6.1
May	13.2	3.9	13.9	4.3
June	9.9	6.9	14.2	9.1
July	7.2	11.8	4.1	2.1
August	1.0	6.3	—.5	1.3
September	1.5	7.7	—3.6	1.3
October	4.1	8.7	5.0	3.8
November	—.7	6.2	12.6	5.1
December	2.0	14.7	9.4	

TABLE II.—PERCENTAGE GROWTH IN THE MONEY SUPPLY, YEAR-TO-YEAR BASIS, MARCH 1971 TO NOVEMBER 1974

Month	1971	1972	1973	1974
January			9.0	5.5
February			8.3	5.9
March			7.3	6.6
April		6.2	7.2	6.6
May		5.4	8.1	5.8
June		5.2	8.7	5.3
July		5.6	8.0	5.2
August		6.0	7.4	5.3
September		6.7	6.4	5.8
October		7.0	6.1	5.7
November		7.6	6.7	5.1
December		8.7	6.2	

THE CAUSES OF AGING

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on October 4, 1974, a very significant conference on the aging was held at the University of Miami in Coral Gables, Fla. There were many learned addresses delivered on various aspects on problems of the aging, among which was an outstanding address relating to the health and longevity of the elderly. Out of a vast background of knowledge and experience, Prof. F. Marott Sinex contributed greatly to the knowledge of those in attendance upon this vital subject. Dr. Sinex goes into the question of what can be done to prolong the life of the elderly and suggested programs which may have a profound influence upon the lives of millions of Americans now with us and yet to come. I commend Dr. Sinex' distinguished address to my colleagues and to all who are interested in the meaningful subject of life for our people.

Mr. Speaker, therefore, I insert Dr. F. Marott Sinex' address follow my remarks in the body of the RECORD:

THE CAUSES OF AGING

(Remarks by F. Marott Sinex, Ph.D.)

The major dogma of biochemistry originates from the genetic code. It is only natural that biochemists searching for causes of aging turn to the genetic code for an explanation. Indeed it appears that at this fundamental level aging begins.

As every school boy knows, DNA begets RNA and RNA begets protein. Our bodies are complex societies of cells, indeed there are more cells in the human body than there are people living upon this earth. From our original Adam and Eve the egg and the sperm have come billions of descendants. It is not surprising that many populations of cells of our body deviate with time from normal behavior. While the haploid germ line is protected from mutation through competition of eggs for ovulation and of sperm to achieve fertilization, in the diploid somatic cells of our body these protections do not exist. Two types of error occur, miscoding and point mutation. Miscoding refers to errors made in the replication of DNA in which one of the four bases, adenine, guanine, thymine or cytosine is erroneously specified so that the three base code words spell the wrong amino acid. The other form of error is point mutation. Point mutations arise through the passage of time at 37° or through the encounter of the DNA bases with an exceptionally reactive molecule which chemically alters a purine or pyrimidine base. Miscoding and point mutation are therefore the most probable primary cause of aging.

The second cause of aging has to do with alterations in the phenotype of cells. While the DNA in all cells is initially the same we have several hundred different types of cells in our body. The differentiation of these cells is determined by the arrangement of protein and RNA on the DNA. As a result different segments of the genetic message are read out in different kinds of cells. It would appear that as we get older this process gets somewhat disorderly and the exact expression of phenotype is no longer specified.

Because of these two types of changes in geneotype and in phenotype old cells may withdraw from the efficient production of products, in the delivery of service to other cells. They may become anti-social and compete in unfair and harmful ways. The extreme example is the cancer cell.

The organization and management of our cellular social system is under the control of tissue inhibitors called chalones, of stimilatory factors found in blood serum, and, of course, the endocrine hormones. The consequence of changes in the coding of geneotype and phenotype is to reduce the number of receptors for hormones and neuro transmitters on the surface of cells. Because of this the older animal or human is less responsive to control. Homeostasis is less well maintained. The thermostat does not work as well.

Now in each species or individual these melectular events are expressed in particular ways depending on the species and individual vulnerability to such changes. The result is that as we get older we have more infectous disease, more cancer, more atherosclerosis and more cardiovascular disease, more depression and if we are particularly unfortunate we lose our reason and our ability to urinate.

How can we intervene so that these things do not happen? I will now treat each of the areas which I have mentioned. Let us begin with miscoding error. There is little we can do to instruct endonucleases in how to remove any miscoding or point mutation that does not produce some distortion in the double helix. In tissue culture we can produce new mutations known as revertants which correct the original mutation but in this case the cure creates more problems than it solves. However when such errors do distort the double helix the body has a repair system. Let us talk about this repair system for a moment.

For the most part biochemistry for a mouse or a man is the same. We have the same DNA, the same collegen, and the activities of our enzymes are essentially the same. One might assume however that if there were particular key enzymes important for the determination of the life span of mice and men, or women, that these enzymes would have different activities. And indeed this seems to be the case. Hart and Setlow at Oak Ridge compared repair by fibroblasts in culture of shrews, mice, rats, hamsters, cows, elephants, and man. Cows, elephants and men have much better repair systems for DNA injured by ultraviolet light than do hamsters, rats, mice or shrews. This is very encouraging. Perhaps we could learn how to make such repair systems work even better. It would be very interesting to find out how much life extension we could get.

It might of course be better to prevent the formation of point mutation entirely. The principal suspect in the body for the production of such point mutations is superoxide. Superoxide is formed by the one electron reduction of oxygen. It is produced in the metabolism of a variety of substances including drugs. It is removed from tissue by the enzyme superoxide dismutase. It would seem that point mutations arising from superoxide could be reduced by adding substrates for superoxide or by promoting the action or superoxide dismutase.

If because of the changes we have been talking about in geneotype and phenotype, the number of receptors for hormones and neuro transmitters decreases, what can we do about this? Many of these receptors act through a single second messenger system involved in the synthesis and destruction of cyclic AMP or cyclic GMP. Perhaps drugs can be developed to make us more sensitive and more responsive to our natural hormones and neurotransmitter receptors. This would appear to be a more feasible approach than attempting to manipulate the individual hormones during the course of a day.

Such measures would give some control over what makes the human species susceptible to aging. The death of programmable cells makes appropriate primary immunological responses decrease with age. Because there is more breakage of DNA and more repair with age the probability of the insertion of oncogenic virus increases. In the aorta the smooth muscle cells of the media de-differentiate, and crawl up under the endotheleal cells in the sub-endotheleal space, accumulate colestrol and make abnormal amounts of acid mucopolysacharude. As such lesions deteriorate the endotheleal cells separate. Platelets in the blood see the gaps in the pavement and clotting is initiated. Such clots produce coronaries.

The advances being made in gerontology and our increasing longevity make it extremely important that we take a new look at where the health care strategies of this country are leading us. In the past we have vigorously attacked the health problems of the young, polio, child leukemia, and the health problems of the young middle aged, the coronary or cancer. We have not thought much out were such health strategy leads. Biochemical technology can now begin to control the quality of life and the quality of dying. The cost of medical advance in the extension of life should not and need not be an increase in the incidence of senile dementia or other debilitating disease. Prompt action should be taken now so that older individuals can enjoy their later years with dignity and the respect of their associates.

Let us talk specifically about senile dementia for a moment. Organic brain syndrome accounts for about one-half of the admissions to our nursing homes, and about a third of these have an Alzheimers type of senile dementia. It is extremely important that the problem of preventing or arresting the Alzheimers type senile dementia be vigorously attacked. We know a good deal about this disease. We know about the twisted tubules, the plaques, and the abnormal mitochondria. We should be able to diagnosis the victim early. An Alzheimer type senile dementia appears to be malignant form of natural aging. Not only those with Alzheimers but the stroke victim and the person who is mentally depressed should receive good medicine and not be treated as hopeless. The prompt treatment of depression in fact is one of the very best ways to deal with physiological aging because the cortex is connected to the limbic system, which is connected to the hypothalmus, which is connected to the pituitary, which is the master gland of our total endocrine system.

To the end of creating a better life for the elderly the Congress has recently created a National Institute on Aging, a most exemplary step and you might assume that aging research will move ahead. However let me tell you that the administration has cut the budget for aging research from the 18.6 million dollars available last year within the Institute of Child Health to 14.6 million dollars for the new Institute. So while you might think wonderful things are about to happen they may not. The new Institute needs at least 25 million dollars. If the money bills currently before the Congress do not provide these funds aging research will not be able to take advantage of this new Institute. There will be few new grants, no contracts for the type of research such as the long term exploration of the effects of promising drugs and no inputs of fresh and creative minds. A great opportunity will have gone by.

CONFERENCE REPORT ON S. 3934

Mr. WRIGHT submitted the following conference report and statement on the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1622)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Federal-Aid Highway Amendments of 1974".

HIGHWAY AUTHORIZATIONS

SEC. 101. For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, an additional $100,000,000 for the fiscal year 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, an additional $50,000,000 for the fiscal year 1976. Sums authorized by this paragraph are in addition to the authorizations for fiscal year 1976 for these systems in section 104(a)(1) of the Federal-aid Highway Act of 1973.

(2) For control of outdoor advertising under section 131 of title 23, United States Code, $50,000,000 for the fiscal year 1975.

(3) For control of junkyards under section 136 of title 2, United States Code, $15,000,000 for the fiscal year 1975.

(4) For landscaping the scenic enhancement under section 319(b) of title 23, United States Code, $10,000,000 for the fiscal year 1975.

(5) Nothing in paragraph (1) or (6) of this section shall be construed to authorize the appropriation of any sums to carry out section 131, 136, 319(b), or chapter 4 of title 23, United States Code.

(6) For off-system roads under section 219, title 23, United States Code, $200,000,000 for the fiscal year 1976.

INDIAN RESERVATION ROADS AND BRIDGES

SEC. 102. (a) Paragraph (9) of subsection (a) of section 104 of the Federal-Aid Highway Act of 1973 is amended to read as follows:

"(9) For Indian reservation roads and bridges $83,000,000 for the fiscal year ending June 30, 1974, $84,000,000 for the fiscal year ending June 30, 1975, and $83,000,000 for the fiscal year ending June 30, 1976.".

(b) The definition of the term "Indian reservation roads and bridges" in subsection (a) of section 101 of title 23, United States

"The term 'Indian reservation roads and

Code, is amended to read as follows:

"the term 'Indian reservation roads and bridges' means roads and bridges, including roads and bridges on the Federal-aid systems, that are located within or provide access to an Indian reservation or Indian trust land or restricted Indian land which is not subject to fee title alienation without the approval of the Federal Government, or Indian and Alaska Native villages, groups, or communities, in which Indians and Alaskan Natives reside, whom the Secretary of the Interior has determined are eligible for services generally available to Indians under Federal laws specifically applicable to Indians.".

(c) Section 208 of title 23, United States Code, is amended by relettering subsections (c) and (d) as (d) and (e), respectively, and adding a new subsection (c) as follows:

"(c) Before approving as a project on an Indian reservation road or bridge any project on a Federal-aid system in a State, the Secretary must determine that obligation of funds for such project is supplementary to and not in lieu of the obligation, for projects on Indian reservation roads and bridges, of a fair and equitable share of funds apportioned to such State under section 104 of this title."

(d) No funds appropriated under the expanded definition of this section shall be expended without the formal consent of the governing body of the tribe band or group of Indians or Alaskan Natives for whose use the Indian reservation roads and bridges are intended.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

SEC. 103. Section 147 of the Federal-Aid Highway Act of 1973 is amended to read as follows:

"(a) To encourage the development, improvement, and use of public mass transportation systems operating vehicles on highways for transportation of passengers within rural areas and small urban areas, and between such areas and urbanized areas, in order to enhance access of rural populations to employment, health care, retail centers, education, and public services, there are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1975, and $60,000,000 for the fiscal year ending June 30, 1976, of which $50,000,000 shall be out of the Highway Trust Fund, to the Secretary of Transportation to carry out demonstration projects for public mass transportation on highways in rural areas and small urban areas. Projects eligible for Federal funds under this section shall include highway traffic control devices, the construction of passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, the purchase of passenger equipment other than rolling stock for fixed rail, and the payment from the General Fund for operating expenses incurred as a result of providing such service. To the extent intercity bus service is provided under the program, preference shall be given to private bus operators who lawfully have provided rural highway passenger transportation over the routes or within the general area of the demonstration project.

"(b) Prior to the obligation of any funds for a demonstration project under this section, the Secretary shall provide for public notice of any application for funds under this section which notice shall include the name of the applicant and the area to be served. Within sixty days thereafter, a public hearing on the project shall be held within the proposed service area."

DEMONSTRATION PROJECT—RAILROAD-HIGHWAY CROSSING

Sec. 104. Section 163 of the Federal-Aid Highway Act of 1973 is amended by relettering subsection (a) as paragraph (a)(1) and adding the following new paragraph:

"(2) The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out an engineering and feasibility study for a demonstration project in Lafayette; Indiana, for relocation of railroad lines from the central area of the city. There are authorized to be appropriated to carry out this paragraph $360,000 for the fiscal year ending June 30, 1975."

TRANSPORTATION FOR ELDERLY AND HANDICAPPED PERSONS

Sec. 105. (a) It is hereby declared to be the national policy that elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services; that special efforts shall be made in the planning, design, construction, and operation of mass transportation facilities and services so that the availability to elderly and handicapped persons of mass transportation which they can effectively utilize will be assured; and that all Federal programs offering assistance for mass transportation (including the programs under title 23, United States Code, the Federal Aid Highway Act of 1973, and this Act) effectively implement this policy.

(b) Subsection (b) of section 165 of the Federal Aid Highway Act of 1973 (87 Stat. 282) is amended to read as follows:

"(b) The Secretary of Transportation shall require that projects receiving Federal financial assistance under (1) subsection (a) or (c) of section 142 of title 23, United States Code, (2) paragraph (4) of subsection (e) of section 103, title 23, United States Code, or (3) section 147 of the Federal-Aid Highway Act of 1973 shall be planned, designed, constructed, and operated to allow effective utilization by elderly or handicapped persons who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including those who are nonambulatory wheelchair-bound and those with semiambulatory capabilities, are unable without special facilities or special planning design to utilize such facilities and services effectively. The Secretary shall not approve any program or project to which this section applies which does not comply with the provisions of this subsection requiring access to public mass transportation facilities, equipment, and services for elderly or handicapped persons."

VEHICLE SIZES AND WEIGHTS

Sec. 106. (a) Section 127 of title 23, United States Code, is amended by striking out "eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of seventy-three thousand two hundred and eighty pounds," and inserting in lieu thereof the following: "twenty thousand pounds carried on any one axle, including all enforcement tolerances; or with a tandem axle weight in excess of thirty-four thousand pounds, including all enforcement tolerances; or with an overall gross weight on a group of two or more consecutive axles produced by application of the following formula:

$$W=500\left(\frac{LN}{N-1}+12N+36\right)$$

where W=overall gross weight on any group of two or more consecutive axles to the nearest 500 pounds, L=distance in feet between the extreme of any group of two or more consecutive axles, and N=number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more: *Provided,* That such overall gross weight may not exceed eighty thousand pounds, including all enforcement tolerances,".

(b) The first sentence of section 127 of title 23, United States Code, is amended by inserting immediately after "July 1, 1956," the following: "except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974,". The third sentence of such section is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974.".

ENFORCEMENT

Sec. 107. (a) Chapter 1 of title 23 of the United States Code is amended by inserting after section 140 the following new section:

§ 141. Enforcement of requirements

"Each State shall certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Federal-aid primary, the Federal-aid urban system and the Federal-aid secondary system, including the Interstate System in accordance with section 127 of this title, and all speed limits on public highways in accordance with section 154 of this title. The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this section.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by striking out

"141. Real property acquisition policies."

and inserting in lieu thereof the following:

"141. Enforcement of requirements.".

ALASKA FERRY OPERATIONS

Sec. 108. Paragraph (5) of subsection (g) of section 129 of title 23, United States Code, is amended to read as follows:

"(5) Such ferry may be operated only within the State (including the islands which comprise the State of Hawaii) or between adjoining States. Except with respect to operations between the islands which comprise the State of Hawaii and operations between any two points in Alaska and between Alaska and Washington, including stops at appropriate points in the Dominion of Canada, no part of such ferry operation shall be in any foreign or international waters.".

CONTROL OF OUTDOOR ADVERTISING

Sec. 109. (a) The first sentence of subsection (b) of section 131 of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned on or after January 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, to any State which the Secretary determines has not made provision of effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are more than six hundred and sixty feet off the nearest edge of the right-of-way, located outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,".

(b) Subsection (c) of section 131 of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices after January 1, 1968, if located within six hundred and sixty feet of the right-of-way and, on or after July 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, if located beyond six hundred and sixty feet of the right-of-way, located outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way, shall, pursuant to this section, be limited to (1) directional and official signs and notices, which signs and notices shall include, but not be limited to, signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, (3) signs, displays, and devices advertising activities conducted on the property on which they are located, and (4) signs lawfully in existence on October 22, 1965, determined by the State, subject to the approval of the Secretary, to be landmark signs, including signs on farm structures or natural surfaces, of historic or artistic significance the preservation of which would be consistent with the purposes of this section."

(e) Subsection (g) of section 131 of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law."

CONTROL OF JUNKYARDS

Sec. 110. Subsection (j) of section 136 of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"(j) Just compensation shall be paid the owner for the relocation, removal, or disposal of junkyards lawfully established under State law.".

ADVANCE CONSTRUCTION

Sec. 111. (a) Subsection (a) of section 115 of title 23, United States Code, is amended by striking out "including the Interstate System," each of the two places it appears and inserting in lieu thereof at each such place the following: "other than the Interstate System,".

(b) Section 115 of title 23, United States Code, is amended by redesignating subsection (b) as subsection (c) and by adding immediately after subsection (a) the following new subsection:

"(b) When a State proceeds to construct any project on the Interstate System without the aid of Federal funds, as that System may be designated at that time, in accordance with all procedures and all requirements applicable to projects on such System, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the cost of construction of such project when additional funds are apportioned to such State under section 104 of this title if—

"(1) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects on the Interstate System, and

"(2) the project conforms to the applicable standards under section 109 of this title.".

DONATIONS

SEC. 112. Section 323 of title 23, United States Code, is amended by striking out "after he has been tendered the full amount of the estimated just compensation as established by an approved appraisal of the fair market value of the subject real property," and by inserting in lieu thereof the following: "after he has been fully informed of his right to receive just compensation for the acquisition of his property,".

SPECIAL BRIDGE REPLACEMENT PROGRAM

SEC. 113. Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) For the purpose of carrying out the provisions of this section, there are hereby authorized to be appropriated out of the Highway Trust Fund $100,000,000 for the fiscal year ending June 30, 1972, $150,000,000 for the fiscal year ending June 30, 1973, $25,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975, and $125,000,000 for the fiscal year ending June 30, 1976, to be available until expended. Such funds shall be available for obligation at the beginning of the fiscal year for which authorized in the same manner and to the same extent as if such funds were apportioned under this chapter.".

UNIFORM NATIONAL SPEED LIMIT

SEC. 114. (a) Chapter 1 of title 23 of the United States Code, relating to highways, is amended by inserting at the end thereof a new section as follows:

"§ 154. National maximum speed limit

"(a) The Secretary of Transportation shall not approve any project under section 106 in any State which has (1) a maximum speed limit on any public highway within its jurisdiction in excess of fifty-five miles per hour, or (2) a speed limit on any other portion of a public highway within its jurisdiction which is not uniformly applicable to all types of motor vehicles using such portion of highway, if on November 1, 1973, such portion of highway had a speed limit which was uniformly applicable to all types of motor vehicles using it. A lower speed limit may be established for any vehicle operating under a special permit because of any weight or dimension of such vehicle, including any load thereon. Clause (2) of this subsection shall not apply to any portion of a highway during such time that the condition of the highway, weather, an accident, or other condition creates a temporary hazard to the safety of traffic on such portion of a highway.

"(b) As used in this section the term 'motor vehicle' means any vehicle driven or drawn by mechanical power manufactured primarily for use on public highways, except any vehicle operated exclusively on a rail or rails.

"(c) Notwithstanding the provisions of section 120 sums apportioned to any State under section 104 shall be available to pay the entire cost of any modification of the signing of the Federal-aid highways for which such sums are apportioned within such State due to a reduction in speed limits to conserve fuel if such change in signing occurs or has occurred after November 1, 1973.

"(d) The requirements of this section shall be deemed complied with by administrative action lawfully taken by the Governor or other appropriate State official that complies with this section."

(b) The analysis of such chapter 1 is amended by inserting at the end thereof the following:

"154. National maximum speed limit.".

(c) Section 2 of the Emergency Highway Energy Conservation Act is repealed.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

SEC. 115. (a) Chapter 1 of title 23, United States Code, is further amended by adding at the end thereof the following new section:

"§ 155. Access highways to public recreation areas on certain lakes

"(a) The Secretary is authorized to construct or reconstruct access highways to public recreation areas on lakes in order to accommodate present and projected traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for the purpose of this section which shall include the following criteria:

"(1) No portion of any access highway constructed or reconstructed under this section shall exceed thirty-five miles in length nor shall any portion of such highway be located more than thirty-five miles from the nearest part of such recreation area.

"(2) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials, after consultation with the head of the Federal agency (if any) having jurisdiction over the public recreation area involved.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 70 per centum of the cost of construction or reconstruction of such project.

"(c) All of the provisions of this title applicable to highways on the Federal-aid system (other than the Interstate System) determined appropriate by the Secretary, except those provisions which the Secretary determines are inconsistent with this section, shall apply to any highway designated under this section which is not a part of the Federal-aid system when so designated.

"(d) For the purpose of this section the term 'lake' means any lake, reservoir, pool, or other body of water resulting from the construction of any lock, dam, or similar structure by the Corps of Engineers, Department of the Army, or the Bureau of Reclamation, Department of the Interior, or the Tennessee Valley Authority, and any multipurpose lake resulting from construction assistance of the Soil Conservation Service, Department of Agriculture. This section shall apply to lakes heretofore or hereafter constructed or authorized for construction.

"(e) There is authorized to be appropriated not to exceed $25,000,000 for the fiscal year 1976 to carry out this section. Amounts authorized by this subsection for a fiscal year shall be available for that fiscal year and for the two succeeding fiscal years.".

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"155. Access highways to public recreation areas on certain lakes.".

AUBURN BRIDGE

SEC. 116. (a) In order to provide access between the historical portion of the city of Auburn, California, Auburn District Fairgrounds, city park and parking lots, and the Auburn Dam Overlook area, for motor vehicles and for passage of pedestrians, equestrians, and cyclists under a highway relocation, the Secretary of the Interior is authorized to construct, in lieu of a drainage culvert, an intermediate size bridge across a shallow ravine. The bridge, at approximate stations 154+46 to 155+30 (84 feet), shall be part of the State Highway Number 49 relocation through the city of Auburn, California.

(b) Upon completion such bridge shall be transferred to the State of California for operation and maintenance as a part of the highway relocation. The cost of the bridge, less the original planned drainage culvert, shall be considered as nonreimbursable.

(c) There is authorized to be appropriated to carry out this section the sum of $250,000 (October 1974 price levels) plus or minus such amounts as may be justified by changes in price indexes applicable to the type of development involved herein.

NORTHEAST CORRIDOR DEMONSTRATION-RAIL CROSSINGS

SEC. 117. Subsection (a) of section 322 of title 23, United States Code, is amended by inserting at the end thereof the following:

"The Secretary may permit selected individual public crossings of unusually low-potential hazard to remain at ground level, if they are provided with the best available protection."

OVERSEAS HIGHWAY

SEC. 118. (a) The Secretary is authorized to undertake projects for the reconstruction or replacement of bridge structures of a two-lane nature on the Overseas Highway, to Key West, Florida. The Federal share payable on account of such projects shall not exceed 75 per centum of the costs of such reconstruction or replacement.

(b) There are authorized to be appropriated, out of the Highway Trust Fund, not to exceed $109,200,000, to carry out such projects. Such sums shall be available until expended except that of the funds authorized under this section only $10,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976, can be obligated.

BIKEWAY DEMONSTRATION PROGRAM

SEC. 119. (a) For the purpose of this section the term—

(1) "bikeway" means a bicycle lane or path, or support facility, a bicycle traffic control device, a shelter, or a parking facility to serve bicycles and persons using bicycles;

(2) "State" means any one of the fifty States, the District of Columbia, or Puerto Rico.

(b) (1) The Secretary is authorized to make grants to States for demonstration projects for the construction of bikeways. Such bikeways shall be for commuting and for recreational purposes and shall be located in urbanized areas and such other urban areas as are designated by the State highway department under subsection 103(d) of title 23, United States Code.

(2) The Federal share of any demonstration project for the construction of a bikeway shall be 80 per centum of the total cost of such project. The remaining 20 per centum of such cost shall be paid by the grantee.

(3) No grant shall be made under authority of this Act unless such bikeway project is in accordance with continuing comprehensive transportation planning process carried on cooperatively by States and local communities in accordance with section 134 of title 23, United States Code.

(4) The Secretary shall establish, by regulation, construction standards for bikeway projects for which grants are authorized by this Act, and shall establish, by regulation, such other requirements as may be necessary to carry out this Act.

(c) Grants made under this Act shall be in addition to, and not in lieu of, any sums available for bicycle projects under section 217 of title 23, United States Code.

(d) There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for the fiscal year 1976.

EXTENSION OF CARPOOLS

SEC. 120. (a) The last sentence of section 3(d) of the Emergency Highway Energy Conservation Act (Public Law 93-239) is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1975".

(b) The Secretary of Transportation is authorized to make grants for demonstration projects designed to encourage the use of carpools in urban areas. Such a project may include, but not be limited to, such measures as systems for locating potential riders and informing them of convenient carpool opportunities, designating existing highway lanes as preferential carpool highway lanes or shared bus and carpool lanes, providing related traffic control devices, and designating existing publicly owned facilities for use as preferential parking for carpools. There is authorized to be appropriated not to exceed $7,500,000 to carry out this subsection.

SAFER ROADS PROGRAM

SEC. 121. The first sentence of subsection (c) of section 405 of title 23, United States Code, is amended by striking the word "and" after "crossings," and inserting in lieu thereof the following: "the correction of high-hazard locations, and".

OFF-SYSTEM ROADS

SEC. 122. (a) Chapter 2 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Off-system roads

"(a) The Secretary is authorized to make grants to States for projects for the construction, reconstruction, and improvement of any off-system road (including, but not limited to, the replacement of bridges, the elimination of high-hazard locations, and roadside obstacles).

"(b) On or before January 1 next preceding the commencement of each fiscal year the Secretary shall apportion the sums authorized to be appropriated to carry out this section among the several States as follows:

"(1) one-third in the ratio which the area of each State bears to the total area of all States;

"(2) one-third in the ratio which the population of rural areas of each State bears to the total population of rural areas of all the States; and

"(3) one-third in the ratio in which the off-system road mileage of each State bears to the total off-system road mileage of all the States. Off-system road mileage as used in this subsection shall be determined as of the end of the calendar year preceding the year in which the funds are apportioned and shall be certified to by the Governor of the State and subject to approval by the Secretary.

"(c) Sums apportioned to a State under this *section shall* be made available for expenditures in the counties of such State on a fair and equitable basis.

"(d) Sums apportioned under this section and programs and projects under this section shall be subject to all of the provisions of chapter 1 of this title applicable to highways on the Federal-aid secondary system except the formula for apportionment, the requirement that these roads be on the Federal-aid system, and those other provisions determined by the Secretary to be inconsistent with this section. The Secretary is not authorized to determine as inconsistent with this section any provision relating to the obligation and availability of funds.

"(c) As used in this section the term 'off-system road' means any toll-free road (including bridges) in a rural area, which road is not on any Federal-aid system and which is under the jurisdiction of and maintained by a public authority and open to public travel.".

(b) The analysis of chapter 2, title 23, United States Code, is amended by adding at the end thereof the following:

"219. Off-system roads.".

BRIDGES OF FEDERAL DAMS

SEC. 123. (a) Section 320(d) of title 23 of the United States Code (as amended) is amended by striking out "$25,261,000" and inserting in lieu thereof "$27,761,000".

(b) All sums appropriated under authority of the increased authorization established by the amendment made by subsection (a) of this section shall be available for expenditure in the same manner and for the same purpose as provided for in subsection (b) of section 116 of the Federal-Aid Highway Act of 1970 (Public Law 91-605).

DEMONSTRATION PROJECTS

SEC. 124. The Secretary of Transportation shall carry out a demonstration project for construction of a high-density urban highway intermodal transportation connection between Franklin Avenue and Fifty-ninth Street, South, in Minneapolis, Minnesota. The Federal share of such project shall be 90 per centum of the cost thereof. Such highway shall be placed on a Federal-aid system before any funds are expended under this section. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $53,000,000 to carry out this section, except that not to exceed $10,000,000 for the fiscal year 1975, and $15,000,000 for the fiscal year 1976, shall be expended to carry out this section.

ROUTE WITHDRAWALS

SEC. 125. (a) Section 103(c)(2) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

(b) Section 103(c)(4) of title 23 of the United States Code is amended by striking out the period following "House Report Numbered 92-1443" and inserting in lieu thereof a comma and the following: "increased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof as of the date of withdrawal of approval under this paragraph and in accordance with that design of such route or portion thereof which is the basis of such 1972 cost estimate."

SCHOOL BUS DRIVER TRAINING

SEC. 126. (a) Chapter 4 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 406. School bus driver training

"(a) The Secretary is authorized to make grants to the States for the purpose of carrying out State programs approved by him of driver education and training of persons driving school buses.

"(b) A State program under this section shall be approved by the Secretary if such program—

"(1) provides for the establishment and enforcement of qualifications for persons driving school buses;

"(2) provides for initial education and training and for refresher courses;

"(3) provides for periodic reports to the Secretary on the results of such program; and

"(4) includes persons driving publicly operated, and persons driving privately operated, school buses.

"(b) Not less than $7,500,000 of the sums authorized to carry out section 402 of this title for fiscal year 1976 shall be obligated to carry out this section. Such sums shall be apportioned among the States in accordance with the formula established under subsection (c) of section 402 of this title. The Federal share payable on account of any project to carry out a program under this title shall not exceed 70 per centum of the cost of the project."

(b) The analysis of chapter 4, title 23, United States Code, is amended by adding at the end thereof the following:

"406. School bus driver training.".

And the House agree to the same.

Jim Wright,
John C. Kluczynski,
Harold T. Johnson,
W. Harsha,
J. C. Cleveland,
Managers on the Part of the House.

Jennings Randolph,
Mike Gravel,
Quentin Burdick,
Howard Baker,
Bob T. Stafford,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

Senate bill

Provides that this Act may be cited as the "Federal-Aid Highway Amendments of 1974".

House amendment

Provides that this Act may be cited as the "Federal-Aid Highway Act of 1974".

Conference substitute

The conference substitute is identical to the Senate bill.

PARKWAYS

Senate bill

Section 101 amends section 104(a)(8) of the Federal-Aid Highway Act of 1973 to provide the following authorizations for appropriations out of the Highway Trust Fund for parkways:

(1) $60,000,000 for the fiscal year ending June 30, 1974.

(2) $75,000,000 for each of the fiscal years ending June 30, 1975, and 1976.

House amendment

No comparable provision.

Conference substitute

No comparable provision.

HIGHWAY AUTHORIZATIONS

Senate bill

The Senate bill contains no comparable provision for primary or secondary systems authorizations, and off-system roads.

The Senate bill contains an authorization for $65,000,000 for each of the fiscal years 1975 and 1976 for outdoor advertising.

In addition, the Senate bill contains an authorization of $15,000,000 for each of the fiscal years 1975 and 1976 for control of junkyards.

The Senate bill also contains an authorization of $15,000,000 for each of the fiscal years 1975 and 1976 for landscaping and scenic enhancement.

House amendment

Section 102 of the House amendment authorizes the following sums to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $900,000,000 for the fiscal year 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $500,000,000 for the fiscal year 1976.

(2) For control of outdoor advertising under section 131 of title 23, United States Code, $50,000,000 per fiscal year for the fiscal years 1975 and 1976.

(3) For control of junkyards under section 136 of title 23, United States Code, $15,000,000 per fiscal year for the fiscal years 1975 and 1976.

(4) For landscaping the scenic enhancement under section 319(b) of title 23, United States Code. $10,000,000 per fiscal year for the fiscal years 1975 and 1976.

(5) Nothing in paragraph (1) or (6) of this section shall be construed to authorize the appropriation of any sums to carry out section 131, 136, 319(b), or chapter 4 of title 23, United States Code.

(6) For off-system roads under section 219, title 23, United States Code, $200,000,000 for the fiscal year 1976.

Conference substitute

The conference substitute authorizes the following sums for purposes of carrying out the provisions of title 23, United States Code:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $100,000,000 for the fiscal year 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $50,000,000 for the fiscal year 1976.

(2) For control of outdoor advertising under section 131 of title 23, United States Code, $50,000,000 per fiscal year for the fiscal year 1975.

(3) For control of junkyards under section 136 of title 23, United States Code, $15,000,000 per fiscal year for the fiscal year 1975.

(4) For landscaping the scenic enhancement under section 319(b) of title 23, United States Code, $10,000,000 per fiscal year for the fiscal year 1975.

(5) For off-system roads under section 219, title 23, United States Code, $200,000,000 for the fiscal year 1976.

INDIAN RESERVATION ROADS AND BRIDGES

Senate bill

Section 102(a) amends section 104(a)(9) of the Federal-Aid Highway Act of 1973 to provide the following authorizations for appropriations for Indian reservation roads and bridges:

(1) $83,000,000 for the fiscal year ending June 30, 1974.

(2) $84,000,000 for the fiscal year ending June 30, 1975.

(3) $83,000,000 for the fiscal year ending June 30, 1976.

Section 102(b) amends the term "Indian reservation roads and bridges" in section 101(a) of title 23, United States Code, by inserting ", including roads and bridges of the Federal-aid systems," immediately after "bridges".

Section 102(c) adds a new section 208(c) to title 23, United States Code, which reads as follows:

"(c) Before approving as a project on an Indian reservation road or bridge any project on a Federal-aid system in a State, the Secretary must determine that obligation of funds for such project is supplementary to and not in lieu of the obligation, for projects on Indian reservation roads and bridges, of a fair and equitable share of funds apportioned to such State under section 104 of this title."

Section 102(d) requires the consent of the governing body of the tribe, band, or group of Indians or Alaska Natives before any funds appropriated under the expanded definition provided by this section are expended.

House amendment

No comparable provision.

Conference substitute

The conference substitute is the same as the Senate bill.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

Senate bill

Section 103 authorizes an additional $45,000,000 for the Rural Highway Public Transportation Demonstration Program, raising the total to $75,000,000 for fiscal years 1975 and 1976. Of this amount, one-third is to be provided by general fund appropriations and two-thirds from the Highway Trust Fund. The payment of operating expenses is authorized from the general fund appropriations for the demonstration program. The Senate bill also provides that, when intercity bus service is provided as part of the demonstration program, preference is to be given to private operators who are providing or have provided service in the area of a project. The bill further provides that public notice, including the name of the applicant, must be given in each proposed project area and that a public hearing must be held within 60 days.

House amendment

No comparable provision.

Conference substitute

The conference substitute is identical to the Senate bill.

DEMONSTRATION PROJECT—RAILROAD-HIGHWAY CROSSING

Senate bill

Section 104 of the Senate bill amends section 163 of the Federal-Aid Highway Act of 1973 by directing the Secretary of Transportation to carry out an engineering and feasibility study for a demonstration project in Lafayette, Indiana, for relocation for railroad lines. The section authorizes the appropriation of $360,000 to carry out this amendment.

House amendment

No comparable provision.

Conference substitute

The conference substitute is the same as the Senate bill.

TRANSPORTATION FOR ELDERLY AND HANDICAPPED PERSONS

Senate bill

Section 105(a) of the Senate bill contains a statement of national policy which is similar to that found in section 16(a) of the Urban Mass Transportation Act of 1964, as amended, and which declares that elderly and handicapped persons have the same right to utilize mass transportation systems as other persons.

The section amends section 165(b) to insure that any project receiving Federal financial assistance under the Federal-aid urban system, Interstate transfer, or rural bus demonstration sections of the Federal-Aid Highway Act of 1973 shall be "planned, designed, constructed and operated so as to allow effective utilization by elderly or handicapped persons", including those in wheelchairs.

House amendment

No comparable provision.

Conference substitute

The conference substitute is identical to the Senate bill.

VEHICLE SIZES AND WEIGHTS

Senate bill

Section 106 of the Senate bill amends section 127 of title 23, United States Code, by striking out "eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of seventy-three thousand two hundred and eighty pounds," and inserting in lieu thereof the following: "twenty thousand pounds carried on any one axle, including all enforcement tolerances; ten thousand pounds on the steering axle of any truck tractor, including all enforcement tolerances; or with a tandem axle weight in excess of thirty-four thousand pounds, including all enforcement tolerances; or with an overall gross weight on a group of two or more consecutive axles produced by application of the following formula:

$$W=500\left(\frac{LN}{N-1}+12N+36\right)$$

where W = overall gross weight on any group of two or more consecutive axles to the nearest 500 pounds, L = distance in feet between the extreme of any group of two or more consecutive axles, and N = number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more: *Provided*, That such overall gross weight may not exceed eighty thousand pounds, including all enforcement tolerances,".

House amendment

No comparable provision.

Conference substitute

The conference substitute is identical to the Senate bill except as follows:

(1) The phrase "10,000 pounds on the steering axle of any truck tractor, including all enforcement tolerances;" is deleted.

(2) Because of inclusion in the Senate passed bill of a new and additional weight limitation on any group of two or more consecutive axles of vehicles operating on the Interstate System, clarifying language was added by the Conference Committee to express the intent of the Senate as stated by the floor manager when this provision was debated on the Senate floor. The added language makes it clear that any vehicle or combination of vehicles that could lawfully operate in a State on the date of enactment of the Federal-Aid Highway Amendments of 1974 may be permitted to continue to operate on the Interstate System in such State even though the overall gross weight of any group of consecutive axles may exceed that permitted by the formula in this section.

STATE ENFORCEMENT

Senate bill

Section 107 of the Senate bill amends section 127 of title 23, United States Code, by adding a new subsection (b) which requires each State to certify annually that State size and weight laws are being enforced on Federal-aid primary, secondary, and urban systems within the State.

The section provides that, whenever State certification fails to satisfy the Secretary that State vehicle size and weight limitations are being adequately and uniformly enforced on any non-Interstate Federal-aid system, the Secretary must refuse to approve programs or projects for such system until he receives assurances satisfactory to him that the requirements of this subsection are being met.

House amendment

Section 107 of the House amendment provides that each State must certify to the Secretary before January 1 of each year that it is enforcing all State laws respecting maximum vehicle size and weights permitted on the Interstate System in accordance with section 127 of this title, and all speed limits on public highways in accordance with section 2 of the Emergency Highway Energy Conservation Act (Public Law 93-239). The Secretary shall not approve any project under section 106 of this title in any State which has failed to certify in accordance with this section.

Conference substitute

The conference substitute is a combination of the Senate bill and the House amendment and requires each State to certify to the Secretary annually that it is enforcing all State laws respecting maximum vehicle size and weights on all Federal-aid systems. In addition, this section enforces all maximum speed limits on public highways.

ALASKA FERRY OPERATIONS

Senate bill

Section 108 of the Senate bill amends section 129(g) (5) of title 23, United States Code, by augmenting the operating authority of the Alaska ferry system in international waters to include stops at appropriate points in the Dominion of Canada.

House amendment

No comparable provision.

Conference substitute

The conference substitute is the same as the Senate bill.

CONTROL OF OUTDOOR ADVERTISING

Senate bill

Section 109 amends section 131(b) of title 23, United States Code, to require that "effective control" of outdoor advertising include measures for regulating signs erected more than 660 feet from the nearest edge of the right-of-way if they are legible from the main traveled way of the highway. The test of legibility is whether the message on a sign, either pictorial or written, can be communicated to a motorist with normal vision traveling at the posted speed on the main traveled way. This amendment would not prevent States from imposing more stringent controls, including restrictions on all signs visible from the controlled highway. This section also authorizes the Secretary to impose a penalty of 10 percent of the highway funds apportioned to any State which did not provide after January 1, 1975, or the end of the next session of the State Legislature, whichever is later, for the control of signs beyond 660 feet which are legible from the main traveled way.

In addition, this section guarantees just compensation for the removal only of those signs lawfully erected under State law prior to enactment of the Federal-Aid Highway Act of 1974.

Section 109(e) amends section 131(f) of title 23, United States Code, by expanding the use of official "logo" signs to the Primary System, as well as the Interstate.

Section 109(g) of the Senate bill amends section 131(i) of title 23, United States Code, to provide for Federal financial assistance to the States in establishing information centers at safety rest areas and other travel information systems within the rights-of-way of Interstate and primary highways. The Federal share of the cost of establishing the information centers and other alternate information systems is 75 percent, and up to 20 percent of the funds provided for section 131 may be used for these purposes.

Section 109(h) amends section 131(m) of title 23, United States Code, to provide for an increase in authorizations for highway beautification to $65 million for each of the two fiscal years 1975 and 1976.

House amendment

Section 103(a) of the House amends section 131(b), title 23, United States Code, by extending outdoor advertising controls beyond the present 660 feet from the edge of the highway right-of-way to cover signs which are visible from the main traveled way and which were erected for the purpose of being read from the main traveled way of the Interstate or Federal-aid primary system, and States would be given until January 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, to conform to such extended control requirements.

Section 103(b) amends the definition of "effective control" in section 131 of title 23, United States Code.

Section 103(c) amends subsection (d) of section 131, title 23, United States Code, to assure that outdoor advertising in areas zoned industrial or commercial will be permitted in the extended control zone.

Section 103(d) amends section 131(e) of title 23, United States Code, to indicate that any nonconforming sign under State law enacted to comply with such section shall be removed no later than the end of the fifth year which becomes nonconforming, except as determined by the Secretary.

Section 103(e) amends section 131(f) of title 23, United States Code, to authorize the Secretary to permit the States to allow certain directional signs within the right-of-way of Federal-aid primary highways.

Section 103(f) of the House amendment amends section 131(g) of title 23, United States Code, to insure the payment of just compensation in the case of signs which were lawfully erected under State law but which are required to be removed. In addition, section 103(g) of the House amendment adds three new subsections to provide as follows:

(1) Subsection (o) provides that no sign lawfully in existence on June 1, 1972, giving directional information in the specific interest of the traveling public need be removed until December 31, 1975, or until the State where the sign is located certifies that directional information is reasonably available from other sources, whichever first occurs.

(2) Subsection (p) is designed to prevent inequities from arising where a second removal of a sign is required by virtue of the provisions contained in this bill, a new amendment authorizing 100 percent Federal funding for removing such signs is added.

(3) Subsection (q) (1) directs the Secretary to assist States in assuring the motorist adequate directional information concerning available goods and services. He is further directed to consider functional and esthetic factors in developing the national standards for highway signs authorized by section 131 (c) and (f). Paragraph (2) of subsection (q) lists those signs which could be considered to provide directional information about available goods and services. Paragraph (3) directs the Secretary to encourage the States to defer removing necessary directional information signs of this type which were in place on June 1, 1972, until all other nonconforming signs were removed. Paragraph (4) permits any facility providing the motorist with goods and services in the interest of the traveling public to continue using one nonconforming sign in each direction on any highway subject to a State statute implemeting section 131, if the sign renders directional information about the facility, it had been in place on June 1, 1972, and it is within 75 miles of the facility or such distance as the State shall establish. A qualifying sign is to remain until the Secretary is satisfied that the information is being provided by one of the enumerated alternatives, or such other alternative as the State deems adequate.

Conference substitute

The conference substitute adopts section 103(a) of the House amendment, section 109 (b) of the Senate bill with an amendment which deletes the words "and legible from the main traveled way of the system" and inserts in lieu thereof "located outside of urban areas, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,", and accepts section 103(f) of the House amendment.

CONTROL OF JUNKYARDS

Senate bill

Section 110(a) of the Senate bill amends the first sentence of section 136(j) of title 23, United States Code, to provide compensation to the owner for the relocation, removal, or disposal of junkyards lawfully in existence on the effective date of State legislation enacted to comply with section 136(j).

Section 110(b) authorizes $15,000,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976.

House amendment

Section 104 of the House amendment is essentially the same as section 110(a) of the Senate bill.

Section 102(3) of the House amendment is the same as section 110(b) of the Senate amendment.

Conference substitute

The conference substitute is the same as section 104 of the House amendment.

RESEARCH AND PLANNING

Senate bill

Section 111 of the Senate bill amends section 307(a) of title 23, United States Code, to authorize the Secretary in his discretion to engage in research with respect to beautification, roadside development, and scenic enhancement.

House amendment

No comparable provision.

Conference substitute

No comparable provision.

LANDSCAPING AND SCENIC ENHANCEMENT

Senate bill

Section 112 of the Senate bill authorizes the appropriation of $15,000,000 for each of the fiscal years 1975 and 1976 for the purpose of carrying out section 319(b) of title 23, United States Code.

House amendment

Section 102(4) of the House amendment authorizes the appropriation of $10,000,000 per fiscal year for the fiscal years 1975 and 1976 for the purpose of carrying out section 319(b) of title 23, United States Code.

Conference substitute

Section 101(4) of the conference substitute is the same as the House amendment, except that such section authorizes an appropriation of $10,000,000 for fiscal year 1975.

SPECIAL BRIDGE REPLACEMENT PROGRAM

Senate bill

Section 113 of the Senate bill amends section 144(e) of title 23, United States Code, to provide increased authorizations for the special bridge replacement program of $50,000,000 for each of the fiscal years 1975 and 1976.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill, except that the increased authorization is only for fiscal year 1976.

UNIFORM NATIONAL SPEED LIMIT

Senate bill

Section 114 of the Senate bill adds a new section to chapter 1 of title 23, United States Code, to provide that the Secretary of Transportation shall not approve any project under section 106 in any State which has (1) a maximum speed limit on any public highway within its jurisdiction in excess of fifty-five miles per hour, or (2) a speed limit on any other portion of a public highway within its jurisdiction which is not uniformly applicable to all types of motor vehicles using such portion of highway, if on November 1, 1973, such portion of highway had a speed limit which was uniformly applicable to all types of motor vehicles using it.

The Senate bill does not prohibit States from setting a speed limit lower than 55 miles per hour on any road.

The Senate bill also provides that sums apportioned to any State under section 104 shall be available to pay the entire cost of any modification of the signing of the Federal-aid highways for which such sums are apportioned within such State due to a reduction in speed limits to conserve fuel if such change in signing occurs or has occurred after November 1, 1973.

House amendment

Section 112 of the House amendment amends section 2 of the Emergency Highway Energy Conservation Act to provide that such section shall cease to be in effect on and after the date on which Congress by concurrent resolution declares there is no need requiring the application of such section.

Conference substitute

The conference substitute is identical to the Senate bill.

ACCESS ROADS TO FEDERAL LAKES

Senate bill

Section 115 of the Senate bill adds a new section to chapter 1 of title 23, United States Code, authorizing $10,000,000 annually out of the general fund during fiscal years 1975 and 1976 for constructing access highways to public recreation areas at lakes developed under programs of the Army Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service, and the Tennessee Valley Authority. Such highways are to be no more than 20 miles in length, and they must be recommended by both State and responsible local officials.

In addition, the Federal share payable on account of any project authorized pursuant to this section shall not exceed 50 per centum of the cost of construction or reconstruction of such project.

House amendment

Section 108 of the House amendment adds a new section to chapter 1 of title 23, United States Code, which authorizes the Secretary of Transportation to construct or reconstruct access highways to public recreation areas on lakes in order to accommodate present and projected traffic density. This section provides that the Secretary shall develop guidelines and standards, including as criteria the following:

(1) such highway constructed or reconstructed shall not exceed 35 miles in length nor shall be located more than 35 miles from the nearest part of the recreation area; and (2) such routes shall be designated by the Secretary on the recommendation of the State and responsible local officials, after consultation with the head of the Federal agency (if any) having jurisdiction over the public recreation area involved.

The Federal share payable for such project shall not exceed 70 per centum of the cost of construction or reconstruction of the project; and all the provisions of Title 23 which are applicable to non-Interstate highways on the Federal-aid system, and which are determined appropriate and not inconsistent with this section by the Secretary, shall apply to any highway designated under this section which is not a part of the Federal-aid system when so designated.

Conference substitute

The conference substitute is the same as the House amendment. It is the intent and expectation of the conferees that projects initially approved under this section will include the following: County Road 125 designated by the Corps of Engineers connecting farm to market road 982 to Tickey Creek Park east of Dallas, Texas; a route from Laurence, Kansas, to Clinton Lakes; Rapid Forge Road, between U.S. 50 and State Road 28 providing access to Paint Creek Reservoir near Greenfield, Ohio; access roads to Lake Raystown, located in Huntingdon County, Pennsylvania; Hemlock Road, located in Glade Township, Warren County, Pennsylvania, beginning at the end of Pennsylvania Avenue and running along the north side of the Allegheny River to the dam; and various access roads to lakes in Indiana.

PARKWAYS AND ASSOCIATED LANDS AND RIGHTS-OF-WAY

Senate bill

Section 116 of the Senate bill amends section 207 of title 23 of the United States Code by adding a new subsection which indicates that parkways and all associated lands and rights-of-way funded in whole or in part from the Highway Trust Fund shall be managed solely for scenic and recreational use and passenger car travel.

House amendment

No comparable provision.

Conference substitute

No comparable provision.

NORTHEAST CORRIDOR DEMONSTRATION-RAIL CROSSINGS

Senate bill

Section 117 of the Senate bill amends section 322 of title 23, United States Code, to permit under certain circumstances selected public railroad-highway crossings to remain at ground level and to be provided with appropriate warning and protection devices.

This section also provides a uniform cost-sharing formula for crossings on Federal-aid and non-Federal-aid routes, 90 percent Federal and 10 percent State funds.

This section authorizes to be appropriated from the general fund not to exceed $22,000,000 and out of the Highway Trust Fund such additional sums as are necessary to carry out the provisions of this section (exclusive of subsection (f)).

House amendment

No comparable provision.

Conference substitute

The conference substitute is the same as section 117(a) of the Senate bill.

OVERSEAS HIGHWAY

Senate bill

Section 118 authorizes the Secretary to undertake projects for the reconstruction or replacement of bridge structures of a 2-lane nature on the Overseas Highway to Key West, Florida. The Federal share of this project shall not exceed 75 per centum of total cost. In addition, this section authorizes to be appropriated out of the Highway Trust Fund not to exceed $116,250,000 to carry out such projects. Such sums shall be available until expended except that of the funds authorized under this section only $10,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976, can be obligated.

House amendment

Section 114 of the House amendment authorizes from the Highway Trust Fund $10,000,000 for fiscal year 1975 and $15,000,000 for fiscal year 1976 for the reconstruction of Federal-aid primary routes in the State of Florida. This would be at the regular 70 percent Federal matching ratio.

Conference substitute

The conference substitute is the same as the Senate bill, except that total authorizations are reduced to $109,200,000 and the Federal matching ratio is reduced to 70 percent.

BIKEWAY DEMONSTRATION PROGRAM

Senate bill

Section 119 of the Senate bill authorizes $20 million—$10 million from the Highway Trust Fund and $10 million in general funds—for expenditure, upon application by a State, in urban areas currently eligible to receive urban system highway funds. These funds are available for expenditure only for bikeway projects and are intended to be supplementary to bikeway funds available under the ongoing Federal-aid highway program. The Federal share of any demonstration project for the construction of bikeways shall be 80 per centum of the total cost of such project.

House amendment

No comparable provision.

Conference substitute

The conference substitute is the same as the Senate bill, except that only $10 million is authorized from the General Fund for fiscal year 1976.

Termination of Federal Highway Construction Contracts

Senate bill

Section 120 of the Senate bill creates an administrative procedure which defines grounds upon which a highway contractor may seek to terminate a Federal contract, and, in effect, recognizes certain acts on the part of the Federal Government as constituting force majeure.

House amendment

No comparable provision.

Conference substitute

No comparable provision.

CARPOOLING

Senate bill

Section 121 of the Senate bill modifies provisions of the Emergency Highway Conservation Act (P.L. 93–239) relating to incentives for carpooling by extending the date for application for carpool demonstration programs by one year to December 31, 1975, and authorizes $15,000,000 out of the Highway Trust Fund specifically for carpooling projects. The Federal share of any such project shall be 90 per centum and shall not exceed $1,000,000.

House amendment

Section 113 of the House amendment amends section 3(d) of the Emergency Highway Conservation Act (P.L. 93–239) by extending the date on which application must be submitted to December 31, 1975.

Conference substitute

The conference substitute is the same as the House amendment, except that an additional $7,500,000 from the General Fund is authorized for distribution at the discretion of the Secretary.

FEDERAL-AID SAFER ROADS DEMONSTRATION PROGRAM

Senate bill

Section 122 of the Senate bill amends section 405(c) of title 23, United States Code, to permit appropriated funds to be used for projects to correct high hazard locations on public roads not on the Federal-aid system.

House amendment

No comparable provision.

Conference substitute

The conference substitute is identical to the Senate bill.

ADVANCE CONSTRUCTION

Senate bill

No comparable provision.

House amendment

Section 105 of the House amendment amends section 115 of title 23, United States Code, to provide that when a State has obligated all funds for any Federal-aid system, including the Interstate System, apportioned to it, and proceeds to construct any project on that Federal-aid system without the aid of Federal funds, the Secretary is authorized to pay to such State the Federal share of the costs of construction of such project when additional funds are apportioned to the State.

The Secretary is not authorized to approve an application under this section unless an authorization is in effect for the fiscal year for which the application is sought.

Conference substitute

The conference substitute is the same as the House amendment.

BUS WIDTHS

Senate bill

No comparable provision.

House amendment

Section 106 amends chapter 1 of title 23 of the United States Code by providing that any bus having a width of 102 inches or less may operate on any lane of 12 feet or more in width on the Interstate System.

Conference substitute

No comparable provision.

BRIDGES OVER FEDERAL DAMS

Senate bill

No comparable provision.

House amendment

Section 109 of the House amendment amends subsection 320(d) of title 23, United States Code by increasing the authorization for the emergency fund from $25,261,000 to $27,761,000, which shall be available for expenditure by the Secretary of Transportation in accordance with section 320.

Conference substitute

The conference substitute is the same as the House amendment.

OFF-SYSTEMS ROADS

Senate bill

No comparable provision.

House amendment

Section 110 amends chapter 2 of title 23, United States Code, by adding a new section authorizing the Secretary to make grants to States for projects for the construction, reconstruction, and improvement of any off-system road. Such grants may include, but not be limited to, the replacement of bridges and the elimination of high-hazard locations and roadside obstacles.

The sums authorized to be appropriated shall be apportioned by the Secretary, on or before January 1 next preceding the commencement of each fiscal year as follows: (1) ⅓ in the ratio in which the area of each State bears to the total area of all States; (2) ⅓ in the ratio in which the population of rural areas of each State bears to the total population of rural areas of all States; and (3) ⅓ in the ratio in which the off-system road mileage of each State bears to the total off-system road mileage of all the States.

The off-system road mileage shall be determined as of the end of the calendar year preceding the year in which the funds are apportioned and shall be certified to by the Governor of the State and subject to approval by the Secretary.

The counties in each State shall receive any sums apportioned to the State, on a fair and equitable basis.

The provisions of Chapter 1 of title 23 applicable to the Federal-aid secondary system will govern all sums apportioned under this section with the exception of the provisions relating to the formula for apportionment, the requirement that these roads be on the Federal-aid system, and such other provisions determined by the Secretary to be consistent with this section. The Secretary does not have the authority to determine as inconsistent with this section any provision relating to the obligation and availability of funds.

The term "off-system road" means any toll-free road, including bridges, in a rural area, which road is not on any Federal-aid system and which is under the jurisdiction of and maintained by a public authority and open to public travel.

State and local officials in selecting roads under this section shall consider, among other matters, improvement and construction of access highways to rural areas substantially impacted by accelerated mining and power generation activities to meet national energy demands.

Section 102(6) authorizes the appropriation of $200,000,000 for off-system roads for the fiscal year 1976.

Conference substitute

The conference substitute is the same as the House amendment.

It is the intention of the conferees that funds authorized by this section be used solely for reconstruction and improvement on existing routes. Such authorizations shall be for only one year.

DONATIONS

Senate bill

No comparable provision.

House amendment

Section 111 amends section 323 of title 23, United States Code, so as to no longer require either an appraisal or a tender of the full amount of the estimated just compensation where a party has indicated a desire to donate property.

Conference substitute

The conference substitute is the same as the House amendment.

DEMONSTRATION PROJECTS

Senate bill

No comparable provision.

House amendment

Section 115 directs the Secretary of Transportation to carry out a demonstration project for construction of a high-density urban highway intermodal transportation connection between Franklin Avenue and Fifty-ninth Street, South, in Minneapolis, Minnesota. The Federal share of such project shall be 90 per centum of the cost thereof. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $53,000,000 to carry out this section.

Conference substitute

The conference substitute is the same as the House amendment, except that no more than $10,000,000 may be obligated for fiscal year 1975 and $15,000,000 for fiscal year 1976.

AUBURN BRIDGE

Senate bill

No comparable provision.

House amendment

Section 116 authorizes the Secretary of the Interior to construct, in lieu of a drainage culvert, an intermediate size bridge across a shallow ravine in order to provide access between the historical portion of the city of Auburn, California, Auburn District Fairgrounds, city park and parking lots, and the Auburn Dam Overlook area. This section authorizes $250,000 to carry out such bridge project.

Conference substitute

The conference substitute is the same as the House amendment.

ROUTE WITHDRAWALS

Senate bill

No comparable provision.

House amendment

Section 117 of the House amendment amends section 103(e)(4) of title 23, United States Code, to permit a State, from which an Interstate route in an urbanized area is withdrawn, to receive an amount out of general funds of the Treasury equal to the Federal share of the cost of the removed route for use on non-highway public mass transportation projects in such urbanized area involving the construction of rail facilities or the purchase of passenger equipment for any mode of public mass transportation. Funding available for transfer is limited to the cost of the withdrawn route as reflected in the 1972 Interstate Cost Estimate. In addition, section 103(e)(2) is amended to permit Interstate funds to be transferred from a withdrawn route to a substitute route, also limited to the dollar amounts in the 1972 cost estimate.

Conference substitute

The conference substitute is the same as the House amendment.

SCHOOL BUS DRIVER TRAINING

Senate bill

No comparable provision.

House amendment

Section 118 of the House amendment authorizes $7,500,000 out of the Highway Trust Fund for fiscal 1976 for the purpose of carrying out State programs for driver education and training for persons driving school buses.

Conference substitute

The conference substitute is revised to provide that no less than the authorized funds shall be derived from funds apportioned pursuant to section 402 of title 23, United States Code.

JIM WRIGHT,
JOHN C. KLUCZYNSKI,
HAROLD T. JOHNSON,
W. HARSHA,
J. C. CLEVELAND,
Managers on the Part of the House.
JENNINGS RANDOLPH,
MIKE GRAVEL,
QUENTIN BURDICK,
HOWARD BAKER,
BOB T. STAFFORD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 16596

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment:

CONFERENCE REPORT

(H. REPT. No. 93–1621)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Emergency Jobs and Unemployment Assistance Act of 1974".

TITLE I—PUBLIC SERVICE EMPLOYMENT

EMERGENCY JOB PROGRAMS AUTHORIZED

SEC. 101. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VI, and all references thereto, as title VII, by redesignating sections 601 through 615, and all references thereto, as sections 701 through 715, respectively, and by inserting after title V the following new title:

"TITLE VI—EMERGENCY JOB PROGRAMS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 601. There are authorized to be appropriated $2,500,000 for fiscal year 1975 for carrying out the provisions of this title. Any amounts so appropriated for such fiscal year which are not obligated prior to the end of such fiscal year shall remain available for obligation until December 31, 1975.

"FINANCIAL ASSISTANCE

"SEC. 602. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purposes of providing transitional employment for unemployed and underemployed persons in jobs providing needed public services, and training and manpower services related to such employment, which are otherwise unavailable, and enabling such persons to move into employment not supported under this Act.

"(b) Not less than 99 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title.

"(c) The provisions of section 204(d) and sections 205 through 211 shall apply to financial assistance under this title.

"(d) In filling public service jobs with financial assistance under this title, eligible applicants shall give preferred consideration to the maximum extent feasible and consistent with other provisions of this Act, to unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work experience), and to unemployed persons who have been unemployed for fifteen or more weeks.

"(e) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under title I and Indian tribes on Federal or State reservations.

"ALLOTMENT OF FUNDS

"SEC. 603. (a)(1) Not less than 90 per centum of the amounts appropriated under section 601 for any fiscal year shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

"(2)(A) Fifty per centum of the amount allotted under this subsection shall be allotted among eligible applicants in proportion to the relative number of unemployed persons who reside in areas within the jurisdiction of each such applicant as compared to the number of unemployed persons who reside in all such areas in all the States.

"(B) Twenty-five per centum of the amount allotted under this subsection shall be allotted among eligible applicants in accordance with the number of unemployed persons residing in areas of substantial unemployment (as defined in section 204(c)) within the jurisdiction of the applicant compared to the number of unemployed persons residing in all such areas.

"(C) Twenty-five per centum of the amount allotted under this subsection shall be allotted among eligible applicants on the basis of the relative excess number of unemployed persons who reside within the jurisdiction of the applicant as compared to the total excess number of unemployed persons who reside within the jurisdiction of all eligible applicants. For purposes of this subparagraph, the term 'excess number' means (i) the number which represents unemployed persons in excess of 4½ per centum of the labor force in the jurisdiction of the applicant in whose jurisdiction such persons reside or (ii), in the case of an applicant which is a State, the term 'excess number' means such number as defined in clause (i) or the number which represents unemployed persons in excess of 4½ per centum of the labor force in areas eligible for assistance under title II located in the geographical areas served by such State prime sponsor under title I or II, whichever is greater.

"(b) The remainder of the amount appropriated under section 601 shall be available to the Secretary for financial assistance under section 602 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment.

"(c) For purposes of determining allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4).

"SPECIAL PROVISION FOR AREAS OF EXCESSIVELY HIGH UNEMPLOYMENT AND TO EXPAND JOB OPPORTUNITIES

"SEC. 604. (a) Funds allocated from appropriations for carrying out this title to any eligible applicant, which certifies to the Secretary that the application of the provisions of this section is necessary in order to provide sufficient job opportunities in the area served by such eligible applicant, may be used for making payments to public employers to expand the provision of job opportunities of the type described in paragraphs (3), (4), (5), and (6) of section 304(a) of this Act.

"(b) In accordance with the provisions of subsection (c), and notwithstanding the provisions of sections 602(a) and 602(b), funds alloted under section 603 to eligible applicants may be used for—

"(1) public service employment programs without regard to the provisions of sections 205(b), 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(6).

"(2) providing employment for persons who have been unemployed for at least 15 days without regards to the provision of section 205(a) relating to 30 days of unemployment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c)(8).

"(3) payment of wages (at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5)), for unemployed and underemployed persons as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration, or improvement of water and waste disposal facilities in communities having populations of 10,000 individuals or less which are outside the boundaries of a Standard Metropolitan Statistical Area (as defined by the Bureau of the Census).

"(c) The provisions of subsection (b) shall apply to any area having an unemployment rate in excess of 7 per centum, and to any area, without regard to the rate of unemployment of such area, if such area is served by a prime sponsor which qualifies under section 102(a)(4) or section 102(a)(5) or is in an area which is eligible for assistance under title II and which is served by a State prime sponsor, and if the prime sponsor for such area certifies to the Secretary that the application of such provisions is necessary in order to provide sufficient job opportunity and gives public notice of such certification.

"EXPENDITURES OF FUNDS

"SEC. 605. Funds obligated for the purposes of providing public service employment under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from the commencement of any such project or activity.

"REALLOCATION OF FUNDS

"SEC. 606. The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

PLACEMENT GOALS

SEC. 103. Section 211 of the Comprehensive Employment and Training Act of 1973 is amended by striking out "provision" in the title and inserting in lieu thereof "provisions", by inserting "(a)" immediately before the first sentence, and by adding at the end thereof the following new subsection:

"(b) No officer or employee of the Department of Labor shall, by regulation or otherwise, impose on any eligible applicant, as a condition for the receipt of financial assistance under this title, any requirement that any eligible applicant must place in other jobs a specific number or proportion of public service jobholders supported under this title. The Secretary may establish placement goals for eligible applicants, except that such goals must be identified as goals, not requirements, and any form or other document developed pursuant to such regulations shall give written notice to that effect. Any eligible applicant shall have the right, clearly stated in such regulations, to request a waiver of such goals if, in his judgment, such goals are not feasible. Such waiver, a request for which may be submitted at any time, may be granted by the Secretary where, in his judgment, local conditions warrant it. Wherever such a waiver has been granted, failure to meet placement goals shall not be cited in any official review or evaluation of that eligible applicant's programs."

VETERANS' EMPLOYMENT PROVISIONS

SEC. 104. (a) The Director of the Veterans' Employment Service, Department of Labor, established by section 2002 of title 38, United States Code, together with the Secretary and Under Secretary of Labor and such Assistant Secretaries of Labor as the Secretary may designate, shall be responsible for formulating and monitoring the implementation of all departmental policies and programs as they affect veterans, especially those relating to unemployment, job training, employment, and placement under any provision of law.

(b) The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare, shall provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Departments of Labor and Health, Education, and Welfare and the Veterans' Administration in order to (A) exercise maximum efforts to produce jobs and job training opportunities for individuals who served in the Armed Forces and were discharged within 4 years before the date of their application for such jobs or job training and inform all eligible veterans about employment, job training, on-the-job training, and educational opportunities, under the Comprehensive Employment and

Training Act of 1973, as amended by this Act, as provided for under title 38, United States Code, and under any other provision of law, and (B) inform all eligible applicants under the Comprehensive Employment and Training Act of 1973, Federal contractors and subcontractors, all Federal departments and agencies, educational institutions, labor unions, and other employers, of their responsibilities under this subsection and under all such laws, and (C) provide the entities described in clause (B) of this subsection technical assistance in carrying out those responsibilities. The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare shall report to the appropriate committees of the Congress not later than 90 days after the date of enactment of this Act on the steps taken and regulations issued to carry out the provisions of this section and of section 205 (c) (5) of the Comprehensive Employment and Training Act of 1973.

SPECIAL REPORT

SEC. 105. Section 209 of such Act is amended by striking out "Sec. 209." and inserting in lieu thereof "Sec. 209. (a)". and by adding at the end of such section the following new subsection:

"(b) In compiling the data which the Secretary is required to report to the Congress under section 208(e), the Secretary shall obtain and compile information on practices and procedures implemented by prime sponsors affecting average annual wage rates paid to public service job holders and public service job opportunities described under this title. The Secretary is authorized to make general recommendations to prime sponsors, on a regional and area basis, as he may deem appropriate, consistent with section 208(a)(3) (relating to the maximum annual wage rate per public service job holder), taking into account average wages in the various areas served and the cost of living in such areas, with the aim of maintaining the number of jobs on a nationwide average in federally supported wage rates equivalent to $7,800 per public service job holder."

TECHNICAL AMENDMENTS

SEC. 106. (a) Section 201 of the Comprehensive Employment and Training Act of 1973 is amended by striking out the words "of substantial unemployment" and inserting in lieu thereof "qualifying for assistance".

(b) Section 202(a) of such Act is amended by inserting before the words "under this title" the following: "for use in areas of substantial unemployment".

(c) Section 204(a)(2) of such Act is amended by striking out "and which include areas of substantial unemployment".

(d)(1) Section 204(d)(1) of such Act is amended by striking out the words "of substantial unemployment" each place they appear and inserting "qualifying for assistance".

(2) Section 204(d)(3) of such Act is amended by striking out "of substantial unemployment" and inserting in lieu thereof "qualifying for assistance".

(e) Section 205(a) of such Act is amended by striking out "of substantial unemployment" and inserting in lieu thereof "qualifying for assistance".

(f) Section 205(c)(3) of such Act is amended by striking out "areas of substantial unemployment" and inserting in lieu thereof "area qualifying for assistance".

(g) Section 210 of such Act is amended by striking out "for residents of the areas of substantial unemployment designated under this title" and inserting in lieu thereof the following: "for residents of the area qualifying for such assistance".

MISCELLANEOUS PROVISIONS

SEC. 107. (a) Section 701(a)(7) of such Act (as redesignated by section 101 of this Act) is amended by inserting after "education." the following: "child care.".

(b) Section 701(a)(7) of such Act (as redesignated by section 101 of this Act) is further amended by inserting after "work" the following: ", including part-time work for individuals who are unable, because of age, handicap, or other factors, to work full time,".

(c) Section 701(a) of such Act (as redesignated by section 101 of this Act) is amended by inserting after paragraph (13) the following new paragraph:

"(14) 'veterans outreach' means the veterans outreach services program carried out under subchapter IV of chapter 3 of title 38, United States Code, with full utilization of veterans receiving educational assistance or vocational rehabilitation under chapter 31 or 34 of such title 38."

(d) Section 703(1) of such Act (as redesignated by section 101 of this Act) is amended by inserting after "sex," the following: "age.".

NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

SEC. 108. Section 104(a) of the Vocational Education Act of 1963 (as amended) is amended by adding at the end thereof a new paragraph as follows:

"(6) The National Council may accept gifts or grants and may accept transfer of funds from other departments or agencies.".

TITLE II—SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

STATEMENT OF PURPOSE

SEC. 201. It is the purpose of this title to establish a temporary Federal program of special unemployment assistance for workers who are unemployed during a period of aggravated unemployment and who are not otherwise eligible for unemployment allowances under any other law.

GRANTS TO STATES: AGREEMENT WITH STATES

SEC. 202. Each State which enters into an agreement with the Secretary of Labor, pursuant to which it makes payments of special unemployment assistance in accordance with the provisions of this title and the rules and regulations prescribed by the Secretary of Labor hereunder, shall be paid by the United States from time to time, prior to audit or settlement by the General Accounting Office, such amounts as are deemed necessary by the Secretary of Labor to carry out the provisions of this title in the State. Assistance may be paid under this title to individuals only pursuant to such an agreement.

ELIGIBLE INDIVIDUALS

SEC. 203. An individual shall be eligible to receive a payment of assistance or waiting period credit with respect to a week of unemployment occurring during and subsequent to a special unemployment assistance period in accordance with the provisions of this title if—

(1) the individual is not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada and is not eligible for assistance or an allowance payable with respect to such week of unemployment under such laws as the Public Works and Economic Development Act Amendments of 1974, the Disaster Relief Act of 1974, the Trade Expansion Act of 1962, as amended, or any successor legislation or similar legislation, as determined by the Secretary: Provided, That the individual meets the qualifying employment and wage requirements of the applicable State unemployment compensation law in a base year which, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets such qualifying employment and wage requirements; and for the purpose of this proviso employment and wages which are not covered by the State law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.), shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages; and

(2) the individual is totally or partially unemployed, and is able to work, available for work, and seeking work, within the meaning of, or as required by, the applicable State unemployment compensation law, and is not subject to disqualification under that law; and

(3) the individual has filed a claim for assistance or waiting period credit under this title; and

(4) in the area in which the individual was last employed for at least five work days prior to filing a claim under this title for assistance or waiting period credit with respect to such week of unemployment, a special unemployment assistance period is in effect with respect to such week of unemployment: *Provided*, That if the individual, except for the imposition of a disqualification in accordance with subsection (b), was otherwise eligible for a payment of assistance or waiting period credit under this title with respect to a week of unemployment which began during a special unemployment assistance period, but did not exhaust entitlement to assistance during such period, entitlement shall continue after the end of the period but no assistance shall be paid under this title for any week of unemployment that begins more than twenty-six weeks after the end of such period; and

(5) the State in which the individual was last employed for at least five work days prior to filing a claim under this title for assistance or waiting period credit with respect to such week of unemployment, has an agreement with the Secretary of Labor under section 202 which is in effect with respect to such week of unemployment.

SPECIAL UNEMPLOYMENT ASSISTANCE PERIOD

SEC. 204. (a) A special unemployment assistance period shall commence in an area designated by the Secretary with the third week after the first week for which the Secretary determines that there is an "on" indicator for such area, and shall terminate with the third week after the first week for which the Secretary determines that there is an "off" indicator for such area except that no special unemployment assistance period shall have a duration of less than thirteen weeks.

(b) The Secretary shall designate as an area under this section areas served by an entity which is eligible to be a prime sponsor under section 102(a) of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203).

(c) There is an "on" indicator in an area for a week if for the most recent three consecutive calendar months for which data are available the Secretary determines that—

(1) the rate (seasonally adjusted) of national unemployment averaged 6 per centum or more; or

(2) the rate of unemployment in the area averaged 6.5 per centum or more.

(d) There is an "off" indicator for a week, if for the most recent three consecutive calendar months for which data are available the Secretary determines that both subsections (c)(1) and (c)(2) are not satisfied.

WEEKLY BENEFIT AMOUNT

SEC. 205. (a) The amount of assistance under this title to which an eligible individual shall be entitled for a week of unemployment shall be the weekly benefit amount for a week of unemployment that would be payable to the individual as regular compensation as computed under the provisions of the applicable State unemployment compensation law: *Provided*, That in computing the weekly benefit amount under this subsection the individual's base year, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets the qualifying employment and wage requirements of subsection (a) of section 203; and for the purpose of this proviso employment and wages which are not covered by the applicable State unemployment compensation law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.), shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages.

(b) Notwithstanding any provisions of State law, claims for assistance under this title may be determined, where an employment record is not available, on the basis of an affidavit submitted by an applicant. If an applicant knowingly provides false information in such affidavit, he shall be ineligible for any assistance under this title and shall, in addition, be subject to prosecution under section 1001 of title 18, United States Code.

MAXIMUM BENEFIT AMOUNT

SEC. 206. The maximum amount of assistance under this title which an eligible individual shall be entitled to receive shall be the maximum amount of regular compensation that would be payable to such individual as computed under the provisions of the applicable State unemployment compensation law, but not exceeding twenty-six times the weekly benefit amount payable to the individual for a week of total unemployment as determined under subsection (a) of section 205: *Provided*, That for the purposes of this subsection the individual's base year, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets the qualifying employment and wage requirements of section 203(a); and for the purpose of this proviso employment and wages which are not covered by the State law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.) shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages.

APPLICABLE STATE LAW PROVISIONS

SEC. 207. Except where inconsistent with the provisions of this title, the terms and conditions of the applicable State unemployment compensation law which apply to claims thereunder for regular compensation and the payment thereof shall apply to claims for assistance under this title and the payment thereof.

TERMINATION DATE

SEC. 208. Notwithstanding any other provisions of this title, no payment of assistance under this title shall be made to any individual with respect to any week of unemployment ending after March 31, 1976; and no individual shall be entitled to any compensation with respect to any initial claim for assistance or waiting period credit made after December 31, 1975.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There are hereby authorized to be appropriated for purposes of this title such sums as may be necessary.

DEFINITIONS

SEC. 210. (a) As used in the title, the term—

(1) "Secretary" means the Secretary of Labor;

(2) "State" means the States of the United States, the District of Columbia, Puerto Rico, and the Virgin Islands;

(3) "applicable State unemployment compensation law" means the law of the State in which the individual was last employed for at least five work days prior to filing a claim for assistance or waiting period credit under this title;

(4) "week" means a calendar week.

(b) Assistance under this title shall not be considered to be regular compensation for purposes of qualifying for benefits under the Federal-State Extended Unemployment Compensation Act of 1970, and claims filed under this title shall not be treated as claims for weeks of unemployment for purposes of determining the rate of insured unemployment under section 203(f)(1) of such Act.

TITLE III—JOB OPPORTUNITIES PROGRAM

SEC. 301. The Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new title:

"TITLE X—JOB OPPORTUNITIES PROGRAM

"STATEMENT OF PURPOSE

"SEC. 1001. It is the purpose of this title to provide emergency financial assistance to stimulate, maintain or expand job creating activities in areas, both urban and rural, which are suffering from unusually high levels of unemployment.

"DEFINITIONS

"SEC. 1002. For the purpose of this title—

"(1) the term 'eligible area' means—

"(A) any area, which the Secretary of Labor designates as an area which has a rate of unemployment, equal to or in excess of 6.5 percentum for three consecutive months,

"(B) any area designated pursuant to section 204(c) of the Comprehensive and Training Act of 1973, and

"(C) any area which is designated by the Secretary of Commerce pursuant to section 401 of the Public Works and Economic Development Act of 1965 as a redevelopment area.

"PROGRAM AUTHORIZED

"SEC. 1003. (a) To carry out the purposes of this title, the Secretary of Commerce, in accordance with the provisions of this title, is authorized from funds appropriated and made available under section 1007 of this title to provide financial assistance to programs and projects identified through the review process described in section 1004 to expand or accelerate the job creating impact of such programs or projects for unemployed persons in eligible areas. Programs and projects for which funds are made available under this title shall not be approved until the officials of the appropriate units of general government in the affected area have an adequate opportunity to comment on the specific proposal.

"(b) Whenever funds are made available by the Secretary of Commerce under this title for any program or project, the head of the department, agency, or instrumentality of the Federal Government administering the law authorizing such assistance shall, except as otherwise provided in this subsection, administer the law authorizing such assistance in accordance with all applicable provisions of that law, except provisions relating to—

"(1) requiring allocation of funds among the States,

"(2) limits upon the total amount of such grants for any period; and

"(3) the Federal contribution to any State or local government, whenever the President or head of such department, agency, or instrumentality of the Federal Government determines that any non-Federal contribution cannot reasonably be obtained by the State or local government concerned.

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to initiate programs in eligible areas.

"(d) In allocating funds under this title, the Secretary of Commerce shall give priority consideration to—

"(1) the severity of unemployment in the area; and

"(2) the appropriateness of the proposed activity in relating to the number and needs of unemployed persons in eligible areas.

"(e) Notwithstanding any other provision of this title, funds allocated by the Secretary of Commerce shall be available only for programs or projects which the Secretary of Commerce and the Secretary of Labor jointly determine are programs or projects—

"(1) which will contribute significantly to the reduction of unemployment in the eligible area;

"(2) which can be initiated or strengthened promptly;

"(3) a substantial portion of which can be completed within 12 months after such allocation is made;

"(4) which are not inconsistent with locally approved comprehensive plans for the jurisdiction affected, whenever such plans exist; and

"(5) which will be approved giving first priority to programs and projects which are most labor intensive.

"PROGRAM REVIEW

"SEC. 1004. Within 45 days after the date of enactment of the Emergency Jobs and Unemployment Assistance Act of 1974, each department, agency or instrumentality of the Federal government, and each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans and program including State, substate and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in calendar year 1975 and additional programs and projects for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce and the Secretary of Labor recommendations for programs and projects which have the potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within 30 days of the receipt of such recommendations the Secretary of Commerce and the Secretary of Labor shall jointly review such recommendations, and the Secretary of Commerce shall after consultation with such department, agency, instrumentality, and regional commissions, make allocations of funds in accordance with section 1003(e) of this title.

"LIMITATIONS ON USE OF FUNDS

"SEC. 1005. Fifty per centum of the funds appropriated pursuant to section 1007 of this title shall be available only for programs and projects in which not more than 25 percent of such funds will be expended for necessary non-labor costs.

"RULES AND REGULATIONS

"SEC. 1006. The Secretary of Commerce shall prescribe such rules, regulations, and procedures to carry out the provisions of this title as will assure that adequate consideration is given to the relative needs of applicants for assistance in rural eligible areas and the relative needs of applicants for assistance in urban eligible areas and to any equitable distribution of funds authorized under this title between rural and urban eligible applicants.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1007. There are authorized to be appropriated $500,000,000 for the fiscal year 1975 to carry out the provisions of this title, except that no further obligation of funds appropriated under this section may be made subsequent to a determination that the national average rate of unemployment has receded below 6.5 per centum for three consecutive calendar months as determined by the Secretary of Labor. Any amounts so appropriated for such fiscal year which are not obligated prior to the end of such fiscal year shall remain available for obligation until December 31, 1975.

"TERMINATION DATE

"SEC. 1008. Notwithstanding any other provision of this title, no further obligation of funds appropriated under this title shall be made by the Secretary of Commerce after December 31, 1975."

SEC. 302. Section 712 of the Public Works and Economic Development Act of 1965 is amended by striking "or 403" and inserting in lieu thereof "403903, and 1003".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: "An Act to provide assistance for unemployed persons."

An the Senate agree to the same.

CARL D. PERKINS,
DOMINICK V. DANIELS,
JOSEPH M. GAYDOS,
LLOYD MEEDS,
ALBERT H. QUIE,
MARVIN L. ESCH,
WILLIAM A. STEIGER,
Managers on the Part of the House.

GAYLORD NELSON,
HARRISON A. WILLIAMS,
JENNINGS RANDOLPH,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
ALAN CRANSTON,
HAROLD E. HUGHES,
WILLIAM D. HATHAWAY,
PETER H. DOMINICK,
RICHARD S. SCHWEIKER,
ROBERT TAFT, Jr.,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The House bill may be cited as "The Emergency Jobs and Unemployment Assistance Act of 1974".

The Senate amendment is cited as the "Special Employment Assistance Act of 1974".

The Senate recedes.

TITLE I—PUBLIC SERVICE EMPLOYMENT

New title of Comprehensive Unemployment and Training Act of 1973

The House bill adds a new title VI to CETA.

The Senate amendment amends title II.

The Senate recedes.

Appropriations for emergency job program

The House bill authorizes the appropriation of $2 billion for fiscal year 1975 for the new title VI.

The Senate amendment authorizes the appropriation of $4 billion for fiscal year 1975 for the revised title II.

The conference agreement authorizes the appropriation of $2.5 billion for the new title VI.

The conferees wish to make plain that the new authorization for title VI in no way affects the open-ended authorizations for the Comprehensive Employment and Training Act, which may be utilized for fundnig public service jobs under that Act. Further, the provisions of title VI which are specially designed for the current unemployment emergency do not affect the program carried out under title II.

Availability of appropriations for obligation

The Senate amendment provides that fiscal year 1975 appropriations for title II shall remain available for obligation until December 31, 1975.

The House bill has no comparable provision but under section 4(b) of CETA, funds appropriated for any fiscal year shall remain available for obligation through the succeeding fiscal year.

The House recedes.

Applicability of title II of the Comprehensive Employment and Training Act of 1973

The House bill applies all relevant provisions of title II to the new title except the provisions relating to use of funds for title I purposes.

The Senate amendment makes applicable to the new title relevant provisions of title II.

The House recedes.

Preferred Consideration in Employment

The House bill gives preference in employment to unemployed persons who (a) have exhausted unemployment insurance benefits; (b) are not eligible for such benefits; or (c) have been unemployed for fifteen weeks or more.

The Senate amendment provides special consideration for persons who have been unemployed for fifteen weeks or more.

The conference agreement provides for "preferred consideration" to the maximum extent feasible consistent with the provisions of the Act and excludes new entrants to the labor force from the preferred consideration given to unemployed persons who are not eligible for unemployment insurance benefits.

Discretionary funds

The House bill applies a distribution formula to 90% of the funds appropriated under the Act, and provides that the remaining 10 percent of such funds may be distributed at the Secretary's discretion, taking into account changes in the rates of unemployment.

The Senate amendment contains a formula which applies to 100 percent of the funds appropriated for the new part of title II. There are no discretionary funds under the Senate amendment.

The Senate recedes.

Allotment of funds

The House bill provides that 50% of the funds subject to the allotment formula shall be distributed in the ratio that the number of unemployed persons in an eligible applicant's area bears to the total number of unemployed persons in the areas of all eligible applicants. The other 50% are distributed in the ratio that the number of unemployed persons in excess of 4½% of the labor force in the area of one applicant bears to the total of such excess unemployed in the areas of all applicants.

The Senate amendment provides that 75% of the funds subject to the allotment formula shall be distributed in the ratio that the number of unemployed in the area of an eligible applicant bears to those in the areas of all eligible applicants. The other 25% are distributed solely to areas previously qualifying under title II (areas, which may be smaller than a prime sponsor area, with an unemployment rate of 6.5% or more for three consecutive months).

The conference agreement provides that of the funds subject to the allotment formula: 50 percent shall be distributed in the ratio that the number of unemployed persons in an eligible applicant's area bears to the total number of unemployed persons in the areas of all eligible applicants; 25 percent shall be distributed in the ratio that the number of unemployed persons in excess of 4½ percent of the labor force in the area of the applicant bears to the total of such excess unemployed in the areas of all applicants; and the other 25 percent shall be distributed to areas qualifying under title II in the ratio that the number of unemployed in the area bears to the total of unemployed in all such areas. The use of unemployment in title II areas as a significant component of the distribution formula will ncessitate a new designation of these areas based on the most recent data available. While the conferees expect that such designations be updated for the purpose of distributing funds under the new title, the conferees insist that the distribution of funds already appropriated not be delayed until such designations are made.

Special provisions to expand job opportunities

The House bill has special provisions relating to prime sponsors with unemployment rates in excess of 7%, title II areas served by State prime sponsors, prime sponsors designated because of their exceptional circumstances, and rural CEPs. The Senate amendment has special provisions applicable to all funds allocated under the new part of title II.

The House bill's special provisions: (1) waive various "transitional" provisions under title II; (2) authorize employment after seven rather than thirty days of unemployment; (3) authorize work experience programs in the public sector; (4) authorize payment of wages for publicly-operated capital improvement programs and, for communities with a population of under 10,000 (outside SMSAs), wage payments on construction and improvement of water and waste disposal facilities. The Senate amendment's special provisions authorize the use of funds for making payments to public employers for all the youth programs and other special programs, including publicly operated Mainstream programs, authorized under Section 304(a) of CETA.

The conference agreement includes the provisions of both the House bill and the Senate amendment but with the following modifications:

(1) The Senate amendment's special provisions authorizing payments to public employers for all the programs authorized under section 304(a) is limited to those authorized by paragraphs (3) through (6) of that section. While the conferees deleted the specific reference to paragraphs (a)(1) and (2) (relating to the Neighborhood Youth Corps in-school and out-of-school programs) and paragraph (7) (relating to OIC, Jobs for Progress (SER), Operation Mainstream and other "community based organizations") of section 304, it must be emphasized that they recognize the importance of such efforts and further emphasized that such efforts may be funded through other provisions of the Comprehensive Employment and Training Act of 1973, as amended by this Act.

(2) The waiver provisions of the House bill applicable under the conference agreement are made applicable only where the prime sponsor certifies that such waiver is necessary in order to provide sufficient job opportunities and gives public notice of that certification.

(3) Employment is authorized after 15 days of unemployment if the prime sponsor certifies that such hiring is in compliance with section 205(c)(8).

(4) Capital improvement projects are limited to those which would not otherwise be carried out.

In providing a waiver of the 30-day waiting period the conferees want to emphasize that this provision in no way sanctions the substitution of Federal for State and local funds, and that the prohibition in the Act against so-called "paper lay-offs" are still in full force and effect. The purpose of the reduction in the waiting period is only to mitigate the potential hardship on unemployed persons. The strong feeling of the Conferees in opposition to "paper lay-offs" should in no way be construed to mean opposition to the rehiring of laid off workers per se. The rehiring of former employees who lost their jobs due to a bona fide lay-off has always been permitted and is permitted here. The Conferees also wish to point out that many laid off government employees will be in a preferred category for employment under this Act by reason of their ineligibility for unemployment insurance benefits. It should be further noted that the provisions of section 205(c)(7) prohibiting the hiring of any person when any other person is on lay-off from the same or any substantially equivalent job still apply. In limiting payment of wages on capital improvement projects to those which would not otherwise be carried out, the conferees want to assure that public employees hired under this title will be paid in accordance with the applicable provisions of the Davis Bacon Act, and that such employees will not be used to perform work that would otherwise have been contracted out to private employers. In this connection, the Conferees expect the Secretary to take special care that the provisions of section 208(a)(1) are complied with.

Placement goals

The House bill specifies that the Secretary may establish placement goals, but not placement requirements, and requires any document containing such goals to give written notice. Applicants may request waiver of performance where the goals are not feasible. The Senate amendment is similar in substance but does not provide for a waiver of performance for placement goals.

The Senate recedes with an amendment providing for the waiver of goals rather than a waiver of performance.

Expenditure of funds

The Senate amendment provides that title II funds may be utilized for projects or activities extending for a 12-month period from their commencement. The House bill contains no comparable provision but Section 4(b) of CETA states that funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.

The House recedes with an amendment making this provision applicable only to funds appropriated under the new title VI.

Reallocation of funds

The Senate amendment authorizes the Secretary to reallocate the Title II funds if he determines that the applicant cannot use them within a reasonable period.

The House bill has no comparable provision.

(Existing law provides for reallocation of Title I funds, but not of Title II funds.)

The House recedes with an amendment making this provision applicable only to funds appropriated under the new title VI.

Special report

The Senate amendment provides for the Secretary to obtain information on prime sponsor practices affecting average annual wage rate paid to public service employees and to make recommendations with the aim of maintaining a nation-wide average wage of $7,500.

The House bill has no comparable provision.

The House recedes with an amendment removing the Secretary's authority to set goals and raising the average wage to $7800. The conferees agreed that the Secretary's authority in this section is advisory only, that his recommendations may not impose any requirements, and that the right of an eligible applicant under section 208(a)(3) to pay persons at a rate of up to $10,000 per year from funds under this Act is not impaired.

Provision relating to substantial unemployment under title II of the Comprehensive Employment and Training Act of 1973

The Senate amendment modifies the requirement of existing law that only persons residing in areas of substantial unemployment be hired, by adding the qualification "to the extent feasible." The House bill has no comparable provision.

The Senate recedes.

Inclusion of child care as a public service

The Senate amendment includes "licensed child care" in the definition of "public service". The House bill has no comparable provision.

Both the House bill and the Senate amendment would permit the outstationing of public service employees to private non-profit organizations providing public services. These organizations would not be employing agencies, except in the sense that the daily management of public personnel assigned to them would be in their hands.

The House recedes with an amendment deleting the word "licensed". The conferees intend that only child care which meets recognized standards, such as the Federal Interagency Day Care standards, is included in the definition and that the word "licensed" was struck solely because licensure is generally applicable to private rather than public facilities.

Part-time work for certain workers included in definition of public service

The Senate amendment adds to the definition of "public service" in section 601 of the Comprehensive Employment and Training Act of 1973, part time work for those who are handicapped or older, and who are unable, because of such age or handicap, or in the case of certain categories of workers, such as G.I. Bill trainees, because of their status, to engage in full time work. The House bill contains no comparable provision.

The House recedes.

Provision relating to age discrimination

The Senate amendment includes in the conditions for receipt of financial assistance applicable to all programs under CETA a requirement that each grant, contract, or agreement specify that no program will discriminate with respect to any program participant or applicant because of age.

The House recedes. The application of the age discrimination requirements are not intended to preclude age classifications in the operation of programs such as Job Corps or Operation Mainstream in which age limitations have been traditionally applied.

Authorizations for title III of the Comprehensive Employment and Training Act of 1973

The Senate amendment authorizes the appropriation of such sums as may be necessary for title III of CETA.

The House bill contains no comparable provision.

The Senate recedes.

Veterans employment, outreach, and public information programs

The Senate amendment provides for an affirmative action program, to be carried out by CETA prime sponsors, to employ Vietnam-era veterans (those discharged with other than dishonorable discharges since August 4, 1964) and veterans with service-connected disabilities.

The House bill contains no comparable provision.

The Senate amendment upgrades the Director of the Veterans Employment Service and provides for cooperation between the Secretary of Labor, the Administrator of the VA, and the Secretary of HEW to carry out a veterans outreach and public information program.

The House bill has no comparable provision.

The conference agreement (1) provides that the Director of the Veterans' Employment Service, together with the Secretary of Labor, the Under Secretary, and the appropriate Assistant Secretaries, shall be responsible for formulating and monitoring the implementation of Labor Department policies and programs as they affect veterans, (2) provides for maximum efforts to produce job and job-training opportunities for veterans discharged within four years after * * * Labor, the VA Administrator, and the Secretary of HEW, with a report to Congress within 90 days on activities undertaken to carry out this provision and section 205(c)(5) of the Comprehensive Employment and Training Act of 1973.

Provision relating to the National Council for Vocational Education

The House bill authorizes the National Council for Vocational Education to accept gifts or grants and transfer of funds from other agencies. The Senate amendment has no comparable provision.

The Senate recedes.

* * * * *

The House bill specifies that wages which have been used as a basis for benefits under the Railroad Unemployment Insurance Act shall not be counted for purposes of entitlement under title II.

The Senate amendment applies to wages which have been counted for benefits under any Federal or State unemployment compensation law.

The House recedes.

The Senate amendment has a special provision extending the period during which benefits can be drawn by workers who were subject to a temporary disqualification.

The House bill has no comparable provision.

The House recedes.

The House bill uses areas which qualify for prime sponsorship under CETA.

The Senate amendment uses areas served by a prime sponsor on the date of enactment.

The Senate recedes.

The House bill provides that benefits shall be payable in an area if the national rate of unemployment is 6% or more and the local rate is 6.5% or more.

Under the Senate amendment benefits are payable either if the national rate is 6% or more or if the local rate is 6.5% or more.

The House recedes.

The Senate amendment provides that claims for assistance may be determined on the basis of affidavits which shall be subject to the false statement provision of the Federal Criminal Code.

The House bill has no comparable provision.

The House recedes with an amendment making clear that the affidavits shall be used only in cases where the claimant cannot obtain wage records from his employer. The purpose of this provision is to expedite the processing of claims for claimants for whom such employment records are not readily available.

TITLE III—JOB OPPORTUNITIES PROGRAM

Program authorized

Title III of the Senate amendment authorizes a one-year program to provide emergency financial assistance to stimulate, maintain, or expand job creating activities in areas of the country suffering from unusually high levels of unemployment. Funds under this title will be available to supplement programs identified through the review process in section 1004 so as to expand or accelerate their job creating impact.

In addition, these emergency funds will be available to initiate job creating activities in eligible areas when necessary to carry out the purposes of the title.

In allocating funds under this title, the Secretary of Commerce shall give priority consideration to the severity of unemployment in the area and the appropriateness of the proposed activity in relation to the number and needs of unemployed persons in eligible areas.

Funds shall be available only for programs and projects which the Secretary of Commerce determines (1) will contribute significantly to the reduction of unemployment in the eligible areas, (2) can be initiated or strengthened within a reasonable period of time, (3) a substantial portion of which can be completed within 12 months after such allocation is made and (4) are not inconsistent with locally approved comprehensive plans for the jurisdiction affected, whenever such plans exist.

The House bill has no comparable provision.

The House recedes with an amendment which (1) provides that the determinations under section 1003(e) are to be made jointly by the Secretary of Commerce and the Secretary of Labor, (2) adds to section 1003(e) a new criteria that first priority be given to those projects which are most labor intensive, and (3) substitutes the word "promptly" for "within a reasonable period of time" in section 1003(e)(2).

Program review

The Senate amendment provides that within 45 days of the effective date of this title, the Secretary of Commerce is directed, in consultation with other Federal agencies, to review and identify those Federal programs and projects which have the potential to stimulate job opportunities in areas of high unemployment.

The House bill has no comparable provision.

The House recedes with an amendment that the review be jointly carried out by the Secretary of Commerce and the Secretary of Labor in order to meet the requirements of section 1003(e).

Authorizations

The Senate amendment authorizes $1,000,000,000 for fiscal year 1975 to carry out the provisions of this title, except that no further obligations may be made when the national average rate of unemployment recedes below 6.5 per centum for three consecutive months.

The House has no comparable provision.

The House recedes with an amendment which (1) reduces the authorization to $50,000,000 and (2) requires that of one-half of the funds appropriated under the title, only 25 percent may be used for non-labor costs on any project or program.

Termination date

The Senate amendment provides that no further obligation of funds appropriated under this title be made by the Secretary of Commerce after December 31, 1975.

The House has no comparable provision.

The House recedes.

Areas eligible for assistance

The Senate amendment provides that for the purposes of this title an "eligible area" means areas designated (1) as areas of substantial unemployment, (2) under section 204(c) of the Comprehensive Employment and Training Act of 1973 and (3) the Public Works and Economic Development Act as a redevelopment area.

The House has no comparable provision.

The House recedes.

The conferees wish to emphasize that programs and projects assisted under this title are to be those which can be undertaken promptly and which will be effective in creating jobs for unemployed persons in eligible areas.

While funds under this title are available to supplement a wide range of Federal programs, the conferees wish to make clear their intent that funds available under this title may be used to jointly fund a CETA program authorized under title VI. Section 712 of the Public Works and Economic Development Act will apply to all such funding.

Joint funding under the Job Opportunities Program will be available for prime sponsors to undertake projects the non-labor costs of which exceed the 10 per centum limitation for other than wages and employment benefits required pursuant to secton 203(b) of the Comprehensive Employment and Training Act of 1973, as amended. Funds supplied under this provision may be used for necessary non-labor costs such as materials, supplies and equipment, if the overall project will provide a substantial number of jobs in an area of high unemployment. The conferees intend, however, that not more than 25% of the assistance provided under this title to such jointly funded projects be used for such non-labor costs.

Funds under this title are to be equitably distributed between rural and urban eligible applicants.

Carl D. Perkins,
Dominick V. Daniels,
Joseph M. Gaydos,
Lloyd Meeds,
Albert H. Quie,
Marvin L. Esch,
William A. Steiger,
Managers on the Part of the House.

Gaylord Nelson,
Harrison A. Williams,
Jennings Randolph,
Edward M. Kennedy,
Walter F. Mondale,
Alan Cranston,
Harold E. Hughes,
William D. Hathaway,
Peter H. Dominick,
Richard S. Schweiker,
Robert Taft, Jr.,
J. Glenn Beall, Jr.,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 17468

Mr. SIKES submitted the following conference report and statement on the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1617)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) "making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 6.

The committee of conference report in disagreement amendments numbered 1, 2, 3, and 4.

Robert L. F. Sikes,
Edward J. Patten,
Clarence D. Long,
David R. Obey
(excepting as to amendment No. 3),
Gunn McKay
(reserving on Andrews Air Force Base),
George Mahon,
Robert C. McEwen,
Glenn R. Davis,
Burt L. Talcott,
E. A. Cederberg,
Managers on the Part of the House.

William Proxmire,
John L. McClellan,
Joseph M. Montoya,
Ernest F. Hollings,
John O. Pastore,
Stuart Symington,
Howard W. Cannon,
Richard S. Schweiker,
Milton R. Young,
Charles McC. Mathias, Jr.,
John Tower,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1, military construction, Army: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $656,825,000 instead of $650,023,000 as proposed by the House and $655,976,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House:

Fort Bragg, North Carolina:	
Aircraft parking apron/aircraft maintenance hangars	+$2,355,000
Fort Stewart/Hunter Army Airfield, Georgia:	
Barracks modernization (Hunter AAF)	+7,750,000
Company administration and supply facilities (Hunter AAF)	+1,944,000

Sacramento Army Depot, California: Industrial plating shop	+2, 599, 000
Schofield Barracks Military Reservation, Hawaii: Barracks modernization	−3, 000, 000
Germany: Various:	
EM barracks with dining facility, Pruem	−2, 482, 000
EM barracks, Pruem (FY 74 deficiency)	−364, 000
Funding adjustment for prior years' deficiencies	−2, 000, 000

The conferees have restored $2,355,000 of the House reduction of $4,855,000 for aircraft parking apron/aircraft maintenance hangars at Fort Bragg, North Carolina. The conferees understand that facilities, including hangar space, are being made available to the Army by the Air Force at Pope Air Force Base, North Carolina. The use of some of the funds approved to provide necessary modifications to portions of these existing facilities is specifically approved.

Amendment No. 2, military construction, Navy: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $606,376,000 instead of $602,702,000 as proposed by the House and $626,760,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House:

Naval Underwater Systems Centers, Newport, Rhode Island:	
Weapons development center	+$4, 742, 000
Technical services shop	+2, 507, 000
Naval District, Washington, D.C.:	+5, 000, 000
Naval Air Station, Norfolk, Virginia: Operational flight trainer facility	+571, 000
Naval Air Station, North Island, California:	
Aircraft parking apron	+1, 039, 000
Aircraft maintenance hangar	+6, 195, 000
Naval Regional Medical Center, San Diego, California: Dental clinic and school	+9, 650, 000
Naval Station, Keflavik, Iceland:	
Runway navigational aids	+473, 000
Entrance to airport terminal	+1, 844, 000
Naval Station, Norfolk, Virgina:	
Bachelor enlisted quarters	-3, 284, 000
Naval Air Station, Miramar, California: Hanger improvements (utilities)	−418, 000
Naval Regional Medical Center, San Diego, California: Land acquisition, Murphy Canyon (Naval Hospital)	-3, 843, 000
Naval Communications Facility, Diego Garcia, Indian Ocean	-14, 802 ,000
Funding adjustment for prior years' deficiencies	-6, 000, 000

In approving the amount of $36,300,000 for Naval District, Washington, D.C., the conferees recognize the priorities set in the House report and require that the Navy provide a full report on its plans in this regard to the Committees on Appropriations of the House of Representatives and the Senate for their approval.

The managers on the part of the House insist that further justification be made available by the Navy before any of these funds are spent for a combat information center or new planetarium at the Naval Academy, Annapolis, Maryland.

The conferees, mindful of the positions taken by the House and Senate Appropriations Committees during the appropriations process for the current fiscal year concerning the question of the transfer of naval activities from the Washington area, call on the Navy to present a comprehensive plan during next year's hearings on the military construction appropriations request indicating those missions which may be logical candidates for movement, taking into consideration economies and the overall efficiency of the naval service. This plan is expected to be material in scope.

The conferees have restored funding for two items deleted by the House at Naval Air Station, North Island, California, an aircraft parking apron for $1,039,000 and an aircraft maintenance hangar for $6,195,0400. The conferees take note of language contained in the House report with regard to hangar facilities requested at Naval Air Station, North Island, and Naval Station, Miramar, California, to support the realignments resulting from the closure of Naval Air Station, Imperial Beach, California. Accordingly, before constructing these facilities or the aircraft parking apron and maintenance hangar approved for Naval Air Station, North Island, the Navy must inform the Committee on Appropriations of the House of Representatives and the Senate of their long-range base utilization plans for naval air stations and for stationing of carrier aircraft on the west coast.

The most difficult question for the conferees to settle was the one regarding funds for the construction of facilities on the island of Diego Garcia.

After prolonged discussions and the consideration of various proposals and compromises, the conferees arrived at a solution satisfactory to conferees on both sides and one they believe will be acceptable to both Houses of Congress.

The conferees agreed to delete all funds specifically earmarked for the construction of facilities on Diego Garcia; however, that action was agreed upon with the clear understanding that if neither House adopts a resolution of disapproval, in accordance with the provisions of section 613 of the Military Construction Authoriation Act, 1975, for the construction of any facility requested for Diego Garcia, any construction funds available to the Navy and the Air Force in the appropriation act may be utilized by the Navy and Air Force to carry out the construction project. It is further agreed by the conferees that any funds applied to constuction on the island of Diego Garcia do not have to be reprogrammed. The same limitations and conditions shall apply with respect to the obligation of any funds in the appropriation act for the construction of facilities at Diego Garcia in the same manner and to the same extent as if funds had been specifically included in the act for such facilities.

The conferees have not approved appropriations in the amount of $1,300,000 for a new commissary store at the Naval Commissary Store, Newport, Rhode Island. Although funds were provided in the Senate bill, the conferees are in agreement that the policy of the Committees on Appropriations of the Senate and House of Representatives is not to provide appropriations for the construction of commissaries within the United States.

The conferees take note of legislation allowing the Navy and other services to increase the commissary surcharge in order to provide for the construction of commissary facilities. The conferees feel that the new commissary store at Newport should have first priority for Navy funds generated in this manner.

The conferees have approved an amount of $6,000,000 for funding adjustments of prior-year deficiencies. The conferees note that the Navy, in support of this item, indicated that additional funds were required for fiscal year 1973 pollution abatement items. After considering these items, the conferees feel that the amount requested by the Navy can be reduced.

Amendment No. 3, military construction, Air Force: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $456,439,000 instead of $456,801,000 as proposed by the House and $446,202,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House.

Andrews Air Force Base, Maryland: Special aircraft support facilities	+$6, 000, 000
Brooks Air Force Base, Texas: Human resources research facility	+3, 100, 000
Langley Air Force Base, Virginia: Aircraft corrosion control facility	+300, 000
Offutt Air Force Base, Nebraska: Intelligence operations facility/Addition to weather central facility	+500, 000
Robins Air Force Base, Georgia: Add to and alter depot avionics shop	+792, 000
Various Locations: Tactical operations range facilities	+1, 195, 000
Access roads	+3, 000, 000
Eglin Air Force Base, Florida:	
Assault strip	−1, 200, 000
Tactical airlift support facilities	−1, 480, 000
Hickam Air Force Base, Hawaii:	
Post office	−623, 000
Richards-Gebaur Air Force Base, Missouri: Aircraft flight control facility	−805, 000
Scott Air Force Base, Illinois:	
Land	−341, 000
Naval Communications Facility, Diego Garcia,, Indian Ocean	−3, 300, 000
Aircraft protective shelters (Europe)	−7, 500, 000

The conferees have agreed to restore $6,000,000 of the $8,770,000 deleted by the House for special aircraft support facilities at Andrews Air Force Base, Maryland. The conferees are in full agreement that the total amount of $19,500,000 thereby provided in this Act represents an absolute limitation upon the amounts which the Air Force may expend for construction in support of these special aircraft at Andrews.

The Air Force is prohibited from making future military construction requests at Andrews for this purpose. The Air Force is directed to present to the Committee on Appropriations of the Senate and House of Representatives its plans for providing suitable facilities within the amount appropriated prior to obligating any of the funds herein provided.

The conferees are in agreement that only the minimum hangar structure necessary to protect the aircraft from the elements should be provided, if necessary for reasons of safety. Furthermore, the conferees feel that a hangar structure, if constructed, should be of relocatable design if possible in order to reduce waste if this mission is required to be relocated from Andrews in future years. Therefore, the conferees require that before construction of such structure or its supporting facilities commence, the Secretary of Defense certify its necessity, and further that if it is not to be of relocatable construction, the Secretary of Defense certify the reasons therefor.

The House conferees insisted on their position with regard to the deletion of funds requested for an operational apron at Hickam Air Force Base, Hawaii, in view of the large amount of ongoing military construction and other construction in Hawaii this year. This action is taken without prejudice to future requests to improve facilities at Hickam Air Force Base.

The conferees have agreed to provide two of the three items deleted by the Senate at Scott Air Force Base, Illinois, the base supply facility for $2,110,000 and $3,000,000 for improvements to the runway. The conferees feel that the Air Force has failed to prove that a runway extension of the scope requested is necessary to accommodate the aircraft which are stationed at or which transit Scott Air Force Base. Accordingly, a project to acquire land and easements for the overrun of the runway extension, requested in the amount of $341,000, has been denied. The conferees acknowledge some modifications to the runway are necessary for safety reasons at Scott Air Force Base, and the Air Force is directed to restudy this problem and submit plans to correct it within the $3,000,000 provided for this purpose.

The conferees are anxious to avoid the costly problems of the earlier shelter program in Europe. Design of shelters should be completed in all respects before construction begins. The design of a new type of flush-mounted doors, as opposed to the older doors which were located under a portion of the shelter overhang, presents a technical problem that should be approached on an orderly basis. Doors should be carefully weapons tested concurrent with the first phase of this construction effort. The conferees will expect any changes indicated by the weapons test to be incorporated in the construction contract. Furthermore, the Committees on Appropriations of the House of Representatives and the Senate must be notified by the Air Force that the new U.S. design complies with NATO criteria before construction contracts are awarded. Furthermore, construction must be carried out using NATO procedures. This will enable the United States to claim recoupment of construction costs from NATO infrastructure funds. With these provisos the conferees are willing to support this additional increment of a program which they recognize is of vital importance.

Amendment No. 4, military construction, Defense Agencies. Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $31,260,000 instead of $30,640,000 as proposed by the House and $31,600,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following change to the amounts and line items as proposed by the House:

Defense Construction Supply Center, Columbus, Ohio: Road drainage improvements	+$620,000

Amendment No. 5, general provisions. The conferees agreed to delete language contained in the Senate amendment numbered 5. The conferees are in agreement that the objectives of this amendment are met by requiring the Army to make a full disclosure of its plans with regard to establishment of an armaments development center to the Committees on Armed Services and Appropriations of the Senate and House of Representatives in connection with any reprogramming request for funds, other than for planning and minor construction, for projects to establish such a center.

Amendment No. 6, general provisions. The conferees agreed to the language contained in section 111 of the House bill.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the Committee of Conference, with comparisons to the fiscal year 1974 total, the 1975 budget estimate total, and the House and Senate bills follows:

New budget (obligational authority, fiscal year 1974	$2,661,986,000
Budget estimates of new (obligational) authority, fiscal year 1975	3,383,000,000
House bill, fiscal year 1975	3,062,108,000
Senate bill, fiscal year 1975	3,082,480,000
Conference agreement	3,072,842,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1974	+$410,856,000
Budget estimates of new (obligational) authority, fiscal year 1975	−310,158,000
House bill, fiscal year 1975	+10,734,000
Senate bill, fiscal year 1975	−9,638,000

Robert L. F. Sikes,
Edward J. Patten,
Clarence D. Long,
David R. Obey
(excepting as to amendment No. 3),
Gunn McKay
(reserving on Andrews Air Force Base),
George Mahon,
Robert C. McEwen,
Glenn R. Davis,
Burt L. Talcott,
E. A. Cederberg,
Managers on the Part of the House.

William Proxmire,
John L. McClellan,
Joseph M. Montoya,
Ernest F. Hollings,
John O. Pastore,
Stuart Symington,
Howard W. Cannon,
Richard S. Schweiker,
Milton R. Young,
Charles McC. Mathias, Jr.,
John Tower,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Satterfield (at the request of Mr. Robert W. Daniel, Jr.), for today, on account of illness.

Mr. Corman (at the request of Mr. O'Neill), after 6 p.m., today, on account of official business.

Mr. Dellums (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Pepper (at the request of Mr. O'Neill), from 3 p.m. today until 3 p.m. on Wednesday, December 18, 1974, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Ms. Abzug, for 10 minutes, today, to revise and extend her remarks and include extraneous material.

(The following Members (at the request of Mr. Towell of Nevada) to revise and extend their remarks and include extraneous material:)

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Hansen of Idaho, for 10 minutes, today.

Mr. Anderson of Illinois, for 30 minutes today.

Mr. Don H. Clausen, for 15 minutes, today.

Mr. Steelman, for 5 minutes today.

(The following Members (at the request of Mr. Studds) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Brasco, for 30 minutes, today.

Mr. Fuqua, for 15 minutes, today.

Mr. Reuss, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Madden to revise and extend his remarks, and include extraneous matter.

(The following Members (at the request of Mr. Towell of Nevada) and to include extraneous matter:)

Mr. Kemp in four instances.
Mr. Hosmer in two instances.
Mr. Gross.
Mr. Young of Illinois in four instances.
Mr. Derwinski in three instances.
Mr. Huber in two instances.
Mr. Zwach.
Mr. O'Brien.
Mr. Bell.
Mr. Don H. Clausen in three instances.
Mr. Gude.
Mr. Gilman.
Mr. McCloskey.
Mr. Hanrahan.
Mr. Johnson of Pennsylvania in two instances.
Mr. Hudnut.
Mr. Arends.
Mr. Thone.
Mr. Veysey in two instances.
Mr. Pritchard.

(The following Members (at the request of Mr. Studds) and to include extraneous matter:)

Mrs. Grasso in two instances.
Mr. Eilberg in 10 instances.
Mr. Brinkley.
Mr. Pickle in six instances.
Mr. Byron in 10 instances.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Anderson of California in three instances.
Mr. Drinan in two instances.
Mr. Morgan.
Mr. Gaydos.
Mr. Matsunaga.
Mr. Hamilton.
Mr. Nichols.
Mr. Rooney of New York.
Mr. Hawkins.
Mr. Fisher in three instances.
Mr. Teague.
Mr. Studds.
Mr. Rosenthal.
Mr. Rogers in five instances.
Mr. Stark.

SENATE JOINT AND CONCURRENT RESOLUTIONS REFERRED

Joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 41. Joint resolution to authorize the President to issue a proclamation designating March, 1975, as "Youth Art Month"; to the Committee on the Judiciary.

S.J. Res. 227. Joint resolution designating Monday, February 10, 1975, as a day of salute to America's hospitalized veterans; to the Committee on the Judiciary.

S. Con. Res. 121. Concurrent resolution relating to the establishment of the naval and maritime museum in Charleston, South Carolina; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7978. An act to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Haulapai Reservation, Ariz. and for other purposes;

H.R. 8193. An act to regulate commerce and strengthen national security by requiring that a percentage of the oil imported into the United States be transported on U.S.-flag vessels; and

H.R. 8864. An act to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles.

S. 425. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes;

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes;

S. 2343. An act to authorize the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'-Alene, Idaho, in order to eliminate a cloud on the title to such lands;

S. 3191. An act to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force;

S. 4013. An act to amend the Act incorporating the American Legion so as to redefine eligibility for membership therein;

S.J. Res. 224. A joint resolution to authorize and request the President to issue a proclamation designating January 1975, as "March of Dimes Birth Defects Prevention Month"; and

S. J. Res. 260. A joint resolution relative to the convening of the first session of the 94th Congress.

ADJOURNMENT

Mr. BINGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock p.m.), the House adjourned until tomorrow, Wednesday, December 18, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3094. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Thomas James Scotes, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

3095. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a concession permit authorizing the continued provision of marina services for the public visiting Glen Canyon National Recreation Area for a term ending December 31, 1978, pursuant to Public Law 83-172, as amended [16 U.S.C. 17b-1]; to the Committee on Interior and Insular Affairs.

3096. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report on the civil rights activities of the Federal agencies with fair housing responsibilities, pursuant to Public Law 85-315; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calender, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 10491. A bill to provide for the leasing for commercial outdoor recreation purposes of certain lands of the forest reserves created from the public domain, and for other purposes; with amendment (Rept. No. 93-1607). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Select Committee on Small Business. The effects of the administration of the Occupational Safety and Health Act on small business (Rept. No. 93-1608). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. House Resolution 1511. Resolution confirming Nelson A. Rockefeller as Vice President of the United States (Rept. No. 93-1609). Referred to the House Calendar.

Mr. MORGAN: Committee on conference. Conference report on S. 3394 (Rept. No. 93-1610). Ordered to be printed.

Mr. TAYLOR of North Carolina: Conference report on S. 1296 (Rept. No. 93-1611). Ordered to be printed.

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 17628. A bill to designate a national laboratory as the Holifield National Laboratory (Rept. No. 93-1612). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1512. Resolution authorizing the consideration of conference reports on the same day reported or any day thereafter during the remainder of the 2d session, 93d Congress (Rept. No. 93-1613). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1178. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1614). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1515. Resolution providing for the consideration of House Joint Resolution 1178. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1615). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1180. Joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1616). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIKES: Committee on conference. Conference report on H.R. 17468 (Rept. No. 93-1617). Ordered to be printed.

Mr. STAGGERS: Committee on conference. Conference report on S. 1728 (Rept. No. 93-1618). Ordered to be printed.

Mr. PERKINS: Committee of conference. Conference report on Senate Joint Resolution 40 (Rept. No. 93-1619). Ordered to be printed.

Mr. MEEDS: Committee of conference. Conference report on H.R. 620 (Rept. No. 93-1620). Ordered to be printed.

Mr. PERKINS: Committee of conference. Conference report on H.R. 16596 (Rept. No. 93-1621). Ordered to be printed.

Mr. WRIGHT: Committee of conference. Conference report on S. 3934 (Rept. No. 93-1622). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOSMER (for himself and Mr. SKUBITZ):

H.R. 17647. A bill to designate certain National Park and Monument lands as wilderness and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 17648. A bill to designate certain lands as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANDGREBE:

H.R. 17649. A bill to amend the Internal Revenue Code of 1954 to allow individuals a tax credit to offset increases in the cost of living and to provide for annual adjustments in the amount of personal exemptions and the amount of the standard deduction to reflect increases in the cost of living; to the Committee on Ways and Means.

By Mr. MARAZITI:

H.R. 17650. A bill to amend the Internal Revenue Code to provide tax deductions for health care expenses for pets; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 1178. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

By Mr. ST GERMAIN (for himself, Mr. BROWN of California, Mr. REUSS, Mr. TIERNAN, Mr. COTTER, Mr. ASHLEY, Mrs. BOGGS, Mr. STARK, and Ms. HOLTZMAN):

H.J. Res. 1179. Joint resolution to establish the effective date of the Commodity Futures Trading Commission Act of 1974 as January 1, 1975; to the Committee on Agriculture.

By Mr. MAHON:

H.J. Res. 1180. Joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. COUGHLIN (for himself and Mr. SARASIN):

H. Res. 1513. Resolution creating a select committee to conduct an investigation and study of food prices in the United States; to the Committee on Rules.

By Mr. OWENS:

H. Res. 1514. Resolution expressing disapproval of proposed deferral D 75-115; to the Committee on Appropriations.

MEMORIALS

Under clause 4 of rule XXII,

555. The SPEAKER presented a memorial of the Assembly of the State of California, relative to timely payment of social security, supplemental security income, and State supplementary program benefits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 17651. A bill for the relief of Edna Pesquera Cezar; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 17652. A bill for the relief of Marlin Toy Products, Inc.; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 17653. A bill for the relief of Jack R. Misner; to the Committee on Ways and Means.

By Mr. McFALL:

H.R. 17654. A bill for the relief of Young II Choi (Mark Charles Mieir); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

594. The SPEAKER presented a petition of the common council, Lockport, N.Y., relative to inflation, which was referred to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

IMPRESSIONS FROM A TRIP ABROAD

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, December 17, 1974

Mr. HARRY F. BYRD, JR. Mr. President, Clayton Kirkpatrick, editor of the Chicago Tribune, has just returned from a trip to Europe and the Middle East. In the November 24 edition of the paper, he published some of his observations.

Mr. Kirkpatrick finds that:

First, the problems that beset us in the United States are not as grave as those that imperil Europe and the Middle East.

Second, Europe in general, and Britain and Italy in particular, are in desperate straits, open to a sharp political turn to the left or to the right.

Third, in the Middle East, it is believed that Russia wants to avoid a new war, and that there is a good chance that it may be avoided.

Mr. Kirkpatrick's account is interesting and informative. I ask unanimous consent that the text of his article, "Impressions From a Trip Abroad," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Nov. 24, 1974]

(By Clayton Kirkpatrick)

IMPRESSIONS FROM A TRIP ABROAD

If you think life in the United States is depressing now that the economic crunch has come, try a trip to Europe and the Middle East. It's a prescription that may make you grateful for your problems.

You may come back burdened with a sense that disaster—economic and political—is poised over Europe and is about to descend with a crash. Old nations, once considered pillars of European stability, are bankrupt. As their desperation deepens, the possibility of revolutionary turns to the left—Communism—or to the Right—fascism—looms increasingly ominous.

You may come back puzzling over a paradox. A war fever infects the Middle East, the kind that has led to three wars since 1948. It is fed by violence and killings, the raids and counterraids that usually occur just before national conflict begins. Yet large numbers of well-informed people on the scene, residents, diplomats, and newsmen, share the optimism of U.S. Secretary of State Henry Kissinger that war will be avoided.

These are impressions derived from a 10-day-tour with stops in England, Lebanon, and Italy. They are not offered as the conclusions of an overnight expert but rather as a sense of major events reflected in quick conversations with the planners and technicians of statecraft and the writers of instant history.

Why is there hope the war can be avoided? Because neither the United States nor the Soviet Union wants it, and no war of any duration could be fought by Israel without Americans arms or by the Arab nations without Russian arms. The intriguing part of this equation is that Russia, once the mischief maker in the Middle East, now assumes the role of peacemaker. Why is this?

The Kissinger line is that the Soviets value detente with the United States higher than any speculative benefits they might derive from war. The local line in Lebanon is that the Soviets, for purposes of their own, want to see Israel survive with some degree of power and that in another war, the Israelis, nearly bankrupt, overextended, and torn by political dissension, might be overwhelmed.

Russian interest in the survival of Israel is based on the theory that the Soviet alliance with the Arab states is fragile—devout Moslems cannot be easy in partnership with atheistic Communists. It is the threat of the Israeli island to the Moslem sea that holds the alliance together, theorists assert.

The Soviets have already paid an enormously high price for detente, submission to meddling in their internal affairs by the United States on the issue of Jewish emigration. What will they get in return for cooling the war fever in the Middle East?

Three things, the experts say: [1] Establishment of the status quo in eastern Europe—no rollback in the Russian sphere of influence and power. [2] Infusions of western capital and technology and expansion of trade to speed the development of the Russian economy and relieve internal pressures. [3] Finally, a friend in the confrontation with China.

To these building blocks for peace add these two: American influence with Israel is sufficient in the face of present dangers to persuade the Israelis to return to their basic boundaries as they existed before the six day war of 1967. A Palestinian state could be created in the Middle East without destroying Israel.

These are the oversimplified basics for the American peace plan and they are conceded a chance to succeed.

In Europe, Britain and Italy are the genuinely sick men in an ailing economic and political society. England lives on billions in borrowed money. Weak and ineffectual politicians try in vain to sell programs of austerity that might control a ruinous inflation running at the rate of more than 20 per cent a year.

Some hope is found that oil deposits in the North Sea may bail out the country, but so far these hopes are based more on speculation than fact. Nationalists in Scotland threaten to break away and grab a major share of the oil treasure and this threat is not lightly regarded in England.

The undeclared war in Ireland goes on and on, and a leading British journalist bravely presenting a hopeful pose publicly, said privately, "The crash is coming. Britain will take the turn."

"To the Left?" he was asked.

"I rather think to the Right," he replied.

The turn to the Right also is frequently mentioned in Italy as economic disaster looms and the government is paralyzed by indecision.

A taxi driver grousing about high prices was asked about what the country needed to solve its problems.

"Mussolini," he replied.

A line of cars parked behind a hotel in Sicily offered a similar disquieting message. In the dew that misted their windshields on an early morning was scrawled the code word everybody understands in Italy—DUCE.

Thruout Europe a rising spirit of nationalism is refurbishing the De Gaulle legend. The European ideal of unity—the bright promise of the Common Market—is trampled in the scramble of individual nations to save themselves from disaster regardless of the consequences to the larger community.

The United States with all its problems looks good at journey's end.

HIGHLAND PARK ENFORCING "STOP-AND-FRISK" ORDINANCE

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HUBER. Mr. Speaker, it was with some interest I read in the Detroit News of November 27, 1974, that Highland Park is now enforcing its "stop-and-frisk" ordinance. Some years ago there was a great hue and cry by blacks against such laws as being "racist." Now, it seems, with crime even more rampant, certain blacks now wish such laws enforced. Is it not interesting how times change.

The article follows:

HIGHLAND PARK ENFORCING "STOP-AND-FRISK" ORDINANCE

(By Bryan T. McMahon)

Highland Park will step up enforcement of its five-year-old "stop-and-frisk" law because of the growing number of street crimes.

Mayor Robert Blackwell announced that decision at Monday's council meeting.

"There are thugs out there stopping and frisking our citizens," said Blackwell.

"I might as well encourage the police to frisk the thugs."

After the meeting Blackwell said that the recent armed rape of a woman who works for the city provided "the last straw" in his decision to enforce the city's stop-and-frisk law.

"The police are to stop anyone they regard as suspicious, and if they determine that that person is potentially dangerous, the police are to frisk that person in a search for weapons," said Blackwell.

"This is not meant to be repressive, and I will monitor police reports on a daily basis to insure that the policy is not repressive, but the outcry now is for protection. If I have to hire more lawyers for our police, I will do so."

Blackwell also announced that he is serving on a 21-member federal committee formed to account for thousands of technically "nonexistent" blacks.

Appointed by the Secretary of Commerce, the committee also includes former Black Panther Party leader Bobby Seale and several welfare rights and civil rights leaders.

Over the next 24 months the committee of black leaders will try to come up with a workable method of listing on official government census forms thousands of black citizens who are believed to have been missed in the 1970 census.

"Millions of dollars in government matching funds (based on population) are lost each year to Detroit and other big cities because there is no record of many black people living in these cities," Blackwell said yesterday.

He said that cities lose millions of dollars annually because of the way census figures are taken and because of the hesitancy of many blacks to share information with government officials.

For this same reason, Blackwell said that thousands of eligible blacks cannot vote because they are reluctant to provide information needed to register to vote, information which they suspect would be used against them by other government agencies.

Blackwell also rapped census-taking techniques that ignore large black populations in the prisons and migrant workers who frequently shift residences with their working places.

"There has always been a serious undercount (of blacks)," he said.

"Black males are generally suspicious of anyone asking personal questions, and many welfare people are hesitant to give out potentially damaging information regarding their personal lives.

"As a result, predominantly black cities are being short-changed of their share of federal dollars."

Citizens attending the public meeting last night complained at being excluded from an earlier closed-door council meeting, some of which was open to the press.

The closed meeting was held to discuss alleged violations of the state's liquor law by The Red Mill Bar on Woodward near Davison.

The Red Mill has been the scene in the past four years of 39 police raids for various alleged crimes, including prostitution, disruptive behavior and at least one killing.

Another 36 police runs during the same period have been made to the area immediately surrounding the bar. The raids have covered the gamut of shotgun firings on Woodward to, in the words of City Attorney George Moore, "flim-flam, fraud and chicanery."

The manager of the Red Mill told councilmen that he has been harassed by Highland Park police. He said that at least one police officer had "brandished his revolver in a threatening manner at my patrons and employes."

The council agreed to give the bar manager 90 days to "clean house," before they ask the State Liquor Control Commission to consider action on the liquor license.

ARTHUR P. ZIEGLER, JR.—"MAN OF THE YEAR"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. GAYDOS. Mr. Speaker, the South Side Chamber of Commerce, a community organization dedicated to the twofold purpose of promoting and preserving a section of the city of Pittsburgh, recently presented its annual Man of the Year Award to Mr. Arthur P. Ziegler, Jr.

The 1974 recipient of this honor is a man who has received national recognition for his pioneering efforts of community renewal through historic preservation. He has spent the last 10 years encouraging and working for the restoration of the South Side neighborhood.

In addition to serving as president of Pittsburgh History and Landmarks Foundation, Mr. Ziegler also heads Landmarks Planning, Inc. and Ober Park Associates, Inc.; serves as director of Allegheny Foundation, Meadowcroft Village, Neighborhood Housing Services, Inc., the Society for the Preservation of the Duquesne Incle and West Park Court. He is a member of the advisory committee of the National Historic Preservation Fund and a panelist on the President's National Advisory Council on Historic Preservation.

Several years ago he proposed to the South Side Chamber of Commerce and Community Council a concept to provide the area with a sound economic and residential base if the flavor of the neighborhood and its fine Victorian dwellings could be restored. His dedication to this project resulted in the raising of more than $140,000 for the program. Today, several restored storefronts and neat rowhouses are testimony that restoration is a way of life on the South Side.

Mr. Speaker, I consider it a privilege to call the attention of the Congress to the accomplishments of this dedicated individual. Mr. Ziegler has proven himself to be a man who can turn the clock backward and preserve historic buildings of the past as monuments for the future.

ZWACH SAYS FAREWELL

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. ZWACH. Mr. Speaker, as I prepare to leave office after 8 years of serving in the House of Representatives, I would like to insert in the CONGRESSIONAL RECORD my last release to the news media in the Sixth Congressional District, Minnesota.

NEWS RELEASE

(By JOHN M. ZWACH)

When I announced my retirement two-years ago, it was not a decision lightly made, but was predicated upon the advice of my physician, the weight of the 40 years I have worked in public office, and the desire to spend more time with my wife and family, relatives, and friends.

In looking forward to my retirement, I cannot but acknowledge the deep debt of gratitude I owe to my beloved state and nation, the people who elected me to every office to which I aspired, and for the many honors that have been bestowed upon me.

Nor am I unmindful of the tremendous service of the news media in carrying my messages to the people in our district, thereby bringing their government closer to them.

Your constant support and faith in my efforts was the inspiration for my accomplishments.

I face my retirement with the firm knowledge that never did I ease my efforts to serve my people to the very best of my ability, to fight for the most strict economy in all government spending, and to be worthy in every respect of the confidence expressed in me.

As I go now into private life, I would like to point out that our great resource in the midwest is our wonderful soil. If we are to have a healthy economy, we must have fair prices for the products of the soil.

Our communities, our schools, churches, hospitals, small businesses, all live off the earnings of the soil. Full parity for our producers must be insisted upon. Because of the weight of numbers of those members of Congress who do not understand the interrelationship of farm prices and the general economy, this is a lonely task.

Our country cannot endure if we continue to saddle the day to day peace time expenses of our generation upon our children and grandchildren. They will have enough problems of their own.

In America today, as in George Washington's time, the people still rule, only they can set wrongs right. When they want change bad enough, it is in their power to make it. This is our hope for the future.

I have given 40 years of my life to public service. It was an opportunity for which I am truly grateful and will always cherish with deep satisfaction and lasting happiness.

LESLIE C. ARENDS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GILMAN. Mr. Speaker, in the waning days of this congressional session, the rush of business comes fast and furious. Yet, as we approach the end of the 93d Congress, it is appropriate that we pause and take time to honor a man who has taken so much of his time for all of us: the gentleman from Illinois who has left such a significant mark on our times.

LESLIE C. ARENDS is more to us than just the Representative for the 15th District of Illinois. And he is more to us than the Republican whip. In fact, many of us who have known and worked with LES ARENDS have often wondered if he was not more of a tradition than just a man; his industriousness and dedication to service having inspired so many of his colleagues on both sides of the aisle.

LES first came to the House of Representatives in 1935, when our Nation was deep in the throes of its worst depression. The Congresses in which he served in the 1930's faced a heavier burden and a greater responsibility than any legislative body had ever faced before. For it was their appointed task to choose a new path for their Nation to follow.

LESLIE ARENDS not only met those great challenges, but he remained to meet many more, over the course of his 40 years in the House of Representatives. Few men have served in the Congress as long as LES; fewer still can claim a record of achievement and dedication as outstanding as his.

As a freshman Member of Congress

over the past 2 years, I came to know LESLIE ARENDS not only in his active role as the Republican whip, a post he has held since 1943, but also as a warm-hearted, senior Member who was quick to extend a helping hand to any novice. In working together with LES ARENDS, we soon came to recognize and appreciate his intimate knowledge of the Congress and his leadership ability in guiding legislation safely through numerous pitfalls.

We in the House of Representatives will sorely miss LES ARENDS when he leaves us at the end of this session, but he will have left behind as an inspiration to all of us the spirit of his warm understanding and dedicated public service which he brought to his work in this Chamber.

HONG KONG'S SHOCKING TREATMENT OF FREEDOM SEEKERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. CRANE. Mr. Speaker, the government of Hong Kong has taken the unprecedented step of sending back to Communist China men and women who, at great risk to their lives and safety, escaped from that country in search of the freedom and dignity they had been denied.

In 1966, under pressure from the militant Red Guards, the Portugese territory of Macao yielded to Communist demands and returned all escapees to the Communist Chinese authorities. During that turbulent and troubled time, the officials in Hong Kong refused to submit to such blackmail. They continued to keep a gateway to freedom open.

Now, the Hong Kong government appears to have submitted to Communist pressure. One reason for the Communist Chinese desire to end the flow of refugees is to keep the Free World from knowing the brutal nature of that regime's policies.

Discussing the unfortunate decision of British authorities in Hong Kong and in London to turn refugees back at the border, the China Post, an English language daily newspaper in Taipei, Taiwan, declared that—

> The Chinese Communist attempt to cover up the real situation is now being assisted and abetted by the Hong Kong authorities. The free world should not permit it to continue at the expense of human liberty.

The fact that Hong Kong is overcrowded is well known. Yet, there has been an offer by the Government of the Republic of China in Taiwan to accommodate any refugees who do not have families or employment in Hong Kong itself. Clearly, the choice facing the British authorities is not simply one of sending refugees back to the mainland, on the one hand, or of facing an ever expanding population in Hong Kong. These refugees should be given a choice. How Great Britain can provide them with anything less without abandoning its entire history and tradition of respect for freedom of movement is impossible to understand.

I wish to share with my colleagues the thoughtful editorial, "Plight of Freedom Seekers," which appeared in the China Post of December 10, 1974, and insert it into the RECORD at this time:

PLIGHT OF FREEDOM SEEKERS

In spite of all appeals by the Free China Relief Association (FCRA), the World Anti-Communist League (WACL) and the leading newspapers in the Republic of China and elsewhere, the Hong Kong authorities have persisted in disregarding such appeals and continuing to send Chinese freedom seekers back to the Chinese mainland.

According to the latest estimate by an AP dispatch of December 7, more than 50 refugees have been handed over to Red Cross during the last week. This is a great shock to many people in London, as the British weekly Economist has admitted. Maoist party officials in Hong Kong have made no secret of their satisfaction with the British policy in this respect. The Economist recalls that Macao yielded to violence during the 1966 "Red Guard" riots and agreed to return all escapees from Red China to the frontier gateway. But Hong Kong stood firm and continued to accept refugees.

The Reform Club of Hong Kong, a political club of Chinese and British business and professional men, have suggested that the Hong Kong authorities should review each individual case before returning the escapees to the mainland. They should be permitted to remain in Hong Kong provided that they can meet certain conditions, including the availability of close relatives to look after them, their qualifications for being considered political refugees and their willingness to leave for another destination.

These sound like reasonable conditions and there can be no reason why such conditions cannot be favorably considered by the Hong Kong authorities.

However, it must be pointed out that the real motive behind the Chinese Communist pressure on the Hong Kong authorities is to prevent the escapees from revealing the actual miserable conditions of the mainland. The revelations in the past have hurt the Chinese Communists' prestige abroad, about which the Maoists are especially sensitive. The China Post has been publishing a series of articles on this subject. Wang Hung, a recent escapee and a former political officer with the rank of captain in the Chinese Communist army, gave a vivid description of the miserable life on the mainland. Wang declared that "The Communist system is the worst in the world and Mao Tse-tung, is the enemy of mankind."

David Bruce, former head of the U.S. "liaison office" in Peiping, said recently that the Communists has stifled or suppressed every form of intellectual life. The mainland is in danger of becoming a "robot civilization." His views were shared by 15 Yale University professors who recently paid a 21-day visit to the mainland. Senator Hugh Scott, who also visited the mainland recently, noted that in the Communist universities there were no textbooks because of the fear to commit anything to writing, even in algebra and physics.

The Chinese Communist attempt to cover up the real situation is now being assisted and abetted by the Hong Kong authorities. The free world should not permit it to continue at the expense of human liberty. Posters opposing the Hong Kong authorities' decision have appeared on many billboards in the British colony. There have also been repeated protests from many quarters.

Meanwhile, new refugees continue to arrive in Hong Kong. Their fate is sealed unless the British authorities in London and Hong Kong put a stop to their inhuman policy.

THE PUBLIC RELATIONS PROFESSION AFTER WATERGATE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. DRINAN. Mr. Speaker, the attention focused upon the public relations techniques of the Nixon administration during the recent Watergate investigations has resulted in widespread criticism of the public relations profession. While some of this criticism is justified, it tends to overlook the real value of public relations as an important medium of communication when it is carried out honestly, openly, and professionally.

An article by Mr. Emmanuel Goldberg in the New England Business Journal of November 12, 1974, entitled "Public Relations: Before and After Watergate" stresses the need for maintaining high ethical standards in conducting effective public relations. Mr. Goldberg is president of Arthur Monks Associates, Inc. of Boston and former associate director of University Planning and Development at Brandeis University. He is a member of the Massachusetts Commission Against Discrimination and an accredited member of the Public Relations Society of America.

I commend Mr. Goldberg's incisive article to all of my colleagues in the House.

PUBLIC RELATIONS: BEFORE AND AFTER WATERGATE

(By Emmanuel Goldberg, President, Arthur Monks Associates)

The public relations professional in America is fighting mad. He also feels foolish because the communication tools he uses so well to strengthen the posture of companies, institutions or clients are often neglected in serving his own profession. With environmental concerns, consumerism, civil rights and social revolution on the front burner, there's been too much spade work to do before worrying about what the public thinks of "PR."

Nixon changed all that. Before Watergate, the situation was tolerable but then the President and his close colleagues became synonymous with the practice of public relations in the minds of opinion leaders like Scotty Reston of the New York Times. Reston recently wrote in his column that President Nixon had "spent his life mastering the techniques of public relations, surrounding himself with advertising men to command public opinion, etc."

Actually, it is precisely because the White House has not practiced public relations properly that much of the present ignominy has resulted. At this late hour, it's not easy to change Mr. Reston's mind, much less the outlook of the confused lay public. Likewise, the flacks and quacks who have always fringed and haunted public relations stand out more egregiously by their every act and seem to confirm the harsh views of critics.

There are about 7000 men and women who comprise the Public Relations Society of America, the major professional organization for practitioners, and many of the members are accredited by virtue of taking intensive written and oral examinations, akin to the bar and public accountancy. Since 1969, accreditation has been an eligibility requirement for all active PRSA members—and the latter must have worked at least five years in the field.

But there are literally tens of thousands of other persons in the nation who claim that they are "PR men." Obviously, not all of this legion are incompetents but whenever a propective employer asks for my judgment—and other things being equal—I would invariably recommend a member of PRSA. For publicly-held companies, I'd also urge that the person hired be a member of the newly formed National Investor Relations Institute, which in time will change the opinion of the *Wall Street Journal* and others that financial public relations is a dirty business.

Many borderline public relations practitioners have come out of the ranks of advertising, an important industry for the proper functioning of our free economy but a field which is oriented to *selling a product*. Also to mass-producing product publicity. Unlike advertising, mature public relations interprets the person, company or institution *behind the product*, a far more long range, difficult and responsible task. It also rests on the premise that the product must be good and not misrepresented.

Every now and then, somebody writes an article setting down the tenets of public relations—or "PR men," a jazzier term that often invokes wry reactions. Nobody has to do this for law, medicine or theology, the older professions, or even accounting, journalism or business management. What is being demonstrated is that public relations is not a true profession, certainly not in the classical sense.

CODE OF ETHICS

Sadly, however, what rarely sticks long with the public is the realization that public relations is certainly more than a business, that it is overridden with public interest responsibilities and that it is rapidly moving toward professionalism. A large body of communications research and knowledge exists, educational curricula and even degree programs at such schools as Boston University's pioneer School of Public Communication are available, and a fledgling Code of Ethics with enforcement procedures has evolved through PRSA. In recent years, biographical and historical studies on public relations have been published, major bibliographies completed, textbooks standardized and widely accepted, graduate research sharply increased, and the media of the profession—newsletters, magazines, journals and quarterlies—have flowered and taken root.

A local practitioner recently was quoted in a printed interview that the techniques of public relations could be taught in two to four hours. I hope he was kidding else I and many of my colleagues are sadly lacking in capacity. I've spent nearly three decades trying to keep up with the broad aspects of society, as well as technical advances in journalism, broadcasting, magazines and journals, the enrichment of writing skills, and the frequently contradictory dicta for full and timely disclosure of the SEC, stock exchanges and other government regulatory bodies, just to mention some important prongs, and to this day I feel uneasy when I let the cerebral guard down even over a fortnight's vacation without professional reading and thinking.

No sophisticated public relations counsel or in-house public relations director for a corporation or non-profit organization will seriously contest the partisan nature of PR practice. Of course, the practitioner is looking out for the best interests of his client or employer and trying to present the case in a favorable light. But the pro's have learned that they must not exaggerate or falsify the case, or lack candor in bad situations, or minimize the relevance of the public welfare in all policy decisions. In public relations, it is axiomatic that the lasting effect of a public relations program can be no better than the quality of the product represented.

THE GOOD WITH THE BAD

So, even when it hurts, the counselor must turn down the questionable client, and the in-house man must seek employment elsewhere when he finds that the boss is unsavory. In financial public relations today, PR men have gone to bed with bewildered lawyers and auditors who are compelled to tell clients that all relevant information for shareholders and the financial community must be released quickly, evenly and regularly. The good with the bad.

Out of such professional conduct arises what is called "the conscience of the corporation," nothing more than increased concern about the public interest for the purposes of enlightened self-interest and self-preservation and the retention of a healthy capitalistic system in a hostile environment.

Frequently, the aforementioned partisan nature of public relations has resulted in misunderstandings with newsmen. Until the rise of advocacy journalism, I had always considered the ethics of journalism to be higher than that of any other profession, including law, medicine and theology. If you gave a reporter some off-the-record information or a story with a release date, and he accepted the conditions, you could count on your confidence never being violated. Today, unfortunately, a lot of this has changed although the importance of a free press in our society was never more critical.

The responsible organization, Sigma Delta Chi, known as the Society of Professional Journalists, states in its Code of Ethics that the "sound practice (of journalism) makes clear distinction between news reports and expression of opinion. News reports should be free of opinion or bias and represent all sides of an issue."

So it is obvious that journalism and public relations have different jobs to do yet, with proper understanding, they can be complementary and even harmonious when high ethical standards are being followed on both sides. The PRSA standards have elevated the ethical goals of public relations to the best levels of historic journalistic achievement though nobody can yet claim that Elysian fields are attained.

Again, like any quasi-profession not yet part of the establishment, definitions of public relations are numerous. One of the best known has been formulated by Public Relations News of New York: "Public Relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest and executes a program of action to earn public understanding and acceptance."

The key things in this definition are recognition of the importance of the public's role (i.e., PR is a two-way street, not just a projection of management's views but an earnest consideration of the public interest), the elevation of public relations to a role in policy formulation in top level management, and the utter repudiation of expediency.

A simpler definition comes from my partner, Arthur Monks (who has also had about three decades of professional experience but learns faster than I): "PR is doing the right thing and letting people know about it." Even city editors can respect this concept.

It is now the witching hour for the American public to mature in its understanding of the role of responsible public relations in a capitalistic system. The same is true for journalism in our free but troubled society. Both professions have to be self-policing, to separate their men from the boys, the dilettantism from the continuing education and ethics, the nonsense from the sober truths, and anything else that the road to responsibility requires.

Some people have deprecated the use of the word "public relations" to describe the field. Certainly, PR is a highly controversial term in both professional and academic life. But my longstanding feeling has been that nobody has yet come up with a better definition and that PR ought to be retained in our permanent vocabulary until someone does.

What should be clear is that public relations today is not product publicity, lavish trips or gifts to media at Christmas, or a smile at the teller's window. It's a very deep kind of private and public service. It conceives themes and programs, advises management on thorny issues, deals constructively with a wide variety of oft-conflicting public's * * * writes capably and imaginately, surveys attitudes, promotes good community race and employee relations, plans for emergencies, creates radio and television programs, gets into publishing and films and slides and exhibits, adapts to similar tasks overseas, meets with analysts, brokers and money managers, collaborates in marketing and advertising campaigns, and on and on.

The public relations counselor particularly carries a heavy burden for he is often called in to help resolve crises in institutions or companies where the in-house employees, with years of specific experience, sometimes cannot even define the problem accurately.

If the tarnished image of PR is to be polished (the industry has never put its best foot forward), the responsible practitioner, whether in or out of PRSA, must tell his story as well as he handles those of clients. This simple article outside of professional journals is one modest attempt and there should be more.

The so-called PR men who are loners and scoff at emerging professionalism represent threats to their colleagues. I believe they will vanish in the post-Watergate period except for the embrace of those clients who still want flashy, short range results.

The country has a different road to travel today. Watergate marks where a more solid public relations profession is taking new resolve.

HON. LESLIE ARENDS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. HORTON. Mr. Speaker, when Alexis de Tocqueville visited this Chamber early in the history of our Republic, he was told, "Here, sir, the people rule." This single, simple fact is as much the source of our strength today as it was 198 years ago. We derive our leadership from the people themselves and are not ruled by an elite class.

This strength was brought home to me once again as I perused the biography of LESLIE ARENDS. LES ARENDS was born, raised, and educated in the same community which has sent him to Congress for 20 consecutive terms. He served in the U.S. Navy during the First World War, worked in real estate and banking in his home community, and helped found his hometown American Legion Post. LESLIE ARENDS epitomizes the ideal of American popular democracy. Only 9 years after his first election to the House, he was elected Republican Whip by his colleagues—a post he has ably filled for over 30 years.

LESLIE ARENDS' service in the Congress spans over one-fifth of our Nation's history. In 40 years, he has provided superb representation for the people of his district, and has gone beyond this to make a significant contribution to national history. He is among those who has fought hardest and most skillfully in behalf of the caveat that a strong America is a free America. He has played a major congressional role in the shaping of our defense forces and defense policies since our emergence into world leadership after World War II.

Equally significant, LES ARENDS has helped to guide the conscience and promptings of his party in the House and in the Nation as a whole as one of its foremost Members and leaders.

For his 40 years of selfless dedication to serving the people of Illinois and the Nation, and for the example of patriotism he has set for all of his colleagues, I join my colleagues in honoring LES ARENDS. Just as, I suspect, he will miss us and this Chamber, we will miss him.

BENJAMIN F. BAILAR NAMED DEPUTY POSTMASTER GENERAL

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. DULSKI. Mr. Speaker, I was pleased to note that the post of Deputy Postmaster General was recently filled with the appointment of Mr. Benjamin F. Bailar.

As part of my remarks, I am inserting the text of the U.S. Postal Service's announcement on the appointment:

BIOGRAPHICAL SKETCH OF BENJAMIN F. BAILAR, DEPUTY POSTMASTER GENERAL, U.S. POSTAL SERVICE

Benjamin F. Bailar was named Deputy Postmaster General and a member of the Postal Service Board of Governors on December 3, 1974.

Mr. Bailar came to the Postal Service in April, 1972, to serve as Senior Assistant Postmaster General for Support, the chief financial officer of the service.

He was appointed Senior Assistant Postmaster General, Administration, in June, 1973, and a member of the Postal Service Executive Committee. In that position, he was responsible for a number of important postal departments. They are: Research and Engineering, Procurement and Supply, Customer Services, Planning, Real Estate and Buildings, and the Judicial Office.

Before joining the Postal Service, Mr. Bailar was Vice President for International Operations, The American Can Company.

He joined that company in November, 1962, as a financial analyst on the corporate staff in New York City and in December of the following year was named administrator of appropriations programs. In December, 1964, he became chairman of the appropriations committee. He was named Vice President-Marketing-Service Products in June, 1967.

Mr. Bailar was graduated from the University of Colorado with a B.A. degree in geology in 1955 and received an M.B.A. from the Graduate School of Business Administration of Harvard University in 1959.

Born in Champaign, Illinois, on April 21, 1934, Mr. Bailar received his elementary and preparatory education in the public schools and University High School in Urbana, Illinois.

Prior to his American Can affiliation, Mr. Bailar served for three years in the coordinating and planning department of Continental Oil Company, Houston, Texas. He served for two years (1955-57) in the U.S. Navy, being separated as a supply corps lieutenant junior grade at the St. Louis Naval Air Station.

Mr. and Mrs. Bailar (she is the former Anne Tveit, of Crookston, Minn.) have two children, a daughter, Christina, and son, Benjamin, Jr.

TRIBUTE TO CONGRESSMAN LES ARENDS

HON. JOE D. WAGGONNER, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. WAGGONNER. Mr. Speaker, it gives me a great deal of personal satisfaction to be able to pay tribute today to one of the House's most respected and dedicated members, the distinguished Republican whip, LES ARENDS.

I can remember, just as if it were yesterday, when I came to Congress as a freshman back in 1961 LES ARENDS saying to me:

> JOE, remember you must look after the interests of your constituents as best you can because they are the ones that elect you. But, you must also look after the interests of your country, and it should be your first consideration above all else.

Well, I have tried to live up to those words of a wise statesman, and there is no one here that has lived up to them any better than LES ARENDS himself. I guess it was from that time on that LES and I began what I consider to be a close association and friendship. During my 13 years in Congress, I have worked about as close with LES ARENDS as I have with any man here. He has been as good a friend as I have had. We have fought legislative battles on just about every major issue coming before this body, and LES' word has always been his bond. LES ARENDS' overriding consideration has always been what was in the best interests of the country.

Needless to say, Les has been a respected and effective leader and has been an excellent example to his friends and colleagues. He has been devoted to the people of his district and his State and, of course, his country. His untiring and unselfish efforts always seemed more effective during crisis times. His strength and courage will be remembered by those of us who have benefited by his leadership and wisdom.

You know, it is difficult for me to imagine that LES ARENDS will not be serving in the 94th Congress. After 40 years of service in the House, he has become an institution. His 31 years as Republican whip have surely gained for him the lasting title of "Mr. Republican Whip."

Well, as LES leaves the House at the close of a brilliant and illustrious career, I want him to know that this is one Member from the other side of the aisle that will long remember and cherish the warm friendship and close association we've had over the years. My heartfelt best wishes and personal regards go out to him.

NO IRANIAN MILITARY TRANSFERS IN OCTOBER 1973

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HAMILTON. Mr. Speaker, there has been some speculation heard here that Iranian aircraft, supplied by the United States, was transferred to Israel during or after the October 1973 Middle East war.

Since the Committee on Foreign Affairs has received no notification of any such transfer, I inquired at the Department of State concerning this matter.

The Department has informed me that there is no evidence that such a transfer took place. I would like to bring to the attention of my colleagues my exchange of letters with the State Department on this issue.

The letters follow:

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., November 19, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: It was recently brought to my attention that certain evidence suggests that F4 fighter aircraft supplied to Iran was transferred to Israel during or after the October 1973 Middle East War.

I would like to know if any equipment previously supplied to or committed for Iran was transferred to Israel and if it was, why Congress was not notified of the transfer.

I would appreciate your early consideration of this matter.

With best regards.

Sincerely yours,
LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia.

DEPARTMENT OF STATE,
Washington, D.C., December 9, 1974.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East and South Asia, House of Representatives

DEAR MR. CHAIRMAN: The Secretary has asked me to respond to your letter of November 19, 1974, concerning F-4 fighter aircraft supplied to Iran, and raising the question whether a transfer of such equipment to Israel occurred.

The Department has found no evidence whatsoever to support the contention that a transfer of F-4's from Iran to Israel has ever occurred. The Department of Defense also confirms that no such transfer has taken place.

The Department did receive a report from our Embassy in Madrid in October 1973 regarding two F-4's that were observed at a Spanish airfield enroute to Iran under the US on-going sales program. These two aircraft were painted in desert camouflage colors as requested by the Government of Iran. Both aircraft did proceed on to Iran. This report is the only source of which we are aware that could give rise to the allegation that F-4's were being transferred from Iran to Israel during or after the October 1973 Middle East War.

The Department complies fully with the provisions of Section 505(e) of the Foreign Assistance Act of 1961, as amended, and Section 3(a) of the Foreign Military Sales Act of 1968, as amended, governing the third party transfers of US defense articles. If a transfer of F-4 aircraft had occurred as alleged, then the Congress certainly would have been notified, as called for by the above provisions of US law.

I hope that this information is fully responsive to your request. If the Committee has any evidence that you wish the Department to examine concerning the alleged transfer, please let me know.

Cordially,

LINWOOD HOLTON,
Assistant Secretary
for Congressional Relations.

WASHINGTON POST EDITORIAL UNFAIR AND INACCURATE

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. MADDEN. Mr. Speaker, last Saturday, December 14, the Washington Post editorial columns carried an attack on the Rules Committee for rejecting a rule on legislation that would protect the New River in North Carolina from proposed annihilation by the construction of a hydroelectric project and dam. The Rules Committee vote against a rule on legislation to make a Federal study on the river's protection was 13 to 2.

The editorial stated, and I quote:

> Committee Chairman Ray J. Madden (D-Ind.) was holding the New River bill hostage until the Interior Committee voted out a bill to extend the Indiana Dunes lakeshore in Mr. Madden's home state.

The true facts are that the Interior Committee last June held hearings on the expansion of Indiana Dunes legislation, wherein Congressman ROUSH, myself, and other Hoosiers testified in behalf of preserving more of the sand shoreline and adjacent picturesque dunes area before it is completely destroyed by factories and expansion of industry, including utility and electric powerplant construction.

The same industrial forces, including power companies, had been holding up and delaying the dunes legislation in the Interior Committee through the identical tactics that they used against the North Carolina scenic river legislation.

About a month ago, when Congressman TAYLOR, chairman of the Interior Subcommittee, suggested having a rule on the scenic river legislation, I also mentioned that since both the dunes project and the Interior project have the unanimous support of all the environmentalists, as well as wildlife and recreational organizations in the Nation, it would be well if we presented both projects to the House at the same time. Chairman TAYLOR agreed, and after his subcommittee passed both the dunes and the scenic river legislation the power lobby became extremely active in the strategy of filibustering the dunes legislation in the Interior Committee of the whole by creating absentees, thus preventing Interior Committee rollcalls, and defeating action on the dunes bill.

This unfortunate filibustering was correctly exposed by an editorial in the New York Times of December 5, entitled "Lose the Dunes?"

Mr. Speaker, I will include one paragraph verbatim from this editorial in the New York Times which exposes the tactics used by the utility lobbyists against the Interior Committee's activity to preserve two of the greatest conservation protection projects before the Congress in a long time, as follows:

[From New York Times editorial of Dec. 5, 1974, entitled "Lose the Dunes?"]

EXCERPT

> The utility lobbyists and their allies in Congress care nothing about the Dunes bill but they see in this situation an opportunity to win on New River by stealth and delay what they lost on the merits. Their maneuver is to boycott Interior Committee sessions and then have one of their faction move to adjourn because of the absence of a quorum. This reprehensible tactic used in the subcommittee against the Hells Canyon bill is being used in the full committee against the Dunes bill. The organizers of this shabby business are Representatives Craig Hosmer, California Republican, Sam Steiger, Arizona Republican, and Teno Roncalio, Wyoming Democrat.

When I was informed of the utility lobby activity and the fact that the Senate had already passed the scenic river study legislation by a vote of 3 to 1, I called Congressman TAYLOR and suggested that we immediately hold Rules Committee hearings on the scenic river project so that action could be taken on the floor of the House before adjournment.

Rules Committee hearings were held on the scenic river project and the vote against reporting a rule was 13 to 2. Congressman BOLLING of Missouri and Congressman MADDEN of Indiana were the two votes favorable to reporting the scenic river bill on the floor of the House. I make this statement to the House Members on account of the unfair and inaccurate report on the Rules Committee by the Washington Post in its editorial of December 14, 1974.

FOOD STAMPS ARE HIGH ENOUGH

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HAWKINS. Mr. Speaker, the President wishes to cut the current Federal budget some $4.6 billion. One of the proposed measures for cutting the budget will occur at the expense of the poor, who will pay 8 percent more for food stamps, if the Congress agrees to the President's proposal. The persons who will be most affected by these increased costs will be the families receiving welfare assistance and senior citizens on fixed incomes. Surely there are other ways to trim the budget.

We need to lower food stamp prices, not raise them. If we can pay billions of tax dollars in questionable military cost overruns, and afford $40 million for one B–1 bomber, $35 million for one DE–1052 destroyer escort, $190 million for one nuclear attack submarine, and $100 million for one DD–963 destroyer—then we can afford to continue food stamps at their current price. Mr. Ford, in my mind, can save $325 million—the suggested decrease in current outlays for food stamps—by taking a harder look at the military budget, and trimming some of its fat.

To this end, I have sent a letter to the President on this issue, with the support of some of my colleagues. I wish to share this letter with you, because I believe that with your assistance, the President can be deterred from pushing the poor to a further brink of disaster:

DECEMBER 10, 1974.

Hon. GERALD FORD,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are seriously concerned about the disastrous results your proposed reducing of food stamp benefits will have on the poor. Raising the cost of food stamps, as a device for reducing the Federal budget, is going to severely restrict the ability of poor people to purchase adequate supplies of food, and in some cases result in creating a larger population of hungry people than even exists now.

It seems incredible to us, that the poor, once again the group least able to protect themselves against wrongful governmental edicts, are being required by the Federal Government to make the ultimate sacrifice. Along with senior citizens (who may have their medicare and medicaid reduced under your budget-cutting scheme), and the Vietnam veterans (whose benefits will be continued at reduced levels, if the Congress accepts your $4.6 billion Federal budget decrease), the poor seem to be quite expendable in Federal decisions regarding their survival.

Before we further tax the survival ability of poor people in this Country, we urge you to refrain from insisting on raising food stamp costs.

There are other ways to lower government costs for the remainder of this fiscal year; certainly an in depth look at excessive oil profits (via the actions of the Renegotiation Board), and an inquiry into the insignificant taxes paid by oil corporations to this Government, would allow for some increased Federal revenues to pay for necessary government programs.

Sincerely yours,

Augustus F. Hawkins, William L. Clay, Charles C. Diggs, Jr., Walter E. Fauntroy, Robert N. C. Nix, Andrew Young, Barbara Jordan.

Yvonne E. Burke, John Conyers, Jr., Ronald V. Dellums, Ralph H. Metcalfe, C. B. Rangel, Parren J. Mitchell, Louis Stokes.

HON. WILEY MAYNE

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ZWACH. Mr. Speaker, it was my great privilege to sit beside and serve on the Agriculture Committee with Congressman WILEY MAYNE of Iowa. I was deeply impressed by his ability and dedication to the cause of equity of income to producers of food. Over and over again his was a strong voice for the upper Midwest. As I retire from the committee and from the Congress I want to congratulate WILEY MAYNE for an outstanding job for agriculture.

A FIRST STEP IN EDUCATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. LANDGREBE. Mr. Speaker, Mr. Terence H. Bell, the U.S. Commissioner of Education, is to be highly commended for his remarks to the Association of American Publishers concerning the textbook dispute in West Virginia. His remarks are the first indication that the administration is aware of the nature of the textbooks that are being protested by the parents in West Virginia, and that it is willing to come down on the right side of the issue. Mr. Bell said, and I quote, that "publishers must recognize that we have compulsory attendance laws and that children are the captive audience of the schools." As a matter of fact, only one State in the Union does not have compulsory attendance laws, and that is Mississippi, a State considered backward by the minions of the Eastern establishment. It is, therefore, the only State in the Union where parents are free to send their children to private schools or to educate them at home, if need be, in order to escape the pervasive influence of the liberal textbook publishers. Parents, said Mr. Bell, "have a right to expect that the schools in their teaching approaches and selection of instructional materials, will support the values and standards that their children are taught at home." Parents do have that right; they have always had it. Unfortunately, the petty dictators of the public schools have insisted that the schools, not the parents, are the final authority in what the children shall be taught. Let us hope that Mr. Bell's remarks are a sign of a major change in the educational philosophy of the Federal Government.

The article follows:

EDUCATION CHIEF JOINS TEXTBOOK CONTROVERSY

Breaking silence on the textbook controversy that erupted in Kanawha County, West Virginia, and has since spread to other states, the U.S. commissioner of education, apparently speaking for the Ford Administration, has come out solidly for the parents who have been bitterly complaining that the textbooks insult their religious values. While deploring the violence that has taken place in some communities, Education Commissioner Terrel H. Bell told the Association of American Publishers last week in Cherry Hill, N.J., that "publishers must recognize that we have compulsory attendance laws and that children are the captive audience of the schools."

Parents, said Bell, "have a right to expect that the schools in their teaching approaches and selection of instructional materials, will support the values and standards that their children are taught at home." And if the schools cannot support those values, they must "at least avoid deliberate destruction of them."

Children, said Bell, should be introduced to new materials and learn something about the problems and pitfalls they are likely to encounter when they mature. "Surely," he said, however, "this can be done without resorting to explicit violence, or explicit sex, or four-letter words."

Bell stressed that school books "are a distillation of the values and attitudes that one generation wants to pass on to the next," and he favorably cited McGuffey's Readers as the values Americans in the late 1800s wanted to instill in their children. McGuffey's, said Bell, championed "patriotism, integrity, honesty, industry, temperance, courage and politeness. These readers sold 120 million copies. While McGuffey's selections from great literature would seem stilted by today's standards, there was certainly nothing wrong with the values they taught. We could use more emphasis on some of those values today."

Bell's support of the parents, somewhat surprising in an Administration that has so frequently tilted to the left, even on the social issue, has pleased a number of conservatives. While the mass media have made efforts to portray the parents' criticisms as narrow-minded, HUMAN EVENTS, after securing many of the volumes used in the Kanawha County schools, finds many of the complaints more than justified.

Not only would many of these books offend religious fundamentalists because of obscene language and a seeming mocking of religion, but they should also offend many conservatives because of the astonishing left-wing bias.

In one booklet called *The Language of Man*, published by McDougal, Littell & Co., of Evanston, Ill., there is a self-righteous essay directed at "Whitey" for supposedly offending blacks with words bearing racist connotations. Yet quoted favorably in the essay are the criticism of whites by left-wing revolutionaries Stokley Carmichael and Eldridge Cleaver. Moreover, there is no similar essay or lecture directed at blacks who drum up racial hatred against whites.

That same book contains a virtual ad for the radical ecological group, "Friends of the Earth." In an essay titled, "How to Spot an Ecological Phony," the author, Thomas Turner, assails such companies as Pacific Gas and Electric Co., Atlantic Richfield, and Ford and General Motors for being ecological phonies and polluters.

When one company attacked "misguided conservationists" for blocking the construction of power plants and thus paving the way for blackouts and brownouts in the future, Thomas retorted in this fashion: "True, perhaps, but their solution is to override opposition and build the plants, when we insist and will continue to insist that the only viable answer is to use less power."

At the end of the essay, this champion of less energy for Americans invites the student reader to help out "Friends of the Earth." "Friends of the Earth is compiling a file of eco-obscenities," he states, "and if we're to have any effect, we need to know what's going on all over the country. Please clip bad ads and send them in along with your ideas for next year's book to: Friends of the Earth, c/o McDougal, Littell and Co., Box 1667, Evanston, Ill., 60204."

A booklet by Stuart Chase, a supposed expert on semantics, is nothing but a vehicle for Chase's leftwing views. Called "Communicate!" and also published by McDougal, Littell, Chase assails the House Committee on Un-American Activities, now the House Committee on Internal Security, as a body that was "lavishly financed by Congress" while "wrecking the reputations of many decent and patriotic citizens." (Chase doesn't mention a single name, however, to support his claim.)

Chase takes a congressman to task for flatly opposing more federal spending, as if the man were an ignoramus. Chase "corrects" his misunderstanding by pointing out that it is perfectly all right to spend federal money when it is used to "feed the hungry, to reduce pollution, to care for the sick, to strengthen the United Nations," but very bad when it is used to buy "thermonuclear overkill" or "another Vietnam War." Chase carries on in this way for 94 pages.

Still another left-wing-titillating textbook is *Perspectives*, published by Scott, Foresman and Co. An essay by Henry Gregor Felsen is very sympathetic to the draft card burners, and suggests they may well be "daring patriots." The people who anger Felsen are not the draft card burners, but the "superpatriots" and those "young men of military age who are loud at the mouth for war, then do everything in their power, legal and illegal, to avoid going into service." Felsen also erupts at the "draft-dodgers in uniform," those with "soft, safe jobs for the duration. . . ."

This book also features a television play by Ronald Ribman called "The Final War of Olly Winter." The script is a twin assault against our intervention in the Vietnam War and America's treatment of the Negro. The fundamental message: Isn't it remarkable that the Negro fought in Vietnam because his life has been terrible in the United States?

Ribman, himself, writes that this is the central theme. Olly, the hero of the drama, is a black, and, says Ribman, he "never is less than loyal to this country, the same country that has in so many ways betrayed him." From Ribman's remarks, one would believe that U.S. policy in recent years had been to reenslave the Negro rather than to secure his civil rights, frequently at the expense of other groups.

Such, at any rate, are just a few of the textbooks that students are reading in Kanawha these days. And it isn't hard to understand from this just why many of the parents are mad.

HON. KENNETH J. GRAY

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GROVER. Mr. Speaker, as ranking minority member of the Subcommittee on Public Buildings and Grounds, I welcome this opportunity to express my regard for KEN GRAY on the occasion of his retirement.

Many Members doubtless will recall the many public buildings which represent the legacy of the subcommittee under his leadership, both here in the Nation's Capital and elsewhere around the country. However, I would rather cite his contribution toward a different sort of accomplishment. I refer to the 1972 restructuring of the means for financing the construction of Federal buildings. In these days of heightened awareness of the need for cost-consciousness and cost-effectiveness, the merits of this reform are strikingly apparent. The real cost to the taxpayer stemming from the use of public buildings is now reflected in user charges levied on tenant agencies, forcing them to act in greater awareness of the economic impact of their operations. Revenues go into a fund for the maintenance and operation of the facilities.

This legislation could not have become a reality without KEN GRAY's customary practice of doing his homework and shaping legislation to insure its passage. He can justly claim to have never lost a bill on the floor, a tribute by his colleagues more meaningful than any remarks in farewell.

KEN GRAY's colleagues on the committee, the beneficiaries of the projects he helped shape and the taxpayers of the Nation will remain in his debt.

I join my colleagues in wishing him many years of well-deserved retirement and reflection on 20 years of constructive service.

"POLITICIANS" AND THE REVITALIZATION OF THE AMERICAN SPIRIT

HON. THOMAS E. MORGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. MORGAN. Mr. Speaker, 1974 has been a memorable political year. Our Nation has survived the Watergate trauma, implemented the 25th amendment to the Constitution, and proved to be strong and resilient. The 1974 elections provided voters with the opportunity to approve or disapprove of policies, leaders, and philosophies, and they exercised their franchise in the finest democratic tradition.

One consequence of the Watergate affair, however, is that far too many Americans believe that public officials simply do not care about their problems, that Government is not responsive to the citizenry. Conversations with constituents and Members have reinforced my belief that the American people are crying out for leadership, and I believe that all public officials, whether they are local school board officials, county commissioners, State representatives, or Members of Congress, must rededicate themselves to serving the people.

It simply will not suffice to condemn the tactics of those involved in the Watergate scandal; rather, it is our special responsibility to develop effective legislation and move America forward to a Bicentennial year characterized by a healthy economy and a revitalization of the American spirit.

Mr. Speaker, the following editorial from the November 27 edition of the Philadelphia Evening Bulletin, entitled "In Praise of Good Politicians: Men and Women in the Arena," merits a careful reading. The word "politician" is often used disparagingly, and we must make every effort to restore the faith of the people in our governmental system. As public officials, the task of uplifting the American spirit deserves our constant attention. Let us proceed with this effort, so that the term "politician" becomes a word of praise, rather than condemnation. The article follows:

IN PRAISE OF GOOD POLITICIANS: MEN AND WOMEN IN THE ARENA

When we speak respectfully of them we call them by their titles—president, governor, senator, representative, mayor, councilman. We describe them as "fine public servants" or elevate them, at the highest level, to the rank of "statesmen."

When we disparage them, we call them politicians. We are in a particularly disparaging mood these days. The damning of politicians is constant.

Now that the election hoopla is behind us, perhaps it is time to say something in praise of all the decent men and women who go through the grinding ordeal of trying to get elected to offices that are no bed of roses either.

What would we do without them? How could we choose our "public servants" if there were no politics and politicians? How could we ever reach any conclusions about anything if there were no people versed in the political arts to compromise our differences, shape our laws, and oversee the machinery of our government?

Who would make the American system work if not those who work at politics?

Politicians are people whose art requires them to be far more reasonable, patient, conciliatory and persuasive than the rest of us. They have a lot of faults because they have to cope with the faults of all of us.

Politicians are exposed to constant and conflicting pressures from all sides. Their occupational risks are high. They have to deal with conditions and people and attitudes as they are if they want to "make things work," which is the practical test of their success.

And if they fail, or if there is merely a shift in public mood, they can see all their efforts vanish overnight by the margin of a handful of votes. Those losers, in particular, deserve some appreciation from a critical electorate.

Teddy Roosevelt said it, in a high-flown inspirational passage which perhaps may be forgiven for its early 20th Century male chauvinism:

"It is not the critic who counts, not the one who points out how the strong man stumbled or how the doers of deeds might have done them better.

"The credit belongs to the man who is actually in the arena, whose face is marred with sweat and dust and blood, who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions and spends himself in a worthy cause; who, if he wins, knows the triumph of high achievement; and who, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

That includes *politicians?* Yes, far more often than we credit.

So, here's a postelection cheer for all the good politicians, for the men and women who, win or lose, care enough and dare enough to expose themselves to the harsh judgments and the worse indifference of the rest of us.

Political rascals deserve all the drubbing they get. Even good politicians make errors and must expect rough going from those of differing opinion. Teddy Roosevelt called it "entering the arena." The modern cliche is, "If you can't stand the heat, stay out of the kitchen."

Gladiators or chefs, our compliments to them.

HON. OGDEN R. REID

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. PEYSER. Mr. Speaker, I had the opportunity of serving for several years with OGDEN REID on the House Education and Labor Committee. Not only was he an extremely active participant, but he was also a creative force on that committee. He has also proven to be a hard worker and a man dedicated to serving his constituency.

AUSTIN, TEX., FIRM WINS MEDIA PRIZE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. PICKLE. Mr. Speaker, I want to take this opportunity to recognize the achievement of some Austin, Tex., based media corporations. The Information Film Producers of America recently presented a bronze "Cindy" Award to Miller Productions, Inc., of Austin, for a production entitled, "Where There Is Love." The film told the story of the Texas Baptist Children's Home in Round Rock, Tex. and was used by that nonprofit organization to raise funds.

I take no small amount of personal pride that the producers of this film are close friends. Filmhouse, Inc., of Austin provided the technical facilities for the filming.

I insert into the RECORD a story from the November 16, 1974, edition of the Austin Citizen detailing the efforts of those involved with the award-winning production:

LOCAL FIRM WINS MEDIA PRIZE

Miller Productions, Inc., an Austin-based media production corporation, has recently received a Bronze "Cindy" Award from the information Film Producers of America.

The film winning the award is entitled "Where There Is Love" and was produced by Miller Productions, Inc. for Texas Baptist Children's Home in Round Rock. Fred W. Miller, president of Miller Productions, Inc., served as producer of the film and also as codirector with Dr. Robert D. Brooks of the University of Texas Radio-Television-Film Department. The show was aired statewide on commercial television April 3, 1974, on a network of twenty stations.

Miller said of the film "Where There Is Love": "We had an excellent subject and a very sensitive Executive Producer in Charles Wright, director of the Texas Baptist Children's Home. In addition to Wright's leadership, Keith Vaughn of the Children's Home put together an outstanding promotional package, and the show played to over two million people in Texas on its first showing."

Miller went on to say, "No show is successful because of one person. I want the crew to receive full credit. Filmhouse, Inc. provided technical facilities under the direction of their President, Gary Pickle. Pickle did the majority of the cinematography, with support from David Taylor, and edited the film. Bobby Bridger provided a superb music track. Jill Smith, vice-president of Miller Productions, Inc., coordinated the production. The team of Miller, Brooks, Smith, Pickle and Bridger has already proven its success by winning two previous international awards."

All film entered in the "Cindy" competition are judged on a point system based on five criteria: achievement of objectives, imagination and creativity, continuity (writing and direction), technical excellence and subjective evaluation (overall impression of the subject). Since the films are judged on a point system, not all categories have a Gold Award winning film. The category in which "Where There Is Love" was entered, Fund Raising, had one Silver Award winner and two Bronze Award winners.

Previous awards won by Miller Productions, Inc. include a Gold Medal and Special

Grand Jury Award from the Atlanta International Film Festival and two Silver Medals and one Bronze Medal from the International Film and Television Festival of New York.

REMARKS OF CONGRESSMAN BILL NICHOLS REGARDING NOMINATION OF VICE PRESIDENT

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. NICHOLS. Mr. Speaker, for the second time now in American history we are going to vote on the confirmation of a Vice President. This is a historic vote and it is one that has received considerable thought and attention by this Member of Congress.

During the time frame in which nominations were being proposed to President Ford to fill the vacancy of the Vice Presidency of the United States, I had publicly supported the recommendation of our former colleague, George Bush, whose service in the Congress I thought highly of, and I felt that he possessed many of the qualifications which would make him a good Vice President. President Ford, however, saw fit to place in nomination former New York Governor Nelson Rockefeller, and so the responsibilities of the Congress in the historic vote which is to take place today leaves the Congress with the choice of either nominating Mr. Rockefeller or continuing to leave this important office in our Government vacant, and, Mr. Speaker, it has been vacant too long already.

I am well aware of the controversies throughout the country concerning the former New York Governor in connection with his vast wealth and holdings. I am aware of the attacks which have been made on the nominee relative to the sizable contributions he has made to political friends. I am cognizant also of the many letters I have received from constituents from all sections of the country who oppose Mr. Rockefeller's nomination based on his liberal record during the time he served as Governor.

I weighed all of these issues in my mind and I have looked to the House Judiciary Committee to thoroughly investigate these issues during the course of their interrogation of the candidate.

Despite all the charges and allegations made against the nominee, Mr. Speaker, I can find in my own mind no real rationale for casting a "no" vote, and it is for this reason that I expect to support the nomination of Mr. Rockefeller for Vice President, which has been sent to the Congress by our President.

In so doing I reiterate that the candidate was not my choice to become Vice President and I am certain that much of his political philosophy and his background are different from that of my own, but in fairness to the candidate and to our President, who has nominated him, I can find no reason to vote otherwise.

Believing that the House will confirm Mr. Rockefeller by a large majority, I take this occasion to wish for him a successful administration, being mindful of the tremendous responsibility that we all have in providing leadership to these great United States.

ANTI-SEMITISM ENDURES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. DRINAN. Mr. Speaker, I attach herewith an extraordinary article on anti-Semitism, written by Father Edward H. Flannery, the executive secretary of the secretariat for Catholic-Jewish Relations of the National Conference of Catholic Bishops. Father Flannery, who is the author of the volume, "The Anguish of the Jews: 23 Centuries of Anti-Semitism"—MacMillan 1965—concludes his enormously perceptive and moving article with these words:

> Until anti-Semitism is openly acknowledged and diagnosed along lines as deep as these, the Browns, Nixons and Saxbes will always be with—no, in us.

The article, entitled "The Greatest Hatred in Human History," is reproduced from the New York Times of November 30, 1974:

THE GREATEST HATRED IN HUMAN HISTORY

(By Edward H. Flannery)

WASHINGTON.—The strictures by Gen. George S. Brown, chairman of the Joint Chiefs of Staff, in which he revived the hoary lie about Jewish ownership of banks and newspapers sent a quiver of embarrassment across most—but not all—of the country.

A recently published tape transcript showed that on June 23, 1972, Richard M. Nixon, as President, warned H. R. Haldeman to eschew the arts: "The arts you know—they're Jews, they're left wing—in other words, stay away."

Last April, Attorney General William B. Saxbe, in a news conference remark that in the McCarthy era "there was a great distrust of the intellectual," added: "One of the changes that's come about is because of the Jewish intellectual, who was in those days very enamored of the Communist party."

The list could be extended back through time indefinitely. There was nothing unusual about these performances. Hardly a day goes by that a stereotyping or attack is not visited upon Jews somewhere. Where is the synagogue on which a swastika has not been daubed?"

The only thing somewhat unusual about these performances is the political level of the persons involved. We are not dealing here with guttersnipes but with presumably educated and sophisticated people.

The very level of these personages raises questions. If individuals of some cultivation, or stature, fall prey to the virus of anti-Semitism as readily as anyone else, where are the boundaries of its power? Is anyone beyond its reach? Have we underestimated the dimensions of the phenomenon of anti-Semitism?

The reaction to incidents like some cited is usually minimization and denial. Those involved always deny their anti-Semitism, and most people defend them. It is socially disrespectable today to be overtly anti-Semitic, whence a strong reluctance to own up to it, or accuse another of it.

Our first conclusion must be that anti-Semitism is something strongly repressed, hence always denied.

When there is any sort of acknowledgment, a process of minimization takes over. Reduced to a foible, an anti-Semitic lapse is made light of, even made subject of jest.

Anti-Semitism is the greatest hatred in human history. In duration and intensity, it has no competitor.

What other hatred has lasted some 23 centuries and *survived* genocide of six million people in its 23d century of existence? I say "survived" because it is very much alive today.

An unexorcisable devil, it has ravaged from age to age, land to land. As one kind wanes, another promptly replaces it.

A vapid pre-Christian kind was followed by a "Christian" variety that became oppressive and murderous. Then in succession came rationalist, pseudo-scientific racist, socialist, rightist varieties. Today there are Soviet, Arab (over and beyond political enmity), black, New Left and "genteel" types.

Anti-Semitism has known every cruelty: social and civic disabilities, insult, ghettoization, torture, exile, murder.

Through the centuries, even great saints and leaders have been infected. Estimates of Jews murdered *before Hitler* range in the multimillions.

Is there not warrant to view this enormity as the greatest stain in the history of Western culture?

It may, in any case, be seen as a demonic force, endless and bottomless, that defies analytical powers, indeed eludes our very observation. The Jew, "eternal scapegoat," serves apparently to assuage a deep human need.

Many efforts have been made to understand anti-Semitism, all partly successful. Historical causes center on the "deicide" charge, the old theological myth. Yet history can hardly do full justice to the phenomenon: Profound psychological mechanisms are at play. As one psychoanalyst has stated, "Anti-Semitism is more a conflict within a person than between persons."

Perhaps the most fruitful avenues of explanation explored locates anti-Semitism in the lowest strata of the psyche where savage forces struggle against all restraints and ideals. In the Christian, it would be an unconscious displaced resentment of his own Christianity; in the non-Christian, a revolt against moral conscience.

It was Judaism that brought the concept of a God-given universal moral law into the world. The Jew reminds us of our paganism. For this he has never been forgiven. Willy-nilly, the Jew carries the burden of God in history.

Until anti-Semitism is openly acknowledged and diagnosed along lines as deep as these, the Browns, Nixons and Saxbes will always be with—no, in us.

LES ARENDS

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. MINSHALL. Mr. Speaker, may I add my small note to the accolade of history in behalf of my outstanding colleague and friend of many years. The Republican Party has been through hell in recent times, and it might not now even be here to "kick around" were it not for men of stature and dedication such as LES ARENDS. He has mastered the crucible of Republican Whip and been a pivotal force for good in resolving the continuing "Ballad of East and West" called up by Kipling:

BALLAD OF EAST AND WEST BY KIPLING

"Oh, East is East, and West is West, and never the twain shall meet
Til earth and sky stand presently at God's great judgment seat;
But there is neither East nor West, border nor breed nor birth
When two strong men stand face to face, tho' they come from the ends of the earth!"

THE "OTHER" THOMPSON

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. BRADEMAS. Mr. Speaker, though most of us call our collague, FRANK THOMPSON of New Jersey, "THOMPY," many, many people from the days of President Kennedy have called him "TOPPER." Mr. Speaker, there has been a new development on the scene. In the article that follows, there is an interesting story relating to THOMPY's brother, one of the finest of all jazz guitarists. Henceforth, our colleague, it appears, will take second place to his brother, Dawes. Fond though I am of THOMPY, Mr. Speaker, I confess it is something of a joy to see him no longer at the top at home.

The article follows:

[From the Trenton (N.J.) Evening Times, Dec. 12, 1974]

"OTHER" THOMPSON TO JAM ON "JELLY" AT LINCOLN CENTER

(By William M. Dwyer)

In the George Plimpton set on the East Side of Manhattan, so the story goes, they used to identify Jacqueline Kennedy in what might seem to be an odd way: "The one who just came in? Oh, that's Lee's sister." (And Lee, of course, was Lee Radziwill.)

In a somewhat similar situation, Congressman Frank Thompson Jr., may, any day now, find himself on the wrong end of such a ploy: "The silver-haired guy who just came in? Oh, that's Dawes's brother.

Yeah. Big old Dawes Thompson—Thompy's kid brother, Rosemary Quinn's husband—has made it into the big time. As a musician. After all these years.

Old Dawes, the one with all those kids, the one with all those jazz records and tapes in his cellar up on Hillcrest Avenue, has arrived. All those hours he's devoted to jazz, all those "skiffle" sessions in the cellar are about to pay off.

For, at 8 o'clock Saturday night when that big curtain goes up at Alice Tully Hall in Lincoln Center, there on the spotlighted stage will be Dawes, a confident smile on his face and his big old Gretsch unamplified guitar in hand, one of the seven members of Bob Greene's "World of Jelly Roll Morton" band.

A full house is anticipated because the band's last appearance at Tully Hall, last February, evoked joyous applause and comments such as this one from John S. Wilson, jazz critic of the New York Times: "It was a thoughtfully prepared concert, brilliantly executed and lovingly received by a house filled with seemingly knowledgeable listeners."

Dawes Thompson is best known here as a former Newark News reporter—a good one—as, for the past dozen years, the public relations officer of the Delaware River Basin Commission, and as a fervid and eloquent hater or anything that smacks or smells of a place called Princeton, New Jersey. ("You should have seen her, this old dame from Princeton on the jury with me. 'Do you know,' she says, 'I never before realized that Trenton is actually in Mercer County!' ")

To some people, Dawes is a genial piano player, the kind who can be persuaded to play for boozed-up party people in the mood for "The Darktown Strutters' Ball." But the piano, as much as he likes to noodle around on it, is not his forte. "Piano?" he says. "I'm just a whorehouse-blues piano player."

But with the jazz guitar. Dawes is something else; for years now he's been moonlighting as a jazz rhythm guitarist, mostly with some better-than-average bands in North Jersey. He does some soloing on such gigs but his main role "is, one, to provide the harmonica foundation and, two, some steam for the other players."

By earning membership in Bob Greene's "World of Jelly Roll Morton" band, Dawes has entered the upper echelon of the jazz world. He has made it. In tennis, it would be like making the Davis Cup team; in baseball, a major-league all-star team; in football, the All-America team.

The band, which faithfully reproduces the sounds of the late Mr. Jelly Roll and his Red Hot Peppers, has been acclaimed by critics, "Brilliant re-creations of Jelly's style," says the New York Times.

"If one closed one's eyes," says the man from The New Yorker magazine, "it was Morton himself onstage."

And the critic from Storyville Magazine reports that "one can sit back and marvel at such music and such playing. The old man, if he had been alive, would have loved every moment of this concert." Aficionados of New Orleans jazz go even further in their praise.

It's fairly heady stuff, and, quite frankly, Dawes Thompson is enjoying the hell out of it. Even when friends needle him a bit about being a late bloomer, about finally, after all these years, after all those children, making it. "What a nice thing," they say, some of them, only half kidding, "to happen at your age."

Nice as some of the compliments are, and pleasant as it is to be part of such an accomplished group, Dawes, at the ripe old age of 50, is finding the preparation for Saturday night's concert a lot of hard work. "It's classic New Orleans jazz," he explains, "and it's very intricate stuff to play—changes of keys, and breaks and accents and slurs and so forth. We've been working day and night for weeks."

Almost every night recently, and on every weekend, Dawes has been practicing with the group in a Manhattan landmark called Nola Hall. With such a schedule in addition to his regular job at the Basin Commission headquarters, he's not getting much sleep these nights, but it's all such fun he's thriving on it.

As who wouldn't in such company?

Take Bob Greene, the pianist and leader of the band. "Here," says Dawes, "is a well-known jazz pianist, a strange animal whose single purpose is to emulate the style of a great player, the late Ferdinand (Jelly Roll) Morton—born 1885, died 1941. Morton was a phenomenal pianist, sort of bridging the world of jazz and the world of ragtime and into orchestral jazz. He had a remarkably creative mind—composer of such standards as 'King Porter Stomp'—and in addition he put together, back in the 1920s, the Red Hot Peppers, generally accepted as one of the phenomena—the epitome of New Orleans jazz band creation.

"Jelly Roll was one of the best performers in jazz, not of the Louis Armstrong dimension—no one was—but he put together just the most thrilling New Orleans jazz band ever to play in a recording studio. Like Armstrong's Hot Five, Jelly Roll and his Peppers never played in public—strictly a recording band. They made a couple dozen records and they're considered immortal.

"Over the years, Bob Greene has been appearing at jazz festivals and concerts as an unashamed Jelly Roll devotee, a pianist known for his Jelly Roll recreations.

"Well, one day George Wein, a jazz entrepreneur and a sometime-pianist, suggested that Bob Greene broaden out and put together a Red Hot Peppers band. Greene went ahead and did it and the band appeared at the Newport Jazz Festival in New York in July '73 and it was well received. Last February, in Tully Hall at the Lincoln Center, the band gave another full-scale concert and, as The Village Voice reported, 'the audience gave Greene and his group a standing ovation.' "

And now the recreated Jelly Roll band is set for another big night at Lincoln Center, and this time with Dawes on guitar—a Walter Mitty kind of dream come true. (Not that old Dawes is all that timid; not on your flippin' life, as he might put it.)

Yeah, he told a visitor in his jazz-cluttered cellar the other day, he'd joined the band, at Greene's invitation, a month or so ago. He'd known Greene for years, saw him at jazz festivals and concerts and so forth, and sometimes they'd play together in sessions at such places as right on the Mississippi levee.

Dawes first went to the festivals and such as a listener. Then he got to playing and pretty soon he was rhythm guitarist for such groups as the St. Louis Mudcats. And now it's the big time with the recreated Morton band.

"There are seven of us. Tommy Benford on drums. He's great. Played with Jelly Roll in the Nineteen Twenties. Milt Hinton on bass. One of the best bass players in jazz. On clarinet, another New Orleans great, Herb Hall, brother of Edmund Hall the famous New Orleans clarinetist. On trombone, Ephraim Resnick, a New York studio and pit man; in the pit band for 'Hello, Dolly;' in a lot of pit bands. Good man. On piano, Bob Greene, and, cornet, the only other part-timer besides me, a Wall Street broker named John Bucher. And that's it.

"Essentially it's a concert band. We'll be recording next week—an LP of 'Black Bottom Stomp,' 'The Original Jelly Roll Blues' and such. Two tours are being arranged, the first one next fall, same tour stops as the Preservation Hall Band of New Orleans.

Thompson's interest in jazz goes back four decades when at the age of about ten he started collecting records. "Thompy," as Dawes calls his 56-year-old brother, the congressman, was a Duke Ellington fan. "When Thompy was out of the house," Dawes recalls, "I'd sneak into his room and play the records. Pretty soon I became even more fanatical than he was. By the time I was 15, I had a pretty big collection of records.

"I was a self-taught piano player and later a self-taught guitarist. And what they say about the lawyer who represents himself goes for me too: a self-taught musician has a fool for a pupil. It's probably just as well, though. If I'd had lessons, my whole life would have been different. . . ."

Dawes lets the words trail off, but one gets the idea that he's more than content with the way things have turned out. All those great kids of his growing up in an atmosphere not unlike that of the play "You Can't Take It With You." A big rambling house, first on Riverside Drive, more recently one at 82 Hillcrest in Trenton, full of jazz and happy sounds and overnight guests and weekend guests and month-long-or-longer guests. The player piano in the cellar, and all those records and tapes and other bits of happy clutter.

Jam sessions far into the night, and long into the weekend. John Ellis on bass. Tony Ludwig on clarinet. Al Fish on cornet. All from around here. And sometimes Joe Scannella—"Joe (Sax) Scannella, that is, not Joe (Trumpet) Scannella, his first cousin. "Joe Trumpet is a good friend, but he hasn't played in any of our sessions. Joe Sax's uncle has, though: Patsy Scannella, good bassist."

Once in a while there's a professional in from New York for a session at Dawes's place: "Dill Jones for one. He's a Welsh pianist, a fixture in the New York scene for 15 years. Jimmy Ryan's and places like that."

And then there are the "skiffle" sessions. Sometimes at Dawes's place, sometimes at John Kolesar's in Crosswicks. "In skiffle bands," Dawes explains, "you have a casual type of jazz out of the south side of Chicago with a detour through the South. In skiffle you have legitimate jazz instruments and illegitimate instruments such as the kazoo or comb, the washboard, and other makeshift percussion instruments, a suitcase even. Much of the most beautiful jazz has been played with such instruments."

Among those in the skiffle sessions are sometime-host Kolesar, a pretty good trumpet man; Earl Josephson on the comb, his brother Art Josephson on the jug, and maybe Dawes on banjo—"an instrument I usually play only at gunpoint or for money"—if the guitar isn't right at hand.

Dawes discovered the guitar while he was on duty at an Air Force base in Alaska during World War II. "Steve Randazzo, one of the guys in the barracks, was a pretty good player and got me interested, taught me a little. My mother later sent me an inexpensive guitar and pretty soon I was playing in a band. We were in the Yukon Territory and we'd get flown around, playing little dances here and there, any place where there were some Wacs. It was fun.

"After the war, a group of friends who knew about my interest in the instrument gave me a beautiful Martin guitar. That was Christmas nearly 25 years ago. Now I'm playing a really good one, a Gretsch, about 35 years old. Got it from Bill Revesz, a fine guitarist from Trenton."

In order to support his jazz habit as well as the wife and kids, Thompson decided after getting out of service, to try to get a job on a newspaper. It was a tough time to get such a job, with so many regular staffers returning from the war. And Dawes didn't have the sort of credentials that cause a prospective employer to flip. He'd attended, and got himself kicked out of, Trenton High, Trenton Catholic Boys' High and several other schools he'd rather not mention. He hadn't gone to college at all.

He had however, grown up in a newspaper family. His father, the late Frank Thompson, was one of the ablest journalists in local history. His uncle, the late Francis A. Jamieson won a Pulitzer Prize for his coverage of the Lindbergh kidnapping case.

And so, in 1945, Dawes tried the Trenton Times Newspapers and a dozen or more others. Nobody seemed to be hiring. Then, somehow, there was an offer from the Newark News—"a great paper," as he said the other day, "whose demise I lament."

He worked for the News for 16 years, the last seven at the State House where he was the paper's bureau chief.

By 1962, Dawes and wife Rosemary had six children and expenses that, were beginning to exceed your typical journalist's salary. And so Dawes did what a lot of journalists do; he took a p.r. job. He's been public relations officer with the Basin Commission ever since.

He's also been, since the early 1950s, "Thompy's brother." But perhaps all that will change now.

A TRIBUTE TO ANCHER NELSEN

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ZWACH. Mr. Speaker, one of my dear friends in Congress is the Great Dane from Minnesota, Congressman Ancher Nelsen of the Second Congressional District.

It was my privilege and pleasure to serve for many years with him in the Minnesota Legislature. I admired his leadership and administrative skill as head of the Rural Electrification Administration under President Eisenhower.

When I came to Congress as a freshman, Ancher already was here before me and he was a great help to me in getting my feet on the ground.

As the ranking member of the House Committee for the District of Columbia, he displayed rare skill in bringing agreement on varying philosophies and points of view. He has aptly been called the master of compromise.

Mr. Speaker, the Congress will be a poorer place because of the retirement of our good friend, a man we all admire and trust, but I will be happy to have him back in Minnesota with me so that on occasion we may be able to go fishing together in our sparkling northern lakes.

GOVERNMENT TRANSPORTATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. LANDGREBE. Mr. Speaker, an article on mass transportation by M. Stanton Evans appeared in the December 14 issue of Human Events, an article that deserves the attention of all Members of Congress. Mr. Evans, as I am sure you know, is the author of several good books, and has been the editor of the Indianapolis News for years. His criticisms of the Government financing of mass transportation systems is cogent; I wish only that he had discussed the total failure of the famed "people-mover" installed at the taxpayers' expense at Morgantown, W. Va.

In that pilot project, which the advocates of mass transportation have kept mysteriously mum about, several million dollars have been wasted on a mass transportation system that is inefficient, undependable, and uninviting to prospective users. In short, it displays all the characteristics of the mass transportation systems already in operation, systems like the New York Subway, San Francisco's BART, which is discussed by Mr. Evans, and Amtrak. I urge my colleagues to consider Mr. Evans' article carefully, and ask themselves whether we can trust the transportation of millions of people to a Government that cannot deliver a letter across town in fewer than 3 days.

The article follows:

Good Money After Bad

(By M. Stanton Evans)

Recently the House of Representatives completed action on an $11.8-billion bill to subsidize mass transit systems around the country, to the loud hosannas of federal, state and local officials.

On past experience, the cheers and the money alike will be wasted. This billion-dollar bundle will no more solve the transit problem in our major cities than if Congress had simply wadded it up and dropped it down the nearest manhole. The available evidence suggests that the whole "mass-transit" concept is in error, and that added funding for such projects simply throws good money after bad.

We have, after all, considerable experience with government involvement in the transit business and with mass transit in particular. These efforts have consistently failed to work—indeed, have made the problem worse—and there is little reason to suppose the present scheme will turn out any different.

Over the past 10 years, the federal government has ploughed $4 billion into mass transit subsidies of one sort and another, to lugubrious effect. As noted by Prof. George Hilton of UCLA, the pilot projects receiving government dollars have turned out as fairly uniform disasters—with enormous cost overruns, huge operating deficits, and none of the good results predicted by their sponsors.

One of the most calamitous experiments has been the Bay Area Rapid Transit System in San Francisco—which cost a cool $1.6 billion to build, is three years behind schedule, and has been operating on a bob-tailed basis because of technical difficulties. A major hang-up has been the problem of finding "dead" trains on the tracks to prevent collisions—something the Santa Fe Railroad was able to do in 1900.

In Chicago, the federal government helped finance a new rail line running into the Loop, at a cost of $29 million, on the usual premise that the system would ease the crush of auto traffic on an adjoining freeway. A Chicago Transit Authority survey showed, however, that 80 per cent of the passengers of the system were diverted from other forms of mass transit already in existence, only 8 per cent from automobiles.

The same effect is apparent in Washington, D.C., Cleveland and other cities. Utilization surveys repeatedly show that efforts to beef up public transit systems with subsidies do little to attract the drivers of private autos. The gains in patronage, such as they are, come from existing bus lines, taxis, and limousine services—which among other things has the effect of increasing economic pressures on these carriers.

From these and other data it is apparent that public transit systems have not been and probably will not be successful in wooing people away from their cars—which means that all those billions in subsidies won't have the slightest effect in altering basic transit patterns. This situation is likely to persist no matter how many dollars are poured into monorails and bus systems, because the mass transit notion is mistaken to begin with.

The fallacy of mass transit by rail and existing bus systems is essentially the same: Both are based on the concept of fixed-route, radial transportation provided by monopoly suppliers according to a timetable—as has been the case with urban transit systems for a century. Trouble is, noted by Yale Brozen and Laura Genero in a recent survey for the Washington *Star-News*, our population and living patterns nowadays are vastly different from what they were in 1880, and policies appropriate then are highly inappropriate now.

Most notably, many Americans these days live not in compacted areas but in widely dispersed suburbs and in these circumstances they need transportation that will get them to and from their homes. Also, they prefer transportation that is flexible to their demand, not rigid in its scheduling, and that will take them in any given direction when they want to go there. Fixed routes and timetables don't get the job done.

Despite these facts, the government planners persist in their dream of linear collective traveling. Odds are our transit trouble will continue—at increasing cost—till they wake up. As Brozen and Genero put it, mass transit doesn't need to be "saved." It is the public "which needs to be rescued from the transit industry. The chief beneficiaries of government subsidies have been the transit monopolies, which are bailed out of yearly deficits; transit union workers; construction workers; and contractors."

The proper direction for American transit has been suggested by Brozen-Genero, Hilton, Ross Eckert and other scholars who have studied the problem at length—a move toward greater diversity and flexibility. The type of locomotion needed by Amercians nowadays is something that approximates the demand-responsiveness of the private automobile, and isn't tied to linear routes.

As previously noted in this space, America once had a flourishing industry of this sort—the so-called jitney business of the early 1900s. Jitneys were private automobiles that stopped and picked up people more or less at random and carried them wherever they wanted to go, or posted a destination on the windshield and carried several passengers in that direction.

The jitney industry prospered at the expense of street cars, impelling a number of cities to legislate against the upstart business. Regulations were imposed that took away the flexibility and demand-responsiveness of the system, and by 1920 jitney service had disappeared from most American communities.

There is no good reason the jitney or "public auto" business could not be revived today. Gypsy cabs which perform a similar function exist in many cities, in the teeth of licensing regulations intended to prevent them. Should such regulations be removed, it is altogether possible that a satisfactory form of public transit would develop rapidly and naturally, at a cost considerably less than $11.8 billion.

WILLIAM B. WIDNALL

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BARRETT. Mr. Speaker, when the 94th Congress convenes in January 1975, the House of Representatives will no longer have as its representative from the Seventh Congressional District of New Jersey, Bill Widnall, one of the most distinguished and capable Members that New Jersey has ever sent to Congress.

My colleague of 25 years, Bill Widnall, and I have served together in every session of Congress since he was first elected in a special election in February of 1950, and we have served very close together for all of these years on the Committee on Banking and Currency, he on the minority side and I on the majority side during most of those years. He has served as the ranking minority member of the Housing Subcommittee for the whole time that I have served as chairman of the Housing Subcommittee, and, as most of the Members of this House know, we have served together as a team instead of adversaries. We have worked well together, and we have produced some of the most important domestic legislation in the field of housing and urban development. If it were not for Bill Widnall's statemanship, intelligence, and cooperation, much of the legislation that has been handled by the Housing Subcommittee would not have been enacted into law. We have been through many battles together and have seen much happen to this country, but have managed to remain close friends and working partners.

I regret that the Congress will not have Bill Widnall's presence to assist it in the upcoming session, but I know that he and his wife will have a much deserved rest. So with the final days of the 93d Congress coming to a close, I rise to salute and honor my dear friend, Bill Widnall, as he leaves the House of Representatives.

SETTLEMENT COST LEGISLATION

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. STEPHENS. Mr. Speaker, in reviewing the floor debate in the House of Representatives at the time we passed the Real Estate Settlement Procedures Act on August 14, 1974, I noticed that my colleague from California, Mr. Stark, had inserted in the Record a memorandum entitled "Comments on the Brock Closing Cost Bill (S. 3164) and the Brock Letter of April 29, 1974." This memorandum appears at page H8333 of the Congressional Record for August 14, 1974.

Unfortunately, Senator Brock's letter of April 29, 1974, was not also included in the Record. I therefore ask to insert this letter in the Record at the conclusion of my remarks.

In his letter, which was sent to Senator Proxmire and all of the other members of the Senate Banking Committee, Senator Brock draws attention to a number of significant points in the legislative history of the enactment of section 701 of the Emergency Home Finance Act of 1970. Let me briefly highlight two of them.

First, Senator Brock points out that one of the aspects of the legislative history of section 701 that is clear is that both the Senate and House Banking Committee reports on the Emergency Home Finance Act of 1970 agreed that section 701 was intended to implement the recommendations on real estate closing costs contained in the 1969 Commission on Mortgage Interest Rates. The language of the Commission's recommendations, which are set out as an attachment to Senator Brock's letter, are clear and unambiguous and do not in any way recommend that HUD and the VA be given rate regulatory authority over closing costs in FHA- and VA-assisted transactions.

Second, Senator Brock's letter also draws attention to the only discussion of section 701 that took place on the floor of the House of Representatives at the time the Emergency Home Finance Act of 1970 was being considered. In that discussion, which appears at page 21595 of volume 116 of the Congressional Record, Representative Blackburn asked Chairman Patman to confirm that section 701 was simply intended to provide legislative authorization for HUD's administrative practice of reviewing closing costs in particular FHA transactions to ensure that such charges are consistent with the reasonable and customary standards for such charges prevailing in the local area. Chairman Patman confirmed that this was the intent of section 701. This colloquy is also set out at the end of Senator Brock's letter.

Mr. Speaker, I have always been mystified by the argument that section 701 provided HUD with broad-ranging rate regulatory authority—a delegation of authority that would certainly have generated tremendous controversy—when there was not one voice raised on the floor of the House at the time section 701 was enacted in support of this position. In view of the many words that have been written and spoken about section 701 since its enactment, why was there not one word spoken at the time of its enactment that the provision would be granting sweeping new authority for HUD to engage in Federal rate regulation?

The answer is clear and inescapable. No one, not even my colleagues who are now attempting to interpret section 701 as authorizing Federal rate regulation, believed in 1970 that by enacting section 701 we were granting such far-ranging authority. If, after giving the provisions of S. 3164 a reasonable chance to work, HUD believes that rate regulatory authority is desirable, it should make appropriate recommendations to the Congress in the report called for by section 14 of S. 3164. If HUD believes this authority is desirable, subsection (b)(2) of section 14 calls upon the Secretary of HUD to provide us with a description and analysis of the regulatory scheme he believes Congress should adopt. Until such time as the Congress enacts such a regulatory scheme, I must reiterate that HUD simply lacks the authority to engage in rate regulation of settlement costs.

The letter of Senator Brock follows my statement:

April 29, 1974.

Hon. William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Bill: Thank you for your letter of April 25 expressing your views on my settlement cost legislation, S. 3164.

I felt that we would be in substantial agreement about the basic reform and disclosure provisions contained in S. 3164, since you have been recommending many of these provisions over the past few years. However, I am distressed that you believe you can not support S. 3164 because of Section 10(c) of the bill—the provision that would repeal Section 701 of the Emergency Home Finance Act of 1970.

As you may know, both HUD and the Federal Home Loan Bank Board testified in recent House hearings that they believe repeal of Section 701 is an essential part of any legislative package on settlement costs. Thomas Bomar, the Chairman of the Board, characterized Federal rate regulation of settlement costs—which you believe was intended by Section 701—as "merely symptomatic treatment" of the problems in this area that is "likely to create a bureaucratic monstrosity" and lead to "serious distortions and instabilities in the marketplace." As you point out at the end of your letter, many persuasive arguments have been advanced that the regulation of settlement charges by the Federal government would be "impractical and unworkable." Some of these arguments were, in fact, made by consumer representatives who questioned whether rate regulation was a proper or desirable solution.

Nevertheless, you suggest in your letter that there are some reasons why Section 701 should not be repealed. To help focus our consideration of this matter—and for the benefit of our colleagues on the Banking Committee—I would like to respond to the arguments you have made for retaining Section 701;

The reforms contained in S. 3164 *are* likely to result in *substantial reduction in settlement charges.*

I can not agree with your view that S. 3164 would only be of "limited benefit" to home buyers and "would not result in any substantial reduction in settlement charges."

First, in a number of areas of the country the elimination of all kickbacks and referral fees, as provided by Section 7 of S. 3164, would eliminate an element of cost for those title insurance companies that have had to make such payments in order to obtain business. I am confident that state insurance commissioners with rate regulatory authority over title insurance companies and the forces of competition will ensure that the savings resulting from the elimination of these payments will be passed on to the home buyer.

Second, Section 8 of my bill—which would limit the amounts lenders can require home buyers to prepay into escrow accounts at the time of settlement to ensure the payment of real estate taxes and insurance premiums—is likely to result in greater cost savings to home buyers than any system of Federal rate regulation. In a number of areas, lenders presently require that advance taxes and insurance premiums for six months, one year or even longer be paid into these escrow accounts at the time of settlement. This can amount to many hundreds or even thousands of dollars. Section 8 would cut these escrow deposits by 50% to 75% or more. For example, a purchaser of a $40,000 house may presently be required to pay $700 at the settlement for one year's advance taxes and insurance premiums. Under Section 8, this amount could be reduced to $50 or $100.

Third, the provision (Section 9) directing HUD to establish model land recordation systems—while offering no immediate cash savings to home buyers—represents an essential first step toward achieving what the 1972 HUD–VA Report on "Mortgage Settlement Costs" referred to as the "root problem" involved in unnecessarily high settlement costs: "reform and reorganization of public land records."

Finally, the various provisions of S. 3164 requiring greater advance information to be provided to home buyers of the nature and costs of settlement services is certain to result in lower charges as buyers become more knowledgeable about the settlement process and its costs. Not only are buyers more likely to shop for the services they need, but they will inevitably bargain for lower charges if they have some estimate of their costs a reasonable time in advance of settlement.

Thus, I can not agree that these reforms will be of only "limited benefit." In fact, the reforms contained in S. 3164 are directly responsive to *all* of the recommendations for Federal legislative action to reduce settlement costs contained in the 1972 HUD–VA Report that was developed after an extensive study of the settlement process.

Section 701, which was introduced by Senator Sparkman, was *not* intended to authorize HUD to limit or reduce *settlement charges in FHA or VA transactions.*

Although in the intervening years since Section 701 was enacted there have been conflicting views as to the nature of the authority conferred on HUD, I believe that if you examine the legislative history of the section it is clear that it was *not* intended to authorize HUD to engage in Federal rate regulation of settlement charges or to force reductions in prevailing levels.

Section 701 was originally introduced in the 91st Congress by Senator Sparkman as Section 2 of S. 3442. The language of Section 2 of his bill was virtually identical to the language ultimately adopted as Section 701. In introducing this bill, Senator Sparkman stated on the floor of the Senate that he was acting to "carry out the recommendations" of the Commission on Mortgage Interest Rates to the President of the United States and the Congress. 116 CONG. REC. 3366 (1970). The language of the Senate Banking Committee Report (S. Rept. No. 91–761, p. 17) on this section of the bill stated specifically that the section "would implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs on FHA- and VA-assisted housing." Thus, to understand the intent of Section 701 one must examine the conclusions and recommendations of the Commission on Mortgage Interest Rates—of which I was a member, as were Chairman Sparkman and Senators McIntyre, Bennett and Brooke. For your information, I am enclosing a reproduction of the Commission's conclusions on closing costs which are found on page 72 of its report.

You will note that the report in no way recommended that HUD be given the authority to regulate closing costs or to adopt any regulations that would have the effect of reducing or standardizing closing costs around the country. What the Commission *did* recommend was that HUD and the VA "continue the present administrative practice of reviewing such costs to see that they are consistent with the accepted standard in each local area."

At that time, as is true today, HUD and VA administratively reviewed settlement sheets in mortgage transactions involving FHA or VA assistance to determine whether the various items of closing costs in the particular transaction were "reasonable and customary" for the local area involved. It was this administrative practice that the Commission recommended be continued. In regard to possible actions that might be taken to reduce or standardize closing costs across the country, recommendation (c) of the report urged that HUD and the VA "undertake a joint study for submission to the Congress by mid-1970 recommending steps to reduce and standardize such costs." This was the study produced by HUD and the VA in 1972 pursuant to the directive contained in Section 701(b) of the 1970 Act. As I have already noted, *all* of the recommendations contained in that report for Federal legislative action have been embodied in S. 3164.

The legislative history of Section 701 is equally as clear on the House side—as is demonstrated by the colloquy on the House floor between Chairman Wright Patman and Representative Ben Blackburn of Georgia on June 25, 1970. The enclosed excerpts from the Congressional Record make it clear that at the time Section 701 was being considered by the House no one—including the officials at HUD—believed that the section was intended to do any more than authorize HUD to continue with its existing administrative practice discussed above.

Thus, you can understand my concern over the fact that Section 701 has been totally misinterpreted as authorizing HUD to engage in wholesale rate regulation of all settlement services in FHA and VA transactions. I believe the legislative history is clear that this was not what the Congress intended and it is because of this misinterpretation that I am so concerned that Section 701 be removed from the statute books. I have no problems with HUD and the VA continuing their administrative practice of reviewing settlement charges in particular FHA and VA transactions to ensure that the charges are "reasonable and customary"—a practice which does not require specific statutory authorization—but I am not prepared to see Section 701 used as the basis for a scheme of rate regulation by any Federal administrative agency.

Preserving Section 701—so as not to "make more work for ourselves later on" by having to reenact new authority—would not be useful or desirable.

As I have just discussed, I do not believe that Section 701 can legally be used as the statutory authority for a system of Federal rate regulation of settlement charges. I might add that there are also serious constitutional objections to the use of Section 701 as a basis for rate regulation. If it turns out that the reform provisions of S. 3164 do not prove effective in keeping settlement costs to reasonable levels, however, the Congress may want to consider the rate regulation approach. If we get to that point we will have to consider something substantially more detailed and precise than the vaguely-worded, single paragraph of Section 701(a) as the statutory basis for the regulation of the rates and charges of tens of thousands of attorneys, title companies, realtors, lenders, surveyors and other providers of settlement services across the country.

I had this problem specifically in mind in the drafting of Section 10 of my bill. Section 10 requires the Secretary of HUD, in consultation with other interested Federal agencies, to monitor the implementation of S. 3164 and to report back to the Congress if he believes that further legislation is needed. Section 10(b)(2) directs the Secretary to include in his report "recommendations on whether Federal regulation of the charges for real estate settlement services in federally related mortgage transactions is necessary and desirable, and, *if he concludes that such regulation is necessary and desirable, a description and analysis of the regulatory scheme he believes Congress should adopt.*"

I simply can not see how we can avoid more work for ourselves later on if we subsequently come to the view that Federal regulation is the only answer. If you look at the Natural Gas Act, the Interstate Commerce Act, or any of the other statutes we have adopted to provide for Federal regulation of an industry, I think you will agree that Section 701 is simply incapable of providing the necessary legislative framework for the regulation of real estate settlement costs. It lacks standards or guidelines to direct the Secretary as to how such regulation should be achieved; it lacks administrative due process standards; it lacks provisions or standards for judicial review. In short, it lacks virtually every provision that the Congress has traditionally included in statutes designed to authorize Federal rate regulation of other industries.

The problems with Section 701 and Federal regulation of settlement costs go beyond the fact that some HUD officials (Lynn/Lubar) are opposed to such regulation whereas others (Romney/Gulledge) favored it.

In your letter, you point out that former Secretary Romney and Assistant Secretary Gulledge were of the opinion that settlement charges could and should be regulated, but that Secretary Lynn and Assistant Secretary Lubar take a different view. You state that a future Secretary of HUD might adopt the Romney/Gulledge view and that this option should be left open by retaining Section 701.

I think you must also recognize, however, that Secretary Romney and Assistant Secretary Gulledge expressed their opinions *before* HUD attempted to work out the problems involved in Federal regulation of settlement charges. The views expressed by Secretary Lynn and Assistant Secretary Lubar, on the other hand, are not just their personal views, but were views developed after HUD's extensive experience in trying to develop a system of rate regulation.

In testifying before the Subcommittee on

Housing of the House Banking Committee on December 4, 1973, Assistant Secretary Lubar did not indicate that he had any philosophical antagonism toward the *concept* of Federal rate regulation of settlement charges. Rather, he stated that "the Department is not comfortable that the mandate of Section 701 is sufficiently clear" to allow HUD to proceed with the proposed regulations which it issued in July, 1972. Mr. Lubar further testified as follows:

"Attempting to regulate settlement costs nationwide—in 50 States and over 3,000 counties instead of in the fewer than 100 jurisdictions involved in the 6 metropolitan area proposal—would be virtually impossible in view of the wide variances in settlement practices, especially if due process required verification of the individual costs of all providers of services ranging from one-man law firms to giant title companies. We would need to ascertain—for each of these jurisdictions—actual settlement charges and the costs incurred in the performance of settlement services. Then we would have to determine, again on a jurisdiction-by-jurisdiction basis, what constitutes reasonable charges.

"Accordingly, it is apparent that, even if it could be concluded that Federal regulation of settlement costs was workable at all, such regulation could be achieved only at a very high administrative cost, widely out of proportion to the benefits that would be received by consumers."

This view has not only been expressed by present HUD officials. Dale Whitman, the author of HUD's 1972 proposed regulations and perhaps the leading proponent in HUD for the rate regulation approach during Romney's tenure, has also revised his views on the basis of HUD's experience in attempting to develop a fair scheme of regulation. In testimony before the House Subcommittee on Housing on January 29, 1974, Whitman, now a law professor, made the following observations:

"Let me deal first with the potential for successful rate regulation by HUD. I struggled with this matter for a year at HUD, and I can assure you that it is not an easy problem. Prevailing practices, customs, and laws vary widely. Many are inefficient, but they can not be changed instantaneously. A rate which is fair and profitable to one provider may appear confiscatory to another. In addition, the information needed to set rates intelligently is simply not available to HUD, and is unlikely to become so. HUD has virtually no data whatever on the internal costs of operating a lawyer's office, a title insurance company, or a surveying firm, and it is not easy to see any feasible means of collecting such information. Without it, HUD is essentially shooting in the dark in setting rates, and is almost certain to be attacked in litigation by the less efficient providers. Moreover, the argument that such rates could be a denial of due process under the Fifth Amendment is not a frivolous one, and the government might ultimately lose such cases."

Thus, I do not think that by leaving Section 701 on the statute books we really would be preserving a viable option for some future administration. Anyone who examines the difficulties involved in implementing Section 701 is certain to adopt the Lynn/Lubar/Whitman view.

The existence of Section 701 on the statute books would *not* provide any real deterrent against excessive increases in settlement charges.

Apart from the fact that we have no reason to believe there would be any increases in settlement charges if Section 701 were repealed, for the reasons discussed above I do not believe that Section 701 is the "club in the closet" you believe it represents.

To the extent that you feel some threat of Federal regulation is likely to have a restraining influence on settlement charges, I hope you would agree that Section 10(b)(2) of S. 3164 constitutes a much more credible threat. If the reform proposals in my bill do not restrain increases in settlement charges this fact will most certainly be reported to us by HUD in the report called for by Section 10. Faced with this potential report—in which the Secretary may recommend a complete and workable scheme of Federal rate regulation for settlement charges in virtually all mortgage transactions and not just in FHA and VA transactions—I would think that those who provide settlement services will be much more reluctant to increase their charges unnecessarily than if the unworkable and defective provisions of Section 701 are left on the statute books.

In summary, the substantial benefits that would be derived by home buyers from the enactment of the reforms contained in S. 3164 should not be sacrificed just to preserve Section 701.

In view of the points discussed above, I can not believe that Section 701 affords any comfort or protection to home buyers that makes its preservation worth sacrificing the substantial benefits to be gained by the reform and disclosure provisions of S. 3164. In fact, to the extent that Section 701 could be interpreted as authorizing Federal rate regulation of settlement charges, I believe that consumers and home buyers ought to be opposed to it. Federal rate regulation in this area would not be in the interest of home buyers. Indeed, a spokesman for Ralph Nader's Public Citizen Project recently testified that he opposed the development of a new bureaucracy to regulate settlement costs because "once such bureaucracies get started, they have a way of hanging on forever, and soon become dominated by the groups that are supposed to be regulated by them." I could not have put it better myself.

Section 701 has already created a great many problems and leaving it on the statute books can only continue to generate confusion. To the extent that Section 701 could be interpreted as authorizing rate regulation, it is so defective a provision in failing to provide any guidelines or standards, any procedural safeguards or provisions for judicial review, that it should be repealed. I can well understand the concern that has been expressed in the hearings by various industry groups that Section 701 might be interpreted as authorizing rate regulation that would not even take into account the legitimate costs or need for reasonable profits in providing settlement services. We have already seen in HUD's proposed regulations of July, 1972, that this fear is well-grounded. Surely, such regulation would not be in the long-run interests of the American home buying public.

In conclusion, I am in total agreement with the view you expressed on the last page of your letter that consideration of the so-called lender pay approach should not delay the enactment of the anti-abuse and disclosure provisions of S. 3164. While I have no objection to your desire to hold hearings on your new bill, S. 3232, this year, I do not believe that the consideration or scheduling of these hearings should in any way delay Committee consideration of S. 3164. Personally, I am very skeptical of the lender pay approach and believe that it could result in very unfortunate consequences for the entire mortgage lending system in the United States. Moreover, significant anti-competitive and conflict-of-interest situations are likely to arise if lenders are able to dictate who shall provide all of the settlement services they will be paying for under S. 3232.

With the difficult questions involved in your proposal in mind, I have included language in Section 10 of my bill that would request HUD, after consultation with the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, to report to the Congress on the lender pay proposal. It is only on the basis of such a report that we can hold meaningful hearings on the complex issues that are involved in your far-reaching proposal. Just as the hearings we have held over the past two years have focused on the information and recommendations embodied in the 1972 HUD-VA Report, I believe that any additional hearings on the lender pay proposal should be focused on a concrete agency report that discusses the possible benefits and drawbacks of this proposal.

I regret the length of this letter, but I do feel it important to clarify my position about Section 701 and the need for prompt enactment of S. 3164. The provisions of S. 3164 have been developed and discussed for at least two years and I believe we should not delay for another Congress adopting reform and disclosures provisions that we know will be of benefit to the American home buying public. Accordingly, I intend to seek Committee approval of S. 3164 at the first available opportunity.

Very truly yours,

BILL BROCK.

Enclosures.

REPORT OF THE COMMISSION ON MORTGAGE INTEREST RATES, AUGUST 1969, PAGE 72

CLOSING COSTS

The Commission believes that special attention should be given to the question of closing costs associated with mortgage transactions. These costs at times add significantly to the burden of acquiring a home since they come on top of whatever downpayment must be made.

The Commission recognizes that institutional practices in different states and localities are the primary determinant of many of the charges made at a mortgage loan closing. Past studies have shown, however, that charges for such things as title insurance, attorney's fees, property surveys, and the like do vary considerably across the country. Buyers sometimes do not learn of these costs until quite late, and then have no time to shop around for a less expensive deal.

FHA and VA presently do pay some attention to closing charges, and attempt to protect individual borrowers from having to pay more for a particular service than is generally customary in the local area involved. *The Commission believes* that this practice should be continued and that procedures should be developed to provide helpful information about such charges to prospective borrowers along the lines discussed above in connection with information on borrowing costs. *The Commission further* urges the Congress to call on the Department of HUD and the Veterans Administration to undertake jointly a special study exploring what additional steps might be taken to standardize and reduce such costs, and to report their findings by the middle of next year.

With respect to closing costs and other fees collected in connection with mortgage financing, the Commission recommends that FHA and VA: (a) continue the present administrative practice of reviewing such costs to see that they are consistent with the accepted standard in each local area; (b) develop regulations and procedures to assure that prospective borrowers have reliable estimates of such costs within a reasonable time prior to the loan closing; and (c) undertake a joint study for submission to the Congress by mid-1970 recommending steps to reduce and standardize such costs.

COLLOQUY BETWEEN REPRESENTATIVE BEN BLACKBURN (R-GA.) AND CHAIRMAN PATMAN

Mr. BLACKBURN. Mr. Chairman, I move to strike the requisite number of words.

I should like to ask the chairman of the committee to answer some questions.

Mr. Chairman, with respect to section 801, which deals with settlement costs and attempts to standardize such settlement costs, I have in my hand a communication from the Department of Housing and Urban Development in which the Secretary of Housing and Urban Development states that his intention in implementing this section is to continue his current administrative practice of reviewing closing costs to see that they are consistent with the accepted standards in each local area. Is that your understanding?

Mr. PATMAN. It is my understanding. It should be done.

Mr. BLACKBURN. I understand further, Mr. Chairman, that the purpose of this section is to permit the Secretary of Housing and Urban Development to determine just what are settlement costs and what are escrow costs, insurance, taxes, attorneys' fees, and other matters that are a part of closing costs.

Mr. PATMAN. That is right.

Mr. BLACKBURN. I thank the gentleman, and attach for the benefit of the members of the committee some information from the Department of Housing and Urban Development:

SECTION 801—SETTLEMENT COSTS IN THE FINANCING OF FHA AND VA ASSISTED HOUSING

This section would implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs on FHA and VA assisted housing.

It is anticipated that in implementing this section:

1. The Secretary of HUD would continue his current administrative practice of reviewing closing costs to see that they are consistent with the accepted standards in each local areas. Section 801 reaffirms the Secretary's authority to carry out such activities.

2. The Secretary and VA Administrator, in conducting the study on possible actions which should be taken to reduce and standardize closing costs would consult fully with all parties involved in a closing transaction including mortgage lenders, attorneys, title insurance companies etc. While institutional practices in different States and localities are a primary determinant of many of the charges made at a mortgage loan transaction the study would *also* focus on other important factors involved. For example, both Senate and House Committee reports urge that a thorough study be made toward developing a *simplified* method of locally controlled recording and guaranteeing of real estate titles to speed up and reduce the cost of real estate transfers.

3. In developing standards, the primary focus in the early stages will be to insure that prospective homebuyers are informed and have reliable estimates of closing costs within a reasonable time prior to the loan closing in order that they will have an opportunity to shop around for less expensive services if they so desire. Standards governing allowable costs will be developed as findings are made under the joint study of the Secretary and Administrator. These standards will be based on estimates of the reasonable charge for necessary services involved in settlements for particular classes of mortgages and will only be developed after full consultation with lenders, attorneys and other parties involved.

116 CONGRESSIONAL RECORD 21595 (1970).

TRIBUTE TO HON. LES ARENDS

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. DAN DANIEL. Mr. Speaker, it is a privilege and honor for me to join with my colleagues in paying tribute today to our good friend, LES ARENDS, who is rounding out a most illustrious period of service in the Congress.

The end of this session marks the termination of the service of many of our dear friends and colleagues, but I know of no one, who will be more greatly missed than the distinguished minority whip who has contributed so much to our activities over the years.

His knowledge of world affairs and his dedication to the security of our own country ably equipped him to serve with great distinction on the House Armed Services Committee.

LES ARENDS has served his constituents in the 15th District of Illinois for 40 years and any man who can claim that length of service deserves our commendations for having satisfied his constituents in such an excellent manner. In addition to this, he has performed his services in this body, both on committees and in a place of leadership within his party. In all of this period, and with the distinctions and honors which have come to him, LES has never lost the warm, personal touch which has endeared him to his many friends.

LES, we shall miss you, and as you leave this body, you have our best wishes for health and happiness in the years ahead.

GIEREK'S SNOW JOB—RECENT VISIT OF MOSCOW-DOMINATED POLISH COMMUNIST STOOGE

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. ROONEY of New York. Mr. Speaker, I feel it is my patriotic duty to refer again to the recent unwelcome visit of Edward Gierek, the Polish Red Soviet stooge of Moscow, who masks under the disguise of First Secretary, Central Committee of the United Workers' Party.

I feel it is even more so my duty to speak out against the unforgivable manner in which some people welcomed and feted this traitor to the people of Poland. For a large segment of our news media to swallow and give veracity to the many lies uttered by Gierek is as astonishing as it is unfortunate. Some remedies for these tragic blunders could be made even now if the responsible members of the press would point to these lies and set forth the true facts instead of echoing the Communist line which Gierek so blatantly handed out.

Instead of accepting Gierek's misleading boasts concerning the magical growth of Poland's economic development the true plight of the Polish workers under communism should be shown. Instead of accepting his bland assurances of a continued rapid increase in our "standard of living" the problems of inadequate housing, substandard health and medical facilities and services, and widespread unemployment should be presented. Instead of allowing Gierek's boasts to go unchallenged that "even greater strides have been made by our nearly 34-million-strong nation in the fields of education, science, culture, health and social benefits," the media should point out that such strides as have been made in these fields resulted directly from the vigorous demands made by the Polish people themselves upon their reluctant red Moscow-dominated communist puppet leaders.

Instead of accepting as truth Gierek's lies that during the Communist regime Poland's expanded economic relations with foreign countries have developed enormously, it should be made clear that any expansion outside the Communist-dominated countries has been slight and painfully slow. He stressed impressive cooperative developments made by his red government with the United States. Does he expect us to swallow this when the facts are that such cooperation is still limited and making only a painfully slow progress in most of the economic, social, and cultural fields.

Gierek boasted of Poland's achievements in gaining independence and freedom for the Polish people. His only attempt at justification for such bragging lies in his unabashed statement that—

> Poland has resolved its basic national problems thanks to her new place on the map of Europe and her new alliances, particularly that with the Soviet Union.

Gierek certainly further lied when he gave credit only to the Soviet Union for the help given to repair Poland's war-torn cities and industries. He was obviously deliberate in his failure to acknowledge the massive half billion dollar assistance program rendered by UNRRA which was largely financed by contributions from people of the United States. To keep the record straight mention should be made of the fact that prior to the help from UNRRA the Polish Communist Government, at the order of the Kremlin in Moscow, refused aid offered by the United States under the Marshall plan. Why should not the press and other media question the truth of Gierek's claims regarding freedom and independence for the people of Poland today?

What sort of freedom do the people of Poland have when the sanctity of their church and one's right to worship as he pleases is violated daily? Does religious freedom exist when sacred places of Polish worship are demolished recently in defiance of the protests of church leaders and congregations who have long looked upon such holy institutions as "Church Homes"? (See AP dispatch from Warsaw dated December 1, 1974, and an article published in Poster's weekly Polish American World on October 18, 1974, hereinafter attached).

Stefan Korbonski, Chairman of the Polish Council of Unity in the United States, wrote a noteworthy letter to Time magazine in which he not only pointed out Gierek's lie about post-war aid to Poland, but his lie that the Communist regime never tried to endanger the Church. Korbonski refutes that lie by calling attention to the true facts concerning the prolonged imprisonment of Stefan Cardinal Wyszynski and scores of other Catholic clergy. Korbonski rightly gives the lie to Gierek's claim that his Red regime stands for the free movement of peoples, ideas, and information by pointing out that travel to the West is still denied certain individuals and that Polish language periodicals and books published in the West are confiscated at Poland's borders by Communist officials.

Gierek again deliberately lied when he told of his Communist government's cooperation with the United States in the cultural field, yet he and his cohorts have done little to assure the people of Poland an opportunity to know and understand the American people. Gierek's Red regime continues the Communists long time practice of jamming Western broadcasts and particularly Radio Free Europe.

Thomas Poster—Thomas W. Poskropski—a reporter for the New York Daily News and publisher of the weekly Polish American World, in his article in the Sunday News of October 6, 1974, referring to this man Gierek, said:

> . . . even though he never talks to our Ambassador in Warsaw—wants to expand relations with the U.S. He even ordered Radio Free Europe broadcasts unjammed to show his open-mindedness.

This is a barefaced lie.

In response to my direct query addressed to Radio Free Europe officials 2 months ago concerning jamming of our Polish broadcasts, I received a letter dated October 8, 1974, from William P. Durkee, president of Radio Free Europe, advising that their Polish language programing is severely jammed by transmitters located in Poland. Under the permission granted me I include the text of Mr. Durkee's letter:

RADIO FREE EUROPE,
FREE EUROPE, INC.,
October 8, 1974.

Mr. THOMAS BARTHELEMY,
Executive Director,
Board for International Broadcasting,
Washington, D.C.

DEAR MR. BARTHELEMY: In response to your letter of 8 October requesting information for Congressman John J. Rooney, the following paragraphs define the current jamming of RFE's "Polish language service".

RFE Polish-language programming is severely jammed by transmitters located in Poland. There is also some jamming by transmitters in the Soviet Union.

The type of jamming used by Poland is "Mayak" jamming—the transmission of severely distorted program material on the same frequency as an RFE program in order to drown it out and/or make it unintelligible. The jamming effort directed against RFE Polish programs is approximately 60 to 70% effective. That is, an average of 60 to 70% of all frequencies being used by RFE in its Polish service are jammed out to the point where they are not intelligible to the listeners. However, one or more frequencies usually get through, and RFE Polish programs can be heard on at least one frequency an estimated 95% of the time during the 20-hour broadcast day.

RFE Polish-language transmissions were jammed from the inception of broadcasting to Poland in 1951 until late 1956, when all jamming against Polish programs ceased following the Posnan riots. Jamming was resumed immediately after the December 1970 uprisings in Polish coastal cities and the installation of a new Polish government and Party leadership. At first broadcast transmitters used in the international service of the Polish government radio were taken out of normal service in order to jam RFE programs. As jamming transmitters were added, the broadcast transmitters were gradually returned to their normal programming. The effort was gradually increased until it reached a plateau about two years ago. Jamming has continued at approximately present levels since then.

Yours sincerely,
WILLIAM P. DURKEE.

In view of these facts how can Gierek or Poster have the gall to try to mislead the American people that "Gierek even ordered Radio Free Europe broadcasts unjammed to show his open-mindedness."

Gierek lied when he extolled the Communist regime's alleged increasing cooperation with the United States. What kind of cooperation was the reneging on pledges and promises made by his Polish Communist Government when it introduced in the last few weeks a new and much smaller exchange rate for U.S. dollars? Can the adverse effect of this on Polish Americans helping their relatives in Poland and on American citizens living in Poland on social security benefits, pensions and Veterans' Administration benefits be called cooperation?

Mr. Speaker, I shall remind you and my colleagues in this body of certain statements I made and inserted in the RECORD on November 20, 1974. I expect that some Members will refer to those statements and consider carefully what I said concerning the sinister way in which the atheistic Communists are deceiving the Polish people and sneaking up on them with extremely dire inflationary measures.

Earlier in these remarks this afternoon, I alluded to the unfortunate participation of some of our Government and congressional figures in welcoming Gierek and his fellow Reds in Washington.

In contrast I am gratified that the vast majority of the Polish American leadership in this country took strong exception to any sort of reception for Communist Gierek. One of these fine Americans who voiced in no uncertain terms his patriotic feelings was my friend the distinguished President of the Polish American Congress, Mr. Aloysius A. Mazewski. This dedicated American citizen made an official declaration which emphasized that under no circumstances would he meet with Gierek either publicly or privately during his visit to this country. It is therefore regrettable that a few who call themselves Polish American leaders and representatives of clubs, who often carry several caps for their own personal benefit, defied Mr. Mazewski's expressed position and through their presence at the White House reception which followed the dinner in honor of the Communist visitor undermined the patriotic activities of such institutions as the Polish American Congress and the Polish American Immigration and Relief Committee, Inc.

In conclusion, Mr. Speaker, I feel that the unfortunate gilding of Gierek's visit coupled with the false and deceitful public statements he made to the media should cause all of us to reflect seriously on the makeup and conduct of the present-day Communist leadership now exercising a life and death grip over the Polish people.

Our senses should be sharpened and make us more determined than ever to see the true character of Gierek and Communist perfidy. We should do our utmost to strengthen the loyal Polish American organizations who are dedicated to the task of reaching the Polish people without socializing with their Red Communist leaders, with the utmost in aid and information concerning America's deep affection for them.

I include the following: First, Article published in New York Daily News of December 2, 1974 entitled "Cardinal Rips Demolition of Polish Church." Second. Article published in Polish American World of October 18, 1974 entitled "Polish Reds Block Pilgrimage," and Third. Article published in the National Catholic Register of November 3, 1974 which is a Religious News Service dispatch from Vatican City.

CARDINAL RIPS DEMOLITION OF POLISH CHURCH

WARSAW, Dec. 1.—In a statement read in churches throughout Warsaw, Poland's Catholic primate, Stefan Cardinal Wyszynski, criticized the Communist government today for demolishing a church in what he called an act "unprecedented since the war."

"I am asking you for expiation prayers," the primate told his flock. "May God enlighten the minds of those who curtail the rights of believers who go to church for religious reasons."

The Church of Beatus Ladislaw of Gielnion, not far from the Soviet embassy, was a heap of ruins today. Only one wall remained intact and a statue of the Virgin Mary stood just above the parapet.

A green fence was thrown up around the grounds of the former three-story building and notices said: "Demolition site. No trespassing."

The cardinal said the church had been standing for 75 years and was regularly used by hundreds of Catholics. He said the capital's municipal authorities first removed the church's holy sacraments and refused to allow the priest inside to say Mass.

LEFT IN RUBBLE

"Later, authorities removed the furniture, and on Nov. 23 they tore down the walls leaving the church in a heap of rubble," he said.

Local residents said they had heard since last July that the site had been allocated for new offices of Poland's national savings bank.

POLISH REDS BLOCK PILGRIMAGE

The Archdiocese of Cracow, Poland has confirmed that Polish authorities recently destroyed a small building in an archdiocesan catechetical center and blocked a pilgrimage marking the anniversary of the death of Blessed Maximilian Kolbe, according to Vatican Radio.

In a special announcement signed by Cardinal Wojtyla of Cracow, the archdiocese revealed that a small building in a catechetical center at Szfary was demolished despite opposition from some of the population.

The announcement confirmed also that a pilgrimage marking the anniversary of the martyrdom of Blessed Maximilian Kolbe at the former Nazi concentration camp at Auschwitz in 1941 was blocked from entering the camp or the square adjacent to the cell where he died.

The communique said the authorities had been properly notified of the pilgrimage and permission had been requested for the visit.

VATICAN CITY.—Cardinal Stefan Wyszynski, archbishop of Warsaw, Poland, told the Synod of Bishops of the Catholic Church that the Church must support "those who suffer persecution for the defense of their basic right—that of religious liberty."

The Polish Primate suggested that in its final declarations, the Synod should take issue with "atheistic propaganda which is being spread by certain states and governments by means of power, authority, and money," which he said, "should be used for the common good."

HISTORY OF THE CONGREGATION OF THE SISTERS OF THE HOLY FAMILY OF NAZARETH—1875-1975

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. EILBERG. Mr. Speaker, the Sisters of the Holy Family of Nazareth began their jubilee year on Sunday, December 1, 1974, which will continue through November 30, 1975, in celebration of the 100th anniversary of the founding of their congregation in Rome, Italy.

The highlight of the centennial will be a mass of thanksgiving, celebrated by His Eminence John Cardinal Krol, on the Feast of the Holy Family, December 29, 1974, at 2:30 p.m. Concelebrating with the Cardinal will be the pastors, principals, and chaplains of the institutions conducted by the Philadelphia Province of the congregation within the archdiocese of Philadelphia and, beyond it, in the dioceses of Allentown, Miami, Scranton, and San Juan, Puerto Rico. The sisters' choir will sing at the mass.

Following the mass, a centennial banquet will be held for invited guests at the Bellevue-Stratford Hotel. Many other activities are being planned. Among them will be a TV presentation on the works of the congregation on KYW, channel 3, on Sunday, March 9, 1975, at 9:30 a.m. and a play on the foundress of the congregation, which will be staged at Nazareth Academy Auditorium the same day at 3 p.m. The sisters' orchestra and glee club will accompany the performance.

FOUNDRESS OF THE CONGREGATION

The foundress, Mother Mary of Jesus the Good Shepheard—Frances Siedliska—was born near Warsaw in Poland, November 12, 1842. She was endowed with a keen intellect and a burning desire to serve God through serving her fellow man. Taking the Holy Family in Nazareth as the model of her sisters, she highly recommended to them the family apostolate and a strong attachment to the Pope and the church. As she designed it, the congregation is a contemplo-active order. The sisters devote themselves to different aspects of teaching, nursing, and social work.

After its foundation in Rome in 1875, the congregation spread to Poland, and 10 years later—in 1885—was invited to serve in the United States. With 11 sisters, the foundress herself crossed the Atlantic to establish the St. Josaphat's School and Orphanage in Chicago.

During her lifetime, Mother Siedliska crossed the Atlantic Ocean three times to visit the convents she established and administered until her death in Rome, November 21, 1902. Her attachment to America is testified by the fact that she became a naturalized citizen of the United States on July 26, 1897. The cause of her beatification is now underway in Rome.

APOSTOLIC SERVICES

Currently, the congregation numbers over 2,000 members working on four continents: North and South America, Europe, and Australia. For administrative purposes, it is divided into seven provinces and two vice provinces. In all, there are 146 convents: 1 in Ireland, 1 in Peru, 2 in France, 3 in England, 4 in Italy, 5 in Australia, 18 in Poland, and 112 in the United States.

Here the sisters serve in the following States: Alabama, Connecticut, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Texas, Wisconsin, and also in Puerto Rico.

The congregation first came into Pennsylvania in September 1889, into the mining town of Scranton. Two-and-a-half years later, in January 1892, it opened its first Philadelphia convent and school in St. Stanislaus Parish.

And now, during its centennial year, in the Philadelphia archdiocese and its environs, the congregation staffs Nazareth Hospital, Blessed John Neumann Nursing Home, Holy Family College, Nazareth Academy High School, and 17 elementary schools. In addition, 24 of the sisters teach in four diocesan high schools: in Philadelphia—Archbishop Ryan, St. Hubert, and Little Flower and in Pottsville, Nativity of B.V.M. High School.

From its conception, the congregation geared its apostolic endeavors in three major areas with diversified services in each category: Education, nursing, and social work. The educational apostolate includes: Teaching in parish schools, academies, diocesan high schools, colleges, inter-community programs, C.C.D. classes, summer workshops, and residence halls for girls. Nursing members staff hospitals, schools for nurses, nursing homes, clinics, dispensaries, home-care of the sick, the aged and the infirm, and auxiliary services. Social work involves the care of orphanages, day-care institutions, foster-home care, centers of family services, retreat centers, pastoral ministry, community assistance in rehabilitation centers, minority groups, and mentally retarded.

Wartime services included: provisional hospitals and dispensaries; hospitality to evicted clergy, nuns, and refugees; care of orphans; and distribution of food to homeless and displaced persons.

Although the sisters ministered to victims of war and persecution, they themselves went through the crucible of suffering and martyrdom. During World War II in Poland, 11 sisters were executed in Nowogrodek on August 1, 1943; 28 were exiled into Siberia; 30 were imprisoned; and others were sent to concentration camps or forced to labor camps. Amidst strenuous labors and deplorable living conditions, many sisters managed to gather for prayers, to spread the gospel, and even at times to perform baptisms.

Throughout the century, Nazareth's ecumenism extended first to Poland, then to Italy, France, England, Ireland, Austria, Switzerland, East Africa, United States, Puerto Rico, Peru, and Australia.

Because of her ecumenical vision, Mother Mary extended her congregation from a purely contemplative community, to include an active apostolate. In molding a distinct identity that combined personal sanctification with apostolic service for the Congregation of the Sisters of the Holy Family of Nazareth, the Foundress wanted "to assure it of a sense of belonging within every context of time and space in which it should find itself at the summons of the Church."

UNITED STATES—JULY 4, 1885

True to her promise to heed the call of the church to places near and far, Mother Mary launched her first mission on the American soil in Chicago. Accompanied by 11 sisters, Mother Foundress arrived in New York on July 4, 1885. An extensive apostolate was open to them at St. Josaphat's Parish in Chicago.

> You are needed here for the preservation of faith among the Polish immigrants and for the growth of the Church in America.

Emphasized Archbishop Patrick A. Feehan in his greeting upon their arrival. Diverse aspects of service blossomed here. The sister became involved in formal schooling, care of an orphanage, home visits to the sick, weekly group discussions with teenagers and adults, and leadership in parish activities.

Fresh areas of service beckoned when pastors in Chicago, Brooklyn and Philadelphia requested sisters to staff their schools. In 1889, the sisters went to the Sacred Hearts of Jesus and Mary Parish in Scranton, Pa. In 1891, the call in Brooklyn was answered. Chronologically, Philadelphia came next. On January 10, 1892, at the request of Rev. Michael Baranski, the sisters staffed St. Stanislaus School in South Philadelphia.

Education in the parochial school system was Mother Mary's great concern; for here was an opportunity for the development of Christian characters based on the belief in God. At a time when education was far from universal, the early sisters, educated women with a European background, contributed significantly to the effectiveness of the educational programs.

Although the sisters' efforts were concentrated on the teaching apostolate, their zeal and charity extended likewise into the fields of nursing and social work. On May 6, 1894, Archbishop Feehan dedicated the Holy Family Hospital—later renamed St. Mary of Nazareth Hospital—in Chicago. The hospital became a haven of hope and comfort to surrounding neighborhoods. Since the congregation is international in scope and in membership, the sisters, in command of several languages, were able to staff schools and hospitals and minister to the poor and the needy in various ethnic communities with the charity of human kindness and understanding.

From 1895, the apostolic ventures

broadened to Pittsburgh and abroad to London, Paris, and various parts of Poland. Invitations for the Sisters' services were forthcoming from Europe and America alike.

At her death on November 21, 1902, the foundress left 29 Nazareth convents in apostolic services in Europe and in the United States.

APOSTOLATES FLOURISH

After the foundress' death, the harvest widened. The inscrutable ways of divine providence signaled new undertakings in European and American provinces. From 1902, the congregation witnessed apostolic expansion in Poland, Italy, France, England, Ireland, and Australia. Temporary foundations were launched in 1908, in Austria—an orphanage, school, and student residence; in 1917, in Switzerland—a haven for war orphans; and in Tanganyika and Kenya, East Africa—a refuge for exiled sisters and orphaned groups.

New directions were unfolding also in America. To facilitate the administration of the growing congregation in 1918, three provinces were established: Chicago, Pittsburgh, and Philadelphia. In 1959, another province was inaugurated in Monroe, Conn., and in 1960, a vice province in Texas, in addition to the provinces in Europe and the vice province in Australia.

As the need for secondary and post-secondary education arose, the congregation provided private schools and academies in Chicago, Philadelphia, Pittsburgh, England, Poland, and Australia. It helped to staff parish high schools in Cleveland, Worcester, and Puerto Rico and diocesan high schools in Allentown and Philadelphia. Two colleges were established: De Lourdes College in Des Plaines and Holy Family College in Philadelphia.

The pioneering Sisters built a strong foundation for today's flourishing hospitals: Two in Illinois—Chicago and Des Plaines; two in Texas—Tyler and Wichita Falls; and three in Pennsylvania—Altoona, McKees Rocks, and Philadelphia—Nazareth Hospital.

Mission work become an integral part of the apostolate. In 1933, long before the civil rights movement, at the request of Chicago's Cardinal Mundelein, the sisters staffed St. Joseph's School for Negro children. They soon followed into the famous city of St. Jude in Montgomery, Ala., and in 1937, Little Flower House of Providence in Wading River, Long Island, and St. Peter Claver's School in Brooklyn, N.Y.

The charity of the foundress was the cornerstone of the congregation's social work involvement. Ever since its foundation, the sisters dedicated themselves to help the poor and the needy, the oppressed and the depressed, the infirm and the aged. St. Mary's Home, Ambler, Pa., is one of the many institutions in which the sisters strive to create a family atmosphere for neglected groups of children. Medical and therapeutic assistance is given to the infirm at Blessed John Neumann Nursing Diocesan Home and in similar institutions.

Within the United States, apostolates in the educational, nursing, and social fields extend throughout 16 States.

IMMACULATE CONCEPTION PROVINCE IN PHILADELPHIA

Twenty-five years prior to the erection of the Immaculate Conception Provincialate, the site of Torresdale first attracted Mother Mary's attention on her visit to Mother Katherine Drexel of the Sisters of the Blessed Sacrament.

> Here I should like to see a house of Nazareth established for the perpetual adoration of the Blessed Sacrament.

Stated the foundress. But instead of a chapel, the grounds became the location of the Immaculate Conception Province in 1921. Formal dedication of the building took place on October 7, 1928, by the Archbishop of Philadelphia, Dennis Cardinal Dougherty.

Existing parish convents in the Philadelphia area now became part of the new province: St. Stanislaus School, staffed in 1892; St. Adalbert, 1905; St. Hedwig, 1910; and St. John Cantius, 1911. St. Mary of Czestochowa—West Philadelphia—was added in 1928; Our Lady of Calvary, 1959; and St. Katherine of Siena, 1961. Nazareth Academy Grade School opened in 1941.

In addition to staffing elementary schools, the sisters are part of high school faculties: Nazareth Academy, from 1928, the diocesan high schools—Little Flower, 1939; St. Hubert, 1941; and Archbishop Ryan, 1966. Sisters also served on faculties of John W. Hallahan Annex and Roman Catholic Annex.

Higher education staffing includes Holy Family College, founded in 1954. Nursing services are rendered at Nazareth Hospital since 1940, and in Blessed John Neumann Diocesan Nursing Home since 1965.

Outside of Philadelphia, but within the boundary of the Immaculate Conception Province are the Sacred Heart of Mary School, Baltimore, 1927; St. Kunegunda, McAdoo, Pa., 1928; St. Mary's Home, Ambler, Pa., 1936, formerly in Conshohocken from 1911 to 1936; St. Anthony, Throop, Pa., 1937; Colegio Espiritu Santo—consisting of elementary, high school, and mission areas—Hato Rey, Puerto Rico, 1944; St. Brendan, Miami, 1955; Queen of Peace, Ardsley, Pa., 1955; Visitation of B.V.M., Norristown, Pa., 1956; St. Gregory, Plantation, Fla., 1960; and Nativity of B.V.M.—diocesan high school staff—Pottsville, Pa., 1965.

Presently in the Philadelphia Province, there are over 300 sisters and 28 institutions. The sisters serve approximately 8,000 children in the elementary schools; 4,000 in high schools; and over 1,000 in college. Child caring estimates service to 80 children. Hospital and nursing home services reach approximately 13,000 in-patients and 102,000 out-patients per year. C.C.D. instruction and summer programs can be estimated in ministering to about 3,000 children and teenagers.

In addition to full-time and part-time teaching, nursing, and social work, the sisters collaborate in diocesan and civic programs, conduct C.C.D. classes, both on parish and intra-parish levels, offer volunteer services in summer workshops, teach adult classes, and render innumerable spiritual, cultural, physical, psychological, and moral aid to meet the needs of people in the age in which they live.

In all provinces, whether in the United States, Europe, or Australia, the sisters continue to respond generously to the apostolic needs of the church. Current statistics of the Sisters of the Holy Family of Nazareth indicate that the congregation, in its diverse Apostolates, numbers over 2,000 members, 146 convents, 7 provinces, and 2 vice provinces.

Nazareth's charism, through the 100 years of the congregation's existence, is its life style based on the Holy Family of Nazareth and its dedicated services to the needs of mankind in whatever age it may be called upon to share in the plans of God through the voice of its Pontiff, the visible head of the Catholic Church.

TRIBUTE TO KENNETH J. GRAY

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BLATNIK. Mr. Speaker, KEN GRAY of Illinois is chairman of our Subcommittee on Public Buildings and Grounds. Thanks to hard work, long hours, and a lot of arm twisting by KEN, Washington is going to have a fine new Visitors Center over there in Union Station—something we have long needed—to accommodate the millions of people who come here each year from all over the world.

This was the introduction I made of KEN before our first meeting of the Committee on Public Works at the beginning of the 93d Congress.

This introduction still stands, but I plan to expand on it because a new dimension has been added which we do not like at all—KEN GRAY has decided to leave any further actions in Congress on his part to history and posterity. He has made a difficult decision: to retire from Congress. I sympathize with him because I, too, am retiring but it saddens me that Congress will no longer benefit from the wisdom and perseverance of this great man.

Elected to the 84th Congress in 1954, and reelected to nine successive Congresses, KEN represents a true victor.

He became a member of the Committee on Public Works immediately and a few years later, chairman of the Subcommittee on Public Buildings and Grounds, the oldest of the component bodies of the Committee on Public Works which came into being during the 25th Congress in 1837 when Martin Van Buren, the eighth President of the United States, occupied the White House.

This scrappy young man began to make a name for himself by taking on the impossible tasks. His motto: "The difficult we can do today and the impossible tomorrow."

I remember him for his gayly colored racetrack dress suits; he must have 300 of them, unless my age has warped my memory, because he would wear a different one each day. This blithe spirit with no apparent cares, but we know of the serious illnesses and family problems that he has borne without a complaint; but behind this facade there sparkled a diligence, a sophisticated thoroughness—

with models, diagrams, designs, measurements, and all the facts—boring ahead to refute and inform the uninformed about whatever project he had undertaken. I will remember him best for that.

I used to say that if anyone is thinking of retiring in the next 10 or 20 years, KEN would be pleased to put your name on a Government building in your home district. Now it would be most appropriate if we turned the tables on KEN and named a building after him.

It has been a privilege to know KEN and be his friend. We all wish him well.

H.R. 16204, NATIONAL HEALTH POLICY PLANNING AND RESOURCES DEVELOPMENT ACT

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HUDNUT. Mr. Speaker, I did not have an opportunity to vote on H.R. 16204, the Health Policy Planning and Resources Development Act, when it was passed by the House on December 12. Had I been present I would have supported the Moss amendment that permits designation of units of local governments or regional planning bodies as health system agencies but allows existing metropolitan health agencies to continue to serve as the planning boards for their areas.

The adoption of this provision, in my opinion, strengthens the bill and vastly improves it.

In addition, I would have supported the Satterfield amendment that deletes the recertification of need requirements for institutional providers. The "periodic review" of each of the many services rendered by the Nation's hospitals and nursing homes would be an enormous task which would dilute and deter planning agencies from their principal function—the development of comprehensive health plans.

Another amendment, sponsored by the distinguished gentleman from North Carolina (Mr. PREYER) and adopted by the House, insures that direct providers of health care such as doctors and hospital administrators are adequately represented on the governing boards of HSA's. This provision improves the bill also.

With the adoption of these amendments I would have voted for H.R. 16204 on final passage because I feel there is a need for meaningful comprehensive health planning. On the other hand, it is my hope that the House conferees will insist steadfastly on the House version. In addition to the problems addressed by the three House-passed amendments I have discussed, the Senate bill includes a section entitled "Grants for regulation or establishment of rates for health services." Rate regulation was considered by our Subcommittee on Public Health and Environment and was rejected. The inclusion of rate regulation in planning legislation is extremely unwise and I, therefore, urge the conferees to stand firm in insisting that it be deleted.

The House bill is superior in every way to the Senate bill and I hope the points I have enumerated will be included in the final version.

SENATE—*Wednesday, December 18, 1974*

The Senate met at 10 a.m. and was called to order by Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

THE NATIONAL DAY OF PRAYER

God of our fathers and our God, give us, Thy servants, a true appreciation of our spiritual heritage as we keep this National Day of Prayer. Teach us to pray—in secret and alone, with others in this body and as a people. May the soul of the Nation be uplifted in thankfulness and hope. May our prayers ascend not in fear or anxiety but in faith and in love. Remind us that we are not called upon to fill the places of those who have gone, but to fill our own places in our own time, and to do the right as Thou dost help us to see the right, and leave the rest to Thy providence. Assure us, when we pray, that Thy continual presence is the answer to every prayer, for Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., December 18, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. JOHNSTON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, Tuesday, December 17, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations on the calendar be considered en bloc.

There being no objection, the nominations were considered and confirmed en bloc, as follows: in the judiciary, in the Department of Justice, in the American Revolution Bicentennial Administration, in the Commission on Civil Rights, in the Federal Council on the Aging, in the Commission on Libraries and Information Science, in the National Council on Educational Research, in the National Science Foundation, and in the Railroad Retirement Board.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediatey notified of the confirmation of all the nominations today and those heretofore, if there are any heretofore concerning which he has not yet been notified.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 1288 through 1296.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The resolution (S. Res. 412) authorizing supplemental expenditures by the Committee on Veterans' Affairs for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That section 2 of S. Res. 250, Ninety-third Congress, agreed to March 1, 1974, is amended by striking out the amounts "$221,000" and "$50,000" and inserting in lieu thereof "$275,000" and "$60,000", respectively.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The resolution (S. Res. 441) authorizing supplemental expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That S. Res. 245, Ninety-third Congress, agreed to March 1, 1974, is amended as follows:

In section 2, strike out the amount "$550,000" and insert in lieu thereof "$580,000".

WATER POLLUTION CONTROL PROGRAMS AND POLICIES

The resolution (S. Res. 442) authorizing the printing of the report (two volumes) entitled "Evaluation of Techniques for Cost-Benefit Analysis of Water Pollution Control Programs and Policies" as a Senate document, was considered and agreed to, as follows:

Resolved, That the report of the Administrator of the Environmental Protection Agency to the Congress of the United States (in compliance with section 104(a)(6) of Public Law 92-500) entitled "Evaluation of Techniques for Cost-Benefit Analysis of Water Pollution Control Programs and Policies", be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed five hundred additional copies of such document for the use of the Committee on Public Works.

NURSING HOME CARE IN THE UNITED STATES

The resolution (S. Res. 444) authorizing the printing of additional copies of Senate report entitled "Nursing Home Care in the United States: Failure in Public Policy" (introductory report), was considered and agreed to, as follows:

S. RES. 444

Resolved, That there be printed for the use of the Special Committee on Aging two thousand five hundred copies of its report to the Senate entitled "Nursing Home Care in the United States: Failure in Public Policy (Introductory Report)".

REPRINTING OF HOUSE DOCUMENT 93-339

The concurrent resolution (H. Con. Res. 654) authorization for reprinting 10,000 copies for use of the Committee on the Judiciary of House Document 93-339, was considered and agreed to.

200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

The concurrent resolution (H. Con. Res. 680) to provide for the printing as a House document of the proceedings at the commemoration ceremony in honor of the 200th anniversary of the First Continental Congress, was considered and agreed to.

PORTRAIT OF THE HONORABLE LEONOR K. SULLIVAN

The concurrent resolution (H. Con. Res. 683) authorizing the printing of proceedings unveiling the portrait of the Honorable LEONOR K. SULLIVAN, was considered and agreed to.

PRINTING OF THE CONSTITUTION OF THE UNITED STATES

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 675) providing for the printing as a House document of the Constitution of the United States (pocket-size edition), which had been reported from the Committee on Rules and Administration with an amendment on page 1, at the end of line 4, strike out "two hundred and twenty-one thousand shall be for the use of the House of Representatives." and insert in lieu thereof:

there be printed two hundred seventy-two thousand five hundred additional copies of such document, of which two hundred twenty-one thousand shall be for the use of the House of Representatives and fifty-one thousand five hundred shall be for the use of the Senate.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 675), as amended, was agreed to.

CONSTITUTION AND THE DECLARATION OF INDEPENDENCE

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 679) to provide for the printing as a House document of the Constitution and the Declaration of Independence, which had been reported from the Committee on Rules and Administration with an amendment on page 1, in line 6, strike out "two hundred and twenty-one thousand additional copies be printed for the use of the House of Representatives." and insert:

there be printed two hundred seventy-two thousand five hundred additional copies of such document, of which two hundred twenty-one thousand shall be for the use of the House of Representatives and fifty-one thousand five hundred shall be for the use of the Senate.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 679), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar Nos. 1325 and 1326.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BORROWING AUTHORITY OF THE PANAMA CANAL COMPANY

The bill (H.R. 14600) to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon was considered, ordered to a third reading, read the third time, and passed.

AUTHORITY OF THE CANAL ZONE GOVERNMENT

The bill (H.R. 15229) to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act was considered, ordered to a third reading, read the third time, and passed.

TIME AGREEMENT FOR SWEARING-IN CEREMONY OF THE SENATOR-DESIGNATE FROM NEVADA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 12 o'clock noon today, the Senate proceed with the swearing-in ceremony of the Senator-designate from Nevada, Mr. LAXALT.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISAPPROVAL OF S. 3537—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States.

The message is as follows:

To the United States Senate:

I have today withheld my approval from S. 3537, "To modify section 204 of the Flood Control Act of 1965."

This bill would authorize a revised Willow Creek Project in Oregon and provide for advance payment of the Federal share of the cost to relocate the water system of the nearby town of Heppner.

The Department of the Army, on behalf of the Administration, opposed this bill in committee on the grounds that it raised unresolved issues relative to the general principles and standards governing the evaluation of water resources projects.

These departures include:

—Re-evaluation of the project by using questionable methods for calculating benefits.

—Coupled with these methods of computing benefits, retention of an interest rate of 3¼ percent provided for in the original 1965 project authorization, compared to the present rate of 5⅞ percent now being used.

—Authorization for advance payment of the Federal share of the costs to relocate the town's water system, as compared to the standard approach—to await the actual beginning of construction of a project.

While I fully understand the desire of the town of Heppner to obtain Federal assistance in financing its water system, I cannot, in good conscience, accept the departures which S. 3537 would make from the established principles and standards that are employed in the evaluation of other water resources projects.

In my judgment, the Willow Creek project should be considered for construction on the basis of current evaluation principles and standards. Any other course would be indefensible at a time when the Congress is being asked to defer funding for numerous other water resources projects.

GERALD R. FORD.

THE WHITE HOUSE, *December 17, 1974.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Presidential veto message be held at the desk, pending further disposition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A FLAVORFUL SESSION

Mr. HUGH SCOTT. Mr. President, I am sure that the administration is most appreciative of the fact that the Senate today has cleared a long list of nominations which have been pending in various committees. This will enable the nominees, since their nominations have now been confirmed, to proceed with their duties. It is good that this has been done before we adjourn.

It is not often noticed how much work we do simply upon the call of the calendar. A number of additional bills have been thus disposed of today.

This has been an eventful session. We have considered everything here from the reduction of armaments to the high cost of living.

In other words, it might be said that we have run the gamut from SALT to sugar.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Hampshire (Mr. McIntyre) is recognized for not to exceed 15 minutes.

TRIBUTES TO SENATOR NORRIS COTTON

A SALUTE TO NORRIS COTTON

Mr. McINTYRE. Mr. President, the close of a session of the Congress, like the close of a calendar year, is a time for looking to the months past to see what we have learned, and to the months ahead to see how we can put to good use what we believe we have learned.

For the purposes of this discourse, Mr. President, let me concentrate my remarks upon just one of the lessons the climactic events of 1974 should have taught us.

If ever again we allow politics to become clandestine warfare where opponents are targets not for defeat but for destruction, then we deserve to lose what we so narrowly saved this time around—our very system of participatory democracy and representative self-government.

The system was saved in 1974, Mr. President, and now we stand at the threshold of a new year, a new session, and, hopefully, a new era of good will and cooperation between a new President and a new Congress—and between two venerable political parties.

I, for one, am confident this will be the case, that partisan differences will not stand between individual legislators nor between the President and Congress in their mutual determination to meet and overcome the staggering problems that beset us today.

I hold that confidence, Mr. President, because for the past 12 years Norris Cotton and I have never let partisan differences stand between our mutual determination to do what was right for our State of New Hampshire. So I know it can be done.

But when the new session of the Congress convenes, half of that mutually supportive, bipartisan team from New Hampshire will be missing, Mr. President, for as all of our colleagues know, Senator Cotton is about to conclude more than 40 years of distinguished service to his State and to his Nation.

Today, Mr. President, I rise to pay tribute to my departing colleague, and I want this Chamber to know that this is no perfunctory exercise carried out simply because it is the courteous thing to do.

Like Thomas Jefferson—

> The happiest moments my heart knows are those in which it is pouring forth its affections to a few esteemed characters.

And Norris Cotton is one of those esteemed characters.

The retiring senior Senator from the Granite State was born in Warren, N.H., 74 years ago. After working his way through Tilton Academy and Phillips Exeter Academy, he entered Wesleyan University, graduating from that institution in 1923.

He then went on to work his way through George Washington University Law School as secretary to the late Senator George Moses.

In 1928, he was admitted to the New Hampshire bar, and joined the firm of Demon, Woodworth, Sulloway & Rogers at Concord, N.H. In 1933 he opened his own law practice in Lebanon, and still later formed the law partnership of Cotton, Tesreau & Stebbins.

His political career was launched at the tender age of 22 when he was elected to the New Hampshire Legislature. But he also served in other municipal and statewide posts—clerk of the State senate, prosecuting attorney for Grafton County, and municipal court judge in his hometown of Lebanon, to name a few.

In 1946 he made the leap to national office, winning election to the U.S. House of Representatives, and the voters in their wisdom honored him with three more consecutive terms.

And then it was time for Norris Cotton to move across the Hill. In 1954 he was elected to fill out the 2 years remaining in the unexpired term of the late Senator Charles W. Tobey. And that was followed by three more elections to 6-year terms.

Now I need not detail my colleague's considerable accomplishments in this body. Most of you are well aware of his sterling performance through the years in a variety of responsibilities. As the ranking minority member of the Commerce Commitee, he has played a crucial role in legislation dealing with aviation, transportation, consumer protection, and space age communications. As the ranking Republican on the powerful Appropriations Committee he has concentrated on the areas of labor, health, education, and welfare, and he considers this service the most gratifying of his long career.

Fortunately, Mr. President, a fitting and lasting monument to Norris Cotton's humanitarian concerns now graces that part of our State he calls home. A few miles from Lebanon stands the Norris Cotton Cancer Research Center, one of the most important institutes of its kind in the world, Mr. President, and I am comforted by the thought this institute will continue to attest to Norris Cotton's leadership in man's battle against disease long after all of us are gone from this Chamber.

But it would not require a monument of steel and stone to memorialize Norris Cotton, Mr. President. A lasting appreciation of Norris Cotton already is engraved upon the hearts of the people of New Hampshire.

A few years ago, Norris Cotton was presented with the coveted Robert Frost Contemporary American Award by the Alumni Association of Plymouth College, a college the great New England poet once served as an instructor.

At the time this honor was bestowed upon my colleague, I took to the floor of this Chamber and I said of Norris Cotton:

> The well-spring of his deep humanitarian concern—and, indeed, of his effectiveness—is the man's own character.
>
> We hear much these days of the estrangement between the people and their elected leaders, of the growing complaint that leadership has grown remote and aloof.
>
> That is not true of Norris Cotton.

And then, Mr. President, I went on to say:

> He has kept his humility. He has kept himself accessible. He has never forgotten that he is of the people. To this day, no citizen—regardless of how modest his station—is uncomfortable in Norris Cotton's presence. He has that rare ability to put everyone at ease.

Enhancing this admirable quality is Norris Cotton's humor. The newsletters he sent to constituents were marked, for many years, with his own inimitable light touch, and we in this Chamber know him as one of the Senate's most accomplished, entertaining, and appealing storytellers.

Robert Frost understood that such true humor draws on a deep taproot of humanity for he once said:

> I judge a man by his anecdotes. If he always attaches a famous name to them, like "the last time I saw the Duke of so-and-so," then I don't like him nearly as much as a man whose anecdotes are about the common people and common every day things.

And so it was, Mr. President, that Norris Cotton's warmth and wit, his easy accessibility, his humble touch, brought the people of New Hampshire to think of him as their friend as well as their senior Senator.

Lord Halifax once wrote:

> Friendship cannot live with ceremony and without civility.

While Norris Cotton refuses to stand on formality, he has consistently followed Emerson's caution that "life is not so short but that there is always time for courtesy."

Courtesy—civility—the touchstone of civilization, Mr. President. The unmistakable evidence of our will to live in common.

From the day I first entered this Chamber a dozen years ago, my senior colleague has accorded me not only the utmost civility—but the warm hand of friendship, counsel, and encouragement.

And despite the disparate votes we have cast on legislation, despite our contrasting viewpoints on national issues, despite our respective party allegiances, that warm hand has never been withdrawn, Mr. President.

If the senior Senator from New Hampshire will indulge me one more quote from the Founding Father of the Democratic Party, I think I can explain why.

For judging from his relationship with me, Mr. President, it is readily evident that NORRIS COTTON—like Thomas Jefferson—"never considered a difference of opinion in politics, in religion, in philosophy, as cause for withdrawing from a friend."

For those of my younger and newer colleagues, particularly those within whose breasts there may still burn the hot flame of partisanship, let me say that the friendship between the two Senators from New Hampshire came about more easily than they might think possible.

First of all, of course, we had the mutual bond of serving the same people—the people of New Hampshire. That responsibility, coupled with the senior Senator's warm welcome of the junior Senator to this Chamber, soon forged a bond of friendship. And friendship, being the bond of reason, made it much easier to understand each other and to respect each other's viewpoint.

This rightly implies that we do not always agree. Indeed, we disagree frequently, for we are, after all, independent men.

But NORRIS COTTON and I share an appreciation for that most familiar of Robert Frost lines, that old New England folk saying that "good fences make good neighbors."

We know that fences do not divide. Instead, they represent mutual respect. We share that North Country conviction that the individuality of neighbors is not to be subject, but to be cherished.

So all of this, the bond of joint responsibility for the welfare of the State we serve, the bond of friendship forged by his warm reception of me to this body, and the mutual respect we hold for each other's independent judgment have produced a very special relationship.

And now, Mr. President, one facet of this very special relationship between the two Senators from New Hampshire is coming to an end. For when the new Congress convenes, the junior Senator will be the senior Senator, and I wish I were coming to this new role with NORRIS COTTON's strength and wisdom. I tell you this in all candor: For 12 years I looked to him more than to anyone else for the kind of supportive counsel one seeks from a big brother. More than anyone else, he taught me patience, restraint, the reality of legislative politics, and the need to persevere.

It was he who made me understand the constant disparity between what was aspired to and what was achieved. For, again like Robert Frost, this wise colleague of mine understood that—

> Great events yield all but imperceptible effects.

But one event will have a most perceptible effect, Mr. President. When NORRIS COTTON departs this Chamber for the final time, the Senate of the United States will never be quite the same. Nor will the junior Senator from New Hampshire.

When he took to this floor on December 10 and said of me—

> No Senator could have a better friend.

I was flattered as never before, as moved as I have ever been moved.

He has touched my life as few others have, Mr. President, and as long as I live I will cherish his friendship.

And now, as he prepares to return home and as I prepare for the challenge of taking his place as the senior Senator, I turn once more to Robert Frost to say to NORRIS COTTON, no matter where you are, no matter where I am—

> Never let there be curtain drawn between you and me.

We share, NORRIS COTTON and I, a deep and abiding belief in the goodness and the worth of the people of our State, and just as I did in my tribute to him on the occasion of his receiving the Robert Frost Contemporary American Award, I would like to conclude now by recalling the lines Frost wrote to describe his move to New Hampshire:

> I hadn't an illusion in my handbag
> About the people being better there
> Than those I left behind. I thought they
> weren't.
> I thought they couldn't be. *And yet they were.*

They still are, Mr. President. And NORRIS COTTON is the evidence.

Mr. President, at this time I am happy to yield to the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT), a longtime friend of my senior colleague, for remarks that he plans to make.

Mr. HUGH SCOTT. I thank the distinguished junior Senator from New Hampshire.

Mr. President, it is an unusual and a special pleasure to rise and speak of the service of the senior Senator from New Hampshire, who has occupied his place in the Senate with such distinction, such an awareness of his duties, and such devotion to his country, to his conception of the obligations of a Senator, to principles which guide and direct our doings.

He has done credit to the seat of the great Daniel Webster, which he occupies as the senior Senator of New Hampshire. We regret very much his decision not to be a candidate.

We regret it even more in view of the turmoil from which that decision has led to such murky consequences.

Aside from that, entirely, I cannot think of anyone whom it would be a greater pleasure to talk about, to mention with regard to his leadership outside of the Committee on Commerce, his influence on appropriations, the massive impact which he has had when he has taken strong positions on the floor of the Senate for or against various measures.

He has been independent in spirit and thought and action. He has not hesitated to disagree with Presidents. He has made his views known here in the councils of his colleagues. He has been strong in the defense of the Republic. He has been admired and respected and regarded with the utmost affection by all of his colleagues.

His sense of humor is memorable, and his ability, when the occasion requires, to use the metallic force of irony has proven not only persuasive, but has been a useful warning signal that if the senior Senator from New Hampshire rises in his wrath, others had better take heed. Yet he is a very gentle man, a very kind man, a man who has lived with us and among us and been a part of us and, at the same time, has guided and helped us in public and in private.

He knows the Senate better than any other Senator, because before he was a Senator, he served in the House as well, and, as we say, he dates back in that sense. He can remember lions and warhorses of the past who are but names in history books to the rest of us. Therefore, the breadth of his experiences and the depth of his acquaintances has proven extremely useful to this body.

I know it is very difficult for someone to sit here and listen while people heap anything on him, but I do suggest that praise is better to heap than anything else. Therefore, he must forgive us if we indulge our desire to pay this farewell tribute.

So, NORRIS, we are going to miss you. We are going to hope that you will frequently be back here with us. We shall welcome your advice and guidance in the future as in the past, and I think we shall all join in saying, "There goes a fine man, a great friend, a true statesman, an honest servant of the Republic."

Mr. McINTYRE. Mr. President, I yield now such time as may be required to the distinguished junior Senator from Vermont.

Mr. STAFFORD. Thank you very much, Mr. President. I appreciate the distinguished Senator from New Hampshire yielding to me.

I feel that I am losing both a friend and a neighbor from this body when NORRIS COTTON retires from the Senate at the end of this session—my neighbor across the Connecticut River, a man whom I have known and highly regarded ever since I came to understand what State and national politics are. Throughout many years, he has been a towering figure in the life of the State of New Hampshire, extremely highly regarded, both in his own State and in his neighboring State of Vermont, which I have the privilege to represent here, which lies just across the river. In fact, we are known as the twin States.

All of us know and have known for long how articulate and witty and intelligent NORRIS COTTON is. We have known his human qualities. We all respect him greatly. We are very happy in Vermont that this great American will not be leaving us, but will be living in our neighboring State and will be there to counsel us and help us in solving major problems of the day.

All of us here join in wishing New Hampshire's distinguished senior Senator NORRIS COTTON, much happiness in the future, and we know he will derive much satisfaction from his long and distinguished career in the U.S. Congress.

Mr. McINTYRE. Mr. President, I yield now to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I share with all the Members of the Senate their deep sense of sadness that our wonderful friend, NORRIS COTTON, will be retiring soon. I cannot blame him for wanting to retire, but I guess I am just selfish enough to want to believe he should have decided to stay.

There have been many great men who have served in the U.S. Senate who have characteristics and qualities of their own that brought them the admiration and respect of people everywhere.

NORRIS COTTON has spent much of his life here in the Senate. He was first a staff member as a young man—then he was a Member of the House—and, since I have known him, he has been one of the truly fine Members of the Senate.

He has some distinctive characteristics such as wit, humor, and frugality which seem to be common New England traits. NORRIS, though, seems to add unusual color to some of these traits.

If I could make a suggestion to my friend, NORRIS COTTON, it would be that he write a book giving his experiences in the Senate—and as a staff member long before. Not all of his stories would be printable—but maybe he could have a special edition for his friends in the Senate.

NORRIS COTTON is a very personable man—and one whose friendship I shall always cherish. He has long been recognized for other great qualities. He is one of the more able and influential Senate Members.

One characteristic I have particular reference to is his persuasiveness in debate—whether it be in a committee or on the floor of the Senate. Our friend Senator COTTON will go down in history as one of the finest Members of the Senate. We need more Senators like NORRIS COTTON—not less.

I know I share the feelings of all of the Members of the Senate when I say that we shall miss him. My wife Pat and I wish only the best in future years for NORRIS and his wonderful wife, Ruth.

Mr. McINTYRE. Mr. President, I yield now to the distinguished junior Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, perhaps for an occasion such as this I should have prepared some formal remarks, but I did not.

I am happy to have an opportunity to rise and show my affection and respect for our distinguished colleague the senior Senator from New Hampshire (Mr. COTTON).

We have one thing in common that I think he may not like to acknowledge. Senator COTTON and I went to the same school, the Phillips Exeter Academy in Exeter, N.H. Apparently it was either a better school in his day, or he was a better student, because I do not seem to have come out of there with the same wide knowledge and ability to express that knowledge that the distinguished Senator from New Hampshire has, and I regret that.

I should also point out that I am the second Beall that the Senator from New Hampshire has had to endure, not only as a fellow Member of the Senate but as a fellow member of the Committee on Commerce, because my late father served here in the Senate with the distinguished Senator from New Hampshire, and also served with him on the Commerce Committee, and I have very vivid recollections of the many times my father talked of his close personal friendship with Senator COTTON. So therefore I came to the Senate feeling I had already known the man before I even met him.

I have also, Mr. President, had the opportunity, as a junior Senator and more particularly as a junior member of the Commerce Committee, to benefit from the wise counsel of the distinguished Senator from New Hampshire. I do not know that I have ever observed anyone who has more totally mastered the legislative art than has our friend Senator COTTON. It has been an unusual experience for me to be able to observe, sitting with him in the committee and here on the Senate floor, these skills used so forcefully, to hear his views expressed so articulately, and to see how his own constituency and the Nation have benefited from the services of such an able individual.

I am only thankful that for the last 4 years I have had the opportunity hopefully to learn a little bit by observing this faithful public servant perform in a most effective and outstanding way. As I say, I am happy to have had this experience, and I think we all owe him, as do the people of New Hampshire and the people of the United States, a debt of gratitude for the manner in which he has served as an example for us, and the way in which he has represented the interests of New Hampshire and the interests of all the people of the United States.

I certainly wish him well in his retirement, and hope he will come back to see us often, because we can all continue to benefit from his wise counsel.

Mr. JACKSON. Mr. President, my distinguished colleague from New Hampshire, NORRIS COTTON, is retiring at the end of the 93d Congress.

It has been my pleasure to have served with NORRIS for 6 years in the House of Representatives and for 20 years in the Senate.

During that time, Senator COTTON, who shied away from headlines, developed a reputation for intelligence and hard work.

That reputation will follow him home to New Hampshire, where he is known as a fierce defender of the New England spirit.

In the Senate, NORRIS will be remembered for his good humor and wit, which were unfailing despite our often strong disagreement when it came to voting.

Senator COTTON's prime interests were health and education. As ranking minority member on the Health, Education, and Welfare Appropriations Subcommittee, he helped get millions of dollars in funds for a regional cancer research center in his home State. That center is fittingly called "The Norris Cotton Cancer Center."

Today, I join my colleagues in saluting NORRIS. Our country is better for his efforts.

Mr. HATHAWAY. Mr. President, New England is a geographical description of a group of States in this Union which has beauties and qualities endearing to the eye and mind. Poets and novelists make much of this small union within the larger Union, for it is in New England that living with the rigors of rugged terrain and stormy nor'easters serves as a crucible for the hardy, independent people which choose it as their home.

An outstanding example of what such a crucible can produce is my distinguished colleague and friend, NORRIS COTTON, the senior Senator from New Hampshire. For 20 years now he has been an articulate spokesman in this Chamber not only on behalf of his own State, but of the New England delegation. His legislative accomplishments are already legendary due in part to his persuasive skills, but more so because of his uncanny perceptions of people and their problems.

It is the latter that is brought out in the environment we call New England. For if we can claim anything as ours alone, that unique quality which stretches and molds the character, it is the acute sensitivity and awareness of people. This sensitivity is more than knowing how and when to help; it is knowing when not to help. For nothing can get a New Englander's hackles up more than too much help or too much intervention. My friend and colleague NORRIS COTTON knows this intuitively, and it is that quality which has helped him achieve in this Chamber.

But achievement in this Chamber is only a part of this man's life. It is interesting to note that his career began here more than 50 years ago, when he worked for U.S. Senator George H. Moses, a native of my State of Maine who was elected Senator from New Hampshire and served as President pro tempore of this Chamber. During those years, our colleague obtained his law degree at George Washington University. From Washington, NORRIS COTTON went back to his beloved State where he held a variety of elected offices which included the prestigious posts of majority leader and speaker of the New Hampshire House of Representatives. From that position of trust, New Hampshire citizens wisely sent him to Congress, four times as a Member of the House and later as a Senator.

His career of service to the public is long and productive. It reflects his interest in his home State of New Hampshire, in that community called New England, and, equally important, our sense of being as a United States. For borders may exist on maps and in the minds of men, but NORRIS COTTON is a man whose perceptions scan this Union and see it as a sum of its parts. If laws are the glue which holds this people and their Nation together, then NORRIS COTTON has earned his place in history, as he has worked hard for many years to mix the mucilage we call democracy.

He has chosen to retire now. And while I admit the Congress will suffer at his absence, I feel no remorse at his leaving. I feel instead a sense of joyful awe at a man who has given full measure of himself on behalf of his State, his region, and of his country. I know of no man who could feel sorrow or remorse at such an accomplishment.

Mr. BURDICK. Mr. President, as one who has served here in the Senate with

NORRIS COTTON for 16 years, I join with his friends and colleagues, who wish him the very best in his retirement.

Senator COTTON, first elected in 1954, has served ably on the Appropriations and Commerce Committees. The distinguished senior Senator from New Hampshire has displayed his nonpartisanship when he vigorously opposed the administration's bombing of Cambodia. I believe that Senator COTTON has made a significant contribution to the political process. He has served his constituents and his Nation well.

Mr. INOUYE. Mr. President, New Hampshire has had a fine and eloquent voice speaking on its behalf in the Senate for these past two decades. NORRIS COTTON is a man who fights for what he believes in. His expertise in the fields of transportation, health services, interstate commerce, electronic communications, and others, mark him as an extraordinary student of complex and essential issues. He is a student who has done his homework and, accordingly, has been an effective advocate for his views.

His Yankee heritage is apparent in his honest and hard-working approach to the job of being a Senator. His achievements in both domestic and foreign policy making are many and praiseworthy.

Mr. ALLEN. Mr. President, the U.S. Senate loses one of its outstanding Members with the retirement of the distinguished senior Senator from New Hampshire (Mr. COTTON).

I have long admired Senator COTTON's political philosophy, his stand for fiscal responsibility and his opposition to an ever expanding Federal bureaucracy. Time after time have I followed his leadership in the Senate, and I regard him as one of the Senate's ablest Members. It has been pleasing to me and something of a revelation that I, as a Deep South Senator, could find so much agreement in so many areas with a New England Senator. But then it is not surprising when that Senator is NORRIS COTTON, a rugged individualist, a man who stands for the right, as he sees it, without fear or favor, a man of courage, of honor, of dedication, integrity and ability.

In the Senate Chamber, Senator COTTON sits in the desk of the great Daniel Webster, believed by many to be the greatest of all Senators, who is claimed by New Hampshire, by Massachusetts, and by the entire Nation. While Webster served as a Senator from Massachusetts, it was in New Hampshire that he was born, it was as a Representative from New Hampshire that he first went to Congress and it was in the Dartmouth College case in the Supreme Court that he won his greatest fame.

Senator COTTON has been mindful of the oustanding Senate career of Daniel Webster and Webster's career has been a guiding light for Senator COTTON.

Senator COTTON's outstanding and honorable career of public service and his sterling qualities as a man have endeared him to every Member of the Senate and to the people of his State and Nation.

Another quality which has endeared him to all who know him has been his tender love and deep affection and concern for Mrs. Cotton, his beloved companion and helpmate of many years.

Senator COTTON retires from the Senate at the very height of his popularity in the Senate and among the people of his State whom he loves so much and whom he has represented so well.

We shall miss him. I will miss him. But yet all of us will draw strength from his example—from his achievements—from his dedicated public service.

Mrs. Allen joins me in sincerest expressions of our love and best wishes to you and Mrs. Cotton as your beloved State and her people receive you into their midst. You have done your State and your Nation proud, and I salute you as a great Senator and more than that, as a great patriot.

Mr. GOLDWATER. Mr. President, a man who has had more impact on all of us probably than nearly any other Senator and one that has done this in his quiet way, has been NORRIS COTTON of New Hampshire. It was NORRIS who did more than any one Member of the Senate to induce me to run for the Presidency in 1964 and no one served that campaign with more ardor and devotion than he did. We are going to miss him in this body, not just as an accomplished Senator, but as a man of real humor and deep understanding. All I can say to NORRIS as he prepares to go back to his beloved New Hampshire, is "via con Dios" which in my part of the country means "God go with you."

Mr. TALMADGE. Mr. President, I am very glad to join in this well deserved salute to the senior Senator from New Hampshire, NORRIS COTTON, on his retirement from the U.S. Senate.

Senator COTTON has dedicated his past 20 years in the Senate to service to his State and Nation. He is one of the hardest working and most respected Members of this body and he has held positions of influence and importance on a number of major Senate committees. Senator COTTON is a forthright and outspoken advocate of good government, and he takes that to mean government which operates and spends tax dollars in the best interests of the American people. He has never backed away from a legislative fight and he has consistently been among the first to make his position known on any controversial issue in no uncertain terms. He has proven himself to be a worthy ally and a formidable adversary, but always a gentleman.

I admire Senator COTTON for the courage of his convictions which he has always demonstrated in the Senate. We will miss his leadership and service and I wish him every happiness in his retirement.

Mr. WILLIAMS. Mr. President, I appreciate so much the generosity of the leader and the other Senators for allowing me to say just a word of regret at the decision of our colleague from New Hampshire to not seek reelection and to leave this body as a Member.

In times like these, memory moves in, and I recall as a lawyer in the State of New Hampshire in the fall of 1948, the first time I had ever had an opportunity to be in an area where Congressman NORRIS COTTON was. It happened to be in the Inn at Peterborough, and I sat in the back of the room and listened to Senator Styles Bridges and Congressman NORRIS COTTON, and I can recall how deeply moved I was by their dedication, their depth of thought and their humanity that was revealed so clearly that cold fall night in Peterborough, N.H.

I had no thought of ever having the opportunity to work with these men, and I had no dream of being in the U.S. Senate, and I am sure the Senator from New Hampshire will recognize that a Democrat in New Hampshire in 1948 had little prospects of coming to the Congress of the United States.

But as fortunes changed, and I went home to New Jersey and did have this great honor to come here, then the friendships began with our former colleague Styles Bridges, and our friend who we honor today, the senior Senator from New Hampshire, NORRIS COTTON.

It has been one of the most rewarding parts of being in the U.S. Senate to have had the opportunity to share with all of the Members the friendship of a man whose contribution to our country and its people has been so significant. NORRIS COTTON will be greatly missed here in this Chamber. His absence here will be but another good reason to be a visitor to see him in the majestic State of New Hampshire, the State he has served so faithfully.

Mr. STENNIS. Mr. President, I am most grateful to the Senator from Vermont. I cannot stand by entirely silent here on the occasion of the remarks being made about our friend and, I think, a true statesman from New Hampshire.

We often say that under our system we have a government of laws rather than a government of men. But, Members of the Senate, we all know that men do count. Men are a great part of our Government, after all, operating under legal principles, and our friend from New Hampshire has been just such a man, in my opinion, as we need to carry out the great principles of our constitutional system, our parliamentary system, and the concept of justice as beaten out on the anvil of time in England and related countries and our own great country. He has stood for something; he has stood for something, and that is what counts.

I have been privileged to serve on the Appropriations Committee with him for many years. I know that he is a worker. But, even beyond all that, his fine sense of justice in righting wrong, including a great sense of humor that he knows how to use, has been a major contributing factor here during his 20-year tenure.

To say that we will miss him much is to put it mildly. The country will miss him much, as it will his influence.

But I am thankful for the influence he had on me, with the other colleagues that we served with, with the very fine way that he represented his State in its best tradition.

I am thankful for the great relationship, too, between the Senators from New Hampshire which, to me, though of different parties, represent the Senate at its best in that way of working together, in spite of differences of opinion, for their State and for the fundamentals they consider sound.

I thank the Senator from New Hampshire again.

Mr. CANNON. Mr. President, it has been my honor to serve with Senator COTTON in the Senate since I came here in 1958.

As members of the Commerce Committee, he and I have worked closely for many years, especially on the Aviation Subcommittee which I chair and on which Senator COTTON is the ranking member.

I can very vividly recall the continuing fight he has made over the years for better air service, more adequate air service, for his part of the country. I even went with him up into New England to hold some hearings there many years ago. He has been a constant fighter, and I may say that this year he finally achieved at least in part his objective by getting some air service in there.

Believe me, he has really pounded on a lot of heads over the years to make sure that he did get some results.

But he has always shown a great capacity for compromise and for statesmanship.

He is a true gentleman in every sense of the word and I know he has been concerned with workable legislation and meaningful legislation over the period of years I have served with him here.

We are losing a great Senator and will, indeed, miss him when he and his wife Ruth return to New Hampshire.

As ranking member of the Commerce Committee, it is going to leave a void that I know will be difficult for anyone to fill after his retirement.

But I think he can really be proud of his many accomplishments when he looks back at his career in this body and knows full well that he will not be forgotten, nor will the legislation that he has sponsored and worked for over the years be forgotten.

I personally want to wish him the best of luck on his retirement and hope he will keep in touch with us here with our Senate activities because we will continue to need his advice, his input ideas, and input during the challenging years we have ahead of us.

I want to wish him the very best.

I thank the Senator for yielding.

Mr. STAFFORD. Mr. President, I will yield 2 minutes to the distinguished Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, each of us takes away from this place a profound recollection of those with whom we are associated. I have such a vivid recollection of NORRIS COTTON that I am moved to speak of it in his presence and on the floor of the Senate.

NORRIS will always be to me a man who at some given point in a debate which interested him has just been over his ears and then with an unbelievable eloquence and depth of feeling, I think unmatched in this Chamber, he will speak the words that are deeply, deeply in his heart.

Often those words denote all our sentiments, sometimes they do not.

We might simply have felt something had gone beyond all reason, personally. But the sheer freedom of expression, the integrity, the hard-headed realism of the wonderful and historic area from which he comes, shines through it all.

While all of us wish for Senator COTTON the happiness and the contentment of years of peace and beauty with his wife and his family, I think the vividness of that recollection and his knowledge of the fact that one of his colleagues has him very clearly graven on his mind is something I would like to give him as a parting gift to go away with.

Of course, like all my colleagues, it is with the deepest affection and regard that we will observe his goings and his comings and we do hope he will feel, as a very honored alumnus, that he is not going to abandon us completely.

I thank my colleague for yielding.

Mr. PASTORE. Mr. President, for 28 years—in the House and in the Senate—NORRIS COTTON has nobly served his native State of New Hampshire—and, indeed, all our Nation. Even earlier on this "Hill," NORRIS COTTON served his apprenticeship under the guidance of New Hampshire's historic figure, Senator Moses.

In a very special way Senator COTTON has served the common and united interests of all our New England States—and the northeast corner of our country loses a tower of strength and leadership as this man of stature leaves this Senate of his full devotion.

Fate has made the Senator from Rhode Island and the Senator from New Hampshire geographical neighbors; and our years of association on the Appropriations and Commerce Committees have stamped that association as more personal than partisan.

Above all—NORRIS COTTON is a man of his word—and I have reason to know that to keep that word he will stand up against the highest pressure.

When Senator COTTON walks into this Senate he carries himself a man 10 feet tall—and he brings back to New Hampshire a character as rugged as the mountains of his lovely State—a man of the mountains who has proved himself a man of the people.

May those imperishable mountains frame for NORRIS COTTON and all dear to him the future of health and happiness and honor that he has so well earned.

Mr. FANNIN. Mr. President, I am pleased to join in paying tribute to the senior Senator from New Hampshire for his long and distinguished career of public service.

He had an outstanding record of service at the city, county, and State levels even before coming to the Congress where he has provided inspired leadership for the Nation and for his party.

The State of New Hampshire is indeed fortunate to have had him as a Member of Congress these past 28 years.

His devotion to our Nation, to the Senate, and to the principles upon which our country is founded have made Senator COTTON one of the great leaders of our time. His statesmanship and decorum have helped strengthen the Congress both in the public image and in substance.

He has been just in helping make the important decisions and he has been courageous in fighting for the causes he supports. I am most grateful to have had his friendship and his advice during the time that I have served in the Senate.

Mrs. Fannin joins me in wishing the Senator and his gracious wife, Ruth, all the best in the future.

Mr. PEARSON. Mr. President, today we honor and express our public farewells to a most distinguished colleague, NORRIS COTTON, the senior Senator from New Hampshire. At the conclusion of this, the 93d Congress, Senator COTTON will be retiring. NORRIS' retirement will mark the end of more than a quarter century of dedicated service to his New Hampshire constituents. I can attest that he has served faithfully and well.

Mr. President, for 18 years of his congressional service, NORRIS COTTON has served as a member of our Committee on Commerce. And for 12 of those years, he has served as the ranking Republican member of the committee. It was in this capacity, Mr. President, that I came to know and to appreciate the candor, the compassion, and the dedication of this most distinguished New Hampshireman.

Now, Mr. President, I recognize what perhaps may not be known to most people; the Senator from New Hampshire derives his greatest satisfaction from his work on the Subcommittee on Labor; Health, Education, and Welfare. As he has characterized such service, it affords him an opportunity to work directly for the well-being of not only his New Hampshire constituents, but of all the citizens of this great Nation. It, therefore, was perhaps the single most gratifying moment in our distinguished colleague's career when the cancer clinic at the Mary Hitchcock Memorial Hospital in Hanover, N.H., associated with Dartmouth College, was named after and dedicated to NORRIS COTTON. In my opinion, there could be no more fitting memorial to this man.

Mr. President, NORRIS was equally active on matters coming before our Committee on Commerce.

For example, Mr. President, I cannot recall the number of occasions that we, who served with NORRIS on the Committee on Commerce, took the graphic trip described by him and shared his tale of woe in commuting by air between Washington, D.C. and his home in Lebanon, N.H. It was a sorrowful experience to listen to our beloved colleague, NORRIS, describe the agony of rushing from one terminal to another in order to make a connecting flight at New York. And then the lonely drive for 3 hours over the road from Boston to Lebanon.

Mr. President, if NORRIS were able to make a connecting flight out of Boston to White River Junction-Lebanon, we would be regaled in by his graphic journey on one of those "puddle jumpers."

Chairman Mao has written about the trials and tribulations of "the long march." I think Chairman NORRIS, of our Republican conference, should set down for historians his observations on "the long commute." When one has suffered so, one has a duty to tell the world of it.

Mr. President, if any member of this body were to question a presently sitting member of the Civil Aeronautics Board concerning the location of White River Junction-Lebanon, that member of the CAB would know of its exact location, the improvements deemed necessary, and its relationship with respect to the Delta-Northeast merger case and the New England service investigation. This intimate regional knowledge is a result of the remedial education program for bureaucrats conducted by the distinguished Senator from New Hampshire. I know of no occasion when a nominee for the Civil Aeronautics Board came before our committee that Norris did not fail to take the opportunity to "instruct" him on the unique and pressing problems of New Hampshire and its sister northern New England States for adequate and reliable air service. It worked.

On July 17, 1974, the Civil Aeronautics Board handed down its decision in the New England service investigation. For the first time in the past 24 years, the CAB has awarded a certificate for domestic multicity service to a new regional air carrier—Air New England—and that certificate will issue on January 1, 1975.

If there is any one individual, Mr. President, who should be on the inaugural flight of Air New England, it is the senior Senator from New Hampshire, who fought tenaciously throughout his congressional service, using the forum of our Committee on Commerce, that of the Committee on Appropriations, and even intervening on behalf of his constituents before the Civil Aeronautics Board, to urge the CAB to reach a decision on this important matter affecting his constituency.

Also, Norris I do not believe any of us will forget your admonition concerning federally financed airport terminal construction to keep passengers safe "but not warm and dry." But, do you suppose the New England Regional Commission might be able to help us finance some terminal construction out in Kansas, too?

Mr. President, my colleagues and I on the Committee on Commerce have also traveled from Washington to Norris' beloved New Hampshire—by rail and over the roads. Who among us will ever forget the "passenger be damned" attitude of the Boston and Maine as so vividly and vehemently described by our beloved colleague? Or, again, who among us will forget the picturesque, albeit hazardous journey over the "S" curve in the road going through Franconia Notch?

Mr. President, I know of few other Members of this body who have demonstrated such legislative adroitness when, shortly before we recessed for the November elections of this year, there was introduced in the Senate and immediately called up and passed a bill which amended the language in the Regional Rail Reorganization Act serving to make the New England States of New Hampshire and Vermont eligible for subsidy under the provisions of that act. Mr. President, the Senator from Kansas introduced the subsidy provision in the Senate. The Senator from New Hampshire, God bless him, got the benefits.

Mr. President, with the retirement of Senator Norris Cotton, the Granite State will be losing an able and a dedicated legislator. But the loss will not be New Hampshire's alone. The Committee on Commerce and the Senate also will be losing an able colleague and a fine gentleman. We will miss his fine sense of dry humor spiced with a Yankee flavor, which often served to relieve the tensions of a demanding workload. We will also miss his gentlemanly conduct and his unpretentious demeanor. Certainly, as a New Hampshire newspaper editorialized upon the announcement of his retirement, the gentleman at whose desk he now sits—

> Daniel Webster would have said, "Well done, Norris Cotton!"

I, therefore, believe it appropriate, Mr. President, to conclude with the following quote by Daniel Webster:

> Men hang out their signs indicative of their respective trades: shoemakers hang out a gigantic shoe; jewelers, a monster watch; and the dentist hangs out a gold tooth; but up in the mountains of New Hampshire, God Almighty has hung out a sign to show that there He makes men.

Norris Cotton's service in the Congress of the United States has underscored the truth of Webster's observation.

Mr. President, I wish to extend to Norris and to his beloved wife, Ruth, my heartfelt wishes for health and happiness in his years of retirement. He has earned a lasting place in the hearts of his New England constituents. In the years ahead, he will share with them, and as a visiting professor at Dartmouth College, with his students and colleagues on the faculty, his observations on a distinguished career in the Congress.

Mr. President, we know Norris Cotton. And we know that his service to New Hampshire has not ended with the adjournment of the 93d Congress. He begins a second career of service and we wish him well.

Mr. HELMS. Mr. President, it would embarrass Norris Cotton if I tried to say all of the things that come to mind about him—his unwavering principles, his uncompromising integrity, his gentle willingness to help and encourage a freshmen Senator, and his ready wit.

And, yes, his New England frankness.

Senator Cotton, I think, knows how much I admire and respect him. And I hope he knows how much I will miss him. He is truly one of the most remarkable men I have ever known.

So, it goes without saying, Mr. President, that I join my other colleagues in the Senate in wishing this fine and decent man every happiness as he takes leave of this body. We are witnessing, Mr. President, the departure of one of nature's noblemen.

Mr. HUDDLESTON. Mr. President, one of my real regrets during these closing days of the session is that some of my colleagues and friends will not be in the Senate next session.

The distinguished Senator from New Hampshire (Mr. Cotton) is one of those who is retiring. I truly regret that I was able to serve only 2 years with the Senator because I always found him to be helpful, gracious, and dedicated to the best interests of this country.

I certainly wish him well in his new endeavors and I hope he will visit the Senate frequently.

Mr. BROOKE. Mr. President, with Norris Cotton's retirement imminent, I feel I am losing a friend and confidant. But I know more importantly that Norris is gaining some well-deserved time for himself and his gracious wife, Ruth.

I will miss Norris in this Chamber where he has been vibrant. I will miss his phenomenal memory and mastery of intricate aspects of legislation. I will miss his powerful and persuasive oratory, particularly his extemporaneous remarks that have caused everyone in the Chamber to stop and take notice. And I will miss his unstinting work in his committees.

As the ranking Republican on the Committee on Commerce, Norris has been instrumental in assuring that New England was not short-changed in transportation. He led the battle for New England air service which led to the certification of Air New England as a new regional air carrier. He has prodded the Civil Aeronautics Board to undertake a New England air service investigation. Norris Cotton's imprint can be seen in all aspects of transportation. He played an essential role in the drafting of the 1970 Merchant Marine Act, which has set up a 10-year program to revitalize our merchant marine. Senator Cotton has also been instrumental in the efforts to create, expand, and improve public broadcasting.

I know Norris best from our service together on the Committee on Appropriations, particularly its Labor, Health, Education and Welfare Subcommittee. This subcommittee is responsible for funding hundreds of HEW and Labor programs. And Norris Cotton, the subcommittee's ranking Republican, keeps a watchful eye on each and every program. Norris Cotton probably has a better grasp of the activities of HEW than anyone on the Hill. To those programs that are worthy, Norris allocates generously; to those programs that are not, Norris allocates sparingly. With Norris Cotton, health and education programs, programs for the handicapped and child development simply must meet the test. And Norris is exacting in his assessment. He maintains a Yankee caution best expressed by him several years ago when he said of uncontrolled spending:

> The fallacy of this whole approach is the ingrained belief that any human ill can be cured by applying gobs of money, just as our grandmothers used to slap a mustard plaster on our chest for any symptom of whatever nature.

But for those social programs that work effectively, Norris is inevitably a successful advocate.

He has always been on the go. Perhaps he is following his own admonition that the country would be healthier if the Democrats were "a little less slaphappy" and the Republicans "a little more alive." Norris Cotton is vibrantly alive with a joy of life and a keen sense of humor. I am going to miss him very much. And I wish him and Ruth all the best in the years ahead.

Mr. MOSS. Mr. President, I have served for many years on the Senate Committee on Commerce with Norris Cotton, where he has been the ranking member. During those years we have engaged in countless spirited arguments as again and again we found ourselves on different sides of an issue. Often we have battled strenuously right down to the last vote.

On the other hand, there have been some occasions—fewer in number, I must confess—when our views have coincided, and these times we have joined forces readily in getting a measure reported in the form we both felt was best.

Throughout this entire period—in agreement and in disagreement—I have never lost my respect or admiration for him. He does not speak with rancor or bitterness; he simply holds fast to his views. I have enjoyed working with him.

One reason it has been easy to work with NORRIS COTTON, even in disagreement, is that he is consistently a man of good humor. He conducts his business with both wisdom and wit. He has contributed many light moments to committee discussions when the going might otherwise have been heavy.

It is hard to pinpoint in his long career the things for which he will be most remembered. There are many. But undoubtedly his contributions to the laws creating the Interstate Highway System and Federal aid to airports will rank among his accomplishments. Also the great effort and time he has put in on the HEW Appropriations Subcommittee to measures relating to education and health. The fact that the Norris Cotton Cancer Center has been dedicated to him at Hanover, N.H., indicates the regard with which he is held in the health field, and the contributions he has made to it.

One of the stalwarts of the Senate on the Republican side is leaving, but he will be missed on both sides of the aisle and in committee meeting rooms. He is a man of firm conviction and sound good will.

Mr. STEVENS. Mr. President, I rise with my colleagues today to honor the senior Senator from New Hampshire who is retiring after 20 years of loyal service to his State and our country.

NORRIS COTTON has been an able ranking member of the Senate Commerce Committee. His leadership abilities are known to all who observe the Senate.

I have also known Senator COTTON as a great friend to the State of Alaska.

Senator COTTON was a true friend to Alaska in its battle for admittance to the Union and during the years since we became a State he has consistently supported legislation of importance to Alaskans. His support of the Alaska pipeline project comes to mind immediately.

Even though our States are a continent apart, we have a great deal in common. Each of us counts among our constituents people who harvest the sea for a living. Most recently, Senator COTTON cosponsored the "200-mile bill" which is of vital interest to fishing communities in both of our States.

Yet, one area which is not mentioned too often is Senator COTTON's role in the quest for statehood by Alaska. At a time when he had some doubts about Alaskan statehood, he realized at the same time this was much too important an issue to deal with using second-hand information. He traveled to Alaska to see for himself what promise our great State held.

Senator COTTON looked to our people for a sign in this crucial question and recognized the spirit of Alaska's people and the great wealth of human resources our State had to offer.

I would like, Mr. President, to quote briefly from a press release from the office of Senator COTTON dated September 3, 1958. In it Senator COTTON describes what his visit and his meetings with Alaskans on their native soil meant to him—I met him in Fairbanks on that trip in 1958:

> When we consider the people (of Alaska) the scales tip overwhelmingly. They are small in numbers . . . but rich in quality. I received one indelible impression. It's a land of youth, ambitious youth. They are eager for Statehood and supremely confident that it will furnish the impetus and morale to make the region advance by leaps and bounds . . . I can tell you now I intend to vote for this bill (statehood) and against any parliamentary dodges to sidetrack it.

Mr. President, this is a perfect example of the professionalism, care, and foresight which have marked Senator COTTON's 20 years in the Senate.

Alaska owes a deep debt of gratitude to Senator COTTON and we shall not forget it. I wish him the best in the years to come and I can assure him he is welcome to visit the great State of Alaska, whose statehood he helped bring about, anytime.

SENATOR COTTON: A DISTINGUISHED LEGISLATOR

Mr. HANSEN. Mr. President, I am proud to join with other Senators to express appreciation to Senator COTTON for his very outstanding service and for his contributions to our Nation.

Few people have served in government as long and as effectively as Senator COTTON, who was the majority leader and speaker of the New Hampshire House of Representatives, later serving in the U.S. House of Representatives before being elected in 1954 to the Senate.

I have benefited greatly from the example of effective leadership set by Senator COTTON. He has played a major role in developing significant national legislation, and as the ranking Republican member of the Commerce Committee and the Appropriations Subcommittee for Health, Education, and Welfare, he has seen to it that the best interests of the people of New Hampshire and the Nation were served by the legislative process.

It has been an honor to work with Senator COTTON, and I am very proud of him and his achievements. I am pleased to join with his colleagues, family, and friends in expressing appreciation for all that he has done, and in wishing for him the time to pursue those personal endeavors which have long been put aside in the interest of serving others.

Mr. BAKER. Mr. President, it is my pleasure to join today in honoring our colleague, Senator NORRIS COTTON, of New Hampshire.

Since his election to the Senate two decades ago, Senator COTTON has established an outstanding record of service to the citizens of the Granite State and the entire Nation.

I have had the privilege of serving with Senator COTTON on the Senate Commerce Committee for the past 6 years. During that time, I have admired and appreciated his work as the ranking Republican member. Cooperativeness and fairness have been the hallmarks of his relationship with other members of the committee and the committee staff.

Senator COTTON's service on Capitol Hill actually began long before his election to the House in 1946 and to the Senate in 1954. Fifty years ago, as a student at George Washington University Law School, NORRIS COTTON served on the staff of U.S. Senator George Moses.

Later in his work as a county attorney and municipal court justice and as majority leader and speaker of the New Hampshire House of Representatives, Senator COTTON gained valuable experience in the operation of government at levels closest to the people which served him well throughout his congressional career.

In addition to his leadership on the Commerce Committee, Senator COTTON has served with distinction on the Appropriations Committee and as chairman of the Republican conference. He has always done his best in serving his party through his service to his country.

As a Tennessean, I take special pride in noting Senator COTTON's good judgment in selecting a native of the Volunteer State as his bride. Ruth Cotton is from Union City in my home State of Tennessee.

I join my colleagues in wishing them both the best of everything in the years ahead.

Mr. TOWER. Mr. President, the Senate, the State of New Hampshire, and America are losing a rare individual with the retirement of NORRIS COTTON.

First elected to the New Hampshire House of Representatives at the age of 22, he went on to hold every leadership position in that body.

It is little wonder that he made such an indelible impression when he began his service in Congress. NORRIS was elected to the House four times, and then served 20 years in the legislative body almost created for a man of his talents.

It was here that his real gifts as an orator were given full rein. I consider him one of the ablest, most effective, and most delightful speakers ever my privilege to hear.

And, I am happy that I could agree with him on most questions. For he was a tough man to stand up to. Indeed I recall him literally forcing a former Senator off the floor with the power of his remarks, on one memorable occasion.

Mr. President, NORRIS COTTON is a firm believer in the American principles of liberty, justice, and equality. He is an enemy of Government bureaucracy and arbitrary executive power.

There is quiet dignity to this man but underneath that dignity is the humor, understanding and compassion which is the attribute of all great men.

I found him most helpful. In particular, I appreciated his cooperation and friendship when he served as chairman of the Republican conference.

May God give you many more years, NORRIS, and incentive enough to pen your memoirs. They would indeed be delightful reading.

Mr. TAFT. Mr. President, I wish to add

my tribute to the service of NORRIS COTTON to his State and the Nation. For almost three decades, this dedicated and delightful Senator from New Hampshire has come to this Hill studiously prepared to do his work, to advocate, to oppose, to resolve; and with all the eloquence which has marked his pronouncements he has distinguished himself in domestic and foreign matters, particularly those with problems of broadest implications.

NORRIS COTTON came down to Washington for four consecutive terms in the House. He followed the late Senator Tobey, and because he maintained the tradition of honest enterprise and hard work of the New Hampshire people, was returned to be reelected for three consecutive terms here. I commend him to the history of this time and wish him many more years of happiness and contribution to his fellow Members.

Mr. BENTSEN. Mr. President, I wish to join my colleagues today in honoring my good friend, Senator NORRIS COTTON. Throughout his two decades in this Chamber, the Senator from New Hampshire has distinguished himself and set a standard of conduct for us all.

My friendship with Senator COTTON dates from our years together in the House of Representatives. I was impressed then with his selfless commitment to serving his State and Nation, and that reputation has only been enhanced by his years in the Senate.

I believe Senator COTTON has consistently demonstrated what is best in that sturdy type, the New England Yankee. Although of different political persuasion than my own, he has maintained a rigid self-reliance and an independence of thought. He has demanded convincing evidence before taking a position on any issue.

His commonsense has served him well throughout his career. He has been known for his wise judgment, and many of his less-experienced colleagues have benefited from his counsel.

The Appropriations Committee, the entire Senate, and all of the American people have benefited from his thrift. Never verbose, he has always chosen his words carefully and has succinctly presented his case.

More importantly, with his committee assignment, he has been charged with insuring that the taxpayers' dollar was most economically and effectively spent. He has honored that commitment but has coupled that responsibility with a compassion for the needs of our people, particularly those who have enjoyed less than their fair share of this Nation's bounty.

That compassion has been most clearly demonstrated by his concern for America's health and educational needs. He has been a frequent champion of medical research to free all of the American people from the scourges of catastrophic illness. He has taken a strong interest in the health needs of our rural population. And he has been determined in obtaining qualified instruction and special learning aids for our handicapped and disadvantaged children. He has contributed so much with his sensitivity for the needs of others, and we shall miss him.

I congratulate Senator COTTON for his service to this body, his State, and the Nation, and I wish him and his wife a blessed, prosperous, and happy future.

Mr. DOLE. Mr. President, no man in this body can lay claim to a more distinguished record of dedicated service to his State and Nation than can the Senior Senator from New Hampshire.

For the past 20 years, he has represented the people of New Hampshire in a manner that precisely does justice to the Yankee tradition of firm and forthright, rugged individualism.

And for the past 6 years especially, while I have been privileged to serve in the Senate, and in the Republican Senate minority with him, he has been a model for those who seek conscientiously to fulfill their function as legislator in a representative system.

A NEW HAMPSHIREMAN

True to the heritage of his native New Hampshire, he has been firm, even unyielding, on matters of principle. He has been flexible, and willing to compromise only when the hard facts dictated the necessity of compromise. And always he has been straightforward, tenacious and imaginative.

His record of public service spans more than the past 20 years in the Senate. For 8 years before that, he served in the U.S. House of Representatives and before that in the New Hampshire House of Representatives as majority leader and as speaker. His retirement, therefore, after long years of diligence and hard work, is well-deserved.

RESPECTED AS ALLY OR ADVERSARY

He will be missed in this body, by his colleagues on both sides of the aisle. He will be missed by those like myself who found him an invaluable ally in the pursuit of common legislative interests. And he will be missed as much as and as genuinely, I am sure, by those who more often found him a worthy legislative adversary.

The accomplishments of the senior Senator from New Hampshire as a legislator are one thing. They do, in fact, speak for themselves, and need on this occasion, no embellishments from the junior Senator from Kansas. They are well-known by all here. His talents are envied by many. All emulate his tenacity.

MAN OF WIT

But, I do not wish to leave out of this tribute—and I mean this genuinely as tribute—to my friend and colleague, the senior Senator from New Hampshire, the "merely human" side of NORRIS COTTON.

And by way of tribute, I wish to declare him the greatest story-teller in my personal knowledge and perhaps the Senate's greatest story-teller of this century.

And, as a sometime story-teller myself, I say that with the greatest admiration.

NORRIS COTTON is many things, outstanding legislator. The paradox of cold logic and warm heart. Memorable Senator. A true New Hampshireman.

But he is, of course, first and foremost, an American. And because of his example, reflecting on the American ideals and values which have stirred him to such great service to his country, I can say by way of closing tribute that he is preeminently an American. So in light of that and with genuine sincerity, I can quote his predecessor of the last century, Daniel Webster, and say, "Thank God! I—I also—am an American."

Mr. HATFIELD. Mr. President, others in this Chamber have pointed to the legislative accomplishments of Senator NORRIS COTTON, and one can certainly see his imprint in legislation. What I want to mention today, however, is the Cotton wit. While I will miss his wise counsel, I would be less than honest not to admit that I also will miss his sense of humor.

The keen Cotton wit. He has used it to see that an institution where stuffiness seems to seep from the walls does not take itself too seriously. The Cotton wit that occasionally provokes loud guffaws from our corner of the floor during solumn debate. The Cotton wit that has rescued debate in the cloakrooms from turning from issues into personalities.

Yes, it is the Cotton sense of humor, often with himself as the butt of the jokes, that we all will miss.

As first a member of the Commerce Committee, and now as a member of the Appropriations Committee, I have enjoyed the opportunity of a close working relationship with Senator COTTON, and I will miss his counsel during our committee consideration of the legislation before us.

Mr. HRUSKA. Mr. President, Senator COTTON and this Senator came to the Senate on the same date, November 8, 1954.

Senator COTTON came to the Congress well prepared. He came to the Senate even better prepared because of his four terms in the other body. Prior to that, and some 51 years ago, he served in the New Hampshire State Legislature, first as majority leader and later as speaker. He served as a county attorney from his county of Grafton. He had been on the staff of the Senator from New Hampshire, George Higgins Moses.

It has been my good fortune to have been associated with him very closely for the past 22 years, 2 in the other body and the balance of that period here in the Senate.

Mr. President, that "class of November 8, 1954," will break up at high noon on January 3, 1975, for at that time Senator COTTON will have retired from the Senate.

Such dissolution of any class of Senators is inevitable, to be sure, even though the timing cannot on all occasions be forecast in advance. It is sad, in a way. And yet it is gratifying, because of the long, loyal, and cordial association which we have enjoyed.

It is true that the constituents of our respective States are separated by hundreds of miles. They have different thoughts, different aspirations, even different cultures, in a way. And certainly the temperaments of Nebraska and New Hampshire have their differences when translated into characteristics of people.

But there is a common bond of a loyalty, a strong faith in their country, in its precedents, and in its future.

Senator COTTON, in his development as a public figure of sturdy distinction is possessed of that commonsense, perception, native intelligence, and diligence for which natives of New Hampshire are well and long noted.

He is possessed of a great many talents. He has many achievements.

Not long ago there was presented for permanent display in the New Hampshire State Capitol a portrait of Senator Cotton, the only one not a Governor of the State who has been accorded this honor. On that occasion, the Governor of New Hampshire, the Honorable Meldrim Thomson, Jr., made a statement, the text of which I ask unanimous consent be placed in the Record at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Norris Cotton

(By Meldrim Thomson, Jr.)

Oft times the great move in our midst without recognition.

They are with us in the sunshine of school days, share the dreams and hopes of budding maturity, and grow from day to day and from one service to another, until suddenly the total of the lifespan of their good deeds marks them as outstanding among their fellowman.

Such a one is Norris Cotton.

Born of America's great tradition in an humble farm home of Godloving parents, Norris grew up in the small town of Warren, New Hampshire, where friendship and neighborliness were as much a part of daily life as the woodstove in winter and the fishing hole in summer.

Born May 11, 1900, he attended Tilton School, Philips Exeter Academy, Wesleyan University and George Washington University Law School. In 1927 he married Ruth Isaacs of Union City, Tennessee.

Blending God's precious gifts of a strong physique, native intelligence, and great industry, he prepared himself as a young lawyer for the long, interesting, and unusual career of a half century of public service for the citizens of his native Granite State.

As a lawyer, prosecutor, legislator, Congressman and United States Senator, Norris Cotton wove the bright pattern that has marked his career of service.

And in between and interspersed throughout the pattern he managed to be an excellent preacher, a teller-of-tales—some tall and some a bit wide on the bias of time, but always in good fun and risable—a strong debater, author with a sharp and bouncy pen, an easy friend beside any hearth, and yet so astute and knowledgeable that his advice was sought by Presidents.

It is our heartfelt prayer that the warmth and beauty of Norris Cotton's autumn will linger in health and happiness for unfolding years yet unreckoned.

To him we extend our sincere and grateful thanks for the fifty years of sacrifice and service that he gave to our sovereign State of New Hampshire.

And now, it is my rare and great privilege to unveil this permanent portrait of Norris Cotton, who is one of New Hampshire's all-time great citizens and one of America's finest statesmen.

Mr. HRUSKA. Governor Thomson stated his case well. His description and his characterization is in every respect a very splendid document.

Senator Cotton has enjoyed the confidence and the respect of his colleagues and of the public generally because of his forthrightness, integrity and his many other fine qualities.

To me, blessed with a large store of happy, fortunate personal relationships with Members of this body and of this Congress, there will always be a special debt to Senator Cotton for his friendship, his warmth and his graciousness of consideration, his good counsel and his encouragement. This, together with that cameraderie for which he has no peer.

The work done on the Appropriations Committee as well as on the Committee on Commerce has prospered. Their tradition will be much the better because of his presence and his participation.

Mrs. Hruska and I wish the best for Ruth and Norris in the years to come. We should like to put it in the words that were composed by the Governor of New Hampshire, as quoted above, to wit:

> It is our heartfelt prayer that the warmth and beauty of Norris Cotton's autumn will linger in health and happiness for unfolding years yet unreckoned.

That expresses well and in the spirit of poetry what both Mrs. Hruska and I fervently wish for Ruth and Norris.

Mr. McGEE. Mr. President, in the closing days of the 93d Congress, I would like to, at this time, take the opportunity to pay tribute to one of our retiring colleagues, the distinguished senior Senator from New Hampshire (Mr. Cotton).

Norris Cotton has served in the Senate for 20 years; and when he arrived in this body in 1954, he had already compiled an impressive record both in legislative affairs and public service.

Prior to his election to the Senate, he served four terms in the House of Representatives and prior to that, he served in the New Hampshire State Legislature having served both as majority leader and Speaker.

His broad knowledge and experience in legislative matters, together with his attitude of fairness on all matters, will be missed when we convene the new Congress in January. He will be particularly missed on the Appropriations Committee. On several occasions, I can recall where he resolved an apparent or threatened impasse with his sharp wit combined with some good old New England commonsense.

Norris Cotton is a man of strong convictions and deep principle, but at the same time, he is a man who has always been willing to listen to another's point of view. The legislative process has been described as the art of compromise and in this regard, Norris Cotton has been a master and a leader.

We shall miss him, and I wish to extend to him my best wishes as he leaves the Senate and returns to his native New Hampshire. I might add, Mr. President, that it has been said of many men on the floor of this Senate, "he will be hard to replace." That is indeed true of Norris Cotton and in saying that, I can rely upon both opinion and the record. As a matter of fact, the general election of 1974 was held some 6 or 7 weeks ago and the voters of New Hampshire still have not selected a successor to Norris Cotton. Thus, it is clear they are having a most difficult time replacing him.

Mr. RIBICOFF. Mr. President, I want to take this opportunity to salute a good friend and a good Senator—Norris Cotton of New Hampshire. He is retiring from our ranks after two decades of distinguished service to the people of New Hampshire and the Nation.

All of us who have known him and worked with him in the Senate will miss his wise counsel. His reputation for integrity, honesty, and moderation has made him a respected voice in the Senate.

He and I have worked together many times on issues and problems of special interest to New Hampshire, Connecticut, and the other New England States. And all of us in the New England delegation have benefited from the work that our distinguished colleague has done in behalf of these matters.

But Norris Cotton's achievements have gone well beyond the borders of New England. He has long been active in the national problems of transportation, interstate commerce, and health research. Because of his deep interest in health problems, it is fitting that the "Norris Cotton Cancer Center" has been established to promote research and provide assistance to victims of this dreaded disease.

The Members of the Senate, the people of New Hampshire, New England, and all our States are going to miss the skilled leadership provided by Norris Cotton.

I hope that his retirement years will be long and fruitful.

Mr. BELLMON. Mr. President, I am pleased to join my colleagues in congratulating the senior Senator from New Hampshire, Norris Cotton, for his achievements as a Member of this body.

During his outstanding career, Norris Cotton has distinguished himself in the office of county official, speaker of the House of Representatives of New Hampshire, Member of Congress, and Member of the Senate for the past 20 years.

Having served on the Appropriations Committee and on the same side of the aisle with him, I am aware of his dedication, hard work, and integrity. His record of public service is a credit to his State and Nation.

Mr. President, I commend Norris Cotton for his many contributions and extend by best wishes to him in his retirement.

Mr. HUMPHREY. Mr. President, I take this opportunity to pay tribute to our colleague from New Hampshire, Senator Norris Cotton. From our days on the Appropriations Committee, Senator Cotton's continued attention to the details of complex issues has made him an invaluable contributor to the conduct of the Nation's business. His New England heritage of hard work and honesty is the backbone of his achievements in the fields of commerce and health services.

One of the most rewarding aspects of public life is the privilege of knowing good people and sharing in their friendship. Senator Cotton is an able and respected legislator and I will remember him with affection, fondness, and friendship.

I join with my colleagues in wishing Senator Cotton a long and happy retirement and hope that he will continue to share with us his views on the critical issues of our times. Experience such as his should not be confined to the great State of new Hampshire.

Mr. HASKELL. Mr. President, it is not necessary to understand what it is about New England that breeds men of sagacity and stature; it is enough to know that it does and that it sends us men like our colleague, Norris Cotton of New Hampshire.

Our joy for him in the prospect of a well-deserved retirement is mixed with sadness at losing his ability and his presence in the Senate. His work in the Senate—and the House of Representatives before that—has been outstanding. In typical New England fashion, Senator Cotton has been direct and straightforward, never burying in rhetoric what could be stated simply.

That virtue emerges in a comment Senator Cotton made after it appeared we had finally extricated ourselves from the Vietnam war in which we pursued our tragic course virtually alone: "No more of this Lone Ranger stuff for me," Senator Cotton said, "I will join a posse; nothing else."

If the Senator from New Hampshire joins anything, I hope it will be to his pleasure and to his liking. But whatever he joins will profit by his membership, I'm sure, just as the Senate has.

I wish him health and happiness.

Mr. RANDOLPH. Mr. President, on July 12 the senior Senator from New Hampshire (Mr. Cotton) reported to his constituents, "I shall not be a candidate for reelection." Members received that news with mixed feelings, with the realization that we will begin the New Year without the strong presence of Norris Cotton in our midst. We have the deepest respect for his decision to lay down his Senate burden and be with his beloved wife and companion, Ruth, in the days of convalescence ahead.

I have worked closely with this admirable man for 16 years, and I know him as a person of towering principles, tenacity and fairness. When he leaves the Hill, he will be remembered and respected by all its Members, regardless of party or political views. The diligence and dedication he has brought to the challenging assignments have set a standard of excellence.

I shall miss Norris Cotton and Ruth, his helpmate for so many years, and I am grateful for our friendship. Mary and I wish them many years of comfort and contentment among the verdant hills of New Hampshire.

Mr. TUNNEY. Mr. President, the Nation, the people of New Hampshire and we in the Senate owe Norris Cotton a great debt of gratitude for his years of unselfish public service.

It has been my privilege to serve on the Commerce Committee with the distinguished Senator from New Hampshire. I have always found him to be fair, scrupulously honest, willing to listen to all sides.

Senator Cotton, who is retiring from the Senate after 20 years, has been a tireless fighter for the elderly, working successfully for legislation improving the Social Security system and increasing benefits for our Nation's elderly.

Early in his Senate career Senator Cotton was one of those who pioneered the way for our present system of interstate highways. As a member of the special subcommittee which wrote this historic law, he contributed much to transportation, which has helped draw Americans closer together.

The Senate will miss his leadership and experience. As a top-ranking Republican and Chairman of the Republican Conference he has served as liaison with the White House conferring regularly with the President on important matters before the Senate.

While his retirement will bring to an end more than 50 years of public service, and while his friends in Washington will miss him greatly, I am sure that he and his wife, Ruth, look forward to returning to their beloved home State.

Mr. PELL. Mr. President, the retirement of Senator Norris Cotton, the distinguished senior Senator from New Hampshire, at the conclusion of this Congress deprives the Senate of a valued and able Member.

I know that Senator Cotton will be missed by all Members of the Senate, but he will be particularly missed by his fellow Senators from the New England region.

As a Senator from a New England State, I have a keen appreciation of the contributions that Norris Cotton has made to the work of the Senate and to the welfare of New England and the Nation.

During the past 20 years, Senator Cotton has been a bulwark of strength in the long, hard struggles here in the Senate to protect and further the vital interests of the New England region. He has been in the forefront of the struggle to prevent the complete destruction of New England's textile and shoe manufacturing industries and in the long fight to obtain justice for New England in our Nation's energy policies and transportation policies. One could not ask for a better or more effective ally in those causes.

Senator Cotton, in the tradition of New Hampshire republicanism, has been a fiscal conservative through his years in the Senate, demonstrating admirable Yankee frugality with the taxpayers' dollars.

But Senator Cotton's fiscal frugality has been tempered with a strong sense of compassion and concern for the needs of the American people in education and health care.

As a member of the Committee on Labor and Public Welfare and as chairman of its Subcommittee on Education, I have come to know and appreciate the strong support that Senator Cotton gave, as ranking minority member of the Health, Education, and Welfare Appropriations Subcommittee, to adequate funding of those programs. He has been a true friend of the cause of improved education and health care for the citizens of this Nation.

To Senator Cotton and his family, I extend my congratulations on an outstanding career of service to his State, to New England, and to the Nation, and my very best wishes for the future.

Mr. SCHWEIKER. Mr. President, I am pleased to join with my colleagues in paying tribute to the distinguished senior Senator from New Hampshire (Mr. Cotton) on the occasion of his retirement from the Senate.

Since 1946, when he was first elected to the U.S. House of Representatives, Norris Cotton has served the people of the Granite State with dedication and distinction. I have been privileged to serve with him on the Senate Appropriations Committee and its Subcommittee on the Departments of Labor and Health, Education, and Welfare. As ranking Republican on the Labor-HEW Subcommittee, Senator Cotton has been particularly helpful to me and the other junior members on the minority side.

In addition, Norris Cotton has compiled an enviable record of service to the Republican Conference, as its chairman, and the Republican Policy Committee. His leadership within these two organizations will be sorely missed.

Again, Mr. President, I am pleased to lend my voice to this testimonial, and to wish Senator Cotton health and happiness in the years to come.

Mr. THURMOND. Mr. President, it is a genuine pleasure to join in praising my distinguished colleague from New Hampshire, Senator Norris Cotton. Senator Cotton and I came to the Senate together in the election of 1954, and we have served here together in all of the 10 Congresses since then. During this period, Senator Cotton has compiled a record of achievement that does credit to himself, his State, the Nation, and this body. My admiration for his character and my high regard for his judgment have grown with each passing year.

Now, on the eve of his retirement, I am keenly aware of what the Senate will be losing when it loses him. Senator Cotton has brought all the virtues of New England into the counsels of Government. His frugality, independence, persistence and practicality have been not only useful to the Nation, but educational to many of his colleagues. With these special qualities he has combined the deep patriotism that should characterize all parts of the country, and a great capacity for friendship as well. In fact, many of us in the Senate shall miss his friendship next year just as much as his leadership. However, retirement will not diminish our regard for him any more than it will diminish the importance of his accomplishments.

Mr. President, I want to congratulate Senator Cotton for his outstanding record and thank him for all his services to the country. He has always impressed me as a man who not only has ability but integrity and high principle as well. He has followed a course in the Senate which is best for our Nation.

Although he stood firmly for principle, he has done it in a manner that does not offend. His unfailing courtesy will be remembered by all who have known him.

Senator Cotton is also an able lawyer with an astute legal mind. He has applied these talents most effectively in adhering strictly to our constitutional system. He has always been willing to fight for the best interests of our Nation even though his position might have been in the minority.

Mr. President, Mrs. Thurmond joins me in extending best wishes to Senator and Mrs. COTTON. They are friends whom we sincerely admire and who will be greatly missed.

THE COLOSSUS OF NEW HAMPSHIRE

Mr. PACKWOOD. Mr. President, later today, the Senate will take note of Senator AIKEN's departure from this Chamber after 34 years of service to the Nation.

But now, we mark the close of an equally remarkable senatorial career—the 20 years NORRIS COTTON served in the U.S. Senate, and prior to 1954 NORRIS was a Member of the House of Representatives for four consecutive terms.

I cannot help but note the irony of the double loss the Senate will suffer in the departure of both NORRIS COTTON and GEORGE AIKEN. Like the Colossus of Rhodes, one of the Seven Wonders of the World which spanned the harbor of Rhodes 2,200 years ago, Senators COTTON and AIKEN have been the Colossi of New England, representing the sister States of New Hampshire and Vermont. Their continued service to the public spans nearly 100 years in State and Federal Government, and this record of work is truly a wonder.

NORRIS COTTON has performed a vital role in the development of legislation which has had, and will continue to have, profound effects for America. To his credit, time and again, NORRIS COTTON has fought for fiscal responsibility in committee, on the floor, and in conference. And, I can well imagine that ofttimes NORRIS' less frugal colleagues concurred that New Hampshire received its nickname—the Granite State—not for its landscape, but from her senior Senator's intractability regarding unnecessary spending. Few Senators are as firm in maintaining the frequently needed fiscal hardline. Had we more often alined our actions with the perceptions of NORRIS COTTON, this country would quite probably be in firmer economic condition today.

The Senate will miss NORRIS COTTON's guidance, and particularly the Senate Commerce and Appropriations Committees, which he ably served, will suffer by his departure. NORRIS COTTON's service was the Nation's gain, and for this we shall always be grateful.

Mr. McINTYRE. Mr. President, how much time remains to the junior Senator from New Hampshire?

The ACTING PRESIDENT pro tempore. The Senator's time has just about expired.

Mr. McINTYRE. Mr. President, I know of my distinguished senior colleague's appointment at the White House. I yield to him at this time, if appropriate, for just a few remarks.

Mr. COTTON. I thank the Senator, and I take heed of the fact that the time has expired.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. GRIFFIN. I ask unanimous consent that such portion of the 15 minutes reserved to me as he may require be yielded to the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. COTTON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I would hope that we would keep our orders straight. The last few days we have not been very careful to state precisely who is in control of the time, and I think we should not deviate from the proper procedure.

I ask unanimous consent to yield such portion of the time I have to the Senator from New Hampshire as he may need. If he does not need it, I retain it.

Mr. COTTON. Mr. President, it is most kind of the assistant minority leader and the assistant majority leader to yield time. At the same time, I am cognizant of the fact that the time has expired, and as a matter of fact I shall not use but about 2 minutes.

I remember in my youth it took me some 20 years to learn to make a speech, and then it took me about 40 years more to learn not to make a speech; and this is not an occasion for a speech.

I can only say that I feel this morning a deep and somewhat emotional sense of failure. It seems only yesterday that I first saw the Senate of the United States as an employee. It seems only last night that I came back, 20 years later, as a Member of the House of Representatives, where I served 8 years. It certainly seems only this morning that I took my oath as a Senator of the United States, and that has been 20 years ago.

One leaves this body with a sense of having failed to do all that he ought to have done. One leaves with memories of some mistakes he has made, because it is a solemn responsibility to be a Member of this body, and in my opinion the highest honor that can come to any man; and I do not except any other high office in the land.

I leave here, however, with many, many happy memories of the friendships and the associations of the Senators I have known through the years, some of them now dead and gone. I leave with deep regret, but at the same time with the feeling that there is a time for coming and a time for going, and that I do not for a moment regret my decision to retire.

When I was a freshman Senator, I drew a seat, naturally, in the back row, next to the corner seat in one section, and that corner seat, some of the older Members will recall, was occupied by a dear old friend, Senator Martin of Pennsylvania, who had a great career, first in the Army as General Martin, then as Governor Martin, and then, for many years, as Senator Ed Martin.

He kept that seat even though he had great seniority because it was handy to the door to the cloak room. He could slip in and out.

Well, my association with that elder statesman, who had a keen sense of humor, and who was a very shrewd man, was a very happy one.

I remember this last year when I made my decision, and I remember it this morning, the day that he announced in the newspapers and back in Pennsylvania that he would not be a candidate for reelection, that he was retiring, and I expressed to him my regrets.

I said:

> It is too bad when you have so much influence in the Senate and when you are so vigorous and healthy, why, I cannot understand your not being a candidate for another term.

He said:

> Norris, the reason—the public reason—I gave for retiring was that I have some things I must do before I end my life; things to attend to back home, family reasons.

He said:

> But, the actual reason is that I am beginning to realize that my memory in some ways is beginning to slip just a little.

And he said:

> I would like to have my colleagues and my home folks remember me while I still have most of my marbles.

I think that is about the soundest reason for retiring from the Senate when the calendar tells you that you are almost 75 years of age. So I know I am doing right because I am doing it. It is painful because I hate to leave my many friends in this body.

The distinguished dean of the Republican side of the Senate, the senior Senator from Vermont, whom we all love and revere so much, made a farewell speech in which he made some suggestions resulting from living his long life in the Senate. I have not any such suggestions, but I would like to leave you my very favorite quotation from a poem, a short poem, by Edna St. Vincent Millay that, through the years, I have quoted many many times. It has more significance to me today than it ever had before, and I think of it as being of some inspiration to every man who bears the awesome responsibility of legislating in this great historic body. Said she in her poem:

> The world stands out on either side
>   No wider than the heart is wide;
> Above the world is stretched the sky,—
>   No higher than the soul is high.
> The heart can push the sea and land
>   Farther away on either hand;
> The soul can split the sky in two,
>   And let the face of God shine through.
> But East and West will pinch the heart
>   That cannot keep them pushed apart;
> And he whose soul is flat—the sky
>   Will cave in on him by and by.

To you, my friends—and I do not know of anyone in the Senate on either side of the aisle that I do not count as a friend and feel the warmest feeling toward—to you I say goodby and wish you all that is good. And the thing I wish most for you is that you may be able in the hard days ahead to solve the problems that face you better than some of us who are leaving have heretofore been able to solve them.

I thank my colleague from New Hampshire (Senator McINTYRE) for his kindness, and I thank all those who have expressed such friendly sentiments. Thank you.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Vermont (Mr. Stafford) is recognized for not to exceed 15 minutes.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the time reserved to the senior Senator from New York (Mr. Javits) may be assigned to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTES TO SENATOR GEORGE D. AIKEN

Mr. STAFFORD. Mr. President, when the Senate returns next month to begin the 94th Congress, for the first time in more than 34 years we shall not be graced with the presence of one of our wisest and most decent Members.

My senior colleague from Vermont, the senior Member of the U.S. Senate, is going back to Vermont to resume on a full-time basis his love affair with the land and the people who have always been first in his heart and in his thoughts.

We shall be poorer for his absence from this Chamber.

Since he first came to the Senate from the hills of Vermont nearly 34 years ago, George Aiken has graced this body with his wisdom, his integrity, and his independence.

Senator Aiken has served during a period of time that saw many dramatic changes in our Nation and in the world. Through it all, this man of such uncommon character has made invaluable contributions to his State and to his Nation—and to better understanding around the world.

He has served on Senate committees that dealt with massive construction projects, with international affairs, with the atom, and with outer space.

But, it comes as no surprise to hear him say that his most important committee has been the Committee on Agriculture and Forestry. For his feet have always been securely planted on the Earth and his heart has always been with rural America.

Countless millions of rural Americans are living better lives because of George Aiken's efforts in the Congress. And many millions more of their sons and daughters will live better lives in the years ahead because Senator Aiken was their champion. Indeed, millions of people of all races and nationalities around the world are better off because of his concern for underdeveloped nations.

The Aiken rural water bill, the Rural Development Act and the St. Lawrence Seaway bill are just a few of the many truly monumental legislative achievements that bear his stamp—and that have meant better lives for Americans who live on farms and away from our great cities.

For more than 3 decades, Senator Aiken has given his loyalty and support to Republican and Democratic Presidents alike, even though he often disagreed with some of their policies and actions, and even though they often ignored his wise advice after they had requested it.

His partisanship has been limited to his love for, and duty to, his country and his State. He has resisted becoming the captive of any political party or ideological cult.

While Senator Aiken has always appeared to be above politics, he was born into a political family.

At least one member of every generation of the Aiken family has been in public life ever since the Aikens settled in Vermont before the Revolutionary War.

George Aiken was elected to the Vermont House of Representatives in 1931 on his second try. He has not lost an election since.

He moved quickly to become speaker of the Vermont House of Representatives, Lieutenant Governor, and then Governor of his State.

He was elected to the U.S. Senate in 1940.

The discriminating political wisdom of Vermonters has been obvious since then. Vermont voters have returned George Aiken to the Senate time after time, often without opposition and generally with little fuss on his part or theirs.

He has won the formal nomination of the Democratic Party as well as of his own Republican Party during the last three decades. George Aiken has responded by serving all Vermonters without regard for their political affiliations.

During his years of service, Senator Aiken has exerted wise restraint on the political excesses of both major parties, just as he has steered a sound course of commonsense through shifting political ideologies.

Unlike so many who come to Washington to help guide the National Government, George Aiken has never lost touch with those citizens back home who sent him on his mission.

Born to the fields and hills of Vermont, Senator Aiken never really transplanted his roots to Washington.

He continued to farm his land when he served as a Vermont legislator and as Governor of the State, and he never missed an opportunity to return to Vermont throughout his years of service in the U.S. Senate.

George Aiken has said many times that whenever things seemed to be darkest in Washington and in other parts of the world, he always tried to get back to Vermont to put things in perspective and to renew his faith in this Nation.

In just a few days, George Aiken will return to Vermont to stay.

When he announced his retirement early this year, he said he wanted to go back home to Vermont to take care of some unfinished business.

His business will never be finished, of course.

For, despite the passage of time, George Aiken remains a young man—in heart and in spirit.

He continues to step forward to meet the challenges of changing times with the zest and excitement of youth.

We can only hope and pray that he will find the time to get at all of his unfinished business.

There are flowers and berries to be grown.

And fish to be caught.

And hills and fields to be roamed.

And words to be written.

There are Vermonters, young and old, to be counseled.

George Aiken is going home to do all these things—and more.

His departure from the seat he has held so long in this Chamber will be a loss for all of us, for the Senate, for the Nation and for the world.

But, few men before him have better earned the right to go home.

To George Aiken—senior colleague, friend, wise counselor, first citizen of Vermont—I say, and we all say: Godspeed.

Mr. HUGH SCOTT. Will the distinguished Senator yield?

Mr. STAFFORD. Mr. President, I am delighted to yield to the distinguished Senator from Pennsylvania, the minority leader.

Mr. HUGH SCOTT. Mr. President, we are all familiar with that instrument of control in industry which is known as the governor. The governor tends to restrain excesses, and to correct what would otherwise lead to the breakdown of machinery.

The distinguished senior Senator from Vermont has long been known as the "Governor." It is his wife's expression of endearment for him. It is the way in which he is known to many in Vermont and to many here.

But I suppose the analogy could not be more apt than to point out that the "Governor," the distinguished Senator from Vermont, has also functioned through this principle of restraint and of control. He has seen through excesses and brought them to heel.

He has served to moderate those who might go off on a tangent or off the deep end. He has been an antidote to fustian and to humbug. In other words, his voice has offered the sane counsel of wise judgment.

Some of his suggestions have entered the body of our sayings which have had great impact upon others. I suppose the most celebrated one is that time when he referred to the war in Vietnam and suggested that what we ought to do is to say that we had won and then go home. The more time passed, the more it seemed that the Senator from Vermont had gone to the heart of the matter.

He has never hesitated to speak out. He has had the admiration of all the citizens of Vermont, because of that and other great qualities. He has been looked upon here with admiration and respect by all of us, and with a particular regard by his colleagues on this side of the aisle since he is our dean in the Senate, and because his guidance, his judgment, and his intervention at the proper time have often determined the course of our attitudes and, at times, the course of events in the Senate.

We will be losing one of the great national assets.

If this were Japan, what we would be doing now is to formally declare him to be a national treasure. This is indeed the Japanese custom for its great men. Potters, with their skill in ceramic craftsmanship; painters, who have seen new visions and made them permanent, those who have risen above the level of daily concerns, are made national treasures.

Truly, GEORGE AIKEN is a national treasure. I believe that he is valued and respected in his own time for this.

He is, as the Roman Senate would have put it, a man who deserved well of the republic.

So I am glad to join here today in what his Franco-American constituents would call his chant du cygne, his swan song.

I hope that GEORGE, who has already said something by way of farewell, will at least give us a postscript before he leaves. Often the most interesting part of a letter is a postscript.

If GEORGE has something to say by the way, as he goes on his way, we will all benefit from it, I am sure.

So we wish him happiness with his beloved wife; we wish him joy in his future pursuits. The wild flowers will be glad to see him; the land will be enriched by his presence, and the country will always cherish the memory of one who brought to us the refreshing stimulus of rationality.

So we say we will not say goodby, but we will say that it has been a peculiar experience, rewarding in itself, to have known and to have served with so fine a man as GEORGE AIKEN, the senior Senator from Vermont.

I thank the junior Senator from Vermont.

Mr. STAFFORD. Mr. President, I yield 3 minutes to the Senator from New Hampshire (Mr. MCINTYRE).

GEORGE AIKEN—THE "YANKEE'S YANKEE"

Mr. MCINTYRE. Mr. President, in just 3 months this Nation will begin celebrating its Bicentennial, and I cannot help but wish the distinguished Senator from Vermont, the Honorable GEORGE AIKEN, could delay his retirement until that auspicious moment.

I say that, Mr. President, because, with the exception of the State of Virginia, no part of the Nation relates more directly to the founding of our Republic than Senator AIKEN's New England.

It seems to me most regrettable that this "Yankee's Yankee" will not be here with us for what promises to be perhaps the most "American" of all American celebrations.

I have many other regrets about Senator AIKEN's departure, Mr. President, and they, too, are linked to his point of origin.

This Chamber will miss his dry Yankee wit, his commonsense and sensible thrift, and his renowned independence—and so will the people of the United States who have benefited from each.

I am sure that many of my colleagues will rightfully praise the "Governor's" long list of accomplishments—his indispensable role in the development and enactment of such landmark legislation as Public Law 480, the Aiken Rural Water Act of 1965, and countless others dealing with agriculture, producer cooperatives, nuclear power, foreign aid, and the St. Lawrence Seaway; his stellar work on study and fact-finding commissions; and his earlier record as a State legislator, Lieutenant Governor and Governor of Vermont—so I will comment on the man himself.

I said he was the "Yankee's Yankee," Mr. President, and we from New England are unreservedly proud of the image of our region he projects to the world.

Let me cite some Aiken remarks to illustrate those characteristics we consider "Yankee."

I mentioned his wit, Mr. President. Consider his wry observation about an extension of Interstate Highway 91 which necessarily razed the house where the Governor was born. "Best monument a man could have," said our colleague. "Cost $7 million."

I mentioned his commonsense, and we all remember his telling us that the best way to get out of Vietnam was simply to declare victory and go home.

But there is another example which I particularly like, because it also displays Senator AIKEN as a living refutation of the myth that New Englanders are rigidly inflexible.

Senator AIKEN once said:

> Some people throw up their hands when they see a trend bearing down on them. But I believe it is better to jump on the trend and try to guide it rather than being run over. That's why I vote as I do on a lot of things I never would have started in the first place.

I spoke, too, of his sensible thrift, and by "sensible" I meant that GEORGE AIKEN has never been penny wise and pound foolish. When spending promised to effect longer-range economies, he did not hesitate to vote to spend. But his inclination, as is so common in the region of our origin, is to detest waste, abhor the ostentatious, save wherever possible.

The other day, Mr. President, I came across a quote from a figure far removed by culture and geography from the senior Senator from Vermont, but a quote, nevertheless, that epitomizes his lifestyle as well as his philosophy about life. And what this quote bespeaks, Mr. President, we could all take to heart in this time of ballooning inflation, concurrent recession, environmental jeopardy, and a worldwide crisis in fuels and energy.

Years ago and from the other side of the world, Gandhi once observed:

> Civilization consists not in the multiplication but in the deliberate and voluntary reduction of wants. This alone promotes happiness and contentment and increases the capacity for service.

GEORGE AIKEN has reduced his wants and multiplied his capacity for service, and in this, again, he manifests a wisdom far beyond the times.

Finally, Mr. President, I spoke of GEORGE AIKEN's renowned independence.

On this point I need not elaborate. We all know that despite his protestations of guilt and weakness a week ago, that few men who have ever sat in this Chamber were less beholden to others nor more beholden to conscience.

Let me close now, Mr. President, with a little story often told by that master Yankee raconteur, Allen R. Foley, for it expresses what I sincerely hope will be the case with the "Governor" soon after he leaves this Chamber.

Foley relates how he was once chatting with a 70-year-old neighbor in Norwich when the gentleman said:

> "D'you know what my next assignment is?"
>
> Foley allowed as he didn't
>
> "Well," said the gentleman, "It's to retire from retirement."

Mr. ROBERT C. BYRD. Mr. President, I yield some of my time, if there is no objection, to the Senator from Mississippi—3 or 4 minutes, whatever time he needs.

The PRESIDING OFFICER (Mr. MCGEE). Without objection, the Chair recognizes the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator for yielding me this time.

Mr. President, I want to say a word of appreciation for the so-called New England Yankees—their ideas of thrift and economy and their good humor and basic commonsense.

I know that the entire Senate and the entire Nation are greatly indebted to these Senators from that part of the country whom we have here and have had here over the years, for their strength of character and honor and commonsense. Outstanding among them has been the Senator from Vermont, GEORGE AIKEN, and I referred a few minutes ago to the Senator from New Hampshire.

There is a great deal in their philosophy and their beliefs and their basic principles of government as they see it which is reflected in the Constitution of the United States. There is no question that they have lived up to it and have given it meaning and at the same time have moved forward with the change of the times.

I am especially thinking of Senator AIKEN's fine contribution, in sound legislative ways, to agriculture throughout the Nation. Here is a so-called small farmer from the hill country of Vermont, with a vision that included an understanding of the problems that go with agriculture—the cotton farms in the South, the wheat fields in the West, the corn belt of the middle part of our country, and all other phases of agriculture—which, after all, is the backbone of the Nation in many ways, particularly the food basket of the Nation. His wisdom, as written into these provisions, will live for many, many decades.

Talking about New England and Senator AIKEN's interest in agriculture, I want to say a special word about Mrs. Aiken. I like to call her Miss Lola. That is a term of great respect in the area of the country I come from. I first knew her as a fine, valuable, dedicated member of the Senator's staff, and later I knew her as his fine, dedicated, highly valuable wife. But I do not stop there. Miss Lola does not belong just to Senator AIKEN in that sense. Miss Lola belongs to the Senate.

All who have had the pleasure of knowing her and associating with her appreciate her very much, with her fine dedication, her abundance of charm and talent and commonsense, her devotion to her husband, to her State, and to our great country.

I believe that God's richest blessings

will follow this noble couple, who have done so much for the country and for the Senate and for all who have come in contact with them or who have felt their influence, which reaches a long way.

Senator AIKEN is leaving behind here not only an illustrious record but also a very fine colleague, who carries on in the traditions of that area of the country, which has contributed so much.

So I join in a great deep feeling of respect for their choice and, at the same time, regret at their leaving. God bless them in the years ahead.

I thank the Senator very much for yielding.

Mr. STAFFORD. Mr. President, I thank the distinguished Senator from Mississippi for his words, not only for my senior colleague, GEORGE AIKEN, but his kind words for this junior Senator from Vermont.

The PRESIDING OFFICER. (Mr. MCGEE). And for Lola, the Chair will add.

Mr. STAFFORD. And for Lola. The Chair has made a good point.

Mr. President, I am very happy to yield to the distinguished Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, it is difficult to realize that this will be the last week that our good friend and colleague, Senator GEORGE AIKEN, will be serving in the U.S. Senate.

His service has extended over a period of more than 34 years. It has been my pleasure to have been closely associated with GEORGE AIKEN during most of those years as a member of the Senate Committee on Agriculture and Forestry. He has been on that committee during his entire service in the Senate.

Senator AIKEN has not only been a member of that committee, but I know of no other member who has contributed more to good farm programs—and in fact a great many programs for rural America—than he.

About the time GEORGE AIKEN came to the Senate, farm price supports for basic commodities were set at 90 percent of parity for the duration of World War II and 2 years thereafter. The major purpose of the relatively high supports was to encourage production of badly needed agricultural commodities.

His first major contribution to agriculture was the Aiken-Hope Act of 1948. This continued farm price supports at a level that it was expected at that time would assure better farm prices for what we then thought would be a long peacetime period.

Senator AIKEN either sponsored or helped write almost every piece of farm legislation that has been enacted during all the 34 years he has been on the Agriculture Committee. No one in the Senate has been more successful in sponsoring legislation than he. He usually got enough cosponsors of legislation he proposed to assure its passage when he introduced his bills.

He sponsored or cosponsored a great many special programs for rural America. The more important ones include:

Agricultural Acts of 1948 and 1954.

Commodity Credit Corporation Charter Act.

Federal Insecticide, Fungicide, and Rodenticide Act.

Federal Crop Insurance Act.

Farm Credit Act of 1953.

Water Facilities Act.

Watershed Protection and Flood Prevention Act.

Agricultural Trade Development and Assistance Act.

Food Stamp Act.

Rural Water and Sewer Facilities Act.

Agricultural Fair Practices Act.

Poultry Products Inspection Act.

Egg Products Inspection Act.

Eastern Wilderness Areas Act.

One of his greatest contributions of all to agriculture was his always staunch and effective support of the rural electric and rural telephone programs.

Our friend Senator AIKEN played a very active role in many other fields of legislation and policy and I have particular reference to foreign relations. As the ranking member of the Senate Committee on Foreign Relations he has had a powerful voice in international affairs. He is recognized by every Member of the Senate for his down-to-earth thinking and commonsense on the most involved of all international problems.

One of the most commendable and notable things about GEORGE AIKEN's long career in the Senate is that in his last days here he has been as active and effective as ever.

Senator AIKEN can always find happiness and consolation in the knowledge that he has left a matchless record not only for his beloved State of Vermont, but for the entire Nation.

Every Member of the Senate is going to miss GEORGE AIKEN very much, but no one more than I. We have worked very closely together on the Senate Committee on Agriculture during all these years. He has always been a warm personal friend.

My comments regarding Senator AIKEN would not be complete without paying well deserved tribute to his wonderful wife, Lola. Lola is a very distinguished lady in her own right, having served as assistant to GEORGE AIKEN during all the years he was Governor and in the U.S. Senate. She has done a most outstanding job. I recall that many years ago, when I wanted something from GEORGE AIKEN, I called Lola more often than I did the Senator!

The team of GEORGE and Lola will be missed very much. Pat and I express the fond hope that the world will always be kind to these two wonderful friends.

Mr. WILLIAMS. Mr. President, I join my colleagues today in bidding farewell to one of the most distinguished Members of this Chamber I have been privileged to serve with, and the dean of the Senate, GEORGE D. AIKEN.

When we adjourn sine die sometime in the next few days, Senator AIKEN will retire after serving in this body more than 34 years. He will return then to the place he has always called home, and where I know he has always been in spirit even when he could not be there in person, Putney, Vt. My personal regret that I will not be able to work with GEORGE AIKEN in the future is somewhat saved by the knowledge of how much he is looking forward to going home.

Mr. President, GEORGE AIKEN has devoted nearly his entire adult life to public service as an elected official. His political career began when he was elected town representative in 1931 and encompassed terms as Lieutenant Governor, and then Governor, of Vermont. He was first elected to the Senate in 1940 to fill the unexpired term left by the death of Senator Ernest Gibson, and he has been here ever since, having been reelected five times.

Senator AIKEN has been a respected voice on the Foreign Relations Committee where he has served since 1954 and where he is, of course, currently the ranking minority Member. He has played a leading role as a member of the Committee on Agriculture and Forestry for virtually his entire Senate career, including 2 years as chairman. In addition, he served for a quarter of a century as a member of the Subcommittee on Agriculture Appropriations.

Senator AIKEN has been a member of numerous commissions and delegations including the original Hoover Commission, and the U.S. Delegation that traveled to Moscow for the historic signing of the nuclear test ban treaty in 1963. He has received many prestigious awards, including the Distinguished Service Award of the American Farm Bureau Federation and the Congressional Distinguished Service Award of the American Political Science Association.

Mr. President, I can say most sincerely that it has been both a great pleasure and a rare privilege to have served in this body with GEORGE AIKEN. We will certainly miss him, but his mark is well established and he will be long remembered. I join my colleagues in wishing him and his gracious wife Lola every happiness in the years ahead.

Mr. GOLDWATER. Mr. President, not just the Republicans in this body, but all Members will miss GEORGE AIKEN. He has served longer than any of us, with great distinction and with great honor. He is a man who has always been above reproach, but not above approach. I found this out early in my days in the Senate when I looked to the elder statesman for guidance and he has never refused me once; advice or council on matters that disturbed me. He has not only served his State but he has served his Nation and his party with great accomplishment. My prayers and wishes are his and his charming wife for a long and successful life in retirement.

Mr. ALLEN. Mr. President, without doubt one of the most beloved men ever to serve in the U.S. Senate is the distinguished senior Senator from Vermont (Mr. AIKEN).

Mrs. Allen and I will never forget that on our first day in the Senate it was Senator AIKEN and his lovely wife, Lola, who came to our table in the Senate dining room and first welcomed us to the U.S. Senate.

While we had known Senator AIKEN by his outstanding reputation as a great U.S. Senator this was the first time we had had the pleasure of meeting him in person.

Since that day my admiration and regard and love of Senator and Mrs. Aiken have grown steadily. It has been my observation that these same feelings are shared by all who know the Aikens.

Senator AIKEN's wise counsel and down to earth views and philosophy, and his plain speaking have been of great value to Presidents and to the Congress through the years. He is a man of few words but when he speaks the Senate listens and the Nation listens.

It has been a great privilege for me to serve in the U.S. Senate with Senator AIKEN. I have admired his integrity, his dedication, his ability, and his eternal youth, his ever youthful views and ideas and his commonsense.

What an outstanding record of public service is Senator AIKEN's first as Governor of Vermont and for 34 years as U.S. Senator from Vermont—a record in which he can take pride and of which the people of Vermont can be proud.

He is loved by the people of his State as few Senators ever are. The classic illustration of the high regard and love that his people have for him is that in his last election to the Senate he was nominated by the Republicans and Democrats alike but managed to spend $17 in his election drive. He had to retire from the Senate voluntarily because his people would never have retired him.

Thus, while he professes a certain degree of Republicanism, the Democrats can claim him as well. I regard him as a nonpolitical statesman, a patriot, and a great American.

As he and his loving wife Lola return to their beloved Vermont, let me assure them that they do with my love and best wishes and those of my wife Maryon and of millions of Americans from throughout the world.

Mr. DOMINICK. Mr. President, I am proud to join my colleagues today in paying tribute to our dear friend, the senior Senator from Vermont. Throughout my time in the Senate, I have thoroughly enjoyed and greatly benefited from my association with this distinguished gentleman.

Recently, in paying tribute to Senator AIKEN, commentators have noted that he was far ahead of his time in many areas of legislative initiative. I would add that his leadership, his candor and his insights have been of great assistance to all of us in the Senate—particularly in the early months of our careers.

One could spend endless time cataloging the areas of interest and influence which have characterized his career, including his leadership as a member, and now ranking Republican, on the Foreign Relations Committee; his efforts in the areas of social programs at home and humanitarian assistance abroad; and his often outspoken criticism of Federal interference in the affairs of the people.

The Senate is losing more than a vocal and sincere leader—the Senate is losing a warm and dedicated friend. It is my hope that the legacy of Senator GEORGE AIKEN's service will prove an inspiration to those new Senators who are joining this body in January, and that candor, humanitarianism and love of country will characterize the U.S. Congress in the years ahead. If this is the case, much of the credit will rest with our dear and distinguished colleague, Senator GEORGE AIKEN. I join with all of you on this occasion in wishing him peace and much happiness in all the days to come.

Mr. BELLMON. Mr. President, among those Members who are leaving the Senate to return to private life is our distinguished colleague from Vermont, GEORGE AIKEN.

As Speaker of the house of representatives in Vermont, as Lieutenant Governor and Governor of his State, and throughout his long career in the Senate, GEORGE AIKEN has won the respect of his colleagues and those he has represented.

It has been a pleasure to serve on the same side of the aisle and as a member of the Agriculture Committee with him.

Mr. President, GEORGE AIKEN's ability, integrity, and devotion to duty will long be remembered, and his presence will be missed by the Senate during the coming years. I join with the other Members of this body in congratulating GEORGE AIKEN for his outstanding record as a public servant.

Mr. BURDICK. Mr. President, I am pleased to have the opportunity to join my colleagues in paying tribute to Senator GEORGE AIKEN of Vermont. The distinguished gentleman is the senior Member of the Senate, and, for years, Senator AIKEN has been one of this body's most respected Members. He was long a vigorous spokesman for rural America who got most of his work done before Washington was awake, as good farmers have always done. We are all aware of his role as one of the authors of Public Law 480 which has come to be known as the food-for-peace program. One of his most recent contributions was the Rural Water Act, providing grants and an expanded loan program for rural water systems. This has appropriately been called "landmark legislation" in helping to stimulate farm prosperity.

Senator AIKEN has served admirably as the ranking Republican of the Senate Foreign Relations Committee. He was skeptical of administration policies in Southeast Asia and he once suggested that our Nation announce that it had "won the war and then withdraw." His work in the Senate has given ample evidence of his devotion to duty and love of country. By his leaving public life, the United States and the "Green Mountain State" will lose the services of an individual who has served his people well. My warmest wishes go with him and his wife, Lola.

Mr. CHURCH. Mr. President, it is with a heavy heart that I rise today to say farewell to my friend and colleague, GEORGE AIKEN, for I will deeply miss his service in the Senate.

When we pay tribute to retiring Senators, it is usually customary to do so by citing a page or two of legislative accomplishments. Certainly, one could easily do that in the case of our colleague, Senator AIKEN.

But in his case, there are things much more fundamental to be said. I will remember GEORGE AIKEN for his courage in questioning the conduct of a war which had nothing to do with the security and well-being of the United States. I will remember GEORGE AIKEN for his honesty in his dealings with all of us. I will remember GEORGE AIKEN as a decent human being who never let partisan considerations stand in the way of what he thought was the right thing to do.

Most of all, I will remember GEORGE AIKEN for the soundness of his counsel and the warmth of his friendship.

Bethine and I will find Washington a lonelier place with GEORGE and Lola Aiken: two of this world's special people.

Mr. DOMENICI. Mr. President, this first-term Senator has many reasons to admire the distinguished Senator from Vermont, Mr. AIKEN—he is honest, he is direct, he is intelligent, he still cares about good government after more than three decades around Washington. But, one reason stands above all others. During my first 2 years in this body, Senator AIKEN has always taken the time to help me when I have asked and has never failed to give me the aid of his counsel.

Senator AIKEN has seen many first-term Senators come and go. Yet, he has not become cynical. He still has time for the uninitiated. All of us in this body were first-termers at one time and we all know how much a helping hand means those first confused months.

As my colleagues have noted, this body will miss Senator AIKEN, his honesty, his ability to cut to the core of a matter, and his abiding wisdom. But, we will miss as much as anything his kindness.

After reading Senator AIKEN's recent "final statement" to the Senate, I thought, "Diogenes should have come here first." His remarks should be required reading for anyone who wishes to understand the legislative process, the fallibility of humans and their institutions, but also the factor that makes it all work—firm and pure character. Senator AIKEN's career stands as a monument to the power of character. I wish him all luck in his future.

Mr. EASTLAND. Mr. President, I was appointed to the U.S. Senate by Governor Johnson of Mississippi in June 1941, for an interim term of 88 days. At that time, GEORGE AIKEN had been a Member of the Senate about 1 year. We were both novices in the Senate and, as a result, we had many things in common.

Later on, after I was elected to a full term, the congenial atmosphere between us continued and ripened into a fast and firm friendship. We had many interests in common. We both had agricultural backgrounds. We both wanted to and did serve on the Senate Committee on Agriculture. It was during this service on this committee that I got to know the many varieties of GEORGE AIKEN's talents. He had a phenomenal grasp of the agricultural economy of the entire Nation. He knew as much about each crop as any Senator who represented the States where that crop was produced. He knew livestock. He even knew the habits of honeybees. I found that as a younger man he had authored a book on the wild flowers of his native New England.

GEORGE AIKEN was not a politician—he was a naturalist, and this brought him close to nature. Being close to nature made him close to man. The commonsense virtues that have been widely ascribed to George Aiken can only be ascribed to his background. It has been said of him that he was probably one of the last of the homespun Yankee philosophers, and I think that is true.

It has been a privilege to know him. It has been a privilege to serve with him, and I hope as he leaves this Chamber after such a long and honorable career his remaining days will be kind to him, and the memories that he takes with him as he leaves this Chamber, I know, will keep his heart eternally warm.

I know the entire Senate joins with me in wishing him and his wife Lola, who was his devoted secretary for so many years, and that their remaining years be filled with happiness. I know they will be filled with contentment.

Mr. FANNIN. Mr. President, a very wise colleague of ours used to say that the Senate is composed of work horses and show horses. While the Senate could function without its show horses, it would come to an absolute halt without its work horses.

No one in this body has been more of a work horse than the senior Senator from Vermont, Mr. Aiken. No Member of Congress has ever given more of himself and asked less of Congress or the people. He has toiled diligently and effectively to better this country, and he has sought neither great political power, nor wealth, nor even public recognition for his many contributions to America.

His work on behalf of agriculture and his independent, knowledgeable and strong positions regarding foreign relations, have been especially noteworthy.

As "dean" of the Senate he has provided us with sage observations and wise counsel during some very difficult times. For 34 years he has served his State and the Nation with energy and ability. The people of Vermont are very fortunate to have had his voice speaking for them, and the rest of the Nation benefited from the wisdom of Vermont in sending Mr. Aiken to the Senate.

For more than four decades he has served in public office, and he certainly has earned our utmost respect upon his retirement from the Senate. Mrs. Fannin and I wish the Senator and Mrs. Aiken the best.

Mr. HATHAWAY. Mr. President, there is soon to be a vacancy on the other side of the aisle which goes beyond that of an empty chair or an empty desk. A man is leaving here to go back home after 34 years of service in this Chamber, a noteworthy achievement in and of itself. But my honorable colleague from Vermont, George D. Aiken, has been much, much more than a physical presence in this Chamber, and that extra something he brought to his chair and desk here is going to be sorely missed.

That our friend from Vermont is a good legislator is far less important than other qualities he has. So I do not intend to say much about his legislative accomplishments other than the simple fact that in the past 34 years he has played an active role in every piece of major legislation that has passed through this chamber. Social security, tax reforms, housing programs and other issues have each felt the hand of George Aiken upon them. He has been in this Chamber through seven Presidents and three wars, and has distinguished himself most by always being George Aiken.

His tenure in the Senate is as much a salute to the integrity of the Vermont voter as much as it is to the integrity of the man himself. For his constituency has recognized that integrity, honesty, and candor are more important to this legislative body and this country than individual issues and individual parties. There is no George Aiken the Republican, George Aiken the conservative, or George Aiken the liberal. George Aiken is not now and never has been two persons. He has never shrouded himself in the cloak of senatorial dignity to enter this Chamber, for his own personal dignity is more powerful than that of his office.

And that is the mark he will leave behind; that is the vacancy that will be felt.

Integrity, honesty, and candor are the qualities for which I shall always remember George Aiken. It is those qualities which brought him to this Chamber a week ago to confess to America what he considered to be his sins over the past 34 years of service. I have read that confession several times, trying to glean from it some guidance for my own behavior in this Chamber. All decisions are not clear cut; all issues are not black and white. Judgments often must be made based on alternative choices, and frequently both of those choices run contrary to what we want, or feel are best. I saw the list of sins, but cannot absolve my colleague any more than I can absolve myself of the act or art of compromise. Yet, I saw something else in his speech that weighed heavier in my mind:

> I have never known a President who, by his acts and in his own way, has not done considerable good while in the field of public service.
>
> When we judge the record of our Presidents, we should put the good they have done in one pile, and the mistakes they have committed in another pile, and then leave to history the decision as to which pile is greater.

Well, Mr. President, I think we should do the same for Senators, and in my judgment it does not take much of a historian to see that the stack of good our colleague from Vermont is leaving behind assures him the respect and esteem of Americans for all time.

And I am confident that the judgment of time and of history will be no different from that of mine today. That George D. Aiken, who served as Governor for his State for two terms, and as a Senator from his State for six terms, is a man of honor and integrity and candor and courage. That is how I know him to be, and that is how I will remember him. And it is that vacancy which we all have to face next month, and do our very best to replace. For failure to replace those qualities which George Aiken has in so much abundance, will be the sin each of us must confess to when our turn comes to leave this Chamber.

Mr. JACKSON. Mr. President, when the 94th Congress convenes next year, it will be without my dear friend and colleague from Vermont, Senator George Aiken, who is going back to the farm, as he likes to say.

George will be just 2 weeks short of having spent 34 years in the Senate at the close of the 93d Congress. He is the dean of the Congress and cannot be replaced.

Before coming to the Senate, George was a public servant in his home State, serving as speaker in the Vermont Legislature, lieutenant governor, and Governor.

In all those years, George and Lola have followed the Aiken tradition of public service. For every generation since before the American Revolution, there has been an Aiken in public service in Vermont.

George Aiken's name will forever be associated with some of the most important legislation to come before the Congress, including the food stamp and food-for-peace programs, the rural water and sewer bill, the Rural Development Act, and the St. Lawrence Seaway, which opened up the Great Lakes.

As the titles of some of those bills show, George has always been very interested in rural America and underdeveloped countries. Through his work on the Agriculture, Public Works, and Foreign Relations Committees, he contributed greatly to these areas. I have been privileged to have served with Senator Aiken on the Joint Committee on Atomic Energy.

Americans everywhere owe a debt of gratitude to George Aiken. I hope George and Lola have good health and happiness on their return to Vermont.

Mr. MAGNUSON. Mr. President, I would like to take this opportunity to offer a few brief remarks on the career of my distinguished colleague, the senior Senator from the State of Vermont, George Aiken.

Senator Aiken was first elected to this body in 1940 and went on to be reelected five more times. In that time, Mr. President, Senator Aiken has taken a leading role in important legislative matters affecting our Nation. Throughout the duration of his service to the citizens of his beautiful and historic State of Vermont, he has provided wise and constant leadership through one of the most critical periods of our history.

And like his great State of Vermont, one of the earliest bastions of freedom in America, he is a man of courage and determination. He has not hesitated to be strong, when strength was needed. And when compassion was called for, he has always been among the first to offer it—even feeding the pigeons daily in the park.

And, Mr. President, despite his comments in his farewell address to the Senate last Wednesday, Senator Aiken has always formed his own opinions and acted on his own convictions. Had we followed his wise advice on the war in Vietnam, we could have avoided one of the greatest tragedies ever to face this Nation.

All of us will miss this man from Vermont. We will miss him, because we respect him and love him—for his honesty and sincerity. And, Mr. President, all of us are so much richer for having had Senator Aiken as a fellow Member of this body—truly the dean of the Senate.

Mr. McGEE. Mr. President, after 34 years of distinguished service in the Senate, my friend and colleague from Vermont, George Aiken, is retiring.

George Aiken's career as a public servant began in 1931 when he was elected as a member of the Vermont house of representatives. In 1933, he assumed the position of speaker of the Vermont house and 2 years later became that State's Lieutenant Governor. In 1937, he was elected Governor and served in that position until he entered the U.S. Senate some 4 years later.

George Aiken is a man beloved and respected not only by the people of Vermont but by all those Members of the Congress fortunate enough to have served with him. He retires first in seniority amongst his colleagues. My sincere best wishes go with him.

Mr. NUNN. Mr. President, although I have only served in this body with Senator Aiken for a little over 2 years, I have developed the utmost respect and esteem for his honest and frank approach to government.

As a member and speaker of the Vermont house of representatives, as Lieutenant Governor and Governor of Vermont, and as a distinguished U.S. Senator for 34 years, George Aiken's brilliant and dedicated career of public service is an inspiration to both his colleagues and our Nation. He represents the finest traditions of leadership, statesmanship and integrity—traits that are hallmarks of his over 43 years of public service.

George Aiken's leadership and knowledge will be sorely missed here in the Senate. As the ranking minority member of the Foreign Relations Committee, as a ranking minority member on several important Foreign Relations Subcommittees, and as ranking Senate member on the Joint Committee on Atomic Energy, he has played a vital role in the passage of much important legislation.

George Aiken is one of the most outstanding and effective legislators in the Senate and he has my best wishes for every success in the years to come.

Mr. PELL. Mr. President, in just a few days the Senate will adjourn, bringing to an end the 93d Congress. That day will also bring to a close the brilliant public career of the senior Senator from Vermont, George Aiken.

That career has spanned 43 years, 34 of them spent in this body. This Senate, which has benefited from his wisdom, his Yankee commonsense, his independence of mind and his impeccable personal integrity for all of these years, will be a poorer place in his absence.

Senator Aiken has always brought to the deliberations of the Senate a wisdom and independence of mind that has caused each of us to listen attentively whenever he took the floor.

During the days of national anguish over our military involvement in Vietnam, when so much of the Nation was split into hostile camps, Senator Aiken's independent spirit was most aptly described by his longtime close friend and our distinguished majority leader, Mr. Mansfield.

"In the aviary of the Senate," Senator Mansfield said, "George Aiken is cataloged as neither a hawk nor a dove, but as a very wise owl."

Mr. President, it has been my great pleasure to serve with this very wise owl as a member of the Committee on Foreign Relations and I know that I have benefited, as has the committee, on innumerable occasions from his sage counsel.

As the ranking minority member of the committee, Senator Aiken has contributed significantly to the bipartisan approach to foreign policy which we have enjoyed for the past several years.

Senator Aiken's service on the Foreign Relations Committee is of relatively recent vintage in contrast to his years on the Committee on Agriculture and Forestry, which he joined upon entering the Senate in 1941. On that important committee, he has been for many years the lone voice of New England, seeking always to protect the interests of our remaining New England farmers and at the same time of the vast portion of our New England citizens who are the consumers, not the producers, of food.

In these days when the decisions of the Agriculture Committee are so important both at home and to the millions of the world's population who have insufficient food and look to our Nation for relief, I know the committee will miss his expertise, his guidance and his wise approach to dealing with problems.

Senator Aiken, in addition to being the dean of the Senate, has been, almost as long as I have been here, the dean of the New England congressional delegation and he has been our leader and our counsellor in the many battles we have waged for the causes of our region. In those battles, too, he will be sorely missed.

Mr. President, as George Aiken and his lovely wife and helpmate Lola prepare to journey back to their home on the hill in Putney, Vt., I wish them both Godspeed and a long and happy life together in the tranquility of the Green Mountains.

Mr. SCHWEIKER. Mr. President, today the Senate bids farewelll to its dean and one of its most highly respected Members, Senator George D. Aiken of Vermont.

In an age of growing mistrust and skepticism in government and its leaders, George Aiken represents what is good about our system. He is revered for his integrity and independence. He is refreshingly unassuming and candid. He has served in the Senate since before World War II and yet he is universally acknowledged to be retiring at a time when his powers and his influence upon his colleagues are at their zenith.

I consider myself privileged to have served in the U.S. Senate with George D. Aiken, and I know his presence will endure within these walls long after his departure.

Mr. SPARKMAN. I am glad to join with my colleagues in tribute to one of the greatest men ever to serve in the U.S. Senate. I refer, of course, to our friend George Aiken, of Vermont. Senator Aiken came to the Senate in 1941. I came 6 years later. However, I served in the House of Representatives for 10 years, and I came to know the distinguished Senator from Vermont soon after he entered the Senate. I was impressed with him from the beginning.

Before coming to the Senate, Senator Aiken had served as speaker of the house of representatives in Vermont, Lieutenant Governor of that State, and two terms as Governor.

I like to think of Senator Aiken as being typical of his State of Vermont. I have often listened to his philosophy that seemed to come right from the hills of his beloved State. He is a man of unquestioned integrity and sincerity. He makes up his own mind, and, when he does, he stands firmly on the decision reached.

Senator Aiken has been a great Senator. He is a fine citizen, a good man, a great friend. I know that every Member of the Senate regrets to see Senator Aiken retire, but they will follow with interest all of his activities, wishing for him and his wife Lola great happiness throughout many years.

Mr. TALMADGE. Mr. President, we are going to miss George Aiken in the U.S. Senate, and it is my privilege today to join my colleagues in paying tribute to the distinguished senior Senator from Vermont for the long and devoted service he has rendered his State and Nation.

Senator Aiken has been an extremely able and conscientious Senator. He has represented the people of Vermont with dignity and integrity, and he has been an effective advocate of the best interests of the United States in his high-ranking positions on the Senate Committees on Agriculture and Forestry and Foreign Relations. I am particularly proud to have served with Senator Aiken on the Committee on Agriculture and Forestry and I have greatly benefited, as have all the other members of the committee, from his vast experience, hard work, and legislative ability.

As the dean of the Senate, Senator Aiken always spoke with clarity and authority on the issues of the day. Over a period of some 34 years in the Senate, he consistently maintained the respect of his colleagues from both sides of the aisle.

Senator Aiken was a champion of conservation and rural development long before these areas of concern came into vogue. He is the father of legislation to preserve and protect the Eastern Wilderness System, and he is a pioneer in spearheading efforts to promote water and sewer expansion in rural areas which has been of immeasurable value in revitalizing small towns and agricultural areas. Senator Aiken is returning to his beloved home State, and I wish him every future happiness.

Mr. FONG. Mr. President, I rise today to pay my highest tribute to George D. Aiken, the senior Member of this august body and for many years one of its most respected Members.

George Aiken was elected to the U.S. Senate in 1940, after having served as one of the Green Mountain State's most progressive Governors. Before that he had been the State's Lieutenant Governor after having served as speaker of the Vermont house of representatives and as a member of that house for many years.

In Vermont, he is a living monument to political responsibility, integrity, and public service.

The imprint left by George Aiken in the U.S. Senate during his 34 years of continuous and distinguished service is deep and lasting.

When he first took his seat in 1941, he joined the Senate Committee on Agriculture and Forestry. He has been an ardent and effective spokesman for a strong and healthy agricultural industry in America, particularly for the family farm. His knowledge and hard work on agricultural matters have been instrumental in fashioning farm policies under which America's farmers have been the most prodigious producers in the world.

His influence was felt in the drafting of such monumental legislation as the National School Lunch Act, the special milk program, the Food Stamp Act, and the Rural Water and Sewer Act.

He was also a principal sponsor of Public Law 480, better known as the Food for Peace Act, which has saved millions overseas from starvation and is still helping to feed hungry people all over the world.

George Aiken also reflects the international-mindedness of the people of Vermont through his interest and leadership in foreign affairs. Part of this interest has stemmed from his dedication to agriculture and the knowledge of the importance of America's farm output in world trade.

The senior Senator from Vermont has been a member of the Senate Committee on Foreign Relations since 1954 and currently is its ranking Republican.

In addition to his efforts for the food for peace program, George Aiken supported many other humanitarian programs overseas, did much in the interest of Canadian-American relations, played key roles in missions to many parts of the globe, was a delegate to the 15th General Assembly of the United Nations, and participated in the signing of the Nuclear Test Ban Treaty.

In another field, public power, George Aiken had made his name long before coming to Capitol Hill.

As a State legislator, as Lieutenant Governor, and as Governor of Vermont, he successfully opposed efforts by both private industry and the Federal Government to take control of the natural resources of his State. During this period he is remembered for passage of legislation enabling Vermont to gain the benefits of the rural electrification program and for initiating action to establish the Connecticut River Flood Control project and other key projects.

The St. Lawrence Seaway remains as a monument to George Aiken's persistence and patience as a U.S. Senator. Thanks to his efforts, surplus St. Lawrence power, which made costs in Vermont the yardstick for low-priced power throughout New England, was secured.

Senator Aiken also has been in the forefront of the effort to make fusion power a commercial reality in the nuclear power field by the turn of the century and was far ahead in warning the Nation of its vulnerability from relying too heavily on foreign supplies of oil.

Mr. President, when George David Aiken retires with the adjournment of the 93d Congress, we will have lost a pillar of strength and the services of a good and able friend.

To George Aiken and his gracious wife, Lola, Ellyn and I extend our warmest best wishes for many years of abundant good health and happiness in your retirement.

To both of you we say: Aloha nui loa.

Mr. MOSS. Mr. President, I am sure that no one will quarrel with me when I say that with the retirement of George Aiken the Senate will lose one of its most consistent voices of commonsense and reason.

What he has had to say may not always have been popular, and it may not always have represented the majority opinion in the Senate, but it has always been well worth pondering.

It is a tribute to the people of Vermont, in my opinion, that they have had the wisdom and the commonsense to keep this voice of reason in the Senate for 34 years so that not only they, but the whole country, could benefit from Senator Aiken's sensible approach to life and to the solution of some of our national problems.

So much has been written and said these past few weeks about the retirement of this remarkable man—and he has said so much so well himself in his farewell speech—that there is little which most of us can add.

Vermont Life caught very well the spirit and the meaning of Senator Aiken's stewardship in a recent issue and I ask unanimous consent that this article, written by Charles T. Morrisey, and entitled "George Aiken, Citizen," be included in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

George Aiken, Citizen

(By Charles T. Morrissey)

He is coming home to Vermont after 34 years of service in the United States Senate. A political career which began in Putney in 1931, when he was elected to represent his home town in the Vermont House of Representatives, is now concluding.

But at the age of 82, George D. Aiken isn't retiring; instead he is changing careers. He plans to see some parts of Vermont he hasn't seen for a while, and when he travels he expects to bring along his fishing pole. "Lots of people are laying out work for me," he says tartly. "Two or three publishers have asked me to write a book, but I haven't made up my mind about that yet."

The University of Vermont is raising $250,000 to sponsor an annual George D. Aiken Lecture Series. Speakers of national and international stature will offer their views on the three subjects the Senator was best known for in Washington—foreign affairs, energy, and agriculture. The first of the series is planned for December, and speakers will be asked to remain on the UVM campus for a day or two of classroom visits and informal discussions with students and faculty.

The Senator—actually he's called "The Governor" by those-who-know because he served as Vermont's Chief Executive from 1937 to 1941—won't be a stranger at the University. This January and February, he plans to pore over documents depicting his years in Washington and the events he was part of. He wants to go through the photographs in his files (they number between 2,000 and 3,000 prints) to label the people and occasions they portray, and he wants to tape-record personal memories of the history he has made and witnessed.

Originally a successful orchardist and cultivator of wild flowers by profession, George Aiken now hopes to experiment with growing a disease-free raspberry plant. Meanwhile Mrs. Aiken, the beloved Lola, hopes he writes a book for children about pigeons and squirrels because of his love for animals. When he wrote his book, *Pioneering with Wild Flowers*, in 1935, Aiken dedicated the volume to Peter Rabbit "in the hope that flattery will accomplish what traps and guns have failed to do and the little rascal will let our plants alone from this time on." His puckish, dry sense of humor has always served him well, often conveying a point with durable truth at its core. In Washington he is remembered wistfully for "the Aiken Formula" for ending the Vietnam War—"declare that we have won and get out."

In the Senate his closest associate was Democrat Mike Mansfield of Montana. Although they sat on opposite sides of the aisle they never let politics interfere with their friendship. Whenever possible they met for breakfast in the Senate dining room. In a speech on the Senate floor Mr. Mansfield once aptly remarked that "in the aviary of the United States Senate, George Aiken is catalogued as neither a hawk nor dove but a wise old owl."

Few senators were as influential as Aiken; his common-sense approach to issues was widely admired. Although he was the ranking Republican on the Senate Foreign Relations Committee he was always mindful of his Vermont constituents; for example, he ably piloted legislation providing water, electric, and sewer services which benefited rural Vermonters. Every letter received from Vermonters was answered promptly and signed personally by the Senator.

Although in length of service Aiken is dean of the Senate, he doesn't feel that age is a drawback. "Some folks are old at 21," he observes, "and then there are a lot of youngsters my age."

Quiet, independent, hard-working, George Aiken will be remembered for several legislative achievements and for being a modest countryman in a city of inflated egos. He is famous for not raising and spending large amounts of political contributions when reelection time occurred; in one senatorial campaign he spent less than $20. Being prominent and influential in Washington never turned his head. He once offered a helpful tip on how to survive in the Washington whirl: "when you go to the White House, get a seat near the door, so that when they dim the lights, you can sneak out."

A lot of former Senators loudly praise their native states in public speeches and then continue to live in Washington and work for the interest groups they dealt with in Congress. Not so with George Aiken; he's coming home to Vermont because this is where he wants to be.

Mr. MOSS. Mr. President, I join with my colleagues in wishing him only the happiest years ahead as he goes home to Vermont.

The Senate will be reduced in stature by his departure.

Mr. PASTORE. Mr. President, an important page of history is turned as our truly beloved colleague Senator Aiken, chooses to depart this Senate where he has served so long and so well.

Just as Ethan Allen and his Green Mountain Boys ushered in the first century of our America—so its second century closes with the farewell of another Green Mountain patriot—the perpetual Senator from Vermont—the unfailing philosopher and faithful friend.

This home of the Senate will never be the same without that seasoned statesman—with his sagacity and simple honesty—the worthy contestant when the good of the Nation is being debated—the cherished companion in our daily existence when a political aisle no longer divides us.

We of New England—irrespective of party—are possessively proud of GEORGE AIKEN—his simplicity and sincerity have been our priceless privilege to enjoy.

All America owes an eternal debt to his integrity and ability through a most dramatic and challenging period of our national existence.

Each of us is the better American—*the better* public servant—for the opportunity we have had to share some of his senatorial years.

May the satisfaction of the dedicated public servant—the good neighbor—the cherished friend—fill every day of GEORGE AIKEN'S future with happiness—may God fill them with health—while every good wish flows from our friendly hearts to him and his dear ones.

Mr. BIDEN. Mr. President, as one who entered the Senate in January 1973 as its most junior Member, both as to service and age, I wish to pay tribute to Senator AIKEN, the senior Member. Senator AIKEN also ranks highest in respect and admiration—compiled during his 34 years of distinguished service in the Senate.

Long before I came to the Senate, I read about GEORGE AIKEN'S stalwart character and I have been pleased to have served in the Senate long enough to have verified what I have read.

Somehow I am reminded on this occasion of a remark by Patrick Henry, speaking at the Virginia Convention, in 1775:

> I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging of the future but by the past.

Senator AIKEN'S past is a lesson for our future.

Mr. PACKWOOD. Mr. President, like the rocky spine, the Green Mountains, which runs the length of Vermont, GEORGE AIKEN has often been the backbone of this Senate, touching all its Members with his truth and honesty, encompassing the length and breadth of this great Chamber.

GEORGE AIKEN would be the first to deny he has become a legend in Vermont or an important figure to the Nation. Yet he is the first to admit to what he confesses are his past sins. Ironically, and probably to GEORGE'S grave dismay, just those admissions of guilt lend greatness to the Aiken character.

Never filled with the huff and puff of pomposity, GEORGE AIKEN has nevertheless been magnificent through the sheer power of simple, straightforward talk to his colleagues, his constituents and to our countrymen. He has a deep love for them all, and this Nation shall always hold GECRGE AIKEN close to its heart.

A little over 2 years ago, GEORGE helped celebrate my 40th birthday, and in fact just the month before, GEORGE had celebrated his 80th. GEORGE AIKEN was twice my age then, and now as this man, our friend, prepares to depart this body, I find myself wishing we all could become but half the man GEORGE AIKEN is.

The countryside of Vermont shall be blessed in the years to come with the return of the dean of the Senate. The profile of the Green Mountains shall be joined and matched by the stature of GEORGE AIKEN.

Mr. PEARSON. Mr. President, for 34 years, the town of Putney has lent the U.S. Senate the services of its former moderator and most distinguished horticulturist, GEORGE AIKEN. And now, Putney is about to reclaim its own. For 34 years, GEORGE AIKEN has served his Nation and his State with distinction seldom equaled in the history of this Republic. Putney will be infinitely richer for his return and we will be equally poorer for his leaving.

Mr. President, I have had the pleasure of sitting next to GEORGE AIKEN for some years now and have benefited from his insight into the complex problems with which the Senate has grappled during those years. I thank him for that.

Mr. President, Senator AIKEN has set standards for dedicated service, for wisdom and for wit which will be hard for us to match. He has also set a commendable standard for brevity which I intend to meet in this tribute to him. So, Mr. President, I will conclude with a few appropriate words from another Vermonter of distinction, Robert Frost, who may have been thinking of GEORGE AIKEN when he wrote:

> I shall be telling this with a sigh
> Somewhere ages and ages hence:
> Two roads diverged in a wood, and I—
> I took the one less traveled by,
> And that has made all the difference.

GEORGE AIKEN has made a difference. The Senate and the American people are enriched for his having traveled our way 34 years as a Senator.

The people of Kansas join with me in wishing GEORGE and Lola Aiken well in the years to come.

Mr. HELMS. Mr. President, our distinguished colleague from Vermont (Mr. AIKEN) is a man whom I shall never forget. He is truly one of the most remarkable men ever to serve in the Senate.

Others have had a longer relationship with him than I, and I confess a bit of envy that this is the case. But nobody has enjoyed Senator AIKEN more than I.

There is not the slightest trace of pompousness in him. And in a city where far too many people take themselves far too seriously, Senator AIKEN is an oasis of candor and good humor.

He has been good for America because he is a good American. This Senate will miss him. I shall miss him. He and his dear wife, Lola, will forever have Mrs. Helms' and my best wishes—and our gratitude for their having brightened our lives.

Mr. CASE. Mr. President, GEORGE AIKEN early became a Senate institution. His terse comments as well as his yellow shirts and red ties have long distinguished him from his more garrulous, more soberly dressed colleagues.

I suppose he and his wife know every voter in Vermont. And obviously every voter loves them. For who else among us has been the nominee on both Republican and Democratic tickets? Who else has financed his campaign in what amounts to petty cash fund?

I join in wishing the Aikens many bright years ahead as they prepare to return to their beloved State.

Mr. HUDDLESTON. Mr. President, I would like to join my colleagues in paying tribute to Senator AIKEN, one of the most respected Members of this body, and a Senator who is known and respected throughout the world.

Mr. President, last year during my initial year in the Senate I was called on to floor manage a joint resolution dealing with the perennial problem of boxcar shortages. As fate would have it, I found that my principal opponent on this measure was the distinguished Senator from Vermont.

But as always, the Senator from Vermont was gracious and understanding of his junior colleague. Certainly no one could ask for a stronger opponent on the floor of the Senate. Senator AIKEN is tenacious in support of his great State and in support of the principles for which he is well known.

People have called him the conscience of the Senate, and well they should. He will be greatly missed, and I regret that I was able to serve with him for only 2 years.

Mr. STEVENS. Mr. President, let me take a few minutes to add my voice to those who pay tribute to the senior Senator from Vermont, GEORGE AIKEN. If the walls of these Chambers could speak to us now, they would remind us that few who have walked here have had such a long and distinguished record of public service as GEORGE AIKEN.

We have known GEORGE AIKEN as a gentleman, as a champion of rural folk, as leader and legislator, as an author, and as a man from the beautiful countryside of Vermont.

If I may be allowed a moment of candid observation, Mr. President, I would imagine that there is hardly a man among us here who is not at least somewhat envious of the wonderful homecoming Senator AIKEN has planned for himself.

But, Mr. President, this is precisely the point which bears observation, I think. Senator AIKEN has never really been that far away from his beloved homeland in spirit. He can rejoin the part of himself which has been waiting for him back on the farm in Vermont while he has answered the call of his country—a reunion with the heart.

This, to me, is one of GEORGE AIKEN'S most precious gifts. He has never forgotten who he is, where he comes from, and how much he owes to his rich American heritage. He has been faithful to his constituents and to himself.

This is a model each of us should strive to achieve. I know the future will hold many pleasant days for Senator AIKEN, so I will close by simply saying, Thank you, GEORGE, for your many years of inspiration and leadership. We wish you and Lola long life and happiness.

Mr. BROOKE. Mr. President, it is difficult for any Member of the Senate to bid farewell to GEORGE AIKEN for none of us knows what the Senate is like without our dean.

A Senate without GEORGE AIKEN shall be a less warm institution devoid of his wry humor and down-to-earth commonsense. Things will be different without George Aiken. But no one would seek to deter him from going. As he said last June:

> When I came to Washington, I left much unfinished work at home and I now want to get back to it.

George Aiken wants to get back to his house on the hill and to his orchard and flower gardens. He wants to get back to his native Vermont and his fellow Vermonters, who six times have selected him to be their Senator.

Some time ago the distinguished majority leader ably described George Aiken. He said:

> In the aviary of the Senate George Aiken is catalogued as neither a hawk nor a dove but as a very wise owl.

George Aiken is very wise, indeed, in foreign and domestic policy. His Senate service spans World War II, Korean, and the Vietnam conflict, and he is often remembered for his formula on how to end our involvement in the latter conflict. He is credited with saying:

> The United States should declare victory and get out.

But that was not exactly what he said. History should note that his 1966 proposal was that the United States should announce "victory" in its limited military objective of deterring North Vietnamese aggression, but that American forces should be redeployed to defense strategic population centers. If the North did not respond with further attacks then according to George Aiken the U.S. troops could begin their gradual withdrawal. Had this proposal been accepted and tried, years of struggle and thousands of lives might have been spared.

George Aiken has been heeded on many occasions and millions of rural Americans are grateful to him for their electricity. Countless farmers are in his debt for their successful water conservation projects.

In his 33 years in the Senate, George Aiken has accomplished so very much. But George Aiken shuns credit or fame. He is content to do his good work without fanfare. But his work is known to most Americans and it is definitely known to his colleagues. George Aiken is not a partisan fighter. Indeed, he shuns political battles. He can accomplish more by bringing people together. He is an extraordinary conciliator.

Notwithstanding his skills and accomplishments, there is one quality George Aiken has that particularly endears him to me. It is George Aiken's unbounded enthusiasm for life. His love of nature and people are fortunately contagious. We, who have been lucky to be around him, have caught his joyful exuberance for life.

And now he and his delightful wife, Lola, leave us for their house on the hill in Putney. May they be blessed with many years of health in which to joyfully cultivate their land. May they know how very much they are missed.

At a retirement party given for George and Lola Aiken by our mutual dear friends, Frank and Jayne Ikard, I read a poem which I had composed and which I would like to share with my colleagues on this occasion:

> **Six hundred miles from Washington, speech has a special twang**
> The air is clear, the mountains green, life is not tooth and fang
> From those hills to Washington, 34 long years ago
> Came a man Lola still calls "Governor", down through the winter snow
> FDR was President, Hitler at freedom's door
> It was a time of crisis, the cannon about to roar
> Our guest of honor took his seat on the Republican side of the Senate aisle
> Where, ever since, through good times and bad he served with honor and style
> Without flamboyance, ostentation, arrogance or cant
> Not once has his voice been lifted in nonsense or to rant
> Vermont's gift has been, instead—a model to be heeded
> He has brought to national politics, a commonsense and wisdom always needed
> The Pericles of Putney, the Voltaire of Vermont
> He'll blush at titles like that but aptness they do not want
> As his days in the Senate dwindle down to a very precious few
> It's both fitting and proper for us to voice a most sincere thank you
> When adjournment comes and session ends
> Millions of Americans who consider themselves friends
> With us will wish him adieu, God speed
> As back to his orchards and garden his path will lead
> The soil, some books, a loving wife, his home sweet home
> A happy fate with which to close this poem.

Mr. DOLE. Mr. President, it is as much a pleasure for me to join with my colleagues today in paying tribute to the senior Senator from Vermont as it has been a privilege to serve with him in the Senate over the last 6 years.

As a relatively junior Member of this body, I will confess that upon my arrival in the Senate, I held Senator George Aiken in some awe. And this is so not only because he is now the senior Member of the Senate in terms of length of service but also because during his 34 years as Senator from Vermont he has matched wisdom with experience in a manner so compelling it demands respect. He is a man of uncommon candor, with a happy facility for seeing through to the heart of complex issues. Doubtless, his roots in the hardy climes of Vermont do much to explain this.

I can add little to the tributes given him—the tributes he has earned well—over the years. But I do want to join with others in noting this transition in his life which will take him from the Senate for some well-deserved leisure.

I have known him as a fellow Senator, fellow Republican, and a fellow member of the Senate Agriculture Committee. I am proud to call him friend and join with my colleagues in noting what I firmly believe to be true—that the Senate of the United States of America has been enriched by his presence.

Since he was first elected town representative in 1931 and to the present his career in public service has been intimately bound up with the history and the progress of his beloved State of Vermont. For almost as long, he has been in as valuable a role of service to the United States of America.

After such lengthy selfless service the pleasures of retirement seem his by right. I join with my colleagues in gratitude to him not only for his accomplishments but for his example and to wish both he and his gracious wife Lola the very best.

Mr. TOWER. Mr. President, when George Aiken leaves the Senate, 34 years of wisdom and wit, experience, and judgment will go with him. Such departures leave a very large gap in the Senate world. Vermont's very most senior Senator has a gentle, benign appearance. But beneath it is a tough, independent mind, impatient of "puffoonery." And this could give a very sharp edge to his comments and questions—as many a startled bureaucrat found out when testifying before the Agriculture or Foreign Relations Committees, on which Senator Aiken served so long and with such distinction.

So we may say farewell to the dean of the Senate, the respected elder statesman, as it were, of Republican Senators. We say it with a mixture of sorrow and gratitude. We all wish he would remain with us, but we are indeed fortunate to have had his counsel for these many years.

We know that he is too vigorous and restless to simply rusticate. So we wish George Aiken and his charming wife Lola many more happy and active years.

Mr. BAKER. Mr. President, last week the Members of the Senate were privileged to hear a moving and memorable address by the Republican dean of the Senate, the senior Senator from Vermont.

In what he termed "A Confession by a Valedictorian," George Aiken reflected on his 34 years as a Member of the Senate. The wisdom, warmth, and wit of that address typified the grand qualities he has brought to this body in his more than three decades of service.

Senator Aiken's career in public life began with his election as a town representative in 1931. As Speaker of the Vermont House of Representatives and as a progressive Lieutenant Governor and Governor, he served the citizens of the Green Mountain State well.

In the Senate, George Aiken has served as the ranking member of the Foreign Relations Committee and as a member of the Agriculture and Forestry Committee. I have been happy to serve with him on the Joint Committee on Atomic Energy, where he has been the senior Republican Senator.

Senator Aiken has worked with seven sitting Presidents during his tenure in the Senate. All have benefited from his good judgment, and I am sure that they all have wished they had acted more often on his sound advice.

I have been especially impressed, too, with Senator Aiken's advice to the Congress concerning its relationship with the executive branch:

> So long as the Congress devotes its efforts to recovering the authority which it has handed to the executive branch but declines to take back the responsibility that goes with this authority, we will not succeed in restoring the equilibrium which the founders of this Nation contemplated.

Mr. President, it has often been observed that Senator Aiken is an institution in his home State. It can rightly be said that he is truly a national resource.

GEORGE AIKEN and his wife, Lola, will soon be moving back to Vermont. Because of his diversity of interest and his active concern for his fellow citizens, however, we can all be glad that GEORGE AIKEN will never really retire from public service.

Mr. STEVENSON. Mr. President, this Midwest freshman is grateful to have served in the Senate for 4 years with a genuine "Green Mountain Boy." True to his heritage, Senator AIKEN has been taciturn when words were not needed, and both wise and witty when they were. He is always salty and tempers his wealth of experience with humor and pungent good sense.

He practiced campaign spending restraint long before that became an issue. I understand that in one of his campaigns his total expenditures were for gasoline to go to two picnics. Granted that Vermont's first citizen had no need to campaign in the traditional way, nevertheless, simplicity and frugality are qualities which more campaigns could usefully employ now that estimated expenditures for Senate campaigns go as high as a million dollars or more.

There is also the legend which I heard when I first came to the Senate that on his reelection in 1968—unopposed—he protested to his very good friend, the majority leader, that he had been discriminated against by not having been invited to the Democratic Caucus.

Mr. President, the Senate and the Nation will be poorer without the distinguished senior Senator from Vermont.

Mr. RIBICOFF. Mr. President, the retirement of our distinguished colleague from Vermont will leave a deep void in the Senate. It is difficult to believe that after January there will not be GEORGE AIKEN answering the Senate rollcall. His position in the Senate, Vermont, and the country is unique, for he has served as a symbol to all of those who have had the pleasure and privilege to associate with him.

The respect and admiration that we in the Senate have for GEORGE AIKEN is a direct tribute to the wisdom, commonsense, and sound New England conscience which he has conveyed in all of his work. One can gain a sense for his special appreciation of Vermont's rocky hills, autumn leaves, cold winters, fresh springs, and warm summers through his manner and words. He has brought to public life the prudence and experience of the New England background and tradition. The brief words of our distinguished colleague have served to puncture all inflated ideas and posturings. Moreover, the skeptical approach he has employed in all of his work has served to make our policies just a little bit more sensible.

In his final statement to this body, Senator AIKEN discussed the method which we can use to judge our Presidents. We should put the good they have done in one pile, he suggested, and the mistakes in another and leave the decision to history to conclude which pile is greater. I feel safe in saying now that if we apply this same criterion to GEORGE AIKEN, history will undoubtedly decide that the overwhelming weight is with the good that he has accomplished for this country. GEORGE AIKEN's wisdom is a great national asset, and though he will be retiring from the Senate, the message contained in his final statement will have a lasting impact on our actions in this body.

As special as GEORGE AIKEN is his great wife, Lola, adds an additional dimension. Bright, personable, lovely, and thoughtful she has been a great helpmate to him and his constituents and those of us who serve in the U.S. Senate and our wives.

As they both return to their beautiful and beloved Vermont our best wishes go with them.

Mr. HANSEN. Mr. President, a very real pillar of the Senate, the distinguished senior Senator from Vermont, Mr. AIKEN, will be leaving our midst at the end of this session.

A total of 34 years of service in the Senate is a great record; working with seven Presidents is a very real contribution to government.

In his farewell address recently, Senator AIKEN talked about the legislative branch of government and also noted that persons with whom he had been associated had done considerable good while in the field of public service.

Certainly this can be said about Senator AIKEN in a most positive and wholesome way.

His work in the Halls of Congress has made a very real contribution to good government, and he is to be commended for his record of accomplishment.

There are few Federal legislators like GEORGE AIKEN, Mr. President, and we will miss his ready wit and wise counsel a great deal in the 94th Congress and in the years ahead.

He and Mrs. Aiken plan to return to Vermont soon and to spend some time, I am sure, traveling that great State and visiting with the people who have returned him again and again to the Senate. He spoke, in his December 11, 1974, "Confession by a Valedictorian," of sincerely regretting the breaking of associations. Let me say that I—and all of my colleagues—regret the breaking of the association with Senator AIKEN as much. He has been an outstanding U.S. Senator. He has added warmth and good will to these Chambers and we are saddened by his departure.

Mr. HUMPHREY. Mr. President, it is with genuine sadness that I join others in saying farewell to Senator GEORGE AIKEN of Vermont.

In the years since he was first elected to the Senate in 1940, GEORGE AIKEN has served his Nation and State with personal integrity, great ability, and responsibility. He is the best of men in both public and private life.

He has been a friend, a source of good counsel and a pillar of strength. I have enjoyed our association on the Agriculture and Foreign Relations Committees.

In his own recent farewell speech, Senator AIKEN confessed that he had not always voted according to his own best judgment. I would answer that most people who have had the good fortune to serve in the Congress would be delighted to approach GEORGE AIKEN's record in terms of adhering to one's principles. He has set a standard for all of us.

I know that Senator AIKEN has many happy years of retirement ahead of him, as well as fond memories of many years of public service. I wish him well, and will continue to cherish his friendship.

Mr. HASKELL. Mr. President, it's difficult to imagine a tribute to our most senior colleague, which will not include his now-famous remark about American involvement in Southeast Asia, "Let's declare it a victory and get out."

I hope that in his retirement, Senator AIKEN will forgive us if he tires of hearing it. For in quoting that remark, we can sum up the man even if we cannot begin to recount his accomplishments and the leadership he has provided in 33 years of service in the U.S. Senate.

That statement about the futility of our role in Indochina condenses the wisdom, directness, and perception of the Senator from Vermont. But this man who towered, quietly, almost self-consciously in the Senate is also a gentleman, one who has authored books on wildflowers, on fruits and berries. I shall treasure a scene I witnessed recently leaving my office building to walk across to the Capitol: A flock of pigeons flew from the steps across Constitution Avenue. I thought they were startled. But they were merely joining others converging on Senator AIKEN who was walking along, sack of nuts in hand, to the regular evening feeding session.

They, like us, the people of Vermont and the Nation, will miss a good friend on whom they relied. I hope the retirement years are good to GEORGE AIKEN. And gentle.

Mr. CRANSTON. Mr. President, our colleague GEORGE AIKEN of Vermont, after a long and distinguished career in the Senate, will retire at the end of this year to his home in the Green Mountains. I join with my colleagues in wishing GEORGE and Lola the very best as they prepare to return to Vermont.

Senator AIKEN's contributions to the Nation have been many. But his unique contribution has been his courage and perception to say the right thing at the right time in a few simple rock-hard words that go straight to the heart of an issue, and thus profoundly influence its outcome.

In the Senate GEORGE AIKEN has epitomized the practical wisdom of the New Englander's deep appreciation for the limits of what is possible. He is a man of wisdom, tolerance, and restraint. The Senate, which was greatly enhanced by his presence, will be greatly lessened by his retirement.

Mr. HRUSKA. Mr. President, at the conclusion of this session of the Congress we will say farewell to a distinguished colleague and dean of the Senate Republicans, Senator GEORGE AIKEN, the senior Senator from Vermont.

I join with my colleagues today in a tribute to Senator AIKEN who has served admirably and well for these many years. Senator AIKEN was a colleague and friend of my predecessor in the U.S. Senate, Senator Hugh Butler. Although they had a difference of opinion on some things, they shared the same fine qualities of honesty, integrity, and wisdom.

Senator Aiken has had a long and distinguished public career. He has served the people of Vermont in many capacities and they have shown their appreciation many times over. As a town representative, speaker of the legislature, Lieutenant Governor, Governor, and U.S. Senator, George Aiken has always placed the welfare of his constituents in the forefront. They, his colleagues in this body and the people of the United States will sorely miss him.

Senator Aiken has always considered himself, above all, a farmer—and a good one. That he is. Throughout his public life his concern and interest in the outdoors and in the preservation of the natural state of things have consistently shown through.

At the end of his outstanding career in the Nation's Capital, he will be returning to his beloved Vermont. Through the years he has never hidden his joy and excitement of being able to return at a congressional recess or adjournment period to his lovely mountain home. Now, he will be able to spend even more time there.

Through the years I have had the privilege of observing Senator Aiken's willingness to share his friendship, good counsel, and experience. I thank him for the many times he has given me good advice.

I wish George Aiken and his lovely wife, Lola, well in all of their future endeavors and I know that he will have many years to reflect on the rich experiences of the past and work for the future.

Mr. RANDOLPH. Mr. President, I gladly join with the Senator from Vermont (Mr. Stafford) and my colleagues in marking the impending departure of a truly noble individual, Senator George D. Aiken of Vermont.

Each of us in this body has an especial fondness for the dean of the Senate, and each of us share respect and admiration for George Aiken that is enduring.

In his 34 years here, he has been a rock of integrity and a model of legislative astuteness. I know that, on his return with his wonderful wife and partner, Lola, to the beautiful hills of Vermont, he carries with him the intense satisfaction of having served grateful citizens in an exceptional manner. It has been my privilege to work with George Aiken for 16 years, and I know of no person who has more faithfully and diligently earned the title of "Senator." He is one of us, and he will always remain so in our hearts.

Mr. ROBERT C. BYRD. Mr. President, 43 years is a long time for a man to devote to the service of his community, his State, and his country.

When George Aiken was first elected as town representative of his native Putney, in 1931, he began a life of public service that saw him distinguish himself as Speaker of the House of Representatives of Vermont, Lieutenant Governor, and Governor of that State, and, in 1940, and since, as U.S. Senator.

Throughout this odyssey, Vermont's senior Senator has brought to every office he has held, a distinction and a presence of which the people who elected him can be justly proud. That they are proud of George Aiken is amply evidenced by the fact that they have elected him to the U.S. Senate six times. Had he not decided to retire, there is no question that the good people of Vermont would have elected him for just as long as he cared to run.

George Aiken is a man whose wisdom transcends party affiliation, and whose patriotism transcends political philosophy. Many times on the floor of the Senate, his incisiveness and wit have leavened, and livened the course of debate. Many times, in public and in private, his measured counsel has been of inestimable value to his colleagues on both sides of the aisle.

For myself, and I am sure for my colleagues in this Chamber, I wish this distingiushed New England Senator a most regretful farewell, and express the hope that in the years to come, his love for Vermont will not preclude his frequent return to the city, and to the body in which he served, and which he graced for so many productive and fruitful years.

Mr. HATFIELD. Mr. President, I rise today to pay tribute to the dean of the Senate, Mr. Aiken of Vermont. Throughout his service here in the Senate, Senator Aiken has had the reputation of being a man of great integrity. He has been a man true to his word.

Mr. Aiken served with distinction as ranking minority member on the Senate Foreign Relations Committee and as the second senior Republican member on the Senate Agriculture Committee. Senator Aiken's expertise as a nurseryman is well known to all of the Members of this body, and we are all pleased that he will be returning to Vermont upon his retirement to continue the profession he so dearly loves.

Despite his many years of Government service, Senator Aiken never lost touch with the people he represented here in Washington. Mr. Aiken served his State and country well, and we all respect him not only for the service he provided here in the Senate, but also for the principles he has worked for throughout his life.

I know that I join my colleagues in wishing Senator and Mrs. Aiken God's blessing as they prepare to return to their native State of Vermont.

Mr. TUNNEY. Mr. President, today we formally say goodbye to a man who has served the U.S. Senate with rare distinction for the last 34 years, Senator George Aiken of Vermont.

It is true that George Aiken is the "dean" of the Senate, and the senior Member of the Republican delegation. It is true that his work of the last 34 years has left its mark on every major piece of agricultural legislation during that period, and made him a leader in fighting for the interests of America's backbone, its family farmers.

It is true that George Aiken has served on the Senate Committee on Foreign Relations during the most crucial period of that committee's existence—the years following World War II. In that position, he has brought his customary industry, candor, and insight to bear in creating and overseeing American foreign policy.

However, these facts somehow fall far short of describing the essence of the man that we, his colleagues in the Senate, have come to know so well and respect so much.

To try to sum up the parts of this remarkable man is a task which would tax someone with far greater descriptive powers than I possess. We do know however of some of the characteristics which most typify him—his candor, in a world and a profession where evasiveness is all too often a byword—his humility, all too often lacking in those of far fewer talents—and, perhaps most important, his humor, quality forgotten in an age of deadly seriousness.

We know George Aiken for these and other traits, traits which have distinguished him and generations of his forebears from Vermont, and which have given him and them the deserved reputation for honesty, good sense, and dedication to the principles of democracy. For bringing those qualities to the Senate in 34 years of service to this institution, to the people of Vermont, and to the citizens of this country, we owe him a vote of thanks and our profoundest best wishes, as he and his lovely wife retire to their beloved north country. We would all do well to keep his example close at hand as a model of the public servant.

Mr. BAYH. Mr. President, adjournment of the 93d Congress this week will mark the end of one of the most distinguished careers in the history of the U.S. Senate, that of the distinguished Senator from Vermont, Mr. Aiken. I would like to take this opportunity to join in the special accolade for Senator Aiken.

Known as the dean of the Senate, our venerable colleague from Vermont has served the people of his State and the people of the Nation for over 40 years. His election to the State legislature in 1930 began a meteoric rise which led him to the positions of speaker of the house in the Vermont State Legislature by 1933, Lieutenant Governor in 1935, Governor of the State of Vermont in 1937, and U.S. Senator in 1941.

When he came to the Senate, Senator Aiken brought with him a keen understanding of both the executive and legislative branches of government and in the ensuing years he used his expertise to the benefit of all. It is a tribute to his excellence and service to the Nation and the State of Vermont that the voters have returned him to the Nation's Capital for over 30 years without exception.

Mr. President, our distinguished colleague from Vermont has provided us with the finest example of courage and integrity throughout his outstanding career. He has taught us all too many lessons to count. I hope that in the future, we will all take time to reflect upon his service, and seek to emulate his record. I know that if we do, we will successfully continue his work of making the U.S. Senate a better legislative body.

THE WISDOM AND LEADERSHIP OF GEORGE AIKEN

Mr. JAVITS. Mr. President, for the past 34 years the Senate and the Nation have looked to George Aiken for the wisdom and leadership he possesses in such abundance. In that long span of time he has not failed us.

We looked to GEORGE AIKEN during the depths of our despair over Vietnam and he did not fail us. He journeyed to Vietnam with Senator MANSFIELD in 1965 and sounded one of the earliest warnings of the morass into which we were sinking. We paid a tragic price for failing to heed his prophetic remarks on time.

We looked to GEORGE AIKEN amidst our anguish over Watergate and he stood as a living example of absolute and total integrity in Government. He is a man our country could trust and believe in when those qualities seemed in alarmingly short supply.

The people of Vermont have long known to look to the Aiken family for leadership. Each generation of Aikens has had a member holding public office since the Revolutionary War. GEORGE AIKEN is the proud upholder of a great American tradition.

Senator AIKEN has left a deep imprint upon the American spirit. As the people of Vermont will gladly attest, he has played a major role in improving the day-to-day aspects of life in that region. He was the leader of the decades-long struggle to construct the St. Lawrence Seaway.

This vital inland waterway has returned its initial investment many times over in increased trade, strengthened security and electricity generated for rural areas. Senator AIKEN has always taken justifiable pride in his role in improving water resources in New England. His Water Facilities Act of 1954 was literally a lifesaver for many rural communities threatened by dangerously low supplies.

The people of Vermont and the Nation will deeply feel his deserved retirement from public service. I am proud to have served with GEORGE AIKEN as a Senator and a Republican and to call him a friend. Mrs. Javits and my warmest good wishes go out to Senator and Mrs. GEORGE AIKEN.

Mr. THURMOND. Mr. President, I take great pleasure in adding a few more words of tribute to the many that have already been spoken about Senator GEORGE AIKEN of Vermont. Everyone knows that Senator AIKEN, with 34 years of service, in the dean of the Senate. However, I suspect that many people do not appreciate just how much history these 34 years include. What really brings home to me the durability of Senator AIKEN is the realization that he was a Member of the U.S. Senate before the beginning of World War II. He is the last Member of the Senate about whom this will ever be said. The retirement of GEORGE AIKEN really does mark, in the common phrase, the end of an era.

But GEORGE AIKEN will not be remembered only as one of the country's longest-serving Senators. He has been one of the country's most respected Senators as well. A true son of Vermont, he has never spoken rashly or garrulously, but has always weighed every word carefully. As a result, when GEORGE AIKEN speaks, people listen. I wish the whole Nation could have heard his farewell address to the Senate on December 10, which was full of wisdom from beginning to end. I thought that his remarks about the spiraling cost of government were particularly appropriate. GEORGE AIKEN is leaving the Senate as he entered it, a stanch supporter of fiscal responsibility.

There is no concealing the loss the Senate will suffer when GEORGE AIKEN retires. We shall miss him both as a Senator and as a man. His extraordinary kindness and gentleness have made him a highly respected figure in this body and all over Washington. The same can be said of Senator AIKEN's charming wife Lola, who has contributed so much to the Senator's career as his adviser and assistant. Her wisdom, dedication, and efficiency have been invaluable to him.

Mr. President, Mrs. Thurmond and I have become very fond of both Senator and Mrs. Aiken. We take this opportunity to thank them for all they have meant to the Senate and the Nation, and to wish them a long retirement full of health and happiness.

Mr. STAFFORD. Mr. President, I wish to express my appreciation.

The PRESIDING OFFICER. All the time of the Senator from Vermont has expired.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. STAFFORD. In that event, I wish to express my appreciation to the Senator for yielding, and my appreciation to all the Senators who have joined with me in the tribute to my senior colleague, GEORGE AIKEN, this morning.

If it is in order, Mr. President, I ask unanimous consent that the RECORD might be kept open for 1 additional legislative day so that remarks of other Senators who may wish to do so may be placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. I yield back the remainder of the 2 minutes to the Senator from Nevada.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized for not to exceed 15 minutes.

TRIBUTES TO SENATOR ALAN BIBLE

Mr. CANNON. Mr. President, yesterday our colleague and my fellow Nevadan, Senator ALAN BIBLE, retired from the U.S. Senate after 20 years of distinguished service to the Nation.

Characteristically, ALAN stepped down early so that Senator-elect PAUL LAXALT can get a "leg-up" on seniority and committee assignments, thus placing Nevada in a better position when the new Congress is sworn in.

It is with a sense of personal loss but with great pride that I recount ALAN's service in the Senate and his assistance to me through the years. For it has been my fortune to have worked closely with ALAN since we formed what ALAN and I call "our team" 16 years ago in these Senate Chambers.

Over the years I have had a unique and most satisfactory opportunity for first-hand observations of ALAN's contributions to our State and Nation. Through diligence, creative energy, and tireless efforts, ALAN BIBLE played a vital and pivotal part in the growth and development of Nevada and the Nation.

His contributions to our country's park and recreational resources have been priceless. Under his leadership the Congress has expanded the Nation's parks and recreation programs on an unprecedented scale in the past decade.

ALAN BIBLE was first elected to the Senate in 1954 to complete the unexpired term of the late Senator Pat McCarran. His activities on the powerful Appropriations and Interior Committees have served the Nation well. As chairman of the Subcommittee on Parks and Recreation and the Subcommittee on Public Lands, ALAN wrote an unsurpassed record in expanding and improving the National Park System and was a leading proponent of water and land resources. He has received the National Distinguished Service in Conservation Award from the National Wildlife Federation, and was similarly honored by the National Trust for Historic Preservation and the American Scenic and Historic Preservation Society.

During his chairmanship of the Committee on the District of Columbia, ALAN BIBLE was author of the crime control bill enacted in 1967 and held up as a dynamic model for other large metropolitan areas to follow.

That measure for the Nation's capital also served as a pathfinder for many major provisions in the 1968 Crime Control and Safe Streets Act. He was coauthor of the omnibus victims of crime bill passed by this body last year and is a recognized leader in the battle against cargo theft and fencing of stolen property.

In 1961, ALAN BIBLE authored and pushed through his committee the first 18-year-old voting bill ever approved by a congressional committee. His legislation was the forerunner of congressional approval and ratification of the 26th amendment to the U.S. Constitution giving 18-year-olds the right to vote.

His Senate record on behalf of the State which gave him birth has a broad theme running through it—progress.

Progress in keeping up with the booming growth of the State's population and its demand on Nevada's resources, and progress on the social side of that growth, as the burgeoning population brought increasing demands for quality education, medical facilities, jobs, and social services.

A recounting is in order: In December 1954, when ALAN was sworn into the Senate, Nevada's population was about 222,000. Five years brought an additional 62,000 men, women, and children and 10 years after that, in 1970, our State's population stood at 489,000—almost one-half million persons. Today we exceed that mark, as Nevada's population is estimated at 548,000 persons.

ALAN, through his committee work in Interior and Insular Affairs and the

Committee on Appropriations, was on top of that growth every step of the way. Without ALAN's leadership we would not have our $83,000,000 southern Nevada water project. This project is designed to meet Clark County's growing water needs through the next half century.

Under ALAN's guidance as chairman of the Senate Subcommittee on Parks and Recreation, Lake Mead was established as the first national recreation area in the United States. As Interior Appropriations Subcommittee chairman, ALAN was able to secure more than $20 million for its development.

These same key committee assignments enabled ALAN to secure congressional approval for his plan to protect underdeveloped areas at Lake Tahoe. This involved the acquisition of 10,452 acres of land on the Nevada side of the lake for $10.6 million in Federal funds—the largest purchase ever made from a single owner in the history of the National Forest System.

The Washoe reclamation project, sponsored by ALAN BIBLE, was enacted in 1956. Under this vital multipurpose project developing the Truckee and Carson watersheds, Stampede and Prosser Creek Dams have been built. Construction of the Marble Bluff Dam and Pyramid Lake fishway is underway.

ALAN BIBLE also used his seniority and committee assignments for countless other projects in Nevada. It was with great pride and a sense of shared accomplishment that ALAN and I worked together for the expansion of Nellis Air Force Base and the naval ammunition depot in Hawthorne.

ALAN's foresight has meant much to Nevada, and in fact to the whole country, in the continued preservation of scenic wonders in a system of national parks and monuments for all Americans to enjoy.

I mentioned ALAN's efforts on the social side of that growth. No one is more familiar with his activities than the National Education Association which awarded him their distinguished service award.

No parent can be more thankful than those whose children are being educated under funds for the impacted areas school program, a program which two successive administrations attempted to dissolve, but which we teamed up to retain.

ALAN BIBLE is regarded as a prominent champion of education and health research programs through his activities on the Labor, Health, Education, and Welfare Appropriations Subcommittee.

ALAN and Loucile have left public life to return to Nevada, their first love. And this great State will welcome them home to resume a private life. I know ALAN will be active in the pursuits he finds rewarding, such as teaching, reading and enjoying his home and family life.

As for me, I am proud to have been his friend and colleague, proud that we have worked together for the Nation and State we both love.

Mr. GOLDWATER. Mr. President, serving in the U.S. Senate with Senator ALAN BIBLE has been a distinct pleasure and an honor for me, representing as he does the State of Nevada which borders on my own State of Arizona. In fact, their main county, Clark County, was once part of Arizona. He has understood thoroughly the problems of my State and has helped many, many times in getting legislation passed which would help our State and also in getting legislation killed which would damage it.

I know I speak for all of the people of Arizona when I say thank you, ALAN, for a job wonderfully done. We are going to miss you, but I wish you the very best for the coming years.

ALAN BIBLE: THE CRIMEFIGHTER

Mr. McINTYRE. Mr. President, when ALAN BIBLE, the senior Senator from Nevada, resigns his seat tonight, the Senate will have lost one of its most dedicated crimefighters. It has been my pleasure to serve on the Select Committee on Small Business under his chairmanship, and I know how zealously he has worked for legislation that would help our police and law enforcement officers carry out their duties His diligence has made the crimefighter's job a little easier, and the criminal's a lot tougher.

Let me cite some of Senator BIBLE's accomplishments:

First, and perhaps most noteworthy, has been his work in the area of criminal redistribution, or fencing, as it is more commonly known. Senator BIBLE has greatly increased this body's and the public's awareness of the fence and his role in crime. The Senator recently completed and filed a report on criminal redistribution, the first major Federal work on fencing done by this country since an English study done at the time of the American Revolution.

The fence, as we now know, is an integral part of the crime world. Far from the image of a shadowy figure on the edge of the criminal underworld who merely receives merchandise, the fence is a major purchaser and seller of stolen goods. He will often go as far as ordering the theft of appropriate goods, even automobiles, for resale. We can thank the distinguished Senator for our new knowledge of how the fence operates.

Second, Senator BIBLE has worked long and hard to cut cargo theft. During his years as chairman of my committee, he held hearings, introduced legislation, and pushed the administration to find new ways to reduce cargo theft that was costing small businessmen billions of dollars.

Following the Senator's recommendations, the Department of Transportation began a program for uniform cargo loss reporting.

Through the Department of Justice, the Senator encouraged the development of cargo security working groups. As a result of Senator BIBLE's efforts, the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Administration have all made progress in cutting the insidious costs and hardships brought on by cargo theft.

Finally, Senator BIBLE worked with the Department of Commerce to produce a diligent study on the volume and costs of cargo theft in this country.

Truly, the Senate, the people of the State of Nevada and the Nation, can be proud of Senator ALAN BIBLE and grateful for his many contributions to a safer society.

Mr. FONG. Mr. President, I rise to pay tribute to our distinguished senior colleague from Nevada (Mr. BIBLE) who resigned Tuesday night after 20 years as a U.S. Senator. ALAN BIBLE can look back with pride on a record of solid achievements that has established him as a distinguished and respected lawmakers.

First elected to the Senate in 1954 to complete the unexpired term of the late Senator Pat McCarran, ALAN BIBLE showed leadership qualities early in his Senate career. When he was appointed acting Senate majority leader for a brief time in 1956, it was the first time since the Senate was organized in 1789 that a Senator with less than 3 years' service had served in that key position.

As chairman of the Senate Appropriations Subcommittee on Interior and as a member of the Senate Committee on Interior and Insular Affairs, he has been very understanding and helpful in responding to the needs of island communities in the Pacific, such as my State of Hawaii.

In fact, on March 11, 1959, ALAN BIBLE cast his vote in favor of statehood in Hawaii. I know I speak for the people of my State when I say we shall never forget ALAN BIBLE and his colleagues who voted to make Hawaii the 50th State.

ALAN BIBLE has earned widespread recognition for his outstanding efforts in expanding and improving the National Park System and the Nation's water and land resources.

Having served on the Appropriations Committee with ALAN BIBLE, I can attest to his steadfast support of education and health research programs through his work on the Labor, and Health, Education, and Welfare Appropriations Subcommittee.

His expertise in so many fields and his ability to work with his colleagues will indeed be missed in the Senate, as will his very pleasant and agreeable personality. ALAN BIBLE is respected as a gentleman and beloved as a man who always treats others with courtesy and kindness.

As he nears retirement, I want to extend my warmest aloha and best wishes to ALAN and hope that he will enjoy many years of happiness and fulfillment.

Mr. TALMADGE. Mr. President, I join the Senate in this salute to Senator ALAN BIBLE on his retirement from the United States Senate.

Senator BIBLE has been a good friend and colleague. He has been an able senator who has served the State of Nevada and the Nation with great distinction. Senator BIBLE has earned the respect of people throughout the Nation for his untiring efforts and leadership in the field of conservation and protection of our natural resources. He has probably done more than any other senator in history to expand and improve our national park system.

Georgians are especially grateful to Senator BIBLE for steering legislation through the Senate to establish Cumberland Island off the coast of Georgia as a national seashore. In connection with this action, Senator BIBLE visited Cumberland Island, and Georgia was honored by his presence.

Senator BIBLE is deserving of commendation from the Senate and the Nation for a job well done. I wish him every success and happiness in his retirement.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CANNON. I yield 2 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, while I can understand our friend Senator BIBLE's decision to retire, I cannot help but feel a sense of sadness. I never had a better friend in the Senate, and I have enjoyed working with him these many years, both on the Senate Appropriations Committee and in the Senate itself.

Few, if any, Senators ever had more friends in the U.S. Senate or commanded more respect from his colleagues than ALAN. Among Senator BIBLE's many fine qualities is that he is one of the most able chairmen of the several different subcommittees he chaired on the Appropriations Committee and on the other committees on which he served. No one ever gave more of his time, attention, and study to all of the problems involved in the important subcommittees he chaired on the Appropriations Committee, such as Interior.

I do not know of any chairman who has been more considerate of me than ALAN BIBLE in his capacity as chairman of the Interior Subcommittee. He has always been very helpful to me—and especially when I had a problem and a good case. He has a unique way of saying "No" when he thought you did not have a good case, and he could do this in such a way he could even make you believe you were wrong.

Senator BIBLE is a man of the highest integrity—and has evidenced a dedication and diligence—not only in the fields of legislation which come within the purview of his subcommittee—but in the entire work of the Committee on Appropriations on which we served together.

The record of achievement that he leaves behind him will long endure as a reminder of his accomplishments in the national parks, wilderness preservation, recreation, natural resource conservation—and in assuring that our Nation will have adequate supplies of energy in the future.

The citizens of Nevada, and all Americans, can be grateful for his independence of mind and his great contribution—not only to his beloved State of Nevada—but the entire Nation. While serving in the best traditions of the Senate he has brought honor to himself, his family, the U.S. Senate, and to our Nation.

May the years to come be very pleasant for both ALAN and his good wife, LOUCILE.

Mr. HELMS. Mr. President, I have many regrets about the departure of our distinguished colleague from Nevada (Mr. BIBLE), one of the main ones being that I have been privileged to serve with him only a mere 2 years. I envy Senators who have been blessed with longer associations with this great American.

But I count the blessing of having served with him for at least a little while. He is a sound, solid America , and his contributions to his country are obvious.

I shall miss his cheerful disposition, his constant willingness to lend a hand to a freshman Senator, and the quiet, deliberative way he went about his responsibilities.

As he moves into retirement, I have not the slightest idea, Mr. President, that ALAN BIBLE will really retire. I suspect that we will see him continue doing what he has always done—anything and everything to help this community, his State, and his country.

Mr. McGEE. Mr. President, yesterday officially brought to a close the long and distinguished Senate career of our colleague, the senior Senator from Nevada, Mr. BIBLE. He will be remembered by many different people for his many and varied accomplishments during his 20 years in the Senate. One area in which he has displayed dynamic and effective leadership involved water development, which is of such importance to his own State of Nevada and the entire western area of the United States.

Since his State and mine have experienced many similar problems involving water development, I have worked very closely with him on these matters of mutual interest and concern. As a result of this close association I can personally attend to his quiet but effective leadership.

A dual role as a member of both the Interior and Insular Affairs and the Appropriations Committees of the U.S. Senate has given Senator BIBLE a unique opportunity to leave a lasting imprint on water resources development in both his native Nevada and the Western United States. His record during 20 years in the Senate attests to how well he has used that opportunity.

His distinctive approach, seldom flamboyant but nearly always quietly effective, has resulted in legislation which has produced great benefits to the multipurpose development of the West's water and land resources, particularly in Nevada.

Largely through his efforts, southern Nevada staved off a water famine which most assuredly would have crippled the growth and economy of that entire section of the State. Along with other members of the Nevada congressional delegation, Senator BIBLE worked ceaselessly for authorization of and funding of the Bureau of Reclamation's southern Nevada water project, designed to meet the water needs of the rapidly growing Las Vegas metropolitan area.

Early in his Senate career, Senator BIBLE observed the need for a Federal program to provide funds for small reclamation projects in the Western States. With the backing of Senator BIBLE, Senator Clinton Anderson of New Mexico, and Senator Thomas Kuchel, of California, in the Senate and of Representative Clair Engle of California, in the House, the initial legislative act was approved in 1956, setting up a program of loans under what is now known as the Small Reclamation Projects Act—Public Law 84–984.

Since that time, over 50 projects, totaling over $132 million in cost, have been authorized under the Small Reclamation Act loan program, and another $10 million is in the works during fiscal year 1975.

In January 1965, Senator BIBLE introduced a bill in the Congress to authorize the Secretary of the Interior to construct the southern Nevada water project. This project was subsequently authorized in October 1965. Construction of the first phase of this project, capable of delivering up to 132,000 acre-feet of water annually from nearby Lake Mead to meet the municipal and industrial water needs of Las Vegas, North Las Vegas, Henderson, Boulder City and Nellis Air Force Base, was started in the spring of 1968. The project delivered its first water in the summer of 1971 to metropolitan Las Vegas, just in time to alleviate a serious water shortage in the area and to forestall an overdraft on the underground water supply which was increasing pumping costs as well as threatening to totally deplete that water source. During the interim between authorization and construction completion, Senator BIBLE diligently fought for and obtained funds for this project.

This year, only 3 years since first delivery of water through the project's system, Nevada's new Division of Colorado River Resources is working with the Bureau of Reclamation in planning the second stage, which will be capable of delivering an additional 166,800 acre-feet of water annually from Lake Mead to the project area. Thanks in large part to the unflagging efforts of Senator BIBLE to meet the rapidly expanding water needs of southern Nevada, $500,000 of unbudgeted funds was added to the fiscal year 1975 public works appropriations bill for advance planning for this second stage.

The southern Nevada project will make it possible for the State to beneficially use its entire entitlement of 300,000 acre-feet of Colorado River water.

Looking toward the possible development and utilization of other water resources in southern Nevada, Senator BIBLE has been instrumental in the investigations of the Amargosa and Moapa Valley pumping projects. Purpose of these investigations include development of the land and ground-water resources of the Amargosa Valley in Nye County and plans for the most beneficial use of available water and land in the Moapa Valley area of Clark County.

Nevada's senior Senator is regarded as the "father" of the incorporated community of Boulder City, Nev., that small oasis in the desert near Las Vegas which was built by the Bureau of Reclamation in 1931 to house workers building Hoover Dam. It was through his untiring efforts that the Boulder City Act of 1958 was passed, permitting the incorporation of Boulder City as a municipality under the laws of the State of Nevada. The legislation also provided for the renovation of McKeeversville, the so-called Lakeview addition. Existing houses in the addition were relocated as needed, streets were paved, sewer, water and power facilities were added and the land offered for sale to the householders. The Lakeview addition has since developed into an attractive area. Many new homes, with a beautiful view of Lake Mead, have been added and increased valuations and tax revenues have resulted. Boulder City is now an attractive community of nearly 6,000 residents, with self-government and a multitude of other benefits.

To assure adequate water service to Boulder City, Senator BIBLE was instrumental in obtaining funds in 1970 for construction of twin 5-million-gallon-capacity underground reservoirs for the city. These reservoirs receive water from the southern Nevada water project, another "pet project" of the Senator's. Without this increased storage, the increased growth of the city would have resulted in water shortages in peak demand periods and in substandard water pressures.

Facilities of the Pacific Northwest-Pacific Southwest and Mead substation have materially strengthened the power transmission system between Southern Nevada and the Phoenix, Arizona, area. Senator BIBLE was one of the major proponents of this system and was the major speaker at the groundbreaking ceremony for Mead substation, near Boulder City. Efforts of Senator BIBLE to secure funds played a major role in installation of the last hydroelectric generating unit in the Hoover Dam powerplant. This unit went on the line in late 1961, raising the installed capacity of the Hoover powerplant to 1,344,800 kilowatts and generating power used over much of the State of Nevada.

One long-time dream of Senator BIBLE has yet to materialize, despite constant efforts. This is authorization for construction of a bridge across the Colorado River a mile downstream from Hoover Dam. This crossing would greatly relieve the traffic congestion on the roadway atop the massive dam and, in addition, would provide a visitor lookout point downstream from which Hoover Dam would be in full view. Moreover, the reduced traffic across the dam would provide more enjoyment to the tourist and act as an additional safety factor.

Senator BIBLE was a cosponsor of legislation authorizing the Colorado River Basin Salinity Control Act and was instrumental in effecting the inclusion in the act of a program to reduce the salinity of the water flow from Las Vegas Wash into Lake Mead. He also was a strong supporter of moves to include three other upstream salinity control programs in the legislation, which is aimed primarily at reducing salinity in the lower reaches of the river. Most immediately, this far-reaching program will improve the quality of water delivered by the United States to Mexico and thus reduce a longstanding dispute between the two nations over water salinity. From the long-range standpoint, this landmark legislation will improve the overall quality of Colorado River water which annually irrigates some 3 million acres of land and quenches the thirst of nearly 11 million people in the Colorado River Basin and some adjacent areas.

While his support of legislation to develop and utilize the water resources of the West has been of great significance, the role played by Senator BIBLE in effectively obtaining appropriations for these projects has been of equal importance.

Early in his Senate career, he was a prime mover in efforts to restore funds budgeted for construction of the Prosser Creek Dam, a major facility of the Washoe project in Nevada. His efforts to obtain continuing funds for completion of this project resulted in construction of Stampede Dam and Reservoir and the Hope Valley Reservoir in the midsixties.

One of his continuing interests in Nevada was development of facilities for the Truckee-Carson Irrigation District. After his persistent efforts to obtain funds resulted in completion of Stampede Dam and Reservoir, Senator BIBLE turned his attention in the seventies toward effecting construction of Marble Bluff Dam and the Pyramid Lake fishway and these efforts are now bearing fruit. He has also been instrumental in obtaining continuing funds for advance planning for expansion of Rye Patch Reservoir and this work is scheduled to begin in 1976.

Throughout his career, his ability to look to the future and his support of new and innovative water development concepts has been a major characteristic of Senator BIBLE.

An example of this forward-looking approach is his early and continued support of efforts by the Bureau of Reclamation to provide a new water source through weather modification programs. Since the program started in 1965, Senator BIBLE has been a strong supporter of and advocate for the Bureau's cloud-seeding research and efforts to increase precipitation in the arid regions of the West. He was instrumental in obtaining funds for the University of Nevada's Desert Research Institute and fought for continued funding of the entire weather modification program.

Senator BIBLE is a lawyer by profession, and his quick grasp of the legal ramifications of complex issues has been one of his outstanding characteristics. His skill in guiding legislation vital to the water-short western area of the Nation and his effectiveness in working to convince his Senate colleagues of the economic necessity of multipurpose water development projects have been outstanding and have made his contributions to Nevada and the Nation into tangible monuments to his memory.

Mr. BUCKLEY. Mr. President, ALAN BIBLE, the distinguished Senator from Nevada, is retiring from the Senate after 20 years of service to the people of Nevada and to our country. I would like to take this opportunity to pay tribute to this able and devoted public servant.

It has been my good fortune to know and work with ALAN BIBLE as a member of the Interior and Insular Affairs Committee, and I can say that during the almost 4 years that I have been a Member of the Senate I have learned from and have been guided by his example. Although we sit on opposite sides of the aisle, it has been my experience that the Senator from Nevada never descends to mere partisanship or political maneuvering in reaching decisions that will affect our Nation. Indeed, the balanced, rational approach to complex problems, combined with his spritely good humor, have been the hallmarks of a style that have persuaded the voters of Nevada to send him to the Senate in 1954 and to reelect him three times after that. Finally, there is that consideration for others that is typified by his resignation this week so that his successor, even though of another party, might gain the advantages of seniority. Although I warmly welcome the new Senator from Nevada, who today succeeds Mr. BIBLE, I think it is safe to say that we will all miss ALAN BIBLE's counsel, his wisdom, his judgment, and his infinite good nature.

I know that there are many in this body who have known ALAN BIBLE longer than I have and that they are ready to speak of his admirable record over the years. Allow me then, Mr. President, to speak of him from my own personal knowledge during the relatively brief period in which it has been my privilege to know and work with him.

When most of us think of the word "conservation" we tend to think in terms of those great stretches of public lands, for the most part located in the western part of our Nation. But the need for conservation of public land is as important in crowded urban areas as it is in the ralatively sparsely populated West; indeed, I believe it can reasonably be argued that in some cases the need for rational use of scarce public lands in and around large cities is even more pressing.

I mention this only to point out that it was with the help of the Senator from Nevada in October of 1972 that the Gateway National Recreation Area Act, of which I am a cosponsor, became law. This act was directed to the wise use of public lands in New York and New Jersey, land that can be used as an urban recreation area with the ability to serve 20 million Americans who live in and around these States. Here is an example of the foresight and truly national vision of a man who, although representing a western State, knows that the need for wise use of public lands knows no bounds of a political or geographical nature.

It is this kind of wisdom, this kind of vision, that will be missed in the Senate as ALAN BIBLE retires. He leaves, however, a legacy of dedicated service, matchless knowledge of the intricacies of matters concerning public lands and thier use, and an enviable record of accomplishment.

Mr. ALLEN. Mr. President, it is a privilege to pay tribute to the distinguished senior Senator from Nevada (Mr. BIBLE), as he retires after 20 years of service in the U.S. Senate.

His record in the Senate is filled with outstanding leadership and major accomplishments. He has served on powerful committees and has been influential in the passage of much legislation beneficial to all Americans.

His committee assignments include the Appropriations and the Interior Committees, the Joint Committee on Atomic Energy, the Special Committee on Aging, and he is chairman of the Small Business Committee.

The great mountains and lakes and the expansive plateaus of his native State of Nevada helped develop in Senator BIBLE a love for the great outdoors and a concern that future generations of Americans would be able to enjoy them. As chairman of the Interior Committee's Subcommittee on Parks and Recreation, Senator BIBLE has been a leader in the never ending battle to conserve our resources.

His tireless efforts made possible national parks and recreational sites for all Americans to enjoy, and every State has benefited by his tireless efforts. He leaves his mark on landmark anticrime legislation and while a member of the District of Columbia Committee, he authored the first 18-year-old voting bill ever approved by a congressional committee, and his pioneering efforts in this field were to lead to the 26th amendment giving the vote to 18-year-olds.

I have always admired his political philosophy, his stand for fiscal responsibility, and his opposition to a mushrooming Federal bureaucracy; and also his knowledge of and support of conservative issues including the right of extended debate in the Senate. Senator BIBLE has been particularly mindful of and sympathetic toward problems affecting the South and the people of the South.

Last night at midnight his resignation from the Senate became effective—a resignation made in order to give his successor, Governor Laxalt, added seniority in the Senate. This action on Senator BIBLE's part is typical of his unselfish, dedicated service to the people of Nevada and the Nation.

Senator BIBLE has made a record of achievement in the Senate equaled only by few.

He leaves the Senate, not for full retirement but to a new field of public service—that of teaching government at the University of Nevada where he can share with young people coming on his vast knowledge, experience, and expertise.

We will miss him but we shall profit by our contact with him and shall draw strength from his example. It has been a privilege to serve in the Senate with my dear friend ALAN BIBLE.

Mrs. Allen joins me in sincerest best wishes to Senator and Mrs. Bible as they return to their beloved State and its people.

Mr. PASTORE. Mr. President, one of the most personal and valued rewards of my own years in this Senate are the 20 years it has been my good fortune to know and admire ALAN BIBLE.

In the beginning, fate made us office neighbors—and any distance between Nevada and Rhode Island quickly disappeared—and I like to believe that we immediately developed an affinity and affection for each other.

The quietly efficient newcomer—soft spoken, diligent, dignified and absolutely dependable commanded the respect of all of us and quickly rose to high responsibility in the committees of the Senate.

Each of us through our association with him will choose an ideal activity to praise. I like to think of the impetus he gave to the role of small business in the economy of America.

I stress this only because you and I have heard his praises sung so sincerely by the small business elements of our own States. But that has been his conduct and achievement in every post he has been given.

Few men have so devoted their lives to public service from the conclusion of their school days as has ALAN BIBLE—and he chooses to return to the privacy he has denied himself through all these years.

I count it a grievous personal loss—a personal sorrow—that our genial colleague from Nevada will no longer respond to our Senate calls—but I pray that circumstances may make him the frequent visitor we wish him to be—as from our heart of hearts we speak our sincerest wishes for health and happiness to this great American—and happiness and health to his dear ones.

Mr. HARRY F. BYRD, JR. Mr. President, yesterday, the Senator from Nevada (Mr. BIBLE) tendered his resignation from the Senate so that his newly elected successor could be sworn into office prior to the convening of the 94th Congress. With this gesture of magnanimity—typical, I might add, of this splended man—a term of 20 years of devotion and high accomplishment in the U.S. Senate has been brought to a close.

I am proud to say that ALAN BIBLE has been one of my closest friends in the Senate, as well as a splended, dedicated colleague. As a matter of fact, our acquaintance spans many more years than just my tenure in the Senate. I first knew him through my father.

Their interests, too, were quite similar. My father loved the outdoors and especially the timeless beauty of the Blue Ridge Mountains and the Shenandoah Valley. This area captures the heart of every individual who ventures there, but it captured the imagination of Senator BIBLE, as well.

Due in large part of his tireless efforts, the legislation to create a wilderness in the Shenandoah National Park was considered in the 92d Congress and reconsidered and passed by the Senate early in the 93d Congress.

The people of Virginia and the Nation have many other tangible reasons to applaud Senator BIBLE. It was through his patient and unceasing efforts that the view from Mount Vernon and across the Potomac—probably the best-known pastoral scene in this country—was finally preserved and protected for all time.

And under his watchful eye and masterful direction, the Assateague Island National Seashore was established.

His understanding and expertise have been indelibly imprinted upon the legislation and operation of our national parks and recreational facilities. He was appointed to the Senate Committee on Interior and Insular Affairs when he first came to the Senate in 1954. In the 87th Congress he chaired the Public Lands Subcommittee and in 1963, with the establishment of the Subcommittee on Parks and Recreation, he took control of that important committee.

His master touch can be seen in the Wilderness Act of 1964, the Land and Water Conservation Fund Act, the Bureau of Outdoor Recreation Organic Act, the Nationwide System of Scenic Trails Act, national parks, urban recreation areas and an almost endless list of bills which have led to the enrichment of the lives of every American and to the lasting preservation and development of our national heritage.

I cannot say enough good things about my close friend, ALAN BIBLE. And his accomplishment and skill as a legislator, a statesman and a gentleman are a tribute to his fine State and a lasting honor to his name and his family.

I shall miss him.

Mr. HUDDLESTON. Mr. President, I would like to rise in tribute to the outstanding Senator from Nevada (Mr. BIBLE), who is retiring at the end of this session.

As a junior Member of this body, I have naturally turned to the more senior Members of the Senate for advice and guidance. The Senator from Nevada has always been more than willing to help me, and his advice has without exception been good advice.

He was particularly helpful to me in certain matters relating to water resources—especially with certain projects that were both complicated and controversial. He went out of his way to give many of my constituents an opportunity to testify, even when it meant long hours of hearings.

I would like to say "thank you" to Senator BIBLE, both for his friendship and his help.

Mr. HANSEN. Mr. President, the Senate Interior and Insular Affairs Committee in particular and the Senate in general is losing one of its truly fine Senators with the retirement of ALAN BIBLE of Nevada.

To say that we will miss his steady hand and competency in the committee is an understatement; his work on important matters before that committee—and the Appropriations Committee—will be greatly missed. I have enjoyed serving with him on the Parks and Recreation Subcommittee and have always found him to be a gentleman and a most resourceful legislator who I am proud to count as a friend.

Senator BIBLE thinks so much of his State of Nevada that he has laid aside any thoughts of partisanship to resign a few days before his official Senate term is up in order to provide his successor, PAUL LAXALT, with valuable seniority in order that his beloved State can benefit.

This, I think, Mr. President, is a good example of Mr. BIBLE's sincere interest and great love for his State and his constituents, and I commend him for it as the mark of a real statesman and fine public servant.

No one knows the needs of the public land States better than Senator BIBLE, and we will surely miss his wise counsel and vast experience in this important area.

It is my understanding that Senator BIBLE will be returning to Nevada and will be doing some lecturing at the University of Nevada in the field of political science. That is all to the good as the young people who hear him recount his legislative experiences will be richer for it—as have all of us who have worked with him in Washington.

Mr. STEVENS. Mr. President, I too would like to pay my respects to the senior Senator from Nevada, who is leaving us here in the Senate after 20 years of distinguished service to both his State and his country.

In the time I have had the privilege of

working with ALAN BIBLE, I have gained great respect for his knowledge and integrity. He has given me much more help than I had a right to expect.

ALAN BIBLE's record of outstanding achievement we know, but this should be a day to record his consistent record of progressive and far-reaching legislation in such areas as energy and Federal highway construction programs which helped to open up our States in the West and Northwest.

But for me, history should note first the great humanitarian concern ALAN BIBLE has shown these many years in the area of Indian affairs. His educational and health programs have been instrumental in helping to upgrade the lives of our native Americans.

As a member of the Senate Committee on the Interior, I admired his pioneering efforts in guiding the National Park Service through its greatest period of growth. All Americans who visit our national parks and take pleasure in their recreational facilities owe a debt of gratitude to Senator BIBLE. He has been in a unique position as chairman of the Interior Appropriations Committee to see to it that Congress has funded the commitments it has made to the Park Service.

Alaska especially has much to thank Senator BIBLE for. A champion of statehood, he led the fight in conference for the Alaskan Native Claims Settlement Act, and he worked hard to help us recover from the great 1964 Good Friday Alaskan earthquake.

Alaska owes a heartfelt "thank you" to Senator BIBLE. I regret very much that he is leaving the Senate. All Alaska wishes him the best in years to come. ALAN BIBLE richly deserves our tributes here today. He will always be welcome to visit our fine State as a friend in special standing. I look forward to the times he will come to Alaska for a visit or perhaps a little fishing. And I shall earnestly seek his advice as more of us try to carry on the work he has done so well here in the Senate.

Mr. HATFIELD. Mr. President, as the only Senator who serves with Senator BIBLE on both the Interior Committee and the Appropriations Committee, I will feel the loss of this beloved colleague doubly. As I have mentioned before, Senator BIBLE was my mentor on public lands matters when I arrived as a freshman Senator. While we differed occasionally on substantive matters, he helped provide my education in public lands issues that are so important to both our States. I remember how quickly I learned from him the differences in perspective toward these issues of a Senator from the viewpoint of serving as Governor of Oregon.

We in the West have a special relationship with the land, and I don't think my colleagues from other parts of the country realize this feeling. I knew from my first discussions with Senator BIBLE that he embodied this respect for the land.

The people of Oregon recognize that ALAN BIBLE has helped shape our State because of his position as chairman of the Interior Appropriations Subcommittee, and as chairman of the Parks and Recreation Subcommittee of the Interior Committee. We are in his debt for his continuing interest in our State's welfare. I know that on such proposals as the Oregon Dunes, his push was important in securing approval of the bill. On appropriations matters as well, his understanding of forestry-related issues has been of great benefit to the Northwest.

The Senate will be a poorer place without ALAN BIBLE's comments to keep matters and issues in their proper perspective. While he has given his office great dignity, he never has let the "aura" of being a Senator distract him. His open, friendly manner toward all who come in contact with him testify to the lack of stuffiness that might be thought of to be appropriate for one in his position.

As I mentioned in opening these remarks, I will miss Senator BIBLE's kind spirit, for I have valued our association greatly over the past years. His warmth toward the staff, toward witnesses who appeared before him, and to those of us in this Chamber will be difficult to match.

Recently, the Portland Oregonian carried an article by its former Washington correspondent about Senator BIBLE. In it, Phil Cogswell did a good job in capturing the spirit of Senator BIBLE, and I ask unanimous consent that this article appears at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR BIBLE'S RETIREMENT LOSS TO OREGON'S INTERESTS

(By Phil Cogswell)

When Congress ends its current session, Oregon will lose a valuable but little-publicized ally in the Senate as Alan Bible, D-Nevada, retires.

Among the massive senatorial egos that garner the bulk of public attention—often with the publicity bearing little relationship to the actual work performed—Bible is one of the senators who are little known outside of their own state but are responsible for the day-to-day business getting done, as much as it is.

For 20 years, Bible has represented Nevada, and in a larger sense the West, in the Senate. Described once by a reporter as "gray and portly and his suits don't fit," he has a folksy, personable style refreshing to behold in the formal Senate setting.

He held the onerous and politically unrewarding chairmanship of the District Committee for 11 years and was an advocate of home rule and increased federal assistance for the District of Columbia. He currently serves as chairman of the Select Committee on Small Business.

But it has been as a member of the Interior and Appropriations committees that Bible has had his particular impact on Oregon. As chairman of the Appropriations subcommittee that handled funding for the U.S. Forest Service, and Bureau of Land Management—which together own more than half the state—he consistently has assisted Oregon congressmen in obtaining and protecting funds for items of special interest to the state.

And as chairman of various Interior subcommittees through his career, he frequently played a major role in legislation of direct importance to Oregon.

These chairmanships probably will pass to senators much less familiar with Northwest problems.

"Alan Bible knows Oregon by personal exposure to the state," commented Sen. Mark Hatfield, R-Ore., who shares Bible's Interior and Appropriations committee assignments.

In the Senate, Hatfield said, Bible was "very much the key man" in passage of the Oregon Dunes recreation area. Passage of the bill came after Bible told Hatfield, "You put together something to do the job and I'll give you full support," ending a decade of controversy.

Hatfield added that Bible also can be considered "the father of the geothermal act" which established procedures for the federal government to lease land for development of geothermal power. In recent years, Bible has also given key support to increased funding for reforestation, retention and remodeling of the Chemawa Indian School in Salem and lesser-known issues dear to the Oregon delegation.

"He really was my mentor on the subject of public land management," Hatfield said. "But he is not geographical in interest." Nevertheless, it should be noted, Bible carried on the western tradition of pushing for increased expenditures for his state from the federal government and of carefully guarding the interests of his constituents, which frequently were the interests of Oregon residents as well.

Bible had his tangles with the Northwest, but even then they were not acrimonious. Along with other southwestern congressmen, he advocated diverting some of the Columbia River flow to provide irrigation water for his region.

"He would say, 'I know you have to consider your voters, but I have to look at mine too,' " Hatfield said. The water diversion issue died for the time being with a 10-year moratorium pushed through by Northwest delegations.

To the casual observer of the Senate, Bible stands out for his informal manner, reflecting his Nevada small-town origins.

"I would say he is one of the most egoless persons in the Senate," Hatfield commented. "But he also is aware of Senate protocol and traditions."

But, Hatfield added, "with all his courtliness and gentleness, Bible can be tough."

It's a toughness, though, that is reflected in determination rather than shouting or emotionalism, and in a willingness, for instance, to tell House conferees on a bill, "I'll sit here as long as you want if you don't want to recede."

He is a striking contrast in manner to the equivalent House Interior appropriations subcommittee chairman, Julia Butler Hansen, D-Wash., who also is retiring this year.

Mrs. Hansen has also shown consideration for Oregon interests, but her operation of her subcommittee has been more in the nature of a usually friendly monarch, one quick to take offense if she feels she has been slighted or not given her fair share of credit.

Bible, on the other hand, not only doesn't seek out credit, he almost appears to be fleeing publicity, a refreshing trait for any congressman. "He doesn't like to take the time for interviews," an aide once explained. "He doesn't feel he needs them; he doesn't crave attention."

"You don't read about him in Time or Newsweek," Hatfield commented. "His name is not on a lot of bills. But when the people you read about are making their speeches on the floor, he's working away in committee."

"He's one of the workhorses, the kind of guy that if you have a problem he will try to help you."

These are perilous times to commend any politician too highly, and Bible can be faulted for some of his views and votes. He has not supported liberals as much as they would prefer: neither has he voted with conservatives as often as they would like.

But taken over-all, his approach to the job of being a senator could stand some imitating by his colleagues. And he especially de-

> serves before he leaves recognition from the people of Oregon.

Mr. DOLE. Mr. President, this 93d Congress may be marked for many noteworthy milestones. Its achievements have not been insignificant.

But among all the items for which it will be remembered, one stands out in my mind on this day.

The 93d Congress will be the last to enjoy the membership of several men who have distinguished the American political and governmental process by their service over the last 20 years or more. One of these, the senior Senator from Nevada, is, I am proud to say, as much a personal friend as he has been a friendly adversary across the aisle.

Mr. President, I am a partisan and I certainly offer no apology for that because of my belief that reasonable, moderate, and balanced partisanship conscientiously pursued need not and does not conflict with service to the Nation.

The senior Senator from Nevada is likewise a partisan. There is none more committed to, nor more ably representative of his party's approach to governmental policy than he.

There is none who more willingly and tenaciously defends and supports that approach in this body. And, too, there is none, on the other side of the aisle, who more strongly reinforces my belief that partisanship and patriotism can productively complement one another.

It has been my pleasure, my privilege, to serve with my friend Senator ALAN BIBLE for the last 6 years. I respect him for the experience he gained in the years before that and for the productive ways in which he channeled and exploited that experience in behalf of the interest of the people of his State and of the United States.

We have served together on the Senate Select Committee on Small Business where he was my chairman. In that committee, as on this floor, we have disagreed from time to time. As I said, Mr. President, we are both partisan with sometimes different approaches. But when we have differed, we have done so amicably and, for my part, I have always found debate with Senator BIBLE to be both pleasant and dynamic, an experience I always enjoy and often learn from.

It is my pleasure to join with my colleagues today in offering our tribute to our retiring friend and colleague. I wish on a personal note to extend to him my own heartfelt sentiment of best wishes for the future and I am sure I speak for many who express gratitude for his distinguished service. And hope that as he enters into his retirement from active Senate duties, he will keep in mind this country's pressing need for the wisdom his experience has gained him and that he will interrupt his leisure from time to time to share his insights with others.

Mr. HASKELL. Mr. President, this is my first experience with the biennial sadness of saying goodby to colleagues who are leaving the Senate. I am sure it will become no easier with repetition, however.

We shall miss all the men whose friendship and leadership have enhanced the Senate. But I shall especially miss the distinguished Senator from Nevada, ALAN BIBLE, with whom I feel a special kinship.

I have served on both the Aeronautical and Space Sciences and the Interior and Insular Affairs Committees with Senator BIBLE since I came to the Senate 2 years ago. He once was chairman of the Interior Public Lands Subcommittee, a position it is my privilege to hold now.

While he was chairman of that subcommittee, ALAN BIBLE contributed significantly to the work of the Public Land Law Review Commission of which he was a member. Those of us who live in the West, which encompasses most of the Nation's public lands, owe him a special debt for that work. And the Commission's report, "One Third of the Nation's Land," should be required reading for anyone who seeks to understand the special problems of administering our public land.

All who love, use, and enjoy the Nation's national park system owe ALAN BIBLE a debt, too. He has been an ardent supporter of expanding and improving that system as chairman of the Interior Subcommittee on Parks and Recreation and the Interior Subcommittee of the Appropriations Committee.

ALAN BIBLE and the people of Nevada he served so well have every reason to be proud of his record over the past 20 years. I am only sorry I did not have the pleasure of working with him longer. I hope he enjoys his retirement as much as I have enjoyed knowing him.

Mr. HUMPHREY. Mr. President, after 20 years of distinguished service, our colleague from Nevada is retiring from the Senate. ALAN BIBLE leaves a rich legacy of legislative effort—from conservation and crime control to energy and tax reform.

While attending Georgetown Law School, ALAN BIBLE worked part time as an elevator operator in the U.S. Capitol. One of his first passengers was Senator Carl Hayden of Arizona. Almost 30 years later, Senator BIBLE succeeded the former dean of the U.S. Senate as chairman of the Interior Appropriations Subcommittee.

From this position, Senator BIBLE has worked to reconcile both energy and environmental imperatives. He played a major role in the expansion and improvement of the national park system and has been an important influence on improved land use policies. For such efforts, he received the National Wildlife Federation's Award for National Distinguished Service in Conservation. Senator BIBLE has been equally concerned about the Nation's energy crisis and has pushed the development of geothermal energy as a potential new and clean energy source.

And this is not all. Senator BIBLE chaired the Small Business Committee and served on the Special Committee on Aging and the Joint Committee on Atomic Energy. Earlier, he chaired the District of Columbia Committee for 12 years and authored the first 18-year-old voting bill to be approved by a congressional committee.

I can do no better than echo what President Kennedy once said about the Senator who sat alongside him in our Chamber:

> Nevada has every reason to be proud of ALAN BIBLE. He has always preferred headway to headlines. His many solid accomplishments for his State and Nation add to his stature as one of America's outstanding lawmakers.

We shall miss him.

Mr. BELLMON. Mr. President, it has been a pleasure to serve in the Senate with the distinguished senior Senator from Nevada, ALAN BIBLE.

Throughout a long and notable career as a public servant, ALAN BIBLE has won the respect of his colleagues. His contributions during two terms as attorney general of Nevada and as U.S. Senator since 1954 will long be remembered.

Having served on the Committee on Interior and Insular Affairs as well as on the Interior Subcommittee of the Appropriations Committee with him, I know of his great concern for the preservation of the environment for citizens of this country.

Mr. President, I join my colleagues in congratulating ALAN BIBLE for his service to his State and Nation and in extending best wishes for a pleasant retirement.

Mr. RIBICOFF. Mr. President, all Americans concerned about the future of our Nation's natural resources are going to miss ALAN BIBLE's leadership in the Senate.

As a member of both the Senate Interior and Appropriations Committees ALAN BIBLE recognized early the growing threats to the Nation's environment and worked hard to protect it.

I know from personal experience his deep interest in preserving our natural heritage for future generations to enjoy.

One of my strongest concerns in the Senate has been the preservation of the Connecticut River Valley.

On April 15, 1969, I introduced legislation creating the 4-State 56,700-acre Connecticut River National Recreation Area in Connecticut, Massachusetts and New Hampshire-Vermont.

The legislation was referred to Senator BIBLE's Senate Interior Subcommittee on Parks and Recreation. A westerner, ALAN comes from the part of America which has plenty of land and wide open spaces and an abundance of magnificent public parkland. He knows the value of Federal preserves and the necessity of acting now to protect our natural heritage. But the Senator was not, in 1969, very familiar with the Connecticut River Valley or with our conservation needs and pollution problems.

In turn, we would never progress without his support. So I invited ALAN to come up to Connecticut as my guest—to take a riverboat ride with me.

At 8:30 a.m. on May 22, 1970, Senator BIBLE, his wife, Loucile, myself, and others set sail up the river from the pier at Old Saybrook aboard the *Dolly Madison*.

Senator BIBLE became a believer. The river, the valley—the priceless New England heritage they embodied—won him over. That afternoon the Sun came out and, as we lunched at Gillette Castle on barbecued shad roe fished from the river below us, the Senator said:

> Abe, you've convinced me and I will try to convince the other Senators on the Interior Committee.

The next morning, May 23, Senator BIBLE, Senator KENNEDY, and I held a public hearing on the proposed preserve in South Hadley, Mass., and later that day Senator BIBLE and I flew in an Air Force plane over the New Hampshire-Vermont section of the project.

Back in Washington, Senator BIBLE concluded—and I agreed—that, as I had anticipated, planning and public support for the park were still insufficient in Massachusetts, New Hampshire, and Vermont to warrant going ahead with the entire proposal immediately. But his enthusiasm for the Connecticut section—which was known then as the Gateway Unit—remained high.

Under his leadership the Senate twice passed the Connecticut historic riverway bill.

I shall never forget ALAN BIBLE's commitment to this project. The people of Connecticut will be forever grateful to him for his strong personal interest in the future of the Connecticut River Valley.

I wish him good health and happiness in his retirement.

Mr. TAFT. Mr. President, I rise today to add my deep appreciation and gratitude to our distinguished colleague from Nevada, Senator ALAN BIBLE.

Senator BIBLE and I—though we sit on different sides of the aisle in this Chamber, share many common views and priorities. He is renowned for his expertise in the fields of conservation, the complex appropriations process, nuclear energy, and his devotion to the welfare of this country's small businesses.

During the 19 years he has served in this body, he has also established himself as a major advocate of small business, tax reform, and strong crime control.

Senator BIBLE has an impressive record in expanding and improving the national park system and is a leading proponent of water and land resources. He has many honors in this field.

He has also devoted great time and attention to the special problems which confront our aging Americans. His range of understanding the problems which face our constituents and the many solutions he has offered successfully on the floor are to be greatly commended.

His departure from Congress will leave many voids. His wise counsel and experience will be missed. I join my colleagues in wishing Senator BIBLE a productive and happy retirement.

Mr. HARTKE. Mr. President, I am pleased to join my colleagues in paying tribute to my good friend and colleague from Nevada, Senator ALAN BIBLE, who today is retiring after serving the people of his State and the Nation for nearly 20 years.

During his long tenure in the Senate, ALAN BIBLE has distinguished himself in innumerable legislative areas, but to my mind, his greatest legacy lies in the abiding concern which he has always demonstrated for the maintenance and care of this Nation's system of public parks and land.

Under Senator BIBLE's able tutelage and guidance as chairman of the Senate Public Lands Subcommittee, we have seen our national park system continually expand and adjust to the ever-growing recreational needs of a burgeoning population. Lest we forget, it was Senator BIBLE who first acted in a legislative capacity to give real substance and meaning to the innovative concept of bringing the parks to the people. Indeed, it was along the heavily populated shores of Lake Michigan—on the beautiful dunes of northwest Indiana, that Senator BIBLE helped secure this country's first truly urban national park. For those efforts, the people of my State will forever be appreciative.

Senator BIBLE ends his service in the U.S. Senate with the knowledge that he has been an outstanding public servant who has earned the abiding respect of his colleagues. There can be no greater tribute than the inner satisfaction and the earned respect of others which he takes with him.

ALAN BIBLE—AN HONORABLE RECORD FOR THE PEOPLE OF NEVADA

Mr. JAVITS. Mr. President, today marks the closing chapter in the long and distinguished Senate career of ALAN BIBLE. During the past 20 years, the State of Nevada has been privileged to have this dedicated public servant as its Senator; for ALAN BIBLE has done much to shape not only modern Nevada, but modern America as well.

In the fifties he had the foresight to recognize the critical need for long-range water resource planning so vital to the development of the Western United States. Senator BIBLE championed the Washoe Flood Control and Reclamation project through the Congress. Thanks to his efforts, Nevada is quite literally a flower blooming in the desert.

Long before it was popular to do so, ALAN BIBLE fought for ideas whose time he knew would come. In 1961, he was chairman of the first subcommittee ever to approve the 18-year-old vote. As chairman of the Senate District Committee, he waged an often lonely battle to grant full equality and home rule for the District of Columbia. Today we can see the full measure of his wisdom.

We have much to thank ALAN BIBLE for. We owe him a great deal. But it is our children and grandchildren who will reap the complete benefits of ALAN BIBLE's foresight. No one in the Senate has done more to expand our national system of parks and safeguard the natural beauty of our wilderness and recreation areas.

During Senator BIBLE's term as chairman of the Parks and Recreation Subcommittee, more than 50 new areas and 100 new historic sites have been added to the national park system. For the millions of Americans who will follow us on this land, there can be no greater legacy than America itself.

I have had the honor and privilege of working closely with Senator BIBLE on the Select Committee on Small Business, of which he is the chairman. I have had the opportunity to observe firsthand the dedication, imagination, and integrity he commits to his work. Small businessmen around the Nation can thank him for his leadership in reforming the tax laws affecting small businesses, his fight to unmask the problem of cargo theft and hijacking and his efforts to secure more adequate Federal loans for small business.

Finally, Mr. President, I think it is a tribute to Senator BIBLE that he so unselfishly relinquishes his seat to his successor, PAUL LAXALT. It was an act that will benefit his State and a gesture typical of ALAN BIBLE's thought and goodness of heart.

We have known him to be a quiet man and a deeply thoughtful man. His powers of persuasion have had a deep influence on us all and I, along with all of my colleagues, will miss him during the years ahead.

Mrs. Javits and I extend our warmest good wishes to Senator and Mrs. ALAN BIBLE.

Mr. THURMOND. Mr. President, yesterday was the last day that the Senate enjoyed the company of Senator ALAN BIBLE of Nevada. Senator BIBLE and I both entered the Senate in December of 1954, and I had the privilege of working with him here for 20 years. His patriotism, his diligence, his ability, and his character have always had my deepest respect. He has been a loyal and dedicated servant of his country and his State.

Today, however, I respect him more than ever. Senator BIBLE has resigned his Senate seat before the expiration of his term in order to give his successor experience and seniority in the new Congress. This is not only an unselfish act, but one which will be of considerable benefit to the citizens of Nevada. This noble gesture typifies ALAN BIBLE's whole career in public life. He has always put the good of the people ahead of any consideration of convenience or personal advantage.

Senator BIBLE and I did not always vote alike, but his abilities and his leadership were inspiring to Senators on both sides of the aisle. Even more inspiring was his patriotism. Patriotism is one of the most important attributes a Senator can possess, and Senator BIBLE has enough for several Senators. As he prepares to leave us, I want to thank and congratulate him for all he has accomplished in Washington, and to wish him many more years of happiness and achievement in his home State. He and his charming wife Loucile can return to Nevada with deep pride in the excellent and important work they have done.

At the same time, let me extend a cordial welcome to Senator BIBLE's distinguished successor, Senator PAUL LAXALT. His reputation as a sound and responsible public servant has preceded him here, and I look forward to working with him.

ALAN BIBLE'S 40 YEARS OF OUTSTANDING PUBLIC SERVICE IS PRAISED

Mr. RANDOLPH. Mr. President, with the retirement of our friend and former colleague, Senator ALAN BIBLE, Nevada loses one of its most outstanding and unselfish legislators. His unselfishness has helped bring a better community spirit to the State. His 40 years of public service, with 20 years in the Senate, have served well thousands of people.

President John Kennedy, in talking about ALAN BIBLE, said he is "a man who has always preferred headway to headlines." I have had the privilege of working with ALAN BIBLE since 1958 in the Senate and know of his effectiveness. As fellow members of the Special Committee on Aging I share his concern for the elderly in this country. The measures that he sponsored on the Appropriations Committee, the Committee on Interior and Insular Affairs, and as the chairman of the Select Committee on Small Business are innumerable.

It was my enjoyable experience to accompany Senator BIBLE to Harpers Ferry, W. Va., on September 30 to join with the National Park Service officials and friends in honoring the Senator for his "exceptional leadership and personal commitment in bringing parks to the people of the United States." Over 100 people in that historic and scenic area honored ALAN and Loucile Bible.

Mr. President, when Harpers Ferry became a national park in 1963, through the measure I authored and was cosponsored by Senator ROBERT BYRD, Senator BIBLE was chairman of the Public Lands Subcommittee, the forerunner to the Parks and Recreation Subcommittee which Senator BIBLE later chaired. Largely through Senator BIBLE's leadership, during the past 14 years about 100 areas have been authorized by Congress as additions to the National Park System. Because of his part in the Wild and Scenic Rivers Act, nature enthusiasts can paddle their canoes through beautifully preserved waterways. The Nationwide System of Trails Act, which Senator BIBLE spearheaded, has provided many hours of climbing pleasure for people. Last week "the Gentle Trail" in Huntington, W. Va., was designated. This recreation trail for the blind and visually handicapped, is the fifth of its kind in the Nation. This trail helps the visually handicapped enjoy nature's wonders through braille markers. ALAN BIBLE has touched the lives of many for good.

It was my privilege to testify on May 9 before the Subcommittee on Parks and Recreation with Chairman BIBLE and ranking minority member, Senator HANSEN, in behalf of the bill I authored to develop and expand the Harpers Ferry National Historical Park. I shall recall the words of the knowledgeable chairman, Senator BIBLE, as he mentioned his support of that bill:

> We have great parks and wonderful scenery out in the States that Senator Hansen and I are privileged to serve. But we do not have the people that you have here. So I like to bring the parks to the people, because the people that are park-oriented and go out in the great outdoors are better and richer for the experience.

Nevada may have lost an effective legislator, but it gains a top professor.

ALAN will continue to share his knowledge and background of the Senate and the Federal Government by teaching at the University of Nevada. The students at the University will be fortunate to receive his firsthand knowledge in political science.

The 23d chapter of Matthew in the New Testament can be used to extend a message to ALAN BIBLE:

> Well done, thou good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things.

Mary and I wish Loucile and ALAN BIBLE a fulfilling future as they return to Nevada.

Mr. WILLIAMS. Mr. President, I want to add my sentiments to those of my colleagues today in congratulating Senator ALAN BIBLE as he concludes an outstanding, 20-year career in the Senate.

Certainly, ALAN BIBLE's unswerving leadership in the field of conservation will be sorely missed. He is currently the ranking member of the Committee on Interior and Insular Affairs, behind Chairman HENRY JACKSON, and he serves with great distinction as chairman of the Subcommittee on Parks and Recreation. Senator BIBLE's impact in this area is further enhanced by his position as chairman of the Appropriations Subcommittee on Interior and Related Agencies.

I think my colleagues would agree that no Member of Congress has surpassed Senator BIBLE's record in the field of conservation and in leading the expansion and improvement of our National Park System. In recognition of these accomplishments he has received the National Distinguished Service in Conservation Award from the National Wildlife Federation, and similar honors from the National Trust for Historic Preservation and the American Scenic and Historic Preservation Society.

Mr. President, I have been privileged to work closely with ALAN BIBLE over the years in a number of areas where we shared a strong interest. One was on the Select Committee on Small Business where he has compiled an outstanding record as chairman, and where I had the honor of serving as a member for many years. In addition, it has been a special pleasure for me to work with Senator BIBLE in developing and securing funding for programs in the field of worker protection, education, and health. As chairman of the committee which authorizes these programs, I have often worked with Senator BIBLE in his capacity as a member of the Appropriations Subcommittee on Labor, Health, Education, and Welfare.

Perhaps the story of Senator BIBLE's career in the Senate was best summed up by President John F. Kennedy, with whom Senator BIBLE had a close working relationship when they served in the Senate together. Asked about Senator BIBLE in 1962 President Kennedy responded:

> Nevada has every reason to be proud of Alan Bible. He has always preferred headway to headlines. His many solid accomplishments for his state and nation add to his stature as one of America's outstanding lawmakers.

Mr. President, I know that all of us who have been privileged to serve in the Senate with ALAN BIBLE would agree with that assessment. I want to join in wishing him and his wife Loucile great happiness in the years ahead.

Mr. CANNON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on behalf of the Senator from Maine (Mr. HATHAWAY) on the retirement of Senator BIBLE.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR HATHAWAY'S REMARKS UPON THE RETIREMENT OF SENATOR BIBLE

I am pleased to join with many of my colleagues in paying tribute to Senator ALAN BIBLE upon his retirement from the Senate.

It has been my privilege and pleasure to serve during this last Congress as a Member of the Senate Small Business Committee under the chairmanship of Senator BIBLE. His dedication to furthering causes which benefit small business and his leadership in fostering the growth and viability of this important segment of our business economy has been inspiring to all of us who have served with him. He will long be remembered for the many contributions he has made to improving the climate in which the small businesses of this country take root and grow.

The successes of ALAN BIBLE are varied and many. As a member of the Interior Committee and chairman or past chairman of several of its subcommittees, he has an unsurpassed record in the fields of conservation, environment, and improvement of the National Park System.

As chairman of the Senate District of Columbia Committee for 12 years, he was the author of the first 18 year old voting bill which was approved by a Congressional committee. Under his leadership the District Committee reported legislation establishing the Federal City College, the Metro System, the elected Board of Education, representation by a delegate in the House of Representatives, reorganization of the District government to provide for a Mayor and City Council and numerous home rule measures.

Alan Bible has known his way around the Senate for more years than he has been a member of this body. In the 1930's, while attending Georgetown Law School, he was a part-time elevator operator in the Capitol. One of his first passengers was the former dean of the Senate, Senator Carl Hayden of Arizona. Some thirty years later he succeeded Senator Hayden as chairman of the Senate Interior Appropriations Committee.

Upon election to the Senate in 1954, Senator Hayden told the newly elected Senator from Nevada that the Senate is composed of "show horses" and "work horses." He said the Senate needed "work horses" more than it needed "show horses." Alan Bible by nature is a "work horse," and he has been a splendid one for the 20 years he has served in the Senate. We are grateful for his efforts.

Alan Bible has worked tirelessly for the State of Nevada and the people of this country in the years he has served in the Senate. He has the respect and admiration of all of us who have had the privilege and good fortune to know and work with him. I join the many others in wishing Alan and Loucile, his wife, good health, happiness and success in the years ahead.

ALAN BIBLE—AMERICAN PATRIOT

Mr. SYMINGTON. Mr. President, it has been my privilege to have worked in the Senate with ALAN BIBLE for some 20 years. Hardworking, capable, courageous, and conscientious, he has been a great Senator and he will be sorely missed, not only for his statesmanship but as a beloved friend. To him and his gracious wife I send every good wish for happiness in the years to come.

Mr. PELL. Mr. President, I am delighted to join today in paying tribute to the very distinguished and able senior Senator from Nevada, ALAN BIBLE, who has just concluded an outstanding career of 20 years in the U.S. Senate.

All of us who have known and worked with ALAN BIBLE these many years will miss his friendly manner, his wise counsel, and his courteous and cooperative approach to the business of the Senate.

ALAN BIBLE has been truly a leader in this body. In the dual role of chairman of the Parks and Recreation Subcommittee of the Committee on Interior and Insular Affairs and chairman of the Interior Subcommittee of the Committee on Appropriations, he has been a vital force in the growth, both in quantity and quality, of our vast system of national parks.

His wisdom and leadership have benefited not only the States in his own region of the country with their large national parks but also the urban States, such as my own Rhode Island, which have been able to preserve much of their remaining open lands and historical sites thanks to the Federal programs which Senator BIBLE authorized and for which he provided funding.

Senator BIBLE was particularly helpful to me in obtaining passage of legislation creating the Roger Williams National Monument in Providence, R.I. This project is not yet completed, but when it is I and all those who have worked for its completion will remember gratefully the encouragement and the cooperation of ALAN BIBLE.

Mr. President, the appropriations subcommittee which Senator BIBLE chaired so ably also has jurisdiction over the National Endowments for the Arts and for the Humanities, both of which were created under legislation I sponsored in 1966. Senator BIBLE has played a significant role in the growth of these two endowments. His sympathetic understanding of their problems and needs and his wisdom in seeing the vital role that the arts and humanities play in our national life have been crucial to an expanded Federal role in assisting the arts and humanities.

In another area Senator BIBLE's leadership has been of great benefit to my own State. As chairman of the Select Committee on Small Business Senator BIBLE has helped to focus the attention of the Senate and of the administration on the special and important needs of our Nation's small businesses. The work of the select committee has stimulated a greatly expanded role and authorization for the Small Business Administration to the point where today the SBA plays a key role in States such as Rhode Island which have so many small businesses.

Mr. President, I join with my colleagues in wishing ALAN BIBLE Godspeed, a happy and relaxed retirement, and a long and good life.

Mr. SPARKMAN. Mr. President, I join with my colleagues in tribute to a man with whom I have had the privilege of serving for 20 years in the U.S. Senate. I speak now about my friend, Senator ALAN BIBLE of Nevada.

In serving with ALAN in the Senate, I have observed his tremendous drive and enthusiasm, and the vigor which he gave to every job to which he devoted himself. He has been a tremendous asset in the Senate to the people of Nevada and to the entire country in any cause which he undertook to support on the Senate floor.

In January of 1969 this senior Nevada Senator became chairman of the Select Committee on Small Business. His untiring efforts and service on behalf of America's small businessman throughout his 12 years' tenure on this committee will be long remembered.

I salute ALAN BIBLE, our friend and colleague, and wish him success and happiness in what I know will be additional and fruitful service to the people of Nevada throughout the years that lie ahead.

ALAN BIBLE: FIRST CITIZEN OF THE WESTERN UNITED STATES

Mr. CRANSTON. Mr. President, a great American and a great conservationist is retiring from the U.S. Senate. We shall miss his wisdom, his energetic work on behalf of important causes, and his irreplaceable counsel. But ALAN BIBLE, in his 20 years of distinguished public service as Senator from the great State of Nevada, is leaving the U.S. Senate—and the more than 200 million Americans it represents—with a rich legacy of accomplishment in some of the most significant issues of our time.

ALAN BIBLE was born in Nevada, was elected to public office first in Nevada, and came to the U.S. Senate as that State's representative in 1954. The citizens of Nevada, knowing quality when they find it, have kept him in the Senate until now, when he retires at his own option.

For the past two decades, ALAN BIBLE has brought his heritage as a native of the Sagebrush and Silver State to bear in enacting some of the greatest conservation legislation in our history. As a member of the Senate Interior Committee and chairman of its Subcommittee on Parks and Recreation, he has evidenced his intense love of open space and his passionate regard for the wonders of the out-of-doors by exercising persistent and energetic leadership in providing all Americans with the chance to spend their leisure time in national parks, wilderness areas, and areas for open space recreation.

Specifically in my own State of California, ALAN BIBLE's name is nearly synonymous with two of the most spectacular recreation areas in the Western World: the Point Reyes National Seashore and the Golden Gate National Recreation Area. Not only are Californians indebted to ALAN BIBLE for bringing these and many other recreation areas into reality as public law; Californians, as well as all Americans, owe thanks to ALAN BIBLE for keeping these areas maintained and expanding to meet growing needs, through his chairmanship of the Senate Subcommittee on Interior Appropriations.

As Senator from California, I shall miss ALAN BIBLE in some very special ways. He knows the West and its unique values. He knows the needs of Californians. And he has been a tireless evangelist for the style of living and thinking that is particularly western, a style that recognizes the need of all peoples for the elbow room to engage in a true pursuit of happiness in an overcrowded world.

In ALAN BIBLE, Nevada found a man to carry out its motto: "All for our country." He has done his job energetically and well. On behalf of Californians, I wish him the very best in the years ahead.

Mr. FANNIN. Mr. President, it has been my good fortune to work with a number of great Senators, but there is none I have respected more than the senior Senator from Nevada, ALAN BIBLE.

The Senator is for very good reason viewed by his colleagues as the master at conducting hearings and meetings efficiently, fairly, and productively. He has a rare talent for cutting to the heart of issues. Time and again under his leadership we have accomplished more in minutes than might have been achieved in hours or days without his expertise.

As much as we admire his efficiency and effectiveness, the quality which puts him in the highest esteem on both sides of the aisle is his fairness. Senator BIBLE now sacrificed fairness to expedite the legislative process.

It has been my privilege to work with the Senator on many programs in the Interior Committee. He has been the champion of efforts to develop our tremendous geothermal resources in the West. I know that other western Senators join me in thanking Senator BIBLE for the great work he has done on behalf of all our States. Personally, I thank the senior Senator from Nevada for his advice and help on numerous occasions, and I value the friendship I have enjoyed these years.

Mr. President, it occurs to me that Senator BIBLE is one of a regrettably vanishing breed of what I would call the old school—and in my opinion best school—of politics. These are men who won office because they earned the high esteem of the people of their States, and served with distinction in local offices before coming to Washington. In Washington they concentrated on serving their constituents, on studying the problems facing our Nation, and on taking actions legislatively to improve this country. They did not need nor want high-powered public relations because they did not seek personal aggrandizement. These are men of deep conviction and dignity. Such a man is Senator BIBLE.

His retirement is a great loss to the Senate and the Nation, but he most certainly has earned the right to relinquish the burdens he has borne for so long. I wish him all the best.

Mr. PERCY. Mr. President, it is with mixed emotions that I bid farewell to my good friend from Nevada, ALAN BIBLE. After many years of hard work in the Senate, he certainly is deserving of the retirement he has chosen. I extend my heartiest wishes to him for a fruitful and happy new life. I hope he will still be able to find the time to give us the benefit of his counsel from time to time.

We shall miss him in the Senate. As former ranking Republican on his Appropriations Committee Interior Subcommittee, I had the opportunity to see firsthand his intimate knowledge of the natural resources and assets we have as a Nation, his devotion and dedication to preserving this country and its recreational areas, and his interest in all the projects that came under the jurisdiction of that subcommittee.

I shall never forget how helpful he was to me and to the people of Illinois, in his capacity as second ranking member of the Interior Committee, on a project that was close to all of our hearts—the designation of the Lincoln Home in Springfield, Ill., as a National Historic Site. We are all very grateful for his support and cooperation.

Alan Bible has my respect, admiration, and affection. I know we all wish him the very best.

ALAN BIBLE: THE CRIMEFIGHTER

Mr. McINTYRE. Mr. President, when Alan Bible, the senior Senator from Nevada, resigned his seat last night, the Senate lost one of its most dedicated crimefighters. It has been my pleasure to serve on the Select Committee on Small Business under his chairmanship, and I know how zealously he has worked for legislation that would help our police and law enforcement officers carry out their duties. His diligence has made the crimefighter's job a little easier, and the criminal's a lot tougher.

Let me cite some of Senator Bible's accomplishments:

First, and perhaps most noteworthy, has been his work in the area of criminal redistribution, or fencing, as it is more commonly known. Senator Bible has greatly increased this body's and the public's awareness of the fence and his role in crime. The Senator recently completed and filed a report on criminal redistribution, the first major Federal work on fencing done by this country since an English study done at the time of the American Revolution.

The fence, as we now know, is an integral part of the crime world. Far from the image of a shadowy figure on the edge of the criminal underworld who merely receives merchandise, the fence is a major purchaser and seller of stolen goods. He will often go as far as ordering the theft of appropriate goods, even automobiles, for resale. We can thank the distinguished Senator for our new knowledge of how the fence operates.

Second, Senator Bible has worked long and hard to cut cargo theft. During his years as chairman of my committee, he held hearings, introduced legislation, and pushed the administration to find new ways to reduce cargo theft that was costing small businessmen billions of dollars.

Following the Senator's recommendations, the Department of Transportation began a program for uniform cargo loss reporting.

Through the Department of Justice, the Senator encouraged the development of cargo security working groups. As a result of Senator Bible's efforts, the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Administration have all made progress in cutting the insidious costs and hardships brought on by cargo theft.

Finally, Senator Bible worked with the Department of Commerce to produce a diligent study on the volume and costs of cargo theft in this country.

Truly, the Senate, the people of the State of Nevada, and the Nation can be proud of Senator Alan Bible and grateful for his many contributions to a safer society.

Mr. BURDICK. Mr. President, I want to join my colleagues in honoring Nevada's Senator Alan Bible as he prepares to leave the Senate. He has served a distinguished term of 20 years and has done a fine job for his State and for his Nation.

I want to make a special point to praise and thank Senator Bible for his work on behalf of our national parks and historic sites. In his positions on the Appropriations and Interior Committees, he has shown an interest and dedication in this area that has benefited the entire Nation. More and better outdoor recreation facilities will be available throughout the country for future Americans to enjoy because of the efforts of Alan Bible.

I also want to mention Senator Bible's extensive work on behalf of the small businessman. As chairman of the Senate Select Committee on Small Business, he has given America's small businessmen a voice in Congress and done much on their behalf.

I am honored to have worked with Senator Bible here in the Senate, and I wish him continued success and happiness in his future endeavors.

Mr. CHURCH. Mr. President. Idaho is about to lose a special friend in the Senate, and I rise today to say "Thank you" on behalf of the citizens of the State I am privileged to represent.

I refer to our colleague from Nevada, Alan Bible.

Idaho owes Alan Bible a special debt of gratitude for his help, his interest and his neighborly support dating back over 20 years of service in the Senate.

A recent example is the passage, 2 years ago, of legislation creating the Sawtooth National Recreation Area. In one form or another, bills to protect this magnificent alpine region in central Idaho had been stalled for decades. Without the good counsel of Alan Bible, the Sawtooth National Recreation Area might still be a dream awaiting realization.

More recently, Alan Bible gave his attention to legislation, which has passed the Senate, to create a Hells Canyon National Recreation Area. When that bill finally becomes law, it will be in large measure because of Senator Bible's personal interest and staunch support.

I speak of Alan Bible's help to my State. In fact, there is hardly a State in the Union that does not owe a debt to this quiet-spoken gentleman from Nevada. As chairman of the Subcommittee on Parks and Recreation, Alan Bible's imprint is to be found upon every bill dealing with outdoor recreation that has passed Congress in the last decade.

But grateful as I am to Alan Bible for his leadership in this important field, I shall miss him most as a colleague to lean upon. He always leveled with me; his advice I learned to value as that coming from a trusted friend. And, of course, I shall miss future opportunities to form what the senior Senator from Nevada liked to call "a natural alliance between Bible and Church."

The Bibles and the Churches got on well. Bethine and I want both Alan and Loucile to know that we will find Washington emptier without them.

Mr. CANNON. I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Nevada.

Mr. President, I cannot be impersonal in what I say about the Senator from Nevada (Mr. Bible), who is retiring, because we have had a very close association and friendship. I have respected him highly, and will continue to do so. I feel, I believe, as much as any other Senator, the loss we are sustaining here as he retires.

I think one of the sources of our strength here has been the relationship between him and his valuable colleague (Senator Cannon). They have worked side by side and shoulder to shoulder, so to speak, for many years. We are fortunate to be able to keep the other axis of that source of strength and power.

Senator Bible has believed that a public office is a public trust; and he has acted accordingly. He believed and followed that principle of government, and he will continue, now, to teach it in a different way. As I understand, he is going to be at least a part-time teacher of political science in his fine home State. I have felt compensated, at least in some measure, for losing him here, to know that he is going to continue this teaching in his State.

There is one point I want to mention where I believe his philosophy is especially sound. He was by no means the vassal of anyone, much less the chief executive. He was by no means a rubber stamp; in fact, he was the very opposite. But he has had a basic philosophy that he was very skillful in following. He knew and knows that the Government must have a Chief Executive, and the purpose of the Government is to govern. He would follow what he thought was right and sound, but at the same time his general course was to build rather than to tear down, and he knew that the Executive, whether of his party or not, had to have some solid support.

So, when he could, he gave the chief of state that support. There has to be that principle running through the legislative branch of the Government I, too, believe.

I remember so well when he came here in the fall of 1954 at the time of Mr. Eisenhower's incumbency of the Presidency, and he has maintained that general broad support of the Government and its problem of governing in every sense, making his share, and more, of a contribution to the load.

I want to mention another characteristic of him. No one was more willing than he was, without seeking credit, to help out and help carry the load of someone else. More than once I called on him to help with an appropriation bill, and he would manfully fill in.

He carried forward in a fine way. After having already completed one appropriation bill himself, he nearly always was the first one to finish his hearings and get his bill moving on the floor of the Senate and stood by and helped others.

I got him into one of the worst scrapes a man could have here when he was taking the lead for me when we got into the SST, and he had to stay here with that.

We went over after Christmas, then we came back, you will recall, January 3, and then we had to take it up again. But not one whimper out of him even though he worked double time day and night.

I never would want to close on such a fine career as this without saying a lot, but at this time I would like to quote here one verse from a very fine poem that I think he represents:

God, give us men! A time like this demands
 Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
 Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
 Men who have honor; men who will not lie;
Strong men, who live above the fog
 In public duty and in private thinking . . .
 —Josiah Gilbert Holland.

Our friend from Nevada (Mr. Bible) personifies the theme and the thought of that poem as few men can.

So we salute him and hope he receives God's blessings for himself and his lifetime mate, his wife, as they leave this Chamber where their work though will want to live.

I thank the Senator very much.

The PRESIDING OFFICER. All the time of the Senator from Nevada has expired.

Mr. CANNON. I thank my distinguished colleague from Mississippi.

Mr. ROBERT C. BYRD. I have a minute or 2.

Mr. CANNON. I simply want to thank my distinguished colleague for his very, very fine remarks about Senator Bible, my colleague.

Mr. President, I ask unanimous consent that the Record be held open for 10 days so that additional statements may be submitted by his colleagues who wish to submit them.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business for not to exceed beyond 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 464—RESOLUTION ELECTING MR. NELSON AS CHAIRMAN OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution electing Mr. Nelson as Chairman of the Select Committee on Small Business.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

There being no objection, the Senate proceeded to consider the resolution.

The resolution was agreed to, as follows:

Resolved, That the Senator from Wisconsin, Gaylord Nelson, be and is hereby elected Chairman of the Select Committee on Small Business vice the Senator from Nevada, Alan Bible, resigned.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN MARITIME PROGRAMS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator Magnuson I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13296.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 13296) to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. On behalf of Senator Magnuson I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Magnuson, Mr. Hartke, Mr. Muskie, Mr. Stevens, and Mr. Beall conferees on the part of the Senate.

HEALTH MANPOWER ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator Kennedy I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3585.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE; REFERENCE TO ACT

Section 1. (a) This Act may be cited as the "Health Manpower Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—GENERAL PROVISIONS

Sec. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:";

(2) by inserting "or an equivalent degree" after "degree in public health" in paragraph (4); and

(3) by adding at the end the following new paragraphs:

"(7) The term 'program for the training of physician assistants' means an educational program which has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide primary health care under the supervision of a physician and which meets guidelines prescribed by the Secretary. Such guidelines shall be prescribed on or before March 1, 1975, after consultation with appropriate professional organizations and shall, as a minimum, require that such an educational program (A) have (i) a program of classroom instruction and supervised clinical practice directed toward preparing students to deliver primary health care and (ii) a minimum course of study of one academic year, and (B) have an enrollment in each year of not less than twenty-five students.

"(8) The term 'program for the training of nurse practitioners' means an educational program which has as its objective the education of professional nurses who will, upon completion of their studies in the program, be qualified to effectively provide primary health care and which meets the guidelines prescribed by the Secretary. Such guidelines shall be prescribed on or before March 1, 1975, after consultation with appropriate professional organizations and shall, as a minimum, require that such an educational program (A) have (i) a program of class-practice directed toward preparing nurses to deliver primary health care and (ii) a minimum course of study of one academic year, and (B) have an enrollment in each year of not less than twenty-five students.

"(9) The term 'program for the training of expanded function dental auxiliaries' means an educational program which has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide primary dental care under the supervision of a dentist and which meets guidelines prescribed by the Secretary. Such guidelines shall be prescribed on or before March 1, 1975, after consultation with appropriate professional organizations and shall, as a minimum, require that such an educational program (A) have (i) a program of classroom instruction and supervised clinical practice directed toward preparing students to deliver primary dental care and (ii) a minimum course of study of one academic year, and (B) have an enrollment in each year of not less than twenty-five students."

(d) (1) (A) The second sentence of subsection (a) of section 702 (as so redesignated) is amended to read as follows: "Of the appointed members of the Council (1) twelve shall be representatives of the health professions schools assisted under programs authorized by this title, including at least six persons experienced in university administration and at least one representative of schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and entities which may receive a grant under section 791, (2) two shall be full-time students enrolled in health professions schools, and (3) six shall be members of the general public.".

(B) The amendment made by subparagraph (A) with respect to composition of the National Advisory Council on Health Professions Education shall apply with respect to appointments made to the Council after the date of the enactment of this Act, and the Secretary of Health, Education, and Welfare shall make appointments to the Council after such date in a manner which will bring about, at the earliest feasible time, the Council composition prescribed by the amendment.

(2) Section 702 (as so redesignated) is amended by striking out "E, and F" in subsection (a) and inserting in lieu thereof "E, F, and G".

(3) Section 702 (as so redesignated) is amended by striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part H".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

Sec. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding after section 704 (as so redesignated) the following new sections:

"RECORDS AND AUDITS

"Sec. 705. (a) Each recipient of a grant or contract under this title shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the funds paid to it under such grant or contract, the total cost of the project or undertaking for which such grant or contract is made, and the amount of the portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) Each recipient of a grant or contract under this title shall provide for an annual financial audit of any books, accounts, financial records, files, and other papers or property which relate to the disposition or use of the funds received under such grant or contract. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received under such a grant or contract, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit and the standards applicable to the performance of the audit as the Secretary may by regulation provide. The report of each such audit shall be filed with the Secretary at such time and in such manner as he may by regulation prescribe.

"(c) The recipient of a scholarship or traineeship under this title or a grant under subsection (f) or (g) of section 747 shall not with respect to the scholarship, traineeship, or grant be required to keep the records prescribed under subsection (a) or provide the audit prescribed by subsection (b).

"DELEGATION

"Sec. 706. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of any application for a grant or contract under any such program for purposes of presenting such application to the National Advisory Council on Health Professions Education, and

"(2) to make such a grant or enter into such a contract,

shall not be delegated to any administrator of, or officer in, a regional office or offices.".

(g) (1) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS"

(2) The heading for part H of title VII is repealed.

Sec. 102. Section 212 is amended by adding after subsection (d) the following new subsection:

"(e) Active service of commissioned officers of the Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all rights, privileges, immunities, and benefits now or hereafter provided under the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U.S.C. 501 et seq.).".

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

Sec. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"Sec. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities (including teaching hospitals) for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $25,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for the fiscal year ending June 30, 1977, for grants under this part.".

Sec. 202. (a) (1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary of such project. In determining the portion of the construction costs to be covered by a grant under this part for a construction project for teaching facilities for the training of physicians located in a State which has no such facilities, the Secretary shall provide that the grant for the project cover 80 per centum of its construction costs unless he determines a grant for such portion of such costs is not needed.".

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

(c) Subsection (e) of section 721 is amended by adding at the end the following new sentence: "In considering applications submitted for a grant under this part for the cost of construction of teaching facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities.".

Sec. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1977".

(b) The second sentence of section 729(e) is amended by striking out "and" after "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "$2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977.", and the fourth sentence of such section is amended by inserting a period after "Treasury" the second time it appears in that sentence and by striking the remainder of that sentence.

(c) (1) The third sentence of section 729 (a) is amended to read as follows: "No such loan guarantee may, except under special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant under this part or any other law of the United States, exceeds 90 per centum of the cost of the construction of the project.".

(2) The amendment made by paragraph (1) shall apply with respect to loans guaranteed under section 727(a) of the Public Health Service Act (as redesignated by section 204(b) of this Act) after the date of the enactment of this Act.

(d) Subsections (a) and (b) of section 729 are each amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

Sec. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)."; and

(5) by striking out "725" in the last sentence and inserting in lieu thereof "702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

Sec. 301. (a) Subsection (a) of section 740 is amended by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, or public health".

(b) (1) Subsection (b) of section 740 is amended (A) by striking out "and" at the end of paragraph (4), (B) by redesignating paragraph (5) as paragraph (6), and (C) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(2) Paragraph (4) of such subsection (b) is amended by striking out "veterinary medicine or an equivalent degree," and inserting in lieu thereof "veterinary medicine or an equivalent degree or to a graduate degree in public health or an equivalent degree,".

(c) Subsection (a) of section 741 is amended to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 750 may not exceed for any student for any academic year (or its equivalent) the sum of—

"(1) the cost of tuition for such year at the school for which such fund was established, and

"(2) $2,500."

(d) Subsection (b) of section 741 is amended by striking out the period at the end and inserting in lieu thereof "or to a graduate degree in public health or an equivalent degree.".

(e) Subsection (c) of section 741 is amended by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, or public health".

(f)(1) Subsection (e) of section 741 is amended by striking out "3 per centum" and inserting in lieu thereof "7 per centum".

(2) The amendment made by paragraph (1) shall apply with respect to loans made after the date of the enactment of this Act from student loan funds established under section 740 of the Public Health Service Act.

(g) Subsection (f)(1) of section 741 is amended—

(1) by inserting before the semicolon at the end of subparagraph (A) the following: "or a graduate degree in public health or an equivalent degree"; and

(2) by striking out "or podiatry" in subparagraph (B) and inserting in lieu thereof "podiatry, or public health".

(h) In the case of any individual who, on or after November 18, 1971, and before the date of the enactment of this Act, met the requirements of subparagraphs (A) and (B) of section 741(f)(1) of the Public Health Service Act and who practiced his profession in an area described in subparagraph (C) of such section (as in effect before the date of the enactment of this Act) while a member of the National Health Service Corps or as an officer of the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Public Health Service, the individual shall, for purposes of section 741(f) of such Act, be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(i) Effective with respect to appropriations under section 742 of the Public Health Service Act for fiscal years beginning after June 30, 1975, subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1976, and $30,000,000 for the fiscal year ending June 30, 1977. For the fiscal year ending June 30, 1978, and each of the two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1977, to continue or complete their education."

(j) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1980".

(k)(1) Section 744 is repealed.

(2) The health professions education fund created with the Treasury by section 744(d)(1) of the Public Health Service Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 744(b) of the Public Health Service Act before the date of the enactment of this Act.

(4) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(l)(1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

(3) Section 745 is redesignated as section 744.

(m)(1) the heading for part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE".

(2) The heading for subpart I of part C of title VII is amended to read as follows:

"Subpart I—Student Loans".

SEC. 302. (a) Subparts I, II, and III of part F of title VII are repealed.

(b) The Secretary of Health, Education, and Welfare during the period beginning July 1, 1974, and ending June 30, 1977, may (1) make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry and pharmacy to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under section 780 of the Public Health Service Act for fiscal years ending before July 1, 1974, and (2) make scholarship grants under section 784 of such Act (as in effect before the date of the enactment of this Act) to individuals who initially received such grants before July 1, 1974.

SEC. 303. Part C of title VII is amended by adding at the end of the following new subpart:

"Subpart III—Traineeships for Students in Schools of Public Health

"TRAINEESHIPS

"SEC. 751. (a) The Secretary may make grants to schools of public health for traineeships to train students enrolled in such schools.

"(b)(1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such a grant may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $6,000,000 for the fiscal year ending June 30, 1976, and $6,000,000 for the fiscal year ending June 30, 1977.".

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b)(1) The Secretary shall designate the medically underserved populations in the States. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage or a population group determined by the Secretary to have such a shortage; and the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands. In designating medically underserved populations, the Secretary shall take into account (A) the recommendations of the entities responsible for the development of the plan referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (B) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located which administers or supervises the administration of a State plan approved under section 314(a).

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall, in addition to criteria utilized by him in making a designation under paragraph (1), taking into account the following:

"(A) Ratios of available health manpower to the population for which the application is made.

"(B) Indicators of the population's access to health services.

"(C) Indicators of the health status of the population.

"(D) Indicators of such population's need and demand for health services.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section health services for medically underserved populations, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under this section as medically underserved.

"(c)(1)(A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the

"(I) local government of the area in which such population resides, and

"(II) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area,

certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1)(A)(i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e)(1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a),

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the manpower requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical, osteopathic, or dental society or by any other appropriate health society required by clause (ii)(II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

"(2)(A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health manpower, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third-party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such members' assignment.

"(5) To assist in the recruitment of health manpower, the Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health manpower for them.

"(d)(1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2)(A) Notwithstanding any other provision of law, the Secretary (i) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (ii) many make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (iii) may secure the temporary services of nurses and allied health professionals.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application therefor is submitted to, and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e)(1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

"(i) the pay (including amounts paid in accordance with subsection (f)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity:

"(ii) if such entity received a grant under subsection (d)(3) for the assistance period, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and "(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program, for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such member during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides. The excess (if any) of the amount collected by an entity in accordance with subparagraph (B) over the amount paid to the United States in accordance with subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health manpower to provide health services for such population. Funds received by the Secretary under such an arrangement shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under subsection (i) and the amounts to be made available from appropriations made under such subsection to carry out this section.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f)(1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowances will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term 'monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code. In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the provisions of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f)(1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c)(2)(B)(ii), and determinations made under subsection (c)(2)(B)(iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e)(1), and (C) paid to the Secretary in such year under such arrangements.

"(h)(1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health service for a medically underserved population.

"(E) One member shall be appointed from the National Advisory Council on Comprehensive Health Planning.

"(F) One member shall be appointed from the National Advisory Council on Regional Medical Programs.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review and comment upon regulations promulgated by the Secretary under this section and section 747.

"(2) Members of the Council shall be appointed for term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government service employed intermittently.

"(i)(1) To carry out the purposes of this section, there are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975; $36,000,000 for the fiscal year ending June 30, 1976; and $45,000,000 for the fiscal year ending June 30, 1977.

"(2) An appropriation under an authorization under paragraph (1) of this subsection for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under an authorization under paragraph (1) for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation under this section before the fiscal year for which such appropriation is authorized.".

(b)(1) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than three months after the date of the enactment of this Act, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than six months after the date of the enactment of this Act, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 329 of the Public Health Service Act National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health manpower who are more likely to remain in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health manpower, (C) the appro-

priate conditions for assignment of nurse practitioners, physician's assistants, and expanded function dental auxiliaries in areas in which medically underserved populations are located, and (D) the effect that primary care residency training in such areas has on the health care provided in such areas and on the decisions of physicians who received such training respecting the areas in which to locate their practice.

(c) (1) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

(2) (A) Section 741(f) (1) (C) is amended by striking all that follows after "in a State" and inserting in lieu thereof "in which is located a medically underserved population designated under section 329(b);".

(B) The amendment made by subparagraph (A) shall apply with respect to agreements entered into under section 741(f) of the Public Health Service Act after the date of the enactment of this Act.

SEC. 305. (a) Section 747 is repealed and effective July 1, 1975, section 225 is transferred to subpart II of part C of title VII, is redesignated section 747, and is amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 747. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'Program') to obtain trained physicians, dentists, and nurses and, if needed by the Corps or other unit of the Service, podiatrists, optometrists, pharmacists, graduates of schools of public health, graduates of programs in health administration, and other health-related specialists.

"(b) To be eligible for acceptance in the Program, an applicant for the Program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student (A) in an accredited (as determined by the Secretary) educational institution in a State and (B) in (i) a course of study offered by such institution and approved by the Secretary which leads to a degree in medicine, osteopathy, dentistry, nursing, or other health-related specialty as determined by the Secretary or (ii) a program offered by such institution for the training of physician assistants, expanded function dental auxiliaries, or nurse practitioners;

"(2) to be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the Program an individual must pursue at such an institution such an approved course of study or such a program and maintain an acceptable level of academic standing in it.

"(c) (1) (A) Each participant in the Program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants in the Program are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the Program, he may provide under a contract with such an institution for additional payments to the institution to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

"(d) (1) Each participant in the Program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') prescribed by the Secretary which may be not less than—

"(A) one year of such service for each academic year of training received under the Program, or

"(B) two years.

For persons receiving a degree from a school of medicine, osteopathy, or dentistry, the commencement of a period of obligated service shall be deferred by the Secretary, at the request of the participant, for the period of time required to complete internship, residency, or other advanced clinical training. For persons receiving degrees in other health professions the obligated service period shall commence upon completion of their academic training. Periods of internship, residency, or other advanced clinical training shall not be creditable in satisfying a service obligation under this subsection.

"(2) (A) Except as provided in subparagraphs (B), (C), and (D), an individual obligated to provide service on account of his participation in the Program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service in the clinical practice of his profession.

"(B) If at the time an individual is required by the Secretary to begin his period of obligated service neither the National Health Service Corps nor the Indian Health Service has a position available for a member of the profession for which such individual was trained, such individual shall serve as a member of the Service in the clinical practice of his profession in connection with the delivery of health services under the authority of section 321 (relating to hospitals), 322 (relating to care and treatment of seamen and others), 323 (relating to care and treatment of Federal prisoners), 324 (relating to examination and treatment of certain Federal employees), 325 (relating to examination of aliens), or 326 (relating to services to certain Federal employees) or part D of title III (relating to services for persons with Hansen's disease).

"(C) If at the time an individual is required by the Secretary to begin his period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained, and

"(ii) the Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B),

such individual shall serve in the clinical practice of his profession for such period in a medical facility of a State correctional facility, State mental hospital, community mental health center, migrant health center, community health center, or other medical entity designated by the Secretary as having a priority need for health personnel.

"(D) If at the time an individual is required by the Secretary to begin his period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained,

"(ii) the Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B), and

"(iii) no entity designated under subparagraph (C) has positions available for a member of the profession for which such individual was trained,

such individual shall serve for such period as a member of the Public Health Service in such unit of the Department as the Secretary may prescribe.

"(e) If, for any reason, a person fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A=2\text{ø}\frac{(t-s)}{(t)}$$

in which 'A' is the amount the United States is entitled to recover; 'ø' is the sum of the amount paid under this section to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with subsection (d). Any amount which the United States is entitled to recover under this subsection shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

"(f) (1) (A) The Secretary shall release any participant in the Program from his service obligation under subsection (d) if such participant enters into a written agreement with the Secretary to engage on a full-time basis in the private practice of his profession—

"(i) in an area in a State in which is located a medically underserved population designated under section 329(b); and

"(ii) for a period of—

"(I) one year for each academic year of training received under the Program, or

"(II) two years,

whichever is greater.

"(B) An agreement described in subparagraph (A) shall—

"(i) provide that during the period of private practice by a participant pursuant to the agreement—

"(I) any individual who receives health services provided by the participant in connection with such private practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such individual is unable to pay such charge (as determined in accordance with regulations prescribed by the Secretary) such individual shall be charged at a reduced rate or not charged any fee; and

"(II) the participant in providing health services in connection with such private practice shall not discriminate against any individual on the basis of such individual's ability to pay for such services or because payment for the health services provided to such individual will be made under the insurance program established under part A or B of title XVIII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act; and

"(ii) contain such additional provisions as the Secretary may require to carry out the purposes of this subsection.

"(2) (A) The Secretary may make one grant to any participant—

"(i) who has entered into an agreement under paragraph (1), and

"(ii) who has agreed to extend the period of practice under such agreement by a period of not less than one year,

to assist such participant in meeting the costs of beginning the practice of his profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. No such grant may be used for the purchase or construction of any health care facility.

"(B) The amount of the grant to any participant under subparagraph (A) shall be—

"(i) $12,500, if such participant agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least one year but less than two years; or

"(ii) $25,000, if such participant agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least two years.

"(3) The Secretary may not enter into any agreement under paragraph (1) or make any grant under paragraph (2) unless an application therefor has been submitted to, and approved by, the Secretary.

"(4) (A) The Secretary shall pay, as soon as practicable after the close of each calendar quarter, to each participant who entered into an agreement under paragraph (1) an amount which is equal to the excess (if any) of—

"(i) the amount of basic pay and allowances which such participant would have received for the period—

"(I) in which he practiced his profession in accordance with the agreement under paragraph (1), and

"(II) which is in the calendar year in which such calendar quarter occurs and ends at the close of such calendar quarter,

(which period is hereafter in this paragraph referred to as the 'service period') if during his service period he was a commissioned member of the National Health Service Corps providing service during a period of obligated service under subsection (d), over

"(ii) the sum of the net income (as determined under regulations prescribed by the Secretary) derived by such participant during his service period from the private practice of his profession and the amount (if any) paid before the close of such calendar quarter to such participant under this paragraph with respect to the portion of his service period which ended at the close of the preceding calendar quarter.

"(B) If after the close of any calender year—

"(i) the amount described in subparagraph (A) (ii) which was received by the participant for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1), exceeds

"(ii) the amount of basic pay and allowances which the participant would have received for such period if during such period he was a commissioned member of the National Health Service Corps providing service during a period of obligated service under subsection (d)."

the Secretary shall be entiled to recover from the participant an amount equal to the lesser of the amount of such excess or the amount paid to the participant under subparagraph (A) for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1).

"(C) The Secretary may not make any payment to any participant under subparagraph (A) unless—

"(i) an application therefor has been submitted to the Secretary in such manner and containing such information as he shall by regulation prescribe; and

"(ii) such participant keeps such records as the Secretary may prescribe and makes such records available to the Secretary for any examination he may require.

"(g) (1) The Secretary may make one grant to any individual (other than an individual who entered into an agreement under subsection (f) (1))—

"(A) who has completed his period of obligated service under the Program, and

"(B) who has agreed in writing to engage on a full-time basis in the private practice of his profession in accordance with subsection (f) (1) for a period of not less than one year,

to assist such individual in meeting the costs of beginning the practice of his profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such grant may not be used for the purchase or construction of any health care facility.

"(2) The amount of the grant under paragraph (1) to any individual shall be—

"(A) $12,500, if such participant agrees to practice his profession in accordance with subsection (f) (1) for a period of at least one year but less than two years; or

"(B) $25,000, if such participant agrees to practice his profession in accordance with subsection (f) (1) for a period of at least two years.

"(3) The Secretary may not make a grant under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary.

"(h) If the Secretary determines that an individual has violated an agreement under subsection (f) (1) or (g) (1) (B), he shall, as soon as practicable after making such determination notify the individual of such determination.

If within one hundred and twenty days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under subsection (f) (1) or (g) (1) (B), as the case may be, and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual an amount determined under subsection (e), except that in applying the formula contained in such subsection—

"(1) in the case of an agreement under subsection (f) (1), 'Φ' shall be the sum of the amount paid under this section (other than any amount paid under subsection (f) (4)) to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, including the number of months that the period of practice under such agreement was extended under subsection (f) (2) (A), and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement; or

"(2) in the case of an agreement under subsection (g) (1) (B), 'Φ' shall be the sum of the amount of the grant made under subsection (g) to such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement.

"(i) (1) When a person undergoing training in the Program is academically dismissed or voluntarily terminates academic training, he shall be liable for repayment to the Government for an amount equal to the scholarship which he received under the Program.

"(2) (A) Any obligation of any individual under paragraph (1) or under subsection (e) or (h) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any obligation under paragraph (1) or, under subsection (e) or (h) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(j) Notwithstanding any other provision of law, persons undergoing academic training under the Program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(k) The Secretary shall issue regulations for the implementation of this section.

"(l) To carry out the Program, there are authorized to be appropriated $80,000,000 for the fiscal year ending June 30, 1976, and $120,000,000 for the fiscal year ending June 30, 1977.".

(b) Effective July 1, 1975, the heading for subpart II of part C of title VII is amended to read as follows:

"Subpart II—Student Scholarships".

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine and osteopathy shall receive—

"(A) $2,100 for each full-time student enrolled in such school in such year; and

"(B) $650 for each student who is enrolled in such year on a full-time basis in such school in a program for the training of physician assistants (as defined by section 701 (7)).

"(2) Each school of dentistry shall receive—

"(A) $2,100 for each full-time student enrolled in such school in such year; and

"(B) $650 for each student who is enrolled in such year on a full-time basis in such school in a program for the training of expanded function dental auxiliaries (as defined by section 701(9)).

"(3) Each school of public health shall receive $1,500 for each full-time student enrolled in such school in such year.

"(4) Each school of veterinary medicine shall receive $1,500 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $700 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $700 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $700 for each full-time student enrolled in the last four years of *such school*. For purposes of sections 771, 772, and 782, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,500 for each full-time student enrolled in such school in such year.".

(b) Subsection (c) of section 770 is amended to read as follows

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined *for it* as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c) (1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(2) For purposes of this section and sections 771, 772, and 782 the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree or to a graduate degree in public health or equivalent degree. In the case of a training program of a school designed to permit the students enrolled in such program to complete, within six years after completing secondary school, the requirements for degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy, the term 'full-time students' shall only include students enrolled on a full-time basis in the last four years of such program and for purposes of sections 771, 772, and 782 students enrolled in the first of the last four years of such program shall be considered as first-year students.".

(3) Subsection (i) of section 770 is (1) amended by inserting ", public health" after "osteopathy", and (2) redesignated as subsection (e).

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) (A) There are authorized to be appropriated $165,000,000 for the fiscal year ending June 30, 1975, $170,000,000 for the fiscal year ending June 30, 1976, and $167,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine, osteopathy, and dentistry based on the number of full-time students enrolled in such schools.

"(B) There are authorized to be appropriated $3,500,000 for the fiscal year ending June 30, 1975, $4,000,000 for the fiscal year ending June 30, 1976, and $4,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine, osteopathy, and dentistry based on the number of students enrolled in such schools in programs for the training of physician assistants and programs for the training of expanded function dental auxiliaries.

"(2) There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $6,750,000 for the fiscal year ending June 30, 1976, and $7,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of public health.

"(3) There are authorized to be appropriated $9,250,000 for the fiscal year ending June 30, 1975, $9,750,000 for the fiscal year ending June 30, 1976, and $10,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of veterinary medicine.

"(4) There are authorized to be appropriated $21,700,000 for the fiscal year ending June 30, 1975, $22,600,000 for the fiscal year ending June 30, 1976, and $23,500,000 for the fiscal year ending June 30, 1977 (for payments under grants under this section to schools of optometry and pharmacy.

"(5) There are authorized to be appropriated $2,800,000 for the fiscal year ending June 30, 1975, $3,100,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of podiatry.

"(6) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section."

(d) For the fiscal year ending June 30, 1975, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry under section 770(a) of the Public Health Service Act (as in effect before the date of the enactment of this Act) based on the number of enrollment bonus students (determined in accordance with subsections (d) and (e) of section 770 of such Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1974, except that the amount of any grant made to such a school from sums appropriated under this subsection may not exceed the amount of the grant the school received in the fiscal year ending June 30, 1974, based on the number of such students enrolled in it.

(e) Effective with respect to fiscal years beginning after June 30, 1976, paragraphs (1) (A) and (2) (A) of section 770(a) are each amended by striking out "$2,100" and inserting in lieu thereof "$2,000".

(f) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE, OSTEOPATHY, PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY".

SEC. 402. Part E of title VII is amended (1) by redesignating section 771 as section 772, and (2) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application meets the following requirements:

"(1) The application shall contain or be supported by reasonable assurances satisfactory to the Secretary that the first-year enrollment of full-time students in the school year beginning after the fiscal year in which the grant applied for is to be made will not be made than the first-year enrollment of such students in the school in the preceding school year.

"(2) The application of each school shall contain or be supported by reasonable assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(3) (A) The application of each school shall contain or be supported by reasonable assurances satisfactory to the Secretary that the school (i) will enter into a legally enforceable agreement with each student enrolled in the school in a school year beginning after June 30, 1976, under which the student agrees to pay, in equal annual installments in accordance with subparagraph (B), to the United States an amount equal to the amount which the school received under section 770 because of the enrollment of the student in the school in school years beginning after such date, and (ii) will make annual reports to the Secretary respecting the amount owed under such agreements.

"(B) (i) A student subject to an agreement entered into with a school pursuant to subparagraph (A) shall pay to the United States in equal annual installments an amount equal to the total amount received by the school after June 30, 1976, under section 770 on account of the enrollment of the student in school years beginning after such date. The number of annual installments shall be equal to the number of fiscal years (beginning after June 30, 1976) in which the school received a grant under section 770 on account of the enrollment of the student in school years beginning after such date.

"(ii) The first annual installment under an agreement under subparagraph (A) shall be paid in the first calendar year which begins more than eleven months after the month in which the student subject to the agreement completed or terminated his course of study at the school, except that—

"(I) if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the date the student completes his course of study at the school to which he transferred; or

"(II) if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the month in which such internship or residency training ends.

No installment shall be required to be paid in a calendar year in which more than six months is spent in an internship or in residency training.

"(C) For each year that an individual subject to such an agreement—

"(i) provides service during a period of obligated service in accordance with section 747(d) or practices his profession in accordance with an agreement entered into under section 747(f); or

"(ii) in the case of an individual who is not providing service during a period of obligated service in accordance with section 747(d), practices his profession—

"(I) as a member of the National Health Service Corps in an area in which is located a medically underserved population designated under section 329(b), or

"(II) as a member of the Indian Health Service;

the individual shall be relieved of his liability to pay one annual installment.

"(D) The obligation of an individual under an agreement shall be canceled upon his death. The Secretary shall by regulation provide for the waiver or suspension of such an obligation whenever compliance by the individual subject to it is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to him would be against equity and good conscience.

"(b) Schools of Medicine, Osteopathy, and Dentistry.—

"(1) The Secretary shall not make a grant under section 770 to any school of medicine, osteopathy, or dentistry in a fiscal year beginning after June 30, 1974, unless the following requirements are met:

"(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that—

"(i) for the second school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(I) by 10 per centum of such number if such number was not more than one hundred, or

"(II) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(ii) for the second school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter beginning in a fiscal year in which such a grant is to be made the school, if it is a school of medicine or osteopathy, it will offer a program for the training of physician assistants or, if the school is a school of dentistry, it will offer a program for the training of expanded function dental auxiliaries.

"(B)(i) In the case of an application for a grant to be made in a fiscal year beginning after June 30, 1975, the applicant shall submit to the Secretary and have approved by him before the grant applied for is made, a plan to train, in the school year beginning after the close of the fiscal year in which the grant is made and in each school year thereafter beginning in a fiscal year in which such a grant is made and in areas geographically remote from the main site of the teaching facilities of the applicant (or any other school of medicine, osteopathy, or dentistry which has joined with the applicant in the submission of the plan), full-time students and students enrolled in programs of the applicant of the training of physician assistants and expanded function dental auxiliaries

"(ii) More than one applicant may join in the submission of a plan described in clause (i). No plan may be approved by the Secretary unless—

"(I) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by reasonable assurances satisfactory to the Secretary that each such school will obligate to implement the plan an amount equal to not less than 25 per centum of the amount received under such grant;

"(II) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by reasonable assurances satisfactory to the Secretary that all full-time students enrolled in such school will receive a majority of their training at the main site of the training facilities of the school and at least six weeks (in the aggregate) of training in an area geographically remote from such site during the last two years of enrollment in such school and that, in the case of a school of medicine or osteopathy, all students enrolled in its programs (if any) for the training of physicians' assistants and, in the case of a school of dentistry, all students enrolled in its program (if any) for the training of expanded function dental auxiliaries, will receive at least six weeks (in the aggregate) of training in an area geographically remote from such main site at any time during such program;

"(III) the plan contains a list of the areas where the training under such plan is to be conducted, a detailed description of the type and amount of training to be given in such areas, and provision for periodic review by experts in medical, osteopathic, or dental education (as may be appropriate) of the desirability of providing training in such areas and of the quality of training rendered in such areas;

"(IV) the plan contains a specific program for the hiring, as members of the faculty of the school or schools submitting the plan, of practicing physicians or dentists (as appropriate) to serve as instructors in the training program in areas geographically remote from the main site of the teaching facilities of such school or schools; and

"(V) the plan contains a plan for frequent counseling and consultation between the faculty of the school or schools at the main site of their training facilities and the instructors in the training program in the areas geographically remote from such site.

"(2) The Secretary may waive (in whole or in part) the requirement of paragraph (1)(A) with respect to any school of medicine, osteopathy, or dentistry if he determines, after consultation with the National Advisory Council on Health Professions Education, that, because of limitations of physical facilities available to the school for training or because of other relevant factors—

"(A) such school cannot increase its first-year enrollment of full-time students in accordance with clause (i) of such paragraph; and

"(B) such school cannot offer a program for the training of physician assistants or a program for the training of expanded function dental auxiliaries to comply with clause (ii) of such paragraph;

without lowering the quality of education provided in such school.

"(c) Schools of Public Health.—

"(1) The Secretary shall not make a grant under section 770 to any school of public health in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

"(2) The Secretary may waive (in whole or in part) the requirements of paragraph (1) with respect to any school if he determines, after consultation with the National Advisory Council on Health Professions Education, that such school, because of limitations of physical facilities available to the school for training or because of other relevant factors, cannot increase its first year enrollment in accordance with such paragraph without lowering the quality of education provided in such school.

"(d) Schools of Veterinary Medicine, Optometry, Pharmacy, and Podiatry.—

"(1) Schools of veterinary medicine.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine in a fiscal year beginning after June 30, 1974—

"(A) unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(B) unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that at least 20 per centum of the first year enrollment of full-time students in the school making the application will for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made be comprised of students who are residents of States in which are not located any accredited school providing the training provided by the school making the application.

"(2) Schools of optometry.—The Secretary shall not make a grant under section 770 to any school of optometry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

The Secretary may waive (in whole or in part) the requirements of this paragraph with respect to any school if he determines, after consultation with the National Advisory *Council on Health Professions Education*, that such school, because of limitation of physical facilities available to the school for training or because of other relevant factors, cannot increase its first year enrollment in accordance with such paragraph without lowering the quality of education provided in such school.

"(3) SCHOOLS OF PHARMACY.—The Secretary shall not make a grant under section 770 to any school of pharmacy in a fiscal year beginning after June 30, 1974—

"(A) unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(B) unless the school has submitted to and had approved by the Secretary a plan for the establishment, expansion, improvement, or operation, in the second school year beginning after the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, of at least two of the following programs: (i) a program to teach pharmacy in a hospital, extended care facility, or other clinical setting, (ii) a program of training in clinical pharmacology, or (iii) a program to train pharmacists to assist physicians and counsel patients on the appropriate use and reactions to drugs.

"(4) SCHOOLS OF PODIATRY.—The Secretary shall not make a grant under section 770 to any school of podiatry in a fiscal year beginning after June 30, 1974—

"(A) unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(B) unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that at least 40 per centum of the first year enrollment of full-time students in the school making the application will for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made will be comprised of students who are residents of States in which are not located any accredited school providing the training provided by the school making the application.".

SEC. 403. (a) Section 772(a)(1) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof: ", dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(b) Section 772(a)(4) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof "dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(c) Section 772(a)(6) (as so redesignated) is amended to read as follows:

"(6) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $5,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(d) Section 772(b)(2) (as so redesignated) is amended (1) by striking out "1974" and inserting in lieu thereof "1977", and (2) by striking out "1975" and inserting in lieu thereof "1978".

SEC. 404. (a) Subsection (a) of section 773 is amended to read as follows:

"(a) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $5,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this section."

(b) Section 773 is amended by inserting "public health," after "dentistry," in subsections (b) and (d).

SEC. 405. (a) Section 775 is redesignated section 774 and is amended

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, or 773";

(2) by inserting ", public health after "dentistry" in subsection (b);

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, or 773";

(4) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, or 773"; and

(5) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to enable him to determine the costs to the applicant of its program for the education or training of students."

(b) The section heading of section 774 (as so redesignated) is amended by striking out "SPECIAL PROJECT".

SEC. 406. Sections 312 and 313 are repealed.

TITLE V—SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 501. (a) Section 767 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended as follows:

(1) Such section is amended by striking out "and" after "1973," and by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975, $40,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977,".

(2) Such section is amended by inserting '(a)" before "There are" and by inserting at the end thereof the following:

"(b) Sums appropriated under subsection (a) may be used by the Secretary to make grants to any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

"(1) to plan, develop, and operate an approved residency program in the general practice of dentistry; and

"(2) to provide financial assistance (in the form of traineeships and fellowships) to residents in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.".

(3) The title of such section is amended by inserting after "FAMILY MEDICINE" the following: "AND IN THE GENERAL PRACTICE OF DENTISTRY".

SEC. 502. Section 772 (as in effect before the date of the enactment of this Act) is transferred to part F of title VII, is redesignated section 782, and is amended to read as follows:

"ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

"SEC. 782. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

"(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the costs of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for the education provided by a health professional school.

"(B) facilitating the entry of those individuals into such a school,

"(C) providing counseling or other services designed to assist those individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of those individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

"(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

"(3) No grant may be made or contract entered into under paragraph (1) to a school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry unless its application for such grant or contract contains or is supported by assurances satisfactory to the Secretary that in the second school year beginning after the close of the fiscal year for which such grant is made or contract entered into, such school will enroll in its first-year class a number of full-time students from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, which is at least equal to the lesser of—

"(A) 5 per centum of the number of full-time first-year students enrolled in the school in the preceding school year, or

"(B) ten.

"(b) There are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977, for payments under grants and contracts under subsection (a).".

SEC. 503. (a) Section 774 (as in effect before the date of the enactment of this section) is transferred to part F of title VIII, is redesignated section 783, and is amended to read as follows:

"AREA HEALTH EDUCATION CENTERS

"SEC. 783. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system and for the purpose of encouraging the regionalization of educational responsibilities of the health professions schools, the Secretary may make grants and enter into contracts for projects for area health education centers—

"(1) to conduct programs to alleviate shortages of health personnel in rural areas with sparse populations or urban areas with unusually dense populations through training or retraining of health personnel in community hospitals and other facilities located in such areas (including training of students enrolled in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, and obstetrics and gynecology) or to otherwise improve the distribution in such areas of health personnel by area or by specialty group;

"(2) to provide training programs in such areas leading to more efficient utilization in such areas of health personnel, emphasizing multidisciplinary and interdisciplinary patterns of undergraduate, graduate, and continuing education of health personnel; and

"(3) to provide education programs for the general population of such areas regarding the appropriate use of health services, the availability of health services in such areas (including services provided under federally funded programs), and the contribution each individual can make to the maintenance of his own health.

"(b) The costs for which a grant or contract under this section may be made may include such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the students in such programs as the Secretary may deem necessary and costs of construction of new primary care facilities and of medical school facilities necessary for the administration of the training program for which the grant or contract is made.

"(2) An applicant for a grant or contract under this section shall be a public or nonprofit private educational entity which has, or which is affiliated with, at least three degree or diploma granting health professions education programs (of which at least one shall be a program offered by a school of medicine or osteopathy). No application for a grant or contract may be approved unless the application—

"(A) contains assurances satisfactory to the Secretary that, to the maximum extent feasible, the project of the applicant will be conducted in conjunction with (including the sharing of faculty and facilities with) the projects (if any) of any schools of medicine or osteopathy participating in the project of the applicant for the remote site training of undergraduate students of medicine or osteopathy conducted pursuant to plans approved under section 771(b)(1)(B);

"(B) contains a designation of the geographic boundaries of the areas to be served by area health education centers established under the project;

"(C) contains a list of the manpower needs of the areas to be served by area health education centers established under the project, the relative order in which those needs should be addressed, a detailed description of the types of programs to be carried out by the area health education centers and provision for periodic review and evaluation of such programs by experts in medical or osteopathic or other health professions education (as may be appropriate);

"(D) contains assurances that each medical and osteopathic school participating in the project will provide not less than six weeks of training per year in area health education centers for at least 50 per centum of the students enrolled in such schools in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, obstetrics, and gynecology;

"(E) contains assurances satisfactory to the Secretary that each participant in the project will contribute a significant portion of its faculty to serve as instructors in graduate training and continuing education programs in areas served by the area health education centers;

"(F) contains a specific program for multidisciplinary and interdisciplinary training programs both at the main site of the training or clinical facilities of the applicant and in area health education centers established under the project;

"(G) contains a plan for frequent counseling and consultation between the faculty of the applicant at the main site of its training or clinical facilities and instructors and other appropriate participants in the applicant's programs in the areas served by the area health education centers;

"(H) contains a detailed plan for frequent consultation and coordination of the applicant's project with appropriate local, regional, State, and Federal agencies in order to exchange information, and avoid unnecessary duplication of programs; and

"(I) contains assurances that the applicant will designate a local advisory board for each area health education center.

Each advisory board for an area health education center shall be comprised of consumers of health services residing in the area and shall, as a group, represent the residents of that area taking into consideration their employment, age, sex, race, place of residence, and other demographic characteristics. The advisory board shall meet on a regular basis (not less than twice a year) for purposes of determining the project's responsiveness to the health manpower needs of the area and making recommendations to the area health education centers with respect to the provision of health manpower in the area.

"(3) The amount of any grant or contract under this section shall be determined by the Secretary, except that no grant or contract for any project may exceed 75 per centum of the costs, as determined by the Secretary, of such project.

"(c) There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for the fiscal year ending June 30, 1977, for payments under grants and contracts under this section."

(b) For the fiscal year ending June 30, 1975, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments to entities under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for projects for area health education centers, except that no payment shall be made to an entity under such a contract unless the entity provides assurances satisfactory to the Secretary that not later than January 1, 1976, the project for which the payment is to be made will be a project described in subsection (a) of section 783 of such Act and the entity and its application will meet the requirements of subsection (b)(2) of such section. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(c) On and after January 1, 1976, the Secretary of Health, Education, and Welfare shall assess the program of grants under section 783 of the Public Health Service Act to determine the effect of the projects funded under such grants on the distribution of health manpower and on the access to and quality of health care in the areas in which such projects are located. Not later than January 1, 1977, the Secretary shall submit to the Congress a report on the assessment conducted under this subsection.

SEC. 504. Part F of title VII is amended by adding after section 783 the following new section:

"PROJECT GRANTS AND CONTRACTS FOR SCHOOLS OF OPTOMETRY, PHARMACY, AND PODIATRY

"SEC. 784. (a) SCHOOLS OF OPTOMETRY.—The Secretary may make grants to and enter into contracts with schools of optometry to meet the costs of projects to assist in—

"(1) the affiliation between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(2) establishing cooperative arrangements between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(3) planning, developing, and operating residency training programs in special optometric services or in meeting the optometric needs of special populations, or

"(4) planning, developing, and operating educational programs which provide training in the early detection and diagnosis of health problems which are accompanied by visual or ocular symptoms.

"(b) SCHOOLS OF PHARMACY.—

"(1) The Secretary may make grants and enter into contracts with schools of pharmacy to meet the costs of projects to assist in—

"(A) the affiliation between clinical pharmacy training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(B) establishing cooperative arrangements between clinical pharmacy training programs and medical, osteopathic, and other academic institutions.

"(2) The Secretary may make grants to and enter into contracts with schools of pharmacy to meet the costs of projects to establish, expand, or improve—

"(A) programs for the teaching of pharmacy in hospitals, extended care facilities, and other clinical settings,

"(B) clinical pharmacology training, and

"(C) programs to train pharmacists to assist physicians and counsel patients on the appropriate use and effects of and reactions to drugs.

"(c) SCHOOLS OF PODIATRY.—The Secretary may make grants to and enter into contracts with schools of podiatry to meet the costs of projects to assist in—

"(1) the affiliation between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(2) establishing cooperative arrangements between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions.

"(d) TECHNICAL ASSISTANCE.—If the Secretary does not approve an application for a grant or contract under this section, he shall advise the applicant of the reasons for disapproval of the application and provide the applicant such technical and other nonfinancial assistance as may be appropriate to enable the applicant to submit an approvable application.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $5,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for payments under grants and contracts under this section.".

SEC. 505. (a) Section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH

CARE DEMONSTRATION PROGRAMS") is transferred to part F of title VII, inserted after section 784, and redesignated as section 785.

(b) Section 785 (as so redesignated) is amended (1) by striking out "and" after "1973,", and (2) by inserting after "1974," the following: "$3,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977,".

Sec. 506. (a) Section 766 (entitled "TRAINING IN EMERGENCY MEDICAL SERVICES") is transferred to part F of title VII, inserted after section 785, and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended by striking out subsections (b), (c), (d), and (e) and inserting in lieu thereof the following:

"(b) No grant or contract may be made or entered into under this section unless the applicant therefor is a public or nonprofit private entity. Grantees and contractees under this section shall make such reports at such intervals, and containing such information, as the Secretary may prescribe.

"(c) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1975, $7,000,000 for the fiscal year ending June 30, 1976, and $7,000,000 for the fiscal year ending June 30, 1977."

Section 507. Part F of title VII is amended by adding after section 786 the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL SCHOOLS

Sec. 787. (a) The Secretary may make grants to schools of medicine and osteopathy in the United States to plan, develop, and operate programs—

"(1) to train United States citizens who have been enrolled in medical schools in foreign countries before July 1, 1975, to enable them to meet the requirements for enrolling in schools of medicine or osteopathy in the United States as full-time students with advanced standing; or

"(2) to train United States citizens who have transferred from medical schools in foreign countries in which they were enrolled before July 1, 1975, and who have enrolled in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

The costs for which a grant under this subsection may be made include the costs of identifying deficiencies in the medical school education of the United States citizens who have been enrolled in foreign medical schools, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such United States citizens for enrollment in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

"(b) More than one school of medicine or osteopathy may join in the submission of an application for a grant under subsection (a).

"(c) The Secretary may not approve an application for a grant under subsection (a)(1) unless such application contains assurances satisfactory to the Secretary, to the maximum extent feasible, that every individual who—

"(1) satisfactorily completes the training program for which such grant is to be made, and

"(2) is qualified to be accepted for enrollment in the school or schools which submitted such application as a full-time student with advanced standing,

will be accepted for enrollment as a full-time student with advanced standing in the school, or in one of the schools, which submitted such application.

"(d) Any school of medicine or osteopathy which receives a grant under subsection (a) for the final year ending June 30, 1975, shall submit to the Secretary before January 1, 1976, a report on the deficiencies (if any) identified by the school in the foreign medical education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1976, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(e) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a).".

Sec. 508. Part F of title VII is amended by adding after section 787 the following new section:

"PROJECT GRANTS FOR INSTRUCTION IN FAMILY MEDICINE

"Sec. 788. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish and maintain academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

"(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains—

"(1) assurances satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an education program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy determined by the Secretary to be comparable to the amount for other major clinical specialties in the school, (C) have a number of full-time faculty which is determined by the Secretary to be sufficient to conduct the clinical instruction required in clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties in the school, and (D) have control over a three-year approved or provisionally approved graduate training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than twelve interns or residents per year; and

"(2) such other information as the Secretary shall by regulation prescribe.

"(c) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $15,000,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a).".

Sec. 509. (a) Section 769B is transferred to part F of title VII, inserted after section 788, and redesignated as section 789.

(b) Section 789 (as so redesignated) is amended—

(1) by striking out "grant may be made under sections 767, 769, and 769(A)" in subsection (a) and inserting in lieu thereof "grant may be made or contract entered into under this part";

(2) by adding at the end of subsection (a) the following: "The Secretary may not approve or disapprove any application for a grant or contract under this part except after consultation with the National Advisory Council on Health Professions Education.";

(3) by striking out "grants under sections 767 and 769(A)" in subsection (b) and inserting in lieu thereof "grants or contracts under this part"; and

(4) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The amount of any grant or contract under this part shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, at such intervals and on such conditions, as the Secretary finds necessary. Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

Sec. 510. Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") and section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") are repealed.

Sec. 511. The heading for part F of title VII is amended to read as follows:

"PART F—SPECIAL PROJECT GRANTS AND CONTRACTS".

TITLE VI—PUBLIC AND ALLIED HEALTH PERSONNEL

Sec. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR PUBLIC AND COMMUNITY HEALTH PERSONNEL

"DEFINITION

"Sec. 790. For purposes of this part, the term 'public and community health personnel' means individuals who are engaged in—

"(1) the planning, development, monitoring, or management of health care or health care institutions, organizations, or systems,

"(2) research on health care development and the collection and analysis of health statistics, data on the health of population groups, and any other health data,

"(3) the development and improvement of individual and community knowledge of health and the health care system, or

"(4) the planning and development of a healthful environment and control of environmental health hazards.

"INSTITUTIONAL GRANTS FOR GRADUATE PROGRAMS IN HEALTH

"Sec. 791. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (except schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, or health planning.

"(b) The amount of the grant for any fiscal year under subsection (a) to an educational entity with an application approved under subsection (c) shall be equal to the amount appropriated under subsection (d) for such fiscal year divided by the number of educational entities which have applications for grants for such fiscal year approved under subsection (c).

"(c)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe.

"(2) The Secretary may not approve an application submitted under paragraph (1) unless—

"(A) such application—

"(i) contains assurances satisfactory to the Secretary that in each academic year (as defined in regulations of the Secretary) for which the applicant receives a grant under subsection (a)—

"(I) at least twenty-five individuals will complete the graduate educational program of the entity for which such application is submitted; and

"(II) such entity will expend or obligate at least $100,000 in funds from non-Federal sources to conduct such programs;

"(ii) contains such assurances as the Secretary shall by regulation prescribe respecting one or more of the following: Increases in overall enrollment in the programs for which such application is submitted and increases in enrollment in programs for the training of needed types of public and community health personnel; and

"(iii) contains such other information as the Secretary may by regulation prescribe; and

"(B) the programs for which such application was submitted have been accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education and meet such other quality standards as the Secretary shall by regulation prescribe.

The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Health Professions Education.

"(d) There are authorized to be appropriated for payments under grants under this section $1,750,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $2,500,000 for the fiscal year ending June 30, 1977.

"TRAINEESHIPS

"SEC. 792. (a) The Secretary may make grants to public or nonprofit private educational entities eligible for grants under section 791 for traineeships to train public and community health personnel for which the Secretary determines there is unusual need.

"(b) (1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by reguation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such grant may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1975, $2,500,000 for the fiscal year ending June 30, 1976, and $2,500,000 for the fiscal year ending June 30, 1977.

"STATISTICS AND ANNUAL REPORT

"SEC. 793. (a) The Secretary shall, in coordination with the National Center for Health Statistics, continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including—

"(1) detailed descriptions of the various types of activities in which public and community health personnel are engaged,

"(2) the current and anticipated needs for the various types of public and community health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of public and community health personnel, the educational and licensure requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b) Title VII is amended by adding at the end the following new part:

"PART H—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 795. For purposes of this part, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental engineers and other personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 796. (a) The Secretary may make grants to public and nonprofit private entities and enter into contracts with individuals and public and private entities to assist in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination, management, and articulation of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) Educational programs (including programs in a junior college) which lead to—

"(A) a baccalaureate degree, an associate degree, or the equivalent of either degree, or

"(B) a higher degree,

in medical technology, ophthalmic dispensing, dental hygiene, or such other of the curricula for the training of allied health personnel as the Secretary may by regulation specify, and other methods and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans, the economically or culturally deprived, and persons reentering any of the allied health fields.

"(5) New roles and functions for allied health personnel and methods for increasing the efficiency of health manpower through more effective utilization of allied health personnel in various practice settings.

"(6) New methods of credentialing allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience, developed in coordination with the Secretary's program under section 1123 of the Social Security Act.

"(7) Methods of recruitment and retaining of allied health personnel.

"(8) Meaningful career ladders and programs of advancement for practicing allied health personnel.

"(9) Continuing education programs for practicing allied health personnel.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, ad contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 797. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $6,000,000 for the fiscal year ending June 30, 1976, and $6,000,000 for the fiscal year ending June 30, 1977.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 798. (a) The Secretary may make grants to and enter into contracts with State and local educational agencies and other public or nonprofit private entities—

"(1) to (A) identify individuals of financial, educational, or cultural need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary school, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training; and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to section

3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, $1,000,000 for the fiscal year ending June 30, 1976, and $1,000,000 for the fiscal year ending June 30, 1977.

"STATISTICS AND ANNUAL REPORT

"SEC. 799. (a) The Secretary shall, in coordination with the National Center for Health Statistics, continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this subpart, including an evaluation of such activities.

Such report shall contain such recommendation for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975.".

(c) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "an entity for the training of public and community health personnel or allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

TITLE VII—MEDICAL RESIDENCY TRAINING PROGRAMS

SEC. 701. The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XIV—MEDICAL RESIDENCY TRAINING PROGRAMS

"FIRST-YEAR POSITIONS IN MEDICAL RESIDENCY TRAINING PROGRAMS

"SEC. 1401. (a) (1) (A) The number of first-year positions in any accredited medical residency training program in the United States which may be made available in a calendar year beginning after calendar year 1977 may not exceed such number as may be established for such calendar year for such program under section 1403; and the aggregate number of first-year positions in all accredited medical residency training programs in the United States which may be made available in a calendar year beginning after calendar year 1977 to graduates of schools of medicine and osteopathy may not exceed 125 per centum of the estimated number of graduates from accredited schools of medicine in the preceding calendar year.

"(B) The Secretary shall prepare by October 1 of each calendar year an estimate of the number of graduates that there will be from accredited schools of medicine in the succeeding calendar year, and shall by that date report the estimate of the agency designated or established under section 1403.

"(2) For purposes of this title, the term 'medical residency training program' means a program which trains graduates of schools of medicine and schools of osteopathy in a medical specialty recognized by the Liaison Committee for Specialty Boards established jointly by the American Board of Medical Specialties and the Council on Medical Education of the American Medical Association (or any successor of such Committee) and which provides the graduate education required by the specialty board (recognized by such Liaison Committee) for certification in such specialty. Such term does not include a residency training program in an osteopathic hospital.

"(b) (1) No entity which is engaged in business as a health care facility may include in any charge (or otherwise collect) for the provision in any calendar year of any health service by any physician in a medical residency training program an amount which is attributable to compensation paid to the physician by the health care facility in connection with such program unless the medical residency training program has been accredited under section 1402 for such calendar year and the number of first-year positions in such program made available in such calendar year does not exceed the number prescribed for such program under section 1403. Any entity which makes a charge or collection prohibited by this paragraph shall for each such charge or collection be subject to a civil penalty of not more than $5,000. Such penalty shall be assessed by the Secretary and may be collected in a civil action brought by the United States district court under section 1355 of title 28, United States Code.

"(2) If the Secretary determines that an entity is—

"(A) operating a medical residency training program which has not been accredited under section 1402, or

"(B) operating a medical residency training program with a number of first-year positions which exceeds the number established for that program under section 1403, the Secretary shall notify the entity of his determination, shall publish the determination in the Federal Register, and shall not make any grant to or enter into any contract with such entity under this Act for the fiscal year beginning after the date the Secretary publishes such determination in the Federal Register.

"MEDICAL RESIDENCY TRAINING PROGRAM ACCREDITING AGENCY

"SEC. 1402. (a) (1) For the purposes of accrediting the medical residency training programs for which first-year positions may be authorized under section 1403, the Secretary shall in accordance with subsection (b) designate or establish a medical residency training program accrediting agency (hereinafter in this section referred to as the 'accrediting agency').

"(2) The accrediting agency shall review, in accordance with procedures established and published by the agency and made available to the public, each medical residency training program in the United States and shall either accredit or disapprove such program. Each such program shall be reviewed at least every three years and an accreditation of a program shall be in effect for three years unless the accrediting agency terminates the accreditation before the expiration of three years. During the three-year period beginning January 1, 1976, the accrediting agency may accredit such a program on the basis of an accreditation granted such program by an entity generally recognized by the medical profession for purposes of accrediting such a program, except that an accreditation made under this sentence may not be in effect after January 1, 1979.

"(3) The accrediting agency shall submit to the agency designated or established under section 1403 and keep current for it a list of the medical residency training programs the accreditations of which are in effect.

"(b) (1) Not later than March 31, 1975, the Secretary shall prescribe and publish in the Federal Register requirements which must be met by an entity before it may be designated as the accrediting agency for purposes of this title. Such requirements shall provide that an entity—

"(A) have a governing body which is comprised of representatives of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public; and

"(B) meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations.

"(2) (A) An entity which seeks designation as the accrediting agency shall submit an application to the Secretary not later than August 31, 1975. If such an application has been submitted to the Secretary by the Liaison Committee for Graduate Medical Education of the Coordinating Council for Medical Education before such date, and—

"(i) if the Secretary determines that the Liaison Committee meets the requirements prescribed under paragraph (1), he shall approve such application and designate it as the accrediting agency; or

"(ii) if the Secretary finds that the Liaison Committee does not meet such requirements, he shall provide it with such technical and other nonfinancial assistance as may be appropriate to enable it to meet such requirements, and if the Secretary determines not later than October 31, 1975, that it meets such requirements, he shall designate it as the accrediting agency.

"(B) If, by October 31, 1975, the Secretary has not designated the Liaison Committee as the accrediting agency he shall consider other applications for such designation and shall if he determines that an entity under such an application meets the requirements prescribed under paragraph (1) and that such entity is otherwise qualified to accredit medical residency training programs, designate, not later than January 1, 1976, such entity as the accrediting agency.

"(3) (A) A designation of the accrediting agency shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the agency no longer meets the requirements of paragraph (1) or is not qualified to accredit medical residency training programs. A designation may, upon application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation or determines a designated accrediting agency is not qualified to have its designation renewed, the Secretary shall publish notice of such termination or determination and solicit application from other entities for designation as the accrediting agency.

"(4) (A) If—

"(i) by January 1, 1976, the Secretary determines that no entity which has applied for designation meets the requirements prescribed under paragraph (1) or is otherwise qualified to accredit medical residency training programs or if by such date no entity has applied for designation, or

"(ii) upon the expiration of a designation under this section, the Secretary determines that the designated agency is not qualified to have its designation renewed and that there are no other qualified applicants for designation, or upon the termination of such a designation, the Secretary determines that there are no qualified applicants for designation,

the Secretary shall, within three months of the determination, establish an accrediting agency for purposes of this title.

"(B) An accrediting agency established by the Secretary under subparagraph (A) shall meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations and the membership of which shall be fairly representative of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public. Members of the agency shall carry out the functions of the agency in accordance with this title. While away from their homes or regular places of business in the performance of services for the agency, members of the agency shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code. The agency may appoint, without regard to the provisions of title 5, United States Code, respecting appointments in the competitive service, and pay, without regard to the provisions of such title respecting rates of pay, such personnel as it deems necessary for the agency to carry out is functions.

"(C) The establishment of an accrediting agency under subparagraph (A) shall be for such period (but not more than three years) as the Secretary prescribes. If an accrediting agency has been established by the Secretary an entity may apply for designation as such agency upon the termination of the period for which the accrediting agency was established. If no entity submits an approvable application for designation before the date of such termination, the Secretary shall renew the authority of the established accrediting agency for a period not to exceed three years.

"ESTABLISHMENT OF POSITIONS

"SEC. 1403. (a) (1) The number of first-year positions in each medical residency training program, accredited under section 1402, in the United States which may be made available in any calendar year beginning after calendar year 1977 shall be established by an agency designated or established under this section by the Secretary.

"(2) The aggregate number of such positions which may be established by the designated or established agency for any calendar year may not exceed the limit prescribed by section 1401(a)(1). In determining the number of such positions in any such accredited program the designated or established agency shall—

"(A) take into consideration the report made with respect to the study conducted under section 15(c) of the Act of December 31, 1973 (Public Law 93-233), and the report made with respect to the study conducted under section 801 of the Health Manpower Act of 1974;

"(B) insure that first-year positions in medical residency training programs are distributed equitably throughout various geographical areas of the United States;

"(C) afford special consideration to first-year positions in medical residency training programs maintained in conjunction with area health education centers under section 783 of this Act; and

"(D) afford particular attention to the need for medical residency training programs in the primary care specialties of general internal medicine, general pediatrics, family medicine, and obstetrics and gynecology.

"(3) The agency designated or established under this section shall, by April 1, 1977, establish (and publish in the Federal Register) the number of first-year positions to be made available in calendar year 1978 by accredited medical residency training programs and shall give to each entity which maintains such a program written notice of the number of first-year positions which it may make available in such program. The number of positions established for any calendar year thereafter shall be published in the Federal Register not later than April 1 of the preceding calendar year and each entity which maintains an accredited medical residency training program shall be given written notice by such date of the number of first-year positions which may be made available in such program.

"(b) (1) Not later than March 31, 1975, the Secretary shall prescribe and publish in the Federal Register requirements which must be met by an entity before it may be designated as the agency to establish the number of first-year positions which may be made available in accredited medical residency training programs. Such requirements shall provide that an entity have a governing body which is comprised of the Secretary (or his delegate) and representatives of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public.

"(2) (A) An entity which seeks designation under this section shall submit an application to the Secretary not later than August 31, 1975. If such an application has been submitted to the Secretary by the Coordinating Council for Medical Education before such date, and—

"(i) if the Secretary determines that the Coordinating Council meets the requirements prescribed under paragraph (1), he shall approve such application and designate it; or

"(ii) if the Secretary finds that the Coordinating Council does not meet such requirements, he shall provide it with such technical and other nonfinancial assistance as may be appropriate to enable it to meet such requirements, and if the Secretary determines not later than October 31, 1975, that it meets such requirements, he shall designate it.

"(B) If, by October 31, 1975, the Secretary has not designated the Coordinating Council for Medical Education, he shall consider other applications for such designation and shall if he determines that an entity under such an application meets such requirements and is otherwise qualified to establish the number of first-year positions in medical residency training programs, designate such entity not later than January 1, 1976.

"(3) (A) A designation of an agency under paragraph (2) shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the agency no longer meets the requirements of paragraph (1) or is not qualified to establish the number of first-year positions in accredited medical residency training programs. A designation may, upon application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation or determines a designated agency is not qualified to have its designation renewed, the Secretary shall publish notice of such termination or determination and solicit applications from other entities for designation under this section.

"(4) (A) If—

"(i) by January 1, 1976, the Secretary determines that no entity which has applied for designation meets the requirements prescribed under paragraph (1) or is not otherwise qualified to establish the number of first-year positions in accredited medical residency training programs or if by such date no entity has applied for designation, or

"(ii) upon the expiration of a designation under this section, the Secretary determines that the designated agency is not qualified to have its designation renewed and that there are no other qualified applicants for designation, or upon the termination of such a designation, the Secretary determines that there are no qualified applicants for designation.

the Secretary shall, within three months of such determination, establish an agency to establish the number of first-year positions in accredited medical residency training programs.

"(B) The membership of an agency established by the Secretary under subparagraph (A) shall be fairly representative of the medical profession, hospitals, schools of medicine, medical specialty boards, medical specialty societies, and the general public. Members of the agency shall carry out the functions of the agency in accordance with this title. While away from their homes or regular places of business in the performance of services for the agency, members of the agency shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code. The agency may appoint, without regard to the provisions of title 5, United States Code, respecting appointments in the competitive service, and pay, without regard to the provisions of such title respecting rates of pay, such personnel as it deems necessary for the agency to carry out its functions.

"(C) The establishment of an agency under subparagraph (A) shall be for such period (but not more than three years) as the Secretary prescribes. If an agency has been established by the Secretary an entity may apply for designation as such agency upon the termination of the period for which the agency was established. If no entity submits an approvable application for designation before the date of such termination, the Secretary shall renew the authority of the established accrediting agency for a period not to exceed three years.

"(5) The Secretary may make grants to agencies designated under this section for their costs in carrying out their functions under this section. A grant to an agency under this paragraph shall be made for its costs incurred under this section during a period not to exceed one year after the date the grant was made. No single grant to an agency may exceed $300,000.".

TITLE VIII—MISCELLANEOUS

STUDY OF DISTRIBUTION OF PHYSICIANS

SEC. 801. (a) The Secretary of Health, Education, and Welfare shall, within ninety days after the date of the enactment of this Act, contract for the conduct of a study for the following purposes:

(1) To analyze the current distribution of physicians by specialty. In making such analysis—

(A) the geographical distribution of medical and osteopathic physicians by specialty and subspecialty and by geographic area shall be determined, and in connection with such determination physician specialties and subspecialties shall be defined in a manner consistent with recognized categories and geographical areas shall be defined as reasonable medical trade areas for each specialty or subspecialty; and

(B) special attention shall be given to determining (i) the percentage of time physicians in each specialty and subspecialty spend in primary care activities and in other activities unrelated to their specialty training, and (ii) the percentage of time primary care physicians spend in specialty care.

(2) To project the expected distribution of physicians by specialty and subspecialty by geographic area in the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training

and choice of practice sites, the activities of various specialty boards and other organizations, and the retirement-death rate of physicians by specialty and subspecialty.

(3) To examine and evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area controlling the supply of specialists and subspecialists. Methodologies examined and evaluated shall include (A) methodologies utilized by foreign countries, and (B) consideration of the use of nonphysicians to perform functions normally performed by physicians.

(4) To develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

(b) The organization selected by the Secretary to conduct the study required by subsection (a) shall—

(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

(2) have the capacity to readily marshal the widest possible range of expertise and advice relevant to the conduct of such study;

(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

(4) have a history of interest and activity in health policy issues related to such study; and

(5) have extensive existing contracts with interested public and private agencies and organizations.

(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1975; and a final report giving the results of the study shall be submitted by such organization to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1976.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 802. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 795 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 803. (a) (1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2), arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there are a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2) (A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a)(1) (D).

SEC. 804. If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A of title VII of the Public Health Services Act (as in effect before the date of the enactment of the Health Manpower Act of 1974)) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D of such title VII (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator KENNEDY I move that the Senate disagree to the amendment of the House on S. 3585 and request a conference with the House on the disagreeing votes therein, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. PELL, Mr. MONDALE, Mr. HATHAWAY, Mr. SCHWEIKER, Mr. JAVITS, Mr. DOMINICK, Mr. BEALL, Mr. TAFT, and Mr. STAFFORD conferees on the part of the Senate.

ORDER VACATING TIME RESERVED FOR SENATOR HELMS

Mr. ROBERT C. BYRD. Mr. President, I assume that Mr. HELMS and Mr. PERCY are not going to claim their order.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order reserved for Senator HELMS of North Carolina be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, without prejudice to Mr. PERCY until further information is received, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 1300, 1301, 1306, 1308, 1309, 1310, 1312, 1313, 1314, 1317 through 1322, and 1324.

The PRESIDING OFFICER. Without objection, it is so ordered.

JIRI EMANUEL HUEBNER

The bill (S. 2314) for the relief of Jiri Emanuel Huebner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jiri Emanuel Huebner shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

DR. JESUS FERNANDEZ TIRAO AND WIFE

The bill (S. 2406) for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

DR. BENDICTO PRINCIPE AND WIFE

The Senate proceeded to consider the bill (S. 3735) for the relief of Dr. Bendicto Principe and his wife, Erlinda Madula Principe, which had been reported from the Committee on the Judiciary with an amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Benedicto Principe and his wife, Erlinda Madula Principe, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Amend the title so as to read: "A bill for the relief of Doctor Benedicto Principe and his wife, Erlinda Madula Principe."

PATRICK ANDRE TASSELIN AND WIFE

The bill (S. 3977) for the relief of Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

NEPTY MASAUO JONES

The bill (H.R. 3203) for the relief of Nepty Masauo Jones, was considered, ordered to a third reading, read the third time, and passed.

DELMIRA DE BOW

The bill (H.R. 3339) for the relief of Delmira De Bow, was considered, ordered to a third reading, read the third time, and passed.

SAMUEL CABILDO JOSE

The bill (H.R. 7767) for the relief of Samuel Cabildo Jose was considered, ordered to a third reading, read the third time, and passed.

FERNANDO LABRADOR DEL ROSARIO

The bill (H.R. 9182) for the relief of Fernando Labrador del Rosario, was considered, ordered to a third reading, read the third time, and passed.

MR. ALDO MASSARA

The bill (H.R. 9654) for the relief of Mr. Aldo Massara, was considered, ordered to a third reading, read the third time, and passed.

RAYMOND W. SUCHY, U.S. ARMY (RETIRED)

The bill (H.R. 2208) for the relief of Raymond W. Suchy, second lieutenant, U.S. Army (retired) was considered, ordered to a third reading, read the third time, and passed.

WILLIAM L. CAMERON, JR.

The bill (H.R. 8322) for the relief of William L. Cameron, Jr., was considered, ordered to a third reading, read the third time, and passed.

ARANSAS PASS, TEX.

The bill (H.R. 9588) for the relief of the city of Aransas Pass, Tex., and the Urban Renewal Agency of the city of Aransas Pass, Tex., was considered, ordered to a third reading, read the third time, and passed.

FIRE DISTRICTS IN THE STATE OF MISSOURI

The bill (H.R. 11847) for the relief of certain fire districts and departments in the State of Missouri to compensate them for expenses relating to a fire on Federal property, was considered, ordered to third reading, read the third time, and passed.

CHANGE IN NAME OF PATENT OFFICE

The bill (H.R. 7599) to amend the Trademark Act of 1946 and title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office," was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE TRADEMARK ACT

The bill (H.R. 8981) to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees, was considered, ordered to a third reading, read the third time, and passed.

PATENTS

The bill (H.R. 9199) to amend title 35, United States Code, "Patents", and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized for not to exceed 15 minutes.

DR. FLOYD M. RIDDICK

Mr. PERCY. Mr. President, Dr. Floyd M. Riddick, after 27 years of distinguished service to the U.S. Senate, is retiring at the end of this session of Congress. I would like to take a moment to voice a personal thank you for his thorough, efficient, and always patient service.

During the 8 years I have been privileged to serve in this body, I have known Dr. Riddick as a hard-working, nonpartisan, and invaluable Parliamentarian. His interpretation of the Senate rules has always been reasoned and fair. He has somehow found the secret of the 25-hour day and is always available to share his expertise with all 100 Members of this body as well as their staffs.

I believe the Senate owes a special debt of gratitude to Dr. Riddick for his work on the 1958 and 1964 editions of Senate procedure, and for his untiring work in preparing an updated and revised edition for publication this past summer.

I am pleased that Dr. Riddick has agreed to continue to serve the Senate as a consultant and as Parliamentarian Emeritus. This Chamber has been most fortunate to have had him in its service, and I am certain I can express its unanimous gratitude and best wishes to him.

From a personal standpoint, all of us look upon Doc Riddick as a deep friend and I think he epitomizes the great contribution to the work of the Senate, work of the Congress, work of the U.S. Government, that is given by devoted members of the staff who have accrued great seniority, who stay in the Senate and its work because they love it, because they believe it is needed, and feel it is vital to an efficiently functioning America.

Certainly, Dr. Riddick epitomizes and certainly capsulizes, we might say, all of those fine, outstanding qualities that a great public servant in the service of the U.S. Government and the U.S. people has symbolized to all of us.

INTRODUCTION OF ENERGY CONSERVATION LEGISLATION

Mr. PERCY. Mr. President, the inescapable linkages become clearer each day among this country's wasteful use of energy, the staggering cartel-administered price of world oil, the burdensome worldwide inflation, the acceleration toward deeper worldwide recession, the impending collapse of the world monetary order, and the potential for conflict in the Middle East.

In my view, the best solution to this rapidly deteriorating economic situation lies in bringing down the world price of oil by reducing worldwide consumption far below the present rate of production by the oil-producing countries. The United States must lead in this effort—*by cutting* about 1.7 million barrels per day, or 10 percent, from our present consumption of oil by the end of 1975—because we use and waste more energy than anyone else.

In fact, FEA has indicated and computed that the United States of America wastes more energy than the total Japanese people, economy and nation, actually consume in the way of energy.

To achieve this essential objective fairly and equitably, we cannot rely solely on voluntary measures. For that reason I am today introducing five mandatory energy conservation measures, which if enacted would accomplish at least a 10-percent reduction in U.S. oil consumption.

This package of five bills will implement specific proposals I first announced on November 17. Despite the fact that Congress will adjourn this week, the national debate on solutions to our energy problem will continue. I will, of course, reintroduce these bills in the 94th Congress next month and urge their prompt consideration.

FUEL CONSERVATION TAX

The first bill I am introducing provides for a new fuel conservation tax on gasoline sales, with a tax credit to the consumer for essential driving. The tax would be 10 cents a gallon during 1975, and would increase to 20 cents a gallon on January 1, 1976. The Federal Energy Administration has estimated that such a tax would save about 250,000 barrels of oil a day in the first year, and half a million barrels a day in subsequent years.

This tax would apply only to gasoline, not to diesel fuel, so that most large vehicles used in commercial and public transportation would be exempt. Local transit authorities would continue to receive a rebate of one-half any gasoline taxes paid to the Federal Government. Owners of commercial and public transport vehicles which use gasoline could, of course, continue to deduct their fuel costs as a business expense for income tax purposes, just as they do now.

The revenue from this fuel conservation tax would not be earmarked for highways or any other special purpose. The revenue would be paid into the general fund of the Treasury, where it would be available for mass transportation, public employment programs, energy research and development, or other vital national needs.

An annual tax credit would be provided on the first 500 gallons of gasoline purchased by an individual. This is the amount of gasoline that the FEA estimates the average individual uses for "essential" driving during a year. Five hundred gallons is the amount consumed by a car traveling 10,000 miles and delivering 20 miles per gallon.

The credit is obtained by filing a Federal income tax return, whether or not the individual has any income tax liability. The amount of tax paid would be totally refundable for farm vehicles, as is the case with the existing gasoline tax.

Under the fuel conservation tax, an individual would receive a tax credit of up to $50 in the first year—10 cents times 500 gallons—and up to $100—20 cents times 500 gallons—in subsequent years. The average driver now consumes about 700 gallons a year, of which 200 gallons are used in nonessential driving. Thus the tax and credit combination would be a financial incentive to use less gasoline. Low income individuals who do not pay Federal income taxes would receive a cash refund of up to $50 in the first year, and up to $100 in subsequent years.

I do not like new taxes any more than anyone else. But I like even less the inflationary forces that are destroying our economic values. We must "pay as we go" on all new programs, such as public service job programs, or we will continue to add to the Federal deficit.

AUTO EFFICIENCY TAX INCENTIVE PROGRAM

The second bill seeks to spur development of more efficient automobiles over the next few years so that the constant upward trend in U.S. gasoline consumption will be broken for good.

This proposal establishes an automobile efficiency tax incentive program. It would set an initial fuel economy standard of between 15 and 17 miles per gallon, which is the average gas mileage range for 1975 model cars. The weighted average of fuel economy for 1975 automobiles in urban and highway driving is 15.7 miles per gallon, according to tests conducted by the Environmental Protection Agency. Persons who purchase cars with fuel efficiencies in the 15.1 and 17 miles per gallon range would be subject to no tax and would receive no payment.

After the date of enactment, purchasers of new cars which deliver more than 17 miles per gallon would receive a cash payment from the Federal Treasury on a sliding scale, up to $280 for a car that gives 23 miles per gallon or more. Conversely, buyers of new cars that give 15 miles per gallon or less would pay a tax that would start at $140 and increase in steps to a maximum of $680 on "gas-guzzlers" that deliver 9 miles per gallon or less.

The entire scale for taxes and payments would be increased by 2 miles per gallon every 2 years until 1983 as a further incentive to design cars that will go farther on less gasoline. This will raise the standard for fuel economy every other year until it reaches the range of 23.1 to 25 miles per gallon in 1983 and thereafter.

The tax is not designed to solely penalize big car purchasers. Its purpose is to provide a strong incentive for the development of more fuel-efficient automobiles of whatever size. A recent study conducted jointly by the Department of Transportation and the Environmental Protection Agency concluded that automakers could improve gasoline mileage by 60 percent or more by 1985, thus achieving an average of 25 miles per gallon. Moreover, the study determined that this improvement could be attained with available technology and without deviating from present Federal clean air standards.

The purpose of the rebate portion of this tax incentive program is not to subsidize auto sales, but to provide a positive stimulus to the production and purchase of the most energy-conserving cars.

For too many years Americans have been spoiled by cheap fuel and indulged themselves in the use of fuel-consuming vehicles, while people in foreign countries have been far more prudent. For example, 1974 model Italian cars average almost 26 miles per gallon compared with only 14 miles per gallon for 1974 U.S. cars. Yet our average tax on a gallon of gasoline is only 12 cents, while Italy's is at least $1.16. Now that we are faced with the same staggering oil import prices as the other industrial nations, we must seek to convert American automobiles into the same type of fuel-efficient vehicles Europeans have used for years.

We can and must change our wasteful consumption habits now in both the design of automobiles and the purchase of gasoline. That is the reason I have proposed both an auto efficiency tax incentive program and a rebatable gasoline tax.

It is estimated that in the first year of the tax incentive program the net cost would be $250 million. This estimate is based on projected production, import, and sales figures for the 1975 model year and the EPA test results for 1975 model cars. The estimate reflects expected tax revenues of $1 billion in the first year, and expected total cash refunds of $1.25 billion. I anticipate that after the first year, this program will be self-financing. In other words, the estimated revenue would approximately equal the total rebate each year.

REPEAL OF DEDUCTIBILITY OF STATE AND LOCAL GASOLINE TAXES

The third bill I am introducing would repeal the Federal income tax deduction now allowed for State and local gasoline taxes, retroactive to January 1, 1974. The income tax deduction Americans now enjoy is in reality a Federal subsidy on gasoline sales. National policy now emphasizes fuel conservation rather than consumption. The current subsidy works against that policy.

Moreover, the income tax deduction for State and local gasoline taxes should be repealed because, like other deductions, it benefits only those taxpayers whose incomes are high enough to warrant itemized deductions. Those taxpayers are, of course, the ones least in need of selective tax benefits.

In addition, this deduction currently deprives the Federal Treasury of about $600 million annually. There is no doubt that such a sum can be put to better use.

ENFORCEMENT OF THE 55 MILES PER HOUR SPEED LIMIT

The fourth bill I am introducing today would require strict enforcement of the 55 mile-per-hour speed limit on our Nation's highways. While the life-saving effect of the 55 mile-per-hour limit could be considered sufficient reason for enforcement, the fact remains that as much as 73 million barrels of fuel could be saved each year if the 55 mile-per-hour speed limit were observed by all vehicles.

The Congress, the administration, and the public are in general agreement on the importance of retaining that limit. The Federal aid highway amendments, approved by the Senate in August, includes an indefinite extension, which I sponsored, of the current temporary limit. The companion House bill, recently reported out of the Public Works Committee, contains a similar provision. The Department of Transportation and President Ford himself have endorsed the extension legislation, and a Gallup poll recently showed that 73 percent of adult Americans favor retaining the 55 mile-per-hour limit.

Despite this widespread approval of the 55 mile-per-hour limit, it is apparent to anyone who has traveled on the highways in the last few months that all those who approve the limit do not adhere to it. The New York Times has reported that more than 70 percent of the vehicles on the road are routinely traveling faster than 55 miles per hour. Checks in Missouri, Connecticut, and Oregon show that at least twice as many speeding tickets are being issued this year as last year.

In my view, the reason for the discrepancy between what the driving public believes and what it does is primarly psychological: The 55 mile-per-hour limit is temporary and only intermittently enforced, and the public's reaction is consequently inconsistent. Extending the law will, I believe, eliminate much of this confusion. Legislation requiring enforcement of the 55 mile-per-hour limit would help convince both the States and the American people that Congress means business on the 55 mile-per-hour limit.

The bill I am introducing today would require the Secretary of Transportation to set standards for State enforcement of any maximum speed limit on any public highway required by Federal law. If a State, after notice, consultation and hearing, does not comply with such standards of enforcement, its access to Federal highway funds would be suspended. If the States realize that Federal highway aid might be terminated, I believe they will make sincere efforts to enforce the 55-miles-per-hour limit and to convince their citizens that adherence to the limit will be required. The House-passed bill carries an enforcement provision that calls for suspension of Federal highway aid to States negligent in enforcing the 55-mile-per-hour limit.

ABOLITION OF THE HIGHWAY TRUST FUND

The fifth and final bill in my energy conservation package would abolish the highway trust fund, which every year earmarks billions of dollars of Federal gas tax revenue primarily for highway construction, whether the highways are needed or not.

The highway trust fund has outlived its usefulness. It has discouraged the development of other modes of transportation which are far more energy efficient than cars. Because the law provides that States can build highways by contributing only 10 percent of the construction cost, States naturally choose highways over mass transit, for which they would be required to pay 20 to 30 percent of the construction cost.

A trust fund designed for highway construction is anachronistic in our present economic situation. The trust fund inflexibly withholds money for a restricted use and subverts the normal budgetary process. This money should be channeled into general revenues where it could be used to help finance various types of transportation or other national needs.

As of September 30, 1974, there was a balance of $8,156,923,000 in the highway trust fund. In the 3 months ending September 30, $1,653,863,000 came into the fund, with almost $13 million of that coming from interest earned, as opposed to excise revenues. As of that same date, work had either been completed or was underway on 99 percent, or 42,062 miles of the 42,000-mile Interstate Highway System, with 84.5 percent of the system actually open to traffic. It is estimated that about 36 percent of the total cost of the entire system remains to be funded.

With the trust fund abolished, the balance in the fund and future tax revenues earmarked for the fund would be directed to general revenues.

Enactment of the energy conservation measures I am proposing today are imperative if there is to be any hope of reducing the world price of oil, the leading cause of inflation. Moreover, cutting oil imports is essential to lowering our balance-of-payments losses, which were $2.6 billion in the third quarter of 1974 alone.

Energy is, of course, only one part of the mix of ingredients that lead to a 12.2-percent increase in the consumer price index this year. Years of excessive deficit spending by the Federal Government have also made a direct contribution.

I am concerned that in our effort to counteract the current economic downturn, we will overreact and run up a deficit far in excess of what is fiscally prudent. As President Ford said in his address on December 12:

> Long-term success is not assured by short-term panaceas.

Certainly we should spend the funds necessary to ease the burden of unemployment and provide incentives for the investment necessary to promote real economic growth in the future. I advocated and voted for the Special Employment Assistance Act passed by the Senate last week. Public service jobs have a demonstrable effect in easing unemployment without creating undue inflationary pressure. In fact, I believe the Federal Government should play an even greater role in promoting work opportunities for the unemployed. The measure passed by the Senate last week will provide approximately 500,000 jobs over the next year. But as many as 6.5 million people may be unemployed by spring.

Congress should give serious consideration to a full-employment program that is balanced between the production of goods and services and involves the private as well as public sector. It is mindless to embark upon a massive public employment program without assuring that the supply shortages that contributed so heavily to inflation earlier this year do not occur again. A full employment program must involve goods-producing industries through a mechanism such as the human investment tax credit endorsed by the Republican Conference last week.

Certainly, it makes a great deal more sense to provide funds to train people by those who will hire them, train them for jobs that will exist, then to try to wean away as rapidly as possible, as the economy picks up, those people who are ready, willing, and able to work and get them into the private sector as rapidly as possible.

A human investment tax credit, expended jointly by the private sector that hires people, and expended also by the Federal Government, as a supplement for the training of these individuals, would be the most desirable kind of program by which we should embark.

In addition, I believe Congress should increase the investment tax credit for utilities and other industries as proposed by the President. Increased capital investment is essential to assure long-term growth.

The funds necessary for these programs must, however, be part of a comprehensive, responsible fiscal package. I am dubious that the current budget estimates of the Treasury Department are accurate. The most recent deficit estimate of approximately $9.2 billion for fiscal year 1975 should provide about the correct amount of fiscal stimulus at this time. But a realistic analysis of estimated revenues and outlays indicates that the deficit could go as high as $17 billion.

The deficit for fiscal year 1976 could be substantially higher than this—up in the $25 billion to $30 billion level.

In the last conversation I had with Secretary Simon, he indicated the budget deficit may be $11 billion to $12 billion. I estimated $17 billion.

The revised outlay estimate of $302.2 billion for this fiscal year is based on congressional adoption of $4.586 billion in budget cuts, rescissions and deferrals recommended in the President's message of November 26. However, the number and the controversial nature of many of these proposals have made serious congressional action on them impossible before next year.

The revised revenue estimates of $293 billion include approximately $1 billion in revenues from the President's proposed income tax surcharge proposal and the tax reform bill previously under consideration by the House Ways and Means Committee. Neither of these measures will be adopted this year. In addition, the revised revenue estimates are based on an estimated unemployment rate of 6.5 to 6.7 percent through the end of the fiscal year next June 30 and do not include a possible revenue loss of up to $4 billion due to changes in corporate accounting methods.

A $17 billion deficit clearly would be inflationary. Because of the danger of continued inflation, there are two steps

I believe the 94th Congress must take as first order of business.

First, the responsible committees must give serious consideration to the President's proposals to reduce outlays during the remainder of fiscal 1975 and for fiscal 1976, making those modifications and substitutions which are appropriate. All unnecessary spending must be eliminated if we are to reduce the Federal deficit and still have sufficient funds to deal effectively with the current economic downturn.

Second, Congress should adopt the revenue-raising measures necessary to fund the counter-recessionary programs adopted and keep the deficit at a safe level. The measures I am introducing today will produce approximately $5 billion in revenue on an annual basis. The 5-percent surtax on corporate income proposed by the President should be enacted to pay for the increase in the investment tax credit. Taxes paid by energy-producing industries, particularly the oil industry, should be closer to the amount paid by other corporate taxpayers. And Federal excise taxes on luxury items such as tobacco and alcoholic beverages should be increased. The tax rates on alcohol and tobacco have not been increased for 20 years. A 50-percent increase in these rates would yield nearly $4 billion annually in new tax revenue.

I am aware that some of the measures I am advocating will be initially burdensome. But we all must make sacrifices now to avoid economic disaster later. And we must be careful that our short-term efforts to alleviate the burden on those hardest hit today do not themselves give rise to new problems in the future. Our challenge is to adjust policy to combat the energy crunch, worsening recession and ruinous inflation. To do nothing, or to develop an inadequate program, would be irresponsible.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DR. FLOYD M. RIDDICK

Mr. McGEE. Mr. President, it is with a deep sense of regret that I view the retirement of Dr. Floyd M. Riddick as Senate Parliamentarian at the end of this session of the U.S. Congress.

I do want to take this opportunity to pay tribute to an individual who has made many valuable and significant contributions to the orderly conduct of Senate business. These contributions cannot be underestimated for it has been largely due to Dr. Riddick's efforts that the Senate processes have been adapted to present day needs. We have all benefited by his wisdom and foresight in approaching the daily business of this body.

Therefore, while his retirement is well-deserved, we will sorely miss his conscientious and diligent attention to his Senate duties. He has served each and every Member of this body with extraordinary attention to each of our needs. Not only has he been a fair and impartial Parliamentarian, he has also been the one individual each of us could turn to for guidance and advice.

I wish Dr. Floyd Riddick nothing but the best in his retirement years and express my deep and sincere appreciation for his outstanding contributions to the U.S. Senate.

Mr. MONTOYA. Mr. President, on Thursday, December 5, 1974, by action of the Senate, a great honor and distinction was bestowed upon a great public servant, Mr. Floyd Riddick, the Parliamentarian of the Senate. During his tenure he has had to recommend many important rulings with respect to perhaps the most important items of legislation ever to be considered during our Nation's history.

Having presided over the Senate on many occasions, I have had ample opportunity to adequately evaluate Dr. Riddick as a Parliamentarian. His great ability and impartiality have been demonstrated most admirably. This is in the great tradition of all the great Parliamentarians who have served in the Senate. As an individual, he was always courteous and most attentive to the needs of Senators.

Mr. McINTYRE. Mr. President, I am sure many of my colleagues view the retirement of Dr. Riddick as our Parliamentarian with the same mixture of regret and apprehension I do.

When I came to this Chamber 12 years ago, I laid no claim to parliamentary expertise. And I am sorry to say that despite experiences chairing this body, I have not developed that much expertise in the interim.

Part of that failure I can lay to my own learning disabilities, Mr. President, but another part I can lay to the luxury of depending upon Dr. Riddick time and time and time again.

So as I recall his many instances of patience, kindness, and counsel for this "slow learner," and express my appreciation for them, I want to wish Dr. Riddick a happy and fulfilling retirement.

When I consider how expertly and frequently he extricated us from the parliamentary complexities of the last few hectic days, I worry about how I will fare without his help when I am called to chair proceedings in the days and months to come.

Mr. THURMOND. Mr. President, it is with regret that I note that Dr. Floyd Riddick will retire as Senate Parliamentarian at the end of the 93d Congress. This is a loss which all the Members of the Senate will feel very deeply.

Dr. Riddick has served the Senate well and faithfully. He has been thoughtful and accommodating in his rulings. Moreover, he has an unsurpassed memory and knowledge of the precedents and rules of the Senate. Additionally, he has been most cordial in his willingness to discuss any parliamentary problem with individual Members of the Senate.

Although he is retiring, I am pleased that he has decided to act as a consultant to the Senate in future parliamentary matters. It is my understanding that he will continue to serve with the Rules Committee in an advisory capacity next year.

Mr. President, I can think of no more fitting honor that the Senate can bestow on Dr. Riddick than the title of "Parliamentarian Emeritus."

TRIBUTES TO SENATOR J. WILLIAM FULBRIGHT

Mr. CHURCH. Mr. President, when a speaker is introduced to an audience, the length of the introduction is supposed to bear an inverse relationship to the prominence of the featured guest. The more important the speaker, the shorter the introduction. So it should be with tributes.

No one can doubt the importance of Bill Fulbright's career in the Congress. He came to national prominence while still a Member of the House of Representatives, as author of the legislation which has enabled many thousands of young people to secure some part of their advanced education in a foreign land. The Fulbright scholarships not only inaugurated a new era of exchange in education on a global scale, but it made the Senator's name famous in the early years of his remarkable career.

I have heard Bill Fulbright say that he regards the scholarships as his foremost accomplishment. If that be so, it takes nothing from his great works in the Senate. For it was in the Senate that Fulbright took his stand against our war in Vietnam; it was here that he earned his reputation as a dissenter, a role in which he displayed not only his keen intelligence, but admirable independence, as well. I shall always believe that Bill Fulbright's best moment in the Senate came when he decided to unleash the Committee on Foreign Relations from its captivity behind closed doors by conducting public hearings on that misbegotten war.

Afterwards, he devoted himself to the effort of reversing the waning role of the Senate in the formulation of American foreign policy. It was a task he could not complete, but it will be carried forward on the momentum of his leadership and example.

Upon his defeat last May in Arkansas, I issued a statement which summed up my feelings about the contribution Bill Fulbright made during his summit years in the Senate. I said:

> Bill Fulbright has been a stand-up Senator during a period when most have preferred to sit. As Chairman, he brought the Senate Foreign Relations Committee back to life, and he tried his best to achieve a renaissance in the Senate, itself. So he will leave an historic mark that will be remembered long after his time. This can be said of few men.

Inasmuch as Bethine and I have treasured our friendship with the Fulbrights—both that of Bill and Betty—we hope there may be many occasions in the future for the enjoyment of their company.

And we wish them well.

ABOUT SENATOR FULBRIGHT

Mr. PERCY. Mr. President, as this session draws to a close, and reflecting on the career of Senator J. WILLIAM FULBRIGHT, the distinguished chairman of the Committee on Foreign Relations, I would like to comment on his important service over the years in both the Senate and the House of Representatives.

It is my judgment that no Member of Congress has done more to redress the balance of power between the executive and legislative branches. As all in this Chamber know, Senator FULBRIGHT has stood up for the constitutional powers of Congress and has never wavered in this cause. He has been willing to accept the brickbats of those who disagreed with him, and he has had the courage to pursue his considered views and express them forcefully regardless of executive branch or popular reaction.

Mr. FULBRIGHT's initiative in the House for the creation of a foreign scholarship program, which bears his name, has made him well known throughout the world. His eloquent opposition to U.S. involvement in the Vietnam war helped crystallize American public opinion against the folly of that war.

We shall miss Senator FULBRIGHT in this body and in the Committee on Foreign Relations, where I was privileged to serve with him in recent years. I wish him well in his future career, and I want him to know that there are many of us on this side of the aisle who hold him in the highest regard.

Mr. HANSEN. Mr. President, the junior Senator from Arkansas, Mr. FULBRIGHT, as chairman of the Committee on Foreign Relations, during the Vietnam war years had many accolades and probably an equal amount of criticism—or perhaps even a heavier amount of the latter at times.

While most of us, and I was not a Member of the Senate at the time, had misgivings about the insertion of American troops into Vietnam, the distinguished chairman was one of the first to recognize that we ought to get out. And he showed a courage and purposefulness to back up his belief—arguing head on, and publicly, with an administration of his own political party against that administration's policy of waging what everyone eventually would realize was a no-win war.

You can ask many young adults today what their first vivid memory of the Senator from Arkansas is, and it is likely they will tell you of his confrontations with the then Secretary of State, disputing tenaciously and persuasively the merits of administration policy. Although it is unlikely that it could be documented, it is reasonable to assume that Mr. FULBRIGHT's efforts helped lead to the election of a new President with a new policy—the result of which eventually was the bringing home of American forces from Vietnam.

Among the many other worthwhile achievements of the distinguished Senator was his leadership in establishing a scholarship fund for American students to study abroad. It is appropriate that these scholarships are known as Fulbright scholarships. This program enhances our students understanding of our world community and fosters good will for our Nation.

The Senator from Arkansas has built an honorable record in the U.S. Senate of which the people of his State can be proud.

WOULD THAT WE WERE AS FAR-VISIONED AND COURAGEOUS

Mr. McINTYRE. Mr. President, I seriously question whether any of us at this moment fully realizes the loss this Chamber will sustain with the departure of our distinguished colleague from the great State of Arkansas.

Though it was never my privilege to work with Senator FULBRIGHT in the intimacy of committee endeavor, I fully appreciate his abilities because it was my awesome task on a number of occasions to defend Defense budget items against the onslaughts of his questioning mind and articulate tongue.

But that is neither here nor there, Mr. President, except as it relates to Senator FULBRIGHT's overall contribution to the deliberations of this body.

He, perhaps more than but a few Senators of our time, had the courage to think the unthinkable and say the unsayable when the time had come to do both.

Would that the rest of us were always that far-visioned and courageous.

Mr. President, with all sincerity I wish the distinguished junior Senator from Arkansas a happy retirement, as I urge him in all sincerity to continue, in one format or another, to goad us all into thinking through the issues that directly bear on the life or death of the world we live in.

TRIBUTES TO SENATOR SAM J. ERVIN, JR.

Mr. FANNIN. Mr. President, it is a privilege to join my colleagues in paying tribute to the senior Senator from North Carolina who is retiring after 20 years of distinguished service in the Senate.

As chairman of the Government Operations Committee and as an extremely active member of the Judiciary Committee, the Senator has provided great leadership.

Millions of Americans have come to look upon Senator ERVIN as the leading authority on and the most outspoken champion of the Constitution of the United States.

His dedication to freedom and democracy has taken him to the battlefield where he served with valor, to the field of law were he practiced with dedication, to the judicial branch where he demonstrated wisdom, and to the Senate where he provided inspirational leadership.

We have been thankful for his wit as well as wisdom; he has a marvelous capacity for restoring perspective to problems which are being blown out of proportion in the heat of debate. He has enriched the Senate immeasurably, and I am grateful to have had the opportunity to serve with him.

SENATOR ERVIN—A GOOD MAN, SPEAKING WELL

Mr. PEARSON. Mr. President, in the Senate we are a group of craftsmen whose tools are words. It is fitting, therefore, that we pay tribute to the one among us who has consistently employed the English language as a finely honed tool for the betterment of our country. I am, of course, speaking of the senior Senator from North Carolina, Mr. ERVIN.

In an era in which rhetoric has often been synonymous with vacuous speeches, Senator ERVIN has given new meaning to Quintilian's definition of an orator: "A good man, speaking well."

This is, I think, a particularly appropriate way to describe our good friend from the Tar Heel State. He is, perhaps most importantly, a good man. To the ancient Greeks and Romans, this meant an honest man, an intelligent man, and a compassionate man. Senator ERVIN is all of these things. Most recently, of course, he has gained fame for his honesty through his handling of the Senate investigation into the Watergate affair. As chairman of the Senate Select Committee on Presidential Campaign Activities, Senator ERVIN demonstrated that honesty and forthrightness can still be an important means of improving the American system of government.

Long before his recent fame, however, Senator ERVIN's own personal standards demonstrated to those of us who worked with him that he was in the forefront of the good men seeking to improve our country. It is only appropriate, therefore, that the respect which our community—the Senate—has accorded Senator ERVIN is now given to him by the entire country.

In addition to being a good man, "Senator SAM" has spoken well. This means much more than speaking eloquently, a talent which we all know the gentleman from North Carolina possesses. It also means being well prepared and speaking in behalf of honorable causes. There can be no doubt that Senator ERVIN, as he thumbed through his personal copy of the Constitution, was speaking in behalf of one of the most honorable of all causes—the preservation of the Constitution.

I have not always agreed with the causes for which Senator ERVIN has spoken. There can be no doubt, however, that when he spoke, we all listened and were usually the better for it. On those occasions when I did work with our colleague, such as safeguarding freedom of the press through a newsman's privilege law, I was always gratified to learn that Senator ERVIN was on my side.

Mr. President, through more than half a century of public service as an advocate for the people, a judicial officer, and a legislator, Senator ERVIN has established a standard which will be hard to match. Surely, we can pay him no greater tribute than to say he is a good man, speaking well.

Mr. HUDDLESTON. Mr. President, a new Member of the Senate naturally looks to a few of his more senior colleagues for guidance and for the example they set. Certainly no one has had a greater influence on me in that regard than the distinguished senator from

North Carolina (Mr. ERVIN), who is also my chairman on the Government Operations Committee.

The whole world, of course, is now familiar with the greatness and wisdom of the Senator from North Carolina. It is the Nation's loss that this recognition was so late in coming. The greatness and the wisdom and the vision has always been there—it just took a great constitutional and moral crisis in this country for the rest of the world to realize it.

The very fact that Watergate and all of the attendant horrors associated with it did not subvert or do lasting damage to our great Constitution will be an eternal monument to the Senator from North Carolina.

He is a man who has always been ahead of his time—whether it be on matters of separation of powers, individual liberties, the freedom of the press, illegal impoundments of funds, abuse of executive power and privilege, or the right of privacy.

Hopefully the Nation is catching up with the Senator from North Carolina; hopefully, we are beginning to see the wisdom of his words; hopefully, we will learn to live by them and protect them and adhere to them.

I know that I shall always keep them uppermost in my mind as I seek to fulfill the duties of my office.

MY FRIEND, SAM ERVIN

Mr. HANSEN. Mr. President, the distinguished senior Senator from North Carolina has had my respect since it has been my privilege to know him. He has the respect and admiration of all of his colleagues and of the people of his State. He has had this for years.

But he has lately become nationally and even internationally known, primarily I believe because of his role as chairman of the Watergate Committee. He has become a familiar face on television, in the newspapers, on lapel buttons, and even on T-shirts. Many of the caricatures we have seen attempt to portray our colleague as a lovable, comic figure. He is lovable. We love him here. But while we know of his great sense of humor, none of us would consider him comic.

America knows SAM ERVIN best today for his role in connection with Watergate. History will remember him for his sheer brilliance in defending constitutional issues and his dedication to preserving the Constitution and the cherished freedoms that we, as Americans, enjoy. He will be remembered, and praised, for his strong fights in behalf of preserving State rights. He will be remembered on this floor, and recorded in history, as an excellent parliamentarian, who often fought skillfullly as a member of the minority when he felt the majority had been careless on constitutional questions—and was thanked later by members of the majority for his having been successful in thwarting their efforts of the moment. Generations of Americans to come will thank him too, if I am judge of his great work in the Senate.

We are saddened to see the distinguished Senator end his service here. I will miss my friend, SAM ERVIN.

Mr. CANNON. Mr. President, we are today saluting a great man upon his retirement from the U.S. Senate, a man who, perhaps more than any other, has through the years deserved the tribute as "the conscience of our Nation." That man is our esteemed colleague, SAM J. ERVIN, Jr.

> So now, as he takes leave of us, let us praise this rare man whose fame, though great, does not match his great virtues, a man every bit as fine as his nation affectionately thinks he is.

These words of homage to SAM ERVIN by columnist George F. Will echo my sentiments about Mr. SAM from North Carolina.

A man who believes in the Constitution of the United States with the fervor of his belief in the Bible, a man whose dogged determination in defending and upholding the Constitution from every well-meaning and not so well-meaning interloper, SAM ERVIN has baffled political operatives of all political spectrums because he followed through on his belief that our Government is one of precisely enumerated, carefully delegated, and strictly limited powers.

Let me cite some of Mr. SAM's accomplishments in his 20 years of U.S. Senate service: He is the author and sponsor of much significant legislation which would streamline America's criminal justice and law enforcement system. Through legislation and oration he has steadfastly asserted the first amendments, freedoms of free speech and assembly, separation of church and state, and the right to security in one's own home. He has vigorously opposed unwarranted governmental invasions of privacy of individuals, the use of the military to spy on civilians, and eactment of preventive detention and no-knock laws.

Some positions SAM ERVIN has taken have not been popular and in some areas such as civil rights legislation and the equal rights amendment, his views have not prevailed. But he has raised the level of debate on these issues. And the course the Nation has taken on many such issues have had to pass the litmus test of constitutionality, a standard to which he strictly adhered.

The Senate and the people of North Carolina and the Nation can take great pride in his contributions to the preservation of our Constitution. We will miss SAM ERVIN but we wish him and his wife Margaret a most happy and rewarding new life back home in North Carolina.

Mr. HASKELL. Mr. President, those whom we will welcome to the Senate next month will be denied a singular pleasure—the opportunity of working with and learning from the distinguished Senator from North Carolina, SAM ERVIN.

That pleasure has been mine during the 2 short years I have been in the Senate and I envy my colleagues who have known SAM ERVIN longer. But even those who will come after he has returned to North Carolina will find evidence of SAM ERVIN's presence here. For every time they delve into the area of individual rights, they will find Senator ERVIN has preceded them. And every time they perceive a threat to the Constitution, they will find he has recognized it first, exposed it most eloquently and defended against it most ferociously.

Though his chairmanship of the Senate Watergate Committee earned him his greatest fame, it was just one more defense of his beloved Constitution in a career filled with such defenses. Still, it is a useful measure of the man. He eschewed partisan shrillness in a situation ripe for it. He was fair when his own simple outrage would have justified excess.

He never abandoned the exhausting search for the truth; lesser men would have shed the burden early on and exploited a situation tailor-made for exploitation.

Just as we must always regret there was ever a Watergate chapter in this Nation's history, we must always be grateful there was a SAM ERVIN to help guide us through it.

Early in my term in the Senate SAM talked to me about his desire to save the New River in North Carolina from destruction. He had introduced a bill to add the New River to the National Wild and Scenic Rivers System. As chairman of the Subcommittee on Public Lands I was privileged to hold a hearing on the bill and to assist in securing passage of slightly modified legislation in the Senate. The fate of that legislation is as yet unresolved and will likely be resolved in these closing days of the 93d Congress. The Senate passage of the New River legislation is but one example of the North Carolina Senator's legislative abilities and his tireless enthusiasm for worthwhile causes.

No one is more deserving of a respite than he and we all wish him happiness, health and joy in his retirement. That is the object of these tributes to him.

But I believe the best tribute we can pay SAM ERVIN is to heed the dangers he identified and to take up the fierce guardianship of the Constitution to which he devoted so much of his life. And it will take us all to do the job that single sentinel did so well.

Mr. TAFT. Mr. President, I rise in honor and tribute to the gentleman from North Carolina. I join in saluting the honored colleague whose study and observations on the vital legal and constitutional questions have served the deliberations in this Chamber. He has kept honest counsel with his convictions. He has remained fearless and composed in the current of these difficult times.

I speak in great respect for Senator SAM ERVIN, the distinguished Democrat. We note this man's devotion to his legislative and judicial service to North Carolina and the Nation, his guidance to the public schools and institutions of higher learning in his great State.

The service of SAM ERVIN to the needs of the people will be remembered. It is through the efforts of great individuals like SAM that our country and our love for it perseveres.

Mr. McGEE. Mr. President, my distinguished colleague, the senior Senator from North Carolina (Mr. ERVIN) has become an institution not only in the U.S. Senate, but throughout the Nation as well.

Now, as we approach the adjournment of the 93d Congress, we witness SAM

ERVIN's last days in this body, having earlier made the decision to retire at the expiration of his present term. SAM ERVIN will be missed. Yet, although he may not be with us in body, his spirit will continue to pervade these halls and those of the Nation as well for many decades to come. SAM ERVIN, the man, leaves us to go into retirement, but SAM ERVIN, the institution, will always be here.

Few individuals, who devote the greater part of their lives to public service, have reached the pinnacle that SAM ERVIN has achieved. The Constitution has been his life, and he has come to epitomize that historic document upon which the very foundation of this Nation rests. The rights of the individual have been a sacred trust to which the gentleman from North Carolina has paid assiduous attention. The safeguard of these rights has been his constant goal.

Before closing my remarks, I must appropriately note the role SAM ERVIN played as chairman of the Senate Special Watergate Committee. It was a critical role and one which was vital to the Nation reeling under the trauma of events characterized as Watergate. It was probably SAM ERVIN's finest hour, if not the finest hour of the U.S. Senate. SAM ERVIN demonstrated our system operating at its best and we survived one of our worst crises as a Nation because of his leadership, wisdom, and guidance.

I wish SAM ERVIN the very, very best in his retirement. He will be sorely missed. But we are fortunate the institution will still remain with us as we continue to grapple with the problems of individual rights and liberties and continue striving to live up to the ideals contained in that historic document known as the Constitution.

Mr. JAVITS. Mr. President, I wish to join my colleagues in paying tribute to Senator SAM ERVIN whose long, distinguished, indeed remarkable, public career is now coming to an end.

It has been my privilege to serve with him, to join with him in many legislative battles, and also to oppose him on issues upon which we deeply disagreed. He has been to me both a staunch and effective ally, and a respected and honorable adversary. I have particularly enjoyed serving with him on the Government Operations Committee where in the past year an enormous amount of important public law originated, including the extraordinary Congressional Budget and Impoundment Control Act.

SAM ERVIN has been a profound believer in the individual's rights and has won landmark battles in his struggle to protect the freedom of the individual from the power of the state. He has always believed that the Constitution could and should be made to work, and he has tirelessly espoused the position that the words of that document meant exactly what they said.

In this modern age, we frequently hear that freedom for the individual is sometimes incompatible with the needs of a modern, industrialized urban society. Senator ERVIN has demonstrated again and again that that freedom for the individual is based not on relics of 18th century utopianism. In this last session of Congress alone, he has labored mightily to enact legislation to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals by Federal, State, and local governments.

He has sought to promote governmental respect for the privacy of citizens by requiring all departments and agencies of the executive branch and their employees to observe constitutional rules in the computerization collection, management, use, and disclosure of personal information about individuals.

I had the privilege of joining with him in developing this legislation, as well as on a number of other measures. His leadership this year in repealing the "no-knock" provisions of the Federal and District of Columbia drug enforcement laws, and his determined investigation of army surveillance programs aimed at civilian political activities are but two examples of his extraordinary contributions to the public interest.

No comment about the public life and achievements of SAM ERVIN could be complete without reference to his extraordinary role in the investigation of the entire Watergate matter. His sensitivity to the clear-cut assaults on the Bill of Rights which were at the heart of this tragic episode had a significant impact in setting in motion the ultimate vindication of our constitutional system.

The power at the disposal of any modern government to repress the individual is fearsome. Senator ERVIN's long vigilance in preserving that freedom is his greatest legacy.

Mr. THURMOND. Mr. President, so much has been said and written about Senator SAM ERVIN in the past few years that there is hardly anything new that I can add. However, I cannot let a man who has served his country so long and so well depart from this Chamber without a few words of thanks and congratulations.

SAM ERVIN has represented the State of North Carolina for more than 20 years. When he first came to Washington in 1954, he already had quite a reputation as an expert in constitutional law, but it was confined mostly to legal and political circles. Today, as he prepares to retire, his eminence in this field is known to the entire Nation. A thorough knowledge of our Constitution is an accomplishment which I cannot praise highly enough, and which I cannot recommend highly enough to other Members of Congress. The Constitution is the foundation of our strength as a Nation, and SAM ERVIN has understood this important truth as well as any man of our time.

Another attribute of Senator ERVIN which I have particularly admired is his sharp wit. He has frequently enlivened a dull committee session or Senate debate with an appropriate Biblical quotation, or a few lines from Shakespeare, or a humorous anecdote from his colorful home State. Sometimes he has used his wit merely to make us laugh, but just as often he has made us think more clearly about the subject under discussion. Senator ERVIN is living proof that a man can be serious without being somber.

Mr. President, the Senate will never be quite the same without SAM ERVIN. He combines scholarship, wisdom, and humor in a personality that is unique. Mrs. Ervin, too, is an exceptional and charming individual. Mrs. Thurmond and I have greatly enjoyed knowing both of them. As they get ready to leave Washington, we wish them a long and happy retirement, and the same success in all future endeavors that they have enjoyed in the service of this country.

TRIBUTES TO SENATOR WALLACE F. BENNETT

Mr. PERCY. Mr. President, the Senate will lose a mighty champion of economic responsibility and the free enterprise system when WALLACE BENNETT retires at the end of this session of Congress. One of the very few Members of the Senate with a business background, WALLACE BENNETT consistently espoused those continuing principles which have made the economy of this country the envy of the world.

First elected to the Senate in 1950, WALLACE BENNETT has served with distinction, most notably on the Senate Banking and Senate Finance Committees. For 4 years I had the privilege of serving on the Senate Banking Committee with him. There I observed his efforts to make the institutions over which the committee had jurisdiction more efficient and better serving their constituencies and clientele. The banking laws and the housing laws of this country are better formulated due to WALLACE BENNETT. His concern for individual privacy, of growing concern to all Americans, was evidenced years ago in his concern over passage of the Foreign Bank Secrecy Act which he felt would violate fundamental individual liberties. Belatedly many others in this Chamber have also come to the same realization.

I salute WALLACE BENNETT also as a person for his many personal kindnesses and his devotion to his family and to his church. I wish him more years in which to further his interests outside the Senate.

Mr. HANSEN. Mr. President, retirement of the distinguished gentleman from Utah, Mr. BENNETT, is a very real and personal loss to me because his guidance and strong leadership as the ranking Republican member of the Senate Finance Committee, on which I serve, has meant much and added significantly to the solid laws that committee has helped put on the law books for a number of years at a critical time in our Nation's history.

Mr. BENNETT has been a source of inspiration to all of us, and I am pleased to have this means to salute his efforts and wish him and Mrs. Bennett well as they make plans to return to Utah.

The U.S. Senate will be a poorer place with Senator BENNETT's leaving; he has added much to our proceedings in a quiet and effective way, and his knowledge and courtesy have made him most persuasive.

Senator BENNETT can look back on a long list of accomplishments for the State of Utah, the West, and the United States. Those accomplishments are the mark of a true leader and will stand as an enduring monument to his legislative abilities.

On a personal note, Senator BENNETT's contributions to the weekly Senate prayer breakfast group have been important to me, and I want to thank him sincerely for his interest and dedication to those gatherings. They have helped me to try to be a better person—and hopefully, a better Senator—and I am most grateful to him.

His interest in the Senate prayer group mirrors his strong tie and constant interest in his church activities, the Church of Jesus Christ of Latter-day Saints. I know he will continue to be most active in that fine work, especially in the West, and that is certainly a labor of love for him.

We will miss Senator BENNETT here in the Senate. But his fine work will live on as an enduring testament of excellent performance and steadfast dedication to principle.

Mr. MOSS. Mr. President, as many of the Members of this body know, my Utah colleague, WALLACE BENNETT, and I have not always seen alike on all problems, and have not cast our votes on the same side of every issue. But throughout the 16 years we have served together in the U.S. Senate, I have maintained the highest regard and admiration for him. It is with deep regret and a genuine sense of loss that I contemplate his retirement at the end of this session.

WALLACE BENNETT has been consistent in the posture he has assumed and the votes he has cast. He is a conservative Republican who has held steadfastly to his belief in government which governs least. He has opposed many of the Federal programs which I have supported, but I have always respected his point of view because I knew it came from deep conviction. We can ask no more of a man in the U.S. Senate than he be true to himself, and that he vote for what he feels is best for his country and his State, and this I believe WALLACE BENNETT has always done.

Senator BENNETT and I have agreed wholeheartedly on a number of issues of special importance to Utah, including the development of our scarce water resources—notably the development of the Central Utah project—and we have agreed on the necessity of continuing the defense contracts the State now has, and of bringing in more of them. It has been good to have his considerable effort and influence in these battles, and Utah has profited from them.

Utah has also felt—as has the rest of the country—the impact of his services as ranking member of the Senate Finance Committee and the Senate Banking and Currency Committee. Many of the significant bills which have come from these committees have had his imprint on them. His most outstanding accomplishments are probaby his legislation which established the peer review of the work of physicians paid by Federal funds, and his bill which eliminated silver in American coins.

One of the greatest tributes which can be paid this son of Utah is that, although he has been in Washington for 24 years, his roots have always remained firmly planted in his native State. He is of pioneer stock—his father was brought across the plains at the age of 3—and he has held steadfastly to the principles and beliefs of his pioneer heritage—hard work, clean living, high moral standards.

He has had at his side one of the finest and most charming wives a man could have—Frances Grant Bennett, daughter of former president of the LDS Church, Heber J. Grant. Frances Bennett will be missed in Washington equally as much as her husband.

WALLACE BENNETT has two notable achievements which probably no one else will mention, so which I, as his Utah colleague, wish to call to your attention. He is the first popularly elected Senator in Utah's history to retire voluntarily. And he has 27 grandchildren—the Senate record, so far as I know.

WALLACE BENNETT has left his mark on American life in many ways during his 24 years in the Senate, and he should retire with a sense of achievement and satisfaction. He will be sincerely missed.

Mr. BAKER. Mr. President, I am pleased to join today in honoring our distinguished colleague from Utah, Senator WALLACE BENNETT.

Since 1959, Senator BENNETT has served on the Joint Committee on Atomic Energy, and, for the last 3 years, I have had the pleasure of working with him as a member of that body. Senator BENNETT has worked unceasingly to maintain the delicate balance between the peaceful and military applications of nuclear energy. As a tireless advocate of international cooperation in the development of atomic power, he has traveled throughout the world in support of the International Atomic Energy Agency and the Atoms for Peace program. At the same time, Senator BENNETT has been one of the foremost advocates of a nuclear defense capability "second to none" and he is one of the major congressional supporters of a nuclear-powered Navy. It has been my great privilege to serve beside him on the Joint Committee, and he has been a constant source of inspiration and guidance.

Although Senator BENNETT's other committee assignments are many and varied, he is perhaps known best of all among his colleagues as the champion of fiscal responsibility, through leadership as ranking minority member of the Senate Finance Committee and service as a member of the Committee on Banking, Housing and Urban Affairs, the Joint Committee on Internal Revenue Taxation and the Joint Committee on Reduction of Federal Expenditures.

Senator BENNETT's retirement this year will end 24 years of service in the Senate—service which has been of equal value to his party and to the Nation. But his contributions throughout those years will remain with us, and I believe his colleagues will all feel enriched through having served with him.

I will miss Senator BENNETT's friendship, leadership and guidance; and I wish him peace and happiness during the years of his retirement ahead.

SENATOR FROM NEVADA

The PRESIDENT pro tempore. The Chair lays before the Senate communications, which the clerk will report.

The legislative clerk read as follows:

DECEMBER 11, 1974.

Hon. MIKE O'CALLAGHAN,
Governor of Nevada,
Carson City, Nev.

DEAR GOVERNOR O'CALLAGHAN: This is to inform you that I have, by letter to The Honorable James O. Eastland, President Pro Tempore of the Senate, tendered my resignation as a Member of the United States Senate from Nevada, effective as of the close of business Tuesday, December 17, 1974.

It is my understanding that this advice enables you to proceed pursuant to NRS 304.030 to appoint an individual to serve in the Senate for the balance of the term expiring in January, 1975. The enclosed form of "Certificate of Appointment" is sufficient for the certification of such an appointment.

Cordially,

ALAN BIBLE.

DECEMBER 11, 1974.

Hon. JAMES O. EASTLAND,
President pro tempore, U.S. Senate,
Washington, D.C.

DEAR SENATOR EASTLAND: I herewith tender my resignation as a Member of the United States Senate from Nevada to become effective as of the close of business on Tuesday, December 17, 1974.

Cordially,

ALAN BIBLE.

The PRESIDENT pro tempore. The Chair lays before the Senate the certificate of appointment of Senator-designate PAUL LAXALT, of Nevada, to fill the unexpired term of Senator ALAN BIBLE. The clerk will read the certificate.

The legislative clerk read as follows:

[State of Nevada, Executive Department]

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify, That pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Nevada, I, Mike O'Callaghan, the Governor of said State, do hereby appoint

PAUL LAXALT

a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Senator ALAN BIBLE, is filled by election, as provided by law.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 18th day of December, in the year of Our Lord one thousand nine hundred and seventy-four.

[SEAL]

MIKE O'CALLAGHAN,
Governor.
WILLIAM D. SWACKHAMER,
Secretary.

The PRESIDENT pro tempore. If the Senator-designate will present himself at the desk, the oath of office will be administered to him.

Mr. LAXALT, escorted by Mr. CANNON, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the President pro tempore; and he subscribed to the oath in the official oath book.

[Applause, Senators rising.]

TEN-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now stand in recess for 10 minutes, so that Senators may greet their new colleague and that he may meet his new colleagues.

There being no objection, at 12:09 p.m. the Senate took a recess for 10 minutes.

The Senate reassembled at 12:19 p.m., when called to order by the Presiding Officer (Mr. BURDICK).

COMMITTEE ASSIGNMENTS OF SENATOR LAXALT

Mr. HUGH SCOTT. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 465) relating to the committee assignments of Senator LAXALT, was read, considered by unanimous consent, and agreed to, as follows:

S. RES. 465

Resolved, That Mr. LAXALT of Nevada is hereby assigned to service on the Committee on Appropriations and the Committee on Interior and Insular Affairs during the remainder of the 93d Congress.

ESTABLISHMENT OF A WORKING CAPITAL FUND IN THE DEPARTMENT OF JUSTICE

Mr. HRUSKA. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 17010.

The PRESIDING OFFICER (Mr. BURDICK) laid before the Senate the bill (H.R. 17010) to establish a working capital fund in the Department of Justice, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the present bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr.ROBERT C. BYRD. For the record, has this measure been cleared with the appropriate Senators on the committee on this side of the aisle?

Mr. HRUSKA. It has. It has been cleared, Mr. President, with the members of the committee. In fact, at the regular session of the Committee on the Judiciary yesterday, this bill was considered and approved for favorable consideration in its present form.

Mr. ROBERT C. BYRD. Was there any objection?

Mr. HRUSKA. There was no objection.

The bill (H.R. 17070) was considered, ordered to a third reading, read the third time, and passed.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 12:21 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 12:24 p.m., when called to order by the Presiding Officer (Mr. BURDICK).

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8958.

The PRESIDING OFFICER (Mr. BURDICK) laid before the Senate the amendemnt of the House of Representatives to the amendment of the Senate to the bill (H.R. 8958) to amend the Federal Property and Administrative Services Act of 1949 to provide for the disposal of certain excess and surplus Federal property to the Secretary of the Interior for the benefit of any group, band, or tribe of Indians.

In lieu of the matter proposed to be inserted by the Senate amendment, insert: : *Provided*, That such transfers of real property within the State of Oklahoma shall be made to the Secretary of the Interior to be held in trust for Oklahoma Indian tribes recognized by the Secretary of the Interior when such real property (1) is located within boundaries of former reservations in Oklahoma as defined by the Secretary of Interior and when such real property was held in trust by the United States for an Indian tribe at the time of acquisition by the United States, or (2) is contiguous to real property presently held in trust by the United States for an Oklahoma Indian tribe and was at any time held in trust by the United States for an Indian tribe.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendemnt of the House of Representatives.

The motion was agreed to.

EXTENSION OF AUTHORIZATIONS UNDER WATER POLLUTION CONTROL ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 4073.

The PRESIDING OFFICER (Mr. BURDICK) laid before the Senate the amendment of the House of Representatives to the bill (S. 4073) to extend certain authorizations under the Federal Water Pollution Control Act, as amended, and for other purposes, as follows:

Page 3, after line 4, insert:

SEC. 5. Section 315(h) of the Federal Water Pollution Control Act is amended by striking out "$15,000,000" and inserting in lieu thereof "$17,000,000".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 12:25 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 12:36 p.m., when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The Senator from Michigan.

H.R. 13869—A BILL FOR THE RELIEF OF CARL C. STRAUSS AND MARY ANN STRAUSS

Mr. GRIFFIN. Mr. President, I ask that the bill (H.R. 13869), which is at the desk, be made the pending business.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD) laid before the Senate a message from the House of Representatives on H.R. 13869, an act for the relief of Carl C. Strauss and Mary Ann Strauss.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to the consideration of the bill.

Mr. GRIFFIN. Mr. President, I will recite that this bill, which involved the sum of $3,634.50, has been cleared and approved by the chairman of the Committee on the Judiciary, the ranking Republican on the committee and also the chairman and the ranking member of the subcommittee having jurisdiction of that matter, and I have the authority of the chairman and ranking member to call it up and seek passage by unanimous consent.

The bill was ordered to a third reading, read the third time, and passed.

RECESS UNTIL 1:15 P.M.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:15 today.

There being no objection, the Senate, at 12:39 p.m., recessed until 1:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUDDLESTON).

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized, and following the remarks by Mr. HUGH SCOTT of Pennsylvania, Mr. CLARK be recognized for not to exceed 15 minutes; that Mr. HARRY F. BYRD, JR., be recognized for not to exceed 15 minutes; that Mr. BROCK of Tenneessee and Mr. JAVITS be recognized for not to exceed 15 minutes; and Mr. ROBERT C. BYRD for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. HUDDLESTON). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 3922

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 3922, a bill to amend the Coastal Zone Management Act of 1972, is called up and made the pending business before the Senate, there be a time limitation thereon of 10 minutes, to be equally divided between and controlled by the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Alaska (Mr. STEVENS), with a time limitation on amendments thereto of 10 minutes each, except for an amendment to be offered by the Senator from Wisconsin (Mr. NELSON), on which there be a time limitation of 20 minutes, and a time limitation on any debatable motion or appeal of 10 minutes; and that the agreement be in the usual form except as to the amendment by Mr. NELSON, which, as I understand, may not be germane.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF SENATOR HAROLD HUGHES

Mr. MOSS. Mr. President, HAROLD HUGHES has left his mark in many ways during his 6 years in the U.S. Senate, but in no way more deeply than through enactment of legislation to help control alcoholism and end drug abuse.

It was my privilege to work with Senator HUGHES, especially in the area of alcoholism control, and I shall always be happy that I had this opportunity. One of the first bills I introduced when I came to the U.S. Senate was a measure to give the Federal Government some responsibility in resolving this tragic human problem. I was joined sometime later by Senator JAVITS, and together we introduced and pushed through a bill which provided the first Federal assistance in combating alcoholism.

But it was not until HAROLD HUGHES came to the Senate, and assumed the chairmanship of the Senate Subcommittee on Alcoholism and Narcotics that legislation was enacted which launched a full-scale attack on both problems—legislation which recognized that both alcoholism and drug abuse are medical and not criminal problems. We cannot give too much credit to Senator HUGHES for his leadership in putting this new concept and this massive attack into law.

The Senator from Iowa has also made his influence felt in the environmental field, in efforts to assure equal educational opportunity, in disclosing the full truth about the bombings in Cambodia, and in many other ways.

It will be hard to see him go; it will be hard to lose his effective and dedicated service. But he goes to devote himself to full-time religious work, a decision which has been in the making for more than 20 years, and which is based on his convictions that it is God's will that he do so. I am confident he will use his life well for this "greater purpose" to which he has dedicated himself.

Mr. BAYH. Mr. President, when this Congress adjourns sine die we will lose the valuable services and insights of the senior Senator from Iowa, HAROLD HUGHES. The Senator has opted to continue serving the people, as he has so long in public life in Iowa and here in the Senate, out in the field as a lay religious leader. To achieve this end, Senator HUGHES decided to relinquish his Senate seat.

Senator HUGHES has been with us for a relatively brief time, but in this short time he has impressed me as a tireless individual with unselfish dedication to the people of Iowa and the United States.

In the time we have served together, Senator HUGHES and I have worked closely with one another on several issues. It was my pleasure to work with him on the very important Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act passed by this Congress—Public Law 93-282.

As can be inferred from my opening statement, the fact that Senator HUGHES is leaving the Senate does not mean he is abandoning his commitment to the public well-being. Fortunately that commitment burns brightly.

It is a tribute to his devotion to God, as well as his sincerity and integrity that the good Senator from Iowa has decided to leave the Senate to work within the church following his conscience in a manner that evokes our deep respect. I have no doubt that he will prove as effective a public servant in this endeavor as he has in the Senate.

Senator HUGHES has led a varied and full life; a life which has led him from behind the wheel of a semitruck to the Halls of the U.S. Capitol. The breadth of his experience far exceeds that of many of us in this body, and it is appropriate that he is retiring from the Senate to follow still another path for the public good. While the people of Iowa will lose the services of a fine Senator and those of us staying behind will lose a valued and respected colleague, many others will be the beneficiaries of the special dedication and devotion of this servant of the people . . . and God.

TRIBUTE TO SENATOR HOWARD M. METZENBAUM

Mr. BAYH. Mr. President, when the 94th Congress convenes in January, we will be without the service of several of our distinguished colleagues. Among those who will not be returning is the junior Senator from Ohio, my good friend (Mr. METZENBAUM) and I would like at this time to convey to the Senator my appreciation for the fine work he has done in this body.

Mr. METZENBAUM was appointed by Governor Gilligan to his Senate seat in early 1974 when former Senator William Saxbe left to take the post of Attorney General of the United States. In but a very short period of time, Mr. METZENBAUM established himself as an able legislator and made a significant contribution to deliberations and the accomplishments of the 93d Congress.

I had the good fortune to observe closely the fine legislative hand of HOWARD METZENBAUM on several measures including the Foreign Investment Review Act (S. 3955), which I was proud to cosponsor and which is now pending before the Commerce Committee. I was consistently impressed with the depth of the Senator's knowledge and his political acumen.

There is no doubt that Senator METZENBAUM has left an important mark upon the Senate, but his achievements here should have surprised no one. His work as U.S. Senator is simply one additional aspect of a long and distinguished public record. Mr. METZENBAUM served in the Ohio State Legislature from 1943 to 1950, and has been for years a leading member of the Ohio Democratic Party organization, serving as a member of the Democratic executive committee since 1966, and as a member of the Democratic finance committee since 1967.

We will miss Mr. METZENBAUM, but I prefer to believe that while his talents are lost to the Senate, he will continue to serve the public and that the Nation's loss will be one of a very temporary nature.

TRIBUTE TO SENATOR MARLOW W. COOK

Mr. HANSEN. Mr. President, I am pleased to join with my colleagues to express appreciation to Senator MARLOW COOK for his achievements as a member of the U.S. Senate.

As a member of the Commerce, Judiciary, and Rules Committees, Senator COOK has played an important part in the development of significant legislation of benefit to the people of Kentucky and all the States.

I admire Senator COOK's ability and the contributions he has made to good government as a Member of this body. I am pleased to join with his colleagues, his family and friends in thanking him for a job exceptionally well done, and in wishing him the very best for the future.

I have admired Senator COOK's ability as a debater on the floor of the Senate. His great speaking abilities were always clearly evident, and it was obvious that he enjoyed the give and take of that part of the legislative process and was most effective at making a point and pushing amendments he considered important.

That quality, Mr. President, is a rare one, and he will be missed as we enter the first session of the 94th Congress in January of 1975.

Mr. President, MARLOW COOK's legislative experience has been extensive, beginning with service in the Kentucky House of Representatives in 1957, so I know that he will continue to be involved in activities that are important to our country's future.

To that end, we wish him well in the years ahead, safe in the knowledge that we have not heard the last of him as an effective leader who is deeply concerned about our Federal Government and the way it conducts its business.

It has been my very real pleasure to know Senator COOK and to work with him in the Senate for the past 6 years. He will not be forgotten.

SENATOR GEORGE AIKEN AND SENATOR NORRIS COTTON: A TRIBUTE TO TWO SENATE INSTITUTIONS

Mr. BUCKLEY. Mr. President, it is one of the customs of the Senate to pay tribute to Senators who are retiring. In the case of GEORGE AIKEN of Vermont and NORRIS COTTON of New Hampshire, however, we do more than publicly honor two distinguished public servants. These men have, through many years of dedicated service to the people of their States and to the people of this country, achieved the status of Senate institutions. It has been estimated that the Senator from Vermont has held public office for more than 43 years at the local, State, and national levels, and that the Senator from New Hampshire, as he retires from public life this year, will have completed more than 50 years of public service. Almost 100 years of experience in public affairs can be traced in the lives of these two men. I think it is not necessary to add that both the Senate and the Nation will sorely miss their counsel, their wisdom, and their accomplishments.

Senator AIKEN, known and revered as the dean of the U.S. Senate, and Senator COTTON, chairman of the Republican Conference have demonstrated the rare gift of leadership. Yet despite the well-deserved influence they have had among their colleagues, they have never lost sight of the fact that it is the people who elected them and the people whom they represent.

Mr. President, I have chosen to pay tribute to both of these Senators in one speech for a special reason. They have typified the admirable qualities long associated with the small but important States of Vermont and New Hampshire: common sense, common decency, the ability to work long and hard to achieve desirable goals, and the admirable personal characteristic of integrity. They represent together the very special contribution to this Nation that has long come from the New England area. For this and for so much, it is fitting that we honor them.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Harrison Loesch and Fred Craft be accorded the privileges of the floor.

Mr. ROBERT C. BYRD. Reserving the right to object, for what length of time?

Mr. McCLURE. During the pendency of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER ALLOWING SENATOR STAFFORD TO SIGN CONFEREES' REPORT ON SENATE JOINT RESOLUTION 40

Mr. STAFFORD. Mr. President, I ask unanimous consent that I be allowed to sign the conferees' report on Senate Joint Resolution 40.

I was a conferee on that resolution, but due to my presence at another conference, I was unable last night to sign the report during the evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 3839—NATIONAL HISTORIC PRESERVATION FUND

Mr. HANSEN. Mr. President, I ask unanimous consent that my staff man, Brent Kunz, may be granted privilege on the floor during the debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—LAND AND WATER CONSERVATION FUND ACT

Mr. JOHNSTON. Mr. President, I ask unanimous consent that my legislative assistant, Mr. Haygood, and Mr. James Beirne of the Interior Committee be granted privilege of the floor during debate and during voting on the Land and Water Conservation Fund Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

TIME LIMITATION AGREEMENT—S. 3839—NATIONAL HISTORIC PRESERVATION FUND

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 3839, the land and water conservation bill, is called up and made the pending business before the Senate, there be a time limitation thereon of 30 minutes, the time to be equally divided between Mr. JOHNSTON and Mr. HANSEN; there be a time limitation on any amendment thereto of 20 minutes; a time limitation on an amendment by Mr. BUCKLEY of 1 hour; a time limitation on any amendment to an amendment of 20 minutes; a time limitation on any debatable motion or appeal of 10 minutes; and that the agreement be in the usual form, with the exception of an amendment to be offered by Mr. JAVITS, which may not be germane.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL HISTORIC PRESERVATION FUND

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 3839.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3839) which had been reported from the Committee on Interior and Insular Affairs with amendments:

On page 1, in line 5, strike out "That the" and insert "SEC. 101. The".

On page 2, in line 2, strike out "$750,000,000" and insert "$1,000,000,000".

On page 2, in line 5, strike out "$750,000,000" and insert "$1,000,000,000".

On page 2, beginning with line 7, strike out:

(b) After clause (2) of section 2(c) insert the following new clauses:

"(3) of the $750,000,000 authorized to be credited to the fund for each of the fiscal years 1975 through 1989 under clause (2) a sum of $250,000,000 shall be set aside each year in a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund. The revenues in this special account each such year shall be available for appropriation, in addition to appropriations authorized for the same purposes under any other law, to the Secretary of the Interior for grants to the States and through the States to local public bodies, under the terms and conditions specified in section 6(f) of this Act or such other terms and conditions as the Secretary may prescribe, to finance not more than 70 per centum of the cost of acquiring open space land in urban areas, and fragile or historic lands, and the remaining share of such cost shall be borne by the State in a manner and with such funds or services as shall be satisfactory to the Secretary. The appropriations made pursuant to this clause shall be available to the Secretary for administrative expenses and to provide technical assistance in connection with the grants authorized by such clause, and shall remain available until expended;

"(4) the appropriations made pursuant to clause (3) of this subsection shall be allocated to the States by the Secretary on the basis of needs as determined by him, except that the total allocation to an individual State shall not exceed 10 per centum of the total amount allocated to the several States in any one year. Any amount of any fiscal year allocation which has not been paid or obligated by the Secretary at the end of two succeeding fiscal years shall be allocated to the States without regard to such 10 per centum limitation.

"(5) As used in clause (3) of this subsection the term—

"(i) 'Fragile or historic lands' means those areas identified by the State in the comprehensive statewide plan required by subsection 6(d) as areas of critical environmental concern where uncontrolled or incompatible development could result in substantial damage to important historic, cultural, scientific, or esthetic values or natural systems that are of more than local significance, such lands to include shorelands, rare or valuable ecosystems and geological formations, significant wildlife habitats, wilderness areas, and wetlands.

"(ii) 'Local public body' means any public body (including a political subdivision) created by or under the laws of a State or two or more States, or a combination of such bodies, and includes recognized Indian tribes.

"(iii) 'Open space land' means any land located in an urban area and which has value for park and recreational purposes, for conservation of land and other natural resources, or for historic, architectural, or scenic purposes.

"(iv) 'Urban area' means any area which is urban in character, including those surrounding areas which, in the judgment of the Secretary, form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities."

On page 4, in line 25, strike out "(c)" and insert "(b)".

On page 5, beginning with line 5, insert:

(c) The first sentence of section 6(c) of the Act is amended to read as follows: "Payments to any State shall not cover more than 50 per centum of the cost of planning or development projects, and not more than 70 per centum of the cost of acquisition projects, which are undertaken by the State."

(d) Subsection (d) of section 6 is amended by inserting the following new language after the first sentence: "Each State requesting assistance under this Act shall submit its plan to all relevant areawide planning agencies designated pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1968 and for title IV of the Intergovernmental Cooperation Act of 1968. The Secretary is directed to consider any views or comments submitted to him by such agencies as well as by any subdivision of a State, which views have first been submitted to the Governor of such State, in his evaluation of the statewide plan and in his consideration of individual projects pursuant to subsection (f) of this section.

On page 5, in line 24, strike out "(d)" and insert "(e)".

On page 6, at the end of line 6, insert "under this Act for recreation purposes".

On page 6, in line 8, after "the" insert "planning and".

On page 6, in line 10, strike out "when" and insert "within areas where the Secretary determines that (1) the".

On page 6, in line 12, strike out "other".

On page 6, in line 13, strike out "resources." and insert: "resources; and (2) the increased public use thereby made possible justifies the construction of such facilities.".

On page 6, beginning with line 16, insert:

(f) The fourth paragraph of subsection (f) of section 6 is amended by deleting "and (2)" and inserting in lieu thereof "(2) provide to the Secretary not later than 90 days after the close of each fiscal year, a list of all projects funded during that fiscal year, including, but not limited to, a description of each project, the amount of Federal funds employed in such project, the source of other funds, and the estimated cost of completion of the project, and (3)".

(g) Section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9(a)(1)) is amended by striking out:

"Endangered Species and Threatened Species.—For lands, waters, or interests therein, the acquisition of which is authorized under section 5(a) of the Endangered Species Act of 1973, needed for the purpose of conserving endangered or threatened species of fish or wildlife or plants.

"Recreation at Refuges.—For the incidental recreation purposes of section 2 of the Act of September 28, 1962 (76 Stat. 653; 16 U.S.C. 400k–1); and"

and inserting in lieu thereof the following:

"National Wildlife Refuge System.—Acquisition for (a) endangered species and threatened species authorized under section 5(a) of the Endangered Species Act of 1973; (b) areas authorized by section 2 of the Act of September 28, 1962, as amended (16 U.S.C. 460k–1); (c) national wildlife refuge areas under section 7(a)(5) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(5)); (d) any areas authorized for the National Wildlife Refuge System by specific acts; and".

On page 7, at the beginning of line 22, insert "Sec. 201."

On page 7, beginning with line 24, insert:

(a) Subsection (c) of section 102 is redesignated as subsection (d), and the following new subsection (c) is inserted before said subsection:

"(c) The Secretary may in his discretion waive the requirements of paragraph (3) of subsection (a) of this section for the purposes of making grants (i) for the preparation of statewide historic preservation plans and surveys and project plans, (ii) for projects to preserve historic properties of national significance, (iii) for projects to demonstrate methods and techniques of historic preservation, and (iv) for projects to restore certain historic properties with a view to designating and preserving such properties for use as meeting houses in connection with this Nation's bicentennial. Any grant made pursuant to this subsection may not exceed 70 per centum of the cost of a project, and the total of such grants made pursuant to this subsection in any one fiscal year may not exceed one-half of the funds appropriated for that fiscal year pursuant to section 108 of this Act."

On page 8, at the beginning of line 16, strike out "(a)" and insert "(b)".

On page 8, after 'Secretary," insert "." and strike out:

and insert thereof: "*Provided*, That the Secretary may, in his discretion, waive the requirements of paragraph (3) of subsection (a) of section 102 of this Act for the purposes of making grants for the preparation of statewide historic preservation plans and project plans, but any such grant shall not exceed 70 per centum of the cost of such plans."

On page 9, at the beginning of line 3, strike out "(b)" and insert "(c)".

On page 9, beginning with line 22, insert:

TITLE III

Sec. 301. Notwithstanding any other provision of law, any appointment to the following Federal offices after the date of enactment of this Act shall be made by the President by and with the advice and consent of the Senate—

(1) Director of the Bureau of Land Management;

(2) Director of the National Park Service;

(3) Director of the Bureau of Outdoor Recreation;

(4) Commissioner of Reclamation; and

(5) Governor of American (Eastern) Samoa.

TITLE IV—STATES' OIL SHALE FUNDS

S53. 401. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": And provided further, That all moneys paid to any State from sales, bonuses, royalties, and rentals of oil shale in public lands may be used by such State and its subdivisions for planning, construction, and maintenance of public facilities, and provision of public services, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by the development of the resource."

so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LAND AND WATER CONSERVATION FUND

Sec. 101. The Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–4 et seq.), is further amended as follows:

(a) In clause (1) of section 2(c) strike out "and not less than $300,000,000 for each fiscal year thereafter through June 30, 1989" and insert in lieu thereof "not less than $300,000,000 for each of the fiscal years 1971 through 1974, and not less than $1,000,000,000 for each of the fiscal years thereafter through June 30, 1989". In clause (2) of section (2) strike out "or $300,000,000" and insert in lieu thereof ", $300,000,000 or $1,000,000,000".

(b) In the third sentence of section 6(b), delete "7" and substitute "10", and at the end of the fifth sentence of said section, change the period to a comma and add "without regard to the 10 per centum limitation to an individual State specified in this subsection."

(c) The first sentence of section 6(c) of the Act is amended to read as follows: "Payments to any State shall not cover more than 50 per centum of the cost of planning or development projects, and not more than 70 per centum of the cost of acquisition projects, which are undertaken by the State."

(d) Subsection (d) of section 6 is amended by inserting the following new language after the first sentence: "Each State requesting assistance under this Act shall submit its plan to all relevant areawide planning agencies designated pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1968 and for title IV of the Intergovernmental Cooperation Act of 1968. The Secretary is directed to consider any views or comments submitted to him by such agencies as well as by any subdivision of a State, which views have first been submitted to the Governor of such State, in his evaluation of the statewide plan and in his consideration of individual projects pursuant to subsection (f) of this section.

(e) In section 6(e) delete the paragraph numbered (2) and substitute the following paragraph:

"(2) Development.—For development of basic outdoor recreation facilities to serve the general public, including development of Federal lands under lease to States for terms of twenty-five years or more: *Provided, however*, That not more than 25 per centum of the total amount allocated to a State in any one year under this Act for recreation purposes may be approved by the Secretary for the planning and development of sheltered facilities for recreation activities normally pursued outdoors within areas where the Secretary determines that (1) the unavailability of land or climatic conditions provide no feasible or prudent alternative to serve identified unmet demands for recreation resources; and (2) the increased public use thereby made possible justifies the construction of such facilities.".

(f) The fourth paragraph of subsection (f) of section 6 is amended by deleting "and (2)" and inserting in lieu thereof "(2) provide to the Secretary not later than 90 days after the close of each fiscal year, a list of all projects funded during that fiscal year, including, but not limited to, a description of each project, the amount of Federal funds employed in such project, the source of other funds, and the estimated cost of completion of the project, and (3)".

(g) Section 7(a) (1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9(a) (1)) is amended by striking out:

"Endangered Species and Threatened Species.—For lands, waters, or interests therein, the acquisition of which is authorized under section 5(a) of the Endangered Species Act of 1973, needed for the purpose of conserving endangered or threatened species of fish or wildlife or plants.

"Recreation at Refuges.—For the incidental recreation purposes of section 2 of the Act of September 28, 1962 (76 Stat. 653; 16 U.S.C. 400k–1); and"

and inserting in lieu thereof the following:

"National Wildlife Refuge System.—Acquisition for (a) endangered species and threatened species authorized under section 5(a) of the Endangered Species Act of 1973; (b) areas authorized by section 2 of the Act of September 28, 1962, as amended (16 U.S.C. 460k–1); (c) national wildlife refuge areas under section 7(a) (5) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(5)); (d) any areas authorized for the National Wildlife Refuge System by specific acts; and".

TITLE II

National Historic Preservation Fund

Sec. 201. The Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. 470), is amended as follows:

(a) Subsection (c) of section 102 is redesignated as subsection (d), and the following new subsection (c) is inserted before said subsection:

"(c) The Secretary may in his discretion waive the requirements of paragraph (3) of subsection (a) of this section for the purposes of making grants (i) for the preparation of statewide historic preservation plans and surveys and project plans, (ii) for projects to preserve historic properties of national significance, (iii) for projects to demonstrate methods and techniques of historic preservation, and (iv) for projects to restore certain historic properties with a view to designating and preserving such properties for use as meeting houses in connection with this Nation's bicentennial. Any grant made pursuant to this subsection may not exceed 70 per centum of the cost of a project, and the total of such grants made pursuant to this subsection in any one fiscal year may not exceed one-half of the funds appropriated for that fiscal year pursuant to section 108 of this Act."

(b) Amend section 103(a) by deleting "*Provided however*, That the amount granted to any one State shall not exceed 50 per centum of the total cost of the comprehensive statewide historic survey and plan for that State, as determined by the Secretary,".

(c) Amend section 108 to read as follows:

"Sec. 108. To carry out the provisions of this Act, there is hereby established in the Treasury of the United States a special fund to be known as the National Historic Preservation Fund (hereafter referred to as the 'Fund'). During the period commencing July 1, 1974, and ending June 30, 1979, there shall be covered into such Fund $150,000,000 annually from revenues due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462, 469), as amended (43 U.S.C. 1338, and/or under the Act of June 4, 1920 (41 Stat. 813), as amended (30 U.S.C. 191), which otherwise would be credited to miscellaneous receipts of the Treasury. Such moneys shall be used only to carry out the purposes of this Act. Moneys covered into the Fund shall be available for expenditure only when appropriated therefor. Any moneys not appropriated shall remain available in the Fund until appropriated for said purposes: *Provided*, That appropriations made pursuant to this paragraph may be made without fiscal year limitation."

TITLE III

Sec. 301. Notwithstanding any other provision of law, any appointment to the following Federal offices after the date of enactment of this Act shall be made by the President by and with the advice and consent of the Senate—

(1) Director of the Bureau of Land Management;

(2) Director of the National Park Service;

(3) Director of the Bureau of Outdoor Recreation;

(4) Commissioner of Reclamation; and

(5) Governor of American (Eastern) Samoa.

TITLE IV—STATES OIL SHALE FUNDS

Sec. 401. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": And provided further, That all moneys paid to any State from sales, bonuses, royalties, and rentals of oil shale in public lands may be used by such State and its subdivisions for planning, construction, and maintenance of public facilities, and provision of public services, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by the development of the resource."

Mr. JOHNSTON. Mr. President, the Land and Water Conservation Fund Act, signed into law in 1964, established a program of matching grants to State and local units of government for the planning, acquisition, and development of outdoor recreation lands. Amendments to the act in 1968 designated portions of the Federal receipts from the Outer Continental Shelf leasing program to be covered into the fund. This reflected the intent of Congress that at least some part of the revenues collected by the Federal Government for disposing of natural resources should be used to acquire other natural resources of lasting value.

The fund is currently authorized at a level of $300,000,000 each year. Unless appropriations are made to the contrary, 60 percent of the appropriations made from the fund are to be used for matching grants to State and local governments. This program has met with enthusiastic response at all levels of government. The matching grant program has funded over $1 billion to date. Thus, the fund has brought forth a massive response to the program of inadequate recreational areas, and State park systems and community outdoor recreation programs have been benefited.

The remaining 40 percent of the fund used for Federal land acquisition has been the source of over $700,000,000 for land acquisition programs by the Federal agencies involved in managing recreation lands. The fund has become the sole Federal funding source for land acquisition programs by the Federal agencies involved in managing recreation lands.

But the level of response to the program has now far exceeded the capacity of the fund at its current authorized level. State administrators of the program have emphasized in testimony before the committee that State and local governments have both the identified needs and the funding capabilities effectively to utilize a matching program at a much higher level.

This response is especially impressive when one notes that the matching grants are made on a 50/50 basis. Each dollar of Federal grant money is bringing forth an equal response from the State and local agencies that benefit from the program. The salutary effects of the recreation benefits derived through the projects are apparent in every part of the country. In any consideration of efforts to improve the quality of life for our Nation, the Land and Water Conservation Fund must rank as a major positive influence.

The National Historic Preservation Act of 1966, as amended, provides for a program of matching grants to the States for the preservation of significant historic properties. Currently, the authorization for this program is at the level of $25,000,000 per annum. The Federal funds for use in this program are authorized to be appropriated from miscellaneous receipts. The funds are then made available on the basis of 50/50 matching grants.

As with the Land and Water Conservation Fund, the response to this program has been enormous. In fiscal year 1975, State historic preservation officers have identified over $160,000,000 in requests for matching funds for historic preservation. The current level of Federal support is vastly insufficient to assist the demonstrated needs for preservation activities. In addition, many historic properties are being lost to other uses due to the lack of available support. The approach of the Bicentennial year has led to widespread willingness to support historic preservation projects on a variety of levels. However, increased Federal funding of matching grants is needed to catalyze this interest.

The demonstrated willingness on the State and local level to match a greatly expanded level of funding is particularly critical for the historic preservation program. Great numbers of structures of identified historic value are lost each year, as a lack of funds to make preservation or restoration possible consigns them to further decay or outright destruction. Also lost are the positive economic benefits that have been demonstrated in cases in which historic restoration work has taken place.

Past experience has shown that the restoration of one structure in an area will frequently stimulate the repair and improvement of nearby buildings, raising property values and stimulating interest throughout the locality. The positive impact of this program extends far beyond the dollars from the Federal grants to benefit entire communities. Now the need is to increase the matching grants program to meet this need.

Mr. President, the legislation which we are considering today represents a major effort to deal with the growing recreational needs of the American people. In an era of energy shortages, recession, and unchecked inflation, we must bring our recreation facilities to the people. The States and the Federal

Government have recognized this. But the price of a decent life is high, and it will not get cheaper.

States have identified over $45 billion in recreational needs to 1985 in their statewide outdoor recreation plans, and the land acquisition backlog of the National Park Service may very well reach $700 million. Every day, more and more land is lost to development—open land, green land, land where children can play and families can enjoy a nonurban environment.

We can sit back and watch areas such as the Santa Monica Mountains outside Los Angeles, the Cuyahoga Valley between Akron and Cleveland, the Chattahoochee outside Atlanta, and a hundred other open areas outside a hundred other cities disappear; or we can act.

We can condemn the children of our cities to a world of concrete and soot-filled skies, teaching them to play in the streets and alleys; or we can provide recreational facilities.

The choice is ours.

Historic properties also are being lost to development. Our heritage, to the extent that it is reflected in our historical properties, is indeed an endangered species. The Historic Preservation Act, since its enactment in 1966, has provided over $32 million; but this is not nearly enough. In my own State of Louisiana last year, a request for over $500,000 was met by only $100,000. This year Louisiana has requested four times as much. States have placed over $160 million to the cause of historic preservation. This legislation will seek to match that dedication.

Mr. President, this bill is very simple, but very important to this Nation.

What it does is increases the Land and Water Conservation Fund from $300 million to $1 billion annually and establish a National Historic Preservation Fund of $150 million annually.

To those who say that this is inflationary, I say, Mr. President, that it is essential that property for recreation, for open space, be acquired now while prices, though inflationary, are fractions of what they will be in the future.

Even at the $1 billion funding level, Mr. President, it will take years and years to finance those projects which the Congress already has authorized for acquisition.

Mr. President, this bill also contains $150 million for historic preservation—again to acquire and restore these properties while these historic treasures of the Nation are still available and not yet destroyed through time and neglect.

Mr. President, this bill in committee received very strong bipartisan support, and I recommend it. I urge it to everyone in the Senate as important for the Nation, and important for the quality of life for all the citizens of this country I urge that the Senate today enact the bill.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HANSEN. I yield 5 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I think this is the first time in my service in the Congress that I have risen to oppose the action that is being taken in ostensibly increasing funding for outdoor recreation.

It is the first time in my experience in the Senate that I have felt it necessary on the floor of the Senate to oppose the action that was taken by my committee. But in good conscience, I cannot sit by and see what has been done in this bill as being portrayed to the American people as an assist towards the parks and recreation program of the States and Federal Government.

I think this might be best stated as one small step toward the stated need and one great leap backwards from real accomplishment in the field to which we are addressing ourselves, Mr. President, that we embarked upon the creation of the land and water conservation fund for one reason alone. That is, that the appropriations process of the Congress had not felt it necessary, had not yielded itself really to addressing the needs for outdoor recreation opportunities for the people of this country, and we created initially a trust fund concept in order to earmark some revenues from a special program creating income to that trust fund in order to get more money into the field of land and water conservation, primarily for outdoor recreation.

That move was successful, although the original fund did not generate the receipts that it was supposed to generate. So we later supplemented that by going into the outer continental shelf funds and brought that up from $30 million a year, at first, to $200 million a year, and later to $300 million a year. I supported each and every one of those efforts because I thought it was important. I served for 6 years in the House of Representatives. I served on the Interior Committee, and the Parks and Recreation Subcommittee of that committee, as well as my service on the Parks and Recreation Subcommittee in this body.

During the period of time that I have been in Congress, we have made more significant advances in the field of outdoor recreation than in all of the rest of the history of this country put together. I believe the record bears that out.

We do have a backlog of acquisitions because we tarried too long. We tarried too long because we were not able to compete in the budget for the necessary number of dollars to put into this effort.

Now we are going to destroy all that effort overnight by overdoing a good thing. We are going to kill the goose that laid the golden egg, as we try to find the source of all these goodies.

We are overdoing it by increasing this fund from $300 million a year to $1 billion a year. It is not because we do not need the money that I oppose this; it is because we are not going to get the money. The Senator knows it and I know it.

The Senator from Oklahoma proposed an amendment in the committee, discussed it, and I understand proposed the amendment today, to provide what is already a fact, that if the Appropriations Committee does not see fit to give us all the money that is in he fund, that money will lapse back into the Treasury.

I say to you, if we put a ceiling on this fund that is so large that no one here really believes that we will actually get that money from the appropriations process, and we put it into that fund and then provide for it reverting back to the Treasury, we have destroyed the trust fund concept. All in the world we will be doing is cycling dollars through a trust fund without any real increase in the needs of outdoor recreation in this country.

This is a devastating blow to the hopes of those of us who have worked to create a trust fund concept that will actually get more money into the outdoor recreation needs of our country.

We have had arguments over how it should be divided between the States and the Federal Government. We will have some arguments later on, I understand, on the apportionment among the States of the States' share of this fund.

THE PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McCLURE. Will the Senator from Wyoming yield an additional 5 minutes?

Mr. HANSEN. Yes.

Mr. McCLURE. I thank the Senator for yielding the additional time.

The backlog of needs is enormous. We know that. We can add it up. It is billions.

The Senator from Louisiana is exactly correct when he says at the rate we are spending it will take years to clear up the backlog, just the Federal need. It will take even more years to clear up the backlog of State needs.

The State recreation plans that have been developed under the stimulus of this program is one of the most constructive steps we have taken in years in the field of outdoor recreation.

Yet we are going to throw that all away as we try to upstage everyone else in saying we are more for outdoor recreation than anyone else.

I resent the implication that if you do not vote for $1 billion somehow you are opposed to it. We know we are not going to get $1 billion a year into this fund. The Appropriations Committee will not give us that amount of money. The administration will not stand still for that amount of money.

We have been debating in this last week how do we spend additional billions of dollars to create jobs for men and women who are idled by economic downturn. That is the kind of priority that we are going to be addressing ourselves to as we try to stem inflation and at the same time curb the effects of the downturn in economic activity upon the jobs and the livelihood of men and women in this country who are affected by economic recession.

It is madness for us to talk about going from $300 million a year to $1 billion a year as though we really intended that to happen.

We have been debating the public service employment. The Senator from West Virginia and I, among others, have been trying to focus the efforts of the Federal payments on job production, a matter of absolute first priority to this country.

Here we are talking about an additional $700 million to go into the acquisition of parks and recreation areas. God knows we need them. I know we need them. But the priority has to be with the job preservation of people in this country.

I would ask the Senator from Michigan if all these men who are unemployed by the downturn in the auto industry are going to be satisfied with the fact that we will create more parks for them to spend their idle time in while they are unemployed.

Our country will not stand for that priority. Our country should not stand for that priority. This Congress will not stand for that priority.

When we get around to the budgetary process, as we will have it next year, there is no question in my mind, no question at all, that we will not go into the Outer Continental Shelf Fund for an additional $700 million a year to put into the acquisitions, as worthy as they are, as great as that need is.

I say all we are doing in this measure now, as we seek to increase it, is to kill off a good program, render all the efforts of the last several years absolutely in vain, and we will have done nothing except grandstand for the galleries and for the public of this country in trying to tell them that we are doing something for them which we know very well we are not doing.

That is why I have to say that I very reluctantly and sadly oppose the action that is taken by this committee. Later I will propose an amendment to cut it back to what I think is a reasonable, attainable, honest figure which we can take before the Appropriations Committee with, and before the Office of Management and Budget, and defend. But we cannot defend this. I do not think there is anyone here who has any illusions that we are going to get that kind of money.

It is with a sad heart that I make these comments. I know that the Senator from Louisiana is very sincere in stating the need. But he has not been through this battle of trying to get these dollars through the trust fund concept. He is not sensitive to the fact that if we had not had this trust fund we would not have had these dollars at all, nothing like we have been able to accomplish.

So I very sadly, and I hope with some humility, stand before this body and say this is not a step forward, but a great leap backwards, in our efforts to provide outdoor recreation facilities for our people.

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes remain.

Mr. JOHNSTON. I yield myself 2 minutes, Mr. President.

Mr. President, never, or rarely, have I been opposed by someone on a bill who agrees so strongly with the thrust of the bill—the thrust of this bill being that we need recreation and that we need to acquire these lands while they are still available, before they come under the developer's bulldozer, and we lose them forever.

With that, the distinguished Senator from Idaho and I are in agreement. The disagreement is whether by increasing the fund we will actually somehow get less money.

I would suggest to the distinguished Senator that under the Constitution this Congress has the power to pass a law and to set up a trust fund.

As the distinguished Senator said, we would never have gotten $300 million, had we not put it in a trust fund.

I think the American people are demanding, wanting, urging, and mandating the Congress to give a high priority to parks and recreation, and that they do not think that $1 billion, out of a budget in excess of $300 billion, is too much to acquire properties that, after all, are not going to be spent—they are not going to be wasted—but they are going to be kept in perpetuity for the people of the United States.

Mr. President, I think unless we do increase the fund, we are going to guarantee that we are not going to get any more money from the Appropriations Committee than we have been getting. We both agree that $300 million is not enough. We both agree that the Appropriations Committee is not appropriating enough. But at least one reason they are not appropriating enough is that they cannot exceed the $300 million limit contained in present law.

I say, let us pass this bill with $1 billion, which is not an excessive goal, not profligate spending, but a reasonable reachable goal.

Mr. McCLURE. Mr. President, will the Senator yield for one comment in regard to his comments?

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining. The Senator was misinformed originally about the 5 minutes. He had 12 minutes at that time.

Mr. JOHNSTON. I promised the Senator from Wyoming that I would yield to him.

Mr. McCLURE. Will the Senator yield me 1 minute?

Mr. JOHNSTON. I yield 1 minute to the Senator.

Mr. McCLURE. The Senator indicated that Congress is now limited by the $300 million ceiling, and that is totally false. I warned at the time we went to $200 million from the $30 million approximately that we had that the Appropriations Committee would regard the $200 million as a ceiling, not as a floor, not because the law said that but because they take it that way. That is precisely what has happened.

They have regarded that as the ceiling. They have put the entire reliance of the Federal budget for outdoor recreational facilities within this trust fund, and there is no ceiling.

All we have to do, as the Senator from Louisiana indicates, is to persuade the Appropriations Committee to appropriate more. They can go over the $300 million now, if we can persuade them. But we were not able to persuade them before; we will not be able to persuade them under this bill.

The PRESIDING OFFICER (Mr. William L. Scott). Who yields time?

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. McCLURE. Mr. President, reserving the right to object, may I ask that they be considered as original text for the purpose of amendment?

Mr. JOHNSTON. Yes. I so modify my request, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry. I ask recognition to offer an amendment.

Mr. JOHNSTON. That was with respect to the committee amendments.

Mr. WILLIAMS. The only change, then, would be in identification of the amendments to be offered, I suppose, but it does not affect the substance, as I understand it.

Mr. JOHNSTON. Yes. It does not affect the matter to which the Senator from New Jersey wishes to address himself.

AMENDMENT NO. 2085

Mr. WILLIAMS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. Williams), for himself and Mr. Buckley, proposes amendment No. 2085.

The amendment is as follows:

On page 5, between lines 15 and 16, insert the following:

(e) In the first sentence of subsection 6(b), delete paragraphs numbered (1) and (2) and substitute the following:

"(1) 20 per centum shall be apportioned equally among the several States;

"(2) 75 per centum shall be apportioned on the basis of need to individual States by the Secretary in such amounts as in his judgment will best accomplish the purposes of this Act. The determination of need shall include, among other things, consideration of density and urban concentration within individual States as well as consideration of the Federal resources and programs in the particular State; and

"(3) 5 per centum shall be made available to individual States to meet special or emergency needs, as determined by the Secretary.".

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUCKLEY. I call attention to the fact that this is the amendment as to which we reserved 1 hour under the unanimous consent agreement.

Mr. WILLIAMS. I yield myself 5 minutes.

Mr. President, this amendment which the Senator from New York and I have submitted is an effort to use this great program in a way that will bring a new measure of benefit in recreational opportunity to areas in this country where the predominant number of people live. The formulas have been oriented more toward area than toward people, and this is designed to redress that imbalance in some degree.

Mr. President, today, 7 of every 10 Americans live in relatively few large metropolitan areas—on 1.5 percent of our Nation's land area, while only 3 percent of our public recreation lands are within 1 hour's driving time from the center of the major metropolitan areas.

The resources for outdoor recreation are simply not available to our urban dwellers, but the overwhelming majority of recreation is sought close to home in the afterwork, afterschool hours or on short 1-day outings.

It is interesting to note that only 2 of our 50 largest cities are within a 50-mile range of a national park and only 6 more major cities are within a 100-mile range of a national park.

The magnitude of the popular support for the Gateway National Recreation Area in New York and New Jersey and similar projects elsewhere is due in large part to the fact that the parks will be accessible to residents of crowded urban areas.

In the face of these facts, we find that the Land and Water Conservation Fund, which has been the greatest Federal resource for the acquisition and development of parks and recreation areas is weighted heavily in favor of our less populous areas.

Forty percent of the Fund is used by the various Federal agencies—such as the National Park Service—to acquire land for public recreation.

The other 60 percent of the LWCF is made available to the various States for their park programs.

This State's share is apportioned under a statutory formula which requires that 40 percent of the annual appropriations be divided equally among the 50 States.

The balance of the "States share" is to be distributed according to need.

The inequity of this formula is manifest.

The State of Alaska receives $4.73 per capita while Texas gets only 60 cents, nearly 8 times less.

Wyoming gets $4.32 per capita while my home State, New Jersey, receives only 73 cents.

This disparity exists at the local level as well.

Analyses by the Bureau of Outdoor Recreation have demonstrated that densely populated counties received the least funds per capita from the LWCF and sparsely populated counties received the most funds.

In an evaluation of all Federal outdoor recreation programs, the General Accounting Office stated flatly that:

> The LWCF formula for apportioning grant funds to the states does not meet the needs of the people living in urban areas.

The GAO study goes on to state that:

> Greater benefits could have been achieved had more projects been located in densely populated, low-income areas having few outdoor recreation opportunities and whose residents were limited by low income from traveling to areas having more abundant facilities and opportunities.

The amendment which Senator Buckley and I offer today would partially redress this imbalance.

Alaska would still do better than Texas, but it would receive only 3.8 times as much money per capita instead of 8 times as much.

Our amendment would distribute 20 percent of the "States share" of the LWCF evenly.

Seventy-five percent would be apportioned on the basis of need, and 5 percent would be allocated at the discretion of the Secretary.

In recent years pollution, development, and suburbanization have taken a heavy toll on urban outdoor recreational sites.

The days are gone when one could go for a swim in the city's river or take the trolley to the amusement park at the end of the line.

The inequities that exist in the distribution of outdoor recreation resources are severe, and they are steadily becoming more pressing.

In the face of diminishing opportunities, Department of the Interior studies show that most Americans now participate in some form of outdoor recreation.

Furthermore, participation is increasing at the rate of 10 percent per year, and conservative projections indicate that with rising income and more leisure time, participation will increase fourfold by the year 2000.

The inadequacy of urban recreational facilities is felt most keenly by those at the lower end of the income scale.

These people are almost entirely dependent upon nearby public facilities.

On the other hand, many more opportunities are available to affluent city dwellers because of their ability to take advantage of private recreational facilities and because of their increased mobility.

Studies by the Department of the Interior, for example, have shown that those using the national parks are most likely to be better educated, white, young, well off economically, and residents of suburban areas.

Our major parks simply are out of reach for most Americans.

In 1969, Department of the Interior studies indicated that it would require at least $25 billion above existing expenditure levels to afford urban dwellers the same amount of nearby recreational opportunity by 1975 that was available on the average in 1965.

Obviously, if we set out to perform that task today, in 1974, it would be much, much more costly.

It may be that we are unable to provide fully for the urban recreation space which is so desperately needed.

Nevertheless, we have an opportunity with this amendment to correct a serious inequity.

We can redirect our LWCF dollars to those areas where they are most needed and where they will be most beneficial.

We can do this at no loss to any State because we are increasing the size of the Fund at the same time we are changing the distribution formula.

I should note that this amendment will not alter our ability to protect and preserve our most extraordinary natural resources.

Money for our national parks and for other Federal recreation lands is not affected at all by this proposal.

In 1970 in testimony before the Subcommittee on Department of the Interior and Related Agencies, House Committee on Appropriations, the Director of the Bureau of Outdoor Recreation stated:

> What we end up with is an overall conclusion that in effect we have the people on one part of the continent and the recreational facilities on another part.
>
> What the Senator from New York and I propose is equitable and simple.
>
> We propose to bring parks to the people.
>
> That is where they should be.

In urging colleagues to support this amendment, I should like to say that the formula that we used is, I think, precisely the formula that was advanced by a prior administration, the Nixon administration. It has the dignity of having had administration support—at that time.

It has the unqualified support of an organization of great dignity, the National League of Cities.

Mr. President, I ask unanimous consent to have printed at this point in the Record the letter addressed to me from the National League of Cities, signed by Mr. Pritchard, the executive vice president, which indicates not only their support for this, but their dismay if it is not accepted by the Senate.

There being no objection, the letter was ordered to be printed in the Record as follows:

National League of Cities,
December 17, 1974.

Hon. Harrison A. Williams,
U.S. Senate,
352 Old Senate Office Building,
Washington, D.C.

Dear Senator Williams: I am writing to express the strong support of the National League of Cities, representing 15,000 cities nationwide, for your amendment to the Land and Water Conservation Fund legislation which will go before the Senate this week. This amendment, by increasing the amount of funds apportioned to the states for recreation projects on the basis of need, is the minimum step that must be taken this year to gain some equity in the distribution of federal funds under this program.

The cities of this nation are in desperate need of recreational outlets for the citizens. They are lacking in open space; they are lacking in funds to acquire and develop land for recreation; and their citizens, particularly minortiy and low income persons, cannot afford the luxury of traveling to the wide open space into which the federal government has invested so much over the last decade.

It is time that Congress and the Administration recognize and do something to meet the need for recreation opportunities *where people are*—in the cities and in the populous states of this nation. It should no longer be acceptable for per capita federal recreation assistance in the least populous states to be five and even ten times that of states like New York, Californai, Ohio, and New Jersey. We cannot afford this because of the cost of

> energy, and we cannot afford it because the results are grossly inequitable.
>
> City representatives have worked long and hard this year to convince both the House and Senate that a change in the Land and Water Conservation Fund formula is necessary, that more weight must be given to population factors in the distribution of these funds. Now we find ourselves in the position of being unable to support legislation to expand the LWCF program unless tangible progress is made toward this goal. We feel that your amendment, introduced in earlier years by the Administration, represents such progress, and the nation's city officials fully support you in your effort to have it enacted.
>
> Sincerely,
>
> Allen E. Pritchard, Jr.,
> *Executive Vice President.*

Mr. WILLIAMS. I say to my cosponsor and colleague, the Senator from New York, I know the herculean work that he has put in on this amendment, not only in advancing it today but in building an understanding over a long period of time in the Senate of the nature of the amendment and the equity of the amendment. I am happy to be, with him, sponsor of this legislation.

Mr. BUCKLEY. Mr. President, I thank the distinguished Senator from New Jersey for his kind remarks. I believe that he has demonstrated, over the years, his own tremendous interest in doing precisely what he outlined; namely, to make sure that we have a more equitable distribution of funds so that we may create adequate recreational facilities and parks within reach of our major centers of population.

Mr. President, the objective of our amendment to S. 3839, a bill to amend the Land and Water Conservation Fund Act of 1965 is a simple one. We propose to change the formula under which the Secretary of the Interior apportions the Land and Water Conservation Fund among the States and territories so that we can better meet the need for recreation opportunities where the people are, in the cities and populous States and this Nation.

Currently, 40 percent of the Land and Water Conservation Fund appropriation is made available to various Federal agencies such as the National Park Service to acquire land for public recreation; our amendment would have absolutely no effect upon the Federal share. The States share, however, is apportioned to the States and territories under a statutory formula requiring two-fifths of the annual appropriation be apportioned equally among the 50 States; the remaining three-fifths of this money is distributed to the 55 States and territories according to need. Of this, 5 percent is placed in a contingency fund for special uses and the remaining 55 percent is distributed on population and land resource considerations.

The grossly inequitable results of using this formula are, for example, at current authorization levels, that the State of Alaska could receive $4.73 per capita, while populous States, including New York, New Jersey, California, Michigan, Ohio, Florida, Texas and others could each receive less than 73 cents per capita.

This disparity is further exacerbated by the fact that those States which now benefit most under the present States share formula happen also to be those States which tend to receive the most money under the Federal share. This is due to the fact that there is a heavy concentration of National Park acreage and other recreation land in a few sparsely populated States. For example, the beautiful State of Wyoming boasts 7.24 percent of the National Park Acreage, but only .17 percent of the U.S. population.

Our amendment would not eliminate the disparity entirely since factors other than population ought to be taken into account in distributing funds, but it would mitigate the inequity so that Alaska could only receive 3½ times the per capita distribution of California instead of 8 times as much.

As reported by the Committee on Interior and Insular Affairs, S. 3839 would raise the authorization level from the existing $300 million level to $1 billion. Our amendment calls for 20 percent of the State share to be apportioned equally instead of 40 percent.

We cannot afford to waste our finite financial resources by inefficiently allotting abundant recreation funds to one State while its neighbor State with more people must forego park acquisition and development plans for its residents because of a smaller allotment. As the GAO stated in an evaluation of all Federal outdoor recreation programs:

> Greater benefits could have been achieved had more projects been located in densely populated, low-income areas having few outdoor recreation opportunities and whose residents were limited by low income from traveling to areas having more abundant facilities and opportunities.

Furthermore, our energy situation argues persuasively for the acquisition and development of land where people can best use and enjoy it.

As the executive vice president of the National League of Cities has written to me:

> The cities of this nation are in desperate need of recreational outlets for their citizens. They are lacking in open space; they are lacking in funds to acquire and develop land for recreation; and their citizens, particularly minority and low income persons, cannot afford the luxury of traveling to the wide open spaces into which the federal government has invested so much over the last decade.

I urge my colleagues to join us in voting to reduce the great disparity in recreation allotments to the several States. Now is an appropriate time to make this sensible change since the committee is recommending a substantial increase in the Fund; no State would actually lose funds under our amendment.

Certainly, some States will benefit more than others under a formula change. But I must emphasize that the principle of more equitable distribution of Federal resources is vitally important because only in this way will adequate funds be distributed to the areas of greatest need, while still meeting the needs of smaller, less populous States.

Mr. President, I summarize four points: No. 1, considerations of equity. Under the existing formula for distribution of funds, we see an extraordinary per capita distortion. For example, the State of Alaska would receive $4.73 per capital, whil the more populous States, such as New York, New Jersey, California, Michigan, Ohio, Florida, Texas, and others receive far less. In fact, California would receive just 60 cents per capita.

This disparity is further exacerbated by the fact that those States which now benefit the most from the President's "States share" formula happen to be those States which tend to receive the most money under the Federal share; namely, those areas that have large percentages of their land in Federal ownership.

In this connection, I cite as an example that the State of Alaska has 28 percent of its total national park acreage, with only 0.15 percent, or one and a half tenths of a percent, of the population.

A second point that I should like to make has to do with the energy crisis. It has been widely observed that this past summer, many of the recreational areas closer to cities had a far larger patronage than in the past, whereas, some of the remoter recreation areas were having far fewer visitors than in the recent pass. What this suggests is that fuel conservation-minded motorists will utilize areas closer to home if they are available; therefore, if we can encourage the trend to develop such nearby recreational areas, we shall contribute significantly to the savings of gasoline for family vacations.

Third, the land values in the more populous States are significantly higher than in the less-populated ones. Therefore, in terms of actual need on the basis of cost per acre, it makes sense to make the kind of redistribution utilizing the new formula that we propose.

Finally, to reinforce a point I had alluded to earlier, those States which benefit most on a per capita basis under existing conditions are those States that have the least need, for the simple reason that they already have the greater predominance of existing national parks and recreational facilities.

The formula that the Senator from New Jersey and I are urging is, as he has stated, a formula that has been recommended by the administration after a careful study of cost-effectiveness. Second, it does not create parity, it merely begins to approach parity.

Under the existing formula, for example, Alaska would receive eight times as much in per capita distribution as California. Under the formula that we have submitted, that excess would be reduced to merely 3.5 times the California share.

I suggest to my friends from the West that what we are proposing here is equity. What we are proposing here makes sense. What we are proposing is merely a step toward compromise.

Mr. President, I reserve the remainder of my time.

Mr. BIDEN. Mr. President, will the manager of the bill yield a few minutes to hear a statement in opposition to the points raised?

Mr. JOHNSTON. I yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, as the Senator from New Jersey knows, even though I am from the second smallest State in the Nation in terms of land size and, I guess, fifth or sixth smallest in the Nation in regard to population, I have voted with him and others from the larger States when it comes to formulas for the distribution of highway funds and mass transit funds, because I thought there was merit to the arguments in those instances. However, I am worried about this formula for two reasons.

No. 1, there are some States, like the State of Delaware—and I shall not presume to say what other States are in the same position—that have neither national parks nor large population, but have need.

What the Senator's formula will do in this particular instance, with the limited amount of dollars that we have to deal with to begin with, will be to insure that a State like Delaware, which is on that fast-growing east coast megalopolis, will have an opportunity to face the same problem he is now facing, having urbanized before they were wise enough to purchase the necessary land to meet people's needs. There are States like mine in that situation.

Second, there is the situation that the Senator from New York and the Senator from New Jersey have pointed out, that national park studies show that the affluent middle class are the only ones who get to those national parks and use them, and that the ones who are in desperate need of open space, which I concur in *wholeheartedly*, are those in congested urban areas. However there is, as a practical matter, no way to meet that need with the dollars we have provided in this bill, to meet the tremendous need for open spaces to provide for the people in those circumstances with whom we are most concerned.

I suggest that studies would show that the people in New York City, New York, and New Jersey have little opportunity even to go to the Adirondacks, let alone go to Utah, Arizona, or any of the States which have the larger national park systems; so I do not know that the Senators will solve that problem.

In a State like my own, the situation will become worse as we continue to grow. Density is really the question here—as my little State becomes more densely populated and acreage becomes more scarce, because we are unable to move under the Federal legislation to insure that we keep some of that property green and clean, we will be in the situation, some few years from now, where we have the same problem as the larger urban States, with none of the clout to be able to rectify our situation.

For that reason, as well as others which I do not have time to go into, since I asked for only 3 minutes, I would hope that my colleagues, whether for parochial reasons or more esthetic reasons than those I have suggested here today, will vote against the amendment proposed by the distinguished Senator from New York and the distinguished Senator from New Jersey.

Mr. JOHNSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, the arguments made by the distinguished Senators from New Jersey and New York are most appealing until you look at the facts.

The facts are that this bill as it is presented, with the committee amendments that have been incorporated en bloc, now provides for the very kind of help that I think can be most meaningful for those highly populated, dense areas of the East. The formula of Federal money in relation to State money that can go for the purpose of land acquisition will provide increased recreational opportunities. The matching requirements had been increased from a 50–50 split to a 70–30 split, with the Federal Government picking up 70 percent of the tab for the cost of acquisition.

I know that when Laurance Rockefeller, when head of the ORT Committee back some 10 or 15 years ago, identified as one of the real needs of the country, the opportunity for people in large metropolitan areas to have access, readily and easily, to recreational areas.

This bill will provide the kind of muscle to permit New York and New Jersey—two States which, incidentally, have among the highest per capita incomes of the 50 States—to have the chance to take their dollars and get for each one of their dollars two and one-third times as much Federal money to go toward the acquisition of such areas than they would have under the existing formula.

With respect to the second point the Senator from New York spoke about, the public lands in the West, it is very true that we have public lands in the West. It is also true that they are not without some fiscal strain and fiscal drain on the States. We have to provide opportunities for people who come out there. As the Senator from Utah, Mr. Moss, whom I see in the Chamber, knows perfectly well, when people come to visit Bryce, Zion, or any of the other great natural areas in the State of Utah, the State of Utah has the added burden, as we have found to be true in Wyoming, of taking care of people who come out there.

I think this bill is entirely correct in spreading the money around as is being done. Additionally, while there is a 70–30 split on the Federal contribution for acquisition, it is also true that 60 percent of the total moneys available under this act will be expended on the basis of 50–50 for providing for planning and development. As you work down through the formula, the money needed to provide States with the opportunity to meet special or emergency needs is also in there. As the bill is now, 60 percent is apportioned on the basis of need, and 40 percent is apportioned equally among the States.

So there is no reason now at all why the State of New York or the State of New Jersey could not tap this fund or take moneys from the fund in order to meet their requirements on two different bases: First, to have the Federal Government participate in the purchase of needed real estate; and second, to do it on the basis of need.

When we authorized the Gateway National Park a few years ago, Mr. President, Congress appropriated $12 million for acquisition, to respond specifically to the needs of the people in New York City and in the metropolitan areas juxtaposed to New York City and New Jersey. In addition, there was an appropriation of $92 million for development.

Congress has not been insensitive at all to the needs of the bigger, more densely populated States, as is proven by the action in authorizing and in creating the Gateway National Park and making available $104 million of Federal funds.

I think the formula should not be changed. I think it is exactly right the way that it is, and I would hope that Congress makes no changes from the committee report.

Mr. JOHNSTON. I yield myself 3 minutes.

Mr. President, we have recognized that urban areas must be given priority and must be given recreational opportunity where it is possible to do so. In fact, the Department of the Interior has, indeed, established urban parks. For example, $104 million was granted for the Gateway Park outside of New York City, and a great thing it is. The Golden Gate Park has been established in San Francisco. The President now has before him the Cuyahoga Park in the Cleveland-Akron area. Santa Monica and Chattahoochee, two areas outside Los Angeles and Atlanta, respectively, are under consideration. Hearings have been held on these areas, and consideration is being given to Federal programs in these areas.

Mr. President, the reason for the formula is that it recognizes that some areas that have the area and do not have the people are the areas visited by the people from the cities. If we gave a billion dollars for a park right inside of New York City, we could not tear the buildings down, plant the trees, make the lakes, and do the other things necessary. We would have to go somewhere outside of the city. That was the basic reason for this formula.

Mr. President, I believe the most persuasive argument I can make is that under the Buckley amendment, some 33 States would lose revenue, three would stay the same, and 14 would gain revenue. For the benefit of those who are interested in how the States would come out, let me recite the list, showing the States that would lose under the Buckley formula: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina is about even, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin about the same, and Wyoming.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. WILLIAMS. I know it is helpful to the Senate to have that list read. I wonder if the population of the States that have gained and the States that have lost has been added up, too. I wonder if the Senator from Louisiana has it.

Mr. JOHNSTON. I have not. It is very clear that the bigger population States gain and the relatively smaller population States lose. There is no question about that.

But I would suggest that arguments made to those States that are going to lose would have to be pretty persuasive. For instance, under the Williams-Buckley amendment Alaska would receive $2,949,000 rather than $5,205,000.

Mr. WILLIAMS. What percentage of Alaska right now is federally owned?

Mr. JOHNSTON. A rather large percentage of Alaska is governmentally held.

Mr. WILLIAMS. So the part of Alaska that is available to this fund is decreased by the amount that is already in Federal hands, is it not?

Mr. JOHNSTON. That is correct. But, of course, the money in this fund is available for building facilities as well. So it can be used for development costs to some extent, as well.

I simply mention these States to alert the Senator, and I am sure he is aware of this, that his case must be very persuasive to convince States to give up their money.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. I will reserve the remainder of my time.

Mr. MOSS. Mr. President, will the Senator yield 2 or 3 minutes?

Mr. HANSEN. I yield such time as the Senator may desire.

Mr. MOSS. I have listened with interest and care to the arguments here presented by the Senator from New Jersey and the Senator from New York, as well as the others who have spoken.

This is an area to which I have given considerable concern over a number of years, and I had some part in working out the formula that we are talking about here.

Of course, whenever you get to a formula for a distribution of the funds, you can get all kinds of variations, and what we have here today is an attempt to rewrite on the floor a formula so that it tilts more toward the large populous States and less toward the more sparsely settled States.

That puts into the formula a greater weight on simple population. But there are other factors to be considered, and this is what we took into account when we worked out the formula in the first place, and that is what the Interior Committee has done as it has considered this amendment, this changing of the amount of money to come into the land and water conservation fund. We have considered that formula again and tried to take into account these other factors, and there are other factors.

The Senator from Wyoming mentioned the fact that some States have a large proportion of their lands that are federally owned now. Mine is one of those States. But that is a mixed blessing because Federal lands, other than some small part of the fees for rental for grazing or something, do not pay any taxes to the State, and yet the State has the burden of police services for those lands and those who go on those lands, providing medical care, hospitalization, all of the services that must be provided, and yet the lands still belong to the Federal Government.

So those States really have less in resources with which to put in to match the Federal money when it is necessary if they want to acquire lands for park purposes.

Now, all of us seem to agree, even the Senator from Idaho in his speech against the bill, in general, to the laudable purpose of the bill, and agree with what we are trying to do. The manager of the bill especially is stressing the fact that there is an urgency because of the accelerated costs of land that are going up, and that we will not be able to acquire them for economic reasons, as well as the fact that many of these lands may be filled and destroyed and unusable when we do want to get them, so we all agree we ought to move on with it.

I think we ought to move on, and I think we ought to keep the formula that is now proposed by the committee and in the bill because I think it is a very fair one. It does give some balance to population.

If you read the amounts of money that are going to come to the various States, you will see that the big populous States are going to get in numbers of dollars a lot of money, more than the other States.

When you begin to relate it back and forth, population and dollars, then it changes a little bit because that is when the other factors come in.

Therefore, I strongly oppose changing the formula here on the floor. I think it is a good one. I think we ought to go forward with it. And if, after living with it another 3 or 4 years, we want to come back on the floor or come into the committee and talk about it, surely we can. But let us not jiggle it up now. Let us go forward with the bill as it is. Let us pass it and see if we cannot get this augmentation of the funds that we need for the acquisition of lands for recreational purposes.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I believe that the principal arguments have been blocked out, but I would like to address myself to two or three points that have been raised.

First of all, my distinguished friend, the Senator from Wyoming, stated that somehow or other shifting from a 50–50 matching formula to a 70–30 percent Federal-State formula uniquely benefited the more populous States.

I would suggest that to the extent this is a desirable thing to do—and I have doubts about it frankly—it benefits Wyoming and Alaska as well as anyone else.

Secondly, in terms of Gateway National Recreation Area, yes, finally after 180 years there is a park, a national park, in the metropolitan area of New York and New Jersey.

On the other hand, I would like to point out this deals with 40 percent of the funds having to do with Federal expenditures for Federal parks, whereas what we are discussing here is a formula, a change in the formula, for the distribution of the 60 percent of the fund to the States to meet so-called State needs.

Also I would like to point out that even while talking about the Gateway National Recreation Area we are talking about an area where the great preponderance of the land involved was not purchased or contributed by the Federal Government but was contributed by the city and State of New York and also by the State of New Jersey.

What we have here really is a formula that is flamboyantly arbitrary and cannot be justified on any basis of fact.

I appreciate the concern of my friend, the Senator from Utah, about having floor amendments come up as to which people have had an insufficient opportunity to assess the facts, and so on.

That is not the case here. The formula was proposed early in the year. I introduced in the Interior Committee an amendment to this bill to have this formula adopted. This was rejected, unfortunately, and so we bring it up again here.

There are no consequences that cannot be foreseen. It is straightforward in its effect, and it reduces the per capita disparity from 8 to 1 to something closer to 3½ to 1. I submit that it is reasonable. I submit that it would move toward fairness, and I submit that the Senate ought to enact it.

Mr. President, I ask unanimous consent that Miss Jackie Schaefer may have the privileges of the floor during the vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second?

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Louisiana yield for a question?

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. President, I again ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and the nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I will yield to the distinguished Senator from Virginia for a question.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I would like to ask the distinguished Senator a question on the bill. Is that appropriate at this time?

Mr. JOHNSTON. Yes, we are on the amendment, but a question on the bill is all right.

Mr. HARRY F. BYRD, JR. I note that the authorization is for a period of 15 years.

Mr. JOHNSTON. That is correct.

Mr. HARRY F. BYRD, JR. Well, is

that not quite a precedent for this body. Have we ever had such 15-year authorizations?

Mr. JOHNSTON. Yes, this is a trust fund, somewhat in the nature of the highway trust fund, for example, which under present law goes to 1989.

So this is not extending the life of the trust fund, it is increasing the amount of money in the trust fund.

Mr. HARRY F. BYRD, JR. And the money for the trust fund comes from what source?

Mr. JOHNSTON. From the Outer Continental Shelf revenues which this year are expected to run in the neighborhood of $8 billion.

Mr. HARRY F. BYRD, JR. Does the committee feel that it is justified in having a 15-year authorization?

Mr. JOHNSTON. Yes, the idea of the trust fund is to have a designated amount payable from a depletable resource, that is, the Outer Continental Shelf revenues, that can be used to plan intelligently for acquisitions of land.

If we had $10 billion to spend this year, we would not be able to spend it all in the first year.

Mr. HARRY F. BYRD, JR. I agree. I think it is a fine program, and I support the program.

I am just wondering whether it is good legislation to authorize a program for 15 years. It seems to me that the Congress would want to authorize it for a shorter period of time so that every 3 years, or whatever it might be, we would have an opportunity to debate the matter and go into it.

Mr. JOHNSTON. Well, actually, we have to appropriate every year, the trust fund is created.

Mr. HARRY F. BYRD, JR. Yes.

Mr. JOHNSTON. But it is subject to appropriations each year, so that the money does not actually go out of the trust fund, it is appropriated.

Mr. HARRY F. BYRD, JR. It would have to be appropriated, but it appears to me somewhat similar if the Committee on Armed Services were to give the Defense Department a 15-year authorization for x number of dollars.

Mr. JOHNSTON. The difference would be that the money still has to be appropriated.

As I say, this bill makes absolutely no change in the language of the appropriation. The Land and Water Conservation Fund was created initially with a 25-year life and it has some 15 years yet to run, so, really, that question is not before us now because we are not trying to change that at all.

Mr. HARRY F. BYRD, JR. Yes, but the question before us now is whether we want, in one piece of legislation, to authorize the expenditure of, in this particular case, $1 billion for a 15-year period, annually for a 15-year period.

Mr. JOHNSTON. The wisdom of that is, I think, very, very strong.

We have projects already authorized by Congress, already enacted into law, which at the present level of funding would, I believe, extend beyond the 15-year life.

In other words, if we did not acquire one new park, one new acre, but used every cent they have available to us in that fund right now, over the 15-year life, we still would not acquire them all by the end of the life of the fund.

Mr. HARRY F. BYRD, JR. But that is not the point that the Senator from Virginia is interested in.

The point that the Senator from Virginia is trying to make is, should we establish a precedent of authorizing appropriations for 15 years ahead of time?

Mr. JOHNSTON. Well, I believe very strongly so, yes.

Mr. McCLURE. Will the Senator yield?

Mr. JOHNSTON. Yes, I yield a minute to the Senator from Idaho.

Mr. McCLURE. Mr. President, in response to the distinguished Senator from Virginia, I think it is well to look at the historical evolution of this fund, which when it was first created had a precise set of income factors, the sale of license fees, the sale of excess Federal property, which was thought at the time it was set up to generate funds in the neighborhood of $35 million to $45 million a year.

At that time, the trust fund concept was set up over a period of time.

Congress later then went to the Outer Continental Shelf Fund to raise that income in steps to the present $300 million a year, but still preserving the trust fund concept.

The committee's bill now purports to extend that trust fund concept, by putting $1 billion a year into the trust fund.

I spoke earlier to the fact that although we were going to put $1 billion a year under this authorization——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLURE. Will the Senator yield 1 additional minute?

Mr. JOHNSTON. I yield.

Mr. McCLURE. I thank the Senator.

It would destroy the trust fund concept. And while the Senator from Louisiana rightly says it depends upon appropriation, the appropriation is the money coming out of the trust fund, not going in.

The Committee on Appropriations would not appropriate money from the Outer Continental Shelf Fund into the trust fund, but only appropriate out of the trust fund, the rest of the money would accumulate within the trust fund, if it were not expended.

Mr. HARRY F. BYRD, JR. I believe that is an excellent explanation.

Mr. JOHNSTON. I thank the Senator from Virginia.

Mr. President, if there is nothing further, I am prepared to yield back the remainder of my time.

Mr. HANSEN. I yield back my time.

Mr. BUCKLEY. Mr. President, I do not see the Senator from New Jersey here, but if the Senator from New Jersey is prepared to yield back the remaining time, I am.

The PRESIDING OFFICER. All time having been yielded back——

Mr. BUCKLEY. Mr. President, I said if the Senator from New Jersey is prepared.

I believe we are checking with him right now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BUCKLEY. To be equally divided. Is that agreeable?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, is there any time remaining, just one moment?

I congratulate the committee on the work it has done on this program.

True, I am trying to improve it according to my likes, in terms of the formula distribution, trying to reach metropolitan areas, with an increased opportunity and share of the increased funds.

But the committee has done something that is close to miraculous, has made everybody representing any part of the country the beneficiaries of an increased fund. Everybody, all people in all States, is a gainer under the bill, and that is also true if the amendment advanced by the Senator from New York and this Senator is accepted.

All peoples in all States will receive more resources for the recreational purposes; the objectives here, the noble objective.

But I want to end on a high note of appreciation and understanding of the fine work done by our committee.

Mr. HANSEN. Mr. President, on behalf of the minority, we acknowledge all the accolades most graciously.

Mr. JOHNSTON. Mr. President, on behalf of the majority, we do so also with appreciation.

I point out to the Senator that we are acutely aware of the needs of urban areas and I hope in the new Congress that we can examine that and determine whether by formula or whether by program or whether by priority we can give a greater funding and a greater emphasis to urban parks.

As a matter of fact, my original bill had a $250 million fund for acquisition of urban parks, as well as sensitive environmental areas.

So perhaps as the future chairman of the subcommittee, if the lights shine correctly, I will certainly give attention to that point.

Mr. WILLIAMS. Will the Senator yield for an observation?

Mr. JOHNSTON. Yes.

Mr. WILLIAMS. I very much appreciate the statement of the distinguished Senator from Louisiana. While at first blush the 15-year authorization period within the bill might give us a little anxiety that it would be followed and examined to see if within that authorization adjustments might be made, the long period of authorization does not, obviously, shut out this opportunity for review and adjustment within the authorization as we advance over the years.

Mr. JOHNSTON. That is correct.

Mr. President, I yield back the remainder of my time.

Mr. HANSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the remainder of his time?

Mr. WILLIAMS. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on the amendment of the Senator from New Jersey and the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on an amendment which I will call up.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New Jersey (Mr. Williams). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen) and the Senator from Arkansas (Mr. Fulbright) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. Cotton), and the Senator from Kansas (Mr. Pearson) are necessarily absent.

The result was announced—yeas 26, nays 68, as follows:

[No. 568 Leg.]

YEAS—26

Bayh
Beall
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Chiles
Cranston
Eagleton
Griffin
Gurney
Hart
Hartke
Javits
Kennedy
Mathias
Metzenbaum
Percy
Schweiker
Scott, Hugh
Stevenson
Symington
Taft
Tower
Tunney
Williams

NAYS—68

Abourezk
Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Biden
Brock
Burdick
Byrd, Robert C.
Cannon
Church
Clark
Cook
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Hansen
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Talmadge
Thurmond
Weicker
Young

NOT VOTING—6

Bentsen
Cotton
Fulbright
Hathaway
Mansfield
Pearson

So Mr. Williams' amendment was rejected.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana (Mr. Hartke) may call up a conference report at this time, with a time limit thereon of 2 minutes. This has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSPORTATION SAFETY ACT OF 1974—CONFERENCE REPORT

Mr. HARTKE. Mr. President, I submit a report of the committee of conference on H.R. 15223, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. William L. Scott). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes.
>
> having met, after full free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of December 13, 1974, at p. 39678.

Mr. HARTKE. Mr. President, this bill, basically, deals with the transportation of hazardous substances. It has been the subject of long hearings in the House of Representatives and the Senate. It is an emergency type of bill, and has the unanimous consent of the conferees of both the Senate and the House of Representatives, without any real disagreement at all.

This piece of legislation today represents the most significant effort at insuring a safe transportation network that we have undertaken in recent memory. The Transportation Safety Act of 1974 is an omnibus—three title bill designed to improve the regulatory and enforcement authority of the Secretary of Transportation with regard to the transportation of hazardous materials and transportation by rail, and to create a stronger, more independent National Transportation Safety Board.

Title I of the legislation concerns the Secretary's authority to regulate hazardous materials. This legislation is based upon legislative recommendations made by the administration last year.

The effort by the Federal Government to insure the safe transportation of hazardous materials is a fragmented and bifurcated program involving almost a half dozen agencies. The current program is based upon statutory efforts over the past 100 years which, in retrospect, have resulted in an inefficient and partially fabric of regulatory authority. This legislation is designed to remedy that problem.

There can be no question that hazardous materials transportation is a major transportation safety problem. The Department of Transportation estimates that more than 2 billion tons of hazardous materials are shipped back and forth in this country each year, in as many as 250,000 shipments per day. The Department estimates that hazardous materials incidents occurring during fiscal 1973 caused 20 fatalities, 435 injuries, and property damage that was estimated to exceed $4 million. And even these figures, according to the Director of the Office of Hazardous Materials, are on the conservative side, because there is good reason to believe that few of the carriers actually report the hazardous materials incidents they are supposed to report.

But far beyond these levels of death, injury, and economic loss, is the tremendous potential for disaster that the transportation of hazardous materials poses. Imagine, for example, a spill involving radioactive plutonium. After all, with the increasing presence of nuclear powerplants, there is more and more plutonium being transported on our highways and adjacent to our cities and towns. In the case of a plutonium spill, the affected area may be contaminated for literally hundreds of thousands of years. The inhalation of only one small particle of plutonium waste can result in cancer for the victim. Similarly, a recent explosion in Wenatchee, Wash., involving the transportation of monomethylamine nitrate resulted in 2 deaths, 60 injuries, and $5 million to $10 million in economic loss. Had this accident been in a tunnel or through a metropolitan area, the losses would have been astronomical.

The thrust of title I is to centralize in the Secretary of Transportation the authority to promulgate and enforce hazardous materials regulations for all modes of transportation. This centralization of functions is particularly significant with regard to the intermodal transportation of hazardous materials. Under the regulatory scheme today, each of the modal Administrations—the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the Office of Pipeline Safety, and the Coast Guard—are responsible for the hazardous materials regulations in their respective modes. Thus, there may be unnecessary inconsistencies between the standards from mode to mode resulting in extreme burdens on intermodal transportation. Likewise, the enforcement of hazardous materials regulations by each mode is itself inefficient. Rather than inspecting a single shipment traveling intermodally at one point in the transportation scheme, under today's program, the shipment is subject to investigation by each of the intermodal Administrations. As a result, only a very few of our shipments are inspected for compliance with the Federal hazardous materials regulations. This legislation will remedy that problem.

The hazardous materials program has been undermined by the practice of the Department of Transportation to grant so-called "special permits" which are, in effect, private exemptions from the hazardous materials regulations. I have grave doubts as to whether the Department even has authority to grant such special permits. The Department claims that it does so in order to acquire experience in shipping new hazardous materials or to test new methods of transporting existing products. However, it is really nothing more than experimenting on the public. Moreover, there are no limitations on the number of shipments which may be made under special permit or on the duration of the permit. Nor does the public have the opportunity to comment on any of the proposed special permits, and in fact, there is reason to believe that in some instances, laboratory and other test data submitted in justification of a special permit were inadequate. The spectacular railroad tank car explosion at Wenatchee, Wash., on August 6, 1974, was moving under a special permit.

This legislation would not prohibit the granting of special permits but would place it within a strict legislative framework. First, no exemption could be granted unless the petitioner files with the Secretary a safety analysis which shows that a shipment would provide a level of safety equal to or exceeding the level of safety achieved if he were to comply with the standard from which he seeks exemption. Second, the public must be given notice that the petitioner seeks an exemption and must be given an opportunity to comment on the petition. Finally, the legislation would limit the duration of any exemption granted from the regulations. In short, through this legislation, we are filling a gaping hole in the Federal regulatory scheme for hazardous materials.

Perhaps the most serious problem plaguing the Federal regulatory activities relating to hazardous materials is the poor compliance and enforcement record. For example, an FAA draft study made public at the Commerce Committee's June 1974 hearings revealed that 90 percent of the shipments inspected were in violation of the regulations. A total of 240 violations were found in 70 shipments examined carefully over a 60-day period. And the record of the other modes is equally as poor. A 1973 GAO report revealed the following results during a 21-month period:

FRA inspections of 10 large railroads disclosed 674 violations;

FHWA inspections of 74 motor carriers disclosed 1,258 violations by 58 carriers;

Coast Guard inspections in three districts disclosed 1,819 vessels in violations. Inspection reports for 334 of these vessels showed 817 violations.

In short, the carriers and shippers do not seem to be complying with Federal regulations. In addition, there is a serious gap in existing law—manufacturers of containers used in shipping hazardous materials are not subject to the provisions of the act.

This legislation is designed to improve the compliance record in this area. As mentioned previously, with a consolidation of the enforcement responsibilities in the Secretary, we will have a more efficient enforcement program. Hopefully, the Office of Management and Budget will provide sufficient resources to enable inspection of 10 percent of the shipments; we are currently inspecting less than 1 percent. Additionally, the sanctions for violating a standard are inconsistent and inadequate among the modal agencies. Some of the agencies do not have civil forfeiture authority—only criminal penalties are available. Thus the agency must either let the violation go by, since the criminal sanction is so severe and difficult to prove, or expend great agency resources to obtain a criminal conviction. Similarly, some agencies do not have criminal sanction authority.

Thus, where there is an egregious knowing violation, an offender gets away with a small fine and a slap on the wrist. The legislation would authorize both civil and criminal sanctions for all violators of the Federal regulations. There would be a civil sanction of up to $10,000 for each day of each violation. And there would be a potential criminal sanction of up to 5 years in prison and $25,000 fine for a willful violation.

Container manufacturers would also be subject to the hazardous materials regulations.

This legislation also addresses the problem of carriage of radioactive materials on passenger carrying aircraft. In 1973, there were some 600,000 shipments of radioactive materials on passenger aircraft. Although there have been no deaths or serious injuries specifically attributable to such shipments as yet, there have been a number of spills of such material which could have had catastrophic results. The most recent such incident occurred in Louisiana early this year. Moreover, there is also a danger that passengers, and particularly crewmembers, could receive cumulative low level radiation exposure, the ill effects of which might not show up for many years. For these reasons, a special report prepared for the Joint Committee on Atomic Energy earlier this year recommended that limitations be placed on the types of radioactive materials permitted on passenger aircraft, and that there be a tenfold reduction in the permissible radiation exposure level.

The conference report would ban all radioactive materials from passenger carrying aircraft except those used for research or medical diagnosis or treatment. In enacting this provision, we reasoned that while it would be unwise to burden hospitals requiring radiopharmaceuticals or other nuclear medicines, such a need did not exist by those who use radioactive materials for industrial purposes. It should be noted, however, that industrial users of radioactive materials may still utilize cargo planes or air taxi services for quick deliveries. Furthermore, the conferees have defined "radioactive materials" in such a way so as not to prevent the carriage on passenger carrying aircraft of certain consumer products such as pacemakers and radium dial watches which contain some minor degree of radioactivity.

Under the existing statutory scheme, anyone may engage in the transportation of hazardous materials. All he need do is comply with existing regulations. It seemed to the conferees that at least with regard to certain materials, it would be desirable to have on record registration statements from those who transport certain hazardous materials. Accordingly, the conference report adopts in part a provision contained in the Senate bill authorizing the Secretary to require registration. Under this authority, the Secretary may also establish criteria which must be met before one can engage in handling hazardous materials subject to the registration materials.

The Senate bill provided that to the extent that hazardous materials are subject to regulations by other Federal laws, including the Occupational Safety and Health Act of 1970 and the Consumer Product Safety Act, the Secretary shall not regulate such materials with respect to any risk to employees in their places of employment or to consumers of marketed products containing such material. While the conferees agreed to delete this provision, it was done so on the assumption that the agencies themselves would determine jurisdiction so as to preclude double regulation.

Turning to title II of the act, the provisions of the original Senate bill emerged from the conference virtually unchanged, with the exception of the deletion of the provision authorizing citizen petitions to prod the Secretary of Transportation into action. Title I intensifies the Federal Government's effort to maintain and increase safety on the Nation's railroads, in light of increasingly frequent derailments and other serious accidents. It amends the Federal Railway Safety Act of 1970 to increase the amount of resources actually spent in the important areas of inspection, enforcement, and information gathering concerning railway safety.

The key provision requires the Secretary of Transportation to prepare and submit to the President and Congress simultaneously by March 17, 1976 a comprehensive report on rail safety which will analyze in depth the current Federal and State safety programs, the areas in which rail safety action is authorized but has not been taken, and suggestions for further action.

This report is expected to give the Congress and President, as well as the Department of Transportation sufficient data on which future programs may be based.

The 1970 rail safety law is also amended to improve the reporting requirements concerning rail accidents, and, by breaking down the authorizations of appropriations into subject areas, to prod the Secretary of Transportation into according safety inspection and enforcement activities higher priorities.

These amendments to the earlier rail safety act come in response to an ever increasing number of rail accidents and of people killed and injured in such accidents. The amendments are particularly important as the Nation turns back to rail transportation in this age of energy shortages.

Finally, with regard to title III, the conferees agreed on the importance of reconstituting the National Transportation Safety Board as an independent Government agency and on giving that agency broader investigatory powers than it has at present. The function of investigating accidents is the cornerstone of any transportation safety policy and the conferees were unanimous in desiring that Congress take whatever steps necessary to insure that such investigations were undertaken in an impartial and effective fashion.

The structure of the National Transportation Safety Board was left largely unchanged by the conferees who agreed that it has proved sufficient in the past and should be sufficient for the independent agency.

In addition, the Board would have the authority to work with the Secretary of Transportation in investigating any transportation accident where there is no indication of government misfeasance or nonfeasance. Thus the Board could delegate functions to the Department of Transportation where that Department would be best suited to certain kinds of investigatory work. However, the conferees were unanimous in feeling that it was important that the newly independent Board be charged with full responsibility for making its own final determination of probable cause in any accident investigated.

The conferees also agreed on the Senate provision which extended the authority of the National Transportation Safety Board to investigate serious accidents involving the surface modes. A major thrust of this legislation is to insure that the Board becomes more active in investigating surface accidents. Since many such accidents can have an impact as severe as their accidents, and since Congress is continually called on to evaluate proposals dealing with such accidents, the conferees felt it was important for Board's investigatory power to be extended to these areas.

The various parts of this bill work together as a unit to overcome the low priority that has been accorded transportation safety by the Department of Transportation and that should reduce the carnage in the Nation's transportation network.

The key provision is, of course, that dealing with the transportation of hazardous materials. In the past, the Department of Transportation hindered by enforcement powers scattered over various branches of the Department, and by the general disinterest in the problem, has done little to prevent serious accidents or mitigate the damages that accidents cause.

With this bill, the Congress has given the Department of Transportation the legal authorization they requested to put together an effective program and has authorized money sufficient to the purpose. The Congress expects the Department of Transportation to act vigorously in creating an effective program aimed at reducing the dangers inherent in the transportation of hazardous materials. It is expected that such a program will be a vast improvement over the disinterest of the past and to significantly reduce the toll of injuries, death, and property damage that have been caused by accidents involving the transportation of hazardous material.

As well as providing a legal authorization for a vigorous program of regulation and enforcement, this bill authorizes the appropriation of funds sufficient to the purpose, and it is expected that the Office of Management and Budget will provide a level of appropriation consistent with the high need of improving the Nation's effort in this crucial area.

The Congress and the Senate Committee on Commerce will maintain a high interest in the Department of Transportation's activities in this area and intend to watch this program closely. Should the program at the Department of Transportation prove insufficient to the task, we will actively search for alternative approaches.

Mr. MAGNUSON. Mr. President, the problems which this legislation is intended to solve are so serious that the Congress cannot wait any longer to act. In an increasingly complex and technologically oriented society, more and more hazardous materials with higher and higher risks are being transported by all modes of transportation. An average of 250,000 shipments of hazardous materials are made each day in the United States, totaling some 2 billion tons per year. These shipments include all kinds of flammable materials, explosives, compressed and poisonous gases, corrosives, radioactive materials, and many others.

Unless adequate precautions are taken, these shipments represent serious risks not only to the traveling public but also to residents of the thousands of communities through which they pass. In fiscal 1973, there were 6,014 reported inadvertent releases of hazardous materials during shipment leading to 20 deaths, 435 injuries, and millions of dollars in property damage. There is no way of knowing how many such incidents went unreported or how many near misses occurred.

A number of very serious accidents resulting from mishandling of hazardous materials has occurred this year—a cargo plane crashed into Boston Harbor due to a fire resulting from improperly labeled and packaged chemicals. In Louisiana, radioactive materials being transported aboard a passenger plane leaked, exposing both passengers and airline personnel. In Los Angeles, a warehouse burned down after a truck carrying a flammable substance exploded inside. In Decatur, Ill., a tank car carrying liquified propane gas was perforated and exploded. And in Wenatchee, in my home State of Washington, a railroad tank car carrying a substance used in the manufacture of explosives blew up. This substance which was not itself supposed to be explosive went off with the force of 100,000 pounds of TNT, leaving a crater some 65 feet wide and 35 feet deep, 2 people dead, 70 injured, and over $10 million in property damage. This substance had been traveling under a special permit exempting it from existing regulations since 1968.

Mr. President, we were lucky in that most of these accidents occurred under such circumstances that large numbers of people were not in the immediate vicinity. However, unless we take prompt action to strengthen the Government's regulation of the transportation of hazardous materials, sooner or later we are going to have a catastrophic accident with great loss of life.

The committee's hearings on this legislation indicated that one of the major problems was a division of responsibility for the regulation of hazardous materials transportation among five Federal agencies. This resulted in a lack of uniformity in regulations and standards for different modes of transportation. In addition, the hearings provided documentation showing that the inspection and enforcement programs were inadequate.

The legislation would remedy these defects by centralizing the authority for regulating the transportation of hazardous materials in the Secretary of Transportation and authorizing additional funds for inspection and enforcement. It also extends coverage of the law to persons not now included, such as container manufacturers, and provides increased penalties, both civil and criminal, for violations. It also prohibits the shipment of radioactive materials aboard passenger aircraft, unless they are intended for medical research or treatment and authorizes the Secretary, when he deems it necessary, to require shippers of hazardous materials to register and provide such information as the Secretary may require by regulation.

Mr. President, this legislation also deals with another problem, equally as serious as the transportation of hazardous materials, and that is rail safety. Hearings before the committee indicated that there has been a noticeable increase in train accidents in the last 2 or 3 years and that the largest single cause of such accidents is defects in track or roadbed, accounting for over one-third of all accidents. The committee found that 42 slow orders were in effect on 99.8 of the

108 miles of track used by Amtrak between Indianapolis and Louisville. A number of serious derailments have occurred on tracks found to be in violation of Federal safety standards. Again, the committee has found that FRA does not have adequate inspection personnel.

Mr. President, this is all very distressing in that it has occurred since enactment of the Federal Railroad Safety Act of 1970. The proposed legislation seeks to deal with this problem by requiring the Secretary of the Department of Transportation to submit a special report on rail safety to the President and Congress by March 1976, by stepping up enforcement, and by authorizing additional funding at least half of which must be used for investigation and enforcement.

Mr. President, the final title of this bill deals with the independence of the National Transportation Safety Board.

When Congress created the Department of Transportation in 1966 it also established the National Transportation Safety Board to investigate and determine the causes of accidents in all modes of transportation and to make recommendations designed to prevent the recurrence of such accidents. Although the Board was located within the Department of Transportation this was done for housekeeping, budget, and personnel purposes only. Congress made it quite clear in the legislation that the Board was to operate independently of the Secretary and other officers of DOT and of all other agencies in the executive branch. In so doing Congress recognized that the Board could act fairly and impartially only if it were truly independent, since its investigations would cover the actions of other Government agencies as well as the transportation industry.

Hearings before the Commerce Committee during this Congress demonstrated that the independence of the Board has been seriously eroded by its location within DOT. Therefore, the proposed legislation removes the NTSB from the Department of Transportation and reconstitutes it as an independent agency.

Mr. President, I believe that the Senate bill was much stronger than the House version, and in conference, the Senate prevailed on most of the important points in disagreement. Although a few major concessions had to be made, most were relatively minor in nature and did not affect the soundness of the bill.

Mr. President, I urge my colleagues to vote for the adoption of this conference report. I do not believe that we can afford to wait until a major tragedy occurs.

Mr. CANNON. Mr. President, I am pleased to have been a conferee on this important bill as it contains a provision for which I have personally worked very hard. Namely, the bill reestablishes the National Transportation Safety Board—the Government's watchdog over transportation accidents—completely independent of the executive branch.

In hearings before our committee during the last 2 years, we have compiled a record of continuing interference in the Board's duties and responsibilities by the administration. Even though the Board in 1966 was established as an independent agency, it was located within the Department of Transportation for housekeeping purposes.

Several Members of the Board testified under oath before the Commerce Committee that they were given orders from the administration, through the Chairman of the Board, to do or not to do certain things in connection with their responsibilities as Board members. For example, one Board member was told by the Chairman that if the annual report of the Board was critical of the FAA, the Republican board members would be "disciplined by the White House."

Such conduct, of course, is outrageous because one of the most important, if not the most important responsibilities, of the Board is to be the watchdog of the Federal Aviation Administration.

It has been our committee's view that only with a truly independent safety board could we minimize the opportunity for tampering with the Agency by the executive branch. This we have achieved in this bill.

In addition, I am pleased that the conference report recognizes the need that the President appoint qualified persons to this highly important Agency. In the past, I am sorry to say, some members of the Board have been nominated on the basis of politics or cronyism. In our view, such appointments are entirely unacceptable. The safety board is an agency which deals with highly technical and complex problems, most of which are little understood by lawmen. The determination of probable cause of accidents, particularly in aviation, is an extremely complicated process which requires some technical background and expertise.

In the Senate bill which we passed earlier this year we required that each board member be technically or professionally qualified to serve. We believe that there should be no basis for appointment to this highly specialized board except professional qualifications and experience in the field of transportation safety. Unfortunately, our colleagues in the House would not accept in entirety our proposal. Several expressed concern that, if all members nominated to the board had to possess professional qualifications, then the President would have to nominate persons from the industries which in some instances the board monitors. Of course this is not the case. Professionals in the field of transportation safety are found in the national, State, and local governments; in the academic world, in private foundations, in labor organizations and, of course, in industry. Our intent was certainly not to limit board membership to those from industry and I am disappointed that some Members of the House cast that interpretation on our qualification requirement.

Nonetheless, I am pleased that as the conference report now reads at all times at least two of the five Board members must have been appointed and confirmed on the basis of technical or professional qualification. In addition, the conferees agreed, but the conference report does not indicate that the President, in making appointment to the National Transportation Safety Board, shall "seek to appoint individuals to the Board upon the basis of technical qualification and professional standing in the field of accident reconstruction, safety engineering or transportation safety." This was to have been an admonition to the President that even though only two members of the Board were required to possess technical qualifications, he should nonetheless make an effort to make all appointments on such basis.

Mr. President, I regret that this admonition is not in the conference report despite the fact that it was my understanding that the conferees had agreed to it. It has been omitted from the report because staff counsel of the House Interstate Committee apparently did not comprehend the agreement and refused to include the specific language that had been agreed to in the bill. I did not learn of the omission until after the report had been filed. Once the report had been filed, House conferees refused to reopen the matter so that the report could be corrected.

Mr. President, I feel very strongly about the way in which the conference on this bill was mishandled by staff. It is only because of the lateness of the session that I am not insisting that conferees meet again to rewrite the conference report. I do not want to jeopardize passage and enactment of the bill and for this reason only I am acquiesing.

Even though the report is missing the language about which I've spoken, I want to emphasize as chairman of the Senate Aviation Subcommittee I will not look with favor on appointments to the National Transportation Safety Board who do not possess some technical or professional qualifications for the job. My colleagues on the conference, Senator MAGNUSON and Senator HARTKE, will also look with disfavor on nontechnical and nonprofessional appointments.

Now that we have created a completely independent Board, I am hopeful that in the spirit of this bill the President will appoint highly qualified individuals to the Board.

Mr. HARTKE. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HARTKE. I thank the distinguished assistant majority leader for his kindness.

NATIONAL HISTORIC PRESERVATION FUND

The Senate continued with the consideration of the bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 2059

Mr. JAVITS. Mr. President, I call up my amendment No. 2059, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an amendment numbered 2059, at the end of the bill, to add a new section as follows—

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS' amendment (No. 2059) is as follows:

At the end of the bill add a new section as follows:

SEC. . FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE.—The first sentence of section 301 of the joint resolution approved July 18, 1939 (53 Stat. 1062), is hereby amended to read as follows:

"SEC. 301. The head of any executive department may accept for and in the name of the United States title to any part or parts of the said Hyde Park Estate and title to any contiguous property or properties located in the town of Hyde Park, Dutchess County, State of New York, which shall be donated to the United States for use in connection with any designated function of the Government administered in such Department.".

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, I promised the Senator from Missouri (Mr. SYMINGTON) I would only take a minute, and I shall.

The whole story about this amendment is that it is intended to facilitate the acquisition of an additional piece of property, some 16 acres in size, to be added to the historic site at the home of Franklin D. Roosevelt at Hyde Park, N.Y. The authority is needed by the Department of the Interior, because the previous authorization related only to land which was formerly in the Roosevelt estate. This land is being donated by a neighbor, Mr. Gerald Morgan, Jr., of Richmond, Va., and in order to avail itself of that donation, which the Interior Department says is highly desirable to make more accessible to visitors the Franklin D. Roosevelt memorial site, it needs this added authority.

I have been requested, accordingly, by the Department of the Interior to offer the amendment. The full story is contained in the CONGRESSIONAL RECORD of December 12,1974, at page 39419.

I hope very much the amendment will be agreed to.

Mr. JOHNSTON. Mr. President, we are prepared to accept the amendment. The matter is as described by the Senator from New York; and I understand that the Senator from Missouri has some comments to add.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the acting majority leader.

Mr. JAVITS. Mr. President, will the Senator allow us to vote on this amendment, or did he wish to address himself to it?

Mr. SYMINGTON. No, I am not speaking to that amendment.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. JAVITS. I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (No. 2059) of the Senator from New York (Mr. JAVITS).

The amendment was agreed to.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HARRY S TRUMAN MEMORIAL SCHOLARSHIPS

Mr. SYMINGTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3548.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT) laid before the Senate the amendments of the House of Representatives to the bill (S. 3548) to establish the Harry S Truman memorial scholarships, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Harry S Truman Memorial Scholarship Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

because a high regard for the public trust and a lively exercise of political talents were outstanding characteristics of the thirty-third President of the United States;

because a special interest of the man from Independence in American history and a broad knowledge and understanding of the American political and economic system gained by study and experience in county and National Government culminated in the leadership of America remembered for the quality of his character, courage, and commonsense;

because of the desirability of encouraging young people to recognize and provide service in the highest and best traditions of the American political system at all levels of government, it is especially appropriate to honor former President Harry S Truman through the creation of a perpetual education scholarship program to develop increased opportunities for young Americans to prepare and pursue careers in public service.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Board of Trustees of the Harry S Truman Scholarship Foundation;

(2) "Foundation" means the Harry S Truman Scholarship Foundation;

(3) "fund" means the Harry S Truman Memorial Scholarship Fund;

(4) "institution of higher education" means any such institution as defined by section 1201(a) of the Higher Education Act of 1965;

(5) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, considered as a single entity, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands; and

(6) "Secretary" means the Secretary of the Treasury.".

SEC. 4. The Harry S Truman Scholarship Program as authorized by this Act shall be the sole Federal memorial to President Harry S Truman.

ESTABLISHMENT OF THE HARRY S TRUMAN SCHOLARSHIP PROGRAM

SEC. 5. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Harry S Truman Scholarship Foundation.

(b)(1) The Foundation shall be subject to the supervision and direction of a Board of Trustees. The Board shall be composed of thirteen members, as follows:

(A) two Members of the Senate, one from each political party, to be appointed by the President of the Senate;

(B) two Members of the House of Representatives, one from each political party, to be appointed by the Speaker;

(C) eight members, not more than four of whom shall be of the same political party, to be appointed by the President with the advice and consent of the Senate, of whom one shall be a chief executive officer of a State, one a chief executive officer of a city or county, one a member of a Federal court, one a member of a State court, one a person active in postsecondary education, and three representatives of the general public; and

(D) the Commissioner of Education or his designate, who shall serve ex officio as a member of the Board, but shall not be eligible to serve as Chairman.

(c) The term of office of each member of the Board shall be six years; except that (1) the members first taking office shall serve as designated by the President, four for terms of two years, five for terms of four years, and four for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and shall be appointed in the same manner as the original appointment for that vacancy was made.

(d) Members of the Board shall serve without pay, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

SCHOLARSHIPS

SEC. 6. (a) The Foundation is authorized to award scholarships to persons who demonstrate outstanding potential for and who plan to pursue a career in public service. Award recipients shall be known as Truman scholars.

(b) Scholarships under this Act shall be awarded for such periods as the Foundation may prescribe but not to exceed four academic years.

(c) A student awarded a scholarship under this Act may attend any institution of higher education offering courses of study, training, or other educational activities designed to prepare persons for a career in public service as determined pursuant to criteria established by the Foundation.

(d) Each student awarded a scholarship under this Act must have indicated a serious intent to enter the public service upon the completion of his or her educational program. Each institution of higher education at which a student is in attendance will make reasonable continuing efforts to encourage such a student to enter the public service upon completing his or her educational program.

SELECTION OF TRUMAN SCHOLARS

SEC. 7. (a) The Foundation is authorized, either directly or by contract, to provide for the conduct of a nationwide competition for the purpose of selecting Truman scholars.

(b) The Foundation shall adopt selection procedures which shall assure that at least one Truman scholar shall be selected each year from each State in which there is at least one resident applicant who meets the minimum criteria established by the Foundation.

STIPENDS

SEC. 8. Each student awarded a scholarship under this Act shall receive a stipend which shall not exceed the cost to such student for tuition, fees, books, room and board, or $5,000 which ever is less for each academic year of study.

SCHOLARSHIP CONDITIONS

SEC. 9. (a) A student awarded a scholarship under the provisions of this Act shall continue to receive the payments provided in this Act only during such periods as the

Foundation finds that he or she is maintaining satisfactory proficiency and devoting full time to study or research designed to prepare him or her for a career in public service and is not otherwise engaging in fainful employment other than employment approved by the Foundation pursuant to regulation.

(b) The Foundation is authorized to require reports containing such information *in such form* and to be filed at such times as the Foundation determines to be necessary from any student awarded a scholarship under the provisions of this Act. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, approved by the Foundation, stating that such student is making satisfactory progress in, and is devoting essentially full time to, study or research, except as otherwise provided in subsection (a).

TRUMAN MEMORIAL SCHOLARSHIP FUND

SEC. 10. (a) There is established in the Treasury of the United States a trust fund to be known as the Harry S Truman Memorial Scholarship Trust Fund. The fund shall consist of amounts appropriated to it by section 14 of this Act.

(b) It shall be the duty of the Secretary to invest in full the amounts appropriated to the fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the marketplace. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States or original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the fund shall be credited to and form a part of the fund.

EXPENDITURES FROM THE FUND

SEC. 11. (a) The Secretary is authorized to pay to the Foundation from the interest and earnings of the fund such sums as the Board determines are necessary and appropriate to enable the Foundation to carry out the purposes of the Act.

(b) The activities of the Foundation under this Act may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property belonging to or in use by the Foundation, pertaining to such activities and necessary to facilitate the audit.

EXECUTIVE SECRETARY

SEC. 12. (a) There shall be an Executive Secretary of the Foundation who shall be appointed by the Board. The Executive Secretary shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board. The Executive Secretary shall carry out such other functions consistent with the provisions of this Act as the Board shall delegate.

(b) The Executive Secretary of the Foundation shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

ADMINISTRATIVE PROVISIONS

SEC. 13. (a) In order to carry out the provisions of this Act, the Foundation is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees other than the Executive Secretary be compensated at a rate to exceed the rate provided for employees in grade 15 of the General Schedule set forth in section 5332 of title 5, United States Code;

(2) procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of such title;

(3) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(4) receive money and other property donated, bequeathed, or devised, without condition or restriction other than it be used for the purposes of the Foundation; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(5) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(6) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of this Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(7) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(8) rent office space in the District of Columbia; and

(9) make other necessary expenditures.

(b) The Foundation shall submit to the President and to the Congress an annual report of its operations under this Act.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are authorized to be appropriated $30,000,000 to the fund.

Amend the title so as to read: "An Act to establish the Harry S Truman memorial scholarships, and for other purposes."

Mr. SYMINGTON. Mr. President, out of the legislation which happily the Senate and the House can agree upon today comes additional promise for America and our democratic ideals. A public service scholarship program based on competitive merit and created in memory of an outstanding American and a great President, Harry S Truman, is the legislative vehicle which offers that promise.

Joined by 59 of my colleagues, along with my colleague Senator EAGLETON, last May 30 I introduced S. 3548, the Harry S Truman Memorial Scholarship bill, and expressed the hope we would enact the bill into law this year.

All the Missouri delegation, therefore, is very grateful for the cooperative efforts and interest of Senator PELL, chairman of the Senate Education Subcommittee, and Senator WILLIAMS, chairman of the full committee in the Senate; also Congressman JAMES O'HARA of Michigan, chairman of the House Select Committee on Education, and Congressman CARL PERKINS, the chairman of the full House Committee on Education and Labor as well as many others who helped bring this bill to final action in these closing days of the 93d Congress.

The House made a few changes in the bill which the Senate approved. Primarily, the House modifications give the foundation wider latitude in the conduct of the scholarship program.

In the Senate, we awarded 51 scholarships to young men and women interested in pursuing public service careers; and specified that all 51 scholarships were to be awarded for undergraduate study.

The House modified the bill to permit the award of graduate scholarships as well as undergradute scholarships; also has left the determination of the number of such scholarships within the judgment and means of the foundation.

By including authority for the foundation to award scholarships to qualifying graduate students, the House added a needed measure of flexibility, particularly desirable under circumstances where otherwise a State would not participate for lack of a qualifying undergraduate applicant.

Since a major purpose of the memorial, however, is to encourage young men and women to make a choice early on to pursue public service careers, we trust the Board would take that factor into consideration in establishing the circumstances and the proportion of scholarships for graduate students.

Although there are many scholarship programs, we are not aware of any at the undergraduate level designed especially to encourage young Americans to prepare in college for government careers. It would seem, therefore, that this program is a particularly unique and constructive way to memorialize Harry S. Truman.

Another provision in the Senate concerning a Washington semester for Truman scholars has been modified. In the Senate bill, for an institution to qualify, we required the college to agree to permit a Truman scholar to spend an academic year in a Washington area university or consortium of universities under arrangements to be made by the Board. The House has deleted the mandatory provision as a requirement of participating institutions. The deletion, however, would not affect foundation efforts to work with the colleges and universities in arranging Washington semesters or other forms of public service fieldwork.

I would also mention one other modification. Under the Senate bill, the selection process was to be arranged by each State in conjunction with the foundation.

The House provided instead for the foundation, either directly or by contract, to conduct a nationwide competition. The fact of the nationwide competition would not, however, change the requirement that an award is to be given in each State annually to a qualified applicant.

Unlike the Senate bill, the House has provided for an award to be given annually also to one qualified applicant from Puerto Rico, a qualified applicant from Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

In the years to come we envision Truman scholars entering public service at all levels of government—city, county, State, and Federal.

The need of our time today is no different than that described by Harry Truman in his 1949 inaugural address when he said—"the supreme need of our time is for men to learn to live together in peace and harmony." That is the goal which should inspire young men and women to serve in a government based on the consent of the governed.

Let us see in the Truman memorial scholarship program the courage and candor which characterized Harry Truman and his belief in hard work pointing the way to desirable solutions of our problems.

Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

NATIONAL HISTORIC PRESERVATION FUND

The Senate continued with the consideration of the bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HANSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on a request which has been cleared on both sides, Mr. RANDOLPH be recognized at this time to call up a conference report, and that there be a time limitation on the conference report of not to exceed 10 minutes equally divided between Mr. RANDOLPH and Mr. BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia is recognized.

FEDERAL-AID HIGHWAY AMENDMENTS OF 1974—CONFERENCE REPORT

Mr. RANDOLPH. Mr. President, I submit a report of the committee of conference on S. 3934, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23, of the United States Code, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. RANDOLPH. Mr. President, I yield myself 3 minutes.

Mr. STENNIS. Mr. President, may we have order so that the Senator may be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. RANDOLPH. I thank the Chair.

Mr. President, we today bring to the Senate the conference report on S. 3934, the Federal-Aid Highway Act Amendments of 1974. This was a difficult conference because we had many tough issues to resolve in a very short time.

The deliberations were time consuming but important. The end result is a bill that clarifies some actions taken under the Federal-Aid Highway Act of 1973 and extends and refines a program which affects the life of most Americans.

The bill makes some changes in the highway program in keeping with the wishes of the Senate and House of Representatives. The bills of both Houses contained provisions establishing programs which are not presently in existence. These stances contributed to the difficulty of the deliberations and the ultimate agreement. I believe that we resolved all issues in a manner consistent with the positions of both the Senate and House.

The Federal-Aid Highway Act of 1973 was a landmark legislation, but as with every innovative product certain problems have arisen in the implementation. Certain sections of that legislation needed to be clarified. Through the years we have endeavored to modify the Federal-aid program to maintain its ability to respond to these changes. The conference bill continues this process.

I call attention to the inclusion in this conference report of a provision which will both save lives and conserve America's dwindling energy supplies. This is the permanent national 55-mile-per-hour speed limit. The National Highway Traffic Safety Administration has estimated the total lives saved since the beginning of the year to be an estimated 8,225. Fuel consumption will be approximately 4 percent less for 1974 than for the calendar year 1973, according to the Department of Transportation. Strong State enforcement language has been agreed to by both Senate and House conferees.

Since enactment of the bridge replacement program, substantial progress has been made in identifying bridge problems throughout the country. Many States have been assisted in beginning programs to replace or repair deficient structures, but thousands of dangerous bridges remain throughout the country. While the conference committee felt the need for fiscal restraint in this inflationary period we are now experiencing, we agreed to increase the authorization for replacement to $50 million for fiscal year 1975.

Another critical issue in the conference was the matter of increasing truck weights. There was much discussion of this problem and resolution was difficult. The conference committee ultimately agreed to include the provisions of the Senate bill allowing an increase in truck weight to a maximum of 80,000 pounds and the initiation of a bridge formula for the distribution of weight over the truck configuration, with two modifications. The provision regarding weight limitations on the steering axle was deleted at the insistance of the House conferees because it was felt that the Bureau of Motor Safety has the authority to regulate in this area under the Interstate Commerce Act.

The conferees also agreed to include language which would allow any State which had a weight limitation in excess of that provided in the Senate bill for a vehicle with any group of two or more consecutive axles operating on the Interstate System to continue enforcing their State law, thus allowing continued operation of some trucks.

I am sure that there are individuals who are dissatisfied with our answer to this extremely difficult question. The decisions of the point, however, are realistic and workable. I believe this to be the only decision we could reach to avoid a complete breakdown of the conference. If we had not resolved this issue, no highway bill would have been possible this year. Failure to reach agreement would have only postponed resolution of problems which have been debated by the Congress.

The legislation, also, restates our commitment to providing good public transportation in rural as well as in urban areas. Many sparsely populated areas of our country, of which West Virginia is one, are totally without or have inadequate public transportation services. The bill authorizes an additional $45 million for expansion of the rural highway public transportation demonstration program which I feel will have widespread impact throughout the country.

Since creation of the highway trust fund, our major goal has been to develop a national highway system for integrated and efficient movement of goods and people. Our Interstate System is such a system. As that network nears completion, we realize that more attention must be paid to the other Federal aid systems, especially the farm to market roads so essential to a viable national economy. Senate and House conferees have seen fit to increase authorization on our two rural systems by $100 million and $50 million, respectively, for fiscal year 1976.

The conference committee adopted a provision of the House which provides for the reconstruction and improvement of "offsystem roads." It was recognized that many roads which are not part of any Federal-aid system are important to Americans and to commerce. Many such roads are in need of substantial repairs. Such repairs will improve the use of the roads and contribute to safer conditions thereon.

This provision took a great deal of the conference's time. It was authorized at a level of $200,000,000 for only 1 year with the expectation that a more thorough examination of the problem will be made in the next Congress. After such reexamination the Congress will hopefully enact legislation to make permanent a program to upgrade these offsystem roads which are of critical importance to continued economic growth in this country. It is the intention of the conferees that the funds authorized in this measure for offsystem activities be utilized only for reconstruction and upgrading of existing roads and bridges.

To insure that our countryside and highways would maintain a compatible interface with regard to scenic enhancement the Congress in 1965 enacted the Highway Beautification Act. This program is just now beginning to get off the ground and certain changes have been made in just compensation for removal of signs, and allowable distance from highways. The conferees feel these changes will be fair both to those who make their living from outdoor advertising and those States who do not want to see a proliferation of billboards on their highways.

A $50 million authorization was agreed to by members of the conference for the program in 1975. An additional $15 million is provided for junkyard screening and/or removal and $10 million for landscaping for fiscal year 1975. Another important section included in the conference report provides funding for replacement and reconstruction of the bridge system in the Florida keys essential to our defense installation located there and for the residents of that community. Although $109.2 million has been authorized for the Federal portion of this project, the conferees limited obligations to $10 million in 1975 and $15 million in 1976.

For continued energy conservation and relief of urban congestion we have provided a 1-year extension in our carpooling program and provided $7½ million for startup programs distributed to the States at the discretion of the Secretary of Transportation. We have also provided $10 million out of the general fund for urban bikeways in hopes of getting more urban residents off the road, thus reducing highway congestion.

The amount of $53 million is provided for the high-density, urban corridor project which will relieve a bottleneck in the city of Minneapolis, Minn. If a balanced and efficient transportation system is to be achieved we must get the commuter out of his car during rush hour. Only 1.4 persons per car occupancy presently exists during city rush hours, causing congestion and decreasing the efficiency of existing mass transportation.

The conferees have also included, small bridge authorizations for certain areas in Indiana, Kentucky, and California, as well as funding for a preliminary study of railroad relocation project in Indiana. These combined programs total less than $4 million.

In concert with railroad-highway safety provisions, conference members agreed to correction of certain low-hazard railroad crossings along the Northeast Corridor at grade level.

Another important issue raised by both the Senate and House was the construction of access highways to public recreation areas on certain lakes. Often a Federal water project which creates a recreation area cannot be adequately used because access roads are not adequate to serve the needs of the potential users.

The conference committee adopted the House amendment which authorizes the Secretary of Transportation to construct or reconstruct access highways which are within 35 miles of the recreation area and recommended by the State for improvement. Funding was set at $25,000,000 for the fiscal year ending June 30, 1976.

The conference feels that such a program is necessary if the public is to effectively utilize recreation areas created by Federal water projects.

The problems of Indian Reservation roads and bridges was also addressed by the conference committee. The conference adopted the Senate provision which authorized an additional $25,000,000 spread over the fiscal years 1974, 1975, and 1976. These funds may be used on any Indian reservation road which is also on any Federal-aid system and are supplemental to a not-in-lieu-of funds regularly apportioned to States under the Federal-aid highway program. The consent of the governing body of the tribe, band, or group of Indians or Alaskan Natives is required before any appropriated funds are expended.

Mr. President, this was not an easy conference. Members from both Houses were diligent in pursuit of their objectives and steadfast in resisting proposals which they considered at variance with their obligations.

Some of my colleagues, although disagreeing with certain provisions, have upheld the integrity of the Senate regarding this bill. I thank my colleagues and extend personal regards and admiration for these Members.

The responsible completion of this legislation could not have taken place without the participation of other conferees. Senators QUENTIN BURDICK, MIKE GRAVEL, HOWARD BAKER, and ROBERT STAFFORD made major contributions to the conference procedure. They were faithful in their attention to this legislation and their actions reflected keen awareness of its importance.

The House conferees, Representatives JIM WRIGHT, JOHN KLUCZYNSKI, HAROLD JOHNSON, WILLIAM HARSHA, and JAMES CLEVELAND were diligent in their duties and approached them with a seriousness that helped us to succeed.

I would also like to thank all Senate and House Public Works staff members who worked on the conference committee. From the Senate: M. Barry Meyer, John Yago, George F. Fenton, Jr., Richard Harris, Ron Katz, Bailey Guard, Katherine Cudlipp, and Harold Bravman. From the House: Richard Sullivan, Lloyd Rivard, Clyde Woodel, Liz Forshay, Cliff Enfield, Sheldon Gilbert, and Jeff O'Neil. Without their efforts and dedication, this conference report could never have reached such a swift and satisfactory conclusion.

I yield back the remaining part of my time for the moment, at least, because I want to accommodate Senators BAKER and, perhaps, STAFFORD, so that they may present their views, which were not the views of the majority of the conferees.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I yield myself such time as I may utilize.

Mr. President, I join again with the distinguished senior Senator from West Virginia whom I revere, and who has been instrumental year after year in bringing highway legislation to the floor of the Senate. While I do not believe S. 3934 represents a major transportation measure, nevertheless I certainly want to acknowledge the efforts of the chairman of the committee, as well as those of the subcommittee chairman (Mr. BENTSEN) and other members and staff who have devoted their efforts to the development of this bill.

I signed the conference report, as did Senator STAFFORD the ranking Republican member of the Subcommittee on Transportation. I think it is fair to say we did so in order to bring this measure before the Senate, and in part as a means of acknowledging the progress that was made by the conference committee.

I intend, however, to vote against the conference report—as I advised the chairman, and in fact the conference. I will do so because it is my conclusion that although the bill may contain several useful or relatively harmless provisions, it enters new fields which have not been fully considered by the Senate Committee on Public Works and cannot possibly be fairly considered by the Senate at this late hour—and that on balance these risks outweigh its possible benefits. My own concern goes to three issues:

First, increased truck axle and gross weights. The Senate bill contained a provision increasing the truck axle and gross weights which the States may permit on the Interstate Highway System, and of course as a conferee I was bound to support the Senate position in conference. However, I am opposed to such increases. I have opposed increased vehicle widths and weights in the past. I voted against the increase in the committee. I am convinced the people of Tennessee are strongly opposed to heavier trucks and bigger buses—and I will vote against the conference bill today which contains increased truck weights.

I point out also that the conference report makes two changes in the Senate truck weight language which make the provision even less desirable: The protection for the steering axle not to exceed 10,000 pounds has been deleted. And a grandfather clause has been inserted which may go far toward vitiating the protection for bridges which was to be secured by the bridge formula. In the conference, I did oppose the House provision for wider buses, and am glad the conference report does not contain this provision.

My second concern is that conference report includes the House provisions authorizing Federal grants for roads that are not on any Federal-aid highway system—and which would draw upon General Treasury funds rather than the highway trust fund for this purpose. The conference provision is identical to the House provision, as the House managers stated they were instructed on this point. Acceptance of such provisions, in my view, could lead to a pattern of increasing difficulty in future conferences—or even frustrate accommodation between the two bodies. Beyond the procedural issue, however, I think it a mistake to rush into such unknown territory at this late hour—in effect establishing a new categorical-aid program, by definition off the Federal-aid system but following some of the requirements of that system, and adding to the burden on the budget and demands on Treasury funds instead of relying upon the trust fund we have established for highways.

Third, while I support the rural primary and secondary highway programs, this bill contains increased authorizations even though the amounts we have already authorized are far from exhausted. The bill contains authorizations, totaling more than three-quarters of a billion dollars, for programs and projects many of which I do not consider essential—and perhaps not even desirable at this time of economic difficulty which ought to be characterized by restraint.

Finally, the conference report includes language that will alter the national program for beautification. It was my view that given the profound differences in the Senate and House provisions, no billboard provisions, other than possibly a 1-year authorization, should have been included in this bill. This issue could have been carried over until next year, when its ramifications could have been studied with care.

Mr. President, it is with regret that I find myself voting against a highway bill, but I point out that this is not the regular biennial authorization which our committee is charged with producing, and which guides the national highway construction program. Rather, it is a collection of amendments, many of special interest and specific purpose, almost none of which could not be addressed more responsibly and effectively next year. Again, I in no way derogate the efforts of those who support this measure, and who have worked diligently to bring an acceptable bill before the Senate. Rather, I express my own view that we are not equipped at this time in the closing hours of the 93d Congress to do justice to the issues presented by this bill.

I yield to the distinguished Senator from Vermont such time as he may wish.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. STAFFORD. Mr. President, I thank the distinguished ranking member of the full committee for yielding to me.

Mr. President, it is with reluctance that this Senator states that he will vote against passage of the conference report on the Federal-Aid Highway Amendments of 1974. There are certain provisions in the bill which are most desirable: a permanent 55 miles-per-hour speed limit; an extension and revision of the car pooling program; increased authorizations for the rural highway public demonstration program; and a new bikeway demonstration program.

As commendable as these provisions are, however, in the opinion of this Senator the undesirable features of the bill predominate.

First, there are the changes which were made in the Senate's truck weight provision. As my colleagues will remember, the Senator from Vermont opposed the weight increase as passed by the Senate. As one of the Senate conferees, however, this Senator supported the measure as passed.

What has emerged from conference, however, is a section significantly different from that approved by the Senate. The bill passed by the other body contained no provision for truck weight increases—in fact, such a provision had been defeated by an overwhelming majority when attached to a mass transit bill.

In spite of the fact that the Senate provision was the only one before the conferees, two amendments, which would increase the hazardous character of heavier trucks, were accepted.

The first of these amendments deleted the 10,000-pound front axle weight limitation which had been added at the urging of the Teamsters and other truck drivers. The drivers tell us that weights in excess of 10,000 pounds mean greater steering difficulty in crisis situations and greater likelihood of front tire blowouts. Counter arguments by carrier companies and engineers are less convincing to this Senator than testimony from those who actually drive these vehicles.

The second amendment "grandfathers in" truck axle weight loadings permitted by States prior to enactment of this legislation. Thus, rather than having a uniform national formula designed to protect bridges, as the Senate bill provided, the conference report perpetuates numerous variations which may not assure maximum bridge life and safety.

Deletion of a House provision permitting wider buses on the interstate was the only decision by the conferees against larger vehicles.

Another aspect of the conference report which disturbs this Senator is the so-called off-system road program. While the idea of permitting Federal funds to be spent on construction of roads not a part of a Federal-aid system is possibly a very sound one, it represents a major departure from past practice.

Next year the Congress must examine the whole highway program and quite possibly make major changes in its entire structure. To institute another new categorical program at a time when States are asking that categories be reduced and the Federal program simplified appears short-sighted and ill-advised.

Another feature of the off-system roads program which this Senator finds objectionable at this time is the use of general Treasury funds to build highways. Perhaps we will eventually fund all Federal highway programs from the general Treasury; there are many who argue for such an idea.

At present, however, there is a highway trust fund, the existence of which is justified by the claim that it provides funding for all Federal-State highway construction on a pay-as-you-go basis.

To begin to tap general funds while the trust fund continues in robust health appears to overemphasize highway transportation at the expense of other needed domestic programs.

Mr. President, there are, of course, other provisions in the conference report which one may agree or disagree with in varying measure.

The determinative issues for this Senator have been outlined in my statement. I regret being unable to agree with my fellow Senate conferees who support the conference report and who worked in good faith to try to fashion an acceptable compromise.

In the reasoned judgment of this Senator, however, the gains to be realized from passage of this report are outweighed by the negative impact certain provisions could have on safety and the orderly development of our national transportation program.

Mr. CHILES. Mr. President, I congratulate the Senator from West Virginia for the hard work he has done. I do not want to take from his time, but he and his staff have been so diligent in this matter and paid such attention to the problem, particularly to one of great concern to my State, I congratulate him on bringing this back to the Senate so we can vote.

I hope the Senate adopts it.

Mr. RANDOLPH. Mr. President, the Senator from Florida is correct and I wish to thank him for his support on this bill. Throughout this bill there are benefits to all the States.

I must disagree, in good purpose and humor, with my colleague from Tennessee with respect to the beautification program.

We have tried for 6 years to extend the beautification program and have been unable. In this conference report we have authorized $50 million for that program, and we prohibit signs beyond 660 feet from an Interstate highway, something we have not been able to accomplish before.

That certainly is an important provision in this conference report.

I close by saying I respect the conviction of my colleague from Tennessee, of my colleague from Vermont, and others, who would not agree with all of the provisions in this conference report. It is an important conference report and I trust the Senate will approve it.

Mr. HUGHES. Mr. President, does the Senator from Tennessee have any time remaining?

The PRESIDING OFFICER. All time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Iowa may have 2 minutes.

Mr. HUGHES. I thank the distinguished leader.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 minutes.

Mr. HUGHES. Did I understand the distinguished Senator from Tennessee that this conference report does now allow a 12,000-pound axle weight on the steering axle?

Mr. BAKER. Mr. President, the conference report in its present form is silent on steering axle weights. However, the Senate version which went to conference had a 10,000-pound limitation on the truck-tractor steering axle. That has been removed in conference.

Mr. HUGHES. Will the distinguished chairman of the committee reply to the question?

Mr. RANDOLPH. Yes, I am very happy to reply to my able colleague from Iowa in reference to his question.

I think it is important. We only had so much time on the conference report, otherwise I would have discussed all the provisions.

I can understand the concern of those who believe the provision relating to the weights on the steering axle of trucks should have been retained.

The language was offered by the able Senator from Michigan (Mr. HART) during our Senate debate on S. 3934. We agreed in this body to the amendment, it was taken to conference.

We encountered resistance, the firmest type of resistance, and in the end it was necessary for the Senate to recede in order to assure that there would be a conference report on this measure.

I do want to add, however, that I believe personally the intent of the steering axle limitation to be a good one. In writing its provision relating to vehicle weights, the Senate Public Works Committee gave primary attention to safety considerations. We are, therefore, sympathetic to this situation.

However, there was never a proposal to the committee relating to front axle weight restrictions. We have had no opportunity to explore the issue either in hearings or in committee deliberations.

The deletion of this amendment does not mean that there cannot be or should not be control over front axle weights.

Under existing law, the Secretary of Transportation has the authority to issue regulations dealing with all safety aspects of trucks and truck operations. Because of the interest in this subject, which has been expressed properly in the Senate, and which I supported, I urge the Secretary to exercise this authority to determine what would be the proper action.

I believe that this would be a correct approach that would be realistic and would avoid potential pitfalls that could result from legislating without adequate examination of the issues and without precise knowledge about what appropriate steering axle limitations should exist.

I am very happy to have the question asked by a Senator who has worked on this subject matter and is as knowledgeable as any Senator concerning trucking matters. I am aware of the Senator's experience in the trucking industry and his concern for safety.

Mr. HUGHES. Mr. President, I thank the distinguished Senator, the chairman of the committee.

I would like to state that any weight engineeringly in excess of 10,000 pounds on the steering axle has been considered in the past exceedingly dangerous.

I appreciate the chairman asking the Secretary to place limits by regulation, and I pray that he will exercise oversight until this matter is explored thoroughly, because if it is not done I am afraid we may have provided for what could be an exceedingly dangerous situation if that front axle is overloaded.

Thank you.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask Senator BAKER, Senator RANDOLPH, and Senator STAFFORD if it would be agreeable to backing this vote immediately back to back behind the vote on the McClure amendment; or when the time on the McClure amendment has expired, vote on the conference report and have the McClure amendment voted back to back to that; so that Senators who are in conferences today with the House on matters that need to be cleared before we adjourn sine die would not be forced to run back and forth and could continue their conferences?

Mr. RANDOLPH. I am agreeable to what the Senator from West Virginia asks.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, might I inquire about when that will occur.

Mr. ROBERT C. BYRD. I think there is a time limitation on Mr. MCCLURE's amendment of 20 minutes.

Mr. BAKER. So within half a hour?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable, I would ask that the vote occur on the McClure amendment when the time has expired and then vote immediately on the conference report.

Mr. RANDOLPH. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Has all time on the conference report expired?

The PRESIDING OFFICER. Yes, all time on the conference report has expired.

NATIONAL HISTORIC PRESERVATION FUND

The Senate continued with the consideration of the bill (S. 3839) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

Mr. McCLURE. What is the pending business, Mr. President?

The PRESIDING OFFICER. The bill, S. 3839, is open to further amendment.

Mr. McCLURE. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 2, insert the following: Strike the figure "$1,000,000,000" and insert in lieu thereof the figure "$650,000,000".

On page 2, line 5, strike the figure "$1,000,000,000" and insert in lieu thereof the figure "$650,000,000".

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. BARTLETT) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendment will be considered en bloc.

Mr. McCLURE. Mr. President, stated very simply, all this amendment does is seek to set up what I think are more realistic authorization limits on what has been described correctly as a trust fund.

Now, a trust fund to be of any meaning at all has to be somewhat related to the amount of money that is actually going to be spent out of that fund.

I do not think there is anyone in this body that really honestly believes that we are going to go from a spending level of $300 million a year to a spending level of $1 billion a year in this single program at a time that the budget is under the restraints that it is now.

My amendment does not seek to interfere in any way with the very constructive provision that was voted by the committee of adding for a trust fund purpose the expenditure for historic preservation.

I commented at the time the Senator from New Jersey and the Senator from New York were offering their amendments that this money was not being spent for the benefit of the urban States.

Now, as a practical matter, most of this historic preservation money or the great bulk of it will flow to the urban States.

The smaller and less populous States will, as a matter of course, spend a smaller proportion of the historic preservation money than the urban States. My amendment will preserve the addition of $150 million for this very worthwhile purpose where no money was being spent effectively prior to this time.

It seems to me unreasonable to expect this great increase while we are talking about massive Federal expenditures to create jobs.

I just returned from the Appropriations Subcommittee after testifying in favor of some money to be put into that bill which we just completed passing through the Senate and the House, and just completed action on the conference report.

We do not know yet whether the President will sign it because of the amount of money that is involved in it. We sought in the Senate to add $4 billion for public service employment, and another $1 billion for an analysis of Federal programs that were job productive in areas of high unemployment. That has now been cut in conference to $2.5 billion and $500 million. The Appropriations Committee is not going to be able to do that to respond to the needs of thousands of men and women who are unemployed.

Does the Senator tell me that this body is going to vote to take money away from those job-creating possibilities and spend a 67 percent increase over the present amount of money, even under my amendment? That is, let alone the three and a half times as much that the committee has voted for a very worthwhile cause, I admit. But when the budget simply will not stretch to cover everything, you cannot get everything you want. You cannot even get everything you need.

We should preserve this land and water conservation fund as a trust fund in which we have a legitimate right to go to the Appropriations Committee and say, "This is a trust fund. Appropriate all of the money."

We have been successful in doing that. We have been successful in going to the administration and saying, "This is a trust fund. Spend all of the money that has been appropriated, $300 million a year."

Two years ago we had all but $60 million of that impounded for a while. We were successful, because of the backlog, because of the great need, because of the escalating prices, and all of the other factors that have been mentioned, in getting the administration to release and commit the entire amount of $300 million in each of the last 2 years.

But now to suggest that we will be successful in getting them to increase that amount of money to $850 million from the $300 million we are now spending in that area, plus another $150 million for historic preservation, just seems to me to fly in the face of reality.

The Appropriations Committee will not do it. The Budget Committee will turn thumbs down on it. The administration will rebel at it. We will have ended up destroying the very lever that we so carefully and tediously constructed over the years to get more dollars put into this very, very worthwhile program.

As I said in my opening remarks, I oppose this $1 billion ceiling very reluctantly, because it is needed.

The Senator from Louisiana was correct in saying that he and I are in agreement, that this money is needed, that the backlog of demand is there. The backlog of demand under the State programs is much larger than the backlog of demand under the Federal program. One of the figures ranges as high as $45 billion in backlog of need.

Surely we need it. Surely it will take years to meet that need. But you cannot convince me that we will actually match that need with dollars while we have men and women unemployed; when we are finding difficulty getting the money into the employment programs that are so vitally needed.

As I said earlier, I cannot believe that we really will create parks for idle people to spend their time while they are unemployed.

I think the priorities that are before this Nation are very clearly stated. That is the reason I have offered this amendment. I believe if we will limit our appetite, if we will be realistic in the goals we have set, and set a $650 million ceiling on the entire program, the full $150 million for historic preservation, but increase the balance of the fund only from $300 million, to $500 million a year, we have a chance to get it.

I think if we do not, we will get even less.

I believe we are overreaching. I feel we are grasping too far. When we do that, we destroy the very thing we try to create.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself as much time as I desire.

Mr. President, when I was a kid growing up in Shreveport, to the north of me we had about a half mile of woods. To the south there were woods as far as the eye could see.

I have since moved from that home, moved south of town about 6 miles. But where I used to live, Mr. President, no longer has any woods. It has streets, it has houses, it has sewage lines, and it has all of the incidia of civilization. Never again, Mr. President, will that area be like it was when I was a kid growing up.

Maybe that area was not suitable for a national park. I am not suggesting that it was. But I am suggesting that little story of where I grew up is replicated thousands of times all over this country. Areas that used to be sylvan pristine areas of beauty are lost forever once they are developed.

I say this, Mr. President, because of the urgency of time, that we cannot afford to wait forever.

The Chattahoochee River, for example, flowing through Atlanta, had some of the prettiest water and passed some of the prettiest scenery you have ever seen in the middle of a city. Once that is lost, it is lost. You cannot bring it back and unpave the roads, replant the trees, and purify the water as it is now.

Mr. President, we are told that we ought to cut this money in half, and yet this Congress, and past Congresses, have authorized expenditures of $2.776 billion. If we spent every bit of money in that fund at the present level it would take 22½ years to just pay off what we presently authorize. That assumes no additions to the fund, and that assumes no inflation.

Mr. President, I do not think we can wait 22½ years.

The Everglades National Park, for example, was authorized in 1934, and there is still some land in Everglades that is in private ownership.

It is just not fair, Mr. President, to create a park, to authorize its existence, and, in effect, tell the landowners in the park that they cannot use it for anything else—as a practical matter this is true—and yet make them wait for 10, 20, or 30 years before their land is recompensed for by the Federal Government. That is not right. That is not fair.

What this bill does in its present form, Mr. President, is to reduce from 22½ years to 6 years 7 months the length of time it will take to acquire the backlog, without getting any new projects added to the number already authorized by Congress.

Mr. President, my good friend, the distinguished Senator from Idaho, says if we authorize more money than is appropriated, somehow we destroy the fund. I hope, Mr. President—and I think the American people will insist—that more money will be put into parks. However, this year, only $76 million was appropriated by the Appropriations Committee, and the fund still exists, the fund still has its integrity.

I say, Mr. President, we need the full amount of this bill. I would like to see the amount be greater. It is not an inflationary expenditure. We still have those assets. We are not using them up. We are not destroying them. We are keeping these great national assets in perpetuity for the use and benefit of the American people.

Mr. NELSON. Mr. President, will the Senator yield for a moment?

Mr. JOHNSTON. Yes, I yield to the distinguished Senator from Wisconsin.

Mr. NELSON. I will not interject myself in the midst of the distinguished Senator's remarks. I am chairing the OEO conference, however, I simply wanted to endorse the remarks that the Senator has just made respecting land and water projects purchased by the Federal Government and the States with the use of Land and Water Conservation Fund Act revenues.

I point out that this Congress has authorized projects totaling approximately $2.7 billion. This amount involves wild rivers all over this country, new national parks, recreation areas, and national forests. It involves the redwoods in the West and the Apostle Islands in Lake Superior. It involves areas on the east and west coasts, and projects in Florida.

We have told the people of this country that we are going to save these magnificent assets. We have told the people of this country that these assets are too valuable to lose. We have passed laws to begin preservation. Everybody thinks they are saved; but they are not.

At the current rate of funding out of the land and water conservation fund, it will be 22½ years before we will spend enough money to pay for currently authorized projects; 22½ years from now, we will finish with the redwoods, the Apostle Islands, the St. Croix River; 22½ years if we do not add any more and if we do not have inflation neither of these alternatives are practical.

What kind of fraud is the Congress perpetuating on the American public if we do not appropriate the money to pay for the projects that we have authorized? And we have told the public we have acquired for them.

Mr. JOHNSTON. Twenty-two and one-half years, assuming no inflation.

Mr. NELSON. Yes. At the current rates. The prices will be quadrupled. Land prices are going up. It is an absolute, total fraud to proceed this way. We should put sufficient money in there to pay for them or let the redwoods go down the drain and let the wild rivers go.

Under the funding in this bill, it will still take, without inflation, without new authorizations, 6 years and 7 months to pay for the projects we have authorized for our national forests and for our national park system. The price of land at the end of the 6 years will be two, three, four, and five times as much.

We should keep faith with the American people.

The additional funding will be paid for out of oil royalties. If we are going to deplete one resource in this country, we should at least use some of the royalties to preserve, to protect, and to replenish our natural resources.

The oil royalties in 1972 were $279 million. This year, they will be over $8.2 billion. Can we not take part of that and create a living heritage for future generations? It is a smaller percentage than we were using three years ago. Can we not use part of those oil royalties and keep faith with the American people?

I commend the Senator for his bill and his proposal, and I regret that I cannot be in the Chamber longer to participate in this debate. I believe very strongly that it would be a tragedy that will come back to haunt this Chamber for years if we accept this amendment.

Mr. JOHNSTON. I thank the distinguished Senator from Wisconsin, whose imprint is very strong not only on this bill but also on the entire environmental movement.

Mr. McCLURE. Mr. President, will the Senator yield, on my time?

Mr. JOHNSTON. I yield.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I know it is a dangerous and perhaps improper activity on the floor of the Senate to ask pointed and sharp questions of colleagues. But would either the Senator from Louisiana or the Senator from Wisconsin vote for a tax increase to pay for this?

Mr. NELSON. Let me answer the Senator.

Three years ago, when President Nixon made a very popular request to reduce the taxes, I was one who voted against it.

Mr. McCLURE. The Senator is not answering my question.

Mr. NELSON. Would I vote for an increase in taxes to pay for this?

Mr. McCLURE. Yes.

Mr. NELSON. The answer is "yes."

Mr. McCLURE. I thank the Senator. I hope he has that opportunity.

Mr. President, will the Senator from Louisiana respond to the question?

Mr. JOHNSTON. The Senator from Idaho is asking a question which is not before the Senate. The Senate created this Land and Water Conservation Fund out of oil royalties, the majority of which come from my State, and out of which we get not one nickel. All those revenues produce billions of dollars, produced off our shores, and we get not one nickel. That fund was $279 million in 1972, and now it is $8 billion.

I say it is not necessary, it is not proper, to get a tax increase simply to pay for this kind of investment, this kind of permanent investment.

This is not inflationary. What we are doing, in effect, is transferring from one column in the Federal budget the cash balance and putting it over in the land balance. Those same dollars are still there, the Federal land holdings, and we are not depleting by one cent the value of property that the Government holds.

Mr. McCLURE. Mr. President, I yield a minute and a half to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I compliment the Senator from Idaho. What he is doing here is following, so far as I know, the dictates of the people of this country to reduce the authorization for spending and reduce the debt.

As I understand, this amendment would make $350 million more available to Congress and would bring the budget that much more into balance in the future.

This bill flies right in the face of the new budget proposal that was passed by Congress and signed into law, which recognized that we had real problems with the budgetary process, that we were going more and more into debt; and it recognized the problems of so much money being earmarked.

So we are earmarking more money, which will accumulate in a fund and will not be available for general expenditures. This money coming from the Outer Continental Shelf bonuses and royalties. At this time, when we are having real problems with the economy, when we are having real problems with inflation and real problems with Government overspending, it is not the time to take on this kind of outlay by increasing the authorization from $300 million to $1 billion. This would reduce very sharply the moneys that otherwise would be available for balancing the budget and paying for the many things we are doing that are not paid for today.

I am happy to join the Senator from Idaho.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. Mr. President, I believe I have a minute and a half remaining.

I thank the Senator from Oklahoma. He is correct. We can say that this money comes from the oil royalties, the Outer Continental Shelf Fund. It comes directly out of what would otherwise be money in the Treasury of the United States. While it may have its genesis in oil royalties, it actually deprives the Treasury of that amount of money during the period of time that it is within this fund, regardless of whether or not it is expended.

Talk about a fraud upon the American people! The real fraud lies not just in authorizing beyond our ability to appropriate and spend for the creation of these parks. The fraud lies in promising them something in this action which we know will not happen; and we know that in this time of budgetary crisis we are not going to increase the spending of this particular program from $300 million a year to $1 billion a year.

I just listened to the administration witnesses testifying that the difficulty in getting the money into the job-creating opportunities of public service employment and title 3, which I authored in the bill which was just passed. They say the money is just not there. We just created a budget deficit in the last year of more than $20 billion. Probably next year, it will be more than $35 billion; and if we keep going the way we are, the second year after this it will be $50 billion. Then what will happen to the inflation about which the Senator is talking?

If we are going to have fiscal responsibility in this country, it has to start somewhere. One of the places in which it must start is in limiting our appetite to spend in areas where it is not absolutely essential that it be spent this year.

Yes, I voted for those authorizations. I was proud to do so. And we did not have the budget constraints. We have that now. We did not have the inflation and the unemployment then that we have now. Those are our priority items today. Those are the priority items which my amendment addresses.

I hope the Senate will support me in this effort to be responsible.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the second vote, it being a back-to-back vote, be limited to 10 minutes on the rollcall.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Jeffrey Nedelman, of Senator NELSON's staff, be accorded the privilege of the floor during the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time has expired. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Idaho (Mr. McCLURE). The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that the Senator

from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. PEARSON) is necessarily absent.

The result was announced—yeas 35, nays 60, as follows:

[No. 569 Leg.]

YEAS—35

Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Goldwater
Gurney
Helms
Hollings
Hruska
Javits
Laxalt
McClellan
McClure
Percy
Randolph
Roth
Scott, William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NAYS—60

Abourezk
Aiken
Bayh
Beall
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Fannin
Fong
Gravel
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—5

Bentsen
Fulbright
Hathaway
Mansfield
Pearson

So Mr. McCLURE's amendment was rejected.

Mr. KENNEDY. Mr. President, the bill under consideration by the Senate to increase the Land and Water Conservation Fund and to establish the National Historic Preservation Fund is among the most important pieces of legislation that we will have the opportunity to act on in this Congress. It provides the funds to protect our most precious and our most fragile resources—our land and our water and our cultural heritage.

The Land and Water Conservation Fund established in 1965 provides funds for the acquisition of lands administered by the Federal Government as recreation areas and for matching grants to State and local governments for planning, acquisition, and development of recreation lands and facilities. Fund revenues are derived primarily from the sale of Federal surplus property and Outer Continental Shelf mineral receipts.

The legislation we act on today is designed to take advantage of the rapid increase in mineral receipts from the leasing program and is a direct response to the increasing backlog of recreation land acquisition needs on both the Federal and State level.

The bill provides for an increase in the Land and Water Conservation Fund to $1 billion which is a crucial first step in catching up with the backlog of acqusition and recreation needs in this country. The National Park Service alone estimates it will need $638 million to complete its land acquisition backlog.

An important amendment to this bill offered by Senator BUCKLEY and Senator WILLIAMS will assure that where the recreation needs are the greatest, the money will be more available. By adjusting the allocation formula to provide that 75 percent of the money available to the State will be distributed on a need basis, we insure that in the densely populated areas of the east coast where green space and recreation is needed most and least available, that acquisition can proceed on a level in some way commensurate with the need.

There are some areas in this country where legislation especially suited to the complex problems of preservation of our resources is required; where simple acquisition cannot solve the problems. In the Commonwealth of Massachusetts, the islands lying off the coast of Cape Cod require an innovative program of management which will allow the local residents to determine how to burb overdevelopment on privately owned lands. In Boston, we have worked out a framework to protect the sites of the Revolutionary War period and at the same time leave ownership in the hands of those who have cared for these landmarks for 200 years. In the Connecticut River Valley, a plan which provided areas of recreation as well as areas suitable for residential and commercial growth has been the subject of legislation at both the State and Federal level.

But the fact remains that there are thousands of places in this country where acquisition for the development of recreation areas is feasible and the most effective way to accomplish our goals. Those most expert in the field, the National Park Service and the agencies of the States themselves have identified these areas. Only the lack of sufficient funds has hampered this effort. And today we have an opportunity to begin turning that around.

There is no one today who would suggest that preservation of our resources is optional or that development of recreation areas is frivolous. We have lost a great deal of time by not authorizing adequate funding sooner; and we have lost some valuable resources that are not renewable. We can assure today that this tragic loss is not perpetuated.

Of all the depressing accounts of lost resources, one of the most distressing is the destruction of so much of our history as a nation. As testimony before the House Interior Subcommittee on National Parks and Recreation substantiates, over 50 percent of the 12,000 buildings listed in the Historic America Building Survey since 1933 have been destroyed. There is nothing we can do to bring those symbols of history back to life for our children. But we can see that this kind of senseless loss is stopped by providing the financial assistance crucial to the historic preservation effort.

By setting up the National Historic Preservation Fund to provide financial assistance to the States, we have not solved all the problems in historic preservation. We need a greater emphasis on planning, the development of new methods of preservation, and greater support of local community preservation groups. But the financial assistance that the fund will provide is critical in demonstrating our commitment to preservation of our heritage.

Historic preservation is not building museums dedicated to the past. It is not making a showcase of relics and artifacts of our history. It is not cordoning off antique buildings and furniture. Historic preservation is breathing new life into our cities and making our birth and growth as a nation come alive for all our young people. Mr. Tersh Boasberg of Preservation Action pointed out in his testimony:

> Fed by the national concern for environmental quality and the upsurge of Bicentennial interest, the preservation movement offers a real hope that our cities yet can stave off economic and social catastrophy. . . . Over 80 percent of our Nation now lives in urban areas. Our interest in historic preservation is no more or no less than a concern for the quality of life in Twentieth Century urban America. For historic preservation means not only recognition of the values and landmarks of our past; but it means community renewal, economic development, and local progress for our future.

The action we take today in acting favorably on legislation to increase funding for historic, land, and water conservation is in no way inflationary; it is an investment in our future. It is not expenditure without gain; it is the acquisition and conservation of life-giving resources and the preservation of the finest moments of our past.

Mr. TUNNEY. Mr. President, the Senate today is considering S. 3839, a bill to establish a National Historic Preservation Fund, and to authorize an increase in the level of the land and water conservation fund.

I am delighted that the Interior Committee has reported this bill which increases the authorization for the fund from $300 million to $1 billion. In addition, the bill contains a provision to raise from 7 to 10 percent the amount of funds that a State can receive from the fund in any one year.

Passage of this legislation will have a major impact on California because it will significantly increase the amount of funds available as grants-in-aid to local government in order to provide urgently needed public outdoor recreation areas and facilities. The State's current share of the fund, which comes primarily from offshore oil lease receipts, is $12.4 million and would increase to $51.7 million if the bill is approved.

In addition, Senator BUCKLEY has offered an amendment which would alter the basis upon which the States' share of the fund is distributed. Forty percent of the moneys from the fund are now distributed equally among the States and 55 percent is distributed based on population and land resource consideration. The amendment proposed by Senator BUCKLEY would provide for 75-percent distribution based on need and 20 percent would be divided evenly among the States.

I strongly suport the Buckley amendment because it provides for a more equitable distribution of Federal resources based upon the needs of the States. By increasing the fund from $300 million to $1 billion, the Congress will be making available a significant amount of additional money for recreation purposes.

California, with a population of 21 million, urgently needs additional moneys for land acquisition. There are a number of recreation areas which need funding for acquisition and development of facilities for the use of both California residents and also for out of State tourists.

Any State which can match funds coming from the Federal Government should have access to that money, rather than permitting it to be allocated to States that will never have the kind of resources that would allow such large expenditures for recreation purposes.

Mr. President, as pressures grow to develop and expand our cities and suburbs, less and less land will be available for recreation. I feel it is essential that we act now to preserve as much open space as possible so that our children will have places to visit that provide peace and quiet and a chance to escape from the pressures and hectic pace of everyday life. S. 3839 will do that and I urge the Senate to approve this vital measure.

Mr. ROBERT C. BYRD. Mr. President, a rollcall vote is to occur immediately on the conference report on the Federal aid highway bill. I am advised by Members on both sides of the aisle that they are agreeable to moving the bill presently before the Senate immediately to third reading, having a voice vote thereon, and then having the rollcall vote on the conference report. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3839) was passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL-AID HIGHWAY AMENDMENTS OF 1974—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

RAILROAD TRACK RELOCATION IN LAFAYETTE, IND.

Mr. HARTKE. Mr. President, I was pleased to learn late last evening that the conferees on the highway authorization bill had included a proposal which will give the city of Lafayette, Ind., a go-ahead on its proposed railroad relocation project. Along with approval for the Lafayette project, the conferees also authorized an expenditure of $360,000 for planning costs during the first year.

As soon as this legislation becomes law, efforts can begin to secure an appropriation for the Lafayette project. I expect that the necessary appropriation can be made during the early part of the next session of Congress.

This is an important step for the people of Lafayette. As early as next spring, the city can begin planning for the consolidation and relocation of its downtown railroad tracks to a new rail corridor along the Wabash River. When completed, the relocation will eliminate both the problems of costly, irritating, and sometimes hazardous traffic congestion together with chronic, disruptive and always exasperating noise pollution.

I commend the work of the conferees and, on behalf of the residents of Lafayette, extend to them my appreciation.

Mr. DOMENICI. Mr. President, I rise to give my support to the conference report on the Federal-Aid Highway Amendments of 1974, particularly that provision dealing with carpooling. I would like to comment briefly on the carpooling assistance aspect of the conference report.

This provision should provide incentives for carpooling programs across the country. It will be beneficial in my home State of New Mexico which, although essentially a rural State, has metropolitan transportation problems. In Albuquerque, for example, only 2 percent of the workers in the metropolitan area use public transportation. The national average for driving private automobiles to work is 77 percent in the Nation's largest cities. In Albuquerque this figure is 88 percent. This provision creates the means by which the city of Albuquerque and cities in similar circumstances could receive help in effectively reducing the level of inefficient and wasteful commuter traffic.

The legislation which I originally introduced, with the able assistance and support of the distinguished Senator from Minnesota (Mr. Humphrey), who has also been instrumental in the development of a national energy policy and energy conservation measures, should provide to the Nation as well as to my home State of New Mexico important incentives for carpooling.

The measure provides $7.5 million for carpooling with the funds being derived from the Highway Trust Fund. It does not change the present system where States can choose between spending part of their funds on carpooling or on highway construction projects. By this action today, the Congress will provide the States an additional source of funds for carpooling programs.

The energy savings and rate of return for the dollar is higher in carpooling than in any other change of transportation modes in which we could invest public funds. Carpooling is not the complete answer. There is still a need across America for adequate, efficient public transportation systems as well as the redesign of many of our downtown areas to accommodate these programs.

However, I strongly feel that the Federal-Aid Highway Amendments of 1974 is a move in the right direction, a move designed to change our metropolitan highways from large parking lots into effective transportation arteries.

The distinguished ranking minority member of the Public Works Committee (Mr. Baker) and the distinguished ranking member of the Transportation Subcommittee (Mr. Stafford) and others have pointed out deficiencies in the conference report. I, too, feel that this version of the legislation has some flaws and it is not the final version I would have preferred. It is, however, a legislative measure that has too many good features, too many advantages for the whole country to be rejected at this point in time. Accordingly, Mr. President, I urge the Senate to adopt the conference report.

Mr. STEVENS. Mr. President, I favor passage of the conference report on S. 3934, the Federal Aid Highway Amendments of 1974. However, I believe an important provision of S. 3934 as originally passed by the Senate was deleted in conference. That provision would have set a limit on front steering axles at 10,000 pounds.

During our consideration of this bill, we have heard the concerns of those who favored increased truck weights, and I am not opposed to those increases. We must not forget, however, those who will be directly affected by these weight inincreases—the drivers. These people must be given some sort of relief—and by that I mean legislative relief—with regard to the safety of the vehicles they operate. The 10,000-pound weight limitation on front steering axles would have provided a measure of that safety. I think we should be prepared to address the problem of truck safety early in the 94th Congress.

Mr. BAYH. Mr. President, this measure is of particular importance to the citizens of Indiana, who will benefit from two provisions retained by the conferees.

First, S. 3934 authorizes $360,000 in Federal funding assistance to the city of Lafayette to facilitate further planning in connection with the relocation of railroad tracks running through that community. The conference report to the Department of Transportation and Related Agencies Appropriations Act of 1973 recognized the critical nature of the grade crossing situation in Lafayette by naming that city as one of three eligible to receive Federal assistance in the form of a study conducted by the Stanford Research Institute, under contract with the Federal Railroad Administration.

In all three cases, SRI has completed its work and presented a detailed analysis of alternatives to resolve the problems caused by railroad facilities in each of the three communities. While implementation of the relocation projects contemplated in the study has been authorized in Wheeling, W. Va. and Lincoln, Nebr., Lafayette is currently unable to proceed with plans to implement its choice of the alternatives considered by SRI. I wish to express my deepest personal gratitude to the distinguished chairman of the Public Works Committee (Mr. Randolph) for the spirit of understanding and cooperation which his committee demonstrated in insuring that the citizens of Lafayette will be able to proceed with efforts to relocate the disruptive railroad tracks in their community.

This bill also increases the authorization for the construction of a bridge across the Markland Dam on the Ohio River by $2.5 million, in order to permit the completion of this project in the face of inflationary cost increases. This bridge will provide a tremendous boost to the flow of commerce between Indiana and Kentucky, and the willingness of the committee to permit the fulfillment of our earlier commitment to the citizens of both States is deeply appreciated.

The PRESIDING OFFICER (Mr. William L. Scott). The question is on agreeing to the conference report on S. 3934, the Federal-Aid Highway Amendments of 1974.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen) and the Senator from Arkansas (Mr. Fulbright) are necessarily absent.

I further announce that the Senator from Montana (Mr. Mansfield) is absent on official business.

I also announce that the Senator from Maine (Mr. Hathaway) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. Pearson) is necessarily absent.

The result was announced—yeas 68, nays 27, as follows:

[No. 570 Leg.]

YEAS—68

Abourezk
Allen
Bayh
Beall
Bellmon
Bennett
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Curtis
Dole
Domenici
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Hansen
Hartke
Haskell
Hatfield
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Long
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Randolph
Ribicoff
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Tower
Tunney
Williams
Young

NAYS—27

Aiken
Baker
Bartlett
Biden
Brock
Brooke
Buckley
Cotton
Cranston
Dominick
Goldwater
Griffin
Gurney
Hart
Helms
Javits
Mathias
McIntyre
Nelson
Proxmire
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Thurmond
Weicker

NOT VOTING—5

Bentsen
Fulbright
Hathaway
Mansfield
Pearson

So the conference report was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield to the Senator from Utah (Mr. Moss) for not to exceed 1 minute without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 356

Mr. MOSS. Mr. President, I ask unanimous consent that on the consideration of the conference report on S. 356 the following members of the Committee on Commerce staff be given access to the floor during the debate and vote: Ed Merlis, Lynn Sutcliffe, Tom Allison, Tom Adams, and Art Pankopf.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that I may yield to Mr. Nelson for not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALLOCATION OF GRANTS TO COASTAL STATES—PRIVILEGE OF THE FLOOR

Mr. NELSON. Mr. President, I ask unanimous consent that Ray Calamaro of my staff and Mr. Bickwith, Mr. Lane, Mr. Hussey, and Mr. Cortillo of the Senate Commerce Committee staff be given privilege of the floor during the consideration of S. 3922 and the vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 1 minute to Mr. Bayh under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF FEDERAL LAW RELATING TO EXPLOSIVES

Mr. BAYH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1083.

Mr. GRIFFIN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. I do object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 minute to the Senator from Louisiana (Mr. Johnston).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD BILL AT DESK (S. 3839)

Mr. JOHNSTON. I ask unanimous consent that the bill (S. 3839) which has been passed be held at the desk pending action on a similar measure in the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I do not want to yield the floor, but how much time would the Senator like; a minute or two, or whatever he wants?

Mr. BUCKLEY. Mr. President, I would like to have a colloquy with the Senator from Virginia.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent—this has been cleared on both sides of the aisle—that on the military construction appropriation conference report there be a 10-minute limitation to be equally divided between Mr. Proxmire and Mr. Schweiker.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask uanimous consent that Mr. Harry F. Byrd, Jr., and Mr. Buckley may proceed for not to exceed 15 minutes with the time equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TRADE ACT OF 1974

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, a week ago today this body, after an extended debate, adopted a trade bill of great significance and adopted with it an amendment offered by the Senator from Washington (Mr. Jackson) that received the unanimous support of this body on the——

Mr. President, may we have order?

The PRESIDING OFFICER. The Chair would request that the Senators take their seats and take their conversations to the cloakroom, if they have to engage in audible conversations.

The Senator is entitled to be heard. The Senate will be in order. The Senators will please take their seats.

The Senator from New York.

Mr. BUCKLEY. Mr. President, this body adopted that amendment and adopted that trade bill on the explicit understanding that there existed between the Soviet authorities and Dr. Kissinger an understanding with respect to Soviet emigration policy.

This was the basis on which we undertook to authorize the President to extend to the Soviet Union most-favored-nation status and to make available preferential credits to finance the transfer to the Soviet Union of American technology.

Today, Mr. President, the UPI carried the following item, and I quote:

> The Soviet Union Wednesday flatly renounced any trade agreement with the United States binding Moscow to ease emigration.
>
> An official government statement dis-

> tributed by the Tass News Agency denounced the trade bill passed by the U.S. Congress last Friday for "attempts to include provisions concerning . . . the departure of Soviet citizens for other countries."
>
> It said Moscow "flatly rejected as unacceptable . . . any attempts to interfere in internal affairs that are entirely the concern of the Soviet state and no one else."

A few minutes later, Mr. President, UP carried an additional item, and again I quote:

> After two years of delay, the U.S. Senate last Friday passed one version of a trade bill to offer the Soviet Union non-discriminatory trade terms in exchange for freer emigration, particularly of Soviet Jews.
>
> The bill awaits reconciliation with a similar bill from the House of Representatives before going to President Ford for his signature.
>
> The move came in a letter from Soviet Foreign Minister Andrei Gromyko handed to Secretary of State Henry Kissinger on Oct. 26, Tass reported.
>
> Gromyko protested that "elucidations" given by the Soviet Union were interpreted by the United States as "assurances and nearly obligations on our part regarding the procedure of the departure of Soviet citizens from the USSR."

Mr. President, I believe that this is most important information, and I know that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) will discuss, after I have completed my remarks, some of the implications in the information about the Gromyko letter.

We do know from past experience that the Soviet Union has placed the most severe restrictions on emigration; and has, in fact, harassed those having the courage to indicate their desire to leave for other countries. I believe that it is important and entirely appropriate, in the light of the statement that has just been issued from Moscow, that we call for positive evidence of a change in Soviet policy liberalizing emigration and doing away with harassment, before there is any extension to the Soviets of the benefits provided for in the trade bill.

In an exchange on the floor with the distinguished Senator from Washington (Mr. JACKSON) in which I raised the question as to whether or not the various understandings he had with Secretary Kissinger and the administration will permit the termination of any benefits extended to the Soviet Union upon receipt of credible evidence that they were in violation of their agreement to liberalize their emigration policies, he had this to say:

> There are two points I wish to make: One is that in a personal discussion between the President of the United States and myself, the President gave his personal assurance that if in this 18-month period there is a course of action that is in violation of the agreement, he would act himself to cut off MFN and credit.

Mr. President, I submit that the announcement that an agreement does not exist constitutes a most explicit violation.

I can understand that perhaps this is an exercise in Soviet internal public relations, an attempt to maintain "face," to indicate to their own people that they are not yielding to outside pressures as to a matter they consider to be of internal concern. Nevertheless, in the face of the past record, in the face of this statement, I believe that the President should start out withholding the authority granted him under the trade bill unless and until he has positive evidence of a change in Soviet practice.

To this end, Mr. President, I have written the President today urging him to do so. I believe that for him to do otherwise would be to break faith with the Congress and to break faith with the citizens of the Soviet Union who are seeking freedom, free lives elsewhere.

Mr. President, I hope that my colleagues will join with me in this plea to the President and this message to the Soviet Union.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUCKLEY. Gladly.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I understand completely why the question is raised. I think it is properly raised. But the one important fact that should be inserted is that Senator JACKSON and I have just talked with the press at considerable length about this very matter.

The clarifying point, and it is clearly implied from what Senator BUCKLEY has said, is that the United States is not, by the trade law, to enter into any agreement with the Soviet Union about favored nation treatment, or anything else. That is point one. Therefore, if he does not do it, the operative requirement that Senator JACKSON's agreement, backed by Senator RIBICOFF and myself, should be complied with does hot become operative.

The second part of it is the proclivities between the President, Senator JACKSON, Senator RIBICOFF and myself, as expressed by Secretary Kissinger. Therefore, Senator JACKSON's assurance to Senator BUCKLEY, which is very important, remains fully valid. That is, that the obligation will be that the President of the United States to see, one, that he does not make that agreement unless he believes in utmost good faith that the Russians will act in such a way as to enable him to comply with his agreement with us; and, second, that they will continue to do so, or that whatever he does with them will be susceptible of being cut off if they do not.

Read within that context, what the Senator has said is perfectly proper.

The press asked us, "What happens if the Russians choose to reject the trade agreement?"

Then we go back to square one, the fight we have been waging for some years now under the United Nations Human Rights Convention, which the Russians are a party to.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Will the Senator from Virginia yield 2 more minutes?

The PRESIDING OFFICER. The time will be equally divided.

Mr. JAVITS. Will the Senator from Virginia yield me 2 minutes?

The PRESIDING OFFICER. The Senator from Virginia is recognized for 7 minutes.

Mr. HARRY F. BYRD, JR. I yield 2 minutes.

Mr. JAVITS. I thank my colleague.

Then we go back to the struggle in which Senator BUCKLEY, Senator BYRD, and many others have participated in a most active way. I make that point because I think the Senator is absolutely right, that this thing should be debated and understood in connection with our impending action on the trade bill when the conference report comes before us.

I thank my colleague.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, it is a very astonishing report which the wire services carried from Moscow today. The report states that Soviet leaders flatly rejected as unacceptable the new U.S. trade bill with emigration strings attached, and say there may be fewer rather than more Soviets leaving this country.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is entitled to be heard. The Senate will be in order.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. This report from Moscow today also stated that Tass, the official Russian news agency, published the text of a letter which Soviet Foreign Minister Gromyko handed to Secretary of State Henry A. Kissinger on October 26.

Mr. President, so far as the Senator from Virginia can determine, the existence of this letter has never been made known to Members of the Senate interested in this subject matter.

I have just this afternoon received a copy of this letter addressed to Secretary Kissinger and signed by A. Gromyko, Minister of Foreign Affairs, in the U.S.S.R.

According to the news agency report, this was hand delivered to the Secretary of State on October 26.

The second paragraph of this letter states as follows, after discussing the Kissinger-Jackson exchange of letters:

> I must say directly that the cited materials, including the correspondence between you and Senator Jackson, create a distorted presentation of our position and of what was said by us to the American side on this question.

Mr. President, the trade bill was handled by the Senate Committee on Finance. The original hearing was held on March 7, 1974. The committee considered this bill at length and was prepared to report the bill in November. At my request, the committee held up reporting the bill until the committee could again have before it the Secretary of State. He had testified only once, the opening day, March 7.

I found the Kissinger-Jackson exchange of letters to be most unusual. I was concerned, also, that Senator JACKSON had one view and one impression of the correspondence, and Secretary of State Kissinger had a different view.

I felt that before this trade bill was acted on, granting most-favored-nation treatment to Russia, permitting the granting of long-term loans at low subsidized interest rates to Russia, this issue should be clarified.

On December 3 the Secretary of State appeared before the Committee on Finance. I put a number of questions to him. One question was this:

> What firm commitments do you have from Russia?

Secretary Kissinger replied at some length. At a later time, I will put in the RECORD the entire colloquy, but I point out now one or two paragraphs. Secretary Kissinger said that the arrangement was not a formal one, the commitment was not a formal one. Then Secretary Kissinger stated:

> Nevertheless, the President in his conversations with the three senators, and I in my letter to Senator Jackson, summed up these clarifications and indicated that the United States Government would stand behind them as having been received from the Soviet Government as a means of clarifying the issue.

That was Secretary Kissinger's statement on December 3.

In the same testimony, in another colloquy I had with the Secretary, I asked him this question:

> Mr. Secretary, does the Department of State have or plan to have a monitoring system to check on the Soviet performance under the Kissinger-Jackson compromise?

Secretary Kissinger replied, "Yes."

In another part of the testimony, Secretary Kissinger made this statement, and I read one paragraph:

> So there are no specific assurances with respect to each form of harassment, but there has been a general assurance with respect to harassment, and I believe that we should make an effort to see whether it can be made to work.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator may be permitted to proceed for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. With those assurances by Secretary Kissinger, the Senate moved to consider the revised Jackson-Vanik amendment, or the so-called Kissinger-Jackson compromise.

Now we find this astonishing, new development today.

One thing this dramatizes to me is the wisdom of the Senate in writing firmly into the legislation a ceiling on the amount of long-term credit and loans that may be extended to the Soviet Union.

No one appears to know today where our Government stands in regard to assurances from the Soviet Union. We have statements by the Secretary of State, in testimony on December 3, before the Committee on Finance, that the U.S. Government would stand behind the statements made in Secretary Kissinger's letter to Senator JACKSON, would stand behind those statements as having been assurances received from the Soviet Government.

Yet, we have a letter, made available only today, dated October 26, hand-delivered to the Secretary of State by Foreign Minister Gromyko on October 26, stating that those letters—the Kissinger-Jackson exchange of letters—"create a distorted presentation of our position and what was said by us to the American side of this question."

Mr. President, I ask unanimous consent to have printed in the RECORD the letter of October 26 signed by Mr. Gromyko, and a transcript of the Committee on Finance meeting held on December 3, including my questions and Secretary Kissinger's replies.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OCTOBER 26.

DEAR MR. SECRETARY: I consider it necessary to draw your attention to the matter of publication in the USA of materials known to you regarding the exit from the Soviet Union of a certain category of Soviet citizens.

I must say directly that the cited materials, including the correspondence between you and Senator Jackson, create a distorted presentation of our position and of what was said by us to the American side of this question.

Clarifying the real situation, we stressed that in itself this question relates entirely to the internal competence of our state. We told you beforehand in this connection that we have acted and will act exclusively in accordance with our present legislation on this subject.

But it is precisely this that has not been mentioned. At the same time, there are attempts to give our clarifications the nature of some kind of assurances if not obligations on our part concerning the exit procedures for Soviet citizens from the USSR. Certain figures are even given concerning the supposed number of such citizens. There is talk of an expected increase in this number in comparison with previous years.

We decisively reject such an interpretation. What we said—and you know this very well, Mr. Secretary—concerned only the actual situation on this question. And if, in informing you of the actual situation, the conversation turned to figures, then it was only about the reverse observed tendency toward a reduction in the number of persons wishing to leave the USSR for permanent residence in other countries.

We consider it important that in this whole matter, in view of its importance of principle, that there should not remain any lack of clarity with regard to the position of the Soviet Union.

A. GROMYKO,
Minister of Foreign Affairs of the U.S.S.R.

TRANSCRIPT

The CHAIRMAN. Senator Byrd asked that these hearings be held and has insisted that we should understand this subject before the Senate takes the bill up. I, therefore, yield my place to Senator Harry Byrd.

I would suggest that the first round of questions would be limited to ten minutes for each senator and thereafter we perhaps can have a longer time for those who care to participate further.

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, the Trade Reform Bill as approved by the House Ways and Means Committee and by the House of Representatives and by the Committee on Finance includes the Jackson-Vanik Amendment, of which I am a co-sponsor, which requires certain concessions from Russia in return for being granted most-favored-nation treatment and long-term low-interest rate loans.

You told this committee on March 7 that you would recommend a veto of the Trade Reform Bill if the Jackson-Vanik Amendment remains in the bill, because it would be interfering in the internal affairs of the Soviet Union.

My question, Mr. Secretary, is this: In return for the United States granting most-favored-nation tariff treatment, U.S. technology and long-term credits at taxpayer-subsidized interest rates to Russia, do you think the United States should demand concessions from Russia?

Secretary KISSINGER. Senator, to complete the record of what I said on March 7, I also pointed out to Senator Nelson and others that I was prepared to work with members of this committee or other interested senators on a compromise between their concerns and the concerns that I expressed here, and I did not flatly say that we would veto any bill that included the Jackson-Vanik Amendment.

To answer your question, Senator, I believe that the United States has a right, indeed it has a duty, to ask for reciprocity of some sort from the Soviet Union in return for any concessions that we make to the Soviet Union.

Senator BYRD. What firm commitments do you have from Russia?

Secretary KISSINGER. As I pointed out in my testimony, we have to separate two problems. We have to separate the problem of state-to-state relationships, and we have the problems that do not lend themselves to international negotiations as they are commonly practiced.

As I pointed out in my testimony on March 7, the United States cannot even begin any commercial negotiations with the Soviet Union for three years in the face of considerable pressure that we do not do so until the Soviet Union had satisfied certain international standards of conduct which we thought were necessary before a more normal trading relationship could be established.

It was only after the Soviet Union began to practice greater restraint in certain important areas that we began these commercial negotiations.

Now with respect to the Soviet emigration practices, we face the dilemma that it is highly unusual, in fact, I know of very few precedents in international relations, where the domestic relations of another country becomes the subject of an international quid pro quo, and we, therefore, had to find a formula which would satisfy the concerns of those who were concerned with the emigration issue and at the same time the Soviet's refusal to make this the subject of a state-to-state negotiation.

I would also like to point out that even prior to this we had made repeated presentations to the Soviet Union, which we did not publicize, on the issue of emigration, and these presentations were clearly not without effect because Jewish emigration from the Soviet Union rose between 1949 and 1973 from a rate of 400 a year to a rate of 33,500.

Now, what I have attempted to set down before this committee, Senator, is a formula by which the Soviet leaders explain their domestic practices and legislation to us in the form of certain clarifications, assurances and information.

This is not a formal commitment. Nevertheless, the President in his conversations with the three senators, and I in my letter to Senator Jackson, summed up these clarifications and indicated that the United States Government would stand behind them as having been received from the Soviet Government as a means of clarifying the issue, and we thought that this formula would satisfy the concerns of all interested parties, and we would propose that the Congress would permit us to see whether this can operate. And then in 18 months we can all see whether this system of indirect assurances will in fact operate as we hope it will.

Senator BYRD. You say the Jackson-Vanik Amendment interfere with the internal affairs of Russia.

Does or does not the Kissinger-Jackson compromise interfere in Russia's internal affairs?

Secretary KISSINGER. The compromise which I have put before the committee takes great care to maintain the distinctions that we have tried to elaborate while hopefully producing a positive outcome of what we are attempting to achieve, namely, increased Jewish emigration.

Senator Byrd. In replying to my second question, you stated it was very unusual for one nation to attempt to interfere in the emigration matters of another nation, and I certainly agree with that statement.

Then you point out that you have made great progress in this regard. What continually comes to my mind is why would the second most powerful nation in the world bow to the demands of the Congress for concessions on Soviet emigration?

Does this not suggest just how badly Russia needs and wants American technology, long-term loans and taxpayer-subsidized interest rates?

Secretary Kissinger. Well, Senator Byrd, again I would like to point out that we had made these presentations before there had been any congressional pressures or any formal congressional pressures.

I believe that what has been achieved through a variety of means does indicate that the Soviet Union places considerable importance on improved relations with the United States, including the acquisition of the benefits which you have described.

However, there is a point beyond which this cannot be pressed. It is a question of judgment where that point is.

Senator Byrd. The Soviet Union has turned to the United States for economic assistance, for our capital, our agricultural produce, and our advanced technology, all the while improving and expanding its nuclear and conventional military power.

My question is this: Whatever its intended purpose, does not the extending of long-term credit to the Soviet get them out of an economic bind while permitting them to continue their high rate of defense spending?

Are we not actually subsidizing the Soviet military build-up?

Secretary Kissinger. Soviet history, Senator, tends to indicate that the Soviet Union will maintain a high rate of defense spending regardless of its trading relationship with other countries. It maintained a high rate of defense spending during the period of complete ostracism by other countries. It maintained a high rate of defense spending during the period of a substantial cut-off of economic relations with the United States.

The judgment that has to be made is whether to relate the Soviet Union to more normal economic practices and in a way improve, substantially improve primarily the position of the population, whether this will not create more incentives for more responsible international conduct.

This consideration, if I may so say, is all the more important if one keeps in mind that there are many other nations that are eager to step in where we withdraw, especially Western Europe and Japan.

Senator Byrd. Mr. Secretary, neither the Congress nor the taxpayers have been told the extent of the obligation to extend subsidized credit to the USSR, would you tell the committee what commitments have been made in this regard?

Secretary Kissinger. I am not sure that I understand the question that the Congress has been told about the extent of the obligations.

I am not aware of any commitments that have been made to the Soviet Union. All commitments have been held in abeyance subject to the passage by the Congress of the Trade Reform Act and the associated Exim authorization.

Senator Byrd. What brings me to that question is the record which shows that the Russian Government has receieved $469 million in loans from the Exim Bank plus $118 million in guarantees for a total of $587 million.

Secretary Kissinger. Over a three-year period.

Senator Byrd. Over less than a three-year period, about a 14-month period.

The Senate last month put a ceiling on additional loans and guarantees to Russia of $300 million. The Senate-House conferees removed the ceiling.

Do you oppose a ceiling on additional loans and guarantees to Russia?

Secreatry Kissinger. Senator, from the point of view of the flexibility in the conduct of foreign policy, I would prefer that no ceiling be placed on these loans, but I would favor congressional consultation so that this committee is informed in a timely fashion of what is contemplated. But I believe it would increase the flexibility of our foreign policy if no ceilings were placed on——

Senator Byrd. What you are asking for is a blank check.

Secretary Kissinger. No, Senator, if you asked what will support our foreign policy most effectively, I would have to say that I do not believe that a ceiling—that we would be better off without a ceiling.

I do not think that this would necessarily constitute a blank check if there are adequate consultation provisions because this will give the Congress sufficient opportunity to present its operation and presumably the Administration would not grant loans unless in its judgment it supported the objectives of our foreign policy. And I can assure you we will do so with considerable restraint.

Senator Byrd. I will get to the 18-month period a little bit later. But to clarify one point, the information given to the Senate by the manager of the Exim Bank was that these credits had been extended over a period of 13 to 14 months.

Secretary Kissinger. Senator, I believe that the difference in perspective arises from the fact that the discussions may well have started three years ago and did not result in the granting of credits until about 15 months ago. So my perception of it is that the discussions from a foreign policy point of view started shortly after the visit to Moscow by Secretary Lynn and myself in 1972, though it is quite possible that the first loan was not approved until some time afterwards.

I think this is where the difference between your perception and mine arises.

Senator Byrd. Mr. Secretary, is it not correct what the Soviet Union really wants and really needs from the United States are technology, know-how, long-term credits, and low interest rates? That is really what it needs.

Secretary Kissinger. What was the last thing?

Senator Byrd. Subsidized low interest rates.

Secretary Kissinger. Well, I think it is correct that the Soviet Union has indicated an interest in all of these items and that the decision that we have to make is to balance the relative strengthening of the Soviet economy that this represents against the advantages of drawing the Soviet Union into more normal international relations.

I think it is also important to point out that these credits which you have mentioned represent a very small fraction of the total of an economy that has several hundred billion GNP.

Senator Byrd. Thank you, Mr. Secretary.

Now, on page 15 of your statement today, you mentioned the Senate amendment 2000. I have not seen the amendment so I cannot comment categorically on it. But your statement says that Senate Amendment 2000 would authorize the President to waive the provisions of the original Jackson-Vanik Amendment and to proceed with the granting of most favored nation treatment and Export-Import Bank facilities for at least an initial period of 18 months.

Now the reason that I would have difficulty supporting that amendment is that if there is no ceiling on Exim Bank loans to Russia, then during that next 18 months hundreds of millions or billions of dollars can be made in loans and guarantees to Russia, and then 18 months later, when the Congress reviews it, all of the money has left the country and what do we do then?

Secretary Kissinger. Well, first of all, the reason Exim Bank facilities is mentioned here is because the granting of Exim facilities has been tied to the passage of the Trade Reform Act. We recognize that the Exim Bank facilities are subject to separate legislation. Whatever you pass here in the Trade Reform Bill only removes the impediment that has been created by making Export-Import loans subject to the passage of the Trade Reform Bill, it does not prevent the Congress from passing whatever legislation it wishes with respect to the Exim Bank.

Senator Byrd. Yes, but if I may interrupt there, Mr. Secretary, the State Department has lobbied against the ceiling—

Senator Byrd. On loans to Russia.

Secretary Kissinger. That is correct.

Senator Byrd. You yourself say you do not favor a ceiling?

Secretary Kissinger. That is correct.

Senator Byrd. Yet you want the Jackson-Vanik provision waived for 18 months, which certainly clearly makes possible the granting of hundreds of millions of dollars or billions of dollars of Export-Import credits?

Secretary Kissinger. You proceed from the premise that there is an unquenchable desire to pour money into the Soviet Union.

Senator Byrd. Yes, I do proceed from that, I will be frank with you, I do proceed from that premise.

Secretary Kissinger. I would suggest to you, Senator, that for the first three years of our dealings with the Soviet Union the criticism that was made against us in the Senate, to be sure not from you, was that we were too reluctant to extend commercial benefits to the Soviet Union and the argument then was that commercial benefits would have a tendency to bring about a more moderate Soviet policy. So I can assure you that our policy has always been to relate the economic benefits to complete progress in international affairs so that the danger you describe, even in the absence of any other congressional restraints, would be minimum.

Secondly, while we do not want a legislated ceiling we are prepared to work out consultative arrangements by which the Congress would be fully informed about the rate of complicated loans and in which, therefore, the Congress would have an opportunity to express its objections while these loans were being considered.

So I am opposed to a legislated ceiling because it would deprive us of flexibility but I do not object to congressional review in such a manner that we would have to take very seriously into account the congressional views before major loans were being made.

Senator Byrd. Major loans have been made. The Senate has evidence of it. It wishes a ceiling of $300 million be established on additional loans, at the end of which time the Administration could come back and make additional requests if it wishes.

Secretary Kissinger. Of course the Senate is a co-equal branch of the government and has a right to legislate what it wishes. When the Senate asks us for our opinion we have to state that we think it would be better if this were not done. After that, it is up to the judgment of the Senate.

Senator Byrd, Mr. Secretary, does the Kissinger-Jackson Agreement, or rather the agreement you have reached with the Soviet Union, apply to all citizens of Russia or just to the Jewish citizenry.

Secretary Kissinger. Well, we were talking about Jewish emigration.

Now, again, these documents do not specifically refer to those of the Jewish faith but I think it is a reasonable extrapolation from the record that this was the predominant concern.

Senator Byrd. I won't do it at the moment because I don't know what the time element at the moment will be, but a little later I want to present to you 6,000 signatures from 6,000 Volta German families representing some 25,000 to 30,000 individuals.

It occurs to me that the question is broader than just one minority group.

As you know, Senator Buckley has recently been in the Soviet Union and he met with the dissident physicist Sakarov and at this meeting it was recommended that the United States press for freer emigration of all peoples, not just the Jews, but Ukranians, Armenians, Germans, Estonians, Latvians, Lithuanians, and other Soviet Nationalities, and Volta Germans, in return for U.S. trade concessions.

Did your assurances from Mr. Brezhnev cover those categories?

Secretary Kissinger. I somehow have the impression, but I would have to check to see whether that is correct, that there is some understanding between the German government and the Soviet government on the Volta Germans but I am not absolutely sure that is correct. I seem to have that at the back of my mind.

If you consider these letters legal documents, which as 1 pointed out they are not in the strict sense of the term, then strictly speaking they would apply to all nationalities.

There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has been the primary focus of the conversations.

Senator Byrd. Is it not correct that since 1972, in a period of so-called détente, there has been a methodical improvement and expansion of nuclear and conventional power in the Soviet Union and in eastern Europe?

Secretary Kissinger. Yes, that is correct.

Senator Byrd Would it not be wise for the United States to insist on a genuine and secure peace in the Middle East as a condition of its subsidized long term credit and technology which Moscow desperately needs?

Secretary Kissinger. Well, first of all, I think we should clarify to some extent what the Export Import loans are, which I am sure you know better than I do.

Their basic purpose is to help American industry to be competitive. They are spent for American goods and they are, therefore, a means of assuring jobs for American workers.

Senator Byrd. Also it is a loan directly to the Russian government.

Secretary Kissinger. That is true. I just wanted to mention what the basic purpose of that legislation has been.

With respect to peace in the Middle East, that is an extraordinarily complicated problem in which our legislations with the Soviet Union are both competitive and cooperative and in which the point of direct influence of all of the parties has certain limits, but we do look for Soviet restraints in the Middle East, as we consider Soviet restraint in the Middle East an integral part of détente policy.

Senator Byrd. Mr. Secretary, is it not correct that there has been a significant build up of Soviet tactical nuclear weapons in Central Europe?

Secretary Kissinger. Over what period of time are you talking about?

Well, at any rate, there has been an increase of Soviet nuclear weapons in Central Europe.

Senator Byrd. Would you comment on the following paragraph written by Mr. James Reston in the New York Times on November 22, 1974. This is the paragraph, "The Soviets cannot be unhappy with the present drift of world events, particularly the political and economic disarray in Europe. They have established a rule that all Communists or socialist governments are off limits for the U.S. but that the rest of the world from Southeast Asia to Cuba is an open hunting ground for them."

Secretary Kissinger. Well, the disarray to which Mr. Reston refers is not the product of Communist actions or to a considerable extent is not the product of Soviet actions. There is a major crisis in the industrialized nations of the world to produce by inflationary pressures, by complicated domestic situations, by the failure up to now to adjust their relationships to a rapidly altered international environment.

The biggest challenge we face is that most of our difficulties are within our power to solve. These have not been produced by the Soviet Union but could nevertheless be of enormous benefit to our adversaries if we do not solve them.

The energy crisis, the whole problem of the inflationary pressures, the weakening of governmental authorities, are not the direct result of Soviet action but they are very real problems and undoubtedly are not looked at unhappily from our standpoint.

Senator Byrd. Mr. Secretary, does the Department of State have or plan to have a monitoring system to check on the Soviet performance under the Kissinger-Jackson compromise?

Secretary Kissinger. Yes.

Senator Byrd. You plan to have a monitoring system?

Secretary Kissinger. Well, we plan to have a monitoring system and I have the impression that Senator Jackson is a pretty good monitoring system, too.

Senator Byrd. How do you monitor a nation of nine million square miles and 240 million people?

Secretary Kissinger. Let us analyze what the essence of the understanding is.

The essence of the understanding is that there will be no interference with missions, that there will be no harassment of applicants and that there will be no obstacles to emigration visas as except national security considerations.

Now, I have the impression that the various organizations that are concerned with emigration are in sufficiently close contact with those who want to emigrate for us to be able to obtain a judgment whether in fact there is an interference with applications and whether the rate of emigration is in proportion in the historic proportion to the number of applicants. It is a matter that really I will have an official in the department who will be responsible to whom interested groups can turn on this matter.

But I have talked to the various groups that are interested in this emigration question and they seem to be convinced, not that they can catch every individual case, but that they would know about any substantial violations of this understanding.

Senator Byrd. Mr. Secretary, as you possibly gather, I am a little skeptical about detente and not 100 percent sold on it.

This section of the trade bill ties in precisely with that matter.

Would you tell the committee what commitment or commitments have been made in regard to long-term subsidized credits to Russia?

Secretary Kissinger. No commitments have been made to the Soviet Union about any long-term commitments, to the best of my knowledge.

No, no commitments have been made.

Senator Byrd. On the question of harassment, which is one of the key points of the Jackson Amendment, is not the entire system of government in Russia based on harassment and terror, as a practical matter?

Secretary Kissinger. Well, I think the government is more obtrusive than in our country.

Senator Byrd. I will not press the issue.

Mr. Secretary, there is some evidence that Moscow cooperated up to a point, but is it not true that when the Soviet Union actively urged other Arab nations to join in the Yom Kippur war, they violated the basic principles of relations between the United States of America and the USSR signed in May of 1972?

Secretary Kissinger. You mean after the war had started in some of the exhortations that were then made?

Senator Byrd. Yes.

Secretary Kissinger. Of course, I would say basically that when the Soviet Union urges other countries to participate in a war any place, that it would be violating the basic principles of the 1972 agreement.

Now then, one has to analyze why the Soviet Union may have done this. But to answer your question, yes, I would say this was a violation.

Senator Byrd. Thank you for that clear-cut answer, Mr. Secretary.

Now what will be the criteria for Soviet fidelity to the Kissinger-Jackson compromise?

Secretary Kissinger. As I pointed out this morning, Senator Byrd, there are at least three basic questions. Is there any interference with applications? It there any harassment of applicants? Is there any denial of applications for any ground other than national security reasonably defined?

It is by impression, and I have consulted the groups in this country that have the greatest interest in promoting emigration, that we should be able to get substantially accurate answers to those questions, and if it should turn out that these questions cannot be answered satisfactorily. I would believe that the Administration has an obligation to point this out to the Congress, in addition to the fact that the Congress has a review authority at the end of 18 months.

Senator Byrd. At this point I want for the record to point out and commend the senator from New York, Mr. Buckley, for his trip to the Soviet Union. I am particularly impressed with the fact that Senator Buckley did not spend his time with high government officials, but instead got out among the people. The senator from New York visited with the people, among the Jewish community there, among the German minority there, among dissident groups, and I think he brought back a lot of information.

In an Associated Press dispatch for Moscow dated November 11, 1974, Senator Buckley quoted leading Jewish activists as telling him that the Kremlin has increased its harassment of Jewish dissidents since the announcement in Washington of the Kissinger-Jackson agreement.

Would you comment on that?

Secretary Kissinger. Well, may I indirectly say, as flattered as I am being bracketed with Senator Jackson, the ultimate agreement was reached between President Ford and Senator Jackson. Nevertheless, I will be delighted to answer the question.

This exchange of letters or the implications of this exchange of letters cannot be expected to go into force until the subject to which it refers comes into being, so I would think that if the claims that are made were still valid after the passage of the Trade Reform bill and the granting the MFN, this would be a subject of considerable concern which we will bring to the attention of the appropriate authorities.

Senator Byrd. Well, the problem with that, as I see it, the way the compromise amendment is worked out, the waiver can take place, the waiver of the original Jackson-Vanik amendment will take place at the President's option for a period of 18 months and during that period of time vast amounts of credits and guarantees could be extended to the Soviet Union before the Congress would have an opportunity to review it.

Secretary Kissinger. Vast amounts of credits have not been in the past extended to the Soviet Union and vast amounts of credits would certainly not be extended if we felt that there had been bad faith in any of our understandings.

Senator Byrd. Well, the point I am suggesting is that there may not be evidence of bad faith until after the credits are extended. Once the credits are extended, I assume there is no way to retrieve the credits.

Secretary Kissinger. I believe what will insure Soviet performance is not the credits but that general interest in the relationships with the United States. If for any reason that should flatten, then if détente should be substantially jeopardized, then I believe the overall performance of what we are discussing here will also be in jeopardy.

As long as this interest is maintained, I think this is our primary point of pressure or attack.

Senator Byrd. I visualize something like what happened with Japan when the United States gave in to the demand of Japan and gave Okinawa back to Japan, which we had by treaty, then we lost all leverage over Japan.

I am glad to say I opposed that treaty giving Okinawa back to Japan. We have lost all leverage over Japan. Once we give these credits, my fear is we will lose all leverage over the Soviet Union.

Secretary Kissinger. Well, of course, Senator, I do not fully agree with, not only fully I do not agree with you at all about Okinawa, because one could argue without the reversion of Okinawa to Japan our relationship with Japan would have been so mortgaged that we would have lost a lot more leverage than we have.

With respect to the credits, this is not immediately affected by this exchange of correspondence. It is, of course, true if huge credits are extended all at once in one decision that then that will create one situation.

On the other hand, this has not been our past history and this will not be our history in the future.

Senator Byrd. It has been the history in the 13-month period to extend $587 million in credits and guarantees to the Soviet Union.

Secretary Kissinger. Senator, I would like to review that figure because what sticks in my mind is that we began the examination of these credits in 1972. It is quite possible that the paper work may not have produced the first credit until 1973 or 1974. What sticks in my mind is that the credits were extended in a sense that I am concerned with, that is, in relationship to foreign policy over a period of two and a half to three years, whenever the ultimate decision by the Ex-Im Bank took place.

This is the rate, the manner in which we would expect to proceed in the future.

Senator Byrd. Under the amendment, as I read your statement to the committee this morning, on page 15, under the amendment, with no ceiling on credits, that would mean under the law the Administration could, if it wishes, and you say it probably will not wish, but it could if it wishes under the law extend unlimited credit to the Soviet Union.

Secretary Kissinger. Well, not exactly, because there is a total limitation, of course, on the amount of Ex-Im credits that can be given.

Senator Byrd. My goodness, that is $25 billion.

Secretary Kissinger. Even allowing for our normal exuberance, we would not ear-mark them all, we would not earmark them all for the Soviet Union. But we have agreed that there should be very significant consultive provisions with the committee or with the Congress so that the Congress would have an idea of what is ear-marked.

At any rate, it is not our intention to earmark unlimited amounts or huge amounts, but we would like to have the ability for flexible credits in order to have some incentives in a situation that is likely to be rather complicated over the next two years.

Senator Byrd. The Jewish leaders told Senator Buckley that the telephone lines over which the dissidents communicated with the West had been cut since Senator Jackson announced on October 18 that the Soviet Government was liberalizing Jewish emigration policies to obtain trade concessions from the Congress.

Would the Jackson compromise propose to deal with a matter of that type?

Secretary Kissinger. I do not believe that any exchange of correspondence between two Americans could possibly account for all the forms of harassment that an authoritarian state can impose on its subjects.

I believe that to the extent one would have to assume that for this to work there has to be good faith on the part of all of the parties.

So there are no specific assurances with respect to each form of harassment, but there has been a general assurance with respect to harassment, and I believe that we should make an effort to see whether it can be made to work.

I have pointed out in my statement that I did not know how this would in fact work in practice, but we have now reached the point, as Senator Packwood pointed out this morning, where we simply have to make the choice on what gamble we want to take.

Senator Byrd. Mr. Secretary, Sakarov provided Senator Buckley with a list of German origin residents in the Soviet Republic. These Germans were originally residents in the former Soviet Volga German Republic in Eastern Russia. They were deported en masse by Stalin in the Forties. The list was collected by a number of Germans during 1974. Twenty to 30 of these individuals, I am informed, who were involved in the collection efforts were arrested and are now in jail.

All of the families on the list, the signed list, have applied for permission to leave, but were refused.

Sakarov reported to Senator Buckley that the Soviet regime is unwilling to allow them to emigrate because they are more efficient workers in the farms and mines of the region than the local residents.

The list represents about 25,000 to 30,000 individuals.

This is the first of several attempts to collect lists of Volga Germans who will be transmitted to the West when it is available. I have this list which was given to me by Senator Buckley, with these signatures gathered at great cost, personal cost by the way of damage to the individuals who collected the list. Twenty to 30 of them are now in prison.

With your permission, I would like to turn this list over to the State Department for whatever help it might be able to give.

Secretary Kissinger. I will check on that.

Senator Byrd. Thank you.

Now, is it correct that the Russian Government does not expect to pay for products obtained from the United States by hard currency but, rather, from Russian products in a barter deal?

Secretary Kissinger. My impression is they will pay for it by currency.

Senator Byrd. Does the waiver in the Jackson compromise apply to all Communist nations or only to Russia?

Secretary Kissinger. It applies to all nonmarket economies, in other words, to all Communist nations.

I mean the right to waiver applies to all of them, but it will have to be exercised in each individual case separately.

Senator Byrd. But the right to waiver in the compromise applies to all Communist nations?

Secretary Kissinger. That is right.

Senator Byrd. Including, I think you said this morning, China?

Secretary Kissinger. That is right.

Senator Byrd. Senator Buckley has recently suggested that an ad hoc congressional committee be formed to monitor Soviet behavior to see if the agreement is breached.

Would you favor or oppose such an ad hoc congressional committee?

Secretary Kissinger. Will you repeat the question, please?

Senator Byrd. Yes.

Senator Buckley has suggested that an ad hoc congressional committee be formed to monitor Soviet behavior to see if the agreement is breached. Would you favor or oppose an ad hoc congressional committee?

Secretary Kissinger. I have not thought this through, but my understanding would be to be opposed to it because I am very much afraid systematic intrusion in what is defined by the Soviet Union as a domestic jurisdiction is likely to have a counterproductive consequence.

If I change my mind on this, I will let you know.

MILITARY CONSTRUCTION APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on H.R. 17468, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of today.)

The PRESIDING OFFICER. There is a limitation of 10 minutes on this conference report, equally divided, 5 minutes to each side.

Mr. PROXMIRE. Mr. President, the conference committee agreed on an overall figure of $3,072,842,000 for military construction for fiscal year 1975. This is an amount of $10,734,000 over the amount approved by the House, $9,638,000 under the amount approved by the Senate, and $310,158,000 under the budget estimate of $3,414,662,000. The conferees agreed on the following amounts for the military services and the Department of Defense:

Army, $656,828,000; Navy, $606,376,000; Air Force, $456,439,000; and Department of Defense, $31,260,000.

The following amounts were not in conference but were appropriated in this bill:

Army Reserve, $43,700,000; Army National Guard, $59,000,000; Navy Reserve, $22,135,000; Air Force Reserve, $16,000,-

000; Air National Guard, $35,500,000; family housing, $1,245,790,000; and home owners assistance, $5,000,000.

Mr. President, it is the consensus of the conferees that we have brought back to the Senate floor a bill that is equitable and fair. Of course, we would have liked to have sustained completely the Senate position. However, in a bill this large compromises have to be made and the conferees feel that we have made the best compromise possible. The conferees have approved a bill of approximately $9,000,000 under the bill reported by the Senate. This bill provides for actual military construction projects of approximately $2,000,000,000. The reduction of $310,158,000 in the overall bill represents a reduction of 15 percent for construction projects, exclusive of housing. I believe that this is the largest reduction that has been made in any appropriation bill this year.

I wish to compliment my fellow conferees on their help in working out the differences in this bill. It is my judgment that this bill provides for all of the essential operating facilities needed by the military services and I wish to state categorically that there are no moneys in this bill for plush accommodations for the military services.

Mr. President, I thank the distinguished Senator from North Dakota (Mr. YOUNG), who is the ranking minority member, who was so hopeful and so useful in arriving at this conclusion.

I also thank the distinguished Senator from Iowa (Mr. HUGHES) for his understanding. We were unable to bring back his amendment. We did bring back a compromise, which I understand will be quite helpful for Iowa and Illinois and other States that are involved.

I do not intend to make a long and involved statement on the actions taken by the committee of conference. The conference report explains in a most succinct manner the actions taken by the conference committee.

Mr. President, this completes my brief statement, I will be glad to answer any questions from individual Senators regarding construction projects in their States.

I ask unanimous consent to have printed in the RECORD a tabulation comprising a summary of the conference action on the Military Construction Appropriation bill for fiscal year 1975.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

Item	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended			Conference action compared with—			
			In House bill	In Senate bill	By conference action	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in—	
								House bill	Senate bill
Military construction:									
Army	$578, 120, 000	$740, 500, 000	$650, 023, 000	$655, 976, 000	$656, 825, 000	+$78, 705, 000	—$83, 675, 000	+$6, 802, 000	+$849, 000
Navy	609, 292, 000	643, 900, 000	602, 702, 000	626, 760, 000	606, 376, 000	—2, 916, 000	—37, 524, 000	+3, 674, 000	—20, 384, 000
Air Force	247, 277, 000	536, 400, 000	456, 801, 000	446, 202, 000	456, 439, 000	+209, 162, 000	—79, 961, 000	—362, 000	+10, 237, 000
Defense Agencies	0	50, 600, 000	30, 640, 000	31, 600, 000	31, 260, 000	+31, 260, 000	—19, 340, 000	+620, 000	—340, 000
Transfer, not to exceed	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)				
Military construction:									
Army National Guard	35, 200, 000	59, 000, 000	59, 000, 000	59, 000, 000	59, 000, 000	+23, 800, 000			
Air National Guard	20, 000, 000	30, 000, 000	35, 500, 000	35, 500, 000	35, 500, 000	+15, 500, 000	+5, 500, 000		
Army Reserve	40, 700, 000	43, 700, 000	43, 700, 000	43, 700, 000	43, 700, 000	+3, 000, 000			
Naval Reserve	22, 900, 000	20, 800, 000	22, 135, 000	22, 135, 000	22, 135, 000	—765, 000	+1, 335, 000		
Air Force Reserve	10, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000	+6, 000, 000			
Total, military construction	1, 563, 489, 000	2, 140, 900, 000	1, 916, 501, 000	1, 936, 873, 000	1, 927, 235, 000	+363, 746, 000	—213, 665, 000	+10, 734, 000	—9, 638, 000
Family housing, defense	[1] 1, 192, 405, 000	1, 342, 283, 000	1, 245, 790, 000	1, 245, 790, 000	1, 245, 790, 000	+53, 385, 000	—96, 493, 000		
Portion applied to debt reduction	—100, 908, 000	—105, 183, 000	—105, 183, 000	—105, 183, 000	—105, 183, 000	—4, 275, 000			
Subtotal, family housing	1, 091, 497, 000	1, 237, 100, 000	1, 140, 607, 000	1, 140, 607, 000	1, 140, 607, 000	+49, 110, 000	—96, 493, 000		
Homeowners assistance fund, defense	7, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	—2, 000, 000			
Grand total, new budget (obligational) authority	2, 661, 986, 000	3, 383, 000, 000	3, 062, 108, 000	3, 082, 480, 000	3, 072, 842, 000	+410, 856, 000	—310, 158, 000	+10, 734, 000	—9, 638, 000

[1] Includes $3,866,000 requested in H. Doc. 93-266.

Mr. PROXMIRE. Mr. President, I also wish to thank, especially, my good friend from Pennsylvania (Mr. SCHWEIKER) for his wisdom and assistance to me in this area. He is not only very expert but is a good friend of mine. I did not want to neglect thanking him for his good work.

Mr. SCHWEIKER. Mr. President, I commend the distinguished Senator from Wisconsin for his leadership on this bill in the absence of the Senator from Montana (Mr. MANSFIELD).

As the distinguished Senator from Wisconsin has already given a detailed explanation of the bill I shall only touch on one issue of particular concern—the proposed expansion of facilities at Diego Garcia in the Indian Ocean.

The Department of Defense proposal called for a $32.3 million program to expand the Navy and Air Force facilities on the island. The military construction authorization passed by Congress only last week allows $18 million for this program and provided that either House of Congress could disapprove of the program when and if the Department requests the use of funds to begin construction.

The House version of this appropriation bill provided $18 million for this program, however, this funding was deleted by the Senate. The conferees agreed to delete all funds specifically for Diego Garcia but has provided a means by which construction may be undertaken during the fiscal year should the requirements of the authorization act be met.

Mr. President, I am confident that the conference report we have before us today is a fair and responsible one. It balances the many and sometimes conflicting demands and considerations placed on our Nation's military construction program. I, therefore, urge the adoption of the conference report.

Mr. President, I am willing to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Mississippi whatever time he wishes.

Mr. STENNIS. I thank the Senator for yielding to me. I shall not take over a minute or two, at the most.

As a member of the Committee on Appropriations, I wish to thank these gentlemen, who have worked on the bill and handled most of it. They have done a good job on the bill and in the conference, too.

I point out, Mr. President, there was around a billion dollars, or near thereto, in this bill that they really had no control over, because it is for liabilities that have accrued over the years, like military housing and so forth.

Mr. President, the Senator from Wisconsin and I have worked on this Diego Garcia matter, and he wrote me a letter about the item, which was settled for the time being without having a debate here and a rollcall vote. I hand him a copy of his letter for the RECORD, and suggest that, for historical purposes, he might offer that or I shall offer it for the RECORD at this point.

Mr. PROXMIRE. I am happy to do that. I think the Senator from Mississippi is absolutely correct. We should clarify this matter. It is a very important issue that should be fully discussed and considered by the Senate.

Mr. President, I ask unanimous consent that the letter I wrote to Senator STENNIS, dated December 13, 1974, be printed in the RECORD at this point.

There being no objection, the letter

was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C. December 13, 1974.
Hon. John Stennis,
Chairman, Armed Services Committee, U.S. Senate, Washington, D.C.

Dear John: In keeping with our conversation about the Military Construction Appropriations bill, as Acting Chairman in Senator Mansfield's absence, it is my intention to seek an equitable agreement with the House Conferees on the Diego Garcia matter.

Specifically I will propose the addition of language to the Conference Report recognizing that all funds for the construction of Diego Garcia be deleted but that there be a clear understanding that "if neither House adopts a resolution of disapproval, in accordance with the provisions of section 613 of the Military Construction Authorization Act of 1975," the Air Force and Navy may utilize any construction funds available to carry out the Diego Garcia construction.

This language further will state that such funds, should they become available under the authorizing bill, do not have to be reprogrammed.

The full text of my proposed Conference Report language is attached.

Sincerely,

William Proxmire,
U.S. Senator.

Mr. SCHWEIKER. Mr. President, I commend the distinguished chairman of the Committee on Armed Services for his leadership in resolving this controversy. I think this is a fair and equitable solution, and I support the chairman's efforts to work this out.

Mr. STENNIS. I thank the Senator from Wisconsin again for his fine work.

I thank the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I yield back my time.

Mr. PROXMIRE. Mr. President, before yielding back my time, I ask unanimous consent that a summary of the bill, as agreed to by the conference, adopted by both parties, be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1, military construction, Army: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $656,825,000 instead of $650,023,000 as proposed by the House and $655,976,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House:

Fort Bragg, North Carolina:	
Aircraft parking apron/aircraft maintenance hangars	+$2, 355, 000
Fort Stewart/Hunter Army Airfield, Georgia:	
Barracks modernization (Hunter AAF)	+$7, 750, 000
Company administration and supply facilities (Hunter AAF)	+1, 944, 000
Sacramento Army Depot, California: Industrial plating shop	+2, 599, 000
Schofield Barracks Military Reservation, Hawaii: Barracks modernization	−3, 000, 000
Germany, Various:	
EM barracks with dining facility, Preum	−2, 492,000
EM barracks, Preum (FY 74 deficiency)	−364, 000
Funding adjustment for prior years' deficiencies	—2, 000, 000

The conferees have restored $2,355,000 of the House reduction of $4,855,000 for aircraft parking apron/aircraft maintenance hangars at Fort Bragg, North Carolina. The conferees understand that facilities, including hangar space, are being made available to the Army by the Air Force at Pope Air Force Base, North Carolina. The use of some of the funds approved to provide necessary modifications to portions of these existing facilities is specifically approved.

Amendment No. 2, military construction, Navy: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $606,376,000 instead of $602,702,000 as proposed by the House and $626,760,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House:

Naval Underwater Systems Center, Newport, Rhode Island:	
Weapons development center	+$4, 742, 000
Technical service shop	+2, 507, 000
Naval District, Washington, D.C	+5, 000, 000
Naval Air Station, Norfolk, Virginia: Operational flight trainer facility	+571, 000
Naval Air Station, North Island, California:	
Aircraft parking apron	+1, 039, 000
Aircraft maintenance hangar	+6, 195, 000
Naval Regional Medical Center, San Diego, California:	
Dental clinic and school	+9, 650, 000
Naval Station, Keflavik, Iceland:	
Runway navigational aids	+473, 000
Entrance to airport terminal	+1, 844, 000
Naval Station, Norfolk, Virginia: Bachelor enlisted quarters	−3, 284, 000
Naval Air Station, Miramer, California: Hangar improvements (utilities)	−418, 000
Naval Regional Medical Center, San Diego, California: Land acquisition, Murphy Canyon (Naval Hospital)	−3, 843, 000
Naval Communications Facility, Diego Garcia, Indian Ocean	−14, 802, 000
Funding adjustment for prior years' deficiencies	—6, 000, 000

In approving the amount of $36,300,000 for Naval District, Washington, D.C., the conferees recognize the priorities set in the House report and require that the Navy provide a full report on its plans in this regard to the Committees on Appropriations of the House of Representatives and the Senate for their approval.

The managers on the part of the House insist that further justification be made available by the Navy before any of these funds are spent for a combat information center or new planetarium at the Naval Academy, Annapolis, Maryland.

The conferees, mindful of the positions taken by the House and Senate Appropriations Committees during the appropriations process for the current fiscal year concerning the question of the transfer of naval activities from the Washington area, call on the Navy to present a comprehensive plan during next year's hearings on the military construction appropriations request indicating those missions which may be logical candidates for movement, taking into consideration economies and the overall efficiency of the naval service. This plan is expected to be material in scope.

The conferees have restored funding for two items deleted by the House at Naval Air Station, North Island, California, an aircraft parking apron of $1,039,000 and an aircraft maintenance hangar for $6,195,000. The conferees take note of language contained in the House report with regard to hangar facilities requested at Naval Air Station, North Island, and Naval Air Station, Miramar, California, to support the realignments resulting from the closure of Naval Air Station, Imperial Beach, California. Accordingly, before constructing these facilities or the aircraft parking apron and maintenance hangar approved for Naval Air Station, North Island, the Navy must inform the Committees on Appropriations of the House of Representatives and the Senate of their long-range base utilization plans for naval air stations and for stationing of carrier aircraft on the west coast.

The most difficult question for the conferees to settle was the one regarding funds for the construction of facilities on the island of Diego Garcia.

After prolonged discussions and the consideration of various proposals and compromises, the conferees arrived at a solution satisfactory to conferees on both sides and one they believe will be acceptable to both Houses of Congress.

The conferees agreed to delete all funds specifically earmarked for the construction of facilities on Diego Garcia; however, that action was agreed upon with the clear understanding that if neither House adopts a resolution of disapproval, in accordance with the provisions of section 613 of the Military Construction Authorization Act, 1975, for the construction of any facility requested for Diego Garcia, any construction funds available to the Navy and the Air Force in the appropriation act may be utilized by the Navy and Air Force to carry out the construction project. It is further agreed by the conferees that any funds applied to construction on the island of Diego Garcia do not have to be reprogrammed. The same limitations and conditions shall apply with respect to the obligation of any funds in the appropriation act for the construction of facilities at Diego Garcia in the same manner and to the same extent as if funds had been specifically included in the act for such facilities.

The conferees have not approved appropriations in the amount of $1,300,000 for a new commissary store at the Naval Commissary Store, Newport, Rhode Island. Although funds were provided in the Senate bill, the conferees are in agreement that the policy of the Committees on Appropriations of the Senate and House of Representatives is not to provide appropriations for the construction of commissaries within the United States.

The conferees take note of legislation allowing the Navy and other services to increase the commissary surcharge in order to provide for the construction of commissary facilities. The conferees feel that the new commissary store at Newport should have first priority for Navy funds generated in this manner.

The conferees have approved an amount of $6,000,000 for funding adjustments of prior-year deficiencies. The conferees note that the Navy, in support of this item, indicated that additional funds were required for fiscal year 1973 pollution abatement items. After considering these items, the conferees feel that the amount requested by the Navy can be reduced.

Amendment No. 3, military construction, Air Force: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $456,439,000 instead of $456,801,000 as proposed by the House and $446,202,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following changes to the amounts and line items as proposed by the House.

Andrews Air Force Base, Maryland: Special aircraft support facilities	+$6,000,000
Brooks Air Force Base, Texas: Human resources research facility	+3,100,000
Langley Air Force Base, Virginia: Aircraft corrosion control facility	+300,000
Offutt Air Force Base, Nebraska: Intelligence operations facility/Addition to weather central facility	+500,000
Robins Air Force Base, Georgia: Add to and alter depot avionics shop	+792,000
Various Locations: Tactical operations range facilities	+1,195,000
Access roads	+3,000,000
Eglin Air Force Base, Florida:	
Assault strip	−1,200,000
Tactical airlift support facilities	−1,480,000
Hickam Air Force Base, Hawaii: Post office	−623,000
Richards-Gebaur Air Force Base, Missouri: Aircraft flight control facility	−805,000
Scott Air Force Base, Illinois: Land	−341,000
Naval Communications Facility, Diego Garcia, Indian Ocean	−3,300,000
Aircraft protective shelters (Europe)	−7,500,000

The conferees have agreed to restore $6,000,000 of the $8,770,000 deleted by the House for special aircraft support facilities at Andrews Air Force Base, Maryland. The conferees are in full agreement that the total amount of $19,500,000 thereby provided in this Act represents an absolute limitation upon the amounts which the Air Force may expend for construction in support of these special aircraft at Andrews.

The Air Force is prohibited from making future military construction requests at Andrews for this purpose. The Air Force is directed to present to the Committee on Appropriations of the Senate and House of Representatives its plans for providing suitable facilities within the amount appropriated prior to obligating any of the funds herein provided.

The conferees are in agreement that only the minimum hangar structure necessary to protect the aircraft from the elements should be provided, if necessary for reasons of safety. Furthermore, the conferees feel that a hangar structure, if constructed, should be of relocatable design, if possible in order to reduce waste if this mission is required to be relocated from Andrews in future years. Therefore, the conferees require that before construction of such structure of its supporting facilities commence, the Secretary of Defense certify its necessity, and further that if it is not to be of relocatable construction, the Secretary of Defense certify the reasons therefor.

The House conferees insisted on their position with regard to the deletion of funds requested for an operational apron at Hickam Air Force Base, Hawaii, in view of the large amount of ongoing military construction and other construction in Hawaii this year. This action is taken without prejudice to future requests to improve facilities at Hickam Air Force Base.

The conferees have agreed to provide two of the three items deleted by the Senate at Scott Air Force Base, Illinois, the base supply facility for $2,110,000 and $3,000,000 for improvements to the runway. The conferees feel that the Air Force has failed to prove that a runway extension of the scope requested is necessary to accommodate the aircraft which are stationed at or which transit Scott Air Force Base. Accordingly, a project to acquire land and easements for the overrun of the runway extension, requested in the amount of $341,000, has been denied. The conferees acknowledge some modifications to the runway are necessary for safety reasons at Scott Air Force Base, and the Air Force is directed to restudy this problem and submit plans to correct it within the $3,000,000 provided for this purpose.

The conferees are anxious to avoid the costly problems of the earlier shelter program in Europe. Design of shelters should be completed in all respects before construction begins. The design of a new type of flush-mounted doors, as opposed to the older doors which were located under a portion of the shelter overhang, presents a technical problem that should be approached on an orderly basis. Doors should be carefully weapons tested concurrent with the first phase of this construction effort. The conferees will expect any changes indicated by the weapons test to be incorporated in the construction contract. Furthermore, the Committees on Appropriations of the House of Representatives and the Senate must be notified by the Air Force that the new U.S. design complies with NATO criteria before construction contracts are awarded. Furthermore, construction must be carried out using NATO procedures. This will enable the United States to claim recoupment of construction costs from NATO infrastructure funds. With these provisos the conferees are willing to support this additional increment of a program which they recognize is of vital importance.

Amendment No. 4, military construction, Defense Agencies. Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $31,260,000 instead of $30,640,000 as proposed by the House and $31,600,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This would provide the following change to the amounts and line items as proposed by the House:

Defense Construction Supply Center, Columbus, Ohio: Road drainage improvements	+$620,000

Amendment No. 5, general provisions. The conferees agreed to delete language contained in the Senate amendment numbered 5. The conferees are in agreement that the objectives of this amendment are met by requiring the Army to make a full disclosure of its plans with regard to establishment of an armaments development center to the Committees on Armed Services and Appropriations of the Senate and House of Representatives in connection with any reprogramming request for funds, other than for planning and minor construction, for projects to establish such a center.

Amendment No. 6, general provisions. The conferees agreed to the language contained in section 111 of the House bill.

Mr. HUGHES. Mr. President, the conference report on military construction appropriations does not contain the amendment I offered on Monday, and which was adopted by the Senate, to prohibit obligation of funds during the current fiscal year for construction of facilities to house an Army armament development center.

I am, of course, disappointed that the amendment could not be sustained in conference, but I am grateful that it was considered thoroughly and debated vigorously before a consensus was achieved to drop the amendment and substitute strong language in the conference report.

I want to express my appreciation to the Senator from Wisconsin (Mr. PROXMIRE) as manager of the bill, the Senator from North Dakota (Mr. YOUNG), the Senator from Pennsylvania (Mr. SCHWEIKER), and the other members of the conference committee for their indulgence and interest in this matter.

I am grateful that they agreed with the objective of the amendment, which was to insure that the Army does not obligate any substantial amount of military construction funds for an armaments development center until Congress is advised of the Army's plans.

Toward that end, the conference, in its report, has instructed the Army:

> . . . to make full disclosure of its plans with regard to establishment of an armaments development center to the Committees on Armed Services and Appropriations of the Senate and House of Representatives in connection with any reprogramming request for funds, other than for planning and minor construction, for projects to establish such a center.

This language does not, in my view, close the barn door altogether, but it serves notice on the Army that extensive and expensive reorganizations are a matter of considerable concern in Congress, and it insures that four major committees will be provided with data and documentation at crucial stages of the decisionmaking process.

Mr. President, we received an indication this morning of the possible cost of establishing an Army armaments development center from Gen. Henry A. Miley, Jr., commander of the Army Materiel Command.

In a meeting with members of the Iowa and Illinois delegations in Congress, General Miley suggested that military construction costs alone might be on the order of $40 million for one of the more modest of the eight options the Army is considering, ranging up to as much as $200 million for an option that involves purchase of land and construction of a new installation.

These figures are only casual approximations, Mr. President, but they do indicate the magnitude of the reorganization projects under consideration by the Army.

I would emphasize that the Army has presented no testimony to any committee of Congress regarding a reorganization of its research and development activities, and I maintain my conviction that Congress should be apprised before funds are spent.

I know that my colleagues in the Senate will agree.

Mr. PROXMIRE. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question recurs on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered one to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $656,825,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered two to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $606,376,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered three to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $456,439,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered four to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $31,260,000

Mr. PROXMIRE. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1, 2, 3, 4.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

AMENDMENT OF THE COASTAL ZONE MANAGEMENT ACT OF 1972—S. 3922

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1287, S. 3922.

There is a time limitation on this measure.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3922) to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. TUNNEY. Mr. President, I strongly urge my colleagues to support S. 3922, as reported. While this bill makes only rudimentary changes in the Coastal Zone Management Act of 1972, the changes are essential to the improved administration of coastal zone management grants by the Department of Commerce.

Because of a meeting of the Appropriations Committee at this hour, Senator HOLLINGS, the sponsor of this bill, is unable to be here this afternoon to manage the bill on the floor, and has asked me to handle it in his absence.

By way of a brief explanation, S. 3922 would amend the Coastal Zone Management Act in four ways.

First it would increase the authorization for section 305 program development grants from $9 million to $12 million in order to clear the way for an expected administration request for an additional $3 million in planning funds for this fiscal year. I am pleased that the administration supports this provision, and I hope it is an indication that it will be placing greater emphasis in the future on coastal zone management in conjunction with its plans for leasing on the Outer Continental Shelf.

Mr. President, California places strong emphasis on coastal zone management, and has asked the Department of the Interior to delay leasing off southern California until the California Coastal Conservation Commission completes its coastal zone management plan sometime next year. So far Interior has refused to delay the proposed lease sale, and the matter is now in the courts. It is absurd to think that California or any other coastal State can cope with the impacts of oil and gas leasing without proper advanced planning and coordination. The additional funds authorized by this amendment will be useful in assisting the State of California and other States to cope with the tremendous developmental pressures that OCS drilling is expected to bring.

Mr. President, the bill also provides for removing the present 10-percent limitation on the amount an individual State can receive for administering a completed coastal zone program and replaces it with specific per year dollar limitations of $2 million for fiscal year 1975, $2.5 million for fiscal year 1976 and $3 million for fiscal year 1977.

This amendment is designed to deal with an unusual situation that is expected to occur only in the first and last years of the implementation of section 306. In those years the 10-percent limitation places those States that complete their program early, or late, as the case may be, at a disadvantage by limiting the amount of section 306 funds that they can receive. For example, if in one year NOAA only has four applicants for grants, as will probably be the case next year, only 40 percent of the amount appropriated could be used toward the purpose of this section. Our amendment would correct this situation and make distribution of funds more equitable.

The act also includes two other amendments, the first of which would extend the section 305 and 306 grant programs for 2 additional years beyond the fiscal year 1977 deadline now imposed by the act and the second of which would extend for 3 years the section 312 estuarine sanctuary grant program at its present $6 million per year level. The latter program's authorization expired on June 30 of this year.

Mr. President, S. 3922 was reported unanimously by the committee. I think it is a good bill, and one which will make the Coastal Zone Management Act an even better tool for coastal States to use as they continue the tough process of providing for the protection and management of our threatened coastal areas.

Mr. President, I ask unanimous consent that a statement by Senator HOLLINGS on S. 3922 be printed at this point is the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HOLLINGS

S. 3922 was reported unanimously by the Committee on Commerce on December 12 and has the support of the Department of Commerce, the National Advisory Committee on Oceans and Atmosphere, and the Administration.

A similar bill, H.R. 16125, was reported last week by the House Merchant Marine Fisheries Committee, and is expected to come up for consideration in the House this afternoon under a suspension of the rules.

Mr. President, the technical changes this bill would make in the Coastal Zone Management Act of 1972 are necessary for the improved administration of grants to coastal States for the development and implementation of coastal zone management programs. At the present time 31 of the 34 coastal States and island territories are participating in the Act.

The bill, as reported, would make four technical changes in the Act.

First, it would increase the authorization for section 305 program development grants from $9 million to $12 million per year in order to accommodate the additional planning assistance required by coastal States in planning for the anticipated coastal impacts of accelerated Outer Continental Shelf oil and gas development. The Administration has recognized the need of this increased funding and has agreed that it should be made available for fiscal year 1975. Since the current level of appropriations under section 305 of the Act is at the $9 million ceiling at the present time, the increased authorization level is needed to accommodate the $3 million request for funding expected early next year from the Administration.

The second amendment in the bill would remove the 10 percent limitation on the amount an individual coastal State can receive for program management assistance under section 306 of the Act, and would replace it with specific graduated dollar limitations for each year in which the section applies. Individual coastal States would, therefore, be limited to $2 million in fiscal year 1975, $2.5 million in fiscal year 1976, and $3 million in fiscal year 1977.

This provision is designed to deal with an unusual situation which is expected to occur only at the beginning and the end of the section 306, or the management phase, of the coastal zone program. Not all States will complete their coastal zone management programs at the same time, and only three or four are expected to be eligible for grants under this section during this fiscal year. Since initial appropriations for this section will be small, a situation could result where only 40 percent of the grant assistance could be expended, and those grants would be much smaller than necessary to do the job. This amendment will provide NOAA with badly needed flexibility for making grants under this section, while imposing a more realistic per State limitation.

The 1 percent minimum grant limitation would, however, be retained in section 306, but would be modified so that States desiring less than 1% of the appropriated funds could receive less.

The third amendment would reinstate grant assistance for the section 312 estuarine sanctuary program at the $6 million per year level for three additional years. This program was limited to one year under the original Act, and therefore expired on June 30, 1974. Since nearly 20 states have expressed an interest in establishing an estuarine sanctuary, additional authorization will be necessary to meet the expected State applications. Estuarine sanctuaries are an essential part of the coastal zone management program since they are meant to serve as field laboratories for the study of the complex ecological relationships in the various types of estuaries throughout the coast.

Finally, Mr. President, S. 3922 would extend both the section 305 program development grants and the section 306 administrative grants for an additional two years beyond the present 1977 deadline authorized by the Act. As you will recall, Mr. President, the Office of Management and Budget did not recommend funding for the Act during its first year on the books. It was not until after extended negotiations between members of the Commerce Committee and the Administration that funding was finally made available. This delay has shaved almost a year off the time that Congress intended for grants to be available to States for developing and managing their programs. In addition, many unforeseen planning problems have cropped up as a result of the Administration's proposed 10 million acre leasing program that were unforeseen at the time the Act passed in October of 1972. Because of these two factors, Mr. President, the Committee feels that the Secretary's authority to administer sections 305 and 306 grants should be extended for an additional two years.

Mr. President, it is essential that this bill be passed before the adjournment of the 93rd Congress so that the States can be allowed the maximum benefits that the Act was intended to provide.

Mr. KENNEDY. Mr. President, I urge the Senate to act promptly in approving the pending amendments to the Coastal Zone Management Act.

The coastal zone plans being developed by 31 States and territories at the present time are an essential part of our national effort to preserve our natural heritage and to permit orderly development of our resources for the common good.

In Massachusetts, for example, we are well along in developing a well-designed coastal zone management plan. On July 15th, we received $210,000 in Federal funds under the Coastal Zone Management Act of 1972. Our Governor's task force on coastal resources set out an ambitious program to be accomplished with these funds including: an inventory of our State's coastal resources; the definition of permissible land and water uses; an inventory of potentially critical areas; the setting of management policy; the definition of coastal zone boundaries of 87 of our cities and towns which lie along the coast; the involvement of local officials and the public in the process; the administration of the coastal zone management program for Massachusetts; and the establishment of a coastal review board to review major projects along the coast.

It is clear to me, Mr. President, that this is a great deal to accomplish with a very small amount of money. This is particularly true for a State like ours, which faces the possibility of extensive offshore oil and gas drilling. We must be able to move along as quickly as possible if we are to have our management plan in place in time to deal with the massive impact which offshore drilling can be expected to have on our State's coastal areas.

The amendments before the Senate today, developed under the leadership of Senator HOLLINGS and the Senate ocean policy study, will first, increase the authorization for program development grants from $9 million to $12 million; second, remove the 10-percent limitation on the amount an individual State can receive for program management assistance, and third, reinstate the authorization for estuarine sanctuary grants which expired on June 30, 1974.

Mr. President, 31 or 34 eligible States and territories have taken advantage of the assistance available under the Coastal Zone Management Act. The amendments before us today will insure that funds are available for the completion and implementation of those plans. In addition, it is my understanding that the administration will include in its first supplemental appropriation request the funds to implement the provisions of these amendments.

I urge my colleagues to give this legislation their full support so that a well-received, much needed, Federal-State cooperative program can move ahead without delay.

Mr. TUNNEY. Mr. President, I yield to the Senator from Michigan.

Mr. HART. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, on line 5, after the words, "of this title.", insert the following:

"SEC. 2. In any action requesting equitable relief, under any Act administered by the Administrator of the Environmental Protection Agency or instituted at the request of such Administrator, where a risk to public health is alleged, the failure by the party requesting such relief to prove that demonstrable harm to health now exists or will result, shall not, in and of itself, constitute a permissible basis to deny such relief. The preceding sentence shall govern all proceedings in actions brought after the date of enactment of this Act and all further proceedings in actions then pending, except to the extent that in the opinion of the court its application in a particular action then pending would not be feasible or would work injustice."

The PRESIDING OFFICER. Is this an amendment on which there has been a time agreement?

Mr. HART. Twenty minutes, 10 minutes to a side, I am advised.

Mr. President, I yield myself such time as I may need.

Mr. President, this is an amendment which Senator NELSON and I believe is extremely important for the future of public health legislation. The provision was prompted by a decision by a panel of the U.S. Court of Appeals for the Eighth Circuit in litigation involving environmental discharges by the Reserve Mining Co.

Mr. President, I should add that the Senators from Minnesota (Mr. MONDALE and Mr. HUMPHREY) support the amendment.

In the Reserve Mining case, the eighth circuit's panel stayed a lower court injunction against the company—thus allowing the company to continue its discharges—on the ground that the parties requesting the injunction "had failed to prove a demonstrable health hazard." The panel made clear that by those words it intended to require plaintiffs to establish actual harm to the public before it could grant the relief requested.

Under our provision, such proof would not be required of the Government or private plaintiffs in lawsuits involving public health issues. It is our view that to require such proof of harm is in many cases to ask of plaintiffs more than science is capable of delivering. The feared result of such a requirement is that polluting activities may continue which severely risk—but do not demonstrably harm—the health of the public.

Our amendment thus specifically rejects the policy of the court of appeals panel by prescribing that in injunctive enforcement actions grounds on risks to public health, the plaintiffs' failure to prove actual harm would not in and of itself amount to a bar to relief. It is the intention of the provision that in such cases, in the absence of such proof of harm, the court is to balance any risk of harm established against the costs of the relief requested—together with all other factors properly bearing on the matter—in deciding what relief is appropriate.

This provision has been endorsed in principle by the Department of Justice, the Environmental Protection Agency, and the Council on Environmental Quality, and was adopted without objection by the Commerce Committee when that committee considered it earlier this year. It is my hope that the amendment can be accepted by the managers of the bill and then adopted by the Senate as a whole.

Mr. NELSON. This measure is extremely important for the future of public health legislation and certain court cases where public health is at stake. The point of it is to permit a judge to stop a dangerous potential threat to public health before, not after, the harm has been done. The amendment was stimulated by a decision of the U.S. Court of Appeals for the Eighth Circuit in a Federal lawsuit known as the Reserve Mining case, where the court's decision suggested that all uncertainties should not be resolved in favor of health safety.

The amendment is a compromise which has the endorsement of the Department of Justice, the Environmental Protection Agency, and the Council on Environmental Quality. Its basic language was adopted without objection by the Commerce Committee in connection with another piece of legislation which was rereferred to another committee but not reported to the Senate. The Reserve Mining Co. is in Minnesota and the two Senators from that State, Mr. HUMPHREY and Mr. MONDALE, both support it.

The eighth circuit itself, in the Reserve case, suggested that this legislation is necessary. In that case, the United States, as well as the States of Wisconsin, Michigan, and Minnesota, and other plaintiffs, sought to enjoin the Reserve Mining Co. from dumping tailings of "taconite" into the waters of Lake Superior. The plaintiffs charged that there was a risk of cancer to those living in the Superior-Duluth region who ingested the water from the lake.

The district judge, Judge Miles W. Lord, enjoined the company from continuing the dumping. In issuing his injunction, Judge Lord refused to "permit the present discharge until such time as it can be established that it has actually resulted in death to a statistically significant number of people. The sanctity of human life is of too great value to this court to permit such a thing," he said. Aware that "any environmental litigation must involve a balancing of economic dislocation with the environmental benefits," Judge Lord based his decision on his view that the defandants "have the engineering and economic capability to obviate the risk and chose not to do so in order to continue (the) profitability of the present operation." He put the whole issue into a few words and said:

> This court cannot honor profit over human life and therefore, has no other choice but abate the discharge.

But the Eighth Circuit Court of Appeals disagreed and lifted the injunction. In doing so, it said that:

> Judge Lord apparently took the position that all uncertainties should be resolved in favor of health safety, and ruled that Judge Lord's "determination to resolve all doubts in favor of health safety represents a legislative policy judgment, not a judicial one."

In other words, that court was of the opinion that a statute was necessary to achieve the result plaintiffs then sought.

The eighth circuit justified its decision on the grounds that the parties requesting the injunction "had failed to prove a demonstrable health hazard." The panel made clear that by those words it intended to require plaintiffs to establish actual harm to the public before it could grant the relief requested. Under the provision reported by the Commerce Committee such proof would not be required of the government or private plaintiffs in law suits involving public health issues. It is our view, as sponsors of the provision, that to require such proof of harm is in many cases to ask of plaintiffs more than science is capable of delivering.

Our provision thus specifically rejects the policy of the court of appeals panel by prescribing that in injunctive enforcement actions grounded on risks to public health, the plaintiffs' failure to prove actual harm would not in and of itself amount to a bar to relief. It is the intention of the provision that, in the absence of such proof of harm, the court is to balance any risk of harm established against the costs of the relief requested—together with all other factors properly bearing on the matter—in deciding what relief is appropriate.

Courts are used to making this sort of balancing test. On August 19, 1974, Senator HART and I introduced a similar measure and in that day's CONGRESSIONAL RECORD I cited the cases and statutes which describe this balancing test and explain the law in this field.

On that day, I made it clear on the record that my sponsoring this amendment should not be seen as a tacit concession that I believed the eighth circuit was correct that such a law would be necessary before a court could rule for plaintiffs in such a case. On the contrary, under the statutes and cases which I cited, there is ample authority, I believe, to permit a court to enjoin the conduct creating a potentially serious health hazard, in cases where there is some evidence of it, but the evidence is inconclusive.

Mr. TUNNEY. Mr. President, I think that the amendment is a good one, and I hope that it will be accepted by the House of Representatives, assuming it passes the Senate. It seems to me to be a ridiculous situation where we would have to have proof that the ingestion of asbestos causes cancer before we can take remedial steps to prevent companies from discharging asbestos tailings into a waterway where, downstream, that water is brought into a municipal drinking water system.

It is clear that asbestos causes cancer when it is inhaled in the lungs. We have workers in asbestos factories who have developed cancer, and there is no reason for a rational person to suggest that there is no likelihood of asbestos causing cancer when it is ingested orally.

For the court to have thrown out the case may conceivably be a proper application of the law; it is not necessary for us to make a judgment on that. But it does not make any sense when we look at the problem of protecting human life.

I might say it usually takes 20 to 30 years for a carcinogen to produce the cancer, so it may be some years before the individuals who have ingested this asbestos come down with cancer. At any given point in time, no one really knows how many will have cancer, and I think that this is a most appropriate amendment, because it will enable the court to look at the total picture, all the factors, and make a determination that such asbestos tailings being dumped into the water should be prohibited under the law, because it is likely to cause serious health injury to the citizens.

So I am willing to accept the amendment for the committee.

Mr. STEVENS. Mr. President, before the amendment is accepted, I would like to inquire. This does not cover just the Minnesota Mining case, though certainly that is what it is aimed at.

I come from an area where ice fogs cause a peculiar kind of pollution, and the Environmental Protection Agency has been trying to prevent us from driving cars in Fairbanks on certain days in the year.

The amendment states:

> Where a risk to public health is alleged, the failure by the party requesting such relief to prove that demonstrable harm to health now exists or will result, shall not, in and of itself, constitute a permissible basis to deny such relief.

I do not have any objection to that language, but will the Senator tell me what they do have to prove if they bring an action for an injunction alleging risks to public health? What do they have to prove?

If the Senators want a Minnesota mining amendment, I wish they would put in a Minnesota mining amendment. This is such a broad amendment that I do not know what it will do to EPA actions throughout the country.

Mr. HART. Mr. President, let me answer the Senator from Alaska in this fashion: It is the intent of the amendment that in suits based on health risks, the absence of proof of harm, which we seek to make clear is not in and of itself a bar to these claims, would then impose on the court the burden of balancing such risks to health as may have been established against the cost of the relief that has been requested—together with all other relevant factors.

Mr. STEVENS. I appreciate the Senator's statement, but I would like the record to be clear as to what we are doing.

Suppose the EPA goes in and seeks an injunction to prevent a particular activity, what does it have to prove? I am sure the notorious problem we are talking of here is the problem of the Great Lakes. But EPA is bringing cases all over the country alleging risks to public health. As I understand this amendment, it says you would not have to prove that such harm has actually resulted or will likely result in the immediate future. "That alleged risks to health" obviously means risks to human health, I presume.

Mr. HART. Yes.

Mr. STEVENS. And although they allege a particular type of result, they do not have to prove it under this amendment. What do they have to prove, though? The allegation is based upon risk to human health. If they do not have to prove actual harm now or in the near future, what do they have to prove? I assume they will have to prove a substantial risk of harm to human beings would result, even though they cannot prove it has resulted from the alleged action in the past. Is that the approach? Where is the breaking line here?

Mr. TUNNEY. Mr. President, if the Senator will yield, it is my understanding that what has to be proved is that there is a danger to health, but they do not have to prove that actual harm has been caused by the particular discharge or the effluent that has been put into the water bay.

I think the difference is really one of proof. On the one hand, you are showing that it may cause harm; on the other hand, as I understand the amendment, under the law as it has been interpreted by the court of appeals panel, you have to prove that harm in fact does exist. It is a difference in what is required on the part of that person who is seeking injunctive relief. In the case of this discharge of asbestos into the water bay, it has yet to be proved that the ingestion of asbestos causes cancer, although we certainly know that when you breathe asbestos it causes cancer. But ingestion has yet to be demonstrated to cause cancer.

So in this particular case, all the plaintiff would have to allege and establish would be that there was a risk that cancer would be caused, not that the costs of the relief requested were not unreasonable in view of the degree of protection provided by that relief.

It would be a question of fact and proof of fact, but it would certainly diminish to a degree the amount of proof that the plaintiff would have to bring before the court in order to get injunctive relief.

Mr. STEVENS. Again the Senator has addressed himself to a particular instance. This covers any action of the EPA under any act of Congress, and it says where EPA alleges, under any of those acts, that an injunction is sought because of a risk to public health, they do not have to prove particular harm.

What does the judge have to go on, if you allege risk to public health and seek an injunction to prevent that, and then do not have to prove it? I entirely support the EPA objectives, but my city of Fairbanks objects to the findings of the EPA with regard to air pollution caused by ice fogs, and we have a continuing controversy. This amendment covers my situation at Fairbanks as much as it covers the situation on the Great Lakes.

I think we ought to be specific. If they do not have to prove that ingestion of asbestos has actually caused cancer yet—and frankly I do not know whether they can prove it or not; I take it they cannot—what do they have to prove? Certainly they have to prove a substantial risk to public health before they can get an injunction. EPA does not have a right—at least I would hope they do not; otherwise we are giving them carte blanche to get injunctions, and in every case the court could say, "Congress has said we do not have to prove risk even though we allege it." That would deny every opponent to the position of EPA their day in court, including the city of Fairbanks.

Mr. HART. Let me state it again. This states something that does not have to be proved.

The amendment says that failure to prove demonstrable harm does not put you out of court. Inability to prove that this body is dead because the fiber was cancer causing does not put you out of court. But I would believe that it is still required on the part of the court, where the allegation and the basis of the suit is that there is a risk there, that evidence establishing a measure of risk must be introduced, and the court then judges the magnitude and likelihood of the risk and the cost of protecting against that degree of risk before it issues its final order. But it is not a bar to successful prosecution that demonstrable harm, as distinguished from a risk to public health, has not been established.

Mr. STEVENS. I would say to the Senator from Michigan if we were not talking about equitable relief I would agree. We are talking about the ability of a party—and I have done this as an attorney, and anybody who has practiced as an attorney in this body has also—to file an affidavit, start an action, and seek an injunction right there and then. That is the thing we are saying.

When you allege that you have a risk to public health in order to get an injunction today you have to prove it, and we are saying you do not have to prove that this is a risk to public health, and I think we ought to give them some guidelines.

I have no objection to what the Senator is trying to do. I just think there ought to be some guidelines to the court. If you say you do not have to prove a risk to public health, you ought to establish the reasons why you cannot prove that today because scientific evidence is not conclusive. You have to establish that you know there is a body of scientific evidence which is being formulated which does lead or would lead any reasonable person to conclude that there is a substantial risk of harm to the public at large by the action that is sought to be enjoined.

I think we ought to have some standards. If we do not have standards, then what we have done, I think, is we have denied a lot of people their day in court because of a cause celebre. I am familiar with the cause celebre, and I am trying to support what the Senator is trying to do.

Mr. HART. Will the Senator from Alaska find it helpful if, in addition to the language in the amendment as offered, we added after "where a risk to public health is alleged," the additional language "and established"?

Mr. STEVENS. That still leaves a burden on the Environmental Protection Agency to show that the risk itself can be established even though the immediacy of the connection between that risk and a harm would not have to have immediate proof, such as my friend, the Senator from California says, of a dead body and the proof of death caused by cancer derived from the source of the risk. I think that it would be a problem to prove such conclusion, but the risk of harm to public health must still be established to get temporary relief or get equitable relief in an injunction action.

Mr. HART. With the addition of those words it would be clear that we intend that.

Mr. STEVENS. I would be grateful if the Senator would amend it in that fashion.

Mr. HART. Mr. President, I amend the language of the amendment so that on the third line——

The **PRESIDING OFFICER.** Will the Senator send the modification to the desk?

Mr. STEVENS. Mr. President, I understand that the Senator from Michigan is going to offer the amendment, and I am very grateful for the exchange and for assisting those of us who are trying to maintain protection of people who are really seeking their day in court.

The **PRESIDING OFFICER.** The clerk will report the amendment as modified.

The assistant legislative clerk proceeded to read the amendment.

Mr. HART. Can the clerk read it?

Mr. President, I can read it and, perhaps, the clerk, as he hears it, will understand what I have got on it:

> In any action requesting equitable relief, under any act administered by the Administrator of the Environmental Protection Agency or instituted at the request of such Administrator, where a risk to public health is alleged and established, the failure, . . .

And then there are no further changes.

Mr. NELSON. Mr. President, may I ask a question of the Senator?

The **PRESIDING OFFICER.** Does the Senator yield?

Mr. HART. I apologize. This is, as we explained at the outset, Senator NELSON's amendment as well as mine.

The **PRESIDING OFFICER.** The time of the Senator from Michigan has expired. There are 2 minutes on the other side remaining.

Mr. STEVENS. I would be happy to yield to my good friend, the Senator from Wisconsin.

Mr. NELSON. We are talking about what you are always talking about in this kind of a case, and that is proof that the risk of harm is greater than whatever other benefits there may be; that is what we are really talking about.

I wonder about using the word "established." Maybe it is all right. We know that people die from the ingestion of asbestos inhaled into the lungs, as the Senator from California has pointed out.

What Federal Judge Lord of Minnesota was concerned about was that we have not yet proved that any body ingesting water with the taconite tailings in it would die from it, and he did not want to wait 20 years to find out whether 200,000 people would end up that way dying. So you have proof it is carcinogenic but not proof that ingested in that way would cause death.

I am assuming when the Senator says "establish" he does not mean establish in drinking water in this case.

Mr. HART. What I mean to say is that Judge Lord found properly there was a risk.

Mr. STEVENS. Yes.

Mr. HART. The appellate court said, "Ah, but you did not find and cannot find that there was harm," harm being the body that is sick or dying. But the risk is clear.

Mr. NELSON. All right.

Mr. HART. We want to make clear that in suits grounded on risks to public health there has to be a finding that the record in fact establishes a risk.

Mr. STEVENS. That is all I seek.

The PRESIDING OFFICER. All time has expired on the amendment.

The question is on agreeing to the amendment, as modified, of the Senator from Michigan.

The amendment, as modified, was agreed to.

ORDER GRANTING PERMISSION FOR THE FOREIGN RELATIONS COMMITTEE TO MEET ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be given permission to meet on Thursday, December 19, to consider various nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE COASTAL ZONE MANAGEMENT ACT OF 1972

The Senate continued with the consideration of the bill (S. 3922) to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes.

Mr. TUNNEY. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Alaska is prepared to yield back the remainder of his time.

Mr. STEVENS. If I am in control of that bill—and I think I am—then I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 3922) was passed, as follows:

S. 3922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Coastal Zone Management Act of 1972 (86 Stat. 1280) is amended as follows:

(1) Subsection (h) of section 305 is amended by deleting "1977" and by inserting in lieu thereof "1979".

(2) Subsection (b) of section 306 is amended by deleting all after "relevant factors:" and by inserting in lieu thereof "*Provided,* That no annual grant made under this section shall be in excess of $2,000,000 for fiscal year 1975, in excess of $2,500,000 for fiscal year 1976, nor in excess of $3,000,000 for fiscal year 1977 and succeeding fiscal years: *Provided further,* That no annual grant made under this section shall be less than 1 per centum of the total amount appropriated to carry out the purposes of this section, unless at the discretion of a State a lesser amount will suffice.".

Section 315 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 315. (a) There are authorized to be appropriated—

"(1) the sums of $9,000,000 for each of the fiscal years ending June 30, 1973, and June 30, 1974, and the sum of $12,000,000 for each of the five succeeding fiscal years, for grants under section 305, to remain available until expended;

"(2) such sums, not to exceed $30,000,000, for the fiscal year ending June 30, 1974, and for each of the fiscal years 1975 through 1979, as may be necessary, for grants under section 306, to remain available until expended; and

"(3) such sums, not to exceed $6,000,000 for the fiscal year ending June 30, 1974, and for each of the three succeeding fiscal years, as may be necessary, for grants under section 312, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed $3,000,000 for fiscal year 1973, and for each of the six succeeding fiscal years, as may be necessary for administrative expenses incident to the administration of this title.".

SEC. 2. In any action requesting equitable relief, under any Act administered by the Administrator of the Environmental Protection Agency or instituted at the request of such Administrator, where a risk to public health is alleged and established, the failure by the party requesting such relief to prove that demonstrable harm to health now exists or will result, shall not, in and of itself, constitute a permissible basis to deny such relief. The preceding sentence shall govern all proceedings in actions brought after the date of enactment of this Act and all further proceedings in actions then pending, except to the extent that in the opinion of the court its application in a particular action then pending would not be feasible or would work injustice.

EXTENSION OF AUTHORIZATION FOR THE STRIKING OF COMMEMORATIVE MEDALS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 17655.

The PRESIDING OFFICER laid before the Senate H.R. 17655, an act to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withhold that request?

Mr. ALLEN. Yes.

ORDER FOR THE COMMITTEE ON COMMERCE FOR PERMISSION TO FILE A REPORT ON H.R. 13296 UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of the Committee on Commerce, that that committee have until midnight tonight to file a report on H.R. 13296, the maritime authorization bill.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the conference report on public service employment be made the order of business at this time and that the Senator from Wisconsin be recognized.

The PRESIDING OFFICER. Does the distinguished majority leader want to dispose of the bill he laid down or lay it aside?

Mr. ROBERT C. BYRD. Yes, I want to dispose of it. I thought it had been disposed of.

Mr. ALLEN. I would like to have a quorum call prior to the approval. I want to look at the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that—well, I withdraw my request wth respect to the bill, whatever that number is.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

SPECIAL EMPLOYMENT ASSISTANCE ACT OF 1974—CONFERENCE REPORT

Mr. NELSON. Mr. President, I submit a report of the committee of conference on H.R. 16596, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of today.)

Mr. NELSON. Mr. President, is there a time limitation?

The PRESIDING OFFICER. Not to the knowledge of the Chair.

Is there a time limitation on this bill?

Mr. ROBERT C. BYRD. Not at the moment, Mr. President.

Mr. NELSON. This conference report was signed by all the conferees, both minority and majority, of both the Senate and the House. The conference report passed the House today by a vote of 346 to 58. The original bill passed the Senate by a vote of 75 to 13.

Mr. President, we have before us today the conference report on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974. When the Senate votes to pass this unprecedented emergency measure, it will be the last formal action required to send the bill to the President for his signature. And even as we act here today, Congress is preparing to appropriate the money necessary to begin funding these measures, so that this legislation can have some immediate impact on the serious economic problem of intolerable unemployment generated by the deepening recession.

The package of congressional unemployment measures we expect to pass this week is designed to ease the problems of as many unemployed workers as possible at a time when new jobs are hardest to find. That package includes a renewed and expanded commitment to public service employment, new federally funded coverage for the approximately 12 million workers who are not currently covered under any State or Federal unemployment insurance program, and an expanded labor intensive public works program designed to put people to work today and increase future economic development and jobs in the private sector at the same time, as well as the bill reported by the Finance Committee which passed the Senate yesterday to provide extended and supplemental unemployment compensation for unemployed workers who exhaust their regular State benefits.

All of these measures except the Finance Committee bill—the new supplemental benefits for covered workers who exhaust their regular unemployment compensation—are included in the conference report before us today. The measure to extend benefits for those exhausting State unemployment insurance benefits was embodied in a bill I introduced 2 weeks ago with the cosponsorship of Senator RIBICOFF, Senator JAVITS, and more than a third of my other Senate colleagues. It has passed the House and Senate with virtually identical language, the latter by a vote of 84 to 0, and should be on the President's desk at the same time as this conference report.

The conference report before us today reconciles the differences between the other unemployment assistance measures passed by the House and Senate last week.

The public service employment bill which passed the Senate included a $4 billion 1-year authorization to create approximately 530,000 jobs, a program providing up to 26 weeks of unemployment compensation type benefits for workers not currently covered by any other unemployment compensation law, and a $1 billion job-creating public works title which was added on the floor of the Senate at the request of the distinguished chairman and ranking minority member and other members of the Senate Committee on Public Works.

The public service jobs bill passed by the Senate would have distributed funds to all prime sponsors under the Comprehensive Employment and Training Act of 1973—CETA—by allocating in proportion to the total number of unemployed persons in those areas in relation to the total number of unemployed persons in the country, with 25 percent earmarked for local areas of substantial unemployment, that is, local pockets of 6½ percent unemployment or more.

The Senate title creating new unemployment compensation entitlements would be in effect so long as nationwide unemployment exceeds 6 percent for 3 or more consecutive months, or if it nationwide falls below that rate, then in local prime sponsor areas exceeding 6.5 percent unemployment.

The House-passed unemployment assistance bill contained an authorization for a $2 billion public service jobs program, with the funds distributed to CETA prime sponsors 50 percent on the basis of overall unemployment as in the Senate bill and 50 percent on the basis of the number of unemployed persons in such areas in excess of 4.5 percent in relation to the number of unemployed persons in excess of 4.5 percent in all parts of the country.

The House-passed bill also contained an unemployment compensation provision for previously ineligible workers, but limited the program to areas of 6.5 percent with the additional requirement that nationwide unemployment exceeds 6 percent.

The conference committee considered these measures, and has reported a bill which contains the following major provisions:

PUBLIC SERVICE JOBS

The conference agreement authorizes $2.5 billion for the creation of approximately 330,000 public service jobs during 1975. These jobs will be created at the State and local level with the money distributed to CETA title I prime sponsors according to the following formula: 50 percent of the funds would be distributed on the basis of the total number of unemployed persons in an area, 25 percent on the basis of the unemployment in such areas in excess of 4.5 percent, and 25 percent on the basis of unemployment in local areas with 6.5 percent unemployment or more.

The conference agreement requires a worker to be unemployed for at least 15 days before that worker becomes eligible for a public service job, and includes a provision giving preferred consideration for such jobs to workers who have exhausted all other benefits or were not eligible for any such benefits, or to workers who have been unemployed for 15 weeks or longer. All the provisions of CETA that currently apply to public service employment programs would apply to jobs under this new authorization, except that the conference bill includes a provision stressing the intent of Congress that certain reemployment goals in the current law are to be considered goals rather than requirements. The final bill also includes a provision waiving certain CETA title II requirements which are difficult to meet in high-unemployment areas, as well as authorizing special capital improvement projects in areas experiencing excessively high levels of unemployment—7 percent or more—and areas of substantial unemployment.

Finally, miscellaneous provisions of the conference agreement authorize part-time work for unemployed persons, such as older or handicapped workers, who are not capable of working full time; prohibit discrimination on the basis of age; include child care in the definition of a public service activity; and provide for maximum efforts to produce job and job-training opportunities for Vietnam-era veterans.

SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

The conferees accepted the Senate trigger provision for unemployment type compensation for previously ineligible workers. Thus, a nationwide program will go into effect as soon as this title is enacted, since the 6 percent, nationwide unemployment trigger was met as of November, and all previously ineligible workers in the country will continue to be eligible for benefits under this title for as long as unemployment continues to average 6 percent or more, until December 31, 1975. If national unemployment drops below 6 percent this title expires. Workers will still be eligible for benefits in CETA title I prime sponsor areas having 6.5 unemployment or more.

Individual entitlement for benefits under this program depends first upon the existence of an agreement between the Secretary of Labor and the State where the individual was last employed for at least 5 days. The conferees want to encourage States to enter into such agreements as quickly as possible following enactment of this bill. In no event is it intended that a State should be required to change its law in order to enter into such an agreement, since it is the intention of Congress that all benefits and all State administrative expenses associated with them be funded by the Federal Government.

Once such an agreement is in effect, an individual unemployed worker must qualify for benefits in the same manner as if his employment had been covered by the unemployment insurance law of the State where he or she was last employed. The level of the worker's benefits and their duration—up to a maximum of 26 weeks—will also be determined as if the worker's employment had been covered, except that a State must use a uniform base year of the most recent 52 weeks prior to a worker's claim for assistance in determining such benefits and duration.

The State is also directed to employ affidavits to determine a worker's eligibility for benefits if the use of employment records is not possible or would result in delaying relief. False statements in such affidavits would render an individual ineligible to receive benefits and would also subject the individual to prosecution.

One final thing the conference committee wanted to make clear is that this temporary title is in no way intended to be a substitute for needed broader reform of the unemployment compensation laws.

LABOR-INTENSIVE PUBLIC WORKS PROGRAM

The conference committee agreed to accept a modified version of the Senate public works amendment, after receiving assurances that there would be no objections to such a provision in the House of Representatives. The sum of $500 million is authorized for fiscal year 1975 for programs and projects which have the potential to stimulate the creation of jobs for unemployed persons in areas experiencing high unemployment. Determinations on applications for funding for such projects are to be made jointly by the Secretary of Commerce and the Secretary of Labor, with the proviso that no less than half of any funds appropriated are to be spent for projects in which at least 75 percent of the money goes for wages.

Mr. President, on behalf of 6 million unemployed Americans, I wish to commend my colleagues in the Senate and

House for acting with extraordinary cooperation on this package of emergency unemployment measures. By the time Congress adjourns later this week, no fewer than eight congressional committees—The Labor Committees of both Houses, the Finance, and Ways and Means Committees, and the Appropriations and Public Works Committees of both Houses—will have acted in concert to produce and appropriate funds for this legislation, not to mention the tireless work of all the individual Members of both branches in deliberating and enacting these measures. When we act upon this bill today and clear it for the President's signature, we should do so recognizing that this legislative body, which has often been characterized as a cumbersome and slow-moving creature is, indeed, capable of responding swiftly and effectively when the need arises. I hope and trust that this cooperation will carry over into the 94th Congress.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED NATIONS PEACEKEEPING FORCES IN THE MIDDLE EAST AND CYPRUS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1285.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 16982), an act to authorize United States payment for fiscal year 1975 to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East and the United Nations forces in Cyprus, reported with amendments.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 16982) which had been reported from the Committee on Foreign Relations with an amendment on page 1, beginning with line 5, strike out:

SEC. 2. There is authorized to be appropriated to the President for fiscal year 1975 funds for payment by the United States of its share of the expenses for the United Nations Disengagement Observer Force and the Emergency Force in the Middle East for the period November 1, 1974, through October 31, 1975, except that from the sums authorized to be appropriated by this Act, the United States shall pay at no higher rate of assessment than the rate established for the United States for the period preceding such period. Such funds shall remain available until expended.

SEC. 3. There is authorized to be appropriated to the President for fiscal year 1975 for payment by the United States of its share of the expenses for the United Nations Force in Cyprus, $4,800,000. Such amount shall remain available until expended.

And insert:

SEC. 2. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter.

Mr. ROBERT C. BYRD. Mr. President, I yield to Senator McGEE.

Mr. McGEE. Mr. President, the only point to the authorization is that early in December the peacekeeping authorization for the U.N. troops in the Middle East and Cyprus expired and it had to be renewed through this body.

All this does through the Foreign Relations Committee is to reauthorize the American payment for its proportionate share of that operation, to keep those truce forces in place both on the Golan Heights and on Cyprus.

We have agreement on both sides. There was unanimous approval that this be enacted into law.

I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize U.S. payment to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes."

Mr. McGEE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. AIKEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF AUTHORIZATIONS FOR THE STRIKING OF COMMEMORATIVE MEDALS

The Senate continued with the consideration of the bill (H.R. 17655) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

Mr. GRIFFIN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

H.R. 17655, an act to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

The bill was considered, ordered to a third reading, read the third time, and passed.

SPECIAL EMPLOYMENT ASSISTANCE ACT OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment.

Mr. ROBERT C. BYRD. Mr. President, what is the business now before the Senate?

The PRESIDING OFFICER. The matter at the desk——

Mr. ROBERT C. BYRD. Mr. President, the conference report on public service employment is still before the Senate.

The PRESIDING OFFICER. The question then is on the adoption of the public service conference report.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, we have talked of the views of the conferees on this side of the aisle and have had no requests for time from any of these conferees.

Mr. President, I urge Senate approval of the conference agreement on the Emergency Jobs and Unemployment Assistance Act of 1974.

This is landmark legislation to deal with what might be described as a "landmine" national unemployment situation with about 6 million persons unemployed in November when the national unemployment rate was 6.5 percent, and with the Chairman of the Council of Economic Advisers' recent prediction that the Nation may well be at 7 percent national unemployment within the next 6 months. Already, New York State and New York City are over the danger mark with 5.9 percent and 7.1 percent, respectively.

To deal with this situation, the bill authorizes $2.5 billion for the creation of approximately 330,000 1-year slots—at $7,800 per year—in transitional public service employment under title I; provides coverage to approximately 12 million workers not covered by the existing unemployment insurance system with a projected cost of $2.5 billion at present unemployment rates, under title II; and authorizes a job generating public works program with an authorization of $500 million in fiscal year 1975 under title III.

But even beyond the very extensive aid to particular individuals—which is, of course, most important—the conference agreement must be considered compelling evidence to the country as a whole that the Congress intends to deal decisively with the current recession and economic crisis.

It should be a strong indication to the Nation that this "lameduck" Congress has not been helpless or ineffective in meeting the challenge, but has pushed forward in concert with a concerned administration to see that in this important field of jobs and expanded unemployment compensation benefits, the Nation pursues an active policy that will provide for those hurt by the recession.

Mr. President, this is the first installment on that appeal to congressional leadership which represents an effort to deal with the present recession and serious unemployment as contrasted with what we have been doing in respect of inflation, and, of course, the situation thoroughly warrants this kind of treatment.

Mr. President, with this general background, I shall now comment on how the conference resolved various differences between the Senate and House bills.

TITLE I—PUBLIC SERVICE EMPLOYMENT

First, authorization of appropriations. The Senate bill authorized $4 billion for fiscal year 1975 to fund an estimated 530,000 transitional public service jobs during calendar year 1975—at an estimated average cost of $7,500 per year per job—in vital areas such as education, environmental quality, and health care, conducted through the system of State and local governmental prime sponsors established under title I of the Comprehensive Employment and Training Act of 1973. These funds would have supplemented the $1 billion and 170,000 jobs already made available under title II of CETA, which is confined to areas having unemployment of 6.5 percent or more for 3 consecutive months.

The House authorized $2 billion for fiscal year 1975, for an estimated 300,000 transitional public service jobs basically during calendar year 1975.

The conference agreed on an authorization of $2.5 billion for fiscal year 1975 for approximately 330,000 public service jobs at an average of $7,800 per year per job, but with the understanding expressed in the statement of managers that should that authorization be inadequate to meet next year's situation, the general authorization contained in the Comprehensive Employment and Training Act could be utilized to obtain additional funds.

Second, method of distribution. Both bills utilized the CETA system—an improvement over the administration's proposal—but the formulas of distribution differed. The House bill provided that 50 percent of the allocated funds would be distributed on the basis of the relative number of unemployed persons and 50 percent on the basis of the number of unemployed in excess of 4.5 percent.

The Senate provided that 75 percent of the allocated funds be distributed on the relative number of unemployed persons and 25 percent distributed solely to areas previously qualifying under title II—areas having unemployment of 6.5 percent or more for 3 consecutive months.

Following a compromise I proposed, the conference agreement worked in elements of both the Senate and House bills as follows: 50 percent of the allocated funds are to be distributed among prime sponsors based on the number of unemployed; 25 percent on the basis of excess of unemployed above 4.5 percent; and 25 percent for use in CETA title II areas within the prime sponsorship areas.

Thus, the factor that was very important to the Republican conference in its economic recommendations; namely, severity, was taken into account to some extent.

Third, eligible persons. Both bills continued the CETA eligibility—which includes unemployed and underemployed persons generally—but the House gave "preference" to those unemployed persons who have exhausted unemployment insurance benefits; are not eligible for such benefits; or have been unemployed for 15 weeks or more. The Senate gave "special consideration" to persons who had been unemployed for 15 or more weeks.

The conference agreement provides for "perferred consideration" to the House categories—except those lacking in work experience—to the maximum extent feasible consistent with the provisions of the act.

Fourth, waivers. The House bill had provided that in areas of 7-percent unemployment, and certain prime sponsorship areas—such as certain unemployment areas and balance of State employment areas—certain provisions regarding public employment programs contained in the current CETA Act would be waived so as to accelerate the availability of jobs.

The Senate—which did not have waiver provisions—did agree to accept the House provisions in part as follows:

The House provisions would have waived various requirements relating to training, occupational mobility, and review policy dealing with transition; we accepted all but the waiver on the review policy to insure transition, having in mind that we need to continue to search for "regular" jobs for participants.

The House reduced to 7 days the current requirement that a person be unemployed for at least 30 days; we agreed to 15 days, providing that the applicant certifies that the hiring of an individual will not violate the "paper layoffs" provisions.

The House provisions permitting the payment of wages for community capital improvement projects were accepted with slight clarifying modifications.

Fifth, cost per job. The Senate bill had directed the Secretary to maintain a national average of $7,500 per job as a goal; the House was concerned that this might be translated in terms of administration into a requirement.

Accordingly, the Senate provision was accepted but with language to insure that no requirements would be established and the prime sponsor would still be governed principally only by the $10,000 limitation.

TITLE II—SPECIAL EMPLOYMENT ASSISTANCE PROGRAM

Both the House and Senate bills authorize such sums as may be necessary to provide temporary wage loss compensation to workers who are given no protection under the present unemployment insurance system. It is estimated that approximately 12 million workers in this country, including State and local government employees, domestic service employees, and farmworkers, are excluded from Federal-State unemployment insurance law.

In order to protect workers during the present economic emergency, who lose their jobs through no fault of their own, partial replacement of income must be provided as a means of enabling them to provide the basic necessities of life for themselves and their families, and to help prevent further downward movement in this economic cycle. This program is particularly important as a supplement to public service employment since State and local governmental jobs can be provided to only a fraction of the unemployed.

Under this bill, any unemployed individuals who, during the most recent 52-week period before filing their claim, meet the qualifying requirements of the applicable State law, will be eligible to receive financial assistance for a period of up to 26 weeks. Benefit amounts will be computed on the basis of the unemployment insurance law of the State in which the worker was last employed.

This program will be effective upon enactment, subject only to the execution of agreements between the Secretary of Labor and each State. It is intended that this legislation begin providing benefits as promptly as possible and that no new State statutory authority will be required. Thousands of workers have been without jobs for months and it is essential that the Department of Labor, in cooperation with the State, establish the administration of this program as expeditiously as possible.

In this connection, I call to the attention of the Department of Labor that many of these newly covered workers are unfamiliar with the workings of the unemployment insurance system and in many cases may not become aware of their new entitlement. I therefore urge the Department to prepare a public service advertising program to inform those unemployed workers of their rights under this Act, and I also ask the news media to cooperate in every way possible to disseminate this information.

Only one significant area of this legislation was affected by differences between the House and Senate bill. The House provided that the program would trigger "on" in an area when the national unemployment rate averaged 6 percent or more for 3 consecutive months, and the rate of unemployment in the area averaged 6.5 or more for 3 consecutive months. The Senate bill provided that all areas of the Nation would trigger "on" when the national rate of unemployment averaged 6 percent or more for 3 consecutive months; it also provided that areas having unemployment rates of 6.5 percent or more would trigger "on" even if the national trigger conditions were not met.

Since both bills provided for computation of the "on" indicator on the basis of the past three consecutive calender months, the "on" indicator has already been triggered and the program will therefore, take effect immediately upon enactment.

The conference agreed to accept Senate indicator provisions, which will provide special assistance payments on a nationwide basis at an estimated cost of $2.5 billion for calendar year 1975.

TITLE III—JOB OPPORTUNITIES PROGRAM

The bill would provide a third type of relief for the Nation's slumping employment picture by providing incentives for the creation of jobs under the job opportunities program of title III. This title has been worked out in careful coordination with the members of the Public Works Committees of the House and Senate.

It would provide for the use of up to $500 million by the Secretary of Commerce for the purpose of supporting projects which have high job creation potential and which would be located in areas of substantial unemployment. The money provided by this title could be used to supplement ongoing projects that were identified by Department of Commerce and Department of Labor review as possessing this significant job creation potential. Further, these funds could provide the initial loan or grant financing for job creation activities in target areas.

The funds allocated under this title should be used to maximize job opportunities for the unemployed, and expenditures for materials, supplies and equipment must be kept to the minimum amount necessary to support additional jobs. In particular, eligible sponsors should be required to fund new projects that could not otherwise have been undertaken, and no projects under this title should have undue leadtime or substitute for work that would have otherwise have been performed by private employers. It would defeat our purpose if added employment in the public sector were to be created at the expense of workers in the private sector.

This provision was added to the bill on the floor of the Senate in recognition of the urgent need for a program designed to stimulate increased private sector job opportunities. In that same spirit, the House and Senate conferees agreed to retain this title in the legislation which we consider today.

In conclusion, Mr. President, the conferees signed the report and are unanimous in urging this upon the Senate. In my judgment, Mr. President, it is a sound approach to a very serious situation and will be extremely helpful. It will be especially helpful if we can succeed in the very few days remaining in the session to give the first installment of the appropriation to be sought by the administration for the purpose of promptly implementing this measure.

Mr. MAGNUSON. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. MAGNUSON. I hope the Senate will quickly adopt this conference report. We have just acted in the Appropriations Committee to appropriate the money to implement this report.

I rise to suggest that we have a lot of critics about slow movement of Congress, but how fast we can operate when the conditions require that we do. The appropriation will now be reported to the Senate. We will pass this report tonight, and we will be ready to start the program after the President signs it, probably before the first of the year, or immediately after the first of the year.

I compliment the legislative group on the report because they moved as fast as the Appropriations Committee to meet the emergency.

Mr. JAVITS. It might interest the Senate to know that Senator NELSON sat through about 19 hours of conference in the most painstaking and indefatigable way to bring about this result. I did all I could to assist him, but he really carried the ball for us jointly, as we had both sponsored this measure. In a most splendid way it is to the credit of the Senate and also to the great credit of the country.

He and his staff—Dick Johnson and Larry Gage—and my staff—John Scales, Don Zimmerman and David Dunn—are really entitled to enormous credit as the real heroes.

Also, I would like to pay tribute to the other Members of Congress and staffs in the conference; and to Senator McCLURE, and Senator DOMENICI, Senator BAKER, and Senator RANDOLPH, of West Virginia, who fought for title III of this measure, and who then, when we ran into great difficulty with it, cooperated with us in respect of the amount and the conditions in order to bring about an agreement with the House.

Senator MAGNUSON was very gracious about the appropriation.

It was a very collaborative venture.

We had the great benefit of the assistance and participation in the most active way of the chairman of our committee (Mr. WILLIAMS).

I am very pleased that, because of the enormous labor concentrated, as I say, in these hours upon hours of conference, we were able to act in tandem with the Appropriations Committee.

Mr. President, I commend the report to the Senate, and hope that it will be adopted by a heavy majority.

Mr. NELSON. Mr. President, I just wish to endorse the remarks of the distinguished Senator from New York respecting the merits of this legislation, as well as the fine contribution made by the respective staffs of the committees and the Senators. I am particularly appreciative of the cooperation of Senator JAVITS' staff, John Scales, Don Zimmerman, and David Dunn, who worked on this legislation with my staff, Dick Johnson and Larry Gage. The staffs of all majority and minority members of the conference were very helpful to the conferees.

I also wish to commend the conferees on the House side: Mr. PERKINS, Mr. DOMINICK V. DANIELS, Mr. MEEDS, Mr. QUIE, Mr. ESCH, and Mr. STEIGER. On every occasion when we have had to go into conference with the House Committee on Education and Labor, we have had a very cooperative and fruitful conference.

The same has been true of the bipartisan cooperation on the part of all the Senate conferees.

I particularly wish to thank the distinguished Senator from New York (Mr. JAVITS), the Senator from Ohio (Mr. TAFT), the Senator from California (Mr. CRANSTON), the Senator from West Virginia (Mr. RANDOLPH), and especially the chairman of the full Labor and Public Welfare Committee for their great effort in reaching agreement on this legislation.

I believe the final legislation is very well designed. The legislation was handled expeditiously from beginning to end.

Those Senators and the staff who participated are entitled to enormous credit for accomplishing this feat in such a short period of time.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

Mr. McCLURE. Will the Senator withhold that?

Mr. ALLEN. For what purpose?

Mr. McCLURE. So that I may make some remarks on the pending conference report.

Mr. ALLEN. I would like to suggest the absence of a quorum now.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I shall reinstitute the quorum; it will be live. I wish that the cloakroom inform all Senators that there probably will be rollcall votes yet tonight, so that they will be informed of that.

I suggest the absence of a quorum. It will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 571 Leg.]

Aiken
Allen
Bennett
Byrd, Robert C.
Case
Cranston
Curtis
Domenici
Griffin
Hart
Hollings
Hruska
Hughes
Inouye
Javits
Magnuson
McClure
McGee
Moss
Nelson
Stennis
Stevens
Symington
Taft

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Church
Clark
Cook
Cotton
Dole
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Gurney
Hansen
Hartke
Haskell
Hatfield
Helms
Huddleston
Humphrey
Jackson
Johnston
Kennedy
Laxalt
Long
Mathias
McClellan
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevenson
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER (Mr. Hollings). A quorum is present.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I think I should inform Senators as to what the problem is at the present time. The Senate has before it a conference report on public service employment. Efforts have been made throughout the day to get an agreement on the conference report on the Consumer Warranty Act.

I have repeatedly discussed the conference report with various Senators in that effort. The Senator from Utah (Mr. Moss) has been on the floor practically all afternoon, hoping to have the report called up, and I have prevailed on him throughout the afternoon not to call it up, because we had other conference reports on which we could get time agreements, and in order to prevent a roadblock to keep the Senate from acting on other conference reports, he very agreeably was persuaded not to bypass me on that particular conference report.

I think I ought to say this, too: We have made such progress yesterday, today, and all of last week that the prospects for adjourning sine die by tomorrow night were excellent—were excellent, up until 10 or 15 minutes ago.

I am going to move shortly to proceed to the consideration of the conference report on the Consumer Warranty Act. That motion will not be debatable. Once the conference report is before the Senate, a cloture motion will be offered on that, which means that the vote would not occur on the motion to invoke cloture until the day after tomorrow, which is Friday. I hope that all Senators will understand and commiserate with me in this turn of events, and that we will have as much cooperation as we possibly can. I do not know whether it is possible to break out of this box and still adjourn tomorrow evening or not.

On tomorrow, after the House of Representatives acts on the Rockefeller nomination—and there is every indication that that nomination will be confirmed; I understand the House will vote around 3 o'clock—1 hour after the House acts, the Senate would hope to proceed with the swearing-in ceremony. That will be televised.

In the morning we had hoped to call up the supplemental appropriation bill, and I have every indication that I can get a 40-minute time limitation on that bill. We had hoped to follow that with the continuing resolution, on which there will be some little discussion, but I hope that can be disposed of after 3 or 4 hours.

So I think that the one thing that may keep us from adjourning tomorrow night would be the consumer warranty conference report. If we can get a vote on that, it would no longer be a problem. So I hope that Senators will understand. I am sorry if you have to cancel your planned departures, but maybe with a little good luck and some changes of viewpoints around here, we might still be able to adjourn sine die as we had hoped.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PASTORE. I really believe that the acting majority leader is deserving of applause from this body. In the absence of Mike Mansfield, I think he has done a splendid, splendid job. He has kept the Senate moving. He has disposed of considerable legislation. He has forgone even his luncheon and his dinner at times, just to make sure that he would get unanimous-consent agreements on debate limitation.

I would hope that this body would cooperate with the acting majority leader. He is doing his job and doing it well. I think we all want to get home to be with our families on Christmas, and I would hope, I repeat again, that the Senate will support him in anything he proposes.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I thank the distinguished senior Senator from Rhode Island. May I say I have never witnessed such splendid cooperation and understanding on the part of all Senators on both sides of the aisle as during these last few days.

I yield to the Senator from Michigan, with the undertanding that I do not lose my right to the floor.

Mr. GRIFFIN. Mr. President, I want to join in the expressions of the Senator from Rhode Island concerning the excellent work and leadership of the acting majority leader. I certainly think he has done an outstanding job to bring us to the point where we are so close to adjournment sine die.

If the acting majority leader mentioned the progress being made with respect to the trade bill, I missed it, but I am sure he would agree that that is a very important piece of legislation that we have to get behind us somehow and deal with tomorrow. I have been hearing some disturbing rumors——

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. Hollings). The Senate will be in order.

Mr. GRIFFIN. That agreement on the trade bill is somehow being interlocked with whether or not there will be agreement on other bills, or something. I hope that is not true. I hope the trade bill will be considered by itself on its own merits, and that we will get a conference report here tomorrow that we can have an opportunity to vote on.

I am sure that the Senator from West Virginia would agree with me that both of these measures, the consumer warranty bill and certainly the trade bill, are going to be must items before we can get to adjournment.

Mr. ROBERT C. BYRD. Mr. President, I had not heard that there was any quid pro quo in any way involved with respect to the conference report on the trade bill.

Mr. GRIFFIN. I hope it is not true.

Mr. ROBERT C. BYRD. I have talked with the Senator from Louisiana (Mr. Long) daily for the last 2 days, urging that every effort be made to expedite action on the conference report, because it was our full expectation to adjourn tomorrow night. I think that can still be done. I think the one thing that would now prevent it would be failure to get action on the Consumer Warranty Act.

Mr. ALLEN. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I thank the Senator for his expression. I want to join with the distinguished Senator from Rhode Island (Mr. Pastore) and the distinguished assistant minority leader (Mr. Griffin) in commending the distinguished assistant majority leader for his efforts in this "lameduck" session of Congress.

Many thought that this session would be a failure, and it is the hard work of the distinguished Senator from West Virginia (Mr. Robert C. Byrd) that has turned it into a session that has passed some landmark legislation. I hope I am not violating a confidence when I say that I had prepared a resolution that I wanted to introduce here in the Senate commending the distinguished Senator from West Virginia for his outstanding efforts during this "lameduck" session in making it the success that it has been. He persuaded me not to do that.

Now as to the matter of the consumer warranty bill, the distinguished assistant majority leader knows that I stated to him that the problem was not the warranty bill, but the fact that rumors were rife that, cloture having been so successful on a number of bills, a cloture motion would be offered on the consumer protection bill, which had been laid to rest here in the Senate some time ago.

When I mentioned that to some of the Senators who are supporting that measure, they did not dispute it. Just in the last few minutes the distinguished Senator from Utah (Mr. Moss) has given me assurance that that bill will not come up. Is that correct? Is the Senator present?

Mr. MOSS. Yes, here I am.

Mr. ALLEN. Is that correct? If assurances are made to that effect, I think we will have no problem whatsoever. It is not the consumer products safety bill, it is the specter of the consumer protection legislation, which has been laid to rest here in the Senate and which should not be revived here in the last 2 or 3 days of the session.

Mr. MOSS. If the Senator will yield to me for a moment——

Mr. ROBERT C. BYRD. I yield to the Senator from Utah.

Mr. MOSS. I did discuss with the Senator from Alabama (Mr. ALLEN) this matter of the consumer protection bill and I, of course, have not been able to talk with all Members of the Senate, but I have talked with the members—most of the members—of the Commerce Committee and of the Consumers Subcommittee on both sides of the aisle, and I can assure the Senator from my conversations that as far as I can ascertain, no effort to bring that bill will come forward now.

Mr. ALLEN. Yes.

Mr. MOSS. As it was recalled it was laid aside. It is on the table, and it could be called off the table, but it seems to me that the time factor alone makes that impractical, and I can assure him that no effort will be made to do that.

Mr. ALLEN. If the Senator will concede, discussions have been held in the last day or so leading to the possibility of breathing life into that dead body; is that not correct?

Mr. MOSS. I had heard some rumors. I had not participated in it, but I had heard the rumors; yes.

Mr. ALLEN. And the Senator can assure the junior Senator from Alabama that that bill will not come up further during the lameduck session.

Mr. MOSS. So far as I can assure him, I will do so; and I will make every effort to dissuade anyone who wants to bring it up.

Mr. McGEE. Will the Senator yield for a modification on that?

Mr. ROBERT C. BYRD. Mr. President, I have the floor. I yield to the Senator from Wyoming.

Mr. McGEE. Just for a modification. The Senator continually refers to this lameduck session, and I understand that phrase; it does not adequately describe this body. I would hope that he would refer to it as the post-election session of the Congress, because there are going to be a few of them here who are going to be around in January, and I think it would be regarded as an ongoing legislative body.

Mr. ALLEN. I accept the modification.

Mr. ROBERT C. BYRD. I yield to the Senator from Washington with the understanding that I do not lose my right to the floor.

Mr. MAGNUSON. This is the first time I have heard in the last hour about what he says or about some rumors of the other bill. I have sort of a one-track mind. I want to get the warranty bill done. I have not heard anything about that.

Mr. ALLEN. In the last hour, did the Senator say?

Mr. MAGNUSON. I, as chairman of the committee, did not suggest it be brought up. I do not know how these rumors float around here. I would like to pass that other bill. I would like to.

Mr. ALLEN. I think possibly the presence of Mr. Nader out in the Senate reception room gave rise to some of those rumors.

Mr. MAGNUSON. Well, I do not know who gave it out, but I never heard about it. Just about 40 minutes ago, and what I was thinking about was let us get this warranty bill done, and I do not think the time is going to permit these other things. So far as I am concerned, I join with the Senator from Utah (Mr. Moss) in this matter.

Mr. ROBERT C. BYRD. Mr. President——

Mr. SPARKMAN. Would the Senator from West Virginia yield?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Alabama.

Mr. SPARKMAN. I simply want to say to the leader that just a little while ago we completed action in the conference on the Export-Import Bank. I imagine—I am not sure—it will not satisfy everybody, but I think perhaps we can move it.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Michigan.

Mr. HART. With respect to the subject of the Consumer Protection Agency, this is a bill which I have long supported but in recent years not as a floor activist. But within the last 30 minutes I was asked to seek to bring the bill up tomorrow morning off the calendar, and I made inquiry of the distinguished acting majority leader. There were problems, very substantial problems, in terms of timing, and I was about to approach some of my colleagues with respect to what course of action should be taken.

I think the matter is academic now. We failed three or four times in obtaining cloture in earlier days, although for whatever chemical reasons the mood seems to have changed to our attitude toward cloture. But if the able chairman of the Commerce Committee and the chairman of the Consumer Subcommittee would regard this as an inappropriate effort, whatever the change in the chemistry, it is not going to change the result of cloture then on this proposal.

So I can under these conditions, to the extent that my efforts in the last 30 minutes have sparked the Senator from Alabama (Mr. ALLEN)—but I take the earlier efforts, about which I am not aware, to the extent that I might be, was a disturbing factor—I would put his mind at ease.

Mr. ALLEN. I thank the distinguished Senator from Michigan.

Mr. ROBERT C. BYRD. Mr. President, I still have the floor.

Mr. ALLEN. Yes.

So apparently the so-called rumors then had a whole lot of substance in fact, because the Senator from Michigan was actively planning to seek to bring the other up.

With these assurances that this bill will not come up, I feel that the last 30 minutes have been profitably used by getting that assurance and, as I stated, I have no desire to hold up on this bill that the distinguished Senator from West Virginia wishes to move to its consideration. Of course that motion is subject to a yea and nay vote, but I have no objection to a voice vote and then going ahead with that. It will not be necessary to lay down a cloture motion in regard to this.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama, and I thank him for his earlier kind remarks with respect to me.

Mr. President, both Senators have stated the facts precisely. The Senator from Michigan (Mr. HART) approached me with respect to calling up the House bill on the Consumer Protection Agency. It is on the calendar under "Subjects on the Table." I told him if a unanimous-consent request were objected to, a motion to take that measure from "Subjects on the Table" would be debatable unless it were made tomorrow morning during the morning hour at which time it would not be debatable, but even then a cloture motion, if introduced at that time, would have to stay around until Saturday to be voted on. So it was not really a rumor.

I did not really understand the Senator from Alabama as I now understand him. I thought his concern was with respect to both measures—the Consumer Warranty Act and the bill that is on the "Subjects on the Table," the Consumer Protection Agency. I now understand he was really only basically concerned with the bill that is on the "Subjects on the Table" calendar, and that we can proceed with the conference report on the consumer warranty bill with an understanding that no effort will be made to call the measure from that calendar.

Now, the Senator has given his word that there is no need to offer a cloture petition. I never doubt his word, but other Senators could so offer it, and I do not know what other Senators might be disposed to do. They have their own rights under the rules, and I feel it necessary to offer the cloture motion once I get the measure up for consideration.

I know the Senator has given his word, but to protect all Senators, I will call up the measure and then offer the cloture motion.

Mr. ALLEN. I do not believe that will be necessary. So far as I know, if the Senator moves the conference report up it will be subject to being passed. I should think we would get a time limit and later file a cloture motion.

If the Senator insists on filing a cloture motion, well, the Senator from Alabama will resist then if that is the way the Senator wishes to operate.

Mr. ROBERT C. BYRD. I do not mean to proceed with it.

Mr. ALLEN. I think the Senator, if he would just call up the bill, would get it passed in a matter of minutes, and this other would be a moot question.

Mr. ROBERT C. BYRD. If we could do it, that is fine. All right.

Mr. McCLURE. Mr. President, would the Senator yield for a parliamentary inquiry without losing his right to the floor?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I thank the Senator for yielding.

My understanding is the conference report on H.R. 16596—is it in order to set aside one privileged matter in favor of another privileged matter?

The PRESIDING OFFICER. By motion it can be done.

Mr. McCLURE. I thank the Senator for yielding.

The PRESIDING OFFICER. By unanimous consent.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. With the understanding that there will be no effort made, and I never once meant to question the word of the Senator from Alabama.

Mr. ALLEN. I understand.

Mr. ROBERT C. BYRD. But our time is running short, and I thought that some Senators might be disposed to talk at length; I do not know. But I will take the Senator's word for it.

Mr. ALLEN. It is not necessary to take the Senator's word because once it becomes the pending business the Senator can file it any time he wants.

Mr. ROBERT C. BYRD. I understand. I understand. If I can get the floor again.

Mr. ALLEN. The Senator will not need the floor to file a cloture motion if it is the pending business.

Mr. ROBERT C. BYRD. The Senator is right. I misspoke myself.

MAGNUSON-MOSS WARRANTY—FEDERAL TRADE COMMISSION IMPROVEMENT ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on S. 356, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HOLLINGS). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 16, 1974, at p. 40238.)

Mr. JAVITS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. I do not think there is any opposition to the public service job matter; probably it could be a voice vote, would it not, which will finish that?

Mr. ROBERT C. BYRD. Will the Senator let me finish with another problem?

Mr. JAVITS. Except it is up.

Mr. ROBERT C. BYRD. I understand.

Mr. ALLEN. Could I ask a question of the distinguished Senator from Utah?

I understand there was a concurrent resolution that was to be passed along with this bill straightening out a so-called technical error in the bill, is that correct?

Mr. MOSS. That is correct. If the conference report is adopted, there will be a concurrent resolution offered, which has been cleared already with the House.

Mr. ALLEN. I thank the Senator.

Mr. TAFT. Mr. President——

Mr. MOSS. Mr. President, I am pleased to bring to the floor today one of the most important pieces of consumer protection legislation considered by the Congress since the Federal Trade Commission Act itself was passed in 1914.

This important new legislation is comprised of two titles. Title I effects a comprehensive reform of warranties on all consumer products, and title II will implement a number of badly needed changes in the Federal Trade Commission Act that are designed to improve the Commission's consumer protection abilities. By making warranties of consumer products clear and understandable through creating a uniform terminology of warranty coverage, consumers will for the first time have a clear and concise understanding of the terms of warranties of products they are considering purchasing. Not only will the consumer understand his warranty rights, but for the first time he will have assurance that those rights may be meaningfully enforced. This legislation spells out with specificity precisely what rights and duties will flow from warranties and it provides a number of public and private means of consumer redress for breach of warranty obligations.

Title II of this legislation codifies the Commission's power to issue trade regulation rules prohibiting conduct which is unfair or deceptive and gives an important new direction to the Commission in order to prohibit unfair or deceptive acts or practices. The procedures to be used in promulgating trade regulation rules are set forth in detail, and this is a major feature of this important new legislation. Because some fear has been raised that these new procedures may hamstring the Commission in its efforts to make rules, I believe that it is important to understand that the legislation has been carefully designed to avoid this possibility.

While there is a requirement that the Commission hold hearings at which interested parties may comment orally, the Commission has expressly been given authority and direction to prescribe rules to avoid unnecessary costs or delay in those hearings. Under certain circumstances, the Commission may implement cross-examination on the certain issues of material fact, or it may conduct such cross-examination itself. But this right of cross-examination is limited to issues of fact as designated by the Commission as necessary to resolve, and as the conference report makes clear, these are issues of specific fact—as opposed to legislative fact. The procedure of allowing the Commission to conduct cross-examination is patterned on the successful voire dire procedure for examination of prespective jurors in the Federal courts. Furthermore, this procedure has also been used with great success in the administrative context. For instance, the courts have approved the use of similar procedures with the Environmental Protection Agency in *International Harvester Co.* v. *Ruckelshaus*, 478 F 2d 615 (D.C. Circuit, 1973). Finally, the substantial evidence test or review that a court will apply when looking at rules the Commission promulgates is limited to matters designated by the Commission and relied on in promulgating the rule, which will be matters of specific—and not legislative—fact. These procedures will assure that rulemaking conducted by the Commission will be a far cry from the formal trial-type procedures under sections 554 and 556 of the Administrative Procedure Act which have hamstrung other agencies, and which have been the target of intense criticism by commentators and the Administrative Conference of the United States. The procedures should permit a fair airing of the views of all interested parties without unduly inhibiting the Commission's rulemaking authority. The statute specifically calls a study of the procedures by the Commission and the Administrative Conference, and if any aspects of the legislation appear to be unduly burdensome, the Subcommittee on Cnosumers of the Senate Commerce Committee will probably consider remedial legislation.

Mr. President, I should clarify one possible ambiguity in title I, which deals with warranties.

As explained in the statement of managers accompanying the conference report, the bill defines a "warrant or" as "any supplier or other person who gives or offers to give a written warranty or who is or may be obligated under an implied warranty." In this context third party warrantors are subject to the provisions of the bill. In the definition of written warranty, however, only written affirmations, promises, or undertakings that are a part of the basis of the bargain between a supplier and a buyer give rise to a written warranty. Therefore, any third party "warrantor" who is not a part of the basis of the bargain between a supplier and a buyer would be treated as a service contractor under the bill and subject to the general rulemaking authority of the Federal Trade Commission as set forth in section 109 of the bill.

Mr. President, this legislation breaks important new grounds in the area of consumer redress by providing for both class actions in certain situations and a Federal right of action in State courts, along with payment of reasonable attorney's fees. In order to take advantage of these provisions, which are contained in section 110, the consumer would be required to utilize any informal dispute settlement resolution mechanism which had been set up in compliance with rules of the Federal Trade Commission. These rules must require that any such mechanism created is fair and effective so that it does not just represent another hurdle that the consumer is forced to surmount before being afforded a meaningful avenue of redress. For instance, any mechanism must be independent and must have consumer of Government participation, and it must not only look good on paper, but function effectively and fairly in practice. In order to assure that they do, both the FTC and the courts may review their performance at any time on the motion of a consumer. The FTC may also do so on its own motion. Court review would occur when a consumer either uses a procedure and feels it to be unfair, or when he goes directly to court under section 110 and alleges unfairness. If the court finds that the procedures do not comply, then no use of them would be required.

Of course, the burden of demonstrating fairness and compliance with the rules of the FTC would be on the party attempting to require their use. Of course, if a consumer does not elect to use the procedures created in section 110, he may enforce his rights through any other existing mechanism, such as a small claims court. Obviously, exhaustion would not then be required by section 110, even if a warrantor had an informal dispute settlement mechanism that was fair and complied, unless a court found that exhaustion of the procedure was required by State law or some other law other than this act.

Another important aspect of this legislation is that it sets a precedent for congressional authorization of class actions. This is a subject which I expect that the Congress will legislate comprehensively on next year, but this bill does create a limited class action procedure for warranty claims. Generally speaking, with specific exceptions set forth in the bill, the procedures are to utilize rule 23 of the Federal Rules of Civil Procedure. For instance, in negotiating the use of any complying informal dispute settlement procedure or any other settlement procedure, the representative party would negotiate on behalf of the 100 named plaintiffs and any other class members.

This legislation also gives important new authority to the Commission to enforce the various provisions of the Federal Trade Commission Act. For instance, a violation of the rule promulgated by the Commission may result in civil penalties and an obligation by the wrongdoer to redress injury cost to consumers. Knowing violations of outstanding Commission cease and desist orders may also result in civil penalty, and in the case of a person against whom such orders are issued, the order may trigger an obligation to redress consumer injury.

This legislation also clarifies the current situation with respect to the Commission's ability to represent itself in court proceedings. While at the moment the Alaska Pipeline Act appears to grant the Commission unbridled authority to represent itself after giving 10 days notice to the Attorney General in all matters, including those matters before the Supreme Court, this legislation will somewhat restrict those powers and clarify the Commission's self-representation authority.

It gives the Commission the right to represent itself exclusively in situations where speed is important—such as injunctions and subpena enforcement proceedings. In other fairly routine circumstances, it gives the Attorney General the right to represent the Commission if he acts within a reasonable period of time. And, in those circumstances which are routine but where the Commission's vital interests are at stake—as for example in many appellant proceedings and in Supreme Court proceedings—it gives the Commission the right to control its own destiny.

While some concern has been expressed over the provisions of the bill permitting the Commission to represent itself in the Supreme Court when the Solicitor General refuses to do so, this situation is a step backward from the authority contained in the amendments to the Alaska Pipeline Act. That act gives the Commission the authority to represent itself in all proceedings if it simply gives the Attorney General 10 days notice. This bill returns to the Attorney General the right to represent the Commission in certain routine cases, and also provides substantially longer notification, in those cases in which the Commission may want to represent itself. In other words, this legislation represents a net gain for the Attorney General in terms of his litigating abilities.

Some clarification with respect to a sentence in the joint statement of managers accompanying the conference report is necessary. The statement says:

> If the Commission determines (1) that there are disputed issues of material fact, and (2) that it is necessary to resolve such issues, interested persons would be entitled to present such rebuttal submissions and to conduct (or have conducted by the Commission) such cross-examination of persons *commenting orally* as the Commission determines with respect to such issues. (Emphasis added)

The words "commenting orally" were intended to be descriptive and not limiting. In other words, the Commission could authorize cross-examination of written submissions if it determined that it was appropriate and required. But normally cross-examination would be appropriate and required only in the "oral comment" context.

Mr. President, I believe this legislation represents a very important further gain for the consumer and is probably the most significant piece of legislation to be enacted by the 93d Congress. The Senate Commerce Committee has been working on this bill for 5 years, and it is especially satisfying to me to finally see our efforts come to fruition.

Mr. MAGNUSON. Mr. President, I feel I am about to come to the end of a long journey. My colleagues and I on the Senate Commerce Committee have been working to secure enactment of a comprehensive Warranty and Federal Trade Commission Improvement Act since 1969. In the last 5 years the Senate has passed three such bills. I am most gratified that in the closing hours of the 93d Congress it appears that the Congress of the United States will present the American people with a legislative Christmas present designed to improve product reliability and assure fairness in the marketplace.

Permit me to highlight several of the important features in this bill. In the first place the bill will require warranties to say what they mean and mean what they say. The bill will also require warrantors to designate whether they are offering limited warranties or full warranties. If they are offering full warranties, they will have to comply with minimum standards of warranty which include the free repair or replacement within a reasonable time of any product which is defective or malfunctions during the warranty period.

It is my belief that competition in the marketplace will cause more and more suppliers of consumer products to offer full warranties. If this happens, more and more suppliers will have a significant economic stake in building reliable products. The reason for this is that the fewer the products that break down during the warranty period, the less the cost of repair or replacement of those products, and the greater the profits for the company.

The bill also provides consumers with several practical methods of remedying any breach of warranty or service contract obligation by affording a consumer reasonable attorney fees if he is successful in litigation and by encouraging the development of fair and impartial informal disputes settlement mechanisms designed to insure that consumer complaints no longer fall upon deaf ears.

Of particular significance is the basic floor of warranty protection which the bill assures by prohibiting the disclaimer of implied warranties when consumer products are sold. By operation of law, the buyer, when selling goods warrants that the product is merchantable and will perform. Under present practice the seller can disclaim these so-called implied warranties, thereby selling unmerchantable products without suffering adverse consequences. The bill no longer permits the disclaimer of implied warranties except in the "as is" or "with all faults" sales context.

The Federal Trade Commission improvements specified in the bill will afford, in my opinion, long-term improvement in the fairness of the American marketplace. No longer will the Federal Trade Commission be confined to slapping the wrists of persons who engage in unfair or deceptive practices and telling them not to do it again. The bill authorizes the Federal Trade Commission to not only bring a halt to unfair or deceptive acts or practices but also to go into court and ask a judge to order consumer redress for those people who have been injured by such acts or practices. The consumer redress provision in the bill is of great significance and demonstrates a firm commitment on the part of the Congress to make Federal regulatory agencies directly responsive to the needs of the American consumer.

To help assure the independence of the Federal Trade Commission, the bill authorizes the Commission to represent itself in court. When pursuing consumer redress, seeking injunctions, or participating in judicial review or subpena and report requirement enforcement actions the Commission can appear in its own name without concurrence of the Attorney General. In other litigation situations the Commission is required to notify the Attorney General who has 45 days to decide whether he—the Attorney General—will pursue the case. If he decides not to pursue the case, the Commission is free to represent itself in court in those other situations.

In addition to the consumer redress and self-representation improvements, the Federal Trade Commission is authorized to seek civil penalties for knowing violations of the Federal Trade Commission Act.

The final provision in the bill relating to the Federal Trade Commission improvements concerns the rulemaking power of the Federal Trade Commission. The basic issue concerning the rulemaking authority of the Federal Trade Commission concerns the need to afford persons affected by the rule adequate opportunity to participate in the rulemaking process so as to assure the establishment of fair rules without allowing that participation to effectively tie the hands of the Commission and prevent it from accomplishing its consumer protection mission. There is a fine and delicate line between the providing of due process and the providing of a process which can be abused. I believe that this bill walks that delicate line by affording interested parties an opportunity to participate fully in a rulemaking process and conduct limited cross-examination controlled by the Commission. I believe that the process will not inhibit the overall function of the Federal Trade Commission. But the bill requires a report both from the Federal Trade Commission and from the administrative conference concerning the functioning of the rulemaking procedures described in the bill. I can assure my colleagues that if any abuse of process is discovered, I will immediately press to reinstitute the completely informal rulemaking procedure under which the Commission is presently authorized to operate.

To my mind the conference report before the Senate today represents one of the most significant pieces of consumer legislation that has ever been acted upon by Congress. While it has not generated the controversy that the Consumer Protection Agency has generated, its benefits to the American consumer are certainly as large, and perhaps even larger than the benefits to be gained by this Consumer Protection Agency. In making this observation, I do not mean to detract from the need for an independent Consumer Protection Agency but only to illustrate the profound affect which I believe the Magnuson-Moss Consumer Product Warranty and Federal Trade Commission Act will have in producing more reliable products in the American marketplace and discouraging unfair and deceptive acts and practices in that marketplace.

I urge my colleagues to support adoption of the conference report.

Mr. HART. Mr. President, the conference report under consideration truly can be said to represent a giant step forward in protecting and enhancing the position of the consumer. Important provisions respecting consumer warranties, unfair or deceptive acts or practices, rulemaking procedures, unfair or deceptive acts or practices by banks, compensation for attorneys and expert witnesses fees in section 5 rulemaking proceedings, FTC self-representation, expanded civil penalties, and consumer redress are contained in the bill. The distinguished chairman of the Commerce Committee (Mr. MAGNUSON) and the able Senator from the State of Utah (Mr. Moss) should be commended for their efforts and results.

In *National Petroleum Association* v. *FTC*, 452 F. 2d 672 (D.C. Cir. 1973), Judge Wright wrote:

> This case presents an important question concerning the powers and procedures of the Federal Trade Commission. We are asked to determine whether the Commission, under its governing statute, the Trade Commission Act, 15 U.S.C. § 41 *et seq.* (1970), and specifically 15 U.S.C. § 46(g), is empowered to promulgate substantive rules of business conduct or, as it terms them, "Trade Regulation Rules." The effect of these rules would be to give greater specificity and clarity to the broad standard of illegality—"unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce"—which the agency is empowered to prevent. 15 U.S.C. § 45(a).

He concluded:

> We hold that under the terms of its governing statute, 15 U.S.C. § 41 *et seq.*, and under Section 6(g), 15 U.S.C. § 46(g), in particular, the Federal Trade Commission is authorized to promulgate rules defining the meaning of the statutory standards of the illegality the Commission is empowered to prevent.

Because S. 356 primarily concerns consumer protection matters, the procedural requirements in title 2 respecting FTC rulemaking are limited to unfair or deceptive acts or practices rules. These provisions and limitations are not intended to affect the Commission's authority to prescribe and enforce rules respecting unfair methods of competition. Rules respecting unfair methods of competition should continue to be prescribed in accordance with the informal rulemaking procedures of section 553, title 5, United States Code. This dual approach by the Commission in prescribing rules will afford the Congress the unique opportunity to assess and compare actual experience and results under somewhat different approaches to the rulemaking process, and it is expected that FTC will promptly commence rulemaking proceedings under both procedures. An assessment and comparison in the 18-month study of the experiences and results of this dual approach to FTC rulemaking will facilitate future congressional determination of what, if any, changes should be made in title 2 of this bill.

The self-representation provisions of section 204 further carry out the intent underlying the self-representation and other provisions designed to strengthen the independence of regulatory agencies contained in the Alaskan Pipeline Act. In that act, the Office of Management and Budget's veto power over agency questionnaires was eliminated, and carefully circumscribed review authority over certain questionnaires—but not subpenas—was vested in the General Accounting Office. Court enforcement of subpenas by FTC was authorized upon a 10-day notification to the Attorney General. Under section 204, FTC's self-representation authority is clarified and expanded in accordance with the intent underlying the Pipeline Act provisions.

Mr. President, I urge my colleagues to support the conference support.

Mr. HARTKE. Mr. President, while I was not a conferee on the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, I was sponsor of title IV of the bill, dealing with used car warranties, as it passed the Senate, and I followed its progress closely. The Senate conferees have kept me informed of the progress of this legislation as it proceeded through conference, and I am satisfied with the way in which title IV was handled. While title IV was deleted in conference, section 109 of this legislation directs the Federal Trade Commission to initiate within 1 year of enactment a rulemaking proceeding dealing with warranty practices in connection with the sale of used cars, to the extent this is necessary to supplement the consumer protection provisions of title I. Section 109 states that the Commission may exercise its rulemaking authority in prescribing any rules that are needed and may require appropriate disclosure when a used vehicle is sold without a warranty, including specific disclosure of information necessary to inform a consumer of exactly what his obligations are in connection with repair of a used automobile. Because title I of this bill applies to both the sale of new and used consumer products, for the most part provisions of title IV were unnecessary. The Commission may find it necessary, however, to promulgate a rulemaking clear to purchasers of used cars without warranties that all repairs will be their responsibility.

While title I of this bill does not require that a used car be sold with a warranty, it will require that any warranty offered be simple and easy to understand, and that all warranty obligations be readily enforceable through both Commission action and redress mechanism activated by the consumer. I am fully satisfied that this bill will go a long way toward reforming warranty abuse in connection with the sale of used automobiles, and I am pleased with the way in which the conferees have resolved this important issue. I fully support the bill and commend it highly to my colleagues.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

Mr. GRIFFIN. Mr. President, Mr. President——

Mr. MOSS. Mr. President, I ask permission to file——

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, the Senator from Ohio was on his feet asking for recognition before the vote.

Mr. ROBERT C. BYRD. Mr. President, the Senator is right; he is correct.

I ask unanimous consent for consideration of the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, do I have the floor?

The PRESIDING OFFICER. Yes, the Senator from Ohio has the floor.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. TAFT. I am happy to yield without losing my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, a conference report is before the Senate.

The PRESIDING OFFICER. Correct, that is the pending question.

The Senator from Ohio.

Mr. TAFT. Mr. President, I want to discuss this matter at some little length.

Mr. ROBERT C. BYRD. Mr. President——

Mr. MOSS. I want to offer a concurrent resolution. The Senator may offer that if he likes.

Mr. ROBERT C. BYRD. I will wait.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. Mr. President, this measure is one which I think the Senate ought to understand and understand rather fully.

The matter came to my attention only within the last day or so and I have been probably responsible for keeping the measure from coming to the floor during the course of the afternoon in order to study the measure somewhat more fully.

It is an extremely technical matter——

Mr. JAVITS. Mr. President, I ask unanimous consent——

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. Mr. President, I will yield to the distinguished Senator from New York without my losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from New York is recognized.

Mr. JAVITS. I yield to the Sentor from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of the conference report on public service employment.

It is my understanding Senators are ready for a vote on that and that it could be a voice vote, and without prejudicing the rights of the Senator from Ohio.

Mr. JAVITS. And also if it is a rollcall, if anybody wants it, that it go over until——

Mr. ROBERT C. BYRD. It would not have to go over because the Senators are all here now.

Mr. McCLURE, Mr. President, before the vote on that, I would like to have about 2 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without the rights of the Senator from Ohio being prejudiced, that Senator McCLURE be permitted to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL EMPLOYMENT ASSISTANCE ACT OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report on public service.

Mr. McCLURE. Mr. President, I am glad that the conference report on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act, includes as title III, the jobs opportunities program which I offered, and which the Senate adopted as an amendment to S. 4079, the public service jobs bill.

I believe the program authorized in the new title III is an important and necessary addition to the public service jobs approach in meeting the employment needs facing the country. I want to note particularly the strong and effective efforts of the chairman of the Public Works Committee (Mr. RANDALPH) who is also a member of the Labor and Public Welfare Committee and who exercised such leadership in the conference—to have this title adopted.

This legislation arises in large part also from our work earlier this year in the Economic Development Subcommittee under the chairmanship of Senator MONTOYA. And I acknowledge too the support of Senator NELSON, chairman of the Employment Subcommittee and Senator JAVITS, ranking Republican of the Labor and Public Welfare Committee.

While changes were made in title III by the conference committee, the program is essentially that adopted by the Senate on December 12. The managers of the bill have explained the changes in some detail, so I will limit my comment at this time to four of the amendments.

The bill passed by the Senate authorized $1 billion for 1975 for this program. The conferees reduced the authorization to $500,000,000 for the same period. As public service jobs program was reduced by the conferees from the $4 billion authorized by the Senate to $2.5 billion, I do not consider the reduction in title II inappropriate.

The conferees also added a section relating to the availability of funding under the program. The new provision—section 1005—stipulates that of one-half of the funds appropriated under this title only 25 percent may be used for nonlabor costs. While I can understand the concern which may have prompted the conferees to impose this restriction, I believe it unnecessary and hope that it will not be used to limit the effectiveness of the program.

The idea behind our approach is to use the taxpayers' dollars most efficiently in creating new job opportunities in high unemployment areas. Efforts should be made to promote jobs in the private sector and to create permanent jobs, which will serve the individual long after the program ends.

Third, the conference report provides that the program review will be carried out jointly by the Secretary of Commerce and the Secretary of Labor. The Secretary of Commerce is charged with the administration of the program, and I am concerned that the addition of another ranking Cabinet member to this review function could create delay and possible confusion.

The title provides that all programs and projects assisted under this title must be measured against certain criteria relating to the appropriateness of the proposed program, to local unemployment needs, to the speed with which the project can be initiated, and its ability to substantially lessen the unemployment of the area. The conferees added another criteria which underscores the Senate intent that the programs and projects given priority under this title are those which most effectively and efficiently create jobs in these areas.

Many have considered this proposal to be a renewal of the old accelerated public works which was not an effective creator of immediate jobs for many reasons—the long leadtime and construction time associated with large public works projects, the creation of few jobs for the dollars spent, and the fact that selected projects did not always address the local unemployment needs. This program is not an accelerated public works bill but cuts across Federal, State, and local programs of all types to select those which will most effectively create jobs in the target areas. The program can and will create needed jobs promptly.

The significant feature of title III is the program review which calls for all Federal agencies to evaluate their ongoing programs, to determine which ones have the most direct and immediate effect upon the creation of job opportunities for the unemployed. These are existing programs, funded from amounts already encompassed in the budget which can be directed toward the creation of jobs.

Funds would be available under this title to supplement those efforts, where necessary to effect or to expand the job opportunities.

I wish to make clear that this is an emergency program. It is authorized for only 1 year. It does not replace the long-term development goals or programs of the EDA and other Federal agencies in areas of chronic unemployment.

Mr. President, I want to acknowledge the close cooperation and support we have received from our colleagues on the House Public Works Committee on this program.

When I introduced this proposal on December 12, I submitted a statement which I would like to make reference to for a further explanation of the details and purposes of the program. I ask unanimous consent that a copy of that statement be included in the RECORD at the close of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR McCLURE

Mr. McCLURE. Mr. President. I introduce for myself, Senator DOMINICI, Senator BAKER and Senator RANDOLPH a bill to provide emergency financial assistance to create job opportunities in areas, both urban and rural, which are burdened by unusually high levels of unemployment.

We are introducing this emergency proposal in response to the deepening national unemployment and lagging economic activity in many areas of the country and sectors of the economy. We believe this is a constructive proposal which will provide additional and flexible assistance to meet the employment needs in the most efficient and effective way in these areas of high unemployment.

Under our proposal the Economic Development Administration, in the Department of Commerce, would be directed to consult with other Federal agencies to review their proposed expenditures over the next calendar year for job effectiveness. This review will identify those Federal programs and projects which have the potential to stimulate job opportunities in areas of high unemployment. I anticipate that this review would begin immediately upon enactment of this legislation, and should be completed within a very short time, possibly a few weeks.

The Federal agencies included in the review process handle several billions of dollars each year. Some programs have a positive, direct impact on the economy and jobs; others have a less direct or possibly no impact at all. The review process will allow an across-the-board examination of these proposed expenditures to evaluate their effects. In this time of discouraging economic news, some new directions and priorities may need to be pursued. Some types of activities must be chosen over others. Using the broad range of Federal programs activity and the large Federal budget, we must augment our efforts to provide jobs and stimulate the economy. Under this program a special, 1-year appropriation of $1 billion would be made to EDA to create, maintain or expand jobs in areas where unemployment is particularly high. These funds should often supplement programs identified in the review process that I have already discussed, expanding or accelerating their impact to create jobs.

In addition, these special funds could provide the initial loan or grant funds for activities that create jobs in target areas, when that is essential to implement the purposes of this bill.

The criteria to be used to select an activity must be its potential in stimulating jobs. While funds could be available to provide salaries and payrolls, they will also be available for loans, for the purchase of equipment, or to further similar activities that in turn would provide jobs.

Funds could be used to accelerate job creating activities. This might mean, for example, hiring staff to expedite the preparation and filing of an environmental impact statement. Completion of the statement expeditiously might then move job creating programs forward by several months. Funds might be used to get a program under way this year rather than in fiscal year 1976, when the agency budget had scheduled the initiation.

The whole idea is to use the taxpayers' dollars most efficiently in creating new job opportunities. Efforts should be made to promote jobs in the private sector—with under-utilized resources—and to create permanent jobs, which would serve the individual, his family, and his community long after this program ends. Where this is not possible, the program allows for direct Federal hiring.

In our bill, we propose only a 1-year measure, an approach to meet an emergency. When we reach the close of next year, the Senate may have to reconsider—possibly renewing or modifying the program. If economic circumstances warrant. We will have to see if areas that continue with high unemployment will suffer chronically, or if they are vestiges of the national unemployment picture and need continued assistance under the special program. This Emergency program does not replace the existing Federal efforts to aid the chronically depressed communities under long term programs carried out by EDA and other agencies.

Our proposal is limited for two reasons. First, because we hope and expect that the economy will move forward next year, we did not want to install a permanent program. Second, we want the Congress to examine this program with care next year to see if it is being implemented properly, and producing the desired results. This can be done within the time provided in the bill.

Employment requirements and needs vary from place to place. Each activity supported under this program should be geared to the specific needs of an area. The community should be given flexibility to tailor its job program to those needs.

The jobs program recommended by the President was limited to individuals who have exhausted all their unemployment benefits. While our program does not place such a restriction on the granting of aid, I do believe that special attention must be given individuals who have exhausted their governmental and nongovernmental unemployment benefits. These individuals and their families are most in need of financial aid to continue to feed, clothe, and educate themselves.

Mr. BAKER. Mr. President, I commend the Senate-House conferees for their expeditious action on this most important and timely legislation to provide jobs and benefits to the unemployed. I am pleased that the conference report includes as title III the jobs opportunities program that I cosponsored with Senators McCLURE, RANDOLPH, DOMENICI, and ROBERT C. BYRD and that was adopted by the Senate last Thursday. I want to pay particular tribute to the chairman of the Public Works Committee, Mr. RANDOLPH, for his diligent effort to secure the conference agreement on this program. Also I want to acknowledge the cooperation and support of Senator NELSON, Chairman of the Employment Subcommittee of the Labor and Public Welfare Committee, and Senator JAVITS, the Ranking Republican on the committee. In addition, Senator MONTOYA, chairman of the Economic Development Subcommittee, who has led the subcommittee over the years in its constructive work, is to be commended.

There were changes made to title III in conference. I am not in complete agreement with all these changes. But I believe the program is essentially the one we included in the Senate bill.

It was our intent when introducing the bill to build on the ongoing Federal activities and programs, using existing structures, so the program could be undertaken quickly. By adding another Secretary—the Secretary of Labor—to the review process, I hope we are not creating delays in the program. Of course, the Secretary of Commerce has primary responsibility for administration of this program.

Mr. President, I want to emphasize that title III of the act is not a spur-of-the-moment undertaking. It is a program that was well thought out and has been thoroughly explored, not only by the members of the Public Works Subcommittee on Economic Development, but also—over a span of years—by the full committee. I believe the committee will closely monitor the implementation of the program in the coming year.

Mr. President, I support the conference report. I am hopeful that the entire package will be signed into law, and I urge the administration to begin implementing this program quickly so that its beneficial effects can soon be realized.

Mr. WILLIAMS. Mr. President, the Senate has before it today H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974, a bill which I consider to be one of the most important that we will have an opportunity to consider this year. I certainly hope, and I strongly urge, that the Senate adopt this legislation unanimously, to reflect not only the importance that this legislation has, but to also reflect our concern for this Nation's workers and their plight.

It is this bill, Mr. President, which provides for specific additional moneys to be made available for a significant number of public service jobs, and to extend additional unemployment insurance benefits to alleviate the economic plight of large numbers of our workforce. This legislation, which I have strongly supported from its inception, will provide $5.5 billion in direct assistance to those areas of the country which currently are burdened by widespread and rising unemployment.

We have already expressed our intent on this vital matter. On December 12, we adopted, by a 79 to 13 margin, S. 4079, The Special Assistance Employment Act of 1974. This bill, on which I have already spoken, similarly authorized the allocation of significant sums of money to provide for a substantial number of public service jobs. It also extended unemployment insurance benefits to those workers who are currently unemployed and who have already exhausted their existing unemployment benefits because of the depressed state of our economy and the commensurate inability of the labor market to sustain the full complement of workers, and established unemployment insurance benefits to workers who are currently not covered by Federal or State unemployment laws.

When we adopted that legislation, as reflected in the statements of those many Members of this body who supported this legislation, we recognized that there is a need for quick and decisive action by the Congress to provide the kind of temporary assistance to the workers in the country which could sustain their families and themselves until we can establish some method which will counteract the spiraling inflation and unemployment and deepening despair among the country's wage earners. I can not believe that there is one of us in this body today which is not directly affected by the effects of our faltering economy. There is not a State represented in this body which is not touched by the spreading cancer of high prices, high unemployment, and collapsing job opportunities. I know my State is hard hit by this economic dislocation, and I know of others equally affected. It is our responsibility, therefore, to provide for the needed legislative incentives to reverse this trend and to again re-establish the stability and economic growth so necessary to the perpetuation of our way of life.

H.R. 16596, which is before us today, is very similar to S. 4079 to which I have already referred. This bill was reported out of the joint House-Senate Conference Committee yesterday, after one and a half days of intensive and continuous discussions, analyses, and assessments. While I am on the subject of the Conference Committee, Mr. President, please let me merely note that I have rarely seen the kind of dedication and concern that I saw during the work of the committee. Under the able chairmanship of Senator NELSON, the members worked late into the night, and picked up early again the following morning to quickly complete their deliberations and to put before us today this document. I think that the members are to be commended for their dedication, persistence, and their concern to produce this bill which goes a long way toward establishing the kind of temporary relief so needed to regain the confidence of our workers in this country's economic system.

H.R. 16596 is very similar in major part to S. 4079 which we adopted on December 12. It contains the best parts of that bill and the House-passed version of the emergency employment bill, and represents what I believe to be an excellent and comprehensive piece of legislation to alleviate many of the short-range economic difficulties faced by so many of our States.

H.R. 16596 is comprised of three major portions: Title I, which provides for the allocation of $2.5 billion for public service employment; title II, which establishes approximately $2.5 billion for a program of extended unemployment insurance benefits under a special unemployment assistance program; and title III, which provides for $500 million for public works and economic development under a job opportunities program.

Title I of H.R. 16596 proposes a program of public service jobs designed to provide temporary employment to our Nation's unemployed. This program is established through the addition of a new Title VI to the Comprehensive Employment and Training Act of 1973 (CETA). To implement the emergency job program established under Title VI, the bill authorizes the appropriation of $2.5 billion for fiscal year 1975. By this addition of a new title to CETA and its commensurate authorization of additional funds, it is the intention of the conferees not to affect any of the funding already established under title II of CETA; it is the design of this legislation to provide for specific emergency funding for public service jobs created under its provisions and to provide temporary economic relief to workers affected by our current economic conditions.

The bill also contains a provision in section 602(d) which is specifically designed to focus attention on those employees who have been out of jobs for extended periods. This section provides that "preferred consideration" under this title be accorded to employees who have been out of work for 15 weeks or more or who have exhausted their unemployment insurance benefits or are not eligible for such benefits. While this section is not in any way designed to require an absolute preference in hiring, it is designed to draw attention to the seriously disadvantaged in an area, those who have been relegated to that status either by the chronically high unemployment in their particular area or to an overabundance of workers in their particular skills market, brought on by a contraction of that market or demand for the production of their skills.

The distribution of funds under H.R. 16596 is designed to provide the maximum amount of funds to those areas with the highest unemployment and therefore most in need of these funds. The distribution of funds is to take place according to the provision of title II of CETA, and is to be made to prime sponsors qualified under title I of that act. Of the total amount of money to be appropriated, the bill established that 90 percent of the total amount of funds allocated shall be distributed, allowing that the remaining 10 percent be retained by the Secretary of Labor to be distributed at his discretion, taking into account changes that may occur in the rates of unemployment in specific areas. Of the basic 90 percent of funds made available under this bill, a specific allocation formula is established to allow for the most beneficial distribution of these funds and to provide for the maximum amount of benefits to those areas most in need of them. Half of the total amount of funds shall be distributed nationwide in a ratio determined by the relationship that the number of unemployed persons has in an applicant's area to the total number of unemployed in all areas of eligible applicants. Of the remaining 50 percent, 25 percent shall be distributed in the ratio that the number of unemployed persons in excess of 4½ percent of the labor force in the area of the applicant bears to the total of such unemployed in the areas of all applicants. The other 25 percent shall be distributed to areas qualifying under title II of CETA in the ratio that the number of unemployed in the applicant's area bears to the total of unemployed in all areas.

The distribution of funds and the incentives for providing job opportunities under the title I of H.R. 16596, the bill before us today, entails several waivers of waiting time requirements currently in title II of CETA. It also broadens the coverage of programs and areas eligible for funds under the bill. The conferees felt that these types of broadening and expediting provisions are necessary in order to move the funds made available under this act to the areas in need of the funds as quickly as possible. Given the emergency nature of this legislation, I must urge that it is absolutely necessary that the funds made available pursuant to this legislation reach the affected areas as quickly as possible and that we not encourage administrative delays in their distribution. Too many times, I have seen legislation which is conceived with a great deal of urgency in response to a particular need, slow down to an agonizing crawl after it leaves these Chambers, often due to the amount of administrative and technical requirements that are imposed. While we all recognize the need for some safeguards when sums of money of this magnitude are involved, there is also the countervailing need to quickly stimulate local job programs and re-establish workers in paying jobs, so that they can regain their sense of pride and meaning.

Notwithstanding this avowed need for special emergency action and for quick and effective programs to stimulate local employment, the bill still retains certain necessary safeguards which would insure that the most effective use is made of the funds and that local programs not be supplanted by Federal action. For example, while the bill provides for the waiver of certain time requirements for the application of funds to capital improvement projects, these projects are limited to those which would not otherwise be carried out. I want to emphasize, as one of the conferees on this bill, that it is our intention that "paper lay-offs" pursuant to an artificial reduction in force procedure which may be initiated to maximize the allocation of Federal funds not take place, and that the reduction of time for the waiting period that ordinarily is required under title II of CETA is merely designed to provide funds more quickly to long term unemployed persons in the area. The rehiring of employees who lost their jobs due to a bona fide layoff is, of course, permitted and encouraged. Here I might add that many Government employees laid off pursuant to a bona fide layoff plan may be in a preferred category for rehiring, since they may not otherwise be eligible for unemployment insurance benefits available to other employees.

Similarly, the bill makes clear, as is noted in the conference report, that the limitation on capital improvement projects to those that otherwise would not be carried out is designed to insure that public employees hired under this title shall not be used to perform work that would otherwise have been performed or contracted out to private employers.

In S. 4079, the Senate had originally adopted a requirement that the Secretary be authorized to insure that the average wage under the provisions of this program be maintained at $7,500 per year. The conferees agreed that this provision should be modified to raise the national average to $7,800 per year, and that the requirements of section 208(a)(3) of CETA would apply limiting any one person to a maximum salary of $10,000 per year. It was felt that this type of provision was necessary in order to allow flexibility in setting salaries within prime sponsor areas and that any effective plan to stimulate local employment must be so designed to establish meaningful jobs under this program, taking into account local wages and working conditions.

The bill also contains several specific provisions designed to insure both a maximum and fair utilization of all unemployed workers, and that employers not limit unnecessarily the categories which they might establish for public employment. In this regard, for example, the bill specifically provides that child care and outstationing of public service employees will be permitted under the public service employment provisions of this bill and that part-time work in certain specified categories will also be permitted. Similarly, the bill provides that specific attention be given to programs designed to employ veterans who currently have a much higher unemployment rate than the national averages.

Title II of H.R. 16956 establishes a special program for extending unemployment assistance benefits to those millions of workers who are ineligible for compensation under the present unemployment insurance system. These include farmworkers, domestic workers, and State and local government employees. The current system establishes a basic measure of income replacement payments for approximately 86 percent of the work force, typically for a period of up to 26 weeks. Additional coverage is also available under the Extended Unemployment Compensation Act of 1970, which provides for an additional period of benefits for up to 13 weeks when certain "on" indicators relating to the unemployment rate are met.

While these programs have been by and large effective, the current economic situation mandates that additional action be taken. One of the characteristics of the present economic picture is that unemployment patterns tend to vary greatly from one area of the country to another, and frequently within States. I know that in my State of New Jersey, for example, we have some pockets of very high unemployment while other areas show a much lower rate.

H.R. 16956 includes specific provisions to remedy this problem and establishes an approach designed to accommodate these variations. The provisions for distribution under H.R. 16956 establishes a basis of allocating additional benefits on the basis of specific need in CETA prime sponsor areas. Section 204(c) of the bill makes additional unemployment insurance benefits available on a nationwide basis whenever the national unemployment rate averages at least 6 percent for 3 consecutive months, or, when the local area unemployment rate averages 6.5 percent or more for 3 consecutive months unemployed workers in these areas would be entitled to receive benefits. Benefits under the program are payable from the date of enactment until March 31, 1976.

H.R. 16956 also contains a separate title III which amends provisions of the Public Works and Economic Development Act of 1965. It is the purpose of this section to establish a 1-year program of emergency financial assistance to stimulate, maintain, or expand job-creating projects in areas having high unemployment. Title III authorizes the appropriation of $500 million for this purpose.

This portion of the bill provides that the Secretary of Commerce and the Secretary of Labor shall jointly determine where such funds are to be made available on the basis of several criteria. In allocating these funds, the Secretary of Commerce and the Secretary of Labor are directed to make such funds available only to projects which: First, will contribute significantly to the reduction of unemployment in the project area; second, can be initiated or strengthened promptly; and third, a substantial portion of which can be completed within 12 months after such an allocation is made. Any such projects must also be consistent with locally approved comprehensive plans for the area affected. In order to insure that the programs which will receive funding under this section have a maximum effect on unemployment within a designated area, the conferees also provided that any such projects must be deemed to be the most labor intensive for the area under consideration. This requirement is further strengthened with the requirement that of the funds appropriated under this title, one-half must be for projects where no more than 25 percent of the allocation is used for nonlabor costs.

With regard to the portion of the authorization relating to the purchase of necessary nonlabor materials and supplies, I would like to note that this provision is intended to be the basis for furnishing the materials necessary to the project and is not to be used for the purchase of the equipment beyond the most necessary requirements.

Moreover, the concern expressed in the statement of the managers with regard to capital improvement sections in title I are equally applicable here. Specifically, I am referring to the provision in the conference report which makes clear that employees hired under these programs will not be used to perform work that would otherwise have been contracted out to private employers.

This public works title in the bill should have a particularly special impact where much needed construction projects have been halted or delayed because of insufficient or impounded funds. That this title is included in the conference report is in no small measure due to the diligence and dedication of the ranking majority member of this committee and the chairman of the Public Works Committee, Senator RANDOLPH.

Finally, I wish to again commend the members of this conference and also to note the excellent staff work performed by Messrs. Richard Johnson and Larry Gage for Senator NELSON, and John Scales and Don Zimmerman for Senator JAVITS.

Mr. President, we have had this issue before us already once before within the last week, and I feel that I need not again emphasize the strong need for quick action here. The House of Representatives passed this report earlier this afternoon, in a strong endorsement of this measure. I urge again every Member of this body to fulfill their personal obligations to the workers in their respective States and give support to this legislation this afternoon. The sooner that we can deliver this bill to the President for his signature, the sooner the workers of this country will be able to regain some measure of security and self-confidence in their progress, and their faith in those of their representatives who are in the Congress that their problems are not overlooked.

Mr. CRANSTON. Mr. President, I rise in support of the pending measure, The Emergency Jobs and Unemployment Assistance Act of 1974.

At the outset, I wish to congratulate the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor (Mr. NELSON) for his vigorous efforts in moving this bill so quickly, and all my colleagues on the Labor and Public Welfare Committee for their prompt and decisive action with regard to this most important legislation. My colleagues will recall that we passed this bill in the Senate just last Thursday, December 12, and the bill was ordered reported from the committee on conference on Tuesday, December 17, 1974.

I also wish to pay tribute to the chairman of the full committee, the Senator from New Jersey (Mr. WILLIAMS), the ranking minority member of the committee, the Senator from New York (Mr. JAVITS), and the Senator from Massachusetts (Mr. KENNEDY) for their hard work on this legislation.

Mr. President, I think it is clear that the Congress has acted swiftly and responsibly within a very short period of time to meet the pressing unemployment crisis in this country. Although compromises had to be made in the bill, as reported from conference, I am confident that this measure will result in much-needed relief for many Americans who are currently out of work.

Mr. President, not only have we acted with the necessary speed in bringing this matter to the Senate floor, through conference, and back to the Senate for the second time, all in less than 1 week, but I also believe we have acted in a very responsible manner. This measure is clearly a symbol of compromise between the House and the Senate, as well as the administration. We have attempted to evaluate carefully the administration's proposals and to go along where that was possible, to compromise when we could do so without conceding on matters of substantial principle, and to differ honorably where we felt that the administration's approach was the wrong one.

TITLE I: QUALITY OF JOBS

Thus, title I of the bill reported from conference attempts to strike a careful balance between the need for emergency public service employment jobs across the Nation and the Senate committee's conviction—which I share most strongly—that the jobs created must be meaningful, not "leak-raking" jobs, in the words of a former President and, most significantly, should be jobs, which will be designed to provide needed services to communities across the country.

In this time of recession/inflation, with productivity dropping for the last three quarters, I believe it is counterproductive to establish short-term, unattractive, dead end jobs which do not contribute at all to meeting important community needs and developing individual skills and potentials. That is why the Senate bill did not provide waivers for the various provisions in title II of CETA which deal with the quality of the jobs created and which, as a matter of fact, all are in the nature of generally applicable principles providing for variation for exceptional circumstances.

The conference agreement thus permits fewer waivers than did the House bill—deleting the provision for waivers of sections 207 (a) and (b) of CETA, regarding periodic reviews of individual employee progress and opportunities for advancement or suitable continued employment, provisions I authored with Senator JAVITS originally—but also the waivers are far more tightly worded. First, the House bill provision was deleted which automatically granted as a matter of law, all permitted waivers of title II requirements to all areas with 7½ percent or more unemployment rates. Rather, these areas, along with title-II-of-CETA recipients, rural CEP's, and combinations of smaller governmental units, can waive the permissible provisions—even under the tightened waiver provisions in the conference agreement—only upon certification to the Secretary of Labor that each of these waivers must be applied "in order to provide sufficient job opportunities" and public notice of each such certification. This tightening was a provision I was able to work out with the House conferees.

Second, the waivers for wage rates are permissible only for work which would not otherwise be carried out and only in communities of 10,000 population or less which are outside SMSA boundaries.

Third, the layoff/hiring time period is 15 days, not 7 as proposed by the House, and this 15-day waiver provision itself can only be applied in individual cases where the sponsor certifies that the hiring of an individual will not violate CETA section 205(c)(8) requiring that no person be hired to fill a vacancy created by layoff or termination of a regular employee in anticipation of filling such vacancy with an employee supported with funds under this new public employment program.

We have also in the conference agreement provided for a recommended nationwide average cost per job of $7,800 which will help to insure that the general nature of jobs supported under the Emergency Employment Act of 1971 and presently covered under title II of CETA will be maintained.

AMENDING CETA

Further, we have insisted, in the conference agreement, that this legislation be made a part of the Comprehensive Employment and Training Act of 1973—a new title VI, despite the administration's proposal to create an entirely new and separate piece of legislation. I must confess that I was never able to understand the administration's basis for proposing such separate legislation, especially in view of the fact that the administration itself had pushed so long and so hard to obtain a single, comprehensive, unified approach to manpower training and employment legislation in 1971, 1972, and 1973, resulting in the enactment of CETA.

ELIGIBILITY FOR NEW JOBS

Another area where we believed that the administration's position was not correct was its proposal that public service jobs should be available only to those who had exhausted their unemployment insurance benefits. Coupled with the proposal being acted upon separately in both Houses at this time, to provide for an additional 13 weeks of unemployment insurance benefits, in many States this administration proposal to limit these new jobs to "exhaustees" would have the effect of requiring an individual to be unemployed for a full 52 weeks before becoming eligible for this kind of a job.

One surely disastrous effect of this kind of a prerequisite would be to rule out many returning and returned veterans from consideration for these jobs, let alone from the sort of priority treatment which the law requires—particularly with the amendments which I proposed and which the Senate committee adopted to this bill—under title II of CETA and which the conference retained in substantial part.

I believe it is fair to say, Mr. President, that the "preferential consideration" which the conference report calls for ex-trustees for those unemployed for 15 or more weeks, and for those—except new entrants—with no unemployment insurance eligibility, was not intended to diminish the statutory emphasis on providing public service jobs for young veterans.

ALLOCATION FORMULA

Finally, Mr. President, we were also unable to agree with the administration bill with respect to the allocation formula and the question of whether there would be a nationwide program or a program which would focus funds and jobs only in areas of the most substantial unemployment. This is a matter about which I have long felt very strongly, Mr. President. I have sponsored legislation for more than 2 years now to create an ongoing nationwide public service employment program that would not be triggered on and off by rising and falling unemployment rates. This is because I believe, first, that there is a level of basic unemployment—whether it be 3½ or 4 percent—which we will never be able to resolve with standard manpower training programs and fiscal and monetary measures; and second, because I believe that the demand for public services across the Nation cannot be met either through local tax bases—already so severely overburdened—or through the present level of revenue-sharing support.

I also believe, Mr. President, that there is a direct correlation between the value of the public service jobs produced—both in terms of their contribution to meeting otherwise unmeetable community needs and in terms of their contribution to the self-esteem and subsequent employability of the person performing the work—and the number of jobs which each community is called upon to create and fill in a relatively short period of time. Thus, a nationwide program contributes to realization of meaningful jobs and not jobs deliberately made as unattractive as possible, as the administration has proposed with respect to this new program.

At the same time, Mr. President, I do believe that there is a need for continuing to focus some proportion of funding in those areas most severely hit by unemployment. Thus, I have supported the special section 6 program in the Emergency Employment Act of 1971, under which 20 to 25 percent of the EEA funds were channeled into areas with 6 percent or more unemployment rates, and in 1973 the title II CETA program distributing funds into areas of substantial unemployment, this time measured at 6.5 percent.

My State of California is particularly beseiged with unemployment problems at present and has been for the last several years. Our unemployment rate statewide is now an astronomical and tragic 8.7 percent. Thus, special targeting of funds to areas of substantial employment is of particular benefit to numerous communities and governmental units in California.

In order to strike a reasonable accommodation between the need for a nationwide approach and a certain amount of targeted public service job funding, I offered an amendment, cosponsored by the distinguished chairman of the Labor and Public Welfare Committee (Mr. WILLIAMS) and the distinguished Senator from Massachusetts (Mr. KENNEDY), which was adopted during Senate committee consideration of this measure. The formula I proposed provided for 25 percent of the amounts appropriated to be allocated to areas of substantial unemployment as defined in section 204(c) of CETA, while the remainder of the funds—75 percent—would be distributed nationwide in accordance with overall unemployment.

I had hoped that this distribution would preserve the essentially nationwide nature of the formula in the bill as introduced, with concentrated unemployment given approximately the same proportion of special attention that it received under the Emergency Employment Act of 1971.

I am, therefore delighted that the conference agreement retained the 25-percent title II allocation as part of the following allotment formula: 50 percent shall be distributed in the ratio that the number of unemployed persons in an eligible applicant's area bears to the total number of unemployed persons in the areas of all eligible applicants; 25 percent shall be distributed in the ratio that the number of unemployed persons in excess of a 4½-percent rate in the area of the applicant bears to the total of such excess unemployed in the areas of all applicants; and the remaining 25 percent shall be distributed to areas qualifying under title II in the ratio that the number of unemployed in one such area bears to the total of unemployed in all such areas.

With unemployment projected to reach 7 percent shortly and 8 percent next year, some reasonable proportion of the funds should be concentrated in areas most severely hit. Since $770 million have recently been made available for allocation to areas of 6.5 percent or more unemployment under title II of CETA—$370 million in the Second Supplemental Appropriations Act of fiscal year 1974 and $400 million in the Labor-HEW Appropriations Act for fiscal year 1975—the 25-percent allocation adopted by the conference for 6.5 percent areas in the proposed amendment would provide some funds to carry on this level of funding for the duration of this new emergency program.

Further, Mr. President, the 25-percent excess of 4½-percent factor will be of substantial aid to areas and States—such as California—with unemployment rates well in excess of 6½ percent.

VETERAN'S PROVISIONS

Mr. President, the nationwide unemployment situation becomes an even greater tragedy when it hits those persons who are already most disadvantaged. Our Nation's young Vietnam-era veterans are one such segment of our unemployed population. During Senate committee consideration of this measure, I offered an amendment which was designed to provide substantial assistance to service-connected disabled veterans and Vietnam-era veterans through the provision of public service jobs under this new program, as well as under title II of CETA. Before describing in detail the amendments which I offered, and the agreement we reached in conference on these provisions, I would like to outline for my colleagues the gravity of the veterans unemployment situation in the Nation today.

VETERANS' UNEMPLOYMENT PLIGHT

Mr. President, there are presently 346,000 Vietnam-era veterans unemployed, of whom 145,000 are age 20 to 24 and 155,000 are age 25 to 29. The unemployment rate for 20- to 24-year-old veterans is now 12.4 percent. Among minority group 20- to 24-year-old veterans, the rate is 23.2 percent. Among all Vietnam-era minority veterans it is 10.8 percent.

The plan submitted by the Labor Department to the Congress in October to cover fiscal 1975 for helping unemployed veterans offers very little hope for resolving this problem. The plan admits this in so many words. In the middle of the review of past efforts, in a one page discussion of the "Impact of the JFV—Jobs for Veterans—Plan on Veterans' Unemployment Outlook," it is stated:

> If the national average unemployment rate should rise to 6.0 percent by the end of FY 1975, average employment of VEV's (Vietnam era Veterans) should be about 300,000 above the present totals (290,000). At this level, it is unlikely that the VEV jobless rate can be kept below the 6 percent mark for that period by presently programmed activities in the JFV Plan of Action. This could result in a rise in VEV jobless totals to 375,000 by the end of FY 1975 (from the present level of about 290,000). Since younger, minority and disabled vets are among the last group hired in many areas and industries, jobless rates for such groups will probably significantly exceed the 10 percent levels now reported.

Mr. President, with an overall national unemployment average of 6.5 percent and 6 million Americans out of work, the burden of continued increases in unemployment, as the Labor Department suggests, will fall heavily on three groups of veterans who already have high unemployment rates: Young veterans in the 20- to 24-age bracket; minority-group veterans; and disabled veterans.

When the Department's plan was prepared, unemployment was much lower than at present. In the second quarter of this year unemployment for 20- to 24-year-old veterans was about 10 percent. Third quarter figures show that unemployment in this group is up to 12.4 percent. The jobless rate for minority-group veterans—always double that for whites—is particularly acute in the youngest age bracket. In the 20-to-24 age bracket, second quarter figures from the Bureau of Labor Statistics indicate an unemployment rate of 19.5 percent. Third quarter figures show that that rate had risen to over 23 percent.

There are over 350,000 disabled Vietnam-era veterans. Comprehensive unemployment figures for disabled veterans have not been readily available. A study by the Human Resources Organization—HUMRRO—commissioned by the Manpower Administration of the U.S. Labor Department, found an 11-percent unemployment rate among disabled veterans in the first quarter of 1974. That same study found that, whereas during fiscal 1974, 112,000 disabled veterans registered at employment service offices throughout the country, only 25,000 were placed in jobs. The HUMRRO study also pinpointed breakdowns in the supportive services necessary to put teeth in the official Labor Department policy of giving disabled veterans priority over all other applicants to the employment service. These include improper identification of disabled veterans; little followup to determine the length of stay on job by disabled veterans; the depth of feeling among employers against hiring disabled individuals; and very little cooperation in many cities between the Veteran's Administration and the employment service. The Disabled American Veterans have felt that unemployment among disabled veterans is very likely higher than 15 percent.

Moreover, Mr. President, the HUMRRO study points out, unemployment rates among the more severely disabled young veterans increases sharply with the severity of disability for high school dropout veterans. Among high school dropout veterans under age 30, the unemployment rate is 18 percent for those with slight disabilities; and it increases to 31 percent for those with severe disabilities. Of every three young disabled veterans interviewed by HUMRRO who reported seeking help from State employment service offices, only one reported getting a job offer based on the employment service referral. Half or all those veterans seeking local employment service help felt they received inadequate information and advice according to HUMRRO.

These three groups—those 20 to 24, minority-group veterans, and disabled veterans—are very likely going to face even more severe unemployment in the months ahead. Moreover, official unemployment rates do not reflect the severe hidden unemployment—those who have given up looking—that many analysts, even inside Government, concede exists. In other words, the rates of unemployment I have mentioned are very likely modest estimates.

The Labor Department's fiscal year 1975 plan suggests that programs that have had the most impact in the past on reducing veterans' unemployment will continue to have that ameliorative effect. But the Labor Department fails to mention that three of the five programs it lists no longer exist: The public employment program; institutional training under the old Manpower Development and Training Act; and the concentrated employment program—CEP. The two other programs—the job opportunity in the private sector and the OJT-national contracts program—have been curtailed due to the economic downturn or the adoption of CETA.

Since CETA gives much control over manpower programs to local officials, the Federal Government can really only suggest that veterans get preference. In fact, at my urging the Labor Department finally included in its title I manpower program regulations that prime sponsors of manpower programs should give veterans a preference. But compliance with this veterans' preference will be left very much to local officials, and it, therefore, seems overly optimistic to expect equivalent participation rates by veterans in these programs, as the Labor Department's plan suggests is likely to be the case—"At least equivalent participation rates are expected under this JFV Plan."

More specifically, the Labor Department jobs for veterans' action plan singles out two programs as most successful in cutting into veteran unemployment. It says:

> A special study of Vietnam era veterans unemployment problems and programs recently completed by the Manpower Administration, U.S. Department of Labor ("The President's Veterans Program: Assessment and Proposed Program Directions for FY 1975") indicated that certain types of manpower and employment assistance programs—such as the on-the-job training or public service employment programs—generally produced more significant results in terms of continuing employment opportunities for veterans than did programs such as job training in schools and similar institutions. The focus of program efforts under the new Jobs for Veterans design will be to emphasize these high impact programs.

Although we welcome these hopes, the Senate committee, in accepting our amendment, found that the degree of progress necessary to meet the severe and mounting rate of young and disabled veteran unemployment can be achieved only through tough, specific Federal guidelines.

As I will discuss, the primary reason the public service employment program under the Emergency Employment Act of 1971—EEA—was successful in cutting into veterans' unemployment was because the Federal Government insisted that 30 to 33 percent of all hires be young veterans. In the absence of that kind of authority attached to any public service employment bill, it is highly unlikely that veterans will get the special consideration which I believe and the committee found they deserve.

Under the EEA, through fiscal year 1974, Mr. President, Vietnam-era veterans comprised 28.3 percent of all hires. The Labor Department regulations, pursuant to section 7(c)(4) of the EEA—requiring special consideration for special veterans—provided for the Secretary to establish employment goals for veterans, and, as I have already indicated, the Secretary generally required prime sponsors and program agents to make Vietnam-era veterans 30 percent of EEA hires.

The new CETA title II regulations do not, in fact, provide for any such setting of goals by the Secretary for the employment of Vietnam-era veterans. Rather, the "special consideration" required by section 205(c)(5) of CETA is implemented by a regulation providing only that local government sponsors shall hire a proportion of unemployed veterans no less than the proportion that veterans comprise of eligible unemployed persons in the sponsorship area. That may be equitable consideration—which is required for all significant segments of the unemployed population by section 205(c)(2) of CETA—but the committee did not believe it is the "special consideration" which the provisions of title II (section 205(c)(7)) of CETA were designed to achieve.

Mr. President, I have had a continuing dialog with the Labor Department with respect to the appropriateness of its CETA title II regulations on veterans employment, and, on the basis of that correspondence and the difference of opinion between us, I concluded that the only really effective way to bring about any significant improvement in those regulations and in the resultant assistance which would be provided to veterans pursuant to those regulations, was to amend the law, as we have done.

Mr. President, I note that I inserted into the RECORD last Thursday, December 12, during Senate consideration of our committee bill my July 22, 1974, letter to Assistant Secretary of Labor William H. Kolberg and Mr. Kolberg's September 3, 1974 response to me on this subject.

SUMMARY OF PROVISIONS OF VETERANS AMENDMENTS

Mr. President, to provide some relief to those veterans suffering from the soaring rate of joblessness, I offered along with Senators RANDOLPH, KENNEDY, and STAFFORD, and the Senate committee adopted, a two-part veterans amendment. The provisions of the bill as passed in the Senate provided for: First, an affirmative action program, to be carried out by CETA prime sponsors, to employ Vietnam-era veterans—those discharged with other than dishonorable discharges since August 4, 1964—and veterans with service-connected disabilities; second, the upgrading of the Director of the Veterans Employment Service to be a Deputy Assistant Secretary of Labor; third, part-time employment for veterans under the public service jobs program; and, fourth, cooperation between the Secretary of Labor, the Administrator of the VA, and the Secretary of HEW to carry out a veterans outreach and public information program.

Although I regret that these provisions were not retained in their entirety in the conference report, I am gratified that the conference agreement contains the bulk of them.

OUTREACH AND PUBLIC INFORMATION EFFORT: REPORT TO CONGRESS

The conference report provides that the Secretary of Labor shall, in consultation and cooperation with the Administrator of the VA and the Secretary of HEW provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Departments of Labor, HEW, and the VA in order to exercise maximum efforts to produce jobs and job training opportunities for persons who served in the Armed Forces and were discharged within 4 years prior to their application for employment and training—regardless of the nature of their discharges—under CETA, as amended by this act, as provided for under title 38, and under any other provision of law. This provision further requires the Secretary to inform all eligible veterans about employment, job training, on-the-job training, and educational opportunities under these laws and to inform eligible applicants under CETA, Federal contractors and subcontractors, all Federal departments and agencies, educational institutions, labor unions, and other employers, of their new responsibilities under this provision and those under all such laws, and to provide them technical assistance in carrying out all of those responsibilities.

Mr. President, I am hopeful that the conference report provision that maximum efforts be taken to produce job and job-training opportunities for veterans discharged within 4 years of their application for assistance will result in a continuation of the successful EEA hiring record for young veterans. At the same time, it is certainly disappointing that the conferees could not be persuaded to extend this new requirement to benefit veterans disabled in service.

SPLIT JOBS

The conference report expands the definition of "public service" to include part-time work for those who are handicapped or older, in addition to GI bill trainees, who because of their status are unable to engage in full-time work, and specifically provides for one activity these part-time employee GI bill trainees can carry out to be veterans' outreach work as provided for in chapter 3 of title 38.

The Senate committee pointed out in the report, Mr. President, as it did in 1971 and 1973, that one way to stretch Federal public job slots is to combine part-time public employment with GI bill education and training benefits for unemployed veterans. Married veterans with children have found it particularly difficult to utilize fully the GI bill benefits which can enable them to gain the skills to become more competitive in the job market. By having two veterans share the work and pay that would otherwise cover only one, both employers and veterans gain. More people can be helped and the goals of transitional employment will be met by making it possible for veterans to achieve academically and receive needed job experience and training.

In order to make such a part-time job program and other efforts effective on a major scale, the responsibilities set forth above are assigned by the amendment to the Department of Labor, the Veterans' Administration, and HEW. They are intended to work with State and local governments and the educational community to develop public job and GI bill education and training packages, building on the experiences of communities that have successfully used the concept under the EEA, such as San Francisco, Baltimore, Milwaukee, Grand Rapids, and Orange County, Calif. It is also anticipated that the extra costs entailed in the hiring of two or more persons for one slot should be recognized as legitimate costs to be counted in the 90-percent requirement—that is, included in the sums for wages and employment benefits.

We view the combined use of public jobs and GI bill benefits as a high priority and thus the Senate committee report directed, as part of the new outreach and outreach program the Secretary of Labor to notify all program agents of these possibilities in any mailings, fund distributions, guidelines, instructions, and regulations. Plans for promoting the split-job concept, not only for veterans, but, by virtue of an amendment which I offered for Senator RANDOLPH and myself, to section 601(a)(7)—701(a)(7) as renumbered by the conference report—for older and handicapped persons, are to be included in the 90-day report to the congressional committees. Moreover, the unemployment compensation program personnel, as well as the U.S. Employment Service, are expected to join with the Veterans' Administration in informing veterans of their GI bill opportunities so that no matter which office a veteran goes to for assistance, the services and information received will be complementary and reinforced.

Mr. President, here are more detailed examples of successful split-job programs:

First. San Francisco—Begun in 1971 with a subcontract from the city of San Francisco to the Community College District of San Francisco, this program created 220 20-hour jobs. It enables veterans who would otherwise have to forego their education, who were unemployed at the time of the program entrance to use their GI bill and get an education. The veterans hired by the college district to administer the program were able to tackle a number of other veterans' problems; 400 persons were on the waiting list in March 1974.

Second. Orange County, Calif.—Under a September 1972 demonstration grant, $2 million was used to fund a split-job-voucher program. Close to 500 veterans were given vouchers good for 20-hour jobs at agencies they could persuade to hire them. They were required to be using the GI bill. The success of the program led the city of Santa Anna to make available in October 1974, 53 20-hour jobs under CETA.

Third. Grand Rapids—In January 1973, Grand Rapids began a split-job program, which included the summer time expansion of part-time jobs into full time jobs; 112 veterans used the program with more than 80 percent of the participants either graduating or going on with their training.

Fourth. Baltimore—Split-jobs in Baltimore began in 1972 in a project described by a National League of Cities/U.S. Conference of Mayors' Evaluation of the Emergency Employment Act. Many of the veterans who were hired on EEA had little awareness of their eligibility for GI bill benefits. The report showed that, contrary to the expectations of the Baltimore Veterans' Administration regional office, many wanted to use their GI Bill benefits.

Fifth. Milwaukee—This city set aside 106 split-jobs for student-veterans. An interim assessment of the EEA done for the Senate Committee on Labor and Public Welfare in May 1972, said "Project Early Hire"—the Vets' EEA split-job project—stands as Milwaukee's most important EEA program innovation and provides CSC with not otherwise available flexibility.

TITLE II: SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

Mr. President, title II of the conference report will provide a program of temporary special unemployment compensation benefits to jobless workers who are not covered by any State and Federal unemployment compensation law.

The major groups of workers who will be covered by unemployment insurance for the duration of the emergency period are farmworkers, domestic workers, and State and local government workers. An estimated 1 million, and more, workers in California, not presently covered by unemployment insurance, will be protected against loss of job income under this bill.

Benefits will be payable to eligible workers, who must qualify under State law, for 26 weeks during periods when the national unemployment rate is 6 percent or more or, if the national rate drops below 6 percent, if they work in a CETA prime sponsorship area having an unemployment rate averaging 6.5 percent for 3 months.

The special unemployment assistance program will be supplementary to three other major unemployment compensation programs, which constitute Congress' overall response to the present crisis: The regular 26 weeks program of unemployment insurance; extended Federal-State benefits, which covers the 26th through 39th week of unemployment; and the proposed supplemental benefits program—now pending immediate consideration in both Houses—which would pay benefits from the 39th week through the 52d week of unemployment.

UPGRADING DIRECTOR OF THE VETERANS' EMPLOYMENT SERVICE

Mr. President, while the conferees did not accept the Senate provision I authored upgrading the title of the Director of the Veterans' Employment Service the conferees did agree in full to the substantive new responsibilities assigned to that official by the Senate amendment.

The conference agreement provides that the Director of the Veterans' Employment Service, together with the Secretary, Under Secretary, and appropriate Assistant Secretaries of Labor, shall be responsible for formulating and monitoring the implementation of all Labor Department policies and programs as they affect veterans. These include: title I of CETA; title II of CETA; unemployment compensation for ex-servicemen (UCX); veterans' reemployment rights; the title 38, section 2012, affirmative action program.

Presently, the Director of the Veterans' Employment Service has little visibility and no opportunity for input into departmental policy decisions for other employment and manpower programs. His staff is small and his mission is accorded a low priority within the Department.

Given the present extremely high level of veterans' unemployment and the thus far inadequate response by the Labor Department to this problem, these new responsibilities should help concentrate departmental attention on the employment needs of veterans, especially Vietnam-era veterans and those who have service-connected disabilities.

The American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans have all this past summer adopted national convention mandates proposing the establishment of a full Assistant Secretary of Labor for Veterans Affairs. The committee did not agree to this proposal because establishment of such a position would be inconsistent with overall Labor Department organization and does not seem necessary to achieve the purposes sought. The new responsibilities are designed, however, to respond to the clear need for much greater departmental emphasis on establishing programs and coordinating and implementing provisions of law designed to provide training and employment opportunities for veterans.

JOB OPPORTUNITIES PROGRAM

Mr. President, title III of the bill provides emergency financial assistance to stimulate, maintain, or expand job-creating activities in areas of the country, both urban and rural, which are suffering from unusually high levels of unemployment. The conference agreement provides $500 million for this job opportunities program, which amends the Public Works and Economic Development Act of 1965.

Funds under this title will be available to supplement programs identified through the review process in section 1004 so as to expand or accelerate their job-creating impact.

All but four counties in California will be eligible to apply for these funds, and California is expected to receive approximately 10 percent of the total amount allocated.

CONCLUSION

Mr. President, in sum this is the right bill at the time, and I urge overwhelming adoption of the conference report.

Mr. TAFT. Mr. President, yesterday in the spirit of cooperation and compromise, the Senate conferees of which I am a member, and the House conferees, resolved their differences between H.R. 16596 and S. 4079, bills to provide additional jobs for unemployed persons through programs of public service employment and unemployment compensation payments to previously uncovered workers. Because of the urgent need for this legislation and the shortness of time remaining in this session of Congress, the conferees worked extremely diligent to secure agreement. For the most part, I can happily report that the conferees' agreements embodied the best provisions of both bills. I believe this compromise product is a real tribute to the institutions of Congress and demonstrates that we can timely respond to urgent problems and that we are responsive to the call of our people and the President.

I want to commend the managers of the bills and all of the conferees for their devotion to resolving this crucial problem. Undoubtedly, their efforts have been in the best traditions of the Congress.

Mr. President, this bill is a necessary supplement to what Congress has already done this year in appropriating $1.2 billion under the Comprehensive Employment Training Act to provide approximately 160,000 public jobs. The agreement of the conferees was to increase the amount available for public service employment under this bill from the $2 billion figure that the House had arrived at, to a figure of $2.5 billion. Although I cosponsored S. 4079, which called for a $4 billion authorization, I was troubled that this figure was too high when considered originally in the context of the House bill and the administration commitment. As a practical matter, it is extremely doubtful whether prime sponsors under CETA could receive and absorb those amounts of funds authorized by the Senate bill in a period of 1 year, the life of the act, Therefore, when agreement was reached on $2.5 billion, I felt that this figure was more realistic and took into consideration the budgetary effects with which all Members ought to be concerned. I know that many of the reservations expressed by other Senators over the $4 billion figure are now resolved and that this potential impediment has been removed.

Mr. President the additional money provided for under this bill, in conjunction with the $1 billion already made available under CETA enables State and local governments and other prime sponsors to hire unemployed persons to perform jobs that are necessary but are not now funded through State and local revenues because of budgetary restraints. With regard to allocation of funds, the conference agreement provides that 50 percent shall be distributed in proportion to the total number of unemployed persons residing in an eligible applicant's area; 25 percent shall be distributed according to the number of unemployed persons in excess of 4½ percent of the labor force in the area of the applicant in relation to total unemployment, and the other 25 percent is distributed to areas qualified under CETA title II in the ratio that the number of unemployed in the area bears to total unemployed in all such areas.

Mr. President, the distribution formula was an extremely difficult issue. I submit that it is truly an equitable formula and it is designed to benefit all States by recognizing the seriousness of total overall unemployment and yet it focuses half the funds into those areas that have concentrated unemployment. In my own State for example, $85 million is projected to be available this fiscal year in resolving the devastating effects of unemployment. This amount of money obviously is going to go a long way to providing families with sufficient income maintenance so as to secure adequate food, clothing, and shelter to overcome the effects of this temporary period with a minimum of hardship.

Another difficult proposition presented for the conferees was the subject of House waiver provisions. The House had a number of CETA waivers where the Senate had none. In the spirit of conciliation, the conferees agreed to permit prime sponsors to reemploy laid off employees after 15 days of unemployment providing they, the sponsors, certify that the hiring was not in violation of section 205(c)(8) of CETA. In modifying the House's 7-day waiver, the conferees wanted to emphasize that this provision in no way condones the substitution of Federal for State and local funds, and that the prohibition in the act against so-called paper layoffs is still in effect. The purpose of the reduction in the waiting period from 30 to 15 days is only to buffer the hardships on unemployed persons who have lost their jobs because of a bona fide layoff. Hopefully, the certification procedures should prevent the temptation to engage in paper layoffs. The Department of Labor is charged with the function of insuring that section 205(c)(8) is fully complied with in all respects.

Title II of the bill will provide unemployment compensation for those individuals who have not previously been covered by any State or Federal unemployment compensation laws. The bill would provide an immediate 26 weeks of unemployment insurance to those employees who comprise more than 10 percent of the work force, including millions of State, local workers, farmers, and domestic workers. It is estimated that 12 million workers would be covered under this provision.

These 26 weeks of unemployment coverage would go into effect when the national unemployment rate average, 6 percent or more over 3 consecutive months or when unemployment in a prime sponsorship area averages 6.5 percent for the same time period. Inasmuch as the November rate of 6.5 percent has nationally set off the "On" trigger, many millions of workers would immediately be covered and would qualify for unemployment payments. Assuming sufficient appropriations, funds can be transmitted immediately to those who most urgently need help. This bill in tandem with the bill we recently passed to provide extended unemployment compensation coverage to covered workers are necessary steps toward whipping inflation now.

Mr. President, the President has asked us to do something to reduce this serious problem and to do it now. The public expects us to do the same and it is our sole responsibility. Our country has become strong because of our working men and women and because of their faith in our American way of life. Today it is our turn to help these people by passing what I feel to be an extremely effective measure to secure the foundation for our economic recovery. I recommend to my colleagues that they unanimously adopt the conference report.

Mr. MONTOYA. Mr. President, I support S. 4079. I wish to endorse the conference report.

Title III of the bill to provide public employment contains an amendment to the Public Works and Economic Development Act of 1965, as amended. Jurisdiction over that legislation and the Economic Development Administration and the seven regional commissions authorized by title V reposes in the Subcommittee on Economic Development of the Committee on Public Works.

The amendment was advanced by members of the Public Works Committee and ably supported on the floor and in the conference by the chairman of the committee, Senator RANDOLPH. I commend him for his good work

Title III of the bill before us is properly called "job opportunities program." It becomes title X of the Public Works and Economic Development Act. As chairman of the Economic Development Subcommittee, I expect to monitor closely the progress and performance of the Department of Commerce and EDA as they carry out these new responsibilities, along with other new programs authorized this year.

Basically this new program is designed to use the present organizations, experience, regulations, and facilities of our many Federal programs that deal with welfare of communities. It need not create new bureaucracies. Present programs may be simply expanded where feasible in the creation of new jobs.

I am disappointed that the conferees have required that the program review of programs and projects that can stimulate the creation of jobs as submitted by the various agencies must be jointly conducted by the Secretary of Commerce and the Secretary of Labor. This is an unnecessary burden for the Secretary of Labor. The various programs to be involved are not manpower programs. I do think it unfortunate that this legislation requires two giant departments of Government to share this authority. The sharing of such administrative authority sometimes leads to unnecessary delays, sometimes a debilitating competition between agencies. I would have preferred that the Secretary of Commerce at most would be required to "consult" with the Secretary of Labor during the program review stage.

Be that as it may, I understand that the Secretary of Commerce is, so to speak, first among equals in the administration of this title. After review with the Secretary of Labor of the plans and projects submitted by the various agencies it is he who will make the allocations to the agencies after a determination of their appropriateness has been made by him and the Secretary of Labor. It is he who will monitor the progress of the agencies in the administration of this title. It is he who we should look to for a report to the Congress at the end of the program.

I am disappointed that the President did not in his urgent request for a public employment appropriation before this Congress adjourns also request money for this innovative new title. I understand the House acted only on the President's request. The unemployment levels are rising everyday. I hope the Congress will provide the funds to get this new program off the ground before we go home for Christmas despite the administration's reluctance.

Mr. McCLURE. Mr. President, just two points I think need to be made in addition.

One is that although we are acting on the conference report now, we have no knowledge whether or not the President has decided to sign this legislation. I think the action taken by the Senate and the House in conference, and again being confirmed here, ought to be taken as a firm commitment on the part of the Congress to this program.

I urge that the President quickly sign this bill so we can get on with the question of the appropriation of funds for these important programs before Congress adjourns.

I hope further that not only will the President sign the bill, but that the appropriations will also be made available and that the program can then begin to be implemented without having to await the return of the Congress in January to begin moving forward on the matter that has such a great urgency and is of such extreme importance to so many of our citizens.

Mr. JAVITS. If the Senator will yield, may I join in that because this is the first thing the President himself asked for and I believe that the Senator's next question is correct and the Appropriations Committee shows every intention of backing us up.

Mr. McCLURE. I thank the Senator from New York for those statements.

I testified before the Senate Appropriations Subcommittee, and I have talked to the members of the Appropriations Committee in regard to the funding of the various titles of the bill. I understand that the full Appropriations Committee this afternoon approved $250,000,000 to implement the title III program.

I want to make special reference to

title III of the bill and to thank not only the Senator from New York (Mr. Javits), the Senator from Wisconsin (Mr. Nelson), the Senator from West Virginia (Mr. Randolph), but to give particular tribute to the Senator from New Mexico (Mr. Domenici) who really, along with the other Senator from New Mexico (Mr. Montoya), focused on this approach to the subject of bringing job availability to the unemployed people of our country.

But I want to concentrate on one point because I think the message has been lost in this body and is being lost downtown, and that is that this is not simply an accelerated public works project concept.

It is much broader. It is much more refined in its accent and its focus on the immediate—and I use that term advisedly—immediate creation of jobs through the use of State and Federal and local programs that are being funded from amounts already in the pipeline in most instances.

I thank the Senator from West Virginia (Mr. Byrd) and the Senator from Ohio (Mr. Taft) for giving me time to make these remarks because I think they must be made if we are to be understood as to what we are attempting to accomplish.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. With the concurrence of the Senator from Ohio, who has been very gracious about the matter, I would like to ask the majority leader if he would allow us, because of the very point Senator McClure made, to have a rollcall and limit it to 10 minutes?

Mr. ROBERT C. BYRD. I would not want to limit it to 10 minutes because some Senators may have strayed from the floor. I thought this was going to be a voice vote.

Mr. JAVITS. I thought so, also.

Mr. ROBERT C. BYRD. If the Senator wants a rollcall——

Mr. JAVITS. Senator Percy, I gather, just left and he wanted a rollcall tomorrow. If there is to be one, he wants it tomorrow.

Mr. ROBERT C. BYRD. On that basis, perhaps the Senator would like to proceed with a voice vote.

Mr. JAVITS. All right.

The PRESIDING OFFICER. The question is on agreeing to the conference report on H.R. 16596.

The conference report was agreed to.

MAGNUSON-MOSS WARRANTY—FEDERAL TRADE COMMISSION IMPROVEMENT ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the Magnuson-Moss warranty—Federal Trade Commission Improvement Act (S. 356), to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities, and for other purposes.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. ROBERT C. BYRD. Would the Senator yield for a question?

Mr. TAFT. I am glad to yield to the Senator.

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, I ask this question, would the distinguished Senator from Ohio indicate how long he will be talking this evening?

Mr. TAFT. Well, the indication is that I will be talking perhaps 15 or 20 minutes and probably there will be some questions raised as a result of that discussion, it may lead to, perhaps, an amount of time in my case——

Mr. ROBERT C. BYRD. The Senator has been very frank and courteous in answering the question.

May I ask this further question, is it the intention of Senators to ask for the yeas and nays on this conference report, so that other Senators will be informed?

Mr. TAFT. It is hardly necessary. It is not my intention to ask for the yeas and nays.

Mr. ALLEN. Let us have the yeas and nays.

Mr. ROBERT C. BYRD. There are indications they will be asked for, shall we go ahead now?

Mr. TAFT. I will ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. The Senators should be notified that there will be a rollcall vote on the passage of this conference report tonight.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. TAFT. Mr. President, as I was saying, this matter came to my attention only in the last day or so. There are a number of matters that I believe ought to be discussed and considered by the Senate with regard to this matter. That is particularly true because the failure of the provisions of the conference report that give me concern are provisions that have never had hearings in the Senate committees, so far as I know. They relate to the areas that were added on the House side.

Mr. ROBERT C. BYRD. May we have order, Mr. President, so the Senator can be heard?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Ohio.

Mr. TAFT. They are matters relating to the rulemaking power of the Federal Trade Commission. This arises, of course, out of the fact that the Supreme Court in a recent ruling has recently given to the Federal Trade Commission very broad rulemaking power, subject only, of course, to the due process requirement.

I share in the general feeling that some codification of the rulemaking power and the procedures to be followed in relation to it should be undertaken by Congress. Nevertheless, as I say, the warranty bill, with title 2 in it, which went into some procedural matters for other agencies, did go over from the Senate to the House of Representatives.

Title 2 contained no provision, however, relating to the rulemaking power of the Federal Trade Commission. It was on the House side that the rulemaking power was worked out with considerable procedural safeguards, and ones that I think are considerably preferable to those that are included in the conference report.

When the matter came to the conference, the conference apparently took it upon itself to reconsider all of the House provisions relating to procedures on rulemaking power and certain other powers in relation to offenses involved under the Federal Trade Commission's various statutes, and substituted entirely new provisions.

These new provisions came to us and were set out in the Record of December 16 on pages H12052 and succeeding pages.

I have had a chance to study those provisions only in the form in which they are printed in the Record. I might say that I think it is too bad that is the case, that there is no printed copy of the conference report available. The fact that this occurred, and that the report was able to be printed apparently on Monday, would seem to raise the question whether rule XXIX, requiring the printing of committee reports of this type except in cases for the dispatch of Senate business, was actually followed in this case.

I say that particularly because the printing of the material in the Record, being very technical material and rather difficult to deal with, is, I believe, certainly a great inconvenience to the Senators. In my case, at least, I am sure it resulted in considerable delay and lack of clarity in trying to come to an understanding of what the measure is all about.

So much for the procedural approach to this problem.

Going back from that, let me just review these procedural provisions as they now stand, and as they have been added.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Senators, let us have order so we can hear the Senator from Ohio.

Mr. TAFT. I would call the attention of the Senate to page H12055 and particularly to section 202, entitled "Rule Making of the Proposal Made by the Conference Report."

I would particularly like to point out that the provisions relating to rulemaking power are very broad. When we are dealing with the FTC, its authorizations, and areas of procedure we are not dealing with what we usually consider to be a rulemaking power of a Government agency.

We are dealing with an agency where, under the antitrust laws, rules are often made that relate to very specific cases, particularly specific industries, and prescribe certain requirements relating to those industries. They perhaps even limit the type of material that can be produced, the type of material that can be sold and how it can be sold.

In other words, the actual rights of individuals and business concerns are involved here.

So we are really dealing not merely

with the rulemaking proceedings, but in many cases, for all practical purposes, with an adversary proceeding.

Going on from that, we find that the powers that are given to the Commission are quite broad. I would just like to read subsection (c) of this section as follows:

> The Commission shall conduct informal hearings required by the subsection.

And then it goes on to describe specifically the rights of cross-examination and the rights of presenting rebuttal evidence.

It is with regard to these rights that I am particularly concerned.

In reviewing the language as I see it, the right to cross-examine is severely limited. It is entirely up to the Commission, for all practical purposes. They do not have to grant the right of cross-examination at all. They may indeed take over and require that there be a submission to them of any of the material that anyone desires, any affected party desires, to present by way of cross-examination, and then have that cross-examination presented by the Commission.

I think those of us who have tried a few lawsuits, who have been in a few administrative proceedings, would find that to be little or no real right of cross-examination. So while lip service is given to the concept that there is a right of cross-examination, actually, in practical effect, it probably does not occur.

I should go on to say that there is a safeguard in a provision for judicial review in this respect. The bill as it was proposed by the conference committee originally, provided that, in that regard, the court could set aside the rule if it held that the Commission's findings and conclusions with regard to disputed issues of material fact on which the rule is based are not supported by substantial evidence in the rulemaking record taken as a whole. But that would apply only to findings and conclusions. It would not apply to procedures.

It would not apply, for instance, to the exercise of this right to grant cross-examination, or to the matter of permitting the introduction of rebuttal evidence.

As I understand it, and as the Senator from Utah has already indicated, there will be, as I understand it, a concurrent resolution offered which will have the effect of amending that provision to read that the clerk finds that the Commission action is not supported by substantial evidence in the rulemaking record taken as a whole, and so forth.

This, I think, does substantially correct the problems that are involved.

I feel there still are serious questions involved here, though, and I am rather concerned with regard to the application of this particular rule.

The House provision, as it was submitted to the conference report, gave a broad power of cross-examination and a broad power to submit rebuttal evidence without these limitations on it that, in effect, take away these powers if it is the decision of the Commission to take them away. I am concerned with this.

I think the Senate ought to know what it is passing in this regard.

One other provision I would like to mention and on which I would like to ask for a comment from the managers of the bill relates to the penalty provisions. These penalty provisions are to be found on page 40244 of the RECORD in section 205.

I apologize to the Senate for the delay, but I think I am illustrating the difficulty of trying to read this material which I have—and a difficulty which I imagine some other Senators have, too—in a sufficient degree to debate from it in the form in which it is presented to us.

As I understand it, there is a provision in section 205 of the bill—there is an indication of a $10,000 penalty for each violation of the act; and in subsection (c) under that, there is a further provision that each day constitutes a separate violation and shall be treated as a separate violation.

The difficulty here, that I see, is that you can have a rule made and violated, or claim it has been violated, by the FTC, and the proceedings in determining whether or not there actually was a violation could go on for as long as a year or more. Meanwhile, under the provisions as I read them, the penalty of $10,000 a day could continue to pile up. This would appear to amount to almost a blackmail provision against contesting the order or the violation claimed by the FTC.

I find this to be a rather alarming provision, and I wonder whether the manager of the bill has any comment that might be explanatory of that. I would be glad to yield to him for a comment or a question on that point.

Mr. MOSS. I am glad to respond to the question raised by the Senator from Ohio.

The provision regarding how continuing violations of the Federal Trade Commission Act are treated are identical with those in existing law. Today, when a defendant violates a cease and desist order of the FTC, he may be fined $5,000 per day for each day of the violation. The measure before the Senate today merely changes the allowable maximum; it does change $5,000 to $10,000. But as to it going for each day, it is exactly as it exists today.

There are two safeguards for a defendant in this situation. First, only a court can order any such penalty and can stay its imposition or mitigate it to avoid harshness.

Second, section 705 of the Administrative Procedure Act allows any administrative agency to stay the effective date of action taken by it, by the agency.

In view of the fact that this language is identical to existing section (1) of the FTC Act, which has caused no problems or injustices that I am aware of, I am not in any way concerned about its inclusion in the bill.

Mr. TAFT. I thank the Senator.

Can the Senator elucidate further as to whether or not the protection for section 705 of the Administrative Procedure Act in his opinion, would apply to the imposition of a penalty under this particular section?

Mr. MOSS. Yes, that would apply.

Mr. TAFT. So that if the agency, itself—if the Federal Trade Commission, itself—or a court should desire, during the pendency of a proceeding, to test the legality of a particular action or a particular rule, should desire to suspend the penalty or make the penalty not applicable, it could do so under that provision?

Mr. MOSS. It could do so, and usually does so if there is a testing of it during a period the debt is carried forward. Usually, it is suspended.

Mr. TAFT. I wonder whether the Senator could comment on the observations I have made, as to whether or not my understanding is correct with regard to the right of cross-examination and the presenting of rebuttal evidence.

My understanding is that this is severely limited by the version the conference committee has reported and that, in effect, it is discretionary, for all practical purposes, with the Commission as to whether or not they care to permit cross-examination or offer questions themselves that are submitted to them by interested parties for cross-examination, and the same with regard to rebuttal evidence.

Mr. MOSS. As to questions on cross-examination, of course those are reviewable by a court in case there is dissatisfaction with the ruling of the Commission. The court must decide whether or not it was proper.

Mr. TAFT. Under those circumstances, what would be the obligation of the party who is aggrieved, or claims to be aggrieved? What would he have to show? What would his burden be to show that there has been a reversible error in the action of the Commission?

Mr. MOSS. This is in a rulemaking proceeding, and he would have to allege that the FTC denied him a right that was of substantive importance in failing to accord cross-examination. It has to be on a material fact.

Mr. TAFT. He would have the burden, then, of proving the fact that he was not able, himself, to do the cross-examining?

Mr. MOSS. Yes, he would. If he took the matter up, he would have the burden of showing that on a material fact he had been damaged thereby, and would have to seek to have the court overrule it. This is like the procedure we now have under section 555.

Mr. TAFT. Of what bill?

Mr. MOSS. This is the challenging rule. He has always had the burden in challenging the rule.

Mr. TAFT. He did not have the burden of showing that the questions which he never got to ask, if they had been asked, would have elucidated answers which then would have been substantial evidence. I find that a burden that is unique, a burden that I think would be difficult to sustain.

Mr. MOSS. It is not unique at all. It is like making an offer of proof. The court rules on it. If an appeal is taken, the appellate court determines whether the offer of proof would have been substantial in that matter and determines whether or not the rights have been denied by reason of not accepting the offer of proof.

I have great concern for the procedures which apparently were arrived at—and arrived at, so far as I know, without any real committee hearings. The House committee came out with different rules of procedure and different practices, after hearings. I think we have a duty to review carefully how these apply, and I certainly am going to continue to do so.

Mr. President, if the Senator will yield, the Senate did not hold hearings on this matter this year, but we passed the identical language in the last session of Congress and sent it to the House. This is, in fact, the third time it has been before this body. The Senator from Ohio voted for it in the session before, when we sent it to the House.

Mr. TAFT. I understand the position, but I disagree with it. I feel, as I have indicated, that probably it is wise to go ahead with this legislation at this time because of a total absence of legislation or standards now existing, except for the new process standards under the Supreme Court's ruling.

I certainly would feel constrained to continue to monitor the actions of the agency with regard to permitting cross-examination in these proceedings, if this bill becomes law, because they are ordinary rulemaking proceedings. The proceedings we are talking about—at least, some of the proceedings we are talking about here—as being authorized by the Federal Trade Commission are those in an adversary way between the various industries against which complaints have been made by the Federal Trade Commission, itself.

If the Senator from Ohio voted for it without having made the study he has now made. I do not believe the language was the same. I do not deny that there was some bill that had some provision to the general effect of specifying the condition of the rulemaking power, but I do not believe it was the same language as contained in the conference report.

Mr. MOSS. I point out to the Senator from Ohio that we have mandated that the FTC conduct a monitoring study of the action of this bill, together with the Administrative Conference of the United States, and in 18 months make a report to us on its operation.

So, if indeed, there is any deficiency, we expect to have a full report on it in 18 months.

Mr. TAFT. I thank the Senator for his comments.

I have no further questions or comments on the measure at this time, Mr. President. I shall be very happy to have the clerk call the roll.

Mr. MOSS. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CLARK), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Colorado (Mr. DOMINICK), the Senator from Florida (Mr. GURNEY), the Senator from Maryland (Mr. MATHIAS), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 70, nays 5, as follows:

[No. 572 Leg.]

YEAS—70

Abourezk
Bartlett
Bayh
Bellmon
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cotton
Cranston
Dole
Domenici
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Magnuson
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—5

Allen
Ervin
Helms
Scott, William L.
Stennis

NOT VOTING—25

Aiken
Baker
Beall
Bennett
Bentsen
Brock
Buckley
Clark
Curtis
Dominick
Eagleton
Eastland
Fulbright
Gurney
Hathaway
Hughes
Johnston
Long
Mansfield
Mathias
McClellan
McGee
Pearson
Percy
Young

So the conference report was agreed to.

SENATE CONCURRENT RESOLUTION 126—AUTHORIZING A TECHNICAL CORRECTION IN THE ENROLLMENT OF S. 356

Mr. MOSS. Mr. President, I send to the desk a concurrent resolution, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NUNN). The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

Concurrent resolution authorizing a technical correction in the enrollment of S. 536.

The concurrent resolution is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of S. 356, An Act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities, and for other purposes, to make the following technical correction:

Section 18(e)(3)(A), as inserted by section 202(a) of the Conference Report on such bill, is amended to read as follows:

"'(A) the court finds that the Commission's action is not supported by substantial evidence in the rulemaking record (as defined in paragraph (1)(B) of this subsection) taken as a whole, or".

Mr. MOSS. The concurrent resolution corrects a technical deficiency in the conference report whereby the words "with regard to disputed issues of material fact on which the rule was based" modified both the words "findings" and "conclusions" whereas they pertained only to findings. In order to clarify the situation, the word "action" was chosen to indicate the intention to have factual determinations reviewed on the basis of substantial evidence. Conclusions arising from those factual determinations would be reviewed as is normal: Do the facts supported by substantial evidence support the conclusions on the basis of logic. In other words, the conclusion does not have to be the best one but only one logically supportable. In effect, the "substantial evidence "test does not have relevance to conclusions. The concurrent resolution makes the above discussed points clear.

Mr. President, this concurrent resolution has been worked out with the conferees in the House. It is a technical correction and is acceptable to the House but it should go with the conference report to the House.

I ask for an immediate vote on the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Republican leader.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, I rise to a matter of some slight interest, namely, what is going to happen next, and I therefore ask the distinguished majority leader what is likely to occur tonight, and what plans are to be announced for tomorrow so that those Members who are here, Senators who are here, may make their plans, especially those already decked out in the formal peacock garb of the evening.

Mr. ROBERT C. BYRD. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order and the Senators will please take their seats.

Mr. ROBERT C. BYRD. Mr. President, first, let me thank the Senator from Alabama (Mr. ALLEN) and the Senator from Ohio (Mr. TAFT), and other Senators for assistance in the matter which had provided a bit of a roadblock which now has been removed.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if I might lay out the following proposal, I would thereby answer the distinguished Republican leader. Senators may wish to object if they so desire.

There have been 10 Senators who have approached me asking for 15-minute orders for in the morning. I wonder if I might be allowed in this one instance to suggest that we not have those 15-minute orders in the morning, with the exception of the distinguished Republican leader who wants to make his annual statement, and I will make one on behalf of Mr. MANSFIELD.

I will do whatever I can do tomorrow, as time goes on and if we have opportunity—if we do have—to see that those Senators have a chance to make remarks. This is not according to the way we usually do things here, but a good many of these statements can be placed in the RECORD because they are complimentary statements concerning other Senators, and so on.

Mr. HUGH SCOTT. An individual survey would indicate that Senators would be anxious to have certain things said, particularly of a favorable nature about their colleagues, a situation much to be desired, and I do not know if they could insert them in the interstices of debate or between debate.

Mr. ROBERT C. BYRD. The Senators may dislike me for it, but in this instance I will not proceed to get the orders for the morning because, otherwise, they will consume 2 precious hours.

Mr. HUGH SCOTT. I would think, in view of what we have tomorrow, that a motion to vacate might well be made, and then we will see what happens.

Mr. DOMENICI. Mr. President, will the Senator yield? Is one of the requests made by Senator HANSEN on behalf of himself and others?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Was that for 15 minutes?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. The Senator is not here, but we had a specific purpose in mind to share that 15 minutes by, I believe, at least five Senators.

Mr. ROBERT C. BYRD. We are coming in at 8 o'clock in the morning, and I wonder if the Senator would not——

Mr. DOMENICI. I did not imply that I was willing to lead off. [Laughter.]

If I could state, I imagine Senator HANSEN is No. 4 or 5?

Mr. ROBERT C. BYRD. Mr. President, I will proceed to get the orders for the Senators. We will come in at 7 o'clock.

Mr. HUGH SCOTT. There are people here in the Senate, people who are known as night persons, and there are others who are known as day persons, and in view of that situation, and because we want the Senators to be of good cheer and good temper tomorrow, and because it is the spirit of Christmas, I again suggest that the orders be vacated except for the request of the Senator from Wyoming (Mr. HANSEN), and that we then revert to the interstices of the Scott proposal as to the remainder, and come in at 8 o'clock which, of course, is the kicker in my proposal.

Mr. ROBERT C. BYRD. Mr. President, may I lay out my whole proposal before Senators have further questions?

TIME LIMITATION OF 40 MINUTES ON SUPPLEMENTAL APPROPRIATION BILL

Mr. President, after the orders for the recognition of Senators tomorrow, I would hope that by 9 o'clock the Senate could proceed to take up the urgent supplemental appropriation bill, which has been reported today out of the Appropriations Committee.

I ask unanimous consent that there be a time limitation on the bill of 40 minutes to be equally divided between the chairman of the committee and the ranking minority member of the Appropriations Committee.

CONTINUING RESOLUTION

TIME LIMITATION OF 1 HOUR ON RESOLUTION AND 3 HOURS ON HOLLINGS AMENDMENT AND OTHER AMENDMENTS OF 30 MINUTES

That immediately after that time has expired, and without a vote being taken, the Senate proceed to the consideration of the continuing resolution, with a time for debate on that resolution of one hour to be divided between Mr. INOUYE and Mr. YOUNG, with a time limitation on an amendment by Mr. HOLLINGS of 3 hours, with a time limitation on any other amendment thereto of 30 minutes, and on any debatable motion or appeal of 10 minutes, and the agreement in the usual form.

NO VOTES TO OCCUR PRIOR TO 12:30 P.M.

Provided further, that no votes occur prior to the hour of 12:30 p.m.

CONFERENCE REPORT ON THE EXPORT-IMPORT BANK AMENDMENT

That immediately following the disposition of the continuing resolution, the Senate take up the conference report on the Export-Import Bank Amendment with a time limitation thereon of 40 minutes to be equally divided between Mr. PACKWOOD and Mr. STEVENSON.

Mr. SCHWEIKER. Mr. President, since I am in opposition to the conference report and Mr. PACKWOOD is not——

Mr. ROBERT C. BYRD. Well, Mr. President, Mr. STEVENSON and Mr. SCHWEIKER.

Mr. PACKWOOD. I object. I object to that division of time.

Mr. ROBERT C. BYRD. Does the Senator have——

Mr. PACKWOOD. Between Senator STEVENSON and Senator SCHWEIKER.

Mr. HUGH SCOTT. How about 20 minutes extra for Mr. PACKWOOD.

I do not really see why we need 3 hours unless we are going to be affected by glossolalia.

Mr. ROBERT C. BYRD. I hope that some Senators will yield back some of the 3 hours on the Hollings amendment, but that was the best I could do on that. I got that down originally from 5 hours to 3 hours.

Mr. TOWER. Mr. President, will the Senator yield? I think this is a fair arrangement when the time is equally divided between the Democrat manager of the bill and the Republican manager of the bill. It seems to me that the people on either side can get the time they require from their respective Senators.

Mr. PASTORE. Mr. President, will the Senator yield? With the condition that no less than 20 minutes be allotted to Mr. SCHWEIKER out of the 3 hours.

Mr. ROBERT C. BYRD. This is something else. The 3 hours is on another matter.

Mr. TOWER. We are talking about 20 minutes to a side.

Mr. ROBERT C. BYRD. May I address the Senator from Oregon (Mr. PACKWOOD). What is his problem in regard to the division of time? Maybe we can accommodate him. What is his problem?

Mr. TOWER. If I may respond to the distinguished acting majority leader, it seems to me altogether fair that the majority manager of the bill and the minority manager of the bill share in the time, and that people can seek time from either side, depending on their disposition. The Senator from Pennsylvania, if he requires additional time, I would say, let us get consent that he will have time in addition to that allotted to the two managers.

Mr. ROBERT C. BYRD. Would the Senators allow the time to be under the charge of the acting majority leader and the Republican leader or their designees, and we will be fair with everybody?

Mr. JACKSON. Senator SCHWEIKER has agreed to that.

Mr. SPARKMAN. Mr. President, we really have three divisions over this, and I think that Senator PACKWOOD was, I may say, more or less in charge of the conference for the minority.

Mr. TOWER. That is correct.

Mr. SPARKMAN. And Senator STEVENSON, chairman of the subcommittee, was in charge of the majority.

Now we have all recognized all along that Mr. SCHWEIKER had an interest in this.

It seems to me that instead of saying 20 minutes to the side, there ought to be 20 minutes to this side, 20 minutes to this side, and an allowance of time for Mr. SCHWEIKER, and that we know now what it is going to be—perhaps 20 minutes.

Mr. SCHWEIKER. Fifteen minutes are adequate.

Mr. SPARKMAN. Fifteen.

Mr. PACKWOOD. All right.

Mr. SPARKMAN. I suggest that he have 15 minutes.

Mr. ROBERT C. BYRD. Mr. President,

I modify my request to accommodate Mr. Stevenson with 15 minutes, Mr. Schweiker with 15 minutes, and Mr. Packwood with 15 minutes.

Mr. JAVITS. Mr. President, reserving the right to object, it does not relate to this matter at all, but I did not hear the Senator say when he expected a vote on the supplemental appropriation bill.

Mr. ROBERT C. BYRD. Not before 12:30 p.m.

Mr. JAVITS. Will the Senator then follow the vote on the continuing resolution or whatever else there is at 12:30 with the vote on the supplemental?

ORDER FOR ROLLCALL VOTES TO OCCUR BEGINNING AT 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I would ask unanimous consent that any rollcall votes ordered prior to the hour of 12:30 p.m. tomorrow occur beginning at 12:30 p.m. and that they then occur in sequence as they are ordered, back to back, with the rollcall on each vote following the initial vote limited to 10 minutes.

Mr. HUMPHREY. Starting at 12:30.

The PRESIDING OFFICER. In all of these requests, is there objection? The Chair hears none.

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

There will be no more rollcall votes tonight.

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. GOLDWATER. I will yield to that request.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. ROBERT C. BYRD. Mr. President, would the Senator from Arizona ask for a quorum with the understanding he retain his right to the floor so we can get some quiet here?

Mr. GOLDWATER. I think it is fairly quiet right now.

Mr. ROBERT C. BYRD. Would the Senator ask for a quorum?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senators will clear the well.

Mr. ROBERT C. BYRD. If the Senators will just be patient, we will complete our work in an orderly way.

The PRESIDING OFFICER. Will the Senators in the Chamber please take their seats? Will the Senators please clear the well?

Mr. GOLDWATER. Mr. President, I ask——

The PRESIDING OFFICER. Would the Senator suspend until the Senate is in order?

The Senate is not in order.

The Senator from Arizona.

GRAND CANYON NATIONAL PARK, ARIZ.—CONFERENCE REPORT

Mr. GOLDWATER. Mr. President, I submit a report of the committee of conference on S. 1296, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Nunn). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of today.)

Mr. ROBERT C. BYRD. Mr. President, just for the record, I ask the distinguished Senator whether or not this matter has been cleared with appropriate Senators on this side of the aisle?

Mr. GOLDWATER. I will say to the leader that it has been cleared with the chairman of the full committee, with all the conferees, in fact I believe with every members of the Interior Committee.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. GOLDWATER. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, the Senator from Indiana has been waiting patiently and he called up the matter earlier today.

I understand that now he has cleared it with Senators on the other side of the aisle and I would ask unanimous consent he be permitted to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF FEDERAL LAW RELATING TO EXPLOSIVES

Mr. BAYH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1083.

The PRESIDING OFFICER (Mr. Nunn) laid before the Senate the amendment of the House of Representatives to the bill (S. 1083) to amend certain provisions of Federal law relating to explosives, as follows:

> Page 1, line 10, after "powder" insert: "in quantities not to exceed fifty pounds."

Mr. BAYH. Mr. President, the bill under consideration today, S. 1083—known as the "black powder bill"—is designed to eliminate serious hardships for the many thousands of Americans who use commercially produced black powder for recreational, cultural, and sporting purposes. When I introduced S. 1083 on March 1, 1973, I was pleased to be joined by the distinguished Senator from North Carolina (Mr. Ervin) and the distinguished Senator from Kentucky (Mr. Huddleston). After chairing full Judiciary Committee hearings on behalf of Chairman Eastland, the committee unanimously reported my bill to the Senate. As the floor manager of the measure, I was pleased to add the senior Senator from Alaska (Mr. Stevens), the junior Senator from Alaska (Mr. Gravel), the Senator from Kentucky (Mr. Cook), and the Senator from Texas (Mr. Tower) as cosponsors of the bill and especially proud of the successful 78 to 8 vote for passage of S. 1083 on July 13, 1973.

Mr. President, a detailed discussion of this measure is contained in my recent statement before the House Judiciary Committee, Subcommittee on Crime on November 26, 1974, and I ask unanimous consent that it appear in the Record at this point.

The PRESIDING OFFICER. Without objection it is so ordered.

STATEMENT OF SENATOR BIRCH BAYH

I want to thank the distinguished Chairman of this Subcommittee, Congressman Conyers, for giving me the opportunity to talk with you about S. 1083 which I introduced to eliminate serious hardships for the many thousands of Americans who use commercially produced black powder for recreational, cultural and sporting purposes.

I am pleased that on July 13, 1973, my colleagues in the Senate by a vote of 78–8 sent this measure to this House. Likewise, I have been gratified by the interest and support for this measure by members of this body, particularly Congressman Lee Hamilton of Indiana, who introduced one of the first of more than a dozen bills to accomplish similar purposes.

Under present Federal law, the purchase, possession, storage and transportation of commercially produced black powder in amounts larger than 5 pounds as well as certain igniters are subject to extensive regulations. My bill exempts these items from federal regulations for recreational, cultural and sporting purposes. In removing these burdens, however, the bill does not alter in any way the strict criminal penalties for the misuse of explosives, including black powder and igniters. These penalties, adopted by the Congress in 1970, are designed to prevent unlawful damage of property, intimidation, personal injury, and loss of life through the use of explosives. I believe that these terrible crimes must be punished swiftly and severely, as provided by present law.

I believe it is also important to know that existing Department of Transportation and Occupational Safety and Health Administration regulations restricting black powder; title II of the National Firearms Act which prohibits possession of unregistered bombs; and State laws regulating the possession, purchase, storage and use of black powder will be unaffected by S. 1083.

The issue we are considering today, the regulation of black powder, is not a new one.

In the 91st Congress, Senators McClellan and Hruska introduced a bill, S. 3650, to strengthen the Federal laws concerning the illegal use, transportation, and possession of explosives. During consideration of this measure, the Committee recognized the overly-broad scope of its provisions with regard to ammunition and materials used for sporting purposes. The Committee Report on S. 3650 notes that:

"The broad scope of the bill as originally introduced would have resulted in needlessly penalizing law abiding sportsmen who, because of the expense involved in purchasing ammunition and as a hobby, hand load their own shells to be used for legitimate sporting purposes. In addition, over 10,000 of our citizens legitimately use black powder, smokeless powder, primers and percussion caps in connection with sporting activities involving muzzle loaded rifles and other guns. To meet this problem, Senator Schweiker (cosponsored by 27 other Senators) introduced amendment No. 728 to S. 3650 (See 116 Cong. Rec. S. 9559 (daily ed. June 23, 1970)), and others contacted the subcommittee. Consequently, language has been added to the bill that would exempt from its coverage these kinds of legitimate sporting activities." (Senate Report 91–1215, 91st Cong., 2d Sess., pp. 8–9 (1970)).

While Senator Schweiker's amendment (No. 728) referred to in the Committee report provided an exemption for black powder in amounts not to exceed six pounds for use for lawful sporting purposes, the bill as reported by the Committee contained a complete exemption for black powder by excluding small arms ammunition and components intended for use therein from the definition of explosive.

The Senate accepted without debate the Committee amendments and adopted the bill by a vote of 68–0 on October 8, 1970. However, both Houses passed separate bills, with the Senate finally adopting the House version which did not give adequate recognition to the use of black powder for sporting purposes. Thus, despite the language of the explosives law as finally enacted, the legislative history of this important measure clearly indicates that the Senate thoroughly considered the issue of exempting black powder for sporting purposes and acted favorably upon such an exemption.

Title XI of the Organized Crime Control Act was enacted three years ago to meet an immediate, critical need to strengthen the Federal laws applicable to bomb explosions and bombing threats. The dangers posed by potential loss of life, destruction of property, intimidation, and the disruption of the daily activities of our people demanded strong, effective Congressional action to curtail these bombings. However, I am sure that these efforts to deter criminals from misusing explosives were not intended to penalize our law-abiding sportsmen.

Furthermore, experience has shown that the restrictions on black powder are not effective in curtailing bomb threats and bombing incidents. Studies conducted by the National Bomb Data Center have found that black powder is used in an insignificant number of bombings. During the period July 1970 through June 1971, 2,352 bombings were recorded by the Center, of which only 96 contained black powder. Even more significant is the fact that a comparison of bombing reports for the eight-month period preceding the effective date of Title XI (July 1970–February 1971 inclusive) and the eight-month period following that date (March 1971–October 1971 inclusive) reveals that the number of black powder bombs actually increased, as did the total number of bombs. However, the number of black powder bombs as a percentage of total bombs remained constant at about 3.7 percent. Thus, the restrictions placed on commercially manufactured black powder propellant have not had any demonstrable effect in reducing the incidence of black powder use for illegal purposes.

The Center study on bombing, conducted by the International Association of Chiefs of Police, was based on newspaper reports and field reports from law enforcement agencies. Although no information was obtained on the type of black powder used in the small number of reported bombings, it is probably that a large percentage of the black powder incidents involved homemade black powder. Commercially manufactured black powder has been extremely difficult to obtain, even for legitimate purposes, since the effective date of Title XI. As any school boy knows, black powder can easily be made from sulfur, saltpeter, and charcoal. However, as antique shooting sports enthusiasts know all too well, only the highest grade of propellant is suitable for muzzle-loading rifles and antique cannons.

The use of antique firearms and replicas of antique rifles and cannons is an integral part of the sporting, cultural, and recreational life of this country. Muzzle-loading rifles are used at meets throughout the nation by organizations such as the National Muzzle Loading Rifle Association and the North-South Skirmish Association. These include both team and individual competitions using various types of Civil War weapons and other antique firearms. Antique or replica muzzle-loading cannons are also used nationwide by various civic, Boy Scouts, and veterans groups in a variety of ceremonies, including flag-raising, centennial, sesquicentennial, and Fourth of July celebrations. Some 500,000 people are involved with the increasingly popular sport of muzzle-loading, collecting and shooting antique and replica firearms. Moreover, they are used by symphony orchestras in the performance of classical music, such as Tchaikovsky's *1812 Overture*. In addition, replicas are manufactured for historical groups and associations for use on historical restorative projects throughout the country. Thousands gather at numerous competitive target shooting events all over the country. In my own State of Indiana, organized competitions using antique muzzle-loading weapons are an important part of our recreational and sporting tradition. In fact, Friendship, Indiana attracts over 15,000 participants and spectators each year at muzzle-loading events.

I have never shot an antique cannon in my life, but I am not about to say that there is not a place for antique cannons, particularly as we approach our 200th birthday. If someone is firing antique cannons, are we going to say he is not performing a useful, recreational or cultural purpose? I am not about to say that.

Mr. Chairman, the purpose of S. 1083 is relatively simple. First, it is designed to remove the rather significant burden which has been imposed on those sportsmen, on those symphony directors, on those community directors who are today utilizing black powder for wholesome recreational and cultural purposes. The second point I want to emphasize is that this bill is in no way designed to jeopardize law enforcement efforts to prevent illegal activity using any kind of explosive, and it is not designed to prevent punishing those terrible deeds which bring destruction, pain, suffering, and loss of life.

I respectfully urge the members of the House Judiciary Committee to expeditiously approve S. 1083 in order to allow the House of Representatives to consider this important measure in the 93d Congress.

Mr. BAYH. The House version, which passed yesterday by a voice vote, is identical in purpose, but its provisions are slightly altered. Under present Federal law, the purchase, possession, storage, and transportation of black powder in amounts larger than 5 pounds as well as certain igniters are subject to extensive regulation. My bill would have removed these burdens for those engaging in the use of these materials for recreational, cultural, and sporting purposes without affecting in any way the strict criminal penalties for the misuse of explosives, including black powder and igniters. S. 1083, as amended by the House, however, limits access for such purposes to 50 pounds. (See H. Rept. No. 93–1570.)

I understand that most, in fact nearly all, who desire to use these materials for recreational, cultural, and sporting purposes will be greatly assisted by the passage of this version. In view of the rather considerable length of time that elapsed before the House of Representatives took this measure under consideration and since we are in the final hours of the 93d Congress, there is little doubt that this bill is the most that could be achieved during this Congress.

I would like to express special appreciation to Mr. John Rector, chief counsel of my Subcommittee to Investigate Juvenile Delinquency and its staff which had a significant part in the preparation and guidance of the bill and to Mr. Harry Weger of Terre Haute, Ind., Mr. Al Cors and Mr. Gary Butler of Lawrenceburg, Ind., who have provided invaluable assistance to me throughout the development and passage of this legislation.

The purpose of S. 1083 is relatively simple. First, it is designed to remove the rather significant burden which has been imposed on those sportsmen, on those symphony directors, on those community directors who are today utilizing black powder for wholesome recreational and cultural purposes. The second point I want to emphasize is that this bill is in no way designed to jeopardize law enforcement efforts to prevent illegal activity using any kind of explosive, and it is not designed to prevent punishing those terrible deeds which bring destruction, pain, suffering, and loss of life.

Mr. President, I have checked this out with Members of both sides of the aisle and find no disagreement, and heartly approve in the action that the House has taken, or at least I feel the Senate should concur in the House amendments, that that is better than the position we find ourselves in now, not as good as a Senate bill, but in the spirit of compromise, Mr. President, I move the Senate to concur in the House amendment.

Mr. JAVITS. Mr. President, may I have the attention of the Senator from Indiana?

Mr. BAYH. Yes.

Mr. JAVITS. Is this not a bill that relates to some problems we had, can the Senator state for the record how it has been treated?

Mr. BAYH. Yes. As the Senator will recall, the matter when it passed the Senate, the Senate concurred and adopted the bill which had been sponsored by the Senator from Indiana, the Senator from Alaska, the Senator from Kentucky, and several others, which would remove the 5-pound limit and would impose no limit.

The Senator from New York at that time, as I recall, was concerned about that.

I think he would probably approve of the House action which they imposed, a 50-pound limit, and that is what is in the bill and I move that the Senate adopt the amendment of the House.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana (Mr. BAYH).

The motion was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, in fairness to the other side of the aisle, I would ask that the Senator from Oklahoma be permitted to proceed for not to exceed 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma.

CONVEYANCE OF CERTAIN LAND TO INTER-TRIBAL COUNCIL, INC., MIAMI, OKLA.

Mr. BARTLETT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2888.

The PRESIDING OFFICER (Mr. NUNN) laid before the Senate the amendment of the House of Representatives to the bill (S. 2888) to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Okla., as follows:

Strike out all after the enacting clause, and insert: That (a) all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section are hereby declared to be held in trust by the United States for the Indian tribes described in and subject to section 2 of this Act.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24 east, lying north of the centerline of Highway Numbered 60, I.B.M., containing one hundred and fourteen acres, more or less, in Ottawa County, Oklahoma.

SEC. 2. The land referred to in section 1 shall be held in trust by the United States jointly for the Seneca-Cayuga Tribe of Oklahoma, Quapaw Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, Miami Tribe of Oklahoma, Peoria Tribe of Indians of Oklahoma, Ottawa Tribe of Oklahoma, Wyandotte Tribe of Oklahoma, and Modoc Tribe of Oklahoma: *Provided*, That the following tribes shall have no right or interest in such land (a) so long as they are subject to the provisions of law cited below and (b) if they are still subject to such provisions five years after enactment of this Act:

(1) Peoria Tribe of Indians—sections 3 and 4 of the Act of August 2, 1956 (70 Stat. 937; 25 U.S.C. 823 and 824);

(2) Ottawa Tribe of Oklahoma—sections 8 and 9 of the Act of August 3, 1956 (70 Stat. 963, 964; 25 U.S.C. 848 and 849); and

(3) Wyandotte Tribe of Oklahoma—sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 893, 896, 25 U.S.C. 803 and 804): *Provided further*, That the Modoc Tribe of Oklahoma shall have no right or interest in such lands (a) so long as the Modoc Indians in Oklahoma are subject to sections 18 and 19 of the Act of August 13, 1954 (68 Stat. 718, 722, 25 U.S.C. 564q and 564r), (b) until a Modoc Tribe of Oklahoma is organized and federally recognized, and (c) if five years after enactment of this Act, such Indians are still subject to such section and such tribe has not been so organized and recognized.

Mr. BARTLETT. Mr. President, while the House has amended S. 2888, the change is technical in nature and does not detract from the version of the bill as passed by the Senate. The amendment is acceptable to both the majority and minority sides of the aisle.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 2888.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma (Mr. BARTLETT).

The motion was agreed to.

CONVEYANCE OF CERTAIN LANDS FOR THE ABSENTEE SHAWNEE TRIBE OF INDIANS

Mr. BARTLETT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3358.

The PRESIDING OFFICER (Mr. NUNN) laid before the Senate the amendment of the House of Representatives to the bill (S. 3358) to authorize the conveyance of certain lands to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma as follows:

Strike out all after the enacting clause and insert: That the duly authorized tribal officials of the Absentee Shawnee Tribe of Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma the following described land and the improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

All that part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at a point 1,320 feet south and 726 feet west of the northeast corner of said northeast quarter southwest quarter; thence north 220.44 feet; thence west 594 feet to the point of intersection with the west line of said northeast quarter southwest quarter; thence north along the west line a distance of 439.56 feet to the midpoint of the west line of said northeast quarter southwest quarter; thence east a distance of 17 feet to the intersection of the west right-of-way line of Oklahoma State Highway Numbered 18; thence northeasterly along said west right-of-way line a distance of 493 feet; thence east 1,485 feet to the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said west right-of-way line a distance of 1,223 feet to a point in the south line of said northeast quarter southwest quarter, said point being 129 feet west of the southeast corner of said northeast quarter southwest quarter; thence west along the south line of said northeast quarter southwest quarter a distance of 597 feet to the point of beginning; containing 33.23 acres, more or less.

Mr. BARTLETT. Mr. President, while the House has amended the title to S. 3358, the change does not detract the version of the bill as passed by the Senate. The amendment is acceptable to both the majority and minority sides of the aisle.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 3358.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma (Mr. BARTLETT).

The motion was agreed to.

CERTAIN LAND IN TRUST FOR CHEYENNE-ARAPAHO TRIBES OF OKLAHOMA

Mr. BARTLETT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 521.

The PRESIDING OFFICER (Mr. NUNN) laid before the Senate the amendment of the House of Representatives to the bill (S. 521) to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma as follows:

Strike out all after the enacting clause and insert: That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

Beginning at the southwest corner of lot 2 in the northwest quarter of section 7, township 19 north, range 14 west of the Indian meridian, Dewey County, State of Oklahoma, thence east 20 rods, thence north 40 rods, thence west 20 rods to the west line of said lot 2, thence south 40 rods to the place of beginning, containing 5 acres, more or less.

SEC. 2. This conveyance is subject to existing rights-of-way for waterlines, electric transmission lines, roads, and railroads.

Mr. BARTLETT. Mr. President, while the House has amended S. 521, the change does not detract from the version of the bill as passed by the Senate. The amendment is acceptable to both the majority and minority sides of the aisle.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 521.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma (Mr. BARTLETT).

The motion was agreed to.

CONVEYANCE OF CERTAIN LANDS FOR THE CITIZEN BAND OF POTAWATOMI INDIANS OF OKLAHOMA

Mr. BARTLETT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3359.

The PRESIDING OFFICER (Mr. NUNN) laid before the Senate the amendments of the House of Representatives to the bill (S. 3359) to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma as follows:

Strike out all after the enacting clause, and insert: That the duly elected officials of the Citizen Band of Potawatomi Indians of Oklahoma are hereby authorized to convey to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma the following described lands and improvements thereon, subject to all valid existing rights, and the United States will accept such conveyance when approved by the Secretary of the Interior:

TRACT NUMBERED 1

The northeast quarter northeast quarter, southeast quarter northeast quarter, southwest quarter northeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 120.00 acres more or less.

Tract Numbered 2

That part of the northwest quarter southeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the southwest corner of said northwest quarter southeast quarter; thence east 1,320 feet; thence north 1,320 feet; thence west 1,320 feet to the center of said section; thence south 167 feet; thence east 183 feet to the intersection with the west line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along the west right-of-way line a distance of 856 feet to the intersection with a point in the west line of the northwest quarter southeast quarter, said point being 983 feet south of the center of section 31; thence south along the west line of the northwest quarter southeast quarter, a distance of 337 feet, to the point of beginning, containing 38.29 acres, more or less.

Tract Numbered 3

That part of the southeast quarter northwest quarter section 31, township 10 north, range 4 east, Indian meridian Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said southeast quarter northwest quarter; thence south 1,320 feet to the center of said section 31; thence west along the south line of said southeast quarter northwest quarter, a distance of 1,255.4 feet to the intersection with the centerline of Oklahoma State Highway Numbered 18; thence northwesterly along the centerline of the highway a distance of 660.58 feet to a point on the south line of the northwest quarter southeast quarter northwest quarter; thence east 38 feet to the intersection with the east right-of-way line of Oklahoma State Highway Numbered 18; thence northwesterly along the east right-of-way line to a point in the north line of said southeast quarter northwest quarter, said point being 58 feet east of the northwest corner of said southeast quarter northwest quarter; thence east a distance of 1,262 feet to the point of beginning; containing 38.63 acres, more or less.

Tract Numbered 4

That part of the northeast quarter southeast quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described as: Beginning at the northeast corner of said northeast quarter southwest quarter, said point being the center of section 31; thence south 167 feet; thence west 1,302 feet to the intersection with the west line of the right-of-way of Oklahoma State Highway Numbered 18; thence northeasterly along the west right-of-way line a distance of 167 feet to the north line of said northeast quarter southwest quarter; thence east along said north line a distance 1,297.4 feet to the point of beginning; containing 4.678 acres, more or less.

Tract Numbered 5

That part of the northeast quarter southwest quarter section 31, township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, described, as: Beginning at the southeast corner of said northeast quarter southwest quarter; thence north along the east line of said northeast quarter southwest quarter a distance of 337 feet to the intersection with the west right-of-way line of the Atchison, Topeka, and Santa Fe Railroad right-of-way; thence southwesterly along said west right-of-way line a distance of 367 feet to the intersection with the south line of said northeast quarter southwest quarter; thence east along the south line a distance of 129 feet to the point of beginning; containing .498 acre, more or less.

Tract Numbered 6

The reserved mineral deposits, including the right to prospect for and remove the same, in and under lands described as the south half of lot 2 (southwest quarter northwest quarter), and that part of the southwest quarter southeast quarter northwest quarter lying west of the centerline of Oklahoma State Highway Numbered 18 and adjacent to the south half of said lot 2, all in section 31; township 10 north, range 4 east, Indian meridian, Pottawatomie County, Oklahoma, containing 19.87 acres, more or less, which lands were previously conveyed to Pottawatomie County, Oklahoma, by quitclaim deed dated December 17, 1959, pursuant to the Act of June 4, 1953 (67 Stat. 71; 25 U.S.C. 293a), said deed appearing of record in Pottawatomie County, Oklahoma, in deed book 174 at page 367 of the land records of said county.

Tract Numbered 7

That part of lot 1 (northwest quarter of northwest quarter) and north half of lot 2 (north half of southwest quarter of northwest quarter) and the part of the north half of the southeast quarter of the northwest quarter lying west of the east right-of-way line of Oklahoma State Highway Numbered 18, all in section 31, township 10 north, range 4 east of the Indian meridian, Pottawatomie County, Oklahoma, containing 57.99 acres, more or less, subject to the right of the Absentee Shawnee Tribe of Indians of Oklahoma, the Sac and Fox Tribe of Indians of Oklahoma, the Kickapoo Tribe of Indians of Oklahoma, and the Iowa Tribe of Indians of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon.

Amend the title so as to read: "An Act to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians."

Mr. BARTLETT. Mr. President, while the House has amended S. 3359, the change is technical in nature and does not detract from the version of the bill as passed by the Senate. The amendment is acceptable to both the majority and minority sides of the aisle.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 3359.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma (Mr. Bartlett).

The motion was agreed to.

Mr. BARTLETT. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from Minnesota would allow me, I would like to suggest that the distinguished Senator from North Carolina be recognized at this time.

FEDERAL PRIVACY ACT

Mr. ERVIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3418.

The PRESIDING OFFICER (Mr. Nunn) laid before the Senate the amendments of the House of Representatives to the amendments of the Senate to the amendments of the House to the bill (S. 3418) to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes as follows:

(1) Page 16, strike out lines 1 through 10, inclusive, and insert:

"(6) prior to disseminating any record about an individual to any person other than an agency, unless the dissemination is made pursuant to subsection (b)(2) of this section, make reasonable efforts to assure that such records are accurate, complete, timely, and relevant for agency purposes;

"(7) maintain no record describing how any individual exercises rights guaranteed by the First Amendment unless expressly authorized by statute or by the individual about whom the record is maintained or unless pertinent to and within the scope of an authorized law enforcement activity;

(2) Page 24, strike out all after line 10 over to and including line 24 on page 25, and insert:

"(j) General Exemptions.—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of sections 553(b)(1), (2), and (3), (c), and (e) of this title, to exempt any system of records within the agency from any part of this section except subsections (b), (c)(1) and (2), (e)(4)(A) through (F), (e)(6), (7), (9), (10), and (11), and (i) if the system of records is—

"(1) maintained by the Central Intelligence Agency; or

"(2) maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities, and which consists of (A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; (B) information compelled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

At the time rules are adopted under this subsection, the agency shall include in the statement required under section 553(c) of this title, the reasons why the system of records is to be exempted from a provision of this section."

(3) Page 42, strike out lines 11 through 21, and insert:

"(h)(1) Any member, officer, or employee of the Commission, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

"(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from the Commission under false pretenses shall be guilty of a misdemeanor and fined not more than $5,000."

Mr. ERVIN. Mr. President, the House amendments to the Senate amendments to the House amendments are merely technical in nature and there is no opposition to them, so far as I can find.

I would therefore move that the Senate concur in the House amendments to the Senate amendments to the House amendments.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from North Carolina (Mr. Ervin).

The motion was agreed to.

ALLEVIATION OF SUFFERING FROM HUNGER AND MALNUTRITION—S. 2792

Mr. **HUMPHREY.** Mr. President, there is at the desk a report from the Committee on Agriculture and Forestry relating to the modification of Public Law 480, a bill that was unanimously reported by the Committee on Agriculture and Forestry, which has the support of the President and the Office of Management and Budget.

I ask unanimous consent for the immediate consideration of the bill.

The **PRESIDING OFFICER.** Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill (S. 2792) to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility with which to participate in efforts to alleviate the suffering and human misery of hunger and malnutrition which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

PUBLIC LAW 480

Section 1. The last sentence of section 401 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the period and inserting in lieu thereof a comma and the following: "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of this Act: *Provided*, That no commodity may be made available for disposition under this Act to any country in any fiscal year unless the Secretary determines, and certifies such determination to the Congress, that all domestic feeding programs, including, but not limited to, the programs provided for under the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, will be provided in such fiscal year with the same types and kinds of agricultural commodities and in the same or greater quantities at which each such type and kind of commodity was provided for such programs during the fiscal year ending June 30, 1974, and in determining the types, kinds, and quantities of commodities made available for any such program during the fiscal year ending June 30, 1974, the Secretary shall include commodities made available from every source, including, but not limited to, those made available under section 416 of the Agricultural Act of 1949, those made available with funds from section 32 of the Act of August 24, 1935, and those made avaliable with funds of the Commodity Credit Corporation as authorized by section 709 of the Food and Agriculture Act of 1965."

FOOD STAMP ACT

Sec. 2. Section 4(a) of the Food Stamp Act of 1964, as amended, is amended by striking out the period at the end thereof and adding the following: "*Provided*, That effective March 1, 1975, no less than 20 per centum of the total value of coupons issued to an eligible household during each month or other time period shall be so coded as to be usable only for the purchase of beef, pork, poultry or dairy products unless the State agency finds that such coding is impractical with regard to a specific household.".

Amend the title so as to read: "A bill to amend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes."

The amendments was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes."

Mr. **HUMPHREY.** Mr. President, I ask unanimous consent that an excerpt from the report of the committee (No. 99–1183) be printed in the Record, which will save us some time and will help explain the purposes.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

SHORT EXPLANATION

This bill would—

(1) permit the Secretary of Agriculture to waive the availability criteria for commodities which may be disposed of under the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480) if he determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of the Act;

(2) require the Secretary of Agriculture to determine and certify that all domestic feeding programs will be provided with the same types and kinds of agricultural commodities at not less than the levels provided in fiscal year 1974 before being made available under P. L. 480; and

(3) amend the Food Stamp Act to require that effective March 1, 1975, not less than 20 percent of the total value of coupons issued to eligible households be usable only for beef, pork, poultry, or dairy product purchases.

COMMITTEE AMENDMENT

The Committee amended S. 2792 in two major respects. First, it would require the Secretary of Agriculture to determine and certify that all domestic feeding programs will be provided with the same types and kinds of agricultural commodities at not less than the levels provided in fiscal year 1974 before being made available under P. L. 480; and second, it amended the Food Stamp Act to require that effective March 1, 1975, not less than 20 percent of the total value of coupons issued to eligible households be usable only for beef, pork, poultry, or dairy product purchases.

BACKGROUND

The last sentence of section 401 of Public Law 480 provides that "no commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity."

The bill would add to the last sentence of section 401 the words "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of this Act," with the proviso that no agricultural commodity may be made available for disposition under this Act to any foreign country in any fiscal year unless the Secretary determines, and certifies such determination to the Congress, that all domestic feeding programs, including, but not limited to, the programs provided for under the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, will be provided in such fiscal year with the same types and kinds of agricultural commodities and in the same or greater quantities at which each such type and kind of commodity was provided for such programs during the fiscal year ending June 30, 1974.

The Committee is extremely concerned about the hardship that will be imposed on food stamp recipients as a result of the new food stamp regulations issued on December 6, 1974. These regulations, which will require that all food stamp recipients pay 30 percent of their adjusted net monthly income for food stamps, will substantially increase the amount of money that many poverty level families will have to pay for the food stamps. In some cases, especially in the case of single individuals receiving social security payments, the monthly purchase requirement will be increased so much that the food stamp bonus will not be worthwhile. The poverty level families who are currently receiving food stamps have been most cruelly affected by the current inflationary spiral. The added burden of the increased purchase requirement for food stamps is unthinkable. Therefore, the Committee hopes that the administration will forego the implementation of these regulations until Congress has an opportunity to consider legislation on this subject next year.

The Committee also noted that while vegetable protein supplies are currently at below normal levels in relation to demand, there is a surplus of animal protein in the United States. Consequently, the Committee urges the President and his advisers to explore all possible avenues with regard to the use of meat, poultry, and dairy products under Public Law 480 and other United States Government food aid programs.

In addition, the Committee adopted an amendment to S. 2792 with regard to the Food Stamp Act of 1964. This amendment provides that no less than 20 percent of the total value of food stamps issued after March 1, 1975 to eligible households be coded so as to be usable only for the purchase of beef, pork, poultry, or dairy products. The amendment authorizes the administering State agency to make exceptions to this requirement in cases where it is impractical with regard to a specific household.

The Food Stamp Act provides that coupons shall be issued in such amount as the Secretary of Agriculture determines to be the cost of a nutritionally adequate diet. It has been determined that about 15 percent of the value of a nutritionally adequate diet involves the cost of beef, pork, or poultry. The Committee strongly believes in the nutritional value of dairy products also, and, therefore, included these products in the requirement.

In a letter to the President pro tempore of the Senate dated November 18, 1974, the Administration urged the enactment of legislation almost identical to S. 2792. Under the Administration's proposal, the last sentence of section 401 of Public Law 480 would be amended by adding the words "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest or humanitarian objectives of this Act."

TRANSACTION OF ROUTINE MORNING BUSINESS

(By unanimous consent the Senate transacted the following routine morning business today.)

MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT OF THE SENATE

Under authority of the order of December 17, 1974, a message from the President of the United States was received on December 17, 1974, during the adjournment of the Senate.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 10:02 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 425. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes.

S. 2343. An act to authorize the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands.

S. 3191. An act to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force.

S. 4013. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

H.R. 7978. An act to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Hualapai Reservation, Arizona and for other purposes.

H.R. 8193. An act to regulate commerce and strengthen national security by requiring that a percentage of the oil imported into the United States be transported on United States-flag vessels.

H.R. 8864. An act to amend the Act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys.

S.J. Res. 224. A joint resolution to authorize and request the President to issue a proclamation designating January 1975, as "March of Dimes Birth Defects Prevention Month".

S.J. Res. 260. A joint resolution relative to the convening of the first session of the Ninety-fourth Congress.

The enrolled bills and joint resolutions were subsequently signed by the Acting President pro tempore (Mr. JOHNSTON).

At 12:45 p.m., a message from the House by Mr. Hackney, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the National Wild and Scenic Rivers System; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TAYLOR of North Carolina, Mr. JOHNSON of California, Mr. RONCALIO of Wyoming, Mr. SKUBITZ, and Mr. STEIGER of Arizona were appointed managers of the conference on the part of the House.

The message also announced that the House insists upon its amendments to the bill (S. 1728) to increase benefits provided to American civilian internees in Southeast Asia, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. MOSS, Mr. STUCKEY, Mr. ECKHARDT, Mr. BROYHILL of North Carolina, Mr. WARE, and Mr. MCCOLLISTER were appointed managers of the conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities.

The message also announced that the House has passed the bill (S. 521) to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (S. 1083) to amend certain provisions of Federal law relating to explosives, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 16609) to amend Public Law 93-276 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 5773) to establish the Canaveral National Seashore in the State of Florida, and for other purposes.

The message further announced that the Speaker has appointed as a member of the District of Columbia Law Revision Commission Mrs. Patricia Roberts Harris, from Washington, D.C., pursuant to the provisions of section 2(a), Public Law 93-379.

The message also announced that the minority leader, pursuant to the provisions of section 2(a), Public Law 93-379, has appointed as a member of the District of Columbia Law Revision Commission, the Honorable HENRY P. SMITH.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 11607. An act for the relief of Tri-State Motor Transit Co.; and

H.R. 13869. An act for the relief of Carl C. Strauss and Mary Ann Strauss.

The message also announced that the House has passed the following bills, with amendments, in which it requests the concurrence of the Senate:

S. 2888. An act to convey certain land of the United States to the Inter-Tribal Council, Incorporated, Miami, Okla.;

S. 3358. An act to authorize the conveyance of certain lands to the United States in trust for the Absentee Shawnee Tribe of Indians of Oklahoma;

S. 251. An act for the relief of Frank P. Muto, Alphonso A. Muto, Arthur E. Scott, and F. Clyde Wilkinson;

S. 663. An act to improve judicial machinery by amending title 28, United States Code, with respect to judicial review of decisions of the Interstate Commerce Commission and for other purposes; and

S. 3548. An act to establish the Harry S. Truman memorial scholarship, and for other purposes.

The message further announced that the House insists upon its amendment to the bill (S. 2994) to amend the Public Health Service Act to assure the development of a national health policy and of effective State and area health planning and resources development programs, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. DEVINE, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT were appointed managers of the conference on the part of the House.

At 3:38 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 15173) to extend for 1½ years the authority of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the House has passed the joint resolution (H.J. Res. 1178) making further continuing appropriations for the fiscal year 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States; agrees to the conference requested by the Senate on the disagreeing votes of the two

Houses thereon; and that Mr. ULLMAN, Mr. BURKE of Massachusetts, Mrs. GRIFFITHS, Mr. ROSTENKOWSKI, Mr. SCHNEEBELI, Mr. CONABLE, and Mr. PETTIS were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. ROSTENKOWSKI, Mr. LANDRUM, Mr. SCHNEEBELI, Mr. BROYHILL of Virginia, and Mr. CONABLE were appointed managers of the conference on the part of the House.

At 4:53 p.m., a message from the House of Representatives by Mr. Berry announced that the House has passed the bill (H.R. 17655) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate to the amendments of the House to the resolution (S.J. Res. 133) to provide for the establishment of the American Indian Policy Review Commission.

At 5:35 p.m., a message from the House of Representatives by Mr. Hackney announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 3418) to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 12113) to revise and restate certain functions and duties of the Comptroller General of the United States and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 14718) to discontinue or modify certain reporting requirements of law.

The message also announced that the House has passed the bill (S. 3359) to authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma with amendments in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes.

The message also announced that the House has passed the joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16596) to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 12884) to designate certain lands as wilderness, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the Speaker has signed the following enrolled bills and joint resolution:

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

S. 184. An act to authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union.

S. 194. An act to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands.

S. 1357. An act for the relief of Mary Red Head.

S. 2125. An act to amend the Act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended.

S. 2594. An act for the relief of Jan Sejna.

S. 2838. An act for the relief of Michael D. Manemann.

S. 3341. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes.

S. 3397. An act for the relief of Jose Ismarnado Reyes-Morelos.

S. 3489. An act to authorize exchange of lands adjacent to the Teton National Forest in Wyoming, and for other purposes.

S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada.

S. 3574. An act to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Arizona.

S. 3578. An act for the relief of Anita Tomasi.

S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colorado.

S.J. Res. 234. A joint resolution transferring to the State of Alaska certain archives and records in the custody of the National Archives of the United States.

The ACTING PRESIDENT pro tempore (Mr. JOHNSTON) subsequently signed the enrolled bills and joint resolution.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. JOHNSTON) laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to exempt certain youth organizations, fraternities, and sororities from the operation of title IX of the Education Amendments of 1972, and for other purposes (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORT OF VIOLATIONS OF ANTI-DEFICIENCY ACT

A letter from the Secretary of Defense transmitting, pursuant to law, a report of violation of Anti-Deficiency Act and of Department of Defense Directive 7200.1 (with an accompanying report). Referred to the Committee on Appropriations.

REPORT OF THE ATTORNEY GENERAL

A letter from the Attorney General transmitting, pursuant to law, a report on identical bidding in advertised public procurement (with an accompanying report). Referred to the Committee on the Judiciary.

OPINION OF THE U.S. COURT OF CLAIMS

A letter from the Chief Commissioner of the U.S. Court of Claims transmitting a copy of the opinion and findings of fact in the case of Concrete Industries (Monier) Limited v. United States (with accompanying papers. Referred to the Committee on the Judiciary.

REPORT OF THE COMMISSION OF CIVIL RIGHTS

A letter from the Civil Rights Commission transmitting, pursuant to law, a report of the Commission entitled "The Federal Civil Rights Enforcement Effort—1974)" (with an accompanying report). Referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 466. An original resolution to pay a gratuity to Reginald C. Vines.

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, without amendment:

H. R. 510. A bill to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Georgia, to the Jasper County Board of Education (Rept. No. 93–1403).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 544. A bill to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes (Rept. No. 93–1404).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H. J. Res. 1178. A joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93–1405).

By Mr. McCLELLAN, from the Committee on Appropriations, with an amendment:

H. J. Res. 1180. A joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1406).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, without amendment:

S. Res. 467. A resolution relating to agricultural credit and the current liquidity problem facing agricultural borrowers that threatens the viability of agriculture, rural communities, and the national economy. (Rept. No. 93-1407).

By Mr. NUNN, from the Committee on Armed Services, without amendment:

H.R. 11144. An act to amend title 10, United States Code, to enable the Naval Sea Cadet Corps and the Young Marines of the Marine Corps League to obtain, to the same extent as the Boy Scouts of America, obsolete and surplus naval material (Rept. No. 93-1410).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with amendments:

S. 4206. A bill to provide price support for milk at not less than 90 per centum of the parity price thereof, and for other purposes (Rept. No. 93-1411).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with amendments:

S. 2792. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility with which to participate in efforts to alleviate the suffering and human misery of hunger and malnutrition (Rept. No. 93-1412).

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES—SENATE JOINT RESOLUTION 40—CONFERENCE REPORT (REPT. NO. 93-1409)

Mr. PELL submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, which was ordered to be printed.

CONSUMER PRODUCT WARRANTY AND FEDERAL TRADE COMMISSION IMPROVEMENT ACT CONFERENCE REPORT (REPT. NO. 93-1408)—S. 356

Mr. MAGNUSON submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

Wilson K. Talley, of California, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Marcus A. Rowden, of Maryland;
Edward A. Mason, of Massachusetts;
Victor Gilinsky, of California; and
Richard T. Kennedy, of the District of Columbia, to be members of the Nuclear Regulatory Commission.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Edward S. King, of New York, to be U.S. marshal for the western district of New York.

Ronald C. Romans, of Nebraska, to be U.S. marshal for the district of Nebraska.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

William S. Sessions, of Texas, to be U.S. district judge for the western district of Texas.

J. Calvitt Clarke, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

William J. Bauer, of Illinois, to be U.S. circuit judge for the seventh circuit.

Alfred Y. Kirkland, of Illinois, to be U.S. district judge for the northern district of Illinois.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 392

At the request of Mr. Taft, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of Senate Resolution 392, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 1178) making further continuing appropriations for the fiscal year 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

The joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, December 18, 1974, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 425. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

S. 939. An act to amend the Admission Act for the State of Idaho to permit that State to exchange public lands, and for other purposes.

S. 2343. An act to authorizes the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands.

S. 3191. An act to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force.

S. 4013. An act to amend the Act incorporating the American Legion so as to redefine eligibility for membership therein.

S. J.Res. 224. A joint resolution to authorize and request the President to isue a proclamation designating January 1975, as "March of Dimes Birth Defects Prevention Month".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOSS:

S. 4246. A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes. Referred to the Committee on Commerce.

By Mr. PERCY:

S. 4247. A bill to amend the Internal Revenue Code of 1954 to increase the Federal excise tax on gasoline, to make such tax, as increased, a permanent tax, to provide that revenues derived from the increase in, and extension of, such tax are appropriated to the general fund rather than to the Highway Trust Fund, and to provide a credit for the increased tax paid with respect to not more than 500 gallons of gasoline purchased each year by a taxpayer;

S. 4248. A bill to repeal deduction for gasoline taxes;

S. 4249. A bill to terminate the Highway Trust Fund;

S. 4250. A bill to establish an automobile efficiency tax incentive program, and for other purposes; to the Committee on Finance.

S. 4251. A bill to amend title 23 of the United States Code in order to provide for standards for the enforcement of any maximum speed limit on any public highway required pursuant to Federal law. Referred to the Committee on Public Works.

By Mr. ERVIN (for himself, Mr. Mathias, Mr. Kennedy, Mr. Bayh, and Mr. Tunney):

S. 4252. A bill to protect the constitutional rights and privacy of individuals upon whom criminal justice information and criminal justice intelligence information have been collected and to control the collection and dissemination of criminal justice information and criminal justice intelligence information, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S. 4253. A bill to amend the Council on Wage and Price Stability Act to provide the Council the authority to issue subpenas and to delay inflationary wage or price increases. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ERVIN (for himself, Mr. MATHIAS, Mr. KENNEDY, Mr. BAYH, and Mr. TUNNEY):

S. 4252. A bill to protect the constitutional rights and privacy of individuals upon whom criminal justice information and criminal justice intelligence information have been collected and to control the collection and dissemination of criminal justice information and criminal justice intelligence information, and for other purposes. Referred to the Committee on the Judiciary.

CRIMINAL JUSTICE DATA BANKS LEGISLATION

Mr. ERVIN. Mr. President, one of my great disappointments in leaving the Senate and the chairmanship of the Subcommittee on Constitutional Rights is that the subcommittee never finished its work on criminal justice data banks legislation. In February of this year my friend and colleague, the senior Senator from Nebraska and I introduced two bills, S. 2963 and S. 2964, legislation prepared by our staffs and the Department of Justice to regulate the collection and exchange of criminal justice records, investigative and intelligence files. We held hearings on that legislation a month later in which we heard from over 30 witnesses.

In the course of those hearings it became clear that there were at least three basic interests which must be protected by this legislation. The first interest is the right of an individual who has a file or record maintained by a law enforcement agency not to have his reputation sullied by improper dissemination of inaccurate or incomplete information. Second, there is the interest of law enforcement agencies to assure that this legislation not interfere unnecessarily with the administration of their departments. Third, members of the press and the public have a right to have access to certain records maintained by law enforcement agencies which are public in nature.

Senator HRUSKA, I, and the rest of the subcommittee have struggled with balancing these basic interests for the past 10 months. I regret to announce that despite the preparation of at least four different working drafts by the subcommittee staff we have not reached agreement on a bill. However, the most recent drafts of the legislation have been circulated to representatives of the news media and law enforcement and based on preliminary responses by some media and law enforcement groups, Senator HRUSKA, and the Department of Justice, I am confident that this latest draft could serve as the basis for a consensus on this legislation. The legislation I introduce today reflects the latest draft upon which we were working as the session ends.

An example of the growing consensus on this legislation is the fact that Project SEARCH, a national criminal justice organization composed of one gubernatorial representative from each State has endorsed the provisions of this bill. Project SEARCH's endorsement of this legislation is particularly significant because it was instrumental in developing the original prototype for a national criminal justice data bank. Indeed, SEARCH probably has more criminal justice expertise on the subject matter of this legislation than any other group of its kind.

I ask unanimous consent that a resolution of SEARCH endorsing this legislation be inserted at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SUGGESTIONS AND RECOMMENDATIONS OF SEARCH GROUP TO COMMITTEE PRINT NO. 3 OF SENATE BILL 2963

The members of SEARCH Group appreciate the recognition given by the Senate Judiciary Committee's Subcommittee on Constitutional Rights to the extensive studies and efforts conducted by SEARCH over the last five years on the subject of security and privacy in criminal justice information systems. The careful consideration given by the Committee to the policy recommendations of SEARCH as set forth in the testimony of its Chairman and in various SEARCH documents is rewarding. SEARCH is pleased to note that many of these recommendations have been incorporated in the language of S. 2963 as revised since the hearings.

The SEARCH Membership Group has reviewed Committee Print No. 3, dated September 20, 1974, from the perspective of state and local criminal justice agencies. The Group wishes to reemphasize its conviction that federal legislation on this subject is vitally needed. As the Committee Chairman and others have pointed out, confusion and inconsistency in the implementation and operation of criminal justice information systems will continue until the Congress has adopted national standards.

Based on its review, SEARCH finds the bill to be generally in the best interest of the criminal justice community and endorses it with the following strong suggestions and recommendations concerning the major provisions of the bill:*

1. *Law Enforcement Uses of Arrest Records.* (*Section 201.*)

SEARCH Group finds that the circumstances enumerated for the use of arrest records are sufficient. Consequently, SEARCH Group endorses the provisions of subsection (b)(2) of section 201.

2. *Use of Criminal Justice Records for Non-Law Enforcement Purposes.* (*Section 203.*)

SEARCH Group recommends deletion of the provision that a federal executive order is sufficient to authorize access to criminal justice information for non-law enforcement purposes. SEARCH Group suggests that federal and state statutes be the only proper basis for providing all such access.

3. *Access to Arrest Records.* (*Section 206.*)

Section 206(a).

SEARCH Group recommends against the requirement for positive (fingerprint-based) identification as the basis for inquiry of automated systems. Were this the case, it would severely limit the usefulness of the system for investigative purposes and for the uses described in Section 201. Preferable language would permit pre-arrest inquiry based on individual identifiers even though a positive identification may not be possible. However, post-arrest decisions concerning the individual that rely on criminal justice information should be based on information obtained only on the basis of fingerprints or other positive identification.

Section 206(b).

SEARCH Group recommends against the requirement that class access to arrest records be authorized by a court-issued access warrant. Given the other provisions of the bill governing the retention and use of arrest records, the procedures for class access to arrest records should be the same as for conviction records.

4. *Accuracy of Criminal Justice Information.* (*Section 207(b).*)

SEARCH Group recommends against the requirement that automated information systems must, before disseminating an arrest record, check first with the law enforcement agency which contributed the arrest record to determine whether a disposition is available. Automatically checking with the arresting agency for dispositions is contrary to the more logical approach of placing primary responsibility for supplying disposition data on courts and other agencies. This is particularly true in view of the Act's requirement to withhold arrest data where dispositions are not submitted and on the time limits in the Act beyond which such data cannot be disseminated. This recommendation is especially valid if the following recommendations on sealing is adopted.

5. *Sealing and Purging.* (*Section 208.*)

SEARCH Group endorses the sealing provision of S. 2963, provided that the 5-year period for sealing arrest records that are not prosecuted or where no conviction occurs be changed to 2 years.

6. *Access for Challenge.* (*Section 209.*)

SEARCH Group assumes that regulations will be issued under section 207(c)(1) of the Act that specify time periods for retention of dissemination records covered by the Act rather than requiring such records to be maintained indefinitely. Under this assumption, SEARCH Group endorses this section with the following changes:

(a) The agency to which the challenge is made shall give notice of the challenge to all persons or agencies to whom it disseminates the record after the challenge is made;

(b) If an individual prevails in his challenge, he may, upon request, obtain a list of the names of individuals and/or agencies to whom the incomplete or inaccurate records have been disseminated during the period for which such records must be maintained under other provisions of the Act;

(c) If the challenge prevails, the agency to which it was made shall be required to give notice of the correction to all persons or agencies to whom it disseminated the record during the period the Act requires such records to be maintained, and to request that those persons and agencies correct the record and notify others to whom they have disseminated the record to do likewise.

7. *Intelligence Information.* (*Section 210.*)

SEARCH Group recommends a modification of subsection (f) which prohibits direct remote terminal access to automated intelligence files on an inter-agency basis unless subsequently authorized by law. Although allegations and uncorroborated data should not be directly accessible by automated means to agencies outside of the collecting agency, there is a strong need to permit computer-based sharing of information already in the public domain and to enable investigators to determine the identity of other agencies which might hold additional information that might be obtained by personal contact. Such an index or "pointer" system would be very helpful in coordinating the investigation and prosecution or organized crime members whose mobility is well-known. Therefore, SEARCH Group recommends that a limited capability for the automated interstate exchange of identification and specified public record data be authorized by the Act.

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*The SEARCH Membership Group adopted this position on a vote of 31 for, 5 against, and one abstention.

8. *Criminal Justice Information Systems Board.* (*Section 310.*)

SEARCH Group endorses the concept of a governing board composed of federal and state representatives with administrative and enforcement responsibility for implementation of the Act, provided that—

(a) A majority of the members be officials of state and local criminal justice agencies representative of a full spectrum of the criminal justice system;

(b) The membership of the Board include private citizens; and

(c) The Board have authority to issue and enforce regulations governing state, local and interstate systems and records to the extent of federal participation in federal-state systems such as the national interstate system created by section 307.

In addition, some mechanism should be developed to clarify the apparent intent of the Act that the Board focus its efforts on state, local and interstate information systems. Regulations dealing with exclusively federal systems should be developed through some alternative means, such as by order of the President or by a separate Federal CJIS Board.

9. *CJIS Advisory Committee.* (*Section 302.*)

SEARCH Group advises against the statutory creation of a new national committee, since its authority would be merely hortatory and its staff functions would be largely duplicative of the activities of the Board. Instead, it is recommended that the advisory role be handled by a statutory requirement that the Board consult with SEARCH Group before issuing regulations, interpretations, procedures and the like that impact on state, local or interstate systems.

Since SEARCH Group consists of members appointed by the governors of all 50 states and the several territories and has for several years provided broad representation for the views of all segments of the criminal justice system, it already has considerable expertise in acting as exactly the sort of forum for the presentation of state and local views to the Congress and federal agencies as was envisioned by the drafters of section 302.

10. *Wanted Persons Information.* (*Section 304.*)

SEARCH Group recommends appropriate modification of the provisions of section 304 and a related provision in section 301(d)(2) to permit the dissemination of wanted persons information to criminal justice agencies located in states that have failed to satisfy the requirements of section 304. These modifications should make it clear that the CJIS Board may not prohibit such disseminations solely on the basis of failure to comply with section 304.

11. *National Criminal Justice Information System.* (*Section 307.*)

SEARCH Group agrees with the concept of maintaining only an index of state records at the federal level. However, the practicalities of operating state systems have demonstrated that it is more economical to allow the federal system to maintain records of offenders active in more than one state in addition to records of federal offenders. Consequently, SEARCH Group recommends that section 307 be amended to permit the national index to maintain records of individuals with violations in two or more states.

Mr. ERVIN. Incidentally, the SEARCH resolution refers to committee print 3 of S. 2963 and also suggests a number of changes in that bill as a condition of its support. The bill I introduce today contains all of the provisions of committee print 3 plus all of the changes requested by SEARCH.

I understand that SEARCH is not the only law enforcement organization considering endorsement of this legislation. The National Conference of Criminal Justice Administrators, composed of the LEAA State Planning Administrators from each State, are considering endorsement of this legislation.

There is also support beginning to emerge among press organizations. For example, the staff of the subcommittee has been working very closely with the American Society of Newspaper Editors and the American Newspaper Publishers Association. Although neither group has endorsed the bill it is my understanding that they would not oppose a bill containing the provisions of the bill I have introduced today.

In conclusion, it was clear from the hearings we held in March that there is a consensus within law enforcement, within the administration including the Justice Department and the FBI, as well as among the members of the subcommittee, that legislation in this field is absolutely essential. From a law enforcement point of view progress on the development of a system of nationwide exchange of records is impossible without the development of a uniform body of law on the subject. From the point of view of the individual data subject only Federal legislation can provide a comprehensive legal protection of his right to privacy and protection of his reputation. Finally, there is emerging a consensus among interested parties on this legislation. Therefore, I hope that the members of the subcommittee, its new chairman, and the rest of my colleagues in the Senate will seriously consider reintroducing this bill next Congress and acting on it or a variation thereon.

I ask unanimous consent that the bill and a section-by-section analysis be inserted at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 4252

A bill to protect the constitutional rights and privacy of individuals upon whom criminal justice information and criminal justice intelligence information have been collected and to control the collection and dissemination of criminal justice information and criminal justice intelligence information, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Information Control and Protection of Privacy Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF POLICY; DEFINITIONS; APPLICABILITY

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 101. The Congress finds and declares that the several States and the United States have established criminal justice information systems, criminal justice investigative information systems, and criminal justice intelligence information systems which have the capability of transmitting and exchanging criminal justice information, criminal justice investigative information, and criminal justice intelligence information between or among each of the several States and the United States; that the exchange of this information by Federal agencies is not clearly authorized by existing law; that the exchange of this information has great potential for increasing the capability of criminal justice agencies to prevent and control crime; that the exchange of inaccurate or incomplete records of such information can do irreparable injury to the American citizens who are the subjects of the records of the information; that the increasing use of computers and sophisticated information technology has greatly magnified the harm that can occur from misuse of these systems; that citizens' opportunities to secure employment and credit and their right to due process, privacy, and other legal protections are endangered by misuse of these systems; that in order to secure the constitutional rights guaranteed by the first amendment, fourth amendment, fifth amendment, sixth amendment, ninth amendment, and fourteenth amendment, uniform Federal legislation is necessary to govern these systems; that these systems are federally funded, that they contain information obtained from Federal sources or by means of Federal funds, or are otherwise supported by the Federal Government; that they utilize interstate facilities of communication and otherwise affect commerce between the States; that the great diversity of statutes, rules, and regulations among the State and Federal systems require uniform Federal legislation; and that in order to insure the security of criminal justice information systems, criminal justice investigative information systems, and criminal justice intelligence information systems, and to protect the privacy of individuals named in such systems, it is necessary and proper for the Congress to regulate the exchange of such information.

DEFINITIONS

SEC. 102. For the purposes of this Act—

(1) "Information system" means a system, whether automated or manual, operated or leased by Federal, regional, State, or local government or governments, including the equipment, facilities, procedures, agreements, and organizations thereof, for the collection, processing, preservation, or dissemination of information.

(2) "Criminal justice information system" means an information system which contains only criminal justice information.

(3) "Criminal justice investigative information system" means an information system which contains criminal justice investigative information.

(4) "Criminal justice intelligence information system" means an information system which contains criminal justice intelligence information.

(5) "Automated system" means an information system that utilizes electronic computers, central information storage facilities, telecommunications lines, or other automatic data processing equipment used wholly or in part for data dissemination, collection, analysis, or display as distinguished from a system in which such activities are performed manually.

(6) "Dissemination" means the transmission of information, whether orally, in writing, or by electronic means.

(7) "The administration of criminal justice" means any activity by a criminal justice agency directly involving the apprehension, detention, pretrial release, posttrial release, prosecution, defense, adjudication, or rehabilitation of accused persons or criminal offenders or the collection, storage, dissemination, or usage of criminal justice information.

(8) "Criminal justice agency" means a court and any other governmental agency created by statute or any subunit thereof created pursuant to statute, or State or Federal constitution which performs as its principal function, as authorized pursuant to statute, the administration of criminal justice, and any other agency or subunit thereof which performs a function which is the administration of criminal justice but only to the extent that it performs that function. A criminal justice agency also includes an organization which by contract with a criminal justice agency per-

forms a function which is the administration of criminal justice but only to the extent that it performs that function. Any provision of this Act which relates to the activities of a criminal justice agency also relates to any information system under its management control or any such system which disseminates information to or collects information from that agency.

(9) "Criminal justice information" means identification record information, wanted persons record information, arrest record information, nonconviction record information, conviction record information criminal history record information, and correctional and release information. The term does not include—

(A) statistical or analytical records or reports in which individuals are not identified and from which their identities are not ascertainable,

(B) criminal justice investigative information,

(C) criminal justice intelligence information, or

(D) records of traffic offenses maintained by departments of transportation, motor vehicles, or the equivalent, for the purpose of regulating the issuance, suspension, revocation, or renewal of drivers' licenses.

(10) "Identification record information" means fingerprint classifications, voice prints, photographs, and other physical descriptive data concerning an individual which does not include any indication or suggestion that the individual has at any time been suspected of or charged with a criminal offense.

(11) "Wanted persons record information" means identification record information on an individual against whom there is an outstanding arrest warrant including the charge for which the warrant was issued and information relevant to the individual's danger to the community and such other information that would facilitate the regaining of the custody of the individual.

(12) "Arrest record information" means notations of arrest, detention, indictment, filing of information, or other formal criminal charge on an individual which does not include the disposition arising out of that arrest, detention, indictment, information, or charge. The term shall not include an original book of entry or police blotter whether automated or manual maintained by a law enforcement agency at the place of original arrest or detention, not indexed or accessible by name and required to be made public nor shall it include court records of public criminal proceedings or any index thereto indexed or accessible by date or by docket or file number or indexed or accessible by name so long as such index contains no other information than a cross-reference to the original court records by docket or file number.

(13) "Nonconviction record information" means criminal history record information which is not conviction record information.

(14) "Conviction record information" means criminal history record information disclosing that a person has pleaded guilty or nolo contendere to or was convicted of any criminal offense in a court of justice, sentencing information, and whether such plea or judgment has been modified or reversed.

(15) "Criminal history record information" means information on an individual consisting of notations of arrests, detentions, indictments, informations, or other formal criminal charges and any disposition arising from those arrests, detentions, indictments, informations, or charges. The term shall not include an original book of entry or police blotter whether automated or manual maintained by a law enforcement agency at the place of original arrest or place of detention, not indexed or accessible by name and required to be made public nor shall it include court records of public criminal proceedings or official records of pardons or paroles or any index thereto indexed or accessible by date or by docket or file number or indexed or accessible by name so long as such index contains no other information than a cross-reference to the original court pardon or parole records by docket or file number.

(16) "Disposition" means information disclosing that criminal proceedings have been concluded, including information disclosing that the police have elected not to refer a matter to a prosecutor or that a prosecutor has elected not to commence criminal proceedings and also disclosing the nature of the termination in the proceedings; or information disclosing that proceedings have been indefinitely postponed and also disclosing the reason for such postponement. Dispositions shall include, but not be limited to, acquittal, acquittal by reason of insanity, acquittal by reason of mental incompetence, case continued without finding, charge dismissed, charge dismissed due to insanity, charge dismissed due to mental incompetency, charge still pending due to insanity, charge still pending due to mental incompetence, guilty plea, nolle prosequi, no paper, nolo contendere plea, convicted, deceased, deferred disposition, dismissed-civil action, extradited, found insane, found mentally incompetent, pardoned, probation before conviction, sentence commuted, adjudication withheld, mistrial-defendant discharged, or executive clemency.

(17) "Correctional and release information" means information on an individual compiled by a criminal justice or noncriminal justice agency in connection with bail, pretrial or posttrial release proceedings, reports on the physical or mental condition of an alleged offender, reports on presentence investigations, reports on inmates in correctional institutions or participants in rehabilitation programs, and probation and parole reports.

(18) "Criminal justice investigative information" means information associated with an identifiable individual compiled by a criminal justice agency in the course of conducting a criminal investigation of a specific criminal act including information pertaining to that criminal act derived from reports of informants and investigators, or from any type of surveillance. The term does not include criminal justice information nor does it include initial reports filed by a law enforcement agency describing a specific incident, not indexed or accessible by name and expressly required by State or Federal statute to be made public.

(19) "Criminal justice intelligence information" means information associated with an identifiable individual compiled by a criminal justice agency in the course of conducting an investigation of an individual relating to possible future criminal activity of an individual or relating to the reliability of such information including information derived from reports of informants, investigators, or from any type of surveillance. The term does not include criminal justice information nor does it include initial reports filed by a law enforcement agency describing a specific incident, not indexed or accessible by name and expressly required by State or Federal statute to be made public.

(20) "Law enforcement agency" means a criminal justice agency which is empowered by State or Federal law to make arrests for violations of State or Federal law.

(21) "Seal" means to close a record possessed by a criminal justice agency so that the information contained in the record is available only in the circumstances set out in section 208(b)(5).

(22) "Judge of competent jurisdiction" means (a) a judge of a United States district court or a United States court of appeals; (b) a justice of the Supreme Court of the United States; (c) a judge of any court of general criminal jurisdiction in a State; or (d) any other official in a State who is authorized by a statute of that State to enter orders authorizing access to criminal justice information.

(23) "Attorney General" means the Attorney General of the United States.

(24) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

APPLICABILITY

SEC. 103. (a) This Act applies to criminal justice information, criminal justice investigative information, or criminal justice intelligence information maintained in information systems which are—

(1) operated by the Federal Government,

(2) operated by a State or local government and funded in whole or in part by the Federal Government,

(3) operated as interstate systems,

(4) operated by a State or local government and engaged in the exchange of information with a system covered by paragraph (1), (2), or (3) but only to the extent such information is available for exchange or dissemination with a system covered by paragraph (1), (2), or (3).

(b) The provisions of this Act do not apply to—

(1) origial books of entry or police blotters, whether automated or manual, maintained by a law enforcement agency at the place of original arrest or place of detention, not indexed or accessible by name and required to be made public;

(2) court records of public criminal proceedings or official records of pardons or paroles or any index thereto indexed or accessible by date or by docket or file number or indexed or accessible by name so long as such index contains no other information than a cross reference to the original pardon or parole records by docket or file number;

(3) public criminal proceedings and court opinions, including published compilations thereof;

(4) records of traffic offenses maintained by departments of transportation, motor vehicles, or the equivalent, for the purpose of regulating the issuance, suspension, revocation, or renewal of drivers' licenses;

(5) records relating to violations of the Uniform Code of Military Justice but only so long as those records are maintained solely with the Department of Defense; or

(6) statistical or analytical records or reports in which individuals are not identified and from which their identities are not ascertainable.

TITLE II—COLLECTION AND DISSEMINATION OF CRIMINAL JUSTICE INFORMATION, CRIMINAL JUSTICE INVESTIGATIVE INFORMATION AND CRIMINAL JUSTICE INTELLIGENCE INFORMATION

DISSEMINATION, ACCESS AND USE OF CRIMINAL JUSTICE INFORMATION—CRIMINAL JUSTICE AGENCIES

SEC. 201. (a) With limited exceptions hereafter described, direct access to criminal justice information should be limited to authorized officers or employees of criminal justice agencies, established pursuant to Federal or State statute, and the use of such information should be limited to purposes of the administration of criminal justice.

(b) Consistent with regulations adopted by the Criminal Justice Information Systems Board, each criminal justice information system shall adopt procedures reasonably designed to insure—

(1) Conviction Record Information.—That routine exchanges between criminal justice agencies are limited to conviction record information;

(2) Arrest Record Information.—That exchanges of arrest record information on nonconviction record information between criminal justice agencies are carefully restricted to the following purposes—

(A) The screening of an employment application or review of employment by the criminal justice agency requesting the exchange with respect to its own employees or applicants,

(B) The commencement of prosecution, determination of pretrial or posttrial release or detention, the adjudication of criminal proceedings, or the preparation of a presentence report,

(C) The supervision by a criminal justice agency of an individual who had been committed to the custody of that agency prior to the time on which the arrest occurred or the charge was filed,

(D) The investigation by a law enforcement agency of an individual when that individual has already been arrested or detained,

(E) The development of investigative leads by a law enforcement agency concerning an individual who has not been arrested, when the law enforcement agency requesting the information assures that there are specific and articulable facts which taken together with rational inferences from those facts warrant the conclusion that the individual has committed or is about to commit a criminal act and the information requested may be relevant to that act,

(F) The alerting of a law enforcement officer in the requesting agency that a particular individual may present a danger to his safety, or

(G) Similar essential purposes to which the information is relevant as defined in the procedures prescribed by the criminal justice agency;

(3) Correctional and Release Information.—That correctional and release information is disseminated only to criminal justice agencies or to the individual to whom the information pertains, or his attorney, where authorized by Federal or State statute, court rule, or court order.

DISSEMINATION OF IDENTIFICATION RECORD INFORMATION AND WANTED PERSONS RECORD INFORMATION

SEC. 202. Identification record information may be used or disseminated for any authorized purpose. Wanted person information may be used or disseminated for any authorized purpose relating to the administration of criminal justice.

DISSEMINATION, ACCESS AND USE OF CRIMINAL JUSTICE INFORMATION—NONCRIMINAL JUSTICE AGENCIES

SEC. 203. (a) Except as otherwise provided by this Act, conviction record information may be made available for purposes other than the administration of criminal justice only if expressly authorized by applicable Federal statute or State statute or if the information is to be made available to a Federal agency for such purpose if expressly authorized by Federal Executive order: *Provided, however,* That conviction record information may not be used for such purpose where prohibited by a State statute in the State where the conviction occurred.

(b)(1) Arrest record information indicating that an indictment, information, or formal charge has been made against an individual, has been made within twelve months of the date of the request for information, and is still pending, may be made available for a purpose other than the administration of criminal justice if the Criminal Justice Informaton Systems Board determines that access to that information is expressly and specifically authorized by a Federal statute or State statute or if the information is to be made available to a Federal agency for such purpose if expressly authorized by Federal Executive order: *Provided, however,* That conviction record information may not be used for such purpose where prohibited by a State statute in the State where the arrest occurred.

(2) Arrest record information furnished pursuant to this subsection may be used only for the purpose for which it was sought and may not be retained or copied by the requesting agency beyond the time necessary to accomplish the statutory purpose for which it was sought in the particular instance.

(c) When conviction record information or arrest record information is requested pursuant to this subsection, the requesting agency has the obligation to put the individual on notice that such information about him will be requested and that he has the right to seek review of his record for the purpose of challenge or correction.

(d) Criminal justice information may be made available to qualified persons for research related to the administration of criminal justice under regulations issued by the Criminal Justice Information Systems Board. Such regulations shall require that the researcher preserve the anonymity of the individuals to whom such information relates, that nondisclosure agreements by all participants in the research program be completed, and that such additional requirements and conditions are met as the Board finds necessary to assure the protection of privacy and the security of the information. In formulating regulations pursuant to this section, the Board shall develop procedures designed to prevent this section from being used by criminal justice agencies to deny arbitrarily access to criminal justice information to qualified persons for research purposes where they have otherwise expressed a willingness to comply with regulations issued pursuant to this section.

(e) Where an organization is a criminal justice agency only by virtue of the fact that it has a contractual relationship with a Government agency to perform a function which is the administration of justice, or where a subunit of an agency is a criminal justice agency only by virtue of the fact that it performs a function which is the administration of criminal justice, such organization or subunit shall be treated as a qualified person for research purposes pursuant to subsection (d) of this section. Such organization or subunit shall be required to complete nondisclosure agreements, shall comply with such requirements imposed upon it by this Act by virtue of its being a criminal justice agency, and such additional requirements and conditions as the Board finds necessary to assure protection of privacy and the security of information.

(f) No provision of this Act shall prohibit an employee of a criminal justice agency from confirming to members of the news media or any other citizen that an individual is being detained, or incarcerated and the location of his detention or incarceration, or that an individual was arrested, detained, indicted, or that an information or other formal criminal charge was filed against the individual on a particular date at a particular place based on the employee's personal recollection or by reference to an original book of entry or police blotter maintained by a law enforcement agency at the place of original arrest or detention, not indexed or accessible by name and required to be made public, or by reference to court records of public criminal proceedings or official records of pardons or paroles indexed or accessible by date or indexed by name so long as such index only contains docket or file numbers of original court records. Where a court or criminal justice agency which maintains a record of pardons or paroles, also maintains a name index to original court, pardon or parole records containing criminal justice information in addition to docket or file numbers then unless prohibited by Federal or State statute the court or criminal justice agency must either maintain a separate name index which contains only cross-references to the docket or file numbers to the original records, or it must provide upon request the docket number or numbers corresponding to any name in their index file.

(g) This Act applies to criminal justice information obtained from a foreign government or an international agency to the extent such information is contained in an information system subject to this Act. The Criminal Justice Information Systems Board shall take steps to assure that to the maximum extent feasible whenever any criminal justice information contained in information systems subject to this Act is provided to a foreign government or an international agency, that such information is used in a manner consistent with the provisions of this section.

DISSEMINATION, ACCESS, AND USE OF CRIMINAL JUSTICE INFORMATION—APPOINTMENTS AND EMPLOYMENT INVESTIGATIONS

SEC. 204. (a) A criminal justice agency may disseminate criminal justice information, whether or not sealed pursuant to section 208, criminal justice intelligence information, and criminal justice investigative information to a Federal, State, or local government official who is authorized by law to appoint or to nominate executive officers of law enforcement agencies, members of the Criminal Justice Information Systems Board, or any board or agency created or designated pursuant to section 304, and to any legislative body authorized to approve such appointments. The criminal justice agency shall only disseminate such information concerning an individual upon notification from such official that he is considering that individual for such an office or from the legislative body that the individual has been nominated for the office and that the individual has been notified of the request for such information and has given his written consent to the release of the information.

(b) A criminal justice agency may disseminate arrest record information and criminal history information, whether or not sealed pursuant to section 208, to a Federal, State, or local government official who is not a criminal justice agency but who is authorized by law to appoint or nominate judges or executive officers of criminal justice agencies and to any legislative body authorized to approve such nominations. The criminal justice agency shall only disseminate such information concerning an individual upon notification from such official that he is considering that individual for such an office or from the legislative body that the individual has been nominated for the office and that the individual has been notified of the request for such information and has given his written consent to the release of the information.

(c) A criminal justice agency may disseminate arrest record information, criminal history record information, whether or not sealed pursuant to section 208, to an agency of the Federal Government for the purpose of an employment application investigation, an employment retention investigation, or the approval of a security clearance for access to classified information, when the Federal agency requests such information as a part of a comprehensive investigation of the history and background of an individual, pursuant to an obligation to conduct such an investigation imposed by Federal statute or Federal Executive order, and pursuant to agency regulations setting forth the nature and scope of such an investigation. At the time he files his application, seeks a change of employment status, applies for a security clearance, or otherwise causes the initiation of the investigation, the individual shall be put on notice that such an investigation will be conducted and that access to this type of information will be sought.

(d) A criminal justice agency may disseminate criminal justice investigative information and criminal justice intelligence information to an agency of the Federal Government for the purpose of determining eligibility for security clearances allowing access to information classified as top secret when the Federal agency requests the criminal justice investigative or criminal justice intelligence information as a part of a comprehensive investigation of the history and background of an individual, pursuant to an obligation to conduct such an investigation imposed by Federal statute or Federal Executive order, and pursuant to agency regulations setting forth the nature and scope of such an investigation. At the time he applies for a security clearance, the individual shall be put on notice that such an investigation will be conducted and that access to this type of information will be sought.

(e) Arrest record information, criminal history record information, criminal justice investigative information, and criminal justice intelligence information furnished pursuant to this section to an agency, official, or legislative body, may be used only for the purpose for which it is sought and may not be redisseminated, retained, or copied by the requestor beyond the time necessary to accomplish the statutory purpose for which it was sought in the particular instance.

SECONDARY USE OF CRIMINAL JUSTICE INFORMATION

Sec. 205. Any agency having access to, or receiving criminal justice information is prohibited, directly or through any intermediary, from disseminating such information to any individual or agency not authorized to have such information or from using such information for a purpose not authorized by this Act: *Provided, however,* That rehabilitation officials of criminal justice agencies with the consent of an individual under their supervision to whom the information refers may orally represent the substance of the individual's criminal history record information to prospective employers or other individuals if such representation is, in the judgment of such officials and the individual or his attorney, if represented by counsel, helpful to obtaining employment or rehabilitation for the individual. In no event shall such correctional officials disseminate records or copies of records of criminal history record information to any unauthorized individual or agency. A court may disclose criminal justice information, criminal justice investigative information or criminal justice intelligence information on an individual in a published opinion or in a public criminal proceeding.

METHOD OF ACCESS AND ACCESS WARRANTS FOR CRIMINAL JUSTICE INFORMATION

Sec. 206. (a) Except as provided in section 203(d) or in subsection (b) of this section, an automated criminal justice information system may disseminate arrest record information, criminal history record information or conviction record information on an individual only if the inquiry is based upon identification of the individual by means of name or other identification record information. The Criminal Justice Information Systems Board shall issue regulations to prevent dissemination of such information, except in the above situations, where inquiries are based upon categories of offense or data elements other than name and identification record information and to require that, after the arrest of an individual, such information concerning him shall be available only on the basis of positive identification of him by means of fingerprints or other reliable identification record information.

(b) Notwithstanding the provisions of subsection (a) an automated criminal justice information system may disseminate arrest record information and conviction record information to law enforcement agencies where inquiries are based upon categories of offense or data elements other than identification record information if the information system has adopted procedures reasonably designed to insure that such information is used only for the purpose of developing investigative leads for a particular criminal offense and that the individuals to which such information is disseminated have a need to know and a right to know such information. Access to nonconviction record information contained in automated criminal justice information systems on the basis of data elements other than identification record information shall be permissible for the purpose of developing investigative leads for a particular criminal offense if the law enforcement agency seeking such access has first obtained a class access warrant from a United States Magistrate or a judge of competent jurisdiction. Such warrants may be issued as a matter of discretion by the judge in cases in which probable cause has been shown that (1) such access is imperative for purposes of the law enforcement agency's responsibilities in the administration of criminal justice, and (2) the information sought to be obtained is not reasonably available from any other source or through any other method. A summary of each request for such a warrant, together with a statement of its disposition, shall within ninety days of disposition be furnished to the Criminal Justice Information Systems Board by the law enforcement agency.

SECURITY, ACCURACY, AND UPDATING OF CRIMINAL JUSTICE INFORMATION

Sec. 207. Consistent with regulations adopted by the Criminal Justice Information Systems Board, each criminal justice information system shall adopt procedures reasonably designed at a minimum—

(a) To insure the physical security of the system, to prevent the unauthorized disclosure of the information contained in the system, and to insure that the criminal justice information in the system is currently and accurately revised to include subsequently received information. The procedures shall also insure that all agencies to which such records are disseminated or from which they are collected are currently and accurately informed of any correction, deletion, or revision of the records. Such procedures adopted by automated systems shall provide that any other information system or agency which has direct access to criminal justice information contained in the automated system be informed as soon as feasible of any disposition relating to arrest record information on an individual or any other change in criminal justice information in the automated system's possession.

(b) To insure that criminal justice agency personnel responsible for making or recording decisions relating to dispositions shall as soon as feasible report such dispositions to an appropriate agency or individual for entry into criminal justice information systems that contain arrest record information to which such dispositions relate.

(c) To insure that records are maintained with regard to—

(1) requests from any other agency or person for criminal justice information. Such records shall include the identity and authority of the requestor, the nature of the information provided, the nature, purpose, and disposition of the request, and pertinent dates;

(2) the source of arrest record information and criminal history information.

(d) To insure that information may not be submitted, modified, updated, or removed from any criminal justice information system without verification of the identity of the individual to whom the information refers and an indication of the person or agency submitting, modifying, updating, or removing the information.

(e) If the Criminal Justice Information Systems Board finds that the additional cost of implementation of this section outweigh the interests of privacy which would be served by the implementation it may exempt the provisions of this section from application to information entered into a criminal justice information system prior to the effective date of this Act. The Criminal Justice Information Systems Board shall determine (by applying the same standard) the extent to which information entered into a criminal justice information system prior to the effective date of this Act should be exempted from other provisions of or requirements of this Act.

SEALING AND PURGING OF CRIMINAL JUSTICE INFORMATION

Sec. 208. (a) Discretionary Sealing or Purging—Generally.—Consistent with regulations adopted by the Criminal Justice Information Systems Board, each criminal justice information system shall adopt procedures reasonably designed to insure that criminal justice information is purged or sealed when required by State or Federal statute, State or Federal regulations, or court order.

(b) Mandatory Sealing.—Consistent with regulations adopted by the Criminal Justice Information Systems Board each criminal justice information system shall adopt procedures reasonably designed to insure that criminal justice information is sealed when, based on considerations of age, nature of the record, or the interval following the last entry of information indicating that the individual is under the jurisdiction of a criminal justice agency, the information is unlikely to provide a reliable guide to the behavior of the individual. Procedures adopted pursuant to this subsection shall at a minimum provide—

(1) Conviction, nonconviction, or arrest records.—For the prompt sealing or purging of criminal justice information relating to an individual who has been free from the jurisdiction or supervision of any criminal justice agency for—

(A) Felony records.—A period of seven years, if the individual has previously been convicted of an offense for which imprisonment in excess of one year is permitted under the laws of the jurisdiction where the conviction occurred and such offense has not been specifically exempted from sealing by a Federal or State statute,

(B) Nonfelony records.—A period of five years, if the individual has previously been convicted of an offense for which the maximum penalty is not greater than imprisonment for one year under the laws of the jurisdiction where the conviction occurred, or

(C) Nonconviction or arrest records.—A period of two years following an arrest, detention, or formal charge, whichever comes first, if no conviction of the individual occurred during that period, no prosecution is pending at the end of the period, and the individual is not a fugitive; and

(2) No prosecution nonconviction records.—For the prompt sealing of criminal history record information in any case in which a law enforcement agency has elected not to refer the case to the prosecutor or in which the prosecutor has elected not to file an information, seek an indictment or other formal criminal charge.

(3) Promptness of sealing.—That information eligible for sealing, contained in auto-

mated criminal justice information systems shall be sealed as soon as feasible. The Board may, in its discretion, permit a criminal justice information system which is not completely automated to determine the eligibility of information for sealing and to seal information at the time that access to that information is requested.

(4) INDEX OF SEALED RECORDS.—That an index of sealed records, consisting of identification record information on the individual whose record is sealed, is maintained in the jurisdiction where the arrest or detention occurred or where the individual was prosecuted or at a central repository of records. Information on such an index shall only be disseminated to a criminal justice agency for the purpose of identifying an individual or determining whether a sealed record exists on an individual when the latter agency is able to point to specific and articulable facts which taken together with rational inferences from those facts warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information may be relevant to that act. Within a criminal justice agency, access to and dissemination of information on such an index shall be on a need-to-know, right-to-know basis.

(5) ACCESS TO SEALED RECORDS.—That notwithstanding subparagraph (b) (1) or (b) (2) of this section, a record shall not be considered sealed—

(A) in connection with research pursuant to subsection 203(d),

(B) in connection with a review pursuant to section 209 by the individual or his attorney,

(C) in connection with an audit conducted pursuant to section 306 or 311,

(D) where a record has been sealed pursuant to subparagraph (b) (1) (A) or (b) (1) (B) and the individual is subsequently arrested for an offense which is subject to imposition of a higher sentence under a Federal or State statute providing for additional penalties for repeat or habitual offenders,

(E) where the criminal justice agency seeking such access has obtained an access warrant from a State judge of competent jurisdiction if the information sought is in the possession of a State or local agency or information system, or from a Federal judge of competent jurisdiction, if the information sought is in the possession of a Federal agency or information system. Such warrants may be issued as a matter of discretion by the judge in cases in which probable cause has been shown that (1) such access is imperative for purposes of the criminal justice agency's responsibilities in the administration of criminal justice, and (2) the information sought to be obtained is not reasonably available from any other source or through any other method,

(F) where pursuant to section 204 an official, agency, or legislative body is permitted access to conviction record information for the purpose of screening an individual to be a judge, or an executive in a criminal justice agency or where an official or agency is permitted access to such information for the purpose of determining eligibility for a security clearance, or

(G) *where an* indictment, information, or other formal criminal charge is subsequently filed against the individual.

ACCESS BY INDIVIDUALS TO CRIMINAL JUSTICE INFORMATION FOR PURPOSES OF CHALLENGE

SEC. 209. (a) Any individual who believes that a criminal justice agency maintains arrest record information, criminal history information or wanted persons information concerning him, shall upon satisfactory verification of his identity, be entitled to review such information in person or through counsel in a method convenient to the individual; and to obtain a copy of it if needed for the purpose of challenge, correction, or the addition of explanatory material, or other specific purpose; and in accordance with rules adopted pursuant to this section, to challenge, purge, seal, delete, correct, and append explanatory material.

(b) Each criminal justice agency shall adopt and publish regulations to implement this section which shall, as a minimum, provide—

(1) the time, place, fees to the extent authorized by statute, and procedure to be followed by an individual or his counsel in gaining access to criminal justice information;

(2) that if on the basis of the review of such information, the individual believes such information to be inaccurate, incomplete, or maintained in violation of this Act, that he shall have a right to challenge such information in writing, and if there is no factual controversy concerning the allegations in the individual's challenge, that the criminal justice agency maintaining the record shall expeditiously purge, seal, modify, or supplement the information. A failure to do so shall constitute a final action for the purpose of subsection 209(b) (7);

(3) that if there is a factual controversy concerning the allegations in the challenge, the agency shall request the agency responsible for original entry of the information to determine expeditiously the validity of the allegations; and that if the latter agency finds that there is a factual controversy, the agency shall upon written request of that individual convene a hearing on the challenge before an official of the agency authorized to purge, seal, modify, or supplement the information at which time the individual may appear with counsel, present evidence, and examine and cross-examine witnesses;

(4) any record found after such a hearing to be inaccurate, incomplete, or improperly maintained shall expeditiously be appropriately modified, supplemented, purged, or sealed;

(5) each criminal justice agency shall keep, and upon such a finding and upon request by the individual, disclose to such individual the name and authority of all persons, or organizations, to which and the date upon which such incomplete, inaccurate, or improperly maintained criminal justice information was disseminated during the period that the agency is required under section 207(c) (1), and regulations implementing that section, to retain such records of dissemination;

(6) (A) the criminal justice agency to which the challenge is made shall give notice of the challenge each time it disseminates the challenged information and any agency or individual receiving such notice shall give similar notice each time it further disseminates the challenged information until such time as the challenge is finally resolved; and

(B) if any corrective action is taken as a result of a review or challenge filed pursuant to this section, the correcting agency shall give notice of such correction to each agency or individual to which it has disseminated the uncorrected information during the period that the agency is required to retain records of such disseminations, and shall instruct each such recipient to correct the information and to give similar notice to all agencies or individuals to which it has disseminated the uncorrected information during such record retention period; and

(7) the final action of a criminal justice agency on a request to review and challenge criminal justice information in its possession as provided by this section shall be reviewable pursuant to a civil action under section 309. The failure to act expeditiously as defined by regulations issued pursuant to section 303 shall be deemed a final action under this section.

(c) No individual who, in accord with this section, obtains information regarding himself may be required or requested to show or transfer records of that information to any other person or any other public or private agency or organization.

CRIMINAL JUSTICE INTELLIGENCE INFORMATION

SEC. 210. (a) Criminal justice intelligence information may be collected by a criminal justice agency only for official law enforcement purposes. It shall be maintained in a physically secure environment and shall not be entered in a criminal justice information system.

(b) Within the criminal justice agency maintaining the information, direct access to criminal justice intelligence information shall be limited to those officers or employees who have both a need to know and a right to know such information.

(c) Criminal justice intelligence information regarding an individual may be entered into a criminal justice intelligence information system only if grounds exist connecting such individual with known or suspected criminal activity and if the information is pertinent to such criminal activity. Criminal justice intelligence information shall be reviewed at regular intervals but at a minimum at the time such information is disseminated to determine whether such grounds exist, and if grounds do not exist such information shall likewise be purged.

(d) (1) Criminal justice intelligence investigative information may be disseminated from the criminal justice agency which collected such information only to a criminal justice agency or to a Federal agency authorized to receive the information pursuant to section 204 which has a need to know and a right to know such information and to individuals within the latter agency who have a need to know and a right to know such information.

(2) Criminal justice intelligence information on an individual may be disseminated from the criminal justice agency which collected such information only to a criminal justice agency—

(A) which needs the information to confirm the reliability of information supplied to the latter agency; or

(B) which is able to point to specific and articulable facts which taken together with rational inferences from those facts warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information may be relevant to that act.

(e) When access to a criminal justice intelligence file is permitted under subsection (b) or information is disseminated pursuant to subsection (d) a record shall be kept of the identity of the person having access or the agency to which information was disseminated, the date of access or dissemination, and the purpose for which access was sought or information disseminated.

(f) Direct remote terminal access to automated criminal justice intelligence information shall not be permitted outside the agency which collected and automated such information except where authorized by Federal statute or State statute: *Provided, however,* That remote terminal access shall be permitted to public record information maintained in intelligence files and to identification record information sufficient to provide an index of individuals included in the automated system and the names and locations of criminal justice agencies possessing additional information concerning such individuals and automatically referring the requesting agency's request to the agency maintaining more complete information.

(g) An assessment of criminal justice intelligence information may be provided to a governmental official or to any other individual when necessary to avoid imminent danger to life or property.

(h) The dissemination of criminal justice intelligence information to any government agency or employee of an agency by a criminal justice agency, or the use of such information by any government agency or employee of an agency, to influence a political campaign, discredit a candidate for office, or otherwise intimidate an individual in the exercise of rights guaranteed by the first amendment to the United States Constitution, shall constitute a violation of section 310.

(i) The Criminal Justice Information Systems Board shall conduct a study of the policies of criminal justice agencies concerning the collection of criminal justice intelligence information, and criminal justice investigative information, and the practices followed in the collection and dissemination of such information and shall issue guidelines setting forth the policies and practices necessary to insure protection of the privacy of individuals and the security of such information. It shall recommend to the Congress such additional measures as it deems necessary to insure the proper collection and use of criminal justice intelligence information and criminal justice investigative information.

(j) This Act applies to criminal justice intelligence obtained from a foreign government or an international agency to the extent such information is contained in an information system subject to this Act. The Criminal Justice Information Systems Board shall take steps to assure that to the maximum extent feasible whenever any criminal justice intelligence information contained in information systems subject to this Act is provided to a foreign government or an international agency, that such information is used in a manner consistent with the provisions of this section.

CRIMINAL JUSTICE INVESTIGATIVE INFORMATION

Sec. 211. (a) Criminal justice investigative information may be disclosed pursuant to subsection 552(b)(7) of title 5 of the United States Code or any similar State statute, or pursuant to any Federal or State statute, court rule, or court order permitting access to such information in the course of court proceedings to which such information relates.

(b) Except when such information is available pursuant to subsection (a), direct access to it shall be limited to those officers or employees of the criminal justice agency which maintains the information who have a need to know and a right to know such information and it shall be disseminated only to other governmental officers or employees who have a need to know and a right to know such information in connection with their civil or criminal law enforcement responsibilities. Records shall be kept of the identity of persons having access to files containing criminal justice investigative information or to whom such files are disseminated, the date of access or dissemination, and the purpose for which access is sought or files disseminated.

(c) Direct remote terminal access to automated criminal justice investigative files shall not be permitted outside the agency which collected and automated such information except where authorized by Federal statute or State statute.

(d) Criminal justice investigative information shall not be entered in a criminal justice information system.

(e) Criminal justice investigative information may be made available to officers and employees of government agencies for the purposes set forth in section 204.

(f) The dissemination of criminal justice investigative information to any government agency or employee of an agency by a criminal justice agency, or the use of such information by any government agency or employee of an agency, to influence a political campaign, discredit a candidate for office, or otherwise intimidate an individual in the exercise of rights guaranteed by the first amendment to the United States Constitution, shall constitute a violation of section 310.

(g) This Act applies to criminal justice investigative information obtained from a foreign government or an international agency to the extent such information is contained in an information system subject to this Act. The Criminal Justice Information Systems Board shall take steps to assure that to the maximum extent feasible whenever any criminal justice investigative information contained in information systems subject to this Act is provided to a foreign government or an international agency, that such information is used in a manner consistent with the provisions of this section.

TITLE III — ADMINISTRATIVE PROVISIONS; REGULATIONS; CIVIL REMEDIES; CRIMINAL PENALTIES

CRIMINAL JUSTICE INFORMATION SYSTEMS BOARD

Sec. 301. (a) Creation and Membership.—There is hereby created a Criminal Justice Information Systems Board (hereinafter the "Board") which shall have overall responsibility for the administration and enforcement of this Act. The Board shall be composed of thirteen members. One of the members shall be the Attorney General and two of the members shall be designated by the President as representatives of other Federal agencies outside of the Department of Justice. One of the members shall be designated by the Judicial Conference of the United States. The nine remaining members shall be appointed by the President with the advice and consent of the Senate. Of the nine members appointed by the President, seven shall be officials of criminal justice agencies from seven different States at the time of their nomination, representing to the extent possible all segments of the criminal justice system. The two remaining Presidential appointees shall be private citizens well versed in the law of privacy, constitutional law, and information systems technology. The President shall designate one of the seven criminal justice agency officials as Chairman and such designation shall also be confirmed by the advice and consent of the Senate. Not more than seven members of the Board shall be of the same political party.

(b) Terms of Office and Vacancies.—The two members of the Board designated by the President as representatives of other Federal agencies outside of the Department of Justice shall serve at the pleasure of the President. The member designated by the United States Judicial Conference shall serve at the pleasure of the Conference. Four of the Presidential appointees first appointed pursuant to this Act shall continue in office for terms of six years. The remaining Presidential appointees first appointed pursuant to this Act shall continue in office for the terms of one, two, three, four, and five years, respectively, from the date of the effective date of this Act, the term of each to be designated by the President: *Provided, however,* That their successors shall be appointed for terms of six years and until their successors are appointed and have qualified, except that they shall not continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office. Any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Board member whom he succeeds. No vacancy in the Board shall impair the right of the remaining members to exercise all the powers of the Board. Seven members shall constitute a quorum for the transaction of business.

(c) Compensation of Members.—

(1) Each member of the Board who is not otherwise in the service of the Government of the United States shall receive a sum equivalent to the compensation paid at level IV of the Federal Executive Salary Schedule, pursuant to section 5315 of title 5, prorated on a daily basis for each day spent in the work of the Board, and shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with section 5 of the Administrative Expenses Act of 1946, as amended.

(2) Each member of the Board who is otherwise in the service of the Government of the United States shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Board shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with the provisions of the Travel Expenses Act of 1949, as amended.

(3) Members of the Board shall be considered "special Government employees" within the meaning of section 202(a) of title 18.

(d) Authority.—For the purpose of carrying out its responsibilities under the Act, the Board shall have authority,

(1) after notice and hearings to issue regulations as required by section 303;

(2) to issue an order prohibiting the exchange of criminal justice information (except wanted persons information), criminal justice investigative information, or criminal justice intelligence information with a criminal justice agency which has not satisfied the requirements of section 304;

(3) to exercise the powers set out in section 308;

(4) to bring actions under section 309 for declaratory and injunctive relief;

(5) to supervise the operation of an automated information system for the exchange of criminal justice information among the States and with the Federal Government pursuant to section 307;

(6) to supervise the installation and operation of any criminal justice information system, criminal justice investigative information system or criminal justice intelligence information system operated by the Federal Government;

(7) to issue an order prohibiting the establishment of any new information system covered by this Act and operated by the Federal Government or prohibiting the expansion of any such existing system where the Board finds such establishment or expansion to be either inconsistent with this Act or without adequate statutory authority;

(8) to conduct an ongoing study of the policies of various agencies of the Federal Government in the operation of information systems;

(9) to require any department or agency of the Federal Government or any criminal justice agency to submit to the Board such information and reports with respect to its policy and operation of information systems or with respect to its collection and dissemination of criminal justice information, criminal justice investigative information, or criminal justice intelligence information and such department or agency shall submit to the Board such information and reports as the Board may reasonably require;

(10) to conduct audits as required by section 306; and

(11) to create such advisory committees as it deems necessary.

(e) Officers and Employees.—There shall be a full-time staff director for the Board who shall be appointed by the Board and who shall receive compensation at the rate provided for level V of the Federal Executive Salary Schedule, pursuant to section 5316 of title 5. Within the limitation of appropriations, the Board may appoint such other personnel as it deems advisable, in accordance with the civil service and classification laws, and may procure services as authorized by section 3109 of title 5, but at rates for individuals not in excess of the daily equivalent paid for positions at the maximum rate for GS–15 of the General Schedule under section 5332 of title 5.

(f) REPORT TO CONGRESS AND TO THE PRESIDENT.—The Board shall issue an annual report to the Congress and to the President. Such report shall at a minimum contain—

(1) the results of audits conducted pursuant to section 306;

(2) a summary of orders issued pursuant to subsections (d)(2), (d)(3), and (d)(7) and actions brought pursuant to subsection (d)(4) of this section;

(3) a summary of public notices filed by criminal justice information systems, criminal justice investigative information systems, criminal justice intelligence information systems, and criminal justice agencies pursuant to section 305; and

(4) any recommendations the Board might have for new legislation on the operation or control of information systems or on the collection and control of criminal justice information, criminal justice investigative information or criminal justice intelligence information.

HEARINGS AND WITNESSES

SEC. 302. (a) The Board, or on authorization of the Board, any subcommittee or three or more members may hold such hearings and act at such times and places as necessary to carry out the provisions of this Act. Hearings shall be public except to the extent that the hearings or portions thereof are closed by the Board in order to protect the privacy of individuals or the security of information protected by this Act.

(b) Each member of the Board shall have the power and authority to administer oaths or take statements from witnesses under affirmation.

(c) A witness attending any session of the Board shall be paid the same fees and mileage paid witnesses in the courts of the United States. Mileage payments shall be tendered to the witness upon service of a subpena issued on behalf of the Commission or any subcommittee thereof.

(d) Subpenas for the attendance and testimony of witnesses or the production of written or other matter, required by the Board for the performance of its duties under this Act, may be issued in accordance with rules or procedure established by the Board and may be served by any person designated by the Board.

(e) In case of contumacy or refusal to obey a subpena any district court of the United States or the United States court of any territory or possession, within the jurisdiction of which the person subpenaed resides or is domiciled or transacts business, or has appointed an agent for the receipt of service of process, upon application of the Board, shall have jurisdiction to issue to such person an order requiring such person to appear before the Board or a subcommittee thereof, there to produce pertinent, relevant, and nonprivileged evidence if so ordered, or there to give testimony touching the matter under investigation; and any failure to obey such order of the court may be punished as contempt.

(f) Nothing in this Act prohibits a criminal justice agency from furnishing the Board information required by it in the performance of its duties under this Act.

FEDERAL REGULATIONS

SEC. 303. (a) Except as provided in subsection (b) of this section, the Board shall, after consultation with representatives of State and local criminal justice agencies participating in information systems covered by this Act and other interested parties, and after notice and hearings, promulgate such interpretations, rules, regulations, and procedures as it may deem necessary to effectuate the provisions of this Act. The Board shall follow the provisions of the Administrative Procedures Act with respect to the issuance of such rules. At least sixty days prior to their promulgation, the Board shall refer any interpretations, rules, regulations, or procedures which will affect the collection and dissemination of information maintained by State or local criminal justice agencies to the Governor of each State, any agency created or designated pursuant to section 304, any other organizations or individuals in a State designated by the Governor and any other organizations or individuals requesting to be so notified. At least sixty days prior to their promulgation, the Board shall also refer any interpretations, rules, regulations, or procedure which will affect the collection and dissemination of information maintained by Federal criminal justice agencies to the Department of Justice, each such Federal criminal justice agency and the United States Judicial Conference for their review. The Board may in its discretion refer any interpretations, regulations, or procedures prior to promulgation to any other advisory committee it may create. All regulations issued by the Board or any criminal justice agency pursuant to this Act shall be published and easily accessible to the public.

(b) The Board shall not have authority to issue regulations involving criminal justice information on an arrest or indictment for a Federal offense; or criminal justice intelligence information or criminal justice investigative information resulting from the investigative activities of a Federal criminal justice agency: *Provided, however,* That the Board shall have authority to issue regulations involving criminal justice information on an arrest or indictment for a Federal offense if such information is maintained in an information system operated pursuant to section 307. Regulations concerning information exempted from the Board's jurisdiction pursuant to this subsection shall be issued by Executive order of the President upon recommendation of the Attorney General, the two members of the Board designated by the President and the member designated by the Judicial Conference of the United States.

STATE REGULATIONS AND CREATION OF STATE INFORMATION SYSTEMS BOARDS

SEC. 304. No criminal justice agency shall disseminate criminal justice information (except wanted persons information), criminal justice intelligence information, or criminal justice investigative information to a criminal justice agency—

(a) which has not adopted all of the operating procedures required by title II of the Act; or

(b) which is located in another State which has failed to either create an agency or designate an existing agency which has statewide authority and responsibility for:

(1) the enforcement of the provisions of this Act and any State statute which serves the same goals;

(2) the issuance of regulations, not inconsistent with this Act, regulating the exchange of criminal justice information, criminal justice investigative information, and criminal justice intelligence information and the operation of criminal justice information systems, criminal justice intelligence information systems, and criminal justice investigative information systems; and

(3) the supervision of the installation of criminal justice information systems, criminal justice investigative information systems and criminal justice intelligence information systems, the exchange of information by such systems within that State and with similar systems and criminal justice agencies in other States and in the Federal Government.

PUBLIC NOTICE REQUIREMENT

SEC. 305. (a) Any criminal justice agency maintaining an automated criminal justice information system, an automated criminal justice investigative information system, or an automated criminal justice intelligence information system; any Federal criminal justice agency maintaining any such information system, whether or not automated, and any criminal justice agency maintaining a statewide or regional criminal justice information system, whether or not automated, or any such agency maintaining a criminal justice information system containing criminal justice information on more than 10,000 individuals shall give public notice of the existence and character of its system once each year. Any such agency maintaining more than one system shall publish such annual notices for all its systems simultaneously. Any such agency proposing to establish a new system, or to enlarge an existing system, shall give public notice long enough in advance of the initiation or enlargement of the system to assure individuals who may be affected by its operation a reasonable opportunity to comment. The public notice shall be transmitted to the Board and shall specify—

(1) the name of the system;

(2) the nature and purposes of the system;

(3) the categories and number of persons on whom data are maintained;

(4) the categories of data maintained, indicating which categories are stored in computer-accessible files;

(5) the agency's operating rules and regulations issued pursuant to title II of the Act, the agency's policies and practices regarding data information storage, duration of retention of information, and disposal thereof;

(6) the categories of information sources;

(7) a description of all types of use made of information, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them;

(8) the title, name, and address of the person immediately responsible for the operation of the system; and

(9) in the case of an agency proposing to establish a new system or to enlarge an existing system, a privacy impact statement describing the consequences to the individual, including his rights, privileges, benefits, detriments, and burdens, of the proposed new system or the proposed expansion of an existing system.

(b) Any criminal justice agency, criminal justice information system, criminal justice investigative information system, or criminal justice intelligence information system operated by the Federal Government shall satisfy the public notice requirement set out in subsection (a) of this section by publishing the information required by that subsection in the Federal Register.

ANNUAL AUDIT

SEC. 306. (a) At least once annually the Board shall conduct a random audit of the practices and procedures of the Federal agencies which collect and disseminate information pursuant to this Act to insure compliance with its requirements and restrictions. The Board shall also conduct such an audit of at least ten statewide criminal justice information systems each year and of every statewide and multistate system at least once every five years. The Board may at any time conduct such an audit of any criminal justice agency or information system covered by this Act when the Board has reason to believe the agency or information system is maintaining, disseminating, or using information in violation of this Act.

(b) Each criminal justice information system shall conduct a similar audit of its own practices and procedures once annually. Each State agency created pursuant to subsection 304(b) shall conduct an audit on each criminal justice information system, each criminal justice investigative information system, and each criminal justice intelligence information system operating in that State on a random basis, at least once every five years.

(c) The results of such audits shall be made available to the Board which shall report the results of such audits once annually to the Congress by May 1 of each year beginning on May 1 following the expiration of the first twelve-calendar-month period after the effective date of the Act.

(d) Notwithstanding any provision contained in title II of this Act, members and staff of the Board or any State agency designated or created pursuant to section 304 shall have access to such information covered by this Act as is necessary to conduct audits pursuant to this section.

A NATIONAL CRIMINAL JUSTICE INFORMATION SYSTEM

SEC. 307. (a) Subject to the limitations of subsections (b) and (c) of this section, the Board may authorize a Federal criminal justice agency or federally chartered corporation to operate an interstate criminal justice information system, either manual or automated or both. The Board shall have authority to determine the extent to which the Federal criminal justice agency or Federal corporation may maintain its own telecommunications system.

(b) Any information system operated by the agency or Federal corporation may include criminal history record information on an individual relating to a violation of the criminal laws of the United States, a violation of the laws of another nation or violations of the laws of two or more States. As to all other individuals criminal justice information included in the agency's information system shall consist only of information sufficient to establish the identity of the individuals, and the identities and locations of criminal justice agencies possessing other types of criminal justice information concerning such individuals.

(c) Notwithstanding the provisions of subsection (b), the agency or Federal corporation may maintain criminal history record information submitted by a State which otherwise would be unable to participate fully in an interstate criminal history record information system because of the lack of facilities or procedures but only until such time as such State is able to provide the facilities and procedures to maintain the records in the State, and in no case beyond the fifth twelve-calendar-month period after the date of enactment. Criminal history record information maintained in Federal facilities pursuant to this subsection shall be limited to information on offenses for which imprisonment in excess of one year is permitted under the laws of the jurisdiction where the offense occurred.

ADMINISTRATIVE PENALTIES

SEC. 308. If the Board finds that any criminal justice agency has violated any provision of this Act, after notice and hearings it may (1) issue orders or bring actions as authorized by section 301, (2) interrupt or terminate the exchange of information authorized to be exchanged by this act, or (3) interrupt or terminate the use of Federal funds for the operation of such a system or agency, or (4) require the system or agency to return Federal funds distributed in the past, or (5) require the system or agency to discipline any employee responsible for such violation or (6) take any combination of such actions.

CIVIL REMEDIES

SEC. 309. (a) Any person aggrieved by a violation of this Act or regulations promulgated thereunder shall have a civil action for damages or any other appropriate remedy against any person, system, or agency responsible for such violation. An action alleging a violation of section 209 shall be available only after he has exhausted the administrative remedies provided by that section.

(b) The Board shall have a civil action for declaratory judgments, cease and desist orders, and such other injunctive relief as may be appropriate against any criminal justice agency, criminal justice information system, criminal justice intelligence information system, or criminal justice investigative information system.

(c) If a defendant in an action brought under this section is an officer or employee or agency of the United States the action shall be brought in an appropriate United States district court. If the defendant or defendants in an action brought under this section are private persons or officers or employees or agencies of a State or local government, the action may be brought in an appropriate United States district court or in any other court of competent jurisdiction. The district courts of the United States shall have jurisdiction over actions described in this section without regard to the amount in controversy.

(d) In any action brought pursuant to this Act, the court may in its discretion issue an order enjoining maintenance or dissemination of information in violation of this Act, or correcting records of such information or any other appropriate remedy except that in an action brought pursuant to subsection (b) the court may order only declaratory or injunctive relief.

(e) In an action brought pursuant to subsection (a), any person aggrieved by a violation of this Act shall be entitled to actual and general damages but not less than liquidated damages of a $100 recovery for each violation and reasonable attorneys' fees and other litigation costs reasonably incurred. Exemplary and punitive damages may be granted by the court in appropriate cases brought pursuant to subsection (a). Any person, system, or agency responsible for violations of this Act shall be jointly and severally liable to the person aggrieved for damages granted pursuant to this subsection: *Provided, however*, That good faith reliance by an agency or information system, or employee of such agency or system upon the assurance of another agency, information system or employee that information provided the former agency, information system, or employee is maintained or disseminated in compliance with the provisions of this Act or any regulations issued thereunder shall constitute a complete defense for the former agency, system, or employee to a civil damage action brought under this section but shall not constitute a defense with respect to equitable relief.

(f) For the purposes of this Act the United States shall be deemed to have consented to suit and any agency or system operated by the United States found responsible for a violation shall be liable for damages, reasonable attorney's fees, and litigation costs as provided in subsection (e) notwithstanding any provisions of the Federal Tort Claims Act.

(g) A determination by a court of a violation of internal operating procedures adopted pursuant to this Act should not be a basis for excluding evidence in a criminal case unless the violation is of constitutional dimension or is otherwise so serious as to call for the exercise of the supervisory authority of the court.

CRIMINAL PENALTIES

SEC. 310. Any government employee who willfully disseminates, maintains, or uses information knowing such dissemination, maintenance, or use to be in violation of this Act shall be fined not more than $5,000 or imprisoned for not more than five years, or both.

AUDIT AND ACCESS TO RECORDS BY THE GENERAL ACCOUNTING OFFICE

SEC. 311. (a) The Comptroller General of the United States shall from time to time, at his own initiative or at the request of either House or any committee of the House of Representatives or the Senate or any joint committee of the two Houses, conduct audits and reviews of the activities of the Board under this Act. For such purpose, the Comptroller General, or any of his duly authorized representatives, shall have access to and the right to examine all books, accounts, records, reports, files, and all other papers, things, and property of—

(1) the Board,

(2) any Federal agencies audited by the Board pursuant to section 306(a) of this Act, and

(3) any statewide and multistate information systems, including organizations and agencies thereof, audited by the Board pursuant to section 306(a) of this Act,

which, in the opinion of the Comptroller General, may be related or pertinent to his audits and reviews of the activities of the Board. In the case of agencies and systems referred to in paragraphs (2) and (3), the Comptroller General's right of access shall apply during the period of audit by the Board and for three years thereafter.

(b) Notwithstanding any other provision of this Act, the Comptroller General's right of access to books, accounts, records, reports, and files pursuant to and for the purposes specified in subsection (a) shall include any information covered by this Act. However, no official or employee of the General Accounting Office shall disclose to any person or source outside of the General Accounting Office any such information in a manner or form which identifies directly or indirectly any individual who is the subject of such information.

PRECEDENCE OF STATE LAWS

SEC. 312. (a) Any State law or regulation which places greater restrictions upon the dissemination of criminal justice information, criminal justice intelligence information, criminal justice investigative information or the operation of criminal justice information systems, criminal justice intelligence information systems, criminal justice investigative information systems or which affords to any individuals, whether juveniles or adults, rights of privacy or protections greater than those set forth in this Act shall take precedence over this Act or regulations issued pursuant to this Act.

(b) Except with respect to information maintained by an information system created pursuant to section 307, any State law or regulation which places greater restrictions upon the dissemination of criminal justice information, criminal justice intelligence information or criminal justice investigative information or the operation of criminal justice information systems, criminal justice intelligence information systems or criminal justice investigative information systems or which affords to any individuals, whether juveniles or adults, rights of privacy or protections greater than those set forth in the State law or regulations of another State shall take precedence over the law or regulations of the latter State where such information is disseminated from an agency or information system in the former State to an agency, information system, or individual in the latter State. Subject to court review pursuant to section 309, the Board shall be the final authority to determine whether a State statute or regulation shall take precedence under this section and shall as a general matter have final authority to determine whether any regulations issued by a State agency, a criminal justice agency, or information system violate this Act and are therefore null and void.

(c) The Board may in its discretion suspend the application of this section for criminal justice information maintained by a Federal corporation or Federal criminal justice agency pursuant to section 307(c). The Board may not suspend the application of this section beyond the date of expiration of the fifth twelve-calendar-month period following the date of enactment of this Act.

APPROPRIATIONS AUTHORIZED

SEC. 313. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated such sums as the Congress deems necessary.

SEVERABILITY

SEC. 314. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

REPEALERS

SEC. 315. The second paragraph under the headings entitled "Federal Bureau of Investigation; Salaries and Expenses" contained in the "Department of Justice Appropriations Act, 1973" is hereby repealed.

EFFECTIVE DATE

SEC. 316. The provisions of this Act shall take effect upon the date of expiration of the second twelve-calendar-month period following the date of the enactment of this Act: *Provided, however,* That section 313 of this Act shall take effect upon the date of enactment of this Act and that members, officers, and employees of the Board may be appointed and take office at any time after the date of enactment. The Board may delay the effective date of any provision of this Act: *Provided, however,* That the effective date of no provision of this Act shall be delayed beyond the third twelve-calendar-month period following the date of enactment of this Act.

Amend the title so as to read: "A bill to protect the constitutional rights and privacy of individuals upon whom criminal justice information, criminal justice investigative information, and criminal justice intelligence information have been collected and to control the collection and dissemination of criminal justice information, criminal justice investigative information, and criminal justice intelligence information, and for other purposes."

SECTION-BY-SECTION ANALYSIS

TITLE I. *FINDINGS* AND DECLARATION OF POLICY; DEFINITIONS

Section 101 summarizes the constitutional, legal and practical reasons Congress is taking action to regulate the exchange of criminal justice information. It also states the constitutional authority to legislate the Commerce clause and the Federal participation in state and interstate information systems.

Section 102 lists definitions of terms used in the proposed legislation, and Section 103 sets out the types of information systems covered by the Act. The definitions are important because they along with section 103 establish the scope of coverage of the legislation. For example "criminal justice agency" is defined so that the restrictions on data collection and dissemination contained in the bill cover any state, local or Federal governmental agency maintaining such data. Also any interstate information system or any information system receiving Federal funds is covered by the Act as well as any agency which exchanges records with the above systems.

"Criminal justice information" is defined so that limited exchange of routine information reflecting the status of a criminal case and its history, or reports compiled for bail or probation between governmental agencies is not impaired. The definition of "criminal history" and "arrest record information" is drafted so that they only cover filing systems indexed by name but not public records indexed by date, such as police blotters, incident reports or court records. The public, for example members of the press, would still have access to such records.

The bill also defines "criminal justice investigative" and "criminal justice intelligence information." The former encompasses confidential reports compiled by an arresting officer or by a detective on a particular investigation into a particular crime. Intelligence information may be collected on an individual only in anticipation of his involvement in criminal activity.

TITLE II. COLLECTION AND DISSEMINATION OF CRIMINAL JUSTICE INFORMATION, CRIMINAL JUSTICE INVESTIGATIVE INFORMATION AND CRIMINAL JUSTICE INTELLIGENCE INFORMATION

Sections 210 and 202 set the general restrictions on the use of criminal justice information within the criminal justice community. The general rule is that criminal justice information is to be used for the most part within the criminal justice community. Subsection 201(b) deals with the exchange of criminal justice information among criminal justice agencies. It is written in terms of minimum operating procedures. Therefore the restrictions set out in the provisions are what each criminal justice agency must adopt at a minimum. The provision is drawn in general language so that the Criminal Justice Information Systems Board, created pursuant to Title III and heavily weighted with persons representing criminal justice would have latitude in interpreting these provisions. Furthermore it is assumed that these provisions will be enforced, not so much by the civil remedies provision of section 309 but by the audit and fund or information cut off sanctions embodied in sections 306 and 308. A civil remedy would lie only when the agency fails to adopt and publish procedures pursuant to this section or where it refuses to comply with its own procedures.

Generally, conviction records may be exchanged freely within the criminal justice community: corrections and release information can only be disseminated to other criminal justice agencies and to the subject if permitted by statute or court rule; fingerprint and other identifying information may be freely disseminated so long as no stigma is attached: wanted persons information, that is, identifying information on a fugitive, may be disseminated liberally for the purpose of apprehending the fugitive.

Raw arrest records and criminal history records which terminated in the defendant's favor may be routinely disseminated to another criminal justice agency only where the individual has applied for a job at that agency, a case has been referred to that agency for adjudication or the individual for supervision. Such records could also be made available on a relatively routine basis to law enforcement agencies once the agency had already arrested the individual in question.

These records should be made available only on a very limited basis to law enforcement agencies prior to arrest when the information will be used to develop investigative leads and the officer can point to "specific and articulable facts which taken together with rational inferences from those facts warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information should be relevant to that act." The information should only be available on a "need-to-know", "right-to-know" basis. This means that the agency receiving the information has established procedures designed to assure that the person receiving the information has demonstrated that he is a detective or patrolman performing detective functions and that he needs the information for a particular case.

The "specific and articulable facts" standard derives from the Supreme Court opinion in the case of *Terry* v. *Ohio* 392 U.S. 1 (1968) in which the court permitted stop and frisk on such grounds. Based on the *Terry* language in evaluating the reasonableness of a request for records for investigative purposes ". . . due weight must be given, not to (the officer's) inchoate and unparticularized suspicion or 'hunch' but to the specific reasonable inference which he is entitled to draw from the facts in light of his experience." 392 U.S. 27. Although this standard is obviously less than probable cause, the court still requires in stop and frisk that the officer "be able to point to specific and articulable facts which taken together with rational inferences from those facts, reasonably warrant that intrusion (into fourth amendment protected rights)," 392 U.S. 21. In using the identical language it is intended that an officer should be able to justify requests for information with similar specificity.

The section also permits criminal justice agencies to allow information to be used for other "essential purposes" and to permit information of any kind to be made available to an officer where that information might alert him of a danger to his life. It is intended that where information is used for these last two functions that its utility clearly outweighs any risk to the rights of the subject of the information such circumstances will be set out in regulations issued by the Board.

Section 203 sets the general policy on the collection and dissemination of criminal justice information outside the criminal justice community. Criminal justice information can only be used for criminal justice purposes unless a state or Federal statute specifically authorizes dissemination of conviction records to non-criminal justice agencies. Arrest record information on an individual, that is the record of an arrest without a disposition, may also be available to the public, if specifically authorized by a state or Federal statute, the arrest is less than a year old and the charge arising from that arrest is still actively pending.

The information can only be released where its use is relevant to the purpose for which it is sought and the statute sets out in detail precisely how the information may be used by the non-criminal justice user. The subject of information must be informed of each instance in which it is used for a non-criminal justice purpose. The section permits qualified researchers access to the information only if the privacy of the subjects of the information is protected. A limited amount of discretion is provided the criminal justice agency in determining whether the individual seeking access does so with the good faith intent of using the information for research purposes. It is my intent that the types of individuals permitted access be rather liberally construed as long as the applicant intends to seek statistical rather than individually identifiable information. As long as the individual has a research plan which relies upon such statistical information it is not the responsibility of the criminal justice agency to pass upon the qualifications of the individual to do the research or validity of the research design. It is assumed that this provision will be invoked mostly by scholars and students of the criminal justice system including investigative reporters from both the print and electronic media. It is not the intent of this provision that the criminal justice agency use the privacy safeguards set out in this act to shroud its activities in secrecy and indeed this very section and section 309 provide that an individual who has expressed a willingness to comply with the privacy safeguards and sign nondisclosure agreements but is denied access might seek injunctive relief in the Federal courts.

This section and the definition of "criminal justice agency" provide that any governmental or private organization which performs a criminal justice function via contract with a governmental agency will be treated as a criminal justice agency in the performance of that function. Also any subunit of a non-criminal justice agency which performs a criminal justice function is treated as a criminal justice agency to the extent that it performs that function. The organization or subunit must sign special nondisclosure agreements and be subject to the specialized regulation applying to research organizations.

Section 203 also makes explicit the intent of the drafters of S. 4252 that the act not be used to deny members of the press confirmation via police officers of the fact that an individual was arrested on a particular date at a particular precinct where that practice is permitted under existing law. The legislation also permits reporters direct access to police blotters or court records where such access is permitted by existing law. The legislation is only designed to prohibit private citizens, whether members of the press or private employers, from asking police officials for a general search of their records or reference to a criminal history file for the criminal background of a person.

Therefore members of the press will be able to check a police blotter or to ask a police officer—"Was John Smith arrested and booked on June 18, 1974 at the second precinct office, Washington, D.C.?" An officer at that precinct or the reporter himself could answer that question by reference to the police blotter at that precinct station. However, the police officer could not respond to a request phrased as follows—"What's John Smith's criminal record?"

The approved bill would also not affect access to an index to court records which lists parties to litigation, e.g., United States v. Jones plus a docket number or citation. Such an index could be used by members of the press and the general public as an index to the docket number and ultimately to the actual court records, but it could not contain criminal history information itself.

Finally, the section provides that the act applies to information obtained from foreign governments or organizations. Information contained in systems covered by this act can only be disseminated to foreign governments or organizations if assurances have been made that the information will be treated in a manner consistent with this Act when it leaves this country.

Section 204 permits the disclosure of some criminal justice information intelligence and investigative information to non-criminal justice agencies for the purpose of screening individuals for appointment to criminal justice agencies and for access to top secret information. As a general matter access to such information for appointments or security clearances is only permitted after the individual to whom the information applies has given his written consent. Where access is permitted by this section to conviction record information, any such information which has become sealed is automatically unsealed.

One exception to the consent requirement involves background investigations by the federal government. Subsection 204(c). Federal investigators who are conducting the most comprehensive "background investigations" for high level federal appointments can use raw arrest records for the development of investigative leads. Since this section permits access to raw arrests for "background investigation" without the subject's consent, it is intended that it be narrowly construed so that such information would be available only for "full field background investigations" similar to those conducted pursuant to section 3(b) of Executive Order 10450 on "Security Requirements for Government Employment" and described in greater detail in Chapter 736. Subchapter 2, Section 2-5 of the Federal Personnel Manual.

Section 205 prohibits agencies or persons who lawfully gain access to information from using the information for a purpose or from disseminating the information in a manner not permitted by the legislation.

Section 206 is based on a provision contained in Project SEARCH's model state statute and the Massachusetts arrest records statute. It places limitations on access to criminal justice information via categories other than name. It would require investigators to get a court order before gaining access to a criminal justice data bank by offense—i.e., a print-out on all persons charged with first degree burglary with certain physical descriptions or with a certain *modus operandi* and from a certain geographical area. Although few criminal justice data banks have this capability, grave risks are seen to the rights of data subjects if the computer were used routinely as a substitute for the experienced and cautious detective. Obviously, permitting unbridled access to computer printouts of names of individuals based on racial characteristics, geographical area or crime (e.g., persons arrested for engaging in unlawful demonstrations) would present grave policy and constitutional questions.

Section 206 provides for unlimited class access to a data bank containing cases which resulted in convictions or where charges are still pending but where the charges result in a disposition in the defendant's favor, a special judicial access warrant must be obtained. According to the commentary on the SEARCH model statute: "(the provision) is modeled on the provisions which now govern wiretapping and electronic eavesdropping. It is intended to interpose the judgment of an impartial magistrate to control the usage of an investigative method that may, if misused, create important hazards for individual privacy."

Section 207 requires every agency or information system covered by the act to promulgate regulations on security, accuracy and updating and sets out in general terms what those regulations must provide. The regulations must provide a method for informing users of changes in disseminated information, including an audit trail of individuals using information.

A new subsection (e) has been added to this section authorizing the Board to suspend application of the provisions of this section or any other section of the Act with regard to information collected on or before the effective date of this Act. The Board is authorized to suspend provisions only after it finds that "the cost of implementation of this section outweighs the interests of privacy which would be served by the implementation". It is intended that the Board explore all other alternatives before actually suspending a provision for old records. Therefore, it is intended that the provisions of this section might be more loosely construed with regard to old records rather than actually suspending application. For example, subsection (c) requires an audit trail of records including the name of every requestor of a record and the "nature and purpose" of the request. It might be argued to the Board that it would be too burdensome to require the Identification Division of the FBI to go back and actually add the "nature and purpose" to audit trails of old records where the identity of the requestor might be sufficient to tell the agency by implication the "nature and purpose" of the request. Obviously some state licensing agencies could only request a rap sheet for one purpose and if the agency's name appears on the audit trail the FBI could assume the request for that purpose. Rather than actually suspend the application of this subsection to old rap sheets it would be preferable for the Board to permit such flexibility in its application to old files.

Section 208 requires every agency or information system covered by the act to promulgate regulations on sealing or purging of information. Such regulations or procedures must provide for sealing or purging of information where required by a federal or a state statute other than this Act or by federal or state court order. Furthermore, the section requires that each agency promptly seal certain old conviction records unless a class of offenses are exempted by state or federal law. It is intended that sealing a record might be accomplished by moving a record from a routinely available status to a status requiring a special procedure to gain access. In manual systems this might mean moving a record from open filing drawers to microfilm while in automated systems a record might be considered sealed by moving the information from on-line to off-line. An index of sealed records may be maintained but access to the index would be limited to law enforcement employees. Records can be unsealed by court order or automatically in certain circumstances, such as where the individual requests review pursuant to section 209 or where special access is permitted pursuant to section 204 in screening security clearances.

Section 209 requires every agency or information system covered by the act to establish a process for access and challenge of incorrect or inaccurate information. The section sets out what those regulations must provide. This section should be read along with Section 309 which provides court review procedures where the agency fails to comply with Section 209 or any other provision of the Act.

Sections 210 and 211 place limitations on the dissemination of criminal justice intelligence information (Section 210) and criminal justice investigative information (Section 211). As a general rule such information would be exchanged between criminal justice agencies only where a "need to know" and "right to know" had been demonstrated by the requesting agency and by officers and employees within the agency. (See subsection 210(b) and 211(b).) "Need to know" and "right to know" means that the agency making the request must establish that it is conducting an investigation as part of its responsibilities in the administration of criminal justice and that it has good reason for needing the information for the investigation. Within the agency only those employees conducting the investigation or their superiors would have access to the incoming intelligence or investigative information.

Section 210 also provides that intelligence information should be collected on individuals only if there are grounds existing connecting that person with known or suspected criminal activity. It also provides for routine review of files to determine whether such "grounds" continue to exist (Subsection 210(c)). The same section also provides that intelligence information on an individual may be disseminated to a second agency only if that agency is able to "point to specific and articulable facts which, taken together with rational inferences from those facts, warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information may be relevant to that act." (Subsection 210(d)). This language, similar to that contained in section 201, is based on the *Terry* case and it is intended that it be interpreted in the same manner.

The section prohibits the entry of criminal justice investigative or intelligence information in an information system whch maintains criminal history information. Although investigative and intelligence information may be automated, remote access to such automated systems is generally prohibited.

However the bill would permit the maintenance of an index to intelligence files which could be accessed by remote terminal from outside the agency. The index might maintain the name, identification record information, criminal history record information and other public record information on individuals upon whom more complete intelligence files exist. The requesting agency's request could be referred automatically via the index to another criminal justice agency possessing more complete information on the individual in question. The committee intends that this index be operated in such a manner that it not undermine subsections (b), (c) and (d) of section 210 which provide the maintaining agency with a right to review all requests for access to its intelligence files. Therefore, such an index must be designed so that a requesting agency is not automatically informed of the existence of a file or the name of the maintaining agency but that the maintaining agency might be immediately and automatically informed of the request so that it can in its discretion respond to the requesting agency if it determines that the requirements of subsections (b), (c) and (d) have been met.

Section 211 also contains a provision permitting an individual to see his own investigative file where such disclosure is permitted under the Freedom of Information Act and other statutes or court rules. This provision would continue the practice of discovery in criminal cases in both the federal and state courts. For example section 3500 of title 18 of the United States Code, the so-called "Jencks Act" permits disclosure to a defendant of prior statements by witnesses to the police. Section 209 would not affect that type of disclosure.

Although intelligence and investigative information is generally restricted to criminal justice agencies, a limited exception is permitted for intelligence assessments. The committee understands that an intelligence assessment is an assessment provided to a government official about the impact which certain intelligence information will have upon the operations of the official's agency or as an aid to making official decisions within his authority. Intelligence files are not made available in the course of such an assessment but only a summary of the contents of such file. The exceptions to the general prohibitions embodied in the "assessment" role are to be narrowly construed. Information should be made available to private persons only where there is imminent danger to their life or property. Also intelligence and investigative information would be available to noncriminal justice agencies pursuant to Section 204.

TITLE III. ADMINISTRATIVE PROVISIONS; REGULATIONS; CIVIL REMEDIES; CRIMINAL PENALTIES

Title III creates a cooperative Federal-State administrative structure for enforcement of the Act. *Section 301* establishes a Criminal Justice Information Systems Board, an independent agency with general responsibility for administration and enforcement of the Act. The Board would be composed of representatives of the Department of Justice and two other Federal agencies with law enforcement responsibilities, plus nine other members nominated by the President, with the advice and consent of the Senate. Of the later nine members, seven must be representatives of state or local criminal justice agencies, and two private citizens well versed in constitutional law and computer technology. The President would also designate a chairman from the latter nine members. The latter nine would serve staggered six-year terms. The first three, the Attorney General plus the members designated by the President, would serve at the pleasure of the President.

A thirteenth member is allocated to the judiciary since these criminal justice information systems are also of great importance to the judicial function. However, bebecause of the traditional reluctance of members of the Judiciary to participate in such arrangements, perhaps because of separation of powers concerns, the appointment of the thirteenth member is made discretionary with the Judicial Conference. The representative of the United States Judicial Conference would serve at the pleasure of the Conference.

The Board would have the authority to issue general regulations applying the Act's policies. It could bring actions pursuant to Section 309 and issue cease and desist orders and impose administrative penalties as provided in Section 308. It would supervise the operation of the interstate information system authorized by Section 307. It would conduct audits pursuant to Section 306, and would have other necessary enumerated powers, as well as authority to conduct general studies of information systems and make recommendations to the Congress for additional legislation.

Section 302 authorizes the Board to conduct hearings and compel the attendance of witnesses. The Board would have the power to enforce its subpena in Federal Court.

Section 303 requires the Federal Information Systems Board to issue regulations which implement this Act. At least 60 days prior to their promulgation, the Board must refer proposed regulations to the Department of Justice and to other Federal criminal justice agencies for comment.

It is intended that the notification provisions of this section be followed religiously and that dissemination of proposed rules be widespread. The provision requires advance notification to the governor of each state, any individual or agency in each state designated by the governor and by any organization or individual requesting the Board to be so notified. It is felt that there is a special obligation upon the Board to notify and consult with organizations which are representative of state and local criminal justice agencies and information systems such as the Project SEARCH group, the National Law Enforcement Telecommunications Systems, and the National Conference of State Criminal Justice Administrators.

The Board's authority to issue regulations is limited to State-created records. In the case of federal offender records and federally created intelligence and investigative records, regulations would be issued by the President upon recommendation of the federal members of the Board (the Attorney General, the two Presidential designees and the representative of the Judicial Conference).

Section 304 requires each state to establish a central administrative agency, or designate an existing agency, with broad authority to oversee and regulate the operation of criminal justice data banks in that state. This section is based upon the concept embodied in the Project SEARCH model statute and the Massachusetts statute. Beginning two years after enactment no information system or agency could exchange information with a system or agency in a state which has not created such an agency. The system or agency must by that time have adopted all the regulations required by the title II or elsewhere in the Act.

Section 305 is based upon a suggestion contained in the Report of the Secretary's Advisory Committee on Automated Personal Data Systems of the Department of Health, Education, and Welfare. It requires every automated information system covered by the Act to give public notice, once annually, of the type of information it collects and disseminates, its sources, purpose, function, administrative director or other pertinent information. It also requires every new system or expanded system to give public notice before it becomes operational so that interested parties will have an opportunity to comment. Section 305 also contains a provision, based on a suggestion made by then Vice President Ford, that a privacy impact statement be filed with each new expansion. The privacy impact statement would require the agency proposing creation or expansion of its data bank to anticipate the impact of that expansion on privacy and security considerations.

Section 306 requires audits of systems and agencies which collect and disseminate information. The audits are to be conducted by the Criminal Justice Information Systems Board, by a state agency created or designated pursuant to Section 304 and by each criminal justice agency. The GAO would have overall responsibility for auditing, as well, under Section 311.

Section 307 is a general grant of authority permitting the Federal Government to operate an interstate criminal justice information system under the policy control of the Federal-state board. However, the Federal role is carefully circumscribed. Information contained in such a Federal system is limited to a simple index containing the subject's name and the name of the state or local agency which possesses a more complete file. The Criminal Justice Information Systems Board could maintain more complete files on violations of a criminal law of the United States, of two or more States or violations of the laws of another nation. Only persons charged with felonies could be listed in the data banks. If a given State lacks the facilities to operate an automated information system, the Criminal Justice Information Systems Board could provide the facilities for a period of five years.

The Board would have the authority to designate an existing federal criminal justice agency such as the FBI to perform these functions or it could recommend to the Congress the chartering of a special corporation or organization similar to the Tennessee Valley Authority to operate the national criminal justice information system. This latter course has been suggested by a number of state criminal justice officials as the best means to accommodate the state interests. Such a corporation could be composed of members from each of the 50 states. Of course, whichever course is followed, either the existing federal agency or the corporation would have to be under the policy control of the Board.

The Board would also have authority to determine the extent to which the national criminal justice information system could operate its own telecommunications system or rely upon existing systems such as the National Law Enforcement Telecommunications System (NLETS). Concern has been shown about recent suggestions that the Justice Department has authorized the Federal Bureau of Investigation to establish its own telecommunications system within the

National Crime Information System. It would be preferred that existing state-based organizations such as NLETS be relied upon in the operation of a national criminal justice information system because an overconcentration of powers and responsibility in the federal government for telecommunications would be unhealthy and might be an inappropriate encroachment upon state and local law enforcement. In respect to the concept of a federally chartered corporation and Board control of the telecommunications system I share the view of Richard Velde of LEAA:

"... with respect to NLETS and any future developments that might occur, as far as an expanded telecommunications network for State and local criminal justice, as I indicated in my prepared testimony, we believe that the Project SEARCH model, of a policy board with an executive committee, much the same as is suggested in the chairman's bill, would be a very appropriate vehicle for policy determination and regulation of this kind of system.

"There is a danger, when any single agency, be it Federal, State, or local, has policy control over a network of this kind. We think the responsibility should be shared."

All of Title III is viewed, in particular the creation of the Board and its authority over a national criminal justice information system and the telecommunications question, as a mechanism for sharing decisionmaking on these issues among local, state and federal agencies.

This provision would supply the missing but necessary statutory foundation for the Identification Division's Rap Sheet Files and the National Crime Information Center or their successors. Section 307 would not apply to these two information systems or any information system until the Act becomes fully effective 2 years after enactment.

Section 308 lists certain administrative actions that may be taken by the Criminal Justice Information Systems Board in the event that a criminal justice information system is found to have violated any provision of the Act.

Section 309 provides the judicial machinery for the exercise of the rights granted in Section 208 and elsewhere in the Act. The aggrieved individual may obtain both injunctive relief and damages, $100 recovery for each violation, actual and general damages, attorney's fees, and other litigation costs whether violations were willful or negligent. An "aggrieved individual" covers an individual upon whom information is maintained, or used in violation of this Act or who is denied access to information to which he is entitled pursuant to subsection 203(d) or 203(g) or any other section of this Act. An "aggrieved individual" might also be a person requesting information in violation of subsection 209(c). It does not require that the individual have suffered some further harm from the violation, such as loss of job or benefit, in order to have a cause of action. It is intended that the Board may in its discretion intervene in any case in which it is not already a party and use in such litigation the results of any audit it might have conducted pursuant to Section 306.

New provisions have been added to the civil remedies section which would limit unnecessary interference by litigants with legitimate law enforcement activities. First, the section now provides an employee of a criminal justice agency or information system or the agency or information system with a complete defense to a damage action when he relies in good faith upon the representation of another agency or employee that information it disseminates is being handled in compliance with the Act. This provision would avoid the imposition of liability in circumstances where it would be impossible for an agency to recognize that information it receives or maintains is not in conformity with the Act. For example, it would exculpate a telecommunications system such as the National Law Enforcement Telecommunications System from liability for information it transmits in violation of the Act. Liability in that circumstance should fall on the agency which enters the information in the telecommunications system.

Second, the section would provide that a mere violation of this section could not be the basis for motion to suppress evidence in a criminal proceeding. Of course, the provision does not limit the court's general supervisory authority to suppress evidence in circumstances of gross violation or in circumstances where the violation is of constitutional dimensions.

Section 310 provides criminal penalties for willful violations of the Act.

Section 311 provides authority for the Comptroller General to conduct certain audits and studies of the operations of the Board on behalf of the Congress. In a letter to the Subcommittee requesting inclusion of this provision the Comptroller General stated that although he thought the General Accounting Office's general statutory authority might be sufficient, that explicit authority should be included in this legislation "because of the sensitive nature of the data involved." The Comptroller General also stated:

"While we fully support the intention of both bills that the administering executive agencies should be primarily responsible for properly managing the provisions of the bills, we also believe it is important that a specific provision be included in the bill providing the means for an independent congressional assessment of executive agencies' actions. In this way the Congress can have better assurance that the detailed audits by the executive agencies are adequate."

I concur and I have included a provision almost identical to that proposed by the surance that the detailed audits by the executive agencies are adequate."

Section 312 provides that any state statute, state regulation or Federal regulation which imposes stricter privacy requirements on the operation of criminal justice data banks or upon the exchange of information covered by this Act takes precedence over this Act or any regulations issued pursuant to Section 303. The Board would make the administrative decision as to which statute or regulation governs, and whether a regulation comports with this Act.

A new subsection has been added to this section authorizing the Board to suspend the application of this provision with regard to state records maintained at a federal agency pursuant to section 307. However, the Board could not authorize such suspension beyond the 5-year period during which the federal agency may maintain state files pursuant to section 307(c). Furthermore, this provision like any provision can be suspended with regard to records collected on or before the effective date, pursuant to subsection 207(e).

Section 313 authorizes the appropriation of such funds as the Congress deems necessary for the purposes of the Act.

Section 314 is a standard severability provision.

Section 315 repeals a temporary authority for the Federal Bureau of Investigation to disseminate Rap sheets to non-criminal justice agencies.

Section 316 makes this Act effective two years after its enactment, except that the Board can suspend the application of any provisions of the Act for up to one additional year.

By Mr. JAVITS:

S. 4253. A bill to amend the Council on Wage and Price Stability Act to provide the Council the authority to issue subpenas and to delay inflationary wage or price increases. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. President, today I am introducing a bill which will grant two additional and extremely important powers to the Council on Wage and Price Stability: subpena power and the power to order a cooling-off period of up to 60 days on seriously inflationary wage and price increases. The latest price increases announced by United States Steel, up to 11.6 percent on about two-thirds of its product line, are avid demonstration of the need for these powers. At a time when President Ford has asked the Wage and Price Board to look into the United States Steel price increases, which permeate every sector of the economy, we find that the Board really has no powers. New price increases in construction and automobiles may well result, to mention two industries hardest hit by the current recession, and those two industries will attempt to justify their price increases by blaming it on steel.

The President is correct in demanding a justification for the steel price increases. However, the President has his hands tied by the lack of power I call for today.

The President can only jawbone, but it has no teeth. Mr. Rees, the Director of the Council, gives it all away when he says:

> If the U.S. Steel executives don't respond pretty soon, I'll get on the phone.

We cannot stand a new round of big price increases in basic steel, which will feed a new burst of inflation and create new wage demands. We need to review it now in this Congress, and we can do it with the amendments I have offered. To wait until the 94th Congress may let the situation run out of control.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4196

At the request of Mr. Kennedy, the Senator from Indiana (Mr. Bayh), the Senator from Michigan (Mr. Hart), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. Tunney) were added as cosponsors of S. 4196, a bill to provide public financing for primary and general elections for Senate and House of Representatives.

S. 4203

At the request of Mr. Brooke, the Senator from Maine (Mr. Hathaway), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from Utah (Mr. Moss), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 4203, a bill to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 4209

At the request of Mr. Muskie, the Senator from Indiana (Mr. Bayh) and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors of S. 4209, a bill to strengthen the intergovernmental response to the current energy emergency.

S. 4216

At the request of Mr. Talmadge, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 4216, a bill to provide a priority system for certain agricultural uses of natural gas.

S. 4225

At the request of Mr. Brock, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 4225, a bill to amend the Consumer Credit Protection Act to prohibit discrimination of credit.

SENATE RESOLUTION 466—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 466

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Reginald C. Vines, Administrator of the estate of John H. Vines, an employee of the Senate at the time of his death, a sum equal to ten months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 467—ORIGINAL RESOLUTION REPORTED RELATING TO AGRICULTURAL CREDIT

(Placed on the Calendar.)

Mr. ALLEN, from the Committee on Agriculture and Forestry, reported the following resolution:

S. Res. 467

Whereas a strong and viable agriculture is essential to the well-being of the Nation's economy; and

Whereas agriculture is the economic base of most rural communities; and

Whereas farmers and ranchers have sharply expanded their use of credit in response to domestic and world demand for food and fiber; and

Whereas skyrocketing production costs and plummeting farm prices have forced agricultural producers into a position of limited liquidity; and

Whereas inclement weather has further limited cash flows of farmers and ranchers this year; and

Whereas this situation of limited liquidity at a time of record indebtedness and high rates of interest threatens the welfare of producers and consumers as well as the long run economic well-being of this Nation; and

Whereas the problem is immediate and proposed major legislative efforts will be too late unless all agricultural lenders immediately respond to the needs of agriculture: Now therefore, be it

Resolved, That it is the sense of the Senate that all agricultural lenders, including commercial banks, insurance companies, Production Credit Associations, Federal Land Banks Associations, and merchants and dealers, during this period of economic distress, use every means possible to assure agricultural solvency and, therefore, long-term agricultural production; and, therefore be it further

Resolved, That it is hereby declared to be the sense of the Senate, that—

(1) The Farmers Home Administration facilitate and fully implement all lending authority in law including the Emergency Livestock Credit Act of 1974 and other disaster loan programs; and

(2) The Farm Credit Administration use its good offices to the fullest extent possible to support and continue agricultural producers with necessary financial support including necessary refinancing; and

(3) The Federal Reserve Board fully support those commercial banks which represent the largest source of agricultural production credit, in their efforts to maintain their agricultural borrowers.

AMENDMENTS SUBMITTED FOR PRINTING

DUTY-FREE ENTRY OF A TELESCOPE AT MAUNA KEA, HAWAII—H.R. 11796

AMENDMENT NO. 2093

(Ordered to be printed and to lie on the table.)

Mr. BEALL (for himself and Mr. Mathias) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 11796) to provide for the duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

AMENDMENT NO. 2094

(Ordered to be printed and to lie on the table.)

Mr. BEALL submitted an amendment intended to be proposed by him to the bill (H.R. 11796), supra.

FURTHER CONTINUING APPROPRIATIONS, 1975—HOUSE JOINT RESOLUTION 1178

AMENDMENT NO. 2095

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. Chiles, Mr. Nunn, Mr. Bartlett, Mr. Cook, Mr. Domenici, Mr. Proxmire, Mr. Eagleton, Mr. Roth, Mr. Brock, Mr. Bellmon, and Mr. Dominick) submitted an amendment intended to be proposed by them jointly to the joint resolution (H.J. Res. 1178) making further continuing appropriations for the fiscal year 1975, and for other purposes.

ADDITIONAL STATEMENTS

S. 3267, STANDBY ENERGY AUTHORITIES ACT

Mr. JACKSON. Mr. President, last Thursday I reported to the Senate on the status of negotiations with the administration on S. 3267, the Standby Energy Emergency Authorities Act.

The purpose of this bill is to provide the President with a statutory basis for the implementation of urgently needed measures for rationing and mandatory conservation, for limiting petroleum imports, and for establishing a system of strategic energy reserves. Passage of this measure by this Congress would provide the Nation with the appropriate standby authority to deal fairly, equitably, and in an orderly manner with the growing economic consequences of world oil prices and the possibility of another embargo by the OPEC cartel.

Title I of the bill provides standby legislative authority to deal with shortage conditions. These include:

End-use rationing of gasoline and other petroleum products;

Mandatory energy conservation authorities;

A statutory basis for allocation of materials in scarce supply which are essential to energy production;

Authority to increase oil production during periods of shortage;

Export limitations on all forms of energy and equipment vital to energy production such as pipe and drilling rigs;

Grant-in-aid for State and local government; and

Delegation of conservation authority to State government.

Title II establishes a policy of reducing high priced oil imports from insecure foreign oil sources. The title:

Sets forth a congressional policy of reducing oil imports;

Directs a study of various alternatives for reducing oil imports; and

Requires a report to the Congress within 60 days together with legislative recommendations.

Title III establishes a policy to commit the Nation to the development of a system of strategic energy reserves. This title:

Creates an Office of Strategic Energy Reserves in FEA;

Mandates prototype salt-dome oil storage demonstration projects;

Requires studies and reports on the establishment of industry storage reserves, electrical utility storage reserves, national strategic energy reserves; and

Requires a report and recommendations on the naval petroleum reserves and their potential for use as an active, "ready to use" oil reserve, for national defense purposes.

Mr. President, there is no dispute as to the need for these authorities.

Every knowledgeable observer who has reviewed the Nation's current energy situation has concluded that the provisions of the pending bill constitute the authority needed for a minimum policy to deal with our short-term energy problems.

Spokesmen for the administration have in recent months repeatedly endorsed in principle and stated the urgent need for the authorities contained in this bill.

The Committee for Economic Development, the Ford Foundation's energy policy project, and other recent studies of national energy policy have all concluded that adoption of authorities like those contained in S. 3267 are essential and of urgent importance.

Mr. President, the administration's own blueprint for Project Independence concludes that these authorities are needed options which should be rapidly developed into legislative programs and set in place at an early date.

The "Comprehensive Energy Plan" submitted to the Congress by the Federal Energy Administration in response to section 22 of the Federal Energy Administration Act of 1974 calls for a 1-million-barrel per day reduction in imports in 1975. The plan states that such a reduction—

> . . . would put pressure on the international oil-producing cartel to lower crude oil prices

> or to further decrease production. The latter could well result in loss of revenues to the oil producers. Achievement of the goal would have international significance through a demonstration to the cartel that the U.S. can control consumption levels.

The international energy program which the United States has now signed together with 15 other nations requires that the United States adopt the authorities contained in the amendment as a means of carrying out the duties and obligations incurred under this agreement.

Other signatory nations have already taken action under the agreement. Germany has reduced its energy consumption by 10 percent. France has mandated a reduction in petroleum imports. The British have initiated a mandatory program for energy conservation.

The United States, however, has yet to take any meaningful action. Instead, administration representatives "view with alarm," pursue "voluntary" programs, and engage in meaningless rhetoric.

Meanwhile, during the last 3 weeks for which data is available, U.S. petroleum consumption has continued to grow and now exceeds 18 million barrels per day. During those same weeks our dependency on imported oil grows larger and now exceeds 7 million barrels per day.

As a result, our credibility and determination to deal with economic and energy problems is seriously questioned.

It is my strong belief that the national interest is best served by expeditiously moving this critically needed legislation on a bipartisan basis. To that end, I wrote to President Ford first on September 27, and again on December 5, offering to work with the administration to resolve any policy or technical problems which the administration may have with the bill.

Last week and over the weekend the staff of the Interior and Commerce Committees met with representatives of the White House, the Office of Management and Budget, the Federal Energy Administration, and the Department of State to ascertain whether the administration would support the bill and join in opposing controversial amendments. These representatives of the executive branch proposed a number of suggestions for perfecting amendments. As I stated last Thursday, in the interest of giving the President this vitally needed authority, I am prepared to accept almost all of the suggestions made by the administration.

Mr. President, one of the ground rules that governed our negotiations on this emergency bill was to confine it to relatively noncontroversial items that are vital in the next few months. With that understanding I was prepared to exclude and to oppose all controversial and nongermane amendments. I deleted a rollback of oil prices to reasonable levels. In the interest of enacting needed authority with a minimum of debate I was prepared to oppose the addition of other amendments such as oil industry tax reform and other measures which I believe to be in the public interest.

In these circumstances I was extremely disappointed to learn that the administration's position is apparently that they will support a natural gas deregulation amendment to this bill even though they recognize that this will mean the death of the bill in this Congress. I have stated that I will oppose any such effort. It has been my earnest hope that Members who favor other such measures, will not undertake an effort which will be divisive and which will kill this bill.

I regret, Mr. President, that despite the extensive negotiations we have had and despite the ability of the administration and the Interior and Commerce Committees to agree on the text of the standby bill, we are unable to agree that all controversial and nongermane amendments will be opposed.

As the author of S. 2589, the National Energy Emergency Act, which President Nixon vetoed on March 6, and as chairman of the Committee on Interior and Insular Affairs, I have made every reasonable effort since October 24, 1973, to work with the administration to develop a national policy for mandatory energy conservation and contingency planning policy which both the Congress and the administration could support. I have repeatedly made major concessions on policy issues of the utmost importance—oil price rollback, unemployment compensation, assistance to low-income families, and many other matters. These concessions were made with the sincere hope that a reasonable compromise could be struck which would provide the executive branch the legislative authority and the tools to deal with the increasingly dangerous financial and national security crises presented by our growing reliance on high-priced oil imports.

On September 27, in a letter to the President, I stated that:

> The separation of the Branches of government, partisan rivalries and the jealousies among executive agencies and among Committees of Congress, would in ordinary times make a proposal such as I have set out here unrealistic. These are, however, extraordinary times. Our security, our economic system and our way of life are at stake.

On December 5, I again wrote to the President. After describing the provisions of the amendment in the nature of a substitute to S. 3267, I stated that:

> It is my earnest hope that your Administration will be able to support this measure. I fully recognize that the Administration and the Congress have different views on many specific energy policy issues. There is, however, broad consensus on goals and essential major programs which are necessary to the maintenance of our national security and to the vitality of our economic system.

Mr. President, the administration's latest response indicates that the Congress will have to continue to act unilaterally and without the support or cooperation of the administration in developing a legislative response to the ravaging impact of world oil prices and the threat of political embargoes.

The administration's inaction and irresponsibility in this area over the past year have contributed to the deterioration of the national economy and the international financial system. Continued indecision threatens to push the Nation from the serious recession we are now experiencing into a catastrophic depression unparalleled since the 1930's.

Last Friday, at their meeting in Vienna, the OPEC oil ministers announced that the price set by OPEC last October will be again increased by 4 percent on January 1, 1975. Secretary of the Interior Rogers Morton has stated that as a result of the OPEC price increase, oil consuming nations "will pay an additional $4 billion a year for imported oil and further depress their economic activity."

Mr. President, our only possible deterrent to a continuing series of exorbitant price increases lies in our demonstration of the will and the ability to reduce our vulnerability to the pricing decisions of the cartel by reducing our dependency on oil imports.

The prices set by this latest increase will remain in effect until October. We, thus, have 9 months in which to prevent further oil price escalation. Therefore, the administration's decision to again prevent the enactment of a statutory basis for meaningful action is particularly grave, because it effectively precludes the achievement of such results in the necessary time frame.

There lies before us a long and difficult road to economic recovery. And that road is strewn with dangers of blackmail in the form of oil embargoes. One would expect the administration to lead us forward on that road. That failing, one would hope that the administration would follow. However, the undisputed record to date is one of inability to lead and unwillingness to follow. Instead, the administration remains squarely planted, immobile and obstinate, blocking all needed efforts to protect the well-being of the Nation.

Mr. President, the American people have had enough delay, enough studies, and enough of official appeals for voluntarism. What they want now is action. This measure, if supported by the administration could be adopted by the Congress before adjournment. It would equip the President with the necessary authority to take the actions which are needed to meet the problems we face in an increasingly uncertain future.

Unfortunately, Mr. President, as a result of the refusal of the administration to cooperate in our effort to keep the bill clean of all controversial amendments, the American people will not get action until the next session of the Congress. The administration seems more interested in profits for the oil and gas industry than in enacting the authority necessary to conserve energy.

I do not intend to ask the Senate to engage in a futile and divisive effort on this bill when there is no hope of purposeful achievement. The Senate and the Congress have other items of important public business which require decision.

I do, however, intend to make clear that the administration must accept full responsibility for the Nation's vulnerability and lack of preparedness to deal with world oil prices and embargoes. The administration must assume the responsibility for the failure to have standby rationing and mandatory energy conservation authority.

Finally, Mr. President, the public should also understand that failure to do that which is possible in this Congress means a delay not of weeks, but rather of many months. It means that no action will now be taken until: First, Congress organizes and adopts rules, and makes committee assignments in the new Congress; second, the President submits his recommendations for an energy program; third, hearings are held on the new bills; fourth, action is taken on those bills by both Houses of Congress; and *fifth*, conference committees meet and agree on the measures.

Mr. President, I do not believe this course of action is in the national interest. I see, however, no way in which purposeful and constructive action can be taken in view of the administration's decision to support an amendment to the bill to deregulate the price of natural gas.

ADMINISTRATION DEREGULATION BID BLOCKS PASSAGE OF ENERGY BILL

Mr. STEVENSON. Mr. President, last weekend two members of the President's Cabinet, his new energy Administrator, the Chairman of his Council of Economic Advisers, and others went to Camp David to formulate a national energy policy.

After the first day, one of the participants was asked what kind of program would emerge, and was quoted as saying:

> I won't bet exactly how it's going to come out, but what I will bet is that it's too little, too late.

That frustration is shared by the Congress and the public.

The administration still has no energy program. The pronouncements of its energy czars, one after another, even the czars themselves, are repeatedly rendered inoperative. This administration has only one consistency in its approach on energy policy. It moves in lockstep with the major oil companies.

The major oil companies do not want standby emergency legislation that could conserve energy, reduce consumption and profits and force them to choose between the United States and the Arabs in the event of another flare-up in the Middle East.

When the Congress passed emergency legislation during the Arab embargo early this year, it was vetoed because the administration and the major oil companies objected to ceilings on domestic oil prices.

Another effort to enact emergency legislation was undertaken last spring, but it, too, came up against the opposition of the administration and the oil industry.

Emphasizing the need to prepare for another embargo, Senator JACKSON urged the President in September and again in early December to support the development of bipartisan standby legislation. In an effort to remove obstacles to its enactment, Senator JACKSON, I and other Members proposed to deal separately with such controversial questions as price ceilings and tax reform.

With time running out, it became clear that the Congress would have to move without the support of the administration. I joined Senator JACKSON and several of our colleagues earlier this month to draft new legislation providing standby authorities for use in the event of another emergency.

Last week, on the very day we introduced that bill, we finally heard from the administration. After months, more literally years, of foot-dragging, the administration asked us to delay Senate consideration of our bill and negotiate mutually acceptable legislation.

Those negotiations have been going on for the past week. We have sought to concentrate on objectives upon which we could all agree—mandatory conservation authority, steps to limit oil imports and establishment of strategic reserves. To assure passage of these standby provisions, we agreed to forego consideration at this time of such additional steps as a rollback of domestic oil prices.

Now, Mr. President, after reaching substantial agreement on minimal emergency energy legislation, the administration informed us that it was unwilling to forego deregulation of the wellhead price of natural gas.

The administration's efforts to tie natural gas deregulation to this emergency bill now will deprive the American people of the protection which would be assured by passage of this legislation. There is no time left in this session of Congress to debate an issue as controversial as deregulation and little disposition on the part of the Congress to increase the oil industry's windfall profits at the further expense of the economy. The administration's position insures that the interests of the Nation's major oil companies will once again be served at the expense of the public interest.

Natural gas supplies about one-third of the Nation's energy requirements. Deregulation would further inflate the already obscene profits of the major oil companies at the expense of virtually every home, every firm, and every industry in the Nation. It would cost the American consumer an estimated $11 billion during the first year alone, with no assurance of increased natural gas supplies. The impact would be felt not only by household consumers but in the cost of innumerable products whose manufacture requires natural gas, including fertilizer and chemicals. The costs of alternative sources of energy, such as coal, would tend to rise to the higher price levels of deregulated natural gas.

Clearly, legislation is needed to help assure adequate supplies of natural gas. At the present time, large quantities of natural gas are being withheld from the market by the oil industry in anticipation of the Government's capitulation to its demands for still higher prices. In just 168 leases in the Gulf of Mexico studied by the Federal Power Commission, producible, commercial wells with estimated recoverable gas reserves of almost 5 trillion cubic feet were found to be shut in. These wells are located on public property, but the Department of Interior steadfastly refuses to compel their production or forfeiture.

The major oil companies' primary interest is making money—not making oil and gas. If, like the OPEC nations they can produce more money by producing less oil and gas, that is what they will do. It is the Government's job to protect its citizens from that kind of economic blackmail. But instead, this administration persists in acting as big oil's agent.

The administration's own Project Independence blueprint forecasts no appreciable increase in natural gas supplies through 1985 for prices in excess of 60 cents per MCF. Yet the administration chooses to ignore its own findings and advocate a policy that will raise the price of natural gas as high as $2 per MCF. The difference between 60 cents and $2 will not assure added supplies of natural gas; it will simply mean more windfall profits for the oil industry and more inflation for consumers.

There are 3 legislative days remaining in this session of Congress. After stalling all year, the administration is now holding a needed energy emergency bill—upon which we can agree—hostage to an oil industry sponsored ripoff.

I am well aware of the need for reforming the regulation of natural gas and compelling the production of withheld supplies. After chairing hearings during which I heard more than 150 witnesses on the question of natural gas regulation, Senator PEARSON and I sought the collaboration of the administration last June in an effort to develop legislation that would protect the interests of natural gas producers and consumers. In July and August, we met and talked with John Sawhill and his staff seven times as we worked toward the introduction of a bipartisan compromise that would increase production incentives without allowing gas prices to rise to the oil price levels established by the Organization of Petroleum Exporting Countries (OPEC). We made substantial progress in those negotiations. By early August we were confident we had reached an agreement.

But the oil companies did not agree. Increased prices were not enough for them; they wanted total deregulation. And in this administration, it appears that what the major oil companies want, they get. So both the agreement we thought we had in August, and John Sawhill, are now gone.

If the administration had been willing to strike a reasonable balance between the interest of the oil industry and the public interest, the natural gas question would have been resolved months ago. As it is, the compromise bill we drafted in August has been further improved by the Commerce Committee and is now ready for markup. As Chairman MAGNUSON has stated, we expect to bring this legislation to the floor of the Senate early in the next session.

The bill now before the committee would reform the regulatory process, establish higher ceiling prices for newly discovered natural gas, freeze the price of old gas and allocate it to residential and commercial uses, forbid the waste of premium fuel under boilers, compel the production of commercially producible wells in the public domain, and exempt from regulation the independent producers who run most of the risks in exploration of new supplies of gas. That legislation is reasonable. It does not forfeit responsibility for the regulation of domestic energy prices to foreign governments. It provides new incentives for the industry without sacrificing the public's interest. The Senate will have an opportunity to consider this legislation early in the next session.

The administration's insistence on deregulation of natural gas in the final days of this session underscores the bankruptcy of an energy policy written in the board rooms of the major oil companies.

By the administration's own admission, if we deregulated the price of natural gas this afternoon, it would have no effect on natural gas supplies this winter. But if we fail to pass the standby authorities bill and there is another embargo in the next several months, we will have gambled with the Nation's future.

By insisting that natural gas deregulation be tied to emergency legislation, the administration must accept the responsibility for the lack of any emergency authority over the next several months.

By signing the International Energy Agreement in Brussels last month, the administration made a solemn commitment to develop mandatory conservation plans, limit imports of high priced foreign crude and develop standby emergency energy reserves. Germany, France, Britain, and now Japan have all either undertaken or announced mandatory conservation programs aimed at lessening their dependence on high priced foreign oil.

The United States is the only major industrialized nation which has not yet established any program or enacted any of the standby authorities necessary to fulfill its commitments under the Brussels agreement.

The fact is that we have been long on rhetoric, and short on action. On September 23 in Detroit, the President finally acknowledged the relationship between high energy costs and looming worldwide depression. In diplomatic terms, he came close to threatening war against the foreign oil producers for establishing extortionate energy prices.

Yet, when the threat of economic disaster demanded decisive action at home, the President joined with the major oil companies to advocate the same high foreign prices for domestic energy he had condemned—and at the expense of killing the only legislation that could have given the administration in this session the authority it needs to initiate energy conservation and stockpiling programs.

While the administration continues its attempts to formulate some kind of energy policy, domestic energy consumption is soaring. The Nation is no better prepared to face an Arab oil embargo today than it was when the first one began a year ago.

The lack of leadership from the White House on energy policy is one of the most serious threats the Nation faces today.

Over the course of the last year, Senator JACKSON has made a relentless effort to see to it that the Congress passed a responsible energy emergency bill. Those of us who have worked with him know first-hand that it has not been easy. The truth is that it has not been possible to overcome the combined power of the oil industry and the administration.

We have been vetoed, stalled, and pressured by an administration and an industry which speak with one voice; proposing more inflation, more recession, more windfall profits, and more shattered public confidence in the wisdom and fairness of Government. We have been frustrated by an administration that would leave us vulnerable to another embargo for the sake of helping the oil industry satisfy its insatiable appetite for profit.

We will not be threatened into supporting deregulation of natural gas. So, we will not be able to pass an emergency bill in this session.

If this administration does not end its alliance with the oil industry, the 94th Congress will enact a mandatory energy program without it. And in this session we must also move rapidly to reform the regulation of natural gas, striking a fair balance between the needs of producers and the economy.

EMERGENCY ENERGY LEGISLATION

Mr. MAGNUSON. Mr. President, it is with deep regret that I must report that the administration is not willing to cooperate in enacting emergency energy legislation in this session.

The Senate committees with responsibility in this area, are organized as a team under the leadership of Senator JACKSON. We have prepared a clean amendment to provide standby emergency authority to assure that essential energy needs of the Nation are met. Our representatives have engaged in good-faith negotiations with the administration and we have accepted most of their suggestions. The remaining differences on the emergency bill are minor, but negotiations over the weekend and into this week were to no avail.

Mr. President, it is painfully evident that the administration is not really interested in obtaining the standby emergency authority. The minor differences that remain could be quickly resolved if there were any spirit of cooperation.

A basic ground rule for enacting emergency legislation at this late hour is that the bill must be limited to noncontroversial measures which are truly urgent to meet an emergency—such as another embargo—that could take place before the Senate could act next year. Our bill provides such items as standby rationing and energy conservation plans for such an emergency.

In an effort to pass such an emergency bill in this session, Senator JACKSON removed his oil price rollback provision and other controversial items from the bill. Despite these concessions, the administration in the past few days has injected its proposal to decontrol natural gas prices as a part of the energy emergency legislation. Changes in natural gas pricing are important, but are completely separate from the measures needed in an emergency. Secretary Morton conceded before the Senate Commerce Committee on December 4 that nothing the Congress could do on natural gas pricing would have any appreciable supply impact this year, or for that matter, until nearly 1980.

Mr. President, the Senate Commerce Committee is committed to bringing natural gas reform legislation to the Senate floor at the earliest possible date in the new Congress. The committee this session held the most intensive review ever conducted of the Natural Gas Act. We recognize that the current regulatory system is deficient because of lengthy delays and great uncertainty. Producers need an adequate price, but that price must also be fair to consumers. Deregulation does not meet that essential test of fairness, nor does it deal with the many other issues that must be addressed, such as curtailment priorities. I might add that we have made progress in these matters despite the obstinate refusal of the administration and the industry to cooperate in working out a reasonable compromise. But even the administration must realize that nothing could be accomplished by considering this highly controversial matter on the floor of the Senate in the dying days of this session.

The administration insistence on hooking natural gas decontrol onto the emergency bill forces me to conclude that the President does not want the authority contained in the emergency bill to cope with an energy emergency. It would appear that his support for the oil industry's efforts to remove the consumers' protection against higher natural gas prices is stronger than his desire to pass this emergency legislation. We were promised communication, compromise, cooperation, and conciliation. But in energy policy, that particular approach has not yet become administration policy. For the good of the country, I hope in the new year the administration will begin to practice what it preaches in a cooperative relationship with the Congress.

EMERGENCY ENERGY PROVISIONS

Mr. TALMADGE. Mr. President, I not only wish to join the distinguished chairman of the Senate Interior Committee, Mr. JACKSON, and the distinguished chairman of the Senate Commerce Committee, Mr. MAGNUSON, in expressing consternation over the failure of the Ford administration to come to terms regarding the provisions of the Energy Emergency Authorities Act, but also with respect to an amendment to this this bill which I offered last Saturday, which I understand, also has been rejected by the President and his advisors.

Senators JACKSON and MAGNUSON, on the other hand, have indicated their willingness to accept my amendment, for which I wish to express my appreciation and thanks.

My amendment would have provided a 6-month natural gas priority to fertilizer and farm chemical manufacturers to maintain capacity production of these essential farm inputs for use by farmers to achieve maximum production of 1975 crops.

U.S. fertilizer producers are now trying to build inventories of fertilizers to meet peak demand during the spring planting period next spring. And to the extent that such manufacturers are denied needed natural gas supplies, the availability and price of fertilizers next year will be affected accordingly, namely, fertilizer supplies will be sharply reduced and prices will be sharply increased.

Current estimates of natural gas curtailments affecting nitrogen fertilizer production may result in the loss of 1.5 million tons of nitrogen fertilizer. If this is permitted to happen—which apparently the Ford Administration and the Federal Power Commission are now willing to let happen—our Nation could lose between 500 and 600 million bushels of food and feed grain production in 1975.

Mr. President, last year, with the help of the Federal Power Commission, fertilizer producers were granted emergency natural gas relief to maintain maximum production capacity. Due to the granting of such relief last year, plus the availability of some fertilizer inventory buildup going into the 1974 crop year, farmers were able to just "get by" in 1974 in meeting their fertilizer requirements. However, going into the 1975 crop year, fertilizer inventories were much lower than they were a year earlier, thus putting even greater pressure and importance on U.S. fertilizer manufacturers producing at maximum levels throughout this 1975 crop and fertilizer year.

In view of the Ford administration's and the Federal Power Commission's refusal to cooperate in avoiding this fertilizer-food crisis, I hereby wish to provide every fertilizer dealer and farmer in this Nation with the addresses and telephone numbers of the White House and the Federal Power Commission, so all complaints registered next year regarding either the supply or price of fertilizer can be directed to their offices. The same applies to complaints received from consumers next year regarding continued shortages of food caused by lost farm production due to fertilizer shortages.

The telephone numbers and addresses of their offices are as follows:

The President of the United States, the White House, Washington, D.C., area code 202-456-1414.

The Honorable John N. Nassikas, Chairman, Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, area code 202-386-4513.

Those of us on the Senate Committee on Agriculture and Forestry have done everything within our power this past year to get fertilizer supplies up and prices paid for them down. We have held numerous hearings, passed two Senate resolutions, and have proposed a mandated natural gas priority relief system to maximize the production of these essential farm products.

Prices paid by farmers for fertilizer supplies since October 1973, have risen sharply—over 100 percent for nitrogen, in particular. USDA is now predicting that further price increases of between 10 and 15 percent can be expected during 1975—and that assumes near maximum production of these materials. However, natural gas curtailments of these plants will now push prices for these essential farm input supplies even higher due to further shortages caused by such curtailments. World demand for nitrogen fertilizer during this 1975 crop year is expected to increase by as much as 50 percent, adding further to price and supply problems regarding this material. The United States is now a net importer of nitrogen fertilizer due to our Nation's failure to expand production capacity to meet domestic requirements.

Any loss in existing production capacity now, will mean farmers will have less than needed fertilizer supplies next spring when they plant their 1975 crops. For every pound of lost fertilizer production now, we can expect a loss of from 7 to 10 pounds of food in 1975. That is the essence of what we as a Nation are now faced with concerning this situation. In my book, that is a bad tradeoff, especially when one considers the dangerously short supply situation we and the rest of the world are now faced with concerning food reserves.

Pork supplies available to the American public during 1975 are now forecast to be the lowest in 47 years. Poultry supplies are expected to be down over 10 percent in 1975 from what they were in 1974. Dairy farmers are now going out of business by the thousands due to increased operating costs, much of which is related to shortages of feed and the higher costs which accompany such shortages.

Carryover supplies of wheat next summer are again expected to remain at all time lows. Grain fed beef supplies are expected to be down by as much as 30 percent next year.

American consumers during 1974 are expected to pay almost $20 billion more for food than they paid in 1973. And unless we get substantial increases in 1975 harvests of wheat, soybeans, corn and other farm commodities, U.S. consumers may be faced with even further increases in their food expenditures during 1975 over that which they are paying this year, maybe by as much as another $20 billion or more.

The Ford administration, in cooperation with Congress, has within its power the means to help minimize such inflationary pressures. It can start, by insuring American farmers that U.S. fertilizer and farm chemical manufacturers will be able to produce at maximum production levels during at least the next 6 months.

Assuming near normal weather conditions next year, and assuming maximum production of fertilizer and farm chemical supplies, we could have expected bountiful crop harvests next summer and fall.

Unfortunately, this now appears unlikely due to the Ford administration and Federal Power Commission's refusal to cooperate regarding this vitally important national matter.

Therefore, they—and not this Congress—will have to answer for the food crisis that will now likely develop next year as a result of their decisions.

FAILURE TO CONSIDER S. 3267

Mr. MUSKIE. Mr. President, I am very disappointed that the Senate will not consider S. 3267, the Standby Energy Authorities Act, during this session. I am particularly distressed because the administration's intransigence has prevented a compromise on this bill.

I had planned to offer an amendment to S. 3267 which provides needed emergency financial assistance to families unable to afford the high price of fuel this winter. The amendment would have been identical in thrust to S. 4209, a bill I introduced earlier this month which has been cosponsored by 17 Senators.

Mr. President, the high cost of home heating fuel is a very real problem for low- and moderate-income families. Winter has already struck in many parts of the country. And people in many States are already struggling to keep warm.

Officials in my State have already reported that nearly 300 families have called them in the past 3 weeks in need of money to pay for fuel.

Mr. President, the inability to pay for heating fuel is a very human problem.

It is a retired woman in Portland, Maine, who recently wrote to tell me how difficult it was for her to afford to heat two rooms in her home and buy enough to eat on her monthly income of $132 from social security.

It is a pregnant mother in Maine with two children who seeks help from the State energy office because her $2,600 a year income does not allow enough to pay for fuel.

It is an unemployed worker in my State who needs heating oil now but cannot afford it—and does not qualify for any public assistance at all.

It is a disabled husband with a wife and four children who has no money at all to pay for heat.

These examples are not fantasies. They are actual cases handled by the energy office in Maine.

The problem of high fuel costs, however, is not restricted to one State or one region. Recently, my Subcommittee on Intergovernmental Relations surveyed the directors of State energy offices throughout the Nation.

While the results of that survey are not yet complete, one thing is clear—that most State energy officials believe the high price of fuel to be the most serious problem their States will face this winter.

Under the provisions of the amendment I had hoped to offer, the Federal Government would have assisted States that developed programs to provide heating assistance to families whose annual incomes are $8,000 or less. Funds would have been apportioned among the States according to the number of families in each State earning $8,000 or less and the State's relative temperature.

Mr. President, I am distressed that the administration's intransigence on the standby authorities bill has ended all hope that my proposal will be enacted in this session. I intend to reintroduce it when Congress returns next month.

OCCUPATION OF VACANT SUITES

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I ask unanimous consent that there be printed in the RECORD a letter dated December

18, 1974, written to all Senators by Mr. Cannon, calling attention to the need for quick decisions by Senators with respect to the occupation of vacant suites.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., December 18, 1974.
Attention: Administrative Assistant.

Dear ———: Since I wrote you on December 2 about the urgent need for quick decisions by Senators when their names are reached on the seniority list regarding whether they wish to move into the vacant suites, the Rules Committee staff has (as of yesterday) obtained decisions from 37 Senators, three of whom chose to move.

This represents excellent cooperation by the Senators concerned, but it is imperative that the process continue during the impending recess, even though Senators will be away from their offices.

I hope every Senator will direct his Administrative Assistant or other senior staff member present in the office to call the Senator by telephone to settle the question regarding a possible move when his name is reached on the seniority list.

The Rules Committee staff will notify each Senator's office at least a day or so before his name will probably be reached so that the Senator's staff can look over the then-existing vacancies to eliminate the ones least desirable to the Senator, thus making it easier for a quick decision to be made when the Senator's name comes up.

As I said in my earlier letter, eleven new Senators must be given temporary suites (effective January 3 in all cases except for those who are sworn in earlier because of resignation by incumbents). All eleven will work under difficult circumstances until the permanent assignment of suites can be completed.

We are making a strenuous effort to complete this process much earlier than has been the case in past years and if we are to succeed, the fullest cooperation by all Senators will be necessary. I earnestly hope that most Senators will find it possible to make the decision in an hour or so rather than taking the maximum twenty-four hours allotted for such decisions.

I suggest that before you leave for the recess you designate the staff member authorized to act for you, or to telephone you for your own decision, and ask him or her to telephone the Rules Committee staff at 224-6352 *NOW* to leave his or her name and office and home telephone numbers.

With all best wishes,
Sincerely,
Howard W. Cannon,
Chairman.

ADDITIONAL STATEMENTS

THE DEMOCRATIC PARTY CHARTER CONFERENCE

Mr. MONDALE. Mr. President, much has been written in recent days about the historic charter conference held by the Democratic Party recently in Kansas City. For the first time in American history, a major political party has adopted a set of rules and procedures to govern its affairs and thus pledged itself to abide by a rule of law.

This is a great achievement, in my judgment, and the entire Democratic Party is indebted to those who made it possible. That list includes Robert Strauss, the party's able national chairman, and it includes the two leading officers of the charter commission which debated, drafted, and finally proposed the final document, former Gov. Terry Sanford of North Carolina and Congresswoman Yvonne Brathwaite Burke, of California.

There is one individual more responsible for the charter than anyone else, however, and I am very proud that he is my friend and colleague from Minnesota, Congressman Donald M. Fraser.

For many years Congressman Fraser has devoted himself to the rule of law in the Democratic Party and he has worked tirelessly to bring it about.

At the 1972 Democratic National Convention in Miami Beach it was Don Fraser who introduced and saw enacted the resolution mandating the charter conference. For several years before that and ever since, it was Don Fraser who forced the Democratic Party to focus on its own structural weaknesses and the need to formalize its own rules and procedures. He encountered countless obstacles and substantial opposition throughout, but he never gave up his vision of a national Democratic Party in fact as well as in name. It was his persistence, his ability to persuade and when necessary to compromise, his long hours of tireless effort, and most of all his deeply rooted belief that the party should have established rules to guide it, that made the charter possible. Many people contributed to the effort, but without Don Fraser it never would have happened.

Don Fraser's friends in Minnesota have come to expect this kind of thing of him and he is being increasingly recognized nationally in a similar way. To help further that recognition, I want to share with my colleagues a recent article on Congressman Fraser by Al Eisele of the St. Paul Pioneer Press which focuses on his activities on behalf of the Democratic charter. I ask unanimous consent, Mr. President, that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Fraser Unsung Hero Behind Reform

(By Al Eisele)

Washington.—Early on the morning of July 13, 1972, as the rays of the rising sun reflected off the Atlantic Ocean, a bleary-eyed Rep. Donald Fraser emerged from his room at the Fountainebleau Hotel in Miami Beach clutching a sheaf of papers.

The papers were the result of an all-night literary effort by the soft spoken Minnesota Democrat, who had been directed by the Rules Committee of the 1972 Democratic National Convention to draft a compromise resolution calling for further study of a proposal to remodel the party's structure.

Fraser's resolution called for changing the composition of the Democratic National Committee, creating a special commission to draft a new party charter and convening a 1974 conference to adopt that charter.

The resolution was adopted by the convention that night, setting the stage for last weekend's historic charter conference at Kansas City at which the party finally adopted its first charter.

The fact that it did so, and that it did it in a spirit of relative harmony despite the bitter controversy that surrounded portions of the charter, was due as much to Fraser as any other individual.

For most of his 12 years in Congress, and particularly since Jan. 7, 1971, when he succeeded Sen. George McGovern, D-S.D., as chairman of the Democratic Commission on Party Structure and Delegate Selection, the 50-year-old Minneapolis congressman has tried to encourage institutional stability in the affairs of government.

Fraser's contributions to party reform were recognized last week by the Kansas City Star, which called him one of the strongest intellectuals in the House and "the major spokesman for the reform element" in the party.

Fraser himself traces his interest in reforming the processes of government to the progressive traditions of the Minnesota Democratic-Farmer Labor party—which he considers a model for the national Democratic party—and to his work on the House Foreign Affairs committee.

"One of the subjects that has been my principal interest in the last 10 or 12 years is that of political development of countries," Fraser said.

"I've been particularly interested in the way in which countries gain, over a period of time, the capacity to achieve self-government and to develop stable institutions, both in regard to their political parties and the institutions that make a country governable," he added.

In fact, Fraser was among the architects of the foreign aid bill passed by the House last week which, among other things, penalizes Turkey for its conduct in Cyprus and South Korea for its repressive human rights policies by withholding military and economic aid.

Like much of Fraser's work in the House, his involvement in foreign aid issues is not highly visible, nor politically profitable. But he considers it one of the burning moral issues of our time, with deep significance to the U.S. and the rest of the world.

By continuing to give military and economic assistance to dictatorships and repressive regimes, Fraser contends that the U.S. is giving the lie to its own foreign policy.

As he explained several years ago while urging the House to vote against supporting the military dictatorship then in power in Greece. "We claim we're fighting in South Vietnam for self-determination, and in Greece we continue to give aid to a regime that has destroyed democracy in its birthplace and denied self-determination to its people."

His belief in the concepts of democracy and self-determination are precisely why Fraser has pushed so hard for reforming the structure of his own party.

The Democratic party's new charter is important, Fraser feels, because for the first time "it puts down on paper the basic framework for a national party so that people reading it can understand what it is, what it stands for, and how to participate in its affairs."

Even more important, he believes, is the fact that the charter "carries forward and gives a definable legal status to the basic reforms we've made in the last six years so that we don't have to reenact them every four years."

Fraser was pleased that the Kansas City conference saw fit to endorse two of his specific ideas in the new charter, including creation of a judicial council to review state party plans for selecting delegates to national conventions, and the creation of a national education and training council for the party.

In fact, he makes it clear he would be more than willing to serve as chairman of one of the eight members of the council, which is charged with developing education and training programs to further the party's objectives.

Even though the charter conference refused to make the mid-term conferences mandatory in the future, Fraser believes the narrow vote by which the issue was decided "shows enough support for the idea so that the question is not whether we will hold them again but what kind they will be."

It was not entirely coincidential that the far-reaching reforms ordered by the Democratic party last week came at almost the same time that the House instituted major changes in its power structure through a weakening of the seniority-controlled committee assignment system.

As chairman of the liberal-oriented Democratic study group, a coalition of reform-minded House members, from 1969–1971, Fraser was credited with providing much of the brainpower and organizational skills.

Fraser, whose past achievements and ability to balance his liberal ideology with political savvy have caused some people to suggest that he and not Rep. Morris Udall, D-Ariz., should be running for the 1976 Democratic presidential nomination, is normally the last person to blow his own horn.

But last week, as he savored the sweet taste of success from Kansas City, he allowed himself a rare bit of self-congratulation.

"I feel good about the way things worked out at Kansas City," he said in response to a question, "because I think that if I hadn't pushed for the charter as hard as I did, it wouldn't have happened."

LAWS AND THE ECONOMY

Mr. **FANNIN**. Mr. President, our country is facing severe economic problems and the future is very cloudy. The tragedy is that a good part of our economic woes are a result of unwise actions taken by Congress in recent years. It is even more tragic that laws and policies dictated by Congress stand in the way of curing our economic ills and providing a bright future.

One of the causes of our economic problems and perhaps the largest single blockade to rescue is the web of the environmental bureaucracy created by Congress.

Environmental protection is a noble cause, and one which should be pursued, but not at the cost of impoverishing or retarding our society.

Last Friday the Phoenix Gazette ran an editorial which declared that the time has come "to get the environmentalists off the back of America's staggering economy." The Wall Street Journal yesterday carried an article by Irving Kristol pointing out that environmental fanaticism is rampant. Mr. Kristol suggests the environmental movement will self-destruct, but I fear that it will destroy freedom and perhaps the United States in the process.

Mr. President, the strip mining bill passed by the Senate this week is another example of unrealistic legislation which will put a major crimp in our already inadequate energy supply system. It is not practical; it is the kind of ideological fanaticism that Mr. Kristol warns about.

Congress must start to worry about economic impact as well as environmental impact. It is time to begin giving consideration to the needs of people in today's world.

Mr. President, I ask unanimous consent that the excellent editorial from the Phoenix Gazette and the article from the Wall Streeet Journal be printed in the Record for the benefit of my colleagues who are concerned about the future of our country.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

[From the Phoenix Gazette, Dec. 13, 1974]

Let's Be Practical

It is high time to get the environmentalists off the back of America's staggering economy.

A significant part of the nation's recession woes can be traced to the ecology movement in the last several years. A proper concern with pollution has gone to extremes, fastening unreasonable deadlines and unrealistic costs on industry—snarling production in red tape, destroying jobs and driving up prices beyond the reach of consumers. The depressed auto industry provides the classic example.

In Arizona, the dire consequences of devoting all concern to environmental impact and none to economic impact is cropping up in one of our backbone industries, copper.

In the last seven years, copper industries in this state have spent or committed themselves to spend some $461 million to clean up the emissions from their smelters. Under pressure from the environmentalists, they have been compelled to act before the technology and the equipment for capturing air pollutants have become available. As a resula, a lot of this money has been wasted, and the economic viability of this vital enterprise has been jeopardized.

No relief is in sight. On the contrary, the copper industry in Arizona faces added troubles from the ecology forces. The Environmental Protection Agency has turned down Arizona's own air cleanup program and is in the process of writing its own regulations for the state. They are to be published within the next month.

Meanwhile, the copper industry is endeavoring to comply with the state air cleanup program. Phelps Dodge Corp., for example, is under orders from the State Air Pollution Control Board to cut back production at its Douglas smelter 42 per cent by Aug. 31. Obviously, any such cutback would have a devastating effect that would be felt throughout the entire economy of the state. Phelps-Dodge officials hope to be able to make production adjustments so that it can meet ambient air standards without such a drastic cutback. These hopes may be dashed by the new EPA regulations.

All this is not meant to suggest that environmental cleanup is not a worthy objective. Quite the contrary, it is a matter for real concern and practical action.

But the accent needs to be put on "practical." This means a better balancing of environmental considerations with economic considerations. It makes no sense to try to clean up the air and water at the price of bankruptcy—which is what the environmental extremists are threatening to do.

The new Congress should move forthwith to see that this balancing of considerations is brought about.

[From the Wall Street Journal, Dec. 16, 1974]

The Environmentalist Crusade

(By Irving Kristol)

There is in the United States a tradition of evangelical reform that has no exact counterpart in any other nation. It emerges, one assumes, from our Protestant origins, with its conception of this new nation as being "a city upon a hill," "a light unto the nations"—in short, as properly striving for and being able to achieve a degree of perfection that is beyond the reach of less blessed peoples elsewhere. All of us, for the most part without even realizing it, subscribe to this American dogma—which is why we constantly find ourselves being enlisted into movements of enthusiastic reformation.

In some respects, this reform impulse is one of our glories. It gives American politics a permanent moral dimension and moral thrust that is entirely proper to a democratic republic, one of whose major functions must be to ennoble the common men and women we all most certainly are. But it has its dangers, too. It is so easy to move from the moral to the moralistic, from a concern for what is right to a passionate self-righteousness, from a desire to improve our social reality to a blind and mindless assault against the real world which so stubbornly fails to conform to our ideological preconceptions. In short, the great temptation which all American reform movements experience is to become a crusade. It is a temptation, alas, that the reform impulse will frequently succumb to, with all the disagreeable results that have always attended upon crusades.

The antislavery movement before the Civil War and the temperance movement before World War I are two examples of reform movements which degenerated into crusades. Both addressed themselves, with commendable fervor, to very real evils: slavery (about which nothing need be said) and working-class alcoholism (whose ravages, we forget, were far more devastating than those of drugs today). Both, in time, permitted their moralistic enthusiasm to overwhelm all prudential judgment, so that both the abolitionist crusade and the prohibitionist crusade ended up by alienating public opinion, despite all sorts of legalistic victories they could proudly point to. And it can be said that their "final solutions"—the Civil War perhaps, the 18th Amendment most certainly—created at least as many problems as they solved.

A SERIOUS DANGER

Is the environmentalist movement now in danger of being transformed into such an immoderate and ultimately self-defeating crusade? It certainly is a reform movement which began with a massive reservoir of public sympathy, since there is no doubt that a competitive economic system does create noxious "externalities"—general effects on our lives that are beyond the purview or control of any single enterprise, since an effort by any single enterprise to take them into account would put it at an immense competitive disadvantage. The only way to cope with such "externalities" is by legislation and regulation, and there can be little question that the public has been, and to a goodly extent still is, supportive of such efforts. But there is now considerable evidence that the environmentalist movement has lost its self-control—or, to put it bluntly, is becoming an exercise in ideological fanaticism. It is mindlessly trying to impose its will—sometimes in utterly absurd and self-contradictory ways, and very often in unreasonable ways—on a reality that is always recalcitrant to any such imposition, by anyone. And it is not too hard to predict that, as this becomes more widely perceived, public opinion will become rapidly less amiable.

Nothing, I think, illustrates so nicely the kind of historical blind alley that environmental extremism seems headed for than the way in which the Environmental Protection Agency has involved itself in urban planning. Because urban sprawl involves extensive use of the automobile, and because air pollution can then become a serious problem (as in Southern California), the EPA is trying to discourage extensive, low-density suburban and exurban development. Well, that's reasonable enough—though even here there are difficulties.

The difficulties arise because EPA does not concern itself merely with those areas of the nation where the air is polluted, or on the verge of being polluted, or in striking distance of being polluted, but also with those areas where air pollution is, in the judgment of the average citizen, or even of EPA's own scientists, still far below acceptable levels. In these other areas, the EPA proceeds as if its mission were, not to protect Americans from dirty air, but to protect clean air from

Americans. Most of us, not being air-worshippers, are bound to regard this order of priorities as more than a little odd. We all like the air to be cleaner rather than dirtier, but very few of us really want to define our individual lives or our national purpose in terms of achieving the greatest possible air purity, regardless of cost or consequence. Such an idea does seem to verge on the fanatical.

Still, in view of the air-pollution problems that do exist, and of our hitherto neglectful attitude toward them, one might put a benign interpretation on EPA's single-minded enthusiasm. After all, sometimes one does initially need such enthusiasm to get things moving at all. But any such benign interpretation is soon put to the test by the fact that EPA seems not only to be opposed to urban sprawl—it appears also to be opposed to urban concentration as well! For urban concentration, though it may minimize the individual's use of his particular automobile, does produce a large concentration of automobiles and trucks, which in sum do create some degree of air pollution. So EPA is now insisting that it have the right of approval and disapproval over the construction of inner-city convention centers, cultural centers, shopping centers, department stores, parking lots, amusement parks, housing projects, industrial parks, etc. And it is being very grudging in its approvals, highly peremptory in its disapprovals.

Now, this is really bizarre. It is bizarre, to begin with, in that Congress, when it established the EPA, and public opinion when it supported this reform, certainly never intended to give a handful of bureaucrats such immense powers. If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress, or the Executive, or state and local government. No one ever contemplated such a situation, nor are the American people likely to permit it to endure. Clean air is a good thing—but so is liberty, and so is democracy, and so are many other things.

What makes the situation even more bizarre is that this bureaucratic usurpation of power is wedded to an utterly irresponsible use of such power. Here, in New York City, a low-income housing project was delayed for months—and finally had to be expensively redesignated—because the EPA perceived a threat of "noise pollution." Noise pollution in a New York slum! People are being mugged right and left, children are being bitten by rats, junkies are ripping out the plumbing of decaying tenements—and the EPA is worried about noise pollution! These same EPA officials, of course, go home at night and tranquilly observe their children doing their homework to the accompaniment of thumping, blaring rock-and-roll music. And if the neighbors should complain, they get very testy.

A MAJOR OBSTACLE

The EPA has now become a major obstacle to the redevelopment of the inner city. It has become a major obstacle to the development of new suburban communities. Indeed, it seems to be spending much of its time and energy figuring out how to be an obstacle to practically anything that Americans want to do. What was in its origins a movement for environmental temperance has become a crusade for environmental prohibition. It should take some time before Congress and the American people decide to call an end to this crusade—just as it took some time to repeal the 18th Amendment. Nevertheless, it is only a matter of time.

But the area of urban and suburban planning is only one instance of environmentalist crusaders rushing in where more reasonable men would tread more warily. In just about every aspect of American life, the environmentalists are imposing their regulations with all the indiscriminate enthusiasm of Carrie Nation swinging a baseball bat in a saloon. Common sense seems to have gone by the board, as has any notion that it is the responsibility of regulators and reformers to estimate the costs and benefits of their action.

Thus, we all agree that the United States needs desperately to increase its domestic oil production. Geologists tell us that offshore drilling along the Atlantic seaboard offers us the best—perhaps the only—opportunity to achieve this aim. The enviromentalists promptly declare themselves as adamantly opposed to any such enterprise. Why? Well, there is always the possibility that one of these offshore wells will malfunction, the oil will mix with the waters of the Atlantic Ocean, and many fish will then come to an untimely end. With all due respect to the natural rights of our fellow creatures of the deep, this verges on madness. After all, the high cost of oil is resulting in millions of Americans losing their jobs. Is such "unemployment pollution"—already a fact, not a mere prospect—really more tolerable than the risk of increasing the mortality rate among the fish of the Atlantic Ocean? It is interesting to note that such nations as Britain and Norway, which do not have our tradition of evangelical reform, have no compunctions about offshore drilling. Precautions against environmental dangers are taken; but the drilling gets done. Do we really think that Britain and Norway are more barbarous than we are? Or are they merely being more sensible?

Or take the case of the strip-mining of coal. We have enormous reserves of coal which can substitute for oil, and which can be strip-mined easily, cheaply, and safely. That last feature of strip-mining—the fact that far fewer miners get injured or killed in the process—might seem to be a mighty argument in its favor. We are so concerned about miners' safety that we have just enacted complicated (and expensive) rules and regulations governing deep-pit mining. Good—so strip-mining should be the preferred alternative. But no: our environmentalists want to prohibit strip-mining altogether. Why? Because it defaces the landscape, at least temporarily. The question then naturally arises: what price do we wish to pay to avoid a temporary disfigurement of the landscape? But it is forbidden to raise this question and the environmentalists will not even discuss it. Indeed, anyone who does raise it will quickly find himself being excoriated and slandered as an unprincipled enemy of the true, the good, the beautiful.

RECALLING AUDEN

In one of his last poems, the late W. H. Auden wrote:

> *"Nothing can be loved too much,*
> *but all things can be loved*
> *in the wrong way."*

One wishes our more rabid environmentalists would take these lines to heart. They might then reconsider their crusade, which has by now gone beyond the limits of even the purest reason. Making the world safe for the environment is not the same thing as making the environment safe for our world.

SUPPORT FOR S. 3377, UNIFORM TEST PROTOCOLS FOR CONSUMER PRODUCTS

Mr. MOSS. Mr. President on April 24, 1974, my colleague from Washington (Mr. Magnuson) and I proposed S. 3377, a bill to regulate commerce by establishing uniform test protocols for consumer products. This legislation would provide consumers with a simple, but meaningful source of information which would objectively compare competing products.

Under the scheme outlined in this bill, the Federal Trade Commission, utilizing the resources of the National Bureau of Standards, would develop, propose, and promulgate objective product testing protocols for classes of consumer products. The testing protocols would be designed to measure the performance characteristics of the product and translate that performance into easily comparable terms.

In an address before the annual meeting of the antitrust law section of the American Bar Association, Chairman Lewis A. Engman of the Federal Trade Commission spoke of this legislation. He stated:

> Just as there was a need for weights and measures laws to provide consumers a common reference point, there is a need in the current marketplace of more sophisticated products for standardized reference terms to describe what advertising copy sometimes obscures. This, for example, is what the Commission's rule on the power output of hi-fi amplifiers is all about.

Chairman Engman proceeds to endorse the purposes of S. 3377 and indicates that he believes it would provide a helpful spur to the forces of healthy competition. Needless to say, the anti-inflationary impact of such a program is clear.

Mr. President, I ask unanimous consent that the address of Mr. Engman be printed in the Record.

Address

(By Lewis A. Engman, Chairman, Federal Trade Commission)

For years, economists and antitrust lawyers have debated the effect of advertising on competition.

It has not been an idle discussion.

Last year, American business spent $25 billion on advertising. That's a lot of copy, a lot of air time, a lot of information and a good deal of persuading—enough, I submit, to warrant careful examination of its consequences.

Those who have examined the matter tend to divide into two schools of thought. One holds that advertising is anti-competitive; that it builds durable brand preferences which act as barriers to potential new entrants; and that, by differentiating otherwise homogeneous products, it creates self-perpetuating market power which confers the ability to raise prices.

Proponents of the opposing view argue that advertising is the agent through which new brands become known; that it is, therefore, an avenue of access for new entries, and that it provides the marketplace with information the consumer must have to make a rational choice among competing products. In other words, that advertising is a battering ram rather than a barrier.

There are some impressive studies that support the latter view.

One study compared prices of eyeglasses in states which permit advertising to prices in states where advertising is forbidden. You will not be astounded to learn that eyeglasses were 25% to 100% more expensive in states where sellers were not permitted to advertise.

Another study examined the effect of television advertising on the price of toys. Prior to the use of television advertising, the average toy with a list price of $5 tended to retail for pennies under that amount. After manufacturers began to advertise on television, the actual sales price of the $5 list price toy fell to an average of $3.49. Most telling was the fact that in those cities where there was no television advertising, prices did not fall at all.

In these two instances, price advertising clearly had procompetitive consequences. But it is a giant, economy-size jump from those findings to the general conclusion that all advertising aids competition.

Advertising—and I am using the term "advertising" in its broadest sense to include labeling and other point of sale information—conveys many kinds of information, of which price information is only on. Other information deals with quality, durability, utility and style and stretches across a wide spectrum of subjectivity and substantiability. Some advertising appears to have little or no informational content other than that the manufacturer exists and that its product, the desirability of which is suggested, is available.

Since advertising's competitive consequences flow from its provision of information and the character of that information varies so greatly, the relevant question may not be whether advertising is pro-competitive or anti-competitive, but what kinds of advertising are pro-competitive and what kinds are not.

We can begin by establishing that opposite effects exist at the extremes.

One extreme is the "perfect" market situation in which products are fungible—or nearly so—and all consumers have equal access to all producers. Under these circumstances, accurate information regarding quantity and price unquestionably will be pro-competitive.

At the opposite extreme is false advertising superimposed upon all the inertial characteristics of an imperfect market. In this situation, the effect of misleading information conveyed by advertising probably would be anti-competitive.

But what of the area in between—the real world. There, things are not so clear.

To determine advertising's consequences in this area, I think it is useful to back off from the antitrust lawyer's traditional preoccupation with competition and to look for a moment at why we are concerned with whether advertising contributes to it or detracts from it. Why—in other words—is competition desirable?

We care about competition because we expect it to produce a higher level of consumer satisfaction than any other state of affairs. Through competition we expect to achieve quality responsive to consumer wants at minimum prices along with a sustained high level of economic activity.

But because economic theory binds the means (competition) and the end (low prices, high quality and a high level of economic activity) so tightly in a causal relationship, we tend to measure only the causal factor—in other words, to focus on the means rather than the desired end.

In a perfect market, this tendency would be reasonable. But the perfect market is a fiction, an academic tool—it exists rarely, if ever, in the real world. We must ask ourselves, therefore, not just the abstract question whether advertising promotes competition, but whether it furthers our ultimate social and economic goals.

I submit that some does, and some does not.

This is because advertising does not always provide all relevant information useful to an intelligent consumer in order to make a rational choice.

There are those who take issue with that statement. They argue that the content of ads accurately reflects the consumer's own priorities.

They argue that the consumer gets what he wants and, presumably, what he deserves. This is a nice theory—but, as with most theories, it is also a nice oversimplification.

There is, of course, good reason to believe that—as a general rule—market forces themselves produce roughly the right kind and right amount of information. Indeed, information itself may be seen as an economic good that will respond to forces of supply and demand and that involves costs to produce. But it does not follow that market forces alone produce optional information. The general rule has its exceptions.

Sometimes the consumer is provided not with the information he wants but only with the information the seller wants him to have.

Sellers, for instance, are not inclined to advertise negative aspects of their products even though those aspects may be of primary concern to the consumer, particularly if they involve considerations of health or safety.

You might sell seven lean years to a pharaoh if you never mention hunger.

That should be fairly obvious.

What is not so obvious is that there are other circumstances under which sellers do not always provide consumers with relevant information.

One is that in which the "free rider" principle is operative—that is, where some significant portion of the resultant sales would accrue to competitors. A manufacturer with backlogged orders will not be interested in spending money to advertise if he knows that most of the demand he creates may be filled by competitors who have idle capacity.

Information shortfall also occurs where laws or agreements limit the amounts or kinds of information in the market.

For example, doctors, lawyers, pharmacists and funeral directors for many years have maintained conspiracies of silence about fees. In some cases, the assistance of the state has been obtained to suppress this information. When a consumer is sick, in trouble with the law or disposing of a relative's remains, he is in no frame of mind to shop around. And yet, that is what he currently is required to do if he wants to compare prices.

Finally, there are situations where information may be available, but it gets lost in translation where different words are used to describe the same characteristic and the terms employed have no fixed meaning. The lack of usable information regarding price and quality reduces the likelihood for informed consumer choices among available alternatives.

I see little or no justification for withholding accurate price and quality information from the marketplace.

We have many laws to protect the consumer from errors of fact in advertising. But we have few laws to protect him from errors of omission, from what he isn't told at all.

What then are the consequences of the fact that advertising provides the market with only selective information?

The result is that the ability of the consumer to elicit higher quality and lower prices through the exercise of his purchasing discretion is diminished.

Now this may not be anti-competitive behavior in the narrow sense that we antitrust lawyers use the words. But certainly its consequences are not much different.

The distinction between higher prices and lower quality resulting from competitive abuses and higher prices and lower quality resulting from inadequate market information is, I submit, a distinction between means rather than ends and probably of little interest to anyone but lawyers.

Assuming an imperfect market producing imperfect results, what can—and should—the government do to insure that advertising does contain the kind of information that will produce the social and economic benefits attributed to competition by economic theory?

It is a very complex problem. There are so many possible combinations of products, industries and advertising techniques that it may be impossible to develop regulatory rules of thumb which address themselves to all cases without working grave injustices on the exceptions.

But there are some approaches which I believe ought to be considered. Some in fact have already been implemented on a modest scale.

These approaches are consistent with the view that advertsing is pro-competitive when it provides the consumer with useful information. They are consistent with the limited competence of government to act in this area. And they are consistent with my personal philosophy that there is no more efficient and beneficial allocator of resources than an unencumbered market fueled by the free flow of information.

The direct approach is for the government to elicit information from advertisers, at least in those situations where the market has not produced full information on its own.

This can be done in any of several ways, depending on the particular informational deficiency that is identified.

The government, for example, can act as a pump primer by developing and disseminating information that market forces seem unlikely to produce. This, as you will recognize, is not an entirely new concept. The government already provides some information on gas mileage of automobiles and on the tar and nicotine content of cigarettes. Non-governmental interest groups have also provided information on other features such as the nutritional value of foods.

I emphasize that the market itself provides a check on the validity of this form of government activity.

If there is public demand for the information provided by the government, producers will feel pressured to provide it themselves as soon as the public comes to expect it. That is the pattern we have already seen. The government's role need not be lingering in any single industry. It could move in where problems appear, prime the information pump, and move on.

Information could also be made available by requiring manufacturers to provide information about their products or services which the government would then publish.

Another alternative, which I have mentioned on other occasions and which I tend to favor, is to compel companies to disclose key information to the public directly. This has been the approach in connection with the Commission's trade regulation rule on posting octane numbers and with its proposed rule on vocational schools, announced last week. It is the approach of the Truth in Lending Act, and it is the approach to be found in many Commission cease and desist orders.

As I noted earlier, however, none of this information will be of full benefit to the consumer unless it is in a form which permits him to make direct product-to-product comparisons.

There is also a need, therefore, to make available standardized terms describing performance characteristics. This is the second basic approach available to government to cure the problem of imperfect information in advertising.

Assuring standardized terms of reference in the marketplace has been a proper and important function of government at least since the Middle Ages.

Prior to the passage of the Fair Packaging and Labeling Act, for example, we had giant, economy-size quarts in the corner grocery store. And prior to comprehensive state weights and measures legislation, we had large-scale confusion regarding basic measurement units.

Just as there was a need for weights and measures laws to provide consumers a common reference point, there is a need in the current marketplace of more sophisticated products for standardized reference terms to describe what advertising copy sometimes obscures. This, for example, is what the Commission's rule on the power output of hi-fi amplifiers is all about.

In this regard, I am personally intrigued with and very sympathetic to the best protocol approach taken by Senator Magnuson in S. 3377, the recently introduced "Consumer Protection Product Testing Uniformity" bill. I suggest that this kind of approach could provide a helpful spur to the forces of healthy competition.

I recognize that these suggestions are not problem free.

If the government is to supply or elicit information, it must confront the problem of isolating the qualities to be measured.

There will also be the problem of establishing fair testing procedures.

But the question is not whether there would be problems, but whether the problems would be greater than those presented by the alternatives.

Before I sit down, let me just take a moment to meet the anticipated charge that some of my suggestions may constitute just one more instance of the government's meddling with our free enterprise system.

I believe, as I have said earlier, in free markets and in competition.

Too often, however, free market economists make the mistake of assuming free markets and competition to be a natural state of affairs. The corollary of this assumption is that any injection of the government into the marketplace is a move away from free markets and from competition.

I just don't believe that.

As I pointed out earlier, there are instances when market forces do not produce the optimal amount or kind of information. The free rider problem, legal restrictions against price advertising and non-comparable terminology are only a few examples of this.

Government action in these instances could well improve the operation of the market and improve the economic welfare of consumers, which, after all, is the ultimate goal of our competitive system.

It is, in short, a mistake to assume that—in 1974—the untended market always produces the "best" result.

There is a vast difference between the marketplace that exists now and that which exists on the pages of Adam Smith's "The Wealth of Nations." Products are not made locally so that a purchaser cannot rely on his own personal experience with the craftsmen. More effective advertising is shaping the consumer's choice regardless of the intrinsic merit of the product. And today's government policies must cope with those changes if Adam Smith's objectives—that is, an efficient marketplace and low prices—are to be achieved.

The options for a selective and limited governmental role which I have raised would neither reduce competition nor diminish freedom in the marketplace. On the contrary, they would shore them up with an injection of a most vital component—information.

It seems to me an anomaly that in an age which prides itself on the progress it has made in gathering and disseminating information we should find that the impact of this progress in the commercial world has been confined largely with improving the technology of communication and not with improving the value of what is being communicated.

I cannot prove it, but I sense that this continuing contradiction between dazzling technological capability and dismaying substantive communication is one reason for the dissatisfaction with advertising and big business which keeps registering in the public opinion polls.

My instincts tell me that the contradiction is building consumer frustration. People fully realize that national advertisers have at their disposal the most effective communications tools ever created. So why don't they use them to provide useful, straightforward product information?

If you cherish the free enterprise system as much as I do, you ought to ask yourselves the same question. And you should give some thought as to how we can remedy this situation to the benefit of that system and to the people.

SENATOR WILLIAM L. SCOTT REPORTS

Mr. WILLIAM L. SCOTT. Mr. President, I have just completed a newsletter reporting to citizens of Virginia on Senate activities. This is the last report to constituents from our office for this year, and I ask unanimous consent that it be printed in the Record for the information of my colleagues.

There being no objection, the newsletter was ordered to be printed in the Record, as follows:

Bill Scott Reports

LESS REGULATION, MORE PRODUCTIVITY

Your views are being requested in the questionnaire on page 3 regarding government spending, energy, international relations and health care. These of course are related to another major concern, the economy, and your comments of course are welcome on this or any other matter.

International conferences appear to be commonplace today and may well contribute to world peace. However, it may be that we are not giving sufficient emphasis to domestic matters. In my opinion, a strong American economy and defense posture will place our government in a much better bargaining position with other nations and should be of primary concern to the Administration and the Congress.

Our staff is searching for ways by which the business sector of the economy can be encouraged to expand its inventories and increase its productivity. This appears to be preferable to more government spending and more government regulation of the economy. In fact some of our laws and regulations relating to the environment, health and safety, as important as these matters are, appear to unreasonably restrict business activity. Government spending may result in competition with business for available funds.

In my opinion it is important that we make every reasonable effort to provide the economic climate necessary for private enterprise to employ more people, produce more, retain our standard of living, and to promote the further economic growth necessary for a health economy.

President Ford, in a recent economic message to the Congress, has suggested a re-examination of the regulatory process and the elimination of government rules and regulations that tend to increase the product cost to the consumer without serving the general public interest. The Senate Government Operations Committee has held hearings on methods of increasing productivity and for reforming the regulatory process. These appear to be highly desirable because if the economy is in a straitjacket, it will not be able to function properly.

SURFACE MINING

Congress recently passed a bill to regulate the surface coal mining. Of course we are concerned about preservation of the environment, prevention of water pollution, surface erosion, siltation of streams, and loss of fish and wildlife. Yet, coal is still our leading source of energy and use of this abundant supply is vital to our economy. The unsettled situation among the oil producing nations of the Middle East makes its use even more critical. I am concerned that this legislation will reduce coal production and result in loss of jobs (several thousand in Virginia alone) at a time when there is a shortage of energy and unemployment is becoming an increasingly serious problem. It seems reasonable to continue surface mining and protect the environment at the same time without severe federal restraints. The President apparently agrees, and it is expected he will veto this bill.

PAPERWORK BURDEN

As you know, concern has been expressed by businessmen and others over the numerous forms and questionnaires that have to be filled out to comply with government laws and regulations. The General Accounting Office recently estimated the cost to the federal government for paperwork to be in excess of $15 billion annually. A report of the Senate Select Committee on Small Business indicates that private business spends another $20–25 billion each year to meet the government's paperwork requirements.

The result is not only a drain on the national budget but a burden on businessmen. While studies over the years have recommended various courses of action to reduce paperwork, little progress appears to have been made. In an effort to be helpful, twenty-five Senators joined me in writing to the President about this matter and urging him to take administrative action to relieve the situation.

As a precedent the letter cited action taken by President Nixon a few years ago which resulted in a saving of approximately $270 million to the government and of course, a vast amount of time to the businessman.

The business community frequently expresses concern about the government paperwork and it seems reasonable that we take action not only to prevent its further increase but to reduce the present burden.

200-MILE FISHING RESTRICTION

After consideration by three committees of the Senate, a bill was approved to extend the jurisdiction of the United States over fishing within a 200-nautical mile zone and over some fish beyond this limit to conserve and protect them from depletion. While substantially all Senators agreed with the purpose of the bill, there were some who wanted to wait further for an international agreement, and some warned of the danger of attempting to unilaterally enforce the 200-mile limit.

However, despite the existence of 22 international fishing agreements and a pending Law of the Sea international agreement pertaining to coastal fishing, the majority believed the need to save the dwindling stocks of haddock, herring, menhaden, flounder and halibut was essential.

It was reported that 131 Russian fishing vessels, some of them "factory" ships, were operating off our Atlantic coast, which resulted in our fishing vessels' share of the total catch declining to less than 50 percent. With management authority exercised out to 200 miles, the Senate felt that the U.S. would be able to maintain healthy and abundant fishery stocks and a viable coastal fishing industry.

SENATE OFFICE FUNDS

Our Senate office is allotted $35,616 for various expenses including transportation, telephone, telegraph, postage stamps, expenses of the state office, and a wide assortment of office materials including stationery, typewriter ribbons, carbon paper, etc.

A report from the Senate Finance Office for the first 11 months of the year indicates we have spent $9,849.08 and have a surplus remaining of $25,766.92. Therefore the unused portion of these funds will be turned back to the treasury at the end of the year.

YOUR OPINION, PLEASE

Each year since coming to the Congress I have requested the opinion of constituents on various issues confronting the country.

Your response to the following multiple choice questions would be helpful in properly representing you. They are necessarily broad in scope but I believe when all answers have been tabulated I will have the general feeling of the people of Virginia. Of course I would like you to continue to share your thoughts with me in any manner you choose, and the questionnaire is not a substitute for personal correspondence. More than one answer to a question may be made if it seems appropriate.

Should the federal government spend more or less or about the same in the following fields?

(Note: The answer to the following questions is "more," "less," or "same.")

1. National defense.
2. Space exploration.
3. Energy research and development.
4. Veterans benefits.
5. Foreign economic aid.
6. Foreign military aid.
7. Social and welfare programs.
8. Other: ——.

Which of the following would you prefer in our relations with communist nations?

1. Concentrate on domestic matters and leave the communists alone.
2. Maintain a strong national defense and make no effort to obtain treaties with communist nations.
3. Endeavor to limit military forces by agreement with the communists.
4. Expand our trade with communist nations.
5. Exchange space technology and conduct joint explorations.
6. Help communist nations develop their industrial capacity in such fields as energy resources, modern factories, and computer technology.
7. Help communist nations develop capacity to feed themselves.
8. Endeavor to develop more friendly relations with communist nations.
9. Other: ——.

Which of the following energy policies do you consider best?

1. Unregulated private enterprise.
2. Government assistance and encouragement of development of existing and new sources of energy.
3. Relaxation of anti-pollution standards to encourage development of additional energy.
4. Wiser use of existing energy.
5. Rationing of energy.
6. Nationalization of coal mines, oil wells, and other sources of energy.
7. Other:——.

Which of the following approaches to health care would you prefer?

1. Present voluntary health protection under private insurance plans.
2. Encourage the training of additional people to become physicians and nurses.
3. Provide government financed catastrophic illness protection.
4. Tax credit plans for medical care with government subsidies to low income people.
5. Government financed medical care for everyone.
6. Other:——.

Return to Senator William L. Scott, Senate Office Bldg., Washington, D.C. 20510.

ARMS LIMITATION

As you know, President Ford on his recent trip to Russia concluded a preliminary agreement with the Russian Government whereby both parties agree to further negotiate nuclear weapon limitations. Future discussions will be based on the following principles: (1) a limit of 2,400 on the total number of strategic missiles and bombers and (2) a limit of 1,320 on the number of missiles which can be armed with multiple warheads.

There has been some criticism of the proposed agreement, and concern about placing a limit on the number of warheads each missile can carry. Without such a limitation it is said the Russians may have an advantage because of their larger missiles. Critics have also questioned the fact that the proposed agreement goes only to arms limitations rather than an arms reduction and as a result no actual reduction in our defense budget can be expected.

The final agreement still has to be worked out and the Congress will have the opportunity to consider its provisions when submitted for ratification. It is not expected that the complete agreement will be ready for consideration by Congress until the middle of next year.

ROCKEFELLER NOMINATION

In our last newsletter the nomination, under the 25th Amendment, of Nelson Rockefeller to be Vice President was dicussed. It was pointed out that congressional action on this nomination was a substitute for the general electoral process and your views on the nomination were requested. This resulted in a considerable amount of mail, more than three-fourths of which was in opposition to Mr. Rockefeller's confirmation. In conformity with these views, I asked the President to withdraw the Rockefeller nomination and spoke against confirmation when the matter was before the Senate. A copy of these remarks is available upon request.

TRADE REFORM

A trade reform measure has been under consideration by the Congress for about a year and at this writing is in conference, having passed both Houses of the Congress. The bill was considered necessary because of the decline of export trade that has contributed to a deficit in our trade balance.

This measure increases the authority of the President to negotiate trade agreements with foreign nations and to correct discriminatory trade practices against the United States. Of course, the establishment of tariffs is a legislative function but the bill does authorize a variance in rates of import duties within the range established by the Congress. A safeguard against abuse by the executive branch is included by a provision requiring congressional review. It is hoped that the passage of this very complex bill will assist in improving our present economic situation.

PAMPHLETS AVAILABLE

Our office has copies of the following government publications. Let us know if you would like any of them.

Home Heating.

Interior Painting in Homes and Around the Farm.

Fireplaces and Chimneys.

Don't Be Fuelish.

Wise Home Buying.

SOMETHING TO PONDER

Noah didn't wait for his ship to come in; he built his own.

THE NEED FOR AN EXPANDED CLINICAL RESEARCH PROGRAM AT THE NIH

Mr. METZENBAUM. Mr. President, recently I called the attention of this body to the gap between our extraordinary achievements in biomedical research and our much less impressive record in translating research findings into better medical care for the American people. In that statement, I called for improved dissemination of research results and for relicensing procedures for medical personnel. This latter proposal is designed to provide physicians and other health care specialists with incentives to keep up with the latest knowledge and technologies.

Today, I wish to address myself to the need for an expanded clinical biomedical research program at the National Institutes of Health.

In fiscal 1974, NIH committed $576,736,000 to clinical research roughly 37 percent of the $1,506,707,000 total NIH research budget. This represents an improvement over the $375,419,000 allocated to this kind of work in fiscal 1972, but even so, I believe that we need a much greater effort in this critically important area.

Clinical research is particularly important because it is the final test for medical research results. It occurs when medical scientists agree that knowledge has advanced to such a level that it is both safe and necessary to use new treatments and techniques experimentally with human patients under carefully controlled conditions.

Clinical research is, in other words, the last and perhaps the most important link in the long chain from test tube results to animal studies to therapies. Only after the clinical research is completed, can the medical practitioners confidently prescribe for the public. Clinical research is the crucial step in moving new knowledge out of the laboratory into the medical mainstream.

In my view, there is a direct relationship between the quality and scope of our clinical programs and the speed and efficiency with which the American people benefit from advances made by our superb medical researchers. This is so because laboratory findings simply cannot be applied directly to medical practice. New therapies must be tested clinically before they can be generally used.

For this reason, a strong and sophisticated clinical research effort will more than pay our people back for the tax dollars they invest in medical research. With an extensive clinical program, we can translate promising possibilities into improvements in health care delivery relatively quickly. Without such a program, the clinical phase of research will become a bottleneck, a point at which new methods will back up and because of which their impact on the public health will be delayed.

At the moment, the National Institutes of Health conduct much of the best clinical work done in this country, partly as a result of congressional pressure to move in this direction with reference to cancer research. This pressure should continue, combined with positive incentives for NIH to emphasize clinical studies on a broader front.

I am far from satisfied with our current efforts in clinical biomedical research. Once again, we find ourselves in an area in which our efforts are too little, too late.

I believe that Congress must provide the prod to encourage more work in this area. But I also recognize that it is not enough to urge action or to hope that clinical research will expand. Congress can and should take concrete steps to achieve these ends.

Under present circumstances, the NIH is unable to attract enough of the very best people into the clinical research field. In this, as in all other things, quality efforts demand quality people. And quality people can only be obtained by providing adequate compensation.

At NIH, professional salaries for clinical researchers, currently governed by civil service salary scales, are **not**, in many cases, even remotely competitive with what highly skilled medical personnel could earn in the private sector—$20,000 and greater discrepancies are not uncommon. This problem is particularly acute with regard to top administrators, senior medical researchers and specialists in such highly-paid fields as radiology, anestheisology and pathology.

NIH has had a difficult time retaining highly skilled individuals in these categories as well as in recruiting new personnel due to inadequate compensation scales. Many qualified managers have left the institutes, because they simply cannot afford to remain there for both financial and career reasons.

Without adequate compensation, it is evident that clinical research at NIH will continue to suffer in terms of both quality and quantity. Some specialized work can be contracted out in the absence of adequate inhouse capabilities, but when this route is taken, it seems clear that quality is likely to decline and valuable staff interaction will be lost.

I therefore urge that certain categories of medical researchers and managers be exempted from the civil service pay scale ceilings or, as an alternative, that we raise these scales substantially to make them more realistic.

In addition, I think that we need to expand our present clinical research facilities and personnel. On the Bethesda campus of NIH, for example, there is insufficient space and NIH has not been authorized to build or lease additional facilities.

This, I think, is an example of a penny wise, pound foolish approach. The clinical research being conducted at Bethesda should receive particularly high priority because this research has the direct potential for improving our national health. We cannot afford to have important projects delayed simply because sufficient physical space is not available.

To take only two examples, NIH wishes to build a new home for the National Institutes for Child Health and Development and an ambulatory care center for the clinical center. Neither project has as yet been approved, but I consider both entirely justified. I think that we ought to go ahead with them forthwith.

Finally, I wish to state my strong feeling that clinical research, as valuable as it is, must always be conducted in the context of the most scrupulous concern for the health and welfare of the subjects themselves.

Obviously, human subjects should be used in an experiment only at the point at which science knows enough to make such a step both reasonable and safe.

At the moment, the process for evaluating the purely scientific merit of a proposed clinical research project is the same as for reviewing any other biomedical research. In addition, however, formal procedures for evaluating the ethical implications of clinical projects have been developed in the last decade as a means of protecting human subjects from some of the questionable and even unethical projects initiated on a fairly wide scale in the 1950's.

Although a Commission mandated by Public Law 93-348, passed last summer, is currently at work developing a new set of ethical guidelines for clinical research, two main mechanisms for ethical review are currently in wide use. The first of these, required in federally-sponsored clinical research, involves mandatory review of clinical study plans by an ethical review board, which examines proposed projects and research procedures with reference to propriety, safety, and professional standards. This peer review, conducted before the project can be initiated, is, in most cases, supplemented by a retrospective review after the project has been completed. Increasingly, ongoing ethical evaluations are also being made while the projects are actually underway. This latter trend should be encouraged, if not required. I would also urge that ethical review boards routinely include individuals from outside the medical profession in addition to medical research personnel to provide a community input in the evaluation process.

A second area in which an ethical monitoring of sorts takes place is via the "informed consent" requirement. This means that patients must be fully informed about the experiment and about any potential dangers they may incur by participating as subjects. Every patient must sign a form testifying that he or she has been fully informed and gives his or her permission to go forward.

In conclusion, Mr. President, I wish to reiterate my view that clinical biomedical research can and should play a major role in our national health effort and Congress must do its part. It is important that the community understand and eventually come to support the possibilities inherent in clinical research. I support an expansion of our clinical research effort. I urge that we take steps to make that expansion feasible and I am convinced that we can, with proper care, protect the rights of our people while generating new medical knowledge to improve their health and well-being.

THE JOHNSON-O'MALLEY PROGRAM AND "BAND ANALYSIS"

Mr. FANNIN. Mr. President, on June 27, I reported to the Senate my concerns with the method for allocating funds under the Johnson-O'Malley Act to local educational agencies. This system, known as "Band Analysis," is a method designed to give Indian tribes the opportunity to develop their own budgetary priorities. To be more specific, the Band Analysis System, according to the BIA is:

> A method of providing the Indians and their leaders with a formal unified system for identifying their needs in relative degrees of importance on a program by program basis. It is a method of indicating what programs are most important to a given tribe and which are of lesser importance.
>
> Each Agency is given a listing of all Bureau programs that can be included in a Band process. For each of these programs, the tribes are provided with base figures. These figures represent an estimate of the funds, based on the President's budget that the tribes can expect to receive for each program. The total of these figures will represent the base from which the Tribes will then be able to build their proposed programs.
>
> The Tribes are then asked to develop a distribution of three fixed levels of funds among the programs. These levels have been set at 95 percent, 110 percent, and 120 percent of the base total provided. Within these limits the tribe is given the freedom to adjust the figures on a program by program basis to satisfy their needs as they see them.
>
> In other words, the Band system tells a tribe how much it can expect to receive for most of their programs next year. It then asks them to decide which of these programs should be reduced, which should be retained at the same level and which should be expanded next year within the 95 percent, 110 percent, and 120 percent limits.
>
> Because the tribe will be dealing with a fixed total for each of the three levels, it must decide which programs will be expanded at the expense of other programs thereby establishing the relative importance of each program in relation to all the other programs.

Mr. President, while the "band analysis" system may have its place in determining budgetary priorities for programs directly affecting an Indian tribe, it is my conviction that it is wholly inappropriate for the Johnson-O'Malley program, since JOM funds are made available to reservation public schools, thus JOM has little relationship to tribal funding needs under band analysis. Without repeating the rather lengthy discussion contained in my June statement on this issue, let me briefly indicate that under the "band analysis" system, Johnson-O'Malley needs can be distorted with the result that Indian education programs can suffer.

Since my June speech on the subject of "band analysis" I have made it clear to the Bureau of Indian Affairs that it should reconsider its decision to include JOM under the band analysis system, especially in the face of new JOM regulations. Apparently, the Bureau recognized the logic of my position and has just announced that the band analysis system would not be applied to the Johnson-O'Malley program beginning with the fiscal year 1977 budget. This decision by the Bureau represents a victory for commonsense and will restore to the Johnson-O'Malley program some sanity in the method for allocating Johnson-O'Malley funds.

Mr. President, I ask unanimous consent to have printed in the Record my June 27 statement and the December 16 letter from Morris Thompson, Commissioner of the Bureau of Indian Affairs.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Inequities of the 1975 Johnson-O'Malley Indian Education Program Budget

Mr. Fannin. Mr. President, in comparison to other Federal education programs such as title I of the Elementary and Secondary Education Act, the Johnson-O'Malley Indian education program is less significant, but to a number of States with reservation Indian populations it is of critical importance and even more so to those States having substantial numbers of Indian children. Enacted in 1934, the Johnson-O'Malley program has served to financially assist public schools in the education of Indian children. This assistance was viewed then as it is now, as a necessity since public schools were assuming greater responsibilities in the education of Indian children. What made JOM so important was the fact that many Indian children resided on tax-exempt lands, thus leaving the public schools without sufficient resources to meet their educational needs. As the number of Indian children attending public schools grew, to an estimated 98,000 students by 1974, the necessity for the Johnson-O'Malley program became firmly established and the affected States have come to rely on it to help meet the costs of educating our Indian citizens. It is no secret then that Arizona, like other Western States, with large reservation Indian populations, has more than just a passing interest in the Johnson-O'Malley program and its budget. Because of its importance to our national effort to deliver sufficient resources for Indian education, I undertook a special review of this year's proposed budget and the basis on which it was justified and what I found disturbs me greatly. This analysis raises serious questions concerning the administration of this program.

The JOM budget is small compared to other programs, but despite its relative size, it is an important program and how its budget is allocated and on what basis it is allocated is the basic concern of my remarks.

1975 BUDGET: JUSTIFICATION AND ALLOCATION

The administration's 1975 budget for the Johnson-O'Malley program is requesting $27,952,000, an increase of $2,600,000 over the 1974 budget of $25,352,000. The official budget justification statement cites the following reasons as the basis for this year's budget increase:

1. An increase of $2,055,000 is requested to provide for an unanticipated enrollment increase of 5,500 students in fiscal year 1974 and for an additional increase of 2,000 students expected in fiscal year 1975. This increase will permit the various public schools to return to fiscal year 1973 levels of support per pupil.

2. An increase of $545,000 will be required to partially offset cost of living increases and to provide for greater tribal and parental involvement to the extent possible.

The emphasis is obviously on meeting the costs of increased student enrollments. In addition, the budget justification cites the basic need of the Johnson-O'Malley program;

Under the Act of April 16, 1934, as amended, commonly called the Johnson-O'Malley Act, the Bureau of Indian Affairs, provides supplementary aid to public school districts which face financial problems due to the presence of tax-exempt, Indian-owned lands within the district boundaries and the enrollment of relatively large numbers of Indian children.

Many of the school districts on Indian reservations have insufficient funds to operate effective school programs even with State aid and general Federal aid to education programs. Such districts have little or no tax base. In these districts, Johnson-O'Malley aids are used to assume operation of a basic school program.

Again, the theme is very clear. The Johnson-O'Malley 1975 budget is justified on the basis that JOM funds are necessary to meet increased student enrollments and to sustain the operation of schools and school programs designed to meet our goals for Indian education.

In regards to the proposed allocation of JOM 1975 funds, the budget justification is silent on how the 1975 budget is to be allocated among the various States and contracting agencies.

1975 BUDGET: AN ILLUSION

The 1975 JOM budget outlines a program to meet increases in student enrollment and to offset cost-of-living increases. To those public schools affected by such enrollments and cost increases the proposed budget increase of $2,600,000 over fiscal year 1974 would represent a significant effort by the Federal Government to meet their needs even though the States affected by JOM collectively requested an appropriation of over $41 million. Yet, on closer analysis the proposed increase is really an illusion.

Instead of an increase of $2,600,000 for JOM program support, only $1,222,000 is scheduled to meet the needs of the States over 1974. The budget justification talks of a $2,600,000 increase but further analysis shows that $1,378,000 is to be used to pay for a Department of Interior audit—$165,000—and administration support—$1,213,000. In reality, then, the actual level of program funding for the Johnson-O'Malley program in 1975 is $26,574,000 which is only $1,222,000 more than what was appropriated in 1974.

This kind of discrepancy is explainable from a budget point of view, I suppose, but it is clearly unexplainable in view of the needs that many school districts face in their efforts to provide a quality educational program to their Indian students. What is needed is not budgetary discrepancies but real, increased levels of support.

THE 1975 JOM BUDGET: THE ALLOCATION OF FUNDS

In addition to the discrepancy in the level of funds available under the 1975 budget for program support, there is a more serious issue involved in the allocation of JOM funds.

The 1975 budget, according to its justification, is based on need; that is, the need for additional funds to meet increased student enrollments and increased costs. Yet, the proposed allocation of funds seriously ignores the needs of many States which are experiencing increased enrollments. This discrepancy is clearly demonstrated in comparing the 1974 budget allocation with the proposed 1975 distribution of JOM funds as initially established by the Bureau of Indian Affairs. The results of this analysis show the following:

First. Two States gain students and will receive additional funds—Minnesota, New Mexico (Albuquerque area).

Second. Ten States gain students, but receive the same level of funding as they did in 1974—South Dakota, Kansas, Montana, Wyoming, Oklahoma, Mississippi, Utah, Washington, California, Florida.

Third. One State gains students, but will receive less funds than in 1974—Arizona.

Fourth. Three States lose students, but receive additional funds over the amount received in 1974—Alaska, Wisconsin, New Mexico (Navajo area).

Fifth. Six States lost students, but will receive the same level of funding as in 1974—Nebraska, North Dakota, Nevada, Idaho, Oregon, and peripheral dorms (New Mexico-Arizona-Utah).

Sixth. Two States lost students and will receive less funds than in 1974—Iowa, Michigan.

Seventh. Unknown: two States—Colorado, New York.

These results were derived from the table which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE ANALYSIS OF JOHNSON-O'MALLEY FUNDING ALLOCATIONS: 1974 AND 1975

State	Actual 1974 allocation	Number students 1974	1975 State request	Proposed 1975 allocation	Number students 1975	Difference in 1974-75	
						Funding	Students
Nebraska	$670,000	715	$851,000	$670,000	650	NC	−65
North Dakota	740,000	2,208	900,000	740,000	2,000	NC	−208
South Dakota	1,640,000	5,258	2,703,000	1,640,000	5,410	NC	+152
Colorado	287,000	865	366,809	292,000	NA	+5,000	NA
Kansas	102,000	236	172,000	102,000	250	NC	+14
Montana	1,060,000	7,648	2,652,800	1,060,000	7,759	NC	+111
Wyoming	135,000	932	311,000	135,000	1,105	NC	+73
Alaska	4,625,000	8,600	5,300,000	5,684,000	6,800	+1,059,000	−2,200
Minnesota	1,320,000	3,357	2,072,000	1,330,000	3,360	+10,000	+3
Wisconsin	450,000	2,247	770,600	504,000	1,162	+54,000	−1,085
Iowa	150,000	237	210,000	124,000	210	−26,000	−27
Michigan	135,000	691	264,000	111,000	673	−24,000	−18
Oklahoma	2,130,000	12,512	2,452,100	2,130,000	13,000	NC	+488
Mississippi	15,000	83	20,000	15,000	125	NC	+42
Arizona	4,285,000	17,615	10,145,179	4,035,000	22,154	−250,000	+5,461
Nevada	230,000	2,235	500,000	230,000	300	NC	−1,935
Utah	20,000	63	40,000	20,000	300	NC	+237
Idaho	485,000	1,737	660,500	485,000	1,500	NC	−237
Washington	975,000	5,945	1,380,400	975,000	6,100	NC	+155
Oregon	70,000	1,104	163,600	70,000	800	NC	−304
California	350,000	2,913	3,000,000	350,000	8,400	NC	+5,487
Florida	10,000	225	120,000	10,000	230	NC	+5
New York			120,000	0			NA
New Mexico (Albuquerque)	1,478,000	5,032	1,955,000	1,557,000	6,000	+179,000	+68
Navajo	1,970,000	15,704	2,366,000	2,200,000	15,694	+230,000	−10
Peripheral (Arizona-New Mexico)	2,105,000	1,874	2,000,000	2,105,000	1,244	NC	−600

Mr. FANNIN. Mr. President, the inequities which this analysis demonstrates are clear. What is not clear is the reason for such inequities. Perhaps some are explainable, as in the case of Alaska where conditions and exceptional need require additional funds even in the case where the number of students served decreases. But what is not explainable is the decision of the Bureau of Indian Affairs to reduce the allocation to a State like Arizona by $250,000 when Arizona will experience an increase this year of over 5,000 students according to the BIA's own figures. It is going to take a great deal of explanation before I will be satisfied that such an allocation is based on a recognition of need. Ten other States are also experiencing increases in student enrollment but instead of increases in funds they must be content to operate on the same level as the previous year. Yet, there are nine States which lost students but either received additional funds or at least received the same level of funding as in 1974. This proposed allocation defies justification if it is based on need as the budget documents contend. Since analysis refutes the budget justification, the basis for allocation must lie elsewhere.

I have learned that the allocation of JOM funds for fiscal year 1975 is based on what is known as "Band Analysis." According to the BIA:

> The "Band Analysis" approach is a method of providing the Indians and their leaders with a formal unified, system for identifying their needs in relative degrees of importance on a program by program basis. It is a method of indicating what programs are most important to a given tribe and which are of lesser importance.
>
> Each Agency is given a listing of all Bureau programs that can be included in a Band process. For each of these programs, the tribes are provided with base figures. These figures represent an estimate of the funds, based on the President's budget that the tribes can expect to receive for each program. The total of these figures will represent the base from which the Tribes will then be able to build their proposed programs.
>
> The Tribes are then asked to develop a distribution of three fixed levels of funds among the programs. These levels have been set at 95 percent, 110 percent, and 120 percent of the base total provided. Within these limits the tribe is given the freedom to adjust the figures on a program by program basis to satisfy their needs as they see them.

In other words, the Band system tells a tribe how much it can expect to receive for most of their programs next year. It then asks them to decide which of these programs should be reduced, which should be retained at the same level and which should be expanded next year within the 95 percent, 110 percent, and 120 percent limits.

Because the tribe will be dealing with a fixed total for each of the three levels, it must decide which programs will be expanded at the expense of other programs thereby establishing the relative importance of each program in relation to all the other programs.

Under "Band Analysis" the Bureau of Indian Affairs has proposed that JOM funds for 1975 be distributed as follows:

FISCAL YEAR 1975 AID TO PUBLIC SCHOOLS (JOM) PROGRAM

[Distribution based on States' requests compared to BIA proposed distribution based on tribal priorities]

	States' requests	Proposed distribution tribal priorities
Aberdeen area:		
Nebraska	$851, 000	$670, 000
North Dakota	900, 000	740, 000
South Dakota	2, 703, 000	1, 640, 000
Albuquerque area:		
Colorado	366, 800	292, 000
New Mexico	1, 955, 000	1, 557, 000
Anadarko area: Kansas	172, 000	102, 000
Billings area:		
Montana	2, 652, 800	1, 060, 0000
Wyoming	311, 000	135, 000
Juneau area: Alaska	5, 700, 000	5, 684, 000
Minneapolis area:		
Minnesota	2, 072, 000	1, 330, 000
Wisconsin	770, 600	540, 000
Iowa	210, 000	124, 000
Michigan	264, 000	111, 000
Muskogee area: Oklahoma	2, 452, 100	2, 130, 000
Navajo area:		
New Mexico	2, 366, 000	2, 200, 000
New Mexico-Dorms	2, 000, 000	2, 105, 000
Arizona (see Phoenix)		2, 985, 000
Phoenix area:		
Arizona	10, 145, 179	1, 050, 000
Nevada	500, 000	230, 000
Utah	40, 000	20, 000
Portland area:		
Idaho	660, 500	485, 800
Washington	1, 380, 400	975, 000
Oregon	163, 600	70, 000
Sacramento area: California	3, 000, 000	350, 000
Eastern area:		
Flordia	120, 000	10, 000
Mississippi	20, 000	15, 000
New York	120, 000	0
Total, all States	41, 895, 979	26, 574, 000
Interior Department audit	165, 000	$165, 000
Administration support	1, 213, 000	1, 213, 000
Total budget	43, 273, 979	27, 952, 000

Mr. President, "Band Analysis" may have its place but I am concerned with its application to the Johnson-O'Malley program for the following reasons:

First, because a tribe is told by the Bureau how much it can expect to receive, it then must determine which programs should be reduced, maintained at existing levels, and which should be expanded within a 95-percent, 110-percent, or 120-percent range. These ranges, of course, are related to a funding base which in all likelihood would be the budget level for the previous year. The difficulty with this approach is the fact that if a tribe wants to expand its commitment to the Johnson-O'Malley program, its budgetary options are severely limited by the range of permissible budgetary expansion. In short, "Band Analysis" may operate to lock a tribe into a range of funding which may be insufficient to meet their educational needs.

Second, as I understand it, each tribe is given a list of Bureau programs on which they make their judgments concerning levels of funding. The Johnson-O'Malley program apparently is included on such a list despite the fact that in most cases a local school district is the administering agency. By including Johnson-O'Malley as a program subject to "Band Analysis" a tribe may give more emphasis to programs it administers directly rather than one that affects the tribe indirectly. The result may be a distortion of Johnson-O'Malley needs since given the choice the tribe would quite naturally support programs that affected the tribe directly.

Third, it may be highly inappropriate for a tribal council to determine the needs of a local school district for Johnson-O'Malley funds, under "Band Analysis" if that tribal council did not consult with the local school district and its governing board. In Arizona, I am told that none of the major impact Johnson-O'Malley school districts were consulted by tribal councils in setting a priority for the Johnson-O'Malley program for this year's budget. If there is no link between the tribal council and the local school district over setting a priority for Johnson-O'Malley then one may conclude that the proposed Johnson-O'Malley allocation for fiscal year 1975 does not accurately reflect the need of those affected school districts. On the basis of my own analysis this conclusion would seem to be clearly justified.

Fourth, by consulting only with the tribal council, "Band Analysis" defeats the role of the local JOM parent committee in developing, with the local school board, the annual JOM budget request, an objective which many Indian parents have long sought. The State request, which is a combination of all local school district requests, is by far more accurate in indicating need than "Band Analysis" and more reflective of Indian self-determination.

Fifth, I might add that I am not really sure that a tribal council should be involved at all in setting priorities for Johnson-O'Malley since by doing so it is intervening in the affairs of a local public school district unless, of course, the tribe was holding a JOM contract. It would be even more inappropriate in those cases where the local school board was composed of a majority of Indians. Again in Arizona two-thirds of the major impact school districts are governed by school boards composed of a majority of Indians. If "Band Analysis" in its operations ignores the local Indian school board, as it apparently has in Arizona, Indian self-determination is eroded.

Finally, "Band Analysis" is essentially a mechanism or technique to control expenditures which in its operation may or may not have any relationship to program considerations. Certainly there can be no doubt that in regard to the 1975 JOM budget "Band Analysis" fails to appreciate the basic objectives of the JOM program. Indian education programs like JOM cannot hope to succeed when guided by a budgetary system like "Band Analysis." When a budget system creates a condition that overlooks basic program needs then that program loses its capacity to realize its own objectives; a situation we can hardly tolerate in regard to Indian education.

Mr. President, instead of basing the allocation of JOM funds on meeting the costs of increased student enrollment, the 1975 JOM funds are to be allocated on the basis of the relative priority that tribes assign to the JOM program. This explains the inequities which exist in this year's proposed allocation. It hardly seems fair to local school districts and JOM parental committees to have the allocation of Johnson-O'Malley funds determined on a basis other than need. If unlimited funds were available to meet the needs of the Johnson-O'Malley program then perhaps the problem would not be so great, but when JOM funds are limited, as they are, then it is clearly inequitable to allocate funds on any basis other than educational needs as those directly responsible for educational programs see them. If a budget system like "Band Analysis" distorts need and arranges funding which results in clear inequities, that system should be replaced. But the real loser, of course, is the Indian student. If the Johnson-O'Malley 1975 funds are allocated under the present plan then a number of schools are going to find less funds behind each child to meet their educational programs.

The Phoenix area of Arizona, for example, under the proposed 1975 allocation will lose $250,000 but will experience a student enrollment increase of over 5,000 students. This would mean that Arizona will realize a loss in per pupil support compared to 1973 and 1974. In 1973 Arizona, under JOM, was provided $204 for each Indian student which dropped to $199 in 1974. Under the 1975 allocation it will drop again to $188—a loss of $16 over 1974 and $22 over 1973. Yet the budget justification argues that the so-called increase in funding will "permit the various public schools to return to fiscal 1973 levels of support per pupil." This last discrepancy in the 1975 budget only confirms that the proposed allocation fails to meet its own objectives.

This system makes no sense and I am convinced that the Congress will be making a serious mistake if it approves the allocation of the 1975 JOM budget on the basis of "Band Analysis." In this regard, I have strongly urged the Senate Interior Appropriations Committee to allocate funds on the basis of State need and not "Band Analysis." It is my hope that the Appropriations Committee will review this issue and, if possible, replace the "Band Analysis" allocation system with one which will be fair, equitable, and based on a realistic view of local educational need and not on the apparent distortions created by the "Band Analysis" system.

Finally, Mr. President, I recognize my responsibility to develop a legislative solution to this problem and I intend to pursue that objective since it is unfair to have the Appropriations Committee assume that burden. Certainly, "Band Analysis" as applied to the Johnson-O'Malley program raises serious questions as to whether the allocation of funds under JOM meets Congressional intent. For the BIA to institute, administratively, an allocation system which has never been considered by Congress and which may be at variance with congressional intentions, is in my mind, a serious error especially in the face of determined congressional efforts to legislate reforms of the entire Johnson-O'Malley program. The discrepancies and inequities which are clearly reflected in the 1975 JOM budget only support the need for review of the JOM program and the need for early reform. In this regard, it makes little sense to establish a new allocation system until Congress has a chance to consider the best approach to this problem. The allocation of JOM funds is the prerogative of Congress and any changes in that system should be determined by Congress and not the Bureau of Indian Affairs.

CONCLUSION

Mr. President, over the past few years we have experienced great momentum in developing quality Indian education programs and in providing increased resources to meet the requirements of those programs. Yet, that momentum could be threatened if the "Band Analysis" budgetary system is allowed to operate the Johnson-O'Malley program. I do not doubt for a minute the sincere motivations of those who urged the use of "Band Analysis" in allocating JOM funds. But obviously it just is not working. If we permit a system like "Band Analysis" to determine levels of support without reference to the actual needs of local educational agencies then the role of Johnson-O'Malley as a major force in Indian education programs will be eroded. This, to me, would be unacceptable, not only to those schools affected by JOM but, more importantly, to our Indian citizens and their dreams for educational attainment. The threat to the educational opportunities for Indian children is real under "Band Analysis" and it is for this reason that I find such a system inequitable and clearly inappropriate in meeting the need of those public schools which are on the front line in providing a quality Indian education program.

U.S. Department of the Interior,
Bureau of Indian Affairs,
Washington, D.C., December 16, 1974.
Hon. Paul Fannin,
U.S. Senate,
Washington, D.C.

Dear Senator Fannin: In response to your letter of November 27 concerning Johnson O'Malley programming, this confirms that the Johnson O'Malley program will not be included in the Indian Priority System (Band Analysis) in the development of the FY 1977 program needs. The recently published regulations on the administration of the Johnson O'Malley program now prescribe a formula that is not under the control of local jurisdictions. Therefore, this program is no longer compatible to the band analysis system which provides for local Indian decisions at the field level to make trade-offs among various programs.

Sincerely yours,
Morris Thompson,
Commissioner of Indian Affairs.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES—CONFERENCE REPORT

Mr. PELL. Mr. President, on behalf of the conference committee on Senate Joint Resolution 40, the White House Conference on Library and Information Sciences, I file the report which was agreed to by the House-Senate conferees last evening. This report will be printed as a separate document which will be considered by the Senate after the House has acted. I ask unanimous consent that a Cordon print, showing changes in the existing law, be printed in the Record to provide a better understanding of the agreement made by the conferees and to show what changes were made in existing law.

There being no objection, the material was ordered to be printed in the Record, as follows:

CHANGES IN EXISTING LAW

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

Sec. 438. (a) (1) (*A*) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *educational agency or institution* which has a policy of denying, or which effectively prevents, the parents of students [attending any school of such agency, or attending such institution of higher education, community college, school, preschool, or other educational institution,] *who are or have been in attendance at a school of such agency or at such institution, as the case may be* the right to inspect and review [any and all official records, files, and data directly related to their children, including all material that is incorporated into each student's cumulative record folder, and intended for school use or to be available to parties outside the school or school system, and specifically including, but not necessarily limited to, identifying data, academic work completed, level of achievement (grades, standardized achievement test scores,) attendance data, scores on standardized intelligence, aptitude, and psychological tests, interest inventory results, health data, family background information, teacher or counselor ratings and observations, and verified reports of serious or recurrent behavior patterns.] *the education records of their children.* [Where such records or data include] *If any material or document in the education record of a student includes* information on more than one student, the parents of [any student shall be entitled to receive, or be informed of, that part of such record or data as pertains to their child.] *one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material.* Each [recipient] *educational agency or institution* shall establish appropriate procedures for the granting of a request by parents for access to [their child's school records] *the education record of their children* within a reasonable period of time, but in no case more than forty-five days after the request has been made.

(B) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of postsecondary education the following materials:

(i) financial records of the parents of the student or any information contained therein;

(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations—

(I) respecting admission to any educational agency or institution,

(II) respecting an application for employment,

(III) respecting the receipt of an honor or honorary recognition.

(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) such recommendgtions are used solely for the purpose for which they were specifically intended. Such waivers may not be required as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from such agency or institution.

(2) [Parents shall have an opportunity for a hearing to challenge the content of their child's school records.] *No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Secretary, to challenge the content of such student's education records, in order* to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy or other rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein *and to insert into such records a written explanation of the parents respecting the content of such records.*

(3) For the purposes of this section the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program.

(4) (A) For the purposes of this section, the term "education records" means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

(i) contain information directly related to a student; and

(ii) are maintained by an educational agency or institution, or by a person acting for such agency or institution.

(B) The term "education records" does not include—

(i) records of instructional supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b) (1), the records and documents of such law enforcement unit which (I) are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not make available to persons other than law enforcement officials of the same jurisdiction;

(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

(iv) records on a student who is 18 years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or para-professional acting in his professional or para-professional capacity, or assisting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment, except that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

(5) *(A) For the purposes of this section the term "directory information" relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.*

(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.

(6) For the purposes of this section, the term "student" includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.

"(b)(1) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *educational agency or institution which has a policy or practice* of permitting the release of [personally identifiable records or files (or personal information contained therein)] *education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a))* of students without the written consent of their parents to any individual, agency, or organization, other than to the following—

(A) other school officials, including teachers within the educational institution or local educational agency [who], *who have been determined by such agency or institution to* have legitimate educational interests;

(B) officials of other schools or school systems in which the student *seeks, or*, intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

(C) authorized representatives of (i) the Comptroller General of the United States, (ii) the Secretary, (iii) an administrative head of an education agency (as defined in section [409] 408(c) of this Act), or (iv) State educational authorities, under the conditions set forth in paragraph (3) of this subsection; and

(D) in connection with a student's application for, or receipt of, financial aid;

(E) State and local officials or authorities to which such information is specifically required to be reported or disclosed pursuant to State statute adopted prior to November 19, 1974;

(F) organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students and their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted;

(G) accrediting organizations in order to carry out their accrediting functions;

(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

(I) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

Nothing in clause (E) of this paragraph shall prevent a State from further limiting the number or type of State or local officials who will continue to have access thereunder.

(2) No funds shall be made available under any applicable program to any [State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution] *education agency or institution* which has a policy or practice of [furnishing, in any form, any personally identifiable information contained in personal school records, to any persons other than those listed in subsection (b) (1)] *releasing, or providing access to, any personally identifiable information, in education records other than directory information, or as is permitted under paragraph (1) of this subsection* unless—

(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

(B) such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena, upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency.

(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Secretary, (C) an administrative head of an education agency or (D) State educational authorities from having access to student or other records which may be necessary in connection with the audit and evaluation of Federally supported education program, or in connection with the enforcement of the Federal legal requirements which relate to such programs: [*Provided*, That, except when collection of personally identifiable data is specifically authorized by Federal law, any data collected by such officials with respect to individual students shall not include information (including social security numbers) which would permit the personal identification of such students or their parents after the data so obtained has been collected].

Provided, That except when collection of personally identifiable information is specifically authorized by Federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of Federal legal requirements.

[(4)(A) With respect to subsections (c)(1) and (c)(2) and (c)(3), all persons, agencies, or organizations desiring access to the records of a student shall be required to sign a written form which shall be kept permanently with the file of the student, but only for inspection by the parents or student, indicating specifically the legitimate educational or other interest that each person, agency, or organization has in seeking this information. Such form shall be available to parents and to the school official responsible for record maintenance as a means of auditing the operation of the system.]

(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.

(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student.

(c) The Secretary shall adopt appropriate regulations to protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Secretary or an administrative head of an education agency. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Secretary, or an administrative head of an education agency under an applicable program, unless such activities are authorized by law.

(d) For the purposes of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education the permission or consent required of and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

(e) No funds shall be made available under any applicable program [unless the recipient of such funds] to *any educational agency or institution unless such agency or institution* informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

(f) The Secretary, or an administrative head of an education agency, shall take appropriate actions to enforce provisions of this section and to deal with violations of this section, according to the provisions of this Act, except that action to terminate assistance may be taken only if the Secretary finds there has been a failure to comply with the provisions of this section, and he has determinded that compliance cannot be secured by voluntary means.

(g) The Secretary shall establish or designate an office and review board within the Department of Health, Education, and Welfare for the purpose of investigating, processing, reviewing, and adjudicating violations of the provisions of this section and complaints which may be filed concerning alleged violations of this section [according to the procedures contained in sections 434 and 437 of this Act]. *Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.*

OMAHA OPENS THEATER FOR PERFORMING ARTS

Mr. **HRUSKA**. Mr. President, my home city of Omaha will reopen its Orpheum Theater on January 17 of next year. Built in 1927, the theater contains Renaissance-like statuary, Italian marble columns and staircases. With a seating capacity of 2,900, the Orpheum was very much like the Fox in San Francisco and Loew's Paradise in New York.

Two years ago, the Omaha business community and the city joined together in funding a $2 million restoration of the theater, which has been closed since 1971. When it reopens in January, the Orpheum will be a theater for the performing arts, owned and operated by the city of Omaha.

The project has captured the interest of the community. News coverage of the renovation and new construction has made the reopening a most popular civic effort.

Cooperation among all elements of the Omaha community have made this fine project possible. It will be a splendid forum for the arts. There is to be a wide variety of performances and performers at the Orpheum.

Much hard work has gone into this project and I believe those who participated are to be commended. An article *entitled*, "Splendor Shining Again at Orpheum," in the November 24 edition of the Omaha World-Herald provides an excellent description of the Orpheum project and its development. So that my colleagues and others interested in the revival of the arts in the Midlands may be aware of the activities in Omaha, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Omaha World-Herald,
Nov. 24, 1974]

Splendor Shining Again at Orpheum

(By James Bresette)

When the first-nighters gather in the Orpheum Theater for its reopening Jan. 17 as a city performing arts center, officials hope to hear a chorus of exclamations similar to the following:

"It looks exactly the way I remember it from the times I was here as a kid!"

From the beginning, the $2 million project, now about 85 per cent complete, has stressed returning the 47-year-old theater to its original splendor.

The restoration will give Omaha a theater the likes of which no city could afford to build from the ground up at today's prices, said Eugene Brailey, an administrative assistant to Mayor Zorinsky.

As an example, Brailey said the large chandelier in the center of the Orpheum ceiling cost about $7,000 when the theater was built. It has been estimated that a similar chandelier, if bought new today, would cost around $140,000.

"The one problem we've got its that most people will not recognize the work we've put into it," said Brailey, who has overseen the project.

REFINISHING

For example, he said, sections of ornate plaster work on the auditorium ceiling had to be replaced by castings made from molds of still-sound ceiling trim. Visitors won't see the hours of work that went into restoring that original appearance.

The original draperies have been cleaned and will be rehung along the side aisle colonnades. New seats have been installed, but the dark green upholstery approximates the original color, Brailey said.

The gold, black and red lobby carpeting stood up well in cleaning. It isn't original 1927 carpeting, but it is what many Omahans will remember, he said. Carpeting in the theater aisles will be new.

Repainting of the interior, renewing the ivory and gold color scheme, is almost complete. Cloth coverings on wall trim panels in the auditorium have been replaced with cloth-texture vinyl, Wood paneling in the lounges has been refinished. Chandeliers and light fixtures have been cleaned.

BEHIND THE SCENES

Revisions in city codes over the years have caused some minor changes, Brailey said. An example is the Orpheum's unusual drinking fountains, the bowls of which are supported by caryatids, columns shaped like women. The fountains originally bubbled water from the center of the bowls, but health department ordinances now prohibit that. So when the fountains were repaired, new water outlets had to be installed on the sides of the bowls.

But some of the biggest changes won't be visible to the public, Brailey said. The heating and air conditioning system has been revamped, with new blowers and ducts, and will be connected to Northern Natural Gas Co.'s energy systems division steam and chilled water ducts later this month.

The building has ben rewired and a new sound system has been installed, Brailey said major elements of the old sound system, which was designed especially for movies, has been retained and will be available if such a program is booked into the theater.

The Orpheum's projectors remain operable and will be used for showing clips of old movies during opening festivities, Brailey said. The theater also still has usable closed-circuit television equipment installed in the early 1960s.

Exterior brick work on the building's east wall is scheduled for completion Dec. 1. The wall was removed to allow a 15-foot eastward extension of the building to make room for a deeper stage.

Much of the Orpheum's old stage rigging will be reused. It will be supplemented by rigging from the City Auditorium Music Hall Stage. The Music Hall is to be converted into a convention center.

PIPE ORGAN

The lift for raising and lowering the orchestra pit also is due Dec. 1, Brailey said.

"And the pipe organ will be back," he said. The Wurlitzer console will be movable so it can ride the pit lift with an orchestra or be moved onto the stage.

An acoustical "eyebrow" to improve sound in the far reaches of the balconies also will be installed above the stage before the opening.

Patrons will notice one change immediately upon entering the theater.

"The concession stand is gone and won't be back," Brailey said. "Concession arrangements for the theater have not yet been worked out," he said.

Comedian Red Skelton, who played the Orpheum years ago when it was a movie and vaudeville house, has been booked to entertain for the opening Jan. 17. City officials have discussed the possibility of a major country-western music program in the theater soon after it opens. And the Omaha Opera Company is scheduled to present Donizetti's "Lucia di Lammermoor" with soprano Beverly Sills in the Orpheum in early February.

VARIETY

The variety of offerings planned for the opening weeks underlines a policy city officials have stressed—that the Orpheum isn't to be just for opera, ballet or symphony, but for all types of performances.

"We hope we've designed such a package that more people will be in the Orpheum than were ever in the Music Hall," Brailey said.

"The building will be paid for by those who use it and not by those who never set foot inside," he said. The project is financed by revenue bonds to be retired by income from the Orpheum and City Auditorium.

CULTURAL AWARENESS PROGRAM IN NEW JERSEY

Mr. HASKELL. Mr. President, one of my constituents who worked in my office recently brought to my attention a cultural awareness program which has been initiated in New Jersey by Henry M. Wood, deputy coordinator of the New Jersey regional medical program.

The program is designed to make the health care workers more aware of the cultural differences between them and the people they serve.

I have congratulated Mr. Wood for his fine efforts and hope that my home State will give thought to adopting a similar type of program.

I ask unanimous consent that my letter to Mr. Wood and an explanation of the cultural awareness program be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

November 7, 1974.

Mr. Henry M. Wood,
Deputy Coordinator,
New Jersey RMP,
East Orange, N.J.

Dear Mr. Wood: Thank you for your courtesy in allowing me to review your proposal for a Cultural Awareness Program.

I think it reflects an unusual amount of creativity and sensitivity to the needs of the people you serve.

I would hope that one day a similar program might be developed in my own state of Colorado.

Best wishes and good luck with your proposal.

Sincerely,

Floyd K. Haskell,
U.S. Senator.

New Jersey Regional Medical Program, Inc., Cultural Awareness Program, Project #37

(By Henry M. Wood)

I. PURPOSE

To establish at least fifteen (15) project sites in medically underserved areas throughout the State of New Jersey designed to significantly raise the levels of awareness among health care providers to the cultural differences of their co-workers and the populations they serve. It is believed that these activities will be effective in measurably reducing the barriers of accessibility and acceptability to health care for persons whose cultural orientations complicate effective participation in the health care delivery system. In addition it is expected that through these activities, provider/consumer and provider/provider communications will be improved and a higher quality of health care will be rendered.

II RELATIONSHIP TO NJRMP GOALS OF OBJECTIVES

The Cultural Awareness Program addresses three of NJRMPI goals; namely:

Accessibility

Since 1968, through its Urban Health Component, NJRMP has developed numerous activities that led to improved health care delivery to residents of medically underserved areas throughout the State of New Jersey. Among these activities was the highly successful Community Health Improvement Program (CHIP) which to date has served over 29,000 persons. Although substantial progress has been made in increasing the availability of health care for the residents of these areas, considerable effort is still required in making these services accessible and acceptable to persons who have recently migrated to this country and/or whose cultural backgrounds continue to mitigate against effective participation in the health system.

The Cultural Awareness Program (CAP) will provide, through a variety of locally-developed activities, structured program experiences designed to expand the providers' understandings of the attitudes, beliefs, language, social dynamics, etc. of their target populations, thereby reducing the negative impact which some cultural factors have on health care, and increasing the ability of providers to utilize other cultural habits in delivering effective care. This activity, therefore, will establish an assortment of models that will yield valuable data on approaches to effective involvement of such populations in the various modes of health care delivery.

Continuing Education

In order to provide optimum treatment it is necessary that the physician and other ancillary personnel be able to understand the patient's beliefs regarding medical care and the cultural setting from which these beliefs are derived. Knowledge of other theories of disease will substantially increase providers' capacities to gain the confidence of patients and enhance their abilities to provide regimens that have the greatest propensity for being adhered to. For example:

"Many Puerto Ricans classify illnesses, medicines, and foods according to an etiological and therapeutic system which derives historically from Hippocratic humoral theories of disease. Adherence to this system influences the way in which patients comply not only with therapeutic regimens for hypertension, arthritis, ulcers, and rheumatic fever but also with instructions on infant feeding, and antepartum and postpartum care. To achieve maximum therapeutic benefit for Puerto Rican patients who adhere to this system, the physician is advised to work within its framework in prescribing medicines and diet." [1]

It is important to note the broader parameters of the "communication process"—that it is not exclusively a problem of the "majority-culture provider" relating to the "minority-culture consumer." Indeed, the consumer, be he "majority-cultured" or "minority-cultured" frequently is confronted by the just-barely English-speaking provider. A common complaint of consumers in the urban setting is the inability to reach "someone in authority" with whom he can communicate. An American Medical Association Study reported:

". . . a relatively large percentage of foreign physicians who came to the U.S. did not return to their country of origin after training was completed. Not only did 83.6 percent of the whole foreign-educated group remain in the U.S. as of 1971, but there was a relatively high retention rate for those nominally coming to this country for temporary training: 73.7 percent of those who were interns and residents in 1963 were located in the U.S. in 1971. The number of foreign medical graduates in office based practice in the study group increased by 6,000 in the eight-year period . . ." [2]

These findings suggest the current and (from what data can be found on the subject) continuing situation of foreign-born physicians supplying a substantial amount of medical care in the health system of the U.S. The participation of large numbers of foreign-born physicians coupled with the substantially large number of foreign-born ancillary medical personnel—especially in our urban areas—complicates the machinery of our system and points to the need for activities to ease interpersonal communication and improve interpersonal comprehension between this group and the providers and consumers with whom they interact. The Cultural Awareness Program, therefore, will provide educational experiences designed to increase the providers' knowledge of the clients they serve and the persons with whom they work thereby broadening the avenues of communication among providers and consumers.

Regionalization

The Cultural Awareness Program has ramifications for regionalization in that those projects that will be funded under this activity will be linked by the activities of the Cultural Awareness staff and the Cultural Awareness Study Group to establish an informational and resource network for the exchange of program outputs and techniques. In addition, the Cultural Awareness Staff will link this overall New Jersey activity to similar programs being encouraged in at least ten (10) other regional medical programs across the nation (see BACKGROUND section). It is planned that the findings of this interface between the New Jersey and national efforts will culminate in the development of a document detailing case study accounts of effective techniques and methodologies which will be useful to medical care providers throughout the nation.

III. OBJECTIVES

1. To demonstrate the effectiveness of cultural awareness programming on improving access to and the acceptability of health care services in selected facilities throughout the State of New Jersey;

2. To demonstrate the impact of cultural awareness programming on the quality of care rendered in selected facilities through improved communication among providers and consumers;

3. To compile the findings of this activity and those of similar projects across the nation into a useful resource for health care facilities in New Jersey and the nation.

IV. BACKGROUND

Almost since its inception, New Jersey Regional Medical Program has been cited for its leadership and innovative programming in the area of urban health. Numerous requests for technical assistance were received by NJRMP to support development and implementation efforts by many RMPs throughout the country. Eventually, NJRMP determined that it would be appropriate if RMPs came together in a conference setting to exchange experiences in programming designed to relieve the problems of the medically underserved. RMPs responded to this suggestion by forming a national group, called the Urban Health Committee.

In 1972, when this planning effort was proceeding, RMPS called upon New Jersey's representative to its National Urban Health Committee to participate in a Cultural Awareness Conference being held at Ghost Ranch in New Mexico—focusing on problems of health care delivery to Mexican-Americans. The conference rather dramatically demonstrated that ignorance of cultion into a useful resource for health care delivery.

During that same year, New Jersey had launched its Community Health Improvement Program (CHIP) which focused on improving access to primary care within several disadvantaged urban areas. Monitoring activities conducted by the NJRMP staff soon revealed that the findings of the New Mexico Conference had definite application in New Jersey—moreover, the problem is exacerbated in this State by the presence of large numbers from various cultures; a constant immigration of persons from these cultures, along with the introduction of substantial numbers from new groups.

A cursory review of statistics on Ethnic Characteristics for Areas & Places: 1970 [3] reveals the numbers of persons of Spanish origin and descent in only a few selected areas of New Jersey:

Population of persons of Spanish origin or descent

Area:	
Atlantic City	3,838
Camden	18,253
Elizabeth	14,996
Jersey City	90,745
Long Branch	5,440
Newark	79,481
Paterson-Clifton-Passaic	46,895
Perth Amboy	10,200
Trenton	5,919
Vineland-Millville-Bridgeton	6,932

It should be noted that these are 1970 census figures and that populations indicated have often been found to be actually "population estimates" due to problems associated with getting accurate counts in disadvantaged areas. Figures presented are normally increased 20 percent to 40 percent to allow for errors or omissions during the census process.

Being unable to address these culture-based problems due to changes in the RMP mission, staff continued informal discussions of the need with members of the Urban Health Task Force of NJRMP and maintained liaison with culturally focused program activities in other RMPs.

The period that followed was one of great uncertainty since NJRMP was ordered to prepare for phase-out—causing staff to turn its full attention to activities that would provide for the survival of some projects and the orderly "shut-down" of others. In early 1974, when RMP was extended for another year, the Coordinator directed staff to refocus on the problems of health delivery to the medically underserved.

The Urban Health Task Force of New Jersey was reassembled and a special committee was appointed to begin reshaping the mission of this body. As a result of several meetings, the committee requested staff to follow-up previous efforts in the area of cultural awareness. The Coordinator, seeking to maximize program efforts in this area, sent a member of the NJRMP staff on a fact-finding mission to a number of RMPs and other organizations across the nation to determine interest in a cooperative program effort. His rationale was that if a number of RMPs, in various parts of the nation, cooperatively approached the problems of access that were associated with culture—substantial data could be developed that would be useful to providers nationwide—and this approach would be cost-effective. That is, rather than a large number of RMPs submitting for cultural awareness activities, a selected number would program to improve access among the major minority cultures and share findings and methodologies with other providers.

The response to the NJRMP initiative was very encouraging. As a result of the fact-finding mission, personal and telephone contacts and written communications, interest was expressed in cultural awareness programming by RMPs of:

California
Florida
Illinois
Metropolitan Washington
Mountain States (Idaho, Montana, Nevada, Wyoming)
New Mexico
New York Metropolitan
Northlands (Minnesota)
Oregon
Puerto Rico

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[1] "The Hot-Cold Theory of Disease", JAMA (THE JOURNAL of the American Medical Association) (May 17, 1971), pg. 1153.

[2] James N. Haug and Rosemary Stevens, "Foreign Medical Graduates in the U.S. in 1963 and 1971: A Cohort Study", American Medical Association Center for Health Services Research; Reprint from Inquiry, Vol. X, March, 1973.

[3] 1970 Census of Population, General Social and Economic Characteristics, New Jersey, U.S. Department of Commerce, April, 1972.

Rochester

Washington/Alaska

Many of the coordinators of these programs forwarded letters to DRMP to solicit its aid in launching a nationally coordinated program. DRMP responded by pointing out the national program's inability to provide special funding for this activity but encouraged local program efforts.

As staff began exploring how best to programmatically address the issue of cultural awareness locally, it soon became clear that the problem was far more intricate than originally considered. Aside from the obvious problems associated with health care delivery by majority-culture providers to minority-culture consumers, a variety of other types of problem-oriented service encounters were found to be every day occurrences as shown on the following chart.

The Problem Oriented Service Encounter Chart depicts the range of interpersonal encounters that may take place in a health service setting. Solid lines represent problems resulting from interaction between persons of different culture, ethnicity, language, race or any combination thereof; while the broken lines represent problems resulting from interaction between persons of possibly the same culture, religion, race, etc., but whose attitude are molded by factors such as economic status, prejudice, religious views, sex, etc.

(Chart not printed in RECORD.)

The New Jersey Regional Medical Program's Cultural Awareness Program, therefore, is an attempt to implement this important program thrust essentially along the lines suggested by its councils and believed to be most effective by staff. Additionally, the New Jersey effort will retain the most workable features of the planned national program—allowing for close coordination, cooperation and resource sharing between the New Jersey Cultural Awareness Program and those being concurrently developed by other RMPs.

V. GRANTEE CONSIDERATIONS

A. Review Procedure

1. Projects will undergo three levels of review:

a. A *Cultural Awareness Team*, consisting of NJRMPI staff, will execute initial reviews of projects and develop project summaries for review by the Cultural Awareness Study Group, provide ongoing monitoring and technical assistance to the projects, and function as the link between the New Jersey Cultural Awareness Program and related activities nationally.

b. A *Cultural Awareness Study Group* (CASG), composed of members from the former Urban Health Task Force and selected provider/consumer organizations around the State, will be responsible for secondary screening of project applications to determine appropriateness with respect to proposal guidelines. The CASG will also function as an ongoing advisory group to the Cultural Awareness Program.

c. A. *Culutral Awareness Technical Review Panel*, composed of approximately five persons from outside the State who have experience in proposal review and cultural awareness activities, will meet with the persons whose projects have passed secondary screening and make final recommendations on the funding of projects.

2. The personnel required by each project will be determined by the organization developing the applications. Each application will be carefully reviewed to determine the appropriateness of staff and its relationship to project objectives.

B. Eligible Grantees and Activities.

Eligible Applicants

Proposals will be accepted from organizations and groups with demonstrated interest and capabilities in the health care field. These include, but are not limited to: medical/dental schools, freestanding non-profit health centers or clinics, hospitals, health departments, medical societies, medical care foundations, mental health facilities, drug rehabilitation activities, institutions of higher educaton, non-profit community-based organizations, informational centers which link people to appropriate services, etc.

Priority Program Areas

NJRMPI proposes to fund projects for one year. Those activities that will be given consideration for funding will be projects that:

Demonstrate an understanding of the cultural differences of consumers and/or providers;

Demonstrate a concern for those differences;

Present a sound plan for improving the sensitivity of providers to those differences in such a manner that has potential for measurably improving access to, acceptability and quality of care rendered.

In general, projects should address issues which involve improving all or parts of an existing medical care delivery system and *may* include the following:

(a) *Community Approaches:* Proposals will be considered which develop approaches to reduce identified barriers impeding access to care for underserved segments of the population whose cultural orientations pose special problems for sensitive and effective health care delivery. These barriers include, but are not restricted to: language, beliefs, mores, environmental factors, etc.

(b) *Improvements of Delivery Resources:* Proposals will be considered which augment existing health care delivery units. Such projects might propose an increase in the quantity and quality of available resources in terms of making them more sensitive to the cultural differences of their clients. In general, improvement of delivery resources should relate to both consumer and provider concerns of accessibility, availability and appropriateness of services.

(c) *Cooperative Arrangements:* Proposals will be considered which improve reciprocal relationships between health care delivery mechanisms and specialized care resources in order to insure the continuity of care.

(d) *Manpower Approaches:* To begin new manpower training programs is not feasible because activities being considered for funding within this proposal are scheduled for only *one year* of RMP support. Proposals which are intended to upgrade skills or offer new skills to health providers already working in the health care field will be considered.

(e) *Consumer/Provider Involvement:* Projects advocating approaches to improve effective participation of providers/consumers in the management or general overseeing of health care activities must clearly demonstrate a potential for impacting on the quality of such services in a manner consistent with the general interest of this proposal in order to be considered for funding.

C. Funding Limitation

The actual amount of funds available for the Cultural Awareness Program is not certain at this time; however, the budget for each proposal should not exceed $30,000 for the one-year period.

THE PALESTINE LIBERATION ORGANIZATION

Mr. BROCK. Mr. President, last week, 71 Members of this body wrote to the President expressing their concern on the clear and present danger which the Palestine Liberation Organization presents to American foreign policy interests and urging that the administration reaffirm our Nation's long-standing commitment to Israel's security.

The signators of the letter cited recent U.N. actions to give the PLO recognition and the action of the General Assembly to limit Israel's right to reply as a "serious departure from the original principles of the U.N."

The letter also noted that the decision by UNESCO to withhold assistance to Israel is a "shameful example of the transformation of that international humanitarian organization into a political weapon."

The bipartisan group of 71 Senators called upon the administration "to take the lead in organizing our friends and allies to resist political and economic blackmail in the future."

Mr. President, I ask unanimous consent that the letter to the President along with the names of the 71 signatories be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

DECEMBER 9, 1974.

DEAR MR. PRESIDENT: In writing to you about recent developments in the Middle East, we wish to reaffirm the commitment to the survival and integrity of the State of Israel that has been the bipartisan basis of American policy over 26 years and under five administrations.

We believe that the prominence of the Palestine Liberation Organization at the Rabat conference and at the United Nations General Assembly poses a direct threat to American foreign policy which must be met vigorously and promptly. Mr. Arafat's own statements from the rostrum of the United Nations strip away any illusions about the values and mentality which dominate the PLO. His espousal of terrorism and his repeated calls for the destruction of Israel as a Jewish homeland must be resolutely opposed by the United States in order to make progress toward a genuine peace in the Middle East.

We are deeply disturbed by the United Nations vote to give recognition to the PLO and by the spectacle of western cynicism, apathy and disunity. The action of the General Assembly to limit Israel's right to reply is a serious departure from the original principles of the United Nations. Moreover, the decision by UNESCO to withhold assistance to Israel is a shameful example of the transformation of that international humanitarian organization into a political weapon.

These recent events dramatize the need for the United States to take the lead in organizing our friends and allies to resist political and economic blackmail in the future. We do not believe that a policy of appeasement will be any more successful now than it proved to be in Europe in the 1930's because we confront an appetite which grows on what it is fed.

We therefore urge you to initiate a comprehensive and coordinated diplomatic response that will unite our friends and allies in meeting these new challenges to peace in the Middle East.

We urge that you reiterate our Nation's long-standing commitment to Israel's security by a policy of continued military supplies and diplomatic and economic support. In doing so, you will be acting in the best interests of the United States and with the support of the Congress and the American people.

Respectfully yours,

The senators signing the letter:

James B. Allen (D-Ala), Howard H. Baker Jr. (R-Tenn), Birch Bayh (D-Ind), Glenn J. Beall (R-Md), Lloyd Bentsen (D-Tex), Joseph R. Biden Jr. (D-Del), Bill Brock (R-Tenn), Edward W. Brooke (R-Mass), James L. Buckley (C-R-NY), Quentin N. Burdick (D-N. Dak).

Robert C. Byrd (D-W. Va.), Howard W. Cannon (D-Nev), Clifford P. Case (R-NJ), Lawton Chiles (D-Fla), Frank Church (D-Idaho), Dick Clark (D-Iowa), Marlow Cook (R-Ky), Norris Cotton (R-NH), Alan Cranston (D-Calif), Robert Dole (D-Kans).

Peter V. Domenici (R-N. Mex), Peter Dominick (R-Colo), Thomas F. Eagleton (D-Mo), Hiram L. Fong (R-Hawaii), Mike Gravel (D-Alaska), Edward J. Gurney (R-Fla), Philip A. Hart (D-Mich), Vance Hartke (D-Ind), Floyd K. Haskell (D-Colo), Roman L. Hruska (R-Nebr).

Walter D. Huddleston (D-Ky), Hubert H. Humphrey (D-Minn), Daniel Inouye (D-Hawaii), Henry M. Jackson (D-Wash), Jacob K. Javits (R-NY), Edward M. Kennedy (D-Mass), Warren G. Magnuson (D-Wash), Charles McC. Mathias (R-Md), Gale W. McGee (D-Wyo), George S. McGovern (D-S. Dak).

Thomas J. McIntyre (D-NH), Lee Metcalf (D-Mont), Howard M. Metzenbaum (D-Ohio), Walter F. Mondale (D-Minn), Joseph M. Montoya (D-N. Mex), Edmund S. Muskie (D-Maine), Gaylord Nelson (D-Wis), Sam Nunn (D-Ga), Bob Packwood (R-Oreg), John O. Pastore (D-RI).

James B. Pearson (R-Kans), Claiborne Pell (D-RI), Charles H. Percy (R-Ill), William Proxmire (D-Wis), Jennings Randolph (D-W. Va), Abraham Ribicoff (D-Conn), William V. Roth (R-Del), Richard S. Schweiker (R-Pa), Hugh Scott (R-Pa), John Sparkman (D-Ala).

Robert T. Stafford (R-Vt), Ted Stevens (R-Alaska), Adlai E. Stevenson III (D-Ill), Stuart Symington (D-Mo), Robert Taft Jr. (R-Ohio), Herman Talmadge (D-Ga), Strom Thurmond (R-S.C.), John Tower (R-Tex), John V. Tunney (D-Calif), Lowell P. Weicker Jr. (R-Conn) and Harrison A. Williams (D-NJ).

MANY INDIANS, NO CHIEFS

Mr. McCLELLAN. Mr. President, today our Nation faces some of the most difficult problems it has ever faced. The combination of recession and inflation, rising unemployment, unprecedented fuel prices, food shortages, and the continuing crisis in the Middle East is deeply perplexing to our citizens. What has made this combination even more troubling is the absence too often of firm and enlightened leadership, in both government and the private sector—effective leadership—to rally our people to acts of sacrifice and determination.

For some time now, I have been concerned that our society is inhospitable to leadership. The call for "participation" decisionmaking, while understandable and in many respects desirable, may contribute to discouraging the emergence of leaders. So, surely, does the abuse and unbridled criticism that seems always to be visited on those who, in President Lyndon Johnson's phrase, "stick their heads up above the grass." The fact is, Mr. President, today—perhaps more than ever—needs wise and strong leadership.

There appeared in the December 8 issue of the Washington Post an interesting article on the subject of leadership, written by Harry McPherson, a Washington lawyer who served at one time as counsel of the Senate Democratic Policy Committee. This article, "Many Indians, No Chiefs," is most informative and thought provoking, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANY INDIANS, NO CHIEFS

(By Harry McPherson)

We are virtually without leaders. This is true not only of politics and government, but of society as a whole.

There have been other times in which the President provided no clear sense of direction and purpose to the country. There have been times when no one in Congress spoke for a large element of public opinion, or was able to pull the Congress' factions together into something like coherence. But such periods rarely coincided, and if they did—if leadership was missing in both the White House and the Congress—it appeared elsewhere. Our time may be unique in that lack of leadership is now pervasive.

This does not mean, of course, that there are no prominent men and women of our era. There are as many officeholders as before, as many stars in the entertainment galaxy, as many people winning acclaim for other accomplishments. But accomplishers are not necessarily leaders. What is missing are those who, by example, authority, or both, offer guidance to some significant group in society, and whose guidance is accepted by that group and recognized by others. What is missing is leadership of the kind that is persuasive, even determinative, and relatively lasting.

This lack has perhaps been most widely noted in government. President Ford is not yet a leader, and may never be. His experience has consisted chiefly of accommodating the members of his party in the House. Though he was often successful in this, he gave few signs that he had more in mind than keeping the wheels turning. Circumstances may have inhibited him—the manager of a semi-permanent minority has limited opportunities to display genuine leadership—but he did not overcome them. During his first months in the presidency (a weakened institution, but still the pre-eminent rostrum for a national leader) we've had no reason to think that a more compelling Gerald Ford is primed to emerge.

A PAUCITY OF FOLLOWERS

In Congress, neither Speaker Albert nor Majority Leader Mansfield has regularly attempted to define the policies of his party, much less those of his House. They were elevated to their offices because they held moderate views, were personally respected, and came from politically neutral regions of the country. All these reasons remain true; what is more, neither man has sought to impose his will on other members. In the wake of aggressive and demanding leaders—Sam Rayburn and Lyndon Johnson—their permissive, almost pro forma stewardship is agreeable to most congressmen and senators, who would probably resist being herded into majorities by more determined men. Yet such liberality has a price. "The great leaders of Parliament," Walter Bagehot wrote, "have all had a certain firmness. A great assembly is soon spoiled by over-indulgence."

Both House and Senate have been "democratized." Ordinary members now have the power—whether or not they exercise it—to challenge committee chairmen. The right to participate in decision-making is better established, and more widely shared, then ever before. As a result, the House, in the words of one liberal Democratic congressman, is "a more pleasant place to work in."

"Still," he adds, "not as much gets accomplished as before." The "whales," as Lyndon Johnson called those who dominated the life of Congress in the 1950s, have almost all disappeared. Sometimes arrogant, often oppressive, they nevertheless managed to produce legislation that compromised differences and gave the public an impression of a Congress on the move. In this participatory age, there are still influential members, but there are few or none who singly or in combination with others of their kind are able to contrive majorities on a wide range of public issues.

This is curious. With the proliferation of subcommittees and staff that has occurred during the past few years, a senator may become a chairman relatively soon after coming to Congress, conducting newsworthy hearings and producing a mountain of studies and reports. Vivid congressional personalities have unparalleled opportunities for media exposure today, whatever their seniority. Yet these well-staffed, well-reported men and women do not lead contingents, much less mighty factions, in either House.

Perhaps the problem is a paucity of followers. The chance to participate, to speak up, to be independent, may have become a mandate to do so. Members who in earlier years might have been perfectly content to be foot-soldiers may now feel obliged to wear the tunics of officers. That removes them from the ranks, depriving potential leaders of their services; but it does not give them command.

A BATTALION OF SQUABBLERS

If there are no powerful figures on the Hill, what about downtown? Many people lament the trend toward executive government, but surprisingly that trend has produced few leaders outside of the White House. How many Americans can name three Cabinet secretaries? Dr. Kissinger is a great personality and a brilliant performer; yet it is difficult to imagine what his legacy will be to his successor. Indeed, even his ranking subordinates are uncertain of his policies from day to day. Ad hoc diplomacy can be good spectacle, and by its nature it avoids rigidity; but it leaves us with little guidance for the future. One can be grateful for Dr. Kissinger's skill while wishing that one knew better where it is taking us.

As for the government's economists, they are a battalion of squabblers, none of whom seems to think the others are in touch with reality.

And who waits in the wings, ready to sound the call to a new national effort under his banner? Among Democrats, the possibilities are distinguished, but they have not as yet inspired strong followings. By comparison, the contenders for the Democratic nomination in 1960—Kennedy, Johnson, Humphrey, Symington and Stevenson—were, at a similar point in their careers, better known and more vigorously supported by important interests within the party than are Jackson, Bentsen, Carey, Udall, et al. Perhaps the others will set their smoldering compaigns ablaze in the coming year. One hopes they will; but it is going to require a lot of luck and political sagacity to bring it about.

Among Republicans, the scene is even murkier. President Ford has the obvious advantage, but I think he will have to convert his titular leadership into something more substantial if he is to discourage potential competitors for the nomination.

To sum it up, the horizon of American politics and government is peculiarly flat. There are few heroes about whom people seem to care intensely.

THE CULTURE VACUUM

If political leadership were the only problem, the landscape might not appear so dismal. But what of the other elements of our society?

What of the culture? These may be leading artists of whom I've never heard, or whose work I simply don't like, but it seems to me that the arts in America are in about the same condition as is American politics. Many capable people are at work, but there is not much leadership to be found among them.

There is no leading novelist, as Hemingway, Faulkner, Fitzgerald and Dreiser once were; no one writing today is, by his artistry or vision, magnetic to other novelists. There is no school whose master is Bellow, Roth, or Heller; and the most admired novel of the past 30 years, Ralph Ellison's "Invisible Man," has no sequel, even from its author's pen. Norman Mailer is a literary Kissinger, a showboat without a wake. Robert Lowell was the leader among poets a decade ago, but his confessional vogue seems to have faded, and none other has succeeded it.

Among contemporary works of serious music, there seems to be a general absence of taste, beauty, and organizing principle. Paraphrasing Churchill about the pudding, today's music has no theme. Copland and Harris, while still active, are not responsible for today's nerve-shattering cacophony. And who has succeeded the Beatles and the Rolling Stones and Bob Dylan?

What of drama? Tennessee Williams and Arthur Miller were the undoubted leaders among playwrights in the 1940s and 1950s. To judge from their recent work, they are past their prime, and no one has replaced them. There are, perhaps, leaders among film directors, though we can't be sure if those of today's generation are the equals of Ford, Hitchcock, and Wyler, or have only been made to seem so by *auteur* criticism. A larger body of work should tell.

I recognize that leadership among artists is different from that among political figures. It is commonly the nature of great artists to step out in advance of public opinion and of politicians to attune themselves to it. But in the course of this century, artists here and abroad have broken new ground with such authoritative power as to affect not only the course of their art, but the sensibilities of nations. Joyce, Eliot, Hemingway, Stravinsky, Picasso, Pollock—all led the way for other practitioners, and led us, their consumers, to a heightened awareness and appreciation. As best I can judge, our arts are without such leaders today.

In the rest of society, the picture is much the same.

In business, no leaders—neither in the buccaneer, 19th and early 20th Century tradition; nor in that of the tinkerers, like Ford, Edison, and Kettering; nor as Bigtime Spokesmen, for Industry, as Benjamin Fairless and Roger Blough once were. Nixon's business friends were for the most part outsiders, entrepreneurs without resonance in the business community. Ford's, according to The New York Times, are the Washington vice presidents of corporations. Very likely the size and complexity of modern business institutions have served to produce anonymity at the top. For most corporate officers, the bad press visited upon business as a whole probably suggests a low public profile as the best means of avoiding trouble.

In the military, the death of Creighton Abrams removed the best of the famous World War II commanders from the active list. Vietnam created none to replace them. It is instructive that the fastest riser in military ranks, Alexander Haig, should be a skillful performer of privy political duties, whose advancement earned him as much animosity as appreciation among his fellow officers.

There are no leaders among black Americans to equal Martin Luther King, Whitney Young and Roy Wilkins in his prime. The waning of the civil rights "cause," and the frustration of simplistic efforts to improve living conditions among poor blacks, have made it difficult for able men like Vernon Jordan to achieve broad and definite positions of authority. Leadership in the women's movement is disparate, as it is among Chicanos. "Youth," after its explosive emergence in the late 1960s, is without a voice. The term "labor leader" is a cliche, but increasingly it lacks point. George Meany continues to preside over a heterogeneous band of union presidents, but it has been some time since either he or they were perceived as being in the vanguard of social change. They are in fact effective in political campaigns and in the passage of legislation, but they do not noticeably stir the emotions and summon up the wills of working-class Americans.

I doubt if a roomful of lawyers could agree on five leaders of the bar. As for that famous "Eastern Establishment" of lawyers and investment bankers—they who, it was often alleged, determined the course of American policy by means of their close association with Presidents, experience in government, and general long-headedness—one can only conclude that if it ever existed, it has been dis-established.

Are there religious leaders? My knowledge of the Catholic hierarchy ended with Cardinals Spellman and Cushing; the names of their successors escape me. Billy Graham can lead 50,000 people in prayer, but, to use an earlier distinction, I regard him as an inspirational performer, not a true leader; I don't see him leaving his mark on a significant religious institution or founding a seminal theology.

There are several effective and articulate university presidents in the country, but few educational leaders. As for science and medicine, I plead ignorance. Doubtless there are leaders within those disciplines whose work defines that of their colleagues. The continuing bestowal of Nobel Prizes would suggest that. But if true leadership requires that persons outside the affected group be aware of a leader's primacy within it, the situation among scientists and physicians may not be very different from that in the "other" culture. We, the outsiders, are unfamiliar with the Einsteins and Flemings of today; and though we seek the help of Drs. Cooley and DeBakey, we've no idea whether or how they "lead" their profession.

THE ANTILEADERS

Doubtless I've overlooked or slighted someone who justly qualifies as a leader of an important group in the America of 1974. I've purposefully left until now any discussion of three men who do qualify as leaders—John Gardner, Ralph Nader and George Wallace—in order to make a point.

Each is, to one degree or another, an antileader. Gardner and Nader have won a following partly, perhaps chiefly, because they have spoken out against those in power, the ostensible leaders of business and government who abuse the public by buying and selling candidates for office or producing faulty seat-belts or whatever. Wallace's attacks on "pointy-headed bureaucrats" and Washington politicians are familiar.

Each man is perceived as attacking the power structure and, it's fair to say, as being more honest than those in high office. None is authoritarian in an organizational sense. Gardner wants the units of Common Cause to think for themselves, Wallace wants local people to decide local issues, Nader has no more divisions than the Pope. Yet each commands the respect and even the devotion of a large body of Americans; where they lead, many will follow. One may surmise that, were they to be entrusted with high public responsibility, each of these very different men would change in much the same way: that as they became the target of anti-leaders themselves, and as they faced the tasks of administration and of reconciling fiercely opposing views, they would become at once more conventional and less attractive to their present constituencies. For the present, they can be leaders by opposing leaders, by articulating the public's anger toward, or suspicion of, those in power.

If the country is for the most part bereft of leaders, two questions arise: How did it happen? And is it good or bad?

There is surely no simple answer to how it happened; many fundamental forces are at work, individually and in combination, and it is difficult to assign degrees of importance to them. For example, there is the leveling process foretold by Tocqueville in "Democracy in America." It is fueled by resentment toward those in positions above the mass of mankind, and by a sense of having been betrayed by them. Universal education and the promise of unlimited opportunity have created expectations among millions of people which could not possibly be satisfied.

Related to this is the nature of our colleges and universities. Many millions have now attended college, and it is reasonable to expect that tomorrow's leaders will come in large part from the most ambitious among them. Yet today's intellectual tradition is predominantly critical. It is resistant to the essential pretension of leadership—i.e., that a leader is capable of guiding others more wisely than they are capable of guiding themselves. To the extent that college-educated men and women have been exposed to that tradition, they may be presumed to be biased against the pretension of leadership.

Added to these is the growing call in our society for "participation." This demand—whether or not it is accepted when granted—proceeds from a suspicion of leadership, often well founded; and when granted and accepted, it usually complicates the situation. "Participation" and "decisiveness"—the latter the characteristic of leadership—are antithetical.

Further breeding suspicion of leadership have been Vietnam and Watergate, the U-2 flight and the Bay of Pigs, which have generated a deep cynicism in the public, to which no politician is immune. And as for the would-be leaders, the contumely, the threats of physical harm—indeed, the murder—which have befallen some public figures have caused many to renounce ambition for public office.

These are some of the forces. There are many others:

The media have over-exposed public men, showing their feet, in some cases their whole bodies, of clay. Television burns up new personalities quickly; those politicians who survive TV are typically cooler and blander than the leaders of earlier eras. They are correspondingly less likely to stir people, i.e., to lead them. Television also cannot offer a two-way channel of communication with the public, so that potential leaders cannot feel what their potential followers think of them.

Political, economic, and social changes, which various leaders offered as remedies for the nation's ills, are perceived as having failed or only partially succeeded.

The enormous variety of means by which outstanding people can now succeed, or at least make do, has vitiated the single-minded drive—whether to command, or to own, or to develop a vision through art—which is central to leadership.

The growth of mammoth institutions has made the emergence of individual leadership much more difficult.

The flight from city to suburb has destroyed communities in which leadership flourished, without substituting others for them; it is hard to reach people, or to address them as members of a corporate entity, when they have been spread apart by a centrifugal force of their own making.

Permissiveness is the watchword of our society; since anything goes, nothing in writing, painting, or music, as well as in politics, may legitimately command.

Regulation is the watchword of government; variation from any norm is suspect; neither a public benefactor, a creative loner, nor a robber baron can be allowed to operate free of reporting requirements and compliance with generic rules.

Leaders make, or are made by, causes, and we're bored and let down by those.

BARONS AND KINGS

Is the result good or bad? Leadership is a spectrum at one end of which is tyranny, suffocating dominance, intolerance for variety. We do not need a French Academy to prescribe our letters, any more than we need a commissar to rule our politics. Grown-ups, like children, must learn to assume responsibility for their decisions. And understanding that leaders are human-sized is the beginning of wisdom. There are benefits to be had from the absence of leaders.

There is also a cost—a high cost, in my view. A society without barons is in danger of being ruled by a king—by a man on a white horse who thrills its leader-hungry people, and who is unchecked by other persons of esteem. Perhaps our strong, skeptical and democratic people are immune to that danger. I think we are, but so have other people thought themselves to be, mistakenly. Nixon was no man on a white horse, but we saw how easily he commanded the business of government in his prime. A weakened Congress was no match for him.

The absence of leaders means that there are few channel-markers to define a course for us. It may be good that there is nobody whose opinion I wait to read before forming my own; "thinking for one's self" is a highly regarded activity, justly so. And yet (unless I am divinely inspired) how am I to think intelligently without the benefit of other thought, whose thinkers I respect, though I disagree with them? A society without traditions, without established and respectable positions, is a swamp. And traditions cannot be formed and maintained in the absence of leadership.

Leaders call upon, and ultimately focus, the energies of the rest of us. It is safe to say that none of our national problems can be successfully tackled unless we act to some degree collectively, upon the recommendations of genuine leaders. It is likely that without leaders, art tends to decay into incoherence, legislative politics into mere log-rolling, the executive into deviousness, electoral politics into promotional schemes, business into timorousness and fast-buck manipulations, labor into preoccupation with narrow interests and so on.

I've no idea whether leaders are born or made. Whichever it is, they require a reasonably hospitable climate to grow in, and on the evidence ours is not such a climate today. Perhaps leadership is one of those historical pendulums whose movement is dictated more by the mysterious laws of nature than by the conscious choice of citizens. If that is the case, we can relax and simply wait out this leaderless time.

On the chance that we have something to say about it, however, I have several suggestions. One is for the majority of us. We should be patient with potential leaders. We should remember that Winston Churchill enjoyed several periods of glory, and endured almost as many crushing rejections, in the course of his long career. That Roosevelt took many years to mature into the man whose leadership rallied the country in a dark hour. That Faulkner wrote poor novels, and Yeats weak poems, and that Martin Luther King made some empty speeches, in the course of their brilliant and productive lives. We must judge leaders over the long pull. We should be wary of their abuse of authority, but we must not snap them off impatiently, as we would a television comedy that fails to amuse.

And we must not regard the following of excellence—or even of high competence—as indecent.

The other suggestions are for potential leaders. One is that they should not regard public opinion polls as sovereign in determining their own course. Leaders teach, as well as cozen to, public opinion; and in our confused times, we are much in need of teaching.

Another suggestion amounts to a stage direction. It is, in Lyndon Johnson's phrase, to "get your head up above the grass." In Johnson's hill-country version of hubris, "any rooster that sticks his head up above the grass'l get a rock thrown at it." True enough. But that's where a leader's head belongs. Unless human nature has radically changed, some talented and decent people are inherently driven to leadership; more importantly, the rest of us need them.

EXPERIENCES OF MR. ROSWELL GARST WITH RUSSIANS

Mr. FULBRIGHT. Mr. President, Mr. Roswell Garst is one of the most imaginative and original men I have ever known.

He is also a very fine farmer and plant breeder.

In addition, he has great understanding and commonsense about international relations and has worked hard to improve our relations with Russia before détente became our official policy.

Recently, Mr. Garst sent me an account of some of his experiences with the Russians.

I ask unanimous consent to have printed in the Record his letter to me.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Garst & Thomas Hybrid Corn Co.,
Coon Rapids, Iowa, December 10, 1974.
Senator J. W. Fulbright, Arkansas,
U.S. Senate,
Washington, D.C.

Dear Senator Fulbright: Much to my sorrow and disappointment, it will not be long before your long and distinguished terms in the Senate will end.

It was in the fall of 1959 that we met at Des Moines when we both gave talks before the Iowa Bankers' Association annual meeting.

You spoke one day—and I spoke the next day. Our Iowa Senator, Burke B. Hickenlooper, was on your Foreign Relations Committee—and had refused to even be in the same city with Nikita Khrushchev. He left Washington the day you put on the luncheon for the Foreign Relations Committee.

You knew I was in the seed corn business—that most bankers are conservatives—and you stayed over a day to get the Iowa bankers' reaction to a farmer selling seed corn to a communist country. The reaction of both the bankers and of Iowa farmers was not bad—and I have had pride in all the years since of having contributed to an improving relation between the Communist countries of Eastern Europe and the United States.

In January or February of 1955 Khrushchev had made a speech in the parliament of the U.S.S.R. saying that "what the Soviet Union needs is an Iowa Cornbelt."

Mr. Loren Soth, Editor of the Des Moines Register, had written an invitation as a result of the Khrushchev speech which invited Khrushchev to send a delegation over to see how the Iowa Cornbelt was operated.

Khrushchev accepted the offer. The State Department said about as follows: "No! No! We will not accept a delegation from the Soviet Union unless we can send a delegation of the same size to the Soviet Union." Khrushchev agreed immediately and the exchange of delegations took place in July and early August.

The U.S. delegation was led by the Dean of Agriculture of the University of Nebraska and a fine group of farmers—mostly from Iowa and Illinois.

The Soviet delegation was headed by V. V. Matskevich, Deputy Minister of Agriculture, who became Minister of Agriculture on his return to the Soviet Union—and only retired from that post about two years ago. He is now retired to the less demanding job of Ambassador to Czechoslovakia.

The Soviet Delegation had spent a week or ten days in Iowa when they spent a Saturday night in Jefferson, Iowa. They were spread out around town with the local citizens—two per home. A cousin of mine was a banker in Jefferson—and he and his wife kept two of them (one of whom spoke English). Mrs. Garst and I invited them over for Sunday morning breakfast—the two Russians and their hosts—my cousins.

We were at that time farming about 2,500 acres. We were producing hybrid seed corn. We were feeding cattle ground corn cobs for the carbohydrate—using a mixture of 10% urea and 90% molasses as the protein supplement. We were fertilizing generously and, of course, getting very high yields.

The Soviet delegates had to be back to Jefferson in time to go to church so I only had two hours or so to show them around. But they reported back to the delegation leader, Matskevich, that he must come to Coon Rapids.

They phoned us about 1 p.m. and invited us to come to a cocktail party they were having that Sunday evening at Ames, Iowa where they were going to stay that night so they could see Iowa State University the next day. We accepted the invitation.

Matskevich asked me to have the itinerary changed if possible, so the whole group could come. But, I urged him to let the rest of the delegation fill the itinerary schedule—bring an interpreter with him—and come over by himself which he did do. He spent from 9 A.M. to 4 P.M. at our farm and invited me to come to the Soviet Union in September and October.

I did not immediately accept. I did not know what the attitude of the State Department would be. I told Matskevich that I would let him know before he had finished his tour of the U.S.A.

I immediately went to Washington and told the State Department about the invitation. Secretary Dulles was on the other side of the world when I was there.

I told the State Department that I knew a good deal about agriculture. If the State Department thought it was in the best interest of the U.S.A. to have the U.S.S.R. improve their agriculture, I would like to go—and try to help them. But—

If I told them the virtues of hybrid seed corn, I wanted to be able to sell them hybrid seed corn so they could have a demonstration in their own country. If I told them the virtues of fertilizer, insecticides, herbicides, improved machinery—anything that would help them produce more and better food with less labor I had to be assured that I could get an export license!

They explained that as soon as Secretary Dulles returned they would take the matter up at the highest level and let me know. I think they meant that Secretary Dulles and President Eisenhower would make the decision.

In any case, in about two or three weeks, the State Department asked me to come back which I did do.

They told me they felt I had wasted a good deal of their time—that they thought no one could teach the communists anything—nor sell them anything but—

If I wanted to go "on my own" without any encouragement from them, they were willing to validate my passport and authorize me to visit the Soviet Union.

In the meantime I had discovered that Romania, Hungary and Czechoslovakia were better yielding areas—so I asked them to validate my passport for those three nations as well! The State Department assured me that they felt sure I could not get a visa from any of the three countries. I pointed out that it did not cost anything for them to write the three extra names and agreed not to go unless I received visas.

I waited till I got to Moscow before I asked for visas to Romania, Hungary and Czechoslovakia and I not only had all the visas in 24 hours—I had an invitation to visit for as long as I had time in each country as a guest of their Department of Agriculture.

I spent about three weeks in the U.S.S.R.—about one week in Moscow with the Department of Agriculture. I gave lectures on hybrid corn, on about the use of fertilizer, insecticides, herbicides, how to raise chickens, hogs, cattle and about fertilizer. Then, I was taken to South Kiev, Kharkov, Dneipersevesk, on down to Odessa.

There I was informed Mr. Khrushchev, Matskevich the Minister of Agriculture, Mikoyan the Minister of Foreign Trade, the Minister of Agriculture of the Ukraine and quite a few other experts of one kind or another were waiting.

We started about 1 p.m. and ran on until 5 p.m. with questions—then an hour of cocktails—then a couple of hours or so for a many course dinner with wine with each course.

The next morning I sold them 5,000 tons of hybrid seed corn for $200 per ton in spite of the fact that I only let them have extra small kernels—which were not saleable in the U.S.A. because American farmers wanted not only "good seed corn", they wanted it to "look" like good seed corn.

(Now farmers plant "extra small kernel" sizes, willingly, because there are more kernels per bushel so it costs less per acre and they do just as well as the larger kernels but that was not true in 1955.)

I did not see Nikita Khrushchev again until 1959. Mr. Mikoyan, Minister of Foreign Trade, was in Washington after having visited Cuba. I flew to Washington and had lunch with him.

He told me that Khrushchev had told him that he would like Mrs. Garst and me to come to the Soviet Union—that he would like to visit with us both.

I explained that Mrs. Garst and I had been planning on a Mediterranean trip in February, March and early April—and that we would interrupt our tour at Khrushchev's convenience and be glad to come. I agreed to call on the U.S.S.R. Embassy in Rome to pick up our visa and find out which date would be most convenient for Krushchev. We did that in late February. He wanted us to come in March so we went on to Egypt and Lebanon—then to the Soviet Union and back to Greece.

Mrs. Garst went with reluctance! She had never met him. She was afraid he would take his shoe off and pound the table as he had done at the United Nations. But, I wanted to try to sell him on the advantages of greatly lowering "Defense Expenditures". He was at Sochi on the Black Sea. Mrs. Khrushchev was in Moscow welcoming a new grandchild.

I went over with Minister of Agriculture Matskevich and our interpreter in the morning and we spent from 10 A.M. till noon talking about agriculture. Then about noon Mrs. Garst joined us and I would think we spent the luncheon and till 3 P.M. or 3:30 P.M. talking about the fact that the armaments were simply too costly for both the U.S.S.R. and the U.S.A.

I pointed out we were so productive we could afford it far better than the U.S.S.R.—that we still had so many cars we did not know where to park them—so many electrical gadgets we had difficulty keeping them in repair.

I pointed out the Soviet Union only had about half as much industrial capacity as the U.S.A. so much of their armaments burden came out of things American people would consider to be necessities.

He did not argue—never raised his voice, seemed to agree. When we had discussed the matter fully and were leaving, Mrs. Garst told Khrushchev that she had one regret. He asked what it was.

She said, "You have been such a nice host that I wish I could entertain you, and Mrs. Khrushchev, in our home as you have so cordially entertained us in your home!"

He bowed politely and said about as follows: "Mrs. Garst, if I ever visit the United States, I promise I will visit you in your home."

Within a few months, President Eisenhower invited him and he did visit us in our farm home.

He invited me to come to the Soviet Union while he was here. I was feeling poorly in 1960, so I got him to issue an invitation for our nephew, Mr. John Chrystal, who had met every visitor from not only the Soviet Union—but from Romania, Hungary, Czechoslovakia. And John did spend the summer of 1960—more than a month in the U.S.S.R. and the rest in Romania and Hungary.

I have been in the Soviet Union in 1955—in 1956 (with Mrs. Garst), in 1959 with Mrs. Garst, in 1963 with John Chrystal, in 1972 and 1974, both times with John Chrystal.

Khrushchev was demoted from Chairman to a non-person in the spring of 1964. I feared that it would be embarrassing to him, to me, to friends of his or mine to visit the Soviet Union while he was being treated as a non-person.

So I waited until after his death which I think was 1970. Matskevich was Minister of Agriculture and I encouraged our Secretary of Agriculture to invite him to come and visit the U.S.A. (he had not been in the U.S.A. after he headed the first farm exchange delegation in 1955). He came for a short visit in December of 1971.

I had a nice visit with him in Des Moines. And explained that hybrid grain sorghums were very popular in the areas of low rainfall in Nebraska, Kansas, Oklahoma and that the Soviet Union had lots of areas where the moisture—precipitation was from 25" per year to as low as 16" per year where corn had to be irrigated—but sorghums could prosper.

I sent him with my compliments ten bags of hybrid grain sorghum seed which was planted in the U.S.S.R. in 1972.

In the fall of 1972, he sent a delegation over and bought 900 tons of hybrid grain sorghum seed—invited John Chrystal to come over. In the fall of 1973, he sent another delegation over and bought 700 tons of seed (all we could supply).

Then this year, he invited John Chrystal and me to come to the Soviet Union and advise them where to build their own plants for the production of seed in the Soviet Union.

* * * * *

It seems to me that we have been as warmly received in 1972 and 1974 as we were when Khrushchev was alive. And, we have had visitors from Romania, Hungary, Poland and Bulgaria.

* * * * *

You, of course, have known almost all of the information contained in this letter. But it strikes me that your successor as Chairman of the Senate Committee on Foreign Relations might find the information of some value. So I am sending you an extra copy of it, and telling you that you have my permission to hand the extra copy to the Senator who succeeds you to that chairmanship. I think probably it will be Senator Sparkman but I am not sure.

I am also enclosing a copy of the letter and material I sent you the other day about the World Food Conference.

* * * * *

It seems to me that Secretary Kissinger was wise to suggest it. But Secretary Kissinger does not know about farming—and apparently neither does Edwin Martin. They both apparently thought Secretary Butz and Paarlberg would know.

So a great opportunity was lost for the time being. I think the situation can be greatly improved by a series of articles about the waste of flaring natural gas.

I do not know who will finally head the energy program. But, I feel almost sure that if the Mid East oil countries could sell a billion dollars or more of gas that is now being wasted, they might well be willing to reduce the price of the oil they export by a billion dollars!

The Persian Gulf lies in the center of the hungriest area in the world—i.e. Pakistan, India, Bangladesh on the east—the East Indian Islands farther east and Africa to the south. Freight of the fertilizer would be minimal.

I am not looking for a job—but I would not hesitate to visit with the State Department so that they know the opportunity that exists.

Only one thing more! I have no idea what you intend to do nor where you intend to live after you retire from the Senate. You may not have firmly decided yourself. I do hope you will let me know when you decide, so I can keep in touch with you when I think I have something that will interest you.

With warm regards,

Sincerely,

ROSWELL GARST.

ADELA

Mr. JAVITS. Mr. President, ADELA, the Latin American investment company, recently celebrated its 10th anniversary of successful participation in Latin American economies. At a time when multinational corporations are under sharp consideration at home and abroad, ADELA offers a unique example of a foreign investment means that has both prospered and won the real backing of Latin Americans. ADELA's success is in large measure a result of its becoming closely identified with Latin America. It has become "latinized" and this process has been made possible by its policy of taking only minority positions, and recycling its investments when the particular business gets on its feet and becomes prosperous. ADELA is certainly not the only model for investment in developing countries, but in a time of rising economic nationalism it is a model worth following on a worldwide scale.

It was in that spirit that I proposed in October the development of a global ADELA, that would cover also companies now operating in Africa and Asia to provide new investment on a worldwide scale. ADELA is a particularly useful instrument for absorbing significant amounts of oil revenues for productive investment in developing countries. Efforts are now underway to achieve a global ADELA.

ADELA's success was recently discussed in an article in the New York Times by H. J. Maidenberg. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRIVATE AID TO PRIVATE ENTERPRISE

FINANCING BUSINESSES IN LATIN AMERICA

(By H. J. Maidenberg)

LIMA, PERU.—Few multinational companies have had a stranger birth and childhood than ADELA, a fairly successful Latin-American investment group that will be 10 years old next month.

Unlike other multinational groups, ADELA was conceived more because of its parents' fears about their existing holdings than as a vehicle for making a profit.

Basically, ADELA finances businesses in which it takes a minority equity interest. When the venture prospers, ADEDA sells out its holding and reinvests the proceeds in other businesses.

Often confused with the International Basic Economy Corporation (IBEC) and the Deltec Group, ADELA's role was defined by its president, Ernst Keller, during an interview here the other day.

"The Rockefellers started IBEC, to develop basic businesses or industries that were lacking in less developed countries, and Deltec is simply a merchant banking organzation. "ADELA, for its part, seeks out qualified entrepreneurs already in business or industry who are being held back by the lack of capital and know-how, which we are capable of supplying."

Mr. Keller, a 55-year-old Swiss-born former investment banker here, also noted that ADELA confined its operations solely to Latin America, although its nominal headquarters is in Luxembourg "for tax and other technical reasons."

Actually, ADELA, whose name is derived from its original designation—Atlantic Community Development Group for Latin America—is based here because Mr. Keller preferred to live in Lima, and because this city is within five hours flying time from the region's major financial centers—Mexico City, São Paulo and Buenos Aires.

An articulate banker well known in international financial circles, Mr. Keller said he preferred to discuss ADELA's future rather than its odd past, which was gleaned from a number of other bankers familiar with the venture capital company.

"I don't mind telling you," he said, "we got under way with about 50 shareholders—all top industrial or banking concerns in North America and Europe—who put up the original $16 million in January of 1965. Today, we have more than 250 shareholders and assets of roughly $2.5 billion."

Among ADELA's shareholders are such American companies as the Bank of America, Burroughs, Exxon, Firestone, I.B.M., International Harvester, Phelps Dodge, Irving Trust and White, Weld. Foreign participation includes the Bank of Tokyo, Hitachi, Commerzbank, Dresdner Bank, Fiat and Pirelli.

During ADELA's first 10 years, it has invested in 150 concerns ranging from fruit canning to shipyards, and has sold out its holdings in 40 of what Mr. Keller termed "mature" enterprises.

One company aided by ADELA was Listos Chimbote, a construction company set up following the Peruvian earthquake in 1970 to produce "antiseismic" prefabricated housing. This has become a money-maker.

A Colombian cheese factory and a producer of steel rods in Ecuador—now the biggest such concern on the Pacific Coast of South America—were among other ADELA ventures.

ADELA's president said that a guiding principle was to have his company "sitting always on a cushion of liquidity. That means at least $60-million in unused bank credit and an equal sum generated each year by cash flows."

However, he conceded that he recently had to go "from bank to bank around the world" to keep that cushion comfortable because of the inflationary problems affecting Latin-American economies.

"If ADELA, which represents the top-drawer banks and industrial corporations from Tokyo to Stockholm and from Toronto to Buenos Aires is having a difficult time raising money," he declared, "then I see trouble ahead for all less developed countries in obtaining credit."

Despite his pessimistic view of the international monetary scene, Mr. Keller said ADELA's next 10 years will see the company setting up national investment vehicles to serve as catalysts for economic development. Under this plan, major banks and industries in Mexico, Brazil, Venezuela and other lands will be organized to create ADELAs of their own to help "their own small entrepreneurs to become big ones and thus preserve free enterprise."

In addition, ADELA hopes to tackle the trade barriers of the industrialized countries by concentrating on developing export-oriented ventures. "We will teach them how to export. After all, our shareholders have the best connections."

Meantime, ADELA hopes to double its earnings in the next five years. For 1974, it expects to clear $8-million, compared with $7-million last year. However, most of the earnings will continue to be plowed back into the company, despite occasional grumbling from shareholders.

"I like to remind our shareholders that ADELA has never had a company fail after we sold out our interest, although we sometimes have to continue to help some out from time to time with technical or financial aid," Mr. Keller declared.

Not all ADELA stockholders share Mr. Keller's rosy view of the future of the company or, for that matter, of foreign investments in Latin America.

One foreign banker, whose institution is a founding shareholder in ADELA, reflected the other day:

"The whole idea came from Senator Jacob K. Javits. He got the idea in 1962, a year after the Democrats under President Kennedy began the Alliance for Progress to counter the panic that swept foreign investors in Latin America following the Cuban revolution of 1959.

"IBEC, of course, provided the concept—help set up basic industries and demonstrate that free enterprise can work for the betterment of the less-developed lands."

For several years, the Republican Senator from New York struggled to get a free-enterprise counterpart of the Alliance for Progress started and the idea only took wing after that ill-fated program degenerated into a directionless bureaucratic effort, torn between those in Washington who saw it as a philanthropic or social reform program and those in Latin America who viewed it as a means to further their personal ends.

The death of the Alliance was in the air when Senator Javits, Emilio G. Collado (an executive vice president and director of Exxon), Giovanni Agnelli of Fiat and other top international industrialists with interests in Latin America met in Paris 10 years ago next month to discuss ADELA.

"It was then or never," a North American executive of a shareholder company recalled the other day. "After a lot of shouting, the founding group agreed to go ahead with Senator Javits—providing he could get Keller to fold his investment banking outfit and take charge. Everyone knew Keller and respected him even when he was working for W. R. Grace in Peru."

Mr. Keller agreed to the conditions, which included a minimum investment of $100,000 and a maximum of $500,000 because he wanted no "big shots throwing their weight around." He also obtained agreement that ADELA would confine its investment in a company to between 10 and 35 per cent interest and that no stockholder would use its influence to insinuate itself into the business that was being developed.

But to a small and growing number of shareholders the success of ADELA as an entity has not prevented nationalism from sweeping the region, causing the fears that fathered the company to become a reality.

THE RESPONSIBILITIES OF THE LEGISLATIVE BRANCH

Mr. INOUYE. Mr. President, on February 4, 1974, the President of the United States submitted a budget to Congress.

This budget, with subsequent amendments, proposed new obligational authority in the amount of $5,215,362,000 for agencies, activities, and programs funded through the foreign assistance and related programs appropriations bill.

I am keenly aware of the obligation of the Congress to act on appropriations bills in a timely—before the first of the fiscal year on July 1. I also know of the waste of money and the loss of momentum and direction to both new and ongoing programs when this does not occur.

As chairman of the Foreign Operations Subcommittee, and in an effort to meet the subcommittee's responsibilities, I began hearings on February 25—the first appropriations subcommittee to do so.

Mr. President, we have been ready, willing, and able to report an appropriation bill since the first of May.

I am not unaware of the problems of the legislative committees in acting on authorization bills, but I am just as aware of the responsibilities of the legislative branch—to the Government—and to the people.

In this instance, Mr. President, we, as a body, have failed, and, in my opinion, failed miserably.

It is no consolation for me; however, I do want the record to reflect that the long and costly delays which he has experienced in this matter cannot be laid at the door of the subcommittee which I chair or the Committee on Appropriations on which I have the honor to serve.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, this month we are commemorating the 26th anniversary of the proclamation of the Universal Declaration on Human Rights by the General Assembly of the United Nations. The lack of press and governmental attention to this anniversary is a sad commentary on the approach of the United States to the promotion of human rights issues on a global scale.

Respect for human rights is fundamental to our own national tradition and is clearly spelled out in our Constitution and Bill of Rights. Yet the human rights factor is not accorded the high priority it deserves in our foreign policy. This is not merely my conclusion but is supported by a report of the Subcommittee on International Organization and Movements of the House Committee on Foreign Affairs.

That committee was appalled by the U.S. ratification record of human rights treaties. There are at least 29 human rights conventions which the United States has not yet acted upon. They conclude that:

> The United States, through its failure to become a party to all but a few of the human rights treaties, has become increasingly isolated from the development of international human rights law. This failure impairs both our participation in the U.N. work in human rights, and our bilateral efforts to persuade governments to respect international human rights standards.

It is imperative that we begin to correct this abysmal record. Today, the Genocide Convention remains on the Senate calendar—25 years after it was originally submitted to us for consideration. Ratification of this treaty before the close of the 93d Congress would be a step in the right direction.

I urge my colleagues to heed this call.

Mr. President, I ask unanimous consent that the list of human rights treaties that the United States has not yet ratified be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF HUMAN RIGHTS TREATIES

UNITED NATIONS CONVENTIONS

International Covenant on Economic, Social, and Cultural Rights;

International Covenant on Civil and Political Rights;

Optional Protocol to the International Covenant on Civil and Political Rights;

Convention on the Prevention and Punishment of the Crime of Genocide;

Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity;

International Convention on the Elimination of All Forms of Racial Discrimination;

Convention Relating to the Status of Stateless Persons;

Convention Relating to the Status of Refugees;

Convention on the Reduction of Statelessness;

Convention on the Political Rights of Women;

Convention on the Nationality of Married Women;

Convention on Consent to Marriage, Minimum Age for Marriage, and Registration of Marriage;

Convention on the International Right of Correction; and

Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others.

INTERNATIONAL LABOR ORGANIZATION CONVENTIONS

Freedom of Association and Protection of the Right to Organize Convention;

Abolition of Forced Labor Convention;

Employment Policy Convention;

Right to Organize and Collective Bargaining Convention;

Equal Remuneration Convention; and

Discrimination (Employment and Occupation) Convention.

UNESCO CONVENTION

Convention against Discrimination in Education and Its Protocol.

CONVENTIONS OF THE ORGANIZATION OF AMERICAN STATES

Inter-American Convention on the Granting of Political Rights to Women;

Convention on Asylum;

Convention Relative to the Rights of Aliens;

Convention on Nationality;

Convention on Political Asylum;

Inter-American Convention on the Granting of Civil Rights to Women;

Convention on Diplomatic Asylum;

Convention on Territorial Asylum; and

American Convention on Human Rights.

PROPOSED NATURAL GAS PRODUCTION AND CONSERVATION ACT OF 1974

Mr. TOWER. Mr. President, recently, the Senate Committee on Commerce held hearings on a proposed Natural Gas Production and Conservation Act of 1974. Since that bill affects the jurisdiction of State conservation agencies, as well as sales of natural gas in intrastate commerce, and since the States of Texas and Louisiana provide the vast bulk of natural gas sold in the United States, I think it would be appropriate to have the comments of the chairman of the Texas Railroad Commission reprinted in the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the statement of the Honorable Jim C. Langdon, chairman, Railroad Commission of Texas, concerning the Natural Gas Production and Conservation Act of 1974, be printed in full in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JIM C. LANGDON

It seems to me most strange that your Committee would call upon only federal officials and Washington-based special interest groups to testify on a matter as important as still further proposed amendments to the Natural Gas Act, particularly when the proposal purports to preempt state jurisdiction. Other representatives of producer states and I have tried to make it clear in prior testimony before your Committee that the Reconstruction Days are over, and significant policy decisions affecting the citizens of our states cannot be made on the basis of accommodation among the spectrum of Washington-oriented witnesses you choose to call. The states of Texas and Louisiana provide this nation with almost three quarters of its marketed natural gas, including the entire offshore area, a fact which cannot be ignored.

We trust then, that we will be heard by means of these comments on the "Natural Gas Production and Conservation Act of 1974." After reading this bill and the arguments put forward in its favor, I respectfully suggest that it be reentitled more appropriately the "Natural Gas Cessation of Production Act of 1974."

This bill represents a hallmark of the kind of thinking that produced the present mess we find ourselves in as a have-not nation when it comes to energy. The experience of the last twenty years of federal regulation of the wellhead price of natural gas, if it has taught us anything, has proved the folly of this approach as a means of assuring adequate supplies of this valuable resource at a reasonable price. But what is widely believed to have failed utterly when carried out as an administrative duty of the FPC is now to be written into stone by statute. It would be a gravestone, not a cornerstone, of a national energy policy.

It would appear that the drafters of this bill had a vested interest in vindicating the result of the regulation of natural gas pricing adopted in the first Permian decision in the mid sixties, a decision whose dead hand continues to guide present regulatory policy. If the Congress adopts this result, those who perpetrated the error may be granted absolution, but not pardon, for what they have done to this country.

We are told in the summary that the statutory price "will adequately reimburse natural gas producers for their costs and risks." Is this so? From whence does this assumption come? Neither the bill nor the report provides any clue as to the means by which a range of 40 cents per Mcf to 60 cents per Mcf was selected as the statutory price, assuming that the statutory standard would even permit a rate in that range. If it was by oblique reference to the nationwide rate for sales of new gas in interstate commerce set by the FPC, it is a mistaken reference. That rate is expressly stated to be in effect only for the period of January 1973 through December of this year, after which period another rate based upon entirely different productivity figures, costs and other information is to be promulgated.[1] Even so, the statutory rate is obsolete with reference to the present nationwide rate which, even at 50 cents per Mfc,[2] is nothing more than an application of Permian I principles to more current data. With all due respect to Chairman Nassikas and his fellow Commissioners who have the unenviable task of setting such a rate, the present rate suffers from these and other infirmities, as the Chairman candidly admitted in his testimony before this Committee only yesterday. If my information is correct that he expressed the view that a new gas price of around $1.00 an Mcf would be necessary to get future gas supplies out of the ground on the exact day that the FPC approved a rate of precisely half that amount, then the preposterous nature of our current fix should be more apparent than ever.

At least under the present system, however, the FPC has the option of reconsidering the facts and taking new developments into account in setting a ceiling rate. This opportunity would be revoked by the draft bill, and we would be stuck with a ceiling rate set by statute, adjustable only for cost-of-living changes, which could not be revised to take into account other factors such as productivity levels, cost of capital and reasonable rates of return, changes in the tax laws, changes in rate base or other factors which could render the statutory rate obsolete before it reached the statute books. FPC regulation of the wellhead price has been a twenty-year bad dream; setting the rate by statute would be an out-and-out nightmare.

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[1] FPC Order Instituting National Rate Proceeding, issued December 4, 1974, in Docket No. RM 75-14.

[2] Base rate exclusive of state production taxes and gathering allowance; FPC Opinion No. 699-H, issued December 4, 1974.

It is smugly suggested in the summary (which would sound facetious if it were not made seriously) that setting the wellhead rate in this fashion will produce "certainty." It will thereby evoke immediate tenders of gas supplies which have long been withheld in the hope of a higher price. Let us just suppose, although I have never seen any credible evidence, that there is presently some gas around which meets this description. Suppose further that the producer who owned it decided to hand it over to the closest buyer upon the enactment of such legislation. What then? Will he then be expected to go forth and make new investments to explore for new supply knowing that he will not be able to sell what he finds for what it is worth but only at a price which will not even return him his costs? The question answers itself. The only certainty which would be produced by this bill is that such investments would not be made, and the consumer will end up with progressively fewer gas supplies.

Our citizens will all suffer from this result. Our people who are dependent on the FPC regulated pipelines for their gas—and that includes citizens of Texas and Louisiana—will face deeper and deeper curtailments, as even the Project Independence Report recognizes. As natural gas exploration, development, and production falls off, so does the production of natural gas liquids—the propane, the butane, and other valuable hydrocarbons. Consider propane, some 70 percent of which comes from natural gas liquids. What will happen to our farmers and rural citizens who do not live within reach of a gas pipeline? What will happen to our petrochemical plants which convert these liquids into vital materials such as medicines, fibers for clothing, food storage materials, rubbers and plastics? You purport to provide feedstocks in fertilizers and pesticides, and the like, but where do you draw the line? In fact, this bill deals these citizens a double blow—not only will their supplies be deeply curtailed, but what supplies of liquids remaining will be diverted to the gas companies to make synthetic natural gas to offset some of the gas curtailment. This is done by the simple expedient of making SNG jurisdictional. You could take 80 percent of the liquids now produced, turn them into synthetic gas, and still not offset the current gas shortage.

Or you could take almost a million barrels a day of naptha and turn it into SNG to offset the current gas shortage, but both of these are fruitless in the light of curtailments escalating at the rate of 100 percent per year. The inclusion of SNG in the bill can only be construed as a sop to the self interest of the industry trade groups appearing as witnesses at your current hearings, a sop to mitigate their opposition to this bill, if not win their support, without consideration of what the effect would be on other consumers.

What makes the SNG section amusing, if it were not so devious, is the comparison with the section calling upon the FPC to outlaw boiler fuel use of natural gas *and propane*. Passing for the moment the built-in conflict with the propane allocation jurisdiction of the Federal Energy Administration, examine the ludicrous result when propane is banned as a boiler fuel and yet propane-based synthetic gas is encouraged. One can wonder if the drafters know what they are doing.

The hard truth, of course, which we now experience as we harvest the bitter fruits of federal producer regulation, is that the only certainty which will allow full and expeditious development of our vital natural gas reserves is that of a fair market price for what may ultimately be discovered and developed. The summary of the draft bill contains precisely the kind of hollow, if not fraudulent, rhetoric about "consumer protection" which has brought the consumer to his knees.

Other intriguing aspects of the draft bill which warrant comment are:

(a) The "price freeze" on flowing gas and even new gas is nothing new; it is a form of confiscation so that producers cannot even obtain reimbursement for increased costs of operating older fields. What assurance is there that the formula will correlate even with cost increases?

(b) The proposal for 50 percent higher ceiling rate for small producers also lacks originality, since such treatment has been approved in principle by the U.S. Supreme Court, is presently the subject of a rule-making proceeding at the FPC and does not require new legislation to be carried out.

(c) The proposal to speed up FPC certificate proceedings is amusing, because there has not, to my knowledge, been any significant delay in those proceedings for connection of conventional new supplies under area rate standards, but mainly in those involving unconventional and supplemental supplies, such as LNG and SNG, where the FPC expressed grave concern over the price and environmental impact of issuing such certificates. The purpose of the bill, I take it, is to prevent the FPC from looking closely at the relative costs to the consumer of such supplies (which are as much as ten times higher than the cost of gas from conventional wells) which are required in such large amounts only because of the federally-imposed restraints on developing conventional supplies. If the drafters of the bill are frightened by the implications of the comparison, then a truncated FPC proceeding to force approval of outrageously expensive and uneconomic supplemental supplies makes sense. Of course, this bill inferentially outlaws the optional procedure for new conventional gas supplies, a procedure which was just validated by the D.C. Court of Appeals.

(d) The attempt to force cancellation of a federal lease if the producer does not deliver any gas he has discovered within a stated period is gratuitous and unnecessary, because he is under such obligations under present law, and the implication that withholding of supply is presently going on is simply one more unfounded assumption of this bill. The best assurance of prompt exploration and development after leasing is the present system of cash bonus bidding, whereby a producer must put his money on the table at the outset and leave it there, whether he finds anything or not. Do the drafters of the bill fear that, having paid millions of dollars for the privilege of drilling and later selling his discoveries, if any, the producer will, first, not drill and, second, not sell?

(e) By now this Committee should recognize that provisions preempting state jurisdiction do nothing more than legitimize the envy of those who covet the gas supplies of their neighbors. Without debating the issue of whether boiler fuel should be outlawed or not, allow the question: why should the indigenous fuel of a region be proscribed? What will the Commerce Committee provide to replace it? Coal from Eastern or Western states? Nuclear power? Oil from the Middle East? Until you legislate the alternate fuel, how can you preemptorially order the end of a fuel use? End use of natural gas is being approached now on a case by case method in both state and federal forums, and a rigid legislative standard is no help at all. If you wish to do something helpful, pass legislation that would permit boilers with the installed coal burning capacity *to burn coal.*

And let it not go unnoticed, this bill federalized production within a state from federally owned lands. To Texas and Louisiana, this is of minor importance, but what does this do to the Rocky Mountain States? Do you intend this result?

As I have stated in prior testimony before this Committee, federal policies with respect to natural gas pricing, off-shore leasing, environmental restriction, coal mining and burning, and the oil import program, to name some notables, have made this country into a have-not nation that cannot now come close to self sufficiency. How freezing natural gas prices by statute can be expected to increase supply and lower price is not stated in the bill—nor can it be. The ultimate effect, regardless of its stated purpose, will be the gradual elimination of private enterprise, and the effective takeover of the entire energy industry by the federal government. It will mean the nationalization of the energy industry without reasonable compensation. A direct taking of this nature is, of course, unconstitutional, but the slow, deliberate method proposed in this bill could accomplish the same result.

The Railroad Commission stands firm in its position of supporting a strong and independent domestic producing industry and considers this to be a cornerstone in the security and national defense of the United States. These goals can best be met by simply allowing a market price for our natural resources. In this regard, all forms of energy should be allowed, in fact *required*, to compete with each other for the available market. Such a return to the free enterprise system would be in the best interests of the producer and consumer alike, and will provide the best, the fastest and most permanent solution to the problem of energy shortages.

This proposed bill should be rejected.

DOLORES DRAYER

Mr. McINTYRE. Mr. President, I know that my colleagues in the Senate will agree that the effectiveness of this institution is greatly dependent on the quiet, faithful service of the staff of its Members and its committees.

Upon the retirement of my dear friend and distinguished colleague, NORRIS COTTON, I wish to express my appreciation for the remarkable record of public service which has distinguished the career of his principal assistant, Dolores Drayer.

No Senator has been served more faithfully or more ably than NORRIS COTTON has by Miss Drayer. Her integrity, her willingness to work long and hard, her canny understanding of the legislative process, her toughness of mind and of spirit, her unwavering devotion to duty, have marked her years of service. Her passion for anonymity makes it all the more important that we express our appreciation now. NORRIS COTTON, his junior colleague, the entire U.S. Senate, the State of New Hampshire, and our Republic, itself, is in Dolores Drayer's debt.

Mrs. McIntyre and I value her friendship. And upon her retirement let me express our warmest affection, our deepest respect, let me say, "Well done"—"Very well done, indeed." God bless her.

RELATIONS WITH THE SOVIET UNION

Mr. GRIFFIN. Mr. President, one of the signs of the times is that relations with the Soviet Union are improving on various fronts. For example, an agreement was signed recently under which the Russians will respect royalty rights for live performances of American music.

Mr. President, I ask that an article from the New York Times of December 11, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASCAP AND SOVIET SIGN ROYALTIES PACT

(By Louis Calta)

The first agreement between the American Society of Composers, Authors and Publishers and the Soviet Union's new Copyright Agency obligating the Russians to pay royalties for live performances of American music was signed here yesterday.

Stanley Adams, the Society's president, signed on behalf of ASCAP, and Boris Pankin, chief of the Soviet Agency, signed on behalf of his delegation. Under the terms of the agreement, American lyricists and composers are expected to collect about $100,000 a year. The agreement does not cover works published before 1973.

Founded in 1914, ASCAP has a membership of 16,000 composers and lyricists and their 5,700 publishers. Its members include creators of every type of music—pop, rock, jazz, folk, soul, country, musical theater, television, motion picture, electronic, opera, religious, chamber, symphonic, choral, band and blues.

Mr. Adams stressed the importance of the agreement, saying: "There is now a contractual basis for American and Soviet writers to be paid for performances of their musical works in the territories where ASCAP and the Copyright agency operate. We regard this as a significant contribution to the economic well-being of creators in both nations, and we look forward to continuing cooperation for the benefit of the men and women who write music in both countries."

Mr. Pankin, speaking through an interpreter, hailed the agreement as having "a great impact on our cultures." "People of our countries know well enough of our music, and American music is well-loved in the Soviet Union. I'm sure more meetings are for us," he said.

SOVIET REPRESENTATION

The Copyright Agency will represent ASCAP members in the Soviet Union, and ASCAP will represent Soviet composers and authors here. Before May, 1973, when the *Soviet Union* joined the Universal Copyright Convention, there was generally no legal basis in either country for protecting the copyrighted works of the other.

A Soviet team headed by Mr. Pankin visited ASCAP in May. At the end of July, the American society sent to Moscow a team that consisted of Mr. Adams; Benard Korman, ASCAP general counsel, and Dr. Rudolf Nissim, who has headed the society's foreign department for three decades. These men took part in the current negotiations.

The Soviet delegation now in the United States consists of Mr. Pankin, Aleksandr A. Lebedev, the director of the international relations department of the agency, and Boris Zatsepin, Yuri Gradov, Lex Mitrokhim and Vasily Pogulayev. The group arrived here on Sunday and plan to visit Washington tomorrow to conclude other transactions.

MAGAZINES ARE COVERED

While here, Mr. Pankin said that he was planning to sign contracts for the publication of Soviet books in this country and of American books in the Soviet Union.

The Soviet copyright chief, who is 44 years old, said that he had reached agreements for the publication of much needed Western scientific documents. Agreements also have been reached to copy about 200 magazines, and 200 more are still being negotiated.

The relatively low amount of $100,000 in potential Soviet royalties for American works each year was attributed to the fact that the copyright agreement does not cover compositions published before the 1973 convention, according to Mr. Koman. The Soviet Union also does not make royalty payments for recordings. The ASCAP counsel estimated that the society collected a total of about $65-million a year in royalties in this country and about $10-million a year from abroad.

Mr. Korman said that the ASCAP "already does business with such Eastern bloc countries as Czechoslovakia and Hungary" and that an agreement was pending with East Germany.

MR. FORD'S LITTLE LIST

Mr. CHURCH. Mr. President, I ask unanimous consent that an editorial, "Mr. Ford's Little List," from the New York Times of December 9 be printed in the RECORD. The editorial specifically finds that Mr. Ford's proposed budget cuts are exactly the wrong kind of medicine for our economy and our society. It specifically mentions the proposed medicare cutbacks and it also describes the President's suggested military budget cuts as more nominal than real. It provides useful commentary which should receive careful attention by the Congress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. FORD'S LITTLE LIST

The deeper the economy slides into recession and the longer the ranks of the jobless—there are now six million out of work and the unemployment rate has jumped to 6.5 per cent—the more fatuous appear President Ford's proposals for cutting the budget.

In their total impact upon the economy, the President's list of $4.6 billion in budget cuts would only intensify the slump and increase the level and duration of unemployment, for the presumed purpose of squeezing inflation out of the system. In terms of their specific impact upon individuals, most of Mr. Ford's proposed budget cuts would fall hardest upon those who have already suffered most from inflation—the poor, the aged, the infirm, and those whose hold on their jobs is most tenuous.

The principal Ford cuts come in five areas—agriculture, Social Security, other health, education and welfare programs, veterans' benefits and defense. It should be said at once that some of the proposed cuts are fully justified—such as reductions in impact aid for school districts that are not severely affected by Federal installations; reductions in outlays under the Hill-Burton Act for hospital construction where there is already an excess number of hospital beds, and elimination of some fighter aircraft that the Pentagon itself did not request but that particular Congressmen wanted and got for the sake of their districts.

For the most part, however, the President's proposed reductions make little sense. Two-thirds of the $545-million chop in the agriculture budget would result from higher chargs for food stamps. The bulk of the $670-million in savings under Social Security would come from collecting higher payments for Medicare. Nearly a third of the total out of $1 billion from other H.E.W. programs would come from a $295-million reduction in Federal matching grants to the states for Medicaid; the hardpressed states would either have to raise more money themselves or cut back medical benefits to the aged and indigent.

Mr. Ford's proposed cuts in the military budget are more nominal than real. The President told his news conference last week that, since Congress had already lowered the defense budget by $2.6 billion, he was proposing only $400 million in further cuts. But those reductions would scarcely faze the Pentagon; $125 million would represent receipts ("negative outlays") for the sale of oil from the Elk Hills naval reserve in California, and most of the balance would be from minor trims in maintenance and operation, along with cuts in the procurement of planes that the Pentagon did not request.

Even with the combined budget-cutting by both Congress and the Administration, outlays for national defense will still rise from $79.4 billion in fiscal 1974 to $85 billion in fiscal 1975. Admittedly, that 7 percent increase does not keep pace with the economy's 11 per cent overall rate of inflation, but the same can be said—and is is not being said by Mr. Ford or his aides—about a great many social expenditures, which now would be choked down both by inflation and by the President.

Ironically, some of Mr. Ford's key advisers have now begun to talk up the idea of tax cuts to support the economy, if the slump gets out of hand and unemployment climbs too high. Their preference for tax cuts to individuals and businesses, combined with their proposed budget cuts in social programs, reveals their ideological bias. The people who would be hurt now by the budget cuts the President is proposing would get little from subsequent tax reductions.

The Ford Administration seems piously content with the Biblical adage, "For unto every one that hath shall be given"—and, conversely, "From him that hath not shall be taken away."

HERALD STRINGER, NATIONAL LEGISLATIVE DIRECTOR, AMERICAN LEGION

Mr. HARTKE. Mr. President, at the end of this year, Herald Stringer will retire from his position as national legislative director of the American Legion after 10 years of service.

Although I am confident that the Legion will appoint a worthy successor, it should be noted that Mr. Stringer has left a record of high excellence that will take great wisdom and hard work to match.

Since becoming Chairman of the Veterans' Affairs Committee, I have grown to know Mr. Stringer as a friend, an articulate champion of veterans' causes, and a man of quiet dignity and faultless integrity.

There are 29 million American veterans, and the network of veterans' benefits affects nearly 100 million of our fellow citizens But without men like Herald Stringer, and organizations such as the American Legion, the causes of veterans would have great weight but no clear voice.

It takes a clear voice to be heard, to get things done.

Without the voice of a Herald Stringer, who speaks for the largest veterans' organization in the country, it would be impossible for those of us responsible for veterans' legislation to know adequately what veterans across the country are thinking and feeling, and we lawmakers cannot fulfill our concern without knowing the needs of our veterans.

With the help of Mr. Stringer, the American Legion, and others like Mr. Stringer and other veterans' organizations, we have been able this year to continue to make significant progress on many fronts for veterans.

For example, this year alone the following far-ranging measures have either been enacted or are on the President's desk: The Veterans' Insurance Act of 1974, the Veterans' Disability Compensation and Survivors Benefits Act of 1974, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974, the Veterans' and Survivors' Automobile and Adaptive Equipment Amendments of 1974, and the Veterans' Housing Act of 1974. Perhaps the most eloquent tribute to Mr. Stringer's skills is the vote by which Congress overrode the President's veto of the GI bill: 390 to 10 in the House and 90 to 1 in the Senate.

On all of these matters, and more, I and other members and staff of the Veterans' Affairs Committee have had the wise counsel of Mr. Stringer and the unstinting support of the American Legion.

It is clear that veterans' legislation touches the common welfare of people in many areas: housing, insurance, education, medical care. What has struck me most about Mr. Stringer is his realization of and simple devotion to this simple fact: The steps we take here in Washington in law are translated into fulfilling the promises of peace to our Nation's veterans who have so rightfully earned the Nation's gratitude.

Mr. Stringer was born in Murfreesboro, Ark., and received his undergraduate degree there. He received his legal training at the University of Southern California at Los Angeles. He is an Army veteran of World War II with service in the Asiatic Pacific threater during 1942–1943.

He is a life member of American Legion Post No. 1 in Anchorage, Alaska, where he served as post commander before becoming Department Commander and before serving 9 years as a member of the Legion's national executive committee.

Mary Ann and Herald Stringer have two children and live here in the District of Columbia.

In his letter of resignation to National Commander James Wagonseller, Herald Stringer wrote that "I hope it can be said of me that I made some contribution to the success of our programs."

Mr. President, that is an understatement by any standard I or anyone else might apply.

In conclusion, I and the committee members wish Mr. Stringer well in whatever endeavors he chooses to follow in the coming years.

HOUSING STARTS DECLINE AGAIN

Mr. HATFIELD. Mr. President, housing starts declined again last month, to the lowest seasonally adjusted annual rate in 8 years. Worse still the issuance of building permits, which forecasts housing starts, were the lowest on record in November.

The November figures clearly point out the need for positive action to stimulate homebuilding. Daily, the possibility of homeownership for low- and middle-income families becomes increasingly remote. The Congress has taken some action to deal with the problem through legislation such as the Emergency Home Purchase Assistance Act, which was sponsored by Senator BROOKE and Senator CRANSTON, but much more is needed.

Time and time again, the Congress has committed itself to the laudable goal of a decent home for every American, but the necessary programs have not been provided. I am hopeful, Mr. President, that when this body reconvenes next month it will constructively deal with the housing crisis and to alleviate the disastrous economic impact of the slump on all segments of the housing industry.

Mr. President, I ask unanimous consent that an article from today's Wall Street Journal on the November housing figures be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOUSING STARTS IN NOVEMBER FELL TO 8-YEAR LOW: BUILDING PERMITS DECLINED 8.6 PERCENT FROM OCTOBER TO LOWEST RATE ON RECORD

WASHINGTON.—The home-building slump worsened in November: Housing starts tumbled to an eight-year low and the issuance of new building permits fell to the lowest rate on record.

Housing starts declined to a seasonally adjusted annual rate of 990,000 units last month, down 10.5% from a downward-revised October pace of 1,106,000 units and off 40.9% from a year-earlier rate of 1,675,000 units, the Commerce Department said. It was the fifth consecutive month that home building declined, and the November rate was the lowest since a like 990,000-unit rate in December 1966.

Issuance of building permits by the 14,000 localities that require them fell to a seasonally adjusted annual rate of 720,000 dwelling units in November, down 8.6% from a downward-revised rate of 782,000 units in October and off 48% from a pace of 1,361,000 units in November last year, the department said. Last month's rate of building permits issued, an indicator of future housing starts, was below the previous low of 736,000 units in November 1966.

The declining housing statistics, while not unexpected, brought more gloom to the home-building industry. "It's terribly depressing news," said Michael Sumichrast, chief economist for the National Association of Home Builders. "It shows the government just must do something more than it has done," Mr. Sumichrast contended.

HOME BUILDERS' CONTENTION

Home builders have contended that government programs to subsidize mortgage rates have provided only minimal help to the housing market because the rates are too high. They have urged the Ford administration to release funds for low- and moderate-income housing subsidy programs suspended nearly two years ago by the Nixon administration.

Mr. Sumichrast of the Home Builders Association predicted that housing starts would continue at about November's depressed rate, or even lower, through next year's first quarter. But "after three or four months are over, I think you'll see gradual improvement," said the housing industry official, who previously had forecast that a housing pickup may begin next spring.

A sharp drop in the construction of rental apartment buildings and for-sale condominium apartments accounted for much of the November decline in housing starts. Starts of buildings with five or more units fell 41.5% in November to an annual rate of 161,000 units from a 275,000-unit-pace in October, the Commerce Department said. The November rate was 75% below the year-earlier pace of 653,000 units and was the lowest since the Commerce Department began keeping such statistics in 1960.

"Apartments and condominiums have been particularly depressed by higher interest rates and the scarcity of funds for construction loans and mortgages," said James L. Pate, Assistant Secretary of Commerce for economic affairs. "The recent declines in interest rates and returning flows of funds into savings and loan associations are a good sign for the future, but time will be required before a recovery can be launched in the home-building industry," Mr. Pate added.

ADMINISTRATION REACTION

The rate of housing starts last month fell sharply in all areas of the country except the north central region, where the rate was up slightly. The rate of building permits issued declined last month in all regions except the West.

James Lynn, Secretary of Housing and Urban Development, termed the November housing figures "disappointing but not unexpected." He too predicted better times ahead. Government programs to "pump more money into the mortgage market coupled with "the first signs of a net inflow of money into savings and loan associations should produce a turnaround in housing starts in the coming months," the Secretary said.

While Secretary Lynn defended the Ford administration's mortgage-subsidy programs, he said "the President shares my view that we must continue to examine any and all actions that might be taken to improve the housing industry." He didn't specify what, if any actions, the administration might be contemplating.

Under a housing-aid program approved by Congress in October, the administration has released $3 billion in government funds for HUD to buy from lenders conventional mortgages, or those that aren't backed by any government agency, at below-market interest rates. Home builders complained that the initial rate set by HUD, including added charges such as insurance fees, was too high. For December, HUD lowered the basic interest rate on mortgages it will agree to purchase to 8.25% from 8.5% and eliminated certain other charges to lower the effective rate to 8.895% from 9.25%.

Since the changes were made, "demand has been strong" for the mortgage money, said Daniel Kearney, president of HUD's Government National Mortgage Association. From Dec. 2 through yesterday, Ginnie Mae has made commitments for $1.05 billion in mortgages, compared with commitments of $700 million in the first six weeks of the programs through Nov. 30, Mr. Kearney said.

THE FUEL ADJUSTMENT CLAUSE—II

Mr. METCALF. Mr. President, on October 16 I inserted in the RECORD—page 35954—material relating to overcharges by electric utilities through fuel adjustment clauses. Federal energy officials and utility spokesmen—it is hard to tell one from the other—continue to press State regulators to expand use of automatic adjustment clauses and other devices to increase revenue without being subjected to adversary proceedings. Eight high-handed investor-owned utilities have *even* urged the Federal Power Commission not to provide emergency power service to States where prospective power shortages could be attributed to the "unwillingness" of State regulators to order rate increases sufficient to finance what IOU's regard as necessary generating and transmission capacity. The FPC is even considering an all-encompassing automatic clause which will adjust charges for changes in all costs, including return on investment.

I am pleased to note that citizen groups in a number of States are opposing the attempts to make a mockery of the regulation of monopolies. As one of the groups, Carolina Action, succinctly stated:

> The fuel adjustment clause . . . poses a greater threat than any one particular increase because it could completely by-pass the regulatory process. And this organization is determined to see that it is erased from our bills.

Some utilities are jacking up the cost of coal at their captive mines to the price of coal on the open market. The extra profit slips into the fuel clause. The West Virginia Public Service Commission says the Appalachian Power, a subsidiary of American Electric Power, obtained more than $2 million in this manner during the first 9 months of this year.

Thanks to the fuel adjustment clause—better termed the "fool adjustment clause"—the utilities do not in the manner of prudent businessmen engage in hard bargaining with the coal companies. The extent to which coal companies unduly enrich themselves shows in their own reports. Pittston's third quarter earnings this year were 787 percent above the same period last year. Westmoreland's profits soared 1,252 percent during the same period.

Mr. President, I commend the citizen groups which are involving themselves in the automatic adjustment clause issue, and the State regulators who, despite pressure from the administration and the IOU's, are preserving and improving the regulatory process.

So that Members and other readers of the RECORD may be apprised of recent developments in this matter I ask unanimous consent to insert the following articles at this point in the RECORD.

First. "Eight Private Utilities Urge FPC To Put Pressure on State Regulators," Public Power Weekly Newsletter, November 15, 1974;

Second. "Floridians, Shocked by High Electric Bills, Fight Utilities' Effort To Pass on Fuel Costs," Wall Street Journal, November 26, 1974;

Third. "Automatic Fuel Clauses Under Fire," Electrical World, November 15, 1974;

Fourth. "Coal Profiteering in Appalachia," by Willis Farley, Environmental Action, Nov. 23, 1974;

Fifth. "Class Action Suits Challenge Legality of Ohio Company's Fuel Clause," Public Power Weekly Newsletter, November 8, 1974;

Sixth. "Coal Producers' Profits Zoom to New Records; Pittston Co. Net Income Up 787 percent," Public Power Weekly Newsletter, November 15, 1974; and

Seventh. "The Fuel-Adjustment Caper," Consumer Reports, November 1974.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EIGHT PRIVATE UTILITIES URGE FPC TO PUT PRESSURE ON STATE REGULATORS

A group of eight major investor-owned electric utilities has urged the Federal Power Commission to agree not to provide emergency power service to states where prospective power shortages could be attributed to the "unwillingness" of state regulators to order rate increases sufficient to finance adequate generating and transmission capacity. For several months, FPC chairman John Nassikas and other Ford Administration energy chiefs have been pressuring members of state regulatory commissions to grant immediate rate increases and other monetary benefits to private utilities. This has drawn the resentment of a number of regulators, who have cited the responsibility they have to ratepayers hit by far-ranging inflationary prices. Some of them have angrily complained that Federal energy officials are trying to make them the "scapegoats" for the economic policies made in Washington and the failure to roll back record-high fuel prices and interest rates. If the FPC were to grant the unprecedented request made by the eight large private utilities, the reaction of affected state regulators could cause a widening feud and a storm of counter actions reflecting increased resentment of Federal interference with the prerogatives of the various states in setting their own regulatory policies. The statement advocating that the FPC require the state commissions to conform to a so-called "national policy" was filed in response to a proposed Commission rulemaking expanding its emergency powers. It was submitted by these utilities: Pacific Power & Light, Pennsylvania Power & Light, General Public Utilities (New Jersey and Pennsylvania), Long Island Lighting, New England Electric, Northeast Utilities, Virginia Electric & Power, and Tampa Electric.

POWER PLAY: FLORIDIANS, SHOCKED BY HIGH ELECTRICITY BILLS, FIGHT UTILITIES' EFFORT TO PASS ON FUEL COSTS

(By Jim Montgomery)

When a Florida public-service commissioner, William T. Mayo, entered his favorite Miami restaurant recently, a waitress who had served him there for years shouted angrily across a roomful of startled diners: "Mayo, get out!"

The once-friendly waitress' change of heart came about as the result of an explosive controversy simmering over the state's runaway electricity bills. Florida's utilities, with the implicit sanction of the public-service commission, have been passing on to customers the higher cost of the fuel they burn to generate electricity. Largely because of these "fuel-adjustment charges," the average monthly bill sent out by the state's largest utility, Florida Power & Light Co., for example, rose about 36% in the past year.

The public-service commission has always allowed utilities to pass on fuel costs to their customers in Florida. But these charges rarely amounted to more than a few cents a month per customer until 18 months ago, when the fuel shortage suddenly pushed costs dramatically upward. And it wasn't until last January that the utilities—upon orders from the commission—began itemizing the charges on bills, showing customers for the first time what a big chunk of their payments went for fuel.

The utilities contend, that without the extra charges they can't continue to operate profitably or offer satisfactory service. Consumers argue that the extra charges are not only excessive, but also illegal because they were imposed without prior public hearings. And, like the Miami waitress, they have reacted with frustration and an unprecedented outpouring of public rage.

Besides jamming protest rallies around the state, many Floridians are threatening not to pay the fuel-adjustment portion of their electric bills. Some customers reportedly have even tried "stealing electricity" by using magnets to slow down their electric meters while leaving the flow of current undisturbed. Over 15% of the state's population consists of retirees on fixed incomes, adding to the pressure for relief.

A PREVIEW OF THINGS TO COME

"Working folks can't live with the automatic fuel-adjustment charge the utilities claim they can't live without," asserts Sandra Brunet of Titusville, a $2.47-an-hour deputy voting registrar and the organizer of a protest group called the Florida Tea Party.

The three-member public-service commission has permitted the utilities to continue collecting fuel-adjustment charges but has frozen them at the October level until it decides—probably this week—on the procedure for leveling any future increases. The agency is expected to forbid automatic adjustments and require instead that periodic public hearings be held on any fuel-charge increases. Whatever its decision, it is almost certain to be contested in court.

The darkening storm of public wrath in Florida is particularly ominous, for it promises to foreshadow similar confrontations in some of the other 42 states where electricity bills include surcharges for fuel. (Already, a Cleveland utility faces three class-action suits that would bar it from passing on such charges to customers.) The effect of last year's more than 200% rise in coal, oil and gas costs hit first in Florida, where electricity bills tend to be highest during the summer months, when air conditioning is heavily used. Other areas of the nation, where electricity use peaks during the winter heating months, are just beginning to feel the fuel-charge crunch.

NO MORE CHEAP ENERGY

The Florida controversy is also significant because it illustrates the intense reluctance of Americans to accept the fact that the times of bountiful, cheap natural resources are over. Few seem able—or willing—to recognize that, barring unforeseen technological breakthroughs, basic commodities such as power will claim a significantly larger portion of their paychecks than in the past.

Florida Power & Light says its residential customers use an average of 1,000 kilowatt-hours of electricity a month. In October 1973, the bill for this much power was $23.81, including a fuel-adjustment charge of 87 cents. Last month the cost for the same amount of electricity had risen to $32.34. The difference was due to a tenfold spurt in the fuel-adjustment charge. Typical bills were substantially higher during the recent summer months.

Sentiment against Florida's rate rises intensified in October, when Robert L. Shevin, the state attorney general, issued a highly controversial opinion on the matter. Mr. Shevin found the automatic fuel-adjustment charges illegal, on the ground that they allowed utilities to raise rates without public hearings or regulatory review by the Public Service Commission.

During nine heated days of testimony before the commission last month, the utilities warned that an adverse ruling by the regulatory agency would drive them into insolvency and disrupt service. A spokesman for Gulf Power Co. of Pensacola, a unit of Southern Co., melodramatically introduced a hearing witness as "our vice president in charge of bankruptcy."

The fuel-adjustment flap has already prompted the cancellation of an offering of $125 million of mortgage bonds that Florida Power & Light had planned. In place of this offering, the utility last week floated $125 million of seven-year notes, but because the notes have a lower rating, it will have to pay $625,000 additional interest each year.

Even with fuel-adjustment charges, Florida Power & Light's earnings fell 6% in the 12 months ended Oct. 31 to $102.5 million, or $2.69 a share, from $109.1 million, or $3.15 a share, in the year-earlier period. The company says that if it hadn't been able to pass increased fuel costs along to customers, earnings in the past 12 months would have plummeted to about $20 million.

CUTTING OFF POWER

Next month the public-service commission is expected to lift the temporary freeze on fuel-adjustment charges, and most officials on both sides of the furor predict continued high electricity bills until fuel prices themselves fall—an admittedly remote prospect.

A ruling by the commission upholding the charge is apt to encounter stiff consumer resistance, warns Frederick B. Karl, the state's first public counsel and, as such, the consumer advocate at public-service commission proceedings. "There's a real crisis out there in the field," he told the commissioners at the hearings. "If in fact large numbers of customers do decline to pay their bills, you're faced with a decision whether you're going to permit wholesale termination of service."

Firm figures on how many customers have had their elecricity cut off for nonpayment aren't available. But Mrs. Brunet, the Florida Tea Party founder, says her power was cut off for four days and restored only when she paid "under protest" the $40 in fuel charges she had deducted from her $156 electricity bill for September and October, as well as a $5 penalty. She says she had already paid the other $116 with "every cent" she could muster and, as a result, "had to quit buying milk" for her four teen-agers. Still unpaid is a $57 electricity bill for November, which includes a $16 assessment for fuel. Mrs. Brunet's husband, Gerald, recently lost his job as a $214-a-week construction superintendent, and she says she isn't sure when the latest bill will be paid.

Consumer groups have already filed five lawsuits in state circuit courts seeking to bar Florida's utilities from collecting fuel-adjustment charges and from disconnecting the service of customers who refuse to pay. At least one of the suits demands refunds of previously collected fuel charges, which by some estimates total over $200 million for the state's four big investor-owned utilities alone. The state supreme court will probably make the final ruling in these cases and is currently considering arguments on whether it can assert original jurisdiction over the lower courts. In two of the cases, the circuit courts had ruled against the utilities, but these judgments were set aside pending supreme-court action.

AUTOMATIC FUEL CLAUSES UNDER FIRE

Spiraling electric rates—and especially automatic fuel-cost clauses—are causing major problems for utilities.

Law suits that could cut deeply into the economic structures of Florida Power & Light Co and Florida Power Corp were filed last month after Florida Attorney General Robert Shevin provided an opinion that automatic fuel adjustments are illegal because they become part of the rate base without the benefit of public hearings, and that the PSC does not have the authority to permit such automatic surcharges (EW, Nov. 1, 1974, p 21).

High electric rates also prompted the following actions:

A class-action suit filed in a Cuyahoga County (Ohio) court claims Cleveland Electric Illuminating Co put automatic fuel adjustments into rates without specific authorization of the Ohio Public Utilities Commission. In 1973, says the complaint, the PUC authorized the use of a fuel-adjustment formula, but it never accepted the proposal submitted by CEI.

Cuyahoga Falls (Ohio) Mayor Bob Quirk asked the Federal Power Commission to investigate higher wholesale rates to municipalities caused by fuel-adjustment charges by Ohio Edison Co and others.

The District of Columbia Dept of Highways & Traffic has petitioned the D.C. Public Service Commission to look into the legality of Potomac Electric Power Co's practice of passing along fuel increases without review.

Rhode Island Governor Philip Noel asked President Ford to intervene in favor of a New England Regional Commission proposal for federal subsidies to lower electric rates. Former Federal Energy Administrator John Sawhill came out against it, and Noel called this reaction "insensitivity and lack of concern for our problems."

In Dade County, Fla., Circuit Judge Francis Knuck issued a temporary injunction, suspending Florida Power & Light Co's automatic fuel adjustments as of Oct. 23. However, he has been holding off enforcement of the ruling, "extending and deferring" it pending a ruling by the Florida PSC. In the meantime, FPL has continued collecting the October fuel-adjustment surcharge of $9.19/1,000 kwhr, and, unless the court forbids it, will collect the November charge of $10.47.

At Florida Power Corp, the situation is more hairy. Orange County Circuit Judge Frederick Pfeiffer first issued an order barring the utility from shutting off power to residential customers who did not pay the fuel surcharge. Later, however, he changed his mind, and said the surcharge could be paid to the company along with the regular bill, or else paid to the Orange County Circuit Court's Clerk's office within four days of receiving a shutoff notice.

The court plans to keep the surcharge payments in escrow, to be either turned over to the company or returned to customers, pending the final ruling on a class-action suit that is now pending.

Pfeiffer's order affects 500,000 residential customers in the 32-county service area. Florida Power says it has no way of determining who is withholding the surcharge under its billing system, and that the ruling could cost the company $10-million/month and force it to curtail service. The fuel-adjustment charge currently represents 40% of the firm's revenues.

COAL PROFITEERING IN APPALACHIA

(By Willis Farley)

Residential electric bills have increased dramatically over the last year and the primary reason behind the monthly increases has been the cost of fuel to power the electric generating plants. But consumers have begun to demand relief from the highly inflationary increases, and price hikes by numerous power companies are currently under investigation.

Such complaints in West Virginia caused the State Senate to pass a resolution requesting a review of the automatic fuel adjustment clause by the state's Public Service Commission. The two major suppliers of electricity in West Virginia are the Appalachian Power Company (a wholly-owned subsidiary of the American Electric Power System) and Monongahela Power Company (part of the Allegheny Power System). Both companies, located in the heart of the eastern coal fields, rely almost exclusively on coal to fire their steam-producing boilers.

A utility recovers most costs through a rate system, established in a proceeding before the state utility regulatory commission. However, the cost of fuel used to generate electricity is, in West Virginia and most other states, passed directly on to customers through an automatic adjustment to their monthly or bi-monthly bill. In the last year the portion of the consumer's bill attributed to fuel costs has climbed relentlessly—in many states amounting to more than one-third of the total cost of electricity.

On September 18 and 19, the West Virginia Public Service Commission held a public hearing in Charleston to give the utilities and the public an opportunity to present their arguments. Two days prior to the hearing, an order was issued by the commission ordering Appalachian Power Company to discontinue the practice of "repricing" coal purchased from its affiliated mines. According to information obtained by the commission, Appalachian Power has been charging its customers the same price for coal produced at its own mines as the average price of coal on the open market. Thus, if the average cost of coal on the market were $25 per ton and Appalachian Power's own coal cost $10 per ton, a customer's bill would only reflect the $25 average cost and Appalachian Power would gain a $15 profit. For the first nine months of this year the Public Service Commission claims that Appalachian Power Company received $2,077,212 in additional revenue through this method.

The hearings, perhaps the most extensive investigation of fuel adjustment clauses in the country, produced several insights into the high cost of fuel. The power companies, chiefly Appalachian Power, attributed the high prices being paid for coal to environmental regulations and a demand which far outruns supply. The companies contend that environmental regulations have forced utilities to seek high-priced low sulfur coal. Further aggravating the situation is the additional demand created by the Arab oil embargo of last fall, when many eastern utilities switched from oil to coal. This situation, it is said, has created a "seller's market" wherein the coal producers are able to demand and get exorbitant prices for coal supplies.

However, citizen groups participating in the hearing, including Citizens for Environmental Protection and the Mercer County Economic Opportunity Corporation, both of Charleston, contend that the major cause in high coal prices is the fact that the power companies refuse to enter long-term contracts with eastern low sulfur coal suppliers similar to contracts being negotiated with western coal suppliers.

Paul Martinka, vice-president of fuel supply for American Electric Power Company (AEP), stated in the September hearings that his company has entered contracts of 25 and 30 years in duration for low sulfur strip-mined coal in the West, but has no contracts approaching that length of time for low sulfur eastern coal produced by independent coal companies. Thus AEP is forced to purchase most of its coal on the spot market at much higher prices and consumers are charged the difference.

During the hearings it was learned that AEP, the nation's largest investor-owned utility, owns or leases land containing 1.5 billion tons of coal. Of that figure, less than 10 percent is low sulfur coal, meaning that the vast majority of AEP's own reserves cannot be used under the existing sulfur dioxide standards of the Clean Air Act.

A number of citizens groups represented at the hearing have contended that AEP's ownership of large reserves of high sulfur coal has prompted the company to conduct its recent $3 million advertising campaign to amend the Clean Air Act and promote other legislative and policy changes. It was also suggested that this factor is the chief reason for Appalachian Power's failure to enter into long-term contracts for eastern low sulfur coal. Under the automatic fuel adjustment clause, there is no incentive for a utility to bargain for a lower price of fuel. This is evidenced by the large number of higher priced spot market purchases and the relatively few long-term contracts for coal at lower prices. Thus, it is to the utility's advantage not to enter long-term contracts as long as the customer pays and there is a possibility of obtaining amendments to the Clean Air Act which would allow the use of stockpiled high sulfur coal. Another reason that long-term contracts are being avoided is that advances in technology (stack gas desulfurization, coal liquification, or coal gasification) will make it possible within five or 10 years for utilities to burn the high sulfur coal and still meet environmental standards.

In the meantime, customers are paying extremely high prices while the utilities play their waiting game. This is absolutely unnecessary in areas such as West Virginia where low sulfur coal is found in abundance and can be used immediately to comply with Clean Air Act standards.

On October 8 and 9, the Public Service Commission held a second set of hearings for the cross-examination of witnesses who testified earlier. At this time it was established that during several months this year, Appalachian Power Company shipped low sulfur coal from its own mines in West Virginia to the Tanners Creek Plant in Dearborn, Indiana, owned by Indiana and Michigan Power Company, another subsidiary of AEP. At the same time, high sulfur coal from Tennessee and Kentucky was imported to West Virginia and burned in local plants owned by Appalachian Power. Thus, coal owned by Appalachian Power which could have been used in West Virginia was delivered to Indiana at a cost of $12 per ton, while customers of Appalachian Power were forced to pay for coal brought into West Virginia at a cost of $44 per ton.

It was also discovered at the October hearing that Appalachian Power Company had not discontinued their "repricing" practices as they had been ordered to do on September 16. As a result, on October 18, the West Virginia Public Service Commission ordered Appalachian Power to refund $488,700 which was improperly collected from customers during the period of September 16 through October 16. At press time the Commission had not decided whether Appalachian will have to refund the $2,000,000 which they received between January and September of this year through the repricing loophole.

Citizen intervenors in the fuel adjustment clause hearings have suggested that the automatic adjustments be discontinued or a new procedure devised in order to protect against such consumer abuses. One method suggested would allow the company to automatically pass on to the consumer a percentage of the cost (perhaps 80 percent) and would require a hearing to be held any time the cost of fuel rose more than a certain amount within a six-month period (perhaps 15 percent). Also, it has been suggested that utilities report all coal purchases by name of supplier, price of fuel, and quality of fuel. These changes could help protect utility customers and still allow the utilities to recover their expenses and maintain a stable financial condition.

Over $3 Million, and Rising

The cost of American Electric Power's (AEP) gigantic national advertising campaign to amend the Clean Air Act and renew coal leasing on federal lands has now reached $3.3 million, according to a company official.

The controversial campaign uses full-page advertisements in national magazines and newspapers, as well as in newspapers serving the communities where AEP operates. Controversy has developed not only over the content of the paid messages, but over the fact that taxpayers are subsidizing part of the costs through tax loopholes available to the company (EA, May 11).

AEP officials announced earlier this year that the campaign would include 20 full-page advertisements at a total cost of $2.7 million. But the series was expanded beyond the original plan and as of October 29, the company says 34 of the sternly-worded messages have appeared at a total cost of $3.3 million. More advertisements are scheduled for the remainder of this year and an unspecified number for 1975.

In one of the few judgments on the accuracy of the ads, aside from complaints by the Environmental Protection Agency (EPA) and the President's Council on Environmental Quality, an administrative judge presiding over EPA hearings in Charleston, West Virginia, has stated that some material in the campaign "is definitely misleading."

Judge Paul Pfeiffer is chairing hearings on West Virginia's request for a one-year delay in the implementation of dust and sulfur dioxide emission standards required by the Clean Air Act. Pfeiffer also accused the company of "trying the case in the newspapers," which an AEP spokesperson denied.

Class Action Suits Challenge Legality of Ohio Company's Fuel Clause

Three class action lawsuits filed in Cleveland on behalf of residential, commercial and industrial customers are challenging the legality of automatic fuel adjustment charges imposed by the Cleveland Electric Illuminating Co. on the basis that Ohio law doesn't permit utilities to charge higher rates without public hearings and regulatory agency approval on a case-by-case basis.

The Ohio suits are the latest in a spreading list of grievance actions being taken nationally by state officials and consumer and public interest groups in opposition to various automatic fuel assessments amid allegations that they amount to overcharges because they are overblown and do not represent the utilities' actual fuel costs (Newsletter 74-43, Nov. 1, p. 3).

Resistance to the automatic rate hikes is building in various states despite exhortations by Federal energy officials, such as Federal Power Commission head John Nassikas and Treasury Secretary William Simon, urging state regulators to allow private utilities to pass along not only fuel costs but assorted other costs to consumers (including wholesale power purchasers) on an automatic basis.

Florida Attorney-General Robert L. Shevin recently declared as illegal the fuel adjustment clauses being used by the state's private utilities and in quick follow-up action, the state's Public Service Commission abolished the clause, placed a freeze on fuel charges at October levels and informed the companies that it will require advance approval of any future increases.

In Cleveland, the Common Pleas Court is being requested to order the Public Utilities Commission to prohibit automatic increases and require advance consideration—leading to either rejection or approval—of fuel adjustment charges on an individual basis. The class action suits also seek payment by Cleveland Illuminating of damages and refunds of all overcharges. One of the lawyers for the plaintiffs, Lawrence Barker, said he also might seek a restraining order to stop the power company from collecting adjustment clause payments until the cases are settled.

Coal Producers' Profits Zoom to New Records; Pittston Co. Net Income up 787 Percent

Net profits for most of the Nation's coal producers rose to record levels during the third quarter of 1974 at a time when production was lagging despite increased demand and the threat of a nationwide strike worrying large users, who were forced to pay unprecedented per-ton prices to maintain adequate reserves.

The Pittston Co., the largest independent and the fourth largest producer, reported third quarter profits of $27.5-million, representing a whopping 787% increase over its $3.1-million earnings for the same period in 1973; and Westmoreland Coal Co. profits soared by 1,242%—from $1.3-million to $12.8-million; Consolidation Coal Co., a subsidiary of Continental Oil Corp., showed earnings of $15.9-million in the third quarter, compared to $200,000 a year earlier; and Island Creek Coal Co., a subsidiary of Occidental Petroleum Corp., posted earnings of $35.2-million after a third quarter loss last year of $929,000.

Peabody Coal Co., the largest producer in the Nation and a subsidiary of Kennecott Copper Corp., would not disclose what its profits were in the third quarter, but there were reports that the firm also posted sizable earnings.

There were other reports that several companies have made huge profits by exporting coal to Japan at spiraling prices. Pittston is said to have made a profit of more than $2-million by charging Japanese purchasers up to $120 a ton for spot market coal; and Consolidation Coal reportedly charged $84 a ton for 600,000 tons of coal it sold to Japan in October.

Large domestic purchasers, such as the Tennessee Valley Authority and others, have long urged the Justice Department to press antitrust suits against U.S. energy companies, which have large holdings in petroleum, coal and natural gas and have been charged with participating in anticompetitive activities aimed at pushing up the prices of all fuels to drastic levels.

TVA has conducted studies showing that coal producers' current prices are far in excess of their production costs—a situation similar to the record-high prices for petroleum products being charged by oil companies, which also have been reporting net profits described as "astronomical" by financial analysts.

The Fuel-Adjustment Caper

Electricity bills in many cities now stand 20 to 50 per cent higher than a year ago. Of all the ravages of inflation, this has proved one of the most frustrating to consumers. The supplier of the electricity, in most cases a privately owned corporation, possesses a monopoly on the service. If you don't like the price of electricity at one company, you can't take your business to another.

Most states regulate utilities, presumably to make sure the utilities don't take unfair advantage of their monopoly position to gouge consumers. Utilities must ask the state regulatory commissions for permission to raise rates. To support such requests they must file detailed documentation, which the commission is supposed to review in detail. Finally, before approving a rate hike the commission must usually hold public hearings.

Thus, in theory, the utility is a vehicle for providing a needed service under strict public control. In practice, however, state utility regulation has long been crippled by financial starvation, government indifference, and sometimes by corruption, as CU reported in March 1970. But so long as the regulatory machinery exists, reform is at least possible.

ENTER THE FUEL-ADJUSTMENT CLAUSE

Now a little-noticed development threatens to dilute even further the effectiveness of state regulation. The development is the strict application of the once-dormant "fuel-adjustment clause."

The fuel-adjustment clause permits a utility to pass its own higher fuel costs directly to the consumer without state approval, public hearings, or, in many cases, public scrutiny of any kind. Federal Power Commission statistics show the extraordinary effect on consumers' electricity bills of this pricing mechanism. If you live in New York City, about three-quarters of the increase in your electricity bill for the 12 months ended February 15, 1974, was due to the "adjustment" permitted by the clause; in Boston, two-thirds; in Philadelphia, one-half. In San Francisco, nearly every penny of increase in electricity bills came as a result of the fuel-adjustment clause.

Of 47 states with statewide utility regulation, 37 allow fuel-adjustment increases that bypass formal rate hearings. Many of the others are in the Northwest, where utilities rely mainly on hydroelectric power and therefore need not buy fuel. Since fuel-adjustment makes rate increases effortless, it's not surprising that the utility industry is now pressing states for automatic pass-through of other costs, such as wages, taxes, and pollution control. The Ford administration is supporting industry efforts. In September, Treasury Secretary William E. Simon urged additional cost pass-throughs to help avoid, in his words, "blackouts and brownouts and, worse, economic stagnation."

Some of the proposals approach the grotesque. Earlier this year, New England Power Co. asked unsuccessfully for an "automatic cost adjustment clause." One effect of such a clause: If people conserved energy and electricity use declined as a result, rates would automatically go up to maintain the utility's income. Thus, the more electricity consumers saved, the more they'd pay per kilowatt hour.

Utilities appear genuinely puzzled at the opposition of some consumer groups to fuel-adjustment clauses. "We're only passing through our higher fuel costs dollar for dollar," they argue. "There's not a penny of extra profit involved."

That argument sounds simple, and it is—deceptively simple. Some utility companies are going deeper and deeper into the fuel business by buying up coal mines or gas wells. With the fuel-adjustment clause in operation, a utility can buy fuel from itself at an artificially high price and pass that price on to the consumer. In this way, though the utility may not increase its profit on the electricity it produces, it could make extra profit through a fuel subsidiary not subject to regulation.

In Ohio, for instance, Ohio Power Co. owns coal lands. It leases the coal lands to a subsidiary called Central Ohio Coal Co. Central Ohio mines the coal and sells it to Ohio Power. If Central Ohio Coal Co. raises the price of coal for any reason. Ohio Power Co. can pass the increased cost directly to the consumer of electricity. Paul Hampton, chief rate-maker for the Ohio Public Utilities Commission, says that "by Ohio law we cannot control the price of the lease, and we cannot control the price Ohio Power pays for the coal. All we can do is threaten to cancel their fuel-adjustment clause." Ohio Power itself is a subsidiary of the giant American Electric Power Co., which owns several other utilities and coal companies that buy and sell coal and power to and from each other.

HOW CONSUMERS CAN BE TAKEN

These arrangements raise some important questions: Does the state have the legal right to grant a private corporation a monopoly electricity franchise and then give up the power to regulate its rates? (The Vermont Supreme Court said "no" last spring when it struck down that state's fuel-adjustment clause, since the clause violated state statutes setting out specified procedures for rate hikes.) What incentives do utilities have to bargain with fuel suppliers when they know they can pass on any additional costs? Finally, how do consumers know they're not being overcharged under the guise of passing on fuel price hikes?

CU's review of the operation of fuel-adjustment clauses across the country gives us reason to believe that consumers in many areas are indeed being overcharged. Here are three examples:

In North Carolina, Duke Power Co. was embroiled for more than a year in a nationally publicized fight with the United Mine Workers Union, which struck Duke's Brookside coal mine in Harlan County, Ky. Normally, a company suffering from a long strike might be expected to sustain a severe financial loss. That's not usually the consumer's problem—and it's certainly not the problem of those consumers who are also union members. But Duke simply replaced Brookside coal at its generating plants with much more expensive coal bought on the open market, passing the higher costs on to North Carolina rate-payers under that state's coal-adjustment clause. (The price of spot coal on the open market has been substantially higher this year than the price of coal bought under long-term contracts.)

Without the clause, Duke would have had to face the glare of unfavorable publicity from formal rate hearings—and would have had to foot the increased coal bill until state approval for a rate hike was granted, not an automatic procedure, considering the circumstances. So, in effect, any Duke customer who turned on a light, including any customer who's also a union member, was helping Duke Power Co. sit out its labor troubles by paying more for electricity.

In New York State, millions of electricity users (including customers of Consolidated Edison and Orange & Rockland Utilities) pay a penalty for higher fuel-oil prices when the utility does *not* burn fuel oil. Here's how the scenario goes: The gas division of the utility buys natural gas both to supply its retail gas customers and to power some of the utility's electricity generators. For the latter use, the gas division actually sells gas to the electricity division at a profit. The profit is pegged at half the difference between the price of gas that the electricity division *does* buy and the price of fuel oil it *would* buy if it burned oil instead of natural gas. Result: When fuel-oil prices rise much faster than natural-gas prices, as has been the case this year, the gap widens, the profit rises, and the consumer pays the utility for a cost the utility never incurred. Again, the increased charge for electricity is automatic, thanks to the fuel-adjustment clause.

In Massachusetts, where a consumer's electricity bills are computed for a two-month period, the cost of fuel during the second month is billed for the whole period. Thus, if fuel costs in October are 10 per cent higher than in September, consumers are billed at the higher fuel rate for all of September as well as October. The utilities are quick to point out that if fuel prices dropped in the second month, the consumer would be billed at the lower rate for two months, and eventually things would even out.

The prospect of declining fuel prices, even though made unreal by soaring worldwide inflation, is still a favorite part of many utilities defense of fuel adjustment. In times of declining fuel prices, they say, consumers benefit from fuel-adjustment clauses by getting the savings immediately. What they don't mention is that during periods when fuel prices actually *did* decline, in the mid- and late-60's, some utilities asked for, and got, state permission to drop fuel-adjustment clauses, only to reinstate them later, when prices began to rise sharply in the early 70's.

UTILITY ACCOUNTING: 2 PLUS 2 EQUALS 5

The extent to which utilities take advantage of fuel clauses is extremely difficult to discover because of the complex nature of their accounting and operating procedures. State regulators themselves say they are often befuddled.

Example: Arkansas Missouri Power Co. is part of the Middle South Utilities chain. It buys power from some of its sister Middle South subsidiaries. The cost of this power can be passed on to Missouri rate payers through that state's fuel-adjustment clause. But understaffed state commissions, flooded with requests for rate increases, can't check the details of these enormously complex transactions. "We can't go back to plants in Oklahoma and trace the cost of fuel," says Vernon Brouse, a staff engineer with the Missouri Public Service Commission. "There are so many different plants, and they have so many different contracts. We take their word for the figures."

Utilities themselves often refuse to give regulatory agencies copies of their fuel contracts. Making such information public, they say, would erode their bargaining position with other suppliers (a curious argument, since a fuel-adjustment clause makes a bargaining position unnecessary). The Federal Power Commission, which regulates interstate utilities, and which itself allows fuel-adjustment clauses, says its auditors get to see the fuel contracts only when they do spot-check audits on a utility—on an average of once every four to five years.

Still, enough can be discovered about accounting methods for fuel-adjustment clauses to raise serious questions in this area, too. Take the case of fuel for nuclear power plants. The nuclear fuel needed to produce a given amount of power can cost anywhere from one-half to one-tenth of the comparable amount of coal or fuel oil, and nuclear fuel costs have been rising far less rapidly than other fuel costs. An even more interesting fact about nuclear fuel: Most utilities don't include it in their fuel-adjustment clauses. (Salomon Brothers, a brokerage firm, found in a survey of large utilities last year that 45 didn't include nuclear fuel, while only seven did.) Result: When a nuclear power plant is in operation, the cheaper nuclear fuel that replaces high-priced coal or oil doesn't enter into the calculations that determine the fuel-adjustment charges. But should a nuclear plant shut down for repairs, the high-priced replacement fuel is included in the charge.

There's another, less common, way of "over-recovering"—through what is called a fixed-efficiency rate. Fuel adjustments are computed not just on the prices paid for coal, gas, and oil, but on the efficiency with which the fuel introduced into the utility's generating system produces electricity. Some fuel clauses assume a system's efficiency remains constant. A utility can install new, more efficient equipment but still base its fuel-adjustment charge on the efficiency of the replaced equipment. The Salomon Brothers survey found that one-third of the utilities polled don't pass through fuel-efficiency savings to consumers.

Easily the most perplexing accounting problem of all is the way utilities treat purchases of fuel from their own subsidiaries. On the surface, it seems odd that a utility can raise the price its right hand charges its left hand for coal or gas and then pass the price increase right on to the consumer without a rate hearing. And beneath the surface, the problem becomes even more curious as any attempt to comprehend the price structure dissolves in a web of corporate intertransactions and regulatory leniency.

One example can illustrate a typical tangle of transactions. Pacific Gas & Electric Co. (PG&E), the large Northern California utility, gets 38 per cent of its gas from the Canadian province of Alberta, and some of the utility's natural gas goes to fuel its electricity generators. Here's how the sequence works: Alberta and Southern Gas Co., Ltd., entirely owned by PG&E, buys the gas in

Alberta from the well owners (often Canadian subsidiaries of American oil companies). The gas then travels to California, being sold and resold at each step along the way to the following companies: Alberta Gas Trunk Line Co. Ltd. (unrelated to PG&E); Alberta Natural Gas Co. Ltd. (45 per cent owned by Pacific Gas Transmission Co., which itself is 51 per cent owned by PG&E); Pacific Gas Transmission (51 per cent owned by PG&E); and finally at the California border to PG&E itself. Then PG&E's gas division sells some of its natural gas to the electricity division at a profit, treating the electricity division just as it would a large industrial customer.

This tangled structure, not unlike many other utility gas-buying arrangements, led to the following dialogue when a man named Harry Booth testified earlier this year before the California Public Utilities Commission and was cross-examined by Sylvia Siegel, a San Francisco consumer advocate:

SIEGEL. I am puzzled by one thing, Mr. Booth. You are the president and chief executive of Alberta and Southern; you are also the president and chief executive of Alberta Natural, and you are also a director of Pacific Gas Transmission Co. Do you really think there can be an arm's-length negotiation or transaction between any of these units?

BOOTH. Yes, there can be between—certainly Alberta and Southern and Alberta Natural . . .

SIEGEL. I assume from your omission that you don't believe that there could be any arm's-length bargaining between Alberta and Southern and Pacific Gas Transmission?

BOOTH. Yes, there would be the same arm's-length bargaining to the extent that there is between PG&E and Pacific Gas Transmission, bearing in mind that Alberta and Southern is a wholly owned subsidiary of PG&E.

It may take no small act of faith to think of Harry Booth, president of Alberta and Southern, negotiating at arm's length with Harry Booth, president of Alberta Natural, but acts of faith appear to be what utilities demand from consumers and state regulators alike.

AN END TO REGULATION?

The Federal Government, which one would think has a role to play in protecting consumers from the worst effects of monopoly economic power, appears ready and willing to free utilities even further from public control. Even before Secretary of the Treasury Simon urged additional passthrough, John Sawhill, head of the Federal Energy Administration, wrote to all 50 state Governors, noting that "none of the states has an automatic pass-through for increased operating costs" and urged the Governors "to give this problem your attention."

The spread of automatic adjustments to other specific costs would multiply the inequities caused by fuel-adjustment clauses. Illinois has already had to face the problem. Last December, the Illinois Commerce Commission granted Commonwealth Edison Co., the big Chicago utility, the right to pass on, under its fuel clause, the costs of researching, developing, and operating pollution-control equipment. That raised new and difficult questions: How do you determine what *portion of* a researcher's day is spent on pollution control? If a new piece of equipment is installed that reduces emissions and also makes the plant more efficient, is the consumer to pay extra for electricity that costs the utility less to produce? Can a utility buy high-sulfur coal from a coal company it owns and pass on the expense of taking the sulfur out, rather than buy low-sulfur coal from another company and lose the mining profits?

An Illinois commission staff member says there are no guidelines or definitions in the ruling that would answer these questions. And an Environmental Protection Agency news release praising the Illinois decision notes that "in cases where many plants of one utility require [pollution-control] equipment, rates could go up as much as 15 percent to 20 percent."

No one can deny that some utilities have experienced serious financial problems this year. More and more investors abandoning utilities, increasing the cost to utilities of raising capital—another cost the consumer is ultimately forced to bear. It might therefore be in the public interest to permit utilities to pass through a percentage (but not all) of those costs that are rising rapidly—subject to regular and frequent full-scale hearings and to review upon petition from aggrieved consumers.

But automatic pass-through of all costs without any regulatory hearings perverts the theory underlying state regulation of utility monopolies. Such pass-throughs merely provide an economic incentive for inefficiency: Utilities could purchase expensive fuel or allow other operating expenses to increase without worrying about hurting profits. In effect, they would be operating on a cost-plus basis that would insulate them from any normal business risks. The consumer would bear all the risks of the utility business.

Automatic pass-through clauses needn't be automatically accepted by consumers. As a start, the Washington-based Environmental Action Foundation published earlier this year a comprehensive and exceptionally useful booklet called "How to Challenge Your Local Electric Utility" (available for $1.50 from the foundation at 720 Dupont Circle Building, Washington, D.C. 20036). State regulatory commissions are accustomed to acting in a climate of public apathy, and the huge spate of public protests this year—ranging from letters and formal interventions in rate hearings to picketing at closed commission meetings—may well have a positive impact.

They're already being felt politically. In California, for instance, charges of "rubber stamping" by the state's Public Utilities Commission have played a major part in this fall's gubernatorial campaign.

Pressure on legislators to finance public advocates can also play a role. Vermont and Maryland already have state paid lawyers to intervene for the public at rate hearings, and the New York legislature this year gave the state's Consumer Protection Board power and substantial funds for this function. With enough of this sort of pressure, the state commissions themselves might act as public advocates—the role for which they were created in the first place.

THE NEED FOR A NATIONAL FOOD POLICY

Mr. HUMPHREY. Mr. President, on many occasions I have pointed out the need for a national food policy and the price being paid because we have ignored this need. I would like to point out three very worthwhile articles which deal with this area.

The first, "The Agricultural Policy Debate," in Dupont Context, by Dan Balz highlights the need to evaluate the priorities of our very strong export market and of increased needs for humanitarian assistance for developing countries. In a tight market supply situation, this becomes a very difficult decision, and we have not yet faced up to the implications of this issue.

The second article, "The Future of a Hungry World," by Dan Morgan in the November 4 Washington Post, outlines what has happened to food aid levels in recent years as supplies have declined. Morgan writes:

> The country is long overdue for a debate on whether Americans wish to undertake the responsibility for relieving world hunger.

The third article, "The Search for More Food," by Ray Vicker in the November 4 edition of the Wall Street Journal focuses on the role of the United States in providing technical assistance to increase food production throughout the world.

While there is general agreement that we should and must increase our technical assistance to expand food production abroad, there has been no effort to relate this assistance to our food aid in terms of a coherent policy. We must begin to relate all of these elements, including exports, costs of production, energy and domestic stocks into a sensible national policy.

It makes no sense to toy with our farmers with boom-and-bust policies which also hurt other nations.

Mr. President, I ask unanimous consent that these three informative articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE AGRICULTURAL POLICY DEBATE—HOW MUCH TO KEEP, HOW MUCH TO SEND ABROAD

(By Dan Balz)

Start with a simple statistic: In fiscal year 1974, other countries bought from the United States $21.3 billion worth of agricultural commodities, a 65 per cent increase over the year before and nearly 300 per cent more than in fiscal 1971.

These numbers tell an embarrassing success story. At a time when the world's food supplies were dwindling to their lowest level in two decades, when parts of the world teetered on the brink of starvation, the United States came out a winner. Nothing underscores the dilemma facing U.S. officials more clearly than that.

At the recent World Food Conference in Rome, the United States pledged more food exports, the sharing of technological know-how and a willingness to help establish international food stockpiles. But there are doubts that even this effort will be enough to aid the world's short- and long-term food problems.

Trade and aid. The two words may have a pleasant ring, but in Washington they signal a policy tradeoff which has prompted an intensive and prolonged debate. The debate involves such key officials as Agriculture Secretary Earl L. Butz, an exponent of free markets and more trade, and Minnesota Senator Hubert H. Humphrey, an advocate of more aid to poor countries. It also involves officials in the State Department, the Office of Management and Budget, the Council of Economic Advisers, other members of Congress and a host of interest groups.

Long taken for granted as the supermarket to the world, American agriculture finds itself pushed meeting America's needs at a time when other countries most need its output. Despite wide-open production this year, the American food industry can barely produce enough to keep the world even. And demand for food abroad has helped to send domestic prices up more than 30 per cent in the past two years. That, in turn, has created pressure to keep food at home and to hold prices down. Suddenly the choices facing policy makers seem unappealing.

In years, past, agricultural policy in the United States was relatively easy to predict: hold down production to keep prices high enough to encourage farmers to stay on the job, but low enough to give the American consumer the least expensive food in the world. Export some of what this country could not eat, and put the excess—and there was almost always some excess—into government-owned storage bins to be given away later under the Food for Peace program.

Now the backdrop has changed. Poor harvests hit parts of the world in 1972, including India and the Soviet Union. Instead of serving their consumers a diet of austerity, the Soviets decided to go into international markets to make up their losses. They bought 30 million tons of grain (18 million tons from the U.S.), and that put extraordinary strains on world markets, helping to kick up prices enough to end U.S. export subsidies. About that same time, the anchovies disappeared off the coast of Peru, ruining one of the world's sources of inexpensive protein and putting more pressure on the American soybean crop.

The next year, 1973, the U.S. dollar went through an official and an unofficial devaluation, reducing the prices of our exports and making our crops even more attractive to foreign buyers. That spring, floods in the Midwest held down plantings and reduced the corn crop, while in Africa drought conditions continued to worsen, bringing starvation to vast sections of the sub-Sahara.

This year (1974) expectations for a record 6.7 billion bushel corn crop evaporated in the summer sun as drought hit the Midwest and later frost reduced the harvest to around 5 billion bushels, good by historical standards but disappointing because the world needed all those other ears.

The combined effect of those events was to reduce carry-over stocks to their lowest levels in 20 years. The U.S. had sold off its stocks in early 1973, which helped keep domestic food prices from rising too rapidly. The rest of the world had never had much in reserve, preferring to depend on the U.S.

By the spring of 1974, U.S. officials trying to plot the next move found no easy choices. Food aid no longer meant a policy of "getting rid of the stuff," as Butz once called it. Instead it called for sacrifices on the part of the American consumer and on recipient nations. The need to build up shrunken reserve stocks became a pressing and divisive issue, even though in a time of scarcity it was almost an academic question. What made these decisions all the more difficult were those export statistics blinking in the background, tantalizing reminders of the potential of the American food industry, and especially enticing because higher oil prices threatened to throw the U.S. trade balance deeply into deficit.

In each of the past three years, U.S. agricultural exports have expanded far beyond what even the most optimistic experts had predicted. Two years ago, for example, officials in the Department of Agriculture estimated that with luck U.S. agricultural exports could total $18 billion by 1980. Little more than a year later their forecasts are vastly underestimated.

Recent trade figures show not a steady progression in trade, but a sudden lurch to a new plateau. In fiscal 1971, U.S. agricultural exports totalled $7.8 billion. The next year they hit $8.0 billion, and in fiscal 1973, they reached $12.9 billion. Then came the 65 per cent leap to $21.3 billion.

Much of that increase reflects higher prices, but increasing worldwide demands for better diets is a major factor. When most of the world's people talk about improving their diets, they mean one thing: eating more meat. For U.S. farmers that means more sales of food grains. Latest trade figures bear that out. From fiscal 1973 to 1974, sales of feed grains rose 101 per cent to $4.6 billion. Wheat exports rose 99 per cent to $4.7 billion. Agriculture Department economists say three-fourths of the increases were due to higher prices, with the rest coming on increased volume.

In the past few years, the United States has also begun to tap new markets. Besides expanding sales to traditional customers such as Western Europe and Japan, the U.S. found willing customers elsewhere in Asia and in Africa. The People's Republic of China bought $852 million in farm goods in 1974, more than four times what it had bought the year before. Asian countries as a whole increased their purchases 77 per cent, while those in West Asia bought 136 per cent more. Exports to Africa jumped to $980 million, nearly a threefold increase over the year before. Sales to Latin America doubled ($2.4 billion).

No one at the Agriculture Department wants to do anything to jeopardize these big and growing markets. Indeed, officials want to exploit them even more. As Clayton Yeutter, an assistant secretary, said recently, "We must use (our) advantage not only for our own good, but to help supply the rest of the world with the food it wants to purchase from us."

For that reason, Butz has been an outspoken opponent of export controls—then President Ford imposed them on corn by holding off U.S. shipments to Russia this fall. They were used briefly in 1973 to limit soybean exports, and whenever the food supply of the U.S. is threatened—or when prices begin to rise—such controls are often advocated as tools to protect American consumers. But Butz thinks such controls ultimately work against the United States because they make our foreign customers nervous. The Japanese probably will never forget those soybean controls of 1973, and fears of a rerun can make it more difficult for the U.S. to sell its crop abroad.

Not everyone, however, sees agricultural trade policy in quite the same way Butz does. His critics claim the secretary is taking a conservative view about American production and the profits of its farmers and agribusiness firms. While these critics are not opposed to trade, they say the United States, as the leading food producer in the world, has an obligation to develop other policies to help ease tight supply situations throughout the world and to prevent starvation wherever possible.

Such policies involve tradeoffs: by helping others we must pay the costs at home, and this is where the debate has centered. It focuses on two issues: the development of reserve stocks, and the level of American food aid.

No one seriously disputes the need for the world to rebuild its depleted reserve stocks, although a few years ago there were plenty of American economists, among others, who were distressed by the huge stocks held by the government. At that time, those reserves were seen as a permanent price depressant which hung over the commodity markets and prevented farmers from getting the return they deserved. Moreover, those stocks were costing the government almost a million dollars a day for storage. To economists like Butz and former Treasury Secretary George Shultz, the best solution was to sell them off quickly.

But events of the past two years have changed some attitudes in this country, for, as Gary Seevers, a member of the Council of Economic Advisers, said recently, the United States suddenly learned the disadvantages of not having those stocks.

"Without a buffer of domestic and international food reserves, consumers throughout the world will be victims of the vagaries of chance," Humphrey says. The consumer saw the effects of that in 1973, and Butz said recently it probably would have been better not to dispose of the U.S. stocks as quickly as the government did.

The question facing U.S. policy makers is how best to rebuild those stocks to gain their advantages without having to accept their disadvantages. Butz wants to keep the government out of it, although he favors some kind of internationally shared system. "The burden of holding such reserves." Butz says, "should be shared by all countries, the importing as well as the exporting countries, the developing as well as the more developed countries." As for the reserves held in this country, Butz says he would "prefer to see (them) held by commercial interests, rather than the U.S. government."

His chief opponent in the debate has been Senator Humphrey, who wants the government to help rebuild stocks as both a market stabilizer and a humanitarian stockpile. Under Humphrey's plan, the government would hold modest stocks—200 million bushels of wheat, 15 million tons of feed grains, 50 million bushels of soybeans, and 1.5 million bales of cotton. They would be accumulated only during periods of excess production and could be sold only in times of short supply. To protect farm prices, they could only be sold for domestic use when the market price had climbed above the government target price for each commodity.

Other reserves would be held privately and, through a number of trigger mechanisms, Humphrey proposes to monitor exports to guard against another Russian wheat deal, which depleted US. stocks.

Final U.S. policy will probably fall somewhere between Butz and Humphrey, with as little reliance on the government as possible but with an adequate stockpile to help meet temporary shortages throughout the world.

The web of morality, politics, and economics becomes most intertwined around the handwringing question of food aid. The U.S. has long prided itself on being a generous supplier of free food, or food sold on generous terms, to poor nations.

Now the choice is more difficult, especially in a time of rapid inflation, rising food prices, and the desire on the part of the Ford Administration to keep federal budget expenditures in check.

Most officials agree that the ultimate solution to the world food shortage is to increase production in the developing nations. That will require bringing elements of the Green Revolution and American technology and expertise to bear and, even under the best of circumstances, will take decades to accomplish. The Agency for International Development (AID) has put special emphasis on this problem, and its fiscal 1975 budget request reflects that. It wants to spend $675 million on such developmental assistance, more than twice the 1974 amount.

But the returns on this investment are a long way off. In the meantime, the U.S. must make tough decisions about the level of direct food aid it can afford now.

Butz says he is convinced the American people are committed to providing food to prevent starvation in other parts of the world. The question is just how strong that commitment is when it bangs up against other domestic policy desires.

"The worst we can do," Butz says, "is to over-commit ourselves."

The United States funnels its food aid through the Food for Peace program. When budget officials put together the fiscal 1975 budget in late 1973, they calculated that it would cost the government about $750 million to supply other countries with a fixed amount of food. Then came this summer's drought. Now those same officials say it will cost the government about $1.2 billion to give away the same amount of food.

Those new estimates were made just about the time senior economic advisers in the Ford Administration were searching for places to cut the budget. And the increased costs dramatized to them the difficult tradeoffs involved in devising the proper policy stance to take to Rome to the World Food Conference. These leaders, who hoped to devote their efforts to setting the level of food aid for the next five to seven years, realized they first had to come up with this year's level, and that doing that put them in conflict with their own desires to cut federal spending and hold down inflation at home.

The end of the World Food Conference really marks the beginning of U.S. policy in these areas. During the six months leading up to the conference, policy makers forced themselves to wrestle with these painful choices, eventually settling on what one of them called "a defensible position" to take to Rome. But now the problem may be more *difficult*—translating those policy intentions into action in a world hungry and looking to the United States for help.

The Search for More Food

(By Ray Vicker)

ROME.—When the United Nations and the Food and Agriculture Organization several years ago scheduled the World Food Conference, which will get underway tomorrow, they conceived it as a gathering where the 135 nations that will take part would consider mainly long-term measures to improve world food production.

But conditions have changed drastically since then—and not for the better. People are starving in India, in Bangladesh, in Ethiopia, in the Sahel region on the Sahara's southern edge. It's estimated that 10,000 people a day are dying from starvation or from diseases related to hunger. Obviously the delegates to the Rome conference can ill afford to spend the bulk of their time arguing about long-range agricultural expansions to pay off by 1980 when such pressing problems exist in 1974.

Nevertheless, long range measures must be implemented (and quickly) if the world is to avoid even greater catastrophes in the future. These won't come smoothly even though the hierarchy of world agriculture will be assembled here for nearly two weeks, after months of pre-meeting preparations.

A praiseworthy goal of the conference is to stimulate food production in the poor countries of the world so that they won't be so dependent upon outside aid. That's easier said than done, for these same nations keep producing people faster than food, and so their problems mount.

Still there is reason for hoping that the conference will achieve some results, even though there is a dark suspicion that the United States is not as philanthropically minded today as the conference organizers would have liked.

The conference is likely to lay the foundation for a new system of international grain reserves (because of U.S. objections, aiders don't like to term it a "food bank" though this is the basic idea). Farm research in backward nations is likely to be stepped up. An early warning system for spotlighting crop disasters may be strengthened. An emergency food aid bank may be established, although this still is subject to agreement. Agricultural assistance to the Third World is likely to be increased. Channels may be opened to permit more private enterprise cooperation in Third World aid projects. It also is hoped that a world fertilizer fund may be established to assist developing nations.

However, a suggestion for creating a new world food authority may not get far. This proposed agency would administer the $5 billion worth of annual farm assistance which is being set as a goal.

Despite the pressure for the creation of the agency, its chances of seeing the light are slender, though a committee might be formed "to investigate its feasibility." Such a committee, of course, would study the question for years. Other questions to come up overlap so many areas that even clarifying the issues won't be simple.

AN ENORMOUS MESS

Inflation, energy, population and food problems are so interwoven that the mess is enormous. Inflation has soared to the point where the poor nations of the world are being priced out of food markets. The quadrupling of petroleum prices in the last two years has led to fertilizer shortages, to a dearth of fuel in irrigation pumps and to transport difficulties. The exploding population adds 1.4 million additional food consumers each week to the world's total. And world food production is leveling off.

That quick summary is enough to sober even the most cheerful optimist. And when it is translated into national terms it sets up a whole new set of perplexing dilemmas. Americans, because they already feed about a quarter of the world's population, will be asked to bear the brunt of the load. Pressure already is building on the U.S. to increase its food and money aid to the Third World. The World Food Conference Secretariat is calling for a trebling of the current world aid allocation of more than $1.5 billion. Admittedly, it would like $2 billion of that increase to come from oil rich nations. But America also will be expected to contribute more.

When it comes to food aid, the U.S. has more cereals available for export than the rest of the world combined.

So, right from the first, the World Food Conference puts a question to the U.S. government and its citizens: How far is America willing to go to extend food aid, knowing that the volume of exports may have a direct bearing on inflation and the price of food in the U.S.? The more food aid that is extended, the higher domestic food prices are likely to be.

Another question is also emerging as central to the conference discussions. Can the free market system survive in the international food area? Soaring prices freeze many Third World nations from that market and lately more and more people in aid work are saying that this calls for suspension of the free market system.

"The present situation should finally make it clear to all concerned that any purist concept of international free trade in food is dangerously outdated," says A. H. Boerma, secretary general of the FAO. "The poorer developing countries which are facing crop deficits and serious balance of payments difficulties cannot be left to compete in a free-for-all scramble for basic food supplies where cash is preferred to credit."

But if the price incentive is removed from the world food market, it could be the U.S. farmer who would pay for it. Two-thirds of American wheat, half its soybeans and a fifth of its corn are exported, along with an array of other agricultural products. One wonders, too, how world food prices can be controlled without price regulation of home markets. And questions certainly can be raised about the merits of tinkering with the free market system at a time when more, not less food is desired from those countries which practice free enterprise.

Ironically, the Soviet Union, which is a firm believer in state-controlled rather than market prices, is dragging its feet insofar as world food problems are concerned. It doesn't even belong to FAO. It will be at the conference but the non-cooperation it has displayed *vis a vis* the United States concerning the sharing of crop information certainly promises little for cooperation on a worldwide basis. Some American sources declare that a world food reserves program would be meaningless without Russian support.

Strong arguments admittedly can be mustered today for such a reserves program. Yet the objections by some U.S. officials are understandable, too. It costs money to store food. So who is to pay for this? And since the U.S. is far and away the largest producer, will it be expected to hold surpluses for the whole world, as it did for years through the 1950s, 1960s, and into the '70s?

There should be room for some sharing of this burden, though it is evident that the world must achieve surpluses before stocks can be replenished. This is likely to take several years, even with favorable weather. And then, of course, any food bank system raises more questions. Ample stocks in storage bins tend to drive down market prices. That's fine for consumers up to a point. But what about farm income?

THE ORR PROPOSAL

The world food authority idea has been around for a long time and has always been controversial. In 1946, Dr. John Orr, the Aberdeen, Scotland, physician who helped create FAO, proposed the establishment of a world food board. It would have held buffer stocks, controlled food prices in a range that would protect the interests of consumers and producers and would generally have regulated world food trade.

The idea died, to be revived futilely from time to time. But from discussions about it have come commodity agreements in wheat, sugar, cocoa, coffee, rice and tea. None have worked well, for consumers seldom agree with producers about prices. Moreover, buffer stocks are difficult to manage and managers seldom are prescient enough to forecast accurately the future consumption patterns when controlling their stocks.

Nevertheless, the idea of trying to stabilize markets through "dirigism" refuses to fade away. It is generally recognized in Rome that it probably would be impossible to build food reserves without commodity agreements affecting prices, too. So an intensive effort to sell commodity agreements may be anticipated.

One World Food Conference document says: "Stockholding for the purpose of market stabilization could form the basis of a new approach to international grains arrangements, including a new international wheat agreement, supported by more limited arrangements for rice and coarse grains. Such an agreement would be able to influence world prices through holding and regulation of stocks designed to maintain world prices in a given range."

It is evident that hard bargaining lies ahead before any such agreements may emerge. The situation won't be helped if Third World and Communist countries seek to lambast capitalistic nations as they did at the World Population Conference in Bucharest in August.

Fortunately, S. A. Marei, the secretary-general of the World Food Conference, seems to have little patience for ideological grandstanding. He is, for instance, seeking free enterprise corporate aid for conference problems along with help from nations of all political hues. Already an impressive list of about 150 of the world's top corporations have pledged cooperation, with FAO's Industry Cooperative Program serving as the bridge between the multinational corporations and the conference.

"It is interesting that the United Nations should call on business for help at this time," comments G. S. Bishop, chairman of Booker McConnell Ltd, a big British food company with broad international interests. "We feel we have something definite to offer. Often food troubles in developing countries are due to management shortages, not only in food production but processing, packaging, and transportation. And major corporations do want to help."

The conference's participants will be conditioned by some rather grim news when they arrive in Rome. This year, for the second time in three years, world production of cereals will show a decline. Meanwhile, of 97 developing countries checked in one survey, 61 showed a deficit in food supplies. Perhaps a more suitable name for the Rome meeting would have been the World Hunger Conference.

The Future of a Hungry World

(By Dan Morgan)

As the United Nations-sponsored World Food Conference opens in Rome tomorrow, the U.S. position on future food assistance to a hungry world is a model of bureaucratic caution. No increases in food giveaways are likely to be promised and an international effort to distribute food resources will be supported only if "other donors" put up their share.

Although the United States will call for more technical help to stimulate food production in developing nations and will promote efforts toward an international grain stockpile, the U.S. essentially goes into the conference without a plan for alleviating hunger caused by this year's food shortages.

The reason for the caution is that the huge stockpiles of surplus grain are gone and the United States is confronted by a situation in which American consumers and affluent foreigners have outbid the hungry nations for the limited supplies of U.S. food.

The recent government decision to require approval for all large sales of U.S. grain and soybeans abroad was an acknowledgement of the new and uncomfortable position in which the U.S. finds itself. In this case, the move enabled the government to allocate supplies among commercial buyers. But there is still no clear plan to set aside more than a nominal amount of food stuffs for needy nations which cannot afford to buy commodities at commercial prices. This is because the administration has not resolved all the moral dilemmas engendered by the limited supply of grain available.

The administration plainly assigns a very high priority to meeting the needs of cash-paying foreign customers. Recently, it lifted a temporary restriction and authorized the sale of 2.4 million tons of wheat and corn to the Soviet Union, valued at more than $400 million.

At the other end of the scale of administration priorities are countries which are seeking loans or donations to cover their 1974 food gap. For example, the administration has delayed action for months on a request by drought-striken Tanzania for a long-term, low-interest credit of several million dollars for buying U.S. wheat. Officials cite the shortage of commodities and the effort to cut federal spending.

The U.S. food assistance program is shrinking rapidly. The amount of food that the government has been giving away to needy people in 91 countries has become infinitesimal in comparison with what is produced. Earlier this year, the administration proposed a fiscal 1975 giveaway program of 647,000 tons of wheat and 442,000 tons of feed grains. That amount represents about half of one per cent of the 200 million tons of wheat, corn, barley, oats and sorghum that farmers will probably produce in 1974.

The annual budget for the giveaway program has dropped from $290 million in fiscal year 1973 to $174 million in fiscal year 1975 and the number of people being fed declined from 63.5 million to 45.6 million between fiscal years 1973 and 1974.

The last several years have also seen drastic changes in the size and nature of the program under which the U.S. government grants credits on easy terms to foreign governments to purchase American farm commodities to supplement local supplies. The volume of commodities shipped under that program has been plummeting, mainly because funds available have remained about the same while the prices of the foodstuffs have tripled. In 1972, the U.S. shipped more than nine million tons valued at $1.054 billion. This year, officials say, it is doubtful if the volume will exceed 3.5 million tons. Meanwhile, in fiscal 1974, 70 per cent of the loans under the program went to Indochina or other countries considered vital to U.S. security interests. This year, officials say, they plan to reduce this to 50 per cent.

Overall, last year, the U.S. share of international food assistance dropped below 50 per cent for the first time in years. Many poor countries are turning to the European Common Market for assistance instead of to the United States. At the same time, there has been no apparent easing of world food shortages and malnutrition. India is reported to be facing a 1974 food deficit of 5 to 10 million tons. Starvation is increasing in South Asia.

The juxtaposition of these facts causes consternation among Americans who have believed that the United States always responds generously to the needs of hungry people or that it subordinates commercial gain to humanitarian ideals. America was generous in the 1950s and 1960s. But the nature of the generosity was habitually misstated by U.S. politicians. As Agriculture Secretary Earl L. Butz has candidly said, the U.S. food aid program started as a "program to get rid of the stuff."

The programs did not require substantial sacrifices by Americans. They benefited taxpayers by relieving them of some of the costs of storing vast quantities of surplus grain produced by U.S. farmers under subsidies. Indirectly, the program kept other countries from trying to muscle in on potential U.S. agricultural markets of the future and, therefore, served the aims of U.S. foreign policy.

Today, the situation is entirely different. And the country is long overdue for a national debate on the question of whether Americans wish to undertake the responsibility for relieving world hunger on a massive scale.

Among the questions are these:

Should the United States adopt a national policy for food distribution and appoint a "food czar"? How does the United States choose, for instance, between Russian demands for grain to feed their livestock and the pleas of African nations for the same grain to feed their people? Does the United States have a right to limit food sales abroad when such a policy might reduce the amount of grain available in world markets and increase the price to poor nations? If the United States has an obligation to feed hungry Americans, does it not have a moral obligation to also help alleviate hunger elsewhere in the world? Or should the money being spent abroad be used instead to aid many low-income Americans who still have substandard diets? And finally, should the United States help populations whose own governments divert funds to military and nuclear programs, away from agricultural modernization and population control?

Most experts agree that the long-range answer is technical assistance to stimulate production. The administration's foreign aid bill now before Congress would increase the amount the U.S. spends on expanding food production and improving nutrition in poor countries.

Agriculture Secretary Earl L. Butz considers that such technical aid, combined with incentives to farmers, such as higher prices, is the only long-term answer to the hunger problem.

But can food aid be abandoned while these programs are taking effect? Over the years, developing nations became extremely dependent on food assistance. Between 1954 and 1969, free food or commodities received on easy credit terms accounted for more than 30 per cent of total food imports of developing countries.

It will take time for the poorer nations to reap the full benefits of new seeds, fertilizer, irrigation projects, and modern techniques. The U.S. and other rich countries interested in world stability have an obvious stake in making this transition from dependence to greater self-reliance a smooth one. The effort will be a major test of global interdependence.

HENRY J. NAVE'S VIEWS ON PRODUCTIVITY

Mr. MATHIAS. Mr. President, a problem which is at the very heart of our economic difficulties is that of productivity, and the struggle to remain competitive. Henry J. Nave, chairman of the board of Mack Trucks, Inc., has an excellent perspective on this crucial problem, not only from the viewpoint of a businessman, but in the context of our country's worldwide standing as a producer of goods. An editorial from Heavy Truck Transportation contains some of his strongly held views.

Not all Americans would agree with all of the suggestions that Mr. Nave has made. Some would request strong supporting evidence that every one of his proposals point in the right direction.

But the thing that is important is that Mr. Nave is producing positive and creative ideas. He is helping to start an important national debate which will help to arouse the American people and stir their genius to solve a national problem. For this alone, we owe him our thanks.

I ask unanimous consent that Mr. Nave's editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Mack's Henry J. Nave

Henry J. "Hank" Nave, who this month was named to succeed Zenon C. R. Hansen as chief executive officer, Mack Trucks, Inc., has been associated with the automotive industry for 38 years, and with the heavy duty truck industry for the latter 24. His career began in 1936, following graduation from Temple University, when he accepted a sales trainee position with the Firestone Tire & Rubber Company. In 1946, he became president and co-owner of the Acme Supply Company, an automotive parts and Firestone tire distributorship in Framingham, Massachusetts. He entered the heavy duty truck industry in 1950, when he joined the White Motor Company as service sales manager. He became president of the White Motor Company of Canada in 1954.

In 1958, Nave was appointed executive vice president of the White Truck Division, and was subsequently elevated to group vice president for all truck divisions of the White Motor Corporation. He was elected president and chief operating officer in 1970, and then was named temporary chief executive officer. He resigned from that organization to accept the presidency of Mack Trucks, Inc. on January 21, 1972. Subsequently named chief operating officer, he gradually assumed increased responsibilities at the top management level, with Mack's marketing, engineering, and operations divisions reporting directly to him. He was elected to the Board of Directors of The Signal Companies, Inc., in May of 1974; and then succeeded Zenon C. R. Hansen as chief executive officer, Mack Trucks, Inc., upon Hansen's retirement on July 31, 1974, assuming the title of chairman of the board and president.

HTT—One of the things we want to talk to you about today is productivity, in particular, and probably the most ambitious five-year program we've seen. Your projection is a definite 55-percent increase.

Nave—Yes, and we're sticking our neck out when we make such an estimate. In fact, it's rather unusual, but we feel that over five years it is an obtaintable goal. While we may not maintain the increase each year (when you're building a new plant, anything can happen) we believe that over a five-year span it's a realistic projection. In fact, when I look at the last two years and see a 68-percent increase, then 55-percent over the next five years looks quite probable. Now, as old Barnum said, ". . . you never educate a sucker," and that's why we don't talk too much about it, but on the other hand, Mack is very strong in the international field and I feel we can maintain that strength. We devote a lot of effort to it without damage to our domestic sales, as has been the case with some others.

Our international emphasis has been strong all along—in addition to rather than *instead* of domestic efforts.

It's very unusual to visit our building without seeing a foreign flag flying outside. We always fly the country's flag of the foreign representative that's here for the day. Over 65-percent of all the heavy duty diesel trucks shipped out of the United States last year were Mack trucks. Now that's a fine sounding figure and a "hell of a good one" but you must realize that the foreign market isn't that big to begin with, but nevertheless, we had a 65-percent chunk of it.

Back in the thirties we had a tremendous slice of the diesel market, primarily because we were the only ones in it. As the years progress, your percentage will drop, but the market increases, therefore the quantity also will increase. Here at Mack, the important thing is not just the percentage of the market, but the quantity sold. Our goal is to build more trucks every year and make a greater profit every year. If we can do that, regardless of a loss or gain in percentage of total market, then the percentage gain or loss is incidental. Granted, if you continue to lose your share, you could eventually go out of business, but as long as you're building more trucks each year, then the forecast is good.

HTT—Let's look at another aspect of the five year program. We notice that you expect an approximate 50-percent increase in Brockway production. We wondered if you had some secret plan for freeing up an additional 5,000 or 7,000 engines?

Nave.—The Brockway picture is an interesting one, and it's very important that you understand our philosophy on Brockway. This is an almost identical situation (albeit handled in a completely different way) to the one when my friends on the shore of Lake Erie a few years ago acquired Diamond T and then Reo which were later combined. As a member of the White Corporation at that time, I can honestly say this was against many of our philosophies and was done over the objections of many in the truck division. However, we were told we were prejudiced. The facts are these: You had a direct competitive situation. Both Diamond Reo and White were assembled vehicles. Neither made very many of their own components. Diamond Reo had their gas engine which was a real 'honker' and White made quite a few axles, but really a small percentage of the total. Picture a White dealer here, and a Diamond Reo dealer across the street . . . head-on competition. Nobody benefited but the customer. The customer could play one against the other, saying, 'You both have the same components, and White will give me this for this much, why won't you?" The philosophy at the top of the company was this: Diamond Reo doesn't have any service, and White's got the service, so sell the service. It doesn't take much imagination to picture what happened then. The customer would buy the truck at Diamond Reo and then bring it across the street for servicing at the White dealership. When the White dealer balked (and he did) the customer would call the president of the company and say, "You own both of them, so take care of my truck." Consequently, Diamond Reo was eventually sold.

This brings us to the parallel of today at Mack. Brockway is a completely assembled vehicle and competes with everybody else on that basis. They don't have any Mack components. We don't give Brockway anything but a Mack kit. No Mack distributor ever has to put up with a Brockway customer saying, "This is a Mack engine, a Mack transmission, or a Mack axle." Mack and Brockway are completely separate businesses. So when you say free up extra engines . . . this would not be us, but engines from Cummins or someone else.

As you may know, Cummins is spending a tremendous amount of money on expansion and has just purchased a plant in Jamestown, N.Y. In their recent presentation to our staff, and they're always on the pessimistic side, they indicated the "K" engine is coming along well, and the essence is they hope to have three engines in 1975 with a return to a competitive situation. There's no question, in my opinion, but that Brockway will be able to get more engines from Cummins.

Let me re-emphasize, Brockway is independent. If they become more aggressive in their engineering they could be the Kenworth and Peterbilt of the East. The whole western part of the United States is out there, but they haven't crossed the river yet. Our plan is to set up a parts distribution system such as we now have in Atlanta, Chicago, Toronto, and Hayward, California. Our feeling is that we could stock Brockway parts in those same warehouses (to a warehouseman, a part's a part and he doesn't care whose it is). So there's no reason why Brockway couldn't expand west of the river as soon as they get the product necessary.

HTT—Working with this new distribution system, would these warehouses directly service those truck stop outlets that you are setting up?

Nave—Now, when you say truck stop outlets, you confuse me a little because there is a National Association of Truck Stops. What you're referring to is perhaps the Mack service dealership.

HTT—Exactly, one that is also a truck stop.

Nave—It can be.

HTT—At this point in time, you've four or five hundred of them.

Nave—It's coincidental if it's a truck stop. When you say truck stop, I think of those big stops on the interstate highways. They're not the fellows we're concentrating on, but if they want to be a Mack service dealer and can qualify, then fine. Not too long ago we had very few service dealers. The only negative aspect of being a Mack customer was that the customer was "married" to Mack—he could not get parts in every crossroads town as with Ford or International. When I first came here, the first thing I said was, "Fellows, you're on the verge of one hell of a big truck market. A big expansion in the truck market, and I want to tell you that the parts business is going to follow this like night follows day . . . and if you're not set up for it, you're going to miss the boat completely. You'll miss it not only from a profitability standpoint but from future truck sales." It took a lot of effort to get this philosophy across, but now they've got it. We must expand our service distribution facilities; the potential is tremendous. We have an exceptionally fine service dealer contract which now allows our distributors and our branches to open up service facilities. With the contract, he can stock Mack parts and then service Mack customers. Our goal was 500 by the end of 1973 and although we didn't quite achieve it by year end, we've topped it now. We're talking about more than a name on a building—we want authentic service dealers. Now we're purifying that 500 plus figure—and facing the possibility of losing maybe even 75. But those we retain will be able to handle the job. Some of our distributors have opened two or more service dealerships—some distributors have opened subbranches. It's not important exactly how it's done, but the primary goal is to make these parts available to our customers and maintain high standards of service quality.

HTT—It has come to our attention that some of the new service dealers are pirating mechanics and/or foremen from Mack branches—the unusual thing is we hear Mack is not angry but almost encouraging in this situation.

Nave—My feeling is that the company should be the fountainhead of both material and experience. Losing experienced personnel to a competitor is one thing, but losing them to your own dealer is not really a loss. We should always have a backlog of people in training to replace those we 'lose.'

HTT—Due to your close association with the Signal Companies, how do you see the so called energy problem? Do you expect the 55 mph speed limit to be continued? Does not the success of the K-type engine hinge upon these energy problems?

Nave—Why do you say the K-type engine?

HTT—By that I mean engines of that size; if the speed limit is retained and weight laws do not increase, doesn't this preclude this necessity for a K-type engine?

Nave—One of the greatest wastes of productivity is due to maintaining old weight laws that are based on 1956 standards. Since we've reduced the speed limit to 55 mph there are all kinds of reserve power which with a few gearing changes could increase productivity substantially if the weight limitations were increased. Realistically, when we consider the fact that 80-percent of the goods in this country are moved by truck, I have great difficulty envisioning any sort of crisis that would shut down trucks which in turn would shut down our entire economy. As to the speed limitation, selfishly I can point out Mack saves about 13-percent fuel over its nearest competitor. The saving of lives with this reduction has had tremendous public acclaim and I don't think you'll see that phased out too quickly.

HTT—Which brings us back to the original question about the necessity for the 400-plus horsepower engine. In my home state of Illinois there's a movement not only to maintain current weight limitations, but to further reduce them. Public opinion is that highway resurfacing is necessary because of the trucks. What the press fails to point out is that it's not the weight but the number of units traveling these roads that necessitates continual repairs.

Nave—Just compare the congestion in the East with that of the West. We thought the West was too aggressive in asking for triples, because in Boston they haven't even accepted singles yet. Even if this passes Congress, it will still have to be approved by the individual states. When people hear triples and doubles, they think of triple 45-footers instead of 27-footers; they envision passing a Super Chief on the highway. But it could be the solution to some of the bottlenecks that now occur in the East.

I might just say we've been planning a bigger engine in the V series, however, because of these developments, we've postponed it from 1975 to 1976. At this time, the bigger engine is not that critical a necessity.

THE REALITIES OF DÉTENTE

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to print in the Record an article appearing in today's Washington Post by George F. Kennan.

Mr. Kennan is one of the best qualified observers of the world scene in this country.

I commend his article to the Members of the Senate:

There being no objection, the article was ordered to be printed in the Record, as follows:

The Realities of Détente

(By George F. Kennan)

Certain points have been reached in the recent public discussion of "detente" where a word might be usefully added from one whose involvement with Soviet-American relations now runs back for some 46 years.

(1) The fact that the process of detente has been accompanied neither by any marked liberalization of Soviet internal practices nor by any reconciliation of their stance with ours on the problems of third countries or areas, notably the Middle East, should surprise no one. The Soviet leaders cannot be expected to connive at what they see as efforts to destroy their regime, nor can they afford, in the light of Chinese competition, to appear to be dropping their ideological guard or abandoning their Leninist-Marxist principles. The fact that this is so constitutes, however, no adequate reason for failing to make the most of those areas where their interests and ours might coincide; and this, surely, is what not only this administration but its two most recent predecessors have been attempting to do.

(2) The recent passage of the trade bill by the Senate permits us to hope that the issue of most-favored nation treatment for imports from the Soviet Union, an issue of minor practical importance which was unfortunately permitted to become one of high symbolic significance, will soon be overcome. The road will be the open for a further development of what has already grown to be, for the first time since the Russian Revolution, a very considerable volume of Soviet-American trade.

This is, however, not the only problem involved. Dealings by American firms with a foreign governmental trade monopoly require constant scrutiny and a minimal degree of governmental regulation to assure that they do not proceed to the detriment of the national interest. Such is the fragmentation of authority within the Executive Branch that our government is today poorly constituted to meet this responsibility. The firms need and deserve a single authoritative center somewhere in the government where they can be told promptly and consistently what they can and cannot do in dealing with the Russians. This center should be located in the Department of State, as the agency with the widest and deepest responsibility for the conduct of our foreign relations. Once this requirement is met, the further expansion of Soviet-American trade is only greatly to be welcomed.

(3) It is of course disappointing that the SALT talks have not yet led to any appreciable reduction of nuclear arsenals. But the internal inhibitions that have thus far prevented their doing so are ones no less powerful on our side than on the other one. The failure to make greater progress should therefore not be held against the negotiators, who have probably made just about the best they could of the possibilities open to them.

It is important to recognize that what one is dealing with, in these talks, is not proper weapons, capable of rational and effective use in warfare, but grotesquely excessive quantities of devices scarcely less dangerous to potential users than to potential victims—devices that have, therefore, primarily psychological rather than practical significance. The talks, in other words, are concerned with appearances rather than realities; and it is the appearances which one is concerned, for good and sound reason, not to de-stabilize.

Seen from this standpoint, the ceiling established at Vladivostok represents a useful beginning, the value of which should not be underestimated. Meanwhile, the mere continuation of these discussions, from which both sides gain a more reliable and reassuring picture of each other's motives and calculations that could be obtained in any other way, is of highest importance. It is right that our government, in conducting these negotiations, should have the benefit of public discussion and criticism. It would be unfortunate if such criticism were to be destructive of the talks themselves, or discouraging to these—and not those on the American side alone—who have carried them forward over these recent years with such commendable patience and persistence.

(4) The Soviet leaders, in sponsoring and pursuing, have had their own internal detente, have had their own internal opposition to contend with and have taken a heavy political responsibility upon themselves. Most of those who have followed Soviet affairs closely in this recent period have been impressed, I believe, with the mounting evidence of the seriousness of their commitment.

These men are of course the heirs to the Marxist-Leninist ideology which lies at the origins of their system of power. The legitimacy of their rule depends on it. They cannot be realistically expected to deny or ignore it. This, together with certain internal practices which seem to have become habitual with them, will long continue to constitute limitations on the sort of understanding we can hope to reach with them.

But they are men who have come a long way from the sweeping cynicism and malevolence that marked the mentality of Joseph Stalin. They represent, moreover, an aging regime; and their priorities, like those of most older men, relate primarily to the development and preservation of what they have rather than to the incurring of great risks to acquire what they have not. We in the West will only be penalizing ourselves if we fail to recognize these circumstances and to make the most of them while they last.

There is no greater mistake we could make in our policy toward Russia than to assume that the Soviet leadership has no attractive alternatives to the continued effort to arrive at better relations with us, or that these alternatives, once adopted, would not be worse for us—and much worse—than what we face today. The predictable strains of the coming year upon ourselves and our European allies are such that we are going to need, and should value at full worth, the best possible background of relations with the Soviet Union, as a starting point.

To many people, the advantages of the present relationship may not seem large. But they represent the product of long and patient effort; and they rest, such as they are, on certain reassuring concepts of the motives and purposes of the other party which it has taken long to establish but which could be quickly shattered by confusing signals or abrupt changes in personality and behavior at either end. Once shattered, these concepts could not be easily restored. Let us make the most, therefore, of this situation while we have it, and above all not play fast and loose with it in our public debates. Discussion?—yes. Criticism?—by all means. But restraint, thoughtfulness and forebearance should be the order of the day.

JACKSON URGES FORD TO SIGN STRIP MINING BILL

Mr. JACKSON. Mr. President, on Monday, the Senate completed final congressional action on S. 425, the Surface Mining Control and Reclamation Act of 1974.

S. 425 is the product of 4 years of intensive work in both the Senate and House of Representatives. The Senate passed the bill by a vote of 82 to 8. The House of Representatives passed its amendment to S. 425 by a vote of 291 to 81. This overwhelming support reflects the feelings of the American people about the need for Federal legislation to regulate surface coal mining now.

Last week, administration spokesmen indicated that President Ford had decided to veto S. 425. Yesterday, I wrote to the President urging him to sign the bill. Among other things, I pledged to work with the administration to correct any problems which might arise in the implementation of the bill.

I understand that the White House has received a number of communications from coal producers asking the President to sign the bill. These companies recognize that the bill will not lock up coal reserves. They know that they can afford the cost of reclaiming surface mined land, but that they cannot afford the continuing uncertainty created by failure to resolve this surface mining issue. This situation is recogognized by outside observers as well. In an editorial today, the Wall Street Journal urged the President to sign S. 425 "not out of a misplaced sense of obligation, or because the ensuing 'veto-proof Congress' might produce an unreasonable piece of legislation, but simply on its existing merits."

Mr. President, I now understand that the White House is giving serious consideration to approving S. 425. I applaud their willingness to reconsider what I regard as an unwise preliminary decision.

I have been informed that the White House Press Secretary indicated earlier today that "congressional leaders" were showing sign of movement to amend the bill. This statement was presumably based on proposals made by representatives of the administration to the committee staff. I wish to make it clear that no deal has been or will be made.

If the President does sign the bill, I will fulfill my commitment to give very serious consideration to any amendments which the administration might suggest. If the President decides to veto the bill, I urge him to return it now so that the Congress will have an opportunity to override the veto. The administration must understand, however, that if the bill is pocket vetoed, I will work with Senate and House leaders for rapid enactment of a new strong bill in the 94th Congress.

I ask unanimous consent that a copy of my letter to the President and the Wall Street Journal editorial be printed in the Record.

There being no objection, the letter and the editorial were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Interior and
Insular Affairs,
Washington, D.C., December 17, 1974.

The President,
The White House,
Washington, D.C.

My Dear Mr. President: Yesterday the Senate completed final Congressional action on S. 425, the Surface Mining Control and Reclamation Act of 1974.

S. 425 is the product of four years of intensive work in both the Senate and House of Representatives. The Senate passed the bill by a vote of 82–8. The House of Representatives passed its amendment to S. 425 by a vote of 291–81. This overwhelming support reflects the feelings of the American people about the need for Federal legislation to regulate surface coal mining now.

On numerous occasions, including the recent amendments to the Clean Air Act, Congress has shown that it understands the need for careful tradeoffs between energy needs and environmental concerns. But Congress is not prepared to sacrifice legitimate environmental goals. I firmly believe that the bill now before you for approval achieves a balance between the need to protect the environment and the need to develop our coal reserves to meet our national energy needs.

Last week, Administration spokesmen indicated that you had decided to veto S. 425. I urge you to reconsider that decision.

The explanation given by Federal Energy Administrator Zarb of his recommendations to you reveals a serious lack of understanding of the Conference Report and of the intense national concern about the need for Federal regulation of surface coal mining.

Enactment of S. 425 will not cause serious coal production losses nor prevent a reduction in oil imports. It is misleading to talk about a diminution in production at present prices, much less those anticipated in the future, and it is even more misleading, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations (e.g. to areas which can be prudently mined) in estimating the impact of this bill. I was interested to note that Secretary of the Interior Morton and Environmental Protection Agency Administrator Train who have been working with Congress on surface mining legislation for four years did not agree with Mr. Zarb's recommendations.

Administrator Zarb also spoke of "ambiguous language" and fear of citizen suits. S. 425 is a long and complex measure which, like many other laws, undoubtedly will require modification in the future. By its own terms, it will not be fully implemented for two and one-half years. As Chairman of the Interior Committee, I pledge to work with the Administration to correct any unanticipated problems in implementation of the bill.

The coal industry can afford the cost of reclaiming strip mined land. What it cannot afford is the continuing uncertainty created by the failure to resolve this issue.

Industry has in the past fought strip mining bills far less stringent than the legislation before you today. The delay in enacting legislation, caused largely by industry's opposition, has brought the nature and scope of the strip mining problem more sharply into focus. The need for strong regulation of strip mining practices is more apparent—to more people—than ever before. The existence of an urgent need for coal will not forestall effective regulation of strip mining. In fact, I am certain that, if S. 425 does not become law, the 94th Congress will enact even stronger legislation early next year.

If you are determined to veto the bill, I urge you to follow the spirit of the Constitution and to return it immediately so that Congress will have an opportunity to override *the veto*. Whatever the outcome of such Congressional action, your return of the bill would provide a more reasoned basis for action in the 94th Congress.

With warmest regards,

Sincerely yours,

HENRY M. JACKSON,
Chairman.

THE STRIP MINING BILL

After several years of effort, Congress finally passed a bill regulating strip mining and reclaiming abandoned mined lands. But it may never become law, since President Ford has threatened to veto it. Even if he does not merely allow it to die by leaving it unsigned until Congress adjourns, it's unlikely that the House could override his veto.

The President's position is simply that additional coal is necessary for America's energy needs, all the more so if the administration goes ahead with plans to reduce oil imports next year by about 15%. There are trillions of tons of known coal reserves in the U.S., and the quickest and most efficient way to get at them is by strip mining those layers of coal just below the surface. Mr. Ford is persuaded that prohibitions in the strip mining bill would result in a reduction of current coal output by as much as 25%, and would increase utility bills that have already skyrocketed in many parts of the country.

It's impossible to calculate the precise effect the bill will have on coal production, but our own assessment is that it is unlikely to be anywhere near the administration's gloomy estimates. There is even good reason to doubt whether the regulations would result in any reduction at all. Moreover, independent cost estimates reveal that the bill's effect on utility bills would be slight indeed. The alternative to a workable bill setting national standards on strip mining, which already accounts for about 50% of current production, is to have continued uncertainties over costs and siting of projects and thus further delays in relieving the energy shortage.

There are shortcomings and ambiguities in the bill, as we noted previously. We're not at all persuaded that money is needed for training mineral engineers or scientists, much less the $2.5 million earmarked for that purpose. We question the initial $15 million for demonstration projects at mining and mineral resource institutes that will be established under the bill.

But on balance the bill strikes us as a realistic effort to balance environmental concerns and energy needs. It would require operators to restore mines to the approximate original contour of the land, eliminating vertical cuts in mountainsides, depressions and spoil piles. It would bar downslope dumping of spoil and mined materials in mountainous areas. It would reclaim lands previously stripped and abandoned through a $165 million fund raised from user fees of 35 cents per ton on surface mined coal and 25 cents per ton on coal mined underground. Finally, surface owners still would be required to give their consent before minerals can be mined beneath their lands.

This last provision caused considerable initial concern that it would encourage speculation. To discourage that possibility, profits would be limited to $100 an acre. And "surface owners" are defined as those who held title to the land, resided on the land or personally farmed or received a significant portion of income from farming the affected land.

By setting minimum standards, the bill removes much of the uncertainty from an industry that heretofore has had to contend with uneven degrees of regulation in 29 states. It will beef up ineffective regulations and prod states that had none at all to either adopt their own or conform to federal standards. And it will encourage the entire industry to give more thought to long-term planning to protect the land and watersheds, instead of leaving it to individual corporate decisions.

We reject the silly argument of some supporters of the bill that President Ford has a moral obligation to sign it since he is not an elected President. We think he should sign it, all right—not out of a misplaced sense of obligation, or because the ensuing "veto-proof Congress" might produce an unreasonable piece of legislation, but simply on its existing merits.

If he does sign, though, it will then be up to Congress and environmentalists to put aside frequently obstructionist ways and give greater attention to helping solve the problem of energy self-sufficiency. A clean environment is esthetically pleasing and a valuable national asset. But it doesn't heat homes, keep factories running or solve the nation's serious energy problems.

ICC HAS 1973 STATISTICAL DATA ON RAILROADS

Mr. METCALF. Mr. President, on October 17 I called attention to the improvement in data reporting by an independent regulatory commission, the Interstate Commerce Commission. I placed in the CONGRESSIONAL RECORD the Commission's release regarding the availability to the public of preliminary statistical data on railroads for calendar 1973.

Additional statistical data is now available at the ICC. It includes data on individual railroads.

I ask unanimous consent to have printed in the RECORD the ICC's November 8 press release on this subject, with the observation that the moribund old ICC is still compiling a better track record in getting out information than are some of its sister commissions.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

ADDITIONAL STATISTICAL DATA ON RAILROADS TO BE AVAILABLE TO THE PUBLIC ON MICROFILM

In addition to the summary tables of Part I, First Release, Transport Statistics in the United States, 1973—Railroads, previously issued on microfilm, there is now available to the public final summary data tables and individual statistics for all Class I Line Haul Railroads. The summary tables included are Nos. 158 through 166, which are abstracts of various statistical data by districts. Data for individual roads is from Section A–1 of Part I of Transport Statistics.

The data will be available on reels and microfiche. Copies may be obtained at reproduction cost by addressing a request in writing to:

James H. Bayne, Chief
Section of Reports
Bureau of Accounts, Room 6417
Interstate Commerce Commission
Washington, D.C. 20423

Please specify format desired—microfilm (reel) or microfiche copy.

A microfiche copy of the data will also be available for viewing in the Commission's Public Reference Room (Room 6114), 12th Street and Constitution Avenue NW., Washington, D.C. 20423.

Comparable data in printed form will be available through the Superintendent of Documents in about 120 days.

THE TRADE REFORM ACT

Mr. CURTIS. Mr. President, many fine statements have been made concerning the trade bill. I ask unanimous consent to have printed in the RECORD two articles by Robert F. Hurleigh which were delivered over the Mutual Broadcasting System on December 9 and December 10.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COMMENTARY BY ROBERT F. HURLEIGH, MUTUAL BROADCASTING SYSTEM, DECEMBER 9, 1974

One of the most important pieces of legislation to come before the Congress during this session is the Trade Reform Act, which garnered more publicity over the Soviet Union's Jewish emigration policies than any of the other authorizations and reforms contained in the measure. Now that Senator Jackson and Secretary Kissinger have effected a compromise on this volatile issue, one would suppose that a bill to enable the United States to participate in international negotiations to expand world trade would have no trouble moving through Congress to the President's desk. The Trade Bill is intended to expand U.S. exports, thus promoting the growth of the jobs in industry and agriculture, which should be applauded as another means of shortening the recession. The bill also provides American industry with the opportunity for more secure access to raw materials in foreign countries, which could assist in fighting inflation.

The very fact that the Trade Reform Act of 1974 is predicated on the idea of international economic cooperation should be enough to win immediate passage in the Senate, as it has in the House. Although Senator Jackson appears satisfied with the promise Secretary Kissinger has obtained from Moscow on the Soviet's policy on Jewish emigration, some Members apparently want the exact terms of the new policy spelled out, while other Members are fretting under the pressures of some segments of the AFL–CIO, which opposes the bill. President George Meany questions the bill as possibly opening this country to a flood of cheap foreign goods and the loss of jobs in industries so affected. No one could possibly disagree with George Meany's often repeated warnings on the Soviet's use of slave labor in its detention camps, as most recently documented by Alexander Solzhenitsyn, but known and reported by other respected authors for years and years.

This is the way it is, and we need not like it, but as the President of the International Longshoremen's union, Thomas W. Gleason has put it in a telegram to members of Congress, "We are aware of the controversy regarding details of the legislation and of concern with the internal policies of the Soviet Union, whose trade with the United States would increase under terms of the measure. Still, we appear for enactment of the bill because it will be beneficial to the people of the United States and ultimately it will aid those people in other countries seeking our help. The bill may not be perfect, but it is needed and it is needed now by all American workers.

So goes the world today.

COMMENTARY BY ROBERT F. HURLEIGH, MUTUAL BROADCASTING SYSTEM, DECEMBER 10, 1974

There's certainly no doubt that the twin plagues of recession and inflation are "bread and butter" issues—and there's certainly no doubt that the Administration and Congress are deeply concerned with these problems. And yet, one of the most important of these "bread and butter" issues, the Trade Reform Act, has been kicked around in the Congress for two years, and now—having passed the House—is considered by some observers to be in danger of being defeated in the Senate—or equally as bad—not acted upon during this session.

Two-way trade for America adds up to many jobs for workers in all parts of the country, from the farmer to the machinist to stevedores, and the fact that some segments of labor oppose the trade bill should not be taken as an indication that *all* labor is actively pressing those members of the Senate who are considered "labor oriented" to vote against the bill. It is true that the AFL–CIO is opposed to the bill because it fears that some segments of labor will be injured, and the Federation is anxious to protect each of its affiliated unions, and suffers with each International Union if membership is lost through unemployment in industry. But, as we reported yesterday, the International President of the Longshoremen's Union with jurisdiction over the east and gulf coast ports has strongly urged the Senate to pass the trade bill in the national interest of the entire country because the benefits will be universal. And Thomas W. Gleason, the Longshoremen's president—you will recall—has never been in the cheering section for the Soviet Union! No! Mr. Gleason need not take a back seat to anyone as an anti-Communist, which is another factor, however small, in the AFL–CIO opposition to the bill.

As the members of the Senate should recognize, the trade bill now before them is vitally important to the economic well-being of millions of workers with jobs related to foreign trade, and the national economy generally. The purpose of the trade bill is simply to give the Administration the authority to work out new international trade rules and to make agreements for American access to scarce foreign raw materials. The bill includes reforms in our own import laws to provide workers and producers alike with more effective relief in event there is injury due to unfair foreign practices in export. At this moment of economic crisis in the world, the assumption should be that any law to increase jobs in this country and to assist our lagging economy would never be treated as a political football.

So goes the world today.

CHALLENGES TO OUR UNIVERSITIES THROUGH THE YEAR 2000

Mr. HARTKE. Mr. President, I introduced legislation last September which addressed itself to the problems facing American educators between now, the year 2000, and the 21st century. My bill addressed itself to the many complexities facing those who desire to further their education beyond high school.

Recently, the Educational Record published an article by Dr. Albert Sabin entitled "Challenges to Universities Through the Year 2000."

My legislation contemplates the educational circumstances that our nation will face for the rest of the 20th century. Dr. Sabin notes in his article that:

> If one were to ask presidents of American universities what they regarded as the most important challenge to their institutions in the remaining years of the 20th century, the majority would probably answer "survival" in the sense of preventing the disintegration of the quality of their institutions in the face of decreasing income, increasing costs, and increasing numbers of students.

The tax credit with alternate refund proposal contained in my legislation would alleviate the financial challenge facing our educators, students and parents of students. They would then be able to address themselves to the more esoteric challenge raised by Dr. Sabin.

Dr. Sabin points out that the challenge facing American educators is:

> Whether we can find ways to use the tremendous store of knowledge already available plus that which is in our power to acquire to create a life and a world better by far than any we have yet known. . . .

I believe Dr. Sabin's challenge to be more than interesting. It is a clear signal to the educated world that knowledge, if properly shared, can be used to alleviate the problems facing the many thousands of millions of people who survive from day to day. Conditions could be better if resources were shared.

My legislation when enacted will provide the necessary financial impetus needed to bring individuals to the university community. The learning and knowledge they acquire will lend itself to the challenges of the world. I would answer Dr. Sabin by saying that the people and desires are available. But without the capital resources necessary to provide the educational learning required, the individuals are unable to pursue the challenges he ably addresses.

Mr. President, I ask unanimous consent that the article by Dr. Albert Sabin which appeared in the Educational Record (Vol. 55) entitled "Challenges to Universities Through Year 2000" be printed in the RECORD.

There being no objection, the aritcle was ordered to be printed in the RECORD, as follows:

CHALLENGES TO UNIVERSITIES THROUGH YEAR 2000

(By Albert B. Sabin, M.D.)

"American colleges and universities are challenged today by problems resulting from decreasing income, increasing costs, and growing numbers of students." But, the author believes, higher education institutions must grapple with the even more fundamental challenge of an economically and educationally unbalanced world. How to fulfill this task is the focus of Dr. Sabin's essay.

If one were to ask presidents of American universities what they regarded as the most important challenge to their institutions in the remaining years of the twentieth century, the majority would probably answer "survival" in the sense of preventing the disintegration of the quality of their institutions in the face of decreasing income, increasing costs, and increasing numbers of students. They may very well add, "Never mind the end of this century; it is the next few years that worry us."

I do not wish to minimize the importance of this and other equally pressing immediate challenges. But a much more fundamental challenge confronts universities today—that of redefining the functions, responsibilities, and *modus operandi* of institutions of higher learning in light of the critical problems that will beset this country and the world during the next several decades. If problems are not anticipated and if appropriate action is not taken long before they reach crisis levels, we must be prepared to suffer the chaos that follows. My thesis is that future plans for universities and affluent countries such as the United States cannot be made without reference to the problems facing the world.

I speak in terms of the remaining years in this century because I believe, as many do, that the fate of the relatively affluent and the poverty-stricken, economically undeveloped regions of the world may very well be decided during this critical period. The affluent countries will not be able to isolate themselves from the other nations. Abraham Lincoln said over 100 years ago that America could not long survive half slave and half free. Today there is sufficient justification for saying that the world cannot long survive one-third relatively affluent and two-thirds on a collision course with catastrophe.

The challenge to all concerned world citizens—not just the universities—is whether we can find ways to use the tremendous store of knowledge already available plus that which is in our power to acquire to create a life and a world better by far than any we have yet known, or whether we shall in due time descend to a level of barbarism unequaled in human history.

The history of human civilization is to me a history of increasing cooperation among ever larger units of human society to achieve those survival values which can be realized only through cooperative effort. And yet, with full appreciation of the reality and immensity of the difficulties, the present national and world leaderships seem to be bogged down in the ruts of "business as usual" in dealing with totally new problems that require totally new national and international approaches.

SELF-FULFILLMENT

In the affluent, highly industrialized countries, the challenge is to provide the opportunities for a life of self-fulfillment and dignity for an ever larger number of people. We must never forget that the present well-being of the majority could be eroded by a continuing increase in the misery and unfulfilled expectations of a minority. In highly specialized, advanced societies, the pattern of a better life can be achieved solely through the efforts of increasingly more people with special skills acquired by hard work in institutions of higher learning. We must be especially careful, therefore, not to create a society in which only an intellectual elite and the indispensable professional specialists will be endowed with dignity and the gratification of self-fulfillment. There will *always be* many millions who will not be inclined to study and yet will serve society in innumerable ways by their toil. The world was not made for the elite, although the world would be a poor place without the talented, competent, creative, and hard-working individuals who constitute the real chosen people, or elite who, I would say, achieve their greatest self-fulfillment when they serve the world.

Now over two billion people populate the economically and educationally underdeveloped areas of the world where there is very little progress toward fulfillment of those needs that would bring them at least some hope for a better life. This large number of people now living in misery and despair will increase two or three times in the next 26 years, because the rate of population growth is greatest among the poorest nations whose economic development cannot, under present conditions, improve significantly without *outside help*.

A capacity for help exists among the people in the educationally and economically developed nations to make cooperation with the hundreds of millions of poverty-stricken and hopeless people in the world the major goal of humanity now. This cooperation must be a worldwide effort involving both the capitalist and communist countries, and it must be on a new, unprecedentedly large scale.

CHALLENGES TO UNIVERSITIES

It is in this context of cooperation that I group the really important challenges to universities in the relatively affluent nations.

The first challenge is the transformation of the universities into real institutions of higher learning and transfer of the responsibility for providing a broad liberal education to the secondary schools. Four years of undergraduate study in the university should be neither the time nor the place for a broad liberal education. Rather, a liberal education should be provided to all people in the high schools. We have been underestimating for too long what young people 14 to 18 years old can absorb provided they are not burdened with myriad unnecessary and boring details and are instead presented a *curriculum* that makes the learning process the exciting experience it ought to be.

SELF-PRESERVATION AND JUSTICE

One of the most important objectives of a liberal education is to provide human beings with some perspective of what is currently known about the universe and the planet we share with an almost infinite variety of living things, about the miracle that is life, and about the story of man's struggles toward a more civilized existence—the process of working together to improve the quality of life for greater numbers of people and the acceptance of the principle that mutual help is the foundation of both self-preservation and justice. A liberal education should provide an insight into the evolution of all religions as a basis for greater tolerance and so we can know how different peoples have been searching for an understanding of the mystery of creation and trying to develop ethical and moral guidelines.

A liberal education must illuminate riches of human artistic expression in painting, sculpture, architecture, and music. It should also illuminate the nature of matter and of life—up to the threshold of current scientific exploration—and the extent to which scientific research and the technologies resulting from it have affected the world's population. We can no longer afford the luxury of teaching in high school the science of 50 years ago only to bring young people into college where they start all over again. High school students can understand present-day science. This understanding should be as much a part of the culture totality of a person as is an understanding of the contribution of the humanities, philosophy, art, and music. We cannot live intelligently in the present world, which survives on the discoveries of science and technology, without realizing how this knowledge gives not only a greater appreciation of everything around us, but also a basis for building a better world.

IMMUNIZING THE SPIRIT

A liberal education must provide knowledge about ourselves and the world we live in and must also enrich and broaden the spirit of the large masses of people. We must never forget that the most inhuman acts of the twentieth century, if not all history, were committed by the Nazis who constituted the government of a nation with the highest level of formal, artistic, philosophic, scientific, and technical education in the world. While some people believe that this horrible episode in human history should be forgotten as a bad dream, I believe that it must not be forgotten. The same thing could happen again among other nations unless we "immunize" the spirit of the world's population against acquiescence in such barbarism by *appropriate* humanistic education during the early years of life.

The second challenge is the reorganization of the curricula and activities of the universities to permit greater involvement of both the faculty and students in the identification of those problems in their communities, states, regions, nations, and the world whose solution requires specialized knowledge and concerted action between those who have knowledge and know how to acquire it and those who need that knowledge. Such activities would, of course, be part of the job that must be the main business of higher learning institutions—training a multitude of expert professionals and scholars, as well as discovering new knowledge in the humanities and sciences, which is totally unrelated to any human need other than the urge to know more about the universe of which we are a part.

PUBLIC SERVICE

Reserving the universities for *higher* education and for public service in transforming knowledge into action includes several functions:

a) The development of the leaders, the teachers, the professors, the scholars, the scientists, and the tremendous variety of highly specialized and skilled professional people—engineers, architects, physicians, dentists, nurses, administrators, managers—so urgently needed for our present and future way of life.

b) The discovery of the new understanding and new knowledge on which our future depends.

c) The dispassionate analysis of the problems facing communities, states, and nations. This analysis should be *interdisciplinary* within individual universities and among institutions when required. The goal of such analysis should be the development of various options for solving the problems with existing knowledge or yet to be acquired knowledge in concert with the people in the communities and nations who ultimately have to translate knowledge and decisions into action.

In a highly complex society few things happen by themselves. Thoughtful planning and coordination of activities is a prerequisite for the successful functioning of any highly developed organism. If our universities were to work with the other segments of society, we would not be suffering from what some experts regard as a current overproduction of highly specialized, talented people. Rather, we would be reversing what I regard as a tragic underutilization of such people because of insufficient and inadequate planning for meeting the urgent needs of both the present and the future. Two years ago, Richard A. Cellarius and John Platt carefully itemized a tremendous number of pressing problems and indicated how coordinating councils could focus and legitimize research on solutions of major crises.[1] Their concrete proposals could well be the starting point of long overdue action.

The third challenge is the development of universities in the service of those countries whose educational and economic underdevelopment poses the greatest threat not only to the deprived and despairing people who live there, but also to the rest of the world.

UNITING THE NATIONS

The role for universities in the economically developed nations in any cooperative international program to advance the economically undeveloped countries would be to meet the need that would arise for large armies of trained manpower *if* the nations of the world could unite to achieve this most important goal. Money without the necessary trained manpower of teachers, agronomists, engineers, technologists, managers of industry and other enterprises, and many other specialists is not enough to improve the status of developing countries.

The existing universities in the United States and in other educationally advanced countries would be unable to meet the manpower need, and new institutions would have to be created to fulfill this greatest challenge of the remaining years of this century. The universities can perhaps begin to plan on their own, but it would be an exercise in *vacuo* and in futility unless the nations of the world united to develop practical, cooperative plans to utilize properly such trained manpower. The communist and capitalist countries will have to combine against what may be regarded as their common enemy—the growing misery and despair of ever larger numbers of people throughout the world—instead of fighting each other. If the nations can unite to meet this common threat, the universities will have to raise new armies for a new kind of United Nations whose main purpose will be to provide dignity and hope for a new and better life to the hundreds of millions of people in the world who find it impossible to help themselves. The time for talk has long since passed and the time for action is now.

If these challenges are not to be taken as just one more fervent declaration to be followed by little or no significant action, who must act to meet them? In the United States, the responsibility for action belongs to the elected representatives of the people in the legislative and the executive branches of government. The universities, *united* in a dedication that can inspire their students and faculties, have the responsibility not only of continuously prodding the elected representatives to action but also of working with them in a disciplined manner to develop and implement the plans for a better future than we now have reason to expect.

WHERE DOES THE FOOD DOLLAR GO?

Mr. CHURCH. Mr. President, I think it is time that we started calling attention in this country to the facts behind the cost of food.

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[1] "Councils of Urgent Action," *Science*, 25 August 1972, pp. 670–76.

An appropriate place to start is the high cost of packaging. Bill Whittom of the Idaho Farm Bureau recently pointed out, for example, that out of every dollar spent for food, 7 to 12 cents goes for packaging and labeling.

Whittom noted:

> Consumers are surprised to learn that, in some cases, the cost of the container is more than the farmer gets for producing the food inside.

Mr. Whittom's comments were brought to light in an editorial in the Post Register in Idaho Falls, which concluded:

> We need to get back to the simple fundamentals—for our resources, our out-of-sight inflation, and our own durability.

To which I say, amen.

Mr. President, I ask unanimous consent that the editorial from the November 26 issue of the Post-Register be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Post (Idaho Falls) Register, Nov. 26, 1974]

Editorial

W. F. (Bill) Whittom, director of information for the Idaho Farm Bureau Federation, made a significant point recently when he noted that "out of every dollar spent by the average U.S. consumer for food, 7 to 12 cents goes for packaging and labeling."

"Consumers," Whittom commented, "are surprised to learn that, in some cases the cost of the container is more than the farmer gets for producing the food inside."

With increased costs of labor and materials, packaging and labeling has become the third largest item of cost in the consumer food bill. A move to standardize, simplify and reduce the costs of packaging (as well as the sheer waste of paper and plastic and time) would seem a step in the right direction, Whittom quite correctly emphasized.

The plain brown wrapper wasn't too bad. But, even this, we suspect, should give away to permanent shopping bags which consumers bring to the store—just like they have done for many years in Europe. Why put everything in a sack, to begin with? They are mostly thrown away—another indictment of our throw-away American society.

We need to get back to the simple fundamentals—for our resources, our out-of-sight inflation, and our own durability.

NEW APPROACHES TO ECONOMIC EDUCATION

Mr. BROCK. Mr. President, new approaches to economic education have been recently described in an article written by Richard A. Riley, president of Firestone Tire and Rubber Co. His description of the educational tools Firestone is using is both enlightening and encouraging. I am hopeful that others will find these approaches to be of some use in describing how our economic system operates.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Approaches to Economic Education

(By Richard A. Riley)

The Firestone Tire & Rubber Company, a $3 billion plus corporation with headquarters in Akron, Ohio, has a continuing program of economic education for the public at large in communities where it has plants and for its 61,000 domestic employes.

The program is aimed at overcoming one of the serious threats to the health of our nation's business community and the free market system under which it operates—the appalling lack of correct information—and the alarming amount of misinformation—about our companies and how they function.

The general public's present low regard for business is at least partly based on this information shortage and misinformation surplus. Firestone's activity is directed toward bringing this economic understanding that should exist between business as such and the rest of the world to which it relates into a better balance by building bridges of economic understanding for employes, students, educators and opinion leaders.

Recently Firestone announced a grant of $125,000 to establish a chair of economic education at the University of Akron. The objective of the grant is to develop a program to improve understanding of the American economic system among students, educators and the public at large. This program will aim at increasing economic knowledge throughout the education system, starting at the elementary level. The company believes proper and effective economic education must begin with children.

We believe it is important to the national well-being that people understand the interlocking relationship between profits and jobs as well as the link between industry-developed technology and a high standard of living.

Through utilization of people from business and industry and the development of new concepts, materials, teaching strategies and improved communicating techniques, Firestone hopes the University of Akron program will reach some 100,000 students and teachers at elementary, secondary and university levels in the Akron area alone. The longer range plan for the program envisions development of curricular materials for distribution nationally.

"Community-wide support of the program is manifest in the number of top Akron business and civic leaders who have volunteered to serve on the advisory and other committees," according to Mario DiFederico, an executive vice president of the company and a member of the executive and advisory committees of the university's Center for Economic Education. "Forty-two individuals and companies have made financial contributions to date in support of the program and others have indicated their desire to participate."

The carefully structured and highly practical work of the center will supplement a variety of other on-going activities traditionally a part of Firestone's philosophy of business education at its headquarters and in 43 cities throughout the United States where its manufacturing plants are located.

Student groups are welcome at the company's major plants and the company strongly encourages employes to take part in and sponsor business-education programs under its corporate-wide plant community relations program.

At its corporate headquarters and in plants throughout the country, Firestone employes are active as advisers in Junior Achievement where young people learn what business is all about by running one and get to understand the economic facts of life by direct experience.

Among the educational aids offered free of charge to school systems are booklets, slide presentations and films designed for use at the elementary, junior and senior high school levels. Through the company's "University Speakers Bureau," experts in 19 different fields, including such major areas of interest as finance, engineering, law, communications, research and product development, are available for seminars or special talks at colleges.

Firestone is a sponsor of "Screen News Digest" in a number of its major plant locations. Screen News Digest is a filmed documentary which brings to the classroom each month at the junior and senior high school levels an in-depth analysis of some outstanding current event of significance to the country and the world.

In a company-wide effort to better acquaint its employes with the economic facts of life, all of Firestone's domestic plants are holding day-long seminars for their employes in small groups of 10 to 15 persons each to give them a complete over-view of what the company is and how it operates. Also covered are the basic economic principles of the free market system.

The plant manager spends 90 minutes with each group at the end of the day answering questions, listening to complaints and correcting misinformation or misunderstandings which may have surfaced during the open discussions. Matters requiring further information or corrective action are taken care of—and often by the plant manager himself.

Complimenting this group economic education are periodic mailings of "Business and Economic Facts of Life" from Chairman Raymond C. Firestone to the company's 61,000 domestic employes. These reports set forth in a simple way basic information about such joint concerns as productivity, profits, taxes and prices.

For the past two years, the company has issued a special annual report for employes. This is in addition to the formal annual report sent to stockholders, including the more than 10,000 employees who are also stockholders through participation in the company's stock purchase and savings program.

In 1972, the employe report was keyed to a Firestone family studying the results of the company's financial operations for that year. Last year it was a comprehensive but simplified accounting of what happened to the Firestone sales dollar in 1973.

To reach the opinion leaders in its plant communities, Firestone plant managers periodically mail to 8000 civic and government officials, educators, ministers and heads of organizations some of the more appropriate employe communications materials as well as executive speeches on matters related to business, the enterprise system and economic education.

One such talk, "Economic Beliefs and National Progress," elicited 15,000 requests for additional copies from individuals and organizations including the heads of small businesses and a state school system.

As Chairman Firestone said in a talk to community and business leaders attending a company-sponsored civic luncheon in one of the company's plant cities: "Something has to be done about the problem (the general lack of understanding of business) and we must begin now."

What Firestone does is to pursue with vigor its internal and external programs to make people more knowledgeable about business, more appreciative of its benefits and more understanding of the overall role of corporate enterprise in sustaining our economic system for the benefit of all.

A VISIT TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. FULBRIGHT. Mr. President, in September of this year I had the good fortune to lead a delegation of distinguished Members of the Senate and House on a visit to the People's Republic of China. The deputy leader was Representative Peter H. B. Frelinghuysen, and the other members of the delegation were: Representative CLEMENT J. ZABLOCKI, Representative WILLIAM S. BROOMFIELD, Senator HIRAM L. FONG, Senator HUBERT H. HUMPHREY, Representative BARBARA C. JORDAN.

We were treated with the utmost courtesy and consideration. The facilities put at our disposal were excellent, and the entire trip was extremely well-organized. I believe all members of the delegation were deeply impressed by what they saw in China, and I am sure have a sympathetic attitude toward the people and their sense of purpose and the tremendous dedication and energy which they are devoting to the accomplishment of their purposes. This was an educational trip in the best sense of that word.

I ask unanimous consent that our report on that visit be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A VISIT TO THE PEOPLE'S REPUBLIC OF CHINA

At the invitation of the Chinese People's Institute of Foreign Affairs, our delegation visited the People's Republic of China (PRC) from September 2 to 14, 1974. This was the sixth such trip since 1972 by American officials other than members of the Executive Branch

We spent our first four days in Peking, where we held nearly five hours of free and frank off-the-record discussions with Vice Premier and Politburo member Teng Hsiao-ping, Vice Foreign Minister and Central Committee member Chiao Kuan-hua, and other officials. We also enjoyed the hospitality of Ambassador and Mrs. David Bruce at the United States Liaison Office, including a reception at which we met a number of American businessmen and the members of the American plant studies delegation to the PRC led by Dr. Sterling Wortman.

Subsequently we visited the Tachai Production Brigade in Shansi Province, where we met with the Brigade's former leader, Politburo member Chen Yung-kuei. After an overnight stay in Taiyuan, the Shansi provincial capital, we spent two days in Hunan Province visiting Changsha, the provisional capital, and Shaoshan, Chairman Mao's birthplace. Next came two days each in scenic Hangchow, the capital of Chekiang Province, and finally in the industrial city of Shanghai, where we had earlier stopped only briefly enroute to Peking from the United States.

In Shanghai, we continued substantive discussion of the kind we had had in Peking, and on the same off-the-record basis, with Central Committee member and Shanghai Municipal Revolutionary Committee Vice Chairman Hsu Ching-hsien, who at age 40 is one of the younger generation of national leaders.

Other than foreign affairs—the main topic of our talks in Peking and Shanghai, our delegation's predominant interest was in the agriculture of this vast country, some 80 percent of whose people are engaged in agricultural pursuits. For the time available, the itinerary arranged by our hosts met this interest very well, enabling us to observe in some detail representative farming conditions and methods in the relatively arid north and the climatically more favored south. We also visited a number of facilities in such fields as education, culture, medicine, commerce, and industry and several sites of historic, art and archeological interest.

The hospitality accorded us throughout the visit was unfailingly warm and gracious. Ours was the fifth Congressional delegation to visit China since our Government initiated efforts to normalize US-PRC relations. There had been two delegations in 1972, those led by Sentors Mike Mansfield and Hugh Scott in April and by Representatives Hale Boggs and Gerald Ford in June. A delegation led by Senator Warren Magnuson and Representative Thomas Morgan visited China in July of 1973, and Senator Henry M. Jackson went there in July of this year.

We can, however, claim one distinction. Although agreed to in principle during Secretary Kissinger's trip to Peking in November 1973 as one of the people-to-people cultural exchanges in 1974 facilitated by the two Governments under the terms of the Shanghai Communique, ours was the first visit to China by a Congressional delegation since President Ford's assumption of office. As such we saw our visit, and we believe the Chinese saw it, as a timely expression of the continuity in American foreign policy, and in particular of the continuing bipartisan Congressional support for the improvement of US-PRC relations on the basis of the Shanghai Communique.

But the Chinese leaders with whom we talked will have had no difficulty in perceiving that we, like earlier Congressional delegations, had come to China as individual legislators, and not as spokesmen for the Administration or for the Congress, or for our respective parties. Our questions and our comments were our own, arising from our legislative responsibilities but reflecting the diversity of interests and opinion within our ranks. The views given to us by Chinese leaders in our off-the-record discussions were, on the other hand, both authoritative and—to the extent we raised the same questions with different leaders—uniform. Since our return, we have conveyed these views, and some of our own, to President Ford and Secretary Kissinger. At the request of Vice Premier Teng, we also conveyed to both the President and the Secretary the regards of Chairman Mao and Premier Chou.

The visit bore home to us two of the salient points in the Shanghai Communique in a way that no amount of reading, or taking of testimony, could do: that "there are essential differences between China and the United States in their social systems and foreign policies"; but also that "the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world." Our visit was part, if only a small part, of the process of normalization; the results can be counted as having helped in some degree to broaden mutual understanding of the very real common interests Americans and the Chinese share, and of the very real differences which remain between us.

We will forgo relating in detail impressions and conclusions which for the most part are very like the ones to be found in the accounts of earlier Congressional delegations, not to mention material published or broadcast by many among the more than eight thousand private Americans estimated to have visited the PRC since 1972. Some further general observations of this particular group of travellers in China may be of interest, however.

We came away with the strengthened belief that the process of normalization of US-PRC relations is seen in the PRC to be on course, notwithstanding the well-advertised view there that our official relationship with Taiwan is an obstacle to normalization. Our delegation gained no insight that is new to our Government on how, concretely, the Taiwan issue might be dealt with, and we will not in this report propound any views on the subject. But we are among those who maintain that this issue, important though it is to both sides, should be viewed not in isolation, but in the much larger framework of basic interests that have brought the US and PRC into their new, constructive—and from all available portents enduring—relationship. And it appears to us that Peking's standpoint on Taiwan, while principled and firm, is also not without understanding and patience

We were impressed by the predominantly inward orientation of the Chinese people and their leaders. This needs to be put in some perspective, for to be sure, they are fully conscious of the world out there, and indeed now have it categorized into Three Worlds: the superpowers (the Soviet Union and the United States), other industrial nations occupying an intermediate position, and the Third World—of which China, as a developing country, considers itself a member. The President of Togo and the President of Nigeria made state visits to China during the two weeks we were there, and the all-out effort to give them a warmly fraternal welcome demonstrated the high priority China attaches to cultivating close ties with Third World countries. There are few major international issues on which the PRC has not publicized a stand consistent with its world view and in particular with its Third World orientation, and whenever feasible it votes accordingly in the United Nations. Still, Peking appears to have a rather modest view of its own ability to influence the course of international affairs; and in any event little desire to go beyond having its positions on record. At that, one need not be a dialectical materialist to discern contradictions in a number of the Chinese positions bearing on the Third World and the world at large. Perhaps the outstanding example just now is Peking's support for the oil-pricing policies of the OPEC countries, policies which have had their most ruinous effect thus far on the ability of other Third World countries to pay for desperately needed imports of petroleum and petroleum-based chemical fertilizer. The Chinese of course did not create this problem, and they are in no position to solve it. Their stand is not helpful, but neither is it any real impediment to a solution.

Over the long term, however, we fail to see how many salient problems of this ever more interdependent globe can be solved except by cooperative efforts that engage more fully the energies and talents of a nation representing about 22 percent of the world's people.

But these energies and talents are mainly absorbed, and in our view likely will be for a good many years to come, in the enormous task of China's own development. The Chinese take great and justifiable pride in their country's economic and social achievements in the 25 years since the founding of the new order, but they also point out that much remains to be done.

And they point to self-reliance as the basic means. This principle, self-reliance, is central to China's developmental effort and to its defense policy. Moreover, its counsel to other developing countries, including those to which it extends economic aid, and to foreign revolutionary movements, appears to be that they too should be self-reliant.

Of all the sayings of Chairman Mao, none is more universally in evidence throughout the country than "In industry, learn from Taching; in agriculture learn from Tachai." This refers to the Taching oilfield in Manchuria and the Tachai Production Brigade, which we visited, in Shansi Province. In both cases, the message is that local initiative, ingenuity and plain hard work can and must largely take the place of reliance on national investment in developing China's resources.

Our observations on the agricultural front—and, more importantly, the extensive observations of the delegation of American plant scientists we met in Peking—suggest that China is well on the way to achieving stable self-sufficiently in food, although the American scientists seem to have been no more successful than we in obtaining detailed statistics. One other significant qualification is the American scientists' finding, reported on their return home, that, owing to the impact of political-ideological movements on educational and research institutions, China has produced few highly trained agricultural scientists in recent years, and that this situation if prolonged could seriously retard agricultural progress over the next few decades. Both they and we found, however, a number of food-raising techniques that might be adopted for use in other developing countries. And we have learned with particular pleasure that the American scientists and their Chinese colleagues exchanged a wide variety of seeds and made plans for further exchanges, for such exchanges offer both countries an important means of developing improved plants.

The Chinese have placed the greatest emphasis thus far on labor-intensive methods of increasing crop yields, supplemented with industrial inputs as these become available, and complemented by a national program in support of family planning. Although China's total land surface is slightly larger than that of the United States, rather less than 15 percent is arable, and most of that is already under intensive cultivation. Thus, it would seem that further increases in food production will depend increasingly on greater use of chemical fertilizer. In this regard China is fortunate in having abundant petroleum.

The self-reliance policy, which we also saw emphasized in small industrial enterprises and at the Shanghai Industrial Exhibition, would appear, however, not to exclude imports of advanced foreign technology and equipment useful for national development, such as recent Chinese purchases of chemical fertilizer plants and transportation and mining equipment from the U.S. Imports of such equipment and technology (on which there has been some debate in the Chinese media in recent months) will continue, if our perception is correct, but only on the basis that the Chinese will be able as in the past to pay for them out of their own resources and without disrupting the stability of their economy. The Chinese, who press often describes the inflationary ills of our country, are clearly determined to avoid this problem at home.

A final point or two. The Chinese are an industrious and highly disciplined people, but even though fully expecting it we were still impressed as so many other Americans have been by the extent to which a single value system—that embodied in the thought of the Mao Tse-tung—appears genuinely to inform and motivate the entire national enterprise, and is being systematically imparted to the young.

As we were visiting Mao's family home at Shaoshan, and the nearby museum devoted to his and his family's contributions to the revolution, someone in our party remarked that Shaoshan could be called the Mount Vernon of the new China. Yet a number of the PRC's founding fathers, and Mao Tse-tung foremost among them, still direct the nations' affairs.

We have little doubt that the directions set by Mao Tse-tung will profoundly influence national policy long past his lifetime. We know all too well, however, as politicians and as students of world history, the limits on the ability of any one generation in any country to commit succeeding generations to its own vision.

This observation is relevant to the joint declarations of principle and purpose in the Shanghai Communique. Our visit helped reinforce our conviction that these declarations have an objective basis in the long-term national interests of the two countries, just as the 1972 photograph of Chairman Mao and then-President Nixon clasping hands symbolizes far more than the personal attitudes of these two leaders. But our experience also heightened our perception of the need for broader contact between the people and leaders of our two countries in accordance with the principle, set forth in the Shanghai Communique, of "equality and mutual benefit".

As a case in point, we note that our visit, like the four previous Congressional trips and the one this past April by the U.S. Governor's delegation led by Governor Evans of Washington, was facilitated by the two Governments on essentially the same basis as certain of the far more numerous people-to-people exchange visits that have been taking place each way in scientific, technical and cultural fields. It pleased us to learn that under this program a Chinese agricultural delegation was visiting our country at the same time the American plant scientists were touring China.

It concerns us, however, that the PRC has not yet availed itself of the opportunity to have members of its political leadership visit our country on a similar basis. It is our hope, expressed at various times in China and reiterated here, that delegations of such leaders in whatever category and at whatever level their side deems appropriate, will begin visiting our country to see for themselves the achievements and the problems of our society, enjoy American hospitality, and engage as we did in their country in mutually educational substantive discussion. For much as we favor the continuation of trips such as ours, we strongly believe that comparable Chinese visits to this country could contribute a great deal to improving mutual understanding and friendship between our two peoples.

ACKNOWLEDGEMENTS

Our thanks are due to many: to Dr. Chou Chiu-yeh and his colleagues in the Chinese People's Institute of Foreign Affairs and to all the national and local officials and other persons we met in China; to Ambassador Huang Chen, Chief of the PRC Liaison Office in Washington, who saw us off on our trip and who after our return had us to yet another splended Chinese banquet; to President Ford and Secretary of State Kissinger; to Ambassador and Mrs. Bruce; to the military commanders and other Defense Department personnel involved in our travel to and from China; and to the staff from the White House, State Department and the U.S. Liaison Office who accompanied us on our trip.

MODEL STATE ENERGY ACT

Mr. METCALF. Mr. President, in a number of States, legislators and other officials have searched for model legislation on which to base revision of energy regulation. This need has been expressed in hearings before the Government Operations Committee, and in letters and conversations I have had with State officials. One of the provisions—section 110—of my bill to establish an Office of Consumer Counsel (S. 770) would require the counsel to prepare a comparison and analysis of State and Federal laws covering regulated services to consumers and prepare model laws and recommendations for regulation of such services.

Fortunately, not everyone waits for the Federal Government to act before they do things which need to be done. Lee Webb of Goddard College in Vermont and Jeff Faux of Gardiner, Maine have drafted a model State energy act, in association with the Institute for Policy Studies here in Washington.

This model provides for a State energy board initially appointed by the Governor and subsequently elected by public energy districts. The board would have regulatory powers now held by State utility commissions. The model further provides for local public energy districts—PED's—within members publicly elected, empowered to operate local utilities and, where practical and necessary, distribute oil and gas. The model also provides for a state power authority, to generate and import electrical power for resale to PED's, and a State fuel corporation to obtain petroleum and, where appropriate, engage in the production, distribution and importation of oil, coal and gas. The State power authority and State fuel corporation would be under the jurisdiction of the State energy board. Provision is made for participation of citizens and small businessmen in policy formulation.

I commend the authors of this model. It may be useful to State legislators who will be meeting next month. Therefore, I ask unanimous consent to have the Model State Energy Act printed in the RECORD, preceded by the authors' introductory comments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MODEL STATE ENERGY ACT

(A draft bill for a democratically-controlled, publicly-owned state energy system, prepared by Lee Webb and Jeff Faux)

INTRODUCTION

A. Background

This draft bill describes a democratically controlled, publicly owned energy system. It is being circulated to help citizens and legislators interested in proposing a workable alternative to the present energy system in their state.

The time for such proposals has come. Americans are becoming increasingly aware that the present system dominated by multinational corporations, regional power monopolies and aided by weak regulatory agencies—is inadequate. It cannot provide the energy we need at reasonable cost and without environmental pollution.

The energy crisis is likely to be with us in one form or another for a long time. Costs are soaring, capital is scarce and the demand for energy, encouraged by the system itself, keeps rising. But the financial burden will not be upon the private corporations and banks who operate our energy system, even though they are supposed to take the "risks" in capitalism. It will be upon the individual citizen. We citizens will pay in higher prices. We will also pay in higher taxes (or reduced public services) as a result of government subsidies for the energy industry. We will also pay in a more polluted environment as environmental restrictions are loosened to permit corporations to burn polluting fuels and to postpone installation of devices to eliminate waste discharge into the air and water.

Finally, we will pay in the form of cold homes and reduced supplies of gasoline. Energy conservation will not be planned or fairly administered. It will be conservation of the market place. The conservationists will be those who cannot afford to buy the energy they need. Those who conserve will be working people, the poor, small businessmen, the elderly and—to an increasing extent—the middle class. Those who make our energy policies in Washington and New York and other capitals of finance will not wait on long lines for gas nor wear two sweaters indoors this winter.

Even if the government were more sympathetic to the plight of its citizens-consumers, there is little that it can do in the long run under the present system. Since the energy resources and the means to deliver them to the public are in private hands, it is trapped. In the end it has been and will continue to be forced to support higher *prices* and profits for the energy corporations because that is what they are demanding in return for increasing the energy supply. Without a new energy system we are all trapped.

B. Assumptions, scope and limitations

The model bill is based upon the following assumptions:

1. The goals of an energy system are:
adequate energy availability;
reasonable cost;
energy conservation;
environmental protection.

2. To achieve these goals public energy planning is necessary.

3. To make public planning responsive to the needs of the public rather than the needs of business corporations and bankers, public ownership of the key energy institutions and resources is needed.

4. To make a publicly owned system responsive to the needs of the people rather than to the needs of a bureacracy, local control is needed.

5. The bill is an effort to apply these principles to the energy industry on the state level.

The bill was drafted on the basis of the author's knowledge and experience in states which are not major producers of coal, oil or gas. Therefore, the primary focus of the bill is on electric power and the distribution of gasoline and fuel oil. The effort was made in Title V, Section 7(d) to leave the door open for the public development of fuel resources, but its usefulness in that area may be limited.

The major purpose of the model bill is to present the ideas in general legislative form so they can be introduced and debated. In any given state, therefore, language may have to be changed and details worked out to make it compatible with existing law and to fill out specific legal holes. However, citizens who want to use all or any part of the bill to press alternatives in their own state ought not to be inhibited by the details of writing legislation. Putting bills into legislative language is what you pay legislators and legislative staffs for.

The draft is just that. A draft. It is in good enough shape now to be debated and will soon be introduced into the legislatures of several states when they reconvene. However, citizens who want to use it should feel free to take any portion of the bill and fit it to their own needs and ideas.

C. A short description of the act

Title II provides for a State Energy Board to be the major planning and operating arm of the public sector in the energy field. After an initial period in which the Board is appointed by the Governor, the members of the Energy Board are elected by local Public Energy Districts (PEDs).

The State Energy Board in turn creates the State Power Authority and the State Fuel Corporation. The Board has the regulatory powers now held by the State Public Utility Commissions.

Its major functions are:

To make policy for the Power Authority and the Fuel Corporation;

To assist the development and operation of the PEDs;

To prepare long range energy plans for the State;

To engage in and operate research and development into new sources of energy and conserving present energy resources.

Title III provides for local Public Energy Districts, elected by citizens of utility districts, much the same as local Public Utility Districts are elected in the State of Washington and a few other Western states. The functions of the PED are:

To operate as a local electric power utility;

To operate as a distributor of oil and gas where practical and necessary;

To asist local citizens and small businesspeople to conserve energy and to use it efficiently, in part through a system of Energy Extension Agents;

To be the means through which local citizens can participate in state energy policy.

Title IV provides for a State Power Authority. The major function of a State Power Authority is to generate and import electrical power for resale to the Public Energy Districts.

Title V provides for a State Fuel Corporation. The major functions of the Corporation are:

To secure an inventory of 150 days' supply of petroleum in order to free the state from immediate reliance upon the major oil producers;

Where appropriate, to engage in the production and distribution and importation of oil, coal and gas.

D. Problems and issues

1. This draft takes away the regulatory authority of the State Public Utility Commission over energy and gives it to the State Energy Board. Since the energy system would be publicly owned it seemed like an unnecessary duplication of bureaucracy to keep the Public Utility Commission. The argument for leaving the regulatory power in the hands of the Public Utility Commissions is that it would provide some countervailing power to the State Energy Board and the PEDs.

2. In the discussions with various people over the proposals, many people concerned with the environment were wary of putting too much power in the hands of the local energy districts. They were afraid that such a system would be too much biased toward growth. Several people proposed statutory limits to growth in electricity which are not included in this draft.

3. The purpose of prohibiting more than a two-to-one ratio of the highest power rates to the lowest was to prevent the PEDs from favoring one class of customers over another. Some people felt that the prohibition was too restrictive and that requiring a "cost of service" study in which the true costs of servicing different classes of customers are identified and prohibiting promotional rates was sufficient.

4. There was some disagreement on the number and timing of the plans for which the State Energy Board was responsible. One alternative proposal was to require the Board to submit two, five, and ten year plans every two years.

5. There is no provision for special financing of the takeover of private corporate assets. In terms of legality, the history of condemnation in the U.S. would appear to provide ample constitutional precedent. In terms of economics, there is even less of an issue. The purchase of private corporate assets—whether under condemnation or otherwise—is financed over time and paid for out of the income of the business, just as any one business finances the purchase of another. The only issue is price—which is subject to negotiation and litigation between the buyer and seller.

6. One person suggested that the State Research and Development Fund contribute to the national pool of funds for research and development in energy. The present draft does not provide for such a contribution. This bill designed to help states achieve a capacity for research and development in fields that for them are high priority but would not be priorities on a national agenda.

7. Several people we talked to felt that it was dangerous for the states to get too deeply into the production end of energy, since it is in fact a national problem. Thus, if each state or region were to take control over its own natural resources, areas which have no resources but have large populations would be at a disadvantage. The authors agree that control over energy resources is a national and regional problem as well as a state problem. Therefore, we need national as well as subnational planning, and this draft is entirely compatible with national ownership of energy resources as provided, for example, in the Magnuson-Stevenson bill in the U.S. Senate for a Federal Oil and Gas Corporation. But we cannot wait for action from Washington, paralyzed as it is with money from the large oil, coal, and power corporations. Citizens in the states have the responsibility to create their own sensible publicly owned energy system. With or without Washington.

[Draft, September 1974]

H.R. —

An act to provide for the Public Ownership of the Energy Industry within the State

TITLE I. LEGISLATIVE FINDINGS AND POLICY

Section 1. The Legislature finds and declares that—

(a) the provision of energy in the form of electricity, refined petroleum products, liquified petroleum gases, coal, natural gas, solar, wind, tidal and other sources is essential for the health, safety and well being of the people of the state and of the state's economy.

(b) it is the responsibility of the state government to assure that supplies of energy are available to the people at a level consistent with the protection of the public health and safety, the promotion of the general welfare and the protection of the natural environment.

(c) it is the responsibility of the state government to assure that energy supplies are priced to the people of the state so that their basic human needs can be met without undue economic hardship.

(d) the direct ownership and control of the production and distribution of energy in all its forms by this state and by subdivisions of the state, as provided under this act, is a legitimate and desirable function of government.

(e) information on cost, supply and other aspects of energy production, distribution and sale must be publicly available in order for citizens to participate in the formulation of energy plans.

(f) the rapid rate of growth in demand for electrical energy is in part due to wasteful, uneconomic, inefficient, and unnecessary employment of energy and that a continuation of such growth will result, and is currently resulting, in serious depletion and irreversible commitment of these energy sources, land and water resources, and further poses a potentially serious and dangerous threat to the state's environmental quality.

(g) there is a pressing need to accelerate research and development on alternative sources of energy to provide for more ecological and environmentally sound methods of making adequate amounts of energy available to the people of the state.

Section 2. It is the policy and intent of the legislature:

(a) to establish with all necessary powers a corporate instrumentality of the state to be called a State Energy Board with the powers and responsibilities to assure adequate supplies of energy to meet the short and long term needs of the state; to plan for the rational and fair distribution of energy within the state; to negotiate in behalf of the state with other states, the Federal government, private corporations and individuals on public energy matters; and to research and develop improved and alternative sources of energy.

(b) to establish Public Energy Districts as subdivisions for the state, through which the citizens of the state can exercise authority over energy supply, distribution and use.

(c) to establish a State Power Authority to acquire, manage, operate and maintain facilities for the generation of high voltage transmission of electrical power in the state.

(d) to establish a State Fuel Corporation to assure adequate supplies of petroleum, petroleum products, coal and natural gas to meet the needs of the state through purchase, storage, distribution and, if necessary and feasible and with the separate consent of the Legislature, production and refining.

(e) to establish within the State Energy Board an Energy Resources and Development Fund to coordinate, encourage, finance and carry out research and development of projects for the development of alternative sources of energy.

TITLE II. STATE ENERGY BOARD

Section 1. Establishment of State Energy Board:

(a) There is hereby created a corporate instrumentality of the state to be known as the State Energy Board which shall be a body corporate and politic and a political subdivision of the state, exercising government and public powers, perpetual in duration, capable of suing and being sued, and having a seal, and which shall have the powers and duties hereinafter enumerated.

(b) The State Energy Board shall initially consist of 7 (seven) members, for three-year terms nominated by the Governor and confirmed by the Legislature.

(c) The initial members shall reflect a variety of interests in the state including conservationist, labor, small business, agriculture and social welfare, and shall be selected with due regard to a fair and equitable distribution of members by race, sex, income and geography.

(d) After the term of office of the initial board members the State Energy Board shall consist of one person selected by the directors of each Public Energy District in the state plus one member chosen by the Governor with the advice and consent of the Senate.

Section 2. Members and employees: Qualifications—

(a) all members of the board shall be individuals who believe and profess a belief in the feasibility and wisdom of this Act and who believe and profess a demonstrable belief in the environmental, antitrust and consumer protection laws of the state.

(b) No person shall be a member of the Board who, during the five years prior to election or appointment, received any substantial portion of his or her income directly or indirectly from any private corporation engaging in the production, processing, storage or distribution of fuels or electrical energy.

(c) No member of the Board or employee shall be employed by any private corporation engaging in the production, processing, refining or distribution of fuels or electrical energy within five years after he or she ceases to be a member or employee of the Board.

(d) No person who is a member or employee of the Board shall participate personally and substantially as a member or employee of the Board, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, hearing, application, request for a ruling, or other determination, contract, claim, controversy, study, plan, or other particular matter in which, to his knowledge, he or she, a spouse, minor child, or partner, or any organization he or she is serving, or has served as an officer, director, trustee, partner, or employee, while serving as a member or employee of the Board or within five years prior to his or her appointment as a member of the Board, has a direct or indirect financial interest.

(e) All members of the Board must prepare and submit a conflict of interest statement listing all their financial interests totaling more than $100. This statement should be submitted to the State Power Authority and to the Secretary of State annually to be made available for public inspection in his or her office.

(f) The members of the Energy Board shall cause all employees of the Board to prepare and submit to the Board a conflict of interest statement listing financial interests in a form and manner that the Board shall determine.

Section 3. State Energy Board: Public Access—

(a) All meetings of the Board of Directors of the State Energy Board shall be open to the public, including all meetings of subcommittees and superior committees of the Board. In addition, complete minutes of the meetings shall be kept and shall be open to public inspection at convenient places throughout the state.

(b) All documents, working papers, reports, studies and financial data shall also be open to public inspection at convenient places throughout the state.

Section 4. Authorization of appropriations—

(a) There is hereby authorized to be appropriated such sums as may be necessary for the establishment and operation of the State Energy Board.

Section 5. State Energy Board: Powers—

(a) The State Energy Board shall have the power to establish a State Power Authority and a State Fuel Corporation, with the powers and duties described in Titles IV and V, and to assist in the creation of Public Energy Districts as described in Title III.

(b) The State Energy Board shall appoint the members of the Board of Directors of the Power Authortiy and the Fuel Corporation for specified terms. However, the Energy Board shall have the power to discharge members of the Board of Directors of the Power Authority and the Fuel Corporation.

(c) Upon complaint from a PED that a private seller of fuels has consistently engaged in excessive profiteering or has violated consistently reasonable standards of proper and fair service, the State Energy Board shall have the power to investigate the complaint and to hold hearings. If after impartial hearing, the Energy Board finds a private seller in violation, the State Energy Board shall have the power to suspend the right of the seller to engage in trade or service until it is satisfied that the violations will cease.

(d) The Energy Board shall have the power to contract and be contracted with; to sue and be sued; to adopt and amend by-laws; and to adopt and amend regulation governing the exercise of its duties.

(e) The Energy Board shall have the power to employ an executive director and such assistants, agents, technical, financial, legal or other help as required to properly perform its duties.

(f) The Energy Board shall have and exercise all powers necessary or convenient to effect any and all of the purposes for which it is organized.

Section 6. State Energy Board: Policy Responsibilities—

(a) The State Energy Board shall be responsible for giving overall policy direction and guidance to the Board of Directors of the State Power Authority and to the State Fuel Corporation.

Section 7. State Energy Board: Review of Rates and Responsibilities—

(a) All powers and authorities regarding the approval of rates and practices for the sale of electricity and other energy sources now held by the Public Utility Commission shall be transferred to the State Energy Board.

(b) The rates and practices for the sale of electricity energy source by the State Power Authority, the Public Energy Districts, the cooperatives, and the municipal utilities shall be regulated and set by the State Energy Board.

(c) The rates and practices for the sale of oil, gas and any other energy source by the State Fuel Corporation and the Public Energy Districts shall be regulated and set by the State Energy Board.

(d) All major contracts, construction projects, and plans shall be regulated by and approved by the State Energy Board.

(e) Upon petition of more than 1% of the residents of any PED, cooperative or municipal utility, or upon receipt of a petition of more than 1000 customers of the State Fuel Corporation, the State Energy Board shall appoint an attorney-for-the-public to represent the public in the petition before the Board.

(f) The State Energy Board shall not approve any project of a PED, cooperative, municipal utility, or the State Fuel Corporation which has not received all necessary environmental permits from the appropriate state agencies.

(g) The State Energy Board shall require the PED's, the cooperatives, the municipal utilities, the State Power Authority and the State Fuel Corporation to hold frequent and periodic public hearings throughout the state on any significant policy change, proposal, construction plan, or related matter.

Section 8. State Energy Board: Planning responsibilities—

(a) The State Energy Board shall be the primary and superior planning and directing body of the state for purposes of assuring an adequate supply of all energy resources for the people of the state at reasonable prices, of preventing environmental damage, and of conserving state and national supplies of nonrenewable fuels.

(b) Within one year from the date of this Act, the Energy Board will submit to the Governor and the Legislature for their approval a plan for the supply, distribution and the use of energy within the state over a ten year period. The plan will be developed on the basis of public hearings held in conjunction with individual Public Energy Districts. In drawing up the plan, due consideration will be given to such factors as the provision and fair distribution of employment and income to residents of the state, rational patterns of urban growth and transportation, and protection of the natural environment. As is appropriate, the State Energy Board may make changes and modifications which do not change the basic intent of the initial plan, with the consent of the Legislature. Every seven years from the date of the original plan, the Energy Board must submit a new ten-year plan for the approval of both the Legislature and the Governor, except that the Energy Board may, upon finding that the basic economic assumptions underlying the plan have substantially changed, submit a new plan at any time for the approval of both the Legislature and the Governor.

(c) The State Energy Board shall prepare and continually update five, ten, and twenty year forecasts of energy demand, with needed new facilities.

(d) The State Energy Board shall also prepare and continually update five, ten, and twenty year forecasts of the availability and cost of fuel resources, with special emphasis on those which are nonrenewable.

(e) The State Energy Board shall also prepare and continually update five, ten, and twenty year forecasts of projects, population growth, urban development, industrial expansion, and other growth factors influencing increased demand for electric energy.

Section 9. State Energy Board: Conservation responsibilities—

(a) The State Energy Board shall annually submit to the Governor and the Legislature a Conservation Report describing its progress and the progress of the State Power Authority, the State Fuel Corporation and the Public Energy Districts in conserving nonrenewable resources.

(b) The Conservation Report shall also include, based on the ongoing forecasts, an assessment of trends in energy consumption, and possible adverse social, economic, or environmental impacts which might be imposed by continuation of the present trends, including the costs of all forms of energy to consumers, the depletion of nonrenewable forms of energy, increases in air, water, and other forms of pollution, threats to public safety, and the loss of scenic and natural areas.

(c) The Report shall also include an analysis and evaluation of the means by which the projected annual rate of demand growth by energy may be reduced, together with an estimate of the amount of such reduction to be obtained by each of the means analyzed and evaluated.

(d) The Report shall also include concrete and specific recommendations for reducing the state's projected increase in the demand for energy, especially the energy generated by the consumption of nonrenewable fuels.

Section 10. State Energy Board: Research and development responsibilities—

(a) The Energy Board shall have the power to engage in research directed toward the development or utilization of abundant and nonpolluting supplies of energy, from whatever source, and may build, own and operate research, testing or demonstration facilities, *alone or on* a joint or cooperative basis with private or public entities.

(b) In order to carry out its research and development responsibilities the Energy Board is authorized, after appropriate hearings and consultations with the general public as well as those possessing technical expertise, to establish research and development priorities which take into account the economic, social and physical characteristics and resources of the state and the goals of adequate economic growth, fair distribution of energy resources and environmental protection, and to negotiate on the basis of these priorities with Federal agencies and public or private foundations for grants, loans and other means of financial assistance.

(c) There is hereby created an Energy Resources and Development Fund within the State Energy Board for the purpose of financing research and development. This Fund will be financed by a surcharge of six-tenths of a mill per kilowatt of electricity generated by the State Power Authority, six-tenths of a mill per gallon of fuel oil, and one mill per gallon of gasoline sold within the state.

(d) The Board shall continuously carry out studies, research projects, data collection, and other activities required to assess the nature, extent, and distribution of energy resources to meet the needs of the state, including possible alternative sources of energy and more efficient ways of utilizing existing energy.

(e) The Board shall also carry out a program of studies, research and demonstration projects on alternative sources of energy, more efficient utilization of existing sources of energy, and better means for the conservation of energy. At least one-third of the money collected in the Fund must be made available for grants to Public Energy Districts, cooperatives and municipal utilities for research and development projects enumerated above. At least one-third of the money collected in the Fund must be made available for grants to citizens, municipalities, associations, and other groups for research and development projects as enumerated above.

Section 11. State Energy Board: Responsibilities for assisting the establishment of public energy districts—

(a) The State Energy Board shall, after proper investigation and public hearings, determine the proper boundaries for the various Public Energy Districts to be established throughout the state in accordance with Title III of this Act, provided that the boundaries of any Public Energy District shall not disect the boundaries of existing counties, municipalities and townships.

(b) Upon the submission of a petition to establish a Public Energy District, in accordance with Title III of this Act, the State Energy Board will make available to the citizens of the proposed Public Energy District technical, legal, financial and other appropriate aid to bring about the speedy establishment of the Public Energy District.

(c) The State Energy Board shall issue guidelines for the establishment, organization and operation of Public Energy Districts. These guidelines shall include, but not be limited to, procedures for acquisition of property, auditing, accounting, recordkeeping, bonding and insurance, contracts, employee relations, compensation and benefits, rate setting, and general management. These guidelines shall be revised annually to reflect the acquired experience of the Public Energy Districts.

TITLE III. PUBLIC ENERGY DISTRICTS

Section 1. Establishment of Public Energy Districts—

(a) There is hereby established a new type of municipal corporation, as a political subdivision of the state, entitled a Public Energy District (PED). A Public Energy District is defined as a political subdivision of the state organized to operate as a corporation for the distribution of electricity and fuel to the residents of a certain part of the state, and through the State Energy Board to establish energy policies for the state.

(b) To organize a Public Energy District, 15% of the registered voters, on the basis of the number of voters in most recent gubernatorial election, must sign a petition requesting establishment of a PED, and file this petition with the Secretary of State. On receipt of such a petition, the Secretary of State must approve such petition, and the PED is thereby organized.

Section 2. Public Energy Districts: Selection of directors—

(a) The Directors of a PED shall be selected at the polls, as part of the regular biennial elections of the state.

(b) There shall be nine members of the Board of Directors. They shall be selected by subdistricts within the Public Energy District. The subdistricts will conform to the greatest feasible degree to existing political boundaries.

(c) The term of office shall be four years, except that four of the members of the initial Board shall have a term of two years. No member of the Board may serve for more than two consecutive four year terms. Successors to fill out the term of office of a member of the Board shall be selected at the next regular election to fill out the term of the departed member, unless the term of office of the departed member would have otherwise expired.

(d) The bylaws of the Public Energy District shall include provisions for removal from office of any member of the Board of Directors upon a referendum.

(e) Expenses of all candidates for the Board of Directors shall not exceed —— cents for each voter for the office at the last election. On at least three occasions during the eight weeks prior to the election the Public Energy District shall sponsor an open forum giving the opportunity for all candidates for the Board to appear and present his or her candidacy before the citizens of the District. Moreover, the PED shall mail out at least once the literature of equal size and weight for each candidate for the Board.

Section 3. Directors and Employees: Qualifications—

(a) No Director or employee of the PED or its subsidiaries shall be employed by an privately-owned electrical utility or by any company or person who engages in the sale or manufacture of any major component of any facility within five years after he or she ceases to be a Director or employee of the PED.

(b) No person who is a Director or employee of the PED shall participate personally and substantially as a Director or employee of the PED, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, hearing, application, request for a ruling, or other determination, contract, claim, controversy, study, plan, or other particular matter in which, to his knowledge, he or she, a spouse, minor child, or partner, or any organization he or she is serving, or has served as an officer, director, trustee, partner, or employee, while serving as a Director or employee of the PED or within five years prior to his or her appointment as a Director of the PED, has a direct or indirect financial interest.

(c) All Directors of the PED must prepare and submit a conflict of interest statement listing all their financial interests totalling more than $100. This statement should be submitted to the State Power Authority and to the Secretary of State annually to be made available for public inspection in his or her office.

(d) The Directors of the PED shall cause all employees of the PED to prepare and submit to the Board of Directors a conflict of interest statement listing financial interests in a form and manner that the Board shall determine.

Section 4. Public Energy Districts: General corporate powers—

(a) The PED shall have and exercise all other powers necessary or convenient to effect any and all of the purposes for which it is organized.

(b) The PED shall have the power to contract and be contracted with; to sue and be sued; to adopt and amend bylaws; and to adopt and amend regulations governing the sale and delivery of all services sold, furnished or supplied by the PED.

(c) The PED shall have the power to acquire and hold real or personal property necessary or convenient for its purposes.

(d) The PED shall have the power to sell, lease or otherwise dispose of any personal or real property rights not necessary for its purposes.

(e) The PED shall have the power to apply to any federal, regional, or state board, agency or commission having authority to make or issue rulings, licenses, orders, or decisions.

(f) The PED shall have the power to acquire by the exercise of the power of eminent domain any lands, properties, or rights it deems necessary for fulfilling its corporate responsibilities, subject to complete review by the appropriate courts. The PED shall not have the power of eminent domain over state or municipally owned lands.

(g) The PED shall have the power to fix, establish, revise, maintain, charge, and collect rates or charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the PED.

(h) The PED shall have the power to employ a general manager or executive director and such assistants, agents, engineering, financial, and legal help as required to properly perform its duties.

(i) The PED shall have the power to borrow money and issue evidences of indebtedness for any of the purposes as provided in this Act payable solely from revenues pledged for the payment of such bonds, notes, certificates, or other evidences of indebtedness. Such bonds, notes, certificates or other evidences of indebtedness shall not be an obligation of the state, and prior to sale, must be approved by a majority of voters residing in the District at a regular election.

Section 5. Public Energy Districts: Powers and duties—

(a) Upon formal approval of the petition of a PED by the Secretary of State, the PED shall request the State Power Authority to turn over to it, at cost, all distribution facilities for electricity within the boundaries of the PED.

(b) The PED, thereupon, has the responsibility of managing, controlling and constructing and operating an electric utility system in its area for the maximum benefit and welfare of the residents of its service area.

(c) A PED is required to sell the electric power distribution system in a particular municipality to that municipality upon request, following a majority vote of the residents of that municipality through a referendum.

(d) A PED shall endeavor to provide space for the needs of the State Energy Board and the State Fuel Corporation within the area of the PED, in the construction, purchasing, or rental of any office space by the PED.

(e) A PED shall apply to the Energy Board for funds, if so desired, for research and development projects in the development of alternative sources of energy, better utilization of existing sources of energy, and the conservation of energy.

(f) The PED shall have the power to purchase petroleum, petroleum products, coal and other fuels from the State Fuel Corporation for resale within the PED boundaries.

(g) The PED shall act as agent for the Energy Resources and Development Fund in making low interest loans to home owners, small businessmen and farmers to encourage them to install insulation or other improvements or devices to conserve energy.

(h) The PED shall have the power to set and to monitor standards of service, including policies on deposits and disconnections, and fair distribution for all wholesale and retail dealers in its area. It shall publicize all violations. A pattern of clear and consistent violations of reasonable standards shall be reported to the State Energy Board for appropriate action.

(i) Upon a determination of need, the PED shall have the power to establish a retail outlet for electric, gas and other appliances which emphasize conservation of energy.

Section 6. Public Energy Districts: Rates and service—

(a) All Public Energy Districts, cooperatives and municipal utilities within the state are required to establish as part of their electric power rate structure a "Lifeline" rate which would provide a basic necessary amount of electricity to every resident of the state at a minimum rate.

(b) The amount of service, expressed in terms of kilowatt hours per month, that shall be available at the "Lifeline" rate shall be determined by the State Energy Board. The determination of the amount shall be based entirely on investigations of the average resident's ability to pay, and not on the basis of "cost of service" or other such consideration.

(c) The "Lifeline" rate per kilowatt cannot be, under any consideration or reason, higher than the average price per kilowatt for the entire state as a whole.

(d) No rates can be submitted for approval to the State Energy Board that are promotional in nature or intent. The State Energy Board cannot approve any rates that are promotional in nature or intent.

(e) No rates can be submitted to the State Energy Board within which the lowest rate per kilowatt is less than 50% that of the highest rate per kilowatt. All requests for changes in rates shall be based upon studies of the cost of services to each class of customer.

(f) A Public Energy District, cooperative or municipal authority may not require any deposits from any customer as a requirement for receiving electrical service.

(g) A Public Energy District, cooperative or municipal utility may not disconnect the electrical service of any person when the person's health might be endangered.

(h) A Public Energy District, cooperative or municipal utility may not disconnect the electrical service of any person in the winter if the electrical service is necessary for heating.

(i) A Public Energy District, cooperative or municipal utility may not disconnect the electrical service of any person without a fair and impartial hearing before the State Energy Board.

Section 7. Energy Extension Agent—

(a) The PED shall establish staff positions for Energy Extension Agents to assist consumers and small businesses to use energy resources in the most efficient manner.

(b) The duties of the Energy Extension Agent will include developing and distributing educational materials, holding workshops, demonstrating new techniques of energy conservation and otherwise providing technical assistance to residential and small business energy consumers.

(c) The program will be financed through contract with the State Energy Board.

TITLE IV. STATE POWER AUTHORITY

Section 1. Establishment of State Power Authority—

(a) There is hereby created a corporate instrumentality of the state to be known as the State Power Authority which shall be a body corporate and politic and a political subdivision of the state, exercising governmental and public powers, perpetual in duration, capable of suing and being sued, and having a seal, and which shall have the powers and duties hereinafter enumerated together with such others as may hereafter be conferred upon it by law.

(b) The Board of Directors of the State Power Authority shall consist of five qualified individuals, four of whom shall be selected by the members of the State Energy Board. All members of the Authority Board shall be individuals who believe and profess a belief in the feasibility and wisdom of this Act. Appropriate weight in the selection of the Authority Board members will be given to such factors as race, age, and sex. The members of the Energy Board shall designate the Chairperson of the Authority Board.

(c) One member of the Authority Board shall be a nonsupervisory employee of the Authority chosen in an election among all nonsupervisory employees. The election will be held when the number of nonsupervisory employee reaches twenty.

(d) The term of office of the members of the Authority Board shall be three years, with no person serving more than two consecutive terms. A successor to a member of the Authority Board shall have a term of office expiring three years from the date of expiration of the term for which his predecessor was appointed.

(e) The Directors shall employ such technical and legal assistance as they require for the performance of their duties and shall prescribe the duties and compensation of each officer and employee. They shall adopt bylaws and rules and regulations suitable to the purposes of this Title. So long as and to the extent that the Authority is dependent upon appropriations for the payments of its expenses, it shall incur no obligations for salary, office or other expenses prior to the making of appropriations adequate to meet the same.

(f) Directors shall receive an annual salary determined by the Legislature. In addition, each Director shall receive his or her reasonable expenses in the performance of duties hereunder, and may elect to become a member of the state employees' retirement system.

Section 2. Directors and Employees: Qualifications—

(a) No Director or employee of the Authority or its subsidiaries shall be employed by any privately-owned electrical utility or by any company or person who engages in the sale or manufacture or any major component of any facility within five years after he or she ceases to be a Director or employee of the Authority.

(b) No person who is a Director or employee of the Authority shall participate personally and substantially as a Director or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, hearing, application, request for a ruling, or other determination, contract, claim, controversy, study, plan, or other particular matter in which, to his knowledge, he or she, a spouse, minor child, or partner, or any organization he or she is serving, or has served as an officer, director, trustee, partner, or employee, while serving as a Director or employee of the Authority or within five years prior to his or her appointment as a Director of the Authority, has a direct or indirect financial interest.

(c) All Directors of the Authority must prepare and submit a conflict of interest statement listing all their financial interests totalling more than $100. This statement should be submitted to the State Power Authority and to the Secretary of State annually to be made available for public inspection in his or her office.

(d) The Directors of the Authority shall cause all employees of the Authority to prepare and submit to the Board of Directors a conflict of interest statement listing financial interests in a form and manner that the Board shall determine.

Section 3. State Power Authority: Public access—

(a) All meetings of the Board of Directors of the State Power Authority shall be open to the public, including all meetings of subcommittees and superior committees of the Board. In addition, complete minutes of the meetings shall be kept and shall be open to public inspection at convenient places throughout the state.

(b) All documents, working papers, reports, studies, and financial data shall also be open to public inspection at convenient places throughout the state.

Section 4. State Power Authority: Authorization of appropriations—

(a) There is hereby authorized to be appropriated such sums as may be necessary for the establishment of a State Power Authority until such time as the Authority has successfully issued notes or bonds.

Section 5. Repayment of State appropriations—

(a) All appropriations made by the state to the Authority shall be treated as advances by the state to the Authority, and shall be repaid to it without interest either out of the proceeds of securities, notes, or from excess revenues.

Section 6. State Power Authority: General corporate powers—

(a) The Authority shall have and exercise all other powers necessary or convenient to effect any and all of the purposes for which it is organized.

(b) The Authority shall have the power to contract and be contracted with; to sue and be sued; to adopt and amend bylaws; and to adopt and amend regulations governing the sale and delivery of all services sold, furnished or supplied by the State Power Authority.

(c) The Authority shall have the power to acquire and hold real or personal property necessary or convenient for its purposes.

(d) The Authority shall have the power to sell, lease or otherwise dispose of any personal or real property rights not necessary for its purposes.

(e) The Authority shall have the power to apply to any federal, regional, or state board, agency or commission having authority to make or issue rulings, licenses, orders, or decisions.

(f) The Authority shall have the power to acquire by the exercise of the power of eminent domain any lands, properties, or rights it deems necessary for fulfilling its corporate responsibilities, subject to complete reviews by the appropriate courts. The Authority shall not have the power of eminent domain over state or municipally owned lands.

(g) The Authority shall have the power to apply for and accept grants or loans and the cooperation of the United States of America or any agency thereof to carry out the purposes of the Authority.

(h) The Authority shall have the power to perform, through contract, technical services for Public Energy Districts.

(i) The Authority shall have the power to fix, establish, revise, maintain, charge, and collect rates or charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the Authority.

(j) The Authority shall have the power to employ a general manager or executive director and such assistants, agents, engineers, financial, and legal help as required to properly perform its duties.

(k) The Authority shall have the power to borrow money and issue evidences of indebtedness for any of the purposes as provided in this Act payable solely from revenues pledged for the payment of such bonds, notes, certificates, or other evidences of indebtedness.

Section 7. State Power Authority: General duties—

(a) The Authority shall acquire through negotiation or condemnation all facilities in the state owned by privately owned utilities directly or indirectly used for the generating, transmission, or distribution of electricity for any purpose.

(b) The Authority shall pass title to all facilities for the distribution of electricity below 45 KVA to the PED within which these facilities are located. The title shall be passed upon demand of the PED with no payment required.

(c) The Authority shall operate all generation and transmission of electricity above 45 KVA in the most efficient manner consistent with the need for low rates and the protection of the natural environment.

(d) In those areas where a PED has not been established the Authority shall sell electricity directly to consumers at rates that will cover both fixed and operating costs.

(e) The Authority shall sell electricity at the lowest possible cost, consistent with sound financial practices to PEDs, cooperatives, and municipal utilities without discrimination.

(f) The Authority shall make available to the PEDs, cooperatives and municipal utilities within the state, assistance in raising money in the form of notes, debentures, or bonds taking advantage of the higher credit rating of the Authority.

(g) The Authority shall undertake a continuing assessment of trends in the consumption of electrical energy and analyze the social, economic, and environmental consequences of these trends, and carry out energy conservation measures, and recommend to the Energy Board new and expanded energy conservation measures.

(h) The Authority shall also, if it deems it necessary, make available through retail and wholesale new products and appliances that would assist in energy conservation, such as solar heating and cooling devices.

Section 8. State Power Authority: Nuclear Moratorium—

(a) The State Power Authority shall not build or otherwise cause to be built any nuclear power plant within the boundaries of this state until the Legislature, after appropriate investigation into the unresolved questions of the safety of such plants, gives specific approval for the construction of nuclear plants within the state.

Section 9. State Power Authority: Bonding—

(a) The Authority, for the purpose of acquisition of the existing privately owned utilities or for the construction of new facilities, may from time to time issue negotiable bonds or notes, and refund any bonds or notes by the issuance of new bonds or notes whether the bonds or notes to be refunded have or have not matured.

(b) The bonds or notes shall be authorized by resolution of the Board of Directors, shall be in such denominations and bear such dates, mature at such times not exceeding forty years from their respective dates, be in such form, be executed in such manner, be payable in such medium of payment at such places, and be subject to such terms of redemption as the resolution may provide.

(c) The full faith and credit of the state is pledged to the payment of bonds of the Authority issued under this section.

Section 10. State Power Authority: Acquisition—

(a) The state through its instrumentality, the State Power Authority, shall make a reasonable offer to acquire by purchase the assets of the privately owed electric utilities within the state.

(b) The Authority shall establish a Negotiation Board to determine the assets of the company or companies to be acquired, and in determining such compensation the Negotiation Board shall deduct any excess profits that the Board has determined the utility has accumulated in the most recent five years.

(c) If a reasonable offer as authorized is refused, the Authority is hereby authorized to acquire the desired assets through the exercise of the power of eminent domain and such acquisition is hereby determined to be in the public interest.

Section 11. State Power Authority: In lieu of taxes—

(a) The Authority shall not be liable for payment of any local or state taxes, but is required to make payment to the State a sum equal to 10% of its annual gross revenues, to be allocated amongst the subdivisions of the state as the Legislature shall determine.

Section 12. State Power Authority: Rights of employees—

(a) The right to collective bargaining is guaranteed to all employees.

(b) Employees shall have the right to participate, consistent with good management practices, in decisions regarding health, safety and general working conditions, scheduling, management procedures and general working conditions. Employees shall also be consulted on all major policy decisions involving changes in organization and technology.

TITLE V. STATE FUEL CORPORATION

Section 1. Establishment of State Fuel Corporation—

(a) There is hereby created a corporate instrumentality of the state to be known as the State Fuel Corporation which shall be a body corporate and politic and a political subdivision of the state, exercising governmental and political powers, perpetual in duration, capable of suing and being sued, and having a seal, and which shall have the powers and duties hereafter enumerated, together with such others as may hereafter be conferred upon it by law.

(b) The Corporation shall be administered by a Board of Directors (hereinafter referred to as the Corporation Board). The individuals appointed as members of the first Corporation Board shall be deemed the incorporators of the Corporation. The date of incorporation shall be held to be the date of the first meeting of the first Corporation Board at which a quorum is present.

(c) The Corporation Board shall consist of five qualified individuals, four of whom shall be selected by the members of the State Energy Board. All members of the Corporation Board shall be individuals who believe and profess a belief in the feasibility and wisdom of this Act. Appropriate weight in the selection of the Corporation Board members will be given to such factors as race, age, and sex. The members of the Energy Board shall designate the Chairperson of the Corporation Board.

(d) One member of the Corporation Board shall be a nonsupervisory employee of the Corporation chosen in an election among all nonsupervisory employees. The election will be held when the number of nonsupervisory employees reaches twenty.

(e) The term of office of the members of the Corporation Board shall be three years, with no person serving more than two consecutive terms. A successor to a member of the Board of the Corporation shall have a term of office expiring three years from the date of expiration of the term for which his predecessor was appointed.

(f) The Directors shall employ such technical and legal assistance as they require for the performance of their duties and shall prescribe the duties and compensation of each officer and employee. They shall adopt bylaws and rules and regulations suitable to the purposes of this Title. So long as and to the extent that the Corporation is dependent upon appropriations for the payments of its expenses, it shall incur no obligations for salary, office or other expenses prior to the making of appropriations adequate to meet the same.

(g) Directors shall receive an annual salary determined by the Legislature. In addition, each Director shall receive his or her reasonable expenses in the performance of duties hereunder, and may elect to become a member of the state employees' retirement system.

Section 2. Directors and employees: Qualifications—

(a) No Director of the Corporation or employee shall be employed by any privately owned corporation in the business of producing, refining, distributing, buying or selling petroleum, petroleum products or natural gas, within five years after he or she ceases to be a Director or employee of the Corporation. To further assure the independence of Corporation Board members, their compensation shall be continued for a period of one year at a level equal to three-quarters of their compensation at the end of their term.

(b) No person who is a Director or employee of the Corporation shall participate personally and substantially as a Director or employee of the Corporation, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, hearing, application, request for a ruling, or other determination, contract, claim, controversy, study, plan, or other particular matter in which, to his or her knowledge, he or she, a spouse, minor child, or partner or any organization he or she is serving, or has served as an officer, director, trustee, partner, or employee, while serving as a Director or employee of the Corporation or within five years prior to his or her appointment as a Director of the Corporation, has a direct or indirect financial interest.

(c) The Director chosen by nonsupervisory employees shall not participate in discussion or decision or in any other way attempt to influence the other members of the Board in any matter directly related to the nonsupervisory employees' individual status in the Corporation.

(d) All Directors of the Corporation must prepare and submit a conflict of interest form listing all their financial interests totaling more than $100. This form should be submitted to the Energy Board and to the Secretary of State annually to be made available for public inspection in his or her office.

(e) The Directors of the Corporation shall cause all employees of the Corporation to prepare and submit a conflict of interest statement listing financial interests in a form and manner that the Board shall determine.

Section 3. State Fuel Corporation: Public access—

(a) All meetings of the Board of Directors of the Corporation shall be open to the public, including all meetings of subcommittees and superior committees of the Board. In addition, complete minutes of the meetings shall be kept and shall be open to public inspection at convenient places throughout the state.

(b) All documents, working papers, reports, studies, and financial data shall also be open to public inspection at convenient places throughout the state.

Section 4. Authorization of Appropriations—

(a) There is hereby authorized to be appropriated such sums as may be necessary for the establishment of a State Fuel Corporation until such time as the Corporation has successfully issued notes or bonds.

Section 5. Repayment of State Appropriations—

(a) All appropriations made by the state to the Corporation shall be treated as advances by the state to the Corporation, and shall be repaid to it without interest either out of the proceeds of securities, notes, or from excess revenues.

Section 6. State Fuel Corporation: General corporate powers—

(a) The Corporation shall have and exercise all other powers necessary or convenient to effect any and all of the purposes for which it is organized.

(b) The Corporation shall have the power to contract and be contracted with; to sue and be sued; to adopt and amend bylaws; and to adopt and amend regulations governing the sale and delivery of all goods and services sold, furnished, or supplied by the State Fuel Corporation.

(c) The Corporation shall have the power to acquire and hold real or personal property necessary or convenient for its purposes.

(d) The Corporation shall have the power to sell, lease, or otherwise dispose of any personal or real property or rights not necessary for its purposes.

(e) The Corporation shall have the power to apply to any federal, regional, or state board, agency or commission having authority to make or issue rulings, licenses, orders, or decisions.

(f) The Corporation shall have the power to acquire by the exercise of the power of eminent domain any lands, properties, or rights it deems necessary for fulfilling its corporate purpose, subject to complete review by the appropriate courts. The Corporation shall not have the power of eminent domain over state or municipally owned lands or property.

(g) The Corporation shall have the power to apply for and accept grants or loans and the cooperation of the United States of America or any agency thereof to carry out the purposes of the Corporation.

(h) The Corporation shall have the power to fix, establish, revise, maintain, charge and collect rates or charges for all energy products and services that this Act authorizes the Corporation to provide to the public.

(i) The Corporation shall have the power to perform, or contract, technical services for Public Energy Districts.

(j) The Corporation shall have the power to employ a general manager or executive director and such assistants, agents, engineering, financial, and legal help as required to properly perform its duties.

(k) The Corporation shall have the power to borrow money and issue evidences of indebtedness for any of the purposes as provided in this Act payable solely from the revenues pledged for the payment of such bonds, notes, certificates, or other evidences of indebtedness.

Section 7. State Fuel Corporation: General duties—

(a) The Corporation is required within one year of the date of this Act, to acquire the direct ownership of or the legal rights to one hundred and fifty days' supply of petroleum, petroleum products and natural gas based on the relevant provisions of the Plan. To accomplish this, the Corporation is authorized to purchase at cost plus a profit of no more than seven percent the inventories of any corporation doing business in this state or to acquire such inventories by eminent domain. In the event that the establishment of a one hundred fifty day inventory would require the state to pay a price that is deemed by the Corporation and the Energy Board to be excessive, the Energy Board may extend the period for acquiring inventory to up to one additional year.

(b) Upon the approval of the Plan as described in Title II, the Corporation shall take all reasonable steps necessary to assure that the supply, distribution, and cost of energy to the state's residents as called for in the Plan will be met.

(c) The Corporation will have the authority to require disclosures of contract terms, inventories, and other information relevant to the carrying out of its responsibilities from any individual, association of individuals, or corporation engaged in the buying, selling, storing, or transporting of petroleum, petroleum products and natural gas within the state.

(d) After examining the records, plans, and capabilities of the private sector of the state's economy to determine whether the supply, distribution, and cost of petroleum, petroleum products and natural gas are adequate to meet the needs of the Plan, the Corporation may take such steps as it deems necessary to assure that the Plan will be met. Such steps may include:

(1) the leasing, purchasing, building, operating, and sale of storage facilities;

(2) the leasing, purchasing, and operating of transportation vehicles and facilities;

(3) the contracting with any agency, public or private, for storage, and transportation facilities, except that where feasible preference for such contracts must be given to public and nonprofit enterprises and single entrepreneurs and partnerships owned and operated primarily by residents of the states;

(4) purchase from any supplier, public or private, domestic or foreign, of petroleum, petroleum products or natural gas;

(5) invest, as part of a joint venture with other public corporations, federal or state, in enterprises for the production and refining and transport of petroleum, petroleum products and natural gas;

(6) with the specific approval of the Legislature and the Governor, engage in the production and refining of oil and natural gas, alone or in joint venture with private or public corporations;

(7) sell excess supplies of petroleum, petroleum products or natural gas.

(e) The Corporation is authorized to enter into long term contracts to supply petroleum products and natural gas to independent retailers in the state, giving preference to nonprofit enterprises and single entrepreneurships and partnerships operated by residents of the state. The Corporation is authorized to provide reasonable credit terms in the exercise of this authority.

(f) The Corporation is prohibited from owning directly all or a portion of a retail establishment.

Section 8. State Fuel Corporation: Bonding—

(a) The Corporation, for the purpose of acquiring, building, purchasing and operating facilities necessary for the exercise of its responsibilities, may from time to time issue negotiable bonds or notes whether the bonds or notes to be refunded have or have not matured.

(b) The bonds or notes shall be authorized by resolution of the Energy Board, be in such denominations and bear such dates, mature at such times not exceeding forty years from their respective dates, be in such form, be executed in such manner, be payable in such medium of payment at such places, and be subject to such terms of redemption as the resolution may provide.

(c) The full faith and credit of the state is pledged to the payment of bonds of the Corporation issued under this section.

Section 9. State Fuel Corporation: In lieu of taxes—

(a) The Corporation shall not be liable for payment of any local or state taxes, but is required to make payment to the state a sum equal to 10% of its gross revenue to the General Fund, to be allocated or not amongst the subdivisions of the state as the Legislature shall determine.

Section 10. State Fuel Corporation: Rights of employees—

(a) The right to collective bargaining is guaranteed to all employees.

(b) Employees have the right to participate, consistent with good management practices, in decisions regarding health, safety, hours of work, management procedures and general working conditions. Employees shall also be consulted on major policy decisions involving changes in organization and technology.

FIGHTING UNEMPLOYMENT WITH QUESTIONABLE STATISTICS

Mr. HUMPHREY. Mr. President, I have been concerned for some time now about the use of misleading economic statistics. Unemployment statistics are a good example. They do not include new job market entries, part-time workers, or workers unemployed for extended periods of time who get discouraged and stop looking for work.

Therefore, the unemployment problems we face today are vastly understated in Government statistics. I hope that the accuracy of these statistics will be improved quickly in order to help all of us have a clearer picture of the true extent of unemployment. Perhaps with the improved awareness of the real dimensions of the problem that this would provide, the administration would be moved to act more rapidly to initiate and support essential programs to aid our fellow Americans during the current deepening recession.

Mr. Sar A. Levitan, a noted expert in the employment field, who is associated with the Center for Manpower Policy Studies at the George Washington University, has recently prepared an insightful analysis of our national unemployment statistics. It is a conclusive rebuttal to Prof. Raymond Livingstone's recent criticism of the use of aggregate national statistics. Professor Livingstone reached what I find to be an incredible conclusion, namely that our unemployment statistics overstate the seriousness of our unemployment problem. Regrettably, his views have been given wide publicity through an article in the U.S. News & World Report. Under normal conditions, such academic wanderings would be of minor significance. However, given today's economic conditions, such an analysis can be dangerously misleading to public policymakers.

Mr. President, I ask unanimous consent that Mr. Levitan's excellent paper, "Fighting Unemployment With Questionable Statistics," be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Fighting Unemployment With Questionable Statistics

Blaming the messenger for the bad news is an old, if not too respected, sport. Now that unemployment is on the rise, it is not at all surprising to find a revival of the old shibboleths that our unemployment problems are largely the creation of the bureaucrats.

One presumed analysis of government unemployment figures has been released by Raymond S. Livingstone, a visting professor in the College of Business and Public Administration at Florida Atlantic University. His findings have been publicized in the U.S. News & World Report (November 18, 1974), and the NAM (November 25, 1974).

According to Professor Livingstone, the problems of unemployment are grossly exaggerated because the media zero in only on a single unemployment rate. These overall figures, he claims, greatly overstate the problem. Since unemployment is now a national issue which has received banner headlines, it is worth reexamining the accuracy of Professor Livingtone's allegations.

Professor Livingstone would count only full-time primary earners as unemployed. He claims that this is what the British do. The fact is that the British count not only the primary earners, but also any other jobless worker who registers at the Employment Exchange. We do have a similar figure collected for the purposes of paying unemployment insurance. When employment was 6 percent, the insured unemployed in the United States were 3.6 percent of all covered workers and not 1 percent, as Livingstone suggested.

It really wouldn't make any sense to count only primary earners as unemployed since more than 40 percent of American wives with husbands present are now employed. Over half work full-time for at least half the year and contribute significantly (over 30 percent on average) to family budgets. Let's assume these working wives lose their jobs. If Mr. Livingstone would have his way, they would not be counted among the unemployed. However, the accompanying dip in consumer purchasing power could create a deep depression rather than the recession we have now. According to Mr. Livingstone, we would still have only 1 percent unemployed, but would that reflect actual economic conditions?

2. Unemployment, according to Mr. Livingstone, is apparently not a serious problem because "only" 347,000 individuals in October should be counted among the hard-core unemployed, namely those unemployed for more than 26 weeks. Clearly, 6 months is a long period to be forced into idleness, but Mr. Livingstone, who claims to be familiar with government unemployment statistics, is less than candid with his readers when he limits the hard-core unemployed even if well-paying jobs are available for 26 weeks or more. The government also reported in October another 556,000 who were idle 15 to 26 weeks, bringing the total jobless over 15 weeks to 17.9 percent of the unemployed. And surely Mr. Livingstone is acquainted with statistics about discouraged workers—unemployed workers who quit seeking work because no work is available for them. As the third quarter of 1974, the United States Bureau of Labor Statistics counted 592,000 persons who gave up looking because they could not get jobs. If Mr. Livingstone wanted to count hard-core unemployed, shouldn't he also have added the discouraged workers who have even stopped looking for a job?

3. Another problem Mr. Livingstone finds with the unemployment figures is that some people expect what he considers inordinately high wages, and they may be counted among the unemployed even if jobs paying lesser wages are available. But Mr. Livingstone cannot have his cake and eat it too. If there is any merit to his argument that some workers are counted among the unemployed even if well-paying jobs are available for them, shouldn't he include in his unemployment totals those employed family heads who earn less than a poverty wage? These figures are also available from government statistics and he would find that there were 2.1 million fully-employed family heads whose earnings were insufficient to bring their families above the poverty threshold. Before the present recession started, an additional 3.5 million family heads were subject to spells of unemployment and therefore did not work full-time and earned less than poverty wages.

4. In addition, Mr. Livingstone might have shown more concern with the concentration of unemployment, instead of dealing only with aggregates. While average unemployment in the United States, according to government statistics, was 6 percent, black unemployment was 10.9 percent and has been constantly about double the national average for whites. And, government statistics list 314 areas of chronic unemployment where the rate has been over 6 percent during the past year, long before the national average climbed to that level. Mr. Livingstone completely overlooks these "details."

5. Finally, Mr. Livingstone's analysis sidesteps the basic reason for rising concern with unemployment. Whatever method one chooses to count the noses, the numbers are rapidly growing. Between October 1973 and 1974, while employment among household heads grew by 593,000, unemployment among that important segment of the labor force grew by 462,000. Those out of work over 15 weeks rose from 298,000 to 399,000. Five years ago when the unemployment rate averaged a more acceptable 3.8 percent, only one-third as many household heads were idle over 15 weeks compared with this October.

We are facing a serious unemployment problem. Proper national policies are likely to ameliorate the problems, but distorting available statistics is not part of the solution to our unemployment situation.

SAM MALKAN

Mr. RIBICOFF. Mr. President, on December 4 an old friend, Sam Malkan, celebrated his 81st birthday and was able to share this wonderful milestone with many of his dear friends in Connecticut. As a devoted public servant, Sam Malkan should be cited for his work for the State of Connecticut in many capacities. He was elected to the State senate twice, and during his tenure in that body he had the honor of occupying the Governor's chair on two occasions in the absence of the sitting chief executive in the State. He was later named State boxing commissioner and implemented many significant advances in that post. He has also had a distinguished career on the stage, in the business world, and with the veterans' groups with which he has been involved. And in each field he has quickly gained the respect and friendship of his associates.

Sam Malkan clearly deserves the praise of all who seek to recognize accomplishments in the field of public service, and I ask unanimous consent that an article in the New Haven Register detailing his accomplishments be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New Haven Register, Nov. 30, 1974]

Saturday Journal

Somewhere it is written, "Man in his time plays many roles." Right now in Yale-New Haven Hospital, former State Sen. Samuel H. Malkan is playing the part of an irritable patient recovering from a hip operation.

That scene is nearly complete. The onetime singer who toured the vaudeville circuits of the nation as a tenor with the Cabaret Trio has received unofficial word that he'll be released next week.

Actually his physical troubles began a year or so back according to his sister, Tessie, who, with Sam, is the last of the family of four born to Mr. and Mrs. Jacob Malkan in Washington, D.C.

It seems that Sam was taking some dresses home from the tailors for his sister. He stepped from the car and onto the cellophane bags, slipping to the ground. He was hospitalized and unknown to him, had a pin placed in his hip.

Six months later came the pain which for most of his life had been unknown to the man who is renowned for the carnation that he wears daily in his coat lapel.

Sammy will be 81 next Wednesday and he can look back upon a background of the stage, politics and business. The business instinct was cut from his father's cloth. His politics from the faculty of hitting when the iron is hot. As for the stage Malkan says, "I always knew I could sing."

When Jacob decided to move his family to New Haven, Sam was just a toddler. He attended the old Winchester School on Gregory Street, walking daily from the family home on Oak Street.

When he got to a working age, he picked up the rudiments of real estate from his father whose office, for 40 years, was in the old Poli Theater Building on Church Street.

Then he went to Hillhouse mornings and worked afternoons for 50 cents at Little & Freeman's on Chapel Street.

He was invited to sing one night while waiting on tables at the home of Lewis G. Stoddard where the Yale football team of 1916 was breaking its training. The late "Jigger" McCarthy heard him and invited him to stick around. Sam did and filled in as a tenor in the Cabaret Trio billed as from New York. He was well received and shortly thereafter went on tour with the group which had a blind pianist, Arthur Stone, singing the lead, and Benny DeVere as baritone.

"I was of draft age when the First World War broke out," Malkan recalls. "So I enlisted in the Navy. I was called up in 1917 and was out in January of 1919 and I went back to the stage playing all of the big circuits. I spent some time with the trio in New York singing in nightspots but finally I returned to New Haven to help my father—and myself.

Sam did a good job of it and at the suggestion of Nick Mona worked to get the Democratic nomination for state senator in 1933. His diligence paid off and he was able to defeat Republican Harold Blakeslee by seven votes for the post. An official recount held up and for the next seven terms, Sam went to the State Senate, twice serving as Governor for a Day in the absence of Governors Earl E. Baldwin and Chester E. Bowles under the rules which require the president pro-tem of the Senate to fill the seat.

It was in 1948–1949 that Malkan was appointed State Boxing Commissioner by Bowles. During his tenure he saw his own bill passed which made it mandatory for all boxers in state rings to carry insurance.

The night most cherished by Sam was the testimonial given him at the old Wilcox Pier at Savin Rock.

Congressman James A. Shanley was general chairman and Alexander Winnick the toastmaster.

Seated at the head table were U.S. Senators Brien McMahon and Raymond Baldwin, Congressmen Abraham Ribicoff and John A. McGuire, Gov. Bowles, Lt. Gov. William T. Carroll, Secretary of the State Winifred McDonald, Treasurer Joseph A. Adorno, Comptroller Raymond S. Thatcher, Atty. Gen. William L. Hadden, State Police Commissioner Edward P. Hickey, World's Featherweight Champion Willie Pep and such state and national figures as John M. Bailey, Dorothy Satti, Paul F. Connery, Mary Flynn, Alfred Wechsler, John P. Cotter, and Rabbi Stanley Rabinowitz of the B'nai Jacob Synagogue gave the invocation.

"It started with Freda Svirsky accompanying Mary Colella's rendition of the "Star Spangled Banner" and wound up with a New York vaudeville show. How's that for a cast?"

Solid, man. Solid.

THE DEATH OF DR. KENNETH M. LYNCH

Mr. THURMOND. Mr. President, Dr. Kenneth M. Lynch, an eminent South Carolina physician and educator, died on November 29, 1974, at his home in Summerville, S.C. Any profession pursued with diligence and integrity is worthy of high regard, but there seems to be something especially noble about the jobs of caring for the sick and educating the young. A man who has performed both of these jobs, and performed them tirelessly for almost seven decades, has rendered services to his State and country that should never be forgotten. Such a man was Dr. Lynch.

A native of Texas, Dr. Lynch received his medical degree from the University of Texas in 1910. After 3 years of practicing and teaching pathology in Pennsylvania, he came to the Medical College of South Carolina in 1913, the institution to which he was to devote the rest of his long life.

From professor of pathology, his first position at the college, Dr. Lynch rose to the position of vice dean in 1935 and dean in 1943. In 1949, he became president; and in 1960, when he retired from the presidency, he was named chancellor and professor emeritus. Thus, at different times, he held all the most important administrative positions of the college, and he deserves much of the credit for the college's steady growth in size and reputation.

Besides leading the college as an administrator, Dr. Lynch continued to teach pathology throughout his career. Nor did he neglect his scientific interests, as the 100 papers and 2 books he published on his researches will testify. Indeed, his medical colleagues thought so highly of him that they repeatedly elected him to high office in professional organizations, including the presidency of the American Medical Association. The awards he received for his scientific work were numerous and prestigious.

Dr. Lynch has gone from us now after 87 years of incomparable service. However, the legacy he has left behind him will be with us for many more years than that. His research and his personal care have given to many the priceless possession of health, and his work as an educator has enabled many others to do the same. As long as medicine is practiced in South Carolina, Dr. Lynch's name will be gratefully remembered.

Mr. President, on the occasion of Dr. Lynch's death, a number of articles appeared in many South Carolina newspapers in his honor. I ask unanimous consent that four representative accounts be printed in the Record at the conclusion of my remarks, as follows: "Former MUSC President, Dr. Lynch, Dies," the State, Columbia, S.C., November 30, 1974; "Dr. Kenneth M. Lynch, Former MUSC Head, Dies," The News and Courier, Charleston, S.C., November 30, 1974; "Dr. Lynch Funeral Sunday," the News and Courier, Charleston, S.C., December 1, 1974; and "Dr. K. M. Lynch," the Evening Post, Charleston, S.C., December 3, 1974.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Former MUSC President, Dr. Lynch Dies

Dr. Kenneth Merrill Lynch, professor emeritus and retired president and chancellor of the Medical University of South Carolina, died Friday.

The funeral will be 3 p.m. Sunday at the graveside in Sunnyside Cemetery, Orangeburg, directed by Dukes-Harley Funeral Home.

Dr. Lynch retired as president of MUSC in 1960 after 47 years with the university. He then was named professor emeritus and chancellor.

With Dr. Joseph I. Waring, he was coauthor of the university's commemorative sesquicentennial history published earlier this year.

Dr. Lynch was born Nov. 27, 1887, in Hamilton County, Tex., a son of William Warner Lynch and Mrs. Martha Isabel Miller Lynch.

He received his medical doctor's degree from the University of Texas in 1910 and has been awarded honorary degrees by his alma mater and by the College of Charleston, Clemson University and the University of South Carolina.

He served as resident in pathology at Philadelphia General Hospital and taught pathology at the University of Pennsylvania and was also assistant pathologist at Pennsylvania University Hospital and Philadelphia General Hospital.

When the Medical College of South Carolina (now the university) became a state institution in 1913, Dr. Lynch became the first full-time member of the new faculty as professor of pathology, a position he held until his retirement.

He was named vice dean of the college in 1935 and dean in 1943. In 1949 he was elected consultant pathologist to the Veterans Ad- president and also was pathologist in charge of hospitals associated with the college and ministration and several other hospitals. He served as a captain in the U.S. Army Medical Corps during World War I.

The Southern Medical Association presented him with its First Award for Scientific Exhibits, the Distinguished Service Award and the Research Medal. The American Medical Association awarded him the gold medal for scientific exhibits.

He was a member of numerous scientific and learned societies and was a past president of the American Society of Clinical Pathologists, American Society of Tropical Medicine and the S.C. Medical Association. He also was past president of the American Medical Association.

He held membership in Phi Beta Kappa, Alpha Omega Alpha, Omicron Delta Kappa, Blue Key and other honor societies and in 1967 was presented the Distinguished Service Award of the University of Texas Medical Branch.

He was the author of two medical books and more than 100 papers published in various medical and scientific journals. His publications concerned mainly his research in protozoal diseases, industrial dust diseases of the lung and cancer.

Shortly after retirement he was honored at a special governor's appreciation dinner at which his work in increasing the size and scope of the Medical University was praised. Speakers also noted that he had at that time (1961) taught more than half of the physicians then practicing in South Carolina and that more than 2,000 medical doctors had attended his classes.

Dr. Lynch was an ardent sportsman and experimented with raising wild turkeys. His studies of that game bird have proven valuable to state and federal game management programs.

He was given much credit for his influence in having a Veterans Administration hospital built at Charleston.

Surviving are: two daughters, Mrs. William W. Humphreys, and Mrs. C. S. Farley Smith, both of Charleston; a son, William W. Lynch of Orangeburg; two brothers, Howard W. Lynch of Amarillo, Tex., and Henry M. Lynch of Estes Park, Colo.; a sister, Miss Maude I. Lynch of Amarillo; nine grandchildren.

Dr. Kenneth M. Lynch, Former MUSC Head, Dies

Summerville.—Dr. Kenneth M. Lynch, 87, chancellor and former president of the Medical University of South Carolina, died Friday at his Summerville home.

Dr. Lynch was born in Hamilton County, Tex., and received his medical degree from the University of Texas. He held honorary degrees from the University of South Carolina, College of Charleston and Clemson University.

He served as dean of the Medical University from 1943 to 1949 and as president and dean of faculty from 1949 to 1960. He was named chancellor and professor emeritus of pathology in 1960. He had been associated with the medical school since 1913, becoming the institution's first full-time faculty member.

He served as vice president of the American Medical Association, on the board of governors of the American College of Physicians, as president of the American Society of Tropical Medicine, as president of the American Society of Clinical Pathologists, and as president of the S. C. Medical Association, on the board of directors of the American Cancer Society, chairman of the S.C. Cancer Commission from 1939–1944 and chairman of S.C. State Board of Health.

He received the distinguished service award of the Southern Medical Association in 1957, and in 1958 the distinguished service citation and medal of the American Cancer Society.

Surviving are two daughters, Mrs. Falrey Lynch Smith of Charleston and Mrs. William Humphreys of Charleston; a son, William Wannamaker Lynch of Orangeburg; two brothers, Howard Lynch of Amarillo, Tex., and Henry Lynch of Estes Park, Colo.; a sister, Miss Maude Lynch of Amarillo, Tex.; nine grandchildren; and three great-grandchildren.

Services will be at 3 p.m. Sunday in Sunnyside Cemetery in Orangeburg.

Dukes-Harley Funeral Home is in charge.

Dr. Lynch Funeral Sunday

The funeral for Dr. Kenneth Merrill Lynch will be 3 p.m. Sunday at the graveside in Sunnyside Cemetery, Orangeburg, directed by Dukes-Harley Funeral Home.

Dr. Lynch, professor emritus and retired president and chancellor of Medical University of South Carolina (MUSC), died Friday. He was 87.

Dr. Lynch retired as president of MUSC in *1960 after* 47 years with the university.

He was the first full-time faculty member, as profesor of pathology, of the Medical College of South Carolina (now the university) when it became a state institution in 1913. He was president for 11 years.

Dr. K. M. Lynch

Under the strong leadership of Dr. Kenneth M. Lynch, the Medical College (now University) of South Carolina entered a period of expansion which has continued since his retirement in 1960.

Dr. Lynch piloted through the General Assembly legislation to build a teaching hospital, and supervised its construction. His 47-year connection with the medical school at Charleston began in 1913, when he became the first fulltime member of the faculty of the newly designated state institution. Dr. Lynch was appointed professor of pathology, a position he held until his retirement.

A native of Texas, Dr. Lynch achieved a nationwide reputation as a pathologist and administrator. In a career devoted to teaching, he supervised the training of thousands of physicians. He wrote two books and more than 100 published papers. He had many interests, among them the raising of wild turkeys. His death at age 87 has ended a fruitful lifetime and a distinguished service to medical education.

TOLEDO NEWSPAPER LAUDS SENATOR CANNON

Mr. ROBERT C. BYRD. Mr. President, the Blade, an outstanding newspaper in Toledo, Ohio, carried an interesting and justifiably flattering profile of the distinguished Senator from Nevada (Mr. Cannon) in its Sunday, December 15, edition.

The article, written by Mr. Frank Kane, Washington correspondent for the Blade, commends Senator Cannon for the "thorough, courteous manner" in which he, as chairman of the Senate Rules Committee, conducted the hearings on Nelson Rockefeller to be Vice President.

Mr. Kane's profile traces Senator Cannon's childhood on a Utah farm, and his early years in politics—and it mentions the skill with which he played the saxophone with a dance band to help pay his way through law school.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Howard Cannon Grew Up on Utah Ranch—Courteous Senate Rules Chairman Is Lawyer, Aviator, Saxophonist

(By Frank Kane)

Washington.—When the Senate Wednesday voted overwhelmingly to confirm the nomination of Nelson Rockefeller as vice president, Mr. Rockefeller promptly voiced high praise for the chairman of the committee which had handled the nomination—a fairly senior but hitherto obscure Nevada Democrat, Howard W. Cannon.

In a way, Mr. Rockefeller was voicing the feelings of many other Americans who got their first real look at Senator Cannon and his Senate Rules and Administration Committee via either public or commercial television during the Rockefeller hearings.

Like him, they may have been impressed with the courteous, thorough manner in which the Nevada senator conducted what the committee itself later described as probably the "greatest in-depth confirmation inquiry ever carried out by a committee of the United States Senate—and properly so."

The Senate Rules Committee, unlike the House Rules Committee, which serves as a traffic cop on legislation, is basically concerned with what Senator Cannon himself calls housekeeping matters.

Assignment of office space in the Senate Office Buildings; administration of the Senate restaurant, matters relating to printing and correction of the Congressional Record; management of the Library of Congress and the Smithsonian Institution are a few of the unexciting subjects that come under its jurisdiction.

But it also holds the purse strings on operating funds for the other Senate committees, an important power, and has jurisdiction over all legislation and matters pertaining to federal elections and corrupt practices as well as "presidential succession."

Under its power to hear legislation on federal elections, it did the basic work for the Senate on the recent campaign spending reform law. It also will conduct hearings on the close senatorial election in New Hampshire, which Senator Cannon expects will wind up in the Senate's lap for a final decision.

And because it also is designated as the committee for matters involving "presidential succession," it conducted the Senate's hearings on the two men who have been nominated as U.S. vice presidents so far under the 25th Amendment to the Constitution—Gerald Ford and Nelson Rockefeller.

It also was the committee charged with the responsibility for developing the rules for the impeachment trial of Richard Nixon. These rules were developed and are pending on the Senate calendar. If and when they are ever adopted they will serve as the framework for any future impeachment trials.

One indication that some senators realize the potential importance of the committee is the fact that no fewer than three of the four top Senate leaders serve on it: Democratic whip Robert Byrd of West Virginia, Republican minority leader Hugh Scott of Pennsylvania, and assistant Republican leader Robert Griffin of Michigan.

Senator Cannon himself first went on the committee in 1959, when he came to the Senate, at the request of then Democratic majority leader Lyndon Johnson.

In a typical Johnsonian deal, the majority leader offered to give Senator Cannon his other preferred committee assignments if he would serve on the Rules Committee.

The Senator from Nevada was born 62 years ago in the small town of St. George, Utah, about 125 miles from Las Vegas, Nev. His father was a farmer and rancher, served as a postmaster under Republican administrations, taught at the local college, and was on the board of directors of a bank.

But the family was "not at all well-to-do," the senator says, and he worked his way through Dixie Junior College in St. George, Arizona State Teachers College at Flagstaff, and the University of Arizona law school by playing saxophone in a dance band that he had organized.

The senator is still proud of that band, which once played on a cruise ship touring the Far East. He talks about how one member went on to become director of the Tucson Philharmonic Orchestra, another played with Fred Waring, and another taught at Juilliard School of Music. "I had a lot of good musicians with me."

Occasionally, on request, he'll stand in with a band in a Las Vegas nightspot and play a few bars.

After graduation from law school in 1937, he practiced law in St. George and was elected county attorney in 1940. But he had also enlisted in the Utah National Guard and in 1941 he was called to active duty with a unit of combat engineers.

However, he had a lifelong interest in aviation and had taken flying lessons while in college and even helped a roommate, who later became an airline pilot, deliver newspapers by air to small towns in Arizona.

After Pearl Harbor, the army air corps conducted an intensive search for persons with flying experience and Mr. Cannon shifted from the engineers to the air corps.

In the fall of 1944, then Major Cannon and a Col. Frank Krebs were in the lead ship of a 45-plane formation carrying the first wave of paratroopers to be dropped in the Arnheim bridge area in the Allied invasion of The Netherlands.

Their plane was hit by anti-aircraft fire and the other crew members bailed out. Major Cannon and Colonel Krebs were separated from the rest of the crew and, with the aid of the Dutch underground, spent 42 days evading capture by the Germans.

At one point they masqueraded as a farmer and his hired hand and used the munching of an apple as a recognition signal to contact one group of Dutch sympathizers on a bridge.

Today a large oil painting showing two Dutch farmers crossing a bridge, with a half-eaten apple in the foreground, hangs in the senator's office. It was painted by an air force intelligence officer after he heard their story.

Col. Krebs is now a member of the senator's staff, specializing in military and space legislation.

Mr. Cannon continued in the air force reserve after the war ended. He now is a retired reserve major general.

He also continued his flying, piloting some of the more advanced air force planes over the years, and even today manages to get in about 150 hours a year, mostly piloting himself to small communities in Nevada which lack good commercial air service.

After the war he moved to Las Vegas, then only 10,000 or 12,000 in population but about three or four times bigger than St. George, and started practicing law there.

He was elected four times as Las Vegas city attorney, served as president of the county chamber of commerce, and in 1958 was elected to the U.S. Senate and re-elected in 1964 and 1970.

In 1964, he barely managed a 48-vote win over then Lt. Gov. Paul Laxalt, who won Nevada's other Senate seat last month. Mr. Cannon picked up 58 per cent of the vote in 1970.

He is chairman of the Senate Commerce subcommittee on aviation and also chairman of the tactical air power subcommittee of the Senate Armed Services Committee.

He was a staunch backer of development of the supersonic transport plane (SST) and once told an aviation writer that its congressionally dictated demise ranked as his biggest disappointment.

He also is a sharp critic of the Civil Aeronautics Board, which he claims is failing to provide Americans with inexpensive air transportation. He told the Senate last week that "never in my memory have we had a Civil Aeronautics Board so callous to the needs of the public."

If criticism could be voiced of the way that Senator Cannon and the Rules Committee handled the Rockefeller nomination, it would be the fact that some of the material damaging to the nominee, such as the financing of the Arthur Goldberg book and the gifts to public officials, came out via "leaks" between the committee's first set of hearings in September and the time they were resumed in November.

Senator Cannon says that he knew about the Goldberg book before the committee even started its hearings and had made enough of an investigation himself to believe what Mr. Rockefeller had told the FBI in its inquiries—that he had nothing to do with the publication of the book.

However, when parts of the story were "leaked," apparently by staff members, and Mr. Rockefeller subsequently assumed full responsibility for the publication of the book, the senator felt that the committee would have to go into the matter thoroughly and "lay everything out on the record."

The committee eventually concluded that the most Mr. Rockefeller had done was exercise "poor judgment" by "tacitly" approving the publication of the book, which was used in his 1970 New York gubernatorial race against Mr. Goldberg, and asking his brother, Laurance, to arrange for its financing.

As for the gifts, they were not brought out in the first set of hearings because the committee was not that far enough along in its investigation at that time, he adds.

At that time, the committee was in a hurry to get the hearings under way because it was under criticism for delaying confirmation of the appointment, he explains.

A central question involved in the Rockefeller hearings was whether the wedding of great wealth (in the nominee's family fortune) and great political power (if he became vice president, with the possibility of some day succeeding to the presidency) would involve potential conflicts of interest.

On that the committee accepted the former governor's "candor and straightforward responses" that he would be guided by the public interest rather than his family's business interests. This conclusion, it said, was supported by the absence of any evidence that "meaningful" conflict-of-interest charges had been raised against him during 15 years as governor of New York, where his family's major holdings are headquartered.

Now that his committee has heard two vice presidential nominees (one of whom later became president) under the 25th Amendment, Senator Cannon thinks that it might be time to take another look at that amendment and see if it needs to be revised.

Perhaps there should be some procedure whereby if one person suceeds to the presidency without election, the second person (his vice presidential nominee) would be subjected to a popular referendum.

In other words, some method of avoiding a situation where presidential succession gets "too far away from the public" might have to be developed.

STRIP MINING—COSTS OF RECLAMATION

Mr. BAKER. Mr. President, on last Monday, when the Senate turned its consideration to the conference agreement on S. 425, I submitted in my statement on this legislation statistics furnished me last year by the Tennessee Valley Authority regarding the cost of back to contour reclamation. Those statistics showed that multiple-seam, back-to-contour reclamation in the Appalachian Mountains could be accomplished with total costs—including mining, loading and reclamation—of somewhat over $11 per ton compared with a cost of $8.50 at a standard reclamation mine.

In the last few days I have received another report from the Tennessee Valley Authority regarding a single-seam, backcut strip mine in the same area of eastern Tennessee. The coal seam at this area was only 19 inches thick, but in order to provide data on more commercially mineable seams the TVA has projected the cost on the basis of 30, 36, and 40 inch seams. Their report, which was submitted by Dr. Thomas H. Ripley, the director of their Forestry, Fisheries and Wildlife Development Division, indicates that this project experienced a total cost—including mining, loading and land reclamation—of only $8.65 per ton.

As I am sure my colleagues are aware, the present cost of eastern coal is substantially in excess of this amount. Therefore, it would seem safe to conclude that the reclamation standard specified by S. 425, approved in the last several days by both the House of Representatives and the Senate, will not add substantially to the cost of surface-mined coal from Appalachian coal fields.

While this news is encouraging from the standpoint of substantiating the practicability of the standard contained in S. 425, I feel that it is a sad footnote to the devastation of millions of acres of land in the Appalachian Region.

Mr. President, I ask unanimous consent that a copy of the report of Dr. Thomas H. Ripley be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY

To: Mr. Lynn Seeber, General Manager, 411 NSB, Knoxville

From: Thomas H. Ripley, Director of Forestry, Fisheries, and Wildlife Development, Norris

Date: December 3, 1974

Subject: Single seam "block-cut" project—Koppers Property, Campbell County, Tenn.

We have completed the compilation of mining and reclamation costs on the single seam Pennsylvania "block-cut" project on the Koppers property. Attached is a breakdown of the distribution of expenses reported by Long Pit Mining Company and verified by Finance.

The coal seam on the test area averaged only slightly more than 19 inches. We have, therefore, recalculated costs to show what they would be had the coal been of more commercial thickness, specifically 30, 36, and 40 inches. Based on this test, the mining, loading, and land reclamation associated with a three-foot seam would average *$8.65* per ton.

Costs reported here are the result of using only bulldozers and front-end loaders as commonly practiced in Pennsylvania. Mr. Long is now testing efficiency improvements in this type mining by utilizing large haul trucks in addition to the dozer and front-end loader. The results of this test work will be available later.

All data and work sheets on these tests are being supplied the Office of Power. Special thanks are due Mr. Bob Smith, Division of Finance, for his thorough job of cost accounting.

THOMAS H. RIPLEY.

SINGLE SEAM BLOCK—CUT PROJECT—KOPPERS PROPERTY—CAMPBELL COUNTY, TENN.

DISTRIBUTION OF EXPENSES FOR THE 10 COMPLETED BLOCKS INCLUDING SUMMARY OF ESTIMATED COSTS FOR COAL SEAM THICKNESSES OF 30, 36 AND 40 INCHES

	Total blocks 1–10	Block No. 1	Block No. 2	Block No. 3	Block No. 4	Block No. 5	Block No. 6	Block No. 7	Block No. 8	Block No. 9	Block No. 10
Drilling and blasting	$25,630.08	$3,162.75	$1,991.45	$1,399.40	$1,627.51	$3,726.61	$3,096.11	$1,694.15	$2,880.82	$4,323.79	$1,727.49
Clearing trees, silt basins, prospecting, build roads	9,119.43	911.95	911.95	911.95	911.94	911.94	911.94	911.94	911.94	911.94	911.94
Removal of overburden	61,276.78	11,581.31	6,740.45	1,427.75	3,192.52	4,742.82	8,033.39	5,453.63	5,802.91	8,621.64	5,680. 6
Safety equipment	186.83	37.31	19.32	7.19	10.41	16.16	21.93	15.15	18.23	25.09	16.04
Loading at pit	4,506.93	970.79	313.23	142.87	190.64	286.19	459.71	333.96	715.25	551.65	542.64
Reclaiming	9,885.26	5,686.00	412.22	534.79	412.22	534.79	412.22	534.79	412.22	534.79	411.22
Supervision	2,072.31	413.84	214.28	79.78	115.43	179.25	243.29	168.06	202.26	278.31	177.81
Maintenance and fuel	46,335.72	9,253.24	4,791.11	1,783.93	2,580.90	4,008.04	5,439.81	3,757.83	4,522.37	6,222.89	3,975.60
Office and Miscellaneous	12,658.37	2,726.61	879.76	401.27	535.45	803.81	1,291.15	937.99	2,008.88	1,549.38	1,524.07
Total	171,671.71	34,743.80	16,273.77	6,688.93	9,577.02	15,209.61	19,909.55	13,807.50	17,474.88	23,019.48	14,967.17
Average seam thickness (inches)	19.2	18	12	14.4	16.8	14.4	21.6	16.8	24	21.6	24
Tons—Estimated	10,586	2,280	736	336	448	672	1,080	784	1,680	1,296	1,274
Cost per ton	$16.22	$15.24	$22.11	$19.91	$21.38	$22.63	$18.43	$17.61	$10.40	$17.76	$11.75
Average seam thickness (inches)	30	30	30	30	30	30	30	30	30	30	30
Tons—Estimated	16,933	3,800	1,840	700	800	1,400	1,500	1,400	2,100	1,800	1,593
Cost	$174,373.91	$35,390.84	$16,743.91	$6,844.08	$9,726.98	$15,519.46	$20,088.46	$14,069.58	$17,653.69	$23,234.17	$15,102.74
Cost per ton	$10.30	$9.31	$9.10	$9.78	$12.16	$11.09	$13.39	$10.05	$8.41	$12.91	$9.49
Average seam thickness (inches)	36	36	36	36	36	36	36	36	36	36	36
Tons—Estimated	20,320	4,560	2,208	840	960	1,680	1,800	1,680	2,520	2,160	1,912
Cost	$175,815.90	$35,714.40	$16,900.58	$6,903.69	$9,795.09	$15,638.67	$20,216.18	$14,188.79	$17,832.51	$23,387.44	$15,238.55
Cost per ton	$8.65	$7.83	$7.65	$8.22	$10.20	$9.31	$11.23	$8.45	$7.08	$10.83	$7.97
Average seam thickness (inches)	40	40	40	40	40	40	40	40	40	40	40
Tons—Estimated	22,556	5,062	2,451	932	1,066	1,865	1,998	1,865	2,797	2,398	2,122
Cost	$176,767.87	$35,928.13	$17,004.04	$6,942.85	$9,840.22	$15,717.43	$20,300.48	$14,267.55	$17,950.44	$23,488.77	$15,327.96
Cost per ton	$7.84	$7.10	$6.94	$7.45	$9.23	$8.43	$10.16	$7.65	$6.42	$9.80	$7.22

TOM KOROLLOGOUS—A DEDICATED PUBLIC SERVANT

Mr. WILLIAMS. Mr. President, over the past decade I have had the pleasure of working with Tom Korollogous, first as administrative assistant to the senior Senator from Utah (Mr. Bennett) and later as Senate liaison officer for the White House. During this entire period of time, and although we may not have always agreed on specific matters—I found Tom to be a dedicated public servant.

Tom has always carried out his duties in an honest and forthright manner. He has worked long and hard in the service of his Nation and I for one regret seeing him leave Government service. His dedication to duty will be sorely missed and I know that in his future endeavors he will be as successful as he has been in the past in working with the Congress.

In particular I would like to take this opportunity to commend Tom for his excellent counsel and advice during our consideration of the mass transit bill last month. Without Tom's efforts this most important legislation which benefits all of our Nation's citizens might well not have been enacted into law.

Mr. President, I know that I speak for all Members of this body when I say: "Tom, your shoes will be hard to fill and we will all miss your contributions to our efforts; but, in the months ahead, we all wish you success in your future endeavors."

THE DEATHS OF MR. AND MRS. CHALMERS LUKE GODWIN, SR.

Mr. THURMOND. Mr. President, a double note of sadness befell the town of Summerton, S.C., in recent months with the deaths of Mr. and Mrs. Chalmers Luke Godwin, Sr.

They were beloved in their community and had been so much a part of life in the area in which they lived that it is difficult to realize they are no longer a part of it. Mr. Godwin died August 14, 1974, at the age of 78. Mrs. Godwin died October 29, 1974, at the age of 72.

Mr. President, this devout couple exemplified the life of service and compassion which can serve as guides to each of us who knew them. It is heartwarming, indeed, to know of the love and affection which is part of the legacy to their family and numerous friends.

Mr. Godwin was a rural mail carrier who retired after 38 years of service. In his daily rounds he carried not only the mail to the people along his route, but also the friendship of a neighbor. Throughout America, no finer example could be followed by every citizen in the regular discharge of their duties than Mr. Godwin's record of responsibility blended with the interest of a helping hand.

In later years he had headed a real estate firm. He was also a farmer who worked the soil for the rewards of the cultivated earth. He knew the ageless process of rejuvenation in the planting of fields, as well as the renewal of human spirit.

His community interests went well beyond the duties of his daily work. A veteran of World War I, he was a charter member of the American Legion post in his community. He also served with distinction for more than 50 years as a member of the Masonic Lodge in Summerton.

A staunch member of the Summerton Baptist Church, he had served as president of the men's Bible class and was always one of its faithful participants.

Mrs. Anna Huggins Godwin was the perfect complement to her husband. She shared with him the friendship and affection of all who knew her, for she was a gracious lady. Her interest in the community and their friends was unbounded.

In all of her endeavors, she brought the qualities of faith, dedication, and service. Her community activities included membership in the Summerton Garden Club, the American Legion Auxiliary, and the Summerton Missionary Society. She was a lady of high standards and was held in esteem by those whose lives she touched.

I extend my sympathy to all the family in the deaths of Mr. and Mrs. Godwin. They are survived by three daughters, Mrs. E. T. Chandler of Olanta, Mrs. J. H. Davis of Summerton, and Mrs. P. D. Quillen of Chesapeake, Va.; three sons, Chalmers Luke Godwin, Jr. of Winnsboro, Dr. Winston Y. Godwin of Cheraw, and Joharie L. Godwin of Summerton; and 20 grandchildren. Mr. Godwin is survived by a brother, S. J. Godwin of Cheraw. Mrs. Godwin is survived by three sisters, Mrs. S. T. Godwin and Mrs. Lottie Gaskins of Lake City, and Mrs. C. M. Miller of Mount Pleasant; and two brothers, B. M. Huggins of Stone Mountain, Ga., and Archie Huggins of Atlanta, Ga.

Mr. President, at the time of the deaths of Mr. and Mrs. Godwin several newspaper accounts were published in South Carolina, as well as a concurrent resolution by the South Carolina General Assembly. I ask unanimous consent that three such accounts be printed in the Record at the conclusion of my remarks, as follows: "C. L. Godwin," the Daily Item, Sumter, S.C., August 15, 1974; "Mrs. Godwin of Summerton Services Set," the State, Columbia, S.C., October 30, 1974; and a concurrent resolution by the South Carolina General Assembly extending sympathy to the family of Mr. Chalmers Luke Godwin, Sr., August 21, 1974.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Sumter (S.C.) Daily Item, Aug. 15, 1974]

C. L. GODWIN

Summerton.—Chalmers Luke Godwin Sr., 78, a retired postal employe, died Wednesday in a Columbia hospital.

Born in Florence County, he was a son of the late William James and Sarah Cameron Godwin.

Mr. Godwin retired after 38 years from the U.S. Postal System and was a retired farmer. He was a member of the American Legion and Masonic Lodge No. 105 AFM. He also was a veteran of World War I.

Surviving are his widow, Anna Huggins Godwin; three daughters, Mrs. E. T. (Margie) Chandler of Olatna, Mrs. J. H. (Willa Jean) Davis of Summerton and Mrs. P. D. (Sybil) Quillen of Cheasapeake, Va.; three sons, Chalmers Luke Godwin Jr. of Winnsboro, Dr. Winston Godwin of Cheraw and Joharie L. Godwin of Summerton; a brother, S. J. Godwin of Cheraw; and 20 grandchildren.

Services will be 3 pm. Friday in Summerton Methodist Church will burial in Summerton Evergreen Cemetery.

Shelley-Brunson Funeral Home in Manning is in charge.

The family suggests that those who wish make memorials to the building fund of Summerton First Baptist Church.

[From the Columbia (S.C.) State, Oct. 30, 1974]

MRS. GODWIN OF SUMMERTON SERVICES SET

Summerton.—Mrs. Anna Snow Huggins Godwin, 72, widow of Chalmers Luke Godwin Sr., died Tuesday in a Sumter hospital.

She was born in Georgetown County, a daughter of the late James Thomas and Anna Jane Truett Huggins. She was a members of the Summerton Garden Club, the American Legion Auxiliary and the Summerton Missionary Society.

Surviving are three daughters, Mrs. E. T. (Margie) Chandler of Olanta, Mrs. J. H. (Willa Jean) Davis of Summerton and Mrs. P. D. (Sybil) Quillen of Chesapeake, Va.; three sons, Chalmers L. Godwin Jr., of Winnsboro, Dr. Winston Y. Godwin of Cheraw and Joharie L. Godwin of Summerton; three sisters: Mrs. S. T. Godwin and Mrs. Lottie Gaskins of Lake City and Mrs. C. M. Miller of Mt. Pleasant; two brothers, B. M. Huggins of Stone Mountain, Ga. and Archie Huggins of Atlanta, Ga.; and 20 grandchildren.

A CONCURRENT RESOLUTION EXTENDING THE SYMPATHY OF THE MEMBERS OF THE GENERAL ASSEMBLY TO THE FAMILY OF MR. CHALMERS LUKE GODWIN, SR., OF CLARENDON COUNTY WHO DIED WEDNESDAY, AUGUST 14, 1974

Whereas, the members of the General Assembly were saddened to learn of the death on Wednesday, August 14, 1974, of Mr. Chalmers Luke Godwin, Sr., retired postal employee and farmer; and

Whereas, Mr. Godwin was a member of the Summerton Baptist Church, a Mason, a veteran and a member of the American Legion; and

Whereas, he was beloved and respected by all with whom he was associated and the people of Clarendon County have lost an outstanding citizen and friend. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the sympathy of the General Assembly is hereby extended to the family of Mr. Chalmers Luke Godwin Sr., of Clarendon County, who died Wednesday, August 14, 1974.

Be it further resolved that a copy of this resolution be forwarded to Mrs. Godwin.

STATE AND LOCAL GOVERNMENTS: A VICTIM OF RECESSION AND INFLATION, NOT THE CAUSE

Mr. HUMPHREY. Mr. President, in recent months there has been considerable debate about the extent to which State and local governments have contributed to the high inflation rates that this country is experiencing. Many have suggested that fast expanding State and local government budgets, combined with the Federal budget, have been a major cause of spiraling prices. This argument simply cannot hold water.

State and local governments have played an increasingly important role as employers and providers of goods and services. Nevertheless, these governments have very little control over national economic developments that significantly affect their revenues and expenditures. State constitutions require that State and local governments have balanced budgets, thus precluding them from initiating discretionary fiscal policies designed to expand or deflate the national or local economy. By law, they cannot budget for deficits as the Federal Government does. As a result, State and local governments are a significant victim, not cause, of recession and inflation, experiencing shortfalls in revenues and increases in the demand for and cost of goods and services. In the present economic situation, the State and local sector has been further victimized by a seemingly conscious but unconscionable policy to cut back grants to State and local governments in order to fight inflation.

Two years ago, or even one year ago, the State and local sector would not have been as great a concern as it is now. State and local governments had maintained large surpluses in total accounts.

Mr. President, I ask unanimous consent that a table of State and local funds surplus or deficit over recent years be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—SURPLUS OR DEFICIT, NATIONAL INCOME AND PRODUCT ACCOUNTS, ANNUAL BASIS

[In billions of dollars]

	1970	1971	1972	1973	1973 I	1973 II	1973 III	1973 IV	1974 I	1974 II	1974 III
Surplus or deficit	+1.8	+4.0	+12.3	+9.2	+13.2	+00.4	+8.4	+4.6	+3.2	+2.0	+2.1
Surplus or deficit, social insurance funds	+6.5	+7.5	+8.4	+9.1	+8.8	+9.0	+9.2	+9.4	+9.6	+9.7	+9.8
Surplus or deficit, all other State and local funds	−4.8	−3.4	+4.0	+.1	+4.5	+1.3	−.8	−4.7	−6.4	−7.7	−7.7

Source: Survey of current business.

Mr. HUMPHREY. Mr. President, certainly, the size of these surpluses is deceptive because it includes significant surpluses in the social insurance trust funds—table I, line 2—that obviously are not available for operating expenditures. However, even when pension and other trust fund surpluses are removed—table I, line 3—the State and local sector did have surpluses in funds available for operation in 1972 and the first half of 1973.

This picture has completely reversed since mid-1973. The combined State and local sector is now experiencing a huge deficit in operating funds of $7.7 billion at an annual rate. The economic recovery which had buoyed State and local revenues has abruptly been turned around. Inflation, which first expanded revenues, now has a far more significant impact on expenditures. Finally, the Federal Government has exacerbated the fiscal problems of State and local governments by cutting grants-in-aid to State and local governments.

Mr. President, I ask unanimous consent that a table on trends in Federal grants-in-aid be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—PERCENTAGE ANNUAL INCREASE IN FEDERAL GRANTS-IN-AID

	1967–68	1968–69	1969–70	1970–71	1971–72	1972–73	1973–74 [1]
Current dollar	15.7	10.3	20.7	18.8	28.5	8.3	5.9
Constant 1958 dollar [2]	9.5	3.9	12.1	12.8	22.2	2.0	−2.4

[1] 1st half of 1973 to 1st half of 1974.

[2] Deflated by implicit GNP deflator for State and local governments.

Source: Survey of Current Business.

Mr. HUMPHREY. Mr. President, the real value of these grants, which had shown necessary increases in the past, grew only 2 percent from 1972 to 1973 and actually declined by 2.4 percent from the first half of 1973 to the first half of 1974. To say that these cuts came at an inopportune time would be an incredible understatement. But let us take a more specific look at how inflation and recession affect State and local governments.

In much the same manner that it affects the Federal budget, inflation increases State and local revenues before it has any significant impact on expenditures. Thus, in the very short run, many State and local governments experienced what I call an inflation dividend. Unfortunately, there have been and are going to be long hard times following the short good times. State and local governments are being and will be subjected to serious expenditure inflation in the upcoming year as public employees and public assistance recipients rightfully attempt to regain some of their lost purchasing power. These individuals have suffered major declines in real purchasing power and should not be asked to continually sacrifice their own well-being for the benefit of the rest of the economy. The 20-percent increases in construction costs will also hurt State and local governments as they are responsible for 85 percent of all public construction. In fact, many States and localities have already cut back on their construction budgets.

Inflation is likely to have particularly devastating effects on those governments that do not have responsive revenue systems. Many local governments will experience insufficient revenue gains because they are dependent on the property tax as a major source of revenue. Lags in reassessment and resistance to reassessment, as a result of declining real incomes, are likely to retard growth in this revenue source. Other governments that derive a major share of their revenues from fees and charges or from taxes that are levied by volume—gasoline, liquor, cigarettes, et cetera—will find that their revenues lag behind the rate of inflation. As an example, the recent Department of Commerce survey of State revenues showed that general sales tax receipts increased 14.2 percent from 1973 to 1974, while selective sales taxes which are generally levied by volume increased only 3.6 percent. Similarly, revenue from licenses and fees expanded only 5.3 percent, while receipts from corporate and individual income taxes grew over 9.5 percent.

However, as bad as inflation is, recession has a far more sinister effect on State and local governments. Whenever the economy operates at levels below full employment, State and local governments experience large shortfalls in revenues. Income and sales tax receipts are affected by the shortfall in personal income and retail sales which accompany a downturn, while property tax receipts are primarily affected by the decline in construction activity. The Joint Economic Committee has estimated that this revenue shortfall in the fourth quarter of 1974 could be as much as $20 billion at an annual rate. That is $20 billion a year that State and local governments will not receive because the Federal Government is unable to move the economy to full employment; that is $20 billion that will be lost forever. Even more alarming, this situation can be expected to deteriorate. The JEC has estimated that the revenue shortfall can be expected to increase to as much as $25 billion as the economy weakens through 1975.

High levels of unemployment also tend to create additional demands for certain State and local government expenditures, particularly for unemployment compensation and public assistance. More people on the unemployment rolls means higher public assistance expenditures. In addition, some States are coming dangerously close to exhausting their unemployment compensation trust funds. Three States and the District of Columbia have already borrowed from the Federal Government to finance unemployment compensation expenditures, and several others may be forced into this position as unemployment rates continue to rise.

While the problems that recession creates for all State and local governments are devastating, the impact of recession on vulnerable States and localities is even more damaging. While unemployment rates in November were 6.5 percent nationally, certain labor markets are experiencing depression-level unemployment. In October, unemployment in San Diego was 9.1 percent; Detroit, 8.1 percent; New Orleans, 7.6 percent, Atlantic City, 8.6 percent; the State of Michigan, 7.2 percent; and the State of Massachusetts, 7.1 percent. Since these October unemployment rates are not seasonally adjusted and were surveyed before most major layoffs occurred, many of these unemployment rates are now at least 1 percentage point higher. Detroit, of course, would be much worse. The economic devastation and social upheaval that unemployment of this magnitude imposes upon a region and the government within simply cannot be tolerated.

Our State and local governments are being greatly damaged by the combined impact of recession and inflation. The tremendous social needs that these governments normally satisfy are in great danger of going unmet. Many State and local governments are already laying off employees, cutting back services, raising taxes, and canceling major capital projects. We simply cannot sit idly by as important housing, transportation, public assistance, and public works needs are set aside for lack of fiscal resources. The myth of the State and local government surplus must be exposed for what it really is—a myth and a fallacy—so that we may begin to provide much-needed increases in Federal assistance to State and local governments.

While new assistance is necessary to cushion State and local governments from the impact of present economic developments, nothing will serve the interest of State and local governments better than restoring the economy to full employment and price stability. There are several actions that the Federal Government should undertake immediately which would make a great contribution to returning the economy to full employment.

First and foremost, we need an immediate $10 billion tax cut for low- and moderate-income individuals and families. This tax cut is essential to restore lost purchasing power which has significantly eroded the standard of living of these families and to provide much needed stimulus to our already sagging economy.

Second, we need a relaxation of tight money policies which have raised interest rates through the roof. High interest rates discourage much needed investments for expansion of plant capacity and discriminate against important sectors of the economy, such as housing and State and local governments, which are unable to pass on constantly rising interest costs to the consumer.

Third, we must allocate credit to those sectors of the economy that have been starved for credit by tight money policies. Housing, small businesses and State and local governments must be able to obtain a larger share of the total credit pool if important social needs are to be met and competition preserved.

Fourth, immediate and massive assistance must be provided to revive the housing industry from the industrywide depression. The annual rate of housing starts is less than half our national goal, leading to an unemployment rate in the construction industry which approaches 15 percent. My domestic development bank proposal could provide immediate assistance, but in the long run we should consider establishing a housing bank to subsidize mortgage rates for families with incomes below $15,000.

Fifth, stronger energy conservation measures and extensive research and development of new energy sources must be begun without any further delay. In the short run, mandatory measures must be adopted to encourage more efficient use of gasoline, heating oil, electricity, and other sources of energy. I intend to introduce comprehensive legislation which will require massive energy conservation efforts from all sectors of the economy. In the long run, we must bring into production new sources of energy which will lessen our dependence on the OPEC nations.

Sixth, we need a strengthened wage and price program. The appropriation for the Council on Wage and Price Stability should be increased to provide sufficient funds for a more effective incomes policy. The Council should be given subpena power, the power to hold public hearings, the power to delay the imposition of excessive price increases up to 90 days, and, in a few cases where administered price increases have been exorbitant, the power to roll back prices.

Finally, Federal assistance to State and local governments must not be reduced, particularly in light of the hardships imposed by the present economic situation. These essential grants for planning, such as 701 funds, construction, manpower training and other essential social needs must be maintained if State and local governments are to maintain adequate levels of service through the present economic downturn.

Mr. President, I would like to call to the attention of my colleagues several recent newspaper articles which highlight the plight of our State and local governments. I ask unanimous consent that these articles be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

AVERAGE NASSAU TAX RISE ESTIMATED AT $80 A HOME

(By Roy R. Silver)

Mineola, L.I., November 12.—The average Nassau County homeowner will pay about $80 more in county taxes next year on the basis of a proposed budget for 1975 released today.

The County Executive, Ralph G. Caso, said at a news conference that the proposed budget of $690-million, an increase of $103-million, or 17.5 per cent, over this year, would necessitate a tax-rate increase of $1.06 for each $100 of assessed valuation over the present rate.

The average new rate for next year, which includes a general fund, the state court, the police and the community college, would be $7.28 for each $100 of assessed valuation, compared with $6.22 this year.

"Inflation combined with increased state and Federal mandated costs have overwhelmed the aggressive efforts of my administration to cut the county's general-fund tax rate for fourth consecutive year," Mr. Caso said.

In presenting the proposed record budget, which was prepared by Thomas G. DeVivo, chief deputy county executive and head of the budget staff, Mr. Caso said:

"The current state of the economy has adversely affected everyone's cost of living, including the cost of providing essential government services."

The budget calls for the following tax rates in the three towns and two cities:

Hempstead and North Hempstead, $4.65; Oyster Bay, $4.63; Glen Cove, $4.70, and Long Beach, $5.02.

The proposed police district tax rate of $2.395 for each $100 of assessed valuation, up .035 cent from this year, applies only to 70 per cent of the county's residents who are served by the county police.

Nassau County residents also pay school taxes, which are the most costly, as well as town, city, village or special district taxes. The three towns have proposed budgets calling for tax increases for next year ranging between 5 cents and 16 cents, and the city of Long Beach is expected to increase its tax by 65 cents.

Mr. Caso noted that more than 80 per cent of the increase in spending for next year involved mandated programs, including state and Federal welfare increases, $17.5-million; salaries, $17-million; state retirement, Social Security and fringe benefits, $26-million, and transportation subsidies, $6-million.

The amount to be raised through property taxes to meet next year's expenditures is $169.2-million.

Mr. Caso said his administration would continue a job freeze, emphasize employe productivity and would re-evaluate priorities involving all county programs.

The Board of Supervisors will hold public hearings on the proposed budget on Dec. 2 at 2 P.M. and at 8 P.M. in the Board of Supervisors Hearing Room. The board has until the first week in December to adopt the budget.

BUFFALO, ONCE SO PROUD, FACES FINANCIAL CALAMITY

(By James Feron)

Buffalo.—A city on the brink of bankruptcy, like a family in financial straits, does what it can to make ends meet. It looks for new sources of revenue while cutting costs at home. In Buffalo, this has had some bizarre results.

Take the fighting of harbor fires. When a blaze flares up on the waterfront these days, fire fighters from a conventional land-based fire company race to a pier, jump abroad the citys fire boat and roar off to the scene.

To an outsider, this may bespeak a Mack Sennett quality, but its not funny here. The new system, necessitated by a city decision to phase out the regular fire boat crew, seems to be working, but there are misgivings.

"We need more men than before," a crew member said, "and it takes one truck out of service, but it's added no new jobs and I suppose that's what counts."

CHANGE SHRUGGED OFF

Then there is the garbage "rollout," another austerity measure. For as long as anyone can remember, homeowners counted on the city's sanitation men to collect the refuse from cans left behind the house. Now like much else in Buffalo, that's part of the past.

These days the refuse has to be hauled out to the street. It is a vexing and, in some cases, difficult chore for those residents who have resisted the restless movement out of this once proud industrial center.

A man dragging his garbage out to the curb shrugged off the change as one of many he had seen.

The problems of Buffalo, the second largest city in the state, are hardly unique for a major city. In the view of most fiscal authorities, New York City, by comparison, is in its deepest economic trouble since the Great Depression of the Nineteen-Thirties.

But the last year have conspired to heap exceptional difficulty on Buffalo. Budgetary solutions are either wiped out by inflation, reversed by legal and legislative decisions or undercut by other factors.

It is a situation that has attracted the attention of candidates for state office, sharpening the longstanding dispute between the Democratic city administration and Republican state leaders. The city sees itself as continuously shortchanged; the state blames the city's own fiscal policies.

YOU SOLVE IT

Mayor Stanley M. Makowski told a panel studying changes in constitutional tax limitation last week that he had eliminated over 800 city jobs, costing $7.5-million, and trimmed the operation and maintenance budget below the level of a year ago despite severe inflation.

"But there is only so much that can be done at our level," the Mayor said. "The lasting answer must be found at the state level. We are creatures of the state—its children, if you will. If we cannot turn to our parent, where can we turn?"

The City's Finance Commissioner, James Burns, put it more pungently and perhaps only partly in jest when he said in an interview: "Perhaps we should just take the charter and the keys, send them to Albany, and say, 'Okay, you solve it. We can't do any more.'"

Buffalo's fiscal problems have their origins, as do the fiscal problems of many other cities, with the movement of industry and population to other areas, including the suburbs. Here the change was more dramatic than elsewhere, and the inabiltiy to attract new industry more pronounced.

Dr. Joseph Manch, the Superintendent of Schools, interupted a discussion of his own fiscal problems to walk to the window of his office in City Hall. Pointing to the waterfront, just beyond, he said, "That's a big part of the problem—long stretches of undeveloped prime land."

Buffalo once was the door to the Middle West, serving Great Lakes carriers with grain and ore bound for New York and beyond. Buffalo was once the world's largest grain-milling center. Some of its huge steel mills have shut down.

Then ships began to bypass this port, carrying their cargoes directly to the sea along the St. Lawrence Seaway. Employers began to move out, seeking cheaper labor as well as more convenient sites. The railroad fell into disuse. A railroad terminal built on the scale of Grand Central Station in New York City now stands largely empty, a forlorn giant just beyond the center of town.

CITY POPULATION DOWN

Population figures offer an indication of what has happened here. In 1950, Erie County had 901,000 residents, with 580,000 of them living within Buffalo's compact, 42 square miles. In 1970, the County figure had grown to 1,115,000 while the city population had dropped to 462,000.

An official, in the city's planning department said, "We believe the current city figure is 450,000; others say it's even lower."

Some of Buffalo's problems have a quality of unsolvable inevitability about them. The status of the Penn Central railroad is one, according to Mr. Burns.

"A lot of real estate in the city is owned by the Penn Central, but we can't touch it," he said. We are in line with others waiting for bankruptcy proceedings against the railroad to be completed. In the meantime we can't collect the $5-million in unpaid taxes, we can't collect $6-million in unpaid taxes, we can't condemn the land and we can't buy it at the price, they're asking."

Nor is it a certainty that a developer might be found if the land were to become available. In one case, Mr. Burns said, "we acquired 400 acres, cleared it and could not get developers." The difficulty in attracting new industry has been compounded by the tight money market of the past year.

New construction is apparent in Buffalo, some of it in recent years with the help of the state's Urban Development Corporation. But along with the modern office buildings downtown, there are many parking lots and, beyond them, vast acres covered only by weeds and scrub.

PROPERTY OFF TAX ROLLS

To add to Buffalo's problems, much of the city's property has been removed from the tax rolls since the war. "Upwards of 40 per cent of our real property is tax exempt," Mr. Burns said, adding that the comparative figure for nearby Rochester was 22 per cent.

"We have two belt highways and a spur of the State Thruway, two State University campuses, a Federal building as well as county and state structures New York—in addition to—we provide many services for much of Western five private colleges, hospitals, housing agencies, museums, zoos and so forth."

The problem feeds on itself, with the continuing reduction of taxable property leading to increasingly larger taxation of fewer taxpayers. This adds to the exodus, reducing the total value of the city even further and discouraging new investors.

State officials in June, 1972, said Buffalo was digging its own fiscal hole by giving up on pay-as-you-go financing in favor of going into debt to pay current expenses, the city agreed in effect but asked how it could meet continually rising obligations, some of them compounded by state actions.

Mr. Burns says: "When revenue sharing came in, we were told we'd get 21 per cent. We drew up budgets with that in mind and then saw the Legislature reduce our share to 18 per cent. Then there was the Taylor Law, which strengthened the bargaining capabilities of public employes but added enormously to our costs in recent years."

Some say Buffalo's solution might be found in consolidating its municipal services with those of the smaller cities, towns and villages in the county. However, an effort to combine police functions on this basis was rejected recently, offering little hope for wider cooperation.

Only changes in the Constitution, redressing the imbalance that has developed between the state's large cities and its other municipalities, will provide a lasting solution, the city fathers say. Without such help, they insist, cities such as Buffalo cannot survive.

GOLDIN PREDICTS $650 MILLION GAP IN CITY'S BUDGET; SAYS BEAME UNDERESTIMATED DEFICIT BY $220 MILLION—URGES NEW ECONOMIES

(By Michael Stern)

The deficit being piled up in this year's city expense budget by recession and inflation will mount to $650-million, not the $430-million predicted three weeks ago by Mayor Beame, Controller Harrison J. Goldin said in a letter to the Mayor that he made public yesterday.

In his three-page letter, dated Friday, Mr. Goldin said he was forecasting the higher figure on the basis of a new analysis of actual spending and revenues in the first four months of the fiscal year, which began on July 1, and on projections for the remaining seven months of the year.

Responding for Mr. Beame, who is in Florida on a brief vacation, First Deputy Mayor James A. Cavanagh rejected Mr. Goldin's figures as "inaccurate." He also said the letter was no help because it was bare of suggestions on how to make new economies.

GREATER AUSTERITY URGED

The Controller coupled his estimate with a tough warning of the dangers of either new taxes or new borrowing to close the deficit—the largest in the city's history—and urged instead even harsher austerities than the dismissal of 1,510 employes, overtime cuts and other measures already ordered by the Mayor.

"My own conviction," Mr. Goldin said, "is that the public will understand the dimensions of the crisis, will react well to candor and leadership, and will acknowledge the need for significant cuts in spending."

The letter, with its admonitory tone, reopened the political warfare between the Mayor and the Controller. By implication it cast Mr. Goldin in the role of the public official with a greater willingness to face up to unpleasant necessities than Mr. Beame.

However, in an interview, the Controller refused to designate specific areas where he thought spending cuts would have to be made. While acknowledging that more city employes would have to be discharged—salaries and fringe benefits take 65 per cent of the $11.1-billion expense budget—he would not pinpoint the departments or programs on which he thought the Mayor's ax should fall.

On Nov. 8, following up on warnings he had been issuing since September, Mr. Beame said the city's costs, pushed up by inflation, were rising $280-million above the levels authorized by the budget for 1974–75. At the same time, tax revenues, cut by the national economic slowdown, were falling short of projections by $150-million. Together, the Mayor said, these trends would create a $430-million deficit by next June 30.

Mr. Beame then announced measures to cut the deficit by $100-million and called on the city's departments and agencies for recommendations to close the remaining gap of $330-million.

But when he got the recommendations, which might have forced the discharge of 20,000 city employes, Mr. Beame rejected them as too harsh.

Instead, a week ago Friday he ordered a second $100-million program of savings, including a freeze on all hiring and the dismissal of 510 permanent and 1,000 provisional employes, out of a total workforce of 338,000. Mr. Beame also announced he was going to try to get as much as he could of the remainder that he needed from the state and Federal governments.

Mr. Goldin said in his letter that his own estimates indicated a much larger budget gap. Where the Mayor predicted a shortfall of $14-million in sales-tax receipts, Mr. Goldin predicted $56.6-million. The Mayor forecast $68-million less than anticipated from the stock-transfer tax; the Controller forecast $76-million less.

The total difference between the estimates on the revenue side of the ledgers is $100-million. On the spending side, Mr. Goldin predicts a $125-million overrun on welfare and Medicaid costs, compared with only $53-million predicted by Mr. Beame.

ESTIMATES ARE QUESTIONED

The Controller also foresees higher costs than the Mayor for interest on short-term borrowing, for energy, for Social Security contributions and for other items, totaling $400-million.

Besides these items, Mr. Goldin questioned the reality of some of the additional income the Mayor said he could realize this year as part of his new austerity programs. Among these are $15-million from sales of city properties and $25-million in additional income from interest on the city's bank accounts.

Deputy Mayor Cavanagh challenged Mr. Goldin's estimates and said they "predict unaccounted-for decreases in revenues and increases in expenditures that our estimates do not show." He invited the Controller to have his staff sit down with the Mayor's staff to substantiate his claims.

"Specific constructive suggestions from the Controller to help solve our financial problems would have been most welcome to the Mayor and to the people of our city," Mr. Cavanagh said. "Instead, we are treated to generalizations which all but say that we should cut $650-million from the budget, without mention of any specific cuts to be made."

If cuts of that magnitude were made, Mr. Cavanagh said, they could force the dismissal of thousands of teachers, policemen, firemen and sanitationmen and the closing of hospitals and other essential institutions.

"Neither the economy nor the people of this city can be expected to absorb such wholesale layoffs and disruption of public services," he said.

For his part, Mr. Goldin asserted that the need for more economies was urgent since only seven months remained in the fiscal year. If cuts in personnel and programs are not adopted promptly, he said, the cuts will have to be even deeper, to make up for lost time.

TAX RISE REJECTED

"I share and support your view that the Federal and state governments should respond to the plight of New York and other cities by lifting the costly burdens the cities have been unfairly bearing for too long," Mr. Goldin said.

"However, since our budget deficit confronts us today, there is little time to seek new Federal and state action. Nor can we risk the possible consequences of counting on massive additional assistance, which may not come as the days rush by and the crisis deepens."

The Controller rejected the idea of raising taxes on city residents and businesses, saying that the taxes "are already at the point of diminishing returns, and further increases would drive marginally self-sufficient families into economic dependency."

He likewise rejected "the route of additional borrowing." He said one-fifth of the projected deficit was a result of increases in the costs of debt service, adding that debt service had risen 57 per cent in the current budget over last year. Interest and repayments of principal on long-term debt this year amount to $1.79-billion—almost 17 per cent of the total budget.

Referring to the borrowing of more than $300-million to cover a budget deficit in 1970-71, when John V. Lindsay was Mayor, Mr. Goldin said such borrowing "was described at the time as a 'solution' to the year's deficit, but it caused agony when repayment came due this year and, in fact, repayment required a new type of borrowing which will compound the cost of the original debt."

Mr. Goldin's strong emphasis on the dangers of borrowing is a response to the warnings he has been getting from the big banks and Wall Street financial houses that underwrite the city's bonds and notes. They have been telling him of their increasing difficulties in marketing the city's debt offerings, which have been growing in size and frequency this year.

The program is not fear of a default. There are no doubts about the city's ability or willingness to meet its debt obligations. But in a market already glutted with tax-exempt issues, every new offering by the city becomes that much harder to sell, with the result that interest costs are soaring.

Besides greater economies, Mr. Goldin urged the Mayor to continue the month-long freeze on new contracts for capital spending, ordered on Nov. 8. The order affects $316-million worth of contracts for building and other permanent improvements that were about to be let under the city's separate capital budget of $1.76-billion.

Mr. Goldin also suggested that all other capital projects be reviewed in the light of the current money shortage, including those that had already been started and were still in their early stages.

The new argument over the size of the budget gap has different numbers but is of the same character as past disputes between Mayors and Controllers. When he was Controller, Mr. Beame frequently differed with Mr. Lindsay over the magnitude of the city's fiscal problems.

DEFICIT ESTIMATES DIFFER

Soon after Mr. Beame alerted the city in September that a big deficit was looming, fiscal experts in and out of government made their own assessments of the impact of inflation and recession on the budget and came up with deficit estimates that ranged as high as $1-billion.

The estimates varied in part because of the different weight that economists and budget specialists gave to such factors as price rises, the level of retail sales, unemployment and, the trend of interest rates.

Both Mr. Beame and Mr. Goldin said their estimates were based on the assumption that inflation, unemployment and recession would get no worse. If conditions did worsen then the size of the deficit would increase, they said.

Under state law, in any year that the city's budget slips into deficit, it may borrow up to 1 per cent of its budget to close the gap. This year, that law would limit borrowing to $110-million—not enough to cover the deficit projected by either the Mayor or the Controller.

One way around the difficulty would be to seek legislation permitting larger borrowing. Such legislation has been sought and granted before.

CITY TO CUT OUTLAYS AGAIN; $330 MILLION REDUCTION IN PAY AND SERVICES ORDERED BY BEAME

(By Michael Stern)

Responding to what he called "an emergency" and "a totally unheard of situation" brought on by inflation and the recession, Mayor Beame is ordering a new round of budgetary belt-tightening that will cut city payrolls and services by $330-million. He had earlier ordered reductions of $100 million.

At a Gracie Mansion luncheon with the Board of Estimate and Council leaders yesterday and at a City Hall news conference later, the Mayor revealed that austerities of that magnitude, affecting every department of city government, were needed to keep his $11.1-billion expense budget—the day-to-day costs of running the city—from drifting into deficit.

Mr. Beame said the basic arithmetic of the situation was that higher costs of $280-million and revenue shortfalls of $150-million were building up a potential deficit of $430-million by next June 30.

He said he hoped to reduce that sum by $100-million through previously ordered payroll cuts of $30-million and other devices. The rest will have to come out of basic services.

"I hope by the end of this month I'll be able to put into effect a program to balance the budget," Mr. Beame said. "We are determined to avoid borrowing if it is at all possible, but we can't cripple vital services."

In another move that further deepened the economic gloom settling over the city, Budget Director Melvin Lechner yesterday put a 30-day hold on $316-million worth of construction contracts that were about to be let for bidding under the city's $1.3-billion's over-all $1.76-billion capital budget.

The expense budget supported by taxes, Federal and state aid and short-term borrowing, covers the day-to-day costs of the police, fire, sanitation and other services offered by the city.

CONCERN MOUNTS

The capital budget supported by long-term borrowing, is intended to cover permanent improvements, such as schools, fire engines, street lights and water mains, although increasingly it is being used to cover expenses that the city's Mayors can find no room for in the expense budget.

The Mayor's briefing of top city officials yesterday followed by two months his first warnings that inflation and the recession were building up a $200-million expense-budget deficit.

Concern has been mounting since then, as fiscal experts in and out of government, making their own assessments of the city's troubled economy and shrinking public purse, projected much larger potential deficits.

In his statements at Gracie Mansion yesterday, and in an interview with The New York Times on Thursday, which he asked the newspaper not to publish until he could brief city officials on his intentions, Mr. Beame said the current situation was the worst fiscal crisis that New York had suffered.

"It's going to be tough, very tough, for the people to accept some of these things, but I hope they will support me, and I think they will if they understand the seriousness of the situation."

Mr. Beame said his new projections of revenue shortfalls and rising costs were based on the assumption that "things won't get any worse." If the rate of inflation steepens, if the recession deepens, or if unemployment worsens, he said, then even further austerities may become necessary.

Using boards covered with columns of figures, and charts, the Mayor told members of the Board of Estimate and the Council that the $330-million would have to come out of the $4-billion of the expense budget that is under his direct control and not out of the parts supported by Federal and state programs.

If the cuts were applied across the board, he said, there would be an 8.5 percent reduction of spending by all departments. This would mean, for example, $62.2-million less for the Police Department; $74.1-million less for the Board of Education; $26.9-million less for Health and Hospitals, and an equal amount less for the Environmental Protection Administration, which includes the Sanitation Department.

EARLIER MOVES MADE

Such deep cuts would be difficult to impose because they would come on top of more than $168-million in staffing costs already being taken out of departmental budgets since the beginning of the fiscal year through orders not to fill vacant jobs. They also would come on top of the $30-million in payroll cuts ordered by Budget Director Lechner last month.

Mr. Beame said he was not proposing across-the-board cuts. Rather, he said, he is asking the departmental administrators and commissioners to develop their own proposals within a week.

"We don't want to impose anything until we get the thinking of the people who run the agencies," he said.

But he warned that if the departments and agencies did not cooperate he and his budget aides would have austerity programs of their own, ready to make sure, that sufficient spending reductions were made.

"For eight years John Lindsay cried "wolf" and the public no longer believes—they think it is just for Albany's sake," he said, referring to the former Mayor's battles with the Legislature over aid. "I want you to know this is not crying "wolf," Mr. Beame said.

Ahead for the Mayor is a series of 12 meetings in the next two weeks with 22 different groups, including unions, businessmen's organizations and civic agencies, all designed to explain the budget crisis and to win public support for the austerities necessary to meet it.

Mr. Beame also intends to meet Governor-elect Hugh L. Carey and leaders of the Legislature as well as the New York City Congressional delegation to discuss additional aid for the city.

He said he hoped that the strengthened Democratic majorities in the House and Senate and the incoming Democratic administration in the state might produce more fiscal aid for the city. The state and Federal governments now provide 46 per cent of the city expense budget.

TAX INCOME DOWN

However, observers in Washington and Albany have said that inflation and the recession are creating budgetary problems there, too, and that prospects for new revenues for the city are slim.

The Mayor said the national economic slowdown, which is being deeply felt here, has been cutting receipts from all city taxes. The stock-transfer tax, for example, is now expected to produce $68-million to $70-million less than projected, and the sales tax $14-million less.

The $30-million in staff cuts ordered last month are to be achieved by leaving unfilled 4,700 jobs that will become vacant by attrition by next June.

The Mayor hopes to get $70-million more to offset the projected $430-million deficit this way: $15-million from increased parking-violations collections; $25-million in additional interest income on the city's investments, and $30-million in projected interest costs to be saved by cutting borrowing in anticipation of state and Federal aid.

OUR BONDS ARE GOOD

At his City Hall news conference, Mr. Beame said: "This is no fault of our operation. The bulk of it was from the inflation and the recession."

Then, banging his fist on his desk for emphasis, he said: "I want you to understand that this has no relationship to the word 'bankruptcy.' Our bonds are good and secure. They will be paid."

Asked about the need to impose new or higher taxes, Mr. Beame said in his interview that he would do everything he could to avoid them.

He listed four factors that would determine how successful he will be: how quickly the economy reverses its downward trend and begins moving upward again; how much state aid comes to the city from Albany; how much Federal aid comes from Washington, and how cooperative the city's citizens are in accepting the austerities he is about to impose.

He vigorously denied assertions made by such groups as the Citizens Budget Commission and the Chamber of Commerce and Industry that he had put together an unworkable budget and that he should have foreseen the impact of national economic troubles on the city's economy.

"We made up the budget last May and June on the basis of the best economic information available to us," Mr. Beame said. "We made realistic projections, but they were made unworkable by a downturn in the economy and worse inflation than anyone expected."

FOOD PRICES AND THE ELDERLY

Mr. HUMPHREY. Mr. President, no group of citizens has been harder hit by the 15-percent rise in food prices this year than the elderly. They are the victims of both soaring retail food chain profits—profits which now rival the returns on equity being earned by the giant oil companies—and a cutback in the food stamp program. The food stamp program was designed as a bulwark against deterioration in the diet of our elderly, due to higher food prices. Yet, at a time when it is needed most, the administration proposes to trim the program.

The Joint Economic Committee is currently holding hearings on Food Chain Pricing Activities. Voluminous material has been presented and subpenaed by the committee in its effort to determine why food prices have risen 15 percent in the same period that the farmers' share of the consumer food dollar has declined. The food retailers or processors have reaped windfall and unwarranted profits as a result, and the evidence I have seen points more to the retailers. I will comment on these findings at a later date when the hearings are concluded.

Among the material presented to the committee is a statement by Mr. Nelson H. Cruikshank, president of the National Council of Senior Citizens, entitled, "The Impact of Increasing Food Prices on the Elderly." This statement goes to the heart of my concern and alarm for the elderly who are being punished today by a triple burden of soaring food prices and chain profits, and a reduced food stamp program. I commend the statement to my colleagues.

Mr. President, I ask unanimous consent that Mr. Cruikshank's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE IMPACT OF INCREASING FOOD PRICES ON THE ELDERLY

Mr. Chairman and distinguished members of the Joint Economic Committee, I wish to express on behalf of the National Council of Senior Citizens appreciation for this opportunity to describe the impact of increasing food prices on the elderly.

We are heartened that Congress is concerned about finding the causes of inflationary price increases in highly concentrated industries and realizes the ruinous impact of soaring prices on the American consumer's budget. In this regard, we think it important that the Congress extensively examine corporate practices of the food industry, especially retailers and processors.

Inflationary price increases for food are probably most devastating to the diet and well-being of the elderly, most of whom are struggling on "bare-bone" retirement income.

The price for living in our "double-digit" economy is especially high for the elderly who pay a disproportionate amount of their budget for food, shelter, medical care and transportation.

Table 1 below contrasts the percentage of the total Bureau of Labor Statistics family budget spent for these four expenditure classifications in Autumn 1973 by an intermediate level family of four with an intermediate and lower level retired couple. (The intermediate retired couple amount approximates the median family income for *senior* citizens and the lower level budget amount is even more generous than the Census Bureau poverty threshhold.)

Table 2 shows the annual rate of the Consumer Price Index increase for these four items since October 1973 when these budgets were last updated.

TABLE 1.—PERCENTAGE OF BLS FAMILY AND RETIRED COUPLE BUDGETS SPENT FOR SELECTED ITEMS, AUTUMN, 1973

	Intermediate budget		Lower budget retired couple
	Family of 4	Retired couple	
Housing	23.1	34.0	33.9
Food	25.2	29.5	31.4
Medical care	5.2	8.4	12.0
Subtotal	53.6	71.9	77.3
Transportation	8.1	8.5	6.3
Total	61.7	80.4	83.6

Source: Bureau of Labor Statistics, U.S. Department of Labor.

TABLE 2.—*Annual rate of Consumer Price Index increase for selected items, October 1973–October 1974*

[In percent]

Housing	13.5
Food	11.9
Medical care	11.1
Transportation	16.5

Source: Bureau of Labor Statistics, U.S. Department of Labor.

How can low-income elderly spend 30 percent of their budget for food and yet handle significant increases in food costs? With incomes fixed the effect of new rent and utility increases or a medical bill can make oatmeal a staple, fish and chicken a luxury.

Even more dramatic than these percentage figures are the actual dollar amounts of the retired couple's budget and their food bill. The figures for Autumn 1973 indicate that at the lower level the retired couple spent $1,182 out of a total budget of $3,763 and at the intermediate level spent $1,599 out of a total budget of $5,414. For Autumn 1974 we estimate these same food items cost the low budget couple about $1,323 and the intermediate budget couple $1,789.

A closer examination of BLS figures show that not only does food account for a very high percentage of the elderly's budget, but that the percentage is increasing. In Autumn 1972 food swallowed up 28.7 percent of the retired couple's "poverty level" budget and 26.7 percent of the "median income" budget, but, as stated, the Autumn 1973 food expenditures increased to 31.4 and 29.5 percent of the total budgets respectively.

Older Americans are not in a position to heed the exhortation of President Ford and his economic spokesmen to reduce their spending and to seek out less expensive substitutes. With their fixed retirement incomes being devoted to basic and essential expenditures our members do not have "fat" in their diets and do not have an more "notches in their belts for tightening."

The economic problems confronting workers and their families today are approaching what the elderly have had to live with for at least two years now.

When food prices go up, most families adjust their dietary habits by reducing their consumption of some items and purchasing cheaper substitutes for others.

But poor elderly have long been limited to the cheapest, and often least nutritious, foods. Their problem is not "spending down" from meat to poultry, but from poultry to diluted soup.

One of the most poignant statements in this regard is that of Dr. Joseph E. Lowery, Chairman of the Southern Christian Leadership Conference, whose reaction to the misguided remark of Mr. Alan Greenspan about the economic plight of the Wall Street stock broker was, "It is incredible that the Chairman of the President's Council of Economic Advisers equates the fact that a Wall Street financier has to eat less steak and drink less champagne, with the fact that poor people have to eat dog food and pretty soon, the dog."

How do we expect an elderly widow to cope when she has not tasted meat for months and can no longer afford soup?

When confronted with these higher and higher prices at the supermarket they must simply buy less food and reduce other essential expenses. Must older people suffer the indignity of eating baby or dog food, wearing the frayed dress and worn shoes, putting off replacing the broken window or seeking physician care, and stop buying toilet goods or medications?

But from the contacts we have with older people, and from our correspondence with them all over the country, we know this is exactly what is happening.

It must be remembered that the Consumer Price Index reflects the consumption patterns of workers, not retirees. This caveat is particularly relevant to a discussion of food prices and the elderly because the CPI food index presently understates food price rises for the poor.

The recent moderation in the rate of CPI food increases reflects a reduction in the rate of price increases, in some cases actual price cuts, in the food stuffs which might be characterized as a working family's "meat-potatoes" diet.

As a result, the CPI food group cannot adequately report that food items common to the diet of the low income person are skyrocketing.

To notice this fact you must go beyond the aggregate classifications of the preliminary CPI reports for the previous month and examine the itemization in the CPI Detailed Report which is available about four months later. Unfortunately, the policy makers, the press, and the general public often stop at the first stage of this information.

The August CPI Detailed Report reveals the unadjusted percentage price increases during the preceding year for food items often found in the cupboard of the poor elderly household:

TABLE 3.—*Annual Rate of Consumer Price Index Increases for Selected Food Items, August 1973–August 1974*

[In Percent]

Corn flakes	29.4
Rice	89.5
Bread, white	27.3
Miilk, fresh, skim	22.0
Fruit cocktail, canned	26.8
Peas, green, canned	25.2
Dried beans	146.9
Margarine	56.2
Coffee, instant	24.7
Bean soup, canned	52.7
Chicken soup, canned	26.0
Spaghetti, canned	21.5
Mashed potatoes, instant	23.1

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Although we look forward to federal action to break up the food cartel, the short-term dilemma of older people does not permit their surviving long-range programs to improve the marketplace for the consumer.

I do not wish to dampen your enthusiasm for curbing price setting practices of non-competitive businesses or eliminating obsolete and counterproductive government regulations, but only to stress the immediate need for more direct action to protect the elderly and other poor from the ravages of inflationary food price increases.

Before closing I would like to describe a recent development of major concern to the National Council and other social action organizations affecting the nutrition of the poor. I am referring to the action of President Ford to virtually remove poverty level old people from the beneficial Food Stamp Program as of the first of March.

On August 23, two weeks into the Ford Administration, Mr. William R. Hutton, our Executive Director, myself and a small group of other national representatives of senior citizens, had the opportunity to meet with the new President.

Mr. Ford wanted to discuss with us the problems of the elderly, especially in the double-digit inflation he inherited.

Coming into the Oval Office without much of a "sidelines warm up", I think the President became more sensitive to the general problems of the elderly as a result of our meeting. In addition, he expressed concern that older people have been bearing more than their fair share of the inflationary burden and can be asked to bear no more.

But it appears that it did not take him long to learn the game plan and follow the policies of his predecessor's team.

Last month the President proposed to cut $4.6 billion out of the Fiscal Year 1975 Federal Budget, largely in the area of basic social programs. Major cuts were asked for in Food Stamps and Medicare, as well as smaller cuts in Social Security and Medicaid.

Unfortunately for the elderly and the poor the Food Stamp change differs from most of the other proposed cuts because it can be implemented by administrative fiat without Congressional approval.

The change in the Food Stamp Program will require older people to pay significantly greater percentages of their meager incomes to purchase food stamps.

Under the Ford program, already scheduled to take effect March 1, most all recipients would be required to pay the program maximum of 30 percent of their net incomes for food stamps. At present, nearly all individuals pay 15 to 20 percent of income for food stamps and most couples pay 15 to 25 percent.

The Community Nutrition Institute, a non-profit public interest research organization in Washington, D.C. has done an excellent job in analyzing the impact of President Ford's food stamp scheme on the 15 million food stamp recipients, two million of whom are over age 65.

Because of the basic Federal payments under the new Supplemental Security Income program of $146 a month for an individual and $219 for a couple, the SSI "disregard" of $20 from Social Security or unearned income, and the additional SSI payment of the most populous states, the elderly poor would effectively be removed from the Food Stamp Program because their income would be too high!

SSI individuals with a net income of $146 a month—basic SSI benefit—would be eligible for food stamps, but would have to pay $43.80 each month for $46 in food stamps. Presently such persons would pay $30 for $46 in stamps.

If the individual was like 70 percent of SSI beneficiaries who are able to disregard" $20 of Social Security, the person would be in the ironic situation of paying more for food stamps than they are worth, $49.80 for $46 of stamps to be exact. Presently, the person is paying $33 for that $46 benefit.

A retired couple receiving a basic $219 SSI payment would have to pay $65.70 or $71.70 if they are able to take advantage of the $20 "disregard" for $84 in food stamps.

It is clear that a large number of food stamp recipients will leave the program if this plan is carried out, either because their food stamp benefit would effectively disappear; would be too small to go through the burden of applying for, picking up and using food stamps; or because they will be unable to afford the new price after paying increasing costs for other food items, rent, medical expenses, and other fixed bills.

As a result, Mr. Ford will be able to achieve through administrative action what his predecessor had unsuccessfully attempted to achieve through Congressional action, that is the elimination of SSI recipients from the Food Stamp Program and the gradual elimination of the program.

While preparing this statement I noted with great interest an editorial in the Washington Post of December 12. The editorial reviews a decision of U.S. District Court Judge Miles W. Lord of Minneapolis:

"The case before Judge Lord (Bennett v. Butz), turned on the question of whether the Department of Agriculture was conducting the food stamp program as Congress intended. The act called for an 'outreach' program that would 'insure the participation of eligible households.' Judge Lord, after hearing what Agriculture had to say in its defense about the fact that only half of those eligible are receiving aid, said of Secretary Earl Butz: 'The secretary's response to the congressional directive, when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do.' "

It would appear that President Ford's food stamp scheme was developed to thwart Congressional intent by a slightly different means.

We are pleased that concern is beginning to be generated within Congress to stop by legislative action this ill-conceived notion of Mr. Ford's. We are aware of an effort in the House by Congressmen Donald Fraser and John Heinz to build support for Agriculture Committee action on this critical matter.

I strongly urge you and your colleagues to make one of the first priorities of the 94th Congress the prohibition of this food stamp change and the strengthening of Congressional intent about the purposes and policies of this essential social program.

I thank you again for the opportunity to discuss with you the food problems of the elderly and am looking forward to working with you in improving the well-being of the American consumer.

NATIONAL DAY OF PRAYER

Mr. HATFIELD. Mr. President, on April 17, 1952, a joint resolution of the Senate and the House of Representatives calling for an annual National Day of Prayer was approved. Public Law 314, chapter 216 (66 Stat. 64) authorizes the President to proclaim the Day of Prayer each year on a day other than a Sunday. The day is determined by the President and by established custom—since 1957—it has been observed on the third Wednesday in October. However, this year the time has been changed to the holiday season which we are now entering. On December 5, 1974, President Ford issued a proclamation designating Wednesday, December 18, 1974, as a National Day of Prayer. The proclamation reads as follows:

A Proclamation—National Day of Prayer, 1974

(By the President of the United States of America)

Ours is a Nation built upon a belief in a Creator who has endowed all men with inalienable rights, and faith in that Creator permeates every aspect of our way of life.

With characteristically quiet eloquence, President Dwight D. Eisenhower once described the central role of religion in American life:

"Without God there could be no American form of government, nor an American way of life. Recognition of the Supreme Being is the first—the most basic—expression of Americanism. Thus the founding fathers of America saw it, and thus with God's help, it will continue to be."

Let us pray, each in our own way, for the strength and the will to meet the challenges that face us today with the same profound faith in God that inspired the Founders of this Nation.

Let us pray, as our Fathers prayed, for the wisdom to know God's way and the determination to follow it.

Let us pray that God will continue to bless this great and good land as abundantly in the future as he has in the past.

In 1952 the Congress directed the President to set aside a suitable day other than a Sunday each year as a National Day of Prayer, in recognition of the profound religious faith on which America is built.

NOW, THEREFORE, I, Gerald R. Ford, President of the United States of America, do hereby proclaim Wednesday, December 18, as National Day of Prayer, 1974.

I call upon all Americans to pray that day, each after his or her own manner and convictions, for Deity's blessing on our land and for peace on earth, goodwill among all men.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of December, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

Gerald R. Ford.

Mr. HATFIELD. Mr. President, just 3 weeks and a day ago this body considered and passed Senate Resolution 437 regarding conservation of food, sharing our food with the hungry, and establishing November 24, 1975, as a National Day of Fasting. As we reaffirm today our need to depend upon God, let us also remember our responsibility to care for the survival needs of His children. Today human beings are starving. They are in need of food overseas, within our own cities, in rural areas.

In the weeks since Senate Resolution 437 was passed I have received in my office hundreds of letters reflecting the attitudes and convictions of citizens from around the country with regard to the U.S. involvement in the alleviation of the immediate food needs of the hungry. The great majority of these letters have been positive, expressing interest in voluntary relief agencies involved in food relief work. Many cannot understand the calculated indifference to the needs of the hungry which is expressed in the manner in which our food for peace program has been administered.

Mr. President, on this day, December 18, when thousands and hopefully millions of people are praying for our Nation, for us as leaders, for individual needs of life and health, let us not turn a deaf ear to their cries and to the instructions of the man who is recognized by all faiths as one of the greatest teachers who has ever lived. Jesus of Nazareth, whose birth Christians will celebrate in 1 week, left us with these words describing the encounter between men and God:

> Then shall the righteous answer him, saying, Lord, when saw we thee ahungered, and fed thee? or thirsty, and gave thee drink? . . . And the King shall answer and say unto them, Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me. (Matt. 25:37, 40)

Let us purpose that we as individuals will, by our own example, cease from wasteful overconsumption and begin to share our resources with those in great need. Let us purpose to give moral leadership in the use of the wealth of our Nation, looking for the best ways we can work for mankind and not self interest or small but powerful "special" interests.

And, Mr. President, as the Nation today prays in response to our President's proclamation, I propose that we too quietly and individually offer thanks and pledge ourselves to a greater sensitivity to those in need.

WILL THE PUBLIC USE MASS TRANSIT?

Mr. TAFT. Mr. President, in view of the recent passage of the mass transit bill, the remarks which Gov. Arch A. Moore, Jr., of West Virginia made before the American Road Builders' 1974 convention in Las Vegas sometime ago are now quite timely. Governor Moore, who has been extremely active in transportation policy over the years, once again has raised some important matters which demand our attention.

The Governor points out that as we move into the implementation stage of the mass transit legislation, we must remember that the evidence of people's willingness to utilize this mode of travel is unconvincing, even in some of our Nation's largest metropolitan areas. While I strongly supported the mass transit legislation, I believe it is essential that we undertake the new program with our eyes open to such potential problems.

I ask unanimous consent that Governor Moore's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Our Transportation Systems

(Remarks by the Honorable Arch A. Moore, Jr.)

I am delighted to be with you today, and your invitation to address this, the ARBA's 72nd Annual Convention, was a pleasure for me to accept. We all have one thing in common—the goal of a better, safer transportation system for our nation, our states, and for all Americans.

I speak to you as Governor of a progressive, forward-looking state—but essentially a rural state. And West Virginia, where only 39 percent of its 1.7 million people live in an urbanized area, will probably always remain a basically rural state. Therefore, I get a little perplexed at some of the proposals and ideas as they relate to transportation in the modern age—and I am a little inclined to think that the bulk of these suggestions are made by and for those in our nation who live and work in the major metropolitan areas. Too little time and too little thought, in my opinion, is given to those of us who are more concerned with the farm to market road than we are with rapid rail transit.

There is, of course, a great need for a balanced transportation system in the nation, a system on which the New York City resident can rely, as well as the Iowa farmer and the West Virginia coal miner. And before I go further, let me emphasize that I am certainly not opposed to rapid transit—nor am I against the national transportation policy that was recently announced by President Nixon and the U.S. Department of Transportation.

But I do get concerned when the federal government seems to ignore basic needs in favor of some idea that may or may not solve some transportation problems. Enroute here, I had the time to read some of the latest issues of ARBA's fine magazine, and I read with a great deal of interest the recent article by Frank Turner, the former Federal Highway Administrator. The article, in case you haven't read it, is entitled, "A Quick Solution to Washington's Commuter Problems," and it appeared in the January issue of the ARBA magazine. Among other things, I was somewhat startled to learn that the metro transit system, now under construction in our nation's capitol, is expected to cost approximately three billion dollars when completed about 1980, and some feel that this price tag is somewhat conservative. The projections are that Metro will handle only about six percent of the daily person-trips into the Washington metropolitan area.

Now, I am not opposed to Metro—far from it. Having lived and worked in the Washington area during six terms in the U.S. House of Representatives, I am well aware of the need for an answer to that city's tremendous traffic problems. But ladies and gentlemen, three billion dollars is double the total value of highway construction that has been undertaken in West Virginia in the past five years, and the population of West Virginia is more than twice that of the District of Columbia. And at the same time, West Virginia and many other states are having great difficulty in obtaining federal funds to complete its Interstate system and other needed highway endeavors. I can't help but think that maybe we, as a nation, should complete one thing before we plunge into public transit at a national level.

To some, it may sound strange for a West Virginian to talk about public transit in such a manner, when at Morgantown, West Virginia, the Experimental Personnel Rapid Transit—PRT—is under construction. But really, it's not. It's just that we find it difficult to ascertain why federal funds for PRT seem unlimited, when we find it increasingly hard to obtain federal funds to complete Interstate 79 to get traffic to Morgantown, where they can utilize the PRT. In recent years, we have finished a lot of I–79, but there are several other federal-aid highway projects on the shelf back in Charleston, simply because of the lack of federal funds. And I can't help but take this opportunity to note the fact that the federal government has in its possession about sixty million dollars in impounded highway funds that we could well use now in West Virginia.

The new Unified Transportation Assistance Program, anticipated to cost 16 billion dollars over a six-year period, is a commendable undertaking, and may well provide the answers to the complex traffic and transportation problems of the nation's metropolitan centers. But, I ask you, what does it do for the little, rural states like West Virginia, and like our host state here, Nevada? The 16 billion dollars may well be necessary to combat these problems, but it seems to me that perhaps it may be another case of throwing money at a problem and hoping it will go away.

Mass transit is not new—far from it. In this nation, we've had mass transit since our early days. The sailing of the Mayflower to Plymouth Rock was a form of mass transit, as were the Wells Fargo stage coaches of the Old West. We've had trolley cars, railroads, steamboats and on and on. Mass transit has been tried in every conceivable fashion. But it all boils down to one thing—the American citizen will get to the place he wants to go, and he will determine his mode of travel to suit his schedule, his pocketbook and his own personal pleasure. He will not travel by air if he doesn't want to fly. He will not join a car pool if he simply doesn't want to be bothered. It is somewhat odd that at the same time the President was asking Congress to spend road users money on buses and trains, some severe gasoline shortages were plaguing the American motorist. Despite this, the motorist showed not one extra inclination to abandon his automobile in favor of public transportation. In Boston, for example, the Public Transit Authority, two commuter railroads, and a private commuter bus firm reported a negligible increase in riders in a two-month period earlier this year when the Boston area was experiencing a gasoline shortage.

In short, your tax funds may be going to subsidize some of the nation's transit systems in cities like Boston, New York and Chicago, where for years, the populace has demonstrated an unquestionable apathy for such modes of travel. The Department of Transportation, in responding to critics of the new program, claim that it will not result in a discarding of the Interstate highway system. No one, I am certain, will dispute this. The American people want the Interstate system completed, and I believe Congress and the Administration want it, also. However, the question is, when?

The shortage of federal funds severely hampers the productivity of the states in an era when the American public is demanding safer, better-designed highways. In West Virginia for the coming fiscal year, the Highway Department has the design capacity to produce plans for projects estimated to cost $190 million in federal funds. That is, we could utilize $190 million in federal funds for the coming fiscal year. However, our apportionment is only $67 million, and $55 million of this has already been earmarked for conversion of pre-financed work. Therefore, we will have available in West Virginia only about $12 million in federal funds for Interstate *and other* federal-aid highway construction for the entire year. In a state like West Virginia, with high construction costs, this will amount to one Interstate project.

Because of the lack of available federal funds, West Virginia has had to resort to pre-financing by utilizing bond funds to provide 100 percent state funds until conversion to 90 percent federal funds can be arranged. Only in this way have we been able to keep West Virginia's highway program going. But despite this, at the current level of federal funding, West Virginia's 511-mile Interstate will not be completed until 1981 or 1982, or about 25 years after Congress enacted the landmark Interstate highway legislation.

Another distressing point about the Federal Aid Highway Program is the red tape and seemingly endless period of time required to obtain federal approvals. Environmental impact statements, while they may be desirable, are adding at least one year to the time required to get a project to contract. I feel that the eight or nine years that are required to plan, design and construct a highway are far too long, and some projects are taking even longer. Even emergency relief projects, and we have several in this category in West Virginia, are subject to countless delays to obtain federal approvals even though the federal government, at the outset of these projects, agreed upon 100 percent funding, apparently with the thought in mind that these projects should be expedited. To cite just one example—we have one Ohio River bridge project in West Virginia which has been pending before the U.S. Coast Guard for a navigational permit for nearly a year and a half. How long should a state be required to wait for a federal agency to determine if the piers on a proposed bridge meet navigational standards?

As road builders, all of you should take a keen interest in the developments regarding the highway and the mass transit programs, since your industry will be called upon to construct the facilities for these modes. You should take an active part in the affairs of the program, not only in Washington, D.C., but also in your home state. All of us are aware of the difficult times, and you may be assured that in West Virginia, the problems are no less real than in the larger states. But, in the Mountain State, where extremely rugged terrain and unstable soil conditions combine to offer a road builder a great challenge, we are used to meeting such problems head on. Many of our road builders in West Virginia are giants of the industry who have been attracted to our state, and they have done an excellent job in surmounting these problems, and I am sure they will continue to do so in the future. At the same time, I challenge the industry, and you as individual contractors, to keep abreast of recent research programs and new developments in hopes that these may lead to innovations that shorten the construction period and stabilize costs. Because of spiraling costs and reductions in revenues from motor users taxes, many states in this nation have already curtailed, partially or completely, their highway lettings because of the uncertainty in the situation. One Eastern state, for example, has thus far declined to authorize any contract lettings for the summer, and has undertaken a reduction of its Highway Department's engineering staff by attrition. We have not had to do either in West Virginia, and I hope that we never have to do this. But it is obvious that we must move ahead cooperatively in order to meet these challenges.

FORD INFLATION PLAN—A DOUBLE BLOW FOR ELDERLY

Mr. MUSKIE. Mr. President, the Ford administration's recent proposed cutbacks in medicare and food stamps would deal a harsh blow to the elderly and disabled.

It is ironic, indeed, that the administration is asking persons who are hardest hit by inflation to make some of the greatest sacrifices.

Surely there are more humane and sensible ways to pare our budget than to saddle aged and handicapped Americans with new medical and food costs.

Of all the possible alternatives for reducing Federal spending, the administration could not have chosen a more inappropriate target than medicare protection for older Americans.

What it represents is a resurrection of a discredited Nixon administration proposal to raise health care costs for the elderly.

It was rejected then in 1973, and it should be rejected now.

In brief, the administration proposal would add a new coinsurance payment for medicare patients who are hospitalized. This would be equal to 10 percent of charges above the hospitalization deductible—now $84 but to rise to $92 this January.

Under present law the medicare beneficiary pays the first $84 of his hospital bill, and nothing thereafter until the 61st day.

For the overwhelming majority of the 5.6 million medicare patients who are expected to be hospitalized in 1975, this proposal could greatly increase their hospital costs.

Second, the administration proposed to increase the annual deductible for physician services under medicare from $60 to $67. Then the deductible would rise proportionately with social security percentage increases.

These measures represent a serious retreat in coverage under medicare. They would dramatically affect the overall security of older and disabled Americans.

All in all, the reaction to the administration's recommendations has been overwhelmingly in opposition.

In fact, the Federal Council on Aging has sent a letter to the President, expressing their concern. They also asked the administration to provide the Council with advance notice of any proposed legislation affecting older Americans.

Mr. President, yesterday's Washington Star-News includes an excellent Associated Press article which describes the impact of the administration's proposals for the aged.

It merits the attention of every Member in the Senate.

For this reason, I ask unanimous consent that the article entitled "Ford Inflation Plan—a Double Blow for Elderly" be printed in the Record.

I also ask unanimous consent to have the Federal Council on Aging's message to President Ford printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Star-News, Dec. 17, 1974]

Ford Inflation Plan—A Double Blow for Elderly

(By John Stowell)

Millions of elderly Americans on fixed incomes would be dealt a double blow in their health and food budgets if Congress accedes to President Ford's inflation-fighting proposals on Medicare and food stamps.

The average retired worker receiving a $187.11 monthly Social Security check now pays $92 for up to 60 days of hospitalization. But under the President's proposed amendments to Medicare, this retiree would have to pay $250 out of his own pocket if hospitalized 10 days, $600 for 40 days and $750 for 60 days.

The same person would become ineligible for federal food stamps March 1, as the Agriculture Department hurries to comply with a presidential directive. He now pays $36 to receive $46 worth of food stamps each month.

Ford proposed a $4.6 billion reduction in federal spending this fiscal year. Some of this Nov. 26 proposal has drawn fire from influential legislators, nutrition groups, the presidentially appointed Federal Council on Aging and the American Hospital Assn.

As part of the proposed budget cuts, the administration estimated a net $425 million saving in the Medicare program for the remainder of this fiscal year if the elderly were charged more for their health care, and a

$215 million saving in the food stamp program between March 1 and June 30.

The higher cost for food stamps, with a partial year savings of $215 million, is considered assured because the Agriculture Department can place it into effect without congressional approval.

The USDA has offered a shortened comment time ending Dec. 27 for objectors. The plan will boost the cost of food stamps most sharply for single recipients and couples, eliminating singles with monthly incomes between $172 and $194.

About 23.5 million persons receive automatic Medicare benefits. These persons pay $92 when hospitalized to cover the first 60 days in the hospital. They may also pay $60 a year for optional supplemental medical coverage.

Under Ford's proposal, Medicare beneficiaries would be charged 10 percent for all bills above the present $92 deductible up to a $750 maximum "per spell or illness" and $67 annually for physician's care.

Out-of-pocket outlays for both Medicare programs would be tied directly to increases in Social Security benefits.

"The chief drawback in the present arrangement is that the beneficiary's cost-sharing burden occurs at the end of a long, institutional stay when the beneficiary is least able to afford it," HEW said in arguing for Ford's proposed change. Under the existing program, the flat $92 coverage ends on the 60th day of hospitalization and increases to $23 daily until the 90th day when the patient becomes obligated for all future hospital charges.

However, he can draw on a once-only reserve of 60 days but must pay $46 daily for that privilege.

Without using the reserve, a Medicare patient now pays $782 for 90 days in a hospital, $2,392 for 125 days and $3,542 for 150 days.

HEW argues that Ford's proposal would not cause such a financial burden at the end of a long hospital stay because of the $750 ceiling.

Under the proposal, the patient would pay $750 for 60 or more days in a hospital during a "benefit period." A new benefit period wouldn't begin until he had been out of the hospital for two months.

However, Social Security records show that of about 6 million Medicare patients who will seek hospital care this fiscal year, 97 percent will be hospitalized for less than 60 days.

Only 2 percent—or 100,000 beneficiaries—would be hospitalized between 60 and 90 days, and less than 1 percent—or 35,000—between 90 and 150 days, the length of stay needed for the Ford proposal to benefit them financially.

While the administration projects a half-year saving of $465 million with higher Medicare charges, about $40 million of that would be eaten up by increased Medicaid outlays to aid elderly persons who would become medically needy for the first time.

December 9, 1974.

Message to President Ford

My Dear Mr. President: The Federal Council on Aging wishes to convey to you its deep concern about the financial burden that would fall on the elderly as a result of the reductions you have proposed in the 1975 budget. In particular, we cite the additional costs that would have to be borne by the aged in relation to such programs as Medicare, Medicaid and food stamps.

As a body established by the Congress to advise the President on the needs of older Americans, we would have liked the opportunity of expressing our views on this matter, of such great consequence to the elderly, before it left the White House.

In the future, we would hope that the Administration might utilize the Federal Council on Aging for advice and consultation when matters of such great impact on the lives of older Americans are still in their formative stages.

Sincerely,

Bertha S. Adkins,
Chairman, Federal Council on Aging.

WORLD IN CRISIS

Mr. CHILES. Mr. President, the year 1974 has certainly been one of crisis. The American people—and we in Congress—have been confronted with crisis on the heels of crisis, so that it has been impossible to focus on and deal with any one of them fully and effectively. As a result, we face 1975 and the 94th Congress with severe problem areas still remaining to be solved. James McCartney of the Knight Newspapers-Miami Herald, in a series of six articles published this month, has done an outstanding job of focusing and interrelating four major crises we face—food, energy, money, and population. These articles are very informative, and I wish that every Floridian and American had the understanding that they provide.

Mr. President, because I think that we would all find this series interesting and worthwhile—and in a sense a challenge for action in the upcoming Congress—I ask unanimous consent that the articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Miami Herald, Dec. 8, 1974]

How Four Forces Imperil Man's Future

(By James McCartney)

Washington.—The 110-story Sears Tower in Chicago was first occupied only last year, the tallest building in the world, with a power system large enough to serve a city of 144,000.

Before the century is out it may become a towering museum, as useless as the pyramids along the Nile, and just as symbolic of a bygone age.

But it would not be alone as a giant relic of the past in a period of energy shortages. Such proud achievements as the nation's 23,000-mile interstate highway system could also stand virtually useless.

"That highway system" says Stewart Udall, former secretary of the interior and one of the nation's leading independent energy experts, "may very well be used primarily as a right-of-way for trains and for bicycling."

These are conclusions by serious students of what the future may hold in what is now unfolding as a great and multilevel world crisis—the most serious since World War II.

President Ford has said a "breakdown of world order and world safety is threatened."

The crisis burst into public consciousness with a dramatic rise in oil prices a year ago, threatening a world depression.

But as time has passed it has become clear to both statesmen and scholars that far more than energy is involved.

Suddenly not one but a host of powerful forces has come together to shake the very foundations of life in the modern industrialized world.

President Valery Giscard d'Estaing of France believes he has identified four horsemen of a threatened modern Apocalypose—energy, food, population and finances.

Many government officials, economists and political scientists agree.

The four are not so different from the four horsemen of Biblical prophesy—war, famine, pestilence and death.

The major constituent problems:

Energy. The oil price rise is only part of it. The world can eventually run out of its major source of power—oil. While consumption is rising, oil producers have a corner on the market, and are turning the screws on the industrial world.

Food. Prices are soaring, in part because fertilizers are oil based. Starvation is spreading. An estimated 10,000 persons a week are dying in one part of the world or another. An estimated 460 million are "permanently hungry," according to the United Nations.

Finance. Oil price rises have fed worldwide inflation. Shifts in nations are changing the balance of world economic power. Secretary of State Kissinger has said that "enormous unabsorbed surplus revenues now jeopardize the very functioning of the international monetary system."

Population. None of these problems can be separated from the population explosion, still uncontrolled, and many believe uncontrollable. The world's population is expected to double by the end of the century. It has already doubled since 1930.

"None of these issues are separate," says Seyom Brown, a political scientist for the scholarly Brookings Institution in Washington. "They are all inter-related."

What all this means, scholars say, is that civilization as we know it in modern America may be in for drastic changes.

Life styles for everyone may change—such fundamental matters as how you live, how you get to work, what you eat and how much.

The international monetary system, which has knit together the economies of the industrial world, is clearly trembling. Institutions that seemed rock-solid only a few years ago—both banks and nations—may collapse.

The fact that there is a new and unprecedented world crisis of monumental proportions is no longer disputed by top government officials.

A few days ago Secretary of State Kissinger compared the crisis directly to the years following World War II, when, as he put it, there was a "breakdown of international order" and the world was threatened by "economic chaos and political upheaval."

"We face another such moment today," Kissinger said.

The drain of dollars from industrial nations from high oil prices alone, he said, is "beyond the experience or capacity" of financial institutions.

"If current economic trends continue, we face further and mounting worldwide shortages, unemployment, poverty and hunger.

"No nation, east or west, north or south, consumer or producer, will be spared the consequences."

Kissinger considered this speech his most important since becoming secretary of state.

Other scholars and thinkers, studying the same problems from many points of view, emphasize that long-term, not short-term, factors are involved.

Energy expert Udall believes an historic turn has come, from a time when oil-based energy was considered limitless, to a time of shortages.

"We've got to stop thinking that there's going to be a sudden turnaround," Udall says. "People think that suddenly they're going to start hiring again in Detroit, and that will be the end of it.

"It's not going to be that way this time. It's far deeper than that."

Lester Brown, a food and population expert with Washington's Overseas Development Council, says the world has discovered in the years since 1970 that its vision of unlimited resources is false.

"The assumption of boundless abundance of raw materials is being replaced by the prospect of chronic scarcity for many vital ones," he says.

". . . We may be on the verge of one of the great discontinuities in history."

In a news conference a month ago French President Giscard said that "the crisis the world knows today will be a long one . . . It is not a passing difficulty . . . It is actually the recognition of permanent change . . . Practically all (the) curves are leading us to disaster."

Sen. J. William Fulbright (D., Ark.), the ascerbic outgoing chairman of the Senate Foreign Relations committee, who has established a reputation as a seer, has said bluntly:

"The condition is economic crisis, and the *prospects—unless* immediate and drastic corrective measures are taken—are for economic depression political breakdown and perhaps war."

Economist Robert Heilbroner, author of a provacative book called "An Inquiry into the Human Prospect," has written:

"We are entering a period in which rapid population growth, the presence of obliterative weapons and dwindling resources will bring international tensions to dangerous levels for an extended period."

Signs of both economic and political trouble related to the complex world crisis have already begun to appear.

The industrial world is suffering the worst inflation since World War II, which is affecting almost everyone on the globe. Inflation rates range to as high as 24 per cent annually in Italy and Japan.

Great Britain, France and Italy are in serious economic trouble. Italy, say economists, is threatened with collapse.

Much of the southern tier of European countries, including Portugal and Spain, Italy and Turkey, are teetering on the brink of chaos and political uncertainty.

Kissinger and others are talking more and more of fears of "political instability" around the world. What they fear are riots and revolution growing out of economic turmoil.

Kissinger remains optimistic, however.

"The problem is grave, but it is soluble," he said recently.

"The Atlantic nations and Japan have the ability, if we have the will, not only to master the energy crisis but to shape from it a new era of creativity and common progress. In fact, we have no alternative."

But Kissinger has acknowledged that he did not foresee the world's problems as they shape up today, in either energy or food.

"In 1969, when I came to Washington, I remember a study of the energy problem which proceeded from the assumption that there would always be an energy surplus," he said recently. "It wasn't conceivable that there would be a shortage of energy.

As recently as 1972, he has admitted, he thought the U.S. had "inexhaustible" food surpluses, and that it wasn't clear to him that this might be incorrect until last year.

Many in the intellectual community believe Kissinger missed many of the early cues that world economic problems were coming because of his pre-occupation with political power balances as the key to peace.

There is also evidence Kissinger has been slow in learning the lesson, and acting on it.

Kissinger today, for example, does not have a single top-ranked adviser in international economics on his State Department staff. The top economic job in the department—under secretary for economic affairs—has been vacant since last March.

Even now the U.S. has not developed an over-all program to deal with the new multilevel world crisis.

The government appears to have been trapped by its own massive bureaucracies, which often pull in different directions. The Agriculture Department has developed food policy, and represented the U.S. formally at a World Food Conference in Rome. The Department of Health, Education, and Welfare took primary responsibility for the U.S. position at a World Population Conference in Bucharest. The Federal Energy Administration attempted to develop a mandatory fuel conservation program, but was overruled by the White House.

In the diplomatic field, Kissinger made an early effort to drive oil prices down by calling a Washington Energy Conference last February. The move failed.

Then he and former President Nixon entered into extensive diplomacy with Arab and oil-producing lands, making friends, selling arms, switching policies. These moves also failed to affect prices.

By September, Kissinger and the new president, Gerald Ford, were telling the United Nations by implication that the U.S. was ready to use food as a weapon to respond to the use of oil as a weapon.

Those threats also have failed so far.

Thus it is clear that a world crisis, with many facets, is upon us. But the U.S. is still wallowing in a search for clear-cut programs to meet it in all its dimensions.

[From the Miami Herald, Dec. 9, 1974]

ENERGY PROBLEMS JUST BEGINNING

(By James McCartney)

WASHINGTON.—The energy crisis is not over. It's just beginning. Any way you look at it, there is nothing but trouble ahead.

It is threatening to touch off a world depression.

It has created widespread fears of riots and revolution—reminiscent of upheavals of the 1930's.

And today's crisis is almost bound to lead to profound changes in the way we live.

"The great energy joyride is ending," says former Interior Secretary Stewart Udall. ". . . Within a few years a chronic shortage of energy will force a complete readjustment of the way the country produces, consumes and lives."

No one knows on a percentage basis exactly how hard the U.S. consumer will be hit, but there are some clues.

By 1985, if present government plans are put into effect, about a third of the oil now available in the United States to consumers will not be available, unless new supplies are found.

There are sharp disputes over some details, but essentially these are the major elements in the energy crisis:

The United States, indeed the world, is running short on oil. As industrialization has grown, the world has become more and more dependent on the Middle East.

At current rates of consumption, proven U.S. oil and gas reserves are good for only about 10 years, according to a Federal Energy Administration study. No one yet knows how much oil and gas may be found in the years immediately ahead. Higher prices are stimulating exploration.

The world's major oil-producing nations outside the United States—the Mideastern countries and Venezuela—aware of their power in a world with growing demands for energy have established an effective cartel and are turning the screws.

These nations have arbitrarily raised oil prices by 400 per cent, creating unprecedented strains on the modern world's finance structure. Intensive efforts over the past year to get prices down have totally flopped.

Their motives are partly political, partly economic. The Arabs in the group want Israel to return to borders that existed before the 1967 Mideast war and a solution to the Palestinian problem. Others—particularly Iran and Venezuela—want money for their own development.

This combination of circumstances has produced a crisis that almost literally has industrial world leaders trembling.

Political tensions related to the crisis are threatening to ignite a new war in the Middle East which would mean a new Arab oil embargo, far more severe than last year's.

The economic problems growing out of the crisis are already threatening a world depression, even without a new embargo.

As Treasury Secretary William Simon said in a recent speech: "The policies of the oil cartel now pose a fundamental challenge to the economic and political structure which has served the international community for a quarter of a century."

Economist Richard Cooper of Yale University has called the oil price rise "the biggest economic shock the world has ever seen, with the possible exception of World War II."

In the classic supply-price equation, it is price that is at the heart of the present crisis.

Before the Middle East war last year, the price of a barrel of oil on world markets was less than $2. Today it is approximately $10.

Thus U.S. policy today is aimed directly at the single major goal of trying to force down the price of oil. The program, however, if it works, will directly cut oil supplies for Americans.

The result of that will be either gas rationing or a sharp rise in gas taxes—by at least 15 cents or more a gallon—or a fuel-allocation program of some sort, or perhaps some elements of all three.

Former White House adviser Melvin Laird, convinced that tough measures are needed in the United States, said recently, "I think sooner or later a rationing system is going to be needed . . . We may have to consider using a tax system coupled with a very tough, firm rationing system."

Laird criticized his own Republican friends in the White House for not educating the public to the energy problem.

"We're not getting the kind of awareness of the level of conservation that's needed and necessary now," he said.

Simply put, U.S. leaders have decided that the only effective tool to force down the price is a sharp cutback on the use of oil in the industrial world.

The idea is based on the classic economic theory that if you cut demand, price will fall.

The United States fumbled for almost a year after prices were hiked before settling on this policy, and announced it formally only Nov. 14, through Secretary Kissinger, in a speech in Chicago.

Even then, Kissinger was vague about details.

And because he spoke in intellectual and oil industry jargon, his message was not universally understood.

But it was there. He said the U.S. would set "as a target" for the next decade the reduction of its oil imports to no more than one million barrels a day.

The United States today consumes about 17 million barrels of oil a day. Seven million are imported. If the number imported was cut to no more than a million a day, the cut would equal almost a third of daily consumption.

More graphically, at today's prices, this would be a cut of $60 million a day in imports—or almost $22 billion a year. This would also mean, of course, that the oil-producing nations would not be getting $22 billion a year from the United States that they are now getting.

But Kissinger said the United States itself could not make this cutback program work. The entire industrial world would have to cooperate, each country setting cutback quotas in order to pressure the oil producers.

This is, in fact, a program designed to break the back of the oil cartel.

Kissinger also proposed that the United

States "press on" to try to find new oil supplies and alternative sources of energy.

But really helpful development of new oil sources or completely new energy sources are years away. The nuclear-power dream has faded for the next decade, and development of solar and wind energy are in the crawling stage, and the oil crunch is immediate.

Government officials are well aware that the consumer is going to get hurt, particularly in the near term.

"Let's not kid ourselves," said one close Kissinger adviser. "This is going to be extremely painful."

In the classic tradition of governments in power, the Republican administration has not sought to dramatize the dimensions of the energy crisis—preferring to present as rosy a picture as possible.

But officials essentially do not disagree with Stewart Udall's vision that an end of an era has arrived.

"The only reasonable course for the United States is to admit that it is in trouble and begin a transition to a lifestyle and an economy which emphasize thrift and efficiency," Udall says.

"We can no longer sit comfortably in our horseless chariots, dazzled by the promises of prosperity and technology run amuck."

The reason the Ford Administration has not yet confided in the public on how much pain is to come is also quite clear.

With the nation already in an economic recession, there is fear that immediate steps to cut back on energy use might make it worse. Hundreds of U.S. industries making thousands of products are dependent on oil. Hundreds of thousands of jobs are involved.

But it is virtually certain that a day of reckoning will come.

Where does the United States stand today in attempting to manage the energy crisis? A program has been developed, but is still on the drawing boards.

Treasury Secretary Simon has acknowledged that disaster awaits unless somehow the crisis can be brought under control, through "decisive collective action to break the present train of events."

The administration's program will require difficult negotiations with other countries to form a united front. It will undoubtedly meet resistance domestically, with many hassles to come.

Sen. Henry Jackson (D., Wash.), the most powerful congressional figure facing the administration, said recently that "I just don't believe" that cutting demand will fix a "just price" for oil. "This is the most efficient cartel in the world."

And as for the oil producers, they don't appear to be worried.

Saudi Arabia's top oil expert, Harvard-educated Sheikh Zaki Yamani, said recently: "I think that conservation alone will never put a real downward pressure on the price of oil."

[From the Miami Herald, Dec. 10, 1974]

FOOD UNABLE TO KEEP PACE WITH EXPLODING POPULATION

(By James McCartney)

WASHINGTON.—In 1974, the number of mouths to feed in the world outstripped the world's ability to produce food.

The results of that statistical event:

By United Nations count, imminent starvation and bankruptcy now face no fewer than 32 nations.

In Bangladesh alone 100,000 have died in the last six weeks and the government says a million more will die by the end of the year unless they get emergency aid.

Death rates are climbing in Central America, Africa and India, as well as elsewhere in developing countries, reversing trends of 20 years.

Food prices are soaring around the world. Increases in the United States are now expected to amount to nearly 15 per cent for the year, far above forecasts.

Food reserves are depleted.

"Food has become a central element in the international economy," says Secretary of State Henry Kissinger. He points out the relationship of food with other elements in the current world economic and political crisis.

"A world of energy shortages, rampant inflation and weakening trade and monetary system will be a world of food shortages as well," he said.

For the average American, the world food crisis won't mean much in the short run, unless the United States, as a nation, decides to do more than it is doing to help the starving.

If that happens, food will be more expensive. In the years immediately ahead, however, if problems aren't solved, there will be chronic shortages. Diets will have to change. You'll eat less meat, more cereal. The "frills" you may be used to will go.

In the long run, if population can't be controlled, there will not be enough food anywhere. The food crisis, which has now spread across the globe, was not foreseen.

Only a few years ago, U.S. leaders considered food surpluses a burden, rather than a blessing. Kissinger has acknowledged that it wasn't until last year that he began to recognize his mistake.

A 130-nation World Food Conference was called in Rome early this month to deal with the food crisis.

The conference failed to produce a short-term program to prevent the death of millions before next spring's harvest, despite dire warnings.

The United States wound up at the conference in the role of villain for failure to pledge new emergency food aid.

The decision was President Ford's who clearly feared a firm pledge of aid would force up already soaring U.S. food prices.

Neither did the conference produce any notable long-term program, for the consensus of U.S. experts is that if soaring population rates can't be brought under control by early in the next century, there is "no answer," as one has put it, "to the food problem."

The conference may have had more luck in approaching what were called "middle-term" problems: producing enough food to keep up with population growth in the next 10 to 20 years.

Councils and committees were formed, but success will all depend on whether there is a followup.

For the individual U.S. citizen, the immediate issue of threatening widespread starvation has now shaped up as an issue with heavy moral overtones.

How much, if anything, should he give up of his own standard of living, or changing in his eating habits, to contribute to the starving in the world?

The U.S. citizen is the world's best fed.

In developing countries the average person eats roughly 400 pounds of grain a year, just barely enough to keep alive.

An American accounts for about five times that amount, much of it in the form of beef, pork or chicken from grain-fed animals.

Americans in recent years have eaten better than ever before.

The average American, for example, ate about 55 pounds of beef a year in 1940—steaks, pot roasts, or perhaps in sandwiches.

Today, the average American eats 116 pounds of meat. Americans are the biggest and often the fattest of the world's beef-eaters.

With the coming of the energy crisis, however, the rich have been getting richer, and the poor poorer, as the high cost of fertilizer—which has an oil base—has contributed to the food crisis.

"In the last two years," says James Grant of the Overseas Development Council, a leading food expert, "it appears that for the first time the richest billion people of the world have been eating more each year while a majority of the poorest billion have been eating less."

Grant says that the rich have had the money to buy up scarce food supplies, and "preempt" them from the poor.

The question is whether the rich need so much.

Harvard nutritionist Jean Mayer has computed that "the same amount of food that is feeding 210 million Americans would feed 1.5 billion Chinese on an average Chinese diet."

Mayer is one of those who believe that Americans and others in the rich nations are going to have to eat less if the crisis is to be met.

Agriculture Secretary Earl Butz strongly opposes proposals to cut back on U.S. meat consumption for shipments abroad.

He is fearful that U.S. farmers will lose income if demand for meat products drops. His answer to the problem is to try to develop more pasture land to fatten up more cows and steers, increasing production.

The United States has long been the world's largest and most generous donor of food aid to help the hungry and dying.

Butz has estimated that the United States has shipped about $25 billion in food aid to the needy of the world in the last 20 years.

At the same time, however, the amount of U.S. food aid has dropped drastically in recent years as agricultural surpluses disappeared.

Much of the U.S. food aid in the past was surplus food purchased by the government to support high farm prices in the United States. With no surpluses, food aid had dwindled from about nine million tons a few years ago to 3.2 million in 1974.

More could be sent, but the government would have to go into the grain market at going prices, forcing up prices about 5 per cent when housewives are already complaining loudly.

But the issues are clearly more than moral, and involve more than a new threat of higher food prices.

Starvation breeds social unrest, with the threat of riots and revolution. Food riots are already commonplace in Bangladesh and India. Food prices have contributed to the toppling of governments in Ethiopia, Niger and Thailand.

Grant of the Overseas Development Council has said that a "deep sense of grievance has developed" against the United States in the developing world because of the drop in food aid.

These countries believe, he said, that "the United States has withdrawn from leadership and in some cases even from a fair-share role" in efforts to help the starving.

Grant said that this sense of "grievance" has been a major factor in the ability of the oil-producing countries to rally support behind them in the United Nations, and elsewhere, in the world's oil crisis.

The food crisis, however, goes far beyond the immediate problem of feeding the starving.

There is no way the United States can indefinitely feed the world even if it wished. The less-developed countries have to learn how to produce their own food. Early steps in trying to develop programs to help them do that grew out of the World Food Conference in Rome.

But even more threatening is the long-term outlook in population which is increasing by 1.4 million a week—1.4 million new mouths to feed. The population is expected to double by the end of the century.

No one yet knows how those kinds of numbers could possibly be fed.

[From the Miami Herald, Dec. 11, 1974]

Oil Prices Are the Key to Monetary Stability

(By James McCartney)

WASHINGTON.—The date was Dec. 23, 1973. It was a Pearl Harbor in the annals of world economic history.

For that was the day that the world's oil-producing countries, except the United States, met in Tehran, Iran, and announced an unprecedented increase in oil prices that quadrupled prices of a few months earlier.

The world economic system is still reeling from the shock.

Now, nearly a year later, there is virtually universal agreement among economists and political leaders that a world economic crisis is upon us.

More importantly, no solutions have been found. The industrial world's best economic minds are still groping about what to do.

Both Secretary of State Henry Kissinger and Treasury Secretary William Simon have said that if present trends continue, world economic disaster is all but inevitable.

H. Johannes Witteveen, managing director of the International Monetary Fund, has summarized what has already happened:

Worldwide inflation rates have soared.

Economic growth almost everywhere is down sharply.

Stock market prices around the world have plummeted.

Financial markets are under "severe strain."

Kissinger has gone one step further, and predicts that, if the crisis can't be brought under control the upshot will be:

Mounting world wide shortages, and thus more inflation;

More unemployment; poverty; hunger and mass starvation; "dangerous" political unrest.

President Ford has said a "breakdown of world order and world safety" is threatened. Sen. J. William Fulbright (D., Ark.) has said that unless "immediate and drastic corrective measures" are taken, "the prospects are for economic depression, political breakdown and perhaps war."

The possibility of a vast world depression as deep as, or deeper than, the depression of the 1930s with attendant suffering and starvation for hundreds of millions is what leaders are worried about.

But they also are worried about the rise of neo-fascism in some places, or of new Communist states. Top Kissinger aides say he is haunted by personal memories of Nazi Germany in his youth.

Kissinger has also expressed worry about the possible collapse of the "detente" policies toward the Soviet Union and China, if the West collapses.

What is happening, basically, is a massive shift in the world's monetary wealth from oil-consuming nations, rich and poor, to the oil producers, in the Middle East, Africa and Venezuela.

The world has never seen anything quite like it.

Rich countries like France, Germany, Great Britain, the U.S. and Japan have been sending money for oil at a record rate to Iran, Saudi Arabia, Iraq, Kuwait and all the other oil producers.

For example, Saudi Arabia, a desert country with a population of eight million counting Bedouin tribesmen has increased its reserves of gold and foreign currency from $4 billion a year ago to $11.5 billion.

It is now the world's fourth richest nation, surpassed only by the United States, West Germany and Japan. It will soon pass both the United States and Japan.

Meanwhile, Great Britain, once famed as the world's banker, is in debt about $10 billion, France about $6 billion, Italy $9 billion. The United States is running in the red.

Bankers and economists have coined the word "petrodollars" to refer to the fast-moving oil money. The rate at which "petrodollars" are piling up now in the oil producing countries boggles the mind.

Kissinger has estimated that the oil producers now have a $60-billion surplus in funds, far beyond what they can spend or even invest.

The industrial nations, at the same time, face a collective deficit of $40 billion. It is "the largest in history," Kissinger said, and "beyond the experience or capacity of our financial institutions."

But he warned that this is only the first year of the new high oil prices, saying "the full brunt of the petrodollar flood is yet to come."

Some experts have estimated the petrodollar surplus will total from $300 billion to $600 billion by 1980. One computed that this is two to four times the total gold and foreign exchange reserves of the entire world at the end of last year.

These figures are so large as to be almost meaningless to a layman, and, indeed, baffling to many economists.

But what they mean, essentially, is that wealth is shifting from one part of the world to another, at an unprecedented rate.

"The focus of world savings has now shifted to the OPEC (Organization of Petroleum Exporting Countries) says Yale University economist Richard Cooper.

"And there is no way to get it back. It's a levy on real income. That is a simple point that is rarely made."

A State Department economist makes the same point this way: "Twenty five billion dollars from the U.S. to the other oil producing countries means, quite plainly that Americans will have $25 billion less to spend on other things."

The same principle, of course, applies to all of those in consuming countries who are paying out.

What it means is that standards of living inevitably will suffer in these countries and the United States is no exception.

But there is also an even more serious threat: that the complex highly interdependent world monetary system may collapse, as it did in the 1930s.

Virtually all the experts agree that the system is, as President Ford has phrased it, "under severe stress."

A major and obvious potential problem is that countries won't be able to pay their oil debts and will go bankrupt. Italy already appears to be on the verge of bankruptcy.

If one country goes bankrupt, declaring a moratorium on its debts, it will affect others, domino style.

The United States has, proposed a program to try to avoid this kind of catastrophe by creation of a government supported international facility to help countries in trouble—a loan and guarantee agency that could handle up to $25 billion in 1975. Big industrial countries would support it.

A major concern of financial experts is what the oil producers do with their surplus "petrodollars."

The oil producers have the money and that represents a loss that can't be remedied. But there are ways in which they could use the money that would at least take some of the pressure off the rest of the world.

"If this money could be invested in long-term savings," said one State Department economist, "it could be used to keep our economy growing."

The problem, he said, "is to recycle money back to where it comes from, in such a way that it can be used."

But so far this is not what the oil producers have been doing.

They have been piling up much of their money in a small number of banks in wealthier countries of the world, mostly the United States, West Germany and Switzerland.

And they have been depositing it on a short-term basis.

Some banks are now refusing to accept this kind of money. They find it hard to use and they fear what might happen if there were massive, sudden withdrawals. Those kinds of withdrawals could destroy a bank.

There is a wide disagreement among experts about the benefits, if any, of "recycling." Some think the whole idea is nonsense. But the official administration view is that so far problems have not been solved to the satisfaction of the oil-consuming world.

"The process isn't working," said one State Department economist "and the system is capable of breaking down."

There is still another major fear—that individual nations, under the pressure of the oil crisis, will begin to act independently to try to save their own necks.

They might restrict imports, devalue currencies, or seek to make special deals with the oil producers.

Economists fear that if this starts to happen on a widespread scale it could lead to a breakdown of the international system—and directly to a world depression.

These are the kinds of actions that nations took in the 1930s seeking to protect their own interests, and results were disastrous.

U.S. officials have concluded that there is no real answer to the monetary crisis unless oil prices can be driven down.

They have been very slow in developing a government-wide program to attempt to do that, and even now have only suggested possible solutions. No clear-cut program is in effect.

Kissinger has provided an elaborate argument for oil conservation, on a world-wide basis, as a major element in such a program. But the United States has no mandatory oil conservation program of its own.

There is a consensus among government experts that under the best of circumstances it will take several years to get the monetary crisis under control.

The question is whether the world's financial system will survive that long.

[From the Miami Herald, Dec. 12, 1974]

Population Control Is Key to Survival

(By James McCartney)

WASHINGTON.—On Nov. 5, Secretary of State Henry Kissinger stood before the 130-nation World Food Conference in Rome and spoke earnestly of a need to bring the world's population explosion under control, if the food crisis is to be mastered.

"World population is projected to double by the end of the century," he said.

". . . At some point we will inevitably exceed the earth's capacity to sustain human life."

Eighteen days earlier, Kissinger's own State Department, without fanfare, had slashed by almost 20 per cent the staff of the major unit within the department, and within the U.S. government, working on population control.

The contrast was a dramatic demonstration of two major failures by the United States in seeking to come to grips with a new world economic and political crisis.

First, it showed that the government hasn't coordinated its policies on population.

Second, it showed that the administration's policy has yet to recognize complex interrelationships between various parts of the world crisis—among them food and population, energy, and monetary problems.

Kissinger had put his finger on what many economists and political scientists, in and out of the government, now believe is the most pressing underlying problem in the world—population.

For soaring world population is clearly a major factor in the food and energy crisis, which have attracted wide attention, and they, in turn, are contributing to a monetary crisis.

There is no precedent for what is happening to world population today.

If you are middle-aged—at 45—the population of the world has doubled in your lifetime. It was less than two billion in 1930; it's a little less than four billion now.

A billion people have been born in the last 10 years.

Each day, the world has 200,000 new mouths to feed. That many more are born than die, a net annual increase of 70–80 million.

There would be no food crisis today if it were not for rapid population growth. There would probably be no energy crisis.

But the most serious problems are in the future, for population doesn't simply add up, one by one, or two by two. It multiplies, progressively. The more people there are, the faster the increase.

United Nations experts have spelled out the problem with a series of projections of possible population growth in the years ahead—"low," "medium" and "high" guesses.

Today's world population is estimated at 3.9 billion.

The "medium" projection of the experts for year 2000—25 years away—is 6.5 billion.

In the same "medium" projection, the estimated figure for the year 2050 is 11.2 billion. That would mean a tripling of the world population in 75 years.

Even the "low" projection for the next 75 years, by the year 2050, is 9.2 billion. The point is that even the low projections suggest immense problems for the world in the years ahead.

"What we must now recognize is that continuing population growth, even at a moderate rate, will aggravate virtually all of the important economic, ecological, social, and political problems facing mankind," says Lester Brown, a population expert with Washington's Overseas Development Council.

"Population pressure will aggravate problems such as food scarcity and pollution . . ."

The world food crisis is directly related to the population boom. In the last 20 years the world's food output has increased by more than 50 percent. It has not been enough.

"During the 1970–74 period," said Brown, "the world demand for food expanded by both population growth and rising affluence, is outstripping world food production."

The energy crisis is also tied closely to the boom.

"World energy consumption is expected to double between 1970 and 1980 as population grows and industrialization advances in developing countries," according to a United Nations study, which predicted that energy consumption by the year 2000 "is likely to be five times the 1960 level."

The UN's International Labor Office has said that "the staggering growth of population has all but wiped out recent economic gains in many developing countries."

By the end of the century, the U.N. agency adds, "we will need twice as much food, water and power—and twice as many jobs—merely to maintain the present unsatisfactory standard of living for most of the world's people."

An important facet of the problem is where population is growing. The world's poor are multiplying much more rapidly than the rich.

About 74 per cent of the world's population today lives in underdeveloped areas of Asia, Africa and Latin America—only 25 percent in relatively prosperous industrialized nations.

With wealth, population growth rates tend to drop.

Most of the growth in the years ahead—more than 80 per cent of it—is expected to take place in those poor parts of the world, where the rate of reproduction is twice as high as in developed countries.

India, for example, now has a population of about 550 million, according to a World Bank study. It will be nearly a billion in 25 years.

Populations are expected to more than double in the next 25 years in Indonesia, Bangladesh, Pakistan, Nigeria, Mexico, the Philippines, and Thailand, among others.

These kinds of growth rates could produce problems approaching the grotesque. In 1970, for example, Indonesia had a population of 120 million. But Lester Brown had computed that if the current growth rate of 2.7 per cent per year continues for a century it will have a population of 1.7 billion—or nearly half of the present world population.

Not surprisingly, perhaps, many rich and poor countries, Communist and non-Communist, Catholic and non-Catholic, found themselves in sharp disagreement on population questions last August at a World Population Conference in Bucharest, Romania, sponsored by the United Nations.

Many poor countries took a view that the rich, in advocating population controls, were attempting to deprive the poor of their natural rights—and of potential power.

India said it would put some stress on family planning only if it were tied to a radical distribution of wealth between rich and poor.

On one hand were nations that were genuinely alarmed by soaring population—and advocating limits—while others felt that more and more people would be useful resources.

A delegate from the Soviet Union said that with proper planning and technology—plus elimination of capitalistic monopolies—the earth could comfortably feed 35 billion.

One of those who believes that the U.S. could have major impact on getting population under control is Dr. R. T. Ravenholt, director of the Office of Population in the U.S. Agency for International Development.

This office, with 103 employes, handles the major U.S. and world effort to meet the problem. It is essentially an effort to distribute birth-control devices and to help educate large numbers of people who want them on how to use them.

Ravenholt says that when people anywhere learn about birth control they are almost always eager to practice it. Population growth rates can be brought down, after that, simply by making birth-control devices easily available, he says.

This year, the United States will deliver more than 100 million packets of birth-control pills in the developing world to those who want them, according to Ravenholt. "We're supplying about 10 per cent of the pills that are needed," he says.

Ravenholt has received notice that the number of employees in his office is being cut from 103 to 84 as part of an across-the-board slash in all aid programs.

It is his conviction that a crash effort by the United States could level off world population below five billion.

There are no signs, however, that a crash effort will be tried.

[From the Miami Herald, Dec. 13, 1974]

GRIM FACTS—MANY CURES, NO ACTION

(By James McCartney)

WASHINGTON.—A growing consensus has now developed among statesmen and scholars that the world is, indeed, in crisis. The question is: What can be done about it?

The evidence is that a lot can be done. Concrete programs to address every major aspect of the current crisis—energy, food, finance and population—have been proposed by public officials, in and out of the Ford Administration, as well as by privately supported students of public affairs.

If accepted, they add up to some hard realities:

Oil prices must be driven down, at almost any cost in effort. The experts believe it is a necessity if the world economy is to be saved.

Energy must be conserved, even if it hurts. That probably means rationing, higher gas taxes, and a good deal more affecting the way you live.

Food can no longer be wasted. Diets will have to change and the United States, as the world's leading food producer, must pay more attention to what is happening in underdeveloped nations.

If the United States is to survive, it can no longer afford the luxury of avoiding the world's population explosion. It needs a program to promote population control quickly, or it may be too late.

The elements of this program, pieced together from the views of many experts, would not come as a surprise to top administration officials.

But the administration has talked about problems and recognized their existence, without developing and putting into effect, hard-nosed programs to solve them individually.

And the administration has not developed an integrated program addressing all of the interlocking aspects of the world crisis. Nor has it sought to educate the public on what must be done.

The basic difference between what has been talked about and reality involves a sense of urgency. Here, in more detail is what statesmen and scholars are suggesting:

ENERGY

There is now wide agreement among experts, public and private, that the United States and the industrial world have only three effective weapons to use against high oil prices.

They are: (1) oil conservation, on a massive international scale; (2) development of new oil fields beyond the control of today's oil-producers' cartel; and (3) development of other power sources.

Conservation must be the major area of immediate attack. New oil sources are simply inadequate to fill the world's needs. Nor is there any prospect of finding oil reserves comparable to those in the Middle East. Workable alternative power sources simply haven't been found.

Top officials, including Secretary of State Henry Kissinger and Treasury Secretary William Simon have acknowledged in recent weeks that conservation will have to be the major way out, if there is to be one.

But the United States today has only a voluntary conservation program that neither does the job domestically nor encourages other nations to conserve.

The essential debate now is not whether to conserve, but how it should be done, and how much coercion may be necessary to make a conservation program work.

Some officials believe President Ford does not yet understand that drastic action is necessary.

Conservation is going to be painful for nearly everyone. It means less car driving, cooler homes in winter, warmer homes in summer. It means a whole new approach to the using of energy, in a society that has taken unlimited energy for granted.

FOOD

The food crisis is closely related to both the energy crisis, and the population explosion.

If oil prices can be driven down, it will help in dropping food prices, which are tied, in part, to high costs of oil-based fertilizer.

But chances are that, even if prices can be driven down, they won't drop soon enough, or far enough, to provide much help for millions threatened with starvation before next spring's harvests.

There is probably only one way these millions could get substantial help. U.S. citizens would simply have to buckle their belts, eat less and face a 3 to 5 per cent additional hike in food prices to free food for the starving.

The food, at least today, is available, because the United States is so well fed, probably overfed. Less meat eating, for example, would free vast quantities of grain.

If the U.S. government did go into the marketplace to buy food for the starving, it would cut back on market supplies, and thus force up prices. It would contribute to inflation but it would stave off starvation. It is a difficult choice.

In the immediate years, after next spring's harvests, the only practical approach to the food problem is a crash program, on an international basis, to try to help underdeveloped nations to learn to grow more of their own food and distribute it better.

Even the rich United States doesn't have the capability of growing all the food necessary and getting it to those who need it.

In the long run, the only answer to the food problem is a major attack to try to solve the population problem.

As Don Paarlberg of the Agriculture Department has said, if population can't be controlled "there is no answer to the food problem."

FINANCE

The international financial crisis has been caused by the oil-price problem, and can be solved only by solving the oil-price problem.

Oil prices are going to be forced down or nations are going to tumble, and the world's wealth, and power, will gravitate to oil-producing nations, some of them ill-equipped to handle it.

Kissinger has proposed that the United States cut back sharply on oil imports, to lessen the demand pressure for oil and help drive down the price. He wants other oil-consuming nations to do the same.

Then he would get the consuming nations together, to confront the producers, and try to work out long-term arrangements that would be more stable. But so far all this is only a proposal. Nothing concrete of importance has been done.

Kissinger has also proposed that the industrial nations set up a huge international loan guarantee agency to give help to countries that have been plunged deeply into debt because of oil prices.

This would help relieve pressure in some countries, but the heart of the problem is still the price of oil.

Most economists, in and outside the government, seem to believe that the price inevitably must come down, and will come down, that a cartel cannot indefinitely sustain an artificially high price.

But the oil cartel has been getting away with it for nearly a year, and the belief is growing that nothing short of a massive effort to try to force the price down through conservation will work.

POPULATION

This may be the most serious underlying problem of all, and perhaps the most difficult to deal with.

The population explosion is contributing directly to both the food and energy crises, and they in turn have contributed to the financial crisis.

Population growth is insidious. "It's like a cancer," says Dr. R. T. Ravenholt, director of the Agency for International Development's Office of Population.

"It moves silently and may not be perceived until it is too late, eating up all of the resources and eventually crippling a nation."

There does not seem to be substantial dispute that there is a population explosion, and that world population may double in the next 30 years, and quadruple by the year 2050.

But many oppose population-control measures—the Roman Catholic Church, for example. And some of the world's poor countries believe the rich are fearful that the poor may become more powerful. They have raised questions about the very nature and meaning of life, which cannot be brushed aside as trivial.

But those who advocate population-control measures are arguing that civilization itself may be wiped out by mankind's multiplying numbers.

"What would a world be like that contained 10 billion people?" asks Lester Brown, of the Overseas Development Council. "Staggering changes would be required in the world's political, economic and social institutions."

The technical means to control population are available, according to Dr. Ravenholt. Those means include birth-control pills, condoms, and others, including educational techniques.

He estimates that the United States could level off world population growth at less than five billion persons with an unrestricted investment of about $250 million a year over the next 10 years.

However, Ravenholt's budget is being cut back, in a government economy program, and the United States hasn't so much as developed an official stated position on population.

Some day, that could rank as one of the most serious failures of the era.

Beyond specific problem areas, the experts, including Kissinger, agree on one overriding principle: that one of the major challenges of the modern world has become to develop new international political institutions.

Few Americans are aware of it, but a phenomenon of modern life has been the growing interdependence of the nations of the world.

Two leading economists here, Fred Sanderson and Harold Van Cleveland, both former State Department officials, have written:

"Among the events that have shaped the history of the past quarter century, one stands out above all others. The Cold War; the Communist takeover of China, Korea and Vietnam; decolonization; the rise of the Third World—all have made their imprint.

"But the most far-reaching development by far has been the undramatic process of construction of the great system of economic, political and military cooperation and interdependence among major industrial countries reaching across the Atlantic and Pacific."

The world today is far more "One World" than ever. What happens in one part of it almost immediately affects what happens elsewhere.

The U.S. economy is more dependent today on both imported basic raw materials and finished manufactured products than at any time in post-colonial history, and it will become even more dependent in the years ahead.

But working in international groups, in a way that means anything, may require the surrendering of some sovereignty, or some freedom of choice, on the part of the United States.

Seyom Brown, of Washington's prestigious Brookings Institution, says this is inevitable, that it is the only way the world will be able to cope with its growing economic interdependence.

He says political institutions have lagged far behind economic realities.

So far Kissinger seems to be inching in the direction of international cooperation to solve the pressing problems of the world crisis in energy, food, finance and population.

But this approach as yet has not paid off in significant achievement.

Brown says it must or we'll all go down the drain.

At least one top State Department official believes that only the threat of a nuclear holocaust has prevented war in today's crisis, with its interlocking problems of food, population, finance and energy. And the interdependence of large portions of the world is greater than ever before.

To prevent war and to find ways to cope with the four modern horsemen of the Apocalypse will take more than talk or good intentions.

CASSANO ENTERPRISES, INC., OF DAYTON CUT PRICE OF HARDEE'S FOOD PRODUCTS

Mr. TAFT. Mr. President, I have been informed that Cassano Enterprises, Inc. of Dayton, Ohio, has reduced the prices on its Hardee's food products to help with the fight against inflation.

I am bringing that action to the attention of the Senate because I believe strongly that the fate of our efforts to fight inflation depends largely upon the actions of private enterprise. The possible success of the program hinges on the private sector's price restraint and cooperation.

In that respect, I commend Cassano Enterprises for its action. The reduction in price of a Hardee's hamburger from 30 cents to 19 cents and similar reductions in other Hardee's prices, may not make a tremendous difference in a family's food budget, but in these times any price reductions are helpful. The price-cutting action also sets an example for other businesses in the area and across the country.

CONTINUING EDUCATION FOR OLDER CITIZENS

Mr. PELL. Mr. President, an article in the December issue of The American Way has come to my attention which deals with some very interesting concepts concerning the need for continuing education for our older citizens.

Education is not something which should end with the completion of traditional schooling; it is a growing experience which should be a part of every person's daily living. Nor should education be limited only to the young people of our nation, as our somewhat youth-oriented society often seems to think. Many senior citizens are fully capable of creative and innovative thinking and should not be discouraged from continuing to learn simply because of their age.

As the article points out, the percentage of Americans over the age of 65 is continuing to increase, and, by the year 2000, is expected to make up approximately 12 percent of our total population. We must realistically deal with this situation and not simply put our aging citizens on the shelf. We must make available to them useful and creative educational outlets in which to involve themselves so that they continue to grow, albeit grow old, with dignity.

I ask unanimous consent that the

American Way article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Continuing Education for Older Citizens

One change has been creeping up on us steadily, but perhaps not noticeably.

In the United States of 1900, there were 3.1 million people over sixty-five out of a total population of 77 million, so that the elderly made up just about 4 percent of the whole. In 1940, it was 9 million out of 134 million, or 6.7 percent. In 1970, it was 20.2 million out of 208 million, or nearly 10 percent. By 2000, it is likely to be 29 million out of 240 million, or 12 percent.

It isn't just that our senior citizens are increasing in numbers; they are steadily increasing in terms of percentage of the population. Naturally so, since, in the United States, the average length of life has been increasing and the birthrate decreasing throughout the twentieth century.

Population pressures may force a steady decrease in birthrate the world over in the decades to come, and the continuing advance in science and medicine may increase the average length of life. If so, what has been true of the United States and some of the other industrial nations may become a world phenomenon. All over the world, a larger and larger percentage of the population will be middle-aged, elderly, old.

The most interesting point about such a situation is that mankind as a whole will be faced with an age pattern it has never experienced before. Never! Throughout the world's history, till now, the situation everywhere has been one of short lives and a high birthrate. Those who managed to pass their fortieth birthday were a small minority; those over sixty-five an actual rarity.

Many of our social customs are a reflection of this past. We tend to ignore our oldsters because, in the societies of the past, they were too few to worry about. We tend to assume that they are feeble, dull and worthless because in the past those few who did manage to survive into middle age were worn out by repeated bouts of disease, by poor diets, bad teeth, hormonal imbalance, and lifelong overwork.

So now, when the aging are stronger, more vigorous and more alert than they once would have been, we still retire them ruthlessly to get them out of the way, and leave them to wait out their life's ending on a park bench. The easy excuse for this is that the aging are stodgy and conservative, no longer capable of creative thinking. Only the young, we suppose, are fit to blaze new and innovative trails.

Might we not be reasoning in a circle? After all, we only educate the young. There is a cutoff date taken for granted in education. We go to school only for as long as it takes us to learn a trade or profession, or to gain the ability to converse in a cultivated fashion, and then we quit—having become *educated* (past tense).

The notion that one has already been *educated* (past tense) offers one social permission never to read a book again, never to learn anything more, never to have another thought. Is there any surprise that, under such conditions, so many people as they grow older become incapable of reading, learning, or thinking altogether?

In a long-life, low-birthrate world of the future, however, this will have to change. As aging people make up larger and larger percentages of the population, it will become more and more dangerous to permit them to remain a nonthinking deadweight on society.

We will have to alter our attitude toward education. Society will have to take it for granted that learning is a lifelong privilege; that education is not a task to be completed, but a process to be continued. Men and women, growing up and seeing this attitude all about them, will accept as natural the fact that, throughout life, they will be able to make use of educational institutions and techniques to learn new things and enter new fields. Under such conditions, accustomed to lifelong learning, why shouldn't they remain creative and innovative to very nearly the end of their lives?

This is a difficult notion to accept. It may seem self-evident that the mental workings of aging individuals simply must become rusty and creaky. That kind of "self-evident" proposition is, however, only a guess based on youth-centered prejudice. In actual fact, we have never, in the world's history, had a real process of adult education, and we have never given the aging mind a chance to show what it can really do—so we just don't know what it can do.

Given the kind of world we may be entering, we will *have* to give the aging a chance, and my guess is that we will be in for a pleasant surprise.

RETIRING CONGRESSMAN BRYAN DORN

Mr. THURMOND. Mr. President, an old friend and colleague of mine in the South Carolina congressional delegation is retiring from Congress this year, and I want to record my gratitude for his many services to State and Nation. Congressman Bryan Dorn of Greenwood, S.C., has represented the State's Third District for 13 terms. This long tenure has made him the dean of our delegation, an unofficial position which he has filled with great dignity and which he has often used to be helpful to his more junior colleagues. As the new dean of the delegation, I shall have an excellent example to follow.

Congressman Dorn has been in public life for so long that it would be impossible to list all of his achievements. He was elected to the South Carolina State House of Representatives at the age of 22 and to the State senate at the age of 24. After 3½ years in the Army Air Force during World War II, he returned to politics and was elected to Congress at the age of 30. He has remained in Congress ever since, except for a 2-year absence at the end of his first term.

During his many years in Washington, Congressman Dorn has acquired a vast store of knowledge and experience. His expertise in veterans affairs is particularly noteworthy. As a member of the House Veterans' Affairs Committee for 24 years. Congressman Dorn was instrumental in helping numerous deserving veterans all over the Nation. As chairman of this committee for the last 2 years, he has shown skillful leadership in the cause of veterans.

Mr. President, merit deserves to be commended wherever it is found, but I am particularly happy to commend it in a fellow South Carolinian. Congressman Dorn's career has won him a place in South Carolina history and the respect of people throughout our State. His wife Millie has been of immeasurable assistance to him over the years, and I commend her as well. It has been a privilege to know them, and I wish them the long and happy retirement they have so thoroughly earned.

SOME MORE EQUAL THAN OTHERS?

Mr. HUMPHREY. Mr. President, the Federal Reserve Board has taken a long awaited step recently in proposing that Federal regulations on domestic banks should also apply to foreign bank operations in the United States.

The Federal Reserve Board would prohibit interstate bank and brokerage operations by foreign owned banks—placing them under the same rules and regulations now covering domestic bank operations. It is a good step, a step toward greater competition by financial institutions. It will avoid the fearful specter of several giant foreign banks rapidly dominating regional, and eventually, national financial activities.

In calling for foreign banks to be allowed to do only what domestic banks can do, the Board chose more bank competition over less competition—to the benefit of every consumer. It imposed limitations on foreign bank operations, rather than alternatively easing existing limitations on domestic banks.

The proposal is extensive. It will subject foreign banks in the United States to Federal regulation for the first time. These banks will need to meet Federal Reserve Board reserve requirements and will be required to join the Federal Reserve System. They will have to carry Federal Deposit Insurance Corporation insurance on deposits. And, most will be subject to provisions of the Bank Holding Company Act.

Unfortunately, these steps are not enough, not nearly enough. The Federal Reserve Board's proposal stops short of being truly comprehensive and effective in leaving a gaping loophole for foreign banks to roar through. This loophole will allow foreign banks with existing multistate banking or brokerage operations to retain them. It will "grandfather in" existing foreign banks. It will enable them to conduct highly profitable and powerful interstate operations which all newly established foreign banks and all domestic banks cannot conduct. Yes, it will make all banks equal; but existing foreign banks will be more equal than others.

Mr. President, the impact of these multistate foreign banks will be staggering in a short time. Already, these banks, more than 60 in number, hold over $38 billion in assets. They will be able to add to this stock from many different States. They will be able to utilize deposits from a State or region of local dominance to conduct cut-throat competition and the acquisition of competition in other States, if they so desire. The only limitation these multistate foreign banks will face, under the Board's proposal, is that they cannot enter new States—States in which they do not now have branches.

News reports say foreign bankers don't like the Reserve Board's proposal. I agree with them—but for entirely different reasons.

The Federal Reserve Board will, I understand, submit this proposal to the Congress this week, and again in January. I urge my colleagues to consider this proposal with dispatch—and amend it to require divestiture by existing foreign banks, in a fair and equitable manner and over a reasonable period of time, of all multistate branches and brokerage operations. It is the right thing to do. It is fair to all banks. It will promote bank competition, not discourage it. And it is vitally necessary to the maintenance of a strong, competitive domestic banking system.

I know Dr. Burns has given this proposal long and serious study. I have written him, however, to ask that he reconsider the proposal to "grandfather in" certain foreign branch special treatment provisions that exist today. It is my hope that he and his fellow board members will respond favorably to this suggestion. That is the quickest way to see this badly needed proposal—without its loophole—enacted in January.

I ask unanimous consent, Mr. President, that my letter to Chairman Burns of the Federal Reserve Board be printed in the Record, along with a Wall Street Journal article entitled "Fed Submits Bill for Regulation of Foreign Banks."

There being no objection, the letter and article were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., December 19, 1974.

Dr. Arthur Burns,
Chairman, Federal Reserve Board of Governors, 20th and Constitution Avenue, Washington, D.C.

Dear Dr. Burns: I am delighted with the Board's initiative to bring foreign banks under the same broad rules and regulations that cover the operations of domestic banks. However, one aspect of this proposal is of concern to me.

It appears that existing multistate bank operations of foreign banks would be permitted to continue. In addition, other ancillary operations of these banks, such as brokerage operations, would similarly be permitted to continue. I see no sound reason to "grandfather" such operations by existing foreign banks. This will only serve to perpetuate the major reasons why rules and regulations were called for in the first place. It will also give such banks an uncompetitive advantage over other foreign and all domestic banks.

I would appreciate knowing the reasons for the Board's decision not to press for divestiture of such operations. I urge that this decision be reconsidered.

Best wishes.

Sincerely,

Hubert H. Humphrey.

Fed Submits Bill for Regulation of Foreign Banks—It Seeks To Put Their Actions Under the Same Controls That Cover U.S. Banks

Washington.—Fast-growing foreign bank operations in the U.S. would be brought under new federal control by legislation sent to Congress yesterday by the Federal Reserve Board.

The Fed proposal is designed to place foreign banks on an equal legal footing with domestic banks so that they both are subject to similar rules and regulations. The effect of the Fed legislation would be to prohibit in the future some activities, such as multistate branching and ownership or brokerage houses, which some foreign banks currently engage in but which are banned for domestic banks.

The Reserve Board said its basic principle in drafting the legislation was "nondiscrimination," which means allowing foreign banks in the U.S. to do the same things domestic banks can do, but no more. To accomplish this, the board decided to place new restrictions on foreign banks rather than to relax limitations on domestic banks.

In submitting the legislation to Congress, Arthur Burns, the Fed's chairman, wrote that "foreign banks would continue to be welcome in the U.S. to operate on a fair and equitable basis." The board "strongly recommends" enactment of its draft bill, Mr. Burns said. As a practical matter, the complex proposal isn't likely to get any serious consideration in Congress until next year.

The board's action reflected the rapid expansion of foreign banking operations in the U.S. Currently, more than 60 foreign banks operate in this country, the Fed said, and their assets at the end of 1973 totaled about $38 billion, up from only $6.5 billion in 1966.

At present, there isn't any federal regulation of foreign banks in the U.S. They are subject "almost exclusively" to state laws, the Fed noted, which results in a haphazard pattern of regulation and permits some foreign banks to engage in some activities barred to domestic banks. The legislation is designed to "standardize" and equalize the regulatory treatment of foreign banks, the Fed said.

Included among the major provisions of the Fed's draft legislation are the following:

Nearly all foreign bank operations in the U.S. would be required to become members of the Federal Reserve System, making them subject to Fed regulations and reserve requirements and giving them access to the Fed's lending facilities. The membership requirement would apply to affiliates of any foreign bank with world-wide assets exceeding $500 million.

Branches and agencies of foreign banks would be required to carry federal deposit insurance, as subsidiaries of foreign banks currently are.

Foreign banks newly establishing an affiliate in the U.S. would be required to obtain a federal banking license from the Comptroller of the Currency, who would issue such licenses on approval of the Secretary of the Treasury. Existing foreign banks wouldn't be required to obtain a license, but they would have to register with the Comptroller.

To provide foreign banks with an alternative to state chartering, the bill would allow the Comptroller to issue national charters to foreign banks. Current law requires all directors of national banks to be U.S. citizens; the bill proposes an amendment allowing up to half the directors of a national bank to be foreigners.

The Bank Holding Company Act would be extended to cover "virtually all" foreign banks conducting depository and lending functions in the U.S., the Fed said. The coverage wouldn't extend to joint ventures of foreign banks or New York state investment companies, which are firms organized under New York law authorized to transact all normal banking activities except deposit functions.

Among the most important provisions of the Fed bill are the so-called "grandfather" clauses permitting banks to permanently keep operations that would be prohibited by the bill in the future. The result of these clauses is to avoid the necessity for divestiture of such operations.

Some foreign banks conduct banking operations in more than one state, and others own securities brokerage or underwriting affiliates. Both these practices are prohibited for domestic banks, and both would be prohibited in the future for foreign banks, except those already in existence, which would be given a reprieve by the grandfather clauses.

Thus, foreign banks would be allowed to retain banking facilities in states where they are currently operating, but they wouldn't be allowed to expand to additional states after yesterday, the proposed effective date of the grandfather clause. Foreign banks with securities affiliates would be allowed to keep them, though they wouldn't be allowed to acquire or set up new affiliates of that type.

"No public purpose would be served by requiring divestiture" of such facilities, the board said.

The initial reaction of foreign bankers to the proposed legislation was negative, but none was willing to comment for publication until after reading the bill. In the past, however, executives of foreign banks have objected to proposals that would require membership in the Federal Reserve System and the Federal Deposit Insurance Corp.

"The FDIC is to protect smaller depositors and almost all branches of foreign banks here don't do that kind of business," said Paul E. Hollos, the U.S. representative in New York of Banque Verne & Commerciale de Paris and president of American Swiss Credit Corp. Requiring membership would be unjust, he said, "because it requires us to pay a premium for insurance which isn't germane to our business."

As for required membership in the Federal Reserve, Mr. Hollos said foreign bankers believe this also would be unfair, as not all U.S. banks must belong. He noted that foreign banks here already are maintaining reserves against depositors voluntarily at the request of the Fed.

U.S. bankers have mixed feelings on foreign bank operations here, depending largely on their own size. Smaller banks, especially in California, have complained in the past about what they regard as the unfair competitive advantage of foreign banks.

WATER RESOURCES

Mr. McGOVERN. Mr. President, an article in the Wall Street Journal, December 16, 1974, points out in a clear and concise manner the need to properly manage our water resources in the Western part of the United States. The article, Mr. Les Gapay also illustrates the conflict between "project independence" and the effect this policy may have on such basic natural resources as water. It seems obvious to me that one of the best decision criteria we may have concerning the conflicting use of water resources is that any policy which "mines" our water supply, that is takes out more than what nature is able to replenish, should be examined very carefully prior to any irreversible commitment of these scarce resources.

Mr. President, I ask unanimous consent that the article "Far West's Shortage of Water May Block Many Energy Schemes" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Far West's Shortage of Water May Block Many Energy Schemes

(By Les Gapay)

Cheyenne, Wyo.—Bold plans are being made to tap rich coal fields in this state and help move the U.S. toward self-sufficiency in energy.

They call for mixing ground-up coal with water and transporting the resulting slurry by pipeline more than 1,000 miles to electric power plants in Arkansas. The pipeline project's cost is calculated at $750 million.

But those big plans are threatened, not by high cost or environmental dangers but simply by lack of the necessary water.

Over the years, a little ocean of water

would be needed to carry the coal through the pipeline. Each year an average of 15,000 acre-feet of water (an acre-foot would cover an acre of land one foot deep) would be needed—enough to supply a city of nearly 100,000 people. The water would come from 40 deep wells to be drilled in semiarid northeast Wyoming.

Though the present Republican-controlled state government has given the pipeline a go-ahead, Democratic Gov.-elect Ed Herschler won victory last month mainly on his opposition to the pipeline, and some victorious Democratic legislative candidates, demanding that Wyoming water be kept in Wyoming, have promised to raise the issue in the legislature. The neighboring state of South Dakota, worried about a drain on its water, has threatened a lawsuit. Citizens of tiny Edgemont, S.D., close to the Wyoming well sites, fear that water levels in their municipals wells will drop. "We're already short during the summer," says Mayor Jack R. Nelson.

UNEXPECTED BOTTLENECK

That's just a sample of the situation prevailing in the West. Fuel-rich states from North Dakota to Arizona are short of water needed for energy development. That shortage is delaying or imperiling plans for shipping coal by pipeline, converting coal into gas and oil, extracting oil from shale, building electric power plants. Scarcity of this necessity, it seems, has turned out to be an unexpectedly tight bottleneck impeding President Ford's Project Independence drive to reduce reliance on imported oil.

Many authorities agree the West lacks the water to satisfy the thirsts of energy projects and to fill pressing agricultural, recreational and household needs as well—especially now that expanding food production is demanding more irrigation.

"There isn't enough water to do all of the things planned down the road," says William L. Rogers, who is Interior Secretary Rogers Morton's assistant in Denver. As a result, Jack O. Horton, assistant Interior Secretary for land and water resources, concedes that "some energy projects may not get off the ground between now and 1985 because of water." He himself has pledged that he will "fight hard to see that water for energy is not taken at the expense of water for food."

A National Academy of Sciences report concludes that "not enough water exists for large-scale conversions of coal to other energy forms" such as gas or electric power. And the Federal Energy Administration's Project Independence blueprint warns that limited water supply will be a "serious constraint" on any plan for full-scale development of oil shale and synthetic fuels in the West.

(The blueprint also foresees water shortages affecting energy projects in the East. It says that some states lack water-storage facilities adequate to provide water for cooling power plants expected to be built.)

RISING RIVALRY

Already Panhandle Eastern Pipeline Co., which plans to build a coal gasification plant in northeast Wyoming, has bumped into a water problem. The plant would need about 6,500 acre-feet of water a year. Recently the state rejected Panhandle's plans to buy water rights from a ranch on the North Platte River and convert the use from irrigation to industrial. The company is contesting the decision in court.

In this and other Western states, the rivalry for water is rising. Like Panhandle Eastern, many energy companies are scrambling to buy up water rights from ranchers; some, fearing that only the oldest water rights will be honored, have been buying up rights that are many decades old. Other companies are acquiring whole ranches just for their water, or else are negotiating for purchases from state and federal reservoirs. Meantime, disputes have developed among states over compacts that divide up river water and over the wishes of coal and oil companies to divert water from one part of the West to another.

In Wyoming, according to recently resigned State Engineer Floyd Bishop, there has been discussion of diverting Yellowstone River water from Montana to the coal regions in the northeastern part of this state. But both Montana and North Dakota are resisting changing the water compact among the three states to allow such a move.

TIME FOR STUDY

In fact, Montana has imposed a three-year moratorium on the use of its water for energy development until it can study the matter. Gary Wicks, director of the state's natural resources and conservation department, explains: "Our surplus water was rapidly being tied up by commitments for various energy projects." He says the state "is opposed to wholesale use of water for energy development."

Moreover, a coalition of environmental and other groups has filed suit against the Interior Department to try to cancel sales of water from two federal reservoirs—one in Montana and one in Wyoming—to energy companies at the expense of agriculture. The plaintiffs claim the reservoirs were authorized by Congress strictly for irrigating farms and generating hydroelectric power; they argue that the water sales are illegal.

And in Colorado, environmentalists and others are concerned that diversion of water to oil-shale projects would reduce the flow available for farming and ranching use.

Shale mining being planned for Colorado and Utah is among the most controversial energy developments demanding water. The extraction of oil from shale would leave huge residues of loose waste; water would be needed for compacting it and for revegetating the ravaged land.

It's estimated that shale mining would require almost three barrels of water for each barrel of oil brought forth. For two shale tracts in Utah and two in Colorado already leased by the federal government to industry, the Bureau of Reclamation reckons that 111,000 acre-feet of water will be needed annually. Of that total, one developer figures 18,000 acre-feet must go just to supply a new town planned near Bonanza, Utah, to serve the industry.

Eventually, shale operations in Colorado, Utah and Wyoming much bigger than those now planned would require massive flows of water—and probable diversion away from agriculture.

Water for shale areas could be provided by tapping the Colorado, White or Green Rivers in the Utah-Wyoming-Colorado region, says a recent Bureau of Reclamation report; although it makes no recommendations, the report lists 28 potential projects for dams, reservoirs and pipelines to choose from.

But environmentalists are prepared to try to thwart such ideas, and especially any project affecting the White River, which is being studied for official designation as a wild and scenic river. The opponents warn of damaging consequences.

"Water is so tight in the whole Colorado Basin that industry uses would increase its salinity and endanger agriculture," says Katherine Fletcher, staff scientist in Denver for the Environmental Defense Fund.

(A recent Interior Department report says that about 3.7 million acre-feet of water per year are now used from the Colorado River and its tributaries in the upper Colorado Basin; most of it goes for irrigation. Another 870,000 acre-feet of water a year will be needed by the year 2000 for more than 30 major planned energy development projects, the study predicts. Demands for water for industrial, agricultural, municipal and recreational uses also are expected to increase greatly. The competing uses could result in "significant shortages" of water in the region by the year 2000, the study warns.)

INDIANS WORRY, TOO

Shale mining, of course, is just one of the planned energy developments that need generous amounts of water. The nation's electric power plants currently use more water (a total of 170 billion gallons a day in cooling towers and ponds) than any other energy sources. The figure will rise as more nuclear and coal-fired power plants come on line. Large-scale surface mining of the West's relatively clean coal is being planned; water is needed for dust control, coal washing and reclamation of the land as well as for use in slurry pipelines. Planned plants to make synthetic gas and oil from coal will consume thousands of acre feet of water each day, experts figure. Lesser amounts of water are needed in uranium mining and in recovery of oil through flooding of wells.

Objections from farmers, environmentalists and community leaders are not the only obstacles to a free flow of water for energy projects; warnings also are being heard from the West's Indian reservations.

Recently 26 tribes in the five-state Missouri River Basin of Wyoming, Montana, North and South Dakota and Nebraska formed a federation to protect their natural resources, including water. They want the government to decide how much water they are entitled to by law, and to reserve it for them. "We want to make sure our water isn't appropriated away," says Robert Burnette, head of the federation and president of the Rosebud Sioux tribe in South Dakota.

By law, Indians are allowed all the water they want to use for the purposes for which their reservations were established. Some legal authorities say that Indian water rights could in the future preempt existing water contracts. The conflict could tie up many energy projects in court for years, government energy planners fear.

FREE-FLOWING RIVERS

The water-for-energy complications also stretch into the federal bureaucracy. Within the Interior Department there are disputes about diverting water from certain rivers for energy projects or reserving it for recreational use or giving priority to wildlife protection. Some Fish and Wildlife Service officials stress that the department is responsible for preserving endangered species of fish that require free-flowing rivers to survive.

Government experts say that water for energy projects will continue in short supply unless states cooperate to make their water agreements more flexible and unless the federal government perhaps proposes laws requiring the most efficient possible use of water. One such law could restrict use of water for cooling in power plants and require more expensive air-cooled systems.

Another possibility, however improbable it may appear, is to increase the West's water supply by tinkering with the weather. One current experiment, which officials say is only a few years from practical use, involves seeding clouds in southwest Colorado to make snow. The intent is to augment the snow pack so more water will run into the Colorado River each spring. Preliminary indications are that the snow pack would be increased by 10% to 30% annually and that the flow of the Colorado could be boosted yearly by 1.3 million acre-feet or about 10%, says Assistant Interior Secretary Horton. He adds, though, that there are obstacles, including the legal puzzler of "Who would own the water?"

RETIRING CONGRESSMAN TOM GETTYS

Mr. THURMOND. Mr. President, Unfortunately, it is becoming increasingly rare in this world of ours to encounter a true gentleman, a man of never-failing courtesy, good humor, and generosity. The pressures of modern life tend to make even the best of us discourteous or unfriendly at times. However, we do occasionally meet a man who successfully resists these pressures and who displays the same thoughtfulness at all times and before all people. We have had such a man in Congress for the last 10 years, and as he is retiring this month, I wish to pay him tribute. The man I mean is my friend Tom Gettys of Rock Hill, S.C.

Of course, Congressman Gettys has shown many other admirable qualities during the five terms that he has represented South Carolina's Fifth District. He has been hard-working and practical. Shunning the publicity that many Congressmen actively seek, he has considered it best to expend all his energies in the interest of his constituents and of the Nation. With this calm, business-like approach, he has compiled a record of achievement that speaks for itself, particularly in his work on the House Banking Committee.

Nevertheless, Tom Gettys' personal virtues deserve to be stressed. They are as much-needed as they are rare. His courtesy and thoughtfulness and kindness set an outstanding example not only for his fellow Congressmen but for all men in public life.

I cannot praise Tom Gettys, however, without also praising his fine and capable wife Mary Phillips. Throughout his stay in Washington, she has been an invaluable asset in all his work.

Mr. President, there are probably very few Members of Congress who have more friends than Tom Gettys. I am sure that each one is saddened that he will be leaving us at the end of this month. However, I am equally sure that they are as proud as I am of his accomplishments while he has been here, and that they join me in extending thanks, congratulations, and best wishes for the future.

CONGRESSMAN ED YOUNG OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, when the new Congress convenes in January, many distinguished Members will have departed from both the House and the Senate. I wish to pay tribute to one of these, my good friend Congressman Ed Young, who has served the Sixth District of South Carolina for the last 2 years with dedication and ability.

Ed Young came to Congress with a record that was already illustrious. A native of Florence, S.C., he graduated from Clemson University in 1941 and immediately entered the U.S. Army Air Force. There he helped defend his country as a fighter pilot, flying 195 combat missions in the South Pacific. After the war, he returned to Florence to become a farmer and businessman and soon achieved great success in both professions. However, he did not rest content with the successful management of his own affairs. Setting a fine example for other Americans, he began to take an increasing interest in the affairs of his country, and in 1972 he was elected to Congress.

Nevertheless, bright as Ed Young's reputation was when he entered Congress, it is brighter still today. As a Congressman, he has been hard-working, efficient, and patriotic. He has consistently spoken up for the practical, conservative policies the Nation needs. In particular, he has labored tirelessly on behalf of America's farmers, one of the most important and neglected elements of our society. In short, Ed Young has been a credit to his district, his State, and his Nation.

I hasten to add that Congressman Young's charming wife Hatsy has given him great assistance and understanding in all his undertakings.

Mr. President, I know that Ed Young's services to America have not come to an end. However, no time could be more appropriate than this for us to show our appreciation of the work he has done in the 93d Congress. I am sure the rest of the Senate joins me in sending our thanks and our sincere best wishes to an outstanding servant of his country.

NATURAL GAS PRIORITY NEEDED FOR FERTILIZER PRODUCTION

Mr. HUMPHREY. Mr. President, I have become very concerned over the recent actions by the Federal Power Commission which in effect deny emergency relief supplies of natural gas for the production of nitrogen fertilizer.

The reversal of the earlier position of the FPC was made clear when it issued an order denying emergency relief to the Cherokee, Ala., plant of United States Steel.

Other plants also are operating under the threat that their supplies of natural gas will be curtailed.

It is clear that the implications of this decision are most serious. The action by the FPC with regard to the Cherokee, Ala., plant has already reduced the output of that plant to 35 percent of capacity.

This reduction is equivalent to 17 million bushels of corn per month. If this policy is allowed to prevail, there is no telling what the impact will be.

I participated in the World Food Conference discussions last month in Rome. It is crystal clear that a reduction in our production of fertilizer will place an even greater strain on world fertilizer supplies and the chance of some countries such as India of mounting a serious agricultural production effort.

The Senate of the United States, twice this past year, in its passage of Senate Resolutions 289 and 391 made it abundantly clear, in my judgment, that it considers the production of fertilizer and farm chemicals more socially desirable than other products manufactured that depend upon natural gas for their production.

In Senate Resolution 391, which the Senate adopted on September 9, 1974, the Federal Power Commission was specifically asked to take immediate steps to provide the highest possible priority in the allocation of natural gas supplies for existing and expanded production of fertilizer, farm chemicals, and other agricultural uses of natural gas.

Now that it is all too apparent that the Federal Power Commission does not intend to carry out the intent and desire of the Senate, I am hoping that the FPC will change its mind and drop its present "gas deregulation" politics. Too much is at stake.

I am happy to join Senator Talmadge, Senator Jackson, Senator Magnuson, and others in urging the administration, because of the lateness of the session, to come to terms and accept Senator Talmadge's amendment which would provide a 6-month natural gas priority to fertilizer and farm chemical manufacturers to maintain capacity production of these essential farm inputs for use by farmers to achieve maximum production of 1975 crops.

The timing is critical, and the need is urgent. U.S. fertilizer producers are now trying to build inventories of fertilizers to meet peak demand during the spring planting period next spring. And to the extent that such manufacturers are denied needed natural gas supplies, the availability and price of fertilizers next year will be affected accordingly; namely, fertilizer supplies will be sharply reduced and prices will be sharply increased.

In light of the President's best pledges to the American farmer, I hope this amendment will be accepted without delay.

ARTHUR J. GOLDBERG

Mr. PELL. Mr. President, in the closing days of this Congress, I think it appropriate to take a few moments to do justice to a distinguished citizen of our Nation, the Honorable Arthur J. Goldberg.

Justice Goldberg has the unusual distinction of having served our Nation in three of the most responsible offices of our Federal Government. He served as Secretary of Labor in the Cabinet of President Kennedy as an Associate Justice of the Supreme Court, and as U.S. Ambassador to the United Nations.

To fulfill the responsibilities of any one of these offices adequately requires a man of unusual ability. To perform the duties of each of these offices, in succession, with distinction requires truly exceptional talent and dedication. Justice Goldberg proved that he is such a man, with the tact required for diplomacy, the firmness required for executive action, and the compassion and learning required for the administration of justice.

And throughout his varied career, Justice Goldberg has demonstrated the highest standards of personal integrity. Never has his word or his personal honor been challenged.

It is my pleasure to consider myself a personal friend of Justice Goldberg.

For that reason, it was a particularly unhappy experience for me, as a member of the Senate Committee on Rules and Administration, to consider the distortions and slurring of the career of Justice Goldberg that became a matter of concern during the committee's hearings on the nomination to fill the vacancy in the Vice Presidency.

It is to the credit of Vice-President-designate Nelson A. Rockefeller that he admitted that he had erred in playing any role in the publication of the unflattering campaign biography of Justice Goldberg and that he apologized for that error.

It is, nevertheless, unfortunate, that one of the unavoidable results of the committee inquiry was to focus attention on a petty political book intended to tarnish the image of Justice Goldberg.

There is consolation, however, in the fact that the outstanding record of public service by Justice Goldberg is one that will withstand the tests of time and history and will be remembered long after his detractors are forgotten.

HUNGER KNOWS NO BOUNDARIES

Mr. HATFIELD. Mr. President, I call the attention of my colleagues to a letter to the editor which appeared in the December 17, 1974, issue of the Washington Post. It is entitled "The Pangs of Hunger" and is written by Rev. Albert P. Shirkey, Minister Emeritus of Mount Vernon Place United Methodist Church. Reverend Shirkey brings the world hunger problem close to us all as he gives testimony to his own experience of hunger. I commend the reading of this article to each of us as we anticipate the conclusion of the 93d Congress and the beginning of a new Congress next month. It is my personal hope that the headlines of which Reverend Shirkey writes may more adequately reflect what I have learned is a major concern of the population of our country—that of feeding the world's hungry. And we, gentlemen, influence what those headlines say.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PANGS OF HUNGER

> I have just finished reading the Dec. 8 editorial in The Washington Post on hunger and the elderly. My own suggestion is that it could have been inclusive of the children and youth as well. For hunger knows no age group or geographical boundaries, or colors or creeds or countries. It stalks the world seeking whom it may devour.
>
> I write as one who knows from the past the pangs of hunger. As a child I have cried myself to sleep to try to ease the pains of hunger in my body. I write now from the vantage point of needing nothing.
>
> Hunger cannot wait. I read the headlines in Sunday's Post: "Ford Meets with Advisors on Energy Issue"; "Kissinger Says Critics Perils Detente"; "D.C. Democrats Defuse Bias Issue"; "Democrats Adopt Their First Charter"; "GOP Reformers Approve Campaign Spending Limit." But what is the first priority rising like a mountain peak above the plains? It is food to feed the hungry. This has been the cry of The Post and Senators McGovern and Humphrey and others in the government.
>
> You miss breakfast and you are hungry at noon. You miss breakfast and lunch and you are craving food beyond any other need. Miss food for two days and you are painfully hungry, three days and you are starving. I know—I have been there.
>
> The guillotine in France was put up by hungry people. They cried for bread to Marie Antoinette, and her answer was, "If they can't find bread, let them eat cake," and they beheaded her and her husband Louis XVI and France ran with the blood of the great and the noble. It should never have happened.
>
> They marched on Washington during the Depression which I so vividly remember, when I was taking my salary as a young preacher in Richmond, Virginia, to feed my wife and child, my brothers and sisters and the people of my church, and just people who knocked at our door for bread. Today the people of the street, out of work, are steeped in the skills of destruction that could tear Washington or any city or county apart with the marching chant, "Give us jobs so that we may give our children bread." We must not and we dare not let this happen here or any place in our nation.

REGULATORY COMMISSIONS' INDEPENDENCE ACT

Mr. METCALF. Mr. President, inasmuch as the 93d Congress is drawing to a close, there is not time to complete action on S. 704, the Regulatory Commissions' Independence Act. However, for the information of Members I wish to discuss the bill and related legislation which has reduced to a degree the influence over independent regulatory commissions by the Office of Management and Budget.

The purpose of S. 704, as amended, is to provide independent Federal regulatory commissions with a greater degree of independence by permitting them to:

First, transmit their budget estimates and requests to the Congress and the executive branch concurrently;

Second, transmit their legislative recommendations, testimony, and comments on legislation to the Congress and executive branch concurrently; and

Third, supervise, and at their discretion conduct, any civil litigation in their own name and through their own attorneys.

The seven independent regulatory commissions covered by S. 704 are the Civil Aeronautics Board, Federal Trade Commission, Federal Maritime Commission, Federal Power Commission, Federal Communications Commission, Interstate Commerce Commission, and Securities and Exchange Commission.

The bill would amend basic statutory provisions which provide the President and the executive branch with controls over the independent regulatory commissions. This bill would amend the Budgeting and Accounting Act of 1921 as amended, to provide for the transmission of budget estimates and requests directly to the Congress. A copy of each estimate is to be transmitted concurrently to the President or the Office of Management and Budget. The President may prepare differing estimates for his budget. However, the President must include within the budget document the unaltered requests of the commissions.

The bill also contains language which would insure that the long standing practice of the OMB in reviewing legislative recommendations can no longer serve as a device for inhibiting the views and proposals of the commissions.

Finally, the bill amends basic statutory authority of the regulatory commissions to permit them to conduct, at their discretion, civil litigation in their own name and through their own attorneys. The FTC, the ICC and, to a limited extent, the FPC already have such authority. This legislation is designed to standardize that authority among the regulatory commissions.

The Consumer Product Safety Commission already has the statutory authority to submit its budget request and legislative recommendations simultaneously to both the Congress and the Executive. The Commission has no authority to go into court under its own name and with its own attorneys.

The initial version of S. 704 was introduced in the 91st Congress (S. 789). Hearings were held in the 92d Congress on identical legislation (S. 448) by the Senate Government Operations Subcommittee on Intergovernmental Relations. This year the Senate Subcommittee on Budgeting, Management, and Expenditures compiled a compendium of materials on the subject, including detailed comments from commissions and executive agencies. The bill as approved by the Senate Government Operations Committee was modified to include commission recommendations and meet some administration objections.

VARIATIONS CONCERNING THE TRANSMISSION OF BUDGET REQUESTS

First, S. 704 provides that each of the seven regulatory commissions shall submit budget estimates and requests directly to the Congress. Concurrently that commission shall transmit a copy of each such estimate or request to the President or the Office of Management and Budget. Each such estimate or request shall reflect the independent judgment of the commission concerned and shall not be changed at the direction of the President, the Office of Management and Budget, or any other agency of the Government. Nothing herein shall preclude any communication with respect to such budget estimates and requests, or any comments on such estimates and requests, between the commission and any other agency, the President, or the Office of Management and Budget.

The budget shall also set forth the budget estimates and requests transmitted by the independent regulatory commissions pursuant to section 206(b).

Second, on October 23, 1974, the President signed into law H.R. 13113, the Commodity Futures Trading Commission Act (P.L. 93–463). This bill was reported from the Agriculture Committee. Section 101, which established the commission, provides, in part, that—

> Whenever the commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit copies of that estimate or request to the House and Senate Appropriations Committees and the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry.

This approach is similar to S. 104 in that it provides for the concurrent budget submissions of the Commodity Futures Trading Commission to both the President and the specified committees of the Congress. However, this language does not contain what appears to be a necessary element of such transmissions by an independent regulatory commission—the preclusion of any changes at the direction of the President, the Office of Management and Budget, or any other agency of the executive branch. Nor does the language in this law require the President to include the Commission's original budget submission in his budget when it is submitted, as would be required by S. 704.

The President specifically opposed the inclusion in the commodity commission legislation of the simultaneous budget transmission—as well as a provision for simultaneous transmission of legislative recommendation. He submitted draft legislation on 18 November to amend the Commodity Futures Trading Commission Act of 1974 to "eliminate (the) provisions which encroach on the separation of powers." This draft has not been introduced as legislation in the Senate. However, on 11 December, the House Agriculture Committee reported H.R. 17507, in a manner designed to meet the President's objections. Essentially, this legislation would leave untouched the simultaneous transmission of legislative recommendations, but negate any accomplishments in the area of simultaneous budget submissions. No report has been filed, and no floor action scheduled.

Third. The first major legislation containing language similar to S. 704 was the Consumer Product Safety Act, Public Law 92-573. Section 27(k)(1) of that act provides that:

> Whenever the (Consumer Product Safety) Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

This language enacted the heart of the S. 704 approach, but stops short of:

(a) including the estimates submitted by the Commission in the President's budget, and

(b) clarifying—in terms of the legislation—the role of the Office of Management and Budget vis a vis the traditional role of OMB in budget preparation. S. 704 makes clear that the requests must be the independent views of the agency concerned, and cannot be changed at the direction of any agency of the government. However, consultation with other agencies is recognized as a necessary factor, and is not prohibited.

Fourth. On December 10, the House passed an amended version of S. 1149, the Surface Transportation Act of 1974. Title VI of the House amendment provides that the Interstate Commerce Commission budget shall be treated in the same manner as that of the Supreme Court and the legislative branch, that is, not subject to any change by the President. The President's budget must contain only the original requests of the ICC with respect to its budget estimates.

This approach is similar to the original version of S. 704, calling for the direct budget submissions to the Congress by the regulatory commissions. However, this was compromised to avoid a confrontation with the executive branch concerning the "independence" of the regulatory commissions from the executive branch. Additionally, both Justice and OMB agreed that such provisions would effectively destroy two key elements of Presidential responsibility, first, preparation of a comprehensive unified budget reflecting overall policies and decisions based on limited resources and, second, coordination of government policy through the budget. While the Government Operations Committee did not defer to the OMB and Justice views, it nevertheless agreed to follow precedent and provide for simultaneous transmission.

VARIATIONS CONCERNING THE TRANSMISSION OF LEGISLATIVE RECOMMENDATIONS

First. S. 704 provides that whenever an independent regulatory commission:

> . . . submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony or comments to the Congress. This section would not preclude any communication between the commission or any agency, the President or the Office of Management and Budget.

Second. The Consumer Product Safety Commission has language identical to that proposed in S. 704, except that the language is silent regarding communication between the Commission and any other agency or OMB. This flexibility is considered necessary to insure that agencies may communicate on possible overlapping legislation and coordinate the submission and consideration of legislation.

Third. Public Law 93-495 (amendments to and extensions of provisions of law relating to Federal regulation of depository institutions) provides yet another approach to the limitations of OMB control on legislative recommendations. Section 111 of that act provides that:

> No officer or agency of the United States shall have any authority to require the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the National Credit Union Administration to submit legislative recommendations, or testimony, or comments on legislation to any officer, or agency of the United States for approval or comments prior to the submission of such recommendations . . . to the Congress, if such recommendations, testimony, or comments to the Congress include a *statement indicating that the views expressed are those of the agency submitting them and do not necessarily represent the views of the President.*

This is a unique provision concerning the transmission of legislative recommendations.

Fourth. The Commodity Future Trading Commission Act states:

> Whenever the Commission transmits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit copies thereof to the House (and Senate) Agriculture Committees. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations . . . to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations . . . to Congress. *In instances in which the Commission voluntarily seeks to obtain the comments or review of any officer or agency of the United States, the Commission shall include a description of such actions in its legislative recommendations . . . which it transmits to the Congress."*

The italic sentence is similar to the provision in S. 704 which permits communications between agencies. However, this language requires an identification of such voluntarily undertaken actions included in the recommendations submitted to the Congress.

VARIATIONS ON CONTROL OF LITIGATION

S. 704 permits the independent regulatory commissions discretion to go to civil court in their own name, and through their own attorneys. Although agencies have varying degrees of independence, no new legislative alternatives to this proposal have been enacted. Under the Alaskan Pipeline bill (P.L. 93-153) the Federal Trade Commission is given the authority to appear in any civil proceeding in its own name and through its own attorneys, after formally notifying and consulting with and giving the Attorney General 10 days to take the action proposed by the Commission.

This provision has not caused the Federal Trade Commission undue hardship. Although it has been operating under this provision for only a short time, FTC feels that the language in S. 704 would remove this needless restriction. If the Justice Department refused to conduct the litigation under the "Pipeline" provision FTC could use its own attorneys. If Justice refused to conduct litigation under the "S. 704" provision, the FTC could use its own attorneys. If Justice agreed to conduct the litigation under either provision, the FTC would not have to use its own attorneys.

PROPOSED REFORM OF FEDERAL CRIMINAL CODE

Mr. HART. Mr. President, earlier this month I inserted in the RECORD some important testimony given before the Subcommittee on Criminal Laws concerning the proposed reform of the Federal Criminal Code.

As I indicated then, I did so because of the long delay expected in the printing of the last volume of hearings in which that testimony appears and the interest expressed by many Senate offices and other interested parties in studying this massive proposal with the benefit of the best available commentary.

For the same reason, I ask unanimous consent that following these remarks, testimony presented to the subcommittee on July 19, 1974, regarding S. 1 and S. 1400 and prepared by the Congress Watch organization, be printed in the RECORD. This extremely helpful memorandum was presented to the committee by Mr. Ralph Nader, and it provides a detailed, informed analysis of the most troublesome issues and the most important differences among the several proposals before the subcommittee. It repays careful study, and I am sure it will prove very useful to my colleagues in their review of the many areas involved in criminal code revision.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON PROPOSED FEDERAL CRIMINAL CODE

1. Background

A. The National Commission on Reform of Federal Criminal Laws was established by Congress in 1966 (P.L. 89-901, 80 Stat. 1516) to undertake a complete review of federal criminal law and to propose a new Title 18 of the United States Code. The real starting point, however, was the Model Penal Code, drafted by the Council of the American Law Institute in 1953. The National Commission on Reform of Federal Criminal Laws was chaired by former Governor Edmund G. Brown and is most often referred to as the Brown Commission. The Commission was composed of 12 members. They were: Gov. Brown, Congressman Richard Poff, U.S. Circuit Judge George C. Edwards, Jr., U.S. District Judges A. Leon Higginbotham, Jr., and Thomas J. MacBride, Senators Sam Ervin, John L. McClellan and Roman Hruska, Congressman Abner Mikva and Donald Scott Esq. and Theodore Voorhees Esq. Also serving for a period were Congressman Don Edwards and U.S. Circuit Judge James M. Carter. The Advisory Committee was chaired by Hon. Tom C. Clark and the Staff Director was Louis B. Schwartz. The work product of the Commission includes a Study Draft published in June 1970, three volumes of Working Papers and the Final Draft, submitted in January 1971.

B. S.1 The Criminal Justice Codification, Revision and Reform Act of 1973, was introduced by Senators McClellan, Ervin and Hruska on January 4, 1973. Senator McClellan's introductory remarks and analysis appear on page S. 558 of the Congressional Record of January 12, 1973 (Vol. 119). Sen. McClellan stated that, ". . . (S.1) is far from a final penal Code for the United States . . . we view it only as the preliminary and intermediate work product of 2 years of efforts by the Subcommittee on Criminal Laws and Procedures . . .". Title 1 of S.1 is the revision of Title 18, containing the basic criminal law. Title 2 transfers procedural rules of the present Code into the Federal Rules of Criminal Procedure. Title 3 contains conforming amendments, transferring Title 18 offenses to other more appropriate Titles and amending other Titles in line with Title 18 sentencing scheme. Title 4 includes a severability and effective date clause. Beginning in February of 1971, the Senate Judiciary Committee's Subcommittee on Criminal Laws and Procedures held hearings on the proposed legislation.

C. S. 1400 was introduced by Senators Hruska and McClellan on March 27, 1973, and is entitled the Criminal Code Reform Act of 1973. Following the submission of the Brown Commission Final Report to the President on January 7, 1971, President Nixon instructed the Department of Justice to undertake an evaluation and to make recommendations. This evaluation resulted in S. 1400. Senator Hruska's introductory comments are found on page S. 5777 of the Congressional Record, March 27, 1973 issue.

D. All the proposals contain the same basic features: jurisdictional elements are separated from the definitions of the offenses and are deleted as elements of the offense, defenses are defined and affirmative defenses for which the defendant has the burden of proof are established, standards of criminal culpability are established and the sentencing scheme is created. The Codes as proposed reach every facet of federal criminal law. Among the topics treated by the proposals are: Federal jurisdiction for criminal offenses, federal jurisdiction as an element of the offense, creation of affirmative defenses, death penalty, insanity defense, immunity of witnesses, wiretapping, entrapment, intoxification, execution of public duty, conspiracy, protection of national security and classified information, espionage, sabotage, bribery and graft, bail, probation, parole, civil commitment, obstruction of a government function both physically and by fraud, rioting, obscenity, inciting the overthrow of the government, civil rights; para-military conduct, various offense relating to elections, corporate liability, unfair commercial practices, securities law, bankruptcy, regulatory offenses, income tax evasion, extortion, loansharking, theft, fraud, environmental spoilation, etc.

Both S. 1 and S. 1400 and Brown classify sentences within the broad classes of felony and misdemeanor. Future memos will refer to these classes. They are presented here for later referral.

	Brown	S. 1[1]	S. 1400
Felonies:			
Class A	30 yr-$10,000	30/20 yr-$1,000	Life-$100,000.
Class B	15 yr-$10,000	20/10 yr-$1,000	30 yr-$100,000.
Class C	7 yr-$5,000	10/ yr-$500	15 yr-$100,000.
Class D		6/3 yr-$500	7 yr-$50,000.
Class E		1 yr-$100	3 yr-$25,000.

	Brown	S. 1[1]	S. 1400
Misdemeanors:			
Class A	1 yr-$1,000	6 mo-$50	1yr-$10,000.
Class B	30 days-$500		6 mo-$5,000.
Class C			30 days-$2,500.
Infraction (violation)	$500	30 days-$50	5 days-$500.

[1] The number to the left of the slash (/) is the term authorized for "dangerous special offender." The term to the right is for all others. The fines are on a per diem basis for up to 3 years (1,095 days at $1,000 per day for class A felony, for example, would amount to $1,095,000 maximum fine.

2. Congress watch

Congress Watch is a non-profit organization, organized by Ralph Nader in 1973, and funded by Public Citizen, Inc. Public Citizen, Inc. supports a number of public interest projects including a retired professionals group, tax reform group and a litigation unit. It is supported by voluntary contributions from several thousands of contributors. While the process of reform and codification has been progressing for several years it was only this January and later in March, that legislative proposals were developed and fications but represent the creation of new offenses and the changing of old ones. The concern of Congress Watch is based on several considerations. First, that the criminal laws must adequately and effectively protect the citizens in their personal and economic interests. Secondly, the public must be protected against government actions which are not in the public interest introduced. At that time the importance of the proposals became clear, reflecting as they do, society's evolving standards of public duty. Also, the proposals are not mere codior which are directed against legitimate citizen activity. Thirdly, the criminal laws must not upset or deter Constitutional principles, such as, separation of powers.

Because of the lack of information on the effect that these proposals will have, Congress Watch is undertaking to develop and disseminate research memoranda on these proposals over the next several months and to express, where appropriate, preferences or objections. The research project, already begun, involves lawyers, law school professors and law students from across the country. These memoranda will be available to members of Congress and their staffs, the relevant committees, interested organizations and persons and the press.

Congress Watch is located at 133C Street, S.E., Washington, D.C. 20003. Telephone (202) 546-4996.

On March 22, 1973, H.R. 6046 was introduced. It is identical to S. 1400.

On September 5, 1973, H.R. 10047 was introduced. It contains the majority report of the Brown Commission. Its numbering system corresponds to the Brown Final Report.

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MEMORANDUM ON PROPOSED FEDERAL CRIMINAL CODE NO. 2

SCHEME TO DEFRAUD

S. 1 § 2-8D5—S. 1400 § 1734

Summary—The Brown Commission deleted the existing mail and wire fraud statutes, leaving prosecution of fraud cases to be done under the general theft section (1732). Many consumer groups criticized that approach as making prosecution of mail fraud schemes more difficult, since there would be no offense unless the scheme were successful and since the felony/misdemeanor grading of the offense would depend on the amount of the victim's loss rather than focusing on the defendant's conduct. (See the statements by consumer representatives in Hearings on Reform of the Federal Criminal Laws, Part III-B).

Both S. 1 and S. 1400 follow the suggestions of the consumer groups that a section covering schemes to defraud be added to the Code. The language of both 2-8D5 and 1734 follows that of the present mail and wire fraud statutes (18 USC 1341, 1343), so judicial construction can be carried forward.

Elements of the offense—Sections 1341 and 1343 use the following language: "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations or promises," uses the mails (1341) or wire, radio or TV (1343), "for the purpose of executing such scheme or artifice," is guilty of mail (or wire) fraud. Thus, there are two elements: (1) devising or intending to devise a scheme, and (2) using the mails or wire.

Both S 1 and S 1400 use virtually the same language as 1341 in defining the first element of the offense. Both retain the language about a scheme and that about obtaining property by false pretenses.

Since S 1 and S 1400 are intended to cover a broader range of schemes to defraud than just mail or wire fraud, the language regarding the second element of the offense is broader. The second element in S 1400 is engaging in conduct with intent to execute the scheme. S 1 appears to cover more offenses. A person who has (1) devised a scheme is guilty if (2) he *or an accomplice* engages in or causes performance of conduct to effect the scheme. Thus S 1 takes the approach of most conspiracy laws and allows prosecution of all those involved in devising the scheme.

Comment—The difference may not be crucial, since the cases applying 1341 have repeatedly held that a defendant is guilty of mail fraud if he devised a scheme and if his conduct would normally be expected to lead to use of the mails, even though the actual mailing was done by someone else. Thus, since S. 1400 would carry forward the judicial construction of 1341, its coverage could be held to be as broad as that of S. 1. (S. 1 is preferable since the language is clearer).

Jurisdiction—S. 1400 covers schemes to defraud that use the mails, interstate commerce (including wire, radio or TV), or those that induce persons to travel in interstate commerce. Both bills extend jurisdiction to cover the use of instrumentalities of interstate commerce—without necessitating proof of actual interstate phone calls as required by the present wire fraud statute. This is desirable because fraudulent schemers often avoid making interstate calls to escape federal jurisdiction under current law. (See Vincent Broderick, testimony before the Criminal Law Subcommittee, June 13, 1973).

S. 1 covers the same jurisdictional bases that S. 1400 covers, plus (1) cases arising within federal special maritime, territorial or aerospace jurisdiction: (2) cases in which the U.S. owns the property that is the subject of the offense; and (3) cases in which a financial institution owns the subject property.

Comment—It is not clear why S. 1400 is not as broad jurisdictionally as S. 1. But from a consumer point of view S. 1's additional jurisdictional grounds do not seem to add much. Also, it might be useful to amend both sections to cover extraterritorial jurisdiction (S. 1 section 1-1A7, S. 1400 Section 204), so as to cover schemes operated from outside the U.S. that don't fall under one of the enumerated jurisdictional categories.

Penalties—The maximum fine is greatly increased:

18 USC 1341, 1343: $1,000 or 5 years.

S. 1400: Class D felony; $50,000 or 7 years.

S. 1: Class D felony; up to roughly $500,000 (when the day fine is applied to its fullest limits) or 6 years.

Civil Remedies—Many consumer representatives suggested (1) giving the judge discretion to order restitution to victims as part of a judgment of conviction for mail fraud and (2) permitting a preliminary injunction against mail fraud as is now done with stock fraud cases. The advantages of an injunction are that it is specific and that it can be imposed rapidly, before a criminal trial can be concluded.

S. 1 provides for permanent or temporary injunctions in 3-13A1; S. 1400 in 3641. The S. 1 provision is preferable in that it allows "any aggrieved party," as well as the Attorney General, to apply for an injunction.

S. 1 3-13A2(c) provides that a person injured by a scheme to defraud may bring a civil action for damages to recover treble his actual damages plus punitive damages plus attorney's fees. Under S. 1, the judge may require the defendant to make restitution to the victims (section 1-4A1(c)(5)) and/or require him to give notice of his conviction to the persons affected by the conviction (1-4A1(c)(7). S. 1400 appears to have no restitution or damages section, unless restitution can be ordered under the court's authority to impose civil penalties (section 2001(d)). Section 2004 provides a notice sanction.

Comment—S. 1's damages section is good, since it can be used for consumer class action suits. But since a class action requires initiative by the victims, the provision that the judge be able to order restitution is also useful. (However, there might be a problem in identifying the victims if there are many victims.)

Culpability—The cases construed section 1341 to mean that a defendant was guilty if he was "recklessly indifferent" to whether a statement was true or false. Corporation unions and other organizations are liable also.

The general culpability standards of both S. 1 and S. 1400 makes the scheme to defraud sections at least as broad as 1341, since one who is reckless or criminally negligent is culpable, as well as one who acts intentionally or knowingly.

Organization Liability—S. 1 section 1-2A7 would make an organization guilty of any offense engaged in by an agent within the scope of his employment.

S. 1400 section 402 also covers conduct within the scope of the agent's action, implied, or apparent authority, and which he intended would benefit the organization.

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MEMORANDUM ON PROPOSED FEDERAL CRIMINAL CODE No. 3

ENTRAPMENT

S. 1 section 1-3B2, S. 1400 section 531, Brown section 702

Summary—The key issue in the entrapment defense is whether the test of entrapment should focus on the conduct of the police (an objective test) or on the predisposition of the defendant to commit the offense (a subjective test). The more subjective the test, the less will prosecutors and police see entrapment as a hindrance and the more will civil libertarians object to it. Brown uses the most objective test, S. 1400 the most subjective. S. 1 falls somewhere in between the other two.

Objective v. subjective tests: the purpose of the entrapment defense.—The two key Supreme Court cases in this area were Sorrells v. US 287 U.S. 435(1932) and Sherman v. US 356 U.S. 369(1958). The test that has evolved out of those cases is a subjective one that focuses on whether the defendant was predisposed to commit the offense. The test suggested in Brown, on the other hand, requires an objective look at the conduct of the police to see whether that conduct was "likely to cause normally law-abiding persons to commit the offense." This approach sees the entrapment defense as something that will regulate the conduct of police. It's related to due process notions and the Frankfurter "shock the conscience" test. The character and past criminal record of the defendant are thus irrelevant.

Some critics of the Brown test argue that the "normally law-abiding persons" clause slips a subjective element in through the back door, in that proof might focus on whether the defendant is a normally law-abiding person. If that criticism is valid, S. 1 perhaps takes care of it by taking its language from the Model Penal Code rather than from Brown. The test in S. 1 is whether the police conduct created a "substantial risk that the (prohibited) conduct would be committed by persons other than those who are ready to commit it."

However, S. 1 then introduces a large subjective element into its test by adding that the "risk is less substantial where a person has previously engaged in similarly prohibited conduct and such conduct is known to the agent." (Note that this says "engaged in", not, "was convicted for engaging in." The inclusion of this subjective element won't affect the person who has no criminal record, but it may lead to conviction of a person who has a record regardless of his innocence on this particular occasion. The overall effect will be to work much less of a restraint on police conduct than the Brown test would.

S. 1400 is even less desirable in that the test is even more subjective. It says the defense is available only where (1) the defendant was not predisposed to commit the offense and (2) he did so *solely* as a result of active inducement by police.

Affirmative defense v. Bar to prosecution—Brown and S. 1400 follow current case law and establish entrapment as an affirmative defense. S. 1 calls it a bar to prosecution. The comments to Brown suggest that an affirmative defense formulation would make the issue a jury matter, as is usually done now, whereas the bar formulation would leave entrapment for the court. The advantage of leaving it to the jury appears to be that the jury has a chance to evaluate the conduct and acquit the defendant when police conduct shocks the community standards of propriety. Much scholarly writing has favored making entrapment a matter for the court, so that the courts can give police better and more explicit standards to guide their conduct in the future. The defendant should have a choice as to whether the issue is heard by the jury or the court. In either case, the defendant must meet a preponderance of the evidence standard of proof.

Other issues—The statute should go into greater detail on burden of proof, who tries the issue, the focus of the proof (subjective v. objective), the meaning of police "encouragement," and probable cause. More explicit standards on these issues would guide police conduct more effectively and protect defendants.

S. 1 exception—S. 1 says entrapment is not a bar when the offense involves bodily injury. This exception does not appear major.

According to the Working Papers, entrapment is usually involved in vice and narcotics cases, and only rarely in violent crime cases (p. 309). Nevertheless, present case law does not make this exception.

A Plea of not guilty should not be inconsistent with the defense of entrapment. The bar to prosecution approach of S. 1 suggests that not guilty plea is not inconsistent.

U. S. v Russell—The most recent Supreme Court entrapment case, *U. S. v Russell*, 93 S.Ct. 1637, 41 US 4538 (1973), does not affect these proposals. In that case, the Court held that the *Sorrells* and *Sherman* subjective focus on the predisposition of the defendant should still be used. However, the Court rejected all suggestions of a constitutional basis for the entrapment defense and relied on the notion that "Congress could not have intended criminal punishment for a defendant who has committed all the elements of a prescribed offense, but who was induced to commit them by the government." Thus, the holding does not affect Congress' ability to establish a statutory entrapment defense.

Memorandum on Proposed Federal Criminal Code No. 4

MISAPPLICATION OF ENTRUSTED PROPERTY

S. 1 § 2-8D6, S. 1400 (none), Brown § 1737

Summary—This provision covers a misapplication of entrusted property by a Fiduciary, or in the capacity as a Federal Public Servant, or as an Agent or person controlling a financital institution which was unauthorized and which involved a risk of loss, but which was not done with the intent to steal that is necessary to constitute theft under the general theft provision (2-8D3). An example of this is a person borrowing, without authorization, $4,000 from organization funds to use for his honeymoon. The actor need not lose control of the property to be guilty of this offense. The S. 1 provision is taken directly from Brown. The provision to be desirable as it is written.

S. 1400 has no similar provision. A prosecutor would have to resort to the general theft section (1731), but it is inadequate for this kind of offense in that it covers only situations in which there was an intent to deprive the owner of his rights with respect to the property or to appropriate the property to the actor's or another person's use. This is a serious deficiency in S. 1400. S. 1400 would fail, for example, to cover some existing offences, such as unauthorized loan of public funds (18 USC 653) and willful misapplication of bank funds (18 USC 656).

Jurisdiction—Federal jurisdiction under § 2-8D6 is extremely broad. It is coterminous with jurisdiction over theft under § 2-8D3, which covers federal property, financial institutions, affecting commerce, mails, or property connected to employee benefit plans, public works kickbacks, HUD-insured funds, common carriers, OEO, labor unions, or one of several other jurisdictional bases.

Penalties—This is a class D felony, which carries a six-year maximum term. Brown called this a Class A misdemeanor, which would have a one-year maximum.

Comment—The comments to Brown indicate that this section fits into the second of three tiers of property offenses. The most severe tier is theft, where the offender intended permanently to acquire the property. Misapplication, forgery, fraud, etc., form the second tier, regulatory offenses are the third.

Memorandum on Proposed Federal Criminal Law No. 5

THE REGULATORY OFFENSE PROVISION

S. 1: § 2-8F6; Brown: § 1006

Summary—The regulatory offense section in S. 1 is designed to provide a consistent penalty scheme for regulatory laws that carry criminal penalties, such as the Meat Inspection Act or the Hazardous Substances Act. It is not a new substantive crime, nor does it make violation of every regulatory statute or rule a crime. It would apply only to those regulatory statutes that specifically incorporate it. The best way to understand its use is to look first at the comparable section offered by the Brown Commission's Proposed Criminal Code, on which the S. 1 provision is based. That approach will highlight some of the problems involved and will offer some starting points for modifying the section.

Brown—Brown § 1006 provided:

(1) The section was to govern the use of sanctions to enforce a penal regulation (only) to the extent that another statute so provides. "Penal regulation" means "any requirement of a statute, regulation, rule or order which is enforceable by criminal sanctions, forfeiture, or civil penalty."

(2) General Scheme of Regulatory Sanctions:

(a) Nonculpable Violations—

Culpability as to conduct or the existence of the penal regulation need not be proved, unless required by the regulation. Penalty: a fine of up to $500; no jail sentence.

(b) Reckless or knowing violation—Culpability as to both conduct and existence of the regulation is required. Penalty: up to 30 days in jail and/or a $500 fine.

(c) Flouting Regulatory Authority—Willful and persistent disobedience of a body of regulatory laws. Penalty: 1 year/$1000.

(d) Dangerous Violations—a reckless or knowing violation that creates, in fact, "a substantial likelihood of harm to life, health, or property, or of any other harm against which the penal regulation was directed." Penalty: 1 year/$1000.

Note that the section would apply only when invoked by another regulatory statute. And, if it were invoked, the section would usually set the penalty for violation of any "penal regulation" contained in, or issued under, the statute.

The purposes of the section were to achieve consistency in penalties among various regulatory laws, and to have penalties set by a Congressional Committee with criminological, rather than regulatory, expertise. It is important to note that Brown designed the regulatory penalty to be incorporated in regulatory statutes which attach criminal penalties not only to violations of black-letter sections in the statutes but also to violations of rules or regulations issued thereunder. The apparent theory was that such malum prohibitum conduct which is proscribed in a body of rules and regulations, rather than in a black-letter statute, is not so clearly cognizable as "wrong" to the potential offender, so it should not be punished severely. Thus, the Brown provision carried penalties that are weaker than many of the penalty provisions authorized by existing statutes. (Many existing regulatory laws, for instance carry 1 year/$5000 penalties. Even the "dangerous" violation in Brown D006 has a much smaller maximum fine.) With that in mind, Brown's guidelines to be used in drafting the conforming amendments suggested the regulatory offenses section be incorporated only in those statutes (labeled here as Group A for simplicity) where the statutory penalty applied to violations of rules and regulations, as well as to violations of black-letter statutory commandments. The guidelines suggested that the penalties prescribed in provisions of other statutes (call them Group B)—those in which criminal penalties attached only to violations of provisions in the statute itself, not to subsequently issued rules—simply be relabeled to mesh with the Code labeling scheme and if necessary, downgraded to a misdemeanor, in accordance with Brown's idea that all felonies should be enumerated only in title 18 of the U.S. Code (and thus not scattered in a number of other sections of the U.S. Code.)

S. 1—S 1 retained the regulatory offense idea in section 2-8F6, but changed it very significantly: the penalties are made much stronger. The wording in 2-8F6 is substantially the same as that in Brown, but the maximum penalties are:

Nonculpable violation—about $50,000 and/or 30 days in jail.

Reckless—$50,000/6 months.

Knowing—$100,000/1 year.

Flouting Regulatory Authority—$500,000/6 years.

Dangerous—$500,000/6 years.

Thus, while a knowing violation under Brown carried a penalty that is often slightly less than under existing law, a knowing violation under S 1 carries a maximum fine that is almost always much greater than present law. The S 1 approach is certainly preferable, in that the fines at least begin to be substantial enough to deter large organizations from violating the law. However, the conforming amendments to S 1 here drafted on the basis of the Brown guidelines, and due to the increase in the penalties under S 1, the effect is precisely the opposite to what the guidelines intended.[1] That is, the "Group A" statutes (the ones which permit impositions of criminal penalties on violations of rules and regulations), to which Brown wanted to attach lesser penalties, would receive under S 1 penalties that are greater than Group B (Statutory Violations) and greater than Group A has under existing law. The penalties for Group B statutes are maintained at current (low) levels.

A possible alternative—One can criticize Brown's idea that a regulatory offense should not be penalized too stiffly because it is hard to keep track of what is right and wrong when right and wrong are defined by a body of changing rules and regulations. However, most such laws are aimed at organizations, rather than at individuals, and organizations at least have the resources to become familiar with the laws and rules. Further, the more relevant criteria for grading such offenses are, as with other laws, the degrees of culpability and the gravity of resulting harm—not the source of the rule. This suggests a two dimensional grid approach for grading the regulatory offense. For instance:

GRAVITY OF HARM[2]

Culpability	Tertiary	Secondary	Primary
Nonculpable		Violation	Misdemeanor.
Reckless	Violation	Misdemeanor	Class D felon.
Knowingly	Misdemeanor	Class E felony	Do.
Flouting regulation authority	do	Class D felony	Class C felon.

Under this tentative scheme, the culpability standards would be defined as they are in S 1 and Brown. The gravity of harm standards are more difficult to define. Tertiary rules would be those whose purpose is merely administrative convenience, i.e., housekeeping rules. Primary rules are basically safety regulations, whose purpose is protection of life, health, the environment, and possibly some kinds of economic interests (e.g. anti-trust). Secondary rules are those that don't fit in either of the two extreme categories, like rules designed to provide information to consumers and rules protecting other kinds of property. Defining a workable and reasonable set of categories is clearly the most difficult part of drafting such a scheme. Note that any given regulatory law and its accompanying rules and regulations (if any) might well include some proscriptions and prescriptions in each of the three categories. The idea is to leave

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Footnotes at end of article.

it to the court (a matter for judge or for jury?) to decide on the proper category. Under this scheme, there would be no distinction between "Group A" and "Group B" statutes. Both would be governed by the Regulatory Offense section.

Another problem is whether, to constitute a knowing offense, culpability as to the existence of the penal regulation, as well as to the *actor's* conduct, should be required. One argument in favor of such a requirement is that regulatory offenses are malum prohibitum; one argument against is that ignorance of the law is generally no excuse, so it should not mitigate the offense here. A possible middle ground on this issue is suggested by the Brown Study Draft, which created a presumption that a professional's violation is willful. Slightly modifying the Study Draft idea, one could establish a presumption that culpability as to the existence of the penal regulation is presumed in the case of a person engaged, whether as owner, employee, or other wise, in a business, profession, or other calling subject to licensing or pervasively regulated, when *charged with* violating a penal regulation applicable to him in that capacity.

Footnotes

1. An example of Group A is the Truth in Lending Act. Its current penalty provision provides that a violator of a statutory prohibition or of a rule or regulation "shall be fined not more than $5,000 or imprisoned not more than one year, or both." Under the S 1 conforming amendment, a violator of a provision of the statute or of a rule issued thereunder, "shall be guilty of a regulatory offense under section 2-8F6." The maximum penalty in the severest regulatory offense category is $500,000/6 years.

An example of Group B is the Robinson-Patman Act. The existing maximum penalty for a violation is 1 year and/or $5,000. Under the S 1 conforming amendment, a violator "shall be guilty of a Class E felony, *except that* the maximum fine shall be $5,000." A Class E felony normally carries a 1 year/$100,000 maximum penalty.

2. The maximum penalties under S 1 are:
Violation—$54,750.
Misdemeanor—$54,750/6 months.
Class E felony—$109,500/1 year.
Class D felony—$547,500/6 years.
Class C felony—$547,500/10 years.

Alternatively, the judge may impose a fine of twice the benefit derived or twice the loss caused.

Other available sanctions include corporate or individual probation, restitution, disqualification of an individual from holding organizational office, requiring an offender to give notice (such as by advertising) of his conviction to the class of persons affected, and suspension of the right to engage in interstate commerce.

ADDENDUM TO REGULATORY OFFENSE

Another possible way to approach violations of regulatory laws is the S 1400 approach or a variant thereof. S 1400 has no regulatory offense section comparable to that of S 1. It does, though, incorporate certain regulatory law felonies into the criminal code in sections 1765 and 1766. The felonies incorporated consist primarily of adulterated food and drug product violations. Under the S 1400 scheme, these sections are necessary in order to preserve the felony grading of those violations since S 1400 adopts the Brown Commission principle of downgrading any offense in a title outside Title 18 to a misdemeanor. This principle is put into effect through section 2002, Classification of Offenses outside Title 18. Offenses outside title 18 are classified and labeled according to the term of imprisonment they carry under existing law. If the term is more than six months, the offense is classified a Class A misdemeanor. The maximum fine that may then be imposed for such an offense is either 1) the fine authorized by the statute defining the offense, or 2) the maximum fine for an offense of that classification under the Code, whichever is greater.

That scheme could be modified in the following way: 1) Offenses outside title 18 would be classified according to their maximum jail terms, as done in S 1400, but the idea of putting all felonies in title 18 would be dropped. Thus, they would be reclassified as felonies if the existing term is sufficiently high. 2) The maximum fine for such an offense would then be the fine under the original provision, or the fine for an offense of that classification under the Code. Such a change would bring into play the advantages of the new sanction proposed in all three versions—higher fines, notice and disqualification.

S 1400's scheme also includes section 1615, Reckless Endangerment. This section makes it an offense if a person recklessly engages in conduct which places or may place another person in danger of death or serious bodily injury. Federal jurisdiction exists when the reckless endangerment occurs during the commission (or during the flight from the commission) of *any other offense* over which federal jurisdiction exists, whether defined in title 18 *or elsewhere*. Thus, if a person or corporation violates the Flammable Fabrics Act, which conduct may place another in danger of serious injury, the actor may be guilty of reckless endangerment, S 1400 makes this offense a Class D felony if the circumstances manifest extreme indifference to human life, and a Class E felony in any other case. A possible modification of this section would be to include other sorts of endangering conduct, such as serious danger to the environment or to habitation, in the definition of the offense.

If this offense is to be used as a major vehicle in regulatory violations, it is important that the language defining the offense continue to read "conduct which places *or may place* another person in danger." Otherwise, the reach of the section would be unreasonably limited. For instance, violation of the Flammable Fabrics Act occurs during the manufacture or distribution process. Jurisdiction under section 1615 depends on the reckelss endangerment occurring "during the commission of" the Flammable Fabrics offense. The danger that victim is actually placed in at that point is less than immediate. But as long as it suffices that the first offense *may* place another person in danger, section 1615 has a broad reach.

It may be objected that this approach is undesirable because the penalties are not clearly enumerated along with the statute defining the offense. This argument has some merit, but it should not be accepted too quickly. With regard to the penalty levels (especially the fines), one would expect that the U.S. Code would be updated and annotated in such a way the fine levels and other sanctions of the criminal code would appear along with the statutes defining offenses. That could be achieved even if the regulatory laws were not formally amended to reflect the title 18 penalties. As for the Reckless Endangerment Offense, it should be pointed out that this tends to be more of a common law type offense than a regulatory provision. To require that a violator know that endangering a person's life or safety is an offense does not conform to the traditional jurisprudence of criminal law.

MEMORANDUM ON PROPOSED FEDERAL CRIMINAL LAW NO. 6

DEATH PENALTY

S. 1 section 141E1,2 S. 1400 section 2401,2,
Brown section 3601-05

OFFENSES

1. The Brown Commission authorized the death sentence for defendants convicted of murder or treason,

2. S. 1 also limits it to these offenses.

3. S. 1400 authorizes it for

(a) treason, sabotage, espionage if—

(1) the defendant has been convicted of "another offense involving treason, sabotage, or espionage, committed before the time of the offense for which a sentence of life imprisonment or death was imposable" or

(2) the defendant knowingly created a grave risk of substantial danger to national security, or

(3) the defendant created a grave risk of death and

(b) for murder if—

(1) the defendant committed during the offense or in connection with it, treason, sabotage, espionage, escape, kidnapping, aircraft hijacking, or arson or

(2) the defendant has been convicted of another federal or state offense for which a sentence of life imprisonment or death could have been imposed or

(3) the defendant had been convicted of 2 or more federal or state felonies involving serious bodily injury to another or

(4) the defendant had knowingly created a grave risk or death to another person in addition to the victim or

(5) or committed the offense in an especially heinous, cruel or depraved manner, or

(6) had procured the murder by money or other benefit or had received money for it, or

(7) had murdered the President, a successor, a foreign dignitary in the U.S. or a U.S. official, law enforcement officer, employee of U.S. penal institution or diplomat.

Exclusion

1. Under Brown the death sentence could not be imposed if the defendant was less than 18 years old at the time of the offense, or if the defendant's physical or mental condition calls for leniency or there are other substantial mitigating circumstances or "although the evidence suffices to sustain the verdict, it does not foreclose all doubt respecting the defendant's guilt."

2. S. 1 does not provide any exclusion standards. S. 1 does provide mitigating and aggravating circumstances as a guide for the court or jury. The *mitigating* factors (for murder and treason) are that the defendant

(a) was under extreme mental or emotional disturbance

(b) was under unreasonable pressures or under the domination of another person

(c) the mental capacity was impaired as a result of mental illness, defect or intoxication

(d) was emotionally immature

(e) was an accomplice whose participation was relatively minor

(f) had no significant history of prior criminal activity and

(g) the crime was committed under circumstances which the offender believed to provide a moral justification or extenuation which is plausible by ordinary standards of mortality and intelligence.

The *aggravating* circumstances in cases of treason are that the defendant:

(1) knowingly created a great risk of death to another person or of substantial impairment of national security

(2) violated a legal duty concerning protection of the national security

(3) committed treason for securing benefit.

In cases of murder the *aggravating* circumstances are that the defendant

(1) was previously convicted of another murder or crime involving the use or threat of violence to the person or has a substantial history of serious assaults or terrorizing criminal activity

(2) committed a double murder

(3) knowingly created a great risk of death to at least several persons,

(4) committed the murder in an especially heinous, atrocious, cruel, manner or mani-

fested exceptional depravity by ordinary standards of morality and intelligence

(5) the violator was a public servant who was holding the defendant or another in official detention.

(6) the violator was a law enforcement officer or

(7) the victim was the President or other high public servant.

Separate proceeding to determine sentence

All three bills provide for a separate hearing on the death penalty for which a jury may be waived or impaneled regardless of guilty plea or jury trial. Any evidence relevant to sentencing may be admitted. Brown explicitly states any evidence inadmissible under the exclusionary rule would be admissable.

S. 1 simply states the evidence must be relevant. S. 1400 provides that the court must provide the presentence report to the government and defendant. The standards regarding the admissibility of evidence apply except for that evidence relevant as to why the death sentence should not be imposed.

In Brown and S. 1 the burden of proof necessary to impose the death penalty is not stated. Under S. 1400 the jury returns a special verdict setting forth its findings as to existence of the factors specified by the statute (see above). Under S. 1400 if the court or jury finds by a "preponderance of the information" that one or more grievous factors exist and none of the precluding factors exist, the court must sentence the defendant to death. If none or even if some of the grievous factors exist but one or more of the mitigating factors also exists the defendant is sentenced to any other sentence authorized (life imprisonment). Under S. 1 the defendant would be sentenced to life imprisonment also.

Comment

Furman v. Georgia, 408 U.S. 238 (1972), is the most recent death penalty decision by the Supreme Court. There was no single majority opinion. Justice Brennan and Marshall reached the result that the death penalty, irrespective of the mechanics of its application, is cruel and unusual punishment. Justice Douglas' position is not as clear but it may be safe to assume that he would not favor mandatory imposition on conviction nor jury discretion in deciding the death penalty. There is no clear indication how Justices Stewart and White would respond to this legislation, if enacted. Justices Burger, Blackmun, Rhenquist and Powell dissented. Generally both S. 1 and S. 1400 respond to the due process-fairness objection to the death penalty. The proponents of the death penalty cite its deterrence effect as the most important ground for its existence. However the deterrence factor in S. 1 and S. 1400 is not as substantial as it would be under a mandatory system due to the ambiguity of some of the provisions (e.g. moral justification, extreme emotional or mental disturbance, unusual pressures, heinous, atrocious, cruel manner, relatively minor participation. As an article by Daniel Polsby, *The Death of Capital Punishment?* (1972 Supreme Court Review 1973) points out the existing evidence makes the deterrence justification untenable. The evidence is *inconclusive* on the general deterrence effect of capital punishment but persuasively suggests that there is usually no such deterrent effect. The question that must be answered by the proponents of the legislation before such sections are enacted is: Can the death penalty statute be justified on grounds of deterrence when it cannot be shown that the death penalty is a greater deterrent than prison for major crimes?

Memorandum on Proposed Federal Criminal Code No. 7

PARA-MILITARY OFFENSE

S.1 § 2–9D1, S.1400 § 1104, Brown § 1104

Summary

Basically all three drafts make it a criminal activity to engage in or facilitate the acquisition, caching, use, or training in the use of dangerous weapons by or on behalf of a group of 10 or more persons with the intent of influencing the conduct of governmental affairs. The offense is not of an individual acquiring, caching or training but only if it is done:

(a) in connection with a group and

(b) if that group has political motives vis a vis the government.

This raises a question whether, under the First Amendment, group activity can be outlawed which would be lawful for individuals or groups with non-political objectives. The Brown draft speaks of acquiring or training in weapons "for political purposes or on behalf of an association of 10 or more persons." S.1 requires intent "to influence the conduct of government public affairs in the United States through the use or threat of the use of such weapons". S.1400 requires that the organization or group have as a purpose the taking over of, the control of or the assumption of the function of an agency of the U.S. government or of any state or local government by force or threat of force. Organizations as dissimilar as the National Rifle Association, Black Panthers and a neighborhood association of armed citizens who have a need for group protection would come under the scope of this section. The Working Papers (at p. 436) note, "the activities prohibited by the draft are limited neither to those with armed insurrection as the object, nor those carried on by organizations under foreign control . . . the Commission should however, consider whether the limitation of the proscription to groups with "political purposes" presents a constitutional or policy danger by permitting wide latitude in executive and judicial discriminations as to what constitutes a "political purpose".

Constitutional problems

Supreme Court cases have strongly indicated that it is highly suspect under the First Amendment to place restrictions on an individual's right of advocacy and association without the strongest showing by the government of imminent violence. These cases tend to indicate that a blanket prohibition of acquiring firearms in conjunction with a politically-oriented organization, without some further requirement that imminent danger results to the community from this action is unconstitutional. In *Brandenburg* v *Ohio* 395 U.S. 444(1969) the court said, "the constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action" (395 U.S. at 447) and, "(A) statute which by its own words and as applied, purports to punish mere advocacy or to forbid on pain of criminal punishment *assembly with others* merely to advocate the described type of actions within the condemnation of the First and Fourteenth Amendments" 395 U.S. at 449 (emphasis added). *Brandenburg* seems to cast real doubt on the constitutionality of a statute which is aimed directly at political assembly, aimed at the right to associate in an activity which, if done singly, would be perfectly legal. The proposed statutes, however do not prohibit advocacy but actions which are deemed to be per se dangerous. The problem is one of legislating such a description or in looking at the threat on a case by case basis. The offense does not amount to assault, rebellion, sabotage or obstructing a government function by physical force. Presumably it allows the government to protect itself from feeling intimidated by an irate band of armed citizens who have yet to take any overt action which is otherwise illegal. Without any sort of legislative fact finding it is difficult to see what compelling need there is to outlaw what has heretofore been non-criminal association conduct. Both S.1(§ 3-10C2) and S. 1400 (§ 3127) authorize government wiretapping to acquire evidence on which can be used for a prosecution under this section or any other section of the law.

Memorandum on Proposed Federal Criminal Law No. 8

CRIMINAL COERCION

Brown § 1617, S. 1400 § 1723, S. 1 § 2–9C4

Summary

The coercion offense falls with the blackmail-extortion type of offense. It holds a person liable for threatening certain specific acts either with an intent to compel action or to obtain property. The "threatening" aspect raises serious First Amendment questions concerning free speech and the acts which are the subject of the threats raise questions of consumer actions and other legitimate disputes.

S. 1400 provides that:

"A person is guilty of an offense if he knowingly obtains property of another by threatening or placing another person in fear that any person will:

(1) commit any crime;

(2) accuse any person of a crime;

(3) procure the dismissal of any person from employment, or refuse to employ or renew a contract of employment of any person;

(4) wrongfully subject any person to economic loss or injury to his business or profession;

(5) expose a secret or publicize an asserted fact, whether true or false, tending to subject any person, living or dead, to hatred, contempt, or ridicule, or unjustifiably to impair his personal, professional or business reputation or his credit; or

(6) unjustifiably take or withhold official action as a public servant, or unjustifiably cause a public servant to take or withhold official action."

This offense is graded as a Class D felony if the property which is the subject of the offense has a value in excess of $500 or is a firearm, or a U.S. government document or engraving equipment or mail. It is a Class A misdemeanor if the property has a value in excess of $100. In all other cases it is a Class B misdemeanor.

There is federal jurisdiction if the fear is of a federal crime, or involves federal official action or if committed within the special jurisdiction of the U.S. or concerns property owned or under the care of the U.S. or is owned or under the care of a national credit institution, or in any way affects interstate or foreign commerce or involves movement of a person across a state or U.S. boundary or if a facility of interstate commerce is used.

The Brown Commission had a similar offense (§ 1617) the gravamen of which is "with intent to compel another to engage in or refrain from conduct". The Commission provided the affirmative defense for which the defendant would have the burden of proof, that the actor believed the primary purpose of the threat was to cause the other to act in his own best interests, behavior from which he could not lawfully abstain or to make good a wrong done by him or refrain from taking any action or responsibility for which he was disqualified.

S. 1, § 2–9C4, provides that it is an offense if a person intentionally compels or induces another person to engage in conduct from which the other person has a lawful right to abstain, or to abstain from conduct in which he has a lawful right to engage by means of instilling a reasonable fear that if the demand is not complied with, the person or another will cause bodily injury, cause damage to property or subject anyone to physical confinement. This is a Class E felony (up to 1 year and $100 per day.) Federal jurisdiction is established when the offense is committed in the special jurisdiction, concerns a high public official, invokes the piracy jurisdiction or affects commerce.

Comments—S. 1 and Brown both establish the intent in terms of compelling another to do, or refrain from, an act. S. 1400 provides that the intent is to obtain. This is an improvement but S. 1400 defines property to include intellectual property or information. Secondly it should be noted that S. 1 has limited the threats to a well defined area of traditionally considered criminal activity and has a more limited jurisdiction than does S. 1400.

The activity in these proposed statutes reaches not only conduct but speech as well. In that regard First Amendment issues must be considered. Various consumer groups and others expressed the fear that this section (as proposed in the Brown Draft) would deter legitimate conduct. Richard E. Israel, Legislative Attorney of the American Law Division of the Library of Congress wrote (Hearings, supra, at p. 3373): "The issue as to constitutionality on First Amendment grounds thus centers on the adequacy of the affirmative defense provision to limit what is conceded to be a "broad" prohibition involving not only "conduct" but "speech". To be a real limitation, the affirmative defense provision would have to be read as an integral part of the statute as it is to be applied rather than a justification to be raised after the fact in a court proceeding. There are also, as has been noted, problems of vagueness which are raised by the affirmative defense provision."

S. 1400's restriction of the coercion proposal to intent to obtain "property", as opposed to intent to compel "activity", is an improvement. However the expansion of the *kinds* of threats and the exclusion of any mention of defense or affirmative defenses continues the constitutional problems.

S. 1400's use of the term "unjustifiably" in relation to both threats to impair personal, professional or business reputation or credit and to the taking or withholding of official action is similar to the term "wrongfully" in the Hobbs Act (18 U.S.C. § 1951) which has been construed to apply only to inherently wrongful methods. S. 1400 also improves the Brown formula by requiring that the threatened party be placed "in fear". This would seem to exclude the business-consumer bona fide disputes which were the basis of much criticism of the Brown draft.

MEMORANDUM ON PROPOSED FEDERAL CRIMINAL CODE #9

MENTAL ILLNESS

Insanity Defense—S. 1 § 1–3C2; S. 1400 § 502; Brown § 503

1. *Insanity*—S. 1 and Brown follow the formulation of the American Law Institute which denies the defense to sociopaths. S. 1400 eliminates the defense except insofar as it negates an element of the offense charged.

2. *Incompetency to Stand Trial*—S. 1 allows an individual to bypass criminal trial if found to be incompetent. Under S.1400 one cannot avoid trial. Under S.1 § 3–11C4 a person found incompetent may be detained for treatment by the Secretary of HEW until (a) he regains competency or (b) charges are disposed of pursuant to § 3V11C7 or (c) a petition for civil commitment is filed by the Secretary of HEW. Detention is not indefinite and must expire at the end of the time of a maximum sentence for the most serious offense charged. Judicial review is required no later than one year after detention commenced. If found not likely to regain competency within a reasonable time, he must be released within a reasonable time, unless within sixty days HEW files a petition for civil commitment. If found competent, he is released and reenters the criminal process. Only if he is not yet competent, but likely to regain competency within a reasonable time can a person be committed for more than one year. In S. 1, after the first year review, there is no further requirement for judicial review.

Procedures for Psychiatric Examination on Issue of Sanity: In S. 1 (§ 3–11C2) the court must refer the defendant for a psychiatric examination if he or counsel give notice of his intention to raise the defense. If the defendant objects to the examination, the court issues an order prohibiting use of such evidence at trial.

The examination must be performed expeditiously and copies of the report submitted to the court and copies given to the government attorney, the court, and the defendant. Restraint on the liberty of the person must be minimal. If the panel finds hospitalization is needed, the court may order temporary detention. S. 1400 requires the defendant who wishes to invoke the insanity defense to give written notice either at the time the not-guilty plea is entered or within 10 days thereafter. The court then may order the defendant confined for not more than sixty days for psychiatric study. Copies of the study as to whether the defendant was insane at the time of the offense must be provided to the court, government and defense prosecutors. It is not clear in S. 1400 who pays for this. There is no time limit stated to ensure that the reports are filed promptly. S. 1400's sixty-day examination period is four times as long as S.1's. There is no burden on the psychiatrist to demonstrate a need for hospitalization to the court.

3. *Disposition of Mentally Ill After Conviction:* S. 1 (§ 3–11C2) provides that the court may have the individual referred to the panel of psychiatrists for examination who then report back within fifteen days after examination with copies for the court, government, and defendant. This report should include sentencing recommendations. In S. 1400 (§ 4224) hospitalization of a convicted person suffering from a mental disease or defect requires the court to hold a hearing on motion by either party when there is reasonable cause to believe the defendant is "presently suffering from mental disease or defect for the treatment of which he is in need of custody, care, or treatment in a mental institution." The court may order a psychiatric examination. If the defendant is found to be suffering from a mental disease or defect, the court may commit the defendant to the A.G.'s custody for treatment in a suitable facility. This commitment is equivalent to a provisional sentence of imprisonment for the maximum term authorized for the offense for which the defendant is found guilty. It is not clear whether the court must consider whether there is actually any treatment available at federal facilities or if the non-dangerous defendant would prefer prison. Until the head of the facility to which the defendant is committed decides that he is no longer in need of the institutional services of custody, care, or treatment, the defendant is stuck with the maximum sentence, with no guaranteed periodic review and no right to treatment.

Also, the mandatory hearing for the defendant who recovers prior to the termination of the maximum sentence does not provide due process. At this hearing, the judge may order the defendant to serve the remainder of the sentence or a portion thereof in prison, reduce the sentence or place the individual on parole. This is, in effect, a second sentencing hearing, yet the proposed statute does not require the court to give notice to the defendant, provide counsel, or govern the presentation of evidence.

4. *Civil Commitment:* (§ 3–11C8)—Under S. 1 (§ 3–11C8) civil commitment may be sought for three kinds of people: (1) those deemed incompetent to stand trial and found likely to regain competency, (2) those whose official detention is pursuant to a sentence which is about to expire, and (3) those who have been acquitted by reason of mental illness or defect. The decision to seek civil commitment is made by HEW after examination of the individual to determine whether the person could create a likelihood of serious harm by reason of mental illness or defect unless hospitalized. A hearing is then held at which the defendant may be committed to official detention, § 3–11C1 (4) defines "a likelihood of serious harm." The commitment "shall continue only during such time as the Secretary is not able to find for the treatment or care of such person" or until failure to hospitalize the person no longer would create a likelihood of harm (§ 3–11C8 (f)). S. 1 also provides for annual review by HEW and notice of the annual report to the person and his counsel and provides the right to petition for a hearing. It can be maintained that given the effects of commitment, annual review is not sufficient. Also, the rules of evidence are suspended for the hearing and the burden of proof is unarticulated. There is no Fifth Amendment protection for statements made to psychiatrists that may be used against them. Nor is there an indication that an individual has a right to trial by jury.

S. 1400 (§ 4225) sets forth procedures for civil commitment for persons who have finished serving the full term of their sentence after conviction. If the person is still suffering at the conclusion of his sentence from a mental disease or defect such that his release would create a substantial danger to himself or to the person or property of others, the A.G. notifies the court to schedule a hearing to determine whether the defendant is sufficiently dangerous to warrant further custody, if other arrangements are not available. There is no provision which prohibits detention of the defendant after expiration of the sentence without an immediate hearing (S. 1 provides that the hearing is to be held at least ninety days prior to the date of the offender's release). Nor is there a provision of warning that statements made to psychiatrists during their examination may be used against him at the commitment hearing. Nor is there a provision respecting the right to trial by jury for civil commitment proceedings. § 4225(e) designates a "preponderance of the evidence" as the burden of proof standard. *In re John Ballay* (—— F, 2d ——, U. S. Cir. May 31, 1973, S. A. No. 71–2023) held that proof must be established beyond a reasonable doubt in civil commitment proceedings. Concerning the likelihood of causing harm, Judge Sprecher in *Tessard* v. *Schmidt* 349 F. Supp. 1078 (E.D. Wis. 1972) (at p. 1093) said, "the state must bear the burden of proving that there is an extreme likelihood that if a person is not confined, he will do immediate harm to himself or others. Moreover, the dangerousness must be based upon a finding of a recent overt act, attempt, or threat to do substantial harm to oneself or another." Additionally, there is no provision for periodic judicial review of hospitalized patients.

Memorandum on Proposed Federal Criminal Code #10

ORGANIZATION LIABILITY; INDIVIDUAL LIABILITY FOR CONDUCT ON BEHALF OF AN ORGANIZATION

S 1 §§ 1–2A7, 1–2A8, S 1400 §§ 402, 403, Brown §§ 402, 403

Summary—This memo will discuss an organization's liability for its conduct and liability of agents for an organization's conduct. Generally speaking, S. 1400 provides for broader liability in both instances than does S 1.

I. *Definitions*—S 1, § 1–1A4 (51) defines organization broadly to include corporations, other sorts of business organizations, nonprofit organizations, governments, government agencies and "any other groups of persons organized for any purpose." S 1400 (sec. 111) uses a similar definition, but excludes governments and government agencies. (Those opposed to governmental liability argue that it is pointless, in that a fine is borne by the taxpayers and in that a "notice" sanction may be unnecessary since the press generally monitors governments better than it does corporations. They also fear politically motivated prosecutions such as a federal prosecution of a local government for the political ambitions of the U.S. Attorney. On the other hand, some argue for at least extending governmental liability to such crimes as regulatory and civil rights offenses, etc. The Working Papers (p. 175) note that current federal law generally does not exclude governments or agencies.)

The definition of agent appears sufficiently broad in both S 1 and S 1400.

II. *Organization Liability*—Before discussing the provisions on corporate liability, it will be useful to discuss two concepts—the scope of a servant's employment and the scope of an agent's authority—which are used in various definitions of organization liability. Subsequent discussion will focus on the development of existing case law on the subject, and then the provisions of the two bills.

(a) "Scope of employment" is a tort law concept relating to master-servant relations.[1] Under the doctrine of respondeat superior, a master is vicariously liable for a tort committed by his servant if it was committed within the scope of the servant's employment. It is not necessary that the master authorized, had knowledge of, or consented to the servant's act for him to be held liable. In fact, the doctrine of respondeat superior is most useful where the act was unauthorized. Generally speaking, an act is committed within the scope of employment if it was of the same general nature as the conduct authorized or incidental to that authorized, and if it was intended to benefit the master's business. A master is usually held liable even if the servant's tort was willful or even if the servant violated or misunderstood the master's clear instructions. However, the doctrine of respondeat superior does not apply to the acts of independent contractors.

(b) The "scope of an agent's authority" is a contract law concept relating to principal-agent relations. The scope of a principal's liability for acts of his agent is more narrow than the scope of a master's liability for a servant's acts. A principal gives power to an agent in a contractual manner that an offeror makes an offer—consent is essential. The power of an agent can be given with any conditions or limitations. Whereas the acts of a servant are acts committed within the course of performing duties for his master, the acts of an agent are acts of consent that the principal shall be bound in a legal transaction such as a contract. A principal is generally liable for those acts of an agent that fall within the agent's "express, implied or apparent authority." Express authority is that given to an agent orally or in writing by the principal. Implied authority is authority implied by conduct, or authority to do acts that would reasonably be expected to accompany acts performed under express authority. Apparent authority is the authority that a reasonable third person would understand an agent to have.

(c) Existing law—Historically, the scope of corporate criminal liability has progressed toward broader liability. Lord Holt, in an anonymous case, 12 Mod. 559 (1701), said that a corporation was not indictable at all, though its members were. The reason for this view was that a corporation, as a fictional entity, is not capable of acting and cannot be imprisoned. Fletcher, 10 Cyclopedia Corporations, section 4942. It was said that any illegal act by a corporate agent was without authority and ultra vires.

That general proposition has been modified over time. The landmark federal case was *N. Y. Central and Hudson R.R. v. U.S.*, 212 U.S. 481 (1909), in which the Supreme Court held that a corporation may be held liable for the criminal acts of its agents and employees if the acts are done within the scope of the agent's employment and on behalf of the corporation. The court seems to use the terms "scope of employment" and "scope of authority" interchangeably. In that case, which involved payment of shipping rebates to sugar companies, using them interchangeably created no problem since the agent's acts were covered by either term. In later cases, the courts sometimes refer to scope of employment, sometimes to scope of authority, sometimes to both. *U.S. v. Armour and Co.*, 168 F 2d 342 (3rd Cir., 1948). *U.S. v. American Radiator and Stand. San. Corp.*, 433 F 2d 174 (3rd Cir.), cert. den. 401 U.S. 948 (1970). *U.S. v. Parfait Powder Puff Co.*, 163 F 2d 1008 (7th Cir.) cert. den. 332 U.S. 851 (1947). *U.S. v. Brunett*, 53 F 2d 219. A recommended jury instruction shows how corporate liability is often defined: A corporation is criminally responsible for "all unlawful acts of its directors, or officers, or employees, or other agents, provided such unlawful acts are done within the scope of their authority, as would usually be the case if done in the ordinary course of their employment, or in the ordinary course of the corporation's business." Mathes and Devitt, Federal Jury Practice and Instructions, section 19.08 (1965). It would appear that the legal concept used to determine the scope of corporate liability properly depends on the nature of the crime—i.e., if the case involves a fradulent contract, "scope of authority" applies, since corporate liability depends on the agent's power to bind the corporation, whereas if the crime is theft of trade secrets, it is a matter of whether the act was within the agent's scope of employment.

The following cases give some idea of the bounds of corporate liability under existing law. A corporation is not liable if it was not the intended beneficiary of the agent's criminal acts. *Standard Oil Co. of Texas v. U.S.* 307 F 2d 120 (5th Cir., 1962). It is the intent that the corporation benefit, not benefit in fact, that is material. *Old Monastery Co. v. U.S.*, 147 F 2d 905 (4th Cir. 1945). The status of the agent in the corporate hierarchy is immaterial; he need not be a person in high authority. *U.S. v. George F. Fish, Inc.*, 154 F 2d 798, (2d Cir.), cert. den., 328 U.S. 869 (1946). A corporation may be found guilty even though the actor whose conduct is imputed to the corporation as the basis of liability is found not guilty. *Magnolia Motor and Logging Co. v. U.S.*, 264 F 2d 950 (9th Cir., 1959). A corporation may be held liable for the criminal act of an independent contractor, even though the contractor's act was contrary to the corporation's instructions. *U.S. v. Parfait Powder Puff Co.*, 163 F 2d 1008 (7th Cir.) cert. den., 332 U.S. 851 (1947).

III. *Current Proposals on Organizational Liability*—

(A) The Brown version § 402 greatly cuts back on the scope of corporate liability for *felonies*, since it would make the organization liable only if the conduct was authorized, requested, or commanded by persons in certain categories of control of the organization. Brown subsection 1(a) provides that a corporation is liable for "any offense committed by an agent of the corporation within the scope of his employment on the basis of conduct authorized, requested or commanded, by any of the following or a combination of them:"

i) the board of directors,

ii) an executive officer or comparable policy-maker or supervisor,

iii) any person who controls the corporation or is "responsibly involved in forming its policy."

iv) any other person for whose act or omission the statute defining the offense provides corporate responsibility.

Brown does provide for liability for an agent's *misdemeanors and nonculpable offenses*, regardless of authorization, if the conduct was within the scope of employment (1 (c) and (d)). Subsection 1(b) provides liability for failure to discharge an affirmative duty imposed on the corporation.

The minority alternative of 1(a) in Brown provides greater liability. It covers any offense committed in "furtherance of the corporation's affairs" that was "done, authorized, requested, ratified, or recklessly tolerated in violation of a duty to maintain effective supervision of corporate affairs," by a person in one of the four enumerated policy-making categories. The "furtherance of affairs" phrase may appear to be broader than "scope of employment," but it's difficult to imagine an act that "furthers affairs" and is authorized or tolerated by highers-up that would not be within the simple "scope of employment" or "scope of authority" concept. The "reckless toleration" idea goes well beyond the standards of the original 1(a) in Brown, but it is doubtful that it is broader than the basic scope of employment/authority concept of existing law, especially since simple scope of employment may be easier to prove at trial.

(B) S 1 section 1–2A7(a) (1) provides that an organization is guilty of "any offense consisting of conduct engaged in by an agent of the organization within the scope of his employment." Unlike Brown, S 1 appears to be a codification of the core of existing case law. But if the language were narrowly construed, it could be held not to be as broad as existing law, which often uses the "scope of authority" concept. For that admittedly limited reason, the language of S. 1400 (see below) is preferable. Another problem with S. 1 is its coverage of failure by the corporation to act. "Conduct" is defined in section 1–1A4(13) to include omissions as well as acts; therefore 1–2A7(a) (1) would cover a failure to act if the prosecutor could point to a specific corporate agent who should have acted. However, (a) (1) does not seem to cover cases in which an affirmative duty is imposed on "the corporation" and in which the corporation put no one in charge of discharging the duty.

Subsection (a) (2) in S 1 says an organization is also guilty of "any offense for which a human being may be convicted without proof of culpability, consisting of conduct engaged in by an agent of the organization within the scope of his employment." That subsection appears to be only an elaboration, since it covers no acts that (a) (1) does not already cover.

(C) S 1400 § 402 is broader than S. 1. The core of S 1400 is the same as that of S. 1—an organization is liable for criminal conduct of an agent "that occurs in the performance of matters within the scope of the agent's employment" (§ 402(a)(1)(A)). But the second part of (a)(1)(A) adds the phrase "or (matters) within the scope of the agent's actual, implied, or apparent authority." Thus, it codifies existing law well. The inclusion of both phrases insures that attempts to deny corporate liability when the agent's conduct is a question of "authority," rather than "scope of employment," will be unsuccessful.

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[1] This discussion is based on Ferson, *Principles of Agency*. See also Restatement of Agency 2d Section 229.

Subsection (a)(1)(B) says an organization is also liable for conduct relating to matters for which the organization "gave the agent responsibility," and which is "intended by the agent to benefit the organization." Generally, any situation that (B) covers is already covered by (A), but the additional formulation might be useful in insuring corporate responsibility for the acts of independent contractors—provided the definition of "agent" were construed to include independent contractors.

Subsection (a)(1)(D) provides that an organization is liable for an agent's conduct that involves a nondelegable duty of the organization, where the organization is otherwise legally accountable for the offense. The impact of this extension of the provision's scope is unclear, but it may refer to such cases as a financial statement prepared by an outside accountant, or a lawyer's opinion.

Subsection (a)(2) provides liability for a failure to discharge a specific affirmative duty imposed on the organization by law. For example, section 1762 requires a person to report certain dealings in foreign currency. An organization, like a human being, is liable for a failure to do so.

S. 1400 covers in (b)(1) what subsection (a)(2) in S. 1 partly covers. It precludes a defense that the organization does not belong to the class of persons who by definition are the only persons capable of committing the offense directly. Both bills also preclude a defense that the person for whose conduct the organization is being held liable has been acquitted or cannot be prosecuted.

IV. *Personal Liability for Conduct on Behalf of an Organization*—(A) *Existing law:* An agent is responsible for acts he does on behalf of a corporation, and he may be found guilty even if the corporation is not. *U.S.* v. *Dotterweich,* 320 U.S. 277 (1934). Congress may exculpate individuals and hold only the corporation liable, but such an intent is not to be imputed to Congress without clear compulsion.

U.S. v. *Dotterweich,* supra. The Working Papers (p. 177) note that only in exceptional circumstances has Congress established a law under which only the corporation is liable.[2] In *U.S.* v. *Wise,* 370 U.S. 405, the Court rejected the defendant individual's reading of the Sherman Act that the acts of an officer, however illegal, are chargeable to the corporation but not to the individual.

The above general rule applies to active conduct by the individual. The Working Papers note that it is a question in existing law whether an individual may be held liable for knowing but passive acquiescense, unless the law either imposes an affirmative duty of supervision on him or says that certain officers are guilty of a crime if the corporation is found guilty.

(B) S 1 section 1–2A8 provides for what appears to be a codification of existing law. It holds a human being criminally liable for any conduct he performs or causes to be performed for the organization to the same extent as if he performed it for himself.

Some persons have criticized this section as being so broad that it might reach the assembly line worker who puts a misleading label on a jar. They say that he may be the "actor," but that imposing sanctions on him works no coercive or deterrent effect and seems plainly unfair. In general, though, he won't be liable, since the prosecutor must prove all elements of the offense—culpability, action, etc. If he does meet the culpability standard, holding him responsible would work a deterrent effect in the future—hopefully by causing him to blow the whistle on corporate practice, if he knew they were illegal. There is, though, a potential problem here with strict liability offenses: If the law says that anyone who mislabels a drug is liable without regard to his awareness of the result of his conduct or of the existence of the law, will the assembly line worker who unknowingly puts the wrong label on every jar, in accordance with his instructions, be held liable? Is he "responsible"? However, there are few such offenses. Practically speaking, the problem is likely to be taken care of just as it is now—by prosecutorial discretion and the good sense of juries.

(C) S 1400, following Brown, extends individual liability to the same extent as S. 1 and further. Subsection (a)(2), patterned very closely on Brown, provides that an individual who has "primary responsibility" for a duty imposed on the organization by law is liable for an omission to perform that duty to the same extent as if it were imposed directly upon him. This appears to be an extension of existing law. It is desirable in that it places responsibility for performance of the duty at the best point—on the person with primary responsibility for the area of the duty. However, critics claim that the phrase "primary responsibility" is unclear. Does it mean the "actor", officers, board of directors, etc.? Presumably, to have the best deterrent effect, the phrase should be defined to apply to someone in the chain of command who is close to the point of physical performance of the duty, or perhaps better, to the point of decision as to whether the duty is performed, since holding a mere operative liable may be undesirable. Also, when Mark Silbergeld testified on the Brown Draft, (Hearings, at p. 3013), Silbergeld proposed amending this section to read:

Except as otherwise provided, whenever a duty to act is imposed upon an organization by a statute or regulation thereunder, any officer, employee or agent of the organization who has or shares primary responsibility for the subject matter of the duty *or for appropriating or disbursing funds necessary for performance of the duty* is guilty of an offense which is based upon an omission to perform the duty *or to appropriate or disburse funds necessary to perform the required act* to the same extent as if the duty were imposed directly on himself.

Not only is the amendment desirable for extending the reach of the section; it also may help clarify that the purpose of the section is to reach those with some decision-making power, not workers.

Subsection (3) of Brown, on accomplices of organizations, is not carried forward into S. 1400. The subsection does not seem important, since the general complicity provision would seem to cover those situations.

The final extension of individual liability is the subsection 4 providing for liability for "reckless default in supervising conduct of organization." It says that "a person responsible for supervising particular activities who, by his reckless default in supervising those activities, permits or contributes to the occurrence of an offense by the organization is guilty of an offense of the same class," though his offense may be no higher than a misdemeanor. This in effect puts an affirmative duty on supervisors; it is not a vicarious liability provision. It should have a desirable deterrent/prophylactic effect by promoting effective supervision. The provision is highly desirable, in that it encourages effective supervision, by putting legal responsibility where the operating responsibility is. Critics argue that this provision will make executives afraid to delegate responsibility. However, it would seem more likely to lead to more clearly defined lines of authority where needed. In addition it would deter management which seeks results without regard to how those results were obtained. Most importantly, it would mean that delegation cannot be mindless, that those who delegate and benefit shall share the burden when delegation results in criminal activity.

V. *Should Corporations Be Criminally Liable at All?*

(A) To some persons, the concept of a corporate entity being criminally liable is unclear. Most crime stories and law and order speeches tell of individuals. However, corporate crime cannot be overlooked. It is extensive; it is done with impunity and its cost to victims and society is virtually immeasurable. As the corporate form of organization is the most prevalent form of operation, it lends itself easily to use by the law-abiding and law-breaking alike. A brief look at how a corporation, as opposed to its agents, commits a crime may be useful. The principal operative function is delegation. Take for an example the scandal of Equity Funding Corp. of America—one of the largest white-collar crimes in the history of American business. In this case, (which is too complex to fully explain here) various employees were delegated jobs—each part of which was an element of the crime—but each employee did not necessarily know that nor benefit from the offense. A printer made phony securities, another employee drew up phony life insurance papers, another programmed all of this into a computer, another sold the phony policies to other insurance companies while another used phony securities as collateral on business loans. It was the corporation itself that committed several alleged crimes and that reaped the benefits. Of course some top executives appear to have also committed crimes. But this does not negate the fact that the corporation—acting as a corporation in the usual course of its business—apparently committed a massive fraud.

Some critics of the imposition of criminal liability on corporations argue that holding a corporation liable for crimes is ineffective as a deterrent because a corporation can't go to jail and any fine that is imposed is borne in the end by innocent shareholders or passed along to consumers. These arguments overlook several crucial factors. First, to the extent the offending corporation faces competition in its industry, it won't be able to pass the burden of the fine along to consumers. Secondly, holding stock is a high risk investment and that the corporation engages in crime is one of the risks. Shareholders should be protected but overlooking crime is not protection. It is allowing behavior to one group that is denied to another. Thirdly, shareholders have no right to profit by someone's crime or some corporation's crime. Fourthly, the more a corporation's fines bite into dividends, the more the market will move away from that corporation's stock and the more pressure will be exerted on the corporate managers to deter future corporate criminal activity.

In fact though, fines are inadequate to deter or sufficiently punish corporate crime. Prosecutor offices are hampered by the complexity of many cases, the high burden of proof, the expert testimony all for a few thousand dollar fine. Fine levels themselves are inadequate. Corporations can feel free to break laws when the cost of so doing is slight, but the rewards—such as avoiding bankruptcy, increasing value of stock, merger, etc. are great.

Furthermore, corporate liability makes even more sense if the new, effective and logical sanctions are provided for as in S 1—restitution, periods of suspension from interstate commerce, notice, and probation with some powers over corporate behavior—are available. Richard Givens, formerly with the U.S. Attorney's office, Southern District of New York, argues against those who say corporate liability serves no purpose (Hearings, page 1553): "My experience is that is does. In numerous cases corporate liability was bitterly contested because of the deterrent effect of publicity of the fact that misconduct has been established." He also argues (p. 1556): 1) Corporations are often taken over by organized crime, 2) a more lenient attitude would directly injure the public—especially the public as taxpayers where fraud against the government is involved not to mention the public as consumers where consumer frauds are involved, and 3) a lenient attitude towards corporations encourages disrespect for the law, by fostering the image that the criminal law does not involve the wealthy and powerful.

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[2] E.g., *Sherman* v. *U.S.*, 282 U.S. 25 (1930), in which the Court held that the criminal penalties of the Safety Appliance Act did not apply to officers who were state officials responsible for the administration of a state-owned railroad.

MEMORANDUM ON REFORM OF FEDERAL CRIMINAL LAW No. 11

LIABILITY OF MEMBERS OF CONGRESS AND STAFFS FOR LEGISLATIVE ACTIVITY UNDER PROPOSED CODES

S. 1, and S. 1400

1. Congressional immunity

Congressional immunity from prosecution derives from Article I, section 6 of the U.S. Constitution which provides ". . . They (Senators and Representatives) shall in all cases, except Treason, Felony and Breach of the Peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other place." Thus, the Constitution provides that Senators and Representatives are free from arrest except for ordinary criminal activity and that their respective Houses are the only places where they can be questioned, by their peers, for their "Speech or Debate." This provision has recently been interpreted by the Supreme Court in the cases of *U.S.* v. *Brewster*, 408 U.S. 501, 33 L. Ed. 2d 507 (1972); and *Gravel* v. *U.S.*, 408 U.S. 606, 33 L. Ed. 2d 583 (1972); and *Doe* v. *McMillan*, 41 L.W. 4752 (5–29–73). The questions presented are: (a) what is the scope of the Speech and Debate clause, i.e. what are protected activities, and (b) did, or can, Congress delegate to the Executive the power to question Members of Congress in another place, and (c) what are the possible effects of the proposed new federal criminal code on Members of Congress.

The various sections of the proposed bills have serious implications for the press, for citizens and for Congressmen and Senators. While they may attempt to deter or punish unlawful conduct, they appear to provide authority to completely close off sources of information about government activity to citizens and their representatives. The provisions relating to classified information would delegate to non-elected, unrepresentative government employees the power to withhold information and to use severe criminal sanctions for unintended disclosure. This memo does not attempt an exhaustive discussion of the entire government information problem nor an exhaustive legal memorandum on the crimes mentioned. It is intended that Members of Congress, the press and the public be aware of the import of these provisions. The provisions discussed are limited to those cases where the Executive may institute investigatory proceedings such as a grand jury proceeding or criminal prosecution as opposed to the bringing of civil action by private citizens.

In *Gravel*, the issue was the questioning by a grand jury of Senator Gravel and an aide about the acquisition and disclosure of the Pentagon Papers. In *Brewster*, the issue was former Senator Daniel Brewster's liability for taking a bribe (18 USC 201) in return for a vote in the Senate. In *MacMillan*, the issue was a suit by private citizens to prohibit the publication of a report containing harmful information about their children in the D.C. school system.

In all the cases the issue centered on what conduct constituted "legislative activity" so as to invoke the constitutional privilege.

2. Information

In *Gravel*, the Supreme Court found that immunity does extend to a congressional aide if the conduct would be protected if done by a member. Legislative activity had been defined as meaning whatever a legislator does as a representative of his constituents (*Coffin v. Coffin* 4 Mass. 1 (1808)). The Court found the following acts to be protected activity: conduct, vote and speeches in committee and on the floor. A lower Federal court in *Dowdy v. U.S.* (#72–1614, 4th Cir., March 12, 1973) stated succinctly that *Gravel* held there are two exceptions to legislative immunity: (1) if the Member commits a crime, and (2) if some one else commits a crime.

The Court specifically held that a Member can be questioned on how he obtained materials for a hearing and how he secured unofficial publication of the proceedings of the hearing or meeting. Senator Sam Ervin (D–NC) wrote of the decision (*The Gravel and Brewster Cases: An Assault on Congressional Independence*, 59 Va. L.R. 175 (1973)): "A Senator is unprotected when he obtains information for use in a speech or a hearing or when he attempts to bring the result of such activity to the attention of the public," (at 178); and,

". . . the results of the Court's holding effectively blinds Congress to all information except that officially disclosed by the Executive. Neither a Member of Congress nor his aides may obtain a copy of any document a government bureaucrat has decided to withhold—be it battle plan, a report on corruption in the administration or an environmental impact study—or inform the American people of its contents without risking criminal prosecution or at least the harassment and inconvenience of a grand jury inquiry. In the past, despite the administration's efforts to frustrate the congressional oversight function, there remained one open avenue by which Members of Congress could obtain information on the administration's activities. That was when disaffected employees leaked information to the Congress. However, the holding in the *Gravel* case stripping immunity for obtaining such information and for publication of the committee record will discourage all but the most courageous informant from giving legislators information which Congress and the public need but which the administration refuses to release. Furthermore, by the removal of legislative immunity from publication, broadcasts or speeches which seek to inform the public of legislative views, Congress is made not only blind but mute as well. Although words spoken in debate or in hearings are themselves immune, as are the publication of these words in committee prints or the Congressional Record, no republication is permitted." (at p. 187)

What the majority opinion of the Court overlooked was expressed by Justice Douglas and Brennan in their dissents to the *Gravel* decision. Justice Douglas cited the Informing Function, i.e. a Member's informing his constituents and the public about governmental actions as basic to any interpretation of the Speech and Debate Clause. He cited Woodrow Wilson: "Unless Congress have and use every means of acquainting itself with the acts and the disposition of the administrative agents of the government, the Congressional Record, p. 10471 of April 2, being served; and unless Congress both scrutinize these things and sift them by every form of discussion, the country must remain in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand and direct." (W. Wilson, *Congressional Government*, 303–304, 1885). Justice Brennan said of the decision, "In my view, today's decision so restricts the privilege of speech or debate as to endanger the continued performance of legislative tasks that are so vital to the workings of our democratic system."

In *Doe v. McMillan* the Court majority answered in part the arguments concerning the informing function in a very limited way, noting that, "We have no occasion in this case to decide whether or under what circumstances, the Speech or Debate Clause would afford immunity to distributors of allegedly actionable materials from grand jury questioning criminal charges or a suit by the executive to restrain distribution where Congress has authorized the particular public distribution." (fn. 11 at 4756). However, the majority decision stated, "We do not doubt the importance of informing the public about the business of Congress. However, the question remains whether the act of doing so, *simply because authorized by Congress*, must always be considered 'an integral part of the deliberative and communicative processes by which Members participate in committee and House proceedings' with respect to legislative or other matters before the House", (emphasis added); and later:

". . . we cannot accept the proposition that our conclusion, that general, public dissemination of materials otherwise actionable under local law is not protected by the Speech or Debate Clause, will seriously undermine the 'informing function' of Congress. To the extent that the Committee report is printed and internally distributed to the Members of Congress under the protection of the Speech or Debate Clause, the work of Congress is in no way inhibited. Moreover, the internal distribution is 'public' in the sense that materials internally circulated unless sheltered by specific congressional order, are available for inspection by the press and by the public. We only deal in the present case, with general, public distribution beyond the halls of Congress and the establishments of its functionaries and beyond the apparent needs of the 'due functioning of the legislative process'." (at 4765).

3. Political activities

In *Brewster* the Supreme Court distinguished between legislative and political activity (protected and unprotected by the Speech or Debate Clause). Legislative activity is that done in the course of the process of enacting legislation and includes votes and speeches in committee and on the floor and the motivations behind them (though whether this is always protected is questionable), legislative investigation, and the issuing of subpoenas (*Dombrowski v. Eastland*, 387 U.S. 82 (1967)). Political activities were described as "errands" by Chief Justice Burger that constituents have come to expect from their Representatives including preparing news releases, speeches, intervention before the Executive (*U.S. v. Johnson*, 383 U.S. 169 (1966)), and the making of appointments with agencies. The *Brewster* case is significant for the Supreme Court permitted the Executive Branch to initiate criminal proceedings against a Member of Congress for accepting a bribe to influence his vote on legislation affecting postal rates—so long as evidence concerning his legislative activities was not utilized. In a recent article (Reinstein and Silvergate, *Legislative Privilege and the Separation of Power*, 86 Harv. L.R. 1113, May 1973), the authors state (at page 1119), "the history of the Speech or Debate Clause reveals that the privilege was not meant to apply broadly to suits brought by citizens to protect their civil rights from invasion by Congressmen or Congressional committees. Rather it was designed primarily to be invoked by Congressmen in order to prevent executive intimidation and harassment." That, of course, is precisely what the *Brewster* case authorized—the initiation of criminal charges against a disfavored legislator arising out of the conduct of his duties.

The caveat that evidence of his legislative activity not admissable is a question since the Department of Justice had claimed in the District Court that the performance of a legislative function was the issue. The Court said the illegal promise, not the act itself, was important. Justice White, in dissent, noted a difficulty here in connection with campaign contributions. "A Member of Congress becomes vulnerable to abuse each time he makes a promise to a constituent on a matter over which he has some degree of legislative power and the possibility of harassment can inhibit his exercise of power as well as his relation with constituents. In addition, such a prosecution presents the difficulty of defining when money obtained by a legislator is destined for or has been put to personal use. For the legislator who uses both personal funds and campaign contributions in office the choice of which to draw upon may have more to do with bookkeeping than bribery; yet an interchange of funds would certainly render his conduct suspect."

4. ". . . in any other place."

The problem is not one of allowing a guilty congressman to go free. The Constitution gives to each House the responsibility of establishing rules and disciplining members. Chief Justice Burger in the *Brewster* case allowed the Congressman to be prosecuted in the Judiciary. He said (at 525, supra), "Depriving the Executive of the power to investigate and prosecute and the Judiciary of the power to punish bribery of Members of Congress is unlikely to enhance legislative independence. Given the disinclination and limitations of each House to police these matters it is understandable that both Houses deliberately delegated this function to the courts, as they did with the power to punish persons committing contempts of Congress." Whether an individual member can be bound by what may be an unconstitutional delegation of power was not discussed (but see Reinstein and Silvergate, supra). This delegation of power, it was argued, arose from the fact that a Member of Congress was specifically a subject of prosecution in the statute. This is the case in the proposed codes (S. 1 and S. 1400) where public servant is defined to include legislators. Also, "official conduct" in both bills includes "vote" which is not the case under the existing bribery law.

5. Sections of proposed codes of possible use against Members of Congress

There are many sections of the proposed codes (S.1 and S.1400) which may affect Congressmen in the performance of their legislative function (as defined by the Supreme Court to mean floor debates and committee meetings) and their "political activity", such as preparing for committee and floor debates, communicating with government employees and informing their constituents and the public of government activities. Several proposals are redrafts of existing statutory and case law; others are new. These sections in all probability were drafted with activities other than those of Congressmen in mind. However, there is no exemption of Members from their enforcement. The defense of "Execution of Public Duty" (§ 1–3C3 in S. 1; § 521 in S. 1400) provides in S. 1 that it is a defense if conduct engaged in by a public servant in the course of his official duties and that he believes in good faith that the conduct is required or authorized by law unless he acts in reckless disregard of the risk that the conduct was not required or authorized by law to carry out his duty as a public servant or as a person acting at the direction of a public servant.

It may well be that the proposals if enacted would not be enforced against Members of Congress and their staffs. However, Senator Ervin is instructive when he writes, "Fears are not allayed by the knowledge that until now most Administrations have exercised great restraint in hauling legislators they do not like into court. Effective separation of powers between branches of government must rest not only on good faith and great expectations but also on the firm bedrock of the Constitution. The past is no guarantee of the future." (supra, at p. 181)

A. SECTIONS AFFECTING INFORMATION

1. Espionage

The Brown Commission (§ 1112) limited this offense to cases where national security information is revealed with intent to harm the U.S. Under S. 1 (§ 2–5B7) the information has to be gathered, for or, revealed to a "foreign nation" however friendly with knowledge that it *may be* used to the injury of the U.S. or to the advantage of a foreign power. National security information is defined (§ 2–5A1(10) in S. 1 and § 1112(4) (a) in Brown) as information regarding military capability of the U.S. or a nation at war with a nation which the U.S. is at war; military or defense planning or operations, military communications research or development, communications information; in time of war any other information which if revealed could be harmful to national defense and which might be useful to the enemy; defense intelligence relating to intelligence operations, activities plans, estimated, analyses, sources and methods, and restricted AEC data. It is a Class A offense (death or up to 30 years) if committed in time of war or if the information directly concerns means of defense or retaliation against attack by a foreign power, war plans or defense strategy. Otherwise, it is a Class B felony (up to 20 years imprisonment).

Professor Louis B. Schwartz, former Staff Director of the Brown Commission, in a memo to Senator John McClellan (D–Ark.) of February 20, 1973, wrote: "To scoop in all such information within an espionage offense that embraces non-hostile communication with friendly governments is to clamp a total censorship on such communication." (Note that "war" is not defined either as a state of being at war or as having been legislatively declared.) The S. 1400 definition of national defense information includes the above definition and also includes information regarding military installations and the conduct of foreign relations affecting the national defense. Detailed discussions of the espionage and related provisions appear at Congressional Record, p. 10471 of April 2, 1973, and p. 14713 of May 8 1973. The Administration's definition of Espionage (§ 1121) provides that the intent necessary is that the information be used or may be used to the prejudice or the safety or interest of the U.S. or to the advantage of a foreign power.

2. National defense information

In S. 1 (§ 2–5B8) it is an offense, if in a manner harmful to the safety of the U.S., a person (a) knowingly reveals national defense information to a person not authorized to receive it, (b) is a *public servant* and with criminal negligence violates a known duty as to custody, care or disposition, (c) knowingly having unauthorized possession of a document or thing containing national defense information, fails to deliver it on demand to a federal public servant entitled to receive it, (d) communicates, uses or makes available to an unauthorized person communications information, (e) knowingly uses communications information, or (f) communicates national defense information to an agent of a foreign power or a member of a Communist organization. In time of war it is a Class C felony (up to 10 years); otherwise it is a Class D felony (up to 6 years). The persons authorized to receive national defense information are not defined.

In S. 1400 (§ 1122), a person is guilty of an offense if he knowingly *communicates* information relating to the national defense to a person not authorized to receive it. Note here the word "communicates" versus S. 1's "reveals". The Brown Commission in its draft felt that "communicates" would apply to information already in the public domain whereas "reveals" means information not yet in the public domain. § 1123 would make it an offense, if being in possession or control of such information, a person recklessly permits its loss, theft, destruction or communication to a person not authorized to receive it or being in authorized possession, intentionally fails to deliver it on demand or fails to report to the agency its loss, or communication or recklessly violates a duty imposed upon him by a statute, or executive order or regulation or rule of the agency authorizing him to possess or control such information. This is a Class E felony if it involves the reckless violation of a duty (up to 3 years); otherwise it is a Class D felony (up to 7 years). Under § 1122, the defendant need not be shown to have intended to harm the safety or interests of the U.S. or benefit a foreign nation. It is no defense that the information was not harmful to the U.S. The Supreme Court has not decided if "communicate" is equivalent to "publish", *New York Times v. U.S.* 403 U.S. 713 (1971). § 1126 of the proposed bill provides that communicate means to make available by any means to a person or the general public.

3. Disclosing or receiving classified information

In S. 1400, § 1124, it is an offense for one having been in authorized possession while a public servant (includes a Member of Congress) to knowingly communicate classified information to a person not authorized to receive it. Persons receiving the information are not subject to prosecution under this section. It is a defense if the information was communicated only to a regularly constituted committee of the Senate or the House or to a joint committee pursuant to a lawful demand, presumably a litigatable question. Under this section all classified information is covered. The prosecution need only prove that the document was classified without revealing the contents thereof. It is specifically not a defense that the information was improperly classified. Classified information is defined in § 1126(b) as any information, regardless of origin which is marked or designated pursuant to the provisions of a statute or executive order, or a regulation or rule thereunder as information requiring a specific degree of protection against unauthorized disclosure.

S. 1 contains a similar provision, § 2–6F1, in which it is an offense if in violation of his duty as a public servant under a statute, or rule, regulation, or order issued under such statute, he knowingly discloses any information which he has acquired as a public servant and which had been provided to the government in compliance with the requirements of an application for a patent, copyright, license, employment, benefit, or in connection with the regulation, study or investigation of an industry or a duty imposed by law. Existing law applies only to members of the executive branch, department or agency (18 USC 1905) and pertains to any information coming to him in the course of employment or official duties ". . . which information concerns or relates to trade secrets, processes, operations, style of work or apparatus or to the identity, confidential statistical data, amount or source of any income, profits, losses or expenditures of any person, firm, partnership, corporation or association or income return or any book containing abstract thereof."

4. Theft

S. 1400, § 111, defines property as "intellectual property or information, by whatever means preserved, although only the means by which it is preserved can have a physical location." S. 1 does not define property to include information. However, both S. 1 and S. 1400 make it an offense if the object of the theft is a government file, record, document or other government paper stolen from any government office or from any public servant. Intent to steal can be established by proof of converting the property to another's use (§ 2–8D3(d)(2)(iii) in S. 1; and § 1731(c)(b)(iii) in S. 1400). § 1732 and § 2–8D4 cover the offense of receiving stolen property.

5. Criminal coercion (See also Memo No. 8)

In S. 1400, § 1723 provides that it is an offense for one to obtain property of another by threatening or placing a person in fear that a person will (a) commit a crime, (b) accuse any person of a crime, (c) procure the dismissal of any person from employment or refuse to employ or renew an employment contract, (d) wrongfully subject any person to economic loss or injury to his business or profession, (e) expose a secret or publicize an asserted fact, whether true or false, tending to subject any person living or dead to hatred, contempt or ridicule or unjustifiably to impair his personal, professional or business reputation or his or credit or unjustifiably take or withhold official action as a public servant. Under S. 1's provision the threats are of bodily injury, damage to property or physical confinement (§ 2–9C4).

The Brown Commission had a similar provision (§ 1617) but provided defenses of the actor's belief, whether mistaken or not, that the primary purpose of the threat was to cause the person to conduct himself in his own best interests or to desist from misbehavior, to engage in behavior from which he could not lawfully abstain, make good a wrong done by him or refrain from taking any actions or responsibility for which he was disqualified. The threats subject of the offense were to commit a crime, accuse anyone of a crime, expose a secret or publicize a fact (as above) or to take or withhold official action as a public servant or cause a public servant to take or withhold official action.

The intent in the Brown Draft was to compel another to engage in or refrain from conduct as opposed to knowingly obtain property in S. 1400. The constitutionality of the Brown formulation, providing as it did for the defendant to prove the above defenses by a preponderance of the evidence, was doubtful. (See Hearings, Reform of Federal Criminal Laws, before the Subcommittee on Criminal Law and Procedure of the Committee on the Judiciary, U.S. Senate, Part III, subpart D, p. 3362.) Richard E. Israel, Legislative Attorney, American Law Division of the Congressional Reference Service, Library of Congress wrote of the Brown formulation, "The issue as to the constitutionality on First Amendment grounds thus centers on the adequacy of the affirmative defense provision which would have to be read as an integral part of the statute as it is to be applied rather than a justification to be raised after the fact in a court proceeding." The Administration proposal not only expands the kinds of threats but removes the defenses that Israel considered vital for the section's constitutionality.

B. OFFENSES RELATING TO PUBLIC SERVANT ACTIVITIES

1. Bribery

S. 1 (§ 2–6E1) and S. 1400 (1351) and the Brown Commission Final Draft (§ 1361). It is an offense for a person to offer or give a public servant, or as a public servant to solicit or accept anything of value in return for an agreement or understanding that the recipient's official action as a public servant will be influenced or that the recipient will violate a legal duty as a public servant. This is punishable by up to 5 years in S. 1 and up to 15 in S. 1400. S. 1 establishes a prima facie case exists upon proof that the defendant knew that a pecuniary benefit was conferred by or accepted from a person having an interest in an imminent or pending examination, investigation, arrest or official proceeding or bid, contract, claim and that the interest could be affected by the person's performance or non-performance of his official conduct. A Member of Congress is such a public servant and the definition of official conduct includes voting.

2. Graft

S. 1 (§ 2–6E2); S. 1400 (§ 1352). S. 1 makes an offense of knowingly conferring a pecuniary benefit (a) upon a public servant for employment as a public servant, (b) upon another for exerting special influence (through kinship or by reason of post in a political party) upon a public servant with respect to official conduct or (c) upon a public servant as compensation for advice or other assistance in preparing or promoting a bill, contract, claim or other matter which is or is likely to be before the public servant. A public servant as compensation for advice or other assistance in preparing or promoting a bill, contract, claim or other matter which is or is likely to be before the public servant. A public servant is guilty for accepting a pecuniary benefit for the above activities. This is punishable by up to 3 years. S. 1400 defines the offense as offering or accepting anything of pecuniary value for or because of an official action or a legal duty performed or to be performed or a legal duty violated or to be violated by the public servant or former public servant. This is punishable by up to 3 years, also.

3. Trading in Government assistance

S. 1400 (1353) makes it a misdemeanor for a person to offer a public servant, or for a public servant to solicit or accept compensation for advice or other assistance in promoting or preparing a bill, contract, claim, or other matter which is or may become subject to the public servant's official action.

4. Trading in special influence

S. 1400 (§ 1354) makes it an offense for a person to offer or solicit or accept anything of value for exerting or causing another person to exert special influence upon a public servant with respect to his official action or legal duty as a public servant. Special influence refers to influence by common ancestry or marriage or position as a public servant or as a political party official. This is punishable by up to 3 years.

5. Trading in public office

S. 1400 (§ 1355) parallels the employment aspect of S. 1's graft section and provides for imprisonment up to one year.

6. Speculating on official action or information

S. 1400 (§ 1356) makes it an offense punishable by up to one year imprisonment if as a public servant or within one year thereafter, or in contemplation of his official action or action by the agency with which he has been serving, or in reliance on information to which he has or had access to only in his capacity as a public servant he knowingly acquires a pecuniary interest in any property transaction or enterprise which may be affected by such official action or information or provides information with intent to aid another person to acquire such an interest. S. 1 (§ 2–6F3) has a similar provision entitled Conflict of Interest.

7. Threatening a public servant

S. 1400 (§ 1357) makes it an offense to knowingly use force, threat, intimidation or deception to influence a public servant in the exercise of his official action. S. 1 (§ 2–6E3) changes the threat to that of committing a crime against a person or property.

8. Retaliation

Both S. 1 (§ 2–6E4) and S. 1400 (§ 1358) make it an offense to injure a public servant or property because of official action.

9. Nondisclosure of retainer

S. 1 (§ 2–6F2) makes it an offense for a person, if, employed or retained for compensation or not to influence another person's conduct as a public servant, he privately addresses without disclosing such employment or retainer, to such public servant any representation, entreaty or argument or other communication with intent to influence such person's conduct as a public servant. This is punishable by up to 1 year.

10. Wiretap authority

Under S. 1 and S. 1400, federal investigators could obtain authority to wiretap Congressional office phones or private lines for some of the above offenses. S. 1 (§ 3–10C2) provides for wiretap authorization for the following offenses, inter alia:

Espionage.

Bribery.

Graft.

Theft.

Receiving Stolen Property.

S. 1400 (§ 3127) provides for authorization for the following offenses:

Disclosing National Defense Information.

Mishandling National Defense Information.

Disclosing Classified Information.

Unlawfully Obtaining Classified Information.

Bribery.

Criminal Coercion.

Theft.

Receiving Stolen Property.

Any personal offense against a Member of Congress.

The above sections are noted merely to inform what activities of Congressmen and Senators are being proposed to be included in the Federal Criminal Code. Options available to Congress concerning legislative immunity include:

(1) Prohibit grand jury investigations and criminal proceedings ". . . in any other place" of legislative activity defined to include any activity relating to the due functioning of the legislative process and the carrying out of a member's obligation to his House and his constituents including speeches, debates, votes, conduct in committee, receipt of information for use in legislative proceedings and speeches made outside Congress to inform the public on matter of national or local importance and the decision-making process behind each of the above activities. Such a provision, as suggested by Reinstein and Silvergate (supra) would provide for a motion to quash a subpoena on these grounds, invoking an automatic stay and requiring the prosecutor to show why the motion should not be quashed.

(2) Establish as a defense to a prosecution the above conduct.

(3) Provide that such offenses (specifically enumerated) are only subject to prosecution in the member's House.

(4) Limit the specific offenses to exclude such legislative activity.

A discussion of the problems of immunity of Members of Congress is found at Hearings, *Constitutional Immunity of Members of Congress*, Joint Committee on Congressional Operations, March 21, 27, 28, 1973.

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ORDER FOR ADJOURNMENT TO 8:30 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 8:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VACATING ORDERS FOR RECOGNITION OF SENATORS PREVIOUSLY ENTERED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that orders for the recognition of Senators previously entered be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HUGH SCOTT AND SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees are recognized under the standing order, Mr. Hugh Scott, of Pennsylvania, be recognized for not to exceed 15 minutes, and that I be recognized then for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF URGENT SUPPLEMENTAL APPROPRIATIONS BILL, 1975; HOUSE JOINT RESOLUTION 1180

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of those two orders tomorrow, the Senate proceed to the consideration of the urgent supplemental appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT OF THE UNITED STATES DURING ADJOURNMENT UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States during adjournment over until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR COMMITTEE TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE CONFERENCE REPORTS

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that the Finance Committee be authorized to have until midnight tonight to file conference reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR TOMORROW DURING SWEARING-IN CEREMONIES OF THE VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no clerks or aides to Senators have the privilege of the floor during the swearing-in ceremony of Mr. Rockefeller tomorrow, and that only the secretary to the majority, the secretary to the minority, the assistant to the secretary to the majority, the assistant to the secretary to the minority, the two members of the Democratic policy staff, the Parliamentarian, the Assistant Secretary of the Senate, the Sergeant at Arms, the Deputy Sergeant at Arms, and the Administrative Assistant to the Sergeant at Arms have the privilege of the floor during that ceremony.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, in attempting to designate those persons who will have the privilege of the floor tomorrow, I have inadvertently overlooked two or three. I ask unanimous consent that the three aides to the Sergeant at Arms be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the aide to Mr. Scott and the aide to Mr. Griffin be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SWEARING-IN CEREMONY OF THE VICE PRESIDENT TOMORROW TO BE IN EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the swearing-in ceremony tomorrow be in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO SUBMIT CLOTURE MOTIONS ON CONFERENCE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with reference to the conference report on H.R. 10710, the Trade Act, that at any time that conference report is at the desk, it be in order to offer a cloture motion thereon; provided further that if such cloture motion is offered, the Senate then proceed to vote on the motion to invoke cloture 1 hour after the cloture motion is introduced, with the usual required quorum call intervening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make the same request with respect to the conference report on the social services bill, H.R. 17045, and

I make the same request with respect to the conference report on H.R. 421, the tariff schedules amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, do I correctly state the situation with respect to any one of these three conference reports I have just enumerated, that situation being as follows: That at any time a conference report on any one of the three measures is at the desk, it would be in order to offer a cloture motion on that conference report; and that, one hour after the cloture motion has been stated by the clerk, the clerk will call the roll to establish the presence of a quorum; that, following the establishment of a quorum, a mandatory rollcall vote will occur on the motion to invoke cloture?

The PRESIDING OFFICER. According to the unanimous-consent agreement, that would be the procedure.

Mr. ROBERT C. BYRD. That would be the procedure with respect to the conference reports on each of the three measures: H.R. 10710, H.R. 17045, and H.R. 421?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I want to be sure that it is understood that any cloture motion to any of the bills that I have just enumerated—the three in particular—would cover not only the conference report but also any amendments in disagreement. I make that request.

The PRESIDING OFFICER. Without objection, that will be considered the order.

AUTHORIZATION FOR SENATORS TO INSERT STATEMENTS IN THE RECORD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I apologize to Senators who had asked for orders to speak tomorrow morning. I ask unanimous consent that they be permitted at any time during the day tomorrow to insert their statements in the RECORD as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 8:30 tomorrow morning.

Mr. SCOTT will be recognized for 15 minutes, the junior Senator from West Virginia will be recognized for 15 minutes, and at about 9 a.m. the Senate will proceed to the consideration of the urgent supplemental appropriations bill under a time agreement of 40 minutes to be equally divided.

ORDER FOR TIME LIMITATION ON URGENT SUPPLEMENTAL APPROPRIATIONS BILL

Mr. President, I ask unanimous consent that there be a time limitation on any amendment to the urgent supplemental appropriations bill of 20 minutes, to be equally divided—and the same with respect to any debatable motion or appeal, reduced to one-half.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, after the time for the supplemental has run, the Senate will proceed to the consideration of the continuing resolution under a time agreement, and after the time on that measure has expired, the Senate will take up the Eximbank amendment conference report under a time limitation.

There will be no rollcall votes prior to the hour of 12:30 p.m. tomorrow, but any rollcalls that are ordered prior to that time will be stacked up back to back beginning at 12:30 p.m., with the first rollcall vote being a 15-minute rollcall and all other rollcall votes being limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There are other conference reports that will be called up tomorrow. I am not in a position at this time to state what conference reports will be called up, but I understand that there is a good likelihood that the conference reports that are under the jurisdiction of the Finance Committee will be ready to be called up tomorrow.

ORDER TO RECESS THE SENATE FOR AT LEAST 1 HOUR TOMORROW

Mr. President, I ask unanimous consent, upon receipt of information from the other body tomorrow that the nomination of Mr. Rockefeller has been confirmed, that it be in order for me to secure recognition at that time for the purpose of recessing the Senate for at least 1 hour for security reasons, after which the swearing in ceremony will proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 8:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 8:30 tomorrow morning.

The motion was agreed to; and at 8:20 p.m. the Senate adjourned until tomorrow, Thursday, December 19, 1974, at 8:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 18, 1974:

DEPARTMENT OF JUSTICE

D. Dwayne Keyes, of California, to be U.S. attorney for the eastern district of California for the term of 4 years.

Peter C. Dorsey, of Connecticut, to be U.S. attorney for the district of Connecticut for the term of 4 years.

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California for the term of 4 years.

Kenneth M. Link, Sr., of Missouri, to be U.S. marshal for the eastern district of Missouri for the term of 4 years.

James R. Durham, Sr., of North Carolina, to be U.S. marshal for the eastern district of North Carolina for the term of 4 years.

Jose A. Lopez, of Puerto Rico, to be U.S. marshal for the district of Puerto Rico for the term of 4 years.

Marshall F. Rousseau, of Texas, to be U.S. marshal for the southern district of Texas for the term of 4 years.

Irvin W. Humphreys, of West Virginia, to be U.S. marshal for the southern district of West Virginia for the term of 4 years.

William E. Amos, of Maryland, to be a member of the Board of Parole for the term expiring September 30, 1980.

George J. Reed, of Oregon, to be a member of the Board of Parole for the term expiring September 30, 1980.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Marjorie W. Lynch of Washington, to be Deputy Administrator of the American Revolution Bicentennial Administration.

COMMISSION ON CIVIL RIGHTS

Murray Saltzman, of Indiana, to be a member of the Commission on Civil Rights.

FEDERAL COUNCIL ON THE AGING

Selden G. Hill, of Florida, to be a member of the Federal Council on the Aging for a term of 2 years.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Libraries and Information Science for terms expiring July 19, 1979:

Joseph Becker, of California.
Carlos A. Cuadra, of California.
John E. Velde, Jr., of Illinois.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for terms expiring June 11, 1977:

Larry A. Karlson, of Washington.
Arthur M. Lee, of Arizona.
James Gardner March, of California.
Carl H. Pforzheimer, Jr., of New York.
Wilson C. Riles, of California.

NATIONAL SCIENCE FOUNDATION

Robert E. Hughes, of New York, to be an Assistant Director of the National Science Foundation.

RAILROAD RETIREMENT BOARD

Neil P. Speirs, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1974.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Donald D. Alsop, of Minnesota, to be U.S. district judge for the district of Minnesota.

Joel M. Flaum, of Illinois, to be U.S. district judge for the northern district of Illinois.

John F. Gerry, of New Jersey, to be U.S. district judge for the district of New Jersey.

Edward N. Cahn, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Juan R. Torruella del Valle, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico.

James M. Fitzgerald, of Alaska, to be U.S. district judge for the district of Alaska.

James P. Churchill, of Michigan, to be U.S. district judge for the eastern district of Michigan.

H. Dale Cook, of Oklahoma, to be U.S. district judge for the northern, eastern, and western districts of Oklahoma.

HOUSE OF REPRESENTATIVES—*Wednesday, December 18, 1974*

The House met at 12 o'clock noon.

Thomas C. Starnes, minister, First United Methodist Church, Hyattsville, Md., offered the following prayer:

Eternal God, we come on this National Day of Prayer to ask for Your blessing on our land and for peace on Earth, goodwill among all people. But help us see, O God, that Your blessings, Your goodwill, and Your peace are expressed through us. So save us from praying for blessing and goodwill and peace, and then doing the things that make for adversity, hostility, and war. Save us from the comfortable prayers that are never answered: Where we ask You to act. Help us to pray the effective prayers: Where we ask You to help us act.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 14401. An act to authorize military band recordings in support of the American Revolution Bicentennial; and

H.R. 14689. An act to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Mass., and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1283) entitled "An act to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3341) entitled "An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 421. An act to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty;

H.R. 12113. An act to revise and restate certain functions and duties of the Comptroller General of the United States and for other purposes;

H.R. 15173. An act to extend for one and one-half years the authority of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes; and

H.R. 17045. An act to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

The message also announced that the Senate agrees to the amendments of the House with amendments to bills of the Senate of the following titles:

S. 3418. An act to establish a Privacy Protection Commission, to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes; and

S. 3481. An act to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 421) entitled "An act to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Long, Mr. Talmadge, Mr. Hartke, Mr. Bennett, and Mr. Curtis to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 17045) entitled "An act to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Long, Mr. Hartke, Mr. Ribicoff, Mr. Mondale, Mr. Fannin, Mr. Hansen, and Mr. Dole to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 13296) entitled "An act to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Hartke, Mr. Muskie, Mr. Stevens, and Mr. Beall to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3530. An act to authorize the Secretary of the Interior to enroll certain Alaska Natives for benefits under the Alaska Native Claims Settlement Act, and for other purposes.

AMENDING PUBLIC HEALTH SERVICE ACT TO ADVANCE NATIONAL ATTACK ON ARTHRITIS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the Senate bill (S. 2854) to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis, and I ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Arthritis Act".

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress hereby finds and declares that—

(1) arthritis and related musculoskeletal and other related diseases represent one of the most serious and widespread health problems in the United States in that they afflict more than twenty million Americans;

(2) arthritis is the greatest single cause of chronic pain and disability;

(3) the complications of arthritis lead to many other serious health problems;

(4) uncontrolled arthritis significantly decreases the quality of life and has a major negative economic, social, and psychological impact on the families of its victims and society generally;

(5) the severity of arthritis in children and most adolescents is greater than in adults and this involves greater problems in the management of the disease;

(6) athletic and other types of joint injuries can lead to arthritis;

(7) the annual cost to the national economy in 1970 due to arthritis, in medical care bills and lost wages, was $9,200,000,000;

(8) the workdays lost due to disability caused by arthritis totaled over 14,500,000 in 1970;

(9) although today's currently available therapy and surgical techniques for improving the functional state of millions of arthritics are significantly more effective than those of a decade ago, they remain stopgap measures which neither prevent nor cure the disease; and therefore the attainment of better methods of diagnosis and treatment of arthritis through research and through education of health professionals and allied health professionals deserves the highest national priority;

(10) there are inadequate numbers of medical facilities and of properly trained personnel to provide treatment and rehabilitation for persons suffering from arthritis, and inadequate numbers of properly trained personnel to train other health personnel interested in pursuing either a research or clinical career in rheumatology;

(11) the citizens of the United States should have a full understanding of the nature of the human, social, and economic impact of arthritis and should be encouraged to seek early diagnosis and treatment to prevent or lessen disability resulting from arthritis; and

(12) there is great potential for making major advances against arthritis in the National Institute of Arthritis, Metabolism, and Digestive Diseases, in concert with other Institutes of the National Institutes of Health, and public and private organizations capable of necessary research and public education in arthritis.

(b) It is therefore the purpose of this Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis.

NATIONAL ARTHRITIS PROGRAM

Sec. 3. Part D of title IV of the Public Health Service Act is amended by adding at the end thereof the following new sections:

"NATIONAL TASK FORCE ON ARTHRITIS

"Sec. 437. (a) The Secretary, within sixty days after the date of enactment of this section, shall establish a National Task Force on Arthritis (hereinafter in this part referred to as the 'Task Force') to formulate a long-range plan (hereinafter in this part referred to as the 'Arthritis Plan') to combat arthritis and related musculoskeletal and other related diseases (hereinafter in this part referred to as 'arthritis'). The Arthritis Plan shall include recommendations for the utilization and organization of national resources for the campaign against arthritis, and a program for the National Institute of Arthritis, Metabolism, and Digestive Diseases (hereinafter in this part referred to as the 'Institute') as a major participant in the campaign against arthritis.

"(b) The Arthritis Plan developed by the Task Force shall provide for—

"(1) programs for investigation into the epidemiology, etiology, and prevention and control of arthritis, including investigation into the social, environmental, behavioral, nutritional, biological, and genetic determinants and influences involved in the epidemiology, etiology, prevention, and control of arthritis;

"(2) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal phenomena associated with arthritis, including but not limited to, abnormalities of the immune, musculoskeletal, cardiovascular, and nervous systems, the skin, the gastrointestinal tract, the kidneys, the lungs, and the eyes;

"(3) research into the development, trial, and evaluation of techniques, including surgical procedures and drugs, used in, and approaches to, the diagnosis, early detection, treatment, prevention, and control of arthritis;

"(4) establishment of programs that will focus and apply scientific and technological methodologies and processes involving biological, physical, and engineering science to deal with all facets of arthritis, including traumatic arthritis;

"(5) establishment of programs for the conduct and direction of field studies, large-scale testing, evaluation, and demonstration of preventive, diagnostic, therapeutic, rehabilitative, and control approaches to arthritis, including studies of the effectiveness of home-care programs, the use of mobile care units, community rehabilitation facilities, and other appropriate community public health and social services;

"(6) studies of the feasibility and possible benefits accruing from team training of health and allied health professionals in the treatment and rehabilitation of individuals suffering from arthritis;

"(7) programs to evaluate the current resources for the rehabilitation of the arthritis patient and establish criteria for the potential for rehabilitation of the patient;

"(8) programs to investigate alternative screening possibilities to define more adequately the arthritis population and to detect early cases of rehabilitative arthritis;

"(9) programs for the education and training of scientists, bioengineers, primary care physicians, clinicians, surgeons, including orthopedic surgeons, and other health and allied health professionals and educators in the fields and specialties requisite to the conduct of programs regarding arthritis;

"(10) programs for the continuing education of health and allied health professionals in the diagnosis, treatment, and rehabilitation of individuals suffering from arthritis;

"(11) programs for public education relating to all aspects of arthritis, including periodic public information programs on the most current developments in diagnostic and treatment procedures with a view to discouraging the promotion and utilization of unapproved and ineffective diagnostic, prevention, treatment, and control methods and unapproved and ineffective therapeutic drugs and devices;

"(12) programs to establish standards of measurement of the severity and rehabilitative responsiveness of disabilities resulting from arthritis;

"(13) the development of a common descriptive vocabulary in basic and clinical research in arthritis for the purpose of standardizing collection, storage, and retrieval of research and treatment data to facilitate collaborative and comparative studies of large patient populations;

"(14) the development of a national data storage bank on arthritis research, diagnosis, prevention, control and treatment, to collect and make available information as to the practical application of research and other activities pursuant to this part; and

"(15) a plan for international cooperation in and exchange of knowledge on all aspects of research, diagnosis, treatment, prevention, and control of arthritis.

"(c) The Task Force shall be composed of seventeen members who are eminently qualified to serve on such Task Force as follows:

"(1) the Secretary or his designee, the Director of the National Institutes of Health or his designee, the Associate Director for Arthritis of the Institute (as established by section 438), the Director of the National Institute of General Medical Sciences or his designee, the Chief Medical Director of the Veterans Administration, and the Secretary of Defense or his designee, who shall serve as ex officio members;

"(2) seven members who shall be scientists or physicians representing the various specialties and disciplines pertinent to arthritis, of whom at least two are practicing clinical rheumatologists and one is an orthopedic surgeon;

"(3) three members from the general public, of whom at least two are arthritis sufferers; and

"(4) one member of the National Arthritis, Metabolism, and Digestive Diseases Advisory Council (hereinafter referred to as the National Advisory Council) whose primary interest is in the field of rheumatology.

"(d) The Secretary shall designate one member of the Task Force as Chairman of the Task Force. The Task Force shall first meet at the call of the Secretary, and thereafter at the call of the Chairman of the Task Force, and shall meet not less than three times.

"(e) (1) The Task Force shall publish and transmit to the Director of the Institute the Arthritis Plan not later than nine months after the date of enactment of this section.

"(2) No later than sixty days after the Task Force transmits the Arthritis Plan to the Director of the Institute, the Director shall submit to Congress the Arthritis Plan, his proposals for Institute activities under this part for the first five years under the Arthritis Plan, and an estimate of such additional staff positions and appropriations (including increased appropriations authorizations) as may be required to carry out such activities. If the plan and subsequent reports to be submitted pursuant to subsection (e) (1) and (2) of this section are submitted, prior to submission to the Congress, for review by the Office of Management and Budget or any other Federal department or agency or official thereof, (1) the plan or report submitted to the Congress shall specify the changes and the reasons therefor made during any such review process, and (2) if any such review process delays the submission of such plan or report to the Congress beyond the date established for such submission by this section, the Director shall immediately on such date submit to the Congress the plan or report in exactly the form it was submitted to such review process.

"(f) The Task Force may hold such hearings, take such testimony, and sit and act at such times and places as the Task Force deems advisable to develop the Arthritis Plan.

"(g) The Director of the Institute shall—

"(1) designate a member of the staff of such Institute to act as Executive Secretary of the Task Force; and

"(2) provide the Task Force with such full-time professional and clerical staff, such information, and the services of such consultants as may be necessary to assist the Task Force to carry out effectively its functions under this section.

"(h) Members of the Task Force who are not officers or employees of the United States shall receive for each day they are engaged in the performance of the functions of the Task Force compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703, title 5, United States Code, for persons in the Government service employed intermittently.

"(i) In addition to sums appropriated pursuant to section 301 and other sums appropriated for research on arthritis pursuant to title IV, part D, there is authorized to be appropriated $500,000 for the fiscal years ending June 30, 1975, and June 30, 1976, to carry out the purposes of this section, and such sums shall remain available until expended.

"ASSOCIATE DIRECTOR FOR ARTHRITIS AND ESTABLISHMENT OF COMMITTEES

"SEC. 438. (a) There is established within the Institute the position of Associate Director for Arthritis (hereinafter in this part referred to as the 'Associate Director'), who shall report directly to the Director of such Institute and who, under the supervision of the Director of such Institute, shall be responsible for programs regarding arthritis within such Institute.

"(b) In order to improve coordination of the total National Institutes of Health research activities relating to arthritis, the Director of the National Institutes of Health shall establish an Inter-Institute Arthritis Coordinating Committee to be composed of representatives who can make policy commitments for each of the Institutes and divisions involved in arthritis-related research. The committee will be chaired by the Associate Director and will prepare a report as soon (but not later than sixty days) after the end of each fiscal year as possible for the Director of the National Institutes of Health detailing the work of the committee in coordinating the research activities of the National Institutes of Health relating to arthritis during the preceding year.

"(c) In order to improve coordination of all activities in the Department of Health, Education, and Welfare relating to arthritis, the Secretary shall establish an Intradepartmental Arthritis Coordinating Committee to be composed of representatives who can make policy commitments for each of the administrations, agencies, and divisions within the Department involved in research (including approval of drugs and devices), health services, or rehabilitation programs affecting arthritis. The committee will be chaired by the Associate Director and will prepare a report, as soon (but not later than sixty days) after the end of each fiscal year as possible, for the Secretary detailing the work of the committee in seeking to improve coordination of departmental activities relating to arthritis during the preceding fiscal year.

"(d) (1) There is established within the Federal Government an Interagency Technical Committee on Arthritis which shall be responsible for promoting the coordination of those aspects of all Federal health programs and activities relating to arthritis to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(2) The Director and Associate Director for Arthritis of the Institute shall serve as chairman and co-chairman respectively, of such Committee, and such Committee shall include representation from the Veterans Administration, the Department of Defense, and all other Federal departments and agencies administering programs involving health functions or responsibilities as determined by the Secretary.

"(3) The Committee shall meet at the call of the chairman, but not less often than four times a year.

"ARTHRITIS SCREENING, EARLY DETECTION, PREVENTION, AND CONTROL PROGRAMS

"SEC. 439A. (a) The Director of the Institute, under policies established by the Director of the National Institutes of Health, and after consultation with the National Advisory Council and consistent with the Arthritis Plan, shall establish programs as necessary for cooperation with other Federal health agencies, State, local, and regional public health agencies, and nonprofit private health agencies, in the screening, detection, prevention, and control of arthritis which emphasize the development of new methods, and the dissemination of the knowledge about these methods to the health professions.

"(b) Screening, detection, prevention, and control programs under this part shall include—

"(1) programs to develop improved methods of detecting individuals with a risk of developing arthritis;

"(2) programs to develop improved methods of intervention against those factors which cause individuals to have a high risk of developing arthritis;

"(3) programs to develop health professions and allied health professions personnel highly skilled in the control of arthritis, including continuing education of such personnel;

"(4) community consultative services to facilitate new and problem patient referral from local hospitals and physicians to Arthritis Consultation Boards of the centers for diagnostic workup, including laboratory analyses, and consultations with primary physicians on preferred rehabilitation management;

"(5) programs to disseminate the results of research and to develop means of standardizing patient data and recordkeeping; and

"(6) programs (A) to educate the general public and persons suffering from arthritis, which shall include the dissemination of information on the importance of early detection and recognition of signs and symptoms and of seeking prompt followup treatment, on the importance of self-discipline, and on compliance with medical directives, and (B) to discourage the promotion and utilization of unapproved and ineffective diagnostic, prevention, treatment, and control methods and unapproved and ineffective therapeutic drugs and devices.

"(c) The programs supported under this section may also carry out projects and programs funded under other provisions of law related to the programs and projects authorized under this section.

"(d) In addition to sums appropriated pursuant to section 301 and other sums appropriated for research on arthritis pursuant to title IV, part D, there are authorized to be appropriated to carry out this section $5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $15,000,000 for the fiscal year ending June 30, 1977.

"(e)(1) As soon as practicable after the date of enactment of this section, the Director of the Institute shall establish the Arthritis Screening and Detection Data Bank for the collection, storage, analysis, retrieval, and dissemination of all data useful in screening, prevention, control, and early detection for patient populations with asymptomatic and symptomatic types of arthritis, including, where possible, data involving general populations collected for the purpose of detection of individuals with a risk of developing arthritis.

"(2) The Secretary shall provide for standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with the centers and programs established or supported under section 439B and this section and with other persons engaged in arthritis programs.

"NATIONAL ARTHRITIS RESEARCH AND DEMONSTRATION CENTERS

"SEC. 439B. (a) The Director of the Institute under policies established by the Director of the National Institutes of Health, and after consultation with the National Advisory Council and consistent with the Arthritis Plan, will provide for the development of centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, control, and treatment methods for arthritis, including research into implantable biomaterials and orthopedic procedures; and may enter into cooperative agreements with public or nonprofit private agencies or institutions to pay all or part of the cost of planning, establishing or strengthening, and providing basic operating support for, existing or new such centers.

"(b) The centers developed under this section shall, in addition to carrying out research, training, and demonstration projects, carrying out screening, detection, treatment, prevention, and control programs, as described under subsection (b) of section 439A. Funds paid to centers under this section may be used for—

"(1) staffing and other basic operating costs, including such patient care costs as are required for research;

"(2) training, including training for allied health professions personnel;

"(3) demonstration purposes; and

"(4) the extension, alteration, remodeling, improvement, or repair of buildings and structures (including the provision of equipment) to the extent necessary to make them suitable for use as research and demonstration centers.

Support of a center under this subsection may be for a period of not to exceed three years and may be extended by the Director of the Institute, with the approval of the National Advisory Council, for additional periods of up to three years each.

"(c) The centers supported under this section may also carry out projects and programs funded under other provisions of law related to the programs and projects authorized under this section.

"(d) The Director of the Institute shall, insofar as practicable, provide for an equitable geographical distribution of centers developed under this section with appropriate attention to the need for centers having the capability of conducting research, training, treatment, and rehabilitation programs especially suited to meeting the needs of children affected by arthritis.

"(e) In addition to sums appropriated pursuant to section 301 and other sums appropriated for research on arthritis pursuant to title IV, part D, there is authorized to be appropriated to carry out this section $10,000,000 for the fiscal year ending June 30, 1975, $15,000,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977.

"ANNUAL REPORTS

"SEC. 439C. The Director of the Institute shall, as soon as practicable, but not later than sixty days, after the end of each calendar year, prepare, in consultation with the National Advisory Council, and submit to the President and to the Congress a report. Such report shall include (1) a proposal for the Institute's activities under the Arthritis Plan under this part and other provisions of law during the next five years, with an estimate for such additional staff positions and appropriations (including increased appropriations authorizations) as may be required to pursue such activities, and (2) a program evaluation section, wherein the activities and accomplishments of the Institute during the preceding calendar year shall be measured against the Director's proposal for that year for activities under the Arthritis Plan.".

AMENDMENT OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAGGERS: Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "National Arthritis Act of 1974".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress makes the following findings—

(1) Arthritis and related musculoskeletal diseases constitute major health problems in the United States in that they afflict more than twenty million Americans and are the greatest single cause of chronic pain and disability.

(2) The complications of arthritis lead to many other serious health problems and other severe physical disabilities in persons of all ages with the disease, particularly children and adolescents.

(3) The annual cost of arthritis to the national economy in 1970, from medical care expenses and lost wages, was $9,200,000,000, and number of workdays lost in that year totaled over 14,500,000.

(4) Uncontrolled arthritis significantly decreases the quality of life and has a major negative economic, social, and psychological impact on the families of its victims and society generally.

(5) Athletic and other types of joint injuries involving trauma can lead to arthritis.

(6) The development of advanced methods of diagnosis and treatment of arthritis and quality trained health professionals in arthritis deserves the highest national priority.

(7) There is a critical shortage of medical facilities and properly trained health professionals and allied health professionals in the United States for arthritis research, prevention, treatment, care, and rehabilitation programs.

(8) The citizens of the United States should have a full understanding of the nature of the human, social, and economic impact of arthritis and should be encouraged to seek early diagnosis and treatment to prevent or mitigate physical disability resulting from arthritis.

(9) There is great potential for making major advances against arthritis in the National Institute of Arthritis, Metabolism, and Digestive Diseases, in concert with other Institutes of the National Institutes of Health.

NATIONAL COMMISSION ON ARTHRITIS; ARTHRITIS PLAN

SEC. 3. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary"), after consulting with the Director of the National Institutes of Health, shall, within sixty days of the date of the enactment of this section, establish a National Commission on Arthritis and Related Musculoskeletal Diseases (hereinafter in this section referred to as the "Commission").

(b) The Commission shall be composed of eighteen members as follows:

(1) Six members appointed by the Secretary who are scientists, physicians, or other health professionals not in the employment of the Federal Government, who represent the various specialties and disciplines involving arthritis and related musculoskeletal diseases (hereinafter in this section collectively referred to as "arthritis"), and of whom at least two are practicing clinical rheumatogists, at least one is an orthopedic surgeon, and at least one is an allied health professional.

(2) Four members appointed by the Secretary from the general public, of whom at least two suffer from arthritis.

(3) One member appointed by the Secretary, from members of the National Arthritis, Metabolism, Digestive Disease Advisory Council, whose primary interest is in the field of rheumatology.

(4) The Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases or his designee, the Directors, or their designees, of the National Institute of Allergy and Infectious Diseases and the National Institute of General Medical Science, the Associate Director for *Arthritis* and Related Musculoskeletal Diseases of such Institute, and the chief medical officer of the Veterans' Administration and the Secretary of Defense or their designees, each of whom shall serve as ex officio, nonvoting members.

(c) The members of the Commission shall select a chairman from among their own number. The Commission shall first meet on a date specified by the Secretary, not later than 30 days after the Commission is established, and thereafter shall meet at the call of the effectiveness and use of home care not less often than three times).
of the Chairman of the Commission (but of Arthritis, Metabolism, and Digestive Diseases shall—

(1) designate a member of the staff of such Institute to act as Executive Secretary of the Commission, and

(2) provide the Commission with such full-time professional and clerical staff, such information, and the services of such consultants as may be necessary to assist it in carrying out effectively its function under this section.

(e) Members of the Commission who are officers or employees of the Federal Government shall serve as members of the Commission without compensation in addition to that received in their regular public employment. Members of the Commission who are not officers or employees of the Federal Government shall each receive the daily equivalent of the rate in effect for grade GS–18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Commission. All members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703, title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Commission shall survey Federal, State, and local health programs and activities relating to arthritis and assess the adequacy, technical soundness, and coordination *of such programs* and activities. All Federal departments and agencies administering health programs and activities relating to arthritis shall provide such cooperation and assistance relating to such programs and activities as is reasonably necessary for the Commission to make such survey and assessment.

(g) The Commission shall formulate a long-range plan (hereinafter in this section referred as to the "Arthritis Plan") with specific recommendations for the use and organization of national resources to combat arthritis. The Arthritis Plan shall be based on a survey investigating the incidence and prevalence of arthritis and its economic and social consequences, and on an evaluation of scientific information respecting, and the national resources capable of dealing with arthritis. The Arthritis Plan shall include a comprehensive program for the National Institute of Arthritis, Metabolism, and Digestive Diseases (hereinafter in this section referred to as the "Institute") and plans for Federal, State, and local programs, which program and programs shall, as appropriate, provide for—

(1) investigation into the epidemiology, etiology, and prevention and control of arthritis, including the social, environmental, behavioral, nutritional, and biological control of arthritis;

(2) studies and research into the basic biological processes and mechanisms involved with arthritis, including abnormalities of the immune, musculoskeletal, cardiovascular gastrointestinal, urogenital, pulmonary, and nervous systems, the skin, and the eyes;

(3) research into the development, trial, and evaluation of techniques, orthopedic and other surgical procedures, and drugs (including drugs intended for use by children) used in the diagnosis, early detection, treatment, prevention, and control of arthritis;

(4) programs that will apply scientific and technological methodologies and processes involving biological, physical, and engineering sciences to deal with all facets of arthritis, including traumatic arthritis;

(5) programs for the conduct and direction of field studies, large-scale testing, evaluation, and demonstration of preventive, diagnostic, therapeutic, rehabilitative, and control approaches to arthritis, including studies
(d) The Director of the National Institute
programs, mobile care units, community rehabilitation facilities, and other appropriate community public health and social services;

(6) studies of the feasibility of, and possible benefits accruing from, the organization and training of teams of health and allied health professionals in the treatment and rehabilitation of individuals who suffer from arthritis;

(7) programs to evaluate available resources for the rehabilitation of individuals who suffer from arthritis;

(8) programs to develop new and improved methods of screening and referral for arthritis, and particularly for the early detection of arthritis;

(9) programs to establish standards and criteria for measurement of the severity and rehabilitative potential of disabilities resulting from arthritis;

(10) programs to develop a uniform descriptive vocabulary for use in basic and clinical research and a standardized clinical patient data set for arthritis to standardize collection, storage, and retrieval of research and treatment data in order to facilitate collaborative and comparative studies of large patient populations;

(11) programs to establish a system for the collection, analysis, and dissemination of data useful in the screening, prevention, diagnosis, and treatment of arthritis, including the establishment of a national data storage bank to collect, catalog, store, and facilitate retrieval and dissemination of information as to the practical application of research and other activities pertaining to arthritis;

(12) programs for the education (including continuing education programs and development of new techniques and curricula) of scientists, bioengineers, physicians engaged in general practice, the practice of family medicine, or other primary care specialties, surgeons, including orthopedic surgeons, and other health and allied health professionals and educators in the fields and specialties requisite to screening, early detection, diagnosis, treatment, and prevention of arthritis and rehabilitation of individuals who suffer from arthritis;

(13) programs for public education and counseling relating to arthritis, including public information campaigns on current developments in diagnostic and treatment procedures and programs to discourage the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices;

(14) a program for the acceleration of international cooperation in and exchange of knowledge on research, screening, early detection, diagnosis, treatment, prevention, and control of arthritis; and

(15) coordination of the research programs relevant to arthritis of other Institutes of the National Institutes of Health, the Department of Health, Education, and Welfare, and other Federal and non-Federal entities.

(h) The Commission may hold such hearings, take such testimony, and sit at such time and places as it deems advisable.

(i)(1) The Commission shall prepare for each of the Institutes of the National Institutes of Health whose activities are to be affected by the Arthritis Plan estimates of necessary expenditures to carry out such Institute's part of the comprehensive program included in the Plan. The estimates shall be prepared for the fiscal year ending June 30, 1976, and for each of the next two fiscal years.

(2) Within five days after the Budget is transmitted by the President to Congress for the fiscal year ending June 30, 1976, and for each of the next two fiscal years, the Secretary shall transmit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Labor and Public Welfare of the Senate, and the Committee on Commerce and Health of the United States House of Representatives an estimate of the amounts requested for arthritis research by each of the Institutes for which estimates were prepared under paragraph (1) and a comparison of such amounts with such estimates.

(j)(1) The Commission shall publish and transmit directly to the Congress (without prior administrative approval or review by the Office of Management and Budget or any other Federal department or agency) the Arthritis Plan within two hundred and ten days after the date on which funds are first appropriated for the Commission.

(2) The Commission shall cease to exist on the thirtieth day following the date of the submission of the Arthritis Plan pursuant to pargaraph (1) of this subsection.

(k) There are authorized to be appropriated, without fiscal year limitation, to carry out the purposes of this section $2,000,000.

ARTHRITIS COORDINATING COMMITTEE, DEMONSTRATION PROJECTS, AND COMPREHENSIVE ARTHRITIS CENTERS

SEC. 4. Part D of title IV of the Public Health Service Act is amended by adding at the end thereof the following new sections:

"ARTHRITIS COORDINATING COMMITTEE

"SEC. 437. (a) In order to improve coordination of all activities in the National Institutes of Health, in the Department of Health, Education, and Welfare, and in other departments and agencies of the Federal government relating Federal health programs and activities relating to arthritis, the Secretary shall establish an Arthritis Coordinating Committee to be composed of representatives of the Department of Health, Education, and Welfare (including the Food and Drug Administration) and of the Veterans Administration, the Department of Defense, and other Federal departments and agencies involved in research, health services, or rehabilitation programs affecting arthritis. This Committee shall include the Directors (or their designated representatives) of each of the Institutes of the National Institutes of Health involved in arthritis related research. The Committee shall be chaired by the Associate Director established pursuant to section 434(e) and shall prepare a report not later than sixty days after the end of each fiscal year as possible, for the Secretary detailing the work of the committee in seeking to improve coordination of departmental and interdepartmental activities relating to arthritis during the preceding fiscal year. Such report shall include—

"(1) a description of the work of the committee in coordinating the research activities of the National Institutes of Health relating to arthritis during the preceding year, and

"(2) a description of the work of the committee in promoting the coordination of Federal health programs and activities relating to arthritis to assure the adequacy of such programs and to provide for the adequate coordination of such programs and activities.

"(b) The Committee shall meet at the call of the chairman, but not less often than four times a year.

"ARTHRITIS SCREENING, DETECTION, PREVENTION, AND REFERRAL DEMONSTRATION PROJECTS; AND DATA BANK

"SEC. 438. (a) The Secretary, acting through the Assistant Secretary for Health, may make grants to public and nonprofit entities to establish and support projects for the development and demonstration of methods for arthritis, screening, detection, prevention, and referral, and for the dissemination of these methods to health and allied health professions. Activities under such projects shall be coordinated with (1) Federal, State, local, and regional health agencies, (2) centers assisted under section 439, and (3) the data bank under subsection (c).

"(b) Projects under this section shall include programs which—

"(1) emphasize the development and demonstration of new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of developing arthritis, asymptomatic arthritis, or symptomatic arthritis;

"(2) emphasize the development and demonstration of new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early diagnosis and treatment;

"(3) emphasize the development and demonstration of new and improved means of standardizing patient data and recordkeeping; and

"(4) emphasize the development and demonstration of new and improved methods of dissemination of knowledge about the projects and methods referred to in the preceding paragraphs of this subsection to health and allied health professionals.

"(c)(1) As soon as practicable after the date of enactment of this section the Secretary, through the Assistant Secretary for Health, shall establish the Arthritis Screening and Detection Data Bank for the collection, storage, analysis, retrieval, and dissemination of data useful in screening, prevention, and early detection involving patient populations with asymptomatic and symptomatic types of arthritis, including where possible, data involving general populations for the purpose of detection of individuals with a risk of developing arthritis.

"(2) The Secretary shall provide for standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with projects under this section and centers assisted under section 439, and other persons engaged in arthritis programs.

"(d) There are authorized to be appropriated to carry out this section $2,000,000 for fiscal year ending June 30, 1975, $3,000,000 for fiscal year ending June 30, 1976, and $4,000,000 for fiscal year ending June 30, 1977.

"COMPREHENSIVE ARTHRITIS CENTERS

"SEC. 439. (a) The Secretary, acting through the Assistant Secretary for Health may, after consultation with the National Advisory Council established under section 434(a) and consistent with the Arthritis Plan developed pursuant to the National Arthritis Act of 1974, provide for the development, modernization, and operation (including staffing and other operating costs such as the costs of patient care required for research) of centers for arthritis research, screening, detection, diagnosis, prevention, control, and treatment, for education related to arthritis, and for rehabilitation of individuals who suffer from arthritis. For purposes of this section, the term 'modernization' means the alteration, remodeling, improvement, expansion, and repair of existing buildings and the provision of equipment for such buildings to the extent necessary to make them suitable for use as centers described in the preceding sentence.

"(b) Each center assisted under this section shall—

"(1) (A) use the facilities of a single institution or a consortium of cooperating institutions, and (B) meet such qualifications as may be prescribed by the Secretary; and

"(2) conduct—

"(A) basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of, arthritis and complications resulting from arthritis, including research in implantable biomaterials and biomechanical and other orthopedic procedures and in the development of other diagnostic and treatment methods;

"(B) training programs for physicians and other health and allied professionals in current methods of diagnosis, screening and early detection, prevention, control, and treatment of arthritis and;

"(C) information and continuing education programs for physicians and other health and allied health professionals who provide care for patients with arthritis; and

"(D) programs for the dissemination to the general public of information—

"(i) on the importance of early detection of arthritis, of seeking prompt treatment, and of following an appropriate regimen; and

"(ii) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices.

"(c) Each center assisted under this section may conduct programs to—

"(1) develop new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of developing arthritis, asymptomatic arthritis, or symptomatic arthritis,

"(2) disseminate the results of research, screening, and other activities, and develop means of standardizing patient data and recordkeeping, and

"(3) develop community consultative services to facilitate the referral of patients to centers for treatment.

"(e) The Secretary shall, insofar as practicable, provide for an equitable geographical distribution of centers assisted under this section. The Secretary shall give appropriate consideration to the need for centers especially suited to meeting the needs of children affected by arthritis.

"(f) The Secretary shall evaluate on an annual basis the activities of centers receiving support under this section and shall report to the appropriate committees of Congress the results of his evaluations not later than four months after the end of each fiscal year.

"(g) No center may receive more than three grants under this section.

"(h) For purposes of this section, there are authorized to be appropriated $11,000,000 for fiscal year ending June 30, 1975, $13,000,000 for fiscal year ending June 30, 1976, and $15,000,000 for fiscal year ending June 30, 1977. Not less than 20 per centum of the funds appropriated for each fiscal year under this subsection shall be used for the purposes of establishing new centers."

ASSOCIATE DIRECTOR, ANNUAL REPORT, RESEARCH FUNDING, ADVISORY COUNCIL

SEC. 5. (a) Section 434 of the Public Health Service Act is amended by adding at the end the following new subsections:

"(e) There is established within the Institute the position of Associate Director for Arthritis and Related Musculoskeletal Diseases (hereinafter in this part referred to as the 'Associate Director'), who shall report directly to the Director of such Institute and who, under the supervision of the Director of such Institute, shall be responsible for programs regarding arthritis and related musculoskeletal diseases (hereinafter in this part collectively referred to as 'arthritis') within such Institute.

"(f) The Director of the Institute shall, as soon as practicable, but not later than sixty days, after the end of each fiscal year, prepare, in consultation with the National Advisory Council, and submit to the President and to the Congress a report. Such report shall include (1) a proposal for the Institute's activities under the Arthritis Plan formulated under the National Arthritis Act of 1974 and activities under other provisions of law during the next five years, with an estimate for such additional staff positions and appropriations as may be required to pursue such activities, and (2) a program evaluation section, wherein the activities and accomplishments of the Institute during the preceding fiscal year shall be measured against the Director's proposal for that year for activities under the Arthritis Plan.".

(b) Section 431 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Of the sums appropriated for any fiscal year under this Act for the National Institutes of Health, not less than $500,000 shall be obligated for basic and clinical orthopedic research conducted within the National Institutes on Arthritis, Metabolism, and Digestive Diseases which relates to the methods of preventing, controlling and treating arthritis and related musculoskeletal diseases, including research in implantable biomaterials and biomechanical and other orthopedic procedures and research in the development of new and improved orthopedic treatment methods."

(c) Section 434(b) of such Act is amended by adding at the end thereof the following: "The Advisory Council shall review applications made to the Director for grants for research projects related to arthritis and related musculoskeletal diseases and shall recommend to the Director for approval those applications and contracts which the Council determines will best carry out the purposes of this part. The Advisory Council shall also review and evaluate the arthritis programs under this part and shall recommend to the Director such changes in the administration of such programs as it determines are necessary."

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, and that I may be allowed to explain this.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia

There was no objection.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the distinguished doctor, the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I rise in support of this important bill which I have introduced with my learned colleague from Florida.

It is by every interpretation a modest, inexpensive bill, but one which will bring great benefit to the 20 million Americans, many of whom are children and adolescents, who are afflicted with arthritis and musculoskeletal diseases.

This insidious crippler is the single greatest cause of chronic pain and disability; its annual cost to the national economy is $9.2 billion; it has a great psychological impact on the families of sufferers. With the proposals we set forth in this bill, Mr. Speaker, I believe we can make great advances toward its control and eventual cure.

The bill would establish a National Commission on Arthritis and Related Musculoskeletal Diseases.

The Commission would establish a comprehensive research plan. Programs established by the plan would include: epidemiological and basic research studies; research into surgical procedures and drugs, including drugs intended for use by children; programs for education of bioengineers, physicians engaged in general practice, the practice of family medicine or other primary care specialties, and orthopedic surgeons requisite to screening, diagnosis, treatment, prevention, and rehabilitation; and public information campaigns.

The bill sets forth mechanisms to coordinate the research activities of NIH and other Federal departments relating to arthritis, reducing thereby the possibility of unnecessary and costly duplication of research and service efforts.

The bill will establish demonstration screening, early detection, and prevention and referral demonstration projects and will also establish the arthritis screening and detection data bank for the collection, analysis, retrieval, dissemination, and standardization of research data.

And the bill will further establish comprehensive arthritis centers. In the centers shall be conducted basic and clinical research, training programs, continuing education programs, programs for the dissemination to the general public of information, and programs which shall discourage quackery and the promotion and use of unapproved and ineffective diagnosis and treatment and ineffective and unapproved drugs and devices. The centers, Mr. Speaker, shall be equitably and strategically distributed in different regions of the country.

Mr. Speaker, the bill is modest and inexpensive. It is important and timely. It will do great good. I urge its passage.

I include the following:

Section 1. Title: National Arthritis Act of 1974.

Section 2. Findings:

1. Arthritis . . . constitutes a major health problem in U.S. affecting more than 20 million Americans. It is the greatest single cause of chronic pain and disability.

2. Complications are serious, particularly in children and adolescents.

3. Annual cost to national economy in 1970 was $9.2 billion; the number of workdays lost in 1970 was 14.5 million.

4. The disease has a great psychological impact on families and society.

5. Athletic injuries involving trauma can lead to arthritis.

6. The highest national priority should be given to develop new methods of dx and rx of arthritis.

7. There is a critical shortage of medical facilities and properly trained health professionals for arthritis research, prevention, treatment, care and rehabilitation.

8. We should all have a full understanding of the disease.

9. We can make great advances towards its control and cure.

Section 3. The Secretary shall establish a National Commission on Arthritis and Related Musculoskeletal Diseases.

The Commisson shall formulate a long-range plan (called the Arthritis Plan) with specific recommendations for the use and organization of national resources to combat arthritis.

The Plan shall be based on incidence and prevalence studies, studies of economic and social consequences of the disease, and review and evaluation of the scientific literature.

The Plan shall include a comprehensive research program for NIAMDD and plans for federal, state, and local programs, which programs shall include: Epidemiology, etiology and control investigations; research into basic biologic processes; research into surgical procedures and drugs, including drugs intended for use by children; programs for the education . . . of scientists, bioengineers, physicians engaged in general practice, the practice of family medicine or other primary care specialties, orthopedic surgeons . . . requisite to screening, early detection, dx, rx, prevention, and rehabilitation of individuals who suffer from arthritis; programs for public education and counseling relating to arthritis, including public information campaigns.

The Secretary shall transmit to the Committee on Appropriations of the House and Senate, and the Commerce and Health Committee of the House, an estimate of the amounts requested for each of the NIH Institutes whose activities are to be affected by the Arthritis Plan . . .

The Commission shall publish and transmit directly to the Congress (without prior approval or review by OMB) the Plan within 7-months of its creation.

$1 M is authorized to be appropriated in Section 3.

Section 4. Amends PHS Act to add Sec. 437, to establish Arthritis Coordinating Committee.

The Committee is to be composed of representatives of HEW, including FDA, and of the VA, DOD, and all other Federal departments and agencies involved in research and health services or rehabilitation programs affecting arthritis.

A Report shall be sent to the Secretary and include:

A description of the "coordinated" research activities of NIH relating to arthritis.

A description of the coordination of other federal programs relating to arthritis.

Section 438. Arthritis Screening, Early Detection, Prevention and Referral Demonstration; and Data Bank.

Projects shall be implemented by the Secretary. These projects shall be evaluated and the results disseminated to health and allied health professions.

Such projects shall include those which demonstrate: (1) new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early dx and rx; (2) new and improved methods of screening and detection of individuals with a risk of developing arthritis; (3) new and improved methods of disseminating knowledge about projects and methods referred to in this section to health and allied health professionals.

The Secretary shall establish the Arthritis Screening and Detection Data Bank for collection, storage, analysis, retrieval, and dissemination of all data, which shall be standardized.

FY 75 $1 M; FY 76 $2 M; FY 77 $3 M.

Section 439. Comprehensive Arthritis Centers shall be established.

Each center shall conduct (a) basic research, clinical research in the cause, dx, early detection, prevention, control and rx of arthritis . . . (b) training programs for physicians and others in current dx, screening . . . prevention, and rx; (c) information and continuing education programs . . . ; (d) programs for the dissemination to the general public of information . . . (ii) to discourage the promotion and use of unapproved and ineffective dx and rx and unapproved drugs and devices.

The Secretary shall . . . provide for an equitable geographical distribution of centers . . .

FY 75 $9 M; FY 76 $11 M; FY 77 $13 M.

Section 431 of PHS Act amended as follows:

"Of the sums appropriated for any fiscal year for NIH, not less than $500,000 shall be obligated for basic and clinical orthopedic research conducted within the National Institues on Arthritis, Rheumatism, and Metabolic Diseases which relates to the methods of preventing, controlling, and treating arthritis . . ."

TOTAL AUTHORIZATIONS

[In millions of do'lars]

	1975	1976	1977	Total
National Commission on Arthritis and Related Musculoskeletal Diseases	1			1
Arthritis screening, early detection, prevention, and referral demonstration; and data bank	1	2	3	6
Comprehensive arthritis centers	9	11	13	33
Total				44

Mr. STAGGERS. Mr. Speaker, I appreciate the remarks of the eminent doctor from Kentucky.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 17618, a bill similar to S. 2854, the Senate-passed version of arthritis legislation which would establish a National Commission on Arthritis and Related Musculoskeletal Diseases and launch a national attack upon arthritis.

On Wednesday, December 11, Dr. CARTER and I introduced a clean bill after the Subcommitee on Public Health and Environment held hearings on H.R. 14181 and other similar bills on November 25, 1974. Because of the press of other legislative matters it was impossible for the subcommittee to meet in markup sessions on this proposal, but I think the compromise measure proposed by the gentleman from West Virginia is an excellent vehicle by which to emphasize the congressional concern with these serious disorders, and incorporates the best features of the various arthritis bills introduced during this session.

As the Members may know, approximately 50 million Americans have arthritis and related musucloskeletal diseases. More than 30 million Americans of all ages have cases of arthritis requiring medical attention. Arthritis has disabled 3.5 million Americans and claims 250,000 new victims each year. Children and adolescents afflicted by arthritis are usually severely crippled. The annual cost for medical treatment of arthritis is more than $2.5 billion. In 1970, the total national economic cost in wages lost and medical expenses of arthritis was more than $9.1 billion, including the loss of over 14.5 million workdays. By comparison, the total Federal effort in arthritis was under $14 million last year.

An expanded research effort into the

causes and effects of arthritis is essential if we are to provide better treatment methods and possibly a cure for the millions of Americans who are known to be afflicted by these disorders. This legislation, H.R. 17618, would take that first step by establishing a Commission to formulate a long-range plan to combat arthritis and related musculoskeletal diseases, within the National Institutes of Health's National Institute of Arthritis, Metabolism and Digestive Diseases. In addition, this legislation provides for coordination of the NIH and other HEW programs with the programs of other Federal agencies and State and local governments.

The bill would authorize a total of $6,000,000 over a 3-year period for screening and early detection and for the establishment of an arthritis data bank. The bill also provides for a total of $33,000,000 over a 3-year period for the upgrading and establishment of arthritis comprehensive research, and training centers. At least 20 percent of the authorizations are required to be used for the establishment of new centers, which would assist the 40 medical schools and other appropriate entities which do not have rheumatology and related orthopedic programs in the United States.

The Department of HEW is currently not supporting arthritis research and training centers or screening and early detection programs. Nor does HEW have an adequate computerized data bank system for the collection, storage, analysis, retrieval, and dissemination of vital information on research, screening, early detection, and other activities. The National Institute of Arthritis, Metabolism, and Digestive Diseases is currently supporting only $14 million for their total intramural and extramural research and training programs.

The programs and authorization levels proposed by H.R. 17618 are new programs requiring additional Federal financial support and are not intended to replace or reduce the current arthritis programs carried on in HEW under section 301, or under title IV, part D, or under other authorities of the Public Health Service Act. The programs proposed by this bill are intended to supplement the existing HEW programs in NIH. It is necessary to continue our existing arthritis program and to carry out these new programs at their authorization levels if we can expect to effectively combat arthritis. The original arthritis bill I introduced in the House called for a total of over $80 million for the attack on arthritis over a 3-year period. We have had to reduce this amount to $50 million in this legislation in an effort to limit expenditures, however, I believe that we can have an effective program if these funds are appropriated.

Lastly, the bill requires the establishment of an intramural orthopedic program within the National Institute of Arthritis Metabolism, and Digestive Diseases. This is vitally important to the 13 million persons afflicted with osteoarthritis and the 5 million persons crippled by rheumatoid arthritis, since orthopedic procedures are now considered as one of the best means of treatment being developed by current day research. Presently, the Institute has no orthopedic program to provide leadership in this area.

I again would like to thank Dr. CARTER, Chairman STAGGERS, the members of the subcommittee, and the other House Members who have joined me in co-sponsoring this legislation or who have otherwise contributed to it. I urge my colleagues in the House to join me in support of passage of H.R. 17618, the National Arthritic Act of 1974.

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of the bill under consideration and urge my colleagues to give favorable approval to this measure to bring a measure of relief and hope for the millions of Americans suffering from arthritis.

In my home State of Mississippi there are some 200,000 persons who have arthritis. They along with other Americans afflicted with this disease are deserving of this legislation to mount a national attack on arthritis. We need to do everything within our power and financial capabilities to wipe out this crippling disease.

Mr. Speaker, I hope my colleagues will give their overwhelming approval to S. 2584 in order that we might send this measure to the White House for President Ford's approval.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, several Members have asked for permission to revise and extend on this legislation, so I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this legislation and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D.C.,
December 18, 1974.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I herewith submit my resignation from the Committee on Armed Services effective immediately.

It has been a rewarding experience and a great pleasure to have served on that Committee for 14 years, and I leave it with genuine regret.

Very truly yours,
OTIS G. PIKE.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D.C.,
December 18, 1974.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation effective immediately from the Public Works Committee, U.S. House of Representatives.

Cordially yours,
RICHARD F. VANDER VEEN,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON WAYS AND MEANS

Mr. O'NEILL. Mr. Speaker, I offer the following privileged resolution (H. Res. 1516) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1516

Resolved, That the following-named Members be, and they are hereby, elected to the standing committee of the House of Representatives on Ways and Means: Otis G. Pike, of New York; Richard F. Vander Veen, of Michigan.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we are adding to the suspension list the bill (H.R. 16817) guaranteeing the right to vote to U.S. citizens residing outside the United States.

APPOINTMENT OF CONFEREES ON H.R. 17045, AMENDING SOCIAL SECURITY ACT

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, with Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, BURKE of Massachusetts, Mrs. GRIFFITHS, Messrs. ROSTENKOWSKI, SCHNEEBELI, CONABLE, and PETTIS.

APPOINTMENT OF CONFEREES ON H.R. 421, AMENDING TARIFF SCHEDULES OF THE UNITED STATES

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty, with Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, BURKE of Massachusetts, ROSTENKOWSKI, LANDRUM, SCHNEEBELI, BROYHILL of Virginia, and CONABLE.

APPOINTMENT OF CONFEREES ON S. 2994, NATIONAL HEALTH POLICY, PLANNING, AND RESOURCES DEVELOPMENT ACT OF 1974

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2994) the National Health Policy, Planning, and Resources Development Act of 1974, with the House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, KYROS, PREYER, SYMINGTON, ROY, DEVINE, NELSEN, CARTER, HASTINGS, HEINZ, and HUDNUT.

ANNOUNCING A NEW FUTURE CANDIDATE FOR CONGRESS

(Mr. HOGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOGAN. Mr. Speaker, I am pleased and proud to advise my colleagues in the House that my wife Ilona, presented me with a 7-pound 6-ounce son named Matthew Lawrence Hogan at 6:01 Monday evening, December 16. The mother, the baby, and the father are all doing very well. The caliber of his vocal chords, even at this early age, convince me that some future session of this body will have to contend with another Congressman named Hogan. I have given you and his future political competitors fair warning.

NATIONAL DAY OF PRAYER, 1974

(Mr. CONLAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONLAN. Mr. Speaker, as directed by Congress, the President has proclaimed today as National Day of Prayer, 1974. His proclamation includes President Dwight D. Eisenhower's apt description of the central role of religion in American life.

> Without God there could be no American form of government, nor an American way of life. Recognition of the Supreme Being is the first—the most basic—expression of Americanism. Thus the Founding Fathers of America saw it, and thus with God's help, it will continue to be.

Mr. Speaker, prayer has always been a powerful force in the history of our Nation and the world. Connecticut's colonial Gov. Jonathan Trumbull proclaimed April 19, 1775, as a day for observing a "day of publick fasting and prayer, throughout this Colony, by all Christian churches and societies in it."

Governor Trumbull asked for prayer "That God would preserve and secure the liberties of this, and all the other British American Colonies—and preserve and confirm the union of the Colonies in the pursuit and practice of that religion and virtue which will honor Him."

It was on this same day—April 19, 1775—that a British soldier fired the shot in Concord, Mass.—the veritable shot heard around the world—that started America's War for Independence.

I believe it goes without saying our Lord answered the colonists' prayers for preservation of their religious and civil liberties.

I urge all my colleagues to join Americans throughout our Nation and the world as we pray today for the strength and the will to face today's challenges, and to know and follow God's way.

For as Jesus instructed his followers in Jerusalem:

> And all things, whatsoever ye shall ask in prayer, believing, ye shall receive.

FOOD FOR THE DISTRICT OF COLUMBIA HUNGRY

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I am just going to take this moment to remind for the last time Members on both sides of the aisle that tomorrow the House is making its contribution to Project Survival, which is a program sponsored by the churches in the District of Columbia to get canned food to serve the needy and the poor and the hungry in the District over this holiday season.

It is our hope that every Member and every member of each Congressman's staff will bring a package of canned food tomorrow to the steps of the Capitol Building at 11:45 to make that contribution.

I know it will be a generous one, and I thank the Members for their patience in putting up with these announcements.

CALL OF THE HOUSE

Mr. SYMMS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 702]

Adams
Ashley
Blackburn
Blatnik
Brasco
Brown, Mich.
Burke, Calif.
Burton, John
Carey, N.Y.
Casey, Tex.
Chisholm
Clark
Clay
Collier
Collins, Ill.
Conyers
Coughlin
Cronin
Davis, Ga.
Dellums
Diggs
Dingell
Dulski
Erlenborn
Esch
Eshleman
Findley
Foley
Ford
Frey
Giaimo
Goldwater
Grasso
Gray
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hébert
Heckler, Mass.
Holifield
Howard
Johnson, Colo.
Jones, N.C.
Karth
Kemp
Kuykendall
Landgrebe
Litton
McCormack
Macdonald
Martin, N.C.
Mathis, Ga.
Mills
Mink
O'Hara
Owens
Pepper
Podell
Price, Tex.
Rangel
Rarick
Regula
Reid
Roncallo, N.Y.
Rose
Shipley
Smith, N.Y.
Steed
Steele
Taylor, N.C.
Teague
Towell, Nev.
Udall
Wilson, Charles, Tex.
Winn
Wright
Wydler
Zablocki
Zion
Zwach

The SPEAKER. On this rollcall 353 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING CONSIDERATION OF CONFERENCE REPORTS ON SAME DAY REPORTED OR ANY DAY THEREAFTER DURING REMAINDER OF 2D SESSION, 93D CONGRESS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1512 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1512

Resolved, That during the remainder of the second session of the Ninety-third Congress it shall be in order to consider conference reports on the same day reported or any day thereafter, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. QUILLEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, those Members of the House who heard the reading of the resolution know that it provides that it shall be in order to consider conference reports on the same day reported, or any day thereafter, during the remainder of the 2d session of the 93d Congress. It is essential that we do this at this time. I know of no serious objection to the matter.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is necessary in order that we might reach an early adjournment. The matter was up under suspension of the rules, and it failed under this procedure.

Mr. Speaker, I urge the adoption of the resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I thank the gentleman from Tennessee for yielding me this time.

Mr. Speaker, while my opposition may not be considered serious, I am very much opposed to this type of legislation because it certainly short-circuits the orderly consideration of the business of the House.

It makes a travesty of the disposal of important legislation and would be totally unnecessary had the House of Representatives conducted its business on a consistent basis of attention to its duty since it opened the session last January.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 42, not voting 41, as follows:

[Roll No. 703]

YEAS—351

Abdnor
Abzug
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dent
Devine
Dickinson
Diggs
Donohue
Dorn
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Harsha
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holtzman
Horton
Hosmer
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—42

Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Blackburn
Brown, Ohio
Camp
Clawson, Del
Collins, Tex.
Coughlin
Crane
Davis, Wis.
Dennis
Derwinski
Frey
Gonzalez
Gross
Gude
Holt
Huber
Kemp
Ketchum
Lagomarsino
Landgrebe
Martin, N.C.
Moorhead, Calif.
Myers
Parris
Rarick
Robinson, Va.
Rousselot
Ruth
Satterfield
Skubitz
Snyder
Steiger, Wis.
Symms
Taylor, Mo.
Wampler
Young, Alaska

NOT VOTING—41

Adams
Addabbo
Arends
Brasco
Brown, Mich.
Burke, Calif.
Burton, John
Carey, N.Y.
Dellums
Dingell
Dulski
Eckhardt
Eshleman
Giaimo
Grasso
Gray
Grover
Hanna
Hansen, Idaho
Hansen, Wash.
Hastings
Holifield
Howard
Jones, N.C.
Jones, Tenn.
Litton
Macdonald
Madigan
Mills
Owens
Pepper
Podell
Roncallo, N.Y.
Rose
Shipley
Shoup
Steed
Towell, Nev.
Vander Jagt
Zion
Zwach

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. John L. Burton with Mr. Brown of Michigan.

Mr. Pepper with Mr. Hansen of Idaho.

Mr. Addabbo with Mr. Arends.

Mr. Dellums with Mr. Vander Jagt.

Mr. Giaimo with Mr. Eshleman.

Mr. Macdonald with Mr. Shoup.

Mr. Shipley with Mr. Grover.

Mr. Rose with Mrs. Grasso.

Mr. Steed with Mr. Gray.

Mr. Litton with Mr. Hastings.

Mr. Jones of Tennessee with Mr. Towell of Nevada.

Mr. Howard with Mr. Hanna.

Mr. Jones of North Carolina with Mr. Madigan.

Mrs. Burke of California with Mrs. Hansen of Washington.

Mr. Adams with Mr. Zwach.

Mr. Carey of New York with Mr. Roncallo of New York.

Mr. Dingell with Mr. Mills.

Mr. Dulski with Mr. Owens.

Mr. Eckhardt with Mr. Holifield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 3394, AMENDING THE FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume that time will be taken to explain what transpired in the conference; is that correct?

Mr. MORGAN. That is correct.

Mr. GROSS. Since I was passed over in the selection of the conference committee and as a member of the Committee on Foreign Affairs, I hope the chairman will make some time available to me. I would not expect, under the circumstances, to get time on this side. I would like a few minutes, at least, to ask a few questions concerning what transpired in the conference.

Mr. MORGAN. I will assure the gentleman from Iowa that he will have time.

Mr. GROSS. Mr. Speaker, I thank the gentleman from Pennsylvania for his kindness. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. MORGAN) is recognized for 30 minutes.

Mr. MORGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report which we bring today before the House represents a good compromise.

The managers on the part of the House have worked very hard for 6 days in trying to uphold the position of this body and to bring back a report which reflects the will of the House.

We have had over 70 items in disagreement with the Senate.

The Senate yielded on 36 items and the House receded on 34.

Three major items were resolved by compromise.

The total amount authorized in the report is $2,696 million.

This is $31 million less than was authorized in the Senate bill, and $39,900,000 more than the House approved.

The total amount is $550 million less than the request of the executive branch.

In addition to reducing the Executive request by a very substantial amount, this conference report places many restrictions on the way in which the funds can be used.

There are specific ceilings in the allocations for various countries.

There is a ceiling on Vietnam, Cambodia, and Laos.

In addition, there are specific limits on different programs for each of those countries.

Over and above this, Mr. Speaker, the report tightens congressional control by prohibiting transfers between various accounts, and between countries.

Among the allocations, the bill earmarks $625 million for Israel and smaller amounts for such countries as Egypt and Jordan.

I believe, Mr. Speaker, that these money provisions—and the restrictions in the report—express a compromise which can be accepted by the House.

In addition, Mr. Speaker, the conference report deals with a number of sensitive issues.

The suspension of aid to Turkey is in the report with a waiver which the President can exercise until February 5.

This particular compromise was worked out first here in the House with the sponsors of the Turkey aid amendment and is acceptable to them.

It is necessary to allow the President some flexibility to work out the Cyprus problem.

The conference report also retains the House-approved limitation on aid to Korea and a very effective provision on aid to Chile.

Both of these involve issues of human rights on which the House had earlier expressed its will.

On some of the issues where the Senate bill was more stringent, we have worked out compromises for this fiscal year.

For example, the Senate yielded on the issue of terminating the military assistance program.

In place of a fixed deadline, we have agreed to a Presidential study which has to be submitted to the House during the first session of the 94th Congress.

At that point, each House will be able to take a very thorough look at this program and reach its own conclusion.

A similar compromise was worked out with regard to the training of foreign law enforcement officials in the United States.

That program is allowed to continue through fiscal year 1975—after which time it will be up to the Congress to decide whether any part of it should be continued.

Let me add a word about a few other issues:

During the House debate, I had discussion with the distinguished gentlemen from Missouri (Mr. SYMINGTON) regarding food assistance for the poorest and most needy countries.

The conferees have agreed upon language which will move that program in that direction.

The House also adopted an amendment offered by the gentleman from Ohio, (Mr. MILLER) proposing to barter Foreign Aid for materials needed by the United States.

We were able to keep that amendment.

The House also approved an amendment by the gentleman from Arkansas (Mr. ALEXANDER) relating to the repayment of debts by countries receiving our aid.

Again, we were able to preserve the House language.

We did this as well with respect to the amendment offered by the gentleman from Massachusetts (Mr. CONTE) and the amendment by the gentleman from New York (Mr. BINGHAM).

We tried our best on other issues, and we were successful in most instances.

These, Mr. Speaker, are the major provisions of the conference report which was printed in full in this morning's RECORD.

I believe, Mr. Speaker, that this is a very sound conference report.

I urge its adoption by the House.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Speaker, the distinguished chairman of the committee mentioned the colloquy with the gentleman from Missouri (Mr. SYMINGTON) with regard to "Food for Peace," which occurred on the floor of the House when the bill was before us, and there is a similar colloquy between Senators HATFIELD and HUMPHREY as reflected in yesterday's RECORD on page 40384 with regard to the percentage of the title I Food for Peace which will be allocated to the countries which are not on the U.N. list of 32 countries "most seriously affected" by the current world food crisis.

I wish to ask the distinguished chairman of the committee if he is in agreement with the interpretation contained in the remarks of Senator HATFIELD with regard to the provisions in the conference report.

Mr. MORGAN. Mr. Speaker, as the gentleman remembers, the House bill had no similar provision dealing with food aid.

Mr. BROWN of California. That is right.

Mr. MORGAN. Our committee of conference, however, adopted the Senate language favoring more food for those who need more help. We believe the language in the conference report moves in that direction. It puts emphasis on food assistance to the poorest countries.

The interpretation worked out by Senators HUMPHREY and HATFIELD is somewhat confusing to me, but I believe the language in the report is pretty clear. If the gentleman will follow the language in the report, I think he will find it spells out the details of what the conferees agreed upon.

Mr. BROWN of California. If the gentleman will yield further, may I inquire as to whether or not the specific percentage limitation which is referred to appears in the conference report. In other words, does the language state that not more than 30 percent of title I concessional food assistance is authorized for those countries which are not among the "most seriously affected" according to the U.N.

Mr. MORGAN. Yes. Mr. Speaker, it refers to the list of countries that are included in the U.N. definition of the poorest countries. Thirty percent of our concessional food aid is to go to such countries.

Mr. BROWN of California. Mr. Speaker, I thank the chairman of the committee for his explanation, and his assurance that the language in the conference report refers to title I congressional food aid and does not include the Public Law 480, title II grant program.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this conference report while I have strong reservations about certain provisions. In my opinion the agreement reached represents a reasonable compromise of the difficult issues that were in conference.

One of the key issues in conference concerned the situation on Cyprus. The question of how to resolve this difficult issue—especially the matter of military aid to Turkey—has been debated at length. The conferees decided to suspend all military assistance and sales upon enactment of the bill, but to allow President Ford to lift the suspension until February 5, subject to certain conditions. I trust that during this short period the United States can play a useful role in facilitating movement toward a settlement.

While the Cyprus negotiations continue, it is important to remember the thousands of homeless refugees who are the innocent victims of this tragedy. I am pleased to report that the Senate accepted the House language earmarking $25 million for famine and disaster relief to Cyprus.

The conferees discussed the proposed restrictions on aid to Cambodia including the ceiling of $200 million on military assistance, and agreed to exempt from the MAP ceiling up to $75 million in emergency assistance under the President's special drawdown authority. I trust that these funds may be sufficient to enable the Cambodian armed forces to meet their minimum requirements for the remainder of this fiscal year. I personally am deeply concerned, however, at the effect on the situation in Cambodia of sharply reduced American assistance.

The Senate conferees accepted the House language on aid to South Korea, which had been the subject of much discussion and compromise before passage of the House bill.

I was pleased that a spirit of compromise marked the conference discussions. Overall, I believe the results were constructive. I urge approval of this conference report.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Speaker, I rise in support of the conference report and commend the conferees for a job well done.

This does seem to constitute a good balance between political and humanitarian considerations, but I am especially interested in the humanitarian aspect.

With reference to food aid, the conference report properly focuses, in my judgment, on the food needs of the countries most seriously affected by the world economic crisis.

Mr. Speaker, I would like to commend the gentleman from New Jersey, the ranking minority member of our committee, who is retiring, for all his outstanding work and for his good representation in this conference.

I would like to thank him for his support of the proposition that a large proportion of our development assistance and food aid will go to the countries most seriously affected by the food crisis.

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentleman for his remarks.

I should like to say that the report seeks to reflect a balance between political and humanitarian considerations. As has just been indicated, we have provided that agricultural development aid should be concentrated on countries with per capita income of less $300.

In section 55 of the conference report, which is found on page 28, we have directed that:

> Not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages.

In my opinion, this language clearly directs that the President should provide to the countries most seriously affected by the food crisis at least 70 percent of all food assistance. This aid includes both grants and credit sales, under title I and title II of Public Law 480.

The House conferees agreed to these provisions, to assure that the gentleman's humanitarian concerns are met.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman from New Jersey very much for yielding and I also thank him for his explanation and his leadership.

Can I seek to find out something noted on page 16 of the conference report, section 37, that portion of the conference report entitled, "Assistance to South Vietnamese Children."

In fiscal year 1974, it was my recollection—and I do not have my file with me—that there was a specific earmarking for assistance to South Vietnamese children through private voluntary agencies.

The language found on page 16 of the conference report, while it does specifically earmark $10 million for carrying out sections (1) and (2) of section 37(a), does not continue the specific earmarking of funds to be available through voluntary agencies; is my understanding correct?

Mr. FRELINGHUYSEN. Mr. Speaker, I might say to the gentleman from Wisconsin that, if he will look at the last sentence of section 37(b) that specific protection is provided. The language is as follows:

> Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

The importance and the reason for this language is quite clear. What has been done has been successful in large measure because of the activities of private agencies, and we would like to see this kind of assistance continued and supported to the extent that authorization is provided in this bill for private agencies.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentleman will yield still further, as I recall the figure, the Congress last year in the foreign aid appropriation earmarked $5 million for assistance to South Vietnamese children through the private agencies and Dan Parker, as the Administrator of the Agency for International Development, took the lead in upping that to $7.5 million. Is it the understanding of the conferees that the amount to be available shall be at least what was available last year for the private volunteer agencies?

Mr. FRELINGHUYSEN. I might say to the gentleman from Wisconsin that the authorizing committee is not in a position to designate how much money is actually to be made available. But it is our hope that sufficient appropriations will be available to allow at least as much support for the efforts which private agencies have been making as has been the case in previous years.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman from New Jersey very much. I do want to say that I am deeply grateful to the Committee on Foreign Affairs for their sensitivity to and their leadership on behalf of efforts to increase the kind of aid that goes to assist the children of Vietnam.

Mr. FRELINGHUYSEN. I thank the gentleman.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I want to thank the gentleman from Pennsylvania, Mr. MORGAN, the chairman of the Foreign Affairs Committee, for his consideration in giving me this 5 minutes.

Mr. Speaker, I should like to ask someone conversant with this conference report the total figure now in the bill?

Mr. MORGAN. Two billion, six hundred ninety-seven million dollars.

Mr. GROSS. Two billion, six hundred ninety-seven million dollars?

Mr. MORGAN. That is correct.

Mr. GROSS. That is an increase, is it not, over the bill as it left the House?

Mr. MORGAN. It is $39.9 million more.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I wonder where those "doves," who suddenly became anti-Turkish warriors, are this afternoon in the consideration of this bill.

The effective cutoff date for aid to Turkey when this bill left the House last week was to be effective with the enactment of the bill. I now understand that the date has been extended to February 5.

Where are those warriors that were in full cry last week on the floor of the House, and who got a 3-to-1 vote in favor of an immediate cutoff?

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. And what happened, I might ask, when Secretary of State Kissinger made a foray over to Capitol Hill on Monday night of this week to confer, I do not know with whom, but obviously he did not confer with many Members of the House. Are we, the ordinary Members of the House, going to be let in on the secret of what happened that suddenly turned the anti-Turkish warriors around?

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield briefly to the gentleman from New York.

Mr. ROSENTHAL. I would be happy to answer any specific question the gentleman has.

Mr. GROSS. I thought I propounded a couple of questions.

Mr. ROSENTHAL. I followed this matter very closely, as the gentleman knows. There have been a series of discussions over the last 3 days taking into account the complex parliamentary situation the House found itself in, that is, consideration and passage of this bill, consideration and passage of the continuing resolution, and consideration of the House adjourning sometime this week.

Mr. GROSS. I can read all of that into the manipulations that apparently took place, but what I would like to have are a few specifics of what happened when the Secretary of State came up here and made his deal with the gentleman or the gentleman made his deal with him. Give us a quick fill-in, if the gentleman can do so.

Mr. ROSENTHAL. If the gentleman will yield, I would be very happy to do that. But I also have to point out that one of the significant advantages of those who took the position in favor of the cutoff is that the cutoff in the Foreign Assistance Act is permanent legislation so that we do not have this burden again in February or at any other time to add additional appropriation. This will be permanent law, and it was considered in the interest of not only the Members of this body but of the people on Cyprus, taking into account all the events.

Mr. GROSS. There were those in the House last week who tried to reason with the gentleman in that respect, but it had no effect at all because the House voted 3 to 1 for his position for an *immediate cutoff* of aid to Turkey.

Mr. ROSENTHAL. If the gentleman will yield, that is precisely right. The distinction is that this is permanent law and will not have to be brought up again in continuing resolutions. That is a very significant event.

Mr. GROSS. Yes; but the gentleman does not get his immediate cutoff; does he? He gave them a month and 5 days; did he not?

Mr. ROSENTHAL. If the gentleman will yield further, the cutoff is permanent law, suspended under certain provisions. The provisions are that Turkey will obey the cease-fire and that there is no transshipment of American military equipment.

Mr. GROSS. I still do not know who capitulated.

Mr. ROSENTHAL. Nobody capitulated. Reasonable men discussed this.

Mr. SARBANES. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I will yield briefly to the gentleman from Maryland.

Mr. SARBANES. I thank the gentleman for yielding.

The fact of the matter is, what this provision now accomplishes is that the cutoff with respect to aid to Turkey becomes a permanent part of U.S. law. It is allowed to be suspended until the 5th of February, but for the first time the cutoff, which was previously only on temporary legislation which expired of its own accord on a certain date, now becomes permanent, and the gentleman in the well knows it.

Mr. GROSS. The cutoff would have been immediate under that bill, and the gentleman knows it.

Mr. SARBANES. The gentleman in the well recognizes the difference.

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I yield 1 additional minute to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

I notice on page 38 of the conference report the following language:

> . . . unless the President reported to Congress that the Government of South Korea had made substantial progress in the observance of international standards of human rights.

What are "international standards of human rights?" Are they the standards set in Russia, or where?

Mr. MORGAN. If the gentleman will yield, the gentleman knows this is the exact language that passed this body last Wednesday. It is not changed at all.

Mr. GROSS. That may be, but what are "international standards of human rights?" Does anyone want to make a contribution to the cause of definition?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

The international standards of human rights are spelled out and defined in the Charter of the United Nations.

Mr. GROSS. And they are the human rights in Uganda, in Burndi, in Ethiopia, in Russia, in Czechoslovakia, in Poland. Are those the human rights the gentleman is talking about? These are the international standards?

Mr. ZABLOCKI. Those are the violations——

Mr. GROSS. And these "international standards" are now being applied to South Korea to the exclusion of all the nations I have mentioned and more that could be conjured up. The fact of the matter is there is no "international standard of human rights" except those to fit any and every occasion.

This conference report ought to be defeated. We ought to put an end now to this business of spewing out the resources of the people of this country and increasing the debt, deficit and inflation.

The SPEAKER. The time of the gentleman has expired.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when I discussed H.R. 17234 on the House floor on December 10, I made the comment that any resemblance between that measure and the bill which was originally presented to the Foreign Affairs Committee last June was purely coincidental. The substantial changes between the original bill and the one which we considered last week were achieved largely as a result of the actions of a group of members of the Foreign Affairs Committee who met periodically prior to the bill's markup to try to make some order out of chaos. This group prepared and introduced 29 amendments, and 26 of these amendments were adopted by the Foreign Affairs Committee during its deliberations.

These amendments, Mr. Speaker, fell into three areas.

First. They achieved substantial net reductions in the authorization requests.

Second. They limited transferability of funds.

Third. They presented a very strong human rights posture in the bill.

Mr. Speaker, I want to congratulate the House conferees for preserving the House position which we took in the Foreign Assistance Act. Indeed, I think the conference committee strengthened the bill in the three areas which I mentioned. Therefore, Mr. Speaker, I rise in support of the conference report and urge that my colleagues vote affirmatively for it.

Mr. Speaker, I think I would be remiss if I did not take note of the fact that two of the gentlemen who are sitting with me at the committee table will be working for the last time on Foreign Affairs Committee legislation. I am referring of course to the ranking minority member, Congressman Peter Frelinghuysen from New Jersey and our friend Al Westphal who is leaving the committee at the end of the year. I take this opportunity to wish both of them well and to wish them a very pleasant and productive retirement.

I would also note one other member of our group, the gentleman from Iowa (Mr. Gross), but since he received so many accolades in the special order the other day I did not wish to presume further upon his time.

Mr. FRELINGHUYSEN. Mr. Speaker, I have no further request for time.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Speaker, I too would like to compliment the conferees and the chairman on the excellent job they have done. I think we have a good bill before us. I am particularly pleased to note that the provisions with respect to the cutoff of the funds from UNESCO which I offered on the floor of the House have been suitably broadened.

I would like to ask the chairman just one or two questions. If I may have the attention of the chairman, I note there was a withdrawal of certain earmarkings for Middle Eastern funds but that the conference report states clearly what is the intention of the Congress with respect to the use of those funds.

Mr. MORGAN. That is correct. It is spelled out.

Mr. BINGHAM. In other words, it is expected that the figures specified would be followed out exactly.

The only additional point I would like to make is that I am a little unhappy about a change the conferees made with respect to the veto powers which the Congress will have with respect to cash arms sales. The conferees apparently changed the time limit for such congressional vetoes from 20 legislative days to 20 calendar days. I would like to have the chairman assure us that the staff of the Foreign Affairs Committee will be alerted to watch this very carefully because 20 calendar days is often a very short time within which Congress may act.

Mr. MORGAN. I can assure the gentleman that it will be so. The only reason for the change accepted in conference is that next year, after consultation with the leadership on both sides, it has been decided that we will take several recesses. This could unduly prolong congressional action with respect to some sales. The conferees agreed, therefore, that 20 calendar days would be better. But I assure the gentleman from New York that we will be watching this carefully.

Mr. BINGHAM. In other words, if this provision does not give Congress enough time to act if it wants to exercise the veto power, I presume we will reexamine that at a future date.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. Symington).

Mr. SYMINGTON. Mr. Speaker, I take this opportunity to refer again to the food-for-peace provisions of the bill. The record is now explicit with respect to what is meant by concessional food aid, in section 55(a)(5).

It is clear from the colloquy that occurred in the other body, and here, that what is meant by that subsection is that not more than 30 percent of title I concessional food sales may be allocated to countries other than those most seriously affected by food shortages.

The word concessional is a term of art. It only refers to title I sales for foreign currency. It means sales on concessional terms. It is not used redundantly in this or any other section. It is not used with respect to title II, the title which deals with grant programs.

It is quite important that we nail this down for the record. We are not talking about 30 percent of the total of food aid under title II plus concessional aid under title I, but only of title I concessional food aid. For the coming fiscal year, this would be restricted to the amount of $255 million. I am glad both bodies have accepted this interpretation.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. Harrington).

Mr. HARRINGTON. Mr. Speaker, if I could, I would like to direct some questions to the chairman concerning the $377 million ceiling on aid to Cambodia, which was contained in both the House and Senate bills.

The Senate and the House both adopted nearly identical provisions, which fixed a definite dollar limit on the amount of aid to Cambodia. Furthermore, the Senate bill contained a provision repealing the entire drawdown authority, and the House report specified no drawdown funds were to be used for Cambodia. As a result, I fail to understand the basis for the conference providing Cambodia with up to $75 million above the $377 million ceiling from the drawdown authority, since this action seems to me clearly opposed to the obvious intent on the part of both Houses to set an absolute ceiling on U.S. aid to Cambodia.

Mr. MORGAN. Well, the gentleman knows, he attended many of the markup sessions, the House bill contained $250 million drawdown authority. The Senate bill repealed the drawdown authority. On the first day of the conference, the conferees agreed to extend the drawdown authority but to reduce the level to $150 million. At this point the issue of the use of the drawdown authority in Cambodia was opened.

The House bill would have permitted the use of all the agreed-on $150 million drawdown in Cambodia. The Senators objected on the grounds that although their bill only applied to military assistance, Public Law 480 and economic assistance, they did not want to give the authority to increase the Cambodia program another $150 million.

It was recognized, however, that in the absence of any new language regarding drawdown, the executive branch would likely to have used the entire $150 million for Cambodia.

As a result, conferees agreed to limit the amount of drawdown authority which could possibly be used in Cambodia to $75 million. In doing so, they were acting entirely within their competence.

Mr. HARRINGTON. Mr. Speaker, one further question, if I may. My understanding was that we adopted by a rather sizeable margin of an absolute limit of $377 million for Cambodia. The House maintained its intent not to allow any other funds to be used for that purpose. I am wondering why the conferees did not take that into account in voting as they did?

Mr. MORGAN. The committee of conference did place a $75-million limit on the use of the drawdown for Cambodia. Otherwise the entire $150 million could have been used.

Mr. HARRINGTON. Is it the intent of the conferees not to allow that drawdown authority to apply to Cambodia, in view of the absolute limit?

Mr. MORGAN. Well, as far as the chairman is concerned, on the use of the drawdown authority, the language of the conference report speaks for itself.

Mr. HARRINGTON. And that will apply to Southeast Asia as directed?

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I have no further requests for time.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, I really want to particularly commend the conferees on providing a resolution on a very difficult question with regard to negotiating a peaceful settlement in the Cyprus situation. I think they have done a very commendable job and it is in the best interest of our Nation, as well as the best interest of Turkey and Greece and peace in the world.

Mr. Speaker, in supporting the conference report on foreign aid, I am pleased to note that the Congress has effected a careful review of our entire program of economic and military aid.

Mr. Speaker, I am particularly pleased to note that my votes in support of a cutoff of aid to Turkey are consistent with our efforts to assist in a negotiation of the Cyprus situation.

Mr. BIAGGI. Mr. Speaker, I rise to give my support to this conference report to the Foreign Assistance Act of 1974. I congratulate the conferees and I am particularly pleased that they have placed as one of their key priorities the restoration of peace in the war ravaged nation of Cyprus.

I was gratified that my amendment to provide $25 million in urgently needed emergency aid to Cyprus was retained. As I indicated last week during consideration of this bill in the House, this aid is critical if the nation and people of Cyprus are to recover from the devastating effects of 5 months of civil strife and occupation by the nation of Turkey. This aid will assist in answering the most urgent needs of the Cypriot people, namely for food, medical assistance and housing for the quarter of a million men, women, and children refugees on the island.

The nation of Cyprus is indeed in her darkest hour of need. We the Congress have responded to their plight in the best humanitarian tradition, and I recommend that this legislation be passed today.

I am also pleased to see this report contains the thrust of the intention of the House with respect to the continued providing of aid to Turkey under the Foreign Assistance Act. Under the compromise agreement all military assistance and sales will be suspended on the date of enactment of the bill, but allows the President to lift the suspension until February 5 if he determines that such action will further negotiations for a peaceful solution of the Cyprus conflict and only if during that time Turkey observes the cease-fire and does not increase her forces on Cyprus or divert any U.S. military aid for use on the island.

I feel this represents an effective and workable arrangement and one which should help further the cause of peace. I feel this will give the administration the leverage they need, but at the same time makes it clear to Turkey that any continued aggressions against Cyprus will result in a complete and irrevocable cutoff of aid.

The goal of peace and the future security of Cyprus stand to be the ultimate beneficiaries of this legislation. We have fought long and hard on the Cyprus issue, yet we have remained steadfast in our convictions concerning Turkey and her illegal use of our aid. What we are considering today represents the culmination of our efforts, and a successful one at that. It is legislation which we should be proud of and pass without any further delay.

Mr. BRADEMAS. Mr. Speaker, I rise in support of the conference report on the Foreign Assistance Act of 1974.

Many of the programs authorized by this bill are of great importance to the effective operation of the foreign policy of the United States.

But, Mr. Speaker, I also wish to take time to address myself to one aspect of the Foreign Assistance Act with respect to which, as my colleagues know, I have been especially concerned as have many other Members of the House, and I here refer particularly to the gentleman from New York (Mr. Rosenthal) and the gentleman from Maryland (Mr. Sarbanes).

I refer, of course, to the provision in the bill under consideration that would make mandatory a suspension of all military sales and assistance from the United States to Turkey after February 5, 1975, unless and until:

First. Turkey complies with the Foreign Assistance Act, the Foreign Military Sales Act, and any agreement entered into by Turkey under such acts; and

Second. Substantial progress toward agreement has been made regarding military forces in Cyprus.

Now, Mr. Speaker, I should note that the effect of the inclusion of this amendment in the Foreign Assistance Act of 1974 is to incorporate the cutoff language, commonly known as the Rosenthal-Eagleton amendment, into permanent law. My colleagues, Mr. Rosenthal and Mr. Sarbanes, and I, as well as Senator Eagleton, regard such incorporation as a most important and significant development.

Let me, Mr. Speaker, explain why I make this observation. Until the approval of the conference report under consideration, the Foreign Assistance Act of 1974, this cutoff language was a part of the continuing appropriations resolution, which is a temporary funding measure.

With the incorporation of the cutoff language into permanent law, however, the language may be changed only by a bill passed by Congress.

In my own judgment—and in the judgment of my colleagues, Mr. Rosenthal, Mr. Sarbanes, and Senator Eagleton—it is highly unlikely that Congress would support another delay in the suspension of aid to Turkey unless and until:

First. The Government of Turkey—in accord with the Rosenthal-Eagleton amendment—complies with the Foreign Assistance Act, and any agreement entered into by Turkey under such acts; and

Second. Substantial progress toward agreement has been made regarding military forces in Cyprus.

In the absence of both these conditions as of February 5, 1975, U.S. military aid and sales to Turkey will be cut off on that date.

Mr. Speaker, I am sure I voice the view of every Member of the House when I say that I hope that there will be a speedy and just resolution of the problems, both humanitarian and political, that have arisen in Cyprus.

Mr. Speaker, I include at this point in the Record the text of the statement of yesterday, December 17, 1974, of Senator Eagleton, Congressman Rosenthal, Congressman Sarbanes, and me on the matter of the cutoff of U.S. military aid to Turkey.

The statement follows:

Cutoff of U.S. Military Aid to Turkey

The conferees have completed their work on the Foreign Assistance Act. There has been a compromise on the cut-off of military aid to Turkey. We accept the compromise embodied in the Conference Report. In reaching this position we considered the interests of all of the parties to the Cyprus dispute, the action of the Senate on this legislation, and the complex parliamentary situation the Congress is facing in considering, at this time, both the Foreign Assistance Act and a Continuing Resolution.

We take this position for the following reasons:

1. Although the bill permits the temporary sending of aid until February 5, the cut-off language of the Rosenthal-Eagleton Amendment now becomes permanent law instead of a rider on temporary Continuing Appropriations Resolutions.

That language suspends all U.S. military aid to Turkey unless and until:

(a) Turkey complies with the Foreign Assistance Act, the Foreign Military Sales Act and any agreement entered into under such Acts; and

(b) substantial progress toward agreement has been made regarding military forces in Cyprus.

We regard the incorporation of the cut-off language into permanent law as a very important and significant development. The language will, of course, be incorporated in the Continuing Resolution.

2. The bill requires that during the temporary period of suspension of the cut-off, Turkey shall:

(a) observe the ceasefire on Cyprus;

(b) not increase its forces on Cyprus; and

(c) not transfer to Cyprus any U.S. supplied implements of war.

3. The Conference Committee Report makes clear that there must be no accelerated obligations and delivery of military aid during the extension period.

4. The Conference Report authorizes $25 million for aid to refugees in Cyprus, and it is our understanding that the Continuing Appropriations Resolution and any subsequent appropriations measures will also contain $25 million for this vital humanitarian purpose.

5. We are hopeful that meaningful progress concerning all matters of interest to Cyprus, both humanitarian and political, will commence shortly.

6. The Foreign Assistance Bill contains a number of programs important to U.S. policy in many parts of the world.

Mr. MORGAN. Mr. Speaker, I have no further requests for time.

Mr. FRELINGHUYSEN. Mr. Speaker, I have no further requests for time.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 209, nays 189, not voting 36, as follows:

[Roll No. 704]

YEAS—209

Abzug
Addabbo
Alexander
Anderson, Ill.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Baker
Barrett
Bell
Bergland
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Cederberg
Chamberlain
Chisholm
Clark
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Dellums
Dennis
Derwinski
Diggs
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Froehlich
Gilman
Gonzalez
Green, Pa.
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hanrahan
Harrington
Hawkins
Hays
Hébert
Heckler, Mass.
Heinz
Helstoski
Hillis
Hogan
Holifield
Holtzman
Horton
Hosmer
Johnson, Pa.
Jones, Ala.
Jordan
Kluczynski
Koch
Kuykendall
Kyros
Leggett
Lehman
Lent
Long, Md.
Luken
McClory
McDade
McFall
McKay
McKinney
Madden
Mallary
Mathias, Calif.
Matsunaga
Mayne
Meeds
Metcalfe
Mezvinsky
Michel
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nelsen
Nix
O'Brien
O'Hara
O'Neill
Parris
Patman
Patten
Peyser
Preyer
Price, Ill.
Quie
Railsback
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Seiberling
Sisk
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Symington
Teague
Thompson, N.J.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Ware
Whalen
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NAYS—189

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Bauman
Beard
Bennett
Bevill
Bowen
Bray
Brinkley
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Conyers
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dent
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
Edwards, Ala.
Evins, Tenn.
Fisher
Flowers
Flynt
Fountain
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Gunter
Haley
Hammerschmidt
Harsha
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Holt
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Lagomarsino
Landrum
Latta
Long, La.
Lott
Lujan
McCollister
McCormack
McEwen
McSpadden
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mazzoli
Melcher
Milford
Miller
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Mosher
Moss
Murtha
Myers
Natcher
Nichols
Obey
Passman
Perkins
Pettis
Pickle
Pike
Poage
Powell, Ohio
Price, Tex.
Pritchard
Quillen
Randall
Rarick
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Rose
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Satterfield
Scherle
Schroeder
Sebelius
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Steelman
Steiger, Ariz.
Stubblefield
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Veysey
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Zion

NOT VOTING—36

Adams
Blatnik
Brasco
Brown, Mich.
Broyhill, Va.
Carey, N.Y.
Dellenback
Eshleman
Frey
Grasso
Gray
Griffiths
Hanna
Hansen, Idaho
Hansen, Wash.
Hastings
Howard
Jones, N.C.
Landgrebe
Litton
McCloskey
Macdonald
Mills
Owens
Pepper
Podell
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Shoup
Staggers
Steed
Stephens
Stuckey
Wright
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Shipley against.

Mr. Carey of New York for, with Mr. Steed against.

Mr. Pepper for, with Mr. Stephens against.

Mr. Macdonald for, with Mr. Stuckey against.

Mr. Wright for, with Mr. Owens against

Mr. Rooney of New York for, with Mr. Jones of North Carolina against.

Mr. Blatnik for, with Mr. Staggers against.

Mr. Brown of Michigan for, with Mr. Frey against.

Mr. McCloskey for, with Mr. Landgrebe against.

Mr. Gray for, with Mr. Roncallo of New York against.

Mr. Hanna for, with Mr. Eshleman against.

Mrs. Hansen of Washington for, with Mr. Hastings against.

Until further notice:

Mr. Adams with Mr. Broyhill of Virginia.

Mr. Dellenback with Mrs. Grasso.

Mrs. Griffiths with Mr. Hansen of Idaho.

Mr. Litton with Mr. Mills.

Mr. Zwach with Mr. Shoup.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EASTERN WILDERNESS AREAS ACT OF 1974

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 3433) to further the purposes of the Wilderness Act by designating certain acquired lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. HOSMER. Reserving the right to object, I do so for the purpose of inquiring of the gentleman as to the general features of the legislation as he desires it to be brought before the House at this point.

Mr. MELCHER. If the gentleman will yield, we are asking for the consideration of the Eastern Wilderness bill. It involves designating that wilderness as constituting 16 areas in the East and 17 to be designated as study areas, all in the Eastern United States. It is a Senate-passed bill.

It was approved unanimously by the Committee on Interior and Insular Affairs, and it is a bill that has been cosponsored by over 100 Members of the House.

Mr. HOSMER. Mr. Speaker, I thank the gentleman.

I fully approve of its nature and of the purpose of the legislation and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be known as the "Eastern Wilderness Areas Act of 1974".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) in the more populous eastern half of the United States there is an urgent need to identify, study, designate, and preserve areas for addition to the National Wilderness Preservation System;

(2) areas of wilderness in the more populous eastern half of the United States are increasingly threatened by the pressures of a growing and more mobile population, large-scale industrial and economic growth, and development and uses inconsistent with the protection, maintenance, and enhancement of the areas' wilderness character;

(3) the national forests in the eastern United States consist predominantly of acquired lands where the impact of man's past activity has been substantial, and the restoration of such lands for conservation purposes and specifically for wilderness purposes requires considerable effort;

(4) there is a growing need for the broad range of recreational opportunities which can be provided within the national forest system; and

(5) among these opportunities is the opportunity for present and future generations to enjoy primitive recreation in a spacious, natural, and wilderness setting.

(b) Therefore, the Congress finds and declares that it is in the national interest that areas hereinafter cited in the eastern half of the United States be promptly designated as wilderness within the National Wilderness Preservation System, and that additional areas be promptly studied. These actions are required in order to preserve such areas as an enduring source of wilderness which shall be managed to promote and perpetuate the wilderness character of the land and its specific values of solitude, physical and mental challenge, scientific study, inspiration, and primitive recreation for the benefit of all of the American people of present and future generations.

DESIGNATION OF AREAS PURSUANT TO THIS ACT

SEC. 3. Only national forest areas east of the one hundredth meridian may be designated pursuant to this Act as wilderness areas or wilderness study areas.

DESIGNATION OF WILDERNESS AREAS

SEC. 4. In furtherance of the purposes of the Wilderness Act (78 Stat. 890), the following lands (hereinafter referred to as "wilderness areas") located east of the one hundredth meridian and as generally depicted on maps appropriately referenced, dated April 1974, are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System—

(1) certain lands in the Bankhead National Forest, Alabama, which comprise about twelve thousand acres, are generally depicted on a map entitled "Sipsey Wilderness Area—Proposed", and shall be known as the Sipsey Wilderness;

(2) certain lands in the Ouachita National Forest, Arkansas, which comprise about fourteen thousand four hundred and thirty-three acres, are generally depicted on a map entitled "Caney Creek Wilderness Area—Proposed", and shall be known as the Caney Creek Wilderness;

(3) certain lands in the Ozark National Forest, Arkansas, which comprise about ten thousand five hundred and ninety acres, are generally depicted on a map entitled "Upper Buffalo Wilderness Area—Proposed", and shall be known as the Upper Buffalo Wilderness.

(4) certain lands in the Appalachicola National Forest, Florida, which comprise about twenty-two thousand acres, are generally depicted on a map entitled "Bradwell Bay Wilderness Area—Proposed", and shall be known as the Bradwell Bay Wilderness;

(5) certain lands in the Chattahoochee and Cherokee National Forests, Georgia, and Tennessee, which comprise about thirty-seven thousand three hundred acres, are generally depicted on a map entitled "Cohutta Wilderness Area—Proposed", and shall be known as the Cohutta Wilderness;

(6) certain lands in the Daniel Boone National Forest, Kentucky, which comprise about five thousand five hundred acres, are generally depicted on a map entitled "Beaver Creek Wilderness Area—Proposed", and shall be known as the Beaver Creek Wilderness;

(7) certain lands in the Hiawatha National Forest, Michigan, which comprise about six thousand six hundred acres, are generally depicted on a map entitled "Big Island Lake Wilderness Area—Proposed", and shall be known as the Big Island Lake Wilderness;

(8) certain lands in the Mark Twain National Forest, Missouri, which comprise about sixteen thousand four hundred acres, are generally depicted on a map entitled "Glades Wilderness Area—Proposed", and shall be known as the Glades Wilderness;

(9) certain lands in the Mark Twain National Forest, Missouri, which comprise about nineteen thousand one hundred acres, are generally depicted on a map entitled "Irish Wilderness Area—Proposed", and shall be known as the Irish Wilderness;

(10) certain lands in the White Mountain National Forest, New Hampshire, which comprise about twenty thousand three hundred and eighty acres, are generally depicted on a map entitled "Presidential Range-Dry River Wilderness Area—Proposed", and shall be known as the Presidential Range-Day River Wilderness;

(11) certain lands in the Nantahala and Cherokee National Forests, North Carolina and Tennessee, which comprise about fifteen thousand acres, are generally depicted on a map entitled "Joyce Kilmer-Slickrock Wilderness Area—Proposed", and shall be known as the Joyce Kilmer-Slickrock Wilderness;

(12) certain lands in the Sumter, Nantahala, and Chattahoochee National Forests in South Carolina, North Carolina, and Georgia, which comprise about three thousand six hundred acres, are generally depicted on a map entitled "Ellicott Rock Wilderness Area—Proposed", and shall be known as Ellicott Rock Wilderness;

(13) certain lands in the Cherokee National Forest, Tennessee, which comprise about two thousand five hundred and seventy acres, are generally depicted on a map entitled "Lye Brook Wilderness Area—Proposed", and shall be known as the Gee Creek Wilderness;

(14) certain lands in the Green Mountain National Forest, Vermont, which comprise about six thousand five hundred acres, are generally depicted on a map entitled "Bristol Cliffs Wilderness Area—Proposed", and shall be known as the Bristol Cliffs Wilderness;

(15) certain lands in the Green Mountain National Forest, Vermont, which comprise about fourteen thousand three hundred acres, are generally depicted on a map entitled "Lye Brook Wilderness Area—Proposed", and shall be known as the Lye Brook Wilderness;

(16) certain lands in the Jefferson National Forest, Virginia, which comprise about eight thousand eight hundred acres, are gen-

erally depicted on a map entitled "James River Face Wilderness Area—Proposed", and shall be known as the James River Face Wilderness;

(17) certain lands in the Monongahela National Forest, West Virginia, which comprise about ten thousand two hundred and fifteen acres, are generally depicted on a map entitled "Dolly Sods Wilderness Area—Proposed", and shall be known as the Dolly Sods Wilderness;

(18) certain lands in the Monongahela National Forest, West Virginia, which comprise about twenty thousand acres, are generally depicted on a map entitled "Otter Creek Wilderness Study Area", and shall be known as the Otter Creek Wilderness; and

(19) certain lands in the Chequamegon National Forest, Wisconsin, which comprise about six thousand six hundred acres, are generally depicted on a map entitled "Rainbow Lake Wilderness Area—Proposed", and shall be known as the Rainbow Lake Wilderness.

DESIGNATION OF WILDERNESS STUDY AREAS

SEC. 5. (a) In furtherance of the purposes of the Wilderness Act and in accordance with the procedures specified in section 3(d) of that Act, the Secretary of Agriculture shall review, as to its suitability or nonsuitability for preservation as wilderness, each area designated by or pursuant to subsection (b) of this section.

(b) Areas to be reviewed pursuant to this section (hereinafter referred to as "wilderness study areas"), located east of the one hundredth meridian and as generally depicted on maps appropriately referenced, dated April 1974, include—

(1) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately five thousand seven hundred acres and are generally depicted on a map entitled "Belle Starr Cave Wilderness Study Area";

(2) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately five thousand five hundred acres and are generally depicted on a map entitled "Dry Creek Wilderness Study Area";

(3) certain lands in the Ozark National Forest, Arkansas, which comprise approximately two thousand one hundred acres and are generally depicted on a map entitled "Richland Creek Wilderness Study Area";

(4) certain lands in the Ocala National Forest, Florida, which comprise approximately ten thousand acres and are generally depicted on a map entitled "Alexander Springs Wilderness Study Area";

(5) certain lands in the Appalachicola National Forest, Florida, which comprise approximately one thousand one hundred acres and are generally depicted as the "Sopchoppy River Wilderness Study Area" on a map entitled "Bradwell Bay Wilderness Area—Proposed";

(6) certain lands in the Shawnee National Forest, Illinois, which comprise two thousand eight hundred acres and are generally depicted on a map entitled "LaRue-Pine Hills Wilderness Study Area";

(7) certain lands in the Shawnee National Forest, Illinois, which comprise approximately fifteen thousand acres and are generally depicted on a map entitled "Lusk Creek Wilderness Study Area";

(8) certain lands in the Hoosier National Forest, Indiana, which comprise approximately thirty thousand seven hundred and fifty acres and are generally depicted on a map entitled "Nebo Ridge Wilderness Study Area";

(9) certain lands in the Kisatchie National Forest, Louisiana, which comprise approximately ten thousand acres and are generally depicted on a map entitled "Kisatchie Hills Wilderness Study Area";

(10) certain lands in the Kisatchie National Forest, Louisiana, which comprise approximately five thousand acres and are generally depicted on a map entitled "Saline Bayou Wilderness Study Area";

(11) certain lands in the White Mountain National Forest, Maine, which comprise approximately twelve thousand acres and are generally depicted on a map entitled "Caribou-Speckled Mountain Wilderness Study Area";

(12) certain lands in the Hiawatha National Forest, Michigan, which comprise approximately five thousand four hundred acres and are generally depicted on a map entitled "Rock River Canyon Wilderness Study Area";

(13) certain lands in the Ottawa National Forest, Michigan, which comprise approximately thirteen thousand two hundred acres and are generally depicted on a map entitled "Sturgeon River Wilderness Study Area";

(14) certain lands in the Clark National Forest, Missouri, which comprise approximately seven thousand six hundred and forty acres and are generally depicted on a map entitled "Bell Mountain Wilderness Study Area";

(15) certain lands in the Clark National Forest, Missouri, which comprise approximately six thousand eight hundred acres and are generally depicted on a map entitled "Rockpile Mountain Wilderness Study Area"

(16) certain lands in the White Mountain National Forest, New Hampshire, which comprise approximately ten thousand acres and are generally depicted on a map entitled "Carr Mountain Wilderness Study Area";

(17) certain lands in the White Mountain National Forest, New Hampshire, which comprise approximately fourteen thousand four hundred acres and are depicted as the "Great Gulf Wilderness Extension Study Area" on a map entitled "Presidential Range Wilderness Area—Proposed";

(18) certain lands in the White Mountain National Forest, New Hampshire, which comprise approximately sixteen thousand acres and are generally depicted on a map entitled 'Kilkenny Wilderness Study Area";

(19) certain lands in the White Mountain National Forest, New Hampshire, which comprise approximately twenty thousand acres and are generally depicted on a map entitled "Wild River Wilderness Study Area";

(20) certain lands in the Pisgah National Forest, North Carolina, which comprise approximately one thousand one hundred acres and are generally depicted on a map entitled "Craggy Mountain Wilderness Study Area";

(21) certain lands in the Croatan National Forest, North Carolina, which comprise approximately seventeen thousand acres and are generally depicted on a map entitled "Pocosin Wilderness Study Area";

(22) certain lands in the Wayne National Forest, Ohio, which comprise approximately nineteen thousand acres and are generally depicted on a map entitled "Archers Fork Wilderness Study Area";

(23) certain lands in the Allegheny National Forest, Pennsylvania, which comprise approximately eleven thousand two hundred acres and are generally depicted on a map entitled "Hickory Creek Wilderness Study Area";

(24) certain lands in the Allegheny National Forest, Pennsylvania, which comprise approximately ten thousand acres and are generally depicted on a map entitled "Tracy Ridge Wilderness Study Area";

(25) certain lands in the Allegheny National Forest, Pennsylvania, which comprise approximately ten thousand acres and are generally depicted on a map entitled "Allegheny Front Wilderness Study Areas";

(26) certain lands in the Francis Marion National Forest, South Carolina, which comprise approximately one thousand five hundred acres and are generally depicted on a map entitled "Wambaw Swamp Wilderness Study Area";

(27) certain lands in the Cherokee National Forest, Tennessee, which comprise approximately four thousand five hundred acres and are generally depicted on a map entitled "Big Frog Wilderness Study Area";

(28) certain lands in the Cherokee National Forest, Tennessee, which comprise approximately fourteen thousand acres and are generally depicted as the "Citco Creek Area" on a map entitled "Joyce Kilmer-Slickrock Wilderness Area—Proposed";

(29) certain lands in the Davy Crockett National Forest, Texas, which comprise approximately four thousand acres and are generally depicted on a map entitled "Big Slough Wilderness Study Area";

(30) certain lands in the Sabine National Forest, Texas, which comprise approximately four thousand acres and are generally depicted on a map entitled "Chambers Ferry Wilderness Study Area";

(31) certain lands in the Jefferson National Forest, Virginia, which comprise approximately four thousand acres and are generally depicted on a map entitled "Mill Creek Wilderness Study Area";

(32) certain lands in the Jefferson National Forest, Virginia, which compromise approximately eight thousand four hundred acres and are generally depicted on a map entitled "Mountain Lake Wilderness Study Area";

(33) certain lands in the Jefferson National Forest, Virginia, which comprise approximately five thousand acres and are generally depicted on a map entitled "Peters Mountain Wilderness Study Area";

(34) certain lands in the George Washington National Forest, Virginia, which comprise approximately six thousand seven hundred acres and are generally depicted on a map entitled "Ramsey's Draft Wilderness Study Area";

(35) certain lands in the Monongahela National Forest, West Virginia, which comprise approximately thirty-six thousand three hundred acres and are generally depicted on a map entitled "Cranberry Wilderness Study Area";

(36) certain lands in the Nicolet National Forest, Wisconsin, which comprise approximately two thousand six hundred acres and are generally depicted on a map entitled "Black Jack Springs Wilderness Study Area";

(37) certain lands in the Chequamegon National Forest, Wisconsin, which comprise approximately six thousand three hundred acres and are generally depicted on a map entitled "Flynn Lake Wilderness Study Area";

(38) certain lands in the Chequamegon National Forest, Wisconsin, which comprise approximately four thousand two hundred acres and are generally depicted on a map entitled "Round Lake Wilderness Study Area";

(39) certain lands in the Nicolet National Forest, Wisconsin, which comprise approximately two thousand seven hundred acres and are generally depicted on a map entitled "Whisker Lake Wilderness Study Area"; and

(40) certain lands in the Caribbean National Forest, Puerto Rico, which comprise approximately eight thousand five hundred acres and are generally depicted on a map entitled "El Cacique Wilderness Study Area".

(c) The Secretary of Agriculture shall, within five years from the date of this Act, send to the President his recommendations concerning the wilderness study areas designated by this Act. The President shall advise the United States Senate and House of Representatives of his recommendations with respect to the designation as wilderness of each area submitted. Each recommendation of the President for designation of an area as wilderness shall become effective only if so provided by an Act of Congress.

(d) The Secretary of Agriculture may, through publication in the Federal Register, designate national forest system areas east of the one hundredth meridian other than those areas specified in subsection (b) of this section or any areas designated as wilderness study areas by Congress pursuant to this Act, for review as to suitability or nonsuitability for preservation as wilderness. Nothing in this subsection shall be construed as limiting the authority of the Secretary of Agriculture to carry out management programs, development, and activities in accordance with the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215; 16 U.S.C. 528–531) within areas not designated by him for review in accordance with the provisions of this subsection.

(e) The recommendations of the Secretary of Agriculture for each wilderness study area designated by or pursuant to this Act shall be accompanied by a report, including maps and illustrations, showing among other things the boundaries of the study area; the characteristics which make or do not make the area worthy for classification as wilderness, including scenic, natural, and wilderness attraction of the area, restorability of the area to near natural conditions, current and expected patterns of landownership, and surface and subsurface rights not held or controlled by the public; foreseeable potential uses of the land and water which would be enhanced, foreclosed, or curtailed if the area were included in the system; the environmental, economic, and social consequences of designation as a wilderness area; the interrelationship of the classification of a wilderness area to the total management of the particular national forest under the applicable multiple-use management plans.

(f) Nothing herein contained shall limit the President in proposing, as part of his recommendations to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value.

FILING OF MAPS AND DESCRIPTIONS

SEC. 6. As soon as practicable after enactment of this Act, a map of each wilderness study area, and a map and a legal description of each wilderness area, designated by this Act, shall be filed with the Committees on Interior and Insular Affairs and on Agriculture of the United States Senate and House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

MANAGEMENT OF AREAS

SEC. 7. (a) Except as otherwise provided by this Act, the wilderness areas designated by or pursuant to this Act shall be managed by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act, as amended by this Act. The wilderness study areas designated by or pursuant to this Act shall be managed by the Secretary of Agriculture so as to maintain their potential for inclusion in the National Wilderness Preservation System until Congress has determined otherwise, except that such management requirement shall in no case extend beyond the expiration of the third succeeding Congress from the date of submission to the Congress of the President's recommendations concerning the particular study area.

(b) Notwithstanding the provisions of paragraphs (2) and (3) of subsection 4(d) of the Wilderness Act and subject to valid existing rights, federally owned lands within wilderness areas and wilderness study areas designated by or pursuant to this Act or hereafter acquired within the boundaries of such areas shall be withdrawn from all forms of appropriation under the mining laws, and from disposition under all laws pertaining to mineral leasing, and all amendments thereto. Such withdrawal shall take effect in areas designated by this Act upon the date of enactment of this Act, in any area designated pursuant to this Act upon the date of enactment of the Act providing for such designation or the date of designation by the Secretary of Agriculture, and for any land acquired within the boundaries of such areas upon the date of such acquisition.

(c)(1) Within wilderness areas designated by or pursuant to this Act, the Secretary of Agriculture may acquire by purchase with donated or appropriated funds, by gift, exchange, condemnation, or otherwise, such lands, waters, or interests therein as he determines necessary or desirable for the purposes of this Act. All lands acquired under the provisions of this subsection shall become national forest lands.

(2) In exercising the exchange authority granted by paragraph (1), the Secretary of Agriculture may accept title to non-Federal property for federally owned property of substantially equal value, or if not of substantially equal value, the value shall be equalized by the payment of money to the grantor or to the Secretary as the circumstances require.

(3) The authority of the Secretary of Agriculture to condemn any private land or interest therein within any wilderness area designated by or pursuant to this Act shall not be invoked so long as the owner or owners of such land or interest holds and uses it in the same manner and for those purposes for which such land or interest was held on the date of the designation of the wilderness area: *Provided, however,* That the Secretary of Agriculture may acquire such land or interest without consent of the owner or owners whenever he finds such use to be incompatible with the management of such area as wilderness and the owner or owners manifest unwillingness, and subsequently fail, to promptly discontinue such incompatible use.

(4) At least sixty days prior to any transfer by exchange, sale, or otherwise (except by bequest) of such lands or interests therein described in paragraph (3) of this subsection, the owner or owners of such lands or interests therein shall provide notice of such transfer to the supervisor of the national forest concerned, in accordance with such rules and regulations as the Secretary of Agriculture may promulgate.

(5) At least sixty days prior to any change in the use of such lands or interests therein described in paragraph (3) of this subsection which will result in any significant new construction or disturbance of land surface or flora or will require the use of motor vehicles and other forms of mechanized transport or motorized equipment (except as otherwise authorized by the law for ingress or egress or for existing agricultural activities begun before the date of the designation other than timber cutting), the owner or owners of such lands or interests therein shall provide notice of such change in use to the supervisor of the national forest within which such lands are located, in accordance with such rules and regulations as the Secretary of Agriculture may promulgate.

(6) For the purposes of paragraphs (7) and (8) of this subsection, the term "property" shall mean a detached, non-commercial residential dwelling, the construction of which was begun before the date of the designation of the wilderness area (hereinafter referred to as "dwelling"), or an existing agricultural activity begun before the date of the designation of the wilderness area, other than timber cutting (hereinafter referred to as "agricultural activity"), together with so much of the land on which the dwelling or agricultural activity is situated, such land being in the same ownership as the dwelling or agricultural activity, as the Secretary of Agriculture shall determine to be necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use or for the agricultural activity, together with any structures accessory to the dwelling or agricultural activity which are situated on the land so designated.

(7) Any owner or owners of property on the date of its acquisition by the Secretary of Agriculture may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the property for such noncommercial residential purpose or agricultural activity for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or his spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary of Agriculture shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner: *Provided,* That whenever an owner of property elects to retain a right of use and occupancy as provided for in this section, such owner shall be deemed to have waived any benefits or rights accruing under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act.

(8) A right of use and occupancy retained or enjoyed pursuant to paragraph (7) of this subsection may be terminated with respect to the entire property by the Secretary of Agriculture upon his determination that the property or any portion thereof has ceased to be used for such noncommercial residential purpose or agricultural activity and upon tender to the holder of a right an amount equal to the fair market value as of the date of tender of that portion of the right which remains unexpired on the date of termination.

(d) Notwithstanding the provisions of clause (4)(2) of subsection 4(d) of the Wilderness Act, commercial grazing of livestock within any wilderness area designated by or pursuant to this Act may be continued under permits consistent with the purposes of his Act.

AMENDMENTS TO THE WILDERNESS ACT

SEC. 8. The Wilderness Act is amended as follows:

(a) Section 2(c) of the Wilderness Act is amended by adding at the end thereof the following new sentence: "The term 'wilderness' shall include areas designated by or pursuant to the Eastern Wilderness Areas Act of 1974."

(b) Section 3(d) of the Wilderness Act is amended as follows:

(1) Clause (B) of paragraph (1) is amended by changing the semicolon at the end thereof to a colon and inserting the following new proviso: "*And provided further,* That the respective Secretaries shall give public notice at least sixty days in advance of any hearing or other public meeting concerning any wilderness study area; and".

(2) Clause (C) of paragraph (1) is amended to read as follows:

"(C) at least sixty days before the date of a hearing advise the Governor of each State, the governing board of each county, or in Alaska the borough, parish, town, and municipality in which the lands are located, the governing board of each appropriate substate multijurisdictional general purpose planning and development agency that has been officially designated as a clearinghouse agency, the governing board of each appropriate established environmental protection district, and Federal departments and agencies concerned, and invite such officials and Federal agencies to submit their views on the proposed action at the hearing or by no later than thirty days following the date of the hearing."

(c) Section 4(d) of the Wilderness Act is amended as follows:

(1) Paragraph (1) is amended by adding at the end thereof the following new sentence: "No timber stand modification shall be permitted except as provided for in this paragraph (1)."

(2) Paragraph (4)(1) is amended by striking the semicolon directly after "denial" and before "and" and inserting in lieu thereof ": *Provided*, That with respect to areas designated as wilderness by or pursuant to the Eastern Wilderness Areas Act of 1974, the President shall not authorize the establishment of any new reservoirs, water-conservation works, power projects, transmission lines, or other facilities;".

(d) Section 7 of the Wilderness Act is amended by striking the word "ANNUAL" in the title thereof and changing the section to read as follows:

"SEC. 7. (a) **At the opening of each Congress**, the Secretaries of Agriculture and the Interior shall jointly report to the President, for transmission to Congress, on the status of the National Wilderness Preservation System, including a list and description of the areas in the system, regulations in effect, and other pertinent information, together with any recommendations they may care to make.

"(b) There shall be included in the report—

"(1) descriptions of those wilderness study areas that are recommended for designation as components of the National Wilderness Preservation System, in accordance with the procedures specified in section 3(d) of this Act; and

"(2) descriptions of those portions of wilderness study areas that are recommended not to be designed as wilderness, together with the reasons for the recommendation."

(e) The Wilderness Act is amended by adding at the end thereof the following new sections 8 through 11:

"HUNTING, FISHING, AND TRAPPING

"SEC. 8. The Secretary of Agriculture shall permit hunting, fishing, and trapping on the lands and waters within national forest wilderness areas in accordance with applicable Federal and State laws; except that the Secretary may issue regulations designating zones where, and establishing periods when, no hunting, fishing, or trapping shall be permitted for reasons of public safety, administration, or public use enjoyment. Except in emergencies, any regulations promulgated pursuant to this section shall be issued only after consultation with the wildlife agency of the State or States affected.

"MANAGEMENT PLAN

"SEC. 9. The Secretary of Agriculture and the Secretary of the Interior shall each prepare a management plan for each wilderness area and wilderness study area for which they have jurisdiction, utilizing a multidisciplinary approach and providing for appropriate public involvement.

"TRANSFER OF FEDERAL PROPERTY

"SEC. 10. The head of any Federal department or agency having jurisdiction over any lands or interests in lands within the boundaries of wilderness areas and wilderness study areas is authorized to transfer to the Secretary of Agriculture or the Secretary of the Interior, where appropriate, jurisdiction over such lands for administration in accordance with the provisions of this Act.

"COOPERATION WITH STATES

"SEC. 11. The Secretary of Agriculture and the Secretary of the Interior shall cooperate with the States and political subdivisions thereof in the administration of wilderness areas and in the administration and protection of lands within or adjacent to the wilderness are owned or controlled by the State or political subdivision thereof."

REGULATIONS

SEC. 9. The Secretary of Agriculture and the Secretary of the Interior are authorized to issue such rules and regulations as they deem necessary to carry out the purposes of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

AMENDMENT OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MELCHER: Page 1, line 3, strike all after the enacting clause and insert the following:

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) in the more populous eastern half of the United States there is an urgent need to identify, study, designate, and preserve areas for addition to the National Wilderness Preservation System;

(2) in recognition of this urgent need, certain areas in the national forest system in the eastern half of the United States were designated by the Congress as wilderness in the Wilderness Act (78 Stat. 890); certain areas in the national wildlife refuge system in the eastern half of the United States have been designated by the Congress as wilderness or recommended by the President for such designation, and certain areas in the national park system in the eastern half of the United States have been recommended by the President for designation as wilderness; and

(3) additional areas of wilderness in the more populous eastern half of the United States are increasingly threatened by the pressures of a growing and more mobile population, large-scale industrial and economic growth, and development and uses inconsistent with the protection, maintenance, and enhancement of the areas' wilderness character.

(b) Therefore, the Congress finds and declares that it is in the national interest that these and similar areas in the eastern half of the United States be promptly designated as wilderness within the National Wilderness Preservation System, in order to preserve such areas as an enduring resource of wilderness which shall be managed to promote and perpetuate the wilderness character of the land and its specific values of solitude, physical and mental challenge, scientific study, inspiration, and primitive recreation for the benefit of all of the American people of present and future generations.

DESIGNATION OF WILDERNESS AREAS

SEC. 3. (a) In furtherance of the purposes of the Wilderness Act, the following lands (hereinafter in this Act referred to as "wilderness areas"), as generally depicted on maps appropriately referenced, dated April 1974, are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System—

(1) certain lands in the Bankhead National Forest, Alabama, which comprise about twelve thousand acres, are generally depicted on a map entitled "Sipsey Wilderness Area—Proposed", and shall be known as the Sipsey Wilderness;

(2) certain lands in the Ouachita National Forest, Arkansas, which comprise about fourteen thousand four hundred and thirty-three acres, are generally depicted on a map entitled "Caney Creek Wilderness Area—Proposed", and shall be known as the Caney Creek Wilderness;

(3) certain lands in the Ozark National Forest, Arkansas, which comprise about ten thousand five hundred and ninety acres, are generally depicted on a map entitled "Upper Buffalo Wilderness Area—Proposed", and shall be known as the Upper Buffalo Wilderness;

(4) certain lands in the Appalachicola National Forest, Florida, which comprise about twenty-two thousand acres, are generally depicted on a map entitled "Bradwell Bay Wilderness Area—Proposed", and shall be known as the Bradwell Bay Wilderness;

(5) certain lands in the Danial Boone National Forest, Kentucky, which comprise five thousand five hundred acres, are generally depicted on a map entitled "Beaver Creek Wilderness Area—Proposed", and shall be known as the Beaver Creek Wilderness;

(6) certain lands in the White Mountain National Forest, New Hampshire, which comprise about twenty thousand three hundred and eighty acres, are generally depicted on a map entitled "Presidential Range-Dry River Wilderness Area—Proposed", and shall be known as the Presidential Range-Dry River Wilderness;

(7) certain lands in the Nantahala and Cherokee National Forests, North Carolina and Tennessee, which comprise about fifteen thousand acres, are generally depicted on a map entitled "Joyce Kilmer-Slickrock Wilderness Area—Proposed", and shall be known as the Joyce Kilmer-Slickrock Wilderness;

(8) certain lands in the Sumter, Nantahala, and Chattahoochee National Forests in South Carolina, North Carolina, and Georgia, which comprise about three thousand six hundred acres, are generally depicted on a map entitled "Ellicott Rock Wilderness Area—Proposed", and shall be known as Ellicott Rock Wilderness;

(9) certain lands in the Cherokee National Forest, Tennessee, which comprise about two thousand five hundred and seventy acres, are generally depicted on a map entitled "Gee Creek Wilderness Area—Proposed", and shall be known as the Gee Creek Wilderness;

(10) certain lands in the Green Mountain National Forest, Vermont, which comprise about six thousand five hundred acres, are generally depicted on a map entitled "Bristol Cliffs Wilderness Area—Proposed", and shall be known as the Bristol Cliffs Wilderness;

(11) certain lands in the Green Mountain National Forest, Vermont, which comprise about fourteen thousand three hundred acres, are generally depicted on a map entitled "Lye Brook Wilderness Area—Proposed", and shall be known as the Lye Brook Wilderness;

(12) certain lands in the Jefferson National Forest, Virginia, which comprise about eight thousand eight hundred acres, are generally depicted on a map entitled "James River Face Wilderness Area—Proposed", and shall be known as the James River Face Wilderness;

(13) certain lands in the Monongahela National Forest, West Virginia, which comprise about ten thousand two hundred and fifteen acres, are generally depicted on a map entitled "Dolly Sods Wilderness Area—Proposed", and shall be known as the Dolly Sods Wilderness;

(14) certain lands in the Monongahela National Forest, West Virginia, which comprise about twenty thousand acres, are generally depicted on a map entitled "Otter Creek Wilderness Study Area", and shall be known as the Otter Creek Wilderness; and

(15) certain lands in the Chequamegon National Forest, Wisconsin, which comprise about six thousand six hundred acres, are generally depicted on a map entitled "Rainbow Lake Wilderness Area—Proposed", and shall be known as the Rainbow Lake Wilderness.

(b) In furtherance of the purposes of the Wilderness Act, the following lands (hereinafter referred to as "wilderness areas"), as generally depicted on maps appropriately referenced, dated April 1973, are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System: certain lands in the Chattahoochee and Cherokee National Forests, Georgia and Tennessee, which comprise about thirty-four thousand five hundred acres, are generally depicted on a map dated April 1973, entitled "Cohutta Wilderness Area—Proposed", and shall be known as the Cohutta Wilderness.

DESIGNATION OF WILDERNESS STUDY AREA

SEC. 4. (a) In furtherance of the purposes of the Wilderness Act and in accordance with the provisions of subsection 3(d) of that Act, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall review, as to its suitability or nonsuitability for preservation as wilderness, each area designated by or pursuant to subsection (b) of this section and report his findings to the President. The President shall advise the United States Senate and House of Representatives of his recommendations with respect to the designation as wilderness of each such area on which the review has been completed.

(b) Areas to be reviewed pursuant to this section (hereinafter referred to as "wilderness study areas"), as generally depicted on maps appropriately referenced, dated April 1974, include—

(1) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately five thousand seven hundred acres and are generally depicted on a map entitled "Belle Starr Cave Wilderness Study Area";

(2) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately five thousand five hundred acres and are generally depicted on a map entitled "Dry Creek Wilderness Study Area";

(3) certain lands in the Ozark National Forest, Arkansas, which comprise approximately two thousand one hundred acres and are generally depicted on a map entitled "Richland Creek Wilderness Study Area";

(4) certain lands in the Appalachicola National Forest, Florida, which comprise approximately one thousand one hundred acres and are generally depicted as the "Sopchoppy River Wilderness Study Area" on a map entitled "Bradwell Bay Wilderness Area—Proposed";

(5) certain lands in the Hiawatha National Forest, Michigan, which comprise approximately five thousand four hundred acres and are generally depicted on a map entitled "Rock River Canyon Wilderness Study Area";

(6) certain lands in the Ottawa National Forest, Michigan, which comprise approximately thirteen thousand two hundred acres and are generally depicted on a map entitled "Sturgeon River Wilderness Study Area";

(7) certain lands in the Pisgah National Forest, North Carolina, which comprise approximately one thousand one hundred acres and are generally depicted on a map entitled "Craggy Mountain Wilderness Study Area";

(8) certain lands in the Francis Marion National Forest, South Carolina, which comprise approximately one thousand five hundred acres and are generally depicted on a map entitled "Wambaw Swamp Wilderness Study Area";

(9) certain lands in the Jefferson National Forest, Virginia, which comprise approximately four thousand acres and are generally depicted on a map entitled "Mill Creek Wilderness Study Area";

(10) certain lands in the Jefferson National Forest, Virginia, which comprise approximately eight thousand four hundred acres and are generally depicted on a map entitled "Mountain Lake Wilderness Study Area";

(11) certain lands in the Jefferson National Forest, Virginia, which comprise approximately five thousand acres and are generally depicted on a map entitled "Peters Mountain Wilderness Study Area";

(12) certain lands in the George Washington National Forest, Virginia, which comprise approximately six thousand seven hundred acres and are generally depicted on a map entitled "Ramsey's Draft Wilderness Study Area";

(13) certain lands in the Chequamegon National Forest, Wisconsin, which comprise approximately six thousand three hundred acres and are generally depicted on a map entitled "Flynn Lake Wilderness Study Area";

(14) certain lands in the Chequamegon National Forest, Wisconsin, which comprise approximately four thousand two hundred acres and are generally depicted on a map entitled "Round Lake Wilderness Study Area";

(15) certain lands in the Monongahela National Forest, West Virginia, which comprise approximately thirty-six thousand three hundred acres and are generally depicted on a map entitled "Cranberry Wilderness Study Area";

(16) certain lands in the Cherokee National Forest, Tennessee, which comprise approximately four thousand five hundred acres and are generally depicted on a map entitled "Big Frog Wilderness Study Area"; and

(17) certain lands in the Cherokee National Forest, Tennessee, which comprise approximately fourteen thousand acres and are generally depicted as the "Citico Creek Area" on a map entitled "Joyce Kilmer-Slickrock Wilderness Area—Proposed";

(c) Reviews shall be completed and the President shall make his recommendations to Congress within five years after enactment of this Act.

(d) Congress may, upon the recommendation of the Secretary of Agriculture or otherwise, designate as study areas, national forest system lands east of the 100th meridian other than those areas specified in subsection (b) of this section, for review as to suitability or nonsuitability for preservation as wilderness. Any such area subsequently designated as a wilderness study area after the enactment of this Act shall have its suitability or nonsuitability for preservation as wilderness submitted to Congress within ten years from the date of designation as a wilderness study area. Nothing in this Act shall be construed as limiting the authority of the Secretary of Agriculture to carry out management programs, development, and activities in accordance with the Multiple-Use, Sustained-Yield Act of 1960 (74 Stat. 215, 16 U.S.C. 528–531) within areas not designated for review in accordance with the provisions of this Act.

(e) Nothing herein contained shall limit the President in proposing, as part of his recommendations to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value. Any recommendations of the President to the effect that such area or portion thereof should be designated as "wilderness" shall become effective only if so provided by an Act of Congress.

FILING OF MAPS AND DESCRIPTIONS

SEC. 5. As soon as practicable after enactment of this Act, a map of each wilderness study area and a map and a legal description of each wilderness area shall be filed with the Committee on Interior and Insular Affairs and on Agriculture of the United States Senate and House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

MANAGEMENT OF AREAS

SEC. 6. (a) Except as otherwise provided by this Act, the wilderness areas designated by or pursuant to this Act shall be managed by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act. The wilderness study areas designated by or pursuant to this Act shall—be managed by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System until Congress has determined otherwise, except that such management requirement shall in no case extend beyond the expiration of the third succeeding Congress from the date of submission to the Congress of the President's recommendations concerning the particular study area.

(b) Within the sixteen wilderness areas designated by section 3 of this Act:

(1) the Secretary of Agriculture may require by purchase with donated or appropriated funds, by gift, exchange, condemnation, or otherwise, such lands, waters, or interests therein as he determines necessary or desirable for the purposes of this Act. All lands acquired under the provisions of this subsection shall become national forest lands and a part of the Wilderness System;

(2) in exercising the exchange authority granted by paragraph (1), the Secretary of Agriculture may accept title to non-Federal property for federally owned property of substantially equal value, or, if not of substantially equal value, the value shall be equalized by the payment of money to the grantor or to the Secretary as the circumstances require;

(3) the authority of the Secretary of Agriculture to condemn any private land or interest therein within any wilderness area designated by or pursuant to this Act shall not be invoked so long as the owner or owners of such land or interest holds and uses it in the same manner and for those purposes for which such land or interest was held on the date of the designation of the wilderness area: *Provided, however,* That the Secretary of Agriculture may acquire such land or interest without consent of the owner or owners whenever he finds such use to be incompatible with the management of such area as wilderness and the owner or owners manifest unwillingness, and subsequently fail, to promptly discontinue such incompatible use;

(4) at least sixty days prior to any transfer by exchange, sale, or otherwise (except by bequest) of such lands, or interests therein described in paragraph (3) of this subsection, the owner or owners of such lands or interests therein shall provide notice of such transfer to the supervisor of the national forest concerned, in accordance with such rules and regulations as the Secretary of Agriculture may promulgate;

(5) at least sixty days prior to any change in the use of such lands or interests therein described in paragraph (3) of this subsection which will result in any significant new construction or disturbance of land surface or flora or will require the use of motor vehicles and other forms of mechanized transport or motorized equipment (except as otherwise authorized by law for ingress or egress or for existing agricultural activities begun before the date of the designation other than timber cutting), the owner or owners of such lands or interests therein shall provide notice of such change in use to the supervisor of the national forest within which such lands are located, in accordance with such rules and regulations as the Secretary of Agriculture may promulgate;

(6) for the purposes of paragraphs (7) and (8) of this subsection, the term "property" shall mean a detached, noncommercial residential dwelling, the construction of which was begun before the date of the designation of the wilderness area (hereinafter referred to as "dwelling"), or an existing agricultural activity begun before the date of the designation of the wilderness area, other than timber cutting (hereinafter referred to as "agricultural activity"), together with so much of the land on which the dwelling or agricultural activity is situated, such land being in the same ownership as the dwelling or agricultural activity, as the Secretary of Agriculture shall determine to be necessary

for the enjoyment of the dwelling for the sole purpose of noncommercial residential use or for the agricultural activity, together with any structures accessory to the dwelling or agricultural activity which are situated on the land so designated;

(7) any owner or owners of property on the date of its acquisition by the Secretary of Agriculture may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the property for such noncommercial residential purpose or agricultural activity for twenty-five years, or, in lieu *thereof, for* a *term* ending at the death of the owner or his spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary of Agriculture shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner: *Provided,* That whenever an owner of property elects to retain a right of use and occupancy as provided for in this section, such owner shall be deemed to have waived any benefits or rights accruing under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), and for the purpose of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act; and

(8) a right of use and occupancy retained or enjoyed pursuant to paragraph (7) of this subsection may be terminated with respect to the entire property by the Secretary of Agriculture upon his determination that the property or any portion thereof has ceased to be used for such noncommercial residential purpose or agricultural activity and upon tender to the holder of a right an amount equal to the fair market value as of the date of tender of that portion of the right which remains unexpired on the date of termination.

TRANSFER OF FEDERAL PROPERTY

SEC. 7. The head of any Federal department or agency having jurisdiction over any lands or interests in lands within the boundaries of wilderness areas and wilderness study areas designated by or pursuant to this Act is authorized to transfer to the Secretary jurisdiction over such lands for administration in accordance with the provisions of this Act.

APPLICABILITY

SEC. 8. Unless otherwise provided by any other Act the provisions of this Act shall only apply to National Forest areas east of the 100th meridian.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated an amount not to exceed $5,000,000 for the acquisition by purchase, condemnation, or otherwise of lands, waters, or interests therein located in areas designated as wilderness pursuant to section 3 of this Act and an amount not to exceed $1,700,000 for the purpose of conducting a review of wilderness study areas designated by section 4 of this Act.

Mr. MELCHER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The amendment was agreed to.

Mr. BUCHANAN. Mr. Speaker, I would like to extend my deepest thanks and appreciation to Chairman MELCHER and the members of the Subcommittee on Public Lands of the House Interior and Insular Affairs Committee for their excellent work in bringing this bill before the House today.

Hundreds of people throughout the country have worked and hoped for passage of the eastern wilderness bill. In my own State of Alabama groups such as the Alabama conservancy have worked tirelessly to bring about the preservation of some 12,000 acres of the Sipsey Wilderness in the Bankhead National Forest. The creation of this wilderness has wide popular support in Alabama and thousands of private citizens in the State have added their endorsement by writing letters and signing petitions urging the protection of the Sipsey.

The lands designated for inclusion in the National Wilderness Preservation System by this act will now be preserved in order that future generations of Americans will have the opportunity to see the unmarred beauty of nature, to reflect in its solitude, and to meet its physical and mental challenge. We were charged with the protection of these lands and we have responded to that challenge by insuring their preservation for our children and for all future generations of Americans.

I am sure I speak for thousands of Alabamians when I say thank you for saving our Sipsey Wilderness, and for saving others like it throughout the eastern portion of our country by passage of this legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I want to express my strong support for this eastern wilderness legislation. Until very recently there were only four wilderness areas east of the 100th meridian—Great Gulf in New Hampshire, Shining Rock and Linville Gorge in North Carolina, and the Boundary Waters Canoe Area in Minnesota. Recently we passed the Okefenokee Swamp wilderness in Georgia. In H.R. 12884, we passed 10 other wildlife refuge wilderness areas to which, hopefully, the Senate will agree.

In S. 3433, we have the first National Forest System wilderness areas in the Eastern United States. Hopefully, the other body will adopt the House language and pass this much needed eastern wilderness. The Committee on Interior and Insular Affairs approved those areas where there was support expressed for the area, there was little controversy and the member in the district supported the idea of the wilderness area in his district.

Mr. Speaker, our Western wilderness areas are becoming so heavily used, that the time is rapidly approaching when we may have to consider cutting back on their use. The creation of the Eastern wilderness areas will help mitigate this deepening pressure on our Western areas. Furthermore, Mr. Speaker, with our worsening fuel situation, wilderness areas in the Eastern United States will provide wilderness experiences without necessitating a trip of several thousand miles.

Wilderness areas are not without their costs, as we in the West have found out. For all practical purposes, this use of our forest lands amounts to a single purpose use. If this is what the people in an area desire, then it is not unreasonable to create the wilderness. I supported and cosponsored the House bill H.R. 13455 and urge all members of the House to support this legislation. For the areas in this House amendment to S. 3433, I will tell my friends we have selected those proposed wilderness and study areas on which we had solid support. This legislation is a good compromise and deserves all our support.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13455) was laid on the table.

GENERAL LEAVE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that all Members may have from now until adjournment to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 1178, FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1515 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1515

Resolved, That it shall be in order on Wednesday, December 18, 1974, or any day thereafter, notwithstanding any rule of the House to the contrary, to consider in the House as in the Committee of the Whole the bill H.J. Res. 1178, making further continuing appropriations for the fiscal year 1975, and for other purposes.

The SPEAKER. The gentleman from Illinois is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes to the minority Member, the distinguished gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1515 provides that today, or anytime thereafter, it shall be in order, notwithstanding any rule of the House to the contrary, to consider in the House as in the Committee of the Whole the bill House Joint Resolution 1178, making further continuing appropriations for the fiscal year 1975.

House Joint Resolution 1178 extends the existing continuing resolution ex- February 28, 1975. It is essential that we pass the continuing resolution because the existing continuing resolution expires with the sine die adjournment of the 93d Congress.

Mr. Speaker, I urge the adoption of House Resolution 1515 in order that we may discuss, debate and pass House Joint Resolution 1178.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, whatever our feelings may be on the continuing resolution, I think this rule should be adopted.

Mr. Speaker, I have no requests for

time, but I reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. MAHON. Mr. Speaker, pursuant to House Resolution 1515 just agreed to, I call up the joint resolution (H. J. Res. 1178) making further continuing appropriations for the fiscal year 1975, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. Res. 1178

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of June 30, 1974 (Public Law 93–324, as amended by Public Law 93–448), is hereby further amended by striking out "sine die adjournment of the second session of the Ninety-third Congress" and inserting in lieu thereof "February 28, 1975".

Sec. 2. Section 101(d) of such joint resolution is hereby amended by inserting after "all remaining activities except titles I and III(B) under the Economic Opportunity Act of 1964, as amended;" the following: "activities of the Commission on Revision of the Federal Court Appellate System;"

Sec. 3. The fourth unnumbered clause of section 101(b) of such joint resolution, relating to foreign assistance and related programs appropriations, is further amended by striking out the semicolon at the end thereof and inserting ": *Provided further,* That all of the provisions, restrictions, and prohibitions contained in the Foreign Assistance Act of 1974 and in the Foreign Assistance Act of 1961, as amended, shall apply to funds made available herein for activities for which provision was made in the Foreign Assistance and Related Appropriations Act of 1974;".

Sec. 4. Such joint resolution is amended by adding at the end thereof the following new section:

"Sec. 114. Notwithstanding any other provision of this joint resolution or any other Act, including section 10 of the Foreign Military Sales Act Amendments, 1971, as amended, the following amounts are hereby made available, in addition to funds otherwise available under this joint resolution, for the following purposes:

Security Supporting Assistance for Israel, $150.000,000;

Security Supporting Assistance for Egypt, $150,000,000;

Middle East Special Requirements Fund, $25,000,000;

Famine and Disaster Relief for Cyprus, $15,000,000; and

Assistance to Refugees from the Soviet Union, $10,000,000:

Provided, That all of the provisions, restrictions, and prohibitions contained in the Foreign Assistance Act of 1974 and in the Foreign Assistance Act of 1961, as amended, shall apply to the funds made available in this section.".

Sec. 5. Section 6 of the joint resolution of October 17, 1974 (Public Law 93–448), is amended to read as follows:

"Sec. 6. None of the funds herein made available shall be obligated or expended for any military assistance, or for any sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), or for any licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data related thereto) to the Government of Turkey unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided,* That the President is authorized to suspend the provisions of this section and said Acts if he determines that such suspension will further negotations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war."

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is one of the "must" bills before the adjournment of this session of Congress can be accomplished, because House Joint Resolution 1178 extends the existing continuing resolution until February 28, 1975. It is essential for several reasons. It is essential because the existing resolution expires with the sine die adjournment of this session of the Congress, and we hope that will be tomorrow or the next day.

It is essential because although 10 of the 13 regular appropriation bills, plus the special energy bill, have been enacted, and two others are on their way to the President, the foreign aid bill has not been handled due to the lack of legislative authorization. That legislative authorization was provided, insofar as the House was concerned, in the conference report agreed to a few moments ago. The Senate agreed to the conference report yesterday so the bill is now cleared for the President.

This continuing resolution is essential because it provides some insurance for the important educational items contained in the supplemental appropriation bill, if that bill should be vetoed. That is the bill involving many agencies of Government with which Members are vitally concerned. So I hope that the supplemental bill, the $8 billion supplemental bill, will not be vetoed. Of course, we do not know what may develop, but I do not anticipate a veto. But in the case of a veto, this would be a fall-back position until Congress returns in January.

Further, the continuing resolution is urgently necessary in order to continue various programs and activities not yet funded in the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Cabinet Committee on Opportunities for Spanish-Speaking People. Those matters are covered by the continuing resolution.

There have been no appropriations for programs formerly authorized by the Emergency School Aid Act, the Developmental Disabilities Services and Facilities Construction Act, or for programs authorized by expiring portions of the Public Health Service Act such as comprehensive health grants to States, community mental health centers—in which many Members are interested—family planning—in which there is a great deal of national concern and interest—assistance for students and schools of medicine, dentistry, nursing, and other health professions, construction of hospitals and medical facilities, which are all involved in this continuing resolution. The extension of the continuing resolution will assure continuation of these programs until the necessary authorizations and appropriations are enacted.

In addition to being just an ordinary garden-variety type of continuing resolution, this resolution provides some special additional foreign aid assistance to certain countries, and I shall now cite what is provided. I would say to the Members that the resolution and the report are available, in which these facts are set out very concisely.

The bill provides security supporting assistance for Israel in the sum of $150 million. This is in addition to vast additional sums which have been provided in the past and which are available now. This bill contains supporting assistance to Egypt in the sum of $150 million. Some assistance has been provided to Egypt in connection with the clearing of the Suez Canal and otherwise, but those sums have not been considered in the context of a foreign aid program.

So this bill provides $150 million for Israel upon the urgent appeal of the administration. The administration had requested for the current fiscal year $250 million for Egypt. This bill provides $150 million.

Then for the Middle East special requirements fund—it is a little difficult to pinpoint how these funds might possibly be expended; the expenditure will depend upon the trend of events—the resolution provides $25 million. For famine and disaster relief for Cyprus this bill provides $15 million in addition to the $10 million already obligated for this purpose.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. Mahon was allowed to proceed for 5 additional minutes.)

Mr. MAHON. So a total of $25 million will be provided in the current fiscal year for aid to Cyprus by way of famine and disaster relief. For assistance to refugees from the Soviet Union, the bill provides $10 million.

I believe we have already discussed in connection with the authorization bill handled by the gentleman from Pennsylvania (Mr. Morgan), the aid-to-Turkey cutoff.

In addition to what I have already pointed out, the continuing resolution contains identical language, as agreed to by the conferees on the Foreign Assistance Act of 1974 which deals with the suspension of military assistance to Turkey. The effect of this language is to suspend all military assistance to Turkey as of February 5, 1975, unless the President certifies to Congress that Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such acts and that substantial progress toward agreement has been made regarding military forces in Cyprus.

So that generally is what the continuing resolution provides. The level provided is far below the budget, hundreds of millions of dollars below the budget. It is anticipated the members of the Subcommittee on Appropriations headed by the distinguished gentleman from Louisiana (Mr. PASSMAN) will finalize the regular foreign aid appropriation bill early next session. The gentleman from Louisiana (Mr. PASSMAN) has assured the Secretary of State and the President and the leadership that he will undertake to bring this bill before the House in January. It seems to me that is something that will be achieved by the distinguished chairman of that subcommittee.

So it seems to me that, as an interim action, this continuing resolution is the best that can be done at this time. It does not please anybody totally. It is not precisely what anyone wants. It represents a compromise. Even if we had additional days to debate the issue, it seems this is the best result that could be achieved.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I thank the distinguished chairman for yielding.

I notice we are including in this bill $10 million to cover the emigration of certain people from one particular country. Why do we confine such sums to one country?

Mr. MAHON. I would yield to the gentleman from Louisiana to respond to that.

Mr. PASSMAN. Mr. Speaker, I will yield to the gentleman from New York (Mr. BINGHAM) and then I will respond.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

This is an ongoing program which was first authorized by the Congress in 1972 as a congressional initiative. It is continued this year to the extent of $40 million in the State Department authorization bill brought to the floor by the gentleman from Ohio (Mr. HAYS). It is an ongoing program. The reason there has to be a special provision for it in this bill is that it was not contained in any budget estimate submitted by the President and therefore under the terms of the continuing resolution it would not be covered unless it was mentioned specifically.

Mr. PASSMAN. Mr. Speaker, the authorized amount is $40 million, but this resolution provides only $10 million so we can have a further look at it before bringing out the regular bill.

Mr. CARTER. It is for emigrants from Russia?

Mr. PASSMAN. That is correct.

Mr. CARTER. Why do we not have some funds for emigrants from Norway and other places?

Mr. PASSMAN. We do have. Under the migration and refugee assistance program, we provide funds for refugees from eastern Europe and the Far East.

Mr. CEDERBERG. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in full support of this continuing resolution. I want to concur in the statements that have been made by the distinguished chairman of our committee. The actions that were taken by the Appropriations Committee in this continuing resolution in my opinion are absolutely vital to the best interests and the security of the United States. The actions were taken after very serious consultations with the President of the United States and the Secretary of State and other Members of this body.

It is supported by the leadership on both sides of the aisle in both bodies. So I would urge that if we are really interested in trying to take care of a situation that needs immediate attention, please support this continuing resolution.

Mr. Speaker, I am fully aware there have been some differences of opinion here, but today we are at the point where Congress is going to adjourn, and if we adjourn without taking this action, I believe it will have a serious impact on the ability of the people that are in charge of the foreign policy of this country to carry it out.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, as the gentleman in the well knows, Egypt opposes further immigration into Israel and yet in the face of that we are supplying $10 million for immigration into that area. It seems to me this is just pouring gasoline on the fire and poses a greater danger.

Mr. CEDERBERG. It does not pose any danger. As the gentleman from New York stated, this is an ongoing program that we have had for some years and it is an essential program to handle some of the refugees that are coming from the Soviet Union going into the State of Israel.

Mr. CARTER. I think we have to direct our attention a little further. I do not condone the Palestinian atrocities, but we must consider the formation of a free State of Palestine in order to secure peace in the future, as well as to assist Israel.

Mr. CEDERBERG. This is a matter that is under study in active and serious negotiations. It is not a matter that the House of Representatives can handle.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New York.

Mr. BINGHAM. Is it not a fact that this figure would not appear in the bill if it were not simply that the administration had not included this item in its budget and that was a congressionally initiated program? If we do not protect that program, which is ongoing and which was passed by the Congress on several occasions, we in effect would discriminate against congressionally initiated programs with those initiated by the executive branch.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. May I ask, in the authorization we just passed providing setting aside $10 million for assisting children from South Vietnam. My question is, how does the continuing resolution handle that authorized sum set aside for assistance to South Vietnamese children under section 37 of the conference report just adopted?

Mr. CEDERBERG. The gentleman from Louisiana (Mr. PASSMAN) can answer that question, and I yield to him.

Mr. PASSMAN. Mr. Speaker, there is nothing in here actually earmarked for assistance to South Vietnamese children. There was $5 million earmarked for this purpose last year in the authorization bill, so I would think the agency could use funds provided for Indochina postwar reconstruction to fund this item.

Mr. STEIGER of Wisconsin. Mr. Speaker, does the continuing resolution authorize an increase in assistance to South Vietnamese children as a result of our action on the authorization?

Mr. CEDERBERG. No, it will not; but let me say this to the ranking Member of the committee——

The SPEAKER pro tempore (Mr. PRICE of Illinois). The time of the gentleman has expired.

Mr. CEDERBERG. Mr. Speaker, I yield myself an additional 5 minutes.

Mr. Speaker, if we come back on the 16th of January, the gentleman from Louisiana is going to call his committee together, at which time we will hold any hearings that may be necessary. We will act as promptly as possible so a delay at this time is only a matter of a few weeks.

Let me reemphasize that specific foreign assistance provisions have been put in this continuing resolution because of the critical situation we find ourselves in now. As I said before, and as I want to reemphasize again, just this morning the chairman of the committee, myself, the chairman of the subcommittee, the ranking minority member and a few others met with the Secretary of State to discuss these situations, and the pertinent legislative provisions.

These provisions are absolutely essential if we want to try to establish stability in that area. It would be a tragic mistake if we failed to do this.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I am in support of this continuing resolution, and I do not know the answer to a lot of the problems involved which are exceedingly difficult human problems, but I do not want to let the opportunity pass to say that the first time I have ever heard anyone on this floor have the courage to mention the problem that he mentioned is the gentleman from Kentucky (Dr. CARTER) and he mentioned it just a moment ago.

It is a very difficult human problem, but I am glad to know that the administration is thinking about it, and I hope it is, because that is a very small piece of territory there and we are putting many more people into it.

I do not know what the end is going

to be any more than does the distinguished gentleman in the well.

Mr. CEDERBERG. I assure the gentleman that everyone shares his concern. These are very difficult, complex problems, and it is going to take some very difficult maneuvering and negotiation to work them out. All I am doing is pleading with the Members of the House to give the administration the opportunity to deal with them, and to deal with them in the best way it can. Let me tell the Members that the investment we have here in this particular area, in my opinion, will be a real insignificant amount if we reach a point where we have a more serious problem there. I do not want to enlarge upon that.

Mr. DENNIS. I agree with the gentleman in general, and that is why I have been supporting this measure and why I have been supporting the Secretary, because it has seemed to me that he has been making a real effort to hold a balance and to get a solution to the situation in the Middle East.

I support that effort, but I do want to underline what the gentleman from Kentucky said, because I think it is a feature that very definitely needs to be considered.

Mr. CEDERBERG. I absolutely agree. Let me say to my friend that we are now in a very critical period, and we ought not to do anything to make the situation more difficult for our President and Secretary of State and those who are involved.

Mr. HAWKINS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I do want to ask the distinguished chairman of the committee a question.

Mr. Speaker, last June we clarified the meaning of "current rate" in the continuing resolution as it applied to OEO, noting that the annualized current rate for Community Action is $27.5 million per month, or $330 million on an annual basis.

Now other programs included in this continuing resolution through February 28, such as Head Start, have staggered funding cycles for their grantees. This resolution, as the last two also did, authorizes HEW to fund grantees falling due during the months of January and February to receive their normal annual funding. However, Community Action grantees' normal funding period has been 3 months and they will all fall due on January 1.

The point of clarification, Mr. Chairman, is that it is my understanding that the normal funding for Community Action of $82.5 million falling due on January 1 is authorized by this continuing resolution. Is that correct?

Mr. MAHON. Mr. Speaker, I wish the gentleman from California would ask the question of the gentleman from Pennsylvania, the chairman of the subcommittee on Labor and Health, Education, and Welfare.

Mr. HAWKINS. I am glad to yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I heard the question and the answer is yes, simply yes, if that is what the gentleman wanted to know.

Mr. HAWKINS. I thank the gentleman for his answer.

Mr. CONTE. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I would like to ask my distinguished chairman of the subcommittee on foreign aid, the gentleman from Louisiana (Mr. PASSMAN), a question.

On page 2, section 3 says:

> *Provided further,* That all of the provisions, restrictions, and prohibitions contained in the Foreign Assistance Act of 1974 and in the Foreign Assistance Act of 1961, as amended, shall apply to funds made available herein for activities for which provision was made in the Foreign Assistance and Related Appropriations Act of 1974;

Does this mean now that the restriction that we passed in regard to the amount of money that can be spent in Cambodia will apply to this continuing resolution?

Mr. PASSMAN. My understanding is it would.

Mr. CONTE. With respect to the provision that the conference came out with a $75 million drawdown, I imagine that would apply also?

Mr. PASSMAN. It is my understanding, that is correct.

Mr. CONTE. The only place we can attack it—the $75 million drawdown—would be in the appropriation bill when we report that bill out of our subcommittee and on the floor of the House?

Mr. PASSMAN. It would actually not be part of the regular bill.

Mr. CONTE. We could handle it, though, in our bill when we take the bill up in January?

Mr. PASSMAN. It would have to be under a rule to handle it.

Mr. CONTE. Could there be a limitation on the appropriation bill by saying we cannot spend more than "*x*" dollars for Cambodia?

Mr. PASSMAN. I am afraid it would be subject to a point of order if we limited the drawdown amount.

Mr. CONTE. The reason I asked the question, the House here overwhelmingly passed that amendment setting the limitation on the economic and military aid to Cambodia and, of course, in conference they put the $75 million drawdown.

Mr. PASSMAN. Will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman.

Mr. PASSMAN. I think there are other ways to take care of this when we markup the regular bill. We could do this in the subcommittee and, as the gentleman well knows, we could earmark funds for this purpose.

Mr. CONTE. That is fair enough. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I move to strike the necessary number of words.

Mr. Speaker, it is very interesting to learn that the appropriations bill for the foreign giveaway program will be considered next January or February. What a wonderful recommendation for this session of Congress that almost two-thirds of the fiscal year will have been written into history before the Committee on Appropriations on this subject acts on a bill. Wonderful. Wonderful. A great tribute to the legislative process, I would say to the gentleman from Louisiana (Mr. PASSMAN) and the gentleman from Texas (Mr. MAHON).

Mr. PASSMAN. I would like to wish the distinguished gentleman a Merry Christmas. I am sorry he will not be here to help us next year.

Mr. GROSS. The gentleman wishes me a Merry Christmas and I thank him. Perhaps he could add a Happy New Year to it, since the appropriation bill will come up in the next year.

Mr. PASSMAN. I wish the gentleman a Happy New Year, also.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding. The Committee on Appropriations has done the best we could. We completed hearings in June but the authorization bill has not been signed into law yet. The House just passed the conference report today. It is essential that we act on this interim financing measure at this time.

Mr. GROSS. I am not pointing a finger at the gentleman, but alibis on this subject are a dime a dozen, and they have been for the past several years. The leadership of the House can do better than this and I hope they will in the future, but I am sure that is a faint hope.

We are told this bill has to be passed because the situation is so critical.

I lived through those days in the House—and so did the gentleman from Texas (Mr. MAHON)—when the situation was allegedly critical we had unidentified planes in the skies over this country, and we had to pass a foreign aid bill under any and every circumstance. Of course, the existence of the unidentified planes was a myth.

It appears that Congress cannot take the foreign aid checkbook from the so-called diplomats for even the period of a month without having a critical situation even though there is some $27 billion in the foreign handout pipeline.

When in God's name are we going to find a diplomat who can speak in behalf of this country without a multibillion-dollar checkbook to operate with?

Mr. MAHON. Mr. Speaker, will the eloquent gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, as the gentleman knows, his remarks are not being pointed really at the Committee on Appropriations. We have been ready since June to bring this bill before the House, as the gentleman knows. The gentleman is very understanding and has a good grasp of the situation.

Mr. GROSS. Since the gentleman has brought this joint resolution to the floor and since the date in this joint resolution for the extension of the Turkish cutoff, if it is to be called that, is February 5, I would like to ask if the gentleman was privy to what transpired during the nocturnal visit Monday of the Secretary of State to Capitol Hill, apparently to do some wheeling and dealing with the "doves" in the House who suddenly became anti-Turkish "warriors."

Was the gentleman in on that deal, and can the gentleman give us any of the specifics as to what took place?

Mr. Speaker, I think the Members of the House ought to know what happened. I asked the question a while ago, and all I got was a lot of hot air. Can the gentleman help us on that?

Mr. MAHON. Mr. Speaker, if the gentleman will yield further, of course, it is sometimes said that there is a certain amount of hot air in the House.

The gentleman speaks about the *nocturnal visit* of the Secretary of State. He did come at 5:45 the other evening to the office of the Speaker and talked to a number of Members, including myself, and asked for more time for negotiations in connection with the matter of the cutoff of aid to Turkey. A compromise was then worked out under which the date of February 5, 1975, was established.

Mr. GROSS. Were the anti-Turkish warriors present then, those who were such great doves a few months ago? Were *they there*?

Mr. MAHON. Mr. Speaker, I was not present at all times in the meeting. I cannot list all the people or all the Members who were present, but various sides of the issue were discussed and all views were considered.

Mr. GROSS. Mr. Speaker, would it not be necessary for us to know what happened in that meeting?

Mr. MAHON. Yes, I am sure it would.

Mr. GROSS. Mr. Speaker, only a week ago they said, "Chop off aid to Turkey right now."

Yet today they voted to extend the date to February 5. What a strange change of course on the part of these "warriors."

Mr. MAHON. Mr. Speaker, upon the urgent appeal of the President and the Secretary of State, additional time was given.

Mr. LONG of Maryland. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I had intended to offer an amendment stating that it would be the sense of Congress that the President should immediately enter into negotiations with each member of the Organization of Petroleum Exporting Countries—OPEC—which had any outstanding debt owed to the United States in order to accelerate the repayment of each such debt, and that under this amendment the President would report to Congress not later than July 1 of this coming year concerning the progress of all such negotiations which had been entered into and the reasons why any such negotiations so described had not been entered into.

I might point out that seven OPEC countries owe us approximately $2.7 billion in principal outstanding under foreign assistance, Public Law 480, and Export-Import Bank loans.

The passage of my amendment would have been a clear message, as far as the House is concerned, that the repayments of all outstanding loans to certain of the OPEC oil-producing countries—Iran, Nigeria, Venezuela, Algeria, Ecuador, Indonesia, and Saudi Arabia—should be accelerated.

I might point out that these seven countries will receive an estimated $66 billion total oil revenues in 1975. They will have difficulty investing all of these funds.

It would seem logical that the President should suggest to them that a good place to put their money would be to pay off their debts to the United States at an accelerated rate.

To those who argue that to accelerate repayments of these loans would change already agreed-upon contractual obligations, I say that the OPEC countries' quadrupling of oil prices justifies a request by the United States that these loan repayments be accelerated. After all, we have been willing to reschedule the repayments of loans for countries that have had difficulties in meeting their repayment schedule. In fact, of the seven OPEC countries the one with the most U.S. loans outstanding, Indonesia, with $1.1 billion outstanding, has been the beneficiary of four debt reschedulings of U.S. loans since 1966 for over $2.5 billion. The last such rescheduling in 1970, for $2.1 billion, which incorporated the previous three reschedulings, was for 30 years at no interest. Why should the only adjustments in repayments terms that are made to be to lengthen rather than shorten the repayment period?

I understand that my amendment would possibly be declared nongermane because it covers several different categories of loans whereas this continuing resolution affects mainly foreign aid funds and, thus, foreign aid loans. Therefore, I shall reserve my amendment and offer it at another time in another piece of legislation.

Accelerated repayment of these $2.7 billion in outstanding debts could ease substantially our balance-of-payments deficit, which is expected to be $2 to $3 billion in 1974 and substantially worse in 1975 because of falling agricultural exports and mounting oil imports.

After all, we helped these countries in their hour of need; why should they not pay back these debts in our time of financial difficulty?

The individual amounts of loans outstanding for each of the seven OPEC countries of which I am talking are the following:

PRINCIPAL OUTSTANDING FROM U.S. LOANS (AS OF JUNE 30, 1974)

[In millions of dollars]

Country	Foreign assistance loans	Export-Import Bank loans	Public Law 480 loans repayable	Total
Indonesia	333.2	117.2	640.9	1,091.3
Iran	187.1	779.7	46.9	1,013.7
Venezuela	102.7	111.0	0	213.7
Algeria	0	102.5	6.4	108.9
Ecuador	86.0	12.2	15.5	113.7
Nigeria	77.1	23.7	0	100.8
Saudi Arabia	27.8	13.1	0	40.9
Total	813.9	1,159.4	709.7	2,683.0

Source: Treasury Department.

Why cannot our President suggest to these countries that one good way to use the funds they are accumulating would be to pay back these U.S. loans a little ahead of time?

Mr. SHRIVER. Mr. Speaker, I urge the Members to support this necessary interim funding bill and will comment briefly on the foreign assistance items in it.

This bill provides for an annual funding level of $3.1 billion for foreign assistance activities. I want to stress that this is not an additional $3.1 billion—it is an annual level, and the funds are to be obligated on a continuing basis until the termination date of this resolution, which is February 28, 1975. It is hoped that with the expected passage of the authorization legislation this week, we can act on a regular foreign assistance funding bill early in the 94th Congress.

The $3.1 billion funding level represents a decrease of $2.8 billion below the fiscal 1974 spending level, and it is a decrease of slightly more than $2 billion below the fiscal 1975 budget requests.

The committee has added two sections to this resolution which warrant some discussion. Section 4 earmarks funds for five programs, three of which are directly related to continuing peace negotiations in the Middle East. The other two items are humanitarian in nature: One provides an additional $15 million for war relief efforts in Cyprus, and we are recommending $10 million for resettlement costs for the increased number of Soviet refugees going to Israel.

The committee is recommending $150 million in supporting assistance for Israel, an equal amount for Egypt, and $25 million for a Middle East special requirements fund. It is expected that this last item is for Syria, contingent upon that country's actions in regard to the emigration of some 4,000 Jews residing there.

Authorizations for these items are included at higher levels in the Foreign Assistance Act of 1974. We have dealt with them separately, since under the existing continuing resolution they could not be funded. We are informed that they are important to continued progress toward a peaceful settlement in the Middle East, a settlement which is important to our own national interests.

The other section which has been added to this resolution, section 5, contains identical language as agreed on by the conferees on the authorizing bill for the cutoff of military assistance to Turkey. This language calls for the suspension of all military assistance to Turkey as of February 5, 1975, unless the President certifies to Congress that Turkey is in compliance with our foreign assistance legislation and that substantial progress toward agreement has been made regarding military forces in Cyprus. Suspension of U.S. military assistance to Turkey can occur at any time before February 5 if Turkey violates the cease-fire or increases its forces on Cyprus or transfers to Cyprus any U.S.-supplied implements of war. This suspension also applies to licenses for private sales of military equipment to Turkey.

This is, of course, a very controversial issue, and it is well that a reasonable compromise has been reached with the administration. I repeat that the language in this resolution is identical to that in the authorization bill.

There are other important items covered by the resolution which could not be funded otherwise due to the lack of new authorizing legislation. I refer to such items as community mental health centers, assistance to students and schools of the health professions, emergency school aid, developmental disabilities services and facilities, and several others. All require funding until the 94th Congress acts on the regular bills.

I again urge the passage of this continuing resolution.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PRICE of Illinois). The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 272, nays 122, not voting 40, as follows:

[Roll No. 705]

YEAS—272

Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Cederberg
Chamberlain
Chisholm
Clark
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Donohue
Dorn
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Gaydos
Gibbons
Gilman
Goldwater
Gonzalez
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hanrahan
Harrington
Hawkins
Hays
Hébert
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Hudnut
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Jordan
Karth
Kazen
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Mahon
Mallary
Mann
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
O'Brien
O'Neill
Passman
Patman
Patten
Perkins
Pettis
Peyser
Preyer
Price, Ill.
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Spence
Stanton, J. William
Stanton, James V.
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—122

Abdnor
Andrews, N.C.
Archer
Ashbrook
Bafalis
Baker
Bauman
Beard
Bevill
Bowen
Brinkley
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Carter
Casey, Tex.
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Devine
Dickinson
Dingell
Downing
Duncan
Evins, Tenn.
Fisher
Flowers
Flynt
Fountain
Frey
Fuqua
Giaimo
Ginn
Gross
Gunter
Haley
Hammerschmidt
Harsha
Hastings
Hechler, W. Va.
Henderson
Holt
Huber
Hungate
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Ketchum
Landgrebe
Landrum
Long, La.
Lott
McCollister
McSpadden
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Milford
Miller
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Moss
Myers
Nichols
Obey
Parris
Pickle
Pike
Poage
Powell, Ohio
Price, Tex.
Pritchard
Quillen
Rarick
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Roush
Rousselot
Runnels
Satterfield
Shuster
Skubitz
Snyder
Stark
Steed
Steiger, Ariz.
Stubblefield
Symms
Taylor, Mo.
Thone
Treen
Van Deerlin
Waggonner
White
Whitehurst
Whitten
Wylie
Young, Alaska
Young, Fla.
Zion

NOT VOTING—40

Adams
Alexander
Barrett
Blatnik
Brasco
Brotzman
Brown, Mich.
Carey, N.Y.
Diggs
Eshleman
Gettys
Goodling
Grasso
Gray
Hanna
Hansen, Idaho
Hansen, Wash.
Howard
Jones, Ala.
Jones, N.C.
Litton
Macdonald
Madigan
Mathias, Calif.
Mills
Minshall, Ohio
Mosher
Nelsen
O'Hara
Owens
Pepper
Podell
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Shoup
Staggers
Stephens
Stuckey
Zwach

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Shipley with Mr. Carey of New York.
Mr. Rooney of New York with Mr. Blatnik.
Mr. Jones of Alabama with Mr. Gettys.
Mr. Barrett with Mrs. Grasso.
Mr. Adams with Mr. Gray.
Mr. Diggs with Mr. Hanna.
Mr. Howard with Mrs. Hansen of Washington.
Mr. Macdonald with Mr. Brotzman.
Mr. Pepper with Mr. Goodling.
Mr. O'Hara with Mr. Hansen of Idaho.
Mr. Staggers with Mr. Brown of Michigan.
Mr. Stephens with Mr. Litton.
Mr. Stuckey with Mr. Eshleman.
Mr. Alexander with Mr. Madigan.
Mr. Jones of North Carolina with Mr. Mathias of California.
Mr. Mills with Mr. Minshall of Ohio.
Mr. Mosher with Mr. Owens.
Mr. Shoup with Mr. Nelsen.
Mr. Zwach with Mr. Roncallo of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed (H.J. Res. 1178) and that I may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOLIFIELD NATIONAL LABORATORY

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 17628) to designate a national laboratory as the Holifield National Laboratory.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill as follows:

H.R. 17628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Oak Ridge National Laboratory at Oak Ridge, Tennessee, shall hereafter be known and designated as the "Holifield National Laboratory". Any reference in any law, map, regulation, document, record, or other paper of the United States to the Oak Ridge National Laboratory shall be held to be reference to the Holifield National Laboratory.

Mr. PRICE of Illinois. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE A CERTAIN PRIVILEGED REPORT

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a certain privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENDING AUTHORITY OF NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS ON WIRETAPPING AND ELECTRONIC SURVEILLANCE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15173) to extend for 1½ years the authority of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, strike out lines 3 to 6, inclusive, and insert: That section 804(h) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, (82 Stat. 197; 18 U.S.C. 2519 note) is further amended by striking out "within the two-year period following the effective date of this subsection." and inserting in lieu thereof "on or before January 31, 1976.".

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman give us just a brief rundown of what the bill does and whether the amendment is germane to the bill?

Mr. KASTENMEIER. Mr. Speaker, in response to the gentleman from Iowa, there is only one amendment. It limits the extension of the life of the Commission to 7 months, rather than 18 months. Accordingly, it will, in fact, save money.

Mr. GROSS. What is the Commission?

Mr. KASTENMEIER. The Commission is the Commission for the review of Federal and State laws on wiretapping and electronic surveillance, pursuant to a recent bill of the Congress.

Mr. GROSS. Is there additional money authorized?

Mr. KASTENMEIER. No. As a matter of fact, any additional money authorized would be cut by the life of the Commission, as it is cut by the amendment we are concurring in.

Mr. GROSS. And the amendment is germane to the bill?

Mr. KASTENMEIER. The amendment is germane to the bill.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Senate amendment was concurred in.

The title was amended so as to read: "An Act to extend until January 31, 1976 the authority of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance, and for other purposes."

A motion to reconsider was laid on the table.

PRINTING AS A HOUSE DOCUMENT THE PRAYERS OF THE CHAPLAIN

Mr. ARENDS. Mr. Speaker, I call up the concurrent resolution (H. Con. Res. 693) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 693

Resolved by the House of Representatives (the Senate concurring), That the prayers offered by the Chaplain, the Reverend Edward Gardiner Latch, D.D., L.H.D., at the opening of the daily sessions of the House of Representatives of the United States during the Ninety-second and Ninety-third Congresses, be printed, with appropriate illustration, as a House document, and that three thousand additional copies be printed and bound for the use of the House of Representatives, to be distributed by the Chaplain of the House of Representatives.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 17468, MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION, FISCAL YEAR 1975

Mr. SIKES. Mr. Speaker, pursuant to the order approved by the House on yesterday, I call up the conference report on the bill (H.R. 17468) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. SIKES (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SIKES. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I believe that the conference agreement which is before us represents a sound and acceptable solution on the items which were in disagreement between the two Houses in the Military Construction Appropriation Act. The amount of new budget authority provided is $3,072,842,000, which represents a reduction of $310,158,000 in the budget request for fiscal year 1975. In addition, as I mentioned when the bill was before the House, substantial amounts have been added to each of the service budgets to provide for cost increases due to inflation in construction programs which were approved in previous years. About $86 million of the amount included in this agreement is for such purposes. The bill represents a decrease of nearly 12 percent in the original fiscal year 1975 request, which is one of the most significant reductions among the various appropriations bills. The additional funds provided for previous years' programs will enable the military services to proceed with needed projects in the coming months and to avoid a sudden drop in the construction program during this time period.

It is well known that construction costs have been greatly increased by inflation. When funding adjustments are taken into account, the increase in dollars of $410,856,000 allowed from fiscal year 1974 to fiscal year 1975 reflects the increased cost due to inflation of a construction program which is basically at the same level. Estimates of inflation in construction in recent months are conservatively estimated at 12 percent, but reliable estimates go as high as 18 percent.

The most prudent approach that we can take on this bill is to carefully examine the long-term needs and weigh each project which is proposed in terms of its current need and long-term implications. In terms of the long-term military construction needs, this bill is probably not high enough but, in terms of the specific projects which were allowed and denied for fiscal year 1975, we have reached a good balance.

I believe that in certain cases we have achieved long-term savings which are not evident on the face of the conference report. For instance, we have directed the Navy to move activities out of the extremely congested and high cost Washington, D.C., area. We feel strongly that this must be done and that substantial long-term savings will result. At Andrews Air Force Base, Md., we have put a lid on the amount that can be spent for construction in support of the special aircraft assigned there. Furthermore, we have recommended measures which we believe will result in long-term savings as this program grows and changes. This is the type of program that tends to grow out of control if it does not receive such special attention.

With regard to aircraft shelters in Europe, we have directed measures which will avoid some of the costly mistakes of earlier shelter programs and allow the reimbursement from NATO of United States costs for this program as promptly and as thoroughly as possible.

At Fort Bragg and Pope Air Force Base, which are adjacent facilities in North Carolina, we have strongly urged the services to share existing airfield assets instead of each service building and using its own facilities.

At the Naval Hospital, San Diego, Calif., the action taken by the House in directing the Navy to restudy plans for the construction of a replacement hospital, a project estimated to cost several hundreds of millions of dollars, should save substantial sums. The conferees have deleted a small item for land acquisition which was requested as the first phase of this new project.

Looking at the conference agreement in comparison to the amounts allowed by the House and Senate, we are $9,638,000 under the Senate bill and $10,734,000 over the House bill.

For the Army the House allowance was $650,023,000 and the conference agreement was $656,825,000. This is an increase of $6,802,000 over the House and includes the restoration of two facilities deleted by the House at Fort Stewart/Hunter Army Airfield.

For the Navy the House bill contained $602,702,000. The conference agreement allows $606,376,000, an increase of $3,674,000 over the House. Two items at the Naval Underwater Systems Center, Newport, R.I.; three items in San Diego; and an increase in the allowance for Naval District, Washington, D.C., were the major additions. These were largely offset by reductions in other areas totaling over $28 million.

The conferees experienced some considerable difficulty on the question of providing funding for Navy and Air Force improvements which have been authorized at the Naval Communications Station, Diego Garcia, Indian Ocean.

This act does not specifically provide funds for the needed Navy and Air Force facilities at this key installation in a very strategic area of the world. However, a chain of events which is spelled out very specifically in the Military Construction Authorization Act, 1975, would automatically make funds appropriated in the appropriations act available to the Navy and Air Force for the construction of these facilities at Diego Garcia. Only in the event that the President fails to certify that he has examined all of the military and foreign policy implications of these facilities and that they are in the national interest, or if either body of the Congress passes a resolution of disagreement within 60 days following such certification would further construction at Diego Garcia be held up. Otherwise, the funds are available without any further action of the Congress. I sincerely hope that we can get on with this vital project. It has been delayed long enough.

The House allowed $456,801,000 for the Air Force. The conference agreement is $456,439,000, a reduction of $362,000. We agreed to an increased allowance at Andrews Air Force Base. I discussed another aspect of this item earlier. In addition, projects at Brooks Air Force Base, Tex.; Offutt Air Force Base, Nebr.; Robins Air Force Base, Ga.; and additional moneys for access roads were included. Facilities were allowed to support ongoing missions at Indian Springs Air Force Range, Nev. At Langley Air Force Base, Va., a reduced amount was added for a corrosion control facility. Items were deleted which were no longer required due to mission changes at Eglin Air Force Base, Fla., and Richards-Gebaur Air Force Base, Mo. At Hickam Air Force Base, Hawaii, a post office was deleted. At Scott Air Force Base, land acquisition, and at Diego Garcia various facilities were deleted. In addition, a reduction was made in the amount allowed for aircraft shelters in Europe.

For defense agencies, the conference agreement of $31,260,000 is an increase of $620,000 over the House allowance for road drainage improvements at Columbus, Ohio.

With regard to general provisions, the legislative language regarding military family housing contained in section 111 of the House bill was retained. This allows Federal Housing Commissioner or privately owned housing to be acquired rather than new on-base housing being constructed when this is in the best interests of the Government. We consider this a long-needed improvement.

A Senate amendment which would have prohibited the use of any funds in the bill to establish an Army armaments development center was deleted. It was considered that adequate protection is provided in the normal clearance procedures for reprograming moneys in the bill and is spelled out in the report.

Let me point to the fact that this bill will have an important economic impact in that it provides for early construction nationwide of nearly $2.5 billion in projects which are needed for military training and housing. The majority of these projects can be put under construction in the near future. This provides employment and generally helps out the construction industry and industries dependent on it in many communities.

A table showing the comparative statement of new budget—obligational—authority for 1974 and budget estimates and amounts recommended in the bill for fiscal year 1975 follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

Item	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended			Conference action compared with—			
			In House bill	In Senate bill	By conference action	New budget (obligational) authority fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in—	
								House bill	Senate bill
Military construction:									
Army	$578,120,000	$740,500,000	$650,023,000	$655,976,000	$656,825,000	+$78,705,000	−$83,675,000	+$6,802,000	+$849,000
Navy	609,292,000	643,900,000	602,702,000	626,760,000	606,376,000	−2,916,000	−37,524,000	+3,674,000	−20,384,000
Air Force	247,277,000	536,400,000	456,801,000	446,202,000	456,439,000	+209,162,000	−79,961,000	−362,000	+10,237,000
Defense Agencies	0	50,600,000	30,640,000	31,600,000	31,260,000	+31,260,000	−19,340,000	+620,000	−340,000
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Military construction:									
Army National Guard	35,200,000	59,000,000	59,000,000	59,000,000	59,000,000	+23,800,000			
Air National Guard	20,000,000	30,000,000	35,500,000	35,500,000	35,500,000	+15,500,000	+5,500,000		
Army Reserve	40,700,000	43,700,000	43,700,000	43,700,000	43,700,000	+3,000,000			
Naval Reserve	22,900,000	20,800,000	22,135,000	22,135,000	22,135,000	−765,000	+1,335,000		
Air Force Reserve	10,000,000	16,000,000	16,000,000	16,000,000	16,000,000	+6,000,000			
Total, military construction	1,563,489,000	2,140,900,000	1,916,501,000	1,936,873,000	1,927,235,000	+363,746,000	−213,665,000	+10,734,000	−9,638,000
Family housing, defense	[1] 1,192,405,000	1,342,283,000	1,245,790,000	1,245,790,000	1,245,790,000	+53,385,000	−96,493,000		
Portion applied to debt reduction	−100,908,000	−105,183,000	−105,183,000	−105,183,000	−105,183,000	−4,275,000			
Subtotal, family housing	1,091,497,000	1,237,100,000	1,140,607,000	1,140,607,000	1,140,607,000	+49,110,000	−96,493,000		
Homeowners assistance fund, defense	7,000,000	5,000,000	5,000,000	5,000,000	5,000,000	−2,000,000			
Grand tota., new budget (obligational) authority	2,661,986,000	3,383,000,000	3,062,108,000	3,082,480,000	3,072,842,000	+410,856,000	−310,158,000	+10,734,000	−9,638,000

[1] Includes $3,866,000 requested in H. Doc. 93–266.

Mr. Speaker, I yield to the distinguished gentleman from New York (Mr. McEWEN), the ranking minority member.

Mr. McEWEN. Mr. Speaker, I thank the gentleman for yielding to me. I would like to say that we on this side concur in what the chairman has said.

In behalf of all the members of our subcommittee, I know that we commend the chairman for the very fine manner in which he handled this conference. This is a good conference report.

Mr. SIKES. Mr. Speaker, I thank the distinguished gentleman for the remarks he has made concerning the committee of conference, and of course I extend the same compliments to all the members of the committee.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 7, strike out "$650,023,000" and insert: "$655,976,000".

MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert the following: "$656,825,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 16, strike out "$602,702,000" and insert: $626,760,000".

MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert the following: "$606,376,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 24, strike out "$456,801,000" and insert: "$446,202,000".

MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert the following: "$456,439,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 3, line 9, strike out "$30,640,000" and insert: "$31,600,000".

MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert the following: "$31,260,000".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. SIKES. I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report and the amendments in disagreement just agreed to.

The SPEAKER. Is there objection to th request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT ON H.R. 16596, SPECIAL EMPLOYMENT ASSISTANCE ACT OF 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, I call up the conference report on the bill (H.R. 16596), to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of December 17, 1974.)

Mr. DOMINICK V. DANIELS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rapid action on this legislation is, I believe, a fine demonstration of the Congress' capacity to act responsibly in the face of the emergency that confronts us. The unemployment rate for November was 6.5 percent, the highest it has been in over a decade. Just yesterday the Secretary of the Treasury, William Simon, predicted that unemployment would rise to at least 7.5 percent within a year. Under these circumstances, Mr. Speaker, it would be unconscionable to leave the unemployed to their plight—casualties in an unsuccessful war against inflation.

The conference agreement was reached by careful consideration of the merits of the House and Senate bills with neither side taking a parochial view. Both sides were committed to doing the best for the well-being of the country and the unemployed workers. In general, the conference report follows the House bill's provisions on title I, the public service jobs title, and follows the Senate bill on title II, unemployment benefits, and title III, job opportunities program.

Now, let me explain the conference report in somewhat more detail.

TITLE I—PUBLIC SERVICE EMPLOYMENT

The first major issue concerning the emergency jobs program was the size of the authorization with the House providing $2 billion and the Senate $4 billion. The conference agreement provides for $2.5 billion.

The next major issue concerned the distribution of funds. As Members will recall, the House adopted an amendment providing that 50 percent of the funds should be distributed on the basis of the total unemployment and 50 percent should be targeted into areas of high unemployment. The Senate bill provided for a 75–25 split and I am happy to say that the House provision prevailed. The Senate and House bills however had different procedures for targeting into areas of high unemployment and the conference report provides that the Senate method be used for 25 percent of the funds and the House method for the other 25 percent. The manager's statement explains the allotment formula in greater detail.

Both bills contained special provisions to expand job opportunities, designed to facilitate the hiring of unemployed persons under current economic conditions. The conference report in general adopts the provisions of both bills including the provision of the House bill, under certain circumstances the hiring of persons after 15 days of unemployment, instead of the normally applicable 30 days. The purpose of the reduction in the waiting period is not, and I emphasize not, to permit the transfer of employed workers from State and local to Federal payrolls. It is only to mitigate the potential hardship of unemployed persons who have been laid off in a bona fide reduction in force.

The House bill provided for preference in employment for three categories of persons: Those who have exhausted their unemployment insurance benefits, those who are not eligible for unemployment insurance, and those who have been unemployed for 15 weeks or more. The Senate amendment provided special consideration in hiring only for the last category.

The conference agreement provides "preferred consideration" for all three of the House categories but specifies that such preferred consideration does not extend to new entrants to the labor force.

TITLE II—SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

This title provides unemployment benefits to those persons whose employment is not covered by State unemployment insurance laws. The House bill in essence adopted the administration's recommendation for this program and there was only one substantial difference between the House bill and the Senate amendment. Under the House bill, benefits would be payable in an area if the national rate of unemployment is 6 percent or more and the local rate is 6.5 percent or more. Under the Senate amendment, benefits are payable either if the national rate is 6 percent or more or if the local rate is 6.5 percent or more. The conference agreement adopts the Senate provision. In essence, this means that we will have a nationwide program rather than one operating only in selected local areas. The House conferees were persuaded that it is inequitable to exclude a worker from benefits when his neighbor is entitled to them just because their last jobs were in different localities. The conferees were also persuaded that the House version would have created excessive administrative complexities.

TITLE III—JOBS OPPORTUNITY PROGRAM

The conference agreement is an adaptation of an amendment that was offered on the Senate floor. The House bill had no comparable provisions. The title authorizes $500 million for any program that is determined by the Secretaries of Commerce and Labor to contribute substantially to the reduction of unemployment in areas of high unemployment.

Mr. Speaker, I strongly urge approval of the conference report.

Mr. Speaker, I yield 10 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Speaker, I rise today to give strong support to the conference report on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974.

Mr. Speaker, the bill which the able gentleman from New Jersey (Mr. Dominick V. Daniels), chairman of the subcommittee, so ably explained is one for which he certainly deserves the compliments of this entire Chamber, as does the gentleman from Washington (Mr. Meeds), the gentleman from Pennsylvania (Mr. Gaydos), the gentleman from Michigan (Mr. Esch), the gentleman from Minnesota (Mr. Quie), the gentleman from Wisconsin (Mr. Steiger), and all the other members of the subcommittee who worked many, many days to bring this legislation to the floor.

The bill adopted by the committee of conference contains three distinct titles, each of which involves different activities. Title I provides $2.5 billion for new public service jobs; title II provides unemployment assistance for those not covered by State law, but otherwise meeting the requirements of such law. We do not modify State law here in any respect, but the newly covered are covered by the same rules and regulations that govern coverage and the eligibility under present State law.

That was intended to enable State and municipal employees, farm workers, domestics, and other people who meet the applicable earnings and employment provisions of State law to receive unemployment assistance as if they had been covered under State law.

Title III authorizes $500 million—now, listen to this: authorizes $500 million—for labor intensive public work projects approved by the Secretary of Commerce. This amendment was agreed to all the way by the House members of the Committee on Public Works.

This, we feel, is a good, well-balanced program that will substantially mitigate the hardships of the current unemployment crisis. It is only fair to say, however, that this program will not cure our economic problems. That will require a more determined effort on the part of the President and the Congress. Nevertheless, this program will at least provide some jobs—we estimate 330,000 between now and next June—for those who are out of work. It will also soften the impact of sudden loss of income by providing unemployment assistance at levels consistent with otherwise applicable provisions of State unemployment insurance laws for those who are not in covered employment, which I have explained. And it will provide employment opportunities and capital improvements through a $500 million program to support projects and programs recommended by regional commissions under the Appalachian Regional Development Act, which will boost sagging local economies, generate further employment opportunities, and provide facilities necessary to stimulate economic activity in depressed areas.

The bill that passed the House was estimated to cost $4 billion. The bill that passed the Senate had a price tag of $7.5 billion. The conference agreement authorization would cut this down to an estimated $5.5 billion. The chief variable in connection with the estimated cost is the unemployment assistance program, the cost of which will vary with the rate of unemployment, and the number of eligible applicants who seek benefits under it.

Figures supplied to the conference committee by the Department of Labor estimate the cost of this program as adopted by the conference to be about $2.5 billion at a national unemployment rate of 6.5 percent, which is the current rate.

Mr. Speaker, at this point I would like to include a brief summary of the major provisions of the conference report, and urge as strongly as I can that this measure be overwhelmingly approved by the House.

Summary of Conference Report on Emergency Jobs and Unemployment Assistance Act of 1974

TITLE I—EMERGENCY JOBS

$2.5 billion authorized between now and June 30, 1975.

330,000 new jobs created between now and June 30, 1975 (at the $2.5 billion level).

Money is targeted by formula into all areas and into areas of high unemployment.

Eligible applicants are same as for Comprehensive Employment and Training Act (C.E.T.A.).

Persons eligible for participation are those who are unemployed 15 days if in area of 7% or more unemployment, 30 days in other areas.

Relaxation of "transition" goals in areas of high unemployment.

Persons may be hired for community improvement projects involving rehabilitation, alteration or improvement of public facilities, and construction of water and sewer facilities in communities of less than 10,000 population.

Funds authorized by this title would finance the hiring by local jurisdictions of additional personnel to improve the level of such public services as public safety, education, health care, child care sanitation and others.

TITLE II—UNEMPLOYMENT ASSISTANCE

Applies when either national unemployment rate is 6% or local area's (C.E.T.A. prime sponsorship area) unemployment rate is 6.5%.

Provides benefits for those not covered by Unemployment Insurance provided that they meet the length of employment and earnings requirements of otherwise applicable state law.

Benefit level for those previously uncovered is at level they would have received under applicable state law if they had been covered by it.

Maximum benefit for those not previously covered is 26 weeks.

Such sums as may be necessary are authorized. (Total cost will depend upon severity of unemployment. Estimate is $2.5 billion at 6.5% unemployment.)

Program ends December 31, 1975; benefits on March 31, 1976.

TITLE III—JOB OPPORTUNITIES PROGRAM

$500 million is authorized for programs and projects recommended by the Secretary of Commerce after review by him and the Secretary of Labor of the recommendations for such projects of regional commissions established under the Appalachian Regional Development Act of 1965.

50 percent of funds limited to programs and projects in which only 25 percent of funds spent for non-labor costs.

First priority to programs and projects which are most labor intensive.

Mr. ESCH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the headlines in the Washington newspapers and across the country have made it clear how important passage of the conference report will be to the American people. This effort is designed to mitigate the effects of an unemployment rate which is predicted to skyrocket to 7.5 percent across the Nation, and up to 15 percent or more in labor-intensive areas such as Detroit.

On Friday of this past week, the University of Michigan Survey Research Center predicted that unless something is done to improve either consumer confidence or consumer income, the current recession could be longer and more severe than even the pessimistic predictions of administration economists.

If the American people continue to believe there is no leadership in Washington, and no effort by Congress to improve the unemployment situation, then they will not buy automobiles or new housing, and the Nation will be driven further into the throes of recession.

The conference report represents that kind of leadership that has been lacking in Washington. It can provide money in the pockets of millions of jobless Americans and will be a most effective countercyclical strategy against rising unemployment and deepening recession.

Accordingly I urge my colleagues to pass the conference report.

While the price tag on this legislation is large, it is a small price to pay for the continued stability of our economy and continued employment and compensation benefits for millions of Americans.

To briefly state the provision of the report, the legislation includes $2.5 billion in authorization for a new public service jobs program and 26 weeks of unemployment compensation for uncovered workers. Thirteen extra weeks has been provided for covered workers in legislation passed earlier this week.

The formula for distributing the funds for public service jobs represents a good compromise between the House and Senate proposals. Fifty percent of the funds will be distributed on the basis of relative unemployed; 25 percent into areas where unemployment is greater than 4.5 percent and 25 percent in especially hard hit areas where unemployment is greater than 6.5 percent. I believe this is a fair and equitable distribution and one that will benefit all areas of the Nation.

In relation to unemployment compensation benefits, the conferees chose the Senate unemployment trigger which could mean even more unemployment benefits than in the original House version.

A new provision, not included in the original House bill, but included in the conference report establishes a limited public works program in areas of unemployment with 6.5 percent or greater. This program will be operated through the Commerce Department, and will allow a variety of public works projects, many of which are now on the drawing boards.

The bill proposes an estimated $5.5 billion in jobs benefits through fiscal year 1975. Yesterday, the administration responded by making a $4 billion emergency supplemental request to cover the immediate costs of the new unemployment legislation. Hopefully, this significant request would indicate that President Ford intends to sign the bill which I have urged him to do.

I believe this legislation represents the kind of leadership which the American people are looking for. Millions of unemployed stand to benefit, and if we can move to pass a supplemental, these millions can look forward to a happier Christmas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would ask the gentleman from Michigan whether there is any money in this bill for the Penn Central Railroad?

Mr. ESCH. Mr. Speaker, I would say to the gentleman from Iowa that, to the best of my knowledge, there is no money in the bill for the Penn Central Railroad,

Mr. GROSS. None at all?

Mr. ESCH. That is right.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, if the gentleman will yield still further, I would like to ask the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) whether the gentleman agrees that there is no money in this conference report for the Penn Central railroad?

Mr. DOMINICK V. DANIELS. Mr. Speaker, if the gentleman will yield, I will assure the distinguished gentleman from Iowa (Mr. GROSS) that there is no money for the Penn Central railroad in here, or for any other railroad.

Mr. GROSS. Mr. Speaker, I am compelled to ask the question because there is no printed copy of the conference report, although it will be found in the CONGRESSIONAL RECORD, but is not available elsewhere.

Mr. ESCH. Mr. Speaker, I would emphasize to the gentleman from Iowa that we wanted to make sure the Members had an opportunity to see the total conference report, so for that reason it was printed in the CONGRESSIONAL RECORD in the House yesterday in full.

Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, I rise in support of the conference report. I am proud of the effort of the conferees on both sides of the aisle in bringing this bill to the House and eventually to the other body and, I trust, for the President's signature. But in support of it, I would but want to make sure that Members of this body were aware of the fact that this conference report is not a full answer to our problems. The authorization of something like $5½ million is for the three titles contained in this bill.

The first title contains a new title to the Comprehensive Employment and Training Act; the second title extends unemployment compensation benefits to those not presently covered under State law; the third title is for the economic development projects for construction. This bill does, in my judgment, represent a fundamental effort on the part of this body to respond to a continuing deterioration in the economy. It does help to soften the blow.

The public service employment program is not a panacea. It does not solve all the problems of recession and inflation, but in my view this conference report does reflect and represent a very real effort on the part of the Members of this body to make it possible to say to our constituents and to the American people: We do understand the depth of the problem.

I want to add a personal note, Mr. Speaker, since this will be the last conference on which I serve as a member of the Committee on Education and Labor. I am profoundly grateful to the chairman of the full committee, Mr. PERKINS, and the ranking Republican, Mr. QUIE, of Minnesota, for their guidance, patience and tolerance. I am also appreciative of the friendship and leadership of the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) during the past 8 years.

Mr. ESCH. Mr. Speaker, I yield such time as he may consume to the distinguished ranking member of our full committee, the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report on the Emergency Jobs and Unemployment Assistance Act of 1974, even though I am not happy about some of the Senate provisions we accepted. On balance, however, I think that the conferees struck a reasonable compromise between the House and Senate provisions, and I firmly believe that the one essential thing is that this additional help for the unemployed be made available at once.

There are two things about the conference agreement which most bother me. First, by accepting the Senate language which triggers on the extended unemployment benefits coverage for the whole Nation at 6 percent national unemployment—rather than also requiring an area rate of 6.5 percent in order to qualify the area, as in the House bill—we have added about $500 million to the cost of this bill. Second, we added $500 million in new authorizations for a new public works title. In my judgment this was unnecessary because the public works involved are those of Federal agencies for which authorization already exists, thus only requiring appropriations for those purposes. I think this whole matter should have been handled by the House and Senate Committees on Public Works.

With respect to the authorization level for public service employment, the Senate figure was $4 billion and the House figure was $2 billion and the Conference agreement was $2.5 billion. This is closer to the House position and therefore a good compromise, but it adds another $500 million in authorizations above the level approved by the House. The net result is that we come back to the House with cost and authorization levels $1.5 billion over the level we had in our bill.

The President has acted swiftly to request a $4 billion supplemental appropriation—$1 billion for public service jobs under our new authorization and $2 billion for the extended unemployment benefits for those not previously covered, $750 million for advances to the unemployment insurance trust fund for extended coverage for insured workers, and $249 million for State administrative costs—and the House Appropriations Committee has moved just as swiftly in approving his request.

So it is important that we approve the conference report despite reservations many of us may have about certain features of this bill.

I know that many of my colleagues will be interested in the formula for the distribution of funds among eligible applicants for the public service employment part of the bill. The House committee bill formula distributed 75 percent of the funds on the basis of relative numbers of unemployed above 4.5 percent and 25 percent on the basis of general unemployment. This resulted in a heavy concentration of funds in those areas with relatively high unemployment. The Obey amendment agreed to on the House floor changed this to a 50–50 mix. The Senate bill formula was 75 percent on the basis of relative unemployment and 25 percent for areas of 6.5 percent or more unemployment qualified under title II of the Comprehensive Employment and Training Act—CETA. This heavily favored areas of relatively low unemployment. I think we struck an excellent compromise and held close to the amended House bill. The conference agreement provides that 50 percent of the funds be allotted on the basis of general unemployment, 25 percent on the basis of unemployment above 4.5 percent, and 25 percent on the basis of unemployment in areas qualified under title II of CETA.

So while certain actions of the conference in yielding to the Senate will make the Federal Government's budgetary problems more severe, I think it is fair to say that on any number of crucial points the managers for the House did not yield or reached a good compromise and that the resulting legislation merits support.

Mr. Speaker, this Congress could not adjourn without having acted to meet the urgent and growing needs of the Nation's unemployed—action requested by the President and initiated even before his request by our colleagues Mr. DANIELS and Mr. ESCH—and I urge adoption of the conference report.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I rise in strong support of this legislation and am especially proud of the House conferees in maintaining the emphasis on placing the money for jobs in areas of high unemployment. It was a difficult task as we went into the conference to maintain anywhere near the House position on this issue, in view of the fact that the other body's formula was so skewed to unemployment generally. But the House Members on both sides of the aisle did a fine job. I think we are finally getting back with this legislation to the real purpose of public service jobs legislation.

In 1970 when we first enacted public service employment legislation, the primary emphasis was on putting people in jobs in cities and counties and States across this Nation, and it worked very well. It worked well, particularly during periods of high unemployment.

When we finally then passed to the Comprehensive Manpower Training Act of 1972 or 1973, the emphasis faded away from public service jobs and became more manpower oriented. I do not say I disagree with that as long as the economic conditions were as they were, but in periods of high unemployment, the provisions of this act and the provisions of that act and these amendments should be strongly interpreted toward the placement of people in jobs.

Manpower training is good as long as there are jobs to put people in at the end of the training, but we know now our major problem is unemployment, and that is why the record should be very clear on this legislation that both bodies want this act interpreted to be primarily a public service jobs program and not a manpower training program. That is why we put in waiver-of-transition provisions in some instances in this bill.

Those transition provisions have been one thing that in many instances has prevented people from getting jobs under the Manpower Training Act. That is why we replace the placement goals with performance goals and lower the time for entry into jobs to 15 days in some instances.

So I just want to make it clear that on the part of this one conferee, and as I gather on the part of my fellow conferees, we in this body and the other body want this law to be interpreted primarily as a public service jobs bill.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. GAYDOS) such time as he may consume.

Mr. GAYDOS. Mr. Speaker, I compliment the chairman of the subcommittee, the gentleman from New Jersey, for his persistence in originating and following through with this concept along with the other members of the committee on this side and the members on the minority side.

Mr. Speaker, I rise in support of the conference report on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974. The conferees of both the Senate and the House have very diligently worked the last 2 days in an attempt to expedite this legislation so that it can be enacted before the Congress adjourns. My colleague, Mr. DOMINICK DANIELS, chairman of the Subcommittee on Select Labor, was especially instrumental in spearheading this legislation.

At the outset, let me say that this legislation is not to be considered as any panacea for our current economic woes. It is, however, a modest attempt to provide jobs and unemployment assistance to a segment of those workers who have and will become unemployed as a result of the current recession.

The conference report basically adopts the bill as passed by the House last Thursday, December 12, 1974. There are some changes which, in my opinion, do improve the bill. I will comment on three of those changes.

First, the bill, as passed by the House, authorized $2 billion for title I which provides for an expansion in the public service employment program of the Comprehensive Employment and Training Act of 1973—CETA. The conference report increases this to $2.5 billion, which provides for a total of up to 370,000 public service jobs.

Second, the bill, as passed by the House, provided for distribution of title I funds in a manner whereby 50 percent would go to prime sponsors based on the ratio of the number of unemployed in the area of the prime sponsor to the number of unemployed in all areas. This was not changed by the conference. The remaining 50 percent of funds, as previously passed by the House, would be distributed to those areas with unemployment in excess of 4.5 percent on the ratio of the number of unemployed in the particular area in excess of 4.5 percent to the number of unemployed in excess of 4.5 percent of all areas.

The conference report reduces from 50 percent to 25 percent, the funds to be so distributed and redistributes the remaining 25 percent to those areas with substantial unemployment, namely 6.5 percent or more on the ratio of the number unemployed in the area to the number unemployed in all areas.

Third, the conference report adopts the provision in the Senate bill which amends the Public Works and Development Act of 1965 to authorize a $500 million 1-year program of emergency financial assistance to stimulate, maintain, and expand job-creating activities in areas with especially high unemployment levels. This program will be carried out by the Economic Development Administration of the Department of Commerce.

The purpose of these three changes by the conference is to more specifically direct assistance to those areas which are experiencing the most severe unemployment.

As I said earlier, this legislation is a modest proposal to provide jobs and unemployment assistance to a segment of the unemployed. The next Congress will have to make an indepth analysis of the unemployment problem and consider additional steps to alleviate the plight of the unemployed. But it is vital that this Congress pass this legislation before its adjournment.

The total cost of this legislation could be $5.5 billion, depending on how serious unemployment becomes in 1975. This is a sizable figure which some may question. But I would remind those so inclined that only last week this House passed a foreign aid bill which called for substantial expenditures of the taxpayers' money. If we can afford to extend such largesse to other countries of the world, we can certainly afford expenditures to assist the plight of those workers who participated in the production of the goods and services of this country which provided the revenues which were distributed through our foreign aid programs.

Without a healthy economic base at home, no foreign aid would be possible. Our economy is far from being healthy and our efforts should be solely directed to the restoration of its health. One facet of these efforts must be to provide assistance to the human resource—namely, the unemployed American worker, whose skill and motivation to work is vital to the revival of our economy. We must not allow these victims of the current recession to suffer financial ruin with its concomitant loss of will. They have contributed to America's greatness. Let us not fail them in their hour of need.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Speaker, my initial comment will be a commendation and congratulation for the chairman of the committee and the gentleman from New Jersey as well as other members of the committee for the work they have done to bring this legislation, which has been far too long delayed, to the floor. It is much needed legislation, needed to help the unemployed.

I agree with the comment of the gentleman that it should not be a manpower training bill, as the gentleman has so eloquently explained, but it should be considered as a people's public service program.

I was pleased to see the other body finally add a program which was originated and initiated by this body in the field of public works. We had called this the community facilities and we had called it the area redevelopment and more recently the Redevelopment Administration, but it is an excellent program and easily supervised and something which is visible and something on which the local people have to exert their own ingenuity and creativity and their own participation to make it work. We have had strong support for this program. It has a splendid track record.

I heartily support title III, which is consistent with the public works and economic development as we have handled it in years past.

Mr. Speaker, repeatedly, in my 28 years of service in this very able body, I have risen before you in support of measures seeking to bolster and expand the economy of this country. Indeed, only 6 months ago I rose in support of a 2-year extension of the Public Works and Economic Development Act of 1965. At that time, I stated:

> It is imperative that the Public Works and Economic Development Act be extended for another two years. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas' experience 20 percent and even 30 percent unemployment.

lation.

> It is even more distressing to read all the conflicting forecasts of unemployment for later this year . . .

Mr. Speaker, there is little conflict in the unemployment statistics now available to us, and the forecasts are quite clear on one point. Unemployment, now at an unacceptable and undesirable level of 6.5 percent, may very well rise, unless arrested immediately, to 7, 7.5, or even 8 percent. If ever I have before, I rise today in full support of legislation which embodies the dire need to halt rising unemployment and to set our economy, once again, on the right track to sustained growth.

I must commend my colleagues both in the House and in the Senate for voting passage last week of the Special Employment Assistance Act of 1974. Undoubtedly, this measure represents an important and timely effort on the part of both bodies to come to grips with the worsening economic conditions of the Nation. The problem, of course, is in fighting a two-front battle; yet, in moving to reverse the tide of economic stagnation and to halt the inflation that is undermining our Nation, we must not, and cannot, forget or neglect the immediate needs of those on the first line of battle. Their joblessness, their food, clothing, shelter, and medical needs become no less real because of a percentage point victory in the fight against inflation.

And so, in passing the Special Employment Assistance Act, the Congress has ventured significantly to meet all these needs through legislation which will create productive work for these displaced individuals. The community improvements this bill will provide will, for many years ahead, be realized by those communities and by the people in them.

Mr. Speaker, I would like to address myself to the conference report of this, which we are now considering.

In its enactment of the Special Employment Assistance Act, the Senate included an amendment which added a title III to the act, which amended the Public Works and Economic Development Act of 1965 by adding a title X—job opportunities program to the existing legislation. The conference committee carefully reviewed this section. I wish to commend the chairman of the Education and Labor Committee for the way he has worked with the Public Works Committee in considering the Senate amendment. I offer my strong support for the amendment's inclusion in the final bill.

Title III, the job opportunities program, of the Special Employment Assistance Act adds nothing new to the subject to which both the public service employment legislation and the Public Works and Economic Development Act address themselves; there is, the creation of job opportunities for those people who are unemployed or underemployed and are in areas of substantial and persistent unemployment. Indeed, at the heart of both pieces of legislation is the goal of providing productive work opportunities on a permanent basis to those presently without work. The public works amendment will provide better balanced, more effective employment assistance.

Now, as a member of the Committee on Public Works, I can state frankly that when we consider legislation to create jobs, we are thinking of jobs that are themselves job creating. It is only with jobs that create other jobs that economy goes forward.

Most importantly, title III of the conference report attempts to create such jobs without creating another Federal agency to administer the program. The existing programs and expenditures of the Government that are directed toward the creation of jobs are supplemented directly by creating within the Commerce Department and the Economic Development Administration the means by which current and ongoing programs can be monitored to determine which have the most direct and immediate impact upon the creation of jobs.

The title calls for an authorization not to exceed $500 million to be used by the Department of Commerce in this evaluation, and to supplement State, local, and Federal funds in a manner most efficient in creating jobs. The reasoning is simple. It seems that a small contribution to an existing grant program would create more jobs than an equal contribution to a new program. In short, this is the purpose of the amendment.

Without a doubt, the time has come for the Government to take decisive action to stimulate and to provide employment for those who are the direct victims of the Nation's economic troubles. Public works construction has long been utilized to stimulate economic activity in times of economic hardship. Through public works jobs, needed public facilities are provided and the impact of their construction is great and widespread. This legislation will assuredly have a vastly significant impact on the creation of jobs in this country, particularly in the smaller cities and rural areas where the pressures of unemployment are most bearing.

The Senate proposal would go far toward the creation of new jobs in those areas experiencing high levels of unemployment, jobs not of the make-work variety, but of a permanent, good, decent, important nature. In doing so, it directs the Economic Development Administration to consult other Federal agencies that have project responsibilities and to review their proposed expenditures for the 1975 calendar year. In such a manner, the effectiveness of projects in job stimulation can be determined.

Second, title III authorizes a special, badly needed 1-year appropriation of $500 million to the Economic Development Administration to create, maintain, and expand private-sector jobs. This money might be used to supplement ongoing Federal programs that were identified in the review process, thus expanding their job-creating potential. We do not have to dream up a new program, but only to supplement the existing programs that have already repeatedly proven their worth.

This would enable Federal agencies such as the Forest Service in the Department of Agriculture to obtain additional funds to put more people to work. In other words, Government agencies that have highly successful, job-oriented programs may want to push the expansion of these programs, which would otherwise be restricted due to their annual budget. The Forest Service will be able to take a good hard look at all its programs, and expand those that have proven their worth in areas of high unemployment.

I call to mind that work carried out by the Civilian Conservation Corps under the auspices of the Departments of Agriculture and Interior. The cleaning up of forests and the maintaining of parks which otherwise would be left alone due to insufficient funds have always represented effective means by which important and productive jobs could be created. And more importantly, every one of us can readily call to mind the lasting legacies—the public recreational facilities, the wiser use of natural and human resources, the conservation of our land, and so on—of the CCC in our congressional districts.

Of all the provisions of the Special Employment Assistance Act, only title III will be able to assist the private construction industry. No doubt, this has been the hardest hit sector of the economy, and we could all stand to profit were it to begin moving again.

Mr. Speaker, for the same reasons I have supported in the past measures to stimulate our economy, I have risen today in full and active support of title III of the Special Employment Assistance Act. I heartily encourage my colleagues to lend their full support to this fine measure, and I assure them that the Committee on Public Works will carefully review and monitor this legislation as it is established and carried out. As it is each of our responsibility to assure the Nation that every effort is being undertaken to improve the economic outlook of this country, it is also each of our responsibility to see that these efforts come to be effective and successful. The Committee on Public Works will do exactly that.

Mr. Speaker, I urge the immediate enactment of the conference report.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield to the distinguished whip and our assistant majority leader on this floor, the gentleman from California (Mr. McFALL), who was a member of our Public Works Committee maybe 10 years ago or 12 years ago when we worked on the public works program and he helped develop this idea of the public works program.

Mr. McFALL. Mr. Speaker, I rise today to associate myself with the remarks of the distinguished chairman of the House Committee on Public Works.

My colleague on the Public Works Committee has spoken eloquently and forcefully in support of the new job opportunities program, which if approved will become part of the Public Works and Economic Development Act of 1965.

Mr. Speaker, the job opportunities program is similar to previous programs known as accelerated public works, and the public works improvement program.

Both of these programs have been provided by the Congress to combat high unemployment in the construction and related industries in areas suffering from persistently high unemployment. At the same time, the accelerated public works concept provided local and State governments with needed public facilities that were on the drawing boards and ready to be undertaken.

In short, the accelerated public works concept provides a two-pronged investment in people and needed public facilities.

As the Members of this House will recall, the first attempt to revive the accelerated public works concept, which worked so well in the 1960's, was in 1971. It met with a Presidential veto. A scaled down accelerated public works measure was created together with the amendments to the Public Works and Economic Development Act of 1965. This measure passed and another extension was approved by the Congress earlier this year.

You may recall that during the economic slump of 1970, a resisting administration did not want an accelerated public works program, nor did it want a public service employment program.

Accelerated public works never has been fully implemented by the executive branch. Earlier this year, we will recall, we were told the accelerated public works concept did not live up to expectations. Of course not—you keep a tractor in the barn, and you will never know its potential to till the fields.

Once again our Nation is caught in the grips of an economic crisis—though the executive branch fails to see our economic problems in these terms.

The job opportunities program title authorizes up to $500 million to provide for accelerated public works for not only State and local agencies, but also provides a pool of funds administered by the Economic Development Administration that can be tapped by Federal agencies as well to carry out Federal projects.

Both the public service and the job opportunities programs are designed to meet immediate needs of different people who cannot find work. Public service employment meets the needs of those who are in entry level positions and provides them with an earned wage, plus experience they can use when the program is no longer needed.

The job opportunities program will keep construction workers on the job so that their valued skills are continued in use and their families are relieved of the suffering that comes when the primary wage earner is out of a job.

For State and local governments the public service program provides manpower to meet service needs. The job opportunities program will help to meet facility needs.

What I find especially valuable, is that the new job opportunities program also provides Federal agencies the opportunity to tap the pool of accelerated public works funds in order to create jobs on projects which heretofore may have been postponed or halted due to budgetary restraints.

This feature provides funds to be spread out among all levels of government, and throughout all Federal agencies.

This feature will work well in my own area of California. The new district I will be privileged to represent in the next Congress includes populated areas as well as counties with sparse population.

One local government already has a project on the boards for an airport related industrial park. In the more mountainous areas of my new district, I am sure that various local governments, as well as the Forest Service, Department of Interior and other agencies have projects that are ready to go, but which have been cut due to budgetary restraints.

This bill provides for the Department of Commerce to survey the needs of these agencies so that projects can be undertaken almost immediately in areas where the unemployment rate is most critical.

In closing, I would like to commend the Senate for including the Job Opportunities Amendment to the Special Employment Assistance Act. The chairmen and members of the House Public Works Committee and Education and Labor Committee deserve commendation for working responsively to see that this program is included in the conference report before us for consideration today.

Once again, the Congress is providing the leadership and tools to meet the problems of the Nation. I urge the full support of the conference report before the membership today and hope that the administration will use these tools to help offset the severe human problems that our economic crisis has caused.

Mr. ESCH. Mr. Speaker, I yield to the gentleman from Arkansas (Mr. HAMMERSCHMIDT) such time as he may consume.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in opposition to H.R. 16596, a bill to provide emergency funds for public service employment. I object to this bill for many reasons. While there is considerable support for so-called public service jobs and while it may sound appealing that the Government is providing jobs for the unemployed, this program is not as effective as may seem. Evidence suggests a number of reasons why results of this so-called job creating program may be rather modest. As a temporary novocain for the recession, it will provide funds for jobs in local governments that may have been created or funded locally. The net effect of such Federal funding may be minimal, and in fact, might be nil since local governments could or would have provided funding for the same jobs.

Second, the usefulness of such a program depends on not only the number of real new jobs it creates but also on the type of people who will fill the jobs: Would they be workers who stand a good chance of finding work anyway; in other words will the hardcore unemployed be affected by this program or will this be an easy entry for an otherwise employable worker? Last, public service jobs may be created at the expense of local small businesses, whereby the Government spends less elsewhere due to the cost of public service jobs or borrows more meaning somebody else would borrow less. Public service jobs may add to inflation due to the need to increase public service job program may add to the ills of the Nation and provide relief to nobody who generally needs it, thus hurting everybody.

Finally, there may be an approach acceptable to economists and politicians on both sides of the aisle, that being jobs through loans to businesses or grants to cities for permanent and lasting improvements such as the proposals contained in title III of H.R. 16596. However, the administration has decided not to fund this title but rely on a traditional public service job and extended unemployment approach to alleviate our unemployment ills. I submit for the RECORD an article by Robert Samuelson, a writer for the Washington Post, with whom I agree in regard to public service employment:

PUBLIC JOBS: COMMONSENSE OR NONSENSE?

(By Robert J. Samuelson)

It's almost impossible to suggest doing anything about the economy these days without running into someone who will suggest just the opposite. You name it—wage-price controls, a tax increase, spending cuts, a tax reduction—and somebody's against it. Except of course, for "public service" jobs. Nobody, it seems, is against them.

Who could be? With the unemployment rate at 6.5 per cent in November, its highest level since 1961, public service job proposals have an irresistible popular appeal. For the last month, the White House and Congress have been struggling less to assure that new legislation passes than to see who gets most of the credit. A $2 to $4 billion program is almost certain to become law soon, probably before the end of the year.

But how much good will it do? Well, not as much as the widespread support might indicate. In fact, the available evidence suggests a number of reasons why the results may be rather modest.

First, while creating new jobs directly may be a slightly more effective way to stimulate the economy than an equally large tax cut or spending increase, the program isn't big enough to change the employment picture dramatically. By providing an average salary of $7,500 to $8,500 a year, a $4 billion annual program would create about 500,000 jobs, representing less than 1 per cent on the unemployment rate.

Second, the program's stimulating effect may wear off rapidly as a result of what economists call the "displacement" effect. In plain language, this means that once city and state officials—who do all the hiring—see that the federal government is picking up the tab for local jobs, they will use federal funds to hire people they would have hired anyway. After six months or a year, more than 50 per cent of the "new" jobs may be lost in this way, many economists believe.

Third, those who hope that public service jobs will aid the poor and the disadvantaged may be disappointed. State and local officials tend to hire the best qualified job-seekers—who aren't necessarily the poorest and most disadvantaged. As unemployment rises, the dilemma—choosing between people who need jobs most and those who appear best qualified—intensifies, because there are more experienced jobless workers.

Finally, if—as many economists believe—a prolonged period of relatively high unemployment is the unavoidable price of curbing inflation, then a jobs program may simply postpone the inevitable, or cause more inflation. And many economists who believe differently—that is, those who favor strong economic stimulus to relieve unemployment—think a jobs program will be too small to do much good.

At least the first three of these sobering conclusions qualify as more than mere conjecture. Although most Americans probably associate "public service" employment with the Depression's Works Projects Administration, a recent experiment—the Public Employment Program (PEP) in 1971— represents a much more reliable indicator of what may happen. And evaluations of PEP suggest the modest results.

NO REAL CONSENSUS

Against these likely achievements, the overwhelming political support for a jobs program seems strangely out of proportion. The mystifying disparity has a simple explanation: The political consensus is more apparent than real.

Huddled under the common label of "public service" employment are a number of sharply different concepts. The label covers huge permanent programs aimed at cutting into the high unemployment rates of poverty pockets, where heavy joblessness persists even during periods of prosperity. But the White House has embraced a far more limited concept. Despite President Ford's pledge last week to back a program significantly larger than he originally proposed, his basic position remains unchanged. The White House program is intended to be a temporary Novocain for the recession, designed as much to avoid the appearance of being callous as to bring down unemployment. And, specifically, the administration opposes any program that might turn into a perpetual source of federal funding for local and state jobs.

That's precisely what many mayors and city managers, hungry for new money to support their sagging budgets, want. They may get it, too. PEP was a temporary program but, when it was due to expire, Congress responded to protesting mayors and county executives by including a similar though somewhat more modestly funded program in the new Comprehensive Employment and Training Act (CETA).

"I think that public service employment is now locked in," says Robert Anderson, director of manpower for the National League of Cities. "The only question is the extent to which it will be funded. But I don't see any retreat."

Whatever the future, there is little doubt that a large-scale jobs program is eminently feasible now. If the PEP experience is any guide, there will not be any problem creating new jobs quickly. Under PEP, a totally new program, localities hired 100,000 workers (about 55 per cent of peak employment of 182,000) within the first five months.

Now, things will probably move even faster. The new legislation will probably waive some requirements that local officials disliked (for example, that only workers who have been jobless for 30 days or more can be hired).

More important, many cities are anticipating the legislation by preparing job lists. Chicago, for example, already has selected about 2,500 jobs, and Samuel Bernstein, assistant to the mayor for manpower, estimates that most could be filled a month after a go-ahead from the Labor Department.

Nor should the jobs consist primarily of makework. To be sure, many of the PEP jobs were deliberately intended to be easily switched on and off, perhaps a quarter to a third of PEP employees were put to work repairing roads, fixing buildings, or caring for parks, where officials usually believe they have a large backlog of undone work. (Indeed, the Ford administration implicitly favors these kinds of jobs because they would permit a smoother phase-out of the program.)

But many jobs have been spread throughout existing city agencies. In Pittsburgh, the city hired security guards for its schools. San Francisco added to the staff of its parole department. In San Jose, public service workers were used to maintain public library hours when city budget cuts threatened reductions. In Detroit, the city is now using CETA funds to hire bus drivers.

Unfortunately, the very similarity of new jobs to existing jobs makes it difficult to determine how much the jobs program fulfills the goal of creating new employment. The deteriorating finances of many cities and counties will almost certainly compound this confusion. Squeezed simultaneously by inflation and recession, many localities are already considered hiring freezes or cutbacks. At least two major cities, New York and Cleveland, have announced significant layoffs. New York, facing at least a $430 million deficit in its $12.8 billion budget, has cut 7,900 jobs, or about 3 per cent of the city's work force. And Cleveland plans to eliminate 1,100 of its 11,000 workers on Jan. 1.

In this situation, the first and most logical instinct of local officials is to hold onto existing jobs and workers. But here they collide head-on with government regulations (technically called, "maintenance of effort" requirements) that are designed to insure that local officials don't play musical chairs with federal job programs. New York, for example, may be dismissing 7,900 workers, but it's also receiving a federal grant under CETA to hire 2,000 new workers. After a trip to Washington last week, city officials are still puzzling over the legal nuances that will determine how much of that money they can use to rehire the workers they've just fired.

New York's budget problems may seem genuine enough, but there are bound to be many cases that are far less clearcut. "What about the official who goes home at night—with federal job programs. New York, for memorandum—and says to himself, "If I juggle my budget this way, I can get (federal) money. Then that's the way he may juggle his budget," says William Hewitt, associate manpower administrator in the Labor Department.

In an evaluation of the PEP program, manpower specialists Sar Levitan and Robert Taggart concluded that this kind of subtle substitution was widespread: "At the outset, the level of PEP jobs represented net additions to the total number of public employment opportunities. However, this initial impact declined as the program continued. In planning their budget during the first years of the program, most (localities) were likely to consider the need already being filled by PEP participants. For instance, if a number of social service aides or teachers had been hired, need to add regular employees for the same jobs had obviously declined."

WHOM TO HIRE?

The sickly state of the economy and local finances also exacerbates another inherent dilemma of a jobs program: Whom to hire? Threatened joblessness for experienced government workers puts officials in a peculiar position. "We're not talking about the disadvantaged worker," says Anderson of the League of Cities. "We're talking about Mr. and Mrs. Middle American now. They've had solid attachment to the work force, a mortgage and kids in college." True as this may be, protecting these workers clashes with the widely held belief that public service jobs should help those most in need of help.

Indeed, PEP faced the same choice and resolved it at the expense of genuinely "disadvantaged" workers. Congress set a multitude of priorities in hiring. All new workers were to have been unemployed for at least 30 days, but after that localities were supposed to give preference to veterans, the young, the old, the poor, migrants, aerospace and other defense-related workers.

As a result, perhaps only 17 percent of those hired were "disadvantaged"; for example, only about a quarter of the workers had less than a high school degree, compared with about half of all the unemployed. Concluded Levitan and Taggart: "The simple fact is that most (localities) wanted to hire the most educationally qualified."

Though localities have benefited from PEP and its follow-on, CETA, they are dissatisfied. Many local officials feel abused by the on again-off again funding for the programs, which causes constant planning problems. "It creates severe political problems," says Ralph Rosenfeld, director of the mayor's office of manpower in Detroit. "We're the ones who have to hire and fire."

In short, PEP—though creating inevitable political pressures for permanent jobs programs—raised serious questions about how far a larger, permanent program could go in achieving the more ambitious goals of "public service" employment: reducing the unemployment and underemployment in poverty neighborhoods, where normal unemployment rates may average at least twice the national average. The usefulness of a job program depends not only on the number of real "new" jobs it creates, but also on the type of people who fill the jobs: Would they be workers who stand a good chance of finding work anyway?

No less certain is the place of a jobs program in the government's arsenal of economic measures. Economists who believe that the nation is suffering from unnecessarily and dangerously high unemployment almost unanimously support a jobs program. Indeed, assuming that there's little initial "displacement," a jobs program should give the economy a slightly larger stimulus than any equal tax cut or increase in federal spending. The reason: Additional spending, either through a tax cut or higher government purchases of goods and services, doesn't necessarily create an equal number of new jobs immediately. (The higher spending, for example, could result in more overtime, accelerated production, or sales from existing inventories.)

"With the economy sliding into deep recession, an expansion of public service employment is clearly highly desirable," Otto Eckstein, a member of President Johnson's Council of Economic Advisers, told the Congressional Committee on the Budget last week. "It is better to keep the unemployed working in public service jobs than to keep them in an unemployed status with its morale and skill losses."

Having said this, Eckstein also thinks that any public jobs program won't be big enough. "It's really a sop for doing very little. It's not going to be much bigger than $2 to $4 billion, and the economy needs a stimulus four to five times that. The economy has gotten so sick so fast that unless things are turned around, unemployment is going to 8 percent and might go even higher." Eckstein suggests a tax cut of at least $15 billion; he believes that the inflation rate is slowly declining and will be about 7 per cent at the end of 1975, whether or not the government acts to reduce unemployment.

OPPOSITE VIEW

Precisely the opposite view comes from economist Milton Friedman. He views the entire exercise of public service jobs as a giant economic shell game: If the government creates more public jobs, it will do so, ultimately, at the cost of destroying jobs elsewhere (either because the government spends less elsewhere or borrows more money which means that somebody else will be borrowing less) or at the cost of causing more inflation (because the Federal Reserve creates more money to finance new jobs).

Friedman regards with horror proposals like Eckstein's for more stimulus. He sees the nation locked in a vicious circle of self-destructive economic policy: Every time the government tries to halt inflation, there's a premature relaxation—in response to higher unemployment rates—that leads to still higher inflation, which leads to another round of restrictive policies and premature relaxation. The vicious circle continues with increasingly high rates of both unemployment and inflation. What he sees now is a temporary abatement of inflation (perhaps to 6 or 7 percent) next year, and then, with the economy reacting to excessive stimulus, a resumption of inflation rates as high as 15 percent by 1977. The ultimate cost, Friedman says, for public impatience in curbing inflation will be still higher unemployment rates.

What separates Friedman and Eckstein fundamentally is this question: Is a prolonged period of unemployment really necessary to bring down inflation? On the answer to that question lies the ultimate value of "public service" jobs as either nonsense or common sense.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Speaker, I rise in support of the conference report.

I commend the chairman of the subcommittee (Mr. Dominick V. Daniels) and the other conferees for the work they have done on this legislation.

With this legislation I think Congress is showing the sense of urgency for remedial action on the economy that many of us have felt in our local districts for some time and which has now spread throughout America. Clearly there is now an urgent need for a public service employment program to begin to meet the needs of our economy.

I am especially grateful for the provision in the conference report which appears on page 40583 of the Congressional Record, specifying that public service employees can be rehired if they are fired for bona fide reasons. There is no reason why someone should be penalized because he happens to work for a State or local government and this report makes it clear that such a worker will not be so penalized.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. Reid).

Mr. REID. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this conference report. I think it is an important first step that the House is taking today both in terms of extending unemployment compensation benefits and in terms of public service employment.

As my distinguished colleague from New York (Mr. Badillo) pointed out, a prime example of those suffering from unemployment are those employees of local governments who have been let go through no fault of their own but because of fiscal difficulties.

I would add one final thought; that is that I think the country is moving into not a recession, but a depression. Senior citizens, among others, are very hard hit, and there are areas in New York State where unemployment has now reached 40 percent.

I hope that this measure will be accompanied by others that start to face the seriousness of our economic situation and recognize the human sensitivity and the desperate character of the economic picture facing many Americans.

Mr. ESCH. Mr. Speaker, I think it is clear that the agenda for the next Congress will have to address itself to the relationship between welfare, public employment, employment services, as well as many other aspects of manpower and relate the unemployment assistance to those who are in need in the country. This bill does not address itself to that. That is the agenda for the next Congress to take action, but presently we need to put dollars out to implement a strong program to those in need, those who are unemployed and those who have exhausted their unemployment benefits.

This bill coming out of the Committee on Ways and Means will be a great significant tool that the President can use to assist those in their problems relating to the economic situation we are facing throughout the country.

So I would urge every Member to join in this fight by supporting this conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield for one brief comment?

Mr. ESCH. Yes, I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. I would suggest to my friend from Michigan that Congress had better address itself more effectively than it has to the cancer of inflation. This bill calls for, as I understand it, $5.5 billion—and I said billion, not million—but $5.5 billion because of the cancer of inflation. Unless inflation is stopped it will only require more billions of dollars to provide more poultices in a futile effort to cure the cancer of inflation that is tearing down the economy.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Speaker, I would like to compliment the gentleman from Michigan (Mr. Esch) and the members of the Committee on Education and Labor who have provided a vehicle that at least got this Congress started toward some of these things that people have been talking about in areas such as that represented by the gentleman from Michigan and myself living in the city of Detroit in the State of Michigan, where the impact particularly emanating from unemployment in the auto industry of a depression is now being felt by them. It will take a little while for the shock waves to get to the gentleman's district in Iowa, but I would suggest that while the gentleman from Iowa (Mr. Gross) is traveling back to Iowa, if he would like to stop and see the long lines of people standing in the unemployment lines and other people who have exhausted their unemployment benefits in this bill applying for welfare and still others who are receiving their pink slips because the communities in which they work will not be collecting property taxes from people laid off, I think he will understand better why the gentleman from Michigan and I believe this is where the emphasis in Congress must be to prevent an absolute disaster.

The gentleman from Iowa should know better than anyone else the heavy burden he places on himself as a representative of Mr. Hoover over the years, for the shortsightedness of previous Congresses is not recognizing our plunge into a depression in time to stop it.

Mr. ESCH. Mr. Speaker, I would first emphasize, with due respect, many former Presidents and Congresses have had a great deal of insight into the problem, but I think the important thing is that we bear the responsibility in the next Congress of accepting the burden placed upon this Congress.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Speaker, I do not know what period of time is going to expire before the impact of this bill, which I support, reaches Waterloo, Iowa. I would like to correct the gentleman from Michigan. The gentleman from Iowa—the late President Hoover is too modern for him. He is a McKinley man.

Besides that, he will not be in the States probably to observe the impact of this, because he is going on a world tour very shortly following the vacation of his office.

Mr. ESCH. I appreciate the comments of the gentleman from New Jersey. I would say that perhaps the gentleman will see, and it will be reinforced, that our economic system is stronger than any other one the gentleman might see throughout the world. It has been that reinforcement of his belief in our own economic system and what he has seen deteriorating in that economic system that has had him come to the microphone over these many years.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I would just like to say on this subject that during the late campaign I, like, no doubt, many others, kept talking about the necessity of fighting inflation, balancing the budget, and reducing expenses. At the same time, I always said that we would have to cushion the progress of this deflationary action by exactly the type of legislation which is being presented here today.

I am supporting this legislation, as I said that I would do, but I certainly join the gentleman from Iowa in expressing my regret that the only part of the two-prong system I was talking about, both curbing the inflation and cushioning the shock of that action, is the cushioning of the shock. This is true both here in this House and, up to date, so far as I can see, it is true also in respect to the executive branch.

I am not going to be around here during the next Congress, but I think some Members are going to have to address themselves to this other part of the problem, unpleasant as it is.

Mr. ESCH. I appreciate the gentleman's comments. We regret that he will not be here, but I also appreciate his insight in supporting this particular legislation.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I indeed would be derelict if I did not rise at this time to compliment the ranking minority member of the Select Subcommittee on Labor, the gentleman from Michigan (Mr. Esch); as well as the distinguished ranking minority member of the Committee on Education and Labor, the gentleman from Minnesota (Mr. Quie); as well as the gentleman from Wisconsin (Mr. Steiger) and the chairman of the full Committee on Education and Labor, the gentleman from Kentucky (Mr. Perkins); the gentleman from Washington (Mr. Meeds), as well as the gentleman from Pennsylvania (Mr. Gaydos).

All of these members put a great deal of time and untiring work, and gave a great deal of labor and effort not only in putting this legislation together, but also in conference. They deserve a round of applause.

GENERAL LEAVE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislatve days in which to revise and extend their remarks on the subject of the conference report we are now considering.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 58, not voting 30, as follows:

[Roll No. 706]

YEAS—346

Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baker
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Diggs
Dingell
Donohue
Dorn
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—58

Abdnor
Archer
Arends
Armstrong
Bafalis
Bauman
Beard
Blackburn
Broyhill, Va.
Burleson, Tex.
Butler
Camp
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Devine
Downing
Fisher
Flynt
Goodling
Gross
Hammerschmidt
Henderson
Jarman
Jones, Tenn.
Kemp
Ketchum
Landgrebe
Landrum
Lott
McCollister
Martin, Nebr.
Martin, N.C.
Mayne
Michel
Montgomery
Parris
Powell, Ohio
Rarick
Robinson, Va.
Rousselot
Satterfield
Snyder
Symms
Taylor, Mo.
Teague
Thone
Treen
Waggonner
Whitehurst
Wiggins
Young, Fla.
Zion

NOT VOTING—30

Adams
Alexander
Ashbrook
Brasco
Carey, N.Y.
Chamberlain
Eshleman
Grasso
Grover
Hanna
Hansen, Wash.
Howard
Jones, N.C.
Kuykendall
Litton
Macdonald
Mills
Minshall, Ohio
O'Brien
Owens
Podell
Roncallo, N.Y.
Rooney, N.Y.
Ruth
Shipley
Shoup
Stuckey
Thomson, Wis.
Wydler
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Shipley with Mrs. Grasso.

Mr. Howard with Mr. Carey of New York.

Mr. Jones of North Carolina with Mr. Hanna.

Mr. Stuckey with Mrs. Hansen of Washington.

Mr. Alexander with Mr. Mills.

Mr. Adams with Mr. Ashbrook.

Mr. Litton with Mr. Chamberlain.

Mr. Macdonald with Mr. Grover.

Mr. Eshleman with Mr. Kuykendall.

Mr. O'Brien with Mr. Minshall of Ohio.

Mr. Wydler with Mr. Owens.

Mr. Ruth with Mr. Roncallo of New York.

Mr. Thomson of Wisconsin with Mr. Rooney of New York.

Mr. Shoup with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TO REVIEW AND RESTATE CERTAIN FUNCTIONS AND DUTIES OF THE COMPTROLLER GENERAL OF THE UNITED STATES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12113) to revise and restate certain functions and duties of the Comptroller General of the United States and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "General Accounting Office Act of 1974".

TITLE I—STATISTICAL SAMPLING PROCEDURES IN THE EXAMINATION OF VOUCHERS

SEC. 101. Subsection (a) of Public Law 88-521, approved August 30, 1964 (31 U.S.C. 82b-1(a)), is amended to read:

"(a) Whenever the head of any department or agency of the Government or the Commissioner of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioner may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers not exceeding such amounts as may from time to time be prescribed by the Comptroller General of the United States; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure: *Provided*, That such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General. The Comptroller General shall include in his reviews of accounting systems an evaluation of the adequacy and effectiveness of procedures established under the authority of this Act.".

TITLE II—AUDIT OF TRANSPORTATION PAYMENTS

SEC. 201. Section 322 of the Transportation Act of 1940, as amended (49 U.S.C. 66), is further amended:

(1) By deleting from subsection (a) the first sentence thereof and substituting therefor the following:

"Payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor prior to audit by the General Services Administration, or his designee. The right is reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder. This does not affect the authority of the General Accounting Office to make audits in accordance with the Budget and Accounting Act, 1921, as amended (31 U.S.C. 41), and the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 65).".

(2) In the second proviso of subsection (a), by striking out "cognizable by the General Accounting Office" and by striking out "received in the General Accounting Office" and inserting in lieu of the latter "received in the General Services Administration, or by his designee"; and

(3) By redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting the following new subsection (b):

"(b) Nothing in subsection (a) hereof shall be deemed to prevent any carrier or forwarder from requesting the Comptroller General to review the action on his claim by the General Services Administration, or his designee. Such requests shall be forever barred unless received in the General Accounting Office within six months (not including in time of war) from the date the action was taken or within the periods of limitation specified in the second proviso in subsection (a) of this section, whichever is later.".

SEC. 202. (a) Incident to the transfer of functions pursuant to the amendments made by section 201 of this Act, there shall be transferred to the General Services Administration such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Comptroller General and the Director of the Office of Management and Budget shall jointly determine after consultation with the Administrator of General Services and, with respect to personnel, with the Chairman of the United States Civil Service Commission.

(b) Personnel transferred pursuant to subsection (a) of this section shall not be reduced in classification or compensation for two years after such transfer, except for cause. After such two-year period, each person transferred pursuant to subsection (a) shall be subject to the provisions of section 5337 of title 5, United States Code, as if such person had continued to be an employee of the General Accounting Office.

SEC. 203. (a) The transfer of functions and personnel under this title shall be effective on such date as is mutually determined by the Comptroller General of the United States and the Administrator of General Services, but not earlier than October 1, 1975, and not later than September 30, 1976.

(b) Upon the enactment of this Act the Comptroller General of the United States shall establish and carry out a continuing program of personnel development and improvement applicable to the personnel who will be transferred under this title. Such program shall include provisions for training, career development and counseling services, a review of equal employment opportunity problems and the taking of corrective action, where appropriate, and any restructuring, reclassification, and redesigning of positions necessary to effectuate a full and adequate transfer of the functions as provided for under this title.

(c) At least sixty days prior to the effective date determined under subsection (a), the Administrator of General Services shall establish a detailed plan for the transfer of functions and personnel under this title and shall publish such plan in the Federal Register. Such plan shall be based on a thorough survey of the availability of transportation to any new location for functions and personnel transferred and of the availability of parking facilities and food, health, and other services for personnel transferred, and shall include a detailed description of a personnel development program to be conducted by the Administrator of General Services to assure the establishment and maintenance of procedures which guarantee equal employment opportunities, promotion opportunities, employment and career counseling, and training and career development for personnel who are transferred.

(d) Six months after the date of the transfer of the personnel and functions under this title, the Administrator of the General Services Administration shall make a report to the Congress as to actions which he has taken to implement such plan and the transfer of such personnel and functions thereunder.

TITLE III—AUDIT OF NONAPPROPRIATED FUND ACTIVITIES

SEC. 301. (a) The (1) operations and funds (including central funds) of nonappropriated fund and related activities authorized or operated by an executive agency to sell merchandise or services to military or other Government personnel and their dependents, such as the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, Exchange Councils of the National Aeronautics and Space Administration, commissaries, clubs, and theaters, (2) systems of accounting and internal controls of such funds and activities, and (3) any internal or independent audits or reviews of such funds and activities shall, unless otherwise provided by law, be subject to review by the Comptroller General of the United States in accordance with such principles and procedures and under such rules and regulations as he may prescribe. The Comptroller General and his duly authorized representatives shall have access to those books, accounts, records, documents, reports, files, and other papers, things, or property relevant to funds and activities within this subsection as are deemed necessary by the Comptroller General.

(b) When required by the Comptroller General for such nonappropriated fund and related activities with gross receipts from sales of more than $100,000 a year as he may designate by class, or upon specific request of the Comptroller General in any other case, each executive agency shall furnish promptly a copy of the annual report of any nonappropriated fund or related activity referred to in subsection (a). If such information is not included in any activity's annual report, such agency shall also furnish a statement showing the yearly financial operations, financial condition, and cash flow, and such other annual information relating to the activity as may be agreed upon by the Comptroller General and the head of the executive agency concerned.

TITLE IV—EMPLOYMENT OF EXPERTS AND CONSULTANTS

SEC. 401. The Comptroller General may employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for persons in the Government service employed intermittently. Ten such experts or consultants may be employed for periods not in excess of three years.

TITLE V—GENERAL ACCOUNTING OFFICE BUILDING

SEC. 501. (a) The Comptroller General of the United States shall be entitled to the use of such space in the General Accounting Office Building as he determines to be necessary, and the head of any Federal agency which exercises authority over such building shall provide the Comptroller General with such space within the building as the Comptroller General determines to be necessary.

(b) Notwithstanding any other provision of law, during the one-year period beginning on the date of enactment of this Act, the Administrator for General Services may contract for the rent of a building in the District of Columbia to the extent necessary to secure an amount of space equal to the amount of space which the Administrator makes available to the Comptroller General of the United States during such one-year period under the provisions of subsection (a).

TITLE VI—AUDITS OF GOVERNMENT CORPORATIONS

AMENDMENTS TO THE GOVERNMENT CORPORATION CONTROL ACT

SEC. 601. (a) Section 105 of the Government Corporation Control Act (31 U.S.C. 850) is amended by adding thereto the following sentence: "Effective July 1, 1974, each wholly owned Government corporation shall be audited at least once in every three years.".

(b) The first sentence of section 106 of such Act (31 U.S.C. 851) is amended to read as follows: "A report of each audit conducted under section 105 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

(c) Section 202 of such Act (31 U.S.C. 857) is amended by adding thereto the following sentence: "Effective July 1, 1974, each mixed-ownership Government corporation shall be audited at least once in every three years.".

(d) The first sentence of section 203 of such Act (31 U.S.C. 858) is amended to read as follows: "A report of each audit conducted under section 202 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 602. (a) Section 17(b) of the Federal Deposit Insurance Act (12 U.S.C. 1827(b)) is amended by adding thereto the following sentence: "The Corporation shall be audited at least once in every three years.".

(b) The first and second sentences of section 17(c) of such Act (12 U.S.C. 1827(c)) are deleted and the following is inserted in their place: "A report of each audit conducted under subsection (b) of this section shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO FEDERAL CROP INSURANCE ACT

SEC. 603. Section 513 of the Federal Crop Insurance Act (52 Stat. 76; U.S.C. 1513) is amended to read as follows: "The Corporation shall at all times maintain complete and accurate books of accounts and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation.".

AMENDMENTS TO THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

SEC. 604. Section 107(g) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701y(g)) is amended by:

(1) adding a new sentence at the end of subparagraph (1) thereof as follows: "Such audit shall be made at least once in every three years.".

(2) substituting the following sentence in lieu of the first sentence in subparagraph (2) thereof: "A report of each such audit shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945

SEC. 605. Section 17 of the District of Columbia Redevelopment Act of 1945 (60 Stat. 801) is amended by deleting the word "annual" from the clause "such books shall be subject to annual audit by the General Accounting Office.".

TITLE VII—REVISION OF ANNUAL AUDIT REQUIREMENTS

AMENDMENT TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 701. Section 109(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 756(e)) is amended to read as follows:

"(e)(1) As of June 30 of each year, there shall be covered into the United States Treasury as miscellaneous receipts any surplus in the General Supply Fund, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund.

"(2) The Comptroller General shall make audits of the General Supply Fund in accordance with the provisions of the Accounting and Auditing Act of 1950 and make reports on the results thereof.".

AMENDMENT TO THE FEDERAL AVIATION ACT OF 1958

SEC. 702. That part of the second sentence of section 1307(f) of the Federal Aviation Act of 1958 (49 U.S.C. 1537(f)) which precedes the proviso is amended to read as follows: "The Secretary shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE BUREAU OF ENGRAVING AND PRINTING FUND

SEC. 703. Section 6 of the Act entitled "An Act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes" (31 U.S.C. 181d) is amended to read as follows: "The financial transactions, accounts, and reports of the fund shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE VETERANS' CANTEEN SERVICE

SEC. 704. Section 4207 of title 38, United States Code, is amended to read as follows:

"§ 4207. Audit of accounts

"The Service shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE HIGHER EDUCATION INSURED LOAN PROGRAM

SEC. 705. (a) Paragraph (2) of section 432(b) of the Higher Education Act of 1965 (20 U.S.C. 1082(b)(2)) is amended to read as follows:

"(2) maintain with respect to insurance under this part a set of accounts, which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.".

(b) Section 402(a)(2) of the Housing Act of 1950 (64 Stat. 78; 12 U.S.C. 1749a(a)(2)) is amended to read as follows:

"(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950: *Provided*, That such financial transactions of the Administrator as the making of loans and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.".

AMENDMENT TO THE FEDERAL CREDIT UNION ACT

SEC. 706. Section 209(b)(2) of the Federal Credit Union Act as added by section 1 of Public Law 91-468 (12 U.S.C. 1789(b)(2)) is amended by deleting the word "annually" therefrom.

AMENDMENT WITH RESPECT TO AUDIT OF THE GOVERNMENT PRINTING OFFICE

SEC. 707. The third sentence of subsection 309(c) of title 44 of the United States Code is amended to read as follows: "The Comptroller General shall audit the activities of the Government Printing Office at least once in every three years and shall furnish reports of such audits to the Congress and the Public Printer.".

TITLE VIII—LIMITATION OF TIME ON CLAIMS AND DEMANDS

SEC. 801. Section 1 of the Act of October 9, 1940 (54 Stat. 1061, ch. 788), is amended by deleting the phrase "10 full years" and substituting "6 years" therefor.

SEC. 802. The amendment provided for in section 801 shall go into effect 6 months after the date of enactment and will have no effect on claims received in the General Accounting Office before that time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO EXTEND FOR 2 YEARS AUTHORIZATION FOR STRIKING MEDALS IN COMMEMORATION OF 100TH ANNIVERSARY OF CABLE CAR IN SAN FRANCISCO AND JIM THORPE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 17655) to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The Clerk read the bill as follows:

H.R. 17655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the first section of the Act entitled, "An Act to authorize the striking of medals in commemoration of the one hundredth anniversary of the cable car in San Francisco" (Public Law 93-114), approved October 1, 1973, is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1976".

SEC. 2. Section 4 of the Act entitled "An Act to provide for the striking of medals in commemoration of Jim Thorpe" (Public Law 93-132), approved October 19, 1973, is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1976".

SEC. 3. The last sentence of the first section of the Act entitled "An Act to provide for the striking of medals commemorating the International Exposition on Environment at Spokane, Washington, in 1974" approved December 29, 1973 (Public Law 93-221), is amended by striking out "December 31, 1974" and inserting in lieu thereof "March 31, 1975".

SEC. 4. (a) Except with respect to medals in commemoration of the bicentennial of the American Revolution authorized to be struck by Public Law 92-228 (approved February 15, 1973), no national medals made for public sale under authority of any law of the United States shall contain any gold without the express, prior approval, by law, of the Congress of the United States.

(b) Any person who violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

Mrs. SULLIVAN. Mr. Speaker, this is identical to H.R. 17655 which passed the House unanimously last Friday. It is noncontroversial. It includes provisions of separate bills introduced by Representatives JOHN L. BURTON, PHILLIP BURTON, and PETE STARK, and by HAPPY CAMP, and also amends a law introduced last year, by Representative TOM FOLEY. It is legislation made necessary by production problems in the Bureau of the Mint in meeting deadlines for the production of these commemorative medals.

Passage of the new bill is required by reason of action taken in the other body yesterday, in adding controversial nongermane amendments dealing with the Export-Import Bank. The Eximbank legislation is now in conference, and the issues involved in the Eximbank bill should be resolved by the conferees rather than as part of a commemorative medals bill.

I have been advised that if the House passes a clean bill this afternoon on the commemorative medals, it will be acted on immediately in the Senate and cleared for the White House without nongermane amendments.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO DISCONTINUE OR MODIFY CERTAIN REPORTING REQUIREMENTS OF LAW

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (H.R. 14718) to discontinue or modify certain reporting requirements of law, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 7, strike out lines 3 to 11, inclusive.

Page 7, line 12, strike out "(13)" and insert: "(12)".

Page 8, line 3, strike out "(14)" and insert: "(13)".

Page 8, line 13, strike out "(15)" and insert: "(14)".

Page 8, line 21, strike out "(16)" and insert: "(15)".

Page 9, line 10, strike out "(17)" and insert: "(16)".

Page 9, strike out all after line 18 over to and including line 2 on page 10.

Page 10, strike out lines 3 to 12, inclusive.

Page 10, line 13, strike out "(20)" and insert: "(17)".

Page 10, line 23, strike out "(21)" and insert: "(18)".

Page 11, line 5, strike out "(22)" and insert: "(19)".

Page 11, line 14, strike out "(23)" and insert: "(20)".

Page 11, line 21, strike out "(24)" and insert: "(21)".

Page 12, line 4, strike out "(25)" and insert: "(22)".

Page 12, line 10, strike out "(26)" and insert: "(23)".

Page 15, strike out all after line 18 over to and including line 12 on page 16.

Page 16, line 13, strike out "(2)" and insert: "(1)".

Page 16, strike out all after line 21 over to and including line 9 on page 17.

Page 17, line 10, strike out "(4)" and insert: "(2)".

Page 18, line 1, strike out "(5)" and insert: "(3)".

Page 18, line 8, strike out "(6)" and insert: "(4)".

Page 18, line 15, strike out "(7)" and insert: "(5)".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER TO DEFER VOTES AND INTERRUPT RECOGNITION OF REMAINING MOTIONS TO SUSPEND THE RULES FOR THE CONSIDERATION OF OTHER BUSINESS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that during the consideration of motions to suspend the rules on today, after the disposition of the urgent supplemental appropriations bill, which is the first such suspension, and several privileged conference reports, the Speaker be authorized to defer votes pursuant to the provisions of clause 3, rule 27, and to interrupt recognition for remaining motions to suspend the rules for the consideration of other business.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman from California tell the Members what business might come before the House that would be necessary to interrupt the suspensions, and would the gentleman give us a list of those suspensions?

Mr. McFALL. I will be very glad to tell the gentleman from California and the rest of the Members that after we have finished the several unanimous-consent requests that are pending at the moment we will begin the consideration of House Joint Resolution 1180, the urgent supplemental appropriation bill. The Speaker desires to have a separate vote on that. That will be the first suspension.

Mr. ROUSSELOT. Then that vote on the supplemental appropriation will be held immediately?

Mr. McFALL. That is correct; the vote on the urgent supplemental will come right after we finish that legislation, so that we can get that matter finished up and get it over to the Senate.

Mr. ROUSSELOT. Then we will begin the other suspensions after that vote?

Mr. McFALL. Then we will take up the other matters which are on the calendar for suspension, which are listed here at the desk, and are listed over there.

Mr. ROUSSELOT. I wonder if it would be possible for the gentleman to read those suspensions to us? Is the gentleman sure they will all be brought up tonight?

Mr. McFALL. It is the intention to start at the top and go down as far as we can on the list.

Mr. ROUSSELOT. Is there a general time frame so that people who would have positions on various bills will have adequate notice to make these points known?

Mr. McFALL. That is correct.

The only variance that is suggested or asked for in this unanimous-consent request is that after we begin the suspensions, the Speaker be permitted to interrupt the suspensions to take up conference reports and other matters, and then still be able to continue with the suspension calendar so that we can get all the votes at the end, in accordance with clause 3, rule XXVII.

Mr. ROUSSELOT. So it is very possible that conference reports will interrupt the schedule you have just mentioned?

Mr. McFALL. That is right. When conference reports come during the suspension calendar list, the Speaker would like to have the opportunity to be able to interrupt—not during consideration of some suspension but between one suspension and another.

Mr. ROUSSELOT. Further reserving the right to object, can the gentleman give us any idea of what the basic consideration of time might be in which we can complete all of this scheduled work? Can we be out of here by 12 o'clock tonight?

Mr. McFALL. The Speaker expects that we will work rather late tonight. I would hope that it would not be as late as 12 o'clock.

Mr. ROUSSELOT. What is the gentleman's expectation?

Mr. McFALL. Sometime between suppertime and 12 o'clock.

Mr. ROUSSELOT. What is the gentleman's guess, having conferred with the Speaker, as to what that time might be?

Mr. McFALL. I cannot really guess, because I do not know how long all of these suspensions will take. The best guess I could make would be that we would endeavor to finish the suspensions. The majority leader points out to me that it will be a reasonable time—a reasonably late time. But, what we will endeavor to do is to complete the bills of the House so that we can start the Rockefeller confirmation tomorrow to make sure that we get that done and aim at finishing the business of the House sometime Friday afternoon.

The choice is to work as late as we can reasonably do so tonight and get as much of this business done as we can—hopefully all of it. But I would point out to the gentleman after the suspension calendar there is the bill on speedy trials; there is the one on State lotteries; and there is way at the end of the calendar the Rhodesian chrome bill; so there is an enormously lot of work on this calendar. Therefore, we would go, hopefully, to a reasonably late hour to accomplish as much of this work as we can.

Mr. ROUSSELOT. All right. The votes on the conference reports will occur as they come up, and the other votes, with the exception of the urgent supplemental appropriations, on suspensions will come at the end of the evening; is that correct?

Mr. McFALL. That is correct. I would restate that the urgent supplemental bill, the first supplemental, will be taken up and voted on.

Mr. ROUSSELOT. Immediately?

Mr. McFALL. Yes. Then we would begin the suspension list.

I have just been advised by the majority leader, after consultation with the Speaker, that we will finish the bill that we are on at 9 o'clock, and we will quit, so that the reasonably late hour we were discussing is defined. We will finish the bill we are working on at 9 o'clock and quit—as soon as we finish that bill after 9 o'clock.

Mr. ROUSSELOT. Further reserving the right to object, is there going to be an attempt to have us come in tomorrow at 10 o'clock?

Mr. McFALL. That is the intent, to start at 10 o'clock tomorrow on the Rockefeller confirmation.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. WAGGONNER. Mr. Speaker, reserving the right to object, I just have one question of the distinguished majority whip. Yesterday at a point in time the gentleman from Iowa, in a colloquy with the majority leader, raised the possibility that there would be some deviation of the order listed for the suspensions today. Will that order be followed as listed or will they be called up at random?

Mr. McFALL. If the gentleman will yield, it is my information that this list now beginning with the New River study and going down the list that we have here on this desk is going to be followed. It is my understanding that what the Speaker intended to do yesterday was to make certain that he got through the supplemental bill which we have finished already today.

Mr. WAGGONNER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. STEIGER of Arizona. Mr. Speaker, reserving the right to object, I would ask the distinguished majority whip if it is the intention, as I understand it, to defer our votes on the suspensions starting with the New River bill until the entire list is finished? I gather from what the distinguished whip has said that at the conclusion of the consideration of those suspensions that we can cover today, we will vote on those today. Is that correct?

Mr. McFALL. Mr. Speaker, that is my understanding and the Speaker nods in agreement. If we could get down by 9 o'clock to the bill on the John Blatnik Dam or the bill on the Hoover Memorial, that will be the limit, and we would go ahead and vote on those suspensions.

Mr. STEIGER of Arizona. We would vote on those suspensions at 9 o'clock that we have cleared by 9 o'clock?

Mr. McFALL. Yes. The bill we are working on at 9 o'clock we will finish, and that is it.

Mr. STEIGER of Arizona. And I would assume if we would adjourn and then reconvene tomorrow we would continue with those other suspensions?

Mr. McFALL. We would still have the right to bring up suspensions on Friday, or on Thursday after we finish the Rockefeller confirmation.

Mr. STEIGER of Arizona. But it is the gentleman's intention not to put the vote over on any suspensions we have discussed by 9 o'clock?

Mr. McFALL. As I understand clause 3, rule XVII, the vote must be taken at the end of the suspension calendar on that day.

Mr. STEIGER of Arizona. Mr. Speaker, I withdraw my reservation of objection.

Mr. Speaker, reserving the right to object, I would like to ask the majority whip a question. Under the present clause 3, rule XVII, I believe it says we can delay none or we must delay all of them. What the whip is asking for is a departure from the present rule by allowing one vote on suspension to take place and then suspending until the end of business all the others?

Mr. McFALL. That is correct, the rest of them, plus the privilege of taking up conference reports in between suspensions which normally would not be done during the suspension calendar.

Mr. STEIGER of Wisconsin. Further reserving the right to object, would it be fair, Mr. Speaker, to seek to have the majority whip assure this House that this is not an effort to establish a new precedent which disregards the present rule?

Mr. McFALL. I would not think that any precedent is intended. What we are trying to do is to facilitate the business of this House today, and I think the gentleman from Wisconsin will understand that some of these conference reports are very important and it would be better for us to get them as they come in.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the majority whip.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair is not going to take conference reports until the urgent supplemental appropriations bill is disposed of. That is the purpose of this request.

ESTABLISHMENT OF AMERICAN INDIAN POLICY REVIEW COMMISSION

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate joint resolution (S.J. Res. 133) to provide for the establishment of the American Indian Policy Review Commission, with Senate amendments to House amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the Senate joint resolution.

The Clerk read the Senate amendments to the House amendments, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment to the text of the resolution insert:

That—

(a) In order to carry out the purposes described in the preamble hereof and as further set out herein, there is hereby created the American Indian Policy Review Commission, hereinafter referred to as the "Commission".

(b) The Commission shall be composed of eleven members, as follows:

(1) three Members of the Senate appointed by the President pro tempore of the Senate, two from the majority party and one from the minority party;

(2) three Members of the House of Representatives appointed by the Speaker of the House of Representatives, two from the majority party and one from the minority party; and

(3) five Indian members as provided in subsection (c) of this section.

(c) At its organization meeting, the members of the Commission appointed pursuant to section (b)(1) and (b)(2) of this section shall elect from among their members a Chairman and a Vice Chairman. Immediately thereafter, such members shall select, by majority vote, five Indian members of the Commission from the Indian community, as follows:

(1) three members shall be selected from Indian tribes that are recognized by the Federal Government;

(2) one member shall be selected to represent urban Indians; and

(3) one member shall be selected who is a member of an Indian group not recognized by the Federal Government.

None of the Indian members shall be employees of the Federal Government concurrently with their term of service on the Commission nor shall there be more than one member from any one Indian tribe.

(d) Vacancies in the membership of the Commission shall not affect the power of the remaining members to execute the functions of the Commission and shall be filled in the same manner as in the case of the original appointment.

(e) Six members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings: *Provided*, That at least one congressional member must be present at any Commission hearing.

(f) Members of the Congress who are members of the Commission shall serve without any compensation other than that received for their services as Members of Congress, but they may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(g) The Indian members of the Commission shall receive compensation for each day such members are engaged in the actual performance of duties vested in the Commission at a daily rate not to exceed the daily equivalent of the maximum compensation that may be paid to employees of the United States generally. Each such member may be reimbursed for travel expenses, including per diem in lieu of subsistence.

SEC. 2. It shall be the duty of the Commission to make a comprehensive investigation and study of Indian affairs and the scope of such duty shall include, but shall not be limited to—

(1) a study and analysis of the Constitution, treaties, statutes, judicial interpretations, and Executive orders to determine the attributes of the unique relationship between the Federal Government and Indian Tribes and the land and other resources they possess;

(2) a review of the policies, practices, and structure of the Federal agencies charged with protecting Indian resources and providing services to Indians: *Provided*, That such review shall include a management study of the Bureau of Indian Affairs utilizing experts from the public and private sector;

(3) an examination of the statutes and procedures for granting Federal recognition and extending services to Indian communities and individuals;

(4) the collection and compilation of data necessary to understand the extent of Indian needs which presently exist or will exist in the near future;

(5) an exploration of the feasibility of alternative elective bodies which could fully represent Indians at the national level of Government to provide Indians with maximum participation in policy formation and program development;

(6) a consideration of alternative methods to strengthen tribal government so that the tribes might fully represent their members and, at the same time, guarantee the fundamental rights of individual Indians; and

(7) the recommendation of such modification of existing laws, procedures, regulations, policies, and practices as will, in the judgment of the Commission, best serve to carry out the policy and declaration of purposes as set out above.

POWERS OF THE COMMISSION

SEC. 3. (a) The Commission or, on authorization of the Commission, any committee of two or more members is authorized, for the purposes of carrying out the provisions of this resolution, to sit and act at such places and times during the sessions, recesses, and adjourned periods of Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable. The Commission may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Commission unless a majority of the Commission assent. Upon the authorization of the Commission subpenas may be issued over the signature of the Chairman of the Commission or of any member designated by him or the Commission, and may be served by such person or persons as may be designated by such Chairman or member. The Chairman of the Commission or any member thereof may administer oats or affirmations to witnessses.

(b) The provisions of sections 192 through 194, inclusive, of title 2, United States Code, shall apply in the case of any failure of any witness to comply with any subpena when summoned under this section.

(c) The Commission is authorized to secure from any department, agency, or instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this resolution and each such department, agency, or instrumentality is authorized and directed to furnish such information to the Commission and to conduct such studies and surveys as may be requested by the Chairman or the Vice Chairman when acting as Chairman.

(d) If the Commission requires of any witness or of any Government agency the production of any materials which have theretofore been submitted to a Government agency on a confidential basis, and the confidentiality of those materials is protected by statute, the material so produced shall be held in confidence by the Commission.

INVESTIGATING TASK FORCES

SEC. 4. (a) As soon as practicable after the organization of the Commission, the Commission shall, for the purpose of gathering facts and other information necessary to carry out its responsibilities pursuant to section 2 of this resolution, appoint investigating task forces to be composed of three persons, a majority of whom shall be of Indian descent. Such task forces shall be appointed and directed to make preliminary investigations and studies in the various areas of Indian affairs, including, but not limited to—

(1) trust responsibility and Federal-Indian relationship, including treaty review;

(2) tribal government;

(3) Federal administration and structure of Indian affairs;

(4) Federal, State, and tribal jurisdiction;

(5) Indian education;

(6) Indian health;

(7) reservation development;

(8) urban, rural nonreservation, terminated, and nonfederally recognized Indians; and

(9) Indian law revision, consolidation, and codification.

(b) (i) Such task forces shall have such powers and authorities, in carrying out their responsibilities, as shall be conferred upon them by the Commission, except that they shall have no power to issue subpenas or to administer oaths or affirmations: *Provided*, That they may call upon the Commission or any committee thereof, in the Commission's discretion, to assist them in securing any testimony, materials, documents, or other information necessary for their investigation and study.

(ii) The Commission shall require each task force to provide written quarterly reports to the Commission on the progress of the task force and, in the discretion of the Commission, an oral presentation of such report. In order to insure the correlation of data in the final report and recommendations of the Commission, the Director of the Commission shall coordinate the independent efforts of the task force groups.

(c) The Commission may fix the compensation of the members of such task forces at a rate not to exceed the daily equivalent of the highest rate of annual compensation that may be paid to employees of the United States Senate generally.

(d) The Commission shall, pursuant to section 6, insure that the task forces are provided with adequate staff suppport in addition to that authorized under section 6 (a), to carry out the projects assigned to them.

(e) Each task force appointed by the Commission shall, within one year from the date of the appointment of its members, submit to the Commission its final report of investigation and study together with recommendations thereon.

REPORT OF THE COMMISSION

SEC. 5. Upon the report of the task forces made pursuant to section 4 hereof, the Commission shall review and compile such reports, together with its independent findings, into a final report. Within six months after the reports of the investigating task forces, the Commission shall submit its final report, together with recommendations thereon, to the President of the Senate and the Speaker of the House of Representatives. The Commission shall cease to exist six months after submission of said final report but not later than June 30, 1977. All records and papers of the Commission shall thereupon be delivered to the Administrator of the General Services Administration for deposit in the Archives of the United States.

(b) Any recommendation of the Commission involving the enactment of legislation shall be referred by the President of the Senate or the Speaker of the House of Representatives to the appropriate standing committee of the Senate and House of Representatives, respectively, and such committees shall make a report thereon to the respective house within two years of such referral.

COMMISSION STAFF

SEC. 6. (a) The Commission may by record vote of a majority of the Commission members, appoint a Director of the Commission, a General Counsel, one professional staff member, and three clerical assistants. The Commission shall prescribe the duties and responsibilities of such staff members and fix their compensation at per annum gross rates not in excess of the per annum rates of compensation prescribed for employees of standing committees of the Senate.

(b) In carrying out any of its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the Executive departments and agencies of the Government, and to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of compensation not in excess of the daily equivalent of the highest per annum rate of compensation that may be paid to employees of the Senate generally.

SEC. 7. There is hereby authorized to be appropriated a sum not to exceed $2,500,000 to carry out the provisions of this resolution. Until such time as funds are appropriated pursuant to this section, salaries and expenses of the Commission shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman. To the extent that any payments are made from the contingent fund of the Senate prior to the time appropriation is made, such payments shall be chargeable against the maximum amount authorized herein.

In lieu of the matter proposed to be inserted by the House engrossed amendment to the preamble of the resolution insert:

CONGRESSIONAL FINDINGS

The Congress, after careful review of the Federal Government's historical and special legal relationship with American Indian people, finds that—

(a) the policy implementing this relationship has shifted and changed with changing administrations and passing years, without apparent rational design and without a consistent goal to achieve Indian self-sufficiency;

(b) there has been no general comprehensive review of conduct of Indian affairs by the United States nor a coherent investigation of the many problems and issues involved in the conduct of Indian affairs since the 1928 Meriam Report conducted by the Institute for Government Research; and

(c) in carrying out its responsibilities under its plenary power over Indian affairs, it is imperative that the Congress now cause such a comprehensive review of Indian affairs to be conducted.

DECLARATION OF PURPOSE

Congress declares that it is timely and essential to conduct a comprehensive review of the historical and legal developments underlying the Indians' unique relationship with the Federal Government in order to determine the nature and scope of necessary revisions in the formulation of policies and programs for the benefit of Indians.

Mr. MEEDS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendments be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments to the House amendments were concurred in.

A motion to reconsider was laid on the table.

PRIVACY PROTECTION COMMISSION

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 3418) to establish a Privacy Protection Commission to provide management systems in Federal agencies and certain other organizations with respect to the gathering and disclosure of information concerning individuals, and for other purposes, with Senate amendments to the House amendments and concur in the Senate amendments with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

(1) Page 16, strike out lines 1 through 10, inclusive, and insert:

"(6) prior to disseminating any record about an individual to any person other than an agency, unless the dissemination is made pursuant to subsection (b) (2) of this section, make reasonable efforts to assure that such records are accurate, complete, timely, and relevant for agency purposes;

"(7) maintain no record describing how any individual exercises rights guaranteed by the First Amendment unless expressly authorized by statute or by the individual about whom the record is maintained or unless pertinent to and within the scope of an authorized law enforcement activity;

(2) Page 24, strike out all after line 10 over to and including line 24 on page 25, and insert:

"(j) GENERAL EXEMPTIONS—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of sections 553(b) (1), (2), and (3), (c), and (e) of this title, to exempt any system of records within the agency from any part of this section except subsections (b), (c) (1) and (2), (e) (4) (A) through (F), (e) (6), (7), (9), (10), and (11), and (i) if the system of records is—

"(1) maintained by the Central Intelligence Agency; or

"(2) maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities, and which consists of (A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; (B) information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

At the time rules are adopted under this subsection, the agency shall include in the statement required under section 553(c) of this title, the reasons why the system of records is to be exempted from a provision of this section.

(3) Page 42, strike out lines 11 through 21, and insert:

(h)(1) Any member, officer, or employee of the Commission, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from the Commission under false pretenses shall be guilty of a misdemeanor and, fined not more than $5,000.

The Clerk read the House amendment to the Senate amendments to the House amendments as follows:

1. In section 3, strike out subsection (e)(6) and insert in its place:

"'(6) prior to disseminating any record about an individual to any person other than an agency, unless the dissemination is made pursuant to subsection (b)(2) of this section, makes reasonable efforts to assure that such records are accurate, complete, timely, and relevant for agency purposes;".

2. In section 3, strike out subsection (e)(7) and insert in its place:

"'(7) maintain no record describing how any individual exercises rights guaranteed by the First Amendment unless expressly authorized by statute or by the individual about whom the record is maintained or unless pertinent to and within the scope of an authorized law enforcement activity;".

3. In section 3, strike out subsection (j) and insert in its place:

"'(j) GENERAL EXEMPTIONS.—The head of any agency may promulgate rules, in accordance with the requirements (including general notice) of sections 553(b)(1), (2), and (3), (c), and (e) of this title, to exempt any system of records within the agency from any part of this section except subsections (b), (c)(1) and (2), (e)(4)(A) through (F), (e)(6), (7), (9), (10), and (11), and (i) if the system of records is—

'(1) maintained by the Central Intelligence Agency; or

'(2) maintained by an agency or component thereof which performs as its principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities, and which consists of (A) information compiled for the purpose of identifying individual criminal offenders and alleged offenders and consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole and probation status; (B) information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; or (C) reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

At the time rules are adopted under this subsection, the agency shall include in the statement required under section 553(c) of this title, the reasons why the system of records is to be exempted from a provision of this section."

In section 5, strike out subsection (h) and insert in its place:

"(h)(1) Any member, officer, or employee of the Commission, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

"(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from the Commission under false pretenses shall be guilty of a misdemeanor and fined not more than $5,000."

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the full text of S. 3418, containing the Senate amendments to the House amendments, be considered as read and printed at this point in the RECORD, and that the text of the House technical amendment being offered also be printed at the end thereof.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ERLENBORN. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to ask the chairman of the subcommittee to explain the Senate amendments for our colleagues.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I will be most pleased to explain the Senate amendments and then will yield to the gentleman from Illinois for additional comments he or other Members may have on the privacy bill, or for questions concerning its provisions.

First, let me explain briefly the parliamentary situation. Both the House and the Senate passed privacy legislation on November 21. Our bill, H.R. 16373, was messaged over to the Senate the following day. The Senate measure, S. 3418, sponsored by the distinguished Senator from North Carolina, Mr. ERVIN, and a number of other distinguished Members of that body from both parties, was messaged to the House. The House bill was called up on November 22 in the Senate, and all after the enacting clause was stricken and the identical language of S. 3418, was substituted for the House language, and it was returned to the House. This meant, Mr. Speaker, that both the House and Senate versions of the privacy bills were pending at the Speaker's desk—but both bills—S. 3418 and H.R. 16373—had the identical language of the Senate-passed bill.

Because of the lateness in the session and the pressures on Members of both bodies due to other pressing legislative business, we determined that it would not be possible to resolve the complex differences between the two bills in a conference committee. Yet the sponsors and floor managers of the legislation on both sides firmly agreed that it was imperative that final action be taken on privacy legislation before the end of the Congress.

We thereupon agreed, Mr. Speaker, upon a parliamentary procedure which provided that the Senate bill, S. 3418, be taken from the Speaker's desk, be taken up by the House and repassed with the language of the House bill, H.R. 16373, as passed, substituted for all after the enacting clause and returned to the Senate for further action. This action was taken by me last Wednesday, December 11 (RECORD, pages 39200-39204), and the Senate bill was returned to that body with the language of H.R. 16373, as passed on November 21, and the short title was also amended to reflect the House version.

Mr. Speaker, the other body has now repassed S. 3418 with a series of amendments—many technical and some substantive—which retain the basic thrust of the House version, but which include important segments of the Senate measure. These amendments were informally negotiated by the staffs of the House and Senate committees and are based on agreements between the principal sponsors of the privacy bills in the two bodies.

In calling up the bill for final action and clearance for White House action today, I am asking that the House concur in these amendments—which in my opinion preserve the basic framework of the House bill, but which make a number of significant strengthening changes in the privacy measure that were included in the Senate version. As Members will recall, President Ford specifically endorsed the provisions of H.R. 16373 in October, with the provision that the amendment offered by the gentleman from Illinois (Mr. ERLENBORN), relating to certain confidential investigative records be included in the bill. Such amendment was agreed to by the House on November 20, and is included in the version of the privacy bill now before us. Thus, Mr. Speaker, the bill now being considered here today has the full backing of the White House, and the Members of both parties in the House and the Senate who have had the responsibility of handling the measure in committee and on the floor.

Mr. Speaker, in its concurrence, the House of Representatives is clearing for final congressional action what will be known as the Privacy Act of 1974. This is truly an historic enactment. In effect, the Congress of the United States is acting in the finest sense to implement even further the Bill of Rights.

To my knowledge, this will be the first congressional action on a comprehensive Federal privacy law since the adoption of the fourth amendment to the Constitution. It is the solemn duty of the Congress, as well as the Supreme Court, to implement the spirit and letter of the Constitution.

Although this bill is limited to personal information on individuals contained in Federal records, I am sure it is only the first step to strengthen the right to privacy.

The operative parts of this legislation will go into effect in 9 months. In its birth, I would like to think we are helping America prepare for a grand bicentennial, rededicating ourselves to the fundamental principles of individual freedom and dignity which made this Nation great.

Mr. Speaker, I will insert at this point in the RECORD the text of an analysis prepared by staff of the major amendments added to the House bill in the other body:

ANALYSIS OF HOUSE AND SENATE COMPROMISE AMENDMENTS TO THE FEDERAL PRIVACY ACT

The establishment of a Privacy Protection Study Commission. Only the Senate bill provided for an oversight and study commission to assist in the implementation of the act and to explore areas concerned with individual privacy which have not been included in the provisions of this legislation. The compromise measure will establish a Privacy Protection Study Commission of seven members instead of the five provided in the Senate bill. Three of these members will be appointed by the President, two by the President of the Senate, and two by the Speaker of the House of Representatives.

It is intended that this commission, which will serve for a period of two years, will be solely a study commission. In that capacity it is hoped the commission can assist the Executive Branch and the Congress in their examination of Federal government activities and their impact on privacy as well as representatives of State and local governments and the private sector who are attempting to deal with this important problem.

The scope of the commission's study authority is outlined specifically within the legislation. In section 5 (c) (2) (B), the commission is directed to examine certain issues which are not included in the compromise between the House and Senate bill, such as a requirement that a person maintaining mailing lists remove an individual's name upon request; the question of prohibiting the transfer of individually identifiable data from the Internal Revenue Service to other agencies and to State governments; a question of whether the Federal government should be liable for general damages occurring from a willful or intentional violation of the provisions of new section 552a(g) (1) (C) or (D) which this act creates; and the extent to which requirements for security and confidentiality of records maintained under this act should be applied to a person other than an agency.

The commission shall from time to time and in an annual report, report to the Congress and to the President on its activities, and it shall submit a final report of its findings two years from the date the members of the commission are appointed.

In addition, the commission is authorized to provide necessary technical assistance and prepare model legislation upon request for State and local governments interested in adopting privacy legislation. Strict standards and penalties are placed upon commission members and employees with regard to the handling and unlawful distribution of information about individuals which it receives in the course of carrying out its functions.

While the provisions of the rest of this act do not go into effect until 270 days from the date of enactment, the commission is authorized to go into effect immediately upon the appointment of its members in order that some of its work may be available to the Congress and the Executive Branch by the time the remainder of the legislation becomes effective.

ROUTINE USE

The House bill contains a provision not provided for in the Senate measure exempting certain disclosures of information from the requirement to obtain prior consent from the subject when the disclosure would be for a "routine use". The compromise would define "routine use" to mean; "with respect to the disclosure of a record, the use of such records for a purpose which is compatible with the purpose for which it was collected."

Where the Senate bill would have placed tight restrictions upon the transfer of personal information between or outside Federal agencies, the House bill, under the routine use provision, would permit an agency to describe its routine uses in the Federal Register and then disseminate the information without the consent of the individual or without applying the standards of accuracy, relevancy, timeliness or completeness so long as no determination was being made about the subject.

The compromise definition should serve as a caution to agencies to think out in advance what uses it will make of information. This act is not intended to impose undue burdens on the transfer of information to the Treasury Department to complete payroll checks, the receipt of information by the Social Security Administration to complete quarterly posting of accounts, or other such housekeeping measures and necessarily frequent interagency or intra-agency transfers of information. It is, however, intended to discourage the unnecessary exchange of information to other persons or to agencies who may not be as sensitive to the collecting agency's reasons for using and interpreting the material.

INFORMATION ON POLITICAL ACTIVITIES

The House bill tells agencies that they may not maintain a record concerning the political or religious beliefs or activities of any individual unless maintenance of the record would be authorized expressly by statute or by the individual about whom the record is maintained. The House bill goes on to provide that this subsection is not deemed to prohibit the maintenance of any record or activity which is pertinent to and within the scope of a duly authorized law enforcement activity.

The Senate bill constitutes a prohibition against agency programs established for the purpose of collecting or maintaining information about how individuals exercise First Amendment rights unless the agency head specifically determines that the program is required for the administration of a statute.

The compromise broadens the House provisions application to all First Amendment rights and directs the prohibition against the maintenance, use, collection, or dissemination of records. However, as in the House bill, it does permit the maintenance of those records which are expressly authorized by statute or by the individual subject, or are pertinent to or within the scope of an authorized law enforcement activity.

CONFIDENTIAL SOURCES OF INFORMATION

The compromise provision for the maintenance of information received from confidential sources represents an acceptance of the House language after receiving an assurance that in no instance would that language deprive an individual from knowing of the existence of any information maintained in a record about him which was received from a "confidential source." The agencies would not be able to claim that disclosure of even a small part of a particular item would reveal the identity of a confidential source. The confidential information would at the very least have to be characterized in some general way. The fact of the item's existence and a general characterization of that item would have to be made known to the individual in every case.

Furthermore, the acceptance of this section in no way precludes an individual from knowing the substance and source of confidential information, should that information be used to deny him a promotion in a government job or access to classified information or some other right, benefit or privilege for which he was entitled, otherwise if he should consequently bring legal action against the government and should base any part of its legal case on that information.

Finally, it is important to note that the House provision would require that all future promises of confidentiality to sources of information be expressed and not implied promises. Under the authority to prepare guidelines for the administration of this act it is expected that the Office of Management and Budget will work closely with agencies to insure that Federal investigators make sparing use of the ability to make express promises of confidentiality.

STANDARDS APPLIED TO DISSEMINATION OUTSIDE THE GOVERNMENT

H.R. 16373 requires that all records which are used by an agency in making any determination about an individual be maintained with such accuracy, relevance, timeliness and completeness as is reasonably necessary to assure fairness to the individual in the determination. S. 3418 goes much further and requires that agencies apply these standards at any time that access is granted to the file, material is added to or taken from the file, or at any time it is used to make a determination affecting the subject of the file.

The difference between these two measures represents a difference in philosophy regarding the handling of personal information. The Senate measure is designed to complement the requirement that agencies maintain only information which is relevant and necessary to accomplish a statutory purpose. The standard of relevancy should be that statutory basis for an information program which is now set forth in (e) (1) of the compromise measure. By adopting this section, the Senate hoped to encourage a periodic review of personal information contained in Federal records as those records were used or disseminated for any purpose.

The House provision would have applied these important standards for maintenance of information in records at any time a determination is made about an individual. The House bill goes on to permit additional "routine uses" of information which may not rise to the threshold of an "agency determination" without requiring that the information be upgraded to meet these standards.

The compromise amendment would adopt the section of the House bill applying the standards of accuracy, relevance, timeliness and completeness at the time of a determination. It would add the additional requirement, however, that prior to the dissemination of any record about an individual to any person other than another agency, the sending agency shall make a reasonable effort to assure that the record is accurate, complete, timely, and relevant. This proviso was included because Federal agencies would be governed by a requirement to clean up their records before a determination is made and limited by a requirement to publish each routine use of information in the Federal Register, but the use of information by persons outside the Federal government would not be governed by this act. Therefore, agencies are directed to be far more careful about the dissemination of personal information to persons not governed by the enforcement provisions of this bill.

THE FREEDOM OF INFORMATION ACT AND PRIVACY

One difficult task in drafting Federal privacy legislation was that of determining the proper balance between the public's right to know about the conduct of their government and their equally important right to have information which is personal to them maintained with the greatest degree of confidence by Federal agencies. The House bill made no specific provision for Freedom of Information Act requests of material which might contain information protected by the Privacy Act. Instead, in the committee report on the bill, it recognized that:

"This legislation would have an effect on subsection (b)(6) of the Freedom of Information Act (5 U.S.C., Section 552) which states that the provisions regarding disclosure of information to the public shall not apply to material 'the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.' H.R. 16373 would make all individually identifiable information in government files exempt from public disclosure. Such disclosure could be made available to the public only pursuant to rules published by agencies in the Federal Register permitting the transfer of particular data to persons other than the individuals to whom *they pertain*."

The committee report went on to express a desire that agencies continue to make certain individually identifiable records open to the public because such disclosure would be in the public interest.

The Senate bill provided that nothing in the act shall be construed to permit the withholding of any personal information which is otherwise required to be disclosed by law or any regulation thereunder. This section was intended as specific recognition of the need to permit disclosure under the Freedom of Information Act.

The compromise amendment would add an additional condition of disclosure to the House bill which prohibits disclosure without written request of an individual unless disclosure of the record would be pursuant to Section 552 of the Freedom of Information Act. This compromise is designed to preserve the status quo as interpreted by the courts regarding the disclosure of personal information under that section.

A related amendment taken from the Senate bill would prohibit any agency from relying upon any exemption contained in Section 552 to withhold from an individual any record which is otherwise accessible to such individual under the provisions of this section.

CIVIL REMEDIES

Under the House bill an individual would be permitted to seek an injunction against an agency only to produce his record upon a failure of an agency to comply with his request. An individual would be able to sue for damages only if an agency failed to maintain a record about him with such accuracy, relevance, timeliness and completeness as would be necessary to assure fairness and a determination about him, and consequently an adverse determination was made. A suit for damages would also be in order against an agency if it fails to comply with any other provision of this act in such a way to have an adverse effect on the individual.

Under the Senate bill injunctive relief would be available to an individual to enforce any right granted to him. And an individual would be permitted to sue for damages for any action or omission of an officer or employee of the government who violates a provision of the act.

The standard for recovery of damages under the House bill was a determination by a court that the agency acted in a manner which was willful, arbitrary, or capricious. The Senate bill would have permitted recovery against an agency on a finding that the agency had erred in handling his records.

These amendments represent a compromise between the two positions. They permit an individual to seek injunctive relief to correct or amend a record maintained by an agency. In a suit for damages, the amendment reflects a belief that a finding of willful, arbitrary, or capricious action is too harsh a standard of proof for an individual to exercise the rights granted by this legislation. Thus the standard for recovery of damages was reduced to "willful or intentional" action by an agency. On a continuum between negligence and the very high standard of willful, arbitrary, or capricious conduct, this standard is viewed as only somewhat greater than gross negligence.

Both the House and Senate bills provided for an individual to recover reasonable attorney fees and costs of litigation. The compromise amendments adopt the standard of the House bill permitting the court to award attorney fees and reasonable costs to an individual where the complainant has substantially prevailed in an injunctive action, and requiring such award in actions in which complainants receive damages.

ACCESS AND CHALLENGE TO RECORDS

The House bill would apply a standard of promptness to agency considerations of requests for access to records and requests to challenge or correct those records. In addition, it allows the individual to request a review of a refusal to correct a record by the agency official named in its public notice of information systems.

The Senate bill requires the agency to make a determination with respect to an individual's request for a record change within 60 days of the request and to permit him a hearing within 30 days of a request for one, with extension for good cause permitted. The individual would have the option of a formal or informal hearing procedure within the agency upon a refusal of a request to correct or amend a record. The compromise amendment would require the agency to respond within 10 working days to acknowledge an individual's request to amend a record. Following acknowledgement, the agency must promptly correct the information which the individual believes is not accurate, relevant, timely or complete or inform the individual of its refusal.

If the individual disagrees with the refusal of the agency to amend his record, the agency shall conduct a review of that refusal within 30 working days, provided that an extension may be obtained for good cause. We expect that agency heads will either conduct such reviews themselves, or assign officers of the rank of deputy assistant secretary or above.

The House bill would not have permitted a Federal District Court to review *de novo* an agency's refusal to amend a record. The compromise adopts the Senate provision which would require a *de novo* review of such refusal and to order a correction where merited. Finally, the compomise requires that in any disclosure of information subject to disagreement that the agency include with the disclosure a notation of any dispute over the information or a copy of any statement submitted by the individual stating his reasons for disagreement with the information.

ACCOUNTING FOR DISCLOSURES

The House bill requires an agency to inform any person or another agency about a correction or notation of dispute regarding a record that has been disclosed to that person or agency within two years before making the correction or notation. It would not apply if no accounting of the disclosure had been required. No such limitation was placed upon accounting for disclosures in the Senate bill and the compromise measure would require any person or agency receiving the record at any time before a notation or dispute is made to be notified if an accounting of the disclosures were made.

The House bill requires an agency to maintain an accounting for disclosures for only five years. The Senate bill places no limitation on the length of time for maintaining such disclosures. The compromise amendment would require maintaining of the disclosure for five years or the life of the record, whichever is longer.

LIMITATIONS ON THE TYPES OF INFORMATION COLLECTED AND THE USE OF THIRD PARTY INFORMATION

The Senate bill requires Federal agencies to maintain only such information about an individual as is relevant and necessary to accomplish a statutory purpose of the agency. The House bill did not address this issue. The compromise amendment modifies the Senate provision to permit the collection of information which would be required to accomplish not only a purpose set out by a statute but also a purpose outlined by a Presidential Executive Order.

The provision is included to limit the collection of extraneous information by Federal agencies. It requires that a conscious decision be made that the information is required to meet the lawful needs of an agency. Agencies should formulate as precisely as possible the policy objectives to be served by a data gathering activity before it is undertaken. It is hoped that multiple requests for information will be reduced and that agencies will collect no more sensitive personal information than is necessary.

The Senate bill also requires agencies to collect information to the greatest extent practicable directly from the subject when that information could result in an adverse determination about an individual's rights and benefits and privileges under a Federal program. The House bill had no provision, but the compromise amendment accepts the Senate language. This section is designed to discourage the collection of personal information from third party sources and therefore to encourage the accuracy of Federal data gathering. It supports the principle that an individual should to the greatest extent possible be in control of information about him which is given to the government. This may not be practical in all cases for financial or logistical reasons or because of other statutory requirements. However, it is a principle designed to insure fairness in information collection which should be instituted wherever possible.

ARCHIVAL RECORDS

The House bill provides that records accepted by the Administrator of General Services for temporary storage and servicing shall be considered for purposes of this act, to be maintained by the agency which deposits the records. Records transferred to the National Archives after the effective date of this Act for purposes of historical preservation are considered to be maintained by the Archives and are subject only to limited provisions of the Act. Records transferred to the National Archives before the effective date of this Act are not subject to the provisions of this Act.

The Senate bill provides that records accepted by the Administrator of General Services for temporary storage and servicing shall be considered, for purposes of this Act, to be maintained by the agency which deposits the records. All records transferred to the National Archives for purposes of historical preservation are considered to be maintained by the Archives and are subject only to those provisions of this Act requiring annual public notice of the existence and character of the information systems maintained by the Archives, establishment of appropriate safeguards to insure the security and integrity of preserved personal information, and promulgation and implementation of rules to insure the effective enforcement of those safeguards.

The compromise amendment subjects records transferred to the National Archives for historical preservation prior to the effective date of the act to a modified requirement for annual public notice. It is intended that the notice provision not be applied separately and specifically to each of the many thousands of separate systems of records transferred to the Archives prior to the effective date of this Act, but rather that a more general description be provided which pertains to meaningful groupings of record systems. However, record systems transferred to the Archives after the effective date of this Act are individually subject to the specific notice provisions. This coverage is intended to support and encourage improvements in the organization and cataloging of records maintained by the Archives.

MORATORIUM ON THE USE OF THE SOCIAL SECURITY ACCOUNT NUMBER

The House bill provides that a Federal agency, or a State or local government acting in compliance with Federal law or a federally assisted program, is prohibited from denying to individuals rights, benefits or privileges by reason of refusal to disclose the social security account number. Any such governmental agency is further prohibited from utilizing the social security account number for purposes apart from verification of individual identity except where another purpose is specifically authorized by law. Exempt from these prohibitions are systems of records in existence and operating prior to January 1, 1975. Exemption is further granted where disclosure of a social security account number is required by Federal law.

The Senate bill provides that a Federal agency, or a State or local government, is prohibited from denying to individuals rights, benefits or privileges by reason of refusal to disclose the social security account number. Persons engaged in the business of commercial transactions or activities are prohibited from discriminating against any individual in the course of such activities by reason of refusal to disclose the social security account number. Exempt from these prohibitions are systems of records in existence and operating prior to January 1, 1975. Also exempt are disclosures of the social security account number required by Federal law. This section further provides that any Federal, State or local government agency or any person who requests an individual to disclose his social security number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, what uses will be made of it, and what rules of confidentiality will govern it.

The compromise amendment changes the House language by broadening the coverage of State and local governments so as to prohibit any new activity by such a government that would condition a right, benefit or privilege upon an individual's disclosure of his social security account number.

To clarify the intent of the Senate and House, the grandfather clause of this section was re-stated to exempt only those governmental uses of the social security account number continuing from before January 1, 1975, pursuant to a prior law or regulation that, for purposes of verifying identity, required individuals to disclose their social security account number as a condition for exercising a right, benefit, or privilege. Thus, for illustration, after January 1, 1975, it will be unlawful to commence operation of a State or local government procedure that requires individuals to disclose their social security account numbers in order to register a motor vehicle, obtain a driver's license or other permit, or exercise the right to vote in an election. The House section was amended to include the Senate provision for informing an individual requested to disclose his social security account number of the nature, authority and purpose of the request. This provision is intended to permit an individual to make an informed decision whether or not to disclose the social security account number, and it is intended to bring recognition to, and discourage, unnecessary or improper uses of that number.

RULEMAKING PROCEDURES FOR MAKING EXEMPTIONS

To obtain an exemption from certain provisions of this Act under the House bill, agencies entitled to those exemptions would be required to public notice of the proposed exemptions in the *Federal Register* pursuant to Section 553 of the Administrative Procedures Act permitting comments to be submitted in writing for inclusion in the *Register* with such exemptions.

The Senate bill applied a much more stringent standard and would have required agencies to hold adjudicatory hearings as provided in APA Sections 556 and 557. The compromise agreement would no longer require full adjudicatory proceeding by any agency seeking an exemption permitted under the act. However, agencies would still be required to publish notice of a proposed rulemaking in the Federal Register and could not waive the 30 day period for such publication. In addition it is specifically provided in this act that agencies obtaining such exemptions state the reasons why the system of records is to be exempted.

DUTIES OF THE OFFICE OF MANAGEMENT AND BUDGET

Under the Senate bill the Privacy Protection Commission was directed to develop model guidelines and conduct certain oversight of the implementation of this Act to Federal agencies. Since the compromise amendment would change the scope of authority of the commission, it was felt there remained a need for an agency within the government to develop guidelines and regulations for agencies to use in implementing the provisions of the Act and to provide continuing assistance to and oversight of the implementation of the provisions of this Act by the agencies.

This function has been assigned to the Office of Management and Budget.

REPORTS ON NEW SYSTEMS

Under the Senate bill the Privacy Protection Commission was to have a central role in evaluating proposals to establish or alter new systems of information in the Federal government. If the commission had determined that such a proposal was not in compliance with the standards established by the Senate bill the agency which prepared the report could not proceed to establish or modify an information system for 60 days in order to give the Congress and the President an opportunity to review that report and the commission's recommendations.

The compromise amendment would require that agencies provide adequate advance notice to the Congress and to the Office of Management and Budget of any proposal to establish or alter a system of records in order to permit an evaluation of the privacy impact of that proposal. In addition to the privacy impact, consideration should be given to the effect the proposal may have on our Federal system and on the separation of powers among the three branches of government. These concerns are expressed in connection with recent proposals by the General Services Administration and Department of Agriculture to establish a giant data facility for the storing and sharing of information between those and perhaps other departments. The language in the Senate report on pages 64–66 reflects the concern attached to the inclusion of this language in S. 3418.

The acceptance of the compromise amendment does not question the motivation or need for improving the Federal government's data gathering and handling capabilities. It does express a concern, however, that the office charged with central management and oversight of Federal activities and the Congress have an opportunity to examine the impact of new or altered data systems on our citizens, the provisions for confidentiality and security in those systems and the extent to which the creation of the system will alter or change interagency or intergovernmental relationships related to information programs.

GOVERNMENT CONTRACTORS

The Senate bill would have extended its provisions outside the Federal government only to those contractors, grantees or participants in agreements with the Federal government, where the purpose of the contract, grant or agreement was to establish or alter an information system. It addressed a concern over the policy governing the sharing of Federal criminal history information with State and local government law enforcement agencies and for the amount of money which has been spent through the Law Enforcement Assistance Administration for the purchase of State and local government criminal information systems.

The compromise amendment would not permit Federal law enforcement agencies to determine to what extent their information systems would be covered by the Act and to what extent they will extend that coverage to those with which they share that information or resources.

DEFINITION OF RECORD

The definition of the term "Record" as provided in the House bill has been expanded to assure the intent that a record can include as little as one descriptive item about an individual and that such records may incorporate but not be limited to information about an individual's education, financial transactions, medical history, criminal or employment records, and that they may contain his name, or the identifying number, symbol, or other identifying marks, particularly assigned to the individual, such as a finger or voice print or a photograph. The amended definition was adopted to more closely reflect the definition of "personal information" as used in the Senate bill.

I will not take the time to explain each of these amendments because many of them are merely technical or conforming in nature. All of them are clearly germane to the original House bill. I will, however, mention the most important of them—

First, the bill provides for a seven-member Privacy Protection Study Commission, authorizing a 2-year study of various aspects of individual privacy affecting areas of the private sector and State and local governmental units. In my judgment, Mr. Speaker, such a study—without directly affecting the operational aspects of the Privacy Act of 1974—will be most helpful in understanding the complexities of individual privacy in non-Federal activities and in the consideration of additional legislation affecting privacy in the future.

Second, I would like to mention another amendment in the Senate bill that deals with mailing lists. Language included in the legislation would prohibit the sale or rental of mailing lists, names and addresses, by Federal agencies maintaining them. The philosophy behind this amendment is that the Federal Government is not in the mailing list business, and it should not be Federal policy to make a profit from the routine business of government, particularly when the release of such lists has been authorized under the Freedom of Information Act. In other words, such lists can not be withheld by an agency, unless it determines that the release would constitute "a clearly unwarranted invasion of privacy" under section 552(b)(6) of title 5, United States Code.

Thus, the language of the bill before us does not ban the release of such lists where either sale or rental is not involved. Our subcommittee on Foreign Operations and Government Information held extensive hearings on Federal agency mail list policies during the last Congress. Such policy varies from agency to agency, and the Federal courts have interpreted in several cases the language of the Freedom of Information Act relating to withholding of matters constituting a "clearly unwarranted invasion of privacy." This measure now before us would preserve the current practices and interpretations of this part of the Freedom of Information Act, as they deal with Federal agency mailing lists.

Finally, the bill, as amended, assigns to the Office of Management and Budget the responsibility of developing guidelines and regulations for all Federal agencies in the enforcement and administration of the Privacy Act.

Mr. Speaker, I will not discuss the other Senate amendments in any detail since a description of them has been placed in the Record previously. However, on the major areas of operational parts of the bill—such as access, accounting, disclosure, agency rules and requirements, and exemptions—the bill generally follows the House version. Some strengthening language has, however, been incorporated from the Senate measure.

Mr. Speaker, I now yield to the gentleman from Illinois (Mr. Erlenborn) who has made such a significant series of contributions at every stage in the development of this meaningful privacy legislation.

Mr. Speaker, some questions as to how the bill will work with respect to tax information and tax returns have arisen. Specifically, the questions relate to the ability of the IRS to disclose tax information under the provision of the bill that allows disclosure for a routine use under a purpose which is compatible with the purpose for which the information is collected.

State and local tax agencies now heavily rely on Federal tax information and investigations when State agencies enforce their tax laws. For example, when the IRS sets up a deficiency against a taxpayer who lives in a State, the IRS frequently sends information on this deficiency to the State or local tax agency. The States use this information in collecting their own taxes. This information may be sent before the State itself conducts any tax investigation on the individual.

Under the bill, this is intended to constitute a routine use for a purpose compatible with the purpose for which the information was collected, so the IRS could continue to send this information to the State and local tax agencies as is presently done.

Also, the IRS sends to State and local tax agencies the Federal tax returns of individuals who live in the State so the State agency can check to see if the individual has reported the same income and deductions on his Federal and State or local tax returns. Again, the States rely on this information in enforcing their own tax laws. Also, this information may be sent to a State before it conducts a tax investigation on its own.

Under the bill, it is intended that this would be a routine use for a purpose compatible with the purpose for which the information is collected so the IRS can continue to send tax information to State and local tax agencies in this way.

The IRS, of course, provides tax information on individuals to the Justice Department when the Justice Department is preparing a tax case against the individual. This information is used by the Justice Department in investigating and preparing tax cases and also is disclosed in court as the Justice Department presents evidence against the individual.

This disclosure both to the Justice Department and in court would represent a routine use of the tax information compatible with the purpose for which it was collected and this disclosure would continue to be possible under the provisions of the bill.

Under the bill tax returns and other tax information can—as under present law—be disclosed to the tax committees of the Congress: the Senate Finance Committee, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation.

Under the bill this information can also continue to be disclosed to the staffs of these committees, as under present law.

Under the bill an agency can disclose tax returns to either House of Congress or to committees of Congress to the extent of matters within their jurisdiction. Since tax returns can be disclosed by an agency to the Senate and House, it is intended that—as under present law—the committees which have received tax returns can also disclose them to the Senate or House, just as the Joint Committee on Internal Revenue Taxation did with the tax information on President Nixon.

Mr. Speaker, this bill deals with personal data that is frequently processed and stored on automated recordkeeping systems. These systems require the performance of appropriate maintenance techniques, for example memory dumps needed by nonagency personnel who diagnose and repair the equipment. How are these nonagency maintenance personnel to be viewed relative to the bills disclosure and accounting provisions?

It is necessary to properly maintain recordkeeping systems in order to insure data accuracy and validity. It is our intention that authorized maintenance of automated systems performed by nonagency personnel be viewed as a legitimate extension of the authority of agency employees who must see personal data in the normal performance of their duties. Accordingly, nonagency personnel performing authorized maintenance would be in the same position as agency officials and employees.

Mr. ERLENBORN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania (Mr. Moorhead)?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, when the House originally considered this bill, it adopted an amendment regarding certain investigatory material. I would ask the gentleman, does that amendment remain in the bill?

Mr. ERLENBORN. Yes, it does.

Mr. ALEXANDER. Exactly what does the amendment provide?

Mr. ERLENBORN. It says that the head of any agency may promulgate rules to exempt certain investigatory material from the access requirements of this legislation. Specifically, the material which may be exempted is, and I quote:

> Investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, Federal contracts, or access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to the effective date of this section, under an implied promise that the identity of the source would be held in confidence.

Mr. ALEXANDER. The amendment does not extend, then, to all investigatory material?

Mr. ERLENBORN. That is correct; it does not. It is limited in two important regards. First, it pertains only to investigatory material compiled solely for certain specified purposes. Second, and more important, it governs access to that information only to the extent that the disclosure of the material would reveal the identity of a cofidential source.

Mr. ALEXANDER. Then this amendment would not permit an agency to withhold information which a confidential source gave to the agency.

Mr. ERLENBORN. That is correct. The agency would have to allow an individual access to all information regarding, let us say, his background security check, except the part which would reveal a confidential source. In some cases, this might be simply his name. This is far greater access than individuals have at the present time.

Mr. ALEXANDER. In some instances, I suppose, agencies might claim that disclosure of any part of a particular item would reveal the identity of a confidential source. In those instances, could the agencies conceal even the fact of the item's existence from the citizen who wished to see his file?

Mr. ERLENBORN. Absolutely not. The fact that a confidential derogatory statement exists in someone's file, and that the statement could be characterized in some general way, most assuredly would not reveal the identity of a confidential source. The fact of the item's existence and a general characterization of that item would have to be made known to the individual in every case.

Mr. ALEXANDER. Let me ask the gentleman one further question. Suppose an individual believed that he had not been promoted in his Government job because of confidential derogatory information in his file, and that the Government refused to allow the individual access to that information on the grounds that allowing access would reveal the identity of a confidential source. Suppose further that the individual then went to court and demanded that he be promoted, arguing that nothing on the public record interfered with his right to the promotion. Would the government then have to let him see the portion of his file which it had previously withheld?

Mr. ERLENBORN. If the Government wanted to introduce the statement into evidence in court, it would surely have to allow the individual to see the statement. If the Government had no other reason for denying the promotion, it would in effect have two choices: Release the information which would reveal the identity of the confidential source or lose the case.

Let me add one further thought here. We have been discussing for the past few minutes statements made by "confidential sources." The bill provides that with regard to statements made to Government agencies in the past, this term shall include all sources who furnished information under an implied promise that the identity of the source would be held in confidence. This is as it should be; we must protect the privacy of people who believe that they were speaking to Federal agents in a privileged fashion.

With regard to statements made to Government agencies in the future, however, the term will refer only to sources who furnish information under an express promise that the identity of the source would be held confidential. The Office of Management and Budget has assured us that it will issue guidelines and work closely with agencies to insure that Federal investigators make sparing use of the ability to make express promises of confidentiality. Both OMB and we want to insure that such promises are made only when the information involved is extremely important to the Government and would not be offered if the promise were not made in return.

Mr. ALEXANDER. I thank the gentleman for his remarks. I would like to turn briefly to the gentleman from Pennsylvania (Mr. MOORHEAD) and ask him if he concurs in the explanation of the amendment given by the gentleman from Illinois.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am happy to assure the gentleman that I am in complete agreement with the explanation.

Mr. HORTON. Mr. Speaker, I rise in support of this bill, which will add greatly to the protection of personal privacy of all Americans.

The bill achieves this objective by three means. First, it provides that citizens may have access to most records about them maintained by the Federal Government, and may request the Government to correct misstatements in the records. Second, it requires Federal agencies to make public all the uses they make of personal records, and forbids those agencies from transferring such records to persons not named in the published uses unless the individuals to whom the documents pertain have given their advance written consent to the transfers. Third, the bill allows citizens to file suit in Federal court to correct their records, see records about them which agencies withhold, and secure damages when they have been harmed by a willful or intentional action of an agency regarding their records.

Mr. Speaker, in writing H.R. 16373, the House bill which is very similar to the measure now before us, the Government Operations Committee, on which I serve as ranking minority member, made great efforts toward this end: as we added privacy protections for citizens, we did not want to add great burdens for Government agencies in implementing the bill. I think that we accomplished that goal by drawing the legislation so that agencies would have to publicize what they were doing, but would not have to submit to unreasonable requirements which would in effect prevent them from carrying out constructive programs.

The chairman of the Foreign Operations and Government Information Subcommittee, Mr. MOORHEAD of Pennsylvania, and the ranking minority member of that subcommittee, Mr. ERLENBORN, have labored long and hard to insure that whatever bill eventually represented a synthesis of House and Senate measures on this subject be directed toward that same end. I commend them for their work; in my judgment, although the bill now before us includes some provisions from the Senate measure which I myself would not have proposed, those provisions are reasonable and the bill is a good one.

The major way in which this bill differs from the one passed by the House less than a month ago is that this legislation creates a Privacy Protection Study Commission to investigate the information practices of organizations of all kinds insofar as they relate to personal information, and recommend how individual privacy can best be protected, consistent with good recordkeeping practices. I hope that this Commission will make constructive recommendations and that they will lead to increased privacy for all Americans in the future. I expect that the Commission will use good sense in collecting information to be used in its study, and will, consistent with the spirit of this legislation, not interfere with the ongoing business of Government.

For example, the Congress has recognized in this bill that certain records, such as those maintained by the Central Intelligence Agency and others classified for national security reasons, should be exempt from the requirement that individuals have access to records about them. I trust that the Commission will conduct its affairs in such a way as not to impair the responsibility of the Director of the CIA to protect intelligence sources and methods or the head of any agency to keep classified documents secret.

Mr. Speaker, S. 3418 in its present form will help protect the personal privacy of our fellow Americans. I urge my colleagues to join me in supporting it.

Mr. KOCH. Mr. Speaker, the first privacy legislation on the subject matter covered by the legislation on the floor today was the bill H.R. 7214 which I introduced on February 19, 1969. There is no legislation in which I have been involved here in the Congress that has given me greater satisfaction and a sense of accomplishment than this. The bill before us today, which earlier passed the House and Senate on November 21, is a good bill and one which I believe is well worth supporting. By its passage today we have reached a landmark in legislative history, and truly the 93d Congress can justly be called the privacy Congress.

I had hoped that a Federal Privacy Commission would ultimately be incorporated in the final bill. It was approved in the Senate, but not in the House. However, I am pleased that the compromise reached provided for at least a study commission of other governmental and private organizations. The study commission is directed to complete a report within 2 years and that report should include recommendations for applying privacy principles to those organizations being studied.

There is a basic missing provision not in the bill in the area covering law enforcement agencies. However, that comes about because the House Judiciary Committee under the subcommittee chairmanship of DON EDWARDS is considering comprehensive legislation covering the entire criminal justice field. It was and is my contention that until the Justice Department can come forward with a proposal that the Congress can agree upon, criminal justice systems should be included in this privacy legislation. It is completely unjustifiable to exempt criminal justice systems. Privacy legislation must affect law enforcement records. However, what is significant in the bill is a provision which states that no agency, including law enforcement agencies, is permitted to maintain a record concerning the political or religious beliefs or activities of any individual unless expressly authorized by statute or by the individual himself.

The exemptions section should have been limited only to those files having to do with national defense and foreign policy, information held pursuant to an active criminal investigation, and records maintained for statistical purposes not identifiable to an individual. I also regret that the provision to allow court assessment of punitive damages is not incorporated in this bill and that there is a provision to permit the withholding from an individual the source of confidential information in his file.

The bill does prohibit Federal agencies from selling or renting mailing lists except as authorized by law. Also, thanks to the enormous efforts of BARRY GOLDWATER, Jr., there is a provision mandating that benefits not be denied to an individual solely for failure to disclose his social security account number, unless that disclosure is mandated by statute.

Basic to my 5-year effort to establish privacy standards for all Federal agencies has been the requirement that a directory of data banks be published and available to the general public. A provision I sponsored is in the bill providing for an efficient and economical Directory of Federal Data Banks. We cannot succeed in protecting privacy with a code of fair information practices unless there is a publically available directory of personal information systems.

I am particularly proud of the fact that this legislation moved ahead in the year of the 93d Congress because it received across the board political support. It became known initially as the Koch and Goldwater privacy bill. And, while it might have seemed strange to some that Koch and Goldwater could join together on some piece of legislation, those who understand the basic premise of conservative and liberal ideology appreciate the fact that on the issue of privacy there is a commonality of interest and concern. The bill before us is the work product of a great number of persons on the committee.

However, I again want to take special note of the enormous support and efforts that subcommittee Chairman William Moorhead and Congresswoman Bella Abzug gave in shaping the legislation, on the Democratic side in committee, as did all the members on that committee. And I also especially want to thank the ranking minority members, John Erlenborn and Frank Horton, who worked so diligently to bring this legislation to the floor. The bipartisanship shown was reflected in the Government Operations Committee vote when it passed the bill out of committee 39 to 0. I also want to give special thanks to Senators Ervin, Percy, Bayh, Muskie, and Ribicoff for their efforts on the Senate side.

I shall now list the major areas that the bill covers:

First, it permits an individual to gain access to a file held on him by any Federal agency;

Second, permits any person to supplement the information contained in his file;

Third, permits the removal of erroneous or irrelevant information and provides that agencies and persons to whom the erroneous or irrelevant material has been previously transferred, be notified of its removal;

Fourth, prohibits records from being disclosed to anyone outside a Federal agency, except on an individual's request and when permitted by this act in some specified cases;

Fifth, requires an agency to inform an individual of his or her rights when supplying information to the agency;

Sixth, requires an agency to publish notice in the Federal Register of the existence of any system of records held by that agency so that no system will be secret;

Seventh, requires an agency to set rules for access to records, describe the routine uses of the records, establish procedures whereby an individual can amend his record, keep an accurate accounting of disclosures, and keep records in a timely, relevant and accurate manner;

Eighth, prohibits an agency from maintaining a record of political and religious beliefs or activities on an individual, unless expressly authorized by statute or by the individual himself;

Ninth, provides for certain exemptions for CIA files, law enforcement files, secret service files and statistical reporting systems; and

Tenth, provides for a civil remedy for an individual who has been denied access to his records, or whose record has been maintained and used in contravention of this act and an adverse effect results.

The legislation is far from perfect. It should be improved upon and expanded in its coverage in the 94th Congress. I believe that will occur as it did with Freedom of Information Act, and that the legislation before us is a monumental breakthrough in the field of personal privacy safeguards.

Mr. THONE. Mr. Speaker, this is important and much needed legislation. The bill will require the Federal Government to show respect for the right of the individual to privacy. The bill is designed to prevent unwise and overbroad investigation and surveillance of law-abiding citizens by overzealous Federal bureaucrats.

The legislation will permit the ordinary citizen to inspect Federal records being kept concerning him or her. The bill will permit the citizen to correct errors in Federal records.

This proposal recognizes the danger that the social security number is becoming a universal identifier. The bill will prohibit governments from beginning new programs using social security numbers as a means of identification.

This proposal creates a 2-year Privacy Protection Study Commission, which will determine whether additional legislation is needed to protect the individual from the Federal Government and whether legislation is needed to guard consumers from the activities of private agencies which collect and disseminate personal information.

This legislation will recognize the right of the private law-abiding citizen to be free from prying by the Federal Government. Mr. Speaker, S. 3418 will protect the individual from wholesale broadcast by the Federal Government of personal information. I urge its passage.

The House amendment to the Senate amendments was agreed to.

The Senate amendments as amended were concurred in.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. ERLENBORN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. ERLENBORN. Mr. Speaker, have we reached the point of unanimous consent in the Senate amendments?

The SPEAKER. We have concurred in the Senate amendments with an amendment; but if the gentleman desires to insert his remarks, the Chair will be glad to recognize the gentleman.

GENERAL LEAVE

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that all Members may have until the close of this session to extend their remarks on the Senate bill S. 3418.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, will the gentleman include in his request also extraneous material?

Mr. ERLENBORN. Yes, I will include a request for extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

URGENT SUPPLEMENTAL APPROPRIATIONS FOR 1975

Mr. MAHON. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 1180) making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The Clerk read as follows:

H.J. Res. 1180

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1975, namely:

CHAPTER I

DEPARTMENT OF LABOR

Manpower Administration

PROGRAM ADMINISTRATION

For an additional amount for "Program administration", $500,000, together with $500,000 to be expended from the Employment Security Administration Account in the Unemployment Trust Fund: *Provided,* That this appropriation shall become available only upon enactment into law of H.R. 16596 or similar legislation by the Ninety-third Congress.

TEMPORARY EMPLOYMENT ASSISTANCE

For financial assistance as authorized by title I of the Emergency Jobs and Unemployment Assistance Act of 1974, $1,000,000,000 to remain available until December 31, 1975: *Provided,* That this appropriation shall become available only upon enactment into law of H.R. 16596 or similar legislation by the Ninety-third Congress.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For an additional amount for "Federal unemployment benefits and allowances", including payments accruing after enactment of this appropriation under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, $2,000,000,000, to remain available until September 30, 1976: *Provided,* That this appropriation shall become available only upon the enactment into law of H.R. 16596 or similar legislation by the Ninety-third Congress.

ADVANCES TO THE EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

For making repayable advances to the extended unemployment compensation account in the Unemployment Trust Fund, as authorized by section 905(d) of the Social Security Act, as amended, to remain available until September 30, 1976, $750,000,000: *Provided,* That amounts for necessary advances, repayable to the general fund as provided in said section 905(d) shall first be derived from balances in the revolving fund established by section 901(e) of the Social Security Act: *Provided further,* That the Secretary of the Treasury shall make such repayable advances at such times as he may determine, in consultation with the Secretary of Labor, that the amount in the extended unemployment compensation account is insufficient for the payments required by law to be paid therefrom to

States: *Provided further,* That this appropriation shall become available only upon enactment into law of H.R. 17597 or similar legislation by the Ninety-third Congress.

GRANTS TO STATES FOR UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICES

For an additional amount to be expended for "Grants to States for unemployment insurance and employment services" from the Employment Security Administration Account in the Unemployment Trust Fund, $249,000,000 to remain available until September 30, 1976, which shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant was based, which cannot be provided for by normal budgetary adjustments: *Provided,* That this appropriation shall be available only upon enactment into law of H.R. 16596, H.R. 17597, or similar legislation by the Ninety-third Congress.

CHAPTER II

VETERANS ADMINISTRATION

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $811,700,000, to remain available until expended.

GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", $500,000.

CHAPTER III

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

INTERIM OPERATING ASSISTANCE

For necessary expenses for "Interim operating assistance" under the Regional Rail Reorganization Act of 1973, $10,200,000, to remain available until expended.

CHAPTER IV

DEPARTMENT OF AGRICULTURE

COMMODITY EXCHANGE AUTHORITY

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.) and Public Law 93-463, enacted October 23, 1974, including not to exceed $200,000 for employment under 5 U.S.C. 3109, $2,473,000.

The SPEAKER. Is a second demanded?

Mr. MICHEL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. MAHON) will be recognized for 20 minutes and the gentleman from Illinois (Mr. MICHEL) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, the bill before us is an urgent supplemental appropriations bill. It is required because we have recently passed certain very important legislation which requires appropriations by this Congress in order to go into effect.

The bill provides a total of $4.8 billion. This is slightly below the request which has been made in the Congress by the President. There are only four items here. The principal item that made it absolutely necessary that we have this supplemental is $4 billion for additional public service jobs and extended unemployment compensation and coverage; $1 billion for public service jobs and the remainder for extended unemployment compensation coverage or readjustment. Additional funds totaling $812,200,000 for readjustments benefits for veterans are required as a result of legislation passed by the Congress, legislation which was passed by the Congress over the President's veto.

There is $10.2 million for interim operating assistance to the Penn Central Railroad under the Regional Rail Reorganization Act of 1973 and $2,473,000 for implementation of the Commodity Futures Trading Commission Act of 1974.

There were numerous requests for additional supplementals from various sources, but it was felt that these four items were of the highest urgency and should be included in an urgent supplemental.

So, they are included in what we hope is the final appropriation bill for this session of Congress. As Members know, the Appropriations Committee works through subcommittees, and the subcommittees having jurisdiction over these matters conducted hearings, markups, and the full committee met and considered yesterday the request which is now before the House. The members of the subcommittee are prepared, as I am, to discuss these matters in more detail.

Madam Speaker, I yield 6 minutes to the gentleman from Pennsylvania (Mr. FLOOD) chairman of the Subcommittee on Labor and Education.

Mr. FLOOD. Madam Speaker, for the Department of Labor, chapter I of the bill includes $4 billion, of which $249,500,000 is derived from the unemployment trust funds. Now, this is certainly a very unusual occasion for this committee to be coming before the House in the last few days before adjournment with a supplemental appropriation of $4 billion, but I believe the Members know as well as I what has been going on for the past several weeks and days, with respect to the new legislation for the public service jobs and for unemployment assistance.

There are two bills—the Emergency Jobs and Unemployment Assistance Act, (H.R. 16596), and, the Emergency unemployment Compensation Act, (H.R. 17597), both of which are now in the final stages of enactment. Just a few minutes ago, this House agreed to the conference report on H.R. 16596.

These bills are designed to deal with the worsening unemployment situation throughout the country. As of the present moment, 6.5 percent of the work force—about 6 million people—are unemployed.

The committee is faced with the very unfortunate circumstance of having to appropriate funds to carry out the purpose and intent of these bills almost before the ink is dry upon both these legislative actions. But, we have no choice but to act on this appropriation this week because the legislation, for the most part, becomes effective immediately. We simply cannot wait until the next session of Congress to make these funds available.

As I say, while the official budget documents have not yet been received, we have been advised that the President proposes a supplemental appropriation of $4 billion to carry out this new legislation. I think the Members should know that the Labor-HEW appropriations subcommittee on yesterday afternoon, held hearings with the Department of Labor officials. We reviewed the details of the legislation and the budget request. I can let the Members know now that it was a very lengthy, very thorough examination, and most of the important questions, we believe, have been properly answered to the extent possible under the circumstances.

We believe that the amounts are adequate. Certainly, the amounts do not appear to be excessive. Perhaps some Members think the public service jobs appropriation should be higher, but the committee recommends that the House accept the budget request, especially since the $1 billion we have already appropriated this year for public service jobs is not being fully utilized. We certainly have time in the coming months to take a closer look at what is obviously a developing situation. If something additional needs to be done, we can do it, if necessary, in the next supplemental appropriation bill.

Mr. EVINS of Tennessee. Madam Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Madam Speaker, as the gentleman knows, we discussed this in full committee. There is $4 billion in here for jobs and unemployment compensation; $3 billion for unemployment compensation; and $1 billion for jobs.

I do not think this is a good mix. I think it should be the other way around. I wonder, could we bring about some changes of positions for more money for jobs and less money for unemployment compensation?

Mr. FLOOD. I think that is very unlikely. While there may be many people who would share the views of the gentleman from Tennessee, the fact is that this appropriation simply carries out legislation which has been overwhelmingly endorsed in both the House and the Senate within the past 2 weeks. This is not the time and place to discuss such questions, at this late hour and this late day, when an emergency appropriation bill is being discussed. I believe, however, that the gentleman's question deserves very careful consideration by the Congress.

In the interest of time, I will briefly summarize the committee's recommendation:

The amount of $1 billion is for the emergency jobs program. It will provide 111,000 public service employment jobs, in addition to the 200,000 jobs which will be supported during this fiscal year with the funds which we have already appropriated.

The amount of $2 billion is for unemployment assistance, which will provide up to 26 weeks of unemployment benefits for workers who are not otherwise eligible for benefits through regular or extended State unemployment insurance program, and extended benefits for former Federal employees, postal service employees, and ex-servicemen.

The amount of $750 million in repayable advances to the extended unemployment compensation account. This would be used to provide 13 weeks of extended unemployment compensation and a temporary program providing an additional 13 weeks of unemployment compensation.

The amount of $249 million for State administration of unemployment benefits and employment services.

The amount of $1 million for Federal administration of the new programs.

Mr. Speaker, at this point I will insert in the RECORD a tabulation of the programs showing relevant comparisons of the amounts included in the bill for the Department of Labor.

The tabulation of the programs is as follows:

URGENT SUPPLEMENTAL APPROPRIATIONS BILL, 1975

CHAPTER I—DEPARTMENT OF LABOR

Item or activity	1974 appropriation	1975 presently available	1975 proposed supplemental	Recommended in the bill
MANPOWER ADMINISTRATION				
Program administration	$71,762,000	[1] $66,509,000	$500,000	$500,000
Trust fund transfer	(26,766,000)	(28,165,000)	(500,000)	(500,000)
Comprehensive manpower assistance: (temporary employment assistance)	2,265,584,000	[1] 2,394,400,000	1,000,000,000	1,000,000,000
Federal unemployment benefits and allowances	365,000,000	365,000,000	2,000,000,000	2,000,000,000
Advances to extended unemployment compensation account			750,000,000	750,000,000
Grants to States for unemployment insurance and employment:				
Services	64,400,000	64,400,000		
Trust fund transfer	(898,400,000)	(986,609,000)	(249,000,000)	(249,000,000)
Total				
Federal funds	2,766,746,000	2,890,309,000	3,750,500,000	3,750,500,000
Trust funds	(925,166,000)	(1,014,774,000)	(249,500,000)	(249,500,000)
Grand total, ch I	3,691,912,000	3,905,083,000	4,000,000,000	4,000,000,000

[1] Includes—$1,500,000 for program administration and—$5,600,000 for comprehensive man-power assistance contained in the supplemental appropriations bill, 1975 (H.R. 16900). This bill has not yet been enacted into law.

I *might just* end by saying this. Here is a figure I would like the Members to hear. The enactment of this bill, together with the funds in the regular Labor-HEW appropriation bill and the 1975 supplemental appropriation bill, brings total fiscal year 1975 appropriations for the Departments of Labor, HEW, and related agencies to $40,259,180,000, which compares with 1974 appropriations of $32,502,496,000, an increase of almost $8 billion. If you include in this what we call the trust funds, unemployment compensation, social security, and railroad retirement, we will have a figure—and I am not talking about the Department of Defense, but for Labor, Health, Education, and Welfare, that covers every man, woman and child in this Nation of $130,014,180,000, an increase of $16 billion over the comparable amounts for fiscal year 1974.

This includes my remarks, Madam Speaker, and I urge the passage of House Joint Resolution 1180.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts, the chairman of the Subcommittee on Veterans, Mr. BOLAND.

Mr. BOLAND. Mr. Speaker, this bill contains urgent and essential funds for the Veterans' Administration to provide for benefit payments to veterans.

The committee has recommended a supplemental appropriation of $811,700,000 for readjustment benefits to finance the new provisions of the Vietnam Era Veterans' Readjustment Assistance Act of 1974. These funds have been included in this urgent supplemental to insure that the increased educational benefits flow uninterrupted to all 1.9 million eligible veterans affected by these payments.

Included within the $811,700,000 is: $651,000,000 to cover a 22.7-percent increase in educational assistance allowances; $80,300,000 for initial funding of a new education loan program providing $600 per school year to eligible trainees; $36,600,000 to increase benefits for disabled Vietnam veterans; $26,300,000 to provide 9 additional months of schooling for Vietnam veterans pursuing an undergraduate degree; and $8,300,000 to liberalize the veterans work-study program.

There is one other point I want to address.

In the regular veterans' appropriation bill the Congress provided 3,000 additional jobs to help alleviate the check payment problem which plagued the VA last year. We want no repeat of the earlier problems and delays associated with the delivery of GI benefit checks.

There is virtually no discretion in connection with this request. The Congress has overwhelmingly approved these entitlement increases, and we are obliged to fund them.

I urge the favorable passage of this resolution.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of our committee and the two chairmen of the subcommittees have pretty well covered the principal aspects of this joint resolution. I would like to make just one comment with respect to the public service job item.

I think it was very revealing to learn during the course of the testimony before our subcommittee that to put 1 million persons on public service jobs would require $10 billion of appropriations. As the chairman of the committee pointed out, we have currently 6 million persons unemployed. If we wanted to put one-sixth of them to work on public service jobs, we must be prepared to spend $10 billion. I do not think we are going to do that.

However, with the $1 billion that we have in this urgent supplemental appropriation, together with the $1 billion in the pipeline, we are able to provide 311,000 public service jobs, which is certainly not an inconsiderable number, and should have a substantial impact.

Mr. TALCOTT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. TALCOTT. Mr. Speaker, I thank the gentleman for yielding and I concur with the chairman and subcommittee chairman.

Mr. Speaker, today we are facing several urgent issues. With the economy in the current shape, it is imperative that the Congress act at once to make funds available for the public service job program and also for the additional unemployment compensation benefits which we voted for only a matter of days ago.

Included in this bill are $1 billion for those public service jobs and $3 billion for the additional unemployment compensation benefits. I am pleased to be a part of this unusual alacrity on the part of the Congress in moving to meet the needs of hundreds of thousands of Americans who are facing the holiday season without income of any kind.

We are also moving to provide the Veterans' Administration with $811,700,000 to cover the increased funding requirements for the readjustment benefits due to Vietnam era veterans after enactment of the Vietnam Era Readjustment Assistance Act of 1974, which the Congress passed overwhelmingly, and which became law on December 3, 1974. This new law will substantially increase benefits available to veterans. Among the provisions is an increase of from 18.2 to 22.7 percent in subsistence and educational assistance allowance, 9 additional months of college entitlement, a more liberal work-study program, and provisions for educational loans of up to $600 per academic year when such assistance is needed.

We have learned that the funds included in this bill are necessary to meet the obligations which will fall due in the middle of February. They will also be the moneys used to pay back benefits to eligible veterans since the new rates became effective on September 1, 1974. The committee has learned that the Veterans'

Administration is making every possible effort to see that checks to cover these retroactive benefits are processed as soon as possible. Some $300 million is involved and we have lauded the VA for their past efforts, and have heartily encouraged them to do everything possible to see that these checks are processed before Christmas.

The committee has also acted to provide $500,000 requested to pay the reporting allowance fees which are authorized by the new law. These fees go directly to the colleges and universities. We have disapproved a further request for $1,500,000 which was meant to provide further staffing. Our committee has acted in the recent past to provide additional staffing funds, and at least so far the Veterans' Administration has not made a sufficient case to justify any further increases.

Mr. Speaker, this is not only an urgent bill, it is a good bill. It represents a wise and necessary expenditure of public funds, and it must be enacted before we adjourn. I urge my colleagues to join me in voting yea on this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I refer to the $10,200,000 for the Penn Central Railroad. What is this all about?

Will this be repaid, and, if so, on what terms and conditions will the money be repaid?

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts for an answer to the question.

Mr. CONTE. Mr. Speaker, we passed the regional rail reorganization bill last year, and in order for the Penn Central—and there are several other railroads involved—to continue in operation under the court order which was handed down, we must appropriate this money. The money must be provided to keep them going; otherwise, they will have to shut down. There will not be any repayment.

Mr. GROSS. Then this is an outright gift of $10,200,000?

Mr. CONTE. The gentleman is correct, it is a direct Federal grant authorized by section 213 of the Regional Rail Reorganization Act of 1973. We have already appropriated $74.8 million and with the approval of the funds contained in this bill we will have appropriated the full amount authorized. This situation comes about because the cash position of the Penn Central has been weakened due to the coal strike and a reduction in the level of shipments of automobiles and related parts.

Mr. McFALL. Mr. Speaker, the bill includes $10.2 million to implement section 213 of the Regional Rail Reorganization Act of 1973. The purpose of this appropriation is to insure the continuation of essential transportation services in the northeast and midwest regions. Most of the funds recommended will be used to assist the Penn Central.

To date, $74.8 million has been appropriated. With the approval of the committee's recommendation, Congress will have appropriated the full amount of operating assistance authorized by section 213 of the Regional Rail Reorganization Act.

The urgency for this appropriation comes about because the cash position of the railroads in reorganization, particularly the Penn Central, has been severely weakened by a loss of carrier revenues due to reduced carloading because of the coal strike and the sharp reductions in the shipments of autos and parts resulting from the downturn in that segment of the economy.

Mr. WHITTEN. Mr. Speaker, the bill before us today includes $2,473,000 to begin implementation of the new Commodity Futures Trading Commission Act of 1974. This very important piece of legislation was signed into law on October 23, 1974, and becomes fully effective on April 21, 1975. However, many important things must be done between now and then if the legislation is to be successfully implemented. The chairman and four commissioners must be nominated and confirmed by the Senate. The staff must be expanded, especially to gain expertise in new commodities not previously regulated. Many rules and regulations must be developed. Thousands of brokers must be registered.

In short, a massive task lies ahead between now and April 21, 1975, when the new law takes effect. Without the funds in this emergency supplemental it would be impossible to complete everything. Even with the funds, it will be difficult. But your committee wanted to do everything it could to make the task easier.

The $2,473,000 recommended is the full budget request and will provide for 497 employees, an increase of 217 persons over current employment. This is a 130-percent increase over current staffing levels, and the committee in its report directs the Commission to exercise caution and prudence in undertaking this tremendous increase in staffing. Other regulatory agencies have failed to do so and have suffered in the quality of their performance as a result.

This is a good bill. It will provide greatly improved safeguards to all those involved in the commodity markets—both customers and brokers—and I hope the House will approve it, as recommended by the committee.

Mr. MICHEL. Mr. Speaker, I have no further requests for time.

Mr. MAHON. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON) that the House suspend the rules and pass the joint resolution House Joint Resolution 1180.

The question was taken.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 378, nays 24, not voting 32, as follows:

[Roll No. 707]

YEAS—378

Abdnor
Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Diggs
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels

Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—24

Archer
Armstrong
Ashbrook
Bauman
Bennett
Blackburn
Burleson, Tex.
Clawson, Del
Collins, Tex.
Conlan
Crane
Davis, Wis.
Devine
Dickinson
Gross
Kemp
Landgrebe
McCollister
Rarick
Rousselot
Schneebeli
Symms
Treen
Wiggins

NOT VOTING—32

Adams
Alexander
Brasco
Carey, N.Y.
Davis, Ga.
Dingell
Eshleman
Gettys
Grasso
Hanna
Hansen, Idaho
Hansen, Wash.
Howard
Jones, N.C.
King
Litton
Macdonald
Mills
Minshall, Ohio
Podell
Roncallo, N.Y.
Rooney, N.Y.
Ruth
Shipley
Shoup
Stephens
Stuckey
Widnall
Wilson, Charles H., Calif.
Wylie
Wyman
Zwach

So (two-thirds having voted in favor thereof) the rules were suspended, and the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Charles H. Wilson of California with Mr. Mills.

Mr. Shipley with Mrs. Hansen of Washington.

Mr. Howard with Mr. Eshleman.

Mr. Alexander with Mr. King.

Mr. Dingell with Mr. Minshall of Ohio.

Mr. Adams with Mr. Shoup.

Mr. Macdonald with Mr. Roncallo of New York.

Mr. Jones of North Carolina with Mr. Wylie.

Mr. Litton with Mr. Wyman.

Mr. Rooney of New York with Mrs. Grasso.

Mr. Stuckey with Mr. Hansen of Idaho.

Mr. Stephens with Mr. Ruth.

Mr. Carey of New York with Mr. Widnall.

Mr. Gettys with Mr. Hanna.

Mr. Davis of Georgia with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSFERRING SPECIAL ORDERS PAYING TRIBUTE TO MR. HOLIFIELD

Mr. HORTON. Mr. Speaker, I have a special order this evening for 60 minutes to honor the gentleman from California (Mr. Holifield).

Also this evening, Mr. Speaker, the gentleman from California (Mr. Moss) has a special order to honor the gentleman from California (Mr. Holifield).

Because of the lateness of the hour tonight and the business at hand I ask unanimous consent that my special order for today and the special order of the gentleman from California (Mr. Moss) for today be put over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution (H.J. Res. 1180) just passed relating to the urgent supplemental appropriations and that I may be permitted to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 5463—FEDERAL RULES OF EVIDENCE

Mr. HUNGATE. Mr. Speaker, I call up the conference report on the bill (H.R. 5463) to establish rules of evidence for certain courts and proceedings, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 14, 1974.)

Mr. HUNGATE (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HUNGATE. Mr. Speaker, I yield 30 minutes to the gentleman from New York, pending which I yield myself such time as I may consume.

Mr. Speaker, the bill now before the body, H.R. 5463, is the culmination of 13 years of work, which began in March 1961 when then Chief Justice Earl Warren appointed a committee to study the feasibility of developing uniform rules of evidence. The special committee reported favorably, and Chief Justice Earl Warren then appointed an Advisory Committee on Rules of Evidence to go about drafting rules of evidence. This committee completed its work and in February 1973 the Supreme Court promulgated a code of evidence that was to become effective on July 1, 1973, unless disapproved by Congress before that date.

It soon became apparent that the issues raised by the evidence code were of such magnitude that Congress could not properly dispose of the matter before the July 1, 1973, deadline. Consequently, legislation was enacted to delay the effective date of the rules of evidence until they were "expressly approved by Act of Congress"—Public Law 93-12. The bill now before the House, H.R. 5463, constitutes the congressional approval required by Public Law 93-12.

The Subcommittee on Criminal Justice gave extensive consideration to the rules of evidence. We held 6 days of hearings and compiled a hearing record of about 600 pages. Based on this, this subcommittee then discussed each and every one of the rules promulgated by the Supreme Court. This took 22 markup sessions. The full committee then held 3 markup sessions to consider the bill. On November 15, 1973, the bill was reported favorably to the House.

This body took up the bill on February 6 and passed it by a vote of 377 to 13.

The Supreme Court promulgated 77 proposed rules of evidence. Of these 77, the House bill made no changes in 27 and only minor, nonsubstantive changes in 14. Thus, over half of the rules were not substantively changed. Many of the substantive amendments were relatively noncontroversial and easily agreed upon. A few, of course, generated a great deal of controversy.

The Senate received the House bill, and in June of this year the Senate Judiciary Committee held two hearings on the House bill. In October 1974, the Senate Judiciary Committee reported the bill favorably with amendments. The Senate passed the bill on November 22 by a vote of 69 to 0.

The House and Senate appointed conferees to resolve the differences in the two bills. House conferees were Representatives Kastenmeier, Edwards of California, Smith of New York, Dennis, and myself. Senate conferees were Senators Eastland, McClellan, Ervin, Hart, Burdick, Hruska, Thurmond, and Scott of Pennsylvania. The conferees met twice—on the afternoon of Wednesday, December 11, and on the afternoon of Thursday, December 12. The conferees were able to reach to resolve all the differences unanimously.

The Senate made 44 numbered amendments to the House bill. Seven of these were of a technical or conforming nature and were easily disposed of. Of the remainder, only a few amendments raised difficult problems. The Senate receded from 14 of its amendments, and the House receded from its disagreement with 21 of the Senate amendments. The House and Senate agreed to modify the language of 9 Senate amendments. These 9 amendments, as amended, were then adopted by the conference.

I must say that, in all fairness, neither the House nor the Senate "won" at the conference. The real winner is the Federal judicial system. A spirit of compromise and accommodation ran throughout the conference sessions and enabled us to do our work quickly, yet thoroughly and fairly.

Let me now discuss a few of the more important matters and how the conference handled them.

RULE 410—OFFER TO PLEAD GUILTY; NOLO CONTENDERE; WITHDRAWN PLEA OF GUILTY

This rule deals with the admissibility of pleas of guilty or nolo contendere, offers of such pleas, and statements made in connection with such pleas or offers of such pleas. The Senate had proposed to make such evidence admissible for purposes of impeachment and for perjury or false statement prosecutions.

This same subject is covered by proposed rule 11(e)(6) of the Federal Rules of Criminal Procedure. Pursuant to Public Law 93-361, proposed rule 11(e)(6) will become effective on August 1, 1975. Proposed rule 11(e)(6) will be the subject of congressional scrutiny. In fact, the Subcommittee on Criminal Justice has already had one day of hearings on this and other proposed changes in the Federal Rules of Criminal Procedure.

The conference decided that the issues raised by rule 410 could better be considered in connection with proposed rule 11(e)(6) of the Federal Rules of Criminal Procedure. Therefore, the conference added language to the bill that, in effect, strikes rule 410 from the rules of evidence. Specifically, the new language provides that rule 410 will become effective on August 1, 1975. The language further provides that rule 410 will be superseded by any amendment to the Federal Rules of Criminal Procedure with which it, rule 410, is inconsistent, if that amendment takes effect after enactment of this legislation establishing the rules of evidence. Thus, if the presently proposed rule 11(e)(6) becomes effective on August 1, 1975, then this rule, rule 410, does not go into effect. In fact, any amendment to the Federal Rules of Criminal Procedure that is inconsistent with rule 410 and that becomes effective after this legislation is enacted, renders rule 410 ineffective and inoperable.

RULE 501—GENERAL RULE OF PRIVILEGE

This rule deals with when a witness is privileged not to testify—that is, when a witness may decline to give evidence that is otherwise relevant, material and probative. The Senate receded from its amendments to this rule. Under the House rule, which was adopted by the conference, the Federal law of privilege will apply in Federal criminal cases. The Federal law of privilege will apply to civil actions and proceedings, unless State law supplies the rule of decision for a claim or defense, or for an element of a claim or defense. When State law does supply the rule of decision, then State privilege law applies.

The rule uses the term "element of a claim or defense." This term means that the evidence in question must tend to support or defeat a claim or defense. If the evidence does tend to support or defeat a claim or defense, then the evidence is an "element of a claim or defense."

The rules promulgated by the Supreme Court contained 11 specific rules of privilege. Without doubt, the privilege section of the rules of evidence generated more comment or controversy than any other section. I would say that 50 percent of the complaints received by the Criminal Justice Subcommittee related to the privilege section. The House rule on privilege is intended to leave the Federal law of privilege where we found it. The Federal courts are to develop the law of privilege on a case-by-case basis.

Rule 501 is not intended to freeze the law of privilege as it now exists. The phrase "governed by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience," is intended to provide the courts with the flexibility to develop rules of privilege on a case-by-case basis. For example, the Supreme Court's rules of evidence contained no rule of privilege for a newspaperperson. The language of rule 501 permits the courts to develop a privilege for newspaperpeople on a case-by-case basis. The language cannot be interpreted as a congressional expression in favor of having no such privilege, nor can the conference action be interpreted as denying to newspeople any protection they may have from State newsperson's privilege laws.

RULE 609(a)—IMPEACHMENT BY EVIDENCE OF PRIOR CONVICTION

This rules provides when evidence of a prior conviction may be used to impeach the credibility of a witness. The House version of the rule permitted the use of convictions for crimes of dishonesty or false statement. The Senate version permitted the use of convictions for any felony or for any crime of dishonesty or false statement. Thus, the Senate version permitted greater latitude in the use of prior convictions than did the House version.

The conference rule strikes a middle ground between the two versions, but a ground as close or closer to the House version than to the Senate's. The conference rule provides that evidence of a conviction of a crime involving dishonesty or false statement may always be used to impeach—subject, of course, to the time limitation of subsection (b). This constitutes no change from either the House or Senate version. The conference rule further provides that evidence of a prior felony conviction may be used for impeachment but only if the court determines that the probative value of the conviction outweighs its prejudicial effect to the defendant. Thus, the rule puts the burden on the proponent of such evidence to show that it should be used—to show that the probative value of the evidence outweighs its prejudicial effect to the defendant. The rule, in practical effect, means that in a criminal case the prior felony conviction of a prosecution witness may always be used. There can be no prejudicial effect to the defendant if he, the defendant, impeaches the credibility of a presecution witness. The prior conviction of a defense witness, on the other hand, may have a prejudicial effect to the defendant.

RULE 804(b)(5)—CRIMINAL LAW ENFORCEMENT REPORTS AND RECORDS

This was added by the Senate to establish a new hearsay exception for police reports. It made police reports admissible when the officer-declarant was unavailable as a witness. The conference deleted this provision. As the rules of evidence now stand, police and law enforcement reports are not admissible against defendants in criminal cases. This is made quite clear by the provisions of rule 803(8)(B) and (C). Police reports, especially in criminal cases, tend to be one-sided and self-serving. They are frequently prepared for the use of prosecutors, who use such reports in deciding whether to prosecute. The danger of unfair prejudice inherent in such reports is heightened where—as proposed in the Senate's rule 804(b)(5)—the officer who prepared the report is not available to take the stand and be cross-examined about it. There was some thought that the Senate's rule would raise a constitutional question of the right of confrontation.

Section 2 of the bill establishes a procedure by which the rules of evidence can be amended. The Senate made three changes in the House bill. The House bill provided that the Supreme Court could promulgate amendments to the rules of evidence and that such amendments would become effective 180 days after being reported to the Congress. The Senate increased the time period to 365 days. The conferees adopted the House provision.

The Senate added new language that permits either House of Congress to defer any proposed amendment. The deferral can be indefinite or to a date certain. The Senate language also provided that an act of Congress could amend any rule of evidence, proposed or in effect. The House conferees agreed to accept this language.

The House version required that any amendment to the rules of evidence that creates, abolishes, or modifies a rule of privilege must be approved by act of Congress. The Senate deleted this provision. The Senate receded from this amendment.

Rules of privilege keep out of litigation relevant and material information. They do so because of a substantive policy judgment that certain values—such as preserving confidential relationships—outweigh the detrimental effect that excluding the information has on the judicial truthfinding process. In short, rules of privilege reflect a substantive policy choice between competing values, and this policy choice is legislative in nature. The legislative character of the policy choice is particularly clear with governmental privileges. Because of the legislative character of rules of privilege, there is a need for affirmative congressional action in formulating them.

As I said earlier, this bill is the culmination of over 13 years of work by people in all three branches of Government. The bill is a wholly nonpartisan effort to develop the best possible set of evidence rules to use nationwide in Federal courts. I urge the House to pass this legislation.

Mr. Speaker, I yield to the gentleman from New York (Mr. SMITH).

Mr. SMITH of New York. Mr. Speaker, I yield to the gentleman from Indiana (Mr. ZION) to speak out of order.

CHARLESTON, W. VA., BOOK CONTROVERSY

Mr. ZION. Mr. Speaker, some concerned parents flew up from West Virginia this afternoon to show some textbooks which are being used in their schools. I would like to quote a few passages.

The first is from a teacher's resource book, and these words were put on the blackboard:

"Christ, man"; "No shit"; "... he's a mean son-of-a-bitch"; "They'll beat shit out of

> me"; "How the hell are you?"; ...you ain't a fag, are you?"; and "I'll be the head of a whole damned army."

That is a teacher's workbook.

This is an essay from which students read that:

> The girl's nature as biologically conditioned gives her the desire to receive, to take into herself; she feels or knows that her genital is too small for her father's penis and this makes her react to her own genital wishes with direct anxiety; she dreads that if her wishes were fulfilled, she herself or her genital would be destroyed.

Then, there are pages about how young boys feel inadequate because their penis is too small for their mother's vagina.

Here is another essay in which it is said:

> All that is good and commendable now existing would continue to exist if all marriage laws were repealed tomorrow ... I have an inalienable constitutional and natural right to love whom I may, to love as long or as short a period as I can, to change that love every day if I please.

Mr. Speaker, the passages I have just read should have offended each of you. I am sorry for that; it offended me, but more shocking is that that profanity and obscenity is required reading for many American children.

Yes; I was reading to you from a stack of books used in Charleston, W. Va.; books used in many public schools across the country. Children in their tender years—fifth, sixth, and seventh grades, and up—are forcibly exposed to this sort of trashy presentation in the name of education.

When decent parents object, they are subject to ridicule. Last week, I am told, Mr. Harris, president of the National Education Association, sent a delegation of people to Charleston, W. Va., to investigate the "radical extremists who are trying to tear down our educational system."

Education is supposed to improve children, to strengthen their character and develop their minds. I ask you, how can cursing, swearing, and blatant immorality improve anyone?

It is not as if children did not learn about the seamy side of life; that is an inevitable part of growing up, but that schools should take precious time away from their vital, and increasingly difficult, task of legitimate education is unthinkable. There is, moreover, no pedagogical justification for profanity and pornography, a point with which, I submit, most American parents agree.

We all know about the textbook issue in Kanawha County, W. Va., because the media have told us all about it. But do you know about North Dakota, New Jersey, Connecticut, Indiana, Texas, Virginia, Maryland, and other similar cases where the principle of parental responsibility is being challenged by so-called professional educators?

Parents are primarily responsible for the upbringing of their children; it is anathema to most Americans to abdicate that responsibility to the State and all the more unthinkable to allow the State to preempt their responsibility for their children. That is why I am introducing at this time the Local Education Accountability Act of 1974 to correct the now-established disregard for parents' rights with respect to the education and upbringing of their children.

My bill has two provisions which will go a long way toward correcting this problem. First, it insures that school districts which receive Federal money must permit parents to scrutinize any books used in the schools. This guarantees parental knowledge of materials being used in classrooms.

Second, the bill would insure parental recourse if their collective objections were ignored by school board members. The bill would require emplacement of a mechanism for removing school board members, between regular elections, upon petition of a reasonable percentage of the voting parents. The procedures of referendum and recall are two of the outstanding measures for the protection of popular democracy.

They cannot be more appropriately employed than at the most local of all levels, the most important of all levels of government, the school board. Let me stress that my bill does not interfere with administration or policymaking in local schools and in no way inhibits local control. In fact, the opposite is true.

This bill is a guarantee of those treasured principles of local control. Too often, I am afraid, Federal aid to education has a chilling effect on local control: the standards that Congress imposes on school districts, and the regulations that are promulgated by the executive branch often circumvent the will of the people entirely, by threatening to withhold funds if certain conditions are not met.

My bill would do the opposite: it would authorize withholding funds if the will of the people is not given a full chance to prevail. In other words, if the school district is not run properly, according to the will of the people who support it and provide it with students, under the provisions of my bill, no Federal money would be available to enforce the violation of parents' rights to determine the course of their children's education.

Mr. Speaker, the time is overdue for this body to take steps to protect the children of this Nation and, more particularly, the parents of this Nation, from an autocratic, unaccountable, compulsory education establishment. And as my last act in Congress, I offer this simple solution. I ask you to bring this simple 115-word bill to a vote on the floor under suspension of the rules before the end of this session.

Mr. HUNGATE. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman from Missouri.

I would like to ask the gentleman from Indiana a question. Would the gentleman from Indiana like to respond to a question?

I would agree that the language that the gentleman read from the text books is inappropriate for schoolchildren. I feel the same way that the gentleman from Indiana does, but I would like to ask the gentleman from Indiana if he has in mind any legislation that would help to curb the kind of actions, such as shooting at schoolbuses and dynamiting school buildings done by some of the people who were trying to oppose these text books.

Mr. ZION. I believe there are already laws on the books and rather serious penalties.

Mr. SEIBERLING. I assume the gentleman shares my views that these actions were equally reprehensible.

Mr. HUNGATE. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman.

I would like, first, to compliment the gentleman from Missouri for the hard work and effort and diligence he has put into these rules of evidence.

Although there is no question that this conference report is better than the proposed rules of evidence that were sent to us 2 years ago, the rules of evidence adopted by the conference report still trouble me greatly. In my judgment the proposed rules present enormous problems to those of us who have practiced law in the past. My concern is heightened because these proposed rules of evidence, if enacted, will be used every day and in every trial in every Federal court in this country.

I would like to point to one major problem that the rules in this conference report create and bring it to the Members' attention. One of these rules—rule 804(b)(5)—as it came out of the conference committee, creates a general open-ended exception to the hearsay rule. It basically abolishes the rules against hearsay and leaves it to the discretion of every judge to let in any kind of hearsay that he wants. This is true for criminal as well as civil cases.

One of the basic assumptions in our system of jurisprudence is that the defendant in criminal trials has the right to confront his accuser. To abolish all prohibitions against hearsay really abridges our concept of a fair trial, aside from creating some sixth amendment problems. Nonetheless, this conference report will permit the prosecution to use any kind of hearsay, as long as some particular Federal judge thinks that the hearsay statement is trustworthy. I think that creates too much of a danger for the kind of fair criminal justice system we want.

The House was confronted with this proposal when the bill originally came up before us. We rejected this provision in the Judiciary Committee, and we firmly rejected it again on the floor when it came up in the form of an amendment. Nonetheless, the conference committee accepted this terribly unwise provision.

It is true that this provision cannot be used unless a party gives notice to the other party. But all that does is to let the other party find out ahead of time whether the hearsay statement will be admitted. It does not protect him against the admission of unreliable evidence. And he is not protected if the declarant is dead or cannot be located.

The problems with rule 803(24) illustrate the serious reservations I have about codification of rules of evidence. This provision recognizes that it is impossible to codify the hearsay exceptions.

Instead of permitting, by statute, any kind of hearsay to be used, we ought to have allowed courts to develop evidentiary principles on a case-by-case basis—as they have done for 200 years of our Federal history.

Since there is a fundamental problem of codification to begin with, as is reflected in this open-ended rule, I do not think this conference report ought to be accepted by the Congress.

I would like to point out one other problem in the conference report regarding impeachment by prior conviction—rule 609(b). The rule adopted by the conference report will permit the credibility of a party to be impeached by evidence of prior conviction—regardless of how long ago that conviction occurred. This is a mistake. We are permitting judges—without setting any standards—to use ancient convictions thereby seriously and possibly unjustifiably, inhibiting the right of the defendant to take the stand.

I also object to the rule allowing evidence of every felony to be used to impeach the credibility of a defendant—rule 609(a).

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I am very concerned about what the gentlewoman from New York has said, especially with regard to confrontation by one's accuser. I wonder what possible justification has been given for such a relaxation.

Ms. HOLTZMAN. Mr. Speaker, the only justification given by the codifiers of this rule was that they could not think of every foreseeable exception to the hearsay rule. Therefore they just created a casual, open-ended, exception. There really is no justification for it aside from the fallibility of the codifiers.

The provision you point to raises the basic problem of codifying evidence. Evidence is very difficult to codify. There are understandably very few evidence codes. When the codifiers try to fit evidence and principles into statutes, they run into a fundamental problem of not being able to foresee every possible permutation that might develop. In an attempt to remedy this problem, they created an exception which swallows up the rule and negates the work of both the House Judiciary Committee and the conference committee.

For example, the conference committee rejected a proposed rule from the Senate which would have allowed police reports to be admitted as substantive evidence. However, by simultaneously adopting this open-ended hearsay exception, the conference report opens a "back door" to these police reports and negates the conference committee's prior prohibition against admission of such evidence.

Mr. ECKHARDT. Mr. Speaker, will the gentleman from Missouri yield for a question?

Mr. HUNGATE. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I would like to ask the able gentleman from Missouri, for whom I have a great deal of respect, the following question:

What is the gentleman's answer to this proposition: If the gentlewoman from New York is correct, it would seem to me that in some areas of the country, depending on the discretion of the judge, one would be entitled to confrontation by one's accuser and in other areas he would not, wholly on the basis of a judicial discretion.

Mr. HUNGATE. Mr. Speaker, the committee's opinion on that was that confrontation, of course, is a constitutional right, but if it is stretched beyond its constitutional limits, the rule would fail at that point. We do not think that should happen.

This particular rule was in there, and it was sent over here by the Supreme Court, whose members normally would have concern about confrontation. They sent this rule over here, along with the committee, and there were learned scholars, judges, law professors and practicing attorneys who worked on this for 11 years, all during that time in question.

We in the House shared some of the gentleman's concern and thought if we are going to have specific boxes where hearsay is allowed, we do not want an additional catchall box, so we removed that.

The Senate saw fit to follow the work and the recommendations sent over by the Supreme Court and the work of this conference during those 11 to 13 years. Then we did, through the efforts of the gentleman from New York (Mr. SMITH) insert in there the language of the requirement which the gentleman from New York (Mr. SMITH) had offered in this body and in committee earlier stating that they must be notified.

The statement is that the party requesting the court to make the statement under this provision must notify the adverse party of this fact, and the notice must be given sufficiently in advance of trial and hearing to provide any adverse party a fair opportunity to object or contest the use of the statement.

We met with opposition on that. There were amendments offered that would let them do this right on into trial. But we thought the requirement should stop prior to trial and they would have to give notice before the trial. That is how we sought to protect them.

Mr. ECKHARDT. Mr. Speaker, if the gentleman will yield further, I do understand if confrontation were denied so as to deprive the defendant of the traditional rights considered fundamental for Englishmen and preserved for Americans in the fifth amendment, of course, due process would be denied. The difficulty with that is that that question would in many cases never be adjudicated because a poor man charged with a petty or moderate crime would probably never have an opportunity to raise that question effectively, whereas, of course, someone who may go clear to the Supreme Court may get his relief. Such a basic constitutional issue is seldom very deeply considered before appeal, which stage would not be reached in the great majority of cases, and could not be definitively decided except by the Supreme Court which might or might not grant certiorari. As a practical matter due process could be denied to many defendants. And I think this language would invite and cause a multitude of such denials.

Mr. HUNGATE. Of course, one of the things we felt, interestingly enough, is that sometimes these things happen on either side of the lawsuit. We cannot always tell who is going to be harmed by not letting them bring it in in an unusual situation.

Mr. Speaker, I want to address myself to section 2. At this time I believe it is the sense of the House to vote. I will try to make this short.

Section 2 deals with three particular points in disagreement. The House said if they wanted to amend these rules again, instead of 90 days, they would have to give us 180 days to consider them. The Senate accepted our time on that, although the conferees had proposed 1 year.

The House proposed some of these rules would be effective until the Congress acted on them. The Senate provided that either the House or the Senate, either body, could reject this and have a veto power. We accepted that. We moved to enlarge the power of the legislature in that field.

One of the more important amendments which was offered by the gentlewoman from New York (Ms. HOLTZMAN) was accepted here, and that has been adopted.

If they deal in the field of privilege, then that must be acted on by the Congress in the form of a legislative enactment.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from California.

Mr. DANIELSON. With respect to the comment of the gentlewoman from New York relative to the hearsay rule, does not this conference report bring about a substantial change from the way the bill read when it was before the Committee on the Judiciary and passed by the House?

Mr. HUNGATE. To what section is the gentleman referring?

Mr. DANIELSON. On the change in the hearsay rule, which is, as I understand it, Rule 804(b)(5).

Mr. HUNGATE. That section, if we are talking about the same one, has been taken out. We took out one section.

Please let me see whether I am looking at the right section.

Mr. DANIELSON. Apparently it appears at the bottom of page 3 of the conference report.

Mr. HUNGATE. I could say to the gentleman that we narrowed the rule by the language that he sees: ". . . a statement may not be admitted under this exception unless the proponent of it makes known to the adverse party sufficiently in advance of the trial," et cetera.

Mr. DANIELSON. I have just read that.

I would like to point out to the gentleman that one of the reasons for the hearsay rule is to give life to the constitutional guarantee that a person accused of a crime is entitled to be confronted by the witnesses against him and given an opportunity to cross-examine. Under this attempted saving clause, he is only given an opportunity to find some way to respond.

Suppose a witness is dead or has moved away. Suppose there is no way to find him. Without the hearsay rule, then what in the world is a defendant to do?

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Indiana.

Mr. DENNIS. I would like to address myself to the same question raised by the gentlewoman from New York and now by my colleague, the gentleman from California, because really I basically agree with the gentlewoman from New York on this particular rule, and yet it is not nearly so bad as it sounds.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. SMITH of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Speaker, I thank the gentleman for yielding.

Since we have been talking about this rule and talking about it as the rule came down to us from the Supreme Court, I would like to say to the gentleman from Texas that, after listing all these normal hearsay exceptions, they have said, in addition, in the proposed rules as transmitted by the Court, "a statement not specifically covered by any of the foregoing exceptions, but having comparable circumstantial guarantees of trustworthiness."

Please let me finish. That is what it says.

We took this provision out completely, and I would like to have left it out, frankly. However, I would like to point out that it has to be something having a comparable circumstantial guarantee of trustworthiness, to be admissible as a new hearsay exception under this proposal.

It is my personal opinion that the courts right now, by the ordinary processes of the common law under that principle, can and occasionally do graft new exceptions onto the hearsay rule and other rules. Therefore, I do not think we did really add so much, but I was still opposed to it. I like to know what will and what will not be regarded as hearsay, and in the House we did leave this provision out. What the Senators did was put it back in and then they added this language about (A), (B), (C) that the gentleman from California (Mr. DANIELSON) referred to, and said that this principle would apply only where the statement is offered as evidence of a material fact, where it is more probative on the point for which it is offered than anything else the proponent can procure, and, again, where the general purposes of these rules and the interests of justice will best be served.

We still did not like it very well, so we then wrote in the conference a provision which said that even so, one cannot do it, even with all of this language, which includes the Court's language and the Senate's language, without giving the other side notice before trial so that counsel knows such an attempt is going to be made, and he can get ready for it

Therefore, that is the situation as it stands.

I prefer to leave this "catch all" provision out, but I do think it is not really as bad as has been made out here; and certainly in a criminal case if there is anything unconstitutional about it it cannot be done, of course. And no lawyer defending a defendant in a criminal case would let it be done, I presume.

So I am supporting it as a reasonable compromise which really does not add a whole lot because, to begin with, the operative language is the court's language; it has got to be something comparable to the ordinary hearsay exceptions, anyway, which the court feels has comparable credibility.

Mr. ECKHARDT. Mr. Speaker, if the gentleman will yield, the question I am addressing to the gentleman is as to what is the standard? Is the court in any way inhibited from granting an exception if the court finds under the rather general guidance language that the hearsay rule should be waived?

Mr. DENNIS. The standard is first that it has to be comparable as far as guarantees of trustworthiness are concerned.

Mr. ECKHARDT. Comparable to what?

Mr. DENNIS. Comparable to the standards which are provided for the ordinary existing exceptions to the hearsay rule. This new exception is listed in the bill after all of the familiar exceptions are listed; and then we have, in addition, the other standards, the (A), (B), and (C) that the Senate put in. I do not care for this provision, but I do not believe it has done a whole lot, once we finished with it.

Mr. ECKHARDT. It seems terribly dangerous to me.

Mr. HUNGATE. Mr. Speaker, if the gentleman will yield, and I do appreciate the gentleman yielding, in closing for myself I would like to say that this is a measure that passed this body substantially. There have been compromises made. That is the nature of legislation. We feel we have brought back a good bill.

We have before us this measure in which we have postponed the effective date of the law. When the rules of civil procedure were enacted in 1938 they went in by default. We decided this time Congress should have a voice in this, and we passed a law, including the effective amendment presented by the gentlewoman from New York, Ms. HOLTZMAN, so as to work our will. We have worked for 2 years. We need to act affirmatively, otherwise we will have demonstrated that we are incapable of handling such matters. We shall have coming up before us soon the rules of criminal procedure, in which some of these matters could be handled. But I think we can act, and we have proved that we can do this in less than a decade.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. DENNIS. If the gentlewoman will permit me to conclude, I will then yield to the gentlewoman.

Mr. Speaker, I would just like to say that I agree with the gentleman from Missouri on what the gentleman has just stated. I support the bill. It is a good bill, on balance, and it ought to be passed this afternoon.

Second, I would like to pay tribute to the members of our committee, and particularly to the staff members, and I would single out Roger Pauley and Herbert Hoffman, who are retiring from the committee, both of whom have worked long and hard, and who have done a magnificent job on this.

I would also like to comment on one other matter, and this is also a matter that the gentlewoman from New York (Ms. HOLTZMAN) was very interested in, and that was rule 609(a); that was regarding cross examination, and bringing in evidence on cross examination of a man's previous convictions, to reflect on his credibility as a witness. I have always been of the very strong opinion that such cross examination should be limited to the type of previous conviction that does have a reasonable bearing on credibility such as matters of fraud and perjury, this type of thing. And that is the way we wrote it in the House.

The Senate went back to the old rule where you could ask about any felonies without any discretion, but then in conference, we came up with a compromise which does not suit me 100 percent, but which is a slight advance over the present law. It is the best we thought we could do, and unlike the gentlewoman from New York, I wanted a bill. What the present compromise does is to say that you can inquire on cross examination about these type of prior convictions which really bear on credibility, and you can ask about all other felonies on cross examination, only if you can convince the court, and the burden is on the government, which is an important change in the law, that the probative value of the question is greater than the damage to the defendant; and that is damage or prejudice to the defendant alone. That is another change in the law, because the effect of it is that now a defendant can cross examine a government witness about any of his previous felony convictions; he can always do it, because that will not prejudice him in anyway.

That will not prejudice the defendant. Only the Government is going to be limited; and now the Government is going to have the burden of proof if it wants to go beyond cross-examination about the type of crime which does in fact bear strictly on credibility.

So, while it is not what I wanted to do or the gentlewoman from New York wanted to do, it is a good deal better than where we have ever been, and I have accepted the compromise. I wanted to say that while I was on my feet.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of New York. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

I want to raise a point with the gentleman from Indiana. I think he is right in my basic view that it is a mistake to try to codify these rules, but given this codification, it is a further mistake to have this provision in the conference. I am sure if we went back to conference, it could be excised whether in this session or the next session.

But is it not true that all the work that our subcommittee and the Committee on the Judiciary went through to try to clarify the exceptions can virtually be undone by this because it allows any court to use any exception; as an example outside police reports, which the committee said could not come in.

Are police reports without policemen to testify permitted by the rules as we were given them by the Supreme Court? Therefore, we are talking about comparable standards of trustworthiness. Can a judge say, "Well, sure, the policeman is not available; he is on a trip, or something. We will use his police report."

And that is the basis for a conviction.

Mr. SMITH of New York. I yield to the gentleman from Indiana.

Mr. DENNIS. I thank the gentleman for yielding.

I would like to say in answer to my friend, the gentlewoman from New York, that this business of using a police report, if a policeman is unavailable, was not in the rules as they came to us. That was written in by the Senate, and we struck it out in the conference, I am very happy to say. It was a terrible idea. But since we did take it out in the conference, and since it is gone, and since we insisted that it go, I cannot see how anybody could suggest that introducing such a report is possible or a thing that could be done under these rules; because the Senators put it in and we took it out in conference, and that is the legislative history.

Mr. SMITH of New York. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Speaker, I rise in support of the report of the committee of conference on the bill H.R. 5463, Uniform Rules of Evidence.

The Subcommittee on Criminal Justice of the House Judiciary Committee spent many months considering this bill. As a member of that subcommittee, I believe that the version of the bill which passed the House on February 6, 1974, was in large part a fair and balanced code of rules for the conduct of Federal criminal and civil proceedings. There were several rules which I personally disagreed with. However, because these questions involved pose questions of judgment and policy, and because I favor adoption of most of the rules, I was able to vote for the bill.

The Senate agreed with the great majority of the positions taken by the House on these Rules. The few amendments made by the Senate have been resolved in a fair and reasonable manner.

I would like to comment on one rule which has caused considerable controversy and which was settled by compromise in the committee of conference. That is rule 609, Impeachment by Evidence of Conviction of Crime. The Supreme Court proposal for the rules of evidence which was transmitted to Congress by the Chief Justice, contained in rule 609, a codification of the traditional rule of evidence on this point. That general rule was that, for the purpose of attacking the credibility of a witness, even if the witness happens to be the defendant in a criminal case, evidence that he has been convicted of a crime is admissible and may be used to challenge that witness' credibility if the crime is a felony or is a misdemeanor involving dishonesty of false statement.

I strongly supported that statement of the rule. It is my belief that the present system works well. I think we should be very hesitant to adopt any rule of evidence which keeps important or relevant facts from a jury. If a witness has committed a crime, I believe the jury should know that and weigh that fact along with other facts in judging whether to believe or disbelieve the testimony of that witness. If the Government is using a member of a professional criminal organization to testify against his former colleagues in crime, the jury cannot evaluate that testimony without knowing of the witness' criminal background. If the witness is a murderer or a robber or a car thief, the jury should know these facts in judging that witness' believability. This is simple fairness to the defendant.

The House bill would have greatly restricted the scope of close examination by the use of past criminal records. It would have allowed the use of only crimes involving false statement or dishonesty. I strongly objected to the rule in that form and offered an amendment against it on the floor of the House which was rejected.

The Senate bill as passed, included the traditional rule—the one which I support—allowing broad cross-examination on this point. I state again that I believe the Senate bill which accepted the recommendations of the Supreme Court and which had the support of the Department of Justice, is the best possible rule 609.

This compromise is midway between the position of the Senate and the position of the House. That compromise is that a witness may be cross-examined for the purpose of attacking his credibility by the use of a prior criminal conviction if the crime, whether a felony or misdemeanor, involves dishonesty or false statement or if the crime is a felony and the court deems that the probative value of its use for cross-examination outweighs the prejudicial effect to the defendant. Although this rule is not as I personally would have it written, I can certainly appreciate the valid and strong arguments behind this middle position.

Mr. Speaker, as the gentleman from Indiana has said, one of the most controversial aspects of this bill is rule 609. The gentleman from Indiana and I have been engaged in debate on this issue going back to the D.C. Crime Bill of 1970, at which time my point of view prevailed in the House and eventually in the statute which was enacted.

The House, unfortunately, in my view, adopted the Dennis version of this rule when we passed these rules early this year.

The Senate had the wisdom to adopt the Hogan view, but now after the House-Senate conference we have what is a compromise between the two versions.

I am sure neither the gentleman from Indiana nor I are totally happy with this compromise, as is true with all other compromises. But I think it is a reasonable compromise, and it would be a calamity, in my view, if these rules failed to be enacted into law.

Under the leadership of the gentleman from Missouri (Mr. HUNGATE) and the gentleman from New York (Mr. SMITH), the Criminal Justice Subcommittee has done an outstanding job. We have worked long and hard. More effort has been put into this endeavor in Congress than on any other matter with which I have personally been associated in my 6 years in Congress. I think it would be a real shame if these rules were not enacted by this Congress, so I support this bill in spite of the fact that I am not 100 percent happy with it. I urge our colleagues to do the same.

Mr. MAYNE. Mr. Speaker, as a member of the Judiciary Subcommittee which has been charged with responsibility for guiding the Rules of Evidence through the House during the past 2 years, I rise in strong support of this conference report. Our subcommittee has spent many long weeks in hearings on the Federal Rules of Evidence, calling as witnesses many of the most eminent jurists, trial attorneys, and legal scholars of this country.

This has proved to be a most controversial subject, but I think it is fair to say that most of those who have appeared before or written to us agree that written Rules of Evidence in some written form are vitally necessary. The controversy has arisen over the exact form which some of these rules should take. Our subcommittee debated long and hard and arrived at many compromises before reporting this bill to the full committee which also favorably reported the bill. Certain amendments were adopted on the House floor before final passage.

After many months the Senate finally passed a substantially different version, necessitating a conference. I want to commend the House conferees for the excellent work they have done in maintaining the House position in this matter. While the final version of the rules as embodied in the conference report is by no means perfect, it does represent very substantial progress. If the report is rejected by this body, we will lose the fruits not only of 2 years of work by our subcommittee, but also some 7 years of work by the Advisory Committee on the Rules of Evidence which was completed before the rules were ever submitted to the Congress in January 1973.

It would be a terrible waste of time and effort if this report were voted down today. This would mean that the subcommittee or full Judiciary Committee would have to start all over again on this complicated subject next year. The difficulty of this procedure would be greatly increased by the fact that there will be many changes in membership of the Judiciary Committee in the 94th Congress. As a result this very complicated subject would have to be taken up from scratch by new members having no familiarity with it. I urge all Members to vote "aye" to accept the conference report.

GENERAL LEAVE

Mr. SMITH of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SMITH of New York. Mr. Speaker, I think this bill as compromised in this conference report represents an idea whose time has eminently come. I hope the House will support this great effort which has been going on for approximately 13½ years in the Judicial Conference, in the courts and in this Congress.

Mr. Speaker, I support the report of the committee of conference on the bill H.R. 5463.

The codification of Federal Rules of Evidence was undertaken for the first time in the history of the United States in *March of 1961*. The Judicial Conference of the United States established a special committee to determine whether the development of uniform Rules of Evidence would be desirable and feasible. The special commitee made its recommendations in this regard and on March 8, 1965, Chief Justice Warren, as chairman of the Judicial Conference, appointed an advisory committee on Rules of Evidence. In March of 1969, the committee circulated a preliminary draft of proposed rules to the bench, bar, and legal teaching community for comment and suggestion. After two further revisions and recirculations for comment, the Supreme Court prescribed the proposed rules pursuant to titles 18 and 28 of the United States Code and on February 5, 1973, Chief Justice Burger transmitted the proposed rules to Congress.

The Subcommittee on Criminal Justice of the Judiciary Committee worked long and hard on these rules, with hearings and markups consuming some 9 months. The Senate, in large part, accepted the work product of our subcommittee, but made several amendments. The conference committee met for 2 days and has resolved these few differences in a highly equitable and satisfactory manner.

One of the most important differences between the House and Senate bills involved the operation of the grand jury and petit jury system. Rule 606, Competency of Juror as Witness, deals with situations where a person wishes to challenge the sufficiency of an indictment or verdict.

The hallmark of the jury system in the United States is that deliberations are conducted in absolute secrecy. Jurors in a grand jury, as well as witnesses, must keep the proceedings and testimony from being made public under pain of felony prosecution. The deliberations of a petit jury in civil and criminal cases are, in general, not subject to inquiry from anyone.

However, these proceedings in secret depend on the integrity of the individual jurors to prevent miscarriage of justice or a perversion of the administration of justice. There is no doubt that in a certain few cases a juror may misbehave, not cooperate, or in some other way not take part in the proper deliberation of a jury. However, as long as this misbehavior does not involve any outside influence that juror, after verdict or indictment, is not subject to challenge for his actions.

Both the House and Senate bills do not in any way hinder the investigation of outside influence such as juror bribery or tampering. The question here revolves around the internal deliberations of a jury. The House bill in rule 606(b) provides that a juror cannot testify about his mental processes or any other factor which led him to conclude or vote in any case as he did. However, the House bill would have allowed a juror to testify about objective matters occurring during deliberations such as the misconduct of another juror.

The Senate bill codified what is now existing Federal law in this regard. A juror may not testify about anything including any objective matter which occurs during a jury's deliberation with the exception of whether extraneous prejudicial information was improperly brought to the jury's attention or whether any outside influence was improperly brought to bar on any juror.

Although the Subcommittee on Criminal Justice believes that there is substantial merit to its stand on the question of attacking the misconduct of a jury or juror, it agreed to the Senate amendment which strictly limits such investigation. The Senate amendment received strong support from the Department of Justice. The conferees wish to emphasize that they believe a court has the affirmative responsibility of encouraging jurors during the course of a deliberation to come forward and report misconduct that is then occurring. If such misconduct cannot be corrected by judicial instruction and is gravely serious, the conferees believe the remedy for it is the declaration of a mistrial at that point in time.

Mr. Speaker, I believe that this bill, as compromised in this conference report, represents an idea whose time has definitely come—a codification of the Federal Rules of Evidence. Men and women of goodwill have debated the provisions back and forth for over 13½ years; compromises have been reached; and the product of all of this work, of all of this study, of all of this debate, of all of this compromise, has been a set of rules of evidence in the Federal courts of the United States which are well designed to meet the stated purpose: to secure fairness in administration, elimination of unjustifiable expense and delay, and promotion of growth and development of the law of evidence to the end that the truth may be ascertained and proceedings justly determined.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Ms. HOLTZMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 32, not voting 39, as follows:

[Roll No. 708]

YEAS—363

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Blackburn
Boggs
Bolling
Bowen
Brademas
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson

Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goodling
Green, Oreg.
Griffiths
Gross
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landgrebe

Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reid
Reuss
Rhodes
Riegle

Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—32

Abzug
Addabbo
Anderson, Calif.
Aspin
Badillo
Biaggi
Biester
Bingham
Breckinridge
Burton, John
Burton, Phillip
Daniels, Dominick V.
Danielson
Davis, Ga.
Dellums
Eckhardt
Gonzalez
Green, Pa.
Hawkins
Helstoski
Holtzman
Jones, Okla.
Koch
Luken
Mitchell, Md.
Owens
Rangel
Roybal
Seiberling
Waldie
Wolff
Yates

NOT VOTING—39

Adams
Blatnik
Boland
Brasco
Camp
Carey, N.Y.
Eshleman
Frey
Fulton
Goldwater
Grasso
Gray
Grover
Hanna
Hansen, Idaho
Hansen, Wash.
Hébert
Holifield
Howard
Jones, Ala.
Jones, N.C.
King
Litton
McSpadden
Macdonald
Mills
Minshall, Ohio
O'Hara
Podell
Rarick
Roncalio, N.Y.
Sandman
Shipley
Shoup
Teague
Wilson, Charles H., Calif.
Wyman
Young, Ga.
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Shipley with Mr. Mills.

Mr. Howard with Mrs. Hansen of Washington.

Mr. Adams with Mrs. Grasso.

Mr. Macdonald with Mr. Gray.

Mr. Jones of North Carolina with Mr. Hanna.

Mr. Litton with Mr. Holifield.

Mr. Teague with Mr. McSpadden.

Mr. Carey of New York with Mr. Camp.

Mr. Charles H. Wilson of California with Mr. King.

Mr. Young of Georgia with Mr. Hansen of Idaho.

Mr. Boland with Mr. Grover.

Mr. Fulton with Mr. Eshleman.

Mr. Hébert with Mr. Frey.

Mr. Jones of Alabama with Mr. Minshall of Ohio.

Mr. O'Hara with Mr. Goldwater.

Mr. Blatnik with Mr. Rarick.

Mr. Sandman with Mr. Roncalio of New York.

Mr. Wyman with Mr. Shoup.

The result of the vote was announced as above recorded.

A motion to reconsder was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 8981. An act to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees;

H.R. 9199. An act to amend title 35, United States Code, "Patents", and for other purposes;

H.R. 13869. An act for the relief of Carl C. Strauss and Mary Ann Strauss;

H.R. 17010. An act to establish a working capital fund in the Department of Justice;

H. Con. Res. 654. Concurrent resolution authorization for reprinting 10,000 copies for use of the Committee on the Judiciary of House Document 93-339; and

H. Con. Res. 680. Concurrent resolution to provide for the printing as a House document of the proceedings at the commemoration ceremony in honor of the two hundredth anniversary of the First Continental Congress.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15223) entitled "An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) entitled "An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 4073. An act to extend certain authorizations under the Federal Water Pollution Control Act, as amended, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 8958. An act to amend the Federal Property and Administrative Services Act of 1949 to provide for the disposal of certain excess and surplus Federal property to the Secretary of the Interior for the benefit of any group, band, or tribe of Indians.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10397. An act to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes;

H.R. 12427. An act to amend section 510 of the Merchant Marine Act, 1936; and

H.R. 17556. An act to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3585) entitled "An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Kennedy, Mr. Williams, Mr. Nelson, Mr. Eagleton, Mr. Cranston, Mr. Hughes, Mr. Pell, Mr. Mondale, Mr. Hathaway, Mr. Schweiker, Mr. Javits, Mr. Dominick, Mr. Beall, Mr. Taft, and Mr. Stafford to be the conferees on the part of the Senate.

CONFERENCE REPORT ON S. 1296, ENLARGING THE GRAND CANYON NATIONAL PARK

Mr. UDALL. Mr. Speaker, I call up the conference report on the Senate bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. DELLENBACK. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Oregon reserves the right to object.

PARLIAMENTARY INQUIRIES

Mr. DELLENBACK. Mr. Speaker, I have a parliamentary inquiry under the reservation.

The SPEAKER. The gentleman from Oregon will state his parliamentary inquiry.

Mr. DELLENBACK. Mr. Speaker, in the event that this unanimous-consent request is not agreed to, what would be the procedure provided?

Mr. UDALL. Mr. Speaker, will the gentleman yield to me?

Mr. DELLENBACK. I will be glad to yield to the gentleman from Arizona.

Mr. UDALL. The unanimous-consent request was to read the statement instead of the report.

Mr. DELLENBACK. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman from Oregon will state his parliamentary inquiry.

Mr. DELLENBACK. Under my further reservation, may I yield to the gentleman from Arizona for a further explanation of what he intends to do, exactly how we will proceed?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, I called up the conference report. If the request to dispense with the reading of the statement of the managers is accepted, I intend to ask that the Members have 5 legislative days in which to extend their remarks on the conference report.

Mr. DELLENBACK. Without debate?

Mr. UDALL. I am prepared to have debate, if the gentleman wants it, but there are no changes in the conference report.

Mr. DELLENBACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report now before us.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, S. 1296—conference report—has been considered by this House in substantially the same form as agreed upon by the conferees; however, there are some important differences.

First, the conference committee recommendation eliminates some relatively controversial additions which would have been included in the park under the House version of the bill. In making these deletions the conferees recognized their natural, scenic and scientific values and by specific language in the report directed the Secretary of the Interior to make detailed studies to determine whether these areas should be considered for possible future inclusion in the park. I personally regret the loss of these areas, but could not prevail. I intend to press for an early study and if it is favorable will sponsor legislation to add these areas to the park.

Under the conference recommendation, the entire Grand Canyon—from its upper reaches at the mouth of the Paria River to its terminus at Grand Wash Cliffs—will be included in the park. In addition this entire stretch of Colorado River will be included in the park so that it will be clearly under the administrative jurisdiction of the National Park Service. Ultimately, a wilderness study of the park is to be made and recommendations for wilderness are to take into consideration the river surface and the Havasupai Use Lands included within the park boundaries.

Second, the conference committee tightened up the language with respect to the Havasupai land transfer. While this provision of the bill is substantially the same as the House language, the conferees agreed that the land use plan for the lands to be transferred should be public information, subject to public review and hearings, and laid before Congress before being implemented. In addition, it was agreed that commercial enterprises on the transferred lands should be strictly limited to small tribal enterprises. Finally, the language recommended allows the tribe to sell hunting licenses to nonmembers of the tribe, but this provision is to be strictly discretionary with the Secretary of the Interior and subject to such limitations and regulations as he might impose. Nothing in the conference report permits public hunting on park lands and, it is my belief, that the Secretary should prohibit nontribal hunting in those areas where wildlife values would be endangered or where the sanctity of the park requires it. Certainly, public hunting should not be permitted near the park boundary.

That, Mr. Speaker, highlights the controversial issues involved in S. 1296. I believe the conferees made a reasonable compromise and I urge the adoption of the conference report.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred thirty Members are present, a quorum.

PARLIAMENTARY INQUIRY

Mr. DELLENBACK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. DELLENBACK. Mr. Speaker, is it still in order to demand a recorded vote?

The SPEAKER. It is in order to demand a recorded vote.

Mr. DELLENBACK. Then, Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

DESIGNATING A SEGMENT OF THE NEW RIVER AS A POTENTIAL COMPONENT OF THE NATIONAL WILD AND SCENIC RIVERS SYSTEM

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2439) to amend the Wild and Scenic Rivers Act of 1968 by designating a segment of the New River as a potential component of the national wild and scenic rivers system, as amended.

The Clerk read as follows:

S. 2439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 5 of the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1276(a)) is amended by adding at the end thereof the following:

"(28) New, North Carolina and Virginia: From the headwaters of the North Fork of the New at latitude 36 degrees 22 minutes north, longitude 81 degrees 41 minutes west near Tamatuck, Watauga County, North Carolina, and the headwaters of the South Folk of the New at latitude 36 degrees 12 minutes north, longitude 81 degrees 41 minutes west near Boone, Watauga County, North Carolina, through the counties of Ashe and Alleghany of North Carolina and into Grayson County, Virginia, to a point on the main New River near Galax, Virginia, at latitude 36 degrees 40 minutes north, longitude 80 degrees 58 minutes west. The Secretary of the Interior shall cause the study required by section 4 of the Wild and Scenic Rivers Act to commence at the earliest opportunity, and shall report his findings and recommendations to the Congress and the President no later than two years from the date of enactment of this clause.".

The SPEAKER. Is a second demanded?

Mr. STEIGER of Arizona. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from North Carolina (Mr. TAYLOR) will be recognized for 20 minutes, and the gentleman from Arizona (Mr. STEIGER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I realize that we are approaching adjournment of this Congress and many Members are wondering why this legislation is being brought up at this late hour.

This bill passed the Senate with a vote of 49 to 19 in May of this year. A full day of hearings was held by the National Parks Subcommittee on the bill on June 3, 1974, and 33 witnesses testified. The bill was favorably reported by the Interior Committee on August 21, by a vote of 21 to 15.

A rule was requested on October 1, 1974, but the Rules Committee did not agree to hear the matter until December 11, nearly 2½ months later, and then voted to postpone consideration of the bill. This is important legislation which should be decided by the 435 Members of the House, not by 15 members of the Rules Committee or by a few members of the Federal Power Commission who were not elected by anyone, so I requested that it be placed on the Suspension Calendar. Those of us who are supporting

S. 2439 have been diligent in our efforts to get action on it.

S. 2439, as reported by the Committee on Interior and Insular Affairs, would designate portions of the New River in Virginia and North Carolina for study under the provisions of the Wild and Scenic Rivers Act. The bill further requires that this study be completed and submitted to the Congress within 2 years from the date of enactment of this legislation. At that time, further action of the Congress would be required if the river is to be included in the National Wild and Scenic Rivers System.

Our hearings on the New River aroused a great deal of interest. We heard testimony which acquainted us with the unique features of this river. It was pointed out that the New River is the oldest river in the Western Hemisphere and the second oldest in the world, second to the Nile; that it has been flowing over 100 million years and that the river is renowned for its scenic qualities and beautiful mountain surroundings; that it contains enough water during all seasons and enough gentle flowing areas that it can be used for canoeing and raft riding the year-round, giving it an advantage over many of our other wild and scenic rivers.

On the other side, Appalachian Power Co. has had various proposals dealing with this area pending before the Federal Power Commission for the last 8 years. Last June the Federal Power Commission issued a license for the Blue Ridge pumped storage project which will be effective on January 2, 1974. The Federal Power Commission was invited to testify at the subcommittee hearings, but instead of accepting the invitation, the Commission met and approved the power project which was somewhat of an affront to Congress. Senator ERVIN said that this was the most flagrant act of bureaucratic arrogance that he had seen during his 20 years in Washington.

While the Federal Power Commission has licensed this project, we must understand that the role of the Commission is to provide for the private development of water power resources. While I am convinced that the FPC review was thorough from their point of view, I believe that there is a need for a study of the river's potential for fulfilling needs other than power generation. The FPC lacks competence to judge the potential of the river for wild and scenic river status.

Passage of S. 2439 would preclude construction of the project while the river is being studied for possible inclusion in the National Wild and Scenic Rivers System. If this legislation is not passed in this session of Congress, the dams will be built. No future Congress will have the opportunity to consider this legislation.

I might point out that this power project would produce no new power. It is a net energy consumer. It would consume four units of electricity for every three units produced. It would serve as a giant storage battery. I recognize that there is a need for such projects for peaking purposes, but to secure such, it is not necessary to build dams inundating 94 miles of river, 42,000 acres of farmland, to flood 580 homes and destroy 415 farms, now producing $8 million in crops each year, as this power project would do.

The Federal Power Commission estimates that it would be 8 years before the electricity from this project would be on the market—1983 at the earliest, even if this bill is defeated. Modes of securing electricity are changing. We are now moving forward toward nuclear power and later probably to solar power. Twenty-five years from now we may not need this power dam, but we will continually need the farmlands—the 42,000 acres of farmlands and timber land that would be destroyed. Farmland in our Nation is becoming scarcer and the need for this land is bound to increase with future generations.

The Department of the Interior has recommended enactment of this legislation and has said that the study can be completed within 2 years. Secretary Rogers Morton, the President's No. 1 energy adviser, has endorsed this legislation. It has been endorsed by environmental groups nationwide, by the North Carolina Legislature, the North Carolina Governor, two North Carolina Senators, North Carolina Association of County Commissioners, and the North Carolina AFL-CIO.

Much national interest has been shown by articles in the New York Times, the Washington Post, and other papers. The issue is not should the power project be approved or blocked. The issue is does the New River possess the wild and scenic qualities that would justify its consideration for addition to the wild and scenic rivers system. It is my opinion that it does possess such qualities. All of the evidence presented to the committee on that issue was in the affirmative.

Mr. Speaker, we are dealing with the oldest dated river in this hemisphere; a river that has survived three ice ages and worked its way through two mountain ranges; was named in the early 1700's by Peter Jefferson, father of Thomas Jefferson. It would be tragic if congressional inaction without a thorough study allowed this river to be destroyed.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas, the ranking member on the subcommittee (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, contrary to the reports issued by the Sierra Club and some of the other so-called conservation groups, I am vitally interested in conserving the land, preserving the natural beauty of our rivers, and protecting the air we breathe. But there comes a time when man must determine whether the actual needs of man require that our resources must yield to meet the best interests of man.

Mr. Speaker, this bill embraces a classic confrontation of development versus environment or more specifically—of dams versus a natural river.

This bill, if enacted, would permit the 2-year study of a segment of the New River in North Carolina and Virginia, to determine its potential for possible further legislative designation—or rejection—as a wild and scenic river.

If this bill is enacted, it will delay for at least 2 years, any possibility of the construction of dams on this segment of the river.

If this bill is not enacted, a Federal Power Commission license will authorize, within 2 weeks—effective January 2, 1975—the licensing of two dams to be constructed on this segment of the river.

Everywhere we turn we find impediments to power production. Oil is too expensive, gas is of insufficient supply; the mining of coal ruins the environment, unless we change our procedures; nuclear power is unsafe and insufficiently tested for long range commitment; water power has insufficient potential due to few remaining significant dam sites; solar, wind and tidal power are insufficiently promising for immediate application.

Yet our society must continue to have an electrical power supply.

We are going to have to be more energy conserving, regardless.

The New River is one of the oldest rivers to be found, geologists tell us.

The power produced from dams here will help to increase the electrical supply.

The damaging effect of dams is once and forever—it is irrevocable.

The fate of the New River could well be decided today. The Department of the Interior has been all over the lot on this measure. In February, the Department recommended deferral of the measure. In June, Mr. Nat Reed, the Department's specialist on fish and wild life, sent the committee a letter advising that the Department had changed its position.

Today, the Honorable Rogers Morton, Secretary of the Interior, submits a letter strongly supporting the legislation. I opposed the legislation in committee but if the administration's energy czar has determined that the amount of power that would come from the dam is minimal—that it does not justify the destruction of this scenic river—that he has other sources more feasible and less destructive, I yield to his superior knowledge and will now support the bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Speaker, I thank the gentleman from North Carolina for yielding.

Mr. Speaker, this matter before us today has a long history, and I have been associated with it from its inception, first as a member of the Virginia General Assembly, second as president of the Virginia State Chamber of Commerce, and third when I represented the area in which these dams will be located for the first 4 years I was in Congress.

This was a controversial matter in the area, opposed primarily by the property owners, but supported in the main by the young and by others who recognized the economic benefits to the area that would derive therefrom.

Mr. Speaker, the proponents of this measure will use as one of their principal arguments the environmental effects of the dams. All of us are concerned about the environmental impact of power projects, but this project, according to the studies which have been made, will contribute more to the environment than it takes away.

Mr. Speaker, we can have whatever degree of purity in air and in water and of beauty in our land that we are willing to pay for. The cost will come high, not only in dollars and cents, but in the loss of many of our freedoms and indeed our national security.

Just a few days ago, we had a reprograming project before the Committee on Armed Services. Testimony revealed that while we have only 46 percent of our tank requirements, there is a plant in Detroit equipped to produce 400 tanks a month, but we are only receiving 40 tanks a month because of the absence of iron castings. The shortage of iron castings is the result of environmental requirements.

It is absolutely essential, Mr. Speaker, that we strike a balance between the needs of the economy and the requirements of the economy.

The Blue Ridge project will be built with about $500,000,000 from the private sector. It will provide jobs for about 1,200 people with an annual payroll of $120,000,000 over a 6- to 8-year period. Mr. Speaker, we are talking about private, not public, funds.

In the judgment of this Member, the New River will not qualify as a wild and scenic river, and I predict that after this is confirmed, the project will be constructed with public funds at twice the cost.

Mr. Speaker, I oppose S. 2439, because I do not believe it will qualify. I support the Blue Ridge project because it will provide a clean source of energy, which energy is sorely needed. It will increase the recreational potential of the area, and it will provide jobs to help in our fight against recession and inflation.

I yield the balance of my time to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY of Ohio. Mr. Speaker, I rise in opposition to Senate bill 2439 which would authorize a 2-year study of the New River for inclusion in the wild and scenic rivers systems. It is rare around here when organized labor, the AFL–CIO, and the business community in general are united on a bill, and they are both united unanimously that this bill is necessary for the welfare of the country.

Today we passed some legislation to make jobs. If we want to make jobs, the best way to make them is in private enterprise and do it the way we have done it historically in America, not by Government jobs if possible.

In addition to being a valuable new source of electric power, the Blue Ridge project would create approximately 1,200 jobs to build, but over a period of time, if we build this dam, it would make literally thousands of other jobs.

If the Members are interested in America, if they are interested in jobs, they will vote in opposition to this bill.

Mr. Speaker, I rise in opposition to Senate bill 2439, which would authorize a 2-year study of the New River for inclusion in the wild and scenic rivers system.

Mr. Speaker, the real purpose of this bill is to block construction of the Blue Ridge hydroelectric project. In my judgment, the failure to move ahead with the Blue Ridge hydroelectric project at this time would be a serious mistake.

This project would be financed entirely from the private sector and would furnish 1.8 million kilowatts of electric power to the people of the east-central United States. Both the Federal Energy Administration and the Federal Power Commission recognize the need for the Blue Ridge project and oppose this bill.

In addition to being a valuable new source of electric power, the Blue Ridge project will create approximately 1,200 jobs for workers in the depressed construction industry over a 6- to 8-year period, plus many more spin-off jobs in other industries.

Mr. Speaker, at a time when our Nation is facing an energy crisis, an economic recession, and very high unemployment, Senate bill 2439 clearly is not in the national interest. I, therefore, urge my colleagues to defeat this ill-advised, pernicious piece of legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. MIZELL).

Mr. MIZELL. Mr. Speaker, first let me say that I appreciate your assistance in bringing this bill before the full House under a suspension of the rules, and allowing us to make our case here in the open forum of public debate.

Unfortunately, the House Committee on Rules did not see fit to grant us a rule for open debate, although the Chairman favored reporting, and we are at a considerable disadvantage in trying to secure a two-thirds majority, especially when so many power conglomerates and labor unions with their unlimited resources have taken a firm stand against this simple measure and the simple people it is intended to protect.

It's a little like giving the World Champion Oakland "A's" a 2-to-1 headstart in a game against the Vinegar Bend Rinky-Dinks, but we will do our best.

Mr. Speaker, standing in the shadow of imminent destruction today are 38,000 acres of the beautiful New River Valley in North Carolina and Virginia.

Locked in the splendid imprisonment of the Blue Ridge Mountains, this valley is a treasure of scenic beauty and agricultural wealth, and it holds an even greater treasure of humanity—thousands of God-fearing, hard-working people who, as President Johnson used to say about his neighbors in Texas, "know when you're sick and care when you die."

These people, and their ancestors before them, have made their way rejoicing in the simple pleasures and holding fast to the simple virtues of country life, and it is a life that many of us might envy.

Dominating this valley for the past 100 million years has been the majestic New River, the last remaining segment of the great prehistoric Teays River, mother of the Mississippi.

It was Thomas Jefferson's father, surveying the valley for the first time in the early 1700's, who called the river "New," but only because it was new to him. The span of nearly 300 years from Peter Jefferson's time to ours has been but a moment to the ageless river he first "discovered," for the New is really the second oldest river in the world, younger only than the Nile.

The massive glacial movements of the ice age adorned the banks of the New with the most unusual and beautiful variety of plantlife in this hemisphere. Trees and flowers of the far north can be found in the Blue Ridge foothills side by side with vegetation unique to the south.

The bottomlands of the valley, nourished by the river, have brought forth rich harvests of food and fiber for those who till the fertile soil, and agriculture provides a healthy $13.5 million economic base for the people who call the valley "home."

The pure, northward-flowing waters of the river itself contain a treasure of rare and endangered species of marine life, and the New is well-known as one of finest smallmouth bass fishing streams in the country.

All of this is threatened now by a power project whose value is as dubious as its devastation is certain. The Appalachian Power Co. has applied for a license to construct a massive pumped-storage hydroelectric power project which would back up 44 miles of the New River and flood 38,000 acres of good land in North Carolina and Virginia.

According to its own plans, the power company intends to begin phasing out the project almost from the very moment it begins operation. The project is to be used as a peaking facility.

And because it is a pumped-storage project, it will consume three units of electrical power for every two it generates—again by the company's own calculation. Since the project is intended to generate 1.8 million kilowatts a year, it must consume 2.7 million kilowatts. Thus, we will be wasting 900,000 kilowatts a year to make certain our overconsumption can continue without interruption.

The Appalachian Power Co., its parent—the American Power Co.—and the Federal Power Commission are unanimously agreed that this is sound energy policy.

In addition, they argue that there are other "benefits" of this project worth considering. For example, this project would contain enough water for flood control to handle the flood of record 10 times in the same day. And its recreational value, they claim, would be enough to make everyone forget that there are already hundreds of flat-water recreation areas in this part of the country, so that millions of tourists will converge every year on this single, somehow unique manmade lake.

The power company people have swarmed into the project area in recent months, trying to convince local residents that this project is the best thing that ever happened to them, and that they should not look a gift horse in the mouth.

But most people down there, faced with the loss of their homes and property and livelihood, and having no assurance they will reap the slightest benefit from this project, are still convinced that the part of the horse they are looking at is certainly not its mouth.

Nevertheless, the Federal Power Commission, citing its responsibilty under the 1940 National Power Act to insure an adequate supply of power, but declining to hold a single public hearing in the project area, has approved the license with an effective date of January 2, 1975.

The Commission postdated the license for the express purpose of allowing the Congress to work its will in this matter before us today. The Senate has already passed a companion measure, by an overwhelming vote of 49 to 19. Secretary of the Interior and Energy Council Chief Rogers Morton has strongly endorsed this bill, as have many other environmental, farm, and labor organizations.

Today is December 18. The Congress is scheduled to adjourn in 2 days. The critical importance of this body's vote today is clear, and I believe its duty is clear as well.

This legislation, born in controversy more than a year ago, was certain to inspire a great debate on the subject of this Nation's energy requirements in relation to our food requirements and our environmental and cultural heritage.

I believe an intelligent, responsible debate on this subject will serve this Congress and our country well, in these days when such "tradeoffs" are becoming increasingly important.

We must decide, sooner or later, whether we intend to sacrifice everything of value on the altar of "energy crisis" emotionalism, or whether we shall resolve instead to make the most intelligent possible use of our great but limited natural resources.

The Wild and Scenic Rivers Act was written to encourage such thoughtful consideration and to save a few special rivers from nearsighted exploitation.

The bill before this House today proposes that we take time to make just such an intelligent choice in deciding the fate of the New River, an enormous treasure of history and natural beauty, and the fate of the fertile land on its banks that has yielded so many bounteous harvests and has so many more still sleeping in its soil.

Mr. Speaker, I first came to this House of Representatives 6 years ago, full of the same idealism and illusions that most freshmen Congressmen harbor in their early days of service.

Now 6 years later, my service here is nearly at an end. The illusions of the past have given way to the sometimes harsh reality of the way things in our profession actually work, and I have learned firsthand that in politics, we live by the sword and die by it.

But I still hold fast to the ideal that in our tedious frustrating, tortuous way, we in this House somehow respond to the people's will and usually follow it.

Joseph Keppler, a famous political cartoonist of the last century, portrayed the Senate in his most famous work as being presided over by huge trusts and monopolists with a wide entrance in the rear of the Senate Chamber to accommodate them, and with a legend overhead reading: "This is the Senate of the Monopolists, by the Monopolists, and for the Monopolists."

The people's entrance was bolted and padlocked, the galleries empty.

The "monopolists" of the present day—an unlikely alliance of power utilities and labor unions—have arrayed themselves in this House against the simple legislation I have proposed, and they have brought the immense pressure of their wealth and power to bear on the Members of this House to secure this bill's defeat.

A vast and uncaring bureaucracy in the Federal Power Commission, charged by the Congress only with the insurance of power production and not with the unbridled license to condemn and destroy a priceless treasure of nature and humanity, has in its arrogance given this Congress an ultimatum to act now or see the New River perish.

Three thousand simple people who lack the great wealth of the new monopolists, whose voice was never heard by the Federal Power Commission, and whose fate hangs so perilously in the balance, are petitioning this House—this people's House—to hear them at last, and to speak for them, and to save them, their valley, their river, their way of life from senseless destruction.

I have worked toward this goal ever since I came to the Congress 6 years ago, first calling my colleagues' attention to this case in February of 1969, and in so many speeches since that time.

This is the last major effort I will make before I leave in just a few days—the last of so many battles I will have fought in this Chamber with adversaries who are also my friends.

In your hands is the decision now of whether my people, will have the victory of reason we have fought for so long, or whether that great ideal of popular sovereignty will prove to be the final, shattered illusion.

I ask your support for S. 2439, for the study and possible salvation of the New River.

I would also like to call the attention of my colleagues to the letter of endorsement for this scenic river study bill today and, of course, most of us know that he is the Energy Chief for the President and he is in favor of this scenic river study and recommends that it be done before any other action is taken involving the New River.

The letter is as follows:

Office of the Secretary,
Washington, D.C., December 17, 1974.

Hon. James A. Haley,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Committee on Interior and Insular Affairs has acted wisely, in my judgment, to report favorably S. 2439, authorizing a two-year study of the New River in North Carolina and Virginia as a potential component of the National Wild and Scenic Rivers System.

This bill, already passed by the Senate, has attracted considerable comment in recent weeks. I am, of course, pleased that the House will now have an opportunity to decide the issue on its merits. This Department continues to believe that enactment of S. 2439 will contribute to sound resource management. The question of whether or not to build the Blue Ridge project, and, thus, to destroy the free-flowing character of the New River, is not now before the Congress. Only inaction, or defeat of S. 2439, will result in an irreversible course of action.

Rather, enactment of S. 2439 would allow a thorough assessment of all resource values, not heretofore undertaken, before a final decision is made. We have an obligation to proceed in this manner and to meet the Nation's energy needs in a way that recognizes the value of other resources, and their contribution to the quality of our lives. A balance must be struck, but only after the costs of each alternative have been identified. I cannot now say that the peaking power to be generated by the Blue Ridge project justifies proceeding with that project before we know its true cost.

Accordingly, I recommend enactment of S. 2439.

Sincerely yours,

Rog Morton,
Secretary of the Interior.

So I plead with this House to support this legislation today.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the ranking member of the committee, the gentleman from California (Mr. Hosmer).

Mr. HOSMER. Mr. Speaker, I do not rise in praise of the power company that has just been referred to, but I sure do rise in praise of the power that this country needs, needs badly, and is at the present time very short of, and will be much shorter of as time goes on.

All I want to say in that connection is that this pusillanimous letter of December 17 that was referred to by the gentleman from Kansas (Mr. Skubitz) and the gentleman from North Carolina (Mr. Taylor) and written by the Secretary of the Interior (Mr. Morton) is certainly evidence, in a figurative sense, that somebody is fiddling while Rome burns.

Furthermore, it is a statement by one official, totally in conflict with another, because there has been no rescission of the letter by Mr. Sawhill, the Energy Administrator, that says this bill for New River is no good.

Furthermore, there has been no rescission by the Federal Power Commission that also says this is no good and the dams should be built.

As a matter of fact, this issue has been studied for 9 long years by the Federal Power Commission. It has been studied every way, up side down, environmentally, energetically, and every other way. The opinion of the FPC is that it ought to be built. They believe there is a need for this power. If we do not allow this project to be built, FPC's finding is that it will be more costly to our Nation than if we do let it be built. That is why we ought to go ahead with it, and this misguided bill should be peremptorily rejected.

Let me say that these 38,000 acres or 42,000 acres, or whatever number of acres it is, the gentlemen who already discussed it cannot agree, that might go out of use here, is a cost—yes. But, what will it cost if we do not put those acres out of use and do not build this dam?

Let us face the cost equations in this decision here. I will tell the Members what they are.

If the decision is not made now to defeat this bill, there will be 1,200 men who will not have a job for 2 years, or maybe the whole life of the project's construction—1,200 more men out of jobs in a period of unemployment. Twelve hundred more men who will not be working—who will not be feeding their families. There is a payroll of $120 million over 5 or 6 years that will not be paid.

That is what the dollar cost of passing this bill would be.

The next cost it would impose, because this is peaking power at issue, power used at a time of day when the demand for power is the heaviest of all, and therefore most costly to produce, will also be a heavy dollar drain to every home that uses light bulbs powered by electricity.

These homes will not get cheap hydropower. They will not get power from domestic kinetic energy from the falling waters of the river. They will have to get it from imported petroleum burned in turbines of the peak power electric generators.

To do that, we are going to have to burn oil from the Mideast and pay $11, $12, $13, or whatever amount of money per barrel that the Arabs want to charge us for it. And, we are going to further wreck our domestic economy and balance of payment situation in order to do pay that tribute.

Mr. Speaker, I urge that the bill be defeated, and that it be defeated soundly.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, two letters have been passed out extensively to some of the Members. One is from the Federal Energy Administration, and says in part:

> Although we at FEA have not studied the environmental impact of the project, we understand from the FPC news release that—

They say they have not even read the environmental impact statement, but that they rely on a news release. And it is not a release from EPA, it is an FPC release.

The other is a letter signed by Secretary Morton strongly recommending enactment of this legislation which says:

> U.S. DEPARTMENT OF INTERIOR,
> *Washington, D.C., December 17, 1974.*
>
> Hon. JAMES A. HALEY,
> *Chairman, Committee on Interior and Insular Affairs, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: The Committee on Interior and Insular Affairs has acted wisely, in my judgment, to report favorably S. 2439, authorizing a two-year study of the New River in North Carolina and Virginia as a potential component of the National Wild and Scenic Rivers System.
>
> This bill, already passed by the Senate, has attracted considerable comment in recent weeks. I am, of course, pleased that the House will now have an opportunity to decide the issue on its merits. This Department continues to believe that enactment of S. 2439 will contribute to sound resource management. The question of whether or not to build the Blue Ridge project, and, thus, to destroy the free-flowing character of the New River, is not now before the Congress. Only inaction, or defeat of S. 2439, will result in an irreversible course of action.
>
> Rather, enactment of S. 2439 would allow a thorough assessment of all resource values, not heretofore undertaken, before a final decision is made. We have an obligation to proceed in this manner and to meet the Nation's energy needs in a way that recognizes the value of other resources, and their contribution to the quality of our lives. A balance must be struck, but only after the costs of each alternative have been identified. I cannot say that the peaking power to be generated by the Blue Ridge project justifies proceeding with that project before we know its true cost.
>
> Accordingly, I recommend enactment of S. 2439.
>
> Sincerely yours,
>
> ROG MORTON,
> *Secretary of the Interior.*

This is the President's Chairman of the Energy Resources Council. This is the man that the President has appointed as his chief energy adviser speaking.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Speaker, I rise in support of S. 2439.

Mr. Speaker, I strongly urge that the House suspend the rules and pass this bill, S. 2439, to permit a study of North Carolina's New River for inclusion as a part of the Wild and Scenic Rivers system.

There are plenty of rivers in this country that deserve serious consideration for wild and scenic rivers designation. The ancient New River is among them. This is critically urgent legislation. If the 93d Congress does not act affirmatively, the New River will be lost irreversibly. In January, construction will begin on a dam that will flood the river valley. It is now, or never.

The New River—in spite of its name—is the second oldest river in the world, second only to the Nile. We think of geography in static terms of today's map, and forget that mountains rise and fall, rivers are born and die, that whole continents move about the Earth's face. Ancient glaciers once covered whole States which now cast a majority of the electoral votes. Chances are they will again. But, the New River beat the system, outlived three Ice Ages and has flowed through three mountain chains that have risen and crumbled about it. Geologically, this is an amazing river. In anthropological terms, this river, in its setting, may be likened into a community of Neanderthal men living in Georgetown—and the last time I was in Georgetown I thought that perhaps that, too, had come to pass in our day.

There are many impassioned points to be made on both sides. To the power utilities across the country this bill is far more important as a symbolic test of faith then is warranted by its actual significance as an energy producer. Listen to this: It will save Appalachian Power Co. roughly 2 to 3 percent of their coal consumption by replacing one of their older, least-efficient coal-fired steamplants currently used only at peak periods. Yet, they do have an alternative—which cannot be said for the ancient New River: They could instead build a modern coal-fired steamplant to replace the obsolete plant and—get this—could thereby realize the same savings in coal consumption and environmental benefits by virtue of greater efficiency.

That option would also provide the jobs coveted by the labor unions—but without sacrificing the farm jobs in the New River valley. The only catch to that is that it would mean $3 million a year less profit to the company. While that is a significant consideration, it does not balance against the tradeoff in the loss of $13.5 million in agricultural production in the area the dams would flood. So I say to you: When the cost-to-benefit ratio favors a dam, then let us permit and encourage building the dam. When it favors the free-flowing river and farmland, let us protect that.

This pumped storage facility is expected to have a useful life of 30 to 40 years. That, too, is a poor tradeoff for so ancient and venerable a river. History's judgment will favor passage of this bill. We must not—like Essau of the Old Testament—sell this priceless natural birthright for such a small "mess of wattage."

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield to the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Speaker, should the New River bill be enacted, a 70-mile stretch of the New River would be available to and benefit only a relatively small group of people. Should the bill be defeated, recreational facilities and other benefits will be made available that will be enjoyed by millions of people.

According to the Federal Power Commission, in its order issued June 14, 1974:

> In our judgment, the Blue Ridge project would contribute much more than it would take away.

The sole purpose of the New River bill, which would provide a study of a segment of the New River for possible designation as a unit of the Wild and Scenic Rivers System, is to block construction of the Blue Ridge project.

Several parties to the Blue Ridge project proceedings object to this action.

The administrator of the Federal Energy Administration wrote in part:

> We found that there is need for additional power supplies in the area affected. Even the completed Blue Ridge project will not meet the power requirements of the region, but 1.8-million kilowatts would be a very significant addition . . . the FPC concluded that the project would markedly enhance the recreational potential of a portion of Appalachia. The Commission also found that the environmental consequences would be both profound and, on balance, beneficial. Accordingly, we oppose passage of S. 2439 with its inherent delays in completion of the Blue Ridge project. We are concerned with energy shortages and are committed, through project independence, to seek new and increased domestic sources of energy supplies. We do not believe that passage of S. 2439 would be consistent with our national goal of energy independence.

It is interesting that while opposition to the Blue Ridge project comes almost exclusively from North Carolina, Blue Ridge, is, in fact, a Virginia project—with North Carolina's involvement being relatively limited.

For example, the Blue Ridge powerhouses, all of its transmission facilities and two-thirds of the project reservoirs will be located in Virginia. Furthermore, 39 miles of the 45 miles of main stem New River affected by S. 2439 are in Virginia.

Virginia's entire congressional delegation, its Governor, and its attorney general strongly oppose this bill and support the Blue Ridge project.

The attorney general has pointed to "the very real need" for the power which Blue Ridge will produce, and has also described the stretch of New River being considered as "not satisfying the express requirements" of the Wild and Scenic Rivers Act.

West Virginia, into which the New River flows, also opposes S. 2439 and supports Blue Ridge. The State's attorney general has said that he opposes the bill because the legislation would block construction of the Blue Ridge project. He said that—

> The Blue Ridge project is important to West Virginia because the Appalachian Power Company, which has been trying to build it for the last ten years, is one of the principal suppliers of electricity to the State.

He also said that almost one-half of the generating capacity of the American electric power system of which Appalachian is a part, is located in West Virginia. "This means that a major portion of the pumping energy for the Blue Ridge project will be supplied by West Virginia plants utilizing West Virginia coal, mined by West Virginia miners."

Additional opposition to S. 2439 comes from the commissioners of Ashe County, N.C., one of the three counties directly affected by both S. 2439 and the Blue Ridge project. It must be noted that the commissioners also oppose Blue Ridge, but their unanimous stand against S. 2439 is evidence that S. 2439 would be much more unfavorable to the best interests of the county than the construction of the Blue Ridge project.

This bill has also been opposed by the AFL–CIO, the National Association of General Contractors, the National Association of Electric Companies, the U.S. Chamber of Commerce, the National Association of Manufacturers, as well as many concerned citizens in the area affected by this legislation.

With this major opposition to S. 2439 from states, agencies, a local government, and others, all intimately affected by S. 2439 and Blue Ridge, it becomes quite clear that this bill should be defeated.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in opposition to S. 2439, the New River bill. Although on the surface this bill would provide for a study of a segment of the New River for possible inclusion as a component of the Wild and Scenic Rivers System, the real and underlying purpose of this bill is to block construction of the Blue Ridge project, a hydroelectric pumped storage facility to provide much needed electricity.

The Federal Power Commission is the expert Federal agency in this matter. It was created in 1920 by Congress, which designated it as the Federal agency to encourage the private development of the Nation's water and power resources. It has acted in this stead for the past 54 years.

At no time in these 54 years has there been greater need for private development of the Nation's water and power resources.

In line with that conclusion, the FPC issued a license for the Blue Ridge project on June 14, 1974. With respect to power benefits, the FPC said that:

> The need for Blue Ridge power has been abundantly displayed in this record, Blue Ridge is essential for reliability and is needed by the American Electric Power system to meet its projected load growth. A review of the evidence of record makes clear that all of the power Blue Ridge can produce will fall far short of meeting the peaking demands of the American Electric Power system in the early 1980s—Appalachian has not exaggerated the need. The East Central Region of the United States—will require many times the output of the Blue Ridge Project if the needs of the 1980s and later years are to be satisfied.

The Federal Power Commission reached the decision to issue the license, which the company has now accepted, after a 9-year proceeding, nearly 8,000 pages—exactly 7,709 pages—of sworn, expert testimony and almost 300 technical exhibits, all of which were subject to cross-examination.

Contrast this with the experience of the New River bill, which has as its main objective the killing of the Blue Ridge project. The bill received a one-half day hearing before the Subcommittee on Public Lands of the Senate Interior Committee with only the subcommittee chairman present, and a 1-day hearing before the Subcommittee on Parks and Recreation of the House Interior Committee. These were hearings involving the unsworn testimony of nonexperts.

The House committee and subcommittee discussions of this bill centered around highly technical and complex matters such as the generating and pumping capability of the Blue Ridge project, the nature of its peaking function, the source of its pumping energy, and whether or not it is an efficient source of peaking capacity. Congress brought the Federal Power Commission into being for the sole purpose of providing expert judgment in such matters. To overrule the unanimous expert judgment on the basis of hasty consideration of emotional, unsworn, nonexpert testimony would constitute a travesty of our governmental process.

On October 7, the State of North Carolina and its Ashe and Alleghany Counties petitioned for judicial review of the FPC's order granting a license to the U.S. Court of Appeals for the District of Columbia. This is the proper procedure for the opponents of the Blue Ridge to follow. The New River bill is not. It would be wrong, very wrong in this case, for legislation to be passed which affects this pending litigation.

This project has been studied to death and there is no truth to the argument that a further study is harmless. It would be a tremendous waste of money and would most assuredly block the construction of a much needed power project.

After considering these facts, I can only hope that my colleagues will vote against the New River bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Virginia (Mr. WAMPLER) mentioned that there are two dams on this river, but I would like to point out that one is 10 feet high and the other is 12 feet high. The second one has not been maintained or utilized for 20 years.

He also mentioned that there were several bridges on the river. As a matter of fact, in this entire section we have only 6 primary highways and 11 secondary roads crossing this river in a distance of 180 miles. The other roads crossing the river are mainly driveways, which are not incompatible with the scenic rivers aspect. The fact is, there are bridges crossing some places on every existing component of the wild and scenic rivers system. If we required complete purity so that no rivers would qualify if they were crossed by bridges, then we would have no scenic rivers.

The SPEAKER. The time of the gentleman from North Carolina (Mr. TAYLOR) has expired.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have one additional statement to make.

The Environmental Protection Agency has not approved this project. They found serious adverse environmental effects, and they recommended a more thorough study of this matter on all sides.

Mr. SEIBERLING. Mr. Speaker, a lot of claims have been made for the project that would be affected by this bill. I think it is very important to set the facts straight, particularly with respect to providing employment and meeting our energy needs.

The proposed dam, which would be started next month unless this bill is passed, would be a net consumer of energy. It would consume, to be specific, 3 units of energy for every 2 units produced, and that is because it is a pumped storage reservoir project. So while it has been referred to as a "peaking power" project, from the standpoint of solving the nation's energy needs it is really a "peekaboo" project, one that consumes more power than it generates.

The other aspect of this proposition is that while it will produce about 1,500 temporary jobs during the time the dam is being built, it will displace between 3,000 and 5,000 farm residents and will cause a loss of $13.5 million a year in farm revenues in order to save the power company $6.5 million a year.

Mr. Speaker, I submit that the power project that would be affected by this bill is utterly without merit from every point of view except the profit of the power company. Certainly there is no reason why it should not be postponed for 2 years while we look into it and see whether this irreplaceable asset, the New River, should be saved.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I rise in opposition to S. 2439, a bill which would designate the New River as a potential segment of the National Wild and Scenic River System. Serious arguments have been presented on both sides of this issue. Our job is to evaluate the merit of these arguments and to determine the highest priority of uses for this river and its surrounding land.

Let me outline what I believe to be compelling reasons for permitting the construction of flood control and hydroelectric power facilities on this river. Obviously, construction of such facilities will prevent the river from being included in the Wild and Scenic River System. It will not, however, destroy significant portions of the scenic value of the river. Plans for construction of the project on the New River are virtually complete. Therefore, if the Congress does not enact the proposed bill, S. 2439, plans can proceed and maximum benefits can be reaped from the area.

After careful review, the Federal Power Commission has unanimously affirmed that the Blue Ridge project is critically needed for the maintenance of power supplies in the east-central United States. In evaluating the effects of the project on the surrounding environment, the FPC determined that the benefits outweigh the detriments. Finally, the FPC suggests that the project will create one of the principal recreation areas in the eastern United States, a portion of our country which lacks national recreational areas.

We are still in an energy crunch. It is true that the crisis we experienced last winter has subsided to a degree. However, the uses of energy, and in particular electricity, have not significantly decreased. We must, therefore, plan for our future electrical needs. The Blue Ridge project would produce 1,800,000 kilowatts of power when operating at full capacity.

In its report which accompanied the license to construct the project, the Commission stated:

> The need for Blue Ridge power has been abundantly displayed . . . and the pressing quality of the national need for reliable electrical power cannot be seriously doubted. This Commission is by law responsible for meeting the need. Indeed, we are charged by the Federal Power Act with assuring not merely a "reliable" supply, but "an abundant supply of electric energy throughout the United States."

Sizable flood control benefits are to be included in the project. Of the 440,000 acre-feet of "live" storage, in the lower reservoir, 160,000 acre-feet would be reserved for flood control storage. This storage would be reserved to prevent floods on the 146 miles of the New River between the project and the Bluestone Dam at Hinton, W. Va.

A third major benefit of the project consists of storage capacity for the purpose of maintaining even flows. A portion of the storage water will be reserved for augmenting the flow of the river below the Bluestone Dam to its recreational optimum, and at Radford, Va., to make the river flow more reliable.

A fourth benefit is in the form of recreation. As the Federal Power Commission found:

> A recreation area of sizable proportions and great attractiveness would be created—an area much needed in the eastern portion of the United States.

Annual recreational benefits to the area would increase because of the two lakes. The licensee would have to spend at least $3,000,000, for recreational facilities, including land for two State parks, overlooks at each dam, bank fishing facilities, canoe portages, and at least 30 public access points on the two lakes. This would help the local economy and provide additional employment.

The local construction of the project would involve payroll expenditures in the region of over $120,000,000, extending over a period of 5 to 6 years.

Finally, large amounts of additional taxes would be paid by the electric company on the dams, powerhouses, and land used for the lakes.

If S. 2439 is passed, all these benefits would be lost. I urge my colleagues to defeat this measure to insure maximum use of this important area.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 30 seconds to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Speaker, I would like to suggest that the members of the Committee on Interior and Insular Affairs have spent many months comparing this project to others considered much the better projects.

In Idaho, for example, we could generate 24 times more electricity than this New River installation and inundate only very few acres, compared to the 40,000 acres being inundated here. This is a wasteful and an inefficient project, compared to the Middle Snake River project.

Mr. Speaker, this is the least efficient and most objectionable hydroelectric project in America. I urge you reject it and pass the bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I strongly support the bill (S. 2439).

After 100 million years of life as a free flowing river, the New River faces death in 2 weeks if we fail to pass this bill. If we fail to pass this bill, the death sentence on the New River is irreversible and irrevocable, and you are condemning the New River for all time.

Kill the New River? In my area that is like saying, "Dynamite the pyramids." That is exactly what the reaction is. And I am convinced this is the feeling throughout the Nation.

People have talked about how labor stands and about how many jobs this will produce. The rank and file union members all over this Nation are in favor of this bill. Arnold Miller, the president of UMWA, is in favor of this bill.

Just because a couple of labor lobbyists are trying to tell us that it is going to produce some temporary jobs does not mean the rank-and-file supports the pump-storage dams. Four hundred people turned out last Sunday at Stone Cliff Beach near Thurmond on the New River in the rain and the sleet, including union men, coal miners, housewives, and students. All of them want to save this river, which will be destroyed if we do not pass this bill. They talk about jobs being lost if we save the New River. That is like saying you make jobs by driving your car into a telegraph pole, which would mean jobs for fender repair men, electricians, telephone men and maybe doctors and nurses.

The New River is a great river which cascades northward through gorges and canyons, transecting every ridge of the Allegheny Mountains, and roaring through some of the wildest whitewater of the East.

By not passing this bill we would be destroying jobs of those farmers in North Carolina who would have 40,000 acres of their land flooded. We would be destroying the jobs of those who operate Whitewater Expeditions, Inc., led by Jon Dragan along the whitewater of the river, and all those who work in the tourist industries and related occupations.

A great deal has been taken away from my State through ripping up and scarring the land. We have made our contribution in 20,000 West Virginia coal miners killed since 1897, and over 300,000 coal miners injured since 1930.

Now let us keep our New River, and do not give it over to the power company.

Mr. Speaker, I strongly urge support for this bill, S. 2439.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I rise in opposition to this measure.

The Appalachian Power Co. generates the electricity used in my hometown of Kingsport, Tenn., the only city in Tennessee not served by TVA.

They say, and I believe, that if this dam is not constructed, there will be a great shortage of power, and the people will suffer more than they have suffered in the past. The dam is absolutely necessary as an energy source for the company, which is going to build this dam with private enterprise dollars, costing some $500 million, with no cost to the taxpayers.

I live in an area in which my district has five TVA lakes, and a river dam to form a lake is not a detriment; it is a definite advantage.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. MADDEN), the chairman of the Committee on Rules.

Mr. MADDEN. Mr. Speaker, I am very much in favor of this legislation to protect New River in North Carolina.

At our Rules Committee hearings last week, the Senator from North Carolina (Mr. ERVIN) testified in behalf of this legislation. I would just like to read a paragraph. The bill passed the Senate by a vote of almost 3 to 1.

This quote comes from Senator ERVIN:

> S. 2439 represents a reasonable request that a 2-year study of the New River be conducted by the Secretary of the Interior (who strongly endorses the legislation) to determine the feasibility of recommending to Congress whether it should be placed in the National Wild and Scenic Rivers System.
>
> Surely, you could have no objection to the study. Final disposition of the matter must ultimately be made by the Congress, and armed with an objective study most certainly will give proper guidance in making such a decision.

Those are the words of Senator SAM ERVIN.

All environmental, wildlife, outdoor, Isaac Walton, United Mine Workers, and Auto Workers are supporting New River.

The SPEAKER. The time of the gentleman has expired.

Mr. STEIGER of Arizona. Mr. Speaker, I yield myself the remaining 2 minutes.

Mr. Speaker and my friends, I simply want to advise those that have been told here this afternoon, and for those who will read the RECORD so avidly tomorrow, as I know most of you will, that the gentleman from Ohio, Mr. WAYNE HAYS, is angry at the power company for cutting down his trees, and so we should vote for this bill. You have also been told by the gentleman from West Virginia (Mr. HECHLER), that the folks in his State will be distraught at not being able to romp alongside the 100-million-year-old river. I want to advise the gentleman from West Virginia (Mr. HECHLER) that the river will continue to flow in West Virginia, and his folks will be able to romp alongside this river.

The basic problem with this legislation is not whether the American Power Co. pleases the gentleman from Ohio, Mr. WAYNE HAYS, or not, but the fact is the bill itself is a prostitution of a very valuable and valid legislative device, and that is the Wild and Scenic Rivers Act.

This bill is not meant as a study of the wild and scenic rivers to determine if the New River should be a part of the Wild and Scenic Rivers System; this bill is a device to block construction of a dam. If the people did not want the dam they could have come in here and said, "We want a moratorium on this; we do not want a dam," and we could have debated the merits of the legislation.

But this river does not qualify as a wild and scenic river. This river has 2 dams and 47 bridges in it already, so it does not qualify. The delay is for the purpose of avoiding licensing by the Federal Power Commission, which has had 9 years to examine the matter. The matter will be resolved in court, and properly so, and upon the facts and the merits, and not upon the rhetoric of the gentleman from Ohio and his feelings about the power company—that will not be involved.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 30 seconds to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I rise in strong support of this bill.

The positive features of including the New River in the Wild and Scenic Rivers System far outweigh all benefits that can be claimed for the power project. This seems to me clear beyond any argument. But we do not have to go that far here today; we do not need to make that determination. All we need to say today is that we should have a 2-year study before we answer that question.

How on Earth anyone can object to this, especially when we consider the irreversibility of our action if we do not pass this bill, escapes me—a 2-year study balanced against losing forever the chance of preserving this beautiful river "forever" is a long time. To destroy this river for a power project of reasonably short duration—it would be phased out at the end of this century—without the benefit of the 2-year study just does not make sense.

This is not one of the ordinary, almost daily arguments between environmentalists and power companies.

For one thing, this river is unique. It is the second oldest river in the world—after the Nile—and is the oldest free flowing river in the world. Somehow it escaped the consequences of the glacial age. It is the last unpolluted river in the east.

Second, the Blue Ridge power project makes absolutely no overall economic sense. It would flood 40,000 acres, 29,000 of which are cultivated or in permanent pasture. The land lost to farming produced raw agricultural products with a value of $13½ million in 1973. On the other hand, the Federal Power Commission impact statement places the annual benefit from the power project at $6.7 million, including "recreational benefits." Incidentally, the talk of recreational benefits is largely buncombe: The recreational benefits would have to be built around mudflats, which would require large expenditures.

The power created by this project would not be primarily for job-creating industrial use. The project's purpose is for "peak power," which means it is largely weekend energy used for air-conditioners. It is not basically energy for industry and essential needs; it is for consumer indulgence. For this, it would force 3,000 to 5,000 people to move from the land which has belonged to most of these people for seven generations. They have lived peaceful and productive lives, and have the right to be secure in their homes against Federal bureaucratic arrogance and thoughtless power company action for the short-term convenience and comforts of a few.

I especially want to congratulate Congressman WILMER MIZELL and ROY TAYLOR for their valiant efforts on behalf of this bill. Their efforts deserve our support. This bill should receive a resounding, overwhelming vote.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, a good deal has been said here regarding jobs. The best I can find out from an investigator is that there will be 1,500 jobs during the construction period, and that period will last for 8 years, and that many of the jobs may be of short duration and seasonal. There will be very few jobs available after the construction has been completed, because this project will be automated. There will be 414 farms inundated. Figuring two workers to a farm, it is easy to figure the loss of jobs there.

There has been some lobbying by the union against this bill. They say that a union contractor will be used. But that is no basis on which to judge the fate of this river, and the fate of this legislation.

The SPEAKER. The Chair will state that the gentleman from North Carolina has 1 minute remaining.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I am not sure at this late hour that with those present any votes are going to be changed, but I just want to make one point. Perhaps it has already been made.

I sat through the endless hearings of the Committee on the Interior. I guess we have been lobbied by people from North Carolina and West Virginia and Virginia and all of the States involved. What it all comes down to is that there are decisions which are revocable, and there are decisions which are irrevocable, and if tonight we fail to pass this bill by two-thirds, the bell has tolled on the New River. It is gone. The jobs are gone. The farms are gone. The land is gone.

If we go the other route and have the study, we still have a chance to make a decision the other way down the path somewhere, so I think the Members from North Carolina have made their case for this sensible, reasonable delay, and I strongly hope that tonight the House will do the reasonable thing, the fair thing, and the sensible thing, and pass this bill.

The SPEAKER. The time of the gentleman has expired. All time has expired.

The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the Senate bill (S. 2439), as amended.

Mr. STEIGER of Arizona. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONFERENCE REPORT ON S. 3934, FEDERAL-AID HIGHWAY AMENDMENTS OF 1974

Mr. WRIGHT. Mr. Speaker, I call up the conference report on the Senate bill (S. 3934) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

POINT OF ORDER

Mr. KOCH. Mr. Speaker, I wish to raise a point of order.

The SPEAKER. The gentleman will state it.

Mr. KOCH. Mr. Speaker, I raise a point of order, pursuant to rule XXVIII, clause 3, of the House Rules, that the conference report on S. 3934 is not in order because section 106(b) contains an additional proposition not committed to the conference committee by either House and which is, therefore, nongermane.

This provision adds a major exception to the safety provision relating to allowable vehicle weights. The provision would allow States with higher weights on roads other than interstate highways at the time of enactment to permit the heavier weights on interstate highways and to be exempted from the bridge facility formula in section 106(a).

That provision was neither in the House bill nor the Senate bill.

Mr. WRIGHT. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The gentleman from Texas will be heard.

Mr. WRIGHT. Mr. Speaker, I rise in opposition to the point of order made by the gentleman from New York. The language added by the conference committee is well and fully within the scope of the conference. The House, as will be recalled, had no provision whatever concerning size and weights, while the Senate bill did contain such provision. The Senate bill, in effect, provided for certain increases in allowable sizes and weights on the interstate system and at the same time included certain new weight restrictions that could have been interpreted to preclude operation of vehicles that now lawfully can be operated in a State.

Floor debate in the Senate while this provision was under consideration indicates very clearly that it was not the intention of the Senate to prohibit the operation of vehicles that now can be lawfully operated and, therefore, the conference committee had language to make this clear.

Assuming for the sake of argument that the statement of intent on the floor of the Senate is not conclusive, nevertheless the additional language is well within the scope of the conference. The Senate placed limitations that would have made it illegal for certain vehicles to operate. The House did not have any such limitation. Consequently it was within the purview of the conference to reduce or ease the limitation. And that is exactly what the language in question does—no more. The Senate language declared that no vehicles which do not meet all the new qualifications may operate. The House was silent on the matter. The new language merely declares that a few vehicles that otherwise did not qualify may operate. This had the effect of compromising between the "all" in the Senate language and the silence of the House language to arrive at some compromise in the report.

And so, in sum, Mr. Speaker, whether one accepts the floor statements concerning the intent of the Senate or one does not, the language added by the conference report is well within the scope of the matters referred to the conference.

Mr. KOCH. Mr. Speaker, will the Chair hear me further on this?

The SPEAKER. The Chair will hear the gentleman.

Mr. KOCH. Mr. Speaker, the language in the bill related to a maximum of 80,000 pounds. The conference report provides for grandfathering in those States that have weights in excess of that. For example, there is one State that allows 125,000 pounds on other than State roadways in that State. This conference report allows 15 such States with weights in excess of 80,000 pounds to operate on the interstate highways.

That was not, I submit, Mr. Speaker, either in the Senate or in the House bill. It is nongermane and I believe, Mr. Speaker, it is subject to a point of order.

The SPEAKER. The Chair has examined both the existing law and the conference report. The Chair does not see any question of germaneness involved, since the issue was raised in the Senate bill, but the Chair does find that existing law, found in section 127, title 23, highways, United States Code, grandfathered into, or excepted from, the law vehicles allowed by States that had weights different from those contemplated by the remainder of the Federal statute. As the Chair reads the language of the conference report that is exactly what it does here. The Chair has reviewed the language and does not believe that there was any intention on the part of the House or the House conferees in agreeing to this to outlaw or to eliminate the grandfathering provisions in the law. That in itself, it seems to the Chair, does give validity to the argument of the gentleman from Texas that the language contained in the conference report is within the scope of the provisions contained in both versions, since the House amendment in the nature of a substitute, by remaining silent on the subject, had in effect taken the position of existing law which exempted vehicles lawfully operated under State law from the weight and width restrictions in title 23, section 127.

Mr. KOCH. Mr. Speaker, may I pursue the point for 1 more minute?

The SPEAKER. The Chair will hear the gentleman.

Mr. KOCH. Mr. Speaker, personally, as my good friend, the gentleman from Texas says, there are two points that he relies on. One is a dialog in the Senate. Now, a dialog in the Senate does not create statutory language with respect to a conference report. That is No. 1.

Secondly, with respect to grandfathering, while it may well be that there was grandfathering with respect to the original law regarding the lesser weights, what we have here, Mr. Speaker, is legislation which increases the weight from 73,280 pounds to approximately 80,000 pounds and with that statutory language in either House, the additional grandfathering permits trucks now on interstate highways up to 125,000 pounds in some States and barred on those highways, now coming onto those highways, notwithstanding the fact that there is no grandfather clause in either the House bill or the Senate bill.

The SPEAKER. Does the gentleman from Texas have anything further to say?

Mr. WRIGHT. Mr. Speaker, I would suggest that the distinguished gentleman from New York (Mr. Koch) is primarily arguing the merits of the legislation, rather than the admissibility under the rule of the conference committee report.

It is quite clear that the House has no provision whatever. The Senate contained a provision in its bill. The conference report contains a portion of the Senate provision, with modifications.

It seems clear to me that this is well within the scope of the conference report. It is the meaning of the total containment of the Senate bill and the noncontainment of the House bill into a containment of some of what is in the Senate bill.

The SPEAKER. The Chair is of the opinion that this issue is not an issue that goes to a point of order. It is simply an issue that goes to the question of the merits of the case.

The Chair, therefore, overrules the point of order.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1974.)

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 709]

Adams
Addabbo
Alexander
Ashley
Beard
Blackburn
Blatnik
Boland
Bolling
Brasco
Breaux
Broomfield
Brotzman
Brown, Mich.
Broyhill, Va.
Burke, Calif.
Burleson, Tex.
Burton, Phillip
Camp
Carey, N.Y.
Carney, Ohio
Chamberlain
Clancy
Clark
Clay
Cohen
Collier
Conyers
Danielson
Davis, Wis.
Derwinski
Dickinson
Diggs
Dorn
Drinan
Dulski
Esch
Eshleman
Ford
Forsythe
Fraser
Frelinghuysen
Frey
Fulton
Giaimo
Goldwater
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gubser
Hammerschmidt
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Hawkins
Hébert
Heckler, Mass.
Hinshaw
Holifield
Horton
Hosmer
Howard
Jarman
Johnson, Pa.
Jones, N.C.
Karth
Kemp
King
Kyros
Landrum
Litton
Lujan
Luken
McDade
Macdonald
Madigan
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Metcalfe
Mills
Mink
Minshall, Ohio
Moakley
Montgomery
Moorhead, Pa.
Nelsen
O'Hara
O'Neill
Owens
Patman
Pike
Podell
Powell, Ohio
Price, Tex.
Quillen
Rarick
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rousselot
Runnels
Ruppe
Sandman
Scherle
Shipley
Sikes
Staggers
Stanton, J. William
Steele
Steelman
Steiger, Wis.
Stuckey
Teague
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Whitehurst
Wilson, Charles H., Calif.
Wyatt
Wyman
Young, Alaska
Young, Ga.
Zwach

The SPEAKER. On this rollcall, 301 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL-AID HIGHWAY AMENDMENTS OF 1974

The SPEAKER. The gentleman from Texas is recognized.

Mr. WRIGHT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Committee on Public Works brings us the conference report on the bill (S. 3934), the Federal-Aid Highway Act Amendments of 1974.

This bill is a fair and equitable meeting of the minds between the conferees of the two bodies.

The bill contains a provision in the conference report to continue the 55-mile-per-hour speed limit indefinitely. A similar provision was contained in each bill.

A second provision would require State

certification of enforcement of the 55-mile-per-hour speed limit which was contained in the House bill and enforcement of State laws respecting vehicle sizes and weights, which was contained in the bill from the other body, marrying the two provisions into one.

A third provision would extend for 1 year the authority to make grants for demonstration car-pooling programs, and the bill also contains a modest but very important increase in the authorizations for the rural primary and secondary systems for fiscal year 1976 and establishes two categorical programs which provide for improvement of highways off the Federal aid systems.

It was this latter provision that the House conferees were instructed to uphold. The conferees did uphold this provision in the House bill, and the Senate conferees yielded and agreed to the House position.

The conference report also contains a provision for the construction of access roads to public recreation areas on Federal lakes.

In addition, the report contains amendments to the Highway Beautification Act and continuing authorizations for the basic beautification programs.

The conference report does not go quite so far as the House bill would have gone in that regard. In order to gain agreement from the other body, we agreed to delete those references to signs and boards in the House-passed version which would have given a greater latitude for directional and informational signing. But that beautification portion of the bill does contain the two provisions recognized by both bodies to be clearly needed as amendments and modifications to the Highway Beautification Act—one extending controls beyond the arbitrary 660 feet in present law and one removing an inadvertent hiatus in dates for Federal participation in compensation for billboards removed under the law.

The conference report also contains a provision permitting States to increase allowable weights of vehicles operating on the Interstate System.

Further, it contains a provision permitting the donation of real property for highway projects within the requirement of an appraisal.

While not a comprehensive measure, this conference report does respond to some of the issues raised by the energy crisis and various other issues which require immediate attention.

It is hoped that the conference has produced a bill which will be expeditiously approved by the House.

Mr. Speaker, for these reasons, I strongly urge my colleagues to vote for this important measure and to adopt this conference committee report, which already has been adopted in the other body, in order that these authorizations so badly needed may be made prior to December 31 of this current calendar year.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Yes, I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman recalls, of course, that the House, by a very substantial vote, defeated the increase in truck weights and lengths. Is it my understanding that the conferees retreated from the House position or retreated part-way or just what was done under pressure?

Mr. WRIGHT. Mr. Speaker, I will answer the gentleman from Ohio by saying that we met the Senate part way.

As the gentleman from Ohio will recall, an earlier bill brought before the House dealing primarily with mass transportation, contained an allowable increase up to 90,000 pounds for truckloads.

The SPEAKER. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Speaker, I yield myself an additional 3 minutes.

Mr. WALDIE. Mr Speaker, a point of order. I make the point of order that a quorum is not present.

Mr. HAYS. Mr. Speaker, would the gentleman from California withhold his point of order until I receive an answer to my question?

Mr. WALDIE. Yes, I will withhold my point of order.

The SPEAKER. Is the gentleman from California making a point of order that a quorum is not present?

Mr. WALDIE. Mr. Speaker, I did, but the gentleman from Ohio has requested that I withhold my point of order of no quorum until the gentleman receives an answer to his question, and I do so withhold my point of order.

Mr. WRIGHT. Mr. Speaker, the House voted for an amendment deleting that provision which would have permitted States at their option to increase allowable weights on the Interstate System to 90,000 pounds if those weights were already allowed in those States on lesser systems.

The conference committee report presently before the House would permit an increase to 80,000 pounds, not quite half way from the present limit of 73,000 pounds on the Interstate System to the proposed limit of 90,000 pounds which the House earlier this year rejected.

So in response to the question asked by he gentleman from Ohio, Mr. HAYS, I think the answer is that we met them part way.

Mr. HAYS. Mr. Speaker, if the gentleman will yield still further. I have a correlary question:

I have been told by some truckers that now under this bill there can be an additional 10,000-pound weight on the steering wheels, the front wheels of these trucks, which they say would make it dangerous for that truck.

Mr. WRIGHT. No. I would respond to the gentleman's question that we have not allowed 10,000 pounds of additional weight on the front axles. The existing limitation on the front axle is 18,000 pounds as a maximum applied by statute; the bill would increase that to 20,000 pounds. There was a proposal encompassed in the Senate bill which would have reduced that existing limitation from 18,000 pounds to 10,000 pounds. The conference committee agreed to make no major change in the present existing statutory limitation—certainly not a change of 10,000 pounds.

Mr. HAYS. Mr. Speaker, I thank the gentleman.

Mr. JAMES V. STANTON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. Mr. Speaker, I would ask the gentleman from Texas if it is not true that the axle weight reported in the bill through the Senate had a provision introduced by a member of that body which would have limited to 10,000 pounds the weight on the front tandem, and it was taken out in conference? In other words, there was a weakening of the Senate position in conference; would that be a correct statement?

Mr. WRIGHT. Mr. Speaker, the gentleman's first statement is precisely correct. There was such a provision contained in the Senate bill. It was taken out in conference.

Mr. JAMES V. STANTON. And the fact of the matter is we are not really concerned so much about safety as to the weight on a particular axle, but the distribution of the 80,000 pound weight overall. And there is reason to believe that the 80,000-pound overall gross weight puts a load upon the steering axle which a number of organizations and people, such as the American Automobile Association, the Teamsters Union, and, in fact some of the governmental agencies that have tested it, find that that weight distribution creates an unsafe factor.

Mr. WRIGHT. Mr. Speaker, I would simply respond to that inquiry by saying that is a debatable point.

I do not pose as a final authority.

The SPEAKER. The time of the gentleman has expired.

Mr. WRIGHT. I yield myself 1 additional minute.

Mr. Speaker, I do not pose as a final authority on that subject, but we have heard testimony from other groups to the effect that this has no substantial effect on safety and, indeed, I would point out to the gentleman that we make no major change in the present law. Under present law administrative sources are charged with the responsibility of administering such regulations as may be necessary to control those weights and the sizes of the tires to produce maximum safety assurances. They still, under the conference report, are charged with that responsibility.

I would say to my friend, the gentleman from Ohio, that I would be glad to yield him some time to discuss this at a later point, if he desires. I do not desire to take additional time at this point, Mr. Speaker, because there are others whom I have promised to allow to be heard. I would simply urge the Members to recognize the totality of the conference report, to recognize the urgency of there being a bill enacted this month, and to vote for the conference report.

Mr. HARSHA. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, I rise in support of the conference report on S. 3934, the Federal-Aid Highway Act Amendments of 1974, though I do so with mixed feelings.

As passed by this body, the bill represents a stripped-down, modest version of a more extensive measure considered by the Committee on Public Works at the time of our deliberations on the combined needs for highways and mass transit. Now it comes before us considerably reduced in significant respects.

Yet, recognizing that this measure does contain some promising initiatives of particular interest to rural constituencies, I find my disappointment over the conference reduction of primary and secondary highway spending some what compensated for by the retention of the off-system road program.

Therefore, I urge Members to accept the conference report while recognizing that a major job will have to be done next year in the way of reevaluating our total highway needs and the financing methods to meet them.

The off-system road program, for which $200 million is authorized to be appropriated for fiscal 1976, is greatly needed in the rural areas in which the funds are to be spent. As a member of the committee of conference, I agree with the statement of managers to the effect that this 1-year program should be limited to reconstruction, upgrading and improvement of highways on existing routes. Parenthetically, I would note that a great deal of the need for increasing primary and secondary highway authorizations falls into this same category.

When I hear the propaganda about highways and highway needs in this body, I sometimes wonder whether the American public and many of my colleagues recognize the fact that only 25 percent of the road mileage in this country is on any Federal-aid system at all. Our States and localities bear a staggering burden in the construction and maintenance of such roads. As to the off-system provision in this conference report, reconstruction and upgrading could be focused on the reconstruction of bridges, and on the elimination of hazardous locations and roadside obstacles.

Funds under this section would be apportioned to States on the basis of relative land area, rural population and road mileage, with the requirement that funds be distributed equitably within any given State. New Hampshire alone would receive $792,000 under this provision.

Another provision arguing for acceptance of the conference report is the authorization of $25 million in fiscal year 1956 for assistance in financing access roads to certain federally-assisted lakes on a 70–30 basis from general revenues.

The Nation has made a considerable investment in projects assisted by the Corps of Engineers, the Tennessee Valley Authority, the Bureau of Reclamation, and the Soil Conservation Service. They can best be put to the multi-purpose use for which they are intended if they can be made more accessible to the public. Representing a district which contains a significant portion of the White Mountain National Forest. I am keenly aware as a matter of principle of the need for assuring that federally assisted improvements are made available to benefit residents of the area in which they are located to the maximum extent possible. The same principle applies here, and would have the effect of making our public investments in water resource projects stretch much further at very little increase in cost.

Mr. Speaker, I could cite other provisions of this conference report, but other Members have done so and still others are likely to before we conclude debate. Therefore, as a conferee, I would only offer the concluding summary statement that this is a greatly reduced bill focused on demonstrated needs and well merits the favorable action by this body. I urge acceptance of the conference report.

Mr. Speaker, in recent days we have been hearing a lot of agitation on the subject of truck weights and have seen efforts to defeat this measure on the basis of the increases provided.

I for one support this conference report as containing a number of worthwhile provisions of unquestioned benefit to my State and others largely dependent on highway transportation. But I want to make clear also that I support the truck-weight increase on its merits.

When this body was debating and amending H.R. 12859, the Public Works Committee's urban mass transit measure, I supported an amendment striking a truck-weight increase to a maximum permissible gross of 90,000 pounds. I considered that excessive and continue to do so. I also reasoned that the mass transit bill was not the proper vehicle for consideration of this question at all. That vote was 252 to 159.

But today, I submit that the proposal before us is an entirely different animal in several respects. First, the maximum would be 80,000 pounds, which represents a significant decrease from the earlier proposal. I have examined the potential impact of such a change on my own State of New Hampshire and find the difference decisive. There are a number of bridges in New Hampshire which can handle weights of up to 80,000 pounds without damage. In this judgment, I have benefited from the advice of John O. Morton, former New Hampshire commissioner of highways who now serves on my office staff as a consultant, and consultations with Robert Whitaker, the incumbent commissioner.

Another new consideration is the fact that at the time of our last floor action on this question, the 55-mile-an-hour speed limit was a temporary emergency conversation measure. Today, in view of not only its energy savings but also its safety impact, we have before us a proposal to make that restriction permanent. What is more, the conference version approved late Tuesday would permit States wishing to do so to set even lower limits. And finally, the conference report puts teeth in through an enforcement provision requiring State certification as to compliance with all State laws respecting maximum vehicle size and weights permitted on all Federal-aid highways, including the Interstate System, and all speed limits on all public highways. The Secretary cannot approve any project under section 106 of title 23 of the United States Code absent such certification.

It may be argued that existing law is not being enforced in some States. There may be validity to claims alleging violations by trucks. But I happen to know that on a recent trip halfway across the country and back one of my staff was impressed by the degree to which the speed laws were being obeyed by passenger vehicles and trucks alike. I don't argue that this is a uniform situation. I merely suggest that Members and constituents aggrieved by such violations as occur direct their complaints to their State law enforcement officials, and their departments of highways or departments of transportation as the case may be. And I further submit that this bill will lend some immediacy to such representations since the States will confront the real prospect of finding themselves deprived of project approvals if unable to certify to compliance.

In summary, Mr. Speaker, I would suggest that we ought to get away from this all-or-nothing, scapegoating style of legislating and recognize that there are legitimate and competing interests in transportation as well as other fields. They should be balanced and compromised in good faith without yielding totally to one side or the other. The truck weight increase provided by this bill is modest, acceptable, and in combination with the enforcement provisions contained in the measure represents a reasonable compromise. I urge Members to reflect on the difference between this proposal and that of August 20 and the entirely changed circumstances under which we confront this proposed increase.

I do not wish to add unduly to the length of this debate. But I would like to invite Members' attention to the fact that early in the next session I intend to reintroduce legislation to increase the financing of research into feasible means of reducing aerodynamic drag of tracks. This will improve energy-conservation in a significant area of highway transportation. And it should reduce greatly the "bow wave" or air blast of large trucks which prove such an annoyance to drivers of passenger vehicles and which also aggravates the problem of spray created by trucks on wet pavement.

But meanwhile, I urge Members not to be swayed by emotional arguments conjuring up visions of law-breaking behemoths so beloved of our editorialists and cartoonists and pass this modest and much needed highway measure.

Mr. Speaker, I could cite other instances in support of the conference report, but other Members have done so, and still other Members would like to do so before we conclude.

In conclusion, Mr. Speaker, if I could have the attention of the gentleman from Ohio (Mr. HAYS), the gentleman from Ohio quite properly reminded this body that we did have a previous vote, he spoke very eloquently at the time we had the vote, and at the time, as the gentleman from Texas has pointed out, the proposed increase was to 90,000 pounds. That part has been covered by the gentleman from Texas (Mr. WRIGHT).

There is one additional point to be made, and I would urge this on the gentleman. At that time the speed limit of 55 miles an hour was temporary. In this legislation it becomes permanent and with enforcement procedures. In view of the fact that we are making that speed limit permanent, it does seem at least fair to accede to some of the requests from the trucking industry that they do be allowed a slightly increased load to make up for the fact that the slower speed, if they abide to the slower speeds, are causing some economic problems.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, let me say to the gentleman I can tolerate a slight increase in weights, not to 90,000 pounds, but the 55-mile-an-hour limit is why I am going to vote against the conference report because I think it is ridiculous, idiotic, and unreal. It is not going to save any gasoline. We import only 16 percent of our gasoline and Germany imports 80 percent and they have no speed limit. Our cars and trucks are made to run economically at 60 miles per hour and I do not know who picked this 55-mile-per-hour limit out of the air. That did it for me. I can take the weight but I am going to vote against the 55-mile-per-hour limit.

Mr. CLEVELAND. We have made at least some progress. The gentleman took at least the weight, if not the speed limit.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Illinois (Mr. KLUCZYNSKI), the chairman of the Subcommittee on Transportation of the Committee on Public Works, such time as he may consume.

Mr. KLUCZYNSKI. Mr. Speaker, I hope this body will see fit to pass the legislation today and prove to this country that we have a legislative process that is in keeping with the mood of the country.

This legislation is in keeping with that mood.

The 55 mile speed limit is going to save lives and energy. We know this and so does the public. The conference report makes this permanent and this is a great step forward for America.

We have retained in the bill that important enforcement provision for the speed limit on all public highways.

The conferees on this bill have returned to the House, as instructed, with the off-system roads provision intact. This is a great provision for rural America.

We accepted a provision from the Senate on transportation for the elderly and handicapped. This again is in keeping with the mood of the country.

The conference report includes a sizes and weights provision from the Senate bill and it also has an enforcement provision tied to it as the speed limit does.

The important thing here is enforcement. I know some of the members have been concerned about enforcement and now we are going to emphasize it.

We have something in here for my environmentalist friends, too. The conference provision provides authorizations for 1976 for billboard control, junkyard control, landscaping and scenic enhancement, and a new separate authorization of $10,000,000 for a bikeways demonstration program.

I think the conference report is an excellent joining of the views of both bodies. We have retained most of the provisions of the House intact. Of course, in the spirit of a good conference we had to concede a few points. Most of them, however, we know we will be examining again next year.

I strongly urge my colleagues to pass this bill today so that as we adjourn the 93d Congress this week, we will go home and be able to tell our people that we have done what they want us to do.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. JAMES V. STANTON), a member of the committee.

Mr. JAMES V. STANTON. Mr. Speaker, the bill which came out of the Public Works Committee, I voted for before it went to conference. I voted for it on the understanding that a reasonable limitation on increase in weights might come through the Senate. I understood that. What I did not understand was that they were going to take the bill in the Senate and reduce the safety factor that had been introduced on the Senate side, by a Member of the Senate, so that these trailers on the weight distribution were now going to be considered unsafe.

It is easy to make that statement and it is hard to prove it. I am not going to stand in the well of this House and in 3 minutes try to justify the fact that I believe the adoption of this legislation will provide unsafe vehicles for the people that have to drive those vehicles, the people who have to run on the highways with those vehicles who are the Teamsters of the United States. They are the lifeblood of the transportation industry. and they are the men that are on the road. They are the ones that know the equipment. I do not know the equipment. They know the equipment. The head of the Teamsters Union tells me and he tells the Congress that those vehicles under this bill as adopted are unsafe. I do not have an engineer here and I do not have testing facilities. I do not have anybody, but I can tell this much.

I am not about to vote for a conference report that was born in the midnight hours under a suspension of the rules on a program that I believe is going to put in jeopardy the men who are driving these vehicles.

Mr. HARSHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is nothing in this bill which is going to put the drivers of these tractor-trailer outfits in jeopardy. The present law says nothing about the 10,000 pounds on the front axle, the weight involved on that front axle. Insofar as the Federal Government is concerned, we are merely putting them back into the same position as they were in prior to the enactment of this legislation.

All of those safety factors that were alluded to by the previous speaker are handled by the National Highway Traffic Safety Administration and by the Bureau of Motor Carriers Safety and those people have the experts and they have their engineers. They regulate the size of the tires that are used on the front end of the tractors and they regulate the types of axles. They make other regulations, and they delve into safety problems.

That is how that safety factor is handled by the bureaus downtown under the administrative process. If that factor exists that the gentleman claims, then the Teamsters are derelict in not presenting their case through the normal procedure. They have an opportunity to be heard on these regulations and that is the place to do it, do it administratively. We have delegated that authority so far as safety factors is concerned to the administration and that is where they should be pleaded.

Let me point out that all States under existing laws and regulations impose single axle weight limitations which range from 18,000 pounds to 24,000 pounds in some cases, double and more than the 10,000 pounds the gentleman is talking about. There are State limitations. There is nothing in the Federal law to impose any limitations. The only limitation is by statute and that is on the tire size. That applies to any vehicle or any combination of vehicles, including the steering axle, so that the provision in the Senate-passed bill which places a 10,000-pound weight limit on the steering axle is completely ineffectual, because these higher single-axle weight limitations, these are 18,000 pounds to 24,000 pounds under State laws and regulations and are grandfathered in. They are grandfathered in to the effect in the existing Federal law, which is not changed by the Senate-passed bill. They did not have any grandfather clause, so that actually the 10,000-pound weight limit on the front axle is ineffectual because the State laws apply and they are grandfathered in.

All States under existing State laws and regulations impose single axle weight limitations which range from 18,000 pounds to 24,000 pounds. These State weight limitations apply to all single axles of any vehicle or combination of vehicles including the steering axle.

The provision in the Senate-passed bill which places a 10,000-pound weight limitation upon the steering axle is therefore completely ineffectual, because these higher single axle weight limitations under State laws and regulations are grandfathered into effect under the provisions of existing Federal law, which is not changed by the Senate-passed bill.

The Senate measure provides that no steering axle shall exceed a weight of 10,000 pounds or such other weight permitted under State law or regulation in effect on July 1, 1956, whichever is the greater. In every instance, State law or regulation in effect on July 1, 1956, permitted steering axle weights of 18,000 pounds or more. The effect of which is to render the 10,000-pound weight limitation in the Senate-passed bill a complete nullity. Therefore, the conference committee by deleting the 10,000-pound steering weight limitation from the Senate-passed bill as in no way affected the actual weight limitation that would be imposed upon steering axles had the provision not been deleted.

In actual practice, steering axle

weights ordinarily vary between 10,000 pounds and 12,500 pounds; though under existing State law and the provisions of the Senate-passed bill, higher weights are legally permitted, it is not practical to obtain higher weights because of vehicle design and loading.

Therefore, the conference committee by deleting the 10,000-pound steering weight limitation in the Senate-passed bill has in no way affected the axle weight limitation that would impose upon steering axles had the provision not been deleted.

When the Senate debated S. 3934, the floor manager of the bill made it clear that the new weight limitation for groups of axles was not intended to prohibit the operation of vehicles on the Interstate System that can now lawfully be operated.

To assure that this intent is clearly expressed in the statute, the conference committee added technical clarifying language to the "grandfather clause" of the existing law. The effect of the clarifying language is to say that the maximum weight of any group of two or more consecutive axles of any vehicles that may lawfully operate upon the Interstate System within a State shall not exceed the weight permitted by:

First, the formula contained in the bill, or

Second, the weight permitted under the laws or regulations of such State in effect on the date of enactment of this act, whichever is the greater.

For example, under the laws of the State of Vermont a combination of vehicles with 4 axles within an overall wheelbase of 34 feet can now lawfully weigh 68,200 pounds. Under the formula in the conference report the maximum weight permitted is 64,500 pounds. The clarifying language added by the conference committee assures that such combinations of vehicles weighing up to 68,200 pounds may continue to operate upon the Interstate System in the State of Vermont.

It is intended that any vehicle or combination of vehicles that can lawfully operate upon the Interstate System on the date of enactment of this act, will not be prevented from continuing to operate upon the Interstate System in that State because of the enactment of this act. Thus, any State law or regulation governing the weights of groups of axles, or any combination of separate State laws or regulations that has the effect of governing the weights of groups of axles, shall continue to control if a higher weight is thereby permitted than that which would be permitted by the formula in the conference report.

Therefore, I see no cause for alarm over this deletion by the conference committee. I think they acted properly.

I yield to the gentleman from Ohio (Mr. James V. Stanton).

Mr. JAMES V. STANTON. Mr. Speaker, the gentleman made a point that the Teamsters' members made their case in court. I submit they made their case in the Senate and it was approved by the Senate originally and taken out of the conference.

The difficulty is not on what axle the 10,000 pounds is on or on the limitation of the 80,000-pound weight. The distribution causes a heavy burden on the fifth wheel, so the driver has less control of the equipment because he has less control of the steering axle.

Mr. HARSHA. Mr. Speaker, but they did not make their case effectively in the Senate because what they did in the Senate has no effect on the grandfather clause.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, the gentleman said the Teamsters made their case. They never had much of a chance to make their case when the conference report is brought in in the middle of the night. When are they going to make their case?

Mr. HARSHA. Mr. Speaker, they have every right to go to the Interstate Commerce Commission and the Committee on Safety.

Mr. HAYS. Those organizations are all under the control of the trucking interests.

Mr. HARSHA. Mr. Speaker, I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, some of the Members of the House seem to be laboring under the misimpression that this conference committee report in some way reduces the present safety regulations and restrictions.

Is it not true that under existing law the board mentioned by the gentleman from Ohio is charged by Congress with the responsibility of making such additional and more restrictive regulations as may be necessary for safety? Is it not true that this bill continues that responsibility?

Let me ask the gentleman one other question which I think the membership ought to recognize. Is it not true that for the first time—for the first time—in this legislation, we have said to the States that they must enforce their extant weight requirements and restrictions in order to qualify for Federal aid?

Mr. HARSHA. There is not any question about the truth of what the gentleman says. In other words, if they do not strictly enforce their rules as to speed and as to maximum weight limitations, they would get no Federal aid for their highways.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield for the purpose of a question?

Mr. HARSHA. I yield to my colleague from Ohio.

Mr. SEIBERLING. Mr. Speaker, is it correct that the Department of Transportation has just contracted for a new study to be made as to the safety and other aspects of increasing truck weights?

Mr. HARSHA. Not to my knowledge. They have already made an extensive and exhaustive study as to the safety of this very provision in this conference report, which is recommended that the House do pass.

Mr. SEIBERLING. Was that not the Bureau of Public Roads, rather than the National Highway Traffic Safety Administration?

Mr. HARSHA. It was the Department of Transportation.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Speaker, I thank the gentleman from Texas for yielding this time to me.

Mr. Speaker, we have a second opportunity to vote this bill down. We should have done it the other day when it first came up because of all the things we are now concerned about. We should have been concerned about them then, but I know why it was so difficult then, and I know why it is so difficult now. I want to help some of the Members overcome those difficulties.

It is difficult because without these particular provisions concerning the gross weight and axle weight, this is a good bill. It has got a lot of money in it for rural areas and it has got a lot of money in it for the urban areas. I find it hard myself to vote against a bill that has millions of dollars which would be helpful to my area, as any Member would in his own area.

Yet, notwithstanding that, I am going to do it, and I urge the Members to do so. They have heard from the gentleman from Ohio (Mr. Stanton), who said that the teamsters, the drivers of these trucks, say it is dangerous to them when they drive these trucks. I am saying it is dangerous to you, to your wives, and to your children, because you and your families are on these same interstate roads. Think of it; the teamsters say that the trucks they are driving are unsafe with the new weights. That is what they told me; that some of those trucks will go off the road when they go around a curve; that they are no longer under their control because of that additional gross weight and additional axle weight, as has already been described by the gentleman from Ohio.

What I am urging the Members to do is not only think of the drivers but also to think even more of their own families, whose lives are in danger—in danger—as a result of increasing these weights.

We can come back at a later time and provide the moneys for the rural areas and provide the moneys for the urban areas that this bill provides and take out these weight provisions.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, the gentleman's point is very well taken. In spite of trucks following all the regulations, when one is driving with his family on an interstate highway and a mammoth truck comes barreling down the road, what will we do about a broken axle then? I certainly regret that the Senate has added this provision to legislation which has good features which are indeed important to the country at this time.

Mr. KOCH. Mr. Speaker, I urge the Members to vote this conference report down.

Mr. WRIGHT. Mr. Speaker, I yield two minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I think before we vote there are one or two things we ought to place in proper perspective.

Recognize this: We are not compromising existing safety in any respect with this conference report. We are doing nothing that compromises that which we already have written in the law.

Remember this: We have a private safety council and we have a safety board over in the Federal Highway Administration. These people have been continually conducting safety tests and studies to determine for themselves whether or not under the mandate of existing law they should recommend and institute under the authority which is theirs something lower in the way of front steering axle loading. They have not concluded at the present time that there should be another restriction on the front steering axle.

It does not take much engineering to understand this. Understand this: We could do what everybody here really wants to do by increasing in a reasonable way the overall axle load. The only thing we have to do to redistribute axle load, and I believe the front axle load, is to change the relative position of the fifth wheel. It is entirely possible that by relocating that fifth wheel the end result would be, if we are to limit the front axle load to whatever somebody desires—and I have as many friends among the teamsters as anybody in this House, and don't forget that—but it could be that we would bring about a situation which would not even let them continue to carry 70,000 pounds gross load. This could be an engineering fact of life.

But, my friends, who is going to say here, the track record having been what it is, that the safety board will not say to the trucking industry, if they come to the conclusion that it is necessary, "You are going to have to redesign your trucks and you are going to have to have a limitation for safety purposes"?

I think we ought to accept this conference report.

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, Akron, Ohio is not only the tire capital of the world, it is also the trucking capital of the world. So it is not easy for me to question a bill which is going to benefit the truck operators, from an economic standpoint. As a matter of fact, during the fuel crisis last winter, I introduced a bill that would have temporarily raised the axle limits and overall weight limits even beyond what is in this bill. But I understand that the National Highway Traffic Safety Administration has just initiated a study of this whole thing, from a safety standpoint, which is different from what the Bureau of Public Roads did, and I do not see how we can in good conscience approve a bill to increase the axle limits without that kind of a report before us so we know what we are doing.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. Yes, I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, I would advise the gentleman that such reports are before us, and several of them have been before us for as long as 5 or 6 years.

In 1956, when the Congress adopted a temporary limitation of 73,000 pounds, as suggested in 1946, 30 years ago, and initiated the interstate program, and applying only to the Interstate System, we recognized we did not know what a proper safety limit ought to be, and in that act we instructed the Bureau of Public Roads to conduct a thorough study. They did so. The study consumed several years, and they spent $27 million on it. The purpose of the study was to ascertain the safety factors of these loadings. They recommended to the Congress that certain limits be applied. The limits we have accepted from the Senate bill are well within the limits and lower than the limits recommended by the safety people in the Bureau of Public Roads and in the Department of Transportation.

Mr. SEIBERLING. Does the gentleman agree that the National Highway Safety Administration is more oriented toward and more expert in vehicle safety matters, than the Bureau of Public Roads?

Mr. WRIGHT. Mr. Speaker, the Department of Transportation is a creature of this Congress, and this committee has been instructed to do certain things and we believe we are following the right course.

Mr. HARSHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to make one other point without belaboring this issue any further.

We are merely asking for an increase in the single-axle vehicle load from the weight of 18,000 pounds to 20,000 pounds and in the tandem axle from 32,000 pounds to 34,000 pounds, with a total gross weight limitation of half of the increase we asked for in the previous bill, or up to 80,000 pounds. This is simply permissive legislation. This authorizes the States, if they so desire, to permit this modest increase on their sections of the interstate highways. If they do not, it means nothing. It means nothing until the States act.

This action by itself does not increase the weights. It requires action by the individual States.

I would just like to call to the attention of the House the fact that in the gentleman's own State, the State of New York, they permit on the Interstate System, on a single-axle vehicle, 22,400 pounds, which is 2,400 pounds more than we are trying to get for the rest of the States. And on a tandem-axle vehicle they permit 36,000 pounds. That is in the State of New York; that is now allowed and grandfathered in. Yet the gentleman wants to deny the rest of the country and the rest of the States the privilege, if they so desire, to increase their tandem-axle weights to only 34,000 pounds.

Mr. WRIGHT. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. JOHNSON), a member of the committee.

Mr. JOHNSON of California. Mr. Speaker, the conference report on S. 3934 is not as extensive as highway legislation which is normally considered every 2 years; however, it does contain features which should be passed this session of Congress. It responds to many of the issues which have been raised by the energy crisis and other issues which should be acted upon immediately.

The conference agreement authorizes a total of $752,810,000, of which approximately half is to be derived from the Highway Trust Fund and half from the revenues of the Treasury.

The conference report provides for a continuation of the 55-miles-per-hour speed limit indefinitely and contains other provisions requiring the enforcement of the 55-miles-per-hour speed limit. A recent Gallup poll showed that 72 percent of the American people are in favor of maintaining the 55-miles-per-hour speed limit. However, to be effective as a lifesaving and energy-conserving measure, the speed limit must be adequately enforced; and the conference report requires that it be enforced.

Several provisions in the conference report are vitally important to the rural sections of the country. The agreement provides for modest increases in funding for the Federal-aid systems in rural areas and also establishes two categorical programs which provide for improvement of highways off the Federal-aid system and for the construction of access roads to Federal lakes. This increase in funding is necessary to restore rural roads to safety and traffic standards which have been neglected during the period that the Interstate System was being constructed. Moreover, over 46,000 miles of railroad lines have been abandoned in this country, mostly in rural areas, which has placed an additional demand on our rural highway systems. The construction programs which are contained in the conference report are vitally important to rural America.

Finally, Mr. Speaker, I would like to bring to the attention of the Members section 111 of the conference report regarding the advance construction of interstate projects. Many States have been unable to take advantage of authority contained in the law because of past impoundment practices. Section 111 permits States to use their own funds to construct projects on the Interstate System and to be reimbursed when additional apportionments are made available. Present law prohibits the States from going ahead with advance construction projects if their apportionment is not exhausted. Section 111 remedies this problem.

The conference report contains other worthy provisions such as continuing authorization for the replacement for critically deficient bridges, a new urban bikeways program, and a continuing authorization for mass transportation demonstration projects in rural areas.

Mr. Speaker, the country needs this legislation. I urge my colleagues to support the conference report.

Mr. WRIGHT. Mr. Speaker, I yield myself such time as I may consume.

In attempting to put into some perspective the subject matter we have been dealing with, I want first of all to acknowledge that I made an inadvertent error earlier in debate. When asked the extent, if any, to which axle weight limits were changed by the conference committee report before us, I stated erroneously—and I was innocent of the knowledge that I was misstating a fact—that no change was being made.

The truth is that the Senate provision which we accepted does change front axle weight from 18,000 pounds to 20,000 pounds and does change the maximum tandem-axle weight from 32,000 pounds to 34,000 pounds. I regret that I was in error in my earlier statement.

I think it is important that we think rationally and dispassionately about what this bill does and examine it on the basis of its totality, not on more emotional issues. I believe I can honestly assure the House that there has been no committee in the Congress which has been more ardently dedicated to the goal of highway safety than this committee.

I think I ought to say also that there has not been a Member in this Chamber who has achieved more for highway safety than the ranking minority member of this committee, the gentleman from Ohio (Mr. HARSHA). I believe I can earnestly assure the Members of this House that the members of this committee would not willingly accede to anything which would have any reasonable expectation of reducing safety on our highways.

It is ironic that some of the Members have objected to the conference committee report on the ground that it contains an extension of the 55-mile-per-hour speed limit and the requirement that States must apply this speed limit in order to qualify for Federal funds.

It has been estimated reliably that the 55-mile-an-hour speed limit, while admittedly not universally adhered to—and it should be—is saving approximately 5 million gallons of gasoline a day. I think that is significant. I think it is important.

Perhaps, and probably more important than that, it is saving thousands of lives and has saved thousands of lives this very year.

With regard to the question of allowable weights on our highways, I think everyone must realize one important factor, and this is that the regulation of weights on highways is and always has been the prerogative of the several States.

In only one instance in the entire history of the United States, that occurring in 1956 when we initiated the interstate highway program, did Congress presume to legislate in that field.

When we did it, we knew that we were insufficiently advised as to what the actual limits ought to be. We established a temporary limit of 73,000 pounds and instructed the Bureau of Public Roads to make a thorough-going study and report to us as to what would be a safe limit for the Interstate System. It has done so. It did so several years ago, conducting a rather exhaustive series of tests at a total cost of some $27 million. The limits contained in this Senate provision, to which we agreed in the conference, are well within the limits recommended to the Congress by that study commissioned by Congress.

The next thing that needs to be recognized is that this conference committee report does not, per se, raise one single limit in one single State. All it does is to say that in a State which permits a weight up to 80,000 pounds on its primary and secondary roads, those same, identical limits may be permitted on the interstate highways within that State. Everyone knows the Interstate System is the safest and best constructed segment of highway in any State.

I think it is strangely ironic that the gentleman from New York (Mr. KOCH) points out that there is one State that has a 125,000-pound limit. Do the Members know what that State is? It is the State of New York. They are running trucks of that weight today on the primary and secondary roads of New York. The gentleman apparently objects to the laws of his own State.

I do not think it is up to me to tell the State of New York about the condition of its roads nor to dictate the terms of its laws. I think that State knows those conditions better than I. In fact, I have the impression that this provision in question actually would make no basic change in the State of New York; because under the grandfather clause that was enacted initially, I am told that New York is operating 125,000-pound trucks on part of its Interstate System.

Mr. Speaker, I am trying to explain what the bill does and what it does not do. I urge the Members to make a judgment based upon facts, not upon emotion, but upon what actually is contained in the conference report. I want the Members to know it, to understand it factually, and then to make their judgment as to whether it is a good or a bad bill.

It is estimated that requiring trucks to operate on the Interstate System with a relatively lighter load, and some of them were operating at only 75-percent capacity containing gasoline during the period of our recent shortage, thereby exacerbated the shortage in faraway areas, in Eastern areas, in areas far removed from the source of supply. That was not a beneficial situation. Relieving this restriction to the degree this bill would relieve it would yield some advantage in fuel conservation. I have seen estimates indicating fuel savings of some 25 to 28 percent for trucking operations in being able to operate with somewhat fuller loads if the States would allow them to do that.

Beyond that, I just want to say that there are other things which so far outweigh this rather narrow question in importance that we ought not allow them to be overshadowed by our preoccupation with an emotional argument.

This bill is important, and it is necessary if we are to pull some of the rural areas of this land out of the relative isolation which they have been separated from the mainstream of American life. This bill is necessary if we are to assist those rural sections to upgrade their roads for the purpose of safety. Many of those roads now are having to carry greater loads, greater numbers, greater volumes of traffic since 46,000 miles of rail service have been terminated.

This bill is necessary this year. If these authorizations are to be made available in fiscal 1975, they must be obligated by January 1. I beg of you, my colleagues, to look at the bill in its totality, weigh the good and the bad, judge it not on the basis of emotion, but on the basis of fact, and whether on balance it is good or it is bad, and I believe you will vote for the conference report.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of the conference report on S. 3934, the Federal-Aid Highway Act Amendments of 1974.

I do so despite a great disappointment that the modest increases in authorizations for primary highways in our original House bill, $200 million, and for secondary highways, $100 million, for fiscal year 1976 from the trust fund were cut in half.

Although I was not a conferee, I understand that there were many strongly felt differences to be resolved between the House and Senate sides and that the final compromise was the best that could be accomplished under the circumstances.

Therefore, I say this, and particularly to my urban colleagues: after the performance of the Congress in this session in response to urban mass transportation needs, there is absolutely no excuse for failure to support this bill. I would remind colleagues of the statements made by members arguing for adoption of S. 386 on the sole grounds that it was the only bill that could be enacted in this Congress. There were extensive testimonials to the performance of the Committee on Public Works in this area. I now ask my colleagues to continue to support the committee's role in striving for balanced transportation—balanced between highway and nonhighway modes, and balanced in meeting urban and rural needs—and adopt this conference report.

In doing so, I urge Members to recognize that this is a beginning, and a small one at that, in meeting the Nation's needs for transportation in the decades ahead.

In the next Congress, we will be under the obligation to confront the tremendous backlog of unmet needs accumulated during the period of emphasis on interstate construction. The neglect of primary and secondary highways has been utterly deplorable. For all the capacity interstate highways provide in linking our State capitals and metropolitan areas, they alone cannot begin to meet our total demand for the movement of people, food and fiber to all sections of the country. Persuasive testimony before the Committee on Public Works has proven beyond question the continuing need for upgraded highway systems to meet total transportation demands of an increasingly interdependent nation.

Some 46,000 miles of rail trackage have been abandoned, and we face the prospect that further service may be discontinued in the process of restructuring the Nation's railroads. It is a matter of record that today, highway alternatives do not exist. Roads serving areas of rail operations simply cannot carry the truck traffic in such volume as would be needed to provide an alternative mode. Unless we recognize this and act in light of this reality, we will fail in a fundamental obligation to the American public.

Our highways must be made safer and more efficient, and restructured to meet the needs of flexible, highway-related public transportation systems in our urban areas and auto-bus transportation needs of the rural areas we hope to serve as mass transportation.

Another area which should be of concern to some of my more urban oriented colleagues is the fact that our metropolitan areas will continue to grow and strangle in their own congestion unless other areas of the country can absorb some of the projected increase in population in this country.

Our exhaustive examination of urban transportation needs and the ability of bus or fixed rail to meet them has proven conclusively to me that metropolitan transportation problems cannot be solved by improvements in transportation alone, whatever the cost.

There comes a time when an area reaches such size and density that urban transportation problems become critical. Therefore, while attempting to do the best we can for such areas within continuing budgetary constraints we have to realize that alternative patterns of population distribution will be the ultimate answer. And in this connection, I am convinced that improved transportation to better serve rural areas, towns and smaller cities can play a decisive role.

Mr. Speaker, I realize that I have dwelt to some extent on what this bill does not do rather than what it does do. I have done so in the hope of highlighting the degree of need for highway transportation in this country and the absolutely critical need for the modest provisions contained in this conference report.

The House in its wisdom has conferred on the Committee on Public Works the responsibility for all modes of civilian transportation with the exception of Merchant Marine and rails. This will enable us to take a more comprehensive look at the total transportation needs of the Nation and to coordinate policies making best use of the respective modes.

Our committee made a good beginning in supporting urban mass transit, and I would emphasize in this connection that this highway bill before us particularly benefits urbanized areas in permitting adjustment for cost escalation in the amounts which can be used to finance nonhighway urban mass transportation in areas where disputed segments of interstate are wiped off the designated system as no longer needed for a unified system This increases the amounts available from general revenues in the area of roughly 60 percent for this purpose.

I urge my colleagues to take the next step and enact this package with a view toward launching some promising innovations immediately, and then coming back next year to do the total job required.

Mr. Speaker, I strongly urge adoption of the conference report.

Mr. WRIGHT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KOCH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. One hundred eighty-nine Members are present, not a quorum.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 307, nays 67, not voting 60, as follows:

[Roll No. 710]

YEAS—307

Abdnor
Abzug
Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conlan
Conte
Corman
Cotter
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Dickinson
Dingell
Donohue
Dorn
Downing
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Fascell
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gray
Green, Oreg.
Gross
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harsha
Hastings
Hays
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Lott
Lujan
Luken
McClory
McCormack
McDade
McFall
McKay
McSpadden
Madden
Madigan
Mahon
Mann
Martin, Nebr.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruth
St Germain
Sarasin
Satterfield
Schneebeli
Schroeder
Sebelius
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Udall
Ullman
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—67

Anderson, Calif.
Ashley
Aspin
Bennett
Bingham
Bolling
Brown, Calif.
Burton, John
Burton, Phillip
Clay
Conable
Conyers
Crane
Danielson
Dellums
Derwinski
Devine
Drinan
Duncan
du Pont
Edwards, Calif.
Evins, Tenn.
Findley
Fish
Gaydos
Harrington
Hechler, W. Va.
Hicks
Kastenmeier
Koch
Landgrebe
Long, Md.
McCloskey
McCollister
McEwen
McKinney
Mallary
Mazzoli
Moakley
Moorhead, Pa.
Mosher
Moss
Nedzi
O'Hara
Pike
Pritchard
Rees
Reuss
Robison, N.Y.
Roncalio, Wyo.
Roybal
Ryan
Sarbanes
Seiberling
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Studds
Towell, Nev.
Vanik
Waldie
Wylie
Yates
Young, Fla.
Young, Ga.
Young, Ill.

NOT VOTING—60

Adams
Anderson, Ill.
Boland
Brasco
Brotzman
Camp
Carey, N.Y.
Coughlin
Davis, Wis.
Diggs
Dulski
Eshleman
Evans, Colo.
Frelinghuysen
Goldwater
Grasso
Green, Pa.
Griffiths
Grover
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Hébert
Holifield
Hosmer
Howard
Jones, N.C.
Ketchum
King
Litton
Macdonald
Maraziti
Martin, N.C.
Mathias, Calif.
Mills
Minshall, Ohio
Nelsen
Parris
Patman
Podell
Powell, Ohio
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Sandman
Scherle
Shipley
Symington
Teague
Traxler
Van Deerlin
Vander Jagt
Vander Veen
Wilson, Charles H., Calif.
Wyatt
Wyman
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Carey of New York.

Mr. Green of Pennsylvania with Mrs. Grasso.

Mr. Charles H. Wilson of California with Mrs. Griffiths.

Mr. Macdonald with Mr. Hanna.

Mr. Boland with Mrs. Hansen of Washington.

Mr. Hawkins with Mr. Holifield.

Mr. Howard with Mr. Mills.

Mr. Evans of Colorado with Mr. Hansen of Idaho.

Mr. Diggs with Mr. Dulski.

Mr. Adams with Mr. Camp.

Mr. Litton with Mr. Davis of Wisconsin.

Mr. Patman with Mr. Brotzman.

Mr. Rosenthal with Mr. King.

Mr. Shipley with Mr. Frelinghuysen.

Mr. Teague with Mr. Grover.

Mr. Van Deerlin with Mr. Coughlin.

Mr. Symington with Mr. Goldwater.

Mr. Vander Veen with Mr. Eshleman.

Mr. Anderson of Illinois with Mr. Maraziti.
Mr. Jones of North Carolina with Mr. Mathias of California.
Mr. Martin of North Carolina with Mr. Minshall of Ohio.
Mr. Ruppe with Mr. Nelsen.
Mr. Vander Jagt with Mr. Powell of Ohio.
Mr. Traxler with Mr. Reid.
Mr. Scherle with Mr. Parris.
Mr. Wyman with Mr. Rooney of New York.
Mr. Wyatt with Mr. Roncallo of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

INTERNATIONAL AIR TRANSPORTATION FAIR COMPETITIVE PRACTICES ACT OF 1974

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 3481) to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes, with the Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment as follows:

Page 4, of the House engrossed amendment, strike out all after line 13 over to and including line 25 on page 5 and insert:

RATES FOR TRANSPORTATION OF UNITED STATES MAIL IN FOREIGN AIR TRANSPORTATION

SEC. 4. Subsection (h) of section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by inserting "(1)" immediately after "(h)", and by adding at the end thereof the following new paragraphs:

"(2) The Secretary of State and the Postmaster General each shall take all necessary and approprite actions to assure that the rates paid for the transportation of mail pursuant to the Universal Postal Convention shall not be higher than fair and reasonable rates for such services The Secretary of State and the Postmaster General shall oppose any present or proposed Universal Postal Union rates which are higher than such fair and reasonable rates.

"(3) The Civil Aeronautics Board shall act expeditiously on any proposed changes in rates for the transportation of mail by aircraft in foreign air transportation. In establishing such rates, the Board shall take into consideration rates paid for transportation of mail pursuant to the Universal Postal Union Convention as ratified by the United States Government, shall take into account all of the ratemaking elements employed by the Universal Postal Union in fixing its airmail rates, and shall further consider the competitive disadvantage to United States flag air carriers resulting from foreign air carriers receiving Universal Postal Union rates for the carriage of United States mail and the national origin mail of their own countries."

Mr. JARMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment be dispensed with, and that it be printed in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

Mr. MURPHY of New York. Mr. Speaker, do I understand that the Senate amendment, in effect, deletes the House amendment that was enacted by the House which would require the payment to American-flag air carriers of the universal postal union rate, and in effect negates that act by the House?

Mr. JARMAN. Will the gentleman yield to me?

Mr. MURPHY of New York. I am happy to yield to the gentleman from Oklahoma.

Mr. JARMAN. The Senate amendment does exactly what the gentleman says. The Senate has accepted all the provisions of the bill passed by the House except for the so-called Murphy amendment requiring that U.S. air carriers be paid the UPU rates for carriage of international mail.

Mr. MURPHY of New York. I understand in the colloquy in the Senate, the chairman of the committee, in effect, instructed or advised the Civil Aeronautics Board that in their negotiation, that they take into consideration the quality of service and other factors that the U.S. flag carriers render in the carriage of this air mail, and that when they adjust a rate, they adjust that rate upward to compensate for this factor and move closer to that UPU rate.

Mr. JARMAN. I say to the gentleman that he states the position very well. If I could summarize in a few words what the amendment does in line with what the gentleman has said, the amendment leaves with the CAB the responsibility to fix fair and reasonable rates for international airmail, but it also requires the CAB, in fixing such rates, to take into consideration, one, the UPU rates ratified by our Government; two, all of the rate making elements shall go into fixing UPU rates; three, the competitive disadvantage to the U.S. carriers resulting from the payment of UPU rates to foreign carriers.

Mr. MURPHY of New York. Mr. Speaker, in view of the extremely tight time schedule in the closing days of this Congress it was necessary to reach a compromise between the House and Senate versions of section 4 of the Fair Competitive Practices Act, which deals with mail rate payments to our U.S.-flag air carriers, in order to achieve passage of this vitally needed legislation without further delay. While the explicit direction to the Civil Aeronautics Board to establish the UPU rate during the period the UPU rates are being renegotiated has been deleted, the Board has been given definite statutory directives to follow in setting international mail rates, whether final or temporary, which should result in those rates being substantially increased.

In mandatory language the Board is directed to do several things with respect to international mail rates in order to achieve greater equity in this source of revenues for our U.S.-flag carriers compared to their foreign competitors. The board must act expeditiously on any changes in such rates—whether of a temporary or final nature. Our carriers cannot wait for 1 or 2 years in order to achieve equity in this area. In establishing mail rates for foreign air transportation in an expeditious manner, the Board is mandated to do three things: First, take into consideration the UPU rates paid for the transportation of mail pursuant to the Universal Postal Union convention ratified by the U.S. Government; second, take into account all of the ratemaking elements employed by UPU in fixing its airmail rates; and third, consider and make allowance for the competitive disadvantage to U.S.-flag carriers resulting from their foreign competitors receiving UPU rates for both the carriage of U.S. mail and the national origin mail of their own countries. It is our intention that these statutory commands to the Civil Aeronautics Board shall result in prompt and substantial mail increases to our U.S.-flag carriers—certainly well above the level heretofore proposed by the Board.

The competitive disadvantage that U.S. air carriers are now operating under with respect to the transportation of mail in foreign air transportation is amply demonstrated in the record of our hearings on this subject. The chart at page 218 of those hearings shows that Pan American in the period 1970–72 had a yield of 22 cents per mail ton/mile whereas its foreign competitors had a yield of 81 cents per mail ton/mile or almost four times the yield of Pan American for this important category of traffic. We expect the CAB to substantially narrow this gap so as to lessen the present competitive disadvantage that our carriers suffer with respect to this important source of revenue. This disadvantage is further shown by the chart on page 219 of our hearings which shows that the ratio of Pan American's mail revenues to its total revenues is only half the ratio of its mail traffic to its total traffic. What this means is that mail has not been bearing its fair share of system costs and that Pan American has been, in effect, subsidizing the Postal Service. Other forms of traffic must stop subsidizing the carriage of mail. Mail rates paid to our carriers will have to be substantially increased to stop this unauthorized subsidization of the Postal Service.

As shown by page 216 of our hearings, the Postal Service in 1973 collected $239 million in airmail revenues and paid out only $37 million for the transportation of airmail. The Postal Service can afford to pay increased mail rates and still have a substantial excess margin of revenues to cover its other costs connected with the handling of airmail. Our U.S. flag carriers should not and cannot subsidize other Postal Service operations which must stand on their own merits.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to

the request of the gentleman from Oklahoma?

Mr. DON H. CLAUSEN. Mr. Speaker, I rise to renew my strong support for the bill, H.R. 14206, the air carriers bill.

I would like to take this opportunity to thank the members of the Interstate and Foreign Commerce Committee for their tremendous efforts and hard work to bring this bill before the House enabling us to attain final approval of it before the end of this session of Congress.

While I voted for the Murphy amendment and am disappointed that the conferees did not retain this provision in the final version of the bill, I am pleased with the information I have received from the conferees that they have developed a legislative history that states that they admonish the CAB to completely reevaluate immediately the whole question of the UPU rates. I want to add my support to this legislative history and concur with it.

I would like to associate myself with the remarks of my colleagues, the gentleman from Oklahoma (Mr. JARMAN), chairman of the Subcommittee on Transportation and Aeronautics, and the gentleman from Tennessee (Mr. KUYKENDALL), the ranking minority member on the subcommittee.

By approving this legislation we in the Congress will recognize the importance to the American people of the U.S.-flag carriers and acknowledge the essential role that they play in our national economy. This legislation will insure fair and equitable competitive practices and enable the carriers to continue to provide the vital service they offer to the American public.

I urge my colleagues to support this bill.

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this bill, S. 3481.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute).

Mr. O'NEILL. Mr. Speaker, I rise for the purpose of announcing the schedule for the remainder of the evening and the program for tomorrow.

Mr. Speaker, it is my understanding, after talking with the Speaker and the leadership on the other side, that the next item up will be H.R. 16215, amending the Coastal Zone Management Act of 1972, under suspension.

After that suspension, the Export-Import conference committee report, and we will follow down the line of suspensions as they are listed.

At 9 o'clock, we would finish the legislation pending at 9 o'clock, and following that take the votes, and then we would adjourn for the evening. I would also hope that we would be out of here by sometime around 9:30.

Mr. Speaker, I ask unanimous consent that when the House adjourns tonight, that it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. O'NEILL. Mr. Speaker, if the gentleman would let me continue, I intend to put it in the form of a motion. Let me explain the program for tomorrow.

If we would come in at 10 o'clock, we would take whatever conference reports we have and continue along with the suspensions as they are listed. At about 12 o'clock, or sometime between 12 o'clock and 1 o'clock, the gentleman from New Jersey (Mr. RODINO) would rise and ask that the Rockefeller nomination be brought up at that time.

The nomination originally, I believe, was scheduled for 1 hour on the rule and 4 hours for general debate. I understand that the Rules Committee has reconsidered and that there is 1 hour on the rule and 6 hours of general debate.

May I say that we have to complete the program we have, and there are innumerable conference reports, particularly on the trade bill. I have to say to the Members of the House that we would like to expedite as much as we can in the next hour and tomorrow, plus the Rockefeller nomination.

The Members have to depend very, very definitely on being here on Friday. We are anticipating we will adjourn sine die on Friday evening. There is a possibility there could be vetoes, and we would anticipate the trade bill on Friday, so it is going to be urgent for all of the Members to be here on Friday.

With that, Mr. Speaker, I move that when the House adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

Mr. GROSS. Mr. Speaker, I reserve the right to object.

Mr. O'NEILL. Mr. Speaker, I move that when the House adjourns tonight that it adjourn to meet at 10 o'clock tomorrow morning.

Mr. MICHEL. Mr. Speaker, why does not the gentleman make it a unanimous-consent request because I know the gentleman from Iowa wants to object.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet tomorrow at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, I reserve the right to object. It is hard to keep up with the motions and the sudden shift to a unanimous-consent request. Which is it now?

Mr. MICHEL. Mr. Speaker, I think it was a unanimous-consent request, to which the gentleman has a right to make his reservation.

Mr. GROSS. It is proposed to get out at 10'clock tonight; is that correct?

Mr. O'NEILL. When we complete the legislation that is pending at 9 o'clock we will go into the suspension votes that we have had. There are only two that I know of.

Mr. GROSS. Only two remaining suspensions?

Mr. O'NEILL. No. Two votes. There is one vote coming at 9 o'clock tonight. There is one vote at this time. There could be others.

Mr. GROSS. Mr. Speaker, I would like to ask the gentleman from Massachusetts—we have been over this once before—if the gentleman says by 9:30 we are going to cease and desist with legislation, that means 10 o'clock, at least. I do not mean to question the gentleman's word at all, but——

Mr. O'NEILL. Do we want to speculate over a few minutes one way or another?

Mr. GROSS. Tomorrow morning at 10 o'clock?

Mr. O'NEILL. That is what I am proposing; yes.

Mr. GROSS. That is what the gentleman is proposing. There will be 6 hours of debate?

Mr. O'NEILL. If all of the time is used.

Mr. GROSS. But that will take us up to prime time tomorrow evening.

Mr. O'NEILL. I do not know anything about what is going on on prime time or who is interested in prime time. I know I am not.

Mr. GROSS. I would think the gentleman would want to begin at 12 o'clock, not only to take care of some of the old geezers around here, in the way of fatigue, combat fatigue, if we wish to call it that, but also to take into consideration that prime time begins at 6 o'clock in the evening. I would think some people here would be interested in getting out at that hour.

I understand the stage is set, television cameras are in place, and a request may be made to recess tomorrow so that House Members may be free to join in the celebration. I do not know whether it will be the Army or Navy or Marine Corps Band, but at any rate, that is my understanding of the situation.

Perhaps the gentleman will have some other ideas.

Mr. O'NEILL. There is not much I can say to the gentleman. I am inclined to agree with him. It is going to be "Hail to the Vice Chief," I guess.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

Mr. BROOKS. Mr. Speaker, reserving the right to object, and I shall not, I want to address a question to the majority leader.

I want to ask, did the gentleman say that we will take up the various legislation and go into suspensions tonight and go through No. 3 or No. 4?

Mr. O'NEILL. The next item will be House Resolution 16215. Following that, we are going to take up the Export-Import conference report. We would follow then with the next suspension, which would be S. 3943, S. 3289, and go down the line, of course, unless there are objections.

Unless there are going to be extenuating circumstances, which would bring the debate into the wee hours of the morning, under those circumstances I am sure I would withdraw it.

Mr. BROOKS. I thank the majority leader for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I would like to ask the majority leader if it is not true that there are announced plans for television coverage tomorrow night for, as the gentleman indicated, a "Hail to the Vice Chief" program. If there are such plans, will the gentleman tell us of those?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I have no knowledge of it if there are plans. I have not consulted anybody, and I know of no plans that will transpire with regard to the Vice President. Furthermore, I have no interest in any such plans.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, I would be constrained to object unless I thought we could in some way or another move this "embarrassment" to prime time.

However, it looks as though the votes are here if the gentleman offer a motion.

Therefore, Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS

Mr. DOWNING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 16215) to amend the Coastal Zone Management Act of 1972, to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 16215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Coastal Zone Management Act of 1972 (86 Stat. 1280) is amended as follows:

(1) Subsection (e) of section 305 is amended by changing the period at the end of the subsection to a colon and by adding immediately thereafter the following: "And provided further, That the Secretary shall waive the application of the 1 per centum minimum requirement as to any grant under this section, when the coastal State involved requests such a waiver.".

(2) Subsection (b) of section 306 is amended by deleting all after "relevant factors;", and by inserting in lieu thereof "*Provided,* That no annual grant made under this section shall be in excess of $2,000,000 for fiscal year 1975, in excess of $2,500,000 for fiscal year 1976, nor in excess of $3,000,000 for fiscal year 1977: *Provided further,* That no annual grant made under this section shall be less than 1 per centum of the total amount appropriated to carry out the purposes of this section: *And provided further,* That the Secretary shall waive the application of the 1 per centum minimum requirement as to any grant under this section, when the coastal State involved requests such a waiver.".

(3) Subsection (a) of section 315 is amended—

(A) by amending item (1) to read as follows:

"(1) the sum of $9,000,000 for each of the fiscal years ending June 30, 1973, and June 30, 1974, and the sum of $12,000,000 for each of the three succeeding fiscal years, for grants under section 305, to remain available until expended;" and

(B) by inserting, in item (3), after "fiscal year ending June 30, 1974," the following: "and for each of the three succeeding fiscal years,".

The **SPEAKER.** Is a second demanded?

Mr. MOSHER. Mr. Speaker, I demand a second.

The **SPEAKER.** Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER.** The gentleman from Virginia (Mr. DOWNING) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. MOSHER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 16215 proposes to amend the Coastal Zone Management Act of 1972, title 3 of the so-called Marine Resources and Engineering Development Act of 1966. The purpose of the Coastal Zone Management Act is to implement established national policy to preserve, protect, develop, and where possible, to restore and enhance the resources of the Nation's coastal zone, and to encourage and assist the coastal States in exercising their responsibilities through the development and implementation of management programs in their coastal areas. The basic act provides for three types of grants. First, there are program development grants, authorized on an annual basis, with the respective States required to provide matching funds of at least one-third of the program development costs. Second, there are the administrative grants. To be made on the same matching basis, as States complete the development of their programs and submit them to the Secretary of Commerce for approval. Finally, there are the grants to States for one-half of the cost of acquiring and operating estuarine sanctuaries which will serve as natural field laboratories to gather data and study natural processes in the coastal zone in order to acquire information important to management decisions.

As to the development grants and the administrative grants, the Coastal Zone Management Act provides that no State in any 1 year may receive more than 10 percent of the funds appropriated for the respective grants. It also guarantees that no State grant will be less than 1 percent of such appropriated funds. The obvious purpose of these two limitations was to put some constraints on the administrator of the Act to insure all coastal States were treated fairly and equitably.

Although the basic act became effective in October 1972, delays in the administration resulted in the first funding of the act in December 1973, more than a year later, when $7.2 million was appropriated for development grants, $1.8 million less than the authorization. The States have accepted the program enthusiastically and no better demonstration of that enthusiasm can be given than the fact that collectively they were prepared to support the program with their own appropriations. In fact, the eagerness of the States to get on with this badly needed program development resulted in grant applications which demonstrated needs which were 40 percent in excess of the available funding. The initial grants to three States had to be delayed into the present fiscal year because funding was not available in fiscal year 1974, and other grants had to be reduced to fit into the available funds. In recognition of this fact, the administration sought appropriations of $9 million in fiscal year 1974, and an appropriation at that level was made, reaching the full authorization under the act.

H.R. 16215 proposes to increase the authorization for fiscal years 1975, 1976, and 1977 from $9 million to $12 million to recognize the unmet needs and to encourage the States to move forward in their program development. While the administration at first opposed this increased authorization because of current fiscal constraints, the President, last month, announced that the additional $3 million funding was urgently needed and that he would seek a supplemental appropriation for that funding. This change of position came about primarily because of administration plans to speed up offshore oil development and recognizes the fact that such a speedup program will have a major impact on many of the coastal States, if they are to play their proper role in preparing for national shoreside development decisions. They must expend added efforts in getting their coastal zone programs in place and the additional funds will assist them in doing so. The second basic change proposed by H.R. 16215 relates to the maximum and minimum limitation provisions. While there has been no difficulty in applying the maximum percentage limitation to development grants, since 31 of the 34 eligible States and territories are already participating, difficulties will be created early next year, and possibly later this year, when a few States will complete their development programs and will be prepared to make application for administrative grants. It is obvious that in this early period, a percentage limitation of 10 percent of appropriated funds will serve no basic purpose if relatively few States are ready to apply and, as a matter of fact, if there are less than 10 States applying, a 10-percent maximum will be actually harmful and will prevent the full utilization of available funding. The bill, therefore, changes the maximum limitation to $2 million per grant in fiscal year 1975, $2.5 million for fiscal year 1976, and $3 million for fiscal year 1977. The change for fiscal year 1975 is merely a precautionary one, since at this point, there is no appropriation for administrative grants for the present fiscal year and it is unlikely that any will be sought. If, however, the situation develops so that one or two grants might be applied for and supplemental appropriations sought for that purpose, the change is desirable.

The changes for subsequent years are considered necessary. As to the minimum 1-percent limitations, there are a few of the smaller States and territories where this percentage serves as an over protection and particularly as appropriations may increase, those few States will neither need nor desire the mandatory funding provided for. Therefore, the bill will amend the basic act to provide that when the State affected requests a waiver of the minimum allocation requirement, the Secretary shall grant such a waiver.

Finally, the extension of authorization for the estuarine sanctuaries grants, while not absolutely necessary at this time, provides for standby authorization so that funding may be sought as the States reach the point in their program where they can participate in this meaningful provision. More than 20 States have already indicated their desire to seek grants under this program, but their applications will necessarily be delayed until their programs are further along toward actual operation. Since there are presently available approximately $3 million in carryover funds from the first appropriation for this purpose, it is not anticipated that this authorization extension will immediately result in further funding. Nevertheless, the authorization should be in place so that it will be available at such time as the funding is needed and can be justified.

Mr. Speaker, the Coastal Zone Management Act, in its less than 1 year of operation, has demonstrated the wisdom of the 92d Congress in passing the Coastal Zone Management Act of 1972. This is not a program where States merely apply for and are granted Federal funds. It is a program mutually supported by both the Federal and State governments and Federal grants are dependent upon each State's willingness to supply its proportionate share of program costs. The fact that 31 of 34 States have joined the program in its first year demonstrates their enthusiastic belief in its value. Early in the next Congress, our committee intends to undertake a complete and thorough review of its operations with the idea of introducing any needed changes to make it even more valuable in achieving wise use of the land and water resources of the coastal zone for this, as well as succeeding generations. In the meantime, I urge the support of all Members in the enactment of this current bill to provide for the changes, the need of which has already been demonstrated.

Mr. MOSHER. Mr. Speaker, I join my colleague, the chairman of the Oceanography Subcommittee (Mr. DOWNING), in urging support of H.R. 16215.

On November 26, 1974, the Committee on Merchant Marine and Fisheries approved H.R. 16215 with an amendment. This bill would make four changes in the Coastal Zone Management Act.

Item 1 of H.R. 16215 amends subsection (e) of section 305 of the act by adding:

> And provided further, that the Secretary shall waive the application of the one per centum minimum requirement as to any grant under this section, when the coastal State involved requests such a waiver.

As it is presently written, the act guarantees that no State shall receive a section 305 planning grant that is smaller than 1 percent of the total amount appropriated for such grants during any fiscal year. As the applications for grants must justify the expenditure of the planning funds, a problem has arisen for some small States, territories, and possessions. Some applicants do not need an amount equal to this 1-percent minimum and cannot justify its expenditure or come up with matching funds.

So, rather than protecting the smaller States, as was intended, the minimum grant requirement might even prevent a State from having any program. Our proposed change will allow States to plan on a scale suited to their needs and ability to pay. The minimum funding protection will be retained, as the request for a waiver would have to originate with the coastal State.

Section 2 of H.R. 16215 amends subsection (b) of section 306 of the act. As it presently reads, the act sets maximum and minimum grant sizes for the moneys appropriated for the purposes set forth in section 306. During the first year when section 306 grants are awarded, the 10-percent limit to maximum grant size could result in considerable difficulties due to the small number of States that will qualify to receive grants.

Under the present law, if only one State has its 306 program approved, the Congress would have to approve an appropriation 10 times greater than the amount needed. H.R. 16215 would delete the 10-percent maximum and substitute a monetary figure. In fiscal 1975, the maximum would be set at $2 million. For fiscal 1976, the maximum would be raised to $2.5 million. During fiscal 1977, the last year of the present Coastal Zone Management Act, the maximum would go up to $3 million.

Subsection (b) of section 306 of the Coastal Zone Management Act would be further amended to allow the Secretary of Commerce to waive the 1-percent minimum grant level upon receipt of a State's request.

Section 3 of H.R. 16215 as amended would amend subsection (a) of section 315 of the Act. It would raise the authorized level of spending for section 305 planning grants for the last 3 fiscal years of the present act from the present $9 million to $12 million. Testimony was received by the committee which substantiated the need for this increase. The States' programs for fiscal year 1975 were examined and found to be just under $12 million. Thus, the figure recommended here is not a "pie in the sky" one, but is shown to represent legitimate and responsible program levels.

The prospect of new offshore leasing for oil exploration and possible development has caused a change in the Administration's position on this proposed increase in authorization. Recognizing that certain coastal States will be subject to onshore, socioeconomic impacts from offshore oil work, the administration now favors the increased authorization level.

Section 3(B) of H.R. 16215 would amend section 315(a)(3) of the Coastal Zone Management Act. It would extend the authorization of the estuarine sanctuaries provision of the act—section 312—for fiscal years 1975–77, inclusive. The level of authorized funding would remain at $6,000,000. Sanctuaries are very important to scientists who need them to use as places to learn about the ecology of the approximately 20 types of estuary found in the United States.

This understanding is necessary if other, already-polluted estuaries are to be saved for our maximum usage. The basic information to be derived from this part of the overall coastal zone management program takes on added importance in areas where oil may be found offshore. Scientists investigating the possible effects of spilled oil on plants and animals have been hindered greatly by the lack of base line information such as the estuarine sanctuary program will provide. This amendment is still opposed by the administration as inflationary.

The passage of H.R. 16215 at the earliest date is of vital importance to the continued effectiveness of the Coastal Zone Management Act. At this time in our history, we cannot afford to lose an opportunity to sharpen the edge of this most comprehensive and successful planning aid. I urge all of my colleagues to join me in support of H.R. 16215.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MOSHER. I yield to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, the Coastal Zone Management Act of 1972 established a national objective to restore, protect, and enhance our country's coastal zone resources, to bring about implementation of management programs by the various States for the prudent use of the land and water resources of the coastal zone, and to encourage the participation of the public, Federal, State, and local governments in the development of such programs.

Although the act became effective in October of 1972, funding was not appropriated until December 1973. Because of this, implementation of the program began less than a year ago. Since that time 31 of the 34 States and territories eligible for grants have already applied for and received such funds and are making the much needed headway toward the development of their coastal zone management programs. My home State of Mississippi was eligible for and received slightly over $100,000 in Federal money for a 3-year development period beginning in May 1974.

Unfortunately, sufficient funds were not available to meet the needs of all of the applying coastal States during the first year of the act's operation, and grants for some States were postponed. Even though the appropriation for fiscal year 1975 was increased to the authorization level of the original act, it is evident at this point that there will be additional unmet grant requests.

Since I am aware through my own State and from working with the Merchant Marine and Fisheries Committee that the States have expressed their enthusiastic support of the coastal zone management program and have tangibly demonstrated their good faith intentions, often by providing funding in excess of their matching grant requirements, the additional authorization called for by this bill, H.R. 16215, is obviously justified. So Mr. Speaker, I wholeheartedly endorse favorable consideration by my colleagues of H.R. 16215, the Coastal Zone Management Act Amendments, at a cost to the Federal Government of not more than $9 million for each of the fiscal years 1975, 1976, and 1977.

Mrs. SULLIVAN. Mr. Speaker, I rise in support of the passage of H.R. 16215, which will provide for routine changes which will furnish more flexibility in the implementation of the Coastal Zone Management Act of 1972, and which will authorize a minimal funding increase to assist the coastal States in expediting the development of their coastal zone management programs.

The basic act was passed 2 years ago after several years of careful work to devise legislation not only for the more effective protection of our coastal zone resources, but for the coordination and unification of badly needed policies and programs affecting the lands and waters of the coastal zone.

In its implementation of the act, the National Oceanic and Atmospheric Administration, through its Office of Coastal Zone Management, has done an outstanding job to translate policy into practice. With proper support from the Congress, I feel sure that the executive department, in cooperation with State and local governments, regional organizations, and the interested public can make this program an outstanding example of the cooperative efforts needed to solve the problems facing the Nation.

While the provisions of the bill do not make major changes in the act, they do provide for amendments which are needed to assist in its improvement. The increased authorization for development grants, the extension of the authorization for estuarine sanctuaries grants, and the flexibility provided for the maximum and minimum allocation requirements are all matters which I believe warrant our endorsement. The bill was unanimously reported from the Merchant Marine and Fisheries Committee, and has the bipartisan endorsement of its members. I solicit the support of all Members for the passage of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia (Mr. Downing) that the House suspend the rules and pass the bill (H.R. 16215), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DOWNING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CONFERENCE REPORT ON H.R. 15977, AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

Mr. ASHLEY submitted the following conference report and statement on the bill (H.R. 15977) amending the Export-Import Bank Act of 1945, which was referred to the House Calendar and ordered to be printed:

CONFERENCE REPORT (H. REPT. No. 93-1633)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SEC. 1. This Act may be cited as the "Export-Import Bank Amendments of 1974".

CHARTER AMENDMENTS

SEC. 2. Section 2(a)(1) of the Export-Import Bank Act of 1945 is amended—

(1) by inserting in the third sentence immediately after "other evidences of indebtedness;" the following: "to guarantee, insure, coinsure, and reinsure against political and credit risks of loss;";

(2) by inserting in the third sentence immediately after "competent jurisdiction;" the following: "to represent itself or to contract for representation in all legal and arbitral proceedings outside the United States;"; and

(3) by inserting after the fourth sentence the following new sentence: "The Bank is authorized to publish or arrange for the publication of any documents, reports, contracts, or other material necessary in connection with or in furtherance of its objects and purposes without regard to the provisions of section 501 of title 44, United States Code, whenever the Bank determines that publication in accordance with the provisions of such section would not be practicable.".

POLICY

SEC. 3. Section 2(b)(1) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(b)(1)(A) It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed, in the exercise of its functions, to provide guarantees, insurance, and extensions of credit at rates and on terms and other conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters. The Bank shall, in cooperation with the export financing instrumentalities of other governments, seek to minimize competition in government-supported export financing. The Bank shall, on a semiannual basis, report to the appropriate committees of Congress its actions in complying with these directives. In this report the Bank shall include a survey of all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with the United States exporters and indicate in specific terms the ways in which the Bank's rates, terms, and other conditions compare with those offered from such other governments directly or indirectly. Further, the Bank shall at the same time survey a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine their experience in meeting financial competition from other countries whose exporters compete with United States exporters. The results of this survey shall be included as part of the semiannual report required by this subparagraph. The Bank shall also include in the semiannual report a description of each loan by the Bank involving the export of any product or service related to the production, refining or transportation of any type of energy or the development of any energy resource with a statement assessing the impact, if any, on the availability of such products, services, or energy supplies thus developed for use within the United States.

"(B) It is further the policy of the United States that loans made by the Bank shall bear interest at rates determined by the Board of Directors of the Bank, taking into consideration the average cost of money to the Bank as well as the Bank's mandate to support United States exports at rates and on terms and conditions which are competitive with exports of other countries; that the Bank in the exercise of its functions should supplement and encourage, and not compete with, private capital; that the Bank shall accord equal opportunity to export agents and managers, independent export firms, and small commercial banks in the formulation and implementation of its programs; that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise and that in furtherance of this policy the Board of Directors shall designate an officer of the Bank who shall be responsible to the President of the Bank for all matters concerning or affecting small business concerns and who among other duties, shall be responsible for advising small businessmen of the opportunities for small business concerns in the functions of the Bank and for maintaining liaison with the Small Business Administration and other departments and agencies in matters affecting small business concerns; that loans, so far as possible consistent with the carrying out of the purposes of subsection (a) of this section, shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing any loan or guarantee, the Board of Directors shall take into account any serious adverse effect of such loan or guarantee on the competitive position of United States industry, the availability of materials which are in short supply in the United States, and employment in the United States.".

NATIONAL INTEREST DETERMINATIONS

SEC. 4. Section 2(b)(2) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961), or agency, or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined), unless the President determines that guarantees, insurance, or extensions of credit in connection therewith to such Communist or such other country or agency or national thereof would be in the national interest. The President shall make a separate determination with respect to each transaction in which the Bank would extend a loan to such Communist or such other country, or agency, or national thereof an amount of $50,000,000 or more. Any determination required under the first sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination, or the date on which the Bank takes final action on a transaction which is the first transaction involving such country or agency or national after the date of enactment of the Export-Import Bank Amendments of 1974, unless a determination with respect to such country or agency or national has been made and reported prior to such date of enactment. Any determination required to be made under the second sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination or the date on which the Bank takes final action on the transaction involved."

CONGRESSIONAL NOTIFICATION

SEC. 5. Section 2(b) of the Export-Import Bank Act of 1945 is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6) respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) No loan or financial guarantee or combination thereof in an amount which equals or exceeds $60,000,000 shall be finally approved by the Board of Directors of the Bank, and no loan or financial guarantee or combination thereof which equals or exceeds $25,000,000 for the export of goods or services involving research, exploration, or production of fossil fuel energy resources in the Union of Soviet Socialist Republics shall be finally approved by the Board of Directors of the Bank, unless in each case the Bank has submitted to the Congress with respect to such loan, financial guarantee, or combination thereof, a detailed statement describing and explaining the transaction, at least 25 days of continuous session of the Congress prior to the date of final approval. For the purpose of the preceding sentence, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 25-day period referred to in such sentence. Such statement shall contain—

"(A) a brief description of the purposes of the transaction, the identity of the party or parties requesting the loan or financial guarantee, the nature of the goods or services to be exported, and the use for which the goods or services are to be exported; and

"(B) a full explanation of the reasons for Bank financing of the transaction, the amount of the loan to be provided by the Bank, the approximate rate and repayment terms at which such loan will be made available and the approximate amount of the financial guarantee."

FRACTIONAL CHARGE OF GUARANTEES AND INSURANCE

SEC. 6. Section 2(c)(1) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(c)(1) The Bank is authorized and empowered to charge against the limitations imposed by section 7 of this Act, not less than 25 per centum of the related contractual liability which the Bank incurs for guarantees, insurance, coinsurance, and reinsurance against political and credit risks of loss. The aggregate amount of guarantees, insurance, coinsurance, and reinsurance which may be charged on this fractional basis pursuant to this section shall not exceed $20,000,000,000 outstanding at any one time. Fees and premiums shall be charged in connection with such contracts commensurate, in the judgment of the Bank, with risks covered.".

INTEREST RATE ON OBLIGATIONS OF THE BANK

SEC. 7. Section 6 of the Export-Import Bank Act of 1945 is amended by striking the third sentence and inserting in lieu thereof the following new sentence: "Each such Bank obligation issued to the Treasury after the enactment of the Export-Import Bank Amendments of 1974 shall bear interest at a rate not less than the current average yield on outstanding marketable obligations of the United States of comparable maturity during the month preceding the issuance of the obligation of the Bank as determined by the Secretary of the Treasury.".

AUTHORITY

SEC. 8. Section 7 of the Export-Import Bank Act of 1945 is amended—

(1) by inserting "(a)" after "Sec. 7";

(2) by striking out "$20,000,000,000" and inserting in lieu thereof "$25,000,000,000"; and

(3) by adding at the end thereof the following:

"(b) After the date of enactment of the Export-Import Bank Amendments of 1974, the bank shall not approve any loans or financial guarantees, or combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000. No such loan or financial guarantee, or combination thereof, shall be for the purchase, lease, or procurement of any product or service for production (including processing and distribution) of fossil fuel energy resources. Not more than $40,000,000 of such aggregate amount shall be for the purchase, lease, or procurement of any product or service which involves research or exploration of fossil fuel energy resources. The President may establish a limitation in excess of $300,000,000 if he determines that such higher limitation is in the national interest and if he reports such determination to the Congress together with the reasons therefor, including the amount of such proposed increase which would be available for the export of products and services for research, exploration, and production (including processing and distribution) of fossil fuel energy resources in the Union of Soviet Socialist Republics, and if, after receipt of such report together with the reasons, the Congress adopts a concurrent resolution approving such determination."

EXPIRATION

SEC. 9. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "November 30, 1974" and inserting in lieu thereof "June 30, 1978".

REPORT

SEC. 10. Section 9 of the Export-Import Bank Act of 1945 is amended to read as follows:

"SEC. 9. (a) The Export-Import Bank of the United States shall transmit to the Congress annually a complete and detailed report of its operations. Such report shall be as of the close of business on the last day of each fiscal year.

"(b) The report shall contain a description of actions taken by the Bank in pursuance of the policy of aiding, counseling, assisting, and protecting, insofar as is possible, the interests of small business concerns."

CEILING ON BORROWING BY NATIONAL BANKS

SEC. 11. Section 5202 of the Revised Statutes, as amended (12 U.S.C. 82), is amended by adding at the end thereof the following:

"Twelfth. Liabilities incurred in borrowing from the Export-Import Bank of the United States.".

RELATIONSHIP TO THE TRADE REFORM ACT

SEC. 12. Until such time as the Trade Reform Act is approved by the Congress and signed into law by the President, no loan, guarantee, insurance, or credit shall be extended by the Export-Import Bank of the United States to the Union of Soviet Socialist Republics.

REPEAL OF SECTION 2(a)(2)

SEC. 13. Effective at the close of September 30, 1976, section 2(a)(2) of the Export-Import Bank Act of 1945 is repealed.

And the Senate agree to the same.

WRIGHT PATMAN,
T. ASHLEY,
THOMAS REES,
PARREN J. MITCHELL,
FERNAND ST GERMAIN,
RICHARD T. HANNA,
EDWARD KOCH,
JOHN J. MOAKLEY,
WILLIAM B. WIDNALL,
GARRY BROWN,
ALBERT W. JOHNSON,
Managers on the Part of the House.

JOHN SPARKMAN,
WILLIAM PROXMIRE,
HARRISON WILLIAMS, Jr.,
ALAN CRANSTON,
ADLAI STEVENSON III,
THOMAS J. MCINTYRE,
JOHN TOWER,
EDWARD BROOKE,
BOB PACKWOOD,
BILL BROCK,
WALLACE BENNETT,
WILLIAM D. HATHAWAY,
LOWELL WEICKER, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The Senate amendment contained a provision amending Section 2(b)(1) of the Export-Import Bank Act specifying that the Bank "may" provide financing at rates and terms that are "competitive" with those of other government-supported export financing entities. The House bill contained no comparable provision. The Senate receded to the House.

The Senate amendment contained a provision requiring the Bank to include in its semi-annual report a description of how its rates, terms and other conditions "compare" with those of other government-supported export financing entities. The House bill contained no comparable provision. The House receded to the Senate following agreement by the conferees that the semi-annual report on competitiveness shall include:

1. A detailed review of the official export credit support portfolios of Germany, Japan,

the United Kingdom, France, and Italy. The report should indicate the amount of support outstanding in the form of direct loans, discounts, guarantees, and insurance, as well as the qualitative characteristics of each of these export support components.

2. Progress in negotiations with the government of the other principal exporting countries in minimizing competition in government-supported export financing. The report shall indicate agreements reached, the parties involved, the scope of such agreements and the differences which remain outstanding with respect to rates, terms, and other conditions and their applicability to different borrowing countries and agencies and nationals thereof.

3. The semi-annual report for the period ending December 31, 1974, shall contain a detailed description of the "follow-on sales" program of the Bank which involves it in transactions between parties in foreign countries. The report should indicate which of the export supporting Government agencies or instrumentalities of the principal countries whose exporters compete with the United States exporters have comparable programs, and such programs should be described and compared with the program of the Bank.

4. The semiannual report for the period ending December 31, 1974, shall contain a review of the Cooperative Financing Facility. The report should indicate which of the other five principal exporting countries have similar programs and they should be compared to the program of the Bank.

The semiannual reports on competition and the annual reports on the operations of the Bank shall be transmitted no later than 45 days following the periods covered by such reports. Other publications of the Bank shall be made available to the authorizing committees at the time of their issuance.

The Senate amendment contained a provision requiring the Bank to include in its semiannual report a description of each transaction involving energy-related products and services, and a statement assessing the impact, if any, on the availability of such products, services, or energy supplies thus developed for use in the United States. The House bill contained no similar provision. The House receded with an amendment requiring a description of each "loan," rather than a description of each "transaction."

The Senate amendment contained a provision directing the Bank to provide financing "only to the extent that sufficient private financing is available." The House bill contained no comparable provision. The Senate receded to the House. The conferees urge that procedures be established to insure that Export-Import Bank assistance is not provided unnecessarily, such as might be the case with respect to goods and services for which sufficient private capital is available at competitive rates and terms to finance a given transaction.

The Senate amendment contained a provision specifying that the Board of Directors of the Bank should not authorize loans, guarantees, or insurance which may have serious adverse effects on the competitive position of United States industries, the availability of materials which are in short supply in the United States, or employment in the United States. The House bill contained no comparable provision. The conferees accepted an amendment which specified that the Board of Directors, in authorizing loans or guarantees, shall take into account any serious adverse effects on the competitive position of United States industry, the availability of materials which are in short supply in the United States, and employment in the United States.

The Senate amendment contained a provision directing the Bank to give due recognition to the needs of small businesses in the operation of its programs and requiring that an officer of the Bank be designated to be responsible for doing so. The House bill contained no similar provision. The House receded to the Senate.

The House bill contained a provision requiring that the Bank, in establishing interest rates on its loans, take into consideration the average cost of money to the Bank and the necessity of maintaining its earning power and reserves as well as the Bank's mandate to support U.S. exports at rates and on terms and conditions which are competitive with exports of other countries. The Senate amendment contained no comparable provision. The Senate receded to the House with an amendment deleting reference to the maintenance of earning power and reserves.

The Senate amendment contained provisions requiring that the Bank submit to Congress prior to final approval by the Board a detailed statement on any proposed transaction involving a loan, guarantee, or combination thereof $60 million or more and specified what such a statement should contain. It also contained a requirement that the President of the Bank transmit to the Congress a special message with respect to any proposal to finance the purchase, lease, or procurement of any product or service which in a Communist country involves research, exploration, or production of fossil fuel energy resources and further provided that no such transaction could be approved without prior congressional adoption of a concurrent resolution of approval. The House bill contained a provision requiring that the Bank submit to Congress prior to final approval by the Board a detailed statement of any proposed transaction involving loans of $50 million or more to a Communist country, and contained similar language specifying what such a statement should contain. The conferees adopted a compromise provision requiring that the Bank submit a detailed statement to Congress at least 25 legislative days prior to final approval of any proposed transaction involving a loan, or financial guarantee, or combination thereof, of $60 million or more to any country, or a loan, financial guarantee, or combination thereof of $25 million or more for the export of goods or services involving research, exploration, or production of fossil fuel energy resources in the Union of Soviet Socialist Republics, and specifying what such a statement should contain, with reporting requirements similar to those contained in the House provision.

The Senate amendment contained a provision requiring that the President must find that a transaction involving an Export-Import Bank loan, guarantee or combination thereof of $40 million or more to a communist country is in the national interest and report that determination to the Congress within 30 days following the date of such determination or the date of final action on the transaction, whichever comes first. The House bill contained no comparable provision. The conferees adopted a provision requiring that the President must find that a transaction involving an Export-Import Bank loan of $50 million or more to a communist country is in the national interest and report that determination to the Congress within 30 days following the date of such determination or the date of final action on the transaction, whichever comes first.

The Senate amendment contained a provision specifying that the President may not determine that a transaction is in the National interest if it would or may result in the United States becoming dependent upon a communist country for essential materials, articles or supplies which are or may be in short supply. The House bill contained no comparable provision. The Senate receded to the House.

The Senate amendment contained a provision specifying that the Bank may not assist exports to any country, agency or national thereof unless the President finds and certifies to Congress that such country is not practicing slavery or involuntary servitude, such finding and certification to be made in writing at least 30 days prior to the date on which the Bank requests the first such transaction (following enactment of Export-Import Bank Amendments of 1974 or convening of new session of Congress) to be effective. The House bill contained no comparable provision. The Senate receded to the House.

The Senate amendment contained a provision specifying that the Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale of defense articles or defense services to any country. The House bill contained no similar provision. The Senate receded to the House.

The Senate amendment contained a provision specifying that loans by the Treasury to the Export-Import Bank must bear interest at a rate equivalent to the cost of money to the Treasury on borrowings of similar maturities. The House bill contained no similar provision. The House receded to the Senate.

The Senate amendment contained a provision specifying that the Bank shall not approve any loans or guarantees or combination thereof in connection with exports to the Soviet Union in an aggregate amount in excess of $300 million. The House bill contained no similar provision. The House receded to the Senate with an amendment establishing a $300-million ceiling with a provision that the ceiling may be raised on a determination by the President that raising the ceiling is in the national interest, a submission of that determination by the President to both Houses of Congress, together with a justification for the new ceiling, and the adoption by the Congress of a concurrent resolution approving the determination.

In addition, the conferees agreed that within such $300,000,000 limitation, there could be no loans or guarantees for the production of fossil fuel energy resources in the Soviet Union and that only $40,000,000 thereof could be used for fossil fuel research or exploration. However, the conferees also agreed that the President could establish a higher overall ceiling and within such overall ceiling, separate amounts which would be available for research, exploration, and production if the Congress agrees by concurrent resolution.

It is the intent of the conferees that the legislative language dealing with quantitative and qualitative restriction with respect to loans and guarantees for the export of goods and services to the Soviet Union is in the nature of a policy. It is not the intent of the conferees that any proposed loan or guarantee with respect to a specific transaction be the subject of review by the Congress on a transaction-by-transaction basis.

The Senate amendment contained a provision that after June 30, 1976, the Bank shall issue no loan, guarantee, or insurance in connection with the purchase of any goods or services by a communist country other than Romania and Yugoslavia. The House bill contained no similar provision. The Senate receded to the House.

The Senate amendment contained a provision requiring that the Bank shall include in its annual report a statement of progress it is making toward meeting its mandate of aiding small business concerns. The House bill contained no similar provision. The House receded to the Senate.

The Senate amendment contained a provision requiring the Bank to include in its annual report a detailed listing of all transactions involving the purchase of goods or services by a foreign subsidiary or affiliate of a United States entity. The House bill contained no similar provision. The Senate receded to the House. The conferees expect that the Bank shall include in its annual report a description of all loans involving the purchase of goods or services by a foreign subsidiary of a United States entity from that entity.

The Senate amendment contained a provision declaring that Turkey has violated agreements with the United States in using armaments furnished by the United States during the Cypriot conflict and that further assistance under the Foreign Assistance Act of 1961 and the Foreign Military Sales Act should be stopped. The House bill contained no similar provision. The Senate receded to the House.

The Senate amendment contained a provision prohibiting the Bank from extending its programs to any foreign country in connection with the purchase or lease of any product which is necessary for the production, refining, and transportation of oil and/or gas and which has been determined by the National Advisory Council in consultation with the FEA and the Department of Commerce to be in short supply and with such exception as the President may determine necessary. The House bill contained no comparable provision. The Senate receded to the House.

The Senate amendment contained a provision increasing the number of members of the Board of Directors of the Bank from five to six and requiring that one of the members shall be a representative or affiliate of one or more labor organizations. The House bill contained no similar provision. The Senate receded to the House.

The Senate amendment and the House bill contained comparable provisions relating to H.R. 10710, The Trade Reform Act. The Senate receded to the House with an amendment. The conferees accepted language which specifies that until such time as the Trade Reform Act is approved by the Congress and signed into law by the President, no loan, guarantee, insurance, or credit shall be extended by the Bank to the Union of Soviet Socialist Republics.

It is the intent of the conferees that there remain in effect a ban on credits from the Bank to the Soviet Union until there is enactment of a trade bill in this or succeeding Congresses.

The Senate amendment contained a provision which would remove the exclusion of receipts and expenditures of the Bank from the Unified Budget totals. The House bill contained no comparable provision. The House receded to the Senate with an amendment which would make such provision effective at the close of September 30, 1976.

The conferees agreed to this amendment with the full knowledge that this is a matter for consideration by the Budget Committees of the House and the Senate. This action by the conferees is in no way intended to prejudge the recommendations of the Budget Committees with respect to the question of inclusion of the Bank in the Unified Budget.

The House bill contained a provision prohibiting the Bank from financing exports to Turkey until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic. The Senate amendment contained no comparable provision. The House receded to the Senate.

Wright Patman,
T. Ashley,
Thomas Rees,
Parren J. Mitchell,
Fernand St Germain,
Richard T. Hanna,
Edward Koch,
John J. Moakley,
William B. Widnall,
Garry Brown,
Albert W. Johnson,
Managers on the Part of the House.
John Sparkman,
William Proxmire,
Harrison Williams, Jr.,
Alan Cranston,
Adlai Stevenson III,
Thomas J. McIntyre,
John Tower,
Edward Brooke,
Bob Packwood,
Bill Brock,
Wallace Bennett,
William D. Hathaway,
Lowell Weicker, Jr.,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 15977, TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945

Mr. ASHLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman give us some idea as to what the changes are from the original House position?

Mr. ASHLEY. Yes; I intend to do that in a timely manner, after the reading of the statement has been dispensed with.

Mr. ROUSSELOT. I appreciate that, but can the gentleman give us a brief description of the changes in the conference report?

Mr. ASHLEY. I would ask the gentleman from California to defer that so that we can proceed in an orderly and open way. I assure the gentleman that I will explain the changes fully.

Mr. GROSS. Further reserving the right to object, are there copies of the conference report?

Mr. ASHLEY. Mr. Speaker, I will tell the gentleman from Iowa that the conference report was finalized only this afternoon, and the conference report has been prepared and was ready only in recent minutes, and it is at the desk.

Mr. GROSS. Then the answer is that there are no copies of the conference report?

Mr. ASHLEY. That is right.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I think that is the point I was trying to get a little colloquy on. May I ask the gentleman from Ohio were there substantial changes from the House position?

Mr. ASHLEY. There were two.

Mr. ROUSSELOT. I ask that since we have nothing to read from.

Mr. ASHLEY. Yes, of course; I understand what the gentleman is getting at.

There were two issues covered in this conference report. One was with respect to the inclusion of the Export-Import Bank in the unified budget. The gentleman from California will recall that the position of the House was that the Bank should not be included.

Mr. ROUSSELOT. Except in committee, that it should be included. But go ahead.

Mr. ASHLEY. May I say to the gentleman from California that this was resolved in the conference report by saying that the bank shall be included in the unified budget as of October 1, 1976. This gives the budget committees of the House and the Senate ample time to consider the question and to report to their respective bodies their recommendations in this matter.

Mr. ROUSSELOT. Did the Senate insist that it be included in the budget? What was the position of the Senate?

Mr. ASHLEY. Yes, that was the Senate position. And the compromise provides, instead of the Bank being included in the budget immediately, which would have been flying in the face of the mandate of the House that the matter be put in abeyance, that it will be included as of October 1, 1976, unless the budget committees not only recommend to the contrary, but if the House and the Senate agree to the contrary.

Mr. ROUSSELOT. In the gentleman's opinion would there be adequate time for the Committee on Banking and Currency and the others concerned with this legislation to have adequate time to make sure that we are better able to oversee the kind of loans provided, the 6-percent loans for Russia, and these kinds of things, so that we know whether they are competitive or not?

Mr. ASHLEY. Yes. The gentleman from California is now raising the second point in substantial disagreement between the House and the Senate.

The conference report that we acted on a week ago provided that there would be a limitation of credit guarantees to the Soviet Union of $300 million.

Mr. ROUSSELOT. Right.

Mr. ASHLEY. We further provided that with respect to large energy transactions that there must be prenotification to the House and Senate. Simply a prenotification, no necessity for House and Senate approval with respect to any such transactions of $25 million or more.

The Senate took exception to this in the conference report, and they insisted that there be a case-by-case review and approval on a transaction-by-transaction basis.

Mr. ROUSSELOT. By the Congress?

Mr. ASHLEY. Yes, by the Congress on each such transaction.

We worked this out in the most recent conference, as follows.

Mr. ROUSSELOT. When was the conference completed? Just a few hours ago?

Mr. ASHLEY. Yes, that is correct.

Mr. ROUSSELOT. I thank the gentleman.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. If the gentleman would permit me to finish this colloquy with the gentleman from Ohio, then I *will be glad* to yield to the gentleman from Connecticut.

Mr. ASHLEY. So, what we concluded, by way of compromise, was that there will be a limitation of $300 million on loans and guarantees to the Soviet Union. We further said that of this amount only $40 million could be used with respect to fossil fuel energy transactions to the Soviet Union, and that these would be limited only to research and exploration—the $40 million limitation.

Mr. ROUSSELOT. The $40 million limitation would be limited to just research?

Mr. ASHLEY. Research and exploration, but not to production. Production is specifically excluded.

Mr. ROUSSELOT. That was the compromise?

Mr. ASHLEY. But we went further and said that the only way it would be possible to expand upon the $300 million would be if there is a Presidential declaration of national interest and concurrence by both bodies of the Congress. Only in that way can the $300 million limitation be lifted or expanded upon.

We went further and said that at such time as that may occur, the President in his message requesting an increase over the $300 million must specify the amounts of the overage that would be used for research, for exploration, for production with regard to fossil fuel projects in the Soviet Union. So, if I may say so, it really does bring the Congress into policy decisionmaking with respect to transactions with the Soviet Union.

Mr. ROUSSELOT. Further reserving the right to object, the only reason I select this point is that I do agree with my colleague, the gentleman from Iowa, because we have no printed record of what the changes are, even though it will be put in the Record maybe another time. We want to be able to look at those, and I want to be sure that we have adequate time tonight to discuss what those differences were.

I did understand that the Senate took a harder line on several positions, especially because of the current negotiations on the most-favored-nations status, and that type of thing, and it is related to this particular authority in some ways because we are talking about the guarantee of loans.

What about the guarantee of loans to the Arabic countries? Was there any discussion on that? Are we going to be guaranteeing substantial loans for energy development in the Arabic countries?

Mr. ASHLEY. No; there is a $60 million limitation, which is to say that many transactions to the Arabic countries are going to require prenotification if the amount of Exim participation exceeds $60 million.

Mr. ROUSSELOT. Only over $60 million. But is it possible for certain Arabic countries to get guarantees from the Export-Import Bank for development of energy resources in their own countries without Congress consent or participation?

Mr. ASHLEY. Let me say to the gentleman that the prenotification applies to transactions above the $60 million. What is involved, of course, is that there is prenotification because there are semiannual reports that are required under the conference report which will set out in some considerable detail the specifics of energy-related transactions. That was satisfactory, I might say to the gentleman, to the other body, which, as he understands, has been raising very considerable and substantial questions with respect to such transactions.

Mr. ROUSSELOT. Further reserving the right to object, when does the present law expire?

Mr. ASHLEY. The present law expired November 30.

Mr. ROUSSELOT. We have been operating on extensions; have we not?

Mr. ASHLEY. This has expired November 30. We have been passing continuing resolutions ad infinitum.

Mr. ROUSSELOT. Extensions. What is the current cutoff date of the extension?

Mr. REES. If the gentleman will yield, 18 days ago.

Mr. ROUSSELOT. Fifteen days ago?

Mr. ASHLEY. Yes; the bank is not in a position to make loans at this time. The authority of the bank has expired. That is why there is a rather compelling reason for action on the part of the body this evening.

Mr. ROUSSELOT. Further reserving the right to object, we have been told consistently on this bill that the reason we have had new continuations is that if we did not give the continuations, the whole Export-Import business would fail in great collapse, with dire results. Have those dire results occurred as a result of this situation?

Mr. ASHLEY. The gentleman knows the industrial scene well enough to know there is not a collapse in 18 days.

Mr. ROUSSELOT. Have any great countries in exchange with us been denied financing?

Mr. ASHLEY. That has been my understanding. I will say to the gentleman that our competitors around the world are taking advantage of the current situation by way of saying in the presentation of their products and their efforts about sales—whatever customer it may be—"How can you rely on the Export-Import Bank?" They say it is out of business.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I thank the gentleman for his comments.

Further reserving the right to object, I would be glad to yield to my colleague, the gentleman from California, after I yield to my colleague, the gentleman from Connecticut.

Mr. McKINNEY. To answer the gentleman's question briefly, I would like time further on his reservation of his right to object.

To give the Members an idea on the loss of sales, I will give them an example where a helicopter company in Connecticut had a deal with Rumania for the sale of helicopters and was offered 9½ percent from the Export-Import Bank. That particular project was taken by the French-British consortium at 7 percent interest, 10 percent down, and 10 years to pay. They lost $23 million in that deal which lost to us roughly 1,500 jobs per year.

Mr. ROUSSELOT. We had these differences between the House and the Senate.

Mr. McKINNEY. We did not have an interest rate competitive with what the British and French were offering nor did we guarantee that the loan would come through as offered. The British guaranteed 10 years payments and 10 percent down and 7 percent interest.

Mr. ROUSSELOT. And the economy in England is anxious to grab these jobs.

Mr. McKINNEY. The economy in that business in England is about as it is in the United States. Most of their people were unemployed so they were looking for the jobs.

Mr. ROUSSELOT. Further reserving the right to object, has the gentleman found many loans going for 7 percent in his district?

Mr. McKINNEY. No, but I have more than 7 percent of workers unemployed so we would appreciate that business.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my friend, the gentleman from California (Mr. Rees).

Mr. REES. Mr. Speaker, we do have a great deal of aerospace business in our area and I believe we share some of that, and we share Lockheed.

Mr. ROUSSELOT. If I may interrupt the gentleman for a moment, some of the other countries are trying to pick it up. Are they going to pay 7 percent?

Mr. REES. I doubt if they can pick up Lockheed because of its defense commitment. The loans are not 7 percent. They are commitments to private financing and Export-Import financing and so we are talking about 9 percent or 10 percent of the total package. But I have had calls from the industry in California and they are very disturbed about this because they are trying to sell the L–1011's and the DC–9's and DC–10's, and as long as there is this feeling that there might not be an Export-Import Bank tomorrow it puts them at a very disadvantageous position because they cannot deal, they cannot compete. Other countries are saying, "well, let us maybe not buy anything or let us buy just a used airplane," but they are not buying airplanes manufactured by our constituency, by people who are now employed.

Mr. ROUSSELOT. Further reserving the right to object, as the gentleman knows I do not believe any sales of the limited L–1011's have been disallowed because the Export-Import Bank has been unable to guarantee any current sales. Does the gentleman know of any such? That is in my district.

Mr. REES. I cannot tell the gentleman specifically with respect to Douglas but this has caused a problem.

Mr. ROUSSELOT. With Douglas?

Mr. REES. We are not that far apart, a few miles, but there is a problem because they cannot go out and put together the total package of financial commitment that is needed to sell U.S. airplanes abroad.

Mr. ROUSSELOT. I appreciate the gentleman's comment but my question was and the reason this originally came up was: Has this delay occurred because of the differences between the House and the Senate on the extension of this act? Actually, other than the remarks of the gentleman from Connecticut about the helicopters for Rumania, have any of our American sales abroad actually been curtailed because of our inability to reach such an agreement?

Mr. REES. It has hampered the ability of every American exporter, every American who produces for the export market to go to the Eximbank, plus a private commercial bank, and put together private financing for what they are doing overseas.

Mr. MORGAN. Mr. Speaker, the gentleman from California (Mr. ROUSSELOT) has used 22 minutes under a reservation of objection.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I wonder if under this yielding under the reservation, my good friend, the gentleman from Ohio, could tell this body just where the drive is coming from for extending more credit to the Soviet Union?

Mr. ROUSSELOT. From the Soviet Union, I would imagine.

Mr. ASHBROOK. Could the gentleman form Ohio tell us where the drive is coming from, is it from the administration or from private business?

Mr. ASHLEY. Mr. Speaker, if the gentleman will yield, it is from the private sector. The point is, it is extremely important for the United States to generate as much in the way of export sales as possible. We all know the price of oil has quadrupled in the last year. That means we are spending from $16 billion to $18 billion abroad for oil. That is 25 percent more than a year ago. What we are trying to do is promote this on a worldwide basis consistent with our national interest.

Mr. ASHBROOK. Mr. Speaker, I am not against sales for credit or credit for everybody. But does the gentleman think we need sales for credit in such huge amounts to the Soviet Union?

Mr. ASHLEY. There are some transactions for which there is extreme competition. There are many nations competing for this trade, the Japanese, the West Germans, the British, the Americans, and others. Yes, it is necessary to compete, not only in rates of interest but in other conditions and in terms of repayment.

Mr. ASHBROOK. I appreciate the answer of the gentleman from Ohio. I just want to say that I disagree, that credit to the Soviet Union does not make sense when we are spending $80 billion for defense, most of which goes admittedly to military credit for the Soviet Union. I do think it is a paradox.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see prior proceedings of the House.)

Mr. ASHLEY (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, the conference report, as indicated in the colloquy with the gentleman from California and others, has been rather fully explained by the chairman of the Subcommittee on International Trade.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. REES. Mr. Speaker, I want to make sure that in this colloquy we show that the House bill was severely tightened up in terms of East-West trade, that the Senate did prevail in limiting the total credit and guarantees to the Soviet Union to $300 million, which is a minor part of the total package we have. I am assuming that the Committee on Banking and Currency of the House of Representatives will continue to have jurisdiction over the Eximbank. Under the bill all the large credits have to be reported to the Committee on Banking and Currency.

Also, if there is any problem of going over the $300 million limit, then the President must specifically request the Committee on Banking and Currency of the House and the Senate for a concurrent resolution allowing the President to go over the $300 million limit, so I think we have plenty of safeguards in this bill as it was reported from the conference.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. ROUSSELOT. Is it not true that the jurisdiction of oversight on this issue is not in question in the Committee on Foreign Affairs, is that not correct, under the rules in the Committee on Banking and Currency?

Mr. REES. I understand that what happened with the rules of the House, with the Hansen committee report being voted and not the Bolling committee report, the Export-Import Bank jurisdiction, dealing with credit and finance, as such, would remain with the Banking and Currency Committee, but the export control jurisdiction, dealing, in contrast, with export trade, purely and simply, which was formerly held by the Banking and Currency Committee, will go to the Foreign Affairs Committee, which will also gain jurisdiction over the Council on International Economic Policy. Those two functions go to the Foreign Affairs Committee, but the Export-Import Bank, because it is a bank, domestic bank financing exports, would remain with the Banking and Currency Committee.

Mr. ROUSSELOT. What about oversight over the interest rates and various transactions? Which part of that would go to the Foreign Affairs Committee, the portion of this agreement of which the gentleman says we need for review capability?

Mr. REES. It would remain with the Banking and Currency Committee.

Mr. ROUSSELOT. All of it?

Mr. REES. The Export-Import Bank of the United States would remain with the Banking and Currency Committee. The other two functions, as I mentioned, would go to the Foreign Affairs Committee.

Mr. ASHLEY. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I did not sign the conference report. However, I am well aware, as is almost every Member of this body, that we do have to have an Export-Import Bank. I would urge the Members of this House to vote for the adoption of the conference report.

My negative attitude in refusing to sign the report is based more on the actions of our Senate colleagues in conference, whose deportment was, in my judgment, very difficult to reconcile. I would like to compliment the gentleman from Ohio, the distinguished chairman of the subcommittee, Mr. ASHLEY, who handled the bill. His tolerance and patience with the other body exceeded mine. He was successful in bringing to the House a bill.

There is one other point which, in my judgment, is important. We did agree in our most recent conference, and we have had three of them. The House has passed two previous conference reports, only to have those reports rejected by the conferees, but in our most recent one we agreed to put the Export-Import Bank back into the unified budget after the House voted to take it out.

I want to be sure the gentleman from Ohio agrees with me that we will have plenty of time before putting this back in the budget so that the Budget Committee can make its recommendations and not be denied necessarily by our action. Is that correct?

Mr. ASHLEY. I appreciate the gentleman making that point for the purposes of legislative history. He is entirely right on that.

Mr. FRENZEL. I thank the gentleman.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I would just like to congratulate the chairman of the House Committee and say that although I support the bill, I did not sign the conference report.

I find it impossible to believe, having negotiated in good faith with the Senate three times, the very Senators who signed the conference report then went on the floor of the Senate and refused to cooperate; and in fact fought the passage of this bill. The House has totally capitulated on this bill, to the whim of two Members of the other body.

I would suggest that the chairman did an incredible job. He had no choice. We need the Export-Import Bank. I am going to vote for this bill, but it is a typical example of the last minute brinksmanship of the U.S. Senate, and being put up against the selfish results of certain Senators who have basically one object, and that is to run in future for higher office.

Mr. PATMAN. Mr. Speaker, while the House did not gain everything it wanted in this conference reported bill, it is deserving of the support of all Members of the House. It will provide for the continuation of the Bank for the next 4 years at an increased expenditure—which really means investment—level.

By passing this bill we will be providing for many additional jobs and profits for American workers and businesses. In this time of economic recession we must use all tools available to increase jobs and production in the United States. This bill will help do that.

While the conference reported bill does restrict the amount of loans and guarantees to the U.S.S.R., and further restricts the amount of funds and loans which can be made to the U.S.S.R. for fossil fuel equipment and related sales by U.S. corporations, which I personally believe is not warranted, it still is a good bill and I would urge all my associates to support it.

Mr. **ASHLEY**. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER**. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ROUSSELOT**. Mr. Speaker——

The **SPEAKER**. The Chair would like to state that the gentleman from Ohio told me this would take 5 or 10 minutes. We have had two members of the Committee on Agriculture waiting. This will throw us past 9 o'clock.

Mr. **ROUSSELOT**. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make a point of order that a quorum is not present.

The **SPEAKER**. The Chair was given a statement that we could reach these two other suspensions, and the Chair was waiting in good faith. We have about 40 bills listed.

Mr. **BLACKBURN**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. The Chair was recognizing the gentleman from California to do that. He was merely trying to explain to the gentleman the problem.

PARLIAMENTARY INQUIRY

Mr. **ROUSSELOT**. Mr. Speaker, can the vote go over?

The **SPEAKER**. No, it cannot go over. This is not a motion to suspend the rules. The gentleman has the right. The Chair was just trying to see whether the House can accomplish this by some other procedure and get two more important bills out of the way.

Does the gentleman make the point of order?

Mr. **ROUSSELOT**. Yes, Mr. Speaker.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 280, nays 96, not voting 58, as follows:

[Roll No. 711]

YEAS—280

Abdnor
Abzug
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Biaggi
Biester
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Butler
Casey, Tex.
Chamberlain
Chisholm
Clark
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Dellenback
Dellums
Dennis
Derwinski
Diggs
Donohue
Downing
Drinan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Green, Pa.
Gubser
Gude
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hogan
Holifield
Holt
Horton
Hosmer
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Long, La.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Peyser
Pike
Poage
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rostenkowski
Roush
Roy
Roybal
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Veysey
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Yates
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—96

Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Blackburn
Bray
Burke, Fla.
Burlison, Mo.
Byron
Carney, Ohio
Carter
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Collier
Conlan
Crane
Daniel, Dan
Davis, S.C.
Denholm
Dent
Devine
Dickinson
Dingell
Dorn
Duncan
Evins, Tenn.
Flynt
Fulton
Gaydos
Ginn
Goodling
Green, Oreg.
Gross
Gunter
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Hinshaw
Holtzman
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Jones, Okla.
Jones, Tenn.
Ketchum
Landgrebe
Landrum
Long, Md.
Lott
McSpadden
Mathis, Ga.
Montgomery
Moorhead, Calif.
Myers
Nichols
Pettis
Pickle
Price, Tex.
Quillen
Randall
Rarick
Rinaldo
Roberts
Robinson, Va.
Rogers
Rose
Rousselot
Runnels
Satterfield
Seiberling
Shuster
Snyder
Staggers
Steed
Steiger, Ariz.
Stubblefield
Symms
Taylor, Mo.
Towell, Nev.
Vanik
Wampler
Yatron
Young, Alaska
Young, Fla.
Zion

NOT VOTING—58

Adams
Alexander
Anderson, Ill.
Bingham
Brasco
Brotzman
Broyhill, Va.
Burton, Phillip
Camp
Carey, N.Y.
Cederberg
Davis, Ga.
Davis, Wis.
Dulski
Eshleman
Evans, Colo.
Grasso
Gray
Griffiths
Grover
Haley
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Henderson
Howard
Jones, N.C.
Karth
King
Litton
Lujan
Macdonald
Maraziti
Mathias, Calif.
Melcher
Mills
Minshall, Ohio
Nelsen
Patman
Podell
Powell, Ohio
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Sandman
Scherle
Shipley
Stuckey
Symington
Traxler
Whitten
Wolff
Wyatt
Wyman
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Wolff for, with Mr. Haley against.

Mr. Anderson of Illinois for, with Mr. Melcher against.

Mr. Cederberg for, with Mr. Shipley against.

Mr. Rosenthal for, with Mr. Scherle against.

Mr. Ruppe for, with Mr. Maraziti against.

Mr. Lujan for, with Mr. Powell of Ohio against.

Mr. Howard for, with Mr. Camp against.

Mr. Henderson for, with Mr. Litton against.

Until further notice:

Mr. Adams with Mr. Rooney of New York.

Mr. Stuckey with Mr. Carey of New York.

Mr. Karth with Mr. Davis of Georgia.

Mr. Hawkins with Mr. Dulski.

Mr. Evans of Colorado with Mrs. Grasso.

Mr. Jones of North Carolina with Mr. Broyhill of Virginia.

Mr. Symington with Mr. Gray.

Mr. Traxler with Mr. Brotzman.

Mr. Whitten with Mrs. Griffiths.

Mr. Alexander with Mr. Davis of Wisconsin.

Mr. Bingham with Mr. Eshleman.

Mr. Phillip Burton with Mrs. Grover.

Mr. Macdonald with Mr. Hanna.

Mr. Mills with Mr. Hansen of Idaho.

Mr. Patman with Mrs. Hansen of Washington.

Mr. Reid with Mr. King.

Mr. Roncallo of New York with Mr. Minshall of Ohio.

Mr. Wyatt with Mr. Nelsen.

Mr. Wyman with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. The Chair desires to announce that all debate has been concluded on all the motions to suspend the rules that we are going to take up tonight. We will not consider any further suspensions of the rules tonight. There were only two of those motions, and only one upon which a recorded vote was requested.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion to suspend the rules and pass the Senate bill, S. 2439.

DESIGNATING A SEGMENT OF THE NEW RIVER AS A POTENTIAL COMPONENT OF THE NATIONAL WILD AND SCENIC RIVERS SYSTEM

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate bill (S. 2439) as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the Senate bill, S. 2439, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 196, nays 181, not voting 57, as follows:

[Roll No. 712]

YEAS—196

Abdnor
Abzug
Addabbo
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Aspin
Badillo
Bafalis
Baker
Bauman
Bennett
Bergland
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Byron
Carter
Chappell
Chisholm
Cleveland
Cochran
Conable
Conlan
Conyers
Cotter
Coughlin
Culver
Daniel, Robert W., Jr.
de la Garza
Dellums
Denholm
Dennis
Diggs
Dingell
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Esch
Evins, Tenn.
Fascell
Findley
Fish
Flood
Fountain
Fraser
Frenzel
Frey
Froehlich
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Green, Pa.
Gude
Gunter
Hamilton
Hanley
Hanrahan
Harrington
Hastings
Hays
Hechler, W. Va.
Heinz
Henderson
Hicks
Holt
Holtzman
Hudnut
Hungate
Hunt
Hutchinson
Johnson, Colo.
Jordan
Kastenmeier
Kazen
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Lehman
Long, Md.
McCloskey
McCollister
McCormack
McDade
McKay
McKinney
Madden
Mallary
Mann
Martin, N.C.
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mosher
Murphy, N.Y.
Natcher
Nedzi
Obey
Patten
Perkins
Pickle
Pike
Preyer
Pritchard
Quie
Randall
Reuss
Riegle
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rose
Roush
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shuster
Sikes
Skubitz
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stark
Steele
Steelman
Steiger, Wis.
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waldie
Whalen
White
Whitehurst
Wiggins
Wilson, Charles, Tex.
Wright
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Zablocki

NAYS—181

Anderson, Calif.
Annunzio
Arends
Ashbrook
Ashley
Barrett
Beard
Bell
Bevill
Biaggi
Blackburn
Bowen
Bray
Breaux
Brooks
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Butler
Carney, Ohio
Casey, Tex.
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cohen
Collier
Collins, Ill.
Collins, Tex.
Corman
Crane
Cronin
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellenback
Dent
Derwinski
Devine
Dickinson
Donohue
Dorn
Eilberg
Erlenborn
Fisher
Flowers
Flynt
Foley
Ford
Forsythe
Frelinghuysen
Fulton
Gaydos
Goodling
Green, Oreg.
Gross
Gubser
Guyer
Hammerschmidt
Harsha
Hébert
Heckler, Mass.
Helstoski
Hillis
Hinshaw
Holifield
Horton
Hosmer
Huber
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Karth
Kemp
Ketchum
Kluczynski
Landrum
Latta
Leggett
Lent
Long, La.
Lott
Luken
McClory
McEwen
McFall
McSpadden
Madigan
Mahon
Martin, Nebr.
Mathis, Ga.
Matsunaga
Metcalfe
Michel
Milford
Miller
Minish
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers
Nichols
Nix
O'Brien
O'Hara
O'Neill
Parris
Passman
Pepper
Pettis
Peyser
Poage
Price, Ill.
Price, Tex.
Quillen
Railsback
Rangel
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Rodino
Rooney, Pa.
Rostenkowski
Rousselot
Roy
Roybal
Runnels
Satterfield
Schneebeli
Shoup
Shriver
Sisk
Slack
Snyder
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stokes
Stuckey
Symms
Taylor, Mo.
Thompson, N.J.
Tiernan
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wydler
Wylie
Yatron
Young, Tex.
Zion

NOT VOTING—57

Adams
Alexander
Anderson, Ill.
Blatnik
Brasco
Brotzman
Broyhill, Va.
Burton, Phillip
Camp
Carey, N.Y.
Cederberg
Conte
Davis, Ga.
Davis, Wis.
Downing
Dulski
Eshleman
Evans, Colo.
Grasso
Gray
Griffiths
Grover
Haley
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Hogan
Howard
Jones, N.C.
King
Litton
Lujan
Macdonald
Maraziti
Mathias, Calif.
Mills
Minshall, Ohio
Nelsen
Owens
Patman
Podell
Powell, Ohio
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Sandman
Scherle
Shipley
Traxler
Wolff
Wyatt
Wyman
Zwach

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Hawkins with Mr. Blatnik.
Mr. Shipley with Mr. Carey of New York.
Mr. Rosenthal with Mr. Davis of Georgia.
Mr. Wolff with Mr. Dulski.
Mr. Macdonald with Mr. Rooney of New York.
Mr. Howard with Mrs. Grasso.
Mr. Litton with Mr. Gray.
Mr. Phillip Burton with Mr. Eshleman.
Mr. Alexander with Mr. Davis of Wisconsin.
Mr. Adams with Mr. Brotzman.
Mr. Haley with Mr. Camp.
Mr. Downing with Mr. Anderson of Illinois.
Mr. Evans of Colorado with Mr. Cederberg.
Mr. Traxler with Mr. Broyhill of Virginia.
Mr. Patman with Mr. Conte.
Mr. Grover with Mrs. Griffiths.
Mr. Hanna with Mrs. Hansen of Washington.
Mr. Hogan with Mr. Hansen of Idaho.
Mr. Jones of North Carolina with Mr. King.
Mr. Lujan with Mr. Maraziti.
Mr. Mathias of California with Mr. Rees.
Mr. Sandman with Mr. Mills.
Mr. Wyatt with Mr. Nelsen.
Mr. Roncallo of New York with Mr. Owens.
Mr. Ruppe with Mr. Minshall of Ohio.
Mr. Wyman with Mr. Scherle.
Mr. Reid with Mr. Powell of Ohio.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill (S. 2439) just considered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AUTHORIZING CLERK OF THE HOUSE TO MAKE A CORRECTION IN H.R. 14689, LOWELL HISTORIC CANAL DISTRICT OF MASSACHUSETTS

Mr. TAYLOR of North Carolina. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 694) to authorize the Clerk of the House to make a correction in the enrollment of the bill H.R. 14689, Lowell Historic Canal District in Lowell, Mass., and for other purposes, and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 694

Resolved by the House of Representatives (the Senate concurring), that the Clerk of the House be authorized to make the following correction in the enrollment of the bill H. R. 14689:

On page 2, line 19, strike out the word "mayor" and insert in lieu thereof the word "manager."

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE POLICY ON SUBPENAS—IN RE COMMON CAUSE ET AL. VS. KLASSEN

Mr. O'NEILL. Mr. Speaker, I offer a resolution (H. Res. 1517) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1517

Whereas in the case of Common Cause et al. against E. T. Klassen et al. (Civil Action No. 1887–73) pending in the United States District Court for the District of Columbia, The House of Representatives was notified by the Speaker on September 30, 1974, that subpenas duces tecum had been issued upon the application of Kenneth J. Guido, attorney for the plaintiffs, and had been served upon Mr. Eli S. Bjellos, Chief, House Publications Distribution Service of the Office of the Doorkeeper; upon Mr. John M. Swanner, Staff Director, Committee on Standards of Official Conduct; upon Mr. Victor C. Smiroldo, Staff Director and Counsel, House Commission on Congressional Mailing Standards; upon Mr. David Ramage, House Majority Clerk, House Majority Room; and upon Mr. Thomas J. Lankford, House Minority Clerk, House Minority Room; directing them to appear as witnesses before the said court on various dates and to bring with them certain papers in the possession and under the control of the United States House of Representatives, and

Whereas plaintiffs have subsequently filed with the said Court and have served upon the aforementioned employees of the House motions to compel the deponents to answer questions and to produce the documents called for in the subpenas duces tecum or to be held in contempt of the said Court, and

Whereas said Court has scheduled a status call in the aforementioned case to be held on Friday, December 20, 1974, and a hearing on a motion to dismiss in the aforementioned case on Monday, January 27, 1975 before said Court: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission, and no House employee may be compelled to disclose information obtained pursuant to his official duties as an employee of the House, without the consent of the House; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the House; be it further

Resolved, That as a respectful answer to the subpenas duces tecum a copy of these resolutions be submitted to the said Court.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I know of no other business before the House at this time.

I would like to have the gentleman from Iowa take note of the time on the clock.

RETIRING WHITE HOUSE LIAISON MEN

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I wish to make an announcement to the membership.

In keeping with the conversation which was had with the Speaker relative to the possibility of a special order, I wish to state that a special order may be taken so that Members might extend their remarks with respect to the service of Bill Timmons and Gene Ainsworth, who have served as White House liaison men and who will be leaving the employment of the White House.

This would be appropriate for Members who may wish to extend their remarks with respect to their relationship with these two very fine gentlemen.

Mr. MAHON. Mr. Speaker, over the years it has been my privilege to be closely associated with Bill Timmons, and I consider him one of the finest public servants I have encountered. He has served in an important capacity with three Presidents, and he has served with great distinction. It must give him great satisfaction to know that Members of Congress who have dealt with him have found him to be a man of extraordinary talent and ability. We are going to miss him, and so will the President, but we are going to wish him a great abundance of success and happiness in his further pursuits.

Mr. MONTGOMERY. Mr. Speaker, I commend the distinguished minority leader for taking this special order to pay tribute to Bill Timmons and Gene Ainsworth, who will be leaving the White House congressional liaison staff at the end of this year.

I have always found Bill and Gene to be completely forthright in their dealings with Members of Congress, and would like to congratulate them for the outstanding job they have done in keeping myself and others informed of the administration's position on legislation. While I do not always agree with the administration's point of view, I do think it has been very worthwhile to me to know where they stand.

Mr. Speaker, I know President Ford will have a very difficult time finding equally as competent replacements for Bill Timmons and Gene Ainsworth. They stand head and shoulders above their peers in their dedication to duty and willingness to accept responsibility. More importantly, their integrity is impeccable.

Mr. Speaker, I would like to especially extend my thanks to Gene Ainsworth for the help he has rendered to me and my office. As a former administrative assistant of mine, I have only the highest regard for him and best wishes for his future endeavors.

Mr. NICHOLS. Mr. Speaker, during the time in which Gene Ainsworth has served in congressional liaison for the White House I have been confident that I had an efficient official to call and lend me assistance in the many problems which face a Member of Congress. My needs have varied from White House tour passes to assistance with legislation and with each request, Gene has given me his fullest attention and able assistance.

But Gene's attributes extended far beyond his efforts toward fulfilling each request which I gave him for Gene Ainsworth is also a fine southern gentleman and a very good friend. I have visited with him and his lovely wife and these visits were an extension of our mutual friendship.

When Gene was in the liaison office I knew that help was just a phone call away. I am sure that I speak not only for myself but for other southern Members of Congress who have relied on Gene's assistance, that we are truly losing a good friend and an outstanding liaison officer. I wish him the best as he moves out of government and into the business world and yet as I say this I know full well that Gene will continue to be dedicated and success will certainly follow him wherever he goes.

Mr. WAGGONNER. Mr. Speaker, I would like to join my colleagues today in paying special tribute to Bill Timmons and Gene Ainsworth, both of whom, as we know, will be leaving the White House staff at the end of the year.

Bill, as head of the legislative affairs team at the White House, and Gene, as one of that team covering the House of Representatives, have both been extremely effective deputies of the President during some very difficult times. I have always known them to be fair-minded, cooperative, and diligent and am sure that they will be missed tremendously.

Both have been good and close friends of mine for quite a few years. I have known Gene since he came to the Hill in 1967 and have followed his career to the White House, and Bill served 16 years on the Hill before his 6 years at the White House. As we say down in my part of the country, for two southern boys they have "sure done mighty good."

As they begin a new career together doing consulting work off the Hill, I wish them both the very best of luck and a future filled with the success and happiness they truly deserve.

Mr. HÉBERT. Mr. Speaker, I want to pay tribute to two public servants who while serving as assistants to Presidents Nixon and Ford did an admirable job and were of particular help to me and my staff on numerous occasions.

I speak, of course, about Bill Timmons and Gene Ainsworth. I have known Bill for many years, and I think we will all agree that he did an outstanding job as assistant to the President for legislative affairs.

The White House and the Congress do not, as we know, always see eye to eye, and the job of chief liaison man for the President can be frustrating and unrewarding. Add to that the difficult times we have experienced over the past several months, and I think you will agree that Bill Timmons and Gene Ainsworth carried monumental burdens upon their shoulders.

I knew Gene when he worked for Sonny Montgomery, who is a member of the House Armed Services Committee of which I am privileged to be chairman. He is a capable young man, and I was pleased when he was added to Bill's staff at the White House to work with the House of Representatives. He has been a credit to the White House liaison operation.

Every time I called upon Bill or Gene they were always there to assist promptly, and I know that I will miss them both.

They have demonstrated that they are honest and dedicated men who attempted to do the best job they could for the White House, the Congress, and the country.

This body owes both of them a vote of thanks for their efforts. Even if you often disagreed with White House policies, you have to admit that Bill and Gene dealt with us honestly and fairly.

To Bill and Gene I say thanks for a job well done, and I wish them much success in any endeavors they may choose to undertake.

Mr. FISHER. Mr. Speaker, it is with genuine regret that I learn of the pending resignations of Bill Timmons and Gene Ainsworth from the White House staff. Both of them are highly respected on Capitol Hill. In their dealings with Members of Congress they have always been knowledgeable, courteous, and very cooperative. It is this kind of service that we need more of.

I would doubt that any who have ever served in such capacities at the White House have been more thoughtful and helpful in providing needed information and in coordinating the relationship between the legislative and executive branches. They are men of honor and integrity, who command universal confidence. We need more men of their caliber in those very important positions.

I extend to each of them, Bill and Gene, my own gratitude and congratulations, and every wish for success and enjoyment in their new endeavors.

Mr. JONES of Oklahoma. Mr. Speaker, those of us in the 93d Congress who have had the privilege of working with Bill Timmons and Gene Ainsworth know we are losing two very capable and dedicated public servants from our Government.

Both Bill and Gene have represented the administration in a highly competent manner, expressing the views and recommendations of the executive department with a thorough understanding of the issues at hand, and the complexities which confront the Congress in formulating legislation to deal with the country's needs.

Notwithstanding our differences in political affiliation, I have always known that both Gene and Bill would respect the concerns of my office, and my constituents, and would treat our problems in a fair and impartial manner. On countless occasions, involving both relatively minor requests as well as items of serious importance, Bill and Gene have brought the resources of the executive branch to our assistance.

Both men are, indeed, a credit to the Ford administration, and an example of the very finest tradition of service to our Nation. I want to wish each the very best of success in his future endeavors, and to thank them once again for their tireless efforts on behalf of the American people.

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of a proposed special order on the lives and public service of Bill Timmons and Gene Ainsworth and their relationships with Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GOLDEN QUESTIONS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, day before yesterday the Presidents of the United States and France issued a statement saying, among other things, that they agreed "it would be appropriate for any government which wished to do so to adopt current market prices as the valuation for its gold holdings."

Now that is a potent statement, filled with golden questions.

France has for years had a peculiar obsession with gold. But the United States has been insisting that gold should have nothing to do with world monetary arrangements, and in fact, just a few days back the Secretary of the Treasury said flatly that the nations of the world agreed that we should all be moving toward making gold just a simple, everyday commodity like any other commodity. In light of the Martinique statement, I wonder if the President is thinking the same way.

I have been unable to learn anything of the details of the agreements reached at Martinique. I am not so high on the congressional totem as to be invited to hear Presidential briefings. And I am not so high in the hearts of the Nation's managers as to be informed of the Treasury's explanations—I will read them in the papers, the same as everyone else, though I have endeavored to ascertain some of the facts throughout this afternoon, because I do have some responsibilities to discharge.

At the very least, the Martinique agreement ends the two-tier gold pricing mechanism that has existed since 1968. So I wonder: is gold defunct, or is it suddenly the linchpin of world money, once again?

If a country, like France, revalues its official gold at world market prices—as France certainly intends to do—then the question arises: would that country start buying gold again? The gold market seems to think so: world gold prices shot up today by a healthy amount.

Here is another golden question: does the United States intend to revalue its gold holdings? I cannot find out, because everyone in the Treasury today seems to be in meetings of some kind or another.

If the United States does value its gold in terms of current market prices, does that mean that the Treasury or Federal Reserve will be buying the stuff again? I do not know. But what is to keep the United States from being forced to play the French game? Again, I do not know.

If we suppose that President Ford has unwittingly agreed to restore gold as the linchpin of world money, then why are we sitting here prepared to sell off some of the official stock? And why are we prepared to let private hoarding resume?

The position of the Treasury only a few months ago was that it would be unwise to restore private hoarding of gold until the position of gold in the world monetary system was finally settled. Today, that same Treasury is telling us that allowing hoarding is the way to persuade the world that gold has nothing to do with monetary arrangements. But at the same time, the French are given their heart's desire: to start down the road toward a new coronation of the golden calf.

The actions of the administration belie its words. If in fact gold is going to be reduced to the status of the soybean, a revaluation such as agreed to by Mr. Ford is an odd way of going about it.

In short, the golden question is, what does the end of the two-tier gold pricing system mean? The gold bugs think that it means that their religion is back. The Secretary of the Treasury says otherwise, at least that is what he was saying a few days ago. But I cannot help feeling in my heart that either the Secretary does not know what is going on, or is unwittingly doing the very things that he says he is undoing; either that, or he and the President don't understand one another very well.

Golden questions, indeed. We shall soon have some answers to them. I am afraid of what the answers might be.

NURSING HOME ABUSES

(Mr. KOCH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, as the result of a letter sent to Governor-Elect Carey by 18 members of the New York delegation, the Governor is going to appoint Mario Cuomo, a distinguished lawyer, to look into nursing home abuses in the State of New York.

I believe nursing home abuses today run into the hundreds of millions of dollars and are a nationwide scandal. The scandal was brought to public attention by a distinguished New York Times reporter, John Hess, who should receive the Pulitzer Prize as a result of his investigative news stories in this matter and I am sure he deserves it.

We are spending approximately $17 billion in medicaid and medicare, much of it being ripped off by fraudulent practices, particularly in the nursing homes.

I urge the General Accounting Office to audit these programs and this Congress to exercise its oversight responsibilities and commence a congressional investigation to uncover the fraudulent practices, and bring those who have defrauded the elderly, the handicapped, and the Government to justice.

Mr. Speaker, I am appending a letter sent by members of the New York delegation to Elmer Staats, Comptroller General of the United States, requesting a GAO audit of these programs.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 17, 1974.

Mr. ELMER STAATS,
General Accounting Office,
Washington, D.C.

DEAR MR. STAATS: The cost of medicaid and medicare is enormous. If the money were well spent, there would be few who would oppose the expenditures. But, there is a general feeling here in Congress and in the public at large, that both programs are clouded with massive fraudulent practices involving physicians and the proprietors of facilities such as nursing homes, whose bills are paid by these programs.

We have ascertained from the Social Security Administration that since 1966 there have been a total of seven referrals to the Justice Department of alleged fraudulent practices. In five of the cases, the U.S. Government refused to prosecute; in one there was a conviction with a $5,000 fine and a four year suspended sentence; and one case is pending. We have also been advised by the Social and Rehabilitation Service of H.E.W. responsible for medicaid claims that they have not compiled statistics of any kind concerning fraudulent cases in their program.

We believe that it would be salutory and of enormous assistance to the Congress if there were a GAO audit conducted of both medicaid and medicare programs, to ascertain what internal auditing procedures exist within those programs to uncover fraud and to prosecute those who commit such frauds. We would also be grateful if you would provide us with a general overview as to what is lacking in these programs with respect to the inhibition, detection and prosecution of those engaging in fraudulent practices.

Next year the Congress will in all likelihood be considering a comprehensive national health program. The information which the GAO can provide would be invaluable. While our request specifically relates to the state of New York, to which we give priority, we think that a comprehensive nationwide audit is needed.

Sincerely,

Edward I. Koch, Bella S. Abzug, Joseph Addabbo, Herman Badillo, Mario Biaggi, Jonathan Bingham, Shirley Chisholm, Benjamin Gilman, Elizabeth Holtzman, Jack Kemp, Peter A. Peyser, Charles Rangel, Benjamin Rosenthal, and Lester Wolff.

The following Members-elect would like to add their names to this letter: Tom Downey, Edward Pattison, James Scheuer, and Stephen Solarz.

SALUTE TO HUGH CAREY

The SPEAKER pro tempore (Mr. Mazzoli). Under a previous order of the House, the gentleman from New York (Mr. Delaney) is recognized for 60 minutes.

Mr. DELANEY. Mr. Speaker, it is with great pleasure that I rise today and pay tribute to my good friend and colleague Hugh Carey. I use these words, however, with mixed emotion, because he is leaving this distinguished body, after 14 years of dedicated service, to become the chief executive of the State of New York.

Years before he came to Congress, Hugh Carey was writing his own success story. A combat war hero in World War II, and graduate of my alma mater, St. Johns University, he was predestined to be a leader among men.

As chairman of the New York delegation I have known his hard work and dedication to be an inspiration to both friends and opponents alike. If not for Hugh Carey we may never have passed the Federal aid to education law. It was Hugh Carey who led the fight for passage of Federal revenue sharing and brought a billion dollars back to New York. It was Hugh Carey who never gave up on the mass transit bill or Soviet Jewry or our senior citizens. Mr. Speaker, the list goes on and on. For Hugh Carey time and work were never obstacles, but challenges.

Brooklyn, too, can be proud of their Governor-elect. He never forgot their needs or wants. For Hugh Carey there was always time to go home because it was always his first priority.

In the weeks and months ahead I will look forward to working with the new Governor. Hugh Carey begins not only a new era for government in New York, but all across the Nation people will watch for the man who can translate energy into action, and hopes and dreams into reality. The future holds great promise for Hugh Carey.

Mr. O'NEILL. Mr. Speaker, it is often remarked that you cannot be two places at once, and many times this is a good thing. But in the case of Congressman Hugh Carey it most definitely is not. He has many more years of first-class public service ahead of him, and I cannot help but feel some regret that he has chosen to spend them somewhere else. Still I am happy for the people of New York, who will be getting a very rare man as Governor.

Although there were those who did not like Hugh Carey's chances to win the Governorship, they were not those who knew Hugh Carey. Once he got himself and his record before the voters there was not much doubt about the outcome.

Congressman Carey has built an outstanding record in his 14 years in the House. His contributions in the field of Federal aid to education are particularly noteworthy. Millions of schoolchildren are today receiving a better education because of his work. His two terms on Ways and Means have shown extraordinary promise, and he will be badly missed by the committee. The 15th District will be losing one of the truly fine Congressmen in the House.

My very best wishes go with Hugh as he faces this new challenge. As always, I know that he will prove equal to it. At his age it is pretty hard to change your patterns in life.

Mr. ROONEY of Pennsylvania. Mr. Speaker, I rise to pay tribute to my good friend and colleague, Hugh Carey, who departs this House after 14 years of distinguishes service in this body to become the Governor of New York.

It is the custom of the press to say that Governors of New York automatically qualify as Presidential contenders. That would seem to me to be a belated discovery of the talents and capacity and considerable achievements of the gentleman from New York. I want to say that Hugh Carey has always rated topnotch and outstanding in my book for the able and conscientious manner in which he has always represented the people of his district, and for his contributions to the Nation, and for being the wonderful, personable, friendly human being that he is.

Hugh has a rare ability to relate to the average American, to understand his problems and to work out solutions.

Here in this House he has been best known for his efforts in behalf of better education for our children and for improved libraries. Hugh was an original sponsor of the landmark Elementary and Secondary Education Act of 1965, the basic Federal aid to education law which this Congress has extended and enlarged. Hugh has served on the boards of a number of schools and youth organizations, and he has always maintained a special concern for education of the handicapped.

He has served on five House committees, including Education and Labor, and currently Ways and Means. Last year he was elected a member of the Joint Economic Committee. The scope of his legislative experience, the range of his interests, as well as his demonstrated abilities and his compassion will serve him and the people of New York well in his new capacity as chief executive of that State.

Above all, Hugh is a man of great courage and faith. He visited his beloved wife Helen every day during those long days of her final illness and always went immediately afterward to St. Peter's Church to pray for her before he came to his work in Congress. God chose to answer his prayers in another way, but Hugh's faith has never dimmed. Adversity has seemed to enhance those qualities of courage, sacrifice and commitment that have always been a part of him.

Helen and Hugh have 12 surviving children, and I want to wish them all the best for the future. Hugh's departure from the House is a personal loss for me. I know what an outstanding job he will do for the people of New York. I offer my friend my congratulations and extend him my very best wishes as he embarks upon this new chapter in a long career in public service.

Mr. ULLMAN. Mr. Speaker, I want to join my colleagues here today in praising Hugh Carey's outstanding contributions to the Congress, and in wishing him the utmost success in his upcoming duties as Governor of the State of New York. Having worked closely with Hugh through the years on the Ways and Means Committee, I know well his capacity for hard work and the strong sense of commitment he brings to bear on the matters before him. While we will certainly miss his insight both in the committee and within the entire House, I know he looks forward to his responsibilities and challenges as New York's Governor. These are troubled times for our Nation, and it is reassuring to have men of Hugh Carey's caliber who are willing to take on the tough jobs and difficult pressures of public service. Mr. Speaker, I am pleased to salute Hugh Carey, a man whose achievements are already outstanding and will continue to grow and expand.

Mr. ANDERSON of California. Mr. Speaker, I rise today to pay tribute to one of the most outstanding Members of this body, Hugh Carey. While many of our colleagues are leaving the House for well-deserved retirements, Hugh departs for an even more demanding challenge as the first Democratic Governor of the State of New York in 16 years.

Much has been made of the rivalry between the two most populous States of our Union, New York and California, and our two largest cities, New York City and Los Angeles. It has often been said that it is a good thing they are 3,000 miles apart. But here in the House, Representatives of both great areas must work side-by-side. And I believe we have been successful in resolving what differences we may have in order to provide the best possible laws for our constituents, and the Nation as a whole. The hard work and personal integrity of HUGH CAREY is largely responsible for our success.

But during his 14 years in Congress, HUGH CAREY has not only been an effective representative of the people of Brooklyn and metropolitan areas as a whole. He will long be remembered for his outstanding contributions to education for the handicapped, and as the principal author of the original Elementary and Secondary Education Act of 1965.

I join my colleagues in wishing HUGH CAREY a long and rewarding career as Governor of New York. I know he will do an outstanding job.

Mr. MITCHELL of New York. Mr. Speaker, I am pleased to join in this special tribute to our departing colleague, Governor-elect HUGH CAREY of New York.

I do so in recognition of HUGH CAREY's record of distinguished service in the House and as an expression of my appreciation for what he is now doing to assist me with a matter of great importance to my district, the State of New York, our national defense network, and the American taxpayer.

I am speaking specifically of the Governor-elect's strong support for a cause that has united the New York congressional delegation: our determined effort to obtain from the Air Force and the Department of Defense a reversal of the announced plan to effectively dismantle the Rome Air Development Center at Griffiss Air Force Base, N.Y., and transfer its personnel and continuing mission responsibilities elsewhere.

The Rome Air Development Center is recognized as an outstanding, highly capable research and development complex. It performs critical and most sensitive work in the field of command, control, and communications technology.

On November 22 of this year, the Air Force announced a decision to scatter the RADC missions and people to the winds. It said it was forced to do so because of budgetary constraints and the necessity to absorb inflationary pressures. However, there was an acknowledgement that while there was a need to cut costs, there was a corresponding need to increase efficiency in command, control, and communications technology. Furthermore, it was conceded that RADC is the best in the business in this important area.

Of course, those of us who share a concern not only about the future of a vital Air Force installation and its people, but also the work that is being carried on by RADC at Griffiss, immediately set out to convince the Air Force that its decision was unwise and contrary to the best interests of its stated objectives: economy and increased efficiency.

The facts are with us. We have been able to prove beyond a shadow of a doubt that implementation of the announced Air Force plan will not result in savings, but actually will cost more than $70 million. Additionally, and this is most important, all the available evidence, and there is plenty, confirms that the increased efficiency sought will not be obtained. Rather, it is almost a sure bet that just the opposite will occur because highly skilled engineers and scientists will be lost, mission responsibilities no longer will be centralized and there will be duplication of assignments at distant locations.

We have taken the RADC case to the New York delegation and to all others who will listen. We have attempted to enlist the support of everyone who shares our concern and wants to contribute to an effort designed to convince the Air Force that its decision is unwise and should be reversed.

Many have been called and many have responded. HUGH CAREY is one who has come to the fore and has assumed a leadership role in this battle. We have a working partnership for a common cause.

Our distinguished colleague, who is about to end his service in the Congress to go on to new and even greater responsibilities as the Governor of New York, has been extremely busy these past weeks and months. And yet, despite all the many demands on his time and the difficulty of the task of preparing to assume the role of chief executive of the Empire State, he has been in the front ranks in the fight for RADC. He is a most valuable ally, one who has much to contribute, is willing to work hard, and is tireless in fighting for what he believes to be right.

I wish to publicly thank Governor-elect CAREY for his service to the Nation in the Congress of the United States, for his deep interest in and support for the RADC fight and for his pledge of continued assistance in advancing our efforts to best serve the people we are privileged to represent.

And I wish him well as he embarks upon this new phase in his very distinguished career.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in this special tribute to our colleague, the Honorable HUGH CAREY, Governor-elect of the State of New York.

HUGH has always been a leader among his colleagues and now he is leaving our Chamber to assume the burdens of the Governorship of New York, a challenge indeed. I am confident he will be successful in his new role because he has already proved his capacity to bring people together in a common desire to improve government.

For the past 14 years I have admired HUGH CAREY's ability to work with all members of our New York congressional delegation and our membership has run the full range of ideological positions. As HUGH continues his public service, the people of New York State will benefit from his openminded, down-to-earth approach to problems. He is an effective spokesman for the average citizen because he understands the concerns and priorities of those who have elected him to public office.

His latest political victory is significant not only because of the huge margin of success but because he was able to gain the confidence of voters representing a broad cross section of America. This proves that the people have not given up on their political leaders or our system of government.

We will miss HUGH CAREY's wit and wisdom in legislative matters. His personality and sense of humor are well known in this Chamber just as his commonsense approach to issues has earned him the respect of Members on both sides of the aisle.

I look forward to working with Governor-elect CAREY on State issues and I join in wishing him well in his new career.

Mr. MURPHY of New York. Mr. Speaker, I add my sentiments to those of us in the House of Representatives who are honoring HUGH CAREY, a colleague and a friend who will be missed by all of us here.

Congressman CAREY's wise counsel and good-humored advice will be sorely missed by everyone. His instincts are right and his motives as a Member were always for the good of this country.

He demonstrated his ability in elective office in the most difficult districts in New York State. Congressman CAREY's 14 years in the Congress, his acknowledged abilities and leadership on the Committee on Education and Labor where he brought the most progressive accomplishments in elementary and secondary education benefits to the entire Nation as well as to New York City and State, are unsurpassed in our legislative annals.

His loss to this body is the State of New York's gain.

His leadership on the Committee on Ways and Means in constructing the tax legislation and controls on our runaway economy, which brought revenue sharing, medicare, and tax relief to our citizens certainly are indicative of the talent that will be needed to manage the economy of this country's greatest financial entity, New York State.

His ability in the recent election to win areas that were not dominated by his own party are evidence of his broad base support throughout the entire electorate and the fact that he is a man of the people.

He is a dedicated family man; he is a tough but fair advocate; he is a rising star on the political horizon of this country; and he deserves admiration and respect regardless of political faith.

He is a friend and I, for one, shall miss his presence here.

Mr. KOCH. Mr. Speaker, a good friend and colleague, HUGH CAREY is leaving this Congress to become the Governor of the State of New York. In all candor and without hyperbole, I can say that it is a great loss to this Congress but an even greater boon for the citizens of New York. He is a remarkable man.

A discussion of ethnic politics is always precarious, particularly when one engages in stereotypes or uses such a discussion to malign. But let me say forthrightly without guile that I have concluded over the years that among the most successful politicians, and I mean this in a positive and not a pejorative way, is the Irish Catholic liberal who oft times has the best of all possible worlds.

One might say why? Well, the answer is that so many of the Irish truly have a lyrical wit so that much of what they say borders on the poetic. And being Catholic very often connotes a conservatism with which a majority of voters identify while being liberal invokes a human response to the needs of the people which the majority of New Yorkers in fact share. Indeed in the last election, these qualities are exactly what made it possible for Hugh Carey, who when first a candidate was known only by about 4 percent of the voters in the State, to ultimately win.

When his virtues became known, and television is the best way for an honest person to be identified because there is no phoney-baloney coming through the tube that is not detectable, the people chose him. Hugh Carey took these assets, made them known and was elected in an unbelievable landslide victory—well-deserved but certainly not expected at the time his campaign commenced.

I have served with Hughie for 6 years in Congress. I look forward to serving with him on behalf of the people of the State of New York for many more years. I look forward to the Carey administration in Albany, moving New York ahead; and I especially look forward to his being able, as he demonstrated in the two elections—primary and general—to bring the people of the State of New York together again. He is a good man and I am proud to call him a friend.

Mr. BADILLO. Mr. Speaker, I am delighted to join in honoring our good friend and colleague from New York, Hugh Carey, as he retires after 14 years of outstanding service in the House and undertakes the exciting and challenging career of chief executive of the State of New York.

While I have only served with Hugh in this body for 4 years, I have had the privilege of knowing and working with him on numerous projects of mutual interest and concern in New York City for many more years. I have always been impressed by his dedication and perseverance and believe that these and his other admirable qualities will certainly be transported from Washington to Albany.

Hugh will leave his mark on this body and on the country and we must recall the important work he did on behalf of the handicapped and the fact that he was one of the original sponsors of the Federal aid to education legislation. In more recent years he has made a number of important contributions during his service on the Ways and Means and Joint Economic Committees.

I look forward to a continued and fruitful association with Hugh as he embarks upon his new path and want to wish him the very best of success and good fortune as Governor of New York.

Mr. BIAGGI. Mr. Speaker, I am pleased to join with my colleagues from New York and elsewhere in paying tribute to our good friend and distinguished colleague, Hugh Carey. Far too often these occasions of paying tribute to departing Members are difficult tasks because many of them are leaving Congress and entering unknown professions with uncertain future, but Hugh Carey has no such problem for as we all know he will be inheriting the governorship of the great State of New York on January 1.

During his 12 years in Congress Hugh Carey has amassed an impressive record of service not only to his constituents in Brooklyn but for the entire city of New York as well. I suppose he will best be remembered for his work on behalf of the Revenue Sharing Act of 1972, which many feel was the most significant piece of legislation to emerge from Congress so far in the 1970's.

Hugh Carey will take his record of experience and service to Albany with him where he will be facing new and more severe challenges. As Governor of the State of New York he will be dealing with numerous problems, the most serious being the desperate fiscal condition of the State as a whole.

I know that Hugh Carey will be turning to his friends and colleagues from the New York State delegation often in the coming 4 years for advice and consultation, and I am hopeful that all of us working together can find solutions to the common problems which New Yorkers face.

All of us in the New York delegation will miss having Hugh Carey around. He was an exemplary public servant and gentleman. He is now embarking on perhaps the biggest challenge of his long political career. I know I speak for my colleagues when I extend to him my warmest best wishes for a successful term as Governor and I wish to console the residents of the 15th Congressional District by reminding them that they are not losing a Congressman but rather they are gaining a Governor.

Mr. CULVER. Mr. Speaker, this is an occasion of mingled regret and pride. To lose a man of the range of abilities and strength of character of Hugh Carey is a large deprivation for the House. On the other hand, his contribution to our national life will be enlarged when he shortly assumes the governorship of New York.

All of us who have known Hugh Carey have admired his keen mind, his fine wit, his warmth of personality. And many have known of the excellence of his service on both the Labor and Education and the Ways and Means Committee. A few of us have had the good fortune to be his close neighbor in the Cannon Office Building which he greatly enlivened by his presence.

But honesty also compels many of us to admit that we were anxious if not unbelieving as he embarked some months ago on his quest for the governorship of New York. We feared that he might be deprived of any political office. But Hugh Carey showed both exceptional fortitude and political brilliance as he won first what had been generally regarded as a bleak primary and then won overwhelmingly in the November election. Now it all seems foreordained, but it took exceptional stamina and versatility to reach the shining result.

Governor Carey will undoubtedly be in frequent touch with his colleagues in the House and the Senate. The reservoir of affection and goodwill he has earned in the Congress will be a great asset to him as he leads New York during the difficult years ahead. I wish all success to him and his devoted family.

Mr. HANLEY. Mr. Speaker, with the demise of the 93d Congress an exceptionally large number of sitting Members will be leaving. If time allowed, I would enjoy expounding on the virtues of so many of them as I have enjoyed a delightful association with virtually every one of them. At this moment my thoughts are of my long time friend and corridor neighbor, Hugh Carey. In all candor, I too have mixed emotions, as I am disheartened at the thought of Hugh's departure from the 93d Congress in recognition of his truly outstanding capabilities. On the other hand, I am greatly heartened at the thought of his assuming the reins as chief executive of my native State, New York. I am confident that as time proceeds, the people of my State are going to take great pride in Governor Carey. His virtues, incidentally, must have greatly impressed New Yorkers as he was elected Governor with the largest plurality since the election of the late and great Al Smith.

Hugh enlisted in our military establishment and served through World War II with great distinction. In essence, from the date of his enlistment to the present time, he has dedicated himself to the cause of Government and as such a better society.

His service in the Congress commenced as of the 87th Congress. Thus, our Nation has enjoyed his services in this body for 14 years. His constituency has indeed been well served and I feel certain that like myself, most of his constituents have mixed emotions. That is, losing him in the Congress but gaining him as our Governor.

His very special attention during his tenure in the Congress to the plight of handicapped children provided some evidence of the nature of this great man. His determination to assure that one day every American child would enjoy equal educational opportunities is another quality most worthy of note. Truly his achievements here in the Congress would fill many, many pages. Time does not allow me the opportunity to elaborate. It is especially interesting to note that throughout this arduous period of public service, Governor Carey was a family man in every sense of the word. The mutual devotion between he and his late wife, Helen, was always so obvious. Their 14 beautiful children cemented a magnificent relationship. I am confident that Helen is so proud of Hugh's success in the New York election and certainly from the Heavens will be a guiding force to him as he assumes his new challenge.

I have said many times that I have never heard an ill word about Hugh Carey from any Member on either side of the aisle. This again is a great testimony to an individual in recognition of a philosophical and position difference which we in the Congress are confronted with on a day-to-day basis.

One of the great rewards of public service is the privilege of associating with fine people. In the case of Governor Carey, I have indeed been blessed and I will always treasure this association and cherish the friendship which I am confident will endure forever. The torch which will pass to Governor CAREY in Albany on January 1, will be a heavy one, but in recognition of the track record of this truly great American, I am confident that he will superbly master the challenge which is his of that date.

I pray that the years ahead will provide for him and his fine family everything in the way of good health, happiness and success.

Mr. LEGGETT. Mr. Speaker, I rise with my colleagues to bid farewell to HUGH CAREY, and to wish him well in the new job the voters of New York have bestowed upon him.

HUGH has scored a tremendous victory for the Empire State not only by winning the Governor's mansion, but by reuniting the Democratic Party. His victory there has shown the way to greater national unity. I'm sure that the agressive leadership that HUGH showed on tax legislation here in the House will translate itself into effective executive leadership for the State of New York. We will certainly miss CAREY's brand of problem-solving energy in Washington. His Ways and Means Committee has been enlarged, and I am certain that the new members of that Committee would benefit greatly from HUGH's experience and insight.

Our best consolation is that the House's loss is New York's gain, and I am glad to see that such an able, articulate Democratic friend of the people will have the opportunity to lead our Nation's second largest State.

Mr. FULTON. Mr. Speaker, it is always a difficult task to say goodby to an esteemed colleague and a personal friend. In the case of the gentleman from New York, however, the task is made easier by virtue of the fact that he leaves this body to embark on a new, exciting and vigorously challenging opportunity to continue his already distinguished career of public service in a new capacity, governor of the State of New York.

The ultimate measure by which we differentiate those in our society who standout as leaders is through testing. And, Mr. Speaker, HUGH CAREY has been tested in his personal and public life. Despite ill-fated tragedy he has emerged a leader in a body of many outstanding Members while overcoming what many viewed as impossible political odds to be chosen by an overwhelming mandate of the people of New York to serve as their chief executive.

HUGH CAREY has not achieved the threshold of executive responsibility and a record of distinguished service in the U.S. Congress by chance. He has achieved it through dedication, hard work and tremendous ability, ability which he has put to use in the service of the people of this Nation and which he is now preparing to devote to the people of the Empire State, their problems and their welfare.

It has been a distinct privilege for me to have had the opportunity to serve with HUGH CAREY. Had he so chosen he could have served many more terms in the House of Representatives. His absence will be felt not only on the Ways and Means Committee where he was a valued and contributing member but throughout the Congress. HUGH CAREY has always had and utilized the ability to motivate and contribute. He has been an asset to the Congress and his absence will be felt.

I wish him every success and I am confident we and the Nation will be hearing more of this man in the not too distant future.

Ms. HOLTZMAN. Mr. Speaker, with HUGH CAREY's departure for the Governor's mansion in New York, Congress has lost a dedicated and outstanding legislator, and a thoroughly decent, deeply compassionate man.

During his distinguished service in this House and on the Ways and Means Committee, HUGH CAREY made major contributions in the areas of revenue sharing, senior citizens, mass transit, immigration and housing. The voters of New York, in electing him Governor by a record margin, showed him their gratitude for his tireless and productive efforts on their behalf.

When I came to the House 2 years ago, I learned quickly to depend on his expertise and sound judgment. I learned greatly from the experience of working with him on matters affecting the cause of Soviet Jews, the needs of the elderly, and our neighboring districts in Brooklyn.

I am deeply grateful for and shall miss greatly his wise counsel, generous friendship, and ready sense of humor.

For all these reasons, I regret that HUGH CAREY will no longer be a Member of this House. But I am delighted to wish him the greatest success and happiness as he leaves to become Governor of New York. Our State desperately needs a man of his ability and humanity.

I am confident that as Governor he will fulfill the high expectations of the people of New York and his colleagues in the Congress of the United States.

CORPORATE FEDERAL TAX PAYMENTS AND FEDERAL TAX SUBSIDIES TO CORPORATIONS FOR 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 60 minutes.

Mr. VANIK. Mr. Speaker, today, I am making my third annual report on the approximate[a] Federal income tax payments of 160 of America's major corporations. This year's report was prepared entirely from public information by the staff of the Joint Committee on Internal Revenue Taxation with the assistance of the General Accounting Office.[b]

The study obtained tax data on 143 of the 160 companies examined. Seventeen companies either lost money or did not report tax data clearly enough to permit the accountants to determine an effective Federal tax rate.

In tax year 1973, I found that 10 corporations, with total profits of approximately $976 million, paid no Federal corporate income tax. I found that another 20 corporations making $5,285,555,000 in profits paid an effective Federal corporate income tax rate of between 1 and 10 percent for a total of $226,894,000 in Federal income taxes.

Let me stress here, Mr. Speaker, that these corporations have done nothing illegal in lowering their tax rates—they have simply taken advantage—quite effectively—of the multitude of tax subsidies which have been enacted into the tax laws over the years.

Following is a list of the profitable corporations which paid little or no tax for 1973:

Footnotes at end of article.

CHART 1

Company	In thousands: Adjusted net income before Federal income tax	In thousands: Approximate current Federal income tax	Approximate effective rate (percent)
Freeport Minerals Co	23,958	0	
Texas Gulf Inc	67,442	0	
United Airlines	98,711	0	
Trans World Airlines	58,583	(137)	
ConEd of New York	203,319	(744)	
American Electric Power	194,285	(8,920)	
Western Bancorp	97,730	(1,802)	
Chemical New York Corp	74,765	(4,739)	
Bankers Trust of New York Corp	51,673	(8,020)	
Continental Illinois Corp	105,818	(2,312)	
Total	976,284		
International Harvester Co	78,328	36	.05
Kennecott Copper Corp	211,980	800	.4
LTV Corp	65,171	800	1.2
Anaconda Co	76,061	1,086	[1] 1.4
Occidental Petroleum Corp	80,503	1,425	1.8

Company	In thousands: Adjusted net income before Federal income tax	In thousands: Approximate current Federal income tax	Approximate effective rate (percent)
Texaco Inc	1,317,300	30,000	2.3
Chase Manhattan Corp	170,691	4,185	2.5
Gulf Oil Corp	749,000	23,000	3.1
McDonnel Douglas Corp	200,245	6,506	3.2
Standard Oil Co. of Ohio	113,008	3,937	3.5
El Paso Natural Gas Co	105,134	4,758	4.5
Mobil Oil	873,027	43,500	5.0
Uniroyal, Inc	55,725	3,618	6.5
International Minerals & Chemicals	73,614	5,242	7.1
Chrysler Corp	353,700	26,400	7.5
Gulf & Western Industries	71,028	5,400	7.6
National Cash Register Co	91,819	8,249	9.0
Southern Railway Co	106,154	9,626	9.1
Union Oil Co. of California	205,263	19,700	9.6
Continental Oil Co	287,804	28,626	9.9
Total	5,285,555	226,894	

[1] Itappears that one of the principal reasons for this company's low effective rate is a significant loss carry forward from prior years.

My previous study for tax year 1972 found 11 corporations with profits of $741.4 million paying no Federal corporate income tax. Out of 58 industrials for which data was available, 14 had $3.7 billion in taxable profits on which they paid at a tax rate of between 1 and 10 percent. Mr. Speaker, there has been no increase in tax justice. Tax reform is still the priority for the 94th Congress.

DECLINING CORPORATE TAX BURDEN

As in my past two studies, I have found that for many major profitable corporations, the statutory corporate tax rate of 48 percent is a myth. The average effective tax rate of the 143 companies in the study was 23.6 percent—less than half of the statutory rate. This study again dramatically proves that the Federal tax subsidies provided to giant corporations significantly reduce or even eliminate their Federal tax obligations. In 1974, during economic hard times, corporations are crying for tax relief. This study is a reminder that many giant corporations already pay little or nothing in Federal income taxes and that across-the-board industry tax breaks will only add to the list of profitable corporate tax freeloaders.

What is more disturbing is that over the past 3 years of these studies, I have found that the 100 largest industrial corporations have shouldered less and less of the Federal tax burden. For the industries studied, the average effective Federal corporate tax rate was 29.6 percent in 1971, 29.3 percent in 1972, and 27.1 percent in 1973.

Someone else is making up the difference—and that someone is the individual taxpayer and the small businessman.

Table A shows the type of companies covered by this year's study.[c] Table B reveals the average effective 1973 tax rate of the profitable corporations examined.[d] Table C shows, by category, how the average tax rate of America's leading corporations declined between 1972 and 1973. Despite a major increase in profits of nearly $7 billion or 25.8 percent, tax payments rose only $740 million or 10 percent and the average effective tax rate among these comparable companies declined from 28.6 percent in 1972 to 24.9 percent in 1973.

Table D shows how the burden of supporting the Federal Government has increasingly shifted to the individual taxpayer—individuals who frequently pay a higher rate of tax than the profitable corporations for whom they work.

Footnotes at end of article.

TABLE A.—SIZE OF SAMPLE AND COMPARABILITY BETWEEN 1972 AND 1973

Category	1973 examined	1973 profitable and data available	1972 examined	1972 profitable and data available	1972–73 comparable
"Fortune magazine top 100" industrials	100	93	100	61	57
Transportation	20	16	20	13	12
Utilities	10	10	10	8	8
Retailing	7	7	7	5	5
Commercial banks	9	8	9	3	3
Mining companies	8	8	0	0	0
Grain companies [1]	6	1	0	0	0

[1] Average effective 1973 tax rate by category.

TABLE B

Category	Sample	Adjusted net income before Federal income tax (thousands)	Approximate current Federal income tax (thousands)	Approximate Federal income tax (percent)
Industrials and mining	101	34, 997, 898	8, 695, 788	24. 8
Transportation	16	1, 382, 982	209, 002	15. 1
Utilities	10	6, 418, 247	1, 158, 325	18. 0
Retailing	7	1, 668, 715	559, 197	33. 4
Commercial banks	8	1, 124, 190	108, 211	9. 6
Grain companies	1	73, 789	24, 646	33. 4
Total		45, 665, 821	10, 755, 169	23. 6

TABLE C.—DECLINE IN CORPORATE TAX RATE BETWEEN 1972 AND 1973 BETWEEN COMPARABLE COMPANIES

[Dollar amounts in millions]

Category	Sample	Adjusted net income before Federal income tax		Approximate current Federal income tax		Approximate Federal income tax	
		1972	1973	1972	1973	1972 (percent)	1973 (percent)
Industrials	57	$18, 831	$24, 190	$5, 518	$6, 547	29. 3	27. 1
Transportation	12	857	1, 217	110	163	12. 8	13. 4
Utilities	5	5, 150	6, 107	1, 380	1, 098	26. 8	18. 0
Retailing	5	1, 370	1, 520	569	515	41. 5	33. 9
Commercial banks	3	520	620	75	68	14. 4	11. 3
Total	82	26, 728	33, 636	7, 652	8, 391	28. 6	24. 9

TABLE D.—FEDERAL BUDGET RECEIPTS BY MAJOR SOURCE

[Burden of supporting the Federal Government has increasingly shifted to the individual taxpayer—individuals who frequently pay a higher rate of tax than the profitable corporations for whom they work; in percent distribution]

Major source	1967	1968	1969	1970	1971	1972	1973 (estimate)
Total receipts, by source	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0
Individual income taxes	41. 1	44. 7	46. 5	46. 7	45. 8	45. 4	44. 2
Corporation income taxes	22. 7	18. 7	19. 5	16. 9	14. 2	15. 4	14. 9
Social insurance taxes and contributions	22. 3	22. 5	21. 3	23. 4	25. 8	25. 8	28. 7
Excise taxes	9. 2	9. 2	8. 1	8. 1	8. 8	7. 4	7. 1
Customs, estate, and gift taxes	3. 3	3. 3	3. 1	3. 1	3. 4	4. 2	3. 4
Miscellaneous receipts	1. 4	1. 6	1. 5	1. 8	2. 0	1. 7	1. 8

SIGNIFICANCE OF FINDINGS

As in previous years, I believe that this report reveals a number of important trends in our society and economy:

First. The tax code helps big corporations get bigger, since only the larger corporations can take full advantage of the complex of tax subsidies. In short, the tax code encourages conglomerates and monopolies. The tax code should be altered to aid small businesses and encourage competition instead of monopoly;

Second. Oil companies pay almost no Federal corporate income taxes—even in a year in which windfall profits were beginning to accumulate. Oil tax reform must be an absolute priority in the 94th Congress;

Third. Banks are becoming the controlling force in our economy through the accumulation of large tax-free profits. Leasing activities—actually the selling of tax benefits—are an important strategy most banks follow. Bank control and tax reform are essential;

Fourth. Utilities, which are considered to be in financial trouble, already pay almost no taxes. Therefore, the proposed extension of additional investment credits to utilities may have little or no effect while costing the taxpayer additional billions;

Fifth. In addition to the low tax rate among utilities and oil companies, the average tax rate of mining companies is far below average—only 13.4 percent. This means that despite today's high materials prices, we have been subsidizing the use of minerals and fuels. The cost of these items—if they were to bear the same tax rate as other commodities—would be much higher. By subsidies, we have hidden these costs and encourage waste instead of conservation; we have encouraged the development of a "throw-away" economy instead of an economy that recycles and preserves. This policy has brought us to the edge of economic collapse and must be reversed; and

Sixth. Because of variations in accounting procedures, it is still extremely difficult to determine the exact rate of corporate Federal tax payment. The SEC has taken steps in the right direction, but even clearer reporting requirements should be established.

OIL COMPANIES

This year's tax study reconfirmed a fact which has now become a familiar theme: The major oil companies pay very little of their income to the United States as tax. As we know, 1973 was a bonanza year for the oil companies, but at the same time, they paid only a small percentage of these profits to support the Federal Treasury. Of the 12 oil companies for which comparable data is available, their aggregate adjusted gross income increased by 61 percent in 1973 over 1972. Yet, the effective Federal income tax rate measured as a percentage of net income actually paid as tax, remained ridiculously low. In 1972, the effective tax rate for these 12 companies was only 7.9 percent, while in 1973 it rose slightly to 9.6 percent.

Following is a list of the oil companies and their effective tax rates:

APPROXIMATE EFFECTIVE FEDERAL INCOME TAX RATE PAID BY OIL COMPANIES SELECTED FROM FORTUNE MAGAZINE LISTS OF LARGE CORPORATIONS

[Dollar amounts in thousands]

	1973			1972				
Corporation	Adjusted net income before Federal income tax [1]	Approximate current Federal income tax	Effective tax rate (percent)	Adjusted net income before Federal income tax A	Approximate current Federal income tax	Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
OIL INDUSTRY LISTING								
Exxon	$2,982,000	$333,000	11.2	(2)	(3)	(2)	(3)	(3)
Mobil Oil Corp	873,027	43,500	5.0	$589,413	$17,300	2.9	14.5	16.8
Texaco, Inc	1,317,300	30,000	2.3	689,711	23,600	2.7	[4] 3.2	[4] 8.0
Gulfoil Corp	749,000	23,000	3.1	233,000	12,000	5.2	[4] 4.9	[4] 1.9
Standard Oil of California	475,000	53,900	11.3	334,207	19,400	5.8	4.9	16.0
Standard Oil (Indiana)	666,070	165,642	24.9	390,096	74,682	19.1	15.0	13.4
Shell Oil Co	444,021	112,680	25.5	(2)	(2)	(2)	(2) (5)	11.2
Atlantic Richfield Co	313,276	36,276	11.6	211,901	16,141	7.6	2.7	5.0
Continental Oil Co	287,804	28,626	9.9	207,455	12,371	6.0	(4)	5.3
Philips Petroleum Co	231,027	42,830	18.5	164,650	39,221	23.8	14.3	25.8
Occidental Petroleum Corp	80,503	1,425	1.8	(6)	(6)	(6)	(4)	[4] 1.4
Sun Oil Co	288,181	34,860	12.1	182,291	9,004	5.0	[4] 3.9	[4] 14.3
Union Oil Co. of California	205,263	19,700	9.6	152,166	9,800	6.4	9.0	5.4
Cities Service Co	188,477	49,500	26.3	126,254	32,662	25.9	8.9	17.0
Ashland Oil, Inc	136,892	53,165	38.8	(2)	(2)	(2)	(7)	(7)
Standard Oil Co. (Ohio)	113,008	3,937	3.5	(2)	(3)	(2)	(5)	0
Getty Oil Co	183,925	25,247	13.7	129,525	18,367	14.2	12.4	16.2

FOOTNOTES OF TABLE

[1] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used. In certain cases, the minority interest and/or the income loss reported under the equity method was not separately disclosed and in these cases those adjustments could not be made and the data, therefore, was omitted.

[2] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted.

[3] Possibly overstated significantly because foreign and/or State and local income taxes are combined with Federal income tax. Wherever this is believed to be extremely significant the data are omitted. These companies have not reported separately their Federal income tax expense. As stated elsewhere, this is an apparent violation of SEC requirements.

[4] The deferred income tax accounts (tax effect of timing differences) may contain State and local and/or foreign in addition to Federal income taxes. Thus, this might have a significant effect on the estimated current Federal income tax and percentage.

[5] The data for 1971 were not available when this information was being gathered.

[6] Footnote No. 9 to the consolidated financial statements for Occidental Petroleum Corp. for the calendar year ended Nov. 31, 1972, indicates: "Substantially all of the 1972 and 1971 provisions for income taxes relate to Occidental's Libyan operations. As a result of the utilization of the percentage depletion and foreign tax credits, no Federal taxes have been paid or provide for the 2 years ended Dec. 31, 1972, except for a tax on preference items as prescribed by the Tax Reform Act of 1969."

[7] The 1971 and 1970 data for Ashland Oil were not readily available in the SEC microfilm files.

BANKS

The study confirms an alarming trend in the tax status of commercial banks. Of the eight commercial banks for which data was available, four paid no Federal income tax in 1973. The remaining four companies paid an aggregate tax payment at an effective rate of only 13.6 percent. According to data compiled by a Philadelphia Federal Reserve Bank economist, the tax burden for commercial banks has deteriorated significantly over the past decade. In 1961, commercial banks were paying an effective tax rate of 38.3 percent. In 1970 this rate had dropped to 23.2 percent. The data in this study suggests the rate is now somewhere between 10 and 15 percent.

This development has significant implications for the future of our economy. As banks decrease their tax obligations and increase the amount of capital available to them, they gain increasing economic power. To an ever greater extent, it appears that banks are becoming the owners of American industry.

Commercial banks can take advantage of several tax deductions not available to nonfinancial corporations. These deductions include such items as the bad debt reserve provision, which allows banks to claim excessive deductions for reserves held against loan losses. However, the most alarming development has been the proliferation of commercial leasing activities as a technique to minimize commercial bank tax liabilities. Basically, equipment leasing involves the bartering of tax benefits. Industrial corporations, unable to utilize fully the tax breaks—notably the investment tax credit—that come with buying a piece of equipment, will turn to commercial banks. The banks will buy the equipment, obtain the tax credit, and lease the equipment to the industrial corporation at favorable rates.

Nobody knows for sure how fast the business of equipment leasing is growing, but it has been estimated at a rate of over 20 percent a year. Equipment leasing activities are not confined to the acquisition of traditional manufacturing. Direct lease financing has been used to acquire such items as two portable $20,000 handball courts, potato chip cookers, electric golf carts for country clubs, horses and cattle for investor syndicates, and everything from elephants to zebras for a commercial park in Puerto Rico. Clearly, it is time to investigate the extent to which the commercial banks perverted the congressional intent in exploiting these tax subsidies for investment.

UTILITIES

Utilities, like most of the rest of American big business, were able to minimize, and in some cases even erase completely the taxes on their income. Of the 10 utilities in the study, none of them paid an effective income tax rate of more than 23 percent. Two of them, Consolidated Edison Co. of New York, and the American Electric Power, paid no taxes on $397 million in profits.

The level of tax payment by utilities is especially interesting because utility companies have lately pressed hard to increase the investment tax credit for utilities from its current 4 to 7 percent. As a public utility, these companies already have a Government-guaranteed level of income—with expenditures for equipment or other property allowed as part of the rate base by public utility commissions. Increasing the investment tax credit is pointless if those costs are already provided for in existing mechanisms and if the utilities are using them to avoid paying billions of dollars in Federal income taxes. The public utility consumers suffer too: they must pay the taxes that the utilities avoid, and they see their rates increase at the same time.

TAX CODE ENCOURAGES CONGLOMERATE AND MONOPOLY GROWTH

It is said that the rich get richer and the poor get poorer. I believe that the Federal tax code for corporations helps big companies get bigger and buy out smaller companies. The result is a tendency toward monopoly, a decline of small business, and a lack of innovation and competition.

In 1970, there were approximately 1.67 million American corporations. Only 2,600 had assets of $100 million or more. Yet these 2,600 corporations—0.16 percent of the total—held $1.75 trillion in assets or 66.5 percent of all corporate assets. The preliminary IRS statistics for 1971 indicate that these manufacturing corporations with assets over $100 million used a disproportionate share of business tax deductions: 73.7 percent of depreciation deductions, 72.3 percent of the investment credit, 96.7 percent of the foreign tax credit.

As a result, the average effective tax rate of the bigger corporations is lower than the average tax rate on all corporations. My study found an average tax rate of 23.6 percent for 143 giant corporations. Yet data from the Department of Commerce indicates an average total corporate tax liability in recent years of about 44 percent. The IRS Statistics of Income for 1970 indicate a tax payment level for all corporations of about 33.4 percent. The FTC's Quarterly Financial Report for Manufacturing Corporations—second quarter, 1974—shows the tax rate for companies with over $1 billion in assets to be 6.4 tax percentage points lower than the tax rate for all corporations.

The ability of larger corporations to use the complex provisions of the tax code helps them maintain a cash flow, attract investors, and monopolize markets. By supporting monopoly growth, the tax code has helped fuel the inflationary pressures in our society.

TAX BREAKS FOR LARGE CORPORATIONS AND EMPLOYMENT GROWTH

Tax incentives for large corporations to invest in capital intensive equipment may be a very inefficient way to fight unemployment. The following table shows that among the top 500 industrials, the top 100 were disproportionately able to increase their sales and hold down their employment:

	Fortune 100 industrials	Fortune 101 to 500 industrials
Sales (millions):		
1972	$347, 786	$209, 861
1973	$417, 353	$249, 753
Percent change	20	19
Employment (thousands):		
1972	8, 500	6, 177
1973	8, 955	6, 577
Percent change	5. 4	6. 5

In providing future tax incentives to business, we must give more attention to the need for creating employment.

NEED FOR CLEARER TAX REPORTING

Because of an order by the Securities and Exchange Commission issued in November 1973, companies are now generally required to explain significant differences between their tax payments and the statutory rate of 48 percent. The Commission is to be commended for its action in requiring clearer tax expense reporting. It is largely because of this ruling that the joint committee was able to make a tax determination in 143 out of 155 profitable corporations examined. At the time of the tax year 1972 study—before the SEC ruling—the joint committee's staff was only able to make determinations in 90 out of 146 cases.

Nevertheless, many companies still insist on making their filings as complex as possible. The result can be confusing, even to the best of tax and accounting experts. For example, Merrill Lynch, Pierce, Fenner & Smith, Inc. issued a special report on June 7, 1974, concerning "Low Effective Tax Rates." It found, for example, Honeywell had an effective tax rate in 1973 of 41.2 percent. In my study prepared by the joint committee, Honeywell's effective tax rate for 1973 was found to be 17.4 percent. Given the outstanding record of the joint committee, I will stand by the 17.4 percent figure used in this study. I also find that many of the figures used in this report are significantly different than those calculated by tax analysts and advocates, an expert public interest tax research group that has also attempted to determine effective corporate tax rates. These discrepancies point out the difficulty in interpreting how our Nation's tax laws work.

The Government cannot make economic and tax policy when it does not know the impact of past tax policies. Without clear knowledge of the state of corporate tax burdens, the Ways and Means Committee cannot legislate intelligently. Therefore, for the sake of national economic policy as well as for the information of investors, I urge the SEC to issue final regulations to eliminate the remaining confusion about the reporting of tax expenses.

CONCLUSION

Nearly 160 years ago, Chief Justice Marshall said that the "power to tax was the power to destroy." This Nation can be destroyed by its failure to provide a just and equitable system of tax. The Federal Government can use the tax power to create—to create a better society for all Americans—and the tax power is an essential tool. Without revenues, a government is severely weakened. A continued erosion of Treasury receipts through executive rulings and interpretations and legislative inertia could immobolize the Federal Government at a time it is called on to perform and to stimulate recovery. Policies of tax indifference can destroy the Federal Government as an instrument of popular hope.

EXPLANATION OF FOOTNOTES

The footnotes accompanying this study are complex. The footnotes to the 1973 figures are arabic numerals and will be listed immediately after the table. The footnotes for tax years 1972, 1971, and 1970 will follow and are a combination of arabic numerals and capital letters. Several of the earlier footnotes relating to the availability of data are no longer applicable, but they are brought forward from the earlier studies to provide a history and to insure consistency in the study.

To determine the appropriate footnote, first determine the tax year of the data involved and then consult the list of footnotes for that year.

APPROXIMATE EFFECTIVE FEDERAL INCOME TAX RATE PAID BY COMPANIES SELECTED FROM FORTUNE MAGAZINE LISTS OF LARGE CORPORATIONS

[Dollar amounts in thousands]

	1973			1972				
Corporation	Adjusted net income before Federal income tax [1]	Approximate current Federal income tax	Effective tax rate (percent)	Adjusted net income before Federal income tax [A]	Approximate current Federal income tax	Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
INDUSTRIAL CORPORATION LIST								
General Motors Corp	3, 907, 300	1, 750, 000	44. 8	3, 579, 773	1, 595, 392	44. 6	[B] 48. 2	[B] 24. 6
Exxon Corp	2, 982, 000	333, 000	11. 2		(2)		(D)	(D)
Ford Motor Co	1, 216, 000	221, 800	18. 2		(3)		[E] 35. 2	[E] 41. 6
General Electric Co	885, 800	321, 200	36. 3	798, 400	315, 300	39. 5	[F] 35. 4	39. 2
International Business Machines Corp	2, 238, 467	690, 900	30. 9	1, 842, 268	562, 580	30. 5	[D] 30. 1	(D)
Mobil Oil Corp	873, 027	43, 500	5. 0	589. 413	17, 300	2. 9	[F] 14. 5	16. 8
Chrysler Corp	353, 700	26, 400	7. 5	303, 900	112, 900	37. 2	[G] 13. 9	(G)
International Telephone & Telegraph Corp	469, 966	47, 397	10. 1	376, 383	3, 686	1. 0	[H] 4. 9	[H] 4. 2
Texaco Inc	1, 317, 300	30, 000	2. 3	869, 711	23, 600	2. 7	[B] 3. 2	[B] 8. 0
Western Electric Co. Inc	587, 000	243, 024	[3] 41. 4	537, 980	[4] 217, 649	40. 5	[I] 43. 9	[I] 45. 3

Corporation	1973			1972				
	Adjusted net income before Federal income tax [1]	Approximate current Federal income tax	Effective tax rate (percent)	Adjusted net income before Federal income tax [A]	Approximate current Federal income tax	Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
Standard Oil Co. of California	475,000	53,900	11.3	334,207	19,400	5.8	[F] 4.9	16.0
The LTV Corp	65,171	800	1.2	18,579	1,300	7.0		
Standard Oil Co. (Indiana)	666,070	165,642	24.9	390,096	74,682	19.1	15.0	13.4
The Boeing Co	57,800	30,100	[13] 52.1	24,805	10,000	40.3	(17 F)	[I] 95.9
E. I. du Pont de Nemours & Co	921,200	344,500	37.4	693,300	290,000	41.8	42.2	43.1
Shell Oil Co	444,021	112,680	25.4		(2)		(2 F)	11.2
General Telephone & Electronics Corp	616,400	65,100	10.6		(3)		(3 F)	[D] 41.2
RCA Corp	303,200	100,600	33.2	257,525	91,937	35.7	(D)	(D)
The Goodyear Tire & Rubber Co	270,991	38,002	14.0		(4)		[B] 24.5	[B] 21.2
Tennco, Inc	285,487	46,797	16.4	246,753	34,287	13.9	[F] 17.8	12.8
Rockwell International Corp. (North American Rockwell Corp.)	219,724	83,434	38.0		(5)		[D] 47.4	[D] 45.6
Litton Industries, Inc	54,967	17,257	31.4		(6)		[B] 22.5	[B] 29.5
United Aircraft Corp	102,299	49,476	48.4		(7)		(G)	[G] 20.5
Firestone Tire & Rubber Co	243,897	63,312	26.0		(2 3)		[D] 43.1	[D] 39.2
Phillips Petroleum Co	231,027	42,830	18.5	164,650	39,221	23.8	14.3	25.8
Occidental Petroleum Corp	80,503	1,425	1.8		(8)		(B)	[B] 1.4
General Dynamics Corp	64,953	16,965	26.1		(3)		(F)	
Caterpillar Tractor Co	340,500	107,600	31.6	312,339	100,672	32.2	[B] 35.7	[B] 41.7
The Singer Co	84,000	20,500	24.4	110,200	37,500	34.0	15.4	19.0
McDonnell Douglas Corp	200,245	6,506	3.2		(9)		(D J)	
Esmark, Inc. (Swift & Co.)	76,100	24,300	31.9	55,575	14,200	25.6	[F] 25.7	[B] 11.7
Union Carbide Corp	441,800	104,400	23.6	320,900	67,100	20.9	18.6	20.6
Procter & Gamble Co	491,900	166,100	33.8	452,328	166,724	36.9	38.7	44.0
Bethlehem Steel Corp	325,200	98,000	30.1	183,364	15,000	8.2	[F] 15.4	(B)
Eastman Kodak Co	1,024,400	370,300	36.1	885,650	342,500	38.7	[F] 39.1	39.7
Kraftco Corp	167,700	62,200	37.1		(2 3)		41.5	44.4
The Greyhound Corp	118,271	45,088	38.1	87,839	36,114	41.1	[F] 38.8	19.2
Atlantic Richfield Co	313,276	36,276	11.6	211,901	16,141	7.6	[F] 2.7	5.0
Continental Oil Co	287,804	28,626	9.9	207,445	12,371	6.0	(B)	[B] 5.3
International Harvester Co	78,328	36		77,037	14,043	18.2	35.1	26.1
Lockheed Aircraft Corp			(12)		(5)			
General Foods	196,979	67,056	34.0		(10)		42.1	45.8
Continental Can Co., Inc	134,633	33,250	24.7		(11)		(F)	[B] 40.1
Monsanto Co	350,200	130,600	37.3	184,289	65,991	35.8	[F] 40.1	9.3
Sun Oil Co	288,181	34,860	12.1	182,291	9,044	5.0	[B] 3.9	[B] 14.3
Honeywell	151,522	26,363	17.4	143,243	12,232	8.5	[F] 6.5	26.0
W. R. Grace & Co	107,289	16,331	15.2		(3)		(F)	(D)
Dow Chemical Co	330,000	96,100	29.1	229,342	62,337	27.2	22.5	32.2
International Paper Co	225,100	39,900	17.7	144,074	35,518	24.7	15.4	[T] 58.1
American Can Co	113,823	24,824	21.8		(3)		(F)	34.8
Borden, Inc	118,375	42,578	36.0		(3)		(F)	[D] 32.6
Rapid American Corp	52,608	7,300	13.9		(12)		34.2	35.0
Burlington Industries, Inc	145,623	61,380	42.1		(3)		[B] 47.4	[B] 53.7
Union Oil Co. of California	205,263	19,700	9.6	152,166	9,800	6.4	[F] 9.0	5.4
R. J. Reynolds Industries, Inc	421,938	100,251	23.8	420,995	160,832	38.2	[F] 43.7	[D] 47.4
Sperry Rand Corp	149,202	38,725	26.0		(3)		34.9	41.1
Xerox Corp	475,166	140,218	29.5	397,196	118,832	29.9	30.4	33.6
Boise Cascade Corp			(3)		(11)		(F)	7.2
Cities Service Co	188,477	49,500	26.3	126,254	32,662	25.9	[F] 8.9	17.0
Minnesota Mining & Manufacturing Co	450,457	150,700	33.5		(23)		(F)	28.2
Consolidated Foods Corp	118,448	39.124	33.0	103,344	36,157	35.0	[B] 37.5	[B] 32.3
Gulf & Western Industries, Inc	71,028	5,400	7.6		(3)		(B)	(D)
Textron, Inc	157,622	72,442	46.0	147,141	62,200	42.3	[13] [F] 53.4	46.7
American Standard Inc	48,000	6,100	12.7	42,507	7,450	17.5	(F)	
The Signal Cos., Inc	85,787	14,738	17.2		(3)		(B)	(B)
Ashland Oil, Inc	136,892	53,165	38.8		(2)		(K)	(K)
Owens-Illinois, Inc	154,772	26,486	17.1	90,797	18,097	19.9	24.7	6.5
United Brands Co			(3)		(2)		(F)	
CPC International, Inc	103,747	29,668	28.6		(3)		(F)	27.5
The Standard Oil Co (Ohio)	113,008	3,937	3.5		(2)		(F)	
Republic Steel Corp (Canadian combined with United States)			(6)		(3 14)		(F)	
Champion International Corp	136,306	42,940	31.5		(3)		(F)	[B] 19.0
FMC Corp	92,990	18,594	20.0	73,016	22,830	31.3	[F] 35.5	32.7
American Home Products	347,862	148,701	42.7	309,613	120,263	38.8	[F] 39.2	[D] 46.7
The Coca-Cola Co	288,764	69,119	23.9		(3)		(F)	[B] 28.7
TRW, Inc	137,058	41,990	30.6		(2) (3)		(F)	[D] 44.2
Armco Steel Corp			(4)		(3)		9.8	5.6
Beatrice Foods Co	192,272	74,829	38.9		(3)		43.7	46.7
Ralston Purina Co			(5)		(2)		38.3	43.7
Uniroyal, Inc	55,725	3,618	6.5	80,187	6,882	8.6	[F] 18.2	
Aluminum Co. of America	126,965	27,419	21.6	84,820	7,713	9.1		8.6
American Brands, Inc	231,556	87,277	37.7		(3)		(F)	[B] 42.2
The Bendix Corp	101,600	24,900	24.5	93,202	34,997	37.5	18.2	36.8
The National Cash Register Co	91,819	8,249	9.0		(11)		(D)	(D)
Raytheon Manufacturing Co	816,58	36,396	44.6		(3)		(F)	
Warner-Lambert Co	188,838	50,628	26.8	177,412	56,783	32.0	[F] 35.1	34.5
Genesco, Inc			(3)	21,425	9,158	42.7	[B] 39.7	36.2
Allied Chemical Corp	127,967	22,727	17.8		(3)		(F)	9.5
National Steel Corp	150,680	54,700	36.3	116,313	42,900	36.9	23.9	
Weyerhaeuser Co	474,854	134,700	28.4	211,541	49,940	23.6	[F] 27.1	19.0
U.S. Industries, Inc	98,611	18,322	18.6	121,212	43,537	35.9	37.6	35.7
Getty Oil Co	183,925	25,247	13.7	129,525	18,367	14.2	12.4	16.3
Teledyne, Inc	73,459	38,400	[13] 52.3		(3)		(F)	31.8
Colgate-Palmolive Co	107,378	22,748	21.2	86,871	19,330	22.3	(D)	(D)
B. F. Goodrich Co	87,939	27,151	30.9	86,299	13,945	16.2	(F)	[D] 19.9
Georgia Pacific	269,350	74,640	27.7	163,240	34,480	21.1	[F] 7.0	4.2
Whirlpool Corp	152,788	69,184	45.3	122.002	56.457	46.3	[T] 48.8	[T] 57.1
Gulf Oil Corp	749,000	23,000	3.1	233,000	12,000	5.2	[B] 4.9	[B] 1.9
United States Steel Corp	425,700	77,300	18.2	157,988	23,200	14.7	[U] 8.2	
Westinghouse Electric Corp	241,749	25,445	10.5	288,888	91,494	31.7	29.1	25.9
TRANSPORTATION CORPORATION LIST								
Airline Corporations:								
UAL, Inc	98,711	0		32,445	(148)		0	
Trans World Airlines, Inc	58,583	(137)		43,497	(857)		0	0
American Airlines, Inc			(7)		(16)			
Pan Am. World Airways, Inc			(7)		(11)		0	
Eastern Air Lines, Inc			(7)	59,178	0		0	0
Delta Air Lines, Inc	115,074	24,951	21.7	67,686	3,310	4.9		12.5
Northwest Airlines, Inc	54,130	6,295	11.6	17,253	(6,174)		(F)	(B)

Footnotes at end of table.

APPROXIMATE EFFECTIVE FEDERAL INCOME TAX RATE PAID BY COMPANIES SELECTED FROM FORTUNE MAGAZINE LISTS OF LARGE CORPORATIONS—Continued

[Dollar amounts in thousands]

Corporation	1973			1972				
	Adjusted net income before Federal income tax[1]	Approximate current Federal income tax	Effective tax rate (percent)	Adjusted net income before Federal income tax[A]	Approximate current Federal income tax	Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
TRANSPORTATION CORPORATION LIST—Continued								
Railroads:								
Penn Central Co			(8)		(17)			
Southern Pacific Co	157,012	16,870	10.7	162,833	15,807	9.7	[L] 13.4	[L] 9.7
Norfolk & Western Ry. Co	106,574	12,638	11.9	56,714	13,320	23.5	1.2	(M)
Burlington Northern, Inc	59,335	7,716	13.0		(18)		(F)	[N] 4.1
Chessie Systems, Inc. (Chesapeake & Ohio Ry. Co.)	96,816	12,487	12.9	39,463	5,787	14.7	(F)	6.3
Union Pacific Corp. (Union Pacific RR. Co.)	197,563	32,886	16.6	139,560	16,619	11.9	(F)	
Santa Fe Industries, Inc	144,381	18,700	13.0	119,391	15,900	13.3	[F] 16.9	7.7
Southern Ry Co	106,154	9,626	9.1	100,844	15,153	15.1	[F] 21.3	17.5
Missouri Pacific RR. Co	49,317	6,433	13.0	31,970	3,201	10.0	9.2	[O] 2.4
Trucking companies:								
Consolidated Freightways, Inc	25,925	19,402	[18] 74.8			(3)	(F)	[D] 52.7
Leaseway Transportation Corp	31,873	7,539	23.7			(3)	18.3	
Roadway Express, Inc	48,506	22,074	45.5	46,052	20,594	44.7	[P] 54.8	[P] 48.7
Yellow Freight System, Inc	33,028	11,385	34.5			(3)	[D] 44.9	[D] 37.3
UTILITY CORPORATION LIST								
American Telephone & Telegraph Co	4,728,847	951,573	[9] 20.1	3,980,821	[19] 1,231,511	30.9	[Q] 32.5	[Q] 41.5
Consolidated Edison Co. of New York, Inc	203,319	(744)		144,781	(1,091)		[R][V] 3.3	(R)
Pacific Gas & Electric Co	299,520	49,046	16.4	276,249	60,905	22.0	(8)	(8)
Commonwealth Edison Co	285,604	29,200	10.2	260,389	32,763	12.6	[F] 9.8	27.1
American Electric Power Co., Inc	194,285	(8,920)		168,103	(6,708)		4.5	13.2
Southern California Edison Co	184,030	40,189	21.8		(3)		22.2	22.3
The Columbia Gas System, Inc	170,974	39,053	22.8	151,762	27,163	17.9	23.5	33.6
El Paso Natural Gas Co	105,134	4,758	4.5	105,979	27,657	26.1	27.2	20.1
Texas Eastern Transmission	127,092	20,488	16.1		(3)		25.9	23.3
Pennzoil Co	119,442	24,018	20.1	62,276	(836)		[F] 18.0	
RETAILING CORPORATION LIST								
Sears, Roebuck & Co	817,400	299,451	36.6	748,200	317,200	42.4	42.4	42.1
Allstate Insurance Co., Consolidated & Subsidiary	204,198	27,528	13.5	169,593	33,644	19.8	5.9	
The Great Atlantic & Pacific Tea Co., Inc	18,777	3,168	16.9		(11)		37.9	41.5
Safeway Stores, Inc	129,872	41,114	31.7		(3)		[B] 48.6	49.8
J. C. Penney Co., Inc	255,900	91,600	35.8	261,623	127,620	48.8	33.5	38.2
The Kroger Co	36,013	8,340	23.2	15,693	4,103	26.1	38.0	44.2
Federated Department Stores, Inc	206,555	87,996	42.6	175,197	86,346	49.3	44.5	47.6
COMMERCIAL BANKING LIST								
Bank America Corp			(19)		(3)		(F)	[D]31.7
First National City Corp	300,019	43,000	14.3	264,844	63,678	24.0	[B]28.6	[D]19.6
The Chase Manhattan Corp	170,691	4,185	2.5	159,568	8,671	5.4	[F]5.7	[D]25.9
Manufacturers Hanover Corp	131,563	20,376	15.5	95,102	2,826	3.0	[F]17.2	[D]35.0
J. P. Morgan & Co., Inc	191,931	40,650	21.1		(2)		(F)	[D]27.4
Western Bancorp	97,730	(1,802)			(3)		(F)	[D]15.5
Chemical New York Corp	74,765	(4,739)			(3)		[D]31.1	[D]33.1
Bankers Trust New York Corp	51,673	(8,020)			(3)		(F)	[D]33.7
Continental Illinois Corp	105,818	(2,312)			(3)		[D]25.5	[D]22.8
GRAIN COMPANIES								
Continental Grain Co			(11)					
Cargill, Inc			(11)					
Cook Industries, Inc	73,789	24,646	33.4					
Garnac Grain Co., Inc			(11)					
Bunge Corp			(11)					
Louis Dreyfus Corp			(11)					
MINING LIST								
Anaconda Co	76,061	1,086	[14] 1.4					
Kennecott Copper Corp	211,980	800	.4					
American Metal Climax, Inc. (American Climax)	130,510	26,270	20.1					
International Minerals & Chemicals	73,614	5,242	7.1					
Phelps-Dodge	174,489	62,700	35.9					
St. Joseph Minerals, Inc	46,097	11,797	25.6					
Freeport Minerals Co	23,958	0						
Texas Gulf, Inc	67,442	0						

FOOTNOTES TO TEXT OF SPEECH

[a] It must be stressed that these figures are approximate—but they are the best figures publicly available. The appendix provides a detailed explanation of the methodology of this study and the problems involved in preparing this material. In a few isolated cases, the margin of error may be considerable. This is because the corporation generally did not present the data in a way which could be used directly to calculate the effective tax rate. I believe the figures in the tables are as accurate as they could be made by the certified public accountants from the Joint Committee (with the assistance of GAO accountants). If there are errors, the fault probably lies with the deliberate confusion in certain corporate reports.

As an example of the type of complex problems which faced the accountants, see footnote 4 of the 1973 Armco Steel Figures.

Because of a new SEC tax disclosure rule described in the Appendix, the data for tax year 1973 is more complete than for previous years.

[b] See full text of the previous reports for tax years 1969, 1970, 1971 and 1972 in the *Congressional Records* of July 19 and 20, 1972 and August 1 and 3, 1973. The delay in publishing this year's report is due to the extraordinary work load of the Joint Committee on Internal Revenue Taxation which in the past year has completed extensive audits of President Ford, Mr. Nixon, and Mr. Rockefeller.

In particular, I would like to thank Mr. Allan Rosenbaum of the Joint Committee for work on this study. He was also assisted by the General Accounting Office, although the work of the GAO was reviewed only by the Joint Committee staff and not by the GAO.

[c] Grain companies were studied for the first time in this year's report to determine whether or not there had been unusual profits on the Soviet Wheat deal and other recent speculations. Because most of these companies are private, the data was unavailable. I am requesting the Joint Committee on Internal Revenue Taxation to examine these tax returns and provide a summary analysis of commodity profits and losses.

[d] The average rate was determined by dividing all the tax payment figures by the sum of the net income before tax figures available. The size of the sample for each year's average varies.

[e] See Library of Congress study, "Tax provisions Affecting Business Concentration." Hearings on *Corporate Disclosure*, Part 2, April 23, 1974, before Senate Government Operations Committee.

This study is based entirely on information from public sources including 10-K reports, registration statements and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders.

FOOTNOTES

[1] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used. In certain cases, the minority interest and/or the income or loss reported under the equity method was not separately disclosed and in these cases those adjustments could not be made and the data, therefore, was omitted.

[2] The income of Western Electric Company, Incorporated, is included in the consoidated tax return of American Telephone and Telegraph Company. However, this is essentially the same approximate tax which would have been reflected had a separate return been filed.

[3] Tax benefits due to extraordinary items were not separately disclosed. Data for this company, therefore, has been omitted. (Boise Cascade, United Brands Co.)

[4] A footnote to the financial statements for Armco Steel Corp. filed with the Form 10-K for 1973 indicates:

"Armco utilizes in the Federal income tax return its share (50%) of operating costs of Reserve Mining Co. including the depreciation, amortization depletion and ITC attributable to the properties of Reserve and files a consolidated FIT return which includes the domestic leasing and insurance companies that are not consolidated for financial statement purposes."

Data for this company, therefore, was omitted.

[5] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted. (Ralston. Purina)

[6] The provision for income taxes may contain State and/or local and/or foreign in addition to Federal income taxes. Data for this company, therefore, has been omitted. (Republic Steel)

[7] Due to losses, the data for this company has been omitted. (Genesco, American Airlines, Pan Am, Eastern)

[8] Data for this company was not available. (Penn Central)

[9] Because the wholly owned subsidiary Western Electric Company, Inc. is accounted for under the equity method, the income and current Federal income tax for Western Electric Company, Inc., is not included here even though a consolidated tax return is filed. (AT&T)

[10] Per note to the financial statement, a final determination of the exact amounts to be reported in the current year and the amounts to be deferred, if any, will not be made until the tax return is actually prepared. (Bank America Corp.)

[11] These companies appear to be nonpublic corporations, and therefore do not have to file with the SEC. (grain companies)

[12] A footnote to the financial statements for Lockheed Aircraft Corporation filed with Form 10-K for 1973 indicates:

"As a result of book-tax accounting differences, the company had taxable losses in 1973 and 1972 and deferred taxes were increased."

[13] Although this particular company did have a high approximate effective rate, a portion of it was due to the deferred portion of Federal income taxes which were deferred in prior years and which became a current liability in the current year. (Boeing, Teledyne)

[14] It appears that one of the principal reasons for this company's low effective rate is a significant loss carryforward from prior years. (Anaconda)

[15] One of the principal reasons for this high effective rate was the loss from the sale of a subsidiary company during the year which reduced book income by approximately $20 million. (Consolidated Freightways)

FOOTNOTES TO 1972 STUDY

[1] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used. In certain cases, the minority interest and/or the income or loss reported under the equity method was not separately disclosed and in these cases those adjustments could not be made and the data therefore was omitted.

[2] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted.

[3] The provision for income taxes may contain State and/or local and/or foreign in addition to federal income taxes. Data for this company, therefore, has been omitted.

[4] The income of Western Electric Co., Inc., is included in the consolidated tax return of American Telephone & Telegraph Co. However, this is essentially the same approximate tax which would have been reflected had a separate return been filed.

[5] A footnote to the financial statements for Lockheed Aircraft Corp. filed with form 10-K for 1972 indicates: "As a result of book tax accounting differences, the company had taxable losses in 1972 and 1971 and deferred taxes were increased."

[6] The provision for income taxes is not separated into current and deferred tax categories. Additionally, the provision for income taxes may contain State and/or local and/or foreign in addition to federal income taxes. Data for this company, therefore, has been omitted.

[7] United Aircraft Corp. provides for taxes on income in combined amounts for Federal, Canadian, and State Data for this company, therefore, has been omitted.

[8] Footnote No. 9 to the consolidated financial statements for Occidental Petroleum Corp. for the calendar year ended Nov. 31, 1972, indicates: "Substantially all of the 1972 and 1971 provisions for income taxes relate to Occidental's Libyan operations. As a result of the utilization of the percentage depletion and foreign tax credits, no Federal taxes have been paid or provided for the 2 years ended Dec. 31, 1972, except for a tax on tax preference items as prescribed by the Tax Reform Act of 1969."

[9] Information abstracted from the McDonnell Douglas Corp.'s annual report to shareholders for 1972 indicates: "Taxable income of McDonnell Douglas Corp. is significantly different from earnings reflected in the financial statements. This difference is primarily due to commercial aircraft development costs being deducted for taxes as incurred and the cost of sales for the DC-10 program being determined under the specific unit cost method (on lower of cost or market basis) rather than under the average cost method used in the financial statements. McDonnell Douglas Corp.'s 1970 and 1971 Federal income tax returns reflected net operating losses. McDonnell Douglas Corp.'s 1972 return will reflect taxable income before being offset by the unused net operating losses from 1970 and 1971."

[10] The provision for income taxes is not separated into current and deterred tax categories. Data for this company, therefore, has been omitted.

[11] Due to losses, the data for this company has been omitted.

[12] The provision for current and deferred taxes, and the tax benefits due to extraordinary items were not separately disclosed. Data for this company, therefore, has been omitted.

[13] This high effective rate for Textron, Inc. may have been the result of expenses being deducted for book purposes which are either not deductible for Federal tax purposes or are deducted for Federal tax purposes at a date later than for book purposes.

[14] A footnote to the consolidated financial statement for Republic Steel Corp. for 1972 indicates that due to a "carryback of operating losses for the year 1971 including timing differences and a deduction for percentage depletion," a Federal income tax refund arose.

[15] Due to a large extraordinary writeoff, data for this company has been omitted.

[16] A footnote to the consolidated financial statements of American Airlines, Inc., for 1972 indicates that: "As a result of timing differences, American's Federal income tax return for the year ended Dec. 31, 1971, reflected an accumulative net loss carryforward of approximately $45,200,000. This net operating loss carryforward is available to reduce future taxes payable. Upon realization of the operating loss carryforward, such benefit would be credited to the deferred tax liability and not affect future earnings. American anticipates that its tax return for the year ended Dec. 31, 1972, will reflect an additional net operating loss carryforward."

[17] Data for this company was not available.

[18] A footnote to the annual report of Burlington Northern Inc., and subsidiary companies for the year ended Dec. 31, 1972, indicates: "The company will have no taxes payable on its Federal income tax return due to current year tax deductions related to discontinuance of passenger services and trackage abandonments and certain merger-related items recorded per books in 1969."

[19] Because the wholly owned subsidiary Western Electric Co., Inc., is accounted for under the equity method the income and current Federal income tax for Western Electric Co., Inc., is not included here even though a consolidated tax return is filed.

Note: This study is based entirely on information from public sources including 10-K reports, from 059, registration statements and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Inter-State Commerce Commission and the Federal Power Commission.

FOOTNOTES TO 1969-71 STUDY RELEASED JULY 19, 1972

[a] The adjusted net income before Federal income tax reported to shareholders consists of the net income (or loss) plus all Federal income tax expense (or income) plus deductions for minority interest taken in calculating net income and less income from an investment in another company when the equity method of accounting has been used, in some cases, the minority interest and/or the income reported under the equity method was not separately disclosed; thus, in those cases, these adjustments could not be made. (These accounting problems are further explained in the Appendix.)

[b] The deferred income tax accounts (tax effect of timing differences) may contain State and local and/or foreign in addition to Federal income taxes. Thus, this might have a significant effect on the estimated current Federal income tax and percentage.

[c] All the data necessary to compute the result for 1969 were not available on the 1971 and/or 1970 financial statement.

[d] Possibly overstated significantly because foreign and/or State and local income taxes are combined with Federal income tax. Wherever this is believed to be extremely

significant, the data are omitted. These companies have not reported separately their Federal income tax expense. As stated elsewhere, this is an apparent violation of SEC filing requirements.

[e] The Ford Motor figures represent the effects of State and local as well as Federal income taxes. Their reports combine these amounts and thus the percentages are higher.

[f] The data for 1971 were not available when this information was being gathered.

[g] Including Canadian and U.S. income tax.

[h] Even though there appaers to be some tax paid, the 10 K for ITT indicates that Hartford and ITT filed consolidated tax returns on which no tax was paid.

[i] Western Electric Co.'s income is included in the consolidated return for the Bell System; however, this is essentially the same tax which would have been reflected if a separate return were filed.

[j] McDonnell Douglas Corp.'s 1971 10 K indicates a NOL carryforward from 1970 and 1971, thus, in effect, no Federal income tax has been paid since prior to 1967.

[k] The 1971 and 1970 data for Ashland Oil were not readily available in the SEC microfilm files.

[l] The 10 K report states that Southern Pacific had no tax liability on a consolidated return for either 1971 or 1970; the results for 1969 were not disclosed. The estimated amounts for Federal income tax ($19,551,000 for 1971 and $12,049,000 for 1970—effective tax rates of 13.4 percent and 97 percent, respectively) if actually paid may have been paid by subsidiaries less than 80 percent owned and, thus, not eligible to be included in the consolidated tax return. Some, or all, of these amounts may represent overstatement of Federal income tax accrual accounts in order to provide a reserve for future tax deficiencies following audits by the IRS; to this extent they would not be paid.

[m] The analysis of Federal income taxes (page 316 of their 1970 ICC annual report) showed that Norfolk & Western saved $29,403,000 in Federal income tax due to accelerated depreciation and to 5-year amortization. Their Federal income tax, if based on income per books of account, would have been $39,632,000. Filing a consolidated return saved an additional $16,687,000 in Federal income taxes. Their minimum tax on preferences was $2,143,000; however, the analysis of Federal income taxes indicated a refund of $1,624,000. The 1970 net income (after provision for income tax and after providing for minority interests) was $71,259,000 for Norfolk & Western and $64,017,000 consolidated.

[n] The 1970 ICC annual report (page 316, "Analysis of Federal Income Taxes") showed that Burlington Northern saved $12,236,000 due to accelerated depreciation. Their taxes based on income recorded in the accounts would have been $13,367,000. Their refund was $603,603. The net income (after provision for Federal income tax and after reflecting minority interests) for Burlington Northern was $33,000,000 and $34,202,000 consolidated.

[o] The 1970 analysis of Federal income taxes (page 316 of their ICC annual report) indicated that Missouri Pacific had a refund of $814,700. Their Federal income tax based on taxable income as recorded in the accounts for financial reporting would have been $6,671,000. The net income (after provision for tax) was $18,189,000 for Missouri Pacific and $12,580,000 when consolidated. The company saved over $8,000,000 in taxes in 1970 due to accelerated depreciation and 5-year amortization.

[p] The information for Roadway Express was taken from its 1971 annual report to shareholders.

[q] Because the wholly owned subsidiary Western Electric Co. is accounted for by using the equity method, the income and current Federal income tax for A.T. & T. is not included here even though a consolidated tax return is filed.

[r] Notes to the financial statement of Con Edison indicate net operating losses for tax purposes for both 1970 and 1971 while the 1971 net income reported to shareholders was the highest in any of the prior 10 years of the company's history. Dividends paid were $102,065,000—1969; $108,021,000—1970; and $119,406,000—1971. None of the dividends on the common stock for these 3 years (amounted to $81,188,234 and $73,436,126 for 1971 and 1970) were taxable as dividend income.

[s] Due to undisclosed amounts of intraperiod tax allocation, the total Federal income tax provision cannot be ascertained for Pacific Gas & Electric.

[t] This high effective rate for Whirlpool may have been the result of expenses being taken for book purposes which are not deductible for tax purposes (e.g., goodwill).

[u] In the tables released last July 19 and which were prepared by the joint committee, United States Steel's effective tax rate was approximated at 7.6 percent, subsequent analysis by the committee indicates that the rate is closer to 8.2 percent.

[v] The figure for Con Ed paid in 1971 is brought forward from the study released July 19, 1972, and prepared by the joint committee. Subsequent information (see chapter on tax-free dividends) indicates no tax paid.

APPENDIX. PROBLEMS IN SECURING APPROXIMATE EFFECTIVE TAX RATES FROM PUBLIC INFORMATION SOURCES

Consolidations: Financial statements and taxes

For financial statement reporting purposes, companies frequently consolidate foreign subsidiaries and subsidiaries which are more than 50-percent owned. For Federal income tax purposes, generally, they must be domestic subsidiaries and 80-percent or more owned before they can be included in a consolidated income tax return.

In financial reports to shareholders, the total Federal income tax expense (as well as all other revenue and expense accounts after elimination of intercompany transactions) of all consolidated subsidiaries (even the 50-percent owned companies) is reported as though it were an income tax or refund entirely attributable to the majority interest of the consolidated group. The minority interest in a particular subsidiary's net income or loss (perhaps as much as 49 percent) however, is removed at the bottom of the income statement. Thus, the consolidated financial reports often show the total tax expense of even 51-percent owned subsidiaries while eliminating the income attributable to the minority interest.

To compensate for this, the net income per financial statement was adjusted by the income or loss attributable to the minority interest.

Method of accounting for an investment in a subsidiary or affiliate

If the equity method is used for financial statement reporting purposes to account for an investment in a subsidiary or affiliate which is not included in a consolidated tax return, the provision for income tax expense may exceed or be less than that which is reported on the consolidated financial statements. The equity method, which is sometimes called a one line consolidation, produces the same net income to shareholders as does consolidation. Under the equity method, the parent corporation's proportionate part of the "after tax" earnings of the subsidiary or affiliate are shown on one line in the income statement; in a consolidation, all income and expense accounts of the subsidiary are combined with those of the parent and other consolidated subsidiaries and the net after tax earnings or loss of a subsidiary attributable to a minority interest are later deducted. Thus, consolidation for financial statement reporting purposes shows all Federal income tax expense recorded by all the consolidated subsidiaries while the equity method does not reflect any of the Federal income tax or refund attributable to subsidiaries or affiliates which are accounted for under the equity method.

Because the Federal income tax or refund attributable to the equity method net income or loss was not disclosed, the equity method income or loss was used as an adjustment to the net income per financial statement.

"Overstating" the provisions for Federal income taxes

Corporations may "overstate" the accrued Federal income tax liability and thus, overstate the provision to provide for anticipated taxes due because of an Internal Revenue Service audit of tax returns for open years. Corporations "book" this "overstatement" because of the tendency to resolve doubtful items in the corporate favor while realizing that many of these items might result in tax deficiencies by the Internal Revenue Service. Because the amount of this "overstatement" of the provision for Federal income taxes cannot be determined from public information sources, no attempt was made in this study to adjust for this amount in arriving at the estimated current Federal income tax liability.

Interperiod tax allocation

Another major problem in estimating a Federal income tax liability involves the use of the accounting technique referred to as "comprehensive tax allocation." The Accounting Principles Board of the American Institute of Certified Public Accountants in Opinion No. 11, stated that "the tax effect of a timing difference should be measured by the differential between income taxes computed with and without inclusion of the transaction creating the difference between taxable income and pretax accounting income. The resulting income tax expense for the period includes the tax effects of transactions entering into the determination of results of operations for the period. The resulting deferred tax amounts reflect the tax effects which will reverse in future periods. The measurement of income tax expense becomes thereby a consistent and integral part of the process of matching revenues and expenses in the determination of results of operations." Generally, this results in a provision for income tax expense being larger than the current tax liability which will result in a "deferred Federal income tax liability" being recorded on the financial statements. Comprehensive tax allocation and amortization of the investment tax credit over the lives of the assets (rather than flowing-through the investment tax credit) results in the provision for Federal income tax expense for financial statement reporting purposes being larger (and in some cases smaller) than the actual current tax liability.

Comprehensive tax allocation accounting can result in a net current asset (prepaid taxes in excess of current deferred tax liabilities) or a net current deferred tax liability, or in a net fixed asset for "prepaid" taxes or a net long-term deferred tax liability (for amounts not expected to reverse in one year).

Wherever possible, these deferrals of Federal income taxes were taken into consideration in estimating the approximate current portion of Federal income tax expense.

Permanent differences (items which do not reverse, e.g., the 85-percent dividends received deduction) are treated in the same manner for financial statement reporting purposes as they are for tax purposes. Thus, these items do not result in any differences nor do they affect the provision for Federal income tax expense or the corresponding liability.

Intraperiod tax allocation

This accounting technique results in showing the effect of taxes on the various sections of the income statement. Thus, extraordinary gains and/or losses are reduced when reported to the shareholders by the tax or tax savings attributable to them. Accordingly, in estimating current Federal income tax, wherever possible, an effort was made to reflect the tax effects of extraordinary items where appropriate. For example, where the income statement showed separately a Federal income tax expense or tax savings attributable to a nonoperating extraordinary gain or loss, these items were netted against each other for purposes of this study.

This problem is further complicated when the extraordinary gain or loss is recognized for financial statement reporting purposes in years different than for tax purposes, thus making comprehensive interperiod tax allocation a significant factor in estimating the current Federal income tax.

Regulation S–X, rule 3–16(O), income tax expenses

The Securities and Exchange Commission in Accounting Series Release No. 149, issued November 28, 1973, amended Rule 3–16(o) and was applicable to financial statements for periods ending on or after December 28, 1973. The amended rule, which deals with the disclosure of the components of income tax expense, is as follows:

"(1) Disclosure shall be made, in the income statement or a note thereto, of the components of income tax expense, including: (i) taxes currently payable; (ii) the net tax effects, as applicable, of (a) timing differences (Indicate separately the amount of the estimated tax effect of each of the various types of timing differences, such as depreciation, research, and development expense, warranty costs, etc. Types of timing differences that are individually less than 15 percent of the deferred tax amount in the income statement may be combined. If no individual type of difference is more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate and the aggregate amount of timing differences is less than five percent of such computed amount, disclosure of each of the separate types of timing differences may be omitted.) and (b) operating losses; and (iii) the net deferred investment tax credits. Amounts applicable to United States Federal income taxes, to foreign income taxes and to other income taxes shall be stated separately for each major component, unless the amounts applicable to foreign and other income taxes do not exceed five percent of the total for the component.

"(2) If it is expected that the cash outlay for income taxes with respect to any of the succeeding three years will substantially exceed income tax expense for such year, that fact should be disclosed together with the approximate amount of the excess, the year (or years) of occurrence and the reasons therefor.

"(3) Provide a reconciliation between the amount of reported total income tax expense and the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, showing the estimated dollar amount of each of the underlying causes for the difference. If no individual reconciling item amounts to more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than five percent of such computed amount, no reconciliation need be provided unless it would be significant in appraising the trend of earnings. Reconciling items that are individually less than five percent of the computed amount may be aggregated in the reconciliation. The reconciliation may be presented in percentages rather than in dollar amounts. Where the reporting person is a foreign entity, the income tax rate in that person's country of domicile should normally be used in making the above computation, but different rates should not be used for subsidiaries or other segments of a reporting entity. If the rate used by a reporting person is other than the United States Federal corporate income tax rate, the rate used and the basis for using such rate shall be disclosed."

HON. T. J. DULSKI

The SPEAKER. pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 60 minutes.

Mr. HENDERSON. Mr. Speaker, for the past 14 years, since I came to Congress, it has been my honor and privilege to be a member of the Committee on Post Office and Civil Service.

For the past 8 years, I have served immediately under the chairmanship of our good friend and colleague, the Honorable THADDEUS J. DULSKI, of New York.

Last summer, Chairman DULSKI stunned all of us by his unexpected announcement that this term would be his last as a Member of the Congress. This indeed is a great loss to the House and to the Nation.

Representative DULSKI, known to all of us affectionately as "THAD," also has been a member of our committee since he came to Congress and he has left his mark in many ways.

Our committee has a broad variety of legislative responsibilities and Mr. DULSKI has taken an informed interest in all of them, both as a member moving up the line and in his role as chairman of the full committee.

During his first year as chairman, the problems of the old Post Office Department became so acute that the late President Lyndon B. Johnson named a special commission to make recommendations for corrective action.

Chairman DULSKI was in the forefront of this effort, cooperating fully with the commission and focusing his personal attention on possible legislation.

On the opening day of the 91st Congress in 1969, Chairman DULSKI introduced his own comprehensive postal reform bill (H.R. 4) which became the working vehicle for the year and a half of legislative effort which was ahead to produce a new postal law.

Without question, this was the most complex legislative issue to be faced by our committee and its final resolution is a tribute to the patience, understanding, cooperation and dedication of Chairman DULSKI.

He has played a major role in improving the way of life for Federal employees, in their health and retirement benefits and in bringing pay scales up to comparable levels in the private sector.

When the 94th Congress convenes next month, it is going to seem strange to have Chairman DULSKI missing from our ranks. His leadership and respect is fully recognized and appreciated by the members of our committee.

Mr. Speaker, I appreciate this opportunity to pay this brief personal tribute to my distinguished chairman, a fine personal friend and colleague, a respected legislator and public servant.

As he prepares to step aside as a sitting Member of this House, I join in extending a heartfelt Godspeed and best wishes to my friend and longtime colleague, THADDEUS J. DULSKI.

Mr. KEMP. Mr. Speaker, I am deeply appreciative of the opportunity to join Mr. HENDERSON and my other distinguished colleagues in paying tribute to a truly great American and my dear, personal friend, TED DULSKI.

TED has left a legacy of good works and enduring benefits to the people of our Nation as the result of his distinguished service as chairman of the Post Office and Civil Service Committee.

In addition, his contributions to the city of Buffalo, the greater Buffalo community, and the State of New York—since he came to the Congress 16 years ago—are of significant proportions. Generations to come will benefit from his selfless work as a representative of the people.

Personally, I shall always be grateful for the invaluable assistance TED DULSKI gave me when I was first elected to this body. During my transition from a career in sports to one of public service, his counsel was unsparing, unselfish, and bipartisan.

TED's cooperation in matters affecting our western New York community remains unabated to this day, free from any considerations of politics or special interests.

During the past 4 years in which I have been privileged to be a colleague of our dean of the western New York State delegation, TED has always responded to my requests for help on any matter, no matter how large or how small, with "How can I help?"

Together, we have confronted some difficult problems. We have shared some satisfying successes for the good people of our community and our country.

TED and I are still fighting together for a greater Federal responsiveness to meet today's and tomorrow's needs of a resurging New York western frontier—for more jobs and greater wage opportunities, for better transportation, for protection of our environment, for our youth, our senior citizens, our veterans, and the many hundreds of our constituents who require the close, cooperative efforts of ourselves and our congressional staffs.

Personally and collectively we are going to miss TED's daily presence in our midst, his humor and his friendly smile.

But, Mr. Speaker, this is a season to rejoice.

I rejoice in TED's announced intention to maintain active interests in political, community, and national affairs.

I rejoice in his continued availability for counsel in the seasons ahead.

. I rejoice for the members of his good family as he makes a new beginning in their midst.

Most of all, I rejoice for being in his presence in this great Congress and for his friendship along with the friendship of his wonderful wife, Betty, and their entire family.

Mr. NEDZI. Mr. Speaker, I am pleased to have the opportunity to join in the tribute to our well-liked and well-regarded colleague, Chairman Thaddeus Dulski, as he retires from the Congress after 16 years of service.

I am personally very fond of Thaddeus Dulski. I regard him as a close friend, and I have enjoyed his company and his special appreciation for the subtle flavor found in our common ethnic heritage.

Others will recite his long and steady climb through the ranks of government from local service to his chairmanship of the House Post Office and Civil Service Committee.

I can only say that he has, as long as I have known him, remained sensitive to the needs of his district; he has at the same time expanded his personal horizons to national and international concerns, and he has remained alert to his ethnic roots.

As we all know, the legislative process has its periods of grinding tediousness as well as its moments of drama. During the dry spells it was always a tonic to be in the company of Thaddeus Dulski, who was inevitably entertaining and who was a gifted raconteur.

Chairman Dulski is retiring, so to speak, at the top of his game. He is still vigorous and relatively young. While we are sorry to see him leave while still in full vigor, we find consolation in the knowledge that he is embarking on his retirement age with the capability of enjoying life to the fullest.

I thank my good friend Thad for always being himself, for being a man without pretense, and for being a man with a direct and winning manner. I shall miss his presence, and I hope that we will find the occasion to meet frequently in the years ahead.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join with many Members of the House this afternoon in paying tribute to Thaddeus Dulski for his long and distinguished service in the House of Representatives. Thad was elected to the Congress in 1958 and his efforts have always been directed toward serving his constituents, his State of New York, and our Nation. He has been an outstanding legislator who has earned the respect and admiration of his colleagues.

Thad became chairman of the House Post Office and Civil Service Committee on January 23, 1967, the first Member of the 86th Congress group to reach a committee chairmanship.

It has been my privilege to serve with Thad on the House Post Office and Civil Service Committee for 14 years. He has been a very fair, effective, and progressive chairman. He has contributed immeasurably to the development of very important legislation affecting the Postal Service and Federal civil service employee benefits.

I will miss Thad not only as a good friend and colleague, but also as an effective leader of the Post Office and Civil Service Committee.

Mrs. Derwinski joins me in wishing Thad and his wife, Betty, every happiness in the years ahead.

Mr. WOLFF. Mr. Speaker, I join with many of my colleagues in pausing to pay tribute to Thad Dulski on his retirement from the Congress. This session brings to a close a long and distinguished congressional career that began with his election in 1958.

From his position as chairman of the Committee on Post Office and Civil Service, Thad Dulski has worked tirelessly in the national interest. He has spearheaded the committee's efforts to insure that Federal workers receive a wage that is equitable and not exorbitant. By this, he has left a mark upon this Government and Nation that will be felt for years to come. Farsighted and highly capable men and women have joined the Federal service which will have a most beneficial effect on the quality of decisions and administration.

I have had the privilege of personally working with Thad on the Committee on Veterans' Affairs where he has consistently made significant contributions to legislation designed to assist our former servicemen. He has shown compassion and understanding for these men and women who served and sacrificed for our country.

I can assure the people of Buffalo, N.Y. that they have been well represented in the Congress. For 16 years, they have sent to Washington a man who has unselfishly dedicated himself to the betterment of our people and Nation. I commend the citizens of Buffalo for their wisdom.

I have but one regret, that is that I will not have the pleasure of serving with Thad Dulski in the years to come.

Mr. de la GARZA. Mr. Speaker, the retirement of Thad Dulski from this body will leave a gaping hole. During his service here, extending through eight terms, he has distinguished himself not only in the legislative area but in the field of friendship as well.

Like other Members, I have been the recipient of many kindnesses from him. Like other Members, I have benefited from his outstanding work as a member of the Post Office and Civil Service Committee, and as chairman since 1967, and as a member of the Committee on Veterans' Affairs. He has always been considerate, has unvaryingly gone out of his way to be helpful.

The list of awards bestowed on Thad Dulski is long and imposing. He has been honored by organizations as varied as the Polish Professional Businessmen's Association of Buffalo, N.Y.; the American Legion; the National Captive Nations Committee; B'nai B'rith; the American Veterans of World War II; Disabled American Veterans—these and many others. He is a many-sided man—and all the sides are praiseworthy.

Thad Dulski is a credit to the House of Representatives. I am proud to have served with him and I will miss him.

Mrs. MINK. Mr. Speaker, after 16 years of conscientious and distinguished service, my colleague from New York, Thad Dulski, is leaving the House. I would like to take this time to join with many Members in honoring Thad Dulski and paying just tribute to his achievements.

Thad Dulski has always been an effective, dedicated Representative of his Buffalo constituents. Since his assumption of the chairmanship of the Committee on Post Office and Civil Service in 1967, a national constituency has also benefited from the attention to detail and energetic pursuit of responsibilities that has consistently characterized Thad Dulski's performance in office. Countless times I have turned to him and his committee for assistance and guidance. My constituents have been well served by his efforts.

Thad Dulski retires from the House with an admirable record as legislator and chairman. I wish him well in all his future activities.

Mr. BENNETT. Mr. Speaker, all of us in Congress will greatly miss our colleague, Thad Dulski. His decision not to run again for Congress was one that many of us tried to dissuade him from. He has been an able legislator and committee chairman and leaves on the statute books many a lasting memorial to his good judgment and fine leadership. He has no enemy among us—we are all his friends and we wish him every happiness in his new pursuits.

Mr. CEDERBERG. Mr. Speaker, I join my colleagues on both sides of the aisle in saying farewell to Thad Dulski.

His distinguished service for the last 16 years is a record of which he should be proud. His leadership as chairman of the Post Office and Civil Service Committee has been an inspiration to all those who have worked with him and his contributions to this House will long outlive his departure.

Although our philosophies did not always dovetail, I have always respected his thorough approach to any problem and his willingness to listen to all sides of an issue. We are certainly in his debt for his continued emphasis on a humanistic approach in our legislation and his determined efforts in the behalf of the common man.

Never one to bend his moral code, Thad Dulski's conduct both in public and private life exemplifies those outstanding characteristics and ideals to which all of us strive. I am sure that my colleagues will agree with me when I say that Thad Dulski is a credit to the Congress and that his presence will be sorely missed.

His dedication to the best interests of the people is well known and his high standards will be difficult to rival. His determination to serve his constituents in the best traditions of this legislative body has earned him the admiration of myself and his other colleagues.

Mr. Speaker, I join with others in

wishing Thad Dulski many years of health and happiness. I am confident that his service is not at an end, but that other outlets will be found for his tremendous talents and his high motivation to serve his fellow man.

Mr. WAGGONNER. Mr. Speaker, I am highly pleased to have this opportunity to offer my respects to the distinguished chairman of the Post Office and Civil Service Committee, Thad Dulski.

His dedication and conscientiousness in the discharge of his duties as a Member of this body has been equalled by few and surpassed by none. We have nurtured a mutual respect down through the years that has been most gratifying to me.

Thad has been a hard working Member for 16 years, and has made outstanding contributions to his district and country alike, befitting the patriot he is. And as chairman of the important Post Office Committee, he has exerted tremendous influence upon the affairs of our Nation in this vital area.

It would be impossible for me to enumerate his contributions to the Congress as a whole. He is always there; he knows the needs of the people, and he does all he can to see that they are met.

You are a good man, Thad, and I wish you many more years of success, health, and good fortune.

Mr. SIKES. Mr. Speaker, in the 16 years since he first became a Member of Congress, my good friend Thad Dulski of New York has made significant contributions and left an impressive mark on the legislative annals of our Nation. Serving in important positions on the Veterans' Affairs Committee and as chairman of the Post Office and Civil Service Committee, Thad has been an important factor in helping to improve the way of life of millions of veterans and civil servants.

I have come to know and respect him over the years for the clear insight he has shown in dealing with the problems of the Congress, and particularly the problems of those specifically affected by his committees. This distinguished Congressman has, through the years, been a driving force in achieving passage of needed legislation in these and other fields.

I have enjoyed Thad Dulski's friendship. I have been proud of the privilege of working with him. I have always known him to be a man dedicated to the well-being of all Americans and diligent in his efforts to keep our Nation safe and strong.

Now that his days in this body are drawing to a close, I want to join my colleagues in paying tribute to him. The people of his district in New York will miss his service. The people of the Nation will miss his dedication, and those of us in the Congress will miss the sound and friendly counsel he has given us in many matters of importance to America.

I wish him well as he returns to his beloved State to the enjoyment of more time with his family and closer ties with those men and women in his home community and in his district who are honored to call him friend. We can all take comfort in the fact his voice will not be stilled and that, when his services are needed, Thad Dulski can be counted on to step in and help again those he has served and those who have depended on him for so many years.

Mr. ANNUNZIO. Mr. Speaker, at the conclusion of the 93d Congress, one of my closest colleagues and best friends in the House, Hon. Thaddeus Dulski of New York, will retire after 16 years of service.

I have always felt a certain affinity to Congressman Dulski, perhaps because of the many similarities between the two communities it has been our privilege to represent. Carl Sandburg, perhaps the greatest American poet of the 20th century, once described my native Chicago in eloquent words that fit Thaddeus Dulski's Buffalo equally well:

> . . . Tool-maker, Stacker of Wheat, Player with Railroads and the Nation's freight handler; Stormy, husky, brawling, City of the Big Shoulders.

This is the sort of city that has benefited from his labors for over 16 years: proud, vital, a successful example of the American melting pot, where people came from a score of nations, seeking a better life for themselves, and working to improve their city and Nation. During his time in Congress, Representative Dulski has worked hard to secure adequate Federal facilities for his home district, and his efforts were instrumental in securing both a new post office and a much needed Federal building for Buffalo.

The Congressman has served diligently since 1958, but by far and away his greatest contributions have been made as chairman of the House Committee on the Post Office and Civil Service; in that position he proved to be the moving force behind the reform that established the U.S. Postal Service as an independent organization in 1970.

Congressman Dulski has always fought for American working men and women; in 1971 he strove to revoke a proposed deletion by the administration of nearly $2 billion earmarked for public employment programs, and in 1970 he worked to extend unemployment benefits to migrant farmworkers. Thaddeus Dulski has been equally concerned over health matters and has worked consistently to provide adequate funding for the continuation of such vital programs as child welfare services and rehabilitation for the handicapped.

Congressman Dulski is now ending his distinguished service as representative of the 37th Congressional District of the State of New York. His career has been one highlighted by an abiding concern for the well-being of the common people of America and all of us will lose a champion when he retires. I know that my fellow Members join with me in wishing Thaddeus Dulski and his lovely wife, Betty, good luck and good health for the future.

Mrs. SCHROEDER. Mr. Speaker, it is an honor for me to join my colleagues in paying tribute to our retiring colleague, Thaddeus J. Dulski.

In my single term in Congress I have had the privilege of serving on the House Committee on Post Office and Civil Service, which Thad Dulski chairs. I know that I and the other members of this committee will share in the belief that Thad Dulski has done a great job in this position and has done it in a fair and evenhanded manner in his tenure since 1967. His work as a member of the House Committee on Veterans' Affairs has been of the same caliber. Thad Dulski is a person who listens and carefully considers the views of all before reaching a decision. This, indeed, is the prime requisite of his being the good Representative he has been and is.

Thad Dulski's seven terms of service in Congress have topped his long and noted career of public service to the 37th District of New York. I hope and trust that as he leaves the Halls of Congress, he will continue to share his immense expertise with others, as he has done with us.

Mr. BEVILL. Mr. Speaker, serving in the U.S. House of Representatives with Congressman Thad Dulski has been a distinct honor and a rewarding experience for me. I am pleased to join with his many friends today in paying tribute to him for his long and distinguished service here in the House.

His strong leadership as chairman of the Post Office and Civil Service Committee since 1967, his knowledge, hard work and dedication have made him a valued Member of this body. His service here will be greatly missed.

I served 5 years on the Post Office and Civil Service Committee during which he was chairman, and in spite of his busy schedule, he always found time to give me counsel and advice. I will always remember my association with Congressman Dulski and I will always treasure our friendship.

Chairman Dulski has earned the respect of his colleagues for his sound judgment, penetrating mind and his ability to consider all things in a fair and equitable fashion. He leaves behind an outstanding record of accomplishment and his leadership during these critical years in our Nation's history will certainly be missed.

He has been a great Congressman and I join with my fellow Congressman in wishing Congressman Dulski the very best in all his future endeavors.

Thank you.

Mr. MONTGOMERY. Mr. Speaker, it goes without saying that I will miss the leadership of Thad Dulski when the 94th Congress convenes. But more importantly, I will miss the warm and close friendship I have had with Thad on a day-to-day basis. I will miss his witty remarks and his winning way with his colleagues. He has that unique ability to always cheer another up and offer them words of encouragement.

The Veterans' Affairs Committee will not seem quite the same any more without Thad. I always respected his judgment on matters concerning our veterans and appreciated his very sincere interest in promoting legislation to assist our veterans.

Mr. Speaker, we will be losing a real stalwart with the retirement of THAD DULSKI, but I feel we have all been enriched by knowing him and have benefited by his leadership. We wish him well in retirement and hope that he will come back often to visit with his former colleagues.

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is with great pleasure that I pay tribute to the distinguished chairman of our Post Office and Civil Service Committee, THADDEUS J. DULSKI.

Our committee and this House will lose an exemplary public servant when my good friend THAD retires this month after 16 years of dedicated congressional service to the people of Buffalo and to the Nation.

I have witnessed firsthand, Mr. Speaker, the enthusiasm and diligence which Chairman DULSKI has displayed in addressing the many problems and challenges which we face with respect to postal and civil service matters.

Since THAD DULSKI assumed the chairmanship of the committee in 1967, many pieces of landmark legislation have been enacted into law, including the Postal Reorganization Act and the Federal Pay Comparability Act.

We will all deeply miss THAD DULSKI, his hard work, his leadership, his wisdom, but I am sure that today every Member of Congress will join with me in gratitude for the years which we have had the pleasure of knowing him.

Mr. REUSS. Mr. Speaker, I am proud to join my colleagues in honoring my close friend, Congressman THADDEUS J. DULSKI of New York. He will be retiring from the House at the end of this session. We shall miss him, and the strong leadership he has provided.

THAD came to Congress in 1958, after an uphill fight in what was considered a strongly Republican district. Since that time he has so devoted himself to the needs and interests of his constituents that he has been overwhelmingly reelected seven times. During his years in the House, he has served with distinction on the Veterans Affairs' Committee and the Post Office and Civil Service Committee. Since 1967, he has been chairman of the Post Office and Civil Service Committee, and, from that position, he has worked tirelessly for legislation to improve the postal service in this country and for legislation to provide needed reforms in civil service programs.

THAD DULSKI will be missed in the House, for he has earned the respect and affection of all who have known him as friend and colleague. I know I speak for us all when I extend to him and Betty my warmest wishes on his retirement.

Mr. MATSUNAGA. Mr. Speaker, it is a pleasure to join this tribute to our colleague, Congressman THADDEUS DULSKI, who is retiring after 16 years of distinguished service in the House.

It was my privilege to serve with THAD on the Post Office and Civil Service Committee early in my congressional career. Under his able chairmanship, the committee in recent years has acted on many landmark measures, including a sweeping reorganization of the Post Office Department, more equitable procedures for setting Federal salaries and wages, and improved retirement and health benefits for Federal employees. A vigorous and outspoken advocate of the Federal employee, THAD's objective has always been improved government service for the American people.

On behalf of the people of Hawaii, I extend warmest aloha and best wishes to THAD as he enters retirement.

Mr. UDALL. Mr. Speaker, for the past 13 years it has been my honor to sit by the side of our retiring colleague on the House Committee on Post Office and Civil Service.

As he goes back to his beloved Buffalo it is good that we gather to pay him a tribute much deserved and tell of our affection for this good man.

The words that come to mind when I think of THAD DULSKI are decency, fairness, integrity, and courage.

He took the chairmanship of our committee under most difficult circumstances in 1965, but he met the challenge with ability and hard effort.

Under THAD DULSKI this committee became an active and influential organ of the House.

Among the many important bills shepherded through the legislative process are the Postal Reform Act, the Pay Compensation Act, the franking reform bill, and legislation restoring the Federal Employee Retirement Fund to a sound fiscal basis.

THAD DULSKI will be missed by me and all his colleagues. My wife and I wish him and his family all the best that life has to offer.

Mr. COLLINS of Texas. Mr. Speaker, we will all miss our committee chairman, THAD DULSKI. He has served most ably as chairman of the Post Office and Civil Service Committee for the past 7 years. It was a privilege to serve under THAD.

He is a gentleman and conducts all sessions with the dignity of a Southern Colonel, and the amazing thing is he comes from Buffalo.

One of the things I admired most about THAD was the fact that he always had a close touch with the grassroots. Too many men when they come to Congress lose the feel and the feelings of their local communities. THAD went home every weekend and maintained his home in Buffalo. He worked hard in his district office. He was always talking to his Polish neighbors, his German friends, the plain spoken Irish, and all of the good solid Americans that made up his district in the Buffalo area.

Much of his strength as a chairman came from the fact that his leadership was based on commonsense. He spoke with an understanding of the ideas of the people. He was not guided by some reports or agenda of bureaucrats.

As a chairman, THAD was always fair. Every member had an equal opportunity to speak up. A member's voice could always be heard.

With all of his energy and spirit, we know that THAD is going to continue to be very active in the years ahead. We look forward to seeing him often in the Halls of Congress.

Mr. YATRON. Mr. Speaker, it is with a sense of honor and respect that I join with so many of our colleagues in paying tribute to a good and capable Member of this body, whose outstanding service in the House will culminate upon adjournment of the 93d Congress: Chairman THADDEUS DULSKI.

I deeply regret that the chairman will be retiring from the Congress and that we will not have the good fortune of his kindly and highly respected presence in the 94th. Although, of course, it is my hope that the years ahead will be happy and fulfilling ones for him.

THADDEUS DULSKI's chairmanship of the House Post Office and Civil Service Committee has been marked by exceedingly distinguished service. He has always displayed a high degree of fairness, temperance, and moderation—qualities that are the most desirable in a committee chairman and in a Representative. And, these qualities, as well as those of honesty and integrity, have been so clearly visible throughout his entire tenure in the House, since he was first elected to the 86th Congress.

The high caliber of Chairman DULSKI's character has, over the years, earned him the commendation and praise of numerous national organizations, representing many segments of American life. He has worked for the rights and welfare of people, for the elderly and for our veterans, for his own people and for those of other groups—and for the human liberties of all people.

Mr. DULSKI's voice has been one of moderation, in what has sometimes surely been a cacophony of widely differing voices.

Our colleague from New York will be sorely missed in the new Congress.

I extend to him my most sincere good wishes for the future.

Mr. LEHMAN. Mr. Speaker, having been a freshman Democrat on the Post Office and Civil Service Committee has given me a unique viewpoint of the leadership.

From this position I was soon aware of THAD DULSKI's basic humanity—his helpfulness and concern for all of his committee people.

Chairman DULSKI is a very kind man in a world of too little kindness. To serve on his committee, even briefly, has been a fortunate experience for me.

Mr. HANLEY. Mr. Speaker, today we are paying tribute to the man who has led the Post Office and Civil Service Committee for the last 8 years. I join wholeheartedly in this tribute to THAD DULSKI because he has not only been chairman of my committee, but also a good friend and valued colleague.

During THAD DULSKI's chairmanship, giant steps have been taken to better the working conditions and pay of Federal employees. The fact that our civil servants can no longer be regarded as "second class" citizens in comparison to the private sector is in large measure due to THAD DULSKI's leadership.

THAD DULSKI has also shown strong interest in assuring quality postal service for the American people. During these difficult times for the Postal Service, Chairman DULSKI has loudly and consistently pressed for reforms in the structure and organization of the Postal Service.

Though we are saying "Do Widzenia"—goodby—to THAD, his accomplishments will long be remembered on the committee and in Congress. And we certainly hope that he will come back often to offer his advice and counsel. I certainly wish him and his lovely wife, Betty, a happy and well-deserved retirement.

Mr. ANDERSON of California. Mr. Speaker, I rise to join in honoring one of our most distinguished colleagues, THADDEUS J. DULSKI.

THAD DULSKI will be greatly missed in the House, and by the people of Buffalo he has served so well for 16 years. But he will also be missed by millions of people across the United States and in many foreign countries.

As chairman of the Post Office and Civil Service Committee, THAD has worked tirelessly to improve the rights and welfare of Government and postal employees and retirees. Our veterans and their dependents will also long remember his efforts on their behalf as a member of the Veterans' Affairs Committee.

In addition to his committee work and constituent service, THAD has made a personal commitment to remind Americans of the plight of persons living in the Captive Nations of Central and Eastern Europe. For his efforts, he has received numerous awards, and the gratitude of those who continue the fight for personal and political freedom in those countries.

Mr. Speaker, I want to add my name to the long list of persons who thank THAD DULSKI for his hard work and wish him the very best in the future.

Mr. HELSTOSKI. Mr. Speaker, a significant proportion of Members will retire at the end of this session and among those most sorely missed will be Congressman THADDEUS DULSKI, Representative of New York's 37th Congressional District.

I would like to take this opportunity to extend my best wishes to Congressman DULSKI on the occasion of his retirement, and to thank him not only for the many contributions he made to Congress, but for the contributions he made to America.

Congressman DULSKI brought an inspiring sense of decency and diligence to his work in the Congress, and provided his constituents with excellent representation for 16 years. As chairman of the House Post Office and Civil Service Committee, he consistently displayed compassion, perseverance, and a great deal of legislative skill in dealing with matters that came before his committee.

In addition, as a member of the House Committee on Veterans' Affairs, I had the privilege of working on this committee with Congressman DULSKI. Again his performance on the committee was characterized by dedication and the determination to do everything possible to make life better for our veterans.

Mr. Speaker, though THADDEUS DULSKI will no longer represent the people of New York's 37th Congressional District, I am confident that his community will continue to benefit from his leadership, integrity, and experience. It has been a privilege for me to have Congressman DULSKI as a colleague and a friend.

Mr. NIX. Mr. Speaker, it is with deep regret that I rise to note the retirement of one of our most distinguished committee chairmen, THADDEUS J. DULSKI of New York. As a member of the Post Office and Civil Service Committee, I have had the honor and the opportunity to work closely with THAD DULSKI, who has served as the able chairman of that committee in the past four Congresses.

We all know the qualities that a committee chairman should have—patience, the willingness to listen to all points of view, commonsense, dedication, and so forth. And we all know how difficult it is for a chairman to live up to the demands and expectations of his committee. I am happy to say that THAD DULSKI has more than met the stern test of leadership in our committee. He has been unfailing in his understanding of the problems and points of view of members of the committee and of other Members of the House. He has never waivered in his devotion to his duties. His knowledge and command of the subject matter of the committee's jurisdiction has set a high standard for the other Members. He has always carried more than his share of the burden in committee work, and he has expected the rest of us to do the same.

In short, Mr. Speaker, THAD DULSKI has more than lived up to the demands made on him. I would be hard pressed to think of another chairman who would better exemplify the qualities we expect of our chairmen in this House. He has served as a model and an inspiration, I am sure, to many Members learning the legislative ropes of Congress.

THAD DULSKI has served as chairman of the Post Office and Civil Service Committee in a time of reform and change. He has labored long and hard to replace the antiquated organization of the Post Office with a reformed and streamlined Postal Service. He has completely reformed the salary and pay raise mechanism of the Civil Service. He has fought to maintain and raise the high standards of excellence that we expect of employees of the Federal Government. And he has fought just as hard to see to it that Federal employees are not treated as the stepchildren of the Government, but receive the compensation, the benefits, and the working conditions that they deserve.

Despite his heavy workload, THAD DULSKI has never forgotten his responsibilities to his constituents. He has devoted himself wholeheartedly to serving the people of his district with all of their problems, large and small.

Throughout his distinguished career in Congress, THAD has always been mindful that the problems we deal with here are not abstract problems, but the problems of people.

Mr. Speaker, I am sorry that our Committee on Post Office and Civil Service will lose the services of its able chairman in the next Congress and that this House will lose one of its most outstanding and most constructive Members. I am sorry, also, that I will be deprived of the great privilege of working closely with a man for whom I have such great admiration and respect. I am proud to call myself a friend of THAD DULSKI. And though he will not be with us in the next Congress, my memories of working and serving with him will always be a cherished memory and a source of personal pride. I wish him the best of luck in whatever he chooses to pursue in his retirement.

Mr. BELL. Mr. Speaker, it is a distinct pleasure to join other friends and colleagues of THAD DULSKI to express our appreciation for his many years of dedicated service in the Congress.

It has been a privilege to serve with him, and his leadership in the House will be sorely missed during the coming session of Congress.

I wish, however, to extend my warmest good wishes to him for whatever future endeavors he undertakes.

Mr. ROSENTHAL. Mr. Speaker, I want to join with my colleagues in expressing my highest regard for a fellow New Yorker who has served with distinction in the U.S. House of Representatives for 16 years.

THAD DULSKI's years in the House were devoted to bettering the civil service system and the quality of government.

As chairman of the Committee on the Post Office and Civil Service—a position he held for 8 years—THAD worked to bring about the Postal Reorganization Act and many other governmental reforms. His concern for improvement in the postal system stemmed from his recognition that postal delivery touches every individual in the Nation.

While serving on the Veterans' Affairs Committee he was instrumental in upgrading the medical care facilities for the Nation's veterans and expanding the benefits available in general to older American veterans.

In recent years, THAD has taken a leading role in rail reorganization in the Northeast and improving port facilities on the Great Lakes. Recognizing that mass transportation facilities are of growing significance to Americans, he has been particularly active in attempting to bring about an expandable network of railroad branchlines and terminals. He has also been involved in bringing about a more effective use of the Great Lakes as industrial ports.

For many years, THAD and I have worked together within the New York State Delegation. While serving as upstate dean of the delegation, he has shown great leadership in demonstrating the similarity of interests between urban and rural areas in the State. We will all miss his friendship and wise counsel.

Mr. MAZZOLI. Mr. Speaker, with the retirement of Representative THADDEUS DULSKI, the House will be losing one of its most respected Members and ablest chairmen.

As chairman of the Post Office and Civil Service Committee since 1967, THAD DULSKI has steered to passage many pieces of important legislation.

Aside from his duties as chairman, THAD has proven himself to be an effective legislator determined to represent the people of his Buffalo, N.Y., district—

and the entire United States—with diligence and distinction.

It was an honor to have worked with Thad in the 92d and 93d Congress.

I wish Thad and his wife many happy retirement years.

Mr. ADDABBO. Mr. Speaker, I rise to add my personal thanks to our colleague, Thad Dulski, for his years of outstanding service to his country. The long and impressive record of achievement compiled by Thad Dulski is one which can be held up as a worthy goal for all Members of this body.

I have learned much from my association with Thad Dulski over the years, particularly during my freshman year when I served with him on the Post Office and Civil Service Committee, and I will certainly miss him as a Member of the House from our State of New York delegation. His chairmanship of the House Post Office and Civil Service Committee, since 1967, has produced landmark legislation of direct benefit to millions of Americans.

I wish Thad a gratifying period of retirement and many healthy years of enjoyment as he leaves our Chamber.

Mr. SLACK. Mr. Speaker, the adjournment of this 93d Congress will end the career of Congressman Thad Dulski, who was first elected with those of us who entered the House of Representatives in the 86th Congress in January 1959.

He chose to accept one of the most demanding assignments in the House, and down through the years I have watched him meet his responsibilities with growing respect for his patience and capabilities. We all know the heavy pressures which can be brought to bear on the Post Office and Civil Service Committee, and particularly on its chairman. The committee, by the very nature of its jurisdiction, must deal continuously with human problems, and must seek the middle-ground between what people want and what can be done.

Some of us work in areas in which the legislation deals directly with issues or finances, and is translated after passage into human requirements. Not so for Thad Dulski.

As chairman of that committee all of his problems were immediately human and intense. He worked at solutions with determination and vigor. He has earned by his success our full appreciation. In these final days of this 93d Congress I am sure he will be gratified to learn at first hand how many of his colleagues, like myself, are well aware of his high caliber of performance, and sincerely appreciative of the way his boundless energies have been applied to solve the problems of many of our constituents. I wish him well for all of the days ahead.

Mr. BIAGGI. Mr. Speaker, it is indeed my distinct honor and privilege to join with my colleagues in paying tribute to Thaddeus Dulski on the occasion of his retirement from the House of Representatives.

Thad Dulski leaves behind him a distinguished 16-year career in the House serving the interests of the residents of the 37th Congressional District in upstate New York. During these years he has achieved the honor of serving as the chairman of the prestigious Post Office and Civil Service Committee as well as being the No. 4 ranking Democrat on the Veterans' Affairs Committee.

While many feel confident that an election to a ninth term would represent no problem to Thad Dulski, he has instead chosen to give up the grueling pace which we all endure and spend the coming years with his wife and five children. It is a decision which I am sure they rejoice in but one which we all understand but nonetheless regret.

He will undoubtedly be best remembered for his 7 years as chairman of the Post Office Committee. He has been the recipient of a number of awards and honors for his work on behalf of postal and Government workers who have acclaimed him for his efforts. Included among these awards is the James A. Elardo Memorial Award and Outstanding Service Award of the Bronx and Manhattan Postal Workers Union and the Award of Merit from the American Legion.

It has been my privilege to know and work with Thaddeus Dulski. He was a man totally dedicated to his work, and this dedication was indeed an inspiration for all of us.

His presence will be sorely missed but I am sure my colleagues will join with me in extending best wishes for happiness and rest with his family who I know welcome his return to private life with the same affection with which we bid him farewell today.

Mr. EVINS of Tennessee. Mr. Speaker, certainly I want to associate myself with the remarks of my colleagues, the gentleman from North Carolina (Mr. Henderson), members of the New York delegation and others in commending and congratulating our friend Thaddeus J. Dulski for his distinguished record of service in the Congress.

Thaddeus Dulski has served ably and effectively in the Congress since he was elected in 1958. As chairman of the Post Office and Civil Service Committee, he has rendered outstanding service in the strengthening of our Federal civil service system and in attracting qualified career employees to the Federal service.

Thaddeus Dulski is a skilled legislator, an effective advocate and a great American—he has served his district, State, and Nation with great ability and distinction—and he will be missed in these sacred precincts. We regret his retirement.

However, we wish for him the very best of good luck and success, and much health and happiness in the years ahead.

Mr. DRINAN. Mr. Speaker, I rise today to pay tribute to Congressman Thaddeus J. Dulski for his 16 years of dedicated service in the House of Representatives.

Congressman Dulski attended Canisius College and the University of Buffalo after which he was appointed to the Bureau of Internal Revenue, Treasury Department. A veteran of World War II, Congressman Dulski began his career as an elected official as a councilman in Walden, N.Y. In 1958 he was elected to the House of Representatives from western New York State. In the House of Representatives, Congressman Dulski was appointed to the Committee on Veteran's Affairs and the Post Office and Civil Service Committee. In 1967 Congressman Dulski was chosen to be the chairman of the Post Office and Civil Service Committee.

As chairman of the Post Office and Civil Service Committee, Congressman Dulski has worked vigorously to reorganize the postal system, resulting in the conversion of the postal system from a Federal agency to a privately operated one. Congressman Dulski has worked diligently to upgrade postal service to military posts abroad and American Embassies around the world.

Congressman Dulski has received numerous awards during his tenure in Congress. Among these awards are an Outstanding Legislative Achievement Award from National Star Route Carriers; a Citizenship Citation from B'nai B'rith; and the Franklin Delano Roosevelt Memorial Award from UAW Retired Worker's Council for service to senior citizens.

For 16 years Congressman Dulski has given diligent and dedicated service in the House of Representatives. We shall all miss him.

Mr. FORD. Mr. Speaker, as one who has had the pleasure of serving on the Post Office and Civil Service Committee under the chairmanship of my good friend and distinguished colleague, Thaddeus Dulski, I rise today to commend him on his fine service in this body and to wish him well.

The chairman, during his tenure, has been a consistent supporter of legislation to improve the working conditions for our postal employees and our civil servants. In recognition and appreciation of his efforts to make life better for the American worker, he has received numerous awards. In 1964, he was selected to receive the Outstanding Service Award from the UAW–AFL–CIO. To recognize his service to senior citizens, the UAW Retired Workers Council presented him with its Franklin Delano Roosevelt Memorial Award. From the National Star Route Carriers, he received the Outstanding Legislative Achievement Award.

Mr. Speaker, under the stewardship of Chairman Dulski, the Post Office and Civil Service Committee had many legislative accomplishments, including the Pay Comparability Act which streamlined and improved the Federal employees' pay system and the legislation which revised the Federal employees' retirement system and put it on a sound financial footing. As I think back on Chairman Dulski's record, perhaps one of the best illustrations of the fairness and equity he consistently displayed that comes to mind, is the period during which the committee was reporting out the Postal Reform Act of 1970. Even though the chairman had his own proposal before the committee which would have corrected some of the ills of the postal system but would have allowed us to retain much more congressional control, he refused to thwart the will of the majority of the committee who preferred the establishment of the U.S. Postal Service as we know it today. In retrospect we see now that perhaps our postal system would be working much better if more of the committee would have listened to Chairman DULSKI back then.

Mr. Speaker, Chairman DULSKI has served in this body since his election to the 86th Congress on November 4, 1958, but his record of public service dates back much further. In 1940 he received an appointment to the Bureau of Internal Revenue in the Department of Treasury where he served for 7 years. A veteran of World War II, he later served as special agent in the Price Stabilization Administration.

At the local level, he served two terms as Walden district councilman and was elected councilman-at-large of the city of Buffalo in 1957 where he was a member of the Finance Council Committee and chairman of the Taxation Council Committee.

As he returns to New York, I join all of my colleagues in wishing him and his fine family many healthy, happy and prosperous years and join with many Americans in thanking him for his fine record of public service.

Mr. ROUSSELOT. Mr. Speaker, if I were allowed just two words to describe our retiring chairman of the Committee on Post Office and Civil Service, TAD DULSKI, I would choose "compassion" and "fairness."

My association with TAD goes back to 1961 when I was elected to the 87th Congress and appointed to the Post Office Committee. TAD was then sixth ranking on the majority side. After a few years' intermission, I was again returned to Congress and in 1971 appointed again to the Post Office Committee to find that the gentleman from New York had risen to chairman of the committee. It was a meteoric rise, as the newspapers would say, but in accepting these new responsibilities, TAD DULSKI never lost any of the humility that characterized him throughout his congressional career.

His compassion was evident in all of his handling of legislation concerning Federal employees, for he himself had once served in the ranks of the civil service, and he knew firsthand the problems and aspirations of Government employees.

His fairness extended to each of us who served with him on the committee. He made it a point to insure that each Member, on both sides of the aisle, had an opportunity to speak his mind and express a viewpoint before any concluding action was taken on legislation. The net result was an atmosphere in which the committee felt it was working together.

While many times TAD and I wound up on different sides of an issue, I always felt that he had protected my rights as a committee member and that we were expressing honest differences.

It has been a pleasure and an honor to serve with TAD DULSKI in the Congress and on the Post Office and Civil Service Committee. He has many youthful years ahead, and I wish him well in whatever endeavor he may choose following his retirement from the House.

Mr. FLOWERS. Mr. Speaker, I wish to join my colleagues in recognizing the distinguished service of my friend TED DULSKI, who is retiring from the House of Representatives after 16 years of continuous service.

He has been a dedicated and effective representative of the people of the 37th District of New York and a skillful and respected chairman of the Committee on Post Office and Civil Service.

We will miss him in this Chamber, and I want to extend every good wish for his future health and happiness.

Mr. CONTE. Mr. Speaker, it is a pleasure to stand and recognize my friend and colleague THADDEUS J. DULSKI of the State of New York.

I feel a special sense of sorrow at seeing THAD DULSKI leave the Congress because he and I both arrived in Washington in the same "freshman" congressional class.

I want to make particular mention of the job THAD DULSKI has done on the Post Office and Civil Service Committee. His diligence on behalf of thousands of Federal workers is well known. His efforts during the transition period that saw the Post Office Department become the Postal Service are certainly laudable.

THAD DULSKI is first and foremost a man of the people. His record of constituent service may be envied by all in this Chamber. He is truly beloved by his people in Buffalo.

He is also a great family man. I am hopeful that in his retirement years he will have the opportunity to spend more time with his lovely family and grandchildren.

I salute THAD DULSKI today as a warm, wonderful human being and wish him the very best in the days ahead.

Mr. CASEY of Texas. Mr. Speaker, I join in paying tribute today to a warm personal friend and able colleague, THAD DULSKI.

Since we entered the House of Representatives together in 1958, it has been my privilege to work closely with THAD DULSKI on many occasions.

He has proven time and time again his dedication and ability in meeting the needs of our citizens. His knowledge in matters of finance has been invaluable to us as we have sought to provide maximum services at minimum costs.

His service as chairman of the Post Office and Civil Service Committee has without doubt resulted in the saving of countless tax dollars.

As a member of the Veterans' Affairs Committee, he has been an outspoken champion of providing just compensation for those who have served this country in the quest of peace.

THAD DULSKI has earned not only the gratitude of those of us who have served with him and of his constituents in the 37th District of New York, but of all Americans.

I will personally always be grateful for his friendship and his counsel, and as he retires from congressional duties, I wish him continued success in what I know will be an active and fruitful future.

Mr. WHITE. Mr. Speaker, it has been my pleasure, and a rewarding experience, to serve on the Post Office and Civil Service Committee for the past four terms under the chairmanship of THAD DULSKI. One of the most satisfying aspects of gaining the honor of serving in Congress is the opportunity of associating with men like Chairman DULSKI. I deeply appreciate the many things I have learned from him, and I wish him well in his retirement although I will sorely miss his wisdom and counsel.

Mr. CHAPPELL. Mr. Speaker, I rise to offer my appreciation and good wishes to the gentleman from New York (Mr. DULSKI) as he leaves the Congress. I had the privilege of serving under Chairman DULSKI on the Post Office and Civil Service Committee during the 92d Congress. His aggressive, spirited leadership was an inspiration to me. His fairness in dealing with Federal employees within a framework of fiscal responsibility demonstrated his fine ability as a legislator. As chairman of the committee, he used his power wisely and gave younger members an opportunity to fully participate in the legislative process. I will be forever grateful for his wise counsel and friendship. I thank him for his dedicated service to the people of the United States and wish him Godspeed as he retires to private life.

Mr. SMITH of New York. Mr. Speaker, I am pleased to have the opportunity to join in paying tribute to THAD DULSKI as he leaves his long and faithful service in the House of Representatives. Our districts adjoin in Buffalo, N.Y., and my association with THAD for the last 10 years has been a joyful one for me. Even though we belong to different parties and sometimes have different philosophies, he has been a good friend and this friendship has enriched my life.

THAD has been an outstanding representative of the people of his district and he has served them and the United States well.

We all hope that THAD, young as he is, will have many more years of useful service to the people of western New York. We wish him good health and Godspeed in his retirement.

Mr. PICKLE. Mr. Speaker, THAD DULSKI has been a strong voice in the Congress over the last 16 years. He has distinguished himself as the chairman of the Committee on Post Office and Civil Service since 1967.

Mr. DULSKI has been honored numerous times for his outstanding achievements as a Congressman. He was the recipient of the Outstanding Legislative Achievement Award from the National Star Route Carriers.

Mr. DULSKI, a World War II veteran himself, has fought the battle for those men and women who have served their country in the armed services. He has been an esteemed member of the Veterans' Affairs Committee.

The citizens of Buffalo, N.Y., and the 37th district will not soon forget the endeavors of their devoted public servant, THAD DULSKI. This Texan respects him very much. All the House loves and respects him.

GENERAL LEAVE

Mr. GINN. Mr. Speaker, I ask unanimous consent that all Members may be permitted 5 legislative days in which to extend their remarks and include extraneous material on the subject of the special order taken today by the gentleman from North Carolina (Mr. HENDERSON).

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FOREIGN BANKING OPERATIONS IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 45 minutes.

Mr. PATMAN. Mr. Speaker, as many Members are no doubt aware, the Federal Reserve Board recently sent to the Congress a major piece of legislation dealing with the operations of foreign banks in the United States. Concern for the fact that branches and agencies of foreign banks are not covered by Federal law goes back to 1967 when the first bills on the subject were introduced. I was author of one of those bills and reintroduced the legislation in 1969. There was little interest at that time and when, under the 1970 amendments to the Bank Holding Company Act, the Federal Reserve became in effect the Federal licensing agent for foreign banks establishing subsidiaries in the United States, the problem appeared to recede in importance.

Basic issues were not resolved, however, and the rapid growth in international banking operations over the last several years has revived interest in the need for legislative action in this area. For this reason, I introduced a new bill in November 1973 to provide for Federal licensing and regulation of foreign banking activities in the United States. That bill has served to stimulate discussion and to indicate that new problems have arisen and that there is substantial interest in solving them. It is my purpose at this time to indicate what some of these problems are and to attempt to indicate on the basis of the information available to me how extensive foreign banking activities have become.

The U.S. activities of foreign banks should be viewed first in the context of international banking as a whole, and no discussion of international banking would be complete without acknowledgment of the contributions of American banks to the present state of the art. It is true that a number of foreign banks have been active internationally for a much longer period, but their activities until recently have been confined to specific trading areas. The developments of the last decade—the creation of international currencies and of major financial centers in such unlikely places as the Cayman Islands, the establishment of global banking networks and of consortia of major banks from several countries—have either been initiated or made possible by U.S. banks. Foreign banks were initially overtaken by these developments and have only moved to meet the competition very recently. But their expansion in turn has been almost as dramatic as that of the American banks before, and the growth of international banking within the United States as a result of the new facilities they are establishing would seem to offer the main event on which attention will focus in the immediate future.

At the moment, however, and in view of the extraordinary level of activity of U.S. banks overseas, the fact that growing interest by Americans in multinational banking should focus on foreign banks in the United States may appear remarkable to more internationally oriented observers in other developed nations. The most obvious explanation for this is that these developments have occurred outside the United States for the most part. The voluntary foreign credit restraint program discouraged home office loans to foreigners of domestic funds and encouraged the offshore activities of U.S. banks. Thus, Americans who are not themselves participants in international markets are only dimly aware of the growing importance of multinational banks and corporations on the U.S. economy, and the message of its importance is being brought to them on the incoming tide—by the inflow of foreign banks and corporations into the United States in sufficient numbers to be visible.

There is a substantial difference in the degree of involvement of U.S. banks overseas and that of foreign banks in the United States. On July 31, 1974, there were 14,368 commercial banks in the United States holding approximately $720 billion in assets. An additional $145 billion of assets was held in some 700 foreign branches by 136 U.S. banks. Thus, nearly 17 percent of combined domestic and foreign assets controlled by U.S. banks are held in branches outside the United States and outside effective control by the Federal Reserve System. In addition, U.S. banks have investments in excess of $1.5 billion in more than 2,000 foreign subsidiaries and affiliates whose total assets are not known.

Meanwhile at yearend 1973 there were 71 foreign banks engaged in banking operations in the United States. Twenty-two additional foreign banks were engaged only in securities operations through subsidiaries or affiliations with investment banking companies, and another 72 foreign banks had only representative offices in the United States. Thus, 165 foreign banks have some form of activity or representation in the United States. The 71 banks which are engaged in banking operations have 139 U.S. offices and on June 30, 1974, reported total U.S. assets of $48 billion. Thus, 71 foreign banks hold slightly more than 6½ percent of total domestic U.S. bank assets.

Most of the foreign banks active in the United States are very large banks. Forty-two—or approximately three-fifths—of the 71 banks engaged in banking activities are among the top 100 banks in the Free World by size of deposits. The fact that only 18 U.S. banks are among the top 100 gives some indication of the competitive potential of these giants. Another indication is the fact that four U.S. subsidiaries of foreign banks—Bank of Tokyo Trust Co. of New York, Bank of Tokyo of California, European-American Banking Corp. and Sumitomo Bank of California—were among the top 500 banks in the world at the end of 1973. At yearend 1972, Bank of Tokyo held over $4 billion of assets in its U.S. offices.

Because foreign banks are currently chartered under State law, they have certain advantages which domestic banks operating in the United States do not share. Foreign banks can obtain charters to conduct full-service banking operations in more than one State. Taking into account the establishment of 7 foreign bank branches in Chicago and the acquisition of First Western Bank in California by Lloyds Bank, there are now 29 foreign banks with multistate operations. Of these, 10 are Japanese banks, 5 are Canadian, 4 English, 2 Italian, 2 Swiss with the remaining 5 each from a different country. Bank of Tokyo is engaged in banking operations in 5 different States; Barclays Bank and Canadian Imperial Bank have operations in 4 States; 6 other banks have operations in 3 States and the remainder have operations in only 2 States.

Foreign banks also can evade the prohibitions of Glass-Steagall, engaging in securities operations and commercial banking if they confine their banking activities to State-chartered branches and agencies. When Banco di Roma applied to establish a subsidiary in Chicago in 1972 it was required by the Federal Reserve Board to agree to divest its one-third interest in an investment banking subsidiary in New York. Banco di Roma argued that had the State of Illinois permitted foreign banks to establish branches as do New York, California, and Massachusetts, it could have conducted the same form of banking business and retained its securities affiliate. Subsequently, Illinois did change its law and now permits foreign banks to open branch offices within the limited geographical area in Chicago known as the "Loop."

Currently some 20 foreign banks conduct commercial banking operations through agencies and branches while holding an interest in subsidiaries or affiliates which deal in securities. Of these, seven are Japanese banks which hold less than 10 percent in investment banking affiliates with offices in the United States. Some of the Japanese banks, however, hold minority interest in more than one such affiliate. Further, it is not clear what the limitations are on securities dealings by U.S. agencies of foreign banks and whether or not minority affiliations with investment banking companies facilitate and augment agency operations in such a way as to make it unnecessary for the foreign bank to establish directly an investment banking subsidiary. In any event, if the activities of the Japanese banks are open to question, those of the other 13 are not. Twelve European banks and one from Israel are engaged in both commercial and investment banking activities and would be in violation of Glass-Steagall if their operations were required to conform to existing U.S. laws and regulations.

Another major concern relates to the fact that the U.S. offices of foreign banks are not subject to the same reserve requirements as are Federal Reserve member banks and that aside from the few subsidiaries which are members of the System, are not required to hold their reserves as non-interest-bearing deposits with the Fed. Given the size of the institutions of which these branches and agencies are a part and the resources available to them, having this particular advantage over large domestic banks in U.S. money markets can constitute a substantial competitive edge. More important, however, is the fact that the absence of control over the reserves of foreign banks' U.S. offices creates major problems in implementing monetary policy.

The kinds of institutions in which foreign banks hold their U.S. assets and liabilities is important in evaluating their relative impact within the monetary system. The most recent figures supplied by State authorities indicate that aggregate assets of foreign banking subsidiaries, branches, and agencies in New York at yearend 1972 were $20 billion and assets of banking subsidiaries and agencies in California were $5.3 billion. Of the $20 billion of foreign banking assets in New York, $11.5 billion were held by agencies and $5.4 billion by branches. In California, agencies held assets of $3.1 billion. Thus, of the total of $25.4 billion of banking assets in these two States, subsidiaries—which alone are capitalized, have deposits insured by the FDIC and are subject to Federal supervision—held $5.4 billion or approximately one-fifth of total assets. The bulk of the combined assets in these two States, $14.6 billion, were held by agencies. Agencies are not separately capitalized. Their lending limits are based on parent bank capital. Under New York and California law, they are permitted to hold credit balances but can only accept domestic deposits for transfer to the parent bank. Thus, they do not carry FDIC insurance, are not subject to Federal regulation or supervision, and are subject only to minimal regulation, supervision, and examination by State authorities. It has been noted that because supervision is lax, it is difficult to tell if or how credit balances held by agencies differ from deposits. There is also no constraint on foreign agencies to match maturities of assets and liabilities.

One of the functions of foreign agencies is to serve as sources of dollars for their parents' activities in the Eurodollar market. In this capacity, they enhance the parent's ability to compete with U.S. banks overseas. Foreign agencies also serve as depositories or outlets for excess dollars accumulated by parents in the Eurodollar market. These funds are employed mainly in the Federal funds or domestic interbank market and the market for call loans to securities dealers. Because they are not subject to reserve requirements, foreign agencies can provide dollars to the parent bank and its affiliates operating overseas more cheaply than U.S. banks can provide dollars to their overseas branches. Moreover, they are currently outside the purview of whatever moral suasion the Fed exercises in an effort to restrain U.S. bank lending to foreign branches. The most important negative aspect of this advantage is indicated by the extent to which they contributed to the outflow of funds during the speculative crisis preceding the 1973 dollar devaluation. Their contribution was termed "substantial" by former Federal Reserve Board Governor Andrew Brimmer and has been estimated at $5 to $6 billion.

Unwelcome Eurodollar inflows are also a problem for the Federal Reserve Board. In 1970 it imposed a reserve requirement on Eurodollar borrowings by U.S. banks from their foreign branches. Recognizing the extent to which these inflows in 1969 had frustrated monetary policy and caused substantial dislocations in domestic credit allocation, apparently, similar considerations led the Board in June 1973 to request agencies, branches and subsidiaries of foreign banks to maintain voluntarily the same reserves as do U.S. banks against Eurodollar borrowings in excess of a base level. It was noted at the time that foreign banks could still avoid the reserve requirement by arranging to have Eurodollar loans made to customers of U.S. offices by the parent or its foreign affiliates.

There is, however, a more recent example of the highly volatile nature of funds held by U.S. offices of foreign banks. Between April 24 and June 30, the assets of these offices as reported to the Federal Reserve Board rose from $39 billion to $48 billion. The most obvious explanation for such an enormous increase is that it represents inflows of petrodollars. In fact, the size of the increase in that time period in relation to estimates of the overall volume of such funds entering the U.S. money market through the private banking system leads to the surmise that the major part of the inflow occurred through the U.S. offices of foreign banks as a result of their ability to pay a higher rate of interest. But regardless of whether or not a competitive advantage exists, the important point is that to permit such vast sums to enter and leave domestic money markets through banking offices which are not controlled by domestic monetary authorities is sheer folly.

Available information on the composition of assets and liabilities of foreign banking offices in the United States is, unfortunately, aggregated and does not adequately reflect differences in operations as between agencies, branches, and subsidiaries. On October 31, 1973, foreign banking offices in the United States obtained about 40 percent of their funds abroad and loaned about one-quarter to foreign borrowers. They loaned $11.8 billion to U.S. commercial and industrial firms. As Gov. George Mitchell of the Federal Reserve Board noted in a statement to the Senate Subcommittee on International Finance, in February, this is about 8 percent of all such loans in the United States and indicates the basically wholesale and international character of the banking business they conduct.

Another aspect of the character of international banking is reflected in the substantial involvement of U.S. offices of foreign banks in the interbank market. Agencies, branches and subsidiaries of foreign banks in the U.S. obtain 56 percent of their funds in foreign and domestic interbank markets and lend 35 percent of their resources in these same markets. Half of the liabilities of branches and three-fourths of those of subsidiaries are in the form of deposits. Agencies borrow as much as three-fourths of their liabilities from other banks.

Such extensive dependence on interbank borrowing and lending has a destabilizing effect on the banking system. In periods of monetary stress it is inevitable that some weaker banks may fail. But other banks may be threatened and the potential for general collapse heightened by heavy involvement of banks in the interbank market.

The interbank borrowing and lending of the agencies reflects substantial use of funds in arbitrage between the Eurodollar market and the U.S. Federal funds market. This inflow-outflow of funds has a destabilizing effect on domestic financial markets and requires offsetting actions by the Fed. For better or worse, the Federal Open Market Committee in recent years has used interest rates on Federal funds as an indicator of the need for intervention in the market. Purchases or sales of securities by the Open Market Committee lower the reserves of member banks and thus increase or decrease the U.S. money supply. The substantial involvement in the Federal funds market of institutions which are not subject to reserve requirements and, thus, not immediately responsive to the central bank's actions compounds the difficulties of monetary management and justifies the concern of those who see the impact of foreign banks as considerably more significant than their limited assets would imply.

It would appear, then, that the competitive advantages enjoyed by foreign banks in the United States result in injury to two parties—U.S. banks without a commanding presence in international markets and the money managers. Moreover, these problems in monetary management suggest to some observers that if foreign banks in the United States have caused difficulties as a result of their unregulated status, the operations of U.S. multinational banks overseas also have not been an unmixed blessing. The above description of the activities of foreign banks' U.S. agencies applies to a majority of the overseas branches of U.S. banks as well. Multinational banks of whatever national origin rely heavily on borrowings from other banks for their international operations. Where possible, they use their very short term, interest sensitive funds in arbitrage between the international and various domestic interbank markets. Such activities also create unstable conditions in international financial markets since shifts in funds may not reflect or accommodate the needs of trade or investment.

In conclusion it is in the nature of complex structures and systems of regulation that as various loopholes and exceptions emerge, even the smallest, temporary advantage will be exploited by a volatile capital market. Therefore, it seems clear that if we wish to maintain even the semblance of orderly financial markets and a competitive banking system, a substantial segment of the banking industry cannot remain unregulated. Congress will need to examine the legislative proposals dealing with the activities of foreign banks very carefully in order to provide the regulatory agencies with legislative mandates which are equitable but flexible and effective as well.

CIVIL LIBERTIES AND THE POLYGRAPH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, we live in a society that has begun to place more and more importance on the discovery of the truth. Yet, we must not let our zeal transgress the boundaries of our civil liberties. I refer specifically to the increasingly common use of the polygraph, or the so-called lie detector, as a condition of employment or promotion. The measure I introduce today would protect Americans from this invasion of their privacy in the Federal employment structure and in any industry involved in interstate commerce. The use of polygraphs continues, with increasing frequency, despite the fact that there is no evidence that these machines can do anything more than measure certain physiological responses.

In order to conduct a polygraph examination, it is necessary for the operator to establish a basis, or "norm," against which other responses may be compared. This is accomplished through a pretest interview process which involves asking certain probing questions, many of which are unrelated to the job in question. And this problem becomes even more serious during the actual test interview when the subject may be questioned about many plainly personal matters, such as political inclinations, present financial status, premarital or extra-marital sexual relationships, and even questions designed to determine whether the individual has had any homosexual relations.

The whole interview process, and indeed the polygraph itself, is based on the notion that because of a fear of the machine, lying will produce a chain of physiological responses which the machine will be able to record as variations in lines, which the examiner will then be able to interpret. But the first problem here is how to define the words "truth" and "lie." Dr. Martin T. Orne, in hearings, before the Committee on Government Operations in 1964, said a lie, "is not a term which has been carefully defined by scientists. What a lie is, is a matter of point of view which varies with individuals." This subjective evaluation of what a lie is means that at best a polygraph can measure whether a person believes he is lying. Thus, because of different moralities, different people may consider the same statements a lie in one case and the truth in another. This notion of belief in what is said also explains why a pathological liar might not be detected by the machine. And this also explains how it is possible for an individual to mask his galvanic skin response at will and thus beat the machine. All these factors indicate that the American Bar Association's projection of 70-percent accuracy in polygraph examinations may be quite correct, though a disappointingly low figure.

Beyond the scope of reliability of the machine and the operator is the question of the effects of polygraph testing as a condition of employment or promotion on the personal liberty and privacy of the individual. The Bill of Rights outlines a philosophy designed to protect citizens from intrusions upon their integrity and basic dignity as human beings. Yet, I believe that the proliferation of these machines has accomplished exactly what the Founding Fathers sought to avoid. They serve to violate the inner domain of a man's consciousness, his sense of individuality and uniqueness. Perhaps more important is the threat a polygraph exam has: the intimidating effect of intruding upon the individual and making him fear the free formulation and verbalization of his thoughts. This is the most fundamental of all our rights to privacy. If this right is to continue to have any meaning, it is important to realize that we must act now.

Mr. Speaker, perhaps the most common arguments on behalf of the polygraph have been that industry has a right to protect itself against losses due to employee dishonesty and that the innocent worker has nothing to hide.

However, as I already pointed out, this argument knowingly permits the invasion of privacy of all innocent people who will be compelled to take the test, and reverses our fundamental principle that a man is innocent until proven guilty. There certainly is no doubt that an employer should hire and promote those he feels to be the best qualified for any job and to dismiss those not performing their functions. Yet, expediency in making these determinations should not be allowed to direct us beyond the traditional employment screening processes and serve to negate our personal liberties. As the senior Senator from North Carolina has said:

> Our rights should never be measured on a dollar-and-cents basis.

In conclusion, Mr. Speaker, I would like to reiterate that while this bill will not interfere with the efforts of law enforcement agencies, or State and local governments, it will serve to prohibit the use of polygraph tests in order to procure jobs or advancement in either the Federal job structure, or in businesses that engage in interstate commerce. The dubious accuracy of polygraph machines, and the blatant violations of our fundamental rights posed by their misuse clearly indicates that Congress must act to prevent their continued prevalent use as a yardstick for employment.

To this end, Mr. Speaker, I am pleased today to cosponsor legislation designed to prohibit the use of these machines for the purposes I have mentioned and urge that the House of Representatives give this matter its priority attention.

PRICE OF SUGAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the world price of sugar is more than five times as high as it was a year ago and retail sugar prices are up nearly four times.

This rapid rise in price has been most evident to the housewife who has seen her routine purchase of sugar turn into a nightmare each time she has reached for a bag on the grocery shelf.

On a lesser scale, it has been noticeable in some restaurants which are now requiring the customer to ask for sugar rather than giving each table an ample supply. Small retail bakers and candy makers have said the cost of sugar is seriously hurting their business.

The soaring price of sugar has been blamed on factors ranging from profiteering and monopoly practices of sugar refiners and sugar processors to an excessive Agriculture Department estimate of American needs last January.

One clear point is that everybody is blaming everybody else for the high price. A Government study shows that the problem boils down to the old law of supply and demand. The situation is one where demand is growing and the supply has not been keeping up with the demand.

In recent months, there has been bad weather in many parts of the world which has affected the sugar crop as well as the grain crop. Hurricane Carmen caused some damage to the Louisiana crop. Reports indicate that European beet sugar has been reduced due to disease and climatic conditions. Adverse weather has reduced production at a time when larger crops are needed.

In the 1973–74 world sugar crop year, 80.5 million metric tons of sugar were produced but 81.6 million metric tons were consumed. As a matter of fact, since the 1970–71 crop year, the world has consumed more sugar than it has produced.

Cane sugar refiners and sugar beet processors have come under heavy fire from consumer groups who have charged that the processors and refiners were profiteering because of the shortage.

The country's biggest sugar refiner saw its profits more than double this year. Officials of that company have said that retail sugar prices will come down when raw sugar prices retreat from their present and expected future record levels.

The Council on Wage and Price Stability, which is investigating the rapid rise in sugar prices, says that while there have been "windfall profits" throughout the sugar industry, the major beneficiaries have been the growers. The Council said from the third quarter of 1973 to the third quarter of 1974, the growers' share of the retail price of sugar jumped from roughly 42 percent to 55 percent. The sugar farmers, on the other hand, says he is selling at whatever the world price is.

All parties seem to blame the foreign producer somewhere along the line. It is important to note that the United States, although a major producer of sugar, imports about half of the 11.5 million tons of sugar that it consumes every year.

So you can see from all of this that it is hard to put your finger on who the real culprit is; but it is clear who the culprit is not, and that is the consumer who is having to pay the higher price and the businessman who is being priced out of business.

This is why hearings have been held in the Congress. We should do all we can to bring prices down, but if this can not be done, then we should certainly consider an excess profits tax on those who are making enormous profits at the expense of the poor housewife.

One answer is certain: We will either have to grow more sugar or we will have to cut down on our consumption. We can pass all the legislation we want, but in the long run, it is the old law of supply and demand that controls the price.

TASK FORCE ON CONGRESSIONAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Frenzel) is recognized for 60 minutes.

Mr. FRENZEL. Mr. Speaker, last month the distinguished gentleman from Florida (Mr. Frey), chairman of the Republican Research Committee, appointed a committee on Reform composed of the following Members of Congress: Bill Frenzel, chairman, Thad Cochran, Trent Lott, Jim Cleveland, Ralph Regula, Bill Steiger, Chuck Wiggins, Caldwell Butler, Joel Pritchard, Pete Biester, John Rhodes, John Anderson, Barber Conable, and Lou Frey. The task force was charged with the responsibility to study and report on reforming the rules, processes and procedures of the House and was asked to make recommendations designed to improve the quality of both the legislative process and its work product.

The task force has begun its study and deliberations. So far its tentative agenda includes, but is not limited to, scheduling of House business, disclosure by lobbyists, nongermane amendments, radio and TV coverage of House proceedings, suspension of rules, open meetings, jurisdictional reform, improvement of the Congressional Record, proxy voting, minority staffing and caucus rules.

The task force will be presenting recommendations from time to time and will be presenting a comprehensive report next spring. It is our intention to recommend improvements that can be supported by all Members, or at least most Members. We do not believe that improvement in congressional processes is strictly a Republican obligation. But we do believe that since we did not create some of the procedures and traditions which have come to be considered unnecessary, unwise or obsolete, we are often in a better position than the majority to make suggestions for change.

Today the task force issued a report on three suggestions which it has had under study. The statement was deemed an urgent preliminary report. It was issued on an emergency basis, because the items included are likely to require House action in its first session in 1975.

The elimination of proxy voting is the first item. The House has already voted to get rid of proxies. We now understand that the Democrat leadership may try to reinstate proxies when the rules are presented in January. We believe proxy voting is a process unworthy of a representative body, destructive of public confidence and counterproductive to good legislation. We want to be sure the "antireform" nature of a vote in favor of proxy voting is well understood.

The second item is minority staffing. We remember that the Democrats overthrew the intent of the Reorganization Act of 1970 when they adopted their rules in 1971. The House has voted for one-third minority staffing again this year, and we want to be sure that staff-stealing is not repeated in 1975.

The third item is the question of binding caucus votes. We understood the Democrats got rid of the unit rule in Chicago in 1968. The thought of an elected representative giving away his or her vote, without regard to personal judgment, is abhorrent to us. Our caucus would not permit it, and we do not think the American people would either. Allowing a caucus to force an individual to vote a certain way is an affront to the democratic process and will make conscience subservient to political expediency. It is a poor substitute for real leadership or full, free, and open deliberations. I would like to emphasize that the task force hopes to play a constructive role utilizing the good ideas and the good efforts of all Members of Congress. Nevertheless, we will be especially vigilant against backtracking by the majority on reform positions previously accepted by the House. We will not allow the American people to be fooled by the mere appearance of reform. If the majority retreats from its stated commitment to reform, we will surely keep the public informed about that retreat. We are seriously committed to opening up and streamlining our legislative processes, and we will press for the implementation of all of our recommendations.

The task force reports follow. Also following is a review of minority staff allowances for the period of January through June 1974. The report was prepared by staff at my request and may not be exactly accurate, but it does show that the minority party has about 13 percent of the committee staff positions and about 15 percent of the committee staff funds.

THE TASK FORCE ON CONGRESSIONAL REFORM FIRMLY SUPPORTS TOTAL ELIMINATION OF PROXY VOTING

On October 8, 1974, the House voted 196–166 for an amendment to completely ban proxy voting in House committees. That amendment was incorporated into "The Committee Reform Amendments of 1974" which overwhelmingly passed by a vote of 359–7 that same day. The Task Force strongly endorses that reform and will vigorously oppose any attempt in the 94th Congress to restore proxy voting and thereby break faith with the American people. We find proxy voting a process unworthy of a representative body, destructive of public confidence, and counter-productive to our goal of producing the best possible legislation. Specifically, we find that:

1. Members of Congress are elected by their constituents to represent them in all aspects of the legislative process. The transfer of that obligation to another person is abhorrent to, and inconsistent with, our representative form of government. Just as directors and trustees are prohibited by common law from giving their representative votes by proxy, elected Representatives should also be prohibited from voting by proxy.

2. Active participation in Committee work—the acquisition of information, discussion, debate and mark up of a bill—is as important as voting. The proxy system allows less active members to give the appearance of voting without fulfilling their obligation to prepare and participate personally.

3. Proxies reinforce the potential for abuse already inherent in the current unwholesome system which relies on the near-absolute powers of chairmen. The Task Force believes that the majority party has presently grossly overendowed committee chairmen with life-and-death power over legislation. Proxies can make it possible for legislation to reflect a chairman's whim rather than the result of solid legislative consideration.

4. Proxies sustain a system which allows certain privileged senior Members to serve on more than one major committee. Without proxies, that system would fail, because the time demands and the workloads of committees conflict. Proxies are, therefore, supporting the scheme which gives favored Members an unfair measure of control over legislation. The Task Force believes that legislative obligations of the House require full utilization of each Member.

5. Proxies, because they are increasingly subject to abuse, contribute to public cynicism and reduce confidence in the legislative process.

6. Proxies encourage sloppy scheduling. Unbusinesslike scheduling in the House is a National outrage. Use of proxies takes away the principal incentive for orderly and timely scheduling of House business.

7. Proxies allow the Democratic majority to control legislation without working on it. The Task Force believes that the majority should control, but that control carries at least a minimum obligation to consider legislation carefully.

Even though the present rules encourage proxy voting, some committees (Appropriation, Rules and Banking and Currency) have abolished this practice—without any noticeable negative effects on the legislative process. Any attempt to reinstitute proxy voting will indelibly stamp the majority party as *anti-reform*. The House should stand by its position.

THE TASK FORCE STRONGLY OPPOSES BINDING CAUCUS INSTRUCTIONS

The Task Force strongly opposes the imposition of binding caucus instructions on committee and floor votes and proposes that this practice be prohibited by the Rules of the House of Representatives.

While this "unit rule" is peculiar to the Democratic Caucus, and as members of the other party, we would ordinarily not presume to interfere with the internal operation of the other party's caucus, in this instance, we have a clear obligation to object forcefully since the practice directly affects the rights of the House collectively and the integrity of its proceedings.

Specifically, the unit rule makes it possible for as few as one-third of the members of the Democratic Caucus to not only dictate procedural and substantive matters in the various committees, but makes it possible to predetermine the legislative outcome on the House floor as well. This is a most serious, if not unconstitutional, affront to our democratic system, for it permits a minority of one party to require that allegiance to caucus take precedence over faithfulness to one's own conscience or constituency.

Moreover, this practice completely nullifies any gains we have made in further opening up the system and making it more accountable to the people, for it places the real decision-making powers in secret caucus sessions utilizing secret ballot voting.

We are not fooled by attempts to differentiate between questions of procedure and substance. Procedural votes on the previous question or a closed rule shape a bill as much as any substantive amendment. For instance, Rules of the House are adopted on a procedural vote and they determine, in many cases, whether important bills will pass or fail.

Finally, caucus imposition of binding instructions is an insult to the intelligence of every Member of the House and to the collective expertise inherent in our committee system. It is a worse insult to the electorate. In short, it is a poor substitute for real leadership, full, free, and open deliberations. * * *

THE TASK FORCE ENDORSES THE RETENTION OF MINORITY-STAFFING PROVISIONS IN H. RES. 988

The Task Force on Congressional Reform wholeheartedly endorses the retention of the provisions of the recently passed Hansen resolution, H. Res. 988, which increase minority staffing of committees to up to one-third. Presently, the minority has less than 10% of the staff on many committees. We estimate the average minority committee staff to be less than 15%. This inequity works to the disadvantage of both the Majority and Minority.

Adequate committee staffing, for both the majority and minority party, is essential to the effectiveness of the legislative process. Many Democrats, as well as Republicans, recognized the validity of this belief when the House, on July 16, 1970, voted 105 to 63 to allow one-third of committee funds to be used for investigatory staff for the minority. However, before the 1970 Legislative Reorganization Act even went into effect, the Democratic majority, including many who had voted for the Act, stripped away the minority staffing provisions.

The House clearly reiterated its original position in adopting an amendment to H. Res. 988 which increased professional staff from six to eighteen, and clerical from six to twelve, with the minority entitled to one-third in each case. Moreover, these "Committee Reform Amendments" provide the minority on each committee with one-third of the investigative staff funds at least partly for the purpose of assigning a staff member to the ranking minority member on each subcommittee. The Task Force endorses the inclusion of these provisions in the rules of the 94th Congress.

Common Cause, Ralph Nader and almost all noted academic and professional experts on the legislative process favor adequate minority staffing. Ample reasons have been given to support this position.

Without adequate minority representation, committee staffs tend to reflect only one side of the issue—usually the views of the employing Member. The legislation reflects this bias and, consequently, often has serious shortcomings. For example, this problem was acute in the middle 1960's, when most of the Great Society programs were pushed through Congress. Many of these programs that failed might have succeeded if there had been more thorough analysis and more opportunity for input by the Minority. Public support for these programs has languished and the Government has needlessly wasted millions of the taxpayers' dollars. In the final analysis, the Majority has suffered more, because it has been held responsible for these failures.

Sufficient minority staffing will help revive the adversary process. It should assure the best possible presentation of both sides of an issue. Without adequate minority staffing, the majority is unencumbered by disturbing, but valid and thoughtful opposition points of view. Both the minority and majority need adequate staff resources to grapple with the complex issues and problems. * * *

Minority staffing will not necessarily encourage partisan divisions. On many issues, minority and majority staffs should work together. If anything, both the Majority and Minority will be better able to understand each other's viewpoints.

Increased minority staffing should help Congress become a more effective branch of Government. To the extent the Congress is allowed to become a partisan tool of one party, it is further weakened and becomes less effective in influencing public policy.

When the Minority is deprived of staffing, there is a temptation to rely either on the executive (when the Minority is in power) or on private interests for support. When the Minority is forced to rely on the executive or private interests, Congress is deprived of one of its main sources of strength and independence.

Good Minority staffing fosters the development of the adversary process, increases policy alternatives and provides stimulus for generating the best possible legislation. The end result is higher quality legislation which both Democrats and Republicans can take pride in.

Single party, monolithic, winner-take-all control of legislative resources may be tolerated in some societies, but it should not be in ours. The Task Force urges that the minority staffing provisions of H. Res. 988 be upheld.

Committee	Total employees [1]	Total majority [1]	Total minority	Percent Minimum	Total amount of money [2]	Total money majority [2]	Total money minority [2]	Money minority (percent)
Agriculture	20 5/6	16 5/6	4	19.2	$179,515	$138,825	$40,689	22.6
Standing	10 1/6	7 1/6	3	29.5	111,941	76,001	35,939	32.1
Investigative	10 4/6	9 4/6	1	9.4	67,574	62,824	4,750	6.6
Appropriations	134 1/6	120	14 1/6	10.6	1,332,987	1,187,186	145,801	10.9
Standing	75 2/6	61 1/6	14 1/6	18.8	845,660	699,859	145,801	17.2
Investigative	58 5/6	58 5/6	0	0	487,327	437,327	0	0
Armed Services	28 1/6	28 1/6	0	0	192,024	192,024	0	0
Standing	24	24	0	0	153,855	153,855	0	0
Investigative	4 1/6	4 1/6	0	0	38,168	38,168	0	0
Banking and Currency	62	52	10	16.1	612,686	501,772	120,533	19.7
Standing	9	6	3	33.3	149,304	100,805	48,498	32.5
Investigative	53	46	7	13.2	463,382	391,348	72,034	15.5
District of Columbia	39 1/6	35 1/6	4	10.2	337,818	292,336	45,482	13.5
Standing	12 1/6	10 1/6	2	16.5	164,799	136,313	28,486	17.3
Investigative	27	25	2	7.4	173,019	156,023	16,996	9.8
Education and Labor	88 3/6	71	17 3/6	19.7	833,154	644,189	188,964	22.6
Standing	12	9	3	25	200,298	156,302	43,996	22.0
Investigative	76 3/6	62	14 3/6	18.9	632,856	487,888	144,968	22.9
Foreign Affairs	37 3/6	35 3/6	2	5.3	402,889	378,822	24,007	6.0
Standing	12	11	1	8.3	178,809	162,357	16,453	9.2
Investigative	25 3/6	24 3/6	1	3.9	224,079	216,525	7,554	3.4
Government operations	62 3/6	53 3/6	9	14.4	576,137	485,951	90,186	15.7
Standing	12	9	3	2.5	154,277	114,104	40,173	26.0
Investigative	50 3/6	44 3/6	6	11.9	421,816	371,848	50,013	11.9

Committee	Total employees[1]	Total majority[1]	Total minority	Percent Minimum	Total amount of money[2]	Total money majority[2]	Total money minority[2]	Money minority (percent)
Interior and Insular Affairs	43 3/6	34 1/6	9 2/6	21.5	422,820	330,030	89,789	21.2
Standing	10 4/6	7 4/6	3	28.2	131,639	95,714	35,925	27.3
Investigative	32 5/6	26 3/6	6 2/6	19.3	291,181	237,317	53,864	18.5
Internal Security	42 3/6	34 3/6	8	18.8	364,857	281,965	82,891	22.7
Standing	12	9	3	25	168,896	121,917	46,976	27.8
Investigative	30 3/6	25 3/6	5	16.4	195,961	160,046	35,915	18.3
Interstate and Foreign Commerce	52 5/6	46	6 5/6	12.9	604,272	524,962	79,311	13.1
Standing	16	15	1	6.2	225,225	207,225	18,000	8.0
Investigative	36 5/6	31	5 5/6	15.8	379,047	317,736	61,311	16.1
Judiciary	155 2/6	145 4/6	9 4/6	6.2	1,312,028	1,214,577	97,452	8.0
Standing	14 4/6	11 5/6	2 5/6	19.1	205,981	161,209	44,772	21.7
Investigative	140 5/6	133 5/6	6 5/6	4.8	1,106,048	1,053,368	52,680	4.8
Merchant Marine and Fisheries	21 3/6	17 3/6	4	18.8	229,362	184,214	45,148	19.7
Standing	10	7	3	30.0	129,716	91,728	37,988	29.2
Investigative	11 3/6	10 3/6	1	8.8	99,646	92,486	7,160	7.2
Post Office and Civil Service	35 1/6	30	5 1/6	14.7	343,050	291,472	51,578	15.0
Standing	9	8	1	11.1	125,936	108,019	17,917	14.2
Investigative	26 1/6	22	4 1/6	15.9	217,114	183,453	33,662	15.5
Public Works	75 5/6	62 1/6	13 4/6	18.0	713,340	580,689	132,651	18.6
Standing	12	9	3	25.0	167,893	121,018	46,875	27.9
Investigative	63 5/6	53 1/6	10 4/6	16.7	545,446	459,671	85,776	15.7
Rules	9	7	2	22.2	84,299	61,084	23,215	27.5
Standing		7	2	22.2	84,299	61,084	23,215	27.5
Investigative	0	0	0	0	0	0	0	0
Science and Astronautics	26 5/6	25 1/6	1 4/6	6.1	292,700	272,158	20,542	7.0
Standing	11 4/6	10	1 4/6	14.1	140,748	120,206	20,542	14.6
Investigative	15 1/6	15 1/6	0	0	151,952	151,952	0	0
Veterans' Affairs	17 1/6	13 1/6	4	23.3	183,107	141,690	41,417	22.6
Standing	11 1/6	8 1/6	3	26.9	138,810	102,630	36,179	26.1
Investigative	6	5	1	16.7	44,297	39,060	5,238	11.8
Ways and Means	30 4/6	24 4/6	6	19.6	344,032	270,678	73,354	21.3
Standing	27 4/6	22 4/6	5	18.1	312,822	257,218	55,604	17.8
Investigative	3	2	1	33.3	31,210	13,460	17,750	56.9
Grand total	982 3/6	851 5/6	130 4/6	13.3	9,361,074	7,968,064	3,393,011	14.9
Standing	310 2/6	252 5/6	57 3/6	18.5	3,790,906	3,047,565	743,340	19.6
Investigative	672 1/6	599	73 1/6	10.9	5,570,169	4,920,499	649,670	11.7

[1] Fractions represent partial salary slots during 6-mo period.

[2] Figures do not add exactly due to rounding.

Mr. STEIGER of Wisconsin. Mr. Speaker, I would like to join my distinguished colleague from Minnesota (Mr. FRENZEL) in stressing the importance of not retreating on steps we've taken to make the House a more responsive and responsible body. The erosion of confidence of the American people in their Government must be of deep concern to all of us who have been chosen by our constituents to give them the best representation possible here in the House.

If, despite the deep commitment each of us holds to providing effective, responsive representation, we are hamstrung by rules and procedures that prevent us from dealing conscientiously with the issues before us, the American people are going to conclude that we are simply not doing the job they're expecting of us. Frankly, I think they will be justified in reaching that conclusion.

We have it within our power to make the changes that clearly need to be made to streamline the legislative process, to insure that all sides of an issue are carefully weighed and to prevent the kind of shortcircuiting of the process that deters thoughtful, fair consideration of legislation and makes for bad laws. Unfortunately, all too often, Congress has failed to live up to its responsibilities in this regard.

We saw a perfect example of this just a couple months ago when the House failed to approve the Bolling committee recommendations. In the Bolling committee we had perhaps the finest example of just how well bipartisan cooperation can work. We had five Republicans and five Democrats who worked for a year and a half and reached agreement on a series of substantive proposals that would have made dramatic changes in the way we do our business.

The Bolling committee reform proposals were considered unacceptable by many who had accumulated power and feared the recommendations would cut into the fiefdoms they had developed. Thus, a seriously watered down substitute measure which did disservice to the term "reform" was approved instead.

Now we are faced with the even more disturbing prospect of having the tepid "reform" bill that was passed being watered down further. It appears all too likely that an effort will be made when the rules are presented in January to reinstate proxy voting and to take away, for the second time in 5 years, provision for one-third minority staffing.

All of us should be concerned about the threat of doing away with these reforms. Elimination of proxy voting and provision for one-third minority staffing must not now go down the road the Bolling committee reforms were sent down just because majority party leadership feels it politically expedient to do so. As a member of the House Republican Task Force on Reform, I must register my strong, unequivocal opposition to tampering with these reforms.

The concept of the proxy vote is something which is not consistent with the concept of representative government. By allowing a committee chairman to vote by proxy for an absent member, the only cause that is served is that of the power brokers. Proxy voting is a process unworthy of a representative body, and it is a deterrent to good legislation.

The Democrats' plan to increase majority party membership on all committees will only make abuse of the proxy more prevalent. With Democratic members serving on two committees and numerous subcommittees, it will be physically impossible for them to attend to all of their responsibilities in committee and to make all meetings. Thus, more absent votes are likely to be cast.

When we voted to eliminate proxy voting in October, many Democrats supported that move and informed their constituents of their zeal to reform. But now we hear that the Democratic leadership will try to reinstate proxies when the rules are presented in January. It is a sad thing, and one that shakes people's confidence in those who represent them, when public officials take one stand prior to reelection, then retract on it once they are assured of 2 more years of office.

It also appears there may be a willingness to retreat on minority staffing. Common Cause, Ralph Nader, and almost all noted academic and professional experts on the legislative process favor adequate minority staffing. Yet, the Republicans, with a third of the membership of Congress and its committees, now must rely on the expertise of a minority staff estimated to be, on the average, less than 15 percent of the average committee staff. As a result, committees often report out one-sided legislation, and the minority often must make its recommendations in the form of substitute proposals on the floor after drawing on outside sources to help draw them up.

Though not something we dealt with in our congressional reform package this fall, I think it important that reform-minded Democrats consider just how detrimental impact binding caucus instructions have on the legislative process. When a member is bound by the will of the caucus in casting his or her vote, it is an affront to the cause of representative government. All of us must be alarmed when political expediency takes precedence over conscience or constituents. The Republicans do not permit this short circuiting of the democratic process, and I would hope that Democrats who care about the way we deal with legislation will take steps so their party will stop this practice as well.

All of us who care about good, responsive government must work together to prevent backtracking on reforms that have been enacted and to put into effect reforms that have been overdue for far too long. If more Americans realized just how much of a role procedure plays in the shaping of legislation, I think we would hear a loud outcry over the three things I have mentioned and others which often serve as little more than an impediment to effective, responsive legislation. All the talk in the world about wanting to produce legislation we need in the difficult times we now face cannot obscure the fact that many of those in power are willing to create roadblocks for that legislation if those roadblocks mean they can maintain the power they have accrued or hope to. What we need is bipartisan cooperation for reform and for sound legislation. I hope that spirit of cooperation will be reflected in the 94th Congress, but recognize it only will if there are individuals willing to take a firm stand when the parties caucus in the days immediately before the new session begins. For the sake of the American people, I hope there are many such individuals.

NAMING OF LOCK ON ST. MARYS RIVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 10 minutes.

Mr. RUPPE. Mr. Speaker, I must rise in opposition to H.R. 17589. I take this action though with respect and admiration for the man whom this legislation seeks to honor. JOHN BLATNIK, as the chairman of the Public Works Committee, has served this House, the country, and his congressional district with distinction and honor. Because of the close proximity of our districts, we share a number of common problems, and as a result we have worked together on many different projects. In those instances, I have come to respect him immensely. We should find an appropriate way to honor him.

However, I, and many of the people in Sault Ste. Marie, Mich., do not feel that the existing lock on the St. Marys River, which is named after the late Col. Orlando M. Poe presently, should be renamed.

Colonel Poe was the U.S. Army Corps of Engineers district engineer for Detroit from 1870 to 1873 and then 1883 to 1885. It was during this second tour of duty that the lock was being constructed, and it was decided to name it after Colonel Poe. He was an engineer who graduated from West Point in 1856 and served with the Union Army during the Civil War. He then went to Detroit where he served with distinction with the Corps of Engineers. He died in 1895 and is buried in Detroit.

In 1968 when the new lock was opened replacing the old Poe Lock, the name was carried over. For over 70 years there has been a Poe Lock, and the people of Sault Ste. Marie do not want it altered.

Traditionally, locks are named after district engineers or military personnel who have been associated with the corps. For example, of the other three locks at Sault Ste. Marie, two are named Sabin and Davis, after past Detroit district engineers, and the third honors the late Gen. Douglas MacArthur who at one point of his career served with the corps.

The people of Sault Ste. Marie have grown up and lived with the Poe Lock. I am sure they would support a move to honor JOHN BLATNIK in an appropriate fashion, as I definitely would, but they feel strongly about the longstanding tradition associated with the Poe Lock. It is for this reason that I oppose this specific bill.

BUDGET COMMITTEE PROGRESS REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 10 minutes.

Mr. ULLMAN. Mr. Speaker, I have taken this special order for two reasons: First, as chairman of the new Committee on the Budget, to report on its progress, its recent activities and its plans; and second, to express my personal views on the committee's responsibilities in this time of national and international economic crisis.

I believe it is no exaggeration to suggest that passage of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344) was a milestone in a modern American revolution. It established clearly the intention of Congress to redress a dangerous imbalance that has been developing between the legislative and executive branches of our Federal Government for more than half a century. It served as notice that Congress—the people's branch—is ready to reassert itself as a coequal partner in the process of making public policy by reclaiming its power of the purse.

The act provides for a vastly improved system of congressional control over the Federal budget. With the House and Senate Budget Committees playing central roles, Congress each year will produce and enforce its own unified budget for the Federal Government for the first time in our history. It will set overall Federal spending and revenue levels and will establish spending priorities among the categories of Federal programs.

I am pleased to report that my colleagues on the Budget Committee have been attending to their new responsibilities with remarkable diligence under frequently trying circumstances.

Members were appointed toward the end of a session, in the midst of reelection campaigns—a time of pressing obligations for all of us. In addition, those appointed to the Budget Committee serve on other standing committees which make heavy demands on their time.

In spite of the workload, my colleagues on the committee have attended our meetings and hearings faithfully. Many have accepted positions on our special task forces without complaint and have carried new burdens of responsibility efficiently and in good humor.

I am grateful to all of them and I congratulate the House on its wise selection of Representatives for this special service.

Shortly after formation of our committee last August, a task force under the leadership of Mr. WRIGHT of Texas drafted rules subsequently adopted by the committee. Other members of the group included Mr. ASHLEY of Ohio, Mr. ADAMS of Washington, Mr. CLAWSON of California, and Mr. BROYHILL of North Carolina. I insert the text of these rules at the end of my remarks.

We have also formulated plans for, and begun to recruit our professional and clerical staff. I believe that we must have a permanent, nonpartisan staff of the highest professional and technical competence; a staff that will be able to provide the entire committee with whatever informational, analytical and policy development support it requires. To settle for less is to court disaster, because the job ahead is as complex as it is crucial.

I am happy to report that we have already obtained the services of several people with outstanding ability and experience and I insert four press releases describing staff appointments at the end of my remarks.

The committee has submitted and the House has approved an initial request for expense funds totaling $138,000—a modest sum under the circumstances.

In addition, we have held hearings on the fiscal year 1975 budget. These sessions were planned and organized by another task force led by Mr. SMITH of Iowa, with the assistance of Mrs. GRIFFITHS of Michigan, Mr. ASHLEY of Ohio, Mr. GIAIMO of Connecticut, Mr. MITCHELL of Maryland, Mr. CEDERBERG of Michigan, Mr. BROYHILL of Virginia, and Mr. DEL CLAWSON of California.

Our intent was to explore with senior economic policy officials in the administration the current status of the fiscal year 1975 budget and its relationship to our economic problems.

We heard from Secretary of the Treasury William F. Simon on September 17 and from Roy L. Ash, Director of the Office of Management and Budget, on September 19. On the morning of September 25, the new Chairman of the President's Council of Economic Advisers, Dr. Alan Greenspan, testified before us in his first appearance before a congressional committee since being appointed to that post. On the same day, Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System, gave the committee his views and observations.

The hearings were useful and provocative. They gave some of our members their first chance to meet and question these officials. All of us were exposed to some of the major policy problems involved in dealing with the budget as a whole. The hearings also gave us an opportunity to explore the relationship of budget policy to monetary and other domestic economic policy and to various aspects of the international economic situation.

Committee members received some clues regarding this administration's economic thinking and posed some difficult questions. In all candor, witnesses occasionally responded with seemingly evasive answers.

We did find some areas of general agreement as well as those in which there were decided differences. But all witnesses expressed support for the Congressional Budget and Impoundment Control Act of 1974 and I was gratified by their pledges of cooperation with the work of the Budget Committees.

These hearings will soon be published and I hope every Member will have an opportunity to study them.

In cooperation with the Senate Budget Committee and with the aid of a task force that includes Mrs. GRIFFITHS, Mr. GIAIMO, and Mr. BROYHILL of North Carolina, we have searched diligently for the best available candidate to recommend for appointment as Director of the new Congressional Budget Office—CBO. The Speaker and President pro tempore of the Senate will jointly appoint this official after considering the recommendations of the two Budget Committees.

I cannot overemphasize the vital role this new arm of the Congress will play in our revised budget process. It is critical that the most capable and skillful candidate be appointed, and that the appointment be made as soon as possible. The creation of CBO waits on that action, and without a CBO to support the Budget Committees of both Houses, Congress will face great difficulty in testing its new budget process next year.

The Budget Committee has tentatively agreed to a plan that will include as much of the new process as is reasonable and practical in that test. In cooperation with the Senate committee, we intend to present a mutually acceptable plan to the leadership and to the Congress.

Staff studies have explored the problems of procedure, timetables, analytical resources and techniques, and information availability we may encounter in next year's test.

Our committee has begun to examine ways in which we can acquire and efficiently utilize and analyze the vast quantities of data we will need. With the cooperation of the distinguished chairman of the Committee on House Administration, Mr. HAYS of Ohio, we have begun discussions with the House Information Systems Office to develop and adapt computerized information systems to meet the needs of the Budget Committee.

For analytical support, we are soliciting help from several top sources. Respected research organizations and individuals have been commissioned to prepare studies on a wide range of important budgetary questions, including the impact of various levels of total budget expenditures for fiscal year 1976 on the Nation's economy. We also hope to have the benefit of special informational and analytical studies prepared jointly by the staff of the Joint Economic Committee, the Congressional Research Service, and the Joint Committee on Internal Revenue Taxation.

It is my belief that the success of the new budget process depends in large measure on the ability of our committee to establish and maintain cooperative and harmonious relationships with all other committees of the House, with the joint committees and with the Senate Budget Committee. Every committee has a significant role to play in this process. Indeed, it will function well only if members as well as committees are willing to learn what the process is all about and the nature of their responsibilities in it.

To these ends, we have conducted briefing sessions for the senior staff of all House committees and appropriate joint committees. The first of these, held on November 11, and attended by about 90 staff persons, was devoted chiefly to explaining the new budget process in detail. At a subsequent meeting 2 weeks later, staff discussed other significant parts of the act and alternative options for putting all or part of the process into effect in 1975. In addition, we have distributed some informational materials to all committees.

I hope we will be able to present similar briefings to groups of Members in the near future.

Mr. Speaker, I believe we have made an encouraging start in this important new venture. But difficult problems and enormous challenges lie ahead.

We in Congress, still fresh from November's elections, are well aware that there is one great concern which overrides all others in the minds of the people—that is the present State of the economy. It is not hard to see why.

Inflation is continuing its double-digit rampage; latest estimates indicate the annual rate remains in excess of 12 percent.

Joblessness has increased nearly 2 percent in a year's time to an adjusted rate of 6.5 percent in November. Even the most optimistic economists warn us that unemployment lines will continue to grow in months ahead.

Industrial output took its steepest drop in 4 years last month when it declined 2.3 percent; yet that was no wonder since two of our major industries are in serious decline. Housing starts are off nearly 50 percent from last year's levels, while automobile sales lag dramatically behind their rate a year ago.

Real gross national product has declined in each of the last three quarters—7 percent in the first quarter of 1974, 1.6 percent in the second and 2.1 in the third.

At the same time, wholesale prices have been rising at a rate of 22.6 percent yearly—the most in any 12-month span since 1947.

All of this is further complicated by external forces, largely beyond this country's immediate economic control, that have worsened the inflationary trend present in our own economy. The failure of worldwide agricultural production to meet expectations, the near quadrupling of international oil prices and the devaluation of the dollar have taken their toll in the economies of most of our trading partners as well as our own.

But even these extraordinary factors, devastating as they have been, do not completely explain why iron and steel prices are up 23 percent in the past 8 months, why nonferrous metal prices have risen 45 percent in a year and industrial chemicals rose 62 percent. Nor can attempts by industries to correct some distortions and low profit levels following the lifting of price controls totally explain the sharp price increases for these and other products.

To date, we have suspicions but no adequate explanations.

Even less adequate have been administration-proposed solutions to our critical economic problems. Only recently have the President and top administration officials been willing to admit the economy is in recession—a recession that has all the earmarks of being the most severe in decades. And, while the President is finally admitting the seriousness of our two-pronged economic difficulties, we have yet to see program proposals that account for the slump as well as inflation.

Simply put, we have lacked leadership.

In my opinion, Mr. Speaker, this factor underscores the crucial nature of next year's test of our new budget process.

The overall role of the Federal budget and the use of tax dollars will be a critical issue in 1975 and our new Budget Committees are the only units of Congress designed to carry on a focused debate in this area.

As I have indicated, our new mechanisms will not be fully operational next year. Our new procedures—good as they appear—are unlikely to be perfect. If there are flaws or omissions, they will be illuminated in the hard light of reality. And I am confident that, with the continued support of the leadership and Members of both Houses, imperfections that are revealed can and will be corrected.

But to the extent the Budget Committees can define gut, macro-economic issues and can spotlight ways of using the Federal budget to deal with those issues, our new process will make a major contribution to Congress' ability to deal with the Nation's economic problems.

Whatever we do to combat inflation must be considered against the backdrop of our deteriorating record of growth. We cannot afford the luxury of embracing a quick solution to the problem of inflation without considering the implications of that solution in the current economic slowdown. We must guard against actions that might push the economy further down the slope it has been traveling for some time and carry those in our society who can least afford more hardship with it.

The administration's heavy reliance on monetary policy to fight inflation well illustrates the pitfalls of quick solutions to complex problems.

Before the Federal Reserve started easing its tight money policy, interest rates hit the century's record high of 12 percent: CD rates jumped to more than 11 percent; mortgage rates increased to almost 10 percent. All the while, the small passbook account holder has been limited to about 5 percent for his savings account and only a fraction more at thrift institutions. One result of this is the housing market depression that has been with us for months. Another is increased costs of doing business because of the inflated interest rates.

Just as across-the-board increases in interest rates caused serious harm in some sectors of our economy, across-the-board cuts in Federal spending can produce damage in other sectors. Wise budget policy and priority decisions cannot be made unless they thoroughly consider and accommodate the economic health and social welfare of the Nation.

This is important in 1975 and from an annual point of view in general. It is even more crucial in terms of making decisions that affect us for years into the future.

In this regard, the 5-year projections our new budget process will produce are potentially invaluable. In the field of energy, for example, these projections should give us a good indication of how much national effort will be needed to meet our requirements and what the social and economic implications of that effort will be.

Making proper decisions on matters like this will require the most intensive kind of economic analysis—the kind of analysis our budgetmaking machinery should provide us in the foreseeable future.

Meanwhile, in my opinion, the administration could make an important contribution to the search for a way out of our present economic bind by developing budget information of quality sufficient to enable Congress and the President to intelligently discuss the most effective way of bending budget policy toward the end of economic improvement.

Mr. Speaker, I believe it is possible and essential to devise a policy capable of dealing with an economy that is moving in two directions. But what is called for is a highly selective approach. This is not the time for panaceas or blunt, ham-fisted policies.

Simply calling for spending cuts is not enough. Tacking on policies to assist those who will inevitably suffer from unwise cuts by increasing Federal spending in areas like unemployment compensation and public service employment is not enough. Assisting the housing industry simply by expanding programs that have not helped the industry to date is not enough, particularly while interest rates remain high.

After listening to the testimony presented in the first set of Budget Committee hearings, I am persuaded one of the most important matters to be explored is the whole area of off-budget borrowing and Federal guarantee programs. These have contributed tremendously to the pressure on an already tight money market and they have encouraged rising interest rates. Some of these programs could stand some pruning, while others doubtlessly are vital to economic recovery. Other areas, too, deserve the most intensive examination we can give them.

In the course of tackling the tough job ahead, we may end up with a package that contains a little bit of everything. Hopefully we will avoid the biggest pitfall confronting us in the course of developing an economic policy, and that is doing too much of any one thing.

We must resist endorsing simplistic solutions no matter how appealing they seem; no matter how great the pressures to do so. I am convinced we can afford to leave no stone unturned in our search for economic cause and effect.

The material follows:

RULES OF PROCEDURE OF THE COMMITTEE ON THE BUDGET

(Adopted September 18, 1974, 93d Congress, 2d session, U.S. House of Representatives)

MEETINGS

1. Regular meetings *

The regular meeting day of the Committee shall be the 2nd Monday of each month at 10:00 a.m., while the House is in session.

The Chairman is authorized to dispense with a regular meeting when he determines there is no business to be considered by the Committee, provided that he gives written notice to that effect to each member of the Committee as far in advance of the regular meeting day as the circumstances permit.

Regular meetings shall be cancelled when they conflict with meetings of either party's caucus or conference.

2. Additional and special meetings

The Chairman may call and convene additional meetings of the Committee as he considers necessary, or special meetings at the request of a majority of the members of the Committee in accordance with House Rule XI, clause 26(c).

In the absence of exceptional circumstances, the Chairman shall provide written or verbal notice of additional meetings to the office of each member at least 24 hours in advance while Congress is in session, and at least 3 days in advance when Congress is not in session.

3. Open business meetings

Each meeting for the transaction of Committee business, including the markup of measures, shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting shall be closed to the public. No person other than members of the Committee and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This rule shall not apply to any meeting that relates solely to matters concerning the internal administration of the Committee.

4. Quorums

A majority of the Committee shall constitute a quorum. No business shall be transacted and no measure or recommendation shall be reported unless a quorum is actually present.

5. Recognition

Any member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The time of such member shall be limited to 5 minutes until all members present have been afforded an opportunity to comment.

6. Consideration of business

Measures or matters may be placed before the Committee, for its consideration, by the Chairman or by a majority vote of the members of the Committee, a quorum being present.

7. Rollcall votes

A rollcall of the members may be had upon the request of at least 20% of those present.

*8. Proxies**

Any member of the Committee may vote by special proxy, which must be in writing, dated, signed by the member, clearly identify the member to whom the proxy is given, and specify the date on which it is to be used. Proxies shall be limited to a specific measure or matter and any amendments or motions thereto. Proxies shall be filed with the clerk of the Committee and become part of the record of the Committee. A proxy may not be used for the purpose of establishing a quorum.

HEARINGS

9. Announcement of hearings

The Chairman shall publicly announce the date, place, and subject matter of any Committee hearing at least one week before the commencement of that hearing, unless he determines there is good cause to begin such hearing at an earlier date, in which case public announcement shall be made at the earliest possible date.

10. Open hearings

Each hearing conducted by the Committee shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that day shall be closed to the public.

11. Quorums *

For the purpose of hearing testimony, not less than two members of the Committee shall constitute a quorum, one of whom shall be from the minority.

12. Time for questioning witnesses

Committee members shall have not to exceed five minutes to interrogate each witness until such time as each member who so desires has had an opportunity to interrogate such witness.

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* Written rule required by House Rules.

After all members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

13. Subpoenas and oaths

In accordance with House Rule X, clause 6, as amended by section 101(b) of the Congressional Budget Act of 1974, subpoenas authorized by the Committee may be issued over the signature of the Chairman or of any member of the Committee designated by him, and may be served by any person designated by the Chairman or such member.

The Chairman, or any member of the Committee, may administer oaths to witnesses.

14. Witnesses' statements

So far as practicable any prepared statement to be presented by a witness shall be submitted to the Committee at least 24 hours in advance of presentation, and shall be distributed to all members of the Committee in advance of delivery.

BROADCASTING

15. Broadcasting of meetings and hearings

It shall be the policy of Committee to give all news media access to open hearings of the Committee, subject to the requirements and limitations set forth in House Rule XI clause 33(f). Whenever any Committee business meeting is open to the public, the Committee, by majority vote, may permit that meeting to be covered in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage in accordance with House Rule XI, clause 33(f). However, a majority of the Committee may decide at any time to exclude radio, television, and still camera equipment from the Committee room.

STAFF

16. Committee staff

Subject to approval by the Committee, and to the provisions of the following paragraphs, the professional and clerical staff of the Committee shall be appointed, and may be removed, by the Chairman.

In addition to the staff referred to in the above paragraph, the Chairman shall appoint four professional staff consultants and four clerical staff, recommended by the majority members of the Committee, who shall provide additional staff assistance to the majority members, and two professional staff consultants and two clerical staff, recommended by the minority members, who shall provide additional staff assistance to the minority members, and such other staff as may be from time to time required. The remuneration of such majority and minority professional consultants and clerical staff shall be determined by the Committee.

Committee staff, and consultants, shall not be assigned any duties other than those pertaining to Committee business, and shall be selected solely on the basis of fitness to perform the duties of their respective positions.

All Committee staff, including the majority and minority professional consultants and clerical staff, shall be entitled to equitable treatment, including comparable salaries, facilities, access to official Commerce records, leave, and hours of work.

17. Staff supervision

Staff shall be under the general supervision and direction of the Chairman, who shall establish and assign their duties and responsibilities, delegate such authority as he deems appropriate, fix and adjust staff salaries (in accordance with House Rule XI, clause 29(c)) and job titles, and, in his discretion, arrange for their specialized training.

Staff assigned to the minority shall be under the general supervision and direction of the minority members of the Committee, who may delegate such authority as they deem appropriate.

COMMITTEE RECORDS

18. Preparation and maintenance of committee

An accurate stenographic record shall be made of all business meetings and hearings.

The proceedings of the Committee shall also be recorded in a journal which shall, among other things, include a record of the votes on any question on which a record vote is demanded.

Members of the Committee shall correct and return transcripts of hearings as soon as practicable after receipt thereof.

Any witness may, in the presence of a Committee staff member and at a reasonable time at the office of the Committee, examine the transcript of his own testimony and make grammatical or technical changes that do not substantially alter the record of testimony.

The Chairman may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time for corrections, and that further delay would seriously impede the Committee's responsibility for meeting its deadlines under the Congressional Budget Act of 1974.

Transcripts of hearings and meetings may be printed if the Chairman decides it is appropriate, or if a majority of the members so request.

19. Access to committee records

The Chairman shall promulgate regulations to provide for public inspection of roll-call votes (in accordance with House Rule XI, clause 27(b)), and to provide access by Members to committee records (in accordance with House Rule XI, clause 27(c)).

Access to classified testimony and information, and to information, data, estimates, and statistics received from the Congressional Budget Office that are subject to the provisions of section 203(c) of the Congressional Budget Act of 1974, shall be limited to members of the Committee, and to Committee staff and stenographic reporters who have appropriate security clearance.

Notice of the receipt of such information shall be sent to the Committee members. Such information shall be kept in the Committee safe, and shall be available to members in the Committee office.

APPLICABILITY OF HOUSE RULES

20. Applicability of House rules

Except as otherwise specified herein, the Rules of the House are the rules of the Committee so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

CONFEREES

21. Appointment of conferees

Majority party members recommended to the Speaker as conferees shall be recommended by the Chairman subject to the approval of the majority party members of the Committee. The Chairman shall recommend such minority party members as conferees as shall be determined by the minority party, provided that the recommended party representation shall be in approximately the same proportion as that in the Committee.

Press Release of House Committee on the Budget, August 27, 1974

Chairman Al Ullman (D., Ore.) of the House Committee on the Budget today announced committee approval of Walter Kravitz as its staff director.

Congress recently established the House Budget Committee and its Senate counterpart as part of a general reorganization of congressional budget procedures. The new committees will be responsible for producing an annual unified congressional budget that sets overall federal spending and revenue figures and establishes spending priorities among federal programs.

Mr. Kravitz, 49, comes to the committee with 23 years' experience in the Library of Congress, most of them in the Library's Congressional Research Service. He has been the service's senior specialist in American National Government since 1970 and an assistant director since 1972.

Press Release of House Committee on the Budget, November 15, 1974

George Gross, formerly of Fairfield, Connecticut, has been appointed General Counsel of the Budget Committee of the House of Representatives, it was announced recently by Al Ullman (D-Oregon), Chairman of the Committee.

Gross, who assumed his new duties on October 21, had served for nearly six years as the chief counsel of the Subcommittee on Housing of the House Banking and Currency Committee, where he was the principal staff member on Federal housing and urban development programs. Previously, he served as the Assistant to the Federal Chairman of the New England Regional Commission; Assistant Director for Governmental Affairs for the National Association of Home Builders; and a legislative counsel in the Department of Housing and Urban Development.

The House Budget Committee and its Senate counterpart were established in August 1974 as part of a major reform of congressional budget procedures. The Committees are charged with establishing ceilings on Federal expenditures and revenues, determining the amount of budget surplus or deficit, setting the level of the public debt, and determining national budget priorities.

Gross, 40, graduated from Roger Ludlowe High School in Fairfield in 1952, the University of Connecticut in 1959, and Boston University School of Law in 1962. He is married and has two children. Gross is the son of Mr. and Mrs. David Gross who now live in Stamford.

Draft—Press Release

Chairman Al Ullman (D-Oregon) today announced the appointment of Nancy Teeters to head the House Budget Committee's economic analysis staff and Bruce Meredith to lead the Committee's budget priorities staff. Seven additional professional staff members were also appointed.

The House Budget Committee and its Senate counterpart were established in August 1974 as part of a major reform of congressional budget procedures. The Committees are charged with recommending overall Federal spending, revenue, and debt levels, and the establishment of spending priorities among Federal programs.

Mrs. Teeters, who was born in Marion, Indiana, is currently Senior Specialist on the Federal Budget for the Congressional Research Service in the Library of Congress. A graduate of Oberlin College and the University of Michigan, she was previously Senior Fellow at the Brookings Institution where she co-authored three of the Institution's annual reviews of the budget, *Setting National Priorities*. Mrs. Teeter's other government service includes four years with the Office of Management and Budget, one year on the staff of the Council of Economic Advisors, and nine years with the Federal Reserve Board.

Mr. Meredith, a native of Johnstown, Pennsylvania, has nine years' experience on the staff of the House Appropriations Committee, and is currently staff assistant to the chairman. He was formerly a budget analyst in the Department of Housing and Urban Development and the Department of Agriculture.

Also appointed to the Budget Committee's staff were:

Benson J. Simon, presently special assistant to the U.S. Postal Rates Commission. A graduate of Cornell University, Mr. Benson served for six years with OMB and for five years with NASA. At OMB he rose to the position of assistant chief of the General Government Programs Division.

Raphael R. Thelwell, a senior management analyst with OMB, has degrees from Columbia University, Stevens Institute of Technology, and George Washington University. Among other accomplishments during his 11 years with OMB, Mr. Thelwell designed and installed a system of 5-year budget projections. He also has extensive teaching experience, having served as assistant professor in the Department of Economics at Catholic University, Associate Professor in Administration at George Washington University, and Professor of Managerial Macroeconomics at Howard University's School of Business Administration.

Carl H. Schwartz, Jr., a veteran of 28 years with the OMB, and currently a professional staff member of the House Public Works Committee. After graduation from Columbia University with a Ph. D. in economics and business, Mr. Schwartz served eight years with the Farm Credit Administration. At OMB he held a number of progressively responsible positions, including that of Head, Resources Programs Division, and Director, General Government Management Division.

Dennis M. Kedzior, currently Chief of Budget Operations in the Wisconsin Bureau of Planning and Budget. He has also held various administrative positions with both St. Mary's College in Minnesota and Syracuse University, and holds an MPA degree from Syracuse's Maxwell Graduate School.

William Robertson, of Portland, Oregon, presently financial writer with the *Oregon Journal*. Mr. Robertson was formerly a Washington correspondent for the Newhouse News Service, and is a graduate of Lewis and Clark University.

Mrs. Linda Smith, currently financial analyst with the House District of Columbia Committee. A graduate of Occidental College and of the Maxwell Graduate School at Syracuse University, Mrs. Smith has several years' experience as a budget analyst at OMB.

Nicholas A. Masters, presently director of the Public Affairs Graduate Program in Washington for Southern Illinois University at Edwardsville, Ill. He is also Professor of Government and Public Affairs at SIU. Dr. Masters served as staff director of the Joint Committee on Congressional Operations in 1971, and was research director for the Joint Committee on the Organization of the Congress from 1965 to 1968. After obtaining a Ph. D. from the University of Wisconsin, Masters taught at Washington University in St. Louis and at Pennsylvania State University.

Press Release of House Committee on the Budget, December 18, 1974

Rep. Al Ullman, D-Ore., chairman of the House Committee on the Budget today announced the appointment of eight new committee staff members.

Linda Kamm has been named the committee's associate general counsel. She attended Brandeis University and earned a law degree at Boston College Law School. She has served on the staff of the Select Committee on Committees in the House.

Alair A. Townsend, John F. Cove and Charles W. Wiecking have been appointed senior budget priorities analysts for the committee, while Michael L. Telson has been named a budget priorities analyst.

Ms. Townsend, 32, has been staff director for the Subcommittee on Fiscal Policy of the Joint Economic Committee. She was graduated from Elmira College and received a master's degree in sociology from the University of Wisconsin. She will be the Budget Committee's senior priorities analyst for human resources programs.

Cove, 46, has been with the Department of Defense for 22 years and has served as director of procurement at DOD. He was born in Boston and graduated from Merrimack College. He will serve as the committee's senior analyst for national security programs.

Wiecking, 49, has been assistant administrator for program development with the Federal Insurance Administration for five years and has nine years of experience with the Department of Housing and Urban Development as a budget analyst. He was born in Bluffton, Ind., and was graduated with a degree in economics from Indiana University. He will serve as senior analyst for community resources and general government programs.

Telson, 28, is a congressional engineering fellow with the American Association for the Advancement of Science and has served on the Senate Committee on Interior and Insular Affairs. He earned bachelor's and master's degrees in electrical engineering from Massachusetts Institute of Technology. He also has a doctorate in electrical engineering with a minor in economics. He will serve as a budget priorities analyst in the physical resources area.

James M. Lyday and Harry J. Boissevain have been appointed economists for the Budget Committee, and Joanne Margaret Brasco has been named a junior economist.

Lyday, 44, studied at the University of Oklahoma and the University of Tulane. He is presently an economist with the Environmental Protection Agency.

Boissevain, 42, has 14 years of experience as an economist with the Rand Corp. He was born in Charlottesville, Va., and earned a bachelor's degree in foreign affairs at the University of Virginia as well as a master's degree in economics at the University of Southern California.

Ms. Brasco, 22, received a bachelor's degree from Regis College. She has been a junior economist with the Federal Trade Commission.

Melvin M. Miller, 48, has been named minority staff director for the Budget Committee. He has served in a similar capacity for the Select Committee on Committees and as minority clerk for the House Administration Committee. He earned bachelor's and law degrees at the University of Wisconsin.

The House Budget Committee and its Senate counterpart were established in August, 1974, as part of a major reform of congressional budget procedures. The committees are charged with recommending overall federal spending, revenue, and debt levels and with establishing spending priorities among federal programs.

U.S. DISTRICT JUDGE ERNEST GUINN—A DEDICATED FEDERAL JURIST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, as we come to the end of 1974 I want to pay tribute to a distinguished U.S. district judge, Ernest A. Guinn, of El Paso, whom we lost to death this year, but whose ledger of life serves as a continuing inspiration to those among us who sincerely seek to make this a better world.

Judge Guinn's brilliant, capable, and tireless dedication to the administration of Federal justice are the obvious reasons why the El Paso division of the western district of Texas has the most current and one of the best administered criminal and civil dockets of any U.S. District Court Division in America, said U.S. District Judge John H. Wood, Jr., of his colleague.

The son of a sheriff, Judge Guinn was born September 29, 1905, in Palestine, Tex. He attended El Paso High School, and then went to the University of Texas, and its law school, where he amassed a grade point average which has yet to be matched by anyone.

Judge Guinn and his family have very close ties with the law. The day that he was admitted to the bar was the 100th anniversary of the admission of his grandfather to practice law in the State of Tennessee. His great grandfather and great granduncle were partners in one of Texas' earliest law firms starting in 1845 at Burke.

His widow, Mary Vance Guinn, is a practicing attorney in El Paso, and three of his children are lawyers.

Ernest A. Guinn, Jr., and Dick H. Guinn practice law in El Paso, and Kate Guinn Gonzalez, my daughter-in-law, is a lawyer, as is her husband, Henry B. Gonzalez, Jr., who practices law in San Antonio.

His youngest child, a son, Gammon, is a prelaw student at St. Mary's University in San Antonio. He is also survived by daughters, Mrs. Laura Karam and Mrs. Sara Putnicki.

Judge Guinn was in Washington on May 20 for a meeting of Federal jurists and to sponsor his son, Dick, and fellow El Paso attorney, Victor R. Arditti, for admission to the practice of cases before the Supreme Court—only a few days before his passing.

He chose to put his prodigious legal talents and almost all of his entire professional life in public service—as a city, and then county attorney in El Paso, and finally as U.S. district judge for the western district of Texas.

I knew him, not only by reputation, but on a personal basis as a genuinely good human being, whose wisdom was fortunately put to good use through the distribution of justice.

LABOR SUPPORT FOR NATIONAL GUARD AND RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. Montgomery) is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I would like to take this opportunity to commend the AFL–CIO and their affiliated unions for the strong support they have given to membership in the National Guard and Reserve. In cooperation with the business community, labor has played a major role on the Committee for Employer Support of the Guard and Reserve. Under this program, employers are encouraged to permit employees and workers the time necessary for membership in the National Guard and Reserve components of the Armed Forces.

Labor support for this worthwhile program was brought to my attention by Mr. J. C. Turner, general secretary-treasurer of the International Union of Operating Engineers, whose own union has endorsed the program.

Mr. Speaker, I include at this point in the Record a joint statement by George Meany, president of the AFL–CIO, and J. M. Roche, national chairman of the committee. I urge my colleagues to take notice of this statement and express their appreciation to business and labor for the work they are doing to help maintain a strong national defense.

The statement is as follows:

STATEMENT ON THE NEED FOR EMPLOYER AND TRADE UNION SUPPORT OF THE NATIONAL GUARD AND RESERVE

The Reserve components of the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, as well as the National Guard, are vital to the defense of our nation.

If the transition to an all volunteer active duty military establishment is to be successfully achieved and maintained, labor and management must make it possible for the volunteer Reservist and National Guardsman to devote adequate time to training.

Such cooperation between management and labor will assist young men and women to join the National Guard or Reserve, where professional and skills training often create new job opportunities. The prestige of belonging to a good unit provides social outlets and cultural benefits retained for a lifetime.

But most of all, the approval by labor and management and their active support of employee membership in the National Guard and Reserve will provide the necessary strength to insure the security and progress of the United States of America.

We heartily recommend the adoption of a policy by both labor and management which will promote and enhance the individual's opportunity for membership in the National Guard and Reserve.

GEORGE MEANY.
J. M. ROCHE.

STEPS TO BE TAKEN BY THE NEXT CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINN) is recognized for 5 minutes.

Mr. GINN. Mr. Speaker, in a few short days the 93d Congress will come to an end, and we will all be returning to our homes for the Christmas season. I join with my colleagues in looking forward to the start of the 94th Congress on January 14, and I hope that we will all wisely use the days between now and the beginning of the new session.

I feel confident that the new Congress will be a dynamic force in our national life for the next 2 years, and I am optimistic that we will be able to play a large role in pulling this Nation out of the quicksand of inflation that threatens us all.

But I would submit today that there is danger ahead. If the Congress plunges into the new session by trying to ease inflation and recession with an avalanche of new spending programs, we will find our country pulled deeper into the mire of deficit spending. Our war against inflation will be lost before the battle begins. Congress cannot solve a problem by burying it under a stack of Federal dollars.

I am therefore today calling on the Congress to chart a new course that will be painful and contrary to the nature of the Congress. I want the Congress to begin the new year by declaring a 2-year moratorium on the creation of any new Federal spending program. The only exceptions that should be permitted would be for new energy programs or legislation to meet emergency national security needs.

I suppose the hardest thing we could ask any legislative body to do is less legislating. But I believe Americans would view such a development as a blessed relief. We need a period of "benign neglect" in the growth of the jungle of Federal spending.

Under my moratorium we could use the time in Congress that is now spent dreaming up new programs to spend more time devising ways to save the taxpayers some money on the programs we have already.

My proposal would permit us to continue to appropriate money for existing programs. We could refine those programs and make them more efficient. But we should require that those appropriations be made under the constraint that the budgets of all Federal departments be reduced by at least 5 percent below existing levels.

There are other areas in which we can save tax money. I call on the Congress to terminate all foreign aid programs and withdraw immediately from the United Nations unless other U.N. members adhere to the U.N. Charter. Foreign aid continues to be the biggest rathole down which we throw American tax dollars.

We have thrown away more than $163.5 billion in foreign assistance since 1945, and in return we have fewer friends overseas than at virtually any time in our history.

We have thrown away $5.1 billion in payments to the United Nations, and in return we have seen the U.N. transformed into a tool of the enemies of America.

We should also impose an embargo on the export of food and all other supplies to the Arab oil producing nations until they agree to enter into negotiations to lower the price of oil.

And we should begin immediate action on tax reform. The Committee on Ways and Means should commence hearings on tax reform as soon as the 94th Congress convenes and report out a bill within 30 days. The ground on tax reform has been gone over many times before, and the time for the Congress to act is now. We should couple this with a strong appeal to the Board of Governors of the Federal Reserve Board to lower interest rates for loans to increase industrial and agricultural productivity.

Mr. Speaker, these are only a few of the steps Congress could take next year, but I believe that they are important steps. I urge my colleagues to give them their most careful consideration.

BLACK POWDER LEGISLATION—S. 1083

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, I rise in support of S. 1083, a bill to amend certain provisions of Federal law relating to black powder explosives. This bill, which is similar to a bill I have introduced in the past two Congresses, exempts commercially manufactured black powder, in quantities of 50 pounds or less, and certain igniters from the licensing and permit provisions of title IX of the Organized Crime Control Act, provided that the powder is intended to be used for sporting, recreational or cultural purposes in antique firearms. The current provisions of law severely curtail the use of black powder in quantities of more than 5 pounds.

S. 1083, without the quantitative limitation of 50 pounds or less of black powder, passed the Senate in July 1973, by a vote of 78 to 8. The bill in its current form was ordered reported by the House Judiciary Committee by a unanimous voice vote.

The current law, Mr. Speaker, has had a very great adverse impact on the sport of shooting with muzzle loading guns. This form of weapon was used until the late 1800's, and these antiques or replicas of them are now used for recreational purposes by thousands of sportsmen throughout the Nation. The National Muzzle Loading Rifle Association, with headquarters in my congressional district, has about 17,000 members but this figure represents only a small fraction of the total number of users—estimated at more than 100,000—of these antiques and replicas.

Since the explosives law, which covers black powder, went into effect in early 1971, there have been severe and increasing shortages of this propellant. It has become up to four times as expensive to buy it, and the sole remaining American manufacturer of it, Gearhart-Owen Industries, finds its distribution of powder greatly hampered and curtailed by the law. Muzzle loading sportsmen often have had to rely on inferior quality powder imported from England, and existing domestic stocks are hoarded like gold.

In effect, Mr. Speaker, the purchase, shipment, and storage restrictions imposed by the law are causing a popular and historic sport to die out. While not the intention of the drafters of the law, this will surely be the result if relief is not forthcoming. This would be most unfortunate, especially since black powder is a relatively weak explosive that should not be lumped in with such strong explosives as TNT and nitroglycerine for regulatory purposes, as it is under the current law.

While S. 1083 would lift the restrictions on the lawful use of black powder, it would not affect the existing criminal penalties for the misuse of explosives. These penalties, adopted by the Congress in 1970, are designed to prevent unlawful damage of property, intimidation, personal injury, and loss of life through the use of explosives. Nor does the bill affect other Federal regulations restricting black powder or State laws regulating its purchase, possession, storage, and use. Those who would use black powder for illegitimate purposes would get absolutely no relief from the bill.

This legislation has been endorsed by many sportsmen's groups, including the National Muzzle Loading Rifle Association, the Indiana Sportsmen's Council, the North-South Skirmish Association, and the National Rifle Association.

Muzzle loading shooting is a legitimate sport, and part of our national heritage.

It deserves to stay alive, and can do so if the severe restrictions that now threaten it are lifted. Mr. Speaker, I respectfully urge that S. 1083 be adopted.

MS. ABZUG DECRIES GRANTING OF RULE ON ROCKEFELLER CONFIRMATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, I am shocked by the Rules Committee action. The House tomorrow will be voting on a man who may be the next President of the United States. Yet the Rules Committee is only allowing 4 hours of debate and opponents of Mr. Rockefeller will only have a little more than 1 hour to state their case. This is a mockery of democratic procedure.

Today I appeared before the Rules Committee and outlined the reasons I oppose the granting of a rule on the Rockefeller nomination at this time. I insert at this point in the Record the text of my testimony:

Testimony of Hon. Bella S. Abzug Before the House Rules Committee, December 18, 1974

I appear before this committee today to urge that the question of granting a rule on the Rockefeller confirmation vote be held over until the 94th Congress convenes in January.

I recognize the many pressures that have been generated to get the House to act on confirmation this week. If I do not place the concern for speedy action above all other considerations, it is because I am aware, as you are, that on 18 different occasions totaling almost 39 years, our nation has been without a Vice President, and the Republic still stands.

Congress has provided for an orderly line of succession and if for any reason we should again be without a President before the present term is completed, remote as that coincidence may seem, it would be only a matter of minutes before a new acting President could be sworn into office.

I believe that the confirmation of a Vice President fits more properly into the responsibilities of the incoming Congress than into those of the present Congress, which includes many men and women who are retiring from office and which will be passing into history in a few days.

The prime consideration must be our responsibility to the American people. Whatever action we take must strengthen their confidence in the democratic process and in democratic government, a confidence that has been greatly undermined by the events of the past two years under the Nixon and Ford Administrations.

We are all aware of the unprecedented character of the Rockefeller nomination. A self-impeached President, Richard Nixon, named as his successor Gerald Ford, the first non-elected President in the history of our nation. President Ford, in turn, has nominated a man for Vice President who would be elevated to the second highest office in the land, again without benefit of a popular vote. Thus, the two highest officers of our nation, for the first time, would be non-elected.

These are most unusual circumstances. It is ironic that both the confirmation of Gerald Ford as Vice President and the nomination of Nelson A. Rockefeller as Vice President should both be the first implementations of the 25th Amendment to the Constitution because throughout the long deliberations that preceded adoption of this amendment, these circumstances were never discussed or even envisioned.

Last year, when I testified in opposition to the confirmation of Gerald Ford as Vice President, I noted that nowhere in the hearings or debate on the 25th Amendment could any suggestion be found that it would be proper for a President who was the subject of a serious impeachment inquiry to name his successor.

The fact that Gerald Ford used his newly acquired Presidential powers to grant a sweeping, unprecedented and, in my view, illegal pardon to Mr. Nixon only strengthens my belief that it was inappropriate for Congress to allow Richard Nixon, in effect, to pick the next President of the United States. Are we now to compound this misjudgment by having the line of succession go from Mr. Nixon to Mr. Ford to Mr. Rockefeller, without any reference to the wishes of the electorate?

At the time of the Ford nomination, I urged the Congress to take a different path rather than confirm a Vice President. I pointed out that for all its checks and balances and separation of powers among the three branches of government, the Constitution is primarily designed to protect the predominance of the public will as expressed through elections. It would be an abuse of the intent of this Amendment to allow it to be used to fill both chief executive offices without an election.

Accordingly, I introduced H.R. 11230, which amends Title 3, U.S. Code, relative to Presidential succession, to provide that if the elected President and Vice President both leave office, the Speaker of the House would act as President only until a new election for President and Vice President was held, thus reaffirming the ultimate power of the people over the government.

Although Congress chose not to hold hearings on my bill and similar bills introduced by Representative Moakley and Senator Hathaway, I believe that recent events have vindicated the need for such legislation and I intend to reintroduce it in the 94th Congress. With hindsight, we can certainly agree that the nation would be in a much stronger position now to deal with the enormous problems of the economy and international relations if new national elections had been held and if the American people had been allowed to choose a national leadership in which they had confidence.

Traditionally, the President has been allowed to choose a compatible Vice President, presumably because the electorate requires assurance that the policies it voted for in the person of the President will be continued by his successor. But there is no popular mandate for either Mr. Ford or Mr. Rockefeller, or for their policies. Despite numerous opportunities during their long public careers, neither ever came close to winning a Presidential nomination and the most recent public opinion polls show that neither enjoys majority support.

The closest we have come to a determination of any kind of a public mandate is in the recent national elections, which certainly were an overwhelming repudiation of Watergate and of Mr. Ford's actions and policies to date. The men and women who will be seated in January were the winners in the first national election held since the Watergate scandal. If there is to be a vote on this nomination, it should be theirs. I therefore believe that no rule should be granted for a vote on the Rockefeller confirmation until the 94th Congress convenes.

It should also be recalled that under the 25th Amendment, no deadline is imposed on the President in nominating a Vice President and no deadline is imposed on Congress for confirming a nomination. We are not expected to function simply as rubber stamps. We can reject as well as confirm. I also must register my objection to the atmosphere of inevitability that has been quoted as saying, "If not Rockefeller, then who?" If in a democratic nation of 200 million people, only one individual can be found who is considered acceptable as Vice President, then we are in terrible trouble. In my view, that is a manufactured dilemma.

In the debate in the Senate last week on the Rockefeller nomination, Senator Birch Bayh, the author of the 25th Amendment, explained that he was particularly conscious throughout long hearings and floor debate "that in this one instance"—that is, the confirmation of a Vice President—"the Congress would serve as surrogate electors; that, in fact, we were the vehicle through which our constituents' feelings were to be made known and that public sentiment was a critical element in the decision-making process for those of us called upon to vote."

He went on to say that "while the legislative history of the amendment does not spell out the precise details of how each one of us is to reach that judgment, it does make it abundantly clear that is it a unique function we are called upon to perform and that its uniqueness stems, in large measure, from our responsibility to reflect upon the sentiments of those who, normally, have the right to make this decision for themselves."

Senator Bayh said that because of the long series of potential conflicts between Mr. Rockefeller's private interests and the public interest, the people of this country would not credit him with the ability to make an impartial decision and therefore would not have the necessary confidence of the American people.

He also pointed out that the 25th Amendment requires the judicious consideration of all the facts before Congress votes on the confirmation of a Vice Presidential nominee.

We do not have all the facts. Far from it, despite the apparently lengthy hearings held by the Senate and House. While this amount of time might suffice for an ordinary citizen, Mr. Rockefeller is no ordinary citizen. In fact, as I said in my testimony last month to the House Judiciary Committee, Nelson Rockefeller is a "partner in the greatest agglomeration of private power in the history of our nation" and "Rockefeller power is entirely unique as a huge, interlocking complex of economic and other interests both here and abroad."

In addition to the innumerable points at which the public interest may collide with the private interests of the Rockefeller group, with its vast investments in oil, other sources of energy, utilities, transportation, banks, communications, chemicals, etc., a number of questions remain outstanding as to whether decisions made by Mr. Rockefeller during his 15 years as governor of New York State benefited the special interests he associated with. In a letter to the chairman of the Judiciary Committee, I cited nine specific areas of conflict relating to gubernatorial decisions and actions. Those remain for the most part uninvestigated.

There is also strong evidence to indicate that Nelson A. Rockefeller during his tenure in office as Governor and following his resignation violated two sections of the New York State Penal Code and the New York State Public Officers Law by giving gifts and interest-free loans totaling almost two million dollars to various public officials.

I shall submit separately to this committee upon request copies of a Memorandum of Law which I have presented to the incoming District Attorney of New York County outlining a "prima facie" case that Mr. Rockefeller did violate these laws. Until the District Attorney of New York County makes a thorough investigation of the facts and the law and until it is determined whether Mr. Rockefeller is innocent or guilty of breaking the law, I believe it would be unwise for the House to proceed with a vote on confirmation.

If it does proceed to a vote, Congress may be placed in the highly awkward position of having elevated to the Vice Presidency a man who may be subject to a grand jury investigation and trial. The nation would then find itself again involved in an all too familiar and repulsive discussion of whether a Vice President is immune from prosecution. Or, as appears more likely, if Mr. Rockefeller is confirmed, no investigation at all will be held, and large numbers of Americans will feel more than ever that equal justice has once again been subverted and that the rich and powerful are above the law.

For these reasons, I strongly urge the Rules Committee not to grant a rule at this time. It should be left to the incoming Congress to decide whether it requires more facts before acting on the confirmation. It may also want to consider legislation on a special election, which I referred to earlier, and it may feel that it is necessary to revise the 25th Amendment to prevent us from having a non-elected President and a non-elected Vice President.

For most of its two years in office, the 93rd Congress has been immersed in the Watergate and impeachment inquiries. It is only fitting that we should allow the next chapter to be handled by the most recently elected representatives of the American people.

TRIBUTE TO HON. WAYNE OWENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. McKay) is recognized for 5 minutes.

Mr. McKAY. Mr. Speaker, I wish to pay tribute to my friend and colleague, Wayne Owens, Representative from the First District of Utah.

In his 2 years in Congress, Wayne has proven an energetic and an able legislator. He came to the 93d Congress with broad experience in the legislative process and with a great deal of talent, knowledge and ability. He has worked enthusiastically and vigorously to solve problems of the Nation, the State of Utah, and the individual. His service has been untiring and his efforts have been fruitful.

Wayne has served ably as a member of the Interior Committee during a time when energy and environmental concerns have been the focus of national attention. And, as a member of the Judiciary Committee during a historic period in American history, he has taken part in the demanding and difficult task of ferreting out truth and shaping a course of action for the House of Representatives to follow with respect to the Watergate coverup.

Wayne has worked very hard during his term in office to establish good lines of communication with the people of his district. He has held town meetings and he has walked through much of his district. And Wayne has worked to promote greater public awareness of the workings of Congress. It was Wayne who introduced the resolution to open up the Judiciary Committee Impeachment hearings to television coverage.

Wayne has found time for his family and for his church amid the pressures and the time commitments of political office. I must mention, here, that no man of Wayne's quality and achievement arrives at his success alone. Wayne has had the support and the assistance of his wife Marlene, a woman of intelligence, faith, integrity and hard work. With young children at home, she has, nevertheless, found time to campaign and to lend assistance to all of Wayne's efforts. She has earned the friendship and the admiration of all who know her.

The State of Utah and the Nation will lose a leader of great potential as Wayne departs from Congress. We wish Wayne well, and we hope that he will remain active in public affairs and continue to use his great talent, energy, and ability to work for the public good.

BEEF IMPORTS JEOPARDIZE OUR U.S. LIVESTOCK INDUSTRY

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, U.S. cattlemen face a crisis that threatens financial ruin for thousands of livestock producers. This grave emergency was brought on by a combination of soaring production costs and depressed farm beef prices. The substantial beef surpluses that we have today call for limits on beef imports, but the administration continues to pursue import policies that made America the world dumping ground for subsidized foreign beef.

Mr. Speaker, I have introduced legislation to control foreign beef imports during the present crisis and hope my colleagues will join in supporting proper controls. Clearly, we cannot count on the administration to help; in fact, the President has supended all beef import quotas—quotas that were much too high from the start.

Make no mistake about it, the situation is grave and prompt action is needed. A recent letter from Mr. R. L. Moore, president of the Independent Beef Producers of America, sets forth the gravity of the problem and the tragic effects that beef imports have upon farm beef prices:

Independent Beef Producers
of America,
Clarksville, Tex., December 13, 1974.
Representative Wright Patman,
House of Representatives,
Washington, D.C.

Dear Representative Patman: Every day the beef producer reads or listens to reports of the U.S.D.A. economic experts telling our nation that foreign meat is not the culprit responsible for the present depressed situation of the beef producers of this country. We feel it is time the nation is made aware that we definitely have to compete with foreign meat imports. I have tried to tell it like it is:

BEEF MEN TELL IT LIKE IT IS

The consumers and tax-payers of this nation are being mislead by the economic experts that do not know the first thing about beef production. They sit in their ivory towers and continue to think up ways to misdirect our views says R. L. Moore and Lee Perkins, officers of the Independent Beef Producers of America.

Recently in an article in the Wall Street Journal the author, Lindley H. Clark, Jr. stated: "Actually tighter meat import quotas would make no sense from anyone's point of view. The bulk of meat imports goes into manufactured meat products and is not directly competitive with the meat that U.S. Farmers produce."

The facts are: Every year the beef producer must take out of his herd the non-producing cows and bulls. This runs from 15 to 30%. In the Western states where all cattle are full fed during the winter months this runs 30% or over. These non-producers are cows that won't breed, that get hurt, are too old, ones that do not produce good calves, and cows that are not thrifty. Now the only markets for these cattle must compete with the foreign imports. This is a very integral part of the beef producers operation and he cannot afford to sell at the drastically reduced levels that exist today. If the imports were curtailed, we would not have this situation. Due to the reduction of the number of cattle in feedlots and their hesitancy to replace cattle sold, we now have a surplus of grass-fed steers. These steers must be sold in the same manner as the non-producing cows. We understand that our Government has indicated the curtailment of meat from Canada. In 1973 this amounted to only 140 million pounds of the 2 billion pounds imported. However, it is a start in relieving the pressure on our beef producers.

Why should the down-to-earth, hard working, and last of the independent people of our nation be subject to selling 15 to 30% of their assets in competition with the imports from a foreign nation. In a number of cases his tax money was spent to help this competition grow stronger. The independent beef producer has never asked to be subsidized by our Government. They only ask to be paid a reasonable price for their product.

We ask your support in the curtailment of meat imports. Stop the meat imports before the beef producers of this nation are gone. The patient cannot tighten his belt nor see the light at the end of the tunnel after he is dead. We need oxygen and plasma now. We have traveled all over our great country talking to ranchers, farmers, bankers and suppliers. They all concur that the situation is drastic. We find that the beef producers cannot stand the economic pressures that now exist. How can we continue to give our grain and our wealth to foreign nations and at the same time let our grass roots people go under the bankruptcy referee's gavel? The beef producers and the consumers cannot understand the terms and interest rates charged by our state department in their foreign give aways. We read where we loaned Syria 22.5 million dollars, with twenty years to pay at 2 to 3 percent interest, with the first two years interest free, while the people of our country are paying 10 to 15 percent if they can even find a lender. It is time someone stood up and fought for the grass roots people at home. They need help now.

Respectfully,
R. L. Moore, *President.*

SEVENTH STUDENT CREDIT UNION OPENS IN CALIFORNIA

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on a number of occasions I have addressed this body on the growing number of student credit unions that are forming across the country. These are credit unions which are run entirely by students either at the high school or elementary level, and are considered outstanding teaching tools by educators and also serve to instill habits of thrift in the student members.

The seventh student credit union has been opened in El Camino Real High School in Woodland Hills, Calif., a suburb of Los Angeles.

The credit union is sponsored by the Los Angeles County Employe No. 11

Credit Union which will provide assistance and guidance until the students are able to run their own show. After that the parent credit union will serve mostly in an administrative capacity. The October 13, 1974, issue of the Los Angeles Herald-Examiner included an account of the operations of the El Camino Real High School credit union and I bring this article to the attention of my colleagues since my office receives many letters every month seeking information about forming a student credit union. This article will provide a great deal of information for anyone seeking to organize such a credit union.

[From the Los Angeles Herald-Examiner, Oct. 13, 1974]

Credit Unions: Lesson in $$—High School Operation Running in High Gear

For the students, by the students and of the students is how El Camino Real High School's credit union got rolling this fall in Woodland Hills.

One by one, students stroll by the cashier window, hand their 50 cents membership fee to student tellers in a tiny office, and sock away their savings for 7 per cent interest.

Entering its second week of operation, the organization seems to be running in high gear and prospects for business look good.

Tom Chuh, student president of the credit union's board of directors, sat in the outdoor snack area on campus and mused about the new project during the noon lunch break.

"By our second day of operation we had $1600 capital. During our first day we had $512," he said, quick to add that this amount surpassed by $12 the amount collected by the teachers' credit union during its opening day.

In less than one week of operation, Chuh, 16, appears to have a pretty clear understanding of financing, explaining plans and procedures in credit union parlance.

"Students will be able to get signature loans up to $100 and we'll be issuing more on collateral once we get things off the ground."

That should be as soon as November, Chuh said.

Providing students loans (at 12 per cent rates) is an incentive for students to become members in the school credit union, the president said, noting the convenience of servicing students on campus.

"If a student needs money to buy lunch or supplies he can withdraw funds from his account when he wants it. All transactions take place Monday through Thursday during lunch and *nutrition* periods.

"Another service we have is discount cards to entertainment areas such as Disneyland. And later we'll be offering free American Express travelers checks," Chuh said.

El Camino's student credit union operates under the same procedures that govern any other credit union. Students elect their board of directors to head the organization, a supervisory committee to audit, and a credit committee to pass on loans.

"Right now students holding these offices have been appointed but we will be holding elections in February when most credit unions hold their annual elections," Chuh said.

El Camino is the seventh high school in the nation to establish a student credit union and first among Los Angeles city schools. The first of its kind was set up in Forth Knox, Kentucky, Burbank and Burroughs High Schools, both of the Burbank Unified School District, were the first in California. Westchester High School is next in line for such a project with plans to begin operations by February.

The El Camino project is backed by its parent credit union, the Los Angeles County Employe No. 11 Federal Credit Union.

"We feel this is a great teaching tool for the students," said Joe Rao, dean of students and faculty sponsor of the union. "It teaches them all about savings, establishing credit, bookkeeping and accounting.

And problems for the future?

"We do expect problems in the future," Chuh replied. "Our procedures will require more expertise and we expect our membership to start dropping off."

But the problems seemed minor in Chuh's mind. After a moment's reflection, he shot back.

"But it will pick up. We'll just hit it with a surge of publicity.

COMMITTEE ORDER NO. 15

(Mr. HAYS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAYS. Mr. Speaker, House Resolution 457, 92d Congress, provided the Committee on House Administration the authority to fix and adjust from time to time various allowances of Members of the House of Representatives. Pursuant to this authority the committee has issued order No. 15 as follows:

Committee Order No. 15

Resolved. The Clerk of the House is authorized and directed to pay each Member, the Resident Commissioner from Puerto Rico, and the Delegates to the House of Representatives from the contingent fund of the House the amount of $500 quarterly upon the certification of each such Member, Resident Commissioner and Delegate for official expenses incurred outside the District of Columbia, effective with the beginning of the 94th Congress.

A TIME FOR A NEW INITIATIVE TOWARD PEACE IN THE MIDDLE EAST

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, among the many grave problems confronting the United States and the world, probably none is more urgent than the problem of preventing a new Arab-Israel war. A year ago, the brilliant initiatives of Secretary Kissinger, coupled with enlightened action by the United Nation's Security Council, gave cause for hope that Israel and the Arab States were at long last on the road to a permanent settlement.

Now a year has passed without any significant advance in the negotiations. Recent months have seen a rising level of violence on the part of the Palestinian Arabs matched by equal violence in retaliation by Israel. The shadow of a new war, with all it portends, is growing rapidly. Obviously, time is running out.

Few. if any, Members of Congress possess the information necessary to make specific policy recommendations as to the course our Government should now pursue to avert another war and to promote a just and lasting peace in the Middle East. We must, and do, rely on the knowledge and skill of our brilliant Secretary of State, Dr. Henry Kissinger. However, I am sure that most Members of Congress are deeply concerned and desire to be as well informed as possible. With this in mind, the group known as Members of Congress for Peace Through Law, in which I have had the privilege to serve as chairman during the 93d Congress, last year organized a Committee on Middle East Peace, under the chairmanship of the distinguished gentleman from Massachusetts (Mr. CONTE) and vice chairmanship of the distinguished Senator from Iowa (Mr. CLARK). This committee held a series of briefing meetings with experts on Middle Eastern affairs and representatives of various Middle Eastern countries. These included His Excellency Simcha Dinitz (the Ambassador of Israel; His Excellency Ashraf Ghorbal, the Ambassador of Egypt; Hon. Lucius D. Battle, president, Middle East Institute, and former Assistant Secretary of State; Dr. Hisham Shirabi, professor of history, Georgetown University, and others.

I think it is safe to say that Members of the House and Senate attending these briefing sessions found that they were very helpful in understanding the basic issues involved in the Arab-Israel confrontation.

On Sunday, December 15, the Washington Post published an unusually thoughtful and well reasoned article by T. McAdams Deford, a former Foreign Service officer presently on leave from the State Department with the Carnegie Endowment for International Peace. Mr. Deford's article offered some specific recommendations for U.S. policy, particularly with respect to the resolution of the Palestinian Arab problem. While it would be difficult for anyone not deeply involved in the Middle Eastern negotiations to evaluate the specific recommendations in Mr. Deford's article, one can agree with his view that it is time that the U.S. Government spelled out more clearly what it feels are the basic requirements for peace in the Middle East. I feel that Members of Congress who are concerned about the drift toward another war in the Middle East—and that should include all of us—will find Mr. Deford's article worth reading. Accordingly, I offer it for insertion in the RECORD immediately following these remarks:

The Mideast Connection: Palestine and Peace

(By T. McAdams Deford)

After an apparent interlude of more than a month in Henry Kissinger's personalized approach to the Arab-Israeli conflict, Israeli Foreign Minister Yigal Allon's visit here was a welcome sign to optimists and other dreamers that—the Rabat conference, the partial Israeli mobilization and Yasser Arafat's visit to the United Nations notwithstanding—things are back on track in the Middle East.

But even if to some it looks like business as usual with Arabs and Israelis at the State Department, things are nevertheless significantly different now as a result of the changes in their approach outlined by the Arabs at Rabat—changes which require changes in the Israeli, and the American, approach. For the fact is that Kissinger's step-by-step technique, however brilliantly he has implemented it in the past, has now reached an impasse.

Prior to Rabat, the disunity and ambiguity of the Arab world on the Palestinian issue, as on so many others, had provided a convenient out for those countries, principally Israel and the United States, who wished to avoid having to face it head-on. Now that all Arabs, including even King Hussein, have recognized the Palestine Liberation Organization as the Palestinian representatives, and the U.N., for what it's worth, has put its stamp of approval on Arafat, it should be obvious that our policy towards the Palestinians has to be updated.

The United States is the only country that retains influence with both sides in this conflict; we remain therefore the only country that can possibly prevent the gradual drift toward war which—despite the relative quiet of the past few weeks in the area—is still the greatest international threat to U.S. interests.

Another war in the Middle East would be catastrophic for us, whoever won. If, for example, the Israelis were to win decisively (as now appears likely) another and longer-lasting oil embargo would be slapped on us immediately. At the same time, the moderate Arab leadership which has flourished in recent years would again be radicalized and the Arab world would become more violently anti-American—and more pro-Soviet—than before.

An impending Arab victory, by contrast—however unlikely that may be now, it may be less unlikely in future years—would lead, at best, to a direct Soviet-U.S. confrontation with an unpredictable outcome; at worst, it could force Israel to a use of atomic weapons, an understandable Samon-at-the-temple reaction with obvious ramifications both locally and worldwide.

THE RISKS OF DELAY

Yet we seem unable or unwilling to take new steps, called for in light of the changed situation, which might stem the current drift toward war. Regardless of what progress may be made in other areas such as the Sinai, continued delay in reaching some sort of negotiating *modus vivendi* between the Israelis and the Palestinians—as has been reached between the Israelis and all of their other Arab neighbors—risks pushing the two sides further apart.

Rabat has forced the issue of the Palestinians to the forefront, and if this issue is not dealt with directly and soon, the current Israeli government will back itself further into a corner, while Arafat's PLO—who are, whether we like it or not, the "moderates" among the Palestinians—will either radicalize their position or be replaced by those who will.

At the same time, the emergence of the Palestinian question as the focal issue has positive aspects which, annoyed as we were by its timing, we should not lose sight of. For, in finally agreeing among themselves that Arafat and the PLO are the Palestinian representatives, the Arabs—and others—can now expect the PLO to accept more responsibility. By choosing the team—and really, the only possible team—to negotiate with Israel on Palestine, the Arabs have made the final commitment to get down to the real issues, and not just to repeat the propaganda claims of the past.

Finally, after a quarter of a century, we are once more face to face with the essence of the problem, which is not, after all, Jews vs. Moslems or even Arabs vs. Israelis, but rather, land: both the Israelis and the Palestinians want the same piece of it. But we cannot take advantage of this new Arab exercise in realism without exercising a little of our own. And if we don't adjust our sights to the new realities, is it any wonder that Israel so adamantly refuses to do so?

DIALOGUE OF THE DEAF

The time has arrived for us to outline publicly what we believe the final settlement would, at a minimum, include. This does not mean an imposed solution, as purists will charge, any more than our past commitment to the U.S.'s 1967 settlement guidelines meant one; what it must mean, though, is an imposed realism, which would at least let both sides clearly understand what we believe is ultimately acceptable—and what is not.

Without some such positive act by us, we can expect the continued polarization by both sides around extremist issues, further Palestinian frustration and terrorism, and increased Israeli retaliation: the endless cycle. The Israelis say they will not talk to the PLO but since they reject out of hand an independent Palestinian state, in truth, the two sides would have nothing to discuss. The United States meanwhile continues to refer to the "legitimate interests of the Palestinians," whatever that means, and as for the PLO, frustrated by the United States and the Israelis, do we now really expect them to moderate their stand?

One cannot be unsympathetic to Israel's refusal to compromise over the land it now has: The Arabs have never shown a willingness to compromise. Nonetheless, there is no valid reason for Israel to reject the principle of a Palestinian state. Palestinians inhabiting the area of the West Bank clearly are not Jordanians, nor do they or the Jordanians consider them so. To say, as the Israeli government has, that because the two share a common language and a common religion they should share a common state is self-evidently absurd for both moral, as well as international political, reasons and should find no support from the United States. It is hardly surprising that the Palestinians appear so irrational and difficult to deal with if one realizes that what Israel is offering them—"One state is enough for you and Jordan"—is not unlike the solution that makes the Israelis so apopletic when the Palestinians propose it: "One state is enough for all of us."

There is an unreal, Alice-in-Wonderland aura about both positions (the Israelis blandly suggesting the Palestinians satisfy their national aspirations by living with the Jordanians, who in recent years have killed more Palestinians than have the Israelis; the Palestinians countering with a disingenuous, if morally irreproachable, suggestion that they all live together in harmony). In international politics, such obviously unsatisfactory proposals from two warring sides are par for the course, but so long as we, as the "honest broker," do nothing to discourage this dialogue of the deaf, we hold some responsibility for its tragic effects.

A THREE-STATE SOLUTION

It is now time for the United States to come out publicly for the only possible solution: three separate and independent states—Israel, Jordan and Palestine, with the PLO, as the announced choice of all Arab states and virtually all Palestinian organizations, as the present representatives of this future state.

And it is important that this new policy be publicly enunciated, for regardless of any secret commitments we are willing to make privately at the head-of-state level, the vast bulk of the Palestinians, not knowing of their existence, would hardly feel constrained or reassured by them; nor would commitments to a future Palestinian state, if kept secret from Israel, encourage its government or people to evolve a policy in accordance with the new realities. The time for secret understandings has passed.

With luck, that elusive momentum toward peace would quickly be rejuvenated by our new policy, but even without rapid favorable developments—since nothing good ever happens rapidly in the Middle East—we will have at least let both sides know that we are back in touch with reality, and that we expect the same from them.

In publicly adopting such a policy we must avoid doing it in such a way as to further isolate Israel or to make the Palestinians think we've fallen for their formula of a "secular democratic state" on Israeli territory. We should make clear to the Palestinians that if they have a right to their state, so, too, do the Israelis. Sen. J. W. Fulbright's suggestion of a U.S.-Israeli treaty guaranteeing the existence of Israel within its 1967 boundaries as part of any final agreement is one obvious way to let the Palestinians know what the limits are.

From a practical point of view, we are already committed to insuring Israel's survival; we might as well make it a *de jure* commitment to convince Israelis, many of whom are feeling increasingly isolated and pessimistic, that they will never be left, Masada-like, to stand alone.

A new, two-part policy, committing ourselves to the creation of a Palestinian state and the perpetuation of the Israeli one, would not overnight resolve the crisis. We would still have the Golan Heights, Jerusalem and those oilfields in Sinai to worry about. But it should at least bring the two sides back to the same playing field, with the same rules.

By promising the Palestinians something tangible and therefore giving them something they can lose, it would further direct them toward moderation and away from the nihilistic acts of those desperate individuals, who, having nothing, risk nothing; it would force the Israelis to accept what can no longer be avoided without war and which in any case, should no longer be unacceptable to them.

A PYRRHIC VICTORY

Finally, inasmuch as the Russians have publicly accepted Israel's existence and the principle of a Palestinian state, the two major powers would be on record espousing the same position—a most desirable prelude to the reconvening of last winter's brief Geneva conference on the Middle East.

The Israelis have made it clear that they oppose such recognition of a Palestinian state, presumably even if it involves a U.S. guarantee of Israel. But in fact, they ultimately have little option but to go along with us. Their position will not improve in the future, and, if they are momentarily tempted to fight another war, surely they can be made to understand that to the extent that a new war weakens our position, an Israeli victory would only be a pyrrhic one.

Finally, hopefully, the Israelis will begin to see that from their own point of view, accepting the principle of a Palestinian state at this time would actually be to their advantage. Why now? Because now the Arabs are finally willing to accept an Israeli state; they are now mature enough politically and psychologically to live with Israel.

Things have changed in the Arab world—that is why at Rabat they were finally able to agree among themselves about the Palestinians. The Arabs want a solution. They want done with it—and to get a solution, they are willing to buy off both Palestinians and Israelis as they have never agreed to before: the Palestinians, with a piece of land that used to be Jordan's. And the Israelis, by accepting their existence. This is tremendously significant and represents a sharp break with past policies of the Arabs towards Israel.

A NEW OBSTACLE

Before their recent "victory" and their new wealth, the Arab governments were beset with the classic problems of rising expectations. Underdeveloped, overpopulated for the available land, only recently independent—and with a bad hangover from the long years under the Ottomans and their European successors—the Arab governments from 1948 to 1973 were, with rare exceptions, unable to raise the standard of living significantly and were glad therefore to take advantage of the issue of Israel to keep their citizenry from dwelling on their own leaders' inadequacies. Nasser played the game to perfection; the leaders of Iraq and Syria less well. During this period, there was virtually no possibility of Arab acceptance of Israel: to have done so would have been for the Arabs to admit their own failings and impotence.

Now, however, the massive oil wealth, pouring in at precisely the time when the Arabs' self-confidence has been restored militarily, has created a new situation. Developing Arab governments no longer need to waste time ranting about Israel to explain away their own failures.

But if Israel has become increasingly irrelevant to Arab desires for the future, the Palestinians have emerged as a real obstacle. Until the Palestinians are satisfied, the Arab countries know there remains the risk of further war, and the moderate Arab leaders see all too clearly that another war will radicalize their politics again, retard their development, and ruin their hopes for swiftly moving into the modern world. Yet the Arab states alone cannot satisfy the Palestinians; what the Palestinians yearn for, they can only get from Israel.

Most Israelis contend that a Palestinian state, regardless of what is promised beforehand, would only be a dagger of instability, an armed camp of Soviet-inspired revolutionaries bent on destroying Israel. What the Israelis don't understand is that Egypt, Saudi Arabia and Jordan have no more interest in such a state than do the Israelis. Even Syria under President Assad has moved toward the pragmatic socialism that President Boumedienne of Algeria exemplifies; no one likes to live on a diet of slogans. The Arabs want stability; they have plenty of capital, and they want to use it.

Finally, consider the Palestinians themselves, known for their business acumen as the Jews of the Arab world. Currently the PLO is, by Western standards, radical, left-wing and irrational, but far less so than in the past, and far less than other Palestinian movements.

There is a conservatism that grows with statehood; the Algerians, the Kenyans, even the Israelis, have experienced it, and the PLO will be no different. It wasn't by chance that Arafat ended up on top of the heap: He has always been the most pragmatic and least ideological of the Palestinian leadership.

Given the money the Palestinians would be able to attract from the rest of the Arab world, there would be little demand for the continuation of the extremism which has naturally resulted from 25 years of refugee status. Neither their neighbors, nor ultimately the citizens of Palestine, are going to support a government that would be willing to risk their stability—their hope for the future—by fighting Israel.

Give them something to negotiate for, and the Palestinians will show themselves as rational and moderate as the Israelis. They are not Vietcong. (Indeed, George Habash and other radicals in the Palestinian movement are aware of this and reject any "partial solution," such as a West Bank Palestinian state, which they rightly suspect would drain the Palestinians of any desire for the rest of the area.)

Thus, far from bringing war, the decisions at Rabat can prompt us to move towards a greater realism that can lay the foundation for the future in the Middle East. Are we likely to take such a significant step in time? It is hard to guess what our secretive Secretary of State is up to, but one may hope that the smiles and reassurances radiating from Egyptians during Kissinger's last visit to Cairo meant that at least they thought we were moving in that direction.

Obviously, such a step by us would create great difficulties for Israel. At this time, it would be nearly impossible for the Rabin government to accept the principle of a Palestinian state. But, just as the Palestinians must now be told they will have to destroy us to destroy Israel, so we must help the Israelis to begin adjusting to the fact that there can be no solution that does not involve a free Palestine.

For, at the end of all the negotiations and maneuverings, if there is no Palestinian state, there will be another war. Our continued refusal to recognize publicly what is becoming so obvious is already leading to increasingly dangerous and irrational talk: suggestions that imply we don't need peaceful relations with the Arabs; that we can somehow take over their oil fields if need be, as if it were 1936 and we Mussolini and they Ethiopians; or that we and Israel need only be tough and the Arabs—the other Arabs, not the Palestinians—will stop demanding a Palestinian state. Even King Hussein knows this is no longer so. It cannot be. It is not, after all, in their power to stop. It is the Palestinians themselves who, after 26 years of deprivation, are demanding their state. One may think of it as blackmail—indeed, if it makes anyone happier, let's call it blackmail—but the truth is, without such a state, neither we, nor the Arabs nor Israel will have peace.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Patman (at the request of Mr. O'Neill), after 5 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 45 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. Patman, for 45 minutes, on December 19; and to revise and extend his remarks and include extraneous matter.

Mr. Gonzalez, for 60 minutes, on Friday, December 20, and to revise and extend his remarks and include extraneous matter.

Mr. Rooney of New York to address the House today for 60 minutes.

(The following Members (at the request of Mr. Towell of Nevada) and to revise and extend their remarks and include extraneous matter:)

Mr. Steelman, for 5 minutes, today.
Mr. Conlan, for 10 minutes, today.
Mr. Edwards of Alabama, for 5 minutes, today.
Mr. Frenzel, for 60 minutes, today.
Mr. Ruppe, for 10 minutes, today.
Mr. Duncan, for 10 minutes, on December 19.

The following Members (at the request of Mr. Ginn) to revise and extend their remarks and include extraneous material:

Mr. Ullman, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Montgomery, for 5 minutes, today.
Mr. Ginn, for 5 minutes, today.
Mr. Melcher, for 5 minutes, today.
Mr. Hamilton, for 5 minutes, today.
Ms. Abzug, for 5 minutes, today.
Mr. McKay, for 5 minutes, today.
Mr. Mann, for 60 minutes, on December 19, 1974.
Mr. Davis of South Carolina, for 60 minutes, on December 19, 1974.
Mr. Murphy of New York, for 60 minutes, on December 19, 1974.
Mr. Alexander, for 15 minutes, on December 19, 1974.
Mr. Alexander, for 15 minutes, on December 20, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Vanik, to extend his remarks in the body of the Record on "Corporate Federal Tax Payments and Federal Tax Subsidies to Corporations," notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,085.

Mr. Fraser and to include extraneous matter notwithstanding the fact that it exceeds five pages of the Congressional Record and is estimated by the Public Printer to cost $561.

Mr. Smith of Iowa.

Mr. Hechler of West Virginia, and to include extraneous matter on S. 2439, under suspension of the rules in the House today.

Mr. Gross, his remarks on House Resolution 1512 today.

(The following Members (at the request of Mr. Towell of Nevada) and to include extraneous material:)

Mr. Steelman in two instances.
Mr. Whalen.
Mr. Findley in five instances.
Mr. Gilman.
Mr. Lott.
Mr. Sebelius in two instances.
Mr. Broomfield.
Mr. Gubser.
Mr. Hosmer in two instances.
Mr. Lent.
Mr. Clancy.
Mr. Burgener.
Mr. Shuster.
Mr. Regula.
Mr. Ketchum in two instances.
Mr. Ashbrook in seven instances.
Mr. Hunt.
Mr. Ruppe.
Mr. Sandman.

(The following Members (at the request of Mr. Ginn) and to include extraneous matter:)

Mr. Brasco.
Mr. Hicks.
Mr. Bevill.
Mr. Stokes.
Mr. Montgomery.
Mr. Reuss in five instances.
Mr. Ford in two instances.
Mr. Roy.
Mr. Murphy of Illinois in two instances.
Mr. Anderson of California in five instances.
Mr. Annunzio in six instances.
Mr. Rarick in three instances.
Mr. Gonzalez in three instances.
Mr. Hays.
Mr. Tiernan in two instances.
Mr. Roe in two instances.
Mr. Gunter in three instances.
Mr. Steed.
Mr. Milford.
Mr. Drinan in 10 instances.
Mr. Hamilton.
Mr. Giaimo in five instances.
Mr. Casey of Texas.
Mr. Pickle in five instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule, referred as follows:

S. 3530. An act to authorize the Secretary of the Interior to enroll certain Alaska Natives for benefits under the Alaska Native Claims Settlement Act, and for other purposes; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 184. An act to authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union;

S. 194. An act to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands;

S. 1357. An act for the relief of Mary Red Head;

S. 2125. An act to amend the Act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended;

S. 2594. An act for the relief of Jan Sejna;

S. 2838. An act for the relief of Michael D. Manemann;

S. 3341. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes;

S. 3397. An act for the relief of Jose Ismarnardo Reyes-Morelos;

S. 3489. An act to authorize exchange of lands adjacent to the Teton National Forest in Wyoming, and for other purposes;

S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada;

S. 3574. An act to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz.;

S. 3578. An act for the relief of Anita Tomasi;

S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo.; and

S.J. Res. 234. Joint resolution transferring to the State of Alaska certain archives and records in the custody of the National Archives of the United States.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3538. An act for the relief of Selmer Amundson;

H.R. 14401. An act to authorize military band recordings in support of the American Revolution Bicentennial;

H.R. 14689. An act to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Mass., and for other purposes;

H.R. 15912. An act to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes;

H.R. 16609. An act to amend Public Law 93–276 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

H.R. 16901. An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On December 17, 1974:

H.R. 10834. To amend the Act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and and Marin Counties, Calif., and for other purposes;

H.R. 16136. To authorize certain construction at military installations, and for other purposes; and

H.R. 16900. Making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

On December 18, 1974:

H.R. 7978. To declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Hualapai Reservation, Arizona, and for other purposes;

H.R. 8193. To regulate commerce and strengthen national security by requiring that a percentage of the oil imported into the United States be transported on U.S.-flag vessels; and

H.R. 8864. To amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 19, 1974, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3097. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Italy for permission to transfer ammunition to a friendly government, pursuant to section 3(a) of the Foreign Military Sales Act, as amended; to the Committee on Foreign Affairs.

3098. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting the annual report of the Postmaster General for fiscal year 1974, pursuant to Public Law 91–375 [39 U.S.C. 2402]; to the Committee on Post Office and Civil Service.

3099. A letter from the Postmaster General, transmitting a report on the Postal Inspection Service's activities during fiscal year 1974; to the Committee on Post Office and Civil Service.

3100. A letter from the Associate Director, Office of Management and Budget, Executive Office of the President, transmitting the first interim report on a geothermal energy research, development, and demonstration program definition, pursuant to section 102(a)(2) of Public Law 93–410; to the Committee on Science and Astronautics.

RECEIVED FROM THE COMPTROLLER GENERAL

3101. A letter from the Comptroller General of the United States, transmitting a report on the need for stronger controls over major types of U.S. equipment provided to the Republic of Vietnam Armed Forces; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOLIFIELD: Committee on Government Operations. Immigration and Naturalization Service regional office operations (Rept. No. 93–1623). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Deficiencies in overall management of HUD-held multifamily mortgages (Rept. No. 93–1624). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Unclaimed savings bonds belonging to veterans and others (Rept. No. 93–1625). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Alarming deterioration of reserves of FHA mortgage insurance funds (Rept. No. 93–1626). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Fire safety deficiencies in nursing homes (Rept. No. 93–1627). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Select Committee on Small Business. Monopolistic tendencies of auto emission warranty provisions (Rept. No. 93–1628). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 14843. A bill to amend the act of March 10, 1966, providing for the establishment of Cape Lookout National Seashore in the State of North Carolina, and for other purposes; with amendment (Rept. No. 93–1629). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Law enforcement on the Southwest border (problems of coordination between Immigration and Naturalization Service and Customs Service) Rept. No. 93–1630). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 1519. Resolution providing for the consideration of House Resolution 1511. Resolution confirming Nelson A. Rockefeller as Vice President of the United States (Rept. No. 93–1631). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1520. Resolution providing for the consideration of reports from Committee on Rules and authorizing the Speaker to declare recesses (Rept. No. 93-1632). Referred to the House Calendar.

Mr. PATMAN: Committee of conference. Conference report on H.R. 15977 (Rept. No. 93-1633). Ordered to be printed.

Mr. TEAGUE: Committee on Science and Astronautics. Conservation and efficient use of energy (Rept. No. 93-1634). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Conservation and efficient use of energy (Rept. No. 93-1635). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. SULLIVAN:

H.R. 17655. A bill to extend for 2 years the authorizations for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco and in commemoration of Jim Thorpe, and for other purposes; to the Committee on Banking and Currency.

By Mr. ASPIN:

H.R. 17656. A bill to amend title XIX of the Social Security Act to provide that any hospital or nursing home which desires to participate in the medicaid program must also participate in the medicare program (if qualified therefor), and to prohibit Federal matching of hospital and nursing home expenses under the medicaid program in the absence of such participation; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 17657. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages, rents, and interest rates at levels prevailing on the date of enactment of these amendments, and for other purposes; to the Committee on Banking and Currency.

H.R. 17658. A bill to amend the Federal Reserve Act to permit the Federal Reserve Board to allocate credit to national priority needs; to the Committee on Banking and Currency.

By Mr. GUNTER (for himself, Mr. NEDZI, Mr. WHITEHURST, Mr. DAN DANIEL, Mr. VEYSEY, Mr. WALSH, Mr. HARRINGTON, Mr. MITCHELL of New York, and Mr. O'HARA):

H.R. 17659. A bill to establish a Foreign Investment Regulatory Commission to monitor and regulate certain foreign investments in the United States and other activities having significant impact on the integrity and independence of the economy of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself and Mr. STEELMAN):

H.R. 17660. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph for certain purposes; to the Committee on the Judiciary.

By Mr. REGULA:

H.R. 17661. A bill to provide that amounts paid by a mine operator to a State in the form of a reclamation fee may be credited against the amount paid to the Secretary of the Interior for the Abandoned Mine Reclamation Fund; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 17662. A bill to establish the Reconstruction Finance Corporation to make loans and loan guarantees to business concerns which would otherwise be unable to obtain needed financing; to the Committee on Banking and Currency.

By Mr. SCHNEEBELI (by request):

H.R. 17663. A bill to provide for uniform tax treatment of financial institutions; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 17664. A bill for the establishment of the Commission on Organization of the Executive Office of the President; to the Committee on Government Operations.

By Mr. ZION:

H.R. 17665. A bill, local Education Accountability Act of 1974; to the Committee on Education and Labor.

By Mr. ULLMAN:

H.R. 17666. A bill to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASHLEY:

H.J. Res. 1181. Joint resolution to extend the expiration date of the Export-Import Bank Act of 1945; to the Committee on Banking and Currency.

By Mr. LANDGREBE:

H. Con. Res. 695. Concurrent resolution to provide for the creation of an independent commission to raise charitable contributions for, and to construct, a statue of peace; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 17667. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to Arthur M. Marshall and Carl F. Steinfield; to the Committee on Interior and Insular Affairs.

By Mr. EILBERG:

H. Res. 1518. Resolution opposing the granting of permanent residence in the United States to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

595. The SPEAKER presented a petition of the governing board of the Illustrious College of Attorneys of Puerto Rico, San Juan, relative to CIA intervention in Chile; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

HISTORY OF ITALIAN-AMERICANS IN CONNECTICUT

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mrs. GRASSO. Mr. Speaker, as we approach our Bicentennial and commemorate the many, meaningful events and happenings that went into the founding of our Nation, it is fitting to recall the numerous contributions that hard-working, patriotic and dedicated immigrants and their offspring have made to our illustrious history.

People of foreign birth and their descendants have helped to build this country into the vibrant and proud symbol of freedom and progress that it is today. Their beliefs, their views, their dreams and their ideals have added to the strength and resiliency of the American social fabric, bringing vitality and still more exuberance to our national spirit.

Ethnic Americans continue today to enrich and enlarge upon the traditions and heritage, so solemnly passed on by their forebearers. In a very real sense, the story of America has been one of successive generations shaping the grandeur of our country, through sacrifice and joyful dedication to timeless principles.

Mr. Speaker, I am proud to be a part of this tradition. It is an honor also to be able to insert for the interest and benefit of my colleagues the following first of two installments, comprising "A Summary History of the Italian-Americans in the City of New Britain, Connecticut, 1850-1974." Written by Joseph Cannata, Armand Zottola, the Reverend Augustine Guisani, and Paul J. Manafort, all of New Britain, the text depicts the accomplishments and achievements made by Italian-Americans to this fine Connecticut city. It is part of a project that will include similar histories on other national groups, as well.

Together with its counterparts, this marvelous summary will long serve as a source of pride for New Britainites, for it will mirror the important role that ethnic Americans have played in the development of America.

The summary follows:

A SUMMARY HISTORY OF THE ITALIAN-AMERICANS IN THE CITY OF NEW BRITAIN, CONNECTICUT, 1850-1974

Ethnic histories frequently exaggerate achievements in the name of national pride but good and useful history is reliable and informative. These remarks are offered as good history—responsible in content and reasonable in their analysis.

While the history of the Italo-Americans in the New Britain area begins in the years prior to the Civil War, it should be noted that nonexistent or incomplete municipal records characterize the period. Church records are likewise unavailable or not reliable during the years before that great war. However, historical treatment of the Italians in the Americas indicates that they were prominently involved in the American Revolution and we can only surmise as to their presence in this part of the country during colonial times. There were dozens of Italians above the rank of Lieutenant and one even signed the Declaration of Independence. It would make an interesting study.

We do know, for example, that there were Italians in Connecticut well before the Revolution. William Diodati, the divine, settled in the state in 1715. His grand-daughter married John Griswold, the son of the Governor of the State. For years a memorial to the couple rested on the old Green in New Haven but was removed in 1821. Not all of our predecessors were so prominent of course, but as a group the Italians clearly thrived in this region—taking from it and giving more in return.

In no field of American endeavor are the Italians conspicuously absent today. In no region of the land has the Italian hand left without leaving a positive mark of its presence. And when we recall that the great majority of this group did not come to America until the Twentieth century, their achievements and legacies are so much more impressive.

From a group numbering a few thousand back in 1880, the Italians, now over 400,000, are the largest ethnic group in Connecticut. In New Britain they are second in number only to the Polish People. Surely they are an appropriate focus for our attention as the bicentennial approaches.

Here then is a brief, and to our knowledge, the first account of some four generations of Italians in New Britain.

THE EARLY HISTORY

The first known settler was Agostino Bertini, born September 29, 1840 in Messina, Italy. He came to New Britain in 1859 at the age of 19 and took over the management of a hairdressing and bath house initially located at 211 Main Street. This facility has successively been the Humphry house and then the Park Hotel. When the owner left to fight in the Civil War Bertini was ready to buy. He married the former Anna Cockery who bore him four children—two died at early ages and two sons, Onofrio and William, went on to become prominent members of the community. Onofrio married Laura Judd of the New Britain aristocracy. William moved to Wallingford where his son William Jr. became the Mayor. He leaves a great-grandson, Robert Bertini Jr., of Avon, Connecticut.

Onofrio F. Bertini, a nephew of Agostino, came to New Britain in 1884 from Messina, Italy. He was a pattern and tool and die maker for P & F Corbin. His wife, Concetta Greco, died in May, 1974 at the age of 101!. Onofrio had five children, four of whom are still living: Mrs. William Scheuy, Mrs. Harry Scheuy, Mrs. Fordyce Coe, all of New Britain, and Mr. John Bertini of Clinton, Connecticut.

Leo Fusari was born on September 19, 1843 in Castlenova, Italy. He married Joanna Lombardi. Leo first moved to St. John's, New Brunswick, Canada and eventually found his way to New Britain in 1887 with his growing family. He was the first person to enter the trade of making ice cream which he sold from his horse and wagon. He was also a rather renowned sculptor in the region (the Yankees referred to him as a stone-cutter). Fusari did work for the Poli theater chain throughout the State commonly doing the frescos on theater facades. He also worked in many of the Churches, halls and homes of the area. He was the founder of the Italian Fraternal Society and was its first president in 1895. His son, Jack Fusari Sr., was born in St. John's New Brunswick in 1884. He joined his father in the ice cream business. Later in life he owned a Fruit and Confectionery store. His son, Jack Jr., is presently Labor Commissioner for the State of Connecticut. Mary and Leo Fusari of this city are also direct descendents of Leo Fusari.

A. Spinetta came to New Britain in 1883 and operated a fruit and confectionery store at 269 Main Street. Paul and Bartolemeo Arata ran a similar operation at 307 Main Street. They came to the city in 1889. The Sperlongo family of today began with Frank and Joseph in 1888.

Sooner or later a man of music had to appear and he came in the presence of Emilio Martino Purgatorio who arrived in 1891. Born in 1859 in the Province of Potenza, Italy, he married a girl named Maria Dornuta and they lived on McClintock Street and Allen Swamp Road for many years. Emilio made a living as a shoemaker at 592 Main Street (the present site of St. Mary's Convent), but he was a respected musician as well. In 1904 he travelled to the Oklahoma Indian Territory and taught the natives the art of shoe repairing and music. Of his eight children, six are living today. One of his daughters, Mrs. Lucy Scalise Candelori, was instrumental in forming many of the Italian Societies in the city and at the age of 86, she is still active in Church and civic affairs.

By 1888, however, New Britain had only fourteen Italian families. Among these were: the Asal's, Carici's, DeBarbieri's, Fiora's, Figuro's, Gastaldi's, Mara's, Santanna's, Georgio's and Passano's. We can never be sure about the spelling of these names because Immigration officials simply recorded them as they heard them pronounced. The spelling of Italian names is also misleading because of a law promulgated during the early years of the modern state of Italy. The government required everyone to "Italianize" their name. Thus, The Swiss Zotter's became the Zottola's and so on. Genealogy studies are made a rather trying matter.

In 1894 came James Stroazzi, the first to bottle root beer in New Britain. By 1900, the city had 90 families with Italian names. From then on, the 'melting pot' of Connecticut grew in ethnic diversity and in commercial and industrial terms. The city had 23 factories and in every one Italian names appear on the rolls.

TRIBUTE TO LESLIE C. ARENDS

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. YOUNG of Illinois. Mr. Speaker, all of us in the Congress, and particularly those in our Illinois Delegation, are deeply saddened by the decision of Les Arends to retire at the end of the 93d Congress.

Les Arends was originally elected to Congress in 1934. His service in the House is longer than that of any other Republican. Les served as Republican whip since 1943 and has continued in that capacity for 30 years. Despite the fact that the Republican leadership in the House changed from Martin to Halleck to Ford, Les Arends' ability merited his continued service as whip.

Les is not only a distinguished-looking legislator, he is a distinguished-acting legislator. He is courteous, thoughtful and fair and always acts with the wisdom and experience that he has gained in 40 years of service to the people of this Nation.

Congressman Arends has also been noted for his close friendships with President Eisenhower, President Nixon and President Ford. They have relied upon him for his sound advice and counsel. Les is the ranking member on the Armed Services Committee and, during his tenure on the Armed Service Committee, the United States has never been "second best."

It is difficult to adequately praise Les and, thus, I think it sufficient to state that Les is a "Great American."

JOAN BURNEY

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. THONE. Mr. Speaker, one of the most charming people I have met lives on a farm south of Hartington, Nebr. She is Joan Burney. She writes a weekly column for the Cedar County News. Her Wednesday, December 11 column rings political, economic, and Christmas bells, loud and clear, and is reprinted here for the benefit of all my colleagues:

AT RANDOM

(By Joan Burney)

The Christmas season is upon us and at this moment I feel more like Scrooge than Santa Claus. I blame my whole mood on the government. If Gerald Ford and the Merry Men of Congress could but turn their attention to straightening out our economy and get it off Rockefeller's money and Wilbur's ways and means, it might help. That's not a fair analysis, but that is the mood I'm in.

Can you ever remember a time when we've been in the kind of a financial fix we are this Christmas? According to what we read and hear if we go out and buy presents we will most certainly be contributing to the growing inflationary trend. On the other hand, if we don't go out and buy presents, we will undoubtedly add to the present tendency toward a depression.

Conversely, where as there is little doubt that while buying presents would cause an inflation nation-wide, it would certainly cause a depression at home. Our husbands would be depressed, and it follows as night the day that if husbands are depressed, the whole family is not far behind.

A friend of mine was telling us about a Christmas shopping trip which she took with her husband this week. All the way to the stores she got a lecture on how broke they were. "When we finally go in the stores" she said, "I had a bad case of 'buck' fever . . . and I ended up not buying a thing."

I know what you're thinking. It's high time we got away from all that money spending at Christmas, anyway, and concentrated on the real meaning of Christmas. I couldn't agree more.

My problem is, however, that I think it is so much fun to give presents.

I like to get them, too, of course. But the most fun at Christmas is to find just the right gift for loved ones and then watch their eyes light up when they open it. I get so tickled that it sends chills down my spine. It sends chills down Kip's spine this year, however, just thinking about it. Because this year, "just the right thing" is probably going to cost too much money.

I waste a lot of time at Christmas bemoaning the fact that I'm not as clever as some of my friends. They knit, sew, crochet, decoupage, etc., etc., and really end up with some great gifts. I just bake, and you know the price of sugar.

I've been trying to decide what a person whose so-called talents include teaching music, writing and speaking, gives friends for Christmas. It would be a little hard to direct a song around their hearths, they never have wanted to hear my speak, and they wouldn't believe the story of their life if I wrote it.

However, I could write everybody a poem. Wrap it in a box and tie it gaily with ribbon. They would open it with hushed expectation (knowing how much time I spent trying to find "just the right gift") and in it would be a personal poem. Hmmm, that idea is beginning to grow on me. (Something like fungus.)

Something like:

"I hope this poem gives you a lift,
It comes, you see, in lieu of a gift."

Somehow, I can't quite picture eyes lighting up over that!

TRIBUTE TO H. R. GROSS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. SARASIN. Mr. Speaker, I wish to take this opportunity to join with many colleagues in the House in paying tribute to Congressman H. R. Gross of Iowa on the occasion of his retirement from this body.

While I have only had the privilege of serving with Mr. Gross for a small part of his 26 years in the House, I consider myself indeed fortunate to have had the chance to know first hand this outstanding American. His reputation will endure and new Members of the 94th and succeeding Congresses will look to the mark he leaves on history, but they will be the poorer for not having had the opportunity to serve with him.

The remarks already entered into the Record by Members from both sides of the aislc are abundant proof of the tremendous respect and affection H. R. Gross has earned in his long tenure. Even those of us who have served only briefly with this outstanding legislator have profited greatly from the association and should be better equipped to carry out the duties for having been exposed to the example of H. R. Gross.

We are now witnessing the poignant occasion of the retirement of a champion at the height of his prowess, for H. R. Gross is truly a champion. Since his first election to the House in 1948, he has been a champion of the best interests of the country.

While he has often been on the losing side in his efforts, he has always had the attention of his colleagues. Through the use of incisive analysis, enlightening humor, and most of all, commonsense, Mr. Gross has always contributed more than his share to debate in the House. His departure will leave a tremendous void in the Congress and he will be sorely missed, not only by his colleagues, but by the beleaguered taxpayer he labored so long and hard to protect.

While my words can add little to the tributes of the many Members who have known H. R. personally far longer than I, there is one observation which, perhaps, can be made best by a freshman Member: Legends are often diminished by exposure to their source, but personal exposure to H. R. Gross only serves to enhance the legendary quality of his service to his people and his country.

SIMAS KUDIRKA

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HANRAHAN. Mr. Speaker, on November 6, 1974, Simas Kudirka and his family arrived in this country to live. You will remember that on November 23, 1970, Kudirka leaped onto the U.S. Coast Guard cutter, *Vigilant*, just off our New England coast. He was later returned to Soviet custody. Many organizations, private citizens, and Members of Congress have worked for his return to this country during the past 4 years.

So that my colleagues can read a statement recently made by Mr. Kudirka, I would like to insert it in the Record:

I AM PROUD TO BE AN AMERICAN AND HAPPY TO BE BACK FROM MY ROUNDTRIP TO THE GULAG ARCHIPELAGO

Being together with my family is very wonderful. Getting used to being safe and free in the United States is exhilarating, but to learn at age 44 that I was born and have always been an American citizen is miraculous.

Yet even more astonishing is the realization tnat a multitude of individuals could spontaneously unite and work so hard and so persistently just to undo a mistake made by some bureaucrats and rectify the Soviet transgression on November 23, 1970, against one man's right to freedom of travel. Some of my friends estimate that more than 100,000 people participated in the initial protests, including demonstrations, signing of petitions, writing of letters and other related activities as well as in the subsequent efforts to obtain freedom for me and my family. I am also grateful to the hundreds of U.S. Senators and Congressmen and members of their staffs who introduced or signed resolutions and petitions on my behalf, to President Ford who interceded on my behalf and to the many sympathetic officials in the Immigration and Naturalization Service as well as in the Department of State. I will never be able to thank them all nor thank them enough, but I do hope I did not let them down during my trial and imprisonment.

The list includes the more than 100 cosponsors of the multiple resolutions (H. Con. Res. 420, 421, 422, 436, 453, 582, 600) introduced in the House of Representatives by Robert P. Hanrahan, and the many senators co-sponsoring the resolution (S. Con. Res. 66) introduced by Senator Percy.

Senators Jacob Javits and James Buckley were very gracious in welcoming me and my family to New York City, my mother's birthplace, as well as to the Capital and Capitol Hill. Senator H Jackson and Senator J. Javits spent much time personally acquainting the Secretary of State with my case. I also owe much gratitude to Senators C. Case and H. Williams for their interest, particularly at one critical moment. This may have prevented a potential sidetracking of the investigation of my U.S. citizenship claims.

I also wish to thank those Members of Congress, including Senator E. Kennedy, who during their meetings with Soviet officials in Moscow and elsewhere asked for the release of me and my family.

I would like to apologize in advance if I have omitted anyone from the list. There were so many who helped. I have been back in the U.S. such a short time that I have not had a chance to learn of all the efforts on my behalf.

I am even more proud to be an American now than when I first set foot in America. In the meantime I have learned much about the life in the U.S. The good outweighs the bad by far. The life here is so different from what the Soviet authorities pictured it to be. They fostered the image that life in the U.S. consists of one calamity after another, while in reality there are only problems associated with everyday life.

Therefore it is very important that better understanding of the American way of life be achieved over on the other side. True détente is impossible if even one side has a distorted view or limited understanding of the customs and habits of the other. I believe that not only the Voice of America, but especially Radio Free Europe and Radio Liberty should be strengthened and supported. Perhaps the participation of mare Members of Congress and their constituents in the programming of the latter two could enrich them even more and help set them apart from the VOA, which represents the Administration's point of view. However, the exact nature and aims of such alterations need much more study.

In the meantime, efforts to include TV and radio broadcasts via satellite should be strengthened. One picture is worth more than many, many words. Films and newscasts from the many wonderful places as well as about the problems in the U.S. would present the Soviet viewers with a more accurate image of the U.S. In addition, the presentation of variety shows, the musicals and other programs on TV would really contribute significantly to the cultural exchange between the people of the U.S. and USSR. Even though my children do not speak English as yet, they have spent much time watching TV during the past weeks. The same shows would be a boon to the viewers on the other side also, no matter whether their language is Russian, Estonian, Latvian, Lithuanian, Ukranian, etc.

I understand that some very high Soviet officials are lobbying for treaties to ban international broadcasting via satellite. This may be a Pavlovian response by aging communists to new conditions. Such an approach was more appropriate to the Cold War. Why should US pamper such refusal to facilitate detente by truly exchanging cultural heritage between people.

Since the Bicentennial is drawing near, development of a "Free speech and cultural exchange via free space" satellite TV and radio *Bicentennial broadcasting system* would be a fitting project of sufficient scope to appropriately commemorate and symbolize the ideals incorporated in the Constitution and Declaration of Independence. Perhaps for reasons of economy such a system could utilize existing satellite systems. After the Indian government is done with using our AT–t satellite next year for broadcasting to remote villages, maybe the US could use it to inaugurate the Bicentennial system.

During my 20 years at sea in Soviet Russian ships, I sailed many seas. I saw the Soviets use fine mesh nets, pollute and wastefully dump large quantites of excess fish. If they use the same tricks as four years ago, then any inspection system agreed to by ICNAF will really have to be very comprehensive. For example, how is the current inspection system going to detect, document and stop the use of the double net-method, which is designed for very quick disassembly, when any inspection was imminent. The only practical method for saving the fishing grounds along the North East Shore is the imposition and vigorous enforcement of the *200 mile limit by the US authorities.*

The virtual servitude of the crews aboard the Soviet ships also has to be abolished. During my many years at sea we passed many ports, but never did I nor most of my friends receive permission from the Soviet commanders to visit foreign ports. This was and is a direct violation of the Declaration of Human Rights adopted by the General Assembly of the U.N. Article 13, paragraph 2 states that *each individual has the right to travel freely* from and return to his country of origin.

After my arrival in the US I have learned more about the role of the U.S. Congress in obtaining agreements to liberalize Soviet emigration policies as well as in protecting human rights efforts. Even in the Soviet prison camps we know of Senator Jackson's amendment to the trade bill. On behalf of myself and the multitude of people whom I knew in the Soviet labor camps, but who cannot speak up for themselves, I would like to thank the US lawmakers for their continuing efforts. They are needed and appreciated. However, I believe that adequate guarantees are needed before any treaties are ratified.

As I understand, the Western newsmen are more used to criticism than to compliments. However, I would like to thank them very, very much not only for the large quantity and quality of the coverage given to our case, which was very instrumental to our release, but also for their persistence as well as discretion when sensitive matters cropped up during the long process of our return to the United States.

I also intend to keep in touch with the many courageous people in Lithuania and the USSR who helped me and my family survive the difficult period. Mr. A. Sakharov and V. Kovalov and their friends personally risked very much and helped my mother at a time when the outcome of her travel plans was very much in doubt. They helped us, two lonely Americans in that distant reaches of the Soviet domain. I will not forget them or their concern for universal human rights.

ART, CHILDREN, AND MARILYN O'HARE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. STARK. Mr. Speaker, I would like to share with my colleagues, the contributions of a woman, Marilyn O'Hare, to the many children of her community.

Marilyn O'Hare's life has been art and she shared this gift with the many children of Oakland, Calif. Children's Fairyland, a fantasyland that captures the imagination of all children and their families who wander through its animated childhood stories, have benefited from Marilyn O'Hare's talents for 12 years while she served as its resident artist.

For 7 years, Marilyn O'Hare has volunteerd her talents to the Oakland public schools where she instructed its children in art—all without monetary compensation, but instead, the gratitude of her students and the appreciation of their teachers.

Marilyn O'Hare's involvement has also extended into other areas of her community. Proceeds from the sale of her paintings recalling her favorite subject, "moments in childhood," went toward the restoration of Dunsmuir House and Gardens—one of Oakland's links to its past.

Her love for children is also reflected in her family of five children—Timothy, Kevin, Shannon, and twins Kelly and Casey.

On behalf of all those who have been touched by her generosity in her giving her time and talents, thank you Marilyn O'Hare. The influence of such a woman on the lives of our children is immeasurable—the appreciation shared by all of us is also.

THE MEANING OF THE SPACE PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. TEAGUE. Mr. Speaker, our colleague from the Fourth District of Massachusetts, the Honorable Robert F. Drinan, recently brought a most interesting letter from one of his constituents to the attention of the Committee on Science and Astronautics.

I bring the letter of Mr. Frederick C. Fowler that was sent to Congressman DRINAN to the attention of this body and the general public because it is well worth reading.

The letter follows:

WALTHAM, MASS.,
November 9, 1974.

Congressman ROBERT F. DRINAN,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DRINAN: In this letter I hope to explain what I see as the whole meaning of the space program, as well as the specific practical benefits which justify it on utilitarian grounds. To do this, I will break up my reasons for holding that expenditures for the space program should be greatly increased (even tripled, if at all possible) into two categories: philosophical and practical. I will deal with the philosophical aspect first, as it goes to the heart of the matter.

To begin with, there are five different reasons that come under the category of "philosophical." They are: 1. Knowledge. 2. The search for extraterrestrial life. 3. The search for alien intelligence, with the hope of an eventual face-to-face meeting between aliens and humans. 4. The need for an unending frontier. 5. Freedom of disaffected groups and individuals to go elsewhere to live.

Only the first of these goals is being achieved now, the rest are long-range objectives. In this context, it is important to realize that this is inherent in the very nature of the space program—it is long-range in concept, planning and effect. Most of the goals that I have listed will not begin to be achieved until fifty to one hundred more years have passed. Thus, I am somewhat de-emphasizing the immediate practical benefits to be derived from space technology in order to not lose sight of the main objectives. In a sense, the practical results are only incidental to the program, although they help pay back its costs.

To put this notion in perspective, we must compare the first steps that have been taken into space in the last fourteen years with another event that took place some four hundred million years ago: the emergence of vertebrate life onto land. Only, what mankind is doing now is much more important, and we are modifying our environment instead of ourselves in order to go into space.

Now, examining the goals of the space program in detail shows that the first four are closely interrelated. Knowledge, of course, can be discovered without ever venturing into space, but in many fields the knowledge so obtained is extremely limited. (To mention a few of these areas: astronomy and astrophysics, geology, biology, biochemistry, linguistics, philosophy.) Biology is under an extreme handicap: its practitioners have only the Terrestrial biosphere to work with. It will be enormously advanced once extraterrestrial life is discovered. (Assuming that there is extraterrestrial life.)

If mankind ever encounters a sapient alien race, then knowledge of all sorts will be immeasurably advanced. As C. S. Lewis points out, the encounter could lead to an "exchange with the inhabitants of other worlds that especially keen and rich affection which exists between unlikes." He also says that the most probable result of such an encounter would be the same result that followed the encounters of Europeans with the "natives" of various other areas of the globe. This, I think, could well happen. As Lewis says, we *are* fallen. Yet, I think that the good that could result justifies the bad that might result.

The need for an unending frontier and the freedom of disaffected people to go elsewhere to live are linked together. Dr. Johnson said that the end of all human endeavor is to be happy at home, but in one sense this is an incomplete statement. There are those people who find it impossible to be happy at home unless they can take journeys away from home at times. And this means to places other than the known, familiar places that are all that are left on this planet: true adventuring and exploring is no longer possible for people restricted to earth. We need an unending frontier, not just of knowledge and art, but also of space. Soon—probably no more than fifty years from now—the culture of the world will be relatively uniform, and I am not very optimistic about the prospects of wilderness being preserved in most areas of the world.

This is also why it will swiftly become necessary to have a frontier to escape to to live. The increasing bureaucratization and commercialization of the world, the greater and greater interference of governments and organizations in our lives, the gradual elimination of all cultural activities except those which appeal to the greatest numbers of people, all of these things make it necessary for an avenue of escape to exist. I would hate to think that people living on this globe in the future would have no means of exit from the cage it might become.

Now I will try to describe most of the practical benefits that have already resulted from the space program and which will result if it is vigorously pursued. These results fall into four categories: manufacturing in space (the "third industrial revolution"), technological spin-off, new sources of raw materials and energy, and the various miscellaneous benefits to be derived from observation of the Earth from orbit: weather monitoring, earth resources satellites, communications satellites, environment monitoring, etc.

These categories are again interlinked rather closely, excepting the last one, which is relatively independent of the others. Manufacturing in space will give us new products that can only be made in the weightless (and therefore strain free) and high vacuum environment obtainable in earth orbit above the last remnants of the atmosphere, and easier and better ways to make certain types of products that are already in use.

Examples: perfectly spherical hollow ball bearings of any size can be made in space by means of a very simple process: a measured quantity of metal is held and positioned by magnetic fields generated by r-f coils surrounding it and melted by means of induction heating from the same coils. Surface tension would pull it into a perfect sphere because of the absence of weight, and then a measured quantity of some non-reactive gas could be injected into its center. The gas would expand a given amount at a given temperature, thus forcing the sphere into a hollow ball of the correct shell thickness. The hot ball would then be cooled rapidly to prevent shrinkage, and would be returned to Earth for final sizing and polishing.

Composite casting would be easily possible in zero-G, since the tendency of heavy solids suspended in liquids to sink would be absent. Thus metal-whisker composites could be produced in orbit, and it would be easy to fabricate components from the material in the same operation. Since it would also be possible to grow perfect (dislocation free) crystals in space (again, due to zero-G), the metal-whisker composites would be stronger than any existing structural alloy: aluminum, reinforced with sapphire crystals, or mixed whiskers of sapphire and aluminum nitride, becomes stronger than any present steel while retaining its light weight.

An area in which space manufacturing can almost immediately justify its cost is the growing of crystals for the electronics industry. Another important area is the manufacture of various vaccines and antibiotics. The fermentation processes used would make antibiotics cheaper to produce in space than on the ground as the state of the art of space manufacturing advanced.

The key element in space manfacturing is the cost of transportation, specifically; the cost of transporting engineers, technicians, and industrial research scientists to and from orbit. The NASA-USAF Space Shuttle Phase One is supposed to lower the cost of delivery to about $100 per pound in the 200 kilometer orbit.

The Phase Two orbiter and fly-back booster could get the cost down as low as $38 per pound in 1980–1990 time period. This cost is low enough to make it highly feasible to send people into orbit for industrial purposes, and in years to come, the cost will become smaller. The cost of returning finished products from orbit would be negligible, since there would be no need for life-support systems in the container capsules. Also, since eventually it would be private corporations who would be sending their employees into space, they would be the ones to pay for the transportation.

As a final word on space manufacturing, here is a list of industrial processes that have been already identified to be viable, unique, and economical in space.

1. Free and Captive Suspension:
a. Crucible support, wetting and non-wetting.
b. Sting support, wetting and non-wetting.
c. Electromagnetic field support.
d. Electrostatic field support.
2. Mixing:
a. Mechanical.
b. Induction.
c. Benard Flow.
3. Separation/Purification:
a. Centrifugal, free or container.
b. Velocity separation, condensation or selective membrane.
c. Electrophoresis.
d. Magnetic separation.
e. High-vacuum refinement, Centrifugal or Marangoni Flow.
4. Alloying + Supersaturation:
a. Pre-mixed powders melting.
b. Thermosetting or diffusion allowing.
5. Casting:
a. Surface tension casting or free casting.
b. Supersaturated alloy casting.
c. Composite casting, 2-state or 3-state.
d. Adhesion or layer casting.
6. Liquid State Forming:
a. Blowing.
b. Electrostatic field forming.
c. Adhesion or surface tension drawing.
7. Controlled Density Processing:
a. Dispersion foaming.
b. Vaporization foaming.
c. Variable density casting.
8. Deposition:
a. Adhesion coating.
b. Galvanic plating and coating.
c. Vapor deposition.
9. Solidification:
a. Amorphous solidification.
b. Controlled crytallization.
c. Single crystal solidification.
d. Supercooled coining.
e. Zone refining.
10. Melting:
a. Complete melting; low/high viscosity, overheated.
b. Partial melting; matrix melting in cermets.
c. Low-melting intermetallic thermosetting alloys.
11. Vaporization:
a. Fractional distillation.
b. Pressure-drop vaporization.
c. Freeze-drying.
12. Nuclear processing:
a. Fission breeding.
b. Fusion breeding.
c. Irradiation.
13. Chemical processing:
a. Polymerization.
b. Free atom chemistry.
c. Free radical chemistry.
14. Fermentation:

One point worth noting is that industrial pollution would be greatly decreased if all manufacturing that could be done in space were to be moved there.

The exploitation of new sources of raw materials will go hand-in-hand with manufacturing in space. Indeed, perhaps the greatest resource to be had from space is energy in the form of solar radiation and hydrogen from the gas giant planets. Certainly it will be cheaper to fuel fusion reactors used in space by scooping out hydrogen from the top of Jupiter's or Saturn's atmosphere than by ferrying it up from the surface of the Earth. This is because the distance traveled in space does not matter, instead, the energy expenditure determines the cost, and the energy expenditure in this case would be greater for taking hydrogen into Earth orbit from the surface of the Earth than for bringing it into Earth orbit from the top of a gas giant's atmosphere. Once a pipeline was established, the hydrogen would arrive at Earth orbit as often as would be necessary.

Hydrogen is just one resource that could be "mined" from space. There is some possibility that iron exists on Mars in the form of limonite, one of its principal ores, in enough quantity to be worth mining. The asteroid belt might also contain valuable mineral resources.

The technological spin-off from the space program has been applied to a wide variety of devices and problems. Examples: The automatic monitoring devices now being used in the emergency wards of hospitals were developed by the biomedical space team for the remote monitoring of the astronauts. A technique developed in the manned space program to dissipate shock energy into heat is now being incorporated into highway crash barriers. Flame-retarding paints (they release a gas that retards the fire, when heated) and flame-retarding insulating foam have been developed by NASA, and may soon be used in home building. An infrared optical camera that NASA developed to test miniaturized circuits is being used by tire manufacturers to read the heat on a spinning tire from 600,000 points every second, revealing flaws and hot areas. The tools and techniques for testing lightweight, high strength materials such as aluminum alloys for flaws were developed for the space program. The miniaturized and integrated circuits that are used in everything from transistor radios to microwave ovens to sophisticated pocket calculators were developed in the early days of the space program when weight was at a premium because of the smallness of the launch vehicles.

Any hopes of finding even partial solutions to the world's problems must have as part of its foundation not only a strong program, but also a manned space program. The Earth Resources Technology Satellites have proved invaluable for studying the whole air-ocean-land system. Ultimately, it will be a lot cheaper to send men up to repair such satellites than to put a new one up every time an old one fails.

The basic data obtained by these satellites relates to crop species and health, geologic structures, rock and oil types, coastal processes, surface water distribution and water pollution. Using data from remote, unattended ground-based sensors, the satellites study the water level in selected lakes, streams, and reservoirs: soil moisture content, snow depth, surface temperature and atmospheric pollution.

In conclusion, I want to say that the practical benefits of the space program should not be exaggerated at the expense of the more remote goals. The quest for adventure and knowledge, and the hope of a place to escape to if the controls and pressures on this world become too strong are extremely important. I fear that statism combined with collectivism may well become the official religion of every country on Earth within a hundred years, if this does happen, I hope there will be a place to escape to.

One final note on the financing of the space program: the entire Apollo program cost only one-third of the U.S. annual bill for tobacco and cigarettes and one-sixth of the annual bill for liquor. This means that the motives of many people who advocate ending the space program are highly suspect; if such people were really so concerned with the problems of the world, they would not be wasting their money on unhealthy habits that also cause other people trouble (pollution in the case of cigarettes, highway accidents resulting from drinking). Besides which, there is an extremely simple way to provide more money for the space program, and other things as well. Simply slash the defense budget by 20 billion: stop military aid to tyrannies, cut the administrative tail of the armed forces, and transfer non-military research funds to the proper civilian agencies. These are just the measures that I can think of offhand. If they were applied, NASA's funding could be increased by 5 billion, and I think it should be. A recent survey ordered by the General Accounting Office resulted in a report which showed that over the eighteen-year period from the start of the Apollo Program to the start of the shuttle program, seven dollars in technologically induced economic gain will have been returned for every one dollar invested.

Sincerely,

FREDERICK C. FOWLER.

LES ARENDS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. BELL. Mr. Speaker, I would like to join with my colleagues here tonight in this well-deserved tribute to LES ARENDS.

Congress has greatly benefited from his many years of leadership—his commitment to his constituents and the entire Nation is certainly worthy of this recognition. We shall regret his absence during the coming session of Congress.

KENNEDY FARM HOUSE—NATIONAL HISTORICAL LANDMARK

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. GUDE. Mr. Speaker, on October 19, 1974, I had the honor of participating in ceremonies in Washington County, Md., near Harpers Ferry, W. Va., dedicating the Kennedy Farm House as a national historical landmark. The Kennedy Farm was used by John Brown and his men as a headquarters prior to their historic raid on Harpers Ferry. As much, perhaps, as any single event, Brown's raid served to publicly dramatize the abomination of slavery and lead to the Civil War.

The main speaker at those ceremonies was Dr. Benjamin Quares, Ph. D., a noted historian and most distinguished scholar. Dr. Quarles has taught history at Morgan State College in Baltimore, Md., since 1954. A two-time recipient of the Rosenwald Fellowship, and a recipient of a Guggenheim Fellowship, Dr. Quarles has been equally active in community affairs as an officer in both the New Orleans and the Baltimore Urban Leagues.

An accomplished author, Dr. Quarles' latest work, "Allies for Freedom," details the life and times of John Brown.

I would like, at this point, to include in the Record the text of Dr. Quarles remarks at that very moving dedicatory ceremony:

REMARKS AT UNVEILING CEREMONIES OF A PLAQUE MARKING THE KENNEDY FARM AS A NATIONAL HISTORICAL LANDMARK, OCTOBER 19, 1974

(By Benjamin Quarles)

To find oneself at a site where history was made, especially at one which has been declared eligible for recognition by the National Park Service, is a stimulating experience, especially for one who has spent a great portion of his life in the field of history. To be invited to participate in the unveiling ceremonies attendant upon such national recognition by the Park Service is a very high honor indeed, and one of which I am sincerely appreciative.

On the spot on which we stand at this hour, a terse command echoed in the chill wind of an early evening in late October one hundred and fifteen years ago. The words of the commanding officer were spare, like the man himself: "Men, get on your arms; we will proceed to the Ferry." With this fateful charge to his twenty-one followers, John Brown had reached the climax of his turbulent career. The small band moved into the damp, lonely night, bound for Harpers Ferry, a scant half dozen miles away. Brown had spent three months, off and on, at the Kennedy Farm, gathering men and munitions for the bold plan he had conceived—to seize a government arsenal at Harpers Ferry as a prelude to freeing the slaves. The Kennedy Farm not only served as an assembling-site and a launching-pad but it was also meant to become an arms procurement base from which the slaves freed in the raid would come to receive guns and pikes.

Today the National Park Service of the United States Department of the Interior is awarding landmark status to the site from which Brown launched his assault. The reasons for designating this site as worthy of being recognized as a nationally significant property are sound, indeed compelling. It was here, at this site, that the man John Brown, flawed in many ways yet possessed of a dream of the equality of all of God's children, spent the final, preparatory weeks to his rendezvous with death. It was here at the Kennedy Farm that a group of people of differing skin color, white and black, lived together for a time under one roof, in search of a common goal and themselves symbolic of the larger brotherhood they and their leader proclaimed and personified.

Who Brown was and what had brought him to the Kennedy Farm are matters that quickly and widely became known with a week after the raid of Harpers Ferry. Then fifty-nine years old, Brown, as the country soon learned, had a checkered vocational career, having been a small-town postmaster, a tannery operator, a wool merchant, a land surveyor and a small farmer, among others. There had been a rolling-stone quality to his life, its locus having shifted from Pennsylvania to Massachusetts, to upstate New York, to Kansas, and, as the evening shadows gathered around him, here to the Kennedy Farm region.

But whatever his means of livelihood at a given time, and whatever his scene of operations, there was one constant that marked Brown's adult years—a hatred of slavery and a conviction that God was no respecter of persons. To Brown these were imperatives of the first magnitude, the kind of which all other considerations would remain of secondary consequence. His belief that one person was as good as another led him to mix with black people on a peer basis, with no trace of condescension. He took his meals with blacks who worked for him, and is his travels he stopped at the homes of black friends. His first-hand acquaintance with blacks, whether an unlettered farm hand or a newspaper editor, undoubtedly strengthened his determination to strike a mortal blow against slavery.

It was this consuming passion to liberate the slaves that claimed Brown's exclusive attention during the final six years of his life. In one instance he conducted a group of twelve escaped slaves over an 82-day wintertime trek from Kansas to Canada. In another instance he organized, at Springfield, Massachusetts, a so-called League of Gileadites, comprised of forty-four blacks, its purpose to assist runaway slaves, rescuing them from federal officials if necessary.

Brown's name began to attract national attention in the mid-1850's when he went to Kansas, seeking to prevent the pro-slavery forces from gaining political control of the territory. By 1859, with the mounting hostility between the North and the South, Brown decided to transfer his operations from Kansas to Virginia, thereby carrying his liberation war directly into the slaveholding states. This decision led Brown to the Kennedy Farm, which he rented from the heirs of Dr. Booth Kennedy.

Within two days after he left the Kennedy Farm, Brown had been captured and jailed. But his bold action had seized the attention of the country, hundreds of thousands sympathizing with him even though they felt that he had gone beyond the limits of acceptable protest. During his trial by the Commonwealth of Virginia and his confinement, Brown's manner and behavior won widespread admiration. His hanging on December ?, 1859, brought on impressive displays of public mourning throughout the North. With the coming of the Civil War, less than two years later, Brown assumed the status of a martyr.

His fame, however, was destined to outlast the Civil War. Brown would never lose his hold on his countrymen. His name would continue to touch their hearts with fire. He would become lodged in our national memory because he was the embodiment of first principles. Far from prefect, he nonetheless had a liberal vision of the brotherhood of man. And it was this vision that so stirred his conscience that he could not hold his peace.

To honor such a man, therefore, is simply to pay tribute to the high goals of our nation, and thus to honor ourselves. Hence, it is not surprising that this is not the first time that the National Park Service has taken note of John Brown. The National Register of Historic Places lists the John Brown Cabin in the John Brown Memorial Park, at Osawatomie, Kansas, and also the John Brown House at Chambersburg, Pennsylvania. And, of course, it lists Harpers Ferry, a site administered by the Park Service itself and designated as the Harpers Ferry National Historical Park.

The Kennedy Farm is well worthy of joining this select company of places to which landmark status has been given. For in addition to constituting the scene of Brown's operations as they reached their climax, the Kennedy Farm site symbolized the whole meaning of Brown's life and, more importantly, the inner meaning of America. The interracial composition of Brown's band is the clue. Of the twenty-one men he had gathered at the Kennedy Farm, and who lived for days under the same roof, five were black. The first two of these to arrive at the Kennedy Farm, former slaves Shields Green and Dangerfield Newby, checked in during the third week in August, two months before the raid.

In time-spans ranging from a few days to several weeks, depending upon their arrival, the five blacks and their co-workers lived amicably together. This was not the easiest thing to do for any group under the circumstances. The conspirators had to adjust to a prison-like manner of living, impelled by the necessity of staying close to the farmhouse lest prying neighbors get wind of their activities. The black members particularly had to keep out of sight as much as possible lest they be suspected of being runaway slaves with a price on their heads. But Brown's men, white and black alike, managed to transcend the inconveniences of their living conditions and their differences in skin color, becoming as one in their common purpose and sense of high destiny.

The group's last day at the Kennedy Farm furnished a final example of the way in which the black members were treated on a peer basis. On that fateful Sabbath morning Brown, after assembling his followers in the Kennedy living-room, opened with a worship service at which he read a Bible passage and one of the blacks led in prayer. Then at ten o'clock, the group went into a council meeting with Osborne P. Anderson presiding. The only black to survive the assault on Harpers Ferry, Anderson was in the chair as commander-in-chief Brown made his battle assignments, including a rear guard of three which would remain at the Farm, taking charge of the arms and supplies.

The Kennedy Farm, however, was not destined to serve its intended function as a supply base for the slaves Brown planned to free. The reason was obvious—Brown was not able to get his message to the slaves. The assault on Harpers Ferry, which was designed to free the slaves, was a complete failure as a military exercise. It was over within forty-eight hours, with the Brown raiders either killed, captured or in flight.

But if John Brown and his band were

put to rout in short order, the things for which they stood made them imperishable. In the battle for human rights there are some defeats which are, in essence, delayed victories. Hence the scenes of Brown's last labors, among them the Kennedy Farm, take on a timeless quality. This spot lives because it shares the honor of witnessing an example of the human spirit at its sacrificial best in quest of equality. The Kennedy Farm is one of the sites in our land that well might state: "Here a nation came to grips with its conscience."

The designation of this site as a National Historic Landmark is, therefore, to accord it an accolade that is well deserved. And if this honor seems to have been a little late in coming, let it be remembered for the record that this is not the first time that the Kennedy Farm has been recognized as a landmark not to be forgotten. In 1949 the Improved Benevolent and Protective Order of Elks of the World, a black uplift and fellowship organization, decided to purchase the property and turn it into a shrine for the inspiration of the young.

In September 1952 the Elks held their dedication ceremonies, the exercises extending over two days and attracting an audience of 2,000. By the end of 1953 the Elks had expended a total of $65,000 in their efforts to make the farm a national shrine. Their efforts, however, did not prove successful, leading them to sell the property and thus forego their dream. But if the Elks failed in their goal, their sense of mission was sure. They knew that this site was significant.

It is this significance which brings us here at this hour. That this farm deserved national recognition was a conviction shared by its public-spirited owners of today. It was likewise a conviction that gripped the Honorable Gilbert Gude, Congressman of the Eighth District of Maryland. These and other like-minded persons laid out the case to the Park Service. Inasmuch as the Kennedy Farm met the criteria for Historic Landmarks status, official approval from the Secretary of the Interior was not long in forthcoming.

This, then, is a day of deserved self-congratulations by these petitioners for having this site designated as a nationally significant property. We share their sense of fulfillment at this high moment. It gives us, too, an inner glow to witness the unveiling of a plaque on a spot where a band of men gathered in furtherance of freedom one fateful autumn. We might question their methods and procedures but we can hardly fail to acknowledge their deep sense of social concern.

Their devotion to the high ideals of their country, as proclaimed in the Declaration of Independence, would seem to have an especial relevance to our nation as it approaches the celebration of its bicentennial. For assuredly this is one of the historic places in our land which gives cogent expression and meaning to the great American exhortation, "Let freedom ring!"

TRIBUTE TO KENNETH J. GRAY

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. YOUNG of Illinois. Mr. Speaker, I am very pleased to join with my other colleagues in recognition of the services of Ken Gray, who is retiring from Congress.

Ken has served in Congress for 20 years and has been an extremely effective and personable U.S. Representative. Not only is Ken a fine Congressman, but he is also a very versatile person.

Congressman Gray has rendered substantial service to this Nation. He has served on the House Administration Committee and on the Public Works Committee. He has done an excellent job of representing his constituents.

I join with my other colleagues in wishing Congressman Gray a lifetime of happiness and success.

LATE CONGRESSMEN GEORGE AND WILLIAM BATES MEMORIALIZED

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, Decemeber 17, 1974

Mr. ARENDS. Mr. Speaker, two of the most revered colleagues of some of us still in this House were the late George J. Bates and his son, William H. Bates, of Salem, Mass., who ably represented the Sixth Massachusetts District for a total of 33 years. Their memories will be preserved for all time in the George and William Bates Memorial Archives of the new library building at Salem State College.

In dedicating the Bates Archives and the headquarters of the William H. Bates Center for Public Affairs on December 7, former U.S. Senator and Ambassador Henry Cabot Lodge, now special envoy to the Vatican, concluded:

> We are traversing rough waters. Confidence in our institutions has been weakened in recent years. People are cynical—especially about government. Inflation is destroying people's lives. I do not hesitate to say: if management, labor and government, Democrats and Republicans alike, do not work out improvements in our so-called capitalistic free enterprise system to assure a better distribution of the benefits of that system, a strictly controlled economy will have a very strong appeal.
>
> There was nothing about George and William Bates then which ever made people cynical. They inspired confidence because they deserved it. May God give us such men in the future.

The George and William Bates Memorial Room and Archives preserve for posterity the papers, books, and memorabilia of George J. Bates, former Salem Mayor, State Representative and Congressman from 1937 to 1949, and of William H. Bates, former naval officer, who was elected after his father's death and served until his own death in 1969. In the College Library memorial room, among other things donated by the two Representatives' widows and other members of their families, are the Flags, desk and chair from "Bill" Bates' last office in the Rayburn Building, plus the chair used by both father and son in their former Cannon Building office.

The William H. Bates Center for Public Affairs was established nearly 5 years ago by Salem College political science students and is funded by contributions given by admirers of the late Congressman. It sponsors a major annual lecture and has an expanded program dedicated to "promoting nonpartisan excellence in research, education, and service in the area of public affairs." Until now, the Center had no separate headquarters.

At the dedicatory ceremony attended by relatives, close friends and public officials, Raymond Bates spoke for the family, as Mrs. George Bates and Mrs. William Bates unveiled portraits of their distinguished husbands, presented for display in the memorial room. Other speakers were Dr. Vincent J. Mara, interim president of the Salem State College, and Professor John Hennessey, director of the Bates Center. Curator of the College Archives, where space has been assigned for use by the Bates Center, is Librarian Neil Olson, who negotiated for the library to become the depository of the Bates materials and assisted in creation of the William Bates Center.

The text of the address delivered by former Senator Lodge follows:

> REMARKS OF HENRY CABOT LODGE
>
> Let me first read two biographies, from Congressional memorial books, containing few words, but speaking of great achievement:
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> "George Joseph Bates was born in Salem, Essex County, Mass., February 25, 1891; attended the public schools; member of the State house of representatives 1918–24; served as mayor Salem, Mass., 1924–37; elected as a Republican to the Seventy-fifth and to the six succeeding Congresses and served from January 3, 1937, until his death in an airplane accident at the Washington (D.C.) National Airport on November 1, 1949; interment in St. Mary's Cemetery, Salem, Mass."
>
> "William Henry Bates (son of George Joseph Bates), a Representative from Massachusetts, was born in Salem, Essex County, Mass., April 26, 1917; attended the public schools, was graduated from Worcester Academy in 1936, from Brown University, Providence, R.I., in 1940, and from Harvard Graduate School of Business Administration, Boston, Mass., in 1947; during World War II enlisted in the U.S. Navy in July 1940 and served until February 14, 1950, resigning his commission as lieutenant commander after being elected to Congress; elected as a Republican to the 81st Congress to fill the vacancy caused by the death of his father, George J. Bates; reelected to the 82nd and to the nine succeeding Congresses and served from February 14, 1950, until his death in Bethesda, Md., June 22, 1969; interment in St. Mary's Cemetery, Salem, Mass."
>
> This is a proud though solemn occasion for all of us here today who were close in one way or another to both Congressmen—George J. Bates and William H. Bates. For me, whether in Congress or, as Bill Bates used to say, "along the campaign trail," they were great colleagues. They were also cherished friends, and I am honored to have this opportunity to join you in dedicating this excellent Memorial Room and headquarters for the Bates Center for Public Affairs.
>
> It is fitting that the papers and other memorabilia of these distinguished sons of Salem should be preserved in a memorial room at the new library of Salem State College. It will be an inspiration to students and to all who come here in the future. And I congratulate all who contributed to Salem State College and thus made this Center possible. George and his son Bill were splendid public servants who set an example of what public service ought to be. May this Center and the Bates Archives inspire succeeding generations to follow their example,

and may the Bates Center be successful in its mission of pursuing academic excellence in politics and government.

It is good that the services of George and Bill Bates have already been commemorated in several ways. I cite the Bates Elementary School, named for them both, off Kernwood Avenue, North Salem, in the family neighborhood, and Bates Terrace, a senior citizen complex on School Street, North Salem, which was dedicated to the memory of George Bates and his good deeds to people of all ages in his beloved city. Then there is the William H. Bates Bridge connecting Haverhill and Groveland across the Merrimack River. Bill Bates was a member of two important Congressional committees concerned with the use of nuclear energy. On the Joint Committee on Atomic Energy, he worked for the development of peaceful uses of this fantastic source of power. This included the Linear Accelerator built for and by the Massachusetts Institute of Technology on a site he had helped to select in Middleton. In appreciation, it bears the name of William H. Bates. Bill, like his father, was a member of the House Committee on Armed Services where his service as a Navy veteran made him especially valuable. His knowledge of nuclear energy because of his activity on the other committee made him a champion of atomic power for naval vessels. It was natural, therefore, that a grateful government would wish to perpetuate his name through such a formidable craft as the submarine USS William H. Bates (SSN 680).

So George and Bill Bates are well remembered. Now comes this memorial here in this library room. As you know, when a Representative or Senator dies while serving in Congress, the tributes of his colleagues are printed in a special book. Copies of such books are here in this library. I re-read these tributes as I was preparing myself for this ceremony. I was U.S. Senator from Massachusetts when George Bates was killed and made a speech about him in the Senate at the time which reflected my sharp sense of grief and my appreciation of his service as it looked to me twenty-five years ago—in 1949. I said:

"George J. Bates was able to unite all the people of his district because he took the broad view, he took the national view, and he was never animated by small or petty prejudices. He was not only a man of great intellectual force, but he was also a man of extraordinary public and civic courage." What more can one say by way of tribute to an elected official?

The great Edmund Burke in 1774 said to his constituents: "your representative owes you, not his industry only, but his judgment, and he betrays instead of serving you if he sacrifices it to your opinion." This describes the attitude of George and William Bates who, together, served the 6th district for 33 years.

When Bill Bates died, I lost an especially cherished friend, who had accompanied me throughout the country and worked diligently on my behalf when I was our Party's nominee for Vice President in 1960. I will say of him today what I said in 1969 and what appears in his Memorial Book, that he was "a public servant in the finest tradition, that of his distinguished father. He was good and sagacious. He never spared himself in the performance of his duty, and his decisions were motivated by his high sense of patriotism."

These are the men we honor today. They will surely always be so remembered, with the pride and appreciation we all share with their beloved families.

I conclude.

We are traversing rough waters. Confidence in our institutions has been weakened in recent years. People are cynical—especially about government. Inflation is destroying people's lives. I do not hesitate to say: if management, labor, and government, Democrats and Republicans alike, do not work out improvements in our so-called capitalistic free enterprise system to assure a better distrbution of the benefits of that system, a strictly controlled economy will have a very strong appeal.

There was nothing about George and William Bates then which ever made people cynical. They inspired confidence because they deserved it. May God give us such men in the future.

COMMUNICATION FOR HUMAN UNDERSTANDING

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. McCLOSKEY. Mr. Speaker, the First International Conference on Communications was recently held in Acapulco, Mex. The purpose of the conference was to examine the place of human values in the technological world of mass media communications. One of the leading participants in the conference was Prof. Lyle M. Nelson, chairman of the Department of Communications at Stanford University and Chairman of the U.S. Board of the Fulbright-Hays Foreign Scholarship program. Professor Nelson made one point, which is of great significance to Members of our representative legislative bodies, namely that:

> The organizational structure everywhere . . . be it government, business, or even our universities . . . has become more complex, more inflexible, more unwieldy and more unresponsive to basic human needs and aspirations.

The remarks delivered by Professor Nelson are here inserted in the RECORD in the belief that they are and should be of interest to all of us:

COMMUNICATION FOR HUMAN UNDERSTANDING

(By Lyle M. Nelson)

I hope that I shall be forgiven for deviating slightly from the topic assigned to me by the organizers of this conference. The reason is that I have something on my mind. Something which I think it is important to say to a distinguished international gathering of this kind.

In looking over the conference program, I was impressed—perhaps awed would be a better word—by the extraordinary array of talent and leadership which the sponsors have been able to assemble here in Acapulco. Surely there have been few other international meetings which have brought together so many of the world's leaders—both theoreticians and practitioners—in the field of communication.

Compared with others on the program and in the audience, I consider myself an amateur, a student who is here to learn far more than he will ever contribute himself.

I have entitled these few remarks "Communication for Human Understanding." And I have done so deliberately.

The reason is because I want to emphasize the human side and to suggest that it transcends technological, international, racial, political, social, economic and other barriers. And I also want to underscore the idea of mutuality of interest in the process itself—not just a sender and a receiver but a two-way flow of information to the enrichment of both parties.

Every audience is entitled to know something of a speaker's background, biases and predilections. Mine stem largely from two things. First, some 40 years spent in various phases of formal communication from the classroom to the print media and more recently to broadcasting. Second, a long-standing interest in international affairs, especially in the cultural and educational exchange area. The latter interest, as many of you know, has culminated in service on the U.S. Board of Foreign Scholarships—currently as its chairman—an independent group of scholars and professionals which has responsibility for establishing the policy and overseeing the Fulbright program and other U.S. cultural/educational exchanges.

It is the Fulbright program, now the Fulbright-Hays program, which has etched indelibly on my mind the importance of mutual interest in educational and cultural exchanges, and in communication at all levels between and among peoples of different nations and cultures. As one looks back over the 27-year history of this remarkable program—one that has endured longer than any other similar U.S. program with which I am acquainted—there is one overriding impression which comes through.

It is the significance of the Bi-National Commissions—and in countries where there haven't been commissions, the binational approach. Country programs are made up with the interests of both participants in mind. And that more than any other single factor has resulted in more than a quarter century of successful and extraordinarily effective operation.

Today we hear much about the communication revolution. Jean D'Arcy, vice chairman of the International Broadcasters Institute and Wilbur Schramm have called it the "Age of Communication." Already during this conference—and predictably in the days to come—there has been a persistent theme: we live in an age of great technological breakthroughs and great opportunities attendant upon them. We hear that we need more communication; that we will have increasing opportunities for more communication. But communication for what?

Communication satellites capable of reaching every corner of the globe, computers to assist us in sorting out the information overload, new video-recording devices and facilities capable at low cost of bringing education and information to even remote populations, cable television with its promise of an almost infinite variety of message, portable production equipment, sound and picture transmission by wave guides, optical fibre or laser, digital TV information retrieval systems, printing of entire newspapers, or sections of them, right in the home. The list is almost endless.

Yet I am one who believes that the basic riddle of our time—as it has been in times past—remains the same. It is what do we have to say to each other? Who is listening? Or perhaps more correctly, who is willing to listen? And how do we in turn hear his message?

The Kansas City Star summed up the situation in an editorial several years ago when it concluded with this observation:

"Much is made of the fact (that we can) call Paris from Tokyo. But much also needs to be made of the fact that many economic, political and social problems must be solved before the problems of communication are solved . . . There is a difference between the science of Communication and the art of listening.

"If there is reason to be excited about the condition of the science, there is little reason to be similarly encouraged by the state of the art."

In short, it seems to me that the essential question before us as communicators, is whether we will be able to fashion the new instruments of technology into a system which will involve all our peoples in all nations and all walks of life, or whether we will become victims of the forces that we have created and to which we are in thrall. It is a question not to be taken lightly.

Unfortunately, it is quite easy to be pessimistic about the future. The prophets of doom currently abound in the literature of all nations. Much of their writing adds up to a kind of doomsday prediction for civilization, a consensus that it may all end in 50 to 100 years from famine, over-population, the exhaustion of energy resources, or an atomic cloud triggered by unresolved (and unresolvable) political or international differences.

Certainly it is true, as Scotty Reston of the New York Times has observed, that we have changed the world faster than we have changed ourselves. The organizational structure everywhere—be it government, business or even our universities and no matter the country, race or society—has become more complex, more inflexible, more unwieldy and, I would add, more unresponsive to basic human needs and aspirations.

Everywhere in the world around us, we seem to be witnessing a lowering of the threshold of patience and tolerance. As the Hazen Committee's report on "Reconstituting the Human Community" points out, we appear to be in a period of rising demands for instant gratification, a turning to instant utopias and a weakening of a sense of history.

The temptations inherent in a mood of this kind are great, but they must be resisted. Most of the structural problems in the world are intractable, the Hazen Committee report goes on to say, requiring long and continued pressure, persuasion and education. What we need is a strengthened capacity to see our social problems steadily and historically, for despair and utopianism are neither workable solutions.

My own view is that a good case can be made for the positive side. Furthermore, it seems to me that communication is "where the action is"—the bridge between knowledge and information and desirable social action and improvement.

One of the exciting things about living in this half of the 20th century is the very uncertainty which we daily face, the conflicting ideals and values with which we struggle, and the halting, often frustrating, attempts to develop a new ethic—a new morality if you wish—which will permit us to live together on a rapidly shrinking planet.

Like Periclean Athens, we are committed to a good many seemingly incompatible concepts and ideals. We want to preserve traditional values, for example, but we also want to make the benefits of modernization available to all people of the world. If we're thoughtful we recognize the need to balance the concept of dignity of the individual and a concern for the welfare of the society. We want freedom but we also want responsibility to the community, simplicity and sophistication, spontaneity and effective organization, rational thinking and unspoiled, natural feeling, loyalty to a group, race or nation, but a recognition of the brotherhood of man and the need for international cooperation and effort.

In short, we want a whole series of things that ordinarily do not come in the same package. And we have only dimly begun to realize that it isn't any one of these, but the living balance that holds them together, which forms the undergirding of what we call civilization.

And in all of this, I am convinced, communication has a central role to play. Turning again to history, there is clear evidence that at each step of human development, the formulation of law, and the organization of a given social structure, have been conditioned by the technology of communication.

If ours is indeed an Age of Communication, what does the present portend for generations to come? The answer in my mind rests with the kind of leadership assembled here in Acapulco this week. Clearly it depends upon the use we make of the countless opportunities open to us, because of the kind of technological innovations which we have been discussing.

And this brings me to my twin themes of the importance of cultural diversity and the significance of communication for human understanding. For it is in the intersection of the two that I believe our greatest opportunities lie. Given imagination, given leadership, and given mutual understanding and respect, we may yet develop a more enduring base for life on this planet.

For at this moment in history—with its redistribution and rearrangement of power configurations in the world—we are at a point where a new intermingling of cultures is to be encouraged. The increasing awareness of the inadequacy of many of the present societal forms—more particularly in industrialized societies but in developing countries as well—opens an opportunity for a two-way flow without parallel in the past.

The important phrase here is "two way." For I believe, very strongly so, that developing nations of the world have much to contribute to all of us in the so-called industrial or post-industrial societies. Like James Michener, the great U.S. author, I have learned more from foreign authors and scholars, more from contacts with foreign cultures than I have from comparable sources in my own country.

Like Mr. Michener, I would like to see the five or ten best novels of the year, in any language, translated into all languages.

I also would like to be able to sit in my living room on a given night of each week and watch on my television set a thoughtful, in-depth portrayal of the culture of a different nation of the world, produced not by one of my own networks, (and thus as seen through U.S. eyes) but by talented young men and women from that particular culture itself.

I also hope that someday some wise and farsighted philanthropist will create a Nobel Prize for creative ideas—for the best in the cultural field. Why not a Nobel Prize for art, music, drama, architecture, etc? Yes, I know that we have a Nobel Prize for literature, the Aspen award and others, but I am thinking of something much broader in scope and in impact.

Again, in all these proposed programs, I think the bi-national or multi-national concept should be paramount. The fundamental guideline in all forms of cultural communications should be the principle of human equality.

Not only is this an ideal, but to me it also is a realistic, practical approach. As I suggested earlier, we have reached a time in our history when the peoples and nations of Latin America, Africa and Asia no longer need to be predominately consumers of culture, but producers and contributors as well. It is therefore important that all of us join in this quest for a deeper understanding of the values of cultures other than our own. From this effort we can gain fresh perspectives in which all societies will benefit from a new appreciation of the rich heritage of mankind as a whole.

To achieve the goal I have set out presupposes, of course, two things. First, it assumes on the part of developing nations of the world a clear sense of their own identity and a less slavish pursuit of consumerism in western terms.

Second, it requires that we work together—perhaps as a result of meetings like this—toward a set of guidelines which will help insure more nearly equal access to the developing international communications system.

The basic problem is not simply one of wealth, nor one of a gap in technological know-how. It is chiefly a gap in access to opportunity. In the past this gap has distorted the opportunities for multilateral cultural exchanges among nations, creating an imbalance which has impoverished us all.

Again, and finally, I return to the importance of the individual, to respect for the dignity and value of the human being. In the face of the depersonalized impact of much of modern life—the findings of science, an all-pervasive technology and even larger bureaucracies—there is a growing worldwide yearning for a new humanism, for one that goes beyond any superficial unity which might be the normal outcome of a global communication system.

The youth of all nations are trying to tell us something if we will only listen: that there is a desperate need for a new ethic, a new philosophy of history, a new value structure which will help give us some sense of why we are here and where we are going.

There is a notion abroad—and it affects all of us in all nations—that the individual is becoming obsolete, meaningless in the great game of life. Our youth sense this and seek a more meaningful and more significant place for the individual. They want to matter. And so do we all.

In this setting, it should be clear that there is an urgent need to fulfill and to encourage those dimensions of self that are non-rational, intuitive, expressive and transcendental. The delicate balance which I mentioned earlier has tipped too far in one direction. We need a renewed emphasis on the human side—especially as expressed in the arts, drama, dance, and literature.

Clearly the great opportunities which I foresee in the "Age of Communication" will go unfulfilled unless men and women of all nations are able to overcome or surmount their own egoism, vanity, greed and aggressiveness, unless they are willing to strive to develop characteristics of fairness, openness, humility, and a wilingness to share and to concede. Such qualities in turn rest upon a fundamental concern for the other—whether this other be an indivdual, a group, a nation, or insofar as I am concerned a species. This transcendence of self is, I suggest, the cultural imperative of the age in which we live.

And in all of this, no nation can go it alone. Extensive interchange, meaningful cooperation and a commitment to changing is the way of life; worldwide problems the only certainty in an age of uncertainty, and worldwide cooperation the only solution.

It is for this reason that I am especially pleased to have been asked to participate in so important an international meeting. I congratulate our hosts, Televisia, and the Government of Mexico for their initiative and leadership in taking what may well be a significant step in a truly remarkable period of history.

A TRIBUTE TO LES ARENDS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ZWACH. Mr. Speaker, I rise to add a few words to the many that already have been spoken in tribute to the

Honorable Les Arends of the 15th Congressional District of Illinois.

Les has given his people and his country 40 years of the most honorable service. He is a gentleman and a statesman, always able and willing to give his counsel and advice to those who seek his aid. He has been of inestimable help to me.

It has been a real pleasure and privilege for me to serve with him in the House of Representatives for the past 8 years.

As I retire to Minnesota, some of my most pleasant memories will be of the gentlemanly leadership exhibited by our good friend and widely admired Les Arends.

NOMINATION OF NELSON ROCKEFELLER

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. STUDDS. Mr. Speaker, for the second time in this Congress, we are called upon to cast our votes on the question of confirming a nominee for Vice President of the United States in accordance with the provisions of the 25th amendment.

A year ago, when President Nixon nominated Gerald R. Ford as Vice President, I sought the views of my constituents in a special questionnaire on whether or not Mr. Ford should be confirmed. They answered "yes" by a 3-to-1 margin, and I voted accordingly in their name.

I explained to my constituents at that time that I consider the vote to confirm a Vice President—and, consequently, a potential President—unique among all the votes a Member of Congress is called upon to cast. On most matters I believe I have a responsibility, having sought the views and advice of my constituents, to exercise my own best judgment. And for that judgment I am accountable to them. On the unique matter of the selection of a Vice President, however, I believe the direct participation of my district's registered voters is essential, and that their decision should be binding on me. Therefore, I have advised my constituents that unless subsequent events produce significant new evidence concerning Mr. Rockefeller's qualifications, I shall consider myself bound by their judgment.

Since I mailed my questionnaire on the Rockefeller nomination to every household in my district 20 days ago, I have received almost 29,000 responses. Following is a tabulation of the responses I have received:

QUESTIONNAIRE RESULTS

Region	For	Against	Percentage For	Percentage Against	Tota
South Shore	5,932	3,342	64.0	36.0	9,274
Greater New Bedford area	4,381	2,446	64.2	35.8	6,827
Cape Cod and islands	9,630	3,105	75.6	24.4	12,735
Total	19,943	8,893	69.2	30.8	28,836

UNFAIR PRESS ADVANTAGE

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. FISHER. Mr. Speaker, in these days of animated and sometimes raucous controversy it is a welcome relief to encounter a sober and analytical approach to a controversial subject.

I offer for the Record such an essay, written by O. R. Strackbein whose qualifications to write on the subject are based on long and direct experience and observation.

In writing on the unfair advantage of the press, Mr. Strackbein delves into aspects of the controversy that are not usually given the attention they deserve. All who are interested in the abuse of the power of the press should read his observations:

Unfair Press Advantage

(By O. R. Strackbein)

Accusations of unfair journalistic practices have long been a feature of American life; but in recent times have reached a level of acute disenchantment and produced a species of pessimism such as accompanies contemplation of an incurable disease.

The accusations characteristically charge distortion of the news. The sin of distortion may take the form of depriving the reader of a rounded view of the event or action reported, by omission, exaggeration or overt falsification. Thus may the significance of an event be blurred, given a meaning that was not in the event itself; and its impact either exaggerated or minimized. The reader or interested party feels cheated of his right to know and deplores the false impression made on the public. Such a result represents the fruit of unfair journalistic practice.

An objective inquiry, could it be launched on each occasion of an accusation, might, of course, not sustain the complaint. In any event, in the day-to-day activity of society no such referral for an unbiased judgment in all instances is possible. The newspaper items are too numerous, the interests affected by news accounts, too varied and intricate, and the world too busy, to investigate all complaints of unfairness. The individual newspaper may, of course, as many of them do, open its letters-to-the-editor space to complaints that arise from day to day. Some airing of selected grievances is thus provided, far short though the practice may fall in giving satisfaction to the complainants.

This aspect of unfair journalistic practices, which is to say, the lack of opportunity to reply effectively, has possible remedies or semi-remedies of its own, none of them wholly simple. However, there dwells another and perhaps more important element of unfairness in the operation of a newspaper or an electronic medium of news. This element is inherent in the media themselves and lies in the natural advantage of position enjoyed by them. This advantage if left unfettered may subvert the very intent of the First Amendment.

The ownership and management of the very means by which news is gathered, judged, selected and disseminated carries with it a control over the means of access to the public consciousness that itself is necessarily highly restricted by the nature of the physical world. This scarcity of means is visible and easily understood by the public as it relates to the electronic media. There are only a few wave frequencies that can simultaneously reach the public in volume, or in any case an individual can only be reached by one transmission at a time. With respect to newspapers the restrictiveness is less visible because theoretically anyone can publish a newspaper. Actually the field is highly restricted because of economic consideration (high cost) and the limited time available to the reading public for devotion to reading newspapers. For these reasons and others, the diversity as distinguished from the number of copies of newspapers that may be circulated in a community is severely limited. Indeed, the natural elements favoring monopoly are often ready to hand and quite inviting, limited only by the talents and resources of the potential monopolists.

Needless to say, the occasions for unfairness are perhaps more numerous than any editor, even were he consciously bent on being unfair, could possibly grasp; and also so numerous that a fair editor could not in any event on all occasions avoid them.

The issue arises most acutely, of course, when highly contested controversial objectives are at stake or in contention. When the stakes of victory or defeat are high the contending forces become charged with all the elements of emotion that center around vital interests, be these material, intellectual, philosophical or moral. Prestige, precedent and position become prime considerations in such contests or rivalries. In a democratic society what the public may be brought to think, becomes highly important, nay, perhaps decisive. Public favor or disfavor, esteem or disesteem, become highly prized stakes or else objects of avoidance. The issue may be determined by nothing else so surely as the public reaction to the contentions in debates, charges and discussions. The contest over the public mind therefore becomes a concern of the first magnitude.

Who can reach the public consciousness with the greatest facility and effectiveness then becomes a contest of its own. The media of communication therefore assume a position of veritable arbiters. Whoever can command press or media support by whatever means, be it by persuasion, evidence of merit, mutuality of interest, alliance of power, or community of partisan interest, will enjoy what may be a decisive advantage.

Viewed in this light the *neutrality* of the news media assumes a magnitude of decisive proportions and therefore fateful for the interests of society. Such neutrality is, of course, a most difficult human achievement. The writers of our Constitution were hypersensitive to the unfair usages of power as exercised by monarchs of their distant but painful acquaintance, and experienced in the form of seismic shock waves of government. They, the framers of our basic or organic law, therefore had resort to the twin device of limited governmental powers and checks and balances.

Should our news media be reciprocally opposed to one another in power and influence through equality of counter-components, pressing against each other at the center, as the water held in leak-proof layers of stratified rock in synclinal form, truth could and might gush out as the water of an artesian well. The public could then drink of it, nourished by unpolluted streams of refreshing intelligence—some perhaps bitter but possibly purer for all that.

The media are, however, not so disposed in actuality or by inclination. They prefer and, left to themselves, gravitate toward commercialism and monopoly. The potentials of pollution advance as either commercialism or monopoly is approached. The likelihood that "reason is left free to combat error", i.e., Jefferson's proviso, may thus suffer a mortal setback.

Reason is not left free *de facto* to combat error, no matter how vehemently theory may assert it, when news is gathered, processed by knowing fingers of selection, and rained into the minds of the people or pulsed into their eyes or ears from central points of control to which we, the people, have little access except as invited or permitted at the will of the control centers.

Why should we, the people, object to such deprivation of the exercise of freedom? The answer must go to the very integrity of human reason. The latter is more than abundantly beset by pressures of emotions erupting from the frictions, perversities and annoyances provided by the world and human intercourse, without need of assistance from fountains of contrived sensation, fomented suspicion and doubt, incited hate, and other passions to which inner man is host. The supply of these disrupters of goodwill is over-abundant without daily busy agitation and replenishment by outside observers and commentators.

Human reason, it goes without saying, needs the clearest and fullest information if it is to serve its highest purpose. Even when it is thus supported it is frail enough. If it is deceived by false information or is deprived by the withholding of relevant data it cannot, except by accident, reach the right conclusions.

When newspapers become parties to a political contest, or advocate or oppose a public plan or proposal, or assume a position of promotion of this or that, they not only stray from the path of their function and their very reason for being, but come into a position of conflict of interest in which fairness is an inevitable casualty. The editor has at his disposal a veritable spraying apparatus by which he can drench the whole community with his ideas, his personal preferences and prejudices. Unless those who have different views, interests or objectives have an equally powerful apparatus, their position is readily swamped by the torrent loosed by the hyperactive opposition. The private individual, regardless of his competence, capability or wisdom, is left in impotent outrage and affliction because he has no remotely equal apparatus of response.

He is left to ponder the meaning of freedom of the press and its diminutive partner, freedom of speech. Freedom to speak into a vacuum is itself a vacant right. A right that may be loaded a million to one in behalf of one holder of it in comparison with another holder of the same right, requires therapeutic attention just as surely and as urgently as the rights of citizens as defined and established *vis a vis* our government by our Constitution-makers.

Such is the disparity in the weight or value of a right as held by various possessors of it when the holder of it has or does not have a newspaper or an electronic transmitter compared with the one or ones who do have such instrumentalities in hand or under control, that the rights are mere cobwebs of theory in the one instance and full-bodied emissaries of consciously disposable force in the other. Thus may the intent of our Constitution be aborted and converted, albeit without conscious intent or purpose of unfair manipulation, into a mockery of its noble purpose. The right to vote is subvertible and convertible into a self-deceptive grant of popular sovereignty. If the judgment of a voter may be kneaded like a plastic lump in the hands of a mold-maker operating by his own intentions and not that of the voter, the latter may be cheated out of his precious bit of sovereignty.

Is it inevitable that it should be so? Or does self-government mean more than surrender to outside mold-makers?

News media approach their ideal most proximately when they report on phenomena that are devoid of moral content, or economic implications, or philosophical or religious overtones, which is to say, free of political attributes. They can then report honestly and without bias. They have no reason for insinuating into their output their private formulas for public guidance. Their proper concern need then be no more than accuracy, fullness of detail and perhaps some injection of suspense, wonder, exceptional aspects of the events, or even awe, fear, or thankfulness for escape from worse. Floods, fires, explosions, hurricanes, earthquakes or other disasters lend themselves to objective treatment by the news media. Richness of imagery, justaposition of the unusual or record-breaking aspects against the commonplace, offer hopes of attracting more readers or viewers. Pictures, quotations from eyewitnesses, public officials, victims and the like add to the interest of the accounts. Exaggeration may offer a temptation; but incentive does not invite distortion, innuendo or fault-finding in the premises. Credibility becomes more of a goal than it is in those instances in which ulterior motives of the editor play a heavy role.

If the rights of citizens as voters are to be rescued from the tampering by editors, the news media must be restricted in their almost limitless power to inject their own peculiar interests into the versions of reality they serve to the public. That reporting and editing news saturated with political, social or economic meaning can be brought to the degree of fairness that becomes an easy achievement in reporting meteorological events, or other neutral occurrences, is more than doubtful; but it can be made a goal monitored on its way by us, the people.

The editor, and reporter, for that matter, is constantly prodded by his ego to become a participant in the politically-significant events he shapes for public consumption—not, indeed, by entering the political arena as an identified participant, but as a hidden moulder of public attitudes, which is to say, as one who, unseen, is in a position to influence public opinion.

In a recent article published approvingly by a metropolitan newspaper (The Washington Post) Justice Potter Stewart of the United States Supreme Court holds it to be an error to look upon the purpose of the press as no more than serving as a "market place for ideas." Actually the Constitution does not say what is the function of the press or that it exists for any other purpose than gathering and publishing news. It is a mistake, he says, merely to make sure that the press will provide a neutral outlet or forum for debate.

The Justice draws a distinction between those rights guaranteed by the Bill of Rights of our Constitution, such as freedom of speech, freedom of worship, the right to counsel, etc., which he calls "specific", on the one hand, and freedom of the press, which he says is "structural" or institutional, on the other. Thus, he says, publishing is the only organized business in the private field that is awarded express protection by the Constitution.

This distinction, cited as carrying a special guarantee by the Constitution, seems devoid of substance. The rights of the people, of the citizens, may not be structural or institutional whatever that means, but they can hardly be subordinated to a private business right when the latter offers a wide latitude of possible subversion or cannibalism of the former.

If by virtue of owning a mechanical apparatus which is quite costly, I can amplify my word to a magnitude of dissemination a thousand or tens of thousands or millions of times as great as that of your unaided voice or script, I have the means of exercising over you a dominance that was hardly contemplated by the framers of our Constitution; for they were more concerned with equality of rights than with the bestowal of weighted or privileged rights. In fact, equality of rights is the very keystone of our political and juridical philosophy.

The Justice does not address himself to the question of fairness of the press, except as it may be incidental to certain Supreme Court decisions. For example, he cites the inability of a public official to carry a case successfully for libel against a newspaper unless he can prove the malicious printing of a false statement. How fair such a stricture is he does not undertake to elucidate. He also cites the Florida statute governing the right of reply by candidates whom a newspaper has criticised. The Supreme Court held unanimously that such a right is inconsistent with the freedom of the press.

Again the principle of fairness was left inoperative. Yet the advantage of a newspaper in the premises, when it has a wide circulation and controls what it chooses to print, must be obvious. Why one citizen, be he an owner of a newspaper or not, should be made secure in so one-sided and gross an advantage in a contest in which the newspaper engages as a partisan, with axes of its own to grind, has not been explained. Nondiscrimination, like equality of rights, is also a canon of our political philosophy. Yet the press is to be protected with an exemption that cannot be enjoyed by anyone else. Were the press itself without sin and did it not involve itself as a partisan in contests and rivalries, it might be entitled to such protection; but its present practices cannot meet either of these two qualifications.

Although the Justice appears to take the decision of the Supreme Court as the last word, the inconstancy of the Court over a period of years in its construction of statutes is one of its most durable characteristics. The observation that the Court follows the election returns, while an exaggeration in point of immediacy, does no injustice to the record of the Court over a period of time, not always very prolonged. If there is anything sempiternal about the Supreme Court's decision that quality evades the naked eye. The doctrine of *stare decisis* (settled precedents) is today an interesting museum piece.

There is a wholly different explanation of the Constitution's treatment of press freedom. This is simply that the power of the media had not risen to the position of power and influence these have achieved in recent years because of technological developments. The framers of our Constitution did not address themselves to the question of press freedom in its modern dress. They were also silent about other problems that had not yet been experienced. They could not foresee the day when uninhibited power lodged in the news media could be as charged with unacceptable possibilities of abuse as the power lodged in government. If the system of checks and balances and limited powers instituted for the purpose of curbing the ambitions and greed of politicians were frequently insufficient to halt public miscreants in their operations, how could it be thought unnecessary to place any restraints at all on the press, which lay completely outside of the checks and balances put into the governmental structure?

Editors and publishers simply had not reached the point of serious public concern two hundred years ago that attaches to the giants of today. Yet they do partake of original sin, we may be sure, no less than public officials. Their sense of fairness and probity is as subject to erosion, corruption and self-serving blindness as that of any interested party in any human contest. To let them govern themselves by their own devices, as the lone exception to the will of the society they are to serve, is to subtract from the self-government of the people.

The Congress has no absolute veto; the Chief Executive has no absolute veto: the Supreme Court has no permanently absolute veto. Such vetoes disappeared with the divine right of Kings. Only the press presumes to exercise and does exercise an absolute veto over what it elects to print or not to print—

with some exceptions that do little to put a restraint on its power.

Why, for example, is it not known or can it not be known publicly how and by what means the *New York Times* obtained the Ellsworth Pentagon papers in violation of the national security laws? Why can it not be known what were the considerations by which the transaction was consummated? The *New York Times* has a veto power in the premises such as is not vested in any branch of our government!

An unfair advantage once made secure by a center of power will not be relinquished voluntarily. The history of the surrender of absolute or even of merely great power affirms this observation. A few exceptions may be found, but not more than may be necessary to prove the rule. The press will not and need not be expected through self-restraint to retreat from its vantage point. The power must be asserted from without. On the contrary, left to its own devices, the press in keeping with the characteristics of the ebullience of growing power will seek, as it has been seeking and achieving, ever more power over the body politic. Even our anti-monopoly laws develop a more than characteristic limpness when the press is put in the dock.

The press does need attention by the people that support it and look to for guidance in the exercise of their intelligence. That it should be free from governmental dominance goes without saying; but that it should not be responsible to the people within the perimeter of the right of the people to know, cannot be asserted without stultifying the very concept of self-government.

TRIBUTE TO HON. LES ARENDS, MINORITY WHIP

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. JOHNSON of Pennsylvania. Mr. Speaker, during my 11 years in Congress, no one has been any finer, kinder and more gracious to me than LES ARENDS.

For one thing, during my 11 years in Congress, LES ARENDS has appeared and spoken in my district on three separate occasions on my behalf, and greatly honored me by appointing me as his regional whip for the States of Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Vermont, and Virginia.

I enjoyed this appointment because it gave me the opportunity to be closely associated with Mr. ARENDS, and it also gave me a fine contact with Members of Congress.

There probably will never be a more remarkable Member of Congress than LES ARENDS. To have been honored by his colleagues by election as whip for so many years is an achievement which will never be surpassed. The reason for his great success in that important leadership position is because of his sterling character, the ability to inspire confidence and, of course, his loyalty to the Republican Party.

As this outstanding Congressman leaves the Halls of Congress to take up a new life, I wish him the greatest amount of happiness and good health. As he returns periodically to the Capitol for a visit, he will of course receive a good and hearty welcome from us all.

ITT AND CHILE: A PANEL OF ARBITRATORS SETS THE RECORD STRAIGHT

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HUBER. Mr. Speaker, a great deal of coverage has been given to the supposed role of the U.S. Government in Chile in recent years, and also to the role of U.S. firms owning assets in Chile. Controversy has swirled about one firm in particular—ITT—for many reasons. Due to the Allende seizure of many U.S. assets in Chile, the resulting cases there became tests in the court as to the extent of the responsibility of the Overseas Private Investment Corporation—OPIC—for these losses.

OPIC was designed by the Congress to promote private investment and to minimize the risks involved for American firms operating abroad, by having an insurance fund to assist seized firms that could secure no other recourse through law.

Therefore, I commend the following article from Barron's of November 11, 1974, both for what it says relative to alleged ITT interference in Chilean affairs as well as how OPIC has behaved in the face of this claim against it. The article follows:

ITT AND CHILE—A PANEL OF ARBITRATORS SETS THE RECORD STRAIGHT

Though the task smacks of the labors of Hercules—cleaning the Augean stables comes to mind—International Telephone & Telegraph Corp. lately has been hard at work refurbishing its corporate image. In particular, the company has been running a series of full-page ads in such publications as Ebony, Editor & Publisher, Sports Illustrated and Barron's, unabashedly aimed at putting its best foot forward. One depicts a group of doctors huddled anxiously around a life-like figure, which turns out to be an experimental manikin named Harvey: "With a twist of a dial, he can be programed to reproduce any one of a number of common heart diseases. . . . The people at ITT designed his complex solid-state circuitry." In others, the company modestly takes credit for project S.T.A.G. (Skills Training Adjustment Group), a special work study program launched by Hartford Insurance (an ITT subsidiary about the acquisition of which a certain amount of controversy has swirled), as well as underwriting an annual award for "distinguished United Nations correspondence." Whatever the message, each ad carries the tagline: "The best ideas are the ideas that help people. ITT."

Last week ITT, which needs all the help it can get, wound up for once on the receiving end. A distinguished three-man panel from the American Arbitration Association, chosen to settle a dispute between the company and the Overseas Private Investment Corp. (OPIC) quasi-federal agency set up to insure U.S. industry against acts of war, expropriation and other unnatural hazards, found unanimously in its favor. Specifically, the arbitrators ruled that despite all contentions to the contrary, ITT does have a valid claim to financial redress for seizure of its once wholly owned subsidiary, Compania de Telefonos de Chile. As a consequence, depending on the findings of another triple-A panel, which will decide the exact amount, ITT sooner or later stands to collect some $100 million from OPIC.

What's at stake financially isn't peanuts; indeed, if the settlement runs that high, it will go a long way toward wiping out the "surplus" of which OPIC has been so proud. But the arbitrators' judgment (binding, by the way, on both parties) goes far beyond dollars-and-cents. In finding for ITT, the panel willy-nilly found a good deal more. Specifically, it ruled that neither in activities in Chile (described as "tentative and insubstantial") nor in approaches to Washington officials, did ITT do anything to violate the terms of its agreements with OPIC or to forfeit its claims. Furthermore, to find for OPIC, "would enable a U.S. government agency, unjustly and without sound legal grounds, to avoid its obligations."

This was about as far as the arbitrators, in deference to the strict limitations of their mandate cared to go. However, Barron's is under no such constraints, and in our view there is more to be said. By ruling against OPIC, which had based its stand upon allegations of improper or illegal conduct by ITT toward the Marxist government of Chile, three respected arbitrators, in effect, have cleared ITT of such charges. Despite the best (or worst) efforts of Jack Anderson, Senator Frank Church (D., Idaho) and the Group of Eminent Persons, which drafted a shoddy UN Report on Multinational Corporations (Barron's, June 17, 1974), ITT has been guilty of nothing more than zealousness in behalf of its own rights and those of its shareholders. As for OPIC, it stands condemned of pandering to public opinion and political pressure—ITT, of course, is everyone's perennial whipping-boy—and of seeking to violate the sanctity of contract. As Barron's has said before, government and business don't mix.

Nonetheless, Washington keeps on trying. The Overseas Private Investment Corp. was launched in 1969 as a self-sustaining successor to a similar operation in the Agency for International Development (AID). By Executive Order, it was authorized to "mobilize and facilitate the participation of U.S. private capital and skills in the economic and social progress of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States. . . ." Among other things, OPIC was authorized by Congress to issue up to $7.5 billion in insurance aimed at protecting investors "agains the risks of war, revolution, insurrection, expropriation or inconvertibility of currency." At the close of business on June 30, 1973, some $9 billion of such insurance (including policies written under AID) was outstanding. Since OPIC, pursuant to its mandate to avoid burdening the taxpayer, charges 1.50% on face value, highest premium of the kind in the world, it has shown annual profits in recent years of $30–$40 million. Some $202 million is currently available for payment of claims.

So far, so good—and any organization which arouses the ire of both Senators Church and Proxmire (who wants to liquidate it) can't be all bad. Yet OPIC can be faulted on a number of grounds. For one thing, despite its seemingly robust balance sheet, its finances are shaky. In its annual report for the fiscal year ended June 30, 1973 (latest available), OPIC, presumably to enhance its business-like image, offers in lieu of an accountant's certification a statement by the U.S. Comptroller-General. Unfortunately for its purpose, the General Accounting Office deemed fit to comment as follows: "Due to the many imponderable factors affecting the foregoing claims, as well as those affecting the contingent liability that OPIC has incurred as a result of its other contracts of insurance and guarantees (see notes 8 and 9 to the financial statements), we are not able to express an opinion on the adequacy of the amount reserved for losses OPIC may suffer as a result. . . ."

If ITT collects the $100-odd million it *claims, OPIC's* reserves will be cut in half. The company also is involved in a $150 million dispute with Anaconda over other Chilean properties. Perhaps most ominously, it has an exposure upwards of $450 million in Jamaica, the government of which already has torn up agreements with U.S. aluminum producers (Barron's, July 15, 1974) and spurned the good offices of the International Center for the Settlement of Investment Disputes.

As the controversy with ITT suggests, however, what's wrong with OPIC goes deeper than money. For one reason or another, including shredded documents, alleged hanky-panky over anti-trust policy, questionable accounting and a collapsed stock price, ITT has come to be regarded as fair game. At last year's annual meeting, a spokesman for Ralph Nader's Project on Corporate Responsibility accused the company of involvement in a "*morass of deals,* plots and intrigues." Citing charges by the late President Allende, the UN's Group of Eminent Persons recently—and, in the event, prematurely—urged "home countries (to) consider withholding investment insurance payments where warranted by adequate proof of political intervention as was done in the case of the International Telephone & Telegraph Corp." So OPIC didn't blink at using the flimsiest of pretexts for breaching its commitments. One of its defenses, which the arbitrators swiftly dismissed, asserted that ITT's insurance was null and void because of the prior insolvency of Chilean Telephone Co. What had happened is that the Allende government, as a prelude to expropriation, had seized the company's bank accounts and kept it from paying its bills.

Other charges made by OPIC, so the panel found, were equally spurious. Contrary to its allegations, ITT made a prolonged and determined—if utterly fruitless—effort to negotiate with the Chilean Marxists (many of whom, interestingly, once held high posts on the UN Economic Commission for Latin America). And the charges of illegal political activities, both at home and abroad, failed to hold up. True, the record indicates, ITT management has curious ideas about propriety. Harold Geneen, chairman, did offer to funnel a large sum of money through CIA channels to Allende's political opponents, a gambit which Washington turned down. Such efforts, however, violated neither Chilean law nor OPIC's contractual provisions, and ultimately came to nothing. Nor is it a crime—except, perhaps, in Senatorial and United Nations' chambers—to seek to protect one's property.

On the contrary, so the arbitrators concluded: "It has long been regarded as a legitimate function of the United States, as a government, to assist its nationals in the protection of their persons and property abroad. . . . The necessity of such Executive assistance is particularly acute in dealing with Communist countries and underdeveloped countries which may not recognize . . . the principles of international law. . . ." Jack Anderson—but don't bet on it—please copy.

Robert M. Bleiberg.

HON. KEN GRAY

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. DENT. Mr. Speaker, with as many Members as have decided to retire, or whom the voters decided to retire, one hardly knows whom he is wishing well in their retirement with these special orders. But in this instance it is not hard for me to remember that it is Ken Gray that we are honoring, because it is not and will not be easy to forget Ken Gray.

You know, my wife and I engage in quite a few colloquies about the subject of retirement—well, they are more like monologs actually—and to chide her a little bit I would give her somewhat of a rundown on who was retiring. One day I told her Ken Gray was retiring and Mrs. Dent replied "What is a nice young fellow like Ken Gray retiring for? I thought he just got started. He ought to stay and you retire, John."

Well, Mrs. Dent did not get me to retire yet, and she did not get Ken Gray to stay, and I am almost sorry about both at this late time of the year.

I am going to miss Ken. We served on House Administration together, housekeeping for this place, and Ken showed an awful lot in the way of responsibility and levelheadedness to us all. He has been right there beside me in voting to help the workingman. And of course, his work on Public Works is evidenced in beautiful Federal buildings throughout the District of Columbia and the United States.

But the thing I will miss most about Ken Gray is not his levelheadedness, or his steadfastness, or his industry. No; the thing I will miss most about Ken is his wardrobe. I have seen only one person who dresses better than Ken—Doc Severinsen, who plays the trumpet on the "Tonight" show.

Actually, the thing that I am going to miss most about Ken is his intelligence. After all, he is retiring, is he not?

FREE MARKET PRACTICES

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. YOUNG of Illinois. Mr. Speaker, it has been fashionable for many persons to call for the resignation of Secretary Butz who has been trying to change over Government-controlled agricultural marketing practices to free-market practices. Recent polls of farmers indicate they like Butz's policies. Many agricultural decisions are tough ones to make, but Secretary Butz has not been afraid to lay out the facts and make a decision. What is more important, he is willing to reaffirm that decision and to hold fast to the decision he feels is right.

The latest example we have of this is the USDA ruling not to raise the minimum floor prices for fluid milk prices paid to farmers under the Nation's 61 Federal milk marketing orders.

The USDA decision was first announced on November 13 of this year. It was based on evidence presented at a public hearing in Rosemont, Ill., on October 8–10. There is no way this could be called a hasty decision.

What the evidence presented at Rosemont showed was that under current pricing procedures, the price has been strenghtening since midyear, and further seasonal price increases are expected during the rest of 1974 and into early 1975.

Milk production has been increasing. Milk consumption has been decreasing. As a result, more milk is going into manufacturing processes. The public, through Commodity Credit Corporation purchases, has been buying additional quantities of nonfat dry milk and cheese under the price support program.

There is no ceiling on prices farmers receive through the Federal milk marketing order program. Dairy farmers are free to negotiate for prices above the minimum prices set by the orders.

The Secretary of Agriculture is to be commended for sticking to his earlier decision. We need more frugal actions of this kind in the arena of public spending.

INTEREST INCOME EXEMPTION MEASURE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, among the many measures proposed for dealing with the current economic "crunch," I strongly believe that the interest income exemption measure which I cosponsored along with a number of my colleagues is critically needed if we are to create a favorable climate to bring about a much-needed economic upswing in the housing industry.

Because of the key economic role the housing industry plays in my own area of northern California, there is a great deal of interest in and support for the interest income exemption measure as one means of pumping money back in the housing and mortgage money markets, and I will be working with my colleagues for priority consideration of this measure at the earliest possible date as we begin the 94th Congress.

Keynoting the importance of this legislation to the housing industry in northern California and throughout the Nation is a recent editorial published in the Ukiah, Calif. Daily Journal, a leading newspaper in my area, which I submit for consideration by my colleagues.

The editorial follows:

EXEMPTION WOULD REWARD THRIFTY

The bugaboo of "stagflation," the paradox of a continuing inflation spiral during a period of economic recession, has been designated by President Ford and most of the successful candidates in this month's elections as the nation's top priority problem.

Congress, then, now that its members have returned to work, should look with favor on proposed legislation which could strike a blow at both soaring living costs and a mounting unemployment rate.

The House Ways and Means Committee already has given its approval to a plan to exempt from federal income taxes the first $500 of savings interest earned by individuals. The exclusion on a joint return would be $1,000.

The twin goals make sense—to encourage the savings that finance new construction mortgages and to promote the thrift to take the steam out of inflation.

The United States League of Savings Associations, which has an admitted self-interest in the proposal, estimates that the legislation could influence a net increase of more than $40 billion in deposits with banks, savings and loan institutions and credit unions.

Roughly half of that amount would be available for mortgage loans—enough, according to some noted economists, to finance construction of 300,000 residential housing units and provide half a million jobs in the construction industry and among the industry's suppliers.

The Treasury Department, not surprisingly, perhaps, has mounted the only significant objections to the plan, pointing out that the anticipated $1.8 billion dent in federal revenues could distort fiscal budgets.

But there is a good possibility that the negative impact on the Treasury would be offset by the increased activity in the housing market. Unemployed construction workers would be returned to payrolls and tax rolls. The economic stimulus would be felt at all economic levels.

Furthermore, the interest tax exemption will be considered in all probability as part of a tax reform package which could include compensating features—revisions in oil industry taxing policies, perhaps.

The plan is simple and readily understandable and promises a prompt shot in the arm to a vital sector of the national economy. It merits the immediate attention of our returning lawmakers.

JOINT ECONOMIC COMMITTEE HEARINGS ON FOOD PRICES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. ROSENTHAL. Mr. Speaker, yesterday I testified before the Joint Economic Committee on the subject of high food prices. I have become increasingly concerned by the trend toward economic concentration in all sectors of our food industry, particularly retailing and grocery manufacturing. Increasing market power by fewer and fewer large food firms has been a major contributor to spiralling food prices and shortages.

We must take appropriate action to reorganize the Federal regulatory structure dealing with our food problems. And the Justice Department and FTC must initiate antitrust enforcement actions to break up food chains with excessive market power.

In recognition of the severity and gravity of this problem, I would like to insert my testimony at this point in the RECORD:

TESTIMONY OF CONGRESSMAN BENJAMIN S. ROSENTHAL

I appreciate the opportunity to testify before this distinguished committee on the subject of food prices and I congratulate you on holding these most timely and important hearings. I asked to testify, Mr. Chairman, because I believe that we are facing an extraordinary national emergency in the price and availability of food and that unless dramatic solutions are immediately forthcoming, the results could be catastrophic for our country. I also believe that it must be the Congress that takes the lead in stimulating the kind of policies that are necessary to deal with the food crisis.

Beyond the fact that I am a consumer and a Member of Congress with a consumer-oriented, urban constituency, these hearings are of special interest to me because from late 1964 to mid-1966, I was a member of the National Commission on Food Marketing, which studied the marketing structure of the food industry, from farmer to consumer.

The Commission's final report was, in my judgment, the most comprehensive and potentially useful document ever produced on the nation's ailing food industry. Some have suggested that it uncannily foresaw today's crisis in the cost and supply of food. Others argue that the report's timeliness is due to the fact that the failure of our nation's food policy in the mid 60's, was not really dissimilar to the failure we are experiencing now.

Either way, the significant fact is that the crisis in our food marketing system is destined to worsen or at least repeat itself unless the major findings and recommendations of the Food Marketing Commission—virtually ignored until now—are implemented.

If we are to solve our nation's food problems it is essential that we halt and ultimately reverse what the Commission described as the increasingly dangerous trend toward economic concentration in all segments of the food industry. We must also react affirmatively to the Commission's recognition of the need for a major realignment of the federal regulatory structure governing the food industry.

It has always been my belief, Mr. Chairman, that "organization makes policy". It was largely a failure of structure and organization that was responsible for the federal government's inaction in the face of an impending energy crisis. Now, of course, Congress has created a new federal energy structure in the form of a Federal Energy Administration and an Energy Research and Development Administration. These organizational changes in the energy field are important in the context of these hearings on food prices, because I believe there are some interesting parallels between our energy price and supply problems and those in the food arena.

In 1970, the four largest oil companies accounted for almost 60% of total U.S. petroleum sales. Today's oil crisis is the inevitable result of this vast concentration of economic power, where a handful of multi-national firms control the movement of oil from the well head to the gas pump and, thereby, manipulate supplies and administer prices. This enormous concentration of economic power is at least as responsible for the high price of petroleum as the oil embargo and the outrageously high price of foreign crude.

But if American energy consumers are being victimized by a lack of competition in the oil industry, then American food consumers are equally the victims of that same economic phenomenon in the food industry. Oil embargoes and crop destruction aside, a major if not the primary, cause of high prices and short supplies in both the energy and food areas, is the growing market power of fewer and fewer firms.

Mr. Chairman, I do not intend to take up the Committee's time by citing previously submitted evidence of monopoly power and economic concentration in the food industry. We know that between 1963 and 1972, close to 10,000 food and related products processing plants have disappeared. We know that since 1966, horizontal, vertical and conglomerate mergers have hit the food industry at an unprecedented rate. During 1955 to 1970, the estimated mergers in the food manufacturing industry totalled 1,333 and the annual rate of acquisitions increased by nearly 250%. But the decline in the number of grocery manufacturing firms is only part of the problem. Equally important is the expanding volume of business increasingly concentrated in but a few of the largest remaining firms. In 1950, for example, the top 50 grocery firms accounted for 42% of total assets in the food manufacturing industries. By 1966, the top 50 firms accounted for 52% of total assets and since 1966 the concentration of assets has become even more pronounced.

But, I am particularly concerned, Mr. Chairman, over the increasing concentration of both purchasing power and selling power by food retailers. In 1966, the Food Marketing Commission reported that "the increasing market orientation of the food industry and the changes in the organization of buying have transferred market power from processors and manufacturers to retailers. Prospective developments in the industry are likely to further enhance their position. Increasing concentration of purchases restricts the alternatives open to suppliers, stimulates compensating concentration on their part and weakens the effectiveness of competition as a self-regulating device throughout the industry."

The increasing market power of supermarket chains nationally and in various localities across the country is, in my opinion, the leading cause of higher food prices to consumers.

A revealing Census Bureau study completed in 1967 and soon to be updated, shows, for example, that between 1954 and 1967, the nation's four largest grocery firms increased their share of the total retail food market 6%—from 45% in 1954 to 51% in 1957. This trend is continuing. The same study shows that in 1963, the 32 largest grocery firms controlled 34.5% of total grocery sales nationally. By 1967, the 39 largest firms controlled 36.2% of total national sales. The Census study also shows, finally, that in 1963, 14,464 supermarket outlets with business of one million dollars or more a year accoutned for 50.3% of total. U.S food sales. By 1967, 19,000 such establishments accounted for 59.2% of total grocery store sales throughout America.

All available evidence points to a continuation of this trend toward the concentration of market power in fewer and fewer large firms.

Increased market concentration in the supermarket industry, while a growing problem on a national basis, is especially severe in certain local markets. In the District of Columbia and its suburbs, for example, the four largest chains—Safeway, Giant, A&P, and Grand Union—had 56% of the retail food dollar in 1954. By 1970, their share increased to 70%. It is still increasing. Is it any wonder that consumers in the nation's capital pay some of the highest food prices in the nation.

What is particularly interesting and important, Mr. Chairman, is that in those localities where a supermarket chain enjoys a high market position, their price mark-ups are higher than in low market localities and their profits are often 60% higher than the chain's average. As a consequence, consumers in localities where a supermarket has a monopoly or oligopoly position, actually subsidizes store operations in localities of low market concentration. And, of course, competitors suffer in both localities: those competing in the high market area simply can't cope with the economic power and those in the low market area are actually competing against profits made by stores hundreds or thousands of miles away.

But if increasing economic concentration in supermarket sales to consumers is a problem, then growing concentration in their purchases of food from suppliers should be of equal concern. Vertical integration by retailers—which is the process by which a company engaged in one phase of an industry enters another—is becoming an increasing problem. In testimony before the Monopoly Subcommittee of the Senate Select Committee on Small Business in December of 1973, the Food Action Campaign said that "there is no more reason why DelMonte should grow, transport, process, and market vegetables than why Exxon should drill, refine, transport and market oil. Both unfairly compete with smaller, more efficient independent producers and both raise prices for consumers." The Food Action Campaign went on to report that "already, nearly a fourth of total U.S. agricultural production is vertically integrated."

An additional factor that has increased the ability of the large supermarket chains to dictate food prices, quality and quantity, is the success of private label brand sales. Private label sales now account for between 15% to 25% of total grocery store sales and their popularity as lower-cost, but equal-quality substitutes for national brands continues to grow. But it is an interesting indication of the increasing economic power of the large supermarket chains that the price spread between private store brands and nationally advertised brands has shrunk dramatically. In 1962, the average price differential was 15%. In 1972, it was 8.9%—a decline of 40%. It has also been reported to me that some private brands are now selling for as much as or more than national brands.

Before I recommend a course of action to this distinguished committee, Mr. Chairman, I would like to touch for a moment on the unsatisfactory way in which the federal regulatory apparatus deals with the issue of food safety. I do so in the context of this committee's concern over food prices, because price and quality are interrelated and because it strengthens my argument for a complete overhaul in the organizational arrangements by which the federal government regulates the nation's food marketing system.

In July of this year, the General Accounting Office issued a little noticed report aimed at assessing the extent of salmonella contamination of raw meat and poultry products. Salmonella, of course, is a bacteria whose presence often causes food poisoning and communicable infections which are potentially dangerous, some even resulting in death. Two million cases of salmonella contamination occur annually in our country and result in medical payments and lost working days costing at least three hundred million dollars. Although the incidence of this infection and its costs, both human and economic, are not trivial matters, the Food and Drug Administration and the Department of Agriculture have largely ignored the startling findings of the GAO investigation.

In November 1972, at the General Accounting Office's request, the Food and Drug Administration conducted a study of the extent of salmonella contamination of meat and poultry products in retail stores in ten metropolitan areas, where about 23% of the nation's population resides. Laboratory analysis of those samples indicated that 17% were contaminated—31% of the chicken, 15% of the pork, 11% of the lamb, and 10% of the turkey. Other studies conducted in individual cities have found a much higher incidence of salmonella contamination, especially for poultry products, ranging from a low of 17% of tested samples to a high of 50%.

In its report, the GAO urged a specific course of remedial action on the FDA and USDA which have regulatory responsibility for preventing food contamination. The responses have been half-hearted at best. GAO's principal recommendations focused on two areas: data gathering and consumer education. With respect to data gathering efforts, the GAO recommended that FDA and USDA cooperate in establishing a program to monitor the extent of salmonella contamination at the retail level. The GAO declared that such information would be useful in determining whether or not federal programs to control salmonella contamination are having any impact. Both HEW and USDA have indicated reluctance to increase their activities in this area.

GAO's report also urged an intensified consumer education program aimed specifically at certain susceptible target groups, as being among the most important and cost-effective steps that can be taken to avoid food poisoning. Both agencies have resisted the idea of educational efforts directed specifically at the salmonella problem. And, in fact, whereas the GAO study indicated that the elderly population was most uninformed about salmonella-related health hazards, USDA's major educational campaign for 1975–1976 is directed toward the junior high schools.

Mr. Chairman, the alarming increase in economic concentration throughout the food industry (including the growth of corporate agriculture and accompanying demise of small family farming) and the evidence of continuing health-related food hazards, have gone virtually unchallenged by the federal government. Unless we recognize that the nation's food crisis demands the same massive commitment that we have directed toward our energy problems, this nation is courting disaster.

I find alarming, Mr. Chairman, the Administration's blase, "business as usual" approach to the food crisis and, with the exception of this committee, Congress' lack of attention to this enormous problem. Accordingly, I would urge this Committee to continue its work and lend its weight to the following recommendations:

(1) That the Antitrust Division of the Department of Justice and the Bureau of Competition of the Federal Trade Commission immediately initiate anti-trust enforcement actions to break up food chains that exercise excessive market power in restraint of trade, nationally or in local markets. And that similar anti-trust action be directed against agri-business interests and food middlemen. I believe that there is already sufficient evidence to justify such a course of action on a massive scale.

(2) That the Congress reestablish the National Commission on Food Marketing for the expressed purpose of recommending organizational and policy changes at the federal level designed to increase competition in all segments of the food industry and designed to guarantee an abundant food supply at reasonable prices to consumers and a fair profit to farmers.

(3) That Congress enact legislation requiring that there be a direct relationship between farm prices and retail prices. The law of supply and demand has been effectively repealed by the market power and merchandizing techniques of oligopolistic middlemen and retailers.

(4) That Congress enact legislation to control the export of food commodities in short supply in the United States and to establish a strategic grain reserve; and

(5) That the Criminal Division of the Justice Department, through its organized crime strike forces, investigate reports presented to this Committee of illegal activities in the food industry and leading to higher consumer prices in New York and other major cities.

TRIBUTE TO THE HONORABLE HAROLD R. COLLIER

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I was elected to Congress in a special election in 1963 and took my seat on November 26, the day before Thanksgiving. That evening, at a local restaurant, I was greeted by a very warm and cordial person who introduced himself as HAROLD COLLIER, of Illinois. This made a great impression upon me to think that someone would go out of their way to make you feel welcome and to extend to you a helping hand.

This type of friendship has characterized HAROLD COLLIER throughout my 11 years in Congress, and I consider him one of my warm and personal friends.

One of his greatest characteristics is his great sense of humor, and no matter how tough things might be, he would always come up with a humorous remark to help break the tension of the event.

Those who have served with him on the Ways and Means Committee say he possesses a keen intellect and a profound knowledge of the tax laws of this country. With men like HAROLD COLLIER on the Ways and Means Committee, you certainly can feel secure in the fact that no impossible tax schemes could be put before the Congress.

As we all go through life, it is our pleasure to meet people for whom we learn to have a genuine liking, and whom you admire and respect. Such a person is HAROLD COLLIER. He certainly will be missed in the Congress, and I want to join his many friends in wishing him a long and happy retirement.

GILMAN SEEKS FREEDOM FOR SOVIET JEWS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. GILMAN. Mr Speaker, today, members of the New York congressional delegation were privileged to meet with Mrs. Bronia Chernoglaz, the wife of an imprisoned Soviet Jew, and Mr. Aharon Shpilberg, who was recently released after 3 years of incarceration in a Soviet prison.

Our meeting demonstrates our concern and interest in the fight for the freedom of emigration of all Soviet Jewry. Jews in the Soviet Union have been denied the most basic human rights, including the right to emigrate, the right to worship, and the right to live as Jews.

David Chernoglaz is a young agronomist from Leningrad who was sentenced almost 5 years ago to imprisonment for alleged "anti-Soviet propaganda." He is now incarcerated in Vladimir Prison near Moscow, living in conditions so inhumane as to threaten his health and his very life.

His wife, Bronia Chernoglaz, succeeded in emigrating to Israel, along with their young daughter, subsequent to David's imprisonment and is now engaged in a campaign to obtain his release. He has not received her letters, to which he is entitled, and no communication with him has been successful in recent months.

In September, when I joined with 10 other New York Congressmen in adopting "prisoners of conscience" as part of a national campaign to focus attention on the plight of Soviet Jewry, I "adopted" David Chernoglaz as my prisoner.

My efforts to obtain information about him from Soviet authorities, and to communicate with him at Vladimir prison, have been fruitless.

Also meeting with our congressional delegation was Aharon Shpilberg, a former Prisoner of Conscience, who spent more than 3 years in Soviet prison camps for alleged anti-Soviet activities, and who has been traveling around the world since his release describing the harassment of those seeking emigration and the severe conditions in these prisons. He has been trying to spur world action to alleviate the plight of our brethren in the Soviet Union.

Mr. Speaker, we cannot let these cries for help go unheeded. The recent agreement announced between our Nation and the Soviet Union, while it contains the promise to give "sympathetic consideration" to the release of these imprisoned citizens, makes no such promise in concrete terms. In short, to rely on mere sympathy is to waste our hope.

Accordingly Mr. Speaker, I am circulating the following letter among my colleagues seeking their support in protesting to the Soviet Union the further imprisonment of these "Prisoners of Conscience."

Our colleague, the gentleman from New York, who will be traveling to Moscow in January has agreed to carry with him this formal request to Mr. Breshnev expressing our determination in seeking freedom for Soviet Jewry. I invite all of my colleagues to join in this endeavor.

We must make clear our dedication to the ideals on which our Nation was founded—that as long as freedom is in jeopardy anywhere in the world, it is in danger everywhere.

The letter follows:

TEXT OF LETTER TO MR. BRESHNEV

Hon. LEONID BRESHNEV,
Chairman, Union of Socialist Soviet Republic, Moscow, Soviet Union.

DEAR CHAIRMAN BRESHNEV: We, the undersigned members of the United States House of Representatives, view with growing alarm and concern the continuation of the policy of harassment and oppression against Jewish citizens of the Soviet Union.

More than 30 Soviet Jews are now imprisoned primarily because they sought to emigrate to Israel. They are living in the most barbarous, inhumane conditions; in many cases at great peril to their health, welfare, and even their lives.

In the past year substantial progress has been made towards improving relations between the United States and the Soviet Union. Indeed, your government promised, in an exchange of correspondence with Secretary of State Kissinger, to give "sympathetic consideration" to the plight of these imprisoned citizens.

The cause of Soviet-American relations would be greatly enhanced by the gesture of releasing these prisoners and permitting them to emigrate to Israel. In the interest of pursuing a new era of relations for our two nations, we urge you to undertake this humanitarian course of action.

To do so would not only strike a blow for human freedom and dignity, but for peace and understanding among all the nations of the world.

Thank you for your kind attention.

TRIBUTE TO H. R. GROSS

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, when all the tributes to H. R. Gross as the effective watchdog of the Treausry are through, there still remains the great contribution which the gentleman from Iowa has made to the conduct of business in this Chamber. H. R. Gross has saved billions of tax dollars during a distinguished 26-year congressional tenure. His wit and humor both enlivened debate and sharpened the issues before the Members.

His most enduring testament may yet prove to be the impact which he has had on the legislative capacity of his colleagues. Though the familiar "objector" may be gone, others who have admiringly observed his style are now prepared to recognize the sloppy phrasing and the unwarranted authorizations which became his trademark. We have all become more proficient in our tasks both in committee and on the floor under the tutelage of the master from Iowa.

All the skills of those taxpayer champions who serve in the next Congress will be required to recapturre congressional control over our unwieldy and engorged Federal budget. That the situation is not worse is to the credit of H. R. Gross, but on every side we see mounting evidence that our escalating spending is threatening the basic ability of Congress to provide effective oversight. The challenge ahead is formidable indeed. Without H. R.'s expert preparation, our chances for success in controlling spending decisions would be significantly less.

HON. LESLIE C. ARENDS

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GROSS. Mr. Speaker, it is with highly mixed emotions that I comment on the retirement from Congress of Les Arends, my friend and neighbor from Illinois.

I am glad Les is retiring for he has labored long and arduously in the vineyard of the legislative process of the House of Representatives and he is entitled to a respite for what remains to him of his time on this Earth.

But I am made sad by the fact that he is the last of the Republican stalwarts who four decades ago were fighting to preserve the constitutional Government and its precious freedoms.

Les has been the Republican whip in the House for more years than I care to count. As such, it was his duty to marshall the Republican Members with the greatest possible unity either for or against legislative issues and procedures. Never, in my experience, did he use the "lash" of his "whip." Rather did he use his unusual power of reason.

Les Arends is a gentleman in every sense of the word. It has been my privilege to serve with him through the 26 years I have been in Congress. Whenever and wherever men gather to discuss the last 40 years of the history of Congress he will be remembered with esteem and affection.

I join with my colleagues, both Republican and Democrat, in wishing both Les and Mrs. Arends many years of good health and happiness in their abundantly deserved retirement.

THE CRISIS IS THAT NO ONE BELIEVES IT

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, over the past few years, many of us in the Congress have been actively searching for effective solutions to our energy problems. Strangely enough, we began to make some real progress during this past year, which for many Americans was a period of real crisis marked by long gasoline lines, fuel shortages, and higher fuel prices.

I, for one, believe that the Congress and the administration were able to make significant progress toward expanding our inventory of energy resources and energy research, because the public's sense of urgency over the shortages of last winter "sent a signal" to Washington that could not be ignored.

As a result, Mr. Speaker, major actions were taken by both the Congress and the President to spur the research, development, and production of conventional fossil fuels and new energy sources; to encourage energy conservation; and to develop modern energy-efficient transportation systems.

Now, a year later, energy supplies have become more plentiful, fuel prices are gradually coming down and there is strong evidence that America may be returning to "business as usual"—the old pattern of excessive energy consumption. As a result, the sense of urgency is giving way to a feeling of complacency that America's energy problems are over and a sense of suspicion that maybe our energy problems were either overstated or contrived.

The following editorial, which was published recently in the Eureka, Calif. Times-Standard, a leading newspaper in northern California, clearly and concisely addresses this question, and points out the need for the public and private sectors to exert new leadership in this area. I submit it to my colleagues for consideration, in the hope that a renewed commitment to energy problem-solving will be among the highest priorities when we return in January:

THE CRISIS IS THAT NO ONE BELIEVES IT

Is there an energy crisis or isn't there? Or was there ever one?

A survey last summer by the Federal Energy Administration found that 90 per cent of the people queried felt the energy crisis was either over, nonexistent or manufactured by the oil companies.

Arthur F. Burns, chairman of the Federal Reserve Board, is among those who believe that drastic measures are needed to make Americans realize that there is, indeed, an energy crisis. Charging that President Ford's reliance on voluntary conservation is bound to prove inadequate, he calls for "a sizable tax on gasoline, or on imported oil or on automobiles according to their weight or horsepower" to discourage U.S. consumption of oil.

The energy crisis has "never been more serious," says William W. Boeschenstein, president of Owens-Corning Fiberglas Corp.

He recently called upon the nation's architects, engineers and professionals in related fields to "alert the American people to the reality of the situation and mobilize them to take immediate defensive measures."

Boeschenstein spoke at the third Owens-Corning Energy Conservation Awards dinner, the finale of an annual competition that recognizes architects, engineers and owners of buildings who have made advances in conserving energy.

On the one hand, there are grounds for confidence, he said. The nation's total use of energy is projected to decline this year for the first time since 1958.

But the negative side of the picture may well be stronger: Demand for imported oil began to swing upward again in September and consumption of motor gasoline is running 25 to 30 per cent ahead of last winter.

The technology needed to do the job is already in existence, said Boeschenstein. What is lacking is a sense of urgency, and the only ones who can create it are those who understand the problem—"who have a practical working knowledge of how bad things really are."

Significantly, however, for the first time in the history of the awards, the judges found no winners in the industrial and commercial building design categories, which account for 70 per cent of the energy consumed in the United States.

If those who know "how bad things really are" are not yet possessed by a sense of urgency, little wonder that the rest of the population is going about the business of energy consumption pretty much as usual.

HON. LES ARENDS

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ESHLEMAN. Mr. Speaker, I want to join my colleagues in expressing appreciation for all of Les Arends' contributions to the Congress and the country. His talents as a legislator and leader will be remembered by all of us who served with him, and his 40 years on Capitol Hill will stand as a symbol of legislative leadership for generations of Representatives to come.

One of the talents we recognized in Les was his ability to heal the wounds that sometimes result from bitter legislative and political battles. I remember fondly his visit to my district soon after my first primary campaign for Congress where I had emerged victorious but where intraparty wounds were still visible. Les came to speak to a political dinner to help me by helping assure that the wounds of the primary fight would not hurt us in November.

That is his way of doing things—to step into the middle of a tough situation and through participation help improve that situation. Time and again, we saw him on the House floor working to find acceptable compromises in controversial matters. Time and again, his leadership helped break deadlocks and move important legislation forward. He could do this because even those who found themselves on opposite sides of most issues from Les knew that he was a foe that could be trusted and, therefore, respected.

It is that capacity for legislative leadership that will be missed by the Congress. Those of us who are his friends will miss him because he is someone we could count on for help when the going got rough. Most of all, the country will miss his responsible and responsive voice of reason.

HANDICAPPED AND EMPLOYMENT

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. O'BRIEN. Mr. Speaker, I would like to share with my colleagues an article entitled "Disabled Employment Opportunities: Past, Present and Future," appearing in the October 1974 issue of Social and Rehabilitation Record, the official periodical of the Social and Rehabilitation Service, Department of Health, Education, and Welfare.

The article, written by James S. Jeffers, Special Assistant to the Administrator of the Social and Rehabilitation Service, details many of the barriers to employment experienced by handicapped persons. Although it is forthright in presenting these barriers, it sheds light on the current activities which are being pursued by Federal, State, and local governments, private and public organizations, and handicapped individuals to address the entire spectrum of the rights and privileges of our handicapped citizens.

I was particularly proud to find reference in the article to the leadership role played by the State of Illinois in this most vital area. While serving as a representative in the Illinois General Assembly, I had the privilege of working with Jim and being involved not only in our precedent-setting constitutional article for the handicapped, but also in supporting the Equal Opportunities for the Handicapped Act and other legislative initiatives which seek to guarantee to handicapped persons the same rights and privileges we all enjoy.

Mr. Speaker, I would like to insert this article and urge my colleagues to continue their support of this effort, so that we will not find ourselves grappling with the future shock of complete equality of opportunity for handicapped individuals. Let us continue instead to provide the leadership and support which is required.

The article follows:

Disabled Employment Opportunities: Past, Present, and Future

(By James S. Jeffers)

("Employment is nature's physician, and is essential to human happiness."—Galen)

Gainful employment is viewed as one of the major criteria by which persons in our society are judged as useful, productive, and functional. The unemployed, for one or a combination of many reasons, inherit a social stigma which denies them equality of opportunity and social acceptability.

The reasons for unemployment are many and varied. Our economic system is so structured that at any given time a certain percentage of our population will be unemployed. Acceptable levels, heretofore, have been between 4 and 6 percent of the available workforce. However, the percentage is directly dependent upon many variables associated with the Nation's economic structure.

In addition to the external causes of unemployment, there are factors specific to institutions and individuals. For instance, discrimination of persons on the basis of sex could be considered an institutional variable. Inability of an individual to compete in terms of intellectual capacity or individual motivation could be viewed as individual causal factors.

There are segments of society which historically have been excluded from the job market for no apparent pragmatic reason. Discrimination based upon a person's race, creed, color, or national origin is a case in point.

In addition, there has evolved a particular and unique segment of society that has experienced this discriminatory action. Although only recently visible, this segment has existed since the beginning of mankind. In building the Egyptian pyramids, "defective" individuals were summarily exterminated due to their inability to compete on an equal plane with their "able-bodied" compatriots. Since the days of the pharaohs, society has progressed to the extent that extermination is viewed as unacceptable. However, discrimination, fear, humiliation, and patronization have replaced extermination as a means of denying handicapped persons dignity and a chance at being contributing members of society.

Severe barriers to employment exist in society today for persons having physical or mental disabilities. They range from those of architecture which prohibit handicapped persons from negotiating the physical plant to those of attitudes which are manifested in an unwillingness on the part of the employer to view handicapped persons as functional human beings with skills and knowledge to contribute to a program or organization.

There are numerous reasons given by employers for not hiring handicapped individuals. Here are some of them:

There is the initial emotional shock experienced by employers when meeting a handicapped applicant. Seeing a physically handicapped individual is often disturbing or depressing for some persons. In his book, *Stigma*, Erving Goffman elaborates on the differentiation in attitudes toward persons with visible and those with nonvisible disabilities.

Employers often maintain that physically handicapped persons produce less and thus constitute an economic liability for any organization. This is, in fact, a falsehood which has been methodically and vigorously proven as such. However, it remains extremely difficult to convince prospective employers of that fact.

Many employers maintain that physically disabled persons are more likely to be accident prone. Employers offer the excuse that if an accident occurs, the organization will of necessity bear the compensation costs for the current injury, as well as costs related to the previous disability.

Employers state that employment of handicapped individuals will increase their insurance rates. Prospective disabled job applicants are often told that group insurance rates will be increased. The California Governor's Committee on Employment of the Handicapped has recently conducted a nationwide survey of insurance companies concerning this allegation. That study concluded that major insurers do not increase rates for handicapped employees and do not penalize employers for hiring handicapped individuals.

Employers maintain that architectural barriers and facility modification costs are negative factors in hiring handicapped persons.

Management believes that special considerations that are necessarily given to the handicapped, such as parking facilities near the entrance or a desk near the restroom and exit, will impair morale and performance of able-bodied employees. They also fear that other employees will be ill-at-ease with the physically handicapped person working near them. The idea is that, "My God, this could actually happen to me!" Fear tends to generate illogical and disordinate mental patterns.

Management believes that even if the handicapped individual has been employed, he will prove less satisfactory than an able-bodied employee because of nervousness and depression which seems to be construed as a unique characteristic of handicapped individuals.

The above listing details but a few of the "justified" reasons espoused by certain employers with respect to not employing handicapped individuals. Many of these allegations have been proven false, while many do not warrant attention as viable and serious objections.

Although substantial barriers have and continue to exist for handicapped persons in seeking employment, there is a viable and forceful effort being conducted to remove all barriers to employment and to make an affirmative effort to expand employment opportunities for handicapped individuals. The Rehabilitation Act of 1973 contains several provisions designed to obtain the goal of equal employment opportunities for the handicapped.

The Interagency Committee on Handicapped Employees (ICHE) established in Section 501 of the Act is aggressively embarking upon a program of increased employment opportunities for the handicapped in the federal service. This committee, cochaired by the Secretary of Health, Education, and Welfare and the Chairman of the Civil Service Commission, is designing the mechanisms necessary to facilitate the hiring, placement, and advancement of handicapped persons.

As required under the Act, agencies of the Federal Government have designed and submitted affirmative action program plans for the hiring, placement, and advancement of handicapped individuals in their agencies to the Civil Service Commission and the ICHE. These affirmative action plans will be closely monitored and evaluated with regard to performance levels and implementation.

Additionally, the ICHE has adopted a set of goals and objectives which, when realized, will address the comprehensive employment opportunities for handicapped persons. These goals and objectives include:

Providing a focus for increased employment in federal service for handicapped individuals by establishing a common and functional definition of "handicapped individual" for the purposes of federal employment; establishing standards for evaluating and approving agency affirmative action program plans and the practices and achievements in effectively implementing those plans; providing for a suitable and feasible information system for the collection of data regarding the employment of handicapped individuals; and initiating a review of existing federal employment practices and procedures, and making recommendations deemed necessary or desirable to facilitate the employment of the handicapped; and

Assuring an equitable, suitable, and functional environment for the employment of handicapped individuals in federal service by consulting with the Architectural and Transportation Barriers Compliance Board to assure that all facilities that house federal employees comply with the architectural accessibility provisions contained in the Architectural Barriers Act of 1968 (P.L. 90–480) as amended; identifying the transportation problems of handicapped individuals, as those problems impair their employability; promoting educational mechanisms necessary for overcoming attitudinal barriers which adversely affect the employment of handicapped persons; and focusing attention on the development of the maximum potential of handicapped individuals in employment, including, where appropriate, such consideration as job restructuring, use of assistive devices, employment of disabled veterans, and other aspects of job accommodations.

The Social and Rehabilitation Service has continued this general policy direction by requiring State affirmative action program plans for all State agencies participating in the Federal-State rehabilitation program. This regulatory action will require that State rehabilitation agencies develop aggressive affirmative action plans for the advancement of employment opportunities for handicapped persons. It is hoped that this activity will serve as a model for other State agencies to develop similar plans. One State, Illinois, has passed a statute similar to the federal provision establishing in ICHE and requiring affirmative action program plans of all agencies within the jurisdiction of the executive branch of the State government. This activity in State action seems likely to continue as the federal program moves forward.

Two additional provisions of the Act, Sections 503 and 504, address the issue of increased employment opportunities for handicapped persons. Section 503 provides that: "Any contract in excess of $2500 entered into by any Federal department or agency for procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract, the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals."

Regulations implementing the provision have been proposed by the Department of Labor. They provide that:

All nonexempt contracts and subcontracts which provide for performance in less than 90 days and exceed $2500 must include a nondiscrimination provision and affirmative action clause in the contract.

All nonexempt contracts and subcontracts which provide for performance in 90 days or more and the amount of the contract or subcontract is less than $500,000 must include a nondiscrimination provision and affirmative action clause in the contract and must establish an affirmative action program in order to comply.

All contracts and subcontracts which provide for performance in 90 days or more and the amount of the contract or subcontract is $500,000 or more must include a nondiscrimination provision and affirmative action clause in the contract and must develop and submit a copy of the affirmative action program to the Assistant Secretary for Employment Standards, Department of Labor, within 90 days subsequent to the award.

The regulations include suggested affirmative action policy steps to be undertaken by the contractor and include procedures for filing complaints by handicapped individuals and procedures to act upon and resolve those complaints.

Section 504 of the Act provides for additional nondiscrimination provisions for qualified handicapped individuals in participation and benefit of any program or activity receiving federal financial assistance. This would encompass all grants awarded by agencies of the Federal Government. The HEW Office of Civil Rights is currently drafting regulations and procedures to fully implement the provision.

State activities in the area of civil rights for the handicapped have received increased attention over the past several years. Many States have adopted statutory provisions, oftentimes as amendments to Fair Employment Practices Acts, to prohibit discrimination in employment based solely upon a person's physical or mental disability where that disability is not a detrimental factor in performing a particular job.

The State of Illinois, a leader in the area of civil rights for handicapped citizens, has adopted a constitutional provision, Article I, Section 19, guaranteeing the rights of physically and mentally handicapped persons. This constitutional provision was statutorily implemented in 1972 by enactment of the "Equal Opportunities for the Handicapped Act." It guarantees physically and mentally handicapped persons the fullest possible participation in the social and economic life of the State—a right to employment and housing without discrimination "where the reasonable demands of the position do not require such a distinction and the right to purchase or to rent property without discrimination." The Act pertains to employers, labor organizations, government officials, loan companies, banks, corporations, and associations. Nondiscrimination is guaranteed as a constitutional right, and both criminal and civil sanctions are provided to enforce the provision.

Both the Federal Government and States have been addressing the ancillary problems to employment of handicapped persons. The Architectural Barriers Act of 1968 (P.L. 90–480) provides for architectural accessibility to facilities financed in whole or in part by federal moneys. States have adopted similar statutes in statewide building codes to assure access to the handicapped. This effort not only assures that handicapped persons can avail themselves of the goods and services dispersed in these facilities, but also opens up increased employment opportunities by removing the employment barrier of inaccessible buildings.

North Carolina has adopted one of the best and most stringent statewide statutes relative to architectural accessibility for handicapped persons. This Act addresses not only the commercial and retail establishments in the State, but also includes statutory accessibility provisions for residential rental structures. Housing and transportation needs must be viewed as an integral part of any effort to address the employment and social capabilities of handicapped individuals.

The private sector is responding to this increased awareness of the employment potentials of handicapped persons. Many industries and business concerns are, on their own initiative, developing outreach and aggressive employment programs for the handicapped. Sears, Roebuck, and Company has embarked upon a nationwide program to provide increased employment opportunities and a more functional working environment in its organization for handicapped persons. This effort includes architectural design to assure access to all Sears retail outlets, recruitment and outreach programs, and development of selective placement mechanisms to offer opportunities for employment to handicapped persons. This effort is based upon the premise of seeking qualified handicapped persons in order to contribute to the Sears effort—competitive, not sheltered employment.

Other business concerns, such as Woolworth's and Lockheed, have developed increased employment opportunities for the handicapped. As the business community continues to make this transition, more and more business concerns view the hiring of handicapped persons as a wise economic investment. Increased productivity resulting in increased profits has become a great equalizer.

This awareness, concern, and activity involving the employment potentials of handicapped persons has been evolutionary in nature. In the past several years, however, we have witnessed an increased intensity in such areas as civil rights for the handicapped and affirmative action programs to provide equal opportunities, including employment, to handicapped persons.

The new emphasis involving attitudinal change and legal mechanisms will not be an event, but rather a process. As Federal, State, and local governments, private and public organizations, and handicapped individuals continue in the development of these mechanisms, all will benefit from the process and the opportunity this challenge presents.

For the handicapped person, it has been a long time in coming, but the future is now for those who wish to avoid the future shock of complete equality of opportunity for handicapped individuals.

THE FUTURE OF THE OCEANS

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 18, 1974

Mr. METCALF. Mr. President, in this time of acute awareness of this country's stake in the debate over the future of the oceans, many institutions have become increasingly involved with the law of the sea related issues. One of the best known policy research organizations in this field is the Ocean Policy Project of the School of Advanced International Studies, The Johns Hopkins University. Under the leadership of Dean Robert Osgood and Dr. Ann Hollick, the project has provided considerable evidence during its relatively short lifespan of its competence to deal with these affairs.

The Ocean Policy Project recently sponsored a minilaw of the sea conference at Airlie House on the subject "Conflict and Order in Ocean Relations" at which some of the best informed people in this field got together to evaluate the success of the Third U.N. Law of the Sea Conference which met last summer in Caracas and to explore what possibilities lie ahead. The conference lasted 3 days and was attended by 150 participants from more than 20 countries, including such distinguished guests as two of my colleagues in the Senate, Senators PELL and HOLLINGS, the Ambassadors of Iceland, Trinidad, and Tobago, the Canadian Ambassador to Austria as well as our own Ambassador Stevenson, the Deputy Special Assistant John Norton Moore, and many other knowledgeable academicians, diplomats, government officials, students, and others interested in the subject.

While no clear consensus emerged from the conference, it served to aid the participants in focusing on the most important issues before the Third U.N. LOS Conference and evaluating its success to date. The general attitude of the speakers was rather pessimistic as far as an overall negotiated package settlement is concerned, although a few felt there was still hope for such a solution. Others expressed the belief that the LOS Conference might produce a series of limited treaties similar to the 1958 Law of the Sea Conference.

It is not my intention to summarize what was said at the conference. Instead I will briefly mention some of the highlights of a very successful proceeding while, of necessity, having to leave out some very interesting ideas mentioned by other speakers.

Ambassador Arvid Pardo, by many considered the foremost authority on law of the sea issues, was not at all optimistic in his assessment of the Caracas session. In fact, he concluded that the mandate of the conference would not be achieved. Contending that no attempt was made in Caracas to draft a law of the sea suited to contemporary circumstances, Pardo claimed a large part of the work at the conference would be rendered totally irrelevant by the excessive claims likely to be accommodated in the conference outcome. Discussion on rights of transit through straits, for example, was rather pointless since the type of baseline system likely to be adopted will turn most of these international straits into internal waters where rights of transit are more restrictive.

Pardo expressed the belief, however, that some kind of treaty would be adopted, but not in the form of a comprehensive agreement, since most nations are concerned with achieving immediate and rather simple objectives. The resulting treaty would provide exclusively for the protection in ocean space of the interests of major groups of nations, especially coastal nations and more particularly oceanic nations, whether developed or developing.

These interests will center around international recognition of extensive coastal nation jurisdiction in the seas; recognition of the right of coastal countries to exercise comprehensive powers within national jurisdictional areas, and the maintenance of normally unhampered commercial navigation.

Pardo drew five basic and somewhat sobering conclusions about the future treaty based on the work of the LOS Conference thus far: First, the treaty will multiply, not diminish conflicts between States; second, it will increase rather than decrease inequities between nations; third, the division of ocean space among the oceanic countries will be an inevitable—though perhaps delayed—consequence of the future treaty; fourth, the future treaty will hamper, not improve, the possibilities of effective international cooperation in the oceans; and fifth, it will worsen, not improve, the prospects for continuation of essential transnational activities such as scientific research and navigation, or rational exploitation of ocean resources and of the preservation of the marine environment.

Ambassador John Stevenson, the Special Representative of the President to the Law of the Sea Conference and Chairman of the U.S. delegation, was markedly more optimistic than most of the other participants with regard to the achievement of a timely and generally acceptable treaty. Ambassador Stevenson, who as all of you know has testified before a number of Senate committees, based his views on the progress—limited though it was—that was made at Caracas. There was a wide consensus and rapid adoption of rules of procedure and organization, and Ambassador Stevenson argued that indications of progress on the substantive issues also warrant optimism.

More than 100 nations expressed their support for a 12-mile territorial sea and a 200-mile economic zone as the basic parameters of a generally acceptable solution to the question of limits of jurisdiction, provided other isues were comprehensively dealt with. Stevenson also argued that the nature of the general debate at Caracas was both constructive and moderate, despite earlier fears that it might prove otherwise. While agreeing that the Caracas session did not move beyond the preparatory, exploratory stage to actual adoption of treaty texts, Ambassador Stevenson felt that the U.N. timetable of achieving a treaty in 1975 could still be met.

Prof. Gary Knight of Louisiana State University argued that it is now time to start exploring the alternatives to a comprehensive negotiated treaty to provide for the possibility of a failure of the LOS Conference.

Knight suggests that history shows lawlessness need not prevail in the oceans in the absence of a treaty. The customary lawmaking mechanism could serve to reduce conflict potential and bring order to ocean affairs over a period of time. If, through well-considered unilateral actions, customary law processes can be allowed to develop, the oceans will not be left without a legal regime. Knight further argues that the United States could take the lead in developing the international law of the seas through the customary international law process, as the actions of this Government, through legislation and executive actions affecting the oceans, will be keenly observed by members of the international community.

The United States, through its legislative process, must write its legislation wisely so that if it were adopted by other nations in identical or similar form, the new concordant practice of states would form an acceptable international legal framework for the use of ocean space and the exploitation of ocean resources. By structuring domestic legislation to minimize conflict and constitute a desirable pattern for worldwide action, the adverse effects of a failure of the LOS Conference could be ameliorated.

Roger Hansen of the Overseas Development Council discussed the issue of the "north-south split" in the law of the sea debate, analyzing the structure of relationships and the transnational forces for change within the international system.

Joseph Nye of Harvard University discussed the oceans rulemaking in a world politics context. In his interesting paper, Dr. Nye considers the oceans as an issue system and distinguishes major period in term of the predominant regimes.

Economist Richard Cooper of Yale University made in his presentation a compelling case for the rational management of the ocean resources in the interest of fully utilizing benefits from the oceans to the world as a whole and proposed some principles for making the most efficient use of these resources.

Three speakers addressed themselves to regional approaches in the law of the sea. Michael Hardy, legal adviser to the European Communities, discussed the law of the sea from the standpoint of the European community. Francisco Orrego Vicuna, director of studies, Institute of International Studies of the University of Chile, discussed the Latin American approach to LOS and Francis Njenga, counsellor to the Permanent Mission of Kenya to the U.N., addressed himself to the issue from the African point of view.

Time prevents me from summarizing the important points from all the papers. Those interested in this area are advised to obtain a copy of the proceedings when they are published in February. The ocean policy project and Dean Osgood are to be congratulated for bringing together such an impressive group of speakers and for fulfilling a vital role by helping to build and maintain the dialog between policymakers, their interested public, and members of the community at large.

DR. ZELMA GEORGE RETIRES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. STOKES. Mr. Speaker, Dr. Zelma W. George, one of Cleveland's most outstanding citizens, has recently retired from her position as executive director of the Cleveland Job Corps Center for Women. In recognition of her enormous contribution, not only to the Job Corps, but to the overall welfare and reputation of our city, I direct my colleagues attention to the vast talents and energies of this remarkable woman.

Dr. George's life is a record of sterling professional accomplishments coupled with high academic honors. In 1924 she earned a Ph. D. in sociology from the University of Chicago. Nineteen years later, in 1943, she was awared a masters degree in personnel administration from New York University. Just 11 years later she took a second Ph. D. in intercultural relations at New York University.

Throughout her career Dr. George has combined her interest in sociology with her musical talents, taking courses in voice at the American Conservatory of Music and studies in the pipe organ at Northwestern University. Her last doctoral thesis was a "Guide to Negro Music," subtitled "Towards a Sociology of Negro Music." She also holds honorary doctor of letters degrees from Baldwin Wallace and Heidelberg College.

Dr. George began her life-long devotion to the field of social service in 1924 as a caseworker in Evanston, Ill. She later served as a probation officer in Chicago Juvenile Court. Returning to the academic world, Dr. George was the dean of women at Tennessee State University from 1932 to 1937. She went on to found and direct the Avalon Community Center in Los Angeles until 1942. She has been a research fellow of the Rockefeller Foundation, a fellow of the African Studies Association, a star of local opera productions in Cleveland, an instructor in the school of education at Case Western Reserve University, and a lecturer of the Danforth Foundation before assuming her position at the Job Corps in August of 1966. The Job Corps Center is a residential program for 380 young women, offering educational, vocational and family life training and guidance under professional supervision.

In addition to professional work, Dr. George has pursued various cultural and humanitarian interests. She has been an active member of policymaking boards of the YWCA, the National Conference of Christians and Jews, the Girl Scouts, the League of Women Voters, the National Council on Church Women, the Council on Human Relations, the National Scholarship Service, and the Fund for Negro Students. She has been a member of the national advisory board of the United World Federalists, the American Society of African Culture, the Cleveland Council on World Affairs, and the Conference of the Community's Responsibility for the Development of Minority Potential.

Her service to this Nation is documented by a host of top governmental appointments. From 1955 to 1957 she served at the request of the Secretary of Defense as a member of the Defense Advisory Committee on Women in Services. In 1957 Vice President Nixon appointed Dr. George to the Minority Youth Training Incentives Conference. In 1958 President Eisenhower appointed her to the Presidential Committee to Plan the White House Conference on Children and Youth. In 1960 she became a member of the U.S. delegation to the XV General Assembly of the United Nations. In July of 1971 she was confirmed by the Senate as a member of the Corporation for Public Broadcasting.

Dr. George's achievements on an international level include participation in the First World Festival of Negro Arts in 1966 at the invitation of the President of Senegal. She also took part in the Accra Assembly of 1962, and in 1959 completed a 6-month lecture tour around the world as an American specialist on a State Department grant.

Dr. George has been the recipient of numerous awards and citations including the National Association of Negro Business and Professional Women's Clubs, Incorporated Award, the Dag Hammerskjold Award, the Gertrude Hicks Award of the National Association of Colored Women's Clubs, the Role of Honor of the Emancipation Centennial Celebration, the Dahlberg Peace Award of the American Baptist Convention, the Alumnus of the Year Award of the University of Chicago, and the Humanitarian Award of Fisk University.

Her fellow Clevelanders have frequently recognized Dr. George's great works. She was chosen as one of the 10 Men and Women of the Year for 2 consecutive years by the Cleveland Press. She was on the honor roll of "Our Town's Most Important Men and Women" sponsored by the Cleveland News. This year she was radio station WERE's People Power Award winner. In 1971 she was selected as one of the Outstanding Citizens of Cleveland by my brother, former Mayor Carl Stokes and the 175th Anniversary of Cleveland Committee. Upon her retirement Mayor Ralph Perk presented Dr. George a plaque of Appreciation and Outstanding Service to the Community.

On a statewide level Dr. George's contributions have also been recognized. In 1973 she received the Governor's Award for Community Action, and this year Gov. John Gilligan designated December 8 as Zelma George Day.

The true list of all of Dr. Zelma George's outstanding accomplishments is too numerous to mention here. But we can not praise her too highly as Cleveland's leading lady in the area of service to humanity. I know my colleagues will join me in wishing Dr. George every happiness in her retirement.

KEN GRAY

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. SIKES. Mr. Speaker, when KEN GRAY leaves Congress at the close of this session, he will be missed but he will not be forgotten.

For 20 years, KEN has represented the people of his district of Illinois with honor and distinction. His service on the Public Works Committee and on House Administration will be remembered as service with imagination, diligence, dedication and thoughtfulness.

Perhaps the one thing KEN GRAY will be best remembered for is his vigorous support for the plan to convert Washington's Union Station into a Visitor Center. It will preserve an historic and attractive structure and it will provide a long needed service to the millions of people who pour into the Nation's Capital.

But KEN GRAY is more than an idea man. He is a shrewd legislator who knows and practices the art of the possible in passing meaningful laws, and many good pieces of legislation are now law because he has wisely used his abilities as a legislator.

I have know KEN GRAY since he came to us from Illinois twenty years ago. I know of no act he has ever committed which diminished the lustre which surrounds his name. His reputation is outstanding; his honesty above reproach.

It is said that if the people he represents had their way, KEN GRAY would stay on in Washington forever. But he will not have it that way. He has decided that twenty years is enough and that it is time for him to return to his beloved State to enjoy his family and the host of friends he has acquired during his distinguished career.

I join his colleagues in the Congress in wishing him well. For those of us he leaves behind, his departure will mean a loss of a wise and good friend who has earned the respect of everyone in this body.

RESEARCH GRANTS FOR STUDIES OF REGULATION AVAILABLE FROM NATIONAL SCIENCE FOUNDATION

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 18, 1974

Mr. METCALF. Mr. President, I am pleased to note that the National Science Foundation intends to provide up to $1.6 million for applied research on public regulation and economic productivity.

Proposals must be received by NSF by February 19, 1975.

Details are set forth in a program solicitation just issued by NSF. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the program solicitation was ordered to be printed in the RECORD, as follows:

APPLIED RESEARCH ON PUBLIC REGULATION AND ECONOMIC PRODUCTIVITY

SUMMARY

The Division of Advanced Productivity Research and Technology (APRT) of the Research Applications Directorate, National Science Foundation, intends to provide up to $1,600,000 for applied research on public regulation and economic productivity.

The objectives of this program are:

(1) To evaluate the effects of regulation on productivity and other aspects of performance; and

(2) To provide information and analysis that will enable legislators, Federal, state and local regulatory bodies, and industry to increase the overall social effectiveness and equity of regulation.

Proposals are invited from academic institutions, units of State and local governments, nonprofit or profit organizations, or from a combination of these. Each proposal must be addressed to a single category. Proposers may submit in more than one category. It is anticipated that approximately 20 awards will be made covering some or all of the five categories, depending upon the quality of proposals received.

The maximum duration of any project awarded under this Program Solicitation shall not exceed two years. Support will be considered for levels of effort ranging from a total of six professional person-months to four professional person-years.

The research categories under this Program Solicitation are:

(1) Degree and Type of Regulations: identification of the effects, especially upon economic productivity, of regulation; identification and choice of alternative regulatory instruments; development of criteria to assist in determining whether regulation of an activity is warranted.

(2) Organization of the Regulatory Process: institutional structures, organization, and information systems, and their impact upon the effectiveness and efficiency of regulation.

(3) Service and Product Quality: direct and indirect techniques by which service and product quality can be affected by regulation.

(4) Subsidization: techniques for identifying and evaluating the benefits of nonremunerative "public interest" services; effects of regulation upon the level of such services provided; alternative means of financing such services and the consequences of relying upon each.

(5) Pricing Policies: identification of various pricing policies open to regulators; development of techniques for their implementation; measurement of the practical consequences of the choice among such policies.

Proposals must be received by the Central Processing Section, National Science Foundation, by 5 p.m., EST, February 19, 1975.

OBJECTIVES OF AWARDS

While it is traditional to single out the particular group of industries that have been subject to direct, comprehensive, economic regulation as the "regulated industries," all industries are, in a real sense, regulated. The scope of this solicitation is not confined to the traditional regulated industries exclusively but includes consideration of regulatory process as it affects aspects of all industries. All industries are subject to such broad regulatory statutes as the Occupational Safety and Health Act, the Consumer Product Safety Act, and the antitrust laws. This type of regulation can vary widely in scope. In certain cases it can closely resemble that specifically imposed upon the "regulated industries." The controls over oil prices established by the Federal Energy Agency and the recent economy-wide experience with wage and price controls are two illustrative examples. At other times it can be more limited in scope, being confined to the setting of minimum quality standards. However, regardless of the form it takes, such regulation affects the economic incentives facing the regulated firms and, in turn, affects their behavior. At times this alteration in behavior is precisely what the regulation was designed to achieve. In other instances, however, the results produced may run counter to the original intentions. In still other cases the desired results are achieved, but are accompanied by significant unanticipated adverse side effects.

Currently, some question exists whether the benefits produced by regulation are worth the costs. Simultaneously, others suggest that society's ills can only be solved by a substantial increase in the scope of regulation. In this atmosphere it is vital for public policy that much more be known about how–regulation in its various forms influences the behavior of firms. It is particularly important to determine how regulation affects productivity. It is equally important that such information be presented in a form that will be understandable by and of use to relevant decision makers.

A study of regulation and its effect on productivity is important for yet another reason. The industries traditionally known as the "regulated industries" today account for approximately 12 percent of the Gross National Product (GNP). They constitute a rapidly growing sector of the economy. Output in these industries has grown by over 150 percent since 1950, significantly greater than the rate of growth of GNP as a whole. However, the importance of these industries goes far beyond what might be indicated merely by their contribution either to GNP or to the rate of growth of the nation's output. They are the vital intrastructure services—the transportation, telecommunications, natural gas, water, electric and financial services—which permit the economy to function and to transact business efficiently. If these sectors fail to perform well, the effectiveness with which the entire economy functions might be seriously impaired. If they do not make maximum use of opportunites to improve productivity and as a consequence raise prices more than otherwise would be necessary, the inflationary impact will be felt throughout the economy. Consequently, an understanding of how these industries operate and, in particular, of the impact that the scheme of regulation imposed on each has upon its performance is needed.

Therefore, the objectives of the awards to be made under this Program Solicitation will be two-fold:

To evaluate the effects of regulation upon economic productivity and other aspects of performance; and

To provide information and analyses that will enable legislators, Federal, state and local regulatory bodies, and industry to increase the overall social effectiveness and equity of regulation.

While additional research of a more basic and theoretical nature on regulation and its effects on the economy obviously is needed, funding such research is not the purpose of this solicitation. What is sought is research that will be of use to decisionmakers as they grapple with the issues posed by the growing debate over what the future course of regulation ought to be. Consequently, it is desired that proposers give considerable emphasis to the relevance of their research to users and to the communication of results to regulatory commissioners and their staffs, administrative law judges, legislators, and Federal and state executive agencies. It is contemplated that efforts at communication will go beyond the mere publication of research results in professional journals. Proposers should also give consideration to structuring their projects so that useful intermediate-state output can be generated for users. Utilization should be spelled out explicitly in the proposals.

Proposals are being solicited in the following five categories:

Category 1: *Degree and Type of Regulation.* In this category research is sought which will provide practical criteria for deciding when, and if, regulation of an economic activity is warranted and, if so, for choosing among alternative types of regulation. Research should investigate the effects that technological change might have upon this issue. It is conceivable, for example, that technological change might have changed "natural monopolies" into "workably competitive" industries. The reverse is also possible. In certain cases regulation has been proposed as a means of protecting an industry from normal competitive forces to enable it to develop in a manner more in keeping with society's wishes than it otherwise would be able to do.

Research should determine the conditions under which such protection might be justified and should develop objective criteria for evaluating potential cases. Particular attention should be given to research aimed at developing means of measuring the impact of various schemes of regulation upon the productivity of industries and firms that are, or that might be, regulated. Research should suggest and demonstrate the feasibility of techniques for quantifying these long- and short-term consequences of regulation in a manner that will be understandable by and of use to relevant decisionmakers, whether legislators or regulators.

Category 2: *Organization of the Regulatory Process.* The traditional "regulated industries" are regulated by independent, autonomous, politically balanced regulatory commissions. Other schemes of regulation are administered by other types of organizations. Research is needed to address the question of the effect that this choice of organization has upon the effectiveness and efficiency of regulation. Research should examine innovative organizational forms for regulation under different market conditions and the kinds of administrative information systems required for effective regulation. Opportunities created by technological change for improvements in the efficiency of operations of regulatory commissions also should be studied.

Most regulatory commissions employ adversary techniques for generating information. The efficiency of this means of information generation should be examined, innovative alternatives suggested, and their feasibility explored. Research is also needed to investigate possible present and future

Federal-state regulatory conflicts and to explore possibilities for cooperative regulation (e.g. through joint hearings on regional regulatory bodies). Also, the interface between regulatory commissions and the courts deserves study.

Category 3: *Service and Product Quality*. Regulation may be aimed at influencing the quality of a good or service. In its most explicit form such regulation consists of the establishment and enforcement of quality standards. Examples are the U.S. Department of Agriculture meat inspection and the Federal Drug Administration certification of new drugs.* In other instances regulation may consist of a requirement of full and truthful disclosure of the effects of use of a product. Certain of the activities of the Consumer Product Safety Commission and of the Federal Trade Commission are of this type. In still other cases economic regulation of a more traditional sort (e.g. control over pricing and entry) has been justified on the grounds that it is necessary to control practices which, if unchecked, could erode service quality and threaten safety. Examples are Civil Aeronautics Board regulation of airlines and Interstate Commerce Commission regulation of common carrier trucking.*

Research is needed to document the effects that regulation designed to influence service or product quality has had or might have upon the quality actually delivered. This research should not be confined merely to cases where the aim is to have such an influence, but also should include instances where these influences might be unintended side effects of regulation aimed at completely different objectives. Research also should examine possible interactions between price regulation and product or service quality.

Category 4: *Subsidization*. In the traditional "regulated industries", firms are required to provide a certain number of unremunerative, or "public interest," services. This stems from the obligation, implicit in the common carrier concept, to provide service to all who request it. In certain cases these "public interest" services are supported by direct cash subsidies. The more usual case, however, is for support to be provided by indirect, or "internal," subsidies.

Research is needed to develop operational techniques for determining which services are unremunerative at current price levels. Also required are techniques for measuring the long- and short-term benefits generated by the provision of such services at levels beyond which the unregulated market would support.

Methods are also required to evaluate the advantages and disadvantages of relying upon various means of financing these unremunerative services. In particular, the consequences of continued reliance upon internal subsidies as the primary means of support need to be examined. Innovative approaches for alternative methods of financing such services together with an assessment of the consequences of relying upon them also are solicited under this category.

Category 5: Pricing Policies. The argument concerning what pricing role is "optimal" in regulated industries (average cost pricing, short-run marginal cost pricing, long-run marginal cost pricing, pricing with markups inversely related to the elasticity of demand, etc.) is longstanding and unresolved. Regulatory agencies are faced with proposals that one or another of these schemes be adopted without much knowledge concerning the practical consequences of their decision.

Existing knowledge concerning how to measure marginal and average costs, how to allocate common costs in an economically meaningful manner, how to treat uncertainty, and how to measure elasticities and cross-elasticities of demand for various classes of service is extremely underdeveloped.

Research is sought that will develop significant, implementable improvements in any of the problem areas just cited. Research also is sought to develop techniques that will allow regulators to measure the consequences of the choice among various pricing proposals. Proposals are sought which identify the impact that an actual change in pricing policy by a regulatory agency has had upon firm or industry performance.

GENERAL INFORMATION

Awards: It is anticipated that up to $1,600,000 will be available for awards resulting from this Program Solicitation and that approximately 20 projects may be funded. There is no commitment to the making of any particular number of awards or funding in any one category if the quality of proposals does not justify awards. Proposals will be judged on a competitive basis and the best proposals, subject to budget and quality constraints, will be selected.

Level of Effort: Support will be considered for levels of effort ranging from six professional person-months to four professional person-years. The maximum duration of an award under this Program Solicitation is two years. Awards may provide for full costs. Cost-sharing or fees may be negotiated as appropriate.

Who May Submit: Proposals are invited from academic institutions, units of government (state and local), nonacademic, nonprofit or profit organizations, or from a combination of these. Each proposal must be addressed to a single category.

Administration: This award competition will be administered by the Division of Advanced Productivity Research and Technology (APRT) of the Research Applications Directorate of the National Science Foundation. Technical monitoring of awards will be the responsibility of an APRT Program Manager.

Submission of Proposals: Twenty (20) copies of the proposals should be mailed or delivered to:

Central Processing Section, National Science Foundation, 1800 G Street, N.W., Room 223, Washington, D.C. 20550.

Attention: Research Applied to National Needs, Program Solicitation NSF 74-46, Category ——— (must be filled in).

In order to be considered under this Program Solicitation proposals must be received by the National Science Foundation by 5 p.m., EST, February 19, 1975.

Other Information: Due to consideration of equity, telephone calls and other inquiries concerning this Program Solicitation are discouraged.

APPLICATION PROCEDURES

Each proposal should contain the following elements:

1. Cover Sheet in the format required in Appendix A showing which category the proposal addresses. Starting dates must be no earlier than May 1, 1975.

2. Abstract (maximum of three pages).

3. A narrative description (not to exceed 30 double-spaced, non-reduced pages) of the proposed research in the following format:

a. *Identification of Problem*. A brief statement identifying the research category addressed (see pages 2-4) and indicating the specific focus of the research.

b. Description and Rationale. A description of the proposed research, including the importance of the specific problem addressed from the standpoint of providing useful and useable research for decisionmakers and the public, a discussion of what is already known in the area and the relationship between the proposed research and that body of knowledge, and a discussion of the likelihood of success of the project and the magnitude of the expected addition to knowledge.

c. Procedures. A detailed description of the procedures and/or methodology to be followed in carrying out the research, including, where appropriate, such concerns as sampling, data acquisition, and data analyses. Where theory is to be developed, state the expected steps to be carried out.

d. Facilities. A description of the facilities available to the proposer for carrying out the proposed research.

e. Utilization Plan. A description of the means to be employed in communicating project results to potential users.

f. Organization and Management Plan. Proposals must include:

(1) identification of the single person who will be responsible for the project;

(2) a listing of the relevant skills of the key personnel and the percentage of time each will devote to the project;

(3) an outline of the organizational structure of the project;

(4) a graphic schedule of important task initiations and completions, incorporating key milestones in the research plan; and

(5) an estimate of the costs associated with specific tasks.

4. Resume(s) of principal investigator or project manager and the senior staff, including education and applicable experience.

5. An estimated total budget in the format called for in Appendix B. The budget should include all costs for the entire duration of the project. The maximum duration of a project under this Program Solicitation is two years. For projects exceeding one year, the initial award may provide funds for less than the full duration proposed. In such cases further support will be contingent upon the availability of funds, satisfactory progress of the research and continued priority of the project relative to APRT program objectives. Satisfactory progress will be measured, in part, by an evaluation of the intermediate output of the project. Consequently, projects requiring two years of support must be structured so as to generate tangible intermediate measurable results.

The information called for in Items 3 and 4 above should correspond directly to the evaluation criteria listed on pages 5-6.

Proposals should be fastened in the upper lefthand corner. Please do not use covers or binders, and do not include any extraneous material.

EVALUATION OF STUDY OUTPUT

At the end of the period of performance all studies made under these awards will be evaluated to determine their usefulness to relevant decision makers. To assist the Foundation in this evaluation, interim progress reports may be required.

REVIEW PROCEDURES AND CRITERIA

Proposals will be reviewed by NSF staff and, if appropriate, representatives from Federal or state regulatory agencies or other governmental agencies concerned with the formulation of regulatory policy, assisted when necessary by experts from the scientific community.

Proposals will be evaluated according to the following criteria:

1. Significance of the proposed research for policy makers, including:

Importance of the problem area;

Likely magnitude of the addition that will be made to knowledge; and

Evidence that consideration has been given to presentation of results in a form understandable by and of use to policy makers.

2. Quality of the proposed research design including such considerations as:

Extend to which the proposal exhibits thorough knowledge of pertinent previous work and relates the proposed research to that work;

Adequacy of design and methodology; and

Likelihood of success of the project as evidenced by a detailed plan for managing the project and by a detailed methodology for accomplishing the research.

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*These examples are cited purely for illustrative purposes so that the scope of the solicitation may be better understood.

3. Qualifications of the principal investigator or project manager and other professional personnel as evidenced by:

Past experience in related areas of research; and

Previous research experience and productivity;

4. Adequacy of the facilities and arrangements for data accessibility, etc., available to the researchers to conduct the proposed study.

The Foundation plans to select for award the proposals offering the greatest total value. While the estimated cost will be considered in determining which proposals offer the greatest value, the primary basis for selection will be the four criteria listed above. Criteria 1, 2, and 3 will be weighted approximately equally. Criterion 4 will be given less weight than the other three.

During the review process some proposers may be asked to respond to additional requests for clarification. In some cases proposers may be requested to revise their proposals slightly. However, APRT reserves the right to make an award on the basis of the initial submissions without further discussion.

TRIBUTE TO REPRESENTATIVE OGDEN REID

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. WOLFF. Mr. Speaker, I join in this special order today to pay tribute to my good friend and colleague, Congressman OGDEN REID. Let me say at the outset that Congress will be deprived of a valuable and respected Member with the loss of BROWNIE REID. We on the New York delegation will particularly miss him as we have come to value and depend upon his insight into the problems of our constituency.

BROWNIE REID's record of public service goes beyond his 12 productive years in Congress. He also served as our Ambassador to Israel from 1959 to 1961 and as chairman of the New York State Commission on Human Rights. In all aspects of his public life, he has left behind a legacy of concern for his fellow man and a lasting record of humanitarian contributions. During his years in Congress, he has truly served as a spokesman for concience in that he consistently embraced the cause of those less fortunate both at home and abroad and actively pursued the preservation of rights and liberties at home and abroad. He will be particularly remembered for his work to improve the quality of our social services programs and our system of child care, as well as for his untiring efforts to insure the preservation of our free press.

I had the privilege to serve with Mr. REID on the House Foreign Affairs Committee. I have come to value his judgment on the intricacies of foreign policy, as I have come to respect his insight into the pressing needs of our people at home.

The 24th Congressional District has been well served by BROWNIE REID. We know he will continue to pursue the enrichment of life in this country in whatever he does, and our best wishes go with him.

NATIONAL DEBT GOES UP

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. COLLINS of Texas. Mr. Speaker, as I read my Sunday edition of the Dallas Times Herald, I saw an enlightening editorial by Felix R. McKnight. It was headlined, "You Owe $115,000." He had read a brochure from the National Taxpayers Union which I was glad to see him pass on through his widely read Sunday editorial.

In this article, it lists all of the debts and commitments of the Federal Government. A major, overlooked item is the insurance commitment which exceeds one trillion dollars. One trillion dollars is one thousand billion. We not only keep spending but overlook our present responsibilities. We are not funding our pension plans. We are not providing reserves for social security. Before we try to carry the torch into the new wilderness areas, we should protect the annuities and pensions that are to be paid. We should provide the reserves for the disabled monthly payments.

Stop and think it over. Your share of the debt is $115,000.

Here are some highlights from the article by Felix R. McKnight in the Dallas Times Herald on December 15, 1974:

YOU OWE $115,000

The National Taxpayers Union is a bell-ringing group dedicated to the goal of "Limiting taxation in America to no more than was taken from the serfs in the Dark."

Some of its literature keeps coming across the desk and the latest bulletin reveals that U.S. taxpayers are now on the hook for at least $5 trillion.

And your personal share of this shocker, the National Taxpayers Union advises is $115,000.

Itemized for your convenience are such things as:

National debt, $458 billion; your share, $11,777.

Other fiscal liabilities, $63 billion; your share, $1,400.

Undelivered orders, $102 billion; your share, $2,666.

Long term contracts, $9 billion; your share $200.

Financial commitments, $158 billion; your share, $3,511.

Insurance commitments, one trillion, 22 billion dollars; your share, $22,711.

Annuity programs, two trillion, 635 dollars; your share, $58,555.

Unadjudicated claims, $5 billion; your share $133.

International commitments, $7 billion; your share, $155.

But there is more, says the National Taxpayers Union. Figure in liability growth in fiscal 1974 of another $600 billion, with your share of 1974 coming to $18,333 and you come up with the neat total as your personal part at $114,818.

The union's final pitch at the taxpaying individual is that it is working towards enactment of a new constitutional amendment that would prohibit government "confiscation" of more than 25 percent of your income—not entirely a reachable goal for a myriad reasons—but still its objective.

It adds, "We don't think you should have to spend any more of your time working for the government than did indentured serfs in the Dark Ages.

The serfs of old were required to spend only three months toiling for their masters. The remainder of the year they were free to work for themselves. We want you to be at least as free as a serf!"

So, serfs, you've got a National Taxpayers Union out there pitching for you—and that $115,000 they say is your share. But big government spending has been a stubborn, and consistent hitter.

STRIP MINING BILL

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. STEELMAN. Mr. Speaker, the lead editorial in today's Wall Street Journal puts the strip mining bill passed by this body in a very practical perspective. I believe that the Journal has done a particularly fine job of cutting through the allegations that have surrounded this legislation and of citing the essential reasons why the President should sign it.

I commend it to my colleagues:

REVIEW AND OUTLOOK: THE STRIP MINING BILL

After several years of effort, Congress finally passed a bill regulating strip mining and reclaiming abandoned mined lands. But it may never become law, since President Ford has threatened to veto it. Even if he does not merely allow it to die by leaving it unsigned until Congress adjourns, it's unlikely that the House could override his veto.

The President's position is simply that additional coal is necessary for America's energy needs, all the more so if the administration goes ahead with plans to reduce oil imports next year by about 15%. There are trillions of tons of known coal reserves in the U.S., and the quickest and most efficient way to get at them is by strip mining those layers of coal just below the surface. Mr. Ford is persuaded that prohibitions in the strip mining bill would result in a reduction of current coal output by as much as 25%, and would increase utility bills that have already skyrocketed in many parts of the country.

It's impossible to calculate the precise effect the bill will have on coal production, but our own assessment is that it is unlikely to be anywhere near the administration's gloomy estimates. There is even good reason to doubt whether the regulations would result in any reduction at all. Moreover, independent cost estimates reveal that the bill's effect on utility bills would be slight indeed. The alternative to a workable bill setting national standards on strip mining, which already accounts for about 50% of current production, is to have continued uncertainties over costs and siting of projects and thus further delays in relieving the energy shortage.

There are shortcomings and ambiguities in the bill, as we noted previously. We're not at all persuaded that money is needed for training mineral engineers or scientists, much less the $2.5 million earmarked for that purpose. We question the initial $15 million for demonstration projects at mining and mineral resource institutes that will be established under the bill.

But on balance the bill strikes us as a realistic effort to balance environmental concerns and energy needs. It would require operators to restore mines to the approximate original contour of the land, eliminating vertical cuts in mountainsides, depressions and spoil piles. It would bar downslope dumping of spoil and mined materials in mountainous areas. It would reclaim lands previously stripped and abandoned through a $165 million fund raised from user fees of 35 cents per ton on surface mined coal and 25 cents per ton on coal mined underground. Finally, surface owners still would be required to give their consent before minerals can be mined beneath their lands.

This last provision caused considerable initial concern that it would encourage speculation. To discourage that possibility, profits would be limited to $100 an acre. And "surface owners" are defined as those who held title to the land, resided on the land or personally farmed or received a significant portion of income from farming the affected land.

By setting minimum standards, the bill removes much of the uncertainty from an industry that heretofore has had to contend with uneven degrees of regulation in 29 states. It will beef up ineffective regulations and prod states that had none at all to either adopt their own or conform to federal standards. And it will encourage the entire industry to give more thought to long-term planning to protect the land and watersheds, instead of leaving it to individual corporate decisions.

We reject the silly argument of some supporters of the bill that President Ford has a moral obligation to sign it since he is not an elected President. We think he should sign it, all right—not out of a misplaced sense of obligation, or because the ensuing "veto-proof Congress" might produce an unreasonable piece of legislation, but simply on its existing merits.

If he does sign, though, it will then be up to Congress and environmentalists to put aside frequently obstructionist ways and give greater attention to helping solve the problem of energy self-sufficiency. A clean environment is esthetically pleasing and a valuable national asset. But it doesn't heat homes, keep factories running or solve the nation's serious energy problems.

TRIBUTE TO HON. LES ARENDS

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, the Nation is crying out for leadership. Coincidentally, the House is losing one of its ablest leaders whose record of 40 years of service to the people will be difficult to match. LES ARENDS knows how the House works. The respect he has so well earned from his colleagues is enormous. He is a towering figure among those with whom he works.

As an integral and enduring Member of the Republican House and leadership team, LES ARENDS has helped develop policy and devise the compromises which make our form of democracy work. It is one of history's great injustices that his work was always within the ranks of the minority of this body.

LES ARENDS has demonstrated repeatedly that he understands the essential responsibilities of leadership. He is a warm friend, a counselor to his junior colleagues, a skilled legislator in every sense. His high standards of conduct have also won universal admiration from his colleagues.

The leadership example of LES ARENDS sets a powerful precedent for those who must attempt to follow behind. The Members of the new House will have their work cut out to adequately compensate for the vacuum caused by the retirement of LES ARENDS.

CHEMICAL WARFARE

HON. FLOYD V. HICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. HICKS. Mr. Speaker, last summer, the House of Representatives considered a Defense appropriations bill which contained funds to start up a production line for binary chemical munitions. These nerve gas shells would be far easier to stockpile, transport, and use than the weapons in our current inventory. The House deleted preproduction funds on a floor amendment. Acting within committee, the Senate followed suit. But the matter of introducing new chemical munitions into our stockpile has in no way been put to rest.

It is a rare enough occasion when the House turns off a weapons program that has been recommended for funding by the Appropriations Committee; when it does so, the arguments behind the turndown deserve some attention.

Two arguments stood out in floor debate: The United States currently has stockpiled approximately 50 million pounds of chemicals, substantial amounts of which were nerve gas munitions. Many contended that this figure was sufficient for deterrent purposes. In addition, the United States was engaged in sensitive negotiations in Geneva to curb the possibilities of chemical warfare. A move by our country to unilaterally go forward with the new binary weapons could well jeopardize the successful conclusion of the negotiations at the Conference of the Committee on Disarmament. This seemed especially true in light of the final Nixon-Brezhnev Summit communique which stated that both sides "agreed to consider a joint initiative" on chemical warfare at the CCD.

As the Congress awaits the fiscal year 1976 Defense Department budgetary request, both the stockpile and the negotiations are almost one year older. The action by the Congress appears to have little effect on either. Many will ask why there has been no progress on the diplomatic front.

It is certainly not for the lack of any encouraging signs at the CCD. The Japanese delegation has tabled an important proposal for step by step disbandment of chemical warfare capabilities. Many experts within and outside of the participating delegations have proposed various monitoring schemes to circumvent the traditional Soviet antipathy for onsite inspections. The Soviet Union has tabled a comprehensive proposal, and has reportedly shown signs of flexibility in the negotiations. The major stumbling block would seem to be the position of our own delegation.

A national security study memorandum on chemical warfare with inputs from every interested party within the executive branch was completed last summer. The options for U.S. policy have been laid out, but they have not been acted upon. No American proposal has been tabled at Geneva.

There are probably many reasons for this state of affairs, but it appears to me that a major consideration is a lack of focus on the problem at the top levels of the State Department. And how could it be otherwise? The Secretary of State is deeply involved in negotiations over the Middle East, SALT II, and Cyprus. The tragedy is that while these issues must continue to occupy the Secretary of State, the less time-sensitive possibility of reaching agreement regarding chemical warfare may slip away.

To continue on this course of drift and indecision can easily lead to the familiar spiral of deadly competition in still another area of the arms race. The defense budget submitted this January will no doubt have another Pentagon request to begin production of binary munitions. The CCD will reconvene shortly thereafter. The Army may well start up a production line for a new generation of nerve gas weapons. Following such action on the part of the United States, is it reasonable to believe that the Soviets will be content to maintain the status quo in this area of offensive weaponry?

HON. H. R. GROSS

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. GUBSER. Mr. Speaker, it is well known that Napoleon Bonaparte had his "Waterloo"; but it should be equally well known that Waterloo, Iowa has its H. R. GROSS.

The residents of Waterloo and the rest of H. R. GROSS' congressional district can say with pride that for 26 years they have given to the Nation one of its most valuable Congressmen.

H. R. GROSS, through his willingness to work night and day prevented the enactment of much bad legislation which reached the floor of the House.

Additionally, knowing that H. R., the "watchdog" of the House would be watching, committee chairmen and committee members have drafted their legislation with greater care. It is possible that this has been an even greater contribution on the part of H. R. GROSS than those which surfaced during House debate.

H. R. GROSS liked to appear grouchy and sour but never succeeded in hiding the real warmth and good humor which completely filled his inner being. He is one of the men who deserves everlasting admiration and respect from every American. I wish him well in his retirement.

ON ACCOUNTABILITY

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. SEBELIUS. Mr. Speaker, for some time now I have been concerned about the fact that there appears to be a growing gap between the local taxpayer and the need for a continuing solid financial commitment towards quality education. Time and again, the local school bond issue gets singled out to bear the brunt of various taxpayer revolts. Not only must we consider how much money we are going to spend for education but how we spend these dollars so as not to jeopardize the further commitment of the average taxpayer towards quality education.

In this regard accountability of the Nation's tax dollars requires careful consideration of factors not easily accountable. Total education expenditures in the United States in 1973–74 were $96.3 billion. Comparatively speaking, the United States spends a greater proportion of its gross national product on education than any other major country.

It is to these concerns of accountability of education expenditures that the distinguished president of Fort Hays State College, Hays, Kans. Dr. John W. Gustad, has addressed himself in remarks taken from the publication, "Improving Instruction." I recommend to my colleagues Dr. Gustad's concise and timely remarks. John Gustad is a leader among those within the education community who are making every effort to see that dollars spent for education meet the needs to which they are directed. He has had to face this problem directly in regard to Fort Hays State College and I believe the following comments speak to us all in our efforts to make our education dollars truly count.

Dr. Gustad's remarks follow:

IMPROVING INSTRUCTION: "INNOVATION AND HERESY"

By Dr. John W. Gustad

ON ACCOUNTABILITY

As a nation—and a very education-conscious and statistic-happy one—we do know a lot about some parts of our educational system. We know how many teachers there are and how old and how tall they are; we have reliable statistics on school buildings and how old and how tall they are; we know how many language laboratories are in operation; we can calculate to the penny how much we are spending for education.

The only thing we don't know is what is produced by all these teachers, buildings, laboratories, and dollars. We don't know what the students are learning—Carnegie Quarterly, Spring, 1966.

It is absolutely essential that higher education get on with the business of re-establishing its credibility in terms of the outcomes of its efforts. Unfortunately, in the good name of coordination, we are increasingly homogenizing particularly our public institutions and making decisions on the basis of things that can be counted. It is, of course, important to know the cost of producing a credit hour in art, or physics, or animal science. It is obviously important to know square foot per student station requirements for different disciplines. There are many measurable aspects of higher education about which we all need to be informed.

It was Robert McNamara who, as Secretary of Defense, brought Planning (note the capital P) to national prominence. Planning, its zealots tell us, will be our salvation. Budgeting will become an orderly, easily understood process. Correct solutions to difficult problems will be readily apparent. The cost-benefit paradigm is looked on by an increasing number as if written on tablets of gold.

True, one can calculate quite exactly the costs of producing and selling an automobile. The costs can then be subtracted from the sale price to determine the profit (benefit). It is equally possible to count the number of credit hours produced by each department, the number of degrees produced, and the cost of each. Yet, two questions must be faced: (1) are these the most important "benefits" or outcomes, and (2) are all benefits countable or measurable?

Insurance companies can calculate the cost of producing a policy. But they are not selling just a policy. They are also selling a feeling, an attitude. The costs of operating a church can be readily determined. What is the other half of the cost-benefit ratio?

The same thing holds true in higher education, and we overlook this fact at our (and our students' and society's) dire peril. In a recent article in the Chronicle of Higher Education, Stephen Bailey made the point forcefully:

"The discipline of mathematics has many useful instruments. A working knowledge of those instruments in pure and applied form is amenable to test and measurement, and hence to some cost-benefit model of pedagogic effect. But how can one measure that ineffable moment, known to every math professor worth his salt, when a student's eyes wander unfocused and luminous past the teacher and the blackboard in the sudden discovery of the symmetry, the wonder, and the principled beauty of the universe?

"Surely if we have a responsibility that what we render unto Caesar we render efficiently, we have an equal if not superior responsibility to ensure that what we render unto God we render effectively."

Admittedly, we have not done as well as we should—could—in assessing the outcomes of education. Business and industry regularly spend up to five per cent of their budgets on research and development which includes evaluation. In higher education, it is a miniscule fraction of one per cent. However, unless we are prepared to concede that these outcomes of education are ineffable and not just recondite, it is essential that we get on with the job. Ralph Tyler has summarized the problem very well.

"The purposes of teaching are to facilitate various kinds of desirable learning on the part of the students. But learning is the acquisition by the student of ways of behaving, that is, ways of thinking, feeling, and acting, which he has not previously followed . . .

"Of course, not all things students learn in college are desirable so that the evaluation of college teaching is not simply finding out whether the students have learned, but whether they have learned the things which the instructors were trying to teach. . . . This, then, makes the evaluation of teaching a matter of finding out how far the students are acquiring the important ways of thinking, feeling, and acting on which the teachers are focusing their attention."

The question we must keep forever before us is: under what conditions do students learn the most of which they are capable? The general outlines of the means to obtaining the answer to this question are already known. The distance between these outlines and obtaining the answer is as great, if not greater, than was the distance between relativity theory and the nuclear bomb.

The solution lies in measuring the complex interaction of at least four variables: (1) the student with his many and varied cognitive and affective characteristics; (2) the teacher with his; (3) the subject matter with its complicated structure; (4) the pedagogic method. Each of these in turn is a highly complex variable. The solution will make the moon project look simple, but it is, at least in theory, attainable.

There is one chilling possibility in terms of the solution outlined above. That is to reduce the complexity, the range of the many variables involved. In a tongue-in-cheek way, C. Northcote Parkinson put it as follows:

"It was assumed that classical learning and literary ability would fit any candidate for any administrative post. It was assumed (no doubt rightly) that a scientific education would fit a candidate for nothing—except, possibly, science. It was known, finally, that it is virtually impossible to establish an order or merit among people who have been examined in different subjects. Since it is impracticable to decide whether one man is better in geology than another man in physics, it is at least convenient to rule them both out as useless. When all candidates alike have to write Greek or Latin verse, it is relatively easy to decide which verse is best."

It is precisely the "solution" that some of the zealots of cost-benefit analysis are working for. This could have potentially devastating effects on education at all levels. Higher education is particularly vulnerable.

For us, however, the message should be like the voice from the burning bush: get on with the job. If we cannot with considerable precision tell how well we are succeeding, we are largely precluded from improving. This, not square feet per station or credit hour production, is what accountability is—or should be—about.

We obviously cannot wait until all the i's are dotted and the t's crossed. Seidlin put it as follows:

"No applied science or technology or art marks time until all that is ever to be known is known; until mythical exact measurement becomes available. As rational human beings, we must put into practice whatever knowledge, whatever measuring instruments are available at any given time.

"As an illustration, if you need one: think of the history of progress in medicine. So many theories and practices of even ten years ago have been replaced by more effective theories and practices. Which is not to say that the older theories and practices have not in their day saved lives and combatted disease."

If we are to be truly accountable, we must first help legislators, regents and the public understand fully what the issues are so that we can be in reasonable agreement about our goals. Then *we* must get on with the job. As the Chinese proverb says, a journey of a thousand miles begins with a single step.

IN HONOR OF LES ARENDS

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. LANDGREBE. Mr. Speaker, there can be no doubt about it, the House of Representatives and the people of the United States are losing one of their most dedicated public servants with the retirement of LES ARENDS.

I have known LES for many years but it was not until I was elected to Congress from Indiana's Second District that I became fully aware of the real LES ARENDS. Intelligence, patience, patriotism, and humility are truly his "stock in trade."

The fermentation and upheaval in our body politic during the past decade, so violent that it resulted in the forced resignation of President Nixon, made the job of minority whip a most trying and frustrating assignment.

Yet, LES clung to his principles and with superhuman efforts avoided open warfare within our Republican ranks.

As LES leaves the Hill and his many years of public service and sacrifice, I extend to him my sincere gratitude, appreciation, and very best wishes.

HARVARD NEWSPAPER ARTICLE EXPLODES CHAVEZ' CLAIM OF FARMWORKERS' SUPPORT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. KETCHUM. Mr. Speaker, for several years Kern County, Calif., has been the scene of a bitter dispute concerning farm laborers. During this time, more than a few distortions of truth have found their way into print and public acceptance. I recently read an excellent article in the International Teamster which does a great service in showing several of these distortions for what they are, and in removing some of the glow from the halo which has been placed on Cesar Chavez and his union. I insert this article into the CONGRESSIONAL RECORD, with the hope that all of my colleagues will take the time to read it.

HARVARD NEWSPAPER ARTICLE EXPLODES CHAVEZ' CLAIM OF FARM WORKERS SUPPORT

Is Harvard University that bastion of United Farm Workers Union support, beginning to see through Cesar Chavez and his supporters? It appears so.

The apparent change came when an article appeared in *The Harvard Crimson,* publication of Harvard University, recently. The article presented, at last, the other side of the Farm Workers controversy.

For several years, University faculty and students alike have been embroiled in supporting the unionizing efforts of Chavez and his supporters. Nowhere in this diatribe of misinformation, however, has the truth been exposed before.

Finally, on October 21, the *Crimson* ran the opposing side of the issue. Entitled "Has Chavez Fooled Harvard?" the article by Peter J. Ferrara exploded some of the more common misconceptions circulating on campus. It also did an explicit job of showing why Chavez can't command true workers' support.

The article was prompted by a boycott of the Harvard Provision Co., a liquor supplier which provides most of the liquor for University House masters and Yard proctors. The store had committed the crime of offering Gallo wine to its customers, despite the boycott being staged by Chavez's United Farm Workers.

Harvard (and apparently most of the Boston community) has continually supported UFW-called boycotts for several years. This latest boycott decision by the four House masters involved followed two weeks of picketing and petition drives aimed at removing the wine from the store's shelves. It is just the latest successful example of the support Harvard has steadfastly given Chavez.

But was the support misplaced? Have the Harvard students and faculty examined the issue from both sides? Or have they blindly accepted the UFW policy lines, without substantiating the allegations made? Ferrara analyzes some of these statements for *Crimson* readers (perhaps in the hopes of giving them means to make an informed decision). ". . . the truth is that Chavez has won most of this support by mere factual misrepresentation. He and his organizers have misrepresented to the public the working and living conditions of the farmworkers, their wages, the role of the growers and the degree of Chavez support among farmworkers. These misrepresentations have been more successful the farther Chavez's boycott organizers got from the fields."

With this statement, Ferrara begins an in-depth review of the actual workers' experiences with Cesar Chavez and the United Farm Workers. His article attempts to refute statements made by the UFW on four major issues.

One area he strongly hit was the contention that all farm workers are migrants. On the contrary, Ferrara points out, most farm workers appear to be settled, stable, family members, who live regularly at the same residence, and own or rent their own homes.

Most migrants actually are single males, who are able to earn much more by their mobility, and have no families to encumber their movement.

This has been one of Chavez's strongest premises—that the farm workers is a migrant, forced to move from place to place to find work. The author presents convincing evidence that this is, in fact, untrue.

Another hyperbolized myth Ferrara cited was the substandard wages workers in the fields supposedly receive. This alleged fact crumbles when he cites statistics proving the Chavez charge false.

Among the items he included was a study made in 1972 by the Arizona Ecumenical Council. That survey found wages for grape pickers in California and Arizona to average $8,000 annually, with some workers making as much as $15,000 a year.

Ferrara also mentioned that under Teamster contracts today, most grape pickers earn at least $2.52 an hour, plus piece rates, guaranteeing most workers relatively high wages.

Payroll records filed with the Internal Revenue Service and Federal Wage and Hour Commission in 1972 further showed that lettuce pickers average $6.44 an hour, Ferrara told readers.

The *Washington Post* reported in August 1972 that lettuce workers earned as much as $12,000 a year. The article is replete with such information as this which truly reflects farm workers' real salary levels.

The author's research showed that most farm workers are not the underpaid, exploited workers they have been pictured as.

DISTORTION

Ferrara did give readers an interesting insight into how Chavez was able to portray workers as indigents, though. The Farm Workers used an average of all wages to arrive at one average wage. Ferrara told *Crimson* readers. Seasonal, part-time, and temporary workers, as well as the full-time workers usually counted, were included when figures for annual wage levels were computed.

By grouping all workers together, you get a "distorted, meaningless figure for annual incomes. . . . But this is precisely how Delores Huerta and Chavez's supporters get their figures for annual farm incomes," Ferrara asserted.

Ferrara didn't paint an entirely rosy picture. He stated the case as it is. "This is not to deny that there is some poverty among farmworkers," he wrote, "but the poor workers are a small minority, not the starving masses Chavez has depicted."

The one issue Ferrara took greatest exception to was Chavez's claims of worker support. "Chavez's most vicious misrepresentation, however, has been his claim of worker support," Ferrara emphasized.

He used the 1965 strike staged by Chavez in Delano, California, to prove his point. In trying to maintain semblance of a strike in Delano, Chavez gathered outside volunteers to man the picket lines, the author declared. As Albert Tieburg, of the Calif. Dept. of Employment, said after the strike, only 55 workers were actually on strike. The rest of the farm workers continued working in the fields, despite the picket lines.

Another grape picker at the field, Shirley Fetalvero, told a California Senate fact-finding committee, "The union's massive propaganda machine has led the public to believe that there are thousands of desperate, ragged starving farmworkers on strike here. . . . We resent the invention of an ignorant, downtrodden class of farmworkers where none exists."

The truth is that Chavez's strike was a complete hoax. There was no strike and no more than a handful of workers in his United Farm Workers Union at the time, Ferrara wrote.

Abundant evidence exists that Chavez doesn't have the support of the workers he seeks to represent, as Ferrara enumerated in case by case instances for his readers' benefit.

Why don't the workers support Chavez? The author provides several answers. "For one, he was not a farmworker himself. Also he did not offer a substantial increase in wages." Perhaps the most valid answer is that workers didn't want anyone to have absolute control over their jobs, as Chavez intended, Ferrara suggests.

WHEN STRIKES FAIL

Ferrara notes that only when strikes failed did Chavez resort to boycotts as a tool to make the workers support him.

"The *reason* for the boycott, therefore, was that Chavez did not have the support of the farmworkers. The *purpose,* however, was to force workers into a union they didn't want to join. The *strategy* was to fool consumers into boycotting grapes and lettuce by misrepresenting the conditions of the farmworkers," Ferrara wrote.

He acknowledged that the ploy worked, but also pointed out that the strategy was a "major violation" of the rights of thousands of workers. After Chavez got them into the UFW, he continued to hurt workers both personally and financially, and in many instances, actually caused their living standards to decline, Ferrara added.

"So it seems," he concluded, "that those who have supported the boycott and are supporting the drive against Harvard Pro are being used to hurt the very people they are trying to help."

With this article, the *Harvard Crimson* has finally reached the point of unbiased, objective journalism. Whether the audience remains unconvinced or not, at least they were presented with some of the facts on which to base a decision. Hopefully, though, the campus population read the article and gave credence to what it said. The well-being of many farmworkers may depend on that.

AMMUNITION FOR GUN CONTROL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. BINGHAM. Mr. Speaker, any product which can kill or main in a single second of carelessness is certainly hazardous. Indeed, I am sure most of us would agree that sales of a product which is responsible for the killing and wounding of thousands of people each year, purposely and accidentally, ought to be strictly regulated. There is no sanity in leaving such a product freely available on the market.

I am speaking, of course, of handguns and handgun ammunition. In the absence of a much-needed handgun ban, efforts to control the sale of handgun cartridges are to be highly commended. I am only sorry that, in the instance described below, the Consumer Product Safety Commission could not see its way clear to regulate sales of this extremely "hazardous substance."

I recall standing in the well of the House on September 20, 1972, with a toy gun in my hand, and suggesting to my colleagues that an arrangement which permits the CPSC to regulate sales of the toy, but not the genuine article, is topsy-turvy. The amendment I offered that day, to bring handguns under the purview of the Commission, failed. I was accused of trying to bring in handgun control "by the back door," and opponents of my amendment urged that Congress face the gun control issue squarely, rather than in such a back-handed manner.

Since then, we have not faced the issue squarely, and we should know by now that no one else will relieve us of the responsibility we hold. Mr. Speaker, I urge that we shoulder that responsibility honorably, and act to ban the sale of handguns.

I insert herewith an editorial from the September 10, 1974, edition of the New York Post:

AMMUNITION FOR GUN CONTROL

An imaginative effort by a citizens group trying to improve federal regulation of hand guns unfortunately misfired the other day. It has nevertheless furnished like-minded Americans with live ammunition for their campaign.

The Committee for Hand Gun Control Inc. appealed to the U.S. Consumer Product Safety Commission to stringently restrict the sale of hand-gun cartridges; only police, the military, licensed guards and authorized pistol club members should be able to purchase such ammunition because, it was argued, it is a "hazardous substance" by definitions in existing federal law.

A Commission majority agreed—but only up to a point. By 4 to 1, the members acknowledged that cartridges are hazardous within the meaning of the statute. They held, however, that the Commission had no clear regulatory power to restrict sales; there was some dispute about whether Congress intended to restrict ammunition.

Very probably it did not. But if cartridges are indeed hazardous—and reams of statistics affirm that fact—then it is Congress' manifest responsibility to protect the public from them with rigorous application of law. That may mean tough gun control. It could just as well mean much tighter ammunition control.

BEWARE OF ROCKEFELLER'S BEARING GIFTS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ASHBROOK. Mr. Speaker, my good friend Bill Rusher has pointed out a very obvious fact that has been overlooked in the Rockefeller hearings. While attention was directed to the multimillion dollar gifts of "King" Nelson, the lesser and more compromising gifts have been obscured.

Mr. Speaker, the article follows:

THE "LESSER" GIFTS OF NELSON ROCKEFELLER

(By William A. Rusher)

Now that the elections are over and Congress can get back to investigating the fitness of Nelson Rockefeller to be Vice President, one major area that should not be overlooked is what might be called Mr. Rockefeller's "lesser" gifts to political figures.

We have been so numbed by the news that Rockefeller gave $550,000 to William Ronan, and $50,000 to Henry Kissinger and so on, that it is easy to overlook or minimize the fact that he has also been tossing around a lot of presents of smaller but still very substantial value. Unfortunately no information on presents worth less than $3000 has yet been turned over by Rockefeller to the Senate Rules Committee or the House Judiciary Committee, since both committees requested only his tax returns and only gifts of $3000 or more need be reported on those. We can only hope therefore, that this additional information will somehow be forthcoming.

After all, while a $2500 bauble may not seem like a very lavish present to Nelson Rockefeller, there are plenty of homes where the arrival of such a gift can create quite a stir, and generate an impressive amount of gratitude. And some of those homes contained politicians who, sooner or later, were in a position to do Nelson Rockefeller a favor—or at least get out of his way.

Among Rockefeller's favorite gifts (and they are very beautiful indeed) are the crystal figurines produced by Steuben Glass. These are glass sculptures by distinguished artists, usually involving some etching and frequently containing gold as well. A number of examples are on display in Steuben's showroom on New York's Fifth Avenue, often accompanied by a tasteful card indicating that a duplicate is in the collection of Queen Elizabeth, or was presented by President Eisenhower to Marshal Tito, or something of that sort. A fairly typical example of the genre consists of a gold mouse atop a thick wedge of crystal cheese.

Obviously, depending on the labor and materials involved, such a sculpture can frequently command a price of several thousand dollars. Quite a few fall in the range between $2000 and $3000—which makes them ideal gifts from Rockefeller's standpoint, since they don't have to be reported.

So $2500 crystal figurines have been raining down on American politicians lately, and the question is whether it matters. In some cases the gifts went to whole categories of people, and it is hard to believe there was either any very sly intent on Rockefeller's part or any substantial damage done. Such was the case with Rockefeller's colleagues on the Water Quality Commission, each of whom received a glass sculpture of a salmon etched in a crystal pool, striking at a pure-gold fly. Senator Lloyd Bentsen of Texas, one of the recipients, remarked recently that he had felt as if he had "a body on his hands," and resolved the problem by donating the sculpture to a small Texas college. Nothing troublesome there.

But what about the highly influential and forthrightly conservative Republican chairman of a Southern state who told friends last Christmas that he had received a crystal sculpture from Nelson Rockefeller, together with a letter of praise? It is ridiculous to suppose that this man's influence could be bought by that (or any other) gift—or even that Rockefeller was trying to buy it. But it is a fact that in August of this year, when President Ford was mulling over possible designees for the Vice Presidency this chairman was asked whether Nelson Rockefeller would be "acceptable" to the GOP's powerful conservative wing, and (according to the "New York Times") replied — humanly enough—that he would. And it is a further fact that his publicly saying so helped greatly to deflate the conservative opposition to Rockefeller's designation.

That is what is pernicious about the Rockefeller style. It is subtle; it is rarely open to direct criticism—and it has, always and everywhere, the effect of getting Nelson Rockefeller what he wants. It remains to be seen whether it will obtain for him the Vice Presidency—and perhaps even the Presidency to which he has aspired for so long.

THE RETIREMENT FROM CONGRESS OF KENNETH J. GRAY

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. McFALL. Mr. Speaker, I wish to join the expressions of appreciation for Congressman KEN GRAY, my good friend and respected colleague, who leaves the House after 20 years of service.

I have known KEN and worked with him since my earliest days in the Congress. We served together for several years on the Public Works Committee, of which the gentleman is now the fifth ranking Member and Chairman of the Subcommittee on Public Buildings and Grounds.

I have always admired my friend's quick mind, his capacity and versatility, and his compassion for others. He has never lost the impulse for community service that inspired him to help with the establishment of the Walking Foundation for the Blind back in 1950. This same compassion has been reflected during his congressional career in his efforts to reduce or eliminate architectural barriers in public buildings to handicapped persons.

He is known here to our own Capitol police for the fine work he has done as Chairman of the Subcommittee on Police of the House Administration Committee.

Back home in southern Illinois, he is known as the go-getter who pulled himself up by his bootstraps. He is a pilot who saw 2 years of combat duty with the Army and the Air Force in the Mediterranean during World War II.

He leaves the Congress at a relatively young age. I wish him the happiest of years ahead as he begins still another chapter in his life.

He has always been a stimulating presence in this House, and the House will miss him. I regard the departure of my friend and colleague as a personal loss. I wish him all the best in the future.

PROFLIGATE AT BAY

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. SHUSTER. Mr. Speaker, many obstacles must be overcome before our Nation can regain economic stability. One of the major obstacles is getting public offiicals and the media to lay our economic cards on the table for all to see. Only then can the people of America fully realize how serious the situation is and insist on long-term remedies from their Representatives in Congress.

All too often, the sister sins of demagoguery and sensationalism paint a distorted picture of our economic woes. Inflation and recession will not just go away; we must take the steps to make them go away.

I am proud that a weekly newspaper in my congressional district—the Bedford County Inquirer, of Bedford, Pa.—has demonstrated this principle in a recent editorial by clearly stating the fundamental economic problem of deficit spending in terms we can all understand: in dollars and cents.

Mr. Speaker, I call this editorial to the attention of my colleagues, and I urge them to carefully consider the warnings contained therein. I ask that the editorial be reprinted in the RECORD at this point:

> Few remember the "good old days" when the federal government first learned to live on the cuff in a big way. This came along during the worst of the Depression years in the '30's and in World War II when massive budget deficits became a way of fiscal life for Uncle Sam. No one worried about it because the experts said it really did not matter. After all, we owed it to ourselves.
>
> Maybe it didn't mattter. But with inflation running in double figures, the federal budget at $300 billion a year plus and the national debt pushing $500 billion, many people are beginning to think it did matter after all. Saving and a sense of economy are coming back in vogue, and perhaps the American people, not to mention Uncle Sam, can relearn these old virtues. It costs $55,000 a minute or nearly $1,000 a second simply to pay the interest charges on the rising national debt. That adds up to about $30 billion a year, or 65 percent of all the corporate taxes collected this year. Actually, it is not a case of deciding whether the federal budget should be balanced or not. It MUST be. There is no choice left.

TRIBUTE TO HON. LES ARENDS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. SNYDER. Mr. Speaker, it is only gilding the lily to add these few words about our distinguished colleague from Illinois, Mr. Republican Whip, LES ARENDS. He has made a record for all to see, one few if any will ever equal.

Since 1943 he has faithfully rounded up his fellow Republicans in a manner any top sergeant could be proud of, making sure he would deliver every possible vote on the House floor. Even if it meant getting a State trooper to intercept a homeward-bound Member a hundred or more miles out of Washington, LES ARENDS would go all out to get that vote. It is doubtful if any other Member of this body will ever serve so long and so well as LES ARENDS has as whip for some 31 years. He has been an outstandingly loyal and hard-working lieutenant in the House Republican leadership each day of all those years.

I have prided myself on being a conservative since coming to Congress 10 years ago. But I can remember an occasion or two when after my vote on the floor, LES ARENDS would drily remark, "If you are a conservative, then I am a Ziegfield Follies dancer." He prefers, to be called a "moderate conservative."

The Nation has been fortunate in having LES ARENDS serving on the Armed Services Committee. As ranking Republican his astuteness and patriotism could not be better utilized. I think too, LES is as proud of his service in and for the American Legion as he is in his long service in this body. A Navy veteran, himself, he has never forgotten the men and women who fought and died to keep this country safe and free.

In his innermost heart, one of his greatest joys must be the knowledge that he has had the universal respect of Members on both sides of the aisle. While playing a highly partisan role as his party's whip, he has distinguished himself by integrity, amiability, wit, and pleasant cooperation with the other party's leadership at all times. Many hundreds of Representatives have come here and gone, and all knew LES best for these qualities.

It goes without saying that LES ARENDS is one Member of Congress who will be missed as much by those whom he opposed on the issues as he will be by those who fought at his side.

It has been said of LES ARENDS more than once, that he has both seniority and youth. Both have enabled him to do a stellar job for his country. He will always have seniority in our hearts. I pray that his youth will continue to belie his years for a long time to come, and that he will be as successful in the future in trimming his fine golf score even more as he has been successful in the past in serving us all.

HOW WE GOT HERE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. WHALEN. Mr. Speaker, the International Union of Electrical, Radio and Machine Workers is celebrating its 25th anniversary. This outstanding trade union, an affiliate of the AFL–CIO and the Canadian Labour Congress, has provided noteworthy service to its members, the community and the Nation. The IUE recently published a special anniversary edition of its newspaper, the IUE News, in which there appeared a brief history of the union and a description of the many fine services it renders. I would like to insert those articles under their headings, "How We Got Here," and "IUE Is Involved."

The articles follow:

HOW WE GOT HERE

> Although this is the 25th anniversary issue of the IUE NEWS, our union's roots can be traced back over 40 years.
>
> A major step in organizing took place in 1933 when seven Philco workers in Philadelphia fought the company union and organized a bona fide trade union. One of the seven workers was James B. Carey, the first president of IUE. Another was Harry Block, who retired as District 1 president two years ago.
>
> Spurred on by their success, the Philco employees joined with other worker groups in the industry and by December 1933 there was enough organization among radio and allied trades workers to call a national meeting. Calling itself the National Radio and Allied Trades, the infant organization was rebuffed in its efforts to obtain an American Federation of Labor charter because it refused to be broken up into craft unions.
>
> But within a few years the concept of industrial unionism—in contrast to craft unionism—was on its way all over the country. under the leadership of John L. Lewis, Philip Murray and certain other AFL figures, the CIO (Committee for Industrial Organization) had been formed. NRAT, meeting in Buffalo in May 1936, renamed itself the United Electrical Workers and elected Carey as first president. It was then admitted to the CIO.
>
> On the heels of these actions, giant strides were made in organizing the electrical industry, including the winning of a national contract at General Electric, and by the end of 1937 the union had grown to 275 locals and 137,000 members.
>
> However, shortly before the outbreak of World War II, a deepening split developed within the union over foreign policy, domestic political issues and basic trade union objectives. Carey was defeated in his bid for reelection in 1941 by a group basically opposed to CIO trade union policies who wanted to use the union for certain political purposes, including anti-democratic, Communist Party goals.
>
> They were opposed by a body known as the Movement for Democratic Action (MDA) which waged a continuing effort to restore democratic trade unionism to UE and to achieve CIO aims. By 1949, with UE's course increasingly contrary to CIO policy, the UE-MDA recognized a break was unavoidable. On Nov. 1, the CIO Convention in Cleveland voted to expel the UE, adopting a resolution which said: "We can no longer tolerate within the family of CIO the Communist Party masquerading as a labor union." The following

day, the CIO chartered a new union for the industry, the International Union of Electrical, Radio and Machine Workers.

Tens of thousands of workers represented by the UE broke with it and moved to the IUE so that once again they would have a voice in determining their destinies. They were strongly supported by the CIO, by Murray, Walter Reuther and others.

The new union initially was led by an Administrative Committee, consisting of Carey, Block, Fred Kelley, John Callahan, John Dillon, Dallas Smith, E. J. Kraft, Michael Fitzpatrick, William Snoots, Anthony Cimino, Robert Elsner and Joseph Hawkins. Within 10 days after the IUE itself was chartered, 68 locals received IUE charters. By Nov. 28, 1949, when IUE opened its first convention in Philadelphia, it represented over 200,000 workers.

Of the 28 members of IUE's first Executive Board, elected in 1950, International President Paul Jennings, Westinghouse Conference Board Chairman Robert Nellis, District 1 President George Berry and District 7 President Wesley Steinhilber remain as top officers of the union. Charles Snodgrass, an original board member, is District 7 general auditor; Eileen Dooley is business agent of Local 291 and Dan Arnold, long the RCA Conference Board chairman, now services RCA locals for the IUE-Multi-Employer Conference Board.

John Callahan, a member of both the Administrative Committee and the first IEB, is IUE COPE and legislative director after 18 years as GE Conference Board chairman.

During the 1950s, IUE membership climbed toward 300,000. IUE and UE engaged in often bitter confrontations in local union halls across the country as rank and file members in both the large chains and in numerous individual locals voted to be represented by IUE. IUE became the predominant union in the electrical industry.

Progress was made in other areas, IUE pioneered in establishing severance pay benefits which became a pattern not only in the electrical industry but in others as well. Equal pay for equal work was another breakthrough and a first-ever guaranteed annual wage at a major electrical corporation was won at International Resistance in 1955. IUE's 156-day nationwide strike at Westinghouse in 1955–56—one of the longest major walkouts in modern labor history—turned back the company's efforts to break the union, brought a good contract with a much-needed workable arbitration clause and demonstrated trade union solidarity at its best. Another example of solidarity—IUE–UAW teamwork—brought major gains over the years at General Motors, including supplemental unemployment benefits and key pension breakthroughs.

Having become IUE president in 1965 after defeating Carey by 23,000 votes, Paul Jennings pushed the union's coordinated bargaining efforts both at GE and Westinghouse and at numerous other corporations. At GE and W, a coordinated operation among 14 unions was built with the aid of AFL–CIO President George Meany. It functioned with increasing effectiveness in 1966–69–73, including a historic 101-day nation-wide strike against GE in 1969–70.

UE is one of the participating unions IUE and UE have forgotten old enmities and have worked together increasingly in recent years in collective bargaining and other areas.

The union won important legal victories over GE. In the 1960s, NLRB and the courts found illegal the company's use of Boulwarism—a take-it-or-leave-it contract offer promoted by a propaganda barrage. The presence of members of other unions on the IUE negotiating committee, a key part of coordination, was upheld.

In 1966, IUE signed the first of a series of unique on-the-job training program contracts with the Department of Labor. Over 5,000 workers have been trained under this continuing program. For several years, IUE also carried out an experimental Educational Advancement Program contract, enabling workers to improve their knowledge and skills.

David J. Fitzmaurice became IUE's third secretary-treasurer in 1968, succeeding George Collins who had held the post since 1962. Collins, who succeeded Al Harnett, is now an assistant to Jennings.

Reversing its historic support of so-called free international trade in late 1968, IUE spearheaded organized labor's efforts to protect jobs from a flood of imports and sought government regulation of the export of jobs, capital and technology by multinational companies.

A key ingredient, in IUE's successful efforts throughout its first 25 years has been the unity displayed when the going got rough. Members have responded generously to the needs of others by providing financial and other aid. This has enabled even the smallest local union to gain benefits for its members on a scale which would be impossible to achieve any other way.

Since 1949, average hourly wages have increased 191%, the vast majority of members are covered by cost-of-living provisions (almost unheard of 25 years ago) and the number of paid holidays has almost doubled. Paid sick leave is now an accepted concept in the industry. Five weeks of vacation, substantial non-contributory pension and insurance programs and other benefits are widespread.

The 1949 CIO Resolution chartering the IUE declares that, through our union, "the mission of the CIO, as stated at its founding, shall be realized in happy men and women, secure in their jobs, in their homes and in their trust in one another."

It is the courage and determination of these men and women that will be responsible in the future, as in the past, for IUE winning the battles that must be won for all of us.

IUE Is Involved

What should be the extent of a union's concern for its members' interests? To IUE, this concern should not only involve what goes into the pay check but what goods and services that pay check can buy, what services are provided by the tax dollar, and the quality of life members and families can live. What the world is like for them. IUE is not only to be the members' "shop steward," says President Jennings, but also a "community steward." And that, of course, really means IUE is the instrument through which each and every member can influence what his or her world is like.

Here are some illustrations of this concern and this role over the years:

A place to call home.—In its 1950 second convention, IUE called for federal action to provide decent housing for low-income people and controls to end gouging of tenants in private rental units, and the union worked for this legislatively. More recently, during the one-sided Nixon "phases," IUEers tried to police rents, as well as store prices.

Meanwhile, over the years, IUE-sponsored senior-citizen housing projects successfully were built and operated to provide decent, economically-feasible apartments, starting with our first—Philip Murray House, in Philadelphia, planned in 1964 and built in 1966–67—and extending to our most recent, Jack Kenny Housing, in Rochester, N.Y., dedicated in April 1974—with others built in between and more a'coming.

Retired, but not finished.—That's the situation for IUE members when union-negotiated pensions and lobbied-for Social Security permits them to leave the shop. They still have abilities and needs, and the IUE retiree clubs, affiliated with the National Council of Senior Citizens, provide the opportunity for many seniors to work for improved governmental programs, to contribute community service, to help younger members win contract and pension-plan gains, and to socialize.

A helping hand for the troubled.—Workers are humans, and so are their families; sometimes individuals aren't quite making it. Maybe it's an alcoholism problem, or drugs, or some family difficulty they can't resolve unaided. IUE's Community Services program meshed in with the AFL–CIO's far-flung resources and community agencies, helps.

Some IUE local unions have developed alcoholism and/or drug programs, including counseling, hospitalization, helping the family understand and be supportive of the troubled person, protecting the job if possible, etc.

Help for the many in emergencies.—IUE Community Services helps in mass emergencies—such as after a flood or a tornado, when IUE locals need expertise in getting needed aid for members from government and community agencies. Locals help members hard-hit by disasters in their areas or collect money, food and other goods for those afflicted elsewhere.

Community Services Dept., districts and other locals help in long strikes, too.

Self-improvement by learning.—IUE's dedication to education, to making it feasible for persons to enrich their knowledge in many areas, takes many forms, from the simple demand for federal aid to education made in repeated convention resolutions and letters to Congress through the more recent contractual negotiation of education-reimbursement provisions. They include our federally-funded On-the-Job Training Program; Educational Advancement Programs; various districts' and locals' scholarship awards for starting members' youngsters into college; cooperative plans such as Optical Local 408's arrangement with the New York schools and employers for rotating high schoolers between classes and shop work as a route to a good job, and skilled trades apprenticeship programs, etc. To say nothing of seminars and workshops for officers, stewards, etc.

Health and safety at work.—From the 1950 IUE Convention cry for the setting up of "uniform federal standards and codes for industrial health and safety and for workmen's compensation" to today's struggle in the shops and in Washington, the thread is unbroken. We finally won passage of the Federal Occupational Safety and Health Act in 1970. We have struggled since to teach ourselves how to use it, and to push employers into obeying it and the government into carrying it out. We publish a widely-read Health and Safety Bulletin, conduct H&S workshops, make shop inspections. We work for consumer product safety and environmental health programs, too.

Telling it to Congress.—Because so many programs need new or improved laws to carry out, we have devoted much effort to persuading Congress of workers' needs. Our COPE-Legislative Dept., working with other AFL-CIO representatives, does this.

As resources permit, we testify at congressional and government agency hearings. We did so on behalf of national health insurance and for protection of our jobs against unfair imports. We have done so over the years on many issues ranging from equal pay for women, to civil rights, to protection of promised pension rights.

We also build community support, organize demonstrations, collect petition signatures and do other things to move Congress and the Administration to act.

Then we help elect helpful public officials, defeat unhelpful ones. We aren't always successful—our "Remember November" campaign to defeat Richard Nixon in 1972 did not succeed, nor did our support of Hubert Humphrey in 1968; the national agony over Nixon's misdeeds is the price. But for many elected officials, including prior Presidents, state officers, Congressmen, our support has been vital.

Respect for the law.—IUE has fought in court against illegal actions against workers, and has won numerous key cases under the National Labor Relations Act, Equal Pay and Civil Rights Acts, etc. In one case, the courts have required employers to bargain instead of jamming settlement packages down unions' throats. In another, the Nixon Administration was forced to exempt additional millions of workers from wage controls. And in a case that much of industry is watching, a judge has ruled that IUE is right in contending a woman worker absent for pregnancy-childbirth reasons is entitled to disability pay.

Kennedy-King Awards.—As a stimulus to action, a Kennedy-King Award is given every two years to the IUE geographical district which is judged to have done the most to carry out the previous International Convention's social action resolutions. Activities such as voter registration, drug abuse programs and youth recreation have helped in winning this award.

HON. KEN GRAY

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, when the 94th Congress convenes next month, this body will be without the services of one of the hardest working and most prolific Members the House has ever seen. I refer, of course, to my good friend and colleague, KEN GRAY, who is retiring after 20 years of outstanding service, not only to the Nation, but to the voters of the 24th District of Illinois, as well. In the hectic and sometimes ephemeral field of legislation, many of us must count our accomplishments in a clause here, a comma there. But, KEN GRAY's accomplishments are around for all of us to see and enjoy, from the beautiful John F. Kennedy Center on the Potomac River, to the Hirshhorn Art Museum on the Mall. As a member and chairman of the Public Works Subcommittee on Public Buildings and Grounds, KEN GRAY has helped to literally change the face of this city. The list of bills bearing his mark is impressive, ranging from legislation that will finally provide a permanent home for the Vice President at the National Naval Observatory, to the extension of the National Gallery of Art, and creation of the $72 million Eisenhower Center.

But, amid all this, GEN KRAY has also been active in behalf of his district, helping to bring new housing, highways, lakes, reservoirs, hospitals and industries to southern Illinois.

But, I believe that one of KEN GRAY's most important accomplishments is taking shape right now, just a few blocks from this Chamber. I refer to the National Visitor Center now under construction at Union Station. KEN recognized back in 1968 that Washington, the Nation's Capital and foremost tourist attraction, with over 20 million visitors annually, offered no central facility to provide visitors with information on historic and official points of interest, on hotels and motels, on travel facilities, in short, on the myriad items that every visitor needs to know to make a stay more enjoyable. With this center, visitors not only will be able to obtain, at one stop, answers to all of those questions, but they also will have available orientation films, babysitting services, and even translators. This center, due to be completed in time to serve the 40 million visitors expected during the Bicentennial Celebration, truly will be a remarkable memorial to a remarkable Member of this House. I am sad to see KEN GRAY leave, but I am proud to be able to say that I served with him.

THE SAFE PROGRAM

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. SANDMAN. Mr. Speaker, it is my great pleasure to report on a very innovative and productive effort by citizens and government in my home county of Cape May County, N.J.

I refer to our SAFE program. SAFE stands for safety accountability for everyone. This unique effort has been so effective that it has already won numerous national awards, including the Safer Tomorrow Award for the best local traffic safety program in the Nation from the Highway Safety Foundation.

My purpose in reporting to the House about this SAFE program today, Mr. Speaker, is to encourage others throughout the Nation to embark on similar joint efforts of volunteer citizens and Government.

TREMENDOUS RETURN

We spend billions of dollars building safer highways and streets. We spend hundreds of millions of dollars building safer automobilies, but I am told that better than 90 percent of the traffic accidents are caused by people, by human error.

Therefore, Mr. Speaker, I contend that if we spend a few dollars trying to motivate people and train them to good safety habits, we will get a tremendous return on our safety dollar.

That is precisely what Cape May County's SAFE program is proving.

Less than 1 year ago, the county's traffic safety director, John O. Salvesen, conceived of the SAFE plan, secured the approval of the Board of Chosen Freeholders in Cape May County and applied for a demonstration grant from the New Jersey Office of Highway Safety.

The concept was and still is to involve everyone in the county in the program; people like community leaders, business people, schoolchildren, parents, organizations and every other aspect of the county.

While the grant was being considered, Mr. Salvesen, Freeholder Director Anthony T. Catanoso, and Freeholder Bernard A. Berk who is director of public works in Cape May County, proceeded to line up an impressive list of committee chairmen, members and other volunteers in the cause of traffic safety.

Eventually, some 31 separate committees were formed and are still functioning in their respective areas of traffic safety. Examples are drunk driving prevention, senior citizen safety, pedestrian safety, bicycle safety, schoolbus safety, legislation and highway engineering.

In addition to these traditional areas of concern in the field of traffic safety, SAFE embarked on special efforts in relation to drug driving prevention, ancillary accidents and other unique studies.

TOTAL INVESTMENT

Everyone got involved. I was asked to make several radio broadcasts to draw attention to the need for traffic safety. Schoolchildren drew posters and circulated "hot dots," little bright shine-in-the-dark red dots to stick on bicycles, car bumpers and other suitable places. Banks distributed literature along with their monthly statements. The movie theatres flashed promotions on the screen between features. The newspapers supplied publicity, as did the local radio stations, cable television stations and other media.

Mr. Speaker, Cape May County is a very attractive resort area which has popular attractions such as beautiful beaches on the Atlantic Ocean. Millions of automobiles visit Cape May every year.

A major effort over the summer was aimed at alerting these summer visitors to the need for traffic safety. Signs at our county borders informed motorists that they should be careful "You're in SAFE Country."

On June 23, teams of police officers and pretty girls stopped all traffic entering the county to hand them SAFE literature and wish the visitors a SAFE visit.

"TRAFFICAT"

Mr. Salvesen discovered a symbol for the traffic safety movement. It is a cartoon figure of a cat in a uniform holding a SAFE sign. We hope this "Trafficat" will eventually become the "Smokey the Bear" symbol of traffic safety throughout the Nation.

SAFE was funded in April 1974 through a very inexpensive demonstration grant of $13,800. Not $13 million or any other huge sum. Just $13,800.

Mr. Speaker, I suspect more good was accomplished for the people in terms of education, saving lives, and preventing accidents by this program than has been accomplished by a lot of programs we have dreamed up that cost millions.

I am proud that Cape May County has taken the lead in the area of traffic safety through this innovative SAFE program.

It is my sincere hope that the entire State of New Jersey will embark on the SAFE program statewide and that other States and counties will move ahead in this or a similar effort.

WHAT THEY DID

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mrs. GRASSO. Mr. Speaker, this is the second and last installment of "A Summary History of the Italian-Americans in the City of New Britain, Connecticut 1850–1974," written by Joseph Cannata, Armand Zottola, the Reverend Augustine Guisani, and Paul J. Manafort, all of New Britain.

As with the first installment which appeared in Tuesday's CONGRESSIONAL RECORD, this text bears witness to the large part that Italian-Americans had in the development of this illustrious Connecticut city. This work is more than simply a testimony on the effectiveness of one group, however. It is a symbol of the hard work and diligent effort that all ethnic Americans have put into the building of our great Nation.

The article follows:

WHAT THEY DID

As many who came to this country, the Italians were generally poor in formal education. The Italian government in the nineteenth century attempted to ensure each child with some skill for a livelihood, but most of those who emigrated here possessed little more than a functional ability to read and write and for the times, that was quite adequate . . . even in New Britain. The most commonly found skills were: barbers, bakers, artists and painters, shop owners, tailors, masons, carpenters and musicians. In 1901 Jeremiah Albanese brought Italian baking to the city with his shop at 179 Park Street. In a short time he had eight full-time bakers, clerks and two full-time drivers (all rooming above the store). From him, many others learned the trade.

In the south end of the city were large deposits of clay suitable for bricks. Here grew up an industry that extended into Berlin and here is where many newcomers made their first rent and food money. Italians were the main working force in the production of clay products. The work was dirty, exhausting and low-paying, but $9–11 per week seemed a fortune to most of them. Some saved their money and moved back to Italy to 'retire', but to most it was a grueling introduction to the nation whose 'streets were paved with gold'. The bricks made at enterprises as, Carbo's Brick Company were used in all kinds of commercial and residential construction in the area. Using the railroads and waterways, bricks made by Italian hands found their way all over the southern New England area during these years of great economic growth. If the Hebrews can be said to have built the pyramids, then surely by the same logic it might be suggested that the Italians built New Britain.

The Italian story in New Britain became the Italian-American story as the years went by. The first generation of settlers experienced all of the typical realities of immigrant life. Bigotry and ethnic rivalry surrounded them. As most could not communicate in English, their ability to find work or learn in the schools or be accepted socially was initially limited. There is nothing of significant interest to relate about Italian-American life during the period from about 1900 to the years after World War I. These were harsh times, years to grow, assimilate and acculturate. They were too many years of ghetto-like life centered around the Catholic Church, Mama and Papa and their organizations.

In the societies the Italians found recreation and social security. The early ones attempted membership only from given provinces or towns in Italy. Thus, one had to come from the Marches to belong to the Marchegian Club and so on with the Barese, Sardinere, Piemonte, Calabria, Sicilians, . . . etc. Many of these organizations provided sickness and death benefits, to their membership as an inducement to join, but the medical insurance was available elsewhere—nowhere else could they find people who spoke the same dialect, cooked the same way or prayed to the same saint.

The first to organize in New Britain was the Italian Fraternal Society in 1895. It was incorporated in 1899 under President Leo Fusari. At one time there were 25 Italian organizations in the city. Today but a few remain as the old original members die off and the young seek different interests. Of those that remain meaningfully active we find: The Fraternal, Unico, Italian-American War Veterans, General Ameglio Society, the Italian Civic Club and the Italian Junior League. The Columbian Federation is an organization that is dedicated to the commemoration of Columbus Day. The organization has functioned since 1941 and currently sponsors the largest parade in the State every October.

But the societies could not change or mitigate the terms of life effectively and their early role cannot be over-stressed.

The times made them lean and tough and as the second generation learned the language, their opportunities grew in proportion. The classic American process of "becoming an American" was well under way. It only took one generation, because somehow, the Italians became very visible in the pages of "The New Britain Herald" during the 1920's.

Some of their kids were getting good grades in school, and the high school football team had some heroes with names that ended in vowels. The World War I memorial told of men as Santa Motta, Tomado Tirozzi and Antillo Giantonio who had died in the service of their country. One of them became a medical doctor (Alphonso Avitable); Gerard Casale sat on the School Board in 1927; James Passerine became Fire Commissioner in 1928. Finance and Taxation, Compensation and Assessment, Parks and Recreation, the Board of Public Charities . . . the Italians discovered politics and thrived in its waters. Good Lord, even the Mayor's name was Angelo Paonessa (1922–26, 28–30), followed by Joseph Morelli (1956–1960) and Paul Manafort (1965–1971) the only mayor to be elected to three consecutive terms. The Italian-American had arrived!

There is no need to bore the reader with the ever-growing lists of professionals, public servants, war heroes, industrialists or clerics. It should *not* have to be said that Americans of Italian descent now permeate every chamber, every industry, every neighborhood of the city. The most sacrosanct Yankee institutions have admitted the Italian to full membership . . . and the American miracle continues.

Today as we celebrate and acknowledge our past it is perhaps appropriate to note that other groups are just beginning the long journey down the road to 'full participation in the American way of life'. We know who they are . . . and if this brief account has any morale, it might be that . . . "we know what they are going through . . . maybe we should be more understanding than some of the others."

JOSEPH CANNATA.
ARMAND ZOTTOLA.
JOSEPH CANNATA.
PAUL J. MANAFORT.

"DEEP THROAT" OF NEWSPAPER INDUSTRY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. CLAY. Mr. Speaker, in every field of human endeavor there are those individuals who abuse the rights and privileges extended for the benefit of all. The field of journalism is no exception. There are those publications that have interpreted the constitutional guarantee of freedom of the press and the Supreme Court ruling of libel and public figures as a mandate to vilify and crucify those who would dare philosophically to disagree with the publishers and editors. But even under the liberal Supreme Court rulings there is no absolute right of the press to disregard the basic rights of elected officials. Therefore, I am making a study of those libelous articles for the purpose of taking legal action. One such muckraking newspaper is the St. Louis Globe-Democrat. Its reputation for yellow journalism is widely known throughout this country.

The St. Louis Globe-Democrat must be a source of embarrassment and shame to all the newspapers that believe integrity is a valuable ingredient in covering the news. Traditionally the Globe has thrived on sensationalism, racism, and barbarism. Most decent and fair-minded citizens in St. Louis long ago canceled their subscriptions. Those who still buy the Globe-Democrat in most instances are persuaded by its excellent sports page and comic section. But I find the news and editorials have little credibility in the community.

Mr. Speaker, in my opinion the St. Louis Globe-Democrat is almost completely void of truth, decency, and morality. Any story appearing on its pages remotely resembling the truth is purely coincidental. Most of my constituents feel the same as I that the Globe-Democrat is unadulterated pornography masquerading under first amendment protection. If it was a Hollywood film it most certainly would be banned in most theaters as hard porno. In other words Mr. Speaker, it is the "Deep Throat" of the news industry.

Mr. Speaker, this inflammatory, unethical smut sheet has victimized and in many instances terrorized fine citizens in our community. So much so that many of the so-called pillars of decency in the community are afraid to challenge the reckless, irresponsible publisher, G. Duncan Bauman.

Mr. Speaker, I am inserting the following article which originally appeared in the May 1974 edition of MORE. This New York paper lists tne St. Louis Globe-Democrat as one of the Nation's 10 worst publications. If I find any disagreement with this article it is because the Globe-Democrat was not listed as the world's worst newspaper.

The article follows:

ST. LOUIS GLOBE-DEMOCRAT

Editorially, the *St. Louis Globe-Democrat* is conservative, pro-Nixon, anti-labor and generally hostile to anyone unfortunate enough to be poor, black, or, in some instances, even young. But you don't have to read the Newhouse-owned *Globe's* editorial page to learn its philosophical orientation—it's on display throughout the paper.

Long after black Americans had indicated their preference for being called "blacks," for example, the *Globe* insisted on calling them "Negroes," and Muhammad Ali was Cassius Clay in the *Globe* probably longer than any place else. Civil rights activists, until quite recently, were routinely referred to as "militants" in a way leaving little doubt as to the meaning of the epithet. In much the same vein, the *Globe* persisted in calling long-haired young people hippies long after such a description had lost any meaning.

The poor are always fair game in the *Globe*—chiseling and fraud were major areas of concern in a recent series about the welfare system. And a favorite way to zero in on law and order problems is to analyze court statistics to show which judges are "soft" on criminals.

The publisher, the managing editor and the editor of the editorial page are Roman Catholics, and there are times when the *Globe* might be mistaken for the official publication of the St. Louis archdiocese. Catholic news appear first in the *Globe*, and the reporting and editorializing on the abortion issue is such that readers must wonder if there are any pro-abortion arguments at all.

Completely missing from the *Globe* is any sustained, in-depth coverage of areas that can have an impact on the quality of life in a large city: the environment, consumer interests, education and housing are just a few. The *Globe's* sporadic efforts in these areas—made despite management inertia—are usually the outgrowth of especially strong interests on the part of individual reporters. They are always short-lived, either because the reporter involved leaves the *Globe* or because he or she is discouraged by the systematic downgrading of his or her efforts. Consequently, these areas are covered (at best) superficially by general assignment reporters or (at worst) via handout.

On the plus side, there are good reasons for preferring the *Globe* over the *St. Louis Post-Dispatch*, the rival publication owned by the Pulitzer family. The *Globe's* real strength lies in its local coverage of what traditionally is thought to be news: crime, riots, natural and man-made disasters, and the conventional beats of local government.

Typographically, the *Globe* is more pleasing than the *Post-Dispatch*. For years it has led in makeup innovations, its rival following timidly. And the *Globe* is more readable, being more tightly written and edited. The paper's staff includes a number of talented, highly qualified journalists. For informative, timely reporting on Missouri politics, no one is better than the *Globe's* Jack Flach. Pete Rahn's writing about radio and television is exceptional, as is Bob Burns' Benchwarmer column in the sports pages.

There is a kind of reckless competition between the *Globe* and the *Post-Dispatch*, although it is a tainted one. The two papers, which are nearly equal in circulation, are umbilically linked, sharing printing facilities under the Failing Newspaper Act. It is generally thought that the only direction given to executives of Newhouse papers is to make money for S. I. Newhouse. But the *Globe*—although profitable—has a special excuse for cutting corners and holding payroll expenses down. It has been assigned the role of St. Louis' failing newspaper and seems to feel compelled to parade as one.

STATE OF ALABAMA OPPOSES SPEED UP DEPOSITS OF SOCIAL SECURITY TAXES PAID TO STATE AND LOCAL GOVERNMENTAL EMPLOYEES

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. BEVILL. Mr. Speaker, without objection I am placing in the CONGRESSIONAL RECORD information relating to a proposal by the Social Security Administration to speed-up deposits of social security tax on the wages paid to State and local governmental employees.

The State of Alabama is strongly opposed to this proposed change in procedure. The reasons for this opposition are set forth in two enclosures which I submit at this time. I urge my colleagues to give close study and attention to these arguments.

The information follows:

STATE OF ALABAMA,
STATE AGENCY FOR SOCIAL SECURITY,
Montgomery, Ala., October 31, 1974.

Hon. TOM BEVILL,
Representative in Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BEVILL: I am enclosing a report from our Federal State Procedures Committee in which they are really protesting any change in our Social Security reporting.

You recall that State and local governments were removed from the Senate Amendment to HR 6642 dealing with annual reporting.

What has prompted this protest is the Social Security Representatives in Baltimore have indicated to the Committee that this topic will be the second item on the agenda at the meeting to be held in Baltimore November 17 and 18.

There are many local governments in states who would be forced to terminate due to lack of funds to employ the required personnel to handle this additional work. This, of course, would hurt their employees, but due to the many hardships this will create, the group will have no other alternative.

In just a few words, the National Conference does not wish to have our twenty-five year reporting program upset.

I have found from personal experience with Internal Revenue Service that State and local government coverage is a foreign language. In fact, Mr. Coppinger, our Internal Revenue Service Director, told me once he knew nothing about Section 218 of the Social Security law.

The Conference President requested that I serve another year as Legislative Chairman. I hope to see you when up that way around November 19 or 20.

I have just talked with Mr. Edward Baublits, our Conference President, and he plans to be in Washington with me.

Thanks again for all your assistance and will look forward to seeing you.

Best wishes always!

Sincerely yours,
EDNA M. REEVES,
Chairman, Legislative Committee.

NATIONAL CONFERENCE OF STATE SOCIAL SECURITY ADMINISTRATORS,
October 25, 1974.

ARTHUR E. HESS,
Deputy Commissioner, Social Security Administration, Baltimore, Md.

DEAR MR. HESS: At the Santa Fe meetings of the NCSSSA this organization was requested to submit to the Administration a position paper setting forth the conclusions of the states with respect to what would result if the long established quarterly reporting procedure under Section 218 were to be abandoned and the states were required to make deposits in the trust funds on a monthly or semi-monthly basis.

Since Congess as evidenced by the language in the conference committee report on H.R. 6642 (Report No. 93–1400) has forcefully indicated disapproval of changes in the present system of reporting under Section 218 it would appear that the intimations hitherto manifested with respect to annual wage reporting and more frequent contributions deposits now may be moot.

However, for the record we are setting forth in this paper some of the reasons why so many Senators and Representatives have gone on record as vigorously opposed to changing the remittance procedure upon which the state-federal agreements were based, and which has been in effect for such a long period.

The state-federal procedures committee at the mandate of the NCSSSA acting as a committee of the whole has also canvassed every state on this subject and has been very much impressed with the general unanimity of the responses of the states.

We now submit for your review a summary of the responses from the states as reflected also in the vigorous language of our representatives in the Federal Congress:

1. Repeatedly state administrators stress that the proposed abandonment of quarterly reports and deposits and the substitution of more frequent reporting requirements would most certainly stimulate and accelerate the movement to terminate coverage for public personnel. Some of the underlying reasons are set forth later in this paper.

Federal personnel have heretofore expressed some concern over this growing movement toward termination. Hence it seems strange that steps should now be taken to increase terminations.

Many political subdivisions are looking for an excuse to terminate coverage because the costs are increasing so markedly. This proposal will definitely provide such an excuse. Even now it requires great effort on the part of the states to convince responsible officials and covered personnel that Social Security coverage should not be abandoned because of the steadily accelerating cost.

The proposed change would provide ammunition for private insurance carriers seeking to induce termination of coverage.

Some state administrators might even be tempted to cease their efforts to discourage termination of coverage.

In many of the states where terminations would be stimulated by the proposed change the political subdivisions most likely to terminate are the poor areas of these states that find it difficult to finance their present budgets. Unfortunately it is these same political subdivisions where the individuals are the most in need of the protection provided by Social Security.

2. There apparently has been overlooked the fact that a large proportion of covered agencies under Section 218 are small entities ordinarily having part-time officials.

After strenuous efforts by education, prodding, enforcement by field audits, correspondence, telephone communication, and other devices extending over almost a quarter century a reasonably satisfactory level of performance under Section 218 has now been achieved—and efforts along this line to procure further improvement are being intensified.

It is now proposed to jettison all of these accomplishments and to force states to *begin all over* again in trying to bring order out of chaos. For certainly chaos will inevitably ensue if the present system is upset.

The majority of the coverage groups in many of the states do not have centralized payroll systems, do not have modern accounting equipment, do not have full-time officials, and in many cases do not even have actual office quarters.

It is sometimes agonizing to obtain quarterly reports from some of the remote areas; to require monthly or semi-monthly payments would create utter confusion.

3. On August 8, 1974 in a communication addressed to the president of the NCSSSA Mr. William Hanna, BDP Director, expressed great concern at the current volume of adjustment reports under Section 218. Consequently it seems very clear the federal representatives have failed completely to realize the inevitable impact of abandoning the long established quarterly report and deposit procedure which served as the basis of the federal-state agreements.

A shift to more frequent remittances would very definitely result in the necessity for a manifold increase in the number of adjustment reports.

4. Federal personnel evidently do not understand that under established state and local financial procedures which are quite precise it is absolutely impossible to pay money out of a public treasury which is based on estimates. Instead detailed documentation is necessary before funds can be paid from the public treasury.

As an example we quote from a letter from one state, and repeated by many states, which make the employer payment from a special state fund for certain classes of public employees:

"Another reason why this would be impossible—for teachers the employer portion of contributions is paid from a special fund and before we are permitted to request the employer tax all reports must be in, and a list attached to our letter to the budget office indicating the group, the total liability, how much paid by employe, and amount due from employer.

"In other words our request must be legally documented and no guess work or estimate is acceptable."

To maintain control, the documentation of both employe and employer deposits would be demanded in many states whether or not special funds are involved. The control is imperative not only to satisfy demands of state and local finance offices but to be able to justify adjustments or corrections when required.

5. It should be pointed out that in the absence of documentation in the event the proposed program of more frequent deposits is effectuated it would not be possible for state administrators to certify the propriety of OAR-S30 adjustments without an exhaustive and expensive effort. No state can be expected to pay the bill in an alleged violation of the coverage terms without justifying the obligation.

6. In most states notwithstanding the ultimate state liability it is not now possible to advance from the state treasury the contributions due for political subdivisions. It is therefore probable that any change for more frequent deposits would result in widespread delinquencies for which the state could not advance the money even if it knew what the proper amounts would be.

Again a quote from one of the states which was repeated by many others:

"Any deposit must be documented by a reported gross wage before the state can make the deposit. It is untenable to consider the possibility of an estimated figure, for the amount of the deposit can *not* be estimated."

7. The increase in adjustment reports plus the deterioration in the quality and timeliness of reports under Section 218 would clearly increase the volume of work at Baltimore. Hence increased federal administrative costs must be offset against the alleged advantages of more frequent reporting of contributions.

8. It is common knowledge that states and political subdivisions are operating under rigid budgetary restrictions due to limited sources of revenue and skyrocketing administrative costs. Therefore with rare exceptions it will be quite impossible to procure authorization to add administrative staff at state or local levels to cope with the increased work load under more frequent reporting requirements.

Here is another typical quote from a state:

"If we are forced into making more frequent deposits all control will be abandoned. Our field representatives will cease to be auditors and will become collectors only because our budget simply cannot accommodate the hiring of additional field personnel, the purchase of more automobiles, and the constantly increasing cost of their operation, etc."

Hence a most serious consequence will be that when state administrators necessarily shift emphasis to frequent collection there must be abandonment of controls now in force with respect to the correctness of reports and payments. The present quarterly lag allows time for the determination and reconciliation of errors. Therefore this raises the question of whether federal representatives have any real interest in quality reporting.

As one state administrator put it: "Loss of control, or weakened control at least, is inevitable under the proposed regulations and the taxpayer is always the loser when this occurs. Increased costs and bureaucratic inflation at all levels, local to state to federal, will also be inevitable and equally distasteful."

9. At the local level the increased complexity with the more frequent deposits demanded by the state could be the straw that breaks the camel's back and thus will induce many local reporting officials either to resign or to fade out as their terms expire.

In the meantime the quality of local recordkeeping and reporting necessarily will deteriorate.

Many state administrators are quite dismayed at the increasing turnover of reporting officials. Hence if this is accelerated by the proposed change—as is almost certain—the federal government unwittingly because of unfamiliarity with local government processes will have been responsible for the marked deterioration of the quality of operations in local government by stimulating the loss of experienced officials.

In the larger political subdivisions since budgetary limitations will prevent the hiring of additional personnel the increased work load will certainly result in more errors, more delinquency, more confusion, and a general deterioration of reporting standards.

10. In the state administrator's office budgetary limitations will also prevent the hiring of additional personnel.

This will mean that personnel now assigned to field and office auditing, to reviews of reporting patterns, to the design and execution of educative and enforcement techniques, to the processing of incorrect and incomplete name and number reportings, to the various and sundry efforts to control and reduce the need for adjustments of earnings information, etc. will necessarily have to be shifted to functions which are entirely in the area of collections. Thus certainly there will be a general deterioration of the present standards which have been achieved after so many years and so much effort.

11. Upsetting the long established payment schedule will in many instances actually increase local interest costs. Political subdivisions in some cases would be unable to make the required monthly or semi-monthly payments without temporary borrowing because funds are available under a rigid time sequence which could not be changed.

In some instances where federal funds on which they operate in part will not be available to political subdivisions at specified times local interest costs will be incurred due to federal delinquency under the new schedule.

12. In fact in many jurisdictions the quarterly reporting and payment procedure is imbedded in state law and action by the legislature would be necessary before there could be any change from this procedure.

In some states the legislature meets only biennially and hence considerable time would be required in anticipation of a change from quarterly payments to make the necessary change in the enabling law.

A typical response from one of the states raising this point is as follows:

"Our legislature meets for a three months period once every two years. Predictably, the legislative docket is overflowing, often frantic. To secure passage of a bill it must either be sponsored by the governor or lobbied for by a powerful interest group. This office has had a bill in the hopper for the past two sessions. It never even reached committee."

13. It should be pointed out that even under the present system of reporting state administrators frequently find it difficult to induce state legislatures to authorize adequate budgets for the discharge of the state's responsibilities. In making such determinations legislatures naturally conclude that because of the serious financial problems at the state level they cannot be more generous with the state administration of Social Security obligations than with other state programs which are also competing for limited funds.

Hence it seems quite unlikely that if the proposed change were to take place that legislatures could be persuaded to increase materially the budgets of state Social Security administrators.

14. While it is true that some states have established procedures for the temporary investment of contributions as collected it should be noted that many states do not do this and have not established machinery that would permit this to be done.

The investment on a temporary basis of monies by local and state governments should not disturb the federal government officials—in fact, the non-investment of such funds should be more questionable as such would indicate less effective management, an area in which all levels of government should be interested.

Financing of state and local governments is becoming more problemsome each year. The federal government has recognized this and has adopted revenue sharing as an acceptable program to alleviate the needs of local and state governments for more funds. How can the same agency of the federal government advocate a policy of taking funds from state and local units in one instance and then turn around and distribute funds to the same units of government under a different policy?

15. There are many federal programs involving the states—in the fields of public welfare, education, and many others—where federal funds do not completely finance the program. Hence in those cases where the administrative expense of the state Social Security administrator does not require all of the revenue derived from temporary invest-

ments the surplus if there be such is available to help finance other federal programs.

The precise bookkeeping arrangements in using these funds derived from temporary investments are quite unimportant since what is significant is the ultimate overall effect on the state budget.

16. If the states where investments are being made should ever lose the interest source of revenue to finance their operations in administering the Section 218 agreement it is apparent that in subsequent budgets the staffing would in many states be curtailed, and that thereafter the quality of the state's operations in this area would deteriorate greatly. Hence there would be reduced staff to handle the increased work load.

17. Notwithstanding the fact that it must be conceded that in some states due to lack of personnel resulting from inadequate budgets the current performance is not completely satisfactory it seems very certain that the quality of performance would be even worse if the collection responsibility were to be shifted to the Internal Revenue Service as has been suggested at times.

The IRS does not do now what it should be doing in this area, especially with respect to the administration of the FICA tax among small businesses, household employers, etc. With the many complications deriving from the coverage agreements under Section 218, and the large variety of small local governments, how could there possibly be any improvement in administration (irrespective of the extent to which there might be a need for improvement of state administration in certain states) through shifting the collection function to the IRS?

18. The proposals for annual reporting stipulate the use of the IRS Form W-2 as the report of Social Security wages.

Large numbers of small employers, both public and private, do not have any liability for federal income tax withholding and hence do not issue Forms W-2.

In public employment this condition is typical chiefly for small, remote, and frequently poor areas where the need for Social Security protection is the greatest since this is the only protection against the ravages of old age, dependency, disability, death, and disease the employes have in performing the public services needed in these areas.

19. It has been suggested that since the IRS depositary procedure has been established that additional administrative costs for the states could be avoided under a more frequent deposit schedule if the responsibility for the collections were shifted to the IRS. In addition to what has already been said we make the following points:

a. IRS personnel generally know nothing about the structure of government within a state and would be utterly confused; State government personnel are constantly guiding both the IRS and the SSA in the dealings they do have with political subdivisions.

b. There is no contact by the IRS with many political subdivisions because no income tax liability exists in many of these agencies.

c. Inasmuch as under the law the states have been required to underwrite and guarantee all payments due from covered political subdivisions the states would have no way of protecting their interests if the entire collection process under Section 218 is delegated to the IRS.

d. Under the chaos which would ensue the administrative expense of the entire HEW operation would be greatly increased if any sort of order were to be achieved.

e. There would be a horrendous increase in the number of adjustment reports that would be required; in fact to a great extent errors would never be corrected because of the ineffective administration by the IRS.

f. As a point of information state administrators repeatedly have discovered that IRS personnel even at reasonably high levels of authority have never even heard of Section 218 and have no inkling of the fact that states and political subdivisions follow procedures with respect to Social Security coverage and reporting which have been set forth under agreements with HEW.

20. If the federal government is willing and is able to relieve the states of their present obligation to underwrite and guarantee all payments under Section 218 then possibly the most serious objection to destroying the present effective procedure might be removed. However there would remain the fact that many individuals would be hurt because of the deterioration in the quality of the performance in the collection and reporting function.

21. There may have been overlooked the fact that whereas (as reported to Congress by Senators Williams and Proxmire) there has been staggering delinquency in collections from private employers, under Section 218 where the states assume the responsibility for prompt and correct reporting there has been virtually no delinquency in collections. This is with respect to known collections due. Federal representatives have repeatedly conceded that state administrators have consistently been doing a better job of enforcing full compliance than has the IRS in the private sector.

22. Whereas in the private sector a great impetus for frequent deposits arises because of the staggering delinquency statistics—a considerable portion of which come about because private employers go out of business or go bankrupt without having remitted the proper employer-employe contributions—such situations are entirely absent under Section 218.

No state is going out of business, and each state has in fact committed itself to underwrite and to be responsible for all amounts due under Section 218 on behalf of covered public agencies within that state.

23. The federal government has officially recognized that because it has dominated the tax revenue sources it has created serious financial problems for states and political subdivisions. Consequently a program of revenue sharing with state and local governments has been instituted. The proposed plan of collections under Section 218 would be in the direction of partially nullifying this announced federal commitment.

The proposal would deprive states of interest revenue hitherto used in defraying the administrative costs under Section 218 (which has saved the trust funds the costs that would have been incurred had administrative costs similar to those paid to the IRS in the private sector been provided).

24. The proposal being suggested for more frequent deposits by state and local government agencies violates the spirit if not the letter of the state-federal agreements. Such agreements might not have been initiated by the states under conditions now being proposed.

It should be emphasized in this entire matter that the most vital factor is that the primary objective of state governments and of the federal government alike should be *quality reporting*. It is our sincere belief that the proposals being made would undermine seriously this objective.

The entire proposal appears to be an attempt to gain some illusory increase in interest return at the federal level at the expense of wrecking the reasonably effective performance under Section 218 which has required almost a quarter of a century to achieve. It appears that certain individuals or an agency wish to appear efficient or even profitable at the expense of state and local units of government with no real net advantage or gain to the taxpayers of this country.

There would in fact be a shifting of some interest income from state treasuries to the federal treasury while at the same time administrative costs at both the state and federal levels would be increased, thereby resulting in a net loss to the overburdened taxpayer.

Federal personnel have repeatedly asserted that the quality of operations in the public sector under Section 218 is considerably higher than is the case of the private sector under the IRS. But this apparently is meaningless to certain federal personnel in their eagerness to show more interest income.

It would seem that these federal personnel have the peculiar notion that citizens of the federal government are entirely different people from the citizens of the states and their political subdivisions.

Instead they are precisely the same people. To cause great harm to citizens in their status as state citizens can not be excused by exchanging some alleged advantage to those people in their capacity as citizens of the federal government. This is especially true when in the process of transferring money from the state pocket to the federal pocket—with no material increase—the costs in the process at the state and local level are skyrocketed and are even increased to some extent at the federal level—and—even more serious—an efficiently operating management program is wrecked.

It is most absurd to do something which might have the effect of benefiting people in their status as citizens of the federal government but which will at the same time hurt these same people in their status as citizens of their state and local governments—and more important to increase the taxes these people must pay by increasing the cost of government at the state and local levels—or equally bad, to destroy the effective functioning of state agencies which have been established to serve these citizens.

Sometimes it would almost appear that the thinking of some officials in the federal government is to the effect that two competing nations are involved. It should not be forgotten that we are one nation with a system of state—local—federal government and that determinations should be based upon what is best for the people as a whole.

You no doubt are aware that a conference between state representatives and federal representatives concerned about Section 218 procedures has been scheduled for November 18 in Baltimore at Woodlawn.

We will be glad to discuss this entire subject further then if you deem such to be necessary.

It should never be forgotten that the collection of contributions is a means to an end, not an end in itself. The entire justification for this program is *not* to channel money into the Federal treasury, but rather to provide needed protection for some 9,000,000 public personnel covered under the state-federal agreements. There would be a tragic result if in the drive for federal collections in the process many persons are harmed because of the fact that the administration of this program at the public level is impaired by the disruption of the procedures established over such a long period and after so much effort.

It is relatively unimportant whether interest earnings are transferred from one pocket of the taxpayer to another of his pockets as compared with the probable undermining of the program by creating chaos thereunder, and consequently in the confusion denying the needed full coverage to public personnel—which is the primary objective of the program.

Sincerely,

State-Federal Procedures Committee,

Alta E. Moore, Chairman, Wisconsin; Fred E. Henne, Vice Chairman, Arkansas; members: Edward A. Baublits, Colorado; T. J. Compton, Texas; Arthur R. Corey, West Virginia; Abe Domain, Georgia; Edwin C. Gallison, Vermont; Arnold W. Jaeger, South Dakota; William J. Joseph, New Jersey; Betty Lujan, New Mexico; Gerald P. Slaybaugh, Kansas.

SUMMARY OF CONGRESSIONAL ACTIVITIES, 1973-74

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. SMITH of Iowa. Mr. Speaker, at the end of each congressional session I summarize the activities of Congress, reprint it at my own expense from the CONGRESSIONAL RECORD and send it to my constituents for their information.

I am doing so again today with the knowledge that the 93d Congress, in the years 1973 and 1974, has had to address itself to problems of historic magnitude. Much remains to be accomplished, certainly in the economic area, but on the whole I believe the 93d will be remembered as a Congress which dealt with an unprecedented number of new problems.

Space will not permit listing the hundreds of bills which became law during the 93d Congress, but in this summary I have listed those I believe to be of the most interest.

ENERGY

In 1970, a House Subcommittee, of which I am chairman, held the first congressional hearings on the energy problem and issued a report warning that unless action was taken soon the country would face a severe energy shortage. The recommendations included:

First, setting up a single Federal agency to establish a national energy policy for the production and efficient use of the nation's total energy resources.

Second, governmental action to increase the production of all energy sources.

Third, that the program restricting the importation of oil be modified to provide a continuing adequate supply of fuel.

Fourth, that the Federal Government develop a policy to assure adequate future production of coal.

No action was taken on these recommendations at the time, but my subcommittee continued to hold hearings, issue reports and reiterate the warnings in the first report. In November 1973, however, President Nixon went on television to announce that the country was facing an energy crisis.

Thereafter, the administration and Congress have acknowledged that a shortage of energy is a long-term problem of the most serious magnitude, although there have been disagreements on how to proceed.

Following is the major legislation enacted in 1973 and 1974 to deal with the energy crisis.

Public Law 93-275 establishes a Federal Energy Administration to carry out energy laws and to serve as the center for policymaking on the problem.

Public Law 93-438 establishes a new Energy Research and Development Administration, as a new Federal agency, for energy research and development and also sets up the Nuclear Regulatory Commission to perform the licensing and regulatory duties of the Atomic Energy Commission, which is abolished.

Public Law 93-319 requires the FEA to make an inventory of U.S. oil, gas, and coal reserves and to monitor energy production. It also promotes conversion to coal for major fuelburning installations and puts off until 1976 additional emission control standards for new cars.

Public Law 93-159 establishes a mandatory fuel allocation program and also provides for price controls by the FEA on certain crude oils.

Public Law 93-153 authorizes construction of the trans-Alaska pipeline. Construction is scheduled to be completed by 1977, when the pipeline will carry 600,000 barrels of oil per day.

Public Law 93-239 establishes a national highway speed limit of 55 miles an hour.

Public Law 93-409 sets up a 5-year program for research in cooling and heating by solar energy. The Federal Government has done work in this area earlier, especially in connection with the space program.

Public Law 93-410 coordinates Federal reseach in geothermal—underground steam—energy and also authorizes a loan guarantee program for private research.

INFLATION AND THE ECONOMY

Public Law 93-28 extended until April 30, 1974, the President's authority to impose wage and price controls. This is the law which the Cost of Living Council and other administration officials used in attempting to control inflation. It was not extended past April 30.

Public Law 93-315 authorizes funds for the Council on International Economic Policy, which advises the President.

Public Law 93-387 establishes a Council on Wage and Price Stability. The legislation was requested by President Ford to help him monitor the economy.

Public Law 93-426 extends the Defense Production Act, including provisions on allocation of materials in short supply, until June, 1975, and establishes a National Commission on Supplies and Shortages.

Public Law 93-110 formally approved the 10 percent devaluation of the dollar announced early in 1973 and asserts that the President "shall take all appropriate action" to achieve realization of stable international monetary reform.

SOCIAL SECURITY

Public Law 93-233 provided for an 11-percent average increase in social security benefits in two stages, with the second stage effective June 1974.

CAMPAIGN REFORM

Public Law 93-443 provides for public financing of Presidential elections, sets up a Federal Election Commission to assure full compliance with Federal election laws, limits the size of campaign contributions, the use of cash and makes other reforms.

BUDGET CONTROL

Public Law 93-344 provides Congress with new tools to review the overall Federal budget and also places controls on the Presidential power to impound funds appropriated by Congress.

The law sets up a Congressional Budget Office, establishes a Budget Committee in both the House and Senate, revises the Federal fiscal year, and provides additional authority needed to allow Congress to shape the budget according to its own priorities.

Also, the law establishes a new procedure under which the President may recommend, subject to review by Congress, that funds already appropriated be withheld. In recent years, former President Nixon impounded billions in appropriated funds, claiming an absolute authority to do so, but in almost every instance Federal courts held his actions to be illegal.

After passage of the law, I was named to the House Budget Committee and we are now gearing up to put the provisions of the law into effect next year.

CONGRESSIONAL REFORM

House Resolution 988, adopted in October 1974, includes many of the recommendations for congressional reform made in the so-called Hansen committee report. Among those recommendations approved by the House of Representatives is a requirement that the Ways and Means Committee establish subcommittees to expedite important legislation.

I served on the Hansen committee and helped develop the recommendations. The full House rejected some of the proposals made by the committee, but on the whole I believe the changes which were approved were another step forward in congressional reform.

In addition, the House Democratic Caucus met in late 1974 and adopted some additional reform measures governing the way the majority party organizes in the House of Representatives.

Four years ago, the Hansen committee secured adoption of rules abolishing seniority as the controlling rule for selecting committee chairman, guaranteeing a separate vote on each committee chairman, providing no Member may have more than one major committee assignment until all Members have at least one such assignment, and requiring a chairman to call a meeting when requested by committee members and assuring that the majority could control all committee action regardless of the position of the chairman. These rules were reaffirmed this year.

AGRICULTURE

Public Law 93-463, which I cosponsored, establishes a new Commodity Futures Trading Commission, as an independent Federal agency, and provides the Commission with the authority needed to adequately regulate the commodity futures markets. The commodity markets have grown to the point where transactions total some $500 billion annually. This far exceeds the business volume on the Nation's stock markets.

Public Law 93-86, the Agriculture and Consumer Protection Act, establishes a new "target price" concept for the farm program under which no payments will be made if the marketing price exceeds the target price, which for corn is $1.38. It also continues the food stamp program; and includes a provision authorizing the U.S. Department of Agriculture to obtain certain information from firms exporting agricultural commodities so as to avoid some of the problems which developed in connection with the Russian wheat deal of 1972.

In order to avoid a veto by former

President Nixon, the target prices were held much lower than Congress wanted; but an attempt will be made early next year to increase the target prices and loan rates.

Public Law 93-357 authorizes emergency loans to livestock producers threatened by severe economic hardship because of the fluctuating livestock market.

Public Law 93-24 amends—and specifically directs the Secretary of Agriculture to carry out—the disaster loan program for rural areas. The Nixon administration earlier had "terminated" this program by impounding the funds appropriated for it.

Public Law 93-32 amends the Rural Electrification Act. It establishes a revolving fund for financing, rather than direct appropriations by Congress. Earlier, the Nixon administration had "terminated" the low-interest loans by decree and had sought to revise the REA program by administrative action.

WAR POWERS

Public Law 93-148, which was passed into law over former President Nixon's veto, provides that the President shall not engage U.S. forces in hostilities for a period exceeding 90 days without congressional approval. During that period, the President is required by the law to keep Congress fully informed.

Public Law 93-50 includes a provision banning bombing or other military activity by the United States in Indochina after August 15, 1973. The first version of this bill contained an immediate ban on military action, but it was vetoed. Former President Nixon later accepted the second version with the August 15 deadline.

NATURAL ENVIRONMENT

Public Law 93-254 incorporates into U.S. law the international agreement, signed in 1972, for prevention of ocean pollution by marine dumping.

Public Law 93-119 tightens controls on oil discharges into oceans and includes restriction on oil-carrying tank vessels.

Public Law 93-55 continues through 1975 the authority of the Water Resources Council, established to assess the country's water supply needs and to coordinate river basin planning.

Public Law 93-54 authorizes funds through 1976 to survey and acquire properties of historic or cultural interest.

Public Law 93-6 extends the life of the Commission on Highway Beautification and increases the funding authorization.

PENSION REFORM

Public Law 93-406, which will benefit an estimated 35 million persons, provides for protection of private pension rights. The law includes establishment of a Pension Benefit Guaranty Corporation within the U.S. Department of Labor and includes other provisions designed to assure that when a worker pays into a pension plan he will not lose his retirement benefits.

EDUCATION

Public Law 93-380 continues the program of Federal assistance to local school districts for elementary and secondary education, revises the formula for distributing the funds, continues the Federal impact aid program, extends programs for gifted and handicapped children, and contains an antibusing provision.

Public Law 93-278 extends the Environmental Education Act for another 3 years.

HOUSING AND COMMUNITY DEVELOPMENT

Public Law 93-383, the Housing and Community Development Act, combines 10 previously enacted programs into a so-called special revenue sharing program with emphasis on local control, and continues certain Federal programs designed to encourage homebuilding.

Public Law 93-449 provides authority for the Housing and Urban Development Department to pump additional mortgage money into the economy to stimulate homebuilding.

HEALTH AND WELFARE

Public Law 93-351 amends the Older Americans Act to continue for an additional 3 years the authorization for the nutrition program for the elderly.

Public Law 93-347 provides for the continuation of the food commodity distribution program by the U.S. Department of Agriculture.

Public Law 93-516 upgrades the vocational rehabilitation program in the Department of Health, Education, and Welfare. President Ford claimed he had pocket vetoed this bill while Congress was in recess, despite a Federal court of appeals ruling that such action was unconstitutional. Congress then overrode the veto. President Ford still maintained that he had pocket vetoed the bill and refused to order that it be printed as a law. Congress then passed a second, identical bill. President Ford signed it into law.

Public Law 93-262 sets up new programs and a new financing system within the U.S. Interior Department to promote the economic independence of Indians and Indian tribes.

Public Law 93-296 establishes a National Institute on Aging to conduct research on special problems of the elderly.

Public Law 93-270 provides research into the sudden death infant syndrome.

Public Law 93-282 authorizes a program through June 1976, for the prevention, treatment, and rehabilitation of those suffering from alcoholism.

Public Law 93-247 authorizes a demonstration program for the prevention and remedy of child abuse and neglect.

Public Law 93-354 authorizes a 3-year program to provide research and education on diabetes, a disease which afflicts some 10 million Americans.

Public Law 93-222 sets up a 5-year program to encourage the development of health maintenance organizations or HMO's, which pay subscribers medical costs and place emphasis on preventive medicine.

Public Law 93-352 authorizes additional funds for cancer research and control through June 1977, and makes clear that Congress wants the fight against this disease to receive top priority.

Public Law 93-355 sets up a Legal Services Corporation to provide help on civil law problems to persons unable to afford an attorney. This program replaces the one operated under the antipoverty law.

CONSUMER PROTECTION

Public Law 93-153 includes provisions giving the Federal Trade Commission authority to go into court on its own to protect consumers against unfair business practices. Previously, the FTC had to rely on Justice Department lawyers.

TRANSPORTATION

Public Law 93-503 sets up a 6-year program for construction and operating assistance for mass transit. This law builds on previously enacted mass transit programs. The bus system in the Des Moines area has received funds under the earlier mass transit program.

Public Law 93-44, the Airport Development Acceleration Act, includes various provisions for Federal aid in developing and constructing airports. Also, the law forbids State or local governments from collecting a so-called head tax at airports.

Public Law 93-87, the Federal Aid Highway Act, continues through 1976 the Federal program of assistance for constructing and improving rural, urban and interstate highways. It also allows, starting in June 1974, cities to use some of their money for streets from the highway trust fund for mass transit purposes.

Public Law 93-236 provides assistance to revamp and maintain a railroad system in the Northeastern United States. The law includes an amendment, which I promoted, which makes some areas in the Midwest eligible for aid and permits a loan to the Rock Island Railroad.

LAW ENFORCEMENT

Public Law 93-281 provides the Federal Government with authority to establish security standards at maintenance or detoxification centers where drug addicts are being treated.

Public Law 93-83 extends for 3 years the program, established in 1968, for assistance to State and local governments in improving their anticrime efforts.

Public Law 93-415 establishes an Office of Juvenile Justice and Delinquency Prevention and authorizes funds to States to fight juvenile delinquency.

Public Law 93-366 contains provisions designed to eliminate the hijacking of aircraft.

SMALL BUSINESS

Public Law 93-386 amends the Small Business Act to provide increased SBA assistance and adds a new program for SBA direct loans to businesses suffering economic hardships as a direct result of the energy shortage.

GENERAL GOVERNMENT

Public Law 93-502 enacted into law over President Ford's veto, amends the Freedom of Information Act to make it easier for citizens to secure governmental information and, in cases where the Government claims information should be withheld, shifts the burden of proof to the Government.

Public Law 93-250 requires Senate confirmation of the person appointed to head the Office of Management and Budget. This agency, an arm of the White House, has developed into one of the most powerful in the Federal Government.

Public Law 93-400 establishes an Office of Federal Procurement Policy to set uniform standards for the Federal

Government's purchases of supplies and services.

Public Law 93-395 provides home rule for the District of Columbia.

Public Law 93-423 extends the authority for the Economic Development Administration to make loans and grants to upgrade the economy of so-called depressed areas.

FOREIGN AFFAIRS

Public Law 93-448 included a provision cutting off U.S. aid to Turkey unless progress was made by December 10, 1974, in Turkish-Greek talks to settle the Cyprus problem.

Public Law 93-199 provides an emergency authorization of funds to help replace equipment lost by Israel during the Mideast war of 1973.

Public Law 93-302 authorizes increased funding for the Peace Corps.

Public Law 93-485 amends the Atomic Energy Act to provide for congressional approval of international nuclear technology agreements.

VETERANS

Public Law 93-508, enacted into law over President Ford's veto, provides for an average increase of nearly 23 percent for educational assistance allowances for those attending college under the GI Bill of Rights program. The increase is retroactive to September, 1974.

Public Law 93-295 increases rates of disability compensation for service-connected disabled veterans and also raises dependency and imdemnity compensation payments to widows and children of deceased veterans whose deaths are service-connected.

Public Law 93-177, passed in 1973, provides for an increase of at least 10 percent in non-service-connected disability veterans pensions.

LABOR

Public Law 93-259 increases the minimum wage and expands its coverage. For nonagricultural workers covered under the law prior to the 1966 amendments, the hourly rate was increased to $2, effective May 1974, and will increase to $2.10 in January 1975, and to $2.30 in January 1976. This is the first increase in the minimum wage since the 1966 law.

Public Law 93-273 sets a minimum civil service retirement annuity equal to the minimum social security benefit, including cost-of-living increases.

Public Law 93-445, enacted over President Ford's veto, completely restructures the railroad retirement system to place it on a sound actuarial basis.

Public Law 93-69 permits retirement under the railroad retirement program at full benefits at age 60 after 30 years of service, instead of at age 65.

Public Law 93-58 amends the Railroad Retirement Act to permit disability benefits to children of retired railroad workers if their disability begins before age 22.

Public Law 93-408 makes permanent the Youth Conservation Corps and authorizes funds at a level high enough to provide 60,000 youths with summer jobs.

Public Law 93-203 continues Federal assistance for manpower training programs, but shifts the administrative control of individual programs to State and local officials. The law also includes a provision for public service jobs. Des Moines and Ottumwa received some funds under this provision.

BUSINESS AND FINANCE

Public Law 93-500 extends for 2 years the Export Administration Act, which gives the Secretary of Commerce authority to impose export controls on strategic materials under certain circumstances. The new law retains a provision, which I sponsored in 1972, which greatly limits the administration's authority to use it again to control prices of agricultural exports.

VICE PRESIDENCY

The 25th amendment to the Constitution provides that, whenever the Office of Vice President falls vacant, the President shall nominate a successor. A majority vote in both Houses of Congress is needed to confirm the nomination.

This provision was used twice during the 93d Congress.

In the fall of 1973, Spiro T. Agnew resigned as Vice President. Richard M. Nixon, at that time President, nominated Gerald R. Ford to succeed Agnew, and Mr. Ford was confirmed in December 1973.

In early August 1974, Richard Nixon resigned as President. Mr. Ford then became President, again leaving a vacancy in the Office of Vice President. Mr. Ford nominated Nelson Rockefeller to that post and Mr. Rockefeller was confirmed by Congress in December 1974.

The chief objectives of the 25th amendment, cleared by Congress in 1965 and ratified 2 years later, are to provide continuity and stability in the executive branch and to keep the Presidency in the same political party that won the last election. It did serve its main purposes, but after seeing it operate many are suggesting amendments.

DAYLIGHT SAVING TIME

Public Law 93-434 returns the Nation to standard time from late October to late February. This revises an earlier law for year-round daylight saving time, passed as an emergency, energy-saving measure.

VETOED BILLS

Under the Constitution, a bill vetoed by the President becomes law only if two-thirds of the Members in both the House and Senate vote to override the veto.

In the 93d Congress, former President Nixon vetoed 12 bills. Only one veto was overridden. As of mid-December, in the 4 months since he has been in office, President Ford has vetoed a total of 15 bills. Four vetoes were overridden.

Important bills which failed to become law because of a veto by President Ford, as of mid-December, are:

H.R. 5094, which would have increased the pay of deputy U.S. marshals.

H.R. 11873, which would have authorized the U.S. Department of Agriculture to help the States in improving animal health research.

H.R. 15323, which would have revised the method of public remuneration in the event a nuclear powerplant blows up or in another way causes damage.

H.J. Res. 1131, which included a provision for immediate termination of U.S. military assistance to Turkey.

H.J. Res. 1163, which included a provision cutting off U.S. aid to Turkey on December 10, 1974, if Turkish troops were not withdrawn from Cyprus by that date.

H.R. 11541, which would have established a new standard in determining whether the U.S. Interior Department can allow right-of-way across wildlife refuges.

H.R. 13342, which would have strengthened protection for migrant farmworkers.

PENDING

As Congress prepares to adjourn, the following bills have been cleared for the White House but not yet signed into law by President Ford. Some might be vetoed.

H.R. 7919 would provide the Federal Trade Commission with authority to set certain standards for consumer product warranties, including the power to require that a defect covered by a warranty be repaired.

H.R. 16424 would set up a Federal Commission to find new ways to cut down on Government paperwork.

S. 3164 would provide the Housing and Urban Development Department with authority to require greater disclosure of the nature and cost of real estate settlements.

S. 4040 would provide a 12-percent increase in VA pension rates for veterans and their survivors receiving pensions, and increases by $400 the annual income limitations.

S. 433 would set up a program, under the Environmental Protection Agency, for Federal standards to assure safe drinking water from public water systems.

S. 4016 would provide that the Federal Government retain control of the White House tapes made during the Nixon administration, and also would strike down an agreement approved by the Ford administration under which the tapes eventually would have been destroyed.

H.R. 14214 would continue for 2 years, with some changes, the programs for Federal assistance for comprehensive public health services, family planning, community mental health centers, and migrant health and community health centers.

S. 782 provides for increased penalties upon conviction in certain civil antitrust cases and also includes provisions for speeding up the appeals process in such cases.

S. 2666 provides for increased participation by the United States in the Asian Development Bank.

CURB INFLATION, SAVE THE REPUBLIC

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. CLANCY. Mr. Speaker, all of us here would agree that the state of the economy is the biggest problem in the United States today. Some of us might recognize the more serious problems which can result from uncontrolled inflation.

John A. Lloyd, chairman of the Union Central Life Insurance Co. in Cincinnati, Ohio, recently addressed the problems, perils and hard solutions of inflation in an address to students at Northern Kentucky State College.

Following are excerpts from his speech:

EXCERPTS FROM THE SPEECH OF JOHN A. LLOYD

First, let us search for the causes of inflation. . . . To do so, we must go back to the Great Depression which began on October 29, 1929. . . . President Hoover . . . attempted to deal with the problem with ultra-conservative measures. He secured enactment of statutes creating the Reconstruction Finance Corporation and Federal Home Loan Corporation and of a $3 billion relief and reconstruction act . . . and ultimately (and I feel certain very sadly) permitted the first federal deficit since World War I, although he lectured Congress in an effort to avoid it.

Mr. Hoover, of course, did not start the Depression nor do anything whatever to bring it about but he was blamed for it. . . . The new President (Franklin D. Roosevelt) reacted vigorously. However his policies were exactly the opposite of his campaign promises. This statement is not a criticism but a recitation of a fact of history. Whereas he was elected on a platform of rigid economy in government, promising to reduce its cost by 25 percent, elimination of deficit financing . . . his program caused the size of government to profligate.

He took the country off the gold standard, devalued the dollar from 100 cents to 52 cents, prohibited the ownership of gold bullion or coins. . . . The result was that the currency of the United States was free to fluctuate in value, uncontrolled by any anchor other than the politically contrived anchor of the will of the Federal Reserve Bank—and we lost a defense against the disease of inflation which we never have recovered.

There are certain unwritten laws of economics which dare not be violated. . . . Let us enumerate the major economic crimes which we have committed. First, a free-swinging, unanchored, monetary system violates the fundamental law of the need for a firm and strong medium of exchange. . . . Second, no nation can go on an unbridled deficit financing program without inducing inflation and it cannot fail to pay its debts without going bankrupt. . . . If the richest man in the world gave away his wealth, he would impoverish himself. . . . The same simple reasoning applies to nations. . . . Since 1917, the United States has given away or loaned to foreign countries more than $167 billion, 179 million. All of this huge sum we borrowed. On all of it we are paying interest.

I do not discuss the desirability or the wisdom of our making donations to other countries and peoples. I simply say that this is one of the causes of inflation. . . . Fourth, the immediate reaction and inter-reaction of inflation produce the spiraling cycles by which the fires of distortion feed upon themselves.

Let us deal with the national debt. As of June 30, 1973, the gross federal debt of the United States was reported as $469,251,000,000. . . . The interest cost on this debt for fiscal year 1974 is $26 billion, 100 million or about $49,660 for every minute. . . . This public debt . . . is one of the basic causes of inflation.

Perhaps a description of the malignant cycle of inflation can be helpful. Profits are the wages of capital. Salaries and wages are the profits of labor. The cost of government at all levels is a controllable factor which consumes the profits of both capital and labor. When, because of the imbalance of debt, the instability of the monetary system and the waste to our capital structure due to the government's profligacy in so-called foreign aid, the economic system sways insecurely as has ours for several years, profits get out of line, prices go up, wages must be increased to enable the wage earner to meet the cost of higher prices, which in turn are increased to provide for the cost of higher wages. . . . Government, the largest employer and the most profligate spender, with the power to pump more paper currency into the system, does so and inflation goes still further out of control.

Unfortunately, we must have controls and only government can provide them. Government must control profits, dividends, prices, wages, its own spending and a proper regulation of the supply of printing press money. . . . Partial controls will not suffice. . . . Controls must treat each segment fairly. For example you cannot put controls on wages without controlling also dividends, profits and prices.

It probably will take at least a decade to overcome and eliminate the causes and during that period, controls can preserve the buying power of the dollar and thus bring stability of earning power to all our people. Controls should be imposed as of a date in the past, let us say 30 or 60 days back, in order that unscrupulous persons cannot make inordinate profits by raising prices to try to "beat the control date" and that greedy elements in labor cannot attempt the same performance.

Controls should be imposed by Act of Congress and the statute should be very carefully drawn and should be as detailed and complete as possible. . . . The net earnings of business . . . should be required to be disposed of by (1) paying the dividends on capital stock at the rate which was in effect when controls became effective, (2) reducing or eliminating debt, (3) improving or expanding plant or (4) being added to or used to create a reserve fund which can be used in the future only for the three purposes just outlined.

Control of prices should include all prices involved at every point in every stage of production of a product or service at the time of retail sale. . . . Government must not increase taxes. It must reduce expenses. Social Security and other government payouts must not be increased. . . . The welfare programs of federal, state or any subdivisions thereof must be paid only on basis of absolute and proven need. . . . It is vital importance that the American working man and the American manufacturer and farmer be protected from the loss of his job or his proper profit. . . . This probably will require the imposition of tariffs to equalize these costs in favor of American made goods. . . . We must stop giving away American dollars and goods. . . . We must balance governmental budgets even, if necessary, at the cost of sacrificing some non-defense services and reducing others.

And we must start liquidating government debt by the definite program of paying debt off out of the surplus created by the savings made in government spending.

A British historian, commenting on the constitution of our country when that document first was issued, said that it had created a government that was "all sail and no anchor." That statement was made before we moved over from being a republic with a system of checks and balances to being a democracy with no checks and no balances. . . . Many great men have pointed to the incontrovertible fact that democracy contains the seeds of its own destruction. . . . It is at the very root of our problem.

When you have a government solely dependent upon the acts of officials elected by the people, you inevitably have a system where the politicians give the people that for which they cry. If they want the government to support them, the politicians will fix it so that the government supports them.

In all truth, I think we all had better cry out with absolute and desperate sincerity those dramatic words with which every session of every federal court is opened: 'God save the United States of America' and then we had better work to that end no matter what sacrifice we must make.

I do believe that if we have the will and determination to take the steps we have been discussing today and if our people can regain a genuine love of our country, all can be saved. If that comes about, we will have performed the dramatic rescue of the most valuable human possession in the history of mankind, the free American Republic.

ALVIN JUNIOR COLLEGE VOLLEYBALL CHAMPIONS

HON. BOB CASEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. CAESY of Texas. Mr. Speaker, I would like to take just a moment to bring to the attention of our colleagues a group of young people from my home district that I am extremely proud to have had visit us in Washington this week.

They are National Junior College Athletic Association volleyball champions from Alvin Junior College at Alvin, Tex.

They won the NJCAA Volleyball Championship in Baltimore over the weekend and have been touring our national capital before going back to Texas.

Mr. Speaker, I naturally share the pride of these young people in being national champions. Earning the title is testimony to not only their outstanding talent as athletes, but to their commitment to excellence and their willingness to cooperate in the spirit of working together as a team toward a common goal. But even more important is the fact that this group is composed of champions off the court as well as on. Never have I had a more outstanding group of young people visit my office. They are truly a credit not only to Alvin Junior College, but to the State of Texas and our Nation.

I know that my colleagues will want to join me today in offering our enthusiastic congratulations to the Alvin Junior College volleyball team: Kat Baldwin; Carmen Arevalo; Beth Bryan; Melinda Miller; Resa Miller; Pam Spiller; Terry Appelt; and Sue Edson.

To their coach, Mrs. Frankie Blansit, who could not be with them on their trip.

And to the sponsors and coaches accompanying them: Mr. and Mrs. James Gebert; Carlos Arevalo; and Don Childs.

We wish them a safe trip home and continued future success. They are truly champions in every sense of the word.

BUSINESSMEN CAUGHT IN MIDDLE OF OSHA-EPA CONFLICT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ASHBROOK. Mr. Speaker, as most businessmen will attest, it is getting more and more difficult to run a business. One of the main problems is the proliferation of Government bureaucracies and Federal regulations.

It is bad enough that the bureaucracies are telling businessmen what to do. What is perhaps even more frustrating, however, is that the bureaucracies sometimes cannot even agree on what to tell businessmen.

An example of this is the current squabble over acceptable workplace noise standards. Both the Occupational Safety and Health Administration—OSHA—and the Environmental Protection Agency—EPA—have issued regulations governing noise levels. The only problem is that the two agencies have issued different regulations.

While OSHA and EPA fight it out, businessmen are trapped in the middle. Do they follow the OSHA guidelines or the EPA alternative? The result is confusion and uncertainty.

It is time that Congress took a serious look at bureaucracies such as OSHA and EPA. These agencies are becoming too much of a burden on America's businessmen.

Following is the text of an article from the November 18, 1974, issue of Industry Week:

The prospect of a conflict between two powerful regulatory agencies over acceptable workplace noise standards has caught manufacturers in the middle of a difficult situation.

Do they listen to the latest Occupational Safety & Health Administration (OSHA) proposals, or do they try to meet tougher Environmental Protection Agency (EPA) recommendations?

OSHA's latest proposal retains the earlier 90-decibel (dBA) limits, but adds some impact noise qualifiers and makes audiometric testing a must for all employees exposed to noise levels higher than 85 dBA. However, since March, the EPA has been pushing for an 85-dBA maximum.

And, by law, the EPA has authority for "the total coordinating effort" for noise, explains John Tysse, director-health and safety, National Assn. of Manufacturers (NAM), Washington. The EPA can literally "hold the hammer over OSHA's head," even though OSHA has thus far ignored the agency, he notes.

The NAM executive's advice to manufacturers is to hit the 85-dBA mark, if it's technologically and economically possible, although he admits the difference between the two levels "is 75% less noise" and may not be easy to achieve.

Never know—"A manufacturer doesn't know from day to day whether his equipment is going to be rendered obsolete," admits Gary Knight, a U.S. Chamber of Commerce noise specialist. One result of this confusion: a trend toward temporary abatement techniques such as ear plugs.

Another result: a growing number of industrial noise studies and task force meetings.

The steel industry for example has launched a study because no one is quite sure where the industry stands in relation to either the EPA or OSHA standards in their final, or even preliminary stages, admits a source close to the study. He adds that anticipated regulations were an "influence in the conduct of the study."

Another study is a three-year, $300,000 effort by Hearing Conservation Noise Control Inc., Philadelphia. "One of the reasons for doing the study," which is sponsored by an interindustry noise council, is that "there is an inadequate amount of data within the 82- to 92-dBA range," admits Dr. Raymond Yerg, an American Can Co. executive and chairman of the noise council's steering committee.

In fact, he thinks that one reason the government is having trouble setting a standard is the inadequacy of previous noise studies. Strict controls within an industrial environment should help this effort "determine the incidence of hearing impairment in a working population exposed to continuous daily noise levels from 82 dBA to 92 dBA" and compare that incidence—if any—to a control group's rate.

Clear up—Hopefully, explains Chamber of Commerce labor relations attorney John Serumgard, the results "will clear up the question once and for all of what is a safe noise level from the standpoint of hearing loss."

Unfortunately, manufacturers can't afford to wait for these studies. They'll have to begin attacking the noise problem by retrofitting and new equipment installation. Unfortunately, OSHA isn't helping clear things up.

Its advice is simple: industry's first obligation is to hit the 90-dBA level, but "it might well be worth it" to get below that level "rather than face the possibility of having to come back and re-do the job or alter it later on," explains a spokesman.

"I don't think anyone is dumb enough to say that we will only go as far as the current standards say to go, when there is the possibility to be a little safer by just going a little further. And, in the truest sense of the word, no standard is permanent," he adds.

HON. OGDEN REID

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. FORD. Mr. Speaker, I would like to join in paying tribute to our departing colleague, Congressman Ogden R. Reid, who is ending a distinguished 12-year career in the House.

Ogden Reid has been an effective and courageous Member of Congress. He has consistently voted his conscience and fought for the causes in which he believed. He has earned the admiration and respect of every member, on both sides of the aisle, and whether they have agreed or disagreed with him over the years.

His record in Congress has added new luster to a family name already held high in the annals of his native State, and indeed, the Nation.

I congratulate him on his past achievements, and wish him well in all his future undertakings.

H. R. GROSS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. O'NEILL. Mr. Speaker, the Bible tells us to love everyone; but at some times it is easier than at others. Few people are as troublesome to have on the other side of the aisle, or as easy to love and respect, as my colleague from Iowa, H. R. Gross.

I am glad to see that the extraordinary outpouring of tribute from all sides has not softened H. R. up in the least. His performance on the floor during the foreign aid debate showed that he will go out fighting. If there is any known way to make him keep quiet about the things he believes in, I haven't heard of it. I only wish someone had told me of one long ago.

H. R. does not tone down his statements to make them safe or easy to take. He does not go with the tide when he doesn't like where the tide is going. There are many cliches about people like H. R. Gross, but there are not many people like him.

It is hard not to get sentimental when talking about H. R.'s retirement. When I think of all the headaches H. R. has caused, I should be glad to see him go. But I'm not. And if there is anyone in this House who is, I am certainly not aware of it.

The simple fact is that H. R. Gross is a public servant in the finest sense. He consistently works harder, fights harder, and cares more deeply than most people know how. Moreover, to those of us who have spent large parts of our lives in politics, H. R. Gross is a reminder that it really is something special—a profession we can be proud of. He has never become dulled by routine; never allowed his vision of the public good to be obscured by personal ambition. His energy and dedication are legendary. I am proud to serve in the same body with H. R., and I will miss him. My very best wishes to Hazel and to H. R. for many more years of happiness together.

H.R. 10337: HOPI-NAVAJO PARTITION

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. REGULA. Mr. Speaker, much has already been placed in the record concerning H.R. 10337. On December 10, the House agreed to the Senate amendments. The bill as passed reflects the intent of Congress that the joint-use area be partitioned equally between the Hopi and Navajo Tribes. Such partition is to be on the basis of equal area and quality of land with only insignificant differences. The Senate language correctly recognizes the virtual impossibility of dividing this large area exactly. Thus, to avoid petty disputes, the Senate language allows a measure of flexibility. That flexibility is not intended and should not be used by one tribe to obtain an advantage over the other tribe either in terms of land area or quality. This matter has been too hotly contested to permit one tribe or the other to obtain such an advantage.

In addition, the Senate language calls for the judicial partition of the 1934 Reservation. The Hopi claims to that area are greater than the compromise of about 250,000 acres specified in the House bill. The Hopi Tribe may now present its entire claim for an equal partition of the 1934 Reservation. In that litigation, an important factor for the Hopi Tribe will be their claim for restoration of the area lost from the Executive Order Reservation of 1882 as well as the aboriginal claims of both tribes. The problems of resettling individual families appear to have been resolved by congressional action. Thus, this should not be of concern in the 1934 Reservation partition matter.

H.R. 5385

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. VANIK. Mr. Speaker, last week, the House passed H.R. 5385, the Surface Transportation Act of 1974. It is welcome legislation. Specifically, I am referring to section 305 of the committee bill which mandates study by the Interstate Commerce Commission of discriminatory freight rates for recycled materials. On May 12, 1971, I introduced House Resolution 441 which called on the ICC to conduct just such a study. This resolution was the product of extensive research on the solid waste problem conducted by two high school students of my community. Their research pointed out that freight rates for iron ore averaged $1.66 per ton lower than an equivalent amount of scrap. They concluded,

> On one average load of scrap (50 tons) the discrimination is approximately $80.00. If the freight rates were put into proportion, the steel mills should increase their consumption of scrap, thereby increasing the market for recycled scrap.

These findings were confirmed 2 years later in the final report of the National Commission on Materials Policy.

> Cost data available, though of low quality, indicate obvious discrimination against scrap. Two dfferent studies, one published by the ICC and the other by the Department of Transportation, show that shippers of scrap materials pay freight rates that more than cover the full costs of transportation services received. Shippers of virgin material often do not . . . We recommend that the Federal government take the necessary steps to correct existing freight rate differentials between secondary and primary materials.

These developments were closely paralleled by legal action initiated by a group of George Washington University Law students, calling themselves Students Challenging Regulatory Agency Proceedings—SCRAP. The suit challenges the ICC's rate structure as it applies to recycled materials. Final resolution of the matter will come this spring when the Supreme Court hears arguments by SCRAP and the ICC.

Mr. Speaker, the railroad rate-making procedure is complex. But this complexity must not deter us from eliminating the clear discrimination that now exists against recycled materials. As the Commission on Materials Policy states,

> The fact that the data are less than perfect and the policies obscure, does not justify efforts to avoid reform.

The stakes are high. Our economy can no longer afford the luxury of ignoring resource recovery. We have no other choice but to make more efficient use of our natural resources. Readjusting freight rates is an important step in that direction.

LES ARENDS

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ROBISON of New York. Mr. Speaker, it is a privilege to join in this tribute to Hon. LESLIE ARENDS, of Illinois, even as it has been a privilege to have served with him in Congress these past 17 years.

LES ARENDS has been the Republican "whip" almost so long that the memory a man runneth not back to the contrary. The very title—"whip"—conjures up menacing images of a dictatorial, tyrannical figure, wielding political power and influence in ways best not disclosed to public view. It also yields up images of a conniving, closed mind, whose only allegiance is to party discipline—with an eager willingness to enforce that discipline by whatever means may be at hand.

Well, surely any party "whip" worth his salt must seek to encourage both consensus and support for party positions within his ranks of members, but he can do so either with a heavy hand or, as LES ARENDS has done, with an understanding of the fact that there are legitimate differences of opinion and of philosophical attitudes among those individuals who compose a political party or a congressional delegation. Undoubtedly, there have been times when LES could have helped obtain a unanimous Republican House vote if he had used all the means at his disposal; but it is not in his nature to be either mean or vindictive, and so he took recourse to his own considerable powers of persuasion and those have, over the years, served both him, and the party he helped lead, exceedingly well.

The value of such services was recognized by every President, of whichever party, with which he worked, for they all knew—as we have known—that his one and only consideration was the good of the Nation in which he believed and which he deeply loved.

Along the way, LES also found time to be an exceptionally effective legislator in his own right, with his voice being one of authority in those areas of special interest to him, a skilled parliamentarian with few equals, and a respected adviser and friend to countless numbers of House Members, junior to him and from both sides of this aisle.

Mr. Speaker, many Members will be leaving this House at the end of this session, but I can scarcely think of one who will be more missed than this wise and good man whose friendship I have so much appreciated and will always cherish. Mrs. Robison joins me in wishing him, and his lovely wife, many happy and healthy years of retirement.

JAMES DICK IN CONCERT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. PICKLE. Mr. Speaker, Fayette County which lies in the heart of my 10th Congressional District is well known for his fabled football team, the La Grange Leopards, who will play in the Class AA semifinals this weekend. In addition to this prowess on the gridiron, Fayette County is rapidly gaining international renown as a cultural center. The small community of Round Top, which had only a 94 population in the last census, is one of the hamlets very much involved in this cultural renaissance.

One of the guiding forces behind this renascence of the arts has been the world-famous concert pianist James Dick. Mr. Dick resides in Austin. In recent years he has directed the International Piano Institute at Round Top where aspiring students and a very prestigious faculty of scholar-teachers gather.

Recently, Mr. Dick performed in the community concert series in Manassas, Va. This distinguished artist, who recently was a judge of the International Tchaikovsky Competition in Moscow—a prize Dick himself has captured in the past—received an excellent review for his performance.

I insert these reviews from the Washington Post of November 22, 1974; and the Chicago Tribune, December 2:

[From the Washington Post, Nov. 22, 1974]

JAMES DICK IN CONCERT

(By Paul Hume)

James Dick is one of the most musical of the younger pianists on the American scene today. He is a past winner of top prizes at the Tchaikovsky Competition in Moscow and the Leventritt in New York City, and this year served as one of the judges of the Moscow contest.

In recent years, Dick has also directed the International Piano-Institute at Round Top, Tex., where something like a Marlboro, Vt., atmosphere prevails among select young students and a distinguished faculty of artist-teachers.

On Tuesday night, Dick opened this year's Community Concert Series in Manassas, Va., with a concert in the auditorium of the new Stonewall Jackson High School. He played on a handsome new Steinway that is the property of the series sponsors there, an instrument that responded well to his sensitive playing, but which will be far more rewarding after it has enjoyed several years of regular use.

Dick offered his audience a distinctive list of works that included a D Major Concerto of Vivaldi in a Bach transcription; Beethoven's "Les Adieux" Sonata; the Schubert "Wanderer" Fantasy, and shorter pieces by the Armenian Babajanian and Scriabin before ending with the Ginastera Sonata.

His playing, perfect in taste, enjoys a foundation compounded in equal parts of fluent but unobtrusive technical resources and an unerring feeling for the essential style of all that he plays. These gave his Vivaldi-Bach the restrained but vital reading needed in such tricky transcriptions, while the Beethoven sonata profited from a reading of unusual poise and the notable feeling for the pauses that make this sonata eloquent.

The "Wanderer" Fantasy, one of the great pianistic tests, was a trial that Dick passed with a rare combination of convincing logic and poetic feeling.

His Scriabin had a special blend of beautiful sound and easy brilliance, and the Ginastera profited from his insistence that its substantial musical values were more important than its potential as a rabble-rouser. Nothing all evening was more lovely than the Grieg Nocturne played for an encore.

Washington should hear James Dick without delay.

[From the Chicago Tribune, Dec. 2, 1974]

Excitement on a Dreary Sunday

(By Alan G. Artner)

Sunday was a day for superlatives.

On one of the dreariest afternoons of the year, one of the season's most interesting debut recitals was given by one of our best new pianists. The place was Orchestra Hall; the artist, James Dick.

Despite a considerable string of awards, I had never heard of him. One assumes Dick is a Texan, since program notes list a number of Lone Star activities including his own "International Piano Festival-Institute." Wherever is home, then, he clearly thinks big.

Yet that does not mean that Dick was just another virtuoso bent on wowing the public. His aim was usually accurate, generating excitement aplenty. But often, he would also adopt a hushed, close-to-the-keyboard approach which yielded even more special rewards.

Some of these, chiefly lightness and a cut-glass clarity, brightened his Vivaldi. Or perhaps I should say Bach, this piece being a transcription of the D-major Concerto Grosso. Whichever, it sounded elegant, if neither note-perfect nor stylistically pure.

Both the Beethoven "Les Adieux" Sonata and Schubert "Wanderer" Fantasy added muscle—muscle plus exacting textural fidelity. Dick's bright, pipe-like tone expanded without ever being pushed. And, just as easily, it was scaled to a rapt whisper, making the Sonata's second movement transition passage one of Beethoven's most inspired. Nowhere, tho, did the whole suffer at the expense of such parts.

For "modernism," Dick chose Arno Babajanian's "Poem." Written in 1966, the work is a one-movement affair in two contrasting sections. First comes a sinuous bit of exoticism, sounding like Nights in the Gardens of Armenia; then, a headlong finale. For me, there was more commotion then emotion, but it came across with elan.

A Scriabin set—two Etudes and an early Prelude—had just the right melancholy. Richter's warmth replaced Horowitz' ice, and well it all worked, too. Even better, I think, than Ginastera's bombastic Sonata.

This one, dating from 1952, is little more than south-of-the-border Morton Gould. But Dick dealt with the cross-rhythms, steamy coloration, and "mystical" mumbo-jumbo as if he believed in it. And, by the time he finished, so did we all.

PASSAGE OF LOWELL HISTORIC CANAL DISTRICT BILL

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. CRONIN. Mr. Speaker, the passage of the Lowell Historic Canal District bill by the Senate yesterday marks the completion of the legislative efforts that have been intensive for the past year and one half. It is a time to rejoice for the people of Lowell, a time to reflect upon the history and culture of their city and to consider how best to preserve it.

The Lowell Historic Cultural Park will be a catalyst for the economic revitalization of Lowell and will make this once booming textile city where the Industrial Revolution in America came of age, an historic landmark. The park will complete a triangle of Historic National Parks in Boston, Lexington, and Lowell, testifying to the leadership of Massachusetts in the history of the United States.

I would like at this time to thank the Members of the House who made the bill's passage a reality, particularly Chairman Roy Taylor and my colleagues on the National Parks Subcommittee who came to Lowell to personally inspect the park site. The subcommittee members subsequently worked to insure passage of this legislation in the House.

The work of my subcommittee would have been for naught, however, had it not been for the diligent efforts of Senators Brooke and Kennedy and their staffs to see that the legislation reached the Senate floor prior to the completion of the session. The combined efforts of both the Senators indicates that partisanship is not an issue when something so important to the State of Massachusetts is under consideration. Senator Jackson, chairman of Interior Committee, and Senator Fannin, the ranking minority member were almost helpful in getting the bill out of committee. In the closing days of this session both Senator Brooke and Senator Kennedy have many demands on their time yet they personally involved themselves in a tremendous and successful attempt to see passage of the historic legislation by the Senate.

The combined efforts of both Members of the Senate and the House Interior Committees resulted in this historic passage. At this time I would like to thank each and every individual who worked with great dedication over the past year and a half to make this project become a reality.

A CHILD'S POEM

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. HUNT. Mr. Speaker, I would like to have this story, written by my daughter, Debbie Hunt Erbe, while still in grammar school, inserted in the Record. As the Christmas season approaches, I feel it is particularly appropriate at this time of the year.

The story follows:

The Poor Man's Wish

Once, a very long time ago, there lived a very poor man.

This man had a beautiful daughter.

She had only one fault.

She could neither speak, hear, nor see.

This made her father very sad.

He had only one wish.

It was that his daughter would some day, some how be able to laugh and play with the other children.

Little was he to know that some day his wish would come true.

But because of his daughter's afflictions, he would spend a good part of every day sitting in his platform rocker just waiting and wishing for the day when his daughter would be able to do the things the other children did.

About the same time, up in heaven, God had made up His mind that these two people needed to be saved. They needed Christian love from their Father above.

It was to be that a host of angels would descend from the heavens above on the very day the man and his daughter would take Jesus as their Savior.

Days passed and months passed and as time went by the man became poorer and poorer, but one day it happened.

These two people took Jesus as their very own Savior.

At the very instant, the man and his daughter said Amen, the heavens opened wide and a host of angels descended from the heavens to the small farm house where the two people lived.

Then they took the young girl up to her heavenly Father, above. Her earthly father stood there looking up into the heavens.

God had not only relieved the young girl of all sorrow, suffering and shame, but He had also put the worrying mind of her father at rest.

The girl's father lived for many years after his daughter's death.

But one day age caught up with him and he joined his daughter in heaven with God.

So you see when God does something that you dont exactly agree with, please don't doubt Him.

God works in odd ways, but if something is in God's hands, it will always turn out all right in the end.

So trust God whatever happens.

With God, all things are possible.

MORE FOOD AID?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ASHBROOK. Mr. Speaker, I am amazed that some U.S. politicians and religious figures are demanding that our Nation sharply increase its food giveaway program to the underdeveloped nations of the world. Such a policy would be highly detrimental to the United States and the American people.

Americans have always been willing to do their fair share when it comes to feeding the world's hungry. In the 8 years from 1965 to 1972 the United States contributed 84 percent of all food aid. We have provided one-third of the food given to Bangladesh and are by far the largest donor to India.

Our generosity has been expensive. Food shipments under the food for peace program, initiated in 1955, have cost the American taxpayer an estimated $23 billion. Another $1.5 billion has been given over the past 10 years in technical assistance.

Now it is urged that the United States give even more than it has in the past. I cannot agree. Our assistance to other nations should not be so great as to cause runaway food prices, food rationing and hunger here in America.

These dismal prospects are not altogether unlikely. Tight food supplies have already resulted in a 36 percent increase in grocery bills over the last 2 years. The increase has placed a severe strain on many family budgets. Food is not a luxury item that can be dispensed with when prices soar too high. Money must be found in the budget or else the family goes hungry. Additional food shipments abroad will only mean tighter supplies in America and a further jump in the cost of living.

American wheat reserves already are at their lowest point in almost three decades. We no longer have the surplus food available to feed the world's hungry.

Nor does the future look any better. According to the latest report of the Agriculture Department, the 1974 wheat harvest will be barely enough to satisfy our predicted domestic and export needs. We can only increase food exports to foreign nations at the expense of the American people. Food shortages and perhaps even food rationing could be the result.

I urge the administration and the Congress to carefully consider our food giveaway programs. America's interests must come first.

OPEN LETTER TO CONGRESS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. STEELMAN. Mr. Speaker, I would like to call to my colleagues' attention the following letter which was sent to me by two of my constituents who are most active in the drive to allow all Soviet Jews freedom of emigration.

The letter is entitled: "Open letter to the Congress of the U.S.A." and the text follows:

OPEN LETTER TO THE CONGRESS OF THE U.S.A.

TBILISI, SSR, U.S.S.R.,
September 9, 1974.

DEEPLY RESPECTED HONORABLE CONGRESSMAN: We are following with concern and gratitude the struggle of Senator Henry Jackson and his supporting colleagues, to win the right of free immigration for the citizens of the U.S.S.R. Recently, we heard of a possible compromise according to which the annual number of exit visas will be increased and *harassment* of Jews, desiring to immigrate, will be *stopped*.

With regard to that we wish to *alert* you that the accord on the suspension of harassment must include the following points:

1) Immediate release of all "Prisoners Of Zion (conscience)."

2) Elimination of the practice of arresting Jewish activists on contrived charges—including hooliganism—or arrest in the absence of formal charges.

3) The reconnection of the severed telephone lines of Jewish Activists.

4) Allowance of all scientists and specialists attempting to emigrate to remain employed while waiting for their visas; to organize scientific seminars and attend conferences in their respective fields.

5) The publishing of regulations stating the time limits for the debriefing of persons refused exit visas—because of access to state secrets or state interests.

6) To remove the contrived, written obstacles for the granting of a visa: character references from supervisors, invitations from Israel, etc.

7) To discontinue the jamming of radio station "KOL ISRAEL" (beamed from Israel).

8) Curtailing the harrassment of those who are teaching or studying Hebrew.

9) To allow the regular, and timely, delivery of mail containing Hebrew literature and study texts from Israel and elsewhere.

Undoubtedly, accepting a compromise must provide for the effective means by which to insure that its conditions are implemented. We will be happy if this letter can be of any help to you in deciding the above issue.

With deep respect, Gregory Goldstein, Issai Goldstein, Elizabeta Bikova, Ovseie Gelman, Eva Kipnis, Yosif Pekarsky.

CONGRESSMAN OGDEN REID

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. CONTE. Mr. Speaker, I want to thank the distinguished Congressman from New York, JONATHAN BINGHAM, for requesting this special order so that we may recognize the many achievements of my good friend from our neighboring State of New York, and corridor-mate in the Cannon Building, Congressman OGDEN REID.

While we have never shared committee assignments, "BROWNIE" REID and I share similar interests and fields of expertise. He has served on the Education and Labor Committee and Foreign Affairs Committee, while I have served on the subcommittees of the Appropriations Committee charged with funding the legislation drafted by those committees. So, I feel a special sense of regret that at the end of this Congress we will be losing a man who has helped shape our laws in those areas.

Through his work especially on the Education and Labor Committee, OGDEN REID sought to assist those who are least able to help themselves—the very young and the elderly. His compassionate efforts are deserving of our admiration.

His career of public service has been varied, but with a constant quality of excellence—as editor and publisher of the New York Herald Tribune, as Ambassador to Israel, as chairman of the New York State Commission on Human Rights, and most recently as Representative of New York's 24th District.

I know his leaving this Chamber will not diminish his interest in bettering the quality of life for his fellow man. I am pleased to have this opportunity to salute Congressman OGDEN REID and wish him all the best in the days ahead.

THE ONGOING STRUGGLE

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. BRASCO. Mr. Speaker, November 1974 marked the 11th anniversary of the first protest rally in this country on behalf of the cause of freedom for Soviet Jews.

In that struggle I joined a few of the bravest and most determined people I have ever had the privilege of meeting and working with. Their names are too numerous to mention but they comprise all the men, women, and yes, children, who have been involved in an organization known in every quarter where freedom reigns. I speak of the International League for the Repatriation of Russian Jews.

There is one man whose name I want to mention only because he is typical of the type of individual who assumed leadership roles in this movement. Alex Schlesinger, a Romanian refugee, and survivor of the horrors of Auschwitz.

He brought to America a vow that this would never happen again and a determined effort to assist all his brethren left behind.

In 1958, he rallied support for freedom of Jews behind the Iron Curtain under the ancient call, "Let my people go."

The battle was on and I couldn't forget the fact that at first, they battled almost totally without allies. When these courageous souls came to the fore, seeking to give voice to the voiceless, many turned their backs on them, labeling them as extremists. Few realized that they were the cutting edge of a movement that would grow and swell and eventually attain preeminence in the eyes of those whose major concern is human liberty.

The Soviet Union at first ignored them, confident that they would go away or simply be ignored by the vast majority of their fellow citizens. Never have their calculations been more in error.

There were meetings with Rabbi Rosen of Rumania. Luncheons were hosted here in the Capitol for Jews who were able to leave Russia so they could tell their stories to Congressmen.

Eventually, the people of our Nation who cherish freedom above all took up the cry, "Let my people go." And, the Russians were confronted not merely with a few devoted Jewish activists, but with the burgeoning concern of millions of Americans, Jew and non-Jew alike.

In May 1965, with the help of Congressman MURPHY, the International League for the Repatriation of Russian Jews presented to President Johnson a petition requesting that any trade agreements with the Soviet Union be conditional upon their agreeing to live up to the basic human rights of emigration and freedom of religion. Now, almost 10 years later, the Jackson-Vanik amendment has been embedded in the new trade bill. Now the Arab lobby at the State Department has been fought to a standstill. Now, the same kinds of people who shut the doors in the faces of the

Jews of Europe in the thirties, failed to do the same thing to the Jews of Russia in the seventies. Now, there are many thousands of Rusisan Jews free, and in the Western World.

It has been a bitter struggle made possible by the devotion of millions of Americans and the willingness of the Congress to join in the endeavor. However, overconfidence is the worst enemy of any successful movement such as this one. Watchfulness and oversight of the Kremlin's willingness to live up to the defacto agreement is a constant requirement. I know that the Congress will prevent the Russians from making a mockery of what we have labored so long and hard for.

As I leave the Congress, I remember how deeply moved I was when Alex and his friends first came to me to make their case for the Jews of Russia. I recall how vividly they presented their cause. These people, many of whom had the marks of previous persecutions upon their persons, spoke with an eloquence born of suffering. Their plea was not for pity, but for understanding, and it was a simple thing for me to add my sympathies, and assistance, to their cause.

Just a week ago, my friend, Alex Schlesinger, called me again and said:

> Six million Jews perished during the holocaust, and it is our responsibility not merely to keep their memories alive, but to insure that their deaths serve as an enlightening and ever-mindful historical lesson."

I believe, as do my friends in the Soviet Jewry movement, that the events of this horror should be covered in school curricula in this country, so that this terrible lesson in inhumanity can be used to educate future generations.

Alex, I agree, and I commend this as a future project for the Congress, for this is not just a lesson to the Jews, it is a lesson to all of us everywhere.

Finally, Mr. Speaker, it has been a great privilege to be a small part of this ongoing endeavor. It is a great source of pride and pleasure to me to know that I was able to play a role in helping Jews get out to the West and freedom. But my deepest wish, at a time when both Christian and Jew celebrate the holidays of hope and peace, is that this work will be carried on.

"TRAPS" CAUSE ROAD DEATHS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. BRINKLEY. Mr. Speaker, yesterday we passed the Federal-Aid Highway Amendments of 1974 and I noted the necessity for establishing priority on completion of interstate gaps and projects essential to highway safety. In this *morning's* Washington Post I saw the following article which reinforces what I had to say:

> "TRAPS" CAUSE ROAD DEATHS
>
> The Center for Auto Safety said yesterday that as many as 18,000 highway deaths are caused each year by "roadside booby traps."
>
> The center issued a 305-page report criticizing the Federal Highway Administration and state highway departments for a lack of concern about overcoming roadside hazards.
>
> The "booby traps" cited by the study include misleading road signs, protruding curbs, misplaced utilities pole and dropoff shoulders.
>
> The report said the Federal Highway Administration is aware of particular unsafe highway design practices, but "it has not established standards to halt" them.
>
> At the state level, it said, the safety engineers are "far removed from the bureau of design; they have little opportunity and even less authority to review design plans for safety."
>
> Federal Highway Administrator Norbert T. Tiemann said in a statement that his agency will review the report and "take whatever actions we find are necessary."
>
> "We are glad to get all the help we can in making our highways even safer," Tiemann said.
>
> The center said its study determined that there is too little research and too much concern that safety programs would "divert money from basic construction programs."

YICHIL KUTCHUK

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. BROOMFIELD. Mr. Speaker, since July I have been most interested in the ordeal of the Yichil Kutchuks, who have been attempting to emigrate from the Soviet Union to Israel.

My colleagues will recall that 3 hours before the Kutchuks were to depart for Israel in April, their bags and passports were confiscated by the police, and Mr. Kutchuk was arrested.

After months of imprisonment without charges, Mr. Kutchuk was falsely accused and convicted of being a black marketeer, and sentenced to 10 years in prison.

As I reported in September, Mr. Kutchuk's lawyer said he was helpless and stated the only hope for Mr. Kutchuk was the pressure of public opinion in the United States.

I am pleased to report today that it appears the pressure of such public opinion is producing results. Rev. Shabtai Ackerman, cantor of the Beth Abraham-Hillel congregation in Birmingham, Mich., and a Kutchuk relative, has learned from the Kutchuks' son in Israel that the Soviets have reopened the case.

This is most welcome news for all who are concerned with just and humane treatment of all people in the world. I sincerely hope it is a signal that the Kutchuks' long ordeal will soon be over.

It is essential now that we continue to raise our voices in protest of inhumane treatment in this case and other cases, for there are many more like the Kutchuks who look to us as their only hope for breaking the chains of oppression and gaining their freedom.

REVENUE SHARING— A BOONDOGGLE

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. MILFORD. Mr. Speaker, after considerable study of the facts, plus an opinion poll of my constituents, I am loathe to continue support of the boondoggle called "revenue sharing" which was instituted by former President Richard Nixon, and perpetrated primarily by our Republican Members—9 out of 10 sponsors of the bill were Republicans.

A look at what has happened to revenue sharing shows that a basic flaw was in the design of the concept—a flaw which frequently occurs under Republican administrations—"the rich get richer and the poor get poorer."

The formula for apportioning revenue sharing does just that—local governments with a richer revenue tax base get more money; poorer areas, paying less Federal taxes get less though they may need it more.

Hand in hand with this formula problem has been the uneasiness created by the Federal Government. An uneasiness on the part of locally elected officials that revenue sharing would not last, or will not be fully funded. They are not sure how long this "gift from Uncle Santa" will last—they still are not sure they believe in Santa Claus.

Therefore, local city councilmen and women, local county officials have opted for a safer, surer manner of spending the money from Washington—using Federal revenue sharing funds to finance capital expenses rather than public services.

For example, in my district, several "administrative facilities" have been built to house such things as filing cabinets and microfilm records.

While these are a necessary part of any government's workings, those expenditures were mentioned as "number two" in priority by the Federal Government when revenue sharing was established.

"Number one" in spending priorities which was written into the 1971 law was "spending for maintenance and operation of human services"—fire and police protection, public health, public transportation, recreation, libraries, and social services for the poor and the aged. Local officials are not really at fault. They have to think of their local budgets and what they can absorb should Federal revenue sharing decline or dribble off.

Spending for maintenance and operation programs is ongoing by nature. This kind of spending does not have a cutoff point. It is never finished. Capital improvements—building programs—can be estimated and completed in a given amount of time.

Therefore, when local governments are making up their lists and checking them twice to determine how to spend "Uncle's" money they are opting for capital programs. In that way, the local government will not be bound to continue social programs should the Federal pipeline dry up.

In my area last month, I sent out a questionnaire in my newsletter. In that document, I asked my readers to respond to three revenue sharing questions:

First. Do you favor total elimination of revenue sharing, thus saving the Federal Government $6 billion? Yes or no.

Second. Do you favor eliminating revenue sharing and decreasing Federal taxes, thus giving local governments the option of increasing local taxes for local projects now being funded through revenue sharing? Yes or no.

Third. Do you favor continuing and extending revenue sharing as it now exists? Yes or no.

Mr. Speaker, fellow colleagues in the Congress, perhaps you can anticipate their answers.

Overwhelmingly, the people of the 24th district of Texas said "no" to revenue sharing; 62 percent would like to eliminate revenue sharing, decrease Federal taxes and allow local governments the option of increasing local taxes to take up the slack.

And 59 percent of those responding just said a flat "no" to revenue sharing.

Only 15 percent said "yes" to continuing and extending revenue sharing as it now exists.

Mr. Speaker, this tells me loudly and clearly that the practice of federal revenue sharing in my area is not popular.

Perhaps part of this flagging popularity is due to timid grassroots attitudes on how the money is spent.

Normally, if local governing bodies want to build a building or implement or expand a social service, they must first sell the idea to the people. The citizens of that community must vote a tax upon themselves to support a bond issue or to hike the general revenue tax. When citizens have that right and responsibility of taxing themselves—the very fiber of our democratic society—they have a say in the way the money is spent. If they do not like what is being done, the voters can change it—all at the grassroots level.

But, with revenue sharing, this is not the case. The people are not in control. The local elected officials do not have to raise taxes. The locally elected officials do not have to run for re-election on their taxing and efficiency track record.

Because these local officials are not accountable for taxation to the citizens of their locale, it is inevitable that there is less real thought given to expenditures.

Obviously, the people in my district are aware that there is wastage and want to see it stopped.

Therefore, when these same locally elected officials lobby me to continue and extend Federal revenue sharing, I am telling them "no". I would be in favor of decreasing Federal taxes and letting local municipalities take up the tax slack, because I firmly believe that the people have a right to vote "up or down" on community projects and the taxes that are required to build them. I would urge my colleagues in the Congress to restore this right to the people. We can do this, for example, by reducing individual and corporate income taxes by 2.3 percent, the percentage of the Federal budget we devote to revenue sharing.

And, I would urge local officials to assume the responsibility inherent in their positions—to sell their people on programs and increased taxes—not pass the buck to the Federal level.

OUR NATION SALUTES THE HONORABLE JOHN HAROLD STRAUB, SUPERINTENDENT OF SCHOOLS, PASSAIC COUNTY, N.J., OUTSTANDING EDUCATOR, WRITER, AND SCHOOL ADMINISTRATOR

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ROE. Mr. Speaker, in my Eighth Congressional District one of our most esteemed educators and school administrators, the Honorable John Harold Straub, is taking leave of his post as Passaic County Superintendent of Schools where he has served with distinction and honor for the past 25 years. As he contemplates his retirement, effective January 1, 1975, I seek this national recognition of all of his good works on behalf of the children of our country and ask that you and our colleagues here in the Congress join with me in extending our best wishes to him; his wife, Helen Loftus Straub; and two sons, John Harold II and Howard Nicholas on the occasion of this milestone of achievement in their family circle.

Mr. Speaker, I firmly believe that the cultural, historical, and economic achievements, even the basic health, well-being, and longevity of a State and Nation depend in a large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions. Dr. Straub has actively and selflessly participated in passing on this great American heritage, the education of our children, through his teachings and writings, immediately upon his graduation from the Paterson State Normal School in 1929 when he accepted the challenges of elementary school principal in the Ridgewood, N.J., public school system.

During the course of his outstanding career as an educator he has intertwined his concern and love for our young people with his masterful expertise in the performance of his duties to achieve a school system of excellence based on his creed that our schools are for all of the children of our people, diversified instruction is necessary to serve the varied learning capabilities of each individual student, and scholarship is the inherent right of every child. He did indeed provide more than routine service to the youth of America as he applied his knowledge and expertise in his early years as a part-time instructor with the New Jersey State Teachers College; followed by an assistant professorship at Fairleigh-Dickinson University; then junior high school Principal in Ridgewood, and since 1949 as the Passaic County Superintendent of Schools.

In his four and a half decades as an educator of our young people he has captured his standards of excellence in his writings that have served and will serve many of our young generations for many lifetimes to come. He will long be remembered for his basic English textbook, sixth grade book of the new Macmillan English series which was published in 1954, 1960, 1963, and 1967. His "Biff, the Fire Dog", published by Lyons and Carnahan in 1936 has been a source of recreation for many of our young people.

Dr. Straub holds the distinction of having been appointed and reappointed by the New Jersey State Board of Education to his present office as Passaic County Superintendent of Education nine times. His present term would have expired in July 1976.

The public school system of our Passaic County has advanced and expanded under his supervision where he has achieved the respect and admiration of all of our people—always displaying the highest standards of excellence in the qualities he has often expressed should be basic prerequisites for every teacher: professional interest, loyalty, willingness to accept criticism, friendliness, cooperation, neatness, promptness, good judgment, and commonsense.

He is a graduate of Central High School, Paterson, N.J.; Paterson State College; and New York University where he attained the bachelor of science degree in 1932, the masters degree in 1933, and his doctorate—Ed. D.—in 1936. He served with the U.S. Army in World War II.

The civic endeavors of Dr. Straub have been legion and have placed him in the vanguard of the leading citizens of our community. He has served as past president, New Jersey County Superintendents Association; past president, Passaic County Public School Administrators Association; past president, alumni, Paterson State College; past president, Bergen County Elementary Principals Association; secretary-treasurer; Passaic County School Boards Association—since 1949; member, board of directors, Paterson YMCA; and school director, Passaic County Civil Defense. In 1949, he was awarded a citation from the Fairleigh-Dickinson University; in 1955, a citation from the Paterson State College; and in 1962 received the Distinguished Alumni Award of the Paterson State College.

Mr. Speaker, as Dr. Straub closes this chapter of his public service as Passaic County Superintendent of Schools, having already made an indelible mark of distinction in the education of several generations of our young people which will continue to inspire the quality of tomorrow's educators, it is important that we extend this congressional tribute to him in appreciation of his exemplary lifetime of dedicated service to our children and to our people. May he enjoy the full richness of the rewards of his highly commendable and memorable career in the eduction of our young people with good health, good fortune and happiness, in abundance, that he so truly deserves. Yes, our Nation does indeed salute Dr. J. Harold Straub.

PUBLIC BROADCASTING HONORS FREDERICK H. SONTAG

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. GUNTER. Mr. Speaker, public broadcasting has some very talented, dedicated people in its ranks who deserve public recognition. I am delighted that the Main Public Broadcasting Network has awarded a medal to Frederick H. Sontag, one of the really solid individuals in this field. His commentary and news programs during recent years have made fine listening and have shown that brilliance, courage and foresight do not all reside in Washington but are equally evident in individual states, from Florida to Maine.

Frederick Sontag first became interested in public broadcasting in the 1950's. For the past 25 years he has shown remarkable courage and foresight, particularly during the difficult periods public broadcasting has gone through. I am happy for our country that his skills will again be available in the next session of Congress and that his persistence in and devotion to the advancement of this public service area still exist.

Public broadcasting needs the honest, farsighted people who have been working in its best interests since its inception rather than those who are strangers to the genuine concept of education through public broadcasting and other services it is developing.

To those in government and broadcasting who will have the opportunity of benefiting during the next Congress from Frederick Sontag's many constructive ideas, I want to say that I intend to keep in close touch with him, as he has been a loyal and able consultant to me and to my legislative staff. I feel strongly that those who will be active in public broadcasting during the 1970's and 1980's might well follow Mr. Sontag's example of persistence, hard work, and imaginative ideas, which characterize his work as a public affairs consultant.

I would like at the conclusion of this CONGRESSIONAL RECORD item to include articles from the Ellsworth, Maine American, Oct. 31, 1974, edited by J. Russell Wiggins, former editor of the Washington Post; the Bangor Daily News, October 16, 1974; excerpts from the official State of Maine Program Guide of November 1974, with Frederick Sontag's biography for his listeners; and excerpts from one of several letters from those in public broadcasting who know him best for what he has done and will continue to do. I am sure his future with my colleagues and associates will be as productive as it has been with me.

The articles follow:

[From the Ellsworth (Maine) American, Oct. 31, 1974]

PBN HONORS SONTAG

SEAL HARBOR.—Frederick H. Sontag was honored "as one of the special friends who have contributed so generously of their time and talent to public broadcasting over the past year," at an informal reception given October 11 by MPBN General Manager John R. Morison at Orono. Mrs. Sontag was also present at the reception.

Sontag, who has served as a regular weekly, and often daily, commentator for MPBN on public affairs, was given an MPBN medal and a personal note of appreciation by Morison and producer William Legere. The Alumni Center reception had the top staff of the Maine Public Broadcasting Network's Bangor and Portland areas present, as well as other commentators who were honored, such as Engineering Professor Richard Hill of the University of Maine.

It was also announced that Mr. and Mrs. Sontag will participate in the question and answer panel of gubernatorial candidates which MPBN is taping in Augusta for airing on Sunday, October 20 at 9:30 p.m. to 11 p.m., and to be rebroadcast on Thursday, October 31 at 7 p.m.

Frederick Sontag will be part of a news and commentary team which will ask questions of all gubernatorial candidates. Edith Sontag will be part of a citizens panel and will base her questions on her background in journalism, government and civic causes.

[From the Bangor (Maine) Daily News, Oct. 16, 1974]

MAINE PUBLIC NETWORK HONORS BROADCASTER

SEAL HARBOR.—Frederick H. Sontag has been honored by the Maine Public Broadcasting Network (MPBN) "as one of the special friends who have contributed so generously of their time and talent to public broadcasting over the past year."

Sontag, who has served as a regular weekly, and often daily, commentator for MPBN on public affairs, was given an MPBN medal and a personal note of appreciation by MPBN general manager, John R. Morison and producer William Legere. The alumni center reception had the top staff of the Maine Public Broadcasting Network, Bangor and Portland areas, present, as well as other commentators who were honored. Such as engineering professor Richard Hill of the University of Maine.

Mr. and Mrs. Sontag will participate in the question and answer panel of gubernatorial candidates which MPBN is taping in Augusta for airing on Sunday, October 20, 9:30 p.m.-11 p.m., to be rebroadcast on Thursday, October 31, at 7 p.m.

MAINE PUBLIC BROADCASTING NETWORK PROGRAM GUIDE, NOVEMBER, 1974

This is Frederick Sontag, one of the voices you hear regularly on MPBN Radio's *Morning Magazine* and *All Things Considered . . . Maine* programs. Sontag talks about politics, people and the public interest. In fact, his "beat" includes a broad range of topics, based on years of observing the state of affairs in Maine, Washington, D.C., and the nation.

Sontag graduated from Colby College in Waterville in 1946, did graduate work at Columbia, and since has made a career of research and consultation for a number of governmental officials, agencies, religious organizations and business firms. A few years ago, he coauthorized a book about citizen involvement in politics called "Parties . . . The Real Opportunity for Effective Citizen Politics."

Sontag divides his time between one home in Seal Harbor, Maine, and South Orange, New Jersey, but he travels extensively, sampling public opinion and keeping up his ongoing research on the state of American affairs.

UNIVERSITY OF MAINE, *June 20, 1974.*

MR. FREDERICK SONTAG,
South Orange, N.J.

DEAR FRED: On behalf of MPBN, allow me to extend our thanks for your contribution of time and talent to MPBN during the past year.

It is the dedication of people like you that makes the "public" in public broadcasting have such real meaning.

Thank you and have a lovely summer.

Sincerely,

JOHN R. MORISON,
General Manager,
Maine Public Broadcasting Network.

THE FBI AND THE VIOLENT 1960's

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ASHBROOK. Mr. Speaker, recently the Attorney General William Saxbe has decried past FBI efforts toward disruptive New Left groups.

We must remember that in the late 1960's and in 1970 there were a number of lootings, bombings, and riots. These resulted in the loss of life and limb, the shutting down of many colleges and universities, and damage to much property.

At the University of Wisconsin, a graduate student was killed when a bomb left by a New Left terrorist exploded. This is only one example of many terrible bombings and disruptions.

John Lofton has written a column entitled "We Should Not Forget the Violent 1960's," which brings some prespective to past FBI actions in regard to the New Left revolutionaries. At this point I include in the RECORD the text of Lofton's column.

[From the Philadelphia Inquirer, Dec. 5, 1974]

WE SHOULD NOT FORGET THE VIOLENT 1960'S

(By John D. Lofton Jr.)

WASHINGTON.—Try as I might, I just cannot get worked up over the fact that the Federal Bureau of Investigation used so-called "dirty tricks" against the young savages of the New Left.

I cannot agree with Attorney General William Saxbe that efforts to disrupt, expose and neutralize this sleazy bunch were "abhorrent" and "should not be condoned in a free society."

What seems to me to make much more sense is the position of FBI Director Clarence Kelley that to not have engaged in these activities—the overwhelming bulk of which were clearly legitimate and proper undertakings—would have been an abdication of the bureau's responsibilities to the American people. As Kelley points out:

"The purpose of the counterintelligence programs was to prevent dangerous and even potentially deadly acts against individuals, organizations and institutions—both public and private—across the United States."

What those who are now critical of the FBI's tactics seem to forget is what it was like in this country in the late 1960s and early 1970s. By almost any measure, riots, bombings, the murdering of policemen, the theft of explosives and arson were at a dangerous, all-time high.

According to the Senate Government Operations Permanent Investigations Subcommittee, there were 602 bombings and attempted bombings nationwide in 1969 and 586 bombings in the first six months of 1970.

A 1971 study by the radical, New Left publications Scanlon's Monthly reported 1,324 acts of "sabotage" or "terrorism" against government buildings, corporations, schools, colleges, private homes, and police and military installations from 1965 to July 1, 1970. This study was based on an extensive examination of news accounts in 17 major daily newspapers.

Commenting on this tidal wave of domestic disorder, author Kirkpatrick Sale wrote as follows in his book, "S.D.S.," a history of the radical Students for a Democratic Society:

"It is important to realize the full extent of political violence of these years 1968–70—especially so since the media tended to play up only the most spectacular instances, to treat them as isolated and essentially apolitical gestures and to miss the enormity of what was happening across the country. . . .

"The scope of this violence was quite extraordinary. It took place on a large scale—in terms of the number of incidents, their geographical spread and the damage caused—than anything seen before in this country."

Author Kirkpatrick Sale is absolutely correct. It was important to realize the full extent of the political violence of these years. And one who did was the late director of the FBI, J. Edgar Hoover, who instigated the counter-intelligence program against the New Left.

As I say, it's hard to be against the fact that he did and the American people should be thankful that the new director of the bureau, Clarence Kelley, has said that such a program might be necessary again if these same emergency situations arise.

TRIBUTE TO CRAIG HOSMER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ANDERSON of California. Mr. Speaker, it is with mixed emotions that I rise today to pay tribute to my friend and colleague, CRAIG HOSMER. I will miss working with him on matters of importance to our constituents; but I know he will enjoy his well-deserved retirement and the time he will have to spend with his family.

The Members of this House are well aware of the hard work and long hours CRAIG has contributed since entering Congress in 1953. While he did his homework on all the issues, CRAIG will be especially well remembered for his interest in atomic energy.

CRAIG brought to Congress and the Joint Committee on Atomic Energy the expertise he gained as an attorney for the Atomic Energy Commission and as special assistant U.S. district attorney at Los Alamos, N. Mex. He is a member of the American Nuclear Society, and has been a congressional advisor to the U.S. delegations to the atoms-for-peace conferences and the International Atomic Energy Agency.

The U.S. Navy is another area of special interest to CRAIG. He served in the Navy from 1940 to 1946, and is a Rear Admiral in the Naval Reserve. This background has been most useful in serving his constituents in Long Beach, Calif.—the site of a major naval facility. I share the representation of Long Beach with CRAIG, and we have worked hard together on Navy matters. I have learned a great deal from CRAIG, and I am proud to say there was never a hint of partisanship in our efforts to do what was best for our constituents.

I will miss working with CRAIG, and I know the rest of Congress will miss his expertise and hard work.

Mrs. Anderson and I both wish CRAIG, his lovely wife Marion, and their family great happiness in the future.

TRIBUTE TO JERRY WALDIE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ANDERSON of California. Mr. Speaker, I rise today to pay tribute to our colleague JERRY WALDIE who will be leaving Congress at the end of this session, after a brilliant 8-year career.

Truly an outstanding leader, and legislator, JERRY has left his mark on numerous proposals during his tenure in this body. An avid and active environmentalist, he worked for measures which would preserve and protect our natural resources long before it was a popular cause. In the area of human rights, Congressman WALDIE showed his courage by often supporting efforts which were unpopular with segments of society.

As a member of the Judiciary Committee, JERRY has made many contributions to the field of criminal justice, prison reform, and law enforcement. And most recently, his actions to uncover the truth in the Watergate scandal deserve credit.

In his capacity as a member of the Post Office and Civil Service Committee, JERRY's leadership to improve the rights and welfare of Government employees and retirees has resulted in many laws which are designed to make the Government an equitable employer.

Mr. Speaker, it has been a pleasure serving with JERRY WALDIE over these past years, and I look forward to his future service on behalf of the country. His ideals, his goals, and his integrity are characteristics which have served him well in the Congress, and I am confident that they shall continue to light his path in his future endeavors.

Mr. Speaker, my wife, Lee, joins me in wishing the very best to JERRY, his lovely wife, Joanne, and their children, Jill, Jonathon, and Jeffrey, in their future endeavors.

PAINTINGS OF JOE GRANDEE

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. HAYS. Mr. Speaker, the Committee on House Administration is presently exhibiting more than 50 paintings, in oil, of Mr. Joe Ruiz Grandee of Arlington, Tex. These paintings are hanging in the committee rooms in the Capitol and I invite the Members to visit the quarters and view the outstanding works of this artist.

Perhaps the term "historian in paint" best describes Western artist Joe Grandee.

Joe himself admits to being a "stickler for detail" while others have referred to his quest for historical accuracy as a "grand obsession."

Grandee's paintings vibrates with the vitality that has become his trademark. His canvases cannot be mistaken for any other artist's work perhaps because they are the result of a unique and painstaking method of creation.

Joe Ruiz Grandee is of Castilian, French, and English background. He was born in Dallas, Tex., on November 19, 1929. The Grandee forebears had a colorful history. They were part of a Texas frontier that saw change, adventure, violence, and the wheel of fortune come full circle. Joe's great-great-grandfather was a Spanish nobleman who came to Texas for mysterious and romantic reasons, bringing his young son with him.

In high school, grammar did not hold any particular appeal for Joe, math and science were his downfall, history and geography his great loves. Although the formal structure of the classroom was stifling to him, developing his mind and expanding his knowledge were important. His interests in the early American West gained momentum, and he reached out for every volume he could get on the fascinating subject.

Later, a fortuitous visit to the Dallas Museum of Fine Arts exposed the neophyte artist to Western landscape of fine art in the paintings of Thomas Moran.

It was at this time that young Grandee determined to paint the whole of the West in oils, to capture the imprint of the Western man, as well as the landscape. He perfected his techniques and study of anatomy under the direction of the widely respected European-trained teacher Vivian Aunspaugh. The works of the Flemish masters were of particular importance to Grandee.

Aiming for a commercial art career, Joe Grandee found himself rejected when he first approached the New York art galleries, publishers and advertising agencies.

One of the few New Yorkers who encouraged young Grandee was Albert Dorn, the famed illustrator, who critiqued Joe's work in a most encouraging way, telling him to emphasize overall effect but not to lose his special talent for detail. Joe Grandee, a great believer in fate, felt that his destiny was easel art and that he should sacrifice all for it—if necessary. Fortunately it was not necessary. Joe succeeded on his own esthetic terms.

In the past months, Joe has turned to new challenges—the perfection of detailed pencil drawings that range from portraiture to group action scenes. To Grandee this new technique is an innovation. He candidly admits his error in previously thinking that the medium of pencil was a facile one. It is typical of Joe Grandee to probe the depths of any art method unfamiliar to him. What was simple to the beginners becomes complex as the technique is mastered.

The first official State artist of Texas—1971—Joe Grandee's kudos have mounted in recent years. At present he is preparing for a retrospective show—an unusual distinction for someone as young as Grandee. But more significantly, the show will be held in the U.S. Capitol in Washington, from December 1974 to March 1975. He is the only living Western artist to ever have been so honored.

The works of Joe Grandee are not unfamiliar to the Nation's Capital. Indeed, his paintings hang in the Executive

Mansion, just as they distinguish many public and private collections. There have been two receptions at the White House for the artist. The first was when Grandee completed the Lynda Bird Johnson-Charles Robb official wedding portrait. The second visit came early in 1972 on behalf of the Texas Rangers. A commission to commemorate the 150th anniversary of the law enforcement agency was awarded to Grandee. His painting, "Capt. Leander H. McNelly—Texas Ranger," now hangs in the East wing.

Mr. Speaker, the Committee on House Administration is presently exhibiting more than 50 paintings, in oil, of Mr. Joe Ruiz Grandee of Arlington, Tex. These paintings are hanging in the committee rooms in the Capitol and I invite the Members to view the outstanding works of this artist.

HON. H. R. GROSS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. PICKLE. Mr. Speaker, I would like to add my 2 cents worth about our esteemed colleague from the Plains State of Iowa, H. R. GROSS. In keeping with H. R.'s thrifty philosophy, I will change that to my "1-cent's" worth and try to maintain an economy of words.

Though some of his detractors and foes have called him a "spendthrift," criticism has never deterred this doggedly, determined debater. Mr. GROSS has served as our conscience for many of these 26 years which he has represented Iowa so well. There are probably very few members in the history of this House who have read as many of the debates of bills that we debate on the floor as Mr. GROSS, and I know that H. R. ranks right among those select few.

It is characteristic of this dedicated public servant that he has not slacked up a bit during this lameduck session, imploring the next Congress to resume their duties immediately upon the closing of the 93d Congress.

The House of Representatives will truly miss this vigilant watchdog, this man who wanted every dollar and cent accounted for, this man who has fought the good fight against a runaway budget. Mr. Speaker, we need more like him. He will be fondly remembered for years to come.

MMHA SCORES HIGH ON HOUSING PROGRAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. ASHBROOK. Mr. Speaker, it is with a great deal of pride that I am able to report on the outstanding program offered by the Mansfield Metropolitan Housing Authority in serving the Richland County community. MMHA which was one of the first in the Nation to have a leased housing program was recently evaluated by the HUD Regional Office in Chicago to determine the effectiveness of this type of program to provide low-rent public housing to the needy. While it is impossible to include the entire report in the RECORD, I would like to insert an article which appeared in the Mansfield News Journal and highlights the findings of the evaluation:

MANSFIELD'S METRO HOUSING REACHING MORE, SPENDING LESS THAN U.S. AVERAGE

(By Pat Heydinger)

An evaluation of the Mansfield Metropolitan Housing Authority (MMHA) shows the Mansfield program reaching more needy and elderly persons and spending substantially less per housing unit than the national average for housing programs across the country.

The study was made by George V. Vavoulis, regional administrator of the Department of Housing and Urban Development (HUD) and submitted to national HUD officials.

The MMHA essentially, under the Section 23 federal housing program, takes a housing unit, whether it be a home or an apartment, pays the owner a negotiated rental fee and receives a portion of that amount from the person the unit is rented to.

The rest of the rental money is paid for by federal grants. Tenants can be couples, families or individuals who are considered to have low to moderate incomes by the federal government standards. In Mansfield, elderly residents form the bulk of the renters.

Among the conclusions made from studying the MMHA program are:

One of every seven eligible households is served by leased housing in the city, compared with a one-to-15 ratio for all subsidy programs in the country;

The Mansfield program channels assistance to those most in need, that is those families with the lowest incomes. About 30 percent of all eligible households with incomes under $3,000 are served, compared with 10 percent of those with incomes above $3,000 and;

Leased housing tenants in Mansfield, on the average, occupy "significantly" better housing than they would in the absence of the program.

Rents paid by the tenants averaged $35 in the city, including an average of $34 for new units, $36 for existing apartments and $33 for rehabilitated units.

Actual taxpayer costs, minus rent payments by the tenants, are $95 for existing units, $114 for new units and $105 for rehabilitated units.

This compares with a national average cost to the taxpayer of $200 per unit.

Most of the MMHA units (over 400 of the 503 units now rented) are existing apartment units, simply rented by the MMHA.

The survey shows that the MMHA spends 99 cents to produce one dollar's worth of housing under the leased, existing units. The new constructed units and rehabilitated units cost $1.04 and $1.03 respectively, to produce one dollar's worth of housing services, the survey reported.

Also, MMHA tenants feel that they are getting 98 percent of the present market value of the unit for their housing, compared with a 75 percent national average.

Other statistics show that 22 per cent or 130 of the 600 households with income of zero to $1,999 in the city are served by MMHA. Another 125 out of 295, or 42 percent of households with incomes from $2,000 to $2,999 are also part of the program, while 23 percent, or 145 out of 625 eligible in the $3,000 to $4,999 bracket, actually do participate.

Nine per cent, or 95 out of 1,025 eligible, in the $5,000-to-$7,499 bracket participate, while one per cent of 1,000 households eligible in the $7,500-to-$9,999 income bracket in the city participate.

Overall, 503 households out of a possible 3,545 eligible in the city, are now participating in the program. William F. Gandert, MMHA director, feels this points up the need for more federal leasing money to be released in the city and across the nation.

One other important statistic in the 15-page report shows that the overall program efficiency, by the tenants in the Mansfield program rates at 97, compared to 55 nationwide.

"This report proves that not only is our program a financial success, it is also successful and of benefit to our tenants as well. It's a benefit to our program and to our tenants that we keep a low-profile," Gandert said.

The now over six-year-old program in Mansfield has served as a model for similar programs across the country, and Gandert credits much of the success to recently retired Mrs. Marilyn Bailey, who served as the project's assistant director since its inception.

Of primary importance in this evaluation is the finding that low-cost housing can be provided without unnecessary expense to the taxpayer. MMHA was a pioneer in this area and, since this type of leased housing program was expanded in the recently enacted Housing and Community Development, we owe many thanks to the director and staff at the Mansfield Metropolitan Housing Authority for their initiative and innovative spirit in running an effective and efficient housing program.

TRIBUTE TO HAROLD R. COLLIER

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. YOUNG of Illinois. Mr. Speaker, I would like to join with my colleagues in paying tribute to Congressman HAROLD COLLIER. I have personally been acquainted with HAL since 1952, and, during this 22-year period, I have always received courteous, thoughtful and genuinely helpful treatment. Congressman COLLIER is one of the friendliest and ablest Congressmen I know.

Congressman COLLIER has served long and well on the Ways and Means Committee, which requires a great deal of dedication and time-consuming attention to detail.

In recognition of Congressman COLLIER's outstanding legislative abilities and his great personal attributes, he has consistently won reelection with increasing majorities.

The House of Representatives will genuinely suffer a great loss with the departure of HAROLD COLLIER. I wish HAL a continued long and happy career.

HON. WILEY MAYNE, IOWA

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. THONE. Mr. Speaker, I rise to state my deep regret at the imminent departure of Congressman WILEY MAYNE from this body at the end of the 93d Congress as well as my deep appreciation for all that he has achieved here since he first became a member in January 1967. As one who resides in and represents the congressional district which borders the Sixth Congressional District of Iowa to the west, I am able to state on the basis of close personal observation that he has certainly represented that district in a most exemplary manner.

There are many measuring sticks of a congressman's effectiveness. I will not attempt to apply them all to Wiley Mayne, but will start with one of those most commonly used, the ability to obtain benefits for one's district through Federal spending and Government programs. Wiley has certainly been remarkably successful in performing this very necessary function for his constituents in literally hundreds of cases, of which I will mention just a few.

During his service in the Congress from 1967 through 1974 Wiley Mayne has worked closely with Sioux City public officials, the Chamber of Commerce and committees of interested citizens to advance the city's Urban Renewal and Neighborhood Development projects vital to the continued economic well-being of Sioux City. He has been the city's principal contact with the Department of HUD and other governmental officials in Washington.

As a result of countless meetings, hearings and telephone conferences with the appropriate Federal officials, the congressman and his staff were instrumental in obtaining $17,507,845 in Federal funds for these projects during this 8-year period without which the projects would have been impossible. On August 30, 1974. Congressman Mayne was able to join an Assistant Secretary of HUD in Sioux City to announce that additional urban renewal funding had been granted by the Department of HUD in the amount of almost $4,000,000 per year for each of the years 1975, 1976, and 1977, insuring successful completion of the neighborhood development program.

Another great public improvement of vital interest to northwest Iowa and northeast Nebraska in which Wiley Mayne played a key role in securing necessary Federal funds is the I–129 Iowa-Nebraska bridge across the Missouri River which is presently under construction just south of Sioux City. Wiley supported the 1968 Highway Act passed December 13, 1968, and worked hard for the inclusion of provisions which would permit the extension of the national interstate system by some 1,500 miles together with certain additional bridge capacity which could be available at Sioux City. After enactment of the bill, he continued to work closely with local officials, Iowa and Nebraska highway commissions and with me and my predecessor, the Honorable Robert Denney, to obtain funds for the I–129 bridge under the act. These joint efforts were successful and the project has moved forward steadily. He was able to secure Federal funding—90 percent Federal, 10 percent State—for the construction of the new I–129 bridge which was so greatly needed in northwest Iowa and northeast Nebraska. The total cost of the bridge itself, including interchange construction on the Iowa side and right-of-way acquisition on the Iowa side will total some $30.8 million of which 90 percent is being provided by the Federal Government. Completion date of this magnificent facility is projected for September 1976.

Wiley Mayne also supported the Dangerous Bridges Act passed December 18, 1970, under which replacement of the 76-year-old Combination Bridge at Sioux City has been made possible. Subsequently, Mr. Mayne announced that a modern and adequate bridge facility would be constructed across the Missouri River at Sioux City under provisions of the act. The ancient Combination Bridge across the Missouri between Sioux City and South Sioux City, Nebr., had been declared antiquated and unsuitable under the meaning of the act and a replacement necessary. Federal funds in the amount of $9 million have been authorized for the construction of the bridge itself. The Federal allocation of this amount represents 75 percent for the Federal share, with 25 percent of the funding to come from the State and local funds. The approaches and the interchange on the Iowa side will be funded by 90 percent Federal funding and 10 percent State funding since this is a part of the Highway I–29 system. This project is moving along to further enhance the transportation and flow of merchandise and agricultural products between the two States of Iowa and Nebraska.

In the year of 1973 alone Federal funds came into the city of Fort Dodge in the amount of $20,154,724. In that same year Federal funding came into Sioux City in the amount of $60,747,698.

Congressman Mayne has been most active in assisting many Sixth District communities in the important field of industrial development. A recent example in his announcement of October 15, 1974, that the Farmers Home Administration had guaranteed bank loan authority be provided under the Rural Development Act of 1972 to help finance Industrial Hydraulics, Inc. at Pocahontas, Iowa. This basic funding is enabling the Iowa Industrial Hydraulics, Inc. to add another shift to its operation at Pocahontas, increasing the employment at the plant from 300 to approximately 450 people.

Iowa's Sixth District has perhaps only one city—Sioux City—which has a major urban mass transportation situation. Here again, Wiley Mayne worked hard to secure a original grant of $361,856 in 1968 for the purchase of 19 buses. In the summer of 1974, he secured a supplemental grant in the amount of $66,548 so that Sioux City could purchase an additional six buses to complete its transit system.

Mr. Mayne has been extremely helpful to the low-income and elderly residents of the smaller communities of Iowa. Through one program alone with the Farmers Home Administration his efforts have brought about 866 apartment units in 112 communities throughout the Sixth District of Iowa. All of this is just in addition to the many communities who have acted to obtain new housing units through the Department of Housing and Urban Development.

In recent years as Federal funding has increased it has been increasingly difficult for the smaller communities to familiarize themselves with the complex details and regulations which are inherent in Government funding. To facilitate understanding and to increase the lines of communication, Wiley has annually in each of his 8 years in the Congress held a Sixth District Community Conference. Seven of the 8 years, the conference was held in Washington, and 1 year the conference was taken to the city of Le Mars for a massive attendance by all of the counties represented in the Sixth District. The conferences were attended by mayors, city managers, city councilmen, county supervisors, Chambers of Commerce, businessmen and interested citizens. These 2 day conferences were jam-packed with speeches, explanations, and in a workshop effort, to aid the communities throughout the District in securing Federal funding for their important local projects.

Of course, most of us in Congress know about and have appreciated the efforts of Mr. Mayne and the Sioux City chamber of commerce in the annual Sioux City Steak Dinner which has become such a traditional highlight in the Nation's capitol. Last May Mr. Mayne hosted the 20th Annual Sioux City Steak Dinner. The event is recognized as one of the finest of the year in government circles.

Wiley Mayne and his fine staff in his Washington, D.C. office and in his district offices in Sioux City and in Fort Dodge have provided excellent service to the residents of the Sixth Congressional District. They did not just sit in the offices and wait for constituents to come and see them about their problems, they went to the constituents, holding office hours on a periodic basis in each county seat in the 22 counties of Iowa's Sixth District. They helped expedite Federal agency action on issuance of missing social security, veterans pension and GI educational assistance checks, assisted in obtaining status reports regarding Federal grant applications, helped local officials contact the right Federal official for information regarding programs in which they were interested, and in general acted as omsbudsmen between the State and local governments and individuals and Federal agencies at the regional and national level. Many a family was reunited earlier than would otherwise have been the case because of an inquiry made by Congressman Mayne to the Passport Office or Visa Office. Families got in touch through efforts of the Mayne office with relatives caught in revolutions or wars while traveling abroad. Many a misunderstanding between an individual and the Federal agency was straightened out. All this service was willingly extended without regard to the party of the individual or whether he had voted for or against Congressman Mayne.

Congressman Mayne has made all his appointments to service academies on the basis of merit, as evaluated by his nonpartisan committee of community leaders from throughout northwest Iowa. He has never failed to accept this committee's recommendations, and made all academy nominations without regard to party affiliation of the applicant or his family.

Wiley Mayne has built a record in the

Congress of which he and everyone associated with him can be very proud. I join his many friends in this body on both sides of the aisle in wishing him and his charming wife Betty, Godspeed and all happiness and success in whatever future endeavors they may undertake.

TRIBUTE TO CONGRESSMAN OGDEN REID

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. CULVER. Mr. Speaker, the Congress is losing one of its most valuable Members with the temporary departure of OGDEN REID from legislative service. He leaves with a record of service on both sides of the aisle, yet almost everyone on each side has respect for the course he chose and the convictions he followed.

BROWNIE REID has one of the most innovative, best informed, and wide-ranging minds in the House. His earlier years as publisher of a great newspaper and as a most successful Ambassador in Israel prepared him well for his tasks in the House of Representatives. He has been active in both domestic and foreign policy legislation and has been a foremost champion of human rights and civil liberties. His 10 years on the Labor and Education Committee left a rich legacy of historic advances in educational and social welfare policy. More recently he has brought his experience and insight to the work of the Foreign Affairs Committee, where we have been colleagues. But BROWNIE REID has never compartmentalized his interests or activities so that his influence has been felt in such areas as congressional and executive reform, civil rights, U.S. relations with the third world, and intergovernmental relations. His talents and interests are many, and he has set enviable standards of performance.

I am sure that I am one of a host of colleagues and friends who hope that BROWNIE REID's public career will soon be resumed and that he and Mary Louise will find satisfaction in all their future undertakings.

SOUND WORKABLE PROPOSALS OF A DEFEATED NOMINEE—A LESSON OF MAINE ELECTION

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. GUNTER. Mr. Speaker, the courage of a nominee and of public affairs consultants in standing by constructive issues deserves public notice and praise, especially when that nominee loses.

The State of Maine lost an outstanding possible Governor when Democrat George Mitchell just didn't quite make it, in spite of his commendable views as set forth in a series of outstanding position papers on an open government; the need to improve health care; economic development; the elderly—insuring their dignity; management of the State's debt; need to achieve equal opportunity for women; the fishing industry—a remarkable resource; the right to privacy—which I placed in the CONGRESSIONAL RECORD June 12, 1974 (E3827); and many others.

An Independent won the governorship in Maine over the nominees of the Democratic and Republican Parties and thereby attracted national attention. The Maine Legislature is bipartisan, with the Democrats in the majority in the house of representatives and the Republicans in the senate. However, George Mitchell's approach in conducting a constructive campaign in this year of crisis is still a correct one, in my opinion.

I want to pay especial praise to Frederick H. Sontag, a friend and consultant of mine, who worked for a full year so that the governorship race of George Mitchell and some other outstanding officials of differing viewpoints could have a wide choice of issues and valid alternatives. Mr. Sontag's scholarship was exceeded only by his hard work. As the coauthor of "Parties: The Real Opportunity for Effective Citizen Politics"—Alfred A. Knopf, hardback, 1972; Vintage Random House, softcover, 1973—Frederick Sontag has shown that a sound bipartisan approach on some matters can often offer a valid opportunity for solutions. He is one of those rare and talented public affairs and research consultants who place honor and service above an approach that will not move Americans forward. Those on this Hill and downtown who will have the benefit of his advice and brilliance will be very fortunate, and the country will be the better for it.

The Maine Times, an outstanding weekly, on November 29, 1974, had an editorial by editor in chief John N. Cole about George Mitchell's issue approach. I hope my colleagues, the media, and other careful students of the RECORD will read it. I know the courage and wisdom of persons like Frederick Sontag will pay off in the years to come. It is best to be right, even if one cannot win them all.

[From the Maine Times, Nov. 29, 1974]

EDITORIAL

A reader (A. L. Hunter of Camden) writes the following: "Don't you think it is your editorial duty to explain to your readers the failure of your endorsed candidate for governor?"

Answer: No, I do not consider it a duty, nor do I consider George Mitchell's defeat by Jim Longley a "failure." Running for office and losing ought not to be considered a failure. Indeed, quite often there is a victory in losing, as was the case during the Vietnam War, when every peace candidate was defeated at the polls, yet utilized the campaign to help bring the truth to the people.

In keeping with that premise, there is an insight to be shared through an explanation of the Mitchell defeat at the polls; and so, although it is not a duty, I will happily share my thoughts.

George Mitchell was defeated (a) because he became a "politician" in the eyes of the voters (thanks to well directed labels from the Longley camp); and (b) because he either underestimated, or refused to cater to, the vast rage of the populace. In my view, George did a bit of both. He knew the voters were angry, but did not propose to offer them anger in return. Instead, he went at his campaign intellectually, offering sound, workable proposals for Maine's future. Had he wanted to win, he would have abandoned these for simplistic promises, statements of outrage and all the trappings of demagoguery.

What I am saying is that he would have had to oust Longley, Jim Longley, who expounded on no issues, drew no plans, and has yet to provide us with even a sketch of his vision of Maine's future. Mr. Longley read the public's rage, insisted he was not a politician and promised to cut costs while improving services.

I, for one, think Mitchell owes no apologies for running his campaign in the style he did. A year or so from now, a great many Maine voters will wonder why they didn't vote for him.

HON. H. R. GROSS

HON. JOE D. WAGGONNER, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. WAGGONNER. Mr. Speaker, I am very grateful for the chance to rise today to address the House in honor of my good friend, H. R. GROSS.

In the case of H. R., merely to dwell on the excellent example he has set for his colleagues and friends is not nearly enough. More than this, he has been the taxpayers' friend, an untiring "watchdog" for their interests. His diligence as a fiscal conservative is unequaled.

Since he was sent here initially as a Member of the 81st Congress, his constituents have seen fit to reelect him to 12 straight succeeding terms. They apparently know a good man when they have one. His shoes will be mighty hard to fill.

His objective as long as I have known him has been to work for what is sensible and best for all Americans, and to that end, he has been highly successful. Men like him do not come along every day, and the void that his retirement creates will be substantial.

My best to you always, H. R., and may your days be full of memories of the outstanding relationships you have built here in your distinguished career.

SHAKING UP THE HOUSE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the Record, I include my Washington Report for December 18, entitled "Shaking up the House":

[From the Washington Report, Dec. 18, 1974]

SHAKING UP THE HOUSE

Last week the House Democratic Caucus made changes that will dramatically affect the House of Representatives as an institution for a long time to come. The extensive procedural reforms adopted by the Democrats, who will have a majority of 291 to 144 members in the next Congress, are designed to dilute the power of Committee Chairman, give added strength to the entire body of Congressional Democrats (that is, the Democratic Caucus), and make the machinery of the House more open and responsive.

What occurred in the Democratic Caucus last week continues an effort extending for several years to take away control of the majority party from a handful of Committee Chairmen and senior members and transfer it to an effective leadership group responsible to all the elected Democrats in the House. By the action of the Caucus, power has been transferred from a handful of men who ruled the Committees and key Subcommittees to the entire membership.

The following steps were taken to assure that those who hold power by virtue of seniority are responsive to the Democratic majority:

1. The power to fill Democratic vacancies on Congressional Committees was transferred from the Democrats on the Ways and Means Committee to the Party's Steering and Policy Committee. At the same time, the power of the Ways and Means Committee was spread out among more members by increasing the Committee membership. One of the main problems in the House is the diffusion of power among the leadership of the Congress and various Committees, especially the Ways and Means and Appropriations Committees. This transfer strengthens the House leadership and enables the Ways and Means Committee to concentrate on its extremely heavy legislative workload.
2. The power of the Speaker was increased by permitting him to apoint members of the powerful Rules Committee, which regulates the time and manner in which legislation is considered by the House, and by continuing to allow him to name his own Democratic Whip.
3. A challenge to the automatic elevation to the Chairmanship of the most senior Democrat on the Committees and Appropriations Subcommittees was made easier. These Chairmen have great power over legislation and funding levels, and a Caucus vote on them will help to insure that they are responsive to all the members.
4. Rules were adopted giving junior members a chance at important Subcommittees.

All of these reforms may sound fairly dull, but without them it would be unlikely that the Democrats could assert leadership in 1975 on the critical issues of the economy, tax reform, and national health insurance. How much these reforms will be immediately felt through specific kinds of legislation passed next year remains to be seen. It's much too early to make any prediction. The approval of these reforms does not assure that a progressive legislative program will be approved, but it does mean that many procedural roadblocks will have been removed and that the Democrats will have the power to pass the bills they consider proper.

The Democratic Caucus did not adopt just any proposal with a reform label on it. It rejected two reforms which made a frontal assault on the seniority system. One would have required Committee Chairmen to step down at the age of 70 years, and another would have limited a Chairman to no more than 6 years.

One effect of the reforms is to serve notice on Committee Chairmen and members that they will be expected to be responsive to the Democratic majority of the House. The main targets of the reforms have been the two money Committees (Appropriations and Ways and Means) which deal with taxing and spending.

The reforms were made possible largely because of the 75 new Democrats elected to the House last month. At this early date a characterization of these newly elected Democrats would be premature, except perhaps to observe that they are young, vigorous, and aggressive. My guess is that they will keep pushing and that they will not want to yield to seniority. It is already apparent that they have brought a new dynamic to the House of Representatives. They ran on platforms of reform, and, if they are to be re-elected, they will have to produce. Their interest in results coincides with the interest of many other Democrats who believe that the 1974 elections place a responsibility on them to develop a legislative program of their own. The significance of the reforms approved this week is that they will give House Democrats new tools to achieve their goals.

All in all the Democratic Caucus which met last week was noteworthy. The Democratic Party will be overwhelmingly in control of the Congress in the next two years, and this first meeting of the Democrats gives us as clear an indication as is now available of the mood and direction of that Congress. The Caucus was exceptional and constructive, and my hope is that it will make the Congress more responsible to the people who elected it.

MATTHEW J. DANAHER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. MURPHY of Illinois. Mr. Speaker, it is always sad to accept the death of a close friend or a loved one at this time of the year. Yet each of us at one time or another must face that possibility. Last Sunday was just such an occasion for me with the passing of Matthew J. Danaher. He was a good friend and a dedicated public servant.

The position of clerk of the Cook County Circuit Court is without the man who has served in that position so ably the last 6 years. Matt Danaher, as county clerk, proved himself often as a man of courage and conviction. He cared about people and about their problems.

Matt's career spans over two decades. He has worked closely with Mayor Daley as an administrative assistant and was the 11th ward alderman before being appointed court clerk in 1968. During those years he was a young man on the move. His future was bright. He was capable of the hard work and perserverance that would have enabled him to overcome any obstacle.

I extend my condolences to Matt's family. He was a fine man and we will all miss his friendship.

TREASURY MOVES AGAINST FOREIGN TAX HAVENS; MORE NEEDS TO BE DONE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. VANIK. Mr. Speaker, during the past year, I have written to the Treasury Department several times concerning the growing number of advertisements encouraging Americans to invest in tax haven countries.

I have just received the attached letter from the Secretary of the Treasury, Mr. William Simon, which indicates that the Department is becoming more concerned about this major area of tax abuse. As the Secretary stated:

> We believe that the number of U.S. citizens using such vehicles is increasing. This is suggested by Internal Revenue Service audit experiences, as well as numerous articles, conferences, and advertisements in recent years about the tax advantages of tax haven trusts.

The Secretary also reported, as per a suggestion in my letter to the Department on September 18, that the United States would be making a greater effort to work with other nations to end tax haven abuse. As the Secretary wrote:

> In order to engage the assistance of other developed countries in dealing with tax haven problems, the Treasury Department intends to urge the Fiscal Affairs Committee of the Organization for Economic Cooperation and Development to initiate a concerted work program in this area. The Treasury will offer this group its full assistance and support.

In the new "Energy Tax and Individual Relief Act of 1974," H.R. 17488, the Ways and Means Committee attempts to block a number of foreign tax haven loopholes, particularly those involving trusts. However, I am concerned that the new reform laws do not go far enough and are inadequate to deal with problems involved in offshore investment companies.

Following is a portion of a discussion in the fall, 1974 issue of the International Tax Journal, entitled, "Tax Considerations for Offshore Investment Companies." I am particularly interested in the comments on the end of the Interest Equalization Tax—a move which I opposed—and the effect which this action has had in making offshore investment companies more attractive:

> Offshore investment companies are corporations (organized in a tax-haven jurisdiction) that trade or make portfolio investments in stocks or securities of U.S. or foreign companies. The objectives of an offshore investment company are elimination of current taxation, accumulation of investment income free of tax, and sale of stock in the investment company without tax consequences or at capital gains rates.
>
> For a period of several years, the Interest Equalization Tax, the Foreign Direct Investment Program and the Federal Reserve Foreign Credit Restraint Program restricted the outflow of both portfolio and direct investment in an effort to improve the United States balance of payments position. These measures limited the amounts that could be transferred to offshore investment companies and imposed a tax on such investment at a rate sufficiently high to offset the higher profit that might otherwise have been realized by investment outside the United States. The measures were effectively terminated earlier this year. As a result of the elimination of these balance of payments programs, there is no longer any transactional tax or other restriction on the transfer of funds from the United States to a foreign investment company.
>
> The advantage of accumulation of income free of U.S. and foreign tax and the possibility of effectively converting investment income into capital gain upon liquidation should make offshore investment companies attractive.

It is obvious, Mr. Speaker, that a great deal more needs to be done to close international tax loopholes.

The letter follows:

> THE SECRETARY OF THE TREASURY,
> *Washington, D.C., November 21, 1974.*
>
> HON. CHARLES A. VANIK,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. VANIK: Thank you for your letter of September 18, 1974, concerning the

growing publicity for various tax haven countries.

We share your concern about tax haven problems, and are pleased with recent tentative decisions of the Ways and Means Committee which would attack some of the basic problems.

Tax havens are more of a problem for other countries than for the United States. Residence in a tax haven country is generally attractive to citizens of countries which tax their citizens only if they reside in or have income from those countries. U.S. citizens derive no federal tax advantages other than as provided for earned income under Code Section 911, by residing in a tax haven country, because U.S. citizens are taxable on their worldwide income regardless of their place of residence.

U.S. rules of taxation further limit the use of tax haven corporations as a vehicle for avoiding tax on passive investment income. Passive investment income of tax haven corporations owned by U.S. persons is generally subject to tax as foreign personal holding company income or subpart F income.

Notwithstanding these rules, U.S. citizens may currently avoid or defer U.S. taxes on foreign source income and domestic capital gains by the use of a foreign, tax haven trust. Frederic W. Hickman, Assistant Secretary for Tax Policy, discussed the tax aspects of foreign trusts in his letter of May 17, 1974, in response to your earlier inquiry.

The Treasury Department does not have statistics regarding the extent to which U.S. citizens are utilizing tax haven trusts. This is due in part to the fact that the income of such trusts is seldom subject to U.S. taxation. However, we believe that the number of U.S. citizens using such vehicles is increasing. This is suggested by Internal Revenue Service audit experiences, as well as numerous articles, conferences, and advertisements in recent years about the tax advantages of tax haven trusts.

The Ways and Means Committee has tentatively agreed to deal with the opportunities for tax avoidance offered by foreign trusts where a U.S. person uses a foreign trust for U.S. beneficiaries. Under the Committee proposal, a person who transfers property to such a trust will be taxable currently on the trust's worldwide income. Also, in cases where this rule does not apply, a special nondeductible interest charge will be imposed on distributions by a foreign trust to a U.S. person of its accumulated income. These proposals deal directly with the present tax advantages of foreign trusts and are important steps in ending the use of these devices.

We also share your concern about the diversion of investment capital to tax haven countries and in particular the encouragement they provide for tax evasion practices.

In order to engage the assistance of other developed countries in dealing with tax haven problems, the Treasury Department intends to urge the Fiscal Affairs Committee of the Organization for Economic Cooperation and Development to initiate a concerted work program in this area. The Treasury will offer this group its full assistance and support.

Sincerely yours,

William E. Simon.

LESLIE C. ARENDS

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. GUBSER. Mr. Speaker, so much has been said about Les Arends, one of the great institutions of the House of Representatives, that it is almost impossible to add anything which would not be repetitious.

My contact with Les Arends has been primarily through our joint service on the House Armed Services Committee. He has been an efficient member of that committee and one who is dedicated to preserving a national defense capable of preserving our precious liberties.

As Republican whip, Les had a way about him which made it almost impossible to negatively reply to one of his requests. On the very rare occasions when I could not vote with Les and the party leadership, he was never bitter and never held a grudge.

His clean, good humor and his friendliness are memories which I shall treasure the rest of my life. His party and more importantly this Nation will suffer a great loss with his retirement. I join with my colleagues in wishing him the very best.

HON. LES ARENDS

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. CHAMBERLAIN. Mr. Speaker, I have only known Les Arends 18 years—a short time really as you look upon his total service to the country. While that may not be sufficient time in which to discover fully all there is to know about Les Arends—the range of his character, the acuteness of his wit, the depths of his wisdom—it is more than ample time, Mr. Speaker, in which to develop feelings of friendship and respect. One session was sufficient for that.

I am pleased to join my colleagues in paying tribute to Les Arends. As a Republican leader, he has been wise, astute, and high school minded—never sacrificing the good of the country to tactical partisan advantage. As a Congressman, he has been one of those who has made our representative system work well and harmoniously, despite the broad range of differing political and philosophical views. No two of us think alike, Mr. Speaker, but Les Arends has been one of those who helped us disagree like sincere civil people.

Finally, Mr. Speaker, when we reflect on all that our country has survived since 1934, when Les Arends entered Congress, we must feel some reassurance. Since we have emerged from that long series of crises with our liberties intact, I can not help but feel that our Nation still has a great future. Les Arends is one of those who helped pull us through, and the country is in his debt.

TRIBUTE TO HON. H. R. GROSS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. FORD. Mr. Speaker, due to the busy legislative schedule last week, I missed the opportunity to participate in the special order honoring my good friend and colleague, the Honorable H. R. Gross, who is retiring at the end of this session.

I would like to take this opportunity to pay tribute to this truly outstanding Member of the House. Although he represents the orthodox conservative Republican philosophy, and we have frequently disagreed on issues, Congressman Gross and I have always been able to talk together and discuss our differences.

For the past 8 years, I have served with Congressman Gross on the Post Office and Civil Service Committee. We have disagreed sometimes; we have agreed often. In this close association, I have come to realize how well he deserves the affectionate title, "Conscience of the House."

We will miss his wise and stable influence in the Congress, and I will personally miss him as a good friend and challenging opponent. I wish him and his family well in all their future endeavors.

ADDRESS BY JOHN D. MAGUIRE, PRESIDENT OF SUNY AT OLD WESTBURY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. LENT. Mr. Speaker, John D. Maguire, who has been reappointed to a second 5 year term as President of State University of New York's College at Old Westbury, which is located within my Congressional District, is a man of many parts. Earlier this year, for example, he was elected President of the Society for Religion in Higher Education, an honorary nonsalaried post of enormous prestige. The Society, with a membership of over 1,300 Fellows—Kent and Danforth Fellows and recipients of Danforth Fellowships for Women—is not ecclesiastical and is unaffiliated with any church body. Many of its illustrious members are presidents of other colleges and universities, scholars and administrators who approach higher education problems from their concern with values.

Phi Beta Kappa graduate of Washington and Lee University, a former Fulbright Scholar and Kent Fellow, and one of only six summa cum laude graduates of Yale University Divinity School in this century, President Maguire is an important and significant spokesman on Long Island for the kind of values we all cherish.

Mr. Speaker, I would like to share with my colleagues an address—the opening remarks of John Maguire at the beginning of the new academic year at Old Westbury—a talk titled "Informed Hearts: On Building an Academic Community that is Excellent and Enduring."

Informed Hearts—On Building an Academic Community That Is Excellent and Enduring

There are few issues to which I have given more thought than the matter I want to discuss briefly with you at this 1974 opening-of-college: The question is: "How is a lasting academic community of high quality built, developed, and nurtured?" I focus on an academic community like this college because it exists at a crucial level of life.

On the one hand it is larger and more complex than the narrow circle of family and friends. On the other hand it is much smaller and less complicated than the whole wide society. In between, an academic community should be more livable, more habitable, more humane.

There are, however, some conditions that must exist if any academic community of high quality is to grow, deepen and flourish. These requisites are not limited to the College at Old Westbury, although they are certainly pertinent to us.

The first is the requirement that its members remain constantly aware that the college's development is occurring in the context of extraordinary state, national and international change and that its destiny is involved in significant measure with what happens there. Today rapid international transportation, instant global communication, multinational corporations, the rapid interchange of people between nations, interhemispheral alliances for business and militarism, and the sense of a world economy have raised our consciousness of the fusion of cultural horizons to a level without precedent in human history. As much as we might sometimes like, we cannot live as if the college were a little nest isolated from other people into which we could retreat and let the rest of the world go by. The crowded ways, the expressions of world-wide human struggle, cross and encounter at each human meeting point.

An academic community must not only remain aware of the wider world, but must embrace the issues and challenges that wrack its life. The world with all its richness and hurt, is with us and suffuses academia. That world profoundly affects the college.

A second requirement for the maturation of a first-rate academic community is that its members constantly remind themselves that the college is an educational institution. Its sensitivity to the world means that it should never deny the need to prepare its students for work and professions in that world. But life is more than work and the world is made and remade—by imagination, by creativity—as well as inherited, so that, in addition to preparation for work, there is the preparation for achieving a whole life, a good life, which is the ultimate purpose of an educational institution.

An academic community is not a factory, it is not a dispensary for credentials, it is not an indoctrination center—whatever doctrines being expounded there. It is a place where people learn to love to learn. It is a place that cherishes diversity, where people are made free to pursue a variety of goals in their own way. It is a place where the testimonies of different positions, different perspectives, different personalities may all be heard so that the participant may forge a position of his or her own in the midst of the swirling variety. What distinguishes an academic community is its primary commitment to inquiry and learning. Its essence is educational.

A third requirement for the achievement of a lasting academic community of genuine excellence is that it have specific goals. Learning, inquiry, probed by themselves constantly threaten to lapse into pointless self-indulgence or decadent dilettantism unless there is some point to it all beyond pleasure and narrow self-service. We have tried certain formulations from time to time about the goals of this college. The search for human justice, the achievement of human excellence, the realization of human community.

Perhaps they can all be summed up in the goal of making power humane. The academic community finally exists in order to empower people not simply in the techniques for seizing systems as they are and turning them, untransformed, to different purposes. Education is for learning how to transmute power, how to redistribute it, how to redefine and make it human. Education is for learning how to remake that wider world in which the academic community must exist. But beware of falling for the first program of reclamation, or even the second or third, put before you. The world is remade primarily by people who have lived through and taken into account an enormous variety of human thought and experience and have experienced in depth the torment and the cleansing of doubt.

If this college is to become the kind of institution about which we've been speaking—world-conscious, thoroughgoing educational, goal-committed—then three particular conditions, especially relevant to our situation, will be required of us.

First, a kind of atmosphere will have to be created at Old Westbury in which there is room for repose. The College will have to become a time as well as a place where people can pause to hear their own inner voices, recall their own deepest feelings and learn how to cultivate their own particular life. This is why we must become a community and not a collection of fragmented, contending armies. Double-locking our doors against each other is the death of real education. For in order to fathom the texts and ideas, images and connections, insights and errors that are offered here, individual anger and exasperation, appreciation and delight must be shared. This kind of education that empowers for action and pleasure requires the sharing with other people whose experiences and competencies are different from and complement mine. Far from resisting differences, participants in this kind of college seek and treasure them, for they realize that variety, diversity, differences are the essential elements of their education. In a college that learns how to relax, people become increasingly accessible to each other.

This in turn points to a second condition if Old Westbury is to become the kind of excellent academic community for which we hope. That is a growth in civility. By civility I do not mean a particular class or culture-bound style of manners. I do mean a way of relating that builds, not thwarts, community: Civics, civil, civility, community. In its ancient meaning civility bespoke two key qualities: authentic intimacy and political maturity. Politeness, politics, courtesy, consideration. The inner and the outer simply must be held together. Screaming at each other hardly builds community and rarely prompts positive change. We dare not abandon the dream of a new kind of community at Old Westbury but its realization will require a new level of civility.

Finally, a new quality of playfulness and pleasure must be realized. The practice must grow at Old Westbury by which people tell each other their stories and learn to relax with each other. Old Westbury must be a place where it is okay to try out different ways of being, a place to learn how all life might be lived differently by living some of it differently on a smaller scale. For if we do not experience different ways of life on a smaller scale in relatively unpunishing circumstances we may soon dispair of its ever being possible on a larger scale in the wider world. And when there's dispair and cynicism there can be little contribution to remaking that wider world. Jokes, laughter, joy—we must learn how to move beyond the relentlessly grim.

So to what does it all add up? What is the ultimate point of an academic community like Old Westbury? An eighteenth century phrase may help: "the good judge." The College exists to contribute to the development of "the good judge" in every participant. The good judge can weigh evidence. The good judge is a person whose richness of experience and accumulation of wisdom can catch subtlies in a complex case. The good judge is not swayed by partial or distorted facts. And the good judge finally acts, takes action. He is a wise actor.

Commenting one time on this vision of the good judge, a teacher of mine, H. Richard Niebuhr, characterized it as having "an informed heart."

Room for repose, civility, and a new sense of playfulness may seem odd qualities to produce good judges. But I profoundly believe that this is what Old Westbury most needs in 1974–75, if we are to continue moving toward becoming a lasting academic community of genuine excellence whose members come to have what the world most desperately needs—"informed hearts."

NATIONALS GOALS AND SCIENCE AND TECHNOLOGY: IS A BETTER SYNTHESIS POSSIBLE?

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. GUBSER. Mr. Speaker, Dr. Robert Lamson of the National Science Foundation recently delivered a paper entitled "National Goals and Science and Technology: Is a Better Synthesis Possible?"

Believing that this is an interesting subject, and thinking that the topic may be of interest to many Members of Congress, I am submitting Dr. Lamson's remarks for reproduction in the Record.

National Goals and Science and Technology: Is a Better Synthesis Possible?

(By Dr. Robert W. Lamson, Office of Exploratory Research and Problem Assessment, National Science Foundation, delivered at meetings of the Operations Research Society of America, San Juan, Puerto Rico, October 18, 1974.)

I. INTRODUCTION

Our survival and well-being as a nation depend upon our ability to meet two critical needs:

1. to harness our resources effectively to solve the problems which confront us, and at the same time;

2. to protect and promote such values as freedom and representative government.

If we are to meet these needs, we will have to perform two important actions: create more accurate perceptions as well as create better consensus, on the part of policymakers and the public, concerning the problems which confront us, and their possible solutions.

A key to implementing these needs and actions is a better synthesis of science, technology and national goals, related to national problems.

II. MEANING AND TYPES OF SYNTHESIS

"Synthesis" means putting the parts together within and between various types of systems.

The synthesis we need involves a better integration of the elements of our thought, policies and institutions in order to solve national problems effectively, via the efficient achievement of national goals through the use, where appropriate, to such means as science and technology. At least two types of synthesis are important.

First, we need synthesis within and between our perceptions of the *problems* in the real world, our *goals* for solving these problems and our *means* for attaining these goals, including our policies to support and use science and technology.

Second, we need to create synthesis within and between the elements of our thought, our policies and our institutions.

III. WHAT IS THE PROBLEM FOR WHICH BETTER SYNTHESIS IS A SOLUTION?

Mankind's and Nation's "margin of safety" have diminished and the threats to our survival and well-being have increased due to trends in: growth and distribution of population; total and per capita pressure on land and the environment; supply and use of resources, (energy, food, water, etc.); output of wastes; increasing power of technology, if misused, to endanger man's survival and well-being; changing proportion of the "natural" and "man-made" aspects of the environment; and to the historic momentum of these trends.

For example: the mistakes which we make in the use of our scientific knowledge and technological power tend to become more intense and destructive, more difficult to control, long lasting and difficult to reverse. We no longer have the margin for error which space, time and our relative lack of power to manipulate the environment once provided for our ecological mistakes. The recent increase in the speed of delivery and destructiveness of weapons has removed the margin of safety once provided by space, time and the relatively low power of weapons. The disappearance of our food stockpiles has removed the cushion against famine and adverse climatic change. And, our increasing dependence on foreign sources of energy and materials has increased our economic vulnerability.

Science and technology, if wisely used and effectively linked to national problems and goals, can help to enlarge our margin of safety.

IV. WHAT ARE IMPORTANT CAUSES OF THESE PROBLEMS?

The causes of our reduced margin of safety stem from the nature of the world and from our perceptions, judgments and actions with respect to it.

The problems which confront us and the causes of these problems are often complex and interacting as well as remote—in time, space and level of abstraction.

We lack adequate perceptions of problems and causes, and of options to cope with them.

We tend not to look and plan far enough ahead. We tend to ignore the long range, cumulative and synergistic effects of what we do. These impacts are often not perceived, not understood, not studied, and we do not adequately evaluate, anticipate, control or guide them.

Moreover, we tend to act to solve problems only when confronted by crisis. We find it difficult to handle more than one crisis at a time when various crises occur simultaneously. And we have not solved the problem and met the need to design and implement strategies to anticipate and prevent multiple crises, and to cope with them if they occur.

We tend not to consider a wide enough range of alternatives for specific policy problems nor do we consider a wide enough range of values and groups in calculating the costs and benefits of various alternatives.

We lack sufficient understanding and agreement among policymakers and the public concerning problems, causes, options, and preferred solutions to permit effective, concerted action to cope with the problems which confront us.

Our desires and needs frequently outrun the capacities of individuals, the government, society and nature to satisfy them.

Lack of synthesis is an important part of these causes for our reduced margin of safety.

For example, on the intellectual level, the lack of integrated, coherent perceptions of the world—of problems, causes, impacts and options—makes it difficult to see what needs to be done in order to act effectively to prevent the occurrence of problems and crises before they arise, and to cope with them if they occur.

On the policy level, lack of synthesis hinders the solution of problems, due, for example, to contradictory policies, fragmented planning, lack of coordination of the means for achieving goals, lack of efficient linking of means to goals, and lack of effective linking of goals to the nature of problems in the real world.

On the institutional level, lack of adequate synthesis results in reduced social cohesion involving isolation of individuals from one another, the fragmentation of social groups, and the absence of shared values and sentiments which provide not only the basis for effective action but also the standards of judgment and control within which competition for political and economic power may contribute to the larger national interest.

V. CAN AND SHOULD WE ACT TO ACHIEVE A BETTER SYNTHESIS?

On the intellectual level, we can and should do more through research to create a more holistic and accurate view of problems, causes, options and impacts, for example, through modeling and simulation of large complex systems.

However, in our research to date, we have placed more emphasis on analysis than synthesis, and we have not kept our research on problems, and options current in a form which is readily usable and understandable by policymakers and the public.

Our support for research often tends to assume that we can advance knowledge best through intellectual fragmentation, specialization and concentration on narrower and narrower bits of subject matter. This is in contrast to the advancement of knowledge through attempting to put together the specialized fragments into a coherent whole.

We have not tried adequately to synthesize the state of the art in the social sciences and other disciplines which could help us to perceive problems, causes, impacts and options. And, our organization for the support of research often tends to reflect and reinforce the preexisting specialization and fragmentation in universities.

To date, the balance of incentives in universities is still on the side of disciplinary specialization even though there have been some attempts to foster interdisciplinary research not only to advance knowledge itself, but also to help solve such practical problems as energy and the environment.

On the policy and institutional levels, we can and should act to build closer links between our policies to support and use science and technology, our national goals and the problems which confront us. We can and should act to create ongoing processes which will increase shared values, shared sentiments and trust, and build better concensus and perceptions concerning problems, causes, impacts, options and preferred solutions.

While working for a greater synthesis, we should, at the same time, be aware of the limits and obstacles to our ability to achieve it, and of the risks which may be realized if we misuse the increased power to solve problems which increased synthesis can bring.

Limits to our ability to create a better synthesis involve gaps in knowledge and conflicts in perception, values, interest and power. However, it is possible through research to create more coherent perceptions of the world and of options to cope with it, and through policy dialogue to increase trust, to increase shared perceptions, values, goals and interests, and to increase the sharing of power for greater mutual gain.

However, we need to be careful that our actions for a better synthesis do not damage other values such as freedom and the limitation of power via the rule of law, separation of powers and decentralized decisionmaking.

We need to recognize that some methods for achieving and maintaining greater synthesis are compatible with freedom and that others are not.

The problem is: How can we achieve the increased synthesis, unity and consensus needed to solve the problems which confront us, and, at the same time, protect and promote such values as freedom, representative government, pluralism, diversity, and limits on the uses and concentration of power.

For example, on the intellectual level, the attempt at or the achievement of better synthesis can lead to demands to implement the synthesis operationally and institutionally in a way which tend to constrict freedom and to break down the limits on the use and concentration of power, and thereby to endanger freedom, self-government and the rule of law.

Moreover, increased social cohesion can result in lower tolerance for intellectual and social diversity, and in a demand for enforced intellectual agreement.

On the other hand, the lack of adequate synthesis may very well lead, via our neglect to perceive, prevent and cope with the large complex problems which confront us, to a loss of freedom and to the totalitarian use and concentration of power against which some have felt that lack of synthesis was supposed to defend us.

There is therefore a need to promote and maintain synthesis via methods compatible with freedom, consent of the governed and representative government, that is, dialogue, debate and communication based on reasoned argument and evidence, combined with tolerance for diversity.

VI. HOW CAN WE ACHIEVE A BETTER SYNTHESIS OF NATIONAL GOALS AND SCIENCE AND TECHNOLOGY, AS RELATED TO NATIONAL PROBLEMS?

If we are to solve effectively the problems which confront us, and at the same time, to protect and promote such values as freedom and representative government, we need to create and maintain ongoing policy dialogues, supported by research, concerning problems, causes and options in order to clarify the perceptions of policymakers and the public and to broaden and strengthen the areas of agreement. We need to maintain these dialogues at various levels—international, national, state, regional, city and community.

If we are to increase our margin of safety against the threats to our survival and well-being, and enhance our quality of life, we need to create and use the institutions and technologies through which we can create the needed research and dialogue, the improved perceptions, better understanding and consensus, and the needed synthesis of thought, policy and institutions—of goals and means, including science and technology.

A. *Policy Research* can help to create the intellectual synthesis concerning the range of policy problems and options which we face, and can also help to synthesize the state of the art in the various sciences and disciplines relevant to policymaking.

Policy research can help to provide coherent factual statements concerning the world, the causes and impacts operating, and the impacts of a range of alternatives for coping with it, and can thereby help to create the needed factual, intellectual synthesis of problems, causes and options.

However, there are real limits to the ability of policy research to answer non-factual or value questions concerning "what is desirable" and "what policy should we pursue" since such questions are not answered through factual description and analysis of cause and effect.

Even assuming the presence of factual synthesis and agreement concerning problems, options and impacts, there will still be individual differences in values, in criteria for evaluation, in weights assigned to values and impacts, in trade-offs made among values, impacts, costs and benefits, and in actual choices made.

Although policy research can help to generate shared images of the world and of options to cope with it, it will not eliminate ignorance, uncertainty, and conflicts in value, interest and power. Policy research will not necessarily lead to greater agreement on values, trade-offs and desirable courses of action.

To help create such agreement, we therefore need to create processes of policy dialogue, involving human interaction, discussion and debate, from which can emerge not only shared, coherent and synthesized images of the world and of alternatives to cope with it, but also mutual trust, shared values and views about preferred courses of action.

B. *Policy Dialogue and Communication* is needed on an ongoing basis concerning problems, causes, options, impacts of options and preferred solutions. This involves: 1. Institutions for research and policy dialogue, in the public as well as private sector, for example, goals organizations at various levels; 2. Periodic Goals Reports and Hearings; and 3. Technologies for Policy Dialogue, Synthesis and Communication.

1. *Institutions:* One way to meet the needs for synthesis, better understanding and consensus is to experiment with organizations at various levels which will study and communicate about problems, alternatives and goals, provide neutral forums and means for communication, dialogue and debate and involve citizens and policymakers in this process.

In recent years, various new institutions which attempt to meet the need for synthesis have been created. Concerned with goal setting, long range planning and the future, and with a strong emphasis on citizen involvement, they are sometimes referred to as "Tomorrow/2000/Goals Groups". There currently exist a variety of such groups, some originating in the private sector, and some sponsored by State or local government.

They include: California Tomorrow; Seattle 2000; Goals for Dallas; Hawaii 2000; Alternatives for Washington; Massachusetts Tomorrow; Goals for Georgia; Iowa 2000; The Commission on Minnesota's Future; and Choices for 1976 of the New York Regional Plan Association.

Such new organizations provide valuable experiments which can help the Nation — its regions, states, cities, communities and citizens—to:

Perform policy research and goals studies concerning problems and options confronting the United States and its regions, and link such research to alternate policies for science and technology.

Analyze, synthesize and discuss problems, options and policies.

Resolve conflict, achieve consensus on and choose preferred solutions.

Implement the options chosen.

Take into account the future effects of current actions and enhance our capacity to manage change.

Increase our capacity for self-government.

Solve the problems which confront us, and at the same time protect and promote freedom and representative government.

2. *Periodic Goals Reports and Hearings* at various levels, are one means to improve perceptions of problems and options and to raise the level of understanding and agreement among policymakers and citizens.

For example, an Annual Report and hearings on national goals and science and technology policy can help meet the need for better perceptions, synthesis, dialogue and consensus. Such a periodic statement should attempt to synthesize national problems and options (including science and technology). Such a report can be used to communicate to policymakers, including the public as well as the executive and legislative branches of government, and to help for example, through Congressional hearings, to create better understanding, dialogue and consensus concerning the problems which confront the Nation and the options to cope with them.

Since science and technology are means to achieve national goals to solve national problems, a report on policy to support and use science and technology should also deal with national problems, goals and means. A science and technology policy report, therefore, should logically be part of a larger synthesis concerning national problems and options, possibly as part of a larger "Social Report".

3. *Technologies for Policy Dialogue, Synthesis and Communication:*

A range of technologies exist to help improve the policy dialogue about the problems and options which confront us. These technologies include: maps and physical models; aerial photography and satellite imagery; gaming and simulation; computer modeling (involving the use of interactive computer graphics); social indicators and social graphics; citizen polling and feedback systems; television—broadcast and cable.

To date, we have not brought together, assessed and employed such technologies in order to help policymakers and citizens grasp more easily the complex peace-time problems which they confront.

The key to putting such technologies together to aid the policy dialogue is the concept of the "situation room"—a physical location in which problems, trends, progress, options and the results of policy-related research can be displayed graphically in a form which decision-makers, including the public, can more readily see, comprehend and discuss.

Situation rooms can provide the neutral forums for policy dialogue and graphic communication of complex policy problems and options, at various levels—international, national, regional, state, city and community—and for various roles, involving policymakers and citizens, administrators, elected officials and legislators.

A situation room can provide a means whereby citizens and policymakers can more easily and intuitively see and understand the critical elements and interactions of large complex problems, obtain a sense of the degree of ignorance and uncertainty concerning the impacts of such problems and of the options to cope with them.

Moreover, by using graphic techniques, the situation room enables individuals who are in potential conflict (due to conflicts of personality, value, interest and power) to focus on the problem "out there" displayed through the use of various graphic techniques. Such a forum can provide a means whereby potential opponents over a policy issue can at least reach agreement about the nature of their disagreement.

By experimenting with and using situation rooms, we may be able not only to create a better synthesis, in thought, policy and institutions, but also to develop better perceptions and consensus on problems and options, and through the process of dialogue, to develop shared values, increased trust and agreement about desirable choices.

One possibility for synthesis and communication on the national level would be to create a policy-oriented exhibit building in Washington, D.C. possibly on the Mall as a new activity of the Smithsonian Institution. The building could use the concept of the situation room and present policy-oriented exhibits and displays on the range of policy problems and alternatives which confront the United States.

However, the exhibit activity should not become propaganda for any one specific alternative, point of view or political position, but instead, should attempt to present the range of alternatives and points of view with respect to them.

If situation rooms are to contribute, via policy dialogue, to improved synthesis, understanding and consensus, the principles for their use and operation should include:

Use of graphic techniques to display problems, options and impacts;

Dialogue based on reasoned argument and evidence;

The presentation of a range of alternate futures and problems;

The attempt to state impacts of trends, problems and options as objectively as possible;

Attempt to state the probability of occurrence connected with any impact or trend, and the degree of ignorance and uncertainty associated with any factual statement;

The provision for presentations from individuals representing a range of points of view;

Agreement by the proponents of various positions on the accuracy of the portrayal of their position; and

The situation room should not become a propaganda tool for any one policy alternative.

VII. POSSIBLE FEDERAL POLICIES TO ENCOURAGE SYNTHESIS

The Federal Government could help to support the policy dialogue, informed by research and assisted by relevant technologies, in order to meet the need for improved synthesis, understanding and consensus.

This could include:

Increased emphasis on synthesis in support for basic and applied, policy-oriented research.

A Periodic or Annual Report and Hearings on Science and Technology Policy as related to national goals and problems;

Research, demonstrations and pilot projects concerning the goals institutions which conduct such policy dialogues. This could include support for workshops and an information system in order to communicate the successes, failures and lessons learned, and to help build a network of such groups.

Research and experimentation with situation rooms and the technologies for use in them.

Use of the Bi-Centennial Era as a time span within which to experiment with the institutions, processes and technologies for strengthening policy dialogues concerning problems and options confronting the United States.

These suggestions if implemented, could:

Help to promote an increased capacity on the part of policymakers and citizens to define, consider and communicate about the problems which confront them, the alternative solutions to the problems, and the impacts of the problems and alternatives;

Help guide changes in desired directions, based on a conception of the quality of life desired, and thereby

Help the citizens of the United States to protect and promote their capacity for self-government, freedom, well-being and quality of life.

Out of such processes may arise:

A better synthesis within and between our thought, action and institutions.

A better synthesis within and between our means for attaining goals (including the use and support of science and technology), our goals for solving problems, and the nature of the problems in the real world.

More accurate perceptions and better understanding, by policymakers and the public, of problems and options, at various levels.

Better consensus on desired courses of action.

Greater social cohesion, trust and institutional integration.

An increase in shared perceptions, values and attitudes even though conflicts of perceptions, value, interest and power will still remain.

A greater capacity to anticipate, prevent and cope with the problems which confront the nation and the world—to increase our margin of safety against threats to our survival and well-being, and at the same time, to protect and promote such values as freedom and representative government.

VIII. CONCLUSION

The lack of synthesis is a real problem which presents a challenge, an opportunity and a responsibility—

A challenge because intellectual, policy and social fragmentation is a key cause not only of many of the problems which we face, but also of our inability to achieve goals and solve national problems effectively.

An opportunity because we can do a better job of synthesis than we have to date; and

A responsibility because our survival and well-being depend on it.

A greater degree of intellectual, policy and institutional synthesis can help us to harness our resources more effectively to solve national problems, can help us link more closely our scientific knowledge and technological power to the achievement of national goals, and can help us to use our scientific knowledge and technological power more wisely so as to prevent and cope with rather than to cause the problems which confront us.

We live in a world which is fragmented in many ways. We have not adequately put together the parts of various fragmented systems—in our thought, in our actions, and in our institutions, and in the physical and social man-made worlds which we create and inhabit.

We have lost and not recreated a unified world view. Our actions are often conflicting, and the man-made social and physical environments which we create often lack integration of parts, coherence, harmony and beauty.

We need to begin now to develop the processes out of which a better synthesis can emerge in our thought and feeling, in our action, in the man-made environments which we create, in our perceptions of the world, and in our linking of means to goals to problems. Our survival and well-being depend on it.

KENNETH J. GRAY

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. HUNGATE. Mr. Speaker, little Egypt, all of Illinois, and the Nation will miss Ken Gray when he leaves us at the end of this Congress.

We all know that when Ken first came here, things were so slow in his district that the Mississippi River only ran 3 days a week. Financial institutions were so badly hit that the big muddy river only had one bank.

The highways, lakes, parks, and public buildings he has brought to the Nation and to southern Illinois will be the real monument to his efforts here. Congressman, magician, auctioneer and car salesman—we shall not soon see his like again.

Would you buy a used car from this man? Yes. In fact, Ken is so persuasive you would buy a second used car from him—even after the first one did not run.

As one who was born in Franklin County, Ill., I take particular pride in Ken Gray's accomplishments. In fact, he has gone further than we people from Benton ever thought anybody from West Frankfort would go.

Clothing futures on the eastern markets declined 10 points when it was learned Ken would return to Illinois.

Good health, happiness and continued success is our wish for this distinguished colleague.

TRIBUTE TO HON. THAD DULSKI

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. WINN. Mr. Speaker, today we are honoring our friend and colleague, Thad Dulski, on the occasion of his retirement from the House of Representatives after 16 years of service.

Because of his leadership as Chairman of the Post Office and Civil Service Committee since 1967, he has gained the respect and admiration of Members on both sides of the aisle.

He has guided legislation through his committee with an expertise that will be missed. All of those on the civil service rolls owe this man a debt of gratitude, for his tireless labors on their behalf.

I hope the years ahead will hold much in store for him and that his retirement will be all he hopes for it to be. Good luck Thad.

HON. H. R. GROSS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. GIAIMO. Mr. Speaker, I join with so many of my colleagues who have expressed their appreciation for the distinguished service which our friend and colleague, H. R. Gross, has rendered to the Third Congressional District of Iowa and to this Nation over his 26 years in the House of Representatives.

As he retires from the House, his colleagues have risen to voice their respect and admiration for the tenacity, purposefulness, and dedication to principle which H. R. Gross has always displayed. As the "watchdog of the Federal Treasury," H. R. has been totally committed to frugality in Government spending and the exposure of waste and extravagances in Government programs and administrations. Without regard to party or popularity, he has pursued his philosophy of conservatism and responsibility in Federal spending, often in opposition to legislators on either or both sides of the aisle.

I deeply respect the very valuable and valid contribution which H. R. Gross has made to this country, and I regret that the House will no longer feel the discipline of his watchful eye. There have been many occasions on which my views have differed from those of H. R. Gross, but I am certainly aware that his efforts and commitment have generally prompted better legislation. I know that his stand has always been dictated by his uncompromising view of the best interest of this Nation.

I am delighted to join my colleagues in tribute to this able legislator and outstanding man of integrity and principle.

TRIBUTE TO GENE AINSWORTH

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. FLOWERS. Mr. Speaker, I take this opportunity to commend the outstanding service of Gene Ainsworth, who is leaving his position as Special Assistant to the President.

As a specialist in congressional relations, he was a dedicated and talented public servant. I very much appreciate the assistance he has given my office.

Beyond that, he has been my friend for a long time, and I certainly wish him every good fortune in this new endeavors.

A TRIBUTE TO KEN GRAY

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mrs. MINK. Mr. Speaker in these last hectic days of the 93d Congress, I am happy to see that we have reserved some time to pay fond tribute to our departing colleague from Illinois, Ken Gray.

Ken Gray is completing his 20th year of service in the House. Over the years he has represented his constituents with dedication and consistent effort. His friends here in the House will long remember his ability to be both conscientious legislator and a warm, affable colleague.

We will feel his absence. In his years as chairman of the Public Buildings and Grounds Subcommittee of the Public Works Committee, he has been responsible for the erection and maintenance of public buildings throughout the Nation. Though this is not the sort of thing to garner headlines, I trust Ken Gray will take just pride in his accomplishments. These buildings are an enduring tribute to his legislative ability and his public concern.

I wish him all the best as he leaves this Chamber.

HON. LESLIE C. ARENDS

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. FOUNTAIN. Mr. Speaker, I would like to associate myself with the many fine tributes paid our distinguished friend and very able colleague, Leslie C. Arends, in this Chamber on December 16.

Les Arends has had a long and distinguished career in the House. He has demonstrated qualities of leadership matched by few others who have served in this body in the history of our Nation.

The finest praise any man can receive is a hearty "well done" from his colleagues and associates. Les Arends has received that kind of praise, and rightfully so, because he has been a good and faithful public servant.

He is an able and dedicated man and I

would like to add my own personal best wishes to those of his host of friends on both sides of the aisle.

Les, we will miss your steady and wise counsel.

HON. LES ARENDS

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. TREEN. Mr. Speaker, for the last 2 years, I have had the privilege of serving on the Armed Services Committee with Congressman Les Arends. I have come to greatly respect his judgment in military matters and his insight into the problems of maintaining a strong national defense in peacetime.

Les Arends has played an important role in fostering a nonpartisan approach to defense legislation, while, at the same time, ably serving the Republican membership as whip for the last 32 years.

His career covers a period that saw a huge growth in the size and complexity of our Armed Forces. But more importantly, Les Arends saw firsthand, almost 40 years ago, what can happen if this country lets its military defense weaken during peacetime.

I will miss his perspective on defense and other issues, a perspective that only long service in Congress can give. But I will always be grateful for these 2 years that I have been associated with him.

HON. JOHN ZWACH

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. SEBELIUS. Mr. Speaker, I would like to take this opportunity to comment in regard to the privilege I have had in serving with my good friend and colleague, the Honorable John Zwach, in this body and on the House Agriculture Committee.

Those who know John Zwach know of his dedication and sincerity. He has always put the needs of the folks back home in the Sixth District of Minnesota first in priority.

Congressman Zwach's tireless efforts in behalf of the farmer have earned him the title of "Mr. Parity." Hardly a day went by during his distinguished career in public office that he did not remind our urban colleagues that farmers must be treated fairly. His persistent efforts have been an important factor in influencing beneficial legislation and in improving prices for the farmer. He has truly been a friend and benefactor for the consumer and for American agriculture.

Mr. Speaker, I know of no Member of the Congress who has been more dedicated to the cause of American agriculture and our farmers. I will miss him. I know the citizens of Minnesota will miss him, but I also know they are most appreciative of his leadership, as are the farmers in my district in Kansas. With his absence we will lose a respected and effective voice in the House of Representatives.

I want to take this opportunity to wish John well in his self-styled retirement. I understand his future plans entail "going back to the farm." In this regard, I think all of us privileged to represent rural areas would like to tell John what he has been telling his people in Minnesota for years: keep us posted, we need your continued advice and counsel.

HON. JOHN J. ROONEY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ANDERSON of California. Mr. Speaker, I rise to join in the heartfelt tribute being paid today to John J. Rooney for his 31 years of outstanding service in the House of Representatives.

John Rooney will long be remembered by his colleagues, and in studies of the House, for his leadership role in the appropriations process as chairman of the State-Justice-Commerce Subcommittee. He has earned a well-deserved reputation as a guardian of the Federal Treasury, and has developed an expertise in these varied areas that is a match for any agency official who comes before him in search of funds for new or continuing programs. His attention to detail and his personal integrity have resulted in about 98 percent of his subcommittee's recommendations being approved by Congress. And, none of his bills were vetoed by any of the seven Presidents under whom he served.

Mr. Speaker, we say goodby to John J. Rooney with mixed emotions. We will miss his expertise and hard work; but we know he will enjoy his well-deserved retirement. And we dedicate ourselves to continuing the high standards he has set for deciding how to spend the taxpayers' money.

QUESTION FROM A CONSTITUENT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1974

Mr. KETCHUM. Mr. Speaker, I recently received a copy of the following letter to Senator Humphrey which was written by a constituent, Mr. Stuart Ross Smith. Mr. Smith asked that I call his questions to the attention of my colleagues:

> Dear Senator Humphrey: Would you please send me an answer to this question?
>
> Why can't Russia pay for our grain with gold or oil or chrome?
>
> They supposedly have plenty of these 3 items, so I am apparently blind to the logic of loaning Russia our money at 6% interest, to buy our grain.
>
> As far as that goes, why can't they pay their WWII lend-lease debt with gold or oil or chrome?
>
> So help me God, I can't understand this horrible travesty on the American people!
>
> Sincerely,
>
> Stuart Ross Smith.

As we prepare to consider the conference report on the new trade bill, I believe that Mr. Smith's questions deserve careful thought on the part of the Members of this House.

HON. OGDEN REID

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. MURPHY of New York. Mr. Speaker, Congressman Ogden Reid and I were elected to the 88th Congress in 1962 and we have served continuously for 12 years. He has been a model as a representative, legislator, and gentleman.

He came to the Congress with the highest of credentials, having served in the Army as an enlisted man and an officer, he was president and editor of the New York Herald Tribune, director of the Panama Canal Co., U.S. Ambassador to Israel, a member of the New York State Cabinet under Governor Rockefeller, and many other positions of distinction too numerous to mention.

In addition to his long record of public service, his education, especially in the area of foreign affairs, qualified him to be one of the leading members of the House Foreign Affairs Committee. On this committee he served on the Subcommittee on International Organizations and Movements, the Subcommittee on Europe, and the Subcommittee on Near East and South Asia.

Ogden Reid has served his country well and will continue to be an honor to his State and his country. I regret to see him leave the House of Representatives and I wish him success and good fortune.

HON. LES ARENDS

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. COTTER. Mr. Speaker, I want to join my colleagues on both sides of the aisle in paying tribute to an outstanding Member of the House of Representatives—the Honorable Les Arends of Illinois. For 40 years Les Arends has served his district, his State, and his Nation with unflagging devotion and skill.

Although I have been privileged to serve with Les Arends for only 4 years, I have been impressed with his knowledge and effectiveness within the House of Representatives.

Now I know that Mr. Arends has been an effective partisan in the best sense of that term; yet he is a man of honor and dignity, and he never gave in to narrow partisanship when our Nation's security was at issue.

Since coming to Congress in the 74th Congress in 1934 and serving as Republican whip since 1943, Les Arends has maintained consistently the respect of Members of both political parties.

In one sense—and I might add a provincial sense—I am happy the Republican Party will not have Les Arends to guide them; but on a deeper level I know the Congress will miss his wisdom and good work.

Therefore, Mr. Speaker, I want to take this time to wish Les Arends all the best of the future and hope he will continue to provide this Nation with his wise counsel.

MEMORIAL TRIBUTE TO PAUL DAGUE

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. SHRIVER. Mr. Speaker, it was with deep personal regret that I learned of the passing recently of a friend and former colleague, Paul Dague of Pennsylvania. It was my privilege to serve with him from 1961 to 1967, the year of his retirement from Congress. He had served his district, State and Nation with distinction for 20 years.

Those of us from Kansas had special respect for Paul's expertise and understanding of agriculture. He was a valued member of the House Committee on Agriculture and served as its ranking member. Although he did not come from the farm belt, he possessed a keen understanding of the problems of the farmer and their need for a fair return for their products.

Paul Dague was a warm human being who loved people. He will be sorely missed. We extend our heartfelt sympathy to Mrs. Dague on this great loss.

KENNETH J. GRAY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. PICKLE. Mr. Speaker, Representative Kenneth J. Gray has represented the 24th District of Illinois with tremendous ability and diligence for 20 years.

As chairman of the Subcommittee on Public Buildings and Grounds of the Public Works Committee, Ken Gray has left his mark on many of the fine construction projects of our country, especially in the Washington area. It was under his able leadership that public land was donated for a living tribute, the LBJ Memorial Grove.

Mr. Gray is a combat veteran of the European Theater during World War II. His civic accomplishments are almost as numerous as the things he has done as a public servant. Besides his work with veterans and other groups promoting the general welfare, Ken Gray was a founder of the Walking Dog Foundation for the Blind in 1950. This nonprofit organization was begun to train guide dogs for presentation to blind persons, free of charge. His involvement with such an altruistic cause is an indication of his character.

Ken Gray is a doer and a builder. His cautious management and overseeing abilities have given us a carefully-planned building program for our needed public works in this country. He will be greatly missed by his constituents, his colleagues and by the country as a whole.

HON. CHARLES S. GUBSER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ANDERSON of California. Mr. Speaker, I rise today to pay tribute to an outstanding Congressman and fellow member of the California delegation, Charles S. Gubser.

Charlie Gubser has conscientiously served his constituents in Santa Clara County, and indeed the State of California, for 22 years in the House of Representatives. During that time he has chosen to specialize in matters under the jurisdiction of the Armed Services Committee, and he currently serves as the ranking minority member of Subcommittee No. 1—Research and Development. His expertise in this critical, and often highly technical, area will be missed on both sides of the aisle.

Mrs. Anderson and I both hope Charlie and his lovely wife Jean will enjoy their well-deserved retirement and many years of good health and happiness.

FAREWELL TO LES ARENDS

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUES OF REPRESENTATIVES

Monday, December 16, 1974

Mr. SHRIVER. Mr. Speaker, it is always difficult to bid farewell to a friend and colleague and it is especially so in the case of Les Arends who is retiring after 40 years of distinguished service to Illinois and our Nation. Les Arends has indeed been a friend, a wise counselor and an effective leader during my service in this House. Only nine men have had longer service in the House than Les Arends.

His leadership abilities have long been recognized on the Republican side of the aisle and he has been elected to the important post of whip in every Congress since 1943. He leaves a big pair of shoes for our colleague from Illinois (Mr. Michel) to fill.

We will miss the wisdom, energy, and good humor of Les Arends in this House; but I am confident that he will be around from time to time to offer good counsel.

The Nation has been the beneficiary of the devoted service of Les Arends. I join with my colleagues in extending congratulations to him on a magnificent career of legislative service. Mrs. Shriver joins with me in wishing Les and his wife, Betty, good health, happiness, and contentment in the years ahead.

KENNETH J. GRAY

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 16, 1974

Mr. ARENDS. Mr. Speaker, all of us in the Illinois delegation regret that Kenneth J. Gray, of our 24th Congressional District, has decided to retire from the Congress.

It has been my pleasure to serve with Ken for the past 20 years. In that time we have developed a warm friendship and, although we do not share the same political affiliation, we have worked together on many projects of special interest to Illinois. No person has ever served in this House with greater dedication and enthusiasm or has given more freely of his time and talents for the benefit of his district, State, and Nation.

As a member of the Public Works Committee, Ken has played a vital role in the planning of our national highway system over these past two decades. The same may be said for the leadership he has provided as chairman of the Subcommittee on Public Buildings and Grounds toward the preservation and expansion of needed public facilities across the country and here in the Nation's Capital. Much of this we take for granted, but without Ken Gray much would not have been accomplished.

As a legislator, Ken will be missed in these Halls. As a friend, I shall also miss his delightful wit and humor. I wish him well in all his future endeavors.

NEW ADDITIONS TO WILDERNESS SYSTEM PROPOSED TO IMPLEMENT FORD RECOMMENDATIONS

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 17, 1974

Mr. HOSMER. Mr. Speaker, on December 4 the President transmitted to Congress proposals for 37 new additions to the Wilderness System. These proposals complete the initial, decade-long review prescribed by the 1964 Wilderness Act. The executive branch has now carried out the original provisions of that 1964 act and the Congress has before it the major wilderness recommendations of the executive branch.

There are included some 22 areas from Alaska to South Carolina within the National Wildlife Refuge System, 8 areas within the National Forest System, and 7 areas within the National Park System.

Mr. Speaker, today I am introducing legislation in the form of two bills which together encompass the 37 proposed wilderness areas outlined by President Ford in his December 4 message to the Congress.